

# **DRAFT 25/26 IDP & BUDGET MAYORAL IZIMBIZO CONSOLIDATED PRESENTATION**

**WARD 6,22, 30, Ratepayers Groups AND Ilembe  
Chamber**



**COMMITTED TO SERVICE DELIVERY**

# FINANCE BUSINESS UNIT



COMMITTED TO SERVICE DELIVERY

# BASIC ECONOMIC PRINCIPLES

- Kwadukuza has unlimited needs.
- The municipality has limited resources to attain these needs.
- Therefore, we need to carefully consider what are the most important needs for all communities;
- Allocate resources to only those most important needs.
- Compile a balanced and funded budget considering :
  - > Revenue vs Expenditure ; Capital vs Operational ; Insource vs contracted services ; Effective methods of service delivery
- Stick to the plan.



# ROAD SO FAR

- Section 72 and Adjustment Budget process
- Various Budget Sessions at MANCO
- Budget Steering Committee – Policies and Budget Principles
- Budget Steering Committee – Draft Budget for Public Comment
- Tabling of Draft Budget at Council
- ***Public Participation for discussion and prioritisation of projects***
- Council consideration of Public Comments
- Council approval of 2025/2026 Budget



# BUDGET SUMMARY - OPERATIONAL

CATEGORY	ITEM	DRAFT INCREASE
Revenue	Rates	0% Increase Decrease in rebate from 25% to 18%
Revenue	Refuse	Average 7.3% Increase
Revenue	Electricity	Average 10.7% Increase <i>Subject to NERSA approval</i>

# BUDGET SUMMARY – OPERATIONAL REVENUE

FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE)					
Revenue By Source	2024/25 Final Budget	2024/25 Adjusted Budget	2025/26 Draft Budget	2026/27 Draft Budget	2027/28 Draft Budget
<b>Exchange Revenue</b>	<b>1,644,455,744</b>	<b>1,655,985,982</b>	<b>1,778,313,318</b>	<b>1,960,484,001</b>	<b>2,144,603,427</b>
Service charges - electricity revenue	1,398,776,342	1,385,636,342	1,534,762,073	1,702,672,588	1,874,361,032
Service charges - refuse revenue	103,073,780	103,073,780	108,227,469	113,638,842	119,320,785
Agency Services	14,688,960	13,288,960	14,500,000	16,000,000	17,500,000
Interest earned - external investments	54,422,996	75,098,379	47,962,934	51,505,563	55,321,300
Interest earned - outstanding debtors	11,000,000	11,000,000	11,250,000	11,720,250	12,211,661
Rental of facilities and equipment	3,027,707	3,419,707	3,610,000	3,610,000	3,610,000
Other revenue	59,465,959	64,468,814	58,000,842	61,336,757	62,278,649
<b>Non - Exchange Revenue</b>	<b>1,071,745,749</b>	<b>1,098,143,454</b>	<b>1,186,993,409</b>	<b>1,235,146,067</b>	<b>1,292,542,644</b>
Property rates	731,911,715	746,797,585	824,387,159	865,606,517	908,886,843
Fines, penalties and forfeits	33,514,844	40,949,844	41,119,000	42,143,750	42,169,614
Interest earned - outstanding debtors (rates)	-	-	3,500,000	3,757,500	3,822,088
Licences and permits	976,440	1,501,440	1,660,000	1,660,000	1,660,000
Transfers and subsidies - Operational	300,342,750	303,894,585	311,327,250	316,978,300	331,004,100
Gains	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,716,201,493</b>	<b>2,754,129,436</b>	<b>2,965,306,727</b>	<b>3,195,630,068</b>	<b>3,437,146,071</b>



# BUDGET SUMMARY – OPERATIONAL EXPENDITURE

Expenditure By Type	2024/25 Final Budget	2024/25 Adjusted Budget	2025/26 Draft Budget	2026/27 Draft Budget	2027/28 Draft Budget
Employee related costs	597,944,347	606,819,899	640,817,037	691,361,597	745,773,566
Remuneration of councillors	37,823,274	31,734,074	33,638,119	35,656,406	37,795,790
Bulk purchases	1,238,435,507	1,449,435,507	1,436,917,391	1,602,315,897	1,760,057,774
Other materials	26,356,706	27,579,864	28,963,753	30,267,123	31,629,144
Debt impairment	27,848,232	27,848,232	29,240,644	25,775,000	27,063,750
Depreciation & asset impairment	170,888,318	170,888,318	179,432,742	186,612,098	195,070,018
Interest paid / finance charges	15,989,000	15,989,000	14,300,000	12,700,000	11,200,000
Contracted services	400,317,066	437,665,565	385,721,833	387,138,480	400,577,265
Transfers and Subsidies	27,350,882	20,092,791	16,706,382	14,261,882	14,261,882
Bad Debts Written Off	2,840,000	5,095,624	2,840,000	2,840,000	2,840,000
Other expenditure	147,966,775	163,422,128	158,252,126	164,329,774	164,114,433
Loss on Disposal of Assets	8,250,000	8,250,000	8,621,250	8,734,110	9,127,145
Other Losses	14,127,000	21,000,000	29,700,000	33,500,000	37,400,000
<b>Total Expenditure</b>	<b>2,716,137,107</b>	<b>2,985,821,002</b>	<b>2,965,151,277</b>	<b>3,195,492,366</b>	<b>3,436,910,766</b>



