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STATE OF KWAZULU NATAL REGISTERED NONPROFIT ORGANISATIONS ISSUED IN TERMS OF THE NONPROFIT ORGANISATIONS ACT 71 OF 1997

"A REPORT FROM THE NATIONAL NPO DATABASE"

KWAZULU NATAL PROVINCE

June 2011

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1. INTRODUCTION

Over the years, since the inception of the Nonprofit Organisations Act 71 of 1997 (NPO Act) in 1998, the registration and reporting of nonprofit organisations has increased substantially owing to the increase in demand on the NPO registration facility.

The NPO Directorate, in terms of section 24 of the NPO Act, is obligated to maintain a register of all NPOs that have been registered and de-registered. It is further required, in terms of section 25 of the NPO Act, that such a register should be made available to the public.

This report is aimed at increasing accessibility of information on registered NPOs. The report entails a synoptic analysis of the Gauteng registered nonprofit organisations in respect of the size, growth, scope of operation and compliance levels.

2. APPLICATION RECEIVED AND CANCELLED FOR THE YEAR 2010-11

This section of the report gives an overview on the number of organisations that applied for registration and those whose registration had been cancelled owing to noncompliance to the provisions of the NPO Act and those that were deregistered as from 1 April 2010 to 31 March 2011.

2.1 New Applications received for the 2010-11

The table below reflects that by end of March 2011, a total number of applications received from KwaZulu Natal stood at 2 438 across all the districts, with variations by district municipalities.

Table 1: New Applications Received per District for the Financial Year 2010/11

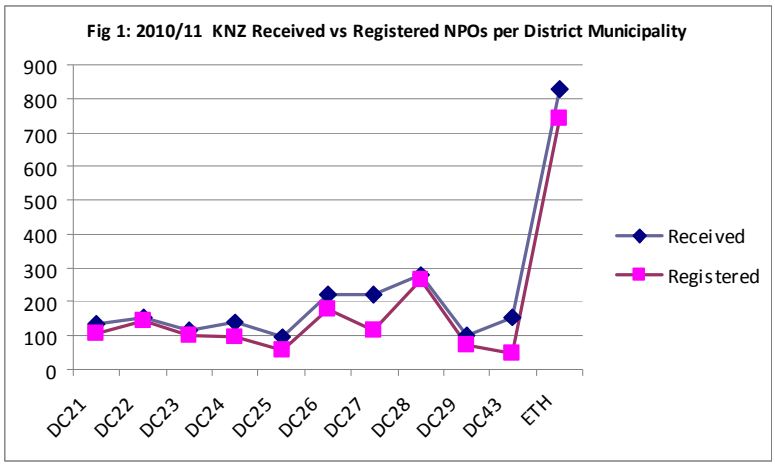
District Municipality	Received Application	Percentage
Ugu District District Municipality (DC21)	134	5.5%
Umgungundlovu District Municipality (DC22)	152	6.2%
Uthukela District Municipality (DC23)	115	4.7%
Umzinyathi District Municipality (DC24)	138	5.7%
Amajuba District Municipality (DC25)	96	3.9%
Zululand District Municipality (DC26)	223	9.1%
Umkhanyakude District Municipality (DC27)	221	9.1%
uThungulu District Municipality (DC28)	278	11.4%
iLembe District Municipality (DC29)	101	4.1%
Sisonke District Municipality (DC43)	154	6.3%
e-Thekwini Municipality Metropolitan (ETH)	826	33.9%
TOTALS	**2 438**	

Source: NPO National Database

As illustrated, most of the applications were from eThekwini Metropolitan (ETH) with about 34%, uThungulu District Municipality (DC28) with just above 11%. This was followed by about 9% each recorded from the Umkhanyakude (DC27) and Zululand District (DC26) municipalities. The least number of applications came from iLembe District Municipality (DC29) which recorded just above 4%

Of the total amount of the 2 438 applications received, a significant amount of 1 927 (79%) of these applications met the requirements for registration and were registered within the required period of two months. This was above the national rate of 69%.

The chart below depicts the number of applications received and registered per district municipality.



Source: NPO National Database

The graph demonstrates that there was at least some consistency between the number of applications received and the rate of compliance in meeting the registration requirements. Some district municipalities, notably Umgungundlovu District Municipality (DC22) and uThungulu District Municipality (DC28) recorded perfect 100% success rate.

2.2 Cancelled Registration

During this financial year, 123 registered NPOs were deregistered and 97% was deregistered due to non-compliance as indicated in the table below.

