

# **PART 1**

# **ANNUAL BUDGET**

## **REPORT BY THE EXECUTIVE MAYOR ON THE ANNUAL BUDGET FOR THE 2011/2012; 2012/2013 & 2013/2014 FINANCIAL YEARS**

1. Following the community participation process through the Integrated Development Plan and tabled budget processes, the 2011/2012 to 2013/2014 annual budget is herewith tabled for consideration and adoption.
2. The State President in his 2011 State of the Nation Address indicated that government needs to do more with existing resources:
  - To have more decent employment opportunities;
  - Have modern infrastructure with a vibrant economy where the quality of life is high;
  - Everyone to contribute to jobs through creating opportunities for themselves and others; and
  - Have a responsibility to work to make the above a reality.
3. The challenge for the municipality is to do more within its existing resources by reprioritizing money from low-priority programmes to high-priority programmes. Municipalities play a critical role in furthering government objective of providing services to all while facilitating local economic development. Special attention should be given not only to manage existing revenue and cash streams effectively but also to broaden the municipal revenue base to support the operating and capital needs of the municipality.
4. Given the current constraints some very tough decisions in the course of considering the 2011/2012 budgets and Medium Term Revenue and Expenditure Framework (MTREF) were taken. Priority must be given to maximize job creation by:
  - Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;
  - Ensuring that service providers use labour intensive approaches;
  - Supporting labour intensive LED projects;
  - Participating fully in the Extended Public Works Programme; and
  - Implementing interns programmes to provide young people with on-the-job training.

5. It is important that the financial position of the municipality remains sustainable over the medium term facing the current constraints and therefore, special attention must be given to eliminating all unnecessary spending on nice-to-have items and non-essential activities.
6. New imaginative ways must be explored to encourage more efficient use of resources and to generate the required funding for the maintenance, renewal and expansion of infrastructure to ensure effective service delivery.
7. To support local government national transfers grow by R21-billion over the next three years to accelerate the delivery of basic services to households that cannot afford them.
8. In terms of the Division of Revenue Bill the equitable share increases from R70,3-million to R77,3-million for the 2011/2012 financial year and is projected to increase to R91,5-million in the 2013/2014 financial year. Capital transfers increase from R46,7-million to R47,7-million and are projected to increase to R67,7-million in the 2013/2014 financial year.
9. To assist our communities the following social packages are included in the budget for indigent households:
  - 10 kl free basic water at a cost of R 3,5-million
  - 50kWh free basic electricity at a cost of R 7,2-million
  - free sanitation services at a cost of R10,4-million
  - free refuse removal services R11,0-million
  - free property tax R 6,2-million
10. In compliance with section 22(b)(i) of the MFMA, the annual budget was tabled on 11 March 2011 and was submitted to National Treasury and Provincial Treasury for inputs.
11. The publication process in terms of section 22 of the MFMA was done as follows:
  - 11.1 Advertisements in the local press to invite inputs until 21 April 2011.
  - 11.2 An electronic copy of the tabled budget was available on Council's website and printed copies were made available at all libraries of the Council.
  - 11.3 Both printed and electronic copies of the tabled budget accompanied by all documentation had been submitted to the following government structures for overview, comments and inputs:

- National Treasury, Pretoria
- Mpumalanga Provincial Treasury, Nelspruit
- Mpumalanga Co-operative Governance and Traditional Affairs, Nelspruit
- Nkangala District Municipality
- South African Local Government Association, Nelspruit

12. A Budget Indaba was also held on 20 April 2011 at the Adelaide Tambo Community Hall, Extension 7, Mhluzi in order to provide a further opportunity for inputs on the tabled budget. The community members have expressed their appreciation for the considerate and responsible manner in which the tabled budget had been drafted. Some of the key remarks are as follows:

- Encouraging Council to sustain the current position.
- Higher property rates tariffs on second dwellings (improvements) must be reconsidered.
- Provision for maintenance of assets should be increased.
- The budget allocated to Presidentsrus is insufficient and not in line with developments in Aerorand West.
- The farmers' forum handed in their inputs to the tabled budget.
- Concerns were raised on the bad debt provision and writing off of irrecoverable debt.

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

#### 13.1 Farmers Committee

The farmers committee comment that the proposed rates increases are beyond the CPI of 3,7%, PPI of 6,7% and GDP of 4,4% ending February 2011, although they acknowledge that the CPI is not a good measure of the increases of goods and services relevant to municipalities.

They further object that no formal office for application for rebates, exemptions and complaints on taxes exists.

One of the objectives of the Municipal Property Rates Act, Act 6 of 2004, Regulation 363, on the rate ratio between residential and non-residential categories of property is to determine the maximum ratio to the rate on residential property. They argue that the municipality must consider a lesser ratio and not the maximum.

Lastly they argue that the tariffs were illegal because there were no specific negotiations with the farmers on the applicable proposed rates.

#### 13.2 Pensioners

Five (5) inputs were received from pensioners. They feel that the tariff increases by far exceeds the increases in their pension and that their pension is insufficient to cover the cost of living. They request the municipality to increase the maximum monthly income to qualify for rebate from R8 000 to R10 000 per month and that the rates rebate be extended to all services.

#### 13.3 Kranspoort Holiday Town

Kranspoort Owners Committee, lodge an objection to the increase in the rates tariff from 0,0068 to 0,0074 for the fact that the municipality did not include them as an external service provider and due to the fact that all services are provided by them at no cost to the municipality.

They further request that the municipality grant a rebate or reduction to this specific category of owners or alternatively decide to vote an amount of money to be paid to Kranspoort to carry on receiving the services normally rendered by the Council.

#### 13.4 Presidentsrus Home Owners Association

Although it is understood that development budgets are not necessarily allocated by percentage or population they feel that Presidentsrus growth and development is retarded by the lack of appropriate amenities and standards and if a lesser portion of the budget is received they request a rebate to be considered on rates. They compare their budget provision with towns like Aeorand West.

#### 14. In response the following was considered and is recommended:

- 14.1 The rebates for agriculture property is applicable to farm properties as defined per section 8(2)(d)(i)(e) and (f)(i) of the Municipal Property Rates Act. The municipality indeed apply the maximum ratio of 1:025 in relation to residential property which means that agriculture land as defined by the act receive a rebate of 75% on the residential rate. No further rebates are granted except for the phasing of rates applicable to newly rated properties.

As these rebates are contained in the rates policy no prior application is required to receive rebates as they are already included in the applicable tariffs structure for agriculture land.

Due to the budget constraints and the severe pressure on the property rates tariffs applicable to residential and businesses no further rebates to agricultural land can be considered at this stage as the loss of revenue will have to be recovered from the other rate payers.

The legality of the tariffs can be argued. The community participation process is strictly followed in accordance with chapter 4 of the Municipal Systems Act, with reference to sections 21A and 21B as follows:

- Notices are displayed at the head and satellite offices and libraries of the municipality.
- Budget document displayed on the municipal official website.
- Notified the local community of the place, including website address, where detailed particulars can be obtained.
- Inviting the local community to submit written comments or representations to the municipality in respect of published document.

The municipality is under no obligation to negotiate tariffs with specific consumer category groups. However, the importance of a community participation process is acknowledged.

- 14.2 The municipality recognises the pressure on pensioners to pay their municipal bills. The request to increase the monthly income from R8 000 to R10 000 per month to qualify for pensioners rebate is therefore favourably considered. In addition to this the same rebate applicable to assessment rates will also apply to sewerage and refuse tariffs.
- 14.3 In the objection received from Kranspoort Owners Committee it is indicated that Kranspoort is not a financial burden due to the fact that all services are provided by them at no cost to the municipality. Furthermore, that in terms of the tariff policy all municipal services should be treated equally in the provision of tariffs. They therefore request the municipality to pay Kranspoort for the services rendered by them or to consider a rebate on property tax.

It should be noted that property tax is not levied to cover the cost of water, sewerage or refuse removal services. Should the municipality consider taking over the services, the owners of Kranspoort will in addition to their property tax also pay for water, sewerage and refuse removal separately. Therefore no further rebate on tax can be considered because Kranspoort deliver water, sewerage and refuse removal services themselves.

Again as mentioned in previous correspondence, property rates is a tax to provide the municipality with the necessary sources of revenue to fulfil its developmental responsibilities. Local government as a sphere of government is dependent on tax as a form of main revenue which fund services such as community facilities and traffic control, fire services, town planning matters and development, cemeteries and roads etc.

Kranspoort Holiday Town does not meet the definition of privately owned towns and therefore in terms of the rates policy these properties are categorised as either residential, business and/or commercial etc. as per the rates policy.

The concerns raised by the Kranspoort Owners Committee are noted and the "*modus operandi*" will be investigated and clarified.

- 14.4 The concerns raised by the Presidentsrus Home Owners Association are noted. Unfortunately developments such as Aerorand West cannot be compared to Presidentsrus. In the case of Aerorand West, erven are sold which generate the necessary cash to service those erven. In the case of Presidentsrus the Council have never sold erven and therefore their capital needs are considered and prioritised as part of the total capital budget. With funding constraints on the capital budget only R1,7-million could be allocated towards Presidentsrus which in any case by far exceeds the budgeted revenue from rates of R685 000,00 per annum. No further rebates on rates for Presidentsrus can therefore be considered.
15. Minor inputs of R1,5-million were received from the administration which mostly contains corrections and omissions from the tabled budget. These requests have been accommodated by curtailing planned expenditure within budget votes and to recalculate property rates revenue based on current trends to accommodate for the increased expenditure without affecting the proposed tariffs.
16. A typing error occurred on the proposed sundry tariffs for 2011/2013 financial year and the following correction is recommended:

- page 102 – parking tariffs

Amend on street parking from a portion of or one (1) minute to a portion of or fifteen (15) minutes.

17. Various inputs were received on the tabled policies from cosmetic changes to amendments. It is recommended that the tabled budget related policies with the following amendment as contained under part 4 of the tabled budget document be approved:

#### 17.1 Budget Policy

- the deletion of paragraph 1.3
- the amendment of the average monthly earning per month under paragraph 8.1.4(g) and 8.1.5(i) as follows:

R0 to R2280,00	100% rebate
R2 280,01 to R 5 000,00	75% rebate
R5 000,01 to R 7 000,00	50% rebate
R7 000,01 to R10 000,00	20% rebate

- by amending the wording in 8.1.5 “*mentally disabled*” to “*medically boarded*”.
- by deleting paragraph 8.1.5(c).

#### 17.2 Credit Control Policy

- by changing the wording under paragraph 3.2(a):  
*“The previous months account must be paid in full unless a formal acknowledgement of debt is made”.*
- by adding the wording under paragraph 4.2.6:  
*“Except where the amount levied for rates is minimal as the result of phasing in of property rates”.*

#### 17.3 Free Basic Service and Indigent Support Policy

- by including the following – paragraph 4 – child headed households:  
*“produce a valid identity document, certified copy or birth certificate”.*
- paragraph 5 – limitations:  
*“no officials or councillors may apply for indigent support”.*

- New paragraph 7 – delistment of indigent support:

*“Should a person wish to be removed from the municipal indigent support scheme, it may only be considered subject to the following conditions*

- *must be on the indigent scheme for the past twelve (12) months.*
- *must apply in writing on the prescribed application form.*
- *must be the owner of the property.*
- *the following documents must be attached to the application form:*
  - *certified copy or valid identity document.*
  - *certified proof of income and/or payslip.*
- *the application must be approved by the Executive Manager Finance”.*

#### 17.4 Writing Off of Bad Debts and the Impairment of Debtors Policy

- the deletion of the following under paragraph 6:
  - the debtor is indigent;
  - cost to recover exceeds the debt; and
  - where attorneys advise the Council not to proceed with the debt.
- by adding under paragraph 7.3 the following wording:
 

*“Liquidations in terms of section 89 of the Insolvency Act, Act 24 of 1936”.*
- by amending the wording “*sale of erven*” to “*bought back by Council*” under paragraph 7.3.

#### 17.5 Borrowing Policy

Only cosmetic changes were made to paragraph 6.8(a)(ii), 6.9(a)(ii) and 8.1(b).

#### 17.6 Investment of Surplus Funds Policy

By amending the wording under paragraph 10 “*generally accepted accounting practices*” to “*generally recognised accepted accounting practices (GRAP)*”.

#### 17.7 Travelling and Subsistence Policy

- by adding the following wording to paragraph 5.1.3 and 9.2:

*“subject to the availability of sufficient funding on the annual budget”.*

- by including the following sentence under paragraph 5.3.4:

*“No meal expenses will be payable for official visits regarding workshops and/or training within the municipal boundaries”.*

#### 17.8 Petty Cash Policy

- by adding the following under paragraph 5.2(g):

*“wages for contractors, labour or contract work less than R500,00”.*

- by amending the wording “ten (10) working days” to “five (5) working days” under paragraph 9.5.

18. Section 18 of the MFMA requires that an annual budget must be funded. Unrealistically low tariff increases and an over-ambitious capital expenditure programme will place the financial sustainability of the municipality at risk and will impact service delivery negatively.
19. Water tariffs must be fully cost reflective and should include the cost of maintenance and the costs for upgrades and new infrastructure. It is also important that the water tariffs are structured to protect basic level of services.
20. After all the inputs were considered additional revenue of R110,8-million had to be sought of which R85,8-million is from service charges and R25-million from property rates.
21. The continuous demand for better service delivery, upgrading of bulk infrastructure without significant growth of the municipal revenue base has placed a severe burden on the budget. It is however anticipated that once the new mall and the envisaged surrounding developments realise it will relieve the pressure on the municipality’s revenue base.
22. The proposed tariff adjustments to come into effect on 1 July 2011 are contained in the recommendation and represents:
  - An average increase in property tax revenue of 13,95%.
  - An average increase in sewerage tariff of 21,9%.
  - An average increase in refuse tariff of 16,6%.
  - An average increase in the electricity revenue of 23,38%.

- An average increase in the water tariff of 15,9%.
23. It should be noted that the property rates tariffs per category were brought in line with the new rates policy resulting that the increases vary per category from 11,1% to 14,2%.
  24. The electricity tariffs were restructured to bring it more in line with the NERSA electricity pricing policy. Therefore the electricity tariff increases vary from consumer categories and will largely depend on the usage of electricity. The anticipated increases are between 20,38% to 27,2%.
  25. The annual budget herewith presented provides for total operating revenue of R851,8-million for the 2011/2012 financial year, R964,3-million for the 2012/2013 financial year and R1,116-billion for the 2013/2014 financial year.
  26. The operating budget provides for total operating expenditure for the 2011/2012 financial year of R917,6-million for the 2012/2013 financial year of R1,006-billion and R1,113-billion for 2013/2014 financial year. The main expenditure increases are as follows:
    - Employee related costs at 17,5%. This includes R6,1-million for additional posts and an overall salary increase of 7,5%.
    - Electricity bulk purchases at 26,7% which include an increased amount of R44,9-million for electricity.
    - Grants and subsidies payable increase with R14,2-million to allow for the provision of free basic services to indigent households which were in the past recognised as income foregone.
  27. The capital budget amounts to just more than R678,6-million over the next three years. Cash backed accumulated reserves will fund capital projects to the amount of R234,3-million whilst government grants will contribute R172-3-million. New loan funding of approximately R272-million will be taken up in equal draw-downs over the next three years.
  28. R569,3-million of the proposed capital expenditure will be utilised on new assets whilst R109,3-million be used for the replacement of assets. For infrastructural development R508,4-million is allocated, R51-million for community assets and the balance of R119,2-million for other assets.
  29. Departmental allocations include:
    - R139,6-million for electricity services
    - R 33,5-million for water services
    - R122,4-million for sewerage services
    - R 11,3-million for refuse removal services
    - R200-4-million for road transport

- R 88,5-million for community and public safety
- R 69,2-million for governance and administration

30. The annual budget document was updated accordingly and it is recommended by the Executive Mayor that the multi-year annual budget for 2011/2012 to 2013/2014 be considered and approved.



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## TO WHOM IT MAY CONCERN

Extract from the minutes of the Special Council meeting held on 5 May 2011:

**CC14/05/2011**

**FINANCES : ANNUAL BUDGET FOR THE 2011/2012; 2012/2013 & 2013/2014**

**FINANCIAL YEARS**

5/1/1/5 (M)

### **RESOLVED BY COUNCIL**

1. **THAT** the multi-year annual budget of capital and operating expenditure for 2011/2012 and the indicated two outer years of 2012/2013 and 2013/2014 as set out by the following tables attached as **ANNEXURE B** be approved:

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, 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 24 of the Local Government Municipal Property Rates Act, Act 6 of 2004, rates differentiating among the different categories of properties determined by the actual use, the zoning and/or permitted use of properties, for property tax be levied on market value of all rateable properties within the municipal area for the financial year 1 July 2011 to 30 June 2012, provided that rebates, exemptions and reductions as indicated, on application be allowed:

4.1	Category	Rate Applicable
4.1.1	Residential with the exclusion of the first R15 000 of assessed market value	0,74 cent in the Rand
4.1.2	Government owned residential with the exclusion of the first R15 000 of assessed market value	0,74 cent in the Rand
4.1.3	Residential - 2 <sup>nd</sup> dwelling	0,74 cent in the Rand
4.1.4	Government residential - 2 <sup>nd</sup> dwelling	0,74 cent in the Rand
4.1.5	Duets not subject to a sectional title scheme	0,74 cent in the Rand
4.1.6	Government duets not subject to sectional title scheme	0,74 cent in the Rand
4.1.7	Residential : home business	0,74 cent in the Rand
4.1.8	Residential : vacant, including government owned	1,11 cent in the Rand
4.1.9	Illegal usage	2,36 cent in the Rand
4.1.10	Accommodation establishments	0,92 cent in the Rand
4.1.11	Business and commercial including government owned	2,36 cent in the Rand
4.1.12	Industrial	2,36 cent in the Rand
4.1.13	Farms including agricultural small holdings used for agricultural/residential purposes	0,18 cent in the Rand
4.1.14	Farms including agricultural small holdings used for eco-tourism/trading in or hunting of game	1,42 cent in the Rand
4.1.15	Farms including agricultural small holdings used for business/commercial/ industrial purposes	2,36 cent in the Rand
4.1.16	Farm including agricultural small holdings used for any other than the specified purposes	0,18 cent in the Rand
4.1.17	Mining	2,36 cent in the Rand
4.1.18	Public benefits organisations	0,18 cent in the Rand

4.1.19	Schools including government owned/ school hostels	0,92	cent in the Rand
4.1.20	Multiple used premises according to major use:		
	Residential	0,74	cent in the Rand
	Commercial/industrial	2,36	cent in the Rand
	Accommodation establishment	0,92	cent in the Rand
4.1.21	Privately owned roads / parks / sport grounds, subject to the stipulations of Section 17(2)(b) of Act 6 of 2004, where applicable	0,74	cent in the Rand
4.1.22	Privately owned towns	0,18	cent in the Rand
4.1.23	Pensioners who qualify		
	(i) 100% rebate	0,74	cent in the Rand
	(ii) 70% rebate	0,52	cent in the Rand
	(iii) 50% rebate	0,37	cent in the Rand
	(iv) 20% rebate	0,15	cent in the Rand
4.1.24	Developer rebate (85%)	0,63	cent in the Rand

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

4.2.1 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.

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

Qualifying applicants:

4.2.2.1 100% rebate of 0,74 cent in the Rand

4.2.2.2 70% rebate of 0,52 cent in the Rand

4.2.2.3 50% rebate of 0,37 cent in the Rand

4.2.2.4 20% rebate of 0,15 cent in the Rand

4.2.3 That a rebate of 0,63 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.

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

4.3.1 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 2009/2010 financial year a rebate of 100%;
- In the 2010/2011 financial year a rebate of 75%;
- In the 2011/2012 financial year a rebate of 50%;
- In the 2012/2013 financial year a rebate of 25%; and
- In the 2013/2014 financial year the rate will be payable without any rebate.

4.4 Exemptions from payment of a rate levied

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

4.4.1.1 rateable property registered in the name of a welfare organisation registered in terms of the National Welfare Act, 1978 (Act 100 of 1978).

4.4.1.2 rateable property owned by public benefits organisations 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.

4.4.1.3 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.

4.4.1.4 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.

4.4.1.5 rateable property registered in the name of a trustee or trustees or any organisation which is being maintained for the welfare of war veterans as defined in section 1 of the Social Aid Act (House of Assembly), 1989, Act 37 of 1989, and their families.

4.4.1.6 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport.

- 4.4.1.7 rateable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organisation which is in the opinion of the municipality similar or any rateable property let by the municipality to any such organisation.
- 4.4.1.8 rateable property registered in the name of a declared institution in terms of Cultural Institutions Act, 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.
- 4.4.1.9 properties in the "*municipal*" category unless a lease or sale agreement for such a property, or part thereof, exists.
- 4.4.1.10 on mineral rights within the meaning of paragraph (b) under "*property*" as per section 1 of Act 6 of 2004.
- 4.4.1.11 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.
- 4.4.1.12 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.
- 4.4.1.13 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.
- 4.4.1.14 on the first 30% of the market value of public service infrastructure.
- 4.4.1.15 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.

- 4.5 That all property rates as per paragraphs 4.1.1 to 4.1.24 above be subjected to Value Added Tax at a zero rate.
5. **THAT** the departmental levy on sewerage be determined at R2,02 cent per kilolitre of measured sewerage water effluent.
6. **THAT** the fees for drainage and sewerage as published under Notice 2/1985 in the Provincial Gazette on 31 July 1985, as amended, in terms of the stipulations of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, be amended as follows with effect from 1 July 2011:
- 6.1 That all levies for drainage and sewerage as per paragraphs 6.2 to 6.4 below be subjected to Value Added Tax at full rate.
- 6.2 To have the present tariffs replaced by the following structure:
- 6.2.1 Monthly levy for developed residential erven
- |                                                                               |         |
|-------------------------------------------------------------------------------|---------|
| (a) with a total area of up to 995m <sup>2</sup>                              | R 60,45 |
| (b) with a total area exceeding 995m <sup>2</sup><br>up to 1500m <sup>2</sup> | R132,00 |
| (c) with a total area exceeding 1500m <sup>2</sup>                            | R174,90 |
- 6.2.2 Monthly levy on flats
- |                      |         |
|----------------------|---------|
| Per residential unit | R 87,85 |
|----------------------|---------|
- 6.2.3 Monthly levy on all church erven R174,90
- 6.2.4 Business and Industries
- R4,95 per kilolitre metered pure water consumption per month
- 6.2.5 All undeveloped erven in private possession with access to the reticulation
- An availability levy of R35,00 per erf per month
- 6.2.6 Agricultural societies and sport clubs not accommodated at the central sports grounds
- R4,25 per kilolitre of metered purified water consumption per month
- 6.2.7 Military basis, road camps and other similar properties
- R4,95 per kilolitre of metered purified water consumption per month

6.2.8 Industries and businesses where a great extent of the water consumption in the opinion of the Council be taken up in the final product R2,02 cents per kilolitre of the metered purified water consumption per month.

6.2.9 Hospitals, nursing homes under welfare care, schools and school hostels, nursery schools and day schools

Monthly levies as follows:

(a) Hospitals

R174,85 for each three (3) beds or portion, continuously available and R174,85 for each ten (10) personnel or portion, residential or not.

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

R50,50 for each fifteen (15) 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 organisations.

R82,40 for each five (5) persons or portion thereof

6.2.10 Vergeet-My-Nie / Rivier Park flats

R40,90 per flat per month

6.2.11 Formalised informal housing settlements with access to biological toilets per stand (unproclaimed township)

R30,00 per month

6.2.12 Proclaimed rural townships/villages with biological toilets per stand

R30,00 per month

6.3 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 formalised informal housing settlements in Newtown, 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.

6.4 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 where a 20% rebate will be applicable to be recovered from the proportional Equitable Share payable to Council by the South African National Treasury:

6.4.1 Pensioners who qualify (residentially)

R 0 - R 2280,00 100% rebate on applicable tariff  
R2280,01 - R 5000,00 70% rebate on applicable tariff  
R5000,01 - R 7000,00 50% rebate on applicable tariff  
R7000,01 - R10000,00 20% rebate on applicable tariff

6.4.2 Vergeet-My-Nie / Rivier Park flats

R 0 - R10000,00 20% rebate on applicable tariff

7. **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, in terms of the stipulations of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, further be amended as follows with effect from 1 July 2011:

7.1 That the fees for the removal of solid waste as per paragraphs 7.2 to 7.4 and 7.7 below be subjected to Value Added Tax at the standard rate.

7.2 Tariff of charges

7.2.1 Section 1(1) occasional service

For a daily service per day per refuse bin R30,00

7.2.2 Housing refuse

Erven up to 995m<sup>2</sup> and erven exceeding 995m<sup>2</sup>

by substitution under item 1(1):  
the amount of R55,70 with R64,95 and R79,70 by R92,95

7.2.3 Flats

by substitution under item 1(2)(b)(i):  
the amount of R71,57 with R83,45

7.2.4 Businesses: 1,1m<sup>3</sup> mass container

by substitution under item 1(2)(b)(iii):  
the amount of R2 008,60 with R2 342,00

7.2.5 Businesses: Bins

by substitution under item 1(3)(a):

the amount of R192,45 with R224,40

7.2.6 Businesses: 1,50m<sup>3</sup> mass containers

by substitution under item 1(3)(b):  
the amount of R2 008,60 with R2 342,00

7.2.7 Businesses: 1,75m<sup>3</sup> mass containers

by substitution under item 1(3)(c):  
the amount of R2 501,20 with R2 916,40

7.3 That the tariff for removal of solid waste (refuse) from the Vergeet-My-Nie / Rivier Park flats be increased from R27,15 per flat to R31,65 per flat per month.

