

EMTHANJENI MUNICIPALITY



MTREF ANNUAL BUDGET

2013/2014 FINANCIAL YEAR

**EMTHANJENI MUNICIPALITY
(NC073)**

SCHEDULE A

**AN ANNUAL BUDGET AND
SUPPORTING DOCUMENTATION
OF A MUNICIPALITY**

2013-14 MTREF

**ANNUAL BUDGET OF
EMTHANJENI MUNICIPALITY**

**2013/14 TO 2015/16
MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	NGO	Non-Governmental organisations
ASGISA	Accelerated and Shared Growth Initiative	NKPIs	National Key Performance Indicators
BPC	Budget Planning Committee	OHS	Occupational Health and Safety
CBD	Central Business District	OP	Operational Plan
CFO	Chief Financial Officer	PBO	Public Benefit Organisations
MM	Municipality Manager	PHC	Provincial Health Care
CPI	Consumer Price Index	PMS	Performance Management System
CRRF	Capital Replacement Reserve Fund	PPE	Property Plant and Equipment
		PPP	Public Private Partnership
DBSA	Development Bank of South Africa	PTIS	Public Transport Infrastructure System
DoRA	Division of Revenue Act		
DWA	Department of Water Affairs	RG	Restructuring Grant
EE	Employment Equity	RSC	Regional Services Council
EEDSM	Energy Efficiency Demand Side Management	SALGA	South African Local Government Association
M	Mayor	SAPS	South African Police Service
FBS	Free basic services	SDBIP	Service Delivery Budget Implementation Plan
GAMAP	Generally Accepted Municipal Accounting Practice	SMME	Small Micro and Medium Enterprises
GDP	Gross domestic product		
GDS	Gauteng Growth and Development Strategy		
GFS	Government Financial Statistics		
GRAP	General Recognised Accounting Practice		
HR	Human Resources		
HSRC	Human Science Research Council		
IDP	Integrated Development Strategy		
IT	Information Technology		
kℓ	kilolitre		
km	kilometre		
KPA	Key Performance Area		
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act Programme		
MIG	Municipal Infrastructure Grant		
MMC	Member of Mayoral Committee		
MPRA	Municipal Properties Rates Act		
MSA	Municipal Systems Act		
MTEF	Medium-term Expenditure Framework		
MTREF	Medium-term Revenue and Expenditure Framework		
NERSA	National Electricity Regulator South Africa		

Part 1 – Annual Budget

1.1 Mayor's Budget Speech

Budget Speech 2013/14 for the Emthanjeni Municipality, delivered by the Mayor, Cnr Siphiso T. Sthonga, Council Chambers, De Aar, 30 May 2013

Speaker
Chief Whip of the ANC
Members of the Executive Committee
Whip of the Democratic Alliance
Councillors
Municipal Manager
Chief Financial Officer and officials
Members of the Public

Good Morning,

It is a privilege and an honour for me to table the budget for 2013/14 Financial year. It is a pleasure to table this budget timeously and during this month that the Continent and the African Union celebrate 50 years of existence. This budget is tabled when the whole country prepares for the 5th National Democratic Elections and celebrating 19 years of democracy. During the first year of the second phase of transition: Economic Freedom, is tabled during the 101 Birthday of the ruling party: ANC, which marks the beginning of the second century of the ANC as the organisation that continue to exist and championing the struggle to improve the lives of the poor and the marginalised masses of our country.

As sphere of government, we have the responsibility of responding to the triple challenge faced by our / masses. We need to contribute to the reduction of poverty, inequality and unemployment particularly amongst the youth. We need to address the stewed development we inherit from the Apartheid regime and to improve skills amongst the previously disadvantage names of our people.

As the great philosopher of Ancient China Lao Tzu, who was also the most important spiritual sage once said and I quote, *“go to the people, live with them, Learn from them, love them. Start with what they know, when the work is done, the task accomplished, the people will say “we have done this ourselves”*

The legacy of having courage to sacrifice for peace, freedom and justice as well as passion of celebrating life through service to humanity – especially for the benefit of those most vulnerable amongst us. The financial year that we approach will be one full of progress and yet presented with challenges at local, national and international fronts. The global financial crisis we currently experienced will escalate rapidly and will affect every sector and household in any municipality in our country.

As the African National Congress, we remain humbled by the confidence that the residents showed in us by giving us a clear mandate to work with all stakeholders, to build a solid foundation for our communities to prosper and to increase the pace of making our municipality a more caring, and more efficient municipality.

The increased demand for electricity in order to capitalize and further develop our natural resources as well as our planning capacity must be in line up with the extent and speed of service delivery as reflected by the high business energy demands that is being required. All these programmes must be community driven and focused must be for the upliftment of our communities within Emthanjeni Municipality.

Yet another awakening is that development must be sustainable, responsible and mindful of the legacy that we would all wish to leave behind for future generations. The Budget 2013/2014 Medium-term Revenue and Expenditure Framework is being crafted to address all the enormous challenges identified on our Key Performance Areas.

These are to

- ***eradicate backlogs and invest in infrastructure for basic services and for growth;***
- ***facilitate local economic growth and development by creating a conducive environment to ensure that it is shared and creates sustainable jobs for all the its residents;***
- ***build a safer, more secure and more sustainable environment and communities;***
- ***deepen democracy by clearly beckons us to work together with all stakeholders***
- ***ensure financial viability and manage resources prudently;***
- ***offer a caring society and effective society within Emthanjeni Municipality and***
- ***build institutional capacity and transformation.***

Over the next twelve months and beyond, The Council will undertake various community based programs that will benefit the communities she serve. These programs are

“Operation “Fix It”

“War on Leakages”

“67minutes of Mandela give back Campaign”

Apart from these programs, the Council will also celebrate the life of our beloved, first democratic elected Statesman, President Nelson Mandela and also other key role players in our democratic republic. These celebrations will be an integral part of our municipality where we anticipate it to bring cash inflows to the municipal area.

The Budget was prepared on a conservative approach as stipulated in Circular 66 and 67.

CAPITAL BUDGET

The total capital budget amounts to R44 038 631. The following linkage between the IDP projects and the capital programme will be undertaken to ensure that priorities are realized during the next MTREF.

The Priority areas will be upgrading of the

- Construction of new streets
- Resealing of existing streets
- Upgrade of Oxidation Ponds in De Aar
- Further development of Borehole Bulk water supply within the municipality
- Storm water drainage upgrade
- Other projects.
- Council remains committed to ward development by continuing investing in the infrastructure of the various wards within Emthanjeni municipality.

The under mentioned is an detailed of the capital programme

No	Project	2013/2014
1	Emthanjeni Mun- Water Conservation and Demand Management: Disinfect Water	1,058,000
2	Regional Bulk Water Supply: Bulk Water Supply	20,000,000
3	De Aar Upgrading Purification Works	6,000,000
4	Storm water drainage upgrade	1,500,000
5	MIG: New Streets in Emthanjeni	7,524,000
6	OWN CAPITAL: New Streets in Emthanjeni	2,800,000
7	Resealing of streets in Emthanjeni	719,000
8	Ward development programmes	2,100,000
9	Replacement of equipment and machinery	1,204,000
10	Replacement of computer equipment	989,000
11	Grp Compliance process	970,000
12	Construction of New Cemetery Britstown	300,000
13	Electrification projects: New houses	800,000

14	Prepaid Electricity Meters	505,000
15	Capital additions: Municipal Buildings	728,000
	Total funds required or available	46,139,000

The funding sources for the Capital Budget consist out of

- Municipal Infrastructure Grant (MIG) amounts to R15, 324 million
- Dept of Water affairs will contribute an amount of R21, 058 million
- Surplus funds from own revenue sources are R9, 757 million which an amount of R2,1 million is included for the seven wards development.

OPERATING BUDGET

The total operating budgeted revenue for the 2013/2014 budget year amounts to R186, 376 million,

The budgeted revenue comprise out of the following components

- **Rates Revenue totalled R21, 373 million**

The Local Government: Municipal Property Rates Act, 2004, was promulgated on 2 July 2005. We began the process of implementation of our first general municipal valuation roll from the 1 July 2009. Our second General Municipal Valuation Roll will be implemented from 01 July 2013. We value the total property at market value, which includes land and improvements.

There is an impermissible value of R15 000 on residential properties according to the Municipal Property Rates Act that is not taxable. We added another R13 000 to provide tax relief for the lower value properties. This means that residential properties with a market value of R28 000 will be exempted from paying rates and taxes.

Agricultural properties will received an rebate of 48% and further rebates for other property owners are provided as per the requirements of the Property Rates policy.

Due to the increased new municipal valuations, the current tariff will drop on the 01 July 2013. The new rates tariff is a testimony of Council's commitment to ensure that rates levy does not increase enormously.

- **Other Levied Services budgeted income are almost R96, 874 million**

- Electricity amounts to R52 567 400
- Water amounts R23 401 188
- Sewerage amounts to R 13 046 796
- Refuse removal amounts to R7 711 632
- Other service charges amounts to R 147 426

The current economic and infrastructure development within the municipal area will lead to further investment and revenue generation for levied services. This can be contributed to the increase of service users, hence business or residential users. All indications are that it will keep on peaking during the MTEF period.

- **Fines will be budgeted for at gross amounts of R7, 543 million**

With all the legalities sorted out with the DPP, budget revenue is expected to realized optimally. Proper controls will be installed to ensure that targets are achieved as per agreed targets.

- **Licenses and permits will be R1, 230 million**

The source of revenue will be strictly monitored to ensure that income is being generated. Service delivery won't be compromised when it comes to servicing the communities of Emthanjeni municipality.

- **Rental of facilities and equipment expected income will be R529 267**

- **Interest Income will be R1,533 million**

- External Investments amounts to R792 120
- Interest charged on Arrear accounts amounts to R741 120

- **Operating Grants and Subsidies amount to R40, 056 million**

- Equitable Share R34 820 000
- Finance Management Grant R 1 550 000
- Municipal Systems Grant R 890 000
- Library Development Fund R 679 000
- Primary Health Subsidy R 1 056 000
- Housing Accreditation Subsidy R 500 000
- EPWP R 1 000 000

- **Other Budgeted Revenue amounts to R16.713 million of which Prepaid Electricity is comprised of R14 million.**

➤ ***The Total Budgeted Income amounts to R222 753 672. The total budgeted income consists out of***

Capital Grants and Donations	- R 36 382 000
Operating Grants and Subsidies	- R 40 056 000
Own generation of budgeted income	- R142 488 386

Revenue will increase about 21.7% in relation to the previous year which is caused by

- The increase in Rates Income as a result of the levying properties which were not levied previously or that were levied incorrectly in the past years.
- The general increment of service tariffs and levies.
- The increase in electricity sales
- The increase in capital grants especially Regional Bulk Water Infrastructure grant

EXPENDITURE

The Budgeted Expenditure for 2013/2014 are R 230 047 229 which comprise of Operating Budget of R186 008 598 and the Capital budget of R44 038 631. This represents a total increase of 19.03% in the relation to the current year Revising Budget.

Detail of the major expenditure sources are as follow:

- **Employee Related Costs amounts to R59,618 million**

- The total salary and wages expenses include social contributions such as pension fund and medical aid fund contributions, etc
- Annual increase of 6.85 % has been agreed at SALGBC
- The total salary package includes the salary for the position of a fourth director and other positions as per the approved organizational structure.
- The salary percentage to the Operating Budget is 31,73% and to the total capital and operating budget is +/- 27 %

- **Councillor Remuneration**

-Councillor Remuneration amounts for R3, 917 million of which it has been provided on the current Public Officers Bearers Act, dated December 2012.

- **Provision for Bad Debts, working capital reserve and depreciation estimate to R17,1 million**
- **Other Materials (*Repair and maintenance*) total estimation are R12, 040 million**
- **Contracted Services costs are budgeted for R7, 026 million**
- **Capital Charges for interest on loans amounts to R 932 799**
- **Bulk Purchases for Water and Electricity amounts to R 44, million. This increase represents mainly the Eskom's tariff increment of 7.0 % as**

approved by NERSA per annum. Official Approval is still awaited from Nersa.

- **Operating Grants and subsidy expenditure amounts to R15, million, which are mostly spent on the Indigent Households for the subsidized services provide to approved Indigent Households.**
- **Capital Grants payments amounts to R 36, 382 million. These amounts are mainly recognized on the income side and also on the expenditure side.**
- **Capital projects that are finance from own funds amounts to R7, 657 million. These excludes the ward projects.**
- **Other expenditure amounts to R 24, 109 million include some of activities that will take place amongst others:**

Tariff Increments

Tariffs expected increases for the 2013/2014 financial year are set out below. These are

- Rates and taxes levy has decreased from the previous year. ***See the tariff schedule***
- Electricity will increase by a maximum of 7% as per IBT
- Water levy will increase by 6%.
- Sewerage and sanitation tariff increases by 6%
- Refuse removal's tariffs increases by 6%
- All other secondary tariffs will increased by 7%

Budget Policies

Policies form the backbone of the municipality and the Budgetary policies not only provide direction to officials but also promulgating Council's commitment in providing adequate service to ensure that residents live a better life.

Throughout the coming years, we will monitor and evaluated ourselves against these goals set out in our Strategic Documents and policies by keeping track of key performance areas; key performance indicators and targets as contained in the five year IMAP IDP strategy of Emthanjeni Municipality.

Policies has been revised and amended as a result of continued consultation with various stakeholders of the municipality. Major changes appear in the Rates Policy, Supply Chain Management Policy and also in the other policies.

Indigent Policy must be mentioned that

Council's unwavering commitment to ensure that Free Basic Services are provided to all households to the most vulnerable households whose earnings is R3200 and less, upon application for the basket of Free Basic Services.

A total of almost 4000 indigent households are expected to receive subsidized services every month. The Indigent Policy makes for

50 KWh of electricity

8kl water, this increase from 6 to 8kl in relation to the prior year

Monthly levy of Sewerage/sanitation and refuse

Total monthly subsidized services to Indigent Household amount to R351.87

Madam Speaker, I am glad to announce that for the very first time our budget exceeded R200 million. Hence, Madam Speaker, I declare this financial year as the year whereby we will "declare war against water leakages" and service delivery backlogs. This campaign is going to be championed by every councillor and official in every ward of our municipality without exception. As the council we met with the communities and the communities re-affirmed their needs which forms part of the budgeted amount R44 038 631, and the total operating budgeted income of R186 371 672. There is an increase in total of operating budgeted income of 21.7% in relation to the previous years. The total budgeted income amounts to R222 753 672 for both the operational and capital budgets. The budgeted expenditure for 2013 /2014 is R230 047 229 which represent R19.03% increase as compared to the previous year's revised budget.

This budget contains a tariff increment of 6% in all basic services and 7% on secondary tariff, except electricity that will increase between 5, 8% -7%.

Let me take this opportunity to thank everyone who made this budget a success. The Chief Financial Officer and his formidable team, you've done a sterling job thanks for your unwavering dedication, the Municipal Manager and all officials thank you for your co-operation and guidance throughout this budget process. To ALL COUNCILLORS from different political orientation your pulling together has made this day a success.

Madam Speaker, I am presenting to you and to the house the budget for 2013 /2014 and all our revised policies as recommended by the regulatory framework.

Working together we can achieve more.

LET'S ALL BE UNITED TO FIGHT POVERTY.

I thank you.

1.2 Council Budget Resolutions

On 30 May 2013 the Council of Emthanjeni Local Municipality met in the Council Chambers of Emthanjeni Municipality where the Mayor tabled the Annual budget of the municipality for the financial year 2013/14 MTEF.

10.3 BUDGET AND REVISED INTEGRATED DEVELOPMENT PLAN: 2013/2014 MTEF PERIOD (5/1/1/18)

Background:

Chapter 4 of the MFMA clearly outlines the municipal budget process and section 15 to section 27 deals with the implementation of the annual budget. In terms of Section 28 of Chapter 5 of the Systems Act the revised IDP must also be submitted to the Council annually for approval along with the budget.

Legal Implications

The provisions of the relevant sections of the MFMA and Systems Act must be complied with.

Financial Implications

All expenditure incurred from 1 July 2013 will be in accordance with the approved budget as prescribed by the MFMA.

Proposed Recommendation

That the Council adopt the following-

- 1.(a) *the Mayor's Budget Speech reflecting a total Revenue Budget of R222 753 67 a total Expenditure Budget of R230 047 229.00 and deficit of R7 293 557.00.*
 - (b) *the Capital Budget of R44 038 631.00 for 2013/2014 and also indicative total amounts for the Medium Term Expenditure Framework period*
 - (c) *the Operating Budget consisting of R186 008 598.00 for expenditure and R186 371 672.00 for revenue for 2013/2014 and also reflecting indicative total amounts for the Medium Term Expenditure Framework period.*
 - (d) *the appropriate votes as per Government Finance Statistics (GF) functions as set out in Budget Schedule Table A 1 to A 10 and SA 1 to SA 37*
 - (e) *Increase of tariffs as indicated*
 - (i) *Property Rates*
 - (ii) *Electricity*
 - (iii) *Water*
 - (iv) *Refuse*
 - (v) *Sewerage / sanitation*
 - (f) *the Service Delivery and Budget Implementation Plan (SDBIP) for each Directorate i.e. Municipal Manager, Corporate, Community and Development Services, Financial Services and Infrastructure and Housing Services, as set out in each of the key performance measurement indicators which are aligned to the Key Performance Areas*
2. *other budget-related documents:*
 - (a) *the revised Integrated Development Plan for 2013/2014, which is linked to*

- the budget as outlined in the Capital Budget and Operating Budget
- (b) the revised Property Rates Policy
 - (c) the revised Credit Control Policy
 - (d) the Customer Care Policy
 - (e) the revised Indigent Policy together with the budget for subsidized free basic services such as water, electricity refuse and sewerage
 - (f) the revised Tariff Policy for Water, Electricity and other Municipal Services
 - (g) Investment Policy (and schedule of investments)
 - (h) other matters as prescribed in Section 17(1)(a-e) and also new Budgetary Formats Schedule A1- A 10 and other supporting schedules .
- Grants and subsidies schedule according to Division of Revenue Act (DORA)

5. Comments by the Accounting Officer / Section 82 of the Structures Act & Section 60 of the MFMA

1. The Council must adopt the final budget, budget policies set out above and Integrated Development Plan.
2. The Mayor must approve the SDBIP.

6. Attachments

1. Revised Integrated Development Plan for 2013/2014 is attached as **RV 12 to RV25.**
2. Budget Executive Summary for 2013/2014 is attached as **RV 26 to RV 37.**
3. Budget Policy is attached as **RV 38 to RV 45.**
4. Customer Care Policy is attached as **RV 46 to RV 59.**
5. Tariff Policy is attached as **RV 60 to RV 71.**
6. Revised Property Rates Policy is attached as **RV 72 to RV 91.** 7. Revised Credit Control and Debt Collection Policy is attached as **RV 92 to RV 99.**
8. Revised Indigent Policy and budget for free basic services is attached as **RV 100 to RV 107.**
9. Investment Policy and schedule of investments is attached as **RV 108 to RV 123.**
10. Supply Chain Management Policy is attached as **RV 124 to RV 190.**
11. Budget summary A 1 to A 10 is attached as **RV 191 to RV 203.**
12. Final Tariff Schedule is attached as **RV 204 to RV 225.**

7. Resolution of Council

That the Council adopt the following-

1. (a) **the Mayor's Budget Speech reflecting a total Revenue Budget of R222 753 672.00, a total Expenditure Budget of R230 047 229.00 and a deficit of R7 293 557.00.**
- (b) **the Capital Budget of R44 038 631.00 for 2013/2014 and also indicative total amounts for the Medium Term Expenditure Framework period**
- (c) **the Operating Budget consisting of R186 008 598.00 for expenditure and R186 371 672.00 for revenue for 2013/2014 and also reflecting indicative total amounts for the Medium Term Expenditure Framework period.**
- (d) **the appropriate votes as per Government Finance Statistics (GF) functions as set out in Budget Schedule Table A 1 to A 10 and SA 1 to SA 37**
- (e) **Increase of tariffs as indicated**
 - (i) **Property Rates**
 - (ii) **Electricity**
 - (iii) **Water**

- (iv) Refuse*
 - (v) Sewerage / sanitation*
 - (f) the Service Delivery and Budget Implementation Plan (SDBIP) for each Directorate i.e. Municipal Manager, Corporate, Community and Development Services, Financial Services and Infrastructure and Housing Services, as set out in each of the key performance measurement indicators which are aligned to the Key Performance Areas*
- 2. other budget-related documents:**
- (a) the revised Integrated Development Plan for 2013/2014, which is linked to the budget as outlined in the Capital Budget and Operating Budget*
 - (b) the revised Property Rates Policy*
 - (c) the revised Credit Control Policy*
 - (d) the Customer Care Policy*
 - (e) the revised Indigent Policy together with the budget for subsidized free basic services such as water, electricity refuse and sewerage*
 - (f) the revised Tariff Policy for Water, Electricity and other Municipal Services*
 - (g) Investment Policy (and schedule of investments)*
 - (h) other matters as prescribed in Section 17(1)(a-e) and also new Budgetary Formats Schedule A1- A 10 and other supporting schedules, -Grants and subsidies schedule according to Division of Revenue Act (DORA)*

1.3 Executive Budget Summary

The Actual budget processes started during October 2012. Numerous IDP meetings, Ward and Ward committee meetings, "Council meets the People" and other meetings were conducted where residents re-emphasized their needs that must be taken into consideration during the prioritization of the budget over the MTEF period.

The budget were prepared in conjunction with the MFMA circulars and other regulations

A.IDP and linkage of IDP to budget (Capital Budget)

Council will be adopting an Revised IDP during March2013 and it will adopt the final budget during the Council meeting of 31 May 2013. Communities re-affirmed their needs which forms part of the revised IDP document during the Budget feedback meetings. However all needs cannot be achieved, realized or addressed in one financial year or over one MTEF period. **The current linkage of the IDP to the budget amount to R44, 038, 631.**

The total R44 038 631are broken down as follows:

1. Capital Grants and Subsidies

- 1.1 Municipal Infrastructure Grant (MIG) - R15, 324, 000**
- 1.2 Regional Bulk Infrastructure Grant (Water) - R21, 058, 000**

2. Own Capital Funding

- 2.1 Resealing and construction of new streets allocation of R 3 490 000 has been budgeted for the 2013/2014 financial year.**
- 2.2. Other smaller Capital Projects from own funding estimated to R 4 166 631.00**

B. OPERATING BUDGET

1. Budgeted Income

1.1. Total expected Net Rates Income will be R 21 373 200

-Total expected budgeted rates income comprises of the following:

- Accruals amounts to R46 552 000
- Impermissible Levies as per MPRA amounts toR20 327 933
- Income forgone on Rates income R4 850 868

-Property rates penalties imposed arrear accounts amounts to R101 000.

-Rates will be levied on the market value of properties as per our municipal valuation roll.

-During the 2012/2013 financialyear, a new General ValuationRoll has beenproduced and will be implemented on the 01 July 2013.

-Agriculture properties will be levied according the ratio of 1:0,25 as per MPRA and will received a further 48% rebates on applicationas per Rates policy.

1.2 Other Levied Services budgeted income are almost R96 874 442

1.2.1 -Electricity amount to R52 567 400

1.2.2 -Water amounts R23 401 188

- 1.2.3 -Sewerage amounts to R 13 046 796
- 1.2.4 -Refuse removal amounts to R7 711 632
- 1.2.5 -Other service charges amounts to R 147 426

1.3 Fines will be budgeted for at gross amounts of R7 543 400

1.4 Licenses and permits will be R1 229 943

1.5 Rental of facilities and equipment expected income will be R529 267

1.6 Interest Income will be R1 533 103

- 1.6.1 External Investments amounts to R792 120
- 1.6.2 Interest charged on Arrear accounts amounts to R741 120

1.7 Operating Grants and Subsidies amount to R40 056 000

- 1.7.1 - Equitable Share R34 820 000
- 1.7.2 -Finance Management GrantR 1 550 000
- 1.7.3 -Municipal Systems Grant R 890 000
- 1.7.4 -Library Development Fund R 679 000
- 1.7.5 -Primary Health SubsidyR 1 056 000
- 1.7.6 -Housing Accreditation Subsidy R 500 000
- 1.7.7 -EPWP R 1 000 000

1.8 Other Budgeted Revenue

Other budgeted revenue amounts to R16 713 318 of which Prepaid Electricity is comprised of R14 million.

1.9 The Total Operating Budgeted Income for the 2013/2014 Financial year are R186 371 672.

1.9 The Total Budgeted Income amounts to R222 753 672. The total budgeted income consists outof

- 1.9.1 Capital Grants and Donations - R36 382 000
- 1.9.2 Operating Grants and Subsidies - R40 056 000
- 1.9.3 Own generation of budgeted income - R142 488386

There is an increase in total budgeted income of 21.7% in relation to the previous year. The main reasons for the increase are:

- (i) The increase in Rates Income as a result of the levying properties which were not levied previously or that were levied incorrectly in the past years.**
- (ii) The general increment of service tariffs and levies.**
- (iii) The increase in electricity sales.**
- (iv) The increase in capital grants especially Regional Bulk Water Infrastructure grant**

The Budget was prepared on a conservative approach as stipulated in Circular 66 and 67.

2. Expenditure

2.1 Salary and wages

- The total salary and wages and social contributions for the year amounts R59 617 577
- Annual increase of 6.85 % has been agreed at SALGBC
- The total salary package includes the salary for the position of a fourth director and other positions as per the approved organizational structure.
- The salary percentage to the **Operating Budget is 31,73%** and to the **total capital and operating budget is +/- 27 %**

2.2 Councillor Remuneration

- Councillor Remuneration amounts for R3 917 607.
- Councillor remuneration has been provided on the current Public Officers Bearers Act, dated December 2012.
- the councillor remuneration percentage to the total capital and operating budget is +/- 1.89%

The total salaries and wages, social contributions and councillor remuneration is between 29% - 31% in relation to the total capital and operating budget.

2.3 Provision for Bad Debts, working capital reserve and depreciation estimate to R17 105 899

2.4 Repair and maintenance total estimation are R12 039 808 which is being be split between Materials R 8 178 030 and Contracted Services R 3 861 778

2.5 Contracted Services costs are budgeted for R7 026 099

2.6 Capital Charges for interest on loans amounts to R 932 799

2.7 Bulk Purchases for Water and Electricity amounts to R 44 159 000. This increase represents mainly the Eskom's tariff increment of 8.0 % as approved by NERSA per annum.

2.8 Operating Grants and subsidy expenditure amounts to R15 002 100, which are mostly spent on the Indigent Households for the subsidized services provide to approved Indigent Households.

2.9 Capital Grants payments amounts to R 36 382 000. These amounts are mainly recognized on the income side and also on the expenditure side.

2.10 Capital projects that are finance from own funds amounts to R7 656 631. These are the ward projects, etc.

2.11 Other expenditure amounts to R 24 108 797 include some of activities that will take place amongst others:

- Employee Wellness R1 400 000.
- Audit Fees R 2 207 474
- Telephone R 907 840
- Departmental Accounts (Water, Electricity, Street lighting, etc) R 3 196 244

-Fuel and Oil	R2 838 013
-General Valuation Costs	R 650 000
-Insurance	R1 304 790
-Subsistence and Travel	R2 057 200
-SALGA Membership	R 461 100
-Electrical Rural Pump Costs for Water provision	R1213 700
-Postage	R 211 181
-Stationery and Printing	R 464 970
-Tourism Strategy	R 426 400
-Skills Development and Training	R 599 686
-LED Strategy	R 254 400
-Brand Execution	R 275 600
-"Operation Fix-it"	R 600 000

The **Budgeted Expenditure for 2013/2014** are **R 230 047 229** which comprise of **Operating Budget of R186 008 598** and the **Capital budget of R44 038 631**. This represents a total increase of 19.03% in the relation to the current year Revising Budget

C. Tariff Increments

Tariffs expected increases for the 2013/2014 financial year are set out below. These are

1. Rates and taxes

- The General Valuation Roll will be implemented this year and the increase in tariffs will mainly contribute to huge increases of municipal valuations.
- Properties where values increase or decrease will not see huge tariff increases
- Agriculture properties will be levied according (residential properties) in the ratio 1:0,25 and must apply for the rebate of 48% before the end of August 2013.
- Further rebate of 40% to elder property owners if they qualify per Rates policy.

2. Electricity

- Basic fee will increase by 6%
- Conventional and Prepaid electricity tariffs will be increase (see tariff schedule
- 1-50 kWh increase by 5.8 %
- 51-350 kWh increase by 5.8%
- 351 and more kWh units increase by 7%

3. Water

- Basic fee will increase by 6%.
- Water consumption will be increase by 6% in all blocks

- Water will be levied from the first kiloliter consumed for all consumers that are not residential consumers.
- A new block is being introduced for consumer who are consuming more

4. Sewerage and sanitation

- Tariffs increased by 6%

5. Refuse removal

- Tariffs increased by 6%

6. All other secondary tariffs.

Tariffs increased by 7%

D. Indigent households

A total of almost 3000 indigent households are expected to receive subsidized services every month. The subsidized services include

1. Rates	R 0
<i>(the first R28 000 of municipal valuations exempted from paying Rates and taxes)</i>	
2. 50 kWh of electricity	R43.99
3. Water	R74.90
<ul style="list-style-type: none"> ➤ Basic fee R59.23 ➤ Consumption: 6000 liters (6kl) of water R0 ➤ Consumption: 8000 liters (8kl) of water <u>R15.67</u> 	
<i>(Policy makes provision that Indigent Households will receive 8kl of water. Their accounts will be credited with the 2kl of water(8 kl – 6 kl))</i>	
4. Monthly sewerage	R143.50
5. Monthly refuse removal	R 89.48
 Total monthly subsidized services to Indigent Households	 R351.87

Please note: Free Basic services amounts include Value added Tax(VAT)

The re-application of all Indigent Households for Subsidized services (FBS) can kick-off after the Budget has been tabled in March. The process needs to be completed by end of September 2013 in order to update our records and registers annually.

E. KEY BUDGET ISSUES

The MFMA and MFMA Circulars 13, 28, 51, 58, 59, 66 and 67 **states it clearly that Municipal Budgets must be realistic.**

1. INCOME

Income are being categorised under the following main sources:

1.1 RATES AND TAXES

Rates and taxes account for

- between 10% and 12% of the total operating revenue in relation to the 2012/2013 Budget.
- Due to the new valuations of properties, decrease and increase of rates levies will occur on the monthly and annual rates tariffs of properties. The higher the municipal valuation will lead to higher rates increases
- A conservative approach was taken in the increment of rates tariffs.
- Properties will be separately levied as per category as per rates policy
- Agriculture properties will be levied as per MRPA ratio of 1:0,25. Agriculture property owners can apply for the 35% rebate before the end of August 2013.
- The phasing period is over except for the DMA area which still enjoy the phasing-in discount.
- Another factor that needs to be taken into consideration is the General Valuations of which the implementation date will be on the 01 July 2013 and the valuation date will be on the 01 July 2012.

1.2. ELECTRICITY

- Electricity is the biggest source of revenue for Municipality.
- Surplusses from the sale of electricity are being absorbed by the non income generated services.
- With Eskom's annual tariff increment, the impact on electricity Consumption have to be taken into consideration.
- Any new developments that started, will contribute to a increase in demand of electricity.
- An total average increment of between 5,6% and 8% for the various block tariffs have been applied by Nersa.

1.3 WATER

- Historical data on consumption formed the trend when expected revenue was calculated.
- All consumers of water will be levied from the first kilolitre of water consumed.
- Provision needs to be made for new water connections i.e. households, new developments.
- Any new developments that started, will contribute to a increase in demand of water.
- Weather patterns influence the consumption water immensely.

1.4 SEWERAGES AND REFUSE

- -Historical data will be adjusted accordingly to determine the revenue for the fixed cost services.
- -New Developments, building of new houses will increase the revenue source.

1.5 FINES

- Traffic fines are expected to increase over the next few years due to the collection efforts initiated by Council especially due to the challenges that were faced during the 2012/2013 financial year.

1.6 OPERATING GRANTS AND SUBSIDIES

- -Almost 21 – 24 % of total operating income represent grants and subsidies received from National and Provincial Government.
- -A lot can be said about the allocations that we received but no amount of money will be ever enough for the challenges experienced by the Municipality.

1.7 CAPITAL GRANTS AND SUBSIDIES

- Mainly the capital infrastructural projects are being financed from grants received.
- These projects that are being executed are limited from the income sourcing provided by MIG allocations to Budget.
- Regional Bulk Water Infrastructure will be intensified during the 2013/2014 financial year
- Challenges are experienced with the proper alignment of sectoral departments budget to our Municipal Budget.

1.8 OTHER INCOME

- Other income represent also a substantial amount of the total operating income due to the fact that Prepaid Electricity is part of this revenue .
- The appointment of Service Providers for the Debt Collection and Revenue Enhancement will also be intensified and will improve the revenue streams and cash position of Emthanjeni Municipality.

2. EXPENDITURE

2.1 EMPLOYEE COSTS

- -This category includes salaries and wages, aswell as social employee contributions.
- This can almost be seen as “fixed costs” as salaries need be paid every month.
- This represents will be the biggest expenditure category of the budget.

2.2 COUNCILLOR REMUNERATION

- As determined by the upper limits Gazette promulgated by Minister of COGTA

2.3 REPAIR AND MAINTENANCE

- This is the category that needs to be adequately provided for.
- Assets are old, and almost at the end of their useful lives.
- New developments that are construction needs also to be maintained.
- A huge challenge that our Municipality experiencing is with new constructions, very little monies are received for the Repair and Maintenance of these new constructed infrastructure developments.
- Roads, Buildings, Equipment and Vehicle fleet need desperate attention.

