



COST OF DOING BUSINESS IN **DURBAN** 2014



1.	STARTING A BUSINESS	4
1.1.	Registrar of Companies	4
1.1.1.	Main functions of the Commission	4
1.1.2.	The registration of companies	4
1.1.3.	Close corporations	5
1.1.4.	Registration forms and fees	5
1.1.5.	CIPC contact details	6
1.2.	Permits and Procedures	7
1.2.1.	Application for a business permit	7
1.2.2.	Cost	8
1.2.3.	Legal framework	8
1.2.4.	Department of Home Affairs contact information	8
1.2.5.	Application for a work permit	8
1.2.6.	Cost	8
1.2.7.	Over-riding criteria	8
1.2.8.	Main criteria	9
1.2.9.	The following additional documentation must be submitted	10
1.2.10.	Submission of the application	11
1.2.11.	Change of employer	11
1.2.12.	Transfers: Key personnel of international concerns	11
1.2.13.	Secondments	12
1.2.14.	Repatriation fees	12
1.3.	Cost of buildings and industrial land	13
1.3.1.	Building type	13
1.3.2.	Office and Industrial Rentals	14
1.4.	Taxation	15
1.5.	Incentives	16
1.5.1.	Urban Development Zones Incentive	16
2.	HUMAN RESOURCES	18
2.1.	Labour rates and personnel agencies	18
2.2.	Labour Laws	20
3.	UTILITIES	23
3.1	Water, Electricity, Refuse, Property Rates and Rebates	23
3.1.1.	Water	23
3.1.2	Electricity	25
3.1.2.1.	Reliability of electricity supply	27
3.1.3	Refuse collection and disposal	28
3.1.4	Rate randages and rebates	29
3.1.5.	Rebates	29
3.2.	Telecommunication rates	33
3.2.1.	Uncapped internet bundles	35
3.3.	Gas and fuel costs	36
3.3.1.	Gas cost information	36
3.3.1.1.	Pricing Policy	36
3.3.1.2.	Contract Pricing	37
3.3.2.	Fuel Costs	37
3.3.3.	Coal cost	37
4.	TRANSPORTATION COSTS	38

4.1.	Rail versus Road Cargo Transportation Costs.....	38
4.2	Air cargo transportation costs.....	39
4.3	Sea cargo transportation costs	39
4.4	Courier cargo transportation costs.....	40
5.	QUALITY OF LIFE IN DURBAN	41
5.1	Rented accommodation	41
5.2	Hotel Rates	42
5.3	Health care	44
5.4	Education	44
5.4.1.	Private Schools	44
5.4.2.	Public schools	44
5.4.3.	Tertiary Institutions	45
5.5.	Housing and vehicle prices.....	46
5.5.1.	Housing prices	46
5.5.2.	Vehicle prices	47
5.6	Public Transport	49
5.6.1.	Taxi fare.....	49
5.6.2.	Bus fare.....	49
5.7.	Hospitality	50
5.7.1.	Top ten tourist attractions	50
5.7.2.	Dining-out.....	54
5.8.	Domestic help	54
5.9.	Safety and security.....	55
5.10.	Public holidays	56
6.	BUSINESS PROFILE OF DURBAN	57
6.1.	Demographics	57
6.2.	Key economic sectors	57
6.3.	Listing of major economic nodes	58
7.	MAPS ILLUSTRATING DURBAN AND ITS SURROUNDS	59
7.1.	Durban North.....	59
7.2.	Durban CBD	60
7.3.	Western Areas.....	61
6.4.	Priority areas for development	62

1. STARTING A BUSINESS

1.1. Registrar of Companies

The newly formed Companies and Intellectual Property Commission (CIPC) was established through the amalgamation of the Office of Companies and Intellectual Property Enforcement (OCIPE) and the Companies and Intellectual Property Registration Office (CIPRO). The Commission is mandated by the Companies Act, 2008 (Act 71 of 2008).

1.1.1. Main functions of the Commission

- Registration of companies, co-operatives and intellectual property rights (trade marks, patents, designs and copyright) and maintenance thereof
- Disclosure of information on its business registers
- Promotion of education and awareness of company and intellectual property law
- Promotion of compliance with relevant legislation
- Efficient and effective enforcement of relevant legislation
- Monitoring compliance with and contraventions of financial reporting standards, and making recommendations thereto to Financial Reporting Standards Council (FRSC)
- Licensing of business rescue practitioners
- Report, research and advise Minister on matters of national policy relating to company and intellectual property law

1.1.2. The registration of companies

Two types of companies may be incorporated under the Act, namely non-profit and profit companies.

Profit companies may be incorporated under the following types:

- Private companies
- Public companies
- Personal liability companies
- State owned companies

1.1.3. Close corporations

The new Companies Act of 2008 came into operation on 1 May 2011 and replaced the Companies Act of 1973. Important developments include:

- No new close corporations will be registered from the 1 May 2011, but new companies can be registered.
- No company conversions to close corporations will be registered.
- Provision has also been made for close corporations to convert to companies without any payment in terms of the New Companies Act.

The following processes will be administered in terms of the Companies Act of 2008:

- Name reservations
- Liquidations
- Deregistration
- Restoration – normal restorations and annual returns

1.1.4. Registration forms¹ and fees²

Table 1: Company registration forms and fees

Form	Fee	
	Electronic filing	Manual filing
CoR 9.1. Application to reserve a company name	R50	R75
CoR 11.1. Application to transfer reserved or registered name	R75	R100
CoR 17.1. Application by foreign company to transfer registration to the Republic of South Africa	R400	
Issuing of an electronic certificate	R30	

A step-by-step guide to registering a company may be found online:

<http://www.cipc.co.za/IWantTo.aspx>

¹ A full list of forms may be obtained online: http://www.cipc.co.za/Companies_Forms.aspx

² A full list of fees may be obtained online: http://www.cipc.co.za/Companies_Fees.aspx

1.1.5. CIPC contact details

Call centre	086 100 2472 (CIPC)
International telephone number	+27 12 394 9973
Fax	086 517 7224
Email	financialstatements@cipc.co.za
Website	http://www.cipc.co.za/Default.aspx

Once the company has registered with CIPRO, it is essential that it registers with the South African Revenue Services (SARS) as a taxpayer in order to get a tax clearance certificate. The IT 77 form³ must be completed and submitted to the nearest SARS branch, together with a certified copy of your ID document/passport/driving licence. Once the company has been registered as a taxpayer, and has been issued a tax number, the company may register for eFiling⁴, which is a free and convenient way of interacting with SARS.

³ Available online: <http://www.sars.gov.za/AllDocs/OpsDocs/SARSForms/IT77%20-%20Application%20for%20Registration%20as%20a%20Taxpayer%20or%20Changing%20of%20Registered%20Particulars%20Individual%20-%20External%20Form.pdf>

⁴ Online registration available: <http://www.sarsefiling.co.za/Register.aspx>

1.2. Permits and Procedures

1.2.1. Application for a business permit

Foreigners who are contemplating investing in the South African economy by establishing a business or by investing in an existing business in the country must apply for a business permit. As an applicant, you will be required to invest a prescribed financial capital contribution.

To invest in or open a business in South Africa you will need to, along with Form BI-1738⁵, submit a certificate issued by a chartered accountant registered with the South African Institute of Chartered Accountants to the effect that you have:

- At least R2,5 million in cash
- A capital contribution of at least R2,5 million
- At least R2 million in cash and a capital contribution of at least R500 000 which originated from abroad, and which is available to be invested as part of the book value of the business
- A business plan which outlines the feasibility of the business, both in the short and long term
- Proof or a formal undertaking that at least five citizens or permanent residents shall be permanently employed in the prospective business
- A formal undertaking to register with the SARS
- Proof of registration with the relevant trade body, board or council (if applicable)
- A police clearance certificate from each country where you have resided since the age of 18 years old, including the Republic of South Africa
- A yellow fever vaccination certificate, if you have travelled to, or intend to travel to a yellow fever endemic area
- A repatriation deposit equivalent to the value of a return ticket to your country of origin or permanent residence, which is refundable after your final departure or after you have acquired a permanent residence permit
- Medical and radiology reports

⁵ Form may be obtained online: <http://www.southafrica-newyork.net/homeaffairs/forms/bi1738.pdf>

1.2.2. Cost

Approximately R400

For more information, go to <http://www.dha.gov.za/index.php/immigration-services>

1.2.3. Legal framework

Immigration Act, 2002 (Act 13 of 2002), as amended

<http://www.info.gov.za/view/DownloadFileAction?id=68047>

1.2.4. Department of Home Affairs contact information

Regional office	KwaZulu Natal
Contact person	Albert Matsaung
Telephone number	033 845 5042
Email address	albert.matsaung@dha.gov.za

1.2.5. Application for a work permit

A work permit (employed) - worker category (form BI-159 A) may be obtained online <http://www.southafrica-newyork.net/consulate/pdf/bl159a.pdf> and is usually valid for a period of 12 months.

1.2.6. Cost

Approximately US\$ 168 (roughly R 1700)

1.2.7. Over-riding criteria

The over-riding consideration in dealing with applications for work permits is whether the employment or task to be undertaken cannot be performed by a South African citizen or an approved immigrant already residing in South Africa. It therefore follows that work permits are

only granted in instances where South African citizens or permanent residents are not available for appointment or cannot be trained for the position.

Employment opportunities are, as a result of the prevailing economic climate in South Africa, extremely limited and there is at present no special drive or project to attract foreign workers to South Africa. Even as far as the so-called scarce employment categories are concerned the position has worsened to the extent where professionally and technically qualified persons are being laid off and are finding it extremely difficult to secure alternative employment. It is for this reason currently a prerequisite that foreigners wishing to take up employment in South Africa, be in possession of firm and acceptable offers of employment commensurate with their training, qualifications and experience before an application for a work permit can be considered.

Employers wishing to introduce foreign workers to South Africa must obtain the permission of the Department of Home Affairs and be able to satisfy the Department that they were unable to obtain the required personnel locally.

1.2.8. Main criteria

Aspects which are taken into account in this regard are, inter alia, the following:

- Date on which the position(s) became available or vacant.
- Whether the vacancies were advertised and if so, in which national papers (e.g. Sunday Times, etc.) or other suitable media and the number of insertions, (copies of advertisements must be provided). Advertising the vacancy on the internet is not acceptable, as many South African citizens do not have access to the Internet.
- Reasons why applicants from the South African labour market who may have responded to the advertisements could not be appointed.
- Whether the Department of Labour, private employment bureaus or agencies or the relevant trade union or industrial council had been approached with regard to filling the vacancies.
- Whether a local unit can be trained to fill a specific position, even if a foreign specialist has to undertake the task of training for a limited period on contract.
- Whether the applicant appointed or to be appointed is in possession of any exceptional qualifications, training and experience not obtainable in South Africa.
- In the case of senior positions, whether the proper filling of the vacancy or position by the promotion of existing personnel has received due consideration.

- He/she must be in possession of a firm offer of employment which is of a temporary nature and the maximum duration for which the temporary employment is required, and must be clearly defined by the prospective employer.
- The position offered must be commensurate with the applicant's qualifications, experience and skills.
- Professionally qualified persons must register with the appropriate South African bodies.

1.2.9. The following additional documentation must be submitted

- Application forms BI-159 A.
- Decree of divorce/court order, where applicable, as well as proof of maintenance paid to family members (also in cases of separation).
- Marriage certificate, where applicable.
- Full birth certificate(s) of children, where applicable.
- An employment contract specifying the occupation and capacity in which the applicant will be employed, maximum duration of employment and remuneration.
- Qualifications (evaluated by the Human Sciences Research Council, in the case of doubtful qualifications), especially in respect of technicians and engineers.
- Testimonials/service certificates from previous employers indicating, inter alia, the applicant's competencies and/or skills.
- Curriculum vitae.
- Proof of advertisements in the national media, as well as particulars of the steps taken to fill the post, indicating how many South African citizens/permanent residents applied and why they were found unsuitable.
- Police clearance certificates: All applicants which are 18 years and older in respect of all countries where a person(s) resided one (1) year or longer. (If not available when initial work permit application is being lodged, it will be required when applying for the extension of the permit).
- Medical certificate.
- English translation of certificates and other documents, if submitted in a foreign language.
- Proof of registration with a South African professional body, if applicable.