7.4 That formalised informal housing settlements (unproclaimed townships) under 1(2)(b)(v) by substitution R24,12 per stand per month with R32,50 per stand per month.

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

per refuse bin	R 72,75
per mass container	R1 195,95

7.6 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 formalised informal housing settlement the levy in full be recovered from the proportional Equitable Share payable to Council by the South African National Treasury.

7.7 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 where a 20% rebate will be applicable to be recovered from the proportional Equitable Share payable to Council by the South African National Treasury:

7.7.1 Pensioners who qualify (residentially)

monthly income

R 0 - R 2280,00	100% rebate on applicable tariff
R2280,01 - R 5000,00	70% rebate on applicable tariff
R5000,01 - R 7000,00	50% rebate on applicable tariff
R7000,01 - R10000,00	20% rebate on applicable tariff

7.7.2 Vergeet-My-Nie / Rivier Park flats

monthly income

R 0 - R10000,00	20% rebate on applicable tariff
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8. **THAT** the fees for water supply as published under Notice Number 31/1986 in the Provincial Gazette of 10 September 1986, as amended, in terms of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, further be amended as follows with effect from 1 July 2011:

8.1 That the fees for water supply as per paragraphs 8.2.1 to 8.2.5 and 8.2.7 below be subjected to Value Added Tax at standard rate.

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

8.2.1 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 first 6 (6) kilolitres	Free
Above six (6) to ten (10) kilolitres	R4,45 per kl
Above ten (10) to forty (40) kilolitres	R5,80 per kl
Above forty (40) kilolitres	R6,15 per kl

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

A monthly fixed levy of R17,80 per erf per month

8.2.2 All undeveloped erven with access to the reticulation network

An availability levy of R25,00 per month

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

All monthly metered consumption of purified water at R4,58 per kilolitre.

8.2.4 Supply of raw water in all cases

Per metered monthly consumption at R4,38 per kilolitre

8.2.5 Purified water outside Council's distribution areas

According to monthly metered consumption at R6,25 per kilolitre

8.2.6 That the departmental levy for purified water be determined at R1,75 per kilolitre

8.2.7 That the levy for purified effluent be determined at R1,22 cent per kilolitre

8.3 That for all indigent residential households enlisted under the Council's Indigent Support and Free Basic Services Scheme an additional four (4) kilolitres besides the first six (6) kilolitres of monthly consumption to a total of 10 kilolitres of monthly consumption be supplied free of charge and the total cost of the consumption between six (6) and up to ten (10) kilolitres be recovered from the proportional Equitable Share payable to Council by the South African National Treasury.

9. **THAT** the electricity tariffs for the 2011/2012 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, Act 32 of 2000, be amended as follows with effect from 1 July 2011:

9.1 That the fees levied for electricity as per paragraphs 9.2 to 9.6 and paragraphs 9.9 to 9.10 below be subjected to Value Added Tax at the standard rate.

9.2 Domestic consumers

By substitution of the schedule under 1(2) by the following:

(i) Group	(ii) Type of Supply		Present 2010/2011 (22%)		Proposed 2011/2012 Restructured		
			(iii) Fixed charge per meter reading period or part thereof. Mini- mum charge per meter reading period	(iv) Charge per kilowatt- hour (unit)	(v) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(vi) Charge per kilowatt- hour (unit)	(vii) Fixed basic charged per month or part thereof
	No of phases	Current limit in amperes per phase	R	c	R	c	R
(a)	1	20	-	65,40		78,73	-
(b)	1	40	-	84,18		101,34	-
(c)	1	40	7,56	41,68	7,56	57,86	30,00
(d)	1	50	7,56	41,68	7,56	57,86	30,00
(e)	1	60	8,64	41,68	7,56	57,86	30,00
(f)	1	70	9,70	41,68	7,56	57,86	30,00
(g)	1	80	9,70	41,68	7,56	57,86	30,00
(h)	3	20	8,64	41,68	7,56	57,86	50,00
(i)	3	30	9,70	41,68	7,56	57,86	50,00
(j)	3	40	11,53	41,68	7,56	57,86	50,00
(k)	3	50	11,53	41,68	7,56	57,86	50,00
(l)	3	60	11,53	41,68	7,56	57,86	50,00
(m)	3	70	11,53	41,68	7,56	57,86	50,00
(n)	3	80	11,53	41,68	7,56	57,86	50,00

9.2.1 Commercial, industrial & general consumers

By substitution of the schedule under 2(2) by the following:

(i)  Group	(ii)  Type of Supply		Proposed 2010/2011 (22%)		Proposed 2011/2012 Restructured		
			(iii)  Fixed charge per meter reading period or part thereof. Minimum charge per meter reading period	(iv)  Charge per kilowatt- hour (unit)	(v)  Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(vi)  Charge per kilowatt- hour (unit)	(vii)  Fixed basic charged per month or part thereof
	No of phases	Current limit in amperes per phase	R	c	R	c	R
(a)	1	40	-	84,18		101,34	-
(b)	1	40	11,53	41,68	11,24	57,86	70,00
(c)	1	50	11,53	41,68	11,24	57,86	70,00
(d)	1	60	11,53	41,68	11,24	57,86	70,00
(e)	1	70	11,53	41,68	11,24	57,86	70,00
(f)	1	80	11,53	41,68	11,24	57,86	70,00
(g)	3	20	11,53	41,68	11,24	57,86	100,00
(h)	3	30	11,53	41,68	11,24	57,86	100,00
(i)	3	40	11,53	41,68	11,24	57,86	100,00
(j)	3	50	11,53	41,68	11,24	57,86	100,00
(k)	3	60	11,53	41,68	11,24	57,86	100,00
(l)	3	70	11,53	41,68	11,24	57,86	100,00
(m)	3	80	11,53	41,68	11,24	57,86	100,00

9.3 Bulk consumers

By implementing the following amendments:

the amount of **R106,00** demand charge per kVa remain unchanged; and a fixed charge of **R732,00** per month per bulk consumer per supply point by **R882,00** per month; and **36,72 cent** energy charge per kWh by **53,07 cent**.

9.4 Free basic electricity for enlisted indigents

By inclusion under item 2(3) the following:

- (a) The maximum supply demand for enlisted indigent households be restricted to 20 ampere.
- (b) The free supply of basic electricity to a maximum of 50 kWh per month per enlisted indigent household of which the cost at prepayment rate be recovered from the proportional Equitable Share payable to the Council by the South African National Treasury.

9.5 Temporary consumers by substitution of the schedule under item 5(2) by the following: (*discontinued*)

		Proposed 2010/2011 (22%)		Proposed 2011/2012 (discontinued)		
(i) Group	(ii) Type of Supply		(iii) Fixed charge per meter reading period or part thereof. Minimum charge per meter reading period	(iv) Charge per kilowatt- hour (unit)	(v) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(vi) Charge per kilowatt- hour (unit)
	No of phases	Current limit in amperes per phase	R	c	R	c
(a)	1	50	11,53	45,81	n/a	n/a
(b)	1	80	11,53	45,81	n/a	n/a
(c)	3	20	11,53	45,81	n/a	n/a
(d)	3	50	11,53	45,81	n/a	n/a
(e)	3	80	11,53	45,81	n/a	n/a

9.6 Street light supply (private)

By substitution under item 6(2)(i):  
the amount of **R61,92** by **R74,54**; and

Under item 6(2)(ii):  
the amount of **R123,95** by **R149,21**.

9.7 Departmental levies and sport clubs

By substitution under item 6(2)(i):  
the amount of **77,41c/kWh** by **93,19c/kWh**; and

By adding the following item 6(2)(ii):  
municipal streetlights (to be phased in)

- 24 hours - a fixed charge of **R30 per month** per supply point and **56,00 c/kWh**;  
and
- Whole night - a fixed charge of **R30 per month** per supply point and **65,00 c/kWh**.

9.8 Availability levy

By substitution under item 6(2)(i):  
the amount of **R37,00** by **R70,00**.

9.9 Time of use consumers (TOU)

By implementing the following additions under item 3(3):

9.9.1 Low voltage three phase demand scale

That tariff scale, will apply to premises situated within the municipal boundaries for electricity supplied or made available at low voltage with an annual average metered load of more than 50 kVa and load shifting.

The following charges will be payable per month or part of a month:

Description	Proposed 2010/2011 (22%)	Proposed 2011/2012 Restructured
	R	R
(i) A fixed charge whether or not electricity is consumed, per metering point	948,00	940,00
(ii) A demand charge per kVa of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	115,84	64,20
(iii) A access charge per kVa of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	-	10,70
	c/kWh	c/kWh
(iv) An active energy charge for all kWh consumed during peak periods since the previous meter reading in:		
▪ High demand season (June - August)	74,73	177,25
▪ Low demand season (September - May)	-	65,15
(v) An active energy charge for all kWh consumed during standard periods since the previous meter reading in:		
▪ High demand season (June - August)	24,40	62,15
▪ Low demand season (September - May)	-	48,32

Description	Proposed 2010/2011 (22%)	Proposed 2011/2012 Restructured
	R	R
(vi) An active energy charge for all kWh consumed during off-peak periods since the previous reading in:		
▪ High demand season (June - August)	19,52	43,34
▪ Low demand season (September - May)	-	40,33
(vii) Reactive energy charge		
▪ High demand season (June - August)	-	8,41

The defined daily time of use periods throughout the year will be as per the current Eskom Megaflex tariff that may be applicable to the municipality. The current Eskom Megaflex periods are:

Peak	Weekdays	:	07:01 - 10:00 18:01 - 20:00
	Saturdays/Sundays	:	None
Standard	Weekdays	:	06:01 - 07:00 10:01 - 18:00 20:01 - 22:00
	Saturdays	:	07:01 - 12:00 18:01 - 20:00
	Sundays	:	None
	Off-Peak	:	
Off-Peak	Weekdays	:	22:01 - 06:00
	Saturdays	:	12:01 - 18:00 20:01 - 07:00
	Sundays	:	00:00 - 24:00

The Town Electrical Engineer may impose a specific minimum load requirement for qualification for this tariff scale.

### 10.9.2 11 kV Supply Scale

This tariff scale, will apply to premises situated within the municipal boundaries where electrical power is supplied at 11 000 V and load shifting.

The following charges will be payable per month or part of a month:

DESCRIPTION	Proposed 2010/2011 (22%)	Proposed 2011/2012 Restructured
	R	R
(i) A fixed charge whether or not electricity is consumed, per metering point	818,25	2 000,00
(ii) A demand charge per kVa of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	114,92	60,00
(iii) A access charge per kVa of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	-	10,00
	c/kWh	c/kWh
(vi) An active energy charge for all kWh consumed during peak periods since the previous meter reading, in:		
▪ High demand season (June - August)	130,11	165,65
▪ Low demand season (September - May)	41,68	60,89
(v) An active energy charge for all kWh consumed during standard periods since the previous meter reading, in:		
▪ High demand season (June - August)	22,39	58,08
▪ Low demand season (September - May)	21,96	45,16
(vi) An active energy charge for all kWh consumed during off-peak periods since the previous meter reading, in		
▪ High demand season (June - August)	18,85	40,50
▪ Low demand season (September - May)	16,71	37,69
(vii) Reactive energy charge		
▪ High demand season (June - August)	-	7,86

The defined daily time of use periods throughout the year will be as per the current Eskom Megaflex tariff that may be applicable to the municipality. The current Eskom Megaflex periods are:

Peak	Weekdays	:	07:01 - 10:00 18:01 - 20:00
	Saturdays/Sundays	:	None
Standard	Weekdays	:	06:01 - 07:00 10:01 - 18:00 20:01 - 22:00
	Saturdays	:	07:01 - 12:00 18:01 - 20:00
	Sundays	:	None

Off-Peak	Weekdays	:	22:01 – 06:00
	Saturdays	:	12:01 – 18:00
			20:01 – 07:00
	Sundays	:	00:00 – 24:00

The Town Electrical Engineer may impose a specific minimum load requirement for qualification for this tariff scale.

### 9.9.3 88 kV Supply Scale (discontinued)

This tariff scale, will apply to premises situated within the municipal boundaries where electricity power is supplied at 88 000 V.

The following charges will be payable per month or part of a month:

DESCRIPTION		Proposed 2010/2011 (22%)	Proposed 2011/201 2
(i)	A fixed charge whether or not electricity is consumed, per metering point	R 742,00	R n/a
(ii)	A demand charge per kVa of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays per kVa	88,76	n/a
(iii)	An active energy charge for all kWh consumed during peak periods since the previous meter reading, in:	c/kWh	
	▪ High demand season (June - August)	124,62	n/a
	▪ Low demand season (September - May)	40,50	
(vi)	An active energy charge for all kWh consumed during standard periods since the previous meter reading, in:		
	▪ High demand season (June - August)	21,41	n/a
	▪ Low demand season (September - May)	19,83	n/a
(v)	An active energy charge for all kWh consumed during off-peak periods since the previous meter reading, in:		
	▪ High demand season (June - August)	18,61	n/a
	▪ Low demand season (September - May)	16,63	n/a

The defined daily time of use periods throughout the year will be as per the current Eskom Megaflex tariff that may be applicable to the municipality. The current Eskom Megaflex periods are:

Peak	Weekdays	:	07:01 – 10:00
			18:01 – 20:00
	Saturdays/Sundays	:	None
Standard	Weekdays	:	06:01 – 07:00
			10:01 – 18:00
			20:01 – 22:00
	Saturdays	:	07:01 – 12:00
			18:01 – 20:00
	Sundays	:	None

Off-Peak	Weekdays	:	22:01 – 06:00
	Saturdays	:	12:01 – 18:00
			20:01 – 07:00
	Sundays	:	00:00 – 24:00

9.10 Other large consumers

The following charges will be payable per month or part of a month:

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%
kVAr h	- equal to Eskom megaflex tariff structure

10. **THAT** the adjusted sundry tariffs, Value Added Tax inclusive, with amendments as reflected in the comments of the various heads of departments under Schedule 2 be approved for implementation with effect from 1 July 2011.
11. **THAT** the adjusted fines as reflected in the comments of various heads of departments under Schedule 3 be approved for implementation with effect from 1 July 2011.
12. **THAT** the personnel budget for the 2011/2012 financial year under Schedule 4 be approved with effect from 1 July 2011.
13. **THAT** the following amendments to the limits on the Travelling and Subsistence Policy be approved and implemented from 1 July 2011:
  - 13.1 Paragraph 5.2 - Accommodation expenses
 

by substituting under 5.2.1 the amount of R1 500,00 for bed and breakfast with R1 700,00 and under 5.2.3 the amount of R275,00 per day with R285,00
  - 13.2 Paragraph 5.3 - Meal expenses
 

by substituting under 5.3.1 the amount of R275,00 per day with R285,00
  - 13.3 Paragraph 5.5 - Miscellaneous expenses
 

by substituting under 5.5.2 the amount of R275,00 per day with R285,00
  - 13.4 Paragraph 8 - Interviews
 

by substituting under 8.2 the amount of R425,00 per night with R600,00
14. **THAT** the following budget-related policies with amendments as per paragraph 17 be considered for implementation from 1 July 2011:

- 14.1 Borrowing Policy.
  - 14.2 Credit Control and Debt Collection Policy.
  - 14.3 Free Basic Services and Indigent Support Policy.
  - 14.4 Funding and Reserves Policy.
  - 14.5 Investment and Surplus Funds Policy.
  - 14.6 Petty Cash Policy.
  - 14.7 Property Rates Policy.
  - 14.8 Supply Chain Management Policy.
  - 14.9 Travelling and Subsistence Policy.
  - 14.10 Writing Off of Bad Debts and the Impairment of Debtors Policy.
15. **THAT** the following unchanged budget-related policies be noted:
- 15.1 Asset Management Policy.
  - 15.2 Budget Policy.
  - 15.3 Short Term Insurance and Known Risks and Liabilities Policy.
  - 15.4 Tariff Policy.
16. **THAT** the measurable performance objectives for revenue from each source as per Table A4 be approved for the 2011/2012 budget year.
17. **THAT** public inputs received on the tabled budget be noted.
14. **THAT** the approved annual budget in both printed and electronic formats be submitted to National Treasury and relevant Provincial Treasury.

CERTIFIED A TRUE EXTRACT



**SNR MANAGER : LEGAL & ADMINISTRATION**

## **EXECUTIVE SUMMARY ON THE 2011/2012 TO 2013/2014 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) TABLED ANNUAL BUDGET**

### **Report by the Executive Manager Finance**

The national budget review for 2011 outlines that domestic economic activity has gathered pace with economic growth of 3,4% projected for 2011. The new growth path outlines an approach to accelerate growth and employment focusing on:

- continuing and broadening public investment in infrastructure;
- targeting more labour absorbing activities in the agricultural, mining, construction and building services;
- promoting innovation through “*green economy*” initiatives; and
- support rural development and regional integration.

Continuous public sector investment in economic infrastructure provides crucial support for the recovery of the economy. The municipality ought to focus on maximizing its contribution to job creation by:

- ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;
- ensuring that service providers use labour intensive approaches; and
- supporting labour intensive LED projects; and
- participating in the Expanded Public Works Programme.

Consequently, the municipal revenue and cash flow remain under pressure and particular attention should be given to managing all revenue and cash streams effectively. Given the ongoing funding constraints some very tough decisions have been made on the expenditure side taking the following priorities into consideration:

- ensure that drinking water meets the required quality standards at all times.
- managing all revenue streams, especially debtors.
- protecting the poor from the impacts of the economic downturn.
- support local economic development initiatives that foster business opportunities and job creation.
- secure the health of their asset base by monitoring the spending on repairs and maintenance.
- expediting spending on capital projects that are funded by conditional grants.

It is important that the financial position of the municipality remains sustainable over the medium term facing the current economic constraints. Therefore special attention must be given to eliminating all unnecessary spending on nice-to-have item and non-essential activities and ensure that capital budgets reflect consistent efforts to address the backlogs in basic services and refurbishment of existing infrastructure.

National Treasury MFMA Circulars No. 48, 51, 54 and 55 were used to guide the compilation of the 2011/2012 MTREF. These circulars deal with the following specific issues:

- budget for revenue and revenue foregone;
- budget for free basic services;
- preparing and amending budget-related policies;
- funding choices and budget management issues;
- renewal and repairs of existing assets;
- budget management;
- conditional transfers to municipalities;
- unspent conditional grants;
- internal charges; and
- revising rates, tariffs and other charges.

The main challenges experienced during the compilation of the 2011/2012 MTREF can be summarised as follows:

- the ongoing difficulties in the national and local economy;
- ageing water, sanitation and electricity infrastructure;
- the increased cost of bulk purchases;
- the availability of affordable borrowings to supplement the capital programme; and
- the stagnation of the revenue base with increased demand to bulk services.

In view of the above the following table is a consolidated overview of the proposed 2011/2012 Medium Term Revenue and Expenditure Framework (MTREF):

	Budget 2011/2012	Budget 2012/2013	Budget 2013/2014
	R	R	R
Total operating expenditure	917 618 787	1 006 242 081	1 112 806 951
Total capital expenditure	208 479 650	212 992 000	257 180 450
Total combined expenditure	1 126 098 437	1 219 234 081	1 369 987 401
Total operating revenue	851 780 642	964 321 728	1 115 754 244
Surplus/(Deficit)for the year	8 364 505	37 267 647	95 272 743
Total assets	6 808 551 138	6 898 296 530	7 061 658 302
Total liabilities	452 959 763	505 784 457	574 270 436
Community wealth	6 355 591 376	6 392 512 073	6 487 387 866
Cash and investments available	250 334 965	277 966 634	339 805 017

Total operating expenditure for the MTREF has been appropriated at R917,6-million, R1,006-billion and R1,1113-billion for the respective financial years. When compared to the 2010/2011 budget, operational expenditure has grown by 11,7%.

The capital budget constitutes R678,6-million over the MTREF. The capital programme decreases with R79,9-million due to the limitation on internal resources.

A substantial portion of the capital budget will be funded from borrowing and will contribute 40% over the MTREF. This has placed a burden on the operating budget as capital cost is projected to increase with 20% in 2011/2012, 22% in 2012/2013 and 24% in 2013/2014. Consequently the capital budget will remain flat over the medium term.

Total operating revenue grows by 19,6% when compared to the 2010/2011 original budget. For the two (2) outer financial years, operational revenue increases by 13,2% and 15,7% equating to a total revenue growth of R404-million over the MTREF when compared to the 2010/2011 financial year.

For the 2011/2012 financial year a budget surplus of R8,4-million will realise and steadily increases to R37,3 and R95,3-million for the two (2) outer financial years. These surpluses include capital grants which will be used to fund future capital expenditures and further will contribute to ensure an increase in cash backed internal reserves.

The municipal assets also steadily increase with 1% from 2010/2011 financial year to R6,808-million.

Total liabilities increase with 15% when compared with the 2010/2011 financial year to R452,9-million and thereafter between 11 to 13% mainly due to the take up of additional borrowings.

The projected cash and equivalents remain stable over the MTREF and is an indication that the budget is funded.

## **OPERATING REVENUE FRAMEWORK FOR THE 2011/2012 MTREF**

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

- growth in the local economy;
- efficient revenue management through the tightening of credit control and debt collection targets to ensure an annual collection rate of above 98%;
- full cost recovery tariffs for trading service with surpluses that can be used for cross subsidization to fund other services.
- economic services to break even.
- the indigent support policy to provide free basic services to poor households to protect them from the worst impacts of the economy.
- the tariff policy.
- determining the tariff escalation rate by calculating the realistic revenue requirements for each service.
- create an environment which enhances growth, development and service delivery.

Table A4 is a summary of the 2011/2012 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 2009/2010 of R622,2-million realised. Based on the mid-year assessment, the budgeted revenue for 2010/2011 is revised from R711,6-million to R709,7-million.

The annual budget herewith presented provides for total operating revenue of R851,8-million for 2011/2012 financial year, R964,3-million for the 2012/2013 financial year and R1,115-billion for the 2013/2014 financial year. This reflects an increase of 19,7% in operating revenue.

Revenue from property taxes is expected to increase to R195,8-million, which is R28,3-million higher than the 2010/2011 adjusted budget and constitutes 23% of operating revenue.

Revenue from service charges increases to R480-million, which is R88,8-million higher than the 2010/2011 adjusted budget and contributes 56% to operating revenue. From the service charges, electricity revenue is the largest source of revenue which contributes 40,4% followed by the other services of between 4 – 6%.

An additional R21-billion is nationally allocated to local government over the medium term to expand service delivery and improve the quality of services. National transfers grow by 14,7% annually and is distributed to municipalities in the Division of Revenue Act (DORA).

Government grants (transfers) increase with R7,6-million from R75-million to R83,3-million and constitute 9,8% of operating revenue. The Equitable Share which is mainly used to provide relief to indigent households increases from R70,4-million to R77,3-million, which is an increase of 9,8%.

The infrastructure transfers increases from R46-million to R48,8-million and reflects an increase of 5,9%.

Transfers to build capacity in local government have slightly increased to R2-million and steadily increase to R2,3-million in the 2013/2014 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 2010/2011 financial years must be returned to National Treasury by 17 October 2011. At this stage it is envisaged that all conditional grants will be spend by 30 June 2011.

It must be mentioned that the consumer price index is not a good measure of the cost increases of goods and services relevant to municipalities. The basket for the calculation of the CPI consist of items such as food, petrol and medical services whereas the cost driver of a municipality are influenced by items such as the cost of remuneration, bulk purchases, diesel, purification chemicals, cement etc.

The proposed tariffs are contained in the draft resolution and schedule 2, comparison of proposed tariffs.

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)	Large	1000 units electricity 30 kl water	20%
(b)	Small	498 units electricity 25 kl water	18,1%
(c)	Small (indigent)	60 units electricity 6 kl water	20,4% (electricity increase only)

The sundry fees and fines of the municipality is mainly adjusted taking into consideration the actual cost to render these services and the inflation rate. These adjustments are reflected under schedules:

- Schedule 2 – Proposed sundry tariffs
- Schedule 3 – Schedule of proposed fines

#### *Inclining block tariffs (IBT)*

NERSA has introduced the implementation of inclining block tariffs for the 2011/2012 financial year which requires municipalities to implement the IBT for all domestic and residential customers from 1 July 2011.

At a meeting on 7 March 2011 between National Treasury, NERSA and other stakeholders, it was agreed that there is a need for further research on the IBT and to develop a revised proposal for the 2012/2013 municipal financial year.

The concern from National Treasury is that the current “*one-size-fits-all*” approach does not take into account the diversity in municipal electricity undertakings and has the potential to undermine the financial sustainability of many municipalities.

A report was submitted during November 2011 to the Council on the implementation of the IBT. Subsequently a consultant was appointed to assist the municipality with the restructuring of the electricity tariffs.

From the analysis of the consultant it has become clear that the revenue, when applying the IBT structure will be significantly less with R11-million than the existing tariffs. If the loss in revenue has to be recovered from the non-domestic customers it would mean a further price increase of 7,5% over and above the required increase by the municipality. The municipality’s customer base is mainly residential of which a large portion is indigent households or lifeline households.

