



STEVE TSHWETE MUNICIPALITY

VISION

To be one of the best local municipalities in the world in service delivery.

MISSION

The Steve Tshwete Local Municipality is committed to the total well being of all its citizens through:

- The rendering of affordable, accessible, efficient and quality services.
- The maximizing of infrastructural development through the utilisation of all available resources.
- Implementation of effective systems and procedures.
- The creation of an enabling environment for local economic development.
- Effective co-operation with relevant stakeholders.

CORE VALUES & PRINCIPLES

- To treat everyone with dignity and respect at all times.
- To perform our duties with integrity, pride, honesty and diligence.
- To foster partnerships with all stakeholders for improved service delivery.
- To diligently apply the principles of “*Batho Pele*” in our dealings with people.

STEVE TSHWETE LOCAL MUNICIPALITY



STATE OF THE MUNICIPALITY ADDRESS

2007/2008 Financial Year

**By the Executive Mayor
Councillor I.M.T. Mahlangu**

**At the mayoral function
after the Council Meeting
on**

Tuesday, 29 May 2007

MR. SPEAKER OF STEVE TSHWETE
MEMBERS OF THE MAYORAL COMMITTEE
CHIEF WHIP OF THE COUNCIL AND THE CHIEF WHIP OF THE
RULING PARTY
COUNCILLORS
MAYORS, SPEAKERS, CHIEF WHIPS
COUNCILLORS FROM OTHER MUNICIPALITIES IN NKANGALA
DISTRICT
MUNICIPAL MANAGER
EXECUTIVE MANAGERS
COMMUNITY DEVELOPMENT WORKERS
MEMBERS OF WARD COMMITTEES
INVITED GUESTS
OFFICIALS
LADIES AND GENTLEMEN
MEDIA

I am indeed very pleased to acknowledge in our midst this evening

The democratic local municipality of Steve Tshwete on whose behalf I speak today, as I have been privileged to do so in previous years was formed in 2000 the 12th of December after the local government election of that year.

In the State of the Nation Address 2007 President Thabo Mbeki I quote "*we must continue to respond to the perspective we spoke of as the present government began its term of office, fully conscious that none of the social problems we have to solve is capable of resolution outside the context of the creation of jobs and alleviation of and eradication of poverty*", and therefore that "*the struggle to eradicate poverty has been and will continue to be a central part of national effort to build the new South Africa*".

Responding to the imperative to move forward as quickly as possible to build the South African defined by a common dream, our government committed itself, working with all South Africans, to implement detailed programmes intended:

- To raise the rate of investment in the first economy;
- To reduce the cost of business in our country;
- To promote growth of the small and medium business sector;
- To speed-up the process of skills development;
- To improve our export performance, focusing on services and manufactured goods;
- To increase spending on scientific research and development;
- To implement detailed programmes to respond to the challenges of the second economy, ASGISA, JIPSA;
- To implement programmes to ensure broad-based black economic empowerment;
- To continue with programmes to build a social security to meet the objectives of poverty alleviation;
- To expand access to such services as water, electricity and sanitation;
- To improve the health profile of the nation as a whole;
- To intensify the housing programme;
- To implement additional measures to open wider the doors of learning and culture;
- To improve safety and security of all citizens and communities;
- To ensure that the public sector discharges its responsibilities as a critical player in the growth, reconstruction and development of our country;
- To accelerate the process of renewal of the African Continent; and
- To increasingly contribute to the resolution of major questions.

Minister Trevor Manuel in his speech started by quoting Will Hutton in this introduction on his book on China and Globalization when he said - *"The foundation of human association is the idea that human life has equal worth and human beings are equally entitled to political, economic and social rights which allow them to choose a life they have reason to live"*.

HUMAN LIFE HAS EQUAL WORTH ...

Motho Ke Motho ana bosehlana (a human being is human being, there is no lesser human being).

Minister Manuel further says that, the idea that, human life has equal worth, and that this is the core value that unites us, invites us to ask whether we have done enough to give practical effect in South Africa today to our share humanity. Have we acted in a manner that shows that human life has equal worth? Or do we still live in a society where the shadow of history dominates over the opportunities of an open society.

As a young nation enters its thirteenth year we have much to be proud of, we are building a society founded on principles of equality, non-racialism and non sexism. We have built institutions of democracy i.e. IEC; Public Protector, the Human Rights Commission, Commission for Gender Equality, Auditor-General and Commission for the Promotion and Protection of the rights of Cultural, Religious, Linguistic communities created an open society founded on the rule of law.

After stabilizing the economy and the public finances, we have created the conditions for rapid economic growth, job creation and broadening of opportunities.

Sound management of public finance and improved tax compliance culture on which it rests provide us with the resources to invest in our public services, renew our infrastructure, re-shape our residential areas, and provide water and electricity, housing, sanitation, schooling health care and access to roads to millions who were previously denied this elementary building blocks of modern society.

The social grant system has expanded, hunger is a retreat and vulnerable families are being lifted out of poverty.

Mr. Speaker allow me to quote what Premier said as he quoted Robin Sharma in his book "The Monk who sold his Ferrari" he says, "Remember you will not find true joy in sleeping, in relaxing or in spending your time like an idler. The secret of success is constancy of purpose. The happiness you are searching for comes through reflecting on the worthy aim you are dedicated to achieve, and then taking action daily to advance them. This is direct application of the timeless philosophy that prescribes that those things that are most important should never be sacrificed to those things that are least important, i.e. the power of setting clearly defined, purposeful goals and, most importantly, of having the character power to act on them."

The PGDS priorities of all sectors, the Executive Council took a view that major project with calculated potential for macro-impact on the socio-economic development of the province be identified in order to leverage the acceleration of development of Mpumalanga following this five flagship projects ("Big 5" development programmes) were identified out of five, as a municipality we are going to be directly involved with three of this projects namely **Maputo Development Corridor**; this corridor pass through our municipality and we are slowly but surely developing it that is already the Township Establishment is completed to accommodate industrial park by the Germans and the development of the mall is in its early stage and when completed will have its own spin-off which will add to the development of the corridor.

The second project is that one of the rolling-out of water infrastructure to provide water for all in the province in a sustainable manner, Nkangala District commissioned a study to have a blue print for water and sanitation from this blue print as Steve Tshwete we are developing a water service plan which informs us that we will be able to reach a millennium goal of water for all in 2008.

The third project is that of the **revitalization of our tourism by sponsoring the restoration, preservation and packaging of our heritage and the greening of Mpumalanga**, which includes the following milestones:

- Pollution and waste management;
- Spatial planning and development;
- Environment awareness and planning; and
- Biodiversity planning and management.

To become South Africa's green region through conservation management, the municipality has taken this project with enthusiasm in that we are the cleanest town in Mpumalanga and 3rd position at National level taking into consideration category "B" Municipalities; this puts us at the advantage position as to forge partnership with business and Provincial Departments to deal with the above-mentioned project. We already have plans for the money won at National and Province Cleanest Town Competition. One of the important issues we are going to address is to conscientise our people about environmental issues and how they affect our lives and have campaigns.

Mr. Speaker I would like to acknowledge what the ANC branch in Ward 3 under the leadership of the chairperson Cllr. Lindi Mahlangu have done in initiating the cleaning campaign in partnership with the Municipality and Graspan Mine, this was a starting point of this project.

And we hope that other wards will follow suite as we continue with clean-up campaigns and tree and grass planting. We should be leading the Province in terms of numbers of planting trees and grass.

Environmental Status Quo report of Nkangala District has given us a starting point in dealing with environmental issues in Steve Tshwete.

Total allocation of housing for the next three years is R32 billion which says for the next three years we will spend more on housing than the entire first decade of democracy, Mr. Speaker why I mention the National Housing Budget here is that as a municipality we have a duty in terms of housing, that of providing land and infrastructure, in future this budget will be coming to us as a total package of dealing with the upper structure as we are pursuing to be accredited in housing.

On housing delivery, in 2006 October, the Department of Local Government & Housing had allocated 3778 different low cost housing units across Steve Tshwete, it is with regret that we were not able to deliver those houses on time because of capacity challenges confronting the contractors one of which is project management. To date out of the total number allocated we are only able to report 25 complete houses.

Doornkop	:	6
Tokoloko	:	3
Extension 6	:	11
Kwaza	:	1
Extension 24	:	3
Extension 2	:	1

The letter has been written to the MEC for Local Government & Housing, Ms Candith Mashego to look into the matter, if possible withdraw this contractors and replace them with those that will assist in housing delivery.

Mr. Speaker, Honourable Councillors Steve Tshwete as promised last has been able to accelerate the roll-out of Multi Purpose Community Centres as I am speaking one in MPCC (Thusong Community Centre) phase one Doornkop is almost completed, the one at Extension 7 is well underway, we know these centres will bring service closer to the people.

Mr. Speaker the economy continued to expand at a robust pace of 4,9% in 2006, generating new jobs broadening the consumer base and providing impetus for rapid growth in investment. Economic growth is projected at 5% a year over the next three years.

In 2009 a weaker growth in the world economy and the interest rate increases of this past year are expected to result in a growth rate of 4,8% while household spending is projected to slow from the lively growth rate of over 7% in 2006, it is still expected to grow by close to 5% a year over the medium term - reflecting good growth in household income.

Mr. Speaker, I can go on and on on economic imperatives and economic outlook of the country if I had time because all those impact on us in the local municipalities and it is imperative that we take them into consideration.

Since its inception in December 2000, the Steve Tshwete Local Municipality has grown into a dynamic institution that is dedicated to giving effect to government policy through efficient and effective planning, service delivery provision and prudent financial management.

During this term, I am proud to say that we have streamlined our strategy so that people's needs, as voiced by the citizens, were translated into plans for delivery.

PAST PERFORMANCE AND ACHIEVEMENTS

The Council can proudly report to its citizens that during the first year of office of this Council, the following are some outcomes that were achieved:

Service Delivery

- Regravelling and hard surfacing of urban roads.
- Resealing of roads in Middelburg, Mhluzi, Hendrina and Kwazamokuhle as well as the Eskom villages.
- Rebuilding of Soutpansberg Avenue.
- Building of new roads in Kwazamokuhle Extension 7, Middelburg Extension 18, Hendrina and Aerorand.
- Paving, kerbing and subsurface drainage at various places.
- Storm water at Mhluzi and Extension 18.
- New services reticulation for water and sewerage in Tokologo.
- Replacement of old sewerage line Hendrina and Kwazamokuhle.
- Replacement of old water pipes and water meters at various places.
- Replacement of plant equipment at Vaalbank and Boskrans Purification Works.
- Sinking of boreholes in the rural area.
- Replacement of electricity cables in Kanonkop and Aerorand.
- Replacement of redundant electrical switchgear and circuit breakers.
- Electrification of new stands in Mhluzi Extension 4 and Aerorand.
- New RDP house connections in Newtown, Kwazamokuhle, Middelburg Extension 24 and Mhluzi Extension 6.
- High mast lighting in Malope Village and Nasaret.
- Street lights over the Oranje Street bridge and at new stands in Aerorand.
- Commenced with erection of Multi-Purpose Community Centres at Mhluzi Extension 7, Doornkop and at the Cosmos Hall, Hendrina.
- Creation of more serviced residential erven for sale in Aerorand and Middelburg Extension 18 as well as industrial erven in Middelburg Extension 11.

For the sake of ensuring that our rural residents are able to enjoy improved municipal service rendering, a Memorandum of Understanding was recently concluded with representatives of farm owners within our Municipality.

It is believed that this agreement will enable us as a Municipality, to provide our people living on farms with a level of municipal services that they deserve.

And in addition, Mr. Speaker, the Steve Tshwete Local Municipality kept its winning ways throughout 2006. Some of the achievements being:

- Provincial winner of the *Cleanest Town Competition*.
- Third position in the *National Cleanest Town Competition*.
- Provincial winner of the *Vuna Awards* for local municipalities.
- Winner of the *Project Consolidate* category of the *Vuna Competition*.
- Nominated host for the annual *Macfest*.

YOUTH AFFAIRS

In respect of Youth Development we will continue with the rendering of a comprehensive youth advisory and development service in association with the Umsobomvu Youth Fund.

At the same time we will, in co-operation with the National Youth Service, undertake a project whereby our unemployed youth will be meaningfully accommodated in one or more forms of community service.

LOCAL ECONOMIC DEVELOPMENT

The local economy in Steve Tshwete municipal area benefited again over the past year through property development, although approved building plans over the year indicates somewhat decline in momentum. An improved investment in industrial and commercial property can be attributed to the spin-offs of increased mining activity in and around the municipal area. The well-known sale of the five "*mall ervert*" to the south of Aerorand is a good indication of the confidence of investors in the local economy.

As main property developer the Municipality ensured the availability of fully serviced erven over the year met the demand. Prices are extremely competitive and market-related and development is encouraged through affordable incentives.

A Local Economic Development Strategy, commissioned by the Nkangala District Municipality was adopted by Council in March 2007.

A number of specific actions were approved which will be pursued in the coming financial year.

However, as one of the actions from the strategy, we have already started interacting with our big businesses on a one-to-one basis in order to create a relationship of mutual trust and understanding.

In respect of the 2010 Soccer World Cup, we are, with the assistance of other spheres of Government, positioning ourselves to benefit as far as possible from this huge event.

In this regard, we have identified a number of projects which would be further pursued in the new financial year.

These projects can be categorized under the following headings:

- Safety & Security;
- Disaster Management;
- Health Services;
- Tourism Development & Promotion;
- Economic Investment such as the creation of shopping & conference facilities;
- Upgrading of infrastructure and the provision of Fan Parks;

The unused Thushanang School in Mhluzi has been made available to Council for utilization as a small scale manufacturing centre by the Department of Education.

With the assistance of Townlands Colliery, it is presently being renovated in accordance with the requirements of future tenants.

The community garden between Wards 4 and 7 in Ikageng Street has been completed and will be officially opened soon. Within this fenced area where water has been installed, between 40 and 50 gardening stands for individual qualifying households are provided.

The municipality itself, has during the past financial year through its capital and other projects created temporary jobs for well over a 1000 of our citizens.

SUSTAINABLE LIVELIHOOD

The Integrated Development Plan as approved in March was developed from consultative meetings with residents and government departments.

The residents informed us of their concerns about affordable residential accommodation, the availability of potable water, electricity, basic sanitation and quality roads as well as the addressing of poverty, HIV and AIDS. The political priorities for the national and provincial spheres of government also supported these concerns.

Substantial information from the process as well as input from our communities had significant bearing on the final product being presented here today. Like all other public institutions, the problem of limited resources versus the ever increasing needs of society remains a challenge that always requires skillful consideration.

However, the views of the community have manifested in a non-negotiable commitment to me, my Committee and the Administration to achieve the IDP priorities by way of:

- Expanding basic services to the rural area;
- Acceleration in delivery of serviced erven for the poor;
- Extension of services to areas not presently serviced;
- Creation of jobs through administrative and financial management reforms;
- Proper maintenance of current infrastructure;
- Establishment of control measures to ensure organised settlements; and
- Strengthen law enforcement to ensure compliance to municipal by-laws.

The Municipality has strived to utilise all its financial and administrative capacity to achieve its mandates on these priorities.

COMPREHENSIVE SOCIAL SECURITY

Mr. Speaker, the Medium Term Budget for the next three years was prepared within the context of the Government's Macro-Economic and Fiscal Framework as well as the imperatives of the Development Strategy as contained in the Performance Management Monitoring and Evaluation System of the Municipality.

The inevitable tariff adjustments were proposed in a most considered way to determine the most acceptable and equitable funding regime taking into consideration the actual cost of delivering services, budget priorities, national legislation, regulations and policy guidelines.

The Honourable Minister Trevor Manuel, Minister of Finance, this year has chosen to start his budget speech by quoting from Will Hutton as follows:

"The foundation of human association is the idea that human life has equal worth and human beings are equally entitled to political, economic and social rights which allow them to choose a life they have reason to live".

Mr. Speaker, as part of the fiscus, the Budget of this Municipality also has to contain sound choices.

Our choices must however be such that others can only benefit from our deeds. As members of our Council are here sitting men and women whose actions (or interaction) touch the lives of all citizens from the towns, villages and rural areas of our Municipality. You do this through the policies you make and the resolutions you take.

You touch people's lives through the decisions you take on how to spend the 1,828-billion Rand over the three year term of this Medium Term Budget.

BUDGET FRAMEWORK

This Council entered the new five year term of office a year ago with a clear popular mandate for local development through the following commitments:

- Service delivery.
- Participating democracy.
- Transformation of apartheid landscape.
- Effective management in municipalities.
- Maximization of revenue base.
- Capacity building of municipalities for effective service delivery.
- Local economic development.
- Fighting crime, corruption and abuse of women and children.
- Job creation. Development of small medium and micro enterprises and skills provision.

Coming to the Budget itself, Mr. Speaker, the following provisions specifically need to be elucidated:

This Budget has been prepared as a medium term economic forecast in strict compliance with the National Treasury framework through the lengthy budget programme, as approved by Council in August 2006.

The Budget submitted in Council contains an operating budget for the 2007/2008 financial year of 409,680-million Rand with indicative figures for the consecutive two outer years as well as comprehensive capital budgets for each of the three financial years of 2007/2008, 2008/2009 and 2009/2010.

In summary the operating budget for 2007/2008 consists of the various services as reflected in the following schedule:

Vote	Budget Year 2007/2008	
	Revenue	Expenditure
Executive & Council (EX)	11 814 369	26 773 397
Finance & Admin (FA)	166 621 225	110 043 847
- Other Admin	100 000	17 022 578
- Information Technology	7 500	4 750 358
- Human Resources	577 840	4 245 732
- Property Services	16 137 570	22 127 820
- Finance	149 798 315	61 897 359
Planning & Development (PD)	846 400	4 958 165
Health (HL)	5 402 630	12 410 425
- Health Other	15 000	11 012 265
- Clinics	5 387 630	1 398 160
Community & Social Services (CS)	1 710 600	8 346 141
- Libraries & Archives	85 600	3 885 557
- Community Halls & Facilities	1 320 000	2 265 870
- Cemeteries & Crematoriums	305 000	2 194 714
Housing (HS)	866 309	4 812 508
Public Safety (PS)	3 740 600	24 271 184
- Fire Services	136 500	11 050 222
- Traffic	3 604 100	13 220 962
Sport & Recreation (PK)	445 785	22 059 497
Waste Management (WM)	25 085 386	21 173 709
Waste Water Management (WW)	31 278 339	16 731 360
- Sewerage	31 278 339	15 776 978
- Public Toilets	0	954 382
Road Transport (TP)	20 750 300	29 912 620
- Vehicle Licensing & Testing	7 214 200	5 719 870
- Roads & Storm Water	8 987 500	23 401 859
- Roads Other	4 548 600	790 891
Water (TW)	42 151 102	20 714 947
- Distribution	42 151 102	13 163 447
- Purification	0	7 551 500
Electricity (ED)	134 133 054	107 472 374
- Distribution	132 933 054	104 959 288
- Street Lighting	1 200 000	2 513 086
Sub-Total	444 846 099	409 680 174
Less: Grants utilized for capital expenditure	(35 155 000)	0
Total	409 691 099	409 680 174
Net operating surplus for the year		10 925

From the above it is clear that the Budget is almost breaking even.

The main sources of revenue over the medium term will be derived from electricity and property rates, with water, sanitation and refuse removal also contributing significantly to the Municipality's revenue raising capacity.

Total revenue from inter-governmental grants comprise 10,95% of total operating revenue and will increase from 36,445-million Rand in 2007/2008 to 55,569-million Rand in 2009/2010.

The total allocation in terms of the equitable share, which supplements own revenue to deliver free basic services, will amount to 134,533-million Rand over the next three years.

The bulk of operating expenditure is allocated to the infrastructure-related votes of electricity (27,48%), water (6,23%), sanitation, including solid waste disposal (10,32%) and roads and storm water (10,00%). This accounts for just over 54,03% of total operating expenditure. Community safety and health and social development votes are allocated 6,52% and 5,47% respectively of the operating budget.

Employee costs increase by 12,95% and 6,75% is represented by a general salary increase already negotiated at Bargaining Council level. This reflects an increase of 1,83% as part of the total operating budget.

The capital budget amounts to 186,11-million Rand which is an increase of 41,5-million Rand from the previous year and for the two outer financial years expenditure is planned for 193,2-million Rand and 155,07-million Rand respectively.

Approximately 67,52% of the capital budget will be earmarked for infrastructure and residential related projects over the next three years to address backlogs, rehabilitate existing infrastructure and create much needed jobs through the use of labour intensive methods whenever possible.

Mr. Speaker, ladies and gentlemen, I need to mention that **80,44% of the capital budget will be financed from the Council's own financial resources.**

In the year ahead we will see greater impetus given to investment in the development of bulk services infrastructure.

Steve Tshwete Local Municipality is earmarked to receive significant support from the Municipal Infrastructure Grant (MIG) and the Integrated Electrification Grant (INEP) from National Government. The Nkangala District Municipality's contribution for the respective three years is 17,3-million Rand, 17,3-million Rand and 18,2-million Rand.

Despite the mentioned sources of funding it has become essential for borrowing facility of 170-million Rand to be obtained over the three year spectrum. 105-million Rand of this required amount is already concluded by means of a loan facility with INCA and had been approved earlier during this meeting.

Mr. Speaker, as a further token of commitment to the community, provision is made for a 1,225-million Rand contribution in the form of grants-in-aid and donations to a number of mentioned local institutions.

In responding to some of the key issues raised during the public participation meetings, it is also important to point out that community expectations must be matched with the reality that we operate with a finite resource base whose expansion require greater co-operation between municipality and community. Following the submissions received, it can however be confirmed that the bulk of aspirations are accommodated. Limited amendments to the budget, as contained in the report, were recommended.

Mr. Speaker, a basket of differential tariff adjustments were proposed to determine the most acceptable and equitable funding composition taking into consideration the actual cost of delivering services, budget priorities, national legislation, regulations and policy guidelines. The Budget reflects a shortfall that requires inevitable tariff revision. Whilst the increase proposed for assessment rates is 8,9%, sanitation 7,5%, solid waste disposal 9,25%, for water 6% and 5,6% for electricity on average, the weighted average increase in 2007/2008 is proposed at 7,06% compared to the current forecast of the Municipal Cost Index of 8,59%, the CPIX forecast of 5,1% and the National Treasury budget growth limit of 6%.

The proposed tariff increases yield additional revenue of 19,8-million Rand in the next financial year.

KEY SERVICE DELIVERY TARGETS

Mr. Speaker, there is an increased focus in Government on improved service delivery. Ensuring that communities remain sustainable is becoming one of the greatest challenges for the Municipality.

It is clear that sufficient resources are not available to eliminate all backlogs at current service levels over the entire municipal area.

Without additional sources of revenue, the Municipality has to consider alternative options. A Long Term Financial Plan / Strategy which will indicate various alternative funding options to be considered in order to provide in the dire demand for services and how affordable different levels of service standards might be, is in its final stage of being prepared.

Extreme caution is still being applied in keeping within safe margins when external funding is acquired.

During the prioritization process of the capital budget, the impact of capital projects on future operating budgets is assessed and considered prior to these projects being approved.

The following main operating cost components are considered:

- Additional staff costs to staff new facilities.
- Additional contracted services, for example security and cleaning.
- Cost of asset maintenance.
- Depreciation costs (non cash).
- Funding sources and the cost of funding.

Based on these principles the Municipality has committed itself to the following key service delivery targets over the budget period.

- Continue to build new roads in urban areas.
- Continue with the maintenance of roads in the urban and rural areas.
- Further improvement of the quality of electricity supply.
- Continue with park development along the Mpanama River.
- Repair Cosmos Hall in Hendrina for use as a multi-purpose community facility.
- Build a multi-purpose community hall which will accommodate a minimum of 800 persons for a single event.

- Create more industrial stands.
- Create at least three new rural villages.
- Fully servicing of the 3000 stands in Rockdale.
- Service more stands in Aerorand and Extension 18 for sale to the public.
- Develop two additional multi-purpose community centres.
- Provide more and upgrade existing sport facilities.
- Assist with provision of RDP housing within budget limits.
- Ensure sufficient and stable water and electricity supply for future generations.
- Improve traffic flow through Middelburg and Mhluzi.
- Improve disaster management arrangements.

Mr. Speaker, these are only some of the high level indicators and targets and further detail can be sourced from the Five-Year Manifesto.

Only a firm partnership with our community, Mr. Speaker, fellow councillors, ladies and gentlemen, can help us to achieve the high level of service delivery objectives as elucidated in this Budget. This therefore means that all must and should honour their part of the social contract by paying for services and to ensure we succeed in our quest to remain viable and sustainable as a municipality.

CONCLUSION

I conclude by expressing my sincere gratitude to:

- Members of the Mayoral Committee for the necessary political support during the budget process.
- Councillors, Ward Committee Representatives, Community Development Workers and members of the community who gave valuable contributions and commitment during the compilation and scrutiny of the Budget.

C39/05/2007

FINANCES: ANNUAL BUDGET FOR THE 2007/2008 TO 2009/2010

FINANCIAL YEARS

6/1/1/32 & 6/1/1/33 (M)/lb

(Item 39 p 11 MC 22/05/2007)

Report by the Executive Manager Finance

Executive Summary

1. The Tabled Annual Budget for Capital and Operating Expenditure for the 2007/2008 to 2009/2010 financial years were approved by Council for public consultation under item C38/03/2007 on 29 March 2007 in terms of Section 16(2) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA).
2. The publication of the Tabled Annual Budget in compliance with Section 22 of the MFMA was done through advertisements in the local press and on the Council's official website whilst copies of the Budget were available for inspection at all libraries of the Council and the office of the Executive Manager Finance.
3. Consultation on the Tabled Budget in compliance with Section 23 of the MFMA took place through the following processes:
 - 3.1 The Tabled Budget together with all documentation as prescribed by Section 17(3) of the MFMA had been submitted to the following government structures for overview and comments:
 - National Treasury, Pretoria;
 - Mpumalanga Provincial Treasury, Nelspruit; and
 - Mpumalanga Department of Local Government and Housing, Nelspruit.
4. A community information and consultation process in the form of a Budget Indaba was held at the Council's Chambers on Monday, 30 April 2007. Inputs were received and enquiries addressed to the following sectors of the community, who were given the opportunity for further inputs until 11 May 2007:
 - Various organs of state;
 - Ward committee members;
 - Organized business and industry; and
 - General public.
5. The Budget Information Session for Councillors was held at 14:00 on Tuesday, 17 April 2007 at the Council's Chambers whereafter Councillors held various information sessions with their respective wards.

6. The next step in compliance to Chapter Four of the Act is to consider the inputs received and to approve the Annual Budget at least thirty (30) days before the start of the budget year on 1 July 2007 as is prescribed by Section 24(1).

7. The following written inputs from the general public were received:

7.1 The Kwazamokuhle Farmers Group

They request Council to make provision on the Budget to purchase a piece of farm next to Extension 6 in Kwazamokuhle for grazing purposes for their cattle. Unfortunately Council cannot exceed to this request as no municipality may conduct any commercial activities otherwise than in the exercise of the powers and functions assigned to them in terms of the Structures Act. The provision of land for grazing purposes is not a function of Council.

7.2 The Kwazamokuhle Community

They request Council to make provision on the Budget for the tarring of roads in Kwazamokuhle at an estimate cost of R2,2-million. The budget submissions were revisited and is it with pleasure that it can be confirmed the amount of R1,7-million is provided for the tarring of roads in Kwazamokuhle which will be financed by the Nkangala District Municipality.

As follows are further recommendations which were received by the administration:

8. Draft Resolution on the approval of the Annual Budget for Capital and Operating Expenditure for the 2007/2008, 2008/2009 and 2009/2010 financial year as contained under **ANNEXURE A**, **Pages 17-29**, of the Tabled Budget document -

Recommended to Resolve

8.1 Amend paragraph 5.6, page 19:

Presidentsrus Village – replace 2,24 cent in the Rand with 2,124 cent in the Rand.

8.2 Amend paragraph 5.10, page 20:

Presidentsrus Village – replace 0,56 cent in the Rand with 0,44 cent in the Rand.

9. Proposed Sundry Tariffs for the 2007/2008 financial year

9.1 The proposed Sundry Tariffs according to **SCHEDULE 8, Page 59-83**, contained some discrepancies and had to be revised. The rates as initially reported remain with the exception of the following:

9.1.1 Parks and Recreation

Delete point 2.6 on page 64.

9.1.2 Libraries

9.1.2.1 Under point 6 delete Encarta.

9.1.2.2 Under point 6 amend Internet as follows:

Internet (private use) amend R10,30 for 5 minutes to R1,70 per minute and delete charge of R3,90 per page (this charge was duplicated).

It is suggested that the proposed Sundry Tariffs for the 2007/2008 financial year as contained under **SCHEDULE 8, Page 59-83** of the Tabled Budget document, which includes the above amendments be noted and approved.

10. Capital Expenditure

Proposals on amendments to the Tabled Capital Budget are as follows:

10.1 Adjustments to Nkangala District Municipality (NDM) allocations:

During February capital projects to the amount of R20,3-million were submitted to the NDM for consideration. According to the Budget from the NDM only an amount of R17,3-million is allocated to Council. The following amendments to the Tabled Budget figures are requested:

Schedule 6 – Capital Funding by Source – Page 49

	Budget Year 2007/2008	Budget Year 2008/2009	Budget Year 2009/2010
District Municipality			
Amounts allocated for that year	17 300 000	17 276 000	18 275 000
Amounts carried over from previous years	18 286 978		
Sub-Total: Grants – District Municipality	35 586 978	17 276 000	18 275 000

The following is a list of projects which will no longer be funded by the NDM:

Roads New : Mhluzi Extension 8	750 000
Outfall Sewer Lines : Mall Development	1 500 000
New Networks : Aerorand	1 100 000
Total	3 350 000

- 10.2 During April 2007 the performance on the 2006/2007 Capital Budget was assessed by the various Heads of Departments and subsequently it is requested that the following projects which will not be completed on 30 June 2007 be rolled over to the 2007/2008 financial year:

Community Facilities Reserve

Project No.	Description	Roll Over Amount
P7094	Multi-Purpose Community Centre	2 500 000

Capital Replacement Reserve

Project No.	Description	Roll Over Amount
P7095	Erection of new Banquet Hall	13 785 000
P7181	New clinic Tokologo	3 360 000
P7485	Develop cemeteries rural	428 000
P7086	Road signs to community halls	20 000
P7080	Replace cables at Boskrans	50 000
P7415	Ellen Nhlapo 11 kv ring	90 000
P7416	Bosberg to Pongola East mini 11 kv cable	160 000
P7419	Bosberg to Pongola West mini 11 kv cable	160 000
P7421	Ngwako 11 kv ring	90 000
P7425	Upgrade Mhluzi Extension 6 substation	120 000
P7438	Replace cable Protea Park	330 000
P7439	Replace LT overhead lines	300 000
P7441	Install ring main units	400 000
P7443	Replace cable Gholfsig	400 000
P7445	Mid Flats West AEG switchgear	450 000
P7446	Replace cable Sondagsrivier	145 000
P7449	Kwazamokuhle Extension 6 complete 11 kv ring feed	500 000
P7450	HT links	150 000
P7456	Replacement of cables Boskrans	40 000
P7468	Replace cable Suid Street	320 000
P7071	Upgrading Gholfsig substation	3 099 800
P7457	Electrification Kwazamokuhle Extension 7	1 460 000
P7460	Electrification Tokologo	1 676 400

P7481	Electrification Aerorand stand 2447/2448	223 000
P7500	Electrification of industrial stands Hendrina	439 690
P7531	Upgrading Gholfsig substation	1 300 000
P7417	Electrification industrial stands Hendrina	660 000
P7512	Electrification Extension 11 – Watt/Newton	3 700 000
P7428	Radio communication	150 000
P7116	Upgrading of vending machines	80 000
P7042	Disaster Recovery	500 000
P7344	Pounding storage building	200 000
P7027	Upgrading PABX telephone system	530 000
P7068	Upgrading of Rates Hall	500 000
P7190	Finalisation of proclamation of Kwazamokuhle	250 000
P7192	Township establishment – Malope Village	1 200 000
P7233	Caravan Park Middelburg Dam	80 000
P7237	Refurbish Hendrina/Kwazamokuhle sport	100 000
P7236	Refurbish Kees Taljaard	100 000
P7253	Park Erf 3061	600 400
P7229	Water tanker	1 500 000
P7523	Replace water pump fire engine	200 000
P7147	Speed equipment for vehicles	223 000
P7278	Storm water (extension of Waterfront development)	160 000
P7309	Roads rebuild – Eskom Towns	250 000
P7348	Upgrade taxi facilities	160 000
P7521	Water network – Mall development	200 000
P7371	Upgrading Presidentsrus Water Works equipment	60 000
P7373	Upgrading Vaalbank Water Works equipment	100 000
P7492	Develop Refuse Transfer Stations	185 000
P7315	New networks Kwazamokuhle Extension 7	877 800
P7519	Sanitation connection Mall development	150 000
	Total	42 213 090

Integrated National Electricity Programme

Project No.	Description	Roll Over Amount
P7462	Electrification Kwazamokuhle Extension 7	1 768 000
P7463	Tokologo Electrification	618 923
	Total	2 386 923

Nkangala District Municipality

Project No.	Description	Roll Over Amount
P7475	Hendrina Kwazamokuhle street lights (5413/07)	558 055
P7049	Facilities for informal traders (5703/07E)	1 148 804
P7191	Survey and open township register Rockdale	1 045 440
	Township planning rural (5503/06)	565 750
	Graded soccer fields (5702/05)	300 000

P7299	Storm water plan – Middelburg/Mhluzi	1 483 330
P7310	Storm water plan – Villages (5326/07E)	361 950
P7307	Storm water Kwazamokuhle	542 725
P7296	Channeling of Merriespruit (5328/07)	1 200 000
P7295	Railway channel (5329/07E)	1 200 000
P7291	Storm water Aerorand West (5330/07E)	1 107 030
P7292	Storm water Aerorand (5327/07E)	750 288
P7300	Roads new – Industrial X11 (5323/07)	1 687 725
P7294	Roads new – Mhluzi (5322/07)	742 820
P7327	Upgrade outfall sewer lines (5214/07E)	888 936
P7322	Sewer connections – Rockdale	3 600 000
P7321	Biological toilets at rural settlements (5211/07)	1 104 125
	Total	18 826 978

The value of the projects to be rolled over to the 2007/2008 financial year as indicated above is only indicative and the unspent value of projects as at 30 June 2007 will be allowed for. The possible difference between the indicative amounts and the actual unspent values and which are expected to be of minor kind will be addressed in the 2007/2008 financial year if necessary.

Taking the above amendments into consideration total capital expenditure including all sources of funding and roll overs increases from R168,1-million to R248,8-million and decreases to R193,2-million and R155,1-million for the two outer financial years.

- 10.2 It is suggested that the following revised Schedules for the Capital Budget which includes the above amendments be noted and approved:

Schedule 4 – Capital expenditure by programme
Schedule 5 – Capital expenditure by vote
Schedule 6 – Capital funding by source

11. Schedule 2 – Operating Expenditure (Opex) by vote

Various proposals on amendments to the Tabled Operating Budget from the departmental heads were received. All of the additional requests and amendments were accommodated by curtailing planned expenditure within the budget votes and in some instances revenue was recalculated and revised for increased expenditure. Therefore no additional adjustments on the proposed tariffs are necessary.

It is suggested that the revised **SCHEDULE 1**, Operating Revenue by Source, **SCHEDULE 2**, Operating Revenue by Vote and **SCHEDULE 3**, Operating Expenditure by Vote be noted and approved.

12. Funding of Capital Budget 2006/2007

Originally it was indicated in the 2006/2007 Capital Budget to take up an external loan facility for R35-million. Due to cash back accumulated internal reserves the taking up of this loan was delayed. With the compilation of the 2007/2008 Capital Budget the availability of sources of funding for the next three financial years as well as the current financial year were carefully considered. With the tabling of the draft Budget on 29 March 2007 it was proposed that a new external loan facility of R105-million be taken up to supplement the sources of funding for the Capital Budget for the next three financial years. This means that no external loan will be obtained for the 2006/2007 financial year.

It is therefore suggested that the sources of funding for the 2006/2007 Capital Budget be adjusted and that the capital projects indicated to be financed from external funding be amended to be funded from surplus accumulated internal reserves, except for those projects which were funded from external loans and were rolled over from the 2005/2006 financial year. The amended sources of funding for the 2006/2007 financial year are included in **SCHEDULE 6** – Capital Funding by Source which is attached.

13. Resolution on the approval of the Annual Budget for the Capital and Operating Expenditure for the 2007/2008, 2008/2009 and 2009/2010 financial years –

RESOLVED BY COUNCIL

1. **THAT** the Multi Year Annual Budget of Capital and Operating Expenditure for 2007/2008 and the indicated two outer year of 2008/2009 and 2009/2010 tabled for public scrutiny and input be approved with amendments as set out by the following schedules attached as **ANNEXURE C Page 34 to 43** to the Agenda of the Mayoral Committee provided:
 - 1.1 That the Capital Budget be approved, for all of the three medium-term financial years of 2007/2008, 2008/2009 and 2009/2010.
 - 1.2 That the projects indicated as ad hoc on SCHEDULE 6 be provisionally approved pending the locating of funding.
 - 1.3 That the Operating Budget be approved for the 2007/2008 financial year with indicative values for the two outer financial years.
2. **THAT** it be noted that depreciation of all assets acquired from both the Capital Replacement Reserve (CRR) and the External

Financing Fund be done in terms of the GRAP Accounting Principles over their economic life-span and that such depreciation form part of the Expenditure Budget.