# BUDGET SUMMARY – CAPITAL BUDGET

- To ensure financial sustainability, internal funding for the draft capital budget has been significantly reduced.
- Unencumbered reserves will be evaluated during the consultation process with a view towards funding additional capital budget requests.
- 93% of the Budget is allocated to direct service delivery Business Units.





# BUDGET SUMMARY – CAPITAL BUDGET

BUSINESS UNIT	2024/25 APPROVED BUDGET	2024/25 ADJUSTMENT BUDGET	2025/26 DRAFT BUDGET	2026/27 DRAFT BUDGET	2027/28 DRAFT BUDGET
OFFICE OF THE MUNICIPAL MANAGER	13,578,355	8,301,821	6,426,221	2,173,913	1,391,304
CORPORATE SERVICES	9,330,000	7,856,798	-	-	-
FINANCE	4,190,000	1,390,000	-	-	-
EDP	10,885,000	16,522,067	3,550,000	-	-
COMMUNITY SERVICES & PUBLIC AMENITIES	49,122,590	41,176,484	27,701,458	16,200,000	-
COMMUNITY SAFETY	19,676,000	19,635,203	-	-	-
CIVIL ENGINEERING	93,918,737	383,832,360	65,533,903	57,219,739	74,826,870
ELECTRICAL ENGINEERING	127,871,958	145,571,958	46,735,000	36,925,217	28,842,174
<b>TOTAL</b>	<b>328,572,640</b>	<b>624,286,691</b>	<b>149,946,582</b>	<b>112,518,869</b>	<b>105,060,348</b>



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# BUDGET SUMMARY – CAPITAL BUDGET

FUNDING	2024/25 Approved Budget	2024/25 Adjusted Budget	2025/26 Draft Budget	2026/27 Draft Budget	2027/28Draft Budget
<b>Grants</b>	<b>69,380,698</b>	<b>381,404,093</b>	<b>54,551,087</b>	<b>67,518,869</b>	<b>69,710,348</b>
MIG	50,018,740	50,018,740	52,725,000	57,219,739	59,826,870
NDPG	-	-	1,826,087	2,173,913	1,391,304
INEP	16,106,958	16,106,958	-	8,125,217	8,492,174
R109m Municipal Disaster Recovery Grant		9,051,741			
R22 m 2019 Municipal Disaster Recovery Grant		8,615,855			
Municipal Disaster Response Grant		293,954,931			
EDTEA Grant - Vuthela	3,155,000	3,155,000			
Housing Accreditation	100,000	12,000			
Natural Resource:EDTEA	-	212,868			
EDTEA Prize Money		276,000			
<b>Internal Funding</b>	<b>259,191,942</b>	<b>242,882,598</b>	<b>95,395,495</b>	<b>45,000,000</b>	<b>35,350,000</b>
<b>Total Capital Budget Funding</b>	<b>328,572,640</b>	<b>624,286,691</b>	<b>149,946,582</b>	<b>112,518,869</b>	<b>105,060,348</b>

# INDIGENT SUPPORT

- Indigent customers qualify for **100kWh** of free basic electricity
- Child headed Households qualify for **250 kWh** of free basic electricity
- No. of households currently supported by KDM –
  - **6 348** for free basic electricity
  - **12 853** for free refuse removal



# REBATE STRUCTURE

- A general rebate, applicable in the 2025/2026 financial year only, in respect of all categories of properties, excluding properties in receipt of developers' rebates: **18%**
- The following by application only, shall apply after deduction of the general rebate and is only applicable to these in receipt of a pension:
  - Pensioners and Disability Grantees rebates:
    - Applicants under the age of 65 years - 25%
    - Applicants between 65 and 75 years - 30%
    - Applicants older than 75 years - 35%
    - Agricultural properties: 50%
    - Rebate: child headed households: 100%.



