

2021

Ugu District Municipality

2022

DRAFT

ANNUAL

REPORT

Contents

July 2022

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Preface

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above

Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

1.1 MAYOR'S FOREWORD



I take immense pleasure in introducing this Annual Report for 2021/22 fiscal year. This Annual Report highlights the achieved milestones and difficulties being experienced by the municipality for the year under review. And this report will also seek to presents an honest perspective about our challenges and achievements. Challenges which are not unique to Ugu District Municipality, and I am confident that with the existing leadership and collective wisdom of other political parties in Council and the Administration these challenges are not insurmountable.

During this current term of office, council have made bold pronouncements and commitments aligned to the identified priorities. Municipal council have put measures in place to improve and strengthen our financial position. This includes the adoption by council the Revenue Enhancement and Debt Reduction Strategies which are currently under implementation to reduce dependency on grants and increase our collections on water and sanitation services. And to sustain the healthy financial position of the municipality, the municipality rely heavily on our customers to continue supporting the municipality by honouring their monthly payments for services rendered.

The public outcry on our billing system has been heard and we have started to institute appropriate measures in this regard. We have already started to visit various areas across the district with an aim of resolving all billing queries from our customers. And we are certain that through this action, all billing issues will be accordingly

addressed. We have also extended the amnesty period for some of the consumer debt owed to the municipality and we are calling upon our communities to take advantage of this opportunity.

Also, another notable threat to our stable financial position is the illegal water connections which are rife among our communities. This Council has recently adopted a policy on Illegal and Unauthorised Water Connections. This policy will effectively aid the municipality in dealing with the widespread domestic and business illegal connections across the district.

The municipality has been very steadfast towards filling of critical vacancies and as such, an appointment of the Chief Financial Officer has been made. And accordingly, the municipality has appointed Mr Kushi Audan as the CFO and we are certain that his enormous experience will bring stability to municipal finances. We are also in the process of finalising processes towards the appointment of the municipal manager to bring about stability to our administration.

Our resolve to decisively implement consequence management among our workers has resulted to more than one hundred of our employees from our water services operations being dismissed. This occurrence has placed a severe strain on the municipality's water services operations. The dismissed employees have since filed an appeal through the labour court against their dismissal and as the applicable labour relations provisions, the municipality is restricted in filling these vacancies until their appeal process has been finalised.

Despite the unprecedented water disruptions in certain areas in the district, we have constantly managed to have conversations with various stakeholders to address their respective concerns on intermittent water supply. We have also built a strong rapport with Amakhosi and various community formations within the district to strengthen our resolve of being a people centred institution. A district war room has been established to monitor the implementation of water supply interventions across the district. The composition of the war room is inclusive of all sector departments and various community formations.

Our budget for the year under review is mostly influenced by the current socio-economic challenges faced by our district and the country in general. Also, the high unemployment rate that exist within our communities and the ever-increasing municipal debt puts a serious financial strain on the municipality's ability to deliver on its mandate of water and sanitation services. And this has necessitated for us to place more financial focus on our core municipal deliverables of water and sanitation services. Our revenue collection has been drastically affected during this period, but despite this, we still managed to provide our residents with water and sanitation services.

We further recommit to strengthen the existing social compact between communities, business, civil society, and us as government of building a responsive administration that works effectively for all the people of the district. Our

resolve to develop and strengthen our local economy that grows in the hands of the people is even more important now than ever before.

During this fiscal year, the municipality continues to experience several financial challenges which have compromised the municipality's ability to perform certain of its deliverables. The legacy of our ageing infrastructure coupled with the prevalent culture of non-payment by some residents for municipal services served as a major contributor to our financial situation.

We have also not departed from our deliberate efforts to actively intervene on the plight faced by our local developing businesses in the district. Through ring-fencing 30% of total procurement to Ugu District-based businesses we are certain that this will increase participation of local businesses to the economy of the district.

We still place a high emphasis on the Expanded Public Works Programme (EPWP) which is part of the municipality's poverty alleviation programme tailored to absorb many of our communities into the job opportunities.

Our journey continues, towards improving the lives of our communities through enhancing our efforts of delivering basic services. As we look forward to the Fourth Industrial Revolution which represents a fundamental change in the way we live, we still reiterate our unwavering allegiance to the core imperatives of the Freedom Charter and proudly proclaim our readiness to accelerate the radical economic transformation to bring about an equitable, just, and inclusive District.

I would also like to express my appreciation to the Members of the Executive Committee and Council for working tirelessly during this period to deliver upon our mandate in their respective portfolio committees.

I thank the Speaker of Council for his ongoing support and the leading role he plays in ensuring that Council fulfils its important oversight function.

Cllr PH Mthiyane

Mayor, Ugu District Municipality

COMPONENT B: EXECUTIVE SUMMARY

1.2 MUNICIPAL MANAGER'S OVERVIEW



MUNICIPAL MANAGER'S OVERVIEW

South Africa, within which Ugu District Municipality is located, as an emerging economy is not immune from the effects of a shrinking global economy and the after-effects of COVID 19. The shrinking of our Country's fiscus because of the above does negatively impact not only on the quantity of work Ugu District Municipality has to do to take care of its communities, but even the quality sometimes. This requires strict adherence to the principle of containing costs and doing more with less.

The National fiscus is under severe strain and grant expenditure must be curtailed. This unfortunately cannot translate to reduction in Service Delivery.

Municipalities must become more creative and look to "value add" for all expenditure. Our Supply Chain processes must be sharpened to ensure we receive value for money.

Service Delivery which is the primary reason for our existence cannot be compromised and our annual baseline targets must show an annual increase in output and enhanced outcomes.

The provision of basic service i.e. Water and Sanitation to all our communities must surely translate to a better quality of life for all our communities.

We must also take note of the consequences of the severe drought and give serious attention to new sources of water.

The situation of a high-water demand versus supply is already being attended to through our Six (6) Point Water Strategy Turnaround Plan because our District population has grown. This Strategy attempts to prevent unintended consequences as a result thereof going forward.

Building resilient municipal institutions is a prerequisite to taking developmental local government to greater heights. Municipalities must be able to continue achieving excellence in service delivery.

As our citizens become more involved in Local Government, we must provide a seamless flow of information to ensure meaningful participation and informed feedback. All our plans must be responsive to the needs of our communities.

The high rate of unemployment especially among our youth must be cause for concern. Whilst we acknowledge that we are not “an employment agency” we must in collaboration with other spheres create a climate for economic growth and investment which must create real jobs. As custodians of local resources, we must create attractive packages for investment. Investment must however be sustainable and long term. Our newly born entity known as the South Coast Tourism and Investment Enterprise (SCTIE), after the merging of the two entities that we had, will go a long way in assisting our District achieve this.

The Council of our District has heralded many changes of new and re-confirmed imperatives that find expression in the IDPs being developed for five (5) years.

The resultant SDBIPs are outcome based, delivering desired changes that enhance the quality of Life of affected communities.

One can indicate that there has been an improvement from a Disclaimer Audit opinion to a Qualified one for the past two years, including the 2021 financial year. Our Municipality is working hard to ensure that it can account for each rand that has been used for the provision of service to communities. The aim is to ensure that the Audit Opinion that it gets from the Auditor General of South Africa, as a result, is a favourable one in the coming financial year.

The unconditional financial sustainability of our Municipality cannot be compromised. Our cash flow position has increased to more manageable levels; however, the implementation of fiscal austerity cannot be relegated.

Through an innovative Asset Management System, we have to create a framework for monitoring of Repairs and Maintenance. The useful life of all our assets must be extended to its maximum. This will assist us in providing affordable services to our communities.

The causes of water disruptions especially, ageing infrastructure is being given focussed attention and necessary plans are in place to overcome these challenges.

The three (3) spheres of government were intentionally designed to complement, support and collaborate with each other to provide for the needs of all communities. We have adopted an Inter-Governmental Relations Policy for the District and its family of Municipalities, which we must review for greater levels of co-operation with all Government institutions.

Our newly born entity namely, South Coast Tourism and Investment Enterprise, has a very specific mandate. This is a structure created in partnership with private sector to mobilise resources and provide an environment for tourism and economic growth. In the long term this entity must become self-funded.

However human existence by its very nature is progressive and therefore our annual performance review must reflect an increase in tangible outcomes. Our staff must be capacitated and stay focussed to achieve identified deliverables. We must resist the temptation to employ more unnecessary staff wrongly believing that this will translate to an increase in quality and quantity of outcomes. Currently technology advancements require us to look to working smarter, thereby reducing our personnel costs through natural attrition.

As a sphere of government owned by all our beneficiary communities, we are dependent on many role-players and stakeholders whose support growth and expertise is necessary for our daily operations. We are fortunate to work with these public spirited, selfless organisations and individuals. Many of them are our inspiration.

Having answered the call to serve our people, we must remain, selfless, focussed, and resilient in implementing the agenda for developmental Local Government. We indeed, value our partners in this business, more especially our customers who in business sense, are king.

Dr EMS Ntombela

Acting Municipal Manager, Ugu District Municipality

1.3 AUDIT COMMITTEE CHAIRPERSON'S REPORT



Annual report of the
audit committee for t

1.4 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW INTRODUCTION TO BACKGROUND DATA

The municipality is responsible for the provision of basic services, being water and sanitation. In its portfolio is also Environmental Health services and Disaster management. The Local municipalities are not precluded from providing the latter services with the support of the district municipality.

The Municipal Structures Act of 1998 (amended) makes provision for the division of powers and functions between the district and local municipalities. The provincial MECs adjust these powers and functions according to the capacity of the municipalities to deliver services.

The Municipality's primary function is the provision of water and sanitation services, as well as the maintenance of water and sanitation infrastructure. Accordingly, most of the Municipality's resources should be directed in pursuit of this core mandate.

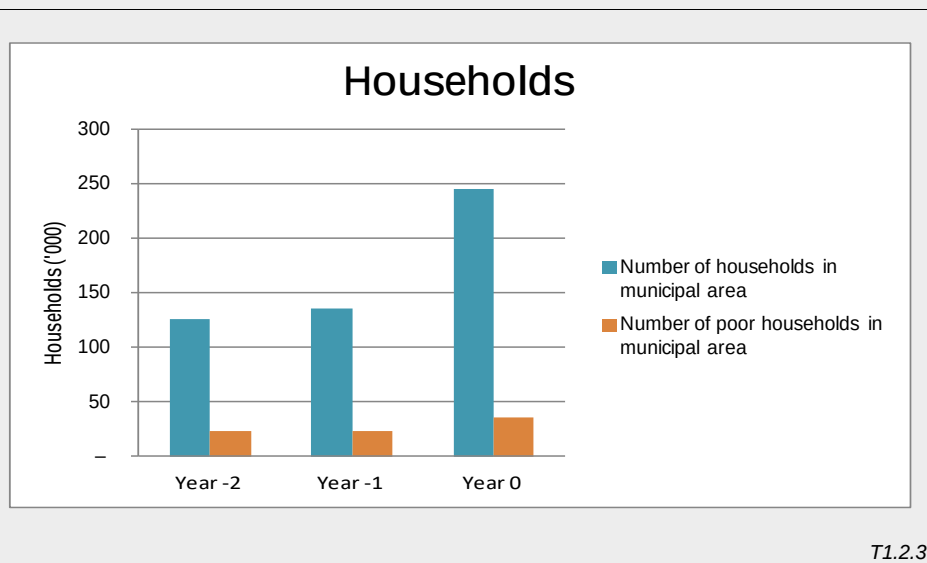
The achievement of universal access to water and sanitation must be drawing closer at a very progressive rate. The municipality has and is engaged in the following core functions:

- Provision of new water and sanitation infrastructure; and
- Maintenance, rehabilitation, and replacement of ageing infrastructure.

The Municipality's IDP, SDBIP and Performance Management Systems reflect the implementation of this universal imperative

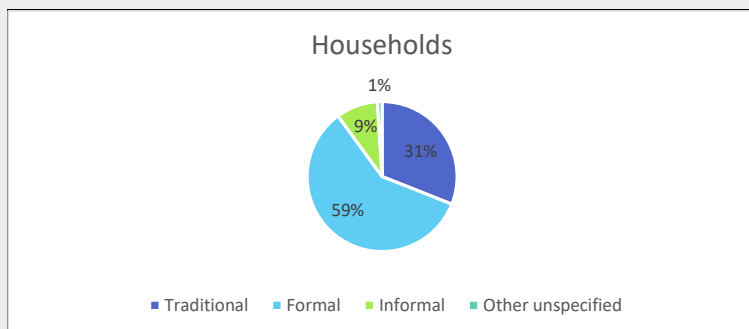
POPULATION

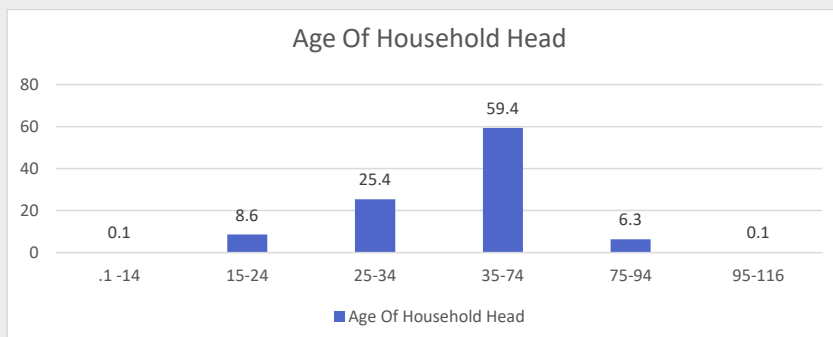
Population		Economic Profile	
Total Population	753 336	Total Number of Households	175 146
Young (0-14)	286 823	Average Household Size	4 (persons / hh)
Working age (15-64)	433 417	Access to Piped Water	125 308
Elderly (65+)	33 097	Access to Electricity	149 224
Area in km ²	4 908	Access to Sanitation	124 354
Population Density per km ²	153.49	Unemployment(official)	29.1
Growth Rates	0.042	Unemployment Rate (Youth)	36,0
Total Fertility Rate	67.5	Main Occupation Sector	Formal sector
Total Mortality Rate	6.0	Indigent Households	25 750
Sex Ratio (male/100 women)	92	Social Grants Recipients	288 728
Dependency Ratio	0.74	Literacy Rate	78



The Ugu District municipal area of jurisdiction is comprised of 175 146 households, average household size of 5 persons per household. The different types of household dwellings are formal, traditional, informal and caravan or tent. As per the Stats SA 2016 community survey almost two thirds of the types of dwellings in the district are formal (59%), with 31% being traditional and about 9% being informal. The growth of formal dwelling types is positive as they are more resistant to different pressures which may mitigate some disasters in the district. In terms of heads of households, the bulk percentage of heads of households is between the age groups 25 – 34 and 35 – 74 years. There is a concern however with the 15 063 (8.6%) households that are headed by age group 15 – 24 years as the majority of these households are headed by teenagers. Furthermore, there is still evidence of child headed households as reflected in Figure

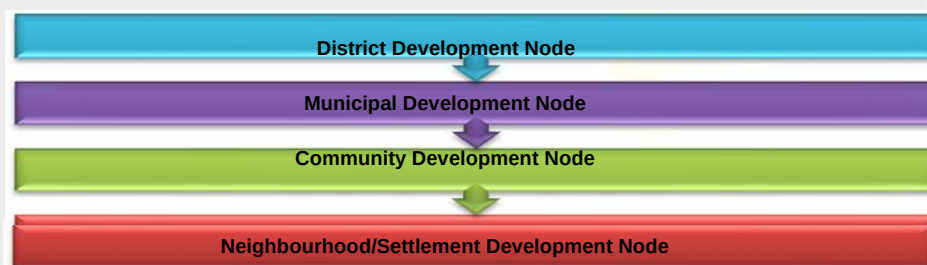
Source: Statics SA Community Survey, 2016





Source: Statics SA Community Survey, 2016

In August 2015, KZN COGTA published a report titled "Towards a framework for the classification of development nodes in KwaZulu-Natal – Regional spatial restructuring for an efficient delivery of services". The aim of the report was to provide a standardised classification of nodes throughout the province. The study identified the following categories of nodes



Source: Ugu District SDF, 2019

District development nodes: These nodes play an integral role in the regional economy and contribute substantially to the provincial economy. They serve as major clusters of economic activities and provincial population. They have considerably developed and diversified economies. They serve as both economic hubs and administrative centres, but also perform some service centre functions. Municipal Development Nodes are physically connected to each other and to urban centres outside their regions (districts), by frequent and reliable transport and all-weather roads. They offer diversified commercial, financial, professional and administrative duties and services. They accommodate sub-regional offices of national government departments and branch offices of provincial government departments. They provide facilities for large scale and diversified markets, function as communication nodes for a broad rural hinterland, and provide sites for agri-business and largescale agriculture processing. They also

provide space for the location of small-scale consumer goods industries, repair workshops, and light durable goods. They offer higher educational opportunities and more specialised vocational training; and provide diversified and multi-purpose hospitals and health clinics. Municipal offices would mostly be located in these development nodes.

Community Development Nodes are small towns that provide an area-wide exchange point household and common consumer products as well as farm inputs. They serve as nodes of transportation and distribution linked to regional centres within the province. They provide higher-level administrative services that cannot be found in community development nodes and offer vocational and secondary education, health and childcare services and rural commercial services.

Neighbourhood/Settlement Development Nodes: These would locate a settlement or cluster of settlements. Its service area would be limited to the surrounding settlements and would include lower order public, shopping and small business enterprise facilities. They serve as linkage between the local communities and the major towns and as such they should be located in accessible areas along or at the intersections on public transport routes. The majority of these are in the rural areas and would be discussed in detail in the local municipalities SDFs.

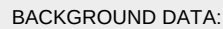
Corridors are areas of street or route-oriented uses which incorporate a mix of retail, employment and residential uses, developed at overall greater densities, located along arterial roads serving as major transit routes. Corridors link Nodes and important areas of activity within the district and are intended to be key locations for residential intensification. Corridors may form the boundaries of residential subdivisions or neighbourhoods but should act as a linear focus for activities and uses within the community. The District's Corridors provide a significant opportunity for creating vibrant pedestrian and transit-oriented places through investment in hard and soft infrastructure, residential intensification, infill and re-development.

The concept of spatial development requires an understanding of the movement networks of people, goods and services which are channelled along specific routes. These routes are described as networks of interaction. The level and intensity of activity that these networks of interaction provide result in the concept of "Development Corridors" which are broad areas of development which are centred on activity and development routes. They are characterised by dynamic, mutually supporting relationships between land uses and the supporting movement system. These development corridors are generally supported by a hierarchy of transport services which functions as an integrated system to facilitate and foster ease of movement for private and public transport users.

A key element of corridor development is intensification. A large portion of the District's land use intensification target is directed to Nodes and Corridors. In older Corridors, intensification stabilizes and grows the population, helping to support local businesses, institutions and community facilities such as community centres, parks and schools, thus returning vitality to these areas. In new or developing corridors, intensification, supported by transit, provides a diversity of housing types and living environments that reduce the dependency on automobiles, creating liveable environments.

The SDF recognizes Corridors as key structural elements for Municipal, neighbourhood and precinct planning; however, some corridors function as an integral part of a much broader environment with a national, provincial and district wide impact (N2). Therefore, a central element of corridor planning will be to identify the unique role played by each corridor and ensure that proper planning co-ordination and

Development corridors in Ugu DM occur at various scales and are dependent on function and categorisation of the transportation route that forms the basis of the corridor. They carry flows of people and trade between two points (origin and destination) and foster nodal development at strategic points. Corridor development forms the basis of spatial structuring and is a tool for economic growth. It seeks to create functional linkages between areas of higher thresholds and economic potential, with those that have insufficient thresholds. This, in turn, enables areas that are poorly serviced, to be linked to areas of opportunity and benefit and with higher thresholds



T 1.2.5

ENVIRONMENTAL OVERVIEW

The Municipality has taken a major focus on environment, considering the fact that environmental management issues are a major item of discourse across the globe. The municipality enjoys the natural resources tabulated below within its area of jurisdiction hence such resources ought to be managed properly through the development and implementation of a number of specific environmental management plans and capacitated institutional plan.

In extension to the district municipality, some local municipalities within the district are performing some of the Environmental Management functions with the district playing an oversight role.

Coast	Tourism, recreation and aesthetics, religious beliefs, source of livelihood (food, employment and income), research and education
Biodiversity	Tourism, recreation and aesthetics, religious beliefs, source of livelihood (food and income), research and education, traditional health (medicine)
Air quality	Clean and safe environment human health, education
Water resources	Domestic and industrial use, recreation, source of livelihood, education and research
Land	Agriculture, human settlements resources for human consumption, source of power and human contentment

The Coast

Ugu District Municipality in its Growth and Development Strategy identifies the coast as a major tourism attraction into the Lower South Coast. Further to tourism, the strategy also identifies the coast as a source of livelihood for many families who exploit marine resources to cater for their families and for accessibility of employment opportunities.

Water Resources

Water resources are used for domestic and industrial use, recreation, as a source of livelihood as well as for education and research

Biodiversity

Like the coast, biodiversity is also used to attract tourism to the district. There are features of the district biodiversity that have been exploited and redesigned for tourism attraction. Apart from tourism the district biodiversity is also used for religious beliefs, livelihood, research, and education as well as traditional health.

Land

Land is one of the primary resources for Agriculture, human settlements, resources for human consumption, source of power and human contentment. The district has therefore developed a number of policies to guide sustainable use of land.

Air Quality

Air Quality monitoring is used to promote a clean and safe environment.

1.5 SERVICE DELIVERY OVERVIEW

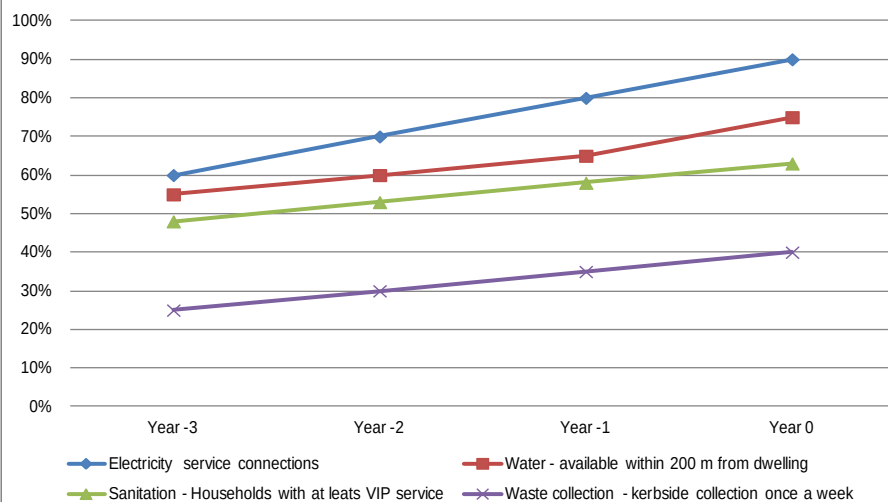
SERVICE DELIVERY INTRODUCTION

The major basic service delivery challenge faced by the district is the slow pace of backlog eradication and high levels of aged infrastructure. The ageing infrastructure results in high maintenance costs which have an adverse effect on the eradication of backlog due to limited funding. This also has a direct impact on the municipality's compliance with minimum requirements of the No Drop, Green Drop, and Blue Drop standard. Furthermore, the municipality's Water and Sanitation Master Plans and thus prioritization and planning of projects, is outdated and in the process of development despite the financial constraints. There is also a challenge of high levels of illegal connections which further strains the available resource.

T 1.3.1

Ugu District Municipality's core function is the delivery of water and sanitation to the community. It performs both the functions of being a Water Services Authority and Water Services Provider. In a committed endeavour to perform its core function to the satisfaction of the beneficiaries, the community, a number of achievements have been enjoyed the same way as a number of challenges have been experienced during the 2021/2022 financial year. Most of the achievements were based on service delivery successes with challenges on community impatience, existing infrastructure capacity and ageing infrastructure.

Proportion of households with access to basic services



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

Waste services remain below the 50% mark while sanitation services has shown a slight improvement in the last three years going above the 50% mark.

T 1.3.3

1.6 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Although the Municipality is technically solvent as its total assets exceed its total liabilities, liquidity remains a challenge. The Municipality might not be able to fulfil its financial obligations as it does not have enough investments, cash and other assets to repay its short term obligations.

This significantly contributes to going concern uncertainty as well as severe cash-flow and operational difficulties, especially when coupled with government grants not being paid timeously. The Municipality does not have adequate working capital as it did not have sufficient cash and other resources to pay trade and other payables.

The Municipality's expenditure (such as employee costs, rent, and bulk electricity purchases) exceeds its revenue (such as the equitable share of national revenue, unconditional grants, and consumer revenue for water and sewer services), however the net cash inflows from operating activities indicates that the Municipality is able to reasonably contain its cash operating expenditure and collect reasonably its anticipated revenue.

Further, the Municipality's management and the leadership remains committed to good budgeting and financial management, and for this purpose will monitor the implementation of budgets, including expenditure, revenue collection and borrowing. The effective functioning of the budget processes will contribute significantly to developing and sustaining financial health in the Municipality.

Financial Overview: Year 0			
R' 000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	R878 945 498	R879 620 000	R846 091 700
Taxes, Levies and tariffs	R501 877 729	R449 977 290	R441 667 315
Other	R107 680 143	R53 049 572	R215 022 471
Sub Total	R1 488 503 370	R1 382 646 862	R1 502 781 486
Less: Expenditure	R1 349 216 968	R1 249 655 670	R1 207 999 519
Net Total*	R139 286 402	R132 991 192	R294 781 967
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Costs	35%
Repairs and maintenance	4%
Finance Charges and impairment	4%

COMMENT ON OPERATING RATIOS:

"Employee Costs' expected to be approximately 30% to total operating cost by currently sits as 35% due to overtime expenditure incurred during the year. There have been efforts to reduce this expenditure including reducing working hours to 40 hours.; The 'Repairs and maintenance' ought to be 8% of the carrying value of assets however sits at 4%; Finance Charges and Impairment sits at 4% as opposed to the norm of 10%.

T 1.4.3

Total Capital Expenditure: Year -2 to Year 0

R'000

Detail	Year -2	Year -1	Year 0
Original Budget	R286 804 518	R275 992 991	R333 687 300
Adjustment Budget	R277 750 781	R251 761 626	R343 638 255
Actual	R268 933 990	R146 123 447	R318 870 581
T 1.4.4			

CAPITAL EXPENDITURE:

The capital contributions have been dropping over the years due to the drop in the capital contribution from internal funds in a bid to reduce costs. The district municipality closed the financial year at 100% expenditure on Capital

T 1.4.5.1

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality adopted a reviewed organogram on the 23 June 2022. This section therefore gives a thorough analysis of the reviewed organogram and the vacancy rates within the Municipality. The current number of employees employed by the Ugu District Municipality is 798, as broken down in the table below. The total amount spent on the salaries averages to R18 – R19 million per month and R 3 million to R4 million is allocated to overtime. The employee costs will be further analyzed under the Financial Viability section.

Table 1.5.1: Ugu District Employees per Department

Source: Ugu District Municipality Corporate Services, HR system

Department	Number of Employees
Water Services	481
Economic Development & Environmental Services	25
Budget and Treasury	118
Corporate Services	91
Municipal Manager's Office	83
Table 1.5.1	

The organogram currently has 1057 positions approved with only 798 filled making the vacancy rate 25% (including budgeted and unbudgeted vacancies). In terms of the age analysis of the Ugu District Municipality's employees, it is broken down as per table 1.5.2.

Age group	Number
22 - 35	172
36 – 45	268
46 – 55	251
56 – 60	84

61 – 65	23
Table 1.5.2	

What emerges from the age analysis of the employees of Ugu District Municipality is that a total number of 107 employees are within a retirement bracket. This amounts to 13 % of the total positions filled in the municipality. In the table below; Ugu District Municipality age analysis is further analyzed with the age brackets and positions held.

Ugu District Employees per Age Group and Positions held.

Post Level	22-35	36-45	46-55	56-60	61-65	Total
0 – Municipal Manager	0	0	0	0	1	1
1 - General Managers	0	2	2	0	0	4
2- Senior Managers	0	2	1	0	0	3
3 - Managers	1	15	8	0	0	24
4 - Officers	2	13	10	4	0	29
5 - Practitioners	1	6	3	2	2	14
6 - Accountants/ other professionals	71	103	82	22	4	282
7 - Foremen / Personal Assistants	3	7	8	4	1	23
8 - Senior clerks, secretaries	4	14	0	1	0	19
9 - Clerks, operators Class 3, admin assistant	36	25	12	4	0	77
10 - Office Clerks	0	1	1	1	0	3
11 - Customer care clerks, VTS supervisors	6	3	1	0	0	10
12 - Operators Class 2, receptionist	2	1	5	4	0	12
13 - Drivers, machine operators	8	21	17	7	4	57
14 - Operators Class 1, Senior shift workers	3	6	6	4	2	21

Post Level	22-35	36-45	46-55	56-60	61-65	Total
15 - Handyman, shift workers	5	1	6	2	0	14
16 - Plant reproduction assistant	0	0	0	0	0	0
17 - General Workers Grade 1	1	0	3	0	0	4
18 - General workers, Filing clerks, General assistants	29	48	86	29	9	201
Totals	172	268	251	84	23	798

1.8 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The Auditor General provided a qualified audit opinion for the current year. Details of the findings is annexed hereto.

T 1.6.1

To attach after audit opinion

1.9 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July 2022
2.	Finalise the 4th quarter Report for previous financial year	July 2022
3.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	July 2022
4.	Municipal entities submit draft annual reports to MM	July 2022
5.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2022 December 2021
6.	Mayor tables the unaudited Annual Report	January 2023
7.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	August 2022
10.	Municipalities receive and start to address the Auditor General's comments	September – Dec 2022
11.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January 2023
12.	Audited Annual Report is made public, and representation is invited	February 2023
13.	Oversight Committee assesses Annual Report	March 2023
14.	Council adopts Oversight report	
15.	Oversight report is made public	After adoption
16.	Oversight report is submitted to relevant provincial councils	
17.	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

The municipality has a designated Annual Report Co-Ordinator and 5 champions. Each champion is a representative for a department and has the responsibility of collecting and collating data from their respective departments for incorporation into the Annual report.

The key focus objective was to ensure the development of a credible and quality assured annual report with accurate information.

The following is a summary of the process for the compilation of the 2021/2022 Annual Report. The process plan was developed in accordance with the relevant legislative framework prescriptions.

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL, ADMINISTRATIVE & CORPORATE GOVERNANCE

Governance is the system of rules, practices and processes by which the municipality is run.

The district Municipality ensures and maintains sound Governance through its IGR structures. This addresses the need for the public to be a part of the decision-making process through structures like the Public Participation process and IDP Rep Forum and promotes dialogue with communities. Through all spheres of government, the Mayors' and Speakers' Fora as well as the Clusters are tools available for good governance.

Administratively the Accounting Officer is the head and accounts to the Council and the Executive Committee

To maintain oversight, Council has established Council Committees in terms of Section 79 and 80 of the Municipal Structures Act. These committees deliberate on reports by administration. This is a means to ensure that the principles of Governance e.g., Accountability, are adhered to. The public also has access to Council meetings allowing transparency, equity and inclusiveness amongst others.

Section 79 committees in place are the Audit committee and Municipal Public Accounts committee and they ensure that the public purse is accounted and utilised prudently.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Constitution of South Africa, in Section 151(3), states that a Municipality has the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation as provided for in the Constitution.

The Council is a legislative Political Structure which is entrusted with the oversight responsibility on matters pertaining to the developmental progress and implementation of service delivery projects. There are various Portfolio Committees as legislated through section 80 of the Municipal Structures Act 117 of 1998, that are each convened by the members of the Executive Committee who play a political oversight on various activities that are implemented by Municipal Administration Departments. All these Portfolio Committees report to the Executive Committee, whose chairperson is the Mayor, which takes decisions and resolves to recommend to Council for the implementation of service delivery matters.

From July 2021 to September 2021, the Portfolio Committees were as follows:

- Portfolio Committee on Finance
- Portfolio Committee on Water and Sanitation
- Portfolio Committee on Local Economic Development
- Portfolio Committee on Sound Governance and Human Resources
- Portfolio Committee on Special Programmes

From December 2021, the Portfolio Committees are as follows:

- Portfolio Committee on Finance
- Portfolio Committee on Water and Sanitation
- Portfolio Committee on Local Economic Development, Special Programmes and Youth Development
- Portfolio Committee on Sound Governance and Human Resources

It is a legislative requirement that an Audit Committee be established which considers the Auditor General's report and its implications for internal risk management and performance audit matters. The purpose and objective of the Audit Committee is to advise the Municipal Manager on:

The members of the Audit Committee are defined in the MFMA 166(4), 166 (5) and at Ugu District Municipality, the unit of Internal Audit which is based within the Office of the Municipal Manager provides support to this committee.

The Audit Committee has the following responsibilities;

- **Financial Statements**

Ensure that all financial reports are complete and consistent with the information required. Review financial reports with management and the external auditors, before filing with regulators.

- **Internal Control**

Ensure the effectiveness of the council's internal control over annual and interim financial reporting, including information technology security and control. Understand the scope of internal and external auditor's review of internal control and obtain reports on significant findings with specific reference to the safeguarding of assets, accounting records and the maintenance of effective internal control systems.

- **Internal Audit**

Review with management the charter, plans, activities, organisational structure of the internal audit activity. Ensure there are no unjustified restrictions or limitations. Review the effectiveness of the internal audit activity, including compliance with the Institute of Internal Auditor's Standards for the Professional Practice of Internal Auditing. On a regular basis, meet separately to discuss any matters that the committee or auditors believe should be discussed privately.

- **External Audit**

On a regular basis, meet with the external auditors to discuss any matters that the committee or external audit believes should be discussed privately.

- **Compliance**

Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of investigations, follow-ups of any instances of non-compliance. Review the findings of any examinations by regulatory agencies, and any auditor observations. Review the process for communicating the code of conduct to Council personnel and for monitoring compliance therewith. Obtain regular updates from management and legal counsel regarding compliance matters. Assess the reliability of performance information reported and commission in-depth performance investigations where there is continued poor performance. Evaluate the committee's performance on a regular basis. Institute and oversee special investigations as needed.

Review and assess the adequacy of the committee's Charter annually, requesting Executive Committee approval for proposed changes. Confirm annually that all responsibilities outlined in this charter have been carried out. Section 14(4) (a) (iii) of the Local Government Municipal Planning and Performance Management Regulations requires that the Audit Committee submit a report to the Municipal Council at least twice a year, regarding the Performance Management System. In fulfilling its role and in carrying out its duties and responsibilities, the Audit Committee may conduct such investigations and seek from any employee or Councillor such information as it considers necessary to enable it to fulfill its functions, and all employees and Councillors are required to co-operate with any request made by the Audit Committee. The committee must consider and recommend improvements in financial control and accounting systems as well as assess extraordinary items or abnormal disclosures with specific reference to: -

- The annual financial statements;
- Accounting policies and practices;
- Specific strategic reports;
- External audit procedure;
- The annual external audit report before submission to the relevant committee;
- All Internal audit activity;
- Compliance with law, audit and accounting standards; and
- Reports of the Head: Investigations.

Audit committee members do not have any authority to make any decisions on behalf of the Council.

In terms of the Municipal Audit Committee's functionality and oversight process at Ugu District Municipality, the following is applicable;

- The Municipal Audit Committee report directly to council,
- Oversee the functionality of the municipality's internal audit and risk management unit.
- All reports requiring Audit Committee consideration shall first go to the Management Committee
- The reports shall then go to the Audit Committee which shall meet at least once every two months;
- After consideration by the Audit Committee, the reports shall be tabled to the Council, by the Chairperson of the Audit Committee or his/her nominee;

MPAC

The Municipal Public Accounts Committee (MPAC) must report directly to Council through the Speaker: Any other form of reporting line will compromise its independence, authority and integrity. As MPAC performs an oversight function on behalf of Council it is not a duplication of, and must not be confused with either the Audit Committee or the Finance Portfolio Committee. The Audit Committee is an independent advisory body that advises Council and the Executive on financial and risk matters and can act as an advisory body to MPAC. The Finance Portfolio Committee deals with financial management issues such as budget, revenue and expenditure management as well as supply chain management. The primary function of a MPAC is to help Council to hold the Executive and the municipal administration to account and to ensure the efficient and effective use of municipal resources. It will do this by reviewing public accounts and exercising oversight on behalf of the Council.

The committee must examine:

- financial statements of all executive organs of Council;
- any audit reports issued on those statements;

- any reports issued by the AG on the affairs of any municipal entity;
- any other financial statements or reports referred to the committee by Council; and
- the Annual Report on behalf of Council and make recommendations to Council thereafter; and

The committee may

- report on any of those financial statements or reports to Council;
- initiate and develop the annual oversight report based on the Annual Report;
- initiate any investigation in its area of competence; and
- must perform any other function assigned by resolution of Council.

When the committee examines the financial statements and audit reports of a municipality or municipal entity, it must take into account the previous statements and reports and report on the degree to which shortcomings have been rectified; The committee must monitor the extent to which its recommendations and that of the AG are carried out. The outcomes and the resolutions of the deliberations of this committee must be reported to Council and made public; and It must enhance the accountability process by ensuring that there is objective political oversight, which allows for public involvement and comments in addition to other established governance committees, such as the Finance Portfolio Committee and the independent Audit Committee. MPAC, like other council committees, should solely be comprised of Councillors appointed by a full council meeting. The actual size should be determined by the size of a Council (i.e. number of Councillors), but care should be taken to ensure that members represent a wide range of experience and expertise available in Council as well as political representation. ranging between a minimum of 5 to a maximum of 12, mainly dependent on the size of the Council. In keeping with the tradition of oversight function, the Council may consider whether a member of an opposition party must chair a MPAC. The Mayor and members of the executive committee are not allowed to be members of a MPAC.

Reports requiring the Municipal Public Accounts Committee's Consideration follow the process as below;

- All reports requiring Municipal Public Accounts Committee's consideration shall first go to the Management Committee;
- In order for the MPAC to be able to deal with a report, the Chairperson of the relevant Portfolio Committee and the Head of Department responsible should be present at the tabling of the report;
- Reports from MPAC shall go directly to the full Council with a report from the MPAC Chair;

This committee meets at least once quarterly as per the annual council roster of meetings. There is a person deployed by the KZN Department of Cooperative Governance and Traditional Affairs, who advises, provides support and gives strategic direction on matters of public participation.

POLITICAL DECISION-TAKING

The executive and legislative authority of a Municipality is vested in its Municipal Council. The pre-eminent roles of the Council, amongst others, are the approval of by-laws, budgets, policies, IDP, tariffs for rates and service charges. The Council consists of 35 members, eight of whom are full-time.

Refer to

Appendix A where a full list of Councilors can be found (including committee allocations and attendance at council meetings).

Appendix B sets out Committees and Committee purposes

UGU DISTRICT MUNICIPAL COUNCIL July 2021 to 30 November 2021

SPEAKER: CLLR NH GUMEDE

MEMBERS: Cllrs NH Gumede (Speaker), SR Ngcobo (Mayor), PH Mthiyane (Deputy Mayor), LMR Ngcobo (Exco Member), SP Mthethwa (Exco Member), NT Dlamini (Exco Member), AD Ngubo (Exco Member), L Mzimela (Exco Member), SN Caluza, SH Cele, SR Cele, TB Cele, S Chetty, Disane, K Dladla, TW Dube, JJ East, M Gcwabe, GD Henderson, DMM Hlengwa, SE Khawula, BE Machi, MA Majola, H Mbatha, S Mngomezulu, NCP Mqwebu, ZZ Msani, NY Mweshe, Y Nair, PT Naude, D Nciki, HJ Ngubelanga, B Ntusi, A Rajaram and MPL Zungu

UGU DISTRICT MUNICIPAL COUNCIL December 2021 to June 2022

SPEAKER: CLLR SR NGCOBO

Cllrs SR Ngcobo (Speaker), PH Mthiyane (Mayor), V Chiya (Deputy Mayor), SN Caluza (Exco Member), GD Henderson (Exco Member), SP Mthethwa (Exco Member), D Nciki (Exco Member), NA Njenga (Exco Member), EV Baptie, P Breedt, TT Hlophe, ST Khathi, SE Khawula, MZ Luthuli, BE Machi, BE Majola, MA Manyoni, SHE Mngoma, TH Msabala, MP Mteshane, N Mweshe, N Ndovela, SA Ngcece, LMR Ngcobo, JS Ngwane, M Ngwane, X Nkasa, SP Ntuli, B Nyuswa, J Schmidt, GS Shange, PC Shange, BN Shoji, MP Shoji, MP Tenza, MV Vezi, LS Zungu

Please note that Cllr BE Majola (AIC) had resigned in April 2022; hence there was one vacancy from May 2022 to June 2022.

EXECUTIVE COMMITTEE

July 2021 to 30 November 2021:

Chairperson: Cllrs SR Ngcobo (Mayor) (ANC), PH Mthiyane (Deputy Mayor) (ANC), LMR Ngcobo (Exco Member) (DA), SP Mthethwa (Exco Member) (IFP), NT Dlamini (Exco Member) (ANC), AD Ngubo (Exco Member) (ANC), LM Mzimela (Exco Member) (ANC), and NH Gumede (Speaker: Ex-Officio) (ANC).

EXECUTIVE COMMITTEE

Dec 2021 to 30 June 2022:

Chairperson: Cllrs PH Mthiyane (Mayor) (ANC), VM Chiya (Deputy Mayor) (ANC), GD Henderson (Exco Member) (DA), SP Mthethwa (Exco Member) (IFP), NA Njenga (Exco Member) (EFF), D Nciki (Exco Member) (ANC), SN Caluza (Exco Member) (ANC), and SR Ngcobo (Speaker: Ex-Officio) (ANC).

Portfolio Committee on Sound Governance & Human Resources: July 2021 to Nov 2021	Portfolio Committee on Local Economic Development: July 2021 to Nov 2021	Portfolio Committee on Water & Sanitation: July 2021 to Nov 2021	Portfolio Committee on Finance: July 2021 to Nov 2021	Portfolio Committee on Special Programmes July 2021 to Nov 2021
Chairperson:	Chairperson:	Chairperson:	Chairperson:	Chairperson:
Cllr LM Mzimela (ANC)	Cllr AD Ngubo (ANC)	Cllr PH Mthiyane (ANC)	Cllr SR Ngcobo (ANC)	Cllr NT Dlamini (ANC)
Members:	Members:	Members:	Members:	Members:
Cllr GS Mngomezulu - ANC Cllr NY Mweshe - ANC Cllr Y Nair - ANC Cllr S Chetty - ANC Cllr SH Cele - ANC Cllr LMR Ngcobo - DA Cllr SE Khawula - IFP	Cllr DMM Hlengwa (ANC) Cllr SN Caluza - ANC Cllr TB Cele - ANC Cllr K Diadla (ANC) Cllr ZZ Msani - IFP Cllr SP Mthethwa -IFP Cllr JJ East - DA	Cllr H Mbatha – (ANC) Cllr MPL Zungu – (ANC) Cllr HJ Ngubelanga – (ANC) Cllr TW Dube – (ANC) Cllr SP Mthethwa – (IFP) Cllr TA Disane – (IFP) Cllr PT Naude – (DA)	Cllr MPL Zungu – (ANC) Cllr S Chetty – (ANC) Cllr D Nciki – (ANC) Cllr Y Nair – (ANC) Cllr SH Cele – (ANC) Cllr LB Ntusi – (IFP) Cllr GD Henderson – (DA) Cllr MA Manyoni – (ANC), Ex-Officio	Cllr SN Caluza - ANC Cllr GS Mngomezulu – ANC Cllr N Mweshe – (ANC) Cllr NCP Mqwebu – ANC Cllr BE Machi - IFP Cllr LMR Ngcobo - DA Cllr A Rajaram – DA

Portfolio Committee on Sound Governance & Human Resources: Dec 2021 to June 2022	Portfolio Committee on Local Economic Development, Special Programmes & Youth Development Dec 2021 to June 2022	Portfolio Committee on Water & Sanitation: Dec 2021 to June 2022	Portfolio Committee on Finance: Dec 2021 to June 2022
Chairperson:	Chairperson:	Chairperson:	Chairperson:
Cllr D Nciki (ANC)	Cllr SN Caluza (ANC)	Cllr VM Chiya (ANC)	Cllr PH Mthiyane (ANC)
Members:	Members:	Members:	Members:
Cllr NY Mweshe - ANC Cllr SA Ngcece - ANC Cllr SP Ntuli - ANC Cllr MP Shoji – ANC Cllr J Schmidt – DA	Cllr SHE Mngoma (ANC) Cllr MP Shoji - ANC Cllr NY Mweshe - ANC Cllr TT Hlophe (ANC) Cllr MV Vezi – IFP	Cllr GS Shange – (ANC) Cllr FM Ngwane – (ANC) Cllr MZ Luthuli – (ANC) Cllr PC Shange – (ANC) Cllr JS Ngwane – (IFP)	Cllr FM Ngwane – (ANC) Cllr ST Khathi – (ANC) Cllr B Nyuswa –(ANC) Cllr LS Zungu – (ANC) Cllr SP Mthethwa – (IFP)

Portfolio Committee on Sound Governance & Human Resources: Dec 2021 to June 2022	Portfolio Committee on Local Economic Development, Special Programmes & Youth Development Dec 2021 to June 2022	Portfolio Committee on Water & Sanitation: Dec 2021 to June 2022	Portfolio Committee on Finance: Dec 2021 to June 2022
Cllr BN Shoji – IFP Cllr BE Machi (IFP) Cllr NA Njenga (EFF)	Cllr BE Machi -IFP Cllr GD Henderson – DA Cllr BE Majola (ABC)	Cllr MP Tenza (IFP) Cllr P Breedt – (DA) Cllr NA Njenga (EFF)	Cllr TH Msabala- (IFP) Cllr VE Baptie – (DA) Cllr X Nkasa (EFF) Cllr MA Manyoni – (ANC), Ex-Officio

POLITICAL DECISION-MAKING

Every Municipal Council has the right to determine its internal procedures; this right is protected by S160 of the Constitution, which also allows the Municipal Council to decide what mandate or area of responsibility it assigns to political structures, office bearers and the Municipal Manager. This right is coupled with an obligation in the Municipal Systems Act 32 of 2000, which instructs each municipality to define the roles and areas of responsibility of political office-bearers and political structures. This definition process is done through the terms of reference, which seek to precisely outline the roles and responsibilities of the Councillors, political structures and officials in a municipality as identified in legislation.

The purpose of the Executive Committee is to delegate specific functions to committees as provided for in Part 5: Section 79 of the Municipal Structures Act, 1998. The Executive Committee exercises oversight responsibilities in respect of the day-to-day activities of Council.

The object of the Council Committee is to perform the following functions:

- To formulate and develop legislation and policies pertaining to the functions of the administration;
- To provide oversight in the implementation and monitoring of the approved legislation, by-laws, policies, municipal budget as well as Council's strategic plans;
- To consider any report on legislation, policies (Budget and Integrated Development Planning included), and bylaws with regard to the administration; and
- To ensure that the inputs from the communities and sector fora are given due consideration and Councillor Mthiyane, Acting Mayor / Chairperson of the Executive Committee, accounts where applicable

GENERAL FUNCTIONS OF THE EXECUTIVE COMMITTEE

- Recommends to Council after consultation with the relevant Portfolio Committee, policies where Council had reserved the power to make the policies itself
- Makes recommendations to Council in respect of Council's legislative powers
- Determines strategic approaches, guidelines and growth parameters for the draft budget including tariff structures

These Portfolio Committees continue to assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects

PORTFOLIO COMMITTEE ON FINANCE

The Portfolio Committee on Finance is a Section 80 Committee, responsible for the following functions and making recommendations to the Executive Committee thereon:

- Familiarise, interrogate, and recommend to the Executive Committee the budget and reports on economic issues, statistical information, agreements, financial reports and reports on economic and policy statements.
- Sharpen public awareness of the budget and Government financial and economic policies, and encourage informed debate on the budget.
- Advise the Executive Committee on the district municipality's domestic borrowing policies.
- Study Government's policies as regards budgets and advise accordingly.
- Seek advice from all three spheres of Government, on financial and other budget related matters.
- Drive the entire budget process as alluded to by legislation, thus ensuring that budgets are based on priorities and realistic income and expenditure.
- Advise on processes that need to be put in place for formulating and monitoring the budget, throughout its cycle, that will enhance the District Municipality's role in appropriating and overseeing the budget and make the budget process more responsive to stakeholders.
- Advise on budget programmes that need to be given special treatment during budget implementation.
- Ensure that the budget of the District Municipality is used as a primary tool for implementing National and Provincial Policies.
- Review the relevant legislation and future legislation (bills) with financial and budget implications and advise the Executive Committee accordingly.
- Deal with any other budget related matter referred to the Committee by the Executive Committee.
- Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.

PORTFOLIO COMMITTEE ON SPECIAL PROGRAMMES

The Portfolio Committee on Special Programmes is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:

- Undertake the following special programmes in respect of Policy, Strategy and Programmes.
 - o Youth;
 - o Senior Citizens;
 - o People with Disability;
 - o Gender;
 - o Moral Regeneration;
 - o Rights of the Child; and
 - o Farm Workers
 - o EPWP
- Lobby and advocate for special programmes' interests by other Portfolio Committees within Council.
- Coordinate response for vulnerable groups
- Facilitate and monitor an evaluation framework for all the functional areas.

PORTFOLIO COMMITTEE ON SOUND GOVERNANCE AND HUMAN RESOURCES

The Portfolio Committee on Sound Governance and Human Resources is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon

- To develop and recommend the Good Governance and Human Resources Services portfolio policies;
- To develop and recommend the Good Governance and Human Resources portfolio by-laws;
- To consider and make recommendations in respect of the draft budget and IDP of the Human Resources & Sound Governance Portfolio;
- To ensure public participation in the development of policy, legislation, IDP and budget of the Human Resources & Sound Governance Portfolio;
- To monitor the implementation of Council policies in respect of the Human Resources & Sound Governance portfolio;
- To ensure the provision of efficient, economical and effective administration of the municipality, to co-ordinate secretarial services, to oversee the delivery of the human resource services, and to render management and transformation services;
- To oversee the delivery of support services to the Council
- Exercise delegated authority after considering a report from the designated officials for the Human Resources & Sound Governance Portfolio;
- Introduce to Exco the recommendations from the Human Resources & Sound Governance Portfolio Committee.

The objective of the Sound Governance & Human Resources Portfolio Committee is to assist the executive committee on the functions listed below:

Administration and Operational Support

- Corporate Strategies, Systems and Services;
- Records Management and Registry Services;
- Secretariat Support and Printing Services;
- Occupational Health and Safety;
- Employment Equity Planning.
- Wellness: EAP.
- Customer Relations.
- Performance management
- Information Communications Technology.
- Facilities Management; and
- Enterprise Security
- Development planning including IDP Development and GIS
- Intergovernmental Relations
- Legal Services
- Statutory Compliance Legislation, and Legal Research
- Strategic Human Resources and Personnel Services
- Individual Performance Management.
- Training and Development;
- Labour Relations and
- Personnel Management

PORTFOLIO COMMITTEE ON LOCAL ECONOMIC DEVELOPMENT

The Portfolio Committee on Local Economic Development is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:

- Oversee the implementation of all applicable legislation relating to social and Economic Development, National Development Programmes, Provincial Development Programmes, trading regulations, investment opportunities, transport, land affairs, electrification, housing and public works.
- Oversee all aspects, programmes and activities of local economic development.
- Oversee all fiscal and other incentives designed to promote social and economic development.
- Oversee environmental management and ensuring environmental planning, education, sustainable development management.
- Oversee the provision of efficient environmental health services through continuous monitoring and enforcement.
- Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.

PORTFOLIO COMMITTEE ON WATER AND SANITATION

The Portfolio Committee on Water and Sanitation is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:

- Advise the Executive Committee on all legislation or prospective legislation relating to: -
 - o Water and Sanitation Reticulation;
 - o Water and Sanitation Treatment Works;
 - o Water and Sanitation Capital Projects;
 - o Water and Sanitation Operations;
 - o Water and Sanitation Operational Projects;
 - o Non-Revenue Water;
 - o Water Restrictions;
 - o Water Services Planning;
 - o Emergency Water and Drought Relief;
 - o Ground Water;
 - o Industrial Effluent and Recycling of Wastewater;
- Oversee the following municipal services:
 - o Water and Sanitation Reticulation;
 - o Water and Sanitation Purification;
 - o Water and Sanitation Designs;
 - o Water and Sanitation Operations;
 - o Water and Sanitation Capital projects;
- Oversee municipal infrastructure development and services to meet the needs of the Municipality in the discharge of its responsibilities.
- Oversee the commissioning of the best methods to deliver the aforementioned municipal services and facilities to the maximum benefit of the community of the municipality.
- Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.
- To obtain expert advice where deemed necessary.

EXECUTIVE COMMITTEE

The Executive Committee exercises oversight responsibilities in respect of the day-to-day activities of Council. The Ugu Executive Committee has delegated plenary powers to exercise the powers, duties and functions of Council, excluding those plenary powers expressly delegated to other standing committees and those powers which are wholly resolved to the Ugu District Council. Notwithstanding the above, the Executive Committee is authorised to exercise any of those plenary powers delegated to other Standing Committees in circumstances where any matters from these committees are referred to the Executive Committee.

From July 2021 to November 2021, the municipality had 35 Councillors, seven EXCO members, with the Speaker being the Ex-Officio.

From December 2021 to June 2020, the municipality has 37 Councillors, seven EXCO members, with the Speaker being the Ex-Officio.

THE STATUTORY FUNCTIONS OF THE EXECUTIVE COMMITTEE, IN RESPECT OF THE MUNICIPAL FUNCTIONS, ARE:

- Review of the performance of the municipality in order to monitor and improve performance;
- Economy, efficiency and effectiveness of the municipality;
- Ensure the efficiency of credit control and revenue and debt collection services
- Ensure the implementation of municipality by-laws
- Oversee the management of the municipality's administration in accordance with the policy directions of the municipal Council (output monitoring)
- Ensure the provision of services to communities in the municipality in a sustainable manner
- Ensure involvement of communities and community organisations in the affairs of the municipality
- Ensure the alignment of the IDP and the budget received; and to effect consultation on the decisions of the Council

THE EXCO FURTHER MAKES RECOMMENDATIONS TO THE COUNCIL REGARDING:

- The adoption of the estimates of revenue and expenditure, as well as capital budgets and the imposition of rates and other taxes, levies and duties
- The passing of by-laws
- The raising of loans
- Approval or amendment of the IDP
- Appointment and approval of conditions of service of a Municipal Manager and heads of departments / GMs
- Any other matters referred to it by the Council
- Matters delegated to it by Council in terms of the Systems Act and delegations framework
- Progress against the key performance indicators
- Reports received and considered from committees in accordance with the directives as stipulated by the EXCO
- Varied or revoked decisions taken by the Section 80 committees, subject to vested rights
- Development of strategies, programmes and services to address priority needs of the municipality through the IDP and estimates of revenue and expenditure, taking into account any applicable national and provincial plans

- Determination of the best methods, including partnerships and other approaches to deliver services, programmes and projects to the maximum benefit of the community subject to applicable legislation and delegated authority
- Identification and development of criteria in terms of which progress in the implementation of services, programmes and objectives to address the priority needs of the municipality can be evaluated, which includes KPIs which are specific to the municipality and common to Local Government in general.
- Management of the development of the Performance Management System by assigning responsibilities in this regard to the Municipal Manager and submits the proposed performance management system to Council for consideration
- Monitoring of progress against the said key performance indicators
- Receipt and consideration of reports from committees in accordance with the directives as stipulated by the EXCO
- Election of a chairperson to preside over meetings if both the Mayor and Deputy Mayor are absent from a meeting in the event of there being a quorum present at such meeting and the Mayor has not designated a member of EXCO in writing to act as Mayor
- Consideration of appeals from a person whose rights are affected by a decision of the Municipal Manager in terms of delegated powers, provided that the decision reached by this committee may not retract any rights that may have accrued as a result of the original decision
- Reporting of all decisions taken by EXCO at the ordinary Council meeting;

TRADITIONAL LEADERS

Section 81(2) of the Municipal Structures Act, Act 117 of 1998, provides for the participation of traditional leaders in municipal Councils. This piece of legislation empowers the Provincial MEC to resolve on the details of Amakhosi to participate and publish same in the provincial gazette.

This is to give an opportunity to a leader of a traditional authority directly affected by a decision to express a view on the matter before the municipal Council takes a decision. This is in line with government's values of transparency, inclusivity, and cooperation amongst its stakeholders.

In line with Section 81(5) of the same Act, the municipality's Code of Conduct for councillors and its Rules of Order will apply fully to traditional leaders participating in the meetings of Council.

The following Amakhosi participated in the Ugu District Municipal Council during the FY 2021/2022:

July 2021-Nov 2021

Inkosi MP Ngcobo
Inkosi ZGB Msomi

Inkosi ZR Qwabe

Inkosi EZ Jali

Inkosi B Cele

Inkosi BS Nzimakwe

December 2021

Inkosi MP Ngcobo
 Inkosi BS Nzimakwe
 Inkosi ZGB Msomi
 Inkosi ZR Qwabe
 Inkosi EZ Jali
 Inkosi B Cele

January 2022-May 2022

Inkosi EZ Jali
 Inkosi RS Shinga
 Inkosi MBW Xolo

June 2022

Inkosi MBW Xolo
 Inkosi EZ Jali
 Inkosi MP Ngcobo

Also refer to Appendix B which sets out committees and committee purposes.

T 2.1.2

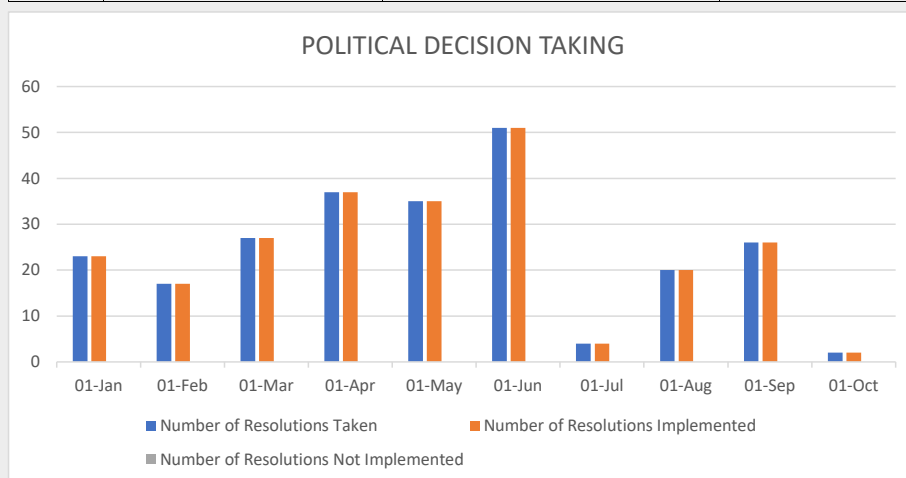
POLITICAL DECISION-TAKING

The executive and legislative authority of a Municipality is exercised by the Council of the Municipality, and the Council takes all the decisions of the Municipality. Council delegates some of its powers to take decisions to the Executive Committee.

Below are the Council resolutions taken for the Financial Year 2021/2022 indicating the Number of Resolutions Taken, the Number of Resolutions Implemented and the Number of Resolutions Not Implemented:

Month	Number of Resolutions Taken	Number of Resolutions Implemented	Number of Resolutions Not Implemented
Jul-21	4	4	0
Aug-21	20	20	0

Month	Number of Resolutions Taken	Number of Resolutions Implemented	Number of Resolutions Not Implemented
Sep-21	26	26	0
Oct-21	2	2	0
Jan-22	23	23	0
Feb-22	17	17	0
Mar-22	27	27	0
Apr-22	37	37	0
May-22	35	35	0
Jun-22	51	51	0



T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

Introduction to Administrative Governance

The Ugu District Municipality is committed to transparent and accountable governance. The broad range of public participation programmes and processes, especially related to its IDP and Budget, bear testimony to the institution's commitment to involve its communities in its planning and decision-making processes.

The Council of the Ugu District Municipality is the highest decision-making authority in the institution. It guides and instructs the administrative component, which implements the decisions taken by the political component. The head of the administrative component is the Municipal Manager, Dr EMS Ntombela and there are 4 GMs for the various Departments within the Municipality. The administrative wing consists of structures that are put together by the Municipal Manager to ensure efficiency and improve service delivery within the municipality. The refereed institutional arrangements relate to Management Committee and Extended Management Committee.

Management committee consists of GMs (S56) reporting directly to the Municipal Manager as well as Senior Managers and Managers that are reporting directly to the municipal manager, but who are not S56 Managers. This committee discusses strategic issues pertaining to the provision of municipal services and deals with those matters before they can be considered by the Portfolio Committees and Executive committee. The proceedings of Management committee are always recorded, whilst a formal agenda is followed.

The Extended Management Committee consists of all GMs, Senior Managers and Managers within Ugu district municipality and is an extension of Management committee. This committee serves the same purpose as Management Committee, however it considers mainly issues that directly affect the section managers and which require implementation by managers. This committee is convened by the Municipal Manager and the meeting proceedings are always recorded. Both Management and Extended management meetings take place on Mondays following a formal agenda.

In order to give effect to the implementation of Council and management resolutions, the Management Committee has formed the Resolutions committee which is comprised of all GMs of Ugu district municipality. The role of GMs is to monitor and track implementation of Council and management resolutions. This committee has a separate agenda, and upon consideration of resolutions – those that are not implemented get followed up by the Secretariat unit. In all the above-mentioned committees, secretariat unit plays a crucial role in terms of minute taking, recording and distribution of the agenda. In the past financial year, the administrative governance within Ugu district municipality has improved considerably both in terms of attendance to issues or challenges and compliance with the implementation of resolutions.

Ugu District Municipality has five (5) departments which are led, administratively by the Municipal Manager and four (4) Heads of Departments. The Departments are: The Office of the Municipal Manager; Water and Sanitation Services; Budget and Treasury Office; Corporate Services and Economic Development and Environmental Services.

T 2.2.1

POSITION AND NAME	GENDER	FUNCTION
Municipal Manager Dr EMS Ntombela	Male	• Overall Municipal Administration Management • Performance Management System • Legal Services • Internal Audit and Risk Management • Community Participation • Mayoralty and Communication • Intergovernmental Relations • Special Programmes • Youth Development • Development and Strategic Planning
General Manager: Water Services Mr Sivuyile Mbewu	Male	• Provision and management of Water and Sanitation • Water and Sanitation Infrastructure development and Maintenance • Water Services Authority
General Manager: Budget and Treasury Office Mr Kushi Audan	Female	• Municipal Budget Management • Municipal Revenue Collection and Expenditure Management • Municipal Assets Management • Municipal Supply Chain Management • Financial Management Systems Support
General Manager: Economic Development and Environmental Services Deidre Jayne Rankin	Female	• Local Economic Development • Environmental Health • Environmental Services
General Manager: Corporate Services Mr Vela Owen Mazibuko	Male	• Human Resources Development and Management • Secretariat and Auxiliary services • Information Communication Technology (ICT) • Fleet Management • Occupational Health and Safety • Disaster Management Services

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Introduction to Co-Operative Governance and Intergovernmental Relations

Guided by Section 41 of the Constitution of the Republic of South Africa, Section 3 of the Municipal Systems Act and the Intergovernmental Relations Act, the District Municipality has managed to establish the intergovernmental relations structures ranging from those which involve municipalities only to the general ones which include all sectors of the society.

The introduction of the District Development Model has seen an enhancement in Intergovernmental relations and further improving relations with private sector, introducing a Technical and Political command structures. Operation Sukuma Sakhe laid a good platform in attacking issues at ground level. As this was mostly a period where the country was recovering from the effects of the Covid 19 pandemic, the top most structures effectively functioned using available technology, with national members

Each individual structure has an important role to play towards service delivery. The structures address mainly the issues of alignment and coherent planning to eliminate duplication of the service delivery programmes and projects.

The main objectives of the IGR Act are as follows:

- ✓ Coherent government
- ✓ Effective service delivery
- ✓ Monitoring of the policies and legislation implementation and realization of national priorities.

These objectives will be achieved through the intergovernmental systems. IGR is an instrument for mobilizing the distinctive efforts, capacities, leadership and resources of each sphere of government towards service delivery and government defined development objectives.

The strategic role of the IGR is facilitating integrated service delivery and development and therefore the capacity of local municipalities to manage IGR is of vital importance. For this reason, the UGU IGR Framework has been developed as a specific strategy to strengthen the functionality of the IGR SYSTEM in respect of Local Government. This framework has advocated for the creation of IGR structures and sub structures to deal with specific matters of service delivery.

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 National Intergovernmental Structures

- The NCOP (National Council of Provinces) section 42(4) of the Constitution
- Cabinet Committees -FOSAD
- President's Co-ordinating Council (PCC)
- President's Infrastructure Coordinating Council (PICC)
- Ministers and Members of Provincial Executive Committees (MINMEC)
- Heads of Department Committee (HEADCOMM)

The participation and benefits derived from these structures are through the Provincial Government.

2.3.2 Provincial Intergovernmental Structure

- Executive Council, its Clusters and Committee for Heads of Departments (COHOD)
- Premier's Coordinating Forum (PCF)
- Technical Premier's Coordinating Forum (TPCF)
- Municipalities and MEC for COGTA (MUNIMEC)

2.3.3 Relationships with Municipal Entities

The municipal entities are accountable to the municipality and reports are submitted to the Municipal Managers' forum which is the Technical Support forum to the Mayors' forum. Recommendations are made at the technical level for the Political input and buy in.

2.3.4 District Intergovernmental Structures

- District Coordinating Council (Mayors' forum)
- Technical Support Forum (Municipal Managers' forum)
- And sub-fora to the Municipal Managers' forum:
 - o Governance and Human Resources (incorporating ICT District Forum)
 - o Local Economic Development
 - o Technical Services
 - o Communicators
 - o Finance
 - o Planners
- The Speakers Forum
- District Disaster Management Forum

The fora are constituted by the members of the district and local municipalities thereby discussing issues which have commonalities to the development of the district.

The Speakers Forum which is convened by the District Speaker meets on a monthly basis to facilitate and perform a Political oversight role on matters of public participation.

The Intergovernmental Relations (IGR), District Mayors and Municipal Managers Fora further deliberate on decisions of the Speakers Forum and ensures that resolutions taken are put into practice.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Good governance as per the democratic principles can be achieved through effective public participation. Public participation allows constituents to monitor the governance record of its elected officials and further encourages the public to take an active interest in the performance of their municipality and region. It is through broad public participation that citizens can recognize that their interests are taken to heart – especially the needs of the most vulnerable members of society.

The Ugu District has therefore made every attempt to ensure it allows all of its citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector. However, community participation alone is not sufficient in ensuring that good governance practices are adopted. Institutional integrity is of equal importance and therefore, Ugu District Municipality has ensured that its Finance Committee, Audit Committee, Council and sub-committees are fully functional. This was done through the adoption of effective by-laws and policies that entrench the effective performance of all aspects of municipal governance.

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipality has a broader spectrum of consultative and participatory public programmes in place to ensure community participation in municipal planning and decision-making processes.

In addition, awareness campaigns are held throughout the year to provide vital information to local communities, for example, on how they may access municipal services and support programmes. Invitations to the public-to-public meetings are communicated via Councillors, media (print and electronic), loud hailing and social media. These meetings provide communities with the opportunity to interact and share their concerns and complaints with the leadership and administration of the Municipality. Key in the Municipality's Public Participation Programme are the IDP/Budget and Annual Performance meetings. Public meetings are conducted by Ward Councillors and the District Municipality through Mayoral Izimbizo. The Municipal Political leadership is often deployed to communities if petitions are received through the Speaker's Office from the public.

The municipality has an established IDP Representative Forum which meets at least quarterly, an IGR forum, Speakers Forum, Municipal Managers Forum and CFOs Forum which ensure public and stakeholder participation in key decision-making processes.

Important public documents (i.e. IDP, SDBIP, Annual Report, Municipal Policies and By-laws) are published on the municipal website.

WARD COMMITTEES

Ward Committees are a Municipal Systems Act statutory formation within a ward. They consist of ten members including the ward councillor who, per the Act, must be the chairperson of the committee. Ward committees are one of the structures through which participation by the local community in the affairs of the municipality must take place.

Roles and Responsibilities of Ward Committees:

1. They play as an advisory body to the Ward Councillor
2. They are a public representative structure,
3. They are an independent structure that deals with community issues within a ward,
4. They are an impartial body that must perform its functions without fear, favour or prejudice. Ward Committee guidelines offer some possible powers and duties that municipalities may delegate toward committees, namely:
 - To serve as an official specialised participatory structure in the municipality.
 - To create formal unbiased communication channels as well as cooperative partnerships between the community and the Council
 - Advising and making recommendations to the Ward Councillor on matters and policy affecting the ward;
 - Assisting the Ward Councillor in identifying challenges and needs of residents;
 - Section 74 of the Act states that a ward committee may make recommendations on any matter affecting its ward to the Ward Councillor or through the Councillor to the Council, Executive Committee or Mayor
 - Ward Committees can also have any duties and powers delegated to them by the municipal Council.

Major issues that the ward committee have dealt with were the issues of shortage of water and social ills; ensuring that all in wards have identity documents and general development requirements.

EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The Ugu District Municipality has identified the following benefits from the public meetings

- Understanding of community development ideas and direction
- Close relationship with community members
- Effective implementation of participatory development
- Elimination of public protests
- Identification of community structures and their role in the community
- Enhancement of the municipal-community partnership
- Establishment of level of community satisfaction about the municipality's service delivery
- Establishment of the services standard expected by communities.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T 2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

The need for risk management is to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity. It is an appropriate proactive way of managing risks and to successfully achieve the municipality's goals and strategic objectives.

Responsibility for the risk management resides mostly with management in all departments however every employee is responsible for risk management. The Risk Management unit has played its role by conducting risk assessment workshops with management with an aim of ensuring that management understands the importance of managing risks for the benefit of the Municipality. The Municipality has put in place mechanisms to identify and assess risks and developed specific mitigating strategies, plans or actions. The risks are recorded in the risk register and are continuously monitored and reviewed by the Risk Management unit.

The Council has adopted a Risk Management Policy and Framework that enables management to proactively identify and respond appropriately to all significant risks that could impact badly on the achievement of municipal goals and strategic objectives.

The Municipality has a Risk Management Committee in place which is chaired by the CEO of the Ugu South Coast Development Agency. The standing invitees are Manager: Internal Audit and Risk

Management and Risk Management Officer. The committee's role is to guide the development and implementation of Risk Management and to review and monitor Risk Management processes quarterly.

The top 5 residual risks facing the municipality are as follows:

- Insufficient water provision to the district
- Insufficient and inadequate water resources within the district.
- Critical financial status of the municipality
- Inability to maximize revenue of the municipality
- Failure to pay suppliers within 30 days as stipulated in the regulations

2.7 ANTI-CORRUPTION AND FRAUD

Fraud and corruption strategy

The Council has approved an Anti-Fraud and Corruption Strategy/Policy. The strategy includes the Fraud Prevention Plan and the Fraud Response Plan. The strategy/policy has been developed as a result of the expressed commitment of the Municipality to fight fraud and corruption. This policy applies to all employees, councillors, stakeholders, contractors, vendors/suppliers and any other party doing business with the Municipality. The strategy/policy provides guidelines as to how to respond should instances of fraud and corruption be identified. Internal Audit unit also plays a vital role when one needs to report fraud and corruption activities. The municipality has an Anti-Fraud and Corruption Hotline - 0801 111 660

Fraud Prevention Plan

The primary objective of the plan is the protection of the municipality, its assets, stakeholders and its employees.

The Ugu District Municipality realises that, to achieve the objective of ensuring the provision of services to the community in a sustainable way, as required by the Constitution of the Republic of South Africa, it is important to take steps necessary to prevent fraudulent or irregular use of Municipal assets.

This plan clearly indicates that to prevent fraud and corruption the municipality should ensure that:

- The councillors and employees sign their code of conduct.
- It has an ethics policy
- Fraud risk assessment is conducted annually
- It has a whistle blower hotline (its own or outsourced)

The priority of the Council is to ensure that there is effective response to all reports of fraud or irregularity and those employees and third parties who are guilty of fraud are dealt with appropriately. A zero tolerance approach and effective response to all incidents of fraud will send the appropriate message to perpetrators and ultimately lead to a reduction of fraud within the municipality.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA section 110 - 119; SCM Regulations 2003; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The SCM policy was reviewed during the 2021/2022 financial year. All amendments to the SCM Policy were tabled before Council in order to improve operational efficiency. The Municipality is required to forward the SCM policy to KZN Provincial Treasury on an annual basis for scrutiny and compliance verifications against the Model SCM Policy that were issued by National Treasury. The purpose of this is to determine whether the Municipal SCM Policy deviates from the stipulation of the SCM regulations. Ugu District Municipality complies with the regulatory framework.

The Supply Management Policy for the municipality is according to section 112 of the MFMA since it is fair, equitable, transparent competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management. Supply Chain Management Implementation Checklist as per MFMA Circular No.40 is being complied with by the municipality.

The Municipality applies the bid committee system for procurement above R200 000 and for the procurement of long-term contracts whereby the contracts and contract management are complied with according to Section 116 of the MFMA. Contract Register is updated monthly and attached for Annexure H.

The municipality's supply chain management functions are centralised in the Budget and Treasury Office Supply Chain Management Unit. Supply Chain Management processes are governed by the MFMA No 56 of 2003 sections 110 –119, MFMA SCM Regulations and relevant MFMA Circulars, Practice and Instruction Notes that sets out required processes and guidance manuals to help ensure that SCM processes are in line with section 217 of the SA Constitution that provide an appropriate goods and services, offers value for money and minimise the opportunities for fraud and corruption. All bid committees are in place and as per regulation 26 of the MFMA and they sit as per the adopted roster of bid committees. Supply Chain Unit is responsible for the coordination of the procurement of goods and services, management of supplier database, inventory management, demand management and contract management. The SCM Policy and Standard Operating Procedures are in place and reviewed annually.

There is an updated Contract Register that is populated with all contracts that were secured through the SCM processes. They are all valid written contracts with the terms and conditions stipulated in the contract.. The period and the value of the contract are specified in the contract register. A contract administrator is responsible for the management of all the municipal contracts.

All the officials in the Supply Chain Management Unit meet the prescribed competency levels as required by the MFMA.

Demand Management is managed through the Procurement Plan that is adopted annually as a working document for the municipality. The procurement plan is a tool that is used for reporting purposes to treasuries quarterly. There is still a need for improvement in the following areas:

- Reduction of Irregular Expenditure
- Tenders awarded within the prescribed 90 days.

2.9 BY-LAWS

Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

No new Bylaws were introduced in year 0

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	24 January 2022 – Mid Year Review 2021 2022 (Part 1 to 3) 03 March 2022 – DC21 Ugu District Municipality Adjustment Budget 2021 2022 (Part 1 to 4) 05 April 2022 – DC21 Draft Budget Document 27 May 2022 - Special Adjustments Budget 07 June 2022 – DC21 Ugu District Municipality Final Budget 24 June 2022 – DC21 Final Budget document (23 June 2022)
All current budget-related policies	Yes	24 June 2022

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
The previous annual report 2020/21	Yes	03 February 2022
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2021/22 and resulting scorecards	Yes	05 July 2021 – GM WS Mr S Mbewu 05 July 2021 – GM EDES Ms DJ Rankin 05 July 2021 – GM CS Mr V Mazibuko 05 July 2021 – AMM Mr SC Sithole 05 July 2021 – Acting CFO Ms L Sotshede
All service delivery agreements 2021/22	N/A	N/A
All long-term borrowing contracts 2021/22	N/A	N/A
All supply chain management contracts above a prescribed value (give value) for 2021/22	Yes	Various dates throughout the FY
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2021/22	No	Nil
Contracts agreed in 2021/22 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	N/A
Public-private partnership agreements referred to in section 120 made in 2021/22	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/22	Yes	Q1 – 25 October 2021 Q2 – 19 January 2022 Q3 – 26 April 2022

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
		Q4 – 28 July 2022
T 2.10.1		

2.10.1 MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75 of the MFMA legislates minimum information that is required to be uploaded on all Municipal websites within predetermined timeframes. Information is published to the website on an ongoing basis and vetted by content owners prior to being published, in line with the ICT Operations Policy on website guidelines.

The Municipality also has a Facebook page namely Ugu Talk where daily communication is published to residents regarding various services the Municipality is responsible for.

The Municipality also has a mobile Citizen APP and to date over 5000 users have downloaded the APP. The APP is a module of the existing Citicall Workflow Management CRM software and is integrated into the Debtors system (Sage 200) of the Municipality allowing customers to view their meter reading history, account balance, download a copy of their statement and can log any service faults on the APP.

Monthly website usage trends by visitors to the www.ugu.gov.za is monitored through Google analytics and allows the Communications Section of the Municipality to analyze trends such as number of users visiting the site, number of sessions, number of page views, cities where the site is being accessed from and other useful statistical data.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS
No survey was conducted due in 2021/22 due to financial and capacity challenges. However, the public protests are a clear indication of the dissatisfaction of the public.
T 2.11.1

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

During the 2021/22 financial year, the Basic Services Key Performance Area had 33 project KPIs in total of which 23 were achieved. There were only 10 unachieved for the financial year. This translated to an achievement of 68%.

In the previous financial year performance within the Basic Service Delivery Key Performance Area was a mere 43%. The performance in this crucial KPA has seen an impressive progression of 25% in 1 year.

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

The legislation that regulates domestic water and sanitation services in South Africa, irrespective of whether the service is provided to a household, school, student residence, clinic, hospital, or community site, are the Water Services Act (WSA, Act No. 108 of 1997) and the National Water Act (NWA, Act No. 36 of 1998) (South Africa, 1997; 1998b). Both acts fall under the ambit of the Minister of Water and Sanitation and are thus regulated by the Department of Water and Sanitation (DWS).

Actual delivery of the water and sanitation services, in accordance with the Constitution, is the responsibility of local government. According to the Strategic Framework for Water Services (SFWS) (DWAF, 2003), it is the responsibility of a Water Services Authority (WSA) to ensure that “adequate and appropriate investments are made to ensure the progressive realisation of the right of all people in its area of authority to receive at least a basic level of water and sanitation services”.

The norms and standards for levels of water services particularly draw on the principles of universal access, human dignity, user participation, service standards, redress, and value for money. The principles of sustainability, affordability, effectiveness, efficiency, and appropriateness should be kept uppermost in supplying water to a community.

T 3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The current norms and standards for water and sanitation have, over the last few decades, inadvertently focused on addressing water services and backlogs in urban areas, unintentionally overlooking the diverse variances and challenges prevalent in the rural areas. Consequently, local government structures are dealing with a range of approaches to water service provision that span both urban and rural areas, which are often based on the allocation of powers and functions between district municipalities and local municipalities, thus creating confusion and misalignment in the provision of services. The Water Services Act (WSA) 108 of 1997 mandates the Minister responsible for water and sanitation to prescribe compulsory national norms and standards in accordance with Sections 9 and 10 of the Act. These norms and standards are fluid and may be reviewed for the benefit of the population of South Africa. The National Water Policy Review (NWPR) resulted in the prioritisation of access to basic water supply in the form of a yard tap to all households in the country, and the 2016 Sanitation Policy refers to at least a Ventilated Improved Pit (VIP) toilet per household for basic sanitation.

The UGU District Water and Sanitation Master Plan for the financial periods 2020/2021 – 2049/2050 is a comprehensive technical report that provides information on the organisation's current infrastructure and on its future infrastructure development plans.

The Ugu District Municipality remains committed to basic service provision. The provision of sustainable services and the promotion of development are the key focus areas of the municipality. In the context of water services, Ugu District Municipality needs to overcome several challenges relating to capacity, planning, performance monitoring of projects, basic services backlogs, inadequate services leading to sewer blockages amongst others, meter reading challenges resulting in cash flow shortages, ageing infrastructure and the need to provide more serviced residential stands as well as the poor blue- and green drop compliance.

Ugu District Municipality has increased the provision of safe drinking water to services delivery to 85% of its households. The current norms and standards however require that individual house connections be provided for all households by 2030. Currently only 23% of households have a formal water connection, (The formal connections are those that are on the billing system that receives a monthly water bill. The estimated total HH with a house connection is approximately 30% - this includes unmetered house connections), 33% of households stay within 200m of a standpipe, 29% of households stay between 200m and 4000m from a standpipe and 15% stay more than 4000m from an existing water supply pipeline. These percentages are averages because some systems become dysfunctional from time to time due to reasons such as drought and peak demands. The people in the areas where the system becomes dysfunctional continue to receive water by way of water tankering. This means that between 77% and 82% of the total households are below the national minimum standard. This figure might drop by as much as 10% once all the unauthorised connections have been converted to authorised connections. To eradicate the standpipe system by 2030, Ugu will have to use the Norms and Standards as a benchmark for backlogs.

There are some 15% of households that get water from springs, boreholes, and streams. These households are more than 4000m away from the access roads. Installing water infrastructure to reach them will be very costly. Achieving 100% yard/house connections will be a challenge because some HH are in very remote areas.

Commented [S1]: @Rowan.Mlambo, please update this, you haven't completed the input on the AR

Backlogs are moving targets. The National Norms and Standards are revised every few years with the result that backlogs are measured against the latest Norms and Standards. Fifteen to twenty years ago, the standard for rural water consumption was 25 l/p/d. it was then increased to 60 l/p/d and is now 75 l/p/d. The actual consumption is, however, 100 -150 l/p/d, much higher than the current norm. The norm will most probably increase to 120 l/p/d in the future as the rural area becomes more developed.

Implementing the Norm and Standard will be very costly because most of the rural areas do not have reticulation systems within proximity of the houses.

T 3.1.0

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Employees: Water Services

Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	9	7	442	0.36 %
4-6	17	25	21	508	0.72 %
7-9	69	108	97	305	1.98 %
10-12	89	135	81	435	9.72%
13-15	61	87	43	506	7.92%
16 - 18	131	191	150	89	7.4%
Total	374	555	399	2 285	28.1%
Table 3.1.7					

Financial Performance Year 0: Water Services

R'000

Details	Year -1	Year 0

	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R1 054 981 494	R750 354 500	R958 442 029	R924 690 801	19%
Expenditure:					
Employees	R409 007 148	R176 045 937	R200 684 968	R219 736 962	20%
Repairs and Maintenance	R26 918 551	R67 068 630	R59 141 279	R51 178 484	-31%
Other	R513 516 541	R359 845 070	R360 890 280	R490 272 729	27%
Total Operational Expenditure	R949 442 240	R602 959 637	R620 716 527	R761 188 175	21%
Net Operational Expenditure	-R105 539 254	R147 394 863	R337 725 502	R163 502 626	10%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.1.8

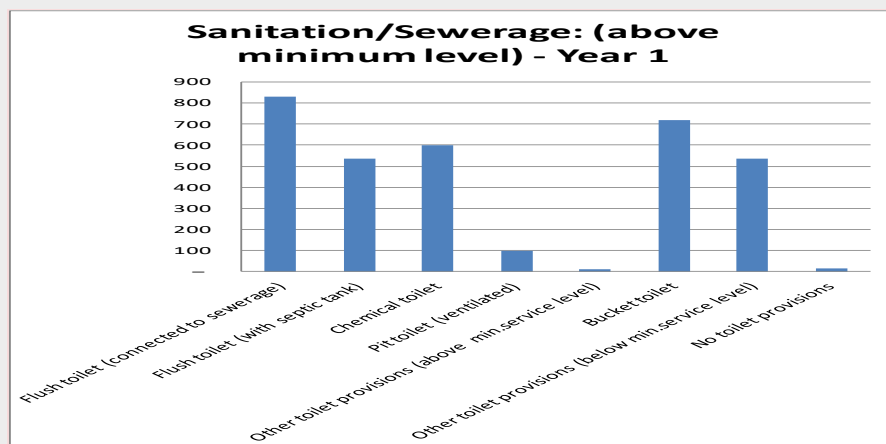
The greater portion of the municipal financial resources have been devoted to water services since this is the core business of the municipality. Through active costs containment the budget allocation has dropped from R949 million to R602 million due to reduced collections. This has an impact in having reduced repairs and maintenance budget dedicated to the ageing infrastructure. The employee related costs account for the majority of the organization also included overtime. The water services department did perform favorably financially.

3.2 WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Access to sanitation has been increased to 87% of the households in Ugu district. According to STATS SA 2016, 35% is below the National Standard (VIP). The reason being that Ugu District Municipality does not have a VIP maintenance program and many VIP's have reached the end of their lifespan and the community have replaced them with lower standard pit latrines.

T 3.2.1

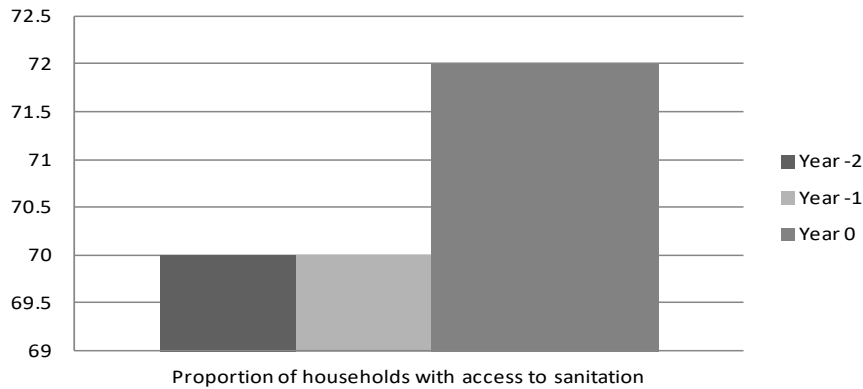


T 3.2.2

Sanitation Service Delivery Levels				
Description	Year -3	Year -2	Year -1	*Households Year 0
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	942	600	720	930
Flush toilet (with septic tank)	712	952	502	535
Chemical toilet	535	535	511	601
Pit toilet (ventilated)	124	135	103	100
Other toilet provisions (above min.service level)	13	13	15	11
<i>Minimum Service Level and Above sub-total</i>	2,325	2,236	1,851	2,178
<i>Minimum Service Level and Above Percentage</i>	68.9%	59.9%	55.5%	63.1%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	502	952	938	720
Other toilet provisions (below min.service level)	535	535	535	535
No toilet provisions	10	11	12	15
<i>Below Minimum Service Level sub-total</i>	1,047	1,498	1,485	1,271
<i>Below Minimum Service Level Percentage</i>	31.1%	40.1%	44.5%	36.9%
Total households	3,372	3,734	3,336	3,449
*Total number of households including informal settlements				T 3.2.3

Households - Sanitation Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
Formal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
Informal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households ts below minimum service	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households ts below minimum service level	25%	25%	25%	25%	25%	25%
						T 3.2.4

Access to Sanitation



T 3.2.5

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Employees: Sanitation Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4-6	3	3	3	0	0
7-9	8	18	9	389	5.7%
10-12	9	18	3	274	9.5%
13-15	17	23	13	402	6.4 %
16 - 18	59	113	54	533	37.57%
Total	96	175	82	1598	59.17 %
Table 3.2.2					

3.3 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

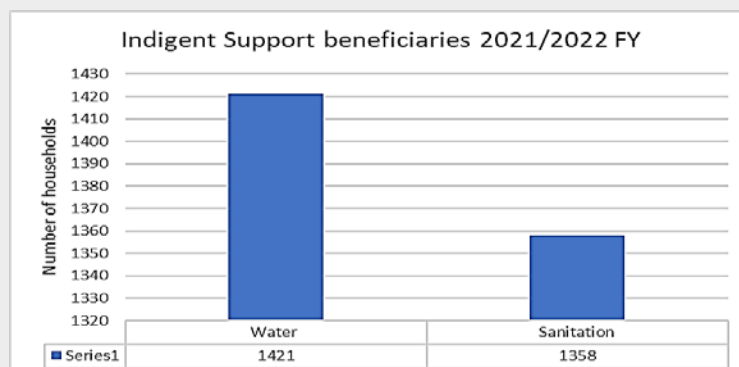
The municipality has adopted a Free Basic Water Policy and Indigent Support policy. The Free Basic Water Policy caters for Indigent households, communal standpipes, springs, boreholes, rainwater harvesting schemes and the municipality may also convey any water required as a temporary measure by water tanker to any place where such temporary supply of water is required.

The Indigent Support policy relates to customers that have private connections inside their properties. This is a form of subsidization to indigent households using a portion or whole of the Equitable share for this purpose. The municipality recognises that many of their residents simply not afford to pay the required service charges. The Council is guided by the following principles in implementing the Indigent Support benefit:

- Due regard shall be had to the Constitution of the Republic of South Africa, the Local Government: Municipal Systems Act of 2000 and other relevant legislations
- Relief provided under this program will to the extent that is practicable, fair, equitable and justifiable in order to avoid alienating any group(s)

The duration of this benefit is 36 months whereas, the beneficiary will then apply for a renewal of the benefit. The municipality had 1 421 (**1 421 Water and 1 358 Sanitation**) beneficiaries as at the end of the 2021/2022 financial year. The target for this financial year as per the SDBIP KPI was 2000. We were unable to reach the set target due to various factors. The pandemic also had a negative impact as most of the customers in the rural areas are reached through conducting roadshows within their areas.

The Indigent Register is not the true reflection of the beneficiaries that should be benefiting from this program. The municipality will explore the use of other means to reach the prospective beneficiaries through various electronic channels available in the municipality, through communication with Ward Councillors and Rate payers associations.



COMPONENT B: PLANNING AND DEVELOPMENT

This component includes planning, and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Spatial Development Framework facilitates the development of the desired state for the district and is seen as the spatial development destination that Ugu DM will be striving to reach. The SDF is informed by Key Challenges faced by the DM articulated in the IDP and more importantly, by spatial vision of the municipality. Issues including ageing infrastructure, the Urban/Rural divide with regard to development and the overall grip of poverty and inequality have put formidable obstacles on the path to equality, economic development and efficient spatial planning.

Notwithstanding the abovementioned challenges, the district still has the following comparative advantages:

- The manufacturing base of the district municipality is stable and well-performing.
- Agriculture remains one the key sectors of the district with the promise of emerging farmers.
- The hinterland holds a wealth of tourist potential along with the existing tourist attractions in the district. The rural areas of the district remain largely underdeveloped as an adventure eco-cultural tourist destination; and
- The district municipality has been identified as one of the focus areas for tourism development under the auspices of the PGDP Inkululeko Projects.

Some of the key issues discussed in the SDF are that more and more development presented in local economic development strategies require access to land. These include, inter alia, the development industrial areas, the expansions of agricultural production, and the establishment of new residential developments.

It is imperative to take cognisance of the fact that land in Ugu is considered to be a scarce resource. In light of this, the scarcity of land as a resource for the future development of the Ugu District Municipality must be acknowledged. Any expansion of existing land uses should be carefully considered and planned and the impact of new developments on the existing economy of should be determined. Land available for development should identified and land use management systems (including the SDF) should ensure that clear guidance is provided on the future use of that land.

It is then important also that, in the light of the scarcity of land in most areas, government develop a strategy of "land-banking", ensuring that strategic parcels of land are identified and where possible purchased by relevant government institutions. Given the fact that land is a scarce resource in the Ugu District, it is imperative that it is utilised wisely. This happens through the implementation of spatial planning and land use management principles the inform the optimal but conservative use thereof. However, it is also important to note that existing economic opportunities must be taken advantage of and new ones must be created through the SDF; as such the SDF needs to integrate the built environment with the natural environment.

3.4 PLANNING

In compliance with the Local Government Municipal Systems Act, 32 of 2000, the Ugu District Council adopted a reviewed Integrated Development Plan in June 2021 which is the year being implemented, which had been ranked third in the province in terms of credibility. The Development Planning section had initiated the process for the development of the 2022/23 – 2026/27 IDP on the 1st of July 2021 through the development of the district's IDP, PMS and Budget Framework and Process Plan. Through the development of the new five-year IDP the Ugu District Council resolved to amend the municipality's Vision and Mission to align with the timeframe of the Ugu Spatial Development Framework.

Ugu District Municipality's IDP aims to focus on 9 Priorities which form part of the development process which are the following:

- Infrastructure Investment (Roads, water, sanitation, electricity and housing).
- Economic and Sectoral Development (Job creation, employment, LED projects, tourism, agriculture, Rural Development).
- Financial Viability (Clean audit and corruption)
- Education and Skills Development (Skills Development and Education).
- Institutional Integration and Coordination (Institutional Development, review of organogram, workforce, principle development).
- Collaborative Planning.
- Reduce HIV / AIDS
- Clean Environment
- Peace and Stability

Below is a summary of the projects that have been undertaken by the planning office in the district municipality. It is unfortunate that due to the budget constraints which have been faced by the municipality there have been no budget which has been available for the implementation of desired projects. The projects which have been implanted thus far have all been done in house by the limited resources that we have in the section.

Project	Status	In-house/Outsourced
IDP	Strategic Planning Phase	In-House
SDF Review	Inception	Inhouse
Ugu Investment Register	Inception	Inhouse
SDF Review	Update Capital Investment Framework	In-house
PMS & IDP Workshops	Ongoing	In-house
Land Use Management Framework	TOR	Inhouse

Consolidated Transport Framework	Inception	Outsourced
Mapping Disaster Management Sector Plan	Ongoing	In-house
Mapping of critical valves for Water Services Dept	Ongoing	In-house

PHYSICAL PLANNING

The SPLUMA seeks to bridge the racial divide in spatial terms and to transform the settlement patterns of the country in a manner that gives effect to the key constitutional provisions. The Act addresses the legacy of the discriminatory, inefficient, and costly spatial pattern that puts a considerable burden on the public resources. The Act also ensures that the restructuring of South African cities, towns and settlements is in line with priorities and principles of the democratic government, in a manner that gives effect to the key constitutional provisions.

The Act has six objectives as listed below.

- o Provision of a uniform, effective and comprehensive system of spatial and land use management;
- o Ensuring of a spatial planning and land use management system that promotes social and economic inclusion;
- o Provision of development principles and norms and standards;
- o Provisions for a sustainable and efficient use of land;
- o Provision of cooperative government and intergovernmental relations amongst the national provincial and local spheres of government; and
- o Redressing imbalance of the past and ensuring of equitable application of spatial development planning and land use management systems.

Furthermore, the Act provides five principles that must be applied to all aspects of spatial development planning, land development and land use management. These principles are outlined below

SPLUMA Development Principles

Principle	Definition	Applicability to Ugu
Spatial Justice	Concerned with the past spatial and other development imbalances through improved access and ensuring the inclusion of previously disadvantaged communities. Furthermore, the land	The focus of development on urban coastal strip in the past has resulted in an imbalance development leading to the rural communities always lagging. The district family is also on a process of implementing wall to wall

	development procedures need to accommodate access to secure tenure.	schemes which are anticipated have an impact reshaping the spatial footprint of the district.
Spatial Sustainability	For viable communities, there needs to be promotion of land development to happen within the fiscal, Institutional, and administrative means. The protection of prime and unique land should be given special consideration and the consistency of land use measures in accordance with the environmental management tools. Furthermore, the future and current costs of infrastructure and social services provision in land development need to be considered by all parties.	One of main the economic contributors in Ugu is agriculture and thus the agricultural land needs to be protected to ensure continued productivity and preservation. Furthermore, the DGDS talks about Strategic Infrastructure, that needs to be properly costed and be considered by all parties involved. The environmental viability is also of utmost importance as tourism is the key economic contributor in the district.
Efficiency	The land development should optimise the use of existing resources and infrastructure and the decision-making procedures to be designed in a way that limits negative financial, social, economic, or environmental impacts.	The need for optimisation of existing resources and infrastructure has been identified in Ugu and the importance of infrastructure operation and maintenance plan emphasised to a longer lifespan. Furthermore, even the decision making with regards to infrastructure deployment is guided by relevant policies and plans to ensure integrated implementation.
Spatial Resilience	In ensuring sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks, the spatial plans, policies, and land use management systems flexibility needs to be accommodated.	With the high levels of poverty and unemployment in Ugu there is a need to ensure sustainable livelihoods and SPLUMA offers that opportunity through spatial and environmental plans and policies flexibility is accommodated.
Good Administration	Ensuring an integrated approach by government (all 3 spheres) to land use and land development as guided by spatial planning and land use systems embodied in the Act. All sectors need to ensure they provide necessary inputs and comply with all the prescribed requirements. There must also be transparency in policies, legislation, and procedures so that members of the community are empowered and informed.	Through the development of one or the IDP the district aims to ensure an integrated approach inclusive of all departments and local municipalities. Public participation mechanisms are also in place to ensure transparency and the members of the community are kept informed and empowered.

Challenge	Cause	Effect	Response Type	Responses
Spatial Planning Challenges				
Inequitable development along the inland	Apartheid planning	Underdevelopment	Redress	Develop previously neglected areas
Settlement sprawl	Lack of effective land use management	Creation of dispersed, inefficient low-density rural settlements	Address & Mitigate	Introduction of settlement edges
Lack of effective land use management system	Lack of enforcement	Settlement sprawl and loss of valuable land	Address	Implementation of land use scheme within the entire district municipality
Derelict small towns-built form (UMzinto and Ezingolweni)	Declining economy	Unattractiveness	Address	Introduction of urban renewal / small town rehabilitation
Cross border rural settlement conurbation	Settlement sprawl	Consolidation of cross-border settlements	Address	Introduction of urban renewal / small town rehabilitation
Spatial inefficiency	Dispersed settlements and disjuncture between settlements and economic opportunities	Lack of access to economic opportunities	Address & Mitigate	Cross-border planning to ensure uniformity and continuity
Rural Population Outmigration	Lack of rural opportunities	Poverty/ Indigent Pockets	Address	Creation of self-sufficient settlements
Environment				
Climate change impacts	Greenhouse gas emissions	Natural catastrophes	Mitigate and adapt	Implementation of mitigation and adaptation measures as per climate change strategy
Environmental degradation	Settlement sprawl	Loss of natural assets	Address & Mitigate Apply environmental management zoning (EMZs) as per EMF	Institution of environmental rehabilitation programmes Implementation of EMF and SDF

3.4.1 EASTERN SEABOARD DEVELOPMENT

The Eastern Seaboard Development is an initiative geared towards addressing Apartheid spatial planning, launched by the President on the 12th of November 2021. The development seeks to create synergies within the three spheres of Government while also including Traditional Leadership, academic institutions, the private sector and the community at large.

The Eastern Seaboard region covers an area spanning the southern coastline of the KwaZulu Natal (KZN) and northern part of the Eastern Cape Provinces and spans across four districts and seventeen local municipalities. The coastal area stretches for approximately 250 kms

between Coffee Bay and Scottburgh along the Indian Ocean. The District Municipalities that form part of the Eastern Seaboard region include Alfred Nzo, OR Tambo, Harry Gwala and Ugu, with the first three district municipalities being amongst the top ten poorest districts in South Africa, making it crucial for these districts to be part of this Eastern Seaboard development.

The objective of the Eastern Seaboard Development and Regional Spatial Development Framework is to provide for a conceptual vision which is implementable to change the space economy for the greater good of all in the region. The specific objective is to determine the viability of a new African Coastal City in the region. The Eastern Seaboard Development would need to embed the African coastal city objectives in its analysis and vision while ensuring that the concept is appropriate to the South African and Eastern Seaboard spatial, socio-economic and cultural context.

3.5 LOCAL ECONOMIC DEVELOPMENT

Introduction to Economic Development

Municipalities derive the LED mandate from the Constitution and specifically from Section 152(1) c), which provides the role and responsibility of local government as being to promote social and economic development. Section 153(a) and (b) of the Constitution requires that a municipality must:

- manage its administration, budget and planning process to give priority to the needs of the community,
- promote social and economic development, and
- participate in the provincial and national government development programs.

In fulfilling this mandate Ugu District Municipality had during the past financial year implemented projects and programs in attempt to achieve LED related strategic objectives, which were aligned to the District Growth and Development Strategy Drivers, and the KZN Provincial Development and Growth Strategy Goals, as indicated in [Table below: LED Strategic Framework for 2021/22 financial year:](#)

PDGS GOAL	DGDS DRIVER	STRATEGIC OBJECTIVE	DESIRED OUTCOME

Inclusive Economic Growth	Sectoral Development & Support	To improve job creation opportunities, particularly to youth.	Reduce levels of poverty, inequality and unemployment.
		To promote sectoral development	Enabling LED environment
		To increase investment and development opportunities	
		To optimise tourism marketing and development.	

The Ugu District Municipality LED business unit, which is located within the Department of Economic Development and Environmental Services (Environmental Management and Environmental Health) commenced the year with two LED Officers, and during the year with the one officer retiring, resulted in the unit comprising one LED Officer, and a Council Resolution of a moratorium on filling of LED Posts until the 1 July 2022 when the merger of the two special purpose LED vehicles in the district, would be merged into one.

The financial year 2021/22 was a year where focused attention was given to the function of LED, and how best to improve efficiencies and effectiveness and maximise the impact of LED interventions within the resources available. The impact of Covid-19 amongst other matters drew attention to the need to improve LED functionality. Various initiatives were undertaken simultaneously:

- An assessment of the function of LED which resulted in a number of recommendations that were resolved and implemented during the year, including but not limited to:
 1. **A common/working understanding/definition of what LED is, and alignment to the National LED Framework amongst LED Stakeholders in the district and Province.**
 - o Defining of roles and responsibilities between key stakeholders in the LED space: such as Provincial Departments: EDTEA and COGTA, the LED Special Purpose Vehicles (South Coast Tourism and Ugu South Coast Development Agency, the District Municipality LED business unit, and the Local Municipality LED business units.
 - o Developing a strategic framework, out of the resolutions of the above processes, of goals, objectives, programmes and projects as part of the IDP process, disaggregated

into operational plans including the SDBIP. This framework was aligned in accordance with the initiatives resolutions.

- o Development of ideal organisational structures (for the business units of LED) for local municipalities (considering differences) and the district municipality to assist in the alignment of resources to strategy and defined roles.

2. An Assessment of the existing Special Purpose Vehicles for LED, and Change Management Processes completed, including Council Resolutions – resulting in the establishment of a single merged entity as from 1 July 2022.

- o The institutional arrangements driving the change comprised: a Political Change Management Committee, a Technical Change Management Committee and Various sub-committees such as IT, Finance and Good Governance (legal and HR). These structures then consolidated necessary reports to the structures of Council for Consideration and Formal Resolution. Ugu Council resolutions included: merging the two existing entities into one, appointment of board members, the Mandate of the merged entity, and the name of the new entity (amongst other resolutions which gave effect to the merger as from 1 July 2022). The roles and responsibilities between the district LED, Local LED and the entity were refined to enable focused interventions from the different stakeholders according to their defined role.

3. Summarized LED Roles and Responsibilities as Defined

SPV and District LED Role and Responsibility:

The SPV aims to unlock the full economic potential of the district by transforming, growing and developing an integrated, sustainable, rich job growth economy through strategic interventions and partnerships through the following core functions:

- Tourism growth (destination management and tourism authority);
- Investment Attraction (across all sectors) through:
 - proactive packaging of investment opportunities,
 - Linking business and government
 - Linking business: various sectors and value chains.
 - Market business offerings of the district.
 - One stop shop.

-Attraction of big business and forging of partnerships for economic investment, growth and transformation.

The district LED is defined within the six pillars of the National LED Framework to compliment the SPV and local municipalities and to provide the long-term growth and development framework/plan/strategies for the district. Together with the SPV, Provincial Stakeholders, and Local Municipalities the district LED aims to drive the growth and transformation of the economy through:

- Setting the district level policy, strategy and plans;
- Providing district-level LED economic intelligence information, best practice/shared learnings and knowledge/dbase management of district level information per programme and in so doing supporting LMs and Provincial stakeholders.
- Assist the SPV in unlockign the full potential of the region.
- Fund/Resource Hunting: identification of resources and capturing for LED initiatives in support of the SPV and LMs, including facilitating district level MOUs to enable programme implementation in LMs, the SPV and economic strateic infrastructure and assets.
- District level showcasing of events/competitions/shows/conferences.
- Enabling district level institutional arrangements and engagements to be effective and efficient.
- Driving the reconfiguration and change in LED to maximise functionality and impact/outcomes as per resolutions.

3.2 Strategic Framework for District LED going into the year 2022/23. Adopted at the end of 2021/22 Financial Year.

	Strategic Goal	Strategic Objective
1	Municipal Strategic LED Facilities and Assets	To leverage the assets to stimulate economic activity.
2	Economic Governance and Infrastructure	To improve LED Planning, management and administrative capacity.
		To rethink and develop the informal economy
		To promote and support an inclusive and integrated rural economy
		To promote and support capitalising on opportunities in the green economy

		To promote and support oceans economy developments.
		To promote and support township economic development
		To promote and support small town economic development
3	Building a diverse and innovative-driven economy	To promote local sectoral development
4	Enterprise Development and Support	To promote and support enterprise development
5	Strengthening local innovative systems	To strengthen local innovation systems.
6	Developing learning and skillfull economies	To improve economic leadership and management skills.

The financial year was also a year of broader societal challenges which impacted the economy and required LED to respond timeously, and enable government programmes of support to be implemented in support of businesses affected by the challenges. In addition to Covid-19 pandemic challenges, the following challenges were experienced:

- July 2021 Civil Unrest and
- March 2022 Flooding

July 2021 Civil Unrest: Immediate Impact

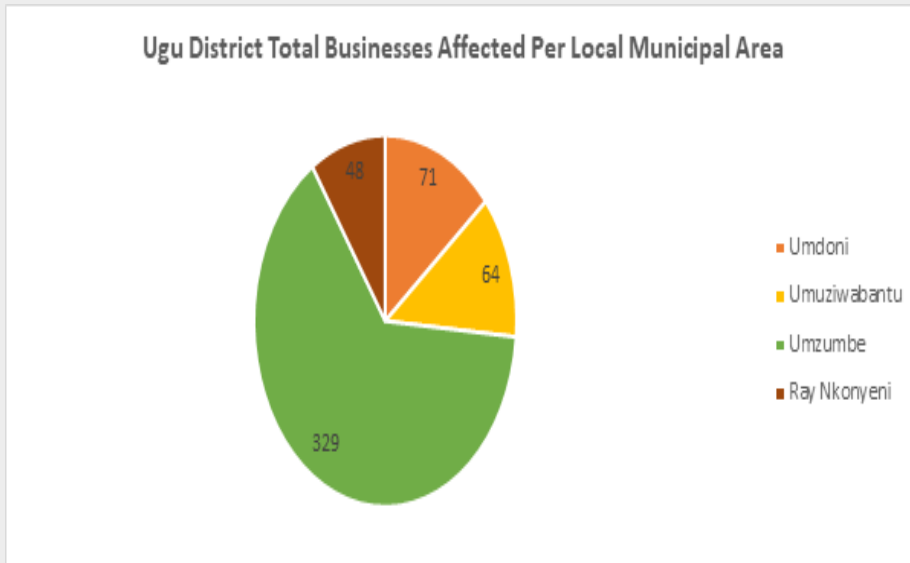
The unrest impacted businesses in the district in addition to a strategic LED facility of the district municipalities: that is the Ugu Fresh Produce Market.

Businesses Impact

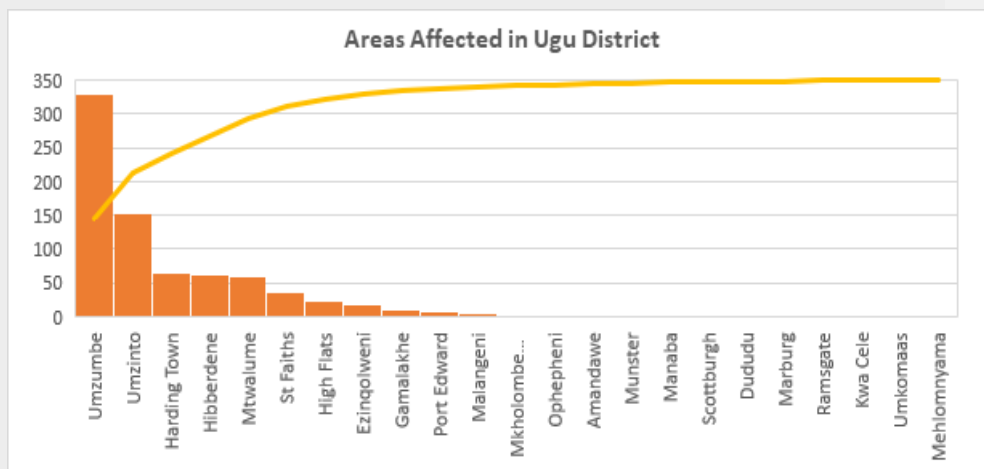
The July 2021 Civil Unrest impacted businesses across the district. Immediately following the unrest led by leadership, the District LED together with the DDM Cluster Chair and Stakeholders met with affected businesses to record their challenges and losses, and a questionnaire developed and administered, so as to consolidate information to enable an impact analysis to be undertaken. In addition, to providing information on government support and how to apply for the support and provision of assistance to access the support.

The total estimated value of the damage of the civil unrest was R542 300 219.00. The total estimated R-Value of the loss to affected businesses is: R542 300 219. The greatest value of damage was in Ray Nkonyeni Municipality (R291 671 152), then Umdoni (191 940 500), followed by Umuziwabantu (R44 049 903) and then Umzumbe (R14 638 664).

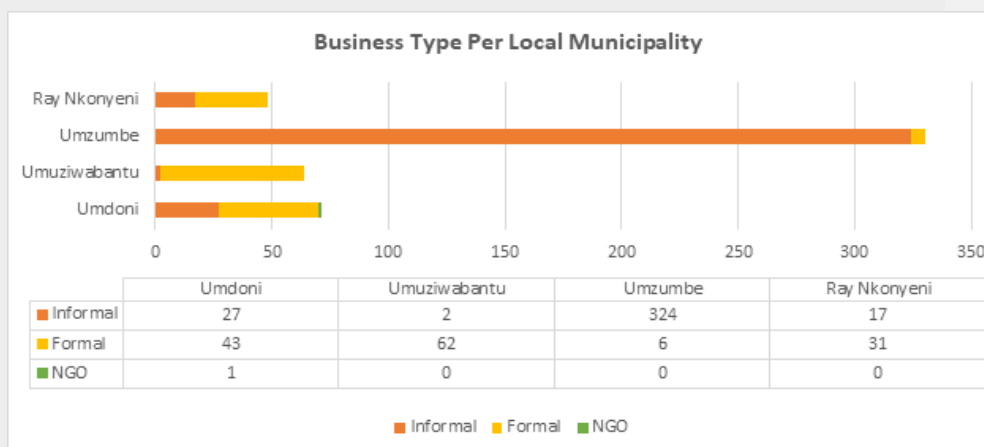
A total of 512 businesses were affected, comprising 64% from Umzumbe, 14% from Umdoni, 13% from Umuziwabantu and 9% from Ray Nkonyeni Local Municipality. 72% of the businesses affected are located within the informal economy with the retail sector being the most affected sector.



The business areas affected (number of businesses), from most to least affected across the district, is – Umzumbe, Umzinto, Harding town, Hibberdene, Mtwalume, St Faiths, Ezingolweni, Gamalakhe and Port Edward followed by lesser numbers in other areas.



The breakdown of affected business per type per municipality was as follows:



The breakdown of businesses in sectors per Local Municipal Areas is as follows:

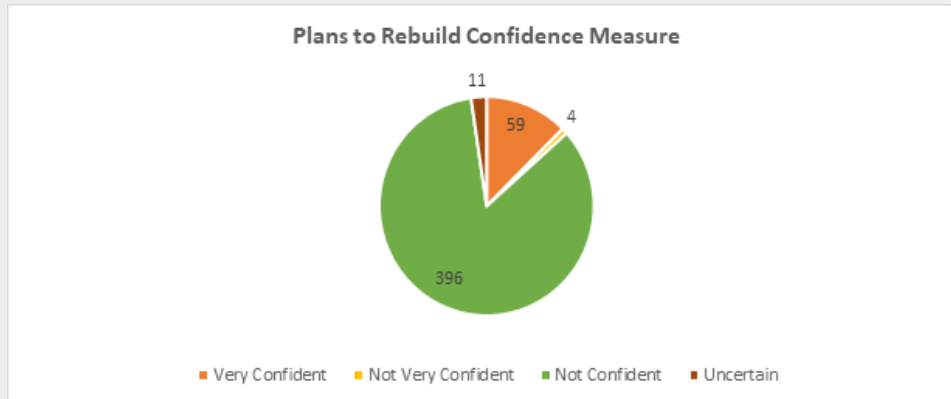
Sector	Umdoni	Umuziwabantu	Umzumbe	Ray Nkonyeni
01: Agriculture, forestry and fishing	0	0	1	0
03: Manufacturing	2	0	0	0
04: Electricity and water	0	1	0	0
05: Construction	0	0	0	1
06: Wholesale & retail trade; hotels & restaurants	67	52	316	38
07: Transport and communication	0	0	1	0

08: Finance, real estate and business services	0	1	1	2
09: Community, social and other personal services	2	10	7	2
10: General government services	0	0	0	0
11: Other Please specify	0	0	3	5

The estimated damage provided by affected businesses is to be verified with 62% of the businesses suffering stock and equipment loss and damage in addition to infrastructure damage whilst 8% suffered only stock loss.

A total of 2162 jobs were affected, with the greatest job loss experienced in Umzumbe with 891 jobs, and Umdoni losing 530, Umuziwabantu 500 and Ray Nkonyeni 241 jobs.

A total of 467 businesses were not insured, with only 45 insured. With regards to confidence levels to rebuild, only 12% indicated they were very confident (1), whilst 62% indicated they were not confident (10).



Strategic LED Facility Impact: Ugu Fresh Produce Market

The Ugu Fresh Produce Market was affected as follows by the unrest:

Facility Space	Planned or in Progress Usage Status	Post 12 & 13 July 2021 Pictures	Implications

Block A/Zone 1	June 2021 Ugu Council Resolution: IEC to utilize the space for storage from 1 July 2021 for a six-month period.		Roller Doors vandalized Electricity cables looted. Offices destroyed <i>IEC loss of storage space</i>
	July 2021 Ugu IED Cluster Resolution: implementation of Textile Initiative Business Plan. <i>Not yet submitted to Ugu Council.</i>		<i>Business Plan cannot be implemented as planned. One woman owned business affected and: 14 Direct Jobs 11 Indirect Jobs 270 People Trained.</i>
	ICT Incubator Planning Underway. <i>Not yet submitted to Ugu Council.</i>		ICT Incubator planning affected.

Block B/Zone 2	Banana (and other higher value fruits) Ripening and Storage Facility. Private Business utilizing the facility.	 	Destroyed by Fire with remnants of outer structure remaining: 7 Ripening Facilities destroyed 2 cold room facilities destroyed. Office Furniture & equipment destroyed including Ugu furniture. Eskom power supply to facility stolen and destroyed. One Private Business located at the facility Affected. 3 permanent jobs at the business 3 seasonal jobs. Fresh Produce including bananas, apples, lemons: Estimate 4000 boxes @ 20kgs @ R150 per box (average sale price) each on premises, not yet collected. Estimated Re-Sale RValue: R600 000. Empty pallets stored estimate 45 @ R125 per pallet. Estimate R value : R5625. Total 500 bins @ R650 each. Total R value: R325 000. Farmers Utilising facility: 230 Secondary businesses affected: 35 Estimated: 73 600 traders/hawkers (From areas north and well into Eastern Cape). Rvalue Turnover: Winter R12 million, Summer R23 million. (2014-350 000 boxes, dropped 2015-2019, picking up 2019-2021).

	Partnership Project with DEDEAT supporting formalization of informal fisheries (7 cooperatives), and provision of refrigeration support. <i>Project planned to be presented to Council August 2021 for approval to utilize the facility.</i>		Centrally located facility to house refrigeration and provide support to 7 cooperatives.
Block C/Zone 3	May 2021 Ugu Council Resolution: South African Farmers Development Association (SAFDA) Farmers Production Support Unit utilizing facility.		Roller Doors vandalized Electricity cables looted Water pump and generators destroyed Water pipe and taps stolen 1156 Growers in 2021/22 whilst focusing on cane growers support. -reduction of transport and various input costs for growers, -governance, mentorship, agronomic support. Point of coordination and training support. Employed unemployed graduates basic book-keeping services to growers.
Administrative Facility	Office Block with offices, boardroom etc. Utilised by Ugu Fleet.		Destroyed by Fire. Corrugated iron and other office material looted.
Ablution Facility	Separate Building Ablution Facility		Doors, water basin and burglar doors and corrugated iron looted.
Market Stalls	Used as fleet workshop by Ugu.		Burnt including various related equipment.

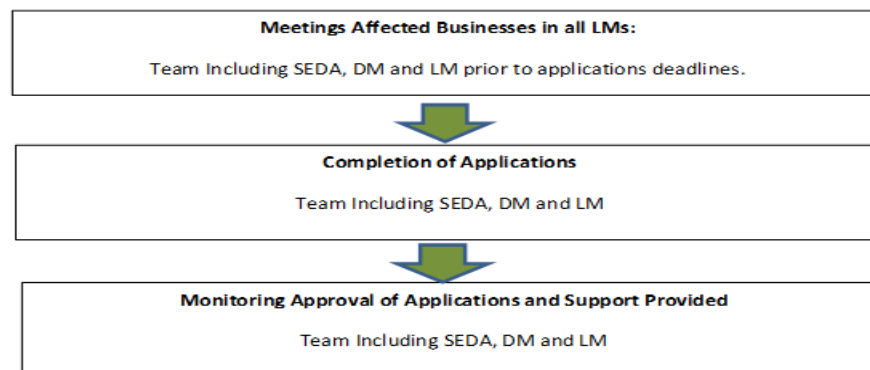
Drop-off, collection and parking areas	Ugu Fleet, RNM TLBs, skips stored as per reporting of Corporate Services.		Loss of Fleet and Water Tankers for water provision to Ugu communities.
Vacant Land	Initial Pre-feasibility study for usage: in support of prolonging life of Oatlands land-fill site through a garden refuse/mulching business. Initial Pre-feasibility study into vegetable gardening by Mkholombe residents.		Pre-Feasibility on hold pending assessment and reconsideration of facility. Potential: Mulching Business and Job Creation Food Gardens for bordering community members.

An insurance claim was submitted and by the end of the financial year 2021/22, the claim was not yet settled.

July 2021 Civil Unrest: Business Assistance/Support Provided

Assistance was provided to businesses to apply for unrest relief, 883 of businesses were supported to submit.

INFORMAL SECTOR SUPPORT	INTERIM RELIEF MEASURES	BUSINESS RECOVERY PROGRAMME: FINANCIAL AND NON FINANCIAL
• SEDA, SEFA, DEPT SMALL BUSINESS DEVELOPMENT • Informal Traders Support Programme: • Once Off Grant R3000 • Business Support (financial & non financial) through Township and Rural Entrepreneurship Programme specifically the fruit and Vegetables Vendors Scheme.	• Moratorium on permits and business licence requirements until 31 December 2022. (ie reduce cost of doing business). • Reduction of cost of finance or borrowing for SMMEs and Cooperatives. (in blended finance model, reduction in debt component and increase in grant component considerations).	• Focus on Uninsured small enterprises. • Small enterprises requiring funding for working capital (including stock), equipment and furniture as well as fittings. • Small enterprises with existing funding from other lenders will be considered. - Blended Finance (grant:60% and Loan:40%). • Interest rate on loan limited to 5% • Initial payment moratorium of up to maximum of 12 months for small enterprises in KZN. • Repayment period of 60 months • Maximum funding per entity is R2 million. • Pre investment support (SEDA to assist with packaging applications) • Post Investment - SEDA customised business development support based on needs.



Unrest Impact: Eleven Months Later

In June 2022 LED visited a sample of retail businesses affected by the unrest and administered a semi-structured questionnaire. The findings were as follows:

- ✓ there is an approximate 53% return towards pre-unrest operations;
- ✓ despite employees staying home during reconstruction of the businesses, all employees returned to their jobs once the businesses had reopened.
- ✓ The businesses not yet reopened, still in reconstruction the status of employees is unknown.

ENABLING LED ENVIRONMENT: SECTORAL DEVELOPMENT AND SUPPORT 2021/22

For the financial year LED interventions/projects in promoting sectoral development, growth and transformation, covered the following sectors:

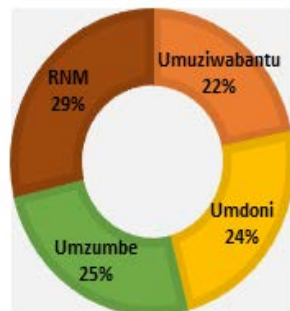
- ✓ Construction Sector
- ✓ Manufacturing Sector
- ✓ Retail & Wholesale
- ✓ Mining Sector
- ✓ Tourism
- ✓ Agriculture
- ✓ Oceans Economy

As part of investing in future LED administrative/practitioner capacity and in supporting the Local Municipalities during the year each local municipality was provided with one LED Intern, and the district housed two LED Interns.

In addition, business recovery support post-covid and post unrest was provided through assisting businesses with information, and completion of required applications and monitoring consideration of applications.

Across sectors small businesses, cooperatives and SMMEs were assisted through various interventions as the table will indicate. Operation Vula facilitation resulted in 23 successful applications across different sectors, notably detergents manufacturing, baking, clothing and textile, construction, landscaping and garden services, dry cleaning, care wash, guest house, poultry and restaurants.

Per LM the intervention outputs in were calculated to indicate the percentage share of the output per LM, as follows. Despite equitable opportunities the outputs differed, the reasons for differences were presented to Council, with agreements at Portfolio level on specific interventions related to specific matters.



The below table indicates per strategic objective, and per sector what projects/interventions LED either led, facilitated, enabled or participated in through coordinating local municipal participation, and the output or outcome of that project/intervention.