3. **THAT** the levies on issues from the stores be maintained at 15% on all issues with the maximum of R800,00 per single requisition and the levy per official order be left at R15,00.
4. **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 Absa as applicable to the bank account of the Council from time to time, as prescribed by the Development Bank of Southern Africa.
5. **THAT**, as prescribed by Section 89(2) of the Municipal Property Rates Act, Act 6 of 2004, there still in terms of the provisions of Section 21(3) of the Local Government Rating Ordinance, Ordinance 11 of 1977, as amended, differentiated assessment rates for the different areas within the municipal area as mentioned below, be levied on the site value of all land or right of land subjected to assessment rates, for the financial year 1 July 2007 to 30 June 2008, provided that the rebates as indicated for each area on the assessment rates hereby levied, be applied:
 - 5.1 Middelburg, including the original Middelburg, Mhluzi, Eastdene and Nasaret areas and the Blinkpan and Koorfontein Villages

A general assessment rate of 22,32 cent in the Rand subjected to the following rebates:

5.1.1 In terms of Section 21(4) of the Ordinance

5.1.1.1 A rebate of 8,04 cent in the Rand regarding property zoned in terms of the Middelburg Town Planning Scheme for special residential purposes where the exclusive usage is not for any other purpose.

5.1.1.2 A rebate of 8,04 cent in the Rand regarding all property zoned for business purposes in terms of the Middelburg Town Planning Scheme, but which are exclusively used for special residential or general residential purposes.

5.1.1.3 A rebate of 18,96 cent in the Rand (85%) allowed for all property where a single property becomes divided (through subdivision or township establishment) into 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.

5.1.2 A rebate of 4,44 cent in the Rand (20%) allowed for all non-residential properties belonging to the government and which can still qualify therefore.

5.1.3 In terms of Section 21(4) of the Ordinance, a rebate of 8,04 cent in the Rand regarding properties of pensioners zoned for special residential purposes in terms of the Middelburg Town Planning Scheme, plus a further 2,88 cent in the Rand in terms of section 32(1)(b) of the ordinance, subjected to the following conditions:

5.1.3.1 That the combined income of the landowner and his/her spouse does not exceed R46 500 per annum.

5.1.3.2 That the property is occupied by the owner; and

5.1.3.3 That only owners over the age of 60 years or being the breadwinner and totally dependent on a social disability pension or any other pension comparable to social disability pension, come into consideration for the rebate.

5.1.1.4 That the rebate of 8,04 cent in the Rand (36%) on assessment rates referred to in paragraphs 5.1.1.1 and 5.1.1.2 above, which in terms of the Rates Ordinance, 1977, is not subjected to the Premiers' approval, be motivated as follows:

“The last three (3) quadrennial general valuations (1991, 1995 and 1999) have indicated that the value of residential properties has increased more rapidly than business premises because of the fact that the Council, as the only marketer of erven in new townships, has to adjust its prices regularly to cover development costs. The value of such properties is therefore the prices determined by Council whilst in the case of business properties, normal market forces are applicable.”

5.2 Hendrina, including the Hendrina and Kwazamokuhle townships

A general assessment rate of 41,76 cent in the Rand subjected to the following rebates:

5.2.1 A rebate of 8,28 cent in the Rand (20%) for all non-residential properties belonging to the government and which can still qualify therefore.

5.2.2 In terms of section 32(1)(b) of the Ordinance a discount of 8,28 cent in the Rand (20%) regarding properties of pensioners zoned for special residential purposes subjected to the following conditions:

5.2.2.1 That the combined income of the landowner and his/her spouse does not exceed R46 500 per annum;

5.2.2.2 That the property is occupied by the owner;

5.2.2.3 That only owners over the age of 60 years or being the breadwinner and totally dependent on a social disability pension or any other pension comparable to social disability pension, come into consideration for the rebate.

5.3 Pullenshope Village

A general assessment rate of 70,08 cent in the Rand.

- 5.4 Rietkuil Village
A general assessment rate of 50,16 cent in the Rand.
- 5.5 Komati Village
A general assessment rate of 118,08 cent in the Rand.
- 5.6 Presidentsrus Village
A general assessment rate of 2,124 cent in the Rand.
- 5.7 Kranspoort Village
A general assessment rate of 1,20 cent in the Rand.
- 5.8 Rateable property in the rural area previously controlled by the Middelburg Representative Council for properties used solely or partly for the operation of business

A general assessment rate on site value of 4,08 cent in the Rand and a general assessment rate on improvement value of 0,36 cent in the Rand.
- 5.9 That for all non-residential properties belonging to the government and which can still qualify for it, a 20% rebate be allowed in the following townships:
 - 5.9.1 Pullenshope Village - 14,04 cent in the Rand
 - 5.9.2 Rietkuil Village - 9,96 cent in the Rand
 - 5.9.3 Komati Village - 23,64 cent in the Rand
- 5.10 That in terms of Section 32(1)(b) of the Ordinance a discount of 20% be allowed for the pensioners in the following townships as indicated:
 - 5.10.1 Pullenshope Village - 14,04 cent in the Rand
 - 5.10.2 Rietkuil Village - 9,96 cent in the Rand
 - 5.10.3 Komati Village - 23,64 cent in the Rand
 - 5.10.4 Presidentsrus - 0,44 cent in the Rand
 - 5.10.5 Kranspoort Village - 0,24 cent in the Rand
- 5.11 That the additional rebate for areas with developments of RDP houses be determined as 60% on payable assessment rates and it be funded from the proportional Equitable Share payable to Council by the South African National Treasury and that the areas with RDP

developments be identified as the residential properties in the following townships:

Mhluzi Extension 2, Phase 2
Mhluzi Extension 4
Mhluzi Extension 5
Mhluzi Extension 6
Mhluzi Extension 7
Mhluzi Extension 8
Kwazamokuhle Extension 4
Kwazamokuhle Extension 6
Tokologo – all extensions
Middelburg Extension 24

- 5.12 That for indigent households enlisted under the Council's Indigent Support and Free Basic Services Scheme assessment rates be fully discounted and the expenditure be recovered from the proportional Equitable Share payable to the Council by the South African National Treasury.
- 5.13 That all assessment rates as per paragraphs 5.1 to 5.12 above be subjected to Value Added Tax at a zero rate.
- 5.14 That the assessment rates levied in terms of paragraph 5.1 to 5.12 above, be owing and payable on 1 October 2007, but for the convenience of the rate payers can be paid in equal monthly instalments over twelve (12) months commencing 1 July 2007 and that interest on such rates in terms of section 27(2) of the Ordinance on Assessment Rates for Local Governments, 1977, as amended, be levied on all assessment rates not paid at the due date or in regular monthly instalments.
- 5.15 That application be made to the MEC for Local Government, Mpumalanga, for the extension of the expired valuation rolls for the various areas of the municipality.
6. **THAT** the departmental levy on sewerage be determined at R1,40 cent per kilolitre of measured sewerage water effluent.
7. **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 2007:

- 7.1 That all levies for drainage and sewerage as per paragraphs 7.2 below be subjected to Value Added Tax at full rate.
- 7.2 To have the present tariffs replaced by the following structure:
- 7.2.1 Monthly levy for developed residential erven:
- (a) with a total area of up to 995m² R 35,42
 - (b) with a total area exceeding 995m² up to 1500m² R 77,35
 - (c) with a total area exceeding 1500m² R102,45
- 7.2.2 Monthly levy on flats
- Per residential unit R 51,45
- 7.2.3 Monthly levy on all church erven R102,45
- 7.2.4 Business and Industries
- R2,90 per kilolitre metered pure water consumption per month.
- 7.2.5 All undeveloped erven in private possession with access to the reticulation
- An availability levy of R8,82 per erf per month.
- 7.2.6 Agricultural societies and sport clubs not accommodated at the central sports grounds
- R2,47 per kilolitre of metered purified water consumption per month.
- 7.2.7 Military basis, road camps and other similar properties
- R2,90 per kilolitre of metered purified water consumption per month.
- 7.2.8 Industries and businesses where a great extent of the water consumption in the opinion of the Council be taken up in the final product
- R1,18 cents per kilolitre of the metered purified water consumption per month.

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

Monthly levies as follows:

(a) Hospitals

R102,45 for each three (3) beds or portion, continuously available and R102,45 for each ten (10) personnel or portion, residential or not.

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

R29,58 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:

R48,27 for each five (5) persons or portion thereof.

(d) Vergeet-My-Nie Flats

R23,97 per flat per month.

(e) Formalized informal housing settlements with access to biological toilets per stand:

R17,00 per month.

7.3 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 formalized informal housing settlements in Newtown and Doornkop, 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.

8. **THAT** the fees for the removal of solid waste (refuse) 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 2007:

8.1 That the fees for the removal of solid waste as per paragraphs 8.2 to 8.6 below be subjected to Value Added Tax at the standard rate.

8.2 Annexure : Tariff of charges

8.2.1 Section 1(1) occasional service

For a daily service per day per refuse bin R15,13.

8.2.2 Housing refuse

Erven up to 995m² and erven exceeding 995m²
By substitution under item 1(1):
the amount of R37,05 with R40,48 and R53,00 by
R57,90.

8.2.3 Flats

By substitution under item 1(2)(b)(i):
the amount of R47,60 with R52,00.

8.2.4 Businesses: 1,1m³ mass container

By substitution under item 1(2)(b)(iii):
the amount of R1335,80 with R1459,35.

8.2.5 Businesses: Bins

By substitution under item 1(3)(a):
the amount of R127,95 with R139,80.

8.2.6 Businesses: 1,50m³ mass containers

By substitution under item 1(3)(b):
the amount of R1335,80 with R1459,35.

8.2.7 Businesses: 1,75m³ mass containers

By substitution under item 1(3)(c):
the amount of R1663,40 with R1817,25.

8.3 That the tariff for removal of solid waste (refuse) from the Vergeet-My-Nie flats be increased from R18,05 per flat to R19,72 per flat per month.

8.4 That formalised informal housing settlements in Newtown and Doornkop with access to limited municipal services under 1(2)(b)(v) by substitution R16,00 per stand per month with R17,50 per stand per month.

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

per refuse bin	R 45,35
per mass container	R744,00

8.6 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 in Newtown and Doornkop the levy in full be recovered from the proportional Equitable Share payable to Council by the South African National Treasury.

9. **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 2007:

9.1 That the fees for water supply as per paragraphs 9.2 below be subjected to Value Added Tax at standard rate.

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

9.2.1 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) kiloliters	Free
Above six (6) to ten (10) kiloliters	R2,75 per kl
Above ten (10) to forty (40) kiloliters	R3,60 per kl
Above forty (40) kiloliters	R3,82 per kl

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

A monthly fixed levy of R11,02 per erf per month.

- 9.2.2 All undeveloped erven with access to the reticulation network

An availability levy of R8,75 per month.

- 9.2.3 All Businesses and Industries, School and School Hostel sites (including nursery schools and day schools)

All monthly metered consumption of purified water at R2,85 per kilolitre.

- 9.2.4 Supply of raw water in all cases

Per metered monthly consumption at R2,72 per kilolitre.

- 9.2.5 Purified water outside Council's distribution areas

According to monthly metered consumption at R3,87 per kilolitre.

- 9.2.6 That the departmental levy for purified water be determined at R1,08 per kilolitre.

- 9.2.7 That the levy for purified effluent be determined at 75 cent per kilolitre.

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

10. **THAT** the electricity tariffs for the 2007/2008 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 2007:

10.1 That the fees levied for electricity as per paragraphs 10.2 to 10.6 and paragraphs 10.9 below be subjected to Value Added Tax at the standard rate.

10.2 Domestic consumers

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

(i) Group	(ii) Type of Supply		(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt-hour (Unit)
	No of Phases	Current limit in amperes per phase	R	c
(a)	1	40	-	41,64
(b)	1	40	3,90	20,61
(c)	1	50	3,90	20,61
(d)	1	60	4,27	20,61
(e)	1	70	4,80	20,61
(f)	1	80	4,80	20,61
(g)	3	20	4,27	20,61
(h)	3	30	4,80	20,61
(i)	3	40	5,70	20,61
(j)	3	50	5,70	20,61
(k)	3	60	5,70	20,61
(l)	3	70	5,70	20,61
(m)	3	80	5,70	20,61

10.3 Commercial, industrial and general consumers

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

(i) Group	(ii) Type of Supply		(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt-hour (Unit)
	No of Phases	Current limit in amperes per phase	R	c
(a)	1	40	-	41,64
(b)	1	40	5,70	20,61
(c)	1	50	5,70	20,61
(d)	1	60	5,70	20,61
(e)	1	70	5,70	20,61
(f)	1	80	5,70	20,61
(g)	3	20	5,70	20,61
(h)	3	30	5,70	20,61
(i)	3	40	5,70	20,61
(j)	3	50	5,70	20,61
(k)	3	60	5,70	20,61
(l)	3	70	5,70	20,61
(m)	3	80	5,70	20,61

10.4 Bulk Consumers

By implementing the following amendments:

By substitution under item 3(2):

the amount of R52,83 demand charge per kVa by R55,80; and a fixed charge of R342,00 per month per bulk consumer per supply point by R361,00 per month; and 17,18 cent energy per kWh by 18,15 cent.

10.5 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 pre-payment rate be recovered from the proportional Equitable Share payable to the Council by the South African National Treasury.

10.6 Temporary consumers by substitution of the schedule under item 5(2) by the following:

(i) Group	(ii) Type of Supply		(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt-hour (Unit)
	No of Phases	Current limit in amperes per phase	R	c
(a)	1	50	5,70	22,65
(b)	1	80	5,70	22,65
(c)	3	20	5,70	22,65
(d)	3	50	5,70	22,65
(e)	3	80	5,70	22,65

10.7 Street Light Supply

By substitution under item 6(2)(i):
the amount of R29,00 by R30,62 and

Under item 6(2)(ii):
the amount of R58,05 by R61,30.

10.8 Departmental Levies and Sport Clubs

By substitution under item 6(2)(i):
the amount of 36,25c/kWh by 38,28c/kWh

10.9 Availability Levy

By substitution under item 6(2)(i):
the amount of R11,40 by R12,05.

11. **THAT** the adjusted sundry tariffs, Value Added Tax inclusive, as reflected in the comments of the various Heads of Departments under **SCHEDULE 8 Pages 59-83** of the Tabled Budget document with amendments be approved for implementation with effect from 1 July 2007.
12. **THAT** the following rental for sub-economic accommodation for aged people at the be approved with effect from 1 July 2007:

12.1 Vergeet-My-Nie Flats

Market related rental of R700,00 per month subjected to an 80% rebate to be phased in over the duration of the Multi-year budget as follows:

Present Rental	Rental 2007/2008	Rental 2008/2009	Rental 2009/2010
R105,00	R115,00	R130,00	R140,00
R140,00	R140,00	R140,00	R140,00

12.2 Riverpark Flats

Market related rental of R1 200,00 per month subjected to rebate to be phased out from 90% to 80% over the duration of the Multi-Year Budget as follows:

Rental 2007/2008	Rental 2008/2009	Rental 2009/2010
@ 10% Rebate	@ 15% Rebate	@ 20% Rebate
R120,00	R180,00	R240,00

13. **THAT** the additional personnel posts, unfreezing of existing posts, temporary posts and upgrading of existing posts as set out in **SCHEDULE 9** of the Tabled Budget document be approved as recommended.
14. **THAT** with effect from 30 June 2007 an External Loan Facility that covers recommended capital expenditure as per the Multi-Year Annual Budget for 2007/2008 to 2009/2010 financial years for a total amount of R105-million to be drawn down per annum as expenditure prescribes, be obtained.

15. That the following policy amendment and draft policy be approved for the 2007/2008 financial year:

15.1 Policy on Transport and Subsistence Allowances payable to councillors and officials.

Approve amendments to amounts reflected under paragraph 4.1.4 as follows:

If a delegate is required to stay overnight in a hotel/guest house, a maximum of R950,00 for bed and breakfast will be paid directly to the hotel/guest house. (Arrangements with a hotel/guest house with regard to accommodation (bed and breakfast) must be made prior to the delegate's departure in order that a cheque can be made out to the specific hotel).

For other meals a maximum of R150,00 will be paid directly to the delegate on submission of proof of expenditure. The amounts referred to in this paragraph can be exceeded in exceptional circumstances only subject to the approval of the Municipal Manager in respect of officials and the Executive Mayor in respect of a councillor providing the amount does not exceed the amount of R1 800,00 determined per Council resolution M34/07/2006.

15.2 Budget Policy as per **ANNEXURE C** of the Tabled Budget document.

16. **THAT** the sources of funding for the 2006/2007 Capital Budget be adjusted and that the capital projects to be funded from an external loan be funded from surplus accumulated internal reserves except those projects which were rolled over from the 2005/2006 financial year as indicated in Schedule 6 – Capital Funding by Source.

REPORT ON THE TABLED ANNUAL BUDGET FOR THE 2007/2008; 2008/2009 AND 2009/2010 FINANCIAL YEARS

Report by the Manager : Finance

1. It is stipulated by Section 16(2) of the Local Government Municipal Finance Management Act, Act 56 of 2003 (MFMA) that the Executive Mayor should table the Draft Annual Budget for the 2007/2008; 2008/2009 and 2009/2010 financial years at a Council Meeting at least ninety (90) days before the start of the budget year.
2. The format and contents of the Annual Budget are prescribed and regulated by Sections 16 to 27 as contained under Chapter 4 of the MFMA as well as National Treasury Circulars 28 and 41 issued in line with the MFMA.
3. The Annual Budget must be divided into a Capital and Operating Budget in accordance with international best practice and must be a schedule in a prescribed format:
 - setting out realistically anticipated revenue for the budget year from each source.
 - appropriating expenditure for the budget years under the different votes of the Council.
 - setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year.
 - setting out estimated revenue and expenditure by vote for the current year and actual revenue and expenditure by vote for the financial year preceding the current year.
 - as a statement containing any other information required by Section 215(3) of the Constitution or as may be prescribed.
4. The Annual Budget may only be funded from:
 - Realistically anticipated revenues to be collected.
 - Cash backed accumulated funds from previous year's surpluses not committed for other purposes.
 - Borrowed funds, but only for the Capital Budget referred to in Section 17 of the MFMA.
5. The Tabled Annual Budget herewith presented is a credible budget:
 - that funds only activities which are consistent with the revised IDP.

- that contains revenue and expenditure projections that are consistent with current and past performance.
 - that ensures that the financial position is maintained and obligations over the short, medium and long term are met.
 - that ensures the service delivery and performance targets are met.
6. The Tabled Annual Budget consists of four (4) main annexures each consisting of documentation prescribed by legislation:

6.1 **ANNEXURE A**

This annexure contains the draft resolutions to be approved by Council inclusive of the following:

6.1.1 Recommendation on approving the Annual Budget of Council as reflected in the following schedules:

- (i) **Schedule 1 - Operating Revenue by Source**
- (ii) **Schedule 2 - Operating Revenue by Vote**
- (iii) **Schedule 3 - Operating Expenditure by Vote**
- (iv) **Schedule 4 - Capital Expenditure by Programme**
- (v) **Schedule 5 - Capital Expenditure by Vote**
- (vi) **Schedule 6 - Capital Funding by Source**

6.1.2 Recommendation on the imposing of assessment rates and setting tariffs and charges for the various services of the 2007/2008 financial year as reflected under **Schedule 7 – Proposed Rates and Tariffs.**

6.1.3 Recommendation on the proposed sundry tariffs for the various services of the 2007/2008 financial year as reflected under **Schedule 8 – Proposed Sundry Tariffs.**

6.1.4 Recommendation on additional personnel posts, unfreezing of existing posts, temporary posts and upgrading of existing posts as reflected under **Schedule 9 – Proposed New Posts.**

6.1.5 Recommendations on budget related policies.

6.1.6 Recommendation on the imposing of rental for sub-economic accommodation.

6.1.7 Recommendation on the measurable performance objectives for revenue from each source.

6.1.8 Recommendation to obtain an External Loan Facility that covers recommended capital expenditure as per the Multi-Year Annual Budget for the 2007/2008 to 2009/2010 financial years.

6.2 **ANNEXURE B**

This annexure reflects Budget Schedules (Operating and Capital) and Budget-Related Charts with explanatory notes as follows:

6.2.1 **Schedule 1 – Operating Revenue by Source**

The proposed Budget provides for total operating revenue for the 2007/2008 financial year of R443,1-million, for the 2008/2009 financial year R467,3-million and for the 2009/2010 financial year R491,1-million.

The revenue sources of the municipality comprise primarily revenue from property rates, service charges and government grants and subsidies.

Operating Revenue from property rates escalate by 9,94% service charges escalate by 5,84% and government grants and subsidies with 9,87%.

Revenue by Source is graphically presented in:

Chart 1 - Operating Revenue by Major Source

Chart 2 - Other Revenue

and

Schedule 2 reflects the Operating Revenue by Vote.

6.2.2 **Schedule 3 – Operating Expenditure (Opex) by Vote**

The Operating Budget provides for the total operating expenditure for the 2007/2008 financial year of R403,8-million, the 2008/2009 financial year of R432,1-million and R462,7-million for the 2009/2010 financial year which represents overall escalation of 7,17%, 6,97% and 7,11% respectively.

The main votes which contribute to operating expenditure are Electricity at R110,3-million, Finance and Administration at R78,3-million, Roads and Transport at R40,6-million, the other trading services at R66,4-million and the remaining votes at R108,2-million.

Operating Expenditure by Vote is graphically presented in:

Chart 3 - Operating Expenditure by Main Vote

Chart 4 - Other Operating Expenditure

Supporting Table 1 provides for operating expenditure by type. As far as possible the budget guidelines as per the Council's Financial Strategy Framework contained in the IDP were taken into consideration with the compilation of the Budget.

The following is a summary on how the specific elements weigh up to these guidelines and is also graphically presented in **Chart 5**.

	2007/2008		2009/2009		2009/2010	
	R / M	%	R / M	%	R / M	%
Employee Related Costs	142,3	35,2%	150,8	34,9%	159,9	34,6%
Remuneration of Councillors	9,3	2,3%	9,9	2,3%	10,5	2,3%
Repairs and Maintenance	24,6	6,1%	25,8	6,0%	28,1	6,1%
Capital Cost	75,7	18,7%	84,5	19,6%	95,3	20,6%
Bulk Purchases	74,5	18,4%	80,7	18,7%	86,5	18,7%
General Expenditure	64,5	16,0%	62,8	14,5%	64,5	13,9%
Other	12,9	3,2%	17,6	4,1%	17,9	3,9%
TOTAL	403,8		432,1		462,7	

6.2.3 Schedule 4 & 5 – Capital Expenditure per Programme and by Vote

Capital Budgets are still mared by slow spending and stop start spending due to the approval of individual capital projects for one financial year. A further contributing factor is that funding is secured for only one financial year at a time.

To address these concerns it is recommended that Council adopt a multi-year capital budget for a period of three years per capital programme as identified in the Integrated Development Plan.

The recent upswing in residential property development, planned investment in high, middle and low income housing, the planned development of a large shopping mall and surrounding business area as well as a demand for industrial premises have caused the bulk infrastructure networks to suddenly reach their peak levels which necessitates extension and upgrading. Such huge investment can only be undertaken if it caters for adequacy over a number of years. The tabled Multi-Year Budget allows for this expenditure to be undertaken over the three-year period under review and contains major capital outlay.

Total capital expenditure increases with another 11,54% from the previous financial year from R166,8-million to R186,1-million, for the 2007/2008 financial year to R193,2-million for the 2008/2009 financial year, and returns to the level of R155,1-million for the 2009/2010 financial year.

Capital Expenditure by Vote is graphically presented in:

Chart 6 - Capital Expenditure by Main Vote

Chart 7 - Capital Expenditure by Sub-Vote

Supporting Table 2 further indicates Capital Expenditure broken down by Asset Category and is graphically presented in **Chart 8**, which is self-explanatory.

6.2.4 Schedule 6 – Capital Funding by Source

The available funding from Council's own internal cash backed reserves were carefully assessed to supplement the required upgradings. Taking government grants into consideration insufficient funding is available for the proposed Capital Budget. Therefore a new external loan facility to the amount of R105-million will have to be obtained for the financing of capital expenditure over the multi-year period of three years and a further R65-million for special ad hoc projects for bulk infrastructure.

The Medium Term Revenue and Expenditure Framework (MTREF) fully provides for the capital cost for the envisaged external funding.

Schedule 6 contains a High Level Summary of the Sources of Funding and is graphical presented in **Chart 9**.

The mayor projects planned for the next three years are as follows:

- **Funded from own cash backed reserves**

	2007/2008	2008/2009	2009/2010
New Substation Aerorand	3 750 000	27 000 000	19 000 000
Upgrade Gholfsig Supply Area	6 300 000	6 000 000	6 400 000
Upgrade Notification maximum demand from Eskom	10 000 000	-	5 000 000
Erection of new Banquet Hall	30 000 000	12 000 000	-
Bulk water industrial area	-	5 000 000	4 500 000
TOTAL	R50 050 000	R50 000 000	R34 900 000

- **Additional Ad hoc External Funding**

	2007/2008	2008/2009	2009/2010
Main Water Hendrina	12 000 000	-	-
Upgrading Middelburg water works	-	14 500 000	14 000 000
New substation Nasaret	4 005 000	13 250 000	1 186 000
Upgrade Verdoorn Supply Area	480 000	3 700 000	-
Upgrade Lang Supply Area	-	2 100 000	-
Upgrade Sipres Supply area	-	3 400 000	-
TOTAL	R16 485 000	R36 450 000	R15 186 000

In summary this means that the planned capital expenditure over the next three years from own internal reserves will amount to R261,4-million and from external funding R165-million. The undertaking of this huge investment can only be possible if the Council's cash position can remain secured through a payment rate in excess of 98% and administrative stability.

6.2.5 **Schedule 7 – Proposed Rates and Tariffs**

Schedule 7 indicates the comparison of existing rates and service tariffs for the 2006/2007 financial year with those proposed for the 2007/2008 financial year.

For the Budget to at least break even, additional revenue by means of proposed rates and tariff adjustments of R19,1-million had to be sought. The proposed tariff adjustments are contained in the Draft Resolution and represents:

- an overall increase in assessment rates of 8,9%.
- an average increase in the sewerage tariff of 7,5%.
- an increase in refuse tariff of 9,25%.
- an increase in water tariffs of 6%.
- an increase in electricity tariffs of 5,6%.

The existing relief to registered indigent residential consumers is also recommended for the coming year and the related counter funding for the income foregone is again recovered from the Equitable Share.

The increased tariffs are proposed to come into effect as from 1 July 2007.

Supporting Table 14 provides details on the influence of the proposed tariff increases on selected consumer accounts.

The average on these accounts is as follows:

Middelburg/Mhluzi	6,65%
Hendrina/Kwazamokuhle	6,92%
Pullenshope/Rietkuil and Komati	7,96%
Businesses and Industries	7,3%
Schools	6,55%

6.2.6 Schedule 8 – Proposed Sundry Tariffs

Schedule 8 contains the proposed adjustment of sundry tariffs levied by Council for various auxiliary services that are fully or partially cost recovering. It reflects the existing tariffs for the 2006/2007 financial year and the proposed tariffs for the 2007/2008 financial year.

Sundry tariffs are determined by either the actual cost plus a surcharge, being subsidized from other services' income or serving as penalty/discouraging measure.

Rental at Council's accommodation for single and married couple pensioners at the Rivierpark and Vergeet-My-Nie complexes is levied at total sub-economic rates as had previously been prescribed by the defunct housing codes. The Supply Chain Regulations however prescribe that economical market related rental be paid but Section 14 of the MFMA allows rebate to such rental based on the community value of it.

The market related rental at Rivierpark flats for married couples is R1 200,00 per month. It is however recommended that because the accommodation is meant for pensioners only, a rebate of 80% should eventually apply after rental increases over a period of two (2) years be phased in, in the following manner until the proposed discounted rental is reached:

Present Rental	Market Related Rental	Rental 2006/2007 Increased @ 10%	Rental 2007/2008 Increased @ 15%	Rental 2008/2009 Increased @ 20%
R85,00 per month	R1 200,00 per month	R120,00	R180,00	R240,00

The market related rental for Vergeet-My-Nie flats is R700,00 per month and it is recommended that the same principle of rebate as above should apply. There is however a disparity in the sub-economical rental of different units and two different rentals are being paid.

It is therefore recommended that there be dealt with the two categories as follows:

Present Rental	Market Related Rental	Rental 2006/2007	Rental 2007/2008	Rental 2008/2009
R70,00 per month	R700,00 per month	R105,00	R120,00	R140,00
R125,00 per month	R700,00 per month	R140,00	R140,00	R140,00

6.2.7 Schedule 9 – Proposed New Personnel Posts

A total of 62 new posts will be created in the 2007/2008 financial year at a cost of R6,2-million which includes 11 new posts for the Licensing Services to implement the best practice model successfully.

6.3 **ANNEXURE C**

This annexure consists of supporting tables and documentation that must accompany the Draft Annual Budget in terms of Section 17(3) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA):

6.3.1 Alignment of the tabled Budget with Integrated Development Plan

The vision of Council is to be one of the best local municipalities in the world in service delivery.

The Steve Tshwete Local Municipality is committed to the total wellbeing of all its citizens through:

- The rendering of affordable, accessible, efficient and quality services.
- The maximizing of infrastructural development through the utilization of all available resources.
- The implementation of effective systems and procedures.
- The creation of an enabling environment for local economic development.
- Effective co-operation with relevant stakeholders.

In Council's pursuit of its vision and mission the following seven (7) strategic goals were identified from the twenty three (23) priority issues:

- (i) Poverty alleviation
- (ii) Cost-effective and sustainable services
- (iii) Financial viability

- (iv) Economic growth and development
- (v) Good corporate governance
- (vi) Good co-operative governance
- (vii) Integrated environmental, social and economic spatial planning.

The following supporting tables provide a high level linkage of the IDP with the tabled Budget containing the seven (7) strategic objectives with priority issues:

Supporting Table 3 - Reconciliation of IDP with Budgeted Operating Revenue

Supporting Table 4 - Reconciliation of IDP with Budgeted Operating Expenditure

Supporting Table 5 - Reconciliation of IDP with Budgeted Capital Expenditure

6.3.2 Budget-related policies overview and amendments
MFMA Section 17(3)(e)

The following budget related policies were submitted with the 2006/2007 Budget.

Tariff Policy

The purpose of the Tariff Policy is to comply with the provision of Section 74 of the Local Government Municipal Systems Act, Act 32 of 2000. The Tariff Policy prescribes the procedures for calculating tariffs.

Assessment Rates Framework

This framework includes a summary of existing policy resolutions of Council on assessment rates to apply for various categories of rate payers as determined in line with the Local Government Rating Ordinance 11 of 1977. The formal Rates Policy will only be compiled to come into effect when a new combined valuation roll, to be done according to the Municipal Property Rates Act, Act 6 of 2004, takes effect.

Free Basic Services and Indigent Support Policy

The purpose of the policy is to provide access to and regulate free basic services to all indigent persons.

Credit Control and Debt Collection Policy

The objectives of this policy are to provide for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied and consumed according to the approved tariff structure.

Writing Off of Bad Debts

The vision of the policy is to ensure all long outstanding debt is evaluated and debtors are not overstated in the year-end statements. The policy aims to set down the principles for the implementation of the writing off of bad debts.

The detail of the above policies is not included in the Budget document. Hard copies will be made available on request and the policies will be placed on Council's official website. No amendments to the above policies are recommended.

Included under **ANNEXURE C** is the draft Budget Policy. The objectives of the Budget Policy are to set out the principles which must be followed in preparing a Medium Term Revenue and Expenditure Framework Budget and to ensure that the Budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

6.3.3 Budget assumptions

Budgets are prepared in an environment of uncertainty. To prepare a meaningful Budget, assumptions are made about internal and external factors that could influence the Annual Budget. The following table identifies the Key Budget Assumptions which have been used in the development of the 2007/2008 Budget:

Description	2007/2008	2008/2009	2009/2010
Interest rate on external financing	9,5%	9,5%	9,5%
Gross Domestic Products (GDP) Growth	5,2%	5,5%	5,8%
Growth in local economy	3%	3%	3%
Cost escalation (CPIX)	5,3%	5,5%	5%
General salary increase	6,75%	7%	6,5%
Average percentage : Revenue Collection Rate	98%	98%	98%
Provisions for Bad Debts	2%	2%	2%
National Treasury growth guideline	3-6%	3-6%	3-6%

6.3.4 Particulars of external investments
MFMA, Section 17(3)(f)

External investments of all surplus funds are done in accordance with the Council's policy on the Investment of Surplus Funds as approved and adopted under item C23/11/2005.

Supporting Table 6 provides detail on Council's existing and projected investments. Projected short term investments as at 30 June 2007 amounts to R250-million and long term investments to R11,6-million. As a result of the capital outlay on bulk infrastructure investments will decrease to approximately R75-million in the 2009/2010 financial year.

6.3.5 Disclosure on government grants & subsidies

All national allocations to local government are published in the Division of Revenue Act, 2006 per municipality for the next three (3) years, whilst provincial allocations form part of the Provincial Budgets.

Supporting Table 7 provides detail on National and Provincial Grant allocations. For the 2007/2008 financial year the following grants are allocated:

Equitable Share	R 36 445 000
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This grant is an unconditional grant and is partially utilized for the provision of Free Basic Services through Council's Indigent Support and Free Basic Services Policy.

Finance Management Grant	R 500 000
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To promote and support reform to financial management on the implementation of the MFMA and the new Accounting Standards.

Municipal Infrastructure Grant	R 12 726 000
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To supplement Capital Budgets to eradicate backlogs in municipal infrastructure in providing basic services for the benefit of poor households.

Integrated National Electricity Grant	R 2 079 000
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To address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.

Municipal Systems Improvement Grant	R	734 000
To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems with focus areas on local economic development, financial viability, performance management and skills development as well as good governance through ward committee systems and promotion of public participation.		
Provincial Health Subsidy	R	5 387 630
To provide a subsidy to manage primary health care services.		
Total		R 57 871 630

6.3.6 New borrowing

In terms of the MFMA a municipality may incur long term debt but only with the purpose to fund capital expenditure on property, plant and equipment necessary to achieve the objects of local government as set out in section 152 of the Constitution.

As mentioned earlier in this report an external loan facility of approximately R170-million will be required to fund infrastructure in the Capital Budget over the next three years.

Supporting Table 8 provides details of Council's existing external loans and loans anticipated to fund the Capital Budget.

6.3.7 Disclosure on allocations made by the municipality MFMA, Section 17(3)(j)

Supporting Table 9 provides detail on allocations made by Council to other organizations in terms of the conditions of the Grants-in-Aid Policy and specific Council resolutions.

The total amount granted to other organizations amounts to R1,2-million for the 2007/2008 financial year which represents 0,30% of the total operating expenditure.

6.3.8 Disclosure on salaries, allowances and benefits MFMA, Section 17(3)(k)

Supporting Table 10 provides the proposed cost to Council on salaries, allowances and benefits for:

- Each political office bearer of Council

- Councillors of the Municipality
- Municipal Manager
- Managers reporting directly to Municipal Manager.

Remuneration for councillors and senior managers constitutes 9,28% of the total Salary Budget.

Supporting Table 11 provides a summary of total salaries, wages and allowances to personnel.

Employee Related Cost increases with 13,27% and includes new posts which constitute an increase of 4,8%.

Supporting Table 12 provides detail on the personnel complement.

6.3.9 Measurable performance objectives for revenue from each source and for each vote in the Budget
MFMA, Section 17(3)(b)

It is recommended that the following Key Performance Indicators as contained in the IDP be utilized for the measurable performance objectives:

	<u>Current Ratios</u>
▪ The percentage of debtors to revenue ratio be maintained at below 15%	7,95%
▪ The revenue collection rate be maintained at above 95%	98,5%
▪ To ensure that the debtors return remain under 45 days	28,8 days

6.3.10 Projected cash flow for the Budget year
MFMA, Section 17(3)(c)

Supporting Table 13 provides detail on monthly projected cash flow by revenue source and other cash receipts as well as expenditure by type and other cash payments.

It is foreseen that Council's cash will remain sound, mainly as a result of strong operating performance and high collection rates. The projected cash balance for 30 June 2008 amounts to R20 112 000.

6.4 **ANNEXURE D**

This annexure reflects the operational and detailed capital plans in line with the IDP for the various votes.

It is recommended that the above report together with the Draft Annual Budget and its annexures be considered for tabling at Council for the purpose of public scrutiny and inputs.



F.J. NAUDÉ (A.I.A.C.; F.I.M.F.O.)
MANAGER : FINANCE

ANNEXURE A

DRAFT RESOLUTION ON THE APPROVAL OF THE ANNUAL BUDGET FOR CAPITAL AND OPERATING EXPENDITURE FOR THE 2007/2008, 2008/2009 AND 2009/2010 FINANCIAL YEARS

RECOMMENDED TO RESOLVE

1. **THAT** the Multi Year Annual Budget of Capital and Operating Expenditure for 2007/2008 and the indicated two outer year of 2008/2009 and 2009/2010 tabled for public scrutiny and input be approved as set out by the following schedules:

1.1	Operating Revenue by Source	reflected in	Schedule 1
1.2	Operating Revenue by Vote	reflected in	Schedule 2
1.3	Operating Expenditure by Vote	reflected in	Schedule 3
1.4	Capital Expenditure by Programme	reflected in	Schedule 4
1.5	Capital Expenditure by Vote	reflected in	Schedule 5
1.6	Capital Funding by Source	reflected in	Schedule 6

2. **THAT** it be noted that depreciation of all assets acquired from both the Capital Replacement Reserve (CRR) and the External Financing Fund be done in terms of the GRAP Accounting Principles over their economic life-span and that such depreciation form part of the Expenditure Budget.

3. **THAT** the levies on issues from the stores be maintained at 15% on all issues with the maximum of R800,00 per single requisition and the levy per official order be left at R15,00.

4. **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 Absa as applicable to the bank account of the Council from time to time, as prescribed by the Development Bank of Southern Africa.