# REBATE STRUCTURE

- Excluded Services Rebate: 15%
- Places of worship: 100%
- Public benefit organizations: 100%
- Land reform beneficiaries: 100%
- State land: 100%
- Commercial Developers incentives:
  - 100% rebate - Year 1
  - 90% rebate - Year 2
  - 80% rebate - Year 3
  - 70% rebate - Year 4
  - 60% rebate - Year 5
  - No Incentive - From year 6 onwards

*Please note general rebate not applicable to commercial developers*



# REBATE STRUCTURE

- Residential Developers incentives, applicable only in respect of existing service level agreements:
  - 100% rebate - Year 1
  - 100% rebate - Year 2
  - 90% rebate - Year 3
  - 80% rebate - Year 4
  - 70% rebate - Year 5
  - 60% rebate - Year 6
  - 50% rebate - Year 7
  - No Incentive - From year 8 onwards

*Please note general rebate not applicable.*

- 100% rebate in respect of the following PSI properties (phasing out of rates):  
*National, provincial or other public roads on which goods, services or labour move across a municipal boundary; water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer; and railway lines forming part of a national railway system.*



# BILLING SCENARIOS

<u>Residential Properties High</u>	<u>Rates</u>	<u>Electricity</u>	<u>Refuse</u>	<u>Total</u>	<u>Increase</u>
Valuation/Units:	4 000 000,00	2 500	2 x Weekly		
2025/26	2 812,79	7 946,60	269,64	8 216,24	10,59%
2024/25	2 572,67	7 178,50	251,30	7 429,80	9,72%
2023/24	2 450,09	6 532,00	239,32	6 771,32	14,89%
2022/23	2 300,11	5 675,00	218,56	5 893,56	-25,54%
<u>Residential Properties Medium</u>	<u>Rates</u>	<u>Electricity</u>	<u>Refuse</u>	<u>Total</u>	<u>Increase</u>
Valuation/Units:	1 250 000,00	1 200	2 x Weekly		
2025/26	829,41	3 814,37	269,64	R 4 913,42	10,47%
2024/25	758,61	3 445,68	251,30	R 4 455,59	9,55%
2023/24	722,46	3 135,36	239,32	R 4 097,14	14,69%
2022/23	678,24	2 724,00	218,56	R 3 620,80	-15,94%



# BILLING SCENARIOS

<u>Residential Properties Indigent</u>	<u>Rates</u>	<u>Electricity</u>	<u>Refuse</u>	<u>Total</u>	<u>Increase</u>
Valuation/Units:	130 000,00	150	1 x Weekly		
2025/26	-	130,23	0,00	130,23	10,70%
2024/25	-	117,64	0,00	117,64	9,90%
2023/24	18,85	107,05	0,00	125,90	-23,27%
2022/23	17,69	139,50	0,00	157,19	3,03%

<u>Commercial</u>	<u>Rates</u>	<u>Electricity</u>	<u>Refuse</u>	<u>Total</u>	<u>Increase</u>
Valuation/Units:	4 000 000,00	8 000	5 x Weekly		
2025/26	8 924,28	28 638,53	580,35	38 143,17	10,63%
2024/25	8 162,45	25 870,40	540,87	34 573,72	9,84%
2023/24	7 772,73	23 540,00	505,10	31 817,83	15,02%
2022/23	7 298,18	20 452,00	453,00	28 203,18	-20,82%





# BUDGET POLICY REVIEW

**BUDGET POLICIES ARE IN THE PROCESS OF THE ANNUAL REVIEW. THESE POLICIES ARE LISTED HEREUNDER :**

Rates Policy	Credit Control & Debt Collection Policy
Indigent Policy	Tariff Policy
Cash Management & Investment Policy	Borrowing Policy
Virement Policy	Budget Policy
Funding & Reserves Policy	Asset Management Policy
Long Term Financial Planning Policy	Policy on Infrastructure, Investment & Capital Projects
Supply Chain Management Policy	Supply Chain Management Policy for Infrastructure Procurement and Delivery Management
Contracts Management Policy	Unallocated Deposits Policy

**ABOVE POLICIES (AFTER AMENDMENTS) WILL BE EFFECTIVE FROM 1<sup>ST</sup> JULY 2025.**

# WAY FORWARD

## STEP ONE

**March 2025**

Authorisation/ Approval of Budget For Community Participation

## STEP TWO

**April & May 2025**

Community Meetings and further Council Engagements

## STEP THREE

**May 2025**

Approval of Final Budget and Policies for 2025/26 by Council.