STRATEGIC OBJECTIVE	PROJECTS/INTERVENTIONS 2021/2022	OUTPUTS/OUTCOME
To promote sectoral development: <i>Construction Sector</i>	Training Emerging Contractors: accredited CIBD course: home-building. (Partners: NHRBC, FET, EDTEA, LMs)	81 emerging contractors trained and received certificates.
To promote sectoral development: <i>Manufacturing Sector</i>	Training: fashion designer accredited training & provision of sewing machines. (Partners: NPC SLP 2021-2025), LMs)	23 Fashion designers trained and received certificates & provided with sewing machines.
	Training Programme to create skills dev and work opportunities. (Infrastructure, mass training & employment programme) (Partners DFFE, LMs)	National Certificate: Clothing, Textile, Footwear and Leather Manufacturing Processes (NQF level 2)
To promote sectoral development: <i>Mining Sector</i>	Small-Scale/Artisanal Miners Information Sharing Workshop (Partners: DMEA, LMs, EDTEA, Ugu EM)	14 artisanal miners attended information sharing session.
To promote sectoral development: <i>Tourism Marketing</i> (USCT as per SLA and Mandate)	Brand Positioning	Articles & Adverts in various publications: Msanzi travel (2 double page adverts), travel ideas, getaway magazine (double page spread and hosted journalist – 9 free pages of free exposure), complete golfer, rising sun north coast & surrounds. 24 press releases
	Seasonal Campaigns	Spring campaign radio advertising including ECR (reached 565000 listeners). KayaFM (754 000 listeners) Summer Campaign #Summervibes #Extendyourstay campaign Tourist friendly awareness campaign Local radio awareness
	Trade & Media fam trips Trade Marketing Beach & Hinterland activations	Hosted Isolezwe newspaper and Lotus FM – experienced croc world, beaver creek, Selsdon park, kwaxolo, oribi gorge, lake eland.

To promote sectoral development: <i>Tourism Development</i> (as per USCT SLA)		Wild coast (getaway journalist) Speed marketing & training on marketing
	Public Relations Media Exposure Digital Platforms Destination Research	The longest date season 2 on SABC 3 filmed in Ugu. Shark cage diving, surfing, wild5 etc. TKZN live broadcast at Umthunzi. SAFM, Gagasi – film commission, etc hosting topics tourism. Live broadcast at cutty sark hotel. Rise FM (Mpumalanga station). Expresso SABC 3, etc. Celebrity media tour.
	Tourism Business Support	KZN Tourism Relief Fund assistance provided.
	SMME Development & Support	5 tourism establishments allowing crafter to display and sell products. South Coast Mall Exhibition Homestay & Experience programme. (AirBNB Africa academy programme pilot) 20 tourism entrepreneurs. Trained and received funding. 5 yr agreement with Singatha Incubation Centre (linked tourism businesses to smme development) Rickshaw in Margate. Agritourism Support linkages made & assistance with emerging products and marketing. Tourist guides and Tour Operators Association workshop – capacitate to register association, constitution etc. First aid for tourist guides level one to 44 guides.
	Youth Development	Tourism Safety Monitors (12-month programme) 108 applications rec. 37 – Scottburgh beach, hibberdene beach, St Mikes, Margate, Vernon Crooks, Mpenjati, oribi gorge nature reserve.

	Product Development	Rural tourism development: great drivers out route (as a destination offering to encourage visitors to drive out). Umzumbe, KwaMadlala, KwaNdelu, KwaDweshula, Mehlomanyama, Spillers. P/Shep (reviewing) Mission tourism Maristella, Assissi, Maria Trost. kwaNzimakwe great drive out. Nyandezulu Umdoni KwaQiko KwaXolo Caves (signage), tourist guide training. Umzumbe River Trail. iKhwezi horse riding and homestay Umuziwabantu. Agritourism
	Tourism Awareness	Umuziwabantu community awareness (umuziwabantu great drives out), stakeholder engagement.(300 people) Mtwalume community awareness KwaQiko awareness (Umdoni)
	Stakeholder Relations	Areas committees and stakeholder engagements.
To promote sectoral development: Agriculture	Rural Medium-Scale Farmer Support Programme: CASP & Dbase of medium scale farmers (Partners: DOA, DRDLR)	District level database
	Horseshoe Farm Agri-Hub (Partner DOA, RDLR, SEDA)	Revive PSC and Operationalise Agri-Hub (not yet done)
	RASET (Partner: EDTEA, USCDA as per SLA)	3 Cooperatives trained, provided with infrastructure, inputs and assisted to get to market. 2 refrigeration trucks received.
	KwaNyuswa Tea Tree Support by NPC SLP.	Strategy and BP developed
	Fairtrade Fund Support Programme: expansion smallholder production. Partners: Dept Agric, Oribi Oils.	R1.15 million in tea tree seedlings provided to 4 cooperatives. Sizuzimpilo Co-op 80 000 seedlings Mzimkhulwana coop: 80 000 seedlings Thokozelani Coop: 16000 seedlings Idwala coop: 16 000 seedlings.
To promote sectoral development:	Recovery support to sectors of Ugu economy (applications etc) (business recovery)	105 businesses applications submitted.(assistance provided.) 23 approved.

Recovery Support: all sectors	(Partners: SEDA, SEFA, EDTEA, LMs). (all LMs sessions, support with partners)	
To promote Small business, cooperatives & SMMEs.	Oceans Economy: Fisheries Project (Partners: EDTEA, DForestry & Fisheries).	Formalised 7 fishery cooperatives. Business training. Land for refrigeration identified. Awaiting refrigeration containers delivery.
To promote Small business, cooperatives & SMMEs.	Portable/Plumbing Skills Small business. (Trade Test). (Partner FET)	10 Trade Tests completed.
	Operation Vula facilitation	23 successful applications across different sectors: detergents manufacturing, bakery, clothing & textile, construction, landscaping and garden services, dry cleaning, car wash, guest house, poultry and restaurant.
	Supplier Enterprise Development Programme (Partner: Ugu Youth Office)	Enterprises database developed Then needs assessment and linkage to partners & support needs addressed.
To increase investment and development opportunities	Essential Oils Production & Development	KwaNyuswa Tea Tree Growers receiving fairtrade certification support. (oversight), and package of
	Led Capacity to LMs.	4 Unemployed LED graduates deployed to LMs.
	USLC Revitalisation	Sports fields A & B rehabilitated to PSL standard. Increased income and usage. Packaging for PPP and user agreements underway.
	Ugu Fresh Produce Market	Revitalised planned. However, re-planned:- insurance & packaging underway.
	Horseshoe Farm	FPSU sustainable.
To increase investment and development opportunities	USCDA & USCT Catalytic Projects as per SLA (Mandate)	Umzumbe River Trail
		Ifafa Light Industrial Park
		Hibberdene Sml Craft Harbour (Task Team)
		Renewable Energy (biofuels)
		John Mason Park

RASET



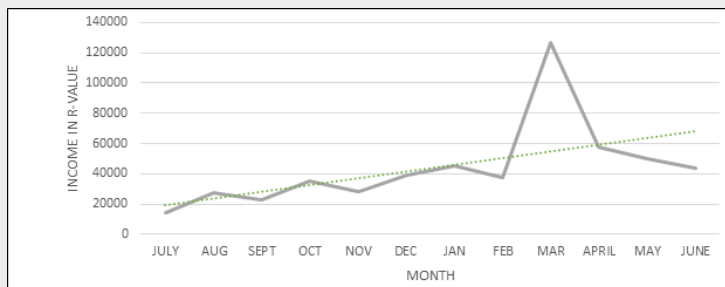
STRATEGIC LED INFRASTRUCTURE/FACILITIES/ASSETS: UGU SPORTS AND LEISURE

During the year Council Reaffirmed its Vision, goals and objectives for the facility. Key milestones for the year include:

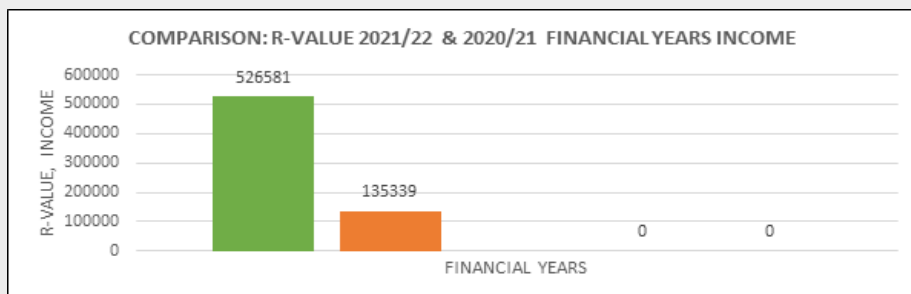
- ✓ Completion of Sportsfields A and B rehabilitation, regrassing and preparation to almost PSL standard being completed. The irrigation and related infrastructure was repaired, serviced and/or replaced.
- ✓ Testing market appetite for a Public Private Partnership.
- ✓ Users- Engagement and Progression towards refining user-agreements.
- ✓ Increasing usage and income.



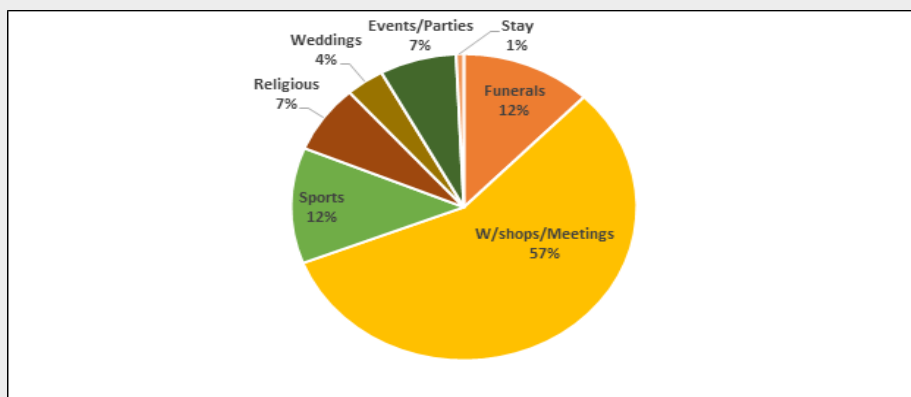
For the financial year there were: a total of 140 usages, amounting to R526 586.63. The graph below, illustrates how steadily the income increased as the revitalisation was being realised. Following the floods, however, usage and income decreased for a period of time.



Comparison of 2020/21 (orange) year to 2021/22 (green) year in terms of R-Value of income illustrates the increase of income from the facility usage increasing.



The types of usage are illustrated, and although sports is only 12% it has increased since the previous year and is envisaged to increase further in future years.



During the year the facility hosted some high profile events and visitors and the SANDF utilised the facility when it was providing flood-relief support to the district communities.



STRATEGIC LED INFRASTRUCTURE/FACILITIES/ASSETS: UGU FRESH PRODUCE MARKET

Unfortunately, the market was damaged during the unrest in July 2021, and the insurance was not settled during the year.



STRATEGIC LED INFRASTRUCTURE FACILITEIS/ASSETS: HORSESHOE FARM

During the year Council Resolved to make available a portion of the Horseshoe farm (Two (2) Hectares of unused land at 30°42'4.97"S, 30° 9'9.81"E.) for the neighboring small scale tea tree growers to utilise for their

equipment storage, and as a general administrative centre for their production and distillation of tea tree. The resolution will be implemented in 2022/23 year.

The number of essential oil Farmers in KwaNyusa has risen to over 502 farmers, and their haulage costs to the nearest distillery (some distance away) were substantial. The usage of the identified land will result in substantial savings, add additional seasonal jobs to the business, enable the development of agro-processing skills/distillation, and therefore increase their involvement (participation and ownership) in the supply chain.

3.5.7 IGR STAKEHOLDER'S COORDINATION

It is often asserted that LED is about partnerships. Therefore, this makes partnerships, both formal and informal imperative to the discharge of the LED mandate as National LED Framework. Accordingly, the LED Section has, through the District Development Model: Cluster ensured optimal stakeholder inclusive engagement. The cluster generally sat twice a month, and responded to the unrest in a coordinated manner, as well as continued through a coordinated approach post covid business support, as well as responding to the flooding.

The Economic Cluster further played a significant role in the change management processes and improvements to LED functionality in the district.

The Eastern Seaboard Initiative presentations and linkage into the cluster was done during the year, and it is envisaged that the cluster will enable coordination of the districts matters within the eastern seaboard initiative.

Special attention was given to mining, manufacturing and agriculture sectors in the cluster, with visits by cluster members to a local women owned business cosmetic manufacturer aiming to grow the business throughout the district through franchising, and a women owned stone crushing local business and linkage to enterprise development opportunities with government.

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC
ECONOMIC SECTOR AND INFRASTRUCTURE DEVELOPMENT 10h00		01	29	29	24	28	26	23	27	25	22	

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2017/2018	35	1429
2018/2019	40	1668
2019/2020	13	1708
2020/2021	12	864
2021/2022	6	1737
* - Extended Public Works Programme		6689

3.6 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Ugu District Municipality has adopted a Special Programmes unit where vulnerable groups are supported.

3.5.1 Development of the People with Disabilities

People with Disability in South Africa encounter a range of physical, cultural social and attitudinal barriers, which prevent them from enjoying and accessing their full civil, political, economic, and social and developmental rights. The Special Programmes Section is committed to promoting an integrated National Disability Forum strategy. The special programmes unit envisions the understanding of the rights of persons with disability and dignity through full participation in a barrier-free society. The collaboration is aimed at ensuring that those with disability are included in making decisions about their lives, have access to justice, achieve independent living, establish an adequate standard of living, personal mobility, enjoy freedom of expression and participate fully in society.

The Special Programmes Section is tasked with mainstreaming the Disability Programme within the District. Mainstreaming involves the integration of disability issues and interventions with government legislation and programmes and other sector organisations or programs.

Roles and Responsibility:

- Develop an Ugu District Municipality implementation plan that is aligned to the National Disability Strategy.
- Establishing and strengthening coordination of committees on disability matters, with emphasis on, among other goals, the adequate and effective representation of disabled persons and their organization as well as their roles therein.
- Promote participation by relevant stakeholders in the development and use of research.
- Making special efforts to foster positive attitudes towards children and adults with disabilities, and undertaking measures to improve their access to rehabilitation, education, training and employment, cultural and sports activities and their physical environment.
- Change attitudes through sensitization and awareness programmes.
- Promoting awareness and commitment to full participation, equality and empowerment of persons with disabilities.
- To reach out to the diversity within the disability sector by demonstrating how all human and socio-economic rights must and can be equally enjoyed by all persons with disabilities, irrespective of race, gender, age, sexual orientation, type and severity of impairment, socio-economic status, educational qualification level, religion, culture, employment status or nationality.
- To advocate for accelerated implementation of White Paper on the Rights of Persons with Disabilities.

- To report back on achievements and challenges experienced over the past years in creating a disability inclusive in the District.
- Encourage a process allowing the development an integrated project-based budget.
- Develop a reporting mechanism to facilitate the dissemination of information by using appropriate medium e.g. Braille.
- Encourage the sharing of resources and the adoption of asset-based approaches.
- Advocate and facilitate inclusion in the decision-making process.

5.3.2 Development of the Elderly

As per the 2016 Community Survey conducted by Statistics South Africa, the elderly makes up 6.7% of the total population of the Ugu District area of jurisdiction. Furthermore, 15.8% of the Ugu District area of jurisdiction households are headed by the elderly. The elderly people are vulnerable in many aspects and hence the district commitment to ensuring protection and care of its senior citizens. The district has a Senior Citizen Programme which is underpinned by the following pillars:

- Creation of an enabling and supportive environment for senior citizens.
- Community-based care and support services.
- Advancement of healthy well-being.
- Ensuring community-based care and support services; and
- Promotion of protection and safety

The District Municipality has a Senior Citizens Forum in place. Through this forum the municipality on annual basis implements programmes such as Golden Games; Support to Destitute Elderly; and Awareness Campaigns. Furthermore, Senior Citizens must be full participants in the development process and share in its benefits. No individual must be denied the opportunity to benefit from development. Older persons have been previously marginalised, as ageing has been perceived as a problem rather than a natural process. Senior citizens are also represented in the District Civil Society Forum and they an equal voice in sharing their views.

The programme is intended to:

- To promote close collaboration between the Ugu District Senior Citizens Forum, government departments and the broader NGO-sector involved with senior citizens sector,
- To coordinate, monitor, evaluate and report on the implementation of programmes and strategies aimed at achieving goals for senior citizens,
- To raise awareness, advocate, and lobby on, and conscientize the public about senior citizens' rights with a view to stimulating public debate

5.3.3 Gender Development Programme

The Gender Development Programme promotes the respect for the rule of law, human rights as well as economic and social development for women, men and the LGBTQI+ Community to ensure that equal opportunities are achieved. It aims to promote, protect, monitor, and evaluate gender equality within the district. The programme is responsible for the coordination and implementation of programmes to mainstream gender development within the district and ensure that equal opportunities are available for men, women and the LGBTQI+ Community to play an active role in the economy of the district and the country at large thereby escaping the cycle of poverty and abuse. This is achieved through raising awareness on issues pertaining to Gender-based violence, women's health, men's health, skills development, sexual health, reproductive rights, as well as the access to justice.

The Special Programmes Unit works closely with the 4 local municipalities to coordinate and implement programme that promote gender equality and raise awareness on social issues affecting women and men in the district.

Roles and Responsibility:

- Guide the Districts response to gender-related issues.
- Create and strengthen partnerships for an expanded provincial response to issues of Gender development.
- Mobilize and streamline resources to effectively implement partnership activities.
- Establish medium and long-term goals for the Gender Development Programme based on the Gender Equality Act.
- Coordinate, monitor, evaluate and report on the implementation of programmes and strategies aimed at achieving Gender development goals.
- Raise awareness, advocate, lobby on and consociates the public about human rights.

The District has established a Gender, Men's, and Widow's Forum through which on an annual basis implements programmes such as, Sanitary Dignity Campaign; Women Empowerment Session; Men Empowerment Session; Women Empowerment programmes; Moral Regeneration Campaign; Sanitary Dignity Awareness Campaigns, Annual Umkhosi Womhlanga; Men Empowerment session; Gender Economic empowerment Workshops; and Gender-Based Violence Awareness Campaigns.

5.3.4 HIV / AIDS Programme

The Special Programmes Unit coordinates the functioning and the implementation for the HIV and AIDS programmes in the district. The coordination is done through working together with the government departments in the district lead by Department of Health as a key department in relation to HIV and AIDS programmes. The district municipality also works with local municipalities (Umzumbe, Ray Nkonyeni, Umdoni and Umuziwabantu) Civil Society Sector, as well as district supporting partners.

Ugu is one of the province's five districts who have a high burden of HIV, TB and STIs. Interventions will then be prioritised according to the burden as the essence of the methodology is to deliver results that can provide the greatest impact with limited resources and highest value for money.

The MDIP is aligned with national strategic plan 2017-2022 and provincial implementation plan 2017-2022 obligations, commitments and targets related to HIV, TB and STIs. The MDIP will also be used by UDAC as the framework to co-ordinate and monitor implementation by sectors, local municipalities, and civil society organizations. The district supporting partners will use the MDIP to support the district in its efforts to turn the tide with respect to the twin HIV and TB epidemics.

The HIV programme is focused on the 8 goals (below) as per National Strategic Plan for HIV, TB and STIs:

- Goal 1: To accelerate prevention to reduce new HIV, TB and STI infections
- Goal 2: To reduce morbidity and mortality by providing HIV, TB and STIs treatment, care and adherence support for all
- Goal 3: To reach all key and vulnerable populations with customised and targeted interventions
- Goal 4: To address the social and structural drivers of HIV, TB and STI infections
- Goal 5: To ground the response to HIV, TB and STIs in human rights principles and approaches
- Goal 6: To promote leadership and shared accountability for a sustainable response to HIV, TB and STIs
- Goal 7: To mobilise resources to support the achievement of NSP goals and ensure a sustainable response
- Goal 8: To strengthen strategic information to drive progress towards achievements of NSP goals

The district has established District AIDS Council and Ugu District Civil society forum through which on an annual basis, programmes such as, Awareness Campaign; World AIDS Day; Nutritional Supplements; and provision of support to PLHIV sector programme are implemented.

Programmes achieved thus far

- Supporting the Civil Society structure . The Civil Society exco was re-elected in 2019
- Functional District AIDS Council with full support of Political Leadership. Members of civil society being represented in the Council.
- Continuous reporting and attendance to the Provincial AIDS Council
- Coordination of District Consultative meeting
- Good relations with partners working in the district.
- Participation in the District Nerve centre meetings
- Participating in the She Conquers campaign committee and Adolescent Youth Forum-meeting monthly and supporting various activities which deal directly with the 5 She conquers objectives: i.e.
- Decrease new HIV infections in adolescent girls and young women by at least 30%
- Decrease teenage pregnancy by at least 30%
- Keep girls in schools until matric-increase retention by 20%
- Decrease gender base and sexual violence by 10%
- Increase economic opportunities for young girls by 10%

- Participation in the Adolescent, Youth and Young Women (AGYW) programmes which has various partners working in the district including Dreams, FHI360, CCI, and Broadbeach.
- Participation in the various meetings coordinated by the Office of the Premier, HIV, AIDS Directorate.
- The UDAC meetings are 04 February 2022, 19 May 2022, 05 August 2022 and 11 November 2022

5.3.5 Rights of a Child

The Convention on the Rights of the Child defines a child as "every person below the age of eighteen (18) years unless under the law applicable to the child". The Rights of the Child Programme is the responsibility of government institutions including municipalities to create an environment that is child-friendly; prioritizes and protects children's rights. Pre-primary education is seen as a vital grounding to a learner's ability to grasp concepts later on in their schooling career. Very few learners are registered in pre-Grade R classes and only 8 pre-primary schools are registered in the district.

Some of the key challenges and obstacles hindering the growth of ECD Centres include and not limited to minimal funding, lack of buy-in by parents, absence of adequate learning materials and resources and qualified educators. The District Growth Development Plan has identified a number of interventions required to ensure early childhood development.

National legislative mandate:

- Constitution of South Africa
- Children's Act 38 of 2005
- Children's Act 41 as amended 2007
- Child Justice Act
- Human Trafficking Act
- Intimidation Act 72 of 1982
- Marriage Act 25 of 1961
- Sexual Offences Act
- Protection from Harassment Act 17 of 2011
- Recognition of Common Law Act
- Recognition of Customary Marriage Act 120 of 1998
- South African Schools Act 84 of 1996
- White Paper on the Rights of People with Disabilities

5 Pillars of Children's Rights (National Plan of Action for Children of South Africa):

- Child Survival

This is a vital pillar in terms of children's welfare premised on the survival breakthrough of the child having access to safe and clean environment (sanitation and water); adequate shelter; nutrition; and health-care services.

- Child Development

This pillar is crucial in the promotion, protection, and fulfilment of children's rights. The development of the child is the responsibility of different entities such as the family, community, civil society and government. The multi-facets of child development include early childhood development; girl child and boy child development; culture and tradition; adolescent development; children with disabilities; socio-economic environment; quality education; parental care and support; children living in rural and urban areas; quality education; school sports; infrastructure planning and development; as well as arts and culture.

- Child Care and Protection

The pillar deals with issues of the safety of children and places of care. The protection of children encompasses child abuse and neglect; child trafficking; bullying (physical, emotional and cyber); orphans and vulnerable children; child-headed households; children living on the street; children and substance abuse

- Standard of living

The focus is on creating an enabling environment and tackling factors that hinder the development of the child such as child poverty; inadequate housing, water and sanitation; and access to social security.

- Child Participation

This refers to the involvement of the child in matters that pertain to children. Government institutions, civil society organizations and so forth need to ensure that children take part in the decision-making processes such as school governing bodies; IDP Forum; Council, etc.

Strategic objectives of the programme:

- Establishment of integrated and functional processes of District and Local structures for children's rights amongst stakeholders.
- Facilitate the co-ordination, collaboration and synergy in the promotion, protection and fulfilment of children's rights in Ugu District. Strengthen the capacity, systems and processes relating to the realization of children's rights.
- Provide a platform for government and other stakeholders to share information, collaborate in initiatives and promote best practices.
- Promote equal access (quality education and healthcare) and holistic development for all children, including those with disabilities.
- Conduct awareness and advocacy campaigns through workshops, schools, roadshows.
- Mainstreaming of children and youth issues in governance.
- To encourage recognition of children as social actors, with particular interests, capacities, vulnerabilities, and requirements for protection, guidance and support in the exercise of their rights.
- To draw attention to diversities, circumstances, and quality of experiences within early childhood that need to be taken into account when developing legislation and implementing programmes.
- To emphasize the vulnerability of children to poverty, discrimination and a multitude of other adversities that violate their rights and undermine their well-being.

The role of Ugu District Municipality is to coordinate all programmes in relation to this cause and create a platform for all stakeholders sharing common cause such as NGOs, CBOs, Local Municipalities and Government Departments, particularly DSD and DOE who are key stakeholders. Through District Rights of the Child Forum, the municipality implements programmes such as, Dress a Child Campaign; Spelling Bee; Financial Literacy; Support to Child Headed Household; Support to ECD Centres; Take a Girl Child to Work; Children's Rights Awareness Campaigns; and Christmas for Children Living in Shelters.

5.3.6 Expanded Public Works Programme (EPWP)

The EPWP is one of several Government initiatives aimed at addressing unemployment and alleviating poverty within Ugu District Municipality in the short to medium-term. The EPWP involves creating temporary work opportunities for the unemployed, using public sector expenditure. The importance of the EPWP is clearly reflected in key government policies like the New Growth Path (NGP) and the National Development Plan (NDP). In both, EPWP is positioned as a key programme to contribute to achieving government's goals of halving unemployment and addressing gaps in the social protection system. Furthermore, the Ugu District Municipality has been mandated to create work opportunities. To assist with the implementation of EPWP projects and achievement of targets.

The objectives of EPWP Phase IV:

Is to provide work opportunities and income support to poor and unemployed people through the delivery of public and community asserts and services, thereby contributing to its development. Programme impacts include:

- Employment Creation – Acquiring work-based skills and workplace experience enhancing their potential to find further work in the formal or informal sector.
- Income Support – Earning an increase income and improving their household securities.
- Development of community asserts and the provision of services – Benefiting from improved service delivery and infrastructure in their communities.

UGU DISTRICT MUNICIPALITY PHASE IV TARGET

Total All Sectors							
Municipality		2019/20	2020/21	2021/22	2022/23	2023/24	Total
Ugu	WO	1765	1 785	1 798	1 806	1 817	8 971
	FTE	618	625	630	634	638	3 146

Ray Nkonyeni	WO	835	846	857	866	877	4 281
	FTE	318	323	327	332	336	1 636
Umdoni	WO	276	280	284	287	291	1 419
	FTE	103	105	106	108	109	531
Umuziwabantu	WO	179	180	182	183	185	909
	FTE	65	65	66	67	68	330
Umzumbe	WO	250	252	253	254	255	1 265
	FTE	88	88	89	89	90	443

Ugu District EPWP Phase IV Sector Targets							
Municipality		2019/20	2020/21	2021/22	2022/23	2023/24	Total
Infrastructure	WO	1 284	1 296	1 300	1 298	1 300	6479
	FTE	424	428	430	429	430	2141
Environment & Culture Sector	WO	290	299	308	317	326	1540
	FTE	121	125	128	132	136	642

Social	WO	190	190	190	190	190	952
	FT E	73	73	73	73	73	363

5.3.7 Social Development: SWOT Analysis

The SWOT Analysis with regards to Social Development analysis are summarised as follows:

Table Social Development SWOT Analysis

Strengths	Weaknesses
Poverty alleviation through Operation Sukuma Sakhe as multi-stakeholder platform Fully functional Forums dealing with vulnerable groups Staff complement Good working relations with other stakeholders Support from NGOs and private sector	Poor co-operation by local municipalities Special Programmes viewed as an ad hoc programme Social Ills Poverty and gender inequality
Opportunities	Threats
Forging partnership with Private Sector (taking advantage of available Corporate Social Investment) New innovative initiatives to address social ills Expansion of existing programmes to cover the whole district Sharing of funds for programmes Job opportunities	Non- cooperation from some Local Municipalities Social Inequality High Crime Rate High prevalence of HIV and Aids Social ills (Teenage pregnancy, drugs and substance abuse, gender-based violence) Duplication of Efforts/Initiatives

	Gateway to Eastern Cape and eThekweni (inward migration) put burden on social resources Restricted access due to covid 19 restrictions

Employees: Special Programmes					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	5	3	437	29%
7 - 9	4	1	4	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0
Total	5	7	5	437	29%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.14.4</i>					

Employees: Youth Development

Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T 3.10.4

ENVIRONMENTAL PROTECTION AND POLLUTION CONTROL

This component includes pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Section 24 of the constitution provides a right to a safe environment, that is not harmful to the health and wellbeing and to have the environment protected, for the benefit of present and future generations,

through reasonable legislative and other measures that prevent pollution and ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

Environmental management is the manner in which natural resources are utilized to serve the social, economic, and other needs of the present and future generations. The level and extent of protection of natural environmental carrying capacity to uphold and maintain the development needs is very important for the realisation of sustainable development.

Ugu as a region is a tourist destination, and this economic pillar relies on its natural scenic beauty. As a water and sanitation service provider and authority, the municipality relies on water resources and such must be protected and treasured to ensure sustainable water management and on-going sanitation service delivery.

Ugu Environmental Management section functions to adopt and implement the principles and underlying approaches to sustainable development and to ensure the integration of environmental issues into districts government decision making at all levels. The section has developed various environmental management instruments, while others are still under development and others are still under review, as per legislative requirements of the National Environmental Management Act (NEMA) and other legislations. These provide a strategic direction during planning phases of development as the municipality must work within the capacity of the current natural assets for sustainable development. As per chapter 5 of NEMA, these instruments are essential for risk management and compliance with environmental legislation as they proactively assess the impacts of development on the environment to mitigate negative effects and maximise positive impacts. The section also aims to ensure that infrastructural investments of the municipality are also protected in cases of natural events. To achieve environmental protection while meeting the development social needs of the communities, the municipality has strived to comply with these requirements and still endeavors to improve in the immediate to long-term

T 3.14

3.7 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Air Quality Management

The Municipality's Environmental Services is the Atmospheric Emission Licensing Authority and the function is executed in conjunction with the assistance of the Department of Forestry, Fisheries and Environment (DFFE) and the Provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA). The Municipality has also assumed responsibility for air quality management on behalf of the respective local municipalities. Coordination of air quality management in the Ugu DM is executed through Air Quality Management Forums between the Ugu DM AQO and the local facilities.

As an atmospheric emissions licensing authority (AELA), air quality management is essential to ensure the protection of air quality in the district, thereby protecting human health.

Ugu Environmental Management issued the first generation of Atmospheric Emissions License (AEL) regime under the National Environmental Management: Air Quality Act (Act No 39 of 2004) (NEM: AQA) in 2013. Environmental Services is currently monitoring atmospheric emissions which emanate from listed activities in the district. Other activities which are monitored include ambient air monitoring, issuing of Atmospheric Emissions Licenses (AEL), registering small boilers (controlled emitters) and soliciting atmospheric emissions reports from all facilities. In addition to compliance reports all listed activities are also required to report emissions to the National Atmospheric Emissions Inventory System (NAEIS). The sole purpose of NAEIS is to compile the national

Environmental Services is currently monitoring atmospheric emissions which emanate from listed activities in the district. Other activities which are conducted include ambient air quality monitoring, issuing of Atmospheric Emissions Licenses (AEL), registering small boilers (controlled emitters) and soliciting atmospheric emissions reports from all facilities. In addition to compliance reports all listed activities are also required to report emissions to the National Atmospheric Emissions Inventory System (NAEIS). The sole purpose of NAEIS is to compile the national atmospheric emissions inventory for the country and not necessarily for compliance purposes.

Facilities issued with Atmospheric Emissions Licenses (AEL) are required to submit annual atmospheric emissions compliance reports to Ugu District Municipality. Ten (10) AEL's have been issued in 2021/2022 financial year. Eight (8) facilities have submitted atmospheric emissions reports. Amongst ten (10) facilities, two (2) have been decommissioned and therefore they did not operate during the year.

There are 10 controlled emitters in the uGu database. They are required to report emissions to the district on annual basis.

Ambient Air Monitoring

Ambient air quality monitoring station which is situated in uGu District is not the asset/property of uGu District Municipality, but it belongs to the Department of Economic Development, Tourism and Environmental Affairs. Ambient air quality results could not be extracted from the ambient analyzers due to some technical problems encountered by the Provincial Department.

In view of this fact uGu District Municipality is in the process of purchasing its own ambient monitoring equipment.

The responsibilities of a district municipality as required by the Air Quality Act have been met and air pollution mitigation measures are continuously being implemented. Air quality management by-laws were promulgated and adopted by council in 2015. Air Quality Management Plan and Atmospheric Emissions Licensing is in place and in its implementation phase.

3.15.2 Air quality information and reporting requirements

Ugu Atmospheric Emissions Licensing Authority (AELA) is fully compliant with the reporting requirements as stipulated in the NEM:AQA National Atmospheric Emissions Reporting Regulations (GN 38633). The South African Atmospheric Emissions Licensing Integrated Portal (SAAELIP) is an online portal for applying for an Atmospheric Emission License (AEL) in terms of the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of

2004) as well as the reporting of emissions data for the compilation of the National Atmospheric Emissions Inventory (NAEIS). The portal allows users to:

- Create and manage user accounts.
- Submit and manage AEL applications online.
- Track the status of an application.
- Submit emission inventory data & compliance reports.
- Receive e-mail notifications on licensing results.
- Receive e-mail alerts of upcoming reporting obligations; and
- Track historical versions of all applications

All our complying facilities have been registered with online system and are reporting their emission inventory data and compliance report as and when required. There are currently ten (10) AELs within Ugu district Municipality



Air pollution measures: Industrial inspections to determine eligibility for licensing or compliance with license conditions

1. **BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)**
2. Environmental Protection and Biodiversity
3. 3.1.1 (A) *INVASIVE ALIEN SPECIES PROGRAMME*

The term 'Biodiversity' is used to describe the wide variety of plant and animal species occurring in their natural environment or 'habitat'. The term encompasses different ecosystems, landscapes, communities, populations and genes as well as the ecological and evolutionary processes that allow these elements of biodiversity to persist over time. "Biodiversity pattern" refers to the way in which components of biodiversity are arranged, while "biodiversity process" relates to the series of actions and interactions occurring between biodiversity components (which serve to maintain biodiversity) and are commonly termed 'ecological processes'. South Africa's biodiversity provides an important basis for economic growth and development. Keeping our biodiversity intact is vital for ensuring the on-going provision of ecosystem services, such as the production of clean water

through good catchment management. Loss of biodiversity puts aspects of our economy and quality of life at risk and reduces socioeconomic options for future generations as well. In essence, sustainable development is not possible without it.

The importance of areas for biodiversity conservation has been highlighted through the recent development of a Biodiversity Sector Plan (BSP) for the Ugu District. This process included the development of a biodiversity profile of the region that aimed to spatially identify and delineate key areas of regional biodiversity significance and importance for the conservation of biodiversity in order to guide sustainable development within the District.

The National Environmental Management: Biodiversity Act (NEMBA) was enacted to provide for the management and conservation of South Africa's biodiversity within the framework of the National Environmental Management Act, 1998; the protection of species and ecosystems that warrant national protection; the sustainable use of indigenous biological resources; the fair and equitable sharing of benefits arising from bioprospecting involving indigenous biological resources.

Invasive alien plant species (IAP) are species whose introduction and/or spread outside their natural distribution threaten biological diversity. They are non-native to an ecosystem and may cause economic or environmental harm. They impact negatively on biodiversity, including decline or elimination of indigenous species through competition for water and the disruption of local ecosystems and ecosystems functions. Plant invasions alter ecosystems, as well as important natural processes such as fire frequency, nutrient cycling, erosion, hydrological cycles and sediment deposition, which, in turn, result in significant negative environmental, and therefore socio-economic impacts.

National Environmental Management: Biodiversity Act, 2004 (Act No 10 of 2004) The National Environmental Management: Biodiversity Act (NEMBA) regulates all invasive organisms in South Africa, including a wide range of fauna and flora. Chapter 5 of the Act relates to species and organisms posing a potential threat to biodiversity. The purpose of Chapter 5 is:

- a) to prevent the unauthorized introduction and spread of alien species and invasive species to ecosystems and habitats where they do not naturally occur.
- b) to manage and control alien species and invasive species to prevent or minimize harm to the environment and to biodiversity in particular;
- c) to eradicate alien species and invasive species from ecosystems and habitats where they may harm such ecosystems or habitats.

The National Environmental Management: Biodiversity Act (NEMBA) requires each property owner to control and manage these species in their backyard. In compliance to this legal requirement, Ugu DM efforts have been invested in programmes, projects and engagements that focus on the control and management of IAS in Ugu's land and properties. One of the plans developed is the Ugu DM Alien Invasive Control Plan. There are socio-economic initiatives that are being undertaken aimed at controlling alien invasive species. These include projects and programmes for alien plant control through various structures such as national government, local conservancies, unemployed youth and schools

4. UGU ALIEN INVASIVE CONTROL PLAN

The Monitoring, Control and Eradication Plan (Control Plan) has been developed to comply with the National Environmental Management: Biodiversity Act (Act No. 10 of 2004) [NEMBA] Section 76 (2), which requires all organs of state to prepare an invasive species monitoring, control and eradication plan for land under their control. This Control Plan presents clear priorities and sets out guidelines to be followed to achieve successful IAS control withing Ugu DM. This plan will also assist Ugu to create a bigger awareness and responsibility amongst stakeholders within the district.

The Control Plan forms part of Ugu's Integrated Development Plan and must be reviewed every five years. Currently the plan has been developed and awaiting public participation process before submitting to Ugu council for adoption. After approval by the Ugu Council the plan must be verified by the Department of Forestry, Fisheries, and the Environment. This Control plan addresses the land under Ugu's control such as the Ugu Pump stations and Wastewater Treatment Works (WWTW)

5. *BIODIVERSITY MANAGEMENT FORUM*

The biodiversity management forum aims to stage the dialogue amongst various parties that seek to address the control and management of alien invasive species within the district. As well as to guide the strategic planning and mechanism and their alignment to municipal planning processes such as the IDP.

The biodiversity management forum is hosted by Ugu bi-annually. This forum is attended by various stakeholders such as KZN EDTEA, DFFE, NRM, SANBI, Ugu local municipalities and conservancies. The objective of the forum is to act as an advisory body to ugu local bodies, to ensure compliance to relevant legislations, regulations and municipal by-laws that may relate to control and management of alien invasive species. It also serves to provide inputs into the development and implementation of integrated risk management for all activities that control and manage the spread of alien invasive species.

This forum seeks to engage with stakeholders to obtain a better understanding of each stakeholder's projects; to prevent an overlap of projects; to create awareness of IAS and legislation; to guide stakeholders to work with existing Control Plans where applicable; and to encourage best operating practices. During the year under review 2021/22 the forum meetings was held successfully.

6. *COASTAL MANAGEMENT*

A) *COASTAL MANAGEMENT PROGRAMME (CMP)*

The CMP is policy directive for coastal management within the district. The Ugu CMP is in its implementation phase however it is due for review. Nevertheless, there are challenges that experienced in some priority areas such as pollution management as well as budgetary constraints. A multi-stakeholder approach to the general coastal management is the most effective mechanism, especially regarding resource efficiency.

(b) *Coastal Management Committee*

The Coastal Management Committee is established in terms of section 42 of the Integrated Coastal Management Act. It aims to promote the provisions of the Integrated Coastal Management Act (Act 24 of 2008) in the municipality. It also aims for the promotion to coordinate and effectively implement this Act and the municipal coastal management programme. Furthermore, the Coastal Management Committee guides the strategic planning, mechanism and alignment to municipal planning processes such as the IDP.

The Coastal Management Committee is hosted by Ugu on quarterly basis.

The objectives of the Coastal Management Committee include:

- Promoting a co-ordinated, inclusive and integrated approach to coastal management within the municipality by providing a forum for, and promoting, dialogue, co-operation and co-ordination between the key organs of state and other persons involved in coastal management within its area of jurisdiction.
- Promoting the integration of coastal management concerns and objectives into the municipality's Integrated Development Plan and Spatial Development Framework and into other municipal plans, programmes and policies that affect the coastal environment.
- Advise the local municipalities and their municipal managers on coastal management matters, including activities that may have impacts on the coastal environment.
- Perform any coastal governance function delegated to it.

This forum is attended by various stakeholders such as KZN EDTEA, DFFE, NRM, SANBI, South Coast Tourism and Investment Enterprise, Ugu local municipalities and conservancies

(c) Coastal education and awareness

A Fundamental aspect to coastal management is environmental education and awareness for coastal users and visitors. This is delivered across all societal groups through Ugu Environmental Education and Awareness Forum partnerships. In this way resources are leveraged and optimally used, and duplication is avoided. Environmental calendar days of the year are observed and celebrated across coastal local municipalities. For the 2021/22 financial year, the commemoration of world oceans day was conducted at Umdoni Local municipality at Scottburgh beach, this initiative involved the youth, sector departments, entities and local municipality. A coastline clean-up and environmental awareness session was conducted at Mfazazane in Umthwalume at Umzumbe LM. The municipality in conjunction with DFFE launched an Environmental Green-walk Campaign to welcome the festive season. The walk aimed to raise awareness on climate change.



Images: Coastline clean-up and community awareness campaign at Mfazazane-Umzumbe LM



Images: a) Green-walk Umdoni LM



b) Sharks dissection demonstration by Sharks Board



Images: Green-walk Ray Nkonyeni LM



7. CLIMATE CHANGE RESPONSE STRATEGY AND ADAPTATION PLAN

The Ugu District Municipality Climate Change Vulnerability Assessment and Response Strategy was adopted in 2017 and it is the first generation of any climate response strategic actions in the region. This is in its 5th year of implementation. The first part of the strategy was assessing the vulnerability of Ugu assets per thematic area, namely, water, agriculture, biodiversity, economy, communities, etc to the impacts of climate change. It also sought to consolidate and formalise programmes and projects that had been implemented with no formal structure. With funding from the department of Environmental Affairs' Climate Change Branch, the Climate Adaptation Plan was developed, making the strategy easy to implement for each sector. The following are some of the actions from the strategy to guide implementation:

(A) TRAINING AND CAPACITY BUILDING

Ugu District municipality is a member of the KwaZulu-Natal Climate Change Compact (KZNCCC). Ugu District Municipality was also one of the award-winning municipalities in 2018 for being diligent signatories in the KZNCCC. Local municipalities, except for, Umuziwabantu collected their fair share of awards, for example Ray Nkonyeni was awarded for its successful implementation of the Energy Efficiency and demand Management (EEDSM) project. Umzumbe was awarded for their diligence.

(B) CLIMATE CHANGE WORKSHOPS

Ugu District Municipality in collaboration with Local Municipalities has conducted various climate change workshops in community groups, schools and various EPWP project beneficiaries. Sihlanzimvelo workshops is one of the examples of the EPWP project beneficiaries' engagements that have been conducted in the current year of evaluation. In this workshop, some of the aspects covered were waste minimization, illegal dumping, and other Environmental Management initiatives in general.

The topics focused on Climate change, Disaster Management and Waste Management in collaboration with the Department of Economic Development, Tourism and Environmental Affairs (Climate Change Branch), Ugu Disaster Management, Local Municipalities and the Department of Forestry, Fisheries and Environment (DFFE)

District and local municipalities plan to conduct more workshops to refresh environmental and climate change knowledge within the Youth.

One of the local responses to climate change impacts at a community level is Community and Ecosystems based Adaptation (CbA and EbA). This is one of the approaches recommended by the Ugu Climate Change Response strategy, Climate change adaptation plan and learnt from trainings and eThekweni Metropolitan Municipality. It promotes conservation of the environment and ecosystems to ensure community resilience while alleviating poverty and reducing greenhouse gases (GHGs). This also gives effects to the disaster management, viz, risk reduction as some of the ecosystems have become fire prone due to alien plants invasion and riverine systems becoming more stressed. Ugu District Municipality has adopted the Sihlanzimvelo Programme, as a community driven project to ensure clean and healthy riverine ecosystems that not only seek to preserve the ecosystem health, but to also create jobs, thereby restoring community pride in their own environment while also earning a living. The programme is being implemented in phases i.e. Sihlanzimifula (Rivers and riparian zones) and Sihlanzamaxhaphosi (Wetlands), the first phase of the project under Sihlanzimifula programme was implemented in the 2019/20 financial year and currently phase 2 of the project is being implemented for the 2020/21 financial year within the district. For the year 2021/2022, phase 3 of the Sihlanzimvelo project has adopted the Expanded Public Works Programme (EPWP) as the delivery mechanism.

Sihlanzimvelo covers all local municipalities of the Ugu District, i.e. Umuziwabantu, Ray Nkonyeni, Umzumbe and Umdoni. The project focuses on the following:

- enhancing water security through cleaner rivers
- improving ecological integrity and restoring the productive potential of riparian zones (involvement of specialists for sensitive environments)
- augmenting the waste management services and education
- creating short-term job opportunities
- stimulating desire for small businesses

- training and skills
- health and safety of beneficiaries
- community and government cohesion

30 participants were recruited from four participating local municipalities for the implementation of the project. The Rivers were also strategically selected because of the impact these rivers will add to the environment. The was adequate consultation with Local Municipalities during the selection of Rivers. The participants list was derived from the list of rivers and their proximity to the rivers. Rivers were selected from each local municipality as follows:

- Umzumbe LM: Mnafu and Umncazane Rivers
- Umuziwabantu LM: Weza and Umzikulwana Rivers
- Umdoni LM: Amahlongwa & Umzimayi Rivers
- Ray Nkonyeni LM: Nkongweni & Bhobhoyi River



a) Waste removal from rivers



b) Sihlanzemvelo participants cleaning one of the rivers

8. ENVIRONMENTAL EDUCATION AND AWARENESS

Environmental Management continues to undertake several environmental education initiatives in schools, communities and within the municipality. This is done under the banner of the Environmental Education and Awareness forum and as per stakeholder. The areas of educational interest cover waste management with local municipalities, biodiversity management, climate change, air quality and many more. For some aspects of environmental management, an international environmental calendar is followed in order to make education more thematic and interesting. The following are some of the examples of education initiatives that were conducted:



(A) CLEAN UP CAMPAIGNS

Ugu District Municipality together with Department of Forestry, Fisheries and the Environment (DFFE) alongside various stakeholders within the district have conducted a number of beach clean-up and awareness session campaigns.

The environmental services are trying to assist people in understanding how their decisions and actions affect the environment as well as building the knowledge and skills necessary to address complex environmental issues, as ways to act in keeping our environment healthy and sustainable for the future. Below are some of the clean-up campaigns that were conducted by the District Municipality in partnership with various stakeholders.

- [KwaNositha Clean-up campaign](#)
- [Umthwalume Clean-up campaign](#)
- [Gamalakhe Clean-up campaign](#)
- [Port Edward Taxi Rank Clean-up campaign](#)
- [Port Shepstone TVET Clean-up campaign](#)



Image: Clean-up campaigns

B) ENVIRONMENTAL CALENDAR DAYS

Environmental calendar days are means of reaching out to people and informing them on environmental issues on different themes. The environmental services unit celebrated the following environmental calendar days:

- World Wetlands Day was commemorated at Umzinto under uMdoni LM
- Weed Buster week was commemorated in all the LMs with the Sihlanzimvelo team.
- Biodiversity Day was commemorated at KwaNositha Area, under Ray Nkonyeni LM
- International Environmental Day was celebrated at Hibiscus Coast Primary School and Murchison Community within Ray Nkonyeni LM.
- Oceans Day was celebrated at Umdoni, Scottsburg Beach
- Climate Change awareness was conducted in both uMdoni and Ray Nkonyeni LMs
- Arbor week was celebrated in Port Shepstone with Green Net NGO



Image: commemoration of World Environmental Day at Murchison

(d) Ugu Eco/Green Office Initiative

The municipality recognizes the need to internalize good environmental practices within its business processes and operations, hence the Eco/Green Office initiative that was established in 2007. Environmental practices information shared in the year 2020/21 includes: energy saving, waste minimization, water conservation, creating greener communities, paper recycling. It is important to note that this initiative also recognizes the fact that Ugu staff are also members of the community. They are omitted during the community awareness campaigns that are conducted while they are at work, but they are affected by the environmental issues and their actions have impacts on their daily lives.

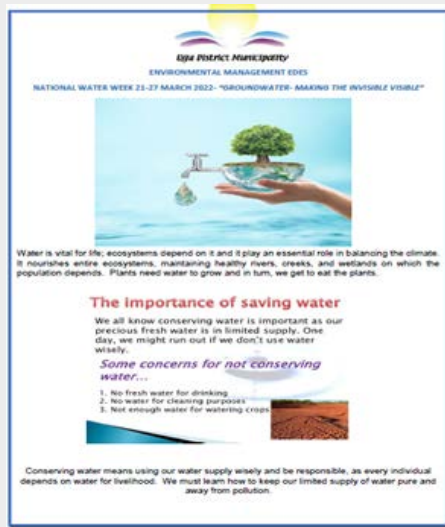


Image: National Water Week Eco-Green poster



b) Paper management (Recycling) Eco-Green poster

(E) ENVIRONMENTAL POLLUTION

One of the competency areas of Environmental Management Section is to ensure that the projects that are being undertaken by Ugu District Municipality are compliant with the environmental management legal requirements. Wastewater treatment is the biggest operation and first biggest environmental polluter in the municipality. Hence specific environmental education among the workers is crucial.

Ugu is a Water Services provider and authority of water and sanitation is being assisted by Environmental Management to ensure that their work is compliant, and their environmental awareness is being enhanced while the past backlog is gradually cleared.

The WWTWs workers have been taken through environmental education as it is required by the Environmental Management Programme (EMPr). This compounded by the fact that they need to understand the implications of their work and actions on the environment and the entire value chain of wastewater treatment. During the education sessions, the workers get to raise issues that require management actions and Ugu management need to take these matters forward in order to reduce pollution of rivers, streams and coastal environments. This will be a continuous exercise that will be aimed at achieving environmental compliance at all levels. However, management commitment and actions on operations are more critical.

(F) Capacity Building through Youth Community Outreach Programme

One of the major challenges is high levels of pollution emanating from littering and illegal dumping of waste amongst others, which affects the health of citizens and that contravenes the Constitution. In response to this challenge the Department of Forestry, Fisheries and the Environment took a strategic decision to expand the existing environmental education and awareness initiatives to reach out at ward level and enhance youth

participation in environmental management. Hence the establishment of youth community outreach programme (YCOP).

The establishment and implementation of YCOP has been undertaken in two (2) phases, the first phase was the opportunity given to four (4) unemployed graduates in the Environmental field. These youths were appointed on a 3-year contract from the 01 January 2019 and have since been deployed within the 4 local municipalities of Ugu. Their key responsibility was to be the coordination of YCOP in their respective local municipality. These youths were selected from the Ugu DM Environmental databases of Unemployed Graduates and were in possession of environmental qualification. This programme requires collaborative support from various municipal departments such as Waste Management, Local Economic Development, Environmental Management, and ward committees.

Employees: Environmental Management					
Job Level	2021/202	2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	251	17%
4 - 6	3	4	3	284	33.3%
7 - 9	0	1	1	0	0%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	6	3	535	50.3%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> T 3.15.4					

COMPONENT F: HEALTH

This component includes clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

Environmental health can be defined as the interconnections between people and their environment by which human health and a balanced, nonpolluted environment are sustained or degraded.

Environmental health is a discipline that examines human health effects from exposures to harmful agents in the environment. The 'environment' may include the outdoors, home, workplace, or public buildings.

It focuses on the direct pathological effects of chemicals, radiation and certain biological agents in dwellings, in urban, agricultural or natural environments, as well as their indirect effects on well-being. For example, if you live in a neighbourhood with unsafe sidewalks or polluted air, it's difficult to get outside and exercise. Similarly, what your home was built with, what insects live nearby, and what food you have access to all can affect your health and the health of your family. Simply put, environmental health is the area of public health that deals with all the different ways the world around us can impact our physical and mental well-being.

It connects the social and cultural environments, as well as genetic components

T 3.17

It is further defined as the science and practice of identifying, evaluating, and eliminating exposures to environmental hazards to further protect the health and well-being of the human population.

We don't always see it, but our environment is shaping our health every moment of every day. Where we live, what we eat, and how we interact with the world around us can tip the scales (sometimes literally) between healthy or not. That's where environmental health professionals, policies, and programs all come into play.

While we tend to think about health in terms of personal choices—like whether we exercise or get vaccinated — a lot of external things can influence how healthy we are, including whether we get sick or injured. Environmental stressors and advantages help shape the kinds of choices you make, or in some cases, make the choices for you.

Many people often think of environmental health in terms of clean air and water, but natural environmental forces—including things like global warming—are only one piece of a greater puzzle.

The Ugu Public Health By-Laws serve to encourage, promote and enforce important public health principles in the prevention of communicable diseases food borne illnesses and health risks. The by-laws and other legislative health measures undoubtedly support environmental health practitioners to render equitable environmental health services and ensuring compliance in the district

The implementation of the Environmental Health Operational Plan which is aligned to the SDBIP and Environmental Scope of Practice, ensures effective coverage of Environmental health service delivery with Environmental Health Officials constantly ensuring legislative compliance in the Ugu District municipality

During the Pandemic key to the implementation of preventive measures are environmental health officials (EHOs). EHOs have played a vital role since the initial response to COVID-19 for example, traveller screening, implementation of quarantining rules, isolation of cases and contact tracing through their role in community health management. However, as the number of cases across the continent continues to rise, it can be argued that EHPs have a much wider role to play due to their broad range of core functions and an array of specialisms focused on preventive health.

As described by the WHO, 'Environmental health addresses all the physical, chemical, and biological factors external to a person, and all the related factors impacting behaviours. It encompasses the assessment and control of those environmental factors that can potentially affect health. It is targeted towards preventing disease and creating health-supportive environments.

EHOs manage services through the principles of risk assessment and management to address adverse environmental influences on health, improve the health of the community and contribute to sustainable development.

Therefore, the role of Municipal Health Services, in minimizing disease morbidity and mortality, cannot be over-emphasized, as its role is preventative rather than curative. With an overarching, holistic range of skills, EHPs offer not only an essential but also a unique role in the prevention and control of diseases such as COVID-19 in SA.

Water quality monitoring, food safety and control and health and hygiene education, has received higher priority during the last year.

3.8 FOOD CONTROL

Food is a physical need, which is necessary for human survival. However, food must be prepared under sound hygienic conditions, to prevent exposure to pathogenic agents such as bacteria, which would otherwise contaminate food, by causing food poisoning and foodborne

diseases. The Foodstuffs, Cosmetics and Disinfectants Act 1972 (Act 54 of 1972), controls the safe manufacture and sale of foodstuffs.

Environmental Health Services is always striving to ensure that the highest level of Environmental Hygiene is implemented and maintained in the Ugu district, by conducting regular surveillance of food-premises, for the identification, monitoring and evaluation of health risks associated with the preparation and sale of foodstuffs. The monitoring component entails inspections by Environmental Health Practitioners (EHPs) and taking of microbial swabs from food surfaces, such as stainless-steel working surfaces and hands of food handlers. The aim is preventative rather than curative; hence the implementation of a proactive, rather than a reactive- approach to food safety.

The outbreak of the COVID -19 pandemic, and the resultant spread of diseases associated with it, requires that Environmental Health Practitioners (EHPs) now be extra vigilant when inspecting food outlets, to minimize contamination and, to prevent transmission to themselves, as they often come face-to-face with shop owners and the general public, in the normal execution of their duties. Measures must be put in place to prevent and reduce COVID – 19 in food premises, by ensuring among others, that surface contamination is avoided by sanitizing or disinfecting, all food handlers thoroughly wash their hands with soap and water and, personal protective equipment such as gloves, hair nets, overalls and face masks are worn when preparing or handling food.

The enforcement of Acts and bylaws are necessary, to ensure that premises used for the storage, sale, and manufacture of foodstuffs, comply with the necessary health requirements. To this end, Environmental Health Services plays a pivotal role in terms of Business Licensing, by identifying those premises that are compliant, prior to the issue of a Business Licence by the respective local municipalities. Statutory notices were served on those premises which were found to be non-compliant.

Table 1

Number of inspections conducted 01 July 2021 – 30 June 2022

OBJECTIVE	PLANNED TARGET	ACTUAL ACHIEVED 2021-2022
Food handler's education awareness sessions	40	43
Food premises monitored	1440	1479
Swabbing/food samples taken and analysed	144	202
Non- food premises inspected	400	400

A certificate of acceptability (COA) is issued in terms of the Foodstuffs, Cosmetics and Disinfectants Act and Regulations R638 of 2019, to all premises where any form of foodstuffs fit for human consumption is prepared or sold. The COA will only be issued after the premises

has been inspected by the Health Official and found to comply with health standards. The breakdown of certificate of acceptability issued in the various local municipalities, was as follows:

- Ray-Nkonyeni : 67
- Umdoni : 31
- Harding : 07

A blitz is a sudden and concerted effort by various stakeholders, that seeks to identify health and building contraventions, unlicensed business premises and sale of illegal medicine products, among others. Seventeen (17) blitz operations consisting of officials from SAPS, Local Municipalities, Home Affairs, Department of Labour, and Ugu Environmental Health Services, was conducted in the Umdoni, Ray-Nkonyeni and Harding areas.

The blitz operations had been successful and resulted among others, in the following:

- The closure of one (1) restaurant in Port Shepstone, for posing a health risk of food poisoning.
- The confiscation and disposal of 8146 kilograms of unsound foodstuffs.

Picture 1 - Food outlet being inspected during blitz operation in Margate



Picture 2 - A consignment of unsound and expired foodstuffs confiscated in Umzumbe



3.9 WATER QUALITY MONITORING

Water constitutes one of the important components in the life of man. It has a direct bearing on health. In order to be used as healthful fluid for human consumption, water must be free from organisms that are capable of causing disease and minerals and organic substances that could produce adverse physiological effects.

The water quality and safety programme seek to monitor, evaluate and control the quality of water supplied to citizens to ensure that the water has no threat to the health and well-being.

The bacteriological quality of water must comply with the standards as per SANS 241:2015. Microbiological and physical testing is also done monthly to ensure safe and adequate water supply for domestic use, water used for recreational purposes, industrial use, food production purposes and any other human and animal use.

In the unforeseen disruption to water supply in the District, the use of inhouse and outsourced water tankers are utilised to ensure that every person has the right to clean water. Environmental Health Services plays a pivotal role by conducting regular inspection and random sampling of water from all water tankers. In the event where water tankers are found to be non-compliant, such as extensively rusted and dirty, and/or Ecoli counts being above the prescribed limits, the findings are immediately reported to Water Services, for urgent attention and action against the relevant service providers. A total of 432 water samples were taken from tankers and standpipes.

To this end 1312 water samples were taken monthly from various sources, viz. tankers, standpipes, rivers, lagoons, and boreholes for testing. In instances where the water quality is compromised for the safe consumption or recreational use, the necessary remedial steps were taken to ensure the safety of the community and to prevent the outbreak of waterborne diseases. The monitoring programme also supports pollution control from private and public wastewater disposal systems.

Table of water samples planned and achieved as per 2021/2022 SDBIP

PROJECTS	TARGET	TOTAL
NUMBER OF RIVER WATER SAMPLES TAKEN & ANALYSED	500	607
NUMBER OF WWTW FINAL EFFLUENT WATER SAMPLES TAKEN & ANALYSED	120	120
NUMBER OF STANDPIPE WATER SAMPLES TAKEN & ANYALYSED	120	152
NUMBER OF BOREHOLE WATER SAMPLES TAKEN & ANALYSED	120	145
NUMBER OF WATER TANKERS / WATER TANKS & JOJO TANKS SAMPLES TAKEN & ANALYSED	280	288

Picture 3 – sampling water from river



Picture 4 - Discharge from pump house resulting in sewer overflow



3.10 HEALTH EDUCATION

Environmental health and hygiene sessions rendered in Ugu district have a positive effect in strengthening and helping people to develop personal and social skills required to make positive health behavioural decisions. Disease outbreaks are mostly caused by poor management of sanitation, water, poor personal hygiene practices and other environmental health factors. These outbreaks can be prevented by visualising disease signs and symptoms, by engaging the communities and ensuring early detection and alert. Environmental Health surveillance entails conducting surveys to establish disease patterns and trends. Disease profiling and surveys was intensified with Communicable Disease Control from Provincial and other stakeholders to curb the spread of diseases.

The great focus in the last financial year was on COVID-19 and chemical safety. Covid-19 education was aiming on empowering our communities on signs & symptoms, mode of transmission, prevention, and management. The main role of EHOs in this pandemic is not just to provide expertise but also to exploit their ability to see where these areas intersect, and where an intervention in one area can lead to maximum impact across the whole population.

As EHOs are placed in health worker roles, they have a unique overview and relationship with the populations they serve to identify and address these scenarios. This positioning allows them to understand community dynamics and social and cultural norms and enables rapid scale-up of interventions through a trusted voice, rapid identification and management of potential cases, and alleviation of myths and concerns regarding the disease.

Within these settings, EHPs are key in the maintenance of infection prevention programmes and promotion of water, sanitation and hygiene practices and facilities, both of which are integral in disease control. They also support the provision of routine health services and through their community relationships can address issues of stigma and fear, which may reduce the willingness of households to attend such services, a challenge which may have long-lasting repercussions on population health.

EHPs are vital to the prevention of disease transmission in the population through the implementation of hygiene measures, using both infrastructure and hygiene promotion (behaviour change communication) to maximise the opportunity for improved and sustained behaviours.

Various chemicals are used daily, with the rationale of protecting human and animal health, controlling vectors, protecting crops, among others. Very high exposure levels to chemicals can, however, have serious consequential bearings and risk to both, human and animal health.

It is against the above background, that the proper management and control of Chemical Safety/ hazardous chemicals is of critical importance. Environmental Health personnel must therefore play a pivotal role, in ensuring safety towards our People (STOP,) through public health education, in order to decrease, manage and prevent chemical poisoning altogether.

Participatory Hygiene and Sanitation Transformation (PHAST) Methodology was also facilitated to assist communities to identify their own problems and make their own decision.

Implementation of Health & Hygiene Education Strategy (HHES) is a project listed in the Ugu District SDBIP which is implemented by the above officials. The table below highlights the status of the project for the last financial year.

Table: Health and Hygiene Educations Planed and Achieved as per 2021/2022 SDBIP

Key Performance Indicator	Annual Target	Achieved
Communicable Disease Sessions	400	403
Chemical Safety Sessions	200	200

PHAST Methodology Facilitated	120	120
Water and Sanitation Sessions	400	405

To date, health and hygiene education sessions were held as part of special programme and health and hygiene strategy in schools, health facilities, taxi ranks, community halls and listeners were sensitized and educated via UGU community radio station.

Pictures of Health and Hygiene Education Held

Picture 5 - EHP' conducting health education at the Clinic



Picture 6 - EHP' conducting health education at Nkonka High School



3.11 DISPOSAL OF THE DEAD

Disposal of the dead refers to compliance monitoring of funeral undertakers, mortuaries, embalmers, crematoria, graves, and cemeteries and to manage, control and monitor exhumations and reburial or disposal of human remains. Environmental Health Practitioners are responsible for the management of mortal remains from cradle to grave.

It is mandatory for all funeral undertakers to be in possession of a Certificate of Competency (c.o.c) in terms of regulations R363 to the Management of Human Remains, to prepare or store any human remains. This is enforced by Environmental Health Services, by ensuring compliance through regular inspection of all funeral undertakers in the district.

Ugu District Municipality is also responsible for overseeing pauper burials in the district, which is centralized through Environmental Health services, to ensure that the unclaimed deceased are given a dignified burial. For the period 1 July 2021 – 30 June 2022, twenty-nine pauper burials were conducted in the district.

3.12 COMMUNICABLE DISEASES

Communicable disease control is one the core functions of Environmental Health Services. 100% of all notifiable and communicable disease reported to Environmental Health Services must be investigated, monitored and control to prevent communicable disease and food poisoning outbreaks.

The investigation is rendered to verify the existence of the outbreak, to identify the cause of outbreak by taking specimens, to prevent the spread, to identify the new contacts, to advise the health practitioners and report to all relevant stakeholders. Communicable disease control rendered in Ugu district has a positive effect in strengthening and helping people to develop personal and social skills required to make positive health behaviour.

In the 2021-2022 financial year the following cases were investigated:

- One rabies case was notified for investigation and following the investigation it was noted that there was no one affected by the rabies however, one dog was found to be rabid positive. The dog was euthanised by the SPCA.
- One case of Salmonella and malaria. There were no contacts with both cases and no possible source of contamination was determined for the salmonella case. Malaria was an imported case from Mozambique since our district is not an endemic area.
- 95 people across three municipalities were affected by food poisonings with one death also reported at Umzumbe Municipality. All food poisoning notifications were investigated and finding reports were forwarded to the Communicable Disease Centre.

- 30 people were affected after consuming goat meat at a traditional event at in May 2022. One person unfortunately passed away after presenting with symptoms in the morning which further complicated during the day.
- 15 students from a High School had all consumed a sweet which was unavailable to secure to send for testing. All the children recovered and EH conducted training and education to the food handlers in the area.

SERVICE STATISTICS FOR HEALTH INSPECTION, Etc 2021-2022		
OBJECTIVE	TARGETS	ACTUAL
Water quality monitoring	1140	1312
Sanitation compliance	100%	100%
Swabbing/Food swabs taken & analysed	144	202
Food handler's education workshops sessions	40	43
Food Premises monitoring	1440	1497
Pauper burials	100%	100%
Building Plans	100%	100%
Health compliance non- food premises	400	400
Health education Awareness sessions held	1120	1128

Service Objectives	Outline Service Targets	19-20 - Year 1		20-21 Year 2		21-22-Year 3	22-23
		Target	Actual	Target	Actual	Target	Target
	Service Indicators					*Current Year	*Following Year
(i)	(ii)	(ix)	(x)	(ix)	(x)	(ix)	(x)
Water quality monitoring	1428	1428	2073	1248	1697	1140	100%
Food safety	1440	1440	1482	1440	1479	1440	100%
Food handlers' workshop	60	60	116	20	55	40	100%
Sanitation compliance	100 %	100%	100%	100%	100%	100%	100%

Employees: Health Inspection and Etc					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	2	1	251	4%
4 - 6	13	15	11	407	17%
7 - 9	6	7	7	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%

Employees: Health Inspection and Etc					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	19	24	19	658	21%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated day</i>					

INTRODUCTION TO DISASTER MANAGEMENT

The Ugu District Municipality is one of the ten districts of KwaZulu-Natal. The Disaster Management within the district is coordinated in partnership with the four local municipalities, namely: Umdoni, Umzumba, Ray Nkonyeni and Umuziwabantu.

The area covered by the district municipality is 5046 km² and includes a coastline of some 112 kilometres with 42 estuaries. The topography of the district is severe, characterized by extensive river gorges and hilly areas. These characteristics make the development of infrastructure difficult and costly as well as making rescue operations difficult in the event of an emergency.

STATUS OF THE DISASTER MANAGEMENT CENTRE

Ugu District Disaster Management centre was established in 2005, to enable the effective implementation of disaster risk management policy and legislation. The centre is promoting an integrated and coordinated approach to disaster management, with special emphasis on prevention and mitigation, by the departments and other internal units within the administration of the district and local municipalities. The district council took a decision to establish the Fire Services unit within Disaster Management in 2013.

The District Disaster Management and Fire Services Section ensures an integrated and a well-coordinated approach to Disaster Risk Management and Fire Services within the district. The District Fire and Rescues serves as secondary response to incidents reported within the district. The District Fire team continues to provide back-up support to those Local Municipalities. Ugu District Disaster Management centre enables the effective implementation of disaster risk management policies and programs. The centre promotes an integrated approach to disaster management, with special emphasis on prevention and mitigation, by the departments and other organs of state.

The Centre Numbers are as follows:

- Land Line: - (039 682 2414)
- Ugu Call Centre Toll Free No: - 0800 092 837
- SMS System: - 33131

The District Disaster Management Centre was established and its fully functional. The centre is located at R102 Ext 2, Marburg under the Ray Nkonyeni Municipality area of jurisdiction.

STATUS OF IGR STRUCTURES

3.1. DISTRICT DISASTER MANAGEMENT ADVISORY FORUM

The District Disaster Management Advisory Forum is functional and was formed in terms of the Disaster Management Act No. 57 of 2002, Section 51 coupled to Section 42 and Disaster Management Framework, which requires the municipality to establish a formal structure consisting of representatives from the District Municipality, local municipalities & relevant sector departments within the area, senior representatives of national departments within and other role-players i.e. NGO's in the district.

The forum is being utilised as "a body in which a municipality and relevant disaster management role players in the municipality consult one another and coordinate their actions on matters relating to disaster management." The Forum meets at least four times per annum and the special meetings are called as per the need arises.

Local Municipalities have established their own Local Disaster Management Advisory Forum which assists in terms of disaster management coordination and planning.

DISTRICT DISASTER MANAGEMENT ADVISORY FORUM:

QUARTER	TYPE OF MEETING & VENUE	DATE
1.	District DMAF – Disaster Management Centre	10 September 2021
2.		03 December 2021
3.		11 March 2022
4.		08 June 2022
Total		04

DISTRICT PRACTITIONERS' FORUM MEETINGS

The district together with Local Municipalities convened the District Disaster Management Practitioners Meeting. The aim of these meetings is to deliberate, strategies and planning of disaster management to have a well-coordinated and standardise approach on disaster management. The Practitioners meetings are convened bi-monthly and were held as follows:

Quarter	Type of Meeting & Venue	Date
1.	District Practitioners Forum – Disaster Management Centre	02 July 2021
2.		17 November 2021
3.		08 March 2022
4.		19 May 2022
Total		04

DISTRICT FIRE FORUM MEETINGS

The Disaster Management and the Fire Brigades Act requires the districts to play a coordinating role. Meetings are convened on quarterly bases to ensure oversight as well coordination in Fire Services, while also addressing all fire related issues.

QUARTER	TYPE OF MEETING & VENUE	DATE
1.	District Fire Coordinating Forum – Disaster Management Centre	26 August 2021
2.		13 December 2021
3.		15 March 2022
4.		03 June 2022
Total		04

DISTRICT POST DISASTER COMMITTEE

The Post Disaster Committee was established to focus on the implementation of the rehabilitation projects to also ensure monitoring and submission of reports

Quarter	Type of Meeting & Venue	Date
1.	District Post Disaster – Disaster Management Centre	20 August 2022
2.		25 November 2021

3.		11 February 2022
4.		04 May 2022
Total		04

DISTRICT WARD BASED STRUCTURE

Quarter	Type of Meeting & Venue	Local Municipalities and Date
1.	District Ward based Committee – Disaster Management Centre	<i>RAY NKONYENI</i> 04 August 2021 25 August 2021 14 September 2021
2.		<i>RAY NKONYENI</i> 06 October 2021 <i>UMUZIWABANTU</i> 07 October 2021 12 October 2021 <i>UMDONI</i> 11 October 2021
3.		<i>UMUZIWABANTU</i> 17 February 2022 <i>UMDONI</i> 09 February 2022 21 February 2022 24 February 2022
4.		<i>RAY NKONYENI</i> 20 May 2022 <i>UMDONI</i> 04 April 2022 11 May 2022
Total		14

HOUSEHOLDS INSPECTED FOR FIRE RURAL PREVENTION:

The district further conducts households' inspection and awareness on Fire Safety, with the aim of reducing the impact of structural fires.

The following areas were conducted

No	Type of Meeting & Venue	LOCAL MUNICIPALITY AND NUMBER OF HH
1.	Households Inspection Conducted – Disaster	UMZUMBE (Ward 10) - 288 Household Inspected
2.		RAY NKONYENI (Ward 20 - 23) – 607 Households Inspected
3.		UMDONI - 340 Household Inspected
4.		UMUZIWABANTU (Ward 9) - 375 Households Inspected
Total number of households Visited		1610

STATUS OF THE DISASTER MANAGEMENT CAPACITY

Approved Personnel Structure for District Disaster Management Centre is as follows:

- Manager: Disaster Management & Fire Services
- 1 x Officer: Disaster Management & Fire Services
- 3 x Disaster Management Practitioners
- 1 x Post Vacant Disaster Management Practitioners
- 1 x Administrative Assistant
- 1 x Administration Clerk: Fire Services
- 6 x Fire fighters
- 2 x Fire Engine Operator
- 2 x Fire Fighter Intern
- 6 x Trainee Fire Fighters (EPWP)

STATUS OF THE DISASTER MANAGEMENT PLANS

The District Disaster Management & Fire an approved Disaster Management Sector Plan which is aligned with the Integrated Development Plan (IDP)

STATUS OF READINESS TO DEAL WITH A DISASTER INCLUDING FINANCIAL CAPABILITIES.

The District Municipality in partnership with the family of Local Municipalities is ready to deal with incidents/ disasters. Ray Nkonyeni and Umdoni Municipality has 24hr emergency call centre that deals with reporting of emergency incidents. The call centres also support the other local municipalities by recording incidents reporting and allow for the necessary response. The Control Centres are operating on a shift system, with two controllers on each shift. Each local municipality has one or two staff members dedicated to disaster management duties and is available for 24 hours. The District Disaster Management Control Centre operates for eight hours and after hours all calls are diverted to Water services call centre and Practitioners are always on standby.

In terms of financial capabilities, the district has budgeted for the disaster management and for this financial year budgeted the amount of R7.1 million which caters for both functions, which are Fire Services and Disaster Management operations as well as response and recovery. Each LM has been encouraged to put aside budget for disaster management. The current local municipal budget is not sufficient to deal with all programs for disaster risk management.

MUNICIPALITY	POLICY / PLAN	STATUS OF PLAN
uGu District Municipality	Disaster Management Disaster Plan	Plan in place and approved
Umuziwabantu Municipality	Disaster Management Disaster Plan	Plan is due for renewal
Umkhumbi Municipality	Disaster Management Disaster Plan	Plan in place and approved
Umdoni Municipality	Disaster Management Disaster Plan	To initiate and review plan
Ray Nkonyeni Municipality	Disaster Management Disaster Plan	Plan in place and approved

STATUS AND RESULTS OF DISASTER RISK ASSESSMENTS UNDERTAKEN

Sections 20, 33 and 47 of the Act introduce the importance of disaster risk assessment to guide national, provincial and municipal disaster risk reduction efforts, including disaster risk management planning. This section must be read in conjunction with the NDMF for details.

The main objective is to establish a uniform approach to assessing and monitoring disaster risks that will inform disaster risk management planning and disaster risk reduction undertaken by organs of state and other role players. Before commencing with preventive and preparedness activities, it is essential to identify and assess different kinds of risks for the district or parts of the district.

The outcomes of disaster risk assessments directly inform the development of disaster risk management plans. The Disaster risk assessment is the first step in planning an effective disaster risk reduction programme. It also examines the likelihood and outcomes of expected disaster events this includes investigating related hazards and conditions of vulnerability that increase the chances of loss.

The District Municipality notes that disaster risk assessment is the first step in planning for an effective disaster reduction programme. Disaster Risk Assessment examines the likelihood and outcomes of expected disaster events, including an opportunity to investigate related hazards and conditions of vulnerability that increase the chances of loss.

The District Municipality established risk assessments for all areas within the municipal jurisdiction. These assessments are to be supported by good monitoring systems which are essential for:

- Identifying potential threats that can undermine the municipal development's success and sustainability. Risk reduction measures are to be incorporated into project designs prior implementation to reduce the impacts.
- Identify high risk periods and prevalent conditions within the municipal area
- Shaping focussed disaster reduction programmes for specific threats
- Activating preparedness and response actions
- Effective Disaster risk Management and risk reduction planning
- Sustainable development planning

Disaster Risk Assessment undertaken to anticipate and plan for known hazards or disasters to prevent losses and limit endangering impacts. It is these risk assessments that will be used for developing detailed contingency plans and mitigation measures.

The risks assessment consisted of the following:

- Undertaking a current reality assessment of the said area.
- Engage stakeholders via workshops to determine the perceived risk as highlighted in the current wards risk assessment.
- Mapping areas of high risk within the area.
- Analyse, consolidated and map result.
- Incorporate results into the current Disaster Risk Management Sector Plan.
- Identify possible risks reduction projects and programmes for the prioritised risks and make relevant recommendations.
- Presentation to the District Advisory Forum and the local municipalities.

UMZUMBE MUNICIPALITY WARD 1 – 20 (QUARTER 2)

Top ten (10) Priority hazards

- Heavy Rainfall
- Poverty
- Crime
- Structural Fire
- Water pollution
- Motor Vehicle Accident
- Drought
- Veld fires Motor Vehicle Accident

- Electrical fire
- Lightning

IZINGOLWENI – WARD 33 RAY NKONYENI (QUARTER 4)

Top Ten (10) Priority Hazards

- Water pollution
- Drought
- Poverty
- Structural Fire
- Crime
- Motor Vehicle Accident
- Heavy Rainfall
- Veld fires
- Floods
- Lightning

STATISTICS OF INCIDENTS REPORTED

The summary statistics gives an overview of the incidents that were reported to the District Disaster Management Centre during the month of July 2021 – June 2022. The incidents occurred in four Local municipality within the district which are Ray Nkonyeni, Umzumbe, Umuziwabantu and Umdoni Municipalities. The district was mostly affected by structural fires, floods, heavy rains and strong winds.

The district continuously provided support to municipalities in terms of physical damage assessments and emergency relief response as municipalities does not have sufficient budget to deal with incidents, relevant emergency relief stock was also issued.

The incident breakdown below highlights incident per month, number of households and people affected as well as relief efforts.

No.	Local Municipality	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	Type of Incident
Structural Fire – SF, Strong wind – SW, Heavy Rain – HR, Lightning								
1.	Ray Nkonyeni	09	06	13	06	08	11	SF, HR, SW
2.	Umdoni	02	02	01	03	01	06	SF, HR, SW
3.	Umzumbe	05	05	05	00	06	4	SF, HR, SW
4.	Umuziwabantu	04	02	05	12	00	05	SF, HR, SW

Total	20	15	24	21	15	26	SF, HR, SW

No.	Local Municipality	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	Type of Incident
Structural Fire – SF, Strong wind – SW, Heavy Rain – HR, Lightning, Floods - F								
1.	Ray Nkonyeni	08	07	16	01	00	11	SF, HR, SW, F
2.	Umdoni	03	04	03	04	01	03	SF, HR, SW, F
3.	Umzumbhe	07	02	02	02	03	08	SF, HR, SW, F
4.	Umuziwabantu	07	05	02	01	05	05	SF, HR, SW, F
Total		25	18	23	08	09	27	SF, HR, SW, F

Description	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	Total
Households Affected	45	24	29	64	25	244	431
Partially Damaged	17	12	10	09	17	135	200
Totally Destroyed	46	12	16	23	08	191	296
People Affected	178	161	146	424	136	1410	2455
Homeless people	24	47	63	44	08	59	245

Injuries	01	00	04	00	24	02	31
Fatalities	00	00	01	00	04	00	05
Missing	00	00	00	00	00	00	00

Description	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	Total
Households Affected	63	66	63	3422	110	160	3884
Partially Damaged	32	48	23	2498	93	42	2736
Totally Destroyed	57	20	40	924	17	150	1208
People Affected	376	378	273	19517	582	301	21427
Homeless people	25	03	38	237	17	79	339
Injuries	02	08	00	24	00	06	40
Fatalities	01	02	00	07	00	07	17
Missing	00	00	00	00	00	00	00

NB: Added homeless people highlighted in yellow

The table below show the total number of Household affected, partially and total destroyed structure, people affected, homeless people, injuries, and fatalities at Ugu District Municipality.

DESCRIPTION	TOTAL
Households Affected	4315
Partially Damaged	2936
Totally Destroyed	1504
People Affected	23882

Homeless people	584
Injuries	71
Fatalities	22
Missing	01

DISASTER RISK REDUCTION – EVENTS

NO.	DATE	EVENT	VENUE	NO. OF PEOPLE REACHED
RAY NKONYENI MUNICIPALITY				
1.	07 August 2021	Cebekhulu Funeral	Tatane Sport Ground, Boboyi ward 23	100
2.	08 August 2021	Mhlongo Funeral	Tatane Sport Ground, Boboyi ward 23	100
3.	09 October 2021	Mhlongo Funeral	Tatane Sport Ground, Boboyi ward 23	100
4.	12 November 2021	President visit to the Eastern seaboard Coastal city	Ugu Sport and Leisure	1000
5.	04 January 2022	Madlala Funeral	Ugu Sport and Leisure	200
6.	15 January 2022	Sports against crime	TB Molefe sport ground	1000
7.	29 January 2022	Sports against crime	Bhambayi sport field	1000
8.	01 February 2022	Pre-Imbizo Stakeholder Engagement session	Ugu Sport and Leisure	250
9.	05 March 2022	KZN Cultural and Heritage	Ugu Sport and Leisure	2000
10.	06 March 2022	KZN Cultural and Picnic Day	St Michaels	2000

11.	02-03 April 2022	ANC LSC Regional Congress	Ugu Sport and Leisure	500
12.	08 April 2022	Protest Action Against GVB	Ramsgate court	70
13.	17 April 2022	Uvukile Music Festival	Ugu Sport and Leisure	5000
UMZUMBE MUNICIPALITY				
15.	04 July 2021	Nzama Funeral	kwaHlongwa ward 14	100
16.	10 October 2021	AmaNazareth Baptist Church	Emthonjeni okuphila temple	1000
17.	06 November 2021	Ndlovu Funeral	St Faiths ward 3	100
18.	10 April 2022	Inkosi Shazi Funeral	Gwabhu Sport ground, Bombo	250
19.	10 April 2022	Chiliza Family Funeral	Nomakhanzana Sport Field	500
UMUZIWABANTU MUNICIPALITY				
20.	09 August 2021	Woman Day Celebration	Mkhoba Community Hall ward 7	
21.	10 August 2021	KZN Legislator Parliament Celebration	Mkhoba Community Hall ward 7	
UMDONI MUNICIPALITY				
22.	02 November 2022	Mnyandu Funeral	Anne Church hall	100

FIRE SAFETY BUILDING INSPETIONS

NO.	DATE	VENUE
RAY NKONYENI MUNICIPALITY		
1.	09 July 2021	Ezingoleni clinic
2.	09 July 2021	Mbunde clinic

3.	09 July 2021	Mganka clinic
4.	09 July 2021	Thembalesizwe clinic
5.	01 October 2021	Oslo beach offices
6.	01 October 2021	Ugu Main office
7.	18 October 2021	Ugu workshop
8.	19 October 2021	Shelly beach WWTP
9.	20 October 2021	Uvongo WWTP
10.	29 October 2021	Inala primary school
11.	10 November 2021	Nositha primary school
12.	10 November 2021	St Helen Rock
13.	10 November 2021	Ramsgate WWTP
14.	18 January 2022	Genesis Youth services
15.	19 January 2022	Hibberdene shop 7 village mall
16.	27 January 2022	Amax Fashion
17.	27 January 2022	Sesfikile store
18.	02 February 2022	Hibberdene SAPS
19.	02 February 2022	Hibberdene Library
20.	02 February 2022	Hibberdene Arctic village mall
21.	04 February 2022	Murchison community centre
22.	04 February 2022	Genesis Retirement centre

23.	08 February 2022	Gamalakhe SAPS
24.	10 February 2022	Bhobhoyi Clinic
25.	10 February 2022	Mbunde Clinic
26.	06 April 2022	Ned's Pub & Grill
27.	06 April 2022	Ndobes Lifestyle
28.	06 April 2022	Memela discount supermarket
29.	07 April 2022	Sunny supermarket
30.	07 April 2022	Amandlakayise general dealer
31.	03 May 2022	Jumpers Auto electrical
32.	03 May 2022	Zamani hardware
33.	03 May 2022	Shine Furniture and Electronic
34.	03 May 2022	Ahmed store
35.	03 May 2022	Phindubuye bottle store
36.	03 May 2022	Lewis Furniture shop
37.	03 May 2022	Food box restaurant
38.	06 May 2022	ABC Supermarket
39.	06 May 2022	Mbayimbayi supermarket
40.	06 May 2022	Memela discount supermarket
41.	07 May 2022	Gamalakhe hardware
42.	07 May 2022	AP Shopping center
43.	07 May 2022	Emmanuel supermarket

UMUZIWABANTU MUNICIPALITY		
44.	19 July 2021	Pisgah clinic
45.	19 July 2021	Weza clinic
46.	19 July 2021	kwaJali clinic
47.	19 July 2021	Mbonwa clinic
48.	07 November 2021	A max fashion
49.	09 November 2021	Lorenz liquor
50.	09 November 2021	Coastal farmers
51.	27 January 2022	Checkout supermarket
52.	27 January 2022	New Halaal supermarket
53.	03 May 2022	Elim Clinic
54.	03 May 2022	Xhamini Clinic
55.	03 May 2022	Pisgah Clinic
56.	09 May 2022	Mbonwa Clinic
57.	09 May 2022	Weza Clinic
58.	09 May 2022	KwaJali Clinic
59.	10 May 2022	Meadowsweet Clinic
60.	12 May 2022	Santombe Clinic
UMZUMBE MUNICIPALITY		

61.	12 August 2022	Nhlalwane clinic
62.	12 August 2022	Ntimbankulu clinic
63.	12 August 2021	St Faith clinic
64.	12 August 2021	Assis clinic
65.	09 November 2021	Umzumbe Magistrate
66.	09 November 2021	Turton DSD
67.	25 January 2022	Phungashe Education Centre
68.	25 January 2022	Phungashe Court
69.	25 January 2022	Phungashe circuit office
70.	25 January 2022	SASSA and DSD
71.	26 January 2022	Ndelu Clinic
72.	26 January 2022	Nyangwini Clinic
73.	26 January 2022	Mabhelelni Clinic
74.	08 May 2022	Msinsini Police station
75.	08 May 2022	Sasko bakery Mthwalume
UMDONI MUNICIPALITY		
76.	20 July 2021	Dlangezwa clinic
77.	20 July 2021	Dududu clinic
78.	20 July 2021	Philani clinic

79.	20 July 2021	Pennington clinic
80.	06 October 2021	Pennington plant
81.	06 October 2021	Scottburgh SP
82.	06 October 2021	Umzinto SP
83.	06 October 2021	Parkrynie WW
84.	19 January 2022	Malangeni library
85.	19 January 2022	Malangeni Thusong service Centre

EDUCATION, TRAINING, PUBLIC AWARENESS AND RESEARCH

As part of gathering indigenous knowledge (part of detailed hazard identification), at municipal level, local communities and structures must be orientated on the requirements of the Act and the specific element and information required from them in terms of the Act.

Local communities also play a crucial role in providing inputs to disaster contingency and risk management plans, through providing information relating to local dynamics to the SOPs.

Through the hazard identification and disaster information management dissemination processes, indigenous knowledge via local communities and local structure representatives must consequently be directly acquired and involved.

Training on disaster risk management in the district must be in accordance with the NDMF and National Guidelines in this regard. Training can be of an accredited or non-accredited nature.

CAPACITY BUILDING PROGRAM & COMMUNITY AWARENESS

As part of community-based risk reduction measures the district embarked on the capacity building programmes as well and awareness campaigns. Several Schools and Community Based Awareness campaigns were conducted in different parts of the district covering all 4 Local Municipalities. The main objective of these campaigns is to reduce disaster risks while building resilient communities.

The table below highlights some of the areas that were visited:

DISASTER RISK MANAGEMENT AND FIRE SAFETY COMMUNITY AWARENESS CAMPAIGN QUARTER 1-4

NO	DATE	VENUE	NUMBER OF PEOPLE REACHED
RAY NKONYENI MUNICIPALITY			
1.	05 July 2021	Post Shepstone Post Office	100
2.	05 July 2021	Post Shepstone Home Affairs	50
3.	06 July 2021	Maveshe Community Hall	100
4.	08 July 2021	Margate Taxi Rank	110
5.	08 July 2021	Port Edward Taxi Rank	73
7.	20 July 2021	Manaba Baptist Church	200
8.	20 July 2021	Department of Labour	250
9.	01 October 2021	Ugu Main Office	35
10.	01 October 2021	Oslo beach phase 1	45
11.	04 October 2021	St Helen Rocks	40
12.	15 October 2021	Bhekameva Sports ground	350
13.	21 October 2021	Gcilima ward 7	1500
14.	25 October 2021	Gcilima Community Hall	150
15.	09 November 2021	Izingolweni Taxi Rank	50
16.	12 November 2021	Port Shepstone CBD	86
17.	24 January 2022	Louisiana Informal Settlement	53
18.	28 January 2022	Hibberdene Taxi Rank	185
19.	03 February 2022	Gamalakhe post office	51
20.	03 February 2022	Madlala MPCC	50
21.	12 May 2022	Izingolweni taxi rank	104

UMUZIWABANTU MUNICIPALITY			
22.	08 July 2021	Harding Taxi Rank	100
23.	09 July 2021	Harding Corner Mall	100
24.	9 November 2021	Harding Taxi Rank	600
25.	04 April 2022	Harding Taxi Rank	61
26.	05 April 2022	Harding taxi rank	76
27.	29 April 2022	kwaMachi taxi rank	789
UMDONI MUNICIPALITY			
28.	27 July 2021	Umzinto Taxi Rank	60
29.	11 October 2021	Amandawe Community Hall	32
30.	29 April 2022	Umzinto Taxi Rank	47
UMZUMBE MUNICIPALITY			
31.	25 January 2022	Phungashe Taxi Rank	55
32.	05 April 2022	Turton Taxi Rank	50

FIRE SAFETY SCHOOL AWARENESS CAMPAIGNS

DATE	VENUE	NUMBER OF PEOPLE REACHED
RAY NKONYENI MUNICIPALITY		
29 October 2022	Nala Primary School	422
10 November 2022	Nositha Primary School	235
11 November 2022	Ensimbini Primary School	515
25 January 2022	Mdlazi Primary School	220
31 January 2022	Denver Zoar Primary School	695

01 February 2022	Siphakamile Primary School	5549
08 April 2022	Gcilima Primary School	890
29 April 2022	Sithembinkosi primary school	312
12 May 2022	Khandalesizwe Secondary School	140
13 May 2022	Munga Primary 2022	415
17 May 2022	Louisiana Informal Settlement	136
UMUZIWABANTU MUNICIPALITY		
28 January 2022	Harding Secondary School	437
06 May 2022	Mbonwa Secondary School	688
06 May 2022	Mvuyo Primary School	112
UMDONI MUNICIPALITY		
29 April 2022	Esihle High School	1213
16 May 2022	Gummy bears day care	30
17 May 2022	Zembeni Primary School	483
UMZUMBE MUNICIPALITY		
01 February 2022	Mnafu Primary School	601
01 February 2022	Bonginduna Primary School	410
04 February 2022	Zibonele High School	717
26 October 2021	Khakhamela Primary School	100
29 October 2021	Bangibizo Primary School	669
02 November 2021	Gobhela Primary School	878
03 May 2022	Wilder Primary School	310

10 May 2022	Makhoso Primary School	283



TRAINING AND WORKSHOPS CONDUCTED

The district conducted numerous workshops for Community Structures, Traditional Councils and its community during the year. The purpose of the trainings and workshops conducted was to mainstream disaster risk management, while building resilience to communities and further outline the incident management protocol.

Disaster Risk Management workshops were also conducted for the establishment of ward-based community structures, and these were conducted in partnership with EMRS and Environmental Services unit and other role-players.

BASIC DISASTER RISK MANAGEMENT AND FIRE SAFETY WORKSHOPS WERE CONDUCTED AS FOLLOWS: -

NO	DATE	VENUE	NUMBER OF PEOPLE REACHED
RAY NKONYENI MUNICIPALITY			
	02 September 2021	Vukuzithathe Traditional Council	25
	06 September 2021	Indlu Yokuphepha skills training Institute	20
	07 September 2021	Umthavuna Water Treatment Plant	30
	07 September 2021	Sitholimpilo Alcohol and Drug Rehab Centre	25

	08 September 2021	Ikhayaletu Children Home	30
	19 October 2021	kwaNzimakwe Traditional Council	35
	10 November 2021	Nositha Primary School	32
	11 November 2021	Nsimbini Primary School	30
	18 February 2022	Gcilima Communication Centre – ward 9	25
	25 February 2022	Gamalakhe ZG Hall	30
	28 February 2022	Mavundla Traditional Council	25
	01 March 2022	Wosiyana Sport Ground	30
	04 May 2022	Illovo Farming	32
	20 May 2022	Izingolweni Community Hall	25
UMUZIWABANTU MUNICIPALITY			
	04 August 2021	Bashaweni ward 2	21
	11 August 2021	Phumuza Sewing Centre ward 10	21
	26 August 2021	Ngubelanga Community Hall	
	06 September 2021	KwaJali Traditional Council	27
	01 October 2021	Phumuza Sewing Centre	36
	26 January 2022	Cekeza Community Hall ward 1 and 2	31
	14 February 2022	Harding Secondary School	49
	16 February 2022	Ikhwezi lamachi sewing Centre	54
	24 February 2022	kwaJali Traditiona Council	29
	10 May 2022	Elim Clinic	25
	11 May 2022	Ingeli Community Hall	70

UMDONI MUNICIPALITY			
	21 October 2021	kwaCele Traditional Council	21
	02 February 2022	Malangeni MPCC	33
	16 February 2022	Amandawe Community Hall	26
	23 February 2022	Mbele Traditional Council	15
	24 February 2022	Kenterton Community Hall	26
	24 February 2022	Vernon Crookes Nature Reserve	18
UMZUMBE MUNICIPALITY			
	04 November 2021	Sihlonyaneni Community Hall	30
	10 November 2021	kwaNdelu Traditional Council	29
	03 February 2022	Mthwalume Marine Beach	32
	04 February 2022	Turton CHC	150
	15 February 2022	Bhanoyi Community Hall	100
	19 February 2022	Mnafu Community Hall	20
	22 February 2022	Mehlomnyama SAPS	12
	21 April 2022	Nqolobane Community Hall	23
	13 May 2022	Luthuli High School	26
	16 May 2022	Umzumbe Municipality ward 18	18
	18 May 2022	Dunuse Community Hall	23

BASIC DISASTER RISK MANAGEMENT AND FIRE SAFETY TRAINING WERE CONDUCTED AS FOLLOWS:

NO.	DATE	VENUE	NUMBER OF PEOPLE REACHED

RAY NKONYENI MUNICIPALITY			
	07 July 2021	Boboyi water rock	25
	23 August 2021	Red cross offices	20
	25 August 2021	kwaMachi ward 4	25
	06 September 2021	kwaJali Traditional council	30
	07 September 2021	Umthavuna water treatment plant	20
	07 September 2021	Sitholimpilo Alcohol and drug rehab Centre	15
	29 October 2021	Inala primary school	09
	16 November 2021	Department of Transport	7
	01 December 2021	Agriculture farmers training Centre	30
	12 January 2022	Sitholimpilo Rehab Centre	15
	04 February 2022	Gamalakhe TVET collage	19
	10 February 2022	Oshabeni MPCC	20
	17 February 2022	Port Shepstone Senior Primary School	08
	20 February 2022	Believers home fellowship Centre	63
	21 February 2022	Oribi Gorge Nature Reserve	12
	22 February 2022	Umthavuna Nature Reserve	09
	22 April 2022	Rehoboth Village	33
	04 May 2022	Gamalakhe SAPS	16
	26 May 2022	Xhuluweshe Community Learning Centre – kwaNzimakwe	43
UMUZIWABANTU MUNICIPALITY			

	06 September 2021	kwaJali Traditional council	30
	05 October 2021	Mkhoba community hall ward 7	29
	12 October 2021	Ikhwezi Lamachi primary school ward 8	29
	28 October 2021	Bashaweni Traditional Council	29
	25 January 2022	Mpeshu Community Hall ward 1	30
	12 May 2022	Sontombe Clinic	16
UMDONI MUNICIPALITY			
	25 August 2021	Amanyuswa Traditional council	15
	11 October 2021	Amandawe Community Hall	32
	21 April 2022	Ward 08 UCC Church hall	25
	12 May 2022	Mandawe Training Centre ward 17	42
UMZUMBE MUNICIPALITY			
	17 August 2021	Mehlomnyama primary school	218
	19 August 2021	Hlongwa primary school	296
	06 September 2021	Indlu Yokuphepha home	16
	05 November 2021	Sihlonyaneni Community Hall	26
	09 November 2021	Nyavini Traditional Council	13
	17 November 2021	Kwa Cele Traditional Council	26
	26 January 2022	Ndelu Clinic	27
	26 January 2022	Mabheleni Clinic	35
	26 January 2022	Nyangwini Clinic	20
	10 February 2022	Mabheleni Community Hall	50

15 February 2022	Kwa-Santa primary school	13
17 February 2022	Khulamntwana pre-school	25
20 February 2022	Mfazazane, Harvest of life church	50
04 April 2022	MPCC Ward 17	30
22 April 2022	Phumuza Community Hall	45
26 April 2022	Nomakhanzana Community Hall ward 15	24
13 May 2022	Mabheleni Traditional Council	23



Umuziwabantu: Kwa Mbotho Clinic

Employees: Disaster Management					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	5	3	163	9%
7 - 9	4	12	8	204	18%
10 - 12	0	4	2	25	9%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	22	14	392	36%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services, property services.

Financial Performance Year 0: The Executive and Council					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	70 845 502	85576774	68251958	68990258	
Expenditure:					
Employees	58 909 798	78 326 243	59 927 587	62 883 038	-25%
Repairs and Maintenance					
Other	11 935 704	7 250 531	8 324 371	6 107 220	-19%
Total Operational Expenditure	70 845 502	85 576 774	68 251 958	68 990 258	-24%
Net Operational Expenditure	-	-	-	-	0
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.24.5

Employees: Financial Services					
Job Level	2021	2021 22			
	Employee es	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	8	6	356	1.4%
4 - 6	29	30	29	298	1.0%
7 - 9	38	44	39	335	3.64%
10 - 12	19	35	24	245	8.02%
13 - 15	0	15	15	0	0%
16 - 18	0	5	5	0	0%
19 - 20	0	0	0	0	0%
Total	92	137	118	1234	14.06%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.25.4					

Financial Performance Year 0: Financial Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	411 372 370	627 204 585	368 805 313	368 805 313	0%
Expenditure:					
Employees	64 831 669	61 120 641	59 664 105	62 814 900	5%
Repairs and Maintenance					
Other	210 361 224	261 962 707	244 877 318	111 422 041	-54%
Total Operational Expenditure	275 192 893	323 083 348	304 541 423	174 236 941	-43%
Net Operational Expenditure	136 179 477	304 121 237	64 263 890	235 488 583	266%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.25.5

3.15 HUMAN RESOURCE SERVICES

Introduction to Human Resource Services

The Human Resources Section provides leadership and works together with other Departments within the Municipality to promote managerial and employee excellence while fostering an understanding and observance of legislative obligations.

This scenario is critical in building stability in our municipality and ensures that the municipality is optimally resourced and capacitated to fulfil its mandate. The skills and knowledge to select and use effective and efficient criteria and tools to recruit staff, and to capacitate and continuously develop those selected staff, falls within the scope and expertise of human resources division. To be able to not only maintain, but also to develop and improve the workforce, the Human Resources division revises and develops policies, strategies, procedures, and initiatives to ensure that staff perform on a high level.

Service Statistics for Human Resource Services

HUMAN RESOURCES POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives /Indicators (i)	Outline Service Targets (ii)	2019/2020		2019/2020 2020/2021		2020/2021		2021/2022	
		Target	Actual	Target		Actual		Target	Actual
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	Previous Year (ix)	Current Year (x)
To optimize the workforce potential (MTID 6)	Compliance to the Employment Equity Targets at Management Level	49%	49%	49%	44%	44%	44%	44%	45%
To improve skills and capacity of workforce (MTID 9)	Number of Training conducted implementing the workplace skills Plan	4	4	4	4	4	4	4	4
To optimize systems and operation (MTID 12)	Number of Sourcing and Placement Inductions	2	2	2	2	2	2	2	2
To Optimize workforce Potential (MTID 7)	Promoting Professionalism in the workplace (Number of Organizational Culture workshops	4	4	4	4	4	4	4	4

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year' refers to the targets set in the Year 0 Budget/IDP round. **Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5

HUMAN RESOURCES POLICY OBJECTIVES TAKEN FROM IDP											
Service Objectives /Indicators	Outline Service Targets	2019/2020		2019/2020	2020/2021	2020/2021	2021/2022				
		Target	Actual	Target		Actual	Target	Actual			
		Previous Year		Previous Year	Current Year		Current Year	Previous Year	Current Year		
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)		
(i)	(ii)										
sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.											
T3.26.4											

Employees: Human Resource Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	1	0	4%
4-6	9	11	8	321	12%
7-8	2	2	2	0	0%
9-12	13	11	11	0	0%
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
Total	25	26	22	321	16%
Table 3.26.4					

Financial Performance Year 0: Human Resource Services	R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 892 565	11 532 333	11 115 708	13 802	-100%
Expenditure:					
Employees	51 634 982	54 954 247	50 418 989	52 625 980	4%
Repairs and Maintenance					
Other	99 011 411	96 437 900	99 893 500	108 977 600	9%
Total Operational Expenditure	150 646 393	151 392 147	150 312 489	161 603 580	8%
Net Operational Expenditure	148 753 828	-139 859 814	-139 196 781	-161 589 778	16%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.26.5

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

The Human Resources Management Services rendered by the Municipality, achieved the following during the 2021/2022 Financial year.

- i. Established and maintained a working environment that encouraged personal growth, development, personal enrichment, and job satisfaction.
- ii. Ensured that human resources policies and procedures were administered in such a way as to protect the interests of both the Municipality and its employees.

This was accomplished by

- Rendering a professional support service in respect of the following functional areas:
- General Administration
- Recruitment and selection and the Induction of newly appointed staff.

- Maintaining and monitoring Conditions of Service in terms of the applicable legislation, Bargaining Council agreements and Council policies
- Personnel administration – administration of staff benefits and maintaining employee records including Leave and benefits which are regulated by Collective Agreements and Policies and membership to accredited Pension or Retirement Funds which are compulsory. Along with Leave management, the monitoring and reporting on Leave Management compliance within the municipality. Furthermore, the monitoring and analysis of overtime trends of staff within the municipality with monthly reporting to the Management Committee on the outcomes.
- Quarterly workshops are conducted within the municipality to promote professionalism in the workplace.
- Organisational Development – The Municipality has cascaded Individual performance management to levels 2-18. Quarterly reporting is done in respect of all reviews done on a quarterly basis.

Skills Development and Training - Section 68(1) of the Municipal Systems Act states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient, and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act and the Skills Development Levies Act. Hence the initial training budget of R2 560 000.00 for the 2021 2022 financial year was instrumental in affording staff various forms of training for the improvement and betterment of skills ultimately leading to improved performance in this relevant field of expertise.

Labour Relations unit – plays a key role in the implementation and maintenance of sound discipline by thoroughly and speedily investigating all allegations of misconduct. The objective of the Labour Relations Unit within the Human Resources Section is to at all times comply with section 1(d) (iv) of the Labour Relations Act, 66 of 1995 which stipulates that disputes should be resolved quickly and effectively. Strict action is taken to enforce the standards of discipline and service delivery that is endorsed by the Constitution of the Republic of South Africa, 1996. Consistency and fairness form the cornerstone of each, and every disciplinary action taken. To this end, the Labour Relations unit conduct quarterly awareness drives on a varied array of disciplines associated with employee's code of conduct required within the municipality.

EHSW Unit – assists in maintaining the health and safety system in the municipality and strives to eradicate injuries by ensuring compliance with the Occupational Health and Safety Act 85 of 1993.

Ugu District Municipality values all its employees and commits itself to promoting their wellbeing hence the objectives of the Employee Health and Wellness Programme within the Municipality includes at least the following:

- Providing assistance in the form of confidential counselling and referral to every employee who experiences personal as well as work related problems.
- To ensure productivity and quality of life of its employees while taking into consideration the employees' families and relatives.
- To provide employees with preventative education and skills training.

Capital Expenditure Year 0: Human Resource Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	36 450 000	41 750 000	12392680	-194%	
Motor Vehicles	10 800 000	10 000 000	9 050 942	-19%	280
Buildings and Structures	18 750 000	21 150 000	3 341 578	-461%	150
Computer Equipment	5 300 000	3 500 000	80	-6624900%	320
Furniture and Equipment	1 600 000	7 100 000	80	-1999900%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.26.6

3.16 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) and Financial Systems Management Support (FMSS) services.

Post and during the Covid-19 pandemic, the Municipality has sustained a reliable ICT environment, services, and sound ICT governance practices. ICT Services, specifically virtualization and video conferencing were significantly utilised by Municipal Staff.

The ICT Section of the Municipality is located in the Corporate Services Department of the Municipality, being headed by the General Manager Corporate Services, Mr VO Mazibuko (also appointed as the ICT Governance Champion) and the Section is headed by the Manager ICT, Ms N Grobler with a Team of 9 staff, all with specialized ICT skills. ICT is primarily responsible for the implementation, monitoring and reporting for the following ICT services supplied to the Municipality:

- Infrastructure planning, maintenance, and support.
- Production, Test and Disaster Recovery environment establishment and protection.
- Information and Communication Technology Strategy and Governance
- Business relationship management.
- Change control and Systems configuration management
- Continuous Improvement of Municipal service through the use of Innovation and Technology
- Incident management and request fulfilment
- Information security management.
- Quarterly ICT Steering Committee Management
- Continuous Measurement of ICT Services
- Systems Release and deployment management
- Service continuity and availability management

- Service design and service level management and quarterly reviews of service levels, with service reporting
- SCADA Systems Support and systems maintenance

To ensure effective governance and business goals alignment to ICT priorities, after the annual review of the IDP, the ICT Strategy is reviewed and aligned with the IDP goals. Therefore, key to ICT Management is the alignment relationship to the IDP and the ICT Strategy.

Through the period of the ICT Strategy 2017-2022, the following strategic objectives have been achieved:

- The improvement of ICT asset management.
- Improvement of audit findings and their significance
- Implementation of SLAs and ensuring adequate ICT contract management.
- Formulation and documentation of Disaster Recovery procedures, including implementation of the DRP
- Standardised hardware and software solutions.
- Cost reductions through the implementation of centralised printing solutions.
- An increased ICT presence at all Municipal sites including offices, water treatment works, wastewater treatment works and other operational plants through email, telephony, and systems access. 27 site SDWAN.
- The reduction of telephony costs by leveraging on the wide area network technology for voice using VOIP
- Reduce costs by lessening the dependency on consultants
- Secure remote and mobile working technologies at network and client levels.
- Streamlined network operations through the deployment of updated security tools, consolidation of voice and data networks.
- Sound and scalable technical ICT designed to deliver integration.
- Organizational development through the promotion of technology training and purchasing as strategic investments, rather than ad-hoc activities.
- Upgrading of the municipality's computer and network infrastructure, website, and telephone infrastructure.
- Robust information management and workflow across the municipality and with the municipality's partners.
- Setting and measuring service level standards with regards to first- and second-line support

The Financial Systems support unit is located in the Budget and Treasury Office Department of the Municipality and is primarily responsible for the implementation, monitoring and reporting for the following Financial systems services.

- mSCOA project implementation and management
- Financial ERP Systems maintenance and support
- Reporting and trend analysis on the ERP systems in use

The sustained oversight of the ICT Steering Committee is imperative to the success of the ICT Strategic implementation and the key areas of focus in this Committee are:

- ❑ ICT Infrastructure and Service Standardization, Integration, and Consolidation
- ❑ ICT Service Restructure
- ❑ ICT Governance

❑ ICT Technology Investment

All four areas are intrinsically linked, and all are required for the strategy to succeed and require investment into ICT from the Municipality. With the 4IR being here and now, ICT infrastructure and systems should be geared to be ready for this rapid changing ICT environment. In alignment with 4IR, the ICT Strategy considers industry trends, the position of the Municipality and future strategies.

Industry Trends	Ugu ICT systems aligned to industry trends	Ugu ICT 2021/22 Implementations
IOT (Internet of Things)	SCADA – Smart UI System	Generator monitoring Field worker devices – CRM, SCADA
BI (Business Intelligence) (Big Data Analytics) AI (Artificial Intelligence)	Microsoft 365 (OneDrive, Exchange Online, Teams) Analytics of user behavior (Collaboration, Focus time, etc)	CRM Dashboards SCADA Dashboards ICT Operations Control / Dashboard
Cloud Computing	Microsoft 365 SharePoint Website www.ugu.gov.za	Microsoft 365 SharePoint Website www.ugu.gov.za Azure hosting services for targeted VM's
Mobile APP's	Citicall Citizen APP integrated into Sage and CRM	Citicall Citizen APP integrated into Sage and CRM
Cybersecurity	Firewall (ISP) ICT Security Plan with Implementation monitoring	Vulnerability assessment/ pen test and associated ICT security plan with implementation monitoring Firewall (ISP)

Industry Trends	Ugu ICT systems aligned to industry trends	Ugu ICT 2021/22 Implementations
SD WAN (Software Defined Wide Area Network)	SDWAN Network implemented with 27 sites	

SALGA Maturity Capability Assessment of ICT

The Ugu District Municipality accepted an invitation by the South African Local Government Association, SALGA, on 25 October 2021 for an ICT Capability Maturity assessment and process improvement initiative to be conducted on its ICT operations. The Department of Cooperative Governance and Traditional Affairs (COGTA) on 12 March 2015, initiated a Municipal Corporate Governance of ICT Policy, which was to be implemented by Municipalities to improve the governance of ICT related investments and the enablement of operational functions and efficiencies.

SALGA thereafter developed a process improvement model which targeted the Municipal Corporate Governance of ICT Policy, ICT Governance, and the AG of SA IT Audit focus areas.

The IT Service and Governance process improvement model developed by SALGA identifies as an assessment and maturity framework that uses the ICT industry's best practices framework to define the ICT Capabilities necessary for a municipality to achieve compliance and alignment of ICT Services with Municipal strategies and plans.

The model provides the following focus areas.

- A reference to the boundaries in which ICT can operate
- A reference to understand what should drive ICT planning and operations
- Provides measurable objectives to enable ICT to better manage the information systems and technologies of a municipality
- Provides overall guiding principles and practices to the management dimensions of an optimally functioning ICT department of a municipality

31 Municipalities were selected in South Africa (excluding Metros) for participation in the assessment from 2018 to 2021. For Ugu, the assessment was done in the month of November 2021 and the outcome of the assessment was presented to the ICT Steering committee on 6 December 2021.

This assessment scored Ugu District Municipality ICT at an overall score of 3.80, making it the highest scoring Municipality. The 2nd highest scoring Municipality was Mossel Bay Municipality at 3.31

The 4 areas of assessment and Ugu ICT scores were.

ICT Process Maturity	3.08
ICT Governance	3.27

ICT Artefacts	4.21
End-User Satisfaction survey	4.64
Ugu Municipal Maturity Level Score	3.80

The outcome of the assessment was celebrated by the Ugu leadership and management, and attests to the interventions placed within Ugu ICT in 2015, which have since borne fruits as seen in these assessment outcome scores.

The Municipality will continue to strive to improve the ICT processes and ICT operations, and the intrinsic role it plays to the service delivery functions, being the provision of Water and Sanitation to the Municipality's citizens. The value of this ICT Assessment during the time of The Fourth Industrial Revolution cannot be understated as it allows the Municipality to revise its ICT Strategy into a new ICT Digital Strategy, coinciding with the new leadership of the Municipality, and aiming for greater achievements in this space.

ICT Digital Strategy Development

In partnership with SALGA, The ICT Digital Strategy is being developed for the period 2022-2027 and aligned with the new 5-year IDP. All key projects identified within this strategy, will be managed, and reviewed frequently in accordance with the programme and project management procedures and will be striving to bring about a Digital Transformation in the way the Municipality does business and ensuring the embracement of the 4IR in the way business is done.

Audit Opinion of ICT:

Ugu District Municipality is classified as a Level 2 Capacity Municipality and the ICT audits has grown more and more intensive, over several years, ICT audit requests for information have doubled, displaying the dependency of systems that are well maintained with good ICT Governance and Security compliance.

Audit Category	No of findings 2021/22	No of findings 2020/21	No of findings in 2019/20
ICT Governance - ITEC	0	0	1
ICT Service Continuity	1	1	0
Program Change Management	1	1	1
ICT Security Management	3	3	0
User Account Management	3	3	2

Audit Category	No of findings 2021/22	No of findings 2020/21	No of findings in 2019/20
Physical and Environmental Controls	0	0	0
TOTAL	8	8	4

Alignment to the District Development Model - ICT District Forum:

The already established ICT District Forum comprising of the District Municipality and the Local Municipalities within the District as a strategic objective aims to accomplish.

- Mainstreaming ICT Services and ICT infrastructure in the District
- Explore opportunities for the sharing of ICT services
- Drive ICT development in the District both socially and economically
- Ensuring efficient and effective employment of ICT resources in the District
- Monitor and evaluate legislative compliance of ICT infrastructure and services in the district
- Harmonization of ICT and associated policies in the District
- Ensuring digital inclusiveness in the District
- Enhance service delivery through ICT tools in the District
- Collaboration
- Knowledge Management opportunities
- State of the Nation / Province / District issues
- AG Audit and Risk issues in the ICT Environment
- Areas of Support
- Share information in the developments within the ICT Environment such as legislation, white papers, bills, etc
- Invitation of key stakeholders that can assist with ICT efficiencies

This forum meets at least once per quarter and is fully functional. The Forum reports to the Governance Cluster IGR Forum and is an integral part of a mutual support for ICT professionals working in the Municipalities in the District.

Goal	Applicability to ICT
A new integrated planning model for Cooperative Governance	ICT District Forum

Employees: ICT Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0.00%
4-6	2	2	2	0	0.00%
7-9	7	7	7	0	0.00%
10-12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
Total	10	10	10	0	0.00%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.27.4					

Financial Performance Year 0: ICT Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.27.5

Capital Expenditure Year 0: ICT Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.27.6

ICT SERVICES POLICY OBJECTIVES AS TAKEN FROM THE IDP

STRATEGIC OBJECTIVE	ITEM	2017/18 FY	2018/19 FY	2019/20 FY	2020/21 FY	2021/22 FY
Municipal Transformation and Institutional Development	Information security	100% new employees, requiring ICT Services, orientated through digitised ICT Security Awareness sessions 2 ICT Security status assessment reports done	100% new employees, requiring ICT Services, orientated through digitised ICT Security Awareness sessions 2 ICT Security status assessment reports done 1 Vulnerability assessment concluded	12 ICT Security Awareness Campaigns 1 Vulnerability assessment concluded	100% Implementation of the Security Plan	1 ICT Security Plan with quarterly implementation updates 1 vulnerability assessment concluded

STRATEGIC OBJECTIVE	ITEM	2017/18 FY	2018/19 FY	2019/20 FY	2020/21 FY	2021/22 FY
			Non-Disclosure Agreements with Service providers Technical committee meetings to be held, evaluating in use systems and licences with a roadmap to system migration 2 User Access Management Reviews Conducted on Active Directory			
	ICT Service Availability / Service Delivery programmes	96 % WAN (Wide area network) availability (24/7) 100% Service and Licence Agreements Management to core systems 100% compliance with the Website legislative requirements Video Conferencing & instant messaging will be installed for Extended Management (20 instances)	Automation for password resets 96 % WAN (Wide area network) availability (24/7) 100% Service and Licence Agreements Management to core systems 100% compliance with the Website legislative requirements Voice Management maintenance and support Investigation into a Fleet Management	96 % WAN (Wide area network) availability (24/7) 100% Service and Licence Agreements Management to core systems 100% compliance with the Website legislative requirements	100% compliance with the Website legislative requirements Reports WAN (Wide area network) availability Reports and an average of 97% uptime (24/7) 100% compliance to Service and Licence Agreements Management to core systems 12 Microsoft Teams awareness campaigns and	100% implementation of ICT Service Delivery including: 1. Incident Management with statistics of; Service Desk 2. Website Compliance 3. Licencing 4. ICT Security Awareness and Training

STRATEGIC OBJECTIVE	ITEM	2017/18 FY	2018/19 FY	2019/20 FY	2020/21 FY	2021/22 FY
		350 workstations' operating systems migrated to Windows 10 Voice Management maintenance and support	System integrated into the SAGE ERP Paperless office implementation		training done for staff 1 Annual DRP simulation done	
	ICT Governance	100% Compliance with ICT Governance Phase 1 – Enabling environment, Phase 2 – Implementation and Phase 3 – ongoing maturity	100% CS Compliance with ICT Governance Framework & Charter Phase 1, 2 and 3	100% CS Compliance with ICT Governance Framework & Charter Phase 1, 2 and 3	100% Compliance with ICT Governance Framework & Charter Phases 1,2 &3 3 Governance Reviews completed: ICT Strategy, Governance Charter and Governance Framework	100% Compliance with ICT Governance Framework & Charter Phases 1,2 &3 3 Governance Reviews: ICT Strategy, Governance Charter and Governance Framework
	Intergovernmental Relations	4 ICT District Forum Meetings held	4 ICT District Forum engagements Attendance at Provincial ICT Forum	4 ICT District Forum engagements Attendance at Provincial ICT Forum	5 ICT District Forum engagements held	4 ICT District Forum engagements
	ICT Incident Management	Quarterly submission of analysed ICT Service desk log reports	Quarterly submission of analysed ICT Service desk log reports 100% compliance with the Website legislative requirements	4 analysed ICT Service desk log reports	100% Reporting on ICT Incident Management	100% Reporting on ICT Incident Management

STRATEGIC OBJECTIVE	ITEM	2017/18 FY	2018/19 FY	2019/20 FY	2020/21 FY	2021/22 FY
			Licence management of VIP – per employee Mobile and/or web interface portal for customers to access accounts, balances and raise complaints			
	ICT Service Continuity and Availability Assurance	ICT Disaster Recovery simulation is done for Core Systems 12 successful system restores (Core Systems) 12 backups stored off site (Core Systems) User Access Reviews: New user and Terminated user management Password reset controls	100% Percentage Reporting on ICT Disaster Recovery simulation for Core Systems 12 successful system restores (Core Systems) 12 backups stored off site (Core Systems) User Access Reviews: New user and Terminated user management	1 Reporting on ICT Disaster Recovery simulation for Core Systems 12 successful system restores (Core Systems) 12 backups stored off site (Core Systems)	100% reporting on ICT Service Continuity and Availability Assurance: 12 successful system restores (Core Systems) 13 backups stored off site (Core Systems)	100% reporting on ICT Service Continuity and Availability Assurance: 12 Backups 12 Restores 12 Offsite backups 97% WAN Availability 1 DRP Simulation

STRATEGIC OBJECTIVE	ITEM	2017/18 FY	2018/19 FY	2019/20 FY	2020/21 FY	2021/22 FY
	Implementation of the mSCOA Project	64% Modules implemented included the Budget, Advanced Procurement, Accounts Payable, Cash and Bank, General Ledger, Sage 300 People Payroll, Asset Management, Voucher Management. Most of these were partly implemented.	78% Compliance with mSCOA Regulations. 100% Audit Queries resolution relating to mSCOA Data cleansing exercises concluded to improve the quality of data to be migrated - Revenue Decommissioning plan for outgoing systems: RMS, Axapta and Payday	83% Compliance with mSCOA Regulations. 100% Audit Queries resolution relating to mSCOA. Data cleansing exercises concluded to improve the quality of data to be migrated - Revenue Decommissioning finalisation for outgoing systems: RMS	83% Compliance with mSCOA Regulations. Finalisation of the Asset Management module, Budget Sub-Modules (Revenue, Assets, and HR), Finalisation of the Sage 300 People HR processes, Contract Register, Grants Management.	100% Compliance with mSCOA Regulations. Finalisation of the Asset Management module, Budget Sub-Modules (Revenue, Assets, and HR), Finalisation of the Sage 300 People HR processes, Contract Register, Grants Management 95% of systems support issues resolved within 8 working hours
	ICT Facilities and Infrastructure Resources	1 Tape Library implemented 1 additional Storage for ICT Disaster Recovery implemented 2 new generators to be procured and implemented at Connor Str, and Harding offices	No capex available for new infrastructure projects in 2018/19 FY ICT Server room equipment schedule reviewed	4 ICT Infrastructure implemented: 9 Servers, 7 UPS, 1 DR Tape Library Backup (Veeam) & Ivanti	4 ICT Infrastructure resource projects implemented: 2 Generators (Connor Str, Park Rynie) 4 Yoga Laptops for GM's and MM 2 Video Conferencing boardrooms establishment	4 Number of ICT Infrastructure resource projects : Storage for DR Mobility devices for field workers

STRATEGIC OBJECTIVE	ITEM	2017/18 FY	2018/19 FY	2019/20 FY	2020/21 FY	2021/22 FY
		20 Soft IP Phones set up on laptops ICT Server room equipment schedule reviewed			(Connor Street, Disaster)	VOIP implementation & PBX Card Data Projectors (2)
Optimise systems and operations	Policies which have detailed standard operating procedures	Policy Reviews: ICT Strategy ICT Governance Framework ICT governance Charter ICT Operations Policy ICT Security Controls Policy ICT User Management Policy Procedure Manual Development: Labware Teammate Citicall Patch Management Backups Dataviewer	Policy Reviews: ICT Strategy ICT Governance Framework ICT governance Charter ICT Operations Policy ICT Security Controls Policy ICT User Management Policy New policy requirement inclusion in ICT Security Controls Policy: Database management policy POPIA Awareness and controls	Policy Reviews: ICT Strategy ICT Governance Framework ICT governance Charter ICT Operations Policy ICT Security Controls Policy ICT User Management Policy ROI Policy DRP Updated SOP's	Annual Policy Reviews: ICT Strategy ICT Governance Framework ICT governance Charter ICT Operations Policy ICT Security Controls Policy ICT User Management Policy (2) ROI Policy DRP Updated SOP's	Annual Policy Reviews: ICT Strategy ICT Governance Framework ICT governance Charter ICT Operations Policy ICT Security Controls Policy ICT User Management Policy ROI Policy DRP Updated SOP's

STRATEGIC OBJECTIVE	ITEM	2017/18 FY	2018/19 FY	2019/20 FY	2020/21 FY	2021/22 FY
		Filerite GIS Active Directory Adroit PBX TMS MS Exchange				

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The ICT vision is to establish a sustained stable and secure ICT environment that is aligned to the ICT Governance Framework to provide ICT systems users with an efficient experience, provide security and integrity of information, ensure the timely recovery of operations resulting from the loss of data or environmental forces and provide excellent service delivery to the users of Ugu District Municipality.

This is being achieved through:

- Municipality having a unified management team
- ICT Staff being certified and knowledgeable due to strategic recruitment and training
- The municipality being a desirable workplace
- Excellent customer feedback

With the continued support of the Executive Management and Council, ICT will continue to provide an enabling environment to the core service delivery goals of the Municipality, in a cost effective and efficient manner, always considering the technological opportunities available in the market to assist in the attainment of these goals. The outcome of the SALGA Assessment of ICT in the Financial year being reported on in this Annual report provides an objective result to the sustained efforts in ICT within the Municipality. The Municipality will continue to embrace innovation and the 4IR through a new Digital Strategy.