1.2.10. Submission of the application

Section 26(2)(a) of the Aliens Control Act, 1991 (Act 96 of 1991) provides that an application for a work permit may only be made while the applicant is outside the Republic and such applicant shall not be allowed to enter the Republic until a valid permit has been issued to him or her. Applications must be submitted to the South African foreign office in or the nearest such office to the country of which the applicant is a valid passport holder or the country in which he or she normally resides and the outcome must be awaited prior to making arrangements for departure to South Africa.

Applicants who do not have a South African representative in their country of origin/residence, may have their applications lodged via a registered agent or attorney, referred to in regulation 18 of the Regulations promulgated in terms of the Act, at any regional/district office of the Department in South Africa. It should be emphasised that the applicant has to be outside the Republic and may only enter once in possession of a valid work permit.

1.2.11. Change of employer

An employee may be permitted to change his/her employer, provided that:

- he/she submits a full application to this effect. All criteria must be complied with as described earlier; and
- he/she was not permitted to enter the Republic as a contract worker or in terms of an undertaking given at the time of the application, that he/she would be employed only by a specific organisation for a specified period of time.

1.2.12. Transfers: Key personnel of international concerns

International concerns with branches in the Republic may from time to time, apply to transfer key employees from a foreign branch to the Republic. Applications for transfer of existing personnel from a foreign branch to the branch in the Republic may be approved and finalised on condition that such employees are in fact key personnel such as managing or financial directors, chief executive officers or specialised technical personnel, required in the manufacturing or production process. In this category, the applicant will only be required to submit the following information/documentation together with duly completed application forms BI-159: A & C:

- Letter from the parent company abroad, informing the Department that the applicant is in their employ and will be transferred to a branch/affiliated company in South Africa.

- Letter from the South African company specifying the occupation and capacity in which the applicant will be employed as well as the maximum duration of employment in South Africa.
- Decree of divorce/court order, where applicable, as well as proof of maintenance paid to family members (also in the case of separations).
- Marriage certificate, where applicable.
- Full birth certificate(s) of children, where applicable.
- Medical certificate.

No age restriction applies and cash deposits for repatriation purposes will be collected.

1.2.13. Secondments

When international concerns with a branch in the Republic apply to second key employees from a foreign branch to the Republic for a specific purpose and period and the applicant still receives remuneration from the parent company abroad, these applicants will not require work permits and will be accommodated on appropriately endorsed visitor's visas for the purpose and period of entry and sojourn in the RSA. Cash deposits for repatriation purposes will be collected.

1.2.14. Repatriation fees

Upon issuance of a work permit, applicants will be required to lodge a repatriation fee in respect of each member of the family, which shall be refunded after final departure from the Republic or upon the granting of an immigration permit. Should an applicant, however, fail to comply with the purpose for which or with the conditions subject to which a permit was issued, the deposit will be forfeited to the State.

1.3. Cost of buildings and industrial land

1.3.1. Building type⁶

The property rates per development type per municipality were derived by ascertaining the typical build and infrastructure costs per development type. These costs were then combined with land values to determine the full property value for each type of development.

Four different development types are compared:

Table 2: Description of development types

Development type	Description
Medium density residential developments	20 unit townhouse duplex (100m ² each) on a 0.8ha site
Retail centre	Regional retail centre (GLA of 40 000m ²) on a 10ha site
Commercial office	8 floor high-rise office tower block (1000m ² per floor) on a 3200m ² site
Industrial	Large industrial factory (10 000m ²) on a 2.5ha site

Table 3: Property rates per development type

	Medium density residential developments	Retail centre	Commercial office	Industrial
Developed site value (land and building)	R 100 000 000	R 700 000 000	R 52 800 000	R 275 000 000
eThekweni	R 905 912	R 14 406 000	R 1 086 624	R 7 301 250
Cape Town	R 560 177	R 7 858 200	R 592 733	R 3 087 150
Johannesburg	R 840 795	R 12 882 800	R 971 731	R 5 061 100
KwaDukuza	R 499 750	R 10 850 000	R 818 400	R 4 262 500
Msunduzi	R 1 039 844	R 12 810 000	R 966 240	R 5 032 500
uMhlathuze	R 594 000	R 8 316 000	R 627 264	R 3 267 000

⁶ The costs presented in this section are drawn exclusively from a 2012/13 Urban Econ study, *Detailing the Actual Cost of Doing Property Related Business in KZN*, which was commissioned by TIKZN and SAPOA.

1.3.2. Office and Industrial Rentals

Table 4: Rental rates per area

Area/Node	Commercial per m ²	Industrial per m ²	Vacant land per m ²
Amanzimtoti	R 489.64	R 1119.92	R 339.44
Ballito	R 2913.42	R 1125	R 1436.63
Berea	R 63.70	R 63.33	R 1 645
Bluff	R 601.60	R 327.87	R 1308.35
Durban CBD	R 6402	N/A	R 2 508
Hillcrest	R 1548.54	R 1009.73	R 500.19
Jacobs	N/A	R 63.33	N/A
Kloof	R 2592.22	R 1038.23	R 206.33
Mount Edgecombe	R5989.30	R 1505.24	R 1358.05
New Germany	R 120	R 52	R 273.97
Phoenix	R 220.33	R 125	R 994.41
Pinetown	R 90	R 66	R 319
Prospecton	R 60	R 48	R 2299.79

Area/Node	Commercial per m²	Industrial per m²	Vacant land per m²
Springfield Park	R 77.67	R 96.67	R 1 923.90
Umhlanga	R 128.33	R 130	R 3 200
Verulam	R 938.72	R 741.91	R 626.07
Westmead	R 52.67	R 47,40	R 22
Westville	R 127.33	R 106.70	R 240

1.4. Taxation

Please consult Deloitte's Quick Tax Guide 2013/14. Available online:

http://www.deloitte.com/assets/Dcom-SouthAfrica/Local%20Assets/Documents/qtg_2013.pdf

1.5. Incentives

For information pertaining to Department of Trade and Industry's financial assistance, please visit:

http://www.thedti.gov.za/financial_assistance/financial_assistance.jsp

For information pertaining to the Industrial Development Cooperation's development funds, please visit:

<http://www.idc.co.za/development-funds>

1.5.1. Urban Development Zones Incentive

The purpose of the Urban Development Zone (UDZ) tax incentive is to regenerate and revitalise urban areas and business districts through encouraging capital investment in buildings in the pre-defined UDZ areas⁷, which will in turn foster economic development and create employment opportunities. The Income Tax Act (58 of 1962) now permits property owners and/or developers to write-off building costs against the income of the businesses in the promulgated UDZ areas, while the Revenue Law Amendment Act of 2005 now accommodates taxpayers who purchase buildings or parts of buildings (e.g. sectional titles) directly from developers. This provision of this incentive was meant to cease in 2014, but has since been extended.

UDZ application procedure

In order to qualify for a tax deduction, the taxpayer will have to submit the following documentation to SARS, together with the relevant tax return in which the deduction is claimed:

- i. A UDZ Location Certificate obtained from the municipality, confirming that the building is located in an approved UDZ;
- ii. An occupancy certificate obtained from the municipality;

⁷ The UDZ area for the eThekweni Municipality consists of the greater CBD and includes: The area bounded by Bell Street in the south through to Shepstone Rd, Victoria Embankment, Alexandra Street, Berea Road, Carters Avenue, Canongate Road, Warwick Avenue, Centenary Road, Carlisle Road, First Avenue, Stamford Hill Road, Croydon Road. Walter Gilbert Road, Cobham Road, Old Fort Road, NMR Avenue, Somtseu Road, Stanger Street, Argyle Road, NMR Avenue, Walter Gilbert Road in the north, Greyville (south and east of the Greyville racecourse), upper Congella, and the Point development.

- iii. A completed UDZ 1 form (building erected, extended, added to or improved) or UDZ 2 form (building purchased from developer);
- iv. Where a building or part of a building is purchased from a developer, a UDZ 3 form must be completed by the developer that constructed or improved the building or part of the building.

The developer will need to confirm that:

- i. The erection or extension of, addition to or improvement of the building or part of the building was commenced by the developer on or after the date of publication of the particulars pertaining to the demarcation of the relevant area in which the building is located, in terms of a contract formally and finally signed by all parties thereto on that date;
- ii. The construction or improvement by the developer covered the entire building or at least a floor area of 1 000 m²;
- iii. The developer has not claimed any UDZ allowance in respect of the building or part thereof;
- iv. The developer has not claimed any UDZ allowance in respect of the building or part thereof;
- v. A certificate of occupancy has been issued by the relevant municipality in respect of the building or that part of the building; and
- vi. In the case of the improvement of a building or part of a building, the developer has incurred expenditure in respect of those improvements which is equal to at least 20 percent of the purchase price paid by the taxpayer in respect of the building or part of the building.
- vii. If the estimated costs to be incurred by the developer in erecting a new building or refurbishing an existing building (which he intends to sell), is likely to exceed R 5 million, the UDZ 4 form is to be completed. Part A of the form is to be completed and submitted within 30 days after the commencement of construction or refurbishment of the building or part of the building and Part B is submitted within 30 days after the sale of the building or parts of the building.

To access these forms, please visit http://www1.durban.gov.za/durban/invest/economic-development/investment/overview/tax_zones

2. HUMAN RESOURCES

2.1. Labour rates and personnel agencies

Approximate information on the cost-to-company of certain benchmark positions (this is inclusive of company contributions to pension fund, medical aid, allowances, bonuses, commission, overtime etc.). They were requested to provide approximate information on an annual rate of pay, based on 2 to 5 years experience with an average sized, average performing business in mind⁸.

Table 5: Average salary per position

Position	Estimated benchmark (CTC p.a.)
General manager	R 856 000
Financial manager	R 445 120
Accountant CA	R 642 000
Accountant BCom	R 342 400
Accounts clerk	R 191 744
Sales representative	R 178 048
HR officer	R 184 575
Secretary	R 128 400
Junior secretary	R 95 872
Receptionist	R 71 904
Production manager	R 342 400
Foreman	R 276 060
Skilled artisan	R 219 136
Semi-skilled labour	R 63 173
Unskilled labour	R 35 310

The Association of Personnel Service Organizations of South Africa (APSO) was approached for approximate costs for the use of a recruitment agency. On average fees are between 12% and 15% of annual salary and at the bottom end 10%. Usually there is a three month guarantee and if the person leaves the agency will try to replace them, but if unsuccessful will pay a pro-rata refund.

⁸ The values are based on an estimation of the DCCI's 2012 cost-to-company estimations plus 7%.

Turnaround time depends on the level, urgency and if a source is readily available. If CV's are available and interviews are arranged a turnaround time of one week is fair. If a qualified person is required and a short list needs to be prepared then a turnaround time of two weeks is fair. From start to finish, inclusive of a month's notice the process will take two months.

The Unemployment Insurance Fund (UIF) protects Employees against the loss of earnings as a result of unemployment because of termination of service, illness or pregnancy and to dependents of deceased contributors. Employers must register themselves and their employees. The forms that need to be completed are the UI18 and UI19. An amount equivalent to 2% of the Employees salary needs to be paid into the fund by the 7th of each month. Of this, 1% comes from the employee's salary and the employer contributes 1%.

In the event of an accident in the workplace during working hours an employee or his/her dependents are entitled to benefits.

All employers who employ one or more part-/full-time employees must register with the Compensation Fund and pay an annual assessment fee. Before 31 March each year, all employers (including contractors) must submit a statement of earnings paid to all their employees from the beginning of March to the end of February (W.As 8 form). A new employer must complete the W.As 2 form and submit it together with a copy of the registration as a business by fax and post to the Compensation Commissioner. Alternatively, the services of the Compensation Fund have recently been decentralised and the completed W.As 2 and 8 forms can be submitted by post or hand delivered to the nearest Labour Centre. The annual assessment fee is calculated on employees' earnings and an assessment based on the risks associated with the type of work being done. Assessment tariffs are reviewed annually and must be paid in advance, within 30 days of the date of the assessment notice being received. The Durban Compensation Fund office reported a turnaround time of approximately one month from the time a W.As 2 form is received and an assessment notice being returned to the Employer.

The main purpose of the Skills Development Act is to improve the quality of life of employees, increase opportunities for better jobs, promote entrepreneurship and help the unemployed become more skilled.

