



DR NKOSAZANA DLAMINI ZUMA LOCAL MUNICIPALITY

PRESENTS

THE DRAFT IDP/BUDGET, SDF&SDBIP FOR 2020/21 FINANCIAL YEAR & BUDGET SUMMARY 2020/21-2020/23 MTERF

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1. PART ONE – ANNUAL BUDGET

1.1 MAYORS REPORT

Introduction

Speaker, Deputy Mayor, Members of Executive, Chief Whip, Honourable Councillors ONdabezitha, Municipal Management and municipal officials and most importantly members of the public, Greetings.

It is a pleasure, in my capacity as Mayor of Dr Nkosazana Dlamini Zuma Municipality, to present the Final medium-term revenue and expenditure framework (MTREF) for 2020/2021 financial year and ensuing two years. In terms of section 21(2) (a)-(c) of the MFMA – ‘when preparing the annual budget, the mayor of a municipality must:

- (a) Take into account the municipality’s integrated development plan (IDP);
- (b) take all reasonable steps to ensure that the municipality revises the IDP in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;
- (c) take into account the national budget, the relevant provincial budget, the national government’s fiscal and macro-economic policy, the annual Division of Revenue Act (DoRA) and any agreements reached in the Budget Forum’.

The Council of Dr Nkosazana Dlamini Zuma Municipality, in terms of section 75A of the Local Government Municipal Systems Act (Act 32 of 2000), must also approve and adopt with effect from 1 July 2020, the tariffs for property rates, the tariffs for solid waste services and the tariffs for other services.

Government Allocations for 2020/21 Financial Year

Allocations published in the 2020 Division of Revenue Act and Provincial Gazette indicates the following:

Description	Budget Allocations 2019/2020	Budget Allocations 2019/2020
Equitable Share	125,869,000.00	134,038,000.00
Municipal Infrastructure Grant	27,149,000.00	26,989,000.00
Integrated National Electrification Programme	8,000,000.00	6,930,000.00
Finance Management Grant	3,000,000.00	2,000,000.00
Expanded Public Works Programme	2,381,000.00	2,513,000.00
Provincialisation of Library Grant	2,640,000.00	2,714,000.00
Community Library Service Grant	1,017,000.00	1,089,000.00
Building plan information Management System	500,000.00	-
Anti-Corruption Grant	171,343.00	-
TOTAL	170,727,343.00	176,273,000.00

BUDGET SUMMARY 2020/21 MTERF

The Final budget presentation reflects the following consolidated (summary)

Description	Adjustment Budget 2019-2020	Draft Budget 2020-2021	Budget Estimate 2021-2022	Budget Estimate 2022-2023
Total Revenue	R 216 941 419	R 221 105 838	R 231 642 422	R 247 284 646
Total Operating Expenditure	-R 189 799 601	R 193 946 188	R 201 258 502	R 210 065 996
Surplus/(Deficit) Before Capital Expenditure	R 27 161 817	R 27 159 649	R 30 383 920	R 37 218 650
Capital Expenditure	-R 90 037 603	-R 88 087 399	-R 41 203 468	-R 43 271 800
Surplus/(Deficit) for the year	-R 30 121 000	-R 60 927 749	-R 10 819 548	-R 6 053 150

The INEP grant is shown as a separate line item not part of the budget summary because It is not included in the Municipality's revenue and expenditure in table A4. The municipality will receive R 6,9 million in the 2020/21 financial year. However, Grant revenue is not shown in table A5 of the municipality's budget because the municipality acts as an agent in terms of

the service level agreement with Eskom. The grant receipt has been recorded in table SA18 and grant expenditure recorded in table SA19. Furthermore, the inflow and the outflow of the grants has been recorded in table A7 accordingly.

Description	Adjustment Budget 2019-2020	Draft Budget 2020-2021	Budget Estimate 2021-2022	Budget Estimate 2022-2023
Electrification Projects	R 19 729 856	R 6 930 000	R 6 000 000	R 6 000 000

The 2020/2021 Total Revenue from capital and operational grants transfers is R 169, 3million excluding INEP grant and municipal own revenue is R 51,8 million.