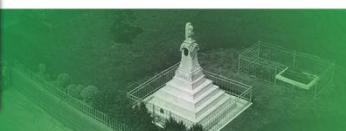
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# COMMUNITY SERVICES BUSINESS UNIT



COMMITTED TO SERVICE DELIVERY

# **CAPITAL PROJECTS 2024/2025 FINANCIAL YEAR**



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# CAPITAL PROJECTS 2024/2025 FINANCIAL YEAR

PROJECT NAME	WARD NUMBER	BUDGET	STATUS
Community Halls Fencing	4, 15, 26, 8 & 12	R 600 000	Ward 4 Completed Ward 15 - 50% complete Ward 26 - Repairs of fencing complete Ward 8 - Repairs of fencing awarded Ward 12 - repairs of fencing awarded.
Refurbishment of Velani Hall Ward 7	7	R 196 163	SCM processes - closed quotation
Upgrade Driefontien Sportsfield	21	R 109 000	Awaiting SCM to advertise the closed Quote.
<b>Upgrade to the ablution facility and construction of a guard house KwaDukuza peoples park</b>	<b>19</b>	<b>R 2 000 000</b>	<b>Contract is awarded. Contractor is on site. Work is progressing smoothly.</b>

## **CAPITAL PROJECTS 2024/2025 FINANCIAL YEAR**

<b>PROJECT NAME</b>	<b>WARD NUMBE R</b>	<b>BUDGET</b>	<b>STATUS</b>
<b>Cemetery Fencing</b>	<b>23 &amp; 5</b>	<b>R 1 000 000</b>	<b>Completed: Shakaskraal cemetery completed KwaDukuza crematorium completed</b>
<b>Rehab. of access road to Vlakspruit cemetery</b>	<b>21</b>	<b>R 857 903</b>	<b>Project is completed</b>
<b>Rehab. parking area in Vlakspruit cemetery</b>	<b>21</b>	<b>R 1 100 000</b>	<b>Contractor is appointed</b>
<b>Refurbish changerooms in Vlakspruit Cemetery</b>	<b>21</b>	<b>R 1 440 825</b>	<b>Project is completed</b>

## **CAPITAL PROJECTS 2024/2025 FINANCIAL YEAR**

<b>PROJECT NAME</b>	<b>WARD NUMBER</b>	<b>BUDGET</b>	<b>STATUS</b>
Recycling and Waste Buyback Centre	26	R 425 800	Advertised and closing on the 11 <sup>th</sup> of April 2025.
Upgrade to Beach Facilities	3	R 2 400 000	SCM Processes - Tender Evaluation Committee
Renewal Stanger Manor Sportsfield	17	R 310 255	Awaiting for SCM to advertise the closed quote
Renewal Sportsfield Glenhills	26	R 300 396	Closed quote advertised. Awaiting the closing and SCM to appoint the service provider.

## **CAPITAL PROJECTS 2024/2025 FINANCIAL YEAR**

<b>PROJECT NAME</b>	<b>WARD NUMBE R</b>	<b>BUDGET</b>	<b>STATUS</b>
Upgrade Darnall Sportsfield	2	R 4 489 478	SCM Processes - Tender Adjudication Committee
<b>Refurbishment of KwaDukuza Taxi rank</b>	<b>19</b>	<b>R 17 706 619</b>	<b>Contractor is on site</b>
<b>Upgrade of Ballito Taxi Rank</b>	<b>30</b>	<b>R 6 579 563</b>	<b>Practical completion</b>



# DRAFT CAPITAL PROJECTS 2025/2026 FINANCIAL YEAR



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## DRAFT CAPITAL PROJECTS 2025/2026 FINANCIAL YEAR

PROJECT NAME	WARD NUMBER	BUDGET
Upgrade Darnall Sportsfield	2	R 4 490 522
<b>Salt Rock Main Beach Reinstatement</b>	<b>22</b>	<b>R 9 100 000</b>
<b>Refurbishment of KwaDukuza Town Hall</b>	<b>19</b>	<b>R 2 000 000</b>
<b>Rehabilitation Parking Area in Vlakspruit</b>	<b>21</b>	<b>R 5 330 000</b>
<b>Thompsons Bay Beach Reinstatement</b>	<b>6</b>	<b>R 6 730 936</b>

# CIVIL ENGINEERING BUSINESS UNIT



COMMITTED TO SERVICE DELIVERY

## MUNICIPAL INFRASTRUCTURE GRANT PROJECTS

### SUMMARY OF MIG PROJECTS EXPENDITURE AND EXPENDITURE PERCENTAGE

FUNDING SOURCE	ALLOCATION (Incl. VAT)	EXPENDITURE %
<b>MIG (2024/2025)</b>	R51 625 000,00	R20 656 798,21(40%)  01 March 2025
<b>MIG (2025/2026)</b>	R63 825 000,00	n/a

