

BUDGET SPEECH 2014/15 BY THE EXECUTIVE MAYOR OF STEVE TSHWETE
LOCAL MUNICIPALITY, CLLR MIKE MASINA AT THE MIDDELBURG BANQUET
HALL ON THE 29/05/2014

PROGRAMME DIRECTOR: CLLR ELPHUS MATHEBULA

HONOURABLE SPEAKER, CLLR ROBERT XABA

HONOURABLE CHIEF WHIP, CLLR BUSI NDALA

MEMBERS OF THE MAYORAL COMMITTEE & FELLOW COUNCILLORS

ANC PROVINCIAL SECRETARY, CDE LUCKY NDINISA

THE ANCWL REGIONAL CHAIRPERSON, CDE. NORAH MAHLANGU MABHENA

AMAKHOSI PRESENT TODAY: BAYETHE!!!

RELIGIOUS LEADERS

Lt Colonel: A.M. MATLAILA OF 4SAI

CIRCUIT MANAGERS

WARD COMMITTEE MEMBERS, CDW'S AND COMMUNITY-BASED ORGANIZATIONS

THE MUNICIPAL MANAGER & THE DEPUTY MUNICIPAL MANAGER

MUNICIPAL OFFICIALS

DISTINGUISHED GUESTS AND BUSINESS COMMUNITY

FELLOW MUNICIPAL CITIZENS

MEDIA AND CIVIL SOCIETY

COMRADES AND COMPATRIOTS

Programme Director,

It is so sad that in the mist of the 51st Celebration of the AU, Workers' Month (May) and the 71st UN Anniversary, one of the African countries- Nigeria is faced with worse form of terrorism whereby over 200 innocent school girls were kidnapped by cruel and heartless terrorist group called **Boko Haram**. I appeal that all of us must support the *"Bring back our girls, Stop killing our people"* campaign as initiated by peace loving people in the world.

In solidarity of those girls, their heart-broken parents and the people of Nigeria in general, may we all rise and observe a moment of silence for prayers and meditation.

Thank you.

2014 National and Provincial Elections

This year 2014, South Africa held the 5th democratic and peaceful elections managed by the Independent Electoral Commission (I.E.C.). May I take this opportunity and congratulate the IEC, the South African people, the voters, the different political parties, law enforcement, observers, party agents, volunteers of different parties and soldiers, for the manner in which we all conducted ourselves, that is a manner befitting a maturing democracy. Let's all clap hands for South Africa; I am convinced that our forefathers and mothers are rejoicing to see that tranquility. Be that as it may we must sympathize with the families who lost their loved ones during the course of elections. In our municipality, we are still setting the pace on political tolerance.

As we are all aware, on Saturday, 24th May 2014, President Jacob Zuma was inaugurated as the Head of State for the 5th administration. Subsequent to that Deputy President, Ministers and Deputy Ministers were also appointed. Congratulations to all of them including, the Honourable Premier of Mpumalanga Province, Mr DD Mabuza, who was also sworn in today.

In his 2014 inaugural speech, President Jacob Zuma said, I quote,

“Ours is a nation that has produced generations of selfless freedom fighters, who made untold sacrifices, so that we could live in a country that is free of racial discrimination and oppression. This is a nation that has worked tirelessly to build a new society from ashes of apartheid, opting for reconciliation and progress instead of retribution. This year we mark 20 years of freedom and 20 years since President Nelson Mandela took the oath of office...”

We began building a new society, based on fundamental human rights, equality, and unity in diversity and promotion of the dignity of all. The democratic government set out to implement policies and programmes that would change the quality of life of all, especially the poor and workers. A lot of progress has been made... however our work is not yet completed.” Closed quote.

On behalf of Steve Tshwete Local Municipality, we reiterate our commitment to contribute in whatever means to move South Africa forward, as a good story has been told and is being told to us and other generations.

Programme Director in the spirit of moving South Africa forward, I bring to you the warm greetings of our municipality, Steve Tshwete Local Municipality under the vision *“To be the best community driven Local Municipality on provision of sustainable services and developmental programmes”*.

As you know, Programme Director we inherited this institution clean and intact, we continue to steer it to excellence harbouring no undue illusion about the difficulties and challenges ahead.

We are acutely aware that the tripple challenges the Honourable Premier always refer to are more glaring at local level and ours is to serve the community with pride and dignity.

The song titled *“Ticket to heaven”* by Dire Straits, is an elaboration of a song titled *“not gonna give it up”* by the late great Peter Tosh from the album *“Mama Africa”*.

In this song the late great Peter Tosh reminds us of our naturally deposited strength to overcome man made inequalities and poverty – a central theme of the lyrical content in this song.

Programe Director, the significance of our Budget Speech takes place towards closure of workers month. The month that gave rise to source of inspiration that saw workers of the world uniting for a just and noble cause. I am talking about May, the month that inspired a song titled *“working class hero”* by the late great

John Lennon which is elaborated in a song titled *“recruiting soldiers”* by the late great Peter Tosh.

Clean Audit

Programme director, according to the management report Steve Tshwete Municipality remains a shining star by consistently receiving clean audit reports for the past four financial years and we are on the verge of receiving another clean audit. We are the consistent champion of Clean Audit in the whole country but I urge all of us to do more.

In 2013, I said that as a developmental municipality, we encourage development and improvement of households so that all of us can enjoy a better life. Those who can afford must subsidize those who are poor by paying more rates. Please rate-payers continue supporting the municipality, by paying for rates and taxes.

Programme Director,

Chapter 2 of the Municipal Finance Management Act, Section 53(i) (c) (i) says I quote,

“the mayor must take all reasonable steps to ensure that the municipality approves its annual budget before the start of the budget year”.

It is for this reason that we are here today, to pronounce what council had approved. We have also undertaken the following matters to improve the lives of our citizens:

EDUCATION AND YOUTH

Like in 2013, the 2014 Grade 12 students have passed well, and I want to congratulate them including those who did not do well. I appeal to them to not give up.

As a municipality we were so proud to record the second highest pass rate in the province, after Nkomazi- this was a slight fallback since 2013, as we were number

one in the whole province then. The success is also due to the contribution of all stakeholders after we have resolved in our annual Education Summit that we should, *“Make education everybody’s business”*. Thank you very much for lending a hand in improving our education results. Education is the weapon of our kids and the nation’s development.

More than ever before, our responsibility is to support academic excellence, nurture talent, and in this regard I am thankful to Paul Mthimunye Bursary Fund, Optimum Coal and other stakeholders for their continued role of helping those needy students.

SPECIAL PROGRAMMES

Programe Director, in line with the provisions of the Constitution, the municipality had undertaken to deal with special programmes which contribute to nation building.

Therefore, we are convening Local Aids Council and child care forum meetings quarterly. In partnership with private sector, we have supported senior citizens’ activities; we are training the Home Based Care leaders, mobilizing financial support for the development of Early Child Development Centres (ECDs) and helping persons with disabilities.

For the year under review, two children from Steve Tshwete Local Municipality were selected and had attended the Nelson Mandela Children’s parliament in Cape Town, representing Mpumalanga Province. Two buses have been donated by Optimum Trust Community to senior citizens, each for Sizabaswele (Mhluzi) and Kwazekwasa (Kwazmokuhle).

Samancor has committed to build one new block of classrooms at Thushanang Primary School in Mhluzi and replace asbestos structures at Krienkie Krankie crèche in Nazareth this year.

The training of ECD teachers through UNISA sponsored by Anglo-coal budgeted for R2 million has started in March 2014, and it is a response to the need of capacitating the teachers of community and ECD centers.

As you may be aware, my office was instructed to intervene in the Greater Middelburg Workshop (a centre of people with disability), to deal with the challenges that were experienced there. It was reported in the media that the centre was collapsing. I must report that we have attended to those matters, and the Department of Social Development will finalize the matters around subsidy whilst the Centre Committee will supervise the centre. The municipality does not run disability centres but support them.

May I take this opportunity and thank all those in particular big business who are making a difference in this regard.

SOLID WASTE PROJECTS

GARDEN SERVICE

This project was started in March 2012/13 financial year; whereby two contractors were appointed to service part of Mhluzi and 35 people were employed. The project continued in 2013/14 and is being rolled over to other areas. Additional 53 people are employed and four contractors are appointed. We commit to continue with it in the 2014/15 financial year.

ILLEGAL DUMPING

In response to this challenge of illegal dumping, we started a project in March 2014, whereby 71 beneficiaries are appointed for a twelve month period covering Kwazamokhuhle, part of Mhluzi and Hlalamnandi. I appeal that we keep our town clean because cleanliest is next to Godliness.

GMC PRIZE MONEY of R5,5 million

With this money, we are constructing two transfer stations at Aerorand and Dennesig. Public participation is being undertaken for the two transfer stations. Construction will commence after the Authorization has been issued by Department of Economic Development, Environment and Tourism.

INFRASTRUCTURE AND INDUSTRIAL DEVELOPMENT

The completed projects to date for infrastructural development in the current financial year are:

ROADS AND STORMWATER

Completed projects amounts to R18, 5-million (which among others include:)

- R1, 5- million for roads at 38th Street, Mhluzi Extension 6 in ward 28.
- R3, 6- million for roads in Tokologo.
- R5- million for tarred roads in Aerorand, Dwyka and Bloedrivier Street.
- The rebuild of Eeufees Street for the amount of R1, 8-million in wards 14.
- The tarring of Desi Street in the industrial area for the amount of R5,2-million

ELECTRICITY

Completed projects amounts to R11,6-million which among others include:

- Electrification of 706 stands in Rockdale
- Electrification of 135 stands in Aerorand West
- Replacement of MV cable
- Reabota electricity upgrade to 25 units
- Electrification of 15 Industrial stands at Jaspis Street in Middelburg Extension 18.

PARKS, RECREATION AND CEMETERIES

Completed project amounts to R 4,4 -million

Key projects completed to date include:

- Paved roads at Nasaret cemetery to the amount of R100 000.
- R750 000 for fencing at Fontein, Avalon and Crossroad cemeteries.
- R2-million for the further development of Pullenshope cemetery.
- The relining of the Mhluzi swimming pool at a cost of R700 000.

- Development of a park at Middelburg Extension 18 and Pullenshope to the amount of R320 000
- Development of parks in Kwazamokhule (Mafred entrance), Mhluzi extension 5 and 7, as well as two small parks in Rietkuil to the amount of R2,4-million.

WATER AND SEWERAGE

With the adjustment budget an additional amount of R2,5 million was provided to address the burst water pipe problem in Mhluzi. Other major projects in process to be completed are:

- Water and sewerage reticulation in Rockdale for R2,5 million
- Replacement of water meters at a cost of R900 000
- The construction of a new 10 ml water reservoir for R12 million
- Completion of Boskrans purification plant at a cost of R20-million
- Planning and design of networks for Newtown at a cost of R400 000

COMMUNITY SERVICES

The achievements for the year include:

HUMAN SETTLEMENT

226 Title deeds were handed over to beneficiaries in the MP313 area. The provincial department of Human Settlements has also allocated 1533 houses in the 2013/14 financial year.

FIRE & RESCUE

The Nkangala District Municipality has donated a rapid intervention rescue vehicle and a mini firefighting pumper to the municipality at a cost of R3,2-million. In addition a new veld fire vehicle and ten (10) skid units were purchased to improve and prevent fires during the high risk veld fire season.

LICENSING

The planning and design to upgrade the testing station in Middelburg is completed and the construction will commence in the 2014/2015 financial year.

The turnaround time for both learners and drivers applications and issuing thereof was maintained at approximately 7 days.

The upgrading of the Hendrina testing station is completed and an additional testing track is utilized to address the backlog on the driver's license appointments.

The license department will continue to monitor and issue business licenses.

TRAFFIC & SECURITY

Ten new speed humps and six rumble humps were completed in the current financial year at a cost of R300 000 which among others include the following streets:

- Corner of Main and Mthombeni Street
- Aerorand in Pongola and Lebombo Street
- Corner of Cowen Ntuli and Jan Cilliers Street
- Corner of Oribi and Broodboom Street
- In 9th Street opposite Moetenalo School
- At Extension 5 in 19th Street
- At Mountainview in Church Street
- At Extension 3 in Nkabinde and Mangosuthu Street

The animal pound is completed and will be used to impound and control stray animals.

A new tow truck for the amount of R530 000 was purchased to tow illegal parked vehicles in the municipal area.

New traffic lights will be installed at Mandela and Ikageng, Dr Mandela and Dr Beyers Naude Street as well as at the Meyer and Protea intersections. It is planned that these installations will be completed before financial year ends.

A Legacy of Excellence and Achievements

During the 2012/2013 financial year we have received many accolades, a summary of the said accolades may be represented as follows:

- an Audit Report
- Clean Audit Report: Records Management
- Accredited Municipality of the Year: Govan Mbeki Human Settlement Award.
- Second Runner-up: National Greenest Municipality Award
- Second Runner-up: National LIASA Award (Libraries)
- Best Librarian Award in Mpumalanga: received by Assistant Director, Mrs. Shirley Xulu.
- 6 Blue Drop Awards for Water Management and Quality Control has earned STLM Blue Drop Gold status
- PMS SALGA – 2012 done well (SALGA requested our PMS format to be used as a model for all municipalities in Mpumalanga Province)

ECONOMIC (MUNICIPAL OUTLOOK)

The economic outlook remains unstable. Although the South Africa's economy has continued to grow, it was at a slower rate than projected last year and declined to 1,8% in 2013, with a projected growth of 2,6% for this year.

The latest inflation rate of 6.1% reached the South African Reserve bank target of 6%. Food and non-alcoholic beverages and continuous high petrol prices mainly contribute to the upward pressure on the inflation rate.

The weaker exchange rate is a risk to the inflation outlook and although the Reserve Bank did not increase the interest rate recently, it is expected that another interest rate increase might occur before the end of 2014.

The official unemployed rate of 25,2% remains high and steadily increase each quarter. The decline in the gross domestic product (GDP) attributes to the increase pressure on the unemployment rate. The main contributors in the declined economic activity are the mining and manufacturing industries.

The private sector remains the main contributor to job creation whilst local government supports employment through the expanded public works programme to provide short-term work opportunities.

Over the past three years the municipality have created 3029 job opportunities at a cost of approximately R12,8-million through capital investment in 115 municipal projects. From these job opportunities about 60% was allocated to the youth and 24% to women.

South Africa and the municipality need faster and more inclusive economic growth in the vicinity of 5% or even more to reduce unemployment, poverty and inequality.

A National Development Framework Plan has been adopted for economic and social development which confirms government commitment to increase spending to address the above challenges.

In support to this framework, the municipality:

- Will maintain and accelerate public infrastructure investment.
- Develop and revise future spatial plans
- Expand the public works programme and Community Work Program
- And put systems in place to attract more investors.

The current economic climate has a negative impact on the municipality growth projections and more and more residents become dependent on social grants and support.

In view of the above factors, municipal revenue and cash flows are expected to remain under pressure and revenue and cash receipts were conservatively projected.

As a result all these efforts are put in place to limit expenditure and tariff increases to the bare minimum, but sufficiently to be able to maintain the current levels of services.

2014/2015 MEDIUM TERM BUDGET

Programme director, it is my pleasure to submit to you the budget for the 2014/2015 period.

This is a very tight budget aimed to ensure levels of revenue are maintained to ensure continuation of current basic service levels and in doing so by following the guidelines issued by the National Treasury in the 2014/2015 Budget Circular.

This Medium Term Budget is linked to the IDP for the period up to 2017 which indicates the direction we as a Council navigates towards achieving the following strategic goals:

- Creating a municipality which is through its financial and human capital, together with all other resources, totally focused on the well-being of all its citizens;
- Economic growth and poverty alleviation;
- All residents enjoy the best possible level of municipal services; and
- Creating a space with which a caring society is economically, spatially, environmentally and socially integrated and developed.

The following constitute the key budget focus areas:

- Cost reductions to ensure affordable tariffs.
- Social support to those residents who cannot afford to pay for services.
- Continuous Infrastructure development to upgrade ageing networks as well as the maintenance thereof.
- Intensification of job creation activities through the implementation of capital projects and the expanded public works programme.
- Good governance and clean administration
- Continuous efforts to ensure high collection of debt.

Our revenue base remains under pressure and needs to be expanded over the medium term to sustain the financial position of the municipality. We once more

call upon our residents to show their support by prioritising payment of municipal services to build a better future in improving the living conditions of all residents.

Programme Director, I'm pleased to announce that the budget is balanced and fully funded with a net budgeted surplus of R247 000 and a projected cash balance of R270-million which steadily increases to R335-million by 2016/2017 financial year.

The municipality remains committed to maintain infrastructure and an amount of R62,8-million is budgeted for this purposes whilst R53,1-million of the capital budget will be used for the renewal of existing assets.

The new budget herewith presented amounts to R1,3-billion for operating expenditure and R187,9-million for capital, totalling R1, 54-billion.

The municipal allocation in terms of the equitable share increased with R11,2-million to R103,8-million and is mainly used to provide relief to indigent households at an amount of approximately R6,2-million per month.

Infrastructure grants amount to R45,7-million and transfers to build and enhance capacity in local government increased to R2,5-million.

In addition the provincial housing department has indicate that the amount of R79,7-million will be made available for the construction of 565 RDP houses in the municipal area.

Over the next three years the municipality plans to spend R708,2-million on various capital programmes as informed by the IDP. The following key capital expenditures amongst the various directorates for the 2014/2015 financial year are:

- R71-million for roads and storm water infrastructural development.

R33, 5-million will go mainly towards the construction of 7 kilometres of new roads in Middelburg extension 18, Aerorand, Mhluzi extension 24, Kwazamokuhle and Tokologo. R7,2-million for storm water systems and R13, 6-miloin to upgrade and renew existing infrastructure.

- R14,4-million for sewerage purification and reticulation

The budget will focus on the improvement of effluent quality and monitoring as well as the upgrade of the existing network. It is planned to provide bulk services and sewer network to 400 stands in Newtown.

- R41,5-million for electricity infrastructural development

The budget amongst other things will be used to improve area lighting at a cost of R4-million with high masts lighting planned for Mountainview Rockville and Mafube, and the provision of R18, 4-million for a new substation and the electrification of 1000 houses at Rockdale and Newtown.

- R13,8-million for governance and administration

The allocation includes R1,7-million to maintain and strengthen the IT network and infrastructure, R3-million to upgrade municipal buildings and R5-million for the construction and upgrade of a new testing station for licences.

- R25, 9-million for community facilities and public safety.

The budget will target the development of basic sport facilities, upgrade and development of new parks and the maintenance of our cemeteries. For public safety the municipality will continue to construct new speed humps and new traffic signals to improve the traffic flow.

- R16-million for water infrastructural development

An amount of R2,6-million is provided to upgrade equipment and electrical connection at Vaalbank water treatment works and R4,8-million to provide new bulk infrastructure and services for 400 stands at Newtown.

- R4,9-million for refuse removal

The municipality will continue to address illegal dumping and expand the garden refuse removal project to Nasaret and Extension 24. An amount of

R1,9-million is made available to purchase a new refuse compactor to provide services to new developments.

TARIFF INCREASES

Programme Director, in order to continue providing sustainable services, the municipality should be in apposition to cover costs associated with the provision of services. In this regard some cost drivers may necessitate increases above CPI.

It is on this basis that tariffs are reviewed in order to ensure sufficient cash is generated to remain focused on effective service delivery that are economical and equitable to all communities.

Tariffs for services must be cost reflective and additional revenue by means of proposed rates and tariffs of R62,8-million had to be sought to balance the budget.

The proposed tariff adjustments to fully recover costs are:

- 6,35% average increase for sewerage.
- 13,4% average increase for water.
- 7,39% average increase for electricity.
- 11,95% average increase for refuse removal.
- 4,95% average increase for property rates.

Programme Director, it is important that our ratepayers must derive value for money out of these increases, therefore the municipality undertake not to do business as usual, *but rather focus on doing more with less* in delivering quality services:

- Clean water provision must be improved.
- Electricity and area lighting must be supplied with minimal interruption.
- Grass must be cut and picked up regularly.
- Waste must be collected as per schedule and neatly.
- Potholes must be properly fixed within 48 hours.

There will always be challenges and our needs remain many with limited resources. As the ANC-led government we will remain committed in running a clean, accountable and effective administration

“To be the leading community driven municipality in the provision of sustainable services and developmental programmes”.

It is in this context that I present the 2014/2015 budget for the people, based on their needs, growth and development tonight.

SETBACKS AND CHALLENGES

In the financial year under review we have lost municipal officials amongst them, we lost Mr Noah Chauke, a dedicated and honest municipal official.

May I take this opportunity on behalf of the municipality to convey our deepest condolences to the families and friends of all affected and other municipal residents who had gone through the same painful situations. May the compassionate God comfort them.

CONCLUSION

This is the 3rd budget I am presenting since assuming office in 2011, therefore it is a midterm of the five year period and when we look at the road we travelled, much excellent work has been done which inspire confidence that the great job and challenges that lies ahead will be overcome with ease if we continue to work together to move our country forward.

4SAI

As a unique municipality in the province, we have a military base within our jurisdiction, on the past Friday, we bid farewell to the soldiers deployed to a peace enforcement mission in Sudan. Like we are doing with the Nigerians, our prayers are with those soldiers as they carry the noble job of enforcing peace in that troubled country.

We held a very successful Investment Summit this year, whereby presentations were made by amongst others Sector departments, private sector and Nkangala District Municipality. Our effort is to mobilize investors so that we can boast our local economic development, as a key strategic intervention of fighting against unemployment and underdevelopment.

Our cooperation with the private sector especially the mining business as it has caught the attention of National government will certainly assist to better the life of our people. I present this 2014/15 Annual budget I believe it will be our tool to move Steve Tshwete Local Municipality forward.

Program Director allow me to join the word in morning an icon, author and renowned Poet Dr. Maya Angelou who died yesterday. In her life time she received more than 50 honorary degrees. She was a friend to our own world icon Nelson Mandela, Malcolm X and Martin Luther King Jnr.

Let me close by quoting one of her Poems titled "STILL I ARISE"

*You may write me down in history
With your bitter, twisted lies,
You may trod me in the very dirt
But still, like dust, I'll rise.*

*Does my sassiness upset you?
Why are you beset with gloom?
'Cause I walk like I've got oil wells
Pumping in my living room.*

*Just like moons and like suns,
With the certainty of tides,
Just like hopes springing high,
Still I'll rise.*

*Did you want to see me broken?
Bowed head and lowered eyes?
Shoulders falling down like teardrops.
Weakened by my soulful cries.*

*Does my haughtiness offend you?
Don't you take it awful hard
'Cause I laugh like I've got gold mines
Diggin' in my own back yard.*

*You may shoot me with your words,
You may cut me with your eyes,
You may kill me with your hatefulness,
But still, like air, I'll rise.*

*Does my sexiness upset you?
Does it come as a surprise
That I dance like I've got diamonds
At the meeting of my thighs?*

*Out of the huts of history's shame
I rise
Up from a past that's rooted in pain
I rise
I'm a black ocean, leaping and wide,
Welling and swelling I bear in the tide.
Leaving behind nights of terror and fear
I rise
Into a daybreak that's wondrously clear
I rise
Bringing the gifts that my ancestors gave,
I am the dream and the hope of the slave.
I rise, I rise, I rise.*

"TOGETHER WE ARE MOVING SOUTH AFRICA FORWARD"

I THANK YOU!!!