2.4 BULK PURCHASES

2.4.1 ELECTRICITY

- NERSA's approval of Eskom's annual electricity tariff impacts heavily on the current resources and payment levels.
- Historical Data in terms of the purchasing of electricity will determine the provision of bulk purchases that takes the annual increases in consideration..
- Eskom tariff is influencing our annual electricity tariff to the core or bone.

2.4.2 WATER PURCHASES

- Mainly weather conditions during summer season will determine that demand of water that needs to be mine (ground bore hole water). Due to the current wet season, the consumption levels of water is being affected.
- Interest rates linked need to be considered especially with the Reserve Bank's policy on Macro Economic Strategy..

2.5. PROVISION FOR BAD DEBTS

- Social Economic Conditions within the Municipality needs to be taken into consideration.
- -Indigent Households needs to be determined and Indigent Household Register and the re-application process can start in the earnest after the Draft Budget has been tabled.
- Payment ratio or the collection of income cannot be emphasized enough.
- Promised development that takes slow to kick-off impacts negatively on the payment percentages and payment levels of debtors.

2.6 DEPRECIATION

- The municipality needs to provide for this expense in terms of the approved Assets Policy where method of depreciation is outline, where applicable.

2.7 GENERAL COSTS

- -Fiscal discipline needs to be adhered to by all.

- -Fuel increases are affecting the whole world. The instability in the Middle East and North Africa are some of the macro economic factors that causes a decline in the growth of world economics and also here in South Africa.
- The labour chaos that were experienced in the Mining Sector, is affecting us negatively around the country.
- The Farm Workers strike impacted heavily on the local economies. It also influenced increased perceptions by all that prices of goods and services will increase sharply.
- -Telephone Charges □ better internal control Mechand needs to enforced.
- -Limitation or strict control over the increment of other line items as this releginary is a huge challenge for us.
- -General price increases will also contribute to linkes in general costs.
- -Subsistence and Travel must only be undertaken when enough funds are available on the budget.

2.8 CAPITAL PROJECTS

- Capital Projects that are finance from own source remains a challenge due to availability of funds, lack of proper planning, lack of proper costing to the projects.
- Too dependent on National and Provincial Government on funding for the execution of IDP projects.
- Regional Bulk Water Infrastructure will be intensified during the 2013/2014 financial year
- No real commitment from sector departments to align the Capital to our Capital programme.

F. ASSUMPTIONS

- National Treasury direction or guidelines on budget increases that must be in line with the macro economic strategy of 6%
- Inflation is just inside the Reserve Bank parameters of 6% and current figures are at 5.8% in January 2013 but it does not really reflect the real price increases on the ground.
- Eskom tariff electrical approval from NERSA of between 5,6% and 8% . The average increment will be as from 01 July 2013 which , will not only have a direct impact on the sale and procurement of electricity but to price hikes in general.
- Salary increments has been finalised this year for the new three year cycle. Salary increase for the next Financial Year is estimated at 6.85%
- Apart from the normal salary increments, Medical Aid Employers contributions increments will be between 8% and 12 %.. This places a heavier financial burden on the revenue sources and impacts on the tariif calculation as a whole.
- General increases in purchasing or Cost price of normal items increase on average between 8-15 % as in relation to the same period last year.
- Repair and Maintenance Costs together with labour costs of `repairing municipal assets also fall victim of the huge price hikes which needs to be taken into consideration.
- Various developments such as the Solar Energy Plants, Hospital R300m project , Shopping Mall, Smaller Franchises and the building of projects will impact on the current capacity of the infrastructure of the municipality which affects the preparation of the budget. Several of these projects are in full swing and hopefully couple of years.

G. FORECASTING OF REVENUE AND EXPENDITURE

1. REVENUE

1.1. RATES AND TAXES

- Tariffs will increase and decrease depending on the valuation of the property.
- Conservative an increment of ± 6.0 % for properties are being anticipated, but the main levy driver will be the valuation of properties.

1.2. ELECTRICITY

- Electricity Tariffs will increase on a total average between 5,6% for the block of 0-350 kWh and 8% for a consumption of 351 and more kWh as from 01 July 2013 for prepaid and conventional electricity meters.

1.3. WATER

- Water will increase by 6.0 %.
- All Economic active households will be levied from the first kilolitre of water.
- Only Indigent Households will be getting the first 8000 liters of water free as it is included in their Free Basic Services Basket.

1.4. SEWERAGE AND REFUSE REMOVAL

- Both Tariffs will increase by 6.0 %.

1.5. SECONDARY TARIFFS

- Secondary Tariffs will increase by ± 7 % for the 2013/2014 financial year.

The total budgeted average increment for all revenue sources will be between 6-8 %, except for rates and taxes where levies can decrease or increase more than the average increment.

2. EXPENDITURE

2.1 EMPLOYEE COSTS: SALARIES AND WAGES

- Salaries and wages has been provided at an increment of 6.85%

2.2 EMPLOYEE COSTS: SOCIAL CONTRIBUTIONS

- A provision of an average increment of 6.85 % will provided

2.3 REPAIR AND MAINTENANCE

- A provision of an average increment of 7 % will provided. However Repair and Maintenance expenditure increased by almost 16% in relation to last year. This show Council's commitment to the maintenance of all assets.

2.4 BULK PURCHASES

- Electricity purchases will increase on a weighted average of between 5 and 8 % from 01 July 2013 and water will increase on average of 7 %.

2.5 CAPITAL CHARGES

- Capital Charges will decrease due the redemption of External Loans

2.6 GENERAL COSTS

- A provision of an average increment of 7 % will provided.

2.7 PROVISION FOR BAD DEBTS

- A provision of an average increment of 9 % has been provided on all budgeted levied revenue.

H. BUDGET ANALYSIS

- The overall increases during the 2012/2013 and 2013/2014 financial years reflects an annual increment of ± 13 % and in 2013/2014 budget year on average increment of between 6. – 8 % will be expected.
- The total tariff increment will be 6% which is in line with the expectations of National Treasury except the electricity tariff.
- Electricity tariffs increments are as per NERSA's guidelines.
- The general ± 6 % tariff increment is also in line with the current economic data available.
- The budget is realistic and external or macro economic factors as well as micro economic factors were taken into consideration. However, the municipality have no control over these macro conditions that impacts very heavily on the operations of the municipality. These are interest rates, fuel prices, inflation rates, high food prices, unemployment rate, and also statutory levies imposed by National and Provincial Governments, etc.

- The budget is very income generated driven and also focus on building and maintaining infrastructure development within the Emthanjeni Municipality.
- All budgeted income will be realised by the extensive efforts that will be enforced by the officialdom.
- Strict expenditure mechanisms will be enforced to ensure that the key Strategic Objectives of the municipality are executed.
- Budget is in line with the policies of council especially directed to the poorest of the poor with the provision of Free Basic Services to all qualified Indigent Households.
- Local Economic Development opportunities have been identified in order to provide sustainable LED projects for the communities.
- The budget is also biased towards the Indigent Households within the municipality.

I. BUDGET RELATED POLICIES

Council will adopt the following policies that will be tabled to Council on 30 May 2013 during the Budget Meeting. The policies are

- (i) Revised IDP
- (ii) Revised Budget Policy
- (iii) Revised Credit Control Policy
- (iv) Revised Indigent Policy
- (v) Tariff Policy
- (vi) Revised rates Policy
- (vii) Revised Customer Care Policy
- (viii) Investment and Cash Management policy
- (ix) Service Delivery and Budget Implementation Plan (SDBIP)
- (x) Revised Supply Chain Management Policy

J. CONCLUSION

The 2013/2014 budget can be categorised as a continuation of the infrastructure developmental budget of the past financial year. It aims to continue with the creation of jobs by investing in infrastructure assets. The Council's commitment to create a conducive environment for investors to invest in the economy of Emthanjeni municipality cannot be underestimated.

The budget is income driven and Emthanjeni Municipality are committed towards sustainability and improvement of service delivery for all its residents. The various initiatives that Council will undertake will cement and concretise their mandate to improve the lives of all residents by focussing on the poor and create a conducive environment for local economic development.

Table 1 Consolidated Overview of the 2013/14 MTREF

R thousand	Adjustments Budget 2012/13	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Operating Revenue	158,481	184,871	192,168	202,520
Total Operating Expenditure	164,639	186,009	195,629	208,886
<i>(Surplus)/Deficit for the year</i>	(6,159)	(1,137)	(3,461)	(421)
Total Capital Expenditure	23,415	44,039	38,379	20,521

Total operating revenue has grown by 14.3 per cent or R26, 390 million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by 3.72 and 5.11 per cent respectively, equating to a total revenue growth of R44.039 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year has been appropriated at R186.009 million and translates into a budgeted deficit of R1, 137 thousand. When compared to the 2012/13 Adjustments Budget, operational expenditure has grown by 11.49 per cent in the 2013/14 budget and by 4.92 and 6.35 per cent for each of the respective outer years of the MTREF. The operating (surplus) and deficit for the MTEF years mainly contributes the non-cash items of the budget.

The capital budget of R44.039 million for 2013/14 is 46.8 per cent more when compared to the 2012/13 Adjustment Budget. The increase is due to various DWA programmes and MIG projects being initiated in the previous financial year as well as affordability constraints in the light of current economic circumstances. The capital programme increases by R20.624 million in the 2014/15 financial year and then evens out in 2015/16 to R20.521 million. A substantial portion of the capital budget will be funded from government grants and transfers. The balance will be funded from internally generated funds.

The repayment of capital and interest (debt services costs) has substantially increased over the past five years as a result of the aggressive capital infrastructure programme implemented over the past three years. Consequently, the capital budget remains relatively flat over the medium-term.

1.2 Operating Revenue Framework

For Emthanjeni to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times, strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty and socio economic conditions that affect rural areas. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 90 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.
- The recovering of outstanding arrears with the assistance of a debt collection firm.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source										
Property rates	11,599	12,193	14,337	18,397	17,888	17,888	17,888	21,373	22,655	24,015
Property rates - penalties & collection charges	120	176	223	-	-	-	-	-	-	-
Service charges - electricity revenue	35,498	38,908	46,442	43,767	38,823	38,823	38,823	52,567	56,463	60,734
Service charges - water revenue	12,786	13,371	15,575	16,902	16,902	16,112	16,112	23,401	24,053	25,497
Service charges - sanitation revenue	8,002	9,011	8,797	11,991	11,991	11,768	11,768	13,047	13,830	14,659
Service charges - refuse revenue	4,491	4,696	4,947	7,182	7,182	7,289	7,289	7,712	8,174	8,665
Service charges – other	176	19	466	139	258	411	411	147	154	163
Rental of facilities and equipment	442	566	587	499	499	555	556	529	561	595
Interest earned - external investments	910	903	585	734	945	1,080	1,080	793	809	857
Interest earned - outstanding debtors	599	843	1,116	741	741	622	622	740	741	741
Dividends received	1	1	-	-	-	-	-	-	-	-
Fines	11,744	8,699	6,703	7,025	7,025	5,425	5,425	7,543	8,030	8,511
Licences and permits	1,052	1,086	1,107	1,160	1,160	1,115	1,115	1,230	1,304	1,382
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers recognised – operational	26,284	32,356	34,533	39,306	39,306	39,306	39,306	40,495	39,653	40,197
Other revenue	5,239	20,198	5,547	17,807	15,659	14,574	14,574	15,213	15,661	16,433
Gains on disposal of PPE	-	17	3	6	100	154	154	80	80	70
Total Revenue (excluding capital transfers and contributions)	118,942	143,043	140,970	165,658	158,481	155,122	155,122	184,871	192,168	202,520

Table 3 Percentage growth in revenue by main revenue source

Description	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Revenue By Source								
Property rates	17,888		21,373	16.30%	22,655	5.66	24,015	5.66
Property rates - penalties & collection charges	-		-		-		-	
Service charges - electricity revenue	38,823		52,567	26.15	56,463	6.90	60,734	7.03
Service charges - water revenue	16,902		23,401	27.77	24,053	2.71	25,497	5.66
Service charges - sanitation revenue	11,991		13,047	8.09	13,830	5.66	14,659	5.66

Service charges - refuse revenue	7,182		7,712	6.87	8,174	5.65	8,665	5.67
Service charges – other	258		147	-75.51	154	4.55	163	5.52
Rental of facilities and equipment	499		529	5.67	561	5.70	595	5.71
Interest earned - external investments	945		793	-19.17	809	1.98	857	5.60
Interest earned - outstanding debtors	741		740	-0.14	741	0.13	741	0.00
Dividends received	-		-		-		-	
Fines	7,025		7,543	6.87	8,030	6.06	8,511	5.65
Licences and permits	1,160		1,230	5.69	1,304	5.67	1,382	5.64
Agency services	-		-		-		-	
Transfers recognised - operational	39,306		40,495	2.94	39,653	-2.12	40,197	1.35
Other revenue	15,659		15,213	-2.93	15,661	2.86	16,433	4.70
Gains on disposal of PPE	100		80	-25.00	80	0.00	70	-14.29
Total Revenue (excluding capital transfers and contributions)	158,481		184,871	14.27	192,168	3.80	202,520	5.11

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than ten percentage of the total revenue mix. In the 2013/14 financial year, revenue from rates and services charges totalled R118, 248 million or 42.8 %. This increases to R125, 330 million, and R133, 734 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 16.8 per cent in 2013/14, to 5.65 per cent in 2014/15 and to 6.28 % in 2015/16. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the demand of electricity due to the various developments taking place in Emthanjeni Municipality. Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Water is the second largest revenue source totalling 12.65 per cent or R23, 401 million rand and increases to R25, 497 million by 2015/16. The third largest source is property rates and it followed by Sewerage revenue realised. The 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R39, 306 million in the 2012/13 financial year and steadily increases to R40, 197 million by 2015/16. Note that the year-on-year growth for the 2013/14 financial year is 1, 87 per cent and then flattens out to -0.71 and 1.51 per cent in the two outer years.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	26,531	7,393	32,680	37,623	37,623	37,573	38,260	37,860	16,103
Local Government Equitable Share	24,169	5,443	30,440	34,323	34,323	34,323	34,820	35,326	13,486
Finance Management Municipal Systems Improvement	750	1,200	1,450	1,500	1,500	1,500	1,550	1,600	1,650
EPWP Incentive Energy Efficiency and Demand Management	859	750	790	800	800	800	890	934	967
	753	-	-	1,000	1,000	950	1,000	-	-
Other transfers/grants [insert description]									
Provincial Government:	-	869	1,669	1,683	1,683	1,683	2,235	1,793	1,848
Health subsidy	-	-	979	1,001	1,001	1,001	1,056	1,114	1,169
Sport and Recreation	-	298	690	682	682	682	679	679	679
Housing	-	571		-			500		
Other transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total operating expenditure of Transfers and Grants:	26,531	8,263	34,349	39,306	39,306	39,256	40,495	39,653	17,951

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external

agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.2.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R13 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 48 per cent rebate will be granted on all agricultural properties as per the rates policy
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy if the market value of their property is R28 000 or less.
- For pensioners a rebate of 40 per cent will be granted upon application and must the criteria as set out in the Rates Policy
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a percentage increases(decreases) from 1 July 2012 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2013/14 financial year

Category	Current Tariff (1 July 2012)	Proposed tariff (from 1 July 2013)
	c/R	c/R
Residential properties	1,4657	0.0115
State owned properties	1,4726	0.015
Business & Commercial	1,4726	0.0117
Agricultural	0,03664	0.002875
Vacant land	4,972	0.0117

1.2.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new water provision construction programmes and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Emthanjeni Municipality will increase water tariffs by 6 per cent from 1 July 2013.

Emthanjeni Municipality has undertaken a critical assessment of its capital infrastructure requirements. Regional Bulk Water's assessment indicates that for the extension of water resources in De Aar and Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice to upgrade infrastructure, hence the significant increase in the cost of water.

A tariff increase of 6 per cent from 1 July 2013 for water is proposed. This is based on input cost assumptions of between 5 to 15 per cent increase in the cost of bulk water to the water farmers. In addition 6 kℓ water per 30-day period will again be granted free of charge to all households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2012/13	PROPOSED TARIFFS 2013/14
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
Basic fee: Residential	49,01	51.96
(i) 1 to 6 kℓ per 30-day period	-	
(ii) 7 to 15 kℓ per 30-day period	6,49	6.88

CATEGORY	CURRENT TARIFFS 2012/13	PROPOSED TARIFFS 2013/14
	Rand per kℓ	Rand per kℓ
(iii) 16 to 30 kℓ per 30-day period	7.37	7.81
(iv) More than 30 kℓ per 30-day period	8.59	9.10
NON-RESIDENTIAL		
Basic fee: Business	248,49	263.39
(i) 1 to 6 kℓ per 30-day period	3,58	3.80
(ii) 7 to 15 kℓ per 30-day period	6,49	6.88
(iii) 16 to 30 kℓ per 30-day period	7,37	7.81
(iv) More than 30 kℓ per 30-day period	8,59	9.10

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 7 Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount Payable R	Proposed amount Payable R	Difference (Increase) R	Percentage change
Basic Fee	49.01	51.96	2.95	6%
6	0	0	0	0 %
15	58,41	61.91	3.50	6%
25	132,11	140.07	7.96	6%
31	177.20	187.83	10.63	6%
51	349,00	369.94	20.94	6%
100	769,91	816.10	46.19	6%

The tariff structure of the 2013/14 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R9.10 per kilolitre for consumption in excess of 30kℓ per 30 day period.

1.2.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An 8 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Considering the Eskom increases, the consumer tariff had to be increased by 8 per cent to offset the additional bulk purchase cost from 1 July 2013. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the water charges for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

Monthly consumption kWh	Current amount Payable R	Proposed amount Payable R	Difference (Increase) R	Percentage change
100	88,30	93.42	5.12	5.8%
250	220,75	233.55	35.32	5.8%
500	441,50	467.10	70.64	5.8%
750	662,25	708.61	46.36	7%
1 000	883,00	944.81	61.81	7%
2 000	1 766,00	1889.62	123.62	7%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2013. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). Emthanjeni Municipality has implemented the Incline Block Tariff (IBT) structure since 01 July 2009.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. Most of the suburbs and network reticulation was designed or strengthened during the 1980's and 1990's with an expected 20-25 year life-expectancy. The upgrading of the municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers.

1.2.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2013 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately between 20 - 30 per cent of waste water treatment input costs. The following factors also contribute to the proposed tariff increase:

- Free sanitation will be applicable to registered indigent households; and
- The network extension and upgrade of exiting purification plants will impact on tariffs over the MTEF period.

The total revenue expected to be generated from rendering this service amounts to R11, 991 million for the 2013/14 financial year.

The following table compares the current and proposed tariffs:

Table 9 Comparison between current sanitation charges and increases

CATEGORY	CURRENT TARIFF 2012/13	PROPOSED TARIFF 2013/14
Residential Households	118.75	125.87
Business	165.99	175.95
Government	223.81	237.24

1.2.5 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit of R340 000 are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

A 6 per cent increase in the waste removal tariff is proposed from 1 July 2013. Higher increases will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2012:

Table 10 Comparison between current waste removal fees and increases

Service	CURRENT TARIFFS 2012/13	PROPOSED TARIFFS 2013/14
Tariff per households container per month or part of a month:	59,37	78.49
Tariff per Special refuse removal *	128,95	136.84

1.2.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 2,2 and 15.5 per cent, with the increase for indigent households closer to 2 per cent.

Table 11 MBRR Table SA14 – Household bills

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	396.00	429.66	456.30	833.01	637.58	833.01	(5.7%)	787.75	680.06	710.67
Electricity: Basic levy	85.92	93.22	99.00	104.94	104.94	104.94	5.7%	111.24	108.49	115.00
Electricity: Consumption	656.60	771.50	881.38	977.74	977.74	977.74	6.2%	1,042.67	1,126.59	1,209.47
Water: Basic levy	40.13	43.54	46.24	49.01	49.01	49.01	5.7%	51.96	55.07	58.38
Water: Consumption	138.22	149.94	159.24	168.96	168.96	168.96	5.6%	179.02	189.81	201.12
Sanitation	97.23	105.49	112.03	118.75	118.75	118.75	5.6%	125.86	133.42	141.42
Refuse removal	60.62	65.78	69.86	74.05	74.05	74.05	5.7%	78.49	83.20	88.20
Other										
sub-total	1,474.72	1,659.13	1,824.05	2,326.46	2,131.03	2,326.46	2.2%	2,376.99	2,376.64	2,524.26
VAT on Services	151.02	172.13	222.73	230.30	230.30	230.30		313.61	332.73	353.40
Total large household bill:	1,625.74	1,831.26	2,046.78	2,556.76	2,361.33	2,556.76	5.2%	2,690.60	2,709.37	2,877.65
% increase/-decrease		12.6%	11.8%	24.9%	(7.6%)	8.3%		5.2%	0.7%	6.2%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	12.53	13.60	14.44	588.72	588.72	588.72	1.2%	596.08	471.78	482.63
Electricity: Basic levy	–	–	–	104.94	104.94	104.94	–	111.24	–	–
Electricity: Consumption	408.36	452.50	485.87	653.02	653.02	653.02	6.1%	695.21	629.24	672.72
Water: Basic levy	40.13	43.54	46.24	49.01	49.01	49.01	5.7%	51.96	55.07	58.38
Water: Consumption	117.24	124.95	132.70	132.11	132.11	132.11	26.2%	179.02	162.11	171.87
Sanitation	97.23	105.49	112.03	118.75	118.75	118.75	5.6%	125.86	133.42	141.42
Refuse removal	60.62	65.78	69.86	74.05	74.05	74.05	5.7%	78.49	83.20	88.20
Other										

	sub-total	736.11	805.86	861.14	1,720.60	1,720.60	1,720.60	6.8%	1,837.86	1,534.82	1,615.22
VAT on Services		101.65	114.41	126.55	130.53	130.53	130.53		257.30	214.87	226.13
Total small household bill:		837.76	920.27	987.69	1,851.13	1,851.13	1,851.13	13.2%	2,095.16	1,749.70	1,841.35
% increase/-decrease			9.8%	7.3%	87.4%	-	-		13.2%	(16.5%)	5.2%
			0.26	-	10.93	-	1.00				
Monthly Account for Household - 'Indigent' Household receiving free basic services											
Rates and services charges:											
Property rates		12.53	13.23	14.05	39.09	39.09	39.09	2.9%	40.25	42.67	45.23
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		43.01	37.85	40.16	32.18	32.18	32.18	5.5%	34.05	36.02	38.11
Water: Basic levy		40.13	43.54	46.24	49.01	49.01	49.01	5.7%	51.96	55.07	58.38
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		97.23	105.49	112.03	118.75	118.75	118.75	5.6%	125.86	133.42	141.42
Refuse removal		60.62	65.78	69.86	74.05	74.05	74.05	5.7%	78.49	83.20	88.20
Other											
	sub-total	253.52	265.89	282.34	313.08	313.08	313.08	5.6%	330.61	350.38	371.34
VAT on Services		33.74	35.37	37.87	38.36	38.36	38.36		46.29	49.05	51.99
Total small household bill:		287.26	301.26	320.21	351.44	351.44	351.44	16.0%	376.19	399.43	423.33
% increase/-decrease			4.9%	6.3%	9.8%	-	-		7.0%	6%	6%

1.3 Operating Expenditure Framework

Emthanjeni Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by standard classification Item

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type										
Employee related costs	44,944	51,491	46,227	53,434	53,434	52,281	52,281	59,618	62,572	66,630
Remuneration of councillors	3,076	3,223	3,421	3,503	3,503	3,681	3,681	3,918	4,172	4,443
Debt impairment	14,276	1,766	16,971	8,217	6,993	8,217	8,217	8,627	9,145	9,876
Depreciation & asset impairment	47,589	66,837	68,650	7,924	7,924	7,924	7,924	8,479	8,987	9,706
Finance charges	875	755	1,284	1,121	1,121	1,121	1,121	933	636	329
Bulk purchases	20,420	26,380	34,106	38,142	40,736	40,819	40,819	44,159	47,551	51,335
Other materials	-	-	-	11,017	11,017	11,017	11,017	8,178	8,530	9,200
Contracted services	7,311	8,970	8,689	6,989	6,493	5,456	5,456	7,026	7,366	7,808
Transfers and grants	1,641	568	788	12,630	10,712	10,712	10,712	12,422	13,163	13,949
Other expenditure	22,465	27,853	26,661	24,603	22,706	21,300	21,300	32,649	33,506	35,607
Loss on disposal of PPE	2	382	395	-	-	-	-	-	-	-
Total Expenditure	162,598	188,225	207,194	167,580	164,640	162,529	162,529	186,009	195,629	208,886

The budgeted allocation for employee related costs for the 2013/14 financial year totals R59,618 million, which equals 32.05 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.85 per cent for the 2013/14 financial year. An annual increase of 7.0 per cent has been included in the two outer years of the MTREF. As part of the Municipality's cost reprioritization and cash management strategy vacancies only departmental prioritization of critical vacancies within the Municipality has been budgeted for. In addition expenditure against overtime must significantly be managed to reduced costs, with provisions against this budget item only being provided for essential services and other critical functions.

The settlement was not yet reached by the SALGBC parties in the salary dispute resulted in a further financial implication on this area of expenditure. A preliminary amount of R188 204 has been included in the 2013/14 MTREF. It should be noted that the total financial implication could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 96 per cent and the Debt Write-off Policy of the Municipality. For the 2013/14 financial year this

amount equates to R8, 627 million and escalates to R9, 876 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total a Net of R8, 479 million for the 2013/14 financial and equates to 4.56 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0, 50 per cent (R933 thousand) of operating expenditure excluding annual redemption for 2013/14 and increases to R 329 thousand by 2015/16.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Farmers within the municipal boundaries. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2013/14 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2013/14 financial year, this group of expenditure totals R7, 026 million and has increased since last year. For the two outer years growth has been limited to 4.62 and 5.66 per cent. . Further details relating to contracted services can be seen in Table 64 MBRR SA1.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 30.45 per cent for 2013/14 and curbed at 2.55 and 5.9 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 64 MBRR SA1.

The following table gives a breakdown of the main operating expenditure categories for the 2013/14 financial year.

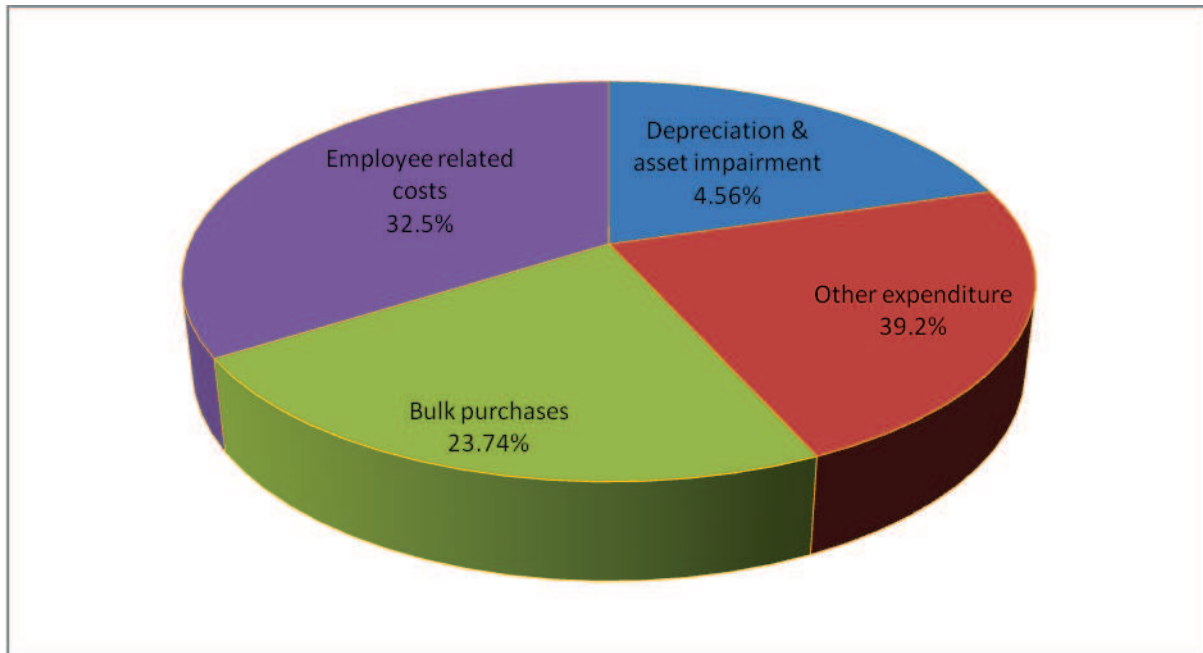


Figure 1 Main operational expenditure categories for the 2013/14 financial year

1.3.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2013/14 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 13 Operational repairs and maintenance

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and Maintenance by Expenditure Item										
Employee related costs	861	858	868	-	-	-	-			
Other materials	7,059	6,113	4,352	7,274	7,274	7,274	7,274	8,178	8,530	9,200
Contracted Services	516	2,742	3,459	3,743	3,643	3,643	3,643	3,862	4,078	4,255
	171	-	-	-	-	-	-			
Total Repairs and Maintenance Expenditure	8,607	9,714	8,679	11,017	10,917	10,917	10,917	12,040	12,608	13,455

During the compilation of the 2013/14 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, materials (repairs and maintenance) were gradually increased by 9.3 per cent in the 2013/14 financial year, from R10, 917 million to R12, 040 million. During the 2013 Adjustment Budget this allocation was adjusted slightly downwards to R10, 917 million as a result of the cash flow challenges faced by the Municipality. Notwithstanding this reduction, as part of the 2013/14 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2013/14 equates to R12, 040 million a growth of 9.3 per cent in relation to the Adjustment Budget and continues to grow at 4.5 and 6.3 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 6.54, 6.47 and 6.5 per cent for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 14 Repairs and maintenance per asset class

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Depreciation & asset impairment	6,525	47,589	66,837	68,650	7,924	7,924	8,479	8,987	9,706
<u>Repairs and Maintenance by Asset Class</u>	2,200	8,607	9,714	8,679	11,017	10,917	12,040	12,608	13,455
<i>Infrastructure - Road transport</i>	2,200	2,200	776	502	1,368	1,368	1,509	1,577	1,677
<i>Infrastructure - Electricity</i>	-	-	116	50	1,595	1,495	1,726	1,829	1,944
<i>Infrastructure - Water</i>	-	-	841	404	749	749	819	856	910
<i>Infrastructure - Sanitation</i>	-	4,025	905	432	712	712	779	814	865
<i>Infrastructure - Other</i>	-	300	711	351	711	711	777	812	863
Infrastructure	-	6,525	3,350	1,739	5,136	5,036	5,610	5,888	6,259
Community	-	230	970	452	1,626	1,626	1,777	1,858	1,975
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	158	158	172	180	191
Other assets	-	1,852	5,394	6,489	4,098	4,098	4,480	4,682	5,030
TOTAL EXPENDITURE OTHER ITEMS	4,025	56,196	76,551	77,330	18,941	18,841	20,519	21,596	23,162

For the 2013/14 financial year, 27.3 per cent or R5, 610 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 8.4 per cent (R1, 726 million), followed by road infrastructure at 7.35 per cent (R1, 509 million), water at 3.99 per cent (R819 000) and sanitation at 3.79 per cent (R779 000). Community assets have been allocated R1, 777 million of total repairs and maintenance equating to 8.66 per cent.

1.3.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality Indigent Policy. The target is to register 3 000 or more indigent households during the 2013/14 financial year, a process reviewed annually by the end of September. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.4 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 15 2013/14 Medium-term capital budget per vote

Vote Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure – Standard										
Governance and administration	2,246	2,020	3,229	1,892	1,832	1,832	1,832	2,180	2,311	2,449
Executive and council	302	271	631	209	209	209	209	221	234	248
Budget and treasury office	1,644	1,479	1,467	1,296	1,276	1,276	1,276	1,479	1,568	1,662
Corporate services	300	270	1,131	387	347	347	347	479	508	539
Community and public safety	571	514	1,150	1,901	1,643	1,643	1,643	1,360	1,543	1,630
Community and social services	40	36	1,000	1,316	1,108	1,108	1,108	728	846	897
Sport and recreation	–	–	–	95	95	95	95	101	107	113
Public safety	91	82	150	470	420	420	420	510	568	596
Housing	400	360	–	–	–	–	–	–	–	–
Health	40	36	–	20	20	20	20	21	23	24
Economic and environmental services	2,424	2,180	3,528	3,480	3,480	3,480	3,480	18,863	16,230	15,820

Planning and development	419	377	300	19	19	19	19	15,344	12,629	12,168
Road transport	2,005	1,803	3,228	3,461	3,461	3,461	3,461	3,519	3,601	3,653
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	17,741	15,956	13,382	16,847	16,459	16,459	16,459	21,636	18,295	622
Electricity	1,698	1,527	1,051	800	412	412	412	505	520	540
Water	3,494	3,142	6,331	10,195	10,195	10,195	10,195	21,076	17,717	20
Waste water management	12,125	10,905	6,000	5,200	5,200	5,200	5,200	55	58	62
Waste management	425	382	-	652	652	652	652	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure – Standard	22,982	20,670	21,289	24,120	23,415	23,415	23,415	44,039	38,379	20,521

For 2013/14 an amount of R44, 039 million has been budgeted for the development of assets. Infrastructure Assets represents 82.53 per cent of the total capital budget. In the outer years this amount totals R20, 933 million, 85.15 per cent and R22.021 million, 86.1 per cent respectively for each of the financial years. Water receives the highest allocation of R21, 076 million followed by Planning and development of R15, 344 million in 2013/14 financial years. Water will receive the highest allocation of R17, 717 million in 2014/15 and Planning and development R12, 168 million in 2015/16 which equates to 46, 16 percent and 59,30 percent respectively in the outer financial year.