Therefore, the municipality will not be in a position to implement the IBT as the revenue loss cannot be recovered from the other customers. However, it is important that the electricity tariffs be restructured to be more in line with the electricity pricing policy without determining the revenue base for electricity.

The following proposals have been made by the consultant which were incorporated into the proposed electricity tariff structure:

- The introduction of a basic charge for single and three (3) phase customers.
- Amend the amp charge to a single rate to achieve revenue neutrality.
- By measuring the energy rate to be more cost reflected.
- Introduce time of use (TOU) tariffs for the current bulk consumers.

The introduction of the TOU's tariffs will largely depend on the load profiles for all bulk customers. Depending on these profiles it can only then be determined what the impact will be for bulk consumers. It is recommended that all bulk consumers be converted to TOU tariffs from 1 July 2011.

In light of the above it is suggested that a separate public participation process be held for the electricity tariff restructuring only.

#### *Cash flow management*

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 R39,3-million, R30,9-million and R29,8-million respectively.

#### *Cash backed reserves/accumulated surplus*

Table A8 provides details on the total application of cash and investments. From the table it can be seen that cash and investments progressively increase from R250,3-million in the 2011/2012 financial year to R339,8-million in 2013/2014.

No unspent conditional grants and borrowings are projected from the previous financial years. The provision for statutory requirements includes VAT owing to timing differences resulting from year-end obligations. The liability in this regard totaled R3,9-million

Considering the application of cash it can be concluded that the municipality has a surplus which increased from R187,7-million to R307,4-million.

In general the community wealth of the municipality increases to R6,3-billion. The budget financial position of the municipality is graphically presented in chart 10.

## **OPERATING EXPENDITURE FRAMEWORK FOR THE 2011/2012 MTREF**

The expenditure framework for the 2011/2012 budget and 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.
- Reports and maintenance.
- Cost escalating beyond escalations.
- Bulk purchases cost for electricity and water.

Table A4 is a summary of the 2011/2012 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 projected 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 2011/2012 financial year of R917,6-million, in the 2012/2013 financial for R1,006-billion and R1,113-billion for the 2013/2014 financial year which represents an overall increase of 9,8% against the 2010/2011 adjusted budget.

Employee related costs increase with 17,4% from R222,3-million to R261,2-million and constitutes 28% of operating revenue. Bulk purchases increase with 23% from R195,7-million to R240,6-million and constitute 26% of total operating expenditure.

General expenditure decreases with R13-million due to the Eskom connection fee which was provided for the in 2010/2011 financial year. Should this be taken into consideration general expenditure increases with 14,3%.

The key operating expenditure allocations in the proposed budget for 2011/2012 financial year include:

R315,4-million for electricity services  
R178,9-million for governance and administration  
R152,8-million for community and public safety  
R 94,3-million for roads and storm water  
R110,7-million for waste and waste water management  
R 55,5-million for water services

The cost associated with the remuneration of councillors is determined in accordance with the Remuneration of Public Office Bearers Act. According to the new ward determination, eleven (11) new councillors are to be elected resulting in an additional expenditure of R6,1-million. This results in an increase of 25% when measured against the original budget.

Provision for depreciation has been informed by the asset register. The budget appropriation in this regard total R156,8-million, however only a portion of this depreciation 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 assist primarily of the repayment of interest on long-term borrowing. Finance charges increase with 20% and make up 2,8% of operating expenditure.

#### *Priority given to repairs and maintenance*

The municipality remains committed to maintain infrastructure and an amount of R47,3-million is provided for the 2011/2012 financial year, R49,6-million for 2012/2013 and R52,2-million for 2013/2014 financial year. Repairs and maintenance constitutes 5% of operating expenditure.

#### *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.

Although free basic services constitute 4,9% of operating expenditure it is fully financed by the Equitable Share.

#### *Personnel budget*

The new proposed personnel posts for the MTREF is reflected under schedule 4 – schedule of personnel budget. The cost implication of the new positions is R6,1-million and constitutes 1,3% of the employee related cost.

#### *Capital expenditure framework for the 2011/2012 MTREF*

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 2011/2012 amounts to R208,5-million, R212,9-million for the 2012/2013 financial year and an amount of R257,2-million for the 2013/2014 financial year.

This constitutes a total capital programme of R678,6-million over the next three (3) years of which R272-million is funded from external loans, R172,3-million from government grants and donations and the balance of R234,3-million from internal reserves.

The funding of the capital budget is under severe pressure from the IDP objectives and needs as well as the cost of borrowing and the loss of revenue from coal which was used to fund capital expenditure. This requires that an additional external loan to the amount of R272-million will have to be secured over the next three (3) years to supplement the capital programme.

The key capital expenditure in the proposed capital budget for 2011/2012 financial year is:

R31,7-million for electricity infrastructural development  
R64,6-million for roads and storm water infrastructural development  
R 6,5-million for water infrastructural development  
R42,6-million for sewerage purification and reticulation  
R32,9-million for community facilities and public safety  
R21,9-million for governance and administration

The key capital expenditure is graphically presented in:

- Chart 9 Capital expenditure by asset class

For the maintaining of servicing the health of the municipal assets and sustaining service delivery, 22,6% of capital expenditure will be utilised on the renewal of assets which represents 1% of property, plant and equipment.

## **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.

BUDGET SUMMARY

TABLE A1

STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	99,143,999	116,654,523	137,820,239	158,413,177	167,477,884	167,477,884	167,477,884	195,806,049	213,089,099	231,627,855
Service charges	199,390,785	259,665,286	310,296,950	388,523,736	391,189,331	391,189,331	391,189,331	480,028,533	551,342,543	642,751,880
Investment revenue	46,261,299	57,012,025	38,623,784	32,250,000	24,403,800	24,403,800	24,403,800	27,740,000	26,759,000	27,232,000
Transfers recognised - operational	41,893,680	57,382,978	62,504,752	75,081,000	75,737,640	75,737,640	75,737,640	83,319,950	92,872,350	98,608,045
Other own revenue	96,240,374	77,513,205	73,003,174	57,403,323	50,875,836	50,875,836	50,875,836	64,886,110	80,268,736	115,534,464
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>482,930,138</b>	<b>568,228,017</b>	<b>622,248,899</b>	<b>711,671,236</b>	<b>709,684,491</b>	<b>709,684,491</b>	<b>709,684,491</b>	<b>851,780,642</b>	<b>964,331,728</b>	<b>1,115,754,244</b>
Employee costs	137,386,708	153,828,086	185,798,335	222,339,505	227,377,800	227,377,800	227,377,800	261,161,906	281,742,293	304,737,441
Remuneration of councillors	9,415,656	10,501,226	10,850,473	12,220,447	12,246,169	12,246,169	12,246,169	15,363,913	16,593,026	17,920,466
Depreciation & asset impairment	52,021,327	145,952,037	160,103,948	153,376,967	155,313,280	155,313,280	155,313,280	156,886,900	157,610,601	162,833,931
Finance charges	17,160,253	18,502,686	17,215,425	22,040,849	22,040,817	22,040,817	22,040,817	26,451,492	32,197,044	40,021,238
Materials and bulk purchases	79,872,542	109,724,556	147,784,539	195,687,065	194,408,767	194,408,767	194,408,767	240,570,671	287,342,572	342,174,337
Transfers and grants	1,606,806	1,493,794	991,000	31,012,300	34,678,800	34,678,800	34,678,800	45,195,750	49,311,975	52,860,575
Other expenditure	103,877,759	146,684,307	140,299,374	185,029,867	189,539,874	189,539,874	189,539,874	171,988,155	181,444,570	192,258,963
<b>Total Expenditure</b>	<b>401,341,052</b>	<b>586,686,691</b>	<b>663,043,094</b>	<b>821,707,000</b>	<b>835,605,507</b>	<b>835,605,507</b>	<b>835,605,507</b>	<b>917,618,787</b>	<b>1,006,242,081</b>	<b>1,112,806,951</b>
<b>Surplus/(Deficit)</b>	<b>81,589,086</b>	<b>(18,458,674)</b>	<b>(40,794,195)</b>	<b>(110,035,764)</b>	<b>(125,921,016)</b>	<b>(125,921,016)</b>	<b>(125,921,016)</b>	<b>(65,838,145)</b>	<b>(41,910,353)</b>	<b>2,947,293</b>
Transfers recognised - capital	24,126,548	19,399,804	30,105,139	46,073,000	51,734,913	51,734,913	51,734,913	48,827,150	55,758,000	67,725,450
Contributions recognised - capital & contributed assets	9,149,384	61,431,806	14,309,051	21,670,000	21,670,000	21,670,000	21,670,000	25,375,500	23,420,000	24,600,000
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>114,865,018</b>	<b>62,372,936</b>	<b>3,619,995</b>	<b>(42,292,764)</b>	<b>(52,516,103)</b>	<b>(52,516,103)</b>	<b>(52,516,103)</b>	<b>8,364,505</b>	<b>37,267,647</b>	<b>95,272,743</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>114,865,018</b>	<b>62,372,936</b>	<b>3,619,995</b>	<b>(42,292,764)</b>	<b>(52,516,103)</b>	<b>(52,516,103)</b>	<b>(52,516,103)</b>	<b>8,364,505</b>	<b>37,267,647</b>	<b>95,272,743</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>119,026,072</b>	<b>194,147,784</b>	<b>187,545,207</b>	<b>288,427,500</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>208,479,650</b>	<b>212,992,000</b>	<b>257,180,450</b>
Transfers recognised - capital	33,077,639	20,453,749	43,700,728	46,073,000	51,734,913	51,734,913	51,734,913	48,827,150	55,758,000	67,725,450
Public contributions & donations	21,269	60,300,596	-	-	-	-	-	-	-	-
Borrowing	17,935,396	29,774,122	25,812,755	120,541,000	155,162,050	155,162,050	155,162,050	91,800,000	81,460,000	98,750,000
Internally generated funds	67,991,768	83,619,317	118,031,724	121,813,500	230,656,369	230,656,369	230,656,369	67,852,500	75,774,000	90,705,000
<b>Total sources of capital funds</b>	<b>119,026,072</b>	<b>194,147,784</b>	<b>187,545,207</b>	<b>288,427,500</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>208,479,650</b>	<b>212,992,000</b>	<b>257,180,450</b>
<b>Financial position</b>										
Total current assets	534,596,506	584,779,915	614,078,267	201,024,426	182,593,288	317,665,473	317,665,473	350,230,883	384,351,879	453,179,584
Total non current assets	4,289,857,056	6,115,900,900	6,141,859,116	4,699,668,960	4,703,498,257	6,425,144,892	6,425,144,892	6,458,320,256	6,513,944,652	6,608,478,718
Total current liabilities	92,420,480	103,124,723	147,067,366	121,236,230	116,857,729	115,428,557	115,428,557	103,477,878	101,605,887	101,819,809
Total non current liabilities	168,119,252	192,165,086	208,045,892	301,637,924	301,637,924	279,407,987	279,407,987	349,481,885	404,178,570	472,450,627
Community wealth/Equity	4,563,913,830	6,405,391,009	6,400,824,127	4,477,819,232	4,467,595,893	6,347,973,821	6,347,973,821	6,355,591,376	6,392,512,073	6,487,387,866
<b>Cash flows</b>										
Net cash from (used) operating	160,257,655	221,797,105	195,084,673	115,171,858	49,530,538	26,955,190	26,955,190	143,364,145	176,127,318	239,276,554
Net cash from (used) investing	(216,526,379)	(237,198,549)	(197,860,632)	(218,162,422)	(197,502,922)	(141,502,922)	(141,502,922)	(188,709,650)	(247,960,000)	(319,696,450)
Net cash from (used) financing	23,391,651	20,823,285	19,118,909	74,872,968	105,810,000	72,350,366	72,350,366	69,738,980	63,464,351	79,258,279
<b>Cash/cash equivalents at the year end</b>	<b>35,374,065</b>	<b>40,795,906</b>	<b>57,138,856</b>	<b>33,372,628</b>	<b>14,941,490</b>	<b>14,941,490</b>	<b>14,906,508</b>	<b>39,334,965</b>	<b>30,966,634</b>	<b>29,805,017</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	444,115,618	504,666,629	540,138,755	129,501,800	111,070,662	243,941,490	243,941,490	250,334,965	277,966,634	339,805,017
Application of cash and investments	367,127,660	362,197,364	342,293,390	61,277,985	58,996,985	95,923,801	95,923,801	62,663,627	37,882,997	32,437,198
<b>Balance - surplus (shortfall)</b>	<b>76,987,958</b>	<b>142,469,265</b>	<b>197,845,365</b>	<b>68,223,815</b>	<b>52,073,677</b>	<b>148,017,689</b>	<b>148,017,689</b>	<b>187,671,339</b>	<b>240,083,637</b>	<b>307,367,819</b>
<b>Asset management</b>										
Asset register summary (WDV)	4,275,645,860	6,101,475,477	6,126,474,650	4,683,505,787	6,409,404,221	6,409,404,221	6,458,320,256	6,458,320,256	6,513,944,652	6,608,478,718
Depreciation & asset impairment	52,021,327	145,952,037	160,103,948	153,376,967	155,313,280	155,313,280	156,886,900	156,886,900	157,610,601	162,833,931
Renewal of Existing Assets	16,771,990	25,757,290	33,717,055	45,452,500	63,558,250	63,558,250	38,426,500	38,426,500	30,905,000	39,992,000
Repairs and Maintenance	27,244,763	32,673,374	39,171,816	41,311,648	42,824,317	42,824,317	47,318,409	47,318,409	49,592,451	52,184,524
<b>Free services</b>										
Cost of Free Basic Services provided	9,167,591	12,483,003	13,159,055	16,709,689	16,709,689	16,709,689	19,988,454	19,988,454	23,988,603	28,622,082
Revenue cost of free services provided	26,584,372	29,259,681	34,100,648	37,899,738	27,759,688	27,759,688	38,403,250	38,403,250	42,174,600	45,358,685
<b>Households below minimum service level</b>										
Water:	234	700	700	700	700	700	700	700	700	700
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

SUMMARY OF BUDGETED FINANCIAL PERFORMANCE BY VOTE

TABLE A2

STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		234,819,187	260,226,979	258,332,052	266,110,775	260,645,552	260,645,552	316,313,874	351,009,717	414,188,513
Executive and council		11,802,992	17,290,391	30,159,071	38,650,700	40,221,700	40,221,700	38,920,750	43,694,400	46,162,315
Budget and treasury office		159,733,453	190,510,532	183,612,442	198,118,282	199,257,944	199,257,944	232,259,084	248,906,259	268,398,402
Corporate services		63,282,742	52,426,056	44,560,539	29,341,793	21,165,908	21,165,908	45,134,040	58,409,058	99,627,796
<i>Community and public safety</i>		11,044,914	15,909,728	11,708,105	23,801,552	23,672,976	23,672,976	29,324,564	21,677,768	23,696,585
Community and social services		1,123,745	1,313,339	1,652,113	6,908,349	4,572,324	4,572,324	5,577,160	4,746,360	4,772,720
Sport and recreation		534,380	1,978,023	1,320,760	8,618,050	10,218,050	10,218,050	13,673,419	6,125,002	6,574,474
Public safety		4,508,501	7,894,101	3,993,635	5,308,875	5,896,331	5,896,331	6,234,885	7,824,940	9,212,568
Housing		347,411	207,649	329,737	414,028	403,186	403,186	1,165,440	175,043	184,169
Health		4,530,876	4,516,615	4,411,860	2,552,250	2,583,085	2,583,085	2,673,660	2,806,423	2,952,654
<i>Economic and environmental services</i>		31,378,629	46,494,955	45,715,947	34,056,831	41,121,631	41,121,631	37,859,165	46,500,228	61,373,341
Planning and development		2,938,330	794,678	1,018,144	2,244,395	4,302,888	4,302,888	3,875,285	3,189,610	3,419,115
Road transport		28,440,299	45,700,277	44,697,803	31,812,436	36,818,743	36,818,743	33,983,880	43,310,618	57,954,226
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		238,963,338	326,427,965	350,906,985	455,445,078	457,649,245	457,649,245	542,485,689	624,322,015	708,821,255
Electricity		154,563,643	219,331,691	245,465,855	294,782,472	295,634,463	295,634,463	357,560,466	418,584,350	489,900,610
Water		34,750,796	43,777,497	39,286,048	56,131,780	55,639,580	55,639,580	67,425,126	65,571,576	73,478,217
Waste water management		25,296,656	34,468,524	33,028,879	57,688,089	58,197,662	58,197,662	62,814,378	80,836,700	80,300,654
Waste management		24,352,243	28,850,254	33,126,203	46,842,737	48,177,540	48,177,540	54,685,719	59,329,389	65,141,774
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	516,206,069	649,059,627	666,663,089	779,414,236	783,089,404	783,089,404	925,983,292	1,043,509,728	1,208,079,694
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		102,196,406	124,882,064	134,796,460	145,600,896	154,807,825	154,807,825	178,998,355	189,096,820	199,591,329
Executive and council		36,374,032	44,973,535	48,192,998	47,789,425	46,178,381	46,178,381	57,909,913	60,950,308	65,084,190
Budget and treasury office		18,933,545	22,229,224	25,735,905	33,200,409	39,203,379	39,203,379	43,255,687	44,724,994	47,566,026
Corporate services		46,888,829	57,679,305	60,867,558	64,611,062	69,426,065	69,426,065	77,832,755	83,421,518	86,941,113
<i>Community and public safety</i>		73,600,056	94,505,251	114,474,748	135,104,974	137,788,383	137,788,383	152,833,670	161,612,473	171,610,868
Community and social services		8,131,474	12,627,951	17,197,681	19,487,231	19,738,107	19,738,107	22,774,457	23,883,896	25,092,753
Sport and recreation		23,376,108	31,537,116	33,862,896	40,861,455	39,888,626	39,888,626	44,263,321	46,983,362	49,466,361
Public safety		28,671,608	34,272,565	42,789,108	47,281,363	50,033,645	50,033,645	54,377,037	58,002,019	61,996,156
Housing		1,693,406	1,998,988	3,220,398	6,962,026	7,675,352	7,675,352	8,750,602	8,513,153	9,168,441
Health		11,727,460	14,068,631	17,404,664	20,512,899	20,452,653	20,452,653	22,668,253	24,230,043	25,887,157
<i>Economic and environmental services</i>		45,565,868	90,237,039	100,025,012	102,403,051	105,012,179	105,012,179	104,099,552	106,828,718	114,916,318
Planning and development		5,405,995	6,560,115	7,943,918	8,990,779	8,696,865	8,696,865	9,818,221	10,198,545	10,506,495
Road transport		40,159,874	83,676,924	92,081,094	93,412,272	96,315,314	96,315,314	94,281,331	96,630,173	104,409,823
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		179,978,722	277,062,337	313,746,874	438,598,079	437,997,120	437,997,120	481,687,210	548,704,070	626,688,436
Electricity		113,917,263	181,046,657	202,923,628	295,176,344	293,816,696	293,816,696	315,426,868	367,445,772	429,718,716
Water		23,626,284	38,077,635	40,372,706	50,806,266	46,473,242	46,473,242	55,499,485	58,260,336	61,070,026
Waste water management		19,428,264	29,680,100	38,521,817	46,477,158	49,990,730	49,990,730	57,898,806	65,799,346	73,852,326
Waste management		23,006,911	28,257,945	31,928,722	46,138,311	47,716,452	47,716,452	52,862,051	57,198,616	62,047,368
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	401,341,052	586,686,691	663,043,093	821,707,000	835,605,507	835,605,507	917,618,787	1,006,242,081	1,112,806,951
<b>Surplus/(Deficit) for the year</b>		114,865,017	62,372,936	3,619,996	(42,292,764)	(52,516,103)	(52,516,103)	8,364,505	37,267,647	95,272,743

DETAILED BUDGETED FINANCIAL PERFORMANCE BY VOTE

TABLE A2A

STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue - Standard</b>	1									
<i>Municipal governance and administration</i>		234,819,187	260,226,979	258,332,052	266,110,775	260,645,552	260,645,552	316,313,874	351,009,717	414,188,513
Executive and council		11,802,992	17,290,391	30,159,071	38,650,700	40,221,700	40,221,700	38,920,750	43,694,400	46,162,315
<i>Mayor and Council</i>		11,802,992	17,288,551	30,154,571	38,650,700	40,172,700	40,172,700	38,920,750	43,694,400	46,162,315
<i>Municipal Manager</i>		-	1,840	4,500	-	49,000	49,000	-	-	-
Budget and treasury office		159,733,453	190,510,532	183,612,442	198,118,282	199,257,944	199,257,944	232,259,084	248,906,259	268,398,402
Corporate services		63,282,742	52,426,056	44,560,539	29,341,793	21,165,908	21,165,908	45,134,040	58,409,058	99,627,796
<i>Human Resources</i>		618,379	732,738	761,671	886,020	886,020	886,020	1,030,500	1,110,600	1,199,400
<i>Information Technology</i>		2,630	1,091	2,885	3,100	1,600	1,600	100	200	300
<i>Property Services</i>		55,652,330	41,219,729	36,838,240	20,681,612	11,132,990	11,132,990	33,308,493	48,312,009	89,265,768
<i>Other Admin</i>		7,009,404	10,472,497	6,957,744	7,771,061	9,145,298	9,145,298	10,794,947	8,986,249	9,162,328
<i>Community and public safety</i>		11,044,914	15,909,728	11,708,105	23,801,552	23,672,976	23,672,976	29,324,564	21,677,768	23,696,585
Community and social services		1,123,745	1,313,339	1,652,113	6,908,349	4,572,324	4,572,324	5,577,160	4,746,360	4,772,720
<i>Libraries and Archives</i>		70,782	565,778	793,653	808,000	827,209	827,209	139,150	146,850	154,215
<i>Museums &amp; Art Galleries etc</i>		-	-	-	-	-	-	-	-	-
<i>Community halls and Facilities</i>		81,297	100,517	127,445	2,623,350	360,000	360,000	2,800,000	2,930,000	2,916,000
<i>Cemeteries &amp; Crematoriums</i>		614,388	347,851	348,980	3,201,100	3,110,000	3,110,000	2,350,000	1,367,500	1,385,800
<i>Child Care</i>		-	-	-	-	-	-	-	-	-
<i>Aged Care</i>		180,250	221,929	254,475	275,899	275,115	275,115	288,010	302,010	316,705
<i>Other Community</i>		-	-	-	-	-	-	-	-	-
<i>Other Social</i>		177,029	77,264	127,560	-	-	-	-	-	-
Sport and recreation		534,380	1,978,023	1,320,760	8,618,050	10,218,050	10,218,050	13,673,419	6,125,002	6,574,474
Public safety		4,508,501	7,894,101	3,993,635	5,308,875	5,896,331	5,896,331	6,234,885	7,824,940	9,212,568
<i>Police</i>		3,595,030	4,728,130	3,352,005	4,113,100	5,160,550	5,160,550	5,157,485	5,377,670	5,594,943
<i>Fire</i>		231,849	253,844	641,630	195,775	175,000	175,000	197,400	207,270	217,625
<i>Civil Defence</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		681,622	2,912,127	-	1,000,000	560,781	560,781	880,000	2,240,000	3,400,000
<i>Other</i>		-	-	-	-	-	-	-	-	-
Housing		347,411	207,649	329,737	414,028	403,186	403,186	1,165,440	175,043	184,169
Health		4,530,876	4,516,615	4,411,860	2,552,250	2,583,085	2,583,085	2,673,660	2,806,423	2,952,654
<i>Clinics</i>		4,443,000	4,443,000	4,152,000	2,400,000	2,400,000	2,400,000	2,510,100	2,633,350	2,763,495
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		87,876	73,615	259,860	152,250	183,085	183,085	163,560	173,073	189,159
<i>Economic and environmental services</i>		31,378,629	46,494,955	45,715,947	34,056,831	41,121,631	41,121,631	37,859,165	46,500,228	61,373,341
Planning and development		2,938,330	794,678	1,018,144	2,244,395	4,302,888	4,302,888	3,875,285	3,189,610	3,419,115
<i>Economic Development/Planning</i>		1,197,341	-	-	-	-	-	-	-	-
<i>Town Planning/Building enforcement</i>		1,740,989	794,678	1,018,144	2,244,395	4,302,888	4,302,888	3,875,285	3,189,610	3,419,115
<i>Licensing &amp; Regulation</i>		-	-	-	-	-	-	-	-	-
Road transport		28,440,299	45,700,277	44,697,803	31,812,436	36,818,743	36,818,743	33,983,880	43,310,618	57,954,226
<i>Roads</i>		18,506,624	33,254,993	32,114,839	15,263,000	20,251,495	20,251,495	20,956,480	29,946,500	44,229,450
<i>Public Buses</i>		-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		9,897,069	12,408,677	12,546,358	12,711,000	12,730,648	12,730,648	12,990,800	13,327,518	13,688,176
<i>Other</i>		36,606	36,606	36,606	3,838,436	3,836,600	3,836,600	36,600	36,600	36,600
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-
<i>Biodiversity &amp; Landscape</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		238,963,338	326,427,965	350,906,985	455,445,078	457,649,245	457,649,245	542,485,689	624,322,015	708,821,255
Electricity		154,563,643	219,331,691	245,465,855	294,782,472	295,634,463	295,634,463	357,560,466	418,584,350	489,900,610
<i>Electricity Distribution</i>		154,563,643	219,331,691	245,465,855	294,782,472	295,634,463	295,634,463	357,560,466	418,584,350	489,900,610
<i>Electricity Generation</i>		-	-	-	-	-	-	-	-	-
Water		34,750,796	43,777,497	39,286,048	56,131,780	55,639,580	55,639,580	67,425,126	65,571,576	73,478,217
<i>Water Distribution</i>		34,748,107	43,742,023	39,158,142	48,131,780	47,639,580	47,639,580	67,425,126	65,571,576	73,478,217
<i>Water Storage</i>		2,689	35,474	127,906	8,000,000	8,000,000	8,000,000	-	-	-
Waste water management		25,296,656	34,468,524	33,028,879	57,688,089	58,197,662	58,197,662	62,814,378	80,836,700	80,300,654
<i>Sewerage</i>		25,296,656	34,468,524	33,028,879	57,688,089	58,197,662	58,197,662	62,814,378	80,836,700	80,300,654
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-
Waste management		24,352,243	28,850,254	33,126,203	46,842,737	48,177,540	48,177,540	54,685,719	59,329,389	65,141,774
<i>Solid Waste</i>		24,352,243	28,850,254	33,126,203	46,842,737	48,177,540	48,177,540	54,685,719	59,329,389	65,141,774
<i>Other</i>		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	516,206,069	649,059,627	666,663,089	779,414,236	783,089,404	783,089,404	925,983,292	1,043,509,728	1,208,079,694