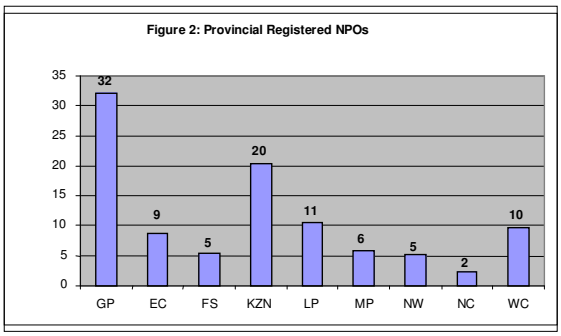
Table 2: 2010/11 Cancelled & Deregistered NPOs in KZN

Type of De-Registration	Number of NPO
Cancelled (Non-Compliant) NPOs	119
Voluntarily Deregistration	4
Total	**123**

Source: NPO Database

3. REGISTERED NPOs IN THE KWAZULU NATAL PROVINCE

The national total number of registered NPOs by end of March 2011 stood at 76 175 and the next chart below depicts the proportions of registered NPOs per province



Source: NPO Database

KwaZulu Natal had the second largest proportion of registered NPOs at 20% after Gauteng at 32%.

3.1 Annual Growth Rate of Registered NPOs

The chart below illustrates the trend of registered NPOs in KwaZulu Natal province over the last four years.

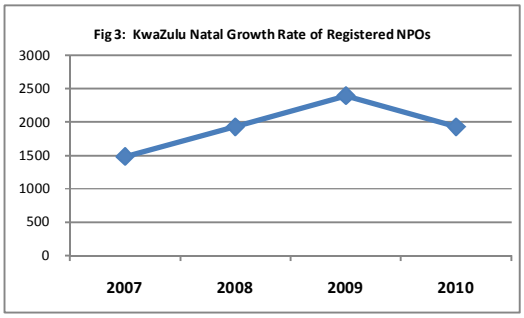


Fig 3: North West Growth Rate of NPOs 1

Source: NPO National Database

This chart demonstrates that in 2007/08, 1 482 organisations were registered. The province experienced a smooth growth of 30% in 2008/09 8 (1 929) followed by 24% in 2009/10 (2 395). However, in 2010/11 the province experienced a decline of -10.6%.

3.2 Type of Registered NPOs

A registered NPO can either be a Voluntary Association, nonprofit incorporated company in terms of the Company Act, or a Trust in terms of the Trust Property Control Act. The figure below indicates the type of registered NPOs in the KwaZulu Natal Province.

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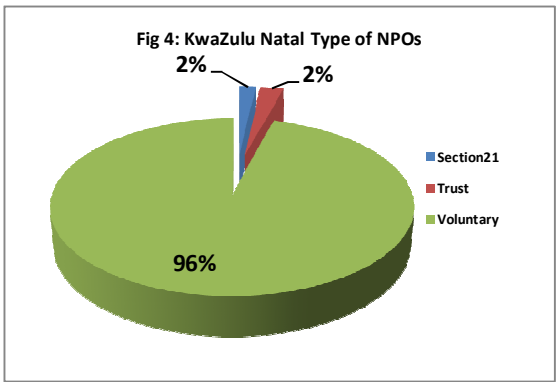
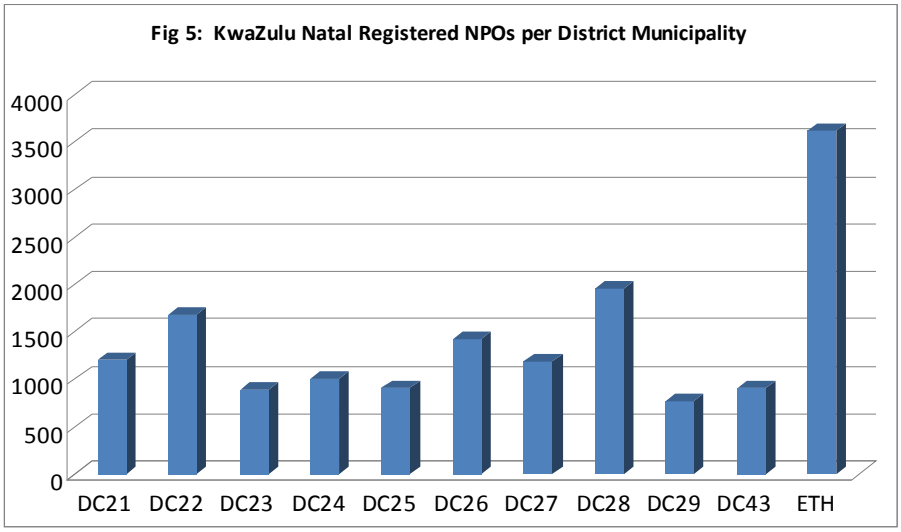


The registration by type organisation in KwaZulu Natal was consistent with the national trend wherein the majority were voluntary associations, followed by nonprofit companies at and trusts.