Businesses with a payroll of more than R500 000 per annum are required to pay a skills development levy of 1% of payroll (inclusive of overtime pay, leave pay, bonuses, commissions and lump sum payments). Director's fees must also be included. The levy is paid to the Receiver of Revenue, who will in turn pay it over to the relevant Sector Education and Training Authority (SETA).

2.2. Labour Laws

South Africa's labour laws have been introduced to:

- Regulate the relationship between employers and employees;
- Provide basic employment standards for employees;
- Advance historically disadvantaged employees in the workplace;
- Improve the skills of employees; and
- Provide for compensation for disablement caused by occupational injuries and diseases.

All the labour laws may be accessed from the Department of Labour's website:

<http://www.labour.gov.za/DOL/legislation>

A brief summary of the labour laws:

2.2.1. Labour Relations Act, 1995

- The Labour Relations Act (LRA) applies to all employers and employees in South Africa, except members of essential services departments (such as the National Defence Force; the National Intelligence Agency; unpaid volunteers).
- The LRA encourages and regulates collective bargaining between employers and trade unions. Bargaining councils⁹ may be formed by agreement between registered trade unions and registered employers' organisations.
- The LRA regulates unfair dismissals and sets-up the Commission for Conciliation, Mediation and Arbitration (CCMA) and the Labour Court as dispute resolution bodies.

⁹ The primary function of a bargaining council is the conclusion of collective agreements between employers' organisations and trade unions. For a full list of bargaining councils and their contact details, please visit: http://www.labourprotect.co.za/bargaining_councils.htm

2.2.2. Basic Conditions of Employment Act, 1997

- The Basic Conditions of Employment Act (BCEA) covers the basic rights of South African employees.
- These conditions are the minimum conditions and may be varied and improved upon by collective bargaining through plant or company-level collective agreements or sectoral bargaining councils. They may also be varied through ministerial determination.
- The BCEA places obligations on employers in respect of: working hours; leave (annual, maternity and/or family responsibility); leave and overtime pay for employees.

2.2.3. Employment Equity Act, 1998

- The Employment Equity Act (EEA) prohibits discrimination in the workplace and promotes employment equity. Employees who have been discriminated against on a wide range of grounds (including race, gender and disability) are entitled to declare a dispute against their employer. Such disputes are reconciled, or, if not, may either be arbitrated or sent to the Labour Court for adjudication.
- Employers who employ more than 150 employees are obliged to report their progress on employment equity to the Department of Labour on an annual basis and are obliged to develop employment equity or affirmative action plans.

2.2.4. Skills Development Act, 1998 and Skills Development Levies Act, 1999

- The Skills Development and Skills Development Levies Act oblige all employers to prioritise training and education. All employers are obliged to contribute an amount equivalent to 1% of their pay roll to an assigned Sector Education and Training Authority (SETA¹⁰).
- Employers who submit and implement a credible training plan will be eligible to receive a refund on the percentage of their contributions.

2.2.5. Occupational Health and Safety Amendment Act, 1993

- The object of this act of to provide for health and safety of persons at work; and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than those at work exposed to elements hazardous to health and safety, arising out of or in connection with the activities of persons at work; to

¹⁰ For a full list of SETAs and their contact information, please visit <http://www.dhet.gov.za/Structure/SkillsDevelopment/SETAS/tabid/361/Default.aspx>

provide for the establishment of an advisory council for occupational health and safety; and to provide for matters connected therewith.

2.2.6. Compensation for Occupational Injuries and Diseases Act, 1993

- The object of this act is to provide for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for the death resulting from such injuries or diseases and to provide for matters connected therewith.

3. UTILITIES

3.1 Water, Electricity, Refuse, Property Rates and Rebates

3.1.1. Water

The following are the rates for Durban as at 1 July 2013 (excluding VAT).

Table 6: Rates for water users

Industrial, commercial and non-residential users	
Monthly consumption charge	R14.59 per kilolitre (kl)
Monthly fixed charge	Varies with connection size
Domestic users (semi-pressure)	
Consumption 0 to 9 kl	Free
Consumption > 9 kl to 25 kl	R 8.37 per kl
Consumption 25 to 30 kl	R 11.46 per kl
Consumption 30 to 45 kl	R 25.24 per kl
Consumption > 45kl	R 27.77 per kl
Domestic users (full pressure)	
Consumption 0 kl to 9 kl (and for property rateable values < R 250 000)	Free
Consumption > 9 kl for property rateable values > R 250 000	R 10.40 per kl
Consumption 9 to 25 kl	R 12.29 per kl
Consumption 25 to 30 kl	R 16.37 per kl
Consumption 30 to 45 kl	R 25.24 per kl
Consumption > 45 kl	R 27.77 per kl

Table 6: Rates for water users (cont.)

Industrial, commercial and non-residential users	
Monthly fixed charge calculated on a daily basis on meter size (mm):	
Less than or equal to 20mm	R 116.57
Greater than 20mm but less than or equal to 25mm	R 177.87
Greater than 25mm but less than or equal to 40mm	R 455.46
Greater than 40mm but less than or equal to 50mm	R 711.62
Greater than 50mm but less than or equal to 80mm	R 1600.97
Greater than 80mm but less than or equal to 100mm	R 2864.04
Greater than 100mm but less than or equal to 150mm	R 6403.59
Greater than 150mm	R 11384.19

** Re-cycled water is also available by special negotiation in certain industrial areas.*

3.1.2 Electricity

Electricity rates for Durban as at 1 July 2013 (excluding VAT).

Table 7: Rates for electricity users

Small business	Scale 1	Energy Service charge	120.92 cents per unit R 158.52 per month
	Scale 2 (002) (*obsolete)	Energy- basic Energy- surcharge Service charge	50.68 cents per unit 120.50 cents per unit R 158.52 per month
	Scale 2 (021) (*obsolete)	Energy- peak Energy- off-peak Service charge	171.18 cents per unit 50.68 cents per unit R 158.52 per month
	Scale 5/6/7 (*obsolete)	Energy Service charge Minimum charges apply for Scale 6 and 7	123.43 cents per unit R 158.52 per month A monthly minimum charge of R 67.32 + VAT per KW of installed capacity, but not less than R 215.59
	Scale 10/11	Energy	134.26 cents per unit
	CTOU ¹¹	<u>Low demand season</u> (peak; standard; off-peak) <u>High demand season</u> (peak; standard; off-peak) Service charge Network demand charge Network surcharge (only applicable if kVA equal to or greater than 110 kVA)	102.96; 82.83; 48.18 cents per unit 208.70; 104.42; 50.86 cents per unit R 220.00 per month R 44.36 kVA 25% - applicable on energy and demand components

¹¹ Commercial Time of Use tariff

Table 7: Rates for electricity users (cont.)

Large power users	ITOU ¹²	<u>Low demand season</u> (peak; standard; off-peak)	102.96; 82.83; 48.18 cents per unit
		<u>High demand season</u> (peak; standard; off-peak)	195.60; 60.63; 36.85 cents per unit
		Service charge	
		Access charge	R 2374.15
		Maximum demand	R 20.00
		Voltage discount	R 62.50
			Depending on supply voltage
Low Voltage 3 Part (obsolete)	LV3- Part	Energy charge	50.56 cents per unit
		Maximum demand	R 236.50 per kVA
		Restricted demand discount	R 51.02 per kVA
		Service charge	R 862.72
Residential tariffs	Scales 3, 4, 8 and 9	Single and 3-phase supply	107.98 cents per unit + VAT. Service charge included in unit rate. Deposit to cover 2 to 3 months usage required.
	Scale 12	Free basic electricity customers	First 65 units free and the remainder of the 150 units at 78.05 cents per unit.

**Obsolete tariffs are no longer cost reflective and are being phased-out. Customers are urged to investigate their load profiles and migrate to alternative tariff structures.*

Business tariffs do not work on a true volume sliding scale. Municipalities buy their electricity from Eskom and their costs are influenced by the Eskom tariff, which leads to a lower flat rate for larger users.

¹² Industrial Time of Use tariff

3.1.2.1. Reliability of electricity supply

An electricity source is said to be reliable if it can be used to generate consistent electrical output, and is available to meet predicted peaks in demand. All substations have the limitations in terms of their reliability, as faults at the substations can cause interruptions to electricity supply. The table below provides the number of faults experienced at Durban's major substations between 1 January 2011 and 31 December 2013.

Table 8: Number of faults per substation

Substation	Size (KV)	Period		Number of faults¹³
ETH-Durban-Klaarwater	132	01/01/2011	31/12/2013	40
ETH-Durban-South	132	01/01/2011	31/12/2013	40
ETH-Durban-North	132	01/01/2011	31/12/2013	38
ETH-Durban-Ottawa	132	01/01/2011	31/12/2013	35
ETH-Durban-Lotus Park	132	01/01/2011	31/12/2013	29
ETH-Durban-Merewent	33	01/01/2011	31/12/2013	38
ETH-Durban-Umbogintwini	33	01/01/2011	31/12/2013	37
ETH-Durban-Woodlands*	33	01/01/2011	24/06/2011	2
ETH-Durban-Toyota	11	01/01/2011	31/12/2013	13

*For this substation, data was only available for the first six months of 2011.

While the number of substation faults may appear high over the two year period, Appendix 1 illustrates that each of these faults only resulted in voltage dips with a duration of a few seconds.

¹³ Data obtained from eThekweni Municipality's PQ Portal. Available online: http://www.pq-portal.com/PQReports/rdPage.aspx?rdReport=Ethewkini_public_select_events_per_sub

3.1.3 Refuse collection and disposal

Sanitation charges for Durban as at 1 July 2013 (to be reviewed from 1 July 2014)

Table 9: Business tariffs for refuse removal

Business (Commercial)	(1) A volume charge of R87.00 + VAT per cubic Metre (2) A monthly hire charge for wheeled container (240 litre) of R19.60 + VAT or “bag supply surcharge” of R18.50 + VAT (per m ³ = 12 bags)
Business (Industrial)	Calculated separately for each enquiry (service and location dependent)

Table 10: Domestic tariffs for refuse removal

Removal of domestic refuse from rateable premises used for domestic residential purposes with a collection of bags on a once-weekly basis in accordance with Section 5(1) per month or part thereof:	
Refuse removal service	Tariff (excl. VAT)
a) Property value ≤ R 250 000	No Charge
b) Property value > R 250 000 ≤ R 350 000	R 23.57
c)	
d) Property value > R 350 000 ≤ R 450 000	R 40.59
e) Property value > R 450 000 ≤ R 550 000	R 52.39
f) Property value > R 550 000 ≤ R 800 000	R 69.40
g) Property value > R 800 000 ≤ R1 100 000	R 92.97
h) Property value > R1 100 000	R115.24

3.1.4 Rate randages and rebates

In terms of the Rates Policy 2013/2014 adopted by Council on 14 May 2013, the Municipality may levy different Rates for different categories of Property. The rate randage will be levied as:

- Residential at 0.976 cents in the Rand
- Agricultural at 0.244 cents in the Rand
- Industrial at 2.856 cents in the Rand
- Business and commercial at 2.213 cents in the Rand
- Public service infrastructure at 0.244 cents in the Rand
- Vacant land at 4.674 cents in the Rand
- Unauthorised or illegal development 4.674 cents in the Rand
- Rural Residential at 0.976 cents in the Rand
- Development Phasing Line at 3.506 cents in the Rand

Multiple use property will be dealt with in accordance with the Rates Policy.

3.1.5. Rebates

3.1.5.1. Residential property

That in addition to the statutory reduction of R15 000, a further reduction of R105 000 be and is approved for property values exceeding R 185 000

3.1.5.2. Senior citizens, disability grantees/medically-boarded persons and child-headed households

(i) That in addition to the reduction above, a rebate not exceeding R3 336 or such lesser amount as may otherwise be payable, be and is y approved for qualifying pensioners, disability grantees / medically boarded persons and child headed households.

(ii) That it is resolved to place a maximum limit of R3 million on the value of the property, in order to qualify for the senior citizens rebate in (i) above.

3.1.5.3. Public Benefit Organisations

That on application and approval, only Public Benefit Organisations listed in clause 7.5 of the Municipality's Rates Policy 2012/2013 will receive an exemption from rates.