DETAILED BUDGETED FINANCIAL PERFORMANCE BY VOTE

TABLE A2A

STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Expenditure - Standard</b>	1									
<i>Municipal governance and administration</i>		102,196,406	124,882,064	134,796,460	145,600,896	154,807,825	154,807,825	178,998,355	189,096,820	199,591,329
Executive and council		36,374,032	44,973,535	48,192,998	47,789,425	46,178,381	46,178,381	57,909,913	60,950,308	65,084,190
<i>Mayor and Council</i>		24,309,458	30,987,726	29,437,349	24,853,127	23,510,625	23,510,625	30,607,057	32,815,417	35,110,619
<i>Municipal Manager</i>		12,064,574	13,985,809	18,755,649	22,936,298	22,667,756	22,667,756	27,302,856	28,134,891	29,973,571
Budget and treasury office		18,933,545	22,229,224	25,735,905	33,200,409	39,203,379	39,203,379	43,255,687	44,724,994	47,566,026
Corporate services		46,888,829	57,679,305	60,867,558	64,611,062	69,426,065	69,426,065	77,832,755	83,421,518	86,941,113
<i>Human Resources</i>		3,736,829	4,457,976	6,114,438	8,244,463	8,690,034	8,690,034	9,584,220	10,194,571	10,849,667
<i>Information Technology</i>		4,148,890	5,143,064	6,073,411	8,129,879	8,409,774	8,409,774	11,751,774	12,257,218	11,992,600
<i>Property Services</i>		15,280,293	17,030,883	19,372,211	18,493,361	19,049,514	19,049,514	20,951,870	22,184,321	23,444,269
<i>Other Admin</i>		23,722,817	31,047,382	29,307,498	29,743,359	33,276,743	33,276,743	35,544,891	38,785,408	40,654,577
<i>Community and public safety</i>		73,600,056	94,505,251	114,474,748	135,104,974	137,788,383	137,788,383	152,833,670	161,612,473	171,610,868
Community and social services		8,131,474	12,627,951	17,197,681	19,487,231	19,738,107	19,738,107	22,774,457	23,883,896	25,092,753
<i>Libraries and Archives</i>		3,770,919	5,579,303	7,030,089	7,737,201	7,694,318	7,694,318	8,498,488	8,914,282	9,263,797
<i>Museums &amp; Art Galleries etc</i>		-	-	-	-	-	-	-	-	-
<i>Community halls and Facilities</i>		1,134,532	2,178,191	4,102,635	4,374,610	4,136,366	4,136,366	5,932,688	6,322,389	6,804,223
<i>Cemeteries &amp; Crematoriums</i>		2,360,331	3,641,510	4,024,126	4,917,124	4,723,592	4,723,592	5,108,496	5,239,711	5,444,182
<i>Child Care</i>		-	-	-	-	-	-	-	-	-
<i>Aged Care</i>		213,743	260,122	907,637	288,029	942,728	942,728	851,300	860,214	857,753
<i>Other Community</i>		-	-	-	-	-	-	-	-	-
<i>Other Social</i>		651,949	968,825	1,133,194	2,170,267	2,241,103	2,241,103	2,383,485	2,547,300	2,722,798
Sport and recreation		23,376,108	31,537,116	33,862,896	40,861,455	39,888,626	39,888,626	44,263,321	46,983,362	49,466,361
Public safety		28,671,608	34,272,565	42,789,108	47,281,363	50,033,645	50,033,645	54,377,037	58,002,019	61,996,156
<i>Police</i>		13,070,336	15,174,792	17,153,739	21,248,695	21,915,292	21,915,292	23,847,749	25,528,572	27,373,528
<i>Fire</i>		12,515,303	15,172,798	21,501,382	21,532,606	23,799,881	23,799,881	25,481,754	27,150,873	28,813,353
<i>Civil Defence</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		3,085,969	3,924,975	4,133,986	4,500,062	4,318,472	4,318,472	5,047,534	5,322,574	5,809,275
<i>Other</i>		-	-	-	-	-	-	-	-	-
Housing		1,693,406	1,998,988	3,220,398	6,962,026	7,675,352	7,675,352	8,750,602	8,513,153	9,168,441
Health		11,727,460	14,068,631	17,404,664	20,512,899	20,452,653	20,452,653	22,668,253	24,230,043	25,887,157
<i>Clinics</i>		9,493,138	11,301,886	13,683,113	16,057,521	15,991,601	15,991,601	17,627,806	18,843,269	20,124,335
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		2,234,323	2,766,745	3,721,551	4,455,378	4,461,052	4,461,052	5,040,447	5,386,774	5,762,822
<i>Economic and environmental services</i>		45,565,868	90,237,039	100,025,012	102,403,051	105,012,179	105,012,179	104,099,552	106,828,718	114,916,318
Planning and development		5,405,995	6,560,115	7,943,918	8,990,779	8,696,865	8,696,865	9,818,221	10,198,545	10,506,495
<i>Economic Development/Planning</i>		620,520	1,311,035	1,781,142	2,309,267	2,202,624	2,202,624	2,596,537	2,822,354	3,040,853
<i>Town Planning/Building enforcement</i>		4,785,475	5,249,080	6,162,776	6,681,512	6,494,241	6,494,241	7,221,684	7,376,191	7,465,642
<i>Licensing &amp; Regulation</i>		-	-	-	-	-	-	-	-	-
Road transport		40,159,874	83,676,924	92,081,094	93,412,272	96,315,314	96,315,314	94,281,331	96,630,173	104,409,823
<i>Roads</i>		33,244,570	75,403,505	81,982,167	81,212,530	84,115,297	84,115,297	80,286,612	81,719,792	88,523,106
<i>Public Buses</i>		-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		6,044,184	7,051,005	8,649,316	10,652,251	10,599,988	10,599,988	12,181,507	13,011,383	13,900,999
<i>Other</i>		871,120	1,222,414	1,449,610	1,547,491	1,600,029	1,600,029	1,813,212	1,898,998	1,985,718
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-
<i>Biodiversity &amp; Landscape</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		179,978,722	277,062,337	313,746,874	438,598,079	437,997,120	437,997,120	481,687,210	548,704,070	626,688,436
Electricity		113,917,263	181,046,657	202,923,628	295,176,344	293,816,696	293,816,696	315,426,868	367,445,772	429,718,716
<i>Electricity Distribution</i>		113,917,263	181,046,657	202,923,628	295,176,344	293,816,696	293,816,696	315,426,868	367,445,772	429,718,716
<i>Electricity Generation</i>		-	-	-	-	-	-	-	-	-
Water		23,626,284	38,077,635	40,372,706	50,806,266	46,473,242	46,473,242	55,499,485	58,260,336	61,070,026
<i>Water Distribution</i>		16,057,681	21,570,322	21,915,717	31,308,107	26,898,688	26,898,688	33,321,047	35,832,737	38,113,842
<i>Water Storage</i>		7,568,603	16,507,314	18,456,988	19,498,159	19,574,554	19,574,554	22,178,438	22,427,599	22,956,184
Waste management		19,428,264	29,680,100	38,521,817	46,477,158	49,990,730	49,990,730	57,898,806	65,799,346	73,852,326
<i>Sewerage</i>		18,522,718	28,635,492	37,222,659	44,964,568	48,386,956	48,386,956	56,190,794	63,935,859	71,844,245
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>		905,547	1,044,607	1,299,158	1,512,590	1,603,774	1,603,774	1,708,012	1,863,487	2,008,081
Waste management		23,006,911	28,257,945	31,928,722	46,138,311	47,716,452	47,716,452	52,862,051	57,198,616	62,047,368
<i>Solid Waste</i>		23,006,911	28,257,945	31,928,722	46,138,311	47,716,452	47,716,452	52,862,051	57,198,616	62,047,368
<i>Other</i>		-	-	-	-	-	-	-	-	-
<i>Air Transport</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Tourism</i>		-	-	-	-	-	-	-	-	-
<i>Forestry</i>		-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	401,341,052	586,686,691	663,043,093	821,707,000	835,605,507	835,605,507	917,618,787	1,006,242,081	1,112,806,951
<b>Surplus/(Deficit) for the year</b>		114,865,017	62,372,936	3,619,996	-42,292,764	-52,516,103	-52,516,103	8,364,505	37,267,647	95,272,743

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

TABLE A3

STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
<b>Revenue by Vote</b>	1									
Vote1 - Executive & Council		11,802,992	17,290,391	30,159,071	38,650,700	40,221,700	40,221,700	38,920,750	43,694,400	46,162,315
Vote2 - Budget & Treasury		159,733,453	190,510,532	183,612,442	198,118,282	199,257,944	199,257,944	232,259,084	248,906,259	268,398,402
Vote3 - Corporate Services		63,282,742	52,426,056	44,560,539	29,341,793	21,165,908	21,165,908	45,134,040	58,409,058	99,627,796
Vote4 - Planning Development		2,938,330	794,678	1,018,144	2,244,395	4,302,888	4,302,888	3,875,285	3,189,610	3,419,115
Vote5 - Health Services		4,530,876	4,516,615	4,411,860	2,552,250	2,583,085	2,583,085	2,673,660	2,806,423	2,952,654
Vote6 - Community & Social Services		1,123,745	1,313,339	1,652,113	6,908,349	4,572,324	4,572,324	5,577,160	4,746,360	4,772,720
Vote7 - Housing Services		347,411	207,649	329,737	414,028	403,186	403,186	1,165,440	175,043	184,169
Vote8 - Public Safety		4,508,501	7,894,101	3,993,635	5,308,875	5,896,331	5,896,331	6,234,885	7,824,940	9,212,568
Vote9 - Sport & Recreation		534,380	1,978,023	1,320,760	8,618,050	10,218,050	10,218,050	13,673,419	6,125,002	6,574,474
Vote10 - Waste Management		24,352,243	28,850,254	33,126,203	46,842,737	48,177,540	48,177,540	54,685,719	59,329,389	65,141,774
Vote11 - Waste Water Management		25,296,656	34,468,524	33,028,879	57,688,089	58,197,662	58,197,662	62,814,378	80,836,700	80,300,654
Vote12 - Road Transport		28,440,299	45,700,277	44,697,803	31,812,436	36,818,743	36,818,743	33,983,880	43,310,618	57,954,226
Vote13 - Water		34,750,796	43,777,497	39,286,048	56,131,780	55,639,580	55,639,580	67,425,126	65,571,576	73,478,217
Vote14 - Electricity		154,563,643	219,331,691	245,465,855	294,782,472	295,634,463	295,634,463	357,560,466	418,584,350	489,900,610
Example 15 - Vote15		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>516,206,069</b>	<b>649,059,627</b>	<b>666,663,089</b>	<b>779,414,236</b>	<b>783,089,404</b>	<b>783,089,404</b>	<b>925,983,292</b>	<b>1,043,509,728</b>	<b>1,208,079,694</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote1 - Executive & Council		36,374,032	44,973,535	48,192,998	47,789,425	46,178,381	46,178,381	57,909,913	60,950,308	65,084,190
Vote2 - Budget & Treasury		18,933,545	22,229,224	25,735,905	33,200,409	39,203,379	39,203,379	43,255,687	44,724,994	47,566,026
Vote3 - Corporate Services		46,888,829	57,679,305	60,867,558	64,611,062	69,426,065	69,426,065	77,832,755	83,421,518	86,941,113
Vote4 - Planning Development		5,405,995	6,560,115	7,943,918	8,990,779	8,696,865	8,696,865	9,818,221	10,198,545	10,506,495
Vote5 - Health Services		11,727,460	14,068,631	17,404,664	20,512,899	20,452,653	20,452,653	22,668,253	24,230,043	25,887,157
Vote6 - Community & Social Services		8,131,474	12,627,951	17,197,681	19,487,231	19,738,107	19,738,107	22,774,457	23,883,896	25,092,753
Vote7 - Housing Services		1,693,406	1,998,988	3,220,398	6,962,026	7,675,352	7,675,352	8,750,602	8,513,153	9,168,441
Vote8 - Public Safety		28,671,608	34,272,565	42,789,108	47,281,363	50,033,645	50,033,645	54,377,037	58,002,019	61,996,156
Vote9 - Sport & Recreation		23,376,108	31,537,116	33,862,896	40,861,455	39,888,626	39,888,626	44,263,321	46,983,362	49,466,361
Vote10 - Waste Management		23,006,911	28,257,945	31,928,722	46,138,311	47,716,452	47,716,452	52,862,051	57,198,616	62,047,368
Vote11 - Waste Water Management		19,428,264	29,680,100	38,521,817	46,477,158	49,990,730	49,990,730	57,898,806	65,799,346	73,852,326
Vote12 - Road Transport		40,159,874	83,676,924	92,081,094	93,412,272	96,315,314	96,315,314	94,281,331	96,630,173	104,409,823
Vote13 - Water		23,626,284	38,077,635	40,372,706	50,806,266	46,473,242	46,473,242	55,499,485	58,260,336	61,070,026
Vote14 - Electricity		113,917,263	181,046,657	202,923,628	295,176,344	293,816,696	293,816,696	315,426,868	367,445,772	429,718,716
Example 15 - Vote15		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>401,341,052</b>	<b>586,686,691</b>	<b>663,043,093</b>	<b>821,707,000</b>	<b>835,605,507</b>	<b>835,605,507</b>	<b>917,618,787</b>	<b>1,006,242,081</b>	<b>1,112,806,951</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>114,865,017</b>	<b>62,372,936</b>	<b>3,619,996</b>	<b>-42,292,764</b>	<b>-52,516,103</b>	<b>-52,516,103</b>	<b>8,364,505</b>	<b>37,267,647</b>	<b>95,272,743</b>

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

TABLE A3A

STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue by Vote</b>	1									
<b>Vote1 - Executive &amp; Council</b>		11,802,992	17,290,391	30,159,071	38,650,700	40,221,700	40,221,700	38,920,750	43,694,400	46,162,315
Mayor and Council		11,802,992	17,288,551	30,154,571	38,650,700	40,172,700	40,172,700	38,920,750	43,694,400	46,162,315
Municipal Manager		-	1,840	4,500	-	49,000	49,000	-	-	-
<b>Vote2 - Budget &amp; Treasury</b>		159,733,453	190,510,532	183,612,442	198,118,282	199,257,944	199,257,944	232,259,084	248,906,259	268,398,402
Budget and treasury office		159,733,453	190,510,532	183,612,442	198,118,282	199,257,944	199,257,944	232,259,084	248,906,259	268,398,402
<b>Vote3 - Corporate Services</b>		63,282,742	52,426,056	44,560,539	29,341,793	21,165,908	21,165,908	45,134,040	58,409,058	99,627,796
Human Resources		618,379	732,738	761,671	886,020	886,020	886,020	1,030,500	1,110,600	1,199,400
Information Technology		2,630	1,091	2,885	3,100	1,600	1,600	100	200	300
Property Services		55,652,330	41,219,729	36,838,240	20,681,612	11,132,990	11,132,990	33,308,493	48,312,009	89,265,768
Other Admin		7,009,404	10,472,497	6,957,744	7,771,061	9,145,298	9,145,298	10,794,947	8,986,249	9,162,328
<b>Vote4 - Planning Development</b>		2,938,330	794,678	1,018,144	2,244,395	4,302,888	4,302,888	3,875,285	3,189,610	3,419,115
Economic Development/Planning		1,197,341	-	-	-	-	-	-	-	-
Town Planning/Building enforcement		1,740,989	794,678	1,018,144	2,244,395	4,302,888	4,302,888	3,875,285	3,189,610	3,419,115
<b>Vote5 - Health Services</b>		4,530,876	4,516,615	4,411,860	2,552,250	2,583,085	2,583,085	2,673,660	2,806,423	2,952,654
Clinics		4,443,000	4,443,000	4,152,000	2,400,000	2,400,000	2,400,000	2,510,100	2,633,350	2,763,495
Other		87,876	73,615	259,860	152,250	183,085	183,085	163,560	173,073	189,159
<b>Vote6 - Community &amp; Social Services</b>		1,123,745	1,313,339	1,652,113	6,908,349	4,572,324	4,572,324	5,577,160	4,746,360	4,772,720
Libraries and Archives		70,782	565,778	793,653	808,000	827,209	827,209	139,150	146,850	154,215
Community halls and Facilities		81,297	100,517	127,445	2,623,350	360,000	360,000	2,800,000	2,930,000	2,916,000
Cemeteries & Crematoriums		614,388	347,851	348,980	3,201,100	3,110,000	3,110,000	2,350,000	1,367,500	1,385,800
Aged Care		180,250	221,929	254,475	275,899	275,115	275,115	288,010	302,010	316,705
Other Social		177,029	77,264	127,560	-	-	-	-	-	-
<b>Vote7 - Housing Services</b>		347,411	207,649	329,737	414,028	403,186	403,186	1,165,440	175,043	184,169
Human Settlements		347,411	207,649	329,737	414,028	403,186	403,186	1,165,440	175,043	184,169
<b>Vote8 - Public Safety</b>		4,508,501	7,894,101	3,993,635	5,308,875	5,896,331	5,896,331	6,234,885	7,824,940	9,212,568
Police		3,595,030	4,728,130	3,352,005	4,113,100	5,160,550	5,160,550	5,157,485	5,377,670	5,594,943
Fire		231,849	253,844	641,630	195,775	175,000	175,000	197,400	207,270	217,625
Street Lighting		681,622	2,912,127	-	1,000,000	560,781	560,781	880,000	2,240,000	3,400,000
<b>Vote9 - Sport &amp; Recreation</b>		534,380	1,978,023	1,320,760	8,618,050	10,218,050	10,218,050	13,673,419	6,125,002	6,574,474
Sport and recreation		534,380	1,978,023	1,320,760	8,618,050	10,218,050	10,218,050	13,673,419	6,125,002	6,574,474
<b>Vote10 - Waste Management</b>		24,352,243	28,850,254	33,126,203	46,842,737	48,177,540	48,177,540	54,685,719	59,329,389	65,141,774
Solid Waste		24,352,243	28,850,254	33,126,203	46,842,737	48,177,540	48,177,540	54,685,719	59,329,389	65,141,774
<b>Vote11 - Waste Water Management</b>		25,296,656	34,468,524	33,028,879	57,688,089	58,197,662	58,197,662	62,814,378	80,836,700	80,300,654
Sewerage		25,296,656	34,468,524	33,028,879	57,688,089	58,197,662	58,197,662	62,814,378	80,836,700	80,300,654
Public Toilets		-	-	-	-	-	-	-	-	-
<b>Vote12 - Road Transport</b>		28,440,299	45,700,277	44,697,803	31,812,436	36,818,743	36,818,743	33,983,880	43,310,618	57,954,226
Roads		18,506,624	33,254,993	32,114,839	15,263,000	20,251,495	20,251,495	20,956,480	29,946,500	44,229,450
Vehicle Licensing and Testing		9,897,069	12,408,677	12,546,358	12,711,000	12,730,648	12,730,648	12,990,800	13,327,518	13,688,176
Other		36,606	36,606	36,606	3,838,436	3,836,600	3,836,600	36,600	36,600	36,600
<b>Vote13 - Water</b>		34,750,796	43,777,497	39,286,048	56,131,780	55,639,580	55,639,580	67,425,126	65,571,576	73,478,217
Water Distribution		34,748,107	43,742,023	39,158,142	48,131,780	47,639,580	47,639,580	67,425,126	65,571,576	73,478,217
Water Storage		2,689	35,474	127,906	8,000,000	8,000,000	8,000,000	-	-	-
<b>Vote14 - Electricity</b>		154,563,643	219,331,691	245,465,855	294,782,472	295,634,463	295,634,463	357,560,466	418,584,350	489,900,610
Electricity Distribution		154,563,643	219,331,691	245,465,855	294,782,472	295,634,463	295,634,463	357,560,466	418,584,350	489,900,610
<b>Total Revenue by Vote</b>	2	516,206,069	649,059,627	666,663,089	779,414,236	783,089,404	783,089,404	925,983,292	1,043,509,728	1,208,079,694