3.3 Registered NPOs per District Municipality

The graph below depicts the number of registered NPOs per district municipality in the province.

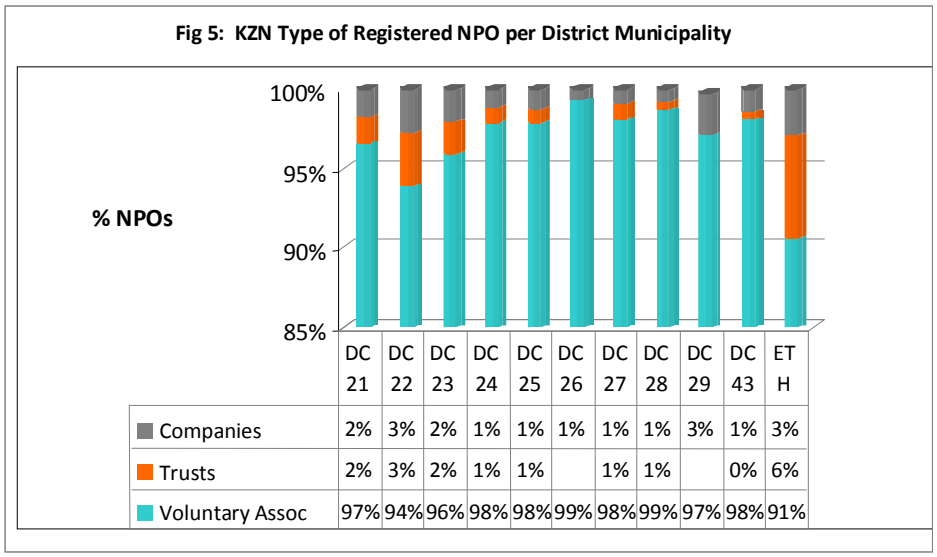


The trend on the total number of registered NPOs is consistent with that of total number of applications received from the districts. eThekwini Metro (ETH) had the highest number of registered NPOs at 23% followed by uThungulu (DC28) at 13% and Umgunundlovu (DC22) at 11%. Uthukela, Umzinyathi, Amajuba and Sisonke each had below 10% of all registered NPOs in the province.

3.3.1 Type of registered NPOs per District Municipality

The chart below depicts the types of organisations that have registered in the districts.

From the foregoing, it is clear that the dominant organisations in all districts were voluntary associations. Again, this follows the national trend where the NPO register consist of mainly community based organisations (CBO).



	DC 21	DC 22	DC 23	DC 24	DC 25	DC 26	DC 27	DC 28	DC 29	DC 43	ETH
Companies	2%	3%	2%	1%	1%	1%	1%	1%	3%	1%	3%
Trusts	2%	3%	2%	1%	1%		1%	1%		0%	6%
Voluntary Assoc	97%	94%	96%	98%	98%	99%	98%	99%	97%	98%	91%

These organisations are commonly referred as community based organisations (CBOs). It is also apparent that nonprofit companies and trusts were relatively more in urban areas as reflected in eThekweni Metro (ETH) than in the other districts.

3.4 Nonprofit Classification by Sector

Registered NPOs are also classified in terms of the nature or scopes of their services or sectors. The table below indicates the number of NPOs operating in different sectors for KwaZulu Natal.

Table 3: KwaZulu Natal Registered NPOs per Sector Classification

Sector	Registered NPOs	Percentage
Business and Professional Associations, Unions	48	0.3%
Culture and Recreation	634	4.1%
Development and Housing	3 500	22.5%
Education and Research	1 633	10.5%
Environment	124	0.8%
Health	1 899	12.2%
International	3	0.0%
Law, Advocacy, and Politics	245	1.6%
Philanthropic Intermediaries and Voluntarism Promotion	169	1.1%
Religion	1 872	12.0%
Social Services	5 428	34.9%
Total	**15 555**	**100.0%**

Source: NPO National Database

Social Services were the leading sector with 35%, followed by the Development and housing sector with about 23% and Health and Religion with 12%, respectively.

4. CONCLUSION

On the whole, KwaZulu Natal experienced a set of growth rates characterised by positive consistent growth for the first two years period to be followed by a negative growth in the final year. On average, the province experienced 11.6% growth over the last three years and had the second largest number of registered NPO totalling 20% of the national population of registered NPOs.

The dominant registered NPOs in the province were CBOs involved mainly in the social service sector. A total of 23% of all registered NPOs in the province operated from or were based in the eThekwini Metro.