PART 1

ANNUAL BUDGET

ABBREVIATIONS OF SOURCES OF FUNDING

CRR	Capital Replacement Reserve
CRR (Ad Hoc)	Capital Replacement Reserve (Ad Hoc)
CRR (Rev)	Capital Replacement Reserve (Revenue)
CRR (Services)	Capital Replacement Reserve (Services)
EEDSM	Energy Efficiency Grant
EFF	External Financing Fund
EFF (Ad Hoc)	External Financing Fund (Ad Hoc)
EFF (CF)	External Financing Fund (Counter Funding)
EPW	Expanded Public Works Programme
FMG	Finance Management Grant
INEP	Integrated National Electricity Program
INS	Insurance Fund
MIG	Municipal Infrastructure Grant
MSIG	Municipal Systems Improvement Grant
NDM	Nkangala District Municipality
NDPG	Neighbourhood Development Partnership Grant

Functional Codes

National Treasury Functions	Main	Sub	Votes	Council Functions	New Main	New Sub	IDP CODE
EXECUTIVE & COUNCIL	EX				EX		
EXECUTIVE & COUNCIL	EX	EX	100	COUNCILS GENERAL	EX	MC	GG1
MUNICIPAL MANAGER	EX	EX	105	MAYORAL ADMINISTRATION	EX	MC	GG1
	FA	OA	108	INTERNAL AUDIT	EX	MM	GC1
	EX	EX	109	DEPUTY MUNICIPAL MANAGER	EX	MM	GC1
	EX	EX	110	MUNICIPAL MANAGER	EX	MM	GC1
	FA	OA	111	EXECUTIVE DIRECTOR COMMUNITY SERVICES	EX	MM	GC1
	FA	OA	112	EXECUTIVE DIRECTOR TECHNICAL AND FACILITIES	EX	MM	GC1
	FA	OA	113	EXECUTIVE DIRECTOR CORPORATE SERVICES	EX	MM	GC1
	EX	EX	120	LEGAL & ADMINISTRATION	EX	MM	GC1
	EX	EX	123	VALUATIONS	EX	MM	GC1
	EX	EX	126	AREA MANAGER SOUTHERN REGION	EX	MM	GC2
BUDGET & TREASURY OFFICES					BT		
BUDGET & TREASURY	FA	FI	170	ASSESSMENT RATES	BT	BT	FV1
						BT2000	PA1
	FA	FI	200	EXECUTIVE DIRECTOR FINANCIAL SERVICES	BT	BT	FV1
CORPORATE SERVICES	FA				CO		
HUMAN RESOURCES	FA	HR	141	HUMAN CAPITAL MANAGEMENT	CO	HR	GC1
INFORMATION TECHNOLOGY	FA	IT	122	INFORMATION TECHNOLOGY	CO	IT	GC1
PROPERTY SERVICES	HS	HS	125	PERSONNEL HOUSING	CO	PY	SD1
	FA	PY	150	MUNICIPAL BUILDINGS	CO	PY	SD1
	FA	PY	151	MUNICIPAL OFFICES: MHLUZI	CO	PY	SD1
	FA	PY	152	MUN.OFFICES:INFRASTRUCTURE	CO	PY	SD1
	FA	PY	153	24 HOUR CONTROL CENTRE	CO	PY	SD1
	FA	PY	154	MUNICIPAL OFFICES HENDRINA/KWA	CO	PY	SD1
	FA	FI	171	COAL RESERVES	CO	PY	SD1
	HS	HS	451	HOSTELS:RENT UNITS	CO	PY	SD1
	FA	PY	554	SERVICE CENTRE	CO	PY	SD1
	FA	PY	555	FIXED PROPERTY	CO	PY	SD1
	FA	PY	558	SHOW GROUNDS	CO	PY	SD1
	FA	PY	630	SALE OF LAND MIDDELBURG TOWNLANDS	CO	PY	SD1
	FA	PY	651	SALE OF LAND MHLUZI EXT 2	CO	PY	SD1
	FA	PY	653	SALE OF LAND MHLUZI EXT 4	CO	PY	SD1
	FA	PY	654	SALE OF LAND MHLUZI EXT 5	CO	PY	SD1
	FA	PY	655	SALE OF LAND MHLUZI EXT 6	CO	PY	SD1
	FA	PY	657	SALE OF LAND MHLUZI EXT 8	CO	PY	SD1
	FA	PY	660	SALE OF LAND MHLUZI EXT 3	CO	PY	SD1
	FA	PY	662	SALE OF LAND KWAZAMOKUHLE EXT 3	CO	PY	SD1
	FA	PY	663	SALE OF LAND EASTDENE	CO	PY	SD1
	FA	PY	664	SALE OF LAND HENDRINA TOWN	CO	PY	SD1
	FA	PY	665	SALE OF LAND HENDRINA EXT 1	CO	PY	SD1
	FA	PY	666	SALE OF LAND MIDDELBURG EXT 11	CO	PY	SD1
	FA	PY	667	SALE OF LAND MIDDELBURG EXT 24	CO	PY	SD1
	FA	PY	669	SALE OF LAND AERORAND	CO	PY	SD1
	FA	PY	671	SALE OF LAND MIDDELBURG EXT 16	CO	PY	SD1
	FA	PY	673	SALE OF LAND MIDDELBURG EXT 18	CO	PY	SD1
	FA	PY	674	SALE OF LAND MIDDELBURG EXT 21	CO	PY	SD1
	FA	PY	676	SALE OF LAND MIDDELBURG EXT 23	CO	PY	SD1
	FA	PY	678	SALE OF LAND KWAZAMOKUHLE EXT 6	CO	PY	SD1
	FA	PY	681	SALE OF LAND EASTDENE 1	CO	PY	SD1
	FA	PY	683	SALE OF LAND MIDDELBURG EXT 26	CO	PY	SD1
	FA	PY	690	SALE OF LAND NASARET	CO	PY	SD1
	FA	PY	691	SALE OF LAND NASARET EXT 1	CO	PY	SD1
	FA	PY	692	SALE OF LAND KWAZA PROPER	CO	PY	SD1
	FA	PY	693	SALE OF LAND KWAZA EXT 5	CO	PY	SD1
OTHER ADMIN	FA	OA	118	MIG PROJECT MANAGEMENT UNIT	CO	OA	GC1
	FA	OA	121	COMMUNICATIONS	CO	OA	GC1
	EX	EX	130	GRANTS-IN-AID AND DONATIONS	CO	OA	GC1
	FA	FI	205	FINANCIAL DATA PROCESSING	CO	OA	GC1
	FA	FI	210	FINANCIAL MANAGEMENT GRANT(FMG)	CO	OA	GC1
	FA	FI	211	MSIG GRANT	CO	OA	GC1
	CS	HA	213	VUNA AWARDS	CO	OA	GC1
	FA	FI	215	LGTF GRANT	CO	OA	GC1
	FA	FI	230	SUPPLY CHAIN MANAGEMENT	CO	OA	GC1
	FA	FI	250	INSURANCE	CO	OA	GC1
	FA	OA	311	SECURITY SERVICES	CO	OA	GC1
	FA	OA	500	CIVIL ENGINEERING SERVICES	CO	OA	GC1
	FA	OA	575	WORKS TRANSPORT	CO	OA	GC1
PLANNING & DEVELOPMENT	PD				PD		
PLANNING & DEVELOPMENT	PD	IP	114	INTEGRATED DEVELOPMENT PLAN (IDP)	PD	IL	EG1
	PD	LD	124	LOCAL ECONOMIC DEVELOPMENT (LED)	PD	IL	EG1
	PD	LD	214	LED GRANT	PD	IL	EG1
	PD	PL	502	TOWN PLANNING	PD	PL	EG2

National Treasury Functions	Main	Sub	Votes	Council Functions	New Main	New Sub	IDP CODE
HEALTH	HL				HL		
HEALTH OTHER	HL	HO	400	ENVIRONMENTAL HEALTH SERVICES	HL	HO	SD2
CLINICS	HL	CL	440	CLINIC:CIVIC CNTR,E/DENE,NASAR	HL	CL	SD2
	HL	CL	441	CLINICS:MHLUZI,SIMUNYE,MOBILE	HL	CL	SD2
	HL	CL	442	CLINIC HENDRINA KWAZAMOKHULE	HL	CL	SD2
COMMUNITY & SOCIAL SERVICES	CS				CS		
LIBRARIES & ARCHIVES	CS	LB	140	LIBRARIES	CS	LB	SD3
EVENTS & FACILITIES	CS	HA	161	FACILITY & EVENTS MANAGEMENT	CS	HA	SD3
CEMETERIES & CREMATORIUMS	CS	CM	505	PHYSICAL ENVIRONMENTAL DEVELOPMENT: CEMETERIES	CS	CM	SD3
AGED CARE	HS	HS	221	RENTAL SCHEME RIVIERPARK	CS	AC	SD3
	HS	HS	222	RENTAL SCHEME VERGEET-MY-NIE	CS	AC	SD3
OTHER SOCIAL	FA	OA	116	DEVELOPMENTAL OFFICER YOUTH	CS	OS	SD3
	FA	OA	117	GENDER & SOCIAL MANAGER	CS	OS	SD3
	EX	EX	218	UMSOBOMVU YOUTH CENTRE	CS	OS	SD3
HUMAN SETTLEMENT	HS				HS		
HUMAN SETTLEMENT	HS	HS	220	N H F LETTING SCHEME(SUB-ECON)	HS	HS	SD3
	HS	HS	223	NEW SUB-ECON.SCHEME	HS	HS	SD3
	HS	HS	224	EASTDENE N H F LETTING SCHEME	HS	HS	SD3
	HS	HS	225	NASARET N H F SHOPS	HS	HS	SD3
	HS	HS	226	NASARET N H F CRECHE	HS	HS	SD3
	HS	HS	227	NASARET N H F LETTING SCHEME	HS	HS	SD3
	HS	HS	452	HUMAN SETTLEMENT	HS	HS	SD3
	HS	HS	453	RDP DEVELOPMENTS	HS	HS	SD3
			454	MUN ACCRED CAPACITY ENHANCEMEN	HS	HS	SD3
	HS	HS	460	SQUATTER CONTROL	HS	HS	SD3
PUBLIC SAFETY	PS				PS		
POLICE	PS	TR	310	TRAFFIC	PS	TR	SD4
EMERGENCY SERVICES	PS	PF	515	EMERGENCY SERVICES	PS	PF	SD4
STREET LIGHTING	ED	SL	731	STREET LIGHTING	PS	SL	SD4
SPORT & RECREATION	PK				PK		
PARKS & RECREATION	PK	PK	530	SPORTS GROUNDS	PK	PK	SD3
	PK	PK	533	PHYSICAL ENVIRONMENTAL DEVELOPMENT: PARKS	PK	PK	SD3
	PK	PK	534	BOTSHABELO NATURE RESERVE	PK	PK	SD3
	PK	PK	539	PARKS TRANSPORT	PK	PK	SD3
WASTE MANAGEMENT	WM				WM		
SOLID WASTE	FA	FI	219	CLEANEST TOWN COMPETITION	WM	RR	SD5
	WM	RR	420	CLEANSING:REFUSE REMOVAL	WM	RR	SD5
						RR2000	PA5
	WM	RR	421	CLEANSING:REFUSE HENDRINA /KWAZA	WM	RR	SD5
	WM	RR	422	CLEANSING:VILLAGES/RURAL	WM	RR	SD5
	WM	RR	425	STREET CLEANSING	WM	RR	SD5
	WM	RR	430	DUMPING SITE	WM	RR	SD5
WASTE WATER MANAGEMENT	WW				WW		
SANITATION	WW	SR	546	SANITATION HENDINA/KWAZAMOKUHLE	WW	SR	SD6
	WW	SR	547	SANITATION: VILLAGES & RURAL	WW	SR	SD6
	WW	SR	550	SANITATION	WW	SR	SD6
						SR2000	PA4
	WW	SR	551	SANITATION: CONNECTIONS	WW	SR	SD6
	WW	SR	552	SANITATION: PURIFICATION	WW	SR	SD6
	WW	SR	553	SANITATION: PURIFICATION HENDRINA	WW	SR	SD6
PUBLIC TOILETS	WW	PT	410	PUBLIC TOILETS	WW	PT	SD6
ROAD TRANSPORT	TP				TP		
VEHICLE LICENSING & TESTING	TP	LT	300	LICENSING	TP	LT	SD7
ROADS & STORMWATER	TP	RD	540	ROADS & STORM WATER	TP	RD	SD7
	TP	RD	541	SUNDRY PRIVATE JOBS	TP	RD	SD7
	TP	RD	542	ROADS & STORM WATER:HENDRINA	TP	RD	SD7
	TP	RD	543	ROADS & STORM WATER:VILLAGES	TP	RD	SD7
ROADS OTHER	TP	RO	545	RAILWAY LINES	TP	RO	SD7
	TP	RO	557	TAXI TERMINALS	TP	RO	SD7
WATER	TW				TW		
WATER DISTRIBUTION	TW	WD	560	WATER:GENERAL	TW	WD	SD8
						WD2000	PA3
	TW	WD	562	WATER:COLUMBUS & OTHER	TW	WD	SD8
	TW	WD	565	WATER:CONNECTIONS	TW	WD	SD8
	TW	WD	566	WATER GENERAL HENDRINA/KWAZA	TW	WD	SD8
	TW	WD	567	WATER:VILLAGES & RURAL	TW	WD	SD8
WATER STORAGE	TW	WP	561	WATER:RESERVOIRS & PURIFICATIO	TW	WP	SD8
	TW	WP	563	WATER:PURIFICATION KRUGERDAM	TW	WP	SD8
	TW	WP	564	WATER:BULK SUPPLY M.BURG DAM	TW	WP	SD8
	TW	WP	571	WATER PURIFICATION HENDRINA/KW	TW	WP	SD8
ELECTRICITY	ED				ED		
ELECTRICITY DISTRIBUTION	ED	ER	700	ELECTRICITY:GENERAL	ED	ER	SD9
						ER2000	PA2
	ED	ER	705	ELECTRICITY:SUNDRIES	ED	ER	SD9
	ED	ER	710	ELECTRICITY CONNECTIONS	ED	ER	SD9
	ED	ER	750	ELECTRICITY TRANSPORT	ED	ER	SD9

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**FINANCES: ANNUAL BUDGET FOR THE 2014/2015 TO 2016/2017
FINANCIAL YEARS**

5/1/1/8

Report by the Executive Director Financial Services

The draft annual budget for the 2014/2015 medium term revenue and expenditure framework (MTREF) was tabled on 1 April 2014.

The community participation process commenced on 5 April 2014. During this period the tabled budget was available on the Council website and municipal libraries whilst several ward meetings were conducted followed by a budget indaba which was held on 9 May 2014.

Following the community participation process the tabled budget is herewith tabled for final consideration and adoption by Council.

The 2014 National Budget Framework is designed to manage the risk in a constrained fiscal environment, while building a foundation for economic growth.

Although the South African economic has grown over the past year, the rate of growth has steadily declined from 2,5% of GDP in 2012 to 1,8% in 2013. It is projected that the growth rate will increase to 2,7% in 2014 and gradually increase further to 3,5% by 2016.

Measures to support the national growth targets include upgrading of bulk and ageing infrastructure, upgrading of informal settlements, broadening of investment opportunities and strengthening of industrial development.

Therefore capital spending plans and funds were prioritized to ensure the needs of the communities are met and growth is supported by investing in infrastructure development.

Inflation as well as current spending patterns will remain under pressure over the medium term and require all spheres of government to work more efficiently.

The setting of service standards is an integral part of the service delivery value chain which contributes to more transparency and strengthens the performance management system.

Asset management is a strategic imperative for municipalities and needs to be prioritized to ensure the sustainability of municipal infrastructure.

In addition capital budgets must reflect consistent efforts to address backlogs in basic services and the renewal of the infrastructure of existing network services.

Section 18 of the MFMA requires that an annual budget must be funded. National Treasury advice municipalities to keep increases in rates, tariffs and other charges at levels that will reflect an appropriate balance between the interest of poor households, other customers and ensuring the financial sustainability of the municipality.

The budget tabled is consistent with the IDP and performance targets, the revenue and expenditure projections are realistic and proposed capital expenditures are funded.

Aware of the current economic constraints, the municipality has contained expenditure levels to limit the increase in tariffs.

The 2014 budget addresses these challenges over the medium term and balances growth in spending with the community demands to ensure municipal finances remain sustainable.

To comply with the prescriptions of chapter 4 of the MFMA, the submissions on the tabled budget must be considered and where necessary be revised for consideration by Council.

Inputs were received from the Provincial Treasury which was discussed at a meeting on 5 May 2014.

(i) Provincial Treasury

According to the analysis of the Provincial Treasury the following is a summary of their key findings/observations:

- Electricity revenue increase for 2014/2015 is higher than the 7,39% electricity increase prescribed by the National Energy Regulator (NERSA).
- The budget increases in water revenue, sanitation revenue and other revenue are higher than the 6% CPI inflation.
- The 2014/2015 budget for employee-related cost has been increased by 4,03% which is within the projected wage increase as per the collective agreement of 6,79%.
- The provision for debt impairment appears to be overstated by R6 804-million when the current collection rate of 99,9% is taken into account.
- The budget for contracted services has been increased by 12,67%.
- The decrease on the 2014/2015 budget for other expenditure by 7,96%.
- Trading services are trading at total surplus of R103,152-million or 13%.
- The 2014/2015 cash / cash equivalent at year end is estimated at an unfavourable amount of R52,725-million.

From the inputs received from Provincial Treasury it is clear that they did not consider all the facts nor have a clear understanding of how the municipal budget is structured.

Their analysis is mainly based on comparing revenue figures with current year projections and inflation targets and did not consider growth factors. Some of the information contained in the C Schedules was also incorrectly interpreted such as the unfavourable cash balance where they did not consider the non-cash depreciation changes.

Provincial Treasury agreed to correct their findings, but to date no further communications have been received.

Only two other inputs were received from the Democratic Alliance which is attached as **ANNEXURE B**.

- (i) They request that the property rates tariffs be reviewed due to the new valuations implemented last year. It is further requested that the property rates payable on agricultural land be scrapped or reduced drastically.

During the budget process all efforts were put in place to limit the increase in municipal tariffs considering the current economic environment. As a result the proposed increase in property rates is only 4,95%.

Unfortunately considering all other inputs it was not possible to reduce the tariff further.

The rating of agricultural land is contained in the Municipal Property Rates Act and determined based on the Regulation promulgated on the rate ratios between residential and non-residential categories of property.

Recently a circular was received from the Department of Cooperative Governance and Traditional Affairs confirming that the Regulation is binding on all municipalities and that a rate of 1:0,25 of the residential rate applies to agricultural property, public service infrastructure and public benefit organizations.

It is therefore advised that this matter rather be taken up by the relevant stakeholders with the legislature to consider amendments to the Property Rates Act or Regulation.

- (ii) Concerns were raised on the proposed tariffs for water and refuse removal, number of water interruptions, roads in Aerorand not tarred and the proposed amendments to the credit control and debt collection policy.

The proposed tariff increases for water and refuse removal services after cost and expenditure increases were limited to the minimum.

The only way to further limit the tariff increases is to consider reducing the service standard of these services which must also not be acceptable to residents.

Sufficient provision was made on the capital budget to address the immediate problem with water interruptions and water quality.

The provision of tarring of roads in Aerorand West was substantially increased to complete areas where all erven were developed.

Following is an example of a high income areas and the impact of the tariffs on these residents:

Value of property	<u>Aerorand</u>		<u>Golfsig</u>	
	R1 300 000,00		R1 500 000,00	
	Present	Proposed	Present	Proposed
Property rates	910,21	953,04	1 051,88	1 101,37
Refuse removal	125,10	140,00	125,10	140,00
Sewerage connection	165,00	175,50	218,65	232,50
Electricity consumption 1760 kWh	2 135,70	2 291,84	2 135,70	2 291,84
Water consumption 52 kl	317,38	359,82	317,38	359,82
VAT	384,05	415,40	391,56	423,38
TOTAL 38%	4 037,44	4 335,60	4 240,27	4 548,91
% increase	7,38%		7,28%	

The changes proposed to the credit control and debt collection policy are not unique to our municipality and are widely implemented by municipalities such as Ethekwini, Cape Town, Ekurhuleni, Midvaal etc.

The impact of the policy changes is currently being communicated to residents through media releases and will be continued until June.

The responsibility that the amount due for all municipal services is on the property owners came into effect with the promulgation of the Municipal Systems Act, Act 32 of 2000 (MSA).

From the implementation of the act all monies outstanding on a property is recovered when a clearance certificate is requested.

The amendments to the policy are in line with the provisions of the MSA to limit Council risk of non-recovery, reduce cost with the billing of accounts and incorrect accounts which could lead to potential revenue loss.

Minor inputs of approximately R6,7-million were received from the administration which mostly contains omissions and increased costs, as of which the following are the main items:

- (i) An additional amount of R5-million for Eskom connection fees for Mafube and the new Nasaret substation intake.

- (ii) An additional amount of R380 000,00 for the monitoring of the air pollution stations which was erroneously omitted from the tabled budget.
- (iii) An additional amount of R400 000,00 for the SALGA membership fees due to an increase in the levy as approved by the SALGA Board.
- (iv) An additional amount of R402 000,00 for the Council's insurance premium as a result of additional vehicles and equipment which needs to be insured.

A letter was also received from the Department of Human Settlement confirming that the municipality will receive R79,7-million for the construction of 565 RDP houses in the municipal area. Corresponding revenue was included in the budget for this envisaged expenditure.

The other requests have been accommodated by curtailing planned expenditure further within the budget votes and increasing the revenue based on the latest trends.

This resulted that despite the additional cost, the increase in the proposed tariffs remains the same.

Based on the inputs received from the various departments, the tabled capital budget is amended to allow for the following additional projects and/or omissions:

(i) Additional projects:

▪ Replacement of mayoral vehicle (FHY349MP)	R	750 000
▪ Upgrading of licensing testing stations based on tender amounts received	R	3 500 000
▪ Tarring of roads Middelburg Extension 18	R	3 500 000
▪ Replacement of vehicle written off in accident from insurance	R	180 000
▪ Replacement of carpets banquet hall	R	400 000
▪ Install quality of electricity supply system	R	3 000 000

(ii) Amendments to existing projects:

▪ High mast lights	R	250 000
▪ Install ring main units	R	(350 000)
▪ Replace mini subs	R	(250 000)
▪ Upgrade electricity at community halls	R	(200 000)
▪ Roads and storm water new industrial park	R	(6 500 000)
▪ Replace sewer line (Hendrina / Kwaza)	R	(100 000)
▪ Construction of taxi shelters	R	(150 000)
▪ Upgrade of Hendrina LT network	R	(1 000 000)

(iii) Amendments to MIG projects as per final project registration:

▪ New MPCC (Somaphepha)	R	(6 000 000)
▪ Waste transfer station Rockdale	R	800 000
▪ Waste transfer Station Sikhululiwe	R	(800 000)
▪ New sanitation network Newtown including bulk	R	6 300 000
▪ New water network Newtown including bulk	R	3 300 000
▪ New high masts Mountain View / Rockville	R	500 000
▪ New roads low income areas	R	2 357 300

Except for the comment on the credit and debt collection policy no public inputs were received. The policies were considered by the Financial Services Portfolio Committee on 20 May 2014 and the following recommendations are made to the tabled document:

(i) Credit control and debt collection policy

Amendment to paragraph 13.1 to provide more clarity between when is a matter a dispute and when a normal enquiry.

Make provision under 13.2 should a person be illiterate to be assisted by a Council official.

Include paragraph 13.14 to indicate which matters will not be regarded as a dispute.

These additional amendments are attached under Schedule 4.

(ii) Credit control by-law

Delete day/days from definition and specifically include in the by-laws the wording calendar or working days.

(iii) Petty cash policy

Inclusion of 5.2 to regulate petty cash purchases to a maximum amount of R1 500,00. The proposed additional amendments are included under Schedule 4.

Sundry tariffs

The sundry tariffs were revisited due to constant enquiries received on the calculation of certain tariffs and the difficulties experienced to prove the charges to be able to recover it successfully.

As a result the following amendments are recommended to the tabled budget document:

(a complete set of sundry tariffs are included under Schedule 2)

- Page 79-81 (Fire and Rescue Services)

- Deletion of tariffs relating to inspections on petroleum products.
- Deletion of spray booths, spray cubicles etc.
- Deletion of gas.
- Deletion of transport permit
- Deletion of fire equipment serviceman
- Deletion of fireworks – selling and distribution

Replace the above with the following:

“2.9 Kilometers of utility vehicles /km R15,00

5. Flammable liquids:

5.1	0-83 000 liters	R490,00
5.2	83 001 – 200 000 liters	R580,00
5.3	200 000 and more liters	R980,00

6. Transport permit for flammable substances:

6.1	600 kg – 6 000 kg	R200,00
6.2	6 001 kg – 11 000 kg	R250,00
6.3	11 000 kg – 30 000 kg	R300,00
6.4	30 001 kg and above	R350,00

7. Fire equipment serviceman R420,00”

- Page 87-89 (Rental of banquet hall)

“Point 1.3 increase deposit from R4 000,00 to R5 000,00.

Include personnel assistance where more than 500 people utilize the hall, per hour per official R220,00.