Capital Expenditure and Service Delivery Budget

Dr Nkosazana Dlamini Zuma Municipality has budgeted an amount of R 88 087 88 399 to fund it capital expenditure in 2020/2021 financial year for the municipality to deliver adequate services to it community.

National Treasury has allocated an amount R 26 989 000 to Dr Nkosazana Dlamini Zuma Municipality for Municipal Infrastructure Grant (MIG), and the Municipality will use the above grant.

Ward NO.	Plant Hire (Renewal of access Roads)	Storm water control	INEP	Internal Capital Projects	MIG Projects
1	3 kms	10meters	Infills		
	R1 000 000,00	R200 000,00	R462 000,00		
2	3 kms	10meters	Infills	Himeville Roads Asphalt Surfacing	Himeville Business Hubs
	R1 000 000,00	R200 000,00	R462 000,00	R4 500 000,00	R3 509 334,67
3	3 kms	10meters	Infills	Underberg Roads Asphalt Surfacing	Underberg Town Hall
	R1 000 000,00	R200 000,00	R462 000,00	R4 500 000,00	R12 444 339,33
4	3 kms	10meters	Infills		Sdangeni Bdrge
	R1 000 000,00	R200 000,00	R462 000,00		R4 590 646,67
5	3 kms	10meters	Infills		
	R1 000 000,00	R200 000,00	R462 000,00		
6	3 kms	10meters	Infills		Centocow Taxi Rank (Shelters)
	R1 000 000,00	R200 000,00	R462 000,00		R3 258 590,33
7	3 kms	10meters	Infills		

Ward NO.	Plant Hire (Renewal of access Roads)	Storm water control	INEP	Internal Capital Projects	MIG Projects
	R1 000 000,00	R200 000,00	R462 000,00		
8	3 kms	10meters	Infills		
	R1 000 000,00	R200 000,00	R462 000,00		
9	3 kms	10meters	Infills		
	R1 000 000,00	R200 000,00	R462 000,00		
10	3 kms	10meters	Infills	Bulwer Asphalt Surfacing	
	R1 000 000,00	R200 000,00	R462 000,00	R4 500 000,00	
				Emergency service Center	
				R7 000 000,00	
11	3 kms	10meters	Infills		
	R1 000 000,00	R200 000,00	R462 000,00		
12	3 kms	10meters	Infills		
	R1 000 000,00	R200 000,00	R462 000,00		
13	3 kms	10meters	Infills	Donnybrook Asphalt Surfacing	
	R1 000 000,00	R200 000,00	R462 000,00	R3 000 000,00	
14	3 kms	10meters	Infills	Creighton Asphalt Surfacing	
	R1 000 000,00	R200 000,00	R462 000,00	R4 500 000,00	
				Creighton Artificial Turf Sports field	
				R5 000 000,00	
15	3 kms	10meters	Infills		
	R1 000 000,00	R200 000,00	R462 000,00		

Plant and equipment assist with Maintenance of infrastructure is allocated a budget of R3,5 million to procure:

- 10x Skip bins
- Skip Truck

Other Internally Funded projects is R 61 Million

Dr Nkosazana Dlamini-Zuma Municipality is committed in developing community and youth residing within the Dr NDZ area. A number of projects have been budgeted for in the special programmes unit to ensure that the groups people existing in the Dr NDZ Community are sufficiently catered for.

Repairs and Maintenance Budget is R11.7m

Some of our capital projects could not be completed in 2019/20 financial year and would therefore be rolled over to 2020/21 financial year.

Summary of the Special Programmes that are catered for in the 2020/21 financial year