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

TABLE A3A

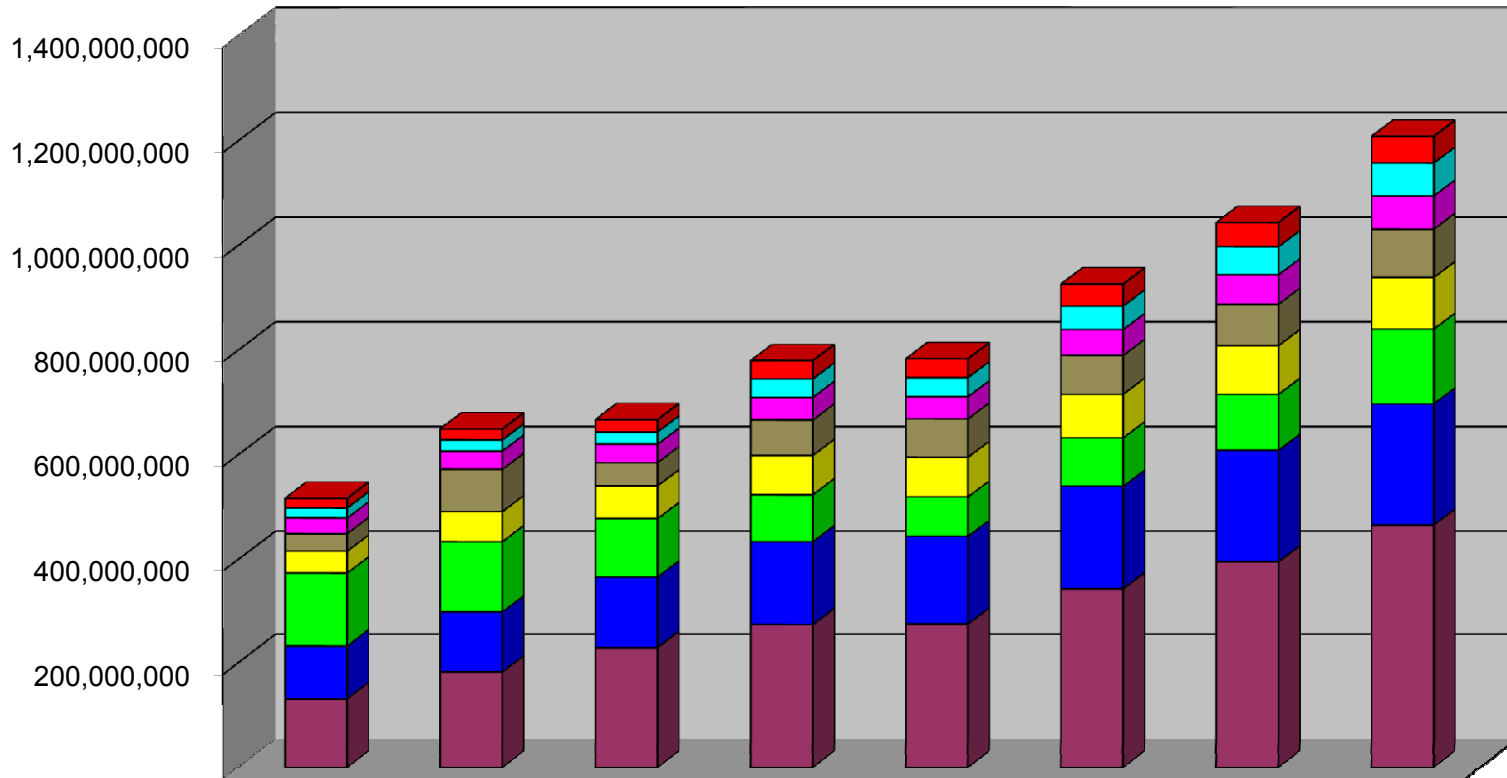
STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
<b>Expenditure by Vote</b>	1									
<b>Vote1 - Executive &amp; Council</b>		36,374,032	44,973,535	48,192,998	47,789,425	46,178,381	46,178,381	57,909,913	60,950,308	65,084,190
Mayor and Council		24,309,458	30,987,726	29,437,349	24,853,127	23,510,625	23,510,625	30,607,057	32,815,417	35,110,619
Municipal Manager		12,064,574	13,985,809	18,755,649	22,936,298	22,667,756	22,667,756	27,302,856	28,134,891	29,973,571
<b>Vote2 - Budget &amp; Treasury</b>		18,933,545	22,229,224	25,735,905	33,200,409	39,203,379	39,203,379	43,255,687	44,724,994	47,566,026
Budget and treasury office		18,933,545	22,229,224	25,735,905	33,200,409	39,203,379	39,203,379	43,255,687	44,724,994	47,566,026
<b>Vote3 - Corporate Services</b>		46,888,829	57,679,305	60,867,558	64,611,062	69,426,065	69,426,065	77,832,755	83,421,518	86,941,113
Human Resources		3,736,829	4,457,976	6,114,438	8,244,463	8,690,034	8,690,034	9,584,220	10,194,571	10,849,667
Information Technology		4,148,890	5,143,064	6,073,411	8,129,879	8,409,774	8,409,774	11,751,774	12,257,218	11,992,600
Property Services		15,280,293	17,030,883	19,372,211	18,493,361	19,049,514	19,049,514	20,951,870	22,184,321	23,444,269
Other Admin		23,722,817	31,047,382	29,307,498	29,743,359	33,276,743	33,276,743	35,544,891	38,785,408	40,654,577
<b>Vote4 - Planning Development</b>		5,405,995	6,560,115	7,943,918	8,990,779	8,696,865	8,696,865	9,818,221	10,198,545	10,506,495
Economic Development/Planning		620,520	1,311,035	1,781,142	2,309,267	2,202,624	2,202,624	2,596,537	2,822,354	3,040,853
Town Planning/Building enforcement		4,785,475	5,249,080	6,162,776	6,681,512	6,494,241	6,494,241	7,221,684	7,376,191	7,465,642
<b>Vote5 - Health Services</b>		11,727,460	14,068,631	17,404,664	20,512,899	20,452,653	20,452,653	22,668,253	24,230,043	25,887,157
Clinics		9,493,138	11,301,886	13,683,113	16,057,521	15,991,601	15,991,601	17,627,806	18,843,269	20,124,335
Other		2,234,323	2,766,745	3,721,551	4,455,378	4,461,052	4,461,052	5,040,447	5,386,774	5,762,822
<b>Vote6 - Community &amp; Social Services</b>		8,131,474	12,627,951	17,197,681	19,487,231	19,738,107	19,738,107	22,774,457	23,883,896	25,092,753
Libraries and Archives		3,770,919	5,579,303	7,030,089	7,737,201	7,694,318	7,694,318	8,498,488	8,914,282	9,263,797
Community halls and Facilities		1,134,532	2,178,191	4,102,635	4,374,610	4,136,366	4,136,366	5,932,688	6,322,389	6,804,223
Cemeteries & Crematoriums		2,360,331	3,641,510	4,024,126	4,917,124	4,723,592	4,723,592	5,108,496	5,239,711	5,444,182
Aged Care		213,743	260,122	907,637	288,029	942,728	942,728	851,300	860,214	857,753
Other Social		651,949	968,825	1,133,194	2,170,267	2,241,103	2,241,103	2,383,485	2,547,300	2,722,798
<b>Vote7 - Housing Services</b>		1,693,406	1,998,988	3,220,398	6,962,026	7,675,352	7,675,352	8,750,602	8,513,153	9,168,441
Human Settlements		1,693,406	1,998,988	3,220,398	6,962,026	7,675,352	7,675,352	8,750,602	8,513,153	9,168,441
<b>Vote8 - Public Safety</b>		28,671,608	34,272,565	42,789,108	47,281,363	50,033,645	50,033,645	54,377,037	58,002,019	61,996,156
Police		13,070,336	15,174,792	17,153,739	21,248,695	21,915,292	21,915,292	23,847,749	25,528,572	27,373,528
Fire		12,515,303	15,172,798	21,501,382	21,532,606	23,799,881	23,799,881	25,481,754	27,150,873	28,813,353
Street Lighting		3,085,969	3,924,975	4,133,986	4,500,062	4,318,472	4,318,472	5,047,534	5,322,574	5,809,275
<b>Vote9 - Sport &amp; Recreation</b>		23,376,108	31,537,116	33,862,896	40,861,455	39,888,626	39,888,626	44,263,321	46,983,362	49,466,361
Sport and recreation		23,376,108	31,537,116	33,862,896	40,861,455	39,888,626	39,888,626	44,263,321	46,983,362	49,466,361
<b>Vote10 - Waste Management</b>		23,006,911	28,257,945	31,928,722	46,138,311	47,716,452	47,716,452	52,862,051	57,198,616	62,047,368
Solid Waste		23,006,911	28,257,945	31,928,722	46,138,311	47,716,452	47,716,452	52,862,051	57,198,616	62,047,368
<b>Vote11 - Waste Water Management</b>		19,428,264	29,680,100	38,521,817	46,477,158	49,990,730	49,990,730	57,898,806	65,799,346	73,852,326
Sewerage		18,522,718	28,635,492	37,222,659	44,964,568	48,386,956	48,386,956	56,190,794	63,935,859	71,844,245
Public Toilets		905,547	1,044,607	1,299,158	1,512,590	1,603,774	1,603,774	1,708,012	1,863,487	2,008,081
<b>Vote12 - Road Transport</b>		40,159,874	83,676,924	92,081,094	93,412,272	96,315,314	96,315,314	94,281,331	96,630,173	104,409,823
Roads		33,244,570	75,403,505	81,982,167	81,212,530	84,115,297	84,115,297	80,286,612	81,719,792	88,523,106
Vehicle Licensing and Testing		6,044,184	7,051,005	8,649,316	10,652,251	10,599,988	10,599,988	12,181,507	13,011,383	13,900,999
Other		871,120	1,222,414	1,449,610	1,547,491	1,600,029	1,600,029	1,813,212	1,898,998	1,985,718
<b>Vote13 - Water</b>		23,626,284	38,077,635	40,372,706	50,806,266	46,473,242	46,473,242	55,499,485	58,260,336	61,070,026
Water Distribution		16,057,681	21,570,322	21,915,717	31,308,107	26,898,688	26,898,688	33,321,047	35,832,737	38,113,842
Water Storage		7,568,603	16,507,314	18,456,988	19,498,159	19,574,554	19,574,554	22,178,438	22,427,599	22,956,184
<b>Vote14 - Electricity</b>		113,917,263	181,046,657	202,923,628	295,176,344	293,816,696	293,816,696	315,426,868	367,445,772	429,718,716
Electricity Distribution		113,917,263	181,046,657	202,923,628	295,176,344	293,816,696	293,816,696	315,426,868	367,445,772	429,718,716
<b>Total Expenditure by Vote</b>	2	401,341,052	586,686,691	663,043,093	821,707,000	835,605,507	835,605,507	917,618,787	1,006,242,081	1,112,806,951
<b>Surplus/(Deficit) for the year</b>	2	114,865,017	62,372,936	3,619,996	-42,292,764	-52,516,103	-52,516,103	8,364,505	37,267,647	95,272,743

BUDGETED FINANCIAL PERFORMANCE BY REVENUE AND EXPENDITURE TYPE

TABLE A4

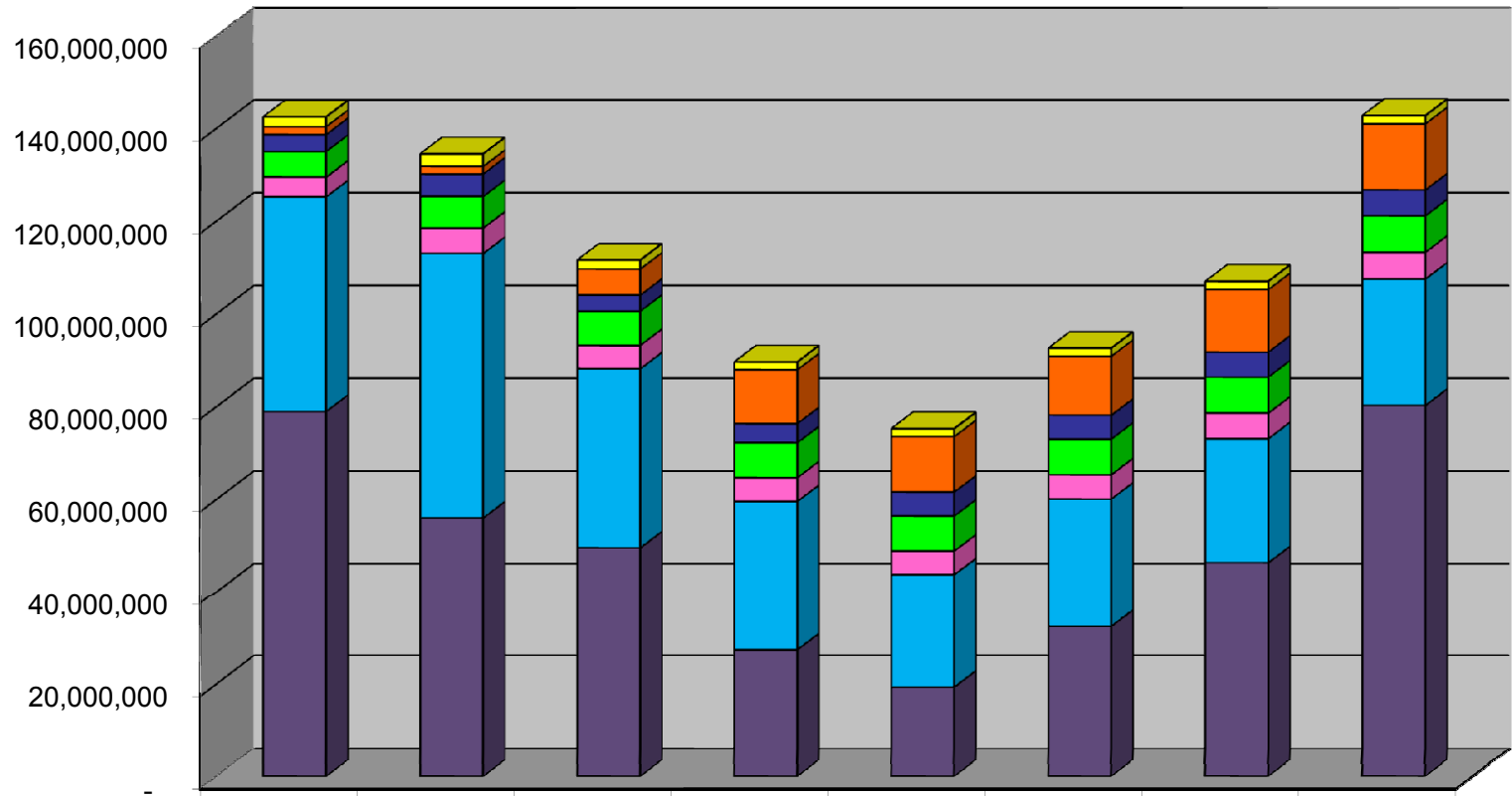
STEVE TSHWETE LOCAL MUNICIPALITY - MP313											
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>											
Property rates	2	99,143,999	116,654,523	137,820,239	158,413,177	167,477,884	167,477,884	167,477,884	195,806,049	213,089,099	231,627,855
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	131,875,561	182,529,988	228,208,216	275,166,589	276,464,003	276,464,003	276,464,003	343,704,715	395,260,423	465,430,991
Service charges - water revenue	2	29,988,487	34,920,310	35,182,368	43,304,336	42,366,936	42,366,936	42,366,936	49,456,202	56,433,147	63,584,707
Service charges - sanitation revenue	2	19,243,332	21,164,430	23,568,918	35,118,589	36,400,962	36,400,962	36,400,962	44,887,528	53,528,720	62,819,424
Service charges - refuse revenue	2	18,283,405	21,050,558	23,337,449	34,934,222	35,957,430	35,957,430	35,957,430	41,980,088	46,120,253	50,916,758
Service charges - other											
Rental of facilities and equipment		1,705,266	1,639,111	5,625,426	11,610,060	11,955,501	11,955,501	11,955,501	12,703,862	13,496,032	14,251,306
Interest earned - external investments		46,261,299	57,012,025	38,623,784	32,250,000	24,403,800	24,403,800	24,403,800	27,740,000	26,759,000	27,232,000
Interest earned - outstanding debtors		2,112,732	2,709,464	1,925,436	1,666,870	1,690,920	1,690,920	1,690,920	1,736,315	1,753,685	1,771,223
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		3,638,936	4,842,970	3,465,656	4,120,000	5,172,000	5,172,000	5,172,000	5,140,100	5,356,150	5,573,960
Licences and permits		4,240,758	5,477,018	5,035,571	5,117,500	5,146,500	5,146,500	5,146,500	5,246,500	5,502,800	5,783,000
Agency services		5,544,491	6,810,452	7,376,385	7,550,000	7,550,000	7,550,000	7,550,000	7,704,000	7,781,040	7,858,800
Transfers recognised - operational		41,893,680	57,382,978	62,504,752	75,081,000	75,737,640	75,737,640	75,737,640	83,319,950	92,872,350	98,608,045
Other revenue	2	78,605,059	55,998,128	49,574,700	26,866,393	19,360,915	19,360,915	19,360,915	31,875,333	45,897,029	79,812,175
Gains on disposal of PPE		393,132	36,063	-	472,500	-	-	-	480,000	482,000	484,000
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>482,930,138</b>	<b>568,228,017</b>	<b>622,248,899</b>	<b>711,671,236</b>	<b>709,684,491</b>	<b>709,684,491</b>	<b>709,684,491</b>	<b>851,780,642</b>	<b>964,331,728</b>	<b>1,115,754,244</b>
<b>Expenditure By Type</b>											
Employee related costs	2	137,386,708	153,828,086	185,798,335	222,339,505	227,377,800	227,377,800	227,377,800	261,161,906	281,742,293	304,737,441
Remuneration of councillors		9,415,656	10,501,226	10,850,473	12,220,447	12,246,169	12,246,169	12,246,169	15,363,913	16,593,026	17,920,466
Debt impairment	3	2,904,330	5,455,502	5,455,792	4,087,655	4,087,657	4,087,657	4,087,657	4,778,240	5,219,070	5,769,880
Depreciation & asset impairment	2	52,021,327	145,952,037	160,103,948	153,376,967	155,313,280	155,313,280	155,313,280	156,886,900	157,610,601	162,833,931
Finance charges		17,160,253	18,502,686	17,215,425	22,040,849	22,040,817	22,040,817	22,040,817	26,451,492	32,197,044	40,021,238
Bulk purchases	2	79,872,542	109,724,556	147,784,539	195,687,065	194,408,767	194,408,767	194,408,767	240,570,671	287,342,572	342,174,337
Other materials	8										
Contracted services		9,774,987	10,757,142	17,762,090	17,851,072	20,009,840	20,009,840	20,009,840	21,457,615	23,632,005	26,272,997
Transfers and grants		1,606,806	1,493,794	991,000	31,012,300	34,678,800	34,678,800	34,678,800	45,195,750	49,311,975	52,860,575
Other expenditure	4, 5	91,107,224	130,471,663	116,633,871	163,091,140	165,442,377	165,442,377	165,442,377	145,752,300	152,593,495	160,216,086
Loss on disposal of PPE		91,219	-	447,621	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>401,341,052</b>	<b>586,686,691</b>	<b>663,043,094</b>	<b>821,707,000</b>	<b>835,605,507</b>	<b>835,605,507</b>	<b>835,605,507</b>	<b>917,618,787</b>	<b>1,006,242,081</b>	<b>1,112,806,951</b>
<b>Surplus/(Deficit)</b>											
Transfers recognised - capital		81,589,086	(18,458,674)	(40,794,195)	(110,035,764)	(125,921,016)	(125,921,016)	(125,921,016)	(65,838,145)	(41,910,353)	2,947,293
Contributions recognised - capital		24,126,548	19,399,804	30,105,139	46,073,000	51,734,913	51,734,913	51,734,913	48,827,150	55,758,000	67,725,450
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	6	9,149,384	61,431,806	14,309,051	21,670,000	21,670,000	21,670,000	21,670,000	25,375,500	23,420,000	24,600,000
Taxation		114,865,018	62,372,936	3,619,995	(42,292,764)	(52,516,103)	(52,516,103)	(52,516,103)	8,364,505	37,267,647	95,272,743
Surplus/(Deficit) after taxation		114,865,018	62,372,936	3,619,995	(42,292,764)	(52,516,103)	(52,516,103)	(52,516,103)	8,364,505	37,267,647	95,272,743
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		114,865,018	62,372,936	3,619,995	(42,292,764)	(52,516,103)	(52,516,103)	(52,516,103)	8,364,505	37,267,647	95,272,743
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>114,865,018</b>	<b>62,372,936</b>	<b>3,619,995</b>	<b>(42,292,764)</b>	<b>(52,516,103)</b>	<b>(52,516,103)</b>	<b>(52,516,103)</b>	<b>8,364,505</b>	<b>37,267,647</b>	<b>95,272,743</b>

**CHART 1 - REVENUE BY MAJOR SOURCE**



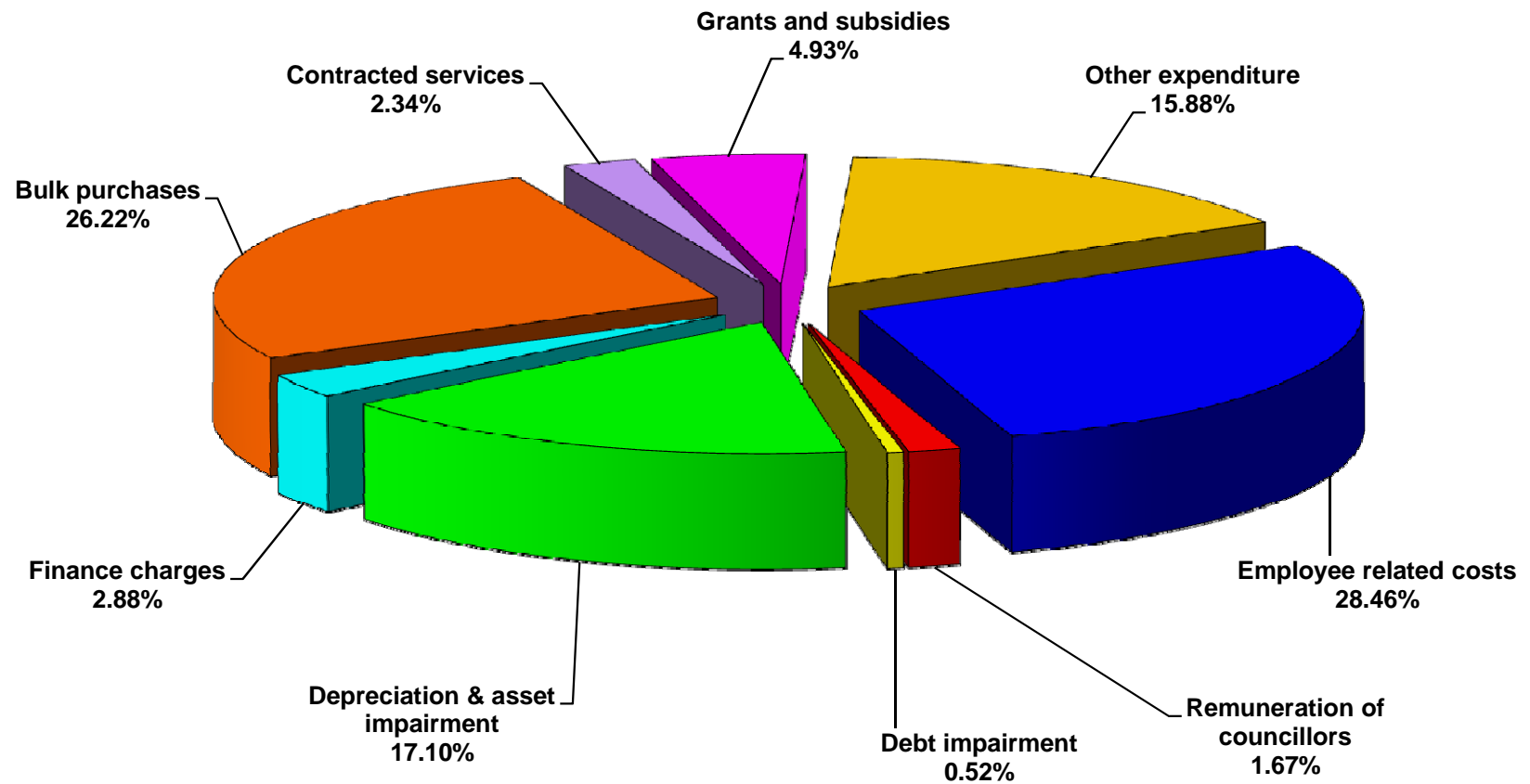
	07/08 Audited Actual	08/09 Audited Actual	09/10 Audited Actual	10/11 Original Budget	10/11 Adjusted Budget	11/12 Concept Budget	12/13 Projected	13/14 Projected
■ Refuse Tariffs	18,283,405	21,050,558	23,337,449	34,934,222	35,957,430	41,980,088	46,120,253	50,916,758
■ Sanitation Tariffs	19,243,332	21,164,430	23,568,918	35,118,589	36,400,962	44,887,528	53,528,720	62,819,424
■ Water tariffs	29,988,487	34,920,310	35,182,368	43,304,336	42,366,936	49,456,202	56,433,147	63,584,707
■ Grants & subsidies : Capital	33,275,932	80,831,610	44,414,190	67,743,000	73,404,913	74,202,650	79,178,000	92,325,450
■ Grants & subsidies : Operating	41,893,680	57,382,978	62,504,752	75,081,000	75,737,640	83,319,950	92,872,350	98,608,045
■ Other Revenue	142,501,673	134,525,230	111,626,958	89,653,323	75,279,636	92,626,110	107,027,736	142,766,464
■ Property rates	99,143,999	116,654,523	137,820,239	158,413,177	167,477,884	195,806,049	213,089,099	231,627,855
■ Electricity tariffs	131,875,561	182,529,988	228,208,216	275,166,589	276,464,003	343,704,715	395,260,423	465,430,991

**CHART 2 - OTHER REVENUE**

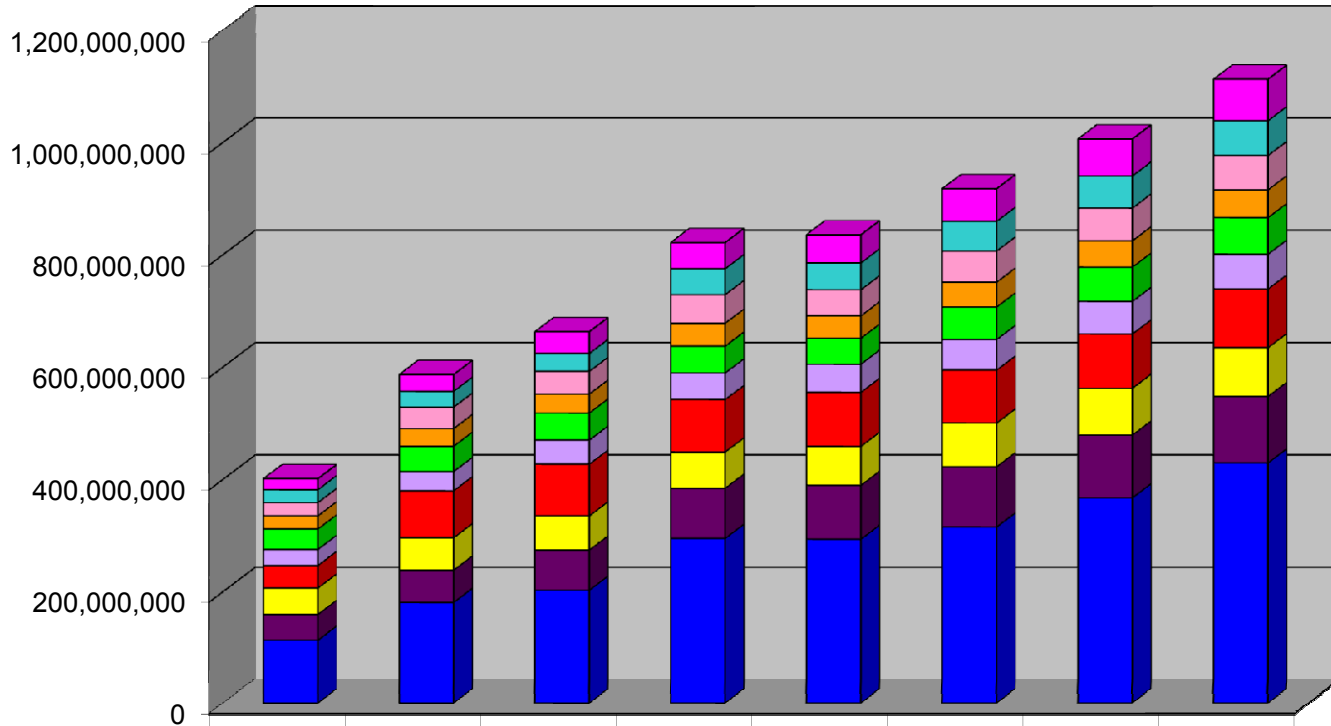


	07/08 Audited Actual	08/09 Audited Actual	09/10 Audited Actual	10/11 Original Budget	10/11 Adjusted Budget	11/12 Concept Budget	12/13 Projected	13/14 Projected
Interest earned - Outstanding debtors	2,112,732	2,709,464	1,925,436	1,666,870	1,690,920	1,736,315	1,753,685	1,771,223
Rental of facilities and equipment	1,705,266	1,639,111	5,625,426	11,610,060	11,955,501	12,703,862	13,496,032	14,251,306
Fines	3,638,936	4,842,970	3,465,656	4,120,000	5,172,000	5,140,100	5,356,150	5,573,960
Income from agency services	5,544,491	6,810,452	7,376,385	7,550,000	7,550,000	7,704,000	7,781,040	7,858,800
Licenses and permits	4,240,758	5,477,018	5,035,571	5,117,500	5,146,500	5,246,500	5,502,800	5,783,000
Interest earned - External investments	46,261,299	57,012,025	38,623,784	32,250,000	24,403,800	27,740,000	26,759,000	27,232,000
Other income	78,998,191	56,034,191	49,574,700	27,338,893	19,360,915	32,355,333	46,379,029	80,296,175