Amend rentable Council facilities for government department and political parties to be made available free of charge and that they be exempted from paying a deposit”.

- Page 93 (Civil Engineering Services)

Include under main service contribution (point 2):

“2.1	Water	/kl	R3 295,00
2.2	Sewerage	/kl	R1 120,00”

- Page 94 (Electrical Engineering Services)

Include under electrical connections (point 1):

“1.1	Prepayment meter single phase	R1 280,00
1.2	Conventional to PLC prepayment meter	R1 400,00
1.3	Prepayment meter three phase	R3 800,00
1.4	Ready boards, meter and test	R3 500,00
1.5	Connections not covered above	actual cost+admin fee + VAT”

- Page 94 –main service contributions

Include under point 2:

“2.4	Duet and subdivision per portion:	
	- Middelburg area	R36 400,00
	- Hendrina and similar areas	R30 980,00
2.5	Upgrade from single to three phase electrical connection:	
	- Middelburg area	R72 765,00
	- Hendrina and similar areas	R61 900,00

The above will be replaced subject to approval of the new policy for electrical engineering service contributions”.

- Page 96–consumer requests:

“7.1	Relocating street light poles	R1 500,00
7.2	Relocating stays on overhead line	R 980,00
7.3	Relocating serves connection stubby	R1 200,00
7.4	Request not covered above	actual cost + admin fee + VAT”

- Page 100–Physical Environment Development

“Point 4.4 – sewerage tank siphon services for properties in excess of a 61 kilometre radius amend amount of R2 335,00 to R4 650,00 and delete R130,00/hour + R17,30/km + admin fee + VAT”.

- Page 109–main service contribution fees for duet application:

“Point 22.4 – delete electrical of R27 400,00”.

Personnel posts

The municipality has introduced a new shift system for the electrical department to attend to after-hour problems as well as to reduce overtime. To allow for this shift system to operate efficiently, maximize the cost benefit, new electrician and artisan posts needed to be created.

Attached as Schedule 3 is the detail for these positions.

Coming to the essence of the annual budget, after considering all inputs additional revenue by means of proposed rates and tariff adjustments of R62,8-million had to be sought to balance the budget.

The proposed tariff adjustments to fully recover cost are:

- (i) An average increase in property rates of 4,95%.
- (ii) An average increase in sewerage tariffs of 6,35%.
- (iii) An average increase in the electricity tariffs of 7,39%

- (iv) An average increase in the refuse tariffs of 11,95%.

The refuse tariff is mainly affected by a high labour component, petrol price increases and increased vehicle maintenance cost due to the expansion of services to new areas. The pilot garden refuse removal project will be further rolled out to include Nasaret and Extension 24.

- (v) An average increase in the water tariffs of 13,4%.

A conservative approach was followed due to the decline of water consumption as a result of the water restrictions and high rain season. The water tariffs are influenced by above inflation increases due to an additional provision for purification costs, increased maintenance as a result of pipe bursts, increased cost in electricity to operate the plants and price increases in bulk water purchases for Hendrina/Kwazamokuhle.

The operating budget provides for total operating expenditure for the 2014/2015 financial year of R1,3-billion, in the 2015/2016 financial for R1,4-billion and R1,5-billion for the 2016/2017 financial year. For the previous financial year expenditure to the amount of R1-billion realized.

Employee-related costs increase with 4% from R330,8-million to R344,4-million and constitute 25% of operating expenditure.

Bulk purchases increase with 7,8% from R315,4-million to R340-million and constitute 25% of total operating expenditure.

General expenditure increases with R70,5-million from R311,7-million to R382,2-million and constitutes 28% of operating expenditure. Included in general expenditure for the 2014/2015 financial year is R79-million for the construction of RDP houses. If this provision is excluded general expenditure has decreased with R9,1-million.

The proposed capital expenditure for 2014/2015 amounts to R187,9-million, R236,2-million for the 2015/2016 financial year and an amount of R284-million for the 2016/2017 financial year.

This constitutes a total capital programme of R708-million over the next three (3) years of which R308,3-million is funded from external loans, R167,9-million from government grants and donations and the balance of R231,8-million from internal reserves.

The key capital expenditure in the proposed capital budget for 2014/2015 financial year is:

- R41,5-million for electricity infrastructural development
- R70,9-million for roads and storm water infrastructural development
- R15,9-million for water infrastructural development
- R14,4-million for sewerage purification and reticulation
- R25,8-million for community facilities and public safety
- R13,7-million for governance and administration
- R 4,9-million for waste management

Section 24(c)(iv) of the MFMA allow for the approving of charges to the approved IDP after taking into account the tabled budget inputs.

Considering the proposed amendments above, it is necessary to revise the Municipal Projects Schedule as contained under chapter 10 of the approved IDP to ensure alignment to the final approved budget.

The updated Municipal Projects Schedule is attached as **ANNEXURE C**.

It is recommended to Council:

1. **THAT** the multi-year annual budget of capital and operating expenditure for 2014/2015 and the indicated two outer years of 2015/2016 and 2016/2017 for the different votes be approved and adopted as set out by the following tables:
 - 1.1 Table A1 : Budget summary
 - 1.2 Table A2 : Budgeted financial performance
 - 1.3 Table A3 : Budget financial performance (municipal vote)
 - 1.4 Table A4 : Budget financial performance by revenue source and expenditure type
 - 1.5 Table A5 : Budgeted capital expenditure by vote
 - 1.6 Table A6 : Budgeted financial position
 - 1.7 Table A7 : Budgeted cash flows
 - 1.8 Table A8 : Cash backed reserves / accumulate surplus reconciliation
 - 1.9 Table A9 : Asset management
 - 1.10 Table A10 : Consolidated basic service delivery measurement
2. **THAT** in terms of section 75A of the Local Government Municipal Systems Act, 32 of 2000, interest be recovered on amounts outstanding for periods longer than thirty (30) days on all debtor accounts at a rate equal to the prime bank overdraft rate from the bank as applicable to the bank account of the Council from time to time.
3. **THAT**, in terms of section 75A of the Local Government Municipal Systems Act, 32 of 2000 and section 24 of the Local Government municipal Property Rates Act, 6 of 2004, approves and adopts with effect from 1 July 2014 that property tax be levied on the market value of all rateable properties subject to the allowed rebates, exemptions and reductions as follows:

3.1	Category	Rate Applicable	
3.1.1	Residential with the exclusion of the first R15 000 of assessed market value	0,89	cent in the Rand
3.1.2	Government owned residential with the exclusion of the first R15 000 of assessed market value	0,89	cent in the Rand
3.1.3	Residential – 2 nd dwelling	0,89	cent in the Rand
3.1.4	Government residential – 2 nd dwelling	0,89	cent in the Rand
3.1.5	Duets not subject to a sectional title scheme	0,89	cent in the Rand
3.1.6	Government duets not subject to sectional title scheme	0,89	cent in the Rand
3.1.7	Residential : home business	0,89	cent in the Rand
3.1.8	Vacant land earmarked for residential	1,34	cent in the Rand
3.1.9	Illegal usage	2,89	cent in the Rand
3.1.10	Accommodation establishments	1,11	cent in the Rand
3.1.11	Business and commercial including government owned	2,67	cent in the Rand
3.1.12	Industrial	2,23	cent in the Rand
3.1.13	Industrial special	1,96	cent in the Rand
3.1.14	Farms including agricultural small holdings used for agricultural/residential purposes	0,22	cent in the Rand
3.1.15	Farms including agricultural small holdings used for eco-tourism/trading in or hunting of game	1,34	cent in the Rand
3.1.16	Farms including agricultural small holdings used for business/commercial/ industrial purposes	2,67	cent in the Rand
3.1.17	Farm including agricultural small holdings used for any other than the specified purposes	0,22	cent in the Rand
3.1.18	Mining	3,56	cent in the Rand
3.1.19	Public benefits organisations	0,22	cent in the Rand
3.1.20	Schools including government owned/ school hostels	1,11	cent in the Rand
3.1.21	Multiple used premises according to major use:		
	Residential	0,89	cent in the Rand
	Commercial	2,67	cent in the Rand
	Industrial	2,23	cent in the Rand
	Accommodation establishment	1,11	cent in the Rand
	Mining	3,56	cent in the Rand
3.1.22	Privately owned roads / parks / sport grounds, subject to the stipulations of section 17(2)(b) of Act 6 of 2004, where applicable	0,89	cent in the Rand
3.1.23	Privately owned towns	0,22	cent in the Rand

3.2 Rebates in recognition of section 15(2) of Act 6 of 2004

3.2.1 That for all indigent households enlisted under the Council's indigent support and free basic services scheme property rates be fully discounted and the expenditure be recovered from the proportional equitable share payment to the Council by the South African National Treasury.

3.2.2 The following rebates be allowed on properties owned by pensioners, disability grantees and/or medically boarded based on their monthly income and which are categorized as residential subject to the conditions as stipulated in the property rates policy:

Qualifying applicants:

R0	to R 2 700,00	100% rebate on applicable tariff
R2 700,01	to R 5 400,00	70% rebate on applicable tariff
R5 400,01	to R 8 100,00	50% rebate on applicable tariff
R8 100,01	to R10 800,00	20% rebate on applicable tariff

3.2.3 That a rebate of 1,14 cent in the Rand be allowed for all property where a single property becomes divided (through subdivision or township establishment) into ten (10) or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost for a period of two (2) years from the date of registration of the subdivision or the proclamation of the township or for a shorter period until the newly created units are sold off or improved before expiry of the two (2) years period.

3.3 A phasing-in discount granted in terms of section 21 of Act 6 of 2004

3.3.1 That property rates on all newly rated property that had not previously been assessed and rated according to any valuation roll or supplementary valuation roll that applied to any area of the municipality in terms of previous legislation be phased in as follows:

- in the first financial year a rebate of 75%;
- in the second financial year a rebate of 50% of the rate;
- in the third financial year a rebate of 25% of the rate; and
- in the fourth financial year the full property tax will be payable without any rebate.

3.4 Exemptions from payment of a rate levied

3.4.1 That in terms of section 15(1)(a) of the MPRA, 6 of 2004 the following categories be exempted from payment of a rate levied on their property:

- 3.4.1.1 rateable property registered in the name of a welfare organization registered in terms of the National Welfare Act, 100 of 1978.
- 3.4.1.2 rateable property owned by public benefits organizations and used for any specific public benefit activity as listed in item 1,2 and 4 of part 1 of the ninth schedule to the Income Tax Act.
- 3.4.1.3 museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not as listed in section 6(a) and (b) of the ninth schedule to the Income Tax Act.
- 3.4.1.4 national monuments including ancillary business activities at national monuments as listed in section 6(a) and (b) of the ninth schedule to the Income Tax Act.
- 3.4.1.5 rateable property registered in the name of a trustee or trustees or any organization which is being maintained for the welfare of war veterans as defined in section 1 of the Social Aid Act (House of Assembly), 37 of 1989 and their families.
- 3.4.1.6 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport.
- 3.4.1.7 rateable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organization which is in the opinion of the municipality similar or any rateable property let by the municipality to any such organization.

- 3.4.1.8 rateable property registered in the name of a declared institution in terms of Cultural Institutions Act, 119 of 1998 as amended, promoting the cultural aims as defined in section 6(a) and (b) of the ninth schedule of the Income Tax Act.
- 3.4.1.9 properties in the “*municipal*” category unless a lease or sale agreement for such a property, or part thereof, exist.
- 3.4.1.10 on mineral rights within the meaning of paragraph (b) under “*property*” as per section 1 of Act 6 of 2004.
- 3.4.1.11 on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten (10) years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds.
- 3.4.1.12 on the first R15 000,00 of the market value of the property assigned in the valuation roll of a municipality to a category determined by the municipality:
- (i) for residential purposes including second dwellings and duets not subject to a sectional title scheme; or
 - (ii) for properties used for multiple purposes, provided one or more components of the property and which forms the major part of the property, are used for residential purposes.
- 3.4.1.13 on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.
- 3.4.1.14 on the first 30% of the market value of public service infrastructure.

3.4.1.15 on those parts of a special nature reserve, national park or national reserve with meaning of Protected Areas Act, or a national botanical garden within the meaning of National Management Biodiversity Act, 2004 which are not developed or used for commercial business, or residential agricultural purposes.

3.5 That all property rates as per paragraphs 3.1.1 to 3.1.23 above be subjected to Value Added Tax at a zero rate.

4. **THAT** the fees for drainage and sewerage as published under Notice 2/1985 in the Provincial Gazette on 31 July 1985, as amended and in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, 32 of 2000, be approved and adopted with effect from 1 July 2014 as follows:

4.1 **THAT** the departmental levy on sewerage be determined at R3,20 per kilolitre of measured sewerage water effluent.

4.2 That all levies for drainage and sewerage as per paragraph 5.2 below be subjected to Value Added Tax at full rate.

4.3 To have the present tariffs replaced by the following structure:

4.3.1 Monthly levy for developed residential erven

- | | |
|---|---------|
| (a) with a total area of up to 995m ² | R 80,30 |
| (b) with a total area exceeding 995m ²
up to 1500m ² | R175,50 |
| (c) with a total area exceeding 1500m ² | R232,50 |

4.3.2 Monthly levy on flats

- | | |
|--|---------|
| Per residential unit | R116,80 |
| 2 nd dwelling (single property) | R 87,60 |

4.3.3 Monthly levy on all church erven R232,50

4.3.4 Business and Industries

R6,60 per kilolitre metered pure water consumption per month

4.3.5 All undeveloped erven in private possession with access to the reticulation

An availability levy of R47,00 per erf per month

- 4.3.6 Agricultural societies and sport clubs not accommodated at the central sports grounds
- R5,65 per kilolitre of metered purified water consumption per month
- 4.3.7 Military basis, road camps and other similar properties
- R6,60 per kilolitre of metered purified water consumption per month
- 4.3.8 Industries and businesses where a great extent of the water consumption as determined by Council is taken up in the final product per kilolitre of the metered purified water consumption per month:
- | | |
|------------------------|--------------|
| 0 - 2000 kiloliters | R2,70 per kl |
| 2000 - 5000 kiloliters | R1,60 per kl |
| Above 5000 kiloliters | R0,80 per kl |
- 4.3.9 Hospitals, nursing homes under welfare care, schools and school hostels, nursery schools and day schools
- Monthly levies as follows:
- (a) Hospitals
- R232,50 for each three (3) beds or portion, continuously available and R232,50 for each ten (10) personnel or portion, residential or not.
- (b) Schools and school hostels (including nursery and day schools)
- R67,15 for each twenty (20) persons or portion thereof.
- (c) Nursing and maternity homes and welfare organisations
- As described by the National Welfare Act, 1978, and institutions controlled by welfare organizations.
- R109,50 for each ten(10) persons or portion thereof
- 4.3.10 Vergeet-My-Nie / Rivier Park flats
- R54,25 per flat per month
- 4.3.11 Formalized informal housing settlements with access to biological toilets per stand (unproclaimed township)
- R40,00 per month

4.3.12 Proclaimed rural townships/villages with biological toilets per stand

R40,00 per month

4.4 That for all indigent consumers enlisted under the Council's indigent support and free basic services scheme with the inclusion of all dwellings in the formalized informal housing settlements, no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable to Council by the South African National Treasury.

4.5 For all pensioners who applied and were approved for a rebate on assessment rates based on their monthly income, the same rebate be allowed on their respective residential sewerage tariffs, except Vergeet-My-Nie / Rivier Park flats:

4.5.1 Pensioners who qualify (residential)

R0	to R 2 700,00	100% rebate on applicable tariff
R2 700,01	to R 5 400,00	70% rebate on applicable tariff
R5 400,01	to R 8 100,00	50% rebate on applicable tariff
R8 100,01	to R10 800,00	20% rebate on applicable tariff

5. **THAT** the fees for the removal of solid waste (refuse), whether the service is delivered or not, as published under Notice No. 3/1985 in the Provincial Gazette of 31 July 1985, as amended and in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, 32 of 2000, approves and adopts with effect from 1 July 2014 as follows:

5.1 That the fees for the removal of solid waste as per paragraphs 5.2 to 5.4 and 5.6 to 5.8 below be subjected to Value Added Tax at the standard rate.

5.2 Tariff of charges

5.2.1 Section 1(1) occasional service

For a daily service per day per refuse bin R45,25

5.2.2 Housing refuse

Erven up to 995m² and erven exceeding 995m²

by substitution under item 1(1):
the amount of R87,40 with R97,80 and R125,10 by
R140,00

5.2.3 Flats

by substitution under item 1(2)(b)(i):
the amount of R112,30 with R125,70

5.2.4 Businesses: 1,1m³ mass container

by substitution under item 1(2)(b)(iii):
the amount of R3 151,40 with R3 528,00

5.2.5 Second dwelling

by inclusion under item 1(2)(b)(vi):
the amount of R94,25

5.2.6 Businesses: Bins

by substitution under item 1(3)(a):
the amount of R302,00 with R338,00

5.2.7 Businesses: 1,50m³ mass containers

by substitution under item 1(3)(b):
the amount of R3 151,40 with R3 528,00

5.2.8 Businesses: 1,75m³ mass containers

by substitution under item 1(3)(c):
the amount of R3 924,30 with R4 393,25

5.3 That the tariff for removal of solid waste (refuse) from the Vergeet-My-Nie / Rivier Park flats be increased from R42,60 per flat to R47,70 per flat per month.

5.4 That formalized informal housing settlements (unproclaimed townships) under 1(2)(b)(v) by substitution R43,80 per stand per month with R49,00 per stand per month.

5.5 That the departmental levy for removal of solid waste (refuse) be amended as follows:

per refuse bin	R 109,65
per mass container	R1 801,55

5.6 That proclaimed rural villages under 1(2)(b)(v) by substitution R43,80 per stand per month with R49,00 per stand per month.

5.7 That the static compactor levy for removal of refuse be introduced as follows:

up to 15m ³ per month	R7 798,45
up to 11m ³ per month	R6 238,75
up to 10m ³ per month	R5 718,85

5.8 That additional static compactor removals more than four (4) times per month be introduced as follows:

up to 15m ³ per month per removal	R1 949,60
up to 11m ³ per month per removal	R1 559,70
up to 10m ³ per month per removal	R1 429,70

5.9 That for all indigent consumers enlisted under the Council's indigent support and free basic services scheme of all dwellings in the formalized informal housing settlement no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable to Council by the South African National Treasury.

5.10 That for all pensioners who applied and were approved for a rebate on assessment rates based on their monthly income, the same rebate be allowed on their respective refuse levies, except for Vergeet-My-Nie and Rivier Park flats:

5.10.1 Pensioners who qualify (residential)

monthly income

R0	to R 2 700,00	100% rebate on applicable tariff
R2 700,01	to R 5 400,00	70% rebate on applicable tariff
R5 400,01	to R 8 100,00	50% rebate on applicable tariff
R8 100,01	to R10 800,00	20% rebate on applicable tariff

6. **THAT** the fees for water supply as published under Notice Number 31/1986 in the Provincial Gazette of 10 September 1986, as amended and in terms of section 75A of the Local Government Municipal Systems Act, 32 of 2000, approves and adopts with effect from 1 July 2014 as follows:

6.1 That the fees for water supply as per paragraphs 6.2.1 to 6.2.6 and 6.2.7 below be subjected to Value Added Tax at standard rate.

6.2 By replacing the present tariffs by the following tariff structure:

6.2.1 All residential, single flats, church sites and residential units in group housing complexes:

(a) Where working meters were installed for metered purified water consumptions per month:

For the first six (6) kiloliters	Free
----------------------------------	------

Above six (6) to ten (10) kiloliters	R6,03 per kl
Above ten (10) to forty (40) kiloliters	R7,85 per kl
Above forty (40) kiloliters	R8,35 per kl

- (b) Erven without working water meters which are developed and occupied:

A monthly fixed levy of R63,00 per erf per month

- 6.2.2 All undeveloped erven with access to the reticulation network

An availability levy of R34,00 per month

- 6.2.3 All businesses and industries, school and school hostel sites (including nursery schools and day schools)

All monthly metered consumption of purified water at R 6,21 per kilolitre.

- 6.2.4 Supply of raw water in all cases

Per metered monthly consumption at R5,93 per kilolitre

- 6.2.5 Purified water outside Council's distribution areas

According to monthly metered consumption at R8,47 per kilolitre

- 6.2.6 That the levy for purified effluent be determined at R1,65 cent per kilolitre

- 6.2.7 That the departmental levy for purified water be determined at R2,35 per kilolitre

- 6.3 That for all indigent residential households enlisted under the Council's indigent support and free basic services scheme an additional four (4) kiloliters besides the first six (6) kiloliters of monthly consumption to a total of 10 kiloliters of monthly consumption be supplied free of charge and the total cost of the consumption between six (6) and up to ten (10) kiloliters be recovered from the proportional equitable share payable to Council by the South African National Treasury.

7. **THAT** the electricity tariffs for the 2014/2015 financial year be approved in that the Determination of Fees for the Supply of Electricity, promulgated under Notice No. 38 of the Provincial Gazette of 26 January 1996, in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, of 2000, approves and adopts with effect from 1 July 2014 as follows:

- 7.1 That the fees levied for electricity as per paragraphs 7.1.1 to 7.1.10 and paragraphs 7.1.13 to 7.1.14 below be subjected to Value Added Tax at the standard rate.

7.1.1 Domestic residential indigent consumers

These tariffs are applicable to all residential indigent consumers with an ampere capacity limited to 20A per phase.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
(i) Energy charge (kWh)	0,00	0,00
(ii) Block 1 – 50 kWh	71,90	76,21
(iii) Block 51 – 350 kWh	91,40	96,88

Free basic electricity to a maximum of 50 kWh per month applies to registered indigent consumers.

Where more than 350 kWh is consumed during a month, the same tariff will be applied as for other domestic residential consumers.

7.1.2 Domestic residential consumers

These tariffs are available to all residential consumers with a single or three phase connection with an ampere capacity of up to 80A per phase. This tariff consists out of a fixed and energy charge. The tariff is based on the inclining block principle, that is, the more units used, the higher the rate becomes.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge whether electricity is consumed or not, per month or part thereof per point of supply. The amount is charged once per month.		
(i) Single phase	45,00	48,00
(ii) Three phase	60,00	65,00
	c/kWh	c/kWh
Energy charge		
(i) Block 1 – 50 kWh	72,24	77,58
(ii) Block 51 – 350 kWh	96,11	103,21
(iii) Block 351 – 600 kWh	113,46	121,84
(iv) Block > 600 kWh	127,70	137,14

7.1.3 Domestic residential consumers (lifeline)

This is a new tariff structure and is available to all residential consumers with a single or three phase connection with an ampere capacity of up to 40A per phase with no fixed charge. This tariff consists only out of an energy charge and will suite low to medium consumption residential consumers. The tariff is based on the inclining principle, that is, the more units used, the higher the rate becomes.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
(i) Block 1 – 50 kWh	80,24	86,17
(ii) Block 51 – 350 kWh	108,64	116,67
(iii) Block 351 – 600 kWh	116,11	124,69
(iv) Block > 600 kWh	128,82	138,34

7.1.4 Business, industrial & general consumers

These tariffs are applicable to all business, industrial and general consumers with a single and/or three phase connection with a capacity of up to 80A per phase.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A capacity charge whether electricity is consumed or not, per ampere of supply capacity, per month, per point of supply or part thereof		
(i) Single phase	13,50	14,50
(ii) Three phase	38,00	40,81
	c/kWh	c/kWh
Energy charge	80,90	86,88

7.1.5 Business lifeline consumers

These tariffs are applicable to all business lifeline consumers with a single phase connection with a capacity of up to 40A per phase. This tariff has no capacity charge.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
Energy charge kWh	123,00	132,09

7.1.6 Bulk consumers - low voltage three phase demand scale (Time of Use)

These tariffs are applicable to all bulk consumers metered at low voltage with an annual average metered load with a capacity higher than 80A per phase.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge, whether electricity is consumed or not per point of supply (meter point)	1 450,00	1 558,00
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	34,76	37,33
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	18,32	19,67
	c/kWh	c/kWh
An active energy charge for all kWh consumers (kWh)		
(i) High demand season (June, July, August)		
▪ Peak	263,21	282,66
▪ Standard	100,62	108,05
▪ Off-peak	53,82	57,80
(ii) Low demand season (September to May)		
▪ Peak	110,90	119,10
▪ Standard	68,01	73,04
▪ Off-peak	47,59	51,11
Reactive energy charge (kVA)		
High demand season (June – August)	16,66	17,89

7.1.7 Bulk consumers – 11 000 Volt three phase demand scale (Time of Use)

These tariffs are applicable to all bulk consumers metered at medium voltage where electricity is supplied at 11 000 V.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge whether electricity is consumed or not, per point of supply (meter point)	2 420,00	2 599,00
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	33,12	35,57
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	17,45	18,74

7.1.7 Bulk consumers – 11 000 Volt three phase demand scale (Time of Use)

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
An active energy charge for all consumers (kWh)		
(i) High demand season (June, July, August)		
▪ Peak	234,87	252,23
▪ Standard	93,77	100,70
▪ Off-peak	50,16	53,87
(ii) Low demand season (September to May)		
▪ Peak	103,54	111,19
▪ Standard	63,50	68,19
▪ Off-peak	44,43	47,71
Reactive energy charge (kVA)		
High demand season (June – August)	15,87	17,04

Note:

For the purpose of time of use tariffs the defined daily time of use period throughout the year are:

Peak hours:

- | | |
|----------------|--------------------------------|
| (i) Weekdays | 07:01 – 10:00
18:01 – 20:00 |
| (ii) Saturdays | None |
| (iii) Sundays | None |

Standard hours:

- | | |
|----------------|--------------------------------|
| (i) Weekdays | 06:01 – 07:00
10:01 – 18:00 |
| (ii) Saturdays | 07:01 – 12:00
18:01 – 20:00 |
| (iii) Sundays | None |

Off-peak hours:

- | | |
|----------------|--------------------------------|
| (i) Weekdays | 22:01 – 06:00 |
| (ii) Saturdays | 12:01 – 18:00
20:01 – 07:00 |
| (iii) Sundays | 00:00 – 24:00 |

The Director Electrical Engineering Services may impose a specific minimum load requirement for qualification for time of use tariff scales.