DESCRIPTION	2020/21 Draft Budget	2021/22 Budget	2022/23 Budget
HIV/TB, Senior Citizens, Disability, Women	383,660	401,308	419,769
Sukhuma Sakhe	480,000	502,080	525,176
Child Programmes	144,500	151,147	158,100
Disability Programs	220,000	230,120	240,706
Gender	229,771	240,340	251,396
Youth Development	1,014,450	1,061,115	1,109,926
Arts and Culture projects	886,810	927,603	970,273
Bulwer Community Service Center	132,450	138,543	144,916
Mayoral Cup	255,947	267,721	280,036
Sport Development Project	546,075	571,194	597,469
Disaster Management	1,066,680	1,115,747	1,167,072
LED Programmes	3,910,000	4,612,860	4,825,052
Tourism Programmes	1,816,260	1,899,808	1,987,199
Communication	271,200	283,675	296,724
Community Functions	200,000	209,200	218,823
Public Participation	424,950	444,498	464,944
Ward Committees	1,632,014	1,707,087	1,785,613
Spluma Projects	900,000	941,400	984,704
Employee Wellness	292,800	306,269	320,357
TOTAL PROGRAMMES	14,807,567	16,011,715	16,748,254

Further detailing of the special programmes and other projects is outlined as follows:

Fire/Disaster Management Center Establishment	R 9 933 336.00
Youth Development programs, activities and Bursaries	R 1 414 450
Small Micro Business Development and LED Initiatives	R 2 699 326.00
Safety and Enforcement of Municipal Bylaws	Operational
Pound Management	Operational
Libraries	R 776 223
Arts and Culture programs	R 886 810
Sports Development programs	R 546 075
Senior Citizens, HIV/AIDS, Disability, Gender	R 383 660

Tourism Programs	R 1 816 260
Township Establishment	R 900 000
Free Basic Services	R2 080 372
Public Participation, Communication, Community Functions and Ward committees	R 2 528 164.00

DR NDZ DRAFT TARIFFS OF CHARGES FOR 2020/2021

Notice is hereby given in terms of the Local Government Municipal Systems Act No. 32 of 2000 and Municipal Property Rates Act No.6 of 2004, that the Draft Budget of the Dr Nkosazana Dlamini Zuma Municipality for 2020/2021 in terms of the Local Government Municipal Finance Management Act No. 56 of 2003.

Goods /Service	Dr Nkosazana Dlamini Zuma Municipality Tariffs Include CPI(p/a) 2019/2020	Dr Nkosazana Dlamini Zuma Municipality Tariffs 2020/2021
RAT01: RESIDENTIAL PROPERTIES	1,61c/R	1,68c/R
RAT02: BUSINESS, COMMERCIAL, INDUSTRIAL PROPERTIES	2,47c/R	2,69c/R
RAT03: AGRICULTURAL PROPERTIES	0,40c/R	0,42c/R
RAT04: PUBLIC SERVICE PURPOSES	1,61c/R	1,68c/R
RAT05: PSI	0,40c/R	0,42c/R
RAT06: PBO	0,40c/R	0,42c/R
RAT08: TOURISM & HOSPITALITY	2,47c/R	2,69c/R
RAT10: RESIDENTIAL SMALL HOLDING	1,61c/R	1,68c/R
RAT12: VACANT LAND	1,61c/R	1,68c/R
REFUSE REMOVAL		
Government Housing	672,00	702,00
Residential Properties	3991,00	4171,00
Residential Properties: Creighton, Bulwer and Donnybrook	1312,00	1371,00
Tourism & Hospitality Urban properties	3991,00	4171,00
Agriculture & Residential smallholding properties	3991,00	4171,00
Bulk Refuse	R94 200,00	98 439,00
Goods /Service		
Business and other properties are billed for the sum of the business within each		

Centre/Mall/Property.		
<u>Business & Other properties</u>		
Commercial	5224,00	5 459,00
Large	20380,00	21 297,00
“Significant volume of waste and difficult to handle”		
Medium	10083,00	10 537,00
Small	4935,00	5 157,00
Garden Refuse (per load)	262,00	274,00
<u>Illegal Dumping</u>		
All illegal dumping will be charge R3000 as a fine (NEW)		

VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)				2019/20 (INCL VAT)	2020/21 (INCL VAT)	
		(bb)	Refundable deposit (refer to note below)	R842,00	R879,00	
	(vi)	Banners:				
		(aa)	Per banner	R306,00	R319,00	
		(bb)	Refundable deposit (refer to note below)	R210,00	R219,00	
	(vii)	Flags:				
		(aa)	Per banner	R306,00	R319,00	
		(bb)	Refundable deposit (refer to note below)	R210,00	R219,00	
	(vii)	Advertising vehicles				
		(aa)	Per vehicle	R3118,00	R3 258,00	
		(bb)	Refundable deposit (refer to note below)	R526,00	R550,00	
	(viii)	Private sale signs				
		(aa)	Application fee	R755,00	R789,00	
		(bb)	Refundable deposit (refer to note below)	R315,00	R329,00	
	(ix)	Construction signs				
		(aa)	Application fee	R768,00	R803,00	
		(bb)	Refundable deposit (refer to note below)	R315,00	R329,00	
			<u>NOTE: Deposits paid will be refunded provided that all posters and banners have been removed to the satisfaction of the Municipality's Building Inspectorate.</u>			

		Permanent signs		
	(b)	Aerial Advertisements		
	(i)	Application fee - first 5sqm	R378,00	R395,00
	(ii)	Additional - per sqm	R108,00	R113,00
	(iii)	Monthly display fee per sign	R78,00	R82,00
	(iv)	Annual display fee per sign	R714,00	R746,00
	c)	Advertising Vehicles		
	(i)	Application fee	R765,00	R799,00
	(ii)	Monthly display fee per sign	R1439,00	R1 504,00
	(iii)	Annual display fee per sign	R14 391,00	R15 039,00
	(d)	Building Attachment Signs		

VALUE ADDED TAX MUST BE ADDED TO ALL TARIFFS LISTED BELOW (EXCEPT TO FINES, REFUNDABLE DEPOSITS, INTEREST CHARGES OR WHERE INDICATED AS INCLUSIVE OF VALUE ADDED TAX)			2019/20 (INCL VAT)	2020/21 (INCL VAT)
	(i)	Application fee - first 5sqm	R378,00	R395,00
	(ii)	Additional - per sqm	R108,00	R112,00
	(iii)	Monthly display fee per sign	R78,00	R82,00
	(iv)	Annual display fee per sign	R714,00	R746,00

Due dates for rates and refuse

- 1.1 That the final date for payment of annual rates be fixed at 28 September 2020 with a 3.2% discount for full payment upfront.
- 1.2 That rates and refuse are payable over a period of twelve equal instalments with the first instalments payable on or before the last day of August 2020. Thereafter each monthly instalment must be paid on or before the last working day of each month. Interest/penalties will accrue at 18% per annum if an instalment is not paid by the last working day of the month, and a flat 10% collection charge will be charged on any monthly instalments that fall two months into arrears, in terms of the Council's Credit Control and Debt Collection Policy
- 1.3 Business and Commercial has been increased by 9% in order for its tariffs to be in line with municipal rates ratio between the residential and non-residential categories of property of 1:2 which is for Business and Commercial Properties compared to residential property tariffs.
- 1.4 All other tariffs of charges for services rendered by the municipality will be increased by 4,5% unless other increase below 4,9% has been indicated in this document or budget document.

General Expenditure and Employee Costs

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditures has also been identified as an area in which cost savings and efficiencies can be achieved.

Policies and by-laws

There were no major changes on finance and budget related policies and by-laws. There were also no major changes on other policies. By-laws would have reviewed as the service provider was appointed to assist with the review of by-laws for Dr Nkosazana Dlamini Zuma Municipality.

Ladies and gentlemen, may I take this opportunity to thank you for your attentiveness and your contribution in the on-going development of Dr Nkosazana Dlamini Zuma Municipality.

All Stakeholders, members of the public and the entire community of Dr Nkosazana Dlamini Zuma Local Municipality, Government Institutions, private sector and civil society organizations are hereby invited to view the documents and submit representations in connection with the aforesaid documents not later than Monday, 25 May 2020 on the following platforms:

Email

mailbox@ndz.gov.za

social Media Pages

Facebook

Dr Nkosazana Dlamini Zuma Municipality

Twitter

NDZMunicipality

Instagram

NDZMunicipality

Whatsapp: 082 063 6215

Cellphone: 072 954 8210

Telephone: 039 833 1038

Thank you

Councillor P.N Mncwabe

Mayor of Dr Nkosazana Dlamini Zuma Municipality