5. **THAT**, as prescribed by Section 89(2) of the Municipal Property Rates Act, Act 6 of 2004, there still in terms of the provisions of Section 21(3) of the Local Government Rating Ordinance, Ordinance 11 of 1977, as amended, differentiated assessment rates for the different areas within the municipal area as mentioned below, be levied on the site value of all land or right of land subjected to assessment rates, for the financial year 1 July 2007 to 30 June 2008, provided that the rebates as indicated for each area on the assessment rates hereby levied, be applied:

- 5.1 Middelburg, including the original Middelburg, Mhluzi, Eastdene and Nasaret areas and the Blinkpan and Koornfontein Villages

A general assessment rate of 22,32 cent in the Rand subjected to the following rebates:

- 5.1.1 In terms of Section 21(4) of the Ordinance

- 5.1.1.1 A rebate of 8,04 cent in the Rand regarding property zoned in terms of the Middelburg Town Planning Scheme for special residential purposes where the exclusive usage is not for any other purpose.

- 5.1.1.2 A rebate of 8,04 cent in the Rand regarding all property zoned for business purposes in terms of the Middelburg Town Planning Scheme, but which are exclusively used for special residential or general residential purposes.
- 5.1.1.3 A rebate of 18,96 cent in the Rand (85%) allowed for all property where a single property becomes divided (through subdivision or township establishment) into 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.
- 5.1.2 A rebate of 4,44 cent in the Rand (20%) allowed for all non-residential properties belonging to the government and which can still qualify therefore.
- 5.1.3 In terms of Section 21(4) of the Ordinance, a rebate of 8,04 cent in the Rand regarding properties of pensioners zoned for special residential purposes in terms of the Middelburg Town Planning Scheme, plus a further 2,88 cent in the Rand in terms of section 32(1)(b) of the ordinance, subjected to the following conditions:
 - 5.1.3.1 That the combined income of the landowner and his/her spouse does not exceed R46 500 per annum.
 - 5.1.3.2 That the property is occupied by the owner; and
 - 5.1.3.3 That only owners over the age of 60 years or being the breadwinner and totally dependent on a social disability pension or any other pension comparable to social disability pension, come into consideration for the rebate.
 - 5.1.3.4 That the rebate of 8,04 cent in the Rand (36%) on assessment rates referred to in paragraphs 5.1.1.1 and 5.1.1.2 above, which in terms of the Rates Ordinance, 1977, is not subjected to the Premiers' approval, be motivated as follows:

“The last three (3) quadrennial general valuations (1991, 1995 and 1999) have indicated that the value of residential properties has increased more rapidly than business premises because of the fact that the Council, as the only marketer of erven in new townships, has to adjust its prices regularly to cover development costs. The value of such properties is therefore the prices determined by Council whilst in the case of business properties, normal market forces are applicable.”

5.2 Hendrina, including the Hendrina and Kwazamokuhle townships

A general assessment rate of 41,76 cent in the Rand subjected to the following rebates:

5.2.1 A rebate of 8,28 cent in the Rand (20%) for all non-residential properties belonging to the government and which can still qualify therefore.

5.2.2 In terms of section 32(1)(b) of the Ordinance a discount of 8,28 cent in the Rand (20%) regarding properties of pensioners zoned for special residential purposes subjected to the following conditions:

5.2.2.1 That the combined income of the landowner and his/her spouse does not exceed R46 500 per annum;

5.2.2.2 That the property is occupied by the owner;

5.2.2.3 That only owners over the age of 60 years or being the breadwinner and totally dependent on a social disability pension or any other pension comparable to social disability pension, come into consideration for the rebate.

5.3 Pullenshope Village

A general assessment rate of 70,08 cent in the Rand.

5.4 Rietkuil Village

A general assessment rate of 50,16 cent in the Rand.

5.5 Komati Village

A general assessment rate of 118,08 cent in the Rand.

5.6 Presidentsrus Village

A general assessment rate of 2,124 cent in the Rand.

5.7 Kranspoort Village

A general assessment rate of 1,20 cent in the Rand.

5.8 Rateable property in the rural area previously controlled by the Middelburg Representative Council for properties used solely or partly for the operation of business

A general assessment rate on site value of 4,08 cent in the Rand and a general assessment rate on improvement value of 0,36 cent in the Rand.

5.9 That for all non-residential properties belonging to the government and which can still qualify for it, a 20% rebate be allowed in the following townships:

5.9.1	Pullenshope Village	-	14,04 cent in the Rand
5.9.2	Rietkuil Village	-	9,96 cent in the Rand
5.9.3	Komati Village	-	23,64 cent in the Rand

5.10 That in terms of Section 32(1)(b) of the Ordinance a discount of 20% be allowed for the pensioners in the following townships as indicated:

5.10.1	Pullenshope Village	-	14,04 cent in the Rand
5.10.2	Rietkuil Village	-	9,96 cent in the Rand
5.10.3	Komati Village	-	23,64 cent in the Rand
5.10.4	Presidentsrus	-	0,44 cent in the Rand
5.10.5	Kranspoort Village	-	0,24 cent in the Rand

5.11 That the additional rebate for areas with developments of RDP houses be determined as 60% on payable assessment rates and it be funded from the proportional Equitable Share payable to Council by the South African National Treasury and that the areas with RDP developments be identified as the residential properties in the following townships:

Mhluzi Extension 2, Phase 2
Mhluzi Extension 4
Mhluzi Extension 5
Mhluzi Extension 6
Mhluzi Extension 7
Mhluzi Extension 8
Kwazamokuhle Extension 4
Kwazamokuhle Extension 6
Tokologo – all extensions
Middelburg Extension 24

5.12 That for indigent households enlisted under the Council's Indigent Support and Free Basic Services Scheme assessment rates be fully discounted and the expenditure be recovered from the proportional Equitable Share payable to the Council by the South African National Treasury.

5.13 That all assessment rates as per paragraphs 5.1 to 5.12 above be subjected to Value Added Tax at a zero rate.

5.14 That the assessment rates levied in terms of paragraph 5.1 to 5.12 above, be owing and payable on 1 October 2007, but for the convenience of the rate payers can be paid in equal monthly instalments over twelve (12) months commencing 1 July 2007 and that interest on such rates in terms of section 27(2) of the Ordinance on Assessment Rates for Local Governments, 1977, as amended, be levied on all assessment rates not paid at the due date or in regular monthly instalments.

5.15 That application be made to the MEC for Local Government, Mpumalanga, for the extension of the expired valuation rolls for the various areas of the municipality.

6. **THAT** the departmental levy on sewerage be determined at R1,40 cent per kilolitre of measured sewerage water effluent.

7. **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 2007:

7.1 That all levies for drainage and sewerage as per paragraphs 7.2 below be subjected to Value Added Tax at full rate.

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

7.2.1 Monthly levy for developed residential erven:

(a) with a total area of up to 995m² R 35,42

(b) with a total area exceeding 995m²
up to 1500m² R 77,35

(c) with a total area exceeding 1500m² R102,45

7.2.2 Monthly levy on flats

Per residential unit R 51,45

7.2.3 Monthly levy on all church erven

R102,45

7.2.4 Business and Industries

R2,90 per kilolitre metered pure water consumption per month.

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

An availability levy of R8,82 per erf per month.

7.2.6 Agricultural societies and sport clubs not accommodated at the central sports grounds

R2,47 per kilolitre of metered purified water consumption per month.

7.2.7 Military basis, road camps and other similar properties

R2,90 per kilolitre of metered purified water consumption per month.

7.2.8 Industries and businesses where a great extent of the water consumption in the opinion of the Council be taken up in the final product

R1,18 cents per kilolitre of the metered purified water consumption per month.

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

Monthly levies as follows:

(a) Hospitals

R102,45 for each three (3) beds or portion, continuously available and R102,45 for each ten (10) personnel or portion, residential or not.

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

R29,58 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:

R48,27 for each five (5) persons or portion thereof.

(d) Vergeet-My-Nie Flats

R23,97 per flat per month.

(e) Formalized informal housing settlements with access to biological toilets per stand:

R17,00 per month.

7.3 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 formalized informal housing settlements in Newtown and Doornkop, 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.

8. **THAT** the fees for the removal of solid waste (refuse) 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 2006:

8.1 That the fees for the removal of solid waste as per paragraphs 8.2 to 8.6 below be subjected to Value Added Tax at the standard rate.

8.2 Annexure : Tariff of charges

8.2.1 Section 1(1) occasional service

For a daily service per day per refuse bin R15,13.

8.2.2 Housing refuse

Erven up to 995m² and erven exceeding 995m²

By substitution under item 1(1):

the amount of R37,05 with R40,48 and R53,00 by R57,90.

8.2.3 Flats

By substitution under item 1(2)(b)(i):

the amount of R47,60 with R52,00.

8.2.4 Businesses: 1,1m³ mass container

By substitution under item 1(2)(b)(iii):

the amount of R1335,80 with R1459,35.

8.2.5 Businesses: Bins

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

the amount of R127,95 with R139,80.

8.2.6 Businesses: 1,50m³ mass containers

By substitution under item 1(3)(b):

the amount of R1335,80 with R1459,35.

8.2.7 Businesses: 1,75m³ mass containers

By substitution under item 1(3)(c):

the amount of R1663,40 with R1817,25.

8.3 That the tariff for removal of solid waste (refuse) from the Vergeet-My-Nie flats be increased from R18,05 per flat to R19,72 per flat per month.

8.4 That formalised informal housing settlements in Newtown and Doornkop with access to limited municipal services under 1(2)(b)(v) by substitution R16,00 per stand per month with R17,50 per stand per month.

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

per refuse bin	R 45,35
per mass container	R744,00

8.6 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 in Newtown and Doornkop the levy in full be recovered from the proportional Equitable Share payable to Council by the South African National Treasury.

9. **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 2007:

- 9.1 That the fees for water supply as per paragraphs 9.2 below be subjected to Value Added Tax at standard rate.
- 9.2 By replacing the present tariffs by the following tariff structure:
- 9.2.1 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) kiloliters | Free |
| Above six (6) to ten (10) kiloliters | R2,75 per kl |
| Above ten (10) to forty (40) kiloliters | R3,60 per kl |
| Above forty (40) kiloliters | R3,82 per kl |
- (b) Erven without working water meters which are developed and occupied:
- A monthly fixed levy of R11,02 per erf per month.
- 9.2.2 All undeveloped erven with access to the reticulation network
- An availability levy of R8,75 per month.
- 9.2.3 All Businesses and Industries, School and School Hostel sites (including nursery schools and day schools)
- All monthly metered consumption of purified water at R2,85 per kilolitre.
- 9.2.4 Supply of raw water in all cases
- Per metered monthly consumption at R2,72 per kilolitre.
- 9.2.5 Purified water outside Council's distribution areas
- According to monthly metered consumption at R3,87 per kilolitre.
- 9.2.6 That the departmental levy for purified water be determined at R1,08 per kilolitre.
- 9.2.7 That the levy for purified effluent be determined at 75 cent per kilolitre.
- 9.3 That for all indigent residential households enlisted under the Council's Indigent Support and Free Basic Services Scheme an additional four (4) kiloliters besides the first six (6) kiloliters of monthly consumption to a total of 10 kiloliters of monthly consumption be supplied free of charge and the total cost of the consumption between six (6) and up to ten (10) kiloliters be recovered from the proportional Equitable Share payable to Council by the South African National Treasury.

10. **THAT** the electricity tariffs for the 2007/2008 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 2007:

10.1 That the fees levied for electricity as per paragraphs 10.2 to 10.6 and paragraphs 10.9 below be subjected to Value Added Tax at the standard rate.

10.2 Domestic consumers

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

(i) Group	(ii) Type of Supply		(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt-hour (Unit)
	No of Phases	Current limit in amperes per phase	R	c
(a)	1	40	-	41,64
(b)	1	40	3,90	20,61
(c)	1	50	3,90	20,61
(d)	1	60	4,27	20,61
(e)	1	70	4,80	20,61
(f)	1	80	4,80	20,61
(g)	3	20	4,27	20,61
(h)	3	30	4,80	20,61
(i)	3	40	5,70	20,61
(j)	3	50	5,70	20,61
(k)	3	60	5,70	20,61
(l)	3	70	5,70	20,61
(m)	3	80	5,70	20,61

10.3 Commercial, industrial and general consumers

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

(i) Group	(ii) Type of Supply		(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt-hour (Unit)
	No of Phases	Current limit in amperes per phase	R	C
(a)	1	40	-	41,64
(b)	1	40	5,70	20,61
(c)	1	50	5,70	20,61
(d)	1	60	5,70	20,61
(e)	1	70	5,70	20,61
(f)	1	80	5,70	20,61
(g)	3	20	5,70	20,61
(h)	3	30	5,70	20,61
(i)	3	40	5,70	20,61
(j)	3	50	5,70	20,61
(k)	3	60	5,70	20,61
(l)	3	70	5,70	20,61
(m)	3	80	5,70	20,61

10.4 Bulk Consumers

By implementing the following amendments:

By substitution under item 3(2):

the amount of R52,83 demand charge per kVa by R55,80; and a fixed charge of R342,00 per month per bulk consumer per supply point by R361,00 per month; and 17,18 cent energy per kWh by 18,15 cent.

10.5 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 pre-payment rate be recovered from the proportional Equitable Share payable to the Council by the South African National Treasury.

10.6 Temporary consumers by substitution of the schedule under item 5(2) by the following:

(i) Group	(ii) Type of Supply		(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt-hour (Unit)
	No of Phases	Current limit in amperes per phase	R	c
(a)	1	50	5,70	22,65
(b)	1	80	5,70	22,65
(c)	3	20	5,70	22,65
(d)	3	50	5,70	22,65
(e)	3	80	5,70	22,65

10.7 Street Light Supply

By substitution under item 6(2)(i):
the amount of R29,00 by R30,62 and

Under item 6(2)(ii):
the amount of R58,05 by R61,30.

10.8 Departmental Levies and Sport Clubs

By substitution under item 6(2)(i):
the amount of 36,25c/kWh by 38,28c/kWh

10.9 Availability Levy

By substitution under item 6(2)(i):
the amount of R11,40 by R12,05.

11. **THAT** the revised electricity tariffs as per paragraph 10 above be presented to the National Electricity Regulator for approval.
12. **THAT** the adjusted sundry tariffs, Value Added Tax inclusive, as reflected in the comments of the various Heads of Departments under **Schedule 8** be approved for implementation with effect from 1 July 2007.
13. **THAT** the following rental for sub-economic accommodation for aged people at the be approved with effect from 1 July 2007:

13.1 Vergeet-My-Nie Flats

Market related rental of R700,00 per month subjected to an 80% rebate to be phased in over the duration of the Multi-year budget as follows:

Present Rental	Rental 2007/2008	Rental 2008/2009	Rental 2009/2010
R105,00	R115,00	R130,00	R140,00
R140,00	R140,00	R140,00	R140,00

13.2 Riverpark Flats

Market related rental of R1 200,00 per month subjected to rebate to be phased out from 90% to 80% over the duration of the Multi-Year Budget as follows:

Rental 2007/2008	Rental 2008/2009	Rental 2009/2010
@10% Rebate	@15% Rebate	@20% Rebate
R120,00	R180,00	R240,00

14. **THAT** the additional personnel posts, unfreezing of existing posts, temporary posts and upgrading of existing posts as set out in **Schedule 9** be approved as recommended.
15. **THAT** with effect from 30 June 2007 an External Loan Facility that covers recommended capital expenditure as per the Multi-Year Annual Budget for 2007/2008 to 2009/2010 financial years for a total amount of R105-million to be drawn down per annum as expenditure prescribes, be obtained.
16. **THAT** the tabled budget according to Chapter 4 of the Local Government Municipal Finance Management Act, Act 56 of 2003, with effect from 2 April 2007 be laid open for public inspection and input at the libraries, main offices and Hendrina satellite offices of the municipality for a period of 30 calendar days.
17. **THAT** the tabled budget accordingly be presented for input to the Mpumalanga Department of Finance and National Treasury in the formats as prescribed.

18. **THAT** the measurable performance objectives for revenue from each source reflected in under point 6.3.9 be approved for the 2007/2008 budget year.
19. That the following policy amendment and draft policy be approved for the 2007/2008 financial year:
 - 19.1 Policy on Transport and Subsistence Allowances payable to councillors and officials.

Approve amendments to amounts reflected under paragraph 4.1.4 as follows:

If a delegate is required to stay overnight in a hotel/guest house, a maximum of R950,00 for bed and breakfast will be paid directly to the hotel/guest house. (Arrangements with a hotel/guest house with regard to accommodation (bed and breakfast) must be made prior to the delegate's departure in order that a cheque can be made out to the specific hotel).

For other meals a maximum of R150,00 will be paid directly to the delegate on submission of proof of expenditure. The amounts referred to in this paragraph can be exceeded in exceptional circumstances only subject to the approval of the Municipal Manager in respect of officials and the Executive Mayor in respect of a councillor providing the amount does not exceed the amount of R1 800,00 determined per Council resolution M34/07/2006.
 - 19.2 Budget Policy as per **Annexure C**.
20. **THAT** the Tabled Annual Budget be considered with the public inputs for final approval before end May 2007.

ANNEXURE B

SCHEDULE 1 REVENUE BY SOURCE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
					Budget E	Budget F	Budget G
<u>Operating Revenue by Source</u>							
Property rates	75,235,438	85,210,738	86,816,047	86,816,047	95,449,013	101,115,748	104,269,873
Service charges: - Electricity revenue from tariff billings	108,269,250	111,692,583	113,359,780	113,359,780	124,542,979	134,113,968	141,182,000
- Water revenue from tariff billings	26,702,547	28,321,835	32,509,951	32,509,951	31,308,982	32,879,926	34,371,761
- Sanitation revenue from tariff billings	16,797,386	17,671,023	17,472,539	17,472,539	18,471,382	19,293,433	19,032,096
- Refuse removal from tariff billings	14,870,057	17,234,527	16,742,915	16,742,915	18,006,436	18,544,497	17,901,591
Rental of facilities and equipment	2,235,159	1,468,980	1,497,193	1,497,193	1,641,824	1,681,852	1,547,692
Interest earned - external investments	18,856,010	8,380,000	16,800,000	16,800,000	15,295,000	14,078,650	13,375,979
Interest earned - outstanding debtors	3,155,286	1,454,029	2,613,564	2,613,564	2,578,267	2,533,600	2,522,120
Fines	3,658,474	3,782,000	3,782,000	3,782,000	3,722,800	4,034,220	4,246,065
Licenses and permits	3,129,652	2,925,000	2,920,500	2,920,500	2,969,200	3,022,300	3,073,400
Income for agency services	4,015,425	3,850,000	4,150,000	4,150,000	4,200,000	4,250,000	4,350,000
Government grants & subsidies: Operating	31,254,575	37,276,080	38,804,000	38,804,000	44,671,630	49,710,010	62,986,280
Government grants & subsidies: Capital	49,399,588	34,818,200	33,851,200	33,851,200	35,155,000	36,493,000	35,966,000
Public contributions & donated or contributed PPE			0	0	0	0	0
Other Revenue: - Connection Fees	3,910,850	4,465,115	5,341,830	5,341,830	5,135,454	5,300,461	5,578,437
- Sale of Coal	16,740,611	13,230,000	19,910,000	19,910,000	19,580,000	19,580,000	19,580,000
- Sundry Income	2,990,746	1,688,900	1,954,505	1,954,505	2,125,960	2,178,585	2,225,400
- Store Fees	1,248,415	992,000	1,400,000	1,400,000	1,400,000	1,435,100	1,460,800
- Refund skills Development	751,513	550,000	550,000	550,000	562,600	595,900	631,195
- Town planning Fees	913,419	819,250	864,050	864,050	846,400	859,750	875,300
- Sale of Land	41,786,745		69,386,400	69,386,400	13,270,000	13,270,000	13,270,000
- Main Service Contributions	1,692,255		1,400,000	1,400,000	1,480,000	1,530,000	1,680,000
- Insurance			2,259,706	2,259,706	2,183,172	2,238,170	2,300,946
- Internal fees	6,741,318		0	0			
Gain on disposal of property plant and equipment	303,141	250,000	250,000	250,000	250,000	250,000	250,000
Total Revenue By Source	434,657,860	376,080,260	474,636,180	474,636,180	444,846,099	468,989,170	492,676,935

Column Definitions:

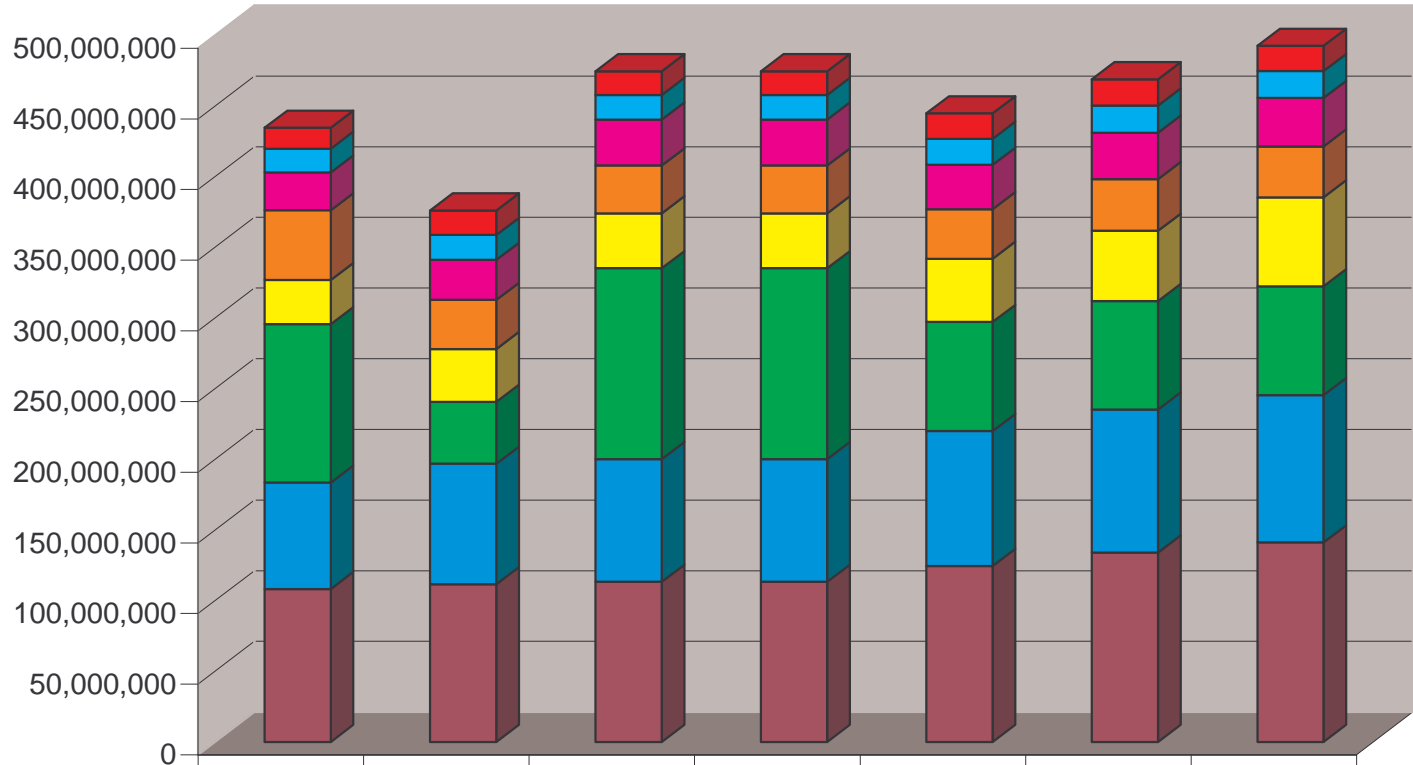
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- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The amount to be appropriated for the 2007/08 budget year.
- F. The indicative projection for 2008/09
- G. The indicative projection for 2009/10

SCHEDULE 2 OPERATING REVENUE BY VOTE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
					Budget E	Budget F	Budget G
Executive & Council (EX)	7,498,262	10,234,700	9,646,300	9,646,300	11,814,369	14,191,175	18,390,310
Finance & Admin: (FA)	170,863,490	121,191,988	213,758,083	213,758,083	166,621,225	173,250,268	176,885,487
- Other Admin	2,131,475	90,000	90,000	90,000	100,000	60,000	60,000
- Information Technology	5,970	2,500	7,500	7,500	7,500	7,500	7,500
- Human Resources	756,713	550,500	570,500	570,500	577,840	596,140	631,435
- Property Services	42,809,462	562,870	69,960,370	69,960,370	16,137,570	16,891,855	14,035,134
- Finance	125,159,870	119,986,118	143,129,713	143,129,713	149,798,315	155,694,773	162,151,418
Planning & Development (PD)	1,779,053	3,069,250	3,114,050	3,114,050	846,400	2,059,750	2,075,300
Health: (HL)	4,351,377	5,151,080	4,613,000	4,613,000	5,402,630	5,672,010	5,898,280
- Health Other	1,132	20,000	20,000	20,000	15,000	15,000	15,000
- Clinics	4,350,245	5,131,080	4,593,000	4,593,000	5,387,630	5,657,010	5,883,280
Community & Social Services: (CS)	478,692	962,100	984,000	984,000	1,710,600	2,469,000	479,300
- Libraries & Archives	80,189	78,100	83,500	83,500	85,600	88,800	92,000
- Community Halls & Facilities	62,170	57,000	65,000	65,000	1,320,000	73,200	76,800
- Cemeteries & Crematoriums	336,333	827,000	835,500	835,500	305,000	2,307,000	310,500
Housing (HS)	754,172	515,285	634,417	634,417	866,309	868,507	697,038
Public Safety: (PS)	4,520,673	3,897,100	3,760,600	3,760,600	3,740,600	4,051,675	4,261,600
- Fire Services	999,117	275,500	139,000	139,000	136,500	147,575	158,000
- Traffic	3,521,556	3,621,600	3,621,600	3,621,600	3,604,100	3,904,100	4,103,600
Sport and Recreation (PK)	4,844,049	399,785	924,601	924,601	445,785	462,650	475,600
Waste Management (WM)	20,595,590	21,313,462	21,645,475	21,645,475	25,085,386	25,337,207	26,722,621
Waste Water Management: (WW)	29,397,112	32,516,523	32,579,339	32,579,339	31,278,339	33,709,558	34,547,846
- Sewerage	29,397,112	32,516,523	32,579,339	32,579,339	31,278,339	33,709,558	34,547,846
- Public Toilets	0	0	0	0	0	0	0
Road Transport: (TP)	28,394,971	20,391,650	20,680,650	20,680,650	20,750,300	22,642,400	24,629,500
- Vehicle Licensing & Testing	7,186,346	6,816,500	7,115,500	7,115,500	7,214,200	7,317,300	7,468,400
- Roads & Stormwater	21,172,019	13,208,550	13,208,550	13,208,550	8,987,500	15,276,500	17,112,500
- Roads Other	36,606	366,600	356,600	356,600	4,548,600	48,600	48,600
Water: (Tw)	34,609,429	33,078,504	37,452,820	37,452,820	42,151,102	39,795,261	41,855,883
- Distribution	34,309,429	33,078,504	37,452,820	37,452,820	42,151,102	39,795,261	41,855,883
- Purification	300,000	0	0	0	0	0	0
Electricity: (ED)	126,570,990	123,358,833	124,842,845	124,842,845	134,133,054	144,480,709	155,758,170
- Distrubution	119,005,677	122,304,633	123,788,645	123,788,645	132,933,054	143,620,709	153,148,170
- Street Lightning	7,565,313	1,054,200	1,054,200	1,054,200	1,200,000	860,000	2,610,000
OPERATING REVENUE BY VOTE	434,657,860	376,080,260	474,636,180	474,636,180	444,846,099	468,990,170	492,676,935

Column Definitions:

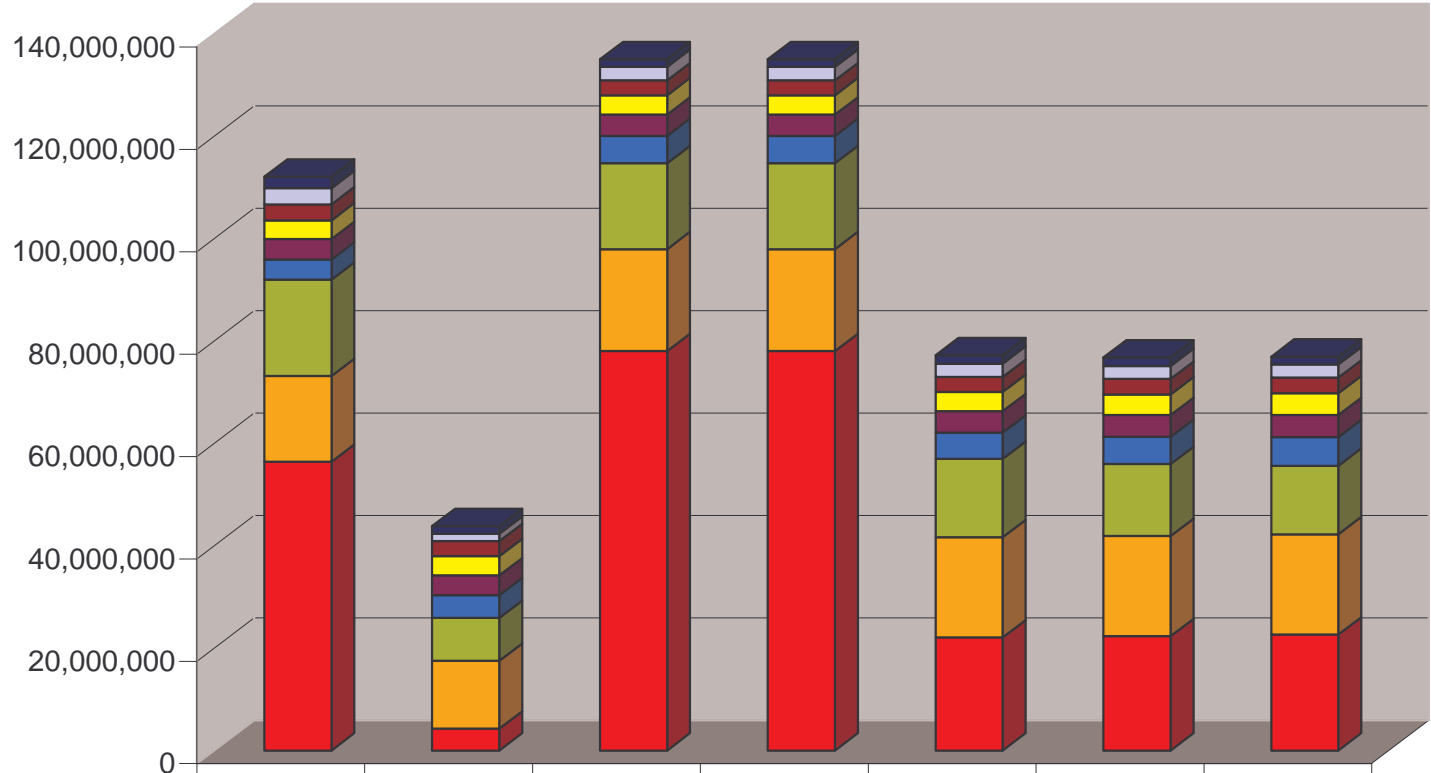
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- E. The amount to be appropriated for the 2007/08 budget year.
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- G. The indicative projection for 2009/10

CHART 1 - REVENUE BY MAJOR SOURCE



	05/06 Audited Actual	06/07 Original Budget	06/07 Adjusted Budget	06/07 Estimate Budget	07/08 Annual Budget	08/09 Projected	09/10 Projected
■ Refuse Tariffs	14,870,057	17,234,527	16,742,915	16,742,915	18,006,436	18,544,497	17,901,591
■ Sanitation Tariffs	16,797,386	17,671,023	17,472,539	17,472,539	18,471,382	19,293,433	19,032,096
■ Water tariffs	26,702,547	28,321,835	32,509,951	32,509,951	31,308,982	32,879,926	34,371,761
■ Grants & subsidies : Capital	49,399,588	34,818,200	33,851,200	33,851,200	35,155,000	36,493,000	35,966,000
■ Grants & subsidies : Operating	31,254,575	37,276,080	38,804,000	38,804,000	44,671,630	49,710,010	62,986,280
■ Other Revenue	112,129,019	43,855,274	135,079,748	135,079,748	77,240,677	76,838,588	76,967,334
■ Property rates	75,235,438	85,210,738	86,816,047	86,816,047	95,449,013	101,115,748	104,269,873
■ Electricity tariffs	108,269,250	111,692,583	113,359,780	113,359,780	124,542,979	134,113,968	141,182,000

CHART 2 - OTHER REVENUE



	05/06 Audited Actual	06/07 Original Budget	06/07 Adjusted Buget	06/07 Estimate Budget	07/08 Annual Budget	08/09 Projected	09/10 Projected
■ Rental of facilities and equipment	2,235,159	1,468,980	1,497,193	1,497,193	1,641,824	1,681,852	1,547,692
■ Interest earned - Outstanding debtors	3,155,286	1,454,029	2,613,564	2,613,564	2,578,267	2,533,600	2,522,120
■ Licenses and permits	3,129,652	2,925,000	2,920,500	2,920,500	2,969,200	3,022,300	3,073,400
■ Fines	3,658,474	3,782,000	3,782,000	3,782,000	3,722,800	4,034,220	4,246,065
■ Income from agency services	4,015,425	3,850,000	4,150,000	4,150,000	4,200,000	4,250,000	4,350,000
■ Connection fees	3,910,850	4,465,115	5,341,830	5,341,830	5,135,454	5,300,461	5,578,437
■ Interest earned - External investments	18,856,010	8,380,000	16,800,000	16,800,000	15,295,000	14,078,650	13,375,979
■ Sale of Coal	16,740,611	13,230,000	19,910,000	19,910,000	19,580,000	19,580,000	19,580,000
■ Sundry Income	56,427,552	4,300,150	78,064,661	78,064,661	22,118,132	22,357,505	22,693,641

SCHEDULE 3 OPERATING EXPENDITURE BY VOTE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
					Budget E	Budget F	Budget G
Executive & Council (EX)	21,398,143	28,514,328	28,179,491	28,179,491	27,253,357	28,874,004	30,517,034
Finance & Admin: (FA)	72,338,595	56,279,529	74,824,619	74,824,619	75,005,430	78,380,345	82,812,594
- Other Admin	11,461,541	12,851,808	13,635,912	13,635,912	18,166,608	19,091,633	20,005,458
- Information Technology	2,870,873	4,593,743	4,300,170	4,300,170	5,008,588	5,621,437	6,047,634
- Human Resources	3,291,887	4,222,557	4,217,271	4,217,271	4,328,722	4,377,619	4,605,995
- Property Services	33,867,010	10,788,547	20,917,419	20,917,419	15,856,000	16,319,522	17,660,917
- Finance	20,847,284	23,822,874	31,753,847	31,753,847	31,645,512	32,970,134	34,492,590
Planning & Development (PD)	4,493,805	6,216,585	6,393,458	6,393,458	6,173,645	6,810,338	7,084,464
Health: (HL)	9,941,103	11,123,370	11,397,327	11,397,327	13,366,605	14,111,476	14,726,911
- Health Other	8,339,422	9,088,386	9,323,069	9,323,069	11,231,515	11,799,731	12,377,208
- Clinics	1,601,681	2,034,984	2,074,258	2,074,258	2,135,090	2,311,745	2,349,703
Community & Social Services: (CS)	5,862,024	6,398,697	6,544,867	6,544,867	8,796,921	9,414,057	11,435,793
- Libraries & Archives	2,508,669	3,146,553	3,159,936	3,159,936	4,094,667	4,396,732	4,646,070
- Community Halls & Facilities	801,937	942,485	1,110,703	1,110,703	1,935,900	2,030,595	3,497,696
- Cemeteries & Crematoriums	2,551,418	2,309,659	2,274,228	2,274,228	2,766,354	2,986,730	3,292,027
Housing (HS)	3,330,133	4,014,302	4,252,861	4,252,861	5,332,078	5,609,618	5,891,514
Public Safety: (PS)	17,102,860	20,800,109	22,041,529	22,041,529	26,446,974	28,171,458	29,796,309
- Fire Services	7,454,654	9,100,596	10,223,954	10,223,954	12,308,792	13,137,689	13,838,655
- Traffic	9,648,206	11,699,513	11,817,575	11,817,575	14,138,182	15,033,769	15,957,654
Sport and Recreation (PK)	25,879,404	23,848,252	23,841,941	23,841,941	24,103,317	24,823,385	26,607,525
Waste Management (WM)	18,328,263	19,551,627	21,639,774	21,639,774	22,372,459	23,829,719	25,159,221
Waste Water Management: (WW)	16,099,523	17,253,311	18,630,950	18,630,950	19,478,590	20,833,965	22,104,994
- Sewerage	15,324,367	16,362,615	17,752,312	17,752,312	18,519,918	19,819,799	21,033,310
- Public Toilets	775,156	890,696	878,638	878,638	958,672	1,014,166	1,071,684
Road Transport: (TP)	37,147,855	35,383,087	36,940,857	36,940,857	40,559,250	43,782,341	46,607,619
- Vehicle Licensing & Testing	3,930,614	4,636,544	4,836,275	4,836,275	6,025,900	6,464,336	6,963,150
- Roads & Stormwater	32,495,323	29,925,347	31,286,732	31,286,732	33,656,929	36,127,434	38,413,626
- Roads Other	721,918	821,196	817,850	817,850	876,421	1,190,571	1,230,843
Water: (Tw)	21,698,488	22,651,381	22,753,373	22,753,373	25,253,517	28,067,067	30,261,423
- Distribution	13,921,912	13,874,012	14,537,196	14,537,196	16,190,147	18,836,200	20,755,717
- Purification	7,776,576	8,777,369	8,216,177	8,216,177	9,063,370	9,230,867	9,505,706
Electricity: (ED)	97,887,734	97,765,017	99,422,799	99,422,799	111,453,684	120,987,996	131,302,627
- Distribution	95,401,477	94,856,492	96,552,200	96,552,200	108,350,628	117,712,149	127,727,612
- Street Lighting	2,486,257	2,908,525	2,870,599	2,870,599	3,103,056	3,275,847	3,575,015
OPERATING EXPENDITURE BY VOTE	351,507,930	349,799,595	376,863,846	376,863,846	405,595,827	433,695,769	464,308,028

Column Definitions:

A. The audited actual for 2005/06 as per the audited financial statements.

B. The original budget approved by council for the 2006/07 budget year.

C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.