3.17 LEGAL SUPPORT SERVICES

2021-2022 Budget Expenditure for Legal Support Services

The budget allocated for the financial year was R827009.77 and a total of R511 515.67 of the budget was spent on litigation matters, legal claims, and objections to Supply Chain Management processes. In the third quarter of the financial year during the Budget Adjustment, the legal services budget was adjusted to R0.00

Institutional Compliance 2021/2022

The municipality is a creature of statute and such it operates within the ambit of a vast number of legislations. An Institutional Compliance checklist has been developed for the municipality wherein all the issue of legislative compliance are listed, the persons responsible, the actions require, the time frame and the evidence for compliance with same. The legal support services are tasked with ensuring that the compliance checklist is disseminated to departments to populate and provide evidence to show compliance on prescribed legislative provisions. This exercise is done quarterly with each quarter being guided by the applicable legislative provisions.

There has been continuous improvement to the compliance with the checklist and in particular for the past financial year, the percentage compliance achieved started of strong with 95% in the first quarter to 95% in the fourth quarter still achieving our target of 95%.

Contract Management 2021/2022

The municipality procures goods and services withing the Supply Chain Management processes in compliance with the applicable prescripts including but not limited to the Supply Chain Management Regulations, the Supply Chain Management Policy, etc. The municipality is required by law to conclude contracts for procurement of certain goods and services and for the most part this speaks to most of the goods and services that the municipality requires.

It is the prerogative of the municipality to ensure that such contracts are legally compliant, legally binding, and implementable. The Organisational Contract Obligations Checklist was developed to ensure that all the contracts are compliant as per the aforementioned. The checklist samples contracts that are then tested for compliance with, amongst other things, the Supply Chain Management processes, a clear purpose for the contract, the contract value, the duration of the contract, the performance standards and that the clauses that deal with breach, penalties, cancellation, and reporting are clear and unambiguous in essence ensuring that the contracts contain the general conditions of contract, the *naturalia* and *specialia* clauses of contract.

There has been continuous improvement to the compliance with the contractual obligations checklist and in particular for the past financial year, the percentage compliance achieved started from 95% in the first quarter to 95% in the fourth quarter still achieving our target of 95%. Contract Register is in place and updated monthly.

Litigation Risk Reduction Action Plan 2021/2022

Every action of the Municipality is potentially litigious as there are various requirements for compliance to all Local Government related legislative prescripts, whilst also requiring compliance with other general legislation as may become pertinent.

The municipality created the Litigation Risk Management Strategy. The strategy is aimed at identifying the various areas of litigation risk, develop an action plan to mitigate those risks.

The Litigation Risk Management Strategy of the Ugu District Municipality aims to:

- identify, manage, monitor and mitigate risks of litigation throughout the Municipality.
- actively mitigate these risks by identifying them, setting minimum standards for their management and allocating clear responsibility for such management to Management
- ensure that sound legal principles and legislative compliance is mainstreamed into operational activities
- ensure a reduction of litigation against the Municipality through proactive monitoring.

Mitigation Processes

Litigation risk reduction will be implemented through:

- Identification of and continuous review of areas where litigation risk exists
- Documented advisory service aimed at mitigation
- Allocation of responsibility for the development of procedures for management and mitigation of these risks
- Installation of appropriate segregation of duties, so that legal documentation is reviewed and executed with the appropriate level of independence from the persons involved in proposing or promoting transaction
- Ongoing examination of the relationship between litigation risk and other areas of risk management, so as to ensure that there are no gaps in the risk management process
- Establishing of minimum standards for mitigating and controlling each risk, including the nature and extent of work to be undertaken by internal and external legal resources
- Establishing of procedures to monitor compliance, taking into account the required minimum standards

- Continuous awareness of legal reform and development in order that current compliance is continuously observed

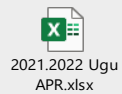
The litigation risk reduction plan and schematic process was developed to ensure that the municipality complies with the strategy. The plan is disseminated quarterly for departments to populate and indicate compliance to the strategy where applicable.

There has been continuous improvement to the compliance with the litigation risk reduction plan and in particular for the past financial year, the percentage compliance achieved has started of strong from 100% in the first quarter to 100% in the fourth quarter achieving our target of 100%.

Employees: Property; Legal; Risk Management					
Job Level	2020/2021	2021 /2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	2	2	1	508	14.3%
7 - 9	3	3	3	0	0
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	07	07	06	508	14.3%

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

Annual Performance Scorecard Report for the current year.



CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The municipality follows a developmental agenda with Water and Sanitation provision to communities being priority.

Below is performance summary for the year 0

4. SUMMARY

APR NARRATIVE GOES HERE

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

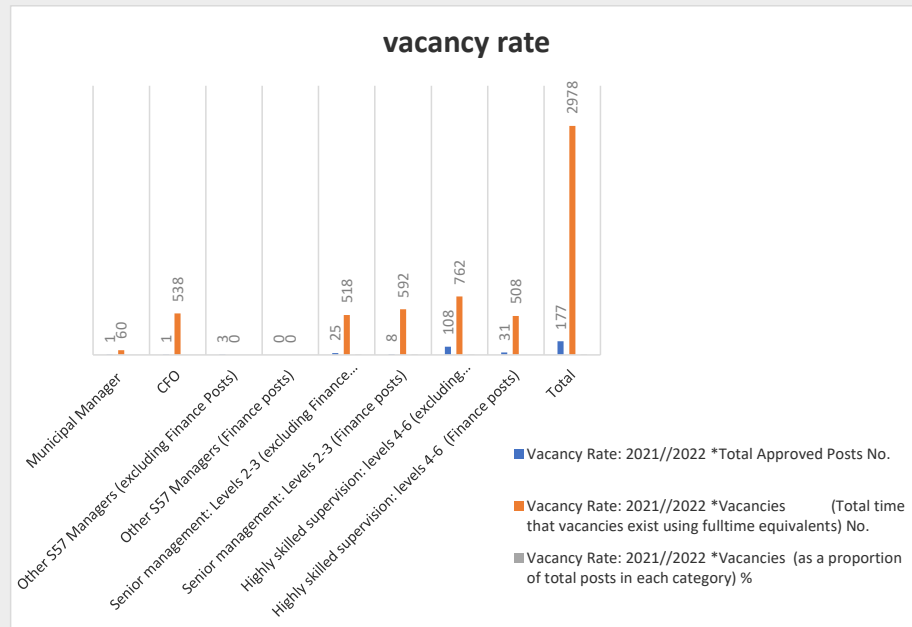
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2020/2021	2021/2022			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
CORPORATE SERVICES	89	108	91	17	2%

Employees					
Description	2020/2021	2021/2022			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
IED	28	39	25	14	1%
OFFICE OF MUNICIPAL MANAGER	75	104	83	21	2%
TREASURY	92	137	118	19	2%
WATER SERVICES	471	669	481	188	18%
Totals	755	1057	798	259	25%
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.					T 4.1.1

Vacancy Rate: 2021/2022			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	01	60	0.5%
CFO	01	00	0.00%
Other S57 Managers (excluding Finance Posts)	03	00	0.00%
Other S57 Managers (Finance posts)	00	00	0.00%

Senior management: Levels 2-3 (excluding Finance Posts)	25	518	1.7%
Senior management: Levels 2-3 (Finance posts)	08	592	1.7%
Highly skilled supervision: levels 4-6 (excluding Finance posts)	108	762	10.73%
Highly skilled supervision: levels 4-6 (Finance posts)	31	508	0.01%
Total	177	2978	14.64%
<i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>			T 4.1.2



Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2018/2019	14	58	7%
2019/2020	70	161	19%
2020/2021	59	57	7%
2021/2022	70	49	6.1%
* Divide the number of employees who have left the organisations within a year, by total number of employees who occupied posts at the beginning of the year			
T 4.1.3			

COMMENT ON VACANCIES AND TURNOVER:

The Municipality has made enormous progress on filling critical posts to ensure that it provides efficient service delivery. Every year the Municipality embarks on a process of reviewing the organogram and identifies posts to be funded during that year on the bases of criticality. All budgeted posts are filled with priority being placed on internal staff members on merit.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Every Manager in the Municipality must ensure Workforce management in their Sections. To guarantee sensible normalisation and uniformity in the management of the employees, staff policies, procedures and conditions of service are developed at central level and are then implemented by line management. The Minister of Cooperative Governance is responsible for promulgation and regulation of Conditions of service for Senior Management and are

further approved by Council. Conditions of staff below senior management level are negotiated at central level by the National and Provincial divisions of the South African Local Bargaining Council (SALGBC) and, where relevant, at a local level between management and the representative unions SAMWU and IMATU. A wide range of policies, procedures and directives are approved by relevant approval authorities after due consultation with stakeholders such as Council, Local Labour Forum and Management. These policies, procedures and directives are then circulated to all staff for implementation and compliance. Policies, procedures and directives are revised as the need arises.

T 4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Hours of Work Policy	100%	100%	23 September 2021
2	Individual Performance Management Policy	100%	100%	29 April 2021
3	Employee Assistance Programme Policy	100%	100%	29 April 2021
4	Sexual Harassment, Intimidation and Victimisation in the workplace	100%	100%	29 April 2021
5	Human Resources Development Plan and Strategy	100%	100%	31 March 2021
6	Human Resources Plan and Strategy	100%	100%	31 March 2021
7	Covid 19 Policy	100%	100%	26 May 2022
8	Recruitment and Selection Policy	100%	100%	30 July 2020
9	Acting and Acting Allowance Policy	100%	100%	30 July 2020
10	Internal Bursary Policy	100%	100%	23 September 2021
11	Internship Policy	100%	100%	23 September 2021
12	In service Training policy	100%	100%	23 September 2021
13	Talent Management	100%	100%	20 January 2020
14	Car Allowance Policy	100%	100%	23 September 2021
15	Staff Termination Policy	100%	100%	23 September 2021
16	Employment Equity Policy	100%	100%	29 August 2019
17	Code Of Ethics for Municipal Employee's Policy	100%	100%	24 March 2022

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
18	Death of Staff Member Policy	100%	100%	23 September 2021
19	Leave Regulations Policy	100%	100%	24 March 2022
20	Disciplinary Procedure and Code	100%	100%	24 March 2022
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Municipality has adopted the Human Resources Plan that is aimed at ensuring that all the Human Resources Functions are well managed and that adherence to same is recognised by every employee in the Municipality. The Human Resources Policies and Procedures Manual that is in use, closes a major gap which exists in the organisation, where there are no clear procedures to follow.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

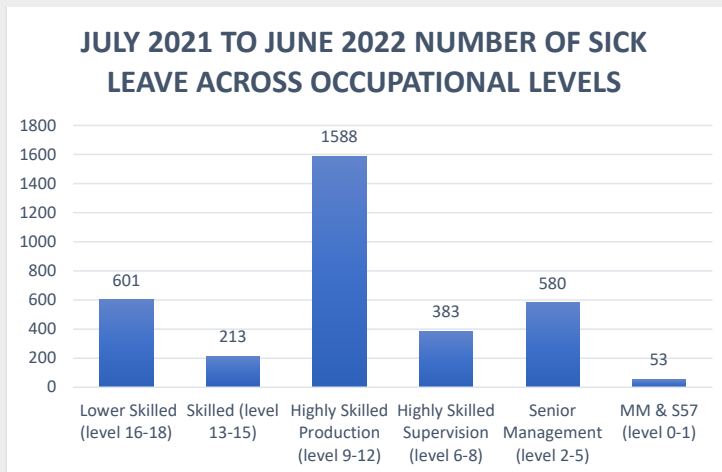
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	52	14	1.75%	3.6	35 027,29
Temporary total disablement	508	2	0,25%	29.9	260 131,56

Permanent disablement	148	1	0,13%	8.7	75 786,36
Fatal	0	0	0.0%	0.00	0.00
Total	708	17	2.13	42.2	370 945,21
					<i>T 4.3.1</i>

AVERAGE NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 16-18)	601	3%	65	212	2,83	R569514,54
Skilled (Levels 13-15)	213	2,8%	18	71	3	R255631,54
Highly skilled production (levels 9-12)	1588	6%	140	337	4,71	R3585816,58
Highly skilled supervision (levels 6-8)	383	7%	42	95	4,03	R1622139,77
Senior management (Levels 2-5)	580	0%	44	78	7,43	R2303251,77
MM and S57	53	0%	1	5	10,6	R67266,48
Total	3418		310	798		R8 403620,68
<i>* - Number of employees in post at the beginning of the year</i>						<i>T 4.3.2</i>

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE:

There was a total of 21 employees having been injured whilst on duty during the 2020/2021 financial year. 20 of these employees suffered temporary disablement and had to avail of more than 1 sick leave day.

All municipal injured staff members are sent to local hospitals for treatment, since the municipality does not have a dedicated Medical Practitioner.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
General Worker	Leading Unprotected Gathering	03 Feb 2020	Finalized, suspension for ten days without pay	13 Sept 21
Manager Fleet	Insubordination	17 July 2020	Finalized, suspension for ten days without pay	28 July 21
Manager: Supply Chain Management	Negligence	03-Dec-20	Finalized, Final Written Warning and suspension for ten days without pay	12 Aug 21
Plumber	Damage to Municipal Vehicle	N/A	Finalized, Final Written Warning	05 June 22
Meter Reader	Damage to Municipal Vehicle	22-April-21	Finalized and dismissed	13 Oct 21
Plumber	Misrepresentation	10-June-21	Finalized, suspension for ten days without pay	24 Nov 21
General Worker	Dishonest	13-June-21	Finalized, Final Written Warning	12 May 22
Committee Clerk	Gross Insubordination	03-Feb-22	Finalized, waiting for sanction	Finalized, waiting for sanction

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Plumber	Negligence	N/A	Finalized Final Written Warning and payment of excess	28 29 August 22
Foreman	Negligence	N/A	Scheduled for 09 Sept 22	Scheduled for 09 Sept 22
Disciplinary Action Taken on Cases of Financial Misconduct				
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized	
N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	
T 4.3.6				

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The Ugu District Municipality has set strict standards for disciplinary action to be taken in all cases of serious misconduct. Where such serious misconduct is identified, accused staff members are suspended on a precautionary basis. There were seven cases with employees that were suspended however, it was beyond the

three- month period during the 2021/2022 Financial Year due to the postponements because of unavailability of either the Presiding Officer, Prosecutor, Alleged Employee or Witnesses.

T 4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group
				R' 000	%
Lower skilled (Levels 16-18)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
Skilled (Levels 13-15)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
Highly skilled production (levels 7-12)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
Highly skilled supervision (levels 4-6)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
Senior management (Levels 2-3)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
MM and S57	Female	N/A	N/A	N/A	N/A
	Male	N/A	NIL	NIL	NIL
Total		N/A	N/A	N/A	NIL

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group
				R' 000	%
Has the statutory municipal calculator been used as part of the evaluation process?					N/A
<i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>					
T 4.4.1					

PERFORMANCE REWARDS:
Performance rewards were not implemented for the 2021/2022 FY

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT
The Municipality develops and implements a Workplace Skills Plan on an Annual Basis. This is based on the capacity- building and development needs identified by employees and Managers and is then affected through a training plan. Although these needs are identified by Managers and employees, the alignment of such needs with formal development needs, identified in terms of performance management is lacking. This challenge is anticipated to be addressed by the implementation of the IPMS and alignment with identified capacity gaps and interventions which are then contained in individual employees' Personal Development Plans (PDPs).
T 4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix																
Management level	Gender	Employees in post as at 30 June Year 2022 a	Number of skilled employees required and actual as at 30 June Year 2021 - 2022													
			Learnerships			Skills programmes & other short courses			Other forms of training			Total				
		No.	Actual: End of Year 2019 /2020	Year 2019 /2020 Target	Actual: End of Year 2019 /2020	Year 2019 /2020 Target	Actual: End of Year 2020 / 2021	Year 2019 /2020 Target	Actual: End of Year 2019 /2020	Year 2019 /2020 Target	Actual: End of Year 2020 / 2021	Year 2019 /2020 Target	Actual: End of Year 2019 /2020	Year 2019 /2020 Target	Actual: End of Year 2020 / 2021	Year 2019 /2020 Target
MM and s57	Female	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	Male	3	0	0	0	3	0	1	0	0	0	3	0	1	1	1
Councillors	Female	10	0	0	0	0	2	0	15	0	0	15	2	0	10	10

Skills Matrix																
Management level	Gender	Employees in post as at 30 June Year 2022	Number of skilled employees required and actual as at 30 June Year 2021 - 2022													
			Learnerships			Skills programmes & other short courses			Other forms of training			Total				
			No.	Actual: End of Year 2019 /2020	Year 2020 Target	Actual: End of Year 2019 /2020	Year 2020 Target	Actual: End of Year 2020 /2021	Actual: End of Year 2019 /2020	Year 2020 Target	Actual: End of Year 2020 /2021	Actual: End of Year 2019 /2020	Year 2020 Target	Actual: End of Year 2020 /2021	Year 2021 /2022 Target	Actual: End of Year 2021 /2022 Target
	Male	37	0	0	0	0	4	0	27	0	3	27	4	3	37	37
Senior Managers	Female	2	0	0	0	0	1	0	0	0	0	0	1	0	1	1
	Male	1	0	0	0	2	2	0	0	0	1	2	2	1	0	0
Managers	Female	12	0	0	0	0	3	1	12	0	4	12	3	5	0	2
	Male	13	0	0	0	4	4	1	2	0	2	6	4	3	0	2
Technicians and	Female	2	0	0	0	1	1	0	1	0	0	2	1	0	0	0

Skills Matrix																
Manag ement level	Ge nde r	Empl oyees in post as at 30 June Year 2022 a	Number of skilled employees required and actual as at 30 June Year 2021 - 2022													
			Learnerships			Skills programmes & other short courses			Other forms of training			Total				
			No.	Actu al: End of Year 2019 /202 0	Ye ar 20 19 End of Year 20 20 Ta rge t	Actu al: End of Year 2019 /202 0	Ye ar 20 19 End of Year 20 20 Ta rge t	Actu al: End of Year 2020 /2021	Actu al: End of Year 2019 /202 0	Year 2019 End of Year 2020 Targ et	Actu al: End of Year 2020 /2021	Actu al: End of Year 2019 /202 0	Ye ar 20 19/ 20 20 Ta rge t	Actu al: End of Year 2020 /2021 Targ et	Year 2021 /202 2Targ et	Actu al: End of Year 2021 /2022 Targ et
associ ate profes sionals *	Mal e	26	0	0	3	17	8	4	69	0	0	86	8	7	3	3
Profes sionals	Fe mal e	59	0	0	0	0	40	5	40	0	0	40	40	5	9	9
	Mal e	56	0	0	0	0	30	2	42	0	0	42	30	2	0	0
Comm unity & Person al Worker s	Fe mal e	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Mal e	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Skills Matrix																	
Management level	Gender	Employees in post as at 30 June Year 2022 a	Number of skilled employees required and actual as at 30 June Year 2021 - 2022														
			Learnerships			Skills programmes & other short courses			Other forms of training			Total					
		No.	Actual: End of Year 2019 /2020	Year 2019 Target	Actual: End of Year 2019 /2020	Year 2019 Target	Actual: End of Year 2020 / 2021	Year 2020 Target	Actual: End of Year 2019 /2020	Year 2019 Target	Actual: End of Year 2020 / 2021	Year 2020 Target	Actual: End of Year 2019 /2020	Year 2020 Target	Actual: End of Year 2021 /2022 Target	Year 2021 Target	
Clerical and Admin Workers	Female	95	0	0	0	47	15	9	0	0	0	47	15	9	16	16	
	Male	41	0	0	0	26	22	6	0	0	0	26	22	6	8	8	
Plant and Machine Operators	Female	11	0	0	2	4	0	1	0	0	0	4	0	0	2	2	
	Male	82	0	0	1	16	0	2	51	0	0	67	0	3	0	0	
Elementary Workers	Female	60	0	0	10	12	4	0	5	0	0	17	4	10	4	4	

Skills Matrix																	
Management level	Gender	Employees in post as at 30 June Year 2022 a	Number of skilled employees required and actual as at 30 June Year 2021 - 2022														
			Learnerships			Skills programmes & other short courses			Other forms of training			Total					
		No.	Actual: End of Year 2019 /2020	Year 2019 Target	Actual: End of Year 2020 / 2021	Actual: End of Year 2019 /2020	Year 2019 Target	Actual: End of Year 2020 / 2021	Actual: End of Year 2019 /2020	Year 2019 Target	Actual: End of Year 2020 / 2021	Actual: End of Year 2019 /2020	Year 2019 Target	Actual: End of Year 2020 / 2021	Year 2021 /2022 Target	Actual: End of Year 2021 / 2022 Target	
	Male	165	0	0	15	43	21	0	0	0	0	43	21	15	37	37	
General Workers	Female	56	0	30	7	21	15	3	0	0	0	21	45	10	6	6	
	Male	179	0	100	0	37	50	4	135	0	0	172	150	4	11	11	
Sub total	Female	349	0	30	19	85	81	19	73	0	4	158	111	42		51	
	Male	458	0	100	19	148	141	20	326	0	6	474	241	45		98	
Total		807	0	130	38	233	222	39	399	0	10	632	352	87		149	

Skills Matrix																
Management level	Gender	Employees in post as at 30 June Year 2022	Number of skilled employees required and actual as at 30 June Year 2021 - 2022													
			Learnerships			Skills programmes & other short courses			Other forms of training			Total				
		No.	Actual: End of Year 2019 /2020	Year 2020 Target	Actual: End of Year 2020 /2021	Actual: End of Year 2019 /2020	Year 2020 Target	Actual: End of Year 2020 /2021	Actual: End of Year 2019 /2020	Year 2019 Target	Actual: End of Year 2020 /2021	Actual: End of Year 2019 /2020	Year 2020 Target	Actual: End of Year 2020 /2021	Year 2021 Target	Actual: End of Year 2021 /2022 Target
*Registered with professional Associate Body e.g CA (SA)													T 4.5.1			

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	2	3	0	3	1

Financial Competency Development: Progress Report*						
Description	A.	B.	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))				
Chief financial officer	1	2	3	0	3	1
Senior managers	3	0	3	0	3	0
Finance Managers	7	0	7	0	0	5
Other Financial Officials	22	0	22	0	0	22
Supply Chain Management Officials	8	0	8	0	0	8
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	42	4	46	0	9	37
						T4.5.2

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2022 2022							
			Learner ships (N/A)		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	MALE	3	R0.00	R0.00	R0.00	R0.00	R0.00	R41 000.00	R0.00	R41 000.00
	FEMALE	1	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R41 000.00
Councillors	MALE	37	R0.00	R0.00	R0.00	R0.00	R0.00	R45 000.00	R0.00	R22 500.00
	FEMALE	10	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R22 500.00
Sen. Managers	MALE	1	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
	FEMALE	2	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
Managers	MALE	12	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00	R82 000.00
	FEMALE	13	R0.00	R0.00	R0.00	R0.00	R100,000.00	R24 000.00	R100,000.00	R82 000.00
Professionals	MALE	56	R0.00	R0.00	R0.00	R350 000.00	R0.00	R0.00	R0.00	R0.00
	FEMALE	59	R0.00	R0.00	R0.00	R369 000.00	R0.00	R0.00	R0.00	R369 000.00
Technicians and	MALE	26	R0.00	R0.00	R0.00	R130 000.00	R0.00	R0.00	R0.00	R105 000.00

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2022 2022							
			Learner ships (N/A)		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Actual
associate professionals	FEMALE	1	R0.00	R0.00	R0.00	R0.00	R150,000.00	R24,000.00	R0.00	R0.00
Clerks	MALE	41	R0.00	R0.00	R0.00	R96 000.00	R0.00	R0.00	R0.00	R0.00
	FEMALE	95	R0.00	R0.00	R0.00	R168 000.00	R0.00	R0.00	R0.00	R123 000.00
Plant and machine operators and assemblers	MALE	82	R0.00	R 5 000.00	R0.00	R0.00	R0.00	R0.00	R0.00	R0.00
	FEMALE	11	R0.00	R 10 000.00	R0.00	R0.00	R0.00	R0.00	R0.00	R 9 000.00
Elementary occupations	MALE	165	R0.00	R0.00	R0.00	R195 000.00	R0.00	R0.00	R0.00	R421 992.00
	FEMALE	60	R0.00	R0.00	R0.00	R39 000.00	R0.00	R0.00	R0.00	R0.00
General Workers	MALE	179	R0.00	R 35 000.00	R0.00	R91 000.00	R0.00	R0.00	R0.00	R93 000.00
	FEMALE	56	R0.00	R36 000.00	R0.00	R0.00	R0.00	R0.00	R0.00	R45 000.00
Sub total	MALE	594	R0.00	R40 000.00	R0.00	R862 000.00	R100 000.00	R93 334.00	R0.00	R717 492.00

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2022 2022							
			Learner ships (N/A)		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Actual
	FEMALE	311	R0.00	R46 000.00	R0.00	R405 800.00	R250 000.00	R48 000.00	R0.00	R691 500.00
Total		905	R0.00	R 86 000.00	R0.00	R1 267 800.00	R350 000.00	R141 334.00	R0.00	R1 408 992.00
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									1.00%	R2,560 000.00
										T4.5.3

Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The municipality has developed a long-term strategy on training and development of its employees. Emanating from that strategy, an annual workplace plan was developed according to the requirements of employee PDP's, training needs and LGSETA. The total allocated budget for the 2021 / 2022 financial year was R 2 560 000.00, and R 1 408 992.00 was spent on skills development from January 2022 – June 2022, the trainings were only implemented during the last 6 months of the financial year because the training panel was only awarded in January 2022. The WSP makes provision for the implementation of accredited training programmes such as, plumbing, water & wastewater treatment, mechanical fitting training, Electrical trade test, financial competency, computerized ABET, computer training and other training programmes. Implementation of these programmes has proven to be meaningful and effective and has improved service delivery. The Bursary Scheme opportunity was not available during the 2021/2022 financial year due to the Municipal financial status. The UGU District Training and Development committee has played a very good oversight role in ensuring that programmes are implemented in a fair manner and as planned. This committee sits monthly and receive reports from the Human Resources Department on the progress made.

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 16-18)	Female	N/A
	Male	N/A
Skilled (Levels 13-15)	Female	N/A
	Male	N/A
	Female	3

Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded

Beneficiaries	Gender	Total
Highly skilled production (Levels 7-12)	Male	3
Highly skilled supervision (Levels 4-6)	Female	1
	Male	N/A
Senior management (Levels 2-3)	Female	N/A
	Male	N/A
MM and S 57	Female	N/A
	Male	N/A
Total		7

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above). T 4.6.2

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	N/A	N/A	N/A	N/A

T 4.6.3

Employees appointed to posts not approved

Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
N/A	N/A	N/A	N/A	N/A

T 4.6.4

UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There were no upgraded positions during the 2021/2022 Financial Year.

Chapter 4

DISCLOSURES OF FINANCIAL INTERESTS

T 4.6.6

Disclosures of Financial Interests		
Period 1 July to 30 June of 2021/2022		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor	PH Mthiyane	None
Deputy Mayor	V Chiya	None
Speaker	SR Ngcobo	Chairperson of Ngcobo foundation, Property renting out
Exco Member	SN Caluza	None
Exco Member	SP Mthethwa	None
Exco Member	D Nciki	None
Exco Member	GD Henderson	Property Company, Anglo American, Anglo Platinum, Aspen, Billiton, Discovery, DRD Gold, Kumbha, Netcare, Old Mutual, Sanlam, Steinhoff, Vodacom, Better Bond.
Exco Member	NA Njenga	Directorship: Astitel
Councillor	BE Machi	None
Councillor	NY Mweshe	None
Councillor	SE Khawula	None
Councillor	BE Majola	Directorship - Ukhona Umhlengi FS Zibeke Contractors, Taxi Owner
Councillor	BN Shoji	Beneficiary of trusts – Peak store 2%
Councillor	E Baptie	Membership at Pool Care cc

Chapter 5

Disclosures of Financial Interests		
Period 1 July to 30 June of 2021/2022		
Position	Name	Description of Financial interests* (Nil / Or details)
Councillor	FM Ngwane	Membership at Buhlebazozo Protective Clothing, Tools, Directorship: - Mhlonishwa Consultants and Logistics, Legend auctioners and Projects, Anesu Amaholdings (PTY)Ltd, Zowakha Projects and Developments. Co - Operative Olwasini Co-Opp.
Councillor	J Schmidth	Directorship at Dink travel (PTY)Ltd
Councillor	JS Ngwane	None
Councillor	LS Zungu	None
Councillor	MA Manyoni	None
Councillor	MP Mteshane	None
Councillor	MP Shozi	None
Councillor	MV Vezi	None
Councillor	ND Ndovela	None
Councillor	P Breedt	Marchem
Councillor	PC Shange	None
Councillor	S Mngoma	None
Councillor	SA Ngcece	None
Councillor	SG Shange	None
Councillor	SP Ntuli	None

Chapter 5

Disclosures of Financial Interests		
Period 1 July to 30 June of 2021/2022		
Position	Name	Description of Financial interests* (Nil / Or details)
Councillor	TT Hlophe	None
Councillor	X Nkasa	None
Councillor	ZB Luthuli	None
Councillor	BG Nyuswa	Directorship – Emaphongo (PTY)Ltd
Councillor	MP Tenza	None
Councillor	SHE Mngoma	None
Councillor	ST Khathi	None
Councillor	TH Msabala	None
Councillor	ZR Qwabe	None
Councillor	LMR Ngcobo	Nonyanda Solution (security)
Traditional leader	MW Xolo	None
Traditional leader	ZE Ngcobo	None
Traditional leader	BS Nzimakwe	None
Traditional leader	ZGB Msomi	None
Traditional leader	RS Shinga	None
Traditional leader	NM Machi	None

Chapter 5

Municipal Manager	EMS Ntombela	Member of Matasatasa cc
S57 Officials		
GENERAL MANAGER: CORPORATE SERVICES	VO Mazibuko	None
GENERAL MANAGER: TREASURY	K Audan	None
GENERAL MANAGER: EDES	D J Rankin	None
GENERAL MANAGER: WATER SERVICES	SN Mbewu	Director of Dimension Engineering (Pty) Ltd, Director of Dimension Business Enterprise (Pty) Ltd, Director of Dimension cleaning and Horticultural services (Pty) Ltd, Director of Dimension security services (Pty) Ltd. Member of Jingisa Building and Civils cc, member of Mbewu and Sons Plant hire cc, Sivuyile Mbewu Consulting and Development Engineers cc.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

T 5.1.0

Chapter 6

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Reconciliation of Table A1 Budget Summary

Description	Year 0											
	Original Budget	Budget Adjusted	Final adjustment	Shifting of funds	Virement	(1)	Final Budget	Actual Outcome	Unauthorised ex	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
R thousands												
	1	2	3	4	5	6	7	8	9		100.0%	1100%
Financial Performance												
Property rates	–	–	–				–	–		–		
Service charges	501 878	449 977	951 855				951 855	441 667		510 188	46%	88%
Investment revenue	12 540	6 269	18 803				18 803	7 779		11 024	41%	92%
Transfers recognised - operational	593 848	596 924	1 190 772				1 190 772	551 310		639 462	46%	90%
Other own revenue	95 140	46 787	141 927				141 927	58 846		83 281	41%	62%
								1 099 402				
Total Revenue (excluding capital transfers and contributions)												
Employee costs	403 418	381 399	784 816				784 816	418 766		368 050	53%	103%
Remuneration of councillors	10 650	10 650	21 300				21 300	9 765		11 535	46%	92%
Depreciation	95 011	93 249	105 661				105 661			105 661	0%	0%
Depreciation & asset impairment	220 272	223 955	443 837				443 837	205 095		238 742	46%	90%
Finance charges	12 644	20 296	32 940				32 940	20 629		12 311	63%	163%
Motors and bulk purchases	146 117	149 598	295 715				295 715	134 938		160 777	46%	92%
Transfers and grants	20 070	20 070	40 139				40 139	9 191		30 945	23%	46%
Other expenditure	536 047	442 614	978 661				978 661	411 615		567 046	42%	77%
Total Expenditure	1 444 228	1 341 432	2 703 070				2 703 070	1 208 000		1 495 070	45%	84%
Surplus (Deficit)	(145 811)	(145 241)									0%	0%
Transfers recognised - capital	265 098	269 096	574 193				574 193	294 782		279 411	51%	103%
Contributions recognised - capital & contributed assets											0%	0%
Surplus (Deficit) after capital transfers & contributions	139 286	140 855	280 141				280 141	146 185		133 566	0%	105%
Share of surplus / deficit of associate	139 286	140 855	280 141				280 141				0%	0%
Surplus (Deficit) for the year	139 286	140 855	280 141					146 185		(146 185)	0%	105%
Capital expenditure & funds sources											0%	0%
Capital expenditure											0%	0%
Transfers recognised - capital	333 687	289 096	622 783				622 783	258 161		364 621	41%	77%
Public contributions & donations	295 098		295 098				295 098			295 098	0%	0%
Borrowing											0%	0%
Internally generated funds	38 450	49 078	87 528				87 528	27 349		60 179	31%	71%
Total sources of capital funds	333 548	338 174						285 511		(285 511)	0%	0%
Cash flows											0%	0%
Net cash from (used) operating	378 964	364 145	743 109				743 109	261 722		481 387	35%	69%
Net cash from (used) investing	(333 573)	(335 902)	(669 475)				(669 475)	(260 729)		(388 750)	42%	84%
Net cash from (used) financing	–	(10 925)	(10 925)				(10 925)	(28 655)		17 910	264%	0%
Cash/cash equivalents at the year end	125 415	96 799						31 643		(31 643)	0%	0%

75.1.3

5.2 GRANTS

Grant Performance						
R' 000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	64 176	532 446	532 446	532 446	100%	100%
Equitable Share	58 499	524 364	524 364	524 364	100%	100%
Rural Road Asset Management System	–	2 721	2 721	2 721	100%	100%
Expanded Public Works Programme Int	4 773	3 611	3 611	3 611	100%	100%
Local Government Financial Managem	991	1 750	1 750	1 750	100%	100%
Municipal Disaster Relief Grant						
Other transfers/grants [insert descriptio	(88)					
Provincial Government:	814	12 574	12 574	12 574	100%	100%
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants [insert descriptio	814	12 574	12 574	12 574	100%	100%
District Municipality:	22 184	11 890	11 890	11 890	100%	100%
Parent Municipality	22 184	11 890	11 890	11 890	100%	100%
Other grant providers:	–	–	–	–		
[insert description]						
Total Operating Transfers and Grants	87 174	556 910	556 910	556 910		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						T 5.2.1

OPERATING TRANSFERS AND GRANTS:

Expenditure on all Grants was in line with the allocation as per the DORA. All grants were fully spent which is great performance for the municipality.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset Management main functions are to:

- Maintain a GRAP compliant FAR and account for the assets accurately
- Ensure the safekeeping of the assets as per asset management policies

- Ensure the adequate maintenance of the asset register
- Manage the disposal of the assets in line with legislation
- Ensure compliance with asset management policies and legislation

Asset Management Strategies are:

- Ensure that all assets are procured in terms of the SCM Policy by all departments
- Introduction of departmental asset management champions
- Foster relations with user department
- Increase the frequency of asset management verifications and FAR updates
- Schedule an Asset Management Indaba

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Water Pipeline			
Description	Water Supply Scheme			
Asset Type	Infrastructure assets			
Key Staff Involved	Project Management Unit			
Staff Responsibilities	Project Planning and Implementation			
Asset Value	Year -3	Year -2	Year -1	Year 0
				14,694,260.26
Capital Implications	Funded by MIG			

Future Purpose of Asset	Water Supply Scheme			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Sewer Reticulation Pipeline			
Description	Sanitation			
Asset Type	Infrastructure assets			
Key Staff Involved	Project Management Unit			
Staff Responsibilities	Project Planning and Implementation			
Asset Value	Year -3	Year -2	Year -1	Year 0
				6,383,087.78
Capital Implications	Funded by MIG			
Future Purpose of Asset	Sanitation			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Water Pipeline			
Description	Water Supply Scheme			
Asset Type	Infrastructure assets			

Key Staff Involved	Project Management Unit			
Staff Responsibilities	Project Planning and Implementation			
Asset Value	Year -3	Year -2	Year -1	Year 0
				5,554,662.50
Capital Implications	Funded by MIG			
Future Purpose of Asset	Water Supply Scheme			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
T 5.3.2				

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Water Pipeline			
Description	Water Supply Scheme			
Asset Type	Infrastructure asset			
Key Staff Involved	Project Management Unit			
Staff Responsibilities	Project Planning and Implementation			
Asset Value	Year -3	Year -2	Year -1	Year 0
				14,694,260.26
Capital Implications	Funded by MIG			
Future Purpose of Asset	Water Supply Scheme			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Sewer Reticulation Pipeline			
Description	Sanitation			
Asset Type	Infrastructure asset			
Key Staff Involved	Project Management Unit			
Staff Responsibilities	Project Planning and Implementation			
Asset Value	Year -3	Year -2	Year -1	Year 0

				6,383,087.78
Capital Implications	Funded by MIG			
Future Purpose of Asset	Sanitation			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Water Pipeline			
Description	Water Supply Scheme			
Asset Type	Infrastructure asset			
Key Staff Involved	Project Management Unit			
Staff Responsibilities	Project Planning and Implemenation			
Asset Value	Year -3	Year -2	Year -1	Year 0
				5,554,662.50
Capital Implications	Funded by MIG			
Future Purpose of Asset	Water Supply Scheme			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
T 5.3.2				

ASSET MANAGEMENT

All projects' documents including payment certificates, tax certificate, appointment letter and completion certificates are filed and safely kept for document purposes and for audit purposes. The audit trail is safely kept by all departments since some information cross cuts other departments.

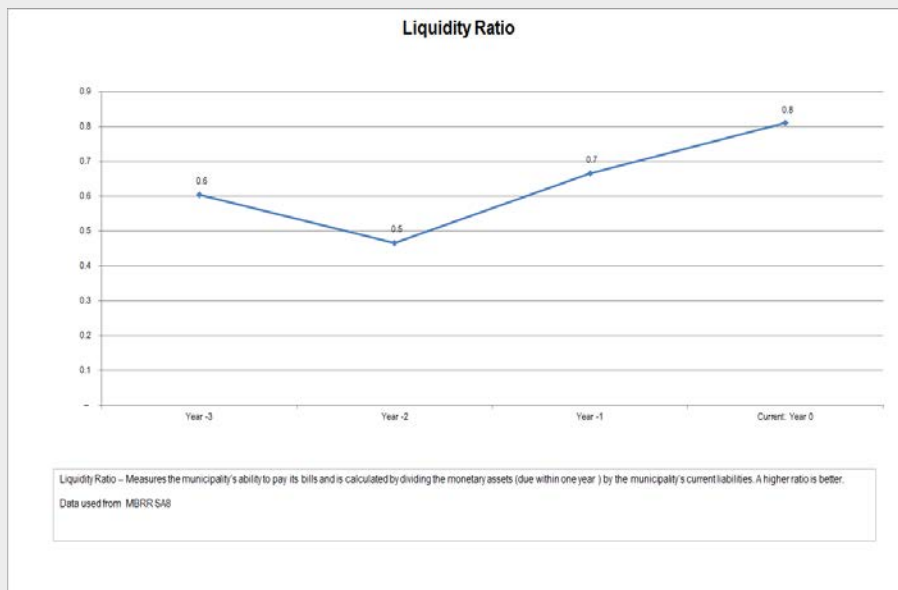
T 5.3.3

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	125	129	128	-2%
<i>T 5.3.4</i>				

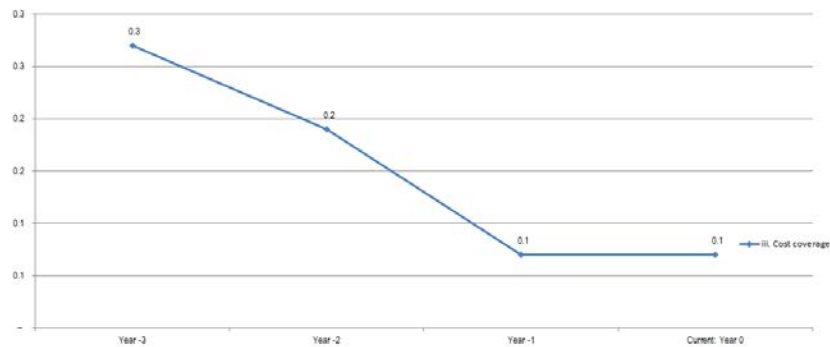
REPAIR AND MAINTENANCE EXPENDITURE:

In an attempt to contain costs and achieve a funded budget, management responded to the decreasing revenue collections and reduced budget on the repairs and maintenance. The actual expenditure ended up being less than the revised budget which signals that management's cost containment strategies were realised.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

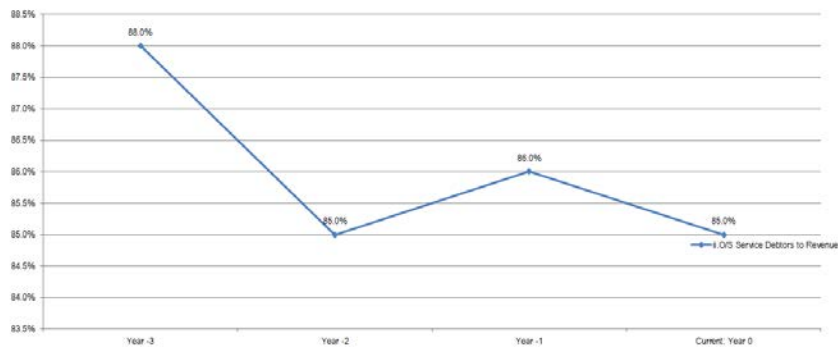


Cost Coverage



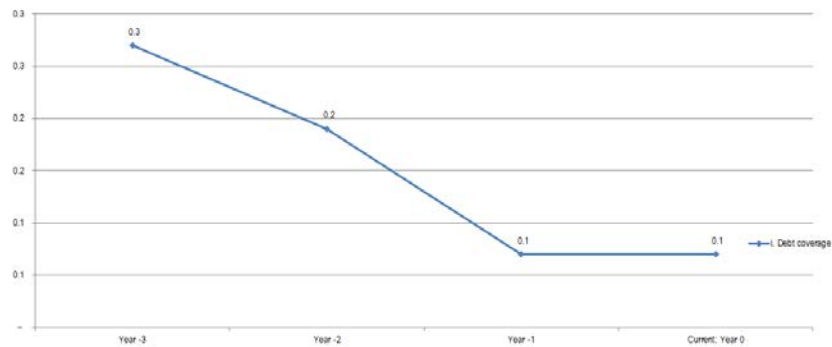
Cost Coverage – It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated Data used from MBRR SA8

Total Outstanding Service Debtors



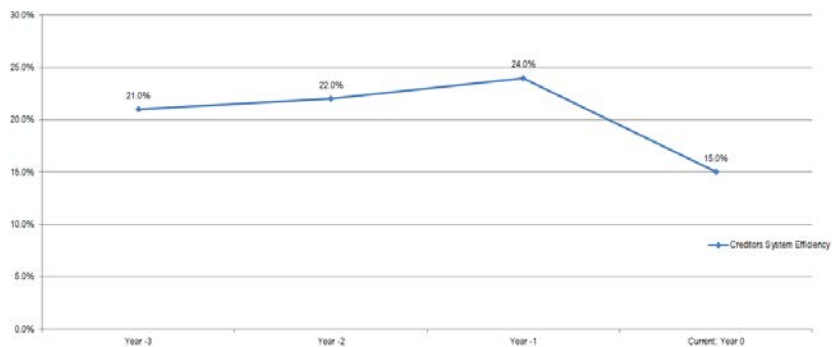
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. Data used from MBRR SA8

Debt Coverage



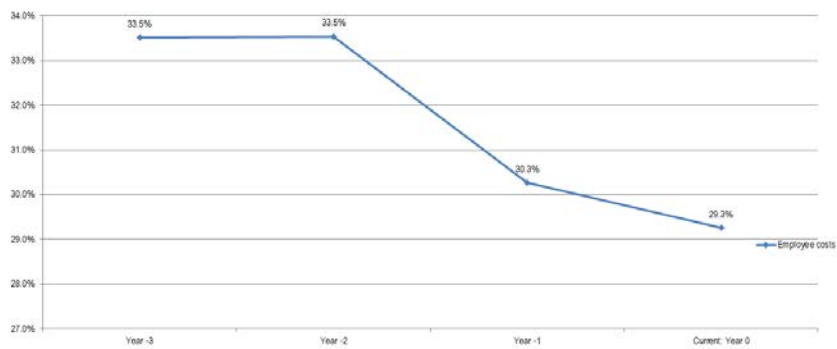
Debt Coverage – The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality.
Data used from MBRR SA8

Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases.
Data used from MBRR SA8

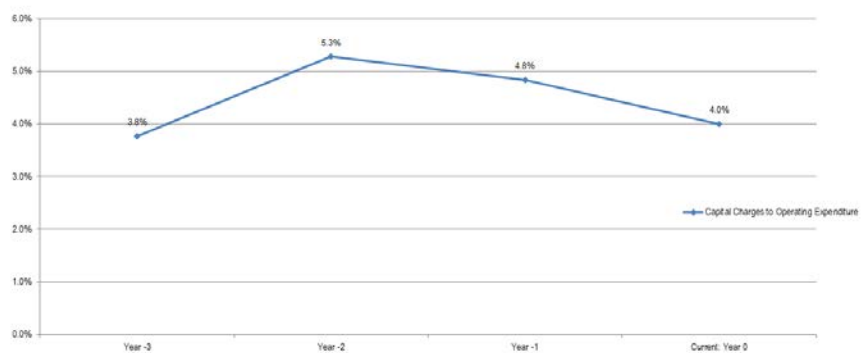
Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

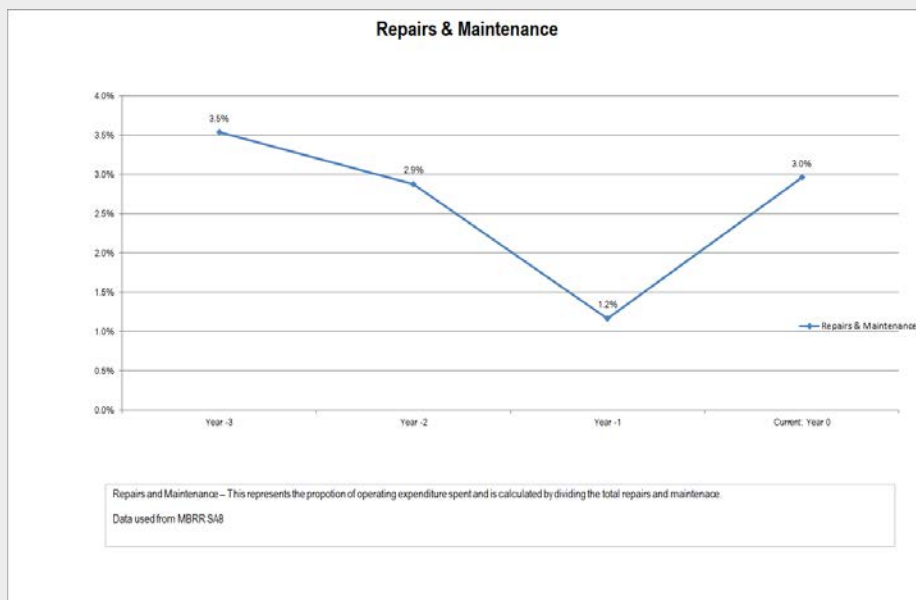
Data used from MBRR SA8

Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8



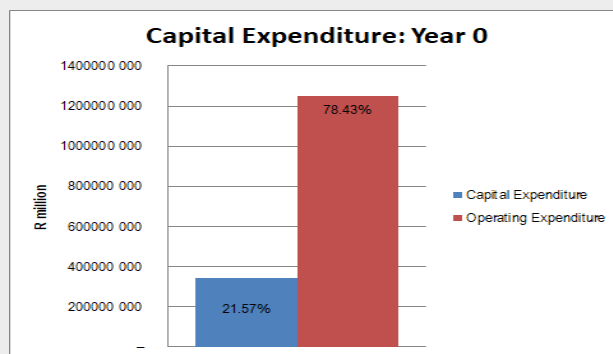
FINANCIAL RATIOS:

The Ugu District Municipality's financial health has room from improvement as it currently signals technical solvency. Most of the financial indicators are currently unfavourably outside the norm and indicate a not so well financial health status.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE



Capital Expenditure - Funding Sources: Year -1 to Year 0						
R' 000						
Details	Year -1 Actual	Original Budget (OB)	Adjustment Budget	Year 0 Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans						
Public contributions and donations						
Grants and subsidies	258 703 674	295 097 800	283 420 255	3856	-3.96%	-100.00%
Other						
Total	258 703 674	295 097 800	283 420 255	3856	-3.96%	-100.00%
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital expenditure						
Water and sanitation	258 703 674	295 097 800	297 097 800	252 633 002	0.68%	-14.39%
Electricity						
Housing						
Roads and storm water						
Other						
Total	258 703 674	295 097 800	297 097 800	252 633 002	0.68%	-14.39%
Percentage of expenditure						
Water and sanitation	100.0%	100.0%	100.0%	100%	100.0%	100.0%
Electricity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
T 5.6.1						

SOURCES OF FUNDING:

Capital expenditure is predominantly funded by Grants and Subsidies which are conditional in nature. The municipality is currently unable to fund capital projects through Internal funds due to limited resources.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Malangen Low Cost Housing Project	65 290 000	70 747 442	88 355 368	-35%	-8%
Makaba and Surrounds Water Supply Scheme	26 622 870	31 189 656	21 645 407	19%	-17%
Water Pipeline Replacements	20 000 000	22 000 000	9 210 405	54%	-10%
KwaLembe	40 517 836	14 600 000	3 062 576	92%	64%
Umzimkhulu Permanent Reinforced Concrete Bo	9 475 785	9 965 815	8 665 399	9%	-5%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
T 5.7.1					

Commented [Ju5]: Subash, budget office supplied figures, dept to complete the rest of it

Commented [S6R5]: @Rowan.Mlambo please complete the rest of this table

Commented [S7R5]: @Rowan.Mlambo still awaiting further input on the AR

COMMENT ON CAPITAL PROJECTS:

Delete Directive note once comment is completed - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision year 0. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Delete Directive note once comment is completed – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T 5.8.1

Service Backlogs as at 30 June Year 0				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				
T 5.8.2				

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification	143 019 440	153 627 416	153 627 416	0%	0%	N/A
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification	112 504 560	101 896 584	101 896 584	0%	0%	N/A
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads, Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M, note also the calculation of the variance. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
T 5.8.3						

COMMENT ON BACKLOGS:

Commented [Ju8]: Subash, we just inserted figures, kindly liaise with the dept. concerned for a comment on backlogs

Commented [S9R8]: Thanks Julee, will do

Commented [S10R8]: @Rowan.Mlambo please complete info

Delete Directive note once comment is completed - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T 5.8.4

Commented [S11]: @Rowan.Mlambo for WS input

Commented [S12R11]: @Rowan.Mlambo still awaiting further input on the AR

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow reflects a Municipality's financial health, and its ability to pay its short/long term commitments and other liabilities. In most cases, the more cash available for Municipal operations, the better.

Whilst Ugu District Municipality has shown cash flow challenges in the previous year and the financial year under review, it has also been noted that it has developed financial strategies to address and turnaround the cash flow challenges thereof.

Although the Municipality is still experiencing these challenges, there has been a slight increase on the Municipality's cash coverage, which is also monitored closely to ensure the cash backed reserves are built

In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 13(2): "Each Municipal Council and Governing body shall adopt by resolution an investment policy regarding the investment of its cash resources not immediately required. In the year under review, the Municipality adopted a cash and investments management policy. The policy ensures that cash resources are managed as effectively, efficiently and economically as possible. Competitive investment and effective cash management ensures both short-term and long-term viability and sustainability of the Municipality. Ugu District Municipality did not have any long-term investments in the year under review. Surplus funds were held in short term deposits in order to earn interest but could not be held for longer due to operational requirements.

T 5.9

5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	–	–	–	–
Service charges	–	377 863	335 233	351 674
Other revenue	–	87 507	91 257	150 943
Transfers and Subsidies - Operational	11 323	580 672	576 900	538 587
Transfers and Subsidies - Capital	179	285 098	302 720	379 924
Interest	–	12 462	6 263	4 962
Dividends	–	–	–	–
Payments				
Suppliers and employees	–	(932 110)	(917 065)	(1 139 260)
Finance charges	–	(12 458)	(12 458)	(13 179)
Transfers and Grants	–	(20 070)	(20 070)	(11 928)
NET CASH FROM/(USED) OPERATING ACTIVITIES	11 502	366 502	356 517	256 760
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (increase) in non-current debtors				
Decrease (increase) other non-current receivable	6 356	(26)	2 272	–
Decrease (increase) in non-current investments				
Payments				
Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES	6 356	(26)	2 272	–
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits	(21 888)	–	–	(28 835)
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	(21 888)	–	–	(28 835)
NET INCREASE/ (DECREASE) IN CASH HELD	(4 030)	366 476	358 789	227 925
Cash/cash equivalents at the year begin:	–	80 024	79 481	79 481
Cash/cash equivalents at the year end:		446 501	438 270	307 406
Source: MBRR AT				

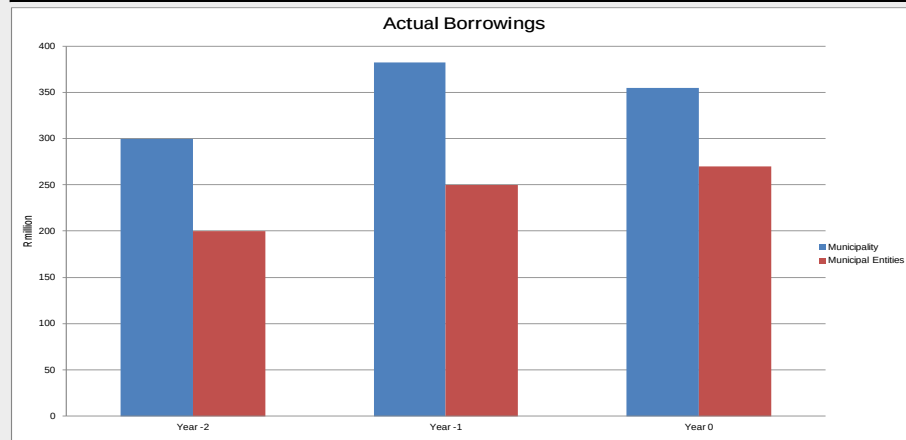
CASH FLOW OUTCOMES:

The municipality currently struggles with cash flow management due to the backlog of creditors that still remains unpaid. The cash flows from collections have not improved, which poses a challenge in building reserves and cash balances. The cash flow for operating activities was originally R366 million, which was adjusted down to R356 million, in order to achieve a funded budget. The actual expenditure was R256 million which was less than the adjusted budget,

5.10 BORROWING AND INVESTMENTS

Actual Borrowings: Year -2 to Year 0			
R' 000			
Instrument	Year -2	Year -1	Year 0
Municipality	300	382	355
Long-Term Loans (annuity/reducing balance)	200	250	270
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	500	632	625
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0

T 5.10.2



Municipal and Entity Investments			
R' 000			
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	0	0	0
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	0	0	0
			T 5.10.4

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 GRAP COMPLIANCE

GRAP COMPLIANCE

Ugu District Municipality is fully compliant with Generally Recognised Accounting Practices. The Annual financial statements in volume II are prepared in full compliance with GRAP.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

To add in here

Auditor-General Report on Financial Performance: Year -1

Audit Report Status*:	
Non-Compliance Issues	Remedial Action Taken
Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	
	T 6.1.1

Auditor-General Report on Service Delivery Performance: Year -1

Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
	T 6.1.2

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

To add in here

6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.	
T 6.2.1	

Auditor-General Report on Service Delivery Performance: Year 0*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0	
** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.	
T 6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0**Delete Directive note once comment is completed** - Attach report. T 6.2.3**COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:****Delete Directive note once comment is completed** - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on year 0 if it provides useful context.

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T 6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.

GLOSSARY

General performance indicators	Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact		The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs		All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)		Set out municipal goals and development plans.
National Key performance areas	Key	➤ Service delivery & infrastructure ➤ Economic development ➤ Municipal transformation and institutional development ➤ Financial viability and management ➤ Good governance and community participation
Outcomes		The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs		The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator		Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information		Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:		The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the

GLOSSARY

	required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

REPORT ON ATTENDANCE OF COUNCIL BY COUNCILLORS: 01 JULY TO 30 SEPTEMBER 2021

Name of Councillor	08 July 2021	26 August 2021	23 Sept 2021
Cllr NH Gumede	Yes	No.1	Yes
Cllr M Gcwabe	Yes	Yes	Yes
Cllr SN Caluza	Yes	Yes	Yes
Cllr TB Cele	Yes	Yes	Yes
Cllr TW Dube	Yes	Yes	Yes
Cllr NY Mweshe	Yes	Yes	Yes
Cllr DMM Hlengwa	Yes	Yes	No.1
Cllr S Chetty	Yes	Yes	Yes
Cllr MA Manyoni	Yes	Yes	Yes
Cllr H Mbatha	No.2	Yes	Yes
Cllr S Mngomezulu	No.2	Yes	No.2
Cllr NCP Mqwebu	Yes	No.1	Yes
Cllr PH Mthiyane	Yes	Yes	Yes
Cllr R Nair	Yes	Yes	Yes
Cllr D Nciki	No.1	Yes	Yes
Cllr SR Ngcobo	Yes	Yes	Yes
Cllr HJ Ngubelanga	No.2	Yes	Yes

APPENDICES

Cllr MPL Zungu	Yes	Yes	Yes
Cllr NT Dlamini	Yes	Yes	No.2
Cllr JJ East	Yes	Yes	Yes
Cllr GD Henderson	Yes	Yes	Yes
Cllr PT Naude	Yes	Yes	Yes
Cllr LMR Ngcobo	Yes	Yes	Yes
Cllr A Rajaram	Yes	No.1	Yes
Cllr TA Disane	Yes	Yes	No.2
Cllr SE Khawula	Yes	Yes	No.2
Cllr BE Machi	Yes	No.1	Yes
Cllr ZZ Msani	No.2	Yes	No.2
Cllr SP Mthethwa	Yes	Yes	Yes
Cllr B Ntusi	Yes	Yes	No.1
Cllr AD Ngubo	Yes	Yes	No.1
Cllr L Mzimela	No.2	Yes	No.2
Cllr SH Cele	Yes	Yes	No.2
Cllr SR Cele	Yes	Yes	Yes

REPORT ON ATTENDANCE OF COUNCIL BY COUNCILLORS: 02 DECEMBER 2021 TO 30 JUNE 2022

NAME	02 Dec 2021	14 Dec 2021	27 Jan 2022	24 Feb 2022	24 Mar 2022	30 Mar 2022	21 Apr 2022	28 Apr 2022	13 May 2022	26 May 2022	30 May 2022	10 June 2022	23 June 2022
	1	1	2022	2022	2022	2	2022	2022	V	2022	V	2022	P
	P	P	P	P	P	V	V	P		P		V	

APPENDICES

1. Cllr PH Mthiyane	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2. Cllr V Chiya	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Cllr D Nciki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 1	Yes	Yes	Yes	Yes
4. Cllr FM Ngwane	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 1	No 1	Yes	Yes	Yes	Yes
5. Cllr SN Caluza	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6. Cllr SR Ngcobo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7. Cllr MP Shozi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8. Cllr MA Manyoni	Yes	No 1	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9. Cllr P Breedt	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 1	Yes	Yes	Yes	Yes	Yes
10. Cllr LMR Ngcobo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11. Cllr NA Njenga	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 2	Yes	Yes	Yes	Yes	No 1
12. Cllr X Nkasa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 1
13. Cllr BE Machi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 1	No 1	Yes	Yes

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14. Cllr TH Msabala	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
15. Cllr LS Zungu	Yes	Yes	Yes	No. 2	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
16. Cllr BE Majola	Yes	Yes	Yes	No. 2	Yes	Yes	Yes	No Longer a member	No Longer a member	No Longer a member	No Longer a member	Longer a member	No Longer a member
17. Cllr MV Vezi	Yes	Yes	Yes	No. 2	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
18. Cllr MP Tenza	Yes	Yes	Yes	Yes	No. 2	No. 1	Yes	Yes	Yes	No 1	No 1	No	Yes
19. Cllr EV Baptie	Yes	No 1	Yes	Yes	No. 1	No. 1	Yes	No 1	Yes	Yes	Yes	Yes	No 1
20. Cllr ST Khathi	Yes	No 1	Yes	Yes	No. 1	No. 1	Yes	Yes	No 1	Yes	Yes	No 1	Yes
21. Cllr SEH Mngoma	Yes	Yes	Yes	Yes	Yes	No. 1	Yes	Yes	Yes	Yes	Yes	Yes	Yes
22. Cllr SP Mthethwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 2	No 1	Yes	No 1	Yes
23. Cllr BN Shoji	Yes	Yes	Yes	Yes	Yes	No. 2	Yes	Yes	Yes	Yes	No 1	No 2	Yes
24. Cllr B Nyuswa	Yes	Yes	Yes	No. 1	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
25. Cllr N Mweshe	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 1	Yes	Yes	Yes	Yes	Yes

APPENDICES

26. Cllr MZ Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
27. Cllr PC Shange	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
28. Cllr GS Shange	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 1	Yes	Yes	No 1	Yes
29. Cllr SA Ngcece	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 2	Yes	Yes	Yes	Yes
30. Cllr SP Ntuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 1	Yes	Yes	Yes
31. Cllr TT Hlophe	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
32. Cllr SE Khawula	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 2	No 1	Yes	Yes	No 1
33. Cllr JS Ngwane	Yes	Yes	Yes	Yes	No	Yes	Yes	No 2	No 2	No 1	Yes	Yes	No 1
34. Cllr GD Henders on	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
35. Cllr J Schmidt	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
36. Cllr N Ndovela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No 2	Yes	Yes	Yes	Yes	No 1
37. Cllr MP Mteshan e	Yes	Yes	Yes	Yes	No. 1	Yes	Yes	Yes	Yes	No 1	Yes	Yes	No 1

APPENDICES

38. Clir N Ndadane	-	-	-	-	-	-	-	-	-	-	-	-	-

APPENDICES

REPORT ON ATTENDANCE OF EXECUTIVE COMMITTEE BY COUNCILLORS JUNE TO OCTOBER 2021

INITIALS AND SURNAME	17 JUN 2021 Special	30 July 2021 Special	18 Aug 2021	01 Sept 2021
MEMBERS				
Cllr SR Ngcobo	Yes	Yes	Yes	Yes
Cllr PH Mthiyane	No.1	Yes	No.1	Yes
Cllr SP Mthethwa	No.1	Yes	Yes	No.2
Cllr LMR Ngcobo	Yes	Yes	Yes	No.1
Cllr NT Dlamini	Yes	Yes	No.1	Yes
Cllr N H Gumede	Yes	Yes	No.1	Yes
Cllr LM Mzimela	Yes	Yes	No.1	Yes
Cllr AD Ngubo	Yes	No.1	No.1	Yes

REPORT ON ATTENDANCE OF EXECUTIVE COMMITTEE BY COUNCILLORS DECEMBER 2021 TO JUNE 2022

INITIALS AND SURNAME	02 Feb 2022	16 Feb 2022	02 Mar 2022	11 March 2022	16 March 2022	06 April 2022	20 April 2022	04 May 2022	18 May 2022	01 Jun 2022	17 Jun 2022
MEMBERS				Special							
Cllr PH Mthiyane	Yes	Meeting did not sit	Yes	Yes	Yes	Yes	Yes	No.1	Yes	Yes	Yes

APPENDICES

Cllr M Chiya	Yes		No.1	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cllr D Nciki	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cllr SN Caluza	Yes		Yes	Yes	No.2	Yes	Yes	Yes	Yes	Yes	Yes
Cllr SP Mthethwa	Yes		Yes	Yes	Yes	No.2	No.1	Yes	No.1	Yes	Yes
Cllr NA Njenga	Yes		Yes	No.1	Yes	Yes	No.1	Yes	Yes	No.1	Yes
Cllr GD Henderson	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cllr SR Ngcobo	Yes		Yes	No.2	Yes	Yes	Yes	Yes	No.1	Yes	Yes

REPORT ON ATTENDANCE AT PORTFOLIO COMMITTEE ON FINANCE JUNE TO OCTOBER 2021

Name of Councilor	09 Jun 2021	July 2021	03 Aug 2021	02 Sep 2021	07 Oct 2021
Cllr SR Ngcobo	No.1	Meeting did not sit	Yes	Yes	Meeting did not sit
Cllr MPL Zungu	Yes		Yes	Yes	
Cllr S Chetty	Yes		Yes	Yes	
Cllr D Nciki	Yes		No.1	Yes	
Cllr Y Nair	Yes		No.1	Yes	
Cllr SH Cele	Yes		No.2	No.1	

APPENDICES

Cllr LB Ntusi	Yes		Yes	Yes	
Cllr GD Henderson	Yes		Yes	Yes	
Cllr MA Manyoni	No.2		Yes	Yes	

REPORT ON ATTENDANCE AT PORTFOLIO COMMITTEE ON FINANCE FEBRUARY 2022 TO JUNE 2022

Name of Councilor	03 Feb 2022	Mar 2022	07 Apr 2022	May 2022	02 Jun 2022
Cllr PH Mthiyane	Yes	Meeting did not sit	Yes	Meeting did not sit	Yes
Cllr LS Zungu	Yes		Yes		No.2
Cllr FM Ngwane	Yes		Yes		Yes
Cllr ST Khathi	No.2		No.1		Yes
Cllr B Nyuswa	Yes		No. 2		Yes
Cllr SP Mthethwa	Yes		Yes		Yes
Cllr TH Msabala	Yes		Yes		Yes
Cllr VE Baptie	Yes		No. 2		Yes
Cllr X Nkasa	Yes		Yes		Yes

REPORT ON ATTENDANCE AT PORTFOLIO COMMITTEE ON WATER & SANITATION JUNE 2021 TO OCTOBER 2021

Name of Councilor	22 June 2021	July 2021	19 Aug 2021	Sept 2021	Oct 2021
Cllr PH Mthiyane	Yes	Recess	Yes	Meeting Did Not Sit	Meeting Did Not Sit
Cllr MPL Zungu	Yes	Recess	Yes		

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Cllr H Mbatha	No.1	Recess	Yes		
Cllr H Ngubelanga	Yes	Recess	No.1		
Cllr TA Disane	Yes	Recess	Yes		
Cllr SP Mthethwa	No.2	Recess	No.2		
Cllr PT Naude	Yes	Recess	Yes		
Cllr TW Dube	Yes	Recess	No.1		

REPORT ON ATTENDANCE AT PORTFOLIO COMMITTEE ON WATER & SANITATION FEBRUARY 2022 TO JUNE 2022

Name of Councillor	03 Feb 2022	03 Mar 2022	11 Apr 2022	03 May 2021	09 June 2022
Cllr MV Chiya	Yes	Yes	Yes	Yes	Yes
Cllr GS Shange	Yes	Yes	Yes	Yes	Yes
Cllr FM Ngwane	Yes	Yes	Yes	Yes	Yes
Cllr MZ Luthuli	Yes	Yes	Yes	No.1	Yes
Cllr PC Shange	Yes	Yes	No.1	Yes	Yes
Cllr MP Tenza	No 1	Yes	Yes	No.1	Yes
Cllr JS Ngwane	Yes	Yes	Yes	Yes	Yes
Cllr P Breedt	Yes	Yes	Yes	Yes	Yes
Cllr N Njenga	Yes	Yes	No.1	Yes	Yes
Inkosi MBM Xolo					

REPORT ON ATTENDANCE AT PORTFOLIO COMMITTEE ON LOCAL ECONOMIC DEVELOPMENT JUNE 2021 TO SEPTEMBER 2021

Name of Councillor	July 2021	17 August 2021	September 2021

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Cllr AD Ngubo	Meeting did not sit due to the July 2021 unrest	Yes	Yes
Cllr SP Mthethwa		No2	No2
Cllr DMM Hlengwa		Yes	Yes
Cllr TB Cele		Yes	Yes
Cllr SN Caluza		No2	No2
Cllr JJ East		Yes	Yes
Cllr ZZ Msani		No2	No2
Cllr K Dladla		Yes	Yes

PORTFOLIO COMMITTEE ON SPECIAL PROGRAMMES JULY 2021 TO SEPTEMBER 2021

Name of Councillor	July 2021	August 2021	September 2021
Cllr NT Dlamini	Yes	Meeting did not sit due to no quorum	Yes
Cllr SN Caluza	No 2		No 2
Cllr LMR Ngcobo	Yes		Yes
Cllr BE Machi	Yes		Yes
Cllr N Mweshe	Yes		Yes
Cllr NCP Mqwebu	No1		Yes
Cllr GS Mngomezulu	No 2		No 2
Cllr A Rajaram	Yes		Yes

PORTFOLIO COMMITTEE ON LOCAL ECONOMIC DEVELOPMENT, SPECIAL PROGRAMMES AND YOUTH DEVELOPMENT FEBRUARY 2022 TO JUNE 2022

Name of Councillor	03 February 2022	10 March 2022	07 April 2022	12 May 2022	07 June 2022

APPENDICES

Cllr SN Caluza	Yes	Yes	Yes	Yes	Yes
Cllr SH Mngoma	No2	Yes	Yes	No2	No2
Cllr MP Shoji	Yes	Yes	No1	Yes	Yes
Cllr TT Hlophe	Yes	No2	Yes	Yes	Yes
Cllr N Mweshe	Yes	Yes	Yes	Yes	Yes
Cllr GD Henderson	Yes	Yes	Yes	Yes	Yes
Cllr MV Vezi	Yes	Yes	Yes	Yes	Yes
Cllr BE Machi	Yes	Yes	Yes	Yes	Yes
Cllr B Majola	No1	No2	No2	No1	n/a

ATTENDANCE AT PORTFOLIO COMMITTEE ON SOUND GOVERNANCE AND HUMAN RESOURCES JUNE 2021 TO SEPTEMBER 2021

Name of Councillor	July 2021	17 August 2021	September
Cllr LM Mzimela	Meeting did not sit due to the July 2021 unrest	Yes	Yes
Cllr LMR Ngcobo		Yes	Yes
Cllr RY Nair		Yes	Yes
Cllr N Mweshe		No2	No2
Cllr SG Mngomezulu		Yes	Yes
Cllr SE Khawula		Yes	No2
Cllr S Chetty		Yes	No1
Cllr SH Cele		Yes	Yes

ATTENDANCE AT PORTFOLIO COMMITTEE ON SOUND GOVERNANCE AND HUMAN RESOURCES FEBRUARY 2022 TO JUNE 2022

APPENDICES

Name of Councillor	08 February 2022	01 March 2022	05 April 2022	10 May 2022	02 June 2022
Cllr D Nciki	Yes	Yes	Yes	Yes	Yes
Cllr NY Mweshe	Yes	Yes	Yes	Yes	Yes
Cllr N Njenga	No 2	Yes	Yes	No 1	No 1
Cllr SA Ngcece	Yes	Yes	Yes	Yes	No 1
Cllr SP Ntuli	Yes	Yes	Yes	No 1	Yes
Cllr MP Shoji	Yes	Yes	No 2	No 1	Yes
Cllr J Schmidt	Yes	Yes	Yes	No 1	Yes
Cllr BE Machi	Yes	Yes	Yes	Yes	No 1
Cllr NB Shoji	Yes	Yes	Yes	Yes	No 2

- Indicate with "Yes" where the meeting was attended
- Indicate with "No" where the meeting was not attended
- Indicate with "No 1" where the meeting was not attended but the application for leave of absence was furnished
- Indicate with "No 2" where the meeting was not attended and the application for leave of absence was not furnished and no apology was recorded

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES
PURPOSE OF COMMITTEE
The Portfolio Committee on Finance is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon: • Familiarise, interrogate and recommend to the Committee of the budget and reports on economic issues, statistical information, agreements, financial reports, and reports on economic and policy statements. • Sharpen public awareness of the budget and Government financial and economic policies and encourage informed debate on the budget. • Advise the executive committee on the district municipality's domestic borrowing policies. • Study Government's policies as regards budgets and advise accordingly. • Seek advice from all three spheres of Government, on financial and other budget related matters. • Drive the entire budget process as alluded to by legislation, thus ensuring that budgets are based on priorities and realistic income and expenditure. • Advise on processes that need to be put in place for formulating and monitoring the budget, throughout its cycle, that will enhance the District Municipality's role in appropriating and overseeing the budget, and make the budget process more responsive to stakeholders. • Advise on budget programmes that need to be given special treatment during budget implementation. • Ensure that the budget of the District Municipality is used as a primary tool for implementing National and Provincial Policies. • Review the relevant legislation and future legislation (bills) with financial and budget implications and advise the Executive Committee accordingly. • Deal with any other budget related matter referred to the Committee by the Executive Committee. • Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.
The Portfolio Committee on Special Programmes is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon: 1. Oversight over the following functional areas:- • Undertake the following special programmes in respect of Policy, Strategy and Programmes. • Youth • Senior Citizens • People with Disability • Gender

APPENDICES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

PURPOSE OF COMMITTEE

- Moral regeneration
- Rights of the Child
- Farm workers
- Lobby and advocacy for special programmes interests by other Portfolio Committees within Council.
- Coordinate response for vulnerable groups.
- Facilitate and monitor an evaluation framework for all the functional areas.

The general responsibilities of the Portfolio Committee, in respect of the functional area of Corporate Services, are:

- to develop and recommend the Good Governance and Human Resources Services portfolio policies;
- to develop and recommend the Good Governance and Human Resources portfolio by-laws;
- to consider and make recommendations in respect of the draft budget and IDP of the Human Resources & Sound Governance Portfolio;
- to ensure public participation in the development of policy, legislation, IDP and budget of the Human Resources & Sound Governance Portfolio;
- to monitor the implementation of Council policies in respect of the Human Resources & Sound Governance portfolio;

The objective of the Human Resources & Sound Governance Portfolio Committee is to assist the executive committee on the functions listed below:

Administration and Operational Support

- Corporate strategies, systems and services
- Records Management and Registry Services
- Secretariat Support and Printing Services
- Occupational Health and Safety
- Employment Equity Planning
- Wellness: EAP
- Customer Relations
- Performance management: Individual (and OPMS)
- Information Communications Technology
- Facilities Management
- Enterprise Security

Legal Services

- Statutory Compliance Legislation, and

APPENDICES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

PURPOSE OF COMMITTEE

- Legal Research

Strategic Human Resources and Personnel Services

- Individual Performance Management
- Training and Development
- Labour Relations
- Personnel Management

To ensure the provision of efficient, economical and effective administration of the municipality, to co-ordinate secretarial services, to oversee the delivery of the human resource services, and to render management and transformation services;

To oversee the delivery of support services to the council and community;

Exercise delegated authority after considering a report from the designated officials for the Human Resources & Sound Governance Portfolio;

Introduce to Exco the recommendations from the Human Resources & Sound Governance Portfolio Committee;

Introduce departmental reports on the functions of the relevant sections to Exco;

General administration inclusive council & committee secretariat, legal, council support, policies & procedures, facilities management, capacity building & training, human resources, including, Governance, democracy and Skills development.

The Portfolio Committee on Local Economic Development is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:

- Oversee the implementation of all applicable legislation relating to social and economic development, national development programmes, provincial development programmes, trading regulations, investment opportunities, transport, land affairs, electrification, housing and public works.
- Oversee all aspects, programmes and activities of local economic development.
- Oversee all fiscal and other incentives designed to promote social and economic development.
- Oversee environmental management and ensuring environmental planning, education, sustainable development management
- Oversee the provision of efficient environmental health services through continuous monitoring and enforcement.

APPENDICES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

PURPOSE OF COMMITTEE

- Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.

The Portfolio Committee on Water and Sanitation is a Section 80 Committee, responsible for the following functions, and making recommendations to the Executive Committee thereon:

- Advise the Executive Committee on all legislation or prospective legislation relating to: -
- Water and sanitation reticulation;
- Water and Sanitation Treatment Works;
- Water and Sanitation Capital projects;
- Water and sanitation operations;
- Water and sanitation operational projects;
- Non-revenue water;
- Water restrictions;
- Water Services planning;
- Emergency water and drought relief;
- Ground water;
- Industrial effluent and recycling of wastewater;
- Oversee the following municipal services:
- Water and Sanitation reticulation;
- Water and sanitation purification;
- Water and Sanitation designs;
- Water and sanitation operations;
- Water and sanitation capital projects;
- Oversee municipal infrastructure development and services to meet the needs of the Municipality in the discharge of its responsibilities.
- Oversee the commissioning of the best methods to deliver the aforementioned municipal services and facilities to the maximum benefit of the community of the municipality.
- Develop policy proposals on all the areas of responsibility with the intention of achieving municipal and/or general government objectives.

The Human Resources Development Committee is established within the prescription of the main collective agreement to, in its preparatory consultation, report to the Local Labour Forum regarding issues concerning the development of human resources and other related activities within the Municipality.

APPENDICES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

PURPOSE OF COMMITTEE

The Committee is established with a primary objective to exercise oversight over issues concerning the Workplace Skills Plan (WSP), education and training, employment equity and all such other related human resources issues.

The Committee is responsible for the following functions, and making recommendations to the Local Labour Forum thereon:

- Oversight over the following functional areas: -
- Human Resources Management;
- Skills Development;
- Performance Management;
- Organisational Development;
- Implementation of Employment Equity Plan and Affirmative Action;
- Councillor Support;
- Education and Training;
- Develop strategy and policy proposals on all the areas of responsibility with an intention of achieving municipal and/or general government objectives.

Ugu District Municipality, in recognizing the importance of its service delivery machinery or employees introduced Employee Assistance Programme (EAP), which is located in the Corporate Services Department within Human Resources Section to play an integral part in meeting the Municipal objective with a view to providing a satisfying, safe and healthy environment within which all employees are working. The EAP as a programme is dedicated to support and strengthen the workplace environment by providing assistance for employees whenever they need it. According to the Employee Assistance Professionals Association of South Africa (EAPA), *"Employee Assistance is the work organization's resource based on core technologies or functions to enhance employee and workplace effectiveness through prevention, identification, and resolution of personal and productivity issues."*

The EAP Committee in the Ugu District Municipality is established to ensure that it provides employee assistance programme to encourage and assist employees with personal and work related problems for them to take responsibility for their own health and wellness

The Municipal Finance Management Act (MFMA) creates a favourable environment for the establishment of municipal structures that can adequately deal with municipal financial accountability. Such a structure is mandated to deal with financial and related management aspects of municipalities.

APPENDICES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

PURPOSE OF COMMITTEE

The Municipal Public Accounts Committee (MPAC) is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive (Executive Committee and Political Office Bearers) and administration. Good governance, effective accountability and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

The Municipal Council is required to maintain oversight on the performance of specific responsibilities and delegated powers to the Executive (Executive Committee & Political Office Bearers). In other words, in exchange for the powers in which Council has delegated to the Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non-performance of the municipality.

The Committee is a Section 79 Committee, responsible for the following functions, and reporting back to Council for consideration of all matters and formal adoption:

- Examination of financial statements of the Municipality;
- Examination of audit statements issued on the financial statements;
- Examination of any reports issued by the Auditor-General on the affairs of the Municipality and any Municipal Entity;
- Examination of quarterly and mid-year performance reports;
- Examination of any other financial statements or reports referred to the Committee by the Council, and may report on any of those financial statements or reports to Council;
- May recommend any investigation in its area of competence;
- Must perform any other function assigned by resolution of Council;
- To call any person, including Councillors to appear before the Committee to account or clarify on any matter the committee deems fit; and
- Make recommendations to Council for corrective and / or disciplinary action that may be instituted in terms of the MFMA regarding mismanagement of funds, unauthorized, irregular, fruitless and wasteful expenditure.

In terms of the Labour Relations Act, 66 of 1995, Section 80 makes provision for the establishment of workplace forum in any workplace in which an employer employs more than 100 employees. In compliance with the Act, Municipalities have established workplace fora and are constituted as per the SALGBC main collective agreement clauses 2.8 to 2.8.4.5. In this regard, the composition of such forum shall be established with equal representation from the trade unions and the employer. Trade Unions' representation shall be divided in proportion to their respective membership in the employer. Likewise, employer representatives shall consist of Councillors and of Management. The workplace forum in the Local Government is referred to as the Local Labour Forum. Such Forum seeks to promote the interests of all employees in the workplace, irrespective of

APPENDICES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

PURPOSE OF COMMITTEE

whether they belong to trade unions; enhance efficiency in the workplace; engage in consultation with the employer on a wide range of workplace related issues; and participate in joint decision-making.

The Local Labour Forum shall have the powers and functions of negotiating and / or consulting on the following functions:

- On matters of mutual concern pertaining to the employer and which do not form the subject matter of negotiations at the council or its divisions;
- On such matters as may from time to time be referred to such forum by the council or its divisions;
- Provided that it may not negotiate on any matter, which has been reserved for exclusive bargaining in the council or the divisions;
- Concluding of minimum service agreements;
- Disputes over what is negotiable, what are the matters that are for consultation and over whether a specific process constitutes sufficient consultation are to be resolved through the dispute resolution mechanism of the council.

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Corporate Services	Mr V O Mazibuko
Budget and Treasury Office	Mr K Audan
Water Services	Mr S Mbewu
Environmental Health Management and Economic Planning & Development	Ms. D J Rankin

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY

As the District Municipality, the functions are limited to the Provision of Water and Sanitation as the Core function. Water and Sanitation services limited to potable water and domestic and waste -water sewage disposal systems

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	YES	
Building regulations	NO	
Child care facilities	NO	
Electricity and gas reticulation	NO	
Firefighting services	YES	
Local tourism		YES - SCTIE
Municipal airports	NO	
Municipal planning	YES	
Municipal health services	NO	
Municipal public transport	NO	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	NO	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	
Stormwater management systems in built-up areas	NO	
Trading regulations	NO	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	
Beaches and amusement facilities	NO	
Billboards and the display of advertisements in public places	NO	
Cemeteries, funeral parlours and crematoria	NO	
Cleansing	NO	
Control of public nuisances	NO	
Control of undertakings that sell liquor to the public	NO	
Facilities for the accommodation, care and burial of animals	NO	
Fencing and fences	NO	
Licensing of dogs	NO	
Licensing and control of undertakings that sell food to the public	NO	
Local amenities	NO	
Local sport facilities	NO	
Markets	NO	

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Municipal abattoirs	NO	
Municipal parks and recreation	NO	
Municipal roads	NO	
Noise pollution	NO	
Pounds	NO	
Public places	NO	
Refuse removal, refuse dumps and solid waste disposal	NO	
Street trading	NO	
Street lighting	NO	
Traffic and parking	NO	
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		
		<i>T D</i>

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
UMZUMBE MUNICIPALITY					
1	T D Mkhungo	Yes	12	12	4
2	S E Radebe	Yes	12	12	3
3	Clr B J Ngema	Yes	12	12	3
4	Clr M J Msomi	Yes	12	12	2
5	Clr S Ngcobo	Yes	12	12	3
6	Clr S C Radebe	Yes	12	12	3
7	Clr JP Mtambo	Yes	12	12	3
8	Clr LS Cele	Yes	12	12	2
9	Clr P A Duma	Yes	12	12	4
10	Clr B W Tryon	Yes	12	12	3
11	Clr S M Maphumulo	Yes	12	12	4
12	Clr S C Mtolo	Yes	12	12	3
13	Clr G Doncabe	Yes	12	12	4
14	Clr SG Nzimande	Yes	12	12	4
15	Clr J P Gumede	Yes	12	12	3
16	Clr B A Mngoma	Yes	12	12	4
17	Clr S P Mthethwa	Yes	12	12	3
18	Clr M L Chili	Yes	12	12	3
19	Clr T T Jeza	Yes	12	12	2
20	Clr S Dlamini	Yes	12	12	2
UMUZIWABANTU MUNICIPALITY					
1	Clr S.S. Maphumulo	Yes	12	12	2

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2	Cllr Z.E. Mbotho	Yes	12	12	2
3	Cllr Dlamini	Yes	12	12	2
4	Cllr B.B. Khayisa	Yes	12	12	2
5	Cllr L.S. Zungu	Yes	12	12	2
6	Cllr S.M. Chala	Yes	12	12	2
7	Cllr S.P. Chala	Yes	12	12	3
8	Cllr A.P. Phungula	Yes	12	12	2
9	Cllr N.M.Sigwebela	Yes	12	12	3
10	Cllr S.R. Vetthe	Yes	12	12	2
11	Cllr T.M. Ncane	Yes	12	12	2

UMDONI MUNICIPALITY

1	CLLR S Zulu	Yes	12	12	3
2	CLLR MR Madlala	Yes	12	12	4
3	CLLR ME Mbutho	Yes	12	12	4
4	CLLR MA Mbanjwa	Yes	12	12	4
5	CLLR MG Phungula	Yes	12	12	4
6	CLLR LR Dlamini	Yes	12	12	4
7	CLLR SW Mthwane	Yes	12	12	4
8	CLLR SHE Mngoma	Yes	12	12	4
9	CLLR PE Thabethe	Yes	12	12	4
10	CLLR S Singh	Yes	12	12	4
11	CLLR NP Nombika	Yes	12	12	4
12	CLLR S Sookhraj	Yes	12	12	4
13	CLLR RS Maharaj	Yes	12	12	3
14	CLLR BA Cele	Yes	12	12	3
15	CLLR EV Baptie	Yes	12	12	3
16	CLLR MJ Cele	Yes	12	12	4
17	CLLR NL Nkomo	Yes	12	12	4
18	CLLR NT Nzama	Yes	12	12	4
19	CLLR SV Khanyile	Yes	12	12	4

RAY NKONYENI MUNICIPALITY

1	Cllr MS Breedt	Yes	12	12	4
2	Cllr A Bosch	Yes	12	12	4
3	Cllr PE Brauteseth	Yes	12	12	4
4	Cllr BD Ciliza	Yes	12	12	4
5	Cllr RP Gumbi	Yes	12	12	4
6	Cllr J Schmidt	Yes	12	12	3
7	Cllr NL Mbuyisa	Yes	12	12	4
8	Cllr NR Phehlukwayo	Yes	12	12	3
9	Cllr GS Mngomezulu	Yes	12	12	4
10	Cllr M Silangwe	Yes	12	12	3
11	Cllr MD Julia	Yes	12	12	4
12	Cllr LA Garbade	Yes	12	12	4
13	Cllr T Perryman	Yes	12	12	4
14	Cllr SD Malunga	Yes	12	12	4
15	Cllr JS Ngwane	Yes	12	12	4

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16	Cllr JR Williams	Yes	12	12	4
17	Cllr A Rajaram	Yes	12	12	3
18	Cllr D Rawlins	Yes	12	12	3
19	Cllr GD Henderson	Yes	12	12	4
20	Cllr XA Gasa	Yes	12	12	4
21	Cllr MP Koili	Yes	12	12	4
22	Cllr SS Hadebe	Yes	12	12	3
23	Cllr WZM Mngqosini	Yes	12	12	3
24	Cllr JM Ndovela	Yes	12	12	4
25	Cllr HS Nyawose	Yes	12	12	4
26	Cllr MI Ngcobo	Yes	12	12	3
27	Cllr MI Mbeje(Cele)	Yes	12	12	3
28	Cllr VB Zulu	Yes	12	12	3
29	Cllr ZS Sima	Yes	12	12	4
30	Cllr SA Ngcece	Yes	12	12	4
31	Cllr MN Tsaulwayo	Yes	12	12	4
32	Cllr NJ Danca	Yes	12	12	4
33	Cllr BD Nyawose	Yes	12	12	4
34	Cllr KM Nzama	Yes	12	12	3
35	Cllr ZP Majiya	Yes	12	12	3
36	Cllr GS Shange	Yes	12	12	3

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APPENDIX F – WARD INFORMATION FOR WATER SERVICES CAPITAL PROJECTS

Outstanding from water services

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value
				T F.1

Outstanding from WS

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 0
		T F.3

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APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

MPAC minutes goes here

APPENDICES

APPENDIX H: SERVICE PROVIDER PERFORMANCE SCHEDULE

Vendor performance report goes here

APPENDICES

APPENDIX I – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor	PH Mthiyane	None
Deputy Mayor	V Chiya	None
Speaker	SR Ngcobo	Chairperson of Ngcobo foundation, Property renting out
Exco Member	SN Caluza	None
Exco Member	SP Mthethwa	None
Exco Member	D Nciki	None
Exco Member	GD Henderson	Property company, Anglo American, Anglo Platinum, Aspen, Billiton, Discovery, DRD Gold, Kumbha, Netcare, Old Mutual, Sanlam, Steinhoff, Vodacom, Better Bond.
Exco Member	NA Njenga	Directorship: Astitel
Councillor	BE Machi	None
Councillor	NY Mweshe	None
Councillor	SE Khawula	None
Councillor	BE Majola	Directorship - Ukhona Umhlengi FS Zibeke Contractors, Taxi Owner
Councillor	BN Shoji	Beneficiary of trusts – Peak store 2%
Councillor	E Baptie	Membership at Pool Care cc
Councillor	FM Ngwane	Membership at Buhlebazzo Protective Clothing, Tools,

APPENDICES

		Directorship: - Mhlonishwa Consultants and Logistics, Legend Auctionors and Projects, Anesu Amaholdings (PTY)Ltd, Zowakha Projects and Developments. Co - Operative Olwasini Co-Opp.
Councillor	J Schmidh	Directorship at Dink travel (PTY)Ltd
Councillor	JS Ngwane	None
Councillor	LS Zungu	None
Councillor	MA Manyoni	None
Councillor	MP Mteshane	None
Councillor	MP Shozi	None
Councillor	MV Vezi	None
Councillor	ND Ndovela	None
Councillor	P Breedt	Marchem
Councillor	PC Shange	None
Councillor	S Mngoma	None
Councillor	SA Ngcece	None
Councillor	SG Shange	None
Councillor	SP Ntuli	None
Councillor	TT Hlophe	None
Councillor	X Nkasa	None
Councillor	ZB Luthuli	None
Councillor	BG Nyuswa	Directorship – Emaphongo (PTY)Ltd
Councillor	MP Tenza	None
Councillor	SHE Mngoma	None

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Councillor	ST Khathi	None
Councillor	TH Msabala	None
Councillor	ZR Qwabe	None
Councillor	LMR Ngcobo	Nonyanda Solution (security)
Traditional leader	MW Xolo	None
Traditional leader	ZE Ngcobo	None
Traditional leader	BS Nzimakwe	None
Traditional leader	ZGB Msomi	None
Traditional leader	RS Shinga	None
Traditional leader	NM Machi	None
Municipal Manager	EMS Ntombela	Member of Matasatasa cc
S57 Officials		
GENERAL MANAGER: CORPORATE SERVICES	VO Mazibuko	None
GENERAL MANAGER: TREASURY	K Audan	None
GENERAL MANAGER: EDES	DJ Rankin	None
GENERAL MANAGER: WATER SERVICES	SN Mbewu	Director of Dimension Engineering (Pty) Ltd, Director of Dimension Business Enterprise (Pty) Ltd, Director of Dimension Cleaning and Horticultural Services (Pty) Ltd, Director of Dimension Security Services (Pty) Ltd. Member of Jingisa Building and Civils cc, member of Mbewu and Sons Plant hire cc, Sivuyile Mbewu Consulting and Development Engineers cc.

APPENDIX J: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX J (i): REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDICES

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Executive and Council	4 468 000	3 611 000	3 611 000	3 210 539		
Vote 2 - Finance and Administration	707 558 668	252 175 500	531 164 525	683 530 269		
Vote 3 - Internal Audit	30 250	0	0	30 250		
Vote 4 - Community and Social Services	0	17 282 172	16 922 522	0		
Vote 5 - Sport and Recreation	0	0	0	0		
Vote 6 - Public Safety	0	0	0	0		
Vote 7 - Housing	0	0	0	0		
Vote 8 - Health	0	0	0	0		
Vote 9 - Planning and Development	3 067 165	56 752 309	49 023 616	834 922		
Vote 10 - Road Transport	0	0	0	0		

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Vote 11 - Environmental Protection	17 986 905	38 119 687	477 490	16 272 192		
Vote 12 - Energy Sources	0	0	0	0		
Vote 13 - Water Management	500 958 130	978 265 375	622 810 060	533 394 086		
Vote 14 - Waste Water Management	108 918 425	142 297 327	158 637 649	116 912 054		
Vote 15 - Waste Management	0	0	0	0		
Total Revenue by Vote	1 342 988	1 488 503	1 382 647	1 354 184	-	-
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

APPENDIX J (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	-	-	-	-		
Service charges - electricity revenue	-	-	-	-		

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Service charges - water revenue	056	332	793	414	810	330	215	335		
Service charges - sanitation revenue	922	108	084	87	167	119	452	106		
Service charges - refuse revenue	—	—	—	—	—	—	—	—		
Rental of facilities and equipment	504	2	500	3	468	4	417	1		
Interest earned - external investments	827	6	540	12	263	6	779	7		
Interest earned - outstanding debtors	572	43	—	—	463	35	045	47		
Dividends received	—	—	—	—	—	—	—	—		
Fines, penalties and forfeits	(4)	—	—	—	—	—	—	—		
Licences and permits	23	—	—	—	—	—	—	—		
Agency services	—	—	—	—	—	—	—	—		
Transfers and subsidies	512	592	848	593	900	576	310	551		
Other revenue	900	12	640	91	856	6	184	10		
Gains	339	1	—	—	—	—	—	—		
Total Revenue (excluding capital transfers and contributions)	652	1 100	406	1 203	927	1 079	402	1 059	-13.59%	-1.94%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

APPENDICES

APPENDIX K: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Equitable Share	R437 973 573	R524 364 000	R524 364 000			
Rural Road Asset Management Systems Grant	R2 723 283	R2 721 000	R2 721 000			
Expanded Public Works Programme Integrated Grant	R3 614 030	R3 611 000	R3 611 000			
Local Government Financial Management Grant	R1 742 667	R1 750 000	R1 750 000			
Other Specify:						
Total						
<i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i>						T L

APPENDIX L: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

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APPENDIX L (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	206 198	202 089	197 978	197 978	188 505	194 781	204 520
Infrastructure: Road transport - Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	146 122	117 584	80 668	80 668	88 767	90 055	94 558
Boreholes	4 797	20 000	-	-	-	-	-
Reservoirs	1 000	-	-	-	-	-	-

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<i>Pump Stations</i>	2 250	–	–	–	–	–	–
<i>Water Treatment Works</i>	26 340	58 962	32 803	32 803	64 267	64 330	67 547
<i>Bulk Mains</i>	40 619	5 000	16 600	16 600	3 500	3 675	3 859
<i>Distribution</i>	11 039	33 623	31 266	31 266	21 000	22 050	23 153
Infrastructure: Sanitation - Total	60 076	84 505	117 310	117 310	99 738	104 725	109 962
<i>Pump Station</i>	12 395	4 768	3 497	3 497	14 000	14 700	15 435
<i>Reticulation</i>	5 056	3 447	13 380	13 380	3 000	3 150	3 308
<i>Waste Water Treatment Works</i>	42 486	76 290	100 434	100 434	82 738	86 875	91 219
<i>Outfall Sewers</i>	139 738	0	0	0	0	0	0
Infrastructure: Other - Total	–	–	–	–	–	–	–
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community - Total	–	–	–	–	–	–	–
<i>Parks & gardens</i>							
<i>Sportsfields & stadia</i>							

APPENDICES

Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Table continued next page							

Table continued from previous page							
Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							

APPENDICES

<u>Heritage assets - Total</u>	-	-		-	-	-	-
Buildings							
Other							
<u>Investment properties - Total</u>	-	-		-	-	-	-
Housing development							
Other							
<u>Other assets</u>	193 386	42 545	36 610	36 610	26 483	-	-
Municipal Offices	19 271	18 600	10 200	10 200	13 283	-	-
General vehicles	189 482	10 000	10 000	10 000	10 000		
Specialised vehicles							
Plant & equipment	7 981	6 800	6 000	6 000	1 500		
Computers - hardware/equipment	3 663	2 085	1 400	1 400 000	1 700 000		
Furniture and other office equipment	2 286	4 110	9 000	9 000			
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings	143 808	150 000	10 000	10 000			

APPENDICES

Other Land	(33 730)						
Surplus Assets - (Investment or Inventory)							
Other	4 290	800					
<u>Agricultural assets</u>	-	-		-	-	-	-
List sub-class							
<u>Biological assets</u>	-	-		-	-	-	-
List sub-class							
<u>Intangibles</u>	36 754	45		-	-	-	-
Computers - software & programming	36 754	45	-	-	-	0	0
Other (list sub-class)							
Total Capital Expenditure on new assets	436 338	244 679	234 588	234 588	214 988	194 781	204 520
<u>Specialised vehicles</u>	-	-		-	-	-	-

APPENDICES

Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1

APPENDIX L (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjusted Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	7 788 302	-		-	-	-	-
Infrastructure: Road transport -Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							

APPENDICES

Infrastructure: Electricity - Total	-	-	-	-	-	-
Generation						
Transmission & Reticulation						
Street Lighting						
Infrastructure: Water - Total	5 990 639	-	-	-	-	-
Distribution	-13 868 080					
Distribution Points	20 859 400					
Capital Spares	5 983 647 579					
Reticulation						
Infrastructure: Sanitation - Total	1 797 663	-	-	-	-	-
Reticulation	-72 977 933					
Sewerage purification	1 870 641 067					
Infrastructure: Other - Total	-	-	-	-	-	-
Waste Management						
Transportation						
Gas						
Other						
Community	-	-	-	-	-	-

APPENDICES

Parks & gardens						
Sportsfields & stadia						
Swimming pools						
Community halls						
Libraries						
Recreational facilities						
Fire, safety & emergency						
Security and policing						
Buses						
Clinics						
Museums & Art Galleries						
Cemeteries						
Social rental housing						
Other						
<u>Heritage assets</u>	642	-	-	-	-	-
Buildings						
Other	642 482					
Table continued next page						

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*

R '000

APPENDICES

Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjusted Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Investment properties</u>	-	-		-	-	-	-
Housing development							
Other							
<u>Other assets</u>	186 486	-		-	-	-	-
General vehicles	5 548 841						
Specialised vehicles							
Plant & equipment	17 518 705						
Computers - hardware/equipment	8 299 609						
Furniture and other office equipment	146 104 364						
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings	6 355 223						
Other Land							

APPENDICES

Surplus Assets - (Investment or Inventory)							
Other	2 659 160						
<u>Agricultural assets</u>	-	-		-	-	-	-
List sub-class							
<u>Biological assets</u>	-	-		-	-	-	-
List sub-class							
<u>Intangibles</u>	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	7 975 430	-		-	-	-	-
<u>Specialised vehicles</u>	-	-		-	-	-	-
Refuse							
Fire							

APPENDICES

Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)							T M.2

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APPENDIX M – CAPITAL PROGRAMME BY PROJECT YEAR 0

APPENDICES

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Corporate					
Fleet Management Services	10 000 000	10 000 000	-	0%	0%
Furniture and Office Equipment - Acquisitions	2 500 000	600 000	-	0%	0%
Furniture and Office Equipment - Acquisitions	1 600 000	2 000 000	1 465 550	-36%	-9%
DC21, CS023a, Oslo Beach Phase 3 - Acquisitions	18 500 000	16 500 000	9 314 317	-77%	-99%
DC21, CS023a, Standby quarters - Acquisitions	150 000	10 000	-	0%	0%
ICT Infrastructure Servers - Acquisition	800 000	800 000	-	0%	0%
Computer Equipment - Acquisitions	1 500 000	1 400 000	-	0%	0%
Water					
KwaXolo Bulk water Supply	26 622 870	14 600 000	15 574 697	6%	-71%
Umzimkhulu Bulk Water Augmentation scheme	16 658 749	10 800 000	5 576 098	-94%	-199%
Msikaba and Surrounds Water Supply Scheme	7 000 000	31 189 656	21 645 407	-44%	68%
Water Pipeline Replacements	40 517 836	10 000 000	8 477 933	-18%	-378%
Water Pipeline Replacements	5 000 000	22 000 000	8 477 933	-159%	41%
Umzimkhulu Permanent Reinforced Concrete Berm	9 475 785	9 965 815	8 665 399	-15%	-9%
KwaLembe Bulk Water Extension	3 000 000	4 322 461	3 062 576	-41%	2%
Ezingweni Bulk Water Infrastructure	3 000 000	2 100 000	942 412	-123%	-218%
KwaLembe Bulk Water Extension	2 000 000	595 739	476 181	-29%	-320%
Pre-Planning Studies: Upgrading of Umthomvuna Abstraction and Water Treatment	1 000 000	3 600 000	2 255 500	-60%	56%
M&E replacement	1 000 000	3 000 000	6 954 737	57%	86%
M&E replacement	4 968 000	3 000 000	-	0%	0%
Bhobhoyi WWTW Clarifier No. 1 Bridge Refurbishment	20 000 000	2 000 000	931 850	-115%	-2046%
Umthomvuna WTW Clarifier No. 1 surface screening	-	1 000 000	540 100	-85%	100%
Umthomvuna WTW Clarifier No. 1 Bridge refurbishment	-	1 000 000	-	0%	0%
Umthomvuna WTW Clarifier No. 1 Bridge refurbishment	-	4 468 000	1 018 056	-339%	100%
MERLEWOOD HOUSING	-	2 000 000	942 412	-112%	100%
Non revenue water reduction project	2 000 000	1 102 693	-	0%	0%
Non revenue water reduction project	3 000 000	297 103 78	14 908 699	-99%	80%
Non revenue water reduction project	10 000 000	735 129	-	0%	0%
Non revenue water reduction project	10 000 000	8 210 515	11 396 210	28%	12%
Non revenue water reduction project	4 000 000	16 084 492	25 467 342	37%	84%
Non revenue water reduction project	4 000 000	1 470 258	-	0%	0%
Non revenue water reduction project	4 000 000	1 470 258	-	0%	0%
Non revenue water reduction project	5 000 000	787 015	-	0%	0%
Non revenue water reduction project	30 350 000	12 779 262	10 862 228	-18%	-179%
Sanitation/Sewerage					
Malanjeni Low Cost Housing Project	65 290 000	70 747 442	88 355 368	20%	26%
Harding Sanitation Scheme Phase 3	-	3 446 644	-	0%	0%
Margate Sewer Pipeline Replacement	-	9 781 637	8 420 245	-16%	100%
Sanitation Refurbishment Phase 1 - Port Edward to Park Rynie	-	10 920 861	9 084 987	-20%	100%
5.5 ML/d Extension of Umthomvuna WWTW - Planning Phase	-	3 000 000	1 739 130	-72%	100%
1.5 ML/d Melville WWTW - Planning Phase	-	2 000 000	869 565	-130%	100%
Umzimkhulu WWTW	-	2 000 000	-	0%	0%

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APPENDIX N – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

APPENDICES

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
"Project A"		
"Project B"		
Sanitation/Sewerage		
Electricity		
Housing		
Refuse removal		
Stormwater		
Economic development		
Sports, Arts & Culture		
Environment		
Health		
Safety and Security		
ICT and Other		
		T O

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

Commented [S14]: @Linda.Zondi AFS when available please

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Ugu District Municipality

Report of the Audit Committee for the year ended 30 June 2022

The Chairperson is pleased to present the annual report of the audit committee for the year ended 30 June 2022.

Audit committee members and attendance

The audit committee consists of the following four (4) external, non-executive members listed hereunder and should meet at least four (4) times per annum as per its approved terms of reference.

Name of member	Number of meetings attended
Mr. A.D. Gonzalves (Chairperson)	6/7
Ms. L.T Khumalo	6/7
Mr. Z. Zulu	7/7
Ms. B. Jojo	6/6

Ms. B. Jojo's term as a member and chairperson of the audit committee expired on the 31.03.2022. Mr. A.D Gonzalves was appointed as the chairperson of the audit committee on the 01.04.2022. All members are external and therefore independent with no conflicts of interests being reported. A vacancy for an additional member existed at year end. Procedures and processes were initiated by the district municipality to fill the vacancy.

Audit committee meetings

Since the beginning of the current fiscal year, the audit committee held its meetings as follows:

Meeting	Date	Type of meeting
1.	13 August 2021	Special
2.	30 August 2021	Special
3.	28 September 2021	Special
4.	07 December 2021	Ordinary
5.	18 March 2022	Special
6.	31 March 2022	Ordinary
7.	22 June 2022	Ordinary

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166 of the MFMA and has adopted formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and discharged all its responsibilities as contained therein during the year.

The effectiveness of internal controls

In line with the MFMA, the internal audit function provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the in-year reports of the internal audit function, it was noted that improvements in the control environment was required in supply chain management, in-year performance management reporting, overtime and human resources management.

Internal audit

The committee reviewed and approved the internal audit charter and the risk based annual internal audit plan. It reviewed the work performed by internal audit on a quarterly basis and the implementation of internal audit recommendations.

In compliance with the MFMA, internal audit provided the committee and management on the assessment of internal controls. This was achieved through the implementation of a risk management process, as well as the identification of corrective actions and recommended enhancements to the controls and processes.

Deficiencies were identified in supply chain management, performance management reporting and overtime and human resources management that was indicative of inadequate and/or ineffective controls.

The committee noted that internal audit engagements over financial discipline reviews, revenue management and quarter four performance management reviews were outstanding at year end and had yet to be reported to the audit committee. The internal audit function is also responsible for implementing the annual internal audit plan for the two municipal entities of the district.

Internal audit monitors and reports on the implementation of management corrective actions undertaken to address previous audit findings. In doing so, it assists management and council in mitigating risks thus playing a pivotal role through combined assurance to assist in risk management and strengthen controls over financial and performance management reporting.

The audit committee recommends that:

- management continue to cooperate with the internal audit function to improve the current control environment through the timely implementation of recommended actions,
- follow up audits be completed on a quarterly basis to prevent recurrence of repeated findings,
- where controls are found to be inadequate, consultative internal audit engagements be implemented to guide management on improving policies and procedures through a gap analysis approach.
- the internal audit function be capacitated with funding to employ outside service providers to assist in discharging internal audit engagements that require specialist information technology audit skills, and
- the internal audit function be capacitated with further resources to implement management requested ad-hoc assignments to prevent delays in the execution of the approved annual audit plan.

The audit committee is satisfied that the internal audit function maintained its independence and objectivity throughout the under review.

Risk management

During the year, reports from the risk management committee were considered by the audit committee. The committee recommends that council and management ensure that management action to address water losses be prioritized. The committee further recommends that:

- the operational, strategic and fraud risks that remain high be carried over to the current financial year of 2023 for ongoing management and monitoring.
- a risk-based approach be followed when assessing water loss/theft/illegal connections coupled with geographical trend analysis to identify wards that are consuming less than expected water consumption that would normally appear to be unusual.
- the municipality consider implementing regular/periodic meter and line audits in areas/wards where illegal is highly susceptible.
- council consider incentivizing/rewarding the public for accurate and valid reporting on illegal connections.
- the Accounting Officer expedite the process of formulating standard operating procedures to deal with water theft (illegal connections).
- an external, non-executive individual with the requisite skills and expertise be appointed as chairperson of the risk management committee to preserve the independence of the internal audit function and to ensure that regular reporting on risk management matters to council is observed.

The audit committee will continue to exercise its advisory and oversight function with respect to risk management.

Financial reporting

The committee was pleased to note the appointment of a Chief Financial Officer (CFO) during the latter part of the third quarter. This is expected to improve overall financial management and reporting of the municipality. The audit committee reviewed various in-year reports from the treasury services department. Based on the quality of the in-year quarterly reports submitted in terms of the MFMA, the audit committee is satisfied that there is a developed system of internal control over financial reporting, however it will continue to assess the effectiveness of internal controls over in-year and year-end financial reporting to ensure credible reporting in a timely manner.

It is recommended that:

- acute focus on the recoverability of outstanding statutory and trade receivables be maintained through the timely implementation of effective credit control procedures to avoid the potential burden on future cashflows from operating activities,
- Management must continue to implement a disciplined approach on the financial recovery plan to ensure the achievement of intended outcomes,
- the treasury services department be professionalised by increasing training and raising the required qualifications and expertise, and
- Notwithstanding that this applies to all employees, swift consequence management must be implemented against those officials that transgress the approved policies of council and applicable municipal laws and regulations where it is found that due care and diligence was not exercised.

Municipal performance management (PMS) year end and in-year reporting

During the year, the audit committee considered the quarterly performance reports by management together with the internal audit reports on their quarterly reviews over the organisational PMS. PMS reporting at the municipality requires improvement, requiring management attention to ensure that it is used as an effective management monitoring tool to measure performance. It is recommended that the management function responsible for in-year PMS reporting ensure that reported actual achievement is validated against supporting evidence, the Accounting Officer implement measures to ensure that all documentary evidence is submitted in a timely manner to allow for adequate management reviews, diligent management oversight be implemented to ensure that there is value for money on projects and programs that are to be implemented, and that the following KPI metrics be included in the performance agreements of all section 56/57 officials and should be aligned to the SDBIP:

- % reduction in the rand value of unauthorized, irregular and fruitless and wasteful expenditure as compared to the prior year, and
- % reduction in the number of unresolved internal audit and AGSA findings as compared to the prior year.

Notwithstanding that this applies to all employees, swift consequence management must be implemented against those officials that transgress the approved policies of council and applicable municipal laws and regulations where it is found that due care and diligence was not exercised.

Information technology and communications (ICT)

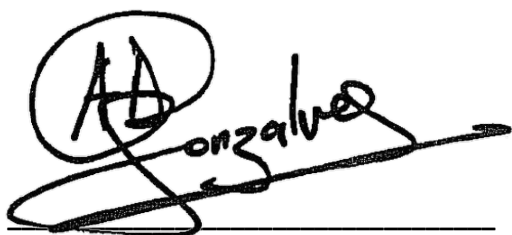
Due to limited resources within the internal audit function, separate internal audit engagements over ICT could not be completed. Following the combined assurance model, the committee relies on the outcome of the AGSA audit to assess ICT. The status of management corrective actions in addressing prior reported AGSA findings as contained in the management report is reported on periodically. The audit committee is pleased to report that management corrective actions to address all eight (8) findings included in the AGSA management report for the year ended 2021 have been addressed.

External audit: Auditor General South Africa (AGSA) and evaluation of the financial statements

The audit committee reviewed the audited financial statements to be included in the annual report, reviewed the AGSA's audit and management report and management's response thereto, reviewed the entities compliance with legal and regulatory provisions, and the significant adjustments resulting from the audit. The annual financial statements are prepared in accordance with the South African Standards of Generally Recognized Accounting Practice and in the manner required by the MFMA and DoRA. The audit committee concurs with and accepts the AGSA's audit report on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the AGSA.

Conclusion

The audit committee expresses its gratitude to Council, the Mayor, the Chairperson of MPAC, the acting Municipal Manager, the CFO, senior management and the administrative staff and the AGSA for their commitment, purposeful efforts, and cooperation with the audit committee. The audit committee relies extensively on the work of internal audit. The audit committee expresses its gratitude to the Manager: Internal Audit and his team for their assistance and cooperation.

A handwritten signature in black ink, appearing to read 'A.D. Gonzalves', with a large circular flourish around the initials 'AD'.

CHAIRPERSON OF THE AUDIT COMMITTEE

A.D GONZALVES

30 November 2022



UGU DISTRICT MUNICIPALITY

ANNUAL PERFORMANCE REPORT 2021/2022



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1. INTRODUCTION

1.1 Foreword by the Mayor

I take immense pleasure in introducing this Annual Report for 2021/22 fiscal year. This Annual Report highlights the achieved milestones and difficulties being experienced by the municipality for the year under review. And this report will also seek to presents an honest perspective about our challenges and achievements. Challenges which are not unique to Ugu District Municipality, and I am confident that with the existing leadership and collective wisdom of other political parties in Council and the Administration these challenges are not insurmountable.

During this current term of office, council have made bold pronouncements and commitments aligned to the identified priorities. Municipal council have put measures in place to improve and strengthen our financial position. This includes the adoption by council the Revenue Enhancement and Debt Reduction Strategies which are currently under implementation to reduce dependency on grants and increase our collections on water and sanitation services. And to sustain the healthy financial position of the municipality, the municipality rely heavily on our customers to continue supporting the municipality by honouring their monthly payments for services rendered.

The public outcry on our billing system has been heard and we have started to institute appropriate measures in this regard. We have already started to visit various areas across the district with an aim of resolving all billing queries from our customers. And we are certain that through this action, all billing issues will be accordingly addressed. We have also extended the amnesty period for some of the consumer debt owed to the municipality and we are calling upon our communities to take advantage of this opportunity.

Also, another notable threat to our stable financial position is the illegal water connections which are rife among our communities. This Council has recently adopted a policy on Illegal and Unauthorised Water Connections. This policy will effectively aid the municipality in dealing with the widespread domestic and business illegal connections across the district.

The municipality has been very steadfast towards filling of critical vacancies and as such, an appointment of the Chief Financial Officer has been made. And accordingly, the municipality has appointed Mr Kushi Audan as the CFO and we are certain that his enormous experience will bring stability to municipal finances. We are also in the process of finalising processes

towards the appointment of the municipal manager to bring about stability to our administration.

Our resolve to decisively implement consequence management among our workers has resulted to more than one hundred of our employees from our water services operations being dismissed. This occurrence has placed a severe strain on the municipality's water services operations. The dismissed employees have since filed an appeal through the labour court against their dismissal and as the applicable labour relations provisions, the municipality is restricted in filling these vacancies until their appeal process has been finalised.

Despite the unprecedented water disruptions in certain areas in the district, we have constantly managed to have conversations with various stakeholders to address their respective concerns on intermittent water supply. We have also built a strong rapport with Amakhosi and various community formations within the district to strengthen our resolve of being a people centred institution. A district war room has been established to monitor the implementation of water supply interventions across the district. The composition of the war room is inclusive of all sector departments and various community formations.

Our budget for the year under review is mostly influenced by the current socio-economic challenges faced by our district and the country in general. Also, the high unemployment rate that exist within our communities and the ever-increasing municipal debt puts a serious financial strain on the municipality's ability to deliver on its mandate of water and sanitation services. And this has necessitated for us to place more financial focus on our core municipal deliverables of water and sanitation services. Our revenue collection has been drastically affected during this period, but despite this, we still managed to provide our residents with water and sanitation services.

We further recommit to strengthen the existing social compact between communities, business, civil society, and us as government of building a responsive administration that works effectively for all the people of the district. Our resolve to develop and strengthen our local economy that grows in the hands of the people is even more important now than ever before.

During this fiscal year, the municipality continues to experience several financial challenges which have compromised the municipality's ability to perform certain of its deliverables. The legacy of our ageing infrastructure coupled with the prevalent culture of non-payment by some residents for municipal services served as a major contributor to our financial situation.

We have also not departed from our deliberate efforts to actively intervene on the plight faced by our local developing businesses in the district. Through ring-fencing 30% of total procurement to Ugu District-based businesses we are certain that this will increase participation of local businesses to the economy of the district.

We still place a high emphasis on the Expanded Public Works Programme (EPWP) which is part of the municipality's poverty alleviation programme tailored to absorb many of our communities into the job opportunities.

Our journey continues, towards improving the lives of our communities through enhancing our efforts of delivering basic services. As we look forward to the Fourth Industrial Revolution which represents a fundamental change in the way we live, we still reiterate our unwavering allegiance to the core imperatives of the Freedom Charter and proudly proclaim our readiness to accelerate the radical economic transformation to bring about an equitable, just, and inclusive District.

I would also like to express my appreciation to the Members of the Executive Committee and Council for working tirelessly during this period to deliver upon our mandate in their respective portfolio committees.

I thank the Speaker of Council for his ongoing support and the leading role he plays in ensuring that Council fulfils its important oversight function.

Cllr PH Mthiyane

Mayor, Ugu District Municipality

1.2 Overview by the Acting Municipal Manager

South Africa, within which Ugu District Municipality is located, as an emerging economy is not immune from the effects of a shrinking global economy and the after-effects of COVID 19. The shrinking of our Country's fiscus because of the above does negatively impact not only on the quantity of work Ugu District Municipality has to do to take care of its communities, but even the quality sometimes. This requires strict adherence to the principle of containing costs and doing more with less.

The National fiscus is under severe strain and grant expenditure must be curtailed. This unfortunately cannot translate to reduction in Service Delivery.

Municipalities must become more creative and look to "value add" for all expenditure. Our Supply Chain processes must be sharpened to ensure we receive value for money.

Service Delivery which is the primary reason for our existence cannot be compromised and our annual baseline targets must show an annual increase in output and enhanced outcomes.

The provision of basic service i.e. Water and Sanitation to all our communities must surely translate to a better quality of life for all our communities.

We must also take note of the consequences of the severe drought and give serious attention to new sources of water.

The situation of a high-water demand versus supply is already being attended to through our Six (6) Point Water Strategy Turnaround Plan because our District population has grown. This Strategy attempts to prevent unintended consequences as a result thereof going forward.

Building resilient municipal institutions is a prerequisite to taking developmental local government to greater heights. Municipalities must be able to continue achieving excellence in service delivery.

As our citizens become more involved in Local Government, we must provide a seamless flow of information to ensure meaningful participation and informed feedback. All our plans must be responsive to the needs of our communities.

The high rate of unemployment especially among our youth must be cause for concern. Whilst we acknowledge that we are not "an employment agency" we must in collaboration with other spheres create a climate for economic growth and investment which must create

real jobs. As custodians of local resources, we must create attractive packages for investment. Investment must however be sustainable and long term. Our newly born entity known as the South Coast Tourism and Investment Enterprise (SCTIE), after the merging of the two entities that we had, will go a long way in assisting our District achieve this.

The Council of our District has heralded many changes of new and re-confirmed imperatives that find expression in the IDPs being developed for five (5) years.

The resultant SDBIPs are outcome based, delivering desired changes that enhance the quality of Life of affected communities.

One can indicate that there has been an improvement from a Disclaimer Audit opinion to a Qualified one for the past two years, including the 2021 financial year. Our Municipality is working hard to ensure that it can account for each rand that has been used for the provision of service to communities. The aim is to ensure that the Audit Opinion that it gets from the Auditor General of South Africa, as a result, is a favourable one in the coming financial year.

The unconditional financial sustainability of our Municipality cannot be compromised. Our cash flow position has increased to more manageable levels; however, the implementation of fiscal austerity cannot be relegated.

Through an innovative Asset Management System, we have to create a framework for monitoring of Repairs and Maintenance. The useful life of all our assets must be extended to its maximum. This will assist us in providing affordable services to our communities.

The causes of water disruptions especially, ageing infrastructure is being given focussed attention and necessary plans are in place to overcome these challenges.

The three (3) spheres of government were intentionally designed to complement, support and collaborate with each other to provide for the needs of all communities. We have adopted an Inter-Governmental Relations Policy for the District and its family of Municipalities, which we must review for greater levels of co-operation with all Government institutions.

Our newly born entity namely, South Coast Tourism and Investment Enterprise, has a very specific mandate. This is a structure created in partnership with private sector to mobilise resources and provide an environment for tourism and economic growth. In the long term this entity must become self-funded.

However human existence by its very nature is progressive and therefore our annual performance review must reflect an increase in tangible outcomes. Our staff must be capacitated and stay focussed to achieve identified deliverables. We must resist the

temptation to employ more unnecessary staff wrongly believing that this will translate to an increase in quality and quantity of outcomes. Currently technology advancements require us to look to working smarter, thereby reducing our personnel costs through natural attrition.

As a sphere of government owned by all our beneficiary communities, we are dependent on many role-players and stakeholders whose support growth and expertise is necessary for our daily operations. We are fortunate to work with these public spirited, selfless organisations and individuals. Many of them are our inspiration.

Having answered the call to serve our people, we must remain, selfless, focussed, and resilient in implementing the agenda for developmental Local Government. We indeed, value our partners in this business, more especially our customers who in business sense, are king.

Dr EMS Ntombela

Acting Municipal Manager, Ugu District Municipality

1.3 Organisational Performance Summary for 2021 2022

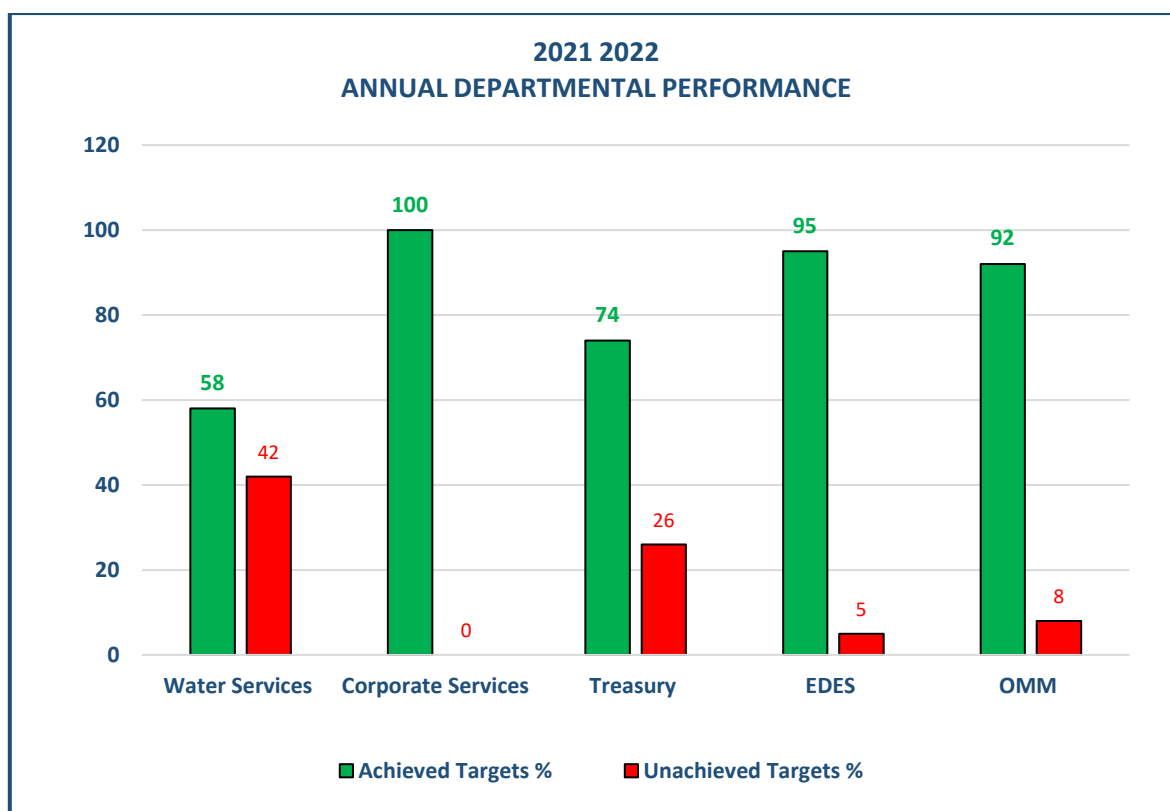
The Ugu District Municipality Annual Performance Report was prepared and submitted in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 providing guidelines on the Annual Report.