7.1.8 Other bulk consumers

This tariff is only available to specific consumers as approved by Council resolution due to special circumstances. The following charges will be payable:

kWh peak	-	equal to Eskom megaflex tariff structure plus 10%
kWh standard	-	equal to Eskom megaflex tariff structure plus 10%
kWh off-peak	-	equal to Eskom megaflex tariff structure plus 3%
kVA r h	-	equal to Eskom megaflex tariff structure

7.1.9 Street light and traffic light consumption

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
Energy charge kWh	113,65	122,05

7.1.10 Departmental levies & sport clubs

This tariff is applicable to all municipal buildings, levies and sport clubs. Where time of use meters are installed the applicable tariffs as per the time of use categories as determined will apply.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
Energy charge kWh	113,65	122,05

7.1.11 Other charges

This tariff is applicable to all undeveloped erven with access to the reticulation network.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge per month or part thereof	85,00	92,00

7.1.12 **Schools & welfare organizations** - low voltage three phase demand scale
(Time of Use)

This is a new tariff structure and applicable to schools and welfare organizations metered at low voltage with an annual average metered load with a capacity higher than 80A per phase.

Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge, whether electricity is consumed or not per point of supply (meter point)	1 088,00	1 168,00
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	26,07	28,00
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	13,74	14,75
	c/kWh	c/kWh
An active energy charge for all kWh consumers (kWh)		
(i) High demand season (June, July, August)		
▪ Peak	197,41	212,00
▪ Standard	75,46	81,04
▪ Off-peak	40,37	43,35
(ii) Low demand season (September to May)		
▪ Peak	83,17	89,32
▪ Standard	51,01	54,78
▪ Off-peak	35,69	38,33
Reactive energy charge (kVA)		
High demand season (June – August)	12,49	13,41

7.1.13 **Schools & welfare organizations** – 11 000 Volt three phase demand scale
(Time of Use)

This is a new tariff structure and applicable to schools and welfare organizations metered at medium voltage where electricity is supplied at 11 000 V.

Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge whether electricity is consumed or not, per point of supply (meter point)	1 840,00	1 976,00

7.1.13 **Schools & welfare organizations** – 11 000 Volt three phase demand scale
(Time of Use)

PRESENT	PROPOSED
----------------	-----------------

	2013/2014	2014/2015
	c/kWh	c/kWh
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	25,17	27,03
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	13,26	14,24
An active energy charge for all consumers (kWh)		
(i) High demand season (June, July, August)		
▪ Peak	178,50	191,69
▪ Standard	71,27	76,54
▪ Off-peak	38,12	40,94
(ii) Low demand season (September to May)		
▪ Peak	78,69	84,50
▪ Standard	48,26	51,83
▪ Off-peak	33,77	36,26
Reactive energy charge (kVA)		
High demand season (June – August)	12,06	12,57

Note:

For the purpose of time of use tariffs the defined daily time of use period throughout the year are:

Peak hours:

- | | |
|----------------|--------------------------------|
| (i) Weekdays | 07:01 – 10:00
18:01 – 20:00 |
| (ii) Saturdays | None |
| (iii) Sundays | None |

Standard hours:

- | | |
|----------------|--------------------------------|
| (i) Weekdays | 06:01 – 07:00
10:01 – 18:00 |
| (ii) Saturdays | 07:01 – 12:00
18:01 – 20:00 |
| (iii) Sundays | None |

Off-peak hours:

- | | |
|----------------|--------------------------------|
| (i) Weekdays | 22:01 – 06:00 |
| (ii) Saturdays | 12:01 – 18:00
20:01 – 07:00 |
| (iii) Sundays | 00:00 – 24:00 |

The Director Electrical Engineering Services may impose a specific minimum load requirement for qualification for time of use tariff scales.

7.1.14 Schools & welfare organizations

This is a new tariff structure and applicable to all schools and welfare organizations with a single and/or three phase connection with a capacity of up to 80A per phase.

Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure. This tariff has no capacity charge.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
Energy charge kWh	91,71	98,49

8. **THAT** in terms of section 75A of the Local Government Municipal Systems Act, 32 of 2000, the adjusted sundry tariffs, Value Added Tax inclusive, as reflected in the comments of the various Heads of Departments under Schedule 2be approved and adopted for implementation with effect from 1 July 2014.
9. **THAT** a rate of R150,00 per day be approved for temporary workers unless otherwise specified in the personnel budget and/or human resources policies.
10. **THAT** the new personnel posts under Schedule 3 be approved and be filled with effect from 1 July 2014.
11. **THAT** the following budget-related policies as amended be approved and adopted for implementation from 1 July 2014:
 - 11.1 Budget policy.
 - 11.2 Free basic services and indigent support policy.
 - 11.3 Petty cash policy.
 - 11.4 Property rates policy.
 - 11.5 Supply chain management policy.
 - 11.6 Tariff policy.
 - 11.7 Travelling and subsistence policy.
 - 11.8 Unclaimed monies policy

12. **THAT** the following unchanged budget-related policies be noted and be approved and adopted for implementation from 1 July 2014:
 - 12.1 Asset management policy.
 - 12.2 Blacklisting policy.
 - 12.3 Borrowing policy.
 - 12.4 Funding and reserves policy.
 - 12.6 Impairment of debtors and write-off policy.
 - 12.7 Investment and surplus funds policy.
 - 12.8 Short term risks and liabilities policy.
13. **THAT** the credit control and debt collection policy be approved and be implemented subject to the promulgation of the credit control by-laws.
14. **THAT** the measurable performance objectives for revenue from each source as per table A4 be approved and adopted for the 2014/2015 budget year.
15. **THAT** the approved budget in both printed and electronic formats be submitted to National and Provincial Treasury.
16. **THAT** the approved budget be placed on the municipal website within five (5) working days from approval.
17. **THAT** the approved budget and supporting documentation with Council resolution be made public in terms of section 21(A) of the Municipal Systems Act, 32 of 2000 within ten (10) working days after Council approval.
18. That the resolution approving the cent in the rand for property rates in respect of each category of property and rebates be published in the provincial gazette in terms of section 14(e) of the Property Rates Act.
19. That the resolution levying rates conspicuously be displayed on the municipal website and at the municipal satellite office and libraries.
20. That the Amended Municipal Projects Schedule attached as **ANNEXURE C** be approved and it be included in the 2014/2015 IDP document under chapter 10.

**MINUTES OF A SPECIAL MEETING OF THE
COUNCIL HELD IN THE COUNCIL CHAMBER,
MUNICIPAL BUILDINGS, MIDDELBURG, MPUMALANGA ON
THURSDAY, 29 MAY 2014 AT 17:05**

SC31/05/2014

**FINANCES : ANNUAL BUDGET FOR THE 2014/2015 TO 2016/2017 FINANCIAL
YEARS**

5/1/1/8 (B)

RESOLVED BY COUNCIL

1. **THAT** the multi-year annual budget of capital and operating expenditure for 2014/2015 and the indicated two outer years of 2015/2016 and 2016/2017 for the different votes be approved and adopted as set out by the following tables:

1.1 Table A1 : Budget summary

1.2 Table A2 : Budgeted financial performance

1.3 Table A3 : Budget financial performance (municipal vote)

1.4 Table A4 : Budget financial performance by revenue source and expenditure type

1.5 Table A5 : Budgeted capital expenditure by vote

1.6 Table A6 : Budgeted financial position

1.7 Table A7 : Budgeted cash flows

1.8 Table A8 : Cash backed reserves / accumulate surplus reconciliation

1.9 Table A9 : Asset management

1.10 Table A10 : Consolidated basic service delivery measurement

2. **THAT** in terms of section 75A of the Local Government Municipal Systems Act, 32 of 2000, interest be recovered on amounts outstanding for periods longer than thirty (30) days on all debtor accounts at a rate equal to the prime bank overdraft rate from the bank as applicable to the bank account of the Council from time to time.

3. **THAT**, in terms of section 75A of the Local Government Municipal Systems Act, 32 of 2000 and section 24 of the Local Government municipal Property Rates Act, 6 of 2004, approves and adopts with effect from 1 July 2014 that property tax be levied on the market value of all rateable properties subject to the allowed rebates, exemptions and reductions as follows:

3.1	Category	Rate Applicable
3.1.1	Residential with the exclusion of the first R15 000 of assessed market value	0,89 cent in the Rand

3.1.2	Government owned residential with the exclusion of the first R15 000 of assessed market value	0,89	cent in the Rand
3.1.3	Residential – 2 nd dwelling	0,89	cent in the Rand
3.1.4	Government residential – 2 nd dwelling	0,89	cent in the Rand
3.1.5	Duets not subject to a sectional title scheme	0,89	cent in the Rand
3.1.6	Government duets not subject to sectional title scheme	0,89	cent in the Rand
3.1.7	Residential : home business	0,89	cent in the Rand
3.1.8	Vacant land earmarked for residential	1,34	cent in the Rand
3.1.9	Illegal usage	2,89	cent in the Rand
3.1.10	Accommodation establishments	1,11	cent in the Rand
3.1.11	Business and commercial including government owned	2,67	cent in the Rand
3.1.12	Industrial	2,23	cent in the Rand
3.1.13	Industrial special	1,96	cent in the Rand
3.1.14	Farms including agricultural small holdings used for agricultural/residential purposes	0,22	cent in the Rand
3.1.15	Farms including agricultural small holdings used for eco-tourism/trading in or hunting of game	1,34	cent in the Rand
3.1.16	Farms including agricultural small holdings used for business/commercial/ industrial purposes	2,67	cent in the Rand
3.1.17	Farm including agricultural small holdings used for any other than the specified purposes	0,22	cent in the Rand
3.1.18	Mining	3,56	cent in the Rand
3.1.19	Public benefits organisations	0,22	cent in the Rand
3.1.20	Schools including government owned/ school hostels	1,11	cent in the Rand
3.1.21	Multiple used premises according to major use:		
	Residential	0,89	cent in the Rand
	Commercial	2,67	cent in the Rand
	Industrial	2,23	cent in the Rand
	Accommodation establishment	1,11	cent in the Rand
	Mining	3,56	cent in the Rand
3.1.22	Privately owned roads / parks / sport grounds, subject to the stipulations of section 17(2)(b) of Act 6 of 2004, where applicable	0,89	cent in the Rand
3.1.23	Privately owned towns	0,22	cent in the Rand

3.2 Rebates in recognition of section 15(2) of Act 6 of 2004

3.2.1 That for all indigent households enlisted under the Council's indigent support and free basic services scheme property rates be fully discounted and the expenditure be recovered from the

proportional equitable share payment to the Council by the South African National Treasury.

- 3.2.2 The following rebates be allowed on properties owned by pensioners, disability grantees and/or medically boarded based on their monthly income and which are categorized as residential subject to the conditions as stipulated in the property rates policy:

Qualifying applicants:

R0	to R 2 700,00	100% rebate on applicable tariff
R2 700,01	to R 5 400,00	70% rebate on applicable tariff
R5 400,01	to R 8 100,00	50% rebate on applicable tariff
R8 100,01	to R10 800,00	20% rebate on applicable tariff

- 3.2.3 That a rebate of 1,14 cent in the Rand be allowed for all property where a single property becomes divided (through subdivision or township establishment) into ten (10) or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost for a period of two (2) years from the date of registration of the subdivision or the proclamation of the township or for a shorter period until the newly created units are sold off or improved before expiry of the two (2) years period.

3.3 A phasing-in discount granted in terms of section 21 of Act 6 of 2004

- 3.3.1 That property rates on all newly rated property that had not previously been assessed and rated according to any valuation roll or supplementary valuation roll that applied to any area of the municipality in terms of previous legislation be phased in as follows:

- (i) in the first financial year a rebate of 75%;
- (ii) in the second financial year a rebate of 50% of the rate;
- (iii) in the third financial year a rebate of 25% of the rate; and
- (iv) in the fourth financial year the full property tax will be payable without any rebate.

3.4 Exemptions from payment of a rate levied

- 3.4.1 That in terms of section 15(1)(a) of the MPRA, 6 of 2004 the following categories be exempted from payment of a rate levied on their property:

3.4.1.1 rateable property registered in the name of a welfare organization registered in terms of the National Welfare Act, 100 of 1978.

3.4.1.2 rateable property owned by public benefits organizations and used for any specific public benefit

activity as listed in item 1,2 and 4 of part 1 of the ninth schedule to the Income Tax Act.

- 3.4.1.3 museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not as listed in section 6(a) and (b) of the ninth schedule to the Income Tax Act.
- 3.4.1.4 national monuments including ancillary business activities at national monuments as listed in section 6(a) and (b) of the ninth schedule to the Income Tax Act.
- 3.4.1.5 rateable property registered in the name of a trustee or trustees or any organization which is being maintained for the welfare of war veterans as defined in section 1 of the Social Aid Act (House of Assembly), 37 of 1989 and their families.
- 3.4.1.6 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport.
- 3.4.1.7 rateable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voor-trekkers or any organization which is in the opinion of the municipality similar or any rateable property let by the municipality to any such organization.
- 3.4.1.8 rateable property registered in the name of a declared institution in terms of Cultural Institutions Act, 119 of 1998 as amended, promoting the cultural aims as defined in section 6(a) and (b) of the ninth schedule of the Income Tax Act.
- 3.4.1.9 properties in the "*municipal*" category unless a lease or sale agreement for such a property, or part thereof, exist.
- 3.4.1.10 on mineral rights within the meaning of paragraph (b) under "*property*" as per section 1 of Act 6 of 2004.
- 3.4.1.11 on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten (10) years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- 3.4.1.12 on the first R15 000,00 of the market value of the property assigned in the valuation roll of a municipality to a category determined by the municipality:

(i) for residential purposes including second dwellings and duets not subject to a sectional title scheme; or

(ii) for properties used for multiple purposes, provided one or more components of the property and which forms the major part of the property, are used for residential purposes.

3.4.1.13 on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

3.4.1.14 on the first 30% of the market value of public service infrastructure.

3.4.1.15 on those parts of a special nature reserve, national park or national reserve with meaning of Protected Areas Act, or a national botanical garden within the meaning of National Management Biodiversity Act, 2004 which are not developed or used for commercial business, or residential agricultural purposes.

3.5 That all property rates as per paragraphs 3.1.1 to 3.1.23 above be subjected to Value Added Tax at a zero rate.

4. **THAT** the fees for drainage and sewerage as published under Notice 2/1985 in the Provincial Gazette on 31 July 1985, as amended and in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, 32 of 2000, be approved and adopted with effect from 1 July 2014 as follows:

4.1 That the departmental levy on sewerage be determined at R3,20 per kilolitre of measured sewerage water effluent.

4.2 That all levies for drainage and sewerage as per paragraph 5.2 below be subjected to Value Added Tax at full rate.

4.3 To have the present tariffs replaced by the following structure:

4.3.1 Monthly levy for developed residential erven

(a) with a total area of up to 995m² R 80,30

(b) with a total area exceeding 995m²
up to 1500m² R175,50

(c) with a total area exceeding 1500m² R232,50

4.3.2 Monthly levy on flats

Per residential unit R116,80

2nd dwelling (single property) R 87,60

- 4.3.3 Monthly levy on all church erven R232,50
- 4.3.4 Business and Industries
R6,60 per kilolitre metered pure water consumption per month
- 4.3.5 All undeveloped erven in private possession with access to the reticulation
An availability levy of R47,00 per erf per month
- 4.3.6 Agricultural societies and sport clubs not accommodated at the central sports grounds
R5,65 per kilolitre of metered purified water consumption per month
- 4.3.7 Military basis, road camps and other similar properties
R6,60 per kilolitre of metered purified water consumption per month
- 4.3.8 Industries and businesses where a great extent of the water consumption as determined by Council is taken up in the final product per kilolitre of the metered purified water consumption per month:
- | | |
|------------------------|--------------|
| 0 - 2000 kiloliters | R2,70 per kl |
| 2000 - 5000 kiloliters | R1,60 per kl |
| Above 5000 kiloliters | R0,80 per kl |
- 4.3.9 Hospitals, nursing homes under welfare care, schools and school hostels, nursery schools and day schools

Monthly levies as follows:

(a) Hospitals

R232,50 for each three (3) beds or portion, continuously available and R232,50 for each ten (10) personnel or portion, residential or not.

(b) Schools and school hostels (including nursery and day schools)

R67,15 for each twenty (20) persons or portion thereof.

(c) Nursing and maternity homes and welfare organisations

As described by the National Welfare Act, 1978, and institutions controlled by welfare organizations.

R109,50 for each ten(10) persons or portion thereof

4.3.10 Vergeet-My-Nie / Rivier Park flats

R54,25 per flat per month

4.3.11 Formalized informal housing settlements with access to biological toilets per stand (unproclaimed township)

R40,00 per month

4.3.12 Proclaimed rural townships/villages with biological toilets per stand

R40,00 per month

4.4 That for all indigent consumers enlisted under the Council's indigent support and free basic services scheme with the inclusion of all dwellings in the formalized informal housing settlements, no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable to Council by the South African National Treasury.

4.5 For all pensioners who applied and were approved for a rebate on assessment rates based on their monthly income, the same rebate be allowed on their respective residential sewerage tariffs, except Vergeet-My-Nie / Rivier Park flats:

4.5.1 Pensioners who qualify (residential)

R0	to R 2 700,00	100% rebate on applicable tariff
R2 700,01	to R 5 400,00	70% rebate on applicable tariff
R5 400,01	to R 8 100,00	50% rebate on applicable tariff
R8 100,01	to R10 800,00	20% rebate on applicable tariff

5. **THAT** the fees for the removal of solid waste (refuse), whether the service is delivered or not, as published under Notice No. 3/1985 in the Provincial Gazette of 31 July 1985, as amended and in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, 32 of 2000, approves and adopts with effect from 1 July 2014 as follows:

5.1 That the fees for the removal of solid waste as per paragraphs 5.2 to 5.4 and 5.6 to 5.8 below be subjected to Value Added Tax at the standard rate.

5.2 Tariff of charges

5.2.1 Section 1(1) occasional service

For a daily service per day per refuse bin R45,25

5.2.2 Housing refuse

Erven up to 995m² and erven exceeding 995m²

by substitution under item 1(1):

the amount of R87,40 with R97,80 and R125,10 by R140,00

5.2.3 Flats

by substitution under item 1(2)(b)(i):
the amount of R112,30 with R125,70

5.2.4 Businesses: 1,1m³ mass container

by substitution under item 1(2)(b)(iii):
the amount of R3 151,40 with R3 528,00

5.2.5 Second dwelling

by inclusion under item 1(2)(b)(vi):
the amount of R94,25

5.2.6 Businesses: Bins

by substitution under item 1(3)(a):
the amount of R302,00 with R338,00

5.2.7 Businesses: 1,50m³ mass containers

by substitution under item 1(3)(b):
the amount of R3 151,40 with R3 528,00

5.2.8 Businesses: 1,75m³ mass containers

by substitution under item 1(3)(c):
the amount of R3 924,30 with R4 393,25

5.3 That the tariff for removal of solid waste (refuse) from the Vergeet-My-Nie / Rivier Park flats be increased from R42,60 per flat to R47,70 per flat per month.

5.4 That formalized informal housing settlements (unproclaimed townships) under 1(2)(b)(v) by substitution R43,80 per stand per month with R49,00 per stand per month.

5.5 That the departmental levy for removal of solid waste (refuse) be amended as follows:

per refuse bin	R 109,65
per mass container	R1 801,55

5.6 That proclaimed rural villages under 1(2)(b)(v) by substitution R43,80 per stand per month with R49,00 per stand per month.

5.7 That the static compactor levy for removal of refuse be introduced as follows:

up to 15m ³ per month	R7 798,45
up to 11m ³ per month	R6 238,75
up to 10m ³ per month	R5 718,85

5.8 That additional static compactor removals more than four (4) times per month be introduced as follows:

up to 15m ³ per month per removal	R1 949,60
up to 11m ³ per month per removal	R1 559,70
up to 10m ³ per month per removal	R1 429,70

5.9 That for all indigent consumers enlisted under the Council's indigent support and free basic services scheme of all dwellings in the formalized informal housing settlement no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable to Council by the South African National Treasury.

5.10 That for all pensioners who applied and were approved for a rebate on assessment rates based on their monthly income, the same rebate be allowed on their respective refuse levies, except for Vergeet-My-Nie and Rivier Park flats:

5.10.1 Pensioners who qualify (residential)

monthly income

R0	to R 2 700,00	100% rebate on applicable tariff
R2 700,01	to R 5 400,00	70% rebate on applicable tariff
R5 400,01	to R 8 100,00	50% rebate on applicable tariff
R8 100,01	to R10 800,00	20% rebate on applicable tariff

6. **THAT** the fees for water supply as published under Notice Number 31/1986 in the Provincial Gazette of 10 September 1986, as amended and in terms of section 75A of the Local Government Municipal Systems Act, 32 of 2000, approves and adopts with effect from 1 July 2014 as follows:

6.1 That the fees for water supply as per paragraphs 6.2.1 to 6.2.6 and 6.2.7 below be subjected to Value Added Tax at standard rate.

6.2 By replacing the present tariffs by the following tariff structure:

6.2.1 All residential, single flats, church sites and residential units in group housing complexes:

(a) Where working meters were installed for metered purified water consumptions per month:

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R6,03 per kl
Above ten (10) to forty (40) kiloliters	R7,85 per kl
Above forty (40) kiloliters	R8,35 per kl

(b) Erven without working water meters which are developed and occupied:

A monthly fixed levy of R63,00 per erf per month

6.2.2 All undeveloped erven with access to the reticulation network

An availability levy of R34,00 per month

6.2.3 All businesses and industries, school and school hostel sites (including nursery schools and day schools)

All monthly metered consumption of purified water at R 6,21per kilolitre.

6.2.4 Supply of raw water in all cases

Per metered monthly consumption at R5,93 per kilolitre

6.2.5 Purified water outside Council's distribution areas

According to monthly metered consumption at R8,47 per kilolitre

6.2.6 That the levy for purified effluent be determined at R1,65 cent per kilolitre

6.2.7 That the departmental levy for purified water be determined at R2,35 per kilolitre

6.3 That for all indigent residential households enlisted under the Council's indigent support and free basic services scheme an additional four (4) kiloliters besides the first six (6) kiloliters of monthly consumption to a total of 10 kiloliters of monthly consumption be supplied free of charge and the total cost of the consumption between six (6) and up to ten (10) kiloliters be recovered from the proportional equitable share payable to Council by the South African National Treasury.