D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.

E. The amount to be appropriated for the 2007/08 budget year.

F. The indicative projection for 2008/09

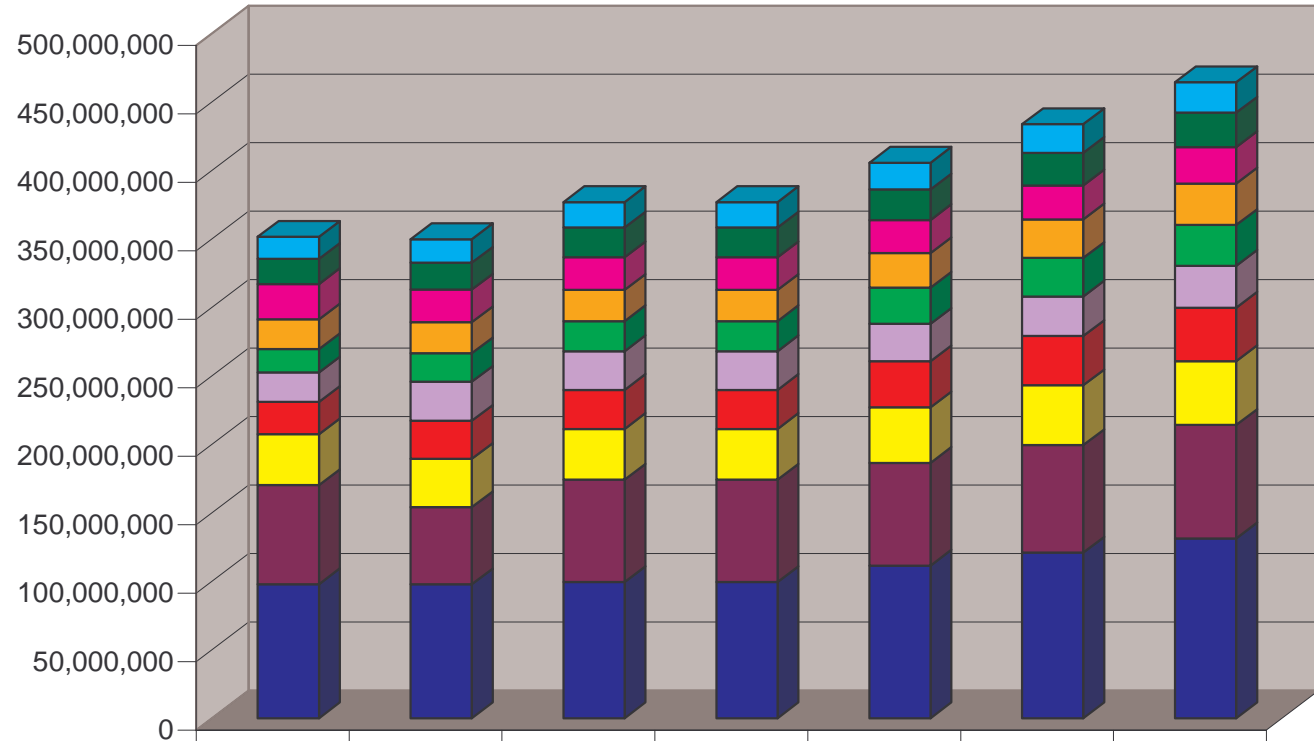
G. The indicative projection for 2009/10

SCHEDULE 3 (Continue) OPERATING EXPENDITURE BY VOTE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
					Budget E	Budget F	Budget G
OPERATING EXPENDITURE BY VOTE FROM SHEDULE 2	351,507,930	349,799,595	376,863,846	376,863,846	405,595,827	433,695,769	464,308,028
Other Adjustments and Transfers:							
- Asset Financing Reserve	58,843,230	23,165,250	96,938,380	96,938,380	46,561,660	44,225,560	43,491,020
- Depreciation Reserve Ex AFR	(16,945,269)	(18,796,823)	(20,983,908)	(20,983,908)	(29,583,690)	(31,202,950)	(34,530,965)
- Depreciation Reserve Ex Govt Grants	(10,159,914)	(13,077,432)	(13,077,432)	(13,077,432)	(13,331,880)	(14,778,160)	(17,088,040)
- Self Insurance Reserve	200,000	150,000	918,614	918,614	438,257	461,462	426,165
- Other transfers	(1,402,919)						
OPERATING EXPENDITURE BY VOTE	382,043,058	341,240,590	440,659,500	440,659,500	409,680,174	432,401,681	456,606,208

Column Definitions:

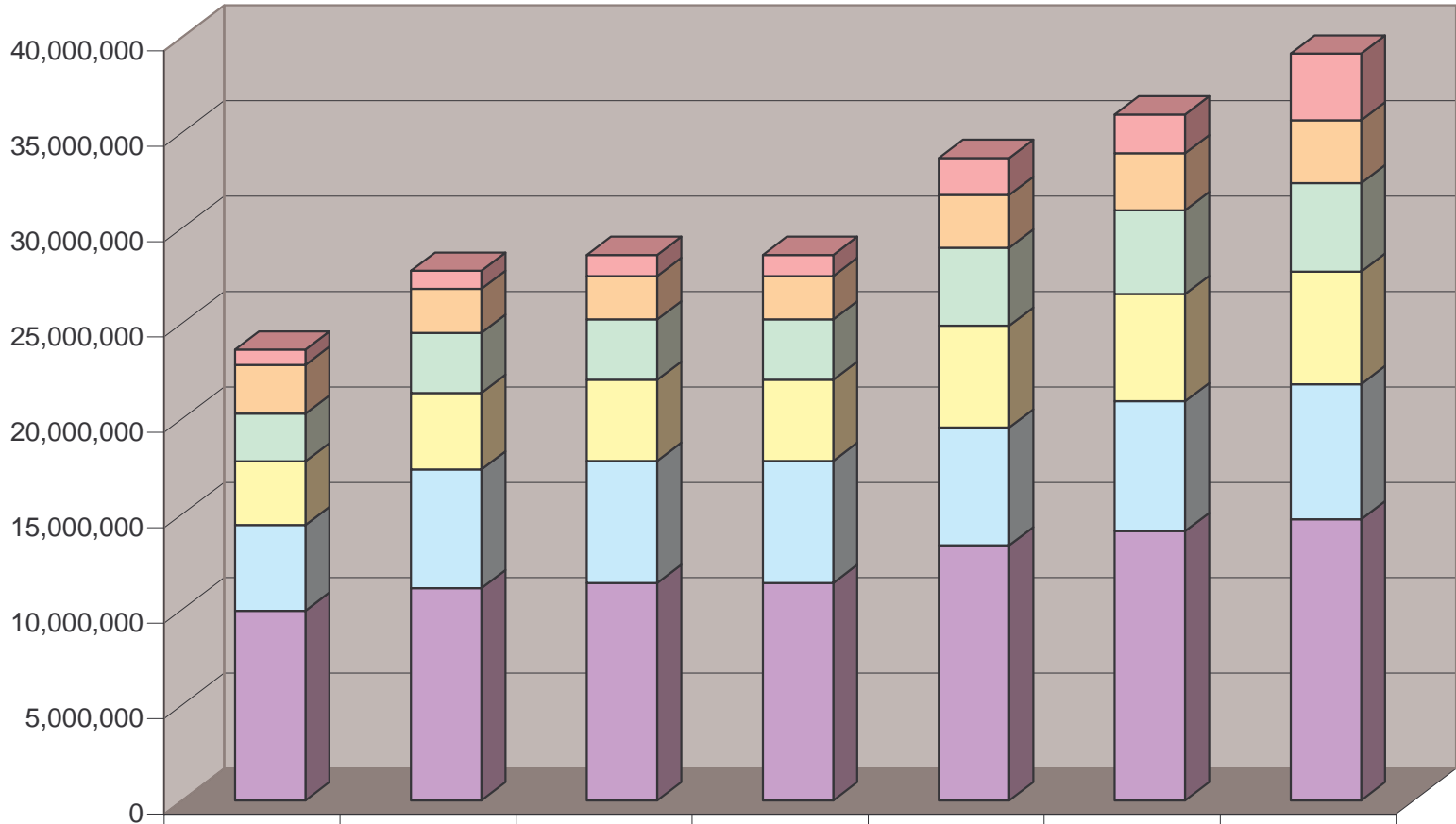
- A. The audited actual for 2005/06 as per the audited financial statements.
- B. The original budget approved by council for the 2006/07 budget year.
- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The amount to be appropriated for the 2007/08 budget year.
- F. The indicative projection for 2008/09
- G. The indicative projection for 2009/10

CHART 3 - OPERATING EXPENDITURE BY MAIN VOTE



	05/06 Audited Actual	06/07 Original Budget	06/07 Adjusted Budget	06/07 Estimate Budget	07/08 Annual Budget	08/09 Projected	09/10 Projected
Waste Water Management	16,099,523	17,253,311	18,630,950	18,630,950	19,478,590	20,833,965	22,104,994
Waste Management	18,328,263	19,551,627	21,639,774	21,639,774	22,372,459	23,829,719	25,159,221
Sport and Recreation	25,879,404	23,848,252	23,841,941	23,841,941	24,103,317	24,823,385	26,607,525
Water	21,698,488	22,651,381	22,753,373	22,753,373	25,253,517	28,067,067	30,261,423
Public Safety	17,102,860	20,800,109	22,041,529	22,041,529	26,446,974	28,171,458	29,796,309
Executive & Council	21,398,143	28,514,328	28,179,491	28,179,491	27,253,357	28,874,004	30,652,634
Other	23,627,065	27,752,954	28,588,513	28,588,513	33,669,249	35,945,489	39,003,082
Road Transport	37,147,855	35,383,087	36,940,857	36,940,857	40,559,250	43,782,341	46,607,619
Finance & Admin	72,338,595	56,279,529	74,824,619	74,824,619	75,005,430	78,380,345	82,812,594
Electricity	97,887,734	97,765,017	99,422,799	99,422,799	111,453,68	120,987,99	131,302,62

CHART 4 - OTHER OPERATING EXPENDITURE



	05/06 Audited Actual	06/07 Original Budget	06/07 Adjusted Buget	06/07 Estimate Budget	07/08 Annual Budget	08/09 Projected	09/10 Projected
Community halls	801,937	942,485	1,110,703	1,110,703	1,935,900	2,030,595	3,497,696
Cemeteries	2,551,418	2,309,659	2,274,228	2,274,228	2,766,354	2,986,730	3,292,027
Libraries	2,508,669	3,146,553	3,159,936	3,159,936	4,094,667	4,396,732	4,646,070
Housing	3,330,133	4,014,302	4,252,861	4,252,861	5,332,078	5,609,618	5,891,514
Planning & Development	4,493,805	6,216,585	6,393,458	6,393,458	6,173,645	6,810,338	7,084,464
Health	9,941,103	11,123,370	11,397,327	11,397,327	13,366,605	14,111,476	14,726,911

SUPPORTING TABLE 1 OPERATING EXPENDITURE BY TYPE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget E	Budget F	Budget G
<u>Operating Expenditure by Type</u>							
Employee related costs	110,663,944	127,235,691	127,586,086	127,586,086	144,184,628	152,714,241	161,767,760
Less : Employee costs capitalised	(937,404)	(1,132,184)	(1,132,184)	(1,132,184)	(1,131,329)	(1,144,539)	(1,161,996)
Less : Employee costs allocated to other	(691,510)	(726,086)	(726,086)	(726,086)	(726,100)	(735,000)	(755,000)
Remuneration of Councillors	6,013,265	11,214,834	10,061,280	10,061,280	9,366,797	9,928,804	10,524,532
Bad debts	3,090,908	2,533,680	2,833,680	2,833,680	2,904,330	2,962,410	3,021,665
Collection costs	364,513	225,000	350,000	350,000	350,000	360,600	371,425
Depreciation	44,193,929	50,700,805	52,868,662	52,868,662	59,036,520	63,709,800	71,998,010
Repairs and maintenance	22,556,741	21,338,510	23,422,540	23,422,540	24,566,915	25,839,304	28,115,160
Interest paid	23,234,682	15,227,591	15,227,591	15,227,591	16,709,085	20,898,356	23,448,513
Bulk purchases	63,547,190	67,340,136	68,283,390	68,283,390	74,675,329	80,886,150	86,620,475
Contracted services	8,149,587	9,833,130	10,239,630	10,239,630	10,872,880	11,486,055	12,082,957
Grants and subsidies paid	454,672	1,624,978	1,971,063	1,971,063	1,802,678	1,666,678	1,529,000
General Expenses :	68,569,358	43,609,161	64,453,845	64,453,845	62,159,791	64,249,007	65,800,532
Advertising	1,215,701	1,218,000	1,668,000	1,668,000	1,393,200	1,425,300	1,467,900
Audit fees	1,162,318	1,325,000	1,425,000	1,425,000	1,412,250	1,477,500	1,544,500
Bank charges	522,834	535,100	565,000	565,000	587,600	611,100	635,500
Communications	2,022,141	2,681,925	2,796,055	2,796,055	2,763,565	2,890,900	3,031,438
Insurance	3,727,093	4,009,708	5,500,800	5,500,800	6,317,414	6,576,573	6,925,000
Legal fees	839,723	790,000	740,000	740,000	715,000	745,000	771,750
Travel and Accommodation	6,086,290	7,228,286	7,635,725	7,635,725	8,938,170	9,403,459	9,885,216
Material & supplies	10,351,771	8,805,750	12,011,902	12,011,902	13,150,558	13,820,915	14,467,715
Skills development & training	1,475,271	2,032,079	2,541,079	2,541,079	3,122,268	3,351,441	3,437,283
NDC Levies	528,250	-	-	-	-	-	-
Transportation cost	7,225,110	4,289,637	1,528,000	1,528,000	1,389,900	1,458,820	1,531,700
Licensing	669,845	951,411	1,086,546	1,086,546	1,116,903	1,154,478	1,206,564
Rental fees	807,458	982,095	1,010,950	1,010,950	1,001,200	1,039,895	1,072,584
Consulting fees	1,024,803	2,945,200	4,689,440	4,689,440	4,743,439	4,416,022	4,204,342
Postage	800,882	856,200	856,200	856,200	882,200	925,200	941,300
Other	5,002,806	4,958,770	7,399,708	7,399,708	7,611,624	7,765,354	7,388,520
Inventory	25,107,062		12,999,440	12,999,440	7,014,500	7,187,050	7,289,220
Contributions to/from provisions	2,298,055	774,349	1,424,349	1,424,349	824,303	873,903	944,995
Total Operating Expenditure By Type	351,507,930	349,799,595	376,863,846	376,863,846	405,595,827	433,695,769	464,308,028

Column Definitions:

A. The audited actual for 2005/06 as per the audited financial statements.

B. The original budget approved by council for the 2006/07 budget year.

C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.

D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.

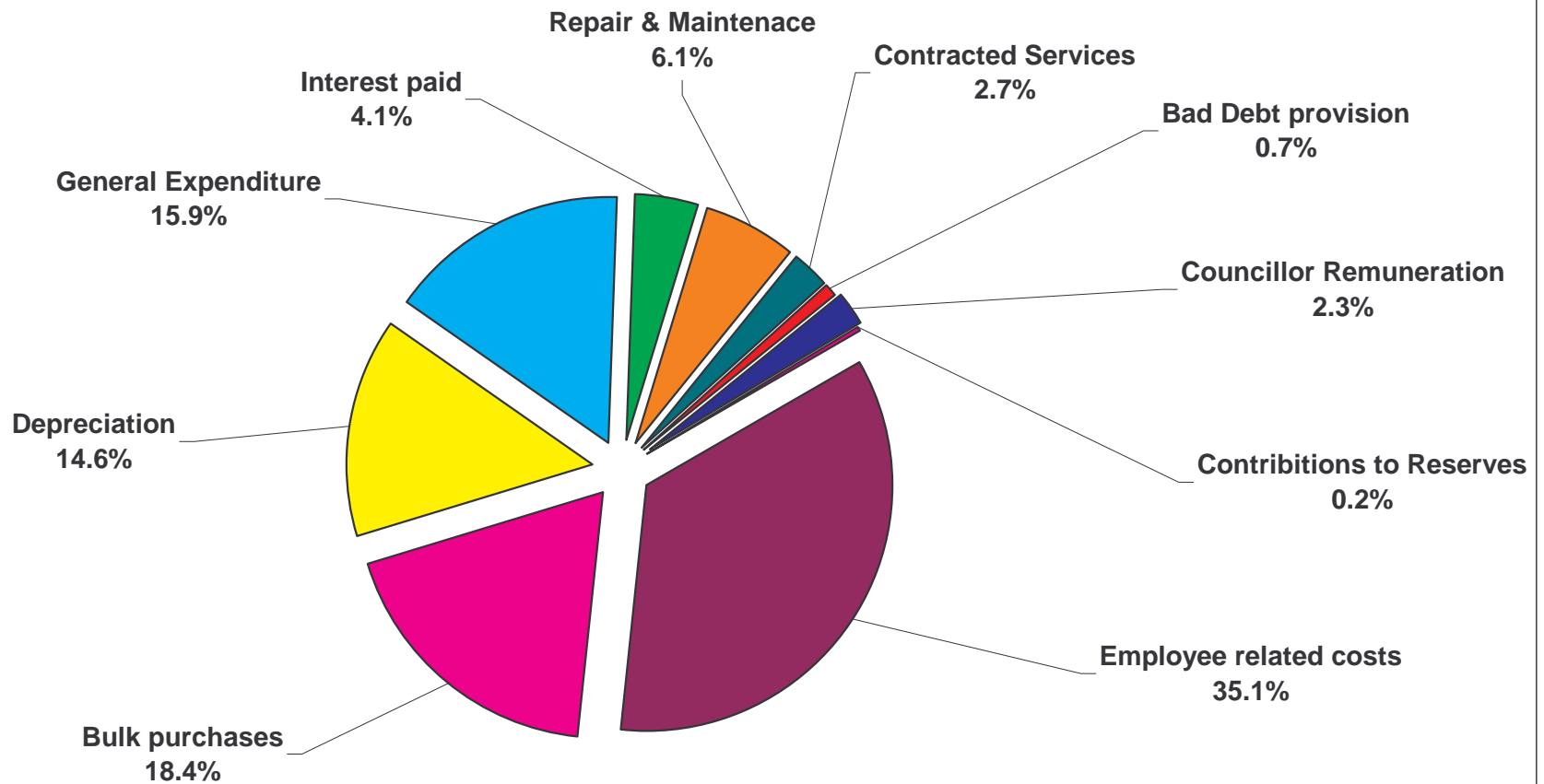
E. The amount to be appropriated for the 2007/08 budget year.

F. The indicative projection for 2008/09

G. The indicative projection for 2009/10

CHART 5 - OPERATING EXPENDITURE BY TYPE

BUDGET YEAR 2007/2008



Combined code	Prog. No	SCHEDULE 4 CAPITAL BY PROGRAM	Current year		Medium term Revenue and Expenditure Framework		
			2006/07		Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
			Adjusted Budget A	Full year Forecast B	Budget C	Budget D	Budget E
MP040301		Sanitation	14,780,040	14,780,040	16,840,821	12,519,360	10,753,820
	1	Maintain Networks	2,503,000	2,503,000	3,488,936	2,586,000	2,515,000
	2	New Infrastructure	11,048,640	11,048,640	11,211,760	8,933,360	7,002,820
	3	Addressing problems	1,200,000	1,200,000	2,104,125	1,000,000	1,200,000
	4	Institutional Sanitation	28,400	28,400	36,000		36,000
MP040302		Institutional Technical & Facilities	16,000	16,000	-	-	-
	1	Institutional Technical & Facilities	16,000	16,000			
MP040303		Emergency Services	3,343,720	3,343,720	5,333,000	1,463,000	2,306,000
	1	Office Equipment Fire	35,700	35,700			
	2	Additional Fire stations					
	3	Disaster Management	79,300	79,300	133,000	253,000	371,000
	4	Institutional Fire	1,742,420	1,742,420	1,700,000	30,000	60,000
	5	Fire Training					530,000
	6	Equipment Fire	486,300	486,300	500,000	490,000	625,000
	7	Vehicles Fire	1,000,000	1,000,000	3,000,000	690,000	720,000
MP040304		Health Services	3,423,000	3,423,000	3,484,500	-	-
	2	Additional clinics	3,360,000	3,360,000	3,360,000		
	5	Institutional Health	63,000	63,000	124,500		
MP040305		Cemeteries	1,642,000	1,642,000	848,000	2,730,000	550,000
	1	Upgrade cemeteries	1,110,000	1,110,000	420,000	430,000	550,000
	2	New cemeteries	452,000	452,000	428,000	2,300,000	
	3	Institutional cemeteries	80,000	80,000			
MP040306		Community Halls	21,532,569	21,532,569	32,800,000	12,035,000	40,000
	1	Maintain Community halls	20,000	20,000	20,000		
	2	Feasibility study	13,785,000	13,785,000	30,000,000	12,000,000	
	3	New Community halls	7,511,569	7,511,569	2,500,000		
	4	Institutional Community halls	216,000	216,000	280,000	35,000	40,000
MP040307		Electricity	49,521,323	49,521,323	77,741,599	78,165,300	61,772,800
	1	Maintain existing network	12,556,243	12,556,243	14,251,000	10,060,000	12,190,000
	2	Improve street lighting	3,360,470	3,360,470	3,694,055	1,950,000	4,200,000
	3	Provision of electricity	21,806,278	21,806,278	41,422,544	60,918,300	35,767,800
	4	Electricity Rural aereas	2,879,932	2,879,932	112,000	400,000	5,200,000
	5	New developments / Electrification	7,530,000	7,530,000	15,960,000	3,300,000	3,300,000
	7	Institutional Electricity	1,119,200	1,119,200			
	8	Vehicles Electricity			1,432,000	1,262,000	1,040,000
	9	Equipment Electricity	169,200	169,200	470,000		
	10	Buildings Electricity	100,000	100,000	400,000	275,000	75,000
MP040308		Finance	2,120,600	2,120,600	530,000	200,000	-
	1	Institutional Finance	2,120,600	2,120,600	530,000	200,000	
MP040310		Housing	270,000	270,000	395,000	90,000	90,000
	6	Institutional Housing	270,000	270,000	395,000	90,000	90,000

Combined code	Prog. No	SCHEDULE 4 CAPITAL BY PROGRAM	Current year		Medium term Revenue and Expenditure Framework		
			2006/07		Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
			Adjusted Budget A	Full year Forecast B	Budget C	Budget D	Budget E
MP040311		Human Resources	267,600	267,600	200,000	80,000	-
	2	Institutional Human Resources	267,600	267,600	200,000	80,000	
MP040312		Education & Libraries	33,000	33,000	723,000	700,000	350,000
	3	Additional Libraries			200,000	250,000	
	8	Institutional Libraries	33,000	33,000	523,000	450,000	350,000
MP040313		Licensing	941,000	941,000	700,000	748,000	580,000
	1	Institutional Licensing	941,000	941,000	120,000	548,000	410,000
	2	Equipment Licensing			580,000	200,000	170,000
MP040314		Municipal Buildings	1,793,000	1,793,000	6,110,000	6,340,000	1,420,000
	1	Institutional Municipal Buildings	1,793,000	1,793,000	2,710,000	4,060,000	1,420,000
	2	Community Facilities			3,400,000	2,280,000	
MP040315		Parks & Playing equipment	2,442,400	2,442,400	2,100,400	1,980,000	2,520,000
	1	Buildings Parks	45,000	45,000	75,000	75,000	
	2	Vehicles Parks	940,000	940,000	600,000	510,000	710,000
	3	Further development	395,000	395,000	110,000	605,000	710,000
	4	New Parks	740,400	740,400	1,195,400	450,000	750,000
	6	Equipment Parks	322,000	322,000	120,000	340,000	350,000
MP040316		Public Relations	836,000	836,000	800,000	550,000	550,000
	1	Public Relations			150,000	200,000	200,000
	2	Institutional Public Relations	836,000	836,000	650,000	350,000	350,000
MP040317		Refuse Removal	3,947,000	3,947,000	4,035,000	1,500,000	2,700,000
	1	Provision of dustbins	40,000	40,000			
	2	Manage landfill site	900,000	900,000			500,000
	3	Proper waste management	1,300,000	1,300,000	1,940,000	1,000,000	1,500,000
	4	Institutional Refuse Removal	122,000	122,000	175,000	250,000	450,000
	5	Provision of containers	1,585,000	1,585,000	1,920,000	250,000	250,000
MP040318		Roads & Stormwater	30,327,960	30,327,960	38,966,868	33,895,800	34,696,000
	1	Install stormwater system	8,260,000	8,260,000	15,105,323	8,520,000	8,010,000
	2	Tarring of gravel roads	5,350,000	5,350,000	6,287,725	6,000,000	6,080,000
	3	Maintenance of roads	6,890,000	6,890,000	7,855,000	7,845,000	7,988,000
	4	Improve gravel roads	700,000	700,000	600,000	700,000	700,000
	6	Provision of kerbs	1,005,000	1,005,000	735,000	840,000	685,000
	7	Constuction of new roads	7,055,995	7,055,995	7,287,820	8,805,000	10,470,000
	8	Institutional roads	383,000	383,000		190,000	
	9	Stop illegal digging	95,000	95,000	95,000	105,000	115,000
	10	Vehicles roads	588,965	588,965	890,000	735,000	600,000
	11	Equipment roads			111,000	155,800	48,000
MP040319		Sport & Recreation	1,390,000	1,390,000	1,610,000	1,300,000	1,480,000
	1	Equipment Sport					
	2	Sport Facilities					
	3	Upgrading & Renovations	1,390,000	1,390,000	1,310,000	1,150,000	1,280,000
	4	Sporting facilities			300,000	150,000	200,000

Combined code	Prog. No	SCHEDULE 4 CAPITAL BY PROGRAM	Current year		Medium term Revenue and Expenditure Framework		
			2006/07		Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
			Adjusted Budget A	Full year Forecast B	Budget C	Budget D	Budget E
MP040320		Town Engineer	17,500	17,500	-	-	-
	1	Institutional Town Engineer	17,500	17,500			
MP040321		Town Planning	2,755,000	2,755,000	5,261,190	1,200,000	1,200,000
	5	More residential sites	2,700,000	2,700,000	5,261,190	1,200,000	1,200,000
	8	Institutional Town Planning	20,000	20,000			
	9	More church sites	35,000	35,000			
MP040322		Town Secretary	275,000	275,000	780,000	580,000	150,000
	2	Institutional Town Secretary	275,000	275,000	780,000	580,000	150,000
MP040323		Traffic	2,437,175	2,437,175	2,733,000	2,620,000	2,600,000
	3	Traffic calming measures	140,000	140,000	150,000	150,000	150,000
	5	Traffic control vehicles	830,000	830,000	1,083,000	820,000	800,000
	7	Institutional Traffic	1,387,175	1,387,175	1,400,000	1,550,000	1,550,000
	8	Paint street names	80,000	80,000	100,000	100,000	100,000
MP040324		Valuations	50,000	50,000	-	-	-
	1	Institutional Valuations	50,000	50,000			
MP040325		IT Service	1,663,000	1,663,000	4,247,800	3,394,250	2,826,100
	1	Institutional IT Service	1,663,000	1,663,000	4,247,800	3,394,250	2,826,100
MP040326		Mayoral Admin	38,000	38,000	-	-	-
	1	Institutional Mayoral Admin	38,000	38,000			
MP040327		Transportation	1,760,000	1,760,000	6,480,000	-	-
	1	Upgrade Facilities	1,760,000	1,760,000	6,480,000		
MP040328		Environmental Management	340,500	340,500	350,000	400,000	70,000
	1	Air & noise pollution	326,500	326,500		400,000	70,000
	4	Institutional Environmental Management	14,000	14,000	350,000		
MP040329		Local Economic Development (LED)	1,200,000	1,200,000	1,148,804	-	-
	3	Facilities for traders	1,200,000	1,200,000	1,148,804		
MP040333		Water	17,466,460	17,466,460	33,165,000	28,565,500	27,600,000
	1	Maintain infrastructure	2,062,000	2,062,000	2,945,000	2,150,000	2,685,000
	2	Drinking water Rural	7,650,000	7,650,000	10,750,000	4,515,000	4,780,000
	3	New Infrastructure	6,980,460	6,980,460	18,660,000	21,065,000	19,370,000
	4	Institutional water	64,000	64,000			
	5	Drinking water Urban	710,000	710,000	710,000	730,500	765,000
	6	Equipment water			100,000	105,000	
MP040334		Council General	-	-	260,000	-	-
	1	Institutional Council General			260,000		
MP040337		Security	37,930	37,930	98,000	20,000	20,000
	1	Institutional Security	37,930	37,930	98,000	20,000	20,000
MP040338		24 Hour Control Centre	191,000	191,000	1,050,000	2,150,000	800,000
	1	Institutional Security	191,000	191,000	1,050,000	2,150,000	800,000
		TOTAL CAPITAL	166,858,777	166,858,777	248,791,982	193,226,210	155,074,720

Column Definitions:

A. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.

B. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.

C. The amount to be appropriated for the 2007/08 budget year.

C. The amount to be appropriated for the 2008/09 budget year.

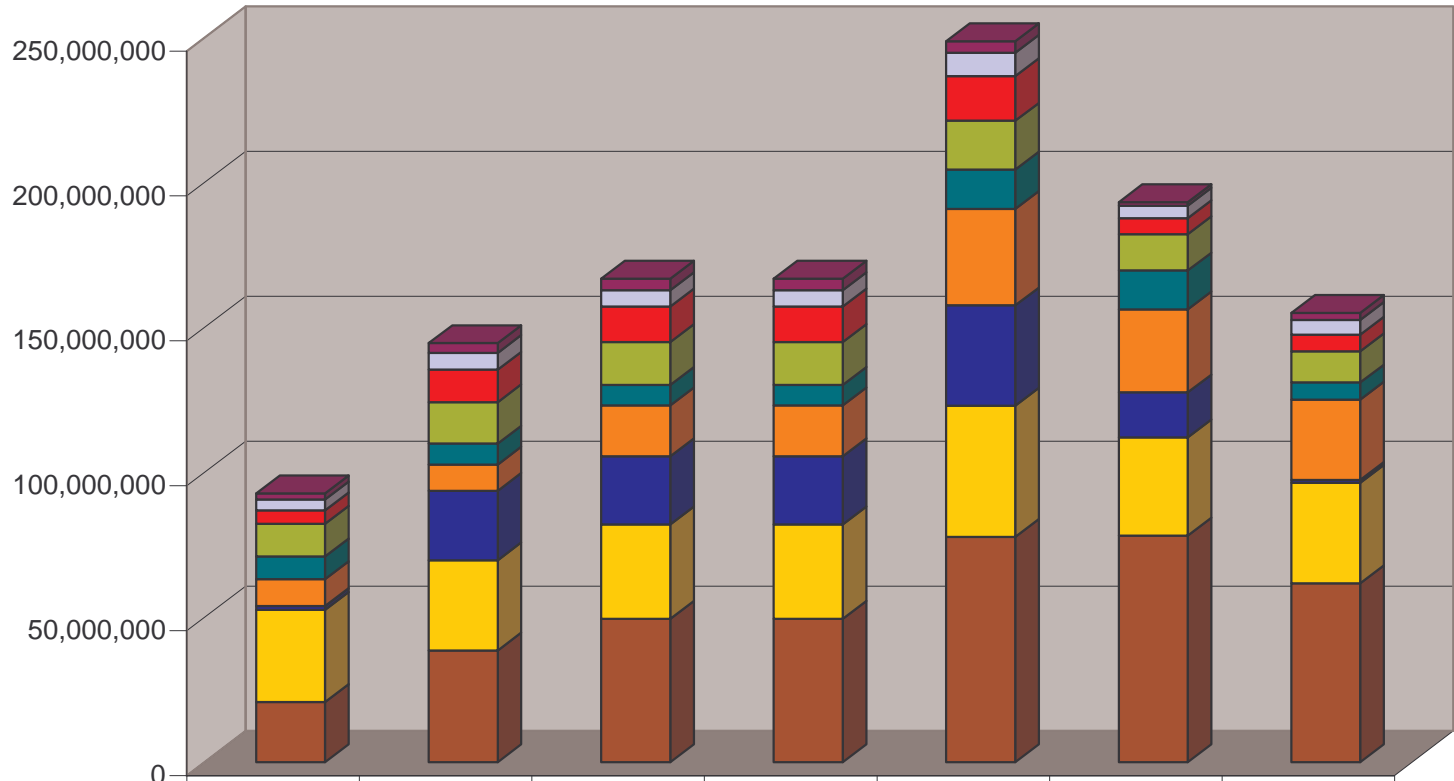
C. The amount to be appropriated for the 2009/10 budget year.

SCHEDULE 5 CAPITAL EXPENDITURE BY VOTE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
					Budget E	Budget F	Budget G
Executive & Council (EX)	958,379	503,700	363,000	363,000	1,040,000	580,000	150,000
Finance & Admin (FA)	7,789,969	7,281,150	7,115,895	7,115,895	13,575,800	13,582,050	6,096,100
Finance	1,096,161	2,180,400	2,145,600	2,145,600	657,000	430,000	235,000
Information Technology	1,541,860	1,704,500	1,638,000	1,638,000	4,120,800	3,264,250	2,691,100
Human Resources	45,553	271,600	267,600	267,600	200,000	80,000	
Property Services	4,322,877	1,369,300	1,568,300	1,568,300	6,875,000	8,735,000	2,350,000
Other Admin	783,518	1,755,350	1,496,395	1,496,395	1,723,000	1,072,800	820,000
Planning & Development (PD)	926,795	3,968,300	3,955,000	3,955,000	6,409,994	1,200,000	1,200,000
Town Planning			2,755,000	2,755,000	5,261,190	1,200,000	1,200,000
Local Economic Development (LED)			1,200,000	1,200,000	1,148,804		
Health (HL)	356,526	2,769,500	3,833,500	3,833,500	3,884,500	430,000	70,000
Clinics	260,909	2,370,000	3,493,000	3,493,000	3,534,500	30,000	
Health Other	95,617	399,500	340,500	340,500	350,000	400,000	70,000
Community & Social Services (CS)	1,389,796	23,900,569	23,507,569	23,507,569	34,621,000	15,525,000	940,000
Libraries & Archives	213,978	277,000	33,000	33,000	823,000	700,000	350,000
Community Halls & Facilities	611,729	21,971,569	21,832,569	21,832,569	32,950,000	12,095,000	40,000
Cemeteries & Crematoriums	564,089	1,652,000	1,642,000	1,642,000	848,000	2,730,000	550,000
Housing (HS)	102,352	186,000	270,000	270,000	395,000	90,000	90,000
Public Safety (PS)	3,777,108	5,802,100	5,701,595	5,701,595	8,066,000	4,083,000	4,906,000
Fire Services	2,744,496	3,287,100	3,264,420	3,264,420	5,333,000	1,463,000	2,306,000
Traffic Services	1,032,612	2,515,000	2,437,175	2,437,175	2,733,000	2,620,000	2,600,000
Sport and Recreation (PK)	2,267,394	3,791,400	3,787,400	3,787,400	3,635,400	3,205,000	4,250,000
Waste Management (WM)	2,055,969	3,357,000	3,947,000	3,947,000	4,035,000	1,250,000	2,450,000
Waste Water Management (WW)	11,323,835	14,275,200	14,780,040	14,780,040	16,840,821	12,519,360	10,753,820
Sewerage	11,323,835	14,275,200	14,780,040	14,780,040	16,840,821	12,519,360	10,753,820
Public Toilets	-	-	-	-	-	-	-
Road Transport (TP)	31,715,279	31,152,400	32,519,995	32,519,995	45,261,868	33,911,000	34,676,000
Vehicle Licensing & Testing	51,149	1,054,000	1,021,000	1,021,000	720,000	868,000	580,000
Roads & Stormwater	31,661,220	29,418,400	29,738,995	29,738,995	38,061,868	33,043,000	34,096,000
Roads Other	2,910	680,000	1,760,000	1,760,000	6,480,000		
Water (TW)	9,247,338	9,022,400	17,556,460	17,556,460	33,285,000	28,685,500	27,720,000
Water Distribution	7,199,168	8,315,000	16,925,460	16,925,460	31,935,000	28,040,500	26,615,000
Water Purification	2,048,170	707,400	631,000	631,000	1,350,000	645,000	1,105,000
Electricity (ED)	20,828,941	38,584,131	50,821,323	50,821,323	77,741,599	78,165,300	61,772,800
Electricity Distribution	12,718,792	36,671,931	47,460,853	47,460,853	74,047,544	76,215,300	57,572,800
Street Lighting	8,110,149	1,912,200	3,360,470	3,360,470	3,694,055	1,950,000	4,200,000
CAPITAL EXPENDITURE BY VOTE	92,739,681	144,593,850	168,158,777	168,158,777	248,791,982	193,226,210	155,074,720

Column Definitions:

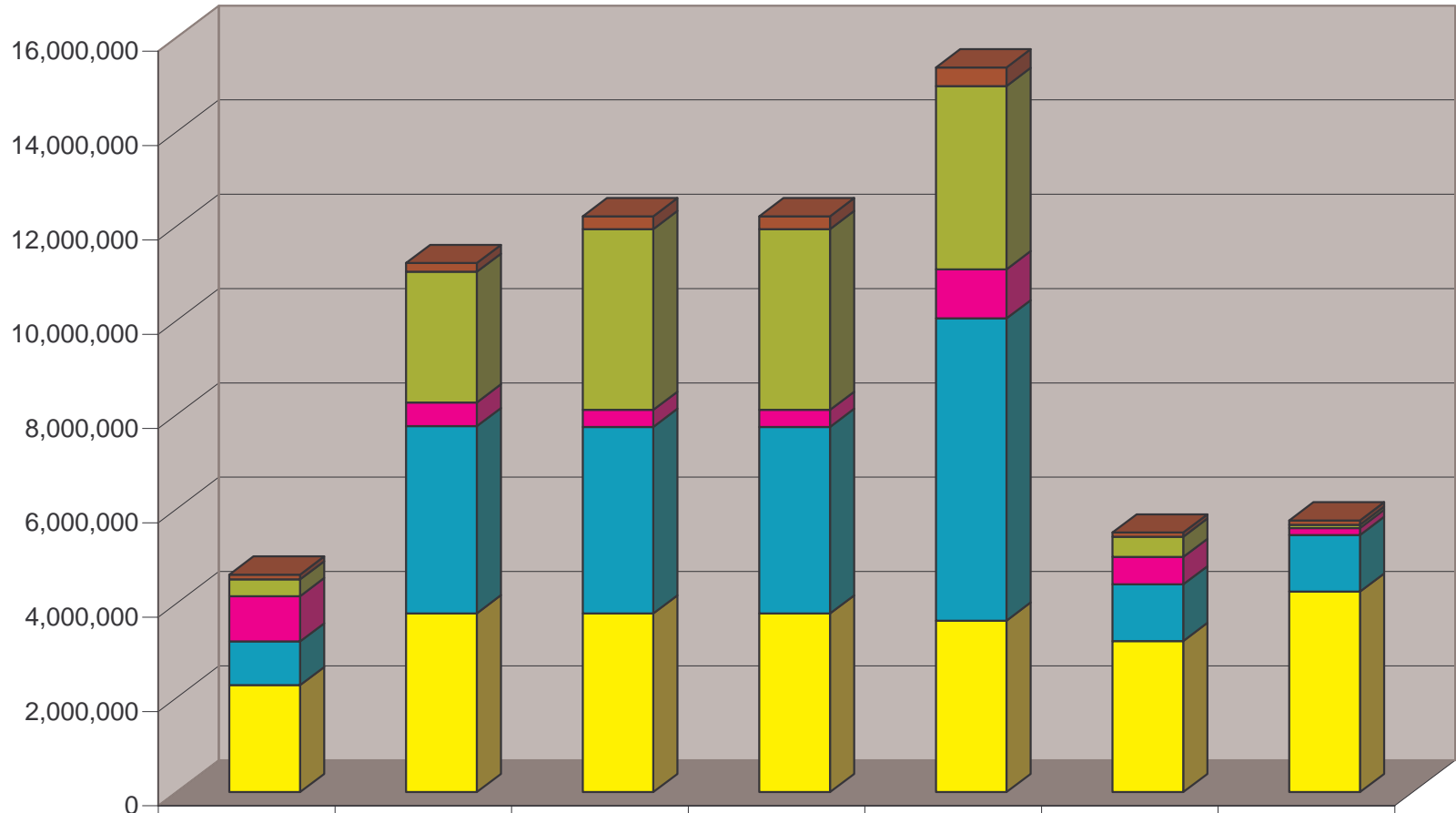
- A. The audited actual for 2005/06 as per the audited financial statements.
- B. The original budget approved by council for the 2006/07 budget year.
- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The amount to be appropriated for the 2007/08 budget year.
- E. The amount to be appropriated for the 2008/09 budget year.
- E. The amount to be appropriated for the 2009/10 budget year.