## MUNICIPAL COUNCIL FUNDED PROJECTS

### SUMMARY OF MUNICIPAL COUNCIL FUNDED GRANT PROJECTS EXPENDITURE AND EXPENDITURE PERCENTAGE

FUNDING SOURCE	2024/2025 ALLOCATION (Excl. VAT)	2025/2026 ALLOCATION (Excl. VAT)
COUNCIL (CAPITAL PROJECTS)	R 38 500 000,00	R 12 808 903,00
COUNCIL (OPERATIONAL)	R 31 066 374,0	R 19 689 110,8

# MUNICIPAL COUNCIL FUNDED PROJECTS

## SUMMARY OF MUNICIPAL COUNCIL FUNDED PROJECTS EXPENDITURE AND STATUS 2024 2025 F.Y

PROJECT NAMES	2024/2025	2025/2026
Melville Hall - WIP	0	2 080 064
<b>REINSTATING SALT ROCK BRIDGE</b>	<b>0</b>	<b>3 799 355</b>
<b>WOODMEAD TAXI RANK</b>	<b>4 000 000</b>	<b>0</b>
NV Roads Stormwater Traffic Calming Measures 170461528 WIP	1 000 000	0
Ward 3 Nonoti Beach Road Access - WIP	2 190 354	2 190 354



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**KWADUKUZA MUNICIPALITY CIVIL ENGINEERING AND PMU  
BUDGET ALLOCATION 2024/2025 (COMPLETED)**

<b>WARD 6</b>		
<b>No</b>	<b>Project Name</b>	<b>2024/2025</b>
1	G46247 Road Rehab. of Michele Street in Ward 6 (WIP)	192 839,51
2	G46247 Repair to St. Catchpit in Leonora Drive in Ward 6 (WIP)	14 147,39
3	G46247 Road Rehab. of Lorna Avenue in Ward 6 (WIP)	211 146,23
4	G46247 Const. of Retaining Wall in Ward 6 (WIP)	230 467,39
5	G46247 St. System Upgrade in Dolphin cres in Ward 6 (WIP)	21 608,26
6	G46247 Upgrade of St. infrastructure in Ocean Drive (aruba) in Ward 6 (WIP)	977 268,78
7	G46247 road Rehab. of Kudu Road in Ward 6 (WIP)	5 094 530,43
8	G46247 Upgrade of St. pipeline & Rd Rehab. of Shakas Road Main road in Ward 6 (WIP)	2 187 525,37

**KWADUKUZA MUNICIPALITY CIVIL ENGINEERING AND PMU  
BUDGET ALLOCATION 2024/2025 (COMPLETED)**

<b>WARD 22</b>		
<b>No</b>	<b>Project Name</b>	<b>2024/2025</b>
1	G46247 Road Rehab. & St. upgrade in Hugh dent Drive in Ward 22 (WIP)	431 759,35
2	G46247 Road Rehab. upgrade of St. in Sheffield in Ward 22 (WIP)	10 951 211,30
3	G46247 Road Rehab. upgrade of St. infrastructure in Ward 22 (WIP)	2 393 016,94
4	G46247 Rehab. of road in Ward 22 (WIP)	1 739 130,43
5	G46247 Road Rehab. of Colwyn Drive in Ward 22 (WIP)	1 063 037,81
6	G46247 Road Rehab. & St. infrastructure in Mc Donald Road in Ward 22 (Section 1) (WIP)	465 553,74
7	G46247 Road Rehab. & St. infrastructure in Gifford Crescent in Ward 22 (Section 1) (WIP)	692 447,83
8	G46247 Road Rehab. of Mc Donald road in Ward 22 (Section 2) (WIP)	2 407 419,13



**KWADUKUZA MUNICIPALITY CIVIL ENGINEERING AND PMU  
BUDGET ALLOCATION 2024/2025 (COMPLETED)**

<b>WARD 22</b>		
<b>No</b>	<b>Project Name</b>	<b>2024/2025</b>
9	G46247 Road Rehab. of Murray crescent in Ward 22 (WIP)	2 439 259,86
10	G46247 Road Rehab. & upgrade of St. infrastructure in Dunkirk road in Ward 22 (WIP)	1 324 540,50
11	G46247 Road Rehab. of Gifford in Ward 22 (Section 2) (WIP)	3 583 664,78
12	G46247 Road repair in Summit in Ward 22 (WIP)	370 049,63
13	G46247 St. upgrade in Ward 22 (WIP)	11 230,87
14	G46247 Road Rehab. on Peter Hullet Place in Ward 22 (Section 1) (WIP)	1 713 716,52
15	G46247 Road Rehab. on Osbourne drive in Ward 22 (WIP)	1 631 065,35
16	G46247 Road Rehab. & St. improvement in Ralphs place/George Hullet in Ward 22 (WIP)	9 786 582,45