3.1.5.4. Life rights schemes and retirement villages

That on application and approval a 25% rebate be granted to life rights schemes and retirement villages registered in terms of the Housing Development Scheme for Retired Persons Act 65 of 1988.

3.1.5.5. Bed and breakfast undertakings

That on application and approval a rebate of 50% will be granted to all bed and breakfast establishments that have a valid Registration Certificate issued by eThekweni Municipality.

3.1.5.6. Guest house undertakings

That on application and approval a rebate of 25% will be granted to all guest House undertakings which have a valid Registration Certificate issued by eThekweni Municipality.

3.1.5.7. Back-packer lodges, holiday accommodation and student accommodation

- i. That on application and approval, the following rebates shall apply to Back-packer establishments that have a valid Registration Certificate:
 - Where up to 9 beds are available to guests, a rebate not exceeding 50% will apply.
 - Where up to 20 beds are available to guests, a rebate not exceeding 25% will apply.

- ii. That on application and approval, property let out for the purposes of holiday accommodation for reward, be granted a rebate of 25%;
- iii. That on application, property let out for purposes of student accommodation, be granted a rebate of 25%.

3.1.5.8. Schools not for gain

A rebate of 50% is granted to qualifying schools not for gain on the Business & Commercial category.

3.1.5.9. Municipal properties

Except for Trading Services and Housing suspensive sale agreements, property owned by the Municipality or occupied by the Municipality for development housing, is exempt from rates.

3.1.5.10. Natural and other disasters

- (i) That on application and approval, a temporary rebate of 75% granted in respect of property damaged by disaster for a period of six months or a portion thereof.
- (ii) That on application and approval that a further temporary rebate of 75% granted thereafter for a period not exceeding six months.
- (iii) That the rebate is granted on the category of property prior to damage.

3.1.5.11. Vacant land

That a reduction of R 30 000 on vacant land, outside the development phasing line, is approved in accordance with the Rates Policy.

3.1.5.12 Nature reserves and conservation areas

That on application and approval, nature reserves and conservation areas shall be excluded from rates.

3.1.5.12. Economic development

Developments that fall within the development node approved by Council may receive a rebate as approved by Council on application and will be limited to:

- i. For a period of three years from date the development plan is approved, for investments with a property market value between R150 million to R300 million;
- ii. For a period of five years from the date the development plan is approved, for investments with a property market value between R300 million to R1 billion, post development; and
- iii. The rebates in (i) and (ii) above will be deferred to the next financial year and will be apportioned on completion and transfer of units within the development in accordance with the rates policy.

3.2. Telecommunication rates¹⁴

A1.1.1 Installation and transfer charges (Automatic and Manual exchanges)

Item A1.1.1	INSTALLATION AND TRANSFER CHARGES: (AUTOMATIC AND MANUAL EXCHANGES)	Installation		Indoor transfer (Note 9a/e)		
		New Excl VAT	New Incl VAT	New Excl VAT	New Incl VAT	
a	Billed Residential service (exchange connection) Notes 1b/5d		512.97	584.79	430.00	490.20
(i)	Where more than one service is provided/transferred simultaneously, per service Note 5d		461.38	525.97	367.97	419.49
(ii)	Where a site visit is not required (REUEC) Note 13a		309.45	352.77	-	-
b	Business service (exchange connection) Note 5d		512.97	584.79	430.00	490.20
(i)	Where more than one service is provided/transferred simultaneously, per service Note 5d		461.38	525.97	367.97	490.20
(ii)	Where a site visit is not required (REUEC) Note 13a		309.45	352.77	-	-
(iii)	Thintana project Note 1i		512.97	584.79	430.00	490.20
c	PrepaidFone residential service (all)		295.61	337.00	295.61	337.00
(i)	Where a site visit is not required (REUEC)		186.28	212.36	-	-
(ii)	Reserved					
d	Shared service		512.97	584.79	430.00	490.20
e	Party-line service		512.97	584.79	430.00	490.20
f	Multi-party line service (automatic exchanges only)		512.97	584.79	430.00	490.20
g	Social Pensioner Note 1a		135.78	154.79	135.78	154.79
h	Customer 70 years and older		421.98	481.06	421.98	481.06
i	Election telephone (temporary) Note 1e		512.97	584.79	430.00	490.20
j	Parliamentary Residential telephone: Note 1f					
(i)	New service		512.97	584.79	430.00	490.20
(ii)	Service left in situ		215.98	246.22	430.00	490.20
k	Telephone service on board a ship Note 16a		Item B2.4	Item B2.4	-	-
(i)	Ships moving from one quay to another (line and apparatus)		Item B2.4	Item B2.4	-	-
(ii)	Telephone service on board a ship (exceeding a period of 3 months)		Item B2.4	Item B2.4	-	-
l	Payphone prepayment type (agency version)		512.97	584.79	430.00	490.20
m	Reserved					
n	Outdoor transfer Note 9c					

A1.1.2 Monthly rental (Automatic exchanges)

Item A1.1.2	MONTHLY RENTAL: (AUTOMATIC EXCHANGES)	Ordinary (Note 1g)		Social Pensioners (Note 1a)		Customers 70 years and older	
		New Excl VAT	New Incl VAT	New Excl VAT	New Incl VAT	New Excl VAT	New Incl VAT
a (i)	Residential service (exchange connection) Note 1b	137.72	157.00	68.69	78.31	92.27	110.89
a	Optional InfnitCall Plan/Price cap R13.56 (Excl. VAT)	92.83	105.83	-	-	-	-
(ii)	Business service (exchange connection)	189.47	216.00	-	-	-	-
(iii)	PrepaidFone (Residential) – Monthly rental option	71.03	80.97	-	-	-	-
	- Annual rental option (Waya Waya)	156.40	178.30	-	-	-	-
a	Top-Up plan 1	146.91	167.48	-	-	-	-
b	Top-Up plan 2	164.58	187.62	-	-	-	-
(iv)	Multi-party line service	43.01	49.03	33.06	37.69	-	-
(v)	Election telephone service Note 1e	189.47	216.00	-	-	-	-
(vi)	Parliamentary residential telephone service Note 1f	137.72	157.00	-	-	-	-
(vii)	Payphone prepayment type (agency version)	322.05	367.14	-	-	-	-
(viii)	Chatterbox line (exchange connection)	189.47	216.00	-	-	-	-
(ix)	Tetabox line (exchange connection)	189.47	216.00	-	-	-	-
(x)	Easicoon line (exchange connection)	189.47	216.00	-	-	-	-
(xi)	Telephone on board a ship	Item B2.4	Item B2.4	-	-	-	-
(xii)	Reserved						
(xiii)	Party-line service						
	- Residential	79.29	90.39	49.14	56.02	63.31	72.17
	- Business	98.90	112.63	-	-	-	-
(xiv)	Exclusive party-line service (Per station)						
	- Residential	97.79	111.48	-	-	78.04	88.97
	- Business	116.95	133.32	-	-	-	-

A1.1.3 Monthly rental (Previously manual exchanges now SSH)

Item A1.1.3	MONTHLY RENTAL: (PREVIOUSLY MANUAL EXCHANGES) NB: All existing customers converted to SSH*	Monthly rental	
		New Excl VAT	New Incl VAT
a	Reserved		
b	SpaceStream Home (voice only service):		
	- Residential service (exchange connection)	137.72	157.00
	- Business service (exchange connection)	189.47	216.00
c	Reserved		
d	Reserved		
e	Reserved		

* See also Item A1.4.12C

¹⁴ http://www.telkom.co.za/general/pricelist/downloads/tarifflist_Aug.pdf

A1.2.3 Extensions and other lines

Item A1.2.3	EXTENSIONS AND OTHER LINES	Installation and indoor transfer		Monthly rental		
		Note 9e			New	New
		New	New		Excl VAT	Incl VAT
		Excl VAT	Incl VAT		Excl VAT	Incl VAT
a	Indoor extension lines					
(i)	Indoor extension off an exchange connection: Note 12e					
	Res. & Bus. Without Telkom instrument					
	- Single installation Note 1c/5d	430.00	490.20		13.74	15.66
	- Multiple installations	367.97	419.49		13.74	15.66
(ii)	Indoor extension off a switchboard: Business with Telkom rented instrument					
	- Single installation Note 1c/5d	430.00	490.20		30.13	34.35
	- Multiple installations	367.97	419.49		30.13	34.35
b	Indoor extension with Erica Mini Mk1 Note 5i	430.00	490.20		22.93	26.14
c	Indoor extension with Erica Mini Mk11 Note 5i	430.00	490.20		20.63	23.52
d	Protea plan system, per indoor extension Note 12d	430.00	490.20		49.27	56.17
e	Reserved	-	-		-	-
f	Outdoor extension lines: (The indoor wiring rental must be added to the rental of the outdoor wiring)					
(i)	Indoor wiring (E-end of outdoor extension):					
	• Extension off an exchange connection without Telkom rented instrument (Bus. & Res.)	*	*		13.74	15.66
	• Extension off a switchboard with Telkom rented instrument (Business)	*	*		30.13	34.35
(ii)	Residential (Outdoor wiring):					
	- Single installation	860.00	980.40		107.77	122.86
	- Multiple installations	727.71	829.59		107.77	122.86
(iii)	Business (Outdoor wiring):					
	- Single installation	860.00	980.40		908.47	1 035.66
	- Multiple installations	727.71	829.59		908.47	1 035.66
(iv)	Extension and main service exist beyond the MRA: Note 3b	860.00	980.40			
	Fixed rental:					
	- Single line extension	-	-		13.74	15.66
	- Switchboard extension	-	-		30.13	34.35
	- Wire rental per km per pair	-	-		28.10	32.03
g	Transfer of indoor wiring	430.00	490.20		-	-
h	Connection of indoor wiring Note 6a/b	47.65	54.32		-	-

- No longer provided w.e.f. 1 April 2003.

A1.2.5 ISDN (Integrated Services Digital Network)

Item A1.2.5	ISDN (Integrated Services Digital Network)	Installation		Monthly rental		
		New	New		New	
		Excl VAT	Incl VAT		Excl VAT	Incl VAT
a	Telkom ISDN2 & 2a – Residential customers					
(i)	Standard Basic Rate Service – Access:					
	- ISDN2 (Including NT1 & Access)	719.56	820.30		237.32	270.54
	- ISDN2a (Including NT2a/b & Access)	982.04	1 119.53		251.42	286.62
	Multiple access provided simultaneously:					
	- Multiple ISDN2 service provided simultaneously	684.91	780.80		-	-
	- Multiple ISDN2a services provided simultaneously	942.78	1 074.77		-	-
(ii)	Telkom ISDN2 & 2a – Business customers					
	Standard Basic Rate Service – Access:					
	- ISDN2 (Including NT1 & Access)	719.56	820.30		328.51	374.50
	- ISDN2a (Including NT2a/b & Access)	982.04	1 119.53		349.20	398.09
	Multiple access provided simultaneously:					
	- Multiple ISDN2 service provided simultaneously	684.91	780.80		-	-
	- Multiple ISDN2a services provided simultaneously	942.04	1 074.77		-	-
(iii)	Telkom ISDN 30 (std Primary rate service, 1-year minimum rental period)					
	Single link	38 749.97	44 174.97		4 396.33	5 011.82
	Multiple services provided simultaneously:					
	- Up to 4 links (per link) Note 17a/c	29 063.28	33 132.14		4 396.33	5 011.82
	- Up to 9 links (per link) Note 17a/c	27 125.80	30 923.41		4 396.33	5 011.82
	- 10 or more links (per link) Note 17a/c	25 751.63	29 356.86		4 396.33	5 011.82
	Telkom ISDN 30 (std Primary rate service, 1-year minimum rental period – installation included in rental)					
	Single link	-	-		7 776.09	8 864.75
	Multiple services provided simultaneously:					
	- Up to 4 links (per link) Note 17a/c	-	-		6 931.22	7 901.59
	- Up to 9 links (per link) Note 17a/c	-	-		6 782.24	7 708.95
	- 10 or more links (per link) Note 17a/c	-	-		6 642.38	7 572.31