CHART 6 - CAPITAL EXPENDITURE BY MAIN VOTE



	05/06 Audited Actual	06/07 Original Budget	06/07 Adjusted Budget	06/07 Estimate Budget	07/08 Annual Budget	08/09 Projected	09/10 Projected
Waste Management	2,055,969	3,357,000	3,947,000	3,947,000	4,035,000	1,250,000	2,450,000
Public Safety	3,777,108	5,802,100	5,701,595	5,701,595	8,066,000	4,283,000	5,106,000
Other	4,611,446	11,218,900	12,208,900	12,208,900	15,364,894	5,505,000	5,760,000
Waste Water Management	11,323,835	14,275,200	14,780,040	14,780,040	16,840,821	12,519,360	10,753,820
Finance & Admin	7,789,969	7,281,150	7,115,895	7,115,895	13,575,800	13,382,050	5,896,100
Water	9,247,338	9,022,400	17,556,460	17,556,460	33,285,000	28,685,500	27,720,000
Community & Social Services	1,389,796	23,900,569	23,507,569	23,507,569	34,621,000	15,525,000	940,000
Road Trabsport	31,715,279	31,152,400	32,519,995	32,519,995	45,261,868	33,911,000	34,676,000
Electricity	20,828,941	38,584,131	49,521,323	49,521,323	77,741,599	78,165,300	61,772,800

CHART 7 - OTHER CAPITAL EXPENDITURE



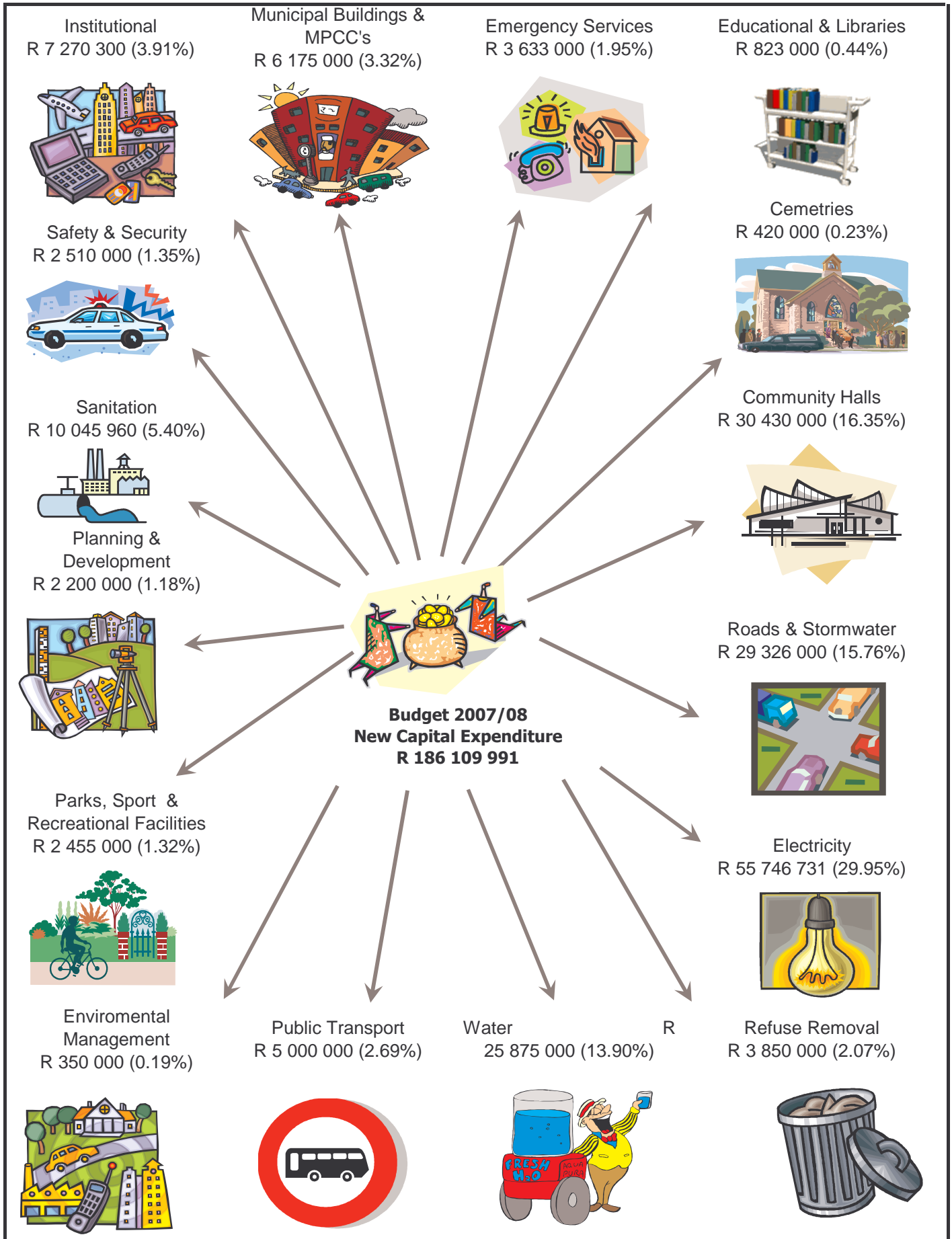
	05/06 Audited Actual	06/07 Original Budget	06/07 Adjusted Buget	06/07 Estimate Budget	07/08 Annual Budget	08/09 Projected	09/10 Projected
■ Housing	102,352	186,000	270,000	270,000	395,000	90,000	90,000
■ Health Services	356,526	2,769,500	3,833,500	3,833,500	3,884,500	430,000	70,000
■ Executive & Council	958,379	503,700	363,000	363,000	1,040,000	580,000	150,000
■ Planning & Development	926,795	3,968,300	3,955,000	3,955,000	6,409,994	1,200,000	1,200,000
■ Sport & Recreation	2,267,394	3,791,400	3,787,400	3,787,400	3,635,400	3,205,000	4,250,000

SUPPORTING TABLE 2 CAPITAL EXPENDITURE BY ASSET TYPE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
					Budget E	Budget F	Budget G
INFRASTRUCTURE	76,046,566	97,909,931	120,318,018	120,318,018	181,860,282	160,533,160	137,463,620
Land and Buildings	1,325,474	2,395,000	2,600,000	2,600,000	8,100,440	6,920,000	1,875,000
Roads, pavements, bridges and stormwater	32,069,837	31,671,200	31,865,995	31,865,995	37,985,868	34,715,000	36,148,000
Water Reservoirs and reticulation	8,194,808	8,229,000	16,877,460	16,877,460	31,975,000	28,225,500	26,645,000
Car parks, bus terminals and taxi ranks	7,708	1,880,000	2,960,000	2,960,000	7,468,804	-	-
Electricity reticulation	10,824,041	35,112,531	44,782,453	44,782,453	70,155,544	74,648,300	56,327,800
Sewerage purification and reticulation	11,993,043	13,275,000	13,631,640	13,631,640	15,719,821	11,674,360	9,917,820
Housing	99,990	-	-	-	-	-	-
Street lighting	8,140,149	1,912,200	3,360,470	3,360,470	5,254,055	2,050,000	4,350,000
Refuse sights	1,932,932	1,785,000	2,385,000	2,385,000	1,535,000	100,000	600,000
Gas	-	-	-	-	-	-	-
Other	1,458,584	1,650,000	1,855,000	1,855,000	3,665,750	2,200,000	1,600,000
COMMUNITY	1,979,453	26,273,969	27,813,969	27,813,969	38,733,400	15,940,000	2,150,000
Establishment of parks & gardens	299,169	1,045,400	1,005,400	1,005,400	1,195,400	950,000	1,350,000
Sportsfields	583,268	350,000	770,000	770,000	1,170,000	630,000	800,000
Community halls	515,244	21,296,569	21,296,569	21,296,569	32,500,000	12,000,000	-
Libraries	-	-	-	-	-	-	-
Recreation facilities	-	190,000	190,000	190,000	80,000	60,000	-
Clinics	-	220,000	336,000	336,000	3,360,000	-	-
Museums & art galleries	-	-	-	-	-	-	-
Other	581,772	1,192,000	1,192,000	1,192,000	428,000	2,300,000	-
HERITAGE ASSETS	-	-	-	-	-	-	-
INVESTMENT PROPERTIES	-	-	-	-	-	-	-
OTHER ASSETS	12,979,043	16,809,950	15,126,790	15,126,790	22,058,300	16,303,050	13,341,100
Other motor vehicles	2,584,016	3,379,000	3,597,465	3,597,465	5,442,000	3,567,000	2,610,000
Plant & equipment	4,368,843	6,244,300	5,197,260	5,197,260	6,401,000	5,715,800	5,852,000
Office equipment	918,309	1,363,850	608,900	608,900	183,000	256,000	213,000
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-
Security measures	891,723	1,222,500	1,234,000	1,234,000	1,430,000	3,370,000	1,400,000
Other	4,216,152	4,600,300	4,489,165	4,489,165	8,602,300	3,394,250	3,266,100
SPECIALISED VEHICLES	1,734,619	3,600,000	3,600,000	3,600,000	6,140,000	450,000	2,120,000
Refuse	-	1,300,000	1,300,000	1,300,000	1,840,000	-	1,400,000
Fire	1,734,619	2,300,000	2,300,000	2,300,000	4,300,000	450,000	720,000
Conservancy	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	92,739,681	144,593,850	166,858,777	166,858,777	248,791,982	193,226,210	155,074,720

Column Definitions:

- A. The audited actual for 2005/06 as per the audited financial statements.
- B. The original budget approved by council for the 2006/07 budget year.
- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The amount to be appropriated for the 2007/08 budget year.
- F. The indicative projection for 2008/09
- G. The indicative projection for 2009/10

CHART 8 - CAPITAL EXPENDITURE BY CATEGORY

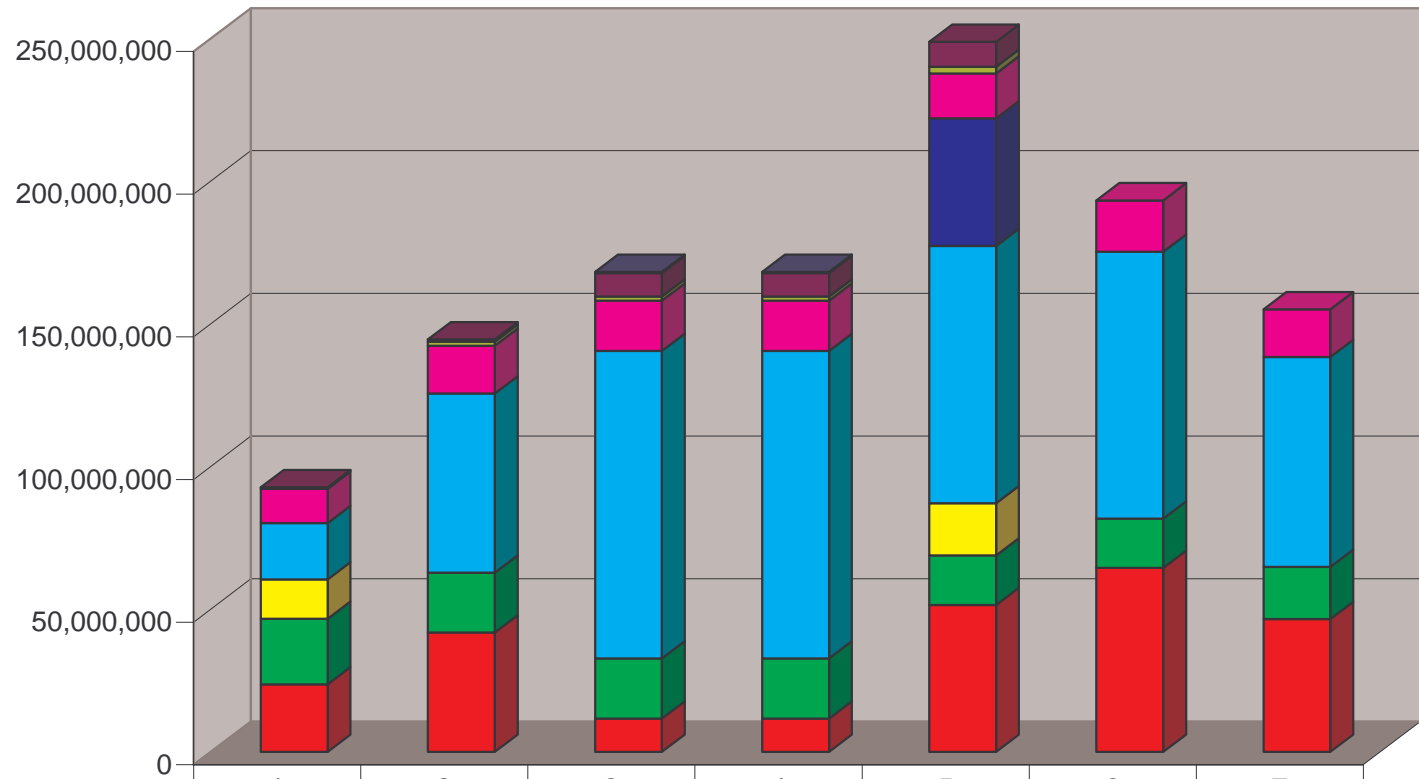


SCHEDULE 6 CAPITAL FUNDING BY SOURCE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
					Budget E	Budget F	Budget G
National Government							
Amounts allocated / gazetted for that year	-	-	-	-	-	-	-
Municipal Infrastructure grant (MIG)	9,883,214	11,718,200	13,966,950	13,966,950	13,570,000	15,370,000	12,704,000
Integrated National Electricity Programme (INEP)	2,090,071	5,000,000	3,613,000	3,613,000	2,079,000	2,647,000	3,987,000
Amounts carried over from previous years	-	-	-	-	-	-	-
Financial Management Grant (FMG)	263,258	1,450,000	1,450,000	1,450,000	-	-	-
Integrated National Electricity Programme (INEP)	-	-	-	-	2,386,923	-	-
Sub -Total: Grants - National Government	12,236,543	18,168,200	19,029,950	19,029,950	18,035,923	18,017,000	16,691,000
Provincial Government							
Amounts allocated / gazetted for that year	-	-	-	-	-	-	-
Department of Local Government	300,000	-	-	-	-	-	-
New Phased Approached Programme (NPAG)	-	-	7,500,000	7,500,000	7,500,000	-	-
Vuna Awards	-	-	-	-	1,250,000	-	-
Amounts carried over from previous years	-	-	-	-	-	-	-
Vuna Awards	-	750,000	750,000	750,000	-	-	-
Sub - Total Grants - Provincial Government	300,000	750,000	8,250,000	8,250,000	8,750,000	-	-
District Municipality							
Amounts allocated for that year	22,990,725	21,000,000	21,100,000	21,100,000	17,300,000	17,276,000	18,275,000
Amounts carried over from previous years	13,768,983	-	-	-	18,286,978	-	-
Sub - Total Grants - District Municipalities	36,759,708	21,000,000	21,100,000	21,100,000	35,586,978	17,276,000	18,275,000
Total Government Grants & Subsidies	49,296,251	39,918,200	48,379,950	48,379,950	62,372,901	35,293,000	34,966,000
Public Contributions & Donations	-	-	-	-	-	-	-
Lottery Board	-	-	420,000	420,000	-	-	-
Cashbacked Internal Reserves	-	-	-	-	-	-	-
Community Facilities Reserve	-	4,361,569	4,361,569	4,361,569	-	-	-
Capital Replacement Reserve	14,803,115	53,297,600	103,351,698	103,351,698	90,215,060	93,507,210	73,589,720
Own Revenue	4,999,620	5,135,250	-	-	-	-	-
Amounts carried over from previous years	-	-	-	-	44,713,090	-	-
External Loans	23,640,695	41,781,231	11,645,560	11,645,560	35,005,931	32,976,000	31,333,000
External Loans : Ad Hoc Projects	-	-	-	-	16,485,000	31,450,000	15,186,000
TOTAL FUNDING OF CAPITAL EXPENDITURE	92,739,681	144,493,850	168,158,777	168,158,777	248,791,982	193,226,210	155,074,720

Column Definitions:

- A. The audited actual for 2005/06 as per the audited financial statements.
- B. The original budget approved by council for the 2006/07 budget year.
- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The amount to be appropriated for the 2007/08 budget year.
- E. The amount to be appropriated for the 2008/09 budget year.
- E. The amount to be appropriated for the 2009/10 budget year.

CHART 9 - CAPITAL FUNDING BY SOURCE



	1	2	3	4	5	6	7
Public Contributions & Donations			420,000	420,000			
Grants - Provincial Government	300,000	750,000	8,250,000	8,250,000	8,750,000		
Grants - National Government (RO)	263,258	1,450,000	1,450,000	1,450,000	2,386,923		
Grants - National Government	11,973,285	16,718,200	17,579,950	17,579,950	15,649,000	18,017,000	16,691,000
Accumulated Reserves (RO)					44,713,090		
Accumulated Reserves	19,802,735	62,794,419	107,713,267	107,713,267	90,215,060	93,507,210	73,589,720
District Municipality (RO)	13,768,983				18,286,978		
District Municipality	22,990,725	21,000,000	21,100,000	21,100,000	17,300,000	17,276,000	18,275,000
External Loans	23,640,695	41,781,231	11,645,560	11,645,560	51,490,931	64,426,000	46,519,000

RATES & TARIFFS : 2007/2008

WITH EFFECT FROM 1 JULY 2007

CONSUMER SERVICES

		<u>Present 2006/2007</u>	<u>Proposed 2007/2008</u>
		c/R1 (8,5%)	c/R1 (8,90%)
1.	ASSESSMENT RATES		
1.1	Businesses		
1.1.1	Middelburg	20,496	22,32
1.1.2	Hendrina	38,40	41,76
1.1.3	Pullenshope	64,32	70,08
1.1.4	Rietkuil	46,08	50,16
1.1.5	Komati	108,36	118,08
1.1.6	Presidentsrus	1,932	2,124
1.1.7	Kranspoort	1,08	1,20
1.2	Residential properties and business properties utilised exclusively for residential purposes		
1.2.1	Middelburg	13,116	14,28
1.2.2	Hendrina	38,40	41,76
1.2.3	Pullenshope	64,32	70,08
1.2.4	Rietkuil	46,08	50,16
1.2.5	Komati	108,36	118,08
1.2.6	Presidentsrus Village	1,932	2,124
1.2.7	Kranspoort Village	1,068	1,20
1.3	Government Non-Residential Properties		
1.3.1	Middelburg	16,392	17,88
1.3.2	Hendrina	30,72	33,48
1.3.3	Pullenshope	51,456	56,04
1.3.4	Rietkuil	36,864	40,20
1.3.5	Komati	86,656	94,44
1.4	Pensioners who qualify		
1.4.1	Middelburg	10,488	11,40
1.4.2	Hendrina	30,72	33,48
1.4.3	Pullenshope	51,456	56,04
1.4.4	Rietkuil	36,864	40,20
1.4.5	Komati	86,688	94,44
1.4.6	Presidentsrus	1,548	1,68
1.4.7	Kranspoort	0,864	0,96

	<u>Present 2006/2007</u>		<u>Proposed 2007/2008</u>
1.5 Indigent residential properties in Mhluzi X2 phase 2, X4, X5, X6 and X8 and Kwazamokuhle X4 and X6, all extensions of Tokologo and Extension 24 and any other indigent cases identified by ward councillors:			
1.5.1 Middelburg	Nil		Nil
1.5.2 Hendrina	Nil		Nil
1.6 Rateable property in the rural area			
1.6.1 Site value tariff	3,78		4,08
1.6.2 Improvement value tariff	0,24		0,36
1.7 Group Housing (new developments more than 9 units) as per Council Resolution	3,084		3,36
2. SEWERAGE	(8,75%)		(7,50%)
2.1 Residential Erven			
(a) With a total area up to 995m ²	R32,95	/ month	R35,42
(b) With a total area exceeding 995m ² to 1500m ²	R71,95	/ month	R77,35
(c) With a total area exceeding 1500m ²	R95,30	/ month	R102,45
(d) Indigent	Free	/ month	Free
(e) Formalized Informal/housing with biological toilets (Fully reclaimable from Equitable Share)	R15,80	/ month	R17,00
2.2 Flats			
Per unit	R47,85	/ month	R51,45
2.3 Church Erven	R95,30	/ month	R102,45
2.4 Businesses & Industries			
Measured water consumption per month	R2,70	/ kl	R2,90
2.5 Undeveloped erven in private possession with access to the reticulation			
:- Availability levy	R8,20	/ month	R8,82
2.6 Agricultural Societies & Sport Clubs not accommodated to the central sport grounds			
:- Measured purified water consumption	R2,30	/ kl	R2,47

	<u>Present 2006/2007</u>		<u>Proposed 2007/2008</u>
2.7 Military Basis, Roads Camp & other similar properties			
:- Measured purified water consumption	R2,70	/ kl	R2,90
2.8 Industries & Businesses where, in the opinion of the Council, a large percentage of the water consumption is taken up in the final product			
:- For the measured purified water per month	R1,10	/ kl	R1,18
2.9 Hospitals			
:- For each three (3) beds or portion continuously available; and	R95,30		R102,45
:- For each ten (10) personnel or portion, residential of non-residential	R95,30		R102,45
2.10 Schools & School Hostels (including nursery and day schools)			
For each fifteen (15) persons or portion thereof	R27,52	/ month	R29,58
2.11 Nursing & Maternity Homes & Welfare Organisations			
:- For each five (5) persons or portion thereof	R44,90	/ month	R48,27
2.12 Vergeet-My-Nie-Flats (for the elderly)			
:- Per Flat	R22,30	/ month	R23,97
2.13 Departmental	R1,30	/ kl	R1,40

		Present 2006/2007		Proposed 2007/2008
3.	WATER	(5,5%)		(6,00%)
3.1	Residential, Churches and Group Housing (from 1 July 2006)			
	(a) Where working water meters are installed for consumption of measured purified water per month:			
	For the first 6 kiloliters	Free		Free
	7 to 10 kiloliters	R2,60	/ kl	R2,75
	Above 10 up to 40 kiloliters	R3,40	/ kl	R3,60
	Above 40 kiloliters	R3,60	/ kl	R3,82
	(b) Where no working water meters are installed and which are developed and occupied:			
	:- A monthly fixed levy of	R10,40		R11,02
3.2	All undeveloped erven with access to the reticulation network:			
	:- An availability levy of	R8,25		R8,75
3.3	All Businesses, Industries and Flats, School & School Hostel Erven (including nursery and day schools)	R2,70	/ kl	R2,85
3.4	Supply of raw water in all cases	R2,57	/ kl	R2,72
3.5	Departmental levy	R1,02	/ kl	R1,08
3.6	Purified effluent (Council Resolution S15/09/2000)	R0,70	/ kl	R0,75
3.7	Purified water outside municipal area	R3,65	/ kl	R3,87
4.	REFUSE REMOVAL	(9,60%)		(9,25%)
4.1	Residential Erven			
	4.1.1 Erven up to 995m ²	R37,05		R40,48
	4.1.2 Erven exceeding 995 m ²	R53,00		R57,90
	4.1.3 Indigent	Free		Free
	4.1.4 Flats	R47,60		R52,00
	4.1.5 Vergeet-My-Nie-Flats	R18,05		R19,72
	4.1.6 Formalized informal housing settlements in Newtown and Doornkop (Fully reclaimable from Equitable Share)	R16,00		R17,50

	Present 2006/2007		Proposed 2007/2008
REFUSE REMOVAL	(9,60%)		(9,25%)
4.2 Offices & Business Waste			
4.2.1 Refuse bins per month or portion thereof	R127,95		R139,80
4.2.2 Mass Container 1,5 cubic metre, per month or portion thereof, per mass container	R1335,80		R1459,35
4.2.3 Mass container of 1,75 cubic metre of water per month or portion thereof per mass container	R1663,40		R1817,25
4.3 Departmental tariffs			
4.3.1 Per refuse bin	R41,50	/ month	R45,35
4.3.2 Mass container	R681,00	/ month	R744,00
4.4 Temporary Users	R13,85	/ bin / day	R15,13

5. **ELECTRICITY**

5.1 **Domestic Consumers**

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

(i) Group	(ii) Type of Supply		Present 2006/2007 (5%)		Proposed 2007/2008 (5,6%)	
			(iii) Fixed charge per meter reading period or part thereof. Minimum charge per meter reading period	(iv) Charge per kilowatt-hour (unit)	(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt-hour (Unit)
	No of phases	Current limit in amperes per phase	R	c	R	c
(a)	1	40	-	39,43	-	41,64
(b)	1	40	141,20	19,52	3,90	20,61
(c)	1	50	185,25	19,52	3,90	20,61
(d)	1	60	242,75	19,52	4,27	20,61
(e)	1	70	318,80	19,52	4,80	20,61
(f)	1	80	405,75	19,52	4,80	20,61
(g)	3	20	226,13	19,52	4,27	20,61
(h)	3	30	413,45	19,52	4,80	20,61
(i)	3	40	647,28	19,52	5,70	20,61
(j)	3	50	809,20	19,52	5,70	20,61
(k)	3	60	971,00	19,52	5,70	20,61
(l)	3	70	1132,80	19,52	5,70	20,61
(m)	3	80	1294,65	19,52	5,70	20,61

5.2 **Commercial, Industrial & General Consumers**

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

(i) Group	(ii) Type of Supply		Present 2006/2007 (5%)		Proposed 2007/2008 (5,6%)	
			(iii) Fixed charge per meter reading period or part thereof. Minimum charge per meter reading period	(iv) Charge per kilowatt-hour (Unit)	(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt-hour (Unit)
	No of phases	Current limit in amperes per phase	R	c	R	c
(a)	1	40	-	39,43	-	41,64
(b)	1	40	215,78	19,52	5,70	20,61
(c)	1	50	269,75	19,52	5,70	20,61
(d)	1	60	323,65	19,52	5,70	20,61
(e)	1	70	377,60	19,52	5,70	20,61
(f)	1	80	431,60	19,52	5,70	20,61
(g)	3	20	323,75	19,52	5,70	20,61
(h)	3	30	485,50	19,52	5,70	20,61
(i)	3	40	647,30	19,52	5,70	20,61
(j)	3	50	809,30	19,52	5,70	20,61
(k)	3	60	970,95	19,52	5,70	20,61
(l)	3	70	1132,80	19,52	5,70	20,61
(m)	3	80	1294,65	19,52	5,70	20,61

5.3 **Bulk Consumers**

By implementing the following amendments:

By substitution under item 3(2):

the amount of **R52,83** demand charge per kVa by **R55,80**; and a fixed charge of **R342,00** per month per bulk consumer per supply point by **R361,00** per month; and **17,18 cent** energy charge per kWh by **18,15 cent**.

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

(i) Group	(ii) Type of Supply		Present 2006/2007 (5%)		Proposed 2007/2008 (5,6%)	
			(iii) Fixed charge per meter reading period or part thereof. Minimum charge per meter reading period	(iv) Charge per kilowatt- hour (Unit)	(iii) Fixed rate per amperes per reading period or part thereof. Minimum rate per meter reading period	(iv) Charge per kilowatt- hour (Unit)
	No of phases	Current limit in amperes per phase	R	c	R	c
(a)	1	40	256,90	20,43	5,70	22,65
(b)	1	40	411,04	20,43	5,70	22,65
(c)	1	50	308,34	20,43	5,70	22,65
(d)	1	60	770,73	20,43	5,70	22,65
(e)	1	70	1233,03	20,43	5,70	22,65

5.5 **Street Light Supply**

By substitution under item 6(2)(i):
the amount of **R29,00** by **R30,62**; and

Under item 6(2)(ii):
the amount of **R58,05** by **R61,30**.

5.6 **Departmental Levies and Sport Clubs**

By substitution under item 6(2)(i):
the amount of **36,25c/kWh** by **38,28c/kWh**; and

5.7 **Availability Levy**

By substitution under item 6(2)(i):
the amount of **R11,40** by **R12,05**.

5.8 **Large Consumers above 3MVA**

- kWh Peak - equal to Eskom megaflex tariff structure plus 10%
- kWh Standard - equal to Eskom megaflex tariff structure plus 10%
- kWh Off-Peak - equal to Eskom megaflex tariff structure plus 3%
- kVa r h - equal to Eskom megaflex tariff structure

SUNDRY TARIFFS FOR THE 2007/2008 FINANCIAL YEAR

Report by the Manager : Finance

1. The sundry tariffs for service delivery by Council are annually revised at the time when the annual budget is being prepared and is aimed at the effective recovery of cost incurred to supply the related services.
2. The recommended tariffs for each service to apply with effect from 1 July 2007 are reflected under the comments of each Head of Department.
3. Tariffs are based on actual cost and in certain limited cases to discourage undesirable actions or requests and levied in terms of Council's resolution or by-laws for specific services.
4. It is recommended:
 - 4.1 That the adjusted tariffs as reflected in the comments of the various Heads of Departments be approved for implementation with effect from 1 July 2007.
 - 4.2 That the sundry tariffs are VAT inclusive except for those tariffs indicated by an (*) which are for services exempted or out of scope of the VAT Act or as stated otherwise.

Comments by the Chief : Fire Services

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
1. Fixed charges for services rendered regarding hazardous substances as promulgated in SABS 0228 inside and outside the municipal area:	1 482,00	Plus hourly tariff of service + hour tariff of personnel + kilometers	1 550,00
2. Turn-outs within the municipal area <i>The following accumulating fees:</i>			
a) Fixed charges per call-out	129,96		137,00
b) First hour or part thereof per incident	253,00		302,00
c) For each subsequent hour of part thereof per incident	127,00		148,00
d) Cost for replacement of material, damaged equipment or consumable items	Cost plus 20% handling charge plus 14% VAT		
e) Cost of water used	Fixed rate of council/kl plus 14% VAT		
f) Equipment used	74,10		80,00
g) Jaws of life	240,54		257,00
h) Kilometers of fire vehicles	15,60	/km	16,00 *

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
3. Special Services			
a) Pumping of water	Fixed charges + hourly tariff of service + hourly tariff of personnel + kilometers plus 14% VAT		
b) Other	Fixed charges + hourly tariff of service + hourly tariff of personnel + kilometers plus 14% VAT		
c) Opening of buildings	Normal turnout tariff plus 14% VAT		
d) Removal of animals	Normal turnout tariff plus 14% VAT		
4. Turn-outs outside of the municipal area <i>The following accumulative fees:</i>			
a) Fixed charges per call-out	300,96		315,00
b) First hour or part thereof per incident	679,44		715,00
c) For each subsequent hour of part thereof per incident	348,84		365,00
d) Cost for replacement of material, damaged equipment or consumable items	Cost plus 20% handling charge plus 14% VAT		
e) Equipment used	74,10		80,00
f) Jaws of life	240,54		257,00
g) Personnel per member per hour or part thereof	83,22		87,00
h) Kilometers of fire vehicles	15,60	/km	16,00 *
g) Cost of water used	Fixed rate of council/kl plus 14% VAT		

Tariffs relating to petroleum products

In accordance with the By-laws relating to the storage, use and handling of flammable liquids and substances Administrator's Notice 230 of 16 February 1983 the tariff of charges of R58,00 for flammable liquids and R116,00 for spray booths and stores be replaced by the following formula:

A. Flammable Liquids

Salary + Distance + Time + 14% VAT

1. Salary

The hourly tariff of the Inspection Officer as provided by the salary office, based on level 6 of a group 8 Local Authority. Tariff per hour or part thereof.

Remark

Level 6 on a group 8 is used as basis. This means it will be a Station Officer. Fire prevention and this kind of risk in any Local Authority demands certain responsibilities linked with certain qualifications.

2. **Distance**

Average distance between furthest and nearest point within the boundaries of the local authority multiplied by the kilometre tariff of that Council.

3. **Time**

Average time calculated from departure from the office including the inspection and time back at the office. The time is connected to flammable liquid capacities excluding gasses:

0	-	23 000 litre installations	:	30 minutes
23 000	-	83 000 litre installations	:	40 minutes
83 000	-	200 000 litre installations	:	60 minutes
200 000 +		litre installations	:	120 minutes

After 120 minutes calculated in accordance with the time per hour or part thereof spend at the installations.

B. **Spray booths, spray cubicles, dip tanks, mixing rooms, flammable liquid stores, carbide stores and relevant installations**

Salary + Time + Distance + 14% VAT

Salary and distance as above.

Time

60 minutes per installation which include travelling time.

C. **Gas**

0	-	48 kg installations	:	20 minutes
48	-	960 kg installations	:	30 minutes
960 kg and above			:	60 minutes

After 60 minutes, calculate the time spend at the installation per hour or part thereof which exceed 60 minutes.

Remark

Manifolds are included above. This is in accordance with a maximum of 20 cylinders per manifold (SABS 087).

For a gas filling facility calculate the size of the supply tank in the formula.

For gas pipelines it is recommended that the maximum cylinder capacity of 960 kg be used in the formula. The time of the inspection will then effect the amount.

D. Transport permit

Salary + Certificate Cost + 14% VAT

The cost is additional to the normal road worthy certificate tariffs.

Admin cost must be absorbed by the time in the formula and distance is provided for in the formula.

After six months the annual tariff must be divided in half of all the above items.

E. Fire equipment serviceman

R250,00 per year (1 January – 31 December) of each year + 14% VAT.