Total new assets represent 68.68 per cent or R39, 052 million of the total capital budget while asset renewal equates to 11.32 per cent or R4, 987 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 36. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

1.5 Annual Budget Tables - Emthanjeni Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	11,718	12,369	14,561	18,397	17,888	17,888	17,888	21,373	22,655	24,015
Service charges	60,954	66,005	76,227	79,982	75,157	74,403	74,403	96,874	102,675	109,719
Investment revenue	910	903	585	734	945	1,080	1,080	793	809	857
Transfers recognised - operational	26,284	32,356	34,533	39,306	39,306	39,306	39,306	40,495	39,653	40,197
Other own revenue	19,076	31,409	15,064	27,239	25,185	22,446	22,446	25,336	26,376	27,732
Total Revenue (excluding capital transfers and contributions)	118,942	143,043	140,970	165,658	158,481	155,122	155,122	184,871	192,168	202,520
Employee costs	44,944	51,491	46,227	53,434	53,434	52,281	52,281	59,618	62,572	66,630
Remuneration of councilors	3,076	3,223	3,421	3,503	3,503	3,681	3,681	3,918	4,172	4,443
Depreciation & asset impairment	47,589	66,837	68,650	7,924	7,924	7,924	7,924	8,479	8,987	9,706
Finance charges	875	755	1,284	1,121	1,121	1,121	1,121	933	636	329
Materials and bulk purchases	20,420	26,380	34,106	49,159	51,753	51,837	51,837	52,337	56,081	60,536
Transfers and grants	1,641	568	788	12,630	10,712	10,712	10,712	12,422	13,163	13,949
Other expenditure	44,053	38,971	52,716	39,809	36,192	34,973	34,973	48,303	50,017	53,292
Total Expenditure	162,598	188,225	207,194	167,580	164,640	162,529	162,529	186,009	195,629	208,886
Surplus/(Deficit)	(43,656)	(45,182)	(66,224)	(1,922)	(6,159)	(7,407)	(7,407)	(1,137)	(3,461)	(6,366)
Transfers recognised - capital	8,536	9,121	9,354	16,141	16,141	16,141	16,141	36,382	30,306	12,145
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	8,734	35,245	26,845	5,779
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	8,734	35,245	26,845	5,779
Capital expenditure & funds sources										
Capital expenditure	22,982	20,670	18,543	24,120	23,415	23,415	23,415	44,039	38,379	20,521
Transfers recognised - capital	21,035	10,358	9,354	16,141	16,141	16,141	16,141	36,382	30,306	12,145
Public contributions & donations	-	978	-	-	-	-	-	-	-	-
Borrowing	-	9,000	-	-	-	-	-	-	-	-

Internally generated funds	1,947	334	9,189	7,979	7,274	7,274	7,274	7,657	8,073	8,376
Total sources of capital funds	22,982	20,670	18,543	24,120	23,415	23,415	23,415	44,039	38,379	20,521
<u>Financial position</u>										
Total current assets	73,674	111,896	120,096	71,981	76,981	76,981	76,981	77,197	78,943	82,271
Total non current assets	848,886	1,080,410	1,029,731	828,660	828,660	828,660	828,660	894,608	948,055	948,448
Total current liabilities	18,533	24,151	37,395	16,376	21,376	21,376	21,376	17,032	17,654	17,830
Total non current liabilities	25,472	41,020	38,210	40,379	36,007	36,007	36,007	42,802	45,370	36,611
Community wealth/Equity	878,555	1,127,135	1,074,222	843,885	848,258	848,258	848,258	911,971	963,974	976,278
<u>Cash flows</u>										
Net cash from (used) operating	28,624	7,922	24,589	30,750	(7,763)	(7,763)	12,486	59,957	48,736	36,486
Net cash from (used) investing	(24,585)	(20,497)	(18,454)	(23,998)	(24,704)	(24,704)	(24,704)	(39,622)	(35,486)	(35,525)
Net cash from (used) financing	(1,475)	7,650	(2,050)	(2,245)	(2,189)	(2,189)	(2,189)	(2,427)	(2,623)	(2,827)
Cash/cash equivalents at the year end	10,059	5,134	9,219	10,458	(28,706)	(28,706)	(8,456)	9,452	20,079	18,212
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	10,067	14,017	21,982	11,008	11,008	11,008	11,008	12,050	13,606	14,840
Application of cash and investments	1,761	(14,667)	(19,270)	(8,997)	(14,938)	(15,671)	(15,671)	(5,378)	(1,872)	(2,091)
Balance - surplus (shortfall)	8,305	28,684	41,252	20,005	25,946	26,679	26,679	17,428	15,478	16,931
<u>Asset management</u>										
Asset register summary (WDV)	848,591	822,916	1,188,826	828,474	828,474	828,474	894,431	894,431	947,887	948,298
Depreciation & asset impairment	47,589	66,837	68,650	7,924	7,924	7,924	8,479	8,479	8,987	9,706
Renewal of Existing Assets	15,818	–	3,353	8,742	8,037	8,037	8,037	4,987	6,228	5,616
Repairs and Maintenance	8,607	9,714	8,679	11,017	10,917	10,917	12,040	12,040	12,608	13,455
<u>Free services</u>										
Cost of Free Basic Services provided	7,655	9,577	10,472	12,993	12,993	12,993	14,906	14,906	16,475	17,015
Revenue cost of free services provided	7,655	9,577	10,472	12,993	12,993	12,993	14,906	14,906	16,475	17,206
<u>Households below minimum service level</u>										
Water:	–	0	–	–	–	–	–	–	–	–
Sanitation/sewerage:	0	0	0	0	0	0	1	1	1	1
Energy:	0	0	0	0	0	0	1	1	1	1
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and

- funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/(deficit) (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - (i) Transfers recognised is reflected on the Financial Performance Budget;
 - (ii) Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
 4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the adopted policies. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2014/15, when a small surplus is reflected.
 5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2013/14 the free basic water maybe increase from 6kl to 8kl for Indigent Households.

Table 16 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard									
Governance and administration	23,738	30,729	34,712	38,755	38,551	38,840	42,501	44,353	46,061
Executive and council	1,971	2,052	4,236	2,705	2,799	2,934	3,305	3,719	3,769
Budget and treasury office	21,767	15,886	30,444	36,009	35,711	35,862	39,153	40,589	42,244
Corporate services	–	12,791	31	40	40	44	43	45	48
Community and public safety	22,160	12,890	8,933	9,573	9,692	8,157	10,696	10,793	11,388
Community and social services	1,018	1,193	1,444	1,181	1,232	1,352	1,137	1,162	1,191
Sport and recreation	415	1,586	79	18	86	145	91	96	102
Public safety									

	18,176	9,177	7,165	7,354	7,354	5,632	7,892	8,399	8,903
Housing	1,746	686	244	19	19	28	520	21	23
Health	806	249	–	1,001	1,001	1,001	1,056	1,114	1,169
Economic and environmental services	2,717	6,650	4,205	19,141	19,141	17,962	18,949	14,944	14,471
Planning and development	6	4,490	3,586	18,483	18,483	17,201	18,250	14,204	13,687
Road transport	2,711	2,160	619	658	658	761	698	740	784
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	78,863	101,894	102,474	114,331	107,238	106,303	149,108	152,385	142,745
Electricity	42,087	54,965	58,731	63,176	56,083	56,151	68,789	73,458	78,571
Water	14,845	19,741	19,017	20,021	20,021	19,210	47,583	44,890	28,673
Waste water management	14,652	16,706	15,592	19,380	19,380	19,117	20,447	21,264	22,184
Waste management	7,279	10,482	9,134	11,754	11,754	11,825	12,289	12,772	13,318
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	127,478	152,164	150,324	181,799	174,622	171,263	221,253	222,474	214,665
<u>Expenditure - Standard</u>									
Governance and administration	31,858	32,332	31,634	40,878	40,492	35,418	42,289	43,919	46,686
Executive and council	10,828	11,000	7,480	10,947	10,430	10,514	12,506	13,142	13,916
Budget and treasury office	21,030	13,430	16,289	17,942	18,133	14,993	17,103	17,370	18,448
Corporate services	–	7,902	7,865	11,990	11,930	9,911	12,681	13,407	14,323
Community and public safety	24,626	22,446	49,053	22,728	22,070	20,790	23,327	24,774	26,382
Community and social services	8,789	4,511	4,676	10,576	7,443	6,648	7,755	8,265	8,822
Sport and recreation	2,894	3,149	33,033	674	3,599	3,063	3,562	3,803	4,082
Public safety	9,631	9,828	7,829	9,123	8,673	8,673	9,359	9,883	10,470
Housing	3,049	4,673	3,346	2,139	2,138	2,270	2,441	2,601	2,770
Health	264	286	169	217	217	137	209	222	238
Economic and environmental services	57,880	77,679	17,931	17,322	17,272	20,840	24,011	23,859	25,438
Planning and development	3,779	7,164	8,438	6,444	6,394	8,384	10,511	9,546	10,017
Road transport	54,101	70,515	9,493	10,878	10,878	12,456	13,500	14,314	15,422
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	47,247	54,057	107,096	84,685	82,948	83,788	94,183	100,754	107,921
Electricity	26,809	31,194	54,164	52,585	53,725	53,217	58,448	62,727	67,423
Water	6,045	12,310	32,572	9,289	8,589	9,439	10,801	11,469	12,211
Waste water management	6,464	5,086	11,112	10,399	9,427	9,678	11,519	12,286	13,095
Waste management	7,931	5,467	9,248	12,412	11,207	11,454	13,415	14,273	15,193
Other	986	1,711	1,480	1,967	1,857	1,693	2,198	2,323	2,459
Total Expenditure - Standard	162,598	188,225	207,194	167,580	164,640	162,529	186,009	195,629	208,886
Surplus/(Deficit) for the year	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	35,245	26,845	5,779

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 14 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 17 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote									
Vote 1 - EXECUTIVE AND COUNCIL	1,971	2,052	4,236	2,705	2,799	2,934	3,305	3,719	3,769
Vote 2 - FINANCE AND ADMINISTRATION	21,767	28,677	30,475	36,050	35,752	35,906	39,196	40,634	42,293
Vote 3 - PLANNING AND DEVELOPMENT	6	4,490	3,586	18,483	18,483	17,201	18,250	14,204	13,687
Vote 4 - HEALTH	806	249	–	1,001	1,001	1,001	1,056	1,114	1,169
Vote 5 - COMMUNITY AND SOCIAL SERVICES	1,018	1,193	1,444	1,113	1,232	1,352	1,137	1,162	1,191
Vote 6 - PUBLIC SAFETY	18,176	9,177	7,165	7,354	7,354	5,632	7,892	8,399	8,903
Vote 7 - SPORT AND RECREATION	415	1,586	79	86	86	145	91	96	102
Vote 8 - ROAD TRANSPORT	2,711	2,160	619	658	658	760	698	740	784
Vote 9 - OTHER	–	–	–	–	–	–	–	–	–
Vote 10 - HOUSING SERVICES	1,746	686	244	19	19	28	520	21	23
Vote 11 - WASTE MANAGEMENT	7,279	10,482	9,134	11,754	11,754	11,825	12,289	12,772	13,318
Vote 12 - WASTE WATER MANAGEMENT	14,652	16,706	15,592	19,380	19,380	19,117	20,447	21,264	22,184
Vote 13 - ELECTRICITY	42,087	54,965	58,731	63,176	56,083	56,151	68,789	73,458	78,571
Vote 14 - WATER	14,845	19,741	19,017	20,021	20,021	19,210	47,583	44,890	28,673
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	127,478	152,164	150,324	181,799	174,622	171,263	221,253	222,474	214,665
Expenditure by Vote to be appropriated									
Vote 1 - EXECUTIVE AND COUNCIL	10,828	11,000	7,480	10,605	10,430	10,514	12,506	13,142	13,916

Vote 2 - FINANCE AND ADMINISTRATION	21,030	21,332	24,154	30,274	30,063	24,904	29,786	30,779	32,773
Vote 3 - PLANNING AND DEVELOPMENT	3,779	7,164	8,438	6,444	6,394	8,384	10,511	9,546	10,017
Vote 4 - HEALTH	264	286	169	217	217	137	209	222	238
Vote 5 - COMMUNITY AND SOCIAL SERVICES	8,788	4,511	4,676	7,651	7,443	6,648	7,755	8,265	8,822
Vote 6 - PUBLIC SAFETY	9,631	9,828	7,829	9,123	8,673	8,673	9,359	9,883	10,470
Vote 7 - SPORT AND RECREATION	2,894	3,149	33,033	3,599	3,599	3,063	3,562	3,803	4,082
Vote 8 - ROAD TRANSPORT	54,101	70,515	9,493	10,878	10,878	12,456	13,498	14,311	15,419
Vote 9 - OTHER	986	1,711	1,480	1,967	1,857	1,693	2,198	2,323	2,459
Vote 10 - HOUSING SERVICES	3,049	4,673	3,346	2,139	2,138	2,270	2,441	2,601	2,770
Vote 11 - WASTE MANAGEMENT	7,931	5,467	9,248	12,412	11,207	11,454	13,415	14,273	15,193
Vote 12 - WASTE WATER MANAGEMENT	6,464	5,086	11,112	10,399	9,427	9,678	11,519	12,286	13,095
Vote 13 - ELECTRICITY	26,809	31,194	54,164	52,585	53,725	53,217	58,448	62,727	67,423
Vote 14 - WATER	6,045	12,310	32,572	9,289	8,589	9,439	10,801	11,469	12,211
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	162,598	188,225	207,194	167,580	164,640	162,529	186,009	195,629	208,886
Surplus/(Deficit) for the year	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	35,245	26,845	5,779

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 18 Surplus/(Deficit) calculations for the trading services

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Electricity										
Total Revenue (incl capital grants and transfers)	42,087	54,965	58,731	63,176	56,083	56,083	56,083	68,789	73,458	78,571
Operating Expenditure	26,809	31,194	54,164	52,585	53,725	53,725	53,725	58,488	62,727	67,423
Surplus/(Deficit) for the year	15,278	23,771	4,567	10,591	2,358	2,358	2,358	10,301	10,731	11,148
Percentage Surplus	36%	43%	8%	17%	4%	4%	4%	15%	16%	14%
Water										
Total Revenue (incl capital grants and transfers)	14,845	19,741	19,017	20,021	20,021	20,021	20,021	47,583	44,890	28,673

Operating Expenditure	6,045	12,310	32,572	9,289	8,589	8,589	8,589	10,801	11,469	12,211
Surplus/(Deficit) for the year	8,800	7,431	(13,555)	10,732	11,432	11,432	11,432	36,782	33,421	16,462
Percentage Surplus	59%	38%	(42)%	54%	57%	57%	57%	77%	74%	57%

2. The electricity trading surplus improved over the 2012/13 MTREF from 4 per cent or R2.3 million in 2012/13 to 15 per cent by 2013/14. This is primarily as a result of capital projects and grants as well as the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. The surplus on the water account remains positive over the MTREF translating into a surplus of 77 per cent, 74 per cent and 57 per cent for each of the respective financial years. The surplus excludes the capital expenditure that will be incur during the 2013/14 financial year.
4. Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidise other municipal services.*

Table 19 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source										
Property rates	11,599	12,193	14,337	18,397	17,888	17,888	17,888	21,373	22,655	24,015
Property rates - penalties & collection charges	120	176	223	-	-	-	-	-	-	-
Service charges - electricity revenue	35,498	38,908	46,442	43,767	38,823	38,823	38,823	52,567	56,463	60,734
Service charges - water revenue	12,786	13,371	15,575	16,902	16,902	16,112	16,112	23,401	24,053	25,497
Service charges - sanitation revenue	8,002	9,011	8,797	11,991	11,991	11,768	11,768	13,047	13,830	14,659
Service charges - refuse revenue	4,491	4,696	4,947	7,182	7,182	7,289	7,289	7,712	8,174	8,665
Service charges - other	176	19	466	139	258	411	411	147	154	163
Rental of facilities and equipment	442	566	587	499	499	555	556	529	561	595
Interest earned - external investments	910	903	585	734	945	1,080	1,080	793	809	857
Interest earned - outstanding debtors	599	843	1,116	741	741	622	622	740	741	741
Dividends received	1	1	-	-	-	-	-	-	-	-
Fines	11,744	8,699	6,703	7,025	7,025	5,425	5,425	7,543	8,030	8,511
Licences and permits	1,052	1,086	1,107	1,160	1,160	1,115	1,115	1,230	1,304	1,382
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers recognised – operational	26,284	32,356	34,533	39,306	39,306	39,306	39,306	40,495	39,653	40,197
Other revenue	5,239	20,198	5,547	17,807	15,659	14,574	14,574	15,213	15,661	16,433
Gains on disposal of PPE	-	17	3	6	100	154	154	80	80	70
Total Revenue (excluding capital transfers and contributions)	118,942	143,043	140,970	165,658	158,481	155,122	155,122	184,871	192,168	202,520
Expenditure By Type										
Employee related costs	44,944	51,491	46,227	53,434	53,434	52,281	52,281	59,618	62,572	66,630
Remuneration of councilors	3,076	3,223	3,421	3,503	3,503	3,681	3,681	3,918	4,172	4,443
Debt impairment	14,276	1,766	16,971	8,217	6,993	8,217	8,217	8,627	9,145	9,876
Depreciation & asset impairment	47,589	66,837	68,650	7,924	7,924	7,924	7,924	8,479	8,987	9,706
Finance charges	875	755	1,284	1,121	1,121	1,121	1,121	933	636	329
Bulk purchases	20,420	26,380	34,106	38,142	40,736	40,819	40,819	44,159	47,551	51,335
Other materials	-	-	-	11,017	11,017	11,017	11,017	8,178	8,530	9,200
Contracted services	7,311	8,970	8,689	6,989	6,493	5,456	5,456	7,026	7,366	7,808
Transfers and grants	1,641	568	788	12,630	10,712	10,712	10,712	12,422	13,163	13,949
Other expenditure	22,465	27,853	26,661	24,603	22,706	21,300	21,300	32,649	33,506	35,607
Loss on disposal of PPE	2	382	395	-	-	-	-	-	-	-
Total Expenditure	162,598	188,225	207,194	167,580	164,640	162,529	162,529	186,009	195,629	208,886

Surplus/(Deficit)	(43,656)	(45,182)	(66,224)	(1,922)	(6,159)	(7,407)	(7,407)	(1,137)	(3,461)	(6,366)
Transfers recognised - capital	8,536	9,121	9,354	16,141	16,141	16,141	16,141	36,382	30,306	12,145
Contributions recognised – capital	–	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	8,734	35,245	26,845	5,779
Taxation	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	8,734	35,245	26,845	5,779
Attributable to minorities	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	8,734	35,245	26,845	5,779
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	8,734	35,245	26,845	5,779

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R221, 253million in 2013/14 and escalates to R222, 474 million by 2014/15. This represents a year-on-year increase of 21.1 per cent for the 2013/14 financial year and 0.55 per cent for the 2014/15 financial year.
2. Revenue to be generated from property rates is R21, 373 million in the 2013/14 financial year and increases to R22, 655 million by 2014/15 which represents 9.66 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 16 per cent, 6 per cent and 6 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R96, 727 million for the 2013/14 financial year and increasing to R102, 521 million by 2014/15 and increasing to R109, 555 million by 2015/16. For the 2013/14 financial year services charges amount to 44 per cent of the total revenue base and grows by 6 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government fluctuates over the MTREF, in 2014/15 it decreases 2 per cent and then increases by 1 per cent 2015/16. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.
5. Bulk purchases have significantly increased over the 2009/10 to 2015/16 period escalating from R20, 420 million to R51, 335 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from the water contracts with farmers.

6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Vote Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote Multi-year expenditure to be appropriated										
Vote 1 - EXECUTIVE AND COUNCIL	302	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION	1,944	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING AND DEVELOPMENT	419	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH	40	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES	40	-	-	508	300	300	300	-	-	-
Vote 6 - PUBLIC SAFETY	91	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION	-	-	-	-	-	-	-	-	-	-
Vote 8 - ROAD TRANSPORT	2,005	1,803	1,855	-	-	-	-	-	-	-
Vote 9 - OTHER	-	-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES	400	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT	425	-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT	7,613	10,905	283	5,200	5,200	5,200	5,200	-	-	-
Vote 13 - ELECTRICITY	1,698	1,527	-	-	-	-	-	-	-	-
Vote 14 - WATER	2,646	3,142	10,691	10,178	10,178	10,178	10,178	20,000	16,813	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	17,623	17,377	12,830	15,886	15,678	15,678	15,678	20,000	16,813	-
Single-year expenditure to be appropriated										
Vote 1 - EXECUTIVE AND COUNCIL	-	271	27	209	209	209	209	221	234	248
Vote 2 - FINANCE AND ADMINISTRATION	-	1,749	2,632	1,683	1,623	1,623	1,623	1,959	2,076	2,201
Vote 3 - PLANNING AND DEVELOPMENT	-	377	1,159	19	19	19	19	15,344	12,629	12,168
Vote 4 - HEALTH	-	36	-	20	20	20	20	21	23	24
Vote 5 - COMMUNITY AND SOCIAL SERVICES	-	36	218	808	808	808	808	728	846	897
Vote 6 - PUBLIC SAFETY	-	82	876	470	420	420	420	510	568	596

Vote 7 - SPORT AND RECREATION	-	-	68	95	95	95	95	101	107	113
Vote 8 - ROAD TRANSPORT	-	-	368	3,461	3,461	3,461	3,461	3,519	3,601	3,653
Vote 9 - OTHER	-	-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES	-	360	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT	-	382	-	652	652	652	652	55	58	62
Vote 12 - WASTE WATER MANAGEMENT	4,512	-	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY	-	-	364	800	412	412	412	505	520	540
Vote 14 - WATER	848	-	-	17	17	17	17	1,076	904	20
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	5,359	3,293	5,713	8,234	7,737	7,737	7,737	24,039	21,566	20,521
Total Capital Expenditure - Vote	22,982	20,670	18,543	24,120	23,415	23,415	23,415	44,039	38,379	20,521
Capital Expenditure - Standard										
Governance and administration	2,246	2,020	2,659	1,892	1,832	1,832	1,832	2,180	2,311	2,449
Executive and council	302	271	27	209	209	209	209	221	234	248
Budget and treasury office	1,644	1,479	2,551	1,296	1,276	1,276	1,276	1,479	1,568	1,662
Corporate services	300	270	80	387	347	347	347	479	508	539
Community and public safety	571	514	1,162	1,901	1,643	1,643	1,643	1,360	1,543	1,630
Community and social services	40	36	218	1,316	1,108	1,108	1,108	728	846	897
Sport and recreation	-	-	68	95	95	95	95	101	107	113
Public safety	91	82	876	470	420	420	420	510	568	596
Housing	400	360	-	-	-	-	-	-	-	-
Health	40	36	-	20	20	20	20	21	23	24
Economic and environmental services	2,424	2,180	3,382	3,480	3,480	3,480	3,480	18,863	16,230	15,820
Planning and development	419	377	1,159	19	19	19	19	15,344	12,629	12,168
Road transport	2,005	1,803	2,224	3,461	3,461	3,461	3,461	3,519	3,601	3,653
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	17,741	15,956	11,339	16,847	16,459	16,459	16,459	21,636	18,295	622
Electricity	1,698	1,527	364	800	412	412	412	505	520	540
Water	3,494	3,142	10,691	10,195	10,195	10,195	10,195	21,076	17,717	20
Waste water management	12,125	10,905	283	5,200	5,200	5,200	5,200	55	58	62
Waste management	425	382	-	652	652	652	652	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	22,982	20,670	18,543	24,120	23,415	23,415	23,415	44,039	38,379	20,521
Funded by:										

National Government	21,035	10,358	9,354	16,141	16,141	16,141	16,141	36,382	30,306	12,145
Provincial Government	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	21,035	10,358	9,354	16,141	16,141	16,141	16,141	36,382	30,306	12,145
Public contributions & donations	-	978	-	-	-	-	-	-	-	-
Borrowing Internally generated funds	-	9,000	-	-	-	-	-	-	-	-
	1,947	334	9,189	7,979	7,274	7,274	7,274	7,657	8,073	8,376
Total Capital Funding	22,982	20,670	18,543	24,120	23,415	23,415	23,415	44,039	38,379	20,521

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2013/14 R20 million has been allocated of the total R44.039 million capital budget, which totals 45.41 per cent.
3. Single-year capital expenditure has been appropriated at R24, 039 million for the 2013/14 financial year and remains relatively constant over the MTREF.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, and internally generated funds from current year surpluses. For 2013/14, capital transfers totals R36, 382 million (82.61 per cent) and decreases to R30, 306 million by 2014/15 (78.97 per cent). Internally generated funding totaling R7, 657 million, R8, 073 million and R8, 376 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 20 MBRR Table A6 - Budgeted Financial Position

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS										
Current assets										
Cash	3,481	9,161	14,379	2,350	2,350	2,350	2,350	2,585	2,844	3,000
Call investment deposits	8,300	8,668	12,625	10,110	10,110	10,110	10,110	10,716	11,788	12,861
Consumer debtors	15,349	40,831	39,145	10,748	15,748	15,748	15,748	12,037	9,171	9,109
Other debtors	-	7,236	7,868	7,924	7,924	7,924	7,924	8,558	9,243	9,400
Current portion of long-term receivables	25	13	-	-	-	-	-	-	-	-
Inventory	46,520	45,987	46,079	40,850	40,850	40,850	40,850	43,301	45,899	47,902
Total current assets	73,674	111,896	120,096	71,981	76,981	76,981	76,981	77,197	78,943	82,271
Non current assets										
Long-term receivables	43	30	1	-	-	-	-	-	-	-
Investments	7	208	132	-	-	-	-	-	-	-
Investment property	4,272	3,441	3,107	4,272	4,272	4,272	4,272	4,272	4,272	4,272
Investment in Associate	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	842,947	1,075,120	1,025,429	823,142	823,142	823,142	823,142	888,993	942,332	942,626
Agricultural	-	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-	-
Intangible	1,372	1,611	1,062	1,060	1,060	1,060	1,060	1,166	1,283	1,400
Other non-current assets	244	-	-	186	186	186	186	177	168	150
Total non current assets	848,886	1,080,410	1,029,731	828,660	828,660	828,660	828,660	894,608	948,055	948,448
TOTAL ASSETS	922,560	1,192,306	1,149,827	900,641	905,641	905,641	905,641	971,805	1,026,998	1,030,719
LIABILITIES										
Current liabilities										
Bank overdraft	1,721	4,020	5,154	1,452	1,452	1,452	1,452	1,251	1,026	1,020
Borrowing	986	2,025	2,257	1,200	1,200	1,200	1,200	1,296	1,374	1,400
Consumer deposits	1,634	1,711	1,782	1,869	6,869	6,869	6,869	1,899	1,932	2,011
Trade and other payables	13,269	15,304	26,920	9,959	9,959	9,959	9,959	10,666	11,306	11,200
Provisions	922	1,091	1,283	1,896	1,896	1,896	1,896	1,920	2,017	2,199
Total current liabilities	18,533	24,151	37,395	16,376	21,376	21,376	21,376	17,032	17,654	17,830
Non current liabilities										
Borrowing	4,181	13,100	11,117	9,947	5,574	5,574	5,574	10,543	11,176	1,317
Provisions	21,291	27,920	27,093	30,433	30,433	30,433	30,433	32,259	34,194	35,294

Total non current liabilities	25,472	41,020	38,210	40,379	36,007	36,007	36,007	42,802	45,370	36,611
TOTAL LIABILITIES	44,004	65,171	75,605	56,756	57,383	57,383	57,383	59,834	63,024	54,441
NET ASSETS	878,555	1,127,135	1,074,222	843,885	848,258	848,258	848,258	911,971	963,974	976,278
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	595,468	919,832	875,152	572,578	576,951	576,951	576,951	640,664	692,667	704,971
Reserves Minorities' interests	283,088	207,303	199,070	271,307	271,307	271,307	271,307	271,307	271,307	271,307
	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	878,555	1,127,135	1,074,222	843,885	848,258	848,258	848,258	911,971	963,974	976,278

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non - current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 21 MBRR Table A7 - Budgeted Cash Flow Statement

NC073 Emthanjeni - Table A7 Budgeted
Cash Flows

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other Government - operating	72,702	57,408	103,995	119,277	118,129	118,129	118,129	125,172	125,125	135,072
Government - capital	26,284	33,056	34,533	38,311	38,311	38,311	38,311	40,556	39,772	40,376
Interest	8,536	8,421	9,354	16,141	16,141	16,141	16,141	36,382	30,306	12,145
Dividends	1,509	1,922	1,924	734	945	945	945	793	825	880
1	1	1	-	1	1	1	1	1	1	2
Payments										
Suppliers and employees	(77,891)	(91,564)	(123,145)	(129,788)	(165,447)	(165,447)	(145,198)	(128,441)	(132,269)	(135,650)
Finance charges	(875)	(755)	(1,284)	(1,121)	(1,121)	(1,121)	(1,121)	(933)	(636)	(329)
Transfers and Grants	(1,641)	(568)	(788)	(12,805)	(14,723)	(14,723)	(14,723)	(13,573)	(14,388)	(16,009)
NET CASH FROM/(USED) OPERATING ACTIVITIES	28,624	7,922	24,589	30,750	(7,763)	(7,763)	12,486	59,957	48,736	36,486
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	160	47	65	65	65	65	12	80	70
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	20	13	42	22	22	22	22	-	25	27
Decrease (increase) in non-current investments	(0)	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(24,605)	(20,670)	(18,543)	(24,085)	(24,791)	(24,791)	(24,791)	(39,634)	(35,591)	(35,622)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(24,585)	(20,497)	(18,454)	(23,998)	(24,704)	(24,704)	(24,704)	(39,622)	(35,486)	(35,525)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	9,000	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	105	161	161	161	111	118	121
Payments										
Repayment of borrowing	(1,475)	(1,350)	(2,050)	(2,350)	(2,350)	(2,350)	(2,350)	(2,538)	(2,741)	(2,948)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1,475)	7,650	(2,050)	(2,245)	(2,189)	(2,189)	(2,189)	(2,427)	(2,623)	(2,827)
NET INCREASE/(DECREASE) IN CASH	2,564	(4,925)	4,085	4,507	(34,656)	(34,656)	(14,407)	17,908	10,627	(1,866)

HELD										
Cash/cash equivalents at the year begin:	7,495	10,059	5,134	5,951	5,951	5,951	5,951	(8,456)	9,452	20,079
Cash/cash equivalents at the year end:	10,059	5,134	9,219	10,458	(28,706)	(28,706)	(8,456)	9,452	20,079	18,212

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality fell significantly over the 2009/10 to 2010/11 period owing directly to a net decrease in cash for the 2008/09 financial year of R372 million.
4. The approved 2011/12 MTREF provide for a further net decrease in cash of R238 million for the 2011/12 financial year resulting in an overall projected negative cash position of R82 million at year end.
5. As part of the 2011/12 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
6. In addition the Municipality undertook an extensive debt collection drive resulting in cash receipts on arrear debtors of R204 million. These interventions translated into a net cash position of R521 million for the 2011/12 financial year and cash and cash equivalents totaled R677 million at year end.
7. The 2012/13 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
8. Cash and cash equivalents totals R1.1 billion as at the end of the 2012/13 financial year and escalates to R1.2 billion by 2013/14.

Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC073 Emthanjeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available										
Cash/cash equivalents at the year end	10,059	5,134	9,219	10,458	(28,706)	(28,706)	(8,456)	9,452	20,079	18,212
Other current investments > 90 days	0	8,675	12,632	550	39,713	39,713	19,464	2,598	(6,473)	(3,372)
Non current assets – Investments	7	208	132	–	–	–	–	–	–	–
Cash and investments available:	10,067	14,017	21,982	11,008	11,008	11,008	11,008	12,050	13,606	14,840
Application of cash and investments										
Unspent conditional transfers	3,443	–	–	1,200	1,200	1,200	1,200	1,272	1,348	1,000
Unspent borrowing	–	–	–	–	–	–	–	–	–	–
Statutory requirements				3,274	3,274	3,274	3,274	3,470	3,679	3,800
Other working capital										

requirements	(3,012)	(15,829)	(19,270)	(12,245)	(18,186)	(18,919)	(18,919)	(12,040)	(8,916)	(9,090)
Other provisions	(922)	(1,091)		(1,226)	(1,226)	(1,226)	(1,226)	1,920	2,017	2,199
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	2,253	2,253						-	-	-
Total Application of cash and investments:	1,761	(14,667)	(19,270)	(8,997)	(14,938)	(15,671)	(15,671)	(5,378)	(1,872)	(2,091)
Surplus(shortfall)	8,305	28,684	41,252	20,005	25,946	26,679	26,679	17,428	15,478	16,931

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2009/10 to 2013/14 the surplus increased from R8 million to R17 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2013/14 MTREF was funded owing to the surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget the surplus decreases from R26 million in 2012/13 to a surplus of R17 million by 2013/14.