# CHART 3 - OPERATING EXPENDITURE BY TYPE 2011/2012

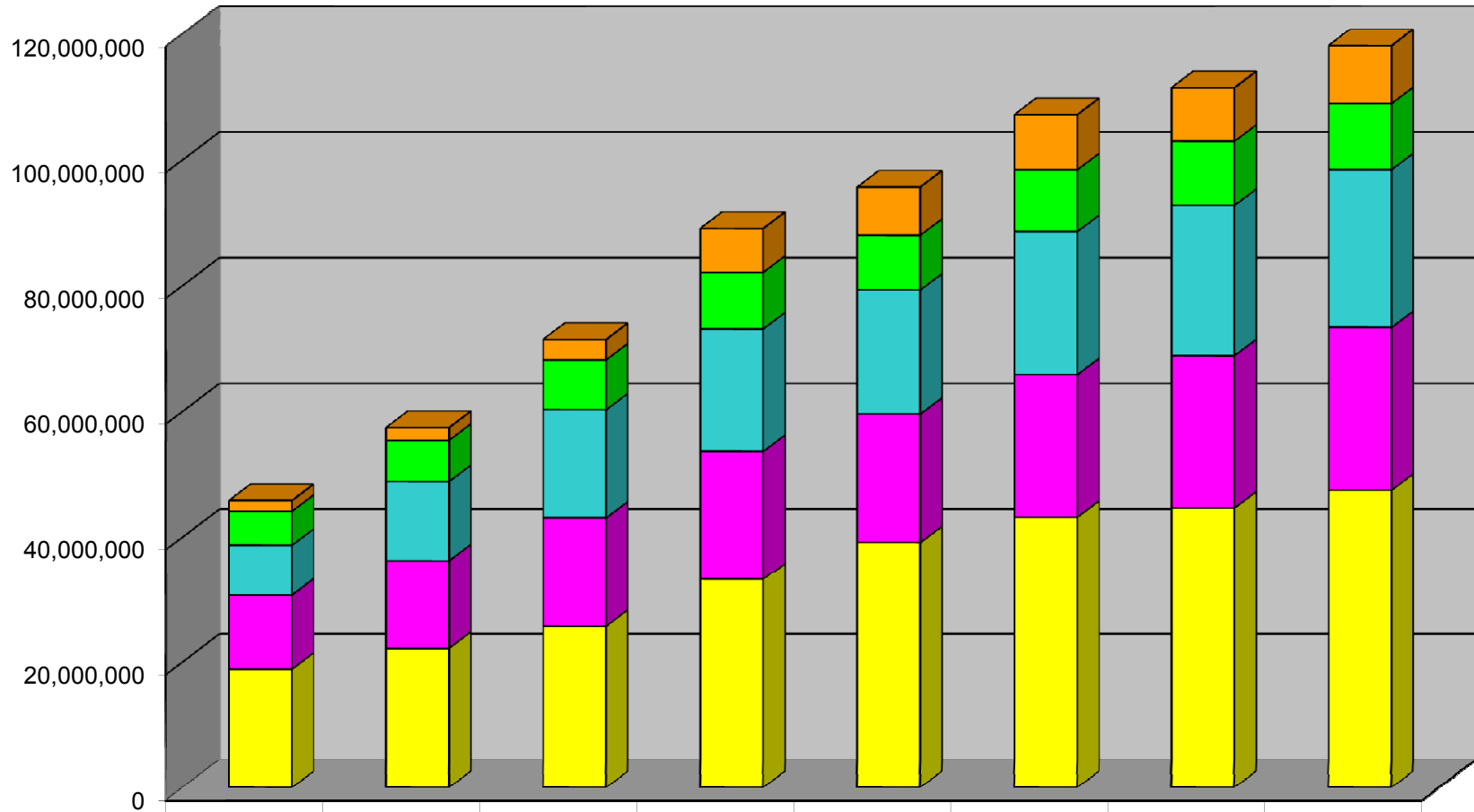


**CHART 4 - OPERATING EXPENDITURE BY MAIN VOTE**



	07/08 Audited Actual	08/09 Audited Actual	09/10 Audited Actual	10/11 Original Budget	10/11 Adjusted Budget	11/12 Concept Budget	12/13 Projected	13/14 Projected
■ Waste Water Management	19,428,264	29,680,100	38,521,817	46,477,158	49,990,730	57,898,806	65,799,346	73,852,326
■ Waste Management	23,006,911	28,257,945	31,928,722	46,138,311	47,716,452	52,862,051	57,198,616	62,047,368
■ Water	23,626,284	38,077,635	40,372,706	50,806,266	46,473,242	55,499,485	58,260,336	61,070,026
■ Sport and Recreation	23,376,108	31,537,116	33,862,896	40,861,455	39,888,626	44,263,321	46,983,362	49,466,361
■ Executive & Council	36,374,032	44,973,535	48,192,998	47,789,425	46,178,381	57,909,913	60,950,308	65,084,190
■ Public Safety	28,671,608	34,272,565	42,789,108	47,281,363	50,033,645	54,377,037	58,002,019	61,996,156
■ Road Transport	40,159,874	83,676,924	92,081,094	93,412,272	96,315,314	94,281,331	96,630,173	104,409,823
■ Corporate Services	46,888,829	57,679,305	60,867,558	64,611,062	69,426,065	77,832,755	83,421,518	86,941,113
■ Other Votes	45,891,880	57,484,910	71,502,566	89,153,344	95,766,356	107,267,220	111,550,631	118,220,872
■ Electricity	113,917,263	181,046,657	202,923,628	295,176,344	293,816,696	315,426,868	367,445,772	429,718,716

**CHART 5 - OTHER OPERATING EXPENDITURE**



	07/08 Audited Actual	08/09 Audited Actual	09/10 Audited Actual	10/11 Original Budget	10/11 Adjusted Budget	11/12 Concept Budget	12/13 Projected	13/14 Projected
Human Settlements	1,693,406	1,998,988	3,220,398	6,962,026	7,675,352	8,750,602	8,513,153	9,168,441
Planning & Development	5,405,995	6,560,115	7,943,918	8,990,779	8,696,865	9,818,221	10,198,545	10,506,495
Community & Social Services	8,131,474	12,627,951	17,197,681	19,487,231	19,738,107	22,774,457	23,883,896	25,092,753
Health	11,727,460	14,068,631	17,404,664	20,512,899	20,452,653	22,668,253	24,230,043	25,887,157
Budget & Treasury Office	18,933,545	22,229,224	25,735,905	33,200,409	39,203,379	43,255,687	44,724,994	47,566,026

BUDGETED CAPITAL EXPENDITURE BY VOTE

TABLE A5

STEVE TSHWETE LOCAL MUNICIPALITY - MP313											
Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1										
<b>Capital expenditure - Vote</b>											
<i>Multi-year expenditure to be appropriated</i>											
Vote1 - Executive & Council	2	-	-	360,131	-	-	-	-	-	-	-
Vote2 - Budget & Treasury		-	42,115	27,115	30,000	30,000	30,000	30,000	-	-	-
Vote3 - Corporate Services		1,003,434	2,758,692	1,214,133	3,700,000	4,858,700	4,858,700	4,858,700	9,995,140	14,460,000	22,184,000
Vote4 - Planning Development		1,197,341	-	319,555	1,300,000	2,280,000	2,280,000	2,280,000	4,059,550	3,320,000	3,474,450
Vote5 - Health Services		345,301	-	387,947	-	-	-	-	-	250,000	250,000
Vote6 - Community & Social Services		4,460,059	1,617,985	14,779,440	43,350,000	80,082,700	80,082,700	80,082,700	3,100,000	2,800,000	2,730,000
Vote7 - Housing Services		-	-	-	-	-	-	-	-	-	-
Vote8 - Public Safety		969,790	1,720,934	2,457,253	2,030,000	2,395,000	2,395,000	2,395,000	3,580,000	4,720,000	6,740,000
Vote9 - Sport & Recreation		1,311,646	3,060,598	6,189,006	10,585,000	10,977,370	10,977,370	10,977,370	16,004,480	8,015,000	10,156,550
Vote10 - Waste Management		270,264	429,188	151,801	1,700,000	2,340,940	2,340,940	2,340,940	900,000	2,600,000	1,600,000
Vote11 - Waste Water Management		3,306,507	15,647,241	8,627,360	42,505,000	57,558,600	57,558,600	57,558,600	39,264,000	36,722,000	41,115,000
Vote12 - Road Transport		44,133,190	56,807,155	64,883,464	66,398,000	80,988,595	80,988,595	80,988,595	57,722,980	64,493,000	70,050,450
Vote13 - Water		5,066,127	10,614,523	10,340,727	24,051,000	25,160,800	25,160,800	25,160,800	5,480,000	12,760,000	10,795,000
Vote14 - Electricity		32,707,536	73,543,173	49,135,693	49,461,000	113,210,964	113,210,964	113,210,964	27,430,000	42,650,000	61,400,000
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>94,771,195</b>	<b>166,241,604</b>	<b>153,063,625</b>	<b>245,110,000</b>	<b>379,883,669</b>	<b>379,883,669</b>	<b>379,883,669</b>	<b>167,536,150</b>	<b>192,790,000</b>	<b>230,495,450</b>
<i>Single-year expenditure to be appropriated</i>											
Vote1 - Executive & Council	2	726,761	1,409,449	1,771,565	680,650	1,376,200	1,376,200	1,376,200	833,500	216,000	414,000
Vote2 - Budget & Treasury		348,745	264,017	111,367	80,000	80,000	80,000	80,000	372,000	205,000	80,000
Vote3 - Corporate Services		5,646,615	6,865,983	15,533,946	11,758,850	15,350,735	15,350,735	15,350,735	10,785,000	5,026,000	4,646,000
Vote4 - Planning Development		1,139,642	969,861	-	1,400,000	3,124,688	3,124,688	3,124,688	790,000	-	2,000,000
Vote5 - Health Services		2,706,751	625,108	1,275,393	1,503,000	1,935,450	1,935,450	1,935,450	896,000	508,000	780,000
Vote6 - Community & Social Services		1,501,924	1,741,995	1,848,279	5,348,000	5,124,709	5,124,709	5,124,709	4,140,000	2,340,000	3,210,000
Vote7 - Housing Services		584,790	38,913	46,683	23,500	23,000	23,000	23,000	425,000	125,000	80,000
Vote8 - Public Safety		5,826,171	7,942,175	2,681,407	8,422,000	10,068,011	10,068,011	10,068,011	2,961,000	2,394,000	5,855,000
Vote9 - Sport & Recreation		1,416,408	2,198,059	3,306,077	4,480,000	4,981,690	4,981,690	4,981,690	1,810,000	2,215,000	2,460,000
Vote10 - Waste Management		1,944,422	2,162,942	2,346,149	3,230,000	3,670,080	3,670,080	3,670,080	2,424,000	2,100,000	1,640,000
Vote11 - Waste Water Management		144,736	202,363	1,576,076	2,239,500	2,247,600	2,247,600	2,247,600	3,315,000	1,013,000	985,000
Vote12 - Road Transport		537,074	503,042	1,752,507	755,000	1,587,500	1,587,500	1,587,500	6,922,000	300,000	945,000
Vote13 - Water		503,933	954,518	1,164,442	1,306,000	4,130,000	4,130,000	4,130,000	1,020,000	1,310,000	2,180,000
Vote14 - Electricity		1,226,906	2,027,757	1,067,691	2,091,000	3,970,000	3,970,000	3,970,000	4,250,000	2,450,000	1,410,000
<b>Capital single-year expenditure sub-total</b>	<b>2</b>	<b>24,254,877</b>	<b>27,906,180</b>	<b>34,481,582</b>	<b>43,317,500</b>	<b>57,669,663</b>	<b>57,669,663</b>	<b>57,669,663</b>	<b>40,943,500</b>	<b>20,202,000</b>	<b>26,685,000</b>
<b>Total Capital Expenditure - Vote</b>		<b>119,026,072</b>	<b>194,147,784</b>	<b>187,545,207</b>	<b>288,427,500</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>208,479,650</b>	<b>212,992,000</b>	<b>257,180,450</b>
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>											
Executive and council		726,761	1,409,449	1,615,896	680,650	1,376,200	1,376,200	1,376,200	833,500	216,000	414,000
Budget and treasury office		348,745	306,132	188,455	110,000	110,000	110,000	110,000	372,000	205,000	80,000
Corporate services		7,136,787	9,624,675	16,301,840	15,458,850	20,209,435	20,209,435	20,209,435	20,780,000	19,486,000	26,830,000
<i>Community and public safety</i>		<b>18,636,101</b>	<b>18,945,765</b>	<b>33,206,823</b>	<b>75,741,500</b>	<b>115,587,930</b>	<b>115,587,930</b>	<b>115,587,930</b>	<b>32,916,480</b>	<b>23,367,000</b>	<b>32,261,550</b>
Community and social services		5,712,029	3,359,980	16,655,042	48,698,000	85,207,409	85,207,409	85,207,409	7,240,000	5,140,000	5,940,000
Sport and recreation		2,728,054	5,258,657	9,431,180	15,065,000	15,959,060	15,959,060	15,959,060	17,814,480	10,230,000	12,616,550
Public safety		6,795,961	9,663,109	5,162,090	10,452,000	12,463,011	12,463,011	12,463,011	6,541,000	7,114,000	12,595,000
Housing		348,006	38,913	49,166	23,500	23,000	23,000	23,000	425,000	125,000	80,000
Health		3,052,052	625,108	1,909,345	1,503,000	1,935,450	1,935,450	1,935,450	896,000	758,000	1,030,000
<i>Economic and environmental services</i>		<b>47,007,247</b>	<b>58,280,058</b>	<b>66,714,712</b>	<b>69,853,000</b>	<b>87,980,783</b>	<b>87,980,783</b>	<b>87,980,783</b>	<b>69,494,530</b>	<b>68,113,000</b>	<b>76,469,900</b>
Planning and development		2,336,983	969,861	339,891	2,700,000	5,404,688	5,404,688	5,404,688	4,849,550	3,320,000	5,474,450
Road transport		44,670,264	57,310,197	66,374,821	67,153,000	82,576,095	82,576,095	82,576,095	64,644,980	64,793,000	70,995,450
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		<b>45,170,431</b>	<b>105,581,704</b>	<b>69,517,481</b>	<b>126,583,500</b>	<b>212,288,984</b>	<b>212,288,984</b>	<b>212,288,984</b>	<b>84,083,000</b>	<b>101,605,000</b>	<b>121,125,000</b>
Electricity		33,934,442	75,570,929	50,874,587	51,552,000	117,180,964	117,180,964	117,180,964	31,680,000	45,100,000	62,810,000
Water		5,570,060	11,569,041	5,888,421	25,357,000	29,290,800	29,290,800	29,290,800	6,500,000	14,070,000	12,975,000
Waste water management		3,451,243	15,849,604	10,242,746	44,744,500	59,806,200	59,806,200	59,806,200	42,579,000	37,735,000	42,100,000
Waste management		2,214,686	2,592,130	2,511,727	4,930,000	6,011,020	6,011,020	6,011,020	3,324,000	4,700,000	3,240,000
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>119,026,072</b>	<b>194,147,784</b>	<b>187,545,207</b>	<b>288,427,500</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>208,479,650</b>	<b>212,992,000</b>	<b>257,180,450</b>
<b>Funded by:</b>											
National Government		23,882,241	18,785,129	29,394,019	46,073,000	50,644,404	50,644,404	50,644,404	48,527,150	55,758,000	67,725,450
Provincial Government		-	452,870	501,177	-	22,709	22,709	22,709	300,000	-	-
District Municipality		8,951,086	909,955	13,483,671	-	-	-	-	-	-	-
Other transfers and grants		244,312	305,795	321,861	-	1,067,800	1,067,800	1,067,800	-	-	-
Transfers recognised - capital	4	33,077,639	20,453,749	43,700,728	46,073,000	51,734,913	51,734,913	51,734,913	48,827,150	55,758,000	67,725,450
Public contributions & donations	5	21,269	60,300,596	-	-	-	-	-	-	-	-
Borrowing	6	17,935,396	29,774,122	25,812,755	120,541,000	155,162,050	155,162,050	155,162,050	91,800,000	81,460,000	98,750,000
Internally generated funds		67,991,768	83,619,317	118,031,724	121,813,500	230,656,369	230,656,369	230,656,369	67,852,500	75,774,000	90,705,000
<b>Total Capital Funding</b>	<b>7</b>	<b>119,026,072</b>	<b>194,147,784</b>	<b>187,545,207</b>	<b>288,427,500</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>437,553,332</b>	<b>208,479,650</b>	<b>212,992,000</b>	<b>257,180,450</b>

BUDGETED CAPITAL BY VOTE STANDARD CLASSIFICATION

TABLE A5A

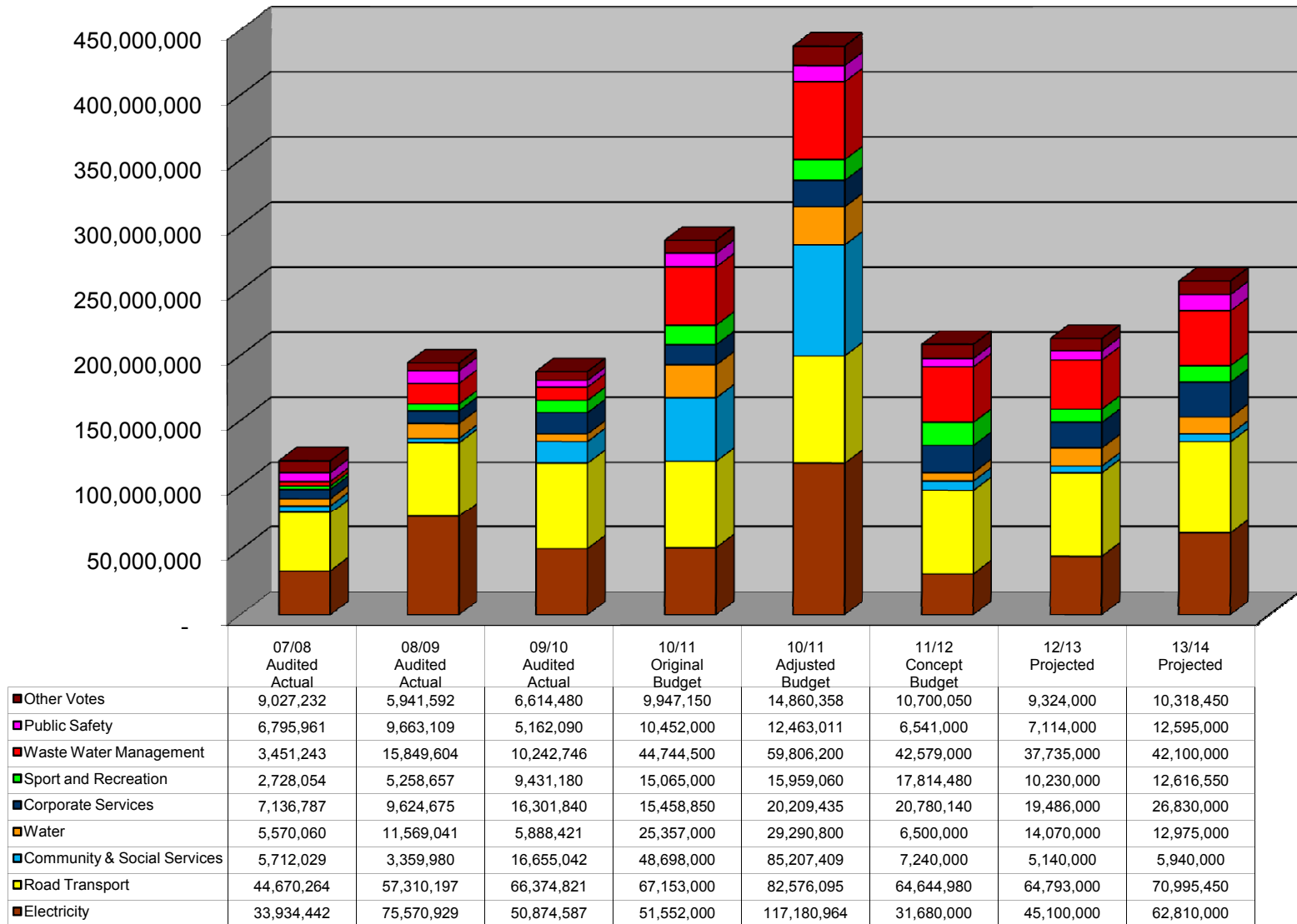
STEVE TSHWETE LOCAL MUNICIPALITY - MP313											
Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1										
<b>Capital expenditure - Municipal Vote</b>											
<b>Multi-year expenditure appropriation</b>	2										
<b>Vote1 - Executive &amp; Council</b>		-	-	360,131	-	-	-	-	-	-	-
Mayor and Council		-	-	-	-	-	-	-	-	-	-
Municipal Manager		-	-	360,131	-	-	-	-	-	-	-
<b>Vote2 - Budget &amp; Treasury</b>		-	42,115	27,115	30,000	30,000	30,000	30,000	-	-	-
Budget and treasury office		-	42,115	27,115	30,000	30,000	30,000	30,000	-	-	-
<b>Vote3 - Corporate Services</b>		1,003,434	2,758,692	1,214,133	3,700,000	4,858,700	4,858,700	4,858,700	9,995,140	14,460,000	22,184,000
Human Resources		-	-	-	-	-	-	-	-	-	-
Information Technology		-	-	30,000	200,000	200,000	200,000	200,000	700,000	520,000	430,000
Property Services		983,419	2,548,308	1,120,635	2,225,000	2,950,000	2,950,000	2,950,000	9,255,140	13,905,000	21,719,000
Other Admin		20,015	210,384	63,498	1,275,000	1,708,700	1,708,700	1,708,700	40,000	35,000	35,000
<b>Vote4 - Planning Development</b>		1,197,341	-	319,555	1,300,000	2,280,000	2,280,000	2,280,000	4,059,550	3,320,000	3,474,450
Economic Development/Planning		1,197,341	-	-	-	-	-	-	-	-	-
Town Planning/Building enforcement		-	-	319,555	1,300,000	2,280,000	2,280,000	2,280,000	4,059,550	3,320,000	3,474,450
<b>Vote5 - Health Services</b>		345,301	-	387,947	-	-	-	-	-	250,000	250,000
Clinics		345,301	-	387,947	-	-	-	-	-	250,000	250,000
Other		-	-	-	-	-	-	-	-	-	-
<b>Vote6 - Community &amp; Social Services</b>		4,460,059	1,617,985	14,779,440	43,350,000	80,082,700	80,082,700	80,082,700	3,100,000	2,800,000	2,730,000
Libraries and Archives		79,941	-	97,677	300,000	244,000	244,000	244,000	200,000	-	-
Community halls and Facilities		4,380,118	1,464,477	14,446,145	42,500,000	79,289,300	79,289,300	79,289,300	2,500,000	2,500,000	2,430,000
Cemeteries & Crematoriums		-	153,508	235,618	550,000	549,400	549,400	549,400	400,000	300,000	300,000
Aged Care		-	-	-	-	-	-	-	-	-	-
Other Social		-	-	-	-	-	-	-	-	-	-
<b>Vote7 - Housing Services</b>		-	-	-	-	-	-	-	-	-	-
Human Settlements		-	-	-	-	-	-	-	-	-	-
<b>Vote8 - Public Safety</b>		969,790	1,720,934	2,457,253	2,030,000	2,395,000	2,395,000	2,395,000	3,580,000	4,720,000	6,740,000
Police		969,790	1,720,934	2,457,253	2,030,000	2,395,000	2,395,000	2,395,000	1,480,000	1,480,000	1,480,000
Fire		-	-	-	-	-	-	-	-	-	200,000
Street Lighting		-	-	-	-	-	-	-	2,100,000	3,240,000	5,060,000
<b>Vote9 - Sport &amp; Recreation</b>		1,311,646	3,060,598	6,189,006	10,585,000	10,977,370	10,977,370	10,977,370	16,004,480	8,015,000	10,156,550
Sport and recreation		1,311,646	3,060,598	6,189,006	10,585,000	10,977,370	10,977,370	10,977,370	16,004,480	8,015,000	10,156,550
<b>Vote10 - Waste Management</b>		270,264	429,188	151,801	1,700,000	2,340,940	2,340,940	2,340,940	900,000	2,600,000	1,600,000
Solid Waste		270,264	429,188	151,801	1,700,000	2,340,940	2,340,940	2,340,940	900,000	2,600,000	1,600,000
<b>Vote11 - Waste Water Management</b>		3,306,507	15,647,241	8,627,360	42,505,000	57,558,600	57,558,600	57,558,600	39,264,000	36,722,000	41,115,000
Sewerage		3,306,507	15,647,241	8,627,360	42,305,000	57,358,600	57,358,600	57,358,600	38,914,000	36,372,000	40,765,000
Public Toilets		-	-	-	200,000	200,000	200,000	200,000	350,000	350,000	350,000
<b>Vote12 - Road Transport</b>		44,133,190	56,807,155	64,883,464	66,398,000	80,988,595	80,988,595	80,988,595	57,722,980	64,493,000	70,050,450
Roads		43,751,257	56,807,155	64,855,159	62,298,000	76,004,295	76,004,295	76,004,295	57,722,980	64,493,000	70,050,450
Vehicle Licensing and Testing		381,933	-	28,305	300,000	1,184,300	1,184,300	1,184,300	-	-	-
Other		-	-	-	3,800,000	3,800,000	3,800,000	3,800,000	-	-	-
<b>Vote13 - Water</b>		5,066,127	10,614,523	4,530,727	24,051,000	25,160,800	25,160,800	25,160,800	5,480,000	12,760,000	10,795,000
Water Distribution		4,443,951	10,486,902	4,213,251	15,745,000	16,951,800	16,951,800	16,951,800	5,250,000	10,465,000	10,435,000
Water Storage		622,176	127,621	317,476	8,306,000	8,209,000	8,209,000	8,209,000	230,000	2,295,000	360,000
<b>Vote14 - Electricity</b>		32,707,536	73,543,173	49,135,693	49,461,000	113,210,964	113,210,964	113,210,964	27,430,000	42,650,000	61,400,000
Electricity Distribution		32,707,536	73,543,173	49,135,693	49,461,000	113,210,964	113,210,964	113,210,964	27,430,000	42,650,000	61,400,000
<b>Capital multi-year expenditure sub-total</b>		94,771,195	166,241,604	153,063,625	245,110,000	379,883,669	379,883,669	379,883,669	167,536,150	192,790,000	230,495,450