7. **THAT** the electricity tariffs for the 2014/2015 financial year be approved in that the Determination of Fees for the Supply of Electricity, promulgated under Notice No. 38 of the Provincial Gazette of 26 January 1996, in terms of the stipulations of section 75A of the Local Government Municipal Systems Act, of 2000, approves and adopts with effect from 1 July 2014 as follows:

7.1 That the fees levied for electricity as per paragraphs 7.1.1 to 7.1.10 and paragraphs 7.1.13 to 7.1.14 below be subjected to Value Added Tax at the standard rate.

7.1.1 Domestic residential indigent consumers

These tariffs are applicable to all residential indigent consumers with an ampere capacity limited to 20A per phase.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
(i) Energy charge (kWh)	0,00	0,00
(ii) Block 1 – 50 kWh	71,90	76,21
(iii) Block 51 – 350 kWh	91,40	96,88

Free basic electricity to a maximum of 50 kWh per month applies to registered

indigent consumers.

Where more than 350 kWh is consumed during a month, the same tariff will be applied as for other domestic residential consumers.

7.1.2 Domestic residential consumers

These tariffs are available to all residential consumers with a single or three phase connection with an ampere capacity of up to 80A per phase. This tariff consists out of a fixed and energy charge. The tariff is based on the inclining block principle, that is, the more units used, the higher the rate becomes.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge whether electricity is consumed or not, per month or part thereof per point of supply. The amount is charged once per month.		
(i) Single phase	45,00	48,00
(ii) Three phase	60,00	65,00
	c/kWh	c/kWh
Energy charge		
(iii) Block 1 – 50 kWh	72,24	77,58
(iv) Block 51 – 350 kWh	96,11	103,21
(v) Block 351 – 600 kWh	113,46	121,84
(vi) Block > 600 kWh	127,70	137,14

7.1.3 Domestic residential consumers (lifeline)

This is a new tariff structure and is available to all residential consumers with a single or three phase connection with an ampere capacity of up to 40A per phase with no fixed charge. This tariff consists only out of an energy charge and will suite low to medium consumption residential consumers. The tariff is based on the inclining principle, that is, the more units used, the higher the rate becomes.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
(i) Block 1 – 50 kWh	80,24	86,17
(ii) Block 51 – 350 kWh	108,64	116,67
(iii) Block 351 – 600 kWh	116,11	124,69
(iv) Block > 600 kWh	128,82	138,34

7.1.4 Business, industrial & general consumers

These tariffs are applicable to all business, industrial and general consumers with a single and/or three phase connection with a capacity of up to 80A per phase.

PRESENT 2013/2014	PROPOSED 2014/2015
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	R	R
A capacity charge whether electricity is consumed or not, per ampere of supply capacity, per month, per point of supply or part thereof		
(i) Single phase	13,50	14,50
(ii) Three phase	38,00	40,81
	c/kWh	c/kWh
Energy charge	80,90	86,88

7.1.5 Business lifeline consumers

These tariffs are applicable to all business lifeline consumers with a single phase connection with a capacity of up to 40A per phase. This tariff has no capacity charge.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
Energy charge kWh	123,00	132,09

7.1.6 Bulk consumers - low voltage three phase demand scale (Time of Use)

These tariffs are applicable to all bulk consumers metered at low voltage with an annual average metered load with a capacity higher than 80A per phase.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge, whether electricity is consumed or not per point of supply (meter point)	1 450,00	1 558,00
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	34,76	37,33
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	18,32	19,67
	c/kWh	c/kWh
An active energy charge for all kWh consumers (kWh)		
(i) High demand season (June, July, August)		
(v) Peak	263,21	282,66
(vi) Standard	100,62	108,05
(vii) Off-peak	53,82	57,80
(ii) Low demand season (September to May)		
(viii) Peak	110,90	119,10
(ix) Standard	68,01	73,04
(x) Off-peak	47,59	51,11
Reactive energy charge (kVA)		
High demand season (June – August)	16,66	17,89

7.1.7 **Bulk consumers** – 11 000 Volt three phase demand scale (Time of Use)

These tariffs are applicable to all bulk consumers metered at medium voltage where electricity is supplied at 11 000 V.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge whether electricity is consumed or not, per point of supply (meter point)	2 420,00	2 599,00
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	33,12	35,57
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	17,45	18,74

7.1.7 **Bulk consumers** – 11 000 Volt three phase demand scale (Time of Use)

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
An active energy charge for all consumers (kWh)		
(i) High demand season (June, July, August)		
(xi) Peak	234,87	252,23
(xii) Standard	93,77	100,70
(xiii) Off-peak	50,16	53,87
(ii) Low demand season (September to May)		
(xiv) Peak	103,54	111,19
(xv) Standard	63,50	68,19
(xvi) Off-peak	44,43	47,71
Reactive energy charge (kVA)		
High demand season (June – August)	15,87	17,04

Note:

For the purpose of time of use tariffs the defined daily time of use period throughout the year are:

Peak hours:

- | | |
|---------------|--------------------------------|
| i. Weekdays | 07:01 – 10:00
18:01 – 20:00 |
| ii. Saturdays | None |
| iii. Sundays | None |

Standard hours:

- | | |
|-------------|---------------|
| i. Weekdays | 06:01 – 07:00 |
|-------------|---------------|

		10:01 – 18:00
ii.	Saturdays	07:01 – 12:00 18:01 – 20:00
iii.	Sundays	None

Off-peak hours:

i.	Weekdays	22:01 – 06:00
ii.	Saturdays	12:01 – 18:00 20:01 – 07:00
iii.	Sundays	00:00 – 24:00

The Director Electrical Engineering Services may impose a specific minimum load requirement for qualification for time of use tariff scales.

7.1.8 Other bulk consumers

This tariff is only available to specific consumers as approved by Council resolution due to special circumstances. The following charges will be payable:

kWh peak	-	equal to Eskom megaflex tariff structure plus 10%
kWh standard	-	equal to Eskom megaflex tariff structure plus 10%
kWh off-peak	-	equal to Eskom megaflex tariff structure plus 3%
kVA r h	-	equal to Eskom megaflex tariff structure

7.1.9 Street light and traffic light consumption

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
Energy charge kWh	113,65	122,05

7.1.10 Departmental levies & sport clubs

This tariff is applicable to all municipal buildings, levies and sport clubs. Where time of use meters are installed the applicable tariffs as per the time of use categories as determined will apply.

	PRESENT 2013/2014	PROPOSED 2014/2015
	c/kWh	c/kWh
Energy charge kWh	113,65	122,05

7.1.11 Other charges

This tariff is applicable to all undeveloped erven with access to the reticulation network.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge per month or part thereof	85,00	92,00

7.1.12 **Schools & welfare organizations** - low voltage three phase demand scale (Time of Use)

This is a new tariff structure and applicable to schools and welfare organizations metered at low voltage with an annual average metered load with a capacity higher than 80A per phase.

Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge, whether electricity is consumed or not per point of supply (meter point)	1 088,00	1 168,00
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	26,07	28,00
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	13,74	14,75
	c/kWh	c/kWh
An active energy charge for all kWh consumers (kWh)		
(i) High demand season (June, July, August)		
(xvii) Peak	197,41	212,00
(xviii) Standard	75,46	81,04
(xix) Off-peak	40,37	43,35
(ii) Low demand season (September to May)		
(xx) Peak	83,17	89,32
(xxi) Standard	51,01	54,78
(xxii) Off-peak	35,69	38,33
Reactive energy charge (kVA)		
High demand season (June – August)	12,49	13,41

7.1.13 **Schools & welfare organizations** – 11 000 Volt three phase demand scale (Time of Use)

This is a new tariff structure and applicable to schools and welfare organizations metered at medium voltage where electricity is supplied at 11 000 V.

Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure.

	PRESENT 2013/2014	PROPOSED 2014/2015
	R	R
A fixed charge whether electricity is consumed or	1 840,00	1 976,00

- 12.3 Borrowing policy.
 - 12.4 Funding and reserves policy.
 - 12.6 Impairment of debtors and write-off policy.
 - 12.7 Investment and surplus funds policy.
 - 12.8 Short term risks and liabilities policy.
13. **THAT** the credit control and debt collection policy be approved and be implemented subject to the promulgation of the credit control by-laws.
 14. **THAT** the measurable performance objectives for revenue from each source as per table A4 be approved and adopted for the 2014/2015 budget year.
 15. **THAT** the approved budget in both printed and electronic formats be submitted to National and Provincial Treasury.
 16. **THAT** the approved budget be placed on the municipal website within five (5) working days from approval.
 17. **THAT** the approved budget and supporting documentation with Council resolution be made public in terms of section 21(A) of the Municipal Systems Act, 32 of 2000 within ten (10) workings days after Council approval.
 18. **THAT** the resolution approving the cent in the rand for property rates in respect of each category of property and rebates be published in the provincial gazette in terms of section 14(e) of the Property Rates Act.
 19. **THAT** the resolution levying rates conspicuously be displayed on the municipal website and at the municipal satellite office and libraries.
 20. **THAT** the Amended Municipal Projects Schedule attached as **ANNEXURE C** be approved and it be included in the 2014/2015 IDP document under chapter 10.

EXECUTIVE SUMMARY ON THE 2014/2015 TO 2016/2017 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) ANNUAL BUDGET

Report by the Executive Director Financial Services

1. The 2014 budget review indicates national government commitment to broaden service delivery and expanding on infrastructure taking into account the constrained fiscal environment. Although the South African economy has grown, it was at a slower rate than projected in the 2013 budget, the GDP growth reached 1,8% in 2013 and it is forecasted to grow at 2,7% in 2014 and gradually rising to 3,5% in 2016. The economic outlook demonstrates some resilience but is constrained by a difficult global environment and domestic restructuring.
2. Given the above economic realities, municipalities are advised to adopt a conservative approach when projecting revenue and cash receipts and pay particular attention to eliminate non-priority spending. The affordability of tariff increases is key and all revenue and expenditure must be managed effectively to ensure sufficient cash stream and carefully evaluating all spending decisions.
3. Decent employment opportunities remain a national priority and municipalities are urged to continue to explore labour intensive approaches in the delivery of services and to participate fully in the Expanded Public Works Programme.
4. The local government budgets and expenditure review highlighted the following areas which require particular attention:
 - (a) Revenue management – billing systems must be accurate, send out of accounts to residents and constantly follow up on revenues owed.
 - (b) Collecting outstanding debt – political commitment is required with sufficient administrative capacity, pricing policy to be in place that ensures bills are accurate and affordable, especially for poor households.
 - (c) Pricing services correctly – the full cost of services should be reflected in the price charged to residents who can afford to pay. Municipalities should not be over generous on subsidies and rebates which will result in services being run at a loss.
 - (d) Under spending on repairs and maintenance – this should not be used as a way to reduce spending in the short term, as this will shorten the life of assets, increase long term maintenance and refurbishment costs and cause a deterioration in the reliability of services.

- (e) Spending on non-priorities – such items include unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects and making use of consultants to perform routine tasks.
5. The local government equitable share of nationally raised revenue is distributed between all the municipalities in the country. This formula has been reviewed and data from the 2011 Census was used. In the case of the municipality the revised formula did not affect the municipality negatively and the equitable share allocated increased from R92,6-million to R103,8-million for the 2014/2015 financial year and projected to increase to R136,5-million by 2016/2017.
 6. Capital transfers decrease from R67,7-million to R45,7-million and projected to increase to R63,8-million in 2016/2017 financial year. The main reason for the decrease is the neighbourhood development grant, energy efficiency grant and integrated national electricity programme which were not gazetted for 2014/2015.
 7. The National Treasury's municipal budget circulars for the 2014/2015 medium term revenue and expenditure framework (MTREF) were used to guide the compilation of the tabled annual budget.
 8. The main challenges experienced during the compilation of the 2014/2015 MTREF can be summarized as follows:
 - the ongoing difficulties in the national and local economy;
 - ageing water, sanitation and electricity infrastructure;
 - increases in petrol prices – especially the refuse removal services;
 - the additional borrowings to supplement the capital programme;
 - the pressure of the revenue base with increased demand to bulk services; and
 - cost reductions to ensure affordable tariff levels.
 9. Considering the challenges, new imaginative ways need to be explored to become efficient to generate the required resources to maintain, renew and expand infrastructure.
 10. The main objectives of the municipality include:
 - Creating a municipality which is through its financial and human capital, together with all other resources, totally focused on the well-being of all its citizens;
 - Economic growth and poverty alleviation;
 - All residents enjoy the best possible level of municipal services; and
 - Creating a space with which a caring society is economically, spatially, environmentally and socially integrated and developed.

11. The 2014/2015 medium term expenditure framework (MTREF) was based on the following strategic documents:
 - Integrated development plan 2014/2015;
 - Municipal strategies sector plans and policies;
 - Institutional analysis; and
 - Spatial development framework.
12. Total operating expenditure for the MTREF has been appropriated at R1,4-billion, R1,4-billion and R1,5-billion for the respective financial years. The capital budget constitutes R187,9-million for the 2014/2015 financial year and increases to R284,1-million by 2016/2017.
13. A substantial portion of the capital budget will be funded from borrowing and will contribute 43,5% over the MTREF. This has placed a burden on the operating budget as finance charges are projected to increase by R15,9-million by 2016/2017 which must be recovered from tariffs of the various services.
14. Total operating revenue grows by 14,2% when compared to the 2013/2014 original budget. For the two (2) outer financial years, operational revenue increases by 1,2% and 8,4% equating to a total revenue growth of R288,8-million over the MTREF when compared to the 2013/2014 financial year.
15. Municipal assets are projected to increase with R111,6-million to R6,2-billion in the 2016/2017 financial year.
16. As a result of the new envisaged borrowings total liabilities increase with R481,2-million to R921,1-million by 2016/2017 financial year.
17. The projected cash and equivalents remain stable with projected cash and investments of R335,2-million by 2016/2017 financial year.
18. **OPERATING REVENUE FRAMEWORK**

Revenue management is fundamental to the financial sustainability and therefore the municipal revenue strategy is built around the following key components:

- to seek alternative sources of own revenue to increase funding for capital projects;
- expand revenue base through implementation of new valuation roll;
- identification and pursuance of government grants;
- tightening credit control measures and increase debt collection targets;
- improve customer relations and promote a culture of payment;
- realistic revenue estimates - going back to basics to ensure MTREF are appropriately funded;

- the impact of inflation, the municipal cost index and other cost increases;
- create an environment which enhances growth, development and service delivery;
- ensure economic services break-even;
- the indigent support policy to provide free basic services to poor households to protect them from the worst impacts of the economy; and
- ensure that water and sanitation tariffs are fully cost reflective.

The mid-year revenue projections for the 2013/2014 financial year were used as the baseline to project revenue for the next three (3) financial years to ensure budget projections is realistic and can be achieved. With the exception of water and electricity higher revenue was projected for the 2013/2014 financial year and as a result the water services revenue was adjusted downwards.

Table A4 is a summary of the 2014/2015 MTREF classified by the main revenue sources whilst table A2A and table A3 provides details of revenue by National Treasury's standard classification and municipal classification and/or vote.

These tables are graphically presented in:

- Chart 1 Revenue by major source
- Chart 2 Revenue by minor source

It should be noted that table A2A and table A3 includes capital transfers and contributions whilst table A4 excludes these transfers.

Audit results show that the total revenue for 2012/2013 of R1-billion realized for the 2012/2013 financial year. Based on the mid-year assessment, the budgeted revenue for 2013/2014 is revised from R1,1-billion to R1,2-billion mainly as a result of the increased revenue of R4,3-million on property rates and R25,2-million for government grants.

The annual budget herewith presented provides for total operating revenue of R1,3-billion for 2014/2015 financial year, R1,3-billion for the 2015/2016 financial year and R1,4-billion for the 2016/2017 financial year. This reflects an increase of 14,2% in operating revenue.

Revenue from property taxes is projected to increase to R272,9-million, which is R11,3-million higher than the 2013/2014 adjusted budget and constitutes 20,9% of operating revenue.

Revenue from service charges increases to R688,5-million, which is R57,8-million higher than the 2013/2014 adjusted budget and contributes 52,8% to operating revenue. From the service charges, electricity revenue is the largest source of revenue which contributes 70,7% followed by the other services of approximately 29,3%.

Government operating grants (transfers) increase with R64,1-million from R125,5-million to R189,6-million and constitute 14,6% of operating revenue. The equitable share which is mainly used to provide relief to indigent households increases from R92,6-million to R103,8-million, which is an increase of 12%.

The infrastructure transfers decreases from R67,7-million to R45,7-million of which the municipal infrastructure grant amount to R44,4-million.

Transfers to build capacity in local government have slightly increased to R2,5-million and steadily increase to R2,7-million in the 2016/2017 financial year.

Government is also stepping up programmes to monitor municipal performance against grants.

The DORA clearly states that any conditional allocation not spent at the end of a financial year reverts back to the national revenue fund unless proof to the satisfaction of National Treasury that unspent allocations is committed to identifiable projects.

Any unspent conditional grants for the 2013/2014 financial years must be returned to National Treasury by 21 October 2014. At this stage it is envisaged that all conditional grants will be spend by 30 June 2014.

19. **IMPACT OF THE ANNUAL BUDGET**

The proposed tariffs are contained in the draft resolution and Schedule 1 which provides a comparison of proposed tariffs with the previous financial year.

The proposed revenue adjustments to fully recover the cost are:

- *Property rates*

An average increase of 4,95%.

A new valuation roll was implemented on 1 July 2013. This means that the valuation of properties for the 2014/2015 financial year will remain the same except for properties where interim valuations are done. The rates per category increase for individual properties will be more or less the same.

- *Sewerage tariffs*

An average increase of 6,35%.

The tariff structure for residential and business has remained the same with the introduction of a new tariff for second dwellings on a single property.

- *Refuse tariffs*

An average increase of 11,95%.

The refuse tariff is mainly affected by a high labour component, petrol price increases and increased vehicle maintenance cost due to the expansion of services to new areas. The pilot garden refuse removal project will be further rolled out to include Nasaret and Extension 24.

- *Water tariffs*

An average increase of 13,4%.

A conservative approach was followed due to the decline of water consumption as a result of the water restrictions and high rain season. The water tariffs are influenced by above inflation increases due to additional provision for purification costs and increased maintenance due to pipe bursts and cost in electricity to operate the plants.

- *Electricity tariffs*

An average increase of 7,39%.

The overall impact of tariff increases on households are reflected in supporting table SA14 for large and small households, as well as an indigent household receiving free basic services.

These households are categorized and the overall impact of the tariff increases on household bills is:

<u>Households</u>	<u>Category</u>	<u>Tariff implication household bill</u>
(a) Middle Income	Property value R700 000 1000 units electricity 30 kl water	7,5%
(b) Affordable Income	Property value R500 000 500 units electricity 25 kl water	4,9%
(c) Indigent (50 kWh electricity and 10 kl water free)	Property value R300 000 350 units electricity 20 kl water	4,8%

The sundry fees of the municipality are mainly adjusted taking into consideration the actual cost to render these services and the inflation rate. These adjustments are reflected under Schedule 2 – Proposed sundry tariffs.

20. **OPERATING EXPENDITURE FRAMEWORK**

The expenditure framework for the 2014/2015 MTREF is informed by:

- balanced budget constraints where operating expenditure should not exceed operating revenue;
- funding of the budget over the medium term as informed by section 18 and 19 of the MFMA;
- the capital programme;
- repairs and maintenance;
- direct available financial resources towards meeting the projects as identified in the IDP;
- bulk purchases costs for electricity and water;
- high petrol price increases; and
- eliminating spending on non-priority items.

Table A4 is a summary of the 2014/2015 MTREF classified by expenditure type whilst table A2A and table A3 provides details of expenditure by National Treasury's standard classification and municipal classification and/or vote.

These tables are graphically presented in:

- Chart 3 – Operating expenditure by type
- Chart 4 – Operating expenditure by main vote
- Chart 5 – Other operating expenditure

The operating budget provides for total operating expenditure for the 2014/2015 financial year of R1,4-billion, in the 2015/2016 financial for R1,4-billion and R1,5-billion for the 2016/2017 financial year. For the previous financial year expenditure to the amount of R1-billion realized.

Employee-related costs increase with 4% from R330,8-million to R344,4-million and constitute 25,5% of operating expenditure.

Bulk purchases increase with 7,8% from R315,4-million to R340,1-million and constitute 25,1% of total operating expenditure.

General expenditure increases with R70,5-million from R311,7-million to R382,2-million and constitutes 28,33% of operating expenditure. Included in general expenditure for the 2013/2014 financial year is R24,5-million and an amount of R79,7-million for the 2014/2015 financial year for the construction of RDP houses.

The key operating expenditure allocations in the proposed budget for 2014/2015 financial year include:

- R442,2-million for electricity services
- R266,6-million for governance and administration
- R269,2-million for community and public safety
- R101,8-million for roads and storm water
- R169,9-million for water and waste water management
- R 84,6-million for waste management

The cost associated with the remuneration of councillors is determined in accordance with the Remuneration of Public Office Bearers Act. Remuneration of councillors increases with 11,1% from R16,9-million to R18,8-million, which includes increased allowances for the part-time councillor section 79 chairpersons.

Provision for depreciation has been informed by the asset register. The budget appropriation in this regard total R176,2-million of which only R19,5-million is recovered from tariffs. The increased depreciation is being phased in over future periods for tariff setting purposes. Once fully cash backed, internal funds will be generated to fund the replacement programme on municipal assets.

Finance charges consist primarily of the repayment of interest on long-term borrowing. Finance charges increase slightly and make up 2,1% of operating expenditure.

Priority given to repairs and maintenance

The municipality remains committed to maintain infrastructure and an amount of R62,9-million is provided for the 2014/2015 financial year which steadily increases to R72-million in 2016/2017 financial year.

Repairs and maintenance constitutes 4,6% of operating expenditure. R53,1-million is provided to the renewal of existing assets which represents 28,3% of the total capex budget.

Although National Treasury indicate a guideline of 40% the provision is sufficient to adequately secure the ongoing health of infrastructure assets. It should be noted that the increase development and the municipal revenue base, a balance needs to be struck between renewal, expansion and new assets.

Free basic services

Free basic services are provided to poor households who are unable to pay their municipal services. Detail relating to free basic services is contained in table A10.

Free basic services constitute 4,5% of operating expenditure and are fully recovered by the equitable share totaling R60,8-million.

21. **CAPITAL EXPENDITURE FRAMEWORK**

One of the greatest challenges facing municipalities is the public perception in service delivery.

Investment in municipal infrastructure is critical to sustaining growth, rehabilitating ageing infrastructure and eradicating service delivery backlogs. Therefore the capital financing strategies taken into consideration are:

- ensure capital programme is based on priorities, programmes and projects of the IDP;
- improve creditworthiness;
- ensure capital replacement reserve is cash backed;
- expedite spending on capital budget especially projects that are funded from conditional grants;
- explore new ways to find capital expenditure from own revenue contribution;
- analyze feasibility and impact on operating budget before capital projects are approved;
- determine affordable limits for borrowing; and
- maximizing of infrastructural development through the utilization of all available resources.

Table A5 provides details on the budgeted capital expenditure, whilst table A9 provides information on asset management. Table A5 is graphically presented in:

- Chart 6 Capital expenditure by main vote
- Chart 7 Other capital expenditure
- Chart 8 Capital funding by source

The proposed capital expenditure for 2014/2015 amounts to R187,9-million, R236,2-million for the 2015/2016 financial year and an amount of R284,1-million for the 2016/2017 financial year.

This constitutes a total capital programme of R708,2-million over the next three (3) years of which R308,4-million is funded from external loans, R168-million from government grants and donations and the balance of R231,8-million from internal reserves.

The key capital expenditure in the proposed capital budget for 2014/2015 financial year is:

R41,5-million for electricity infrastructural development
R71,0-million for roads and storm water infrastructural development
R16,0-million for water infrastructural development
R14,4-million for sewerage purification and reticulation
R25,9-million for community facilities and public safety
R13,8-million for governance and administration
R 4,9-million for waste management
R 0,5-million for planning and development

The key capital expenditure is graphically presented in:

- Chart 9 Capital expenditure by asset class

For the maintaining of securing the health of the municipal assets and sustaining service delivery, 28,3% of capital expenditure will be utilized on the renewal of assets which represents 2% of property, plant and equipment.

22. **CASH BACKING / SURPLUS RECONCILIATION**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium term.