Table 23 MBRR Table A9 - Asset Management

NC073 Emthanjeni - Table A9 Asset Management

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE									
Total New Assets	7,164	20,670	15,190	15,378	15,378	15,378	39,052	32,151	14,905
Infrastructure - Road transport	851	3,430	1,738	10,178	10,178	10,178	2,670	2,730	2,760
Infrastructure - Electricity	1,356	981	-	-	-	-	-	-	-
Infrastructure - Water	1,281	4,380	3,585	-	-	-	21,058	16,813	-
Infrastructure - Sanitation	1,009	-	6,000	5,200	5,200	5,200	-	-	-
Infrastructure - Other	1,009	-	730	-	-	-	-	-	-
Infrastructure	5,506	8,790	12,053	15,378	15,378	15,378	23,728	19,543	2,760
Community	150	816	1,000	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1,509	11,063	2,137	-	-	-	15,324	12,608	12,145
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	15,818	-	3,353	8,742	8,037	8,037	4,987	6,228	5,616
Infrastructure - Road transport	3,052	-	1,490	3,461	3,461	3,461	820	840	860
Infrastructure - Electricity	36	-	-	800	412	412	505	520	540
Infrastructure - Water	351	-	-	17	17	17	18	19	20
Infrastructure - Sanitation	3,004	-	-	-	-	-	-	-	-
Infrastructure - Other	2,358	-	201	652	652	652	55	58	62
Infrastructure	8,800	-	1,691	4,930	4,542	4,542	1,398	1,437	1,482
Community	124	-	370	1,529	1,231	1,231	828	953	1,010
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	6,895	-	1,071	2,221	2,201	2,201	2,760	3,838	3,124
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	221	62	62	62	-	-	-
Total Capital Expenditure									
Infrastructure - Road transport	3,903	3,430	3,228	13,639	13,639	13,639	3,490	3,570	3,620
Infrastructure - Electricity	1,392	981	-	800	412	412	505	520	540

<i>Infrastructure - Water</i>	1,631	4,380	3,585	17	17	17	21,076	16,832	20
<i>Infrastructure - Sanitation</i>	4,013	–	6,000	5,200	5,200	5,200	–	–	–
<i>Infrastructure - Other</i>	3,367	–	931	652	652	652	55	58	62
Infrastructure	14,305	8,790	13,744	20,308	19,920	19,920	25,126	20,980	4,242
Community	274	816	1,370	1,529	1,231	1,231	828	953	1,010
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	8,403	11,063	3,208	2,221	2,201	2,201	18,084	16,446	15,269
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	221	62	62	62	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	22,982	20,670	18,543	24,120	23,415	23,415	44,039	38,379	20,521
ASSET REGISTER SUMMARY - PPE (WDV)									
<i>Infrastructure - Road transport</i>	3,903	296,430	474,979	292,059	292,059	292,059	315,765	334,968	313,839
<i>Infrastructure - Electricity</i>	1,392	51,145	61,762	51,035	51,035	51,035	55,118	58,425	60,937
<i>Infrastructure - Water</i>	1,631	98,323	110,077	97,954	97,954	97,954	105,790	112,138	116,959
<i>Infrastructure - Sanitation</i>	4,013	112,385	79,281	112,359	112,359	112,359	121,348	128,628	134,159
<i>Infrastructure - Other</i>	3,367	1,892	64,967	1,893	1,893	1,893	2,045	2,167	2,261
Infrastructure	14,305	560,175	791,065	555,300	555,300	555,300	600,065	636,326	628,156
Community	274	207,276	114,057	207,432	207,432	207,432	224,026	237,468	247,679
Heritage assets	821,337	–	–	–	–	–	–	–	–
Investment properties	4,272	3,441	3,107	4,272	4,272	4,272	4,272	4,272	4,272
Other assets	7,031	50,413	279,535	60,410	60,410	60,410	64,901	68,539	66,792
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	1,372	1,611	1,062	1,060	1,060	1,060	1,166	1,283	1,400
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	848,591	822,916	1,188,826	828,474	828,474	828,474	894,431	947,887	948,298
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	47,589	66,837	68,650	7,924	7,924	7,924	8,479	8,987	9,706
Repairs and Maintenance by Asset Class	8,607	9,714	8,679	11,017	10,917	10,917	12,040	12,608	13,455
<i>Infrastructure - Road transport</i>	2,200	776	502	1,368	1,368	1,368	1,509	1,577	1,677
<i>Infrastructure - Electricity</i>	–	116	50	1,595	1,495	1,495	1,726	1,829	1,944
<i>Infrastructure - Water</i>	–	841	404	749	749	749	819	856	910
<i>Infrastructure - Sanitation</i>	4,025	905	432	712	712	712	779	814	865
<i>Infrastructure - Other</i>	300	711	351	711	711	711	777	812	863
Infrastructure	6,525	3,350	1,739	5,136	5,036	5,035	5,610	5,888	6,259

Community	230	970	452	1,626	1,626	1,626	1,777	1,858	1,975
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	158	158	158	172	180	191
Other assets	1,852	5,394	6,489	4,098	4,098	4,098	4,481	4,683	5,031
TOTAL EXPENDITURE OTHER ITEMS	56,196	76,551	77,330	18,941	18,841	18,841	20,519	21,596	23,162
<i>Renewal of Existing Assets as % of total capex</i>	68.8%	0.0%	18.1%	36.2%	34.3%	34.3%	11.3%	16.2%	27.4%
<i>Renewal of Existing Assets as % of deprecn"</i>	33.2%	0.0%	4.9%	110.3%	101.4%	101.4%	58.8%	69.3%	57.9%
<i>R&M as a % of PPE</i>	1.0%	0.9%	0.8%	1.3%	1.3%	1.3%	1.4%	1.3%	1.4%
<i>Renewal and R&M as a % of PPE</i>	3.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality meets both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.

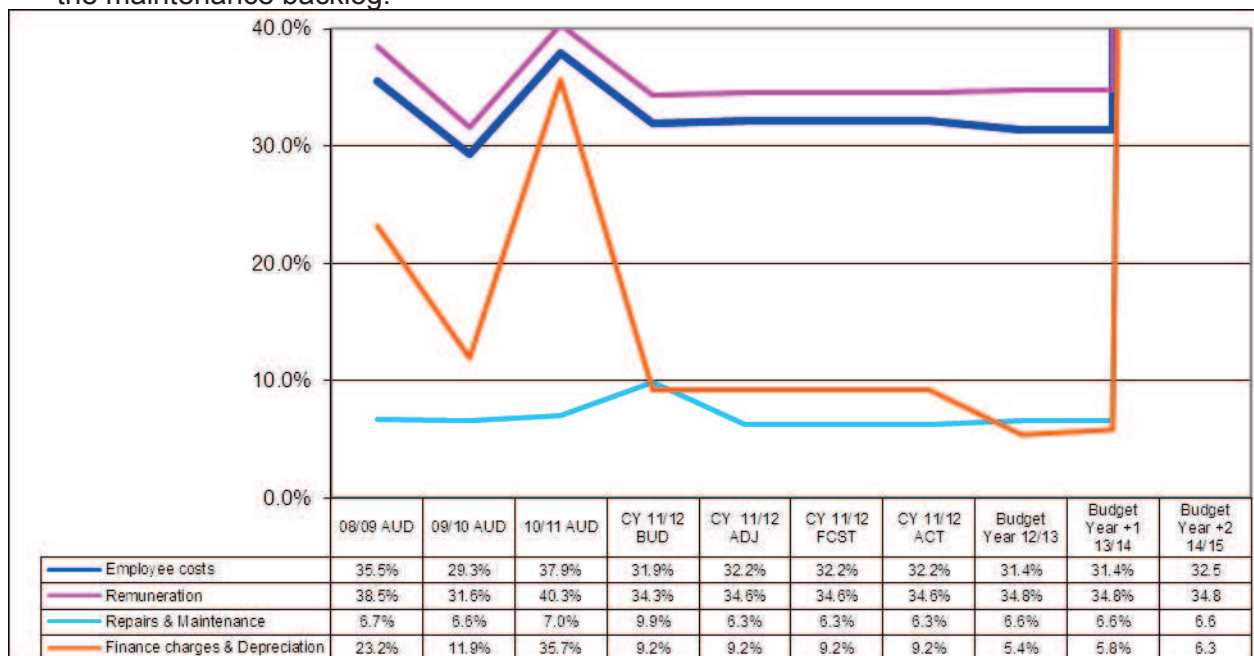


Figure 2 Depreciation in relation to repairs and maintenance over the MTREF

Table 24 MBRR Table A10 - Basic Service Delivery Measurement

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	7,600	7,850	8,046	8,288	8,288	8,288	8,738	8,853	8,905
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	450	565	570
Using public tap (at least min.service level)	30	20	21	21	21	21	471	586	570
Other water supply (at least min.service level)	–	–	–	–	–	–	450	565	570
<i>Minimum Service Level and Above sub-total</i>	7,630	7,870	8,067	8,309	8,309	8,309	10,109	10,569	10,615
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	12	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	12	–	–	–	–	–	–	–
Total number of households	7,630	7,882	8,067	8,309	8,309	8,309	10,109	10,569	10,615
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	6,200	6,477	6,639	6,838	6,838	6,838	7,288	7,403	7,550
Flush toilet (with septic tank)	1,015	1,115	1,143	1,177	1,177	1,177	1,627	1,742	1,800
Chemical toilet	340	230	236	243	243	243	693	808	900
Pit toilet (ventilated)	–	–	–	–	–	–	450	565	612
Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	7,555	7,822	8,018	8,258	8,258	8,258	10,058	10,518	10,862
Bucket toilet	75	60	62	63	63	63	513	628	628
Other toilet provisions (< min.service level)	–	–	–	–	–	–	450	565	565
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	75	60	62	63	63	63	963	1,193	1,193
Total number of households	7,630	7,882	8,079	8,321	8,321	8,321	11,021	11,711	12,055
<u>Energy:</u>									
Electricity (at least min.service level)	4,100	3,143	3,222	3,318	3,318	3,318	3,768	3,883	3,922
Electricity - prepaid (min.service level)	3,520	4,729	4,847	4,993	4,993	4,993	5,443	5,558	5,680
<i>Minimum Service Level and Above sub-total</i>	7,620	7,872	8,069	8,311	8,311	8,311	9,211	9,441	9,602
Electricity (< min.service level)	10	10	10	11	11	11	461	576	580
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	450	565	580
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	10	10	10	11	11	11	911	1,141	1,160
Total number of households	7,630	7,882	8,079	8,321	8,321	8,321	10,121	10,581	10,762
<u>Refuse:</u>									

Removed at least once a week	7,630	7,882	8,079	8,321	8,321	8,321	10,121	10,581	10,702
<i>Minimum Service Level and Above sub-total</i>	7,630	7,882	8,079	8,321	8,321	8,321	10,121	10,581	10,702
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	7,630	7,882	8,079	8,321	8,321	8,321	10,121	10,581	10,702
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	7,630	7,882	8,079	8,321	8,321	8,321	8,771	8,886	8,905
Sanitation (free minimum level service)	1,800	2,300	2,475	3,000	3,000	3,000	3,300	3,500	3,750
Electricity/other energy (50kwh per household per month)	1,800	2,300	2,475	3,000	3,000	3,000	3,300	3,500	3,750
Refuse (removed at least once a week)	1,800	2,300	2,475	3,000	3,000	3,000	3,300	3,500	3,750
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	3,607	4,118	4,483	4,894	4,894	4,894	5,469	5,872	5,980
Sanitation (free sanitation service)	2,061	2,912	3,159	4,275	4,275	4,275	4,985	5,604	5,660
Electricity/other energy (50kwh per household per month)	702	731	860	1,158	1,158	1,158	1,344	1,504	1,680
Refuse (removed once a week)	1,285	1,816	1,970	2,666	2,666	2,666	3,108	3,494	3,695
Total cost of FBS provided (minimum social package)	7,655	9,577	10,472	12,993	12,993	12,993	14,906	16,475	17,015
Highest level of free service provided									
Property rates (R value threshold)	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	95	105		119	119	119	126	133	133
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	60	66	70	74	74	74	78	83	83
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)									
Water	3,607	4,118	4,483	4,894	4,894	4,894	5,469	5,872	5,995
Sanitation	2,061	2,912	3,159	4,275	4,275	4,275	4,985	5,604	5,805
Electricity/other energy	702	731	860	1,158	1,158	1,158	1,344	1,504	1,650
Refuse	1,285	1,816	1,970	2,666	2,666	2,666	3,108	3,494	3,756
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-

	-	-	-			-			-
Total revenue cost of free services provided (total social package)	7,655	9,577	10,472	12,993	12,993	12,993	14,906	16,475	17,206

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
 - a. Water services –over 10 109 households will receive water connections in 2013/14
 - b. Sanitation services – The number of households that will be connected with water bourne toilet provision will be 11 021 households in 2013/14.
 - c. Electricity services – The number of households that will be connected with electricity services will be 10 121 households.
 - d. In 2013/14, 10121 households refuse will be removed on a weekly basis.
3. The budget provides for 3 300 households to be registered as indigent in 2013/14, and therefore entitled to receiving Free Basic Services
4. It is anticipated that these Free Basic Services will cost the municipality R14, 906 million in 2013/14, increasing to R16, 475 million in 2014/15 and increasing to R17, 015 million in 2015/16. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, the Municipality also 'gives' all households R5,4 million in free 6000 litres of water in a 30 day period..

Part 2 – Supporting Documentation

1.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor, who is also the chairperson of the Finance Committee.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 5 September 2012. Key dates applicable to the process were:

- **August 2012** – Strategic planning session of all the Councillors and Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2012/15 MTREF;
- **November 2012** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January 2013** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **25 January 2013** - Council considers the 2012/13 Mid-year Review and Adjustments Budget;
- **January 2013** – Multi-year budget proposals are submitted to the Executive Committee for endorsement;

- **February 2013** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments.

The draft 2013/14 MTREF is revised accordingly;

- **28 March 2013** - Tabling in Council of the draft 2013/14 IDP and 2013/14 MTREF
- for public consultation;
- **April 2013** – Public consultation;
- **6 May 2013** - Closing date for written comments;
- **6 to 21 May 2013** – Draftisation of the 2013/14 IDP and 2013/14 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **30 May 2013** - Tabling of the 2012/13 MTREF before Council for consideration and approval.

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council due to commitments that arose on the planned activities.

1.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP as adopted by Council on 30 May 2013. It started in September 2012 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2013/14 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/14 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2013/14 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

1.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2012/13 MTREF:

- Municipality's growth potential
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
The approved 2012/13 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- Solar Energy project potentials

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

1.1.4 Community Consultation

The draft 2013/14 MTREF as tabled before Council on 28 March 2013 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

Council held Budget Input meetings at venues in all wards of Emthanjeni municipality. Knock and drops were distributed at all households to inform the communities about the meetings. Advertisements of the notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business.

Ward Committees were utilised to facilitate the community consultation process from 01 to 15 March 2013, and included eight public briefing sessions with communities, and other stakeholders. The applicable dates and venues were published in all the local newspapers and were attended by the members of the community. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the Draftisation of the 2013/14 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

Significant changes effected in the Draft 2013/14 MTREF compared to the draft 2012/13 MTREF that was tabled for community consultation, include:

- The Draft Eskom bulk tariff increase, applicable to municipalities from 1 July 2012, was factored into the proposed consumer tariffs, applicable from 1 July 2012. This resulted in an increase of 11.03 per cent;
-
- The SALGBC parties' settlement regarding the salary negotiations have been Draftised for in the 2012/13 financial year;
- The 2012 Division of Revenue Act (DORA) grant allocations were Draftized and aligned to the gazetted allocations; and
- Funding was allocated to address metering discrepancies and unmetered premises.

1.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;

- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 25 IDP Strategic Objectives

	2012/13 Financial Year	2013/14 MTREF
1.	Ensure that all residents have access to sustainable free basic services and all other services rendered	Provision of access to all basic services rendered to residents within the available resources.
2.	Development and transformation of the institution with the aim of capacitating the municipality in meeting the Objectives	Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives.
3.	Promote sustainable and representative governance through the efficient, effective	Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area.
4.	Promote sustainable and representative governance through the efficient, effective and sustainable utilization of resources in consultation with the residents of Emthanjeni Municipality.	Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality.
5.	Create an effective, efficient, sustainable and viable municipality through financial management	Maintaining a financially sustainable and viable Municipality.
6.	Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties.	Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor.
7.	Contribute to the development of caring communities which promote and protect the right and needs of all citizens, with a particular focus	Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties.

	on the poor.	
8.	Ensure a healthy environment for all residents of Emthanjeni through effective environmental management.	

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide Municipality planning services; and
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective Municipality cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole;
- and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and

- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 26 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	To continuously review the accountable and transparent governance processes as per the Risk Based Audit Plan (RBAP)		393	329	345	350	350	350	389	408	423
Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	To be an executive council by leading and consulting our community and do on-going oversight of our service delivery and performance		1,578	1,723	3,890	2,355	2,449	2,584	2,915	3,310	3,346
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To promote LED, SMME's and tourism, support emerging farmers and reduce unemployment and poverty in the municipal area	2	277	277	303	1,142	1,142	1,142	1,045	47	50
Provision of access to all basic services rendered to residents within available resources	To provide all communities quality water, sanitation and refuse manage demand and maintain existing infrastructure		36,776	46,929	43,743	51,155	51,155	50,152	80,319	78,927	64,174
Provision of access to all basic services rendered to residents within available resources	To upgrade and maintain road infrastructure		2,711	2,160	619	658	658	760	698	740	784
Provision of access to all basic services rendered to residents within available resources	To provide a quality electricity supply, manage demand and maintain existing infrastructure		42,087	54,965	58,731	63,176	56,083	56,151	68,789	73,458	78,571
Maintaining a financially sustainable and viable municipality	To render a strategic financial management services to Emthanjeni Municipality		-	368	505	338	338	338	376	395	409

Maintaining a financially sustainable and viable municipality	To strengthen and implement financial and asset management within Emthanjeni Municipality	11,762	7,503	14,480	15,657	15,868	16,005	15,739	15,823	16,054
Maintaining a financially sustainable and viable municipality	To implement the Municipal Property Rates Act by imposing rates on all taxable properties within Emthanjeni Municipality	5,477	2,114	9,038	14,014	13,305	12,918	16,990	18,074	19,034
Maintaining a financially sustainable and viable municipality	To implement the Supply Chain Management policy that is fair equitable, transparent, competitive and cost effective	4,500	4,700	5,100	4,500	4,700	5,100	4,500	4,700	5,100
Maintaining a financially sustainable and viable municipality	To implement financial reforms as required per MFMA	-	1,200	1,321	1,500	1,500	1,500	1,550	1,600	1,650
Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	To maintain a capacitated municipality, achieve Employment Equity targets, develop human resources and comply to required legislation	-	-	-	-	-	-	-	-	-
Municipal Transformation and Institutional Development	To upgrade and maintain municipal buildings and offices	27	12,791	31	40	40	44	41	43	46
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To promote LED, SMME's and tourism, support emerging farmers and reduce unemployment and poverty in the municipal area	1,824	1,442	1,444	2,114	2,233	2,353	2,193	2,276	2,360
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To facilitate empowerment of women, youth development, poverty alleviation and create opportunities	2,161	2,272	323	105	105	173	611	118	125
Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	To improve and facilitate rural development in the municipal area	4	4,213	3,283	17,341	17,341	16,059	17,206	14,156	13,636

Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To provide traffic services in terms of the legislation, awareness and training to the community, law enforcement, road safety participation and fire protection services within the municipal area		18,176	9,177	7,165	7,354	7,354	5,632	7,892	8,399	8,903
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			127,478	152,164	150,324	181,799	174,622	171,263	221,253	222,474	214,665

Table 27 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	To continuously review the accountable and transparent governance processes as per the Risk Based Audit Plan (RBAP)		1,997	2,200	1,056	2,684	2,614	2,860	3,074	3,262	3,438
Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	To be an executive council by leading and consulting our community and do on-going oversight of our service delivery and performance		8,831	8,800	6,424	7,921	7,816	7,654	9,431	9,880	10,478
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To promote LED, SMME's and tourism, support emerging farmers and reduce unemployment and poverty in the municipal area		1,884	4,562	4,723	2,061	2,031	2,031	4,302	3,517	3,697
Provision of access to all basic services rendered to residents within available resources	To provide all communities quality water, sanitation and refuse manage demand and maintain existing infrastructure		20,439	22,863	52,932	32,100	29,224	30,570	35,735	38,027	40,498
Provision of access to all basic services rendered to residents within available resources	To upgrade and maintain road infrastructure		54,101	70,515	9,493	10,878	10,878	12,456	13,498	14,311	15,419
Provision of access to all basic services rendered to residents within available resources	To provide a quality electricity supply, manage demand and maintain existing infrastructure		26,809	31,194	54,164	52,585	53,725	53,217	58,448	62,727	67,423
Maintaining a financially sustainable and viable municipality	To render a strategic financial management services to Emthanjeni Municipality		1,869	2,352	3,348	1,678	1,678	2,103	1,766	1,873	1,974

Maintaining a financially sustainable and viable municipality	To strengthen and implement financial and asset management within Emthanjeni Municipality	7,212	7,157	8,965	9,381	9,330	7,324	7,996	8,266	8,774
Maintaining a financially sustainable and viable municipality	To implement the Municipal Property Rates Act by imposing rates on all taxable properties within Emthanjeni Municipality	1,222	1,748	1,911	4,313	4,213	3,578	4,194	3,858	4,146
Maintaining a financially sustainable and viable municipality	To implement the Supply Chain Management policy that is fair equitable, transparent, competitive and cost effective	1,120	418	424	655	655	672	698	743	790
Maintaining a financially sustainable and viable municipality	To implement financial reforms as required per MFMA	1,224	1,483	1,502	1,916	1,916	1,315	2,041	2,197	2,303
Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	To maintain a capacitated municipality, achieve Employment Equity targets, develop human resources and comply to required legislation	5,431	5,878	5,405	8,585	8,585	6,896	9,799	10,334	11,053
Municipal Transformation and Institutional Development	To upgrade and maintain municipal buildings and offices	2,953	2,297	2,600	3,746	3,686	3,016	3,292	3,509	3,732
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To promote LED, SMME's and tourism, support emerging farmers and reduce unemployment and poverty in the municipal area	9,052	4,796	4,845	7,868	7,660	6,785	7,964	8,487	9,060
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To facilitate empowerment of women, youth development, poverty alleviation and create opportunities	5,943	7,822	36,379	5,738	5,737	5,333	6,003	6,404	6,852
Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	To improve and facilitate rural development in the municipal area	2,880	4,313	5,195	6,350	6,220	8,045	8,407	8,302	8,676
Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To provide traffic services in terms of the legislation, awareness and training to the community, law enforcement, road safety participation and fire protection services within the municipal area	9,631	9,828	7,829	9,123	8,673	8,673	9,359	9,932	10,572
Allocations to other priorities										
Total Expenditure			162,598	188,225	207,194	167,580	164,640	162,529	186,009	195,629

**NC073 Emthanjeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget
(capital expenditure)**

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											

Provision of access to all basic services rendered to residents within available resources	To provide all communities quality water manage demand and maintain existing infrastructure	A	3,494	3,142	10,691	10,195	10,195	10,195	21,076	17,717	20
Provision of access to all basic services rendered to residents within available resources	To upgrade and maintain road infrastructure	B	2,424	2,180	3,382	3,480	3,480	3,480	18,863	16,230	15,820
Provision of access to all basic services rendered to residents within available resources	To provide all communities quality sanitation manage demand and maintain existing infrastructure	C	12,550	11,287	283	5,852	5,852	5,852	55	58	62
Maintaining a financially sustainable and viable municipality	To render a strategic financial management services to Emthanjeni Municipality	D	1,144	629	1,561	286	266	266	489	368	362
Maintaining a financially sustainable and viable municipality	To strengthen and implement financial and asset management within Emthanjeni Municipality	E	500	850	990	1,010	1,010	1,010	990	1,200	1,300
Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To provide traffic services in terms of the legislation, awareness and training to the community, law enforcement, road safety participation and fire protection services within the municipal area	F	91	82	876	470	420	420	510	568	596
Municipal Transformation and Institutional Development	To upgrade and maintain municipal buildings and offices	G	300	270	80	387	347	347	479	508	539
Provision of access to all basic services rendered to residents within available resources	To provide all communities sustainable electricity and to manage electricity increased demand within the current infrastructure	H	1,698	1,527	364	800	412	412	505	520	540
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To facilitate empowerment of women, youth development, poverty alleviation and	I	342	307	245	1,620	1,412	1,412	1,049	1,187	1,258

Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	create opportunities										
	To continuously review the accountable and transparent governance processes as per the Risk Based Audit Plan (RBAP)	J	440	395	68	20	20	20	21	23	24
		K									
		L									
		M									
		N									
		O									
	P										
Allocations to other priorities											
Total Capital Expenditure			22,982	20,670	18,543	24,120	23,415	23,415	44,039	38,379	20,521

NC073 Emthanjeni - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16

Vote 1 - Executive and Council											
Function 1 - Governance											
Sub-function 1 - Office of the Municipal Manager											
To be an executive council by leading and consulting our community and do on-going oversight of our service delivery and performance	No of performance reports submitted to the council	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
To continuously review the accountable and transparent governance processes as per the Risk Based Audit Plan (RBAP)	% completed	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Sub-function 2 - Council											
Develop Risk based audit plan and submit to the audit committee for approval by end June	RBAP submitted to the audit committee	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Submit quarterly performance reports of the SDBIP to the council	No of performance reports submitted to the council	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sub-function 3 - Internal audit Section											
Submit quarterly performance reports of the SDBIP to the council	No of performance reports submitted to the council	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Implement public education campaigns on municipal services and natural resources	No of education campaigns implemented	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Function 2 - Local Economic Development											
Sub-function 1 - Economic Development											
Arrange meetings with possible investors for the municipal area	No meetings	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Awareness programmes through exhibitions	Number of campaigns	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 2 - Office of the Mayor											
Compile a rural development strategy	Strategy approved	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Establish commonage committee	Committee established	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 3 - Public Safety											
Establish community safety plans in conjunction with the Department of Community Safety and the District to address safety challenges within the communities	Number of plans	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Inspect and assess infrastructure and role players to ensure disaster operational readiness and submit assessment report	Number of reports	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Vote 2 - Finance and Admin											
Function 1 - Directorate Chief Financial Officer											

Sub-function 1 - Directorate CFO											
Submit the annual financial statements by the end of August to the Auditor-General	Statements submitted	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Monthly financial reporting to council	No of reports	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 2 - Financial Services											
Compilation of a Revenue Enhancement Strategy	% Completion	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Achievement of a payment percentage of above 80% (Actual payments received from debtors divided by actual levies)	Payment %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sub-function 3 - Assessment Rates											
Complete the Supplementary Valuation Roll by the end of May	Valuation Roll completed	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Prepare and submit the adjustments budget by the end of February and the draft main budget by the end of March	Approved main & adjustments budgets	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Function 2 - Public Participation											
Sub-function 1 - DCCDS											
Annual workshop with ward committees to explain the indigent application process	Workshop held	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compile contingency plans for all municipal buildings	Number of plans	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 2 - Public Safety											
Increase capacity of traffic services to optimize revenue collection	Number of staff appointed	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Road safety awareness campaigns held in all wards	Number of campaigns	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 3 - Community Services											
Participate in annual National Arrive Alive Programme	Number of joint operations	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Speed law enforcement (direct prosecution)	# of enforcement sessions	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Vote 3 - Basic Service Delivery											
Function 1 - Infrastructure Services											
Sub-function 1 - Directorate Infrastructure Services											
Provide consideration (decisions) on building plans applications within 30 days for buildings less than 1000m2 and 60 days for buildings larger than 1000m2 after receipt of payment (Actual applications considered/actual applications received)	% building plans evaluated within the required time frames	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Implement the De Aar and Hanover housing project	Number of sites serviced	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Sub-function 2 - Water											

Implementation of the WCWDM project funded by DWA	% of approved project budget spent	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Spent the approved maintenance budget for water assets	% of approved maintenance budget for water spent	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sub-function 3 - Water and Waste Water Management										
Planning of new boreholes for De Aar	DWA approval and agreements with farmers	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Water quality as per blue drop	% water quality level	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Function 2 - Waste Water Management										
Sub-function 1 - Waste Water Management										
Submit business plan to council by end June for bulk sewerage infrastructure to upgrade UDS sanitation system to full waterborne in Britstown	Business plan submitted to council by end June	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Spent the approved maintenance budget for sanitation assets	% of approved maintenance budget for sanitation spent	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 2 - Road Transport										
Construct new tar roads	No of kilometers constructed	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Spent the approved maintenance budget for roads and storm water	% of approved maintenance budget for roads and storm water spent	3.0%	2\3%	2\3%	2\3%	2\3%	2\3%	2\3%	2\3%	2\3%
Sub-function 3 - Infrastructural Services										
Compile and submit business plan to MIG by end June for the project approval for the application of permits for Britstown and Hanover Landfill sites	Business plan submitted to MIG by end June	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Electricity Master plan	Completed plan	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
And so on for the rest of the Votes										

1.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is

constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

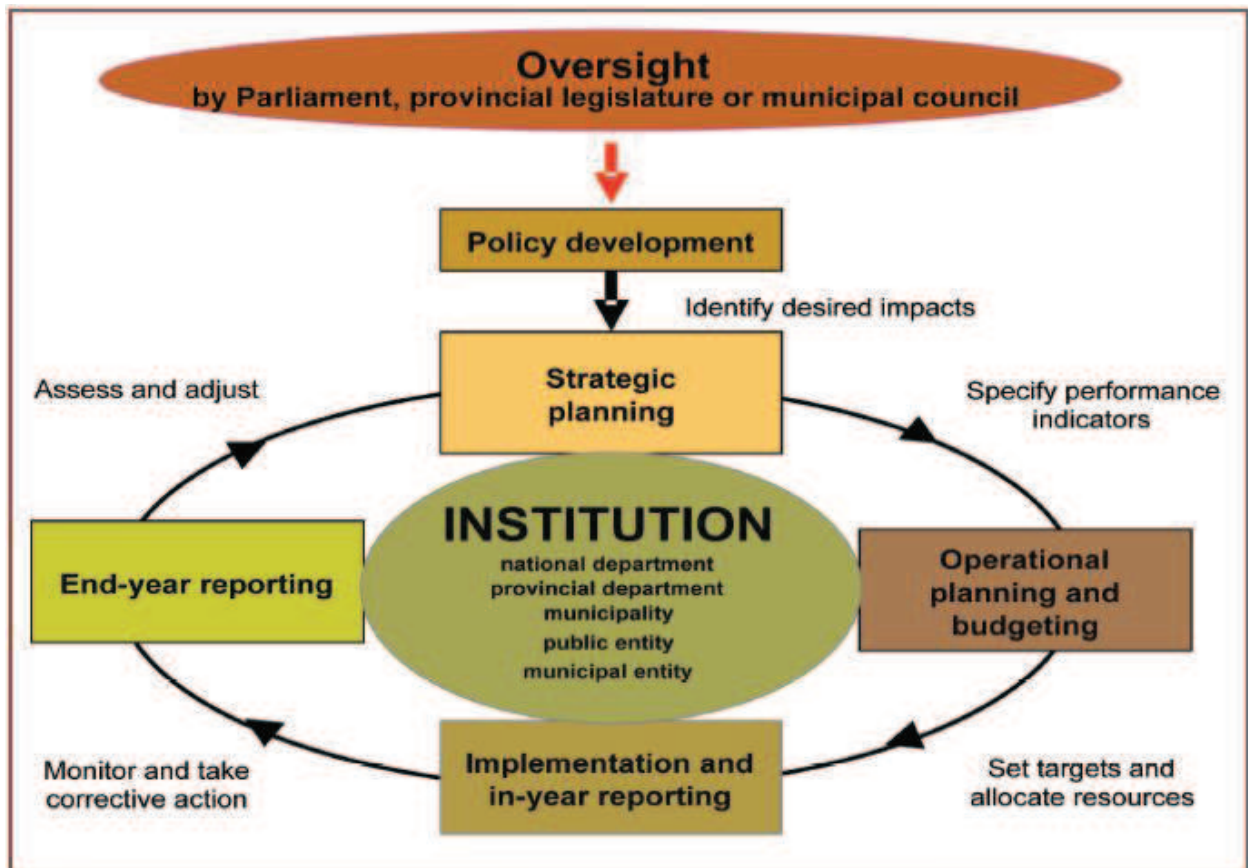


Figure 3 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what Purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

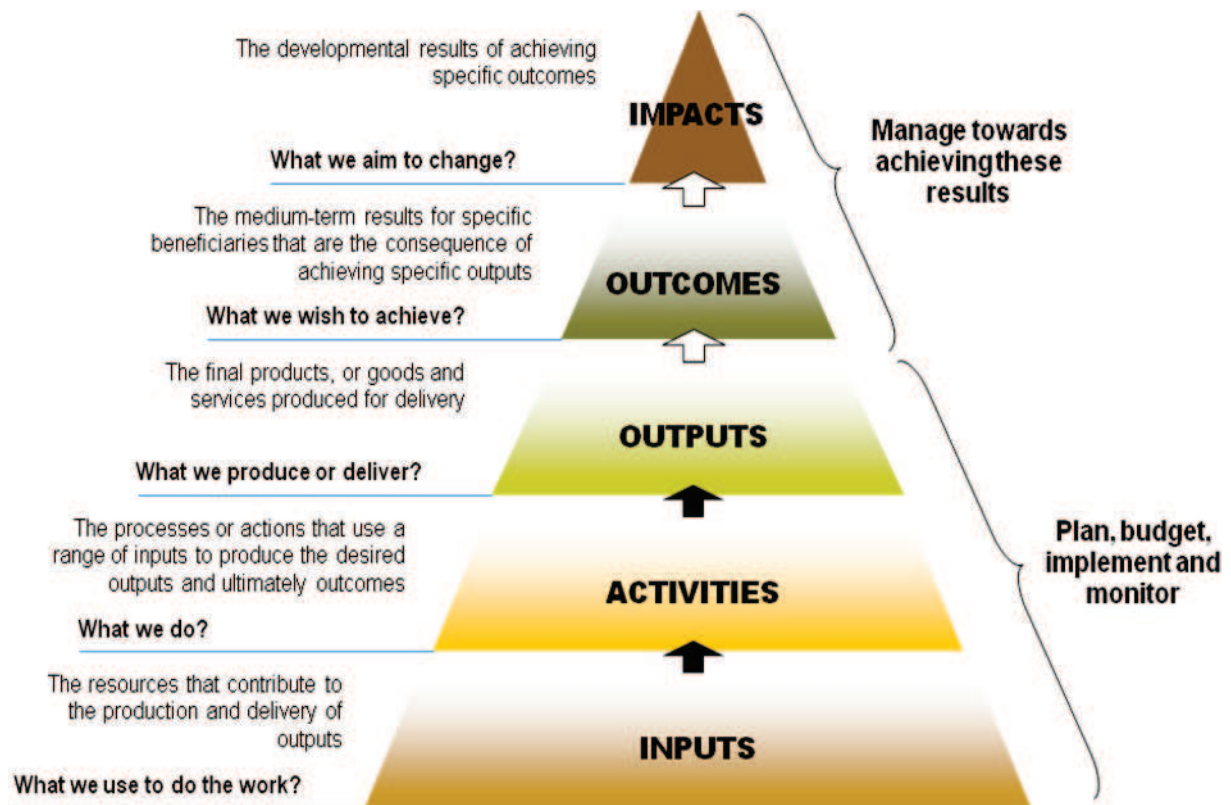


Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/16 MTREF.