The 2021 2022 Annual Performance Report covers the performance information from 01 July 2021 to 30 June 2022 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP). The report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Service Delivery and Budget Implementation Plan (SDBIP) of 2021/2022.

The format of the report will reflect the Municipality's Key Performance Indicators (KPIs), challenges and corrective measures in relation to each Municipal Key Performance Area.

The municipality had a total of 277 targets for the year 2021/22 for all Key Performance Areas, of those targets, 238 were achieved, leaving a mere 39 targets unachieved for the whole year. With respect to the different departments, below is a table which summarises the achieved and non-achieved targets of which detailed information may be found on the annual performance report spreadsheet.

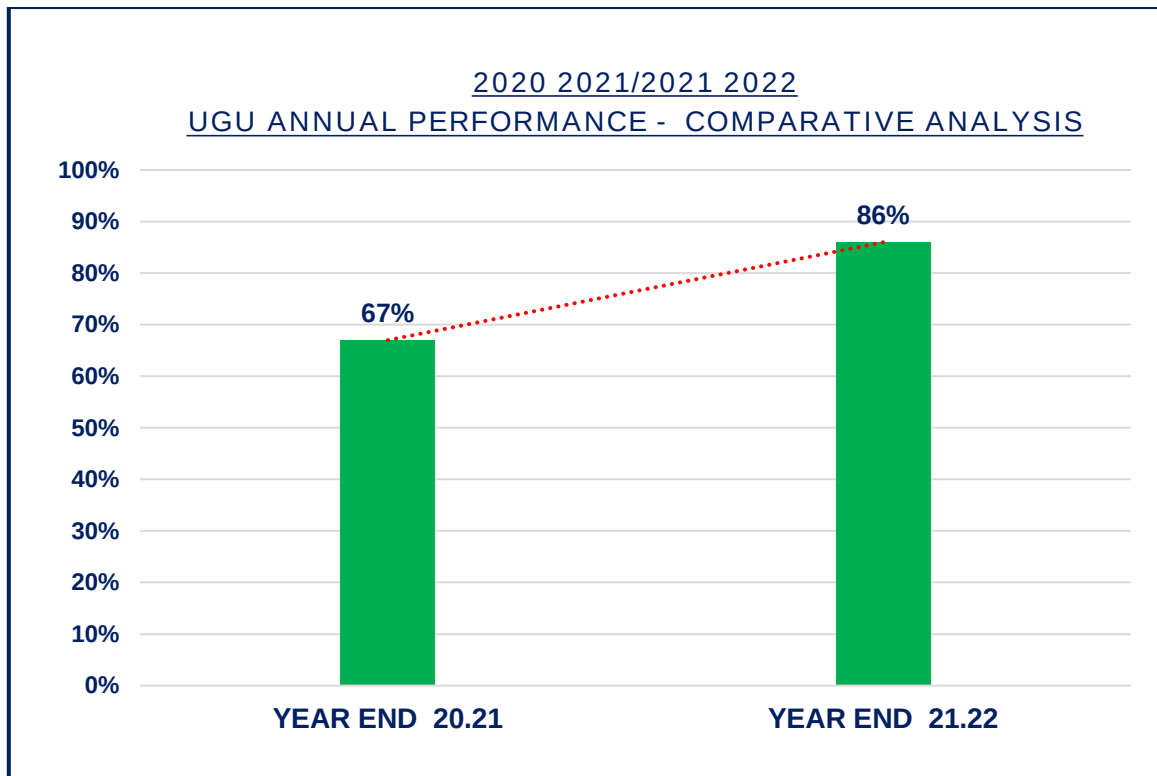
ANNUAL AUDITED PERFORMANCE FOR 2021 2022 FINANCIAL YEAR						
Department	Total Targets reported		Achieved Targets		Unachieved Targets	
	No	%	No	%	No	%
Water Services	43	100	25	58	18	42
Corporate Services	57	100	57	100	0	0
BTO	47	100	35	74	12	26
EDES	55	100	52	95	03	05
OMM	75	100	69	92	06	08
Total	277	100	238	86%	39	14%



Graph showing performance for 2021/22 Financial Year

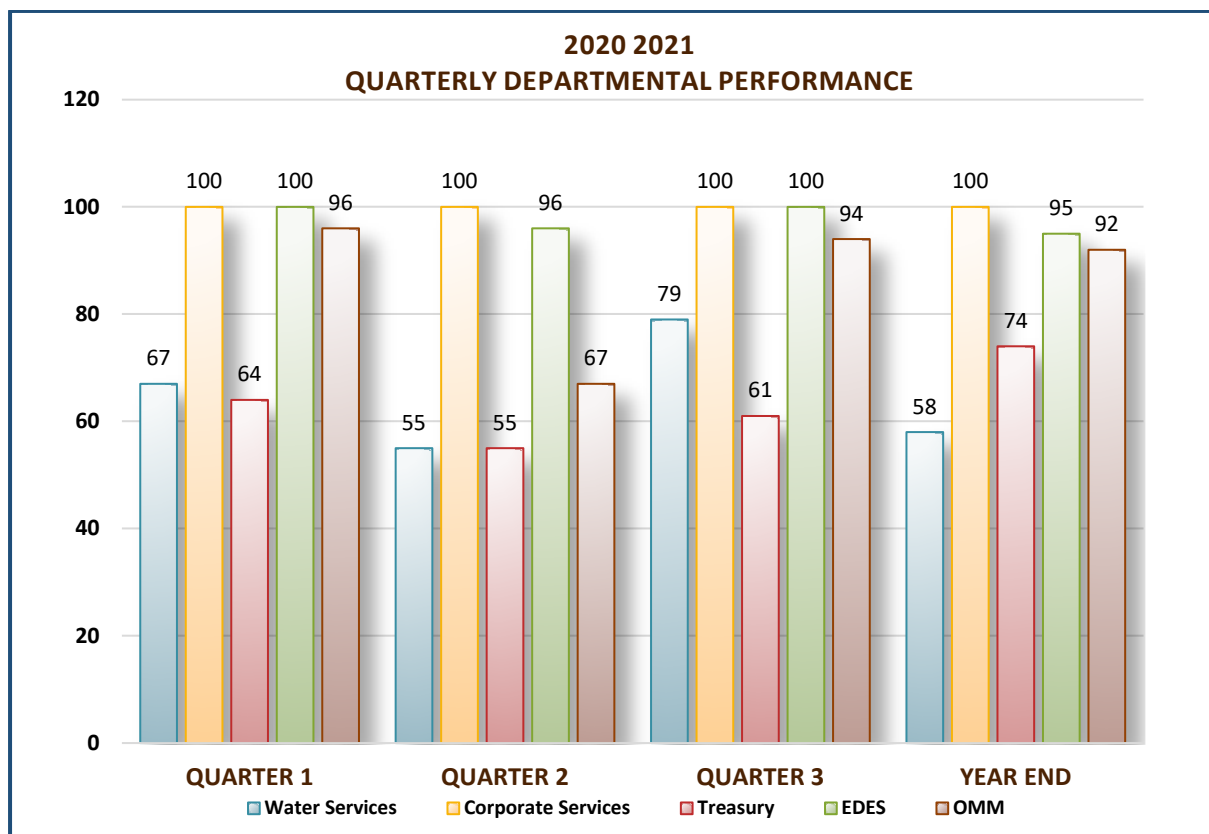
The municipality has been in major financial distress for a number of years, and this has caused severe hinderance to the achievement of service delivery targets. The budget issues have had a knock-on effect and were mainly due to the municipality not being able to pay off its debts and its inability to collect revenue efficiently and effectively. The appointment of the new CFO on 1 March 2022 has however created more stability and strategic direction within both the BTO department as well as the municipality. Several recovery plans and strategies implemented has yielded positive progress, although the municipality would need to be cautious and exercise considerable restraint when dealing with all financial expenditure.

ORGANISATIONAL PERFORMANCE COMPARISON					
2020 2021			2021 2022		
No. of Annual Targets	No. of Unachieved Targets	No. of Achieved Targets	No. of Annual Targets	No. of Unachieved Targets	No. of Achieved Targets
395	130	265	277	39	238



Graph Showing comparison in percentages for the 2019/20 and 2020/21 FYs

The Municipality has shown a remarkable improvement in performance in the 2021 2022 financial year. Overall improvement of 19% year on year.



Graph showing quarterly departmental performance in % for 2021/22 Financial Year

The departmental performance graph illustrates the performance in percentages for each department for each quarter of the 2021/22 FY. It is evident that most of the departments performed less during the first two quarters of the year and picked up after the mid-year reviews. There has been noted improved performance in the BTO department which achieved 74% and this could be attributed to the new strategies being implemented by the newly appointed CFO. The Corporate Services department maintained an exceptional 100% for every quarter.

1.4 Organisational Performance Process

The Department of Cooperative Governance and Traditional Affairs defines performance management as, 'a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact.' The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at Directorate levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget. MFMA Circular No.13 prescribes that: The IDP and budget must be aligned; The budget must address the strategic priorities; The SDBIP should indicate what the municipality is going to do during next 12 months; and The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes. From the SDBIP/Departmental scorecards, Performance Agreements of Departmental Heads/ General Managers are compiled, and the performance management system is cascaded downwards from the Head of Departments Performance Agreements and departmental scorecard to Section Managers who also sign performance agreements based on the Head of Department's performance agreements.

Development and Approval of Service Delivery and Budget Implementation Plan. The municipality reviewed its PMS policy during the 2020/2021 financial year which provided chronological guidelines on the development of the 2021 2022 Service Delivery Budget

Implementation Plan and to ensure that performance reports collaborate with the evidence submitted.

During the year 2021/2022, the municipality monitored; assessed and measured its performance through the following plans and structural arrangement:

- S54 and 56 performance agreements
- Individual performance plans
- Budget
- Quarterly reviews
- Internal Audit
- Performance Audit Committee
- Quarterly and Half-yearly S54 and 56 performance assessments
- Portfolio Committees
- Exco
- Council

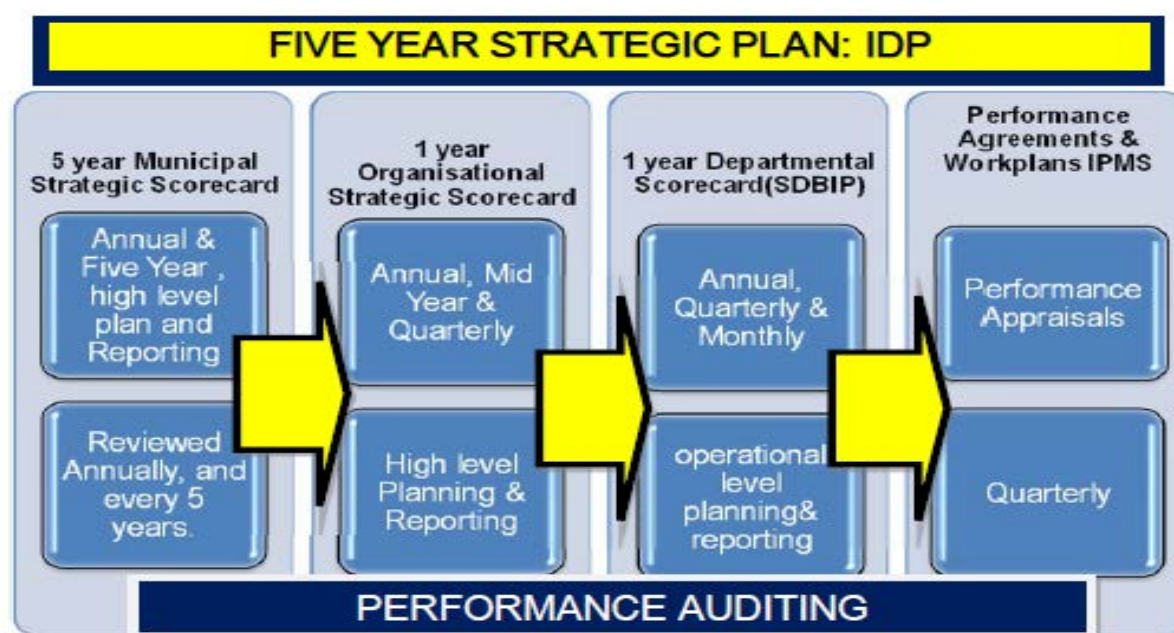


Fig.1 IDP to PMS alignment

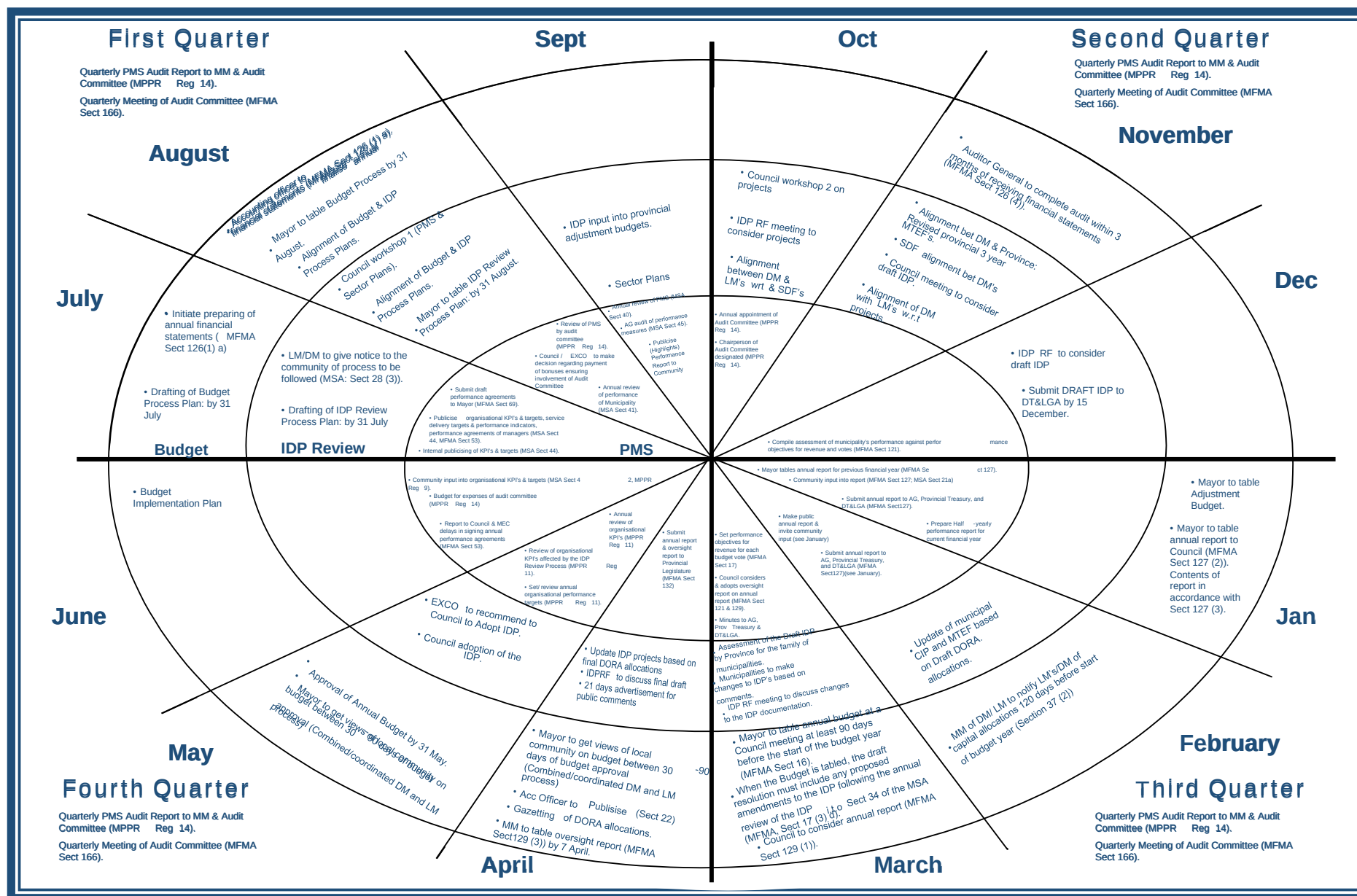
The above diagram illustrates the alignment of the municipality's strategic document being the IDP and how it translates into performance management. During the five-year period of the IDP, the municipality is required to develop a five-year strategic scorecard or implementation plan which consists of the municipalities high level plan and reporting. This strategic municipal scorecard is only reviewed every five years as it is the parent document for the yearly scorecards. A strategic scorecard is then developed annually which will then be reviewed every quarter also providing direction for the municipality's operational plan being the SDBIP.

Performance thereof is further monitored through the development of workplans and performance agreements for the Municipal Manager and General Managers. The 2021/2022 financial year marks the final implementation year of the 5-year IDP.

The municipality through the PMS policy has deadlines which departments need to comply to in-terms of submission of reports and evidence. In the 2021/2022 financial year, the PMS section noted a marked improvement in non-compliance to deadlines.

As per internal processes, below are timeframes and guides leading to performance reviews:

- All Departments to submit their Quarterly Reports to the Performance Management Unit by the 05th after the end of the Quarter.
- All the Departments Quarterly Reports are then sent to Internal Audit by the 10th after the end of the Quarter.
- The Consolidated Review Report and Performance Analysis Report will be presented to Extended Management Committee by the 20th after the end of the quarter.
- The Quarterly Review Meeting will then take place by the 31st after the end of the quarter when all inputs from various committees have been incorporated into the review reports
- Departments were requested to provide evidence of their performance against reported targets.
- The table below provides a summary on the relationship between the IDP, budget and PMS. The table further provides legislated timeframes and is used as a quarterly and monthly guide for the activities that the municipality should be doing in certain time periods.



2. LEGISLATIVE FRAMEWORK

Section 46 (6) of the Municipal Systems Act (Act No.32) states that:

“A municipality must prepare for each financial year a performance report reflecting-

- (1)(a) The performance of the municipality and of each external service provider during that financial year;
- b) A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
- c) Measures taken to improve performance.

- (2) An annual performance report must form part of the municipality's annual report in terms of the Municipal Finance Management Act (Act No. 56) 2003, Section 121 (3) (b).

Whilst there are quite a few pieces of legislation which speak to performance management. The above piece of legislation mandates local authorities to develop the annual performance report which forms part of the annual report

2.1 Policy And KZN Best Practice Guidelines

Performance Management is also underpinned by policies and best practice guidelines.

2.1.1 Batho Pele

Eleven Batho Pele principles were adopted by Ugu DM to serve as acceptable policy and legislative framework regarding service delivery in the Municipal service. These principles are aligned with the Constitutional ideals of:

- Promoting and maintaining high standards of professional ethics.
- Providing service impartially, fairly, equitably and without bias.
- Utilising resources efficiently and effectively.
- Responding to people's needs; the citizens are encouraged to participate in policymaking; and
- Rendering an accountable, transparent, and development-oriented Municipal administration

2.1.2 KZN Best Practice Guidelines

The best practice guidelines provide that, a systematic process should be followed in developing a performance management system of a municipality. The systematic process suggested by the guidelines comprises of the following steps:

2.1.3 Introduction of PMS to the municipality

PMS (as a framework) is a legislative requirement and tool that is aimed at measuring the implementation of the IDP. The PMS is also a tool for managing individual performance in a developmental approach.

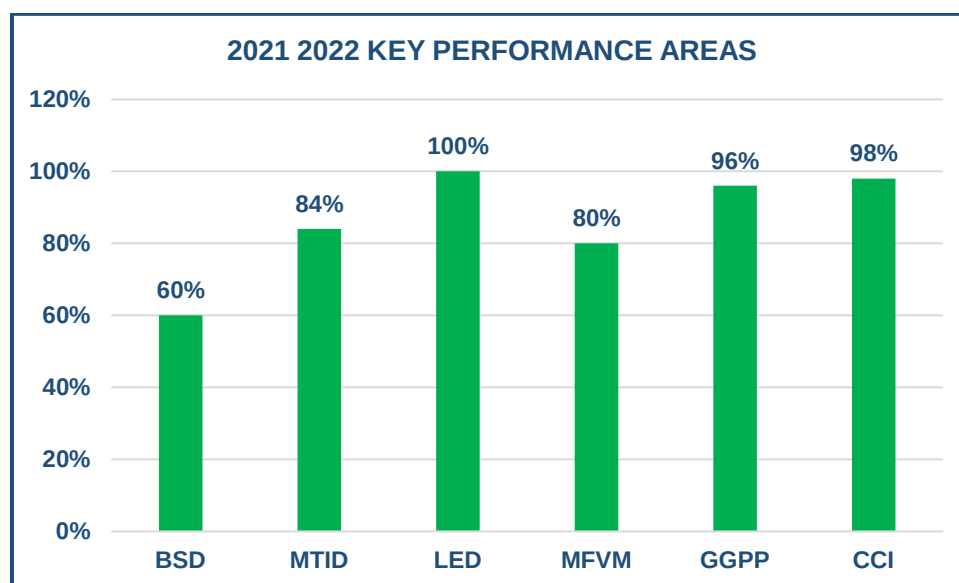
2.1.4 Gearing up the institutional structure for implementing the PMS

Prior to implementing a PMS, an approved organisational structure that is aligned to the IDP be put in place. This structure should indicate roles, responsibilities, powers and functions for the implementation of the IDP.

2.1.5 Developing Measures for monitoring the implementation of the IDP:

Flowing from the IDP is the annual budget and annual operational plan which is the SDBIP, which comprises the Departmental Operational Scorecards: which comprise of annual and quarterly performance targets and quarterly projected budget per source.

3. ASSESSMENT OF KEY PERFORMANCE AREAS



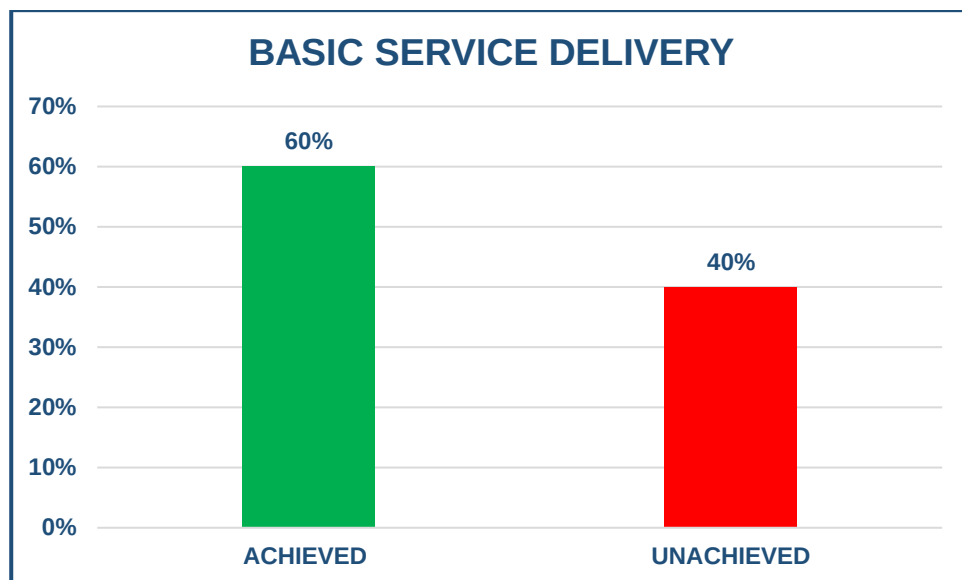
Graph showing the Ugu District Municipality's performance for 2021 2022 under the KPAs

3.1 Basic Service Delivery

The Basic Service Delivery Key Performance Area constitutes of water and sanitation provision and therefore is primarily the Water Services department which reports under this KPA. There was however 1 KPI that related to the number of indigent customers that benefit from this benefit. This KPI is located both the BTO department as well as the Water Services due to its interdependent nature. This KPI was unfortunately not achieved due to customers not re-applying for the benefit once it had expired.

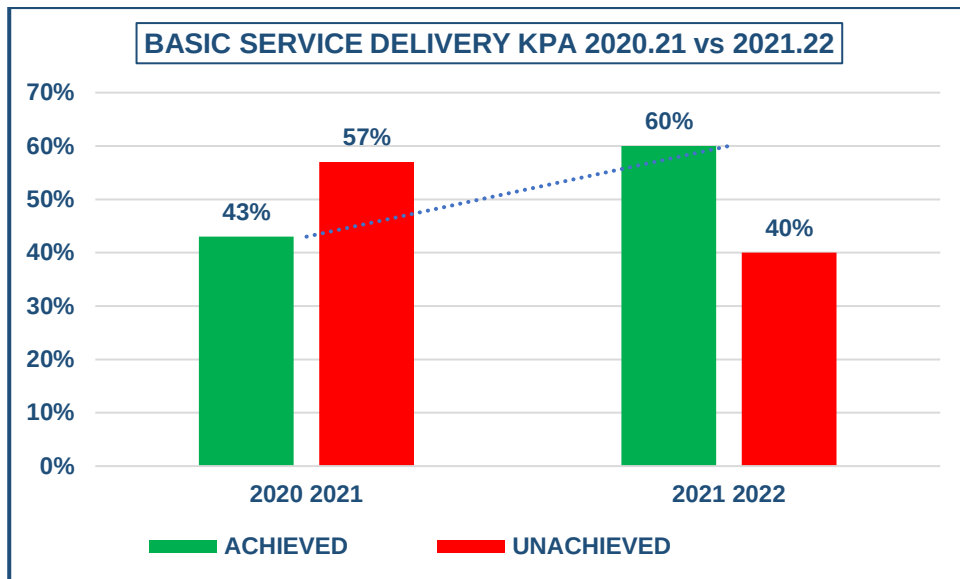
The 2021/2022 financial year was one with many challenges, the vast shortfall between the demand and supply of water in the district resulted in the municipality resorting to water-shedding measures in various areas. The district was also affected by the KZN April floods which saw many difficulties experienced by the organisation and communities.

The unachieved targets were due to several factors including cash flow challenges, work stoppages caused by local business forums, mechanical failures, staff shortages, power outages, vandalism, and ageing infrastructure.



Graph showing 60% achievement in basic service delivery KPA

During the 2021/22 financial year, this KPA had 33 project KPIs in total of which 20 were achieved. There were only 13 unachieved for the financial year. This translates to an achievement of 60% in the Key Performance Area.

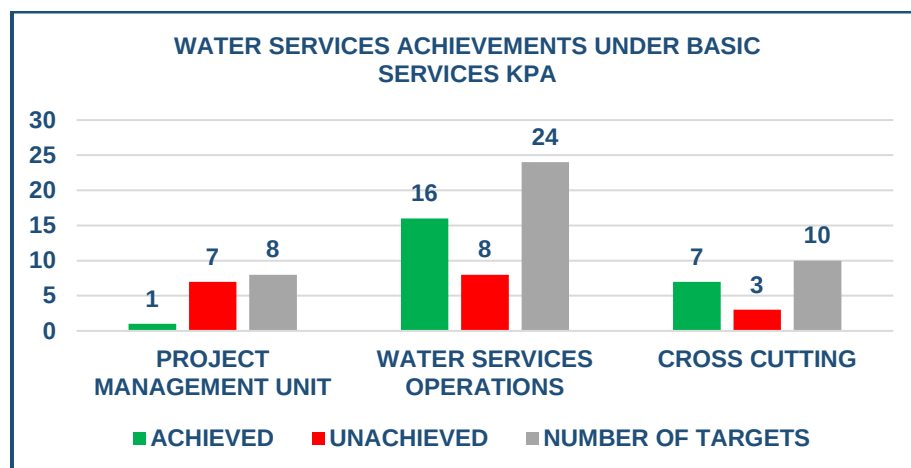


Graph comparing achieved and unachieved targets for the 2020/21 and 2021/22 FY

In the previous financial year performance within the Basic Service Delivery Key Performance Area was a mere 43%. The performance in this crucial KPA has seen an impressive progression of 17% in 1 year.

3.1.1 Water Services Department

The water services department forms a major part of the basic services KPA and comprises of 3 units being Operations, Water Service Authority, and the Project Management Unit with the additional cross cutting KPIs. Water services core mandate is to provide water and sanitation to the communities.



Graph showing Water Services achievements under the basic services KPA

3.1.2 Budget and Treasury Office

This department had 1 KPi that fell within the basic services KPA. The target of achieving 2000 beneficiaries on the indigent register for the 2021/2022 financial year

was not achieved due to the beneficiaries not renewing their applications after it had expired. The department has resolved to create more public awareness around this KPi in an effort to achieved its projected target in the 2022/2023 financial year.

3.1.3 Performance Highlights for 2021/2022

During the 2021/22 financial year, the below projects are some of the highlighted achievements.

- Meter Installation and replacements
- Cleaning of reservoirs
- Further progress on the KwaXolo bulk water supply pipeline
- Review of all Wastewater risk abatement plans
- Reduction in non-revenue water
- Improved access of households to water and sanitation through various projects implemented
- KwaLembe Bulk Water extension
- Pipeline construction at Msikaba Water supply

3.1.4 Challenges

Budgetary constraints have been the foremost reason as to why there have been non-achievements for the year. The municipality had also embarked on a refurbishment of the borehole system in an effort to increase access to water, this however was not achieved due to the results from the testing of the water from the boreholes. The results concluded that the water was not suitable for consumption.

Some of the other general challenges experienced were mechanical failures at plants, staff shortages, power outages due to load shedding, vandalism of infrastructure and ageing infrastructure.

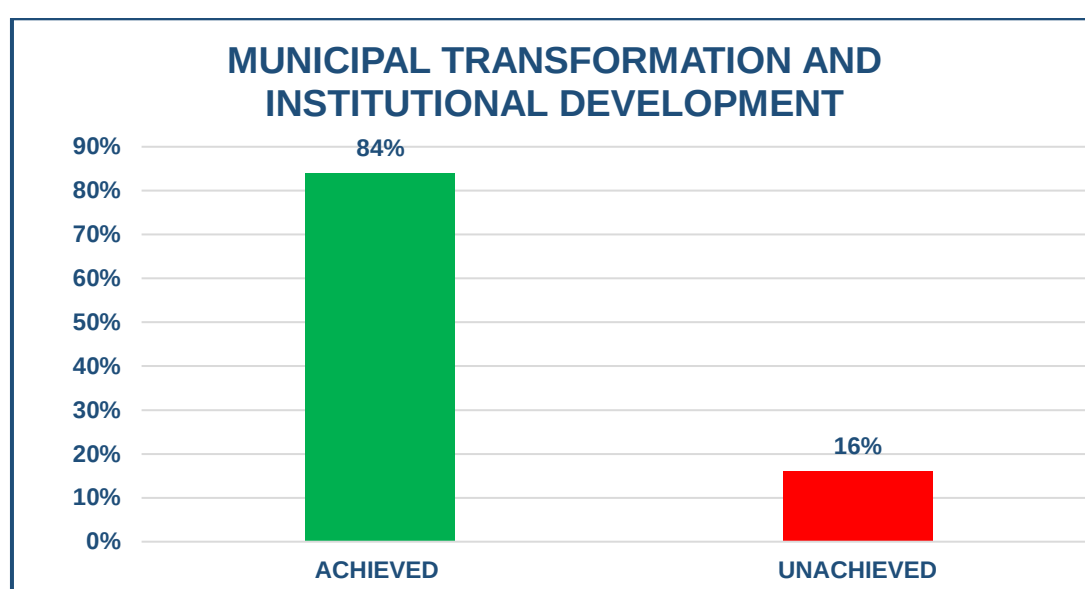
3.1.5 Measures Taken to Improve Performance

The municipality's Water Services department together with the Budget and Treasury office have developed various plans and strategies to help improve the financial situation, which will in turn assist with cash flow challenges that have inhibited delivery of key services for the financial year. KPIs which were not implemented due to the

budgetary constraints will be included in the delivery plans for the 2022/2023 financial year.

3.2 Municipal Transformation and Institutional Development

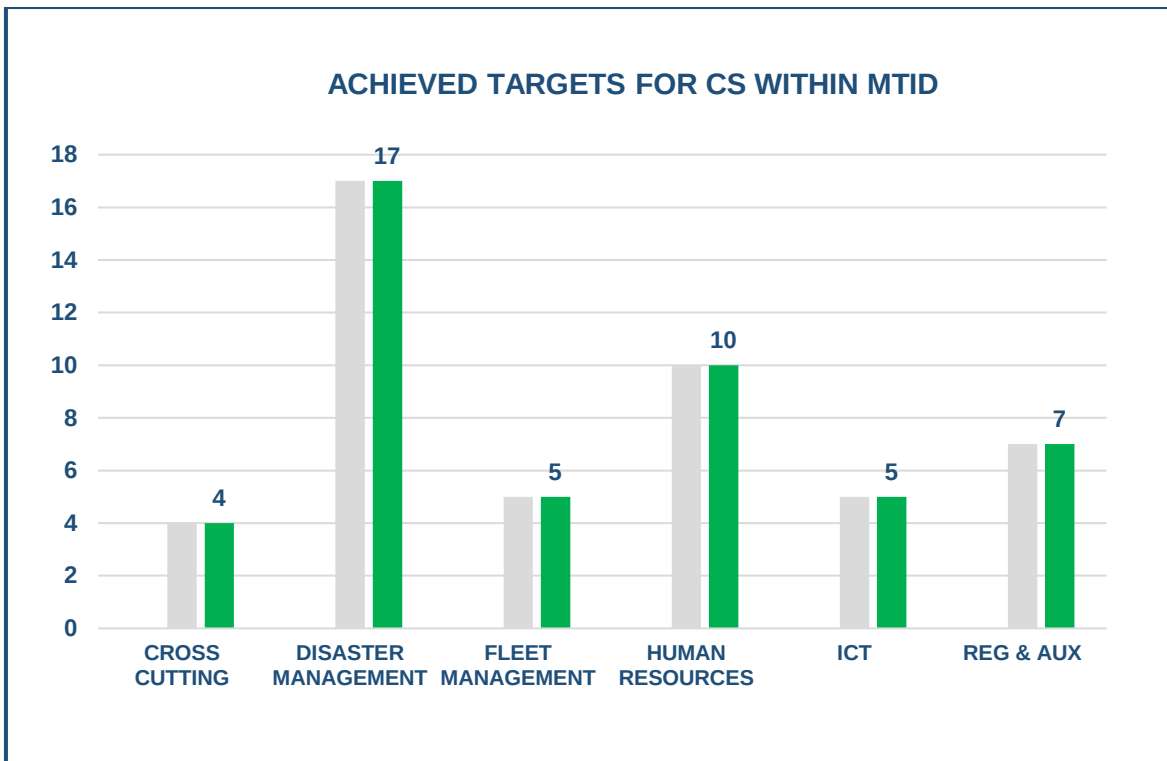
This KPA is made up of mainly the Corporate Services department and the Office of the Municipal Manager. During the 2021/22 financial year, this KPA had a total of 67 targets. 56 targets were achieved and 11 were not achieved. Most of the unachieved targets emanated from cross cutting key performance indicators, wherein departments were not compliant. This translates to an achievement of 84% in the Key Performance Area.



Graph showing 84% achievement in Municipal Transformation and Institutional Development KPA

3.2.1 Corporate Services

The units which make up this KPA under corporate services is human resources, fleet management, and auxiliary services. The department achieved an exemplary 100% in all the targets which were under this KPA during the 2021/22 financial year.



Graph showing Corporate Services achievements in the Municipal Transformation and Institutional Development KPA

3.2.2 Office of the Municipal Manager

The unit within the office of the municipal manager which are represented under the municipal transformation and institutional KPA is the PMS unit which achieved all 3 targets.

3.2.3 Performance Highlights for 2021/22

Corporate Services:

- Optimised systems and operations within the ICT section
- Percentage compliance to the employment equity targets at management level
- Promotion of professionalism in the workplace
- Implementation of the workplace skills plan
- Policy development
- Workshops on labour relations and code of conduct with employees
- Sourcing and placements
- Compliance to leave management
- Compliance with the OHS Act

- EHW programmes implemented
- Workplans developed and assessments conducted
- Fleet maintenance plan
- Percentage availability of service delivery vehicles
- Fuel usage and maintenance
- Compliance with records management
- Building maintenance and security analysis report

Office of the Municipal Manager:

- 21.22 PMS policy review
- 2020/21 Oversight report
- 2020/21 Annual report

3.2.4 Challenges

This KPA mainly deals with the administration and governance of a municipality and does not necessarily require a big budget to perform or meet the targets that are enlisted under it in the SDBIP. The majority of the unachieved targets in this KPA were those linked to reduction in expenditure on overtime and fuel. These type of KPIs require the full commitment and implementation of various strategies by management to be achieved.

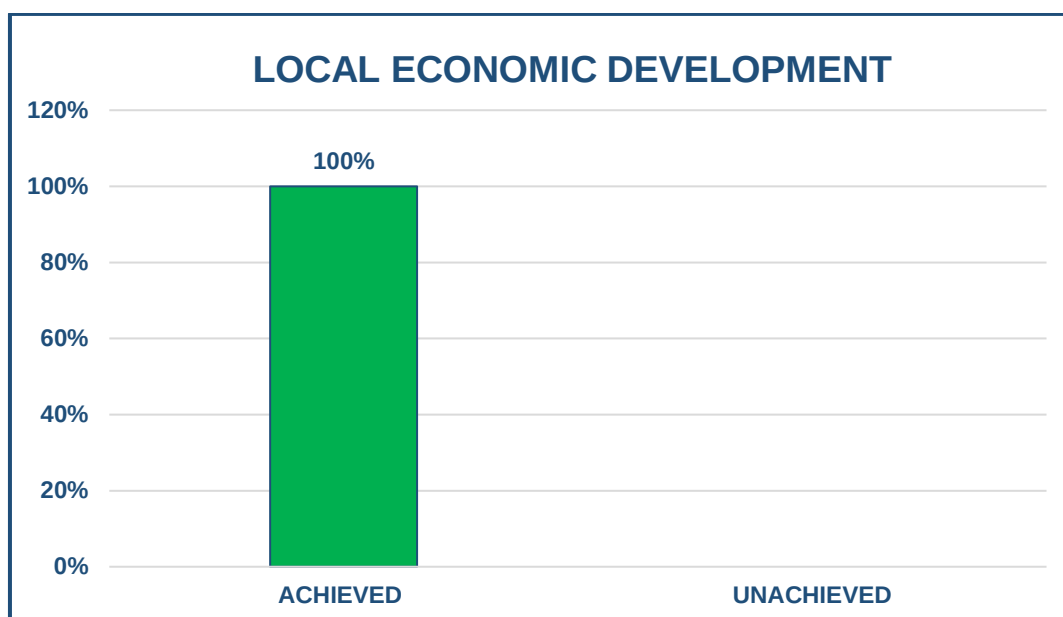
3.2.5 Measures Taken to Improve Performance

Most of the targets that were not met in the 2021/22 financial year were cross cutting that were moved to be achieved in the 2022/23 financial year.

3.3 Local Economic Development

The Local Economic Development key performance area constitutes the addressing of the country's triple challenges: poverty; unemployment and inequality. In the 2021/22 financial year, the LED KPA fell under the LED section and the office of the municipal manager. During the year 2021/22 the LED Key Performance Area had 18

targets in total and all the targets were achieved for the year. This translates to an achievement of 100% in the Key Performance Area.



Graph showing 100% achievement in the Local Economic Development KPA

3.3.1 Economic Development and Environmental Services

The LED section within the EDES department falls within the LED KPA. In the 2021/2022 financial year, the LED unit achieved all targets set under this KPA at 100%. The LED section had 16 targets and achieved all of them.

3.3.2 Office of the Municipal Manager

Under the office of the Municipal Manager, there were 3 that fell under the LED KPA. The special programmes had only one target to report under this KPA which deals with the EPWP programme and employment and that was also achieved. A target of 300 jobs to be created were set within this programme for the 2021.22 financial year and an impressive total of 372 jobs were created. This represents an overachievement, measuring 124%. The remaining 2 KPIs were from the Policy and Research section.

3.3.3 Performance Highlights for 2021/2022

Economic Development and Environmental Services

- Number of manufacturers supported
- Number of mining development and support initiatives
- Number of COVID 19 economic recovery initiatives coordinated
- Small business outreach/empowerment sessions with established businesses
- Number of apprentices supported
- Number of business compliance workshops with SMMEs and Coops
- Number of Unemployed Graduates deployed to LMs
- Number of Green Economy Initiatives Implemented

Office of the Municipal Manager

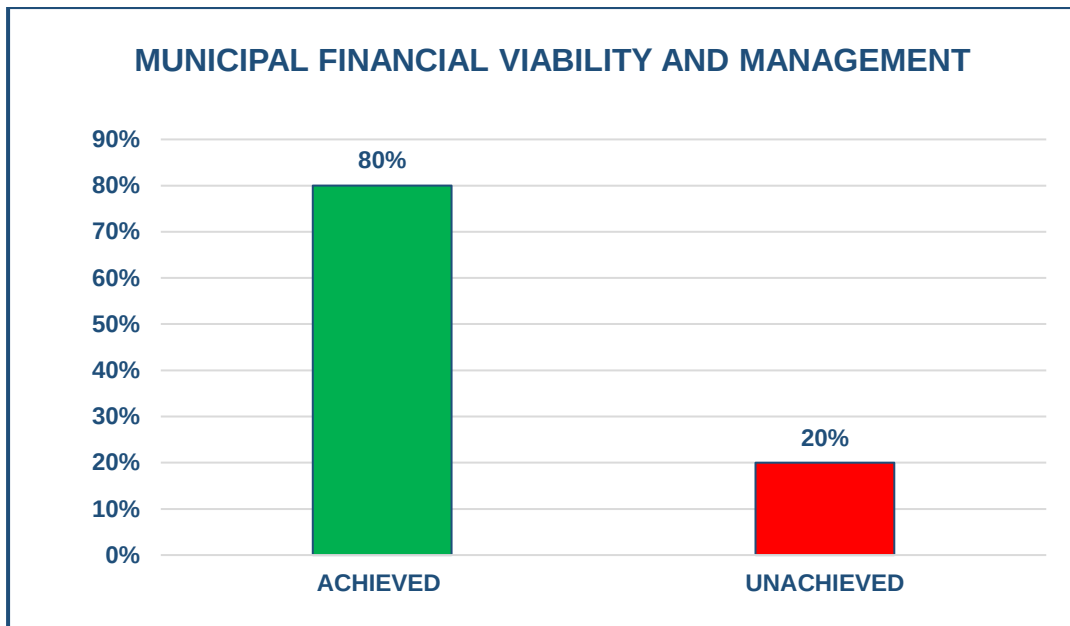
- EPWP jobs created
- Socio-economic Statistical Reports
- Inclusivity and participation of youth owned businesses in technical projects

3.3.4 Challenges

Through much of the year, the municipality still progressed working under Covid-19 regulations, The effects of the pandemic saw a move to a different approach on how to achieve targets, the achievement of 100% under this Key Performance Area was largely due to the ability of staff to adapt to the circumstances.

3.4 Municipal Financial Viability and Management

This KPA comprises only of targets from the budget and treasury department as most of them have to do with finances and budgeting processes. The municipality's performance under this KPA during the 2021/22 financial year had a total of 35 targets. A total of 28 target were achieved, leaving a mere 7 unachieved. This translates to an achievement of 80% in the Key Performance Area.



Graph showing 80% achievement in Municipal Financial Viability and Management KPA

3.4.1 Performance Highlights for 2021/22

The performance highlights for the year 2021/22 under the budget and treasury office are as below:

- Achievement of zero unauthorised and irregular expenditure
- Annual financial statements submitted to the auditor general
- Annual budget adopted by Council
- Budget process plan approved
- Adjustment budget adopted by council
- S71 reports submitted to Council and treasuries in terms of MFMA reporting
- S72 reports submitted to Council and treasuries in terms of MFMA
- S52 reports submitted to Council and treasuries in terms of MFMA
- 100% implementation on MSCOA
- Improvement on the turnaround times achieved for mini-tenders and purchase orders.

3.4.2 Challenges

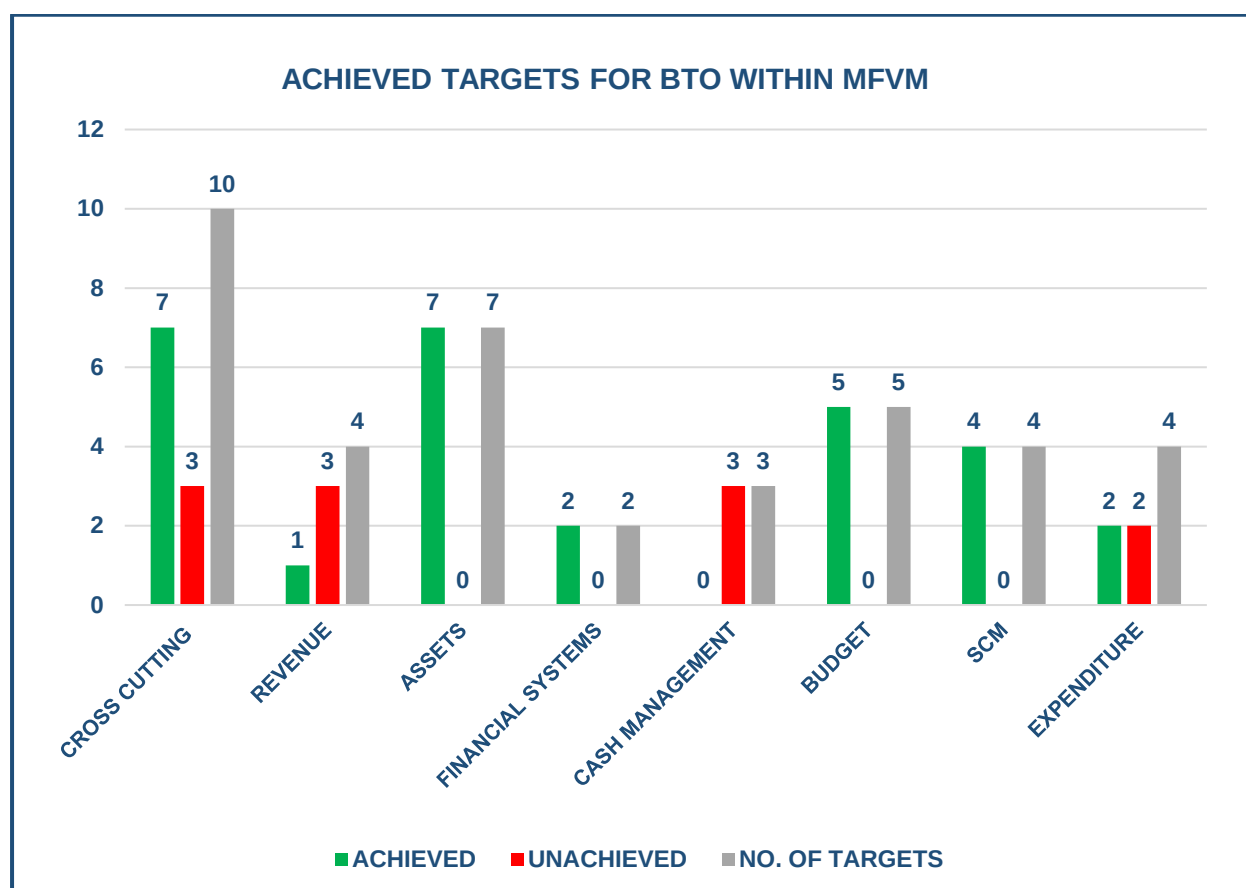
- Unachieved debt coverage ratio
- Suspension of public tenders as per PPPFA resulted in delays in SCM processes.
- High spending on projects and minimal revenue collection
- Cashflow challenges faced by the municipality and the delays in paying service providers

- Unresolved issues regarding billing
- Lack of proper meter reading
- Poor performance by service providers
- Non-renewal of Indigent beneficiaries' applications

3.4.3 Measures Taken to Improve Performance

The Municipality has implemented strategies which aim at working on building sustainable reserves, through improved collections and cutting costs on non-core services. Although there have been small strides achieved during the current financial year, the municipality will continue building reserves in the upcoming year, furthermore the municipality will only commit funding based on its affordability and budget.

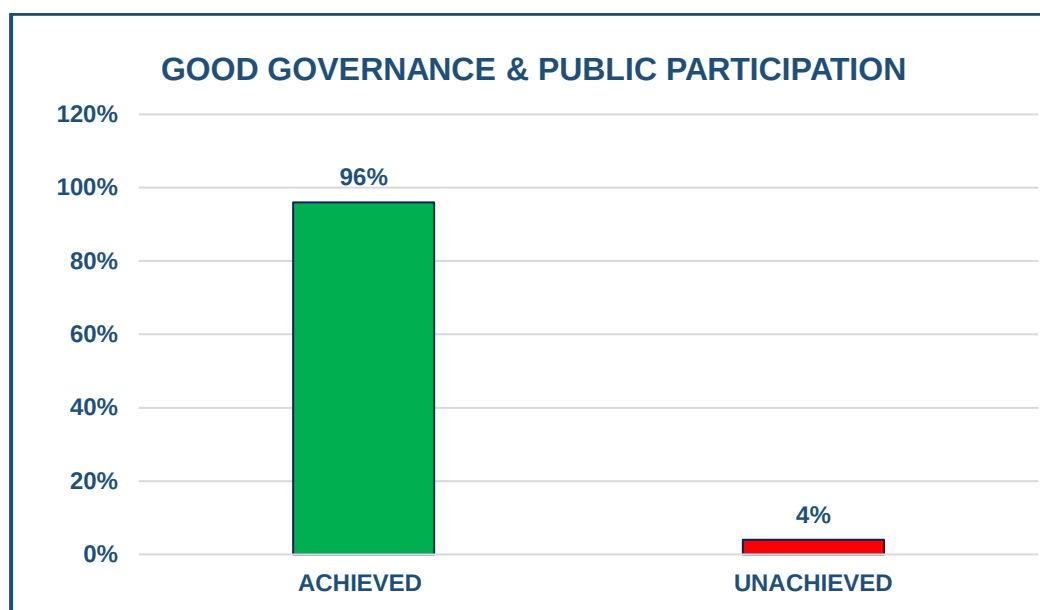
Conducting roadshows to various communities to grow the indigent support and aim at renewing the applications. Vendor performance committee to take action with regards to the vendors which are not performing.



Graph showing the BTO achievements in Municipal Financial Viability and Management KPA

3.5 Good Governance and Public Participation

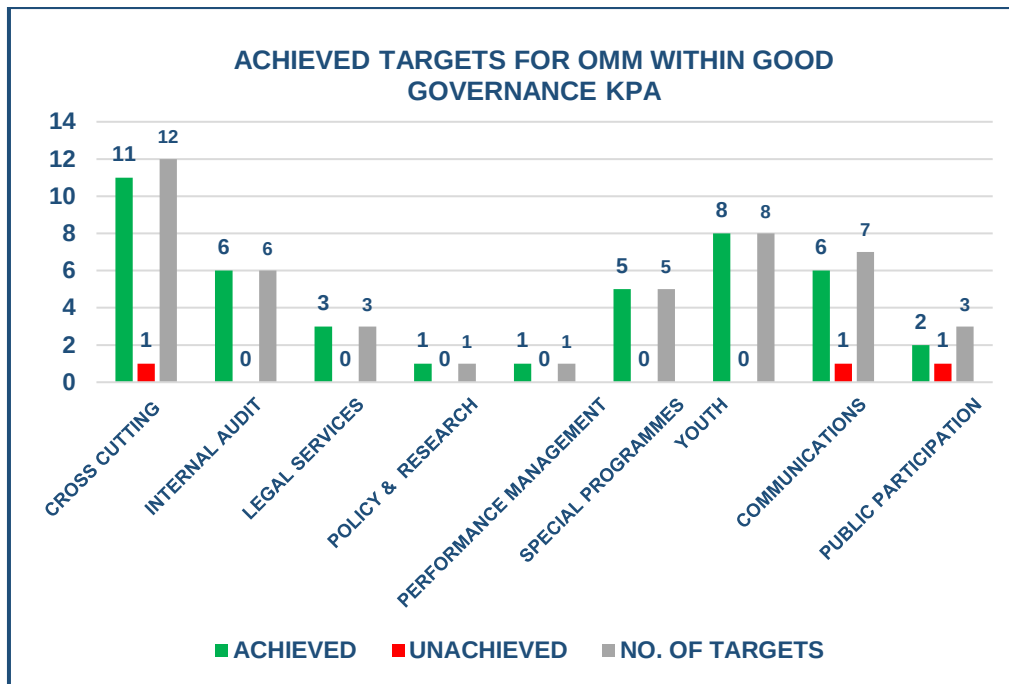
The good governance KPA comprises the office of the municipal manager, budget and treasury office and economic development and environmental services. The municipality's performance under this KPA, has shown phenomenal progressive increases in performance over the past 5 financial years. It should be noted that during the 2017/18 financial year was performance was 83%, in the 2018/2019 financial year it was 72% and in the 2019/2020 financial year it was 53%. For the 2020/21 financial year it was 58%. In the 2021/22 financial year performance measured at an impressive 96%.



Graph showing 96% achievement in the Good Governance and Public participation KPA

3.5.1 Office of the Municipal Manager

Within the office of the municipal manager, the good governance KPA falls within communications, public participation, youth development, policy and research, corporate strategy and shared services, internal audit and legal services sections and the performance is illustrated in the graph below.



Graph showing the OMM achievements in the Good Governance KPA

3.5.2 Performance Highlights for 2021/2022

Office of the Municipal Manager

- Municipal service week
- Service delivery improvement plan developed
- Radio slots by Mayor
- Mayoral Izimbizos conducted
- Press releases targets achieved
- Audit charter and methodology reviewed for municipality and the entities
- Annual internal audit plan developed and reviewed
- Implementation of internal audit plan
- Legal services targets were met
- All youth programmes achieved
- Special Programmes targets were met
- All quarterly performance reviews conducted
- Policy Compliance

3.5.3 Challenges

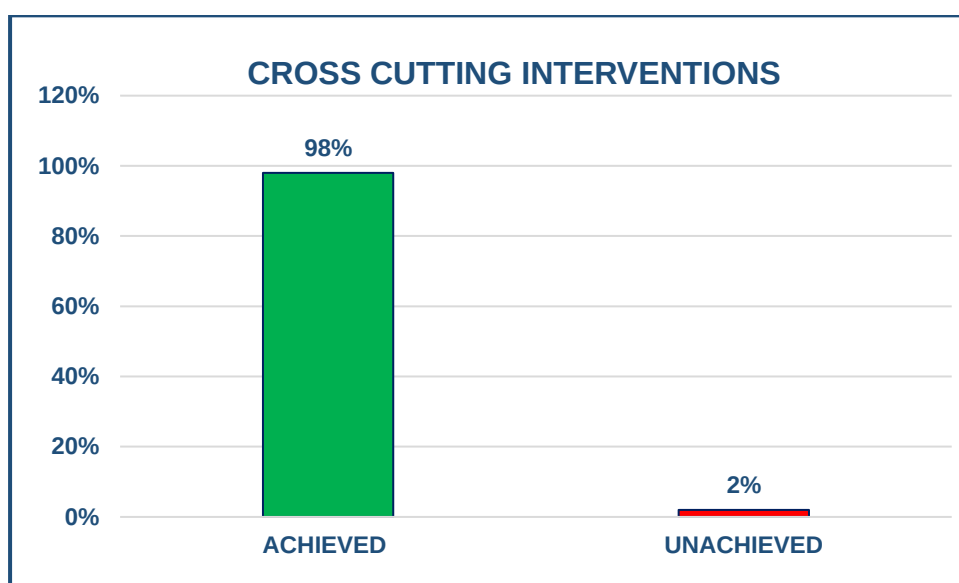
The budgetary constraints within the municipality affected the achievement of a few KPIs within the GGPP Key Performance areas. The ward committee meetings target was not achieved due to the term of office of Ward Committees ending after the 01 November 2021 local government elections. Ward Committees were only functional in Quarter 4 after having been trained and inducted.

3.5.4 Measures Taken to Improve Performance

There were only 3 unachieved KPIs under this KPA and they will be redressed in the 2022/23 financial year.

3.6 Cross Cutting Interventions

This KPA constitutes areas of disaster, waste management, Geographic Information System and Planning. This year saw this KPA with a total of 53 targets of which 52 were achieved. This represents a meritorious 98% achievement.



3.6.1 Corporate Services

The disaster management unit within the corporate services department falls with this KPA. In the 2021/22 disaster management had a total of 18 targets and were able to achieve 100% of these targets. This section has overachieved on many of its KPIs during the 2021 2022 financial year.

3.6.2 Economic Development and Environmental Services

The environmental management and health units fall under this KPA and had a total of 29 targets, of which all were achieved. This section's performance is commendable as it managed to perform all crucial functions well above 100% under limited budget for the financial year.

3.6.3 Office Of The Muncipal Manager

The development planning section within the OMM falls under this KPA and had 6 targets set for the financial year, 5 of those targets were achieved leaving just 1 unachieved. This was due to the district awaiting a land audit conclusion by the local municipality.

3.6.4 Performance Highlights for 2021/22

Corporate services

- COVID 19 response
- Disaster awareness sessions
- Disaster risk assessments
- Ward based disaster meetings
- Implementation of disaster management plans
- Disaster risk maps
- Households inspected for rural fire prevention
- Seasonal preparedness plans event safety management plans
- Community awareness programmes facilitated monthly incident reported and responded to
- District fire services
- Disaster risk management workshops
- Fire and rescue equipment purchased

Economic development and environmental services

- Food Handlers awareness sessions
- Communicable disease control (CDC) sessions held
- Chemical safety sessions held
- PHAST sessions held
- Water & sanitation awareness sessions held
- Percentage of paupers buried
- Number of food samples / swabbing for microbial detection
- Number of inspections conducted on food establishments

- Number of inspections conducted on non- food establishments
- Building plans scrutinised
- Communicable diseases investigated
- Wastewater treatment plants inspected
- Sanitation complaints investigated
- River / lagoons water samples taken and analysed
- WWTW / final effluent water samples taken and analysed
- Standpipes (regional water) water samples taken and analysed
- Boreholes water samples taken and analysed
- Water tankers /static tanks water samples taken and analysed
- Premises inspected for vectors

3.6.5 Challenges

There was only 1 KPI in this Key Performance Area that fell under the Office of the Municipal Manager department that was unachieved. This was due to the district awaiting a land audit conclusion by the local municipality.

3.6.6 Measures Taken to Improve Performance

The 1 unachieved target will only be included in the service delivery and budget implementation plan once the Ray Inkonyeni Municipality conducts its land audit and presents same to the district for inclusion.

4. Key Areas to Note

4.1 Improving Performance

The municipality has performed incredibly well under the circumstances and achieved a commendable 86% for the 2021 2022 financial year. Over the past financial year, the municipality has seen the economy being strained and this has affected every citizen in the Ugu District. Taking into account the effects of the economy Ugu DM has remained resilient in its quest of doing better in managing public funds. Internal controls and astute financial discipline have enabled the municipality to deliver services to consumers. Importantly though is the effect of Covid-19 in the year under review and after reporting date. The effects have been far-reaching, but the municipality has on numerous occasions held

sessions and developed strategies aiming at improving the overall performance of the municipality. Many of these plans are new and still under implementation, the full positive impact of its implementation will be experienced in the 2022.2023 financial year. The financial crisis the municipality has been facing, together with frequent water stoppages has impacted severely on the district. It is however through commitment and proper consequence management that the municipality will see positive strides in performance improvement.

4.2 Deteriorating Performance

Although there were areas of regression, the Ugu District Municipality has shown a marked improvement in progress over the financial year. It should be noted that most findings from the AG were addressed in the municipality's corrective action plan. The overall performance of the municipality for the financial year 2021/22 shows an increase from the previous year's performance, this is represented by a 19% improvement.

5. Lessons Learnt and Way Forward

The most significant challenge for the municipality over the past years has been the ageing infrastructure and the lack of proper operation and maintenance thereof. The lack of funding to address these ongoing challenges continues to affect efficient service delivery within the district.

The Ugu District Municipality, along with many other municipalities has been cited as one with serious "going concern" challenges by the Auditor General. The strained cash flows, high municipal debt and low collections on municipal revenue have impacted the operations quite severely. The implementation of strict spending strategies, together with a collective buy-in by all concerned is proving to quite fruitful thus far. With concerted efforts to improve the financial and administrative performance of the institution, the progressive increase in performance will continue to grow.

6. Assessment of Vendor Performance for the 2021/2022 FY

The vendor performance management framework is implemented together with the SCM policy and is initially meant to monitor the performance of service providers with regards to orders and or contracts entered with certain vendors. All departments within the municipality are expected to provide a monthly report to the SCM unit with attachments of the service providers. Overall, the performance of the vendors in the past financial year has been satisfactory based on the submissions received by the user departments. There have been no vendors who have been escalated to National Treasury as defaulters.

Below is an assessment of all the vendors that have provided services to the municipality in the year 2021/2022



ANNUAL VENDOR PERFORMANCE REPORT

FINANCIAL YEAR: 2021-2022

DEPARTMENT CORPORATE SERVICES

BID/OR DERNO	VENDOR	DATE OF AWARD	ORDER VALUE CONTRACT AMOUNT	START DATE	END DATE	TARGETS (TIMEFRAMES)	CUMMULATIVE MONTHLY PROGRESS													POE/ CORRECTIVE MEASURE
							Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Overall Performance	
ugu-05-1487-2018	skillfull1169cc/capital office automation	01-07-18	3545.028,000	Oct-19	Sep-22	36months	GOOD	GOOD	GOOD	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	nil
UGU-05-1557-2020	Amazimzim Security Services	01 June 2021	24,548,676.48	01-Jun-21	31-05-2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
UGU-05-1414-2016	Alcocks Services Group	01-May-19	89,120.64	01-May-19	30-Apr-22	36months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
UGU-05-15072019	EZOGU Cleaning	15-Jun-20	7,726,777.50	01-Jul	30-Jun-22	36months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
P011416	Super T Trading	once -off	178,700.00	Once-Off	Once -Off	Once -Off	GOOD	Once -Off	Once -Off	Once -Off	Once -Off	Once -Off	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
UGU-05-1557-2020	Ithunzi Security Services	01-Jun-21	23,014,384.20	01-Jun-21	31-05-2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
Ugu-05-1539-2021	Lock Smith	36 Months	4520,103.75	01-Jan-21	31-Jan-23	36Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
UGU-05-1557-2020	Mzansi Security Services	01 June 2021	12,274,338.24	01-Jun-21	31-Dec-23	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
P012082	Zamathombeni Cleaning Services	5 Months	160,000.00	01-Jul-21	30-Nov-21	05 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
REQ 12540	Lootch Security Services	Month to Month	18,632.84	Month to Month	Month to Month	Month to Month	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
ugu -05-1522-2019	Okhandayo Trading	36 months	50000	01-Mar-21	30-Sep-23	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
Ugu-05-1547-2020	Avert Pest Control	36months	R 254 634. 32	01-Apr-21	31-Mar-24	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil

Ugu-05-1522-2019	Nicaud trading	36 months	P011484	10-03-2021	30-Sep-22	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
Ugu-05-1522-2019	PWBS Civils & Construction	36 months	No yet allocated	Not started	30-Sep-22	36 months	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
Ugu-05-1522-2019	Specialised Construction and civil	36 months	No yet allocated	Not started	30-Sep-22	36 months	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
Ugu-05-1522-2019	Thembamina trading and Project	36 months	P011484	06-02-2021	30-Sep-22	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
ugu -05-1522-2019	Appile Nandie trading	36 months	PO11856	16-06-2021	30-Sep-22	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
ugu-05-1522-2019	Amandla Amhlophe	36 months	No yet allocated	Not started	30-Sep-22	36 months	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
ugu-05-1522-2019	Ndikela Trading	36months	PO11666	20-05-2021	30-Sep-22	36Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
Ugu-05-1522-2019	Wildfire trading	36 months	No yet allocated	Not started	30-Sep-22	36Months	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	Not yet Allocated	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
ugu-05-1522-2019	Lavisto D Group	36 months	P011156	10-05-2021	30-Sep-22	36Months	POOR	POOR	NO Purchase order issued for the month of September	POOR	POOR	POOR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	nil
Ugu-05-1522-2019	Dynamo -Duck trading	36 months	PO111671	05-10-21	30-Sep-22	36Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
ugu -05-1522-2019	Okhandayo tradings	36 months	P011521	22-02-2021	30-Sep-22	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
ugu-05-1470-2019	document warehouse	36 Months	476,487.78	01-Jan-19	31-Jun-22	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	nil
Ugu-07-1381-2016	Sanarth	06-Feb-17	Rate base	06-Feb-16	06-Feb-20	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	service have been provided based on order issued
Ugu-05-1383	CPL Group	21-Dec-16	Rate base	21-Dec-16	21-Dec-20	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	OWNER PASSED ON-SERVICE NEVER RENDERED
Ugu -05-1383-2016	Auto Junction Fitness tyres	21-Dec-16	Rate based	21-Dec-16	21-Dec-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	service have been provided

Ugu -07-1381-2016	D- Tec Motors	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	service have not been rendered demanding payments before doing the work
Ugu -07-1381-2016	Autocheck (PORT SHEPSTONE)	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	service have been provided.
Ugu-07-1381-2016	Emhlungwini Trading and construction	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	services have been provided
Ugu-07-1381-2016	Brain Thompstone & brothers	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Service have been provided
Ugu-07-1381-2016	DRS Auto (PTY)LTD	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	service have been provided
Ugu-07-1381-2016	Hampson Auto	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	service have been provided
Ugu-07-1381-2016	Mj Light Heavy Duty	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	service have been provided
Ugu-07-1381-2016	EMC Properties cc t/a EMC	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	service have been provided
Ugu-07-1381-2016	Bates & Johnstone Motors	06-Feb-17	Rate based	06-Feb-16	06-Feb-20	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	they provide their service base on individual orders
UGU-05-1528-2019	Trendtech t/a Analog	15 May 2020	4,494,807.00	1 August 2020	31 July 2023	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
UGU-0-1465-2018	VOX	15 Oct 2018	5,848,622.90	1 Dec 2018	01 Dec 2021	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
UGU-05-1466-2018	S Con IT Services and Lenovo Financial Services	15 Oct 2018	5 068 404.00	1 March 2019	28 Feb 2022	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil

UGU-05-1508-2019	EASTCOAST SOLUTIONS CC	10 December 2019	1 911 213.75	1 January 2020	31 December 2023	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
ugu-05-1509-2019	Phandu Communications	10 December 2019	1 612 153.43	January 2020	31 December 2023	36 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
UGU-05-1506-2019	SIMPLY IT AND ACCOUNTING SOLUTION	03 January 2020	908 920.96	1 February 2020	31 January 2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO09776	Consolidated African Technologies	07 August 2020	199 030.00	1 August 2020	30 June 2021	12 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO07278	ESRI South Africa	01 July 2020	161 210.00	1 July 2020	30 June 2021	12 months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO09804	Labware Africa	05 August 2020	118 992.60	1 October 2020	30 September 2021	12 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO10684	WOLTERS KLUWER TAX AND ACCOUNTING SOUTHERN AFRICA	03 December 2020	22,907.30	31 December 2020	31 December 2021	12 months	GOOD	GOOD	GOOD	GOOD	Nil	Nil	NIL	NIL	NIL	NIL	NIL	NIL	NIL	Nil
PO10761	Nashua Communications (Plus one x)	10 December 2020	216,116.11	1 January 2021	30 December 2021	6 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO10944	DECISIONINC	31 December 2020	97,980.00	1 January 2021	31 December 2021	12 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO011226	Servipro	11 March 2021	1,062,920.00	11 March 2021	30 June 2022	12 Months	Challenged	Challenged	Challenged	Challenged	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO011229	Khanya Africa	11 March 2021	194,691.18	11 March 2021	30 June 2022	12 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO011341	KwaDukuza IT	06 April 2021	94,276.00	01 June 2021	31 May 2023	24 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO11360	Adapt IT	13 April 2021	137,337.60	1 June 2021	31 May 2023	12 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil

PO1147 2	Klinikal Touches	28 April 2021	393,270.00	1 April 2021	30 June 2021	3 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	Nil
PO0977 7	QUAL CHEM		R19,950.00	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO0981 7	ZUMAAN GROUP		R6,440.00	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1006 2	QUAL CHEM	THESE ARE ONCE OFF REQUISITI ONS THERE ARE NO FIXED TERM CONTRA CTS	R11,000.00	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1006 1	CAR PLATES & SIGNS		R6,440.00	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1016 2	ARENA HOLDINGS		R39,923.40	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1016 3	SOUTH COAST HERALD		R5,244.00	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1087 3	QUAL CHEM		R19,510.00	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1130 5	SOUTH COAST HERALD		R4,769.28	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1131 9	SASLAW		R1,840.00	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1100 7	ZUMAAN GROUP		R8,625.00	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1119 0	WORK DYNAMICS		R14,574.73	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1182 1	SOUTH COAST HERALD		R4,620.24	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1178 5	ARENA HOLDINGS		R39,923.40	N/A	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
PO1170 3	LUCKYS SPORTS		R29,900.00		N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
Ugu-05 - 1513- 2019	Mashize Investments	14/09/20 20	Panel	14/09/20 20	14/09/20 23	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
Ugu-05 - 1513- 2020	One Time Disaster Management solution	14/09/20 20	Panel	14/09/20 20	14/09/20 23	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL
Ugu-05 - 1513- 2021	Ezogu Trading	14/09/20 20	Panel	14/09/20 20	14/09/20 23	36Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL

Ugu-05 - 1513-2022	Mabhakubhaku Trading (PTY)LTD	14/09/2020	Panel	14/09/2020	14/09/2023	36Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2023	Mondewethu Projects and Trading (Pty) Ltd	14/09/2020	Panel	14/09/2020	14/09/2023	36Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2024	Zamashaze Investments (Pty) Ltd	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2025	Mthobonga Enterprise	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2026	Tee-Cee Communications (PTY)LTD	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2027	Zingezethu Trading and Projects 44cc	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2028	Aya Holdings	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2029	Qhubheko Electricity	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2030	Bhokoharama Contruction (Pty) Ltd	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2031	Ikwa Africa Civils (Pty) Ltd	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2032	Vigilant 535 (Pty)Ltd	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
Ugu-05 - 1513-2033	Mafuze SCE Business Solutions	14/09/2020	Panel	14/09/2020	14/09/2023	36 Months	GOOD	GOOD	GOOD	GOOD	GOOD		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	NIL	
BID/OR DERNO	VENDOR	DATEOF AWARD	ORDERVALUE CONTRACT AMOUNT	STARTDATE	ENDDATE	TARGETS (TIMEFRAMES)	CUMMULATIVE MONTHLY PROGRESS														POE/ CORRECTIVEMEASURE
							Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	OverallIP erformance		

RT25-2016	CCG Systems (Pty) Ltd.	16/11/2016	R14.3m	16/11/2016	15/11/2019	100% Implementation of mSCOA-compliant Financial Management System	POOR. No significant progress made on the revised project plan.	Unacceptable. Failure to report progress properly and regularly made it impossible to track CCG's performance on this project. The report to the project meeting gave a better view of the progress, however some system owners wanted demos of the progress reported.	Unacceptable. CCG failed to meet the 30 September 2021 target date for all the outstanding deliverables to be ready to test or roll-out to production as resolved in the mSCOA Project meeting of August 2021.	Unacceptable. CCG failed to meet the 31 October 2021 target date for all the outstanding deliverables to be in production as per the agreement.	Unacceptable. CCG failed to meet the 31 October 2021 target date for all the outstanding deliverables to be in production as per the agreement.	Unacceptable. CCG failed to meet the 31 October 2021 target date for all the outstanding deliverables to be in production as per the agreement.	Undetermined. The contract was extended for another six months. The new target date is set to 30 April 2022. The first progress report is due for submission to Manco on Monday 21 February 2022.	Not applicable this month.	Not applicable this month.	POOR. CCG failed yet again to meet the deadline, which was the last one in terms of Manco resolution of October 2021. The delay on submission of Audited FAR contributed to the failure to finalise Fixed Asset module and CompuPlot module.	Not applicable this month.	POOR. No significant progress made on the revised project plan.	POOR	A meeting between CCG and ourselves, led by the CFO will discuss the way forward. In the meantime, the 30th of June 2022 is informally set as the final deadline.
Ugu-06-1504-2019	CCG Systems (Pty) Ltd.	20/03/2020	R2 991 150.00	01/04/2020	30/03/2023	Provision of mSCOA Financial Management System Support for a period of 36 months	POOR. Having only achieved 63%, CCG did not meet the SLA 70% minimum calls resolved within the month. The also delayed the update of the Budget App resulting in the submission of July 2021 IYR to Treasury with errors.	POOR. Having only achieved 58%, CCG did not meet the SLA 70% minimum calls resolved within the month. Some of the fixes the implemented for Revenue have not been effective and thus have to be redone.	POOR. Having only achieved 67%, CCG did not meet the SLA 70% minimum calls resolved within the month.	Satisfactory. CCG claims to have achieved 81% for the month of October 2021. With no credible tracking tool, this claim is accepted with reservations	POOR. Having only achieved 69%, CCG did not meet the SLA 70% minimum calls resolved within the month.	Satisfactory. CCG claims to have achieved 100% for the month of December 2021. Some of the calls reported on have not been recorded on our tracking tool, which is an internal process deficiency.	Satisfactory. CCG have achieved 88% for the month of January 2022 and the FMSS support team did not dispute CCG's submission. FMSS support team records support calls to CCG on our tracking tool.	Satisfactory. CCG resolved 92% of escalated support issues for the month of February 2022.	Satisfactory. CCG resolved 100% of escalated support issues for the month of March 2022.	Satisfactory. CCG resolved 100% of escalated support issues for the month of April 2022.	Satisfactory. CCG resolved 88% of escalated support issues for the month of May 2022.	POOR. Having only achieved 69%, CCG did not meet the SLA 70% minimum calls resolved within the month	POOR	The improvement in performance on this contract is believed to be encouraged by the municipality enforcing its remedial actions on the agreement, which include financial penalties.

BID/OR DERNO	VENDOR	DATEOF AWARD	ORDERVALUE CONTRACT AMOUNT	STARTD ATE	ENDDAT E	TARGETS (TIMEFRA MES)	CUMMULATIVE MONTHLY PROGRESS														POE/ CORREC TIVEMEA SURE
							Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	OverallP performan ce		
S36	Petterson Pandaram Attorneys	Jun-11	Rate Based	Jul-11	Not yet finalised	This matter was handed over due to an outstanding account for Mr IG Gilmour Claim: R38 026.83	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performa nce		
S36	AT Mpungose& Dlamini	08-Nov- 17	Rate Based	08-Nov- 17	Not yet finalised	Represent the Municipality in litigation brought by Gralio Precast	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performa nce		
S36	AT Mpungose& Dlamini	11-Oct- 18	Rate Based	Oct-18	Not yet finalised	Represent the Municipality in litigation brought by RNP Agencies for claim in damages.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performa nce		
S36	AT Mpungose& Dlamini	15-Feb- 19	Rate Based	Feb-19	Not yet finalised	Represent the Municipality in the Cyassound Holdings termination of lease.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performa nce		
S36	AT Mpungose& Dlamini	26-Mar- 19	Rate Based	Mar-19	Not yet finalised	Represent the Municipality in the Mr Cool Air Conditionin g matter.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performa nce		
S37	AT Mpungose& Dlamini	15-Mar- 22	Rate Based	Mar-22	Not yet finalised	Represent the Municipality in the CHARL WILCOCKS matter	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performa nce		
S36	AT Mpungose& Dlamini	05-Feb- 20	Rate Based	Feb-20	Not yet finalised	Represent the Municipality in the SAMWU OBO S P NDABA	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performa nce		

						AND OTHERS matter.														
S36	Seethal Attorneys	2014	Rate Based	2014	Not yet finalised - Awaiting trail date	Represent the Municipality in the Ingrid Gramony matter.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performance
S36	Seethal Attorneys	2015	Rate Based	2015	Not yet finalised	Represent the Municipality in the P. V CONCO matter	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performance
S36	Seethal Attorneys	20-Jul-16	Rate Based	Jul-16	Not yet finalised	Represent the Municipality in the MSAWENK OSI PATRICK SAHKE matter	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performance
S37	Seethal Attorneys	20-Jul-21	Rate Based	Jul-21	Not yet finalised	Represent the Municipality in the PREMIER ATTRACTI ON matter	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY performance
S36	Seethal Attorneys	26-Nov-16	Rate Based	Nov-16	Not yet finalised	Represent the Municipality in the SAN LAMEER HOMEOWNERS ASSOCIATION matter	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performance
S36	Shepstone and Wylie Attorneys	03-May-17	Rate Based	May-17	Not yet finalised	Represent the Municipality in the CHARL WILCOCKS matter	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY	SATISFACTORY performance
S36	Shepstone and Wylie Attorneys	08-Jun-19	Rate Based	Jun-19	Not yet finalised	Represent the Municipality in the YVONNE DRAAI matter	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD Performance

EDES VENDOR PERFORMANCE REPORT
ENVIRONMENTAL SERVICES

BID/ ORDER NO.	VENDOR	DATE OF AWARD	PROJECT VALUE	START DATE	END DATE	TARGETS (INCL. TIME FRAME)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	
PO1018 1	NATIONAL HEALTH LABORATORY SERVICES	01-10-20	R192918.49	01-10-20	30-06-21	12 MTH	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	
PO0984 6	ULWAZI	19-08-20	R150000.00	19-08-20	30-06-21	12 MTH	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	
PO1222 6	NATIONAL HEALTH LABORATORY SERVICES	05-Aug- 21	R190 000	01-07-21	30-06-22	12 MTH	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	
PO1218 4	BECHOOS FUNERAL SERVICES	13-Aug- 21	R170 000	01-07-21	30-06-22	12 MTH	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	
PO1218 2	ASPIRITA	13-Aug- 21	R55 200	01-07-21	30-06-22	12 MTH	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	
PO1228 5	CONMAR HORTICULTURE (PTY) LTD	28-Jun- 21	R1282 451.25	16-Aug- 21	31-12-21	06 MTH	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	
PO1310 6	DIYA VALVEES INTERNATIONAL	07-12-21	R40 194.23	10-12-21	10-12-21	01 MTH	GOOD	GOOD	POOR	POOR	POOR	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	

WII	VENDOR	DATE OF AWARD	PROJECT VALUE	START DATE	END DATE	TARGETS (INCL. TIME FRAME)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22		

Ugu-07-1561-2020	Amadudeni Trading	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Amanqamngeshe Trading	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Appileh Nandie Trading and Projects	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Awuzibuse General Trading	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Bhodlinyama Trading	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Blue Dot Projects	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Dubandlela 696 Trading Enterprise cc	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Dummy and Themby Trading and Projects	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Dynamo Duck Trading and Projects	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Ezogu Trading	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

Ugu-07-1561-2020	Gasela Plant Hire PTY LTD	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Imvelo Consulting and Project Managers	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Ingwe Civils and Construction	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Isango Catering Aya Holdings JV	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Lambadino Trading and Projects	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	LNy Construction and Civils	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Macala Fuze Developments	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Menziwa Development Projects cc	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	MSS Build	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Ndlumbi Trading JV Zikhadi Zangwadi	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

Ugu-07-1561-2020	Njengamanje Trading cc	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Okhandayo PTY LTD	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Sammelo Investments PTY LTD	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Sezandile Trading and Projects	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Siyamisana 28 cc	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Starplex 561 cc	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Sukuma Mzansi JV Exponesia Trading	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Wildfire Trading	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Zama Zama Engineering	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
Ugu-07-1561-2020	Zamisanani Projects JV	20-Apr-21	R 17 953.00 Per Unit	10-May-21	10-May-24	Installation of Ventilated Improved Pits for a period of 36 Months.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1384-2016	FS Gonzalves Construction	11-10-17	R12 759 593.55	11-10-17	10-06-19		GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

UGU-07-1384-2016	TJ Architects	11-08-16	R54 944 002,34	11-08-16	10-06-19		GOOD	GOOD										
UGU-07-1531-2020	Appileh Nandie Trading	23-02-21	R7 606 767,58	02-03-21	15-09-21	Constructio n of 40- 250mm diameteruP VC and HDPE Mabheleni Phase1	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
BID/ ORDER NO.	VENDOR	DATE OF AWARD	PROJECT VALUE	START DATE	END DATE	TARGETS (INCL. TIME FRAME)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
UGU-07-1532-2020	Mzansi LDK Trading	23-02-21	R3 940 061,98	02-03-21	15-09-21	Constructio n of 40- 110mm diameter Upvc and HDPE Mabheleni Phase 2	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1533-2020	Widfire Trading	23-02-21	R3 026 230,41	02-03-21	15-09-21	Constructio n of 40- 110mm diameter Upvc and HDPE Mabheleni Phase 3	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1534-2020	Mzansi LDK Trading	23-02-21	R5 258 581,40	02-03-21	15-09-21	Constructio n of 40- 160mm diameter Upvc and HDPE Mabheleni Phase 4	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1535-2020	Gqobhitsuhe	23-02-21	R3 624 946,03	02-03-21	15-09-21	Constructio n of 40- 160mm diameter Upvc and HDPE Mabheleni Phase 5	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1536-2020	Kulu Civils	01-03-21	R7 364 986,40	02-03-21	15-09-21	Constructio n of 40- 160mm diameter Upvc and HDPE Mabheleni Phase 6	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1494-2019	Amanqamqheshe	15-08-19	R12 697 987,53	09-09-19	30-06-20	Constructio n of Hannover Pump Station Number 2	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1495	Thubalam Trading	04-11-20	R15 830 316,89	20-01-21	30-06-21	Suction pipeline from the new hannover pump station to	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						the new 5ML reservoir															
UGU-07-1496-2019	Zamisanani	06-11-20	R12 444 488,10	15-02-21	30/9/201	Constructio n of Florida 5ML Reservoir	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

VENDOR PERFORMANCE REPORT : WATER SERVICES OPERATIONS (SOUTH)

BID/OR DER NO	VENDOR	DATE OF AWARD	ORDER VALUE/CONTR ACT AMOUNT	START DATE	END DATE	TARGETS (INCL. TIME FRAMES	AMEND ED DATE	REASO N FOR AMEND MENT	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
UGU-07-1546-2020	Klomac Engineering (PTY) LTD	Wednesd ay, April 21, 2021	Starndard Rates	Wednesd ay, April 21, 2021	22 April 2024	The Supply and Delivery of Chemical Coagulants and Specialised Handling Equipment for Water and Wastewater Treatment Works for a period of 3 years.	N/A	N/A	Has not started working; allocation rotated.	Has not started working; allocation rotated.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1546-2020	Inqubeko Engineering Solutions	Wednesd ay, April 21, 2021	Starndard Rates	Wednesd ay, April 21, 2021	22 April 2024	The Supply and Delivery of Chemical Coagulants and Specialised Handling Equipment for Water and Wastewater Treatment Works for a period of 3 years.	N/A	N/A	Has not started working; allocation rotated.	Has not started working; allocation rotated.	Has not started working; allocation rotated.	Has not started working; allocation rotated.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1546-2020	Improchem (PTY) LTD	Wednesd ay, April 21, 2021	Starndard Rates	Wednesd ay, April 21, 2021	22 April 2024	The Supply and Delivery of Chemical Coagulants and Specialised Handling Equipment for Water and Wastewater Treatment	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						Works for a period of 3 years.														
UGU-07-1546-2020	Metsi Chem International (PTY) LTD	Wednesday, April 21, 2021	Standard Rates	Wednesday, April 21, 2021	22 April 2024	The Supply and Delivery of Chemical Coagulants and Specialised Handling Equipment for Water and Wastewater Treatment Works for a period of 3 years.	N/A	N/A	Has not started working; allocation rotated.	Has not started working; allocation rotated.	Has not started working; allocation rotated.	Has not started working; allocation rotated.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1546-2020	Rheochem (PTY) LTD	Wednesday, April 21, 2021	Standard Rates	Wednesday, April 21, 2021	22 April 2024	The Supply and Delivery of Chemical Coagulants and Specialised Handling Equipment for Water and Wastewater Treatment Works for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1546-2020	Telegenix Trading (PTY) LTD	Wednesday, April 21, 2021	Standard Rates	Wednesday, April 21, 2021	22 April 2024	The Supply and Delivery of Chemical Coagulants and Specialised Handling Equipment for Water and Wastewater Treatment Works for a period of 3 years.	N/A	N/A	Has not started working; allocation rotated.	Has not started working; allocation rotated.	Has not started working; allocation rotated.	Has not started working; allocation rotated.	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	McMillion Logistics and Projects (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Asisbongi Trading (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

UGU-07-1447-2017	Masizikhulise Contruction cc	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Mkhewula (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Macalafuze Development	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	04 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Mpho Moloyi (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	05 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Eyethu Projects & Plant Hire	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	06 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Zamisani Projects	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	07 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Dynamo Duck Trading and Projects 192 cc	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	08 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Ebekezela Construction	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	09 August 2022	The Supply and Delivery of Potable Water to	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						UGU District Municipality for a period of 3 years.															
UGU-07-1447-2017	Moor Transport (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Horizontal Records	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Vulindlela Enterprises (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Mondewethu Projects & Trading (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Wasteng (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Khanali Trading (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Halalasizwe (Pty) Ltd	Thursday , May 02, 2019	R1 900 per Tanker R9 per Kilometre	Thursday , May 02, 2019	03 May 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

UGU-07-1447-2017	Mondi 2003 (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Esiliva Enterprises (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	04 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	VBZ Construction and Plant Hire	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	05 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Mzansi LDK Tranging cc	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	06 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Ethos Transport and Road Services	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	07 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Ezikamshalazi Trading and Projects (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	08 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Siyabonga Construction cc	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	09 August 2022	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Aqua Transport and Plant Hire (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	10 August 2022	The Supply and Delivery of Potable Water to	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						UGU District Municipality for a period of 3 years.															
UGU-07-1447-2017	Seneliso Projects	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Ithunzi Protection Services cc	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Daqlas Projects	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Truimphant 2014 (Pty) Ltd		R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Nomali M01 Projects		R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Harappa Trading cc		R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Inyameko Trading cc 602	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert,	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						Storm Water Drain, Manholes for a period of 3 years.															
UGU-07-1498-2019	Dynamo Duck Trading and Projects 192 cc	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Gingordin Methods Trading	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Muchero Logistics JV The Flusher Boys (Pty) Ltd	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Mzansi LDK Tranging cc	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Zengele's Supply Services	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						Paving, Asphalt, Boundary Wall, Culverty, Storm Water Drain, Manholes for a period of 3 years.																
UGU-07-1498-2019	Uyapo Engineering Projects	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culverty, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	RDC Builders and Plumbers	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culverty, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Appileh Nandie Trading	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culverty, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Emhlungwini Trading and Construction	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culverty, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

UGU-07-1498-2019	P4S Trading cc	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Awuzibuse General Trading	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Kusabalele Investments	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Lavender Moon	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Mikieta Construction	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						Water Drain, Manholes for a period of 3 years.																
UGU-07-1498-2019	Cenge Group	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Chiliza Properties	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	SPL Ndovela Construction	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Thembamina Trading and Projects	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Zingezethu Trading and Projects	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving,	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						Asphalt, Boundary Wall, Culverty, Storm Water Drain, Manholes for a period of 3 years.															
UGU-07-1518-2019	Inyameko Trading cc 602	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Makhukhu Development Projects	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Macala Fuze Development	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Mzansi LDK Tranging cc	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Fez Building Construction	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Lubelu Investment (Pty) Ltd	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	EGS Investments Solutions	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						e: Northern, Southern and South Western Areas.														
UGU-07-1518-2019	Appileh Nandie Trading	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Dummy and Themby Trading and Projects	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Mikieta Construction	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Dynamo Duck Trading and Projects 192 cc	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Mlondi 2003 Projects (Pty) Ltd	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Nicaud Trading 12 t/a Drain-A-Way	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Awuzibuse General Trading	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

UGU-07-1518-2019	Thiyane Contractors	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Nobinda Properties cc	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2020	Eyethu Projects & Plant Hire	Wednesday, March 17, 2022	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2021	Gingordin Methods Trading	Wednesday, March 17, 2023	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-06-1564-2020	Mzansi LDK Trading cc	July 29, 2021	R 1,242,230.00	01-09-21	21 December 1930	Umthavuna Water Treatment Works Clarifier Equipment Refurbishment and Replacement	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Macalafuze Development	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Wasteng (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Halalasizwe (Pty) Ltd	Thursday, May 02, 2019	R1 900 per Tanker R9 per Kilometre	Thursday, May 02, 2019	03 May 2024	The Supply and Delivery of Potable Water to	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

						UGU District Municipality for a period of 3 years.																
UGU-07-1447-2017	Harappa Trading cc	Thursday, May 02, 2020	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Muchero Logistics JV The Flusher Boys (Pty) Ltd	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	Appileh Nandie Trading	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1498-2019	P4S Trading cc	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Service Providers for Re-Instatement of Concrete Paving, Asphalt, Boundary Wall, Culvert, Storm Water Drain, Manholes for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Macala Fuze Development	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

UGU-07-1518-2019	Fez Building Construction	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Appileh Nandie Trading	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1518-2019	Thiyane Contractors	Wednesday, March 17, 2021	Standard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Aqua Transport and Plant Hire (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	Ithunzi Protection Services cc	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1447-2017	McMillion Logistics and Projects (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

VENDOR PERFORMANCE REPORT - WSO - AREA SOUTH WEST

BID/OR DER NO	VENDOR	DATE OF AWARD	ORDER VALUE/CONTR ACT AMOUNT	START DATE	END DATE	TARGETS (INCL. TIME FRAMES	AMEND ED DATE	REASO N FOR AMEND MENT	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
UGU-07-1447-2017	McMillion Logistics and Projects (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD										
UGU-07-1447-2017	Asisbongi Trading (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD										
UGU-07-1447-2017	Ebekezela Construction	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD										
UGU-07-1447-2017	Wasteng (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD										
UGU-07-1447-2017	Halalasizwe (Pty) Ltd	Thursday , May 02, 2019	R1 900 per Tanker R9 per Kilometre	Thursday , May 02, 2019	03 May 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD										
UGU-07-1447-2017	Aqua Transport and Plant Hire (Pty) Ltd	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD										

UGU-07-1447-2017	Ithunzi Protection Services cc	Friday, August 02, 2019	R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD										
UGU-07-1447-2017	Nomali M01 Projects		R1 900 per Tanker R9 per Kilometre	Friday, August 02, 2019	03 August 2024	The Supply and Delivery of Potable Water to UGU District Municipality for a period of 3 years.	N/A	N/A	GOOD	GOOD										
UGU-07-1518-2019	Mzansi LDK Tranging cc	Wednesday, March 17, 2021	Starndard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD										
UGU-07-1518-2019	Dummy and Themby Trading and Projects	Wednesday, March 17, 2021	Starndard Rates	Wednesday, March 17, 2021	18 March 2024	Civil Repair and Maintenance Infrastructure: Northern, Southern and South Western Areas.	N/A	N/A	GOOD	GOOD										

VENDOR PERFORMANCE REPORT -WATER RESOURCE MANAGEMENT

BID/ORDER NO	VENDOR	DATE OF AWARD	ORDER VALUE/CONTRACT AMOUNT	START DATE	END DATE	TARGETS (INCL. TIME FRAMES)	AMENDED DATE	REASON FOR AMENDMENT	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
UGU-07-1538-2020	JTN	10 November 2020	R72,350,000.00	01 July 2021	30 June 2022	Non-Revenue Water Reduction Interventions	None	None	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
				01 July 2021	30 June 2022	Refurbishment and Replacement of existing and aged infrastructure within Ugu District Municipality water supply systems	None	None	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
				01 July 2021	30 June 2022	Revenue Management Plan	None	None	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD

Addendum to the Ugu/Umgeni Bulk Water SLA was signed by all the stakeholders	Umgeni Water	01 October 2016	R6,500,000.00	01-Oct-16	On Going	The service provider is expected to sample and analyse all points as per Risk Based Monitoring Programme for both water and wastewater processes including Rivers and Trade Effluent	None	None	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
UGU-07-1558-2020	Vangard	05 May 2021	R157,215.35	01-Oct-21	On Going	Supply and delivery of all priced material in the BOQ within set time	None	None	N/A	N/A	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD	GOOD
END OF VENDOR PERFORMANCE ASSESSMENT REPORT FOR 2021 2022																				

7. Ugu Compliance Report for 2021/2022 FY

See below

Reference	Legislation	Section	Instruction	COMPLIANCE STATUS FOR 21.22
1	Local Government: Municipal Finance Management Act - Municipal	121(1)	Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.	24-03-2022 - COMPLIANT
2	Local Government: Municipal Finance Management Act - Municipal	127(1)	The accounting officer of a municipal entity must, within six months after the end of a financial year, or on such earlier date as may be agreed between the entity and its parent municipality, submit the entity's annual report for that financial year to the municipal manager of the entity's parent municipality.	31-12-2021 - COMPLIANT
3	Local Government: Municipal Finance Management Act - Municipal	127(2)	The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.	27-01-2022 -
4	Local Government: Municipal Finance Management Act - Municipal	127(5)(a)(i)	Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must make public the annual report; and	03-02-2022 - COMPLIANT
5	Local Government: Municipal Finance Management Act - Municipal	127(5)(a)(ii)	Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must invite the local community to submit representations in connection with the annual report; and	03-02-2022 - COMPLIANT
6	Local Government: Municipal Finance Management Act - Municipal	127(5)(b)	Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.	01-02-2022 - COMPLIANT
7	Local Government: Municipal Finance Management Act - Municipal	129(1)	The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council-	2022-03-24 - COMPLIANT
8	Local Government: Municipal Finance Management Act - Municipal	129(2)(b)	The accounting officer must submit copies of the minutes of those meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.	2022-04-04 - COMPLIANT
9	Local Government: Municipal Planning and Performance Management Regulations - Municipal	13(2)(a)	The mechanisms, systems and processes for monitoring in terms of subregulation (1) must- provide for reporting to the municipal council at least twice a year;	2022-01-27 and 31-07-2022 COMPLIANT

Reference	Legislation	Section	Instruction	COMPLIANCE STATUS FOR 21.22
10	Local Government: Municipal Planning and Performance Management Regulations - Municipal	13(4)(c)	The mechanisms, systems and processes for review in terms of subregulation (1) must at least- allow the local community to participate in the review process.	IDP ROADSHOWS - COMPLIANT
11	Local Government: Municipal Finance Management Act - Municipal	132(1)(a)	The annual report of each municipality and each municipal entity in the province, or if only components of an annual report were tabled in terms of section 127 (3), those components; and	2022-03-24 - COMPLIANT
12	Local Government: Municipal Finance Management Act - Municipal	132(1)(b)	and all oversight reports on those annual reports adopted in terms of section 129 (1).	2022-03-24 - COMPLIANT
13	Local Government: Municipal Planning and Performance Management Regulations - Municipal	14(1)(c)(ii)	A municipality's internal auditors must submit quarterly reports on their audits to the municipal manager and the performance audit committee referred to in subregulation (2).	COMPLIANT IN ALL 4 QUARTERS
14	Municipal Budget and Reporting Regulations - Municipal	14(2)	When complying with section 68 of the Act, the municipal manager must submit the draft municipal service delivery and budget implementation plan to the mayor together with the annual budget to be considered by the mayor for tabling in terms of section 16 (2) of the Act.	DRAFT SDBIP SUBMITTED - COMPLIANT
15	Local Government: Municipal Planning and Performance Management Regulations - Municipal	14(3)(a)	A performance audit committee must meet at least twice during the financial year of the municipality concerned.	COMPLIANT
16	Local Government: Municipal Planning and Performance Management Regulations - Municipal	14(4)(a)(iii)	A performance audit committee must at least twice during a financial year submit an audit report to the municipal council concerned.	COMPLIANT
17	Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings - Municipal	16(2)	Municipalities and municipal entities must report on all suspensions, disciplinary or criminal proceedings instituted in cases of financial misconduct in their annual reports.	COMPLIANT
18	Local Government: Municipal Structures Act - Municipal	19(2)(e)	A municipal council must annually review its overall performance in achieving the objectives referred to in subsection (1).	IDP REVIEWED - COMPLIANT

Reference	Legislation	Section	Instruction	COMPLIANCE STATUS FOR 21.22
19	Municipal Budget and Reporting Regulations - Municipal	20(2)(b)	The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan; and	COMPLIANT
20	Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers - Municipal	24(2)	The parties must review the provisions of this agreement during June each year and must conclude a new performance agreement that replaces the previous agreement at least once a year within one month after the commencement of the new financial year.	31-07-2020 - COMPLAINT
21	Municipal Budget and Reporting Regulations - Municipal	26(2)(c)	When making public an adjustments budget and supporting documentation in terms of subregulation (1), the municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the adjustments budget, including any consequential amendment of the service delivery and budget implementation plan that is necessitated by the adjustments budget.	COMPLIANT
22	Municipal Budget and Reporting Regulations - Municipal	27(2)(b)	When submitting an adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28 (7) of the Act read together with section 24 (3) of the Act, the municipal manager must also submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form the amended service delivery and budget implementation plan, within ten working days after the council has approved the amended plan in terms of section 54 (1) (c) of the Act; and	COMPLIANT
23	Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers - Municipal	28(1)	The performance of the employee in relation to his or her performance agreement must be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:	QUARTERLY - COMPLIANT
24	Municipal Budget and Reporting Regulations - Municipal	33(1)	Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.	COMPLIANT
25	Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers - Municipal	34(1)	The contents of the performance agreement must be made available to the public by the employer in accordance with the Municipal Finance Management Act, 2003 and section 46 of the Act.	COMPLIANT

Reference	Legislation	Section	Instruction	COMPLIANCE STATUS FOR 21.22
26	Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers - Municipal	34(3)	The performance assessment results of the municipal manager must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.	COMPLIANT
27	Municipal Budget and Reporting Regulations - Municipal	35	The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form the mid-year budget and performance assessment by 25 January of each year; and any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.	COMPLIANT
28	Local Government: Municipal Systems Act - Municipal	41(1)(a)	A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality	COMPLIANT
29	Local Government: Municipal Systems Act - Municipal	41(1)(b)	A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed set measurable performance targets with regard to each of those development priorities and objectives;	COMPLIANT
30	Local Government: Municipal Systems Act - Municipal	41(1)(c)	A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed with regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b)-	COMPLIANT
31	Local Government: Municipal Systems Act - Municipal	41(1)(c)(ii)	those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b)-measure and review performance at least once per year;	COMPLIANT
32	Local Government: Municipal Systems Act - Municipal	44	A municipality, in a manner determined by its council, must make known, both internally and to the general public, the key performance indicators and performance targets set by it for purposes of its performance management system.	COMPLIANT
33	Local Government: Municipal Systems Act - Municipal	45(a)	The results of performance measurements in terms of section 41 (1) (c) must be audited as part of the municipality's internal auditing processes	COMPLIANT
34	Local Government: Municipal Systems Act - Municipal	46(1)(a)	A municipality must prepare for each financial year a performance report reflecting the performance of the municipality and of each external service provider during that financial year;	COMPLIANT

Reference	Legislation	Section	Instruction	COMPLIANCE STATUS FOR 21.22
35	Local Government: Municipal Systems Act - Municipal	46(1)(b)	A municipality must prepare for each financial year a performance report reflecting a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and	COMPLIANT
36	Local Government: Municipal Systems Act - Municipal	46(1)(c)	A municipality must prepare for each financial year a performance report reflecting measures taken to improve performance.	COMPLIANT
37	Local Government: Municipal Systems Act - Municipal	46(2)	An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.	COMPLIANT
38	Local Government: Municipal Systems Act - Municipal	57(2)(a)(ii)	The performance agreement referred to in subsection (1) (b) must be concluded annually, thereafter, within one month after the beginning of each financial year of the municipality;	COMPLIANT
39	Local Government: Municipal Finance Management Act - Municipal	69(3)(a)	The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor a draft service delivery and budget implementation plan for the budget year; and	COMPLIANT
40	Local Government: Municipal Finance Management Act - Municipal	69(3)(b)	The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor drafts of the annual performance agreements as required in terms of section 57 (1) (b) of the Municipal Systems Act for the municipal manager and all senior managers.	COMPLIANT
41	Local Government: Municipal Finance Management Act - Municipal	75(1)(c)	The accounting officer of a municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality: the annual report;	COMPLIANT
42	Local Government: Municipal Finance Management Act - Municipal	75(1)(d)	The accounting officer of a municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality: all performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act;	COMPLIANT

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
SDG 16: Build Effective, Accountable and Inclusive Institutions At All Levels																				
NDP: Building Capable and Developmental State																				
MTSF: Outcome 5: A skilled and Capable Workforce to Support an Inclusive Growth Path; Outcome 9: A responsive, Accountable, responsive and efficient local government system																				
Back to Basics: Building capable local government Institutions																				
PGDS: Human Resource Development																				
DGDS: Institutional development																				
KPA: Municipal Transformation and Institutional Development																				
MTID 1	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	Effective ICT	Number of ICT Infrastructure resource projects implemented	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	R1,400,000.00	R1,246,986.66	All wards	CS - ICT	1. Storage for DR 2. Mobility devices for field workers 3. VOIP implementation & PBX Card 4. Data Projectors (2)
MTID 2	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	ICT Service Continuity	Percentage reporting on ICT Service Continuity and Availability Assurance	100%	100%	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	R2,660,000.00	R2,544,506.43	All wards	CS - ICT	Network Operations Report, reporting on: Backups Restores Offsite backups WAN Availability ICT Security Plan ICT Steering Committee Minutes
MTID 3	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	Compliance to ICT Governance Framework and Charter	Percentage Compliance with ICT Governance Framework & Charter Phases 1,2 &3 and Governance Reviews completed: ICT Strategy, Governance Charter and Governance Framework	100%	100%	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - ICT	ICT Governance checklist Q1 - Phases 1,2,3 Minutes of ICT Steering Committee
MTID 4	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	Implementation of ICT Service Delivery Programmes	Number of Reports on Percentage Reporting on ICT Service Delivery Programmes: 1. ICT Incident Management Service Desk 2. Website Compliance 3. Software Licencing 4. ICT Security Awareness and Training	100%	100%	4	4	0	4	4	ACHIEVED	NONE	NONE	R13,380,000.00	R13,050,919.21	All wards	CS - ICT	ICT Service Delivery Report including: 1.Incident Management with statistics of, Service Desk 2. Website Compliance 3. Licencing 4. ICT Security Awareness and Training ICT Steering Committee / Manco minutes
MTID 5	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	DRP Simulation	Number of Annual DRP simulations reviews done	N/A	N/A	1	2	0	2	2	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - ICT	DRP Close out report ICT Steering committee / Manco Minutes
MTID 7	Sound and Efficient Municipal Systems and Operations	Optimise Systems and Operations	MTID 3	DRP Simulation	Number of Annual DRP simulations done	N/A	N/A	1	1	0	1	1	ACHIEVED	NONE	NONE	N/A	N/A	All Wards	CS-ICT	

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MTID 8	Highly Motivated, Skilled, Productive and Disciplined Workforce	To Optimise the Workforce Potential	MTID 1	Compliance to the employment equity targets at a Management level	% overall compliance to the employment equity targets at a Management level 0-6	45%	46%	41%	49%	8%	49%	51%	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Progress Report to Ext-MANCO / MANCO / CS Portfolios Minutes
MTID 9	Highly Motivated, Skilled, Productive and Disciplined Workforce	To optimise the workforce potential	MTID 1	Promoting Professionalism in the Workplace (Organisational Culture)	Number of Workshops on Professionalism conducted	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Attendance Register Programme of Event
MTID 10			MTID 1	Compliance to the Hours of Work Policy	Number of Workshops on Labour Relations and Code of Conduct with employees	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Attendance Registers Programme of event
MTID 11		To improve skills and capacity of work force	MTID 2	Implementation the workplace skills plan.	Number of training conducted implementing the workplace skills plan.	4	9	100%	4	0%	4	7	ACHIEVED	NONE	NONE	R2,560,400.00	R2 560,400,00	All wards	CS - HR	Training Report to Ext-MANCO / MANCO CS Portfolio & Number of Training Programs implement Minutes Attendance Registers of training
MTID 12	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Policy Reviewal, Formulation and Adoption for HR	Number of Policies Reviewed, formulated and adopted for HR	4	6	5	4	0	4	11	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Reviewed Policy Council extract approving policy
MTID 13	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Sourcing and Placement Inductions	Number of Sourcing and Placement group Inductions done	2	2	2	2	0	2	2	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS -HR	Program of Event and Attendance Register
MTID 14	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Compliance with Leave and Sick Leave Management	% Compliance with leave and sick leave management	75%	100%	75%	75%	4%	100%	99%	NOT ACHIEVED	The department encounter challenges whereby employees that were working remotely did not have access to the ESS system and were therefor non-compliant	Supervisor to assist employees with capturing leave timeously in the 2022.2023 financial year	N/A	N/A	All wards	WS	Report on Leave Compliance Analysis to Manco/Extended MANCO Minutes
				Compliance with Leave and Sick Leave Management	% Dept Compliance with leave and sick leave management	75%	100%	75%	75%	4%	100%	100%	ACHIEVED	N/A	N/A	N/A	N/A	All wards	CS -HR	Report on Leave Compliance Analysis to Manco/Extended MANCO Minutes
				Compliance with Leave and Sick Leave Management	% Compliance with leave and sick leave management	75%	100%	75%	75%	4%	100%	100%	ACHIEVED	N/A	N/A	N/A	N/A	All wards	EDES	Report on Leave Compliance Analysis to Manco/Extended MANCO Minutes

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
				Compliance with Leave and Sick Leave Management	% Compliance with leave and sick leave management	75%	100%	75%	75%	4%	100%	98%	NOT ACHIEVED	Some employees were in violation of the leave management policy whereby 1 leave form was used to complete leave taken between 2 different months.	Policy procedures and awareness to be conducted by the custodian of the policy to the BTO department in the 2022 2023 financial year. This will assist with compliance	N/A	N/A	All wards	BTO	Report on Leave Compliance Analysis to Manco/Extended MANCO Minute
				Compliance with Leave and Sick Leave Management	% Compliance with leave and sick leave management	75%	100%	75%	75%	4%	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All wards	OMM	Report on Leave Compliance Analysis to Manco/Extended MANCO Minutes
MTID 15	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Compliance with overtime management	% Compliance on Departmental Overtime	100%	73%	100%	100%	32%	100%	94.5%	NOT ACHIEVED	ALL EMPLOYEES ARE NOW WORKING IN EXCESS OF 40 HOURS OVERTIME	40 HOURS IS WITHIN THE ACCEPTABLE SALGA THRESHOLD	N/A	N/A	ALL wards	WS	Systems Report to MANCO / Extended MANCO
				Compliance with overtime management	% Compliance on Departmental Overtime	100%	100%	100%	100%	0%	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	ALL wards	CS -HR	Systems Report to MANCO / Extended MANCO
				Compliance with overtime management	% Compliance on Departmental Overtime	100%	100%	100%	100%	0%	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	ALL wards	OMM	Systems Report to MANCO / Extended MANCO
				Compliance with overtime management	% Compliance on Departmental Overtime	100%	61%	100%	100%	39%	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	ALL wards	BTO	Systems Report to MANCO / Extended MANCO
				Compliance with overtime management	% Compliance on Departmental Overtime	100%	100%	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	ALL wards	EDES	Systems Report to MANCO / Extended MANCO
MTID 16	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	OHS Act compliance	% Compliance with OHS Act as per checklist	50%	50%	50%	50%	0%	50%	50%	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Check list Compliance report to CS Portfolio /MANCO / Ext MANCO Minutes
MTID 17	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Provision of EHW Programmes	Number of Programmes of the EHW implemented as per the FY plan	2	2	2	2	0	2	2	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Attendance Register Programme of event
MTID 18			MTID 4	IPMS Workplans developed	Number of Level 1-6 with workplans developed	31	31	33	31	0	30	32	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Signed Workplans
			MTID 4	IPMS Workplans developed	Number of Level 1-6 with workplans developed	29	28	N/A	29	1	26	26	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Signed Workplans
			MTID 4	IPMS Workplans developed	Number of Level 1-6 with workplans developed	17	17	33	31	0	18	18	ACHIEVED	NONE	NONE	N/A		All wards	CS - HR	Signed Workplans

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
	Systems		MTID 4	IPMS Workplans developed	Number of Level 1-6 with workplans developed	33	18	33	31	15	34	34	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Signed Workplans
			MTID 4	IPMS Workplans developed	Number of Level 1-6 with workplans developed	34	34	N/A	34	0	30	24	NOT ACHIEVED	Workplans were not signed for all level 1-6 employees	Ensure that managers sign workplans in Q1 of 22.23	N/A	N/A	All wards	OMM	Signed Workplans
MTID 19	Sound Performance, Monitoring and Evaluation Systems	To increase performance, monitoring and evaluation	MTID 4	IPMS Workplans assessment/ Review	Number of workplan assessments/ reviews conducted	4	4	4	4	3	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - HR	Attendance Register for performance Reviews & PM reports on reviews conducted
			MTID 4	IPMS Workplans assessment/ Review	Number of workplan assessments/ reviews conducted	4	1	4	4	3	4	4	NOT ACHIEVED	Some managers within the WS do not conduct the assessments with staff	Ensure that managers sign workplans in Q1 of 22.23 and conduct quarterly assessments timeously	N/A	N/A	All wards	WS	Attendance Register for performance Reviews & PM reports on reviews conducted
			MTID 4	IPMS Workplans assessment/ Review	Number of workplan assessments/ reviews conducted	4	1	4	4	1	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All wards	EDES	Attendance Register for performance Reviews & PM reports on reviews conducted
			MTID 4	IPMS Workplans assessment/ Review	Number of workplan assessments/ reviews conducted	4	3	4	4	4	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All wards	BTO	Attendance Register for performance Reviews & PM reports on reviews conducted
			MTID 4	IPMS Workplans assessment/ Review	Number of workplan assessments/ reviews conducted	4	0	4	4	4	4	3	NOT ACHIEVED	Some managers within the OMM do not conduct the assessments with staff	Ensure that managers sign workplans in Q1 of 22.23 and conduct quarterly assessments timeously	Attendance Register for performance Reviews & PM reports on reviews conducted	N/A	All wards	OMM	Attendance Register for performance Reviews & PM reports on reviews conducted
MTID 20	Clean and Social Government	To promote clean and social government	MTID 3	Building Maintenance	Number of sites where maintenance is completed	N/A	N/A	40	40	33	40	49	ACHIEVED	NONE	NONE	R6,650,000	R1,809,266.14	All wards	CS - AS	Progress report on implementation to MANCO/Extended MANCO/ Portfolio Extract of Minutes
MTID 21	Clean and Social Government	To promote clean and social government	MTID 3	Long term office accommodation plan	Number of sites implemented in line with the Long Term office accommodation plan	N/A	N/A	1	4	5	4	4	ACHIEVED	NONE	NONE	R10,000,000	R308,2845.77	All wards	CS - AS	Progress Report on the implementation of the long term office accommodation plant Manco/Extended / Portfolio (Oslo Beach Ph 3) Extract of Minutes
MTID 22	Sound Performance, Monitoring and Evaluation Systems	To increase performance, monitoring and evaluation	MTID 4	Filing of tenders	Percentage of Documentation in respect of Tenders Filed	80%	96%	85%	80%	15%	80%	96%	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - AS	Completed Checklist and signed Verification by Manager SCM and GM Corporate Services

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MTID 23	Sound Performance, Monitoring and Evaluation Systems	To increase performance, monitoring and evaluation	MTID 4	Security Management	% Implementation of Security Management Checklist based on engagement sessions	N/A	N/A	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	R18,000,000	6318250.89	All wards	CS - AS	Security Site Inspection Report to Manco/Extended /Portfolio Committee Extract of Minutes
MTID 24	Sound Performance, Monitoring and Evaluation Systems	To increase performance, monitoring and evaluation	MTID 4	Analysis of security reports	Number of security reports submitted	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - AS	Analysis Report to CS Port Folio / MANCO / Ext MANCO Signed Extract
MTID 25	Sound Performance, Monitoring and Evaluation Systems	To increase performance, monitoring and evaluation	MTID 4	Compliance with Records Management	Number of document for reporting on Departmental records management compliance	200	8178	100	100	100	400	4419	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - AS	Progress Report of file plan usage, EDMS to Manco/Extended MANCO/ Portfolio Extract of Minutes
					Number of document for reporting on Departmental records management compliance	200	410	100	100	100	400	595	ACHIEVED	NONE	NONE	N/A	N/A	All wards	CS - AS	Progress Report of file plan usage, EDMS to Manco/Extended MANCO/ Portfolio Extract of Minutes
					Number of document for reporting on Departmental records management compliance	200	693	100	100	100	400	529	ACHIEVED	NONE	NONE	R0	0	All wards	CS - AS	Progress Report of file plan usage, EDMS to Manco/Extended MANCO/ Portfolio Extract of Minutes
					Number of document for reporting on Departmental records management compliance	200	1159	100	100	100	400	1032	ACHIEVED	NONE	NONE	R0	0	All wards	CS - AS	Progress Report of file plan usage, EDMS to Manco/Extended MANCO/ Portfolio Extract of Minutes
					Number of document for reporting on Departmental records management compliance	200	5327	100	100	100	400	1309	ACHIEVED	NONE	NONE	R0	0	All wards	CS - AS	Progress Report of file plan usage, EDMS to Manco/Extended MANCO/ Portfolio Extract of Minutes

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MTID 26 - CS	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Development of Fleet Maintenance Plan	Date of Adoption of Fleet maintenance plan	Adopted Fleet maintenance plan by 30 Sept 2020	07-Sep-20	30-Sep-19	30-Sep-20	N/A	Adopted Fleet maintenance plan by 30Sept 2021	06/09/2021	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	CS - Fleet	MANCO or Extended Resolution
MTID 26 - OMM	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	Policy Committee Meetings	Number of Policy Committee Meetings coordinated	10	10	10	10	0	10	12	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	OMM - Policy & Research	Committee Minutes and Attendance Register
MTID 27- CS	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Fleet Maintenance	% Implementation of Fleet maintenance plan	100%	100%	100%	100%	N/A	100%	100%	ACHIEVED	NONE	NONE	R28,000,000.00	R28 000 000.00	All LM's	CS - Fleet	Progress Report on implementation plan CS Portfolio / Manco Minutes
MTID 27- OMM	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	Policy Register	2021/22 Policy Register Approved	31-Dec-20	14-Dec-20	1 register approved by 31-Dec-20	1 register approved by 31-Dec-21	N/A	31-Dec-21	31-Dec-21	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	OMM - Policy & Research	MANCO Extract Noting Report
MTID 28 - CS	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Development of Fleet Replacement Plan	Date of adoption of Fleet replacement plan	Adopted Fleet replacement plan by 30 September 2020	21-Sep-20	30-Sep-19	30-Sep-21	N/A	Adopted Fleet replacement plan by 30 September 2021	06/09/2021	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	CS - Fleet	MANCO or Extended Resolution
MTID 28 - OMM	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	Policy Awareness Campaigns	Number of Policy Awareness Campaigns conducted	4	5	4 awareness campaigns	4 awareness campaigns	N/A	4	10	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	OMM - Policy & Research	Copy of Awareness Campaign Material
MTID 29 - CS	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Implementation of Fleet Replacement Plan	% Implementation of Fleet Replacement Plan	N/A	N/A	74%	100%	26%	100%	100%	ACHIEVED	NONE	NONE	R2,100,000.00	R2100 000.00	All LM's	CS - Fleet	Report to MANCO showing 100% replacement of fleet as per plan

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MTID 29 - OMM	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Review of Policy Guides	Number of Policy Guides Reviewed	N/A	N/A	NEW	1	0	1	1	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	OMM - Policy & Research	Copy of Policy Guide Reviewed and Uploaded on the Municipal Intranet
MTID 30 - CS	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Development of Fleet licensing plan	Date of adoption of Fleet licensing plan	100%	100%	30-09-19	30-09-21	N/A	30-09-21	06/09/2021	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	CS - Fleet	MANCO or Extended MANCO Resolution
MTID 30 -OMM	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	Review of Policy and Procedure Manual	Date 2021/22 Policy Management Policy and Procedure Reviewed	30-Jun-21	24-Jun-21	24-Jun-21	30-Jun-22	0	30-Jun-22	23-Jun-22	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	OMM - Policy & Research	Council Resolution
MTID 31	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	VEHICLE LICENSING	% Implementation of Fleet Vehicle Licensing Plan	70%	52%	100%	100%	NIL	100%	100%	ACHIEVED	NONE	NONE	R2,200,000.00	R2 200 000.00	All LM's	CS - Fleet	Progress report on Licencing to Manco / CS Portfolio Plan
MTID 32	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Availability of service delivery vehicles	% AVAILABILITY OF SERVICE DELIVERY VEHICLES	70%	52%	70%	70%	0	70%	70%	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	CS - Fleet	Confirmation report signed by GMWS/SNR Manager WS
MTID 33				VERIFICATION OF DRIVER'S LICENSES & PDP'S	Date of drivers licenses and PDP's verified	Drivers licenses and PDP's verified by 31 December 2020	12-Oct-20	18-Nov-19	31-Dec-20	0	Drivers licenses and PDP's verified by 31 December 2021	31-Dec-21	ACHIEVED	NONE	NONE	N/A	N/A	All LM's	CS - Fleet	Signed verification forms by Fleet coordinator
MTID 34				Fleet Management committee	Number of Fleet management committees held	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	ALL LMs	CS - Fleet	Resolutions register noted by CS Portfolio / MANCO / Extended MANCO

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MTID 35	Sound and Efficient Municipal Systems and Operations	To optimise systems and operations	MTID 3	Dept Fuel Usage and Management	% of reduction of fuel usage in litres	20%	25%	20%	20%	0	20%	26%	NOT ACHIEVED	Fragile Infrastructure resulted in multiple burst pipes, the repair teams had many service outages to respond to. The rising cost of fuel also impacted the overall spending on fuel within the department	Plan trips, workshop employees on cost-curing measures and try to reduce expenditure in 2022 2023 financial year	N/A	N/A	ALL LMs	CS - Fleet	Consolidated Annual fuel usage reports signed by Fleet Manager and GMCS and the latest Report to Manco/PC
MTID 35				Dept Fuel Usage and Management	% of reduction of fuel usage in litres	20%	125%	20%	20%	0	20%	-139%	ACHIEVED	NONE	NONE	N/A	N/A	ALL LMs	CS - Fleet	Consolidated Annual fuel usage reports signed by Fleet Manager and GMCS and the latest Report to Manco/PC
MTID 35				Dept Fuel Usage and Management	% of reduction of fuel usage in litres	20%	8%	20%	20%	0	20%	46%	NOT ACHIEVED	Allocation & usage affected by vehicle shortages coupled with steep fuel price increases l the financial year	Additional vehicles to improve traveling time to sites. Revise target in line with fuel prices in 22.23 FY	N/A	N/A	ALL LMs	CS - Fleet	Consolidated Annual fuel usage reports signed by Fleet Manager and GMCS and the latest Report to Manco/PC
MTID 35				Dept Fuel Usage and Management	% of reduction of fuel usage in litres	20%	42%	20%	20%	0	20%	60%	NOT ACHIEVED	Allocation & usage affected by vehicle shortages coupled with steep fuel price increases l the financial year	Additional vehicles to improve traveling time to sites. Revise target in line with fuel prices in 22.23 FY	N/A	N/A	ALL LMs	CS - Fleet	Consolidated Annual fuel usage reports signed by Fleet Manager and GMCS and the latest Report to Manco/PC
MTID 35				Dept Fuel Usage and Management	% of reduction of fuel usage in litres	20%	20% - BTO	20%	20%	0	20%	87%	NOT ACHIEVED	The target is unrealistic hence the fuel consumption is from Revenue section where meter readers are executing their job in trying to maximise collections and improve credibility of bills instead of meters billed using estimates	This target is not feasible due to the nature of operations within the BTO department - Regardless all efforts will be made to achieve in 2022 2023 financial year.	N/A	N/A	ALL LMs	CS - Fleet	Consolidated Annual fuel usage reports signed by Fleet Manager and GMCS and the latest Report to Manco/PC
MTID 44	Sound Performance, Monitoring and Evaluation Systems	To increase performance, monitoring and evaluation	MTID 4	Development of the 2020/21 Annual Performance Report	Date of submission of the 2020/2021 Annual Performance Report to AG	31-12-20	27-05-21	30/10/2020	31/08/2021	0	31/08/2021	31/08/2021	ACHIEVED	NONE	NONE	N/A	N/A	ALL LMs	OMM-PMS	Proof of submission to AG - email
MTID 45	Sound Performance, Monitoring and Evaluation Systems	To increase performance, monitoring and evaluation	MTID 4	Development of the 2020/2021 Annual Report and Oversight Report	Date of adoption of the 2020/2021 Annual and Oversight report	30-06-21	24-06-21	30-06-21	31-03-22	0	31-03-22	24-03-22	ACHIEVED	NONE	NONE	N/A	N/A	ALL LMs	OMM-PMS	Council Resolution
MTID 46	Sound Performance, Monitoring and Evaluation Systems	To increase performance, monitoring and evaluation	MTID 4	Tabling of the 2020/2021 Annual Reports	Date of the 2020/2021 Annual report tabling at Council	30-06-21	24-06-21	24-06-21	31-01-22	0	31-01-22	27-01-22	ACHIEVED	NONE	NONE	N/A	N/A	ALL LMs	OMM-PMS	Council Resolution