Comments by the Chief : Parks and Recreation

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
1. Swimming pool		
Pre-school children	Free	Free
Scholars	1,70	2,00
Adults	4,00	5,00
Season Tickets	148,20	150,00
Group Bookings:		
1-50 persons	159,60	190,00
1-100 persons	307,80	370,00
1-250 persons	490,20	600,00
2. Sports Facilities		
2.1 Kees Taljaard		
2.1.1 Rugby stadium, indoor sports and recreation halls		
Hire		
Mondays to Saturdays per day		
- Hall only	250,80	260,00
- Hall and parking area or parking area only	302,10	365,00
Public Holidays and Sundays per day		
- Hall only	302,10	365,00
- Hall and parking area only	421,80	500,00

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
Charge for every hour or part of a hour in the event of the rooms not being vacated upon expectation of the period of hiring		
- Hall only between 24:00 and 08:00	148,20	185,00
- Other times	96,90	115,00
Hall and parking area or parking area only		
- Between 24:00 and 08:00	302,10	365,00
- Other times	182,40	215,00
(Usage including the use of the kitchen, main complex)		
2.1.2 Cricket club house per day		
- Hall only	216,60	260,00
- Hall and grounds or grounds only	342,00	410,00
2.1.3 Jukskei club house per day		
- Hall only	216,60	260,00
- Hall and grounds or grounds only	342,00	410,00
2.1.4 Rugby staduim – field and pavilion per day		
- Per Rugby Field	216,60	260,00
- Pavilion	342,00	410,00
2.1.5 Refundable deposits in terms of the above per occasion		
- Hall only	430,00 *	520,00 *
- Hall and grounds or ground only	850,00 *	1 000,00 *
2.2 Mhluzi and Nasaret Sport Facilities		
- Use of facilities per day	171,00	205,00
- Refundable deposits per occasion per facility	350,00 *	450,00 *
2.3 Eastdene Sport Grounds		
- Use of facility per day	228,00	275,00
- Refundable deposit per occasion per facility	510,00 *	600,00 *
2.4 Kwazamokuhle Sport Stadium		
- Use of facility per day	171,00	205,00
- Refundable deposit per occasion per facility	350,00 *	450,00 *

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
<p>2.5 Use of the sport stadium on a continuous basis per annum (contractual basis)</p> <p>Schools & Government Institutions</p> <p>Soccer Free</p> <p>Tennis Free</p> <p>Netball Free</p> <p>Basket Ball Free</p> <p>Athletics Free</p> <p>Other Free</p> <p>Sport Clubs</p> <p>Soccer 228,00</p> <p>Tennis 85,50</p> <p>Netball 85,50</p> <p>Basket Ball 85,50</p> <p>Athletics 85,50</p> <p>Presentation of tournaments by individual persons</p> <p>Refundable deposit per occasion per facility 400,00 *</p>		To be referred to Council for approval	Free
<p>2.6 Should any of the bookings for any of the sports facilities be cancelled a 20% admin fee will be deducted from the hire tariff, before refund is made.</p>			Free
<p>3. Sewerage tank siphon services</p> <p>3.1 Properties within a 20 kilometre radius of the Municipal Service Centre</p> <p>- During normal working hours 285,00</p> <p>- After normal working hours 912,00</p> <p>1 596,00</p>		/load for the first 2 loads after which	342,00
<p>3.2 Properties within a 21 kilometre and 40 kilometre radius of the Municipal Service Centre</p> <p>- During normal working hours 478,80</p> <p>- After normal working hours 1 653,00</p> <p>1 881,00</p>		/load for the first 2 loads after which	1 095,00
			1 824,00
			2 166,00

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
3.3 Properties within a 41 kilometres and 60 kilometres radius of the Municipal Service Centre - During normal working hours - After normal working hours	843,60 1 938,00 2 280,00	/load for the first 2 loads after which	1 026,00 2 394,00 2 736,00
3.4 Properties in excess of 61 kilometre radius of the Municipal Service Centre - During normal working hours - After normal working hours	1 140,00 R60,00/hour +R8,50/km +10% administration costs + 14% VAT whichever is the largest value No service	/load or	1 368,00 R80,00/hour +R10,00/km +15% administration costs + 14% VAT whichever is the largest value No service
3.5 That a surcharge of 50% applicable to all tariffs be charged for services rendered outside the municipal boundaries.			
4. Cleaning of erven Owner that request that the property be cleaned Owners that are instructed by Council to clean their erven and that fail to do Removal of garden refuse on erven per two ton load (only owners that ignore the notices served) Removal of rubble from erven per 5 m ² load loaded with front end loader and trucks(only owners that ignore the notices served) Rental of mass container garden waste	No service Actual cost + 15% + 14% VAT No Service 912,00 57,00	/m ² /m ² /5m ³ load	No service Actual cost + 15% + 14% VAT No Service 1 140,00 70,00

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
5. Middelburg Dam		
Season tickets (valid for 12 months)		
- Motor vehicle or LDV (max 5 persons)	205,20	285,00
- Caravan (not valid Monday – Thursday)	182,40	228,00
- Boat/Trailer	182,40	228,00
Entrance fees		
- Motor vehicle or LDV (max 5 persons)	30,78	40,00
- Motor vehicle or LDV (max 8 persons)	42,18	55,00
- Microbus (9 - 15 persons)	85,50	100,00
- Bus (max 70 persons)	159,60	195,00
- Boat/Trailer/Tent	18,24	25,00
- Caravan per day	42,18	50,00
- Bicycle	6,84	8,00
- Motorcycle (two & four wheel) or any other similar vehicle	285,00	Not allowed on premises
Pensioners entrance identity cards per season (free entrance)	6,84	8,00
6. Cemeteries		
6.1 Mhluzi Phumalong Avalon & Crossroads/ Nasaret old & new cemeteries		
6.1.1 Interment charges		
Person residing in the municipal area		
- Adult (nine years and older)	96,00	115,00
- Children (younger than nine years)	74,10	90,00
Person residing outside the municipal area	Increased to discourage practice space constraints	
- Adult (nine years and older)	2 850,00	3 250,00
- Children (younger than nine years)	2 850,00	3 250,00

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
6.1.2 Reservation of grave	Increased tariff to discourage practice space constraints	
Person residing in the municipal area		
- Adult (nine years and older)	1 026,00	1 255,00
- Children (younger than nine years)	969,00	No more applicable
Person residing outside the municipal area		
- Adult (nine years and older)	2 850,00	3 250,00
6.1.3 Fees for the re-opening of the standard size excluding the afore-mentioned fees		
Persons residing in the municipal area		
- During normal working hours	159,60	195,00
- Outside normal working hours	387,60	570,00
Persons residing outside the municipal area		
- During normal working hours	798,00	960,00
- Outside normal working hours	1 140,00	1 360,00
6.2 Middelburg, Fontein and Voortrekker Street Cemeteries		
6.2.1 Interment charges		
Person residing in the municipal area		
Adult (nine years and older)		
- Landscape Section (1.8m or 2.4m)	250,80	300,00
- Memorial Section (1.8m or 2.4m)	364,80	440,00
Children (younger than nine years)		
- Landscape Section	148,20	170,00
- Memorial Section	239,40	285,00

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
Person residing outside the municipal area	Increased to discourage practice space constraints	
Adult (nine years and older)		
- Landscape Section (1.8m or 2.4m)	2 850,00	3 250,00
- Memorial Section (1.8m or 2.4m)	2 850,00	3 250,00
Children (younger than nine years)		
- Landscape Section	2 850,00	3 250,00
- Memorial Section	2 850,00	3 250,00
6.2.2 Reservation of grave		
Person residing in the municipal area		
Adult (nine years and older)		
- Landscape Section (1.8m or 2.4m)	1 482,00	1 825,00
- Memorial Section (1.8m or 2.4m)	2 166,00	2 625,00
Person residing outside the municipal area		
- Landscape Section (1.8m or 2.4m)	3 078,00	3 990,00
- Memorial Section (1.8m or 2.4m)	3 078,00	3 990,00
6.3 Fees for interment ashes		
Person residing in the municipal area		
- Reservation niche in wall of remembrance once off placement	159,60	195,00
- The interment ashes in an existing/occupied grave	159,60	195,00
- Second placement in niche in wall of remembrance	39,90	45,00
Person residing outside the municipal area	Increased to discourage practice space constraints	

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
- Reservation niche in wall of remembrance once off placement	2 280,00	2 735,00
- The interment ashes in an existing/occupied grave	2 280,00	2 735,00
- Second placement in niche in wall of remembrance	1 140,00	1 370,00
6.4 Culturally motivated funerals, after normal working hours excluded	Additional charges payable for internment after normal working hours where supervision by the Caretaker is required	
Saturday and after hours		
Person residing in the municipal area		
1 to 4 hours	342,00	455,00
Person residing outside the municipal area	Increased to discourage practice space constraints	
1 to 4 hours	2 850,00	3 420,00
Public holidays and Sundays		
Person residing in the municipal area		
1 to 4 hours	570,00	685,00
Person residing outside the municipal area	Increased to discourage practice space constraints	
1 to 4 hours	2 850,00	3 420,00

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
6.5 Fees for the re-opening, changing of the standard size excluding the aforementioned fees Person residing in the municipal area - During normal working hours - Outside normal working hours Person residing outside the municipal area - During normal working hours - Outside normal working hours	 171,00 570,00 912,00 1 710,00	 205,00 685,00 1 140,00 2 050,00
6.6 Application for the erection of a memorial work on a grave in the Memorial Section/ Landscape Section Memorial work on a grave – adult or child Memorial plate on the memorial wall	 62,70 62,70	 75,00 75,00
6.7 Should the reservation on a grave be cancelled	80% of the fee paid with the original reservation is refundable	
6.8 Hendrina/Kwazamokuhle 6.8.1 Interment charges Person residing in the municipal area Adult (nine years and older) - Landscape Section (1.8m or 2.4m) - Memorial Section (1.8m or 2.4m) Children (younger that nine years) - Landscape Section - Memorial Section	 96,90 96,90 74,10 74,10	 115,00 115,00 90,00 90,00

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
Person residing outside the municipal area	Increased to discourage practice space constraints		
Adult (nine years and older)			
- Landscape Section (1.8m or 2.4m)	2 850,00		3 420,00
- Memorial Section (1.8m or 2.4m)	2 850,00		3 420,00
Children (younger than nine years)			
- Landscape Section	2 850,00		3 420,00
- Memorial Section	2 850,00		3 420,00
6.8.2 Reservation of grave			
Person residing in the municipal area			
- Landscape Section (1.8m or 2.4m)	741,00		912,00
- Memorial Section (1.8m or 2.4m)	741,00		912,00
Person residing outside the municipal area	Increased to discourage practice space constraints		
- Landscape Section (1.8m or 2.4m)	2 850,00		3 420,00
- Memorial Section (1.8m or 2.4m)	2 850,00		3 420,00
6.8.3 Culturally motivated after normal working hours funerals excluded	Additional charges payable for internment after normal working hours where supervision by the Caretaker is required		
Saturday and after hours			
Person residing in the municipal area			
1 to 4 hours	570,00		685,00
Person residing outside the municipal area			
1 to 4 hours	1 140,00		1 370,00
Public holidays and Sundays			
Person residing in the municipal area			
1 to 4 hours	570,00		685,00
Person residing outside the municipal area			
1 to 4 hours	1 140,00		1 370,00

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
6.8.4 Fees for the re-opening, changing of the standard size excluding the aforementioned fees Person residing in the municipal area - During normal working hours - Outside normal working hours Person residing outside the municipal area - During normal working hours - Outside normal working hours	114,00 570,00 500,00 1 710,00	135,00 685,00 685,00 2 050,00
6.8.5 Application for the erection of a memorial work on a grave in the Memorial Section/ Landscape Section Memorial work on a grave – adult or child Memorial plate on the memorial wall	62,70 62,70	75,00 75,00
7. All cemeteries within the municipal boundaries Mass re-interment per grave utilized exhumation that takes place within municipal boundaries M21/04/2004 Mass re-interment per grave utilized exhumation that takes place outside municipal boundaries M21/04/2004 Single re-interment per grave utilized exhumation that takes place within municipal boundaries M21/04/2004 Single re-interment per grave utilized exhumation that takes place outside municipal boundaries M21/04/2004	2 850,00 Not permitted 2 850,00 3 420,00	3 420,00 Not permitted 3 420,00 4 560,00

Comments by the Chief : Solid Waste Disposal Services

The Departments of Solid Waste Management and Finance have received complaints from the public regarding the tariffs system pertaining to the waste disposal at the dumping site. The tariff system is currently based on the weight of the vehicle and not on the amount of waste disposed. This was due to the fact that the tariffs were in place before the weighbridge was installed. The current dumping site tariffs are as follows:

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
1. Dumping site tariffs Admittance for residential users are free of charge Other tariffs (business) are as follows:			
Vehicles smaller than 1.5 ton			
With coupon	9,69	/load	Amended
Without coupon	18,81	/load	Amended
Vehicles between 1.5 ton and 5 tons			
With coupon	39,90	/load	Amended
Without coupon	57,00	/load	Amended
Vehicles between 5 ton and 8 tons			
With coupon	79,80	/load	Amended
Without coupon	91,20	/load	Amended
Vehicles between 8 ton and 10 tons			
With coupon	102,60	/load	Amended
Without coupon	119,70	/load	Amended
Vehicles between 10 ton and 15 tons			
With coupon	125,40	/load	Amended
Without coupon	148,20	/load	Amended
Vehicles larger than 15 tons			
With coupon	153,90	/load	Amended
Without coupon	171,00	/load	Amended

It is proposed that due to the fact that the weighbridge has been installed and it is possible to determine the amount of waste disposed, it is therefore proposed that the dumping site tariff be amended as follows:

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
Other tariffs (business) are as follows:			
Prepaid coupon		/ton or a	15,00
Without coupon		portion of a / ton	20,00

Comments by the Town Secretary

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
Utilisation of Community Halls			
A. Deposit			
(i) Refundable deposit per occasion per hall	250,00 *	/occasion	250,00 *
B. Rental of hall	28,50	/hour	35,00
(i) Rental of halls – cultural organisations, charity organisations, schools, education institutions, churches, funeral services and sport clubs	17,10	/hour	17,00
(ii) Tariff for hosting a bar per occasion	171,00	/occasion	205,00
(iii) Rental of hall between 24:00 & 06:00	114,00	/hour	135,00
(iv) Rental of hall between 24:00 & 06:00 by cultural organisations, charity organisations, schools, education institutions, churches, funeral services and sport clubs	62,70	/hour	80,00
C. Tenders			
(i) Refundable tender deposit	100,00 *		100,00 *
(ii) Tender levy		/tender document (minimum R100,00)	Actual cost + 15% + 14% VAT

Comments by the Chief : Town Planning Services

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
1. Charges for the approval of building plans			
a) Minimum fee	96,90		116,00
b) For the first 1 000 m ² of the area	15,96	/10m ²	19,00
c) For the next 1 000 m ² of the area	9,12	/10m ²	11,50
d) Additions and alternation to existing building:			
- Minimum fee	96,90		116,00
- ,1% of the estimate value	9,12	/10m ²	11,50
e) Structural steelwork, reinforced concrete or structure work	9,12		11,50
f) Special buildings such as factory, chimneys, spires, etc.:			
- Minimum fee	96,90		116,00
- ,1% of the estimate value	9,12	/10m ²	11,50
g) Perspective drawings and site development plan	188,10		225,00
Disconnection of drainage system	72,96		88,00

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
2. Examination of preliminary plans			
a) 0 m ² 1 000 m ²	9,12	/10m ²	11,50
b) 1 000 m ² 2 000 m ²	7,98	/10m ²	9,00
c) 2 000 m ² plus	5,70	/10m ²	7,00
d) Minimum fee	85,50		106,00
3. Provision of monthly lists of approved plans	96,90	/year	116,00
4. Drainage plan charges			
a) Per 10 m ² of the area of building	5,70	/10m ²	7,00
b) Minimum	72,96		88,00
5. Re-inspections	96,90	/inspection	116,00
6. Annual charges for street projections			
a) Application fee	133,38	/sign	160,00
b) Verandah on Council property	133,38		160,00
Verandah posts	20,52	post/year	24,00
Verandah over street	2,85	m ² /year	3,50
c) Annual rent for permanent signs on Council property in front of business	120,84	m ² /year	145,00
d) Annual rent for signs on Council property: Entrances of towns or suburbs:			
- Double sided signs	255,36	m ² /year	306,00
- Single side signs	193,80	m ² /year	231,00
7. Application for occupation certificate	85,50		103,00
8. Application for the erection on a boundary wall, hoarding of fence			
a) Brick wall	85,50		103,00
b) Pre-fabricated concrete wall	85,50		103,00
c) Hoarding of fence	85,50		103,00
9. Application for the relaxation of a building line	230,28		276,00
10. Deposit to clean up a stand after completion of building work			
a) Business erf, industrial erf, general residential erf	607,62		727,00
b) Residential erf	364,80		437,00
c) Additions on any erf	242,82		291,00

DESCRIPTION		TARIFFS	
		APPROVED 2006/2007	RECOMMENDED 2007/2008
		R	R
11.	Application for the revoking of an approved scheme or scheme clauses	606,48	726,00
12.	Application for subdivision		
	a) Erf	290,78	348,00
	b) Farmland	1 202,70	1 440,00
	c) Deletion of conditions with regard to farmland	163,02	195,00
13.	Consolidation of erven	199,50	238,00
14.	Re-issue of Article 92 certificate	66,12	78,00
15.	Zoning certificate	36,48	43,00
16.	Application for consent use	188,10	225,00
17.	Application for rezoning	1 456,92	1 744,00
18.	Application for township establishment	2 143,20	2 565,00
19.	Application for the extension of township boundaries	1 456,92	1 745,00
20.	Erf entrances	102,60	/meter 123,00
21.	Withdrawal of application, amendment of conditions/subdivision/consolidations	139,08	166,00
22.	Photo copies	2,28	A4 2,75
23.	Plan copies		
	a) A3 plan of town	6,84	8,00
	b) Photo copy of building	12,54	15,00
	A2	23,94	28,00
	A10	29,64	35,00
	c) Street index	6,84	8,00
	d) Town plan 1 : 7500	66,12	78,00
	- 1 : 5000	108,30	130,00
	- Plastic (Durester) (A)	29,64	35,00
	- (A1)	47,88	57,00
24.	Approval of plan for the erection of a sign	96,90	plan/sign 116,00
25.	Pound tariffs		
	1. Stallion fees (horse or donkey) each	22,80	each 23,00
	2. Bulls	57,00	each 57,00
	3. Rams (sheep or goat) of eight months older	17,10	each 17,00
	4. Pigs	22,80	each 23,00
	5. Mares, gelding, foals, mules, donkeys, oxen, cows, calves or ostriches	34,20	each 34,00
	6. Sheep or goats each	17,10	each 17,00

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
26. Grazing and tending fees 1. Horses, mules, foals, donkeys, bulls, oxen, calves, ostriches or pigs 2. Sheep or goats The charges in terms of sub items (1) and (2) shall not be payable if the animals are released on the day they are impounded	18,24 18,24	/day each /day each	19,00 19,00
27. Driving fees 1. For animals found within the jurisdiction area of the Steve Tshwete Local Municipality, Middelburg per kilometer or part thereof: 1.1 Horses, mules, donkeys, cattle or ostriches 1.2 Sheep or goats 1.3 Pigs 2. For animals outside the jurisdiction area of the Steve Tshwete Local Municipality, Middelburg 2.1 Ostriches 2.2 Other animals	5,70 5,70 11,40 6,84 4,56	/head every twenty or less /head each each	6,00 6,00 12,00 7,00 5,00
28. General For the supply of services for which no provision is made in these tariffs:	Actual cost plus 15%		Actual cost plus 15%
29. Storage on sidewalks	To be determined		To be determined

Comments by the Town Electrical Engineer

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
1. Electrical Connections Main Service Contributions	Actual cost +15% Actual cost +15%		Actual cost +15% Actual cost +15%

DESCRIPTION	TARIFFS	
	APPROVED 2006/2007	RECOMMENDED 2007/2008
	R	R
2. With reference to the Standard Electricity By-Laws		
Clause 8 (1)(a) reconnect due to non-payment after hours	136,98	165,00
Clause 8(1)(b) reconnect due to consumer change after hours	136,98	165,00
Clause 8(2)(b)(i) complaints weekdays between 20:00 & 06:00	136,98	165,00
Clause 8(2)(b)(ii) complaints Saturday between 18:00 & 07:00	136,98	165,00
Clause 8(2)(b)(iii) complaints Sundays between 18:00 & 08:00	315,37	380,00
Clause 8(2)(b)(iv) complaints public holidays between 18:00 & 08:00	315,37	380,00
Clause 8 (2)(b)(vi) repeated consumer fault call-outs:		
Mondays –Saturday	136,98	165,00
Sundays & Public Holidays	315,37	380,00
Clause 8(3) test of electrical installation	369,91	446,00
Test of ready board installation (new)	145,83	175,00
Clause 8(4)(i) test of single phase meter	163,61	197,00
Clause (8)(4)(ii) test of three phase meter	189,70	228,00
Clause (8)(4)(iii) test of a programmable meter	317,95	383,00
Clause 8(4)(iv) test a pre-payment meter	163,61	197,00
Clause 8 (6)(a) increase tariff circuit breaker	80,62	97,00
Clause 8(6)(b) lower circuit breaker	80,62	97,00
Clause 8 (6)(c) change and test tariff circuit breaker	80,62	97,00
Clause 8 (7)(i to iii) repair cost sealed apparatus, tampering and damage to service connection:		
1 st offence	1 570,92	1 891,00
2 nd offence	2 387,80	2 875,00

Comments by the Chief : Librarian

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
Membership Fees			
1. Middelburg			
a) Residents	Free		Free
b) Non-Residents	250,00 *		250,00 *
Hendrina/Kwazamokuhle			
a) Residents	Free		Free
b) Non-Residents	200,00 *		250,00 *
2. Deposit			
Records and art prints			
Middelburg			
Residents and Non-Residents	Free		Free
Hendrina/Kwazamokuhle			
Residents and Non-Residents	Free		Free
3. Reference section			
Normal reference section			
Middelburg			
a) Members	Free		Free
b) Non-members	Free		Free
Hendrina/Kwazamokuhle			
a) Members	Free		Free
b) Non-members	Free	/occasion	Free
4. Fines			
Books/sound recordings/audio books	1,37	/week /item	1,60
5. Sound recording offences			
Loss of inner plastic cover	2,28		2,60
Dirty and finger marks	3,42		3,90
Loss of outer cover	3,42		3,90
Damaged sound record	Pay in full		Actual cost +15%
Loss record cover / CD's	Pay in full		Actual cost +15%
Damaged CD's	Pay in full		Actual cost +15%

DESCRIPTION	TARIFFS		
	APPROVED 2005/2006		RECOMMENDED 2006/2007
	R		R
6. Photostats/printing charges			
A4 library material	0,46	each	0,60
A3 library material	0,91	each	1,00
A4 other	0,90	each	1,00
A3 other	1,82	each	2,00
Internet (private use)	R9,12 Plus R3,42	/5 min /page	10,30 Plus R3,90
Colour copy	R9,12	/page	6,50
Encarta	R1,71	/page	1,40
7. Special requests			
Middelburg			
Library material	Replaced 1 July 2006	request as stipulated by individual libraries	Service cancelled
Interlending fee	Actual cost +15%		-
Hendrina/Kwazamokuhle			
Library material	Replaced 1 July 2006	request as stipulated by individual libraries	Service cancelled
Interlending fee	Actual cost +15%		-
8. Lost and damaged books	Actual cost +15%		-
Reference	-		230,00
Non-fiction	-		150,00
Junior Non-fiction	-		150,00
Fiction	-		115,00
Learner Fiction	-		135,00
Kids / Junior Fiction	-		90,00
Kids Non-fiction	-		80,00
9. Town maps	5,70		6,50
10. Duplicate borrowers pockets	1,14		1,40

Comments by the Town Engineer

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
1. Traffic counts	No service		No service
a) Occasion	No service	occasion/	No service
b) Count (supply of existing counts)	No service	count	No service
2. Hire of machinery			
a) Back actor	188,10	/hour	200,00
b) 3 Ton roller	125,40	/hour	135,00
c) Water pump	57,00	/hour	57,00
d) Grader	399,00	/hour	400,00
e) Chain excavator	-	/hour	92,00
3. Laboratory test			
a) MDD (max dry density)	239,40	/test	280,00
b) MDD + CBR (California Bearing Ratio)	467,40	/test	280,00
c) MDD + UCS (Unconfined compressive strength)	330,60	/test	390,00
d) Grading	91,20	/test	108,00
e) PI (Plastic Index)	136,80	/test	163,00
f) Compressive strength concrete cubes	28,50	/test	34,00
g) GRAD + PI	239,40	/test	284,00
h) DCP (Max five)	342,00	/test	406,00
i) Densities with troxler (max five)	342,00	/test	406,00
4. Water and sewerage connections	As determined from time to time (actual cost plus 15%)		
5. Main service contributions	As determined from time to time (actual cost plus 15%)		
6. Swimming pool : backwash water	6,84	/month	9,00
7. Clean up sewerage blockages (office hours)	136,80	/30 min	165,00
	administration fee included		administration fee included

Comments by the Chief : IT Services

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
1. Electronic data (search fees)	96,90	/megabite of part of	97,00
2. Map producing			
A4 : Grayscale	12,54		13,00
: Coloured	25,00		25,00
A3 : Grayscale	25,00		25,00
: Coloured	36,48		37,00
A2 : Grayscale	49,02		50,00
: Coloured	60,42		60,00
A1 : Grayscale	96,90		97,00
: Coloured	108,30		109,00
A0 : Grayscale	192,66		193,00
: Coloured	205,20		205,00
3. Search fees	36,48	30 min	37,00
4. Aerial photography Tif imager per tile	285,00		285,00
Annual fee – IMIS query access	353,40		355,00

Comments by the LED Officer

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
Hawkers trollies	To be determined		To be determined

Comments by the Manager : Finance

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
Valuation roll (Printout)	342,00		400,00
Valuation Roll on CD	342,00		400,00

DESCRIPTION	TARIFFS		
	APPROVED 2006/2007		RECOMMENDED 2007/2008
	R		R
Application : Information on computer on the above (if on stifi or CD)	102,60	1 megabite or per part thereof	115,00
Application of clearance	22,80		26,00
Clearance certificate	2,00 *		2,00 *
Tracing electronic payments made on Council's bank account without any references	125,40		130,00
Levy on repudiated cheques	Actual bank fees +15%		Actual bank fees +15%
Re-connection fees non payment	114,00		130,00
Connection fees – New consumers:			
Electricity			
Water	102,60		108,00
Telephone warning fees	25,08		27,00
Search fees	28,50	30 min or part thereof	35,00
Credit Card Payments and accounts payments at retailers		/transaction	Actual cost +14% VAT

PERSONNEL BUDGET 2007/2008

EXECUTIVE MANAGER CORPORATE SERVICES

DEPARTMENT PROPERTY VALUATION SERVICES

New post

Post Title : Valuer (Candidate)
 Post ID : New Post ID
 Post Level : 8
 Salary Scale : R111 677 / R117 351 / R123 330 per annum
 Benefits : 450 km travel allowance
 Vote Number : 123
 Motivation : Assist Valuers with valuations.

DEPARTMENT PUBLIC RELATIONS

Post to be converted

	<u>Current</u>	<u>Recommended</u>
Post Title :	Access Control Officer	Clerical Assistant Grade 1 / Senior Clerical Assistant
Post ID :	1404	1404
Post Level :	12/11	12/11
Salary Scale :	R62 192 / R63 224 / R65 389 / R67 668 / R70 061 / R72 591 / R75 233 / R78 157 per annum	R62 192 / R63 224 / R65 389 / R67 668 / R70 061 / R72 591 / R75 233 / R78 157 per annum
Benefits :	Standard	Standard
Vote Number :	121/110	121/110
Motivation :	No administrative personnel and a lot of typing and administrative/clerical work are generated in this department.	

EXECUTIVE MANAGER FINANCE

New posts

Division : Treasury Office (6 months)
Post Title : Sub-Accountant : Property Valuation Roll
Post ID : New Post ID
Post Level : 7
Salary Scale : R128 964 / R135 529 / R142 408 per annum
Benefits : Standard
Vote Number : 200
Motivation : The Property Rates Act, Act 6 of 2004, and the Council's implementation programme in line with the Act requires that in January 2008 a new consolidated valuation roll be tabled and that a separate register be kept on all remissions and rebates and multiple purpose infrastructural and sectional title property be separately recorded. With the inclusion of rural areas and farms the tasks of the present Clerk Grade 1 and Chief Clerk will almost double. It is thus important that more seniority be given to this section and this additional post be created and filled as from January 2008.

Division : Treasury Office
Post Title : Cashier/Clerk
Post ID : New Post ID
Post Level : 13/12
Salary Scale : R56 949 / R57 655 / R59 486 / R61 411 / R63 436 / R64 489 / R66 697 / R69 022 / R71 463 per annum
Benefits : Fixed travelling allowance to allow for travelling to new paypoints at rural areas.
Vote Number : 200
Motivation : Rural townships as well as Doornkop are being developed and might require the erection of new paypoints during the financial year. The post is required to man some of these paypoints for certain days per week in order to provide the same standard of consumer service as for other townships.

Division : Treasury Office
Post Title : Clerk Grade 3 : Consumers
Post ID : New Post ID
Post Level : 12
Salary Scale : R63 436 / R64 489 / R66 697 / R69 022 / R71 463 per annum
Benefits : Standard
Vote Number : 200
Motivation : With the expansion of services to the rural areas and the erection of new paypoints as well as the 24 hour vending service, the workload to administrate these services and to keep up with the filing of consumer records have more than doubled. An additional clerk is requested to assist with the administrative duties of the paypoints, filing and direct bankings.

Upgrading of post benefits

	<u>Current</u>	<u>Recommended</u>
Division	: Treasury Office	Treasury Office
Post Title	: Part-time Cashier/Clerk at Komati Pay point	Part-time Cashier/Clerk at Komati Pay point
Post ID	: 2900	2900
Post Level	: 13/12 (one day per week)	5/8 (62,5%) of 13/12 and when needed)
Benefits	: None	Standard
Vote Number	: 200	200
Motivation	: The total area served by the Komati Paypoint provides full consumer services including prepaid electricity. Until the proposed re-opening of Simunye Power Station it is expected that the residential areas will accommodate more construction workers.	
Department	: Treasury Office	Treasury Office
Post Title	: Cashier/Clerk Pullenshope and Hendrina	Cashier/Clerk Pullenshope and Hendrina
Post ID	: 2072	2072
Post Level	: 13/12	13/12
Benefits	: Monthly paid travel allowance	Fixed travelling allowance for three trips per week to Pullenshope
Vote Number	: 200	
Motivation	: Travelling is being paid monthly on an ad hoc basis and, since the same distance is claimed each month, it will be more convenient to link a fixed travelling allowance to this post.	

EXECUTIVE MANAGER PUBLIC SERVICES

DEPARTMENT TRAFFIC SERVICES

New posts

Post Title	: Assistant Superintendent Security Services
Post ID	: New Post ID
Post Level	: 8
Salary Scale	: R111 677 / R117 351 / R123 330 per annum
Benefits	: Cellphone and vehicle allowance 450 km per month
Vote Number	: 311
Motivation	: Security work and supervision of contracted security services providers.

Post Title : Worker Grade 3 (Technical Section)
(2 posts)
Post ID : New Post ID
Post Level : 20/19
Salary Scale : R45 202 per annum
Benefits : Standard
Vote Number : 310
Motivation : Painting and replacing of road markings and signs.

Post Title : Clerical Assistant Grade 1 / Senior Clerical Assistant
Post ID : New Post ID
Post Level : 12/11
Salary Scale : R62 192 / R63 224 / R65 389 / R67 668 / R70 061 / R72 591 /
R75 233 / R78 157 per annum
Benefits : Standard
Vote Number : 310
Motivation : As additional traffic officers are employed, the number of documents which are issued increases and the process section staff cannot cope with data capturing, processing of accident documents and Section 56 and 341 notices.

Post Title : Superintendent (Traffic) (Traffic Lights Technician)
Post ID : New Post ID
Post Level : 7
Salary scale : R123 435 / R132 871 / R139 615 per annum
Benefits : Cellphone and vehicle allowance
Vote Number : 310
Motivation : Maintenance and repair of robots.

Temporary posts

Post Title : Temporary Traffic Wardens
(15 posts)
Post ID : None
Post Level : None
Salary Scale : R30 per hour x 5 hours per day x 250 working days x 15 Wardens
= R562 500 per annum
Benefits : None
Vote Number : 310
Motivation : Approved by Council (M40/12/2003) with R10 per hour increase recommended.

Post to be scrapped

Post Title : Chief Traffic Services
Post ID's : 3002 & 3302
Post Level : 3
Salary Scale : R192 473 per annum
Benefits : Vehicle allowance 650 km per month and cellphone allowance
Vote Number : 310

DEPARTMENT FIRE SERVICES

New posts

Post Title : Control Room Attendants
(2 posts)
Post ID : New Post ID
Post Level : 12
Salary Scale : R62 192 / R63 224 / R65 389 / R67 668 / R70 061 per annum
Benefits : Standard
Vote Number : 515
Motivation : To implement shifts for the management of 24 Hour Control Centre and Fire Watch Room.

Change in Service Conditions

Post Title : Divisional Officer
Post ID : 3160
Post Level : 6
Salary Scale : R139 615 / R146 716 / R154 168 per annum
Benefits : Travelling allowance of 400 km pending on that the post be declared a travelling allowance bearing position by Council.
Vote number : 515
Motivation : The department does not dispose of enough official vehicles to perform the allocated duties.

Post Title : Disaster Management Officer
Post ID : 3159
Post level : 4
Salary scale : R174 322 / R178 686 per annum
Benefits : A travelling allowance of 650 km pending on that the post be declared a travelling allowance bearing position by Council.
Vote number : 515
Motivation : The department does not dispose of enough official vehicles to perform the allocated duties.

Post Title & : Disaster Management Officer (Post ID 3159)
Post ID's : Assistant Chief Fire Officer (Post ID 3073)
Divisional Officer (Post ID 3160)
Benefits : Cellphone (Talk 100 packages)
Vote Number : 515
Motivation : This department experience major problems with regard to radio communication especially outside the urban area which hampers emergency communication to and from the Control Centre with relation to backup equipment, personnel and services.

DEPARTMENT HOUSING SERVICES

New posts

Post Title : Clerk Grade 1
(2 posts)
Post ID : New Post ID
Post Level : 10
Salary Scale : R79 681 / R83 026 / R86 600 / R90 557 per annum
Benefits : Standard
Vote Number : 452
Motivation : Required for the processing of application forms and to register, open, sort and dispatch incoming and outgoing correspondence/ documentation.

Post Title : Law Enforcement Superintendent
Post ID : New Post ID
Post Level : 9
Salary Scale : R94 709 / R99 198 / R103 971 / R108 989 per annum
Benefits : Standard
Vote Number : 460
Motivation : Required for the supervision of the informal housing unit to ensure full compliance with the provisions of the Prevention of Illegal Eviction form and Unlawful Occupation of Land Act, Act 19 of 1998.

Post Title : Law Enforcement Officers (Squatter Control)
(4 posts)
Post ID : New Post ID's
Post Level : 11
Salary Scale : R70 061 / R72 591 / R75 233 / R78 157 per annum
Benefits : Standard
Vote Number : 460
Motivation : Required for the patrolling and monitoring of land to ensure that land is not occupied illegally, two posts will be for Middelburg and surrounding rural areas whereas two will be for Hendrina and surrounding rural areas.

DEPARTMENT HEALTH SERVICES

Posts to be unfrozen

Post Title : Community Health Nurse/Senior
Post ID : 4189 and 4190
Post Level : 9/8
Salary Scale : R94 709 / R99 198 / R103 971 / R108 989 / R111 677 / R117 351 / R123 330 per annum
Benefits : Standard
Vote Number : 441

Motivation : The clinics in the old Middelburg area were expanded and the workload in PHC has increased to new health programmes to be implemented, therefore these posts should be unfrozen to render the service at Mhluzi Extension 6 new clinic and Doornkop.

Temporary appointments

Post Title : Temporary Relieve Community Health Nurse/Senior (Locum posts)
(3 posts)
Post ID : New Post ID's
Post Level : 9/8
Salary Scale : R94 709 / R99 198 / R103 971 / R108 989 / R111 677 /
R117 351 / R123 330 per annum
Vote Number : 440/441/442
Benefits : Standard
Motivation : During maternity leave or unplanned resignations of staff the need of relieve staff arises to ensure continuity of health service delivery in the clinics.

DEPARTMENT LIBRARY SERVICES

New posts

Post Title : Library Assistant Grade 1
(5 posts)
Post ID : New Post ID's
Post Level : 12
Salary Scale : R62 192 / R63 224 / R65 389 / R67 668 / R70 061 per annum
Benefits : Standard
Vote Number : 140/110
Motivation : One each for Hendrina and Kwazamokuhle. These libraries only have one Library Assistant Grade 1 each and when they are absent the libraries cannot open. 1 Library Assistant Grade 1 for Doornkop and Tokologo each.

Temporary appointments

Council gave permission for appointment of scholars and an amount of R40 000 must be budgeted for.

DEPARTMENT LICENSE SERVICES

New posts

Post Title : Assistant Chief License Services
Post ID : New Post ID
Post Level : 5
Salary Scale : R162 007 / R166 077 / R170 250 per annum
Benefits : Standard
Vote Number : 300
Motivation : To perform all functions in the License Department and to act as Chief in his absence. To ensure that there is a proper ranking structure within the License Department.

Post Title : License Officer
Post ID : New Post ID
Post Level : 9
Salary Scale : R94 709 / R99 198 / R103 971 / R108 989 per annum
Benefits : Standard
Vote Number : 300
Motivation : With the implementation of the Best Practice Model a supervisor at each section is necessary to prevent fraud. The sections are: Receiving, Implementation, Cashiers and a supervisor is also needed at the Driver's License Section.

Post Title : Senior Clerical Assistant
(10 posts)
Post ID : New Post ID's
Post Level : 11
Salary Scale : R70 061 / R72 591 / R75 233 / R78 157 per annum
Benefits : Standard
Vote Number : 300
Motivation : This department needs extra personnel to implement the Best Practice Model. More personnel will also ease the frustration experienced by public waiting for service.

Post Title : Clerical Assistant Grade 1 (Grade F Examiners)
Post ID : New Post ID
Post Level : 12
Salary Scale : R62 192 / R63 224 / R65 389 / R67 668 / R70 061 per annum
Benefits : Standard
Vote Number : 300
Motivation : With the implementation of the Best Practice Model, Grade F examiners are required to conduct the eye tests for driver's licenses.

Temporary posts

Post Title : Temporary Clerical workers
(3 posts)
Post ID : New Post ID's
Post Level : 14
Salary Scale : R50 575 per annum
Benefits : None
Vote Number : 300
Motivation : In the absence of enough personnel or when posts are vacant, the temporary personnel would ensure continuity of service and help this department to deliver the best service to the public.

MANAGER TECHNICAL & FACILITIES

DEPARTMENT TOWN ENGINEER

New posts

Division : Roads and Storm Water
Post Title : Special Workman
Post ID : New Post ID
Post Level : 10
Salary Scale : R79 681 / R83 026 / R86 600 / R90 557 per annum
Benefits : Standard
Vote Number : 540
Motivation : To maintain extending roads and storm water infrastructure.

Division : Roads and Storm Water
Post Title : Worker Grade 2
(2 posts)
Post ID : New Post ID's
Post Level : 19/18
Salary Scale : R45 202 per annum
Benefits : Standard
Vote Number : 540
Motivation : To maintain extending roads and storm water infrastructure.

Division : Water and Sewer Networks
Post Title : Sewerage Maintenance Supervisor
Post ID : New Post ID
Post Level : 11
Salary Scale : R70 061 / R72 591 / R75 233 / R78 157 per annum
Benefits : Standard
Vote Number : 550
Motivation : The present supervisor is one of the teams. A person is needed to supervise the team who is responsible for the maintenance of the sewer network in Mhluzi and Middelburg.