Table 28 MBRR Table SA8 - Performance indicators and benchmarks

**NC073 Emthanjeni - Supporting
Table SA8 Performance indicators
and benchmarks**

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Borrowing Management</u>											
Credit Rating		B	B	B	B	B	B	B			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	1.1%	1.6%	2.1%	2.1%	2.1%	2.1%	1.9%	1.7%	1.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.5%	1.9%	3.1%	2.7%	2.9%	3.0%	3.0%	2.4%	2.2%	2.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	96.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	1.5%	6.3%	5.6%	3.7%	2.1%	2.1%	2.1%	3.9%	4.1%	0.5%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	4.0	4.6	3.2	4.4	3.6	3.6	3.6	4.5	4.5	4.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4.0	4.6	3.2	4.4	3.6	3.6	3.6	4.5	4.5	4.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.7	0.7	0.8	0.6	0.6	0.6	0.8	0.8	0.9
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		79.3%	52.3%	98.3%	95.0%	100.0%	103.1%	103.1%	87.2%	82.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			79.2%	52.3%	98.2%	95.0%	100.0%	103.1%	103.1%	87.2%	82.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.0%	33.6%	33.4%	11.3%	14.9%	15.3%	15.3%	11.1%	9.6%	9.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Tota										

	I Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	90.0%	93.0%	99.0%	99.0%	99.0%	99.0%	99.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		91.3%	181.6%	292.0%	52.4%	-19.1%	-19.1%	-64.9%	62.7%	31.3%	35.1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.8%	36.0%	32.8%	32.3%	33.7%	33.7%	33.7%	32.2%	32.6%	32.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.5%	38.2%	35.9%	34.4%	35.9%	36.7%		34.4%	32.6%	31.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.2%	6.8%	6.2%	6.7%	6.9%	7.0%		6.5%	6.6%	6.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	40.7%	47.3%	49.6%	5.5%	5.7%	5.8%	5.8%	5.1%	5.0%	5.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	28.3	27.8	34.5	38.3	38.3	38.3	34.8	40.5	39.8	42.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.0%	60.9%	51.4%	18.9%	25.3%	25.5%	25.5%	17.3%	14.6%	13.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.2	0.6	0.9	1.0	(2.8)	(2.8)	(0.8)	0.8	1.7	1.4

1.3.1 Performance indicators and benchmarks

1.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Emthanjeni's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the MTREF from 2.8 per cent to 2.5 per cent in 2015/16, it needs to be noted that the decrease capital grants and transfers has contributed to the decrease and must not be considered a measure on borrowing capital Municipality in isolation of other ratios and measures.
- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily decreased from 2.8 per cent in 2013/14 to 1.9 per cent in 2015/16. This increase can be attributed to the raising of loans to fund portions of the capital programme during the 2010/11 financial year. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The Municipality has raised mainly amortising loans over the past five years, hence effectively 'front-loading' its debt service costs. This is reflected in the Municipality's debt service profile, which predicts large debt service costs between 2013 and 2016. Debt service costs are expected to peak in 2016 due to the redemption of the last few term loans held by the Municipality.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2013/14 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. During the 2013/14 financial year the ratio deteriorated to a level 47.5 per cent.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. Between 2009/10 and 2015/16 the gearing ratio peaked at 4.1 per cent.

This was primarily a result of the increased borrowing levels and decreasing funds and reserves. While the gearing ratio remain constant in the 2013/14 financial year, the medium term strategy is to steadily increase the gearing ratio to a level that does not exceed 5 per cent as a prudential limit, hence, over the 2013/14 MTREF the ratio increases 4.7 per cent by 2015/16.

1.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2013/14 MTREF the current ratio is 1.2 in the 2012/13 financial year and 1.1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2012/13 financial year the ratio was 1.7 and as part of the financial planning strategy it has been increased to 4.4 in the 2013/14 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

1.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. A Debt Collection firm has been appointed to recover arrear monies from consumers.

1.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

1.3.1.6 Other Indicators

- The electricity distribution losses have been managed downwards from 12 per cent in the 2012/13 financial year to 11 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have been significantly reduced from 13.26 per cent in 2011/12 to 10.5 per cent in 2012/13. This has been achieved with the introduction of

a water leakage report and action centre. Various awareness programmes are unfolding to reduce these losses and also to repair these leakages.

- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

1.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2012/13 financial year 3 000 registered indigents have been provided for in the budget with this figured increasing to 3 300 by 2013/14. In terms of the Municipality's indigent policy registered households are entitled to 6kℓ fee water, 50 kwh of electricity, 6 kℓ sanitation and free waste removal once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

1.3.3 Providing clean water and managing waste water

The Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Emthanjeni Municipality is striving to obtain full Blue Drop status in 2013/14, indicating that the Municipality's drinking water is of exceptional quality.

The following is briefly the main challenges facing the Municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and

1.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in May 2011 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 96 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

1.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

1.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and

accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

1.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007. An amended policy has been adopted by Council.

1.4.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2009 and was amended during May 2013 in respect of both Operating and Capital Budget Fund Transfers.

1.4.6 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy was amended by Council in May 2013. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

1.4.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

1.4.8 Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2013/14 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2012/13 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;

- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

1.5 Overview of budget assumptions

1.5.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1.8 per cent last year and about 900 000 people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2013 will be 2.3 per cent rising to 2.9 per cent by 2014.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

1.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 32.5 per cent of total operating expenditure in the 2013/14 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.
The Draftisation of the categorisation and job evaluation wage curves collective agreement is not yet concluded within our municipality.

1.5.3 Credit rating outlook

Table 29 Credit rating outlook

Security class	Currency	Rating	Annual rating 2010/11	Previous Rating
Short term	Rand	Prime	20 April 2010	Prime
Long-term	Rand	B	20 April 2010	B
Outlook	Rand	Negative	20 April 2010	Negative

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : Aa3
Defined as high-grade. “B” rated are judged to be of high quality and are subject to very low credit risk.

1.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2013/14 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2013/14 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

1.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (96 per cent) of annual billings. Cash flow is assumed to be 96 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.5.6 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing ‘households’ is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for

servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

1.5.7 Salary increases

The collective agreement regarding salaries/wages is still not drafted which must come into operation on 1 July 2013. A provision for an increase of 7 per cent was budgeted for during the 2013/14 financial year.

1.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

1.5.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2013/14 MTREF of which performance has been factored into the cash flow budget.

1.6 Overview of budget funding

1.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 30 Breakdown of the operating revenue over the medium-term

Description	2013/14 Medium Term Revenue & Expenditure Framework					
	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2014/16	%
Financial Performance						
Property rates	21,373	11.56%	22,655	11.79%	24,015	11.86%
Service charges	96,874	52.40%	102,675	53.43%	109,719	54.18%
Investment revenue	793	0.43%	809	0.42%	857	0.42%
Transfers recognised - operational	40,495	21.90%	39,653	20.63%	40,197	19.85%
Other own revenue	25,336	13.71%	26,376	13.73%	27,732	13.69%

Total Revenue (excluding capital transfers and contributions)	184,871	100%	192,168	100%	202,520	100%
Surplus/(Deficit)	(1,137)		(3,461)		(6,366)	
Transfers recognised - capital	36,382		30,306		12,145	
Surplus/(Deficit) for the year	35,245		26,845		5,779	

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.

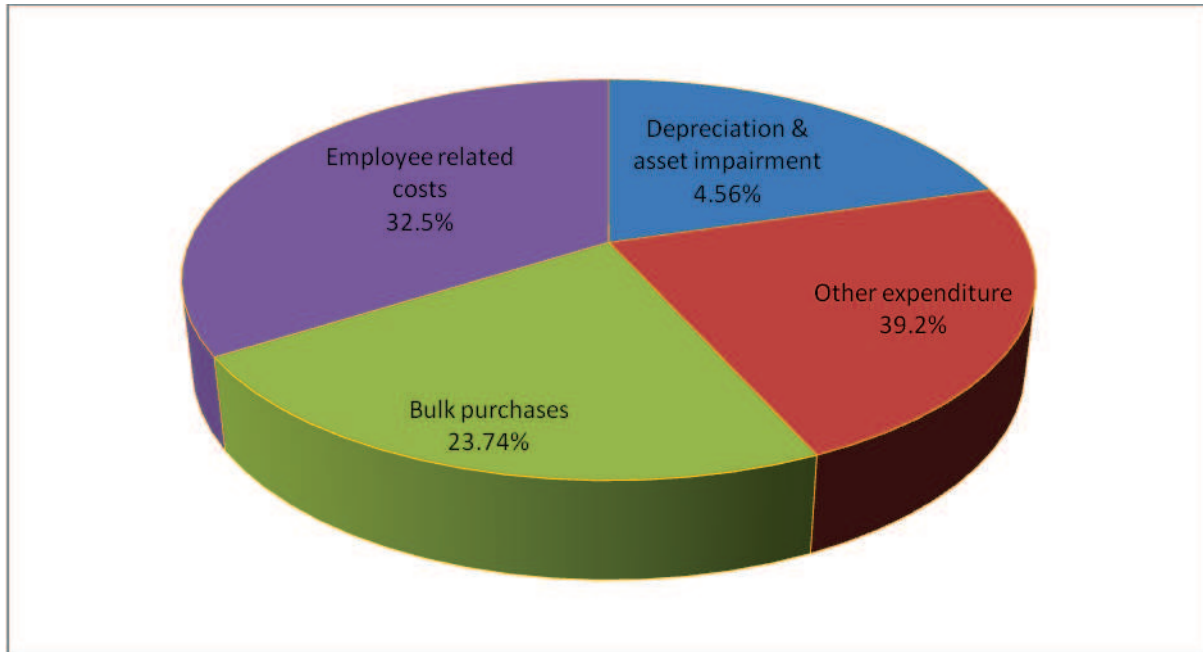


Figure 5 Breakdown of operating revenue over the 2013/14 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 96 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2013/14 MTREF on the different revenue categories are:

Table 31 Proposed tariff increases over the medium-term

Revenue category	2013/14 proposed tariff increase	2014/15 proposed tariff increase	2015/16 proposed tariff increase
	%	%	%
Property rates	6	6	6
Sanitation	6	6	6
Solid Waste	6	6	6
Water	6	6	6
Electricity	11.2	11.2	11.2

Revenue to be generated from property rates is R21, 373 million in the 2013/14 financial year and increases to R22, 655 million by 2015/16 which represents 12 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality has appointed E-valuations to perform general valuations on all properties located in the municipal boundaries of Emthanjeni municipality. The new valuation process will be implemented on 01 July 2013. As the levying of property rates is considered strategic revenue source a further supplementary valuation process will be undertaken in the 3rd quarter of the 2012/13 financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Operational grants and subsidies amount to R40,495 million, R39,653 million and R40, 197 million for each of the respective financial years of the MTREF, or 21.9, 20.6 and 19.8 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are changing over the MTREF first decreasing by 2.1 per cent then increasing by 1.4 per cent for the two outer years.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R734 000, R793 000 and R809 000 for the respective three financial years of the 2013/14 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 32 MBRR SA15 – Detail Investment Information

Investment type	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
Parent municipality									
Securities - National Government Listed Corporate Bonds									
Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks Municipal Bonds	8,307	8,876	12,757	10,110	10,110	10,110	10,716	11,788	12,861
Municipality sub-total	8,307	8,876	12,757	10,110	10,110	10,110	10,716	11,788	12,861
Entities									
Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks									
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	8,307	8,876	12,757	10,110	10,110	10,110	10,716	11,788	12,861

Table 33 MBRR SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
	Rand thousand									
Parent municipality										
General Investment	12 months	Fixed Deposit	Yes	Yes	7.50%	0	0	30/06/2013	10,716	793

Municipality sub-total									10,716	793
<u>Entities</u>										
Entities sub-total									-	-
TOTAL INVESTMENTS AND INTEREST									10,716	793

1.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2013/14 medium-term capital programme:

Table 34 Sources of capital revenue over the MTREF

Vote Description R thousand	2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +1 2015/16	%
Funded by:								
National Government	16,141	68.93	36,382	82.61	30,306	78.97	12,145	59.18
Provincial Government			-		-		-	-
District Municipality	-		-		-		-	-
Other transfers and grants	-		-		-		-	-
Transfers recognised - capital	16,141	68.93	36,382	82.61	30,306	78.97	12,145	59.18
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	7,274	31.07	7,657	17.39	8,073	21.03	8,376	40.82
Total Capital Funding	23,415	100%	44,039	100%	38,379	100%	20,521	100%

Figure 6 Sources of capital revenue for the 2013/14 financial year

Capital grants and receipts equates to 82.6 per cent of the total funding source which represents R36, 382 million for the 2013/14 financial year and decreases to R30, 306 million or 79 per cent by 2014/15 then for 2015/16 it decreases further to R12, 145 million or 59.2 per cent.

The following table is a detailed analysis of the Municipality’s borrowing liability.

Table 35 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized by type R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality									
Long-Term Loans (annuity/reducing balance)	4,181	13,100	11,117	9,947	5,574	5,574	10,543	11,176	1,317
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	4,181	13,100	11,117	9,947	5,574	5,574	10,543	11,176	1,317

Figure 7 Growth in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R7, 657 million in 2013/14, R8, 073 in 2014/15 and R8, 376 million in 2015/16. The percentage funding remains constant over the MTEF period. This reflects the commitment of the municipality to invest in renewal of their existing assets.

Table 36 MBRR Table SA 18 - Capital transfers and grant receipts

Capital Transfers and Grants									
National Government:	13,228	9,730	–	16,141	16,141	16,141	36,382	29,248	12,145
Municipal Infrastructure Grant (MIG)	11,172	9,570		16,141	16,141	16,141	15,324	12,608	12,145
Regional Bulk Infrastructure	652	160		–			20,000	16,640	–
Other capital transfers/grants [insert desc]	1,404						1,058		
Provincial Government:	–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]									
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	638	978	–	–	–	–	–	–	–
Lotto	638	978							
Total Capital Transfers and Grants	13,866	10,708	–	16,141	16,141	16,141	36,382	29,248	12,145

1.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 37 MBRR Table A7 - Budget cash flow statement

NC073 Emthanjeni - Table A7 Budgeted Cash Flows

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	72,702	57,408	103,995	119,277	118,129	118,129	118,129	125,172	125,125	135,072
Government - operating	26,284	33,056	34,533	38,311	38,311	38,311	38,311	40,556	39,772	40,376
Government - capital	8,536	8,421	9,354	16,141	16,141	16,141	16,141	36,382	30,306	12,145
Interest	1,509	1,922	1,924	734	945	945	945	793	825	880
Dividends	1	1	-	1	1	1	1	1	1	2
Payments										
Suppliers and employees	(77,891)	(91,564)	(123,145)	(129,788)	(165,447)	(165,447)	(145,198)	(128,441)	(132,269)	(135,650)
Finance charges	(875)	(755)	(1,284)	(1,121)	(1,121)	(1,121)	(1,121)	(933)	(636)	(329)
Transfers and Grants	(1,641)	(568)	(788)	(12,805)	(14,723)	(14,723)	(14,723)	(13,573)	(14,388)	(16,009)
NET CASH FROM/(USED) OPERATING ACTIVITIES	28,624	7,922	24,589	30,750	(7,763)	(7,763)	12,486	59,957	48,736	36,486
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	160	47	65	65	65	65	12	80	70
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	20	13	42	22	22	22	22	-	25	27
Decrease (increase) in non-current investments	(0)	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(24,605)	(20,670)	(18,543)	(24,085)	(24,791)	(24,791)	(24,791)	(39,634)	(35,591)	(35,622)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(24,585)	(20,497)	(18,454)	(23,998)	(24,704)	(24,704)	(24,704)	(39,622)	(35,486)	(35,525)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	9,000	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	105	161	161	161	111	118	121
Payments										
Repayment of borrowing	(1,475)	(1,350)	(2,050)	(2,350)	(2,350)	(2,350)	(2,350)	(2,538)	(2,741)	(2,948)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1,475)	7,650	(2,050)	(2,245)	(2,189)	(2,189)	(2,189)	(2,427)	(2,623)	(2,827)
NET INCREASE/ (DECREASE) IN CASH HELD	2,564	(4,925)	4,085	4,507	(34,656)	(34,656)	(14,407)	17,908	10,627	(1,866)
Cash/cash equivalents at the year begin:	7,495	10,059	5,134	5,951	5,951	5,951	5,951	(8,456)	9,452	20,079
Cash/cash equivalents at the year end:	10,059	5,134	9,219	10,458	(28,706)	(28,706)	(8,456)	9,452	20,079	18,212

The above table shows that cash and cash equivalents of the Municipality were largely depleted between the 2009/10 and 2010/11 financial year moving from a positive cash balance of R10, 059 million. With the 2012/13 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality and it is projected that cash and cash equivalents on hand will increase to R10, 458 million by the financial year end. For the 2013/14 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R9, 452 million by 2014/15 and steadily increasing to R18, 212 million by 2015/16.

1.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

NC073 Emthanjeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available										
Cash/cash equivalents at the year end	10,059	5,134	9,219	10,458	(28,706)	(28,706)	(8,456)	9,452	20,079	18,212
Other current investments > 90 days	0	8,675	12,632	550	39,713	39,713	19,464	2,598	(6,473)	(3,372)
Non current assets - Investments	7	208	132	-	-	-	-	-	-	-
Cash and investments available:	10,067	14,017	21,982	11,008	11,008	11,008	11,008	12,050	13,606	14,840
Application of cash and investments										
Unspent conditional transfers	3,443	-	-	1,200	1,200	1,200	1,200	1,272	1,348	1,000
Unspent borrowing Statutory requirements	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	(3,012)	(15,829)	(19,270)	(12,245)	(18,186)	(18,919)	(18,919)	(12,040)	(8,916)	(9,090)
Other provisions Long term investments committed	(922)	(1,091)	-	(1,226)	(1,226)	(1,226)	(1,226)	1,920	2,017	2,199
Reserves to be backed by cash/investments	2,253	2,253	-	-	-	-	-	-	-	-
Total Application of cash and investments:	1,761	(14,667)	(19,270)	(8,997)	(14,938)	(15,671)	(15,671)	(5,378)	(1,872)	(2,091)

Surplus(shortfall)	8,305	28,684	41,252	20,005	25,946	26,679	26,679	17,428	15,478	16,931
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A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

From the above table it can be seen that the cash and investments available total R17, 428 million in the 2013/14 financial year however this decreases to R16, 931 million by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2012/13 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. For the 2013/14 financial year no provision has been made for this liability as the total unspent conditional grant liability of R1, 272 million has been factored into the 2012/13 capital programme of the Municipality. The Municipality has received the necessary roll-over approval from the National Treasury as the funding appropriation relating to the unspent conditional grants could be motivated as part of existing projects.
- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the Municipality in 2011/12 resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds

are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

It can be concluded that the Municipality has a deficit against the cash backed and accumulated surpluses reconciliation. The level of non cash-backing progressively deteriorated over the period 2009/10 to 2015/16 escalating from R11, 972 million to R10.657 million in 2014/15. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

Figure 8 Cash and cash equivalents / Cash backed reserves and accumulated funds

1.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 39 MBRR SA10 – Funding compliance measurement

NC073 Emthanjeni - Table A10 Basic service delivery measurement

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	7,600	7,850	8,046	8,288	8,288	8,288	8,738	8,853	8,905
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	450	565	570
Using public tap (at least min.service level)	30	20	21	21	21	21	471	586	570
Other water supply (at least min.service level)	–	–	–	–	–	–	450	565	570
<i>Minimum Service Level and Above sub-total</i>	7,630	7,870	8,067	8,309	8,309	8,309	10,109	10,569	10,615
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	12	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	12	–	–	–	–	–	–	–
Total number of households	7,630	7,882	8,067	8,309	8,309	8,309	10,109	10,569	10,615
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	6,200	6,477	6,639	6,838	6,838	6,838	7,288	7,403	7,550
Flush toilet (with septic tank)	1,015	1,115	1,143	1,177	1,177	1,177	1,627	1,742	1,800
Chemical toilet	340	230	236	243	243	243	693	808	900
Pit toilet (ventilated)	–	–	–	–	–	–	450	565	612

Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	7,555	7,822	8,018	8,258	8,258	8,258	10,058	10,518	10,862
Bucket toilet	75	60	62	63	63	63	513	628	628
Other toilet provisions (< min.service level)	-	-	-	-	-	-	450	565	565
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	75	60	62	63	63	63	963	1,193	1,193
Total number of households	7,630	7,882	8,079	8,321	8,321	8,321	11,021	11,711	12,055
<u>Energy:</u>									
Electricity (at least min.service level)	4,100	3,143	3,222	3,318	3,318	3,318	3,768	3,883	3,922
Electricity - prepaid (min.service level)	3,520	4,729	4,847	4,993	4,993	4,993	5,443	5,558	5,680
<i>Minimum Service Level and Above sub-total</i>	7,620	7,872	8,069	8,311	8,311	8,311	9,211	9,441	9,602
Electricity (< min.service level)	10	10	10	11	11	11	461	576	580
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	450	565	580
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	10	10	10	11	11	11	911	1,141	1,160
Total number of households	7,630	7,882	8,079	8,321	8,321	8,321	10,121	10,581	10,762
<u>Refuse:</u>									
Removed at least once a week	7,630	7,882	8,079	8,321	8,321	8,321	10,121	10,581	10,702
<i>Minimum Service Level and Above sub-total</i>	7,630	7,882	8,079	8,321	8,321	8,321	10,121	10,581	10,702
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	7,630	7,882	8,079	8,321	8,321	8,321	10,121	10,581	10,702
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	7,630	7,882	8,079	8,321	8,321	8,321	8,771	8,886	8,905
Sanitation (free minimum level service)	1,800	2,300	2,475	3,000	3,000	3,000	3,300	3,500	3,750
Electricity/other energy (50kwh per household per month)	1,800	2,300	2,475	3,000	3,000	3,000	3,300	3,500	3,750
Refuse (removed at least once a week)	1,800	2,300	2,475	3,000	3,000	3,000	3,300	3,500	3,750
<u>Cost of Free Basic Services provided (R'000)</u>									
Water (6 kilolitres per household per month)	3,607	4,118	4,483	4,894	4,894	4,894	5,469	5,872	5,980
Sanitation (free sanitation service)	2,061	2,912	3,159	4,275	4,275	4,275	4,985	5,604	5,660
Electricity/other energy (50kwh per household per month)	702	731	860	1,158	1,158	1,158	1,344	1,504	1,680
Refuse (removed once a week)	1,285	1,816	1,970	2,666	2,666	2,666	3,108	3,494	3,695
Total cost of FBS provided						12,993			

(minimum social package)	7,655	9,577	10,472	12,993	12,993		14,906	16,475	17,015
Highest level of free service provided									
Property rates (R value threshold)	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)	95	105		119	119	119	126	133	133
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	60	66	70	74	74	74	78	83	83
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)									
Water	3,607	4,118	4,483	4,894	4,894	4,894	5,469	5,872	5,995
Sanitation	2,061	2,912	3,159	4,275	4,275	4,275	4,985	5,604	5,805
Electricity/other energy	702	731	860	1,158	1,158	1,158	1,344	1,504	1,650
Refuse	1,285	1,816	1,970	2,666	2,666	2,666	3,108	3,494	3,756
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)	7,655	9,577	10,472	12,993	12,993	12,993	14,906	16,475	17,206

1.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2013/14 MTREF shows R9, 452 million, R20, 079 million and R18, 212 million for each respective financial year.

1.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been falling significantly for the period 2009/10 to 2015/16, moving from 1.0 to 0.9 with the adopted 2013/14 MTREF. As part of the 2013/14 MTREF the municipalities improving cash position causes the ratio to move upwards to 1.0 and then improves slightly slightly to 1.2 and 3.3 for the outer years. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

1.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2013/14 MTREF the indicative outcome is a surplus of 37, 134 million, R27, 805 million and R6, 821 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

1.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 9.2, 4.8 and 5.5 per cent for the respective financial year of the 2012/13 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6 per cent, with the increase in electricity at 11.2 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

1.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 95.6, 91.5 and 87.1 per cent for each of the respective financial years.

Given that the assumed collection rate was based on a 96 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

1.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 8.4, 7.9 and 7.6 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

1.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

1.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to less than a per cent of own funded capital.

1.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

1.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

1.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair

could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C.

1.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR.

1.7 Expenditure on grants and reconciliations of unspent funds

Table 40 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	26,531	7,393	32,680	37,623	37,623	37,573	38,260	37,860	16,103
Local Government Equitable Share	24,169	5,443	30,440	34,323	34,323	34,323	34,820	35,326	13,486
Finance Management	750	1,200	1,450	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement	859	750	790	800	800	800	890	934	967
EPWP Incentive Energy Efficiency and Demand Management	753	-	-	1,000	1,000	950	1,000	-	-
Other transfers/grants [insert description]									
Provincial Government:	-	869	1,669	1,683	1,683	1,683	2,235	1,793	1,848
Health subsidy	-	-	979	1,001	1,001	1,001	1,056	1,114	1,169
Sport and Recreation	-	298	690	682	682	682	679	679	679
Housing	-	571	-	-	-	-	500	-	-
Other transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									

Total operating expenditure of Transfers and Grants:	26,531	8,263	34,349	39,306	39,306	39,256	40,495	39,653	17,951
Capital expenditure of Transfers and Grants									
National Government:	11,190	9,760	13,566	16,141	16,141	16,141	36,382	30,306	12,145
Municipal Infrastructure Grant (MIG)	9,134	9,600	13,306	16,141	16,141	16,141	15,324	12,608	12,145
Regional Bulk Infrastructure	652	160	260	-	-	-	20,000	16,640	-
Other capital transfers/grants [insert desc]	1,404	-					1,058	1,058	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	998	-	-	-	-	-	-	-	-
Lotto	998								
Total capital expenditure of Transfers and Grants	12,188	9,760	13,566	16,141	16,141	16,141	36,382	30,306	12,145
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	38,719	18,023	47,915	55,447	55,447	55,397	76,877	69,959	30,096

Table 41 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year									
Current year receipts	17,473	29,785	33,216	37,623	37,623	37,623	40,495	39,653	40,197
Conditions met - transferred to revenue	17,473	29,785	33,216	37,623	37,623	37,623	40,495	39,653	40,197
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts	7,910	1,640	690	1,683	1,683	1,683			
Conditions met - transferred to revenue	8,811	2,571	1,318	1,683	1,683	1,683	-	-	-
Conditions still to be met - transferred to liabilities	(901)	(931)	(628)						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									

Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	26,284	32,356	34,533	39,306	39,306	39,306	40,495	39,653	40,197
Total operating transfers and grants - CTBM	(901)	(931)	(628)	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	94	2,038	2,008						
Current year receipts	21,248	10,328	7,346	16,141	16,141	16,141	36,382	30,306	12,145
Conditions met - transferred to revenue	19,304	10,358	9,354	16,141	16,141	16,141	36,382	30,306	12,145
Conditions still to be met - transferred to liabilities	2,038	2,008							
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts	753	-							
Conditions met - transferred to revenue	753	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts	638	-							
Conditions met - transferred to revenue	978	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	(340)								
Total capital transfers and grants revenue	21,035	10,358	9,354	16,141	16,141	16,141	36,382	30,306	12,145
Total capital transfers and grants - CTBM	1,698	2,008	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	47,319	42,714	43,888	55,447	55,447	55,447	76,877	69,959	52,342
TOTAL TRANSFERS AND GRANTS - CTBM	797	1,077	(628)	-	-	-	-	-	-

1.8 Councillor and employee benefits

Table 42 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	2,536	2,713	2,475	2,475	2,475	2,475	2,783	2,957	3,134
Pension and UIF Contributions			-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-
Motor Vehicle Allowance	328	273	825	825	825	825	932	990	1,050
Cellphone Allowance	189	202	183	183	183	183	203	215	228
Housing Allowances			-	-	-	-	-	-	-
Other benefits and allowances		35	-	20	20	20	-	9	32
Sub Total - Councillors	3,053	3,223	3,483	3,503	3,503	3,503	3,918	4,171	4,444
% increase		5.6%	8.1%	0.6%	-	-	11.8%	6.5%	6.5%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	1,652	1,965	2,701	2,660	2,660	2,660	3,041	6,072	6,436
Pension and UIF Contributions	251	270	449	441	441	441	504	1,334	1,414
Medical Aid Contributions	49	53	40	90	90	90	66	92	98
Overtime	485	521	633	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	728	728	728	703	1,316	1,395
Cellphone Allowance	281	302	298	47	47	47	60	277	294
Housing Allowances	38	41	307	-	-	-	-	-	-
Other benefits and allowances	-	-	-	575	575	575	392	613	650
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	2,756	3,152	4,428	4,541	4,541	4,541	4,766	9,704	10,287
% increase		14.4%	40.5%	2.5%	-	-	4.9%	103.6%	6.0%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	25,274	27,170	31,741	36,570	36,570	36,570	40,143	36,851	36,343
Pension and UIF Contributions	4,014	7,377	5,195	6,750	6,750	6,750	7,329	6,761	7,166
Medical Aid Contributions	1,591	1,710	2,555	2,605	2,605	2,605	2,622	2,573	2,728
Overtime	415	446	797	419	419	419	1,403	404	428
Performance Bonus									

	305	328	-				-	-	-
Motor Vehicle Allowance	896	963	-	892	892	892	891	1,416	1,501
Cellphone Allowance	657	706	435				145	286	303
Housing Allowances	326	350	-	785	785	785	862	198	210
Other benefits and allowances	1,798	1,933	1,937	189	189	189	1,262	-	-
Payments in lieu of leave	-	-	-				-	-	-
Long service awards	-	2,307	-				-	-	-
Post-retirement benefit obligations	-	5,001	-	683	683	683	196	209	221
Sub Total - Other Municipal Staff	35,277	48,292	42,660	48,893	48,893	48,893	54,852	48,697	48,899
% increase		36.9%	(11.7%)	14.6%	-	-	12.2%	(11.2%)	0.4%
Total Parent Municipality	41,086	54,667	50,571	56,937	56,937	56,937	63,535	62,572	63,630
		33.1%	(7.5%)	12.6%	-	-	11.6%	(1.5%)	1.7%
Board Members of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Board Fees									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Board Members of Entities	-	-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-
Senior Managers of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Entities	-	-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-
Other Staff of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									

Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Other Staff of Entities	-	-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-
Total Municipal Entities	-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS	41,086	54,667	50,571	56,937	56,937	56,937	63,535	62,572	63,630
% increase		33.1%	(7.5%)	12.6%	-	-	11.6%	(1.5%)	1.7%
TOTAL MANAGERS AND STAFF	38,033	51,444	47,088	53,434	53,434	53,434	59,617	58,401	59,186

Table 43 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	389,877	2,706	151,321			543,904
Chief Whip	1	146,204	1,041	62,062			209,307
Executive Mayor	1	487,346	6,758	188,447			682,551
Deputy Executive Mayor	-	-	-	-			-
Executive Committee	2	402,061	2,814	160,671			565,546
Total for all other councillors	10	1,357,258	9,648	549,393			1,916,299
Total Councillors	15	2,782,746	22,967	1,111,894			3,917,607
Senior Managers of the Municipality							
Municipal Manager (MM)	1	765,050	140,093	334,786			1,239,929
Chief Finance Officer	1	617,564	147,001	302,260			1,066,825
Director of infrastructure and Housing Services	1	668,651	124,965	178,380			971,996
Director of Corporate and Development Services	1	479,050	106,515	139,568			725,133
Director of Community and Social Services	1	510,188	112,515	139,568			762,271
							-
<i>List of each official with packages >= senior manager</i>							
Manager of Corporate Services	1	530,720	127,557	156,132			814,409
Manager of Housing Services			114,938				