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MTID 47	Sound and Efficient Municipal Systems and Operations	To Optimise Systems and Operations	MTID 3	PMS Policy	Date of PMS policy REVIEW	N/A	N/A	30-07-20	30-09-21	0	30-09-21	23-Sep-21	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM - DP	Council Resolution
SDG 16: Build Effective, Accountable and Inclusive Institutions At All Levels																				
NDP: Building Capable and Developmental State																				
MTSP: Outcome 1, Outcome 2, Outcome 3, Outcome 11, Outcome 12 and Outcome 14																				
Back to Basics: Good Governance; Putting People First																				
PGDS: Governance and Policy																				
KPA: Good Governance and Public Participation																				
GGPP 1	Unqualified Audit with no Matters of Emphasis	To strengthen Governance and Leadership	GGPP 1	Unqualified audit with no matters of emphasis	Percentage of Audit findings resolved as per dept	N/A	N/A	70%	100%	30%	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	ALL	Audit Action Plan Report
						N/A	N/A	70%	100%	N/A	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	ALL	Audit Action Plan Report
						N/A	N/A	70%	100%	N/A	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	ALL	Audit Action Plan Report
						N/A	N/A	70%	100%	N/A	100%	80%	NOT ACHIEVED	The addressing of findings within the department is in progress with BTO 85% completion as at 30 June 2022. Please see the AG corrective Action Plan for challenges	All remaining remedial measures as per the AG corrective Action Plan will be resolved in the 22.23 FY	N/A	N/A	All Wards/LMs	ALL	Audit Action Plan Report
						N/A	N/A	70%	100%	N/A	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	ALL	Audit Action Plan Report
GGPP 2	Clean and Social Government	To promote clean and social government	GGPP 2	Mayoral Izimbizo	Number of Mayoral Izimbizo coordinated	18	18	18	18	0	18	18	ACHIEVED	NONE	NONE	R0.00	R0.00	All Wards/LMs	OMM - PP	Report from community engagement submitted to Portfolio Committee
GGPP 3	Effective and integrated approach to Public participation	To ensure integrated Public Participation approach	GGPP 4	IDP/BUDGET roadshows	Number of IDP/BUDGET Roadshows	18	18	18	18	0	18	18	ACHIEVED	NONE	NONE	R0.00	R0.00	All Wards/LMs	OMM - PP	Report from community engagement submitted to PC

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 4	Effective integrated approach to Public Participation	To ensure integrated Public Participation approach	GGPP 4	Ward Committee Functionality	Number of Ward Functionality Reports reported	4	4	4	4	0	3	1	NOT ACHIEVED	The Provincial Cogta has not yet finalized the Functionality report for this quarter.	Provincial Cogta has yet to give a timeframe for the completion of the report. As soon as received it will be presented to the Governance Cluster in September 2022	N/A	N/A	All Wards/LMs	OMM - PP	Functionality report submitted to Governance Cluster
KPI target was amended from 4 to 3, during mid- year adjustment due to the term of office of Ward Committees ending after the 01 November 2021 local government elections and Ward Committees were only functional in Quarter 4 after having been trained and inducted.																				
GGPP 5	Effective Communication and stakeholder involvement	To strengthen communication and stakeholder relations	GGPP 3	District Public Participation Forum	Number of District Public Participation Meetings coordinated	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	R0.00	R0.00	All Wards/LMs	OMM - PP	Minutes and register
GGPP 6				Municipal Service Week	Number of Municipal Service weeks coordinated	1	1	1	1	-3	1	1	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - Comms	Extracts of Report from MANCO
GGPP 7				SDIP Development	Number of SDIPs developed	N/A	N/A	1	1	0	1	1	ACHIEVED	NONE	NONE	N/A	NA	All Wards/LMs	OMM - Comms	Copy of SDIP
GGPP 8				Batho Pele District Forum	Number of Batho Pele District Forum	2	2	4	2	0	2	2	ACHIEVED	NONE	NONE	N/A	NA	All Wards/LMs	OMM - Comms	Minutes of the meeting of DBF
GGPP 9	Effective integrated approach to Public participation	To ensure integrated Public participation approach	GGPP 4	Call Centre Functionality	Number of calls answered	40000	42304	40000	40000	0	40000	55822	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - Comms	System generated report
GGPP 10	Effective governance and Leadership	To strengthen Governance and Leadership	GGPP 1	Implementation of the Communication Strategy	Number of reports for the implementation of the communication strategy	N/A	N/A	0	4	4	4	3	NOT ACHIEVED	The report was compiled but was not submitted to the Portfolio for noting	The report was submitted to the next portfolio - All future report submission deadlines will be monitored to ensure compliance in 22.23 FY	N/A	N/A	All Wards/LMs	OMM - Comms	report to Portfolio Committee

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 11	Effective and integrated approach to Public participation	To ensure integrated Public participation approach	GGPP 4	Official Newsletter	Number of official Newsletters developed & published	4	3	4	4	0	2	3	ACHIEVED	NONE	NONE	R522,000.00	R36,800	All Wards/LMs	OMM - Comms	Copy of the Newsletter
KPI target was amended from 4 to 2, during mid- year adjustment due to financial constraints																				
GGPP 12	Effective integrated approach to Public participation	To ensure integrated Public participation approach	GGPP 4	Radio Slots	Number of radio slots implemented by the Mayor	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	R400,000.00	R339 500	All Wards/LMs	OMM - Comms	Copy of the Script plus confirmation letter
GGPP 13	Effective integrated approach to Public participation	To ensure integrated Public participation approach.	GGPP 4	Social Media /online communication	number of Social Media Updates done	50	75	20	50	30	50	55	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - Comms	Extract from Social Media platform
GGPP 14				Press Releases	Number of Press Releases done	32	32	32	32	0	32	32	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - Comms	Copy of Press Release
GGPP 15	Effective communication and stakeholder involvement	To strengthen communication and stakeholder involvement	GGPP 3	IGR Stakeholder Coordination LED Forum	Number of LED Forums Hosted	4	4	4	4	0	4	2	N/A	NONE	NONE	N/A	N/A	All Wards/LMs	LED	Minutes and attendance registers of LED Forums Meeting
GGPP 15 WAS REMOVED AT MID YEAR AS THERE ARE NO LONGER LED FORUMS																				
GGPP 16	Effective communication and stakeholder involvement	To strengthen communication and stakeholder involvement	GGPP 3	Number of Coastal Management Multi-stakeholder workshops conducted	Functional Environmental IGR structures Coastal Management Forum	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	ENV Mngt	Agenda; Attendance registers and Minutes of the workshops
GGPP 17	Effective governance and Leadership	To strengthen Governance and Leadership	GGPP1	Development of Management Audit Corrective Action Plan	Date 2020 / 2021 Management Audit Corrective Action Plan Developed	2021- Mar-31	2021-Apr-29	30-04-21	31-03-22	0	31-03-22	30-03-22	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Council Resolution adopting the plan

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 18	Effective governance and Leadership	To strengthen Governance and Leadership	GGPP1	Reviewal of Audit Committee Charter	Date Audit Committee Charters reviewed	2020-Sep-30	2020-Sep-18	25-09-20	30-09-21	0	30-09-21	2021- Sep-23	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from the Audit Committee
GGPP 19				Reviewal of Internal Audit Charter	Date Internal Audit Charter reviewed	N/A	N/A	25-Sep-20	30-Sep-21	1	30-Sep-21	2021-Aug-13	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from the Audit Committee
GGPP 20				Audit Committee	Number of audit committee meetings held	N/A	N/A	7	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from the Audit Committee
GGPP 21				Performance Audit Committee	Number of performance audit committee meetings held	N/A	N/A	2	2	0	2	2	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from the Performance Audit Committee
GGPP 22	Effective governance and Leadership	To strengthen Governance and Leadership	GGPP1	Annual internal audit plan	Date Annual internal audit plan developed and approved- Ugu	30-Sep-20	18-Sep-20	27-Sep-20	30-Sep-21	0	30-Sep-21	2021-Aug-13	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from the Audit Committee
GGPP 23	Effective governance and Leadership	To strengthen Governance and Leadership	GGPP1	Implementation of internal audit plan	Number of reports on the status of Implementation of Internal Audit Plan submitted to the Audit committee	N/A	N/A	N/A	4	4	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from the Audit committee
GGPP 24				Risk Management Committee	Number of Risk Management committee meetings coordinated	N/A	N/A	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from the RMC

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 25				Risk Management Policy and Risk management charter review	Date Risk Management Policy and RM Committee Charter is reviewed	30-Sep-20	0-Jan-00	N/A	30-Sep-21	0	30-Sep-21	2021-Sep-23	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Council resolution
GGPP 26	Effective governance and Leadership	To strengthen Governance and Leadership	GGPP1	Enterprise risk register	Date 2021 / 2022 Enterprise Risk registers developed and approved	30-09-20	00-Jan-00	N/A	30-09-21	0	30-09-21	2021-Sep-23	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	minutes from the RMC approving
GGPP 27				Fraud risk register	Date 2021 / 2022 Fraud Risk registers approved	30-09-20	00-Jan-00	01-02-21	30-09-21	0	30-09-21	2021-Sep-23	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	minutes from the RMC
GGPP 28				Risk mitigation - Follow up report on implementation of recommendations	Number of Risk mitigation - Follow up reports submitted to the Risk Management Committee	100%	0%	N/A	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from RMC
GGPP 29				Fraud Risk mitigation - Follow up report on implementation of recommendations	Number of Fraud Risk mitigation plan - Follow up reports submitted to the Risk Management Committee	100%	0%	N/A	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Minutes from RMC
GGPP 30				Anti Fraud and anti corruption strategy	Date Review of the Anti Fraud and Anti Corruption Strategy	30-09-20	0-Jan-00	01-02-21	30-09-21	0	30-09-21	2021-Sep-23	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Council Resolution adopting the policy
GGPP 31				Anticorruption and awareness campaigns	Number of Anticorruption and awareness campaigns co-ordinated	3	1	1	3	0	3	3	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM - IA	Attendance register & programme

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 33	Effective Governance and Leadership	To strengthen Governance and Leadership	GGPP 1	Monitoring of vendor performance	Number of Vendor Performance Reports submitted to SCM	4	7 - WS	NEW	4	0	4	6	ACHIEVED	NONE	NONE	R10,000.00	N/A	All Wards/LMs	WS- ALL	Email showing submission of vendor performance to SCM
				Monitoring of vendor performance	Number of Vendor Performance Reports submitted to SCM	4	4	NEW	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	CS- ALL	Email showing submission of vendor performance to SCM
				Monitoring of vendor performance	Number of Vendor Performance Reports submitted to SCM	4	4	NEW	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM- ALL	Email showing submission of vendor performance to SCM
				Monitoring of vendor performance	Number of Vendor Performance Reports submitted to SCM	5	5	NEW	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO- ALL	Email showing submission of vendor performance to SCM
				Monitoring of vendor performance	Number of Vendor Performance Reports submitted to SCM	6	3	NEW	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	EDES- ALL	Email showing submission of vendor performance to SCM
						75%	75%	50%	75%	25%	75%	79%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	WS- ALL	Council Extracts of all reviewed policies and updated Policy Register
						75%	75%	50%	75%	25%	75%	79%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	CS- ALL	Council Extracts of all reviewed policies and updated Policy Register

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 34	Effective Governance and Leadership	To strengthen Governance and Leadership	GGPP1	Departmental Policy Adherence, Review and Compliance	Percentage compliance with policy adherence and compliance	75%	75%	50%	75%	25%	75%	79%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	OMM- ALL	Council Extracts of all reviewed policies and updated Policy Register
						75%	75%	50%	75%	25%	75%	79%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO- ALL	Council Extracts of all reviewed policies and updated Policy Register
						75%	75%	50%	75%	25%	75%	75%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	EDES- ALL	Council Extracts of all reviewed policies and updated Policy Register
GGPP 35	Clean and Social Government	To promote clean and social government	GGPP 2	Consequence Management	Number of consequence management repots submitted to MANCO	4	1	4	20	16	4	4	ACHIEVED	NONE	NONE	R0	R0.00	ALL	ALL	Monthly reports to MANCO
						4	6	4	20	16	4	4	ACHIEVED	NONE	NONE	R0	R0	ALL	CS	Monthly reports to MANCO
						4	3	4	20	16	4	4	ACHIEVED	NONE	NONE	R0	R0	ALL	OMM	Monthly reports to MANCO
						4	2	4	20	16	4	4	ACHIEVED	NONE	NONE	R0	R0	ALL	EDES	Monthly reports to MANCO

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
						4	3	4	20	16	4	4	ACHIEVED	NONE	NONE	R0	R0	ALL	BTO	Monthly reports to MANCO
GGPP 37	Effective governance and Leadership	To strengthen communication and stakeholder relations	GGPP 3	Operation Sukuma Sakhe	Number of functional DTT Meetings coordinated	4	8	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All	OMM-SPU	Signed Resolution register and attendance register
GGPP 39	Effective integrated approach to Public Participation	To ensure integrated Public participation approach	GGPP 4	Rights of a child programme	Number of rights of a child programmes implemented	4	8	4	4	0	4	6	ACHIEVED	NONE	NONE	R10,000	R9,200	All LMs	OMM - SPU	List of beneficiaries and Portfolio Committee Extract
GGPP 40	Effective integrated approach to Public Participation	To ensure integrated Public participation approach	GGPP 4	Senior Citizen Programmes	Number of senior citizens programmes implemented	4	4	4	4	0	4	6	ACHIEVED	NONE	NONE	R20,000	R0.00	All LMs	OMM - SPU	List of beneficiaries and Portfolio Committee Extract
GGPP 41	Effective integrated approach to Public Participation	To ensure integrated Public participation approach	GGPP 4	Disability Programmes	Number of disability programmes implemented	4	8	4	4	0	4	5	ACHIEVED	NONE	NONE	R30,000	R0.00	All LMs	OMM - SPU	List of beneficiaries and Portfolio Committee Extract
GGPP 42				Gender Development Programmes	Number of gender development programmes implemented	4	8	4	4	0	4	6	ACHIEVED	NONE	NONE	R10,000	R0.00	All LMs	OMM - SPU	List of beneficiaries and Portfolio Committee Extract
GGPP 43				HIV/AIDS Programmes	Number of HIV/AIDS programmes implemented	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	R30,000	R0.00	All LMs	OMM - YM	List of beneficiaries and Portfolio Committee Extract

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 44				Sport Programmes Supported	No. of sporting Programmes to be coordinated	8	0	2	2	0	2	2	ACHIEVED	NONE	NONE	R1,000,000.00	N/A	All LMs	OMM - YM	portfolio committee close-out report
GGPP 45	Effective integrated approach to Public Participation	To ensure integrated Public participation approach	GGPP 4	Youth Development Programmes	No. of Youth Events/Programmes coordinated	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	R0.00	R0.00	All LMs	OMM - YM	Portfolio committee close out report
GGPP 46				Youth Development Programmes Steering Committee	No. of Youth Development Programmes Steering Committee meetings	N/A	N/A	0	4	0	4	4	ACHIEVED	N/A	N/A	R0.00	R0.00	All LMs	OMM - YM	Close out report submitted to Manco
GGPP 47				Representation of Youth issues at OSS DTT Meetings	No. of Reports submitted to OSS DTT Meetings	N/A	N/A	New	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM - YM	Copy of Report submitted to OSS DTT and extract noting report
GGPP 48				District Youth Council Meetings	Number of district youth council meetings coordinated	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM - YM	Agenda with minutes and register
GGPP 49	Effective integrated approach to Public Participation	To ensure integrated Public participation approach	GGPP 4	Education, Skills and Training Programmes	No. of Education, Skills and Training Programmes coordinated	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM - YM	Attendance register and Portfolio committee close out report
GGPP 50	Effective integrated approach to Public Participation	To ensure integrated Public participation approach	GGPP 4	Substance Abuse and Social Ills Awareness Campaigns	No of Substance Abuse and Social Ills Awareness Campaigns coordinated	2	2	2	2	0	2	2	ACHIEVED	NONE	NONE	R50,000	R0	All LMs	OMM - YM	Attendance register and Portfolio committee close out report
GGPP 51	Effective integrated approach to Public Participation	To ensure integrated Public participation approach	GGPP 4	District Youth Izimbizo	No of District Youth Izimbizos coordinated	N/A	N/A	4	4	0	N/A	N/A	N/A	NONE	NONE	R0	R0	All LMs	OMM-YM	Attendance register and Portfolio committee close out report
KPI was removed due to financial constraints																				
						4	4	100%	100%	100%	100%	100%	ACHIEVED	NONE	NONE	R0	N/A	All	CS	Report on implementation of council resolutions per Department Manco/Extended/Portfolio Extract of Minutes

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 52	Effective Government and Leadership	To strengthen Governance and Leadership	GGPP 1	Implementation of council resolutions	% of Full Council resolutions implemented	4	4	100%	100%	100%	100%	100%	ACHIEVED	NONE	NONE	R0	N/A	All	WS	Report on implementation of council resolutions per Department Manco/Extended/Portfolio Extract of Minutes
						4	4	100%	100%	100%	100%	100%	ACHIEVED	NONE	NONE	R0	N/A	All	EDES	Report on implementation of council resolutions per Department Manco/Extended/Portfolio Extract of Minutes
						4	4	100%	100%	100%	100%	100%	ACHIEVED	NONE	NONE	R0	N/A	All	BTO	Report on implementation of council resolutions per Department Manco/Extended/Portfolio Extract of Minutes
						4	4	100%	100%	100%	100%	100%	ACHIEVED	NONE	NONE	R0	N/A	All	OMM	Report on implementation of council resolutions per Department Manco/Extended/Portfolio Extract of Minutes
GGPP 53	Effective Government and Leadership	To strengthen Governance and Leadership	GGPP 1	Municipal Compliance Checklist	Percentage compliance achieved as per the Municipal Legislative Compliance Checklist	95%	96%	95%	95%	0	95%	95%	ACHIEVED	NONE	NONE	N/A	N/A	All	Legal	Extract from MANCO indicating receipt of report on % of compliance
GGPP 54				Legislative Awareness Workshops	Number of Legislative Awareness Workshops held	2	3	2	2	0	2	2	ACHIEVED	NONE	NONE	N/A	N/A	All	Legal	Attendance register and agenda
GGPP 55				Litigation Risk Reduction Action	Percentage Compliance to Litigation Risk Reduction Action Plan	100%	100%	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All	Legal	Extract from MANCO indicating receipt of report on % of risk reduction
GGPP 56				Contractual obligations checklist	Percentage compliance achieved as per the contractual obligations checklist	95%	95%	95%	95%	0	95%	95%	ACHIEVED	NONE	NONE	N/A	N/A	All	Legal	Extract from MANCO indicating receipt of report on % of contractual obligations checklist

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
GGPP 57	Effective Governance and Leadership	To strengthen Governance and Leadership	GGPP 1	Quarterly Performance Reviews	Number of quarterly performance reviews held	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All	OMM - DP	Attendance Register, minutes and programme
SDG Goal: Make cities and human settlements inclusive, safe, resilient and sustainable. Take urgent action to combat climate change and its impacts; conserve and sustainably use the oceans, seas and Marie resources for sustainable development; Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt																				
NDP: Transforming human settlement and the national space economy, building environmental sustainability and resilience																				
MTSF: Outcome 8 and Outcome 10																				
Back to Basics:																				
PGDS: Spatial Equity, Environmental Sustainability																				
DGDS: Spatial Integration Facilitating and Security of Tenure, environmental sustainability																				
KPA: Cross Cutting Interventions																				
CCI 1	Effective Disaster prevention and management	To improve Disaster prevention and Management	CCI 1	Development of Disaster Management Seasonal Preparedness Plans	Date Approval of Disaster management Seasonal Preparedness Plans	N/A	N/A	31-Dec-17	Disaster Management Seasonal Preparedness Plan by 2021/03/31	0	Disaster Management Seasonal Preparedness Plan by 2021/03/31	11-Mar-22	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Report to DMAF/MANCO/ CS Portfolio
CCI 2				Disaster Risk Management Forums Coordinated by DDMAF	Number of Forums meetings for Disaster Risk Management DDMAF co-ordinated	3	3	4	3	0	3	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Agenda Minutes Attendance Register
CCI 3				Disaster Risk Management Forum coordinated by practitioners	Number of Forums for Disaster Risk Management District Practitioners co-ordinated	4	4	4	3	0	3	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Agenda Minutes Attendance Register
CCI 4				Ward Based Committee Meetings	Number of Ward Based Structures / Committee meetings co-ordinated	8	9	8	8	0	8	12	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Agenda Minutes Official Leter / Attendance Register
CCI 5				Disaster Risk Assessment conducted	Number of Disaster Risk Assessments Conducted.	1	2	2	1	0	1	1	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Report to Manco / DMAF/ Portfolio & Extract
CCI 6				Risk Mapping	Number of Risk Maps completed	1	2	2	1	0	1	1	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Report to Manco / DMAF/ Portfolio & Extract

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
CCI 7	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Rural Fire Prevention Programme	Number of HH inspected for Rural Fire Prevention Program	1500	1556	2000	1000	0	1000	1879	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Progress report to the MANCO / CS Portfolio / DMAF/ Committee Minutes
CCI 8				Preparedness Plans	Number of Disaster Management / Fire Field Operations Guidelines	N/A	N/A	0	2	2	2	2	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Report on FOG to MANCO / CS Portfolio / DMAF
CCI 9				Event Safety Management Plans	Number of Event Safety Management Plans prepared	8	10	8	8	0	8	21	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Safety Plans CS Portfolio/ DMAF/ MANCO minutes
CCI 10				Community Awareness Programmes	Number of Community Awareness programmes facilitated; (a)Fire Safety (b)Disaster Management	30	37	24	40	16	40	53	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Official Letter / Attendance register programme
CCI 11	Effective Disaster	To improve Disaster prevention and	CCI 1	Disaster Response and Recovery	Turnaround time to respond to reported disasters / Incidents	12 Hrs	12 Hrs	24 Hours	12 Hours	12 Hours	12 Hrs	12hrs	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Systems Report /Incident Assessment Forms
CCI 12				Monthly Incident Reports	Number of Monthly Incident Statistics reports produced	10	10	10	10	0	8	8	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Report to the MANCO / DMAF/ Portfolio on S/G Minutes
CCI 13				Post Disaster committee Meetings	Number of Post Disaster Committee Meetings co-ordinated	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Official Letter / Attendance Register Minutes
CCI 14				Implementation of Fire and Rescue Strategy	Number of District Fire Services Forum meetings co-ordinated and milestones achieved	4	4	2	2	2	2	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Agenda Attendance Register Minutes

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
CCI 15	prevention and management	prevention and management	CCI 1	Building Fire Safety Inspections	Number of fire safety inspections completed in buildings;	40	48	32	60	28	60	84	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Report to the District DMAF/ CS Portfolio / MANCO Minutes
CCI 16				Procurement of Fire and Rescue Equipment	Number of reports of fire and rescue equipment purchased	N/A	N/A	2	1	1	1	1	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Progress Report t to MANCO / DMAF/ CS Portfolio
CCI 17				Fire & Disaster Risk Management Workshops	Number of Fire & Disaster Risk Management workshops conducted	12	12	12	20	8	20	40	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Agenda Official Letter / Attendance Register
CCI 18				Disaster Risk Management Trainings	Number of Disaster Risk Management and Fire Trainings conducted	12	14	12	40	32	40	44	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	CS - DM	Agenda Official Letter / Attendance Register
CCI 19	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Implementation of Health & Hygiene Education Strategy (HHES) COVID 19 Protocol(s)	Number of rivers and beneficiaries covered by Sihlanzimvelo pilot project (rivers)	N/A	N/A	30	30	0	30	N/A	N/A	NONE	NONE	R -	N/A	All LMs	EDES - ENVIRO HEALTH	attendance register
CCI 19 WAS REMOVED AT MID YEAR ADJUSTMENT DUE TO DUPLICATION																				
CCI 20	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Implementation of Health & Hygiene Education Strategy (HHES) COVID 19 Protocol(s)	No of Food Handlers awareness sessions implemented	30	55	40	40	0	40	40	ACHIEVED	NONE	NONE	R -	0	All LMs	EDES - ENVIRO HEALTH	Attendance registers and/or extract from MANCO /LED Portfolio Committee
CCI 21	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Implementation of Health & Hygiene Education Strategy (HHES) COVID 19 Protocol(s)	No of communicable disease control (CDC) sessions implemented	600	630	400	400	0	400	400	ACHIEVED	NONE	NONE	R -	0	All LMs	EDES - ENVIRO HEALTH	Health & Hygiene reports and/or extract from MANCO /LED Portfolio Committee
CCI 22	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Chemical Safety	No of chemical safety sessions implemented	200	227	200	200	0	200	200	ACHIEVED	NONE	NONE	R -	0	All LMs	EDES - ENVIRO HEALTH	Health & Hygiene reports and/or extract from MANCO /LED Portfolio Committee

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																					
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication		Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																	Annual Budget				
CCI 23	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Implementation of Health & Hygiene Education Strategy (HHES) COVID 19 Protocol(s)	No of PHAST sessions implemented	120	156	120	120	0	120	120	ACHIEVED	NONE	NONE	R	-	0	All LMs	EDES - ENVIRO HEALTH	Health & Hygiene reports and/or extract from MANCO /LED Portfolio Committee
CCI 24	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Implementation of Health & Hygiene Education Strategy (HHES) COVID 19 Protocol(s)	No of water & sanitation awareness sessions implemented	600	628	400	400	0	400	405	ACHIEVED	NONE	NONE	R	-	0	All LMs	EDES - ENVIRO HEALTH	Health & Hygiene reports and/or extract from MANCO /LED Portfolio Committee
CCI 25	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Disposal of the dead	Percentage of Proper handling, storage, transportation & disposal of paupers	100% of requests received	50%	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	R	200 000.00	R175 500.	All LMs	EDES - ENVIRO HEALTH	Invoice/ if requests for pauper burial received / and/or extract from MANCO /LED Portfolio Committee
CCI 26	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Food safety monitoring - Inspections	Number of Health Inspections conducted at food premises/outlets	1440	1479	1440	1440	0	1440	1441	ACHIEVED	NONE	NONE	R	-	0	All LMs	EDES - ENVIRO HEALTH	Reports and/or extract from MANCO /LED Portfolio Committee
CCI 27	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Food safety monitoring - Swabbing and microbial detection conducted	Number of food samples / swabbing for microbial detection conducted	144	181	144	144	0	144	153	ACHIEVED	NONE	NONE	R	200 000.00	R39163.77	All LMs	EDES - ENVIRO HEALTH	Lab reports and/or extract from MANCO/LED Portfolio Committee
CCI 28	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Premises health surveillance	Number of inspections conducted on non-food establishments	420	421	420	420	0	400	401	ACHIEVED	NONE	NONE	N/A	N/A	N/A	All LMs	EDES - ENVIRO HEALTH	Reports and/or extract from MANCO /LED Portfolio Committee
CCI 29	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Premises building surveillance	Percentage of building plans scrutinised for compliance	100%	100%	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	N/A	All LMs	EDES - ENVIRO HEALTH	stamped summary of building plans report scrutinised/ and/or extract from MANCO/LED Portfolio Committee
CCI 30	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Disease surveillance	Percentage of communicable diseases investigated	100%	N/A - There were no requests received	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	N/A	All LMs	EDES - ENVIRO HEALTH	Reports and/or extract from MANCO /LED Portfolio Committee

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
CCI 31	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Environmental Health Risks investigations	Number of Waste water treatment plants inspected	228	240	228	228	0	160	181	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO HEALTH	Reports and/or extract from MANCO /LED Portfolio Committee
CCI 32	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Environmental Health Risks investigations	Percentage of sanitation complaints investigated	100%	100%	100%	100%	0	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO HEALTH	Reports and/or extract from MANCO/LED Portfolio Committee
CCI 33	Sustainable Environment	To enhance measures to reduce community exposure to diseases and health risk	CCI 3	Water quality monitoring - river/lagoon/streams water samples	Number of river / lagoons /streams/water samples taken and analysed	500	636	500	500	0	500	607	ACHIEVED	NONE	NONE	R50 000.	R41371.25	All LMs	EDES - ENVIRO HEALTH	Lab reports and/or extract from MANCO/LED Portfolio Committee
CCI 34				Water quality monitoring - effluent water samples	Number of WWTW / final effluent water samples taken and analysed	228	237	160	160	0	120	160	ACHIEVED	NONE	NONE	R -	R0	All LMs	EDES - ENVIRO HEALTH	Lab reports and/or extract from MANCO/LED Portfolio Committee
CCI 35				Water quality monitoring - standpipe water sampling	Number of standpipes (regional water) water samples taken and analysed	120	226	120	120	0	120	152	ACHIEVED	NONE	NONE	R -	R0	All LMs	EDES - ENVIRO HEALTH	Lab reports and/or extract from MANCO/LED Portfolio Committee
CCI 36				Water quality monitoring	Number of boreholes water samples taken and analysed	120	167	120	120	0	120	145	ACHIEVED	NONE	NONE	R -	R0	All LMs	EDES - ENVIRO HEALTH	Lab reports and/or extract from MANCO/LED Portfolio Committee
CCI 37				Water quality monitoring - water tanker/static tank/taps sampling	Number of water tankers /static tanks/taps/ water samples taken and analysed	280	389	280	280	0	280	283	ACHIEVED	NONE	NONE	R 80,000.00	R30 000.	All LMs	EDES - ENVIRO HEALTH	Lab reports and/or extract from MANCO/LED Portfolio Committee
CCI 38					Number of premises inspected for vectors	40	77	40	40	0	40	43	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO HEALTH	reports and/or quarterly report to LED Portfolio Committee

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
CCI 39	Sustainable Environment	To promote a healthy, safe, and sustainability environment	CCI 2	Env Public Awareness Campaigns	Number of environmental public awareness sessions conducted.	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO MNGT	Program and confirmation of attendance
CCI 40				Celebration of international environmental calendar days	Number of Environmental Calendar Days observed	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO MNGT	Program and correspondence
CCI 41				Eco (Green) Office initiatives	Number of Eco (Green) office sessions/workshops (internal education) conducted	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO MNGT	Awareness material circulated and E-mailing list
CCI 42				Community Climate response and EPWP-Env Sector Project	Number of rivers and beneficiaries covered by Sihlanzimvelo pilot project (rivers)	5 rivers clean up	5 rivers clean up	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO MNGT	Close out report
CCI 43				Compliance of Ugu projects in accordance to EMP/raudits	Number of projects implemented in line with EMP/	16	34	20	16	4	16	42	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO MNGT	Annual Compliance Report
CCI 44				Air Quality Mngt- AEL Monitoring	Number of AEL monitored per year	20	21	5	20	15	20	20	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO MNGT	Annual Compliance Report
CCI 45	Sustainable environment	To promote a healthy, safe, and sustainability environment	CCI 2	AEL (NAEIS) Reports	Number of NAEIS reports received per year	N/A	N/A	NEW	5	0	5	5	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - ENVIRO MNGT	Correspondence to Industries
CCI 46				Environmental Support to multi-stakeholders	Number of multi-stakeholder Environmental initiatives supported	N/A	N/A	NEW	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	WS & ENVIRO MANAGT	Quarterly report submitted to Portfolio Committee

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
CCI 47	Improved Planning and Coordination	To improve planning and coordination	CCI 4	Spatial Development Framework Review	Date of adoption of the SDF	SDF Adopted by 30 March 2021	31-Mar-21	30-Mar-20	31-Mar-22	0	31 March 2022	30-Mar-22	ACHIEVED	NONE	NONE	R0.00	R0.00	All LMs	OMM - DP	Council Resolution and SDF CIF
CCI 48	Improved Planning and Coordination	To improve planning and coordination	CCI 4	GIS Projects Implementation Plan	Number of GIS implementation reports submitted to MANCO	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM - DP	Progress and activity report
CCI 49	Improved Planning and Coordination	To improve planning and coordination	CCI 4	GIS Policy	Date of Review of GIS policy	GIS Policy adopted by 2021/06/30	29-Apr-21	30-Jun-20	GIS Policy reviewed by 2022/06/30	0	2022/06/30	26/06/2022	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM - DP	Council Resolution
CCI 50	Improved Planning and Coordination	To improve planning and coordination	CCI 4	Ugu Investment Register	Date of Adoption of Ugu Investment Register	30-Jun-21	0	31-Mar-21	31-Mar-22	0	31-Mar-22	0	NOT ACHIEVED	The target was not achieved as the district was awaiting the land audit for Ray Inkonyeni which was not conducted	Once RNM conducts the land audit the District will include the Kpi in the SDBIP	N/A	N/A	All LMs	OMM - DP	Council Resolution
CCI 51	Improved Planning and Coordination	To improve planning and coordination	CCI 4	2021/22 IDP Review	Date of adoption of the 2021/2022 IDP	IDP adopted by 2021/03/31	31-Mar-21	27-Mar-21	31-Mar-22	0	2022/03/31	30-Mar-22	ACHIEVED	NONE	NONE	R179,200	R57 000	All LMs	OMM - DP	Council Resolution
CCI 52	Improved Planning and Coordination	To improve planning and coordination	CCI 4	2021/2022 Summarised IDP	Date of Adoption of summarised IDP	Summarised IDP to be adopted by 2021/05/31	0	31-Mar-20	Summarised IDP to be adopted by 2022/05/31	0	2022/05/31	30-May-22	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM - DP	Council Resolution
CCI 53	Sustainable environment	To promote a healthy safe and sustainable environment	CCI 2	Functional Environmental IGR structures Air Quality Management Forum	Number of Air Quality Multi Stakeholder Workshops conducted	2	2	2	2	0	2	2	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	ENV Mngt	Agenda; Attendance registers and Minutes of the workshops
CCI 54	Sustainable environment	To promote a healthy safe and sustainable environment	CCI 2	Functional Environmental IGR structures Biodiversity Management Forum	Number of Biodiversity multi-stakeholder engagements conducted	2	2	4	2	2	2	2	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	ENV Mngt	Agenda; Attendance registers and Minutes of the workshops

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
CCI 55	Sustainable environment	To promote a healthy safe and sustainable environment	CCI 2	Number of Estuary Management Sub-committee Multi-stakeholder engagements conducted	NEW	NEW	NEW	2	0	0	2	1	N/A	NONE	NONE	N/A	N/A	All Wards/LMs	ENV Mngt	Agenda; Attendance registers and Minutes of the forum
vip																				
SDG Goal: End poverty in all its form, end hunger, achieve food security and improved nutrition and promotes sustainable agriculture, promote sustained, inclusive and sustainable economic growth full and productive employment and decent work for all; Reduce inequality within and amongst countries																				
NDP: An inclusive and integrated rural economy, Economy and employment, Social protection																				
MTSF: Outcome 4, Outcome 7 and Outcome 13																				
Back to Basics: N/A																				
PGDS: Inclusive Economic Growth																				
KPA: Local Economic Development																				
LED 1	Reduced Levels of poverty, inequality, and unemployment	To Improve job creation opportunities particularly for the youth	LED 1	Jobs created through EPWP projects	Number of jobs created through the EPWP Environmental and Social Sector	179	179	179	300	121	300	372	ACHIEVED	NONE	NONE	R 3 611 000	R 3 611 000	All LMs	OMM - SPU	Payment Register reflecting number of workers paid from EPWP grant
LED 2	Enabling LED Environment	To promote Sectoral development	LED 3	Sectoral development and support - MANUFACTURING	Number of reports of Manufacturers Supported	5	108	5	4	0	4	4	ACHIEVED	NONE	NONE	R -	N/A	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee
LED 3				Sectoral development and support - MINING	Number of reports of mining development and support initiatives achieved	4	4	4	4	0	4	4	ACHIEVED	NONE	NONE	R 50,000.00	R50 000.00	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee
LED 4		To increase investment and development opportunities	LED 4	Administration of Ugu Sports & Leisure Centre (USLC)	Number of USLC quarterly reports submitted	4 reports per annum	6	4	4	0	4	5	ACHIEVED	NONE	NONE	R 1,325,000.00	1,325,000	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee
LED 5		To promote Sectoral	LED 3	Recovery support to sectors of Ugu economy	Number of COVID 19 economic recovery initiatives coordinated	4 reports per annum	5	4	4	0	4	6	ACHIEVED	NONE	NONE	R0	R0	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
LED 6		development	LED 1	Rural Medium-Scale Farmer Support Program	Number of reports of Rural Medium-Scale Farmers Supported	4	63	4	4	0	4	4	ACHIEVED	NONE	NONE	R0.00	R0.00	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee
LED 7	Reduced Levels of poverty, inequality, and unemployment	To promote Small Businesses, Co-operatives and SMMEs	LED 2	SMME Empowerment & Compliance	Number of reports of small business outreach/empowerment sessions conducted	3 small business outreach sessions	18	4	3	0	3	3	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee
LED 8		To promote Small Businesses, Co-operatives and SMMEs		Cooperative Empowerment & Compliance	Number of Cooperatives Supported	15	25	15	15	0	15	21	ACHIEVED	NONE	NONE	R0	R0.00	All LMs	EDES - LED	Progress Report submitted to Portfolio Committee
LED 9	Enabling LED Environment	To increase investment and development opportunities	LED 4	Ocean economy Fisheries Project	Number of Fisheries Project supported	N/A	N/A	0	4	0	4	4	ACHIEVED	NONE	NONE	R0	R0.00	All LMs	EDES - LED	Progress Report submitted to Portfolio Committee
LED 10	Sectoral Development and Support	To optimise tourism marketing and Development	LED 5	Administration of Ugu Economic Projects (USCDA & USCT)	Number of reports on Entities submitted per annum	4	4	2	4	0	4	6	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee
LED 11	Reduced Levels of poverty, inequality, and unemployment	To promote small business, Cooperatives and SMME's	LED 2	LED Portable Skills Programme	Number of reports of apprentices supported	N/A	N/A	0	4	22	4	4	ACHIEVED	NONE	NONE	R 100,000.00	R100 000.00	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee
LED 12	Enabling LED Environment	To increase investment and development opportunities	LED 4	Essential Oils Production and Development	Number of reports of tea tree development initiatives Supported	N/A	N/A	N/A	3	0	3	3	ACHIEVED	NONE	NONE	R0	R0.00	All LMs	EDES - LED	quarterly report submitted to Portfolio Committee

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																					
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication		Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																	Annual Budget				
LED 13	Enabling LED Environment	To increase investment and development opportunities	LED 4	LED Capacity to Local Municipalities	Number of Unemployed Graduates deployed to LMs	N/A	N/A	N/A	4	0	4	4	ACHIEVED	NONE	NONE	R 100,000.00	R100,000.00	All LMs	EDES - LED	Quarterly report submitted to Portfolio Committee	
LED 14	Enabling LED Environment	To increase investment and development opportunities	LED 4	Administration of Ugu Fresh Produce Market (UFPM)	Number of UFPM Quarterly Report submitted	N/A	N/A	N/A	4	0	4	4	ACHIEVED	NONE	NONE	R0	R0.00	ALL LMs	edes - LED	Quarterly report submitted to Portfolio Committee	
LED 15	Enabling LED Environment	To increase investment and development opportunities	LED 4	LED Framework Development	Reviewed LED Framework Adopted -2017/2018	N/A	N/A	1	Date LED Framework reviewed 30 June 2022	0	Date LED Framework reviewed 30 June 2022	0	N/A	NONE	NONE	R150 000.00	R0.00	ALL LMs	EDES - LED	Council resolution	
LED 15 WAS REMOVED AT MID YEAR ADJUSTMENT																					
LED 16	Enabling LED Environment	To increase investment and development opportunities	LED 4	Green Economy Projects Supported	Number of Green Economy Initiatives Implemented	N/A	N/A	0	2	0	2	2	ACHIEVED	NONE	NONE	R0	R0.00	All LMs	EDES - LED	quarterly report submitted to Portfolio Committee	
LED 17	Effective Community Development	To promote special vulnerable focus group development	LED 6	COVID19 studies/surveys	Number of COVID-19 Surveys/studies circulated/uploaded	1	1	1	1	0	2	3	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM-	Copy of COVID-19 Surveys/studies Circulated/Uploaded on Municipal Electronic Platforms	
LED 18	Effective Community Development	To promote special vulnerable focus group development	LED 6	Socio-economic Statistics Reports Circulated/Uploaded	Number of Socio-economic Statistical Reports Circulated/Uploaded on Municipal Intranet	4	4	4	4	0	1	2	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	OMM-	Socio-economic Statistical Report Circulated/Uploaded on Intranet	
LED 19	Effective Community Development	To promote youth economic development	LED 7	30% of youth participation in technical projects	Percentage of youth owned businesses participation in technical projects	N/A	N/A	0	100%	0	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	IED - LED	Report to MANCO	
SDG Goal 16: Build Effective, Accountable and Inclusive Institutions at all levels																					
NDP: Building capable and developmental state																					
MTSF: Outcome 9																					
Back to Basics: Sound Financial Management																					
PGDS: Spatial Equity, Environmental Sustainability																					

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
DGDS: Institutional Development																				
KPA: Municipal Financial Viability and Management																				
MFVM 1	Zero unauthorised, irregular expenditure	To optimise expenditure	MFVM 1	Zero unauthorised, expenditure	Percentage unauthorised expenditure	Zero unauthorised, irregular expenditure	0%	0.1%	0%	-0.10%	Zero unauthorised, irregular expenditure	0%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO Budget	Unauthorised Expenditure Register
MFVM 2				Reduction of Irregular Expenditure to 7% of Total Operating Expenditure .	Percentage of reduction of irregular expenditure	7% Total Operating Expenditure unauthorised, irregular expenditure	14%	8%	7% Total Operating Expenditure unauthorised, irregular expenditure	-8%	7% Total Operating Expenditure unauthorised, irregular expenditure	6.15%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO SCM	Irregular Expenditure Register
MFVM 3	Creditors paid within 30 days	To optimise expenditure	MFVM 2	Payment of Creditors within 30 days	Percentage of creditors paid within 30 days	100%	11%	25.77%	100%	74.23%	100%	9.4%	NOT ACHIEVED	The municipality is experiencing cashflow challenges, Payments to service providers are not done as per regulated time frames.	The Municipality has implemented strategies working on improving collections, cutting costs on non-core services, and also ensures that the municipality is committing based on its affordability and budget.	N/A	N/A	All Wards/LMs	BTO Expenditure Management	Creditors Age Analysis
MFVM 4				Payment of monthly salaries on time	Date by which salaries are paid	20th of each month	20th of each month	20th of each month	20th of each month	None	20th of each month	20th of the month	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO Expenditure Management	Monthly Salary Payment Report
MFVM 5				Payment of monthly salaries of third party	Date by which third party payments are made	7th of each month	7th of each month	7th of each month	7th of each month	None	7th of each month	7th of the month	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO Expenditure Management	Monthly Deductions Payment Report
MFVM 6	Zero fruitless and wasteful expenditure	To strengthen budgeting and reporting	MFVM 3	Reduction of Fruitless and Wasteful Expenditure	Percentage of Fruitless and wasteful expenditure as a total of operating expenditure	0%	1%	0.5%	0%	-0.50%	0%	1.7%	NOT ACHIEVED	The municipality is experiencing cashflow challenges, and delays payment to service providers hence interest and penalties for late payment are charged/incurred.	The Municipality has implemented strategies working on improving collections, cutting costs on non-core services, and also ensures that the municipality is committing based on its affordability and budget.	N/A	N/A	All Wards/LMs	BTO Expenditure Management	Fruitless and Wasteful Expenditure Register
MFVM 7				Acquisitions Management Finalisation of tender	Average turnaround in time and days taken to finalise a tender.	90 Days	96.25 Days	175 Days	90 Days	85 Days	90 Days	53 Days	ACHIEVED	On the 16th February 2022, the Constitutional Court issued a judgement against the PPPFA 2017 regulations. Subsequently to that the publication of public tenders was suspended until the municipality acquired the approval of exemption from National Treasury in May.	NONE	N/A	N/A	All Wards/LMs	BTO SCM	Bids Register
MFVM 8				Finalisation of purchase orders	Average turnaround in time in days taken to finalise purchase orders.	7 Days	7 Days	7 Days	7 Days	0	7 Days	7 Days	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO SCM	System Generated Purchase Orders Report

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MFVM 9	100% compliance with all laws and regulations	To ensure full compliance with MFMA	MFVM 4	Finalisation of mini tenders	Average turnaround in time and days taken to finalise mini-tenders.	14 DAYS	14 DAYS	14 days	14 days	0	14 Days	10 Days	ACHIEVED	On the 16th February 2022, the Constitutional Court issued a judgement against the PPPFA 2017 regulations. Subsequently to that the publication of public tenders was suspended until the municipality acquired the approval of exemption from National Treasury in May.	NONE	N/A	N/A	All Wards/LMs	BTO SCM	System Generated Purchase Orders Report
MFVM 10				Effective Contract Management	Monthly contract register reviews and updates performed.	12	12	New	12	12	12	12	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO SCM	Updated Contract Register
MFVM 11				Vendor Performance Management	Monthly Vendor Performance Meetings Held	12	12	4	12	8	12	12	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO SCM	Vendor Performance Reports
MFVM 12				Improve Cash and Cash Equivalent ratio.	3 Months Cash Coverage of Expenditure	3 Months	0.47 Months	0 Months	3 Months	3 Months	3 Months	0.56 Mths	NOT ACHIEVED	The progress on performance was low due to some expenditure patterns being slow which was anticipated to be rectified by year end.	Payment patterns were improved	N/A	N/A	All Wards/LMs	BTO Cash Management	Balance Sheet, Income Statement and Calculations
MFVM 13				Preparation of the Annual Budget	Percentage Budget Expenditure on Free Basic Services	100%	85.56%	95%	100%	5%	100%	100%	ACHIEVED	NONE	NONE	R83,457,300.00	R18 021 768.11	All Wards/LMs	BTO Budget	Budget vs Actual Expenditure Report
MFVM 14				Preparation of Annual Financial Statements for submission to AG by 31 August 2020	Date Annual Financial Statements submitted to Auditor General	31-Aug-20	31-Oct-20	31-Oct-20	31-Aug-21	None	31-Aug-21	31-Aug-21	ACHIEVED	NONE	NONE	R699,803.00	R699,803.00	All Wards/LMs	BTO Budget	Acknowledgement of Receipt from AG
MFVM 15				Preparation of Consolidated Annual Financial Statements for submission to AG by 30 September 2020	Date Consolidated Annual Financial Statements submitted to the Auditor General	30-Sep-20	30-Nov-20	30-Nov-20	30-Sep-21	None	30-Sep-21	30-Sep-21	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO Budget	Acknowledgement of Receipt from AG
MFVM 16				Preparation of the Annual Budget Process Plan	Date Budget Process Plan approved	31-Aug-20	30-Sep-20	30-Sep-20	31-Aug-21	N/A	31-Aug-21	31-Aug-21	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO Budget	Council Resolution
MFVM 17							Preparation of the Annual Budget	Date Annual Budget adopted by Council	31-May-21	27-May-21	31-May-21	31-May-22	N/A	31-May-22	27-May-22	ACHIEVED	NONE	NONE	R0.00	R0.00

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MFVM 18				Preparation of the Adjustment Budget	Date Adjustment Budget adopted by Council	28-Feb-21	25-Feb	25-Feb-21	28-Feb-22	N/A	28-Feb-22	24-Feb-22	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO Budget	Council Resolution
MFVM 19				In-Year Reporting on Budget Implementation	Number and date of S71 reports submitted to Council and Treasuries within 10days in terms of the MFMA calendar of reporting and to the Mayor.	12 reports per annum	12	12	12	N/A	12 reports per annum	12	ACHIEVED	NONE	NONE	R0.00	R0.00	All Wards/LMs	BTO Budget	DATA STRINGS SUBMISSION
MFVM 20				Submission of S72 Reports to Council	Date by when S72 reports must submitted to Council	N/A	N/A	28-Jan-21	25-Jan-22	N/A	25-Jan-22	25-Jan-22	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO Budget	Council Resolution
MFVM 21				Submission of S52 reports to Council	Date by when S52 reports must be submitted to Council	N/A	N/A	Within 30 days after end of each quarter	Within 30 days after end of each quarter	0	Within 30 days after end of each quarter	23-Jun-22	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO Budget	Council Resolution
MFVM 22				Improve the Liquidity ratio of the Municipality	Improve the Liquidity ratio of the Municipality to the prescribed minimum ratio of 1.5:1	1.5:1	0.21:1	0.2:1	1.5:1	1.3	1.5:1	0.71:1	NOT ACHIEVED	Although there has been a slight improvement from the previous quarter. The Municipality need to improve till it gets to the required norm. The Municipality's working capital is over committed, resulting in an inability of the Municipality in meeting or paying off its current or short term obligations. Various strategies are in progress, working towards improving Municipal collection and building reserves.	The Municipality has implemented strategies working on building sustainable reserves, although there has been small strides achieved during the current financial year, the Municipality with continue building reserves in the upcoming year from its collections, based on its strategies. Whilst also ensuring that the Municipality is committing based on its affordability and budget.	N/A	N/A	All Wards/LMs	BTO Cash Management	Balance Sheet and Calculations
MFVM 23				Improve the Debt Coverage Ratio of the Municipality	Improve Debt Coverage Ratio 45%	N/A	N/A	45%	45%	0%	45%	81%	NOT ACHIEVED	Currently the Municipality's Debt to Operating revenue ratio is above the required norm of 45%, which indicates the Municipality does not have a capacity to increase funding from borrowings, as it has not generated sufficient revenue to provide assurance to repay its liabilities.	The Municipality need to reduce its short and long term borrowings, which are mainly built from historic debt, whilst increasing its revenue. Strategies are in place and are in progress, working towards revenue improvement and debt reduction	N/A	N/A	All Wards/LMs	BTO Cash Management	Balance Sheet, Income Statement and Calculations
MFVM 24				Financial Management Systems Support	Percentage of System Support Issues Resolved Within 16 working hours.	100%	96.89%	94.00%	100%	6%	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO FMSS	ICT Helpdesk Report

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
MFVM 25				Implementation of mSCOA Project	Percentage Implementation of mSCOA Financial System	93%	83%	83%	100%	17%	100%	100%	ACHIEVED	NONE	NONE	N/A	N/A	All Wards/LMs	BTO FMSS	mSCOA Project Report
KPI amended target date from Q2 to Q4																				
MFVM 26	100% Accurate billing	To improve revenue collection	MFVM 5	Completeness of Meter Reading: Rural	Percentage of Meters Read - Urban	85%	80.25%	83%	85%	2%	75%	73%	NOT ACHIEVED	On average 15% of the meters could not be accessed when the meter readings took place this was due to various reasons namely but not limited to:- meter damaged, meter underground, faulty meters. There are challenges that we are still trying to resolve i.e. shortage of vehicles as we currently only have 3 vehicles.	The request to have the meters replaced have been logged on Cticali in the previous financial year for Water Services Department's attention and the meter readers can be able to collect correct information once this exercise is done. a list detailing the additional vehicles needed has been shared with Fleet Management Section.	N/A	N/A	All Wards/LMs	BTO Revenue Management	Meter Reading Report
KPI amended target from 85 % to 75%																				
MFVM 27	100% Accurate billing	To improve revenue collection	MFVM 5	Completeness of Meter Reading: Urban	Percentage of Meters Read - Rural	40%	3.25%	4%	40%	36%	5%	5%	ACHIEVED	Although the target is achieved, there are challenges that we are still trying to resolve which include i.e. the shortage of vehicles. The meters in the rural areas are scattered and the meter readers need to have vehicles to be able to read more meters.	The request to have the meters replaced have been logged on Cticali in the previous financial year for Water Services Department's attention and the meter readers can be able to collect correct information once this exercise is done.	N/A	N/A	All Wards/LMs	BTO Revenue Management	Meter Reading Report
KPI amended target from 40 % to 5%																				
MFVM 28	100% Accurate billing	To improve revenue collection	MFVM 5	Meter reading monthly billing collections	Percentage of monthly billing collected	90%	84.0%	85%	90%	15%	90%	72%	NOT ACHIEVED	The collections have been negatively affected by the current pandemic as most business and private individuals' income have been impacted. In addition we still have system related issues where we cannot correct customer accounts that are under dispute, technical issues where meters need to be replaced in order to ensure accuracy of customer bills, unplanned water outages which has led to most customer installing storage facilities in their properties which minimize the optimal impact of disconnections and restrictions as customers will still have water supply, which then . We do have a dedicated team of 2 personnels that is attending to disconnections and restrictions which is still inadequate.	The Council has adopted a Recovery plan which is currently being enforced where all customer groups that are in arrears will be subjected to the debt and collection procedures. The Council approved for Amnesty to be afforded to residential customers when they pay 50% of their debt that is over 120 days. Customers that meet the criteria are being contacted telephonically to advise them of the program.	N/A	N/A	All Wards/LMs	BTO Revenue Management	Summary Report Billing and Consumer Receipts
SDG Goal: Ensure Availability and sustainable management of water and sanitation for all; Ensure access to affordable, reliable, sustainable and modern energy for all. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation																				
NDP: Economy Infrastructure																				
MTSF: Outcome 6 and Outcome 8																				
Back to Basics: Basic Services																				
PGDS: Strategic Infrastructure																				
DGDS: Strategic Infrastructure Investment																				
KPA: Basic Services and Infrastructure Delivery																				

UGU DISTRICT MUNICIPALITY
2021.2022 DRAFT ANNUAL PERFORMANCE REPORT

SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
BSD 1	Universal access to Basic Services	To ensure access to free basic water	BSD 2	Provision of Indigent Support	Number of customers benefiting from indigent support.	2000	860	2000	1200	800	2000	1421	NOT ACHIEVED	Customers did not apply for renewals at the expiry of their benefit. the roadshows were conducted in different areas but the attendance was very poor.	A new communication strategy is being compiled on how we can reach more people - 22.23 FY	15 000 000.00	18 089 842.16	All Wards/LMs	BTO Revenue Management	Indigent Register
BSD 2	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	Malangeni sanitation project: WWTW construction	Percentage progress of construction of Malangeni WWTW sanitation	100%	0%	100%	100%	100%	20%	20%	ACHIEVED	NONE	NONE	65,290,000.00	R 81,468,863	Umdoni	WS - PMU	Practical Completion Certificate
KPI amended from 100 % to 20% During Mid - Year adjustment																				
BSD 3	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	Malangeni Waterborne Sanitation Stage - Phase 2E: Construction of Water and Sewer Reticulation	Percentage of Malangeni Waterborne Sanitation construction	N/A	N/A	603	603	0	100%	64%	NOT ACHIEVED	Delays due to work Stoppages by the Local Business Forums and MKMVA. These stakeholders had had forcefully stopped the contractor from working on site as they wanted to be incorporated to the projects. They wanted sub-contracting work to be awarded to them.	A series of engagement meetings with all affected stakeholders were convened and an amicable resolutions were taken and subsequently awarded sub-contracting to affected stakeholders (MKMVA and Local Business Forums)	65,290,000.00	R 81,468,863	Umdoni	WS - PMU	Practical Completion Certificate
KPI measure was amended from Number of households benefiting from Malangeni WWTW to Percentage Construction of Malangeni Waterborne Sanitation, During Mid - Year adjustment																				
BSD 4	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	Malangeni Waterborne Sanitation Stage - Phase 2F: Construction of Water and Sewer Reticulation	Percentage of Malangeni Waterborne Sanitation construction	N/A	N/A	245	245	0	100%	90.30%	NOT ACHIEVED	Delays due to work Stoppages by the Local Business Forums and MKMVA. These stakeholders had had forcefully stopped the contractor from working on site as they wanted to be incorporated to the projects. They wanted sub-contracting work to be awarded to them.	A series of engagement meetings with all affected stakeholders were convened and an amicable resolutions were taken and subsequently awarded sub-contracting to affected stakeholders (MKMVA and Local Business Forums)	65,290,000.00	R 81,468,863	Umdoni	WS - PMU	Practical Completion Certificate
KPI measure was amended from Number of households benefiting from Malangeni WWTW to Percentage Construction of Malangeni Waterborne Sanitation, During Mid - Year adjustment																				
BSD 5	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	Malangeni Waterborne Sanitation Stage - Phase 2G: Construction of Water and Sewer Reticulation	Percentage of Malangeni Waterborne Sanitation construction	N/A	N/A	423	243	N/A	100%	92%	NOT ACHIEVED	Delays due to work Stoppages by the Local Business Forums and MKMVA. These stakeholders had had forcefully stopped the contractor from working on site as they wanted to be incorporated to the projects. They wanted sub-contracting work to be awarded to them.	A series of engagement meetings with all affected stakeholders were convened and an amicable resolutions were taken and subsequently awarded sub-contracting to affected stakeholders (MKMVA and Local Business Forums)	65,290,000.00	R 81,468,863	Umdoni	WS - PMU	Practical Completion Certificate
KPI measure was amended from Number of households benefiting from Malangeni WWTW to Percentage Construction of Malangeni Waterborne Sanitation, During Mid - Year adjustment																				
BSD 6	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	Malangeni/Esperanza long term bulk water supply Section 36	Percentage progress of work done, construction of steel rising main	N/A	N/A	100%	100%	N/A	100%	95.3%	NOT ACHIEVED	Delays due to work Stoppages by the Local Business Forums and MKMVA. These stakeholders had had forcefully stopped the contractor from working on site as they wanted to be incorporated to the projects. They wanted sub-contracting work to be awarded to them.	A series of engagement meetings with all affected stakeholders were convened and an amicable resolutions were taken and subsequently awarded sub-contracting to affected stakeholders (MKMVA and Local Business Forums)	65,290,000.00	R 81,468,863	Umdoni	WS - PMU	Practical Completion Certificate
KPI amended from number of households benefiting from Malangeni WWTW to % Construction of work done Rising Main during mid - year adjustments																				
BSD 7	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	Malangeni/Esperanza long term bulk water supply Section 36	Percentage progress of work done, construction of 2ML/day Reinforced Concrete Reservoir	N/A	N/A	100%	100%	N/A	100%	90.7%	NOT ACHIEVED	Delays due to work Stoppages by the Local Business Forums and MKMVA. These stakeholders had had forcefully stopped the contractor from working on site as they wanted to be incorporated to the projects. They wanted sub-contracting work to be awarded to them.	A series of engagement meetings with all affected stakeholders were convened and an amicable resolutions were taken and subsequently awarded sub-contracting to affected stakeholders (MKMVA and Local Business Forums)	65,290,000.00	R 81,468,863	Umdoni	WS - PMU	Practical Completion Certificate
KPI amended from number of households benefiting from Malangeni WWTW to % Construction progress of work done, Construction of 2M/G Per day reinforced concrete reservoir during mid - year adjustments																				

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
BSD 8	Compliance with No Drop	To replace and maintain ageing infrastructure	BSD 5	Budget Completion of M&E aging infrastructure replacement - sanitation	Percentage of budget spent in completion of M&E aging infrastructure replacement - sanitation	N/A	N/A	100%	100%	0.00%	100%	26%	NOT ACHIEVED	NONE	NONE	R19M	R19M	All LMs	WS- WSO	Progress report from the Water Manco
BSD 9				Scottburgh WWTW bridge replacement	Percentage of the Scottsburg WWTW PST bridge replacement completed	N/A	N/A	100%	100%	0%	100%	100%	ACHIEVED	NONE	NONE	R1.68M	R 1,800,000	Umdoni LM	WS- WSO	Progress report from the Water Manco
BSD 10	Universal access to Basic Services	To ensure access to free basic water	BSD 2	Water tanker water delivery	Number of loads delivered via water tankers	2000	17450	12341	12000	0	4000	8754	ACHIEVED	NONE	NONE	R15M	R 13M	All LMs	WS- WSO	Delivery register
KPI amended from 12 000 to 4000 , During Mid - Year adjustment due to financial constraints																				
BSD 11	Compliance with No Drop	To replace and maintain ageing infrastructure	BSD 5	Budget Completion of M&E aging infrastructure replacement - water	Percentage completion of M&E aging infrastructure replacement - Water	N/A	N/A	100%	100%	0%	100%	47%	NOT ACHIEVED	Budget restrictions were imposed during mid year due to cash flow constraints	Treasury to provide commitment for budget on this Kpi for the 2022.2023 FY	R19M	R13,7M	All LMs	WS- WSO	Progress report from the Water Manco
BSD 12	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	Meter replacement and installation	Number of meters installed and replaced	400	482	New	400	0	500	928	ACHIEVED	NONE	NONE	N/A	N/A	All	WS- WSO	Meter register
KPI amended from 400 to 500 , During Mid - Year adjustment																				
BSD 13	Minimum Blue Drop Score of 95%	To ensure compliance with access to quality drinking water standards	BSD 6	Cleaning of Reservoirs	Number of reservoirs cleaned	10	11	4	10	6	5	11	ACHIEVED	NONE	NONE	R1.5M	R1,5M	All LMs	WS- WSO	Internal Control Completion Certificate
BSD 14				Repairing of water pipeline	Turnaround time taken to repair Water pipeline	24hr	30hr48M	24hr	24hr	0	24hr	3:27:33 AM	ACHIEVED	NONE	NONE	N/A	NIL	All LMs	WS	System report
BSD 15	Minimum Green	To ensure compliance with decent sanitation	BSD 7	Effluent quality compliance to general authorisation standards	Percentage effluent quality compliance to General Authorisation Standards	75%	69%	68%	75%	7%	75%	71.9%	NOT ACHIEVED	Mechanical Failures, Staff Shortage, Power Outages, Vandalism , COVID-19 impacts, Ageing infrastructure	Prioritization of critical posts as per June 2022, Capital Investments on Electromechanical components for wastewater plants , Procurement of Gensets by December 2022	R4M	R 1,424,033	All LMs	WS	Independent waste water quality report

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
BSD 16	Drop Score of 90%	To ensure access to adequate basic services standards	BSD 7	Waste water abatement plan	Number of Waste Water Risk Abatement plans reviewed	10	20	10	10	0	10	20	ACHIEVED	NONE	NONE	N/A	N/A	All LMs	WS	Water MANCO Resolution
BSD 17	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	MIG Capital budget	Percentage expenditure on MIG capital budget per transferred amount	100%	96%	100%	100%	0%	100%	100%	ACHIEVED	NONE	NONE	301,221,866.00	21 000 000.00	All LMs	WS	Certificate of expenditure from UGU Treasury Department
BSD 18			BSD 1	Expenditure on WSIG capita budget amount	Percentage expenditure on WSIG capital budget per transferred amount	100%	100%	100%	100%	0%	100%	100%	ACHIEVED	NONE	NONE	72 350 000	72 350 000	All LMs	WS	Certificate of expenditure from UGU Treasury Department
BSD 19	Universal access to Basic Services	To ensure access to free basic water	BSD 2	Spring and borehole project	Number of springs and borehole installed and maintained	50	50	25	50	25	6	0	NOT ACHIEVED	Procument processes of service providers have not been concluded	Appointment of Service Providers FOR 22.23 FY	4,000,000.00	R0.00	All LMs	WS	Signed Internal Control Completion Certificate
KPI amended target from 50 to 6 , During Mid - Year adjustment																				
BSD 20	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	Mistake Farm Water Supply: Pipeline	KMs of pipeline constructed, Mistake farm	13KM	0	10KM	13KM	3KM	13KM	0KM	N/A	NONE	NONE	7,000,000.00	R0	Umdoni LM	WS	Notification of Registration (NOR)
KPI removed due to Lack of budget during Mid - Year adjustment																				
BSD 21	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	Mistake Farm Water Supply: Reservoir	Percentage of construction of Mistake Farm Water supply reservoir	100%	0%	100%	100%	0%	100%	0%	N/A	NONE	NONE	7,000,000.00	R0	Umdoni	WS	Invoices, proof pf payment and practical completion
KPI removed due to Lack of budget during Mid - Year adjustment																				
BSD 22	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	KwaXolo Bulk water supply: Reservoir	Percentage progress of construction of reservoir in KwaXolo water supply project	100%	92%	100%	100%	0%	100%	100%	ACHIEVED	NONE	NONE	5,000,000.00	R14,988,956	Ray Nkonyeni LM / WARD 08 &21	WS	Practical completion certificate
BSD 23	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	KwaXolo Bulk water supply: Pipeline	KMs of work executed at KwaXolo Bulk water supply project: Pipeline	2.6KM	2,61KM	3.8KM	2.6KM	7.3KM	2.6KM	3.1KM	ACHIEVED	NONE	NONE	5,000,000.00	R14,988,956	Ray Nkonyeni LM / WARD 08 &22	WS	Practical Completion certificate

UGU DISTRICT MUNICIPALITY 2021.2022 DRAFT ANNUAL PERFORMANCE REPORT																				
SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
BSD 24(a)	Compliance with No Drop	To replace and maintain ageing infrastructure	BSD 5	Bhobhoiyi WTW Clarifier no.1 bridge refurbishment completed, Umthavuna WTW Clarifier no.1 surface screeding completed Clarifier No.1 bridge refurbishment	Percentage Bhobhoiyi WTW Clarifier no.1 bridge refurbishment completed	N/A	N/A	0	100%	0	100%	40%	NOT ACHIEVED	DELAYS DUE TO OBJECTIONS AND POSTPONEMENT DUE TO PEAK SEASON SUPPLY REQUIREMENT	THE CLARIFIER WILL BE ISOLATED DUKING OFF-PEAK SEASON IN JULY / AUGUST WHERE THERE IS LESS DEMAND	R 2 000 000	R0.00	Ray Nkonyeni LM	WS	Progress report from the Water Manco
BSD 24(b)	Compliance with No Drop	To replace and maintain ageing infrastructure	BSD 5	Bhobhoiyi WTW Clarifier no.1 bridge refurbishment completed, Umthavuna WTW Clarifier no.1 surface screeding completed Clarifier No.1 bridge refurbishment	Umthavuna WTW Clarifier no.1 surface screeding completed and Clarifier No.1 bridge refurbishment completed	N/A	N/A	0	100%	0	100%	100%	ACHIEVED	N/A	N/A	R 2 000 000	R 2 000 000	Ray Nkonyeni LM	WS	Progress report from the Water Manco
BSD 25	Compliance with No Drop	To reduce water loss	BSD 4	Reduction of non-revenue water	Percentage reduction of non-revenue water	0.5%	0.7%	35.3%	0.50%	34.8%	0.5%	-3.5%	NOT ACHIEVED	Report on water stock was only concluded at the end of August 2022	Reports to submitted timeously and shared with the PMS unit for any amendments	R72,000,350	R72,000,350	All LMs	WS	Water balance report noted by Water Manco
BSD 26	Universal access to Basic Services	To increase infrastructure capacity	BSD 3	BhobhoiyiMurchison Pump Station 3	Percentage of the Murchison pump station project completed	100%	100%	100%	100%	0%	100%	0%	NOT ACHIEVED	The project was completed in 2020 a practical completion was issued. In 2021 when it was time to issue a completion certificate there was vandalism and we had to order a new pump from Germany which was installed September 2022	Monitoring of the pump stations is being implemented by the user department	N/A	N/A	Ray Nkonyeni LM	WS	Completion certificate
BSD 27	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	VIP Toilets	Number of HH benefiting from VIP toilets	2000	0	5000	3000	2000	900	3913	ACHIEVED	NONE	NONE	30,000,000.00	60,083,397	All LMs	WS	Beneficiary acceptance letters
BSD 28	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	Planning and Registration of Umzinto slums clearance: Farm Isonti	Percentage progress of work done, Umzinto slums	100%	100%	100%	50%	50%	100%	0%	N/A	N/A	N/A	9,000,000.00	R0	Umdoni	WS	Notification of Registration (NOR)
KPI removed due to budget constraints, during mid - year adjustment																				
BSD 29	Universal access to Basic Services	To ensure access to free basic water	BSD 2	Mabheloni Production Borehole System, Reservoir and Reticulation	Percentage Implementation of Project	100%	0	100%	100%	0%	100%	89.25%	NOT ACHIEVED	The results on the water quality following the borehole assessment indicated that the water was not suitable for consumption	Alternative boreholes will be identified for assessment in the 2022.2023 financial year	R0	R0	Umzombe	WS	Project Close-Out Report and Completion Certificate

UGU DISTRICT MUNICIPALITY
2021.2022 DRAFT ANNUAL PERFORMANCE REPORT

SDBIP Ref. & KPA	Strategic Goal	Strategic Objective	IDP Ref	Project Name	KPI Measure	2020.2021 Target	2020.2021 Actual	Baseline	Demand	Backlog	2021.2022 Target	2021.2022 Actual	STATUS ACHIEVED/ NOT ACHIEVED/ N/A	BLOCKAGES/ CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE	Financial Implication	Budget spent to DATE	Location (Ward / LM)	Responsible Department/Unit	PORTFOLIO OF EVIDENCE
																Annual Budget				
BSD 30	Compliance with no Drop	To replace and maintain aging infrastructure	BSD 5	Replacement of 2km of 35SDIA Rising Main from Weza WTW to Khwezi Reservoir	Kilometres of Pipeline Replaced of Weza WTW to Khwezi Reservoir	2KM	0	New	2.5km	N/A	2.5km	2.8km	ACHIEVED	NONE	NONE	R11,959,854.46	R11,959,854.46	Umuziwabantu	WS	Project Close-Out Report and Completion Certificate
BSD 31	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	LEGISLATED TARGET	The percentage of households with access to basic level of WATER as per the municipalities current projects	100%	100%	84.5%	84.5%	85%	85%	0%	NOT ACHIEVED	NONE	NONE	R301,221,866	R301,221,866	ALL WARDS	WS	Tally of households with water access from projects implemented signed by GM:WS
BSD 32	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	LEGISLATED TARGET	The percentage of households with access to basic level of SANITATION as per the municipalities current projects	100%	100%	87%	87%	0%	88%	87%	NOT ACHIEVED	Sanitation projects were not 100% completed	To be achieved in the following financial year	R301,221,866	R301,221,866	ALL WARDS	WS	Tally of households with sanitation access from projects implemented signed by GM:WS
BSD 33	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	Mistake Farm Water Supply: Phase 2 (planning)	Percentage completion of Designs Approved	N/A	N/A	New	N/A	N/A	100%	0%	N/A	NONE	NONE	R7M	R0	UMDONI	WS	Approved detailed designs
KPI removed due to unfunded budget, during mid - year adjustment																				
BSD 34	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	KwaLembe Bulk Water Extension	Percentage completion of Designs Approved	N/A	N/A	New	100%	0	100%	100%	ACHIEVED	NONE	NONE	R40,517,836	R5,057,617	UMDONI	WS	Approved detailed designs
BSD 35	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	Umzimikulu Permanent Reinforced Concrete Berm (DESIGN) (Planning)	Percentage completion of Designs Approved	N/A	N/A	New	100%	0	100%	100%	ACHIEVED	NONE	NONE	R9,475,785	R9,475,785	RNM / WARD 20& 24	WS	Approved detailed designs
BSD 36	Universal access to Basic Services	To increase access to adequate basic services	BSD 1	Msikaba Water Supply Phase:1	KMs of pipeline constructed at uMsikaba	N/A	N/A	New	5.5 km	0	3KM	4.2km	ACHIEVED	NONE	NONE	R26,622,870.00	R22,866,836	RNM / WARD 20& 24	WS	Progress report
END OF APR 2021/22																				



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UGU SOUTH COAST TOURISM

(2009/003419/07)

DRAFT ANNUAL REPORT

Approved by the Board of Directors: 8 December 2022

July 2021 - June 2022

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FOREWORD BY THE BOARD CHAIRPERSON

The year 2021 remained difficult for our country and the tourism industry. We continued living through the effects of Covid-19 virus, the July unrest and the April floods which brought havoc to the tourism economy in the KZN province. As Ugu South Coast Tourism, we had to become more vigilant, more resilient, more obedient, find better ways to service the tourism industry and desperately try to maintain KZN South Coast's market share.

The cashflow challenges, that had long threatened the service delivery and sustainability of the company, did not let up. Ugu District Municipality continued to experience financial strain and receipt of grant funding due was severely delayed. Juggling the cash flow became a daily necessity, critical if we were to avoid penalties, not incur fruitless and wasteful expenditure and be able to settle indebtedness in full and on time whilst doing our utmost to continue to promote the destination. Achieving a reasonable percentage of the Annual Performance Plan again relied on focused publicity and being able to leverage on local, provincial and national partnerships.

Following a resolution by Ugu District Municipality to consolidate resources and expertise in light of weaker economic growth in South Africa, a successful process was undertaken to merge Ugu South Coast Tourism (USCT) and Ugu South Coast Development Agency (USCDA) into South Coast Tourism and Investment Enterprise (SCTIE). The amalgamation of the two entities will assist our achieving the goal of establishing the KZN South Coast as the province's leading regional tourism and investment destination.

As we close USCT, I continue to be proud of the service delivery, honesty and integrity of the organization. It has been a distinct pleasure to chair a Board of Directors comprising dedicated members over the past 13 years. The programs presented by the entity have benefited considerably from their guidance, advice and consistent oversight. I also thank the Management team for their hard work during difficult financial times, for finding innovative ways for the entity to deliver on its objectives and for working around the clock to put the KZN South Coast on the global map. I also take this opportunity to thank the greater tourism family, our municipalities, area committees and members, for their loyal support of the organization over the years and especially during these years of lean.

Dr. SJ Nzimande
Chairman of the Board

1. REPORT OF THE CHAIRPERSON OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

We pleased to present the annual report of the audit committee for the year ended 30 June 2022.

Audit committee members and attendance

The audit committee consists of the following four (4) external, non-executive members listed hereunder and should meet at least four (4) times per annum as per its approved terms of reference.

Name of member	Number of meetings attended
Mr. A.D. Gonzalves (Chairperson)	3/4
Ms. L.T Khumalo	3/4
Mr. Z. Zulu	4/4
Ms. B. Jojo	3/4

Ms. B. Jojo's term as a member and chairperson of the audit committee expired on the 31.03.2022. Mr. A.D Gonzalves was appointed as the chairperson of the audit committee on the 01.06.2022. All members are external and therefore independent with no conflicts of interests being reported throughout the year. A vacancy for an additional member existed at year end. Procedures and processes were initiated by the district municipality to fill the vacancy.

Audit committee meetings

Since the beginning of the current fiscal year, the audit committee held its meetings as follows:

Meeting	Date	Type of meeting
1.	19August 2021	Special
2.	07 December 2021	Ordinary
3.	18 March 2022	Ordinary
4.	17 June 2022	Ordinary

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166 of the MFMA and has adopted formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and discharged all its responsibilities as contained therein during the year.

The effectiveness of internal controls

During its meetings, the audit committee reviewed the adequacy and effectiveness of the system of internal financial control, including receiving assurance reports from management and internal audit, reviewed the entity's approach on its exposure to the business and financial risks and whether processes were in place to safeguard the assets of the entity, reviewed significant issues raised by internal and external auditors, reviewed residual risks arising from risk management risk registers and controls implemented to mitigate risk, and reviewed whether the financial reporting system can be relied upon in the preparation of and presentation of financial statements.

Risk management and governance

The audit committee received assurance from internal audit and management and satisfied itself that risks associated with financial and performance management reporting, and compliance, had been appropriately addressed.

Internal audit

The audit committee exercised its statutory duty of oversight over the internal audit function, evaluated the independence, effectiveness and performance of the internal audit function in respect of the fulfilment of its mandate, reviewed and approved the internal audit plan for the year, reviewed and approved the internal charter for the year, satisfied itself that the internal audit function had the necessary resources, budget and authority to enable it to discharge its duties, and encouraged cooperation between the external and internal audit functions. The audit committee considered the work performed by the internal audit function on a quarterly basis and noted the findings and recommendations reported to management on improving internal controls in the areas of financial reporting, performance reporting and compliance with legislation.

The audit committee is satisfied that the internal audit function maintained its independence and objectivity throughout the year under review.

External audit: Auditor General South Africa (AGSA) and evaluation of the financial statements

The audit committee reviewed the audited financial statements to be included in the annual report, reviewed the AGSA's audit and management report and management's response thereto, reviewed the entities compliance with legal and regulatory provisions, and the significant adjustments resulting from the audit. The annual financial statements are prepared

in accordance with the South African Standards of Generally Recognized Accounting Practice and in the manner required by the MFMA and DoRA. The audit committee concurs with and accepts the AGSA's audit report on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the AGSA.

Statutory compliance

The audit committee reviewed the effectiveness of the system for monitoring compliance with laws and regulations and has satisfied itself that the policies and processes implemented provide the required assurance and made recommendations to ensure compliance where appropriate.

Performance Management

The audit committee reviewed the performance information reported by the entity at the quarterly meetings throughout the year. The audit committee was satisfied with the information reported and supported the recommendations of internal audit to improve the quality of reported performance information as well as the achievement of predetermined objectives in the annual performance report.

Conclusion

The audit committee expresses its gratitude to the board of directors, the Accounting Officer, the CFO and administrative staff, and the AGSA for their commitment, purposeful efforts, co-operation and assistance during the year. The audit committee relies extensively on the work of internal audit. The audit committee expresses its gratitude to the Manager: Internal Audit and his team for their assistance and co-operation during the year.

A handwritten signature in black ink. The signature consists of a large, stylized 'A' and 'D' inside a circle, followed by the name 'Gonzalves' in a cursive script. A long horizontal line extends from the end of the signature.

A.D Gonzalves
Chairperson of the Audit Committee
30 November 2022

2. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

Ugu South Coast Tourism (USCT) is an entity of Ugu District Municipality with the mandate to grow tourism in the region. Guided by economic development objectives; USCT positions the KZN South Coast as a tourist destination of choice to potential visitors. Through operating the Marketing & Communications, Tourism Development and Finance & HR functions; our key priority areas are to:

1. Attract and ***increase the number of tourists*** to the destination
2. Support the development of innovative and unique tourism products in order to extend the ***geographical spread*** of tourists across the destination – thus encourage transformation and attract potential investments
3. Ensure the availability of ***visitor information infrastructure***
4. Ensure the availability of ***world class tourist services***

During the 2021/22 financial year, USCT remained focused on positioning the *Paradise of the Zulu Kingdom* as an accessible, year-round destination with diverse experiences. Based on the Tourism Recovery Strategy, focus was on attracting domestic tourists to come and experience the abundance of adventure experiences which include outdoor, coastal and rural activities. These offerings rendered the destination attractive to city dwellers as the world was still facing different lockdown levels due to Covid-19.

Various marketing platforms and initiatives were utilized to promote the KZN South Coast as a destination of choice. These included,

- advertising on the social media, publications and radio platforms
- implementing themed seasonal campaigns
- providing local tourism businesses with platforms to promote their products
- familiarizing the tourism trade and media about the destination
- implementing effective Public Relations initiatives to communicate with internal and external stakeholders

This financial year was particularly challenging for businesses in KZN due to Covid-19 lockdown restrictions, the civil unrest that took place in July 2021 mainly in KZN and Gauteng as well as the floods in April 2022. Working with tourism stakeholders such as TKZN and local tourism authorities in the province, USCT contributed in the development of #ReBuildSA

Tourism Recovery Campaign to ensure that the province remains in the minds of potential visitors. USCT was also hard at work, engaging with stakeholders in order to source interventions and support measures for tourism businesses in the KZN South Coast in this period of crisis. Support included handling a variety of enquiries that were brought to our attention and facilitating access to business grants and other business intervention programs.

Our *Great Drives Out* routes are an expansion of the geographical footprint to promote diverse experiences focusing on rural and Agri-tourism development. To support rural tourism development and extend the geographical footprint of tourists to rural communities USCT worked closely with tourist attractions and community-based initiatives in rural communities. These included KwaXolo Caves, KwaNzimakwe Multi-trails and Ntelezi Msani Heritage Centre. We also drew the attention of the visitors to the rural tourism excursion along our newly launched KZN South Coast Agri-CULTURE route. Visitors were invited to explore the area's lush subtropical farmlands and to enjoy a taste of the KZN South Coast's rich flavours and sample freshly grown produce, locally brewed coffee and farm-fresh baked goods on a guided tour of the farming process.

Developmental interventions such as creating awareness about tourism and training were provided in order to make sure these products meet the tourism industry standards. This process went hand in hand with creating awareness about tourism and supporting SMMEs in those communities. Through USCT destination marketing strategy that positions the KZN South Coast as a destination with diverse experiences, rural products have drawn the attention of tourists and the media.

USCT continued to address challenges related to municipal services as they play a huge role in the efforts to grow tourism. Water shortages in the district attracted negative publicity both in the social media and on national media platforms. This was further exacerbated by the challenges presented by Covid-19 and the April floods as tourism businesses suffered from the closure of beaches and the roads during important holiday seasons.

It is important to note that all these were carried out with very limited funds, relying heavily on stakeholders while implementing creative means to meet the scorecard. The amalgamation of USCT and USCDA progressed as planned and USCT Management contributed to the success of the process, providing the necessary information and support.

3. PERFORMANCE AND SUPPORTING INFORMATION

3.1. MARKETING & COMMUNICATIONS

BRAND POSITIONING

Focus was placed on positioning the KZN South Coast as

- a premier beach destination with a focus on nature tourism – abundant nature offerings and outdoor experiences both on land and in water
- an accessible, year-round, leisure destination of choice in South Africa, with diverse outdoor experiences
- an affordable family destination
- a destination with rich cultural and heritage offerings
- an ideal destination for small, intimate meetings and conferences
- a destination that lends itself to social distancing without disrupting the visitor experience.

The following marketing elements were harnessed to maximize marketing efforts:

1. **Advertising:** campaigns which tied in with #subtropicalparadisea and #outdoorsarein targeting domestic visitors and the Tourism Awareness Campaign which targeted local media and residents.
2. **Public Relations:** included highlighting outdoor wedding venues, indulgent getaways, romantic venues, summer happenings, Agri-Culture tours, MICE, business tourism and motorsports.
3. **Social Media:** all platforms have experienced exponential organic growth with new followers and an increase in online engagement.
4. **Media Fam Trips:** 5 Familiarization Trips (Fam Trips) were held during quarter three, key media and celebrities that came to experience some of the tourism attractions on the KZN South Coast.
5. **Visitor Information Centre Portal:** the portal has been updated to provide a holistic virtual Visitor Information Centre experience online.
6. **Explore KZN South Coast App:** The App has been updated and refined to include the most current content about attractions on the KZN South Coast.
7. **Newsletter:** was sent to members and key stakeholders highlighting marketing developments and material.
8. **Research:** new research was conducted which has provided fresh and updated insight into the relevant target markets and visitor sentiment.

Advertising & Promotions

While operating on a risk adjusted budget; through negotiated price packages, USCT used different media platforms that could provide value for money to promote the KZN South Coast as a destination with diverse experiences. Additional social media posts and newsletter mentions were negotiated as a value add for the advertising spend.

Publications

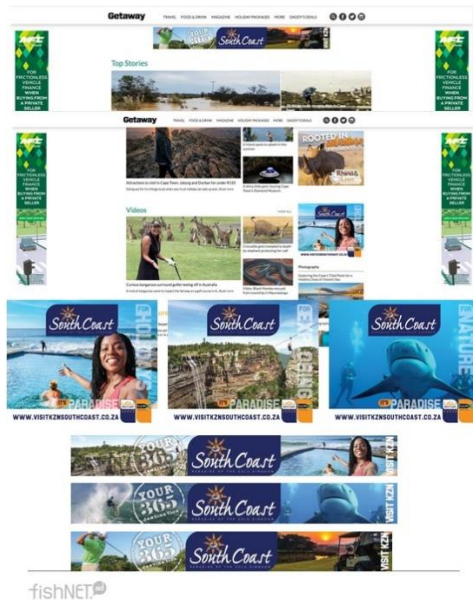
Using different media and digital platforms; USCT advertised and presented articles in exclusive magazines to showcase the diverse offerings of the KZN South Coast. Through negotiations we also managed to secure free exposure in the publication's social media platforms, expanding the readership to print and digital. Adverts were placed in the following publications:

1. Compleat Golfer – full page advert
2. Msanzi Travel - four-page feature
3. Rising Sun North Coast and Surrounds – quarter page advert
4. Travel Ideas – double page
5. Getaway Magazine – single page
6. Explore SA – Double Page Spread, February to April 2022 Issue – also Tourism Indaba copy
7. Getaway Magazine, Single Page Advert, April 2022 issue
8. African Safaris Travel Magazine – double page spread
9. Braby's – KZN Travel and Spirits Guide – Annual Publication – full page
10. Rove SA – full page
11. Street Poles Advertising in Durban with 11 Street poles

Getaway Magazine Social Media Exposure and Travel Ideas Advert

Getaway – Digital Exposure
UGU2608070 Getaway Ad - Nov 21

• Online - Collateral Animated Promotional Banners November 2021



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Travel Ideas - Publication advertising
UGU2617399 Travel Ideas Ad DPS Oct - Dec 21

• Double Page Spread - Full Colour - 420mm x 275mm



fishNET

Explore SA- Publication Editorial Explore SA Editorial DPS Feb - Apr 22

• Full Colour - DPS

Paradise coast

Explore the KZN South Coast's great outdoors

Joining to unwind on your golden beaches, explore the farmlands and uncover hidden gems in the green, the KZN South Coast is the ultimate vacation destination. Extending 130 kilometres from Durban to Port Edward on the KZN coastline, as well as inland to Harding, the Paradise of the Zululand offers extensive outdoor options.

Relaxing on the KZN South Coast is a must. The KZN South Coast is a beautiful region with a rich history and a vibrant culture. It's a place where you can enjoy the best of both worlds: the beach and the hinterland. The KZN South Coast is a place where you can enjoy the best of both worlds: the beach and the hinterland. The KZN South Coast is a place where you can enjoy the best of both worlds: the beach and the hinterland.

"For business operators seeking business and leisure or 'leisure' travel, the KZN South Coast is a key destination"

Hinterland, cultural and agriculture experiences
The KZN South Coast offers a unique blend of hinterland, cultural and agriculture experiences. From the rolling hills of the KZN South Coast to the vibrant culture of the KZN South Coast, there's something for everyone. The KZN South Coast is a place where you can enjoy the best of both worlds: the beach and the hinterland.

Business tourism offerings
For business operators seeking business and leisure or 'leisure' travel, the KZN South Coast is a key destination. The KZN South Coast is a place where you can enjoy the best of both worlds: the beach and the hinterland. The KZN South Coast is a place where you can enjoy the best of both worlds: the beach and the hinterland.

Press Releases & Copies Published

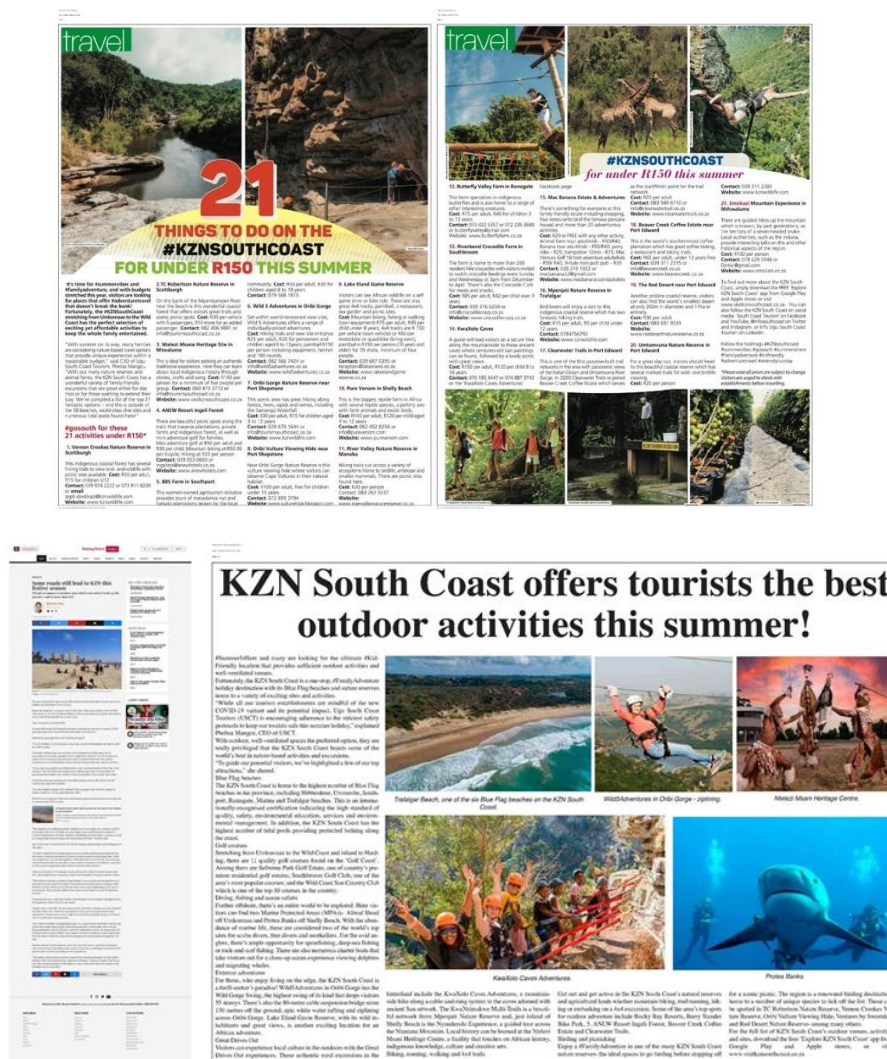
A total of 45 press releases were published to showcase the diversity of the destination

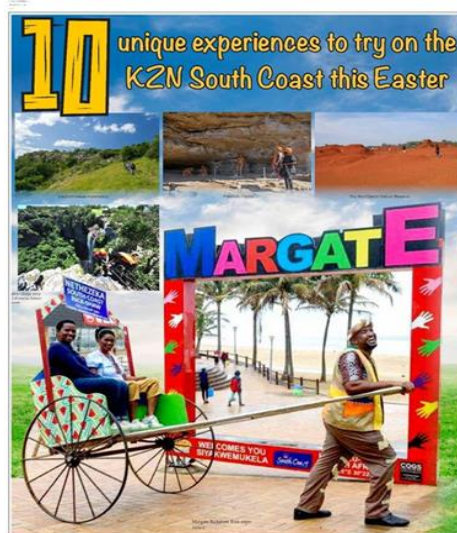
1. 10 reasons to #ExtendYourStay when you #GoSouthKZN this holiday! (21 June 2021)
2. Ugu South Coast Tourism (USCT) calls on KZN South Coast to support local eateries during adjusted Alert Level 4 (02 July 2021)
3. The KZN South Coast welcomes visitors looking for a safecation destination (07 July 2021)
4. Award-winning cuisine and welcoming settings can be found when you #GoSouthKZN (22 July 2021)
5. KZN South Coast visitors can now experience 'The Longest Date' through a scenic tourism package (28 July 2021)
6. 6 reasons to #GoSouth for a wellness adventure that may assist in easing pandemic stress (02 August 2021)
7. 15 hidden treasures just waiting to be discovered on the KZN South Coast (11 August 2021)
8. Catch the final action of the annual #SardineRun from the KZN South Coast (13 August 2021)
9. KZN South Coast set to enjoy non-stop film screenings and workshops at the 9th Ugu Film Festival (19 August 2021)
10. KZN South Coast welcomes Tourism Month with specials, celebrations and inclusive tourism offerings (02 September 2021)
11. Discover Our Pride, Our Heritage: USCT shares 7 iconic experiences to enjoy on the KZN South Coast this month (14 September 2021)
12. Great food and spectacular views at the KZN South Coast's top outdoor dining spots (20 September 2021)
13. KZN South Coast offers dog-lovers the 'pawfect' holiday destination with pet-friendly accommodation (28 September 2021)
14. 21 Things to do on the #KZNSouthCoast for under R150 this summer (05 October 2021)
15. 15 reasons to visit the 'Golf Coast' – where tees and seas apply! (12 October 2021)
16. Video: Thrilling orca sighting off the KZN South Coast (28 October 2021)
17. Enjoy the summer vibes at 10 of the best picnic spots on the KZN South Coast (28 October 2021)

18. Flock to the KZN South Coast to experience some of the best birding spots (03 November 2021)
19. Get ready for a bumper summer season in KZN's Paradise (09 November 2021)
20. The top 15 water sports to try on the KZN South Coast this summer (11 November 2021)
21. Strap on your running shoes and head to the KZN South Coast for the 7 best trail runs (15 November 2021)
22. Ugu South Coast Tourism shares 15 water safety tips ahead of summer holiday season (30 November 2021)
23. Entrepreneur and actress Fundi Zwane attends launch of KZN South Coast Rickshaw Ride experience (01 December 2021)
24. KZN South Coast offers tourists the best outdoor activities this summer! (03 December 2021)
25. KZN South Coast launches its outdoor Summer Sizzle programme for the holiday season (13 December 2021)
26. The KZN South Coast's scenic outdoor wedding venue options for 2022 (17 January 2022)
27. Enjoy an indulgent getaway to the KZN South Coast! (24 January 2022)
28. Celebrate love this Valentine's Day at these romantic KZN South Coast venues (11 February 2022)
29. Don't miss out on any of the summer action happening on the KZN South Coast (14 February 2022)
30. Enjoy an authentic coastal farmland experience with the launch of the KZN South Coast Agri-CULTURE Tours (24 February 2022)
31. The tranquil KZN South Coast launches its first ever Meeting Planner Guide to attract business tourists (28 February 2022)
32. Booming start to 2022 as KZN South Coast gets on the global tourism map (07 March 2022)
33. KZN South Coast is a motorsports' enthusiasts' dream! (09 March 2022)
34. 10 unique experiences to try on the KZN South Coast this Easter – 23 March 2022
35. Media statement by USCT (USCT) – 28 April 2022
36. The countdown begins to the greatest ocean spectacle along the KZN South Coast – 03 May 2022
37. KZN South Coast launches Umzumbe River Trail, a unique hinterland tourism experience – 05 May 2022

38. Don't miss out on the KZN South Coast action! Check out the 'what's on' events guide – 13 May 2022
39. 12 reasons Margate is a tourism hot spot on the KZN South Coast – 16 May 2022
40. Discover why the KZN South Coast is the MICE and 'bleisure' tourism destination of choice – 26 May 2022
41. 9 of the KZN South Coast's must-try fish eateries – 27 May 2022
42. The 10 best date ideas to spoil that special someone on the KZN South Coast – 02 June 2022
43. 10 ways to unwind and de-stress like a KZN South Coast local this winter – 06 June 2022
44. 21 great family outings on the KZN South Coast for under R150 – 07 June 2022
45. KZN South Coast awaits arrival of the highly anticipated Sardine Run – 09 June 2022

The following is a brief sample of the coverage from the disseminated press releases:





Explore SA- Publication Editorial Explore SA Editorial DPS Feb - Apr 22

• Full Colour - DPS

Paradise coast

Explore the KZN South Coast's great outdoors

Looking to unwind on our golden beaches, explore the landscapes or combine business deals on the green, the KZN South Coast is the ultimate vacation destination. Encompassing 130 kilometres from Southport to Port Edward on the KZN coastline, as well as inland in Harding, the Paradise of the Zulu Kingdom offers extensive outdoor options.

Rebecca Mphahlele, CEO of KZN South Coast Tourism (KZN SCT), told Explore South Africa that tourism is the heartbeat of the KZN South Coast, and they are really excited that, with more of the economy coming up in 2023, the region can welcome visitors to its unique and never-ending vacation offerings.

"With our vast spaces, nature is a priority for visitors, with many seeking an escape from their busy lives and an escape to a peaceful and scenic environment," she says.

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"With our vast spaces, nature is a priority for visitors, with many seeking an escape from their busy lives and an escape to a peaceful and scenic environment," she says.

Coastal tourism adventures

The KZN South Coast is a renowned holiday destination and boasts the longest number of blue flag beaches and bird parks in the province. The protected bathing variety of rock pools, incredible surf and golden sandy beaches, make this the perfect family-friendly getaway. Those wanting to take a deeper dive can explore the coastline, undersea world, of

Phaya Boko and Akwaal (Great Reef) are Marine Protected Areas, with beautiful coral, ecosystems, marine life, sharks, whales, turtles, big game fish, dolphins and so much more. These can be explored by scuba diving, freediving or shark cage diving with local tourism operators providing training and equipment.

Anglers who are on the hunt are well-served by the great fishing spots located along the coast and beautiful coastline. Fishing spots can be chartered for a full day out at sea, with local guides happy to provide insights and tips to visiting anglers. For a real bucket list experience, the coast offers a unique fishing experience, the coast offers a unique fishing experience, the coast offers a unique fishing experience.

Marine land, cultural and agricultural experiences

100% tourism offers the visitors a chance to experience the rich history of the KZN South Coast. From the traditional history through the modern, music, dance and folklore. The KZN South Coast offers a unique experience, the coast offers a unique experience, the coast offers a unique experience.

Business tourism offerings

The business operators seeking business and leisure or "bleisure" travel, the KZN South Coast is a top destination. The region's business hub, Port Shepstone, has grown from a seaside holiday destination into the administrative, commercial, distribution and transport centre of the KZN South Coast. The area is easily accessible with a 15-minute drive from Durban, less than 100km from Johannesburg or Cape Town and from King Shaka International Airport just an hour and a half's drive from Port Shepstone. Conference venues can accommodate up to 100 delegates.

at a number of world-class venues, with KZN South Coast offering a unique experience, the coast offers a unique experience, the coast offers a unique experience.

24 | **explore** | www.exploresouthafrica.co.za

www.exploresouthafrica.co.za | **explore** | 25

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advertising • design • digital media

SEASONAL CAMPAIGNS

Spring Campaign

Radio Advertising

A radio advertising campaign attracting attention to the KZN South Coast was launched on East Coast Radio (ECR) focusing on hashtags **#GoSouth#AdventureAwaits Let the KZN South Coast be your playground. #Make Adventure your mission! Reconnect with nature and your family.**

East Coast Radio – A KwaZulu Natal based commercial radio station with an audience of approximately 5 million. It is one of the largest regional radio stations in South Africa.

Broadcast coverage: KwaZulu-Natal, certain areas of the Eastern Cape and small portions of Swaziland

Messaging: It's time to #GoSouthKZN where the weather is warm, the people are welcoming and #AdventureAwaits! Take this opportunity to reconnect your family with nature by exploring the KZN South Coast's Blue Flag beaches, waterfalls, culturally-significant caves and indigenous forests. Break the monotony without breaking the budget at this #SafeDestination destination. From the coast to the hinterland, make adventure your mission on the KZN South Coast!

Package: Paid for 4 slots and received 14 slots (10 slots free). The campaign reached 565 000 listeners in total. The above message was pre-recorded and repeated, which was more impactful.

Summer Campaign

The creative concept behind the themed seasonal campaign was centred around #summervibes which underpinned all marketing activities for the summer months. On the back of a cold winter, we all yearn for summer vibes and great weather. Vibe definition: a distinctive feeling or quality capable of being sensed. Vibe is a feeling, that summer feeling! Other hashtags included #gosouthkzn to #paradiseofthezulukingdom and #extendyourstay was used in social media posts about the member specials being run.

Summer Vibes

- Relax and enjoy those Summer Vibes when you head to the KZN South Coast
- Sunshine, sea breezes and swimming are just some of the spectacular #KZNsouthcoast offerings you can expect this, Summer!
- Bring the Summervibes on!

- Explore our Blue Flag beaches, dive sites and tidal pools.
- Enjoy a nature hike followed by a dip in a lagoon or waterfall.
- Discover hinterland adventures, play a round of golf, or learn to surf.
- It's all good times and good vibes on the KZN South Coast!

Beaches were firmly in the spotlight as reflected across all digital platforms including social media and also the press releases and advertising content. Other attractions beyond the beaches were also highlighted, these included cultural and heritage experiences in rural communities, trail running, birding spots and the golf coast. The KZN South Coast was positioned as a “Safecation” destination that lends itself to social distancing with an abundance of outdoor activities and attractions with excellent ventilation.

Radio Advertising

A radio advertising campaign enhancing the #summervibes and to attract attention to the KZN South Coast was launched on regional radio station. The #summervibe radio ad campaign was designed to highlight our world class blue flag beaches, abundant outdoor adventure activities and great weather.

Kaya FM – Commercial Radio Station

Broadcast Area: Gauteng

Messaging: Get to the KZN South Coast for the most relaxed summer vibes! Surf or sunbathe at our Blue Flag Beaches. Cool off in our tidal pools, lagoons and waterfalls. Explore our world-famous dive sites or indulge in a round of golf. Embark on a family adventure in the hinterland - hiking, biking and exploring our coastal forests, reserves and caves. Go south – summer is here!

Package: The above message was pre-recorded and played repeatedly once a day for 5 days. The campaign reached 754 000 listeners in total.

Easter Campaign

The creative concept behind the Easter Campaign was centred around #subtropicalparadise and #outdoorsarein. *Hot, humid summer vibes and clear blue skies – now is the time to get out and relax on the KZN South Coast!*

- **#subtropicalparadise** underpinned all marketing activities this past quarter with a focus on our year-round great weather, beautiful beaches, warm water, lush coastal forests and indigenous plants.

- The **#outdoorsarein** was used in content relating to adventure sports, beaches, The Golf Coast, MICE, Agri-tourism, and weddings with a focus on well-ventilated or outdoor spaces. Hashtags like **#gosouthkzn** and **#paradiseofthezulukingdom** were used in social media posts to align with our marketing efforts.
- **#extendyourstay** was incorporated into social media posts about our many off-peak specials.
- ‘*The #outdoorsarein along the #paradiseofthezulukingdom*’

Beaches were firmly in the spotlight as reflected across all digital platforms including social media and also the press releases and advertising content. With the return to work and school in January, attention was given to business tourism, targeting digital nomads, “bleisure tourism”, as well as those arranging MICE engagements. Special focus on well ventilated venues. For leisure travellers, off-peak specials were featured targeting young travellers and families - special focus on families with home-schooled children to make the most of mid-week breaks during historically quiet periods.

During this period, we saw an increase in the number of weddings held as couples forged ahead with plans that have been on hold for the past two years. Marketing material targeted brides to be and wedding planners in the New Year to position the destination as a top choice for a beach or bush wedding. Other attractions beyond the beaches were also highlighted, these included cultural and heritage experiences in rural communities, trail running, birding spots and the golf coast.

Gagasi FM

A radio advertising campaign enhancing the **#outdoorsarein** and **#ExtendYourStay** was launched on Gagasi FM.

Broadcast Area: Durban and Surrounding areas, KZN (with 2 000 000 listeners in KZN). The radio station also has live streaming from Cape Town to Joburg.

Listenership: Target audience age between 16 - 34 years

Script: *Go to the KZN South Coast for the ultimate outdoor adventure this Easter! With our Blue Flag beaches, internationally renowned dive sites, quality golf courses, hinterland adventures and cultural excursions, the outdoors are in this season. Whether you want a family-friendly experience in nature, or a business-meets-leisure holiday, the KZN South Coast has it all! your adventure now at <https://www.visitkznsouthcoast.co.za>.*

Winter Campaign

The creative concept behind the winter campaign was centred around the Greatest Shoal on Earth, as the annual Sardine Run arrives on the KZN South Coast! Drawn to the (slightly) cooler shoreline waters, the sardines attract sharks, dolphins and diving gannets with the humpback whale migration adding to the spectacle. Enjoy lazy days sunbathing, surfing, snorkelling, fishing, and diving in this subtropical paradise or explore the many hinterland adventures. There's just so much to 'sea' and do on the KZN South Coast!

#seaanddo #greatestshoalonearth #sardinerun #subtropicalparadise #kznsouthcoast

- **#SeaAndDo** underpinned all marketing efforts as the key focus for the quarter encouraging visitors to make the most of the beautiful beaches, sardine run and to go and do more in terms of water adventure on the South Coast.
- **#greatestshoalonearth** and **#sardinerun** was a key focus to encourage visitors to come to the KZN South Coast and book, to enjoy the spectacle either from the sky, land or in the ocean. Attention was given to great beach conditions, as well as excellent fishing, diving, and surfing.

Objectives:

- Shine the spotlight on the Sardine Run and associated activities (diving, fishing; aerial, boat, and land-based viewing) as one of the world's greatest migrations and natural phenomenal.
- Expand the geographical footprint and support the new experiences in rural communities by launching the new Great Drives Out and Rural Tourism tour.
- Build on the Agri-Tourism package launch to create awareness about the farmland tours available.
- To assist in increasing the number of visitors to the KZN South Coast and increase the length of their stay while here with campaigns #extendyourstay.
- To assist in building on reputation as an accessible, year-round destination with great subtropical weather.
- Position the KZN South Coast as a premier beach destination with abundant outdoor adventure experiences both on land and in the water.
- Showcase the rich cultural and heritage offerings.
- Continue to assist with increasing online presence.

Recent months have seen an increase in the number of weddings held as couples forge ahead with plans that have been on hold for the past two years, marketing material targeted brides

to be and wedding planners in the New Year to position the destination as a top choice for a beach or bush wedding. For leisure travellers' off-peak specials were featured targeting young travellers and families (special focus on families with home-schooled children to make the most of mid-week breaks during historically quiet periods).

Beaches were firmly in the spotlight as reflected across all digital platforms including social media and also the press releases and advertising content. Other attractions beyond the beaches were also highlighted, these included cultural and heritage experiences in rural communities, trail running, birding spots and the golf coast.

National Radio Advert

A national radio advert was launched focusing on

- There is so much to see and do on the KZN South Coast this winter!
- Don't miss out on the action as the Sardine Run brings an ocean spectacle to the Paradise of the Zulu Kingdom.
- And the newly launched Umzumbe River Trail is a great opportunity for an authentic cultural excursion in the hinterland.
- Book your adventure now at www.visitkznsouthcoast.co.za.

#ExtendYourStay Campaign

Throughout the seasonal campaigns a sub-theme **#ExtendYourStay** was launched to increase the number of visitors to the KZN South Coast and to increase the length of their stay while here. The aim of the campaign was to continue to encourage people to extend their stay when they **#GoSouthKZN** during the different seasons and to increase visitor numbers during the off-peak periods. The campaign continued with a series of social media posts and member specials posted on the USCT website and amplified through Public Relations and digital promotion. USCT contacted members to see if they were offering any specials e.g., book for 5 nights and get 6th night free or any early bird specials that were then promoted in the **#ExtendYourStay** digital campaign.

Tourist Friendly Awareness Campaign

The Tourist Friendly Awareness campaign forms part of ongoing marketing efforts aimed at

- Reassuring visitors that the KZN South Coast is ready for them. Messaging to the visitors included the use of local radio and print alluding to the numerous outdoor

activities and the KZN South Coast tourism attractions being ready to give visitors a warm welcome back to the coast.

- Preparing KZN South Coast residents for the influx of visitors to the coast, educating them about the tourism attractions in their backyard, reminding them about the vital role that tourism plays in the economy of the district while also highlighting the role every person on the south coast plays to contribute to the success of tourism in the area.
- Messaging to locals reminded of COVID-19 safety protocols and the importance of adhering to them and safe signaling to ensure that visitors are safe. Locals were also encouraged to give visitors a warm welcome and be ambassadors for the area. KZN South Coast businesses were made aware of the USCT platforms in place to support them, such as the COVID-19 protocol video and COVID-19 portal on the USCT corporate website.

The awareness campaign was boosted with elements which included local radio, print and social media at various times of the year. Advertising was placed on local media platforms;

1. Rising Sun Upper Coast – covering the Scottburgh and the surrounding areas, quarter page advert
2. South Coast Herald – Tourism Month Feature, full page advert
3. South Coast Herald – Local Women in Business Feature, full page advert
4. South Coast Fever
5. Billboards, were placed at Shelly Beach and Scottburgh Mall
6. Following the July civil unrest, #RebuildSA campaign was continued through newspapers as a drive to boost local tourism
7. South Coast Herald – quarter page advert
8. Mid-South Coast Mail Newspapers – quarter page advert
9. Ezasekuhlaleni newspaper – quarter page advert
10. Radio adverts: Radio Sunny South & Ugu Youth Radio.
11. Social Media: numerous posts across all platforms.
12. Street pole advertisements were initiated at five key sites around Durban metro showcasing USCT golf, diving, hinterland, and adventure tours.

Sample of local Newspaper & Billboard Awareness

Billboards Campaign – Outdoor Advertising
UGU2643037 Billboards Summer Vibes – November / December Exposure 2021

- Full Colour 5740 x 2740mm – SCOTTBURGH SITE



- Full Colour 5740 x 2740mm – SHELLY BEACH SITE



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LOCAL COMMUNICATION ADVERTS

- Publication advertising UGU2723946

Local Tourism FriendlyAds Mar 22

- Full Colour - 1/4 page
- Weekly Publications
 - Ezasekuhlaleni newspaper
 - Mid-South Coast Mail
 - South Coast Herald

Local Newspapers – Publication Tabloid Advertising
UGU2647902 Local Newspaper Summer Vibes MSG

- Quarter Page Full Colour – Various size adjustments per publication
 - Ezasekuhlaleni – 19 Nov
 - Rising Sun – 23 Nov
 - South Coast Herald – 25 Nov
 - South Coast Fever – 25 Nov



fishNET



Local Radio Awareness

Quarter 1

Radio Station: Radio Sunny South and Ugu Youth Radio, a pre-recorded message which played 3 times a day for 19 days was developed.

Message: Tourism is the lifeblood of the KZN South Coast economy, bringing valuable jobs to the area. It's been a tough few months, but the KZN Tourism Recovery Plan is in motion to revitalize the sector. This Tourism Month, let's #ReBuild the South Coast by welcoming tourists to our #Safecation destination. We have the best weather, the best outdoor adventures and the best people – let's put this on display for our visitors!

Package: Paid for 12 slots and received 57 slots (45 slots free). The campaign reached 235 000 listeners in total. The above message was pre-recorded and repeated, which was more impactful.

Quarter 2

Radio Station: Radio Sunny South and Ugu Youth Radio

Message: Let's welcome visitors to our #summervibes...The KZN South Coast is a place of #familyadventures, where lifetime memories are made. Now that #summerishere, we get to share our unique treasures with the rest of the world! As an ambassador of the Paradise of the Zulu Kingdom, take pride in being a part of these shared experiences. Because our hospitality is the KZN South Coast's prosperity!

Package: The above message was pre-recorded and played repeatedly at 5 slots a day for 6 days (22 – 27 November). The campaign reached 175 000 listeners in total.

Additional communication was sent through;

1. Social Media: numerous posts across all platforms were used to promote water safety and updates on Covid safety.
2. Covid-19 Portal: A branded A3 and A4 poster was uploaded on the USCT digital platforms. This is a downloadable resource for businesses which strengthens the image of a #Safecation destination, instilling confidence in visitors about visiting the KZN South Coast.
3. Push Notifications: were sent relating to Covid-19 updates to tourism business stakeholders
4. Public Relations: a water safety press release was issued ahead of the key season to encourage water safety at this time.

Quarter 3

Radio Stations: Radio Sunny South and Ugu Youth Radio, played 12 x 30 seconds pre-recorded message for 5 days (07 - 11 March). The adverts were also translated into IsiZulu.

Quarter 4

Local Radio Stations: Radio Sunny South and Ugu Youth Radio to target for the tourist friendly awareness campaign radio adverts. 15 x 30 second pre-recorded messages were aired from 31 May – 06 June 2022. The adverts were also translated into IsiZulu by the radio station.

Radio Advert: The KZN South Coast is the place to be this winter as the annual Sardine Run brings visitors to our shores. While welcoming tourists to the Paradise of the Zulu Kingdom, remember to share our hinterland adventures, like the newly launched Umzumbe River Trail, giving visitors an authentic cultural experience. Support our local economy and be a proud tourism ambassador!

BEACH & HINTERLAND ACTIVATIONS

The Summer Sizzle

USCT launched the exciting Summer Sizzle programme with family-friendly activities taking place on beaches and in the beautiful hinterland of the KZN South Coast.

Beach Activations

Venues: St Michael's Main Beach, Ramsgate Main Beach, Marina Main Beach, Scottburgh Main Beach, Margate Main Beach, Sunwich Port Main Beach, Wildcoast Sun Beach, Port Edward Main Beach, Southbroom Main Beach, Uvongo Main Beach.

Date: Monday, 13 December 2021 to Thursday ,06 January 2022 (except Christmas and New Year)

Time: 10am to 2pm daily

Hinterland Activations

Venues: SMME Centre in KwaLangqengqe, KwaMachi; Amandawe Sportsfield in Umdoni; KwaNzimakwe; and Ntelezi Msani Cultural Centre in Umzumbe.

Dates: Monday, 13 December 2021 to Thursday, 6 January 2022 (except Christmas and New Year's days)

Times: 10am to 2pm daily

Some of the Summer Sizzle adventures included;

- Sandcastle-building competitions

- Treasure hunts
- Hula hoop competitions
- Volleyball, touch rugby, soccer and rounders
- Beach games including balancing and hoop toss

In Margate Beach the activations were further enhanced the availability of the Rickshaw Ride which allowed visitors to enjoy a unique beachside experience while supporting local operators.

Easter Extravaganza

The Easter Extravaganza holiday programme ran at various beach and hinterland locations. This was a well-co-ordinated programme actively promoted via social media posts. Unfortunately, owing to the flooding, the programme was interrupted. Additional activations were only carried out about a month later when it was safe to do so.





TRADE & MEDIA FAM TRIPS

Familiarization trips (Fam Trips) are a great way to gain publicity from the media or inspire packaging of the area's attractions by tour operators, and ultimately receive exposure for the destination. USCT participated in a national trade fam trip and also hosted top journalists from different media houses who wrote about the destination. USCT further leveraged on the established relations with South African Tourism (SAT) and Tourism KwaZulu Natal to host trade and media fam trips that were paid for by these stakeholders in order to create exposure for KZN South Coast.

Adventure Trip

On 6 – 7 August USCT hosted Tashlan Naidoo from Lotus FM and Ndumiso Mkhize from Isolezwe Newspaper to experience the South Coast adventure. Their experience included the following products;

- Croc World
- Beave Creek
- Selsdon Park
- KwaXolo Caves
- Oribi Gorge Nature Reserve
- Lake Eland Game Reserve

Images of the journalists enjoying the KZN South Coast:



Getaway Magazine

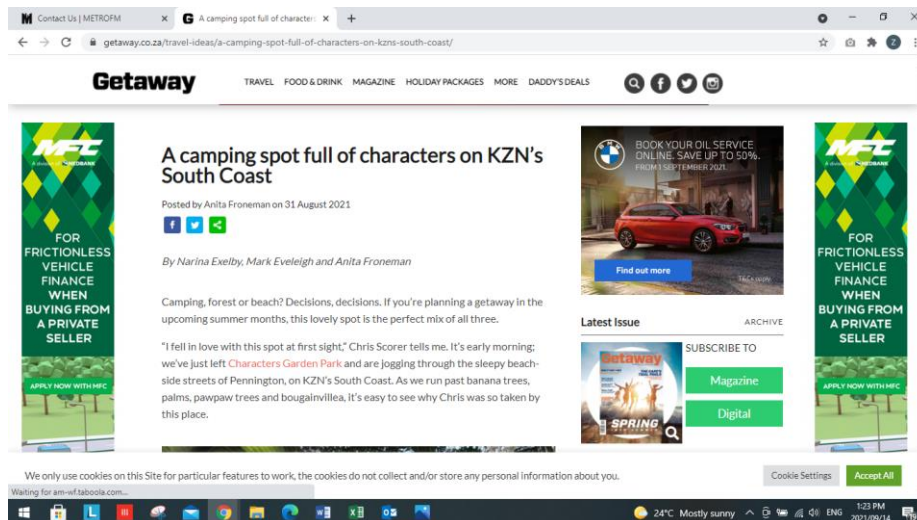
Narina Exelby is an experienced travel writer; for seven years she travelled the world as a writer, editor, freelance writer and photographer for Getaway magazines. Depending on the season, she can be found in London or Joburg, canyoning in Turkey, or tracking rhinos in KwaZulu-Natal. We were fortunate to host Narina on the KZN South Coast from 13th to 21st August. She was here to experience our beautiful South Coast, and to collect valuable information and images for her South Coast 10-page feature she is working on for the November issue of Getaway and, depending on the images she captured, the South Coast could be the cover story for that issue.

Narina has themed this feature on ***Places to go, Things to do and Places to stay*** for different types of travellers – families, nature lovers, artsy folk, active travellers and ocean lovers. For each “category” she will be covering one place to stay, one place to eat, one beach that’s well suited to that type of traveller, and one or two other things to do or places of interest that will appeal to them.

Some of the places she visited included and not limited to;

- KwaXolo Caves
- Wild Coast Sun Waterpark

As a result of this visit, the Getaway Magazine featured Characters Garden Park, one of the South Coast’s loveliest campsites and other South Coast treasures in the November issue of Getaway Magazine.



The Longest Date Package

The KZN South Coast holiday destination was chosen as the location for the filming of The Longest Date Season 2 on SABC 3. Some of the featured filming points and activities included shark cage diving at Aliwal Shoal and Protea Banks, surfing at Umzumbe beach and Southbroom beach. USCT developed the Longest Date Tour Package to draw attention to the attractions for visitors to want to experience them.

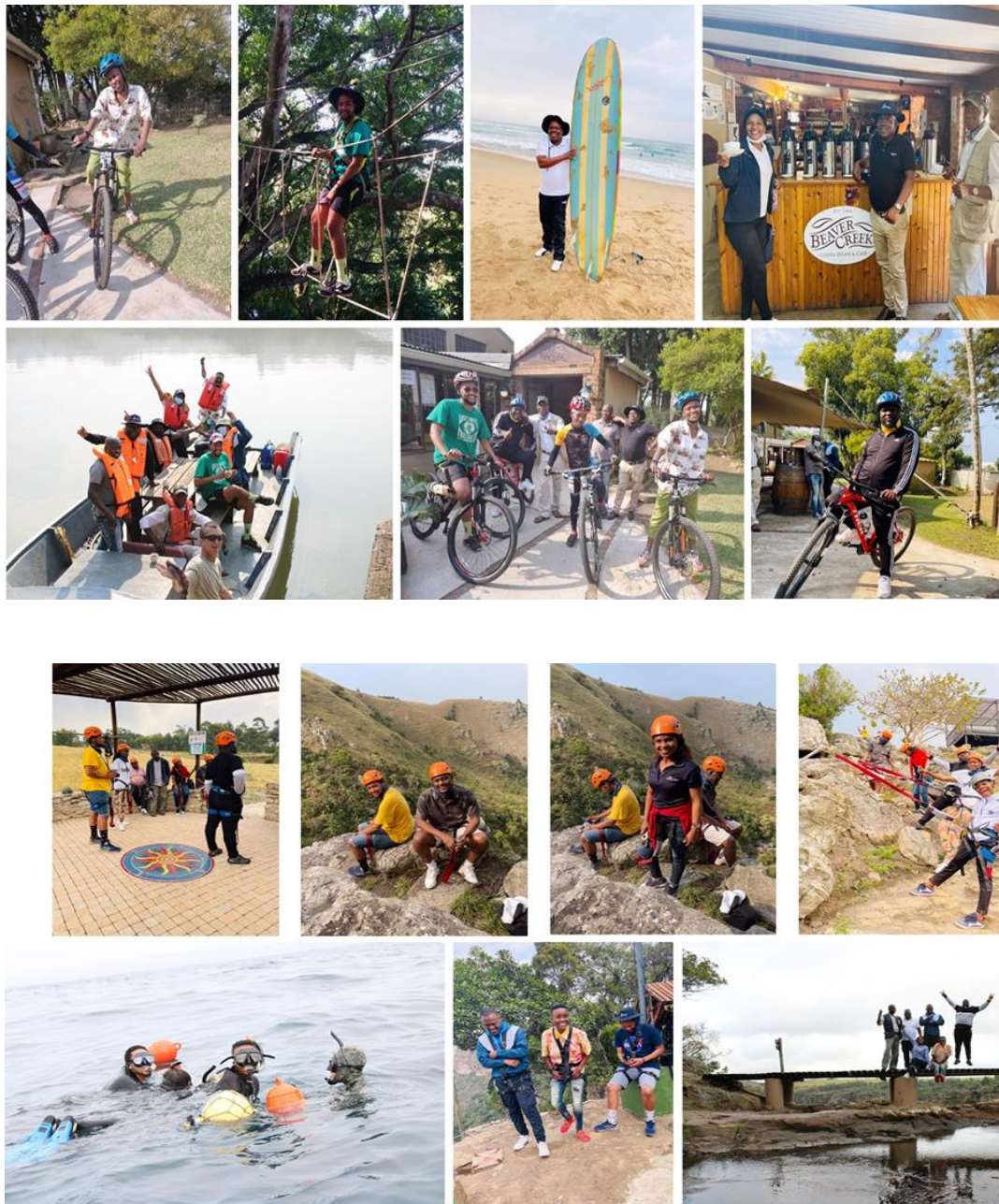
From 3 - 5th September USCT hosted local media which included the South Coast Herald, South Coast Fever, Ezasekuhlaleni News and Ugu Broadcasting services, to experience the Longest Date Tour Package. The package ran for three days and was conducted by Themabela Cultural & Adventure Tours. This particular tour operator was actually part of the Longest Date crew when the reality tv show was being filmed in the KZN South Coast.

Activities Included:

- uMzimkhulu Marina boat trip
- Mac Banana Adventure
- Beaver Creek Coffee Estate for a Mountain Biking experience
- Pumula Surf Camp
- Lake Eland Game Reserve (who were actually celebrating their Zipline 10th Birthday)
- Wild 5 Extreme Adventures
- Shark cage diving at Aliwal Shoal Dive Site
- KwaXolo Caves Adventures.

As a result of hosting local media, the Longest Date Tour Package received a great exposure.

Images of the journalists enjoying the Longest Date Trip:



Below are some of the articles which were featured in the South Coast Fever and South Coast Herald and also appeared in the social media.



PHOTO: SPYROKINGA MUKWINGO
 Scuba diving at the Alwal Dive Centre in Umkomaas.

PHOTO: ZAMA NYOMO
 Wild 5 Adventures.

PHOTO: SUPPLIED
 Boat ride in the Umzimkhulu River.

SOUTH COAST OFFERS adventure this September

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The month of September is not only Heritage Month but it is also Tourism Month, and Ugu South Coast Tourism (USCT) is encouraging everyone to explore all the inclusive tourism offerings offered by the region.

To celebrate this year's theme of 'Tourism for Inclusive Growth', USCT announced a number of exciting events that highlight the region's unique hinterland offerings.

One of the most thrilling and adventures packages offered by USCT is The Longest Date Tour Package.

This package gives visitors a unique opportunity to explore all the magnificent South Coast locations found during this year's edition of The Longest Date which is currently being aired on SABC 3.

The Longest Date Tour Package includes visiting the Orbi Gorge Wild 5 Extreme Adventures where visitors have to give into gravity by diving off the edge of the waterfall and plummeting into the 55-storey deep Gorge.

The adrenaline-inducing Wild Gorge Swing in Orbi Gorge is rated as the world's highest gorge swing.

Wild 5 Adventures also offers a range of extreme and milder adventures in a setting of phenomenal natural beauty.

Visitors also get to experience the Lake Eland Zip Lines which soar across the magnificent Orbi Gorge.

The zip line tour consists of 11 zip line slides starting at the top of the Orbi Gorge.

The longest zip line at Lake Eland soars 640m and 300m high above the Gorge, the views from that height are breathtaking and ones guaranteed to be left feeling exhilarated.