**KWADUKUZA MUNICIPALITY CIVIL ENGINEERING AND PMU  
BUDGET ALLOCATION 2024/2025 (COMPLETED)**

**WARD 22**

No	Project Name	2024/2025
17	G46247 Road Rehab. & upgrade of St. infrastructure in Fayle Road in Ward 22 (WIP)	161 477,07
18	G46247 Road Rehab. & upgrade of St. infrastructure in Hotel road in Ward 22 (WIP)	1 703 361,74
19	G46247 Road Rehab. & upgrade of St. infrastructure in Peter Hullet Road in Ward 22 (Section 2) (WIP)	1 033 872,03
20	G46247 Road Rehab. on Little Maritzburg road in Ward 22 (WIP)	1 153 666,57
21	G46247 Road Rehab. of Ward 22 (WIP)	1 739 130,43
22	G46247 Road Rehab. & upgrade of St. infrastructure in Garl& in Ward 22 (WIP)	719 058,03
23	G46247 Road Rehab. & upgrade of St. infrastructure in Shad lane in Ward 22 (WIP)	470 226,50

**KWADUKUZA MUNICIPALITY CIVIL ENGINEERING AND PMU**  
**BUDGET ALLOCATION 2024/2025 (COMPLETED)**

<b>WARD 30</b>		
<b>No</b>	<b>Project Name</b>	<b>2024/2025</b>
1	G46247 Rehab. of Warren Height in Ward 30 (WIP)	699 980,28
2	G46247 Rehab. of Ellis Place in Ward 30 (WIP)	1 727 333,85
3	G46247 Rehab. of Light house parking in Ward 6 (WIP)	894 316,55
4	G46247 Rehab. of Ashley Road in Ward 30 (WIP)	4 537 500,49
5	G46247 Rehab. of Reutenbach Place in Ward 30 (WIP)	794 258,78
6	G46247 Rehab. of Patricia Road in Ward 30 (WIP)	4 971 083,22
7	G46247 Rehab. of Allen Place in Ward 30 (WIP)	1 491 237,98
8	G46247 Rehab. of Elizabeth Drive in Ward 30 (WIP)	3 602 112,09

**KWADUKUZA MUNICIPALITY CIVIL ENGINEERING AND PMU  
BUDGET ALLOCATION 2024/2025 (CONSTRUCTION)**

**WARD 6**

<b>No</b>	<b>Project Name</b>	<b>2024/2025</b>
1	G46247 Upgrade of Stormwater line on Jacqueline, Gillian and Zen Drive in Ward 6 (WIP)	7 805 009,86

## 2019 MUNICIPAL DISASTER RECONSTRUCTION AND REHABILITATION GRANT PROJECTS

In September 2023, KwaDukuza Municipality received allocation of R22 million in response to disaster that happened in 2019. The grant is valid for 12

### SUMMARY OF DISASTER RECOVERY GRANT PROJECTS EXPENDITURE AND EXPENDITURE PERCENTAGE

FUNDING SOURCE	ALLOCATION (Incl. VAT)	EXPENDITURE (Incl. VAT)	EXPENDITURE %
<b>MDRG</b>	R22 000 000,00	R 16 067 236,00 1 November 2024	73,03%

## DISATER RESPONSE GRANT - R109 043 000.00

### SERIES OF EVENTS

- Grant received **29 July 2022**
- Adjustment budget **18 August 2022 20 003 276**
- Project Planning (Design development) **30 August 2022**
- Document & procurement **30 August 2022**
- Project execution over 10 months (**September – 30 June 2023**)
- Rollover application approved on 19 October 2023**

DATE OF TRANSFER	TOTAL AMOUNT	ACTUAL EXPENDITURE	%EXPENDITURE	REASON FOR VARIANCE
31/10/2022	R109 043 000,00	R <b>98 633 498,16</b> 1 November 2024	90,45%	<ul style="list-style-type: none"> <li>• Inclement weather</li> <li>• Work stoppage construction mafia</li> <li>• Subcontracting</li> <li>• Nature of construction works (Bridges: which is spanning over 50m and crossing an active river: Nonoti river)</li> </ul>

# MUNICIPAL DISASTER RECONSTRUCTION AND REHABILITATION GRANT EXPENDITURE REPORT

## SUMMARY OF DISASTER CAPITAL PROJECTS EXPENDITURE AND EXPENDITURE PERCENTAGE

FUNDING SOURCE	ALLOCATION (Incl. VAT)	EXPENDITURE (Incl. VAT)	EXPENDITURE %	COMPLETED PROJECTS
<b>MDR&amp;RG</b>	R 1 271 089 000	<b>R 1 037 116 026.00</b> <b>01 November 2024</b>	<b>81,59%</b>	293Projects 100% completed  38 projects practically complete  69 projects under construction