	1	321,733		172,643			609,314
Manager of Development Services	1	334,781	88,183	137,086			560,050
Manager of Financial Services	1	377,506	97,166	231,499			706,171
Manager of Technical Services	1	343,768	126,719	86,999			557,486
Manager of Techno Electrical Services	1	377,503	71,529	92,091			541,123
Manager in the Office of the Mayor and Speaker	1	388,089	90,981	105,791			584,861
							-
							-
							-
							-
							-
							-
Total Senior Managers of the Municipality	12	5,714,603	1,348,162	2,076,803	-		9,139,568

Table 44 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2011/12			Current Year 2012/13			Budget Year 2013/14		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	14	2	12	14	2	12	14	2	12
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
Municipal employees									
Municipal Manager and Senior Managers	5		5	4	3	1	4	3	1
Other Managers	7	3	4	7	1	6	7	6	1
Professionals	2	-	2	2	-	2	3	3	-
Finance	1	-	1	1	-	1	1	1	-
Spatial/town planning	-	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	1	1	-
Roads	-	-	-	-	-	-	-	-	-
Electricity	1	-	1	1	-	1	1	1	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Technicians	17	11	6	16	11	5	17	12	5
Finance	6	-	6	5		5	6	1	5
Spatial/town planning	-	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-	-
Roads	3	3	-	3	3		3	3	-
Electricity	6	6	-	6	6		6	6	-
Water	2	2	-	2	2		2	2	-
Sanitation	-	-	-	-	-		-	-	-

<i>Refuse</i>	-	-	-				-	-	-
<i>Other</i>	-	-	-						
Clerks (Clerical and administrative)	120	120	-	109	109		112	112	-
Service and sales workers	-	-	-				-	-	-
Skilled agricultural and fishery workers	-	-	-				-	-	-
Craft and related trades	36	36	-	36	36		36	36	-
Plant and Machine Operators	20	20	-	24	24		20	20	-
Elementary Occupations	133	133	-	132	122	10	133	124	9
TOTAL PERSONNEL NUMBERS	354	325	29	344	308	36	346	318	28
% increase				(2.8%)	(5.2%)	24.1%	0.6%	3.2%	(22.2%)
Total municipal employees headcount									
Finance personnel headcount									
Human Resources personnel headcount									

1.9 Monthly targets for revenue, expenditure and cash flow

Table 45 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Revenue By Source																
Property rates	17,099	389	389	389	389	389	389	389	389	389	389	389	21,373	22,655	24,015	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	6,836	7,650	6,765	4,876	2,351	1,964	2,087	2,397	2,977	3,680	4,481	6,504	52,567	56,463	60,734	
Service charges - water revenue	950	1,000	1,550	2,150	2,510	2,900	3,200	3,050	2,350	1,900	905	936	23,401	24,053	25,497	
Service charges - sanitation revenue	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	13,047	13,830	14,659	
Service charges - refuse revenue	643	643	643	643	643	643	643	643	643	643	643	643	7,712	8,174	8,665	
Service charges - other	12	12	12	12	12	12	12	12	12	12	12	12	147	154	163	
Rental of facilities and equipment	44	44	44	44	44	44	44	44	44	44	44	44	529	561	595	
Interest earned - external investments	66	66	66	66	66	66	66	66	66	66	66	66	793	809	857	
Interest earned - outstanding debtors	62	62	62	62	62	62	62	62	62	62	62	62	740	741	741	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	629	629	629	629	629	629	629	629	629	629	629	629	7,543	8,030	8,511	
Licences and permits	102	102	102	102	102	102	102	102	102	102	102	102	1,230	1,304	1,382	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - operational	16,012	1,410	186	186	12,010	186	186	520	9,239	186	186	186	40,495	39,653	40,197	
Other revenue	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	810	15,213	15,661	16,433	
Gains on disposal of PPE	7	7	7	7	7	7	7	7	7	7	7	7	80	80	70	

Total Revenue (excluding capital transfers and contributions)	44,858	14,409	12,851	11,562	21,221	9,400	9,823	10,316	18,916	10,116	9,922	11,476	184,871	192,168	202,520
Expenditure By Type															
Employee related costs	4,897	4,897	4,897	4,897	4,897	4,897	4,897	4,897	4,897	4,897	4,897	5,755	59,618	62,572	66,630
Remuneration of councillors	326	326	326	326	326	326	326	326	326	326	326	326	3,918	4,172	4,443
Debt impairment	719	719	719	719	719	719	719	719	719	719	719	719	8,627	9,145	9,876
Depreciation & asset impairment	707	707	707	707	707	707	707	707	707	707	707	707	8,479	8,987	9,706
Finance charges	78	78	78	78	78	78	78	78	78	78	78	78	933	636	329
Bulk purchases	4,997	4,680	4,070	3,968	3,680	3,198	2,701	2,591	2,850	3,309	3,799	4,317	44,159	47,551	51,335
Other materials	682	682	682	682	682	682	682	682	682	682	682	682	8,178	8,530	9,200
Contracted services	907	907	907	907	907	907	907	907	907	907	907	(2,954)	7,026	7,366	7,808
Transfers and grants	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,420	12,422	13,163	13,949
Other expenditure	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	6,766	32,649	33,506	35,607
Loss on disposal of PPE															
Total Expenditure	16,665	16,348	15,738	15,636	15,348	14,866	14,369	14,259	14,518	14,977	15,467	17,814	186,009	195,629	208,886
Surplus/(Deficit)	28,193	(1,939)	(2,887)	(4,074)	5,873	(5,466)	(4,547)	(3,943)	4,398	(4,861)	(5,546)	(6,339)	(1,137)	(3,461)	(6,366)
Transfers recognised - capital	4,513	1,755	1,755	1,755	8,344	1,755	1,755	1,755	7,731	1,755	1,755	1,755	36,382	30,306	12,145
Contributions recognised - capital															
Contributed assets															
Surplus/(Deficit) after capital transfers & contributions	32,706	(184)	(1,132)	(2,319)	14,217	(3,711)	(2,792)	(2,188)	12,129	(3,106)	(3,791)	(4,584)	35,245	26,845	5,779
Taxation															
Attributable to minorities															
Share of surplus/ (deficit) of associate															
Surplus/(Deficit)	32,706	(184)	(1,132)	(2,319)	14,217	(3,711)	(2,792)	(2,188)	12,129	(3,106)	(3,791)	(4,584)	35,245	26,845	5,779

Table 46 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote															
Vote 1 - EXECUTIVE AND COUNCIL	275	195	275	280	395	275	275	238	254	275	233	332	3,305	3,719	3,769
Vote 2 - FINANCE AND ADMINISTRATION	14,314	2,725	2,200	2,338	10,616	815	515	905	2,270	855	795	847	39,196	40,634	42,293
Vote 3 - PLANNING AND DEVELOPMENT	10,851	821	951	816	700	897	621	423	621	521	521	509	18,250	14,204	13,687
Vote 4 - HEALTH	88	88	88	88	88	88	88	88	88	88	88	88	1,056	1,114	1,169
Vote 5 - COMMUNITY AND SOCIAL SERVICES	100	100	100	100	100	100	100	100	100	100	100	39	1,137	1,162	1,191
Vote 6 - PUBLIC SAFETY	658	658	658	658	658	458	577	658	658	658	658	939	7,892	8,399	8,903
Vote 7 - SPORT AND RECREATION	8	8	8	8	8	8	8	8	8	8	8	8	91	96	102
Vote 8 - ROAD TRANSPORT	58	58	58	58	58	58	58	58	58	58	58	58	698	740	784
Vote 9 - OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES	43	43	43	43	43	43	43	43	43	43	43	43	520	21	23
Vote 11 - WASTE MANAGEMENT	1,024	1,024	824	1,024	1,324	724	943	1,264	1,986	624	702	825	12,289	12,772	13,318
Vote 12 - WASTE WATER MANAGEMENT	3,704	904	1,704	1,704	1,704	874	859	704	4,704	713	1,704	1,169	20,447	21,264	22,184
Vote 13 - ELECTRICITY	12,281	6,898	4,530	2,968	6,689	2,934	2,834	3,161	9,944	5,581	4,600	6,367	68,789	73,458	78,571
Vote 14 - WATER	5,966	2,642	3,167	3,231	7,182	3,881	4,657	4,422	5,914	2,347	2,167	2,007	47,583	44,890	28,673
Vote 15 - [NAME OF VOTE 15]															
Total Revenue by Vote	49,371	16,164	14,606	13,317	29,565	11,155	11,578	12,071	26,647	11,871	11,677	13,230	221,253	222,474	214,665
Expenditure by Vote to be appropriated															
Vote 1 - EXECUTIVE AND COUNCIL	962	962	962	962	962	962	962	962	962	962	962	1,926	12,506	13,142	13,916
Vote 2 - FINANCE AND	2,451	1,551	2,651	2,451	2,451	2,851	2,451	2,451	1,451	3,651	2,451	2,451	29,786	30,779	32,773

Table 47 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard Governance and administration	14,590	2,921	2,476	2,619	11,011	1,090	791	1,143	2,524	1,131	1,029	1,178	42,501	44,353	46,061
Executive and council	275	195	275	280	395	275	275	238	254	275	233	332	3,305	3,719	3,769
Budget and treasury office	14,311	2,722	2,197	2,335	10,612	812	512	902	2,266	852	792	843	39,153	40,589	42,244
Corporate services	4	4	4	4	4	4	4	4	4	4	4	4	43	45	48
Community and public safety	896	896	896	896	896	696	815	896	896	896	896	1,116	10,696	10,793	11,388
Community and social services	100	100	100	100	100	100	100	100	100	100	100	39	1,137	1,162	1,191
Sport and recreation	8	8	8	8	8	8	8	8	8	8	8	8	91	96	102
Public safety	658	658	658	658	658	458	577	658	658	658	658	939	7,892	8,399	8,903
Housing	43	43	43	43	43	43	43	43	43	43	43	43	520	21	23
Health	88	88	88	88	88	88	88	88	88	88	88	88	1,056	1,114	1,169
Economic and environmental services	10,909	879	1,009	874	758	955	679	481	679	579	579	567	18,949	14,944	14,471
Planning and development	10,851	821	951	816	700	897	621	423	621	521	521	509	18,250	14,204	13,687
Road transport	58	58	58	58	58	58	58	58	58	58	58	58	698	740	784
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	22,376	11,468	10,225	8,928	16,899	8,413	9,293	9,551	22,548	9,265	9,173	10,368	149,108	152,385	142,745
Electricity	12,281	6,898	4,530	2,968	6,689	2,934	2,834	3,161	9,944	5,581	4,600	6,368	68,789	73,458	78,571
Water	5,966	2,642	3,167	3,231	7,182	3,881	4,657	4,422	5,914	2,347	2,167	2,007	47,583	44,890	28,673
Waste water management	3,704	904	1,704	1,704	1,704	874	859	704	4,704	713	1,704	1,169	20,447	21,264	22,184
Waste management	1,024	1,024	824	1,024	1,324	724	943	1,264	1,986	624	702	825	12,289	12,772	13,318
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	49,371	16,164	14,606	13,317	29,565	11,155	11,578	12,071	26,647	11,871	11,677	13,230	221,253	222,474	214,665
		24,179	20,462	17,481	37,449	15,361	15,408	15,993	37,566	18,348	17,131				
Expenditure - Standard Governance and administration	3,413	2,513	3,613	3,413	3,413	3,813	3,413	3,413	2,413	4,613	3,413	4,848	42,289	43,919	46,686
Executive and council	962	962	962	962	962	962	962	962	962	962	962	1,926	12,506	13,142	13,916
Budget and treasury office	1,406	1,006	1,606	1,406	1,406	1,606	1,406	1,406	906	2,406	1,406	1,134	17,103	17,370	18,448

Corporate services	1,045	545	1,045	1,045	1,045	1,245	545	1,045	1,245	1,045	1,787	12,681	13,407	14,323
Community and public safety	1,944	1,944	1,944	2,544	1,944	1,944	1,944	1,944	1,844	1,944	1,044	23,327	24,774	26,382
Community and social services	646	646	646	646	646	646	646	646	846	646	446	7,755	8,265	8,822
Sport and recreation	297	297	297	297	297	297	297	297	297	297	297	3,562	3,803	4,082
Public safety	780	780	780	1,380	780	780	780	780	480	780	80	9,359	9,883	10,470
Housing	203	203	203	203	203	203	203	203	203	203	204	2,441	2,601	2,770
Health	17	17	17	17	17	17	17	17	17	17	17	209	222	238
Economic and environmental services	1,962	1,962	1,962	1,962	1,962	1,962	1,962	1,962	2,062	1,962	2,027	24,011	23,859	25,438
Planning and development	837	837	837	837	837	837	837	837	837	837	1,302	10,511	9,546	10,017
Road transport	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,225	1,125	725	13,500	14,314	15,422
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	9,163	9,746	8,037	7,834	7,246	6,964	6,467	6,757	6,275	7,965	9,712	94,183	100,754	107,921
Electricity	6,385	6,868	4,868	4,568	3,868	3,386	3,489	3,779	3,597	5,387	7,112	58,448	62,727	67,423
Water	700	800	1,091	1,188	1,300	1,500	900	900	600	500	522	10,801	11,469	12,211
Waste water management	960	960	960	960	960	960	960	960	960	960	960	11,519	12,286	13,095
Waste management	1,118	1,118	1,118	1,118	1,118	1,118	1,118	1,118	1,118	1,118	1,118	13,415	14,273	15,193
Other	183	183	183	183	183	183	183	183	183	183	183	2,198	2,323	2,459
Total Expenditure - Standard	16,665	16,348	15,738	15,636	15,348	14,866	14,369	14,259	14,977	15,467	17,814	186,009	195,629	208,886
Surplus/(Deficit) before assoc.	32,705	(184)	(1,132)	(2,319)	14,217	(3,711)	(2,791)	(2,188)	(3,106)	(3,790)	(4,584)	35,245	26,845	5,779
Share of surplus/(deficit) of associate														
Surplus/(Deficit)	32,705	(184)	(1,132)	(2,319)	14,217	(3,711)	(2,791)	(2,188)	(3,106)	(3,790)	(4,584)	35,245	26,845	5,779

Table 48 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand																
<u>Multi-year expenditure to be appropriated</u>																
Vote 1 - EXECUTIVE AND COUNCIL																
Vote 2 - FINANCE AND ADMINISTRATION																
Vote 3 - PLANNING AND DEVELOPMENT																
Vote 4 - HEALTH																
Vote 5 - COMMUNITY AND SOCIAL SERVICES																
Vote 6 - PUBLIC SAFETY																
Vote 7 - SPORT AND RECREATION																
Vote 8 - ROAD TRANSPORT																
Vote 9 - OTHER																
Vote 10 - HOUSING SERVICES																
Vote 11 - WASTE MANAGEMENT																
Vote 12 - WASTE WATER MANAGEMENT																
Vote 13 - ELECTRICITY																
Vote 14 - WATER																
Vote 15 - [NAME OF VOTE 15]																
Capital multi-year expenditure sub-total	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000	16,813	-	-
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL	18	18	18	18	18	18	18	18	18	18	18	18	221	234	248	
Vote 2 - FINANCE AND	163	163	163	163	163	163	163	163	163	163	163	163	1,959	2,076	2,201	

Table 49 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand																
Capital Expenditure - Standard Governance and administration	182	182	182	182	182	182	182	182	182	182	182	182	182	2,180	2,311	2,449
Executive and council	18	18	18	18	18	18	18	18	18	18	18	18	18	221	234	248
Budget and treasury office	123	123	123	123	123	123	123	123	123	123	123	123	123	1,479	1,568	1,662
Corporate services	40	40	40	40	40	40	40	40	40	40	40	40	40	479	508	539
Community and public safety services	113	113	113	113	113	113	113	113	113	113	113	113	113	1,360	1,543	1,630
Community and social services	61	61	61	61	61	61	61	61	61	61	61	61	61	728	846	897
Sport and recreation	8	8	8	8	8	8	8	8	8	8	8	8	8	101	107	113
Public safety	43	43	43	43	43	43	43	43	43	43	43	43	43	510	568	596
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	2	2	2	2	2	2	2	2	2	2	2	2	2	21	23	24
Economic and environmental services	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,572	18,863	16,230	15,820
Planning and development	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	15,344	12,629	12,168
Road transport	293	293	293	293	293	293	293	293	293	293	293	293	293	3,519	3,601	3,653
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	21,636	18,295	622
Electricity	42	42	42	42	42	42	42	42	42	42	42	42	42	505	520	540
Water	1,756	1,756	1,756	1,756	1,756	1,756	1,756	1,756	1,756	1,756	1,756	1,756	1,756	21,076	17,717	20
Waste water management	5	5	5	5	5	5	5	5	5	5	5	5	5	55	58	62
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	3,670	44,039	38,379	20,521

Table 50 MBRR SA30 - Budgeted monthly cash flow

NC073 Emthanjeni - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source													1		
Property rates	13,679	311	311	311	311	311	311	311	311	311	311	311	17,099	18,124	19,212
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	6,152	6,885	6,089	4,389	2,116	1,768	1,878	2,157	2,828	3,496	4,257	5,296	47,311	50,817	54,661
Service charges - water revenue	760	800	1,240	1,720	2,008	2,320	2,560	2,440	1,880	1,520	724	749	18,721	19,243	20,397
Service charges - sanitation revenue	815	815	815	815	815	815	815	815	815	815	815	815	9,785	10,372	10,995
Service charges - refuse revenue	482	482	482	482	482	482	482	482	482	482	482	482	5,784	6,131	6,499
Service charges - other	12	12	12	12	12	12	12	12	12	12	12	12	147	154	163
Rental of facilities and equipment	33	33	33	33	33	33	33	33	33	33	33	33	397	421	446
Interest earned - external investments	40	40	40	40	40	40	40	40	40	40	40	40	476	485	514
Interest earned - outstanding debtors	26	26	26	26	26	26	26	26	26	26	26	26	317	323	343
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	1	1	2
Fines	566	566	566	566	566	566	566	566	566	566	566	566	6,789	7,227	7,660
Licences and permits	82	82	82	82	82	82	82	82	82	82	82	82	984	1,043	1,106
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	16,012	1,410	186	186	12,010	186	186	520	9,239	186	186	186	40,495	39,772	40,376
Other revenue	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	16,656	11,610	13,957
Cash Receipts by Source	40,048			10,050	19,890	8,030	8,380	8,872	17,703	8,958	8,922	9,988	164,961	165,723	176,330

1.10 Annual budgets and SDBIPs – internal departments

1.10.1 Water Services Department – Vote 14

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

There are currently no unfilled positions in the top management structure of the Water Services Department. The top management structure consists of the Director of Infrastructural and Housing Services, three Managers who report directly to him.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2013/14 financial year is and has been informed by a collection rate of 96 per cent and distribution losses of 12 per cent.

The reduction of distribution losses is considered a priority and hence the departmental objectives and targets provide for a 1 per cent efficiency gain per annum. In relation to this target, past performance has been irregular with a total distribution loss of 23.1 per cent in 2009/10, dropping to 17.5 per cent the next year and then significantly increasing by 12.5 per cent for the 2011/12 financial year resulting in a total distribution loss.

The establishment of a water demand management unit has proven to be extremely successful with the reduction of distribution losses by 6.6 per cent for the 2012/13 financial year. The further expansion of this unit will inevitably result in the further lowering of the distribution losses, thus paying for the unit itself and effecting additional savings for the municipality.

1.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

1.12 Capital expenditure details

The following three table's present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and daftly on the repair and maintenance of assets.

Table 51 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class									
-									
Infrastructure	5,506	8,790	12,053	15,378	15,378	15,378	23,728	19,543	2,760
Infrastructure - Road transport	851	3,430	1,738	10,178	10,178	10,178	2,670	2,730	2,760
<i>Roads, Pavements & Bridges</i>	851	3,430	1,738				2,670	2,730	2,760
<i>Storm water</i>	-			10,178	10,178	10,178			
Infrastructure - Electricity	1,356	981	-	-	-	-	-	-	-
<i>Generation</i>									
<i>Transmission & Reticulation</i>	1,356	981	-						
<i>Street Lighting</i>									
Infrastructure - Water	1,281	4,380	3,585	-	-	-	21,058	16,813	-
<i>Dams & Reservoirs</i>	-								
<i>Water purification</i>		-							
<i>Reticulation</i>	1,281	4,380	3,585				21,058	16,813	-
Infrastructure - Sanitation	1,009	-	6,000	5,200	5,200	5,200	-	-	-
<i>Reticulation</i>	1,009	-	6,000						
<i>Sewerage purification</i>				5,200	5,200	5,200			
Infrastructure - Other	1,009	-	730	-	-	-	-	-	-
<i>Waste Management</i>	-	-							
<i>Transportation</i>		-							
<i>Gas</i>		-							
<i>Other</i>	1,009	-	730						
Community	150	816	1,000	-	-	-	-	-	-
Parks & gardens									
Sportsfields & stadia		110							
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries		706							
Social rental housing									
Other	150		1,000						
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-

Housing development									
Other									
Other assets	1,509	11,063	2,137	-	-	-	15,324	12,608	12,145
General vehicles		5,923							
Specialised vehicles	-	3,077	-	-	-	-	-	-	-
Plant & equipment	587	977							
Computers - hardware/equipment	543	977	576						
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	379	110	1,561				15,324	12,608	12,145
Agricultural assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Biological assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (<i>list sub-class</i>)									
Total Capital Expenditure on new assets	7,164	20,670	15,190	15,378	15,378	15,378	39,052	32,151	14,905
Specialised vehicles	-	3,077	-	-	-	-	-	-	-
Refuse		3,077							
Fire									
Conservancy									
Ambulances									

Table 52 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
-									
Infrastructure	8,800	-	1,691	4,930	4,542	4,542	1,398	1,437	1,482
Infrastructure - Road transport	3,052	-	1,490	3,461	3,461	3,461	820	840	860
<i>Roads, Pavements & Bridges</i>	3,052		1,490	3,461	3,461	3,461	820	840	860
<i>Storm water</i>									
Infrastructure - Electricity	36	-	-	800	412	412	505	520	540
<i>Generation</i>									
<i>Transmission & Reticulation</i>	36			800	412	412	505	520	540
<i>Street Lighting</i>									
Infrastructure - Water	351	-	-	17	17	17	18	19	20
<i>Dams & Reservoirs</i>									
<i>Water purification</i>									
<i>Reticulation</i>	351	-		17	17	17	18	19	20
Infrastructure - Sanitation	3,004	-	-	-	-	-	-	-	-
<i>Reticulation</i>	3,004	-		-	-	-			
<i>Sewerage purification</i>									
Infrastructure - Other	2,358	-	201	652	652	652	55	58	62
<i>Waste Management</i>				652	652	652	55	58	62
<i>Transportation</i>									
<i>Gas</i>									
<i>Other</i>	2,358		201						
Community	124	-	370	1,529	1,231	1,231	828	953	1,010
Parks & gardens				45	45	45	48	51	54
Sportsfields & stadia				50	50	50	53	56	60
Swimming pools				118	118	118			
Community halls			370	508	300	300	680	796	843
Libraries				-	-	-			
Recreational facilities				-	-	-			
Fire, safety & emergency				-	-	-			
Security and policing				-	-	-			
Buses				-	-	-			
Clinics				-	-	-			
Museums & Art Galleries				-	-	-			
Cemeteries				300	300	300	48	51	54
Social rental housing					-				

Other	124			508	418	418			
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	6,895	-	1,071	2,221	2,201	2,201	2,760	3,838	3,124
General vehicles	996	-		-					
Specialized vehicles	-	-	-	600	600	600	-	-	-
Plant & equipment	2,637			691	691	691	376	433	459
Computers - hardware/equipment	458		640	555	535	535	421	446	450
Furniture and other office equipment	-			375	375	375	261	277	316
Abattoirs				-	-	-			
Markets				-	-	-			
Civic Land and Buildings				-	-	-			
Other Buildings	386		431	-	-	-	425	443	464
Other Land	2,417			-	-	-			
Surplus Assets - (Investment or Inventory)				-	-	-			
Other	-			-	-	-	1,277	2,239	1,435
Agricultural assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Biological assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Intangibles	-	-	221	62	62	62	-	-	-
Computers - software & programming	-	-	221	62	62	62			
<i>Other (list sub-class)</i>	-								
Total Capital Expenditure on renewal of existing assets	15,818	-	3,353	8,742	8,037	8,037	4,987	6,228	5,616
Specialized vehicles	-	-	-	600	600	600	-	-	-
Refuse				600	600	600			
Fire									
Conservancy									
Ambulances									
Renewal of Existing Assets as % of total capex	68.8%	0.0%	18.1%	36.2%	34.3%	34.3%	11.3%	16.2%	27.4%
Renewal of Existing Assets as % of deprecn"	33.2%	0.0%	4.9%	110.3%	101.4%	101.4%	58.8%	69.3%	57.9%

Table 53 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and maintenance expenditure by Asset Class/Sub-class									
-									
Infrastructure	6,525	3,350	1,739	5,136	5,036	5,035	5,610	5,888	6,259
Infrastructure - Road transport	2,200	776	502	1,368	1,368	1,368	1,509	1,577	1,677
<i>Roads, Pavements & Bridges</i>	2,200	776	502	1,368	1,368	1,368	1,509	1,577	1,677
<i>Storm water</i>									
Infrastructure - Electricity	-	116	50	1,595	1,495	1,495	1,726	1,829	1,944
<i>Generation</i>									
<i>Transmission & Reticulation</i>	-	116	50	1,595	1,495	1,495	1,726	1,829	1,944
<i>Street Lighting</i>									
Infrastructure - Water	-	841	404	749	749	749	819	856	910
<i>Dams & Reservoirs</i>				149	149	149	163	170	181
<i>Water purification</i>	-	841	404	237	237	237	259	270	287
<i>Reticulation</i>				363	363	363	397	415	441
Infrastructure - Sanitation	4,025	905	432	712	712	712	779	814	865
<i>Reticulation</i>				712	712	712	779	814	865
<i>Sewerage purification</i>	4,025	905	432						
Infrastructure - Other	300	711	351	711	711	711	777	812	863
<i>Waste Management</i>	300	711	351	711	711	711	777	812	863
<i>Transportation</i>									
<i>Gas</i>									
<i>Other</i>									
Community	230	970	452	1,626	1,626	1,626	1,777	1,858	1,975
Parks & gardens	-	-		33	33	33	36	38	40
Sportsfields & stadia	-	-		58	58	58	63	66	70
Swimming pools	-	582	163	278	278	278	304	318	338
Community halls	230	388	289	375	375	375	410	429	456
Libraries	-	-		38	38	38	41	43	46
Recreational facilities	-	-		-	-	-	-	-	-
Fire, safety & emergency	-	-		762	762	762	833	871	926
Security and policing	-	-		-	-	-	-	-	-
Buses	-	-		-	-	-	-	-	-
Clinics	-	-		-	-	-	-	-	-
Museums & Art Galleries	-	-		-	-	-	-	-	-

	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	34	34	34	37	38	41
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	48	48	48	53	55	59
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	158	158	158	172	180	191
Housing development									
Other				158	158	158	172	180	191
Other assets	1,852	5,394	6,489	4,047	4,047	4,047	4,425	4,624	4,968
General vehicles	563	1,811	1,935	1,872	1,872	1,872	2,046	2,138	2,273
Specialised vehicles	-	3,247	4,330	317	317	317	347	363	439
Plant & equipment	-	-	-	218	218	218	239	249	265
Computers - hardware/equipment	-	306	224	321	321	321	351	367	390
Furniture and other office equipment	-	30	-	443	443	443	484	506	538
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	496	496	496	542	566	602
Other Land	-	-	-	140	140	140	153	160	170
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	1,289	-	-	240	240	240	263	274	292
Agricultural assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Biological assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Intangibles	-	-	-	51	51	51	56	58	62
Computers - software & programming				51	51	51	56	58	62
Other (<i>list sub-class</i>)									
Total Repairs and Maintenance Expenditure	8,607	9,714	8,679	11,017	10,917	10,917	12,040	12,608	13,455
Specialised vehicles	-	3,247	4,330	317	317	317	347	363	439
Refuse		3,247	4,330	317	317	317	347	363	439
Fire									
Conservancy									
Ambulances									

1.20 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Five interns have been appointed. One of the five must still enrol for the DBSA Vulindlela training.. Since the introduction of the Internship programme the Municipality has successfully employed and trained 5 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions such as DBSA Vulindlela Academy, KPMG, Ernest &Young, SARS, Auditor General, and National Treasury. One new intern will be appointed before the end of the current financial year.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional. Capacitation training will be provided to Audit Committee members.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be Draftised after approval of the 2013/14 MTREF in June 2013 directly aligned and informed by the 2013/14 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

1.13 Other supporting documents

Table 54 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
REVENUE ITEMS:										
<u>Property rates</u>										
Total Property Rates	11,599	12,193	14,337	19,495	18,700	18,700	18,700	46,552	49,345	52,306
<i>less Revenue Foregone</i>				1,098	812	812	812	25,179	26,690	28,291
Net Property Rates	11,599	12,193	14,337	18,397	17,888	17,888	17,888	21,373	22,655	24,015
<u>Service charges - electricity revenue</u>										
Total Service charges - electricity revenue	35,498	38,908	46,442	43,767	38,823	38,823	38,823	52,567	56,463	60,734
<i>less Revenue Foregone</i>										
Net Service charges - electricity revenue	35,498	38,908	46,442	43,767	38,823	38,823	38,823	52,567	56,463	60,734
<u>Service charges - water revenue</u>										
Total Service charges - water revenue	12,786	13,371	15,575	16,902	16,902	16,112	16,112	23,401	24,053	25,497
<i>less Revenue Foregone</i>										
Net Service charges - water revenue	12,786	13,371	15,575	16,902	16,902	16,112	16,112	23,401	24,053	25,497
<u>Service charges - sanitation revenue</u>										
Total Service charges - sanitation revenue	8,002	9,011	8,797	11,991	11,991	11,768	11,768	13,047	13,830	14,659
<i>less Revenue Foregone</i>										
Net Service charges - sanitation revenue	8,002	9,011	8,797	11,991	11,991	11,768	11,768	13,047	13,830	14,659
<u>Service charges - refuse revenue</u>										
Total refuse removal revenue	4,491	4,696	4,947	7,182	7,182	7,289	7,289	7,712	8,174	8,665
Total landfill revenue										
<i>less Revenue Foregone</i>										
Net Service charges - refuse revenue	4,491	4,696	4,947	7,182	7,182	7,289	7,289	7,712	8,174	8,665
<u>Other Revenue by source</u>										
<i>Prepaid Electricity Sales</i>	3,469	15,951	2,759	15,827	13,611	13,611	13,611	12,702	13,446	14,235
<i>Cemetery Fees</i>	89	185	228	200	200	201	201	212	225	238
<i>Sundry Income</i>	1,577	3,826	2,340	1,701	1,701	243	243	2,074	1,752	1,707
<i>Insurance Claims Received</i>								66	69	74
<i>Connection fees</i>	44	186	170	36	103	103	103	38	40	43
<i>Special meter readings</i>	17	16	12	22	22	22	22	24	25	27
<i>Parking meters fees</i>	33	25	20	10	10	10	10	11	11	12
<i>Valuation certificates</i>	10	9	19	11	11	11	11	12	13	14
<i>Other</i>						371	371	75	80	84
Total 'Other' Revenue	5,239	20,198	5,547	17,807	15,659	14,574	14,574	15,213	15,661	16,433
EXPENDITURE ITEMS:										
<u>Employee related costs</u>										

Basic Salaries and Wages	29,259	33,071	29,684	39,142	39,142	39,457	39,457	40,143	42,092	44,828
Pension and UIF Contributions	6,070	6,846	6,154	6,937	6,937	6,469	6,469	7,718	8,112	8,640
Medical Aid Contributions	821	869	780	2,339	2,339	1,794	1,794	2,622	2,793	2,974
Overtime	1,154	1,331	1,195	735	735	735	735	1,633	1,736	1,834
Performance Bonus	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1,694	1,956	1,756	1,630	1,630	1,283	1,283	1,594	1,619	1,724
Cellphone Allowance	-	-	-	390	390	316	316	409	432	460
Housing Allowances	132	111	100	168	168	134	134	186	200	213
Other benefits and allowances	-	-	-	1,742	1,742	1,742	1,742	1,421	1,513	1,611
Payments in lieu of leave	-	-	-	350	350	350	350	3,203	3,346	3,564
Long service awards	-	2,307	2,071	-	-	-	-	-	-	-
Post-retirement benefit obligations	5,814	5,001	4,489	-	-	-	-	688	729	783
sub-total	44,944	51,491	46,227	53,434	53,434	52,281	52,281	59,618	62,572	66,630
<u>Less: Employees costs capitalized to PPE</u>										
Total Employee related costs	44,944	51,491	46,227	53,434	53,434	52,281	52,281	59,618	62,572	66,630
Contributions recognised - capital										
<i>List contributions by contract</i>										
Total Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	47,589	66,837	68,650	50,093	50,093	50,093	50,093	53,600	56,816	61,361
Lease amortization	-	-	-	-	-	-	-	-	-	-
Capital asset impairment	-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	42,169	42,169	42,169	42,169	45,121	47,828	51,655
Total Depreciation & asset impairment	47,589	66,837	68,650	7,924	7,924	7,924	7,924	8,479	8,987	9,706
Bulk purchases										
Electricity Bulk Purchases	19,603	25,509	33,174	37,300	39,894	39,894	39,894	43,086	46,532	50,256
Water Bulk Purchases	817	871	932	842	842	925	925	1,074	1,019	1,080
Total bulk purchases	20,420	26,380	34,106	38,142	40,736	40,819	40,819	44,159	47,551	51,335
Transfers and grants										
Cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants	1,641	568	788	12,630	10,712	10,712	10,712	12,422	13,163	13,949
Total transfers and grants	1,641	568	788	12,630	10,712	10,712	10,712	12,422	13,163	13,949
Contracted services										
Traffic Violation Systems	7,311	5,308	4,797	3,840	3,716	3,435	3,435	4,147	4,315	4,574
Security Services	-	1,032	2,768	1,600	1,476	1,219	1,219	1,244	1,318	1,397
IMQS: Asset Maintenance	-	-	-	-	-	-	-	-	-	-