A1.4.7 ADSL (Asymmetric Digital Subscriber Line) – connectivity

Item A1.4.7	ADSL (Asymmetric Digital Subscriber Line) connectivity Note 16m/v/o	Installation		Monthly rental	
		New Excl VAT	New Incl VAT	New Excl VAT	New Incl VAT
a	Fast DSL	655.71	747.51	144.74	165.00
b	Faster DSL	655.71	747.51	262.28	299.00
(i)	Reserved	-	-	-	-
c	Fastest DSL	655.71	747.51	372.81	425.00
d	DSL (up to 20 Mbps)	655.71	747.51	473.68	540.00
e	DSL (up to 40 Mbps)	655.71	747.51	697.37	795.00
f	DSL Self Install (All speeds) Note 16r	368.38	419.95	-	-

3.2.1. Uncapped internet bundles

TBIZ Premium Uncapped Bundles¹⁵ offer uncapped internet solutions for businesses:

Table 11: ADSL prices per month

Bundle	ADSL access	VAS package	Price per month (incl. VAT)
BASIC	Up to 2 Mbps	Starter	R 473
ADVANCED	Up to 4 Mbps	Starter	R 723
PREMIUM +	Up to 10 Mbps	Starter	R 1179
ELITE	Up to 20 Mbps	Starter	R 1994
ELITE +	Up to 40 Mbps	Starter	R 3349

¹⁵ http://business.telkom.co.za/enterprise/broadband-internet/bundles/capped/tbiz_capped_comparison.html#premium

3.3. Gas and fuel costs

3.3.1. Gas cost information

Transparent adjustment is a major benefit. A series of indices has been selected, which best reflects South African market conditions. The indices impact on price adjustments, both upwards and downwards, based on the international price trends of energy drivers. The principal drivers are the international oil price (contingent on Singapore Spot Prices), the exchange rate and volume of gas consumed. The Volume Price Mechanism (VPM) is designed to compete directly with petroleum products derived from crude oil. In applying the VPM, the following steps are taken:

- Calculating the discount needed in the specific volume category that will reflect the gas price in relation to the alternative energy price
- Choosing the correct volume category based on the annual consumption
- Determining the price of the alternative
- Determining volume consumption
- Identifying the logic alternative for the customer

Prices are adjusted monthly, based on movement of the exchange rate and crude oil on the first three Tuesdays of the month. Invoices at the end of the month always indicate the price levels for the month following. Sasol does not control the indices.

3.3.1.1. Pricing Policy

Pricing is based on the market value principle and volume consumption. The market value energy carrier principle indicates that gas is priced according to the customer's logic energy alternative. Customers are also grouped into six volume based pricing categories according to annual consumption. As more gas is consumed, larger volume discounts are introduced. When determining gas prices, drivers of future price levels of alternative energy carriers are taken into account. These are normally reflected in the price escalation formula.

3.3.1.2. Contract Pricing

For customers or groups of customers within the same company, using in excess of 400 000 GJ per annum, Sasol¹⁶ will consider entering into an individually negotiated contract. The pricing structure is still based on the market value principle and volume consumption.

3.3.2. Fuel Costs¹⁷

Table 12: Petrol and diesel prices (2013)

	PETROL			DIESEL	
	Unleaded		LRP	0.05%	0.01%
	93	95	95		
06 November 2013	1260	1265	1265	1218	1222
02 October 2013	1288	1293	1293	1234	1239
04 September 2013	1307	1313	1313	1236	1241
07 August 2013	1312	1318	1318	1222	1226
03 July 2013	1280	1286	1286	1189	1193
05 June 2013	1196	1202	1202	1111	1115
01 May 2013	1204	1210	1210	1115	1119
03 April 2013	1277	1283	1283	1170	1175
06 March 2013	1269	1273	1273	1163	1167
06 February 2013	1188	1192	1192	1105	1109
02 January 2013	1147	1151	1151	1087	1091

Fuel prices are indicated in cents per litre.

Wholesale diesel price quoted (prices may vary between fuel retailers).

3.3.3. Coal cost

The export price for South African coal is **R 799.81 per metric ton**, as at 31 October 2013.

¹⁶ Please see www.sasol.com

¹⁷ Sourced from <http://www.aa.co.za/on-the-road/calculator-tools/fuel-pricing.html>

4. TRANSPORTATION COSTS¹⁸

4.1. Rail versus Road Cargo Transportation Costs

Table 13: Comparison of road and rail prices between the Durban Container Terminal and City Deep

DURBAN CONTAINER TERMINAL TO CITY DEEP		
	RAIL	ROAD
6M LIGHT		
Rail	2 806	
Cross haul 10-20km	2 135	
Total	4 941	5 582
12M LIGHT		
Rail	4 954	
Cross haul 12-20km	2 475	
Total	7 428	9 657
6M HEAVY		
Rail	4 613	
Cross haul 12-20km	2 135	
Total	6 748	9 657
12M HEAVY		
Rail	6 043	
Cross haul 12-20km	2 475	
Total	8 518	10 727

Information is for guidance only and is not intended as definite pricing
Road rates and to some extent Rail rates are negotiable.

Rail Light	<12.5 metric tons
Rail Heavy 6m	12.6 – 24 metric tons
Rail Heavy 12m	>28 metric tons
Road Light 12m	0-24 metric tons
Road Heavy 12m	24-28 metric tons

¹⁸ Source: Mediterranean Shipping Company

4.2 Air cargo transportation costs

Variables:

- Origin
- Destination
- Cargo type
- Mass/volume
- Duties: dependent on commodity
- Type of air transportation i.e. Express, regular IATA or consolidated freight.
- Frequency

South Africa is more an importing country in terms of airfreight than an exporter. This is not to state that South Africa does not export, as there are some considerable volumes which leave the country, mainly perishables, in the form of grapes, fish, citrus products etc.

The below prices are also sensitive to exchange rate changes and serve as indication only. Furthermore, these figures are representative of consolidated airfreight costs through a freight forwarder.

The average cost of air importing one package which weighs 50kg into Durban is on average **\$149.76**¹⁹. This cost includes airline handling; degroup fees; local transport; fuel surcharge; communications; documentation and the importer's handling fee.

4.3 Sea cargo transportation costs

The average cost of sea importing one 20 TEU and one 40 TEU (with a total cargo weight of 4 000kg) is on average **\$5 700.78**²⁰. This cost includes Thc; port dues; degroup and unpack; turn in; local transport; fuel surcharge; service fee; release fee; cleaning fee and cto; Dro; communications; documentation and the importer's handling fee.

¹⁹ This quote was provided by Sabila Air and Sea (Pty) Ltd, please visit: http://www.onlinefreightquotes.co.za/how_it_works.php

²⁰ Ibid.

4.4 Courier cargo transportation costs

Courier costs within South Africa are uniform in terms of the below commodities, which constitute the highest volumes of specific commodities couriered around South Africa. Should one be interested in couriering over border or internationally, however, the destination plays a large role in price determination. Furthermore, it needs to be borne in mind that these prices apply between the main economic centres of South Africa i.e. Gauteng, Durban, Cape Town etc. Outlying areas will incur extra transportation costs.

Commonly couriered cargo:

Printing: documentation etc.

Clothing

Automotive Parts

Domestic rates²¹ for one box (dimensions: 30cm x 30cm x 30cm), weighing 10kg are:

Overnight:

R 376.20 (to Johannesburg or Cape Town)

Economy rates (2-3 business days):

R102.60 (to Johannesburg or Cape Town)

Note: These prices do not apply to dangerous goods. Prices for this type of cargo require specific quotes, dependent on the commodity in question, which need to be obtained directly from the service provider.

²¹ Rates obtained from Express Online Couriers: <http://www.xoc.co.za/index.php>

5. QUALITY OF LIFE IN DURBAN

5.1 Rented accommodation

Table 14: Average rental prices in various areas in Durban²²

Area	Type of accommodation	Rent per month
Umhlanga	1 bedroom flat	R 9 666,67
	2 bedroom flat	R 12 083,33
Central Durban	1 bedroom flat	R 3 803,33
	2 bedroom flat	R 4 386,67
Highway area (including Pinetown, Malvern, Westville)	1 bedroom flat	R 3 800
	2 bedroom flat	R 4 600

Table 15: Average property values in various regions of Durban²³

Area	Average property value
Addington	R 520 000
Chatsworth	R 856 930
Umbilo	R 961 444
Merebank	R 1 090 000
Cato Manor	R 1 107 778
Isipingo North	R 1 147 733
Musgrave	R 1 978 497
Berea	R 2 420 676
Essenwood	R 2 654 571
Umhlanga	R 5 537 132

The average property value in Durban is currently **R 1 603 495**.

²² The average property value of a random sample of three properties, obtained from Property 24: <http://www.property24.com/>

²³ Source: <http://www.property24.com/>

5.2 Hotel Rates²⁴

Table 16: Hotel rental rates per night

Hotel	Address	Price
African Peninsula Guest House	599 Marine Drive, Durban	R 1,216
Belaire Suites Hotel	151 Snell Parade, Durban	R 833
Bentley on the Beach Guest House	19 The Promenade, Durban	R 1,461
Blue Waters Hotel	175 Snell Parade, Durban	R 1,034
Coastlands Musgrave	315 - 319 Peter Mokaba Ridge, Musgrave,	R 862
Cowrie Cove Guest House	4 Cowrie Terrace, Durban	R 2,000
Docklands Hotel	Corner of Mahatma Gandhi Road (Point Road) and Browns Road, Durban Waterfront	R 907
Emakhosini Boutique Hotel & Conference Centre	3 Lumsden Crescent, Durban	R 1,303
Emakhosini Hotel On East	73 East Street, Durban	R 860
Gooderson Tropicana Hotel	85 O R Tambo Parade, Durban	R 1,172

24

<http://www.agoda.com/pages/agoda/default/DestinationSearchResult.aspx?asq=StnJOFzw5Z4z%2bv%2bvma pVN%2fSW0ttVkaK7XwM8TtDI%2bMfMBehwbsiSHKJ8gqqUNDipZ3%2bjQztVBhZvVSYkT5S3qx5nUT%2babdmO K4YiY4EW1UVSTkfUBat%2bOLMxTEENxtF6%2bqogP89%2fcwrQVWLO5XHPtzTPhzLScDVccKwd78kwMjGRBz7pk e%2f1KZkcTPNZAiG8XxUccu12ucYx5RzEMt%2fG%2fiROHxe352H5BxAD4qirRr2V%2bazznqfdzJt2C%2bTB%2bY WkpbCPRpTclSi7xgyuOq1XRwEeYhNoXqYVncRuaXLqGsiz4rRbgJRAFPeHfeSIEJZIKLimKRsYaFIEM%2b1bHv7Q%3 d%3d&tick=635216943684>

Table 16: Hotel rental rates per night (cont.)

Hotel	Address	Price
Hilton Durban Hotel	12-14 Walnut Road, Durban	R 1,377
Holiday Inn Express Durban Umhlanga	2 Ncondo Place, Cnr Ncondo Place & Ntusi Road, off Umhlanga Rocks Drive, Durban	R 1,178
Parkview Hotel	17 Boscombe Place, Durban	R 522
Pavilion Hotel	15 Ke Masinga Road, Durban	R 622
Protea Hotel Edward	149 O R Tambo Parade, Durban	R 1,201
Protea Hotel Umhlanga Ridge	14 Palm Boulevard, Durban	R 1,623
Royal Hotel	267 Anton Lembede Street, Durban	R 782
Sibaya Lodge	1 Sibaya Drive, Durban 4320	R 2,690
The Benjamin	141 Florida Road, Morningside, Durban	R 990
Three Cities Auberge Hollandaise Guest House	106 Kenneth Kaunda Road (Ex Northway), Durban	R 1,487
Three Cities Gateway Hotel Umhlanga	Corner of Boulevard and Twilight Drive, Gateway Theatre of Shopping, Durban	R 1,040
Three Cities Royal Palm Gateway Hotel	6 Palm Boulevard, New Town Centre, Durban	R 2,009
Three Cities The Square Boutique Hotel & Spa	250 Umhlanga Rock Drive, , Durban	R 931

5.3 Health care

Please consult the Uniform Patient Fee Schedule :

<http://www.doh.gov.za/docs/programmes/2013/APPENDIX UPFS Tariffs A1 2013.pdf>

5.4 Education

5.4.1. Private Schools²⁵

Table 17: Private school fees per annum

School	Fees
Clifton Prep	R 57 997 (tuition only); R 116 002.86 (tuition and boarding) p.a.
St. Mary's	R 132 886 p.a. (tuition and boarding)
Michealhouse	R 180 300 p.a. (tuition and boarding)
Hilton College	R 198 960 p.a.