The Chimp and Zee Rope Adventures Parks located in MacBanana are also part of the The Longest Date Tour Package.

The state-of-the-art Rope Adventure Park takes you on a journey through the MacBanana farm, over the river valley and dams, through the trees and banana plantations with great views all the way to the beach.

The park is made up of two rope courses, the larger adventure course takes you on a 700m long journey around and over the wetland with many exciting challenges and obstacles to try out your 'white-knuckle' abilities while you enjoy the views of the surrounding area, wetland and working farm.

Meanwhile, as part of the package - visitors will also get to 'rob' shoulders with sharks at the Alwal Dive Centre which offers a seasonal and exciting scuba diving experiences.

A boat ride in the Umzimkhulu River, an abseiling adventure at KwaXolo Caves, surfing at the Punda Surf Camp and Surf School and bicycle rides at the Beaver Creek Coffee Estate are part of the package.

CEO of Ugu South Coast Tourism (USCT) Phiso Maseko told the *Forer* that the carefully curated Longest Date Tourism Package, which is highly beneficial for tourism operators and local communities from a job creation perspective, gives visitors the chance to enjoy a wide selection of KZN South Coast tourism offerings, hassle-free.

'Fans of SABC 3's reality TV series, The Longest Date, will get to experience the iconic scenes filmed during the show.

'But even those who have yet to see the series will enjoy this comprehensive, family-friendly tourism package that showcases some of the region's best tourism sites including Lake Eland Game Reserve, Orbi Gorge Wild 5 Extreme Adventures, KwaXolo Caves, Alwal Street, and Punda Banks,' she said.

Maseko added that as the economy and the tourism industry are starting to rebuild after some challenging months, USCT is using the month of September to kickstart the rebuilding.

'In honour of this year's Tourism Month theme, "Tourism for Inclusive Growth", we're providing exposure for our many hinterland tourism offerings to expand the geographical reach of the tourism economy, while giving tourists a more comprehensive experience," she said.

She added that in terms of Heritage Month, they are also showcasing their very unique heritage that tells the story of the region's history and rich cultural traditions.

'There are also a number of special offerings and celebrations happening throughout September, including the much-anticipated multi-annual Ugu Film Festival (UFF) running in Port Shepstone from September 23 to 26 in a physical and virtual format.

'Much like The Longest Date Tourism Package, UFF showcases the area's diverse filming talent and opportunities for both the domestic and international market,' said Maseko.

When it comes to tourism, South Coast has it all

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If you are from the South Coast, and you have watched 'The Longest Date', you would most certainly recognise some of the landmarks and activities done on the show.

What if you could also do all the activities and challenges featured in the show in your leisure time by actually buying the entire activity package?

Well thanks to Ugu South Coast Tourism, you now can.

Having done every single one of the activities over the weekend, it's safe to say the South Coast has the activities of a whole country in one.

An intimate morning cruise on one of the South Coast's main attractions, the Mzimkhulu River was how it all began.

After the river cruise, we were off to MacBanana, south of the R61 to Port Edward, where the MacBanana Adventure Zip line obstacle course awaited.

After a lovely lunch at MacBanana café, Beaver Creek Coffee Estate in Port Edward was the last stop of the day, where we enjoyed a variety of locally grown coffee before taking on one of the mountain bike trails on offer, to end off an eventful day.

After a beautiful night's rest at the three-star Umhlangi hotel in Umhlangeni, we all woke up to a lovely breakfast buffet before making our way to Umzimbe main beach



for surf lessons with Justin Malsch of Pumula Surf Camp.

I decided to give it a try. After a few flop attempts and having my throat punched in by the surfboard, which left me coughing and regurgitating at the same time, it was on the final one where it all came together, finally managing to ride smoothly to the sea shore.

Day two was just as eventful as the first, with a trip to Lake Eland Game Reserve in Orbi Gorge where 4.5km of zip lines awaited.

After an adrenaline surge of note, the rush was calmed by a scenic view of the 80m gorge suspension bridge, followed by a lovely lunch at the Lake Eland restaurant. To say I was caught off-guard in our

final activity at Wild 5 Adventures is an understatement.

The heart-stopping swing will evoke a sense of raw fear in the hearts of any first-timer.

However, those who conquer the jump (like myself) earn themselves a certificate of achievement for their bravery.

Needless to say, another night at the hotel was enough to ease what I felt was mild adrenaline trauma.

The final day of what can only be described as a dream trip for the explorer, began bright and early.

We went to Alwal Dive Centre in Umkomaas to face one of my fears - open water swimming with sharks.

We embarked on a 5km sail past the back

line and shark nets, to the open waters - and it didn't take long for the sharks to make an appearance.

Accompanied by a newly-wed Russian couple, we slipped into the water and watched the sharks feed and swim so close that one brushed my chest with a dorsal fin as it swam past.

It's safe to say, all stereotypes I had of sharks (except great whites) are dead.

There wasn't a better way to end the trip, than a visit to the KwaXolo Caves in Gciliwa where 100 000 year old San rock art paintings awaited.

It all came to an end with a braai, before departing to conclude a once-in-a-lifetime experience.

TKZN Live Broadcast at Umthunzi Hotel

A very interesting and impactful dialogue aimed to stimulate discussions on enhancing women economic participation and productivity in Tourism sector was held on the South Coast on the 20th to 22nd August. This was a joint effort between the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA), Tourism KwaZulu Natal (TKZN) and Ugu South Coast Tourism (USCT). To kick off the discussions and to emphasize the need to diversify the destination offerings, transformation and women empowerment; participants visited the KZN South Coast's successful vegetable farm in Southport that is owned by three black women, Busi, Bongi and Slindile (BBS Farm). BBS Farm has the high potential to venture to the tourism sector, develop into an Agri-tourism product and add to the diverse product offerings.

SA FM and Gagasi FM hosted the morning live broadcasts on Saturday morning. The discussions were between women CEOs in the KZN tourism sector and included the Film Commission, EDTEA, Durban ICC, TKZN etc. USCT CEO played host to these women in tourism leadership in the province. Some of the topics included:

- overview of the KZN Economic Recovery drive
- Reviving the tourism and film economies in the time of Covid-19
- Municipalities rebuilding the KZN Tourism Economy in the time of Covid-19



Vuma FM

The tour started with an exciting live broadcast at The Premier Resort Cutty Sark on the 17th September. The Morning Drive show was hosted by Linda Ndimande, Phindile Kweyama and Gabriel Sithole. USCT CEO, Ms. Phelisa Mangcu welcomed the team and highlighted the South Coast's main activities during her radio interview. Some of the activities enjoyed by Vuma FM team during the tour included the Zip Line in Oribi Gorge and Ocean Safaris off Scottburgh beach



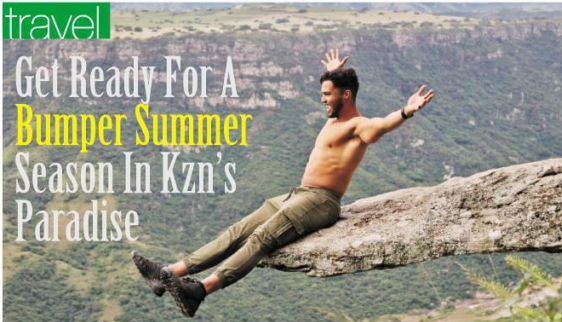
RISE FM

We had the pleasure of hosting JT & Victor Rose, the presenters from RISE FM which is the only commercial radio station in Mpumalanga. The RISE FM team visited the Wild 5 Adventures in Oribi Gorge to experience the gorge swing and experience the famous suspension bridge. The one-day tour ended at Leopard Rock Coffee Shop for lunch with breath-taking views.



Expresso, Heart FM and Tabloid Newspapers

We had the pleasure of hosting the presenters from Expresso SABC 3, Heart FM and the Tabloid Newspapers. The media teams were spoilt for choice at a number of outdoor. Some of the activities included, Horse Riding, The Ocean Safari, Zip Lining, The Gorge Swing and also the overhanging rock in Oribi. Coming from Cape Town, the media team didn't let go of a perfect opportunity of experiencing the warm Indian Ocean as well. USCT Trade Relations Manager Vanessa Gounden; was interviewed on Expresso and she focused on the South Coast's diverse experiences.



travel
Get Ready For A Bumper Summer Season In Kzn's Paradise



Tourism KwaZulu-Natal (TKZN) in partnership with Ugu South Coast Tourism are gearing up for a bumper summer and getting ready to welcome travellers to the paradise of the Zulu Kingdom.

South Africa's number one tourism destination is on a robust destination promotion campaign to drive even more travellers into the province ahead of the summer season.

Outlining the province's Recovery Plan, Pinky Radeler, Senior Manager Public Relations and Communications at Tourism KZN said: "Tourist numbers have dropped drastically compared to previous years due to the impact of the Covid19 pandemic. Even though KZN is back as South Africa's number one domestic tourism destination, our plan is really to position KZN as the only summer destination for the domestic market. Therefore, we are working very closely with all tourism regions to showcase our tourism offerings to key media and influencers to get people excited to travel to KZN once again."

With this in mind, Tourism KZN hosted media personalities from Cape Town which included Ryle de Morny and Jamie Domborg, presenters of the Expresso Morning Show on SABC 3 as well as Lunga Singama, Dylan Mayne and Kim Lee Schuller radio presenters from the Cape Town Regional Station Heart FM.

Ugu South Coast Tourism, Manager Trade Relations Vanessa Gounden said: "South Coast is still very much a favourite for the people of KZN and for those who have holiday homes in the South Coast, mostly from Gauteng. However, we do want to broaden our market and get more travellers from in-land provinces as well as the Western Cape. So, this was a perfect collaboration for us."

The hosted media personalities were on point sharing all their experiences with their social media followers and doing live coverings on radio throughout their stay in the South Coast.

"In today's time, social media is a very powerful tool, and we are confident that after this week's activities, we will begin to see more and more Capestonians engaging the Reader of the Zulu Kingdom," concluded Gounden.

To see everything that the gang got up to this past weekend in the South Coast, tune in on the Expresso Morning Show on the 09th of November 2021.

Ryle de Morny aka Nature Boy, presenter on the Expresso Morning Show said: "KZN is a huge piece of my heart every time I visit, and it only never disappoints. I don't even know what's my favourite adventure activity at this point but for this experience, it's possibly a tie between the highest gorge swing at Wila 5 and the Ocean Safari in Shelly Beach."

Fellow Expresso presenter, Jamie Domborg enthusiastically said: "For me, it's definitely the horse ride along the beach at Selsdon Park Estate. My biggest problem right now is I don't know whether to come back here with my son or my girlfriends."

The South Coast is a dream destination for adrenalin junkies and the hosted guests were not disappointed.



woza weekend

Celebrity Media Fam Trip

Fundi Zwane is a Port Shepstone born and bred actress and entrepreneur. Hosting Fundi was an opportunity to use the South Coast talent to showcase the area to her audience in the social media. Some of the visits included a meal at The Grove Restaurant; horse riding at Selsdon Park Estate; hiking to KwaXolo Caves Adventures to view centuries-old Khoi San paintings; ziplining at Lake Eland Game Reserve in Oribi Gorge; and taking in views of the Umzimkulu River at Leopard Rock. Representing youth entrepreneurs as well, Fundi's visit coincided with the launch of the first ever Rickshaw Experience (operated by youth

entrepreneur) in the KZN South Coast where she addressed the audience and her acting followers.



Vaccination Awareness Campaign

Tourism KwaZulu Natal conducted a vaccination drive across the province and made a stopover on the KZN South Coast on 22 December 2021. The “Jab for Tourism” drive came amidst the province’s new battle with the fourth wave of the Covid-19 pandemic post the discovery of the Omicron variant which led to uncertainty within the sector and holiday makers. The aim of the vaccination awareness was to further increase awareness around the Covid-19 vaccinations and encourage trade, locals, and holidaymakers to get vaccinated. The following media houses also participated in this drive:

1. The South Coast Herald
2. Isilezwe Newspaper
3. Ugu Youth Radio
4. Newsroom Africa
5. Inco Creative – TKZN Digital Team



Agri-Tourism Launch

The Agri-tourism product forms part of USCT's strategy on rural tourism development in order to expand the geographical footprint of tourists and encourage an inclusive tourism economy. On the 24 – 26th February, USCT launched an exciting Agri Tourism Route, which comprises of 6 products. The route starts in Scottburgh down to Port Edward and in land to Harding. This gives visitors a chance to explore as many of these tours as each one offers something different - from coffee and fresh produce through to petting animal farms, there's really a wide variety. The farms offer different experiences where visitors can enjoy farm tours, farm fresh meals, fishing, hiking and biking trails. On the adventure side there are activities like ziplining and archery. To launch the route, USCT hosted Local Media and SABC 3 News.

The Agri-tourism route includes:

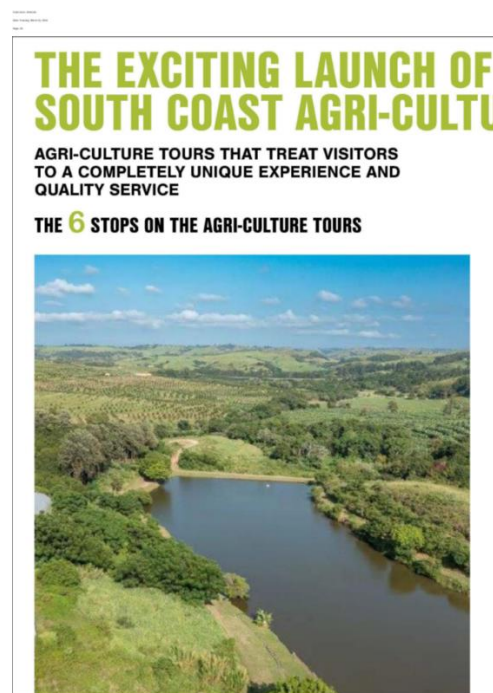
1. Ubumbano Homestead
2. BBS Farm
3. B'S Guest and Animal Farm
4. Mac Banana
5. Mpenjati Coffee Farm
6. Beaver Creek

Journalists from local publications which included the South Coast Herald Newspaper, Ezasekuhlaleni Newspaper and Ugu Broadcasting Services were hosted on a completely unique experience which included everything from farm tours and produce sampling.

- The Agri-Tourism media farm trip kicked off with an amazing farm tour of Ubumbano Homestead at Amandawe.
- This was followed by a drive down to Southport to learn more about the amazing work the ladies from BBS Farms are doing.
- The tour ended with a 50-minute drive up to Harding at B's Guesthouse and Animal Farm for a filling lunch and viewing the animals at the farm.
- The second day started with a hot cup of coffee from Mpenjati Coffee Farm which was shortly followed by a tour of their Coffee Farm.
- Mpenjati Coffee Farm was followed by a short drive to Mac Banana Estate & Adventures for a very informative and educational tour about banana plantation.

The launch of the innovative KZN South Coast Agri-Tours attracted SABC News. They indicated their interest to experience two of the six products which were Ubumbano and

Mpenjati Coffee Farm. Ubumbano was featured extensively on SABC 3 News at 11h00 on the 26 February 2022. Vanessa Gounden, Trade Relations Manager was also interviewed and needed to explain the objective behind the route and how it was formed. The coastal farmland experience *Agri-CULTURE Tours* received extensive media exposure.



Post Meetings Africa Fam Trip

Through participation at Meetings Africa as well as strong working relations with the KZN Convention Bureau, USCT was granted an opportunity to host domestic and international buyers who attended Meetings Africa.

On the 03 March 2022, USCT hosted 13 delegates from Argentina, Germany, Nairobi, Kenya and Brazil. The visit included a visit at Lake Eland Game Reserve where they had lunch and had a chance to tour the game reserve and experience the Zip Line and the suspension bridge. From the coastal breeze to the hinterland within a period of 30 minutes; this was an eye opener to the internationals in terms of our geographical spread of the South Coast.



East Coast Radio

As part of the Tourism Recovery Plan, TKZN began a promotional campaign from September 2021 to March 2022. The campaign involved a partnership with various media houses which included East Coast Radio. We had an awesome opportunity of hosting Carol O Forie from East Coast Radio both in Q1 and Q2. First, Carol spent two days on the South Coast, based at the Blue Marlin Hotel in Scottburgh where she conducted the outside broadcast. She had the pleasure of experiencing some of the South Coast's offerings which included: Croc World, A round of Golf at the Scottburgh Golf Club, TC Robertson and an Ocean Safari. The KZN South Coast received an extensive and fantastic coverage from this media trip. The second time in March 2022, DJ Carol O Fori and her team spent 3 nights at the Estuary Country Hotel where she had a live broadcast from 09h00 to 13h00. Some of the attractions that she visited included Mac Banana and Beaver Coffee Farm.



Trendz Travel TV Media Fam Trip

On 25th to 27th March 2022 we hosted a team from SABC 3 on a media excursion to explore the newly launch Agri tourism route. The first day began at **Ubumbano Homestead** in Amandawe, Scottburgh. The producer and his team enjoyed the total experience touring the farm and eventually tasting homemade items from the locally grown products, which included chilli jam, banana chips and macadamia brittle. The tour continued to **BBS Farm** in Southport, this farm mainly grows tomatoes, peppers and macadamia nuts. The last stop for the day was **B's Guest and Animal farm** inland to Harding, the farm caters for family outings and kid's excursions highlighting the animal farm.

The following day we visited **Mpenjati coffee estate**, whereby the team was given an A to Z run down on how coffee is grown from crop to cup. This was later followed by a visit to Mac Banana. The group was given a very interesting talk on how bananas are grown which was a real eye opener.

The tour was overall very knowledgeable and received segments of exposure on SABC 3.



Ubumbano Homestead



BBS Farm



B's Guest Farm

Film Destination Media Fam Trip

Margate could be a 'Little Miami' for filmmakers. USCT, Margate Business Association (MBA), hotel management, actors, and producers met in Margate on the 04th of April to discuss to explore Margate and discuss it's potential for film production. Everyone was happy and they all agreed that building a film studio in Margate was overdue. We have the perfect weather all year which allows uninterrupted filming, beautiful scenery, beaches, nature reserves, great accommodation establishments, etc.



Post Africa's Travel Indaba 2022 Media Fam Trip

Africa's Travel Indaba (ATI) is the best platform to build partnership and collaborate with the African continent. On the 5th to 8th May Tourism KwaZulu-Natal partnered with USCT to host 10 delegates from West Africa who attended this year's Africa's Travel Indaba, to showcase the KZN South Coast experiences. Our aim was to ensure an increased holiday package offerings for the future and participation from West Africa. Delegates were treated to warm hospitality, great weather, fun and adventurous activities. This included the **Lake Eland** longest Zipline in Africa, the swing at **Wild 5 Adventures**, and the highlight for them was the **Ocean Safari** boat trip at 06h00 am on Saturday the 07th May. We also visited **Margate Sands** and **San Lameer hotel** for site inspections. Amb Taiwo Oguntoye the founder of the Nigeria's award-winning travel agent called Travel with the Twins made positive comments about the KZN South Coast as they enjoyed themselves and will come back to do business.



The Golf Coast Fam Trip

As a follow up to the Golf Coast Virtual Speed Marketing Session, USCT in partnership with SATSA and South African Tourism (SAT) hosted the Golf Coast Fam Trip immediately after Africa's Travel Indaba (ATI) on the 6th to 9th May. The tour started at Selborne Golf Estate on the 6 May. A group of Tour Operators, Buyers, SATSA Team, South African Tourism and Shot-left were welcomed by USCT in a warm and exciting dinner event.

The group was divided into two teams, Golfers and Non-Golfers to accommodate everyone.

- Golfers played golf at three different Golf Estates for the entire three days tour: **Selborne Golf Estate, Wild Coast Sun, and San Lameer Golf Estate.**
- The Non-Golfers got to experience **Ubumbano Agri Tourism** tour, **Beaver Creek Coffee Estate, Riverside Boat Cruise, and Lake Eland Game Reserve.** It was indeed a successful Tour, as all tour operators and buyers are geared to sell the beautiful South Coast to the domestic travellers.



Insider SA SABC 3 & Ukhozi FM Media Fam Trip (10 June 2022)

As part of the Winter Campaign (Sardine Run), USCT and Tourism KwaZulu-Natal hosted two presenters from Insider SA SABC 3 and two radio personalities from Ukhozi FM, the biggest radio station in the continent with over 7, 980 million listeners, to experience shark cage diving at Aliwal Shoal. This was one of the activities on the sardine run package. The group had a fantastic dive with tiger sharks, bull sharks, and blacktip sharks surrounding them.



Media Hosting, BMW Supertech Torque Motoring Festival

USCT joined Tourism KwaZulu-Natal's activation and media hosting held at this year's **BMW Supertech Torque Motoring Festival** on the 28th and 29th May 2022 at **Dezzi Raceway**. This event was filled with adrenaline, roaring tyres, drifts, hot laps, shopping exhibitions and more entertainment for the whole family. Our virtual reality games included traditional dance, surfing, diving, and Lake Eland Game Reserve's zipline. KwaZulu-Natal Tourism General Manager: Marketing, Mpho Mbuli praised the event and pointed out that she is hopefully that the event will grow into a global event. Mr. Sandile Dlomo, USCT board member was present to support the event. Mr. Thabo Makwakwa from **Daily News** interviewed Mr Dlomo and the chairperson of the Supertech Group, Shabir Tayob during this event.



TRADE SHOWS AND EXHIBITIONS

Virtual Speed Marketing

The Golf Coast

In October 2021 in partnership with SATSA, USCT hosted a successful Golf Coast virtual speed marketing session. The focus of the session was to showcase and promote the KZN South Coast golfing destination. 38 products which included golfing facilities and accommodation establishments that are in close proximity to such facilities were invited to participate. Through a selection process, only 14 were selected to participate in the speed marketing session which connected them to buyers and sellers across the globe.

USCT and SATSA conducted training sessions to prepare the participants on how to conduct and market their products on the virtual platform. Though the participants rated the session 'excellent' and indicating interest in future sessions, it was noted that despite the training most participants experienced challenges with the use of technology. In light of that, USCT is rethinking the idea of a completely virtual platform. For future sessions, we are planning to conduct a centralized combination of virtual and physical engagements while adhering to Covid-19 protocols in the future.



Big Blue Sea

In February 2022, USCT and SATSA hosted a successful Big Blue Sea Virtual Fam. The thinking behind the theme was derived from the upcoming winter season with the annual Greatest Shoal on Earth phenomena, commonly known as the Sardine Run. Products that fitted the theme were carefully selected and these included ocean related products, accommodation, and restaurants. We invited 16 products and all products attended the virtual

fam. Prior to the virtual fam, USCT offered digital training to all invited participants in order to ensure that the products were familiar with using digital platforms when marketing their businesses online. The training session was also well attended.



Meetings Africa



Meetings Africa is a business tourism exhibition platform that is hosted by South African Tourism (SAT) to showcase Africa's diverse Meetings, Incentives, Conferences and Events (MICE) offerings and services. It remains the best platform to meet potential buyers with interest to host conferences and meetings. Meetings Africa 2022 was the very first in-person major exhibition to open its doors in South Africa since the lockdown which was enforced as a result of Covid-19 pandemic. There was great excitement at this year's event as buyers and exhibitors appreciated the opportunity to have a physical gathering again and work together to restore the tourism industry.

USCT attended the show to promote the KZN South Coast as an ideal destination to host business events, establish new contacts, keep up to date with the industry, and network with industry leaders. The KZN Convention Bureau provided a pavilion stand that accommodated the KZN destinations and this opportunity was provided at no cost.

- There were 161 buyers from all over the world, 216 exhibitors, and 4000 confirmed meetings through the diary system. Each buyer had to have at least 20 meetings per day with different exhibitors.
- The first day of Meetings Africa started with Business Opportunities Networking Day (BONDAY). This is a platform where industry leaders shared powerful insights on how to remain flexible in tough times and collectively grow in MICE industry.
- The 01st and 02nd March 2022 were exhibition days. Most of USCT meetings were with event professionals, conference organisers, business events coordinators and tour operators. Enquiries included conference venues that take 20 to 200 delegates, day tours for small groups, conference venues with exhibition space, dinners, accommodation, and golf.
- At Meetings Africa 2022, USCT launched the first ever [KZN South Coast Meeting Planner Guide](#). This is an information resource that we used to provide event organisers with a detailed listing of business conference, meetings, incentives, teambuilding, day tours, and accommodation requirements. It is now posted on the VIC Portal for easy access.
- Meetings Africa also served as a learning platform for students from South African universities who are planning their careers in the travel or MICE sectors as they were allowed to attend and got exposed to this segment of the tourism industry.



USCT stand at the KZN Pavilion

Travel Market Experts (TME)

USCT participated in TME's mega hosting which took place at the Coastlands Hotel in Durban. The TME is a platform that is hosted by a team of well-connected travel marketing specialists on a speed marketing, 8-minute presentation format to the buyers. The question-and-answer session took place at the supplier stations where the products were given an opportunity to set up in exhibition style. The TME was well attended and presentations were made to a group of 80 buyers which consisted of PCO's, Leisure and Corporate Buyers, Travel Agents, Inbound Tour Operators and Event Organisers.

There was a great interest in the KZN South Coast offerings, especially around the packages that were presented. One of the packages that were presented was the Longest Date which featured on SABC3. The package appeared to be familiar to a lot in the audience and created interest and conversations.



Exhibition Style set up for the Travel Suppliers

World Travel Market Africa

USCT attended the World Travel Market (WTM) Africa which took place at the Cape International Convention Bureau from the 11-13 April 2022. Unfortunately, due to budget constraints we were not able to book a stand. A USCT staff member attended the Trade Show in the capacity of a buyer, allowing us access to the buyer's lounge. As we were attending the trade show for the first time, the objective was to gain site and knowledge for participation next year.

There were numerous engagements with buyers. What was also very interesting was the Content Sessions, which included topics like Marketing Trends, Mixing MICE business with pleasure, How Sports Tourism is boosting local economics. WTM will be an excellent platform for USCT as it is attended by a good quality of buyers and with its added focus on tourism investments, it is a platform to highlight the new investment focus.

SATSA Annual Conference

The annual SATSA conference took place from the 7-9 April 2022, at the Lord Charles Hotel in Cape Town and USCT was represented. The conference was well attended by delegates from around South Africa. Given the green light to growth, SATSA needed the assistance of its members to guide them through their strategy as South Africa is entering a new world post Covid. The conference also brought insightful topics where industry thought leaders as well as economic and business specialists to the table.

The first day of the conference started off with a keynote speaker, the Co-Founder of Nando's Mr Robbie Brozin followed by SATSA's New Direction breakaway session. Delegates were split into groups to discuss questions prepared by SATSA. After the breakaway session the conference continued with other interesting topics like Insights into Key Source Markets and then feedback from SATSA's New Direction.

Day two also had interesting topics lined up which included: Access, Inclusivity and Diversity, Beyond Rhetoric – Real Partnerships for Growth, Media, and Industry Collaboration for Marketing Positioning. The conference was very informative as it kept participants involved and it allowed networking with members from around South Africa.



Africa's Travel Indaba

Africa's Travel Indaba took place from the 03-05 May 2022 at the Durban ICC. It is one of the largest tourism shows in Africa. It showcases the variety of Africa's tourism products. The focus for this year's ATI was repackaging and rebuilding the tourism industry in South Africa. Over 625 buyers attended this year's show after a two-year period of absence. There were 22 000 scheduled meeting between exhibitors and buyers. USCT was under the Tourism KwaZulu-Natal stand. Most of our engagements were with travel agents, our aim was to reignite the old relationships and build new meaningful connections. Africa's Travel Indaba is a great platform to promote our offerings to buyers and to ensure the destination secure strong tourism relationships around the continent and globally.

Buyers showed a lot of interest on Umzumbe River Trail, especially after our official launch at the Durban ICC on the 04th May 2022. Engagements with buyers also included our niche experiences such as the sardine run, golf, surfing, diving, Agri-tourism, adventure, hinterland activities, and more.



The Launch of Umzumbe River Trail

The Umzumbe River Trail is a collaborative project between Ugu South Coast Tourism (USCT), Ugu South Coast Development Agency (USCDA) and Economic Development, Tourism and Environmental Affairs (EDTEA) in their effort to extend the geographical footprint of tourists to rural communities. The Trail begins at Phungashe/Mhlabashane Dam, passes through Umzumbe and Ray Nkonyeni Local Municipalities. It covers Nhlanguwini, eMabheleni, KwaCele, KwaNdelu, KwaQwabe and KwaMadlala clans. Phase 1 of the project has been completed and it is ready for hikers.

The launch of Umzumbe River Trail took place at Durban ICC on the 04th May 2022, during the Africa's Travel Indaba.

The purpose of the launch at Indaba was to introduce the trail and attract the attention of tourism buyers to this tourist attraction. As a result of the launch and extensive media coverage, USCT received positive feedback as Tour Operators showed interest in including the URT in their itineraries and packages. Delegates were given gifts/URT souvenir which were made by local SMMEs. USCT created a 3 minutes Umzumbe River trail video, which was played at the launch and it was uploaded in the USBs which were also part of the gifts.



The Royal Show

USCT attended the Royal Show exhibition at Pietermaritzburg for the first time in two years since the Covid-19 pandemic in 2020. We invited eight local crafters from the four local municipalities in the district to display and sell their products at the same exhibition stand. Crafters did not pay for any travel fares and exhibition fees, USCT covered all their travel costs including meals. This platform was a continuation of the support by USCT for local crafters to ensure that they have access to the market. The crafters did well in exhibiting and selling their products. Umzumbe Municipality visited the USCT exhibition stand during the show

People from the Pietermaritzburg and surrounds prefer the South Coast as a destination of choice, due to the affordability, weather and specials offered by the products, especially out

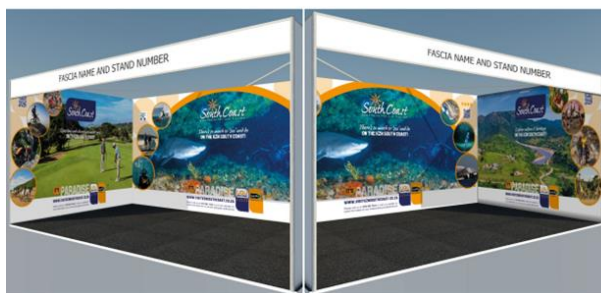
of season. USCT distributed the Southern Explorer at the exhibition and it was well received by attendees. We also gave out our license disc holders with our APP and website details promoting the APP and the VIC Mag on the website. Despite the successful presentations, a lot of concerns were raised around the water issues.



Stand Design for the Royal Show

Royal Show- Promotion / Exhibition
UGU2775399 UGU Wall banners

- Back Wall – Featuring seaside and diving activities
- Left Wall – Featuring golfing and sporting activities
- Right Wall – Featuring exploring, culture and heritage

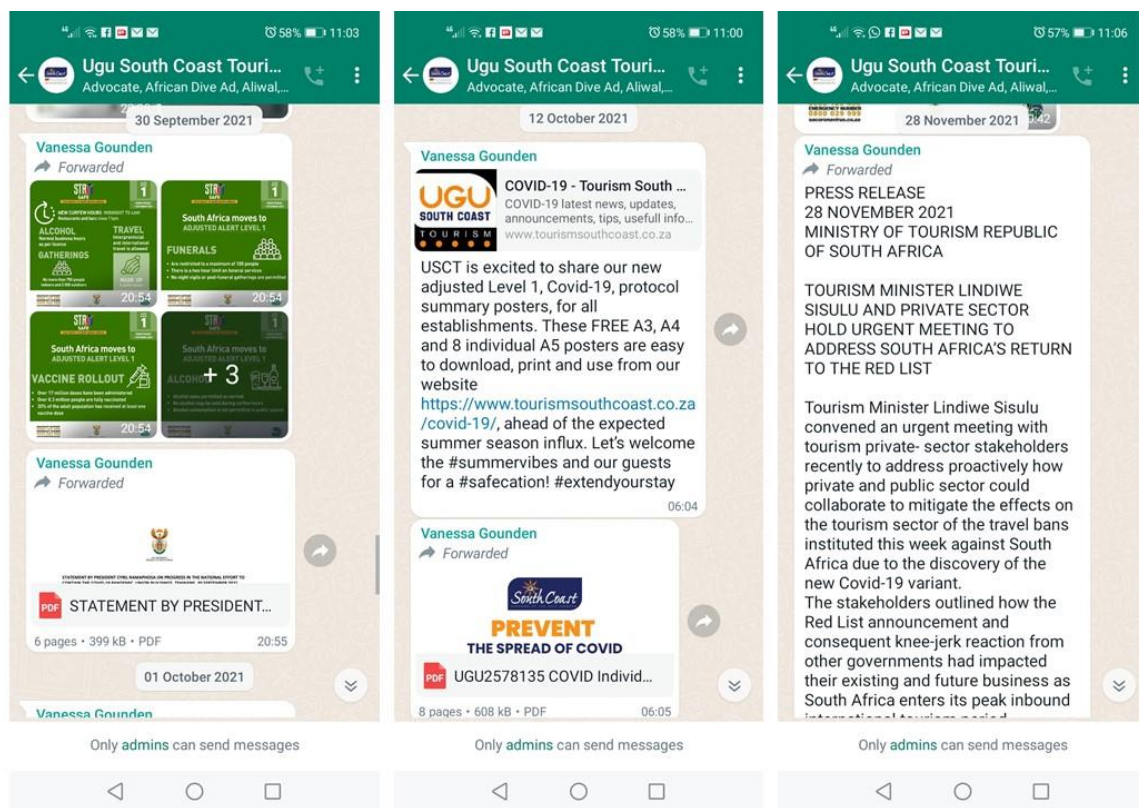


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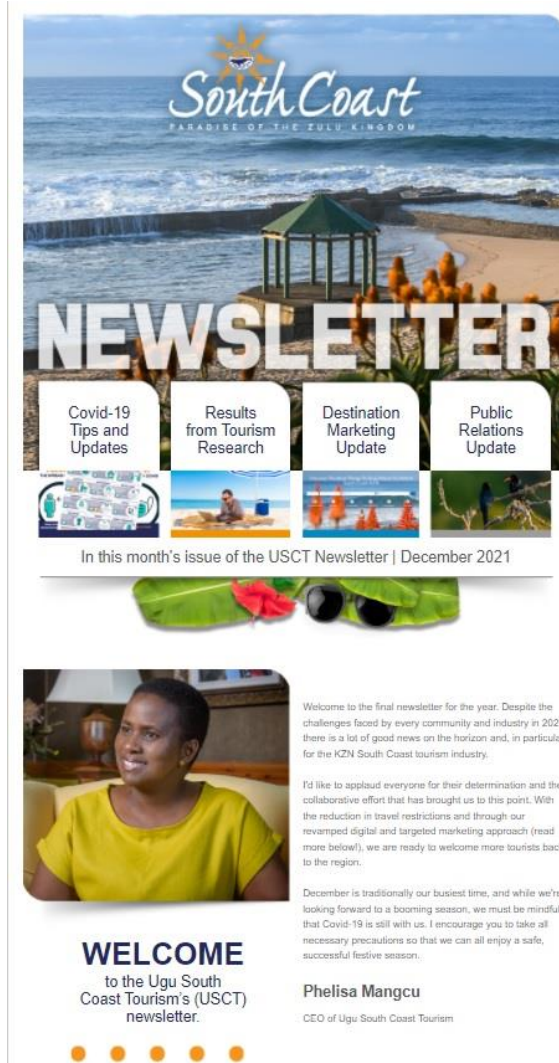
PUBLIC RELATIONS

Push Notifications

Since the start of lockdown, USCT compiled valuable resources related to Covid-19, including relevant regulatory requirements and assistance. This important information is continuously shared through our Covid-19 page on the website portal and WhatsApp notifications to various groups in the database. The push notifications have allowed USCT to reach out extensively to stakeholders, allowing recipients to send enquiries whenever they need clarity on different subjects.



Newsletters



The newsletter included a range of diverse topics, which were pertinent to tourism business owners. It covered the many resources USCT has made available to tourism businesses, as well as the effort USCT is undertaking in order to grow tourism in the region, focusing on the Tourism Recovery Strategy. These included, but were not limited to:

1. A Message from USCT CEO
2. USCT collaboration with provincial stakeholders on the economic recovery focusing on Covid-19 and the July unrests.
3. Destination Marketing efforts to enhance the visibility of the South Coast and its destination offerings.
4. Public Relations efforts to manage the image and reputation of the destination

5. Research results of the KZN Accommodation Performance Research and the USCT Tourism Destination Perception Research.
6. USCT collaboration with provincial stakeholders on the economic recovery focusing on Covid-19 and the July unrests.

Due to the urgent need to provide information and communicate with tourism businesses, 2 newsletters were sent out in Q1 covering the following elements,

POPI Act: The first centered around the mandatory Protection of Personal Information Act (POPI Act) notification. The ACT and regulation came into affect 1 July 2021, as USCT manages a database of personal information of tourism business owners (members and non-members) it became important that the requirements of the Act are communicated to the people in the USCT database in order to comply. In accordance with mandatory legal requirement, we positioned USCT to be fully compliant of the Protection of Personal Information Act, which “places various obligations on the responsible party, which is the body ultimately responsible for the lawful processing of personal information. It was sent out to 728 recipients, 690 were delivered, 163 people opened the newsletter and there was a 38 bounce back.

Q1 Newsletter: The second newsletter was the first for the financial year and it was sent out to all members and non-members on the 24 August 2021. It was sent out to 690 recipients, 686 were delivered, 175 people opened the newsletter and there were 4 bounce backs.

Q2 Newsletter: The second newsletter for the year was sent out on the 07 December 2021. The purpose of the newsletter is to inform and update tourism businesses and stakeholders about new developments including the work of USCT. It was sent out on the 07 December 2021 to 718 recipients, 705 were delivered, 183 people opened the newsletter and there were 13 bounce backs. The newsletter included a range of diverse topics, which were pertinent to tourism business owners. It covered the many resources USCT has made available to tourism businesses, as well as the effort USCT is undertaking in order to grow tourism in the region, focusing on the Tourism Recovery Strategy.

Q3 Newsletter: The third newsletter was sent out on the 11 March 2022. The purpose of the newsletter is to inform tourism businesses and stakeholders about USCT has done in growing tourism in the destination and to provide other relevant information. It was sent out to a database of 725, delivered to 716. It was opened by 207 recipients and there were 9 bounce backs.

Q4 Newsletter: The fourth quarterly newsletter was sent out on the 10 June 2022. I was sent out to a database of 725, delivered to 690. It was opened by 233 recipients and there were 38 bounce backs.

MEDIA EXPOSURE

Media Interest

Press releases and written copies were disseminated to various media houses. These efforts generated interest from journalists and led to extensive coverage from different media houses. In some instances, USCT extended the coverage to product owners to give them the opportunity to sell their products.

Numerous radio interviews were conducted across a variety of local, regional and national radio stations which included SAFM, East Coast Radio, Kaya FM, etc. Articles appeared in local, regional and national publications covering the news from Ugu South Coast Tourism.

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
10 reasons to #ExtendYourStay when you #GoSouthKZN this holiday! (21 June 2021)	South Coast Herald, eHowzit – (22/06) WozaWeekend – (29/06) Rising Sun (Chatsworth) – (02/07) MyZA, MyPR, MyDurban, South Africa Today, BuyPE, Free-Mail – (05/07) Marketing Spread, Rising Sun (Merebank) – (06/07) ILoveZA – (21/07) Absolute Mama – (29/07)
Ugu South Coast Tourism (USCT) calls on KZN South Coast to support local eateries during adjusted Alert Level 4 (02 July 2021)	Inspired life SA – (02/07) Radio Al-Ansaar, South Africa Today, The Witness – (05/07) IOL, MyZA, My PR, ShowMe SA, Marketing Spread, I Love Durban – (06/07) MyDurban – (07/07) South Coast Fever, Rising Sun (Chatsworth) – (08/07) South Coast Herald – (09/07)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
The KZN South Coast welcomes visitors looking for a safecation destination (07 July 2021)	MyPR, MyDurban, Show Me SA, MarketingSpread – (07/07) MyZA, South Africa Today, BuyPE – (08/07) eHowzit – (09/07) Rising Sun Mid SC – (13/07) Wildside Magazine – (01/08)
Award-winning cuisine and welcoming settings can be found when you #GoSouthKZN (22 July 2021)	MyPR, ShowMe South Africa, I Love ZA, South Africa Today – (22/07) MyZA, My Durban, Marketing Spread, eHowzit, Rising Sun (Chatsworth) – (23/07) Buy PE – (24/07)
KZN South Coast visitors can now experience 'The Longest Date' through a scenic tourism package (28 July 2021)	ILoveZA – (28/07) eHowzit – (29/07) Rising Sun (Chatsworth) – (30/07) Rising Sun (Mid South Coast) – (02/08) Rising Sun (Chatsworth), Rising Sun (Merebank) – (03/08) Rising Sun (Overport), Rising Sun (North Coast), Channel Africa Radio Interview – (04/08) South Coast Fever – (05/08) Ugu District News – (13/08) South Coast Herald (15/08) IOL.co.za – (02/09)
6 reasons to #GoSouth for a wellness adventure that may assist in easing pandemic stress (02 August 2021)	ILoveZA – (02/08) Absolute Mama – (04/08) Rising Sun (Chatsworth) – (05/08) Rising Sun (Chatsworth), Rising Sun (Merebank), WozaWeekend – (10/08) Rising Sun (North Coast) – (11/08)
15 hidden treasures just waiting to be discovered on the KZN South Coast (11 August 2021)	MyZA, MyPR, MyDurban, ShowMe South Africa, Marketing Spread – (11/08) Buy PE – (12/08) Rising Sun (Chatsworth) – (13/08) Rising Sun (North Coast) – (25/08)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
	Ugu District News – (27/08) Wildside Magazine – (01/09) South Coast Herald – (03/09)
Catch the final action of the annual #SardineRun from the KZN South Coast (13 August 2021)	ILoveZA – (13/08) Good Things Guy – (15/08) ShowMe South Africa, Rising Sun (Chatsworth) – (16/08) South Coast Fever – (19/08) WozaWeekend (24/08) Rising Sun (North Coast) – (25/08) South Coast Herald – (02/09) Ugu District News – (03/09)
KZN South Coast set to enjoy non-stop film screenings and workshops at the 9th Ugu Film Festival (19 August 2021)	Bizcommunity, MyZA, MyPR, MyDurban, ShowMe South Africa, Marketing Spread, Free-Mail, ILoveZA, The Weekend, Buy PE, Eminentra – (19/08) South Africa Today – (20/08) South Coast Fever – (26/08) Ugu District News, KZN Business Sense – (27/08)
KZN South Coast welcomes Tourism Month with specials, celebrations and inclusive tourism offerings (02 September 2021)	Marketing Spread, ILoveZA, Rising Sun (Mid-South Coast) – (02/09) Rising Sun (Chatsworth), The Weekend, South Africa Today – (03/09) MyPR – (06/09) MyDurban – (10/09)
Discover Our Pride, Our Heritage: USCT shares 7 iconic experiences to enjoy on the KZN South Coast this month	MyDurban – (09/09) Marketing Spread, ILoveZA – (14/09) MyZA, MyPR, ShowMe SA, SA Today, DUrban TV – (15/09) South Coast Fever, MyDurban – (16/09) The Witness, Rising Sun (Chatsworth)– (17/09) Woza Weekend – (21/09) Wildside – (01/10)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
Great food and spectacular views at the KZN South Coast's top outdoor dining spots	MyZA, MyPR, ShowMe SA, The Weekend – (20/09) MyDurban, Buy PE – (21/09) Rising Sun (Chatsworth) – (24/09) Woza Weekend – (28/09) Rising Sun (North Coast) – (06/10) Rising Sun (Overport) – (07/10) Marketing Spread – (06/12)
KZN South Coast offers dog-lovers the 'pawfect' holiday destination with pet-friendly accommodation	MyPR, MyDurban, The Weekend, SA Today – (28/09) MyZA, Buy PE – (29/09) Rising Sun (Chatsworth) – (01/10) Woza Weekend – (05/10) Rising Sun (North Coast), Rising Sun (Chatsworth), Absolute Mama – (13/10) Rising Sun (Overport) – (14/10) Rising Sun (Overport) – (21/10) Rising Sun (Overport) – (28/10) Wildside, Travel Ideas – (01/11) Get It Magazine – (25/11) Get It Magazine – (01/12)
21 Things to do on the #KZNSouthCoast for under R150 this summer	Rising Sun (Chatsworth) – (08/10) MyZ, MyPR, Marketing Spread, The Weekend, SA Today, Buy PE, Free-Mail – (11/10) Woza Weekend – (12/10) MyDurban – (13/10) Rising Sun (Chatsworth) – (19/10) Rising Sun (North Coast) – (20/10) Mzansi Life & Style – (27/10)
15 reasons to visit the 'Golf Coast' – where tees and seas apply!	Marketing Spread – (12/10) MyPR, The Weekend, SA Today – (13/10) MyZA, MyDurban, Buy PE – (14/10) Woza Weekend – (19/10)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
	Potchefstroom Herald, Carletonville Herald, Polokwane Observer, Vaalweekblad, Lowvelder, Get It Joburg North, Get It Joburg West, Zululand Observer, Parys Gazette, Alex News, The North Coast Courier, Krugersdorp News, Berea Mail, Southern Courier, Midrand Reporter, Mpumalanga News, Brakpan Herald, Fourways Review, Northcliff & Melville Times, Rosebank Killarney Gazette, Randfontein Herald, South Coast Herald, North Coast Rising Sun, Comaro Chronicle, KZN Eyethu, Middelburg Observer, Witbank News, African Reporter, Randburg Sun, Bedfordview and Edenvale News, Ridge Times, Highway Mail, Boksburg Advertiser, Kempton Express, Northglenn News, Benoni City Times, South Coast Sun, Southland Sun, Alverton Record, Springs Advertiser, Germiston City News, Roodepoort Record, Rising Sun (Chatsworth), Rekord Pretoria, Soweto Urban, Rising Sun (Overport), Review, Capital Newspapers, Get It Magazine Joburg South, Letaba Herald, Heidelberg Nigel Heraut, Get It Magazine Lowveld, Rising Sun (Lenasia), Kathorus Mail, Rising Sun (Mid SC), Get It Ballito, Get It Highway, Get It Pretoria, Out & About – (22/10) Absolute Mama (28/10) Personal Finance, Tax Breaks, Inflight – (01/11) Signature Magazine – (01/12)
Video: Thrilling orca sighting off the KZN South Coast	IOL, News24, Good Things Guy, DUrban TV, Wildside Magazine, News Portal ZA, Eminentra – (28/10)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
	Marketing Spread, The South African, Eminentra – (29/10) South Coast Herald, Coast KZN – (02/11) Ugu District News – (05/11)
Enjoy the summer vibes at 10 of the best picnic spots on the KZN South Coast	ILoveZA, The South African – (28/10) SA Today, Marketing Spread – (29/10) Woza Weekend, MyPR, My Durban, Rising Sun (Chatsworth) – (01/11) My ZA – (02/11) Rising Sun (Chatsworth) – (09/11) Rising Sun (North Coast) – (10/11)
Flock to the KZN South Coast to experience some of the best birding spots	IOL, MyZA, MyPR, My Durban, The Weekend, SA Today, Buy PE, Free-Mail – (03/11) Marketing Spread, eHowzit – (04/11) IOL – (05/11) Independent on Saturday, Weekend Witness, IOL – (06/11) Absolute Mama – (08/11) Famous Publishing – (10/11) South Coast Fever – (11/11) Rising Sun (Chatsworth) – (16/11) Rising Sun (North Coast) – (17/11) Rising Sun (Mid-South Coast) – (30/11)
Get ready for a bumper summer season in KZN's Paradise	Weekly Gazette – (08/11) MyZA, MyPR, My Durban, The Weekend, Buy PE, IOL – (09/11) Marketing Spread, SA Today – (10/11) Highway Mail, Northglen News, Rising Sun (Chatsworth) – (11/11) Vaalweekblad, Lowvelder, Zululand Observer, Krugersdorp News, Berea Mail, Southern Courier, Midrand Reporter, Mpumalanga News, Northcliff & Melville Times, Rosebank Killarney Gazette, South Coast Herald, North Coast Rising Sun, KZN Eyethu, Middelburg

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
	Observer, Ridge Times, Boksburg Advertiser, Kempton Express, Benoni City Times, South Coast Sun, Springs Advertiser, Rekord Pretoria, Review, Capital Newspapers, Heidelberg Nigel Heraut, Rising Sun (Mid SC), Soweto Urban – (14/11) Rising Sun (Chatsworth), Woza Weekend – (16/11) Rising Sun (North Coast) – (17/11)
The top 15 water sports to try on the KZN South Coast this summer	MyPR, MyDurban, The Weekend – (11/11) Marketing Spread, MyZA, Buy PE – (12/11) Rising Sun (Chatsworth) – (15/11) Ugu District News – (03/12)
Strap on your running shoes and head to the KZN South Coast for the 7 best trail runs	Wildside – (01/12) Marketing Spread, MyZA, IOL, MyPR, MyDurban, The Weekend, Buy PE, Free-Mail – (15/11) My PE News, South Africa Today – (16/11) Rising Sun (Chatsworth) – (19/11) Absolute Mama – (21/11)
Ugu South Coast Tourism shares 15 water safety tips ahead of summer holiday season	MyDurban, Marketing Spread, My PR, The Weekend, South Africa Today, Out & About – (30/11) MyZA, Buy PE – (01/12) South Coast Herald – (03/12)
Entrepreneur and actress Fundi Zwane attends launch of KZN South Coast Rickshaw Ride experience	Weekend Witness – (17/11) South Coast Fever – (02/12) South Coast Herald – (03/12) Weekly Gazette – (06/12)
KZN South Coast offers tourists the best outdoor activities this summer!	IOL – (04/12) Daily News, My Durban, MyZA , MyPR, The Weekend, South Africa Today, Marketing Spread – (06/12) Buy PE, Sawubona – (07/12) ShowMe – (08/12)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
KZN South Coast launches its outdoor Summer Sizzle programme for the holiday season	Ugu District News – (10/12) MyDurban, ShowMe, I Love ZA, The Weekend, South Africa Today, MyPR, ShowMe – (13/12) MyZA, Marketing Spread, BuyPE – (14/12) South Coast Fever – (16/12) Ugu District News – (17/12) Rising Sun (Chatsworth) – (20/12) Rising Sun (North Coast) – (21/12) Rising Sun (Chatsworth) – (22/12)
The KZN South Coast’s scenic outdoor wedding venue options for 2022	MyZA, Marketing Spread, I Love ZA, The Weekend, South Africa Today, FreeMail – (17/01) Rising Sun (Chatsworth), Rising Sun (Merebank) – (25/01) Rising Sun (North Coast) – (26/01) Rising Sun (Overport) – (27/01)
Enjoy an indulgent getaway to the KZN South Coast!	MyZA, MyDurban, Explore South Africa, Marketing Spread, South Africa Today, BuyPE – (24/01) WozaWeekend, Explore South Africa (31/01) Rising Sun (Chatsworth), KZN Business Sense – (01/02) Rising Sun (North Coast) – (02/02) Rising Sun (Overport), Absolute Mama – (03/02) MyDurban, The Weekend, FreeMail – (24/02)
Celebrate love this Valentine’s Day at these romantic KZN South Coast venues	Marketing Spread, The Weekend, South Africa Today – (11/02) MyZA, MyPR, MyDurban, Buy PE, Free Mail – (13/02) Rising Sun (North Coast) – (23/02)
Don’t miss out on any of the summer action happening on the KZN South Coast	MyZA, MyDurban, ShowMe, The Weekend, South Africa Today, BuyPE, FreeMail – (15/02)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
	Marketing Spread – (16/02) Ugu District News – (18/02)
Enjoy an authentic coastal farmland experience with the launch of the KZN South Coast Agri-CULTURE Tours	IOL, Tourism Update, MyPR, MyDurban, Marketing Spread, Sawubona, The Weekend, South Africa Today – (24/02) Getaway, MyZA, BuyPE – (25/02) SABC The Agenda, SABC News SA Today – (26/02) SABC 1 News @ 19:00 – (27/02) Ikwewezi FM – (28/02) Wildside – (01/03) Lotus FM – (02/03) Kokstad Advertiser – (03/03) Ugu District News – (04/03) South Coast Herald – (06/03)
The tranquil KZN South Coast launches its first ever Meeting Planner Guide to attract business tourists	Bizcommunity – (28/02) MyPR, MyDurban, ShowMe, The Weekend, KZN Industrial & Business News online & print (01/03) MyZA, Marketing Spread, BuyPE – (02/03)
Booming start to 2022 as KZN South Coast gets on the global tourism map	MyPR, The Weekend, South Africa Today – (08/03) MyZA, Marketing Spread, BuyPE – (09/03) Business Events Africa – (11/03) Woza Weekend, Weekly Gazette (South Coast) – (14/03)
KZN South Coast is a motorsports' enthusiasts' dream!	MyDurban – (08/03) MyPR, ShowMe, The Weekend – (09/03) BuyPE – (10/03) ShowMe SA, Marketing Spread (11/03)
10 unique experiences to try on the KZN South Coast this Easter	Rising Sun (Chatsworth) – (29/03) Rising Sun (Overport), South Coast Fever – (31/03) Wildside, Ugu District News – (01/04)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
	IOL, Rising Sun (Mid-South Coast), Visit KZN South Coast, Famous Durban – (28/03) South Coast Herald – (05/04)
Media statement by USCT (USCT)	Vaalweekblad, Zululand Observer, Krugersdorp News, Berea Mail, Southern Courier, Midrand Reporter, Mpumalanga News, Northcliff & Melville Times, Rosebank Killarney Gazette, South Coast Herald, North Coast Rising Sun, KZN Eyethu, Middleburg Observer, Bedfordview and Edenvale News, Ridge Times, Boksburg Advertiser, Rekord Pretoria, Soweto Urban, Review, Capital Newspapers, Heidelberg Nigel Heraut, Northern Natal News, Rising Sun (Mid South Coast), Visit KZN South Coast – (16/04) My ZA, My PR, My Durban, Marketing Spread, South Africa Today, Buy PE, Free-Mail – (29/04)
The countdown begins to the greatest ocean spectacle along the KZN South Coast	Out & About, Visit KZN South Coast, South Africa Today, Show Me SA, Marketing Spread, News24 – (03/05) Free-Mail, Afriq 54, Good Things Guy, Rising Sun (Mid-South Coast), My Durban, Sowetan Live, Times Live, The Citizen, Voice of Cape online, Getaway, My PR, The Witness – (04/05) My ZA – (05/05) South Coast Fever – (06/05) SABC News online, Lotus FM – (07/05) Channel Africa online, RSG, Espresso, Lotus FM, Channel Africa – (09/05) Rising Sun (Mid-South Coast), Rising Sun (Chatsworth) – (10/05) I Love ZA – (13/05) RSG – (14/05) Rising Sun (Mid-South Coast), Rising Sun (Chatsworth), Rising Sun (Merebank) – (17/05) Rising Sun (North Coast) – (18/05) Kokstad Advertiser, Rising Sun (Overport) – (19/05) South Coast Herald – (20/05) Explore SA – (27/05) Sunday Times (29/05)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
	Sunday Times (KZN Supplement), Sunday Times (Western Cape Supplement) – (29/05) Rising Sun (Chatsworth) – (31/05)
KZN South Coast launches Umzumbe River Trail, a unique hinterland tourism experience	Out & About, Visit KZN South Coast, Marketing Spread, Getaway – (05/05) Free-Mail, Rising Sun (Chatsworth) – (06/05) Buy PE, IOL – (07/05) Absolute Mama (08/05) South Africa Today – (10/05) South Coast Herald – (12/05) South Coast Fever – (13/05) Weekly Gazette (South Coast) – (16/05) Rising Sun (Mid-South Coast), Rising Sun (Chatsworth), Rising Sun (Merebank) – (17/05) Rising Sun (North Coast) – (18/05) Rising Sun (Overport) – (19/05) Wildside, Rove SA – (01/06)
Don't miss out on the KZN South Coast action! Check out the 'what's on' events guide	Visit KZN South Coast, Marketing Spread – (13/05) I Love ZA – (14/05) Margate Information – (20/05)
12 reasons Margate is a tourism hot spot on the KZN South Coast	Visit KZN South Coast, IOL – (16/05) IOL – (17/06) Hello Lifestyle, South Africa Today, My Durban, Show Me SA, Marketing Spread, My PR – (18/05) Rising Sun (Merebank) – (31/05) Rising Sun (Overport) – (02/06) Rising Sun (North Coast) – (01/06) Absolute Mama – (10/06)
Discover why the KZN South Coast is the MICE and 'bleisure' tourism destination of choice	Visit KZN South Coast – (26/05) Rising Sun (Chatsworth) – (07/06) Rising Sun (North Coast) – (08/06) Rising Sun (Overport) – (10/06)
9 of the KZN South Coast's must-try fish eateries	Visit KZN South Coast, Rising Sun (Mid-South Coast), Marketing Spread, IOL, My PR – (27/05) South Africa Today – (30/05)
The 10 best date ideas to spoil that special someone on the KZN South Coast	Visit KZN South Coast – (02/06) Rising Sun (Chatsworth) – (06/06)

PRESS RELEASES	EARNED (PR) MEDIA EXPOSURE
10 ways to unwind and de-stress like a KZN South Coast local this winter	Visit KZN South Coast, I Love ZA – (06/06) Marketing Spread – (07/06) Free-Mail, South Africa Today, My PR, Explore SA, My Durban – (08/06) Free-Mail – (09/06)
21 great family outings on the KZN South Coast for under R150	Visit KZN South Coast – (06/06) Marketing Spread (07/06) Free-Mail, South Africa Today, My PR, My Durban – (08/06)
KZN South Coast awaits arrival of the highly anticipated Sardine Run	Visit KZN South Coast – (09/06) IOL, Marketing Spread – (10/06)

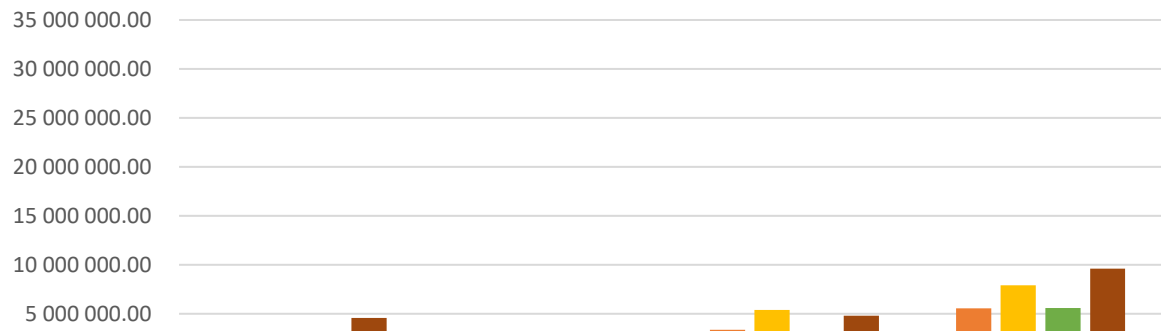
Brand Tracking

Newsclip is a brand tracking and media monitoring service which is highly recommended. They are a proudly South Africa brand tracking company built on 35 years of technological innovation. They monitor all media channels across South Africa and 53 countries throughout Africa with the aim of measuring the performance of the brand. Newsclip also offers immediate access to information on media coverage and statistical reports. They also track adverts and social media.

Below is the free media coverage and brand exposure generated between July 2021 to June 2022 as recorded through Newsclip monitoring. The list of media coverage includes the Advertising Value Equivalent (AVE) figures – this is rand for rand of what one would have spent to appear in these publications, online platforms and broadcast media, had these been 'paid for'.

During this period the PR team generated **967** free media exposure articles. This amounted to **R28 613 169** (twenty-eight million, six hundred and thirteen thousand, one hundred and sixty-nine rand), worth of AVE media exposure was generated between July 2021 to June 2022. All media coverage is accessible online in the Newsclip Redbook
<https://www.redbook.co.za/share/book/f59b0a01c360a2b6826954b7302a6fa2>

Media Exposure



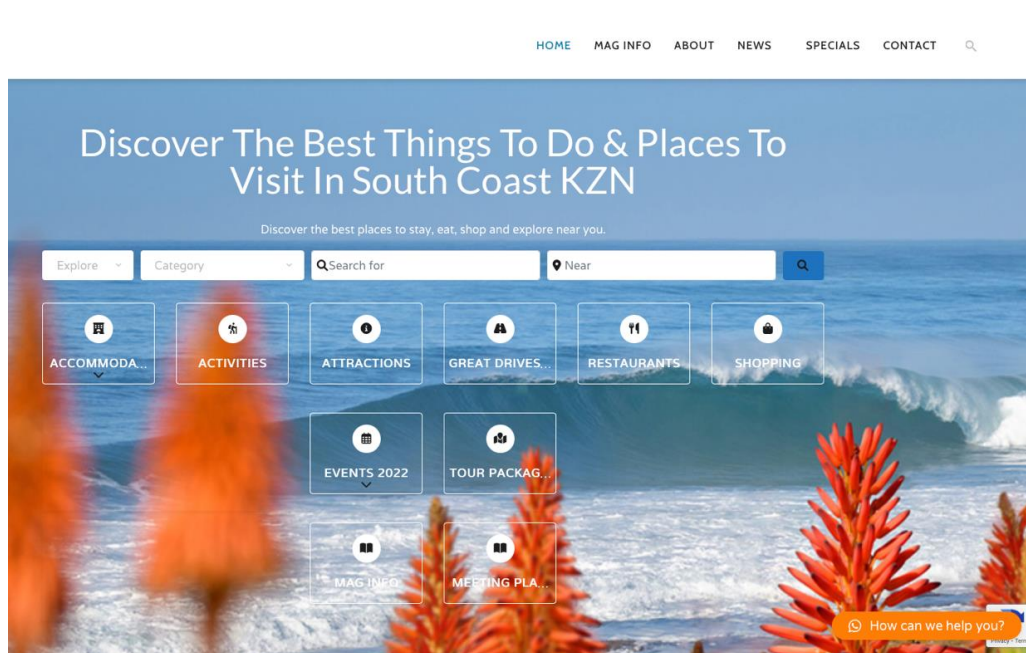
	Print	Broadcast	Online	Total
Q1	1 858 168.70	347 223.33	3 346 966.32	5 552 358.35
Q2	1 861 704.45	633 825.33	5 392 885.93	7 888 415.71
Q3	2 202 868.69	515 104.67	2 869 990.23	5 587 963.59
Q4	4 561 227.54	220 993.00	4 802 210.81	9 584 431.35
				R28 613 169.00

Q1 Q2 Q3 Q4

DIGITAL PLATFORMS

Following the Coronavirus outbreak, effective July 2020 USCT marketing plan started focusing on digital platforms to create exposure for the destination. The Search Engine Optimization (SEO) results have shown the cost effectiveness of digital advertising as opposed to traditional marketing.

Destination Website



Both the back-end and the front-end of the destination website were updated. Changes and maintenance which include, but are not limited to the following were made;

1. multiple updates of software,
2. license updates
3. troubleshooting
4. Website structural update, content and maintenance
5. New Google analytics account created and linked to the website
6. Mailchimp account updated and linked to website

<https://www.visitkznsouthcoast.co.za>

Content Development and Management

Press Releases from the Public Relations Team are being uploaded to the destination website in real time and then the URL address is back linked to the social media platforms, together

with specific hashtags and specific captions. The press releases have been promoted, with a basic overview of the topics, with the option for readers to redirect and visit the Press Release Page on the website

<https://www.visitkznsouthcoast.co.za/category/press-release/>.

There was tremendous value generated from this approach as it;

1. Archives the content for future use by media
2. Creates greater online coverage
3. Creates online footprint of the content
4. Allows online search engines to redirect online audiences back to the USCT website, when essential key words from the content we post online, is searched for by travelers looking for those topics, travel ideas, things to see and do, KZN South Coast offerings about adventure, eateries etc.
5. Furthermore, this also increases visitor traffic to the USCT Destination website, which also means greater coverage, marketing, and exposure of the USCT corporate brand efforts and contributions to the tourism industry.
6. All of this also drives traffic to the website which has a positive effect on our Search Engine Optimisation (SEO) campaign.

Furthermore, this approach provides additional benefits related to media as they are encouraged to revisit the site for older information and to know where to find up to date ongoing promotional and newsworthy content. The long-term affect, will be:

1. The automatic awareness of the website resource, by media for future media coverage
2. Sharing ongoing media awareness around USCT media campaigns, content, events etc.

Visitor Information Centre Portal

As USCT closed Visitor Information Centers, to disseminate information digital platforms were strengthened and promoted. Visitors can access information on accommodation facilities, attractions and other tourism business services from VIC Portal on the destination website. The VIC Portal was updated with information of the KZN South Coast tourism products and services. Link to access USCT VIC Portal: <https://www.visitkznsouthcoast.co.za/#>

The updates also included the functionality of the VIC Centre tab on the destination website. Features include, but are not limited to:

1. This is now an interactive one stop site with tabs that link visitors to tourism information related to accommodation, activities, attractions, Great Drives Out, restaurants, shopping, events and specials. Site visitors are also encouraged to subscribe to the quarterly newsletter at the top of the VIC portal by simply typing in their email address and clicking 'subscribe'.
2. An interactive phone number can be accessed automatically on android or iOS. This was previously static and a person would need to hand write the number down in order to call. With the updates, now the system allows you to call directly from the website by clicking on the number.
3. Ticket enquiry box: Any person who does not have an email can still email USCT, by simply filling out the required fields and clicking send.
4. A WhatsApp interactive function has been added to the website and is connected to the Manager: Trade Relations (Vanessa Gounden) phone. A WhatsApp platform, which offers immediate and direct messaging response without anyone being logged onto the website or the backend is being explored as the best way forward.
5. Added anti-spam elements to prevent robots or bots ('negative software') from spamming this email, by adding a capture function.
6. Based on international best practice, an advanced paid for plugin called **Geo Directory** was used. This plugin allowed for the creation of a central point to access information on the KZN South Coast from the landing page of the Destination Website.
7. It also allows for member listings to be found and accessed more easily. Member's listings can be found through **categories**, **search bar functions** and an **interactive map** with GPS location, which also connects directly with the user's device when connected to the internet, to allow further access to Google Maps and other navigational tools. This means that the user can pick an establishment they want to visit, click the map, open the map for directions and then automatically redirect to that location. The ease and convenience cannot be overstated, as this level of user interaction means visitors have better accessibility to information when travelling. The Vic Portal's GPS functionality also allows visitors to plug in their current location and easily get Google Map directions to their chosen destination.
8. The GEO Directory system has an **EVENT** functionality. This allows for all events to be centralized, making them easily accessible. It also comes with a **CALENDAR** function and events will automatically be removed once their end date has arrived, ensuring that the events section is always up to date. Events are updated monthly within 24 hours of receiving the information ensuring the site is always up to date and current.

9. A **SPECIALS** page was created, where members and product owners have a dedicated digital advertisement space to showcase their weekly or monthly specials. This feature is also backlinked this to the social media handles to further promote to visitor that the specials are readily available. In turn, these advertisements encourage patronage and also create interest and drive to the website.
10. **PRESS RELEASES** from the PR Team are uploaded in real time and then back linked to the social media platforms, together with specific hashtags and very specific captions. This allows easy access of information to mainstream media and other interested parties. The backlinking also drives traffic to the website which has a positive effect on our Search Engine Optimization (SEO) campaign.
11. USCT conducted a two-phase launch of the VIC portal. The soft launch involved releasing the portal through PUSH notifications to all tourism establishments where they were given a chance to preview the site and update any relevant information. The second phase was the public launch mid-November via social media, encouraging user traffic and creating awareness about the VIC PORTAL. Another PUSH notification was sent out to communicate and market the new features on the platforms and was very well received. Some unique features of the VIC portal include: GPS co-ordinates, Specials and Events.
12. This streamlined process, not only makes all information on the KZN South Coast establishments easily accessible for all visitors to the site; it has been instrumental in driving traffic to the website.
13. The system is geared to make it easy for visitors to navigate the various products with geographical location, interactive contact details and other navigational tools. Content such as activities, eateries, accommodation and the events calendar, continue to be rectified and updated. Categories were added to accommodate the **MEETING PLANNER GUIDE**, which is available on the home page, with full access to the PDF. <https://www.visitkznsouthcoast.co.za/wp-content/uploads/2022/03/Ugu-Meeting-Planner-Brochure-Final.pdf>
14. Events related information has been centralized, making them easily accessible to online visitors. The automated **CALENDAR** function installed, deletes events, once their end date has arrived ensuring the events section is always up to date. This function has allowed continuous availability of relevant and current information. This has simultaneously allowed an increase in site visits and stays.

No major challenges have arisen over the last 12 months of the website upgrade process; the site is stable and functioning well. The VIC Portal is user friendly on both the front and back end of the website, allowing for user experience. Back-end functionality allows for training of

USCT staff, enabling the website technical team to upskill and transfer skills to the internal team in content management. We foresee this particular feature to completely replace the Visitor Information Centers that USCT had to close.

VIC Brochure

The VIC brochure is in an online magazine format, which allows ease of online access. It is user friendly as it allows turning of the pages because it is an extensive directory. The brochure needs regular updates as the business may close, or new ones emerge.

1. It is also more aesthetically pleasing and inviting to revisit.
2. The online magazine allows backlinking the URL, to further promote its existence through the USCT social media and digital platforms.
3. It is in PDF format to allow sharing via PUSH notifications on WhatsApp. This allows the document to be saved by the end user. Thus, providing the user off-line access while travelling.
4. This format enables the PDF to be downloaded from the website directly or shared with friends and family while travelling and also allow access to the directory when they do not have data or any internet access.
5. A key feature of the off-line PDF version, is the interactive contact details and links which allow the user to click on the phone numbers, email and GPS locations etc., therefore acting in the same way the VIC portal does online.

COVID-19 Portal

The COVID-19 Information Tab on the USCT website was launched on 9 April 2020 as an additional platform to disseminate and access information. Through this platform USCT provided updated information and Government Gazettes on COVID-19. The Gazettes contained crucial information such as application of alert level, mandatory protocols when in public places, opening and closure of schools, gatherings, partial re-opening of borders, etc. Information focusing on latest developments and updates from the tourism industry authorities such as the National Department of Tourism (NDT), South African Tourism (SAT) and the Tourism Business of South Africa (TBCSA), was constantly being posted on the USCT Covid-19 Portal. The information was updated on an ongoing basis as the pandemic and policy responses evolved.

Link to access USCT Covid-19 Portal:

<https://www.tourismsouthcoast.co.za/covid-19/>

Corporate Website

USCT had a Content Management System (CMS) system in place to update content on its corporate site. The website had 100% Uptime, meaning that it has not been uninterrupted throughout this quarter. Plug-ins and certificates for the corporate website were updated. The following were restructured to make the corporate website more user friendly. These changes include, but are not limited to:

1. Removing the POP-UP message from the homepage.
2. Removing dysfunctional links
3. Updating plug-ins and specific functionality
4. Customized the website Contacts page, so that site visitors can access the GPS coordinates and functionality for the address, through any device with internet connectivity and redirect to their Google Maps for ease of navigation.
5. Created an interactive phone number and email address for the mobile and web connectivity, so both points of contact can be accessed immediately from one's device with internet connectivity.
6. Added a ticket enquiry box to engage audience who do not have an email and attached it the USCT address: admin@tourismsouthcoast.co.za
7. Added a WhatsApp interactive functionality, which allows for immediate, real-time messaging to be sent to USCT.
8. Updated the Covid Portal design, layout and content. Additional layout changes for this page are being considered for further enhancements.
9. We also removed the flashing tab that says LATEST NEWS as seen in the screen grab below.
10. Under this link <https://www.tourismsouthcoast.co.za/about-us/> reduced the images to a smaller size, restructuring the page.
11. With the constant overview of the social media pages and audience engagement, we received several requests for a Weather app or equivalent for the USCT website. People had severe concerns about the ongoing devastating floods and storms which left the province unhinged. A weather feature created on the website which specifically shows KZN South Coast weather stats. The weather tab can be found on the landing page as one of the many categories. The tab redirects to ACCUWEATHER and specifically refers to the KZN South Coast.

Search Engine Optimization (SEO)

Due to seasonal fluctuations in keyword searches and traffic, the best way to track progress in terms of SEO is to compare the overall impressions and clicks for a given time frame compared to the same time frame the previous year. It was noted that there were serious SEO issues and stats that needed to be corrected. There were no Search Engine Optimization (SEO) reports, no SEO reference points, no SEO data, and no SEO service plan allocated, where the current service provider can reference from. As such, it was difficult to provide a comparison between different periods in the previous years. All this emanated from the work of the previous service provider.

Google Analytics

A number changes to the website structure, the implementation of stricter search engine optimization strategies and other imperative digital connections were implemented.

1. Without paid ads, visitors are organically finding the website. This is in conjunction with the marketing and advertising efforts made by the team, together with social media presence.
2. The website traffic source can be attributed to ORGANIC SEARCH, DIRECT SEARCH and SOCIAL / REFERRAL.
3. Visitors are going directly to specific pages, this trend can be related to point one above, as we often back link specific URL addresses.
4. On average there is a trend of a single use of visiting at least two pages on the USCT Destination website
5. Stats show improved web **VISITOR INFLUX** and **VISIT A STAY**. Presently, we are meeting industry standard in terms of holding visitor attention for up to 3 minutes per visit. This is as a result of the relevance of content that has been posted and the fact that people are using the website more interactively.
6. We saw a higher VISITOR RATE in December 2021, on the basis that this is the peak festive season and vacation time for many families. It is safe to assume that there was a higher need for information around accommodation, bookings, and offerings. There were slightly lower results for January 2022, as most people return to work or end vacation times.
7. In general, there has been a great improvement in all aspects of visiting the website.

Online Trends and Analysis

The digital team relies heavily on back-end data, such as Google analytics to translate visit trends and user interests. The main focus has been to maximize results and output with minimum financial spending from the USCT. Noticeably, there is always reference to organic search and organic traffic, organic visitors etc. This means that there are no paid campaigns currently driving traffic to the website. With the ongoing marketing of the brand through various communication platforms, we are able to redirect interest into all the digital platforms such as backlinking between the website and social media handles. As such, visitors are coming through to the website from the social media links that we are posting. In addition to that, users are also clicking on at least one other page, making their visit to the website a two-page minimum. The website has been revamped to such an extent, not only visitors are seeing value in the content, but are now staying even longer than with a minimum of 2 to 3 minutes. This timeframe is sufficient for a user to read the information they are seeking and to interact with the website even further. In Q4 there were lower bounce rates in comparison to other quarters, where the website was still being updated, as well as other features still being installed. There has been significant success in correcting negative perceptions of the website and making the platform user-friendly, so that visitors can continue to support tourism on the KZN South Coast.

Destination Website

Description	Q1	Q2	Q3	Q4
Unique Visitors	6,827	10,026	7,465	8,430
Number of Visits	6,774	10,046	7,530	8,266
Page Visits	12,647	21,209	17,572	8,430
Hits	6,774	10,046	7,530	19,309

Social Media Monitoring

Effective July 2021, the monitoring of the digital and social media platforms has been conducted through Sprout Social. It is one of the world's leading social media monitoring agencies, which provides in-depth stats analysis of various online profiles. The platform allows us to manage multiple profiles simultaneously, while ensuring community engagement through immediate notifications that are micromanaged daily. Sprout social is also known to be quite accurate in its data and reports. It is a social media management and optimization

platform for brands and agencies of all sizes which gives a single hub for social media publishing, analytics and engagement across all social profiles.

Since July there has been exponential growth, with independent platform statistics indicating an increase in audience ‘Following’ across the various platforms, as well as an increase in “Community Engagement”. Due to the need to promote ongoing marketing material, the posting of content was increased on each platform. Some topics included, but are not limited to:

1. Press release content and images.
2. Mainstream media news articles that are extremely newsworthy, such as the announcement of the South Coast being awarded the blue flag beach status.
3. Visitor Satisfaction Survey through social media, with a digital survey link.
4. Information regarding the SPECIALS page on the USCT Visitor website.
5. Information regarding the EVENTS page on the USCT Visitor website.
6. VIC (Visitor Information Portal) link and marketing.
7. Beach Activation Videos
8. Beach activation calendar

The incident of devastating flooding affected our ability to post tourism related marketing material continuously, as we were sensitive to the needs of people who are without services and facilities during those challenging times. This directly affected our normal statistical growth of all the platforms. Despite the challenges affecting our scope of work, we still saw growth and development across the board, rather than stagnation or decreased figures.

Overall, there has been an increased growth on all the platforms with continued strategies around community engagement, relevant content, back linking and other forms of communicating using the digital social media accounts.

The following tables reflect social media activities for each platform

Facebook

Description	Q1	Q2	Q3	Q4
Fans	6765	6940	7189	7466
Net Page LIKE	226	198	255	205
Published Posts	18	49	36	73
Impressions	39338	84 642	42643	82759
Engagements	1227	3395	1422	4489
Post Link Clicks	117	195	26	121
Engagement Rate	3.1 %	4 %	3.3 %	5.4 %

Instagram

Description	Q1	Q2	Q3	Q4
Followers	1865	1945	2069	2139
Net Page Growth	77	81	124	70
Published Posts	11	22	9	16
Impressions	6039	7681	5201	5045
Engagements	362	385	221	186
Engagement Rate	6 %	5 %	4.2 %	3.7 %

Twitter

Description	Q1	Q2	Q3	Q4
Followers	740	779	825	842
Net Page Growth	9	39	46	17
Published Posts	13	48	38	26
Impressions	6332	8363	9105	5175
Engagements	211	483	385	268
Post Clicks	9	26	11	14
Engagement Rate	3.3 %	5.8 %	4.2 %	5.2 %

LinkedIn

Description	Q1	Q2	Q3	Q4
Followers	220	224	229	247
Net Page Growth	19	4	6	18
Published Posts	4	33	18	23
Impressions	228	830	522	879
Engagements	7	113	65	97
Post Clicks	3	79	46	72
Engagement Rate	3.1 %	13.6 %	12.5 %	11 %
Video Views	0	18	3	23

Social Media stats – YouTube

Description	Q1	Q2	Q3	Q4
Video Views	768	23321	1301	2216
Estimated Minutes Watched	19 h 47 min	6 D 21 H 15m	1 d 2 h 33m	1d 3h 22m
Average View Duration	40s	1m 12 sec	1m 8 s	1m 10s
Average View Percentage	26.8 %	60 %	57 %	65 %
Engagements	25	112	16	62
Reactions	8	26	4	27
Likes	8	26	4	27
Dislikes	0	0	0	0
Comments	1	4	0	4
Shares	8	68	6	19
Subscribers Gained from videos	8	14	6	12

Explore KZN South Coast APP

Effective 1 July 2021, USCT appointed Titanium Media South Africa (Pty) LTD (referred to as TMSA) to manage the digital platforms as the previous service provider's contract had come to an end.

- TMSA experienced handover challenges with the previous service provider which led to delays in accessing USCT digital platforms.
- On completion of the final handover, further challenges were experienced with back-end technicalities related to outdated and badly documented codes.
- It was discovered that there were approximately 55 thousand errors due to 20 App Packages which were outdated. The App foundation had to be recoded and corrected in order to update the App Packages as these were neglected for two (2) years.
- Database and Content Management System (CMS) errors were discovered and were resolved.
- The App did not function properly, was not user-friendly, was outdated and required a lot of licensing updates.

Continuous efforts to correct the work of the previous service provider proved unsuccessful; each time one part of the App was fixed, something else got affected. There were technical problems and errors with the App. USCT was advised by the current service provider that the App was built on **JavaScript**, which makes working on the App take longer than usual compared to other languages like **Typescript**. A decision was made to stop fixing the previous workmanship on the App and rather rebuild it as this will make alterations to the App easier to implement and bring it to a reasonable standard and to be competitive. Rebuilding the App included;

1. Apple and Android license accounts were created for USCT
2. Connecting database to 1 CMS – to correspond with the Destination VIC Portal/website.
3. Adding Pagination or infinity scroll to the app to enhance performance/listings.
4. The App was recoded from JavaScript to Typescript and directly connected to the VIC portal website. This means that the content on the app is easily editable through the website and alleviates the need for the previous CMS - Strapi dashboard.
5. A search tab was added in the app for a better user experience and were able to successfully get the app to load within 1-3 seconds, when opening the app, whereas with the previous service provider's design previously, it took up to 1-2 minutes.
6. To achieve the aforementioned, extensive work was undertaken to make the App as **scalable**, as the Vic Portal. The original App was not built to scale and therefore could

not accept additional listings or information beyond a certain point. This severely hampered the ongoing evolution of the platform, considering that the database needed to be loaded in full to the app and consists of something like 500 to 600 individual entries.

7. Focus was placed on content development and promotion of the Explore KZN South Coast App. Communication to attract a wider range of product offerings was a huge success. This encouraged 190 crucial tourism products to submit their business details to be loaded on the App.
8. The app updates content immediately with locations added to the site. In May we added an additional update, where users can apply to 'Become A Member' through the app. The pdf application that is downloaded on the website is now available on the app.
9. The App is currently functional and is being marketed for download. It is working well, with an easier navigational system and content that is up to date and there an increased user login.

MARKETING COLLATERAL

Promotional Material

To enhance marketing efforts and reinforce messaging, the following promotional material were produced:

Ntelezi Msani Reception Signage



Navy & White Admiral Golf Shirts



200h white Power banks



Disc Holder



Umzumbe River Trail Banner Wall

Umzumbe River Trail Black & White Bags



Umzumbe River Trail T-shirts (Front



Backpack



Conference bag

Notebook



Dynamic 10000Mah Power Bank - White

Banner Walls



USCT Membership Prospectus

A new tab has been added to the menu marked 'Membership' on the destination website: <https://www.visitkznsouthcoast.co.za/app/become-a-member/>. A **click here** link was added, which allowed users to immediately access the document in PDF across all devices with internet access. Users can download the document and peruse it offline, as well as share it in with others.

A digital PDF document application form for the 'Membership Prospectus' was created and it reduces the need to print, fill in writing, scan and send. Now the user can click on the link to the form, fill it out digitally online through the website, save with a digital signature and send to USCT for processing.

This additional marketing of the prospectus ties in with the efforts we have made to promote and encourage operators to become members in accordance with the KwaZulu-Natal Tourism Amendment Act, 2002 making registration with USCT/EDTEA mandatory for all tourism establishments and tourism operators.

Image: Membership Prospectus page and digital sign-up access.



3.2. TOURISM DEVELOPMENT

BUSINESS SUPPORT

KZN Tourism Relief Fund – The second intake

Tourism KwaZulu-Natal (TKZN) together with the KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA), opened the second phase of the R20 million Tourism Relief Fund for applications from distressed tourism businesses and operators in KwaZulu-Natal. The province will work closely with Community Tourism Organisations (CTOs) and tourism formations to ensure that as many as possible qualifying tourism businesses facing distress are supported.

The first phase of the R20m Fund saw only a total of R858 500 being disbursed to support 29 qualifying tourism businesses, out of 403 that applied. This low uptake was as a result of many applicants being disqualified due to non-compliance with the terms and conditions of the fund. Some of the factors that contributed to the high number of unsuccessful applicants included:

- Incorrect and incomplete information being provided;
- Lack of business registration documents, which include registration with CIPC, EDTEA and sector associations;
- Lack of compliance with tax regulations applicable to businesses; and
- Limited scope of tourism businesses eligible to apply for the relief fund.

Given the low number of successful applicants and the fact that there was still budget available for the tourism relief fund, EDTEA decided that a second intake of applications should be considered under revised selection criteria to accommodate more tourism businesses. The Tourism Relief programme forms part of government's efforts to mitigate the effects of the Covid-19 pandemic on the tourism sector.

The following businesses and entities operating from and within the province are eligible to apply for the tourism relief:

1. **Tourism, Hospitality and travel related businesses:** Once off application capped at R50 000.00 per establishment

2. **Destination Management Companies (DMCs), Professional Conference Organizers (PCOs), Incentive Buyers and Exhibition Companies:** The once off application capped at R50 000.00 grant per applicant
3. **Arts and Crafts Operatives:** Once off grant amount capped at R10 000.00 per co-operative
4. **Traditional performance groups attached to tourism establishments and attractions:** Once off grant amount capped at R10 000.00 per group
5. **Tourist guides:** Once off application capped at R4 500.00 per guide
6. **Rickshaw Operators:** (Not applicable in the South Coast) Once off grant amount, capped at R4 500.00 per applicant

Each category has different requirements. All applications opened on 27 September 2021 and will close on 29 October 2021. Application forms are accessible online from the official TKZN website: <http://www.zulu.org.za> and also on <http://www.kzntourismfun.co.za>. A call centre has been set up to guide and provide information to applicants: kzntourismrelief@zulu.org.za or 031 816 6610, between 08:00am and 16:30 from Monday to Friday. Applications will be evaluated by an independent assessor for verification and will be assessed by a screening committee.

USCT also assisted by handling enquiries as most tourism operators prefer to be helped locally. Communication regarding the fund was sent to all tourism operators that are listed in the USCT database via email, WhatsApp and social networks.

A total of 21 beneficiaries from Ugu District received the funds:

- Tourism Enterprises – 5
- Tourist guides – 6
- Arts & Crafts – 6
- Traditional Performance Groups – 4

Tourism Grading Workshop

- USCT invited Tourism Grading Council of South Africa (TGCSA) to participate in the Lower South Coast Area Committee Roadshow which was held at Margate Hotel on the 08th of March 2022. The TGCSA representative, Ms. Roebendry Gangiah encouraged all accommodation establishments to be graded while she highlighted all the benefits that come with being graded. She also explained that establishments can

apply for a free or discounted grading, terms and conditions apply. Roebendry further emphasized local and international visitors pay attention to grading and that the TGCSA Star insignia is recognizable and carries significant importance when it is displayed. Most establishments showed great interest and TGCSA in partnership with USCT will follow-up to ensure that all grading enquiries are dealt with.

- USCT encouraged all establishments that attended the 2021/2022 Area Committee AGMs to have their establishments graded. The message was also extended via newsletter of the 30th of June 2022.

Blitz Operation

USCT in partnership with Ugu District Environmental Health conducted a blitz operation in Harding as a routine check for accommodation establishments to adhere to the Covid 19 protocols. Visited establishments included Kenton B&B, B's Guest House, Green Acres B&B, Executive Guest House, Crown Eagle B&B and Mount Nebo Arena. Inspection included the checking of business trading licences, property fumigation certificates and cleanliness of the area including kitchens. Establishments that did not meet the requirements were guided accordingly.

USCT was part of the blitz operation which took place in Umzinto on the 24th of May 2022. The event comprised of Umdoni Traffic Law Enforcement, Umdoni Fire Department, Umdoni LED Office and EDTEA. Each sector did a compliance check that applied to their responsibilities, such as Covid-19 Compliance, local municipality by laws, legal employment practices and fire safety protocols. Some businesses had no business licenses, selling expired products and one was operated by illegal immigrants. A total of 16 businesses were visited.

EDTEA Blitz Operation

USCT participated in the blitz operation which was joined by the Honourable MEC, Mr Ravi Pillay. The joint business inspection took place in the Port Shepstone area on the 16th March 2022. The event was organized by the Office of the Consumer Protector KwaZulu Natal as part of the World Consumer Rights Week celebrations. The operation started with a briefing meeting in the morning which was held at the Ugu Disaster Centre. Since the operation was on a larger scale than usual due to the participation of the MEC and National regulators, members were asked to split into 4 teams focusing on predetermined businesses. Representatives from different stakeholder groups were required to carry out inspections as

per their mandates. Each team was provided with at least 4 premises. Business owners without valid permits were arrested and the expired products were removed from the shops during the inspection.

SMME DEVELOPMENT AND SUPPORT

Support to Crafters

USCT is continuously making efforts to develop platforms and business linkages for SMMEs. In this regard, USCT created platforms for crafters to display and sell their products at different tourism establishments where there is significant tourist footprint. USCT has undertaken to play a liaison/facilitation role between crafters and the establishments. The number platforms that USCT created since the beginning of the 2021/2022 financial year have increased. To date, USCT has entered into agreements with the following establishments:

	Establishment	Agreement with crafters
1	Berry Crafty Mattison Square, Port Edward	Effective 1 st April 2022 USCT started paying R400.00 (increase from R350.00) a month for space. Crafters still pay 15% to cover admin costs
2	Riverbend Crocodile Farm Southbroom	Rent free, crafters pay 15% to cover admin costs
3	Mac Valley Oribi Gorge	Rent free
4	Sugar Beach Resort Elysium	Rent free, no commission or admin costs charged
5	Country Friends Arts, Crafts & Gift Shop Scottburgh	Crafters charge their normal prices and the shop adds extra 30% to cover commission
6	Bucks Farm Stall Trafalgar	The Farm stall is only interested in Oribi Natural Soaps. The shop buys the soap at a selling price then sells it to customers with a higher amount. The Natural Soaps are operating from KwaNyuswa, near Oribi Gorge. Soaps are made from different ingredients including tea-tree oil. They come in different sizes and shapes from 15g to 100g. Customers can choose from three flavors

	Establishment	Agreement with crafters
		namely, Red Clay, Charcoal and Oats. The soaps are believed to be very good on the skin.
7	Kapenta Bay Resort and Conference Hotel	Rent free, crafts are displayed inside the lockable glass cabinet. Crafters pay 15% admin costs.
8.	Wild Curio Shop – Oribi Gorge	Rent free. Crafters pay a percentage to cover administration costs
9.	All Sorts Curio Shop – Umdoni	Rent free. Crafters pay a percentage to cover administration costs
10	The Royal Show – Pietermaritzburg	USCT covered all costs related to exhibition space, exhibition stand, furniture, transport, accommodation and meals.

Crafts exhibition at Southcoast Mall

USCT in partnership with the KZN Department of Arts and Culture, organized a one-day crafts exhibition which took place on the 23rd of September 2021 at Southcoast Mall. Four co-operatives had their crafts displayed in mall corridor between Pep and Clicks from 08:00 until 16:00. The South Coast Mall management was kind enough to provide the space free of charge. At the end of the exhibition, all crafters reported good sales and most customers placed specially made orders with own specifications.

Arts and Culture Signature Event

USCT participated in the signature event called Arts Festival which was the KwaZulu-Natal Culture and Heritage Experience, hosted by the KZN Department of Arts and Culture. The event took place on the 4th to 6th March 2022 at Ugu Sports & Leisure Centre (first two days) and St Michaels Beach (last day). The Department invited crafters from all four local municipalities and USCT assisted in liaising with crafters. Furthermore, USCT occupied a 3x3 square metre exhibition space, to promote the KZN South Coast.

Homestay and Experience Programme

In April 2021, USCT in partnership with Tourism KwaZulu-Natal (TKZN) and Africa Ignite, piloted an Airbnb Africa Academy program to support 20 tourism entrepreneurs in the South Coast. Entrepreneurs were engaged in a combination of in-person and online technical support to gain an in-depth understanding of ways they can use the Airbnb platform to benefit from the tourism industry, whether through hosting, co-hosting or leading experiences. The

programme ended with a graduation ceremony which took place on the 22nd of September 2021 at the Estuary Hotel & Spa in Port Edward. Out of 20 entrepreneurs that started with the programme, 4 of them pulled out for different reasons. The following entrepreneurs are now listed in the Airbnb website and 5 of them have already started receiving bookings.

	Name	Type of Entrepreneurship	Location	Programme completed yes/no?
1	Mvoli Travel	Outdoor Activities Hiking	South Coast	Yes
2	Nelly Screen- Prints	Arts and Crafts	KwaNzimakwe	Yes
3	Zesizwe Nyawose	Hiking Experience	KwaNzimakwe	Yes
4	Bhoshongweni Arts and Crafts	Arts and Crafts	Mthwalume	Yes
5	Ntelezi Sani Heritage Centre	Culture and Nature experience	Mthwalume	Yes
6	Msikazi Mountain	Hiking Experience	Mthwalume	Yes
7	Mzikiza Tourism and Tour Guiding	Arts and Culture	Mthwalume	Yes
8	Nethezeka Tourist Transport and Projects	Rickshaw activity	Margate	Yes
9	Phumzile Ngeleka	Homestay	KwaNzimakwe	Yes
10	Winnie Mngadi	Homestay	KwaNzimakwe	Yes
11	Ziningi Ncane	Homestay	KwaXolo	Yes
12	Nondumiso Lushaba	Homestay	Bhomela, Nyandezulu	Yes
13	Nontobeko Xolo	Homestay	KwaXolo	Yes
14	Zethu Cebisa	Homestay	KwaXolo	Yes
15	Zethu Mthiyane	Homestay	Nyandezulu	Yes
16	Magcino Thusini	Homestay	KwaXolo	Yes

	Name	Type of Entrepreneurship	Location	Programme completed yes/no?
17	Gcinamazwi Ngcobo		Boboyi	Not completed Relocated to Cape Town
18	Busisiwe Shabane		KwaNzimakwe	Not completed Busy with studies
19	Jabulile Nzimakwe		KwaNzimakwe	Not completed Health issues
20	Simphiwe Mpisane		Kwalatshoda near KwaNzimakwe	Not completed Busy with political campaigns for elections

Entrepreneurs that completed the Homestay and Experience Programme were given an opportunity to apply for the recently launched Airbnb Africa Academy Fund of R1 million targeting the past participants to the Academy. This was to assist hosts who were struggling as a result of the economic impact of COVID-19.

The Fund was part of Airbnb's Inclusive Tourism Commitment, driving inclusive tourism. Eleven South Coast entrepreneurs applied and all of them received R15 000.00 each, details as follows:

	Name	Type of Entrepreneurship	Location
1	Nelly Screen- Prints	Arts and Crafts	KwaNzimakwe
2	Zesizwe Nyawose	Hiking Experience	KwaNzimakwe
3	Bhoshongweni Arts and Crafts	Arts and Crafts	Mthwalume
4	Ntelezi Sani Heritage Centre	Culture and Nature experience	Mthwalume
5	Msikazi Mountain	Hiking Experience	Mthwalume
6	Phumzile Ngeleka	Homestay	KwaNzimakwe
7	Winnie Mngadi	Homestay	KwaNzimakwe
8	Ziningi Ncane	Homestay	KwaXolo
9	Nondumiso Lushaba	Homestay	Bhomela, Nyandezulu
10	Zethu Cebisa	Homestay	KwaXolo

	Name	Type of Entrepreneurship	Location
11	Zethu Mthiyane	Homestay	Nyandezulu

Singatha Incubation Centre

To support the development of SMMEs and drive the transformation of the tourism sector in the KZN South Coast; USCT entered into a 5-year agreement with Singatha Business Centre in order to address the need to develop business skills, focusing on tourism SMMEs. Singatha Incubation Centre has been operational for more than 6 years at the Esayidi TVET College, Port Shepstone Campus and they have assisted many businesses from different sectors. The Incubation Centre is supported by the Small Enterprise Development Agency (SEDA) which is an agency of the Department of Small Business Development. The 18-month incubation programme includes;

- business development trainings, workshops, mentorship, coaching as well as market access.
- provides non-financial support to small enterprises and cooperatives
- capacitates SMMEs with the objective of integrating them into the business stream.

In addition to business skills development, the partnership with Singatha Business Centre will include linking SMMEs to sources of funds such as the Small Enterprise Finance Agency (SEFA). SEFA is a wholly owned subsidiary of the Industrial Development Corporation (IDC) which offers bridging finance, revolving loans, term loans, asset finance and working capital needs to SMMEs.

- Nethezeka Tourist Transport and Projects was entered into the project before the signing of the MOA.
- Ziningi Homestay, was entered on a 3 months trial in Q1. During this time, Ziningi Homestay was expected to show interest and meet other requirements which included registering their business. Ziningi Homestay has since resigned from the programme due to obtaining a permanent job which limits her from participating at Singatha. However, Ziningi will continue operating her homestay as she has other family members that can assist to look after guests.

USCT has paved the way for more tourism businesses to also benefit from this programme in future intakes.

Rickshaws Experience in Margate

USCT successfully negotiated with Ray Nkonyeni Local Municipality to have rickshaws operating at Margate beachfront. During negotiations with RNM, USCT received great support from Margate Business Association (MBA), Margate Area Committee and Singatha Incubation Centre.

Since the Rickshaw Experience was launched at Margate Beach on 26 November 2021, holiday makers, local communities and Local businesses have been enjoying this activity from the day it started. Rickshaws operate along the beachfront between Wimpy and Margate Fishing Pier. The operator is enjoying tremendous support from local businesses and other key stakeholders in Margate. Margate Law Enforcement office allocated a free reserved parking space for rickshaws during the day while Margate Hotel also allowed rickshaws to be kept at the hotel's parking at night, for safety reasons. Margate Wimpy requested rickshaw route to start from Wimpy's door step.

Ray Nkonyeni Local Municipality authorized Nethezeka Tourist Transport and Projects to operate rickshaws on a pilot phase throughout the summer holiday season, thereafter, a permit would be considered should everything run smoothly without major complaints from local businesses and visitors. To-date no single complaint has been received concerning rickshaws in Margate.

Unfortunately, the Municipality is still hesitant to issue the permit due to municipal bylaws, since Margate Beachfront does not have a suitable walkway that is big enough for both pedestrians and rickshaws. Nethezeka is still operating at Margate beachfront until further notice. The business has employed two people (youth) on a temporary basis. Rickshaw rides at Margate Beachfront have been in many publications since they started operating.



Agri-Tourism Support

On the 12th of November 2021, USCT facilitated an educational fam trip for two Agri-tourism products, namely: Ubumbano Homestead and BBS Farm. The visit took place at Beaver Creek Coffee Estate which is a well-developed and experienced Agri-tourism establishment. As Ubumbano Homestead and BBS Farm are new in the tourism sector; it was important that we link them with an experienced product in order for them to learn and experience how tours are packaged and conducted. This would also help them to create their own tour packages. The tour developed more interest from the emerging products and led to Ubumbano Homestead creating their own 7-page brochure.



Ubumbano Homestead - Amandawe

Before Ubumbano Homestead was introduced into the tourism sector, the farm was called Ubumbano Mixed Farm and the owners were selling the farm's produce to the community and also supplying vegetable to shops in Umzinto and Scottburgh. USCT has been assisting Ubumbano Homestead since they were identified in September 2021. Assistance includes the following:

- USCT launched agri-tourism route on 24, 25 and 26 March 2022. The route comprises of six products including Ubumbano Homestead.
- USCT included Ubumbano Homestead in a number of fam trips that took place from Q2 onwards.
- Through USCT's assistance, Ubumbano Homestead has been featured in a number of media platforms, including television, radios, newspapers, social media as well as online media.
- USCT also offered an exhibition space for Ubumbano Homestead to promote their business at the Royal Agricultural Show in Pietermaritzburg, between the 27 to the 31st of May 2022

- Ubumbano is now benefiting from the tourism industry and they welcome tours as follows:

Tuesdays, Wednesdays and Fridays from 8:00am to 4:00pm. Bookings essential.
Contact details: 039 976 7668, 081 508 7672 or ubumbanoagricoop@gmail.com.



BBS Farm – Southport

USCT has assisted BBS Farm to include a tourism wing in their business. Over and above the exporting the macadamia nuts to the United States, Europe and the Far East as well as supplying Boxer and Spar retail stores with tomatoes and green peppers, the farm now conducts tours farm tours 7 days a week.

USCT has been assisting BBS Farm since they were introduced to the tourism industry in quarter 2 of 2021/2022, as follows:

- USCT launched agri-tourism route on 24, 25 and 26 March 2022. The route comprises of six products including BBS Farm.
- USCT included BBS Farm in a number of fam trips that took place from Q2

- Through USCT's assistance, BBS Farm has been featured in a number of media platforms, including television, radios, newspapers, social media as well as online media.
- BBS Farm has started benefiting from the tourism industry. Tours include showcasing the organically-grown produce, a tour of the hydroponic system and a macadamia tour.

Operating hours for tours are: 10am to 10:45am, and 1pm to 1:45pm weekdays; 11am to 11:45am, and 12:45pm to 1:30pm on weekends.

Contact details: 079 568 1815, email: bbsfarm568@gmail.com or find 'BBS Farm' on Facebook.

Tourist Guides and Tour Operators Association

USCT organized a Tourist Guides and Tour operators Association workshop which took place at Margate Hotel on the 09th of August 2021. The purpose of the workshop was to capacitate members as they are in a process of registering the association. Since the association would like their organization to be an NPO or NGO, USCT invited the Department of Social Development to give details on what procedures to be followed. EDTEA was also in attendance to give their support. The workshop was attended by 27 members consisting of registered and non-registered tourist guides as well as tour operators.

A draft constitution was presented to members and they were all given two weeks period to make input. The Association approved their constitution and the chairperson signed the document on the 22nd of October 2021, at a meeting which was held at SA Red Cross in Port Shepstone. The constitution will guide the association in their performances and the executive members will ensure that all protocols are adhered to. USCT will continue to assist the executive members by availing a meeting venue which is normally USCT boardroom.

The Tourist Guide Association has applied for registration as a non-profit organisation. The Department of Social Development confirmed receipt of the application on the 12th of January 2022, Ref No: APP-22/39/941. Members wanted a name that would be consistent with the entity's name. The proposed name was KZN South Coast Tourist Guides Association (KZNSCTGA).

Development Support for the Association

- The Chairperson of the Tourist Guides Association Committee, Ms Nelisiwe Nzimakwe represented the KZN South Coast tourist guides in the Tourism Sector Professionalisation Stakeholder Consultation Workshop which was organised by EDTEA. The workshop was a virtual session which took place on 17 March 2022. Presentations included the following tourism trends:
 - Tourism Sector Development
 - Tourism Sector Transformation
 - Capacity Building Programmes
 - Tourism Service Excellence Programmes
 - Tourism Enterprise Development Programmes for Tour Operators
 - Legislative Competence – National Tourism Act
 - National Empowerment Fund / Loan
- USCT invited tourist guides to attend the International Tourist Guide Day event which was hosted by the Department of Tourism on Webinar on the 23rd of March 2022, as a way to acknowledge the Tourist Guiding profession and the individuals who play a large role in preserving cultural and natural heritage all around the world. The event encouraged a sustainable profession, open up the awareness that tourism is for everybody, creating an accessible tourism environment and equipping tourist guides with the necessary tools to assist them in accessing market opportunities. Tourist guides were encouraged to adhere to the Tourism Act of 1993 and contribute to the professionalization of the sector.

First Aid Training for Tourist Guides

USCT offered a Level One First Aid training opportunity to 44 local tourist guides from different parts of the South Coast. The training was facilitated by the South African Red Cross Society – Port Shepstone. Topics covered included: the principle of first aid, action in an emergency, multiple casualties and injuries, major first aid techniques, the recovery position, chocking, wounds and bleeding, bites and stings, poisons, shock, burns, environmental conditions, dressings and bandages, spinal injury, moving the casualty, fractures, dislocations and soft tissue injuries.

Purpose of the training was to;

- ensure that local guides are operating legally
- Tourist Guide Association to be operated by registered guides
- ensure that all tourism nodes are equipped with qualified guides

A valid First Aid certificate is one of the requirements when tourist guides register or renew their membership with EDTEA. According to the Tourism Act No. 3 which was promulgated in April 2014, tourist guides must register with the National Department of Tourism by contacting the Provincial Registrar of that particular province in which they live in order to be recognised as legal guides

Training took place as follows:

	Guides	Training Dates	Training Venue	No. of Guides invited	No. of guides attended
1	KwaXolo	09 & 10 August 2021	KwaXolo Caves Adventures	10	2 guides only therefore training had to be cancelled
2	KwaNzimakwe	16 & 17 August 2021	KwaNzimakwe Traditional Court	10	6
3	Port Shepstone Nyandezulu and Umzumbe Areas	23 & 24 August 2021	SA Red Cross Port Shepstone	14	11
4	Ntelezi Msani Heritage Centre	30 & 31 August 2021	Ntelezi Msani Heritage Centre	10	10
Total				44	27

Tourism Mandarin and Chinese Culture Training

USCT worked with EDTEA in facilitating an online Tourism Mandarin and Chinese Culture Training for local guides. The course was provided virtually by the University of Johannesburg Confucius Institute (UJCI) and participants were going to learn the basics of the language such as greetings, thank you, good-bye, etc. Two Ugu district guides started the training but had to drop out due to internet challenges. Classes were provided after hours when even places that could offer free Wi-Fi were closed.

YOUTH DEVELOPMENT

Tourism Safety Monitors

- The National Department of Tourism (NDT) in partnership with AGB Group implemented a 12-month Tourism Monitors Programme which was a long-term strategy by national government, aimed at enhancing the visitor experience as well as improve the safety of tourists. The programme is expected to create employment for unemployed youth, aged 18 to 35 years who will receive accredited and non-accredited training, mentored and placed as monitors at various sites in the country. The monitors are expected to gain practical work experience and each participant received a stipend and a uniform from NDT. Their duties include providing tourists information to visitors at tourist sites; patrolling within the identified areas; and reporting crime incidents to SAPS and other relevant enforcement agencies.
- USCT ensured that the KZN South Coast also benefits from the programme and provided support on the ground to ensure that the programme runs smoothly.
 - Assisted in identifying Margate Beach, St Michael's Beach, Hibberdene Beach and Scottburgh Beach as the key areas in the KZN South Coast where Monitors will be placed. However, Tourism Monitors are expected to be flexible as they can be deployed to other South Coast attractions, if required.
 - During the application period, all application forms for the KZN South Coast sites, were hand delivered to USCT office. We received 108 completed application forms.
- USCT also assisted with booking and negotiated a discounted rate for the venue to hold interviews and also a soccer field for fitness training which was also part of the interview on behalf of AGB Group. Interviews took place at St Martin De Porres School on 30 September 2021 and it were attended by 54 candidates. The programme aims to appoint between 30 and 40 candidates.
- A total of 37 local young people were appointed as Tourism Monitors in the KZN South Coast. They are operating at Scottburgh Beach (4), Hibberdene Beach (6), St Michael Beach (10), Margate Beach (10), Vernon Crooks (2), Mpenjati (2) and Oribi Gorge Nature reserve (3). Two (2) participants pulled out and there are now 35 remaining.
- The monitors will receive several trainings throughout the 12-month programme. So far, they have been trained on tourist guiding. They will go back to class in February when it is off peak season.

- The Monitors are still waiting for the uniform which will be issued by NDT and AGB Group. In the meantime, USCT has temporary provided Tourism Ambassadors bibs from previous programmes.

National Tourism Information and Monitoring System Data Collectors

The National Department of Tourism embarked on a 12-month programme to recruit and train 105 KZN unemployed youth to participate in the National Tourism Information and Monitoring System (NTIMS) Data Collectors Programme. The main objective of this program is to collect tourism and related data needed to understand the tourism footprint and to build a National System that will host content for the entire tourism sector. This program is also intended to equip youth with Entrepreneurial skills, as youth will be trained on ten accredited courses for the New Venture Creation qualification (NQF Level 2). The participants will earn a monthly stipend of R 3 498.00 for 12 months, at a daily rate of R159.00 and will be placed in their respective local Municipalities. There is a total of 9 Data Collectors in the Ugu District as each local municipality received 2 individuals each.

- NDT will provide the participants with uniform, tablets, stipends, internet and transport services for data collection. USCT will host one individual who is expected to start duties before the end of October 2021. This includes providing the individual with a desk/ workstation, but excludes tools such as a telephone, internet and computer, as the Department of Tourism shall provide youth with these tools of trade. One Data Collector has been placed at the USCT office since the 27 October 2021 as per the agreement with NDT. USCT will supervise and mentor the person on a daily basis.
- At the moment the Data Collectors are unable to start their duties as they are still waiting for work equipment (tablets, internet connection, telephone, uniform, including transport services). The NDT has advised that their internal challenges delayed the process of collecting data from establishments. USCT is using this opportunity to train the USCT based data collector on customer service skills including answering phones. The data collector also gets to learn about the region while they are still waiting for NDT.
- While the program started in November 2021; the data collectors have not commenced their duties to date due to unresolved issues between NDT and their service provider (Amathemba Skills). Data collectors are still waiting for the supply of work equipment, paying of stipends and the confirmation of transport arrangements for data collectors to travel between establishments.
- The last feedback received from NDT was on 18 March 2022. At the moment it is not clear whether the program will end or be extended after the 12 months period in order

to make provisions for the lost time. The USCT based Data Collector has been advised to stay at home until NDT is ready to resume the program.

Youth Entrepreneurship in Tourism/Hospitality Sector Workshop

USCT participated in the Youth Entrepreneurship in Tourism/Hospitality Sector Workshop which took place at Lake Eland Game Reserve on 04th March 2022.

The workshop was facilitated by Youth Tide Development Group Primary Cooperative Limited which is a sister company to Youth Tourism Development Group Pty Ltd that has been awarded a portion of the discretionary grant by the CATHSSETA to facilitate the workshop.

The workshop targeted previously disadvantaged and unemployed youth that have completed Tourism and Hospitality related tertiary education but seek entrepreneurial opportunities in the Tourism/Hospitality sector. The purpose of the workshop was to:

- Highlight business opportunities within the tourism and hospitality sector through a conference and tour segmented workshop
- Create a spirit of entrepreneurship amongst the intended beneficiaries
- Register and seek to establish ten Primary Cooperatives as part of the project outcome.

PRODUCT DEVELOPMENT

Rural Tourism Development

Nodal Development and Great Drives Out Routes

Great Drives Out (GDOs) were developed with the aim of creating routes in order to expand the geographical footprint and support the development of new experiences in rural communities. This in turn showcases the widespread diversity of the KZN South Coast destination offerings and encourage visitors to explore our rich cultural experiences. USCT continues to identify attractions and activities in rural communities in order to create exposure and direct the attention of tourists.

Reviewing the Great Drives Out

Umzumbe Municipality - GDO#2

Great Out Drive #2 (GDO#2) is a route which covers mainly Umzumbe Municipality. Due to a number of reasons below, USCT has decided review the route. With the objective of promoting Umzumbe River Trail (URT) the route initially covered areas such as

1. Umzumbe station,
2. KwaMadlala,
3. KwaNdelu,
4. KwaDweshula,
5. Mehlomnyama,
6. Spillers Wharf, leading to Port Shepstone.

Reasons for reviewing GDO#2

The route is approximately 70km long. The road is in bad condition, 34km of the route is on a bumpy dirt road.

1. As the route was initially identified for the purpose of attracting visitors to the Umzumbe River Trail, it has been observed that Umzumbe River can be viewed from three spots within KwaNdelu community only. Hills also make it impossible to clearly view and experience the area landscape.
2. There has been no improvement on this route, everything still looks the same, there is almost nothing exciting that will appeal to and attract visitors.
3. The route passes near the homestead of reality TV show actors, Uthando Nes'thembu (Love and Polygamy), represented by Mr Musa Mseleku and his four

wives. The family opened their homestead to visitors who wanted to meet them and learn more about the polygamy life, however such tour is no longer available.

4. Visitors are less likely to enjoy the route as it is

Religious/Mission Tourism in Umzumbe

A growing source of tourism interest today is the remarkable tale of Marianhill and its constellation of mission stations, many of which are situated within in the KZN South Coast. The story begins in 1880 when Franz Pfanner, an enigmatic Austrian monk of the even more enigmatic Trappist order of monks, arrived in KwaZulu-Natal along with some thirty or so monks of the same order. Two years after Marianhill was established, Abbott Franz Pfanner began the huge task of setting up “outstations” to reach the people in rural areas through education and skills training. As you follow the history of the trappists, you will become captivated by their story.

The Umzumbe Great Drives Out is mainly featured by such Missions, namely Maristella Mission, Assisi Mission and Maria Trost Mission.

- The Great Drives Out starts from Umtentweni Traffic lights on the St Faiths Road and it is tarred all the way. The route is also accessible from the N2, Tweni off ramp which is about 5km ahead. Umzumbe GDO is relaxed, quiet and peaceful.
- The first place of interest starts from Maristella Mission which is 12.5km from the beginning of the GDO, St Faiths Road, Umtentweni.
- Maristella is situated in the farm near Oshabeni, under Ray Nkonyeni Local Municipality. The Church was built in 1909. Visitors will be amazed to see the craftsmanship of the interior, from woodwork, altars and the many murals.
- The place used to be a home for nuns. The large beautiful garden makes it a perfect place for weddings. Maristella Mission is only 7km away from Port Shepstone, on a tarred road.



Maristella Mission 7km from Port Shepstone on a tarred road.

- Seven kilometers from Maristella Mission is Assisi Mission which is a Convent that was established on 8 December 1922. Here nuns would show visitors around the mission while giving a rich history about the area.
- Assisi Mission is situated at Oshabeni in Umzumbe. Assisi Mission and Convent was established on 8 December 1922. This is a home of more than 50 nuns. Here the nuns are ready to show visitors around the mission while giving a rich history about their living.
- Approximately 15km from Assisi Mission there are other places of interest that can be visited such as Maria Trost Mission, leading to KwaPhungashe where Umzumbe River Trail starts.



- Next stop is Mehlomnyama. The place boasts a tavern, shisanyama, petrol station and a supermarket. Mehlomnyama Police Station is closeby. The Oribi Gorge area can be seen widely from several spots between Oshabeni and Mehlomnyama. The Oribi Gorge distant view from Mehlomnyama Centre, connects the Oribi Gorge with the area opposite Leopard Rock, across the Umzimkhulu River.
- Drive through Mseni and Dweshula. Dweshula Clinic is few metres from the main road and Ntimbankulu Forest with its rich history is situated in this area, a small part of the forest can be seen from the road.
- GDO passes eMabheleni to St Faiths where the Maria Trost Mission is. As visitors turn right from the main road to Maria Trost Mission, they will see a huge white cross which is also a must see. The cross is linked to the Mission and the guide will give details about the Mission and its history and present use. Maria Trost is less than 3km from the main road. It is on a maintained dirt road.
- Maria Trost Mission is only 27km away from Assisi Mission.
- Maria Trost Mission was founded in 1895 and the present church was built in 1934. It is the third on the Mission site and constructed of local stone. Nuns used to live here; the convent is available for visitors to see the setup.



- Last stop is Ophepheni, Phungashe which is the area where Umzumbe River Trail starts. In this area, visitors can enjoy their meals at Kyahlaleka Lifestyle. The menu includes most of the mouth-watering traditional dishes in a relaxed atmosphere. Staff is well trained to offer guests the best service and they will ensure that guests have unforgettable experiences. Kyahlaleka Lifestyle is a local woman owned business, opened in 2019, then closed down because of Covid-19 regulations. The place was

re-opened November 2021 after renovations from being vandalized during the lockdown.

- As Umzumbe River Trail is almost ready for hikers, based on the above review, the following is the new route (GDO#2) that will add as Something to Do in the area;
- It is approximately 130km from Phungashe to Pietermaritzburg and there is so much to see and do along the way. The road passes through Highflats, Ixopo and Richmond, before reaching Pietermaritzburg. Visitors can use this route as an alternative from N3 via Durban.

KwaNzimakwe Cultural & Adventure Experience - GDO#3

Great Drives Out (GDO) #3 was developed in 2017 with the aim of attracting visitors to KwaNzimakwe area.

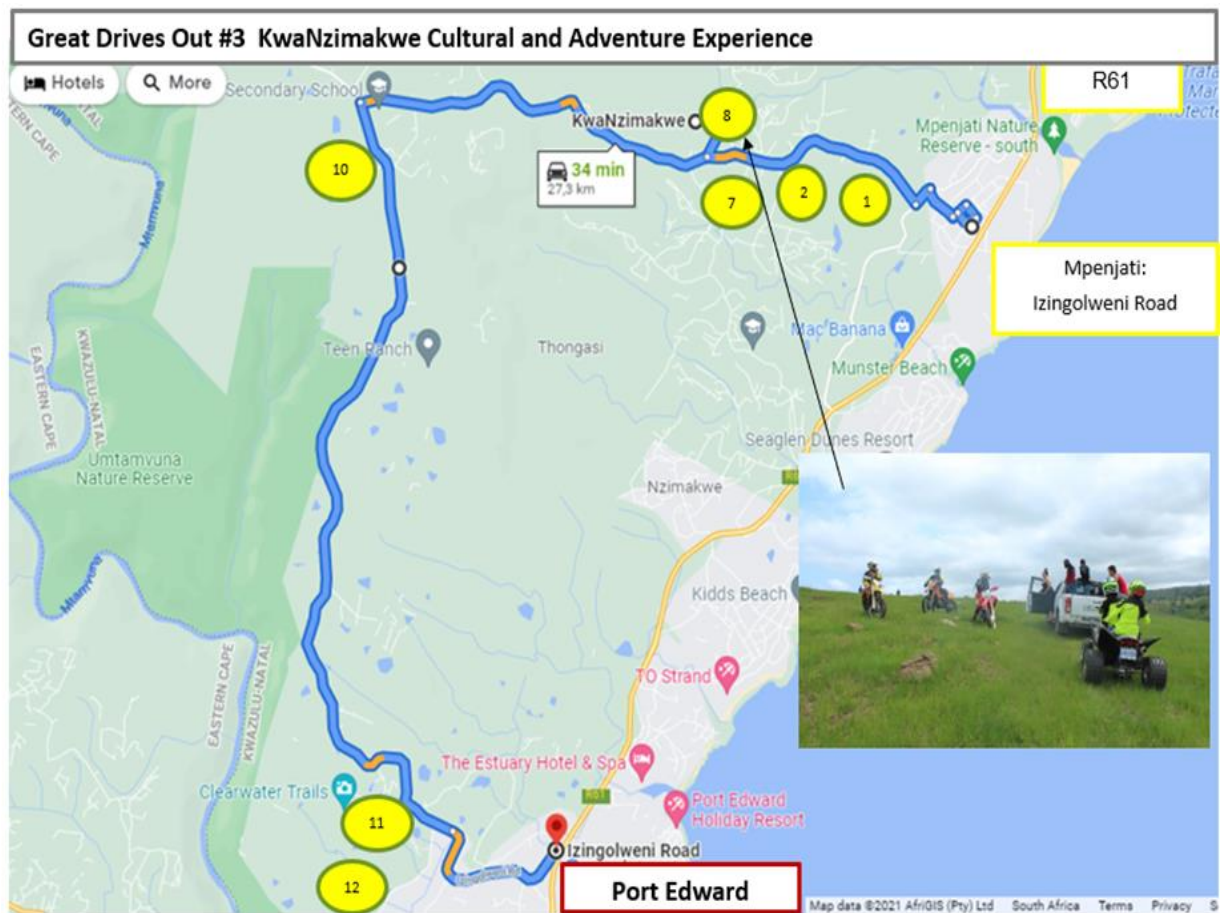
- USCT had to review the route as some products no longer exist.
- Reviewing the route provides an opportunity for new products to be included as well.
- The reviewed route starts from Mpenjati - Ezingolweni Road and ends on the R61 at the Port Edward traffic lights, compared to the previous one that ended at MAC Banana.
- Ending the route in Port Edward also gives visitors the option to enjoy any place of interest in the coastal area. GPS coordinates of local attractions and places of interest as also included.

	Route and points of interest	
	Start your trip at Mpenjati: Izingolweni Road off R61	
	At the R69 junction, turn right	
1		Msenti Academy S 30°58'22.9" E030°14'31.6" Intercultural performances which include folk music, Zulu dancing and drama.

	Route and points of interest	
2		DTT Lokhetha SMME Center S 30°58'20.8" E030°14'21.8" Crafts, Traditional outfits, salon, fast food restaurants and a car wash
3	Entabeni Clinic	
4	Ikhaya lethu Home of love and car child and youth centre S 30°58'20.2" E030°13'39.6"	
5	Entabeni Combined Primary School	
6	Visit the Royal House and hear interesting stories about area and also learn how the traditional court deals with cases of its level – Guided Tour, by appointment only	
7		KwaNzimakwe Cultural Experience S 30°58'00.1" E030°12'24.9" Park your car and enjoy a guided walk through the village, across the mountain, to experience village life and endless views. First visit the homestead of local community elders Mr and Mrs Dlezi. Hear the stories of how the community came to live on this fertile mountain, about the role of cattle in traditional culture and about the customs of the Shembe Church. From the Dlezi homestead, walk along a footpath past playful village children, chickens and cows to the home of Mrs Ndovela, the community's Sangoma or traditional healer. Hear the story of how she was called to become a Sangoma and of the long road to becoming qualified.

	Route and points of interest	
	From here, follow a path that hugs the side of the mountain, past the traditional Shembe Church at the top of the mountain and across grasslands to a view site that looks out across the rolling hills and valleys to a coastline that seems to stretch forever. Hear more stories while you enjoy a traditional meal of chicken, Zulu steamed bread and spicy beans or spinach, and drinks that have been wheeled across the hillside on a wheelbarrow. Served at a reasonable price.	
8	KwaNzimakwe Multi Trail at Xhuluweshe Mountain - Adventure S 30°57'50.0" E030°12'18.3" Hiking trails, 4x4 trails. Mountain Biking trails, Bird watching. The park boasts a diversity of landscapes, from coastline and hinterland to forests and rivers. 	
9	Bheki Secondary School	
10	Nojani Tavern and Shisanyama S 30°58'23.5" E030°11'17.8"  On the Port Edward-Izingolweni road, where during weekends and busy seasons, you may be entertained by your favourite DJ and artist. Good place to meet locals.	
11	Beaver Creek Coffee Estate on the right GPS: -31.044055, 30.182286	
12	Red Desert Nature Reserve S 31°03'53.2" E030°11'22.4" From Banners Rest, Vineyard Liquors, turn right to Red desert, only 2 km away	

	Route and points of interest
	World's smallest desert. only 200 m in diameter and 11 hectares in its entirety. Best described as a miniature version of the Arizona Desert, the man high hills and valleys of naked red soil bare stark contrast to the surrounding lush and tropical vegetation. This is an internationally protected heritage site. 
13	Tour ends At Port Edward. Some of the interesting places around this area are Mac Banana, Munster Motor Museum, Wild Coast Sun, Mattison Square, Port Edward Ski Boat Club, Mpenjati Nature Reserve and many more



Nyandezulu Cultural and Nature Experience - GDO#4

Nyandezulu route was developed in 2017 with the aim of attracting visitors to the area. Nyandezulu is a rural village only 9km inland from Shelly Beach, where you can see breathtaking scenery high above the sea level while enjoying the hospitality of the local community and discovering local arts and crafts. Accommodation in the area include, Mfihlo Guest House, Themba Isonto Homestay, Sharon Jenkins Homestay, Zethu Mthiyane Homestay and Nondumiso Lushaba Homestay.