Division : Water and Sewer Networks
 Post Title : Worker Grade 3
 (4 Posts)
 Post ID : New Post ID's
 Post Level : 20/19
 Salary Scale : R 45 202 per annum
 Benefits : Standard
 Vote Number : 550
 Motivation : Required for the maintenance of the biological toilets in Newtown.
 Temporary workers were used up to now.

Division : Water and Sewer Networks
 Post Title : Worker Grade 3
 (2 Posts)
 Post ID : New Post ID's
 Post level : 20/19
 Salary scale : R 45 202 per annum
 Benefits : Standard
 Vote number : 567
 Motivation : Required for the maintenance of the biological toilets and water
 network in Doornkop. Temporary workers were used up to now.

Posts to be unfrozen

	<u>Current</u>	<u>Proposed</u>
Post Title :	Plumber/Senior	Tradesman Assistant Grade 2/1 - Plumber/Senior
Post ID :	5031 & 5103	5031 & 5103
Post Level :	9	15/14 – 13 – 9
Salary Scale :	R79 681 / R83 026 / R86 600 / R90 557 / R94 709 / R99 198 / R103 971 / R108 989 per annum	15/14 - R46 152 – R55 832 13 - R55 832 – R62 192 9 - R94 709 – R108 989 per annum
Benefits :	Standard	Standard
Vote Number :	550 & 560	550 & 560
Motivation :	We need these positions to be converted from Plumber/Senior in order to develop a career path for internal skills development with the aim for the incumbent to qualify as a plumber tradesman after a successful completion of a trade test.	

DEPARTMENT TOWN ELECTRICAL ENGINEER

New posts

Post Title : Apprentice Electrician
(2 posts)
Post ID : New Post ID's
Post Level : 50% of level 9
Salary Scale : 50% of R94 709 / R99 198 / R103 971 / R108 989 per annum
Benefits : Standard
Vote Number : 700/110
Motivation : These posts are required in terms of Mayoral Committee Resolution M22/11/2006.

Post Title : Technical Assistant Testing
Post ID : New Post ID
Post level : 9/7
Salary scale : R94 709 / R99 198 / R103 971 / R108 989 / R111 677 / R117 351 / R123 330 / R126 435 / R132 871 / R139 615 per annum
Benefits : Standard
Vote Number : 700/110
Motivation : The incumbent of this post will be responsible to do cable diagnostic tests on the 88kV and 11kV cables to determine the reliability of the distribution network in order to prevent unnecessary power interruptions. The incumbent has to do cable fault locating on high voltage, medium voltage and low voltage networks. He will be responsible for the battery maintenance on the protection scheme. Incumbent will be responsible for the testing of oil in all ring main units and transformers. Responsible for switch gear maintenance. The above maintenance work is legal requirements.

For this section an existing Electrician and his Artisan Assistant will have to be allocated to this section. This amendment must be made on the organogram should this section be approved.

Post Title : Artisan Assistant Grade 3
Post ID : New Post ID
Post Level : 17
Salary Scale : R45 202 per annum
Benefits : Standard
Vote Number : 700/110
Motivation : These Artisan Assistants will be assisting the Technician : Testing and the Electrician who will be allocated to the Testing Section.

Post Title : Clerk Grade 2
Post ID : New Post ID
Post Level : 11
Salary Scale : R70 061 / R72 591 / R75 233 / R78 157 per annum
Benefits : Standard
Vote Number : 700/110
Motivation : A person is required to assist with the following administrative functions:

- Data capturing of vehicle log sheets
- Scheduling of legal requirements (licenses, test certificates of safety harnesses, lifting equipment et cetera)
- Compiling files for contractors
- Record keeping of written safe work procedures
- Updating and alterations of documents after workshops were held
- Administration on risk assessments
- Filing of call out certificates
- Data capturing of information for NER returns
- Keeping maintenance schedule updated
- Filing of maintenance documents
- Re-scheduling of training
- Keeping record of training
- Record keeping of job observations
- Verifying of attendance

There is an item circulating for the second time in the above regard.

Post Title : Network Control Officer
Post ID : New Post ID
Post Level : 7
Salary Scale : R126 435 / R132 871 / R139 615 per annum
Benefits : Standard
Vote Number : 700/110
Motivation : Control needs to be done from the Control Room and not from a house or from site. Presently we are using local control for after-hour work to accommodate the functions of the Control Officer in terms of the regulations. The regulations are however specific that all control must be done from the Control Room except in abnormal conditions or in the failure of communication. The reason why this must be done from the Control Room is that the most updated information is available at hand. In terms of this incumbents job description control should be done from the Control Room. With the one Control Officer at this moment, it is not possible to put this in place.

DEPARTMENT TOWN PLANNING SERVICES

An amount of R10 000,00 be budgeted for to use for experiential training of Town Planner Students.

DEPARTMENT MUNICIPAL BUILDING SERVICES

Post to be unfrozen

Post Title : Senior Technical Assistant
Post ID : 5015
Post Level : 6
Salary Scale : R139 615 / R146 716 / R154 168 per annum
Benefits : Vehicle allowance 450 km/m
Vote Number : 555
Motivation : Drafting and updating of plans for all the Municipal Buildings.
Assist with supervision of capital projects & maintenance.

DEPARTMENT PARKS AND RECREATION

Post Title : Special Workman
Post ID : New
Post Level : 10
Salary Scale : R79 681 / R83 026 / R86 600 / R90 557 per annum
Benefits : Standard
Vote Number : 533
Motivation : Middelburg Dam Resort has developed in the past few years and the amount of public making use of the facilities has increased phenomenally. Currently this resort was managed with the assistance of the Town Engineer staff, but this cannot carry on due to the limits that the system imposes and the public are also inconvenienced by this arrangement

Post Title : Clerk Grade 1
Post ID : New
Post Level : 10
Salary Scale : R79 681 / R83 026 / R86 600 / R90 557 per annum
Benefits : Standard
Vote Number : 533
Motivation : For processing all procurement documents according to processes and tenders of the department. Assisting with filing and updating of the cemetery registers and documentation

DEPARTMENT SOLID WASTE DISPOSAL SERVICES

New posts

Post Title : Clerk Grade 1 (Secretary)
Post ID : New
Post Level : 10
Salary Scale : R79 681 / R83 026 / R86 600 / R90 557 per annum
Benefits : Standard
Vote Number : 420
Motivation : The employee will be responsible for general administration, typing, conference bookings, recording of complaints and requests from the public, helping with the Iqual Program and the requisition of quotations, sales and recording of the refuse bins, management of stationery, telephone calls, making of appointments, keeping diary for the department.

This person will help the department to have a more formal system for a speedy delivery of the services.

ANNEXURE C

***ALIGNMENT OF
ANNUAL BUDGET
WITH IDP***

SUPPORTING TABLE 3		Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
RECONCILIATION OF IDP & OPERATING REVENUE			Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09
Strategic Objective	Action Plan	E					F	G
Poverty Alleviation	Property Rates: Indigent Support	8,597,350	9,140,000	9,652,000	9,652,000	11,810,530	13,222,925	17,159,800
Poverty Alleviation	Waste Management	3,493,543	3,815,700	4,495,500	4,495,500	5,352,150	6,297,360	8,306,570
Poverty Alleviation	Sanitation	3,181,775	3,977,600	4,050,000	4,050,000	4,870,700	5,561,325	7,309,750
Poverty Alleviation	Water	895,000	1,076,000	595,000	595,000	729,700	969,870	1,350,830
Poverty Alleviation	Electricity	2,125,215	2,685,700	2,475,600	2,475,600	2,175,851	2,584,645	3,360,040
Cost Effective & Sustainable Service	Health	4,351,377	5,151,080	4,613,000	4,613,000	5,402,630	5,672,010	5,898,280
Cost Effective & Sustainable Service	Safety & Security: Fire	999,117	275,500	139,000	139,000	136,500	147,575	158,000
Cost Effective & Sustainable Service	Safety & Security: Traffic	3,521,556	3,621,600	3,621,600	3,621,600	3,604,100	3,904,100	4,103,600
Cost Effective & Sustainable Service	Community & Social Services: Libraries	80,189	78,100	83,500	83,500	85,600	88,800	92,000
Cost Effective & Sustainable Service	Community & Social Services: Community Halls	62,170	57,000	65,000	65,000	1,320,000	73,200	76,800
Cost Effective & Sustainable Service	Community & Social Services: Cemeteries	336,333	827,000	835,500	835,500	305,000	2,307,000	310,500
Cost Effective & Sustainable Service	Housing	754,172	515,285	634,417	634,417	866,309	868,507	697,038
Cost Effective & Sustainable Service	Sport & Recreation	851,835	399,785	924,601	924,601	445,785	462,650	475,600
Cost Effective & Sustainable Service	Waste Management	17,102,047	17,497,762	17,149,975	17,149,975	19,733,236	19,039,847	18,416,051
Cost Effective & Sustainable Service	Sanitation	26,215,337	28,538,923	28,529,339	28,529,339	26,407,639	28,147,233	27,238,096
Cost Effective & Sustainable Service	Road Transport: Vehicle Licensing & Testing	7,186,346	6,816,500	7,115,500	7,115,500	7,214,200	7,317,300	7,468,400
Cost Effective & Sustainable Service	Road Transport: Roads & Stormwater	21,208,625	13,575,150	13,565,150	13,565,150	13,536,100	15,325,100	17,161,100
Cost Effective & Sustainable Service	Water Distribution	33,414,249	32,002,504	36,857,820	36,857,820	41,421,402	38,825,391	40,505,053
Cost Effective & Sustainable Service	Water Purification	300,000	-	-	-	-	-	-
Cost Effective & Sustainable Service	Electricity Distribution	116,141,233	119,618,933	121,313,045	121,313,045	130,757,203	141,036,064	149,788,130
Cost Effective & Sustainable Service	Street Lighting	7,565,313	1,054,200	1,054,200	1,054,200	1,200,000	860,000	2,610,000
Financial Viability	Financial Management	116,562,700	110,846,118	133,477,713	133,477,713	137,987,785	142,471,848	144,991,618
Economic Growth & Development	Local Economic Development	-	1,200,000	1,200,000	1,200,000	-	-	-
Good Corporate Governance	Information Technology	5,970	2,500	7,500	7,500	7,500	7,500	7,500
Good Corporate Governance	Human Resources	756,713	550,500	570,500	570,500	577,840	596,140	631,435
Good Corporate Governance	Property Services	42,809,462	562,870	69,960,370	69,960,370	16,137,570	16,891,855	14,035,134
Good Corporate Governance	Administrative Management	121,600	90,000	90,000	90,000	100,000	60,000	60,000
Good Co-Operative Governance	Executive & Council	7,498,262	10,234,700	9,646,300	9,646,300	11,814,369	14,191,175	18,390,310
Integrated Environmental, Social & Economic Spatial Planning	Planning & Development	1,779,053	1,869,250	1,914,050	1,914,050	846,400	2,059,750	2,075,300
TOTAL OPERATING REVENUE		427,916,542	376,080,260	474,636,180	474,636,180	444,846,099	468,989,170	492,676,935

Column Definitions:

- A. The audited actual for 2005/06 as per the audited financial statements.
- B. The original budget approved by council for the 2006/07 budget year.
- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The amount to be appropriated for the 2007/08 budget year.
- F. The indicative projection for 2008/09
- G. The indicative projection for 2009/10

SUPPORTING TABLE 4		Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
RECONCILIATION OF IDP & OPEX			Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08	Budget Year +1 2008/09
Strategic Objective	Action Plan	Budget E					Budget F	Budget G
Cost Effective & Sustainable Service	Health	9,888,715	11,078,060	11,397,327	11,397,327	13,366,605	14,111,476	14,726,911
Cost Effective & Sustainable Service	Safety & Security: Fire	7,261,359	8,932,423	10,223,954	10,223,954	12,308,792	13,137,689	13,838,655
Cost Effective & Sustainable Service	Safety & Security: Traffic	9,576,513	11,610,665	11,817,575	11,817,575	14,138,182	15,033,769	15,957,654
Cost Effective & Sustainable Service	Community & Social Services: Libraries	2,468,404	3,093,141	3,159,936	3,159,936	4,094,667	4,396,732	4,646,070
Cost Effective & Sustainable Service	Community & Social Services: Community Halls	784,007	919,578	1,110,703	1,110,703	1,935,900	2,030,595	3,497,696
Cost Effective & Sustainable Service	Community & Social Services: Cemeteries	2,228,523	2,308,878	2,274,228	2,274,228	2,766,354	2,986,730	3,292,027
Cost Effective & Sustainable Service	Housing	3,232,947	3,932,080	4,252,861	4,252,861	5,332,078	5,609,618	5,891,514
Cost Effective & Sustainable Service	Sport & Recreation	22,217,326	23,571,543	23,861,941	23,861,941	24,103,317	24,823,385	26,607,525
Cost Effective & Sustainable Service	Waste Management	18,228,901	19,447,710	21,639,774	21,639,774	22,372,459	23,829,719	25,159,221
Cost Effective & Sustainable Service	Sanitation	15,492,864	17,180,394	18,630,950	18,630,950	19,478,590	20,833,965	22,104,994
Cost Effective & Sustainable Service	Road Transport: Vehicle Licensing & Testing	3,917,944	4,624,306	4,836,275	4,836,275	6,025,900	6,464,336	6,963,150
Cost Effective & Sustainable Service	Road Transport: Roads & Stormwater	31,935,283	30,739,198	32,104,582	32,104,582	34,533,350	37,318,005	39,644,469
Cost Effective & Sustainable Service	Water Distribution	13,211,434	13,846,033	14,537,196	14,537,196	16,190,147	18,836,200	20,755,717
Cost Effective & Sustainable Service	Water Purification	7,496,769	8,698,504	8,216,177	8,216,177	9,063,370	9,230,867	9,505,706
Cost Effective & Sustainable Service	Electricity Distribution	93,859,019	93,828,036	96,552,200	96,552,200	108,350,628	117,712,149	127,727,612
Cost Effective & Sustainable Service	Street Lighting	2,353,771	2,908,525	2,870,599	2,870,599	3,103,056	3,275,847	3,575,015
Financial Viability	Financial Management	20,595,854	23,667,568	31,753,847	31,753,847	31,645,512	32,970,134	34,492,590
Economic Growth & Development	Local Economic Development	374,774	504,912	543,852	543,852	576,537	602,691	630,844
Good Corporate Governance	Information Technology	2,863,933	4,583,298	4,377,470	4,377,470	5,008,588	5,621,437	6,047,634
Good Corporate Governance	Human Resources	3,281,691	4,216,062	4,217,271	4,217,271	4,328,722	4,377,619	4,605,995
Good Corporate Governance	Property Services	33,492,490	10,323,455	20,917,419	20,917,419	15,856,000	16,319,522	17,660,917
Good Corporate Governance	Administrative Management	11,278,902	12,697,212	13,635,912	13,635,912	18,166,608	19,091,633	20,005,458
Good Co-Operative Governance	Executive & Council	20,320,150	27,370,747	28,179,491	28,179,491	27,253,357	28,874,004	30,517,034
Integrated Environmental, Social & Economic Spatial Planning	Town Planning	3,721,459	5,100,668	5,269,104	5,269,104	5,015,786	5,598,098	5,822,083
Integrated Environmental, Social & Economic Spatial Planning	Integrated Development Planning	392,812	606,891	580,502	580,502	581,322	609,549	631,537
TOTAL OPERATING EXPENDITURE		340,475,844	345,789,887	376,961,146	376,961,147	405,595,827	433,695,769	464,308,028

Column Definitions:

- A. The audited actual for 2005/06 as per the audited financial statements.
- B. The original budget approved by council for the 2006/07 budget year.
- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The amount to be appropriated for the 2007/08 budget year.
- F. The indicative projection for 2008/09
- G. The indicative projection for 2009/10

SUPPORTING TABLE 5 RECONCILIATION OF IDP & CAPEX		Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
Strategic Objective	Action Plan	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
		A	B	C	D	E	F	G
Cost Effective & Sustainable Service	Health	356,526	2,769,500	3,833,500	3,833,500	3,884,500	430,000	70,000
Cost Effective & Sustainable Service	Safety & Security: Fire	2,744,496	3,287,100	3,264,420	3,264,420	5,333,000	1,463,000	2,306,000
Cost Effective & Sustainable Service	Safety & Security: Traffic	1,032,612	2,515,000	2,437,175	2,437,175	2,733,000	2,620,000	2,600,000
Cost Effective & Sustainable Service	Community & Social Services:	213,978	277,000	33,000	33,000	823,000	700,000	350,000
Cost Effective & Sustainable Service	Community & Social Services:	611,729	21,971,569	21,832,569	21,832,569	32,950,000	12,095,000	40,000
Cost Effective & Sustainable Service	Community & Social Services:	564,089	1,652,000	1,642,000	1,642,000	848,000	2,730,000	550,000
Cost Effective & Sustainable Service	Housing	102,352	186,000	270,000	270,000	395,000	90,000	90,000
Cost Effective & Sustainable Service	Sport & Recreation	2,267,394	3,791,400	3,787,400	3,787,400	3,635,400	3,205,000	4,250,000
Cost Effective & Sustainable Service	Waste Management	2,055,969	3,357,000	3,947,000	3,947,000	4,035,000	1,250,000	2,450,000
Cost Effective & Sustainable Service	Sanitation	11,323,835	14,275,200	14,780,040	14,780,040	16,840,821	12,519,360	10,753,820
Cost Effective & Sustainable Service	Road Transport: Vehicle Licen	51,149	1,054,000	1,021,000	1,021,000	720,000	868,000	580,000
Cost Effective & Sustainable Service	Road Transport: Roads & Stor	31,664,130	30,098,400	31,498,995	31,498,995	44,541,868	33,043,000	34,096,000
Cost Effective & Sustainable Service	Water Distribution	7,199,168	8,315,000	16,925,460	16,925,460	31,935,000	28,040,500	26,615,000
Cost Effective & Sustainable Service	Water Purification	2,048,170	707,400	631,000	631,000	1,350,000	645,000	1,105,000
Cost Effective & Sustainable Service	Electricity Distribution	12,718,792	36,671,931	46,160,853	46,160,853	74,047,544	76,215,300	57,572,800
Cost Effective & Sustainable Service	Street Lighting	8,110,149	1,912,200	3,360,470	3,360,470	3,694,055	1,950,000	4,200,000
Financial Viability	Financial Management	1,096,161	2,180,400	2,120,600	2,120,600	657,000	430,000	235,000
Good Corporate Governance	Information Technology	1,541,860	1,704,500	1,638,000	1,638,000	4,120,800	3,264,250	2,691,100
Good Corporate Governance	Human Resources	45,553	271,600	267,600	267,600	200,000	80,000	
Good Corporate Governance	Property Services	4,322,877	1,369,300	1,593,300	1,593,300	6,875,000	8,735,000	2,350,000
Good Corporate Governance	Administrative Management	783,518	1,755,350	1,496,395	1,496,395	1,723,000	1,072,800	820,000
Good Co-Operative Governance	Executive & Council	958,379	503,700	363,000	363,000	1,040,000	580,000	150,000
Integrated Environmental, Social & Economic Spatial Planning	Planning & Development	926,795	3,968,300	3,955,000	3,955,000	6,409,994	1,200,000	1,200,000
TOTAL CAPITAL EXPENDITURE		92,739,681	144,593,850	166,858,777	166,858,777	248,791,982	193,226,210	155,074,720

Column Definitions:

- A. The audited actual for 2005/06 as per the audited financial statements.
- B. The original budget approved by council for the 2006/07 budget year.
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- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The amount to be appropriated for the 2007/08 budget year.
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BUDGET-RELATED POLICIES

Draft
BUDGET POLICY



STEVE TSHWETE
LOCAL MUNICIPALITY
MP 313

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DEFINITIONS

“Accounting Officer” means the Municipal Manager.

“allocation” means -

- i) a municipality's share of the local government's equitable share referred to in Section 214(l) (a) of the Constitution;
- ii) an allocation of money to a municipality in terms of Section 214(1) (c) of the Constitution;
- iii) an allocation of money to a municipality in terms of a provincial budget; or
- iv) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction.

“Annual Division of Revenue Act” means the Act of Parliament, which must be enacted annually in terms of Section 214(1) of the Constitution.

“approved budget” means an annual budget -

- a) approved by a municipal council; or
- b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA.

“basic municipal service” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.

“budget-related policy” means a policy of a municipality affecting or affected by the annual budget of the municipality, including -

- a) the tariffs policy, which the municipality must adopt in terms of Section 74 of the Municipal Systems Act;
- b) the rates policy which the municipality must adopt in terms of Section 3 of the Municipal Property Rates Act;
- c) the credit control and debt collection policy, which the municipality must adopt in terms of Section 96 of the Municipal Systems Act.

“budget transfer” means transfer of funding within a function / vote.

“budget year” means the financial year of the municipality for which an annual budget is to be approved in terms of Section 16(1) of the MFMA.

“Chief Financial Officer” means a person designated in terms of Section 80(2)(a) of the MFMA.

“councillor” means a member of a municipal council.

“creditor” means a person to whom money is owed by the municipality.

“current year” means the financial year, which has already commenced, but not yet ended.

“delegation” in relation to a duty, includes an instruction or request to perform or to assist in performing the duty.

“financial recovery plan” means a plan prepared in terms of Section 141 of the MFMA.

“Financial Statements” means statements consisting of at least -

- a) a statement of financial position;
- b) a statement of financial performance;
- c) a cash-flow statement;
- d) any other statements that may be prescribed; and
- e) any notes to these statements.

“financial year” means a twelve months period commencing on 1 July and ending on 30 June each year.

“financing agreement” includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time.

“fruitless and wasteful expenditure” means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

“irregular expenditure”, means -

- a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of Section 170 of the MFMA;

- b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act 20 of 1998); or
- d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "*unauthorised expenditure*".

"investment" in relation to funds of a municipality, means -

- a) the placing on deposit of funds of a municipality with a financial institution; or
- b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds.

"lender" means a person who provides debt finance to a municipality.

"local community" has the meaning assigned to it in Section 1 of the Municipal Systems Act.

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and its subsequent promulgated amendments.

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and its subsequent promulgated amendments.

"long-term debt" means debt repayable over a period exceeding one year.

"Executive Mayor" means the councillor elected as the executive mayor of the municipality in terms of Section 55 of the Municipal Structures Act.

"Municipal Council" or **"Council"** means the council of the municipality referred to in Section 18 of the Municipal Structures Act.

"municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade.

“municipal entity” has the meaning assigned to it in Section 1 of the Municipal Systems Act (refer to the MSA for definition).

“municipality” –

- a) when referred to as a corporate body, means a municipality as described in Section 2 of the Municipal Systems Act; or
- b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government Municipal Demarcation Act, 1998 (Act 27 of 1998).

“Accounting Officer” means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act.

“municipal service” has the meaning assigned to it in Section 1 of the Municipal Systems Act (refer to the MSA for definition).

“municipal tariff” means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff.

“municipal tax” means property rates or other taxes, levies or duties that a municipality may impose.

“National Treasury” means the National Treasury established by Section 5 of the Public Finance Management Act.

“official” means -

- a) an employee of a municipality or municipal entity;
- b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee.

“overspending”

- a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

- b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- c) in relation to expenditure under Section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section.

“past financial year” means the financial year preceding the current year.

“quarter” means any of the following periods in a financial year:

- a) 1 July to 30 September;
- b) 1 October to 31 December;
- c) 1 January to 31 March; or
- d) 1 April to 30 June.

“Service Delivery and Budget Implementation Plan” means a detailed plan approved by the Executive Mayor of a municipality in terms of Section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate:

- a) projections for each month of:
 - i) revenue to be collected, by source and vote; and
 - ii) operational and capital expenditure, by vote;
- b) service delivery targets and performance indicators for each quarter; and
- c) any other matters that may be prescribed, and includes any revisions of such plan by the Executive Mayor in terms of Section 54(l)(c) of the MFMA.

“short-term debt” means debt repayable over a period not exceeding one year.

“Standards of Generally Recognised Accounting Practice” means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board.

“unauthorised expenditure” means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes –

- a) overspending of the total amount appropriated in the municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
- c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "*allocation*" otherwise than in accordance with any conditions of the allocation; or
- f) a grant by the municipality otherwise than in accordance with the MFMA.

"**Virement**" means transfer of funds between functions / votes

"**vote**" means -

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

1. INTRODUCTION

In terms of the Municipal Finance Management Act, Act 56 of 2003, Chapter 4 on Municipal Budgets, subsection (16), states that the Council of a municipality must for each financial year approve an Annual Budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the Executive Mayor of the municipality must table the Annual Budget at a Council meeting at least 90 days before the start of the budget year. This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.

2. OBJECTIVE

The objective of the Budget Policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget;
- The responsibilities of the Executive Mayor, the Accounting Officer, the Chief Financial Officer and other senior managers in compiling the budget; and
- To ensure that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

3. BUDGETING PRINCIPLES

- The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.
- Expenses may only be incurred in terms of the approved Annual Budget (or Adjustment Budget) and within the limits of the amounts appropriated for each vote in the approved Budget.
- The Municipality shall prepare three-year Budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council.
- The MTREF Budget must at all times be within the framework of the Municipal Integrated Development Plan.

- The Annual Budget will only be funded from realistic anticipated revenues to be collected, cash backed accumulated funds not committed for other purposes and borrowed funds, but only for the Capital Budget.

4. **BUDGET PREPARATION PROCESS**

4.1 **Formulation of the budget**

- a) The Accounting Officer with the assistance of the Chief Financial Officer and the Manager responsible for IDP shall draft the IDP process plan as well as the budget timetable for the municipality including municipal entities for the ensuing financial year.
- b) The Executive Mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).
- c) IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the Annual Budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- d) The Executive Mayor shall convene a strategic workshop in September/October with the Mayoral Committee and senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF Budget taking into account the financial and political pressures facing the municipality. The Executive Mayor shall table the IDP priorities with the draft Budget to Council.
- e) The Executive Mayor shall table the draft IDP and MTREF Budget to Council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings et cetera).
- f) The Chief Financial Officer and senior managers undertake the technical preparation of the Budget.

- g) The Budget must be in the prescribed format, and must be divided into Capital and Operating Budget.
- h) The Budget must reflect the realistically expected revenues by major source for the budget year concerned.
- i) The expenditure for the budget year will be appropriated under the different votes of the municipality.
- j) The Budget must also contain the information related to the two financial years following the financial year to which the Budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

4.2 **Public participation process**

Immediately after the draft Annual Budget has been tabled, the municipality must convene hearings on the draft Budget in April and invite the public, stakeholder organisations, to make representation at the Council hearings and to submit comments in response to the draft Budget.

4.3 **Approval of the budget**

- a) Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- b) Should the municipality fail to approve the budget before the start of the budget year, the Executive Mayor must inform the MEC for Finance that the Budget has not been approved.
- c) The Budget tabled to Council for approval shall include the following supporting documents:
 - i) draft resolutions approving the Budget and imposing any municipal taxes and setting of municipal tariffs for the financial year concerned;
 - ii) draft resolutions approving any other matter that may be prescribed for the financial year concerned;
 - iii) measurable performance objectives for each budget vote, taking into account the municipality's IDP;

- iv) the projected cash flows for the financial year by revenue sources and expenditure votes;
- v) any proposed amendments to the IDP;
- vi) any proposed amendments to the budget-related policies;
- vii) the cost to the municipality of the salaries, allowances and other benefits of its political office-bearers and other councillors, the Accounting Officer, the Chief Financial Officer, and other senior managers;
- viii) particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on;
- ix) particulars of the municipality's investments; and
- x) various information in regard to municipal entities under the shared or sole control of the municipality
- xi) particulars of any proposed service delivery agreements, including amendments to existing service delivery agreements.

4.4 **Publication of the budget**

- a) Immediately after the draft Annual Budget has been tabled, the Executive Manager : Corporate Services must before 31 March of each year make public the budget and invite the local community to submit presentations in connection with the budget.
- b) The Chief Financial Officer must submit the tabled budget in both printed and electronic formats to the National Treasury, the Provincial Treasury.
- c) The Chief : IT Services must within 3 days after the budget has been tabled enter it on the municipal website.

4.5 **Consultation of tabled budgets**

Within fourteen (14) days after the public participation process has expired the Executive Mayor must consider all budget submissions and if necessary, revise the budget and table amendments for consideration by Council.

4.6 **Service Delivery and Budget Implementation Plan (SDBIP)**

- a) The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
- b) The SDBIP shall include the following components:
 - i) Monthly projections of revenue to be collected from each source;
 - ii) Monthly projections of expenditure (operating and capital) and revenue for each vote;
 - iii) Quarterly projections of service delivery targets and performance indicators for each vote;
 - iv) Detailed capital implementation plans broken down by ward.

5. **CAPITAL BUDGET**

- a) Expenditure of a project shall be included in the Capital Budget if it meets the asset definition, that is, if it results in an asset being acquired or created and its value exceeds R10 000,00 and has a useful life in excess of one year.
- b) Vehicle replacement shall be done in terms of Council's Vehicle Replacement Policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.
- c) A municipality may spend money on a capital project only if the money for the project has been appropriated in the Capital Budget.
- d) The envisaged sources of funding for the Capital Budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.

- e) Before approving a capital project, the Council must consider:
- i) the projected cost of the project over all the ensuing financial years until the project becomes operational;
 - ii) future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on Operating Budget (that is: on property rates and service tariffs).
- f) Before approving the Capital Budget, the Council shall consider :
- i) the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans;
 - ii) depreciation of fixed assets;
 - iii) maintenance of fixed assets; and
 - iv) any other ordinary operational expenses associated with any item on such Capital Budget.
 - v) Council shall approve the Annual or Adjustment Capital Budget only if it has been properly balanced and fully funded.
 - vi) the capital expenditure shall be funded from the following sources:

Revenue or surplus

- If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.
- If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

External loans

- External loans can be raised only if it is linked to the financing of an asset;
- A capital project to be financed from an external loan can only be included in the Budget if the loan has been secured or if can be reasonably assumed as being secured;

- The loan redemption period should not exceed the estimated life expectancy of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
- Interest payable on external loans shall be included as a cost in the revenue budget;
- Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

Capital Replacement Reserve (CRR)

- Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve shall be established from the following sources of revenue:
 - a) unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
 - b) interest on the investments of the CRR, appropriated in terms of the Investments Policy;
 - c) additional amounts appropriated as contributions in each Annual or Adjustment Budget; and
 - d) sale of land and profit or loss on the sale of assets;
 - e) proceeds from royalties and the exploration of minerals.
- Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed.
- If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash.
- Transfers to the CRR must be budgeted for in the cash budget.

Grant Funding

- Capital Grant Funding must be budgeted for as part of the revenue budget.
- Capital expenditure funded from grants must be budgeted for in the Capital Budget.

- Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that interest should accumulate in the fund. If there is no condition stated the interest can then be allocated directly to the revenue accounts.
- Grant funding must be cash backed.

6. OPERATING BUDGET

- a) The municipality shall budget in each annual and adjustments budget for the contribution to:
 - i) provision for accrued leave entitlements;
 - ii) entitlement of officials as at 30 June of each financial year;
 - iii) provision for bad debts in accordance with its Rates and Tariffs Policies;
 - iv) provision for the obsolescence and deterioration of stock in accordance with its Supply Chain Management Policy;
 - v) depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate;
 - vi) at least 5% of the Operating Budget component of each annual and Adjustment Budget shall be set aside for maintenance;
 - vii) at least 0,15% of the Operating Budget component of each Annual and Adjustment Budget shall be set aside for skills development.
- b) When considering the tabled Annual Budget, Council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- c) The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- d) The Operating Budget shall reflect the impact of the capital component on:
 - depreciation charges;
 - repairs and maintenance expenses;

- interest payable on external borrowings other operating expenses.
- e) The Chief Financial Officer shall ensure that the cost of indigency relief is separately reflected in the appropriate votes.

7. FUNDING OF CAPITAL AND OPERATING BUDGET

- a) The budget may be financed only from:
- i) realistically expected revenues, based on current and previous collection levels;
 - ii) cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
 - iii) borrowed funds in respect of the capital budget only.

8. UNSPENT FUNDS / ROLL OVER OF BUDGET

- a) The appropriation of funds in an Annual or Adjustment Budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- b) Only unspent grant (if the conditions for such grant funding allows that) or loan funded Capital Budget may be rolled over to the next budget year;
- c) Conditions of the grant fund shall be taken into account in applying for such roll over of funds;
- d) Application for roll over of funds shall be forwarded to the Budget Office by the end of 15th April each year to be included in next year's Budget for adoption by Council in May.
- e) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- f) No unspent Operating Budget shall be rolled over to the next budget year.

9. BUDGET TRANSFERS AND VIREMENTS

- a) Budget transfers within the same vote shall be recommended by the Executive Manager or Heads of departments in accordance with delegated authority and approved by the Chief Financial Officer or such other senior delegated official in the Budget Office.
- b) No budget transfers or virement shall be made to or from salaries except with the prior approval of the Chief Financial Officer.
- c) The budget for personnel expenditure in no vote may be increased without prior approval of the Chief Financial Officer.
- d) Savings on allocations earmarked for specific operating and capital projects may not be used for any other purposes except with the approval of Council with an Adjustment Budget.
- e) Directors may utilise a saving in the amount appropriated under a main expenditure category (for example: Salaries, General Expenses, Repairs & Maintenance et cetera) within a vote which is under their control towards the defrayment of excess expenditure under another main expenditure category within the same vote, with the approval of the Chief Financial Officer or such senior delegated official in the Budget Office.
- f) The amount of a saving under a main expenditure category of a vote that may be transferred to another main expenditure category must be within the limits as per delegation of authority.
- g) Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure.
- h) Virements between votes shall be included in the adjustment budget.

10. UNFORESEEN AND UNAVOIDABLE EXPENDITURE

- a) In the case of an emergency or any other exceptional circumstances virements shall be submitted by the Accounting officer to the Executive Mayor to authorize any possible unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.
- b) The Executive Mayor must report such expenditure to the Council at its next meeting which should not be departed more than 60 (sixty) days from approval of expenditure.

- c) The Chief Financial Officer shall ensure that the Adjustment Budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Executive Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Executive Mayor on the revision of the IDP and the budget-related policies where these are indicated.
- d) Council may revise its Annual Budget by means of an Adjustment Budget at most three times a year.
- e) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- f) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.
- g) The Council shall in such Adjustment Budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- h) The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the Annual Budget was approved by the Council.
- i) Only the Executive Mayor shall table an Adjustment Budget. Adjustment Budget shall be done at most three times a year after the end of each quarter and be submitted to Council in the following months:
 - i) In October – to adjust funding rolled over from the previous financial year as well as to include additional funding that has become available from external sources;
 - ii) February – to take into account recommendations from the Mid-Year Budget and Performance Report tabled to Council in January that affect the Annual Budget;
 - iii) May – final budget adjustment to adjust current year’s budget in cases where there is an indication that there will be rolling over of funding to the next financial year.

- j) An Adjustment Budget must contain all of the following:
 - i) an explanation of how the adjustments affect the approved Annual Budget;
 - ii) appropriate motivations for material adjustments; and
 - iii) an explanation of the impact of any increased spending on the current and future annual budgets.
- k) Any unappropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget.
- l) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- m) Unauthorised expenses may not be authorised in an Adjustment Budget apart from prescribed processes.
- n) In regard to unforeseen and unavoidable expenditure, the following apply:
 - i) the Executive Mayor may authorise such expenses in an emergency or other exceptional circumstances;
 - ii) the municipality may not exceed 3% of the approved Annual Budget in respect of such unforeseen and unavoidable expenses;
 - iii) these expenses must be reported by the Executive Mayor in the next Council meeting;
 - iv) the expenses must be appropriated in an Adjustment Budget; and
 - v) Council must pass the adjustment budget within sixty days after the expenses were incurred.

11. BUDGET IMPLEMENTATION

11.1 Monitoring

- a) The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:

- funds are spent in accordance with the Budget;
 - expenses are reduced if expected revenues are less than projected; and
 - revenues and expenses are properly monitored.
- b) The Accounting Officer with the assistance of the Chief Financial Officer must prepare any Adjustment Budget when such budget is necessary and submit it to the Executive Mayor for consideration and tabling to Council.
- c) The Accounting Officer must report in writing to the Council any impending shortfalls in the Annual Revenue Budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

11.2 Reporting

11.2.1 Monthly budget statements

- a) The Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's Budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- i) actual revenues per source, compared with budgeted revenues;
- ii) actual expenses per vote, compared with budgeted expenses;
- iii) actual capital expenditure per vote, compared with budgeted expenses;
- iv) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- v) the amount of allocations received, compared with the budgeted amount;

- vi) actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - vii) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the Service Delivery and Budget Implementation Plan;
 - viii) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the Approved or Revised Budget; and
 - ix) projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.
- b) The report to the National Treasury must be both in electronic format and in a signed written document.

11.2.2 Quarterly Reports

- a) The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the Budget and the financial state of affairs of the municipality.

11.2.3 Mid-year budget and performance assessment

- a) The Accounting Officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the Service Delivery and Budget Implementation Plan.
- b) The Accounting Officer must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

- c) The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the Annual Budget and for revising the projections of revenues and expenses set out in the Service Delivery and Budget Implementation Plan.

12. CONCLUSION

The Executive Manager : Corporate Services must place on the municipality's official website the following:

- the Annual and Adjustment Budgets and all budget-related documents;
- all budget-related policies;
- the Integrated Development Plan;
- the Annual Report;
- all Performance Agreements;
- all Service Delivery Agreements;
- all long-term borrowing contracts;
- all quarterly and mid-year reports submitted to the Council on the implementation of the budget and the financial state of affairs of the municipality.