5.4.2. Public schools

Table 18: Public school fees per annum

School	Fees
Amandlethu Secondary	No fee school
Bonela Secondary	R 700 p.a.
Avonford Secondary	R 1 200 p.a.
Avoca Secondary	R 1 500 p.a.
Burnwood Secondary	R 1 600 p.a.
Danville Park Girls	R 26 900
Glenwood High	R 32 800

²⁵ For a comprehensive list of private schools, please visit:
http://www.saprivateschools.co.za/Prov/Kwazulu_Natal.html

5.4.3. Tertiary Institutions

Table 19: University of South Africa (UNISA) fee structure

Qualification	Minimum per annum	Maximum per annum
Advanced certificate	R 12 480	R 14 520
Advanced Diploma	R 12 480	R 14 520
BA	R 11 800	R 12 100
BCom	R 12 587	R 13 373
BEd		R 12 100
LLB		R 12 100
BSc	R 10 400	R 12 100
Honours	R 11 234	R 20 488
National Diploma	R 12 480	R 17 747
National Higher Certificate		R 14 160
Diploma		R 14 520
Postgraduate certificate	R 12 480	R 14 520
Post graduate Diploma	R 12 480	R 14 520

Source: <http://www.unisa.ac.za/Default.asp?Cmd=ViewContent&ContentID=24095>

The cost of education at the University of KwaZulu Natal will vary according to individual circumstances, and students are advised to calculate carefully the total financial provision they must make. The cost of a year at the University of KwaZulu-Natal in 2013 is between R44 870 and R47 810. The basic costs are given in the table below:

Table 20: University of KwaZulu Natal fee structure

Academic fee	R 28 190
Residence fee	R 20 000
Cost of meals	R 20 000
TOTAL	R 68 470

5.5. Housing and vehicle prices

5.5.1. Housing prices²⁶

Table 21: Average housing prices

Average nominal house prices											
	2009 Rand	2010 Rand	2011 Rand	2012 Rand	2012		2013				
					Q3	Q4	Q1	Q2	Q3		
					Rand	Rand	Rand	Rand	Rand	q/q % Δ	y/y % Δ
National											
Middle segment (80m²-400m², ≤R3,8m)	964 501	1 035 273	1 054 348	1 059 633	1 072 625	1 103 477	1 132 925	1 154 979	1 172 113	1,5	9,3
Small (80m ² -140m ² , ≤R3,8m)	666 870	774 669	738 212	703 457	720 585	761 956	750 223	737 209	751 430	1,9	4,3
Medium (141m ² -220m ² , ≤R3,8m)	923 677	969 914	985 776	1 015 936	1 028 498	1 059 988	1 070 454	1 069 261	1 083 783	1,4	5,4
Large (221m ² -400m ² , ≤R3,8m)	1 387 485	1 446 852	1 483 217	1 515 409	1 527 876	1 558 439	1 602 162	1 647 189	1 655 691	0,5	8,4
New (80m ² -400m ² , ≤R3,8m)	1 226 574	1 425 964	1 520 011	1 590 856	1 589 497	1 626 570	1 662 532	1 728 808	1 811 308	4,8	14,0
Existing (80m ² -400m ² , ≤R3,8m)	954 634	1 020 987	1 034 564	1 037 594	1 050 286	1 083 499	1 111 388	1 127 479	1 138 934	1,0	8,4
Affordable (40m²-79m², ≤R515 000)	292 783	307 597	315 780	336 622	338 935	344 793	347 418	344 491	342 036	-0,7	0,9
Luxury (R3,8m-R13,8m)	4 512 644	4 680 416	4 761 701	4 798 208	4 783 315	4 693 119	4 846 825	5 098 284	5 132 340	0,7	7,3
Provinces											
Eastern Cape	831 591	909 956	891 374	915 626	933 553	939 646	941 699	936 317	965 381	3,1	3,4
Free State	750 842	838 829	888 607	870 274	881 866	967 554	936 237	943 146	924 434	-2,0	4,8
Gauteng	1 021 934	1 082 473	1 117 532	1 101 398	1 106 950	1 130 193	1 148 708	1 193 515	1 219 138	2,1	10,1
KwaZulu-Natal	852 071	923 731	960 895	932 084	943 301	1 028 931	1 081 735	1 070 332	1 063 196	-0,7	12,7
Limpopo	831 681	889 465	881 822	930 108	953 972	1 005 630	1 022 584	1 013 775	999 284	-1,4	4,7
Mpumalanga	808 307	855 069	902 679	928 712	933 964	1 001 723	1 029 801	1 022 176	1 015 916	-0,6	8,8
North West	785 464	836 192	848 762	872 013	858 380	839 751	869 202	918 972	947 807	3,1	10,4
Northern Cape	693 629	781 394	771 712	862 334	897 834	885 720	986 283	1 067 234	1 019 759	-4,4	13,6
Western Cape	1 098 508	1 173 048	1 157 455	1 191 309	1 201 214	1 211 970	1 252 431	1 294 196	1 305 152	0,8	8,7
Metropolitan regions											
PE/Uitenhage (Eastern Cape)	816 962	899 912	861 962	869 874	890 083	885 809	886 403	907 725	935 424	3,1	5,1
East London (Eastern Cape)	1 019 460	1 049 230	989 913	1 054 878	1 065 687	1 038 974	1 041 290	1 110 400	1 215 702	9,5	14,1
Bloemfontein (Free State)	940 876	1 091 027	1 100 740	1 105 163	1 122 675	1 207 202	1 202 482	1 216 779	1 139 617	-6,3	1,5
Greater Johannesburg (Gauteng)	1 074 830	1 107 238	1 162 714	1 132 168	1 136 298	1 151 681	1 162 408	1 209 532	1 226 933	1,4	8,0
Johannesburg Central & South	886 469	906 199	908 572	866 287	893 609	879 992	850 672	865 709	873 663	0,9	-2,2
Johannesburg North & West	1 297 090	1 392 742	1 409 537	1 423 098	1 435 992	1 448 922	1 461 713	1 472 110	1 479 902	0,6	3,1
East Rand	932 260	953 495	1 022 821	1 017 229	1 014 212	1 024 174	1 064 127	1 115 432	1 154 814	3,5	13,9
Pretoria (Gauteng)	1 055 062	1 165 482	1 183 104	1 180 546	1 200 499	1 224 665	1 241 377	1 296 044	1 328 691	2,5	10,7
Durban/Pinetown (KwaZulu-Natal)	921 108	999 295	1 009 808	990 958	972 363	1 083 443	1 112 170	1 050 691	1 030 742	-1,9	6,0
Cape Town (Western Cape)	1 097 674	1 194 805	1 181 951	1 236 102	1 236 873	1 243 156	1 290 481	1 350 970	1 355 118	0,3	9,6
Coastal regions											
South Africa	1 136 151	1 206 827	1 232 292	1 221 691	1 234 630	1 262 729	1 329 085	1 387 216	1 394 762	0,5	13,0
Western Cape	1 187 682	1 274 432	1 319 847	1 315 223	1 328 194	1 337 738	1 393 412	1 469 052	1 477 988	0,6	11,3
West Coast	1 141 779	1 240 148	1 339 645	1 231 354	1 208 647	1 219 870	1 257 092	1 315 027	1 390 474	5,7	15,0
Cape Peninsula and False Bay	1 154 922	1 243 357	1 273 402	1 312 624	1 329 037	1 348 652	1 448 140	1 503 850	1 460 092	-2,9	9,9
South Coast	1 307 295	1 375 628	1 433 267	1 358 089	1 376 601	1 372 660	1 377 055	1 437 500	1 537 710	7,0	11,7
Eastern Cape	1 039 696	1 084 012	1 084 967	1 108 873	1 112 530	1 078 079	1 062 005	1 080 721	1 103 473	2,1	-0,8
KwaZulu-Natal	1 097 631	1 195 270	1 278 427	1 191 586	1 233 197	1 278 607	1 464 755	1 520 015	1 503 905	-1,1	22,0
South Coast	912 042	1 072 360	1 027 980	1 005 627	1 038 296	1 006 753	978 234	1 053 696	1 154 742	9,6	11,2
North Coast	1 192 934	1 276 758	1 404 480	1 316 276	1 332 298	1 516 480	1 735 044	1 721 667	1 626 584	-5,5	22,1

House prices are based on the total smoothed purchase price of houses (including all improvements) in respect of which loan applications were approved by Absa Bank. House prices for the provinces and metropolitan regions are smoothed for all houses between 80m² and 400m², up to R3,8 million in 2013. House prices for the coastal regions are smoothed for all houses between 80m² and 700m², up to R13,8 million in 2013.

Table 21: Average housing prices (cont.)

Average nominal house prices by middle-segment category in the third quarter 2013									
	Small: 80m ² – 140m ²			Medium: 141m ² – 220m ²			Large: 221m ² – 400m ²		
	Price Rand	q/q % Δ	y/y % Δ	Price Rand	q/q % Δ	y/y % Δ	Price Rand	q/q % Δ	y/y % Δ
National and provinces									
South Africa	751 430	1,9	4,3	1 083 783	1,4	5,4	1 655 691	0,5	8,4
Eastern Cape	583 369	-3,5	-19,3	990 121	4,4	5,5	1 607 672	2,5	10,6
Free State	839 795	7,9	25,0	890 211	14,8	22,3	1 109 797	-9,4	-4,4
Gauteng	791 837	4,9	11,3	1 080 386	1,9	6,9	1 684 725	1,5	8,8
KwaZulu-Natal	653 648	3,9	11,0	1 051 112	2,3	12,7	1 530 461	-2,3	8,4
Mpumalanga	741 881	7,5	12,8	964 135	-3,8	-5,9	1 355 610	-1,5	12,4
North West	561 310	-3,0	-10,8	927 930	5,8	10,8	1 314 079	5,9	15,6
Northern Cape	569 085	-0,9	-13,1	1 015 493	-8,2	35,5	1 572 901	-4,1	27,2
Limpopo	574 858	-4,7	-2,8	915 527	-6,3	-9,8	1 247 108	-6,7	-17,6
Western Cape	869 780	4,8	6,1	1 248 871	-1,3	2,8	1 936 724	-0,4	9,6
Metropolitan regions									
PE/Uitenhage (Eastern Cape)	572 546	-2,7	-23,1	961 018	1,6	21,4	1 569 607	3,2	13,5
East London (Eastern Cape)	691 203	-1,9	-6,9	1 100 906	1,4	1,2	1 937 787	7,7	8,7
Bloemfontein (Free State)	967 872	5,4	23,3	1 133 728	3,9	12,4	1 435 586	-8,4	-2,4
Greater Johannesburg (Gauteng)	835 791	4,5	9,7	1 109 982	4,9	13,8	1 679 013	1,4	7,3
Johannesburg Central & South	512 455	-0,6	-11,5	863 896	3,5	11,5	1 295 536	-4,8	-13,9
Johannesburg North & West	819 890	-1,1	-5,8	1 333 225	4,6	9,8	1 908 962	2,7	9,5
East Rand	950 922	7,4	19,0	963 830	4,2	9,3	1 489 466	-0,9	9,3
Pretoria (Gauteng)	719 131	3,8	5,6	1 142 351	-0,6	-3,7	1 790 353	-1,4	7,6
Durban/Pinetown (KwaZulu-Natal)	686 912	5,0	7,5	1 018 959	-2,2	3,9	1 601 230	-4,8	3,6
Cape Town (Western Cape)	924 368	6,0	9,2	1 305 936	-3,0	2,1	2 039 490	1,1	9,7

House prices are based on the total smoothed purchase price of houses (including all improvements) between 80m² and 400m², up to R3,8 million, in respect of which loan applications were approved by Absa Bank.