- The reviewed route is no longer starting from Margate as per the initial plan. It now starts from Izotsha traffic lights that way visitors from all angles (Port Shepstone, Shelly Beach and Margate) will be able to join the route from an easily accessible and clear starting point joining from different angles.
- Starting the GDO from Margate lengthened the travelling distance unnecessarily and it shifted the purpose of the specificity of the route. The omitted distance did not have much for visitors to see or do.

The visitor will experience rural living with magnificent views and creativity from local people

	Route and points of interest
1	Traffic lights Izotsha, take Paddock Road
2	Open-air Shembe Church and Umdlungwana Holy Mountain. The church is demarcated by white stones to highlight the significance of the holy Mdlungwana Mountain. The mountain is reputed to harbour a seven-headed water monster. Once there, visitors hear the story about the Shembe, founded by the Prophet Isaiah Shembe in the early 20th century. The church is of great significance to the Nyandezulu communities and showcases a fascinating historic religious experience. – guided tour recommended, to hear more interesting stories from tourist guides.
3	TDK's Fast Food – Bizniz in a box Serves traditional take away meals S 30°46'00.6" E030°20'52.9"

Route and points of interest	
	
4	Mfihlo Guest House S 30°45'55.7" E030°20'31.7"
5	Isangoma / Traditional Healer
6	Bhomela Clinic S 30°46'00.8" E030°20'19.2"
7	Apostolic Faith Mission of South Africa Bhomela Assembly. 
8	Freedom Struggle Monument S 30°45'09.4" E030°19'41.5"
9	Mr Lunch Supermarket S 30°45'12.8" E30°19'33.8" Many families bury loved ones in their own yards

	Route and points of interest
	
10	Turn right after Mr Lunch. Beginning of a dirt road
11	Pass Dafeleni Tavern and Bottle Store on your left
12	Sharon Jenkins and Zethu Mthiyane Homestays are in front of the T-Junction S 30°44'50.0" E030°19'43.7"
13	Turn left at T junction
14	Nyandezulu Waterfall parking S 30°44'38.1" E030°19'50.8" Beautiful 80m high waterfalls, Nyandezulu Falls offers a great 30 minute hike down to the falls, while you enjoy the peacefulness of nature. 
15	Ntantana Mountain View S 30°44'43.1" E030°20'13.7" Hike up the Ntantana Mountain and enjoy the 360-degree view from the top. Great sea views and vegetation.

	Route and points of interest
16	Next T Junction keep left
17	View point S 30°45'14.9" E030°21'19.1" Visitors can enjoy the area view from Port Shepstone to Shelly Beach
18	Back to tarred road then end of the trip



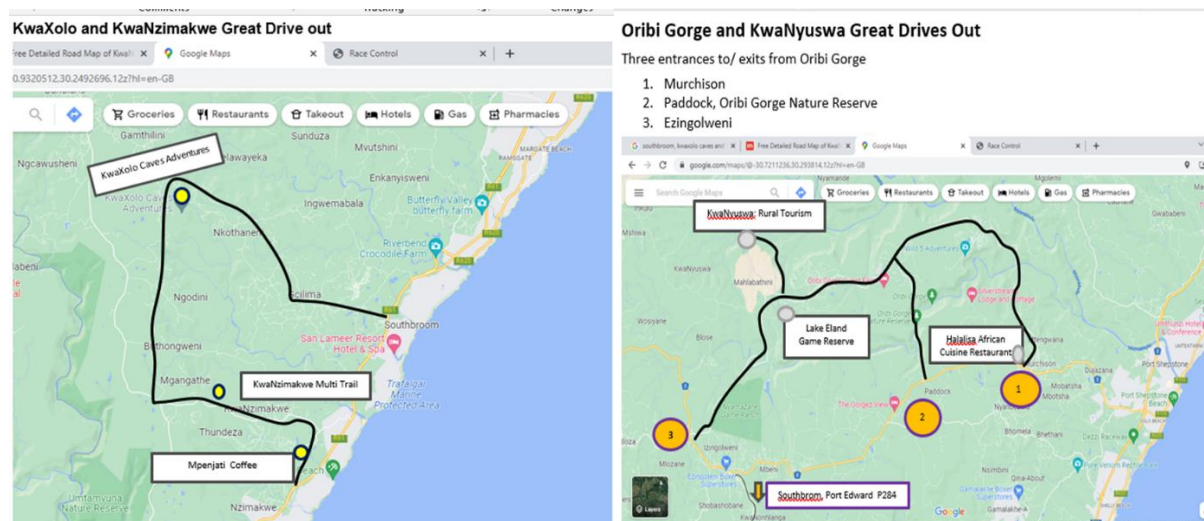
Review of KwaXolo, KwaNzimakwe and Oribi Gorge GDO

USCT is constantly reviewing the GDOs in order to make them easy and comfortable to follow for visitors.

- KwaXolo and KwaNzimakwe Great Drives Out are now combined and separated from Oribi Gorge.
- Oribi Gorge GDO is now expanded to cover the entire area including KwaNyuswa where visitors can experience rural tourism. KwaNyuswa area is situated within a short distance from Lake Eland.

The previous GDOs were hardly experienced since they were not easy for visitors to follow as the drives were too long and connecting to many roads. Shorter distances will give time for visitors to spend more time and experience each attraction along the way. Once all six Great Drives Out are reviewed, a digital map will be designed and posted in the USCT marketing platforms.

	Reviewed Great Drives Out	Main Features
1	KwaXolo and KwaNzimakwe Great Drives Out	• KwaXolo Caves Adventures • KwaNzimakwe Multi Trail • Mpenjati Coffee
2	Oribi Gorge and KwaNyuswa Great Drives Out	• Lake Eland Game Reserve • KwaNyuswa Rural Experience • Wild5 Adventures • Leopard Rock • KZN Wildlife
3	Umzumbe Great Drives Out	• Mission Tourism:
4	Nyandezulu Great Drives Out	• Nyandezulu Waterfall • Ntantana Mountain • Mdlungwana Mountain



Umdoni Project - KwaQiko

USCT is working closely with communities and businesses in KwaQiko area, such relations will assist in enhancing community support for tourism in the area. As such, USCT has designated Happy Days Café at KwaQiko, as a Welcome Centre for visitors who are coming to experience the natural beauty of the area. The Happy Days personnel will inform self-drive visitors about the area and also give directions to different local experiences. USCT donated one brochure rack (brochure management stand) which will have information for the community and visitors.

1. USCT and other stakeholders will display information such as tourism Department of Health campaigns, Traditional Council Izimbizo and other related announcements
2. Local tourism businesses will also be allowed to display their products and that will attract more customers to their businesses
3. The brochure rack will strictly be managed. No political communications will be displayed.
4. Happy Days Café will also benefit from this since most people that will be coming for information, will be more likely to purchase something.

USCT is assisting Majola Homestay at KwaQiko in Umdoni guests will enjoy a traditional Zulu living experience in a rondavel. The homestay is located on a hill overlooking the Umkomaas River. As part of SMME training, USCT organized an educational visit for Majola Homestay for the purpose of learning from another homestay that has been operating for a while. Two people from Majola Family spent a night at Phumzile Ngaleka Homestay at KwaNzimakwe, where they learnt about hospitality service which includes

- how to welcome visitors and make them feel at home
- housekeeping and personal hygiene
- taking bookings both manually and online (Airbnb system)
- communication with guests (phone, emails and face to face)

Phumzile Ngaleka will also visit Majola Homestay to offer more guidance before the home is opened to visitors.

USCT visited KwaQiko area together with Umdoni Local Municipality – LED Office, on the 17 March 2022. The purpose of the visit was to show the municipality the natural resources that can attract visitors to the area and also to recommend tourism projects that can add more value by creating employment and boosting the local economy. The awareness Campaign was conducted at KwaQiko area on 18 March 2022. While USCT is in the process of ensuring that the KwaQiko has qualified tourist guides, the community awareness on the other hand is continuing, as well as preparing local SMMEs to benefit from the tourism industry. USCT donated Kids Colouring Activity Books to two schools in Umdoni, namely; Nombayingana CP School and Nomthandazo Day Care & Pre-School. Kids were advised to keep the area free of litter.

Tourist Guide Training

As part of the professionalizing Tourist Guides Fraternity, USCT embarked on the programme to train and upskill 10 Umdoni Tourist Guides. Training was for tourist guides that are already guiding within the sector but without proper qualifications, as well as those that were identified to advance new tourism experience and offerings. Training took place at Blue Marlin Hotel from 03 May to 08 June 2022. The appointed service provider was Tourism World Academy. The programme included Nature Site Guide as well as Culture Site Guide

- Programme covered the following:
- Create a guided experience for customers
- Conduct a cultural experience in a limited geographical area
- Conduct a guided nature experience in a limited geographical area
- Pre-assessment and summative assessment

USCT paid for the trainer/service provider, venue, meals, and transport for learners that were not sponsored by any company. USCT made arrangements with Nkomba Conservancy, Basset Breweries, TC Robertson and Umdoni Park to transport their own learners to and from the training venue for the duration of the training and USCT paid for KwaQiko and Vernon Crookes learners.

	Learner's Name	Learner's Last Name	Name of Business / Area
1	Emmanuel	Ngongoma	Nkomba Conservancy
2	Kwanele	Hlongwane	Nkomba Conservancy
3	Nkululeko	Msomi	Basset Breweries
4	Nosipho Hlengiwe	Mngoma	Umdoni Park
5	Ziningi Penelope	Jiji	Umdoni park
6	Yolanda	Maphumulo	TC Robertson
7	Busisiwe	Dlamini	KwaQiko
8	Luyanda	Langa	KwaQiko
9	Nonjabulo	Chiyi	KwaQiko
10	Thokozani	Ndlovu	Vernon Crookes

First Aid Training – Level 1

The first aid training for 10 Umdoni tourist guides took place at Blue Marlin Hotel in Scottburgh-Umdoni on the 09 and 10 June 2022. Heart Beat Training Academy gave training which covered specific outcomes and course content as follows:

1. Principles of emergency care,
2. Primary and Secondary Survey
3. Artificial respiration
4. Cardiopulmonary Resuscitation (CPR)
5. Airway obstruction
6. Wounds and bleeding
7. Shock, unconsciousness and fainting
8. Burns
9. Fractures
10. Head and spinal injuries

Learners were told that the purpose of the first aid is to preserve life, protect the casualty from further harm, assist in preventing injury from worsening while awaiting further medical assistance at arrival and provide re-assurance to the casualty.

- Day 1 - Learners were introduced to the theory of the above listed outcomes with practical demonstrations.
- Day 2 - Learners were put into groups to demonstrate what they learned practically along with partaking in a written examination to assess their theoretical knowledge. USCT received certificates for all learners.

KwaXolo Caves Adventures

Directional Signage on Provincial and National Roads

As previously reported, USCT was awaiting the approval of directional signs on provincial and national roads to KwaXolo Caves Adventures.

- SANRAL approved the installation of KwaXolo Adventures Directional signs on R61, Southbroom entrance. Two signs will be installed at the Southbroom traffic lights and they will give directions from north and south traffic. The brown signs will be

manufactured by Supa Signs and installed by SANRAL, however there has been a delay in manufacturing due to the service provider not complying with SARS. That issue has now been resolved and the job is expected to resume before the end of April 2022. Supa Signs delivered the KwaXolo Caves sign face designs as well as intersection layout designs which were approved by SANRAL; hence we are using them to manufacture the signs.

- Based on the regulations, the signs on the National Road N2 Ezingolweni entrance were not approved. The regulations manual (Clause 4, SARTSM – Vol 2), states that facilities will be granted signage on the nearest numbered route. In this case R61 Southbroom was recommended a nearest route that has a higher volume of tourists/traffic.

Adventure Tourist Guide Training

- USCT invited 10 KwaXolo area local tourist guides to attend a two-day First Aid Training which was planned to take place on the 10th and 11th of August 2021. Candidates were contacted via e-mails and phone calls. All candidates confirmed their attendance well in advance. USCT phoned again on the 05th of August to remind them about the training, nobody showed any signs of pulling out. On the day of the training 8 of them did not show up. USCT called them after 08:00am on the day of the training, only then, the guides reported that they were not going to attend due to various reasons. Some said they had emergencies, others became sick in the morning and the rest reported that they did not attend on purpose, due to unresolved issues concerning the KwaXolo Caves Project.
- USCT has partnered with EDTEA on a programme to train and up-skill tourist guides that are already guiding at KwaXolo Caves Adventures. These Tourist Guides did not have proper qualifications and the objective to assist in professionalizing their work and enhance their skills. EDTEA sourced an accredited training provider and also covered all costs associated with training, such as study material, the facilitator, first aid training including the issuing of certificates.
- First Aid level 2 training for 10 KwaXolo guides took place on the 11 to 14 April 2022 at KwaXolo Caves Adventures. The course covered management and law pertaining to first aid, anatomy and physiology, adult child and infant CPR and choking, patient assessment, wounds and bleeding, fractures, dislocations, sprains and strains, shock, head and spinal injury, burns, poisoning, medical emergencies, environmental emergencies, bites, stings and unconsciousness. Learners were trained in skills programme NQF Level 4 Adventure category.

- KwaXolo Caves Adventures and Umzumbe River Trail guides had to do a higher level of first aid training as they are working in environments that are in higher risk, such as hiking, zip lining, suspension bridge, climbing on rocks as well as hiking in bushes and mountainous areas.
- USCT was fully involved in the programme, providing support on the ground to ensure that it runs smoothly and was represented in the KwaXolo Caves Adventures Project Steering Committee. USCT covered the venue and catering costs for the duration of the training period.

Fam Trip for Margate and Ramsgate Area Committees

USCT organized a fam trip for Margate and Ramsgate Area Committees on the 8th of June 2022. The purpose of the tour was for the area committees to participate in the KwaXolo Caves activities then go back and promote the experience to local tourism businesses and their guests. This would help to expand the geographical footprint and support the development of new experiences in rural communities.



KwaNzimakwe Multi Trails

Following the meeting that was held on 12 May 2021 at KwaNzimakwe Traditional Council; where Mavi Projects & Investments (Pty) LTD (a team of consultants appointed by iNkosi to coordinate the KwaNzimakwe investment matters) raised concerns about the silence (or lack of mention) on the availability of bulk infrastructure in the business plan; USCT addressed the

matter of the bulk infrastructure with Ray Nkonyeni Municipality as it is something that is outside of USCT scope. USCT has since facilitated engagements between RNM HoD: Development Planning Services and Mavi Projects & Investments on the matter.

Tour Package

Through USCT guidance, a tour package that covers KwaNzimakwe and KwaXolo has been developed by a local tour guide Victor Jaxa of Iseluleko Adventure Tours. The tour package was launched on the 24th November 2021.

- The launch started with a morning tour to tourism attractions around the area and ended at Xhuluweshe Mountain. Participants witnessed a 10 minutes 4x4 demonstration, followed by bikers, then a hiking to Xhuluweshe Mountain. It was also revealed at the launch that some professional bikers are using the KwaNzimakwe Multi Trail as a training ground.
- Through USCT's destination marketing efforts, KwaNzimakwe Multi Trail is receiving enquires through Dirty Boots platforms. Enquiries are received by USCT and handed over to KwaNzimakwe Multi Trail operator.
- USCT assisted 3 KwaNzimakwe Tourist guides with the renewal of their provincial registration. USCT offered the assistance since guides were struggling to make the ends meet as the tourism industry is slowly recovering after the COVID-19 lockdown.

Umzumbe River Trail

USCT is represented in both Umzumbe River Trail Project Advisory Committee as well as Umzumbe River Trail Project Steering Committee. Through the work of these Committees,

- Bush clearing is completed.
- The collection of GPS co-ordinates of landmarks was undertaken by Button & O'Connor Land Surveyors. This was overlaid and uploaded onto Google Earth.
- Directional concrete markers have been set in concrete on the ground. A total of 74 circular concrete directional stones 600mm diameter have been placed in strategic positions on the route
- 3 viewing platforms along the route have been installed. Each deck is 10m² in size.
- In addition to these, 30 hiking signs on timber poles have been installed along the route for route identification to assist hikers and public alike.
- There are also information signs installed at the start of each day's hike
- The Project Management team (Machwane & Morsink Pty Ltd) submitted a closeout report for Umzumbe River Trail.

The total distance of the Umzumbe River Trail is 71km. This is broken down into a 6-day hike, as follows:

Day 1	8.5km	Nhlangwini
Day 2	11.9km	Nhlangwini (Ndwebu) to Nhlangwini (KwaGubhuza)
Day 3	8.6km	Nhlangwini to Emabheleni (Mabiya Store)
Day 4	14 km	Mabheleni to KwaNdelu
Day 5	12.1km	KwaNdelu to KwaQwabe
Day 6	15.9km	KwaQwabe via KwaMadlala, ending in Southport

Familiarization Trip for local tour operators

USCT facilitated the URT Fam trip for local tour operators and tourist guides. The purpose of the tour was to show them the trail and also get feedback on what improvements to be considered by USCT and USCDA before it is opened to public. The 8.5km hiking tour (Day 1 hiking) took place on 05 November 2021 and it was attended by 14 participants. It started at the view deck from Phungashe Dam to the next view deck at the end of the 1st day trail. The group was fascinated by the views of the forests and mountains along the trail. The sound of birds added to the exquisiteness of the trail.



However, it was disappointing to come across

- Dumping sites right next to the trail. A hip of dirt, mainly beer bottles are dumped there carelessly.
- A concrete directional signage was removed from its position to the bank of the river.
- There was a small sand mining 5 meters away.



After the trip the tour operators and guides made valid inputs which included the need for concrete signs, bins along the trail and the need for the municipality to attend to the cleanliness and illegal dumping on the URT. USCT has initiated the community awareness campaign. Tourist guides that will be trained specifically for Umzumbe River Trail, will also monitor the trail to ensure that hikers are safe and the trail is kept as neat as possible. Stakeholders such as SAPS, KZN Liquor Authority and Environmental Affairs are in full support and they are playing their role in ensuring that the trail is protected.

Adventure Tourist Guide Training

- USCT collaborated with EDTEA on a program to train and up-skill tourist guides that have been identified to advance the Umzumbe River Trail (URT) as a new tourist experience. Learners came from URT communities and USCT covered costs such as transport for learners, catering and venue hire. EDTEA sourced and paid for an accredited training provider, including all costs associated with training, such as study material, the facilitator, first aid training including the issuing of certificates. Learners were trained on skills program NQF Level 4 Adventure category.
- Training for Umzumbe learners took place at Port Shepstone Methodist Church Hall which is a walking distance from the taxi rank since all guides used public transport to get to the training venue. Port Shepstone was the central point as it was the main town for all the areas where learners came from.

- The Umzumbe learners consisted of two learners according to Umzumbe River Trail clan. USCT included two more adventure guides from other areas. Those were some of the guides that are already guiding within the sector but without proper qualifications.
- The program started with a total of 16 guides and 3 of them pulled out due to different reasons. EDTEA covered all costs related to the training providers and USCT paid for meals, transport for guides, and venue hire.

No	Name and Surname	Area	Training dates
1.	Sabelo Kuboni	Nhlangwini	Learner – URT
2.	Nduduzo Parsisicus Jaca	Nhlangwini	Learner – URT
3.	Lungelo Oscar Hlongwa	KwaCele	Learner – URT
4.	Thembelihle Lingani Mthembu	KwaCele	Learner – URT
5.	Mthokozisi Advacate Shazi	KwaNdelu	Learner – URT
6.	Sanele Cele	KwaNdelu	Learner – URT
7.	Sfiso Innocent Makhanya	KwaQwabe	Learner – URT
8.	Njabulo Matheus Shazi	KwaQwabe	Learner – URT
9.	Mbali Fortunate Njakazi	KwaMadlala	Learner – URT
10.	Nduduzo Mishack Khoza	KwaMadlala	Learner – URT
11.	Ntuthuko Myende Emmanuel	Mthwalume	Learner – Msikazi Mountain Tours
12.	Mbongeni Emmanuel Mthembu	Gamalakhe	Learner – Lower South Coast Adventure Tours
13.	Sphiwe Smiso Nzama	eMabheleni	Learner URT
14	Lungeleni Agness Lushaba	eMabheleni	Pulled out due health reasons. Lungeleni was admitted to hospital in Durban. She was too weak to continue with the programme after she was discharged from the hospital and it became too late for her catchup with training
15	Mlungisi Sibiya	KwaHlongwa	Got a permanent job
16	Jack Ngcobo	KwaHlongwa	Dropped - health reasons Even though the KwaHlongwa area was no longer part of the Umzumbe River Trail. USCT was committed to assist the guides in developing adventure activities, using natural resources that are available in the area.

Homestay Identification

Umzumbe River Trail begins at Phungashe / Mhlabashane Dam, ends at Sea Park Beach. It consists of 6 days hiking over a distance of 71km, through often pristine and unspoilt parts of KwaZulu Natal South Coast, showing off savanna covered hills with spectacular views and river crossings.

The project is intended to be a world class hiking trail; it transcends slightly through Ubuhlebezwe Municipality and vastly through 2 local municipalities, namely Umzumbe and Ray Nkonyeni Local Municipalities. It covers Nhlanguwini, eMabheleni, KwaCele, KwaNdelu, KwaQwabe and KwaMadlala.

USCT in partnership with KZN EDTEA visited 20 potential homestays along the Umzumbe River Trail (URT) on the 20th and 21st January 2022. The purpose of the engagement was to identify homestays that could provide accommodation service during hiking. Identified homestays will undergo different trainings before they can start operating. Training will include customer service, food handling, housekeeping, etc.



Training of Homestays

USCT in partnership with SEDA Port Shepstone Branch trained 20 homestays that are on the Umzumbe River Trail route, from Nhlanguwini to KwaMadlala. SEDA appointed Cimla Consulting as the Service Provider to conduct a 4-day training on customer care, food handling and housekeeping. Training took place at the Country Lodge in Southbroom from 28 to 31 March 2022. Each participant received a certificate of attendance. SEDA has informed us that they will not be able to offer further trainings as homestays are not registered businesses, therefore they are not assessable.

Meetings with Traditional Councils

Ugu South Coast Tourism met with 5 traditional councils along the Umzumbe River Trail to update them on the progress of the project and to request their involvement in ensuring that the trail is well looked after by the community at large.

Meetings took place as follows:

1. KwaMadlala Traditional Council

- Meeting took place on the 18th of January 2022. It was attended by iNkosi Madlala and Izinduna.

2. Nhangwini Traditional Council

- Meeting took place on the 19th of January 2022. It was attended by 45 people including iNkosi Dlamini, Izinduna, Ward Councillors, Local Youth Committee and community members.
- A second meeting took place on the 2nd of March 2022, when USCT introduced the EDTEA Environmental Affairs Section to the traditional council. The purpose of the meeting was to introduce the project of removing alien plants along the Umzumbe River Trail. More than 35 local people to be employed on this project

3. EMabheleni Traditional Council

- Meeting took place on the 02nd of February 2022

4. KwaNdelu Traditional Council

- Meeting took place on the 16th of February 2022. It was attended by iNkosi Shinga and Izinduna

5. KwaCele Traditional Council

- Meeting took place on the 16th of March 2022. It was attended by local authority (izinduna) and community members.

Ntelezi Msani Heritage Centre

To support rural tourism development and ensure the geographical spread of tourists in the KZN South Coast; as committed to through a Memorandum of Agreement with Ntelezi Msani Foundation, USCT

- Facilitated the training of 10 Nature and Site Guides from Ntelezi Msani Heritage Centre. The training was conducted by Tourism World Academy for a period of 15 days between June and August 2021. Upon the completing the training, guides were issued with both competence certificates and tour guiding certificates.

- Applied for directional signs on provincial roads (Cowey Road, Sipofu Road and R102 in Mthwalume) and national road (Mthwalume off ramp N2). The road signs will direct visitors approaching from Scottburgh and from Hibberdene sides.
- USCT facilitated EDTEA registration for nine Ntelezi Msani Heritage Centre Tourist Guides. This was done as a process towards assisting them to become professional and recognized guides. EDTEA has issued Tourist Guide Cards which will need to be visible to guests during tours. Badges will follow in due course.

Fam Trip for Local tourism businesses

USCT organized a half day fam trip for local tourism businesses to experience the Ntelezi Msani Heritage Centre offerings. The tour took place on the 14 June 2022. A USCT hired transport picked up the group of 14 people from USCT Office. Participants consisted of mainly Hibberdene/Port Shepstone Area Committee members as well as other local tourism businesses such as Dinosaur Park and Sugar Beach Resort. The purpose of the tour was for establishments to experience the activities at Ntelezi Msani Heritage then go back and promote the activity to their guests.

At Ntelezi Msani, visitors were given a warm traditional welcome and they were taken inside the hut where they were served with amahewu prepared in a traditional way. Tourist guides showed the visitors how the traditional homestead is built with its underlying philosophy. Guests participated in beads and traditional attire making and also in the grinding of maize meal using a grinding stone.



Inside the Zulu traditional kraal, visitors were entertained by Zulu dancers and stick fighters. They were also told about the interesting stories that happened many years ago including the 1906 poll tax uprising. All guests enjoyed the traditional meal and some dishes were tasted for the first time by some of them.



Nyandezulu Experience

Parking space at Nyandezulu Waterfall

Nyandezulu Waterfall is one of the rural attractions that draws the attention of visitors, however the lack of parking space makes it difficult to access this site. In order to make Nyandezulu Waterfall visitor friendly,

- It was previously reported, USCT requested RNM to make a parking space available for Nyandezulu Waterfall visitors. The requested space was 5m x 10m square meters, which is the size of a bus stop area that can fit at least 5 cars. It is next to the restroom/toilet that RNM built for visitors more than 12 years ago. The municipality responded positively to the request and made a space enough for 3 cars.

- The TLB operator tried to make the parking space, however he realized that if he had to dig deeper, that would cause a soil erosion at a later stage as the soil was very loose. He then suggested an alternative way that would require repositioning the parking space, however that would need Induna's approval in-case the property belonged to a private owner.
- USCT engaged with the local Induna and home owners that are surrounding the parking area were consulted. All people involved confirmed that the area does not belong to any of them. The home owners also supported the parking to be extended as it will connect their homes with the main road. At the moment the home owners use a small path to get to the main road. The Municipality was requested to resume with the job before the end of April 2022.



Training of local tourism businesses

USCT visited nine hospitality establishments (Food & Beverage) that are located in Nyandezulu. This was to educate them about the importance of looking after visitors and to offer excellent service at all times to customers. Emphasis was also on hygiene. The engagement took place on the 10th of June 2022.

Tourist Guides

USCT assisted Nyandezulu Tourist guides to renew their provincial registration. USCT assisted the guides as they were affected by COVID -19 pandemic. The business is still slow, even though the guides have started receiving few enquiries.

Umuziwabantu Project - iKhwezi

Horse Riding Experience

Umuziwabantu has very limited activities that can attract visitors and USCT is constantly trying to find ways to draw tourist footprint to the area. As such USCT has engaged with a local horse owner at iKhwezi community who has four horses that can carry visitors who want to explore the area. These horses are neat, disciplined and well trained as they all participate in the traditional horse racing event called umtelebho.

- The horse-riding activity has the potential to benefit tourism businesses in the area as it is expected to attract visitors from Harding, Ingeli and surrounding areas since it is less than 10-minute drive from Harding town centre and there are not known such activities in Harding. According to Ingeli Forest Lodge, the nearest horse-riding activity is at Lake Eland Game Reserve, approximately 85km away, therefore local business will be happy to have this activity in the area.
- The horse operators are experienced riders; however, the tourism side is totally new to them. In light of that USCT facilitated a horse-riding educational experience for 4 horse operators focusing on tourist expectations. The activity took place at Ocean Safaris in Wild Coast on 06 December 2021. The Ocean Safaris is an experienced horse-riding establishment which services tourists. They learnt the following rules.
 - Not to make the horses run while there is someone on top
 - Not to upset the horse because they might be aggressive to the next riders
 - Keep horses and equipment clean at all times
 - Ensure the safety of both horses and guests
- Horse keepers will need first aid training which USCT will facilitate before they can start hosting visitors.
- USCT continue to support the development of the horse-riding experience and assist in developing the tour package. Arrangements will be made for Local tourism establishments including Umuziwabantu Area Committees to experience this activity in order to spread the word to their guests.

iKhwezi Homestay

USCT has identified Ntozakhe Homestay, at iKhwezi near Harding in Umuziwabantu.

The home is on top of the hill above Weza River. Guests can enjoy the sound of birds, picnics on the riverbank and also enjoy a hiking close-by. The homestay is in a quiet setting, away from the buzzing area. When USCT introduced the homestay program to the household, no one there knew anything about homestays as they had never visited any tourism accommodation establishment in their lives.

In realizing that the family was developing interest about homestays and tourism in general, USCT then offered a practical learning session for them to understand the industry better. As Ntozakhe Homestay is new in the tourism sector, USCT facilitated a mentorship visit to Phumzile Ngaleka Homestay at KwaNzimakwe where they learnt about hospitality service. USCT will monitor their readiness before listing the establishment as a place to visit.

On the 8th of March 2022, USCT visited four businesses in iKhwezi to offer basic training on customer service and housekeeping since the local businesses are not yet geared up to meet the tourism standards. Cleanliness is still a major concern for most establishments. Visitors are expected in the area in 2022/2023 financial year when training for horse riding operators is completed. At the moment the nearest horse-riding activity is at Lake Eland Game Reserve, approximately 85km away from Ingeli Country Lodge, therefore this kind of activity is expected to benefit all local tourism businesses in the Umuziwabantu area.

First Aid Training

The first aid training for 8 learners (7 tourist guides and 1 employee from Harding Country Club) took place on the 14 and 15 June 2022 at Harding Country Club. This training was also a level 1 first aid training, same as the one offered to Umdoni learners. Heart Beat Training Academy was the service provider for both Umdoni and Umuziwabantu guides.

Tourist Guide Training

As part of professionalizing Tourist Guides, USCT embarked on the program to train and upskill 10 Umuziwabantu Tourist Guides. Training was for tourist guides that are already guiding within the sector but without proper qualifications, as well as those that were identified to advance new tourism experience and offerings. Training took place at Harding Country Club between 04 May and 15 June 2022 and it was level 1 first aid training, same as the one

offered to Umdoni guides. Tourism World Academy was the training provider for both Umdoni and Umuziwabantu guides.

No	Name	Last Name	Company
1	Sanele	Jojisa	Ikhwezi – Horse Riding
2	Phila	Ngubelanga	Ikhwezi – Horse Riding
3	Owethu	Gasa	Mount Nebo Arena
4	Snethemba	Nzama	Mount Nebo Arena
5	Thobekile	Msizazwe	Ikhwezi – Horse Rides
6	Minenhle	Mkhungo	KwaNyuswa Cultural Village
7	Joshua	Van Wyk	Honey Tours and Tasting

Agri-Tourism

Agri-tourism is part of USCT's strategy towards rural tourism development in order to expand the geographical footprint of the tourism economy to make it more inclusive. During August 2021 and March 2022 USCT organized site visits to 10 agricultural projects that were identified in rural communities as potential Agri-tourism products. The invited participants to the site visits were USCT Board Members, USCT Management, USCTDA agriculture specialist, Ugu District Municipality Portfolio Committee on LED as well as Area Committee Chairpersons. The visited agricultural projects included;

1. Fish Farming Afrika for Afrika – Umdoni
2. Masinga Piggery farm – Umdoni
3. Ubuntu Bethu Egg Farming – Umzumbe
4. Emfundeni Vegetable Farm – Umzumbe
5. Oribi Natural Soaps Project – Ray Nkonyeni
6. Nqabeni Gardens - Umuziwabantu
7. BBS Farm – Ray Nkonyeni
8. Animal Farm at B's Guesthouse - Umuziwabantu
9. Ubumbano Homestead – Umdoni
10. Mpenjati Coffee – Ray Nkonyeni

Based on the observations of the site visit; it was concluded that some projects needed serious development support interventions from the municipalities' LED offices and were not ready to be considered attractive to tourists at this point. The following agricultural products were

considered to have the potential to grow as emerging Agri-tourism products and USCT has undertaken to introduce and assist them into the tourism sector; these include;

1. BBS Farm
2. Animal Farm at B's Guesthouse
3. Ubumbano Homestead
4. Mpenjati Coffee

The Agri-tourism route which included the above products was launched on the 24th, 25th and 26th March 2022. The farms offer different experiences where visitors can enjoy farm tours, farm fresh meals, fishing, hiking and biking trails. The launch of this innovative KZN South Coast Agri-Tours attracted different media locally and nationally. The launch was featured extensively on many SABC platforms such as SABC 3 News, Ukhozi FM, Ikwekwezi FM as well as on local media.

BBS Farm



TOURISM AWARENESS

Umuziwabantu Community Awareness

USCT conducted an awareness campaign in Umuziwabantu on the 14th of September 2021. It was noted in Umuziwabantu that the community needs more than talking and awareness pamphlets as they see this as not bearing any fruits. An immediate action is required as a solution to educate and emphasize the cleanliness of the area, especially in public spaces. Most of the areas (about 15km stretch along the road on the new Umuziwabantu Great Drives Out) is dirty, full of papers and plastics.

- In light of that USCT successfully hosted a stakeholder engagement and tourism activation at the SMME Centre, KwaLangqengqe in Umuziwabantu on 12 November 2021 to create awareness about cleanliness and its importance in attracting tourists.
- The activation was attended by approximately 300 people including school children, adults and local businesses.
- The programme included different games such as volley ball, hula hoops, dancing, and many more rounds of games and competitions that could be enjoyed by both young and adults. There was a clean-up competition and groups with most bags of rubbish won prizes. The place has been kept clean since the awareness day.
- Visitors on this tourism route will be encouraged to support local businesses, therefore cleanliness is one of the most important aspects to be ensured.



Clean-up Campaign KwaLangqengqe - Umuziwabantu

Mthwalume Community Awareness

USCT, in partnership with Ntelezi Msani Heritage Centre, conducted a door-to-door awareness campaign to 22 households that are surrounding the Ntelezi Msani Heritage Centre in Mthwalume. The visit took place on the 06th of August 2021.

Most households stated that they have been seeing some activities being held at the Centre but had no idea what the Centre was about. They felt that they should have been informed long ago, however they appreciated the USCT and Ntelezi Msani visit and committed themselves to support the development of the Centre. Communities were also asked to play their part in keeping the area clean and to ensure that visitors are well looked after.

KwaQiko Community Awareness

USCT also conducted an awareness campaign in KwaQiko Community (Umdoni) on the 09th of September. This was followed by another tourism awareness session at KwaQiko High School, Shukumisa Primary School and Tshenkombo Junior Primary School on the 19th of November.

- Learners were advised to welcome visitors in the area and also to keep the area clean.
- USCT issued old Southern Explorers magazines to all learners as a way to educate learners about the KZN South Coast as a tourist destination. Grade Rs and creches received tourism colouring books.
- During the on-going awareness sessions, USCT encourages KwaQiko communities, especially youth to start their own tourism projects since most of them are unemployed. As most families own donkeys in this area and there are not many places that offer such activity, a donkey cart tour can attract visitors to the area. They are advised to start small with the what is available in front of them, such as donkey cart tours at KwaQiko.

Umzumbe River Trail Community Awareness

USCT's focused on visiting different communities along the trail and educate them about the trail and its importance to the community. Local authorities and community members ensured us that they will look after the trail as it will benefit the area. All communities were pleased to be informed about the trail as they had no idea what was the purpose of the decks and directional signs that have been installed in their areas. It is however unfortunate that some

of the Umzumbe River Trail directional signs have already been vandalized and some have been removed.



Few illegal dumping sites were spotted along the Umzumbe River Trail at Nhlanguwini between Phungashe and KwaFodo, USCT conducted a blitz operation/awareness that was targeted at local taverns since most of the rubbish piles were full of plastics and broken beer bottles. St Faiths SAPS, KZN Liquor Authority and KZN EDTEA – Port Shepstone Office, offered their support as well. All stakeholders gathered at St Faiths police station for briefing then a door-to-door visit took place on the 14th of December 2022. The awareness included a compliance check to confirm if the taverns were operating legally. Tavern operators were advised to keep the environment clean and not carelessly throw away used bottles, as that can affect the environment including causing harm to people, animals and plants.

3.3. DESTINATION RESEARCH

According to the USCT Tourism Recovery Strategy continuous efforts will be implemented to gather and analyze information to ensure that USCT communicates to the correct market segments and creates the right products to maximize business potential.

Visitor Satisfaction Survey Report

In November USCT conducted a visitor satisfaction survey which was promoted in the social media. The need to understand the preferences and behavior of tourists is imperative in the current context of the COVID-19 pandemic. This understanding will help with marketing efforts that will ideally lead to increased tourism arrivals in the destination and aid the much-needed recovery of the tourism sector. The results were very positive and indicative of satisfaction visitors who have or wish to travel to the South Coast of KwaZulu-Natal (KZN). The research findings indicated that

1. Many people love visiting the South Coast for holiday and leisure! Most of the respondents are between the ages of 30-39 (41%). At least 80 % travel for holiday, 50% of the respondents are “Extremely Satisfied” with the accommodation options in the South Coast.
2. The most popular (top 5) regions or areas as noted by the respondents are Margate, Port Edward, Scottburgh, Port Shepstone and Ramsgate. It is likely that these towns would have high occupancy rates during peak seasons.
3. For more activities/attractions, most respondents noted that the **beach** is the primary reason that attracts to the South Coast. Further, natural attractions, health spas, and adventure activities are other or secondary attractors for the South Coast.
4. In terms of time of travel, most respondents indicated that they prefer to travel to the South Coast during the **summer** months. This also coincides with traveling to the destination for the festive season (Christmas and New Year).
5. Other insights also allowed us to understand how or why preference was given to winter, which attracts a lot of visitors through the Sardine run, is off peak (more cost effective, “Tranquil and quiet”). Autumn travelers also cited similar interests, apart from the fishing.
6. Based on the findings, from a marketing perspective, USCT must focus its marketing efforts on the summer season and promote the “perfect beach holiday”. This will build on the fact that most of the respondents travel to the South Coast in the summer, for the beach, whilst on holiday.
7. USCT must also focus its marketing efforts on increasing tourism during the off-peak seasons by building on the preferences of the respondents. For example, playing on

the aspect of quiet and tranquility during the spring and autumn months could appeal to those who prefer not to travel in peak season and avoid crowds. Further to this, USCT should also consider looking at the less popular activities and strategize on how to promote these more.

Target Market Identification Survey

The following are the findings of data that was collected in November 2021;

1. Most of the respondents were between the ages of 35 and 40 (59%), while 37% were older than 40 years old. This means that potential target market for the South Coast are family groups (married couples with or without children) and pensioners.
2. In terms of ethnic groups, most of the respondents classified themselves as 'Indian' (47%) and 'White' (26%), while 19% were classified as 'Black/African'.
3. The main purpose of their trip, for many of the respondents, was to travel to the South Coast for a holiday (78%). In addition, 16% travel to visit their friends and family (i.e., VFR tourists).
4. The main activities are somewhat linked with the main purpose. Most of the respondents prefer to take part in adventure/sport/outdoor activities (35%) during their trip. In addition, respondents also like to go 'wining and dining' (23%) and shopping (21%). These activities are linked with holiday and VFR trips.
5. It was positive to note that 93% of the respondents usually stay overnight during their trip to the South Coast. This will have a positive impact on the local tourism economy as their spend would be higher than a day visitor.
6. Further to this, it is also positive to note that 80% of the respondents stay in 'commercial' or paid accommodation establishments. This will, once again, have positive impacts on the local tourism economy.
7. The respondents usually book and stay in hotels (38%), homestays (16%) and guesthouses (14%). The fact that homestays is one of the top selected establishments is encouraging for rural and township tourism development.
8. Most of the respondents are intra-provincial tourists/visitors (e.g., KZN is 67%), while 33% are interprovincial tourists/visitors. Most inter-provincial tourists are from Gauteng. This is an important finding as it shows where marketing efforts should be made in key source markets.
9. The number of annual trips (on average) that the respondents take to the South Coast was estimated to be 4.61. This means that the respondents take between four to five trips in one year.

10. The average length of stay for the respondents when taking a trip to the South Coast was estimated to be 3.98. This means that the respondents stay for at least three to four nights in the destination.
11. Almost all (98%) of the respondents confirmed that they will return to the South Coast for another trip in future. This is an important finding as repeat visits are very encouraging for any destination and these respondents will also contribute to 'word-of-mouth' marketing.
12. Almost all (99%) of the respondents confirmed that they will recommend the South Coast as a tourism destination to friends, family, and colleagues. This is another positive finding in terms of potential '
13. The NPS score of the South Coast was recorded as 68.0 (value for money) and 73.1 (tourism destination). As an NPS above 50 is considered an excellent destination, the South Coast is therefore considered as an excellent tourism destination by the respondents.
14. The respondents mainly travel to the South Coast for its activities and attractions (47%) and because they consider the destination as to be good "value for money". The respondents also find the location/access favourable in terms of their travel plans.
15. The main barriers to travel are linked to the Covid-19 pandemic (44%) as well as the fact that the respondents don't have the "budget" to travel (30%). The closure of beaches (14%) is also a barrier, which is also linked to the lockdown regulations for Covid-19.

Analysis

The findings of this study have revealed some key insights into the tourism consumer market for the South Coast. These are vital for both the strategic marketing and advertising of the destination.

1. Most of the findings have been positive, which means that the South Coast maintains an excellent reputation, when it comes to its status as a tourism destination.
2. The study has also been considered as a success in terms of its ability to obtain a decent number of responses, within a short period. This bodes well for other studies to be conducted in future.
3. Considering the adjustments both South Coast tourism asset owners and travellers to the South Coast have made during the past year, regarding the South African Covid-19 regulations, formulated around travel restrictions, the overwhelming positive feedback, is indicative of a value for money messaging, developed assets that genuinely interests tourists and opportunity for USCT explore other areas of interests to both day and overnight visitors.

4. It has been interesting to understand that beach closures, during each Covid-19 wave of increased infections, also contributed significantly in comparison to other factors that are generally known to hinder travel. It is interesting to the research is, that while an assumption of COVID-19 pandemic has influenced traveller's destination decisions, that an indication about the beach closures tells us how much travellers enjoy the local beaches as one of their main activities during the day or overnight stay.
5. This study has also informed the researchers that 78% of travellers choose the South Coast as for leisure or holiday, as compared to any previous assumptions about business travel and activities

Accommodation Occupancy Rates Survey

USCT conducted telephonic data collection method to establish the KZN South Coast occupancy rates and booking statistics for accommodation during the festive season. The booking percentage (expected arrivals) during this period, which coincided with the fourth Covid-19 wave and additional restrictions, ranged between 60% and 64%. The survey also reinforced previous findings around visitor interest in paid accommodation. The results illustrated the following:

- Repeat visits, mostly families staying for six nights.
- Bookings for two people, spending two nights, mostly walk-ins.
- Most bookings were from Gauteng and Durban.
- Some establishments had more bookings compared to 2020 summer season due to relaxed lockdown restrictions.
- Some establishments reported that holidaymakers were reluctant to confirm bookings due to possible stricter lockdown restrictions.
- Some establishments had cancellations from international travelers due to banned international flights; and
- Some establishments between Sea Park and Port Edward experienced water challenges during the holidays which caused early departures and refunds.

Easter Survey

A snapshot survey that was conducted after (post) the Easter Weekend (14-18 April 2022), to determine tourism performance according to the tourism trade (e.g., expected bookings/occupancy). The main objective for this survey, was to gather some insights that will guide USCT in its strategic planning for the upcoming Easter Weekend. The study successfully obtained some crucial insights for the upcoming Easter weekend of 2022. The need to understand the preferences and behavior of tourists is imperative in the current context of the COVID-19 pandemic. This understanding will help with marketing efforts that will ideally lead to increased tourism arrivals in the destination and aid the much-needed recovery of the tourism sector.

Background:

The KZN South Coast is positioned as a premier beach destination. The tourism destination is a hot spot for domestic and international interests, offering outdoor experiences both on and off land. Some of the advantageous elements that bring this destination tourism success, is its:

- Accessibility year-round, as a popular leisure destination of choice in South Africa,
- Diverse attractions
- Destination that lends itself to social distancing (Covid-19) without disrupting the visitor experience,
- A destination with rich cultural and heritage offerings,
- Is a value for money, family destination and;
- An ideal destination for small, intimate meetings and conferences among many other offerings.

Considering the disruption that the global health pandemic, COVID-19 has caused over the past year, together with the ever-changing travel restrictions and regulations, USCT felt that it was essential to engage with the tourism trade to assess the expected Easter tourism performance for the South Coast.

Methodologies:

- The quantitative research method was used. This entailed the use of an online survey (Google Forms). Although personal data was collected, it will not be used for any marketing or promotional purposes.
- The survey collected responses from 129 tourism establishments prior to the Easter weekend. In terms of the statistical relevance, this response rate was in line with above

average standards of international best practice. The sample size produced a 5% margin of error, with a 95% level of confidence.

- A survey link was created and USCT staff collected the data. This was done through telephonic interviews with answers being captured by the survey link. As this survey collected personal information (contact details for the competition, it was such that a statement was used in the survey to ensure that it complied with the newly implemented POPI Act (Act No. 4 of 2013).

Findings:

The findings of this study have revealed some key insights into the tourism consumer market for the South Coast. These are vital for both the strategic marketing and advertising of the destination.

Occupancy/Bookings: The average occupancy rate for the South Coast was calculated to be 34,8%. This was well below the original forecast and is also concrete evidence of the impact of the floods prior to the Easter weekend. Furthermore, 43% of establishments recorded occupancy rates lower than 20%.

Bookings per night: It is evident that most people have booked for the Friday night through to the Saturday (i.e., arrive on Thursday and depart on Sunday). This has been a common long weekend trend during the pandemic.

Length of Stay: In terms of the length of stay, another similar trend has emerged, whereby people are booking for around 75% of the available nights. In other words, if there is a 4-day weekend (Friday and Monday are holidays), people will only book for 3 (three) nights and return home to have one more day off at home.

Easter 2022 vs 2021: Most establishments reported that their occupancy rates during the Easter weekend in 2021 was higher than 2022. Only 11% of establishments reported higher occupancy rates.

Lead Times: Most bookings were only booked in February and March 2022, meaning that the lead time is no more than 60-65 days. This is, once again, a “pandemic” trend where people do not book too far in advance due to the risk of lockdowns and beach closures and other new regulations.

Source Markets: There were a few bookings received from foreign or international guests (5%), but most were from local South Africans. This once again shows that the South Coast thrives on the domestic (local South African market).

Impact of Flooding

- Most of the establishments received cancelations from guests, which was a direct result of the flooding. Furthermore, 14% of the establishments reported that their guests postponed their bookings – hence the lower occupancy rates.
- Most establishments reported that their basic services were interrupted by the floods, which obviously had an impact on their business. The most common interruptions were the loss of water and electricity supply, as well as damage to main road networks.
- However, most establishments have reported that their business is either fully or partially operational since the flooding.

KZN Accommodation Performance Report

Tourism KwaZulu Natal (TKZN) commissioned a survey on the performance of accommodation establishments in the province. USCT engaged and worked closely with the appointed service provider to support the work on the ground. A summary of the reports was presented to the board.

3.4. STAKEHOLDER RELATIONS

Stakeholder Engagements

USCT participated and contributed in major strategic platforms in the province and the district. These included,

No.	Date	Platform
1.	Twice a month	Economic Command Cluster: USCT continued to contribute to the work of the cluster in addressing the challenges and interventions that are needed to support businesses to recover from the effects of Covid-19. USCT submits progress reports twice a month to the cluster.
2.	29 June 2021	Ray Nkonyeni Municipality LED Forum
3.	11 August 2021	Ugu IDP Forum Meeting
4.	11 August 2021	Ugu Internal Steering Committee on Youth Development
5.	25 August 2021	KwaXolo Project Steering Committee: EDTEA, TKZN, USCT, USCDA and KwaXolo Caves Adventures
6.	31 August 2021	Business Women's Empowerment – KwaXaba, Gamalakhe
7.	31 August 2021	Umzumbe Project Steering Committee on profiling of Community Based Tourism Assets in Umzumbe Municipality
8.	31 August 2021	Tourism Advocacy workshop - EDTEA
9.	02 and 03 September	KZN TMP Implementation and Monitoring Committee Meeting
10.	15 September 2021	Umzumbe River Trail Project Advisory Committee
11.	29 September 2021	Provincial Tourism Forum (PTF)
12.	06 October 2021	Ugu Internal Steering Committee on Youth Development Issues
13.	07 and 08 November 2021	Umzumbe River Trail site visit and PAC (Closeout) meeting
14.	16 November 2021	Ugu Coastal Management Committee meeting
15.	19 November 2021	Umzumbe LED Forum
16.	23 November 2021	Stakeholder engagement on cradle of human culture concept, hosted by Amafa KZN in collaboration with EDTEA. Meeting was to discuss the concept which is aimed at conceiving archaeological heritage tourism route representing the journey of Homo sapiens to

No.	Date	Platform
		behavioural modernity, and furthermore benefit local communities through socio and local economic growth. The session was followed by a site visit to KwaXolo Caves with the view of identifying areas of integration and rehabilitation.
17.	30 November 2021	Umzumbe Municipality- Project Steering Committee (PSC): Umzumbe Profiling of Tourism Assets
18.	14 and 15 December 2021	Tourism KwaZulu Natal (TKZN) Board engagement. In November 2021, the TKZN Board held its meeting in the South Coast. USCT CEO was invited to come and present to the Board. They were particularly interested in rural tourism products and how TKZN can assist them to grow. The meeting was followed by site visits to rural products.
19.	15 February 2022	Meeting requested by EDTEA. Venue: Ilembe District, Luthuli Museum Objectives: • To discuss the roles and responsibilities of municipalities in tourism development • To outline the responsibilities of municipalities as outlined in the tourism policy both National and Provincial. • To find ways of assisting municipalities in their tourism initiatives. • To share ideas and programs that will enhance the tourism competitiveness of the province. • To identify areas of intervention that hinder tourism growth within a particular municipality To outline the role of private sector involvement in tourism development and the importance of maintaining such a relationship at a local level
20.	07 March 2022	TKZN CTO capacity building steering committee meeting
21.	09 March 2022	Tourism Advocacy & Awareness Workshop. Meeting requested by EDTEA Venue organized by USCT: Port Shepstone Maritime Cultural Workshop. Workshop on data collection, capturing and storing information
22.	10 March 2022	UGU District Priority Committee meeting on Rural Safety and Tourism

No.	Date	Platform
		Venue: Port Shepstone SAPS Conference Room
23.	17 March 2022	AGB advisory committee meeting. Updates on the Tourism Monitors program
24.	17 March 2022	Tourism Sector Professionalization Stakeholder Consultation Session, organized by the Department of Tourism

Area Committee Meetings

	Area Committee	Dates	Details
1.	Umdoni	09 Sept and 14 Oct 2021	Committee is working in partnership with Umdoni Business Chamber to promote Umdoni tourism products/businesses through seasonal stalls or information desk at Scottburgh Mall. Committee to approach the Mall Management as well Umdoni LED
2.	Ramsgate	02 Sept and 01 Dec 2021	Committee is working on updating Ramsgate Website & Facebook page to include all Ramsgate tourism products. Website will also cover the surrounding hinterland areas such as KwaXolo Caves
3.	Margate	12 Aug and 30 Nov 2021	The committee is concerned that most shops have closed down in the CBD. Committee is trying to attract professional businesses, possible franchises to operate in Margate. Committee also requests USCT to invite Kyknet TV to come and promote the town. Rickshaw ride initiative is well supported by Margate Committee Members.
4.	Umuziwabantu	27 Aug and 18 Nov 2021	Committee would like organize a Meet and Greet Session for all local tourism products to improve working relationship for the development of tourism in the area
5.	Umzumbe	13 Aug and 15 Oct 2021	Newly elected chairperson – Mr Howard Msomi New Vice Chairperson- Ms Ntombenhle Gqada

	Area Committee	Dates	Details
6.	Port Shepstone	07 Sept and 02 Nov 2021	Committee is concerned about the image of Port Shepstone and surrounding areas. R102 which is a coastal road is covered with uncut grass and that blocks the visibility of road signs. There is a new walkway project at Banana Beach, a contractor has been hired by RNM. The committee is concerned with delays and other challenges. Area Committee is making follow-ups.
7.	Ezingoleni	8 Sept and 17 Nov 2021	Committee would like to see tour packages that will solely focus on Oribi Gorge, Ezingoleni and Paddock. The committee will have few local experienced guides and Tour Operators to work with. Committee would also like to have a promotional video that will cover local products only.
8.	Hibberdene	26 Nov 2021	Active, however due to few members (3), a quorum cannot be met to hold meeting. USCT tried to find a suitable and creative solution in order to ensure that the Area Committee is active. As such, members resolved to merge Hibberdene Committee with Port Shepstone Committee and they will start working as one from Q3.
9.	Umtamvuna	04 June 2021	The Committee is inactive, their last meeting was held on 04 June 2021 The Committee would like USCT • to provide financial records that were allocated to the former Umtamvuna Committee, to see how the funds were disbursed. • to provide them with USCT financials to ensure that money is used accordingly. • to be provided with the Port Edward database of paid-up USCT members in

	Area Committee	Dates	Details
			order to encourage USCT non-members to sign-up. • They want USCT to provide them with a database of non-members and paid-up members from Scottburgh to Port Edward and inland. • They were advised that is against the law to share the database, instead USCT can send a WhatsApp communication to members for them to contact the AC Chairperson themselves. • They want all non-members to be removed from all USCT marketing platforms. The committee has decided not to hold any committee meetings until such issues are resolved. • USCT provided the financial records to the Committee on the 12th of November 2021. They are still not satisfied with the documents Due to lack of cooperation from Umtamvuna Area Committee, Management has decided to dissolved the Committee and work directly with individual products.
10.	Hibberdene /Port Shepstone	05 April 2022	Outlook Coffee Shop
11.	Umdoni	06 April 2022	Seaside Escapes
12.	Ramsgate	05 May 2022	Ramsgate Whale Deck
13.	Umzumbe	06 May 2022	Ntelezi Msani Heritage Centre
14.	Margate	17 May 2022	Margate Ratepayers Office
15.	Umuziwabantu	19 May 2022	Harding Country Club

Area Committee Roadshows

USCT conducted successful Area Committee Roadshows in different areas between the 15th of February and 10 March 2022. USCT CEO presented the 2021/2022 mid-term report which covered the work that USCT has accomplished in the first half of the financial year, from July to December. Meetings took place as follows:

	Area Committee	Status	Area Committee Roadshows and Meeting Venues	Date
1	Umdoni	Active	Umdoni Area Committee Road Show Venue: Blue Marlin Hotel	15 February 2022
2	Port Shepstone	Active	Umzumbe to Port Shepstone Area Committee Road Show Venue: Kapenta Bay Resort and Conference Hotel	17 February 2022
3	Umzumbe	Active		
4	Umuziwabantu	Active	Umuziwabantu Area Committee Road Show Venue: ANEW Hotel Ingeli Forest	23 February 2022
5	Margate	Active	Shelly Beach to Port Edward Area Committee Road Show – Lower South Coast Venue: Margate Hotel	08 March 2022
6	Ramsgate	Active		
7	Ezingqoleni	Active	Ezingqoleni, Oribi Gorge and Paddock Area Committee Road Show Venue: Lake Eland Game Reserve	10 March 2022

Area Committee Annual General Meetings

	Area Committee	AGM Date	Venue
01	Umdoni	07 June 2022	Scottburgh Golf Club
02	Umzumbe, Hibberdene and Port Shepstone (Combined meeting)	08 June 2022	Umdlalo Lodge
03	Margate and Ramsgate (Combined Meeting)	09 June 2022	Margate Country Club
04	Umuziwabantu	14 June 2022	Harding Country Club
05	Ezingqoleni / Oribi Gorge	15 June 2022	Gorgez View

Newly elected Executive Committee Members

Umdoni 07 June 2022		
01	Advocate Brijraj (Elected as a new chairperson)	Umdoni Business Chamber
02	Phumzile Zama	Ubumbano Homestead & Polka dot coco
03	Brighton Hlatshwayo	Lightness Enterprise
04	Harry Oeloftse	All in One B&B
05	Lexi Cele	Royal Palms Hotel
Umzumbe 08 June 2022		
01	Howard Msomi	Ntelezi Msani Heritage Centre
02	Nomvelo Ngidi	Bhoshongweni Art Centre
03	Mduduzi Njilo	Mzikiza Tourism
04	Allios Mbambo	Mnafu Fishing Co-op
05	Ntombenhle Gqada	Masithandane Co-op
Hibberdene & Port Shepstone 08 June 2022		
01	John Irven	Community Policing Forum
02	Dudu Malinga	Mfihlo Guest House
03	Mandy Massey	Southport Beach House
04	Sharon Jenkins	Sharon Jenkins Homestay
05	Joan Gallagher	The Green Net
Margate 09 June 2022		
01	Johnny De Wet	Strandfront and Sumelda
02	Gilbert Nhlumayo	Collection Cab
03	Surina Smuts	Margate Ratepayers Association / Margate Business Association (MBA)
04	Chantelle Steenkamp	Senzi's on Faya Butcher Shop and Grill
05	Leornard Gomo	Margate Sands Resort
06	Joanne Wentzel	Margate Business Association
07	Sam Bentley	Tiago's SA
08	Vicky Wentzel	Wozani Africa
09	Brian Bhuurid(will join the committee after 6 months)	Zest Holidays & Dumela
Ramsgate 09 June 2022		
01	Cailyn Ross-Adam	BillsBest
02	Dealin Le Roux	
03	Mandy Van Der Merwe	
04	Peter Killian	Surf and Sand
05	Dave Swart	Butterfly Valley
06	Jacques Van Der Hoven	Rocky Ridge Restaurant
07	Jason Chesworth	Gradwell Letting
Ezingoleni 15 June 2022		
01	Willie Britz	Lake Eland Game Reserve
02	Mandla Khawula	Thembela Tours
03	Robert Carlton -Shields	Oribi Farmers Association
04	Andre Delpont	Wild5 Adventures
05	Zeph Nzama	Just in Time Productions
06	Stephane Le Roux	LX Tours & Travel

Umuziwabantu: Meeting was planned to take place on the 14th of June 2022 at Harding Country Club. Quorum was not met. Only 3 tourism businesses arrived. Meeting had to be postponed until further notice.

Interprovincial Programs

USCT collaborated with the Eastern Cape Parks and Tourism Agency (ECPTA) to connect KZN South Coast and Eastern Cape experiences and also for ECPTA to learn how USCT works with area committees. Port Shepstone Area Committee welcomed ECPTA and invited them to two area committee meetings which took place in Port Shepstone. After the meetings, Port Shepstone Area Committee was requested to visit and experience Eastern Cape in order to;

- Familiarize USCT with Eastern Cape between Wild Coast and Port St Johns
- Provide input, support and mentoring to ECPTA and product owners
- Explore possible interprovincial programs between KZN South Coast and Eastern Cape and to ensure that local tourist guides and tour operators from both areas create tour packages that will connect the two destinations

Three Port Shepstone Area Committee representatives joined Eastern Cape team on two tours which took place on the 11 to 13 November 2021 (3-day tour) and the second one on the 28th of February 2022. All expenses were paid by ECPTA.

3.5. FINANCE AND HUMAN RESOURCES

SERVICE LEVEL AGREEMENTS WITH MUNICIPALITIES

Though all the municipalities finally signed the SLA's, this process has been challenging as it impacted on the commitment and payment of grants.

- Umuziwabantu signed the SLA, invoiced in October, and paid in January
- Umzumbe LM signed the SLA, invoiced in October, and paid in November
- Ray Nkonyeni LM signed the SLA, invoiced in December, and paid in December
- Umdoni LM signed the SLA, invoiced in November and March, and paid in March
- Ugu DM signed the SLA and has released R5 893 312.35 towards the outstanding 2020/2021 outstanding balance. Due to Ugu DM being unable to service the debt, as well as the fact that USCT and USCTA would be amalgamating on the 1st July 2022, the outstanding balance of R 8 679 937.06 along with the full commitment to the 2021/2022 financial year of R16 429 778.60, which was inclusive of vat, was written off by the Board on the 28 June 2022. The vat will be claimed back from SARS, however the write off of the R21 834 535, has resulted in a financial loss for the 2022 financial year.

HUMAN RESOURCE MANAGEMENT

Staff Complement

The following table summarizes the current staff complement:

Post / Office	Type	Black		White		Indian		Comments
		Male	Female	Male	Female	Male	Female	
CEO	Contract		x					
GM: Finance & Corporate Services	Contract				x			
GM: Development	Contract							Frozen
GM: Marketing	Contract							Frozen
Total			1		1			
Manager Trade Relations	Permanent						x	
Manager Development	Permanent	X						
Receptionist / Visitor Services Officer Head Office	Permanent		x					

Post / Office	Type	Black		White		Indian		Comments
		Male	Female	Male	Female	Male	Female	
PA – CEO	Permanent							Vacant
Manager Corporate Services	Permanent						x	
SCM Officer	Permanent		x					
Marketing Officer	Permanent	X	x					
Total		2	3				2	
Interns & Graduates								
1. Finance								
1. Info Offices 2. Marketing 3. Development		1 1	2					The new set of students were appointed as of 1 July 2021 being a total of 5. One of them resigned in September due family problems
28.09.2021	Casuals/day		1					
Overall Total		4	7	-	1	-	2	

While USCT does not have an Employment Equity Plan, our Employment Policies are in line with required legislation.

USCT AND USCDA AMALGAMATION

The Ugu District family of municipalities as the shareholder in USCT and USCDA is currently reviewing the two entities in a bid to rationalize and achieve efficiency of service delivery and eliminate duplication, where such may exist. The objective is to amalgamate the two entities into one that will be responsible for;

1. Tourism programs or activities
2. Economic Development/catalytic projects

Overall Timeframe

OVERALL TIME PROGRAMME		APR-21	MAY-21	JUN-21	JUL-21	AUG-21	SEPT-21	OCT-21	NOV-21	DEC-21	JUN-22
PHASE 1	Project Inception										
PHASE 2	Status Quo Analysis										
PHASE 3	Transition Plan										
PHASE 4	Amalgamation & Deregistration/Delisting										
PHASE 5	Business Plan - New Entity										
PHASE 6	Implementation Of New Entity										
PHASE 7	Project Closure										

Timeframe set by the Change Management Committee

Feedback to date

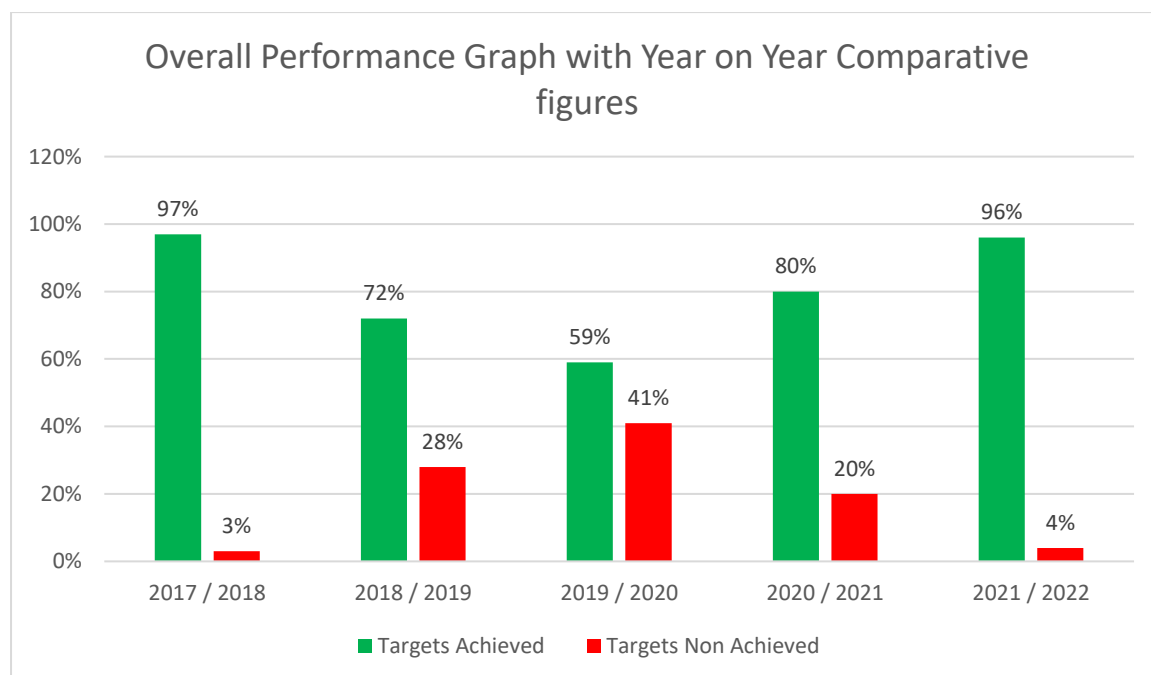
- The amalgamation process which included attending to governance and legislative matters was finalized 30 June 2022 as set out in the plan
- The placement of staff from both entities was undertaken successfully
- The new entity named, South Coast Tourism & Investment Enterprise (SCTIE) was launched on Friday, 8 July 2022

4. PERFORMANCE MANAGEMENT

USCT is highly dependent on the annual grant funding which is committed to the entity each year being received, for the implementation and achievement of the approved Annual Performance Scorecard. Because of the delay and ultimate write off of the Ugu District Municipality grant funding, USCT managed through efficient stakeholder relations, to achieve a number of targets, without having to spend full amounts budgeted.

The implementation of the scorecard in terms of service delivery is

- USCT had 101 Key Performance Indicators (KPI's) to achieve for the year under review. Of these, USCT Achieved 96% and did Not Achieve 4%
- The reason for the Non-Achieved targets is related to:
 - i) Covid-19 restrictions which were still in place and certain Marketing targets were not achieved, or not achieved timeously.
 - ii) Expenses and procurement plans not being met, as to grant funding not having been released in accordance with payment schedule



Comparative Target Achievement Information

5. ANNUAL PERFORMANCE SCORECARD

USCT has been implementing the two-year Tourism Recovery Strategy that was developed in June 2020. The approved Annual Performance Scorecard 2021/2022 scorecard is attached as a separate table.

KPA 1: Marketing and Communication	1 - 3
KPA 2: Tourism Development and Transformation	4 - 5
KPA 3: Research	6
KPA 4: Stakeholder Relations	7
KPA 5: Administration	8 - 10



PHELISA MANGCU
Chief Executive Officer
29 August 2022

KEY PERFORMANCE AREA 0: Destination Marketing																	
IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR- OUTPUT	UNIT OF MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	ADJUSTED BUDGET	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
LED 4.2 , 4.3	LOCAL ECONOMIC DEVELOPMENT	Marketing & Communication	Brand Positioning	To position the south coast as an accessible, year-round, leisure and business destination of choice in SA, with diverse experiences through various marketing/brand positioning approaches, methods and tools	Marketing & Public Relations	To harness Maximum exposure instance opportunities : travel and tourism, inflight, conference exhibitions, events guides highlighting the diverse culture, heritage, adventure, scenic beauty, meetings facilities and infrastructure accessibility and appealing characteristics	Quarterly Brand Tracking Report	Number of Brand Tracking reports indicating- Marketing and Public Relations activities undertaken	4	4	R1 050 000	4	ACHIEVED				-
					Themed Seasonal Campaigns & Consumer Targeted Promotions	To facilitate themed seasonal campaigns and Consumer targeted promotions during the year, to address seasonality.	Themed seasonal campaigns and consumer promotions held	Number	3	4	R2 840 000	4	ACHIEVED				Themed Seasonal Campaign Report
					Port Shepstone Business Hub	To position Port Shepstone as a business hub through free exposure instances.	Free exposure instance profiling Port Shepstone as a business hub.	Number	1	2	Target removed and moved down into Niche Marketing						
					USCT Thought-Leader	To position USCT as a thought leader in the tourism sector through participating in various platforms and features that communicate its business objectives and build its identity during the year	24 published articles/inserts in the local newspapers and national publications or platforms.	Number of Inserts Published.	24	24	R166 800	25	ACHIEVED				Published Newspaper Inserts & Quarterly Brand Tracking Report
						Quarterly newsletters or Mass Mailing communication distributed to Members and Non-Member	Number of Newsletters distributed		4	4	R33 000	5	ACHIEVED				Statistical report confirming the distribution of the Newsletter.
						To create Tourist Friendly Awareness Campaign focussing on the Residents of the South Coast	Quarterly report identify the Tourist Friendly Awareness Activities undertaken by USCT	Number of reports	4	4	R432 000	4	ACHIEVED				Quarterly Tourist Awareness report
						To effectively encourage businesses on Covid 19 developments in Tourism	Push notifications communicated to businesses	Number of Push Notifications facilitated	12	25	R1 080	15	ACHIEVED				Screenshot and or photo of the Push Notification circulated.
					Tour Packaging	To create and showcase tour packages, including rural/agri tours, during the course of the year	South Coast Tour Packages created to improve geographic spread	Number of tour packages created	4	4	R4 500	5	ACHIEVED				Report summary of the Tour Packaged
						Packages, including rural/agri-tour packages, showcased on USCT website	Minimum Number of tour packages on website.		4	4		4	ACHIEVED				Screenshot Evidence of Tour Packages offered
						To participate/facilitate in marketing workshops which may be virtual to stimulate the development of tour packages to the south coast.	Marketing workshops participated in during the year	Number of Workshops	2	1	R100 000	2	ACHIEVED				Report submitted supporting registers/ agendas and or programmes.
					Niche Markets Promotion	To generate MICE leads, creating the opportunities to submit bids, to host meetings, incentives conferences and events in the south coast (Meetings, incentives, conferences, exhibitions)	MICE Leads Generated during the year	Number of MICE Leads Generated	2	0	Annual Target removed						

IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR- OUTPUT	UNIT OF MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	ADJUSTED BUDGET	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
						To position KZN South Coast as a destination to host Meetings, Incentives, Conferences and Events(MICE)	Exposure instance profiling KZN South Coast as a destination for MICE	Number	-	-	R0	2	ACHIEVED				Brand Tracking Report with evidence of exposure.
						To promote the south coast to as the Golf Coast through print and online media exposure during the year	Golf Tourism promotions	Number of Brand Tracking reports indicating Exposure Instances	4	4	R0	4	ACHIEVED				Evidence of Promotions & Quarterly brand tracking report
						To promote the south coast for AgriRural tourism through print and online media exposure during the year	AgriRural Tourism promotions	Number of Brand Tracking reports indicating Exposure Instances	1	3	R0	4	ACHIEVED				Quarterly Brand Tracking Report with evidence of exposure instances
						To promote the south coast as a Diving experience destination through print and online media exposure during the year	Diving experience promotions	Number of Promotions	4	4	Target removed and consolidated into "Adventure"						
						To promote the south coast as the only destination in KZN with Racing facilities (Deziz Raceway), through print and online media exposure during the year	Racing experiences	Number of Promotions	4	4	Target removed and consolidated into "Adventure"						
						To promote the south coast as a destination with diverse adventure experience offerings : EG: Diving, Raceway, MTB, 4x4	Exposure instance profiling the destination	Number of Brand Tracking reports indicating Exposure Instances	-	-	R0	4	ACHIEVED				Quarterly Brand Tracking Report with evidence of exposure instances
LED 42, 43			Public Relations	To facilitate public relations and brand activations to highlight destination offerings through signature events, 4 hinterland and 4 beach activations	Activations	To stage beach activations and campaigns to promote south coast offerings and experiences during the year	Beach activations staged during the year	Number of Activations	3	1	R207 570.00	3	NOT ACHIEVED	Due to the Country going back to Covid Level 4 Lockdown in July, all events planned for the quarter had to be cancelled	With the Covid Level 1 being implemented from October, event activations were activated for Q2	None as these activations are already planned for each quarter	Beach & Hinterland event activation report
						To stage hinterland activations to promote south coast offerings and experiences during the year	Hinterland activations staged during the year	Number of Activations	3	0		3	NOT ACHIEVED	Due to the Country going back to Covid Level 4 Lockdown in July, all events planned for the quarter had to be cancelled	With the Covid Level 1 being implemented from October, event activations were activated for Q2	None as these activations are already planned for each quarter	Beach & Hinterland event activation report
LED 42, 43			Trade Shows and Exhibitions	To promote the South coast through participation in tradeshows and domestic exhibition platforms	Domestic Exhibitions & Trade Shows	To participate in Exhibitions & Shows : Eg: SATSA, SACCI, Meetings Africa, TME, WTM Africa and Indaba during the year	Domestic exhibitions and trade shows as per annual plan/calendar participated	Number of exhibitions/trade shows as per plan	6	0	R346 039	7	ACHIEVED				Evidence of Participation, Report, Programmes
				To promote the South Coast through participation in consumer show platforms	Consumer Shows	To participate in Domestic Consumer Shows during the year	Domestic consumer shows participated in the year	Number	2	0	R65 000	1	ACHIEVED				Evidence of Participation, Report, Programmes
				To create representation on international platforms via TKZN or other marketing representatives.	International Exhibitions & Tradeshow	To create representation on international platforms targeting NICHE tourism platforms.	Representation Achieved at International market platforms	Number	1	0	Target removed : Included in Themed Seasonal & Promotional Campaigns as Consumer Shows have not yet been activated.						
LED 41			Visitor Information Services	To ensure efficient and effective visitor information services: providing easily accessible up to date information to visitors through walk in centres resulting in 90% positive sentiment from tourists	Visitor Information Centres	To operate and effectively manage consistently branded walk-in VICs at strategic locations	Effectively managed and consistently branded VIC's	1 VIC Report by date	0	0	Target removed as all VIC's have closed and have the Website portal for VIC Information						
					Destination Familiarisation Trips, Trade & Media trips	To host -familiarisation trips during the year to expose the South Coast destination	Familiarisation Trips hosted during the year	Number of trips hosted	8	12	R440 000	19	ACHIEVED				Fam Trip report as well as supporting evidence

IDP REF.	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR- OUTPUT	UNIT OF MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	ADJUSTED BUDGET	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
LED 42, 43			E-Marketing Platforms	To efficiently manage USCT owned digital channels (website, social media and mobile app) and ensure information is updated continuously	Online Information	To efficiently manage USCT owned digital channels (website, social media and mobile app) and ensure information is updated	Quarterly Content (New and Maintenance) updated	Quarterly report referencing updates	4	4	R1 388 600	4	ACHIEVED				Quarterly Digital Reports
						To effectively share VIC services through the USCT Destination Website (Digitize VIC services)	VIC portal launched to the USCT Destination Website	Portal launch by date	30 Oct 2020.	28 Oct 2020.		Target to be removed - completed 2021					
						Quarterly VIC portal update on website	Quarterly reporting referencing Website updates		2	2		4	ACHIEVED				Quarterly VIC Services website update report
						To effectively enhance USCT COVID 19 Portal with messaging informing and encouraging Covid 19 readiness	Covid 19 portal on website updated	Updated Covid 19 Portal reports	4	4		4	ACHIEVED				Quarterly Covid 19 Portal reports
					To efficiently monitor and analyse online data to understand visitor interests and trends.	Online Trends and Analysis	To understand visitor interests and trends.	Quarterly Monitoring and Trend analysis reports completed.	4	4		4	ACHIEVED				Quarterly Digital Reports
			Marketing Material	To produce promotional material that showcases the diverse product offerings of the South Coast.	Promotional Material/Collateral	To showcase diverse destination offerings on Collateral and promotional material	Promotional Material and Collateral Produced	% of budget	90%	13%	R470 794	65%	ACHIEVED				Expenditure Report & Evidence of Materials
									30 June 2021.	20 June 2021.	R260 000	17 June 2022.	ACHIEVED				Evidence of SC information produced and available by date
									15 Dec 2020.	-	R125 707	18-Mar-22	NOT ACHIEVED	Due to the restriction on travel, the procurement of this MICE Guide was halted until such time as we required it.	The Covid restrictions were lifted sufficiently for the marketing of MICE and therefore the Guide was produced in Q3	Not applicable as the MICE Guide has been completed	Meeting Planner Guide produced by date
									4	4	R0	4	ACHIEVED				Screenshot Evidence of updated event calendar on website, by end of each quarter
									20 June 2021.	15 June 2021.	R84 700	17 June 2022.	ACHIEVED				Image Library by date
									4	4	R52 000	8	ACHIEVED				Number of Videos submitted by the end of each quarter
LED 49			Brand Tracking	To monitor the SC image and reputation in the press and digital platforms.	Image & Reputation Monitoring	Efficient and Effective image and reputation monitoring (including social media) by a media monitoring service provider with the quarterly output of brand tracking reports	Quarterly Brand Tracking Reports Submitted for quarterly consideration	Number of Reports	4	4	R92 000	4	ACHIEVED				Quarterly Brand Tracking Reports submitted by the end of each quarter

KEY PERFORMANCE AREA 2: TOURISM DEVELOPMENT AND TRANSFORMATION																								
IDP REF	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	2022 ADJUSTED ANNUAL TARGET	ADJUSTED BUDGET	Quarterly target : Achieved / Not Achieved	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	PORTFOLIO OF EVIDENCE						
LED 4.9, 4.10	LOCAL ECONOMIC DEVELOPMENT	Product Development	Tourism Nodes	To facilitate, support and extend geographical spread of tourists; ensure availability of services; develop tourist routes and identify activities to ensure diversification of destination offering within nodes so as to enable tourism investments.	Nodal Development & Services	In partnership with LED and Community based organisations develop one program in each LM that will attract Tourist to the area.	Identify Nodal program development opportunities	Number of programs developed per Local Municipality	3	3				Target to be removed - Completed										
						Active implementation of the development programs for Umdoni projects identified	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	50%	100%	50%	R150 000	ACHIEVED	75%	ACHIEVED			Quarterly Nodal Programme report						
						Active implementation of the development programs for Umuzwabantu projects identified	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	50%	100%	50%	R150 000	ACHIEVED	88%	ACHIEVED			Quarterly Nodal Programme report						
						Active implementation of the development programs for KwaXolo Caves	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	60%	100%	60%	R410 000	ACHIEVED	88%	ACHIEVED			Quarterly Nodal Programme report						
						Active implementation of the development programmes KwaNzimakwe MultiTrails	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	60%	100%	60%	R110 000	ACHIEVED	100%	ACHIEVED			Quarterly Nodal Programme report						
						Active implementation of the development programmes developed for the Umzombe River Trails	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	60%	100%	60%	R210 000	ACHIEVED	100%	ACHIEVED			Quarterly Nodal Programme report						
						Active implementation of the development programmes Ntsezi Msani Culture & Heritage centre	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	40%	100%	50%	R100 000	ACHIEVED	88%	ACHIEVED			Quarterly Nodal Programme report						
						Active implementation of the development programmes Nyandazulu Waterfall	Progress from baseline of program developed to a minimum percentage implemented	Percentage of program developed implemented	-	-	50%	R40 000	ACHIEVED	83%	ACHIEVED			Quarterly Nodal Programme report						
						To extend the Great Drives Out Route to include areas in Umdoni and Umuzwabantu	Umdoni & Umuzwabantu Great Drives Out routes	Number of new Routes	2	2	Annual Target Removed as Route identified, now to be incorporated into the Nodal program and marketed through the Marketing budget													
						To update the product information and product variety on the Great Drive Out Routes	To review and identify tourism products on the Great Drives Out Routes	Number of Great Drives Out Routes Reviewed	-	-	6		ACHIEVED	6	ACHIEVED			Report of the GDO Route which has been reviewed						
						Agri Tourism	To develop Agri Tourism to ensure diversification of destination offering	Identify & Incorporate Agri-Tourism products into existing Routes and Tour Packages	Number of Agri-Tourism products incorporated into Routes & Packages (2 per LM)	8	8	Target completed 2021												
							To assist the Agricultural products to widen and diversify their business scope to include Tourism	Create awareness about business opportunities in Tourism	Number of reports	-	-	4	R50 000	ACHIEVED	4	ACHIEVED			Report on the business opportunities/awareness for Agricultural products					
								Integrate agricultural products into Tourism	Number of products integrated	-	-	2		ACHIEVED	2	ACHIEVED			Report on the integration of the Agricultural products into the Tourism Sector.					
						Area Committees	To strengthen relations with Area Committees and Amakosi to ensure effective implementation of programs	Create Awareness around existing product (eg: KwaXolo Caves) as a Tourist attraction to the Community	Number of reports on the Awareness	4	3	4		ACHIEVED	4	ACHIEVED			Report on the progress on the improved relations and awareness on the tourism product with the community					
								Work closely with Area Committees to ensure effective implementation of USCT programs	% of Area Committees functional	80%	69%	80%		ACHIEVED	100%	ACHIEVED			Report to the CEO on the participation and functionality of the area committees.					
						SMME Development & Support		Facilitate the integration of emerging entrepreneurs into tourism industry and encourage transformation through various support initiatives planned as sub-projects	Information Access	Covid 19 Compliance for tourism sector businesses	Work with Department of Health & Environmental Services to create and implement awareness drives to be Covid 19 compliant	Number of reports on the work undertaken	4	4	4		ACHIEVED	4	ACHIEVED			Quarterly Implementation reports submitted to the CEO		
											Develop Step-by-Step guide on Covid 19 compliance measures.	Date of completion of Guide	20 Sept 2020.	18-Sep-20	Target removed - Completed									

IDP REF	NAT. KPA	PROGRAM	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	2022 ADJUSTED ANNUAL TARGET	ADJUSTED BUDGET	Quarterly target : Achieved / Not Achieved	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	PORTFOLIO OF EVIDENCE				
					Business Information & Intervention Support	To assist SMMEs and Businesses requiring support	Quarterly progress reports on SMMEs assisted.	Number of quarterly reports	4	1	2		ACHIEVED	2	ACHIEVED			Quarterly Implementation reports submitted to the CEO				
					SMME Support	To assist Tour Guides and Operators to enter the formal Tourism Market through the setup of an Association	Formalise an Association for Tour Guides and Operators by date	Date of the Innaugural meeting of the Tour Guides and Operators Association	28 Feb 2021.	12 Feb 2021.	Target completed 2021											
						To update Association Members on trends in the industry and to prepare them to service the Domestic and International Markets	Capacitate Tour Guides and Tour Operators through the Association	Quarterly reports	-	-	4	R249 000	ACHIEVED	4	ACHIEVED			Quarterly report on the support provided to the Association Members				
						To support crafters with platforms to display and sell their products.	Number of platforms for local crafters to exhibit and sell their products	Number	-	-	10	R84 000	ACHIEVED	10	ACHIEVED			Report and evidence on the number of platforms provided				
						Skills Development	To develop entrepreneurial program to assist individuals affected by Covid 19	Entrepreneurial program developed to assist individuals	Date of program developed	31 Oct 2020.	19 Mar 2021.	Target removed : Completed										
					Quality Assurance & Accreditation	To encourage the improvement of service quality to Tourism establishments	Number of graded establishments assisted	Number	20	0	0	R0	Annual Target Removed at Mid Year									
							Number of Awareness engagements with Tourism establishments				2	R50 000	ACHIEVED	2	ACHIEVED			Report and evidence on the number of aweness engagements undertaken				
					Youth Exposure	Partner with tertiary institutions, government and or private sector to create exposure for youth into tourism industry operations.	Internships	Target moved into Administration, as an HR development related function														
							Youth Development	To provide support to government and private sector departments pertaining to the implementation of programs for Youth Development	Quarterly Progress Report tabled at Board.	Number	-	-	2		ACHIEVED	2	ACHIEVED			Quarterly reports presented to the CEO		
					LED 4.9, 4.10		Destination Appeal	Tourism Infrastructure	To motivate for the availability and maintenance of Tourism Infrastructure	Tourism Infrastructure	To motivate for effective development and maintenance of all relevant tourism infrastructure and facilities by relevant municipalities (eg: Beaches, Roads, Signage, Airport etc)	Quarterly Progress Report tabled at Board.	Number	4	3	Removed, included in 4.1.4.3						
	Covid-19 Compliance	Destination Appeal	To ensure hospitality facilities and accommodation meet industry standards through liaising with product owners and relevant industry owners to improve quality and meet industry standards	To drive the importance of TBSCA Covid-19 protols to private sector businesses		Communication to the Private Sector on the importance of "Covid Clean" measures in businesses	Quarterly newsletters	4	3	4	R848 849	ACHIEVED	4	ACHIEVED			Covid Clean measures incorporated into the Newsletter, with evidence of Statistical report confirming distribution					

KEY PERFORMANCE AREA 03: RESEARCH																			
IDP REF	NAT. KPA	PROGRAM	PROGRAM OBJECTIVE	PROJECT	PROJECT STRATEGIC OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	UNIT OF MEASURE/PERFORMANCE MEASURE	2022 ADJUSTED ANNUAL TARGET	ADJUSTED BUDGET	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
LED 4.2		Data Management	To collect and utilise credible (valid and reliable), data for strategic usage for the USCT entity; towards achievement of goals and objectives.	Data collection and analysis	Data collection and tourism economic impact studies on south coast. To put in place an appropriate and suitable research framework for future years.	Trend Research	Obtaining KZN South Coast Data with regards to Seasonal footprint	Research findings	2	2	Number of reports	4	R200 000.00	4	ACHIEVED	-	-	-	Quarterly Seasonal Report
						South Coast Tourism Product Database	To maintain a Tourism Product Database for the UGU District (Members & Non-Members)	Tourism Product Database Maintained	15 June 2021.	15 June 2021.	Database Maintained by date	15 June 2022.		15 June 2022.	ACHIEVED	-	-	-	Delivery and Date of Delivery.
						Target Market Identification	To identify the KZN South Coast Target Market	Research report on the KZN South Coast Target Market	15 June 2021.	11 June 2021.	Completed Research Report by date	15 June 2022.		15 June 2022.	ACHIEVED	-	-	-	Delivery and Date of Delivery.

KEY PERFORMANCE AREA 04: STAKEHOLDER MANAGEMENT

IDP REF	NAT. KPA	PROGRAM	PROGRAM OBJECTIVE	PROJECT	PROJECT STRATEGIC OBJECTIVE	SUB-PROJECT	SUB-PROJECT OBJECTIVE	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE/PERFORMANCE MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	2022 ADJUSTED ANNUAL TARGET	ADJUSTED BUDGET	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Deadline	PORTFOLIO OF EVIDENCE
LED 3.1.3.2.3.3		Stakeholder Relations	Develop and maintain relations with key stakeholders in the public and private sector.	Membership	To establish accurate membership data and to increase membership	Maintenance of Tourism Business Database	To ensure a Tourism Business database is maintained	Database Approved by 30 June	By date	20 June 2021.	15 June 2021.	Target removed as incorporated 3.1.1.5							
	Stakeholder Relations			Host and or participate in stakeholder information and development platforms.	Stakeholder Relations	To participate in provincial and national stakeholder development and information platforms.	To participate in minimum of platforms.	Number	6	6	4	R50 000.00	6	ACHIEVED	-	-	-	Attendance Registers / Participation summary (Agenda & Presentation when applicable)	
																			Host destination / local stakeholder networking, information, development and information platforms. (Area Road Shows)
	Partnerships			To monitor formalised multi-year partnership agreements/MOUs to achieve USCT goals and objectives with Each Local Municipality	Existing Partnerships	To monitor and report on existing partnerships.	Quarterly -PMS Report	Report per quarter	4	5	4	4	ACHIEVED	-	-	-	Submission of quarterly PMS report submission to Municipalities via email.		
	Shareholder Relations			To enable shareholder good governance through effective and efficient decision-making, oversight and reporting.	AGM	To ensure company compliance and reporting to the Parent Municipality	AGM held by 30 June	Date	30 June 2021.	30 June 2021.	30-Jun-22	30-Jun-22	ACHIEVED	-	-	-	AGM Minutes.		
					Attendance of Municipal and IGR Platforms.	To attend Municipal and IGR Platforms/Meetings.	Council Meetings & IGR Meetings attended	Number Attended	26	36	32	38	ACHIEVED	-	-	-	Attendance registers		
				Destination Appeal	Tourism Infrastructure	To ensure Road infrastructure (Signage/ Pot Holes/ Verges / Lighting) and beach facilities are reported for maintenance to the relevant authorities	Quarterly report submission to relevant municipalities on Destination Appeal	Number of reports	20 June 2021.	18 June 2021.	4	4	ACHIEVED	-	-	-	Quarterly Tourism Infrastructure and Beach Amenities report		
	Area Committee Relations			To ensure good relations with area committee chairpersons.	Meetings with Area Committee Chairpersons	To host at least one meeting per quarter with area committee chairpersons.	One meeting per quarter.	Meeting per quarter	4	1	4	4	ACHIEVED	-	-	-	Minutes of meeting and Attendance Register		

KPA 5: USCT ENTITY ADMINISTRATION

PROGRAM	PROGRAMME OBJECTIVE	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	2022 ADJUSTED ANNUAL TARGET	ADJUSTED BUDGET	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
Planning and Organisational Performance Management	To ensure USCT administration is characterised by good governance and specifically compliance to achieve its intended outcomes and outputs as per plans.	Planning & Organisational Performance	To develop and adopt credible strategic and operational plans timeously aligned to government's planning cycle and prescripts.	Strategic Plan	Reviewed Strategic Plan approved by Board by date	Date of Strategic Plan Approval	30 April 2021.	14 May 2021.	30 April 2022	Operational	11 February 2022	ACHIEVED	-	-	-	Board Resolution of Approval
				Annual Operational Performance Plan	One Year Operational Plan approved by Board by date	Date of Operational Plan Approval	30 May 2021.	14 May 2021.	30 May 2022	Operational	22 April 2022.	ACHIEVED	-	-	-	Board Resolution of Approval
				Organisational Performance Management	90% Targets/Annual KPI Outputs Achieved	Planned KPI Outputs % Achieved.	90%	80%	90%	Operational	94%	ACHIEVED	-	-	-	Audited Annual Performance Report
					Annual Report adopted by Board 31 December	Date of Annual Report Adoption	31 December 2021.	10 December 2021.	31 December 2021.	Operational	13 December 2021.	ACHIEVED	-	-	-	Board Resolution of Approval and submission to Ugu DM
					Mid-Year Performance Report adopted by 30 January	Date of Mid-Year Report Adoption	30 January 2021.	15 January 2021.	30 January 2022	Operational	14 January 2022.	ACHIEVED	-	-	-	Board Resolution of Adoption
					4 Quarterly Review sessions and reports completed	Number of reports	4	4	4	Operational	4	ACHIEVED	-	-	-	Evidence of Submission to Ugu.
Governance	To ensure the USCT administration conforms to good governance principles, procedures and is legislatively compliant.	Audit & Risk	To ensure compliance and efficient and effective audit, fraud prevention and risk management functions.	Risk Management and Fraud Prevention	Completed Risk Register and Fraud Prevention Plan by 30 September	Date	30 September 2020.	1 August 2020.	30 September 2021	Operational	17 September 2021.	ACHIEVED	-	-	-	Risk Register and Fraud Risk Register submitted to the CEO by date
				Annual Audit Plan	Developed Annual Audit Plan by 31 October	Date	30 September 2020.	20 August 2020.	30 September 2021	Operational	22 October 2021.	ACHIEVED	-	-	-	Board Resolution of Adoption
					Number of Quarterly Audit Committee sittings.	Number per quarter	4	4	4	R104 400	4	ACHIEVED	-	-	-	Audit Committee Minutes
					80 % of audit queries resolved per quarter.	Percentage of Resolved Audit Queries per quarter	80%	100%	80%	Operational	100%	ACHIEVED	-	-	-	Audit Committee Minutes
					100% Annual Audit Plan Implementation	Percentage of Plan Implemented	100%	100%	100%	Operational	01 January 1900	ACHIEVED	-	-	-	Audit Committee Minutes
				Auditor-General Management Report	Auditor-General Management Report and Audit Finding: Unqualified Audit	AG Report Opinion	Unqualified Audit	Unqualified Audit	Unqualified Audit	R319 200	Unqualified Audit	ACHIEVED	-	-	-	AG Management Report Duly Signed off and Tabled.
		Statutory Compliance	To ensure good governance through statutory compliance and policy framework and 100% implementation of Board Decisions/Resolutions.	Statutory Compliance	100% Statutory compliance for Board meetings	Percentage Compliance	100%	100%	100%	Operational	100%	ACHIEVED	-	-	-	Board Minutes.
						Reviewed and Updated Policies Approved	100%	100%	100%	Operational	100%	ACHIEVED	-	-	-	Board Minutes.
Finance	To ensure financial legislative compliance and financial management in accordance with good governance practices in order to achieve good governance outcomes.	Budget & Reporting	100% MFMA Compliance	Budget Planning	Budget Policy approved by date	By date	30 May 2021.	12 March 2021.	31 May 2022.	Operational	31 May 2022.	ACHIEVED	-	-	-	Board Resolution Adopting Budget Policy
					First draft budget submitted to Ugu by date	By Date	30 January 2021.	26 January 2021.	30 January 2022.	Operational	14 January 2022.	ACHIEVED	-	-	-	Evidence of first Draft Budget tabled, and Submission to Ugu DM.
					Annual Draft Budget approved by date	By Date	31 May 2021.	27 May 2021.	31 May 2022.	Operational	23 May 2022.	ACHIEVED	-	-	-	Board Resolution of Approval of Draft Budget & submission to Ugu

PROGRAM	PROGRAMME OBJECTIVE	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	2022 ADJUSTED ANNUAL TARGET	ADJUSTED BUDGET	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE		
			Prescriptively compliant and efficient and effective expenditure.	Financial In-Year Reporting	12 Monthly Reports compiled and submitted by deadline.	Number of Reports by deadline.	12	12	12	Operational	12	ACHIEVED	-	-	-	Reports with submission dates.		
				Budget Review	S88 Report compiled and approved by date	Report completed and approved by date.	20 January 2021.	15 January 2021.	20 January 2022	Operational	14 January 2022	ACHIEVED	-	-	-	Board Approval Resolution and proof of submission to Ugu District.		
				Annual Financial Statements	Adopted AFS by date	Adopted AFS by Date	31 December 2021.	10 December 2021.	31 December 2021.	Operational	13 December 2021.	ACHIEVED	-	-	-	Board Resolution of AFS Adoption		
					Draft AFS submitted to AG by date	Draft AFS submitted to AG by Date	31 October 2021.	7 September 2021.	31 August 2021.	Operational	31 August 2021.	ACHIEVED	-	-	-	Draft AFS submitted to AG with acknowledgement of receipt.		
				Operational Expenditure	80% operational expenditure to plan.	% operational expenditure to plan.	80%	87%	80%	R1 713 090.44	88%	ACHIEVED	-	-	-	Quarterly Reports.		
					Staff Salaries paid monthly by 25th.	12 x Salary Payments by date	12 x Monthly payments by 25th	12 x Monthly payments by 25th	12 x Monthly payments by 25th	R5 013 445	12 x Monthly payments by 25th	ACHIEVED	-	-	-	Salary Reports by date		
					Board Fees paid monthly by 25th.	12 x Payments by date	12 x Monthly payments by 25th	12 x Monthly payments by 25th	12 x Monthly payments by 25th	R539 758	12 x Monthly payments by 25th	ACHIEVED	-	-	-	Salary Reports by date		
				Capital Expenditure	% capital expenditure to plan.	% capital expenditure to plan.	50%	13%	50%	R156 686	57%	ACHIEVED	-	-	-	Quarterly Reports.		
				Fruitless & Wasteful Expenditure	Less than 1% Fruitless and Wasteful expenditure	Budget % spend fruitless and wasteful expenditure	Less than 1%	Nil	Less than 1%	Operational	Nil	ACHIEVED	-	-	-	Board Reports and Minutes, and Register.		
				Unauthorised Expenditure	Less than 1% unauthorised expenditure	Budget % spend unauthorised expenditure	Less than 1%	Nil	Less than 1%	Operational	Nil	ACHIEVED	-	-	-	Board Reports and Minutes, and Register.		
				Income/Revenue	Efficient, effective and legislatively sound revenue collection and management	Credit Control & Debt Collection Policy	Reviewed Policy by 31 May	By Date	30 May 2021.	12 March 2021.	31 May 2022.	Operational	31 May 2022.	ACHIEVED	-	-	-	Board Resolution of Adoption of Policy
						Annual Tariffs.	2020-2021 Annual Draft Budget approved by 31 March	By Date	30 May 2021.	12 March 2021.	31. May 2022.	Operational	3 March 2022.	ACHIEVED	-	-	-	Board Resolution of Approval of Draft 2020-2021 Budget with Tariffs
		Grant Funding	100% grant funding received as per plan.			% received to plan.	100%	21%	100%	R18 428 400	100%	ACHIEVED	-	-	-	Quarterly Reports		
		Received Revenue to Plan	90% revenue received as per plan.			% revenue received to plan.	90%	100%	90%	R385 897	100%	ACHIEVED	-	-	-	Quarterly Reports		
		SCM	Prescriptively compliant, efficient and effective procurement of goods and services as per plan.	Annual Procurement Plan	100% SCM implementation to plan	% to plan implementation		100%	48%	100%	Operational	42%	NOT ACHIEVED	With Ugu DM not releasing Annual Grant, USCT was unable to procure services and had to find alternative ways in which to Achieve targets	USCT has engaged on all levels to appeal for the release of funding. Ugu DM has released a portion of funds to USCT however this has been allocated to the arrears of the 2020/2021 grant	None, as USCT no longer exists after 30 June 2022	Quarterly Reports	

PROGRAM	PROGRAMME OBJECTIVE	PROJECT	PROJECT OBJECTIVE	SUB-PROJECT	ANNUAL KEY PERFORMANCE INDICATOR: OUTPUT	UNIT OF MEASURE	2021 ANNUAL TARGET	2021 ANNUAL ACHIEVED	2022 ADJUSTED ANNUAL TARGET	ADJUSTED BUDGET	2022 ANNUAL ACHIEVED	Annual Achieved / Not Achieved	Blockages / Challenges	Measure to improve performance	Revised Timeframe	PORTFOLIO OF EVIDENCE
				SCM Policy	Reviewed and Approved by 30 May annually.	By date	31 May 2021.	12 March 2021.	31 May 2022	Operational	31 May 2022.	ACHIEVED	-	-	-	Board Resolution of Approval of Reviewed Policy
				SCM Procedures	100% compliant implementation	% Compliance	100%	100%	100%	Operational	100%	ACHIEVED	-	-	-	Quarterly Reports
				BBEE Reporting	100% compliant implementation	% Compliance	100%	100%	100%	Operational	100%	ACHIEVED	-	-	-	Quarterly Reports
		Asset Management	Compliant Asset Management	Asset Register	100% compliant Asset Register implementation	% Compliance	100%	100%	100%	Operational	100%	ACHIEVED	-	-	-	Quarterly Reports
Corporate, HR & Auxiliary	To ensure compliant and good governance in the corporate, HR and auxiliary functions in order to achieve good governance outcomes.	Human Resources	To ensure HR matters are compliant and enable core functions to be performed.	Staffing	100% posts in structure filled.	% filled posts in structure	100%	100%	100%	Operational	100%	ACHIEVED	-	-	-	Quarterly Reports
				Internships	To facilitate tertiary tourism student internships during the year	Number of internships facilitated	6	6	6	R106 080	6	ACHIEVED	-	-	-	Confirmation letter of appointment to Internship
				Staff Development	Plan Development by date	date	30 December 2020.	18 December 2020.	30 December 2021	Operational	15 December 2021.	ACHIEVED	-	-	-	Quarterly Reports
				Staff Performance	100% relevant staff with signed annual performance plans by date of 30 July 2019	% staff with signed annual plans by 30 July 2020.	100%	100%	100%	Operational	100%	ACHIEVED	-	-	-	Duly Signed Annual Performance Plans
					% Implementation IPMS	% Implementation of IPMS	100%	100%	100%	Operational	100%	ACHIEVED	-	-	-	Quarterly Performance Reports
	To participate and provide relevant information to the Committees set up to facilitate the Amalgamation of the Entities as per the Mayors Forum resolution	USCT / USCDA Amalgamation	To participate and provide relevant information to the Committees set up to facilitate the Amalgamation of the Entities as per the Mayors Forum resolution	USCT / USCDA Amalgamation	Ensure the two entities of USCT and USCDA are amalgamated into one entity as per the requirements of the Mayors Forum recommendations	Implementation of the Technical Change Committee Plan completed by date	-	-	30 June 2022	Operational	30 June 2022.	ACHIEVED	-	-	-	Quarterly reports to the USCT Board on the status of the amalgamation process and Board and Council Resolutions adopting the Final Amalgamation

6. REPORT OF THE AUDITOR-GENERAL TO KWAZULU NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON UGU-SOUTH COAST TOURISM (PTY) LTD

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ugu South Coast Tourism (Pty) Ltd set out on pages 176 to 227 which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ugu South Coast Tourism (Pty) Ltd as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipal entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 31 to the financial statements, which indicates the amalgamation of the Ugu South Coast Tourism (Pty) Ltd with the Ugu South Coast Development Agency on 1 July 2022 as resolved by the Ugu District Municipality Council in September 2021. As stated in note 31, these events or conditions, along with the other matters as set forth in note 31, indicate that a material uncertainty exists that may cast significant doubt on the municipal entity's ability to continue as a going concern.

Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material losses – receivables from non exchange transactions

9. As disclosed in note 39 to the financial statements, material losses of R 21,83 million was incurred as a result of the unfavourable financial position of the parent municipality leading to the irrecoverable debt.

Other matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA the municipal entity is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting authority for the financial statements

12. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and the Companies Act and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting authority is responsible for assessing the municipal entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipal entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipal entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipal entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the selected development priority KPA 1 Destination marketing presented on pages 158 to 160 of the municipal entity's annual performance report for the year ended 30 June 2022.
19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this development priority.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance on pages 158 to 167 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, performance and annual reports

25. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

26. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM Regulation 17(1)(a) and (c).

Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure amounting to R1,23 million (2021: R2,54 million) as disclosed in note 32 to the annual financial statements, as required by section 95(d) of the MFMA.

Other information

28. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.
29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

31. The other information I obtained prior to the date of this auditor's report is the directors' report. The audit committee's report and the company secretary's certificate are expected to be made available to me after 30 November 2022.
32. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
33. When I do receive and read the audit committee's report and the company secretary's certificate, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below is limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
35. The review process followed by management was inadequate as it resulted in material misstatements in the annual financial statements. Non-compliance with key legislation could have been prevented, had management updated and regularly monitored adherence to their compliance checklists.

Auditor-General

Pietermaritzburg
30 November 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priority and on the municipal entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipal entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Ugu South Coast Tourism (Pty) Ltd to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipal entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied

7. ANNUAL FINANCIAL STATEMENTS 30 JUNE 2022

See the page numbers as referenced in the Annual Financial Statement page numbers:

- Annual Financial Statements: Page 1 –
- Annexures

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
IAS	International Accounting Standards
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
Ugu DM	Ugu District Municipality
LM	Local Municipality
USCDA	Ugu South Coast Development Agency
USCT	Ugu South Coast Tourism

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Tourism
Directors	E.J Crutchfield P.T Jefferys C.J Davenhill L.G Shezi S.J Nzimande C.V Elliott S.C Dlomo
Business address	16 Bisset Street Port Shepstone 4240
Postal address	P.O Box 570 Port Shepstone 4240
Bankers	ABSA
Auditors	Auditor General South Africa
Secretary	D. Ludick
Company registration number	2009/003419/07
Website	www.tourismsouthcoast.co.za
Preparer	D. Ludick

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Directors' Responsibilities and Approval

The directors are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

Consideration is also given to the provisions of the Companies Act (Act 71 of 2008) to ensure that such provisions are not contravened.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

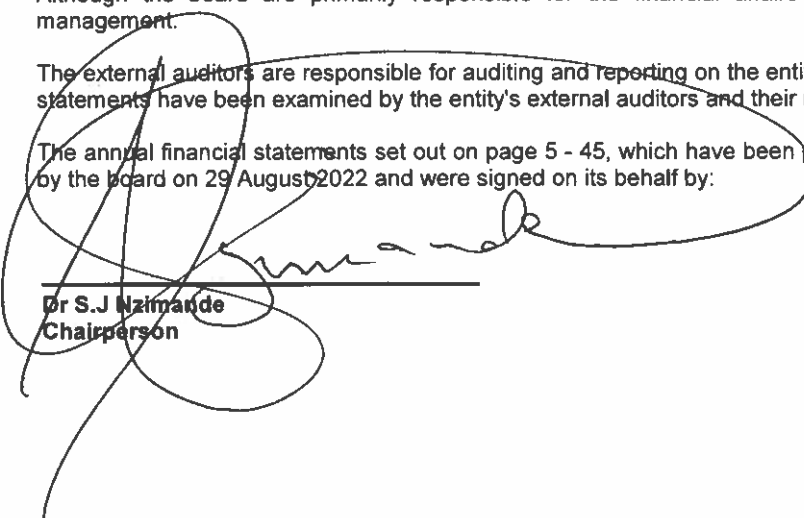
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The entity is largely dependent on the Ugu District Municipality for continued funding of operations. On the 23rd of September 2021 the council of Ugu District Municipality resolved that in order to improve the LED functionality in the Ugu District, that Ugu South Coast Tourism and Ugu South Coast Development Agency be amalgamated. The annual financial statements are prepared on the basis that the entity is a going concern as it is not the intention of the Ugu District Municipality to curtail the scale of the entities operations.

Although the board are primarily responsible for the financial affairs of the entity, they are supported by the entity's management.

The external auditors are responsible for auditing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 4.

The annual financial statements set out on page 5 - 45, which have been prepared on the going concern basis, were approved by the board on 29 August 2022 and were signed on its behalf by:



Dr S.J. Nzimande
Chairperson

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2022.

Audit Committee members and attendance

The Audit Committee consists of the members listed hereunder and are required to meet 4 times per annum as per its approved audit committee charter and twice per annum in terms of performance management duties. During the current year 4 meetings were held.

Name of member	Number of meetings attended
Ashley Gonzalves (Chairperson - 01/04/2022)	3
Leah Khumalo-External Member	3
Bongeka Jojo (retired - 31/03/2022)	3
Zwile Zulu-External Member	4

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the MFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General (South Africa), no matters were reported that indicate any material deficiencies in the system of internal control. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Evaluation of annual financial statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the Auditor-General of South Africa's report the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



A. Gonzalves
Chairperson of the Audit Committee

29 August 2022

Date: _____

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Directors' Report

The directors submit their report for the year ended 30 June 2022.

1. Incorporation

The entity was incorporated on 20 February 2009 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

Ugu-South Coast Tourism (Pty) Ltd was registered in terms of Section 86C of the Local Government: Municipal Systems Act 32 of 2000. The entity started operations on 1 July 2009 when it incorporated all assets, liabilities and all responsibilities and functions of Hibiscus Coast Tourism Association.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

3. Going concern

The entity is technically solvent as its total assets exceed its total liabilities. The entity is however highly dependent on the district and local Municipalities for grant funding and therefore its ability to operate and meet its financial obligation timeously depends on the timely receipt of these grants. Whilst the amalgamation of its two entities, Ugu South Coast Tourism and Ugu South Coast Development Agency is underway, the annual financial statements are prepared on the basis that the entity is a going concern as it is not the intention of the Ugu District Municipality to curtail the scale of the entities operations.

4. Subsequent events

The parent Municipality has resolved to amalgamate Ugu South Coast Tourism and Ugu South Coast Development Agency SOC (2016/158371/30) effective from 1 July 2022. Ugu South Coast Tourism will transfer its assets, liabilities and functions to Ugu South Coast Development Agency as per GRAP 105. A Merger and Acquisition agreement between the two entities was signed on 10 June 2022. The name for the amalgamated entity will change to South Coast Tourism and Investment Enterprise.

One of the entity's directors, Mr L.G Shezi passed away on July 29, 2022. This has been reported to the parent Municipality, who are responsible for the processes of appointing a new director.

5. Share capital / contributed capital

There were no changes in the authorised or issued share capital of the entity during the year under review.

6. Board

The directors of the entity during the year and to the date of this report are as follows:

Name	Changes
E.J Crutchfield	
P.T Jefferys	
Z.P Ngubane	Removed 01 November 2021
W.V Mzulwini	Removed 01 November 2021
C.J Davenhill	
H.R Kelly	Removed 01 November 2021
S.M Mbili	Removed 01 November 2021
T.P Cele	Removed 01 November 2021
M.B.W Xolo	Removed 01 November 2021
W.T Gumede	Removed 01 November 2021
L.G Shezi	Appointed 01 November 2021
S.J Nzimande	Appointed 01 November 2021
C.V Elliott	Appointed 01 November 2021
S.C Dlomo	Appointed 01 November 2021

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Directors' Report

Name	Board & AGM	Audit & Other Committee meetings	PMS Reviews	Strategic Planning Sessions	Total
E.J Crutchfield	11	8	2	3	24
H.R Kelly	3	-	-	-	3
P.T Jeffreys	9	1	-	3	13
Z.P Ngubane	2	-	-	-	2
W.V Mzulwini	3	-	-	-	3
C.J Davenhill	9	1	-	1	11
W.T Gumede	1	-	-	-	1
T.P Cele	1	-	-	-	1
C.V Elliott	6	1	-	3	10
S.J Nzimakwe	4	2	2	3	11
S.C Dlomo	6	3	1	3	13
L.G Shezi	3	1	-	2	6

7. Corporate governance

General

The board are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the board supports the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The board discuss the responsibilities of management in this respect, at Board meetings and monitor the entity's compliance with the code on a three monthly basis.

The salient features of the entity's adoption of the KING IV is outlined below:

Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
 - non-executive directors, all of whom are independent directors as defined in the Code of Corporate Practices and Conduct; and
 - executive directors.

Chairperson and chief executive

The Chairperson is a non-executive and independent director (as defined by the Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Directors meetings

The board have met on 13 separate occasions during the financial year.

Non-executive directors have access to all members of management of the entity.

8. Controlling entity

The entity's controlling entity is Ugu District Municipality, which owns all the issued share capital.

9. Auditors

Auditor General South Africa will continue in office for the next financial period.

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Chief Executive Officer's Certification

I am responsible for the preparation of these annual financial statements in terms of Section 124(1) of the MFMA, and which I have signed on behalf of the municipal entity.

I certify that the salaries, allowances and benefits of the board as disclosed in note 20 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, 1998 (Act No. 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.



P.C Mangcu
Chief Executive Officer

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	404,509	458,144
Intangible assets	3	21,597	30,423
		426,106	488,567
Current Assets			
Other financial assets	4	4,828,891	4,700,904
Receivables from exchange transactions	5	61,212	71,288
Receivables from non-exchange transactions	6	-	16,022,140
VAT receivable	7	2,267,059	92,167
Cash and cash equivalents	8	9,660,371	9,397,717
		16,817,533	30,284,216
Total Assets		17,243,639	30,772,783
Liabilities			
Current Liabilities			
Operating lease liability	9	551	1,708
Payables from exchange transactions	10	73,790	45,852
Provisions	11	503,347	526,705
		577,688	574,265
Net Assets		16,665,951	30,198,518
Share capital / contributed capital	12	100	100
Accumulated surplus		16,665,851	30,198,418
Total Net Assets		16,665,951	30,198,518

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021
Revenue			
Revenue from exchange transactions			
Commission	13	1,763	12,312
Membership fees		99,430	134,789
Other income	14	1,922	5,372
Interest received	15	441,095	272,197
Total revenue from exchange transactions		544,210	424,670
Revenue from non-exchange transactions			
Transfer revenue			
Municipal grants and subsidies	16	18,428,400	17,539,235
Total revenue	17	18,972,610	17,963,905
Expenditure			
Developmental costs	18	(594,521)	(318,498)
Bad debt written off	39	(21,834,535)	-
Depreciation and amortisation	19	(119,306)	(122,839)
Directors remuneration	20	(411,029)	(492,998)
Employee related costs	21	(4,779,990)	(5,328,555)
Lease rentals on operating lease	22	(478,383)	(627,746)
Loss on disposal of assets and liabilities	3&2	(26,678)	(60,638)
Operational costs	23	(963,015)	(1,098,388)
Marketing costs	24	(3,297,717)	(2,839,864)
Total expenditure		(32,505,174)	(10,889,526)
(Deficit) surplus for the year		(13,532,564)	7,074,379

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

	Share capital / contributed capital	Accumulated surplus	Total net assets
Figures in Rand			
Balance at 1 July 2020	100	23,124,039	23,124,139
Changes in net assets			
Surplus for the year	-	7,074,379	7,074,379
Total changes	-	7,074,379	7,074,379
Balance at 1 July 2021	100	30,198,415	30,198,515
Changes in net assets			
Surplus for the year	-	(13,532,564)	(13,532,564)
Total changes	-	(13,532,564)	(13,532,564)
Balance at 30 June 2022	100	16,665,851	16,665,951
Note(s)	12		

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Receipts			
Commission		1,763	12,312
Grants		12,616,005	15,860,344
Interest income		313,107	149,477
Other income		11,998	5,372
Membership fees received		85,495	46,531
		<u>13,028,368</u>	<u>16,074,036</u>
Payments			
Employee costs		(5,214,377)	(5,750,543)
Suppliers		(7,467,815)	(5,218,236)
		<u>(12,682,192)</u>	<u>(10,968,779)</u>
Net cash flows from operating activities	28	<u>346,176</u>	<u>5,105,257</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(83,522)	(26,599)
Purchase of other intangible assets	3	-	(2,870)
Net cash flows from investing activities		<u>(83,522)</u>	<u>(29,469)</u>
Net increase/(decrease) in cash and cash equivalents		262,654	5,075,788
Cash and cash equivalents at the beginning of the year		9,397,717	4,321,929
Cash and cash equivalents at the end of the year	8	<u>9,660,371</u>	<u>9,397,717</u>

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Commission	13,960	(12,490)	1,470	1,763	293	37.1
Membership fees raised	85,000	10,935	95,935	99,430	3,495	
Other income	-	-	-	1,922	1,922	37.2
Interest received	116,694	171,799	288,493	441,095	152,602	37.3
Total revenue from exchange transactions	215,654	170,244	385,898	544,210	158,312	

Revenue from non-exchange transactions

Transfer revenue

Municipal grants and subsidies	18,415,953	12,447	18,428,400	18,428,400	-	
Total revenue	18,631,607	182,691	18,814,298	18,972,610	158,312	

Expenditure

Employee related costs	(5,047,023)	(20,784)	(5,067,807)	(4,779,990)	287,817	37.4
Depreciation and amortisation	(215,435)	94,073	(121,362)	(119,306)	2,056	
Lease rentals on operating lease	(491,127)	45	(491,082)	(478,383)	12,699	
Bad debts written off	-	-	-	(21,834,535)	(21,834,535)	37.5
Directors remuneration	(568,812)	50,999	(517,813)	(411,029)	106,784	37.6
Developmental costs	(2,557,928)	(134,901)	(2,692,829)	(594,521)	2,098,308	37.7
Marketing costs	(8,117,179)	(292,611)	(8,409,790)	(3,297,717)	5,112,073	37.8
Operational costs	(1,490,355)	160,276	(1,330,079)	(963,015)	367,064	37.9

Total expenditure	(18,487,859)	(142,903)	(18,630,762)	(32,478,496)	(13,847,734)	

Operating deficit	143,748	39,788	183,536	(13,505,886)	(13,689,422)	

Loss on disposal of assets and liabilities	(4,250)	(22,600)	(26,850)	(26,678)	172	

Deficit before taxation	139,498	17,188	156,686	(13,532,564)	(13,689,250)	

Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	139,498	17,188	156,686	(13,532,564)	(13,689,250)	

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

Figures in Rand	Note(s)	2022	2021

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

Consideration is also given to the provisions of the Companies Act (Act 71 of 2008) to ensure that such provisions are not contravened.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Costs
GRAP 9	Revenue from Exchange Transactions
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures
GRAP 21	Impairment of Non cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 100	Discontinued Operations
GRAP 102	Intangible Assets
GRAP 104	Financial Instruments
GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangements: Grantor
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables / Held to maturity investments and/or loans and receivables

The entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Useful lives of Property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on industry norm. Management will increase or decrease the depreciation charge where useful lives are less than previously estimated useful lives.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 Property, plant and equipment (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5 - 15 years
Motor vehicles	Straight-line	5 - 8 years
Computer equipment	Straight-line	3 - 12 years
Containers	Straight-line	15 years
Signage	Straight-line	15 years

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.5 Intangible assets (continued)

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	3 - 10 years

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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1.6 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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1.6 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition at cost less impairment:

Impairment and collectibility of financial asset

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and

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1.6 Financial instruments (continued)

- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognises the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

1.7 Tax

Value Added Tax

The Municipal entity accounts for value added tax on an accrual basis/invoice in accordance with Section 15 (2) of the Value Added Tax (Act No. 89 of 1991).

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

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1.8 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.10 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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1.10 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.11 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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1.11 Provisions and contingencies (continued)

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

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1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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1.13 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

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1.14 Revenue from non-exchange transactions (continued)

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

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1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Irregular expenditure

Irregular expenditure, in relation to a municipality or municipal entity, means -

- (a) Irregular expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170; or
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act; or
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 32(1) to 32(5) of the MFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

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1.19 Segment information (continued)

- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.20 Budget information

The entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2021 to 30/06/2022.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

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Accounting Policies

1.21 Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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2022

2021

2. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	407,345	(292,967)	114,378	451,283	(299,744)	151,539
Motor vehicles	346,487	(324,953)	21,534	346,487	(303,419)	43,068
IT equipment	174,870	(56,029)	118,841	200,745	(106,232)	94,513
Containers	121,659	(72,643)	49,016	121,659	(64,530)	57,129
Signage	167,188	(66,448)	100,740	167,188	(55,293)	111,895
Total	1,217,549	(813,040)	404,509	1,287,362	(829,218)	458,144

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	151,539	-	(3,706)	(33,455)	114,378
Motor vehicles	43,068	-	-	(21,534)	21,534
IT equipment	94,513	83,522	(22,018)	(37,176)	118,841
Containers	57,129	-	-	(8,113)	49,016
Signage	111,895	-	-	(11,155)	100,740
	458,144	83,522	(25,724)	(111,433)	404,509

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2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	243,011	3,034	(54,581)	(39,925)	151,539
Motor vehicles	64,602	-	-	(21,534)	43,068
IT equipment	109,637	23,565	(4,883)	(33,806)	94,513
Containers	65,242	-	-	(8,113)	57,129
Signage	123,051	-	-	(11,156)	111,895
	605,543	26,599	(59,464)	(114,534)	458,144

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

IT Equipment	21,556	16,290
Furniture and fittings	-	1,170
Motor vehicles	10,283	6,035
	31,839	23,495

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the entity.

Change in useful life

The useful life of Motor Vehicles was initially estimated at 5 years. In the prior period (2021) management revised their estimated useful life to 8 years. The effect of this revision decreased the depreciation for the 2021 period and future periods by R43 068. See **Note 38**

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3. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	48,289	(26,692)	21,597	57,237	(26,814)	30,423

Reconciliation of intangible assets - 2022

	Opening balance	Disposals	Amortisation	Total
Computer software	30,423	(954)	(7,872)	21,597

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	37,034	2,870	(1,174)	(8,307)	30,423

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4. Other financial assets

At amortised cost

Ugu South Coast Development Agency	4,828,891	4,700,904

The loan is unsecured and will be settled in the next 12 months due to the amalgamation of USCDA and USCT and attracts interest at bank call rates.

Current assets

Opening balance	4,700,904	4,578,184
Interest	127,987	122,720
	4,828,891	4,700,904

5. Receivables from exchange transactions

Deposits	46,008	44,787
Accrued income	7,825	4,752
Prepaid expenses	7,379	21,749
	61,212	71,288

Age analysis

0-30 days	61,212	71,288

Other non-financial asset receivables included in receivables from exchange transactions above are as follows:

Prepaid expenses	7,379	21,749
Accrued income - Bank	7,825	4,752
Rental deposits	46,008	44,787
	61,212	71,288

The directors are of the opinion that the carrying value of debtors approximate their fair values.

The fair value of debtors was determined after considering the standard terms and conditions of agreements entered into between the municipal entity and municipalities as well as other debtors. The current payment ratios of other debtors were also taken into account for fair value determination.

6. Receivables from non-exchange transactions

Municipal grants and subsidies	-	16,022,140

Receivables from non exchange transactions

Ugu District Municipality	-	14,573,249
Umdoni Municipality	-	1,448,891
	-	16,022,140

Aging

0-30 days	-	500,000
61-90 days	-	3,893,312
91-120 days	-	948,890
120 + days	-	10,679,938
	-	16,022,140
	-	-

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6. Receivables from non-exchange transactions (continued)

Total receivables from non-exchange transactions	-	16,022,140

The average credit period for grants and subsidies is dependent on the municipality involved and the nature of the claim. No interest is charged on outstanding government grants and subsidies. The subsidies are payable to the entity based on agreements between the municipal entity and the relevant municipalities.

7. VAT receivable

VAT	2,267,059	92,167

All VAT returns were submitted to SARS in terms of section 28(1)(a) of the VAT Act, No. 89 of 1991.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	256	4,552
Bank balances	9,660,115	9,393,165
	9,660,371	9,397,717

Interest is earned at different rates per annum on favourable balances.

The directors are of the opinion that the carrying value of Cash and cash equivalents in the financial statements approximate their fair values.

The fair value of Cash and cash equivalents was determined after considering the standard terms and conditions of agreements entered into between the entity and financial institutions.

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
ABSA Bank - Main Current Account - 4074036586	258,166	969,727	497,762	258,166	969,727	498,887
ABSA Bank - Call Account - 9232869178	9,401,949	8,423,438	3,754,787	9,401,949	8,423,438	3,754,787
ABSA Bank - SCBF Current account - 4090521454	-	-	6,073	-	-	6,073
ABSA Bank - Fixed Deposit - 2069678591	-	-	52,055	-	-	52,055
Total	9,660,115	9,393,165	4,310,677	9,660,115	9,393,165	4,311,802

9. Operating lease liability

Balance at the beginning	1,709	16,764
Operating lease expenses recorded	(434,445)	(539,654)
Operating lease payments - straightlined	442,873	537,045
Operating lease terminated	(9,586)	(12,446)
	551	1,709

Operating leases are recognised on the straightline basis as per the requirements of GRAP 13. In respect of non-cancellable operating leases the above liabilities have been recognised.

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9. Operating lease liability (continued)

This committed expenditure relates to the lease of equipment and will be financed by available facilities and retained surpluses.