***PARTICULARS OF
EXTERNAL
INVESTMENTS***

SUPPORTING TABLE 6	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
INVESTMENT PARTICULARS BY TYPE	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget E	Budget F	Budget G
<u>Investment Type</u>							
Deposits - Banks:							
- Short Term Fixed Deposits	192,000,000	165,000,000	220,000,000	300,000,000	220,000,000	120,000,000	75,000,000
- Long Term Fixed Deposits	10,483,305	10,700,000	10,700,000	11,612,478	12,741,651	13,870,824	15,000,000
TOTAL INVESTMENTS	202,483,305	175,700,000	230,700,000	311,612,478	232,741,651	133,870,824	90,000,000

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- E. The amount to be appropriated for the 2007/08 budget year.
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- G. The indicative projection for 2009/10

***DISCLOSURE OF
GOVERNMENT
GRANTS &
SUBSIDIES***

SUPPORTING TABLE 7	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
GOVERNMENT GRANTS & SUBSIDIES - ALLOCATIONS	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget E	Budget F	Budget G
<u>National Grant Allocations</u>							
Equitable Share	25,752,531	30,611,000	30,611,000	30,611,000	36,445,000	42,519,000	55,569,000
Finance Management Grant	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Municipal Infrastructural Grant	9,957,278	11,718,200	11,718,200	11,718,200	12,726,000	15,370,000	12,704,000
Integrated National Electrification Grant	2,354,400	5,000,000	3,613,000	3,613,000	2,079,000	2,647,000	3,987,000
Municipal Systems Improvement Grant	734,000	734,000	734,000	734,000	734,000	734,000	734,000
Sub Total - National Grant Allocations	39,798,209	48,563,200	47,176,200	47,176,200	52,484,000	61,770,000	73,494,000
<u>Provincial Grant Allocations</u>							
Provincial Health Subsidie	4,895,745	5,131,080	4,593,000	4,593,000	5,387,630	5,657,010	5,883,280
Local Government Capacity Building Grant	236,347						
Local Economic Development							
Vuna Awards					1,250,000		
Other	300,000		230,000	230,000			
Sub Total - Provincial Grant Allocations	5,432,092	5,131,080	4,823,000	4,823,000	6,637,630	5,657,010	5,883,280
<u>Other Grant Allocations</u>							
District Municipality	36,759,708	18,100,000	18,100,000	18,100,000	20,350,000	18,476,000	19,275,000
Umsobomvu Youth Fund		300,000	300,000	300,000	300,000	300,000	300,000
Public Organisations					55,000		
Nation Lottery Fund			420,000	420,000			
TOTAL GRANT ALLOCATIONS	81,990,009	72,094,280	70,819,200	70,819,200	79,826,630	86,203,010	98,952,280

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NEW EXTERNAL BORROWING

SUPPORTING TABLE 8	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
NEW BORROWING	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget E	Budget F	Budget G
Current External Loans:							
- DBSA @ 13.41% - 31/12/2009	2,553,291						
- DBSA @ 11.25% - 30/06/2009	90,702						
- DBSA @ 10.05% - 30/06/2007	25,096						
- INCA @ 12.80% - 31/12/2012	23,654,922						
- INCA @ 12.35% - 30/09/2006	288,760						
- ABSA @ 14.40% - 24/11/2011	39,226,043						
- INCA @ 12.50% - 30/06/2019	28,287,180						
- SCMB @ 9.62% - 07/05/2006	30,999,498						
New External Loans:							
- New External Borrowing					35,000,000	35,000,000	35,000,000
- Adhoc External Borrowing					16,485,000	31,450,000	15,186,000
NEW BORROWING	125,125,492	-	-	-	51,485,000	66,450,000	50,186,000

Column Definitions:

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***DISCLOSURE ON
ALLOCATIONS
MADE BY THE
MUNICIPALITY***

SUPPORTING TABLE 9	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
GRANT ALLOCATIONS MADE	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget E	Budget F	Budget G
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE							
<u>Allocations to Other Organisations</u>							
Middelburg Tourist Information	85,000	90,000	90,000	90,000	95,000	100,000	105,000
Middelburg Country Club	7,678	7,678	7,678	7,678	7,678	7,678	
SPCA	125,000	132,000	132,000	132,000	138,000	145,000	148,000
Forever Resorts Loskop Marathon	15,000	16,000	16,000	16,000	17,000	18,000	19,000
Middelburg Care Village		53,000	53,000	53,000	55,000	58,000	60,000
Local Economic Development	14,961	100,000	100,000	100,000	105,000	110,000	115,000
Welfare		23,000	23,000	23,000	25,000	27,000	30,000
Arts & Culture	21,000	23,000	23,000	23,000	25,000	27,000	30,000
Eldery	21,000	23,000	23,000	23,000	25,000	27,000	30,000
Education	21,000	23,000	23,000	23,000	25,000	27,000	30,000
Recreation Club	6,000	50,000	108,300	108,300	110,000	115,000	120,000
Sport and Recreation		23,000	23,000	23,000	25,000	27,000	30,000
Botshabelo Community Trust					800,000	600,000	400,000
Assistance Assesment Rates (Various)	138,032	261,300	530,000	530,000	350,000	618,200	667,600
TOTAL ALLOCATIONS TO OTHER ORGANISATIONS	454,671	824,978	1,151,978	1,151,978	1,802,678	1,906,878	1,784,600

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***DISCLOSURE ON
SALARIES,
ALLOWANCES &
BENEFITS***

SUPPORTING TABLE 10					
DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS	Salary	Travel Allowances	Other	Performance Bonuses	Total Package
	Rand pa	Rand pa	Rand pa	Rand pa	Rand pa
<u>Councillors</u>					
Executive Mayor	413,225	119,608	28,442		561,275
Speaker	288,460	95,686	14,208		398,354
Member Mayoral Committee (6 members)	1,616,128	538,221	85,250		2,239,599
Chief Wip	269,121	89,704	14,208		373,033
Councillors (38 Councillors)	4,094,559	1,363,075	336,902		5,794,536
<u>Managers of the Municipality</u>					-
Municipal Manager	624,750	182,755		95,825	903,330
					-
<i>Managers report directly to Municipal Manager:</i>					-
Manager Finance / Chief Finance Officer	539,756	146,970		81,450	768,176
Manager Corporate Services	533,366	153,360		81,450	768,176
Manager Technical Facilities	524,420	162,306		81,450	768,176
Manager Public Services	543,846	142,880		81,450	768,176
					-
TOTAL COST OF REMUNERATION TO MUNICIPALITY	9,447,631	2,994,565	479,010	421,625	13,342,831

SUPPORTING TABLE 11 SUMMARY OF TOTAL SALARIES, WAGES, ALLOWANCES etc	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget Year 2007/08 Budget E	Budget Year +1 2008/09 Budget F	Budget Year +2 2009/10 Budget G
<u>Councillors (Political Office Bearers plus Other)</u>							
Total Package	5,634,079	10,799,714	9,646,160	9,646,160	8,887,787	9,421,054	9,986,317
Allowances (Cell phones)	379,186	415,120	415,120	415,120	479,010	507,750	538,215
Sub Total - Councillors	6,013,265	11,214,834	10,061,280	10,061,280	9,366,797	9,928,804	10,524,532
<u>Senior Managers of the Municipality (s 57 of Systems Act)</u>							
Total Package	3,083,360	3,268,370	3,299,195	3,299,195	3,554,409	3,785,446	4,031,500
Performance Bonus		392,200	395,903	395,903	421,625	454,250	483,800
Sub Total - Senior Managers of Municipality	3,083,360	3,660,570	3,695,098	3,695,098	3,976,034	4,239,696	4,515,300
<u>Other Municipal Staff</u>							
Basic Salaries	77,819,931	90,689,131	89,777,323	89,777,323	99,515,116	105,445,289	112,042,484
Pension Contributions	14,527,408	17,500,097	17,079,769	17,079,769	19,170,783	20,321,023	21,249,434
Medical Aid Contributions	4,691,816	6,192,337	5,722,687	5,722,687	6,918,400	7,334,570	7,774,505
Allowances	1,554,283	1,578,054	1,666,574	1,666,574	1,723,023	1,757,480	1,792,633
Overtime	9,444,287	8,378,310	10,413,816	10,413,816	9,732,745	10,316,710	10,935,713
Performance Bonus	-						
Other - UIF, Group, ect	2,626,219	2,897,762	2,925,917	2,925,917	3,148,527	3,299,473	3,457,691
Sub Total - Other Municipal Staff	110,663,944	127,235,691	127,586,086	127,586,086	140,208,594	148,474,545	157,252,460
TOTAL EMPLOYEE COSTS	119,760,569	142,111,095	141,342,464	141,342,464	153,551,425	162,643,045	172,292,292

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- F. The indicative projection for 2008/09
- G. The indicative projection for 2009/10

SUPPORTING TABLE 12	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year +1 2008/09	Budget Year +2 2009/10
SUMMARY OF PERSONNEL COMPLEMENT	Audited Actual A	Approved Budget B	Adjusted Budget C	Full Year Forecast D	Budget E	Budget F	Budget G
<u>Municipality</u>							
Councillors (Political Office Bearers plus Other)	47	47	47	47	47	47	47
Senior Managers including Municipal Manager (s 57 of Systems Act)	5	5	5	5	5	5	5
Other Managers	20	21	24	24	29	29	29
Technical / Professional Staff	230	253	253	253	270	275	280
Other Staff : Clerical	260	291	291	291	296	301	308
Other Staff : Labourer	580	600	600	600	618	625	630
Temporary	140	143	145	145	150	150	150
TOTAL PERSONNEL NUMBERS	1282	1360	1365	1365	1415	1432	1449

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- D. An estimate of final actual figures (pre audit) for the 2006/07 budget year at the point in time of preparing the budget for the 2007/08 budget year. This may differ from C.
- E. The number to be included in the 2007/08 approved budget.
- F. The indicative projection for 2008/09
- G. The indicative projection for 2009/10

***PROJECTED CASH
FLOW
PROJECTIONS***

SUPPORTING TABLE 13 MONTHLY CASH FLOWS	Budget July 2007	Budget August 2007	Budget September 2007	Budget October 2007	Budget November 2007	Budget December 2007	Budget January 2008	Budget February 2008	Budget March 2008	Budget April 2008	Budget May 2008	Budget June 2008	Budget Full Year Jul-08	Budget Full Year 2008/09	Budget Full Year 2009/10
OPENING BALANCE	55,000,000	29,907,194	24,378,171	19,444,589	29,093,219	29,446,389	14,487,458	36,919,394	19,189,326	14,305,219	39,997,932	14,928,358	55,000,000	20,112,041	23,494,761
Cash Operating Receipts by Source															
Property rates	7,868,149	7,329,785	7,114,020	7,252,278	8,257,355	8,277,567	8,187,055	8,220,668	8,277,569	8,187,056	8,150,669	8,326,842	95,449,013	101,115,748	104,269,873
Service charges - electricity	10,346,405	11,180,904	11,539,394	10,291,394	9,984,412	10,272,896	10,123,983	10,114,752	9,866,209	10,369,881	9,866,209	9,421,540	123,377,979	132,948,968	140,017,000
Service charges - water	2,510,839	2,749,087	3,389,065	2,618,718	2,442,683	2,349,746	2,075,701	2,410,430	2,632,497	2,775,274	2,806,552	2,063,390	30,823,982	32,444,926	34,036,761
Service charges - sanitation	1,538,008	1,535,395	1,547,643	1,535,012	1,560,340	1,545,150	1,536,787	1,559,105	1,547,725	1,531,332	1,552,322	1,412,563	18,401,382	19,223,433	18,962,096
Service charges - refuse	1,559,175	1,571,629	1,584,112	1,501,645	1,527,690	1,501,127	1,598,678	1,511,130	1,510,225	1,509,552	1,512,073	1,119,400	18,006,436	18,544,497	17,901,591
Service charges - other													0	-	-
Rental of facilities and equipment	161,646	120,178	175,682	136,924	162,198	164,314	136,698	125,590	115,889	120,811	107,712	114,182	1,641,824	1,681,852	1,547,692
Interest earned - external investments	1,174,715	1,179,777	766,296	1,041,041	1,750,930	1,100,932	991,223	1,499,573	963,059	878,500	1,147,287	2,801,667	15,295,000	14,078,650	13,375,979
Interest earned - outstanding debtors	201,264	210,536	210,702	216,594	224,817	233,225	218,738	226,196	216,176	210,466	208,842	200,711	2,578,267	2,533,600	2,522,120
Fines	372,338	230,617	548,770	177,742	253,210	573,178	291,229	269,027	258,361	270,417	193,119	284,792	3,722,800	4,034,220	4,246,065
Licenses and permits	154,303	239,623	185,248	263,053	207,634	240,352	316,858	334,394	259,629	218,865	234,658	314,583	2,969,200	3,022,300	3,073,400
Income for agency services		388,698	363,742	375,708	381,390	351,586	335,798	455,697	381,390	375,708	381,586	408,697	4,200,000	4,250,000	4,350,000
Grants - operating (incl. grants from other municipalities)	12150763	1,017,000	1,305,000	2,500,000	911,249	367,000	150,000	20,570,618	1,750,000	1,500,000		20,350,000	44,671,630	49,710,010	62,986,280
Grants - capital (incl. grants from other municipalities)		750,000	452,000	2,500,000		1,750,000	2,748,000	1,500,000	5,105,000				35,155,000	36,493,000	35,966,000
Other revenue	3,918,737	3,905,104	4,136,400	4,325,628	4,033,551	3,810,785	3,855,721	3,457,864	3,450,750	3,351,821	3,651,005	4,686,220	46,583,586	46,987,996	47,602,078
Gains on disposal of PPE												250,000	250,000	250,000	250,000
Cash Operating Receipts by Source	41,956,342	32,408,333	33,318,074	32,235,737	39,897,459	32,537,858	32,566,469	52,255,044	34,584,479	29,799,683	29,812,034	51,754,587	443,126,099	467,319,200	491,106,935
Other Cash Receipts by Source															
New Loans Raised				17,500,000					17,500,000			16,925,000	51,925,000	35,000,000	35,000,000
Investments redeemed		65,000,000		45,000,000		30,000,000	30,000,000			45,000,000			215,000,000	200,000,000	145,000,000
Consumer deposits	205,000	230,000	145,000	161,500	205,000	188,000	375,000	275,000	360,000	270,000	265,000	195,000	2,874,500	2,900,000	2,950,000
Total Cash Receipts by Source	42,161,342	97,638,333	33,463,074	94,897,237	40,102,459	62,725,858	62,941,469	52,530,044	52,444,479	75,069,683	30,077,034	68,874,587	712,925,599	705,219,200	674,056,935
Cash Operating Payments by Type															
Employee related costs	11,104,939	11,444,816	11,321,231	11,182,687	12,078,711	13,768,769	11,876,080	11,294,448	11,743,119	12,089,545	12,283,325	12,069,530	142,257,200	150,764,702	159,780,764
Remuneration of Councillors	732,339	739,523	733,646	740,322	748,189	966,937	781,853	771,695	788,989	817,473	791,048	754,783	9,366,797	9,928,804	10,524,532
Collection costs	29,163	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	350,000	360,600	371,425
Repairs and maintenance	1,451,892	1,741,861	1,894,268	2,400,203	2,322,129	1,610,706	1,856,752	2,120,543	2,200,193	2,125,355	2,403,769	2,454,244	24,581,915	25,839,304	28,115,160
Interest paid	1,392,425	1,392,425	1,392,425	1,392,425	1,392,425	1,392,425	1,392,425	1,392,425	1,392,425	1,392,425	1,392,425	1,392,425	16,709,100	20,898,356	23,448,513
Bulk purchases - Electricity	9,529,679	9,710,291	5,998,931	6,003,559	5,323,473	5,218,636	5,147,818	5,170,609	5,320,131	5,378,637	5,388,832	6,319,733	74,510,329	80,721,150	86,455,475
Contracted services	581,551	689,094	941,371	960,541	974,263	978,419	1,012,429	970,250	989,593	1,084,533	702,083	751,353	10,635,480	11,245,855	11,827,357
Grants and subsidies paid - other	856,450	56,450	56,450	56,450	454,450	56,450	56,450	56,450	56,450	73,450	56,450	189,128	2,025,078	1,906,878	1,784,600
General expenses	8,104,487	4,510,497	5,035,838	4,909,770	4,624,388	3,966,555	4,921,490	4,943,682	4,499,707	4,266,819	5,483,820	5,407,738	60,674,791	62,814,007	64,465,532
Cash Operating Payments by Type	33,782,925	30,314,124	27,403,327	27,675,124	27,947,195	27,988,064	27,074,464	26,749,269	27,019,774	27,257,404	28,530,919	29,368,101	341,110,690	364,479,656	386,773,358
Other Cash Payments by Type															
Capital Expenditure	2,872,093	7,297,593	7,797,593	12,084,112	11,254,843	13,953,247	12,997,816	12,990,843	27,443,362	21,882,016	26,137,189	29,399,283	186,109,990	193,226,210	155,074,720
External loans repaid			2,628,000	-	-	5,194,120	-	-	2,530,000	-	-	4,636,120	14,988,240	18,855,519	22,499,208
Investments made	30,000,000	65,000,000	45,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000					200,000,000	120,000,000	100,000,000
Consumer deposits	599,130	555,639	567,736	489,371	547,251	549,358	437,253	520,000	335,450	237,550	478,500	287,400	5,604,638	5,275,095	5,538,850
Total Cash Payments by Type	67,254,148	103,167,356	38,396,656	85,248,607	39,749,289	77,684,789	40,509,533	70,260,112	57,328,586	49,376,970	55,146,608	63,690,904	747,813,558	701,836,480	669,886,136
NET INCREASE / (DECREASE) IN CASH	29,907,194	24,378,171	19,444,589	29,093,219	29,446,389	14,487,458	36,919,394	19,189,326	14,305,219	39,997,932	14,928,358	20,112,041	20,112,041	23,494,761	27,665,560

INFLUENCE ON ACCOUNTS

SUPPORTING TABLE 14			INFLUENCE OF PROPOSED TARIFF INCREASES ON DOMESTIC CONSUMER ACCOUNTS																					
Erf Number	VALUATION		ASSESSMENT RATES Per c/R		REFUSE REMOVAL		SEWERAGE		WATER CONSUMPTION			ELECTRICITY FIXED CHARGE			ELECTRICITY CONSUMPTION			V.A.T.		TOTAL		INCREASE		
	Area	Valuation	Present	Proposed	Present	Proposed	Present	Proposed	KL	Present	Proposed	C/Breaker	Present	Proposed	Average	Present	Proposed	Present	Proposed	Present	Proposed	Amount	%	
			R 0.13116	R 0.14280																				
KANONKOP																								
2899 EXT 10	1,480	22,800	249.20	271.32	53.00	57.90	71.95	77.35	43	123.20	130.46	1X50	185.26	195.00	1,032	201.45	212.70	88.88	94.28	972.94	1,039.00	66.06	6.79	
1376 EXT 4	1,487	23,000	251.39	273.70	53.00	57.90	71.95	77.35	36	98.80	104.60	1X50	185.26	195.00	826	161.24	170.24	79.83	84.71	901.47	963.50	62.03	6.88	
CENTRAL																								
171 RE EXT 0	2,032	28,000	306.04	333.20	53.00	57.90	95.30	102.45	43	123.20	130.46	1X50	185.26	195.00	1,039	202.81	214.14	92.34	97.99	1,057.95	1,131.14	73.19	6.92	
197 RE	2,960	39,600	432.83	471.24	53.00	57.90	95.30	102.45	113	375.20	397.86	1X50	185.26	195.00	1,261	246.15	259.89	133.69	141.83	1,521.42	1,626.18	104.75	6.89	
AERORAND																								
2014	1,205	26,200	286.37	311.78	53.00	57.90	71.95	77.35	55	166.40	176.30	1X50	185.26	195.00	1,048	204.57	215.99	95.37	101.16	1,062.91	1,135.48	72.57	6.83	
GHOLFSIG																								
2022 EXT 8	2,004	39,300	429.55	467.67	53.00	57.90	95.30	102.45	182	436.40	462.80	1X50	185.26	195.00	1,583	309.00	326.26	151.05	160.22	1,659.57	1,772.29	112.73	6.79	
2130 EXT 8	2,680	41,900	457.97	498.61	53.00	57.90	95.30	102.45	58	177.20	187.76	1X50	185.26	195.00	1,136	221.75	234.13	102.55	108.81	1,293.03	1,384.66	91.64	7.09	
EXTENSION 12																								
4079	750	15,500	169.42	184.45	37.05	40.48	32.95	35.42	67	209.60	222.14	1X60	242.74	256.20	1,094	213.55	225.47	103.02	109.16	1,008.33	1,073.32	65.00	6.45	
4070	1,299	18,200	198.93	216.58	53.00	57.90	71.95	77.35	27	68.20	72.20	1X50	185.26	195.00	812	158.50	167.35	75.17	79.77	811.01	866.16	55.15	6.80	
NASARET																								
488 EXT 1	615	10,000	109.30	119.00	37.05	40.48	32.95	35.42	33	88.60	93.80	1X60	242.74	256.20	783	152.84	161.38	77.59	82.22	741.07	788.49	47.43	6.40	
EASTDENE																								
553 PTN 4	694	12,200	133.35	145.18	37.05	40.48	32.95	35.42	78	249.20	264.16	1X60	242.74	256.20	1,443	281.67	297.40	118.11	125.11	1,095.07	1,163.96	68.89	6.29	
1103 PTN 1	522	11,000	120.23	130.90	37.05	40.48	32.95	35.42	26	64.80	68.60	1X50	185.26	195.00	1,377	268.79	283.80	82.44	87.26	791.52	841.46	49.94	6.31	
BLINKPAN																								
2	1,005	5,500	60.12	65.45	53.00	57.90	71.95	77.35	26	64.80	68.60	CONLOG	-	-	932	367.49	388.08	78.01	82.87	695.37	740.26	44.89	6.46	
179	232	2,400	26.23	28.56	37.05	40.48	32.95	35.42	6	-	-	CONLOG	-	-	200	78.86	83.28	20.84	22.29	195.93	210.03	14.09	7.19	
MHLUZI PROPER																								
158	214	7,200	78.70	85.68	37.05	40.48	32.95	35.42	14	24.00	25.40	CONLOG	-	-	132	52.05	54.96	20.45	21.88	245.19	263.82	18.63	7.60	
3100	254	8,450	92.36	100.56	37.05	40.48	32.95	35.42	24	58.00	61.40	CONLOG	-	-	240	94.63	99.94	31.17	33.21	346.16	371.00	24.85	7.18	
MHLUZI X 1																								
3150	338	8,700	95.09	103.53	37.05	40.48	32.95	35.42	16	30.80	32.60	CONLOG	-	-	275	108.43	114.51	29.29	31.22	333.62	357.76	24.15	7.24	
3176	300	8,100	88.53	96.39	37.05	40.48	32.95	35.42	19	41.00	43.40	CONLOG	-	-	225	88.72	93.69	27.96	29.82	316.21	339.20	22.99	7.27	
MHLUZI X 2																								
3911 RDP	266	8,400	36.72	39.98	37.05	40.48	32.95	35.42	8	5.20	5.50	CONLOG	-	-	120	47.32	49.97	17.15	18.39	176.39	189.74	13.35	7.57	
4293	310	9,650	105.47	114.84	37.05	40.48	32.95	35.42	20	44.40	47.00	CONLOG	-	-	480	189.26	199.87	42.51	45.19	451.65	482.80	31.14	6.90	
MHLUZI X 3																								
5875	267	7,650	83.61	91.04	37.05	40.48	32.95	35.42	11	13.80	14.60	CONLOG	-	-	155	61.12	64.54	20.29	21.71	248.82	267.78	18.96	7.62	
5636	286	7,950	86.89	94.61	37.05	40.48	32.95	35.42	14	24.00	25.40	CONLOG	-	-	316	124.60	131.58	30.60	32.60	336.10	360.09	23.99	7.14	
MHLUZI X 4																								
6770 RDP	256	6,750	29.51	32.13	37.05	40.48	32.95	35.42	13	20.60	21.80	CONLOG	-	-	70	27.60	29.15	16.55	17.76	164.26	176.74	12.48	7.60	
6409 RDP	234	6,400	27.98	30.46	37.05	40.48	32.95	35.42	5	0.00	0.00	CONLOG	-	-	261	102.91	108.68	24.21	25.84	225.10	240.89	15.78	7.01	
MHLUZI X 5																								
8035 RDP	200	5,150	22.52	24.51	37.05	40.48	32.95	35.42	14	24.00	25.40	CONLOG	-	-	188	74.13	78.28	23.54	25.14	214.18	229.24	15.06	7.03	
8996 RDP	198	5,450	23.83	25.94	37.05	40.48	32.95	35.42	11	13.80	14.60	CONLOG	-	-	120	47.32	49.97	18.36	19.67	173.30	186.08	12.78	7.37	
MHLUZI X 6																								
9099 RDP	223	5,000	21.06	23.80	37.05	40.48	32.95	35.42	8	5.20	5.50	CONLOG	-	-	188	74.13	78.28	20.91	22.36	192.09	205.84	13.74	7.16	
10079 RDP	279	5,650	24.70	26.89	37.05	40.48	32.95	35.42	6	0.00	0.00	CONLOG	-	-	133	52.44	55.38	17.14	18.38	164.29	176.55	12.27	7.47	
MHLUZI X 7																								
11850 RDP	250	6,900	30.17	32.84	37.05	40.48	32.95	35.42	5	0.00	0.00	CONLOG	-	-	100	39.43	41.64	15.32	16.46	154.92	166.84	11.92	7.70	
11882 RDP	198	5,450	23.83	25.94	37.05	40.48	32.95	35.42	8	5.20	5.50	CONLOG	-	-	265	104.49	110.35	25.16	26.84	228.67	244.53	15.86	6.94	
MHLUZI X 8																								
10273 RDP	219	6,150	26.89	29.27	37.05	40.48	32.95	35.42	10	10.40	11.00	CONLOG	-	-	215	84.77	89.53	23.12	24.70	215.19	230.40	15.21	7.07	
10324 RDP	231	6,350	27.75	30.23	37.05	40.48	32.95	35.42	8	5.20	5.50	CONLOG	-	-	55	21.69	22.90	13.56	14.60	138.21	149.13	10.92	7.90	
																				AVERAGE	36.54	6.64		

First 6kl of water consumption @ no charge included in all above accounts

* Accounts subjected to Indigent Support :

- 100% rebate on assessment rates
- R0 sewerage + R0 refuse removal + 50 KWh units free per month subject to a 20 Ampere circuit breaker
- First 10kl of water consumption free

INFLUENCE OF PROPOSED TARIFF INCREASES : BUSINESSES & INDUSTRIES																							
Erf Number	VALUATION		ASSESSMENT RATES Per c/R		REFUSE REMOVAL		SEWERAGE		WATER CONSUMPTION			ELECTRICITY FIXED CHARGE			ELECTRICITY CONSUMPTION			V.A.T.		TOTAL		INCREASE	
	Area	Valuation	Present	Proposed	Present	Proposed	Present	Proposed	KL	Present	Proposed	C/Breaker	Present	Proposed	Average	Present	Proposed	Present	Proposed	Present	Proposed	Amount	%
			R 0.20496	R 0.22320																			
CENTRAL																							
50 PTN 4	1,091	255,000	4,355.40	4,743.00	127.95	139.80	48.60	52.20	18	48.60	51.30	3X40	647.30	684.00	5,256	1,025.97	1,083.26	265.78	281.48	6,519.60	7,035.04	515.44	7.91
146 PTN 6	3,785	1,030,000	17,592.40	19,158.00	639.75	699.00	99.90	107.30	37	99.90	105.45	105	5,547.15	5,859.00	42,385	7,622.90	8,053.88	1,961.34	2,075.45	33,563.34	36,058.08	2,494.74	7.43
5089	13,383	4,250,000	72,590.00	79,050.00	8,701.08	9,505.80	438.24	476.96	176	475.20	501.60	648	44,799.84	47,318.40	316,000	54,624.48	57,715.00	15,265.44	16,172.49	196,894.28	210,740.25	13,845.97	7.03
EXT 11																							
3921 PTN 1	3,097	84,500	1,443.26	1,571.70	127.95	139.80	72.90	78.30	27	72.90	76.95	3X20	323.75	342.00	1,195	233.26	246.29	116.31	123.67	2,390.33	2,578.71	188.38	7.88
3950 PTN 61	2,000	64,000	1,093.12	1,190.40	127.95	139.80	364.50	391.50	135	364.50	384.75	3X80	1,294.65	1,368.00	1,721	335.94	354.70	348.26	369.42	3,928.91	4,198.57	269.66	6.86
NASARET																							
2	9,278	90,000	1,537.20	1,674.00	1,663.40	1,817.25	5432.40	5834.80	2012	5432.40	5734.20	60	3,169.80	3,348.00	19,501	3,691.88	3,900.43	2,714.58	2,888.86	23,641.67	25,197.54	1,555.87	6.58
EASTDENE																							
1106 PTN 30/41	1,408	180,000	3,074.40	3,348.00	255.90	279.60	81.00	87.00	30	81.00	85.50	3X70	1,132.80	1,197.00	8,682	1,694.73	1,789.36	454.36	481.38	6,774.19	7,267.84	493.66	7.29
																					MHLUZI EXCLUDED	3,145.01	7.29
MHLUZI																							
023/7734	3,556	170,000	2,903.60	3,162.00	511.80	559.20	234.90	252.30	87	234.90	247.95	50	2,641.50	2,790.00	19,501	3,691.88	3,900.43	1,024.10	1,084.98	11,242.68	11,996.86	754.19	6.71
																					MHLUZI INCLUDED	1,949.60	7.00

INFLUENCE OF PROPOSED TARIFF INCREASES : SECTIONAL TITLE																								
Erf Number	VALUATION		ASSESSMENT RATES Per c/R		REFUSE REMOVAL		SEWERAGE		WATER CONSUMPTION			ELECTRICITY FIXED CHARGE			ELECTRICITY CONSUMPTION			V.A.T.		TOTAL		INCREASE		
	Area	Valuation	Present	Proposed	Present	Proposed	Present	Proposed	KL	Present	Proposed	C/Breaker	Present	Proposed	Average	Present	Proposed	Present	Proposed	Present	Proposed	Amount	%	
			R 0.13116	R 0.14280																				
CENTRAL																								
5900	6,448	175,000	1,912.75	2,082.50	1,663.40	1,817.25	2112.48	2297.28	605	1633.50	924.20	58	3,064.14	3,236.40	17,803	3,400.20	3,592.24	1,662.32	1,661.43	15,448.79	15,611.31	162.52	1.05	
EXT 18																								
9892	65,178	875,000	9,563.75	10,412.50	23,847.60	26,052.00	9736.20	10457.40	3606	12260.40	13774.92	-	-	-	-	-	-	6,418.19	7,039.80	61,826.14	67,736.62	5,910.49	9.56	
AERORAND																								
2438	5,743	160,000	1,748.80	1,904.00	666.40	728.00	669.90	720.30	405	1377.00	1547.10	-	-	-	-	-	-	379.86	419.36	4,841.96	5,318.76	476.79	9.85	
																						AVERAGE	2,183.27	6.82

INFLUENCE OF PROPOSED TARIFF INCREASES : ESKOM TOWNS																								
Erf Number	VALUATION		ASSESSMENT RATES Per c/R		REFUSE REMOVAL		SEWERAGE		WATER CONSUMPTION			ELECTRICITY FIXED CHARGE			ELECTRICITY CONSUMPTION			V.A.T.		TOTAL		INCREASE		
	Area	Valuation	Present	Proposed	Present	Proposed	Present	Proposed	KL	Present	Proposed	C/Breaker	Present	Proposed	Average	Present	Proposed	Present	Proposed	Present	Proposed	Amount	%	
			R 0.6432	R 0.7008																				
PULLENSHOPE																								
PLH268	1,014	1,825	97.82	106.58	53.00	57.90	71.95	77.35	19	41.00	43.40						23.23	25.01	287.00	310.24	23.24	8.10		
PLH276	962	1,732	92.84	101.15	37.05	40.48	32.95	35.42	31	81.80	86.60						21.25	22.75	265.89	286.40	20.51	7.71		
			0.36																					
RIETKUIL			R 0.4608	R 0.5016																				
RTK53	899	1,620	62.21	67.72	37.05	40.48	32.95	35.42	21	47.80	50.60						16.49	17.71	196.50	211.93	15.43	7.85		
RTK881	917	2,293	88.05	95.85	37.05	40.48	32.95	35.42	24	58.00	61.40						17.92	19.22	233.97	252.37	18.40	7.86		
KOMATI			R 1.0836	R 1.1808																				
KMT311	746	1,340	121.00	131.86	37.05	40.48	32.95	35.42	29	75.00	79.40						20.30	21.74	286.30	308.90	22.60	7.89		
KMT46	816	1,470	132.74	144.65	37.05	40.48	32.95	35.42	17	34.20	36.20						14.59	15.69	251.53	272.44	20.91	8.31		
																						AVERAGE	20.18	7.96

First 6kl of water consumption @ no charge included in all above accounts
 * Accounts subjected to Indigent Support :
 100% rebate on assessment rates
 R0 sewerage + R0 refuse removal + 50 KWh units free per month subject to a 20 Ampere circuit breaker
 First 10kl of water consumption free

INFLUENCE OF PROPOSED TARIFF INCREASES : HENDRINA																																										
Erf Number	VALUATION		ASSESSMENT RATES Per c/R		REFUSE REMOVAL		SEWERAGE		WATER CONSUMPTION			ELECTRICITY FIXED CHARGE			ELECTRICITY CONSUMPTION			V.A.T.		TOTAL		INCREASE																				
	Area	Valuation	Present	Proposed	Present	Proposed	Present	Proposed	KL	Present	Proposed	C/Breaker	Present	Proposed	Average	Present	Proposed	Present	Proposed	Present	Proposed	Amount	%																			
TOWN			R 0.3840	R 0.4176																																						
H00211	2,855	6,900	220.80	240.12	53.00	57.90	95.30	102.45	23	54.60	57.80	CONLOG	-	-	2,220	875.35	924.41	150.95	159.96	1,450.00	1,542.64	92.64	6.39																			
H00297	2,855	6,900	220.80	240.12	53.00	57.90	95.30	102.45	17	34.20	36.20	1X50	185.26	195.00	728	142.11	150.04	71.38	75.82	802.05	857.53	55.49	6.92																			
KWAZA X4																																										
3233 RDP	208	1,700	21.76	23.66	37.05	40.48	32.95	35.42	29	75.00	79.40	CONLOG	-	-	333	131.30	138.66	38.68	41.15	336.74	358.78	22.04	6.54																			
3655 RDP	276	2,300	29.44	32.02	37.05	40.48	32.95	35.42	15	27.40	29.00	CONLOG	-	-	186	73.34	77.45	23.90	25.53	224.08	239.90	15.81	7.06																			
KWAZA X6																																										
3721 RDP	338	2,700	34.56	37.58	37.05	40.48	32.95	35.42	8	5.20	5.50	CONLOG	-	-	55	21.69	22.90	13.56	14.60	145.01	156.49	11.48	7.92																			
3747 RDP	240	2,000	25.60	27.84	37.05	40.48	32.95	35.42	7	2.60	2.75	CONLOG	-	-	185	72.95	77.03	20.38	21.80	191.52	205.32	13.80	7.20																			
KWAZA X0																																										
446	286	3,200	102.40	111.36	37.05	40.48	32.95	35.42	24	58.00	61.40	CONLOG	-	-	1,086	428.21	452.21	77.87	82.53	736.48	783.40	46.92	6.37																			
KWAZA X1																																										
730	320	3,900	124.60	135.72	37.05	40.48	32.95	35.42	25	61.40	65.00	CONLOG	-	-	1,066	420.32	443.88	77.24	81.87	753.77	802.37	48.61	6.45																			
KWAZA X3																																										
2519	351	4,300	137.60	149.64	37.05	40.48	32.95	35.42	9	7.80	8.25	CONLOG	-	-	266	104.88	110.76	25.58	27.29	345.86	371.84	25.98	7.51																			
KWAZA X5																																										
3680	220	1,200	38.40	41.76	37.05	40.48	32.95	35.42	11	13.80	14.60	CONLOG	-	-	320	126.18	133.25	29.40	31.32	277.77	296.83	19.06	6.86																			
																						AVERAGE																			35.18	6.92

INFLUENCE OF PROPOSED TARIFF INCREASES : SCHOOLS																																											
Erf Number	VALUATION		ASSESSMENT RATES Per c/R		REFUSE REMOVAL		SEWERAGE		WATER CONSUMPTION			ELECTRICITY DEMAND CHARGE			ELECTRICITY ENERGY CHARGE			V.A.T.		TOTAL		INCREASE																					
	Area	Valuation	Present	Proposed	Present	Proposed	Present	Proposed	KL	Present	Proposed	kVa	Present	Proposed	Average	Present	Proposed	Present	Proposed	Present	Proposed	Amount	%																				
MIDDELBURG			R 0.16392	R 0.17880																																							
5187	64,900	500,000	6,830.00	7,450.00	3,326.80	3,634.50	2,005.29	2,155.40	1482	4,001.40	4,223.70	222	11,728.26	12,387.60	52,000	9,274.56	9,799.00	4,247.08	4,508.03	41,413.39	44,158.22	2,744.83	6.63																				
MHLUZI																																											
2007	59,651	370,000	5,054.20	5,513.00	1,335.80	1,459.35	2,377.73	2,555.71	468	1,263.60	1,333.80	48	2,535.84	2,678.40	4,160	1,056.60	1,116.04	1,199.74	1,280.06	14,823.51	15,936.36	1,112.85	7.51																				
KWAZA X3																																											
2513	61,722	123,444	1,686.25	1,839.32	255.90	279.60	1,763.11	1,895.09	263	710.10	749.55	7	369.81	390.60	333	399.20	421.44	489.74	523.08	5,674.11	6,098.68	424.57	7.48																				
																						AVERAGE																				1,427.42	7.21

First 6kl of water consumption @ no charge included in all above accounts
 * Accounts subjected to Indigent Support :
 100% rebate on assessment rates
 R0 sewerage + R0 refuse removal + 50 KWh units free per month subject to a 20 Ampere circuit breaker
 First 10kl of water consumption free