BUDGETED CAPITAL BY VOTE STANDARD CLASSIFICATION

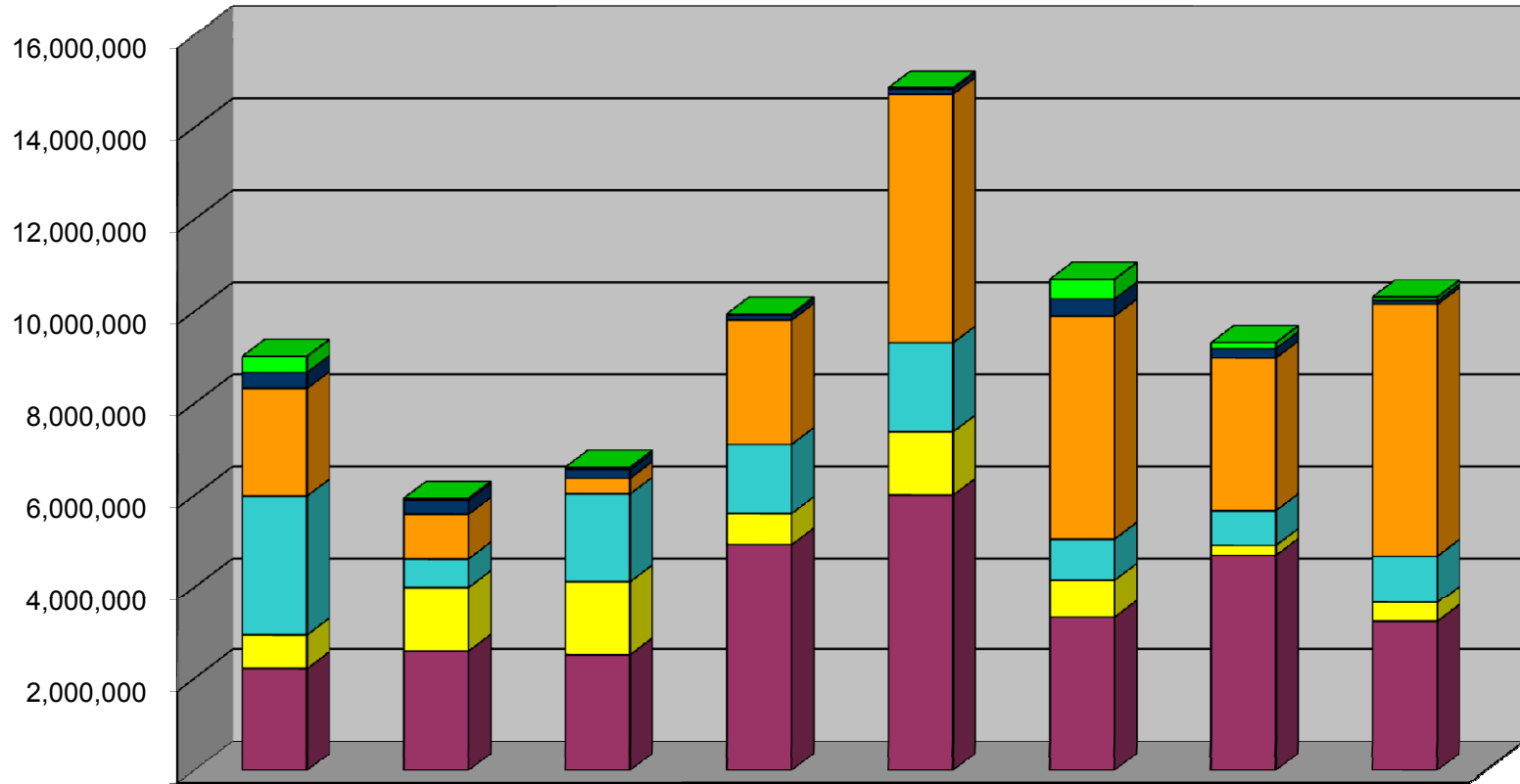
TABLE A5A

STEVE TSHWETE LOCAL MUNICIPALITY - MP313											
Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1										
<b>Capital expenditure - Municipal Vote</b>											
<b>Single-year expenditure appropriation</b>	2										
<b>Vote1 - Executive &amp; Council</b>		726,761	1,409,449	1,771,565	680,650	1,376,200	1,376,200	1,376,200	833,500	216,000	414,000
Mayor and Council		402,063	624,884	925,476	450,000	1,147,500	1,147,500	1,147,500	362,000	55,000	298,000
Municipal Manager		324,698	784,565	846,089	230,650	228,700	228,700	228,700	471,500	161,000	116,000
<b>Vote2 - Budget &amp; Treasury</b>		348,745	264,017	111,367	80,000	80,000	80,000	80,000	372,000	205,000	80,000
Budget and treasury office		348,745	264,017	111,367	80,000	80,000	80,000	80,000	372,000	205,000	80,000
<b>Vote3 - Corporate Services</b>		5,646,615	6,865,983	15,533,946	11,758,850	15,350,735	15,350,735	15,350,735	10,785,000	5,026,000	4,646,000
Human Resources		156,156	184,802	200,371	180,000	178,000	178,000	178,000	61,000	105,000	105,000
Information Technology		2,827,196	3,070,232	10,818,254	8,291,000	8,314,600	8,314,600	8,314,600	7,465,000	1,971,000	1,876,000
Property Services		733,593	2,754,400	968,616	502,000	3,453,585	3,453,585	3,453,585	1,186,000	220,000	870,000
Other Admin		1,929,670	856,550	3,546,705	2,785,850	3,404,550	3,404,550	3,404,550	2,073,000	2,730,000	1,795,000
<b>Vote4 - Planning Development</b>		1,139,642	969,861	-	1,400,000	3,124,688	3,124,688	3,124,688	790,000	-	2,000,000
Economic Development/Planning		7,540	6,373	-	-	-	-	-	20,000	-	-
Town Planning/Building enforcement		1,132,102	963,488	-	1,400,000	3,124,688	3,124,688	3,124,688	770,000	-	2,000,000
<b>Vote5 - Health Services</b>		2,706,751	625,108	1,275,393	1,503,000	1,935,450	1,935,450	1,935,450	896,000	508,000	780,000
Clinics		2,174,323	464,721	1,275,393	1,503,000	1,935,450	1,935,450	1,935,450	896,000	508,000	430,000
Other		532,428	160,387	-	-	-	-	-	-	-	350,000
<b>Vote6 - Community &amp; Social Services</b>		1,501,924	1,741,995	1,848,279	5,348,000	5,124,709	5,124,709	5,124,709	4,140,000	2,340,000	3,210,000
Libraries and Archives		970,057	762,732	1,079,405	850,000	852,709	852,709	852,709	620,000	550,000	450,000
Community halls and Facilities		56,145	126,046	89,995	928,000	703,000	703,000	703,000	1,020,000	240,000	710,000
Cemeteries & Crematoriums		225,768	614,077	628,894	3,570,000	3,569,000	3,569,000	3,569,000	2,500,000	1,550,000	2,050,000
Aged Care		249,954	239,140	49,985	-	-	-	-	-	-	-
Other Social		-	-	-	-	-	-	-	-	-	-
<b>Vote7 - Housing Services</b>		584,790	38,913	46,683	23,500	23,000	23,000	23,000	425,000	125,000	80,000
Human Settlements		584,790	38,913	46,683	23,500	23,000	23,000	23,000	425,000	125,000	80,000
<b>Vote8 - Public Safety</b>		5,826,171	7,942,175	2,681,407	8,422,000	10,068,011	10,068,011	10,068,011	2,961,000	2,394,000	5,855,000
Police		763,764	764,611	856,471	700,000	1,060,600	1,060,600	1,060,600	500,000	520,000	870,000
Fire		3,614,203	2,675,468	1,264,119	2,797,000	3,427,930	3,427,930	3,427,930	581,000	689,000	1,255,000
Street Lighting		1,448,204	4,502,096	560,817	4,925,000	5,579,481	5,579,481	5,579,481	1,880,000	1,185,000	3,730,000
<b>Vote9 - Sport &amp; Recreation</b>		1,416,408	2,198,059	3,306,077	4,480,000	4,981,690	4,981,690	4,981,690	1,810,000	2,215,000	2,460,000
Sport and recreation		1,416,408	2,198,059	3,306,077	4,480,000	4,981,690	4,981,690	4,981,690	1,810,000	2,215,000	2,460,000
<b>Vote10 - Waste Management</b>		1,944,422	2,162,942	2,346,149	3,230,000	3,670,080	3,670,080	3,670,080	2,424,000	2,100,000	1,640,000
Solid Waste		1,944,422	2,162,942	2,346,149	3,230,000	3,670,080	3,670,080	3,670,080	2,424,000	2,100,000	1,640,000
<b>Vote11 - Waste Water Management</b>		144,736	202,363	1,576,076	2,239,500	2,247,600	2,247,600	2,247,600	3,315,000	1,013,000	985,000
Sewerage		144,736	202,363	1,576,076	2,239,500	2,247,600	2,247,600	2,247,600	3,315,000	1,013,000	985,000
Public Toilets		-	-	-	-	-	-	-	-	-	-
<b>Vote12 - Road Transport</b>		537,074	503,042	1,752,507	755,000	1,587,500	1,587,500	1,587,500	6,922,000	300,000	945,000
Roads		98,142	189,042	1,232,902	290,000	330,500	330,500	330,500	6,872,000	110,000	275,000
Vehicle Licensing and Testing		438,932	314,000	519,605	465,000	757,000	757,000	757,000	50,000	190,000	670,000
Other		-	-	-	-	500,000	500,000	500,000	-	-	-
<b>Vote13 - Water</b>		503,933	954,518	1,164,442	1,306,000	4,130,000	4,130,000	4,130,000	1,020,000	1,310,000	2,180,000
Water Distribution		322,767	71,197	224,790	133,500	732,500	732,500	732,500	120,000	760,000	110,000
Water Storage		181,166	883,321	939,652	1,172,500	3,397,500	3,397,500	3,397,500	900,000	550,000	2,070,000
<b>Vote14 - Electricity</b>		1,226,906	2,027,757	1,067,691	2,091,000	3,970,000	3,970,000	3,970,000	4,250,000	2,450,000	1,410,000
Electricity Distribution		1,226,906	2,027,757	1,067,691	2,091,000	3,970,000	3,970,000	3,970,000	4,250,000	2,450,000	1,410,000
<b>Capital single-year expenditure sub-total</b>		24,254,877	27,906,180	34,481,582	43,317,500	57,669,663	57,669,663	57,669,663	40,943,500	20,202,000	26,685,000
<b>Total Capital Expenditure</b>		119,026,072	194,147,784	187,545,207	288,427,500	437,553,332	437,553,332	437,553,332	208,479,650	212,992,000	257,180,450

**CHART 6 - CAPITAL EXPENDITURE BY MAIN VOTE**

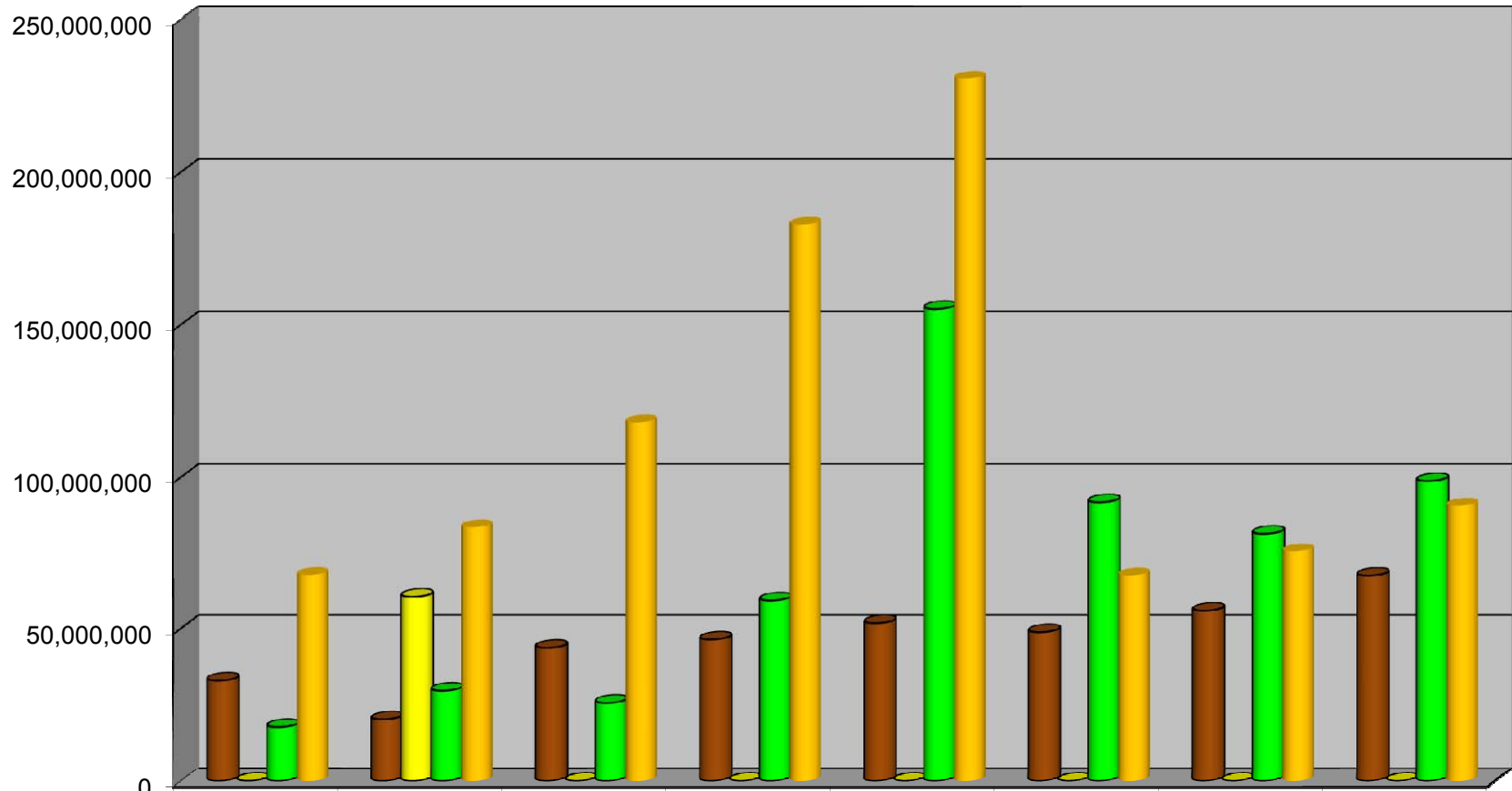


**CHART 7 - OTHER CAPITAL EXPENDITURE**



	07/08 Audited Actual	08/09 Audited Actual	09/10 Audited Actual	10/11 Original Budget	10/11 Adjusted Budget	11/12 Concept Budget	12/13 Projected	13/14 Projected
Human Settlements	348,006	38,913	49,166	23,500	23,000	425,000	125,000	80,000
Budget & Treasury Office	348,745	306,132	188,455	110,000	110,000	372,000	205,000	80,000
Planning & Development	2,336,983	969,861	339,891	2,700,000	5,404,688	4,849,550	3,320,000	5,474,450
Health	3,052,052	625,108	1,909,345	1,503,000	1,935,450	896,000	758,000	1,030,000
Executive & Council	726,761	1,409,449	1,615,896	680,650	1,376,200	833,500	216,000	414,000
Waste Management	2,214,686	2,592,130	2,511,727	4,930,000	6,011,020	3,324,000	4,700,000	3,240,000

**CHART 8 - CAPITAL FUNDING BY SOURCE**



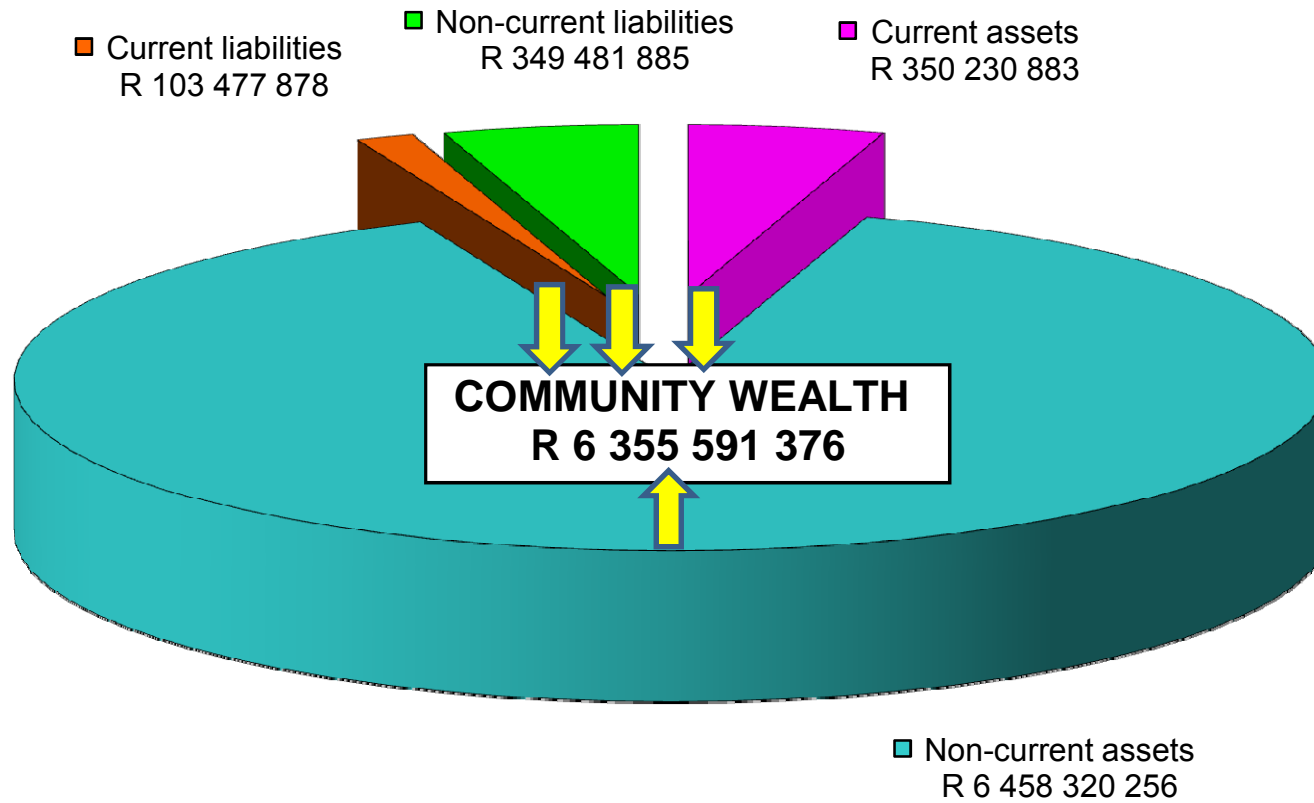
	07/08 Audited Actual	08/09 Audited Actual	09/10 Audited Actual	10/11 Original Budget	10/11 Adjusted Budget	11/12 Concept Budget	12/13 Projected	13/14 Projected
■ Transfers recognised - capital	33,077,639	20,453,749	43,700,728	46,423,000	51,734,913	48,827,150	55,758,000	67,725,450
■ Public contributions & donations	21,269	60,300,596	-	-	-	-	-	-
■ Borrowing	17,935,396	29,774,122	25,812,755	59,126,000	155,162,050	91,800,000	81,460,000	98,750,000
■ Internally generated funds	67,991,768	83,619,317	118,031,724	182,878,500	230,656,369	67,852,500	75,774,000	90,705,000

BUDGETED FINANCIAL POSITION

TABLE A6

STEVE TSHWETE LOCAL MUNICIPALITY - MP313											
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		35,373,965	40,795,803	57,138,755	33,372,628	14,941,490	14,941,490	14,941,490	39,334,965	30,966,634	29,805,017
Call investment deposits	1	396,000,000	450,000,000	468,000,000	80,000,000	80,000,000	214,000,000	214,000,000	211,000,000	247,000,000	310,000,000
Consumer debtors	1	26,778,979	30,608,343	33,618,965	36,657,927	36,657,927	37,626,365	37,626,365	42,563,725	48,361,970	54,599,270
Other debtors		17,252,398	15,843,927	15,668,252	14,230,421	14,230,421	14,334,168	14,334,168	16,892,398	17,179,081	17,522,663
Current portion of long-term receivables		24,324,199	13,016,745	3,925,546	-	-	-	-	-	-	-
Inventory	2	34,866,965	34,515,097	35,726,749	36,763,450	36,763,450	36,763,450	36,763,450	40,439,795	40,844,193	41,252,635
<b>Total current assets</b>		<b>534,596,506</b>	<b>584,779,915</b>	<b>614,078,267</b>	<b>201,024,426</b>	<b>182,593,288</b>	<b>317,665,473</b>	<b>317,665,473</b>	<b>350,230,883</b>	<b>384,351,879</b>	<b>453,179,584</b>
<b>Non current assets</b>											
Long-term receivables		1,289,485	554,596	384,423	-	-	-	-	-	-	-
Investments		12,741,653	13,870,826	15,000,000	16,129,172	16,129,172	15,000,000	15,000,000	-	-	-
Investment property											
Investment in Associate											
Property, plant and equipment	3	4,272,426,409	6,098,310,874	6,123,881,390	4,679,516,338	4,683,345,635	6,406,121,442	6,406,121,442	6,455,094,428	6,510,704,560	6,605,604,488
Agricultural											
Biological											
Intangible		3,219,451	3,164,604	2,593,303	3,989,450	3,989,450	3,989,450	3,989,450	3,225,828	3,240,092	2,874,230
Other non-current assets		180,058	-	-	34,000	34,000	34,000	34,000	-	-	-
<b>Total non current assets</b>		<b>4,289,857,056</b>	<b>6,115,900,900</b>	<b>6,141,859,116</b>	<b>4,699,668,960</b>	<b>4,703,498,257</b>	<b>6,425,144,892</b>	<b>6,425,144,892</b>	<b>6,458,320,256</b>	<b>6,513,944,652</b>	<b>6,608,478,718</b>
<b>TOTAL ASSETS</b>		<b>4,824,453,562</b>	<b>6,700,680,815</b>	<b>6,755,937,383</b>	<b>4,900,693,386</b>	<b>4,886,091,545</b>	<b>6,742,810,365</b>	<b>6,742,810,365</b>	<b>6,808,551,138</b>	<b>6,898,296,530</b>	<b>7,061,658,302</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	15,900,312	19,218,006	22,303,278	24,609,070	24,609,070	23,179,898	23,179,898	20,715,649	22,791,721	26,752,154
Consumer deposits		19,797,804	22,223,982	26,676,871	27,242,860	22,864,359	22,864,359	22,864,359	25,783,237	29,053,237	32,353,237
Trade and other payables	4	55,713,516	58,881,103	93,300,638	65,767,835	65,767,835	65,767,835	65,767,835	53,272,116	45,961,381	38,819,880
Provisions		1,008,848	2,801,632	4,786,579	3,616,465	3,616,465	3,616,465	3,616,465	3,706,877	3,799,549	3,894,537
<b>Total current liabilities</b>		<b>92,420,480</b>	<b>103,124,723</b>	<b>147,067,366</b>	<b>121,236,230</b>	<b>116,857,729</b>	<b>115,428,557</b>	<b>115,428,557</b>	<b>103,477,878</b>	<b>101,605,887</b>	<b>101,819,809</b>
<b>Non current liabilities</b>											
Borrowing		119,210,989	134,484,574	146,065,321	235,442,389	235,442,389	213,212,452	213,212,452	282,532,885	336,463,996	403,958,018
Provisions		48,908,263	57,680,512	61,980,571	66,195,535	66,195,535	66,195,535	66,195,535	66,949,000	67,714,575	68,492,609
<b>Total non current liabilities</b>		<b>168,119,252</b>	<b>192,165,086</b>	<b>208,045,892</b>	<b>301,637,924</b>	<b>301,637,924</b>	<b>279,407,987</b>	<b>279,407,987</b>	<b>349,481,885</b>	<b>404,178,570</b>	<b>472,450,627</b>
<b>TOTAL LIABILITIES</b>		<b>260,539,732</b>	<b>295,289,809</b>	<b>355,113,258</b>	<b>422,874,154</b>	<b>418,495,653</b>	<b>394,836,544</b>	<b>394,836,544</b>	<b>452,959,763</b>	<b>505,784,457</b>	<b>574,270,436</b>
<b>NET ASSETS</b>	5	<b>4,563,913,830</b>	<b>6,405,391,006</b>	<b>6,400,824,125</b>	<b>4,477,819,232</b>	<b>4,467,595,892</b>	<b>6,347,973,821</b>	<b>6,347,973,821</b>	<b>6,355,591,376</b>	<b>6,392,512,073</b>	<b>6,487,387,866</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		4,242,036,360	6,079,521,868	6,126,593,458	4,435,178,917	4,424,955,578	6,267,210,690	6,267,210,690	6,292,182,175	6,341,047,457	6,428,046,193
Reserves	4	321,877,470	325,869,141	274,230,669	42,640,315	42,640,315	80,763,131	80,763,131	63,409,201	51,464,616	59,341,673
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>4,563,913,830</b>	<b>6,405,391,009</b>	<b>6,400,824,127</b>	<b>4,477,819,232</b>	<b>4,467,595,893</b>	<b>6,347,973,821</b>	<b>6,347,973,821</b>	<b>6,355,591,376</b>	<b>6,392,512,073</b>	<b>6,487,387,866</b>