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## PROJECT STATUS

- No of Reconstruction and rehabilitation projects 400
- No of completed projects 293 + 38 practically completed
- Value of completed projects R 1 037 116 026.00
- No of projects under construction 69
- Value of projects under construction R 233,981,974
- No of projects at procurement stage 0
- Value of projects at procurement stage R 0
- Based on the information above, the expenditure is at R 1 037 116 026.00





# Challenges

- **Extension of time to complete projects:**

The KwaDukuza Municipality has applied for extension of time to complete the following categories of funding: (a) 2022 Response Grant Projects (b) 2022 Rehabilitation and Reconstruction Grant Projects

## **Reallocation of savings to address budget shortfalls**

There are projects that don't have enough funding to be completed and we need approval to reallocate the savings

- **Procurement processes:**

- The process of appointing contractors is taking much longer than reflected in the implementation Plan and the bottle neck is at Evaluation and Adjudication committee

- **Municipal Capacity**-There was no additional capacity especially within the technical department to assist with implementing projects.



- To date only interns have been appointed to strengthen capacity working closely with consultants who still need close monitoring.

# Challenges

- **Role-over of Disaster grants:**
- The KwaDukuza Municipality has applied for roll over of Disaster funds for the 2024/2025 financial year which was approved by National treasury. Based on current expenditure the R 1 271 098 000.00 Disaster grant is at R 1 037 116 026.00 (81,59 %) as at 01 November 2024.

## • CONCLUSION

- The KwaDukuza Municipality is on track to ensure that the R 1 271 098 000.00 Disaster grant is at R 1 037 116 026.00 (81,59 %) as at 01 November 2024.
- The Municipality requires Provincial Disaster Management Centre and National Disaster Management Centre assistance to address budget shortfalls and savings



# ELECTRICAL ENGINEERING BUSINESS UNIT



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# 1. Public lighting: 22 High Masts

**Budget R16 000 000 & 100% spent**

Contractors from Panel were appointed and materials ordered, works completed

# 2. Electrification - INEP funded

**Budget R11 677 916 & 100% spent**

# 3. LV network upgrade – Budget R10 450 000

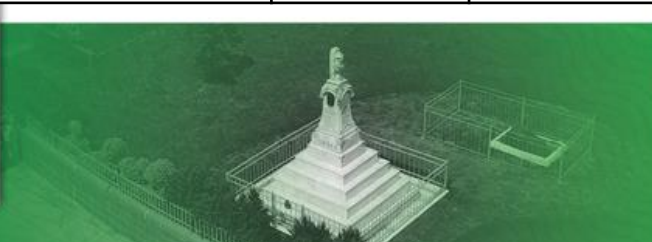
**100% spent**



Wards)	Budget	Comments & Progress
Cluster F (4, 6, 21, 22, 30 )	750000	
Electrical Building Services upgrades in municipal building	3000 000	<ul style="list-style-type: none"> <li>- Lavoipierre <b>completed</b></li> <li>- Electrical workshop offices <b>completed</b></li> <li>- Mechanical workshop - <b>completed</b></li> <li>- KDM library - <b>completed</b></li> <li>- Licencing department building – <b>completed</b></li> </ul>
Energy efficiency on municipality Buildings	1500000	

## 4. MV network upgrade – Budget R21 950 000 100% spent

Cluster(wards)	Budget	Progress
Cluster F (4, 6, 21, 22, 30 )	1950000	Waldene line upgrade 100% complete Zenia road minisub upgrade competed



# 5. Substations upgrade, new and refurbishment

## Budget R52 452 247 & 70% spent

Ward	Project	Budget	Progress & Comments
30	Dukuza substation	5000000	<p><b>Phase1:</b></p> <ul style="list-style-type: none"> <li>- Transformer 1 has been installed</li> <li>- Transformer 2 to be delivered</li> <li>- Construction of gate house, control roo, fence completed</li> </ul> <p><b>Phase2:</b></p> <ul style="list-style-type: none"> <li>- Switchgear ordered,</li> </ul>
30	Ballito substation refurbishment	2000000	<p>Transformer 1,2,3 completed</p> <p>NER 1,2,3 installed</p> <p>33kV switchgear installed</p>



## 5. (cont)

### Substations upgrade, new and refurbishment

Ward	Project	Budget	Progress & Comments
30	Business Park substation refurbishment	1000000	
22	Shakasrock substation refurbishment	3000000	Refurbishment is in progress