<i>SAIMSA Games</i>	300	358	–	420	420	383	383	–	–	–
<i>Skills Development Training</i>	336	401	382	583	583	61	61	600	655	694
<i>Electricity Costs for Rural Water pumps</i>	763	911	868	1,145	1,145	1,145	1,145	1,214	1,408	1,492
Employee Wellness expenses	820	979	933	1,162	1,162	1,162	1,162	1,400	1,540	1,694
Ward Capacitation and Training								400	400	400
Total 'Other' Expenditure	22,465	27,853	26,661	24,603	22,706	21,300	21,300	32,649	33,506	35,607

Repairs and Maintenance by Expenditure Item										
Employee related costs	861	858	868	–	–	–	–			
Other materials	7,059	6,113	4,352	7,274	7,274	7,175	7,175	8,178	8,530	9,200
Contracted Services	516	2,742	3,459	3,743	3,643	3,741	3,657	3,862	4,078	4,255
Other Expenditure	171	–	–	–	–	–	–			
Total Repairs and Maintenance Expenditure	8,607	9,714	8,679	11,017	10,917	10,917	10,833	12,040	12,608	13,455

Table 55 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

NC073 Emthanjeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - FINANCE AND ADMINISTRATION	Vote 3 - PLANNING AND DEVELOPMENT	Vote 4 - HEALTH	Vote 5 - COMMUNITY AND SOCIAL SERVICES	Vote 6 - PUBLIC SAFETY	Vote 7 - SPORT AND RECREATION	Vote 8 - ROAD TRANSPORT	Vote 9 - OTHER	Vote 10 - HOUSING SERVICES	Vote 11 - WASTE MANAGEMENT	Vote 12 - WASTE WATER MANAGEMENT	Vote 13 - ELECTRICITY	Vote 14 - WATER	Vote 15 - [NAME OF VOTE 15]	Total
R thousand																
Revenue By Source																
Property rates		21,373														21,373
Property rates - penalties & collection charges													52,567			52,567
Service charges - electricity revenue												13,047	23,401			36,448
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse revenue											7,712					7,712
Service charges - other	414	2			126		25	4		19						147
Rental of facilities and equipment					87											529
Interest earned - external investments		793														793
Interest earned - outstanding debtors		101								1	80	160	196	202		740
Dividends received																
Fines						7,342							201			7,543
Licences and permits																683
Agency services						550										550
Other revenue	100	57	1,926	1,056	245		66	11		500		28	12,746	31		16,266
Transfers recognised - operational	2,711	16,870	1,000		740						4,498	7,212	3,079	2,891		39,500
Gains on disposal of PPE	80															80
Total Revenue (excluding capital transfers and contributions)	3,305	39,196	2,926	1,056	1,198	7,892	91	698	-	520	12,289	20,447	68,789	26,525	-	184,933

Table 56 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
ASSETS										
Call investment deposits										
Call deposits < 90 days										
Other current investments > 90 days	8,300	8,668	12,625	10,110	10,110	10,110	10,110	10,716	11,788	12,861
Total Call investment deposits	8,300	8,668	12,625	10,110	10,110	10,110	10,110	10,716	11,788	12,861
Consumer debtors										
Consumer debtors	44,658	40,831	39,145	70,570	75,570	75,570	75,570	79,038	83,781	85,099
Less: Provision for debt impairment	(29,309)	–		(59,822)	(59,822)	(59,822)	(59,822)	(67,001)	(74,610)	(75,990)
Total Consumer debtors	15,349	40,831	39,145	10,748	15,748	15,748	15,748	12,037	9,171	9,109
Debt impairment provision										
Balance at the beginning of the year		(29,309)	(49,320)	(49,320)	(49,320)	(49,320)	(49,320)	(59,822)	(67,001)	(74,610)
Contributions to the provision	(29,309)	(20,011)		(9,501)	(10,501)	(10,501)	(10,501)	(7,178)	(7,609)	(8,076)
Bad debts written off										
Balance at end of year	(29,309)	(49,320)	(49,320)	(58,821)	(59,822)	(59,822)	(59,822)	(67,001)	(74,610)	(82,686)
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	1,233,778	1,515,115	1,094,079	1,303,233	1,303,233	1,303,233	1,303,233	1,407,492	1,491,941	1,501,937
Leases recognised as PPE	149	149		46	46	46	46	50	53	57
Less: Accumulated depreciation	390,979	440,143	68,650	480,137	480,137	480,137	480,137	518,548	549,661	559,368
Total Property, plant and equipment (PPE)	842,947	1,075,120	1,025,429	823,142	823,142	823,142	823,142	888,993	942,332	942,626
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	–									
Current portion of long-term liabilities	986	2,025	2,257	1,200	1,200	1,200	1,200	1,296	1,374	1,400
Total Current liabilities - Borrowing	986	2,025	2,257	1,200	1,200	1,200	1,200	1,296	1,374	1,400
Trade and other payables										
Trade and other creditors	9,185	9,326	26,920	5,485	5,485	5,485	5,485	5,924	6,279	6,400
Unspent conditional transfers	3,443			1,200	1,200	1,200	1,200	1,272	1,348	1,000
VAT	641	5,979		3,274	3,274	3,274	3,274	3,470	3,679	3,800
Total Trade and other payables	13,269	15,304	26,920	9,959	9,959	9,959	9,959	10,666	11,306	11,200
Non current liabilities - Borrowing										
Borrowing	4,140	13,076	11,117	9,893	5,520	5,520	5,520	10,486	11,115	1,255
Finance leases (including PPP asset element)	41	24	–	54	54	54	54	57	61	62
Total Non current liabilities - Borrowing	4,181	13,100	11,117	9,947	5,574	5,574	5,574	10,543	11,176	1,317

Provisions - non-current										
Retirement benefits	20,481	23,201	27,093	27,570	27,570	27,570	27,570	29,224	30,977	31,995
<i>List other major provision items</i>										
Refuse landfill site rehabilitation	810	2,412		2,863	2,863	2,863	2,863	3,035	3,217	3,299
Other	–	2,307		–	–	–	–			
Total Provisions - non-current	21,291	27,920	27,093	30,433	30,433	30,433	30,433	32,259	34,194	35,294
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	206,851	964,868	875,113	551,505	555,741	551,505	551,505	584,785	639,329	688,212
GRAP adjustments	409,372	(37,821)	56,910			5,486	5,485			
Restated balance	616,223	927,047	932,022	551,505	555,741	556,990	556,990	584,785	639,329	688,212
Surplus/(Deficit)	(35,120)	(36,060)	(56,870)	14,219	9,982	8,734	8,734	35,245	26,845	5,779
Appropriations to Reserves	(448)	14,812						12,235	17,589	1,881
Transfers from Reserves	296	2,253								
Depreciation offsets	11,753	11,781		7,924	7,924	7,924	7,924	8,399	8,903	9,100
Other adjustments	2,763	–		(1,070)	3,303	3,303	3,303			
Accumulated Surplus/(Deficit)	595,468	919,832	875,152	572,578	576,951	576,951	576,951	640,664	692,667	704,971
Reserves										
Housing Development Fund	–	–								
Capital replacement	–	–								
Self-insurance	–	–								
Other reserves										
Revaluation	283,088	207,303	199,070	271,307	271,307	271,307	271,307	271,307	271,307	271,307
Total Reserves	283,088	207,303	199,070	271,307	271,307	271,307	271,307	271,307	271,307	271,307
TOTAL COMMUNITY WEALTH/EQUITY	878,555	1,127,135	1,074,222	843,885	848,258	848,258	848,258	911,971	963,974	976,278

Table 57 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

NC073 Emthanjeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	
					Outcome	Outcome	Outcome	Original Budget	O
Demographics	Census count/estimate					36	36	36	
Population	Census count/estimate				36	6	6	6	
Females aged 5 - 14	Census count/estimate				6	6	6	6	
Males aged 5 - 14	Census count/estimate				6	5	5	5	
Females aged 15 - 34	Census count/estimate				5	5	5	5	
Males aged 15 - 34	Census count/estimate				5	14	14	14	
Unemployment	Census count/estimate				14				

Monthly household income (no. of households)	-								
No income	Census count/estimate								
R1 - R1 600	Census count per month								
R1 601 - R3 200	Census count per month								
R3 201 - R6 400									
R6 401 - R12 800									
R12 801 - R25 600									
R25 601 - R51 200									
R52 201 - R102 400									
R102 401 - R204 800									
R204 801 - R409 600									
R409 601 - R819 200									
> R819 200									
Poverty profiles (no. of households)									
< R2 060 per household per month									
Insert description									
Household/demographics (000)									
Number of people in municipal area				7	7	7	7		
Number of poor people in municipal area				6	6	6	6		
Number of households in municipal area				2	2	2	2		
Number of poor households in municipal area				2	2	2	2		
Definition of poor household (R per month)				4,011	3,800	3,800	3,314		
Housing statistics									
Formal				1,845	1,845	1,845	1,845		
Informal				-	-	-	-		
Total number of households				1,845	1,845	1,845	1,845		
Dwellings provided by municipality				-	-	-	-		
Dwellings provided by province/s				-	-	-	-		
Dwellings provided by private sector				-	-	-	-		
Total new housing dwellings				-	-	-	-		
Economic									
Inflation/inflation outlook (CPIX)				3.0%	6.0%	6.0%	6.0%		
Interest rate - borrowing				8.5%	11.5%	11.5%	11.5%		
Interest rate - investment				9.8%	7.5%	7.0%	8.0%		
Remuneration increases				10.0%	8.3%	12.0%	9.5%		
Consumption growth (electricity)				0.0%	0.0%	0.0%	0.0%		
Consumption growth (water)				0.0%	-40.0%	-40.0%	0.0%		
Collection rates									
Property tax/service charges				87.5%	91.0%	89.0%	100.0%		
Rental of facilities & equipment				95.0%	95.0%	95.0%	100.0%		
Interest - external investments				9.8%	7.5%	7.0%	8.0%		
Interest - debtors				0.0%	0.0%	0.0%	0.0%		
Revenue from agency services				90.0%	95.0%	100.0%	100.0%		

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Alle korrespondensie moet gerig word
aan die **MUNISIPALE BESTUURDER**

All Correspondence must be addressed
to the **MUNICIPAL MANAGER**

Kantoor van die/Municipal Manager
Office of the: **MUNICIPAL**
.....**MANAGER**.....

Verw. Nr/Ref. No:

Datum/Date:

Navrae/Enquiries:

Municipal manager's quality certificate

I, Isak Visser, Municipal Manager of Emthanjeni Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Isak Visser
Municipal manager of Emthanjeni (NC073)
Signature _____
Date 11/06/2013



VISION

We, Emthanjeni Municipality, commit ourselves to a humane and caring society, living in a healthy and secure environment, conducive to sustainable economic development.

MISSION STATEMENT

We strive to: Deliver quality services and promote development in our municipal area in a non-sexist, non-racial and non-discriminating manner. We do this by creating a climate of co-operative governance with meaningful partnerships with all stakeholders, especially the members of the general public.

BUDGET POLICY

OBJECTIVE

The objective of this policy is to set out the budgeting principles which the EMTHANJENI MUNICIPALITY will follow in preparing each annual budget, as well as the responsibilities of the Chief Financial Officer in compiling such budget.

DEFINITIONS

For the purpose of this policy-

“**Council**” shall mean the Council of the municipality, any committee or person to which or to whom an instruction has been given or any power has been delegated or sub-delegated in terms of, or as contemplated in, section 59 of the Local Government: Municipal Systems Act, 2000 or a service provider in respect of any power, function or duty of the Council.

“**Councillor**” shall mean a member of the municipal Council of the EMTHANJENI MUNICIPALITY.

“**Chief Financial Officer**” shall mean the head of the Financial Services Directorate as contemplated in sec 80 of the *MFMA*.

“**Municipal Manager**” means the person appointed by the Municipal Council as the Municipal Manager for the municipality in terms of Section 82 of the Local Government Municipal Structures Act, 1998 (Act No. 117 of 1998) and includes any person to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.

“**Official**” shall mean all persons in the full-time employment of the EMTHANJENI MUNICIPALITY.

BUDGETING PRINCIPLES TO BE FOLLOWED

Except in so far as capital projects represent a contractual commitment to the Municipality extending over more than one financial year, the annual capital budget shall be prepared from a zero base.

The capital budget component of the annual or adjustments budget shall only be approved by the Council if it has been properly balanced, that is, if the sources of finance which are realistically envisaged to fund the budget equal the proposed capital expenses.

External loan(s) may only be considered as a funding source for revenue generating capital projects/items only and of which the lifespan is not less than the redemption term of the envisaged external loan.

Before approving the capital budget component of the annual or adjustments budget, the Council shall consider the impact on the present and future operating budgets of the Municipality in relation to finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets, and any other ordinary operational expenses associated with any item on such capital budget. In addition, the Council shall consider the likely impact of such operation expenses – net of any revenues expected to be generated by such item – on future property rates and service tariffs.

CAPITAL REPLACEMENT RESERVE

The Council shall establish the Capital Replacement Reserve for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following sources of revenue:

Un-appropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;

Interest on the investments of the Capital Replacement Reserve, appropriated in terms of the accounting policy;

further amounts appropriated as contributions in each annual or adjustments budget; and

EMTHANJENI MUNICIPALITY: FINAL BUDGET POLICY (2013-2014 FINANCIAL YEAR)

net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

Each annual and adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.

Any un-appropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance any annual or adjustments budget.

An un-appropriated surplus from previous financial years, except for the amount reserved for depreciation, in respect of the capital replacement reserve, and as far as it is not required to finance the payment of operating creditors or for other operational purposes, may be appropriated to the municipality's capital replacement reserve.

An impending operating deficit shall be made good in an adjustments budget, but if an operating deficit arises at the end of a financial year, notwithstanding the precautionary measures adopted by the council, such deficit shall immediately be made good in the annual or adjustments budget for the ensuing financial year, and shall not be offset against any un-appropriated surplus carried forward from preceding financial years.

The Municipality shall establish and maintain a provision for accrued leave entitlements equal to 100% of the accrued leave entitlement of officials as at 30 June of each financial year, and shall budget appropriately 10% to 15% for contributions to such provision in each annual and adjustments budget.

The Municipality shall establish and maintain a provision for the obsolescence and deterioration of stock in accordance with its stores management policy, and shall budget appropriately for contributions to such provision in each annual and adjustments budget.

All expenses excluding depreciation, provision for debt impairment, post-retirement benefit expenses and other non-cash related items, shall be cash funded.

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Finance charges payable by the Municipality shall be apportioned between departments or votes on the basis of the proportion at the last balance sheet date of the carrying value of the fixed assets belonging to such department or vote to the aggregate carrying value of all fixed assets in the Municipality. However, where it is the Council's policy to raise external loans only for the financing of fixed assets in specified council services, finance charges shall be charged to or apportioned only between the departments or votes relating to such services.

Net Depreciation(Depreciation less Backlog Depreciation) and finance charges together shall not exceed 10% of the aggregate expenses budgeted for in the operating budget component of each annual or adjustments budget.

The allocation of interest earned on the municipality's investments shall be budgeted for in terms of the banking and investment policy.

The Municipality shall adequately provide in each annual and adjustments budget for the maintenance of its fixed assets in accordance with its fixed asset management and accounting policy. 10%, but not less than 4%, of the operating budget component of each annual and adjustments budget shall be set aside for such maintenance.

In the preparation of the final operating budget component of the annual budget, the allowable budgetary increment shall relate to the total amount provided for each budget vote, and the Director, service or function concerned shall have the right to allocate the total budgeted amount to the line-items within such vote, except in so far as the line-item provisions relate to matters determined by the Chief Financial Officer in terms of the municipality's approved policies and contractual and statutory commitments (for example, depreciation charges, finance charges, insurance costs, salaries and related contributions, inventory items, entertainment, contribution to the CRR, skills development levies payable, etc.).

Notwithstanding the preceding principle, the budget for salaries, allowances and salaries-related benefits of all officials of the Municipality shall be separately prepared, and shall not exceed 60% of the total capital and operating budget

component of the annual or adjustments budget. For purposes of applying this principle, the remuneration of political office bearers and other councillors shall be excluded from this limit.

The Director, service or function to which each budget vote relates, shall justify the allocation of the aggregate budget for such vote to the various line-items within the vote to the portfolio committee responsible for the department, service or function concerned. In motivating the allocations made to and within the vote, the head of department, service or function concerned shall provide the relevant committee of Council with appropriate quarterly performance indicators and service delivery targets pertaining to the budget. Such indicators and targets shall be prepared with the approval of the Municipal Manager and the Mayor.

In preparing its revenue budget, the Municipality shall strive to maintain the aggregate revenues from property rates at not less than 8% of the aggregate own revenues budgeted for.

When considering the draft annual budget, the Council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households in the municipal area. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts. Because households have no mechanism for passing on such increases to other parties, but must fully absorb the increases concerned, the Council shall ensure that the average additional impact of such increases is not more than the relevant increase in the consumer price index.

RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER

Without derogating in any way from the legal responsibilities of the Municipal Manager as Accounting Officer, the Chief Financial Officer shall be responsible for preparing the final annual capital and operating budgets (including the budget components required for the ensuing financial years), any required adjustments budgets, the projections of revenues and expenses for the service delivery and budget implementation plan (including the alignment of such projections with the cash management programme prepared in terms of the banking and investments policy), and shall be accountable to the Municipal Manager with regard to the performance of these functions.

The Municipal Manager shall ensure that all heads of departments provide the input required by the Chief Financial Officer into these budget processes.

The Chief Financial Officer shall draft the budget timetable for the ensuing financial year for the Mayor's approval, and shall indicate in such timetable the target dates for the draft revision of the annual budget and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the Municipal Finance Management Act, and target dates for the submission of all the budget-related documentation to the Mayor, Executive Committee and Council.

Except where the Chief Financial Officer, with the consent of the Municipal Manager, decides otherwise, the sequence in which each annual budget and adjustments budget shall be prepared, shall be: first, the capital component, and second, the operating component. The operating component shall duly reflect the impact of the capital component on:

depreciation charges;

repairs and maintenance expenses(wording will be **Other Materials** (material costs and contracted costs));

interest payable on external borrowings; and
other operating expenses.

In preparing the operating budget, the Chief Financial Officer shall determine the number and type of cost centre to be used and the line-items to be shown under each vote, provided that in so doing the Chief Financial Officer shall properly and adequately reflect the organisational structure of the Municipality, and further in so doing shall comply – in so far as the organisational structure permits – also with the prescribed budget format of National Treasury.

The Chief Financial Officer shall determine the depreciation expenses to be charged to each vote, the apportionment of interest payable to the appropriate votes, the estimates of withdrawals from (claims) and contributions to (the contributions to the provisions for bad debts, accrued leave entitlements and obsolescence of stocks.

The Chief Financial Officer in consultation with the Municipal Manager shall further determine the recommended contribution to the capital replacement reserve and any special contributions to reserves.

The Chief Financial Officer shall also and having regard to the Municipality's current financial performance, determine the recommended aggregate growth factor(s) according to which the budgets for the various votes shall be drafted.

The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with **budgeted projections, and the direction shall timeously and adequately furnish the Chief Financial Officer with all** explanations required for deviations from the budget. The Chief Financial Officer shall submit these monthly reports to the Municipal Manager, Mayor, Executive Committee in accordance with the prescriptions of the Municipal Finance Management Act.

The Chief Financial Officer shall provide technical and administrative support to the Mayor in the preparation and approval

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of the annual and adjustment budgets, as well as in the consultative processes, which must precede the approval of such budgets.

The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies.

The Chief Financial Officer shall make recommendations on the financing of the final capital budget for the ensuing and future financial years, indicating the impact of viable alternative financing scenarios on future expenses, and specifically commenting on the relative financial merits of internal and external financing options.

The Chief Financial Officer shall determine the basis for allocating overhead expenses not directly chargeable to votes. The expenses associated with the democratic process shall be allocated to a separate vote, and shall not be charged out as an overhead.

The Chief Financial Officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.

The Chief Financial Officer shall ensure that the allocations from other organs of state are properly reflected in the annual and adjustments budget, and that the estimated expenses against such allocations (other than the equitable share) are appropriately recorded.

Confirmation shall be obtained from the Chief Financial Officer before any advert for an appointment is made if the position is budgeted and the funding is available.

The Chief Financial Officer shall ensure that any virements by the Director, service or function concerned, comply with all budget-related policies, including this policy.

BUDGET VIREMENTATION

3.1 Virement Clarification

Virement is the process of transferring municipal budgeted funds from one line item number to another, with the approval of the Municipal Manager and CFO to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA).

3.2 Virement Procedure

- (a) All virement proposals must be completed on the appropriate documentation and forwarded to the Chief Financial Officer for checking and implementation.
- (b) All virements must be signed by the Director of the directorate within which the vote is allocated. (Section 79 MFMA).
- (c) Projected cash flows in the SDBIP should be adjusted in line with the virement.
- (d) All documentation must be in order and approved before any expenditure can be committed or incurred. (Section 79 MFMA)
- (e) All virements of funds between votes must be approved by the CFO and reported to the Executive Committee on a quarterly basis, where applicable with reference to section 2.3 (b) (ii) of this policy, all virements across votes will only be allowed until the appropriate time when it can still be incorporated into the allowed adjustments budget.

3.3 Virement Restrictions

- (a) No funds can be viremented between the different types of budgets (e.g. virements can only be made from basic capital to basic capital and operating to operating).
- (b) No virement may be made where it would result in over- expenditure of a line item. (Section 32 MFMA)
- (c) No virement shall create new capital projects without the approval of the Municipal Manager and Chief Financial Officer.
- (d) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- (e) Budgets from the following line items may be transferred by Financial Services:
 - (i) Salaries and allowances
 - (ii) Depreciation
 - (iii) Capital Cost (Interest and Redemption)
 - (iv) Appropriations
 - (v) Contributions to Funds
 - (vi) Administration Costs
 - (vii) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
- (g) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement / supply chain management policy of Council as periodically reviewed.

- (h) Virements may not be made between Expenditure and Income.

CONSEQUENCE OF NON-COMPLIANCE

Failure to comply with this policy will be viewed as a serious disciplinary transgression of the Code of Conduct of Employees.

AMENDMENTS

The Council may from time to time amend the policy.

7. COMMENCEMENT

- 7.1 This policy takes effect on 1 JULY 2013

CUSTOMER CARE AND MANAGEMENT POLICY

1. DEFINITIONS

For the purpose of this policy the following definitions will apply and any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in this Policy, unless the context indicates otherwise-

- i **Act:** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as amended from time to time,
- ii **apparatus:** includes a building, structure, pipe, pump, wire, cable, meter, machine or any fitting,
- iii **billing:** means proper formal notification on an account to persons liable for payment of amounts levied for assessment rates and other taxes by die municipality and the charges of the fees for municipal services and indicating the net accumulated balance of the account,
- iv **council:** the municipal council of the Municipality of EMTHANJENI,
- v **credit control and debt collection:** means the functions relating to the collection of all money that is due and payable to the municipality,
- vi **customer:** means any occupier of any premises to which the municipality has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises,
- vii **customer management:** means focusing on the client's needs in a responsive and reciprocal relationship between persons liable for these payments and the municipality, and when applicable, a service provider, thereby limiting the need for enforcement,
- viii **defaulter:** means a person owing the municipality money in respect of taxes and/or municipal service charges not paid on the due date for payment,
- ix **engineer:** means a person in charge of the civil or electrical departments of the municipality,

- x **interest:** constitutes a levy equal in legal priority to service levies and is equivalent to the prime banking rate applicable from time to time.
- xi **municipal account:** shall include levies or charges in respect of the following services and taxes:
 - electricity consumption
 - water consumption
 - refuse removal
 - sewerage services
 - rates and taxes
 - interest, and
 - miscellaneous and sundry charges.
- xi **municipal manager:** means the person appointed by the Municipal Council as the Municipal Manager of the municipality in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) and includes any person
 - acting in such position, and
 - to whom the Municipal Manager has delegated a power, function or duty in respect of such delegated power, function or duty,
- xii **municipal services:** those services, rates and taxes reflected on the municipal account for which payment is required by the municipality,
- xiii **municipal treasurer:** means a person appointed by the Council to manage the Council's financial administration,
- xiv **occupier:** means any person who occupies any premises or part thereof, without regard to the title under which he or she occupies,

xv

owner: means

- the person in whom the legal title to the premises is vested,
- in a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative,
- in any case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises or a building thereon,
- in the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof,
- in relation to
 - a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property, or
 - a section as defined in such Act, the person in whose name such section is registered under sectional title deed and includes the lawfully appointed agent of such a person,
- any legal person including but not limited to
 - a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), Trust *inter vivos*, Trust *mortis causa*, a Closed Corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984), a Voluntary Association.
 - any Department of State.
 - any Council or Board established in terms of any legislation applicable to the Republic of South Africa
 - any Embassy or other foreign entity.

- xvi **policy document:** means the approved customer care, credit control and debt collection policies of the Municipal Council and as amended from time to time,
- xvii **premises:** includes any piece of land, the external surface boundaries of which are delineated on
- a general plan or diagram registered in terms of the Land Survey Act, 9 of 1927) or in terms of the Deeds Registry Act, 47 of 1937, or
 - a sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, which is situated within the area of jurisdiction of the Council.

2. GENERAL OBJECTIVES

The objectives of this policy are to:

- 2.1 provide a framework for customer care
- 2.2 provide a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection
- 2.3 ensure that all monies due and payable to the Municipality are collected and used to deliver services in the best interest of the community, residents and consumers and in financially sustainable manner
- 2.4 describe credit control measures and sequence of events
- 2.5 outline debt collection procedures and mechanisms: and
- 2.6 set realistic targets for debt collection

3. PRINCIPLES THAT UNDERPIN A CUSTOMER CARE AND MANAGEMENT AND DEBT COLLECTION POLICY

The following principles are applied in the policy:

- 3.1 Customer Care and Management and Debt Collection are entirely interrelated issues – debt collection is part of customer management.
- 3.2 Administrative integrity must be maintained at all costs – policy and execution are legally separate and must also be practically separate.
- 3.3 Communication of policies, rights and responsibilities, and systems of appeal, must be understandable, effective and regular.
- 3.4 There must be legal causes between the Municipality and its customer, and customer debt must arise out of a legal framework and must be legally collectable.
- 3.5 Billing is to be accurate, timely and understandable.
- 3.6 The customer is entitled to efficient, effective and reasonable access to pay points and to a variety of reliable payment methods.
- 3.7 The customer is entitled to an efficient, effective and reasonable response to appeals, and to suffer no disadvantage during the process of a reasonable appeal.
- 3.8 Indigent households are to be identified and supported with appropriate policies and practices.
- 3.9 Enforcement of payment will be prompt, consistent, effective and humane.
- 3.10 Fraud and criminality will lead to loss of rights and severe penalties.
- 3.11 Incentives and disincentives can be used in collection procedures.
- 3.12 The collection process must be cost effective.
- 3.13 Collection best practices will be pursued.
- 3.14 Targets for performance in both customer service and debt collection will be set and strived for.
- 3.15 Results will be regularly and efficiently reported.

3.16 Policies for Customer Care and Management and Debt Collection will be agreed by Council and Management, and supported thereafter by these parties.

4 RESPONSIBILITIES AND DELEGATED AUTHORITY

4.1 Council:

4.1.1 Council must create, evaluate, review and adapt the Customer Care and Management and Debt Collection Policies and related by-laws.

4.1.2 This political structure must oversee and monitor the implementation and enforcement of the Municipality's policies in this regard.

4.1.3 To maintain the credibility in the implementation of the policy and the attendant by-laws, Councillors should lead by example by ensuring that their own accounts will not fall into arrears.

4.1.4 Ward committees, through their ward councillor, be involved in communicating the credit control and debt collection programme and ensure that customer relations are of an acceptable standard to the community.

4.2 Accounting Officer:

4.2.1 The Municipal Manager (MM), as accounting officer, must implement and enforce this policy and any relevant by-laws.

4.2.2 The Municipal Manager must establish and control the administration necessary to fulfil this policy, and report efficiently and regularly to the Mayor and Executive Committee in this regard.

4.2.3 The Municipal Manager must collect all money that is due and payable to the Municipality.

4.2.4 The Municipal Manager may delegate authority in this regard to the Chief Financial Officer.

5 CUSTOMER CARE AND MANAGEMENT POLICY

5.1 COMMUNICATION AND FEEDBACK

5.1.1 Council's Customer Care and Management and Debt Collection Policies must be available in suitable formats, including all locally used languages, and must be made available by general publication and on specific request, and will also be available at Council's cash collection points.

5.1.2 The Municipality will endeavour to distribute a regular newsletter, which will give prominence to customer care and debt issues.

5.1.3 Ward Councillors will be required to hold regular ward meetings, at which customer care and debt issues will be given prominence.

5.1.4 The press will be encouraged to give prominence to Council's Customer Care and Debt issues, and will be invited to Council meetings where these are discussed.

5.1.5 Council aims to establish, within its financial means:

- a) a central complaints/feedback office;
- b) a centralized complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
- c) appropriate training for officials dealing with the public to enhance communications and service delivery;

5.2 CUSTOMER SIGN-ON AND AGREEMENTS

5.2.1 All prospective tenants will be required to sign a lease agreement prior to occupation of municipal property;

5.2.2 All prospective buyers will be required to sign a purchase agreement prior to occupation of the property, unless the prospective buyer is the current tenant;

- 5.2.3 All owners of property and tenants of municipal property will be required to sign agreements governing the supply of, and cost of, municipal services.
- 5.2.4 The Municipality will not enter into a separate agreement with a tenant of privately owned residential properties, the owner will be responsible for the services on that particular erf(ven). The owner will be held responsible for all outstanding fees, where applicable.
- 5.2.5 The Municipality will only allow a tenant to sign a separate agreement with the Municipality on business properties and sectional titles, but the owner will be held overall responsible and liable for any arrears accrued. On default by a tenant, the owner is the debtor of last resort, and the agreements must cover this specifically between the owner and tenant.
- 5.2.6 Private property owners will not be allowed to apply to the Municipality or to enter into an agreement with a tenant for the supply of, and cost of municipal services. The private property owner will be responsible for the debt incurred on that property.
- 5.2.7 Services, including occupation of property, where applicable, will only be rendered after the signing of the agreement.
- 5.2.8 Within a specified period (in the agreement) of change of ownership, meters will be read and an account posted.
- 5.2.9 In the agreement, customers will acknowledge liability for costs of collection and interest, in the event of delayed payment.

5.3 ACCOUNTS AND BILLING

- 5.3.1 Customers will receive an understandable and accurate bill from the Municipality, which bill will consolidate all service costs for that property.
- 5.3.2 Accounts will be produced in accordance with the meter reading cycle and due dates are similarly linked.

- 5.3.3 Accounts will be rendered monthly in cycles of approximately 30 days.
- 5.3.4 As the Municipality does not control delivery of accounts, it is the owner's, customer's and/or consumer's responsibility to ensure timely payment in the event of a bill not arriving.
- 5.3.5 It is the owner's, customer's and/or consumer's responsibility to ensure that the postal address and other contact details are correct.
- 5.3.6 Settlement or due date is the fifth (7th) day of each month.

5.4 METERING

- 5.4.1 The Municipality will endeavour, within practical and financial limits, to provide adequate meters to every paying customer for all measurable services.
- 5.4.2 All meters will be read monthly, if at all possible. If a meter is not read the consumption will be estimated in terms of Council's operational procedures. The account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustment.
- 5.4.3 Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.
- 5.4.4 An actual reading must be obtained once every six months.
- 5.4.5 Customers are to be informed of meter replacement.
- 5.4.6 Voluntary readings are permitted, but final readings and actual readings are the responsibility of the Municipality.

5.5 RIGHTS OF ACCESS TO PREMISES

5.5.1 The customer agreement, signed by the customer and the Municipality, must include a clause in which the owner and the occupier of premises give an authorized representative of the Municipality access at all reasonable hours to the premises in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service. The customer will accept the cost of relocating a meter if satisfactory access is not possible.

5.6 PROPERTY VALUATION

5.6.1 The Municipality, within its financial and administrative capacity, will maintain a register of all properties within its jurisdiction. This register will be valued and regularly re-valued. Independent valuers will perform such revaluation, and the process of initial valuation and subsequent revaluation will include opportunities for owners to appeal and be heard.

5.6.2 Matters related to property valuation are more comprehensively dealt with in the property rates policy in accordance with the Local Government: Property Rates Act 2004, Act no. 6 of 2004.

5.7 PAYMENT FACILITIES AND METHODS, and STOP ORDERS AND DEBIT ORDERS

5.7.1 The Municipality must operate and maintain suitable banking and cash facilities. The Municipality is permitted to consider the costs and benefits of such facilities; which facilities should be accessible to all users.