Table A7 provides details on the budgeted cash flow position. The projected cash and cash equivalent over the MTREF are R42,8-million, R51,8-million and R54,9-million respectively.

Table A8 provides details on the total application of cash and investments. From the table it can be seen that cash and investments increased from R270,1-million in the 2014/2015 financial year to R335,2-million in 2016/2017.

It is further projected that internal cash backed reserves will stabilize to R240,7-million as the new serviced industrial properties in Middelburg Extension 33 are sold.

Although an operating surplus of R46,5-million, R3,2-million and a deficit of R5,5-million is reflected on table A1, on the statement of financial performance the net budgeted surplus for the MTREF is only R247 829, R233 244 and R252 152 for the respective financial years after taking into account all the adjustments and transfers in the surplus account.

Considering all of the above applications of cash and investments, the proposed budget according to supporting table SA10 indicates that the budget is fully funded.

CLOSING

The municipality needs to remain focused on effective delivery of core municipal services through the application of efficient and effective service delivery mechanisms. Sound financial management principle is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

SUMMARY OF BUDGETED FINANCIAL PERFORMANCE BY VOTE

TABLE A2

Steve Tshwete Municipality - MP313										
Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
Governance and administration		271 904 755	343 949 836	366 250 242	423 749 646	429 987 714	429 987 714	441 683 899	471 942 254	514 844 852
Executive and council		39 440 519	38 909 280	40 692 081	40 668 489	39 122 437	39 122 437	46 069 304	56 679 226	68 983 736
Budget and treasury office		204 789 948	229 233 879	262 258 069	293 869 706	298 006 498	298 006 498	310 231 565	325 840 712	351 368 876
Corporate services		27 674 288	75 806 677	63 300 092	89 211 451	92 858 779	92 858 779	85 383 030	89 422 316	94 492 240
Community and public safety		20 696 368	29 516 156	24 338 670	23 486 560	51 158 205	51 158 205	111 527 075	29 904 543	30 188 759
Community and social services		3 716 122	10 833 112	5 465 768	7 733 729	7 734 229	7 734 229	4 911 021	12 498 317	13 588 341
Sport and recreation		8 369 738	8 904 179	4 728 057	4 049 675	5 463 175	5 463 175	16 459 129	4 910 148	4 954 925
Public safety		5 684 881	6 911 920	8 175 826	8 722 339	9 558 934	9 558 934	8 730 320	10 655 557	11 003 891
Housing		212 115	176 067	3 285 540	156 867	25 577 867	25 577 867	81 168 538	1 569 706	357 052
Health		2 713 512	2 690 879	2 683 479	2 823 950	2 824 000	2 824 000	258 067	270 815	284 550
Economic and environmental services		37 546 824	48 005 126	52 054 112	60 268 954	62 211 953	62 211 953	55 648 933	45 288 397	57 283 435
Planning and development		2 765 232	2 485 316	2 452 225	5 082 166	4 856 965	4 856 965	3 019 223	1 710 180	1 640 489
Road transport		34 781 592	45 519 810	49 601 886	55 186 788	57 354 988	57 354 988	52 629 710	43 578 217	55 642 946
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		453 425 190	561 956 746	640 448 410	722 629 628	718 032 022	718 032 022	790 022 566	834 065 212	899 854 170
Electricity		303 466 936	364 258 160	419 587 017	478 600 332	477 915 786	477 915 786	503 720 475	552 023 136	599 461 044
Water		49 797 987	61 410 363	81 590 576	82 641 102	78 074 923	78 074 923	93 579 837	89 502 791	100 688 827
Waste water management		52 588 355	78 573 672	72 336 646	81 506 850	81 974 437	81 974 437	96 295 711	97 669 652	99 411 200
Waste management		47 571 913	57 714 551	66 934 171	79 881 344	80 066 876	80 066 876	96 426 543	94 869 633	100 293 099
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	783 573 137	983 427 864	1 083 091 435	1 230 134 788	1 261 389 894	1 261 389 894	1 398 882 473	1 381 200 406	1 502 171 216
Expenditure - Standard										
Governance and administration		174 754 422	192 073 235	250 723 269	239 651 963	246 475 777	246 475 777	266 597 839	286 897 012	308 971 312
Executive and council		57 949 517	60 376 048	67 015 021	76 649 209	76 677 446	76 677 446	85 463 450	91 575 600	98 816 890
Budget and treasury office		38 006 480	41 994 049	46 348 714	56 111 211	57 579 159	57 579 159	63 627 517	68 310 856	73 420 772
Corporate services		78 798 425	89 703 137	137 359 534	106 891 543	112 219 172	112 219 172	117 506 872	127 010 556	136 733 650
Community and public safety		134 610 040	142 326 025	162 557 133	192 643 301	220 049 231	220 049 231	269 235 119	203 850 906	220 743 053
Community and social services		18 901 659	20 969 009	25 757 690	29 798 581	29 920 087	29 920 087	31 510 955	33 655 440	36 615 766
Sport and recreation		38 926 402	38 755 325	43 587 045	52 186 362	52 692 679	52 692 679	56 800 635	60 675 231	65 871 835
Public safety		49 019 252	53 853 404	61 339 640	73 409 684	76 015 840	76 015 840	83 448 632	90 576 654	98 134 348
Housing		7 499 809	7 629 884	8 463 598	10 469 264	35 270 852	35 270 852	91 470 502	12 677 827	13 650 298
Health		20 262 919	21 118 403	23 409 159	26 779 410	26 149 773	26 149 773	6 004 395	6 265 754	6 470 806
Economic and environmental services		101 242 046	100 704 853	91 802 541	122 691 368	123 750 940	123 750 940	119 825 821	127 274 588	136 981 125
Planning and development		8 110 053	9 237 656	10 829 523	15 806 183	15 722 914	15 722 914	17 986 756	19 380 745	21 781 938
Road transport		93 131 992	91 467 197	80 973 019	106 885 185	108 028 026	108 028 026	101 839 065	107 893 843	115 199 187
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		420 790 520	478 500 152	543 843 540	655 485 907	652 524 936	652 524 936	696 727 392	759 986 743	840 940 369
Electricity		276 737 127	318 922 678	364 876 866	426 051 252	418 230 421	418 230 421	442 184 171	482 393 827	538 425 224
Water		50 076 545	54 322 793	57 666 437	76 461 746	78 822 524	78 822 524	87 447 868	96 723 463	106 134 944
Waste water management		45 545 377	50 270 463	57 193 861	75 543 595	75 885 912	75 885 912	82 420 165	89 959 660	98 067 661
Waste management		48 431 471	54 984 218	64 106 377	77 429 314	79 586 079	79 586 079	84 675 188	90 909 793	98 312 540
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	831 397 028	913 604 264	1 048 926 483	1 210 472 539	1 242 800 884	1 242 800 884	1 352 386 171	1 378 009 249	1 507 635 859
Surplus/(Deficit) for the year		(47 823 891)	69 823 600	34 164 952	19 662 249	18 589 010	18 589 010	46 496 302	3 191 157	(5 464 643)

DETAILED BUDGETED FINANCIAL PERFORMANCE BY VOTE

TABLE A2A

Steve Tshwete Municipality - MP313										
Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
<i>Municipal governance and administration</i>		271 904 755	343 949 836	366 250 242	423 749 646	429 987 714	429 987 714	441 683 899	471 942 254	514 844 852
Executive and council		39 440 519	38 909 280	40 692 081	40 668 489	39 122 437	39 122 437	46 069 304	56 679 226	68 983 736
<i>Mayor and Council</i>		39 324 879	38 904 280	40 692 045	40 668 389	39 097 437	39 097 437	46 069 304	56 679 226	68 983 736
<i>Municipal Manager</i>		115 640	5 000	36	100	25 000	25 000	-	-	-
Budget and treasury office		204 789 948	229 233 879	262 258 069	293 869 706	298 006 498	298 006 498	310 231 565	325 840 712	351 368 876
Corporate services		27 674 288	75 806 677	63 300 092	89 211 451	92 858 779	92 858 779	85 383 030	89 422 316	94 492 240
<i>Human Resources</i>		649 149	1 377 306	1 374 868	1 350 000	1 350 000	1 350 000	1 364 400	1 472 272	1 603 400
<i>Information Technology</i>		1 491	7 956	30 708	23 500	273 500	273 500	27 720	26 100	27 500
<i>Property Services</i>		19 694 147	66 905 849	54 005 191	76 835 493	80 474 541	80 474 541	73 535 360	75 429 191	79 598 800
<i>Other Admin</i>		7 329 501	7 515 565	7 889 325	11 002 458	10 760 738	10 760 738	10 455 550	12 494 753	13 262 540
<i>Community and public safety</i>		20 696 368	29 516 156	24 338 670	23 486 560	51 158 205	51 158 205	111 527 075	29 904 543	30 188 759
Community and social services		3 716 122	10 833 112	5 465 768	7 733 729	7 734 229	7 734 229	4 911 021	12 498 317	13 588 341
<i>Libraries and Archives</i>		159 472	470 687	137 798	134 168	134 168	134 168	95 028	110 400	118 576
<i>Museums & Art Galleries etc</i>		-	-	-	-	-	-	-	-	-
<i>Community halls and Facilities</i>		343 018	7 605 182	3 445 650	4 919 525	4 920 025	4 920 025	2 127 500	9 665 000	10 710 700
<i>Cemeteries & Crematoriums</i>		2 930 800	2 485 739	1 602 706	2 383 500	2 383 500	2 383 500	2 372 515	2 391 140	2 410 700
<i>Child Care</i>		-	-	-	-	-	-	-	-	-
<i>Aged Care</i>		277 832	271 504	279 615	296 536	296 536	296 536	315 978	331 777	348 365
<i>Other Community</i>		-	-	-	-	-	-	-	-	-
<i>Other Social</i>		5 000	-	-	-	-	-	-	-	-
Sport and recreation		8 369 738	8 904 179	4 728 057	4 049 675	5 463 175	5 463 175	16 459 129	4 910 148	4 954 925
Public safety		5 684 881	6 911 920	8 175 826	8 722 339	9 558 934	9 558 934	8 730 320	10 655 557	11 003 891
<i>Police</i>		4 916 244	5 367 386	5 622 256	5 514 470	6 314 970	6 314 970	6 502 185	6 815 310	7 152 262
<i>Fire</i>		195 308	1 525 334	1 743 185	1 807 869	1 843 964	1 843 964	328 135	340 247	351 629
<i>Civil Defence</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		573 329	19 200	810 385	1 400 000	1 400 000	1 400 000	1 900 000	3 500 000	3 500 000
<i>Other</i>		-	-	-	-	-	-	-	-	-
Housing		212 115	176 067	3 285 540	156 867	25 577 867	25 577 867	81 168 538	1 569 706	357 052
Health		2 713 512	2 690 879	2 683 479	2 823 950	2 824 000	2 824 000	258 067	270 815	284 550
<i>Clinics</i>		2 408 753	2 510 105	2 400 000	2 519 950	2 519 950	2 519 950	-	-	-
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		304 758	180 774	283 479	304 000	304 050	304 050	258 067	270 815	284 550
<i>Economic and environmental services</i>		37 546 824	48 005 126	52 054 112	60 268 954	62 211 953	62 211 953	55 648 933	45 288 397	57 283 435
Planning and development		2 765 232	2 485 316	2 452 225	5 082 166	4 856 965	4 856 965	3 019 223	1 710 180	1 640 489
<i>Economic Development/Planning</i>		5 130	-	325 517	-	-	-	-	-	-
<i>Town Planning/Building enforcement</i>		2 760 101	2 485 316	2 126 708	5 082 166	4 856 965	4 856 965	3 019 223	1 710 180	1 640 489
<i>Licensing & Regulation</i>		-	-	-	-	-	-	-	-	-
Road transport		34 781 592	45 519 810	49 601 886	55 186 788	57 354 988	57 354 988	52 629 710	43 578 217	55 642 946
<i>Roads</i>		20 485 846	26 391 521	30 631 574	36 392 770	36 373 070	36 373 070	30 912 980	20 514 747	31 146 234
<i>Public Buses</i>		-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		13 622 948	16 564 262	18 588 605	18 757 418	20 945 318	20 945 318	21 691 580	23 037 070	24 468 982
<i>Other</i>		672 799	2 564 026	381 708	36 600	36 600	36 600	25 150	26 400	27 730
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-
<i>Biodiversity & Landscape</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		453 425 190	561 956 746	640 448 410	722 629 628	718 032 022	718 032 022	790 022 566	834 065 212	899 854 170
Electricity		303 466 936	364 258 160	419 587 017	478 600 332	477 915 786	477 915 786	503 720 475	552 023 136	599 461 044
<i>Electricity Distribution</i>		303 466 936	364 258 160	419 587 017	478 600 332	477 915 786	477 915 786	503 720 475	552 023 136	599 461 044
<i>Electricity Generation</i>		-	-	-	-	-	-	-	-	-
Water		49 797 987	61 410 363	81 590 576	82 641 102	78 074 923	78 074 923	93 579 837	89 502 791	100 688 827
<i>Water Distribution</i>		49 795 356	61 198 449	64 143 161	72 441 102	67 874 923	67 874 923	82 579 837	88 002 791	100 688 827
<i>Water Storage</i>		2 631	211 914	17 447 415	10 200 000	10 200 000	10 200 000	11 000 000	1 500 000	-
Waste water management		52 588 355	78 573 672	72 336 646	81 506 850	81 974 437	81 974 437	96 295 711	97 669 652	99 411 200
<i>Sewerage</i>		52 588 355	78 573 672	72 336 646	81 506 850	81 974 437	81 974 437	96 295 711	97 669 652	99 411 200
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-
Waste management		47 571 913	57 714 551	66 934 171	79 881 344	80 066 876	80 066 876	96 426 543	94 869 633	100 293 099
<i>Solid Waste</i>		47 571 913	57 714 551	66 934 171	79 881 344	80 066 876	80 066 876	96 426 543	94 869 633	100 293 099
<i>Other</i>		-	-	-	-	-	-	-	-	-
<i>Air Transport</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Tourism</i>		-	-	-	-	-	-	-	-	-
<i>Forestry</i>		-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	783 573 137	983 427 864	1 083 091 435	1 230 134 788	1 261 389 894	1 261 389 894	1 398 882 473	1 381 200 406	1 502 171 216

DETAILED BUDGETED FINANCIAL PERFORMANCE BY VOTE

TABLE A2A

Steve Tshwete Municipality - MP313										
Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure - Standard										
<i>Municipal governance and administration</i>		174 754 422	192 073 235	250 723 269	239 651 963	246 475 777	246 475 777	266 597 839	286 897 012	308 971 312
Executive and council		57 949 517	60 376 048	67 015 021	76 649 209	76 677 446	76 677 446	85 463 450	91 575 600	98 816 890
<i>Mayor and Council</i>		36 636 307	33 440 544	36 578 722	37 337 998	38 027 445	38 027 445	43 326 106	46 577 116	50 291 260
<i>Municipal Manager</i>		21 313 210	26 935 504	30 436 299	39 311 211	38 650 001	38 650 001	42 137 344	44 998 484	48 525 630
Budget and treasury office		38 006 480	41 994 049	46 348 714	56 111 211	57 579 159	57 579 159	63 627 517	68 310 856	73 420 772
Corporate services		78 798 425	89 703 137	137 359 534	106 891 543	112 219 172	112 219 172	117 506 872	127 010 556	136 733 650
<i>Human Resources</i>		7 205 706	8 318 822	9 072 579	11 741 113	11 047 068	11 047 068	12 098 901	12 838 252	13 874 319
<i>Information Technology</i>		8 749 775	9 762 842	11 180 958	13 273 865	14 389 257	14 389 257	16 939 556	17 808 515	19 410 255
<i>Property Services</i>		32 347 604	35 654 472	76 843 398	35 830 514	40 001 581	40 001 581	37 946 997	40 359 644	42 708 926
<i>Other Admin</i>		30 495 339	35 967 001	40 262 599	46 046 051	46 781 266	46 781 266	50 521 218	56 004 145	60 740 150
<i>Community and public safety</i>		134 610 040	142 326 025	162 557 133	192 643 301	220 049 231	220 049 231	269 235 119	203 850 906	220 743 053
Community and social services		18 901 659	20 969 009	25 757 690	29 798 581	29 920 087	29 920 087	31 510 955	33 655 440	36 615 766
<i>Libraries and Archives</i>		7 481 069	8 496 291	9 037 468	10 409 432	10 436 928	10 436 928	10 726 618	11 626 352	12 626 988
<i>Museums & Art Galleries etc</i>		-	-	-	-	-	-	-	-	-
<i>Community halls and Facilities</i>		4 169 502	5 237 872	8 778 289	9 790 233	9 570 362	9 570 362	9 965 349	10 750 396	12 038 164
<i>Cemeteries & Crematoriums</i>		4 682 063	4 426 933	4 504 915	5 621 871	5 607 006	5 607 006	6 061 167	6 208 172	6 560 564
<i>Child Care</i>		-	-	-	-	-	-	-	-	-
<i>Aged Care</i>		885 056	922 881	896 087	944 361	972 531	972 531	915 556	931 623	951 133
<i>Other Community</i>		-	-	-	-	-	-	-	-	-
<i>Other Social</i>		1 683 969	1 885 031	2 540 930	3 032 684	3 333 260	3 333 260	3 842 265	4 138 897	4 438 917
Sport and recreation		38 926 402	38 755 325	43 587 045	52 186 362	52 692 679	52 692 679	56 800 635	60 675 231	65 871 835
Public safety		49 019 252	53 853 404	61 339 640	73 409 684	76 015 840	76 015 840	83 448 632	90 576 654	98 134 348
<i>Police</i>		21 291 794	22 899 084	26 810 246	30 692 668	31 596 926	31 596 926	35 341 765	38 095 790	41 332 011
<i>Fire</i>		23 572 343	26 067 993	29 686 083	31 876 146	33 894 659	33 894 659	36 906 017	40 302 822	43 397 721
<i>Civil Defence</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		4 155 114	4 886 327	4 843 311	10 840 870	10 524 255	10 524 255	11 200 850	12 178 042	13 404 616
<i>Other</i>		-	-	-	-	-	-	-	-	-
Housing		7 499 809	7 629 884	8 463 598	10 469 264	35 270 852	35 270 852	91 470 502	12 677 827	13 650 298
Health		20 262 919	21 118 403	23 409 159	26 779 410	26 149 773	26 149 773	6 004 395	6 265 754	6 470 806
<i>Clinics</i>		15 825 536	16 507 574	18 669 769	20 693 506	20 776 948	20 776 948	-	-	-
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		4 437 383	4 610 829	4 739 391	6 085 904	5 372 825	5 372 825	6 004 395	6 265 754	6 470 806
<i>Economic and environmental services</i>		101 242 046	100 704 853	91 802 541	122 691 368	123 750 940	123 750 940	119 825 821	127 274 588	136 981 125
Planning and development		8 110 053	9 237 656	10 829 523	15 806 183	15 722 914	15 722 914	17 986 756	19 380 745	21 781 938
<i>Economic Development/Planning</i>		1 864 099	2 089 814	2 646 700	3 672 255	3 228 712	3 228 712	4 397 785	4 727 258	5 085 472
<i>Town Planning/Building enforcement</i>		6 245 954	7 147 842	8 182 823	12 133 928	12 494 202	12 494 202	13 588 971	14 653 487	16 696 466
<i>Licensing & Regulation</i>		-	-	-	-	-	-	-	-	-
Road transport		93 131 992	91 467 197	80 973 019	106 885 185	108 028 026	108 028 026	101 839 065	107 893 843	115 199 187
<i>Roads</i>		81 144 471	78 496 462	66 271 288	88 598 589	89 174 215	89 174 215	80 799 814	85 292 063	90 684 662
<i>Public Buses</i>		-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		10 363 447	11 212 203	12 842 797	16 076 109	16 609 607	16 609 607	18 752 981	20 157 196	21 657 542
<i>Other</i>		1 624 074	1 758 532	1 858 934	2 210 487	2 244 204	2 244 204	2 286 270	2 444 584	2 856 983
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-
<i>Biodiversity & Landscape</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		420 790 520	478 500 152	543 843 540	655 485 907	652 524 936	652 524 936	696 727 392	759 986 743	840 940 369
Electricity		276 737 127	318 922 678	364 876 866	426 051 252	418 230 421	418 230 421	442 184 171	482 393 827	538 425 224
<i>Electricity Distribution</i>		276 737 127	318 922 678	364 876 866	426 051 252	418 230 421	418 230 421	442 184 171	482 393 827	538 425 224
<i>Electricity Generation</i>		-	-	-	-	-	-	-	-	-
Water		50 076 545	54 322 793	57 666 437	76 461 746	78 822 524	78 822 524	87 447 868	96 723 463	106 134 944
<i>Water Distribution</i>		31 223 575	35 834 452	39 974 329	43 827 842	44 401 329	44 401 329	49 168 003	54 242 925	60 430 038
<i>Water Storage</i>		18 852 970	18 488 341	17 692 108	32 633 904	34 421 195	34 421 195	38 279 865	42 480 538	45 704 906
Waste water management		45 545 377	50 270 463	57 193 861	75 543 595	75 885 912	75 885 912	82 420 165	89 959 660	98 067 661
<i>Sewerage</i>		43 957 847	48 509 034	55 346 384	73 376 703	73 759 596	73 759 596	80 341 647	87 623 892	95 363 823
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>		1 587 530	1 761 429	1 847 476	2 166 892	2 126 316	2 126 316	2 078 518	2 335 768	2 703 838
Waste management		48 431 471	54 984 218	64 106 377	77 429 314	79 586 079	79 586 079	84 675 188	90 909 793	98 312 540
<i>Solid Waste</i>		48 431 471	54 984 218	64 106 377	77 429 314	79 586 079	79 586 079	84 675 188	90 909 793	98 312 540
<i>Other</i>		-	-	-	-	-	-	-	-	-
<i>Air Transport</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Tourism</i>		-	-	-	-	-	-	-	-	-
<i>Forestry</i>		-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	831 397 028	913 604 264	1 048 926 483	1 210 472 539	1 242 800 884	1 242 800 884	1 352 386 171	1 378 009 249	1 507 635 859
Surplus/(Deficit) for the year		-47 823 891	69 823 600	34 164 952	19 662 249	18 589 010	18 589 010	46 496 302	3 191 157	-5 464 643

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY VOTE)

TABLE A3

Steve Tshwete Municipality - MP313										
Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - Executive & Council		39 324 879	38 904 280	40 692 045	40 668 389	39 097 437	39 097 437	46 069 304	56 679 226	68 983 736
Vote 2 - Budget & Treasury		125 770	5 000	325 553	-	-	-	-	-	-
Vote 3 - Corporate Services		204 789 948	229 233 879	262 258 069	314 563 372	318 658 444	318 658 444	331 141 405	349 097 520	376 304 946
Vote 4 - Planning Development		27 674 288	75 806 677	63 300 092	41 098 600	35 373 500	35 373 500	41 117 120	41 223 372	43 540 775
Vote 5 - Health Services		70 012 362	92 385 851	102 720 298	114 756 522	143 388 099	143 388 099	209 397 454	137 514 548	144 617 557
Vote 6 - Community & Social Services		441 645 890	547 092 177	613 795 377	719 047 905	724 872 414	724 872 414	771 157 190	796 685 740	868 724 202
Vote 7 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 9 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 10 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 13 - Water		-	-	-	-	-	-	-	-	-
Vote 14 - Electricity		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	783 573 136	983 427 864	1 083 091 435	1 230 134 788	1 261 389 894	1 261 389 894	1 398 882 473	1 381 200 406	1 502 171 216
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		36 636 307	33 440 544	36 578 722	38 919 998	39 609 445	39 609 445	45 011 106	48 372 116	52 211 260
Vote 2 - Budget & Treasury		24 861 278	30 910 349	35 623 929	13 799 796	13 491 272	13 491 272	15 492 731	16 617 505	17 836 671
Vote 3 - Corporate Services		38 006 480	41 994 049	46 348 714	79 384 505	81 103 224	81 103 224	88 071 466	96 034 528	103 184 701
Vote 4 - Planning Development		78 798 425	89 703 137	137 359 534	55 373 110	60 456 575	60 456 575	62 626 297	66 527 829	72 041 904
Vote 5 - Health Services		143 957 409	158 568 830	184 030 105	219 880 168	249 465 953	249 465 953	300 678 410	237 935 826	257 200 909
Vote 6 - Community & Social Services		509 137 128	558 987 354	608 985 478	803 114 962	798 674 415	798 674 415	840 506 161	912 521 445	1 005 160 414
Vote 7 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 9 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 10 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 13 - Water		-	-	-	-	-	-	-	-	-
Vote 14 - Electricity		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	831 397 028	913 604 264	1 048 926 483	1 210 472 539	1 242 800 884	1 242 800 884	1 352 386 171	1 378 009 249	1 507 635 859
Surplus/(Deficit) for the year	2	-47 823 891	69 823 600	34 164 952	19 662 249	18 589 010	18 589 010	46 496 302	3 191 157	-5 464 643