10. Payables from exchange transactions

Trade payables	64,818	40,440
Accrued expense	8,972	5,412
	73,790	45,852

Age analysis

0-30 days	46,199	45,852
31-60 days	27,590	-
	73,789	45,852

11. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for performance bonuses	205,325	212,635	(213,301)	7,976	212,635
Provision for leave pay	321,380	282,328	(312,996)	-	290,712
	526,705	494,963	(526,297)	7,976	503,347

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for performance bonuses	291,050	205,325	(131,171)	(159,879)	205,325
Provision for leave pay	432,597	309,743	(420,960)	-	321,380
	723,647	515,068	(552,131)	(159,879)	526,705

12. Share capital / contributed capital

Authorised

100 Ordinary shares of R1 each	100	100

Issued

Ordinary	100	100

13. Commission

Commission	1,763	12,312

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14. Other income

Insurance refund	1,922	5,372

The insurance refund pertains to a claim on laptop screen which was damaged.

The insurance refund pertains to a reduction in the annual insurance premium due to the closure of the Visitor Information Centres (2021).

15. Interest received

Interest revenue

Absa Bank - 4074036586	30,751	27,424
Absa Bank - 9232869178	281,135	119,812
Absa Bank - 4090521454	-	78
Absa Bank - 2069678591	-	1,358
Ugu South Coast Development Agency - Loan	127,987	122,720
Other	1,221	805
	441,094	272,197

16. Revenue from non exchange transactions

Operating grants

Ugu District Municipality	14,286,763	13,541,956
Ray Nkonyeni Municipality	1,875,794	1,803,822
Umdoni Municipality	1,301,482	1,259,905
Umzumbe Municipality	538,794	521,581
Umuziwabantu Municipality	425,567	411,971
	18,428,400	17,539,235

17. Revenue

Commission	1,763	12,312
Membership fees	99,430	134,789
Other income	1,922	5,372
Interest received	441,095	272,197
Municipal grants and subsidies	18,428,400	17,539,235
	18,972,610	17,963,905

The amount included in revenue arising from exchanges of goods or services are as follows:

Commission	1,763	12,312
Membership fees	99,430	134,789
Other income	1,922	5,372
Interest received	441,095	272,197
	544,210	424,670

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

Municipal grants and subsidies	18,428,400	17,539,235

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18. Developmental costs		
Special projects		
Umzumbe projects	155,358	-
KwaXolo cave route	69,713	17,830
KwaNzimakwe multi trails	2,244	4,657
Ntelezi Msani program	33,001	98,175
Nyandazulu precinct plan	8,701	29,755
Umuziwabantu projects	3,210	-
Umdoni projects	10,860	-
Agri Tourism	13,351	-
Training		
Tourism interns & graduate program	110,628	163,440
SMME training and development	187,455	4,641
	594,521	318,498
19. Depreciation and amortisation		
Property, plant and equipment	111,434	114,532
Intangible assets	7,872	8,307
	119,306	122,839

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20. Directors' emoluments

2022

	Annual salary	Board Meetings	PMS/HR	Audit committee	Other committee meetings	Strategic sessions	AGM	Meeting preparation	Total
C.J Davenhill	33,004	22,698	-	-	2,619	-	-	7,848	66,169
E.J Crutchfield	49,871	36,700	5,667	15,651	9,446	7,556	3,778	18,348	147,017
H.R Kelly	15,870	8,972	-	-	-	-	-	4,248	29,090
P.T Jefferys	33,004	24,660	-	-	2,619	5,238	-	7,848	73,369
Z.P Ngubane	11,001	6,876	-	-	-	-	-	1,962	19,839
W.V Mzulwini	11,001	10,836	-	-	-	-	-	2,943	24,780
C.V Elliott	22,003	16,000	-	-	2,619	5,238	-	4,905	50,765
	175,754	126,742	5,667	15,651	17,303	18,032	3,778	48,102	411,029

2021

	Annual salary	Board meetings	PMS/HR	Audit Committee	Strategic sessions	Meeting preparation	AGM	Total
C.J Davenhill	33,004	18,333	5,238	-	-	6,867	-	63,442
E.J Crutchfield	54,394	38,853	12,951	17,268	4,317	24,300	4,317	156,400
H.R Kelly	47,609	26,446	3,778	-	-	9,912	-	87,745
P.T Jefferys	33,004	15,714	2,619	-	2,619	7,847	-	61,803
Z.P Ngubane	33,004	18,333	-	-	-	6,867	-	58,204
W.V Mzulwini	33,004	20,952	-	-	2,619	8,829	-	65,404
	234,019	138,631	24,586	17,268	9,555	64,622	4,317	492,998

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21. Employee related costs

Basic	3,991,481	4,496,282
Bonus	373,391	207,936
Medical aid - company contributions	144,606	165,073
UIF	18,683	19,555
SDL	46,315	40,943
Leave pay provision charge / (reversal)	(30,667)	11,010
Retirement annuity	105,900	108,877
Cell phone and data allowance	75,916	84,109
Overtime payments	46,396	-
Housing benefits and allowances	7,969	8,411
Severance package	-	186,359
	4,779,990	5,328,555

Chief Executive Officer

Annual Remuneration	1,300,382	1,255,680
Performance Bonus	125,568	75,341
Contributions to UIF, and SDL	15,497	12,290
Cellphone allowance	22,796	22,075
	1,464,243	1,365,386

GM: Finance & HR

Annual Remuneration	825,965	797,571
Performance Bonus	87,733	55,830
Contributions to UIF, and SDL	11,017	8,833
Cellphone allowance	22,795	22,075
	947,510	884,309

GM: Development (Mutual separation 31 January 2021)

Annual Remuneration	-	428,626
Contributions to UIF, and SDL	-	4,746
Cellphone allowance	-	6,960
Leave encashed	-	68,381
	-	508,713

22. Lease rentals on operating lease

Premises

Offices rental	450,469	604,145

Equipment

Furniture and office equipment rental	27,914	23,601
	478,383	627,746

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23. Operational costs

Advertising	39,537	24,859
Auditors remuneration	317,515	306,029
Bank charges	25,614	30,543
Cancelled membership fees and bad debts	13,935	44,129
Conferences attended	18,217	26,044
Consulting and legal fees	50,559	106,867
Electricity and water	67,327	80,038
Insurance	29,524	61,384
Motor vehicle expenses	45,587	23,391
Audit committee fees	77,387	96,352
Printing and stationery	56,062	44,973
Repairs and maintenance	31,839	38,078
Security	31,196	33,944
Staff refreshments and cleaning	18,896	25,320
Subscriptions	13,671	841
Telephone and fax	98,957	140,626
Travel reimbursement	27,192	14,970
	963,015	1,098,388

24. Marketing costs

Advertising, public relations and campaigns	2,095,530	2,552,266
Beach and Hinterland events	124,050	10,000
Media educationals	213,585	39,321
Membership expense and stakeholder engagement	52,636	14,675
Promotional items	304,263	66,207
Shows and exhibitions and virtual marketing sessions	329,697	85,556
Research and brand tracking	102,386	71,839
Meeting planner guide	75,570	-
	3,297,717	2,839,864

25. Auditors' remuneration

Auditor General (SA)	317,515	306,029

26. Taxation

No provision for taxation has been made as the company has no taxable income. The grants received from the municipalities are exempt from taxation in terms of Section 10(1) (a) of the South African Income Tax Act.

27. Operating (deficit) surplus

Operating (deficit) surplus for the year is stated after accounting for the following:

Operating lease charges

Premises		
• Contractual amounts	450,469	604,145
Equipment		
• Contractual amounts	27,914	23,601
	478,383	627,746

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27. Operating (deficit) surplus (continued)		
Loss on scrapping of property, plant and equipment and intangibles	26,678	60,638
Amortisation on intangible assets	7,872	8,307
Depreciation on property, plant and equipment	111,434	114,532
Employee costs	4,779,990	5,328,555
28. Cash generated from operations		
(Deficit) surplus	(13,532,564)	7,074,379
Adjustments for:		
Depreciation and amortisation	119,306	122,839
Loss on scrapping of assets	26,678	60,638
Interest income	(127,987)	(122,720)
Bad debts written off	21,834,535	-
Movements in operating lease assets and accruals	(1,157)	(15,055)
Movements in provisions	(23,358)	(196,942)
Changes in working capital:		
Receivables from exchange transactions	10,076	22,166
Receivables from non-exchange transactions	(5,812,395)	(1,678,891)
Payables from exchange transactions	27,934	(107,568)
VAT	(2,174,892)	(53,589)
	346,176	5,105,257

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29. Related parties

Relationships

Directors

C.V Elliott

Common control

Shareholder

Grant Funding Municipalities

Refer to directors' report note

5 % shareholder in Shelly Travel (Pty) Ltd

Ugu South Coast Development Agency SOC

Ugu District Municipality

Ray Nkonyeni Municipality

Umdoni Municipality

Umzumbe Municipality

Umuziwabantu Municipality

Related party balances

Loan accounts - Owing (to) by related parties

Ugu South Coast Development Agency SOC	4,828,891	4,700,904

Amounts included in Trade receivable (Trade Payable) regarding related parties

Ugu District Municipality	-	14,573,249
Umdoni Municipality	-	1,448,890

Related party transactions

Interest paid to (received from) related parties

Ugu South Coast Development Agency (Pty) Ltd	(127,860)	(122,720)

Marketing costs paid to related parties

Shelly Travel (Pty) Ltd	19,752	-

Services in-kind paid by (received from) related parties

Ugu District Municipality	(111,895)	(100,395)

Refer to note 20 & 21.

Compensation to directors and other key management

Short-term employee benefits	2,313,232	2,628,726

30. Risk management

Financial risk management

Due to the largely non-trading nature of activities and the way in which they are financed, the municipal entity is not exposed to the degree of financial risk faced by other business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IASs mainly apply. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the entity in undertaking its activities.

The chief executive officer monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by management on a continuous basis, and annually by external auditors. The entity does not enter into or trade financial instruments for speculative purposes.

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30. Risk management (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts. There is no credit line overdraft facility available. Interest payable is linked to the prime interest rate.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The entity uses other publicly available financial information and its own trading records to assess its major customers. The entity's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate cash deposits at banks, accounts receivables and other debtors.

The entity limits its counterparty exposures from its cash deposit operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing.

Trade debtors comprise of a large number of customers, dispersed across different industries and geographical areas within the jurisdiction of the entity. Debtors are presented net of a provision for impairment.

Other debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable. The entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The entity defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

30. Risk management (continued)

Market risk

Financial risk management objectives

Due to the largely non-trading nature of activities and the way in which they are financed, the municipal entity is not exposed to the degree of financial risk faced by other business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IASs mainly apply. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the entity in undertaking its activities.

The chief executive officer monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by management on a continuous basis, and annually by external auditors. The entity does not enter into or trade financial instruments for speculative purposes.

Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The entity limits its counterparty exposures from its bank and cash balances by only dealing with well-established financial institutions of high credit standing.

The entity has limited exposure to interest rate risk as the entity does not borrow funds.

Interest rate sensitivity analysis

The entity had no floating rate long-term financial instruments at year-end requiring an interest rate sensitivity analysis.

31. Going concern

The entity is technically solvent as its total assets exceeds its liabilities. The entity is however highly dependent on the district and local municipalities for grant funding and therefore its ability to operate and meet its financial obligations timeously depends on the timely receipt of these grants. Whilst the amalgamation of its two entities, Ugu South Coast Tourism and Ugu South Coast Development Agency is underway, the annual financial statements are prepared on the basis that the entity is a going concern as it is not the intention of the Ugu District Municipality to curtail the scale of the entities operations.

The Ugu District Municipality Council, at its meeting of 23rd September 2021, resolved to amalgamate Ugu South Coast Tourism with Ugu South Coast Development Agency. The amalgamated entity would start operating on the 1st July 2022. The Board of Directors resolved to implement this resolution at its meeting held on 21 October 2021.

32. Irregular expenditure

Opening balance as previously reported	73,693	1,017,047
Opening balance as restated	73,693	1,017,047
Bid adjudication committee not composed in accordance with Regulation 29	1,064,127	2,469,897
Bid not evaluated in terms of SCM Regulation 28 (1) a (i)	46,606	16,883
Three Quotes not received	118,507	56,810
Less: Amount written off - current	(1,184,426)	(3,486,944)
Closing balance	118,507	73,693

Ugu-South Coast Tourism (Pty) Ltd

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021

32. Irregular expenditure (continued)

Amounts written-off

After the Chief Executive Officer investigations, the board adopted the CEO recommendation to write-off an amount of R1 184 426 from the total irregular expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

33. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Current year subscription / fee	317,515	306,029
Amount paid - current year	(317,515)	(306,029)
	-	-

PAYE, SDL and UIF

Current year subscription / fee	1,118,166	1,225,694
Amount paid - current year	(1,118,166)	(1,225,694)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	457,499	486,977
Amount paid - current year	(457,499)	(486,977)
	-	-

VAT

VAT receivable	2,267,059	92,167

All VAT returns have been submitted by the due date throughout the year.

34. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the board and includes a note to the annual financial statements.

Section 36 Deviations

Sole supplier	795	-
Impractical to get three quotes	1,334,972	573,304
	1,335,767	573,304

35. Commitments

Total commitments

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
35. Commitments (continued)		
Commitments for expenditure		
All commitments	401,005	362,493
Minimum lease payments due		
- within one year	401,005	362,493

All commitments are disclosed including VAT.

TMSA & OJC 052019

The entity entered into a 2 year service level agreement with TMSA & OJC 052019 for the supply of Public Relations and Advertising Agency services, which was to conclude in August 2021. Due to the revised mandate of the new entity being created through a merge of Ugu South Coast Tourism and Ugu South Coast Development Agency, the tender which was advertised was cancelled, until such time as the new mandates and scorecards could be finalised. The contract was extended to 30 September 2022. The remaining financial commitment for the contract held by Ugu-South Coast Tourism is approximately R200 100 (2021 - R104 892).

In June 2020, the entity extended the scope of the contract to include a marketing function, due to the severe impact of Covid-19 pandemic, in the absence of a General Manager: Marketing department. The remaining financial commitment for this is R101 775 (2021 - R67 850).

Titanium Media SA

The entity entered into a 6-month service level agreement with Titanium Media SA for the hosting and maintenance of the Destination and Corporate Websites and Mobile Application. This commitment begins 1 July 2022 and concludes 31 December 2022. The financial commitment is approximately R99 130 (2021 - R189 750 - 12 months).

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

36. Budget differences

Material differences between budget and actual amounts

The excess of actual expenditure over or under the final budget of 10% explanatory notes are as follows:

36.1 Sales for bus tickets remained low due to the Covid travel restrictions.

36.2 This claim was for a laptop screen which was replaced.

36.3 This interest was received on the Absa Call account and on the loan to USCDA.

36.4 This is an acceptable saving brought about through careful monitoring of staff costs. Example of this was overtime worked was taken off time in lieu and not paid out.

36.5 Directors are remunerated according to National Treasury 2019, Remuneration levels: Service Benefit Packages for Office Bearers of certain institutions, as per Director General approval 30 August 2019.

36.6 Due to Ugu District Municipality being unable to service their debt, as well as the fact that Council had resolved to amalgamate USCT and USCDA, the USCT Board approved the writeoff of the unpaid annual grants owed by Ugu DM. The amount (exclusive of vat were R7 547 771 (2021) and R14 286 763 (2022).

36.7 Due to the late receipt of the Umdoni LM grant, and the non-payment and eventual right off of the Ugu DM 2020 and 2021 Annual Grant amounts, some of the Development programs could not be activated as initially planned. Further to this, USCT was able to leverage through other stakeholders for support.

36.8 Due to the late receipt of the Umdoni LM grant, and the non-payment and eventual right off of the Ugu DM 2020 and 2021 Annual Grant amounts, some of the Marketing programs could not be activated as initially planned. Further to this, USCT was able to leverage through other stakeholders for support in marketing activities.

36.9 Due to the non-receipt of grant funding from Ugu DM, stringent monitoring of operational expenditure was maintained. USCT had also budgeted for a possible office move and for legal costs which were not required.

37. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At amortised cost	Total
Other financial assets	4,828,891	4,828,891
Receivables from exchange transactions	61,212	61,212
Cash and cash equivalents	9,660,371	9,660,371
	14,550,474	14,550,474

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	73,789	73,789

Ugu-South Coast Tourism (Pty) Ltd

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021

37. Financial instruments disclosure (continued)

2021

Financial assets

	At amortised cost	Total
Other financial assets	4,700,904	4,700,904
Receivables from exchange transactions	71,288	71,288
Receivables from non-exchange transactions	16,022,140	16,022,140
Cash and cash equivalents	9,397,717	9,397,717
	30,192,049	30,192,049

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	45,852	45,852

38. Change in estimate

Property, plant and equipment

2022

There were no changes in estimates in the year under review.

2021

Motor vehicles

The useful life of Motor Vehicles was initially estimated at 5 years. Management has revised their estimated useful life to 8 years. The effect of this revision has decreased the depreciation for the current and future periods by R43 068.

39. Bad debts written off

Ugu District Municipality	21,834,535	-

Due to Ugu District Municipality being unable to service their debt, as well as the fact that council had resolved to amalgamation of USCT and USCDA as at 1 July 2022, the board of directors approved the write off of the grants owed by the Ugu District Municipality as 30 June 2022.

40. Segment information

General information

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

40. Segment information (continued)

Identification of segments

The entity is organised and reports to management on the basis of three major functional areas:

- Operational
- Developmental projects and
- Marketing projects

The segments were organised around the type of service delivered and the target market and because of the municipal entity's size and nature of operations this was not organised or identified according to geographic areas. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The entity operates in the Ugu District part of the Province of Kwa-Zulu Natal. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments.

Ugu-South Coast Tourism (Pty) Ltd

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

40. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2022

	Operational	Development	Marketing	Total
Revenue				
Commission and sales	1,763	-	-	1,763
Membership fees	99,430	-	-	99,430
Other income	1,922	-	-	1,922
Interest received	441,095	-	-	441,095
Municipal grants & subsidies	18,428,400	-	-	18,428,400
Total segment revenue	18,972,610	-	-	18,972,610
Entity's revenue				18,972,610
Expenditure				
Developmental costs	-	594,521	-	594,521
Depreciation and amortisation	119,306	-	-	119,306
Directors remuneration	411,029	-	-	411,029
Employee related costs	4,779,990	-	-	4,779,990
Lease rentals on operating lease	478,383	-	-	478,383
Loss on disposal of assets and liabilities	26,678	-	-	26,678
Operational costs	963,015	-	-	963,015
Marketing costs	-	-	3,297,716	3,297,716
Bad debts written off	21,834,535	-	-	21,834,535
Total segment expenditure	28,612,936	594,521	3,297,716	32,505,173
Total segmental surplus/(deficit)				(13,532,563)

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

40. Segment information (continued)

Assets

	Operational	Development	Marketing	Total
Property, plant and equipment	404,509	-	-	404,509
Intangible assets	21,597	-	-	21,597
Other financial assets	4,828,891	-	-	4,828,891
Receivables from exchange transactions	61,212	-	-	61,212
VAT receivable	2,267,059	-	-	2,267,059
Cash and cash equivalents	9,660,371	-	-	9,660,371

Total segment assets

17,243,639 - - **17,243,639**

Total assets as per Statement of financial Position

17,243,639

Liabilities

Operating lease liability	551	-	-	551
Payables from exchange transactions	73,789	-	-	73,789
Provisions	503,347	-	-	503,347

Total segment liabilities

577,687 - - **577,687**

Total liabilities as per Statement of financial Position

577,687

2021

Revenue

	Operational	Development	Marketing	Total
Commission and sales	12,312	-	-	12,312
Membership fees	134,789	-	-	134,789
Other income	5,372	-	-	5,372
Interest received	272,197	-	-	272,197
Municipal grants and subsidies	17,539,235	-	-	17,539,235

Total segment revenue

17,963,905 - - **17,963,905**

Entity's revenue

17,963,905

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

40. Segment information (continued)

Expenditure

Developmental costs	-	318,498	-	318,498
Depreciation and amortisation	122,839	-	-	122,839
Directors remuneration	492,998	-	-	492,998
Employee related costs	5,328,555	-	-	5,328,555
Lease rentals on operating lease	627,746	-	-	627,746
Loss on disposal of assets and liabilities	60,638	-	-	60,638
Operational costs	1,098,388	-	-	1,098,388
Marketing costs	-	-	2,839,864	2,839,864

Total segment expenditure

7,731,164 318,498 2,839,864 10,889,526

Total segmental surplus/(deficit)

7,074,379

Assets

Property, plant and equipment	458,144	-	-	458,144
Intangible assets	30,423	-	-	30,423
Other financial assets	4,700,904	-	-	4,700,904
Receivables from exchange transactions	71,288	-	-	71,288
Receivables from non-exchange transactions	16,022,140	-	-	16,022,140
VAT	92,167	-	-	92,167
Cash and cash equivalents	9,397,717	-	-	9,397,717

Total segment assets

30,772,783 - - 30,772,783

Total assets as per Statement of financial Position

30,772,783

Liabilities

Operating lease liability	1,708	-	-	1,708
Payables from exchange transactions	45,852	-	-	45,852
Provisions	526,705	-	-	526,705

Total segment liabilities

574,265 - - 574,265

Total liabilities as per Statement of financial Position

574,265

Ugu-South Coast Tourism (Pty) Ltd

(Registration number 2009/003419/07)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

41. Subsequent events

The parent Municipality has resolved to amalgamate Ugu South Coast Tourism and Ugu South Coast Development Agency SOC (2016/158371/30) effective from 1 July 2022. Ugu South Coast Tourism will transfer its assets, liabilities and functions to Ugu South Coast Development Agency as per GRAP 105. A Merger and Acquisition agreement between the two entities was signed on 10 June 2022. The name for the amalgamated entity will change to South Coast Tourism and Investment Enterprise.

One of the entity's directors, Mr L.G Shezi passed away on July 29, 2022. This has been reported to the parent Municipality, who are responsible for the processes of appointing a new director.

8. EXTRACT FROM THE DRAFT MINUTES OF THE MEETING OF UGU DISTRICT MUNICIPALITY COUNCIL HELD ON (tbc)



Ugu District Municipality

Ugu District Municipality
(Registration number DC21)
Annual Financial Statements
for the year ended 30 June 2022

Ugu District Municipality

(Registration number DC21)

Annual Financial Statements for the year ended 30 June 2022

General Information

Legal form of entity	Municipality (MFMA)
Nature of business and principal activities	Local Government
Mayoral committee	
Executive Mayor	Cllr PH Mthiyane
Deputy Mayor	Cllr V Chiya
Speaker	Cllr SR Ngcobo
Other council committee members	Cllr D Nciki
	Cllr GD Henderson
	Cllr SN Caluza
	Cllr SP Mthethwa
	Cllr NA Njenga
Councillors	Cllr SE Khawula
	Cllr NY Mweshe
	Cllr SA Ngcece
	Cllr PC Shange
	Cllr BN Shozi
	Cllr J Schmidt
	Cllr EV Baptie
	Cllr SP Ntuli
	Cllr ND Ndovela
	Cllr BE Majola
	Cllr JS Ngwane
	Cllr MP Tenza
	Cllr SEH Mngoma
	Cllr GS Shange
	Cllr TT Hlophe
	Cllr MZ Luthuli
	Cllr MV Vezi
	Cllr LS Zungu
	Cllr ST Khathi
	Cllr BG Nyuswa
	Cllr MP Mteshane
	Cllr TH Msabala
	Cllr MP Shozi
	Cllr BE Machi
	Cllr MA Manyoni
	Cllr LM Ngcobo
	Cllr X Nkasa
	Cllr P Breedt
	Cllr FM Ngwane
Traditional leaders	Inkosi MP Ngcobo
	Inkosi BS Nzimakwe
	Inkosi ZGB Msomi
	Inkosi ZR Qwabe
	Inkosi EZ Jali
	Inkosi B Cele
Grading of local authority	Grade 5

Ugu District Municipality

(Registration number DC21)

Annual Financial Statements for the year ended 30 June 2022

General Information

Accounting Officer	Dr EMS Ntombela (Acting from 1 July 2021)
Registered office	28 Connor Street Port Shepstone Kwazulu-Natal 4240
Business address	28 Connor Street Port Shepstone KwaZulu -Natal 4240
Postal address	PO BOX 33 Port Shepstone KwaZulu Natal 4240
Bankers	Primary Banker: ABSA Bank Limited Secondary Bankers: Nedbank Limited, Standard Bank Limited, First National Bank Limited and Investec Limited.
Auditors	Auditor General of South Africa (AGSA)
Website	www.ugu.gov.za

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

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The reports and statements set out below comprise the annual financial statements presented to the Council:

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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

Ugu District Municipality

(Registration number DC21)

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Officer has reviewed the municipality's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the government grants for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the Accounting Officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

I certify that the salaries, allowances and benefits of councillors as disclosed in the financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of the Public Office Bearers Act, Act 20 of 1998.

The annual financial statements set out on pages 5 -94, which have been prepared on the going concern basis, were approved by the Accounting Officer and were signed on its behalf by:

Dr EMS Ntombela
Acting Municipal Manager

Date :

Ugu District Municipality

(Registration number DC21)

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	3	13,075,193	13,743,234
Current portion of long term receivables	4	65,818	11,119
Other receivables from exchange transactions	5	8,241,881	19,501,728
Receivables from non-exchange transactions	6	37,997,749	40,904,634
Receivables from exchange transactions	7	312,108,160	304,965,793
Cash and cash equivalents	8	31,728,232	79,481,328
		403,217,033	458,607,836
Non-Current Assets			
Investment property	9	34,244,000	34,206,000
Property, plant and equipment	10	3,595,366,390	3,537,706,715
Intangible assets	11	2,659,160	3,937,941
Investments in controlled entities	12	200	200
Non-current portion of long term receivables	4	2,282,871	2,195,806
		3,634,552,621	3,578,046,662
Total Assets		4,037,769,654	4,036,654,498
Liabilities			
Current Liabilities			
Current portion of long term liabilities	13	6,147,703	8,529,196
Operating lease liability	14	8,633,648	7,612,251
Payables from exchange transactions	15	469,964,351	628,088,189
Consumer deposits	16	21,966,695	21,888,065
VAT payable	17	73,550,602	20,763,553
Post employment benefits	18	1,314,000	1,245,000
Unspent conditional grants and receipts	19	7,839,877	3,463,180
Long service awards	20	3,426,000	4,047,000
		592,842,876	695,636,434
Non-Current Liabilities			
Payables from exchange transactions	21	170,191,914	-
Non-current portion of long term liabilities	13	31,055,971	37,123,984
Post employment benefits	18	16,744,000	19,433,000
Long service awards	20	24,514,000	23,291,000
		242,505,885	79,847,984
Total Liabilities		835,348,761	775,484,418
Net Assets		3,202,420,893	3,261,170,080
Accumulated surplus		3,202,420,893	3,261,170,080
Total Net Assets		3,202,420,893	3,261,170,080

* See Note 51

Ugu District Municipality

(Registration number DC21)

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	22	417,216,070	414,880,578
Rental of facilities and premises	23	1,416,729	2,504,342
Other income	24	4,771,517	4,726,247
Interest income	25	55,366,541	50,046,181
Total revenue from exchange transactions		478,770,857	472,157,348
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	26	881,777,721	810,770,972
Water availability	27	14,757,278	14,110,242
Total revenue from non-exchange transactions		896,534,999	824,881,214
Total revenue		1,375,305,856	1,297,038,562
Expenditure			
Employee related costs	28	(420,627,840)	(406,646,423)
Remuneration of councillors	29	(9,808,962)	(9,718,731)
Depreciation and amortisation	30	(223,120,276)	(225,157,402)
Finance costs	31	(26,911,619)	(20,964,508)
Lease rentals on operating lease	32	(6,644,155)	(7,977,055)
Debt Impairment	33	(152,617,237)	(47,873,229)
Bad debts written off	34	(21,435,310)	(253,271)
Bulk purchases	37	(141,658,519)	(151,050,074)
Contracted services	38	(278,145,538)	(225,675,658)
Transfers and Subsidies	39	(19,781,373)	(19,284,234)
Operational costs	36	(187,457,694)	(168,659,443)
Total expenditure		(1,488,208,523)	(1,283,260,028)
Operating (deficit) surplus		(112,902,667)	13,778,534
Loss on disposal of assets	10&41	(3,394,443)	(59,335,427)
Gain on measurement of liability	43	58,414,559	-
Fair value adjustments	44	38,000	1,339,000
Actuarial gains	18&20	4,131,000	74,000
Impairment of property, plant and equipment	40	(5,035,637)	(4,511,023)
		54,153,479	(62,433,450)
Deficit for the year		(58,749,188)	(48,654,916)

* See Note 51

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	3,263,923,756	3,263,923,756
Adjustments		
Prior year adjustments - Note 51	45,901,240	45,901,240
Balance at 1 July 2020 as restated*	3,309,824,996	3,309,824,996
Changes in net assets		
Surplus for the year	(48,654,916)	(48,654,916)
Total changes	(48,654,916)	(48,654,916)
Restated* Balance at 1 July 2021	3,261,170,081	3,261,170,081
Changes in net assets		
Surplus for the year	(58,749,188)	(58,749,188)
Total changes	(58,749,188)	(58,749,188)
Balance at 30 June 2022	3,202,420,893	3,202,420,893

* See Note 51

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Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		312,012,837	295,468,517
Government grants & subsidies		888,020,000	807,634,000
Rental of facilities and equipment		1,416,729	2,504,342
Other income		4,629,753	4,841,244
Water availability		7,794,537	2,980,844
Interest income		5,624,086	6,482,584
		<u>1,219,497,942</u>	<u>1,119,911,531</u>
Payments			
Employee costs		(428,404,620)	(410,269,108)
Suppliers		(515,148,023)	(486,553,664)
Finance costs		(22,667,619)	(17,687,508)
Grants refunded		(1,865,582)	(2,185,057)
Grants paid to entities		(2,786,435)	(11,736,463)
		<u>(970,872,279)</u>	<u>(928,431,800)</u>
Net cash flows from operating activities	42	<u>248,625,663</u>	<u>191,479,731</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(291,530,961)	(189,167,681)
Proceeds from sale of property, plant and equipment	10	3,601,708	1,620,875
Net cash flows from investing activities		<u>(287,929,253)</u>	<u>(187,546,806)</u>
Cash flows from financing activities			
Repayment of long term liability		(8,449,506)	(8,031,479)
Net cash flows from financing activities		<u>(8,449,506)</u>	<u>(8,031,479)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(47,753,096)</u>	<u>(4,098,554)</u>
Cash and cash equivalents at the beginning of the year		79,481,328	83,579,882
Cash and cash equivalents at the end of the year	8	<u>31,728,232</u>	<u>79,481,328</u>

The accounting policies on pages 13 to 40 and the notes on pages 41 to 97 form an integral part of the annual financial statements.

* See Note 51

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Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	501,878,000	(1,901,000)	499,977,000	417,216,070	(82,760,930)	52.1
Rental of facilities and equipment	3,500,000	968,000	4,468,000	1,416,729	(3,051,271)	52.2
Other income	-	-	-	4,771,517	4,771,517	52.3
Interest income	12,540,000	(6,277,000)	6,263,000	55,366,541	49,103,541	52.4
Total revenue from exchange transactions	517,918,000	(7,210,000)	510,708,000	478,770,857	(31,937,143)	

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	878,701,721	3,076,000	881,777,721	881,777,721	-	
Water availability	91,640,000	(84,784,000)	6,856,000	14,757,278	7,901,278	52.5
Total revenue from non-exchange transactions	970,341,721	(81,708,000)	888,633,721	896,534,999	7,901,278	

Total revenue	1,488,259,721	(88,918,000)	1,399,341,721	1,375,305,856	(24,035,865)	

Expenditure

Employee related costs	(403,418,000)	22,019,000	(381,399,000)	(420,627,840)	(39,228,840)	52.6
Remuneration of councillors	(10,650,000)	-	(10,650,000)	(9,808,962)	841,038	52.7
Depreciation and amortisation	(215,760,977)	(3,293,000)	(219,053,977)	(223,120,276)	(4,066,299)	52.8
Impairment of property, plant and equipment	(4,511,023)	-	(4,511,023)	(5,035,637)	(524,614)	52.9
Finance costs	(12,644,000)	(7,652,000)	(20,296,000)	(26,911,619)	(6,615,619)	52.10
Lease rentals on operating lease	-	-	-	(6,644,155)	(6,644,155)	52.11
Debt Impairment	(95,011,000)	1,771,000	(93,240,000)	(152,617,237)	(59,377,237)	52.12
Bad debts written off	-	-	-	(21,435,310)	(21,435,310)	52.13
Bulk purchases	(387,010,000)	237,412,000	(149,598,000)	(141,658,519)	7,939,481	52.14
Contracted Services	(158,502,000)	(1,303,000)	(159,805,000)	(278,145,538)	(118,340,538)	52.15
Transfers and Subsidies	(20,070,000)	-	(20,070,000)	(19,781,373)	288,627	52.16
General Expenses	(262,330,000)	79,761,000	(182,569,000)	(187,457,694)	(4,888,694)	52.17
Losses	(20,204,000)	13,204,000	(7,000,000)	-	7,000,000	52.18

Total expenditure	(1,590,111,000)	341,919,000	(1,248,192,000)	(1,493,244,160)	(245,052,160)	

Operating deficit	(101,851,279)	253,001,000	151,149,721	(117,938,304)	(269,088,025)	

Losses on disposal of assets	-	-	-	(3,394,443)	(3,394,443)	52.18
Gain on measurement of liability	-	-	-	58,414,559	58,414,559	52.19
Fair value adjustments	-	-	-	38,000	38,000	52.20
Actuarial gains/losses	-	-	-	4,131,000	4,131,000	52.21

	-	-	-	59,189,116	59,189,116	

Deficit before taxation	(101,851,279)	253,001,000	151,149,721	(58,749,188)	(209,898,909)	

Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(101,851,279)	253,001,000	151,149,721	(58,749,188)	(209,898,909)	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	25,420,000	(11,924,000)	13,496,000	13,075,193	(420,807)	52.22
Short term portion of long term receivables	-	-	-	65,818	65,818	52.23
Other receivables from exchange transactions	12,502,000	(3,998,000)	8,504,000	8,241,881	(262,119)	
Receivables from non-exchange transactions	51,512,000	(21,754,000)	29,758,000	37,997,749	8,239,749	52.24
Receivables from exchange transactions	342,843,000	41,125,000	383,968,000	312,108,160	(71,859,840)	52.25
Cash and cash equivalents	726,967,000	(635,633,000)	91,334,000	31,728,232	(59,605,768)	
	1,159,244,000	(632,184,000)	527,060,000	403,217,033	(123,842,967)	
Non-Current Assets						
Investment property	43,216,000	(10,010,000)	33,206,000	34,244,000	1,038,000	52.26
Property, plant and equipment	3,431,726,000	324,823,000	3,756,549,000	3,595,366,390	(161,182,610)	52.27
Intangible assets	6,357,000	(2,550,000)	3,807,000	2,659,160	(1,147,840)	52.28
Investments in controlled entities	-	-	-	200	200	
Long term receivables	2,272,000	-	2,272,000	2,282,871	10,871	
	3,483,571,000	312,263,000	3,795,834,000	3,634,552,621	(161,281,379)	
Total Assets	4,642,815,000	(319,921,000)	4,322,894,000	4,037,769,654	(285,124,346)	
Liabilities						
Current Liabilities						
Current portion of long term liabilities	14,508,000	(14,508,000)	-	6,147,703	6,147,703	52.28
Operating lease liability	-	-	-	8,633,648	8,633,648	52.29
Payables from exchange transactions	325,965,000	31,977,000	357,942,000	469,964,351	112,022,351	52.30
Consumer deposits	-	21,888,000	21,888,000	21,966,695	78,695	
VAT payable	-	-	-	73,550,602	73,550,602	52.31
Post employment benefits	-	-	-	1,314,000	1,314,000	52.32
Unspent conditional grants and receipts	-	-	-	7,839,877	7,839,877	52.33
Provisions	35,191,000	9,001,000	44,192,000	-	(44,192,000)	52.34
Long service awards	-	-	-	3,426,000	3,426,000	52.35
	375,664,000	48,358,000	424,022,000	592,842,876	168,820,876	
Non-Current Liabilities						
Payables from exchange transactions	-	-	-	170,191,914	170,191,914	52.36
Current portion of long term liabilities	40,176,000	(11,581,000)	28,595,000	31,055,971	2,460,971	52.28
Post employment benefits	37,181,000	5,336,000	42,517,000	16,744,000	(25,773,000)	52.32
Long service awards	-	-	-	24,514,000	24,514,000	52.32
	77,357,000	(6,245,000)	71,112,000	242,505,885	171,393,885	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Total Liabilities	453,021,000	42,113,000	495,134,000	835,348,761	340,214,761	
Net Assets	4,189,794,000	(362,034,000)	3,827,760,000	3,202,420,893	(625,339,107)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	4,189,794,000	(362,034,000)	3,827,760,000	3,202,420,893	(625,339,107)	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Service charges	377,863,000	(42,630,000)	335,233,000	312,012,837	(23,220,163)	52.1
Grants	865,725,000	13,850,000	879,575,000	888,020,000	8,445,000	52.33
Interest income	12,462,000	(6,199,000)	6,263,000	5,624,086	(638,914)	52.4
Rental of facilities and equipment	-	-	-	1,416,729	1,416,729	52.2
Other income	87,507,000	3,749,000	91,256,000	4,629,753	(86,626,247)	52.3
Water availability	-	-	-	7,794,537	7,794,537	52.4
	1,343,557,000	(31,230,000)	1,312,327,000	1,219,497,942	(92,829,058)	
Payments						
Suppliers and Employees	(796,643,000)	(119,057,000)	(915,700,000)	(943,552,643)	(27,852,643)	52.6 & 52.36
Grants refunded	-	-	-	(1,865,582)	(1,865,582)	
Finance costs	(12,458,000)	-	(12,458,000)	(22,667,619)	(10,209,619)	52.10
Grants paid	(20,070,000)	-	(20,070,000)	(2,786,435)	17,283,565	52.33
	(829,171,000)	(119,057,000)	(948,228,000)	(970,872,279)	(22,644,279)	
Net cash flows from operating activities	514,386,000	(150,287,000)	364,099,000	248,625,663	(115,473,337)	
Cash flows from investing activities						
Purchase of property, plant and equipment	91,948,000	(430,121,000)	(338,173,000)	(291,530,961)	46,642,039	52.27
Proceeds from sale of property, plant and equipment	-	-	-	3,601,708	3,601,708	
Decrease in non current receivables	2,272,000	-	2,272,000	-	(2,272,000)	
Net cash flows from investing activities	94,220,000	(430,121,000)	(335,901,000)	(287,929,253)	47,971,747	
Cash flows from financing activities						
Repayment of current portion of long term liabilities	-	(10,925,000)	(10,925,000)	(8,449,506)	2,475,494	52.28
Net cash flows from financing activities	-	-	-	(8,449,506)	(8,449,506)	
Net increase/(decrease) in cash and cash equivalents	608,606,000	(580,408,000)	28,198,000	(47,753,096)	(75,951,096)	
Cash and cash equivalents at the beginning of the year	-	79,481,328	79,481,328	79,481,328	-	
Cash and cash equivalents at the end of the year	608,606,000	(500,926,672)	107,679,328	31,728,232	(75,951,096)	

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Accounting Policies

Figures in Rand	Note(s)	2022	2021

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Interests in other entities

Consolidated financial statements

Consolidated annual financial statements are the annual financial statements of an economic entity in which the assets, liabilities, net assets, revenue, expenses and cash flows of the controlling entity and its controlled entities are presented as those of a single economic entity.

An entity controls another entity when the entity is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity.

A controlled entity is an entity that is controlled by another entity. A controlling entity is an entity that controls one or more entities.

An economic entity is a controlling entity and its controlled entities.

Control

The entity determines whether it is a controlling entity by assessing whether it controls the other entity. The entity controls another entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature and amount of those benefits through its power over the other entity.

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 Interests in other entities (continued)

The entity controls another entity if the entity has all three of the following elements of control:

- power over the other entity;
- exposure, or rights, to variable benefits from its involvement with the other entity; and
- the ability to use its power over the other entity to affect the nature or amount of the benefits from its involvement with the other entity. See note 12.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note - Provisions.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

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Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 18.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.6 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 9).

1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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Accounting Policies

1.7 Property, plant and equipment (continued)

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	5 to 30 years
Infrastructure - Security measures	Straight-line	7 to 25 years
Infrastructure - Sewerage	Straight-line	7 to 60 years
Infrastructure - Water	Straight-line	5 to 100 years
IT equipment	Straight-line	3 to 10 years
Furniture and fixtures	Straight-line	3 to 15 years
Office equipment	Straight-line	3 to 15 years
Motor vehicles	Straight-line	4 to 15 years
Specialised vehicles	Straight-line	10 to 15 years
Other assets	Straight-line	5 to 30 years
Sport facilities	Straight-line	5 to 30 years
Other property, plant and equipment	Straight-line	2 to 15 years
Other facilities	Straight-line	5 to 30 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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1.7 Property, plant and equipment (continued)

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

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1.8 Intangible assets (continued)

Item	Depreciation method	Average useful life
Computer software	Straight-line	2 to 5 years
Servitudes	Straight-line	Infinite

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or

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1.9 Financial instruments (continued)

- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unutilised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;

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1.9 Financial instruments (continued)

- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.10 Tax

Value Added Tax

The Municipality accounts for value added tax on an accrual basis but claimed / paid over to SARS on a cash basis in accordance with Section 15 (2) of the Value Added Tax (Act No. 89 of 1991).

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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1.12 Inventories (continued)

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water inventory

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc.). However, water in dams, that are filled by natural resources and that has not been treated, therefore not recognised in the statement of financial position.

The basis of determining the cost of water purchased and not yet sold at statement of financial position date comprises all cost of purchase, cost of conversion and other cost incurred in bring the inventory to its present location and condition, net of trade discounts and rebates.

Water are purified effluent are valued by using the weighted average cost formula, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at the year-end.

Redundant and slow-moving inventories are identified and written down from cost to the net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the measurement of such Inventory at the lowest of cost and net realisable value are recognised in the statement of financial performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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1.13 Impairment of cash-generating assets (continued)

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

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1.13 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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1.13 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.14 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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1.14 Impairment of non-cash-generating assets (continued)

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

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1.14 Impairment of non-cash-generating assets (continued)

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.15 Payables from exchange transactions

Compulsory convertible preference shares [Compulsory convertible debentures] are compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the municipality, is included in equity.

Combined units are compound instruments, consisting of a debenture (liability) component and a share (equity) component. The debentures are carried at amortised cost, and any premium or discount on issue is written off over the redemption period using the effective interest rate method.

Issue costs are apportioned between the liability and equity components of the compound instruments based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

1.16 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

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1.16 Employee benefits (continued)

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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1.16 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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1.16 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

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1.16 Employee benefits (continued)

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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Accounting Policies

1.16 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

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Accounting Policies

1.16 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.17 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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1.17 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.18 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments are not recognised but are required to be disclosed in the financial statements.

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1.18 Commitments (continued)

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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1.20 Revenue from non-exchange transactions (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

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1.21 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.23 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.24 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.27 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

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1.27 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.28 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2021 to 30/06/2022.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.29 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

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Accounting Policies

1.29 Related parties (continued)

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 1 July 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 : Employee Benefits	To be determined	Unlikely there will be a material impact
• iGRAP 7	To be determined	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	1 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	1 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	1 April 2023	Impact is currently being assessed

3. Inventories

Consumable stores	9,659,680	10,355,283
Water for distribution	3,415,513	3,387,951
	13,075,193	13,743,234

Consumables

Opening	10,355,283	7,936,514
Purchases (See Note 37)	16,834,776	18,423,331
Utilised	(17,530,379)	(16,004,562)
	9,659,680	10,355,283

Inventory pledged as security

None of the inventories have been pledged as security for the municipality's financial liabilities.

Water for distribution

Opening balance	3,387,951	4,215,111
System input volume	569,460,196	573,501,385
Billed authorised consumption	(357,239,812)	(379,030,988)
Unbilled authorised consumption	(101,387,424)	(109,994,169)
Commercial losses	(21,058,261)	(20,898,892)
Physical losses	(89,774,699)	(63,577,337)
Other	27,562	(827,159)
Closing balance	3,415,513	3,387,951

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
4. Long term receivables		
At amortised cost		
Sundry recoveries	2,627,387	3,082,361
Sundry recoveries are made of recoveries that are receivable from employees as results of damages to municipality belongings and employee has acknowledged the liability. The sundry recoveries are not secured and are interest free. The average term of these balances is 1 to 5 years.		
Impairments	2,627,387 (278,698)	3,082,361 (875,436)
	2,348,689	2,206,925
Non-current assets		
At amortised cost	2,282,871	2,195,806
Current assets		
At amortised cost	65,818	11,119
5. Other receivables from exchange transactions		
Intermunicipal debtors	135,477	8,856,881
Rental of premises and facilities	7,449,533	9,905,611
Sundry debtors	656,871	739,236
	8,241,881	19,501,728
Intermunicipal debtors		
Umzumbe Local Municipality	18,314	618,219
Ubuhlebezwe Municipality	-	50,227
Umuziwabantu Municipality	27,739	807,913
Greater Kokstad Municipality	-	100,010
Ray Nkonyeni Municipality	61,685	3,596,357
Umdoni Municipality	27,739	3,684,155
	135,477	8,856,881
Rental of facilities		
Cyassound Trading	524,241	524,494
Greenleaf Trading	424,102	401,485
Cellphone Networks	4,836,215	6,562,365
Bates Isuzu Trucks	-	34,403
GCIS	-	12,312
Superswift	140,000	98,000
Interest on rental of facilities accounts	1,524,975	2,272,552
	7,449,533	9,905,611

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

6. Receivables from non-exchange transactions

Payments made in advance	380,484	154,992
Water availability charges	100,168,303	93,564,054
Sundry deposits	3,358,093	3,225,093
Provision for doubtful debts	(65,909,131)	(56,039,505)
	37,997,749	40,904,634

Payments made in advance aging

0-30 days	225,492	-
121 - 360 days +	154,992	154,992
	380,484	154,992

Sundry deposits aging

0-30 days	133,000	-
121-360 days +	3,225,093	3,225,093
	3,358,093	3,225,093

Water availability aging

0-30 days	1,631,492	1,601,858
31-60 days	1,502,397	1,585,292
61-90 days	1,452,338	1,519,149
91-120 days	1,864,546	1,926,147
120-360 days +	93,717,530	86,931,608
	100,168,303	93,564,054

Total receivables from non-exchange transactions

37,997,749	40,904,634

The municipality does not hold deposits or other security for its receivables.

None of the receivables have been pledged as security for the municipality's financial liabilities.

The management of the municipality is of the opinion that the carrying value of receivables approximate their fair values.

Sundry deposits

Sundry deposits relates to a deposit held by Eskom. The municipality does not hold deposits or other security for its receivables. None of the receivables have been pledged as security for the municipality's financial liabilities. The management of the municipality is of the opinion that the carrying value of receivables approximate their fair values.

7. Receivables from exchange transactions

Gross balances

Water	768,785,857	637,298,886
Sewerage	128,949,792	110,546,785
	897,735,649	747,845,671

Less: Allowance for impairment

Water	(501,587,918)	(377,273,129)
Sewerage	(84,039,571)	(65,606,749)
	(585,627,489)	(442,879,878)

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
7. Receivables from exchange transactions (continued)		
Net balance		
Water	267,197,939	260,025,757
Sewerage	44,910,221	44,940,036
	312,108,160	304,965,793
Water		
Current (0 -30 days)	45,996,342	43,980,366
31 - 60 days	27,035,846	24,028,357
61 - 90 days	23,431,556	19,492,333
91 - 120 days	20,174,605	18,615,780
121 - 365 days	652,147,508	531,182,050
	768,785,857	637,298,886
Sewerage		
Current (0 -30 days)	12,585,119	9,185,838
31 - 60 days	4,799,301	4,668,214
61 - 90 days	4,015,124	4,070,037
91 - 120 days	3,556,154	3,683,180
121 - 365 days	103,994,094	88,939,516
	128,949,792	110,546,785
Age analysis per customer type (Includes water availability charge)		
Industrial		
Current (0 -30 days)	16,351,695	10,558,411
31 - 60 days	5,475,403	5,075,820
61 - 90 days	4,724,372	4,173,401
91 - 120 days	4,153,013	3,873,080
121 - 365 days	113,249,857	96,827,664
	143,954,340	120,508,376
Residential/ Households		
Current (0 -30 days)	39,679,664	39,665,598
31 - 60 days	26,016,655	23,210,183
61 - 90 days	22,749,861	19,178,664
91 - 120 days	20,280,257	18,708,624
121 - 365 days	717,146,107	584,476,405
	825,872,544	685,239,474
National and provincial government		
Current (0 -30 days)	4,181,614	4,786,353
31 - 60 days	1,845,485	1,995,861
61 - 90 days	1,424,785	1,729,455
91 - 120 days	1,162,034	1,643,403
121 - 365 days	19,463,170	25,749,104
	28,077,088	35,904,176
Reconciliation of allowance for impairment		
Balance at beginning of the year	(442,879,878)	(393,085,229)
Contributions to allowance	(142,747,611)	(44,410,849)
Debt impairment written off against allowance	-	(5,383,800)
	(585,627,489)	(442,879,878)

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	626	3,102
Bank balances	9,573,961	18,025,240
Short-term deposits	20,131,246	56,651,474
Minor Beneficiary Funds in Bank	2,022,399	4,801,513
	31,728,232	79,481,329

Cash and cash equivalents held by the entity that are not available for use by the economic entity (Minor beneficiary funds in the bank -Non Current Portion)	1,807,021	4,041,304

Cash and cash equivalents include cash-on-hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

Included in Cash and cash equivalents is restricted cash to the value of (2022: R2 022 399) and (2021: R 4 801 513), which relates to funds held for minor beneficiaries.

Minor beneficiary funds in the bank relates to the funds held by the municipality from the deceased estates of former employees for their beneficiaries who have not reached the maturity age.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
ABSA- Primary Bank Account - 406 668 6529	4,847	5,464,262	619,864	4,847	5,464,262	619,864
ABSA - General Bank Account - 406 668 6472	2,156,051	3,256,472	4,823,320	2,156,051	3,256,472	4,998,152
ABSA - Collection account - 406 668 6294	117,738	677,838	893,908	117,738	677,838	893,908
ABSA- Consumer Deposits - 406 671 0647	945,769	3,180,171	1,974,502	945,769	3,180,171	1,974,502
ABSA - Salaries account - 406 660 3763	37,711	3,640	142,334	37,711	3,640	142,334
ABSA - SANLAM GroupLife account - 406 757 0977	2,022,399	4,801,513	4,759,482	2,022,399	4,801,513	4,759,482
ABSA - MIG Project Account - 406 668 6367	500	178,903	179,544	500	178,903	179,544
ABSA - MIG Call Account - 406 895 1879	1,316,172	32,240,014	50,633,933	1,316,172	32,240,014	50,633,933
ABSA - Conditional Grants - 407 757 1917	6,226,812	5,263,953	6,255,605	6,226,812	5,263,953	6,255,605
ABSA - Call Account - 406 757 0008	720,755	23,317,142	8,031,584	720,755	24,317,142	8,031,584
FNB - Call Account- 622 282 66335	18,178,852	94,319	5,087,872	18,178,852	94,319	5,087,872
Cash on hand	-	-	-	626	3,102	3,102
Total	31,727,606	78,478,227	83,401,948	31,728,232	79,481,329	83,579,882

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

9. Investment property

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Ugu Fresh Produce Market	7,844,000	-	7,844,000	11,696,000	-	11,696,000
Ugu Sports and Leisure Centre	26,400,000	-	26,400,000	22,510,000	-	22,510,000
Total	34,244,000	-	34,244,000	34,206,000	-	34,206,000

Reconciliation of investment property - 2022

	Opening balance	Fair value adjustments	Closing balance
Ugu Fresh Produce Market	11,696,000	(3,852,000)	7,844,000
Ugu Sports and Leisure Centre	22,510,000	3,890,000	26,400,000
	34,206,000	38,000	34,244,000

Reconciliation of investment property - 2021- Restated*

	Opening balance	Fair value adjustments	Closing balance
Ugu Fresh Produce Market	10,954,000	742,000	11,696,000
Ugu Sports and Leisure Centre	21,913,000	597,000	22,510,000
	32,867,000	1,339,000	34,206,000

Pledged as security

No investment property pledged as security.

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

9. Investment property (continued)

Details of property

Stand 3249 Bhobhoyi

The property is being used as a fresh market produce operation. It has been improved with three warehouses, one of which is equipped with ripening rooms in order to support the fresh produce farmers.

This property is not easily accessible and adjoins a lower income node. It is, therefore, being subjected to frequent vandalism. It was one of the areas that fell victim to the July 2021 unrest. The property also has a high vacancy rate, therefore, a higher capitalisation rate of 14% has been applied in the valuation of this property as 30 June 2022.

Opening balance	11,696,000	10,954,000
Fair value adjustment	(3,852,000)	742,000
	7,844,000	11,696,000

Farm Lot Ra 5100 ET portion 7, Shelly beach

The property comprises offices, indoor sporting facilities, boardrooms and storage.

Opening balance	22,510,000	21,913,000
Fair value adjustment	3,890,000	597,000
	26,400,000	22,510,000

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	199,360	105,530
From Investment property that generated rental revenue		
Direct operating expenses (excluding repairs and maintenance)	372,221	397,521
Repairs and maintenance	106,534	131,335
	478,755	528,856

There were no contractual obligations to purchase, construct or develop the investment property. There were also no contractual obligations for repairs, maintenance or enhancements.

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	26,805,466	-	26,805,466	26,805,466	-	26,805,466
Buildings	177,763,132	(51,235,730)	126,527,402	168,448,815	(48,650,788)	119,798,027
Infrastructure	8,972,191,661	(5,567,946,523)	3,404,245,138	8,734,645,680	(5,386,680,997)	3,347,964,683
Other property, plant and equipment	138,357,695	(100,569,311)	37,788,384	192,577,519	(149,438,980)	43,138,539
Total	9,315,117,954	(5,719,751,564)	3,595,366,390	9,122,477,480	(5,584,770,765)	3,537,706,715

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Write off	Depreciation	Impairment loss	Total
Land	26,805,466	-	-	-	-	26,805,466
Buildings	119,798,027	9,314,317	-	(2,584,942)	-	126,527,402
Infrastructure	3,347,964,683	266,287,507	(5,205,693)	(200,461,381)	(4,339,978)	3,404,245,138
Other property, plant and equipment	43,138,539	15,931,134	(1,790,458)	(18,795,172)	(695,659)	37,788,384
	3,537,706,715	291,532,958	(6,996,151)	(221,841,495)	(5,035,637)	3,595,366,390

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021- Restated*

	Opening balance	Additions	Write off	Transfers received	Other changes, movements	Depreciation	Impairment loss	Total
Land	26,805,466	-	-	-	-	-	-	26,805,466
Buildings	119,414,103	2,968,866	-	-	-	(2,584,942)	-	119,798,027
Infrastructure	3,474,654,911	170,218,601	(55,355,290)	-	(30,012,795)	(207,029,721)	(4,511,023)	3,347,964,683
Other property, plant and equipment	45,460,032	15,980,214	(5,601,012)	313,373	-	(13,014,068)	-	43,138,539
	3,666,334,512	189,167,681	(60,956,302)	313,373	(30,012,795)	(222,628,731)	(4,511,023)	3,537,706,715

Pledged as security

No assets were pledged as security.

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

10. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

PPE under construction taking significantly longer to complete than expected	229,224,285	229,224,285

There are assets under construction that are taking significantly longer to complete than expected due to various challenges faced by the municipality. These challenges include but not limited to, delays in environmental approvals; delays in the approval of the application for power supply; delayed registration of servitudes due to prolonged negotiations; community protests and business forums; delays caused by contractors on site; delays in approvals for application of additional funding and lack of funding.

229,224,285	229,224,285

Details of delayed projects:

Kwa-Lember water supply scheme	9,040,289	9,040,289
Business Plan for Implementation was submitted to DWS and the procurement processes have commenced.		

Bhobhoyi/ Mkholumbe sanitation	7,809,390	7,809,390
Planning Studies and design are in progress.		

Uvongo sanitation	45,326,431	45,326,431
Planning Studies are in Progress.		

KwaLatshoda water and sanitation	3,570,363	3,570,363
Planning Studies are in Progress.		

Harding Weza bulk regional scheme (Dam)	133,696,536	133,696,536
Planning Studies and design are in progress.		

Mabheleni East water project	3,371,801	3,371,801
Planning Studies and design are in progress.		

Sanitation Refurbishment- Reticulation	26,409,475	26,409,475
Planning Studies and design are in progress.		

229,224,285	229,224,285

Reconciliation of Work-in-Progress 2022

	Included within Infrastructure	Included within Buildings	Total
Opening balance	384,638,516	40,985,874	425,624,390
Additions/capital expenditure	255,077,448	9,314,317	264,391,765
Write-offs	(840,998)	-	(840,998)
Transferred to completed items	(16,268,345)	-	(16,268,345)
	622,606,621	50,300,191	672,906,812

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

10. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2021- Restated*

	Included within Infrastructure	Included within Buildings	Total
Opening balance	907,650,827	38,017,008	945,667,835
Additions/capital expenditure	168,945,175	2,968,866	171,914,041
Write-offs	(53,039,822)	-	(53,039,822)
Transferred to completed items	(638,917,664)	-	(638,917,664)
	384,638,516	40,985,874	425,624,390

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Maintenance of building and facilities	8,178,854	2,182,416
Maintenance of equipment	88,861,976	30,069,741
Maintenance of unspecified assets	10,429,357	9,381,256
	107,470,187	41,633,413

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

11. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Servitudes	2,659,160	-	2,659,160	2,659,160	-	2,659,160
Computer software	18,137,631	(18,137,631)	-	18,137,631	(16,858,850)	1,278,781
Total	20,796,791	(18,137,631)	2,659,160	20,796,791	(16,858,850)	3,937,941

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Servitudes	2,659,160	-	2,659,160
Computer software	1,278,781	(1,278,781)	-
	3,937,941	(1,278,781)	2,659,160

Reconciliation of intangible assets - 2021- Restated*

	Opening balance	Amortisation	Total
Servitudes	2,659,160	-	2,659,160
Computer software	3,807,452	(2,528,671)	1,278,781
	6,466,612	(2,528,671)	3,937,941

Pledged as security

No intangible assets have been pledged as security for any liabilities of municipality.

Ugu District Municipality

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

11. Intangible assets (continued)

Restrictions

The following restrictions apply to Intangible Assets:

- Financial Software

- (i) The system is non-assignable, non-transferable, and the municipality has no exclusive rights to use the system
- (ii) The system may be used on only one database at any one time.
- (iii) The municipality, as the licensee, shall not grant usage of, or distribute, the system in its original or modified form, to a third party for the third party's benefit.
- (iv) The municipality has no intellectual property rights to the system.

Other information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection.

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
12. Interests in other entities		
Investments in controlled entities		
Name	Percentage of ownership	Carrying amount 2022
Ugu South Coast Development Agency SOC	100.00 %	100
Ugu South Coast Tourism (Pty) Ltd	100.00 %	100
		200
13. Long term liabilities		
At amortised cost		
Annuity loans	37,203,674	45,653,180
The average annuity loans period varying from 1 to 20 (2021: 1 to 20) years and at interest rates varying from 5.00% to 11,51% (2021: 5.00% to 11,51%) per annum. Annuity loans are not secured.		
DBSA (Phase 1 - Sanitation Refurbishment):		
Structured unsecured 15 year loan. Original loan capital of R25 000 000 is repayable semi-annually in 26 fixed instalments of capital and interest, the first payment commencing on the last day of the 5th half-year after the half-year during which the first disbursement was advanced to the borrower.		
DBSA (Phase 2 - Sanitation Refurbishment):		
Structured unsecured 15 year loan. Original loan capital of R25 000 000 is repayable semi-annually in 26 fixed instalments of capital and interest, the first payment commencing on the last day of the 5th half-year after the half-year during which the first disbursement was advanced to the borrower.		
DBSA (Phase 1 - Umzimkulu Water Augmentation):		
Structured unsecured 20 year loan. Original loan capital of R62 000 000 is repayable monthly in 216 fixed instalments of capital and interest, the first payment commencing on the last day of the 25th month after the month during which the first disbursement was advanced to the borrower.		
DBSA (Ex Hibiscus, Umdoni and Umuziwabantu):		
Structured unsecured loans taken over from the local municipalities as a result of a change of powers and functions. Original capital amount of the loan is R18 573 441. These loans are repaid semi-annually at various interest rates.		
Non-current liabilities		
At amortised cost	31,055,971	37,123,984
Current liabilities		
At amortised cost	6,147,703	8,529,196
14. Operating lease asset (liability)		
Current liabilities	8,633,648	7,612,251

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14. Operating lease asset (liability) (continued)

Operating leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of noncancellable operating leases the current assets and current liabilities (accrual) have been recognised as above.

The impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has resulted in an increase in the current year expenditure of R 1 021 397 (2021: R 1 040 844).

The following restrictions have been imposed by the municipality in terms of the lease agreements:

- (i) The lessee shall not have the right to sublet, cede or assign the whole or any portion of the premises let.
- (ii) The lessor or its duly authorised agent, representative or servant shall have the right at all reasonable times to inspect the premises let.
- (iii) The lessee shall use the premises let for the sole purpose prescribed in the agreement.

Balance at beginning of year	7,612,251	6,571,407
Lease smoothing impact	1,021,397	1,040,844
	8,633,648	7,612,251

At the reporting date the following minimum lease payments were payable under operating leases for property, plant and equipment, which are payable as follows:

Within 1 year	240,082	218,256
2 to 5 years	1,225,642	1,114,220
More than 5 years	46,823,822	47,175,326
	48,289,546	48,507,802

15. Payables from exchange transactions

Trade payables	296,154,538	453,990,885
Other payables	21,046,593	25,890,991
Payroll accrued expenses	20,525,013	18,900,775
Debtors with credit balances	37,249,306	32,093,186
Staff bonuses	15,219,778	14,677,301
Retentions	44,482,360	49,131,755
Leave accrual	35,286,763	33,403,296
	469,964,351	628,088,189

16. Consumer deposits

Water	21,966,695	21,888,065
Guarantees held in lieu of water deposits	495,780	495,780

Consumers upon application for water meter connections pay consumer deposits. The deposit is refunded when the connection is terminated. Consumer deposits are refunded when the house is sold after the municipality has issued a clearance certificate.

17. VAT payable

VAT payable	73,550,602	20,763,553

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17. VAT payable (continued)

The Municipality accounts for value added tax on an accrual basis but claimed / paid over to SARS on a cash basis in accordance with Section 15 (2) of the Value Added Tax (Act No. 89 of 1991).

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18. Post employment benefits

Defined benefit plan

Post retirement benefit plan

Post-retirement health care

Balance at beginning of year	20,678,000	19,374,000
Contributions to provision	(2,620,000)	1,304,000
Balance at end of year	18,058,000	20,678,000
Transfer to current portion	(1,314,000)	(1,245,000)
	16,744,000	19,433,000

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member is entitled to continue as a member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2022 by Arch Actuarial Consulting, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The members of the post-employment health care benefit plan are made up as follows:

In-service members (employees)	479	467
Continuation members	68	65
	547	532

The unfunded liability in respect of past service has been estimated as follows:

In-service members (employees)	7,726,000	9,321,000
In-service non-members	601,000	770,000
Continuation members	9,731,000	10,587,000
	18,058,000	20,678,000

The current-service cost for the year ending 30 June 2022 is estimated to be R674 000, whereas the cost for the ensuing year is estimated to be R634 000.

Key assumptions used

The principal assumptions used for the purposes of the actuarial valuations was as follows:

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18. Employee benefit obligations (continued)

Discount rates	11.33%	
9.52%		
Health care cost inflation	8.00%	
6.54%		
Net effective discount rate	3.08%	
2.80%		
Expected retirement age - females	62	62
Expected retirement age - males	62	62

Movements in the present value of the defined benefit obligation were as follows:

Balance at beginning of the year	20,678,000	19,374,000
Current services costs	674,000	634,000
Interest cost	1,911,000	1,818,000
Benefits paid	(1,245,000)	(1,214,000)
	22,018,000	20,612,000
Actuarial (gains) / losses	(3,960,000)	66,000
	18,058,000	20,678,000

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	674,000	634,000
Interest cost	1,911,000	1,818,000
Actuarial (gains) / losses	(3,960,000)	66,000
Benefits paid	(1,245,000)	(1,214,000)
	(2,620,000)	1,304,000

The history of experienced adjustments is as follows:

	2022	2021	2020	2019	2018
Present value of defined benefit obligation	18,058,000	20,678,000	19,374,000	20,848,000	18,674,000
Net amount	18,058,000	20,678,000	19,374,000	20,848,000	18,674,000
Experienced adjustments on plan liabilities	-	(1,040,000)	(1,653,000)	(537,000)	(660,000)
	18,058,000	19,638,000	17,721,000	20,311,000	18,014,000

Municipality's Accrued Liability as at the Valuation Date:

2022	Total liability	Expected current portion of liability	Expected non-current portion of liability
Total liability	18,058,000	1,314,000	16,744,000
	-	-	-
2021	Total liability	Expected current portion of liability	Expected non-current portion of liability
Total liability	20,678,000	1,245,000	19,433,000
	-	-	-

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18. Employee benefit obligations (continued)

The municipality expects to make contribution of R1,314 million (2021: R1,245 million) to the defined benefit plans during the next financial year.

Non-current liabilities	(16,744,000)	(19,433,000)
Current liabilities	(1,314,000)	(1,245,000)
	(18,058,000)	(20,678,000)

19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Disaster Management Grant	2,000,000	-
Rural Transport Services Grant	-	1,748,919
Development Planning Shared Services Support	-	522,596
AWIP - St Helens	4,839,877	-
Shared Legal Services Grant	1,000,000	1,000,000
AWIP-Malangen Water Supply	-	75,002
Growth Development Summit	-	116,663
	7,839,877	3,463,180

Movement during the year

Balance at the beginning of the year	3,463,180	8,785,209
Additions during the year	363,656,000	250,352,000
Income recognition during the year	(357,413,721)	(253,488,972)
Grants paid back to funder	(1,865,582)	(2,185,057)
	7,839,877	3,463,180

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

These amounts are invested in a ring-fenced investment until utilised.

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20. Long service awards

Provision for long service awards	24,514,000	23,291,000

The movement in non-current provisions are reconciled as follows:

Long-term service

Balance at beginning of year	27,338,000	20,350,000
Contributions to provision	602,000	6,988,000
	27,940,000	27,338,000
Transfer to current portion	(3,426,000)	(4,047,000)
Balance at end of year	24,514,000	23,291,000

A long-service award is payable after 5 years of continuous service and every 5 years thereafter to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2022 by Arch Actuarial Valuers, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. At year-end, 786 (2021: 786) employees were eligible for long-service awards.

The current service costs for the year ending 30 June 2022 is estimated to be R2 487 000, whereas the cost for the ensuing year is estimated to be R 1 868 000.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rates used	7.43%	9.20%
Cost inflation rate	4.03%	5.78%
Net effective discount rate	3.27%	3.23%
Expected retirement age - females	62	62
Expected retirement age - males	62	62

Movements in the present value of the defined benefit obligation were as follows:

Balance at beginning of the year	27,338,000	20,350,000
Current service costs	2,487,000	1,868,000
Interest cost	2,333,000	1,459,000
Benefits paid	(4,047,000)	(1,454,000)
Actuarial losses/(gains)	(171,000)	(140,000)
Policy changes	-	5,255,000
	27,940,000	27,338,000

The history of experienced adjustments is as follows:

	2022	2021	2020	2019	2018	2017
Present value of long service	27,940,000	27,338,000	20,350,000	20,703,724	19,098,800	17,014,533
Net amount	27,940,000	27,338,000	20,350,000	20,703,724	19,098,800	17,014,533
Experienced adjustments on plan liabilities	-	-	(1,506,520)	(786,085)	815,469	999,274
	27,940,000	27,338,000	18,843,480	19,917,639	19,914,269	18,013,807

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21. Payables from exchange transactions

The municipality entered into a payment arrangement with Umgeni Water which meant that a significant portion of the debt is not payable within 12 months after the financial year end. The amount that is payable in periods in excess of the 12 months after year end has been reclassified as non-current. The agreement was entered into on the 13th of May 2022 its effective date is the 1st of July 2022.

Minimum payments	Capital	Interest	Total
Within one year	48,067,784	15,437,472	63,505,256
In second to fifth year	170,191,914	20,165,054	190,356,968
	218,259,698	35,602,526	253,862,224

An amount of R48 067 784 is included in the current Trade payables figure.

22. Service charges

Sale of water	309,226,915	306,116,335
Sewerage and sanitation charges	107,989,155	108,764,243
	417,216,070	414,880,578

23. Rental of facilities and premises

Premises	1,217,369	2,398,811
Rental of facilities	199,360	105,530
	1,416,729	2,504,341

Rental of premises:

The municipality rents out its land to the cellphone service providers for erection of their Base Telecommunication Stations. There are four service providers with different sites namely: Vodacom; MTN; Cell-C/ATC and Transnet.

Rental of facilities:

The municipality has a multipurpose centre referred to as Ugu Sports and Leisure Centre. The municipality generates rental income by renting out the Hall, Sports fields, Gymnasium, lounges and conference rooms.

24. Other income

LG SETA	692,036	483,994
Connection fees	780,103	723,511
Atmospheric emission licenses	-	23,000
Tender deposits	37,261	84,070
Water rates certificates	1,845,652	1,785,550
Inter-governmental Fees	121,533	328,852
Sundry income	1,294,932	1,297,270
	4,771,517	4,726,247

The municipality generates other income from the new connections applications for water meters. Atmospheric emission licences are also issued at a cost to industries that pollute the air in their production processes, this is levied once in a five year cycle. Tender documents are also sold to bidders when tenders are advertised by the municipality. Water clearance certificate fees are collected when customers are in a process of selling their properties. These certificates are issued to confirm that the properties have no outstanding debt at the time of the sale. Intergovernmental fees relate to transactions between the district and other municipalities. Miscellaneous other revenue relates to plan approval fees, plan admin fees, insurance commission, insurance refunds, housing subsidy recovery, pension refunds.

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25. Interest income		
Interest revenue		
Short-term investments	403,906	2,720,117
Bank	5,220,180	3,762,467
Interest charged on trade and other receivables	49,742,455	43,563,597
	55,366,541	50,046,181

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26. Government grants & subsidies

Operating grants

Equitable share	524,364,000	557,282,000
National: FMG Grant	1,750,000	1,800,000
AWIP - St Helens	10,460,124	-
Municipal Disaster Recovery	-	1,903,057
AWIP - Mthavuna	6,400,000	-
AWIP -Malangeni	75,002	-
AWIP - Boreholes	4,000,000	-
Provincial: Dept of Public Works Grant	3,611,000	4,468,000
Provincial: Dept of Transport Grant	2,721,000	936,081
	553,381,126	566,389,138

Capital grants

National: MIG Grant	255,524,000	191,681,834
Water Service Infrastructure Grant	72,350,000	50,000,000
Provincial: Dept of Cooperative Governance and Traditional Affairs Grant	-	2,700,000
Development Planning and Shared Services	522,595	-
	328,396,595	244,381,834
	881,777,721	810,770,972

National: Equitable share

Current-year receipts	524,364,000	557,282,000
Conditions met - transferred to revenue	(524,364,000)	(557,282,000)
	-	-

National: Finance Management Grant (FMG)

Current-year receipts	1,750,000	1,800,000
Conditions met - transferred to revenue	(1,750,000)	(1,800,000)
	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns). No funds were withheld.

National: Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	-	282,000
Current-year receipts	255,524,000	191,399,000
Conditions met - transferred to Revenue: Operating Expenses	(45,740,600)	(9,933,235)
Conditions met - transferred to Revenue: Capital Expenses	(209,783,400)	(181,465,765)
Transfers withheld during the year	-	(282,000)
	-	-

The MIG grant is aimed at supplementing municipal budgets to eradicate backlogs in municipal infrastructure utilised in providing basic services for the benefit of poor households and for the provision, rehabilitation and renewal of municipal infrastructure. No funds were withheld.

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26. Government grants & subsidies (continued)

Water Service Infrastructure Grant

Current-year receipts	72,350,000	50,000,000
Conditions met - transferred to revenue	(72,350,000)	(50,000,000)
	-	-

Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of borehole; provide on site sanitation solutions; support the existing bucket eradication programme intervention informal residential areas; support drought relief projects in affected municipalities.

Municipal Disaster Recovery

Balance unspent at beginning of year	-	1,903,057
Current-year receipts	2,000,000	-
Transfers withheld during the year	-	(1,903,057)
	2,000,000	-

Conditions still to be met - remain liabilities (see note 19).

To provide for the immediate release of funds for disaster purpose.

Provincial Dept of Cooperative Governance and Traditional Affairs Grant

Balance unspent at beginning of year	-	2,700,000
Conditions met - transferred to Revenue: Capital Expenses	-	(2,700,000)
	-	-

Development Planning Shared Services

Balance unspent at beginning of year	522,596	522,596
Conditions met - transferred to revenue	(522,596)	-
	-	522,596

AWIP - Malangeni

Balance unspent at beginning of year	75,002	75,002
Conditions met - transferred to revenue	(75,002)	-
	-	75,002

Grants received from CoGTA are aimed at supplementing municipal budgets to assist with the water delivery and water services technical support.

AWIP - uMthwamvuna

Current-year receipts	6,400,000	-
Conditions met - transferred to Revenue: Operating Expenses	(42,233)	-
Conditions met - transferred to Revenue: Capital Expenses	(6,357,767)	-
	-	-

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26. Government grants & subsidies (continued)

Grants received from CoGTA are aimed at supplementing municipal budgets to assist with the upgrade of electricity power for Umthamvuna pump station which assist water distribution and water delivery services support.

AWIP -St Helen's Rock Water

Current-year receipts	15,300,000	-
Conditions met - transferred to revenue	(10,460,124)	-
	4,839,876	-

Conditions still to be met - remain liabilities (see note 19).

AWIP -Construction & Installation Boreholes

Current-year receipts	4,000,000	-
Conditions met - transferred to revenue	(4,000,000)	-
	-	-

Grants received from CoGTA aimed at supplementing municipal budgets to assist with the economic development and job creation within the Ugu District Municipality.

Legal Services Shared Grant

Balance unspent at beginning of year	1,000,000	1,000,000

Conditions still to be met - remain liabilities (see note 19).

District Growth & Development Summit

Balance unspent at beginning of year	116,663	116,663
Transfers withheld during the year	(116,663)	-
	-	116,663

Provincial: Dept of Public Works Grant

Current-year receipts	3,611,000	4,468,000
Conditions met - transferred to revenue	(3,611,000)	(4,468,000)
	-	-

Provincial: Dept of Transport Grant

Balance unspent at beginning of year	1,748,919	-
Current-year receipts	2,721,000	2,685,000
Conditions met - transferred to revenue	(2,721,000)	(936,081)
Transfers withheld during the year	(1,748,919)	-
	-	1,748,919

To assist rural district municipalities to set up rural Roads Asset Management Systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.

27. Water availability

Basic charge	14,757,278	14,110,242

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28. Employee related costs

Basic	250,018,137	239,231,127
Stand by allowance	9,541,391	9,700,989
Bonus	19,407,867	19,296,551
Medical aid - company contributions	16,822,777	17,490,326
UIF	1,687,283	1,477,519
WCA	3,470,602	2,211,429
SDL	3,546,856	2,634,435
Leave pay provision charge	4,224,691	4,850,029
Pension fund contribution	40,696,442	40,452,502
Overtime payments - non structured	40,911,711	34,266,243
Travel, motor car, accommodation, subsistence and other allowances	10,067,350	9,770,596
Overtime payments	10,547,175	9,931,484
Long-service awards	2,134,706	7,918,985
Acting allowances	3,114,627	2,731,435
Housing benefits and allowances	1,481,625	1,644,810
Bargaining council	90,671	87,328
Cell-phone allowance	2,727,009	2,812,875
Rental subsidy	136,920	137,760
	420,627,840	406,646,423

Remuneration of Municipal Manager - Dr EMS Ntombela (From 1 July 2021)

Annual Remuneration	986,882	-
Housing subsidy	96,000	-
Car allowance	366,083	-
Contributions to UIF, Medical and Pension Funds	16,213	-
Telephone	33,000	-
	1,498,178	-

Remuneration of Municipal Manager DD Naidoo

Annual Remuneration	-	1,285,924
Car Allowance	-	180,000
Subsistence - taxable	-	30
Contributions to UIF, Medical and Pension Funds	-	12,995
Telephone	-	33,000
Housing subsidy	-	240,000
Subsistence - non taxable	-	1,008
	-	1,752,957

Remuneration of Chief Financial Officer - K Audan (From 1 March 2022)

Annual Remuneration	451,682	-
Car Allowance	20,000	-
Contributions to UIF, Medical and Pension Funds	5,474	-
Telephone	8,900	-
	486,056	-

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28. Employee related costs (continued)

Remuneration of Chief Financial Officer - LZ Sotshede (From 9 December 2019 until 28 February 2022)

Annual Remuneration	538,132	807,198
Car Allowance	214,294	321,441
Contributions to UIF, Medical and Pension Funds	11,550	11,405
Housing subsidy	40,000	60,000
Telephone	17,800	26,700
Leave encashed	228,218	-
	1,049,994	1,226,744

Remuneration of General Manager - Corporate Services: VO Mazibuko

Annual Remuneration	1,025,047	1,025,047
Car Allowance	300,000	300,000
Housing subsidy	90,000	90,000
Contributions to UIF, Medical and Pension Funds	14,478	12,106
Telephone	26,700	-
Backpay	-	26,700
Bonus	70,752	-
	1,526,977	1,453,853

Remuneration of the General Manager - Economic Development and Environmental Services: DJ Rankin

Annual Remuneration	891,478	113,516
Car Allowance	297,159	37,839
Contributions to UIF, Medical and Pension Funds	13,685	1,798
Telephone	26,700	3,400
	1,229,022	156,553

Remuneration of the General Manager - Water Services: SN Mbewu

Annual Remuneration	783,197	783,197
Car Allowance	301,441	301,441
Housing subsidy	104,000	104,000
Contributions to UIF, Medical and Pension Funds	13,676	11,438
Telephone	26,700	26,700
	1,229,014	1,226,776

29. Remuneration of councillors

Mayor	767,744	726,006
Deputy Mayor	614,195	580,804
Speaker	614,195	580,804
Councillors	4,797,941	5,040,793
Allowances	3,014,887	2,737,429
Company contributions	-	52,896
	9,808,962	9,718,732

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29. Remuneration of councillors (continued)		
In-kind benefits		
The Mayor, Deputy 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 Mayor, Deputy Mayor and Speaker each have bodyguards and the use of separate Council owned vehicles for official duties.		
30. Depreciation and amortisation		
Property, plant and equipment	221,841,495	222,628,731
Intangible assets	1,278,781	2,528,671
	223,120,276	225,157,402
31. Finance costs		
Employee benefits obligation and long service awards	4,244,000	3,277,000
Current borrowings	3,231,925	3,639,008
Interest on late payments	19,435,694	14,048,500
	26,911,619	20,964,508
32. Lease rentals on operating lease		
Computer equipment	3,836,887	3,832,876
Buildings	1,808,294	1,590,464
Office equipment	998,974	2,553,715
	6,644,155	7,977,055
Refer to Note 14.		
33. Debt impairment		
Water	124,314,789	44,410,849
Sewerage	18,432,822	5,383,800
Water availability	9,869,626	(1,921,420)
	152,617,237	47,873,229
34. Bad debts written off		
Bad debts	21,435,310	253,271
An impairment loss on financial assets has been incurred and the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition) as per GRAP 104.		
35. Auditors' remuneration		
Fees	6,740,566	6,357,052

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36. Operational costs		
Advertising	538,510	591,145
Auditors remuneration	6,740,566	6,357,052
Bank charges	939,414	742,479
Commission paid	9,315,048	2,929,205
Consumables	16,834,776	18,423,331
Hire	-	55,500
Insurance	7,276,753	7,987,861
Fuel and oil	24,509,254	18,127,147
Postage and courier	1,269,642	1,673,333
Printing and stationery	336,017	267,558
Subscriptions and membership fees	4,765,914	4,624,840
Telephone, satellite and fax	12,057,791	11,229,850
Training	506,391	500,530
Accommodation, seminars and travelling	295,282	1,920,795
Electricity	93,757,746	85,662,461
Uniforms	1,398,622	1,629,917
Storage of files	298,433	165,098
Licenses	4,449,427	3,972,324
Vehicle tracking	2,168,108	1,751,486
Events and programs	-	47,531
	187,457,694	168,659,443
37. Bulk purchases		
Water	141,658,519	151,050,074
Water losses		
Apparent losses: Unauthorised consumption	9,653,566	48,178,812
Apparent losses: Customer meter inaccuracies	6,524,746	6,853,564
Real losses: Leakage on transmission and distribution mains	689,707	10,442,741
Real losses: Leakage and overflows at storage tanks/ reservoirs	55,176,584	549,618
Real losses: Leakage on service connections up to the point of customer meter	13,104,439	43,969,434
Other losses	16,238,382	-
Total	101,387,424	109,994,169

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38. Contracted services		
Outsourced Services		
Environmental services	33,437	43,643
Burial Services	175,500	91,000
Laboratory testing services	5,077,811	4,924,279
Cleaning Services	4,045,570	3,185,602
Fumigating services	160,853	619,558
Hygiene Services	50,248	136,809
Meter Management	-	1,552,936
Security Services	23,130,945	24,307,101
Water Takers	59,767,838	84,871,986
Consultants and Professional Services		
Business and Advisory	4,923,021	3,485,390
Legal Cost	1,339,321	4,249,096
Contractors		
Catering Services	61,384	283
Electrical	8,268,527	3,082,416
Employee Wellness	19,700	8,000
Event Promoters	354,685	129,536
Occupational health	591,360	211,568
Graphic Designers	-	1,408
Vacuum tanker services	819,690	20,591,055
Maintenance of Buildings and Facilities	8,178,854	2,182,416
Maintenance of Equipment	88,861,976	30,069,741
Maintenance of Unspecified Assets	10,429,357	9,381,256
Pest Control	81,199	34,457
Printing services	248,267	102,562
Sewerage Services	61,501,791	32,283,849
Prepaid Water Vendors	24,204	129,711
	278,145,538	225,675,658
39. Transfer and subsidies		
Grants paid to ME's		
Ugu South Coast Development Agency	5,494,609	5,742,278
Ugu South Coast Tourism	14,286,764	13,541,956
	19,781,373	19,284,234
40. Impairment loss		
Impairments		
Property, plant and equipment	5,035,637	4,511,023
41. Loss on disposal of assets		
Proceeds from sale of property, plant and equipment	3,601,708	1,620,875
Assets written-off	(6,996,151)	(60,956,302)
	(3,394,443)	(59,335,427)

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42. Cash generated from operations		
Deficit	(58,749,188)	(48,654,916)
Adjustments for:		
Depreciation and amortisation	223,120,276	225,157,402
Assets written off	3,394,443	59,335,427
Actuarial gains	(4,131,000)	(74,000)
Gain on measurement of liability	(58,414,559)	-
Fair value adjustments	(38,000)	(1,339,000)
Finance costs	4,244,000	3,277,000
Impairment deficit	5,035,637	4,511,023
Debt impairment	152,617,237	47,873,229
Bad debts written off	21,435,310	253,271
Movements in operating lease assets and accruals	1,021,397	1,040,844
Movements in retirement benefit assets and liabilities	(2,620,000)	(1,364,627)
Changes in working capital:		
Inventories	668,041	(1,588,450)
Other receivables from exchange transactions	11,259,847	(1,186,805)
Receivables from exchange transactions	(171,325,288)	(147,998,855)
Other receivables from non-exchange transactions	(6,962,741)	(11,129,398)
Employee receivables	(256,761)	114,997
Long service awards	602,000	6,988,000
Payables from exchange transactions	70,482,636	66,298,613
VAT	52,787,049	10,482,638
Consumer deposits	78,630	(17,435,190)
Unspent conditional grants and receipts	4,376,697	(3,081,472)
	248,625,663	191,479,731

43. Gain on measurement of liability

Refer to **Note 21**.

Gain on waive of debt	24,542,709	-
Umgeni Water	33,871,850	-
	58,414,559	-

During the 2021/22 financial year, Ugu District Municipality entered into a repayment plan with Umgeni Water for the debt owed by the municipality amounting to R 253 862 223. The amount is payable over a period of 4 years at varying monthly repayments, and no interest will be charged by Umgeni Water on the full amount due should there be no default. The gain is as a results of the discounting the debt.

44. Fair value adjustments

Investment property (Refer to note 9)	38,000	1,339,000

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45. Contingencies

Contingent liabilities:

No.	Name of Entity/Subsidiary	Management's Description of Matter (including amount claimed and legal counsel)	Management's Estimate of the Financial Exposure (Including Costs and Disbursements)	Legal Services/Counsel Remarks
1.	San Lameer Homeowners Association	2016 – The Municipality is the fourth Respondent of six, the Plaintiff alleges that the Municipality has failed to deal with the first respondent's lack of compliance to our By-Laws for public health in respect of offensive smell from Pig Farming activities. Claim: Nil Legal Counsel: Seethal Attorneys	Total costs of outstanding legal fees or estimated costs: R±123 000.00	The Municipality is suffering no prejudice by the matter not being finalised. We recommend that we close our file and reopen it in the event of the Applicant setting the matter down.
2.	Market Demand Trading 773 (Pty) Ltd	2020 - Litigation matter. The Municipality served Market Demand with a Notice of Intention to Institute Legal Proceedings for failure to perform their contractual obligations. Claim: R1 592 856.74 Legal Counsel: Seethal Attorneys	Total costs of outstanding legal fees or estimated costs: ±R26 005.53	Awaiting further consultation with the witnesses.
3.	SAMWU obo S.P. Ndaba	2018 -The Municipality converted car allowances of the employees who had been receiving R10 800 per month to 15% of their annual salary causing Employees lodged an unfair labour practice against the Municipality. Claim: Nil Legal Counsel: AT Mpungose & Dlamini Inc	Total costs of outstanding legal fees or estimated costs: ±R1 008.32.	Our Legal Counsel to apply to withdraw the matter from the court roll.

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45. Contingencies (continued)

4.	L.N Ngcobo	2021 – Employees instituted arbitration proceedings after not being appointed to the position of Environment Officer. Claim: Nil Legal Counsel: AT Mpungose & Dlamini Inc	Total costs of outstanding legal fees or estimated costs: ±R26 796.16	The matter is awaiting sat down for arbitration
5.	RNP Agencies	2018 - Allegation of amounts paid or deposited by the Municipality to an incorrect account. Claim: R150 221.72 Legal Counsel: AT Mpungose & Dlamini Inc	Total costs of outstanding legal fees or estimated costs: R±100 000.00	Awaiting trial date.
6.	Shembe	2017 - Attorneys allege that the Municipality constructed a pipeline on property belonging to Shembe without consultation and compensation Claim: The property was valued at R274 000 Legal Counsel: N/A - Internal representation	Total costs of outstanding legal fees or estimated costs: R±100 000.00	This is not a litigation but a claim for land used without consent.
7.	Charl Wilcocks	Dec 2018 - The employee alleges that he was unfairly dismissed the arbitrator ruled in favour of the municipality however the former employee referred the arbitrator ruling to the Labour Court for Review. The former employee is caliming R4 471 915.00 in compensation.	Total costs of outstanding legal fees or estimated costs: R±16 382.41	Awaiting trial date.

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45. Contingencies (continued)

8.	Yvonne Draai	2018 - Contract employee alleges unfair dismissal after termination of contract employment. Arbitrator found in favour of the municipality however the former employee has referred the arbitrator's decision to the Labour Court for review. Legal Counsel: Shepstone & Wylie	Total costs of outstanding legal fees or estimated costs: R±60 000.00	Awaiting trial date.
9.	Mzansi LDK	2020 - Letter of Demand issued Demand for payment for emergency services in Harding rendered by the service provider in 2019. Claim: R1 670 989.65 Legal Counsel: N/A – Internal Representation	Total costs of outstanding legal fees or estimated costs: R±100 000.00	Awaiting further instructions on this matter.
10.	Department of Transport	2020 - KZNDOT alleged that on or about 20/05/2020 the road was damaged by Ugu workers, at Betani, Nsimbini Tribal Authority Claim: R200 000.00 Legal Counsel: N/A – Internal Representation	Total costs of outstanding legal fees or estimated costs: R±100 000.00	Awaiting further instructions on this matter.

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45. Contingencies (continued)

11.	Town and Around Civils	2021 – Respondent demands for payment Demand for payment of services rendered for the following contracts: UGU-07-1181-2012 and UGU-07-1183-2012. Total estimated claim: R710 486.22 Legal Counsel: N/A – Internal Representation	Total costs of outstanding legal fees or estimated costs: ±R100 000.00	Awaiting further instruction on this matter.
12.	Adventure Travel	2020 – Notice in Terms of Section 3 of the Institution of Legal Proceedings Against Certain Organs of State Act in respect to a demand for the alleged outstanding payments Claim: R172 97.40 Legal Counsel: N/A – Internal Representation	Total costs of outstanding legal fees or estimated costs: ±R50 000.00	Awaiting further instruction on this matter
13.	LNY	2018 - Notice in Terms of Section 3 of the Institution of Legal Proceedings Against Certain Organs of State Act in respect to a demand for the alleged outstanding payments. Claim: R11 034 455.00 Legal Counsel: N/A – Internal Representation	Total costs of outstanding legal fees or estimated costs: ±R100 000.00	Awaiting further instruction on this matter
14.	Eden Wilds	2020 - Notice in Terms of Section 3 of the Institution of Legal Proceedings Against Certain Organs of State Act in respect to a demand for the alleged outstanding payments Claim: R109 345.76 Legal Counsel: N/A – Internal Representation	Total costs of outstanding legal fees or estimated costs: ±R50 000.00	Awaiting further instruction on this matter

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45. Contingencies (continued)

15.	Premier Attraction 1445 CC	Premier Attraction was appointed by Ugu to provide consultancy in the Harding Weza Bulk Region Supply and have not received payment for their work, summons served on the Municipality. Claim: R23 071 002.87 Legal Counsel: N/A – Internal Representation	Total costs of outstanding legal fees or estimated costs: ±R100 000.00	Awaiting further instruction on this matter
16.	Ingrid Gramony	2014 - Plaintiff's husband fell into trench allegedly created by the Municipality for pipeline replacement and died. Claim: R1 347 538. Legal Counsel: Seethal Attorneys	Total costs of outstanding legal fees or estimated costs: R±350 000.00	Awaiting further instruction on this matter
17.	PV Conco	2015 - Allegations that the Municipality has built property on land belonging to Umzumbe Municipality without authorisation. They require the Municipality to return undistributed and rehabilitated use of land to them. Claim: R 600 000.00 Legal Counsel: Seethal Attorneys	Total costs of outstanding legal fees or estimated costs: R±160 000.00	The attorneys are amending the Plea to incorporate a tender.
18.	Msawenkosi Patrick Sakha	2016 - Claim for damages for pain and suffering. The employee sued the municipality for pain and suffering after not having been appointed on a position that they had acted in and claimed unfair labour practice. Claim: R194 466.87 Legal Counsel: Seethal Attorneys	Total costs of outstanding legal fees or estimated costs: ±R21 000.00	Awaiting further instruction on this matter.

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45. Contingencies (continued)

19.	SAMWU obo Mandla Zwane and Others	2020 – Mass dismissal of SAMWU members who were employees of the Municipality who were dismissed for their participation in an unprotected strike in 2020. Legal Counsel: Shepstone & Wylie	Total costs of outstanding legal fees or estimated costs: ±R270 476.04	We await their pre-trial minute and the following discovery affidavit so that we may prepare our discovery affidavit for delivery 30 days thereafter.

Contingent assets:

No.	Name of entity/subsidiary	Management's description of matter (including amount claimed and legal counsel)	Management's estimate of the financial exposure (including costs and disbursements)	Legal Services/Counsel remarks
1.	"I G Gilmore"	The customer did not pay their water account and the matter has been handed over to the attorneys. The customer was issued with summons and they are defending the matter. Total value of the claim: R88 058 Legal Counsel: Petterson & Pandaram Attorneys	Total costs of outstanding legal fees or estimated costs: R±25 000	Awaiting trial date.

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46. Related parties

Relationships	
Accounting Officer	Refer to accounting officers' report
Subsidiary	Ugu South Coast Tourism (Pty) Ltd
Subsidiary	Ugu South Coast Development Agency SOC
Councillors	Refer to note 29
Provincial Governing Department	Cooperative Governance and Traditional Affairs

In terms of GRAP 20 paragraph 35 remuneration paid by Ugu District municipality to councillors and Municipal Manager and section 57 personnel respectively are related parties. Refer to note 28 and 29.

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Related party balances

Amounts included in Trade Payable regarding related parties

Ugu South Coast Development Agency SOC	-	(1,175,905)
Ugu South Coast Tourism (Pty) Ltd	-	(14,573,249)

Related party transactions

Transfers and subsidies to related parties

Ugu South Coast Development Agency SOC	5,494,608	5,742,278
Ugu South Coast Tourism (Pty) Ltd	14,286,764	13,541,956

Professional services paid for by CoGTA

Remuneration of the technical advisor (Mr SC Sithole)	-	1,477,114
Provision of financial management support at no consideration in 2021/2022 financial year	-	-

47. Unauthorised expenditure

Opening balance as previously reported	288,986,793	697,154,210
Add: Unauthorised expenditure - current	268,815,470	214,399,292
Less: written-off by council	(557,802,263)	(622,566,709)
Closing balance	-	288,986,793

Analysed as follows: non-cash

Bad debts	21,435,310	253,271
Depreciation and amortisation	4,066,299	72,334,081
Impairment of assets	524,614	4,511,023
Debt Impairment loss	59,362,523	15,005,064
Loss on disposal of assets	3,394,443	59,335,427
Actuarial loss	-	65,500
	88,783,189	151,504,366

Analysed as follows: cash

Bulk purchases	-	7,212,525
Contracted services	122,618,998	32,030,214
Finance costs	6,615,619	14,289,222
Capital expenditure	-	8,118,945
Employee related costs	39,228,840	432,165
Lease rentals on operating lease	6,680,130	811,855
Operational expenditure	4,888,694	-
	180,032,281	62,894,926

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48. Fruitless and wasteful expenditure		
Opening balance as previously reported	9,700,053	24,460,950
Interest on overdue accounts	19,435,694	14,041,050
Court penalties	-	7,450
Written off	(29,135,747)	(28,809,397)
Closing balance	-	9,700,053
49. Irregular expenditure		
Opening balance	678,906,532	651,452,584
Add: Irregular Expenditure - current	272,804,829	228,996,598
Less: Amount written off	(437,693,162)	(201,542,650)
Closing balance	514,018,199	678,906,532

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49. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

Three written quotations not invited	1,083,931	1,027,604
Quotes- Local content	8,073,271	-
Non compliance with regulation 45	1,997,114	-
Non compliance with regulation 29	30,633,675	63,141,815
Local content non-compliance - PPPFA 8	181,831,196	13,065,527
Non compliance with regulation 36	42,901,802	149,598,940
CIDB Contravention	6,283,840	2,162,712
	272,804,829	228,996,598

50. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Opening balance	3,989,513	-
Current year subscription / fee	7,745,115	7,543,758
Amount paid - current year	(5,635,100)	(3,554,245)
Amount paid - previous years	(3,909,367)	-
	2,190,161	3,989,513

PAYE and UIF

Opening balance	5,456,661	5,723,600
Current year subscription / fee	73,024,013	68,072,047
Amount paid - current year	(72,708,738)	(68,338,986)
	5,771,936	5,456,661

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50. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Opening balance	4,707,059	4,688,476
Current year subscription / fee	88,707,280	87,453,313
Amount paid - current year	(88,434,869)	(87,434,730)
	4,979,470	4,707,059

An amount of R4 979 470 was outstanding at the end of the financial year. This amount was included in the accrual list for the financial year.

VAT

VAT payable	73,550,602	20,763,553

All VAT returns were submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2022:

30 June 2022	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor N Njenga	841	23,200	24,041
Councillor D Nciki	4,097	4,522	8,619
Councillor MA Manyoni	689	1,300	1,989
Councillor S Ngcobo	157	-	157
Councillor GD & JE Henderson	190	-	190
Councillor V Chiya	134	-	134
Councillor PH Mthiyane	180	-	180
	6,288	29,022	35,310

30 June 2021	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councillor NH Gumede	4,787	-	4,787
Councillor ZK Dladla	434	3,048	3,482
Councillor MA Manyoni	168	571	739
Councillor GD & JE Henderson	190	4,206	4,396
Councillor PH Mthiyane	304	3,692	3,996
Councillor DA Ngubo	66	4,257	4,323
Councillor S Ngcobo	348	-	348
	6,297	15,774	22,071

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51. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2021- Restated*

	Note	As previously reported	Prior year adjustment	Re-classification	Restated
Inventory A)	3	13,748,717	(5,483)	-	13,743,234
Receivables from exchange transactions (B)	7	304,687,031	278,762	-	304,965,793
Payables from exchange transactions (C)	21	602,539,427	(7,854,534)	33,403,296	628,088,189
VAT payable (D)	17	21,301,016	(537,463)	-	20,763,553
Unspent conditional grants and receipts (E)	19	5,546,788	(2,083,608)	-	3,463,180
Non-current portion of long term receivables (F)	4	2,204,112	(8,306)	-	2,195,806
Property, plant and equipment (G)	10	3,586,064,037	(48,357,322)	-	3,537,706,715
Provisions (C)		33,403,296	-	(33,403,296)	-
Accumulated Surplus - Opening balance (GG)		3,263,923,756	45,901,240	-	3,309,824,996
		7,833,418,180	(12,666,714)	-	7,820,751,466

Statement of financial performance

2021- Restated*

	Note	As previously reported	Prior year adjustment	Re-classification	Restated
Other income (H)	24	5,540,617	483,994	-	6,024,611
Government grants & subsidies (I)	26	809,115,858	1,655,114	-	810,770,972
Finance costs (J)	31	(23,403,117)	(2,297,391)	-	(25,700,508)
Contracted services (K)	38	(197,619,165)	(9,365,560)	(18,690,933)	(225,675,658)
Employee related costs (L)	28	(403,027,292)	(7,589,753)	-	(410,617,045)
Depreciation (M)	30	(215,269,068)	(9,888,334)	-	(225,157,402)
Lease rentals on operating lease (N)	32	(6,741,807)	(1,235,248)	-	(7,977,055)
Transfers and subsidies (O)	39	(19,284,234)	7,547,771	-	(11,736,463)
Operational costs (P)	36	(189,480,559)	2,130,183	18,690,933	(168,659,443)
Profit/ (Loss) on disposal of assets (M)	41	322,512	(51,741,459)	(7,916,480)	(59,335,427)
Assets written off (U)	41	(7,916,480)	-	7,916,480	-
Surplus for the year		(247,762,735)	(70,300,683)	-	(318,063,418)

Cash flow statement

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51. Prior-year adjustments (continued)				
2021- Restated*				
	Note	As previously reported	Prior year adjustment	Restated
Net receipts from operations (Q)		1,126,811,191	(6,899,660)	1,119,911,531
Net payments from operations (Q)		(969,328,423)	18,246,334	(951,082,089)
		157,482,768	11,346,674	168,829,442
Cash flow from investing activities				
Purchase of property, plant and equipment (Q)		(154,613,961)	(11,346,680)	(165,960,641)
Proceeds from disposal of PPE (Q)		1,064,124	556,751	1,620,875
		(153,549,837)	(10,789,929)	(164,339,766)
2022				
	Note	As previously reported	Prior year adjustment	Restated
Unauthorised expenditure (T)	47	327,002,181	(38,015,388)	288,986,793
Irregular expenditure (R)	49	627,661,735	51,244,797	678,906,532
Fruitless and wasteful expenditure (S)	48	9,484,998	204,746	9,689,744
		964,148,914	13,434,155	977,583,069
Errors				

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51. Prior-year adjustments (continued)

A) Correction of valuation differences.

B) Recognition of the VTS additional draws revenue raised in July 2021 for June 2021.

C) Accounting for prior year invoices which were erroneously omitted.

Balance re-classified due to its nature being actually an accrual for leave than a provision.

D) This is an impact of correcting customer billings as a result of correction of meter readings.

E) Recognition of the grants withheld via EQS in respect of DMR & MIG ie transfer it out of Conditional to unconditional grants.

F) Correction of the mis-allocation to long term receivables.

G) The correction relates to newly found assets discovered during asset verification which are valued at DRC and CRC.

H) Correction of LG SETA income that was incorrectly included under Government grants.

I) The correction relates to the DMR & MIG rollovers that were not approved in 2020 financial year.

J) Correction of Employee related to align with the actuaries' report.

K) Accounting for prior year invoices which were erroneously omitted.

L) Correction of employee benefits misallocated.

M) Restatement of depreciation emanating from recognition of newly found assets as well as derecognition of assets which were not found on the ground. Furthermore there were completed projects that were not capitalised in 2021. The AFS and GL were not agreeing and the correction was done at the beginning of the year.

N) Correction of transfers between the District and South Cost Development Tourism as well as Ugu South Coast Tourism and recognition of transfers made to other municipalities.

O) Correction of cut-off issues which were identified during the review processes.

Q) During the prior year, the cash flow statement was erroneously presented partly due to errors in income and assets mentioned above. Further there was oversight made during the calculation of cash movements.

Included proceeds on insurance claim previous excluded.

R) Inclusion of prior local content non compliances.

S) Inclusion of prior year interest on overdue accounts which were omitted.

GG) &(T) Cumulative adjustment of prior years' errors identified by management.

U) Reclassification of assets written off to loss on disposal of assets for consistent reporting.

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52. Budget differences

52.1 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. The correction of readings on customer accounts resulted in a decrease in the consumption as most customers were being estimated in the previous months.

52.2 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. At mid-year there was an anticipation of a long term contract to be signed with a potential tenant of the sports and leisure which did not materialise thus only ad hoc rentals were earned.

52.3 This revenue stream relates to the ad hoc sales and ancillary services billed by the municipality, this is often budgeted for under revenue from exchange transactions.

52.4 Due to anticipated increase in interest on overdue debtors the budget was increase at mid-term. This was done based on the performance at mid-year. Owing to continued low collections, more interest was levied for late payment of debtors.

52.5 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget.

52.6 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. The variance relates to expenditure on overtime which accelerated more than anticipated.

52.7 The remuneration for councillors had a saving due to the period where councillors were in recess and during the period where there were elections and there wasn't a full council as well as reduced number of meetings.

52.8 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. The budget amount is more than the actual because, the remaining useful life of assets were assessed and that led to a reduction in depreciation and impairment.

52.9 Impairment on assets is budgeted for against the line item for depreciation and amortisation and was pegged at the prior year actual. The conditional assessment and impairment assessment was done at year end and the amount provided was commensurate to the prior year actuals.

52.10 Due to cashflow challenges the observed increase in interest on late payment prompted the increase in the budget for interest. The actual interest charged increased as the financial problems still persisted and payment of service providers within 30 days remained a challenge.

52.11 The actual amount as per the lease rentals includes the impact of smoothing and is accounted for in line with standards.

52.12 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. As more customers become slow in settling their debt the amount of the debtors book that was assessed as doubtful at year end was higher than anticipated at mid-year.

52.13 The debt write-off were as a result of the amnesty incentive program that was offered to customers. The amount anticipated at mid-year was immaterial and thus not considered at mid-year budget. The incentive program was extended and more effort was put to promote the program which led to then a higher than anticipated actual write-off.

52.14 Through various programs of reducing water losses as well as a collaborated meter reading exercise with uMgeni the actual figures dropped significantly realising a saving on the bulk purchases.

52.15 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. Unfortunately actual expenditure on already committed expenditure exceeded anticipation. There were also an increase in unexpected expenditure which was aimed at responding to water challenges such as water tankering.

52.16 The budgeted amount for the payment of entities was in line with the SLA. Due to financial challenges, a minimal amount was paid to the entities. Upon the conclusion of the merger of the entities, the balance of the outstanding was written off.

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52. Budget differences (continued)

52.17 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. In strict implementation of cost containment the cuts as planned at mid-year which prompted the reduction of general expenses was implemented with a minimal variance.

52.18 The budgeted amount was informed by the actuals in the prior year as per the assessment of the expert. Upon the 100% physical verification of assets the amount was then concluded at less than budget.

52.19 The municipality entered into a payment arrangement with Umgeni Water which meant that a significant portion of the debt is not payable within 12 months after the financial year end. The amount that is payable in periods in excess of the 12 months after year end has been reclassified as non-current. The agreement was entered into on the 13th of May 2022 its effective date is the 1st of July 2022. The withheld interest fee translated to a gain on measurement in line with GRAP 104.

52.20 The fair value adjustment was not anticipated due to one of the investment property being torched during the unrest. Upon the valuation done by the appointed expert it was then discovered that there was a fair value adjustment.

52.21 Actuarial gains and losses are seen to be a technical figure to compute as it is derived by an actuary and thus not budgeted for.

52.22 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. The saving on bulk purchases has a contribution in the decline in the balance at year end.

52.23 The budget was adjusted in line with the mid-year performance from which the annual projections were based as well as implementing reductions in attempt to fund the budget. Due to low collections the receivables balance increased as opposed to what was anticipated.

52.24 The fair value adjustment was not anticipated due to one of the investment property being torched during the unrest. Upon the valuation done by the appointed expert it was then discovered that there was a fair value adjustment.

52.25 The balance included the expected newly found assets to be equivalent of prior year which were lower than actual.

52.26 All software licences costs incurred were expensed as opposed to the anticipation to have them capitalised at mid-year.

52.27 There were anticipation for accelerated loan repayments which was later not possible.

52.28 The actual amount as per the lease rentals includes the impact of smooting and is accounted for in line with standards.

52.29 The increase in payables is due to cashflow problems leading to the inability to pay outstanding creditors.

52.30 Vat payable has increased due to low collections and in thus in accrual there exists a liability to be paid over to SARS.

52.31 Actuarial gains and losses and employee benefits are seen to be a technical figure to compute as it is derived by an actuary and thus not budgeted for.

52.32 There were no anticipated unspent grants and thus not budgeted for.

52.33 There was an anticipation for provisions to increase in leave balances, there were strict measures then implemented that ensured that all leave balances in excess of 48 days are forfeited leading to a lower provision.

52.34 Actuarial gains and losses and employee benefits are seen to be a technical figure to compute as it is derived by an actuary and thus not budgeted for.

52.35 The municipality entered into a payment arrangement with Umgeni Water which meant that a significant portion of the debt is not payable within 12 months after the financial year end. The amount that is payable in periods in excess of the 12 months after year end has been reclassified as non-current. The agreement was entered into on the 13th of May 2022 its

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52. Budget differences (continued)

effective date is the 1st of July 2022. The withheld interest fee translated to a gain on measurement in line with GRAP 104.

52.36 There were anticipation for accelerated loan repayments which was later not possible.

53. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At cost	Total
Current Portion of long term receivables	65,818	65,818
Other receivables from exchange transactions	8,241,881	8,241,881
Receivables from non-exchange transactions	37,997,749	37,997,749
Receivables from exchange transactions	312,108,160	312,108,160
Non current portion of long term receivables	2,659,160	2,659,160
Cash and cash equivalents	31,728,232	31,728,232
	392,801,000	392,801,000

Financial liabilities

	At cost	Total
Current portion of long term liabilities	6,147,703	6,147,703
Payables from exchange transactions	469,964,351	469,964,351
Consumer deposits	21,966,695	21,966,695
VAT payable	73,550,602	73,550,602
Non current portion of long term liabilities	31,055,971	31,055,971
Unspent conditional grants	7,839,877	7,839,877
Operating lease liability	8,633,648	8,633,648
Payables from exchange transactions	170,191,914	170,191,914
	789,350,761	789,350,761

2021- Restated*

Financial assets

	At amortised cost	Total
Long-term receivables	11,119	11,119
Other receivables from exchange transactions	19,501,728	19,501,728
Receivables from non-exchange transactions	40,904,634	40,904,634
Receivables from exchange transactions	304,965,793	304,965,793
Cash and cash equivalents	79,481,328	79,481,328
Non current portion of long term receivables	2,195,806	2,195,806
	447,060,408	447,060,408

Financial liabilities

	At amortised cost	Total
Current portion of long term liabilities	8,529,196	8,529,196
Payables from exchange transactions	628,088,189	628,088,189
VAT payable	20,763,553	20,763,553
Consumer deposits	21,888,065	21,888,065

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53. Financial instruments disclosure (continued)		
Non current portion of long term liabilities	37,123,984	37,123,984
Unspent conditional grants	3,463,180	3,463,180
Operating lease liability	7,612,251	7,612,251
	727,468,418	727,468,418
54. Commitments		
Authorised capital expenditure		
Approved and contracted for		
• Property, plant and equipment	286,431,475	429,409,059
Total capital commitments		
Already contracted for but not provided for	286,431,475	429,409,059
Authorised operational expenditure		
Non-capital commitments		
• Non-capital commitments	90,590,708	220,882,479
• Open tenders	6,783,701	26,616,264
	97,374,409	247,498,743
Total operational commitments		
Already contracted for but not provided for	97,374,409	247,498,743
Total commitments		
Total commitments		
Authorised capital expenditure	286,431,475	429,409,059
Authorised operational expenditure	97,374,409	247,498,743
	383,805,884	676,907,802
Funding breakdown for commitments		
Grant funded by MIG	229,977,491	351,810,187
Grant funded by WSIG	16,978,102	77,598,872
Other (Internal Revenue / Equitable share)	136,850,291	247,498,743
	383,805,884	676,907,802

55. Risk management

Financial risk management

It is the policy of the municipality to disclose information that enables the user of its annual financial statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date. The municipality has exposure to the following risks from its operations in financial instruments.

1. Liquidity risk;
2. Credit risk and
3. Market risk

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55. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cashflow requirements, as well as in terms of the Municipality's policy.

Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Ultimate responsibility for liquidity risk management rests with the council, which has built an appropriate liquidity risk management framework for the management of the municipality's short-, medium- and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included below is a listing of additional undrawn facilities that the municipality has at its disposal to further reduce liquidity risk.

At 30 June 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	443,456,132	24,768,094	-	-
Consumer Deposits	-	51,160	-	21,888,065
At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	493,506,545	24,768,094	-	-
Consumer Deposits	-	-	-	21,888,065

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55. Risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the municipality if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities.

Facilities and Guarantees held with Absa Bank

Guarantees held in lieu of Eskom & Post Office	R3 052 000
Fleet Card Facility	R2 000 000
ACB Facility	R2 000 000

Cashflow interest rate risk

The municipality's interest rate risk arises from investments. Investments at variable rates expose the municipality to cashflow interest rate risk. Investments at fixed rates expose the municipality to fair value interest rate risk. The municipal policy is to not invest all excess funds with one institution and to invest at different maturity dates over the short term to alleviate major fluctuations in the interest rates. The majority of investments are fixed rate investments.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2022	2021- Restated*
Absa Bank Current Accounts	18,815,074	18,785,449
Call Deposits	12,827,999	56,651,474

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to five years		
Annuity Loans	5.00 %	6,147,703	-	30,923,663	-	-

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56. Going concern

Although the Municipality is technically solvent as its total assets exceed its total liabilities, liquidity remains a challenge. The Municipality might not be able to fulfil its financial obligations as it does not have enough investments, cash and other assets to repay its short term obligations.

This significantly contributes to going concern uncertainty as well as severe cash-flow and operational difficulties, especially when coupled with government grants not being paid timeously. The Municipality does not have adequate working capital as it did not have sufficient cash and other resources to pay trade and other payables.

The Municipality's expenditure (such as employee costs, rent, and bulk electricity purchases) exceeds its revenue (such as the equitable share of national revenue, unconditional grants, and consumer revenue for water and sewer services), however the net cash inflows from operating activities indicates that the Municipality is able to reasonably contain its cash operating expenditure and collect reasonably its anticipated revenue.

Further, the Municipality's management and the leadership remains committed to good budgeting and financial management, and for this purpose will monitor the implementation of budgets, including expenditure, revenue collection and borrowing. The effective functioning of the budget processes will contribute significantly to developing and sustaining financial health in the Municipality.

Therefore, in preparation of the Annual Financial Statements for the 2022 financial year, the going concern assumption has however been adopted as they are no plans to significantly curtail the operation of the Municipality in the foreseeable future.

57. Events after the reporting date

Management did not identify any material events after reporting periods in their assessment.

58. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Section 36(1)(ii) • Goods or service were from single service provider	387,803	-
Section 36(1)(a)(v) • Impractical or impossible to follow the official procurement process	1,742,595	97,000,156
Section 36(a)(i) • Emergencies	-	13,051,852
	2,130,398	110,052,008

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59. Segment information

Identification of segments

The municipality is organised and reports to management on the basis of five major functional areas:

- Budget treasury office
- Corporate services
- Economic development and environmental services
- Office of the municipal manager
- Water services

The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

2022

	Budget Treasury Office	Corporate Services	Economic Development and Environmental services	Office Municipal Manager	Water Services	Total
Revenue						
Government grants and subsidies	2,442,036	-	-	4,119,626	875,216,059	881,777,721
Interest income	55,366,541	-	-	-	-	55,366,541
Other income	3,977,317	-	-	-	794,200	4,771,517
Rental from facilities	1,416,729	-	-	-	-	1,416,729
Service chargers	323,675,523	-	-	-	93,540,547	417,216,070
Water availability	-	-	-	-	14,757,278	14,757,278
Total segment revenue	386,878,146	-	-	4,119,626	984,308,084	1,375,305,856
Entity's revenue						1,375,305,856
Expenditure						
Employee related costs	64,037,553	56,249,957	21,789,153	57,106,552	221,444,625	420,627,840
Remuneration of councilors	-	-	-	9,808,962	-	9,808,962
Bulk purchases	-	-	-	-	141,658,519	141,658,519
Contracted services	73,110,366	44,155,131	1,436,928	1,828,173	157,614,940	278,145,538
Depreciation and amortisation	223,120,276	-	-	-	-	223,120,276
Finance costs	26,911,619	-	-	-	-	26,911,619
Bad debts written off	-	-	-	-	21,435,310	21,435,310
Impairment of debtors	152,617,237	-	-	-	-	152,617,237
Operating lease rentals	-	6,644,155	-	-	-	6,644,155
Operational costs	47,419,763	49,926,227	296,587	500,698	89,314,419	187,457,694
Transfers and subsidies	-	-	19,781,373	-	-	19,781,373
Actuarial gains	(4,131,000)	-	-	-	-	(4,131,000)
Fair value adjustments	(38,000)	-	-	-	-	(38,000)
Assets written off	3,394,443	-	-	-	-	3,394,443

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59. Segment information (continued)							
Gain on measurement of liability	(58,414,559)	-	-	-	-	(58,414,559)	
Impairment of PPE	5,035,637	-	-	-	-	5,035,637	
Total segment expenditure	533,063,335	156,975,470	43,304,041	69,244,385	631,467,813	1,434,055,044	
Total segmental (surplus)/deficit							(58,749,188)
Assets							
Inventory	9,659,680	-	-	-	3,415,513	13,075,193	
Cash and cash equivalents	31,728,232	-	-	-	-	31,728,232	
Current portion of long term receivables	65,818	-	-	-	-	65,818	
Other receivables from exchange transactions	8,241,881	-	-	-	-	8,241,881	
Receivables from exchange transactions	312,108,160	-	-	-	-	312,108,160	
Receivables from non exchange	-	-	-	-	37,997,749	37,997,749	
Intangible assets	2,659,160	-	-	-	-	2,659,160	
Investment in controlled entities	200	-	-	-	-	200	
Investment property	34,244,000	-	-	-	-	34,244,000	
Long term portion of receivables	1,760,952	521,919	-	-	-	2,282,871	
Property plant and equipment	1,051,373,968	87,034,078	-	337	2,456,958,007	3,595,366,390	
Total segment assets	1,451,842,051	87,555,997	-	337	2,498,371,269	4,037,769,654	
Total assets as per Statement of financial Position							4,037,769,654
Liabilities							
Consumer deposits	-	-	-	-	(21,966,695)	(21,966,695)	
Post employment benefits	(1,314,000)	-	-	-	-	(1,314,000)	
Long service awards (Current)	(3,426,000)	-	-	-	-	(3,426,000)	
Operating lease liabilities	(8,633,648)	-	-	-	-	(8,633,648)	
Short term portion of liabilities	-	(6,147,703)	-	-	-	(6,147,703)	
Payables from exchange transaction	(373,354,688)	(10,649,816)	-	(15,441,669)	(70,518,179)	(469,964,352)	
Unspent conditional grants	(7,839,877)	-	-	-	-	(7,839,877)	
VAT	(59,469,617)	(14,080,985)	-	-	-	(73,550,602)	
Post employment benefits (Non-current)	(16,744,000)	-	-	-	-	(16,744,000)	
Long term portion of liabilities	-	(31,055,971)	-	-	-	(31,055,971)	
Long service awards	(24,514,000)	-	-	-	-	(24,514,000)	
Payable from exchange transactions (Non-current)	(170,191,914)	-	-	-	-	(170,191,914)	
Total segment liabilities	(665,487,744)	(61,934,475)	-	(15,441,669)	(92,484,874)	(835,348,762)	
Total liabilities as per Statement of financial Position							(835,348,762)

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59. Segment information (continued)

2021- Restated*

	Budget Treasury Office	Corporate Services	Economic Development and Environmental Services	Office of The Municipal Manager	Water Services	Total
Revenue						
Government grants and subsidies	6,639,107	-	-	4,514,783	799,617,082	810,770,972
Interest income	48,674,503	-	-	-	1,371,678	50,046,181
Other income	3,949,591	265	23,000	-	753,391	4,726,247
Rental from facilities	2,504,342	-	-	-	-	2,504,342
Service chargers	321,028,086	-	-	-	93,852,492	414,880,578
Water availability	14,110,242	-	-	-	-	14,110,242
Total segment revenue	396,905,871	265	23,000	4,514,783	895,594,643	1,297,038,562
Entity's revenue						1,297,038,562
Expenditure						
Employee related costs	89,997,220	59,657,939	21,166,164	53,682,269	182,142,831	406,646,423
Remuneration of councillors	9,718,731	-	-	-	-	9,718,731
Bad debts written off	-	-	-	-	253,271	253,271
Bulk purchases	-	-	-	-	151,050,074	151,050,074
Contracted services	61,603,070	41,407,763	335,948	4,323,273	118,005,604	225,675,658
Depreciation and amortisation	225,157,402	-	-	-	-	225,157,402
Finance costs	20,964,508	-	-	-	-	20,964,508
Debt impairment	47,873,229	-	-	-	-	47,873,229
Operating lease rentals	7,977,055	-	-	-	-	7,977,055
Operational costs	29,351,543	46,236,402	61,053	2,578,022	90,432,423	168,659,443
Transfers and subsidies	-	-	19,284,234	-	-	19,284,234
Actuarial gains	(74,000)	-	-	-	-	(74,000)
Fair value adjustments	(1,339,000)	-	-	-	-	(1,339,000)
Loss on disposal of assets	59,335,427	-	-	-	-	59,335,427
Impairment of property, plant and equipment	4,511,023	-	-	-	-	4,511,023
Total segment expenditure	555,076,208	147,302,104	40,847,399	60,583,564	541,884,203	1,345,693,478
Total segmental surplus/(deficit)						(48,654,916)

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	Budget Treasury Office	Corporate Services	Economic Development and Environmental Services	Office of The Municipal Manager	Water Services	Total
59. Segment information (continued)						
Assets						
Inventory	9,531,923	-	-	-	4,211,311	13,743,234
Cash and cash equivalents	74,679,814	-	-	-	4,801,514	79,481,328
Current portion of long term receivables	11,119	-	-	-	-	11,119
Other receivables from exchange transactions	19,501,728	-	-	-	-	19,501,728
Receivables from exchange transactions	227,870,420	-	-	-	77,095,373	304,965,793
Receivables from non exchange	40,904,634	-	-	-	-	40,904,634
Intangible assets	3,937,941	-	-	-	-	3,937,941
Investment in controlled entities	200	-	-	-	-	200
Investment property	34,206,000	-	-	-	-	34,206,000
Long term portion of receivables	1,752,646	443,160	-	-	-	2,195,806
Property plant and equipment	901,050,816	64,520,997	-	337	2,572,134,565	3,537,706,715
Total segment assets	1,313,447,241	64,964,157	-	337	2,658,242,763	4,036,654,498
Total assets as per Statement of financial Position						4,036,654,498
Liabilities						
Consumer deposits	-	-	-	-	(21,888,065)	(21,888,065)
Employee benefits obligation	(1,245,000)	-	-	-	-	(1,245,000)
Other employee benefits	(4,047,000)	-	-	-	-	(4,047,000)
Operating lease liabilities	(7,612,251)	-	-	-	-	(7,612,251)
Short term portion of liabilities	-	(8,529,196)	-	-	-	(8,529,196)
Payables from exchange transaction	(277,513,307)	(10,018,189)	-	(19,755,561)	(320,801,132)	(628,088,189)
Unspent conditional grants	-	(1,903,057)	-	-	(1,560,123)	(3,463,180)
VAT	(19,867,637)	(895,916)	-	-	-	(20,763,553)
Post employment benefits	(19,433,000)	-	-	-	-	(19,433,000)
Long term portion of liabilities	-	(37,123,984)	-	-	-	(37,123,984)
Long service awards	(23,291,000)	-	-	-	-	(23,291,000)
Total segment liabilities	(353,009,195)	(58,470,342)	-	(19,755,561)	(344,249,320)	(775,484,418)
Total liabilities as per Statement of financial Position						(775,484,418)

The prior year segment information has been restated in line with the prior year restatement as detailed in **note 51** of the annual financial statements.

Ugu District Municipality

(Registration number DC21)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021

60. Change in estimate

Property, plant and equipment

A change in the estimated remaining useful lives of various assets of the Municipality based on their assessment conducted as at 30 June 2022 will result in the following decreases in depreciation for property plant and equipment in the 2022 financial year and future periods:

The impact on the statement of financial performance (Depreciation) in the 2022 financial year and future periods

Infrastructure assets	10,179,021	2,618,557
Other Property plant and equipment	13,994,070	17,943,584
	24,173,091	20,562,141

The impact on the statement of financial performance (Depreciation) in the future periods:

Infrastructure assets	17,175,769	7,336,409
Other Property plant and equipment	2,321,506	4,507,741
	19,497,275	11,844,150