5.5.2. Vehicle prices²⁷

Table 22: Average passenger vehicle prices

Vehicle	Price
Chevrolet Spark 1.2	R 119 400
Volkswagen Polo Vivo 5-door 1.4	R 129 000
Chevrolet Aveo hatch 1.6 L	R 131 700
Toyota Yaris 5-door 1.0 XS	R 145 600
Daihatsu Sirion 1.3	R 149 995
Renault Clio 55kW Authentique	R 152 900
Ford Ikon 1.6 Ambiente	R 160 100
Fiat Punto 1.4 Base Easy	R 165 990
Peugeot 208 1.2 Access	R 166 400
Ford Fiesta 5-door 1.6TDCi Ambiente	R 186 000
Toyota Corolla 1.6 Professional	R 226 600
MG6 fastback 1.8T Comfort	R 239 900

²⁷ <http://www.wheels24.co.za/>

Table 22: Average passenger vehicle prices (cont.)

Vehicle	Price
Ford Focus hatch 1.6 Trend	R 247 300
Volkswagen Golf 1.4TSI Comfortline	R 279 000
Audi A3 Sportback 1.2T S	R 291 500
Volkswagen Jetta 2.0TDI Highline	R 323 700
Mercedes-Benz A180CDI	R 350 500
Audi A4 1.8T S	R 353 000
Subaru Legacy 2.5 GT Premium	R 479 000
BMW 330d M Sport sports-auto	R 557 223
Audi RS4 Avant quattro	R 920 000
Porsche 911 Carrera	R 1 089 000

Table 23: Average pick-up vehicle prices

Vehicle	Price
Nissan NP200 1.6i	R 127 000
Foton Thunda 2.2 CV	R 139 950
Daihatsu Gran Max 1.5	R 139 995
JMC Boarding 2.8TD	R 155 880
Mahindra Genio 2.2CRDe single cab	R 164 900
Chevrolet Utility 1.3D	R 178 400
Ford Ranger 2.2	R 189 100
Mazda BT-50 2.2 SL	R 205 800
GWM Steed 5 2.0VGT Lux	R 209 900
Hyundai H-100 Bakkie 2.6D deck	R 213 900
Isuzu KB 240	R 218 900

5.6 Public Transport

5.6.1. Taxi fare²⁸

Table 24: Average taxi fare and associated costs

Booking fee	NA
Minimum fare	R 5 for the first 0km
Fare above minimum fare	R 10 per km
Waiting charges per hour	R 120 per hour
Luggage charges	Luggage which can fit into the taxi will not be charged
Traffic, roads, etc. variance	Expect 5% (moderate traffic) to 10% (heavy traffic) as the practical on-road fare.

5.6.2. Bus fare

Durban Transport (Muvo Smartcard)

R27.00

People Mover

- Single R4.00 (Saving of R5.00 per 10 trips loaded)
- Day pass R11.00 (Saving of R20.00 per 10 trips loaded)

Mynah Bus Service

R24.00 (when loading 10 trips)

²⁸ <http://www.taxiautofare.com/za/taxi-fare-card/Durban-Taxi-fare>

5.7. Hospitality

5.7.1. Top ten tourist attractions

uShaka Marine World

UShaka has fast positioned itself as a key attraction on Durban's Golden Mile, offering a world of entertainment, excitement, fun and uniqueness. UShaka Marine World models itself as a water themed park and boasts variety of attractions; top six being Wet & Wild, Sea World, Village Walk, uShaka Kids World, UShaka Beach & Dangerous Creatures. Combined into one ball of extreme fun you can enjoy the non-stop entertainment in a safe, secure and clean environment that echoes the sounds of amusement, laughter and the spirit of togetherness.

Enquiries: (031) 328 8000

Website: <http://www.ushakamarineworld.co.za/>

Beach Experience (Water lifestyle)

Our city is famous for its Water lifestyle! Durban boasts a wide range of water activities it would be unfair to pin point one. From sunrise to sunset Durban coastline gives you a calming feel whether you're a holiday maker, sporting or business person. From kayaking at Umgeni River, to Jet skiing at Blue Lagoon, sun basking at Suncoast Casino & Entertainment World, Clubbing on top of the waves at uShaka Moyo Pier, wining and dining in Wilson's Wharf, Yachting from the harbor and most of all; Surfers & Bathers know Durban for its awesome wavescape.

Enquiries: (031) 322 4164

City Tour (Ricksha Bus)

See our spectacular city from the Ricksha Bus; this tour is more like an induction to the city's best attractions, our treasured history. The double-decker bus famously which is also known to many as the famous topless bus, will take you on a three-hour tour of Durban that includes the beachfront, uShaka Marine World, Emmanuel Cathedral, Victoria Street Market, Burman Bush, Blue Lagoon and other sites of interest. Stay back, relax and enjoy the ride as the tour guide gives you a glimpse of what this beautiful city has to offer.

Enquiries: (031) 322 4209

Thousand Hills Experience

Valley of 1000 Hills is a tranquil and very scenic area situated inland just 30 min drive from Durban. This Valley is very relaxed; it fuses the luxury of laid-back country living with an ancient and diverse culture on its doorstep. The highlight of 1000 Hills attractions include: Phezulu Safari Park which offers Game drives, Cultural village, Crocodile & Snake Park just to mention a few. Umgeni Stream Railway train is the 100 years old choo-choo that can take you on a day trip through bustling villages of 1000 Hills. It's a destination perfect for escaping the hustle and bustle of city living.

Enquiries: (031) 777 1874

Website: <http://www.1000hillstourism.co.za/>

Umhlanga Rocks Experience

Two words: "Suburban Bliss". Umhlanga Rocks is situated just north of Durban, this coast offers partying atmosphere, beach resorts, nature reserves, fine wining & dining and a superb shopping experience. It's a great family holiday destination at the same time it deserves top billing with its top attractions like Sharks Board and Gateway The theatre of shopping, which is an enormous but rather fabulous mall. Gateway offerings include exquisite supermarkets, boutiques, movie theatres, restaurants and hundreds of other retail therapy outlets; it's far from your average mall.

Enquiries: (031) 561 42 57

The Sapphire Coast

The town of Amanzimtoti (meaning 'sweet waters' in Zulu) is said to have been named by the great Zulu King Shaka after tasting the fresh water that flows out of the hills at this scenic spot. It is situated on the coast a short drive south of Durban. This part of the coast is a popular destination for Scuba divers who came to explore Aliwal Shoal, a fossilized sand dune that lies 5km off the Umkomaas river mouth. A myriad of warm water reef fish and cold water fish converge on Aliwal Shoal to create a kaleidoscope of Colour. For those who prefer to remain on terra firma, the beaches of the Sapphire Coast provide plenty of opportunities to enjoy Swimming, surfing or Fishing. Nature lovers can explore the Amanzimtoti bird Sanctuary or Stroll in one of the nature reserves. For a taste of local history or culture, there are a number of arts and crafts stores offering a selection of handmade goods, and the Adams Mission College founded in 1884.

Enquiries: (031) 903 7498

Township Experience

Max's Lifestyle: is a hugely popular venue frequented by all cultures and races from all over the world. Max's Lifestyle is the best restaurants in Umlazi, with traditional "Kasi" (Ethnic Township Location) culture where one can enjoy, feel, and experience unique township culture in upmarket trendy and safe surroundings. Also popular for Sunday sessions where Top DJ's entertain those who enjoy good music and dancing and the VIP Lounge is available for who prefer a relaxed less noisy environment.

Enquiries: (031) 906 1393

Website: <http://maxslifestyle.co.za/>

The Comfort Zone: is strategically located at the entrance of the historic township of Clermont in Durban, near Pinetown is the perfect place to relax in comfort eKasi. The unusual and special venue prides itself with sheer quality blending good food, good music which assures the discerning customer a superior top class atmosphere indeed. Duly registered and fully-licensed, The Comfort Zone is a restaurant, bar and top class entertainment venue of a special kind. The Comfort Zone is open seven days a week from 10am till late at night.

Enquiries: 073 454 8171 / 073 454 8171

Sbu's Lounge: is situated on Road MR 93, House 11089, Amatikwe Phase 2, INANDA, on the INANDA heritage route.50 meters from the INANDA police station on the way to INANDA Dam & Ebuhleni (Shembe church). It's a humble chilled, safe, impressive spot. Marketed as the ultimate township experience, offering a full bar, braai'd meat, pap and African cuisine is prepared while you wait. Great vibes: up-beat music, with V.I.P Areas that offers African look & feel. We also boasts a car wash while you enjoying your drinks and food. Locals, tourist, movers and shakers are spoilt for choice. They also cater for corporate players and BEE types.

Enquiries: (031) 510 2337

Website: <http://www.sbu-lounge.wozaonline.co.za/home>

Casinos and Entertainment

Suncoast Casino and Entertainment World: is on Durban's Golden Mile is one of the city's brightest attractions. Built in the Art Deco style for which Durban is famous, it illuminates the sky with its 6km of neon lighting. Suncoast is the biggest casino in South Africa, boasting a gaming floor of 7000m². The casino has 1 330 slot machines and 50 gaming tables, as well as the SUNstruck progressive, Durban's only million Rand paying bank of slot machines. Suncoast's private beach is one of the best in South Africa. A grassed embankment bordered by layers of

indigenous vegetated dunes looks over a wide, flat beach right onto the Indian Ocean. Suncoast's eight cinema complex shows all the latest blockbusters, including an array of hot Bollywood movies, and is home of to the 18m Supernova screen, the largest cinema screen in KwaZulu-Natal.

Enquiries: (031) 328 3000

Website: <http://www.suncoastcasino.co.za/Pages/default.aspx>

Sibaya Casino & Entertainment Kingdom: Have over 1000 slot and 24 touch-bet roulette machines, as well as roulette, Blackjack and poker tables. There is also a Zulu theatre, Krakatoa, pulsating nightlife, and Mangwanani Sibaya and excellent and luxurious day spa. It is just a 25-minute drive north of the City.

Enquiries: (031) 580 5000

Website: <http://www.suninternational.com/SIBAYA/Pages/default.aspx>

Big Swing

Take the plunge and try the Big Rush Big Swing at the Moses Mabhida Stadium- the world's only stadium swing and the largest swing of any kind anywhere as confirmed by the Guinness Book of Records. Jump into the void 106 metres above the pitch and swing out in a huge 220 metres arc under the iconic arch.

Enquiries: (031) 582 8242

Website: <http://www.suninternational.com/SIBAYA/Pages/default.aspx>

Golfing Experience

Durban's year-round sunny climate and lush, natural environment provide a pleasant backdrop for the numerous golf courses to be found close to the city. From sea views to indigenous forest and even some courses with wild game, golfers will endure many challenges and memorable holes to test their abilities. You could spend a week or more in Durban and play a deferent 18-hole course every day, and the 19th-holes are also legendary. Here is a brief summary of the top courses.

Table 25: Golf courses in Durban

Golf course	Contact details
Durban Country Club	031 313 1777
Durban Country Club Beachwood	031 313 1777
Royal Durban Golf Club	031 309 1373
Maidstone Country Club	031 945 0419
Mount Edgecombe Country Club	031 539 5330
Amanzimtoti Country Club	031 902 1166
Kloof Country Club	031 764 0555
Cato Ridge Country Club	031 782 1985

For information on what to do in Durban, please visit the Official Tourism website for the city of Durban: <http://www.durbanexperience.co.za/Pages/default.aspx>

5.7.2. Dining-out

For a full list of Durban’s restaurants, please visit: <http://www.dining-out.co.za/default.asp>

5.8. Domestic help

Table 26: Minimum wage rates for domestic workers (as per the latest sectoral determination)

Minimum rates for the period 1 December 2013 to 30 November 2014	
Hourly rate	R 9.63
Weekly rate	R 433.35
Monthly rate	R 1 877.70

For information, please visit: <http://www.labour.gov.za/DOL/legislation/sectoral-determinations/sectoral-determination-7-domestic-workers>

5.9. Safety and security

Crime has both direct and indirect costs to businesses. The direct costs are derived from the value of goods or money stolen and/or the cost of damaged goods. The indirect costs of crime include the costs of disruption to business; lost working hours; loss of equipment; or temporary closure of the business. The table below from SBP's study²⁹, estimates the costs to secure a business in a variety of locations. The study finds that average once-off cost to secure an average business is **R 10 1100**, while the average yearly cost to secure the average business thereafter is **R 10 870**.