Steve Tshwete Municipality - MP313

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - Council & Executive Mayor		39 324 879	38 904 280	40 692 045	40 668 389	39 097 437	39 097 437	46 069 304	56 679 226	68 983 736
1.1 - Council & Executive		39 324 879	38 904 280	40 692 045	40 668 389	39 097 437	39 097 437	46 069 304	56 679 226	68 983 736
Vote 2 - Municipal Manager		125 770	5 000	325 553	-	-	-	-	-	-
2.1 - Municipal Manager		120 770	5 000	325 553	-	-	-	-	-	-
2.2 - Gender & Social		5 000	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		204 789 948	229 233 879	262 258 069	314 563 372	318 658 444	318 658 444	331 141 405	349 097 520	376 304 946
3.1 - Budget & Treasury		204 789 948	229 233 879	262 258 069	308 370 622	312 507 414	312 507 414	325 470 100	341 910 180	368 378 306
3.2 - Data Control		-	-	-	1 201 720	1 205 000	1 205 000	1 405 800	1 905 800	2 405 800
3.3 - Grant Management		-	-	-	2 440 000	2 395 000	2 395 000	1 700 000	2 617 000	2 718 000
3.4 - Supply Chain Management		-	-	-	2 551 030	2 551 030	2 551 030	2 565 505	2 664 540	2 802 840
Vote 4 - Corporate Services		27 674 288	75 806 677	63 300 092	41 098 600	35 373 500	35 373 500	41 117 120	41 223 372	43 540 775
4.1 - Corporate Services		7 329 501	7 515 565	7 889 325	-	-	-	-	-	-
4.2 - Community Participation		-	-	-	-	-	-	-	-	-
4.3 - Human Resources		649 149	1 377 306	1 374 868	1 350 000	1 350 000	1 350 000	1 364 400	1 472 272	1 603 400
4.4 - Information Technology		1 491	7 956	30 708	23 500	273 500	273 500	27 720	26 100	27 500
4.5 - Legal & Administration		-	-	-	100	25 000	25 000	-	-	-
4.6 - Property Valuation		19 694 147	66 905 849	54 005 191	39 725 000	33 725 000	33 725 000	39 725 000	39 725 000	41 909 875
Vote 5 - Community Services		70 012 362	92 385 851	102 720 298	114 756 522	143 388 099	143 388 099	209 397 454	137 514 548	144 617 557
5.1 - Community Services		-	-	-	-	-	-	-	-	-
5.2 - Community Facilities		502 490	8 075 868	3 583 448	5 053 693	5 054 193	5 054 193	2 222 528	9 775 400	10 829 276
5.3 - Environmental Health		2 713 512	2 690 879	2 683 479	2 823 950	2 824 000	2 824 000	258 067	270 815	284 550
5.4 - Human Settlements		489 947	447 571	3 565 154	917 778	26 338 778	26 338 778	81 968 416	2 406 073	1 237 759
5.5 - Public Safety		18 734 500	23 456 982	25 954 046	26 079 757	29 104 252	29 104 252	28 521 900	30 192 627	31 972 873
5.6 - Waste Management		47 571 913	57 714 551	66 934 171	79 881 344	80 066 876	80 066 876	96 426 543	94 869 633	100 293 099
Vote 6 - Infrastructure Management		441 645 890	547 092 177	613 795 377	719 047 905	724 872 414	724 872 414	771 157 190	796 685 740	868 724 202
6.1 - Infrastructure Management		-	-	-	2 087 320	1 887 320	1 887 320	1 851 320	2 221 640	2 025 640
6.2 - Planning & Development		2 760 101	2 485 316	2 126 708	5 082 166	4 856 965	4 856 965	3 019 223	1 710 180	1 640 489
6.3 - Buildings & Fleet Management		-	-	-	24 867 590	34 506 638	34 506 638	21 020 850	22 215 906	23 457 413
6.4 - Physical Environmental Development		11 300 537	11 389 918	6 330 763	6 433 175	7 846 675	7 846 675	18 831 644	7 301 288	7 365 625
6.5 - Waste Water Management		52 588 355	78 573 672	72 336 646	81 506 850	81 974 437	81 974 437	96 295 711	97 669 652	99 411 200
6.6 - Roads & Stormwater		21 158 645	28 955 547	31 013 282	36 429 370	36 409 670	36 409 670	30 938 130	20 541 147	31 173 964
6.7 - Water Services		49 797 987	61 410 363	81 590 576	82 641 102	78 074 923	78 074 923	93 579 837	89 502 791	100 688 827
6.8 - Electricity Services		304 040 265	364 277 360	420 397 402	480 000 332	479 315 786	479 315 786	505 620 475	555 523 136	602 961 044
Total Revenue by Vote	2	783 573 136	983 427 864	1 083 091 435	1 230 134 788	1 261 389 894	1 261 389 894	1 398 882 473	1 381 200 406	1 502 171 216

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

TABLE A3A

Steve Tshwete Municipality - MP313

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure by Vote	1									
Vote 1 - Council & Executive Mayor		36 636 307	33 440 544	36 578 722	38 919 998	39 609 445	39 609 445	45 011 106	48 372 116	52 211 260
1.1 - Council & Executive		36 636 307	33 440 544	36 578 722	38 919 998	39 609 445	39 609 445	45 011 106	48 372 116	52 211 260
Vote 2 - Municipal Manager		24 861 278	30 910 349	35 623 929	13 799 796	13 491 272	13 491 272	15 492 731	16 617 505	17 836 671
2.1 - Municipal Manager		23 177 309	29 025 318	33 082 999	5 005 869	4 839 960	4 839 960	5 155 711	5 528 673	5 951 778
2.2 - Gender & Social		1 683 969	1 885 031	2 540 930	917 239	973 830	973 830	1 013 269	1 114 238	1 222 234
2.3 - Internal Audit		-	-	-	2 088 988	2 089 340	2 089 340	2 096 970	2 222 677	2 360 504
2.4 - Special Programs		-	-	-	3 672 255	3 228 712	3 228 712	4 397 785	4 727 258	5 085 472
2.5 - Youth Development		-	-	-	2 115 445	2 359 430	2 359 430	2 828 996	3 024 659	3 216 683
Vote 3 - Financial Services		38 006 480	41 994 049	46 348 714	79 384 505	81 103 224	81 103 224	88 071 466	96 034 528	103 184 701
3.1 - Budget & Treasury		38 006 480	41 994 049	46 348 714	58 798 599	60 266 547	60 266 547	66 554 508	71 387 874	76 719 801
3.2 - Data Control		-	-	-	11 824 430	12 829 639	12 829 639	13 223 888	15 033 670	16 225 638
3.3 - Grant Management		-	-	-	2 300 000	2 255 000	2 255 000	1 700 000	2 617 000	2 718 000
3.4 - Supply Chain Management		-	-	-	6 461 476	5 752 038	5 752 038	6 593 070	6 995 984	7 521 262
Vote 4 - Corporate Services		78 798 425	89 703 137	137 359 534	55 373 110	60 456 575	60 456 575	62 626 297	66 527 829	72 041 904
4.1 - Corporate Services		30 495 339	35 967 001	40 262 599	1 871 633	1 877 928	1 877 928	1 807 683	1 946 889	2 112 335
4.2 - Community Participation		-	-	-	2 876 873	2 942 711	2 942 711	3 234 027	3 470 310	3 723 473
4.3 - Human Resources		7 205 706	8 318 822	9 072 579	11 741 113	11 047 068	11 047 068	12 098 901	12 838 252	13 874 319
4.4 - Information Technology		8 749 775	9 762 842	11 180 958	13 273 865	14 389 257	14 389 257	16 939 756	17 808 515	19 410 255
4.5 - Legal & Administration		-	-	-	22 458 875	22 869 483	22 869 483	23 710 796	25 375 621	27 385 625
4.6 - Property Valuation		32 347 604	35 654 472	76 843 398	3 150 751	7 330 128	7 330 128	4 835 134	5 088 242	5 535 897
Vote 5 - Community Services		143 957 409	158 568 830	184 030 105	219 880 168	249 465 953	249 465 953	300 678 410	237 935 826	257 200 909
5.1 - Community Services		-	-	-	2 538 684	2 182 523	2 182 523	2 345 443	2 514 267	2 705 223
5.2 - Community Facilities		11 650 570	13 734 164	17 815 757	20 199 665	20 007 290	20 007 290	20 691 967	22 376 748	24 665 152
5.3 - Environmental Health		20 262 919	21 118 403	23 409 159	26 779 410	26 149 773	26 149 773	6 004 395	6 265 754	6 470 806
5.4 - Human Settlements		8 384 865	8 552 765	9 359 685	12 489 125	37 341 803	37 341 803	93 498 953	14 770 625	15 812 202
5.5 - Public Safety		55 227 584	60 179 281	69 339 126	80 443 970	84 198 485	84 198 485	93 462 464	101 098 639	109 234 986
5.6 - Waste Management		48 431 471	54 984 218	64 106 377	77 429 314	79 586 079	79 586 079	84 675 188	90 909 793	98 312 540
Vote 6 - Infrastructure Management		509 137 128	558 987 354	608 985 478	803 114 962	798 674 415	798 674 415	840 506 161	912 521 445	1 005 160 414
6.1 - Infrastructure Management		-	-	-	18 711 248	18 095 836	18 095 836	20 882 148	22 794 447	24 959 304
6.2 - Planning & Development		6 245 954	7 147 842	8 182 823	12 133 928	12 494 202	12 494 202	13 588 971	14 653 487	16 696 466
6.3 - Buildings & Fleet Management		-	-	-	39 111 279	39 252 567	39 252 567	41 177 764	43 957 750	47 037 904
6.4 - Physical Environmental Development		43 608 465	43 182 258	48 091 960	57 808 233	58 299 685	58 299 685	62 861 802	66 883 403	72 432 399
6.5 - Waste Water Management		45 545 377	50 270 463	57 193 861	73 376 703	73 759 596	73 759 596	80 341 647	87 623 892	95 363 823
6.6 - Roads & Stormwater		82 768 546	80 254 994	68 130 222	88 619 703	89 195 329	89 195 329	80 820 940	85 313 134	90 705 734
6.7 - Water Services		50 076 545	54 322 793	57 666 437	76 461 746	78 822 524	78 822 524	87 447 868	96 723 463	106 134 944
6.8 - Electricity Services		280 892 241	323 809 005	369 720 176	436 892 122	428 754 676	428 754 676	453 385 021	494 571 869	551 829 840
Total Expenditure by Vote	2	831 397 028	913 604 264	1 048 926 483	1 210 472 539	1 242 800 884	1 242 800 884	1 352 386 171	1 378 009 249	1 507 635 859
Surplus/(Deficit) for the year	2	-47 823 891	69 823 600	34 164 952	19 662 249	18 589 010	18 589 010	46 496 302	3 191 157	-5 464 643

BUDGETED FINANCIAL PERFORMANCE BY REVENUE AND EXPENDITURE TYPE

TABLE A4

Steve Tshwete Municipality - MP313											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	2	171 197 184	198 443 748	230 303 644	257 316 829	261 592 054	261 592 054	261 592 054	272 882 246	288 801 453	312 722 812
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	285 065 389	343 865 016	393 197 587	451 005 322	450 617 675	450 617 675	450 617 675	486 740 811	527 187 009	570 799 295
Service charges - water revenue	2	43 882 232	53 317 464	56 617 772	64 213 269	60 071 031	60 071 031	60 071 031	69 178 505	75 833 378	82 757 871
Service charges - sanitation revenue	2	36 370 621	45 155 692	53 853 246	59 192 678	59 156 567	59 156 567	59 156 567	63 559 034	70 169 634	77 639 891
Service charges - refuse revenue	2	36 227 716	43 439 606	51 526 257	60 180 646	60 880 646	60 880 646	60 880 646	68 975 164	73 462 225	78 605 889
Service charges - other											
Rental of facilities and equipment		13 444 832	13 890 534	14 355 983	33 484 211	33 351 095	33 351 095	33 351 095	35 361 329	37 345 198	39 420 674
Interest earned - external investments		25 708 206	21 606 766	20 894 052	23 327 500	20 327 500	20 327 500	20 327 500	20 693 700	21 109 196	21 605 772
Interest earned - outstanding debtors		2 316 139	2 132 861	1 803 908	2 004 438	1 889 590	1 889 590	1 889 590	1 497 709	1 534 046	1 572 759
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		4 962 419	5 482 572	5 437 808	5 476 250	6 485 200	6 485 200	6 485 200	6 707 900	7 031 625	7 378 708
Licences and permits		5 328 683	6 554 138	7 274 597	7 022 300	7 859 700	7 859 700	7 859 700	8 143 940	8 541 130	8 958 195
Agency services		8 217 313	9 972 801	11 309 434	11 711 440	13 061 440	13 061 440	13 061 440	13 545 608	14 494 120	15 508 700
Transfers recognised - operational		75 717 114	81 607 087	91 380 079	100 259 190	125 514 191	125 514 191	125 514 191	189 619 569	125 398 941	141 368 061
Other revenue	2	25 350 467	77 820 064	67 224 177	65 791 915	59 483 241	59 483 241	59 483 241	66 147 938	67 613 091	71 460 491
Gains on disposal of PPE		-	37 556	57 740	150 000	150 000	150 000	150 000	150 000	150 000	158 250
Total Revenue (excluding capital transfers and contributions)		733 788 314	903 325 902	1 005 236 286	1 141 135 988	1 160 439 930	1 160 439 930	1 160 439 930	1 303 203 453	1 318 671 046	1 429 957 368
Expenditure By Type											
Employee related costs	2	225 928 745	252 327 630	289 071 176	326 628 544	330 857 060	330 857 060	330 857 060	344 431 966	370 440 857	399 984 029
Remuneration of councillors		11 933 927	14 613 183	15 502 253	16 259 105	16 962 404	16 962 404	16 962 404	18 817 670	20 228 995	21 847 315
Debt impairment	3	4 087 657	4 797 175	6 209 251	7 420 850	7 420 850	7 420 850	7 420 850	8 033 795	9 223 239	9 973 836
Depreciation & asset impairment	2	157 081 460	159 590 657	151 663 080	182 792 886	182 792 886	182 792 886	182 792 886	176 251 700	197 090 045	223 190 757
Finance charges		14 161 969	14 585 490	12 170 011	27 221 013	27 221 013	27 221 013	27 221 013	28 080 922	35 264 324	43 115 253
Bulk purchases	2	192 108 764	250 573 804	288 735 084	327 702 771	315 457 078	315 457 078	315 457 078	340 072 243	371 787 488	408 937 790
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		18 979 123	17 106 393	22 696 084	32 210 992	33 544 138	33 544 138	33 544 138	38 560 561	41 282 972	44 357 888
Transfers and grants		35 145 197	44 028 548	49 878 154	56 348 073	57 819 386	57 819 386	57 819 386	62 503 456	67 769 443	72 771 803
Other expenditure	4, 5	170 330 368	155 967 763	203 266 666	233 888 305	270 726 069	270 726 069	270 726 069	335 633 858	264 921 886	283 457 188
Loss on disposal of PPE		1 639 819	13 620	9 734 724	-	-	-	-	-	-	-
Total Expenditure		831 397 028	913 604 264	1 048 926 482	1 210 472 539	1 242 800 884	1 242 800 884	1 242 800 884	1 352 386 171	1 378 009 249	1 507 635 859
Surplus/(Deficit)											
Transfers recognised - capital		35 976 300	42 166 137	50 559 717	56 725 760	67 676 924	67 676 924	67 676 924	45 770 680	58 399 360	63 799 360
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		13 808 522	37 935 825	27 295 431	32 273 040	33 273 040	33 273 040	33 273 040	49 908 340	4 130 000	8 414 488
Surplus/(Deficit) after capital transfers & contributions		-47 823 891	69 823 600	34 164 952	19 662 249	18 589 010	18 589 010	18 589 010	46 496 302	3 191 157	-5 464 643
Taxation											
Surplus/(Deficit) after taxation		-47 823 891	69 823 600	34 164 952	19 662 249	18 589 010	18 589 010	18 589 010	46 496 302	3 191 157	-5 464 643
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-47 823 891	69 823 600	34 164 952	19 662 249	18 589 010	18 589 010	18 589 010	46 496 302	3 191 157	-5 464 643
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-47 823 891	69 823 600	34 164 952	19 662 249	18 589 010	18 589 010	18 589 010	46 496 302	3 191 157	-5 464 643

BUDGETED CAPITAL EXPENDITURE BY VOTE

TABLE A5

Steve Tshwete Municipality - MP313											
Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 5 - Health Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 10 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 12 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 13 - Water		-	-	-	-	-	-	-	-	-	-
Vote 14 - Electricity		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		1 024 758	351 750	76 592	130 000	130 000	130 000	130 000	700 000	40 000	690 000
Vote 2 - Budget & Treasury		-	19 035	39 823	15 000	15 000	15 000	15 000	43 000	-	5 000
Vote 3 - Corporate Services		109 064	119 618	447 171	915 000	1 595 000	1 595 000	1 595 000	1 528 000	3 060 600	741 500
Vote 4 - Planning Development		8 512 695	7 051 654	4 298 441	3 268 000	3 562 500	3 562 500	3 562 500	2 966 500	2 233 000	2 413 000
Vote 5 - Health Services		43 140 737	40 115 420	23 304 485	16 179 100	20 727 584	20 727 584	20 727 584	17 372 000	28 803 100	19 478 400
Vote 6 - Community & Social Services		218 414 760	185 214 616	200 065 138	248 968 760	322 057 098	322 057 098	322 057 098	165 289 680	202 048 360	260 752 860
Vote 7 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 10 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 12 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 13 - Water		-	-	-	-	-	-	-	-	-	-
Vote 14 - Electricity		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		271 202 014	232 872 093	228 231 650	269 475 860	348 087 182	348 087 182	348 087 182	187 899 180	236 185 060	284 080 760
Total Capital Expenditure - Vote		271 202 014	232 872 093	228 231 650	269 475 860	348 087 182	348 087 182	348 087 182	187 899 180	236 185 060	284 080 760
Capital Expenditure - Standard											
Governance and administration		17 376 534	12 842 985	30 080 884	20 246 000	37 315 327	37 315 327	37 315 327	13 752 500	12 416 600	11 033 500
Executive and council		1 802 879	715 741	335 147	517 000	542 000	542 000	542 000	1 127 000	143 000	792 000
Budget and treasury office		109 064	119 618	447 171	380 000	720 000	720 000	720 000	1 394 000	305 600	361 500
Corporate services		15 464 591	12 007 626	29 298 566	19 349 000	36 053 327	36 053 327	36 053 327	11 231 500	11 968 000	9 880 000
Community and public safety		56 612 103	53 229 186	32 691 937	27 909 100	31 121 992	31 121 992	31 121 992	25 891 000	39 219 600	41 724 800
Community and social services		33 998 755	33 276 685	13 837 102	9 560 000	10 710 000	10 710 000	10 710 000	7 670 000	14 073 000	14 617 000
Sport and recreation		13 531 705	12 587 173	8 836 475	11 350 000	11 591 200	11 591 200	11 591 200	10 832 000	11 455 000	15 676 500
Public safety		7 942 205	5 922 649	8 910 374	6 330 000	7 955 000	7 955 000	7 955 000	7 246 000	13 517 000	11 255 000
Housing		19 995	107 432	317 536	174 100	294 100	294 100	294 100	143 000	174 600	176 300
Health		1 119 443	1 335 247	790 450	495 000	571 692	571 692	571 692	-	-	-
Economic and environmental services		74 388 517	76 105 380	84 837 012	145 420 760	151 636 457	151 636 457	151 636 457	71 462 980	70 044 760	60 165 760
Planning and development		1 836 587	2 403 677	3 885 584	71 940 000	75 126 654	75 126 654	75 126 654	509 000	1 220 000	3 155 000
Road transport		72 551 930	73 701 703	80 951 428	73 480 760	76 509 803	76 509 803	76 509 803	70 953 980	68 824 760	57 010 760
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		122 824 860	90 694 542	80 621 817	75 900 000	128 013 406	128 013 406	128 013 406	76 792 700	114 504 100	171 156 700
Electricity		85 785 391	40 185 785	23 855 934	41 410 000	51 882 464	51 882 464	51 882 464	41 490 000	62 775 000	61 280 000
Water		5 853 396	7 536 681	23 967 911	17 253 000	29 990 219	29 990 219	29 990 219	15 980 000	15 214 200	33 835 200
Waste water management		26 198 195	39 569 472	28 133 725	13 097 000	40 193 931	40 193 931	40 193 931	14 397 700	32 173 400	72 351 400
Waste management		4 987 878	3 402 604	4 664 247	4 140 000	5 946 792	5 946 792	5 946 792	4 925 000	4 341 500	3 690 100
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	271 202 014	232 872 093	228 231 650	269 475 860	348 087 182	348 087 182	348 087 182	187 899 180	236 185 060	284 080 760
Funded by:											
National Government		35 892 664	42 166 137	50 381 158	56 725 760	67 556 924	67 556 924	67 556 924	45 770 680	58 399 360	63 799 360
Provincial Government		-	-	-	-	203 409	203 409	203 409	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		67 788	-	178 478	-	120 000	120 000	120 000	-	-	-
Transfers recognised - capital	4	35 960 452	42 166 137	50 559 636	56 725 760	67 880 333	67 880 333	67 880 333	45 770 680	58 399 360	63 799 360
Public contributions & donations	5	13 202 197	37 906 235	25 920 490	-	-	-	-	-	-	-
Borrowing	6	72 666 307	72 573 642	69 933 414	64 610 000	111 591 291	111 591 291	111 591 291	77 630 000	103 960 000	126 781 000
Internally generated funds		149 373 058	80 226 079	81 818 110	148 140 100	168 615 558	168 615 558	168 615 558	64 498 500	73 825 700	93 500 400
Total Capital Funding	7	271 202 014	232 872 093	228 231 650	269 475 860	348 087 182	348 087 182	348 087 182	187 899 180	236 185 060	284 080 760