# CHART 9 - BUDGETED FINANCIAL POSITION 2011/2012



BUDGETED CASH FLOW

TABLE A7

STEVE TSHWETE LOCAL MUNICIPALITY - MP313											
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		391,185,076	524,447,765	540,376,292	602,673,366	646,131,721	646,131,721	646,131,721	723,357,412	831,662,904	977,419,114
Government - operating	1	41,893,680	57,382,979	62,504,751	75,081,000	75,737,640	75,737,640	75,737,640	83,319,950	92,872,350	98,608,045
Government - capital	1	33,275,932	19,399,804	30,105,139	67,743,000	73,404,913	73,404,913	73,404,913	52,032,650	55,758,000	67,725,450
Interest		48,374,031	59,721,489	40,549,221	33,916,870	26,094,720	26,094,720	26,094,720	29,476,315	28,512,685	29,003,223
Dividends											
<b>Payments</b>											
Suppliers and employees		(337,310,811)	(420,652,248)	(461,235,305)	(642,201,529)	(749,797,639)	(772,372,987)	(772,372,987)	(718,370,690)	(800,481,577)	(893,458,040)
Finance charges		(17,160,253)	(18,502,684)	(17,215,425)	(22,040,849)	(22,040,817)	(22,040,817)	(22,040,817)	(26,451,492)	(32,197,044)	(40,021,238)
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>160,257,655</b>	<b>221,797,105</b>	<b>195,084,673</b>	<b>115,171,858</b>	<b>49,530,538</b>	<b>26,955,190</b>	<b>26,955,190</b>	<b>143,364,145</b>	<b>176,127,318</b>	<b>239,276,554</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		393,132	36,063	(447,621)	472,500	-	-	-	480,000	482,000	484,000
Decrease (Increase) in non-current debtors					50,410	50,410	50,410	50,410			
Decrease (increase) other non-current receivables		5,235,735	12,042,344	9,261,370	13,571,341	-	-	-			
Decrease (increase) in non-current investments		(103,129,174)	(55,129,173)	(19,129,174)	56,170,827	240,000,000	296,000,000	296,000,000	18,000,000	(36,000,000)	(63,000,000)
<b>Payments</b>											
Capital assets		(119,026,072)	(194,147,783)	(187,545,207)	(288,427,500)	(437,553,332)	(437,553,332)	(437,553,332)	(207,189,650)	(212,442,000)	(257,180,450)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(216,526,379)</b>	<b>(237,198,549)</b>	<b>(197,860,632)</b>	<b>(218,162,422)</b>	<b>(197,502,922)</b>	<b>(141,502,922)</b>	<b>(141,502,922)</b>	<b>(188,709,650)</b>	<b>(247,960,000)</b>	<b>(319,696,450)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing		35,075,374	35,429,297	34,557,510	95,670,556	120,000,000	90,066,832	90,066,832	90,000,000	80,910,000	98,750,000
Increase (decrease) in consumer deposits		2,334,060	2,426,178	4,452,889	2,918,878	6,000,000	6,000,000	6,000,000	2,918,878	3,270,000	3,300,000
<b>Payments</b>											
Repayment of borrowing		(14,017,783)	(17,032,190)	(19,891,490)	(23,716,466)	(20,190,000)	(23,716,466)	(23,716,466)	(23,179,898)	(20,715,649)	(22,791,721)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>23,391,651</b>	<b>20,823,285</b>	<b>19,118,909</b>	<b>74,872,968</b>	<b>105,810,000</b>	<b>72,350,366</b>	<b>72,350,366</b>	<b>69,738,980</b>	<b>63,464,351</b>	<b>79,258,279</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2	68,251,138	35,374,065	40,795,906	61,490,224	57,103,874	57,138,856	57,103,874	14,941,490	39,334,965	30,966,634
Cash/cash equivalents at the year end:	2	35,374,065	40,795,906	57,138,856	33,372,628	14,941,490	14,941,490	14,906,508	39,334,965	30,966,634	29,805,017

CASH BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

TABLE A8

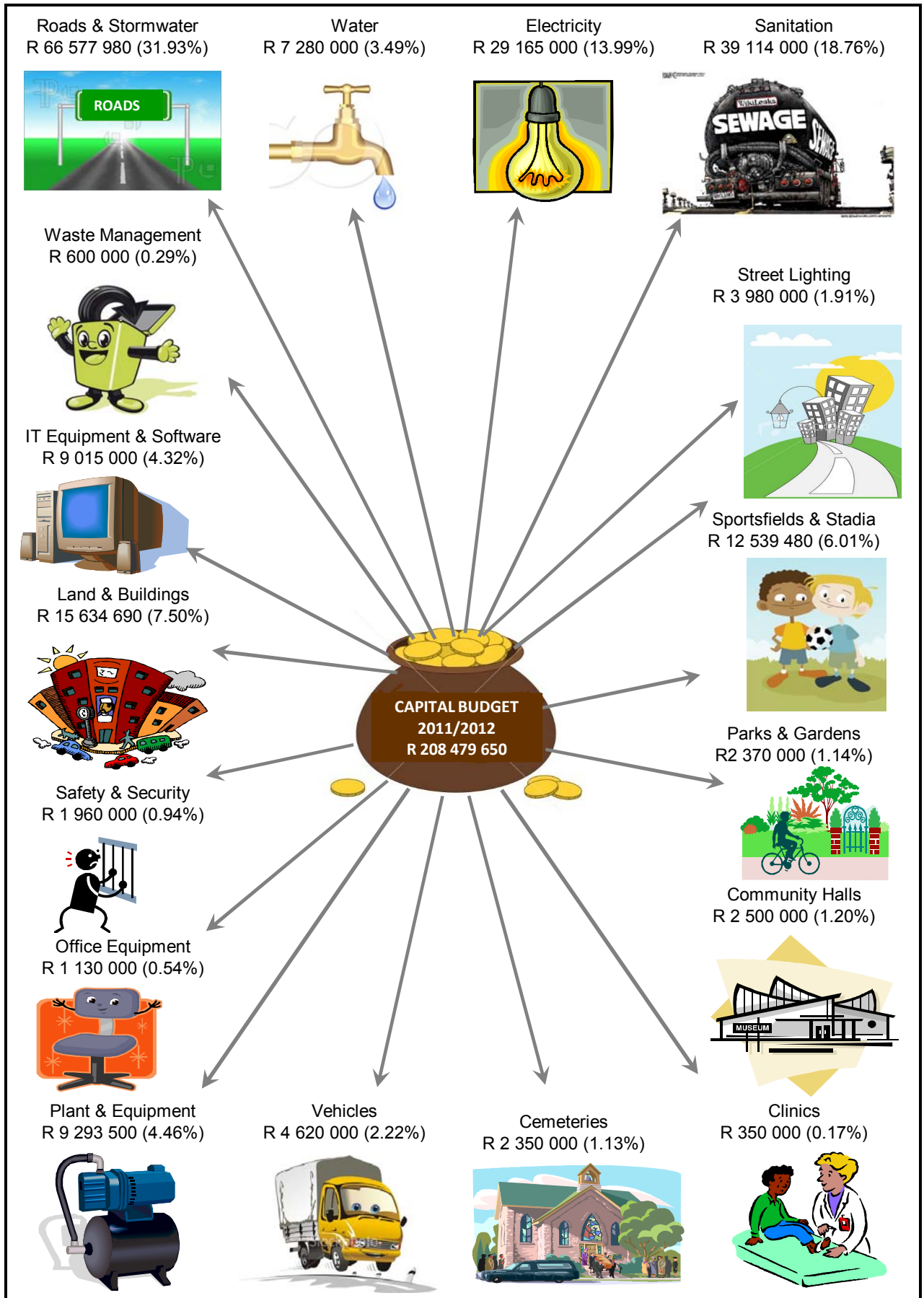
STEVE TSHWETE LOCAL MUNICIPALITY - MP313											
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	35,374,065	40,795,906	57,138,856	33,372,628	14,941,490	14,941,490	14,906,508	39,334,965	30,966,634	29,805,017
Other current investments > 90 days		395,999,900	449,999,897	467,999,899	80,000,000	80,000,000	214,000,000	214,034,982	211,000,000	247,000,000	310,000,000
Non current assets - Investments	1	12,741,653	13,870,826	15,000,000	16,129,172	16,129,172	15,000,000	15,000,000	-	-	-
<b>Cash and investments available:</b>		<b>444,115,618</b>	<b>504,666,629</b>	<b>540,138,755</b>	<b>129,501,800</b>	<b>111,070,662</b>	<b>243,941,490</b>	<b>243,941,490</b>	<b>250,334,965</b>	<b>277,966,634</b>	<b>339,805,017</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		11,112,769	4,519,410	9,042,626	-	-	-	-	-	-	-
Unspent borrowing		18,894,400	20,609,407	12,751,718	-	-	-	-	-	-	-
Statutory requirements	2	2,811,505	3,095,303	3,209,739	3,624,835	3,624,835	3,624,835	3,624,835	3,987,310	4,386,000	4,824,645
Other working capital requirements	3	12,431,516	8,104,103	43,058,638	15,012,835	12,731,835	11,535,835	11,535,835	(4,832,885)	(18,617,619)	(32,379,120)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	321,877,470	325,869,141	274,230,669	42,640,315	42,640,315	80,763,131	80,763,131	63,509,201	52,114,616	59,991,673
<b>Total Application of cash and investments:</b>		<b>367,127,660</b>	<b>362,197,364</b>	<b>342,293,390</b>	<b>61,277,985</b>	<b>58,996,985</b>	<b>95,923,801</b>	<b>95,923,801</b>	<b>62,663,627</b>	<b>37,882,997</b>	<b>32,437,198</b>
<b>Surplus(shortfall)</b>		<b>76,987,958</b>	<b>142,469,265</b>	<b>197,845,365</b>	<b>68,223,815</b>	<b>52,073,677</b>	<b>148,017,689</b>	<b>148,017,689</b>	<b>187,671,339</b>	<b>240,083,637</b>	<b>307,367,819</b>

ASSET MANAGEMENT

TABLE A9

STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	102,254,082	168,390,494	153,828,152	242,975,000	373,995,082	373,995,082	170,053,150	182,087,000	217,188,450
Infrastructure - Road transport		43,423,691	56,003,179	59,053,762	60,873,000	70,254,995	70,254,995	56,112,980	56,128,000	61,685,450
Infrastructure - Electricity		28,225,955	68,025,130	42,278,465	39,205,000	94,232,445	94,232,445	23,810,000	41,415,000	55,260,000
Infrastructure - Water		3,200,402	9,075,119	3,179,344	22,295,000	22,946,800	22,946,800	5,390,000	10,870,000	8,845,000
Infrastructure - Sanitation		1,404,330	11,789,920	8,302,759	41,430,000	56,235,600	56,235,600	38,465,000	35,675,000	40,080,000
Infrastructure - Other		2,014,763	1,239,174	1,128,958	1,500,000	2,240,940	2,240,940	2,650,000	2,600,000	1,850,000
Infrastructure		78,269,141	146,132,522	113,943,288	165,303,000	245,910,780	245,910,780	126,427,980	146,688,000	167,720,450
Community		7,482,422	7,327,144	21,151,810	56,905,000	94,684,850	94,684,850	18,674,480	8,595,000	11,186,550
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	15,732,444	14,696,166	17,165,527	19,047,000	31,584,802	31,584,802	23,981,690	26,074,000	38,051,450
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		770,075	234,662	1,567,527	1,720,000	1,814,650	1,814,650	969,000	730,000	230,000
<b>Total Renewal of Existing Assets</b>	2	16,771,990	25,757,290	33,717,055	45,452,500	63,558,250	63,558,250	38,426,500	30,905,000	39,992,000
Infrastructure - Road transport		2,065,622	2,678,418	8,585,682	8,260,000	11,873,000	11,873,000	10,415,000	10,405,000	10,330,000
Infrastructure - Electricity		6,021,985	9,796,161	7,587,994	15,781,000	24,310,000	24,310,000	8,400,000	5,580,000	14,750,000
Infrastructure - Water		1,617,171	1,668,892	1,351,383	1,956,000	2,364,000	2,364,000	1,890,000	1,890,000	1,890,000
Infrastructure - Sanitation		1,851,777	3,857,321	324,601	475,000	783,000	783,000	649,000	697,000	685,000
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		11,556,555	18,000,792	17,849,660	26,472,000	39,330,000	39,330,000	21,354,000	18,572,000	27,655,000
Community		1,412,489	875,504	2,349,840	3,567,000	4,499,600	4,499,600	4,530,000	4,230,000	3,870,000
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	3,802,946	6,880,994	13,517,555	15,413,500	19,728,650	19,728,650	12,542,500	8,103,000	8,467,000
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	119,026,072	194,147,784	187,545,207	288,427,500	437,553,332	437,553,332	208,479,650	212,992,000	257,180,450
Infrastructure - Road transport		45,489,313	58,681,597	67,639,444	69,133,000	82,127,995	82,127,995	66,527,980	66,533,000	72,015,450
Infrastructure - Electricity		34,247,940	77,821,291	49,866,459	54,986,000	118,542,445	118,542,445	32,210,000	46,995,000	70,010,000
Infrastructure - Water		4,817,573	10,744,011	4,530,727	24,251,000	25,310,800	25,310,800	7,280,000	12,760,000	10,735,000
Infrastructure - Sanitation		3,256,107	15,647,241	8,627,360	41,905,000	57,018,600	57,018,600	39,114,000	36,372,000	40,765,000
Infrastructure - Other		2,014,763	1,239,174	1,128,958	1,500,000	2,240,940	2,240,940	2,650,000	2,600,000	1,850,000
Infrastructure		89,825,696	164,133,374	131,792,946	191,775,000	285,240,780	285,240,780	147,781,980	165,260,000	195,375,450
Community		8,894,911	8,202,648	23,501,650	60,472,000	99,184,450	99,184,450	23,204,480	12,825,000	15,056,550
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		19,535,390	21,577,160	30,683,082	34,460,500	51,313,452	51,313,452	36,524,190	34,177,000	46,518,450
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		770,075	234,662	1,567,527	1,720,000	1,814,650	1,814,650	969,000	730,000	230,000
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	119,026,072	194,147,784	187,545,207	288,427,500	437,553,332	437,553,332	208,479,650	212,992,000	257,180,450
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport	5	808,593,402	809,149,106	819,839,730	824,673,238	843,833,566	843,833,566	862,361,252	881,327,463	903,451,725
Infrastructure - Electricity		526,639,523	583,146,107	609,786,529	718,346,970	704,805,083	704,805,083	711,035,222	730,593,950	770,120,878
Infrastructure - Water		539,576,646	555,010,008	538,565,914	546,190,576	543,162,031	543,162,031	528,623,989	519,533,829	508,258,362
Infrastructure - Sanitation		357,670,851	361,845,866	356,854,730	418,760,293	403,054,727	403,054,727	430,218,554	453,372,979	478,680,986
Infrastructure - Other		36,419,042	36,866,226	32,885,382	30,896,089	31,894,083	31,894,083	27,764,019	26,837,175	25,731,937
Infrastructure		2,268,899,464	2,346,017,313	2,357,932,285	2,538,867,166	2,526,749,490	2,526,749,490	2,560,003,036	2,611,665,396	2,686,243,886
Community		444,091,459	440,508,391	451,038,735	539,656,184	536,485,027	536,485,027	545,899,468	544,415,542	545,264,932
Heritage assets		8,842	8,842	8,842	8,842	8,842	8,842	8,842	8,842	8,842
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		1,559,426,644	3,311,776,327	3,314,901,485	1,600,984,145	3,342,171,413	3,342,171,413	3,349,183,082	3,354,614,780	3,374,086,826
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		3,219,451	3,164,604	2,593,303	3,989,450	3,989,450	3,989,450	3,225,828	3,240,092	2,874,230
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	4,275,645,860	6,101,475,477	6,126,474,650	4,683,505,787	6,409,404,221	6,409,404,221	6,458,320,256	6,513,944,652	6,608,478,718
<b>EXPENDITURE OTHER ITEMS</b>										
Depreciation & asset impairment	3	52,021,327	145,952,037	160,103,948	153,376,967	155,313,280	155,313,280	156,886,900	157,610,601	162,833,931
Repairs and Maintenance by Asset Class		27,244,763	32,673,374	39,171,816	41,311,648	42,824,317	42,824,317	47,318,409	49,592,451	52,184,524
Infrastructure - Road transport		4,475,323	4,180,932	4,457,773	5,046,500	5,048,926	5,048,926	5,255,750	5,473,710	5,748,289
Infrastructure - Electricity		7,322,228	10,874,234	12,912,869	12,889,289	12,511,456	12,511,456	13,598,310	14,332,221	15,004,480
Infrastructure - Water		819,078	747,473	907,930	2,578,000	3,068,133	3,068,133	3,186,000	3,339,950	3,643,700
Infrastructure - Sanitation		347,658	473,379	601,861	3,185,000	4,182,429	4,182,429	4,524,500	4,813,350	5,051,625
Infrastructure - Other		58,030	74,531	202,846	776,200	799,465	799,465	798,500	857,600	906,163
Infrastructure		13,022,317	16,350,549	19,083,275	24,474,989	25,610,409	25,610,409	27,363,060	28,816,831	30,354,257
Community		904,682	1,074,680	1,162,110	2,254,830	2,452,855	2,452,855	2,538,750	2,684,100	2,848,985
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6,7	13,317,763	15,248,146	18,926,427	14,581,829	14,761,053	14,761,053	17,416,599	18,091,520	18,981,282
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		79,266,090	178,625,411	199,275,764	194,688,615	198,137,597	198,137,597	204,205,309	207,203,052	215,018,455
<b>% of capital exp on renewal of assets</b>		16.4%	15.3%	21.9%	18.7%	17.0%	17.0%	22.6%	17.0%	18.4%
<b>Renewal of Existing Assets as % of deprecn"</b>		32.2%	17.6%	21.1%	29.6%	40.9%	40.9%	24.5%	19.6%	24.6%
<b>R&amp;M as a % of PPE</b>		0.6%	0.5%	0.6%	0.9%	0.7%	0.7%	0.8%	0.8%	0.8%
<b>Renewal and R&amp;M as a % of PPE</b>		1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%

# CHART 10 - CAPITAL EXPENDITURE BY ASSET CLASS



BASIC SERVICE DELIVERY MEASUREMENT

TABLE A10

STEVE TSHWETE LOCAL MUNICIPALITY - MP313										
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Household service targets (000)</b>	1									
<i>Water:</i>										
Piped water inside dwelling		28,664	29,777	30,369	31,085	31,085	31,085	31,535	32,785	33,000
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2	4,456	4,673	4,873	4,996	4,996	4,996	5,119	5,247	5,000
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-tota.</i>		33,120	34,450	35,242	36,081	36,081	36,081	36,654	38,032	38,000
Using public tap (< min.service level)	3	234	700	700	700	700	700	700	700	700
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-tota.</i>		234	700	700	700	700	700	700	700	700
<b>Total number of households</b>	5	33,354	35,150	35,942	36,781	36,781	36,781	37,354	38,732	38,700
<i>Sanitation/sewerage:</i>										
Flush toilet (connected to sewerage)		30,858	32,191	32,746	33,406	33,406	33,406	33,856	35,106	36,861
Flush toilet (with septic tank)		8	10	10	-	-	-	-	-	-
Chemical toilet		2,720	1,095	1,447	1,647	1,647	1,647	1,697	1,747	1,799
Pit toilet (ventilated)		176	20	20	25	25	25	25	25	25
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-tota.</i>		33,762	33,316	34,223	35,078	35,078	35,078	35,578	36,878	38,685
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-tota.</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	33,762	33,316	34,223	35,078	35,078	35,078	35,578	36,878	38,685
<i>Energy:</i>										
Electricity (at least min.service level)		5,044	4,959	4,898	4,837	4,837	4,837	4,776	4,717	4,685
Electricity - prepaid (min.service level)		28,144	29,958	30,586	31,667	31,667	31,667	32,615	33,395	34,062
<i>Minimum Service Level and Above sub-tota.</i>		33,188	34,917	35,484	36,504	36,504	36,504	37,391	38,112	38,747
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-tota.</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	33,188	34,917	35,484	36,504	36,504	36,504	37,391	38,112	38,747
<i>Refuse:</i>										
Removed at least once a week		40,928	41,763	42,615	43,530	43,530	43,530	43,930	45,090	46,217
<i>Minimum Service Level and Above sub-tota.</i>		40,928	41,763	42,615	43,530	43,530	43,530	43,930	45,090	46,217
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-tota.</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	40,928	41,763	42,615	43,530	43,530	43,530	43,930	45,090	46,217
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		28,664	29,777	30,369	31,085	31,085	31,085	31,535	32,785	33,605
Sanitation (free minimum level service)		12,787	14,003	14,483	15,000	15,000	15,000	15,500	16,000	16,400
Electricity/other energy (50kwh per household per month)		10,341	9,691	9,980	10,080	10,080	10,080	10,181	10,282	10,539
Refuse (removed at least once a week)		12,787	14,003	14,483	15,000	15,000	15,000	15,500	16,000	16,400
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		3,556,044	4,617,790	4,718,606	5,211,829	5,211,829	5,211,829	6,093,651	7,283,956	8,580,138
Sanitation (free sanitation service)		1,606,866	2,929,204	3,029,612	5,071,680	5,071,680	5,071,680	6,024,912	7,154,688	8,437,210
Electricity/other energy (50kwh per household per month)		1,333,989	1,616,459	1,664,664	2,101,680	2,101,680	2,101,680	2,657,241	3,354,503	4,299,912
Refuse (removed once a week)		2,670,693	3,319,551	3,746,173	4,324,500	4,324,500	4,324,500	5,212,650	6,195,456	7,304,822
<b>Total cost of FBS provided (minimum social package)</b>		9,167,591	12,483,003	13,159,055	16,709,689	16,709,689	16,709,689	19,988,454	23,988,603	28,622,082
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		100%	100%	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
Sanitation (kilolitres per household per month)		6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ	6 kℓ
Sanitation (Rand per household per month)		17	18	21	24	24	24	30	36	42
Electricity (kwh per household per month)		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
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		9,799,259	11,750,816	14,027,540	14,580,000	14,439,950	14,439,950	6,209,500	6,520,000	6,845,975
Water		9,459,120	9,290,424	10,641,298	12,197,754	12,197,754	12,197,754	3,537,000	3,732,600	3,943,750
Sanitation		2,424,415	2,856,612	3,189,157	3,699,000	3,699,000	3,699,000	10,401,750	11,962,000	12,918,960
Electricity/other energy		2,446,474	2,421,199	2,792,803	3,525,984	3,525,984	3,525,984	7,250,000	7,910,000	8,636,000
Refuse		2,455,104	2,940,630	3,449,851	3,897,000	3,897,000	3,897,000	11,005,000	12,050,000	13,014,000
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
<b>Total revenue cost of free services provided (total social package)</b>		26,584,372	29,259,681	34,100,648	37,899,738	27,759,688	27,759,688	38,403,250	42,174,600	45,358,685