Table 27: Average cost of securing business

	Inner city	Townships/informal	High density suburban
Once-off	R 9 750	R 7 840	R 12 090
Recurring p.a.	R 13 360	R 12 760	R 8 020
	High crime area	Moderately high crime area	Low crime area
Once-off	R 12 570	R 10 230	R 6 470
Recurring p.a.	R 19 050	R 7 810	R 4 810
	No crime in the past year	1 incident	2 or more incidents
Once-off	R 6 570	R 11 450	R 17 780
Recurring p.a.	R 6 660	R 15 100	R 14 300

²⁹ SBP. 2008. *The impact of crime on small business*.

5.10. Public holidays

South Africa has 12 public holidays:

- New Year's Day [1 January]
- Human Rights Day [21 March]
- Good Friday
- Family Day (Easter Monday)
- Freedom Day [27 April]
- Worker's Day [1 May]
- Youth Day [16 June]
- National Women's Day [9 August]
- Heritage Day [24 September]
- Day of Reconciliation [16 December]
- Christmas [25 December]
- Day of Goodwill [26 December]

6. BUSINESS PROFILE OF DURBAN

6.1. Demographics ³⁰

Table 28: Demographic characteristics of Durban

Population	3.44 million			
Spread of age	66% of the population is younger than 35 years old			
Percentage of the population which is economically active (15 to 59 years old)	67% (population dependency ratio of 48:100)			
Gender	49% male		51% female	
Race groups	73.8% Black	16.7% Indian	6.6% White	2.5% Coloured
Population concentrations	34.84% Central	33.61% North	22.03% South	9.82% Outer West
Employment status	992 560 Employed	430 319 Unemployed	114 279 Discouraged	873 583 Economically inactive

6.2. Key economic sectors³¹

Table 29: Key economic sectors in Durban

Sector	% contribution to GDP in 2012
Finance	22%
Manufacturing	22%
Community Services	18%
Trade	16%
Transport	16%
Construction	3%

³⁰ eThekweni Municipality IDP 2013/2014

³¹ Ibid

6.3. Listing of major economic nodes

The Municipality has identified strategic capital projects that would have the potential to deliver on the strategic objectives of the municipality. Some of the projects listed below are influenced by National and Provincial priorities, e.g. the freight corridor from Durban to Gauteng. The table provides a summary of the project budgets and potential employment opportunities:

Table 30: Strategic capital projects³²

Project name	Construction employment opportunities p.a.	Operational employment opportunities p.a.	Project cost to completion (R billions)
Bartletts Industrial Development	3 416	5 010	3.78
Bridge City New Town Centre	696	1 855	0.77
Camperdown-Port Freight Route Improvements	5 793	538	10
Cato Ridge Industrial Development	10 621	15 575	11.75
Durban Inner City and Point Revitalisation	3 403	45 361	7.7
Greater Pinetown Nodal Developments	2 223	3 260	2.46
Hammersdale Industrial Development	6 056	8 881	6.70
Isipingo Town Centre Improvements	95	633	0.11
KwaMashu Town Centre Improvements	384	1 024	0.43
Mpumalanga Town Centre Improvements	1 056	2 817	1.17
Phoenix and INK Nodal Improvements	3 620	5 308	4.01
Port Improvements	71 292	27 268	325
Back of Port Improvements	10 572	15 855	26.32
Shongweni Industrial Development	912	1 337	1.01
Sibaya Recreational Node	322	8 289	0.69
Tongaat/Dube New Town Development	6 922	10 150	7.66
Umgeni Springfield Improvements	1 409	18 783	1.56
Umlazi Nodes Improvements	4 477	1 194	4.95
Verulam/Cornubia New Town development	7 073	18 858	17.3
Illovu Farm (Proposed ASP)	1 808	2 651	2
City-wide Fibre Optics Backbone	491	240	0.56
City-wide Informal Settlement Upgrades	6 438	29 920	57.97
City-wide Public Transport Improvements	140	400	10
City-wide Regeneration Projects	11 796	4 718	13.05
City-wide Social Facilities Provision	4 477	1 194	483
TOTAL	165 792	231 119	522.37

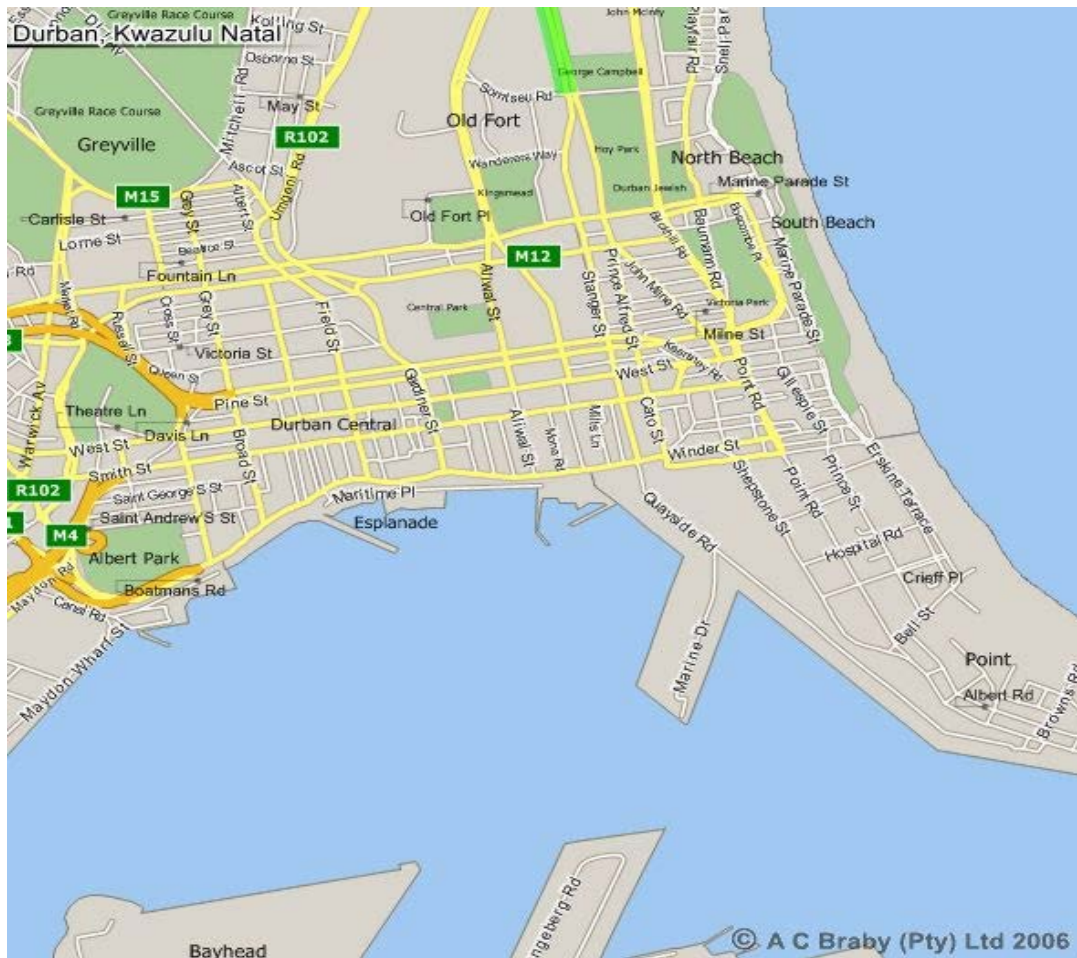
³² Sourced from eThekweni Municipality's *Integrated Development Plan- 5 Year Plan: 2012/2013 to 2016/2017*

7. MAPS ILLUSTRATING DURBAN AND ITS SURROUNDS

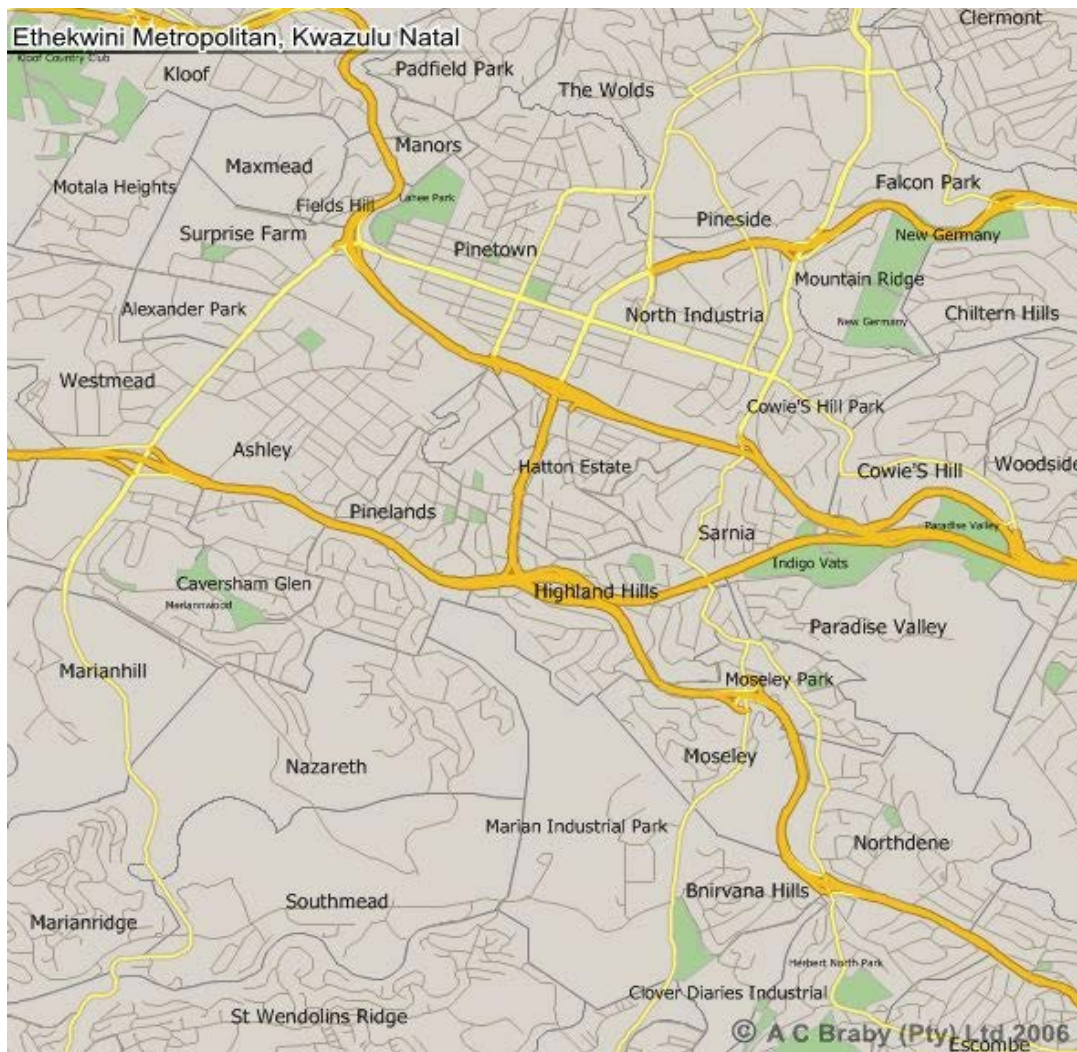
7.1. Durban North



7.2. Durban CBD



7.3. Western Areas



6.4. Priority areas for development

REGION	STRATEGIC PRIORITY	REGION	STRATEGIC PRIORITY
Central SDP	Port of Durban South Durban Basin Regeneration and Redevelopment Inner City Regeneration Pinetown South Point Waterfront Cato Manor Regeneration	South SDP	Umlazi Illovo Umkomaas/Cragieburn Areas west of Umlazi (including parts of Folweni and Inwabi) Umgababa/Umnini Amanzimtoti
North SDP	Bridge City Canelands and Surrounds Cornubia Dube TradePort and Surrounds (Inyaninga) Redcliffe Tongaat Industrial Tongaat Residential	Outer West SDP	Cato Ridge Hammersdale Bartletts Hillcrest Shongweni Mpumalanga KwaXimba Inchanga Molweni Zwelibomvu uMzinyathi



DURBAN CHAMBER
OF COMMERCE AND INDUSTRY
EST 1856

THE ULTIMATE BUSINESS NETWORK

🏠 Chamber Square, Lion Match Office Park,
892 Umgeni Rd, Durban, 4001

P.O BOX 1506 Durban,
4000, South Africa

☎ 031 335 1000
📠 031 335 1288

✉ chamber@durbanchamber.co.za
🌐 www.durbanchamber.co.za