## 6. Refurbishment of municipal buildings

**Budget R780 000 & 53% spent**

Ward	Project	Budget	Progress & Comments
30	Ballito electrical workshop	260000	Metering offices and workshop is in progress



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## 7. Provision of tools

**Budget R3 430 000 & 85% spent**

#	Project	Budget	Progress & Comments
1	Furniture and equipment	450000	
2	Municipal fleet	2000000	Vehicles Delivered
3	Safety and administration equipment	780000	
4	Mechanical workshop tools	200000	

## 8. Network control, automation and software

**Budget R12 000 000 & 22% spent**

Ward	Project	Budget	Progress & Comments
ALL	Implementation of KDM SCADA	10000000	Installation of radio network is 50% 3 switching substations is in progress
ALL	Network master planning software	2000000	Tender is at appeals stage





# 9. Revenue protection

## Budget R9 420 300 & 6% spent

Ward	Project	Budget	Progress
ALL	Supply metering system for non-revenue electricity	3155000	Work in progress
ALL	Energy saving Initiatives: VUTHELA PROJECT	6265300	Work in progress

# 9. Revenue protection - Amnesty

**Illegal electricity disclosure amnesty has been extended to close on 30 April 2025**

Ward	Number captured	Number paid and sent for rectification
ALL	3490	150



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# 10. Repair and maintenance – R36 144 621

		2024/25	% spent
1	Electricity - Rural North (Dept 430)	R7 971 764,00	57%
2	Electricity - Rural South (Dept 490)	R5 330 478,00	70%
3	Electricity - SAPPI (Dept 440)	R1 001 782,00	58%
4	Electricity - Urban North (Dept 450)	R8 092 913,00	57%
5	Electricity - Urban South (Dept 420)	R7 497 701,00	55%
6	Street Lights (Dept 171)	R6 249 983,00	84%
	<b>Total</b>	<b>R36 144 621,00</b>	<b>64%</b>



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# 11. Draft Capital budget 2025/26

Allocations of grants from DORA for INEP, EEDSM are ZERO

Item description	2025/26	2026/27
Electricity Admin New Dukuzza 80MVA Bulk 400452153 WIP	3 000 000	3000000
Electricity Admin Housing Elect Project WIP	4 497 392	4062609
Implementation of Energy Efficiency on Buildings	1 500 000	
MV Network Upgrades Cluster F WIP	2 000 000	2100000
MV Network Upgrades Cluster G WIP	4 700 000	4750000
MV Substations New Lavoupierre Subst WIP	4 497 391	4062608
MV Substations Upgrades and Refurbishment: Gledhow Substatio WIP	500 000	500000
NV Replace Grid Prot Relays 11K P3 430452146 WIP	5 000 000	3000000
<b>Grand Total</b>	<b>31 694 783</b>	<b>27475217</b>

# 11. Draft Capital budget 2025/26

Allocations of grants from DORA for INEP, EEDSM are ZERO

Item description	2025/26	2026/27
NV Street Lights Cluster A 100 SL 400452122 WIP	500 000	500000
NV Street Lights Cluster B 37SL 400452123 WIP	1 000 000	1000000
NV Street Lights Cluster C 100SL 400452124 WIP	1 250 000	1250000
NV Street Lights Cluster D 100SL 400452125 WIP	1 750 000	1750000
NV Street Lights Cluster E 100 SL 400452126 WIP	1 500 000	1500000
<b>Grand Total</b>	<b>31 694 783</b>	<b>27475217</b>



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# 12. Draft Operational budget 2025/26

Item description	2025/26	2026/27	2027/28
Electricity:Electricity - Rural North (Dept 430)	27 459 250,84	28 785 325,43	30 175 593,79
Electricity:Electricity - Rural South (Dept 490)	13 074 915,16	13 704 784,14	14 365 072,11
Electricity:Electricity - Salaries Distribution (Dept 582)	11 075 789,07	13 316 533,06	15 804 604,33
Electricity:Electricity - SAPPI (Dept 440)	1 937 792,44	2 029 645,65	2 125 864,88
Electricity:Electricity - Urban North (Dept 450)	18 172 177,50	19 035 544,65	19 940 088,70
Electricity:Electricity - Urban South (Dept 420)	18 919 847,34	19 826 814,05	20 777 372,93
Electricity:Electricity Administration (Dept 400)	1 798 151 770,49	2 001 925 626,82	2 228 446 855,24
Street Lighting and Signal Systems:Street Lights (Dept 171)	7 743 884,72	8 092 359,53	8 456 515,71
<b>Grand Total</b>	<b>1 896 535 427,55</b>	<b>2 106 716 633,31</b>	<b>2 340 091 967,70</b>



*The End*

*Thank You  
Siyabonga  
Dankie  
Eenkosi*



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