BUDGETED CAPITAL BY VOTE STANDARD CLASSIFICATION

TABLE A5A

Steve Tshwete Municipality - MP313											
Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Municipal Vote											
Single-year expenditure appropriation	2										
Vote 1 - Council & Executive Mayor		1 025	352	77	130	130	130	130	700	40	690
1.1 - Council & Executive		1 025	352	77	130	130	130	130	700	40	690
Vote 2 - Municipal Manager		-	19	40	15	15	15	15	43	-	5
2.1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
2.2 - Gender & Social		-	-	-	-	-	-	-	-	-	-
2.3 - Internal Audit		-	-	-	15	15	15	15	-	-	-
2.4 - Special Programs		-	19	2	-	-	-	-	43	-	5
2.5 - Youth Development		-	-	38	-	-	-	-	-	-	-
Vote 3 - Financial Services		109	120	447	915	1 595	1 595	1 595	1 528	3 061	742
3.1 - Budget & Treasury		109	120	447	380	720	720	720	1 394	306	362
3.2 - Data Control		-	-	-	395	695	695	695	21	2 275	65
3.3 - Grant Management		-	-	-	-	-	-	-	-	-	-
3.4 - Supply Chain Management		-	-	-	140	180	180	180	113	480	315
Vote 4 - Corporate Services		8 513	7 052	4 298	3 268	3 563	3 563	3 563	2 967	2 233	2 413
4.1 - Corporate Services		-	-	-	-	-	-	-	-	-	-
4.2 - Community Participation		-	-	-	51	51	51	51	118	33	45
4.3 - Human Resources		169	53	102	95	95	95	95	70	90	70
4.4 - Information Technology		7 565	6 635	3 938	2 780	3 050	3 050	3 050	2 370	2 007	2 201
4.5 - Legal & Administration		778	364	259	320	345	345	345	388	85	97
4.6 - Property Valuation		-	-	-	22	22	22	22	21	18	-
Vote 5 - Community Services		43 141	40 115	23 304	16 179	20 728	20 728	20 728	17 372	28 803	19 478
5.1 - Community Services		-	-	-	30	30	30	30	18	-	5
5.2 - Community Facilities		30 158	30 241	11 385	6 710	7 860	7 860	7 860	3 460	10 273	11 317
5.3 - Environmental Health		1 119	1 335	790	495	572	572	572	-	-	-
5.4 - Human Settlements		20	107	318	174	294	294	294	143	175	176
5.5 - Public Safety		6 856	5 029	6 147	4 630	6 025	6 025	6 025	8 826	14 014	4 290
5.6 - Waste Management		4 988	3 403	4 664	4 140	5 947	5 947	5 947	4 925	4 342	3 690
Vote 6 - Infrastructure Management		218 415	185 215	200 065	248 969	322 057	322 057	322 057	165 290	202 048	260 753
6.1 - Infrastructure Management		3 503	1 840	3 413	3 285	3 225	3 225	3 225	2 075	1 856	2 250
6.2 - Planning & Development		1 837	2 385	3 884	71 940	75 127	75 127	75 127	466	1 220	3 150
6.3 - Buildings & Fleet Management		4 418	3 748	22 180	12 383	28 538	28 538	28 538	6 635	5 720	6 749
6.4 - Physical Environmental Development		17 373	15 623	11 251	14 200	14 441	14 441	14 441	15 042	15 255	18 977
6.5 - Waste Water Management		26 007	39 302	27 799	13 097	40 194	40 194	40 194	14 048	32 173	71 201
6.6 - Roads & Stormwater		71 502	72 914	80 766	72 431	75 460	75 460	75 460	65 554	61 735	55 911
6.7 - Water Services		5 853	7 537	23 968	17 253	29 990	29 990	29 990	15 980	15 214	33 835
6.8 - Electricity Services		87 922	41 867	26 805	44 380	55 082	55 082	55 082	45 490	68 875	68 680
Capital single-year expenditure sub-total		271 202 014	232 872 093	228 231 650	269 475 860	348 087 182	348 087 182	348 087 182	187 899 180	236 185 060	284 080 760
Total Capital Expenditure		271 202 014	232 872 093	228 231 650	269 475 860	348 087 182	348 087 182	348 087 182	187 899 180	236 185 060	284 080 760

BUDGETED FINANCIAL POSITION

TABLE A6

Steve Tshwete Municipality - MP313											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash		59 370 684	58 439 515	57 395 683	68 882 216	47 859 407	47 859 407	47 859 407	42 761 647	51 835 682	54 950 745
Call investment deposits	1	321 772 613	324 000 000	348 000 000	171 772 613	113 110 562	308 000 000	308 000 000	513 000 000	567 000 000	612 000 000
Consumer debtors	1	37 919 592	42 452 017	46 827 118	35 087 986	35 087 986	43 950 755	43 950 755	40 552 337	36 057 182	30 905 992
Other debtors		39 553 866	50 323 856	36 931 486	19 510 720	19 510 720	19 510 720	19 510 720	20 486 256	22 437 328	24 681 061
Current portion of long-term receivables		3 856 547	3 424 228	297 245	-	-	-	-	-	-	-
Inventory	2	38 598 799	32 127 451	64 556 229	44 989 937	44 989 937	44 989 937	44 989 937	47 239 434	49 601 406	52 081 476
Total current assets		501 072 101	510 767 067	554 007 761	340 243 472	260 558 612	464 310 819	464 310 819	664 039 674	726 931 598	774 619 274
Non current assets											
Long-term receivables		263 945	170 137	120 097							
Investments		-	-	-							
Investment property											
Investment in Associate											
Property, plant and equipment	3	6 095 097 929	6 161 547 654	5 897 787 600	6 596 510 617	6 675 701 939	6 063 542 254	6 063 542 254	6 075 723 409	6 114 312 309	6 177 048 769
Agricultural											
Biological											
Intangible		2 325 328	1 771 299	1 997 863	691 758	111 758	1 537 506	1 537 506	1 003 831	1 509 946	-336 511
Other non-current assets		-	-	-							
Total non current assets		6 097 687 202	6 163 489 090	5 899 905 560	6 597 202 375	6 675 813 697	6 065 079 760	6 065 079 760	6 076 727 240	6 115 822 255	6 176 712 258
TOTAL ASSETS		6 598 759 303	6 674 256 157	6 453 913 321	6 937 445 847	6 936 372 309	6 529 390 579	6 529 390 579	6 740 766 914	6 842 753 853	6 951 331 532
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	19 317 845	13 609 607	11 856 847	16 709 401	16 709 401	17 495 460	17 495 460	19 285 067	21 295 943	23 425 537
Consumer deposits		33 111 314	39 427 946	58 557 471	53 203 982	53 203 982	63 366 471	63 366 471	68 608 281	73 483 164	78 114 303
Trade and other payables	4	117 572 944	132 878 986	139 252 374	59 961 891	59 961 891	145 586 021	145 586 021	152 865 322	160 508 588	152 483 159
Provisions		6 036 621	7 173 273	9 461 967	4 485 320	4 485 320	9 935 065	9 935 065	10 431 819	10 953 410	11 501 080
Total current liabilities		176 038 724	193 089 812	219 128 659	134 360 594	134 360 594	236 383 017	236 383 017	251 190 489	266 241 104	265 524 079
Non current liabilities											
Borrowing		127 190 270	113 602 662	101 862 369	221 915 724	221 915 724	284 535 559	284 535 559	345 247 432	433 948 582	540 520 284
Provisions		73 888 556	76 040 039	80 407 487	83 644 043	83 644 043	98 045 290	98 045 290	99 579 311	107 097 378	115 036 336
Total non current liabilities		201 078 826	189 642 701	182 269 856	305 559 767	305 559 767	382 580 848	382 580 848	444 826 743	541 045 961	655 556 620
TOTAL LIABILITIES		377 117 550	382 732 513	401 398 515	439 920 361	439 920 361	618 963 866	618 963 866	696 017 232	807 287 065	921 080 699
NET ASSETS	5	6 221 641 753	6 291 523 644	6 052 514 806	6 497 525 486	6 496 451 948	5 910 426 713	5 910 426 713	6 044 749 682	6 035 466 788	6 030 250 833
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		6 054 083 519	6 110 525 292	5 854 948 142	6 342 929 568	6 341 856 030	5 837 642 047	5 837 642 047	5 845 026 832	5 815 902 658	5 789 519 295
Reserves	4	167 558 237	180 998 386	197 566 659	154 595 917	154 595 917	72 784 666	72 784 666	199 722 850	219 564 130	240 731 538
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	6 221 641 756	6 291 523 678	6 052 514 801	6 497 525 485	6 496 451 947	5 910 426 713	5 910 426 713	6 044 749 682	6 035 466 788	6 030 250 833

BUDETED CASHFLOW

TABLE A7

Steve Tshwete Municipality - MP313											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		644 817 264	835 401 723	891 100 505	1 015 544 860	1 012 558 650	1 012 558 650	1 012 558 650	1 091 392 475	1 170 628 863	1 265 410 776
Government - operating	1	75 717 114	81 607 087	91 380 081	100 259 190	125 959 190	125 959 190	125 959 190	189 619 569	125 398 941	141 368 061
Government - capital	1	35 976 300	42 166 137	50 559 717	56 725 760	67 676 624	67 676 624	67 676 624	45 770 680	58 399 360	63 799 360
Interest		28 024 345	23 739 627	22 697 960	25 331 938	25 331 938	25 331 938	25 331 938	22 191 409	22 643 242	23 178 531
Dividends											
Payments											
Suppliers and employees		-606 606 438	-677 679 138	-772 659 223	-901 689 717	-967 546 749	-967 546 749	-967 546 749	-940 770 745	-1 068 662 198	-1 158 584 210
Finance charges		-14 161 969	-14 585 490	-12 170 010	-27 221 013	-27 221 013	-27 221 013	-27 221 013	-28 080 922	-35 264 324	-43 115 253
Transfers and Grants	1	-35 145 197	-44 028 548	-49 878 154	-56 348 073	-57 819 386	-57 819 386	-57 819 386	-62 503 456	-67 769 443	-72 771 803
NET CASH FROM/(USED) OPERATING ACTIVITIES		128 621 419	246 621 398	221 030 876	212 602 945	178 939 254	178 939 254	178 939 254	317 619 010	205 374 441	219 285 462
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-1 639 819		57 740	150 000	150 000	150 000	150 000	150 000	150 000	158 250
Decrease (Increase) in non-current debtors		189 478	526 127	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	213 143	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		161 227 387	-2 227 387	-	-	91 000 000	91 000 000	91 000 000	-205 000 000	-54 000 000	-45 000 000
Payments											
Capital assets		-271 202 014	-232 872 093	-228 231 650	-269 475 860	-348 087 182	-348 087 182	-348 087 182	-186 399 180	-236 185 060	-284 080 760
NET CASH FROM/(USED) INVESTING ACTIVITIES		-111 424 968	-234 573 353	-227 960 767	-269 325 860	-256 937 182	-256 937 182	-256 937 182	-391 249 180	-290 035 060	-328 922 510
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	80 000 000	80 000 000	80 000 000	80 000 000	80 000 000	110 000 000	130 000 000
Increase (decrease) in consumer deposits		6 434 443	6 316 632	19 129 525	12 918 878	12 918 878	12 918 878	12 918 878	5 241 810	4 874 883	4 631 139
Payments											
Repayment of borrowing		-21 398 966	-19 295 846	-13 243 466	-16 709 401	-16 709 401	-16 709 401	-16 709 401	-16 709 401	-21 140 229	-21 879 028
NET CASH FROM/(USED) FINANCING ACTIVITIES		-14 964 523	-12 979 214	5 886 059	76 209 477	76 209 477	76 209 477	76 209 477	68 532 409	93 734 654	112 752 111
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	57 138 755	59 370 683	58 439 514	49 647 859	49 647 859	49 647 859	49 647 859	47 859 408	42 761 647	51 835 682
Cash/cash equivalents at the year end:	2	59 370 683	58 439 514	57 395 682	69 134 421	47 859 408	47 859 408	47 859 408	42 761 647	51 835 682	54 950 745

CASH BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

TABLE A8

Steve Tshwete Municipality - MP313											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	59 370 683	58 439 514	57 395 682	69 134 421	47 859 408	47 859 408	47 859 408	42 761 647	51 835 682	54 950 745
Other current investments > 90 days		321 772 614	324 000 001	348 000 001	171 520 408	113 110 561	307 999 999	307 999 999	513 000 000	567 000 000	612 000 000
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		381 143 297	382 439 515	405 395 683	240 654 829	160 969 969	355 859 407	355 859 407	555 761 647	618 835 682	666 950 745
Application of cash and investments											
Unspent conditional transfers		10 965 470	14 214 704	6 901 446	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	24 636 640	17 304 237	43 460 804	1 515 445	1 517 445	76 543 784	76 543 784	85 918 124	95 800 180	90 988 921
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	167 558 237	180 998 386	197 566 659	154 595 917	154 595 917	72 784 666	72 784 666	199 722 850	219 564 130	240 731 538
Total Application of cash and investments:		203 160 347	212 517 327	247 928 909	156 111 362	156 113 362	149 328 451	149 328 451	285 640 974	315 364 310	331 720 459
Surplus(shortfall)		177 982 950	169 922 188	157 466 774	84 543 467	4 856 607	206 530 956	206 530 956	270 120 673	303 471 372	335 230 286

ASSET MANAGEMENT

TABLE A9

Steve Tshwete Municipality - MP313										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
Total New Assets	1	224 521 006	121 723 835	193 512 342	213 701 060	250 801 137	250 801 137	134 765 680	182 276 060	231 311 760
Infrastructure - Road transport		65 712 153	42 061 961	69 917 703	55 138 760	54 882 824	54 882 824	56 408 980	54 712 760	49 090 760
Infrastructure - Electricity		72 234 008	24 177 999	17 371 671	24 340 000	34 495 583	34 495 583	32 250 000	47 615 000	47 685 000
Infrastructure - Water		2 049 442	3 402 472	21 569 233	12 555 000	21 275 737	21 275 737	7 475 000	7 017 200	21 191 200
Infrastructure - Sanitation		19 592 893	1 488 767	26 531 341	7 242 000	10 879 065	10 879 065	12 669 700	30 428 400	69 364 400
Infrastructure - Other		1 102 008	1 606 796	885 207	3 900 000	6 158 589	6 158 589	1 750 000	4 150 000	1 750 000
Infrastructure		160 690 504	72 737 995	136 275 155	103 175 760	127 691 798	127 691 798	110 553 680	143 923 360	189 081 360
Community		40 835 807	33 825 447	15 773 967	13 040 000	32 513 664	32 513 664	9 520 000	18 710 000	22 095 000
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	21 888 521	14 412 936	40 792 854	96 535 300	89 955 675	89 955 675	14 692 000	17 642 700	20 135 400
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		1 106 174	747 457	670 366	950 000	640 000	640 000	-	2 000 000	-
Total Renewal of Existing Assets	2	46 681 008	111 148 258	34 719 308	55 774 800	97 286 045	97 286 045	53 133 500	53 909 000	52 769 000
Infrastructure - Road transport		7 522 094	29 332 349	12 129 270	15 690 000	18 749 050	18 749 050	11 460 000	10 060 000	10 045 000
Infrastructure - Electricity		11 920 314	15 700 799	9 102 902	8 870 000	19 304 381	19 304 381	13 250 000	17 800 000	17 550 000
Infrastructure - Water		2 254 555	1 998 617	1 656 347	2 478 000	5 212 482	5 212 482	4 860 000	5 545 000	11 635 000
Infrastructure - Sanitation		3 962 724	36 717 624	411 889	4 290 000	27 269 368	27 269 368	680 000	730 000	735 000
Infrastructure - Other		-	2 275 083	45 965	-	-	-	-	-	-
Infrastructure		25 659 687	86 024 472	23 346 373	31 328 000	70 535 281	70 535 281	30 250 000	34 135 000	39 965 000
Community		3 608 667	4 785 988	3 674 485	7 525 000	7 469 000	7 469 000	3 620 000	3 350 000	2 700 000
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	17 412 654	20 165 089	7 615 980	16 921 800	19 281 764	19 281 764	18 829 500	16 424 000	10 104 000
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	172 709	82 470	-	-	-	434 000	-	-
Total Capital Expenditure	4	73 234 247	71 394 310	82 046 973	70 828 760	73 631 874	73 631 874	67 868 980	64 772 760	59 135 760
Infrastructure - Road transport		84 154 322	39 878 798	26 474 573	33 210 000	53 799 964	53 799 964	45 500 000	65 415 000	65 235 000
Infrastructure - Electricity		4 303 997	5 401 089	23 225 580	15 033 000	26 488 219	26 488 219	12 335 000	12 562 200	32 826 200
Infrastructure - Water		23 555 617	38 206 391	26 943 230	11 532 000	38 148 433	38 148 433	13 349 700	31 158 400	70 099 400
Infrastructure - Sanitation		1 102 008	3 881 879	931 172	3 900 000	6 158 589	6 158 589	1 750 000	4 150 000	1 750 000
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		186 350 191	158 762 467	159 621 528	134 503 760	198 227 079	198 227 079	140 803 680	178 058 360	229 046 360
Community		44 444 474	38 611 435	19 448 452	20 565 000	39 982 664	39 982 664	13 140 000	22 060 000	24 795 000
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	39 301 175	34 578 025	48 408 834	113 457 100	109 237 439	109 237 439	33 521 500	34 066 700	30 239 400
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		1 106 174	920 166	752 836	950 000	640 000	640 000	434 000	2 000 000	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	271 202 014	232 872 093	228 231 650	269 475 860	348 087 182	348 087 182	187 899 180	236 185 060	284 080 760
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	833 483 945	857 761 419	895 135 458	889 939 727	892 742 841	910 191 656	930 865 735	947 003 590	955 788 850
Infrastructure - Electricity		670 555 040	687 058 540	685 779 925	750 675 386	760 185 350	710 357 207	726 373 921	757 429 314	780 621 618
Infrastructure - Water		541 208 166	524 678 327	529 341 146	518 828 042	530 331 261	533 022 962	522 224 485	510 243 877	516 251 472
Infrastructure - Sanitation		371 894 822	398 015 348	412 567 881	516 741 287	543 357 720	436 562 691	433 506 612	447 221 006	499 027 051
Infrastructure - Other		32 586 841	29 153 859	27 484 333	28 146 823	29 135 412	27 603 280	25 102 372	23 771 680	18 257 653
Infrastructure		2 449 728 815	2 496 667 494	2 550 308 742	2 704 331 265	2 755 752 584	2 617 737 795	2 638 073 126	2 685 669 466	2 769 946 643
Community		495 785 473	512 518 545	513 947 288	566 125 264	571 096 764	535 487 807	530 143 005	532 658 897	536 789 749
Heritage assets		8 841	307 413	307 412	8 841	8 841	307 412	307 412	307 412	307 412
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		3 149 574 801	3 152 054 202	2 833 224 162	3 326 045 247	3 348 843 750	2 910 009 239	2 907 199 865	2 895 676 533	2 870 004 964
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		2 325 328	1 771 299	1 997 863	691 758	111 758	1 537 506	1 003 831	1 509 946	-336 511
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	6 097 423 258	6 163 318 952	5 899 785 468	6 597 202 375	6 675 813 698	6 065 079 760	6 076 727 240	6 115 822 255	6 176 712 258
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	157 081 460	159 590 657	151 663 080	182 792 886	182 792 886	182 792 886	176 251 700	197 090 045	223 190 757
Repairs and Maintenance by Asset Class		43 342 609	47 191 281	51 431 252	53 769 239	57 170 633	57 170 633	62 840 610	66 976 092	71 885 267
Infrastructure - Road transport		4 760 562	4 563 924	4 563 722	5 400 915	5 312 040	5 312 040	6 743 067	7 129 894	7 595 600
Infrastructure - Electricity		14 626 258	16 232 361	16 722 339	15 584 000	17 214 000	17 214 000	19 150 700	20 676 234	22 885 036
Infrastructure - Water		1 318 498	1 621 361	1 837 861	2 035 600	2 408 100	2 408 100	2 464 350	2 571 537	2 684 175
Infrastructure - Sanitation		460 913	564 597	713 041	834 000	924 000	924 000	1 179 210	1 228 046	1 256 610
Infrastructure - Other		613 078	690 468	599 270	698 500	493 800	493 800	729 815	766 305	804 621
Infrastructure		21 779 308	23 672 711	24 436 233	24 553 015	26 351 940	26 351 940	30 267 142	32 372 016	35 226 042
Community		1 180 310	1 377 255	1 426 021	1 533 825	1 516 425	1 516 425	1 975 125	2 143 064	2 199 894
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6,7	20 382 992	22 141 315	25 568 998	27 682 399	29 302 268	29 302 268	30 598 343	32 461 012	34 459 331
TOTAL EXPENDITURE OTHER ITEMS		200 424 069	206 781 938	203 094 332	236 562 125	239 963 519	239 963 519	239 092 310	264 066 137	295 076 024
<i>Renewal of Existing Assets as % of total capex</i>		17.21%	47.73%	15.21%	20.70%	27.95%	27.95%	28.28%	22.82%	18.58%
<i>Renewal of Existing Assets as % of deprecn"</i>		29.72%	69.65%	22.89%	30.51%	53.22%	53.22%	30.15%	27.35%	23.64%
<i>R&M as a % of PPE</i>		0.70%	0.80%	0.90%	0.80%	0.90%	0.90%	1.00%	1.10%	1.20%
<i>Renewal and R&M as a % of PPE</i>		1.00%	3.00%	1.00%	2.00%	2.00%	3.00%	2.00%	2.00%	2.00%

BASIC SERVICE DELIVERY MEASUREMENT

TABLE A10

Steve Tshwete Municipality - MP313										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling					32 008	32 008	32 008	32 020	32 032	32 044
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2				5 042	5 042	5 042	3 395	3 395	3 395
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	37 050	37 050	37 050	35 415	35 427	35 439
Using public tap (< min.service level)	3				693	693	693	680	669	650
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	693	693	693	680	669	650
Total number of households	5	-	-	-	37 743	37 743	37 743	36 095	36 096	36 089
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)					34 363	34 363	34 363	34 371	34 381	34 389
Flush toilet (with septic tank)					-	-	-	-	-	-
Chemical toilet					1 713	1 713	1 713	1 744	1 644	1 400
Pit toilet (ventilated)					10	10	10	10	10	10
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	36 086	36 086	36 086	36 125	36 035	35 799
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	36 086	36 086	36 086	36 125	36 035	35 799
<u>Energy:</u>										
Electricity (at least min.service level)					4 700	4 700	4 700	4 460	4 390	4 270
Electricity - prepaid (min.service level)					34 195	34 195	34 195	36 509	37 111	37 710
<i>Minimum Service Level and Above sub-total</i>		-	-	-	38 895	38 895	38 895	40 969	41 501	41 980
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	38 895	38 895	38 895	40 969	41 501	41 980
<u>Refuse:</u>										
Removed at least once a week					48 200	48 200	48 200	48 291	48 405	49 091
<i>Minimum Service Level and Above sub-total</i>		-	-	-	48 200	48 200	48 200	48 291	48 405	49 091
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	48 200	48 200	48 200	48 291	48 405	49 091
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		9 857	11 085	12 831	12 552	12 671	12 671	12 798	12 926	13 055
Sanitation (free minimum level service)		14 483	15 000	16 315	16 968	16 968	16 373	16 537	16 702	16 869
Electricity/other energy (50kwh per household per month)		9 980	10 080	12 741	13 378	13 378	14 974	15 124	15 275	15 428
Refuse (removed at least once a week)		14 483	15 000	15 985	16 784	16 784	16 046	16 206	16 369	16 532
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		4 718 606	5 211 829	6 093 651	6 398 333	6 398 333	6 398 333	10 135 993	11 149 593	12 264 552
Sanitation (free sanitation service)		3 029 612	5 071 680	6 024 912	6 326 157	6 326 157	6 326 157	15 562 387	18 113 621	20 042 722
Electricity/other energy (50kwh per household per month)		1 664 664	2 101 680	2 657 241	2 790 103	2 790 103	2 790 103	6 915 481	6 984 636	7 054 483
Refuse (removed once a week)		3 746 173	4 324 500	5 212 650	5 473 282	5 473 282	5 473 282	19 019 901	20 468 024	22 119 794
Total cost of FBS provided (minimum social package)		13 159 055	16 709 689	19 988 454	20 987 875	20 987 875	20 987 875	51 633 763	56 715 874	61 481 550
Highest level of free service provided										
Property rates (R value threshold)		15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)	10 kℓ	10 kℓ	10 kℓ	10 kℓ	10 kℓ	10 kℓ	10 kℓ	10 kℓ	10 kℓ	10 kℓ
Sanitation (kilolitres per household per month)	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ
Sanitation (Rand per household per month)	49.60	49.60	68.75	68.75	68.75	68.75	68.75	68.75	68.75	68.75
Electricity (kwh per household per month)	50 kwh	50 kwh	50 kwh	50 kwh	50 kwh	50 kwh	50 kwh	50 kwh	50 kwh	50 kwh
Refuse (average litres per week)	85ℓ	85ℓ	85ℓ	85ℓ	85ℓ	85ℓ	85ℓ	85ℓ	85ℓ	85ℓ
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-	-						
Property rates (other exemptions, reductions and rebates)		8 948 034	10 731 235	12 059 548	11 099 330	12 196 600	12 196 600	15 839 246	17 129 019	18 350 161
Water		7 995 054	10 530 409	12 798 534	14 286 660	14 653 704	14 653 704	16 759 112	18 359 684	20 006 709
Sanitation		7 000 517	9 672 044	12 563 182	13 787 400	14 127 111	14 127 111	15 171 105	16 475 820	17 711 507
Electricity/other energy		3 869 683	5 948 174	6 033 884	6 481 738	6 520 586	6 520 586	7 002 457	7 604 668	8 175 018
Refuse		7 738 987	10 318 710	13 602 624	16 941 900	16 233 965	16 233 965	17 433 655	18 932 949	20 352 920
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of free services provided (total social package)		35 552 275	47 200 571	57 057 772	62 597 028	63 731 966	63 731 966	72 205 575	78 502 140	84 596 315