5.7.2 The Municipality will offer a range of payment options to customers, which will include cash and may include cheques, credit cards, electronic payments, debit and stop orders.

- 5.7.3 The Municipality may, at its sole discretion, allocate a payment received between service debts and/or overdue debt. A debtor may not specify that the payment be for a specific portion of the account.
- 5.7.4 The Municipality may, with the consent of a customer, approach an employer to secure a debit or stop order arrangement.
- 5.7.5 The customer will acknowledge, in the customer agreements that the use of agents in the transmission of payments to the Municipality is at the risk of the customer – also for the transfer time of the payment.

5.8 ENQUIRIES, APPEALS AND SERVICE COMPLAINTS

- 5.8.1 If a customer is convinced that his or her account is inaccurate; he or she can lodge an appeal in writing with the Directorate Finance for recalculation of this account.
- 5.8.2 In the interim, **the debtor must pay the average of the last three months account where history of the account is available**. Where no such history is available the debtor is to pay an estimate provided by the Chief Financial Officer before payment due date until the matter is resolved.
- 5.8.3 The relevant department must investigate and inform the debtor within one month.
- 5.8.4 Failure to make such agreed interim payment or payments would make the customer liable for disconnection.

5.9 OMBUDSPERSON

- 5.9.1 Council should, if financially possible, employ an Ombudsperson, working under the direct control of the Municipal Manager, where applicable
- 5.9.2 This person's duties are to attend to complaints routed to his or her office by Councillors or the community, and to access these complaints, ensure readdress or resolution thereof, and make recommendations on improvements of Council's systems as and when he/she believes such changes to be necessary.

5.10 BUSINESSES WHO TENDER TO THE MUNICIPALITY

5.10.1 The Supply Chain Management Policy must, *inter alia*, include the following:

- i. When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Chief Financial Officer a certificate stating that all relevant municipal accounts owing by the tenderer or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears;
- ii. A municipal account to mean any municipal service charge, tax or other fees, fines and penalties, due in terms of a contract or approved tariff or rate, which is outstanding after the due date normally appearing on the consolidated bill or overdue in terms of the contract or any other due date that has passed;
- iii. Tender conditions must contain a condition allowing the Chief Financial Officer to deduct moneys owing to the Municipality from contract payments in terms of a reasonable arrangement with the debtor.

5.10.2 Council's Grants-in-Aid Policy must, *inter alia*, include that consideration thereof will be subject to the applicant obtaining from the Chief Financial Officer a certified letter reflecting the status of the applicant's municipal debt, if any, and that the awarding of grants-in-aid will be subject to payment thereof or an arrangement to pay any arrear municipal account.

5.11 INCENTIVES FOR PROMPT PAYMENT

- 5.11.1 The Municipality will, to encourage prompt payment and to reward good payers, assess incentives for prompt payment. Should such incentives prove to be financially sustainable and of mutual benefit to the Municipality and its customers, the Municipality will commission such incentives.
- 5.11.2 Such incentive schemes, if introduced, will be reflected in annual budgets as additional expenditure.

5.12 CUSTOMER ASSISTANCE PROGRAMMES

5.12.1 Water Leaks Rebates

5.12.1.1 A customer will qualify for a water leak rebate if:

- i the leak occurred underground and was not easily discernable from above ground;
- ii the leak had been repaired within 48 hours of detection;
- iii the customer had only applied for one rebate in a 24-month cycle;
- iv a certificate from a registered plumber, or a sworn affidavit (in the case of a private individual having repaired the leak) must reach the Chief Financial Officer within 10 working days of the repair, and contain the following details:
 - the date of both invoice and repair;
 - confirmation that the leak was not discernable from above ground;
 - certifying that the burst occurred on a pipe listed on the Schedule of Approved Pipes and Fittings as kept by the Director Infrastructure and Housing Services.

- 5.12.1.2 The adjustment will be calculated based on the difference between the average consumption (kl) for the previous year's corresponding periods and the period of the leakage, for a maximum period of three years.

5.12.2 Faulty Meters

5.12.2.1 No Consumption Registered

- i Meter will be replaced, and if found tampered with, the relevant penalty will be imposed and must be paid, otherwise the service will be restricted, blocked, disconnected or suspended.
- ii An interim adjustment will be calculated based on the difference between the average consumption (kl) for the previous year's corresponding periods and the period when the meter was not registering, for a maximum period of three years.
- iii The final adjustment will be calculated and debited by using the average consumption for the first three months on the new meter, for the period when the meter was not registering, for a maximum period of three years.

5.12.2.2 Assumed Faulty Meters

- i Customers may request the testing of a meter and should the result of the test indicate the meter to be faulty, an adjustment of the levy will be made in accordance thereof.
- ii Should the result of the testing indicate the meter not to be faulty, test within the limit of 2,5% in respect of an electricity meter and 5% in respect of a water meter, the customer will be liable for the cost of the applicable tariff payable in advance.
- iii The adjustment will be calculated based on the difference between the average consumption (kl) for the previous year's corresponding periods and the period of the faulty metering, for a maximum period of three years.

5.12.3 Rates And Instalments

5.12.3.1 The property rates bill is payable in equal monthly instalments over 12 months at no interest cost or customers may apply to pay annually on 30 September.

5.12.3.2 If a monthly instalment is unpaid, the full bill outstanding is immediately due and payable.

5.12.3.3 Matters related to rates are more comprehensively dealt with in the Property Rates Policy in accordance with the Local Government: Property Rates Act 2004, Act no. 6 of 2004

5.12.4 Sewerage And Cleansing

5.12.4.1 The sewerage and cleansing bill is annually payable on 30 September, but customers may apply to pay or in equal monthly instalments over 12 months at no interest cost.

5.12.4.1 If three instalments are unpaid, the full bill outstanding is immediately due and payable.

5.13 CLEARANCE CERTIFICATES

5.13.1 are issued after receipt of the applicable fees and of the clearance certificate application form.

5.13.2 are only issued when all amounts due in connection with that property for municipal fees, surcharges on fees, property rates and other municipal taxes, levies and duties have been fully paid.

5.13.3 Any instalment for rates refuse and sewerage is immediately payable.

5.13.4 A rates clearance certificate will be issued in terms of Section 118 of the Local Government: Municipal Systems Act, 2000, Act No. 32 of 2000, and will be valid till 30 June, following the date of application received.

5.13.5 If an amount liable for rates levied in respect of a property which formed part of a Municipal Housing Scheme, is unpaid by the owner and the property needs to be transferred, a rates clearance certificate will only be issued upon payment of the current account and after completion of an agreement for any municipal services in arrears, subject to Council's Credit Control and Debt Collecting Policy. Transfers affected may be one of the following:

- (i) Transfer of a property from the EMTHANJENI MUNICIPALITY to the new owner;
 - (ii) Transfer of a property from one spouse to the other;
 - (iii) Transfer of a property from the owner (parent) to a child.
- 5.13.6 The Chief Financial Officer will consider and approve such applications for clearance certificates.

6 PERFORMANCE EVALUATION

6.1 CUSTOMER SERVICE TARGETS

Council to create targets that would include:

- i Response time to customer queries
- ii Date of first account delivery to new customers
- iii Reconnection time lapse
- iv Meter reading cycle

ADMINISTRATIVE PERFORMANCE

Council to create targets that will include:

- i Cost efficiency of debt collection
- ii Query rates
- iii Enforcement mechanism ratios.

Council will create a forum wherein these targets are assessed, the Municipality's performance evaluated and remedial steps taken.

7 REPORTING TO COUNCIL

- 7.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties. This report shall reflect on:
- 7.1.1 cash flow information for the capital and operating accounts, and combined, showing Council's actual performance against its cash flow budgets;
- 7.1.2 cash collection statistics, showing high-level debt recovery information (numbers of customer; enquires; default arrangement; growth or diminishing of arrear debtors; ideally divided into wards, business (commerce and industry) and domestic, state, institutional and other such divisions; and names and quantum) of major outstanding individual debtors;
- 7.1.3 Performance of all areas against targets agreed to in item 6 of this policy document and
- 7.1.4 Council's ongoing income and expenditure statements, comparing both billed income, and cash receipt income, against ongoing expenditure in both the capital and operating accounts. If, in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realizable income levels

8 STRUCTURES OF THE DEPARTMENT OF FINANCE

Council shall regularly receive a report from the Chief Financial Officer, if necessary after consultation with suitable consultants, on the manpower and systems requirements by the Directorate Finance which requirements take into account Council's agreed targets of customer care and management, and debt collection, and, after considering

this report, Council will, within reason, vote such resources as are necessary to ensure that the Directorate Finance has the staffing and structures to meet Council's targets in this regard.

9 BY-LAWS

The principle contained in this policy will be reflected in the various service by-laws as promulgated and amended by Council from time to time.

10 COMMENCEMENT

This policy takes effect on 1 JULY 2013.

TARIFF POLICY

1 DEFINITIONS

For the purpose of this Policy any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in this Policy unless the context indicates otherwise-

Trading Services: Are services that the Council has classified as trading services and the tariffs have been compiled with the intention that the Council realises a surplus on the delivery of the services.

Economic services: Are services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers.

Community services: Are services that the Council has classified as such and the tariffs have been compiled with the intention that the costs of the services cannot be recovered from public service charges and are of a regulatory nature.

Fixed costs: Are costs that do not vary with consumption or volume produced?

Variable costs: These are costs that vary with consumption or volume produced.

Total cost: Is the sum of all fixed and variable costs.

Flat rates: Are the unit tariffs that are calculated by dividing the total costs by volume used.

Two-part tariffs: Are tariffs that are raised to cover the fixed and variable costs separately. The fixed costs are recovered by dividing the total fixed costs by the number of customers per category and the variable costs are recovered by dividing the total variable costs by the volume consumed.

Units consumed: Are the number of units consumed of a particular service and are measured in terms of the units of measurement reflect in Section 6.

2 PURPOSE OF THIS POLICY

The council wishes to achieve the following objectives by adopting this tariff policy:

- a. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- b. To prescribe procedures for calculating tariffs where the EMTHANJENI MUNICIPALITY wishes to appoint service providers in terms of section 76(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- c. To give guidance to the Councillor responsible for finance regarding tariff proposals that must be submitted to Council annually during the budget process.

3 TARIFF PRINCIPLES

3.1 The Council wishes to record the following tariff principles:

- (a) All users of municipal services will be treated equitably. The various categories of customers will pay the same charges based on the same cost structure¹.
- (b) The amount payable will be in proportion to usage and based on the tariff structure adopted for the approved category of consumer.
- (c) Indigent households will have access to basic services through lifeline tariffs or direct subsidisation in accordance with the Integrated Development Plan².
- (d) Tariffs will reflect the total cost of services³.

¹ Section 74(2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

² Section 74(2) (c) (i) and (ii).

- (e) Tariffs will be set at a level that facilitates the sustainability of services.⁴
- 3.2 Sustainability will be achieved by ensuring that:
- (a) Cash inflows cover cash outflows. This means that sufficient provision for bad debts will be made in accordance with accounting policy.
 - (b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and realising surpluses on trading services.
- 3.3 Provision will be made in appropriate circumstances for a surcharge on a tariff. This will be necessary for major breakdowns in infrastructure and periods of droughts when a restriction of usage is required⁵.
- 3.4 Providing for penalties to prohibit exorbitant use will encourage efficient and effective use of resources.
- 3.5 The extent of rebates on tariffs will be disclosed. This will be achieved by publishing the true costs of the service and the rebate as well as the source of the rebate.

4 CATEGORIES OF CUSTOMERS

- 4.1 The tariff structure of the EMTHANJENI MUNICIPALITY makes provision for the following categories of customers⁶
- domestic;
 - commercial;
 - industrial;
 - agricultural;

³ Section 74(2)(d)

⁴ Section 74(2)(e)

⁵ Section 74(2)(f)

⁶ Section 74(3)

- institutional;
- rural;
- municipal;
- within municipal boundaries;
- not within municipal boundaries; and
- special agreements.

4.2 Where there is a substantial difference between the standard of services provided within a specified category, the Council may, after the presentation of a report by the Municipal Manager or the relevant department, determine differentiated tariffs within the specified category.

5 EXPENDITURE CLASSIFICATION AND COST ELEMENTS

The Chief Financial Officer shall, subject to the guidelines of the Directorate of Finance and Executive Committee of the Council, make provision for the following classification of services:

- 5.1 Trading services:
 - (i) Electricity;
 - (ii) Water.
- 5.2 Economic services:
 - (i) Refuse removal;
 - (ii) Sewerage disposal;
 - (iii) Recreation Resorts.

5.3 Community services:

- i) Air pollution;
- ii) Building control;
- iii) Cemeteries;
- iv) Child care facilities;
- v) Control of undertakings that sell liquor to the public;
- vi) Facilities for accommodation, care and burial of animals;
- vii) Fencing and fences;
- viii) Fire fighting services;
- ix) Fixed billboards and the display of advertisements in public places;
- x) Local economic development;
- xi) Licensing and control of undertakings that sell food to the public;
- xii) Licensing of dogs;
- xiii) Local amenities;
- xiv) Local sport facilities;
- xv) Local tourism;
- xvi) Municipal parks and recreation;
- xvii) Municipal planning;
- xviii) Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law;
- xix) Municipal roads;
- xx) Noise pollution;
- xxi) Parking;

- xxii) Pounds;
- xxiii) Pest control;
- xxiv) Public places;
- xxv) Storm water management system in built-up areas;
- xxvi) Street lighting;
- xxvii) Street trading;
- xxviii) Trading regulations;
- xxix) Traffic.

5.4 Subsidised services:

- (i) Libraries;
- (ii) Primary health care.
- (iii) Proclaimed roads

5.5 Expenditure classification

Subjective classification into various expenditure groups as contained in the National Treasury guidelines and General Recognised Accounting Practises.

5.6 Cost elements

The following cost elements will be used to calculate the tariffs of the different services:

- (i) *Fixed costs* which consist of the capital costs (interest) on external loans as well as depreciation whichever are applicable on the service and any other costs of a permanent nature as determined by the Chief Financial Officer from time to time.
- (ii) *Variable cost*: This includes all other variable costs that have reference to the service.

- (iii) *Total cost* is equal to the fixed cost plus variable cost.

6 DEPOSITS

The raising of deposits is permissible where certain levies are made in arrears and payable with new application for the relevant service:

- a) **Electricity:** Two times the average monthly consumption of the past 3 months with a minimum as determined annually according to the tariff schedule, where applicable.
- b) **Water:** Two times the average monthly consumption of the past 3 months with a minimum as determined annually according to the tariff schedule, where applicable.
- c) **Other services:** As and when required.
- d) See tariff schedule for 2013/2014 financial year.

7 TARIFF TYPES

- 7.1 In setting service charges the Council shall
- accurately reflect costs to achieve economic efficiency;
 - ensure equity and fairness between different types and categories of consumers;
 - utilise appropriate metering and/or supporting technology; and
 - be transparent.

In determining the type of tariff applicable to the type of service the Council shall make use of the following options or a combination of the same:

- (i) **Single tariff:** This tariff shall consist of a fixed cost per unit consumed. All costs will therefore be recovered through unit charges at the level of breakeven consumption. Surpluses on trading services may be allowed subject to Council approval.
- (ii) **Cost related two part tariff:** This tariff shall consist of two parts. Management, capital, maintenance and operating costs will be recovered by grouping certain components together e.g. management, capital and maintenance costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers, while the variable costs may be recovered by a unit charge per unit consumed.
- (iii) **Inclining block tariff:** This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase. This tariff will only be used to prohibit the exorbitant use of a commodity. The first step in the tariffs will be calculated at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the commodity.
- (iv) **Declining block tariff:** This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase. This tariff will only be used during special agreements and incentives.
- (v) **Availability charges:** Payable in respect of erven not connected to Council's existing infrastructure. Once Council provided a connection, normal tariffs as per respective service are payable.
- (vi) **Outside Municipal Area:** These tariffs shall apply to consumers who are not residing within the municipal boundaries but are making use, on application, of certain services.
- (vii) **Recoverable work:** These tariffs shall apply to consumers who are making use, on application, of certain recoverable services. The tariff will be calculated at actual cost plus a surcharge as determined with the actual tariffs.

8 REBATES

- 8.1 Rebates are allowed in accordance with the tariff and rate schedule as determined by Council annually.

9 UNIT OF MEASUREMENT

The following units of measurement will, where possible and applicable, be used to determine tariffs:

9.1 Water

Water will be measured with a water meter and meters will be read and consumption will be levied on a monthly basis unless the service is rendered through a pre-payment device:

- (1) Cost per unit (kilolitres consumed); or
- (2) Basic cost plus cost per unit charge (kilolitres consumed); or
- (3) When consumption is not measured a flat rate will be applicable.

9.2 Electricity

Electricity will be measured with an electricity meter and meters will be read and consumption will be levied on a monthly basis unless the service is rendered through a pre-payment device:

- (1) Maximum demand plus kWh consumed; or
- (2) Basic costs or Fixed costs plus kWh consumed; or
- (3) Cost per unit (kWh consumed); or
- (4) KVA.

9.3 Refuse removal

The annual amount levied is due and payable in monthly payment account. On written request the amount may be raised annually. The levy is payable by the registered owner and recoverable with clearance certificate.

9.4 Sewerage

Annual amount levied is due and payable in monthly payment account. On written request the amount may be raised annually. The levy is payable by the registered owner and recoverable with clearance certificate:

- Basic charge - based on the number of properties within those categories of customers and fixed cost associated with the service.
- Additional charge – based on the area and variable costs of the service.
- Additional charge – based on the number of properties within those categories of customers and variable costs of the service.
- When number of properties is not available a flat rate based on the average consumption per categories of consumers will be applicable.

9.5 Assessment Rates

9.5.1 Assessment rate is calculated taking into account the total net expenditure from the other services less the revenue envisaged based on the total rateable valuations. The assessment rate must be calculated in such a manner that the Council realise a net surplus when adopting its tariffs.

9.5.2 Assessment rates are calculated according to market valuation of property. Annual amount levied due and payable with September account. On written request the amount may be raised monthly. The levy is payable by the registered owner and recoverable with clearance certificate.

9.6 Social benefits

9.6.1 The Council, in order to measure social benefits enjoyed by the community, has approved of the under mentioned standards to achieve cost recovery and to measure service delivery, where possible. These measures will be used to ensure that the service is affordable to the Council, business and households. The measures will be used to

determine whether the infrastructure provided is managed effectively and to indicate whether any of the services should be curtailed.

9.6.2 Measures indicated should be calculated annually and used as a guideline to ensure meaningful reporting. Actual unit costs must be compared with budgeted costs.

FUNCTION	UNIT OF OUTPUT	CLASSIFICATION BY COUNCIL
Airfields	Number of landings	Subsidised
Art Gallery and Museum	Number of attendance	Community
Engineering Administration	Population Percentage of Municipal expenditure	Community
Building Section	Number of plans submitted Value of buildings Municipal value of buildings	Subsidised
Caravan Park	Number of bookings Number of sites	Subsidised
Cemeteries	Number of burials Number of graves	Subsidised
Civic and other halls	Number of bookings	Subsidised
Cleansing, Refuse removal and	Number of removals Population	Economic

disposal	Number of properties	
Corporate Services	Population	Community (Charged out)
	Percentage of total expenditure	
Council General	Population	Community (Charged out)
	Percentage of total expenditure	
Electricity	Number of units purchased	Trading
	Number of units sold	
	Number of connections	
Estates	Number of properties	Economic
	Percentage of municipal expenditure	Community (Charged out)
Financial Services	Population	Subsidised
	Number of call-outs	
Fire	Number of properties	Subsidised
	Population	
Grant-in-aid	Percentage of rates income	Community
Health	Number of attendance	Subsidised
	Population	
- Clinics		
- Other		
Housing	Number of dwellings	Economic

(Selling and letting schemes)			
Libraries	Number of members Number of book in stock Population	Community	
Licensing	Number of licences	Subsidised	
Marketing	Number of industrial properties Number of industries	Community	
Municipal Manager	Percentage of municipal expenditure Population	Community (Charged out)	
Parking	Number of bays	Community	
Parks and recreation	Number of properties Population	Community	
Personnel administration	Number of municipal staff Population	Community (Charged out)	
Recreation resorts	Number of users Population	Economic	
Roads and Stormwater (including sidewalks)	Length of roads Population	Community	
Security and Civil	Number of installations	Community	

Defence			
Sewerage reticulation (Disposal)	Number of connections	Sewerage purified Population	Economic
Street lighting	Number of street lighting	Population	Community
Swimming pools	Number of attendance	Population	Subsidised
Stores	Number of stock items held Value of stock Number of orders		Economic (fully charge out)
Town Planning	Number of properties	Population	Community
Traffic	Number of registered vehicles	Population	Subsidised
Valuations	Number of properties	Value of municipal valuations	Community
Water	Number of units sold Cost per unit supplied Length of mains Kilolitres purified		Trading

	Cost per kiloliter purified	
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10 BY-LAWS

The principle contained in this policy will be reflected in the various service by-laws as promulgated and adjusted by Council from time to time.

11 COMMENCEMENT

This policy takes effect on 1 JULY 2013

EMTHANJENI MUNICIPALITY

RATES POLICY

**FORMULATED IN TERMS OF SECTION 3 OF THE LOCAL
GOVERNMENT: MUNICIPAL PROPERTY RATES ACT,
NO. 6 OF 2004**

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RATES POLICY

1. LEGISLATIVE CONTEXT

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) a municipality in accordance with-
- a. Section 2(1), may levy a rate on property in its area; and
 - b. Section 2(3), must exercise its power to levy a rate on property subject to-
 - i. Section 229 and any other applicable provisions of the Constitution;
 - ii. the provisions of the Property Rates Act;
 - iii. Municipal Property Rates Regulations on the Ratio between the Residential and Non-residential Properties (Gazette no. 32061 and 32062 issued on 27 March 2009)
 - iv. the Rates Policy of the municipality.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a Rates Policy.

2. DEFINITIONS

- 2.1 **Act** means the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004).
- 2.2 **Municipality** means the municipal council for the municipal area of Emthanjeni Municipality
- 2.3 **All other terms** are used within the context of the definitions contained in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) —means

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- (a) In relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) In relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) In relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
 - (i) A trustee, in the case of a property in a trust excluding state trust land;
 - (ii) An executor or administrator, in the case of a property in a deceased estate;
 - (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
 - (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;
 - (v) a curator, in the case of a property in the estate of a person under curator ship;
 - (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
 - (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or

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- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
 - (e) in relation to agriculture property/agricultural use means a farm or a small holding used for the production of goods or products through farming or forestry activities. (see paragraph 12(1) b)
 - (f) The rates category of a property will be determined by the dominant use of the property
- 2.4 In relation to a property, sub economic, old housing scheme, RDP housing referred to the definition of “property”, **means a person in whose name ownership of the property is still unregistered but occupies the property. Registration of these properties are not yet registered due to delays at the Deeds Office and processes within the municipality**
- 2.5 Indigent household: a household which qualifies as indigent as defined in the Indigent Policy of the Municipality
- 2.6 Income: Money received as income
- 2.7 Municipal Financial Year: as determined by the MFMA from 1 July – 30 June the following year.

3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality’s general valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the Municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3 There will be no phasing in of rates based on the new valuation roll, except as prescribed by legislation, the Property Rates Act and the Rates Policy of the Municipality

3.4 The Rates Policy of the Municipality is based on the following principles:

- (a) Equity
The municipality will treat all ratepayers of a category of property or category of owner the same.
- (b) Affordability
The ability of a person to pay rates will be taken into account by the Municipality. In dealing with the poor/indigent ratepayers the Municipality will provide relief measures through exemptions, reductions or rebates.
- (c) Sustainability
Rating of property will be implemented in a way that:
 - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the Municipality; and
 - ii. it supports local social and economic development
- (d) Cost efficiency
Rates will be based on the value of all rateable property and the amount required by the Municipality to balance the operating budget after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the Municipality from time to time.

3.5 The rates category of a property will be determined by the dominant use of the property

4. SCOPE OF THE POLICY

This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates are published in the *local newspaper* and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. APPLICATION OF THE POLICY

In imposing the rate in the rand for each annual operating budget component, the Municipality shall grant exemptions, rebates and

reductions to the categories of properties and categories of owners as allowed for in this policy document.

6. CATEGORIES OF PROPERTY

6.1 Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the-

- (a) The rates category of a property will be determined by the dominant use of the property
- (b) permitted use of the property or
- (c) geographical area in which the property is situated

6.2 Categories of property for the municipality include-

- (a) residential properties;
- (b) business and commercial properties;
- (c) industrial properties;
- (d) public service infrastructure;
- (e) public benefit organisations;
- (f) agricultural properties;
- (g) state-owned properties;
- (h) municipal properties;
- (i) multiple use properties;
- (j) vacant land.
- (k) mining properties
- (l) places of worship

7. CATEGORIES OF OWNERS APPLYING FOR EXEMPTIONS, REDUCTIONS AND REBATES

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the-

- (a) indigent owners who qualify as indigent households as defined in the Indigent Policy of Emthanjeni Municipality.
- (b) income derived from the use of the property
- (c) owners of property situated within an area affected by-
 - i a disaster within the meaning of the Disaster Management

Act, 2002 (Act No. 56 of 2002); or
ii. any other serious adverse social or economic conditions

- (d) owners of residential properties with a market value below a determined threshold; or
- (e) owners of agricultural properties
- (f) retired and disabled owners of property

8. PROPERTIES USED FOR MULTIPLE PURPOSES

Rates on properties used for multiple purposes will be levied on properties used for-

- (a) a purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated;
- (b) a purpose corresponding with the dominant use of the property;
- (c) applying the relevant cent amount in the rand to the corresponding apportioned market value.

9. DIFFERENTIAL RATING

9.1 Criteria for differential rating on different categories of properties will be according to-

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- (b) The promotion of social and economic development of the municipality.

9.2 Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and/or

9.3 by way of reductions and rebates.

10. EXEMPTIONS

10.1 The following categories of property are exempted from rates:

- (a) Municipal properties
 - (i) Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.

(ii) **Except for those properties as mentioned in paragraph 2.4 that states In relation to a property, sub economic, old housing scheme, RDP housing referred to the definition of “property”, means a person in whose name ownership of the property is still unregistered but occupies the property. Registration if these properties are not yet registered due to delays at the Deeds Office and processes within the municipality**

(b) Residential properties

All owners of residential property are exempted from paying rates on the first **R28 000-00 of the value of a particular property of which he or she is the owner**

(c) Religious Institutions

Only registered Religious Organisations will be exempted from paying rates.

(d) Public Benefit Organisations

The following Public Benefit Organisations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

(e) Welfare institutions

Properties used exclusively as an orphanage, non-profit retirement villages, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962).

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(f) Charitable institutions

Property belonging to not-for-gain institutions or organisations that perform charitable work may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

(g) Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

(h) Museums, libraries, art galleries

Registered in the name of private persons, open to the public and not operated for gain.

(i) Youth development organisations

Property owned and/or used by organisations for the provision of youth leadership or development programmes.

(j) Animal welfare

Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

10.2 The categories of property in (a) to (c) below are exempt from paying rates on the first 30 % of the market value

(a) Public Service Infrastructure

Means publicly controlled infrastructure as per definition of MPRA, 6 of 2004.

(b) Sporting bodies

Property used by an organisation whose sole purpose is to use the property for sporting purposes on a non-professional basis.

10.3 Exemptions shall be subject to the following conditions:

- (a) all applications must be addressed in writing to the Municipality;
- (b) a SARS tax exemption certificate must be attached to all applications;
- (c) the Municipal Manager or Chief Financial Officer must approve all applications;
- (d) **applications must reach the Municipality before the end of August or alternatively any other date determined by Council preceding the start of the new municipal financial year for which relief is sought; and**
- (e) the Municipality retains the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false.

11. REDUCTIONS

11.1 A reduction in the municipal valuation as contemplated in section 15(1) (2) of the Act will be granted where the value of a property is affected by-

- (a) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 56 of 2002); or
- (b) any other serious, adverse social or economic conditions.

11.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer

11.3 All categories of owners can apply for a reduction in the rates payable as described above

12. REBATES

12.1. Categories of property

Emthanjeni Municipality Rates Policy (Final 2013/2014 Financial Year)

(a) Business, commercial and industrial properties

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:
 - a. job creation in the municipal area;
 - b. social upliftment of the local community; and
 - c. creation of infrastructure for the benefit of the community.

- ii. Rebates will be granted on application subject to:
 - a. a business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
 - b. a continuation plan issued by the directors and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plan to continue to meet the objectives;
 - c. an assessment by the Municipal Manager or his/her nominee indicating that the company qualifies; and
 - d. a municipal resolution.

(b). Agricultural property/ Agricultural Use

- (i) A farm is an area of land, including various structures thereon, devoted primarily to the practice of producing and managing food (produce, grains or livestock) or forestry products. The farming activity must be intense, must not be a mere hobby and must contribute to the local economy.
- (ii) may be owned and operated by a single individual, family, community or corporate entity. In the event that the farmer is an individual, the farmer must be dependent on the income from the farm to support his or her family. A farm can be a holding of any size.
- (iii) In terms of the MPRA, the definition of agricultural purposes excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game and will therefore be exempted from any rates rebate.

- (iv) As a result of, and taking into account, limited rate-funded services supplied to such properties in general, the contribution of agriculture to the local economy, the extent to which agriculture assists in meeting the service delivery and development obligations of the municipality, and the contribution of agriculture to the social and economic welfare of farm workers, the Municipality grants a additional rates rebate (as set out below) in respect of properties used for agricultural purposes only, of **48%** after to the current property rates levy ratio of (1:0.25) is applied, which is the applicable rate for properties used for agricultural purposes, but does not exceed the maximum ratio of the rate on residential property prescribed in the MPRA Rate Ratio Regulations.
- (v) Unless the usage of a property has changed, owners of qualifying agricultural properties must apply for the rebate in the year when a new General Valuation Roll ("GV") or Supplementary Valuation Roll ("SV") or change of ownership, as the case may be, which affects the property, is implemented.
- (vi) Rebates for the extent of municipal services not provided to agricultural property form part of the **48% rebate as mentioned in section 12(1)(b)(ii)(iv)** and no additional rebates will be granted in respect of the following:
- a) No municipal roads adjacent to the property.
 - b) No municipal sewerage to the property.
 - c) No municipal electricity to the property.
 - d) Gravel access roads not provided or maintained by the municipality
 - e) No refuse removal provided by the municipality.
 - f) Provision of permanent residence to farm workers.
 - g) Provision of potable water farm workers .
 - h) Provision of electricity to houses of farm workers.
- (vii) Rebates will be granted on application, subject to the following:
1. A bona fide farmer must submit certified copies of the following documents in order to qualify for the additional rebate of 48% as mentioned in clause b(iv)

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- (i) Official Emthanjeni Municipality's Rates Rebate application form.
 - (ii) An affidavit of the predominant use of the property
 - (iii) Affidavit that the total revenue of eco-tourism and game farming constitute not more than 8% of the total farming revenue on the farm. The primary use of the property must be clearly outlined.
 - (iv) Proof of postal address must also be provided. Omission of proof of postal address will lead to automatic disqualification of application.
 - (v) Portions of farms must be clearly indicated when applying for rebates.
 - (vi) An individual or consolidated application in writing together with the documentation as required must be made for each property or portion of property.
2. Completed applications must reach the Directorate of Finance: Rates Section on or before the 31 August 2013.
3. Emthanjeni Municipality's application form must be used and Incomplete applications will not be considered and the onus is placed on the owner to provide all supporting documentation before any application will be considered.
4. Applications received after 31 August 2013 will be disqualified for the current financial year and will only be processed in the next financial year.
5. The current rebates are applicable as from the 2013/2014 financial year.
6. Investigation
 - (i) The Municipality reserves the right to verify the details provided in the application

- (ii) The Municipality will undertake an on going inspection of the applicant farming property and any changes in that farming property's circumstances must be reported.
 - (iii) Applicant must attest to the above before a Commissioner of Oaths and a representative of a civil society structure must attest to the veracity of the application.
- 7 The rebates application may apply for the period during which the current valuation roll, of 01 July 2012 to 30 June 2016, is effective.

NB: No other rebates will be granted to properties that qualify for the agricultural rebates. The additional rebate of 48% as mentioned in clause 12(b)(iv) above includes all rebates for the provision of municipal basic services as outlined in clause 12(b) above. For example, if the rate for residential properties is one (1) cent ,farming properties will be levied at a quarter of a cent (0.25 or ¼ cent) and will receive an additional 48 % rebate on the quarter of a cent (0.25 or ¼ cent) upon submission of a valid and complete rebate application.

Further rebates would be unfair to the residential property owners who receive an exemption only on the first R28 000 of valuation. Emthanjeni Municipality does not include the refuse, sewerage, sanitation and availability levy in the property rates levy. Property rates are levied separately.

7. Phasing-in Discount

Rates levied on all properties previously not levied and agricultural property shall be phased in over a period of three years as follows:

- (i) First Year of implementation: Discount of 75% of the total rates for that year, otherwise applicable to the property
- (ii) Second Year of implementation: Discount of 50% of the total rates for that year, otherwise applicable to the property

(iii) Third Year of implementation: Discount of 25% of the total rates for that year, otherwise applicable to the property

(c) Conservation Land

No rebates are granted to privately owned properties whether designated or used for conservation purposes.

(d) Historical or heritage properties

No rebates are granted other than residential rebates, if appropriate.

(e) Non-profit or public benefit organisations

The categories of non-profit organisation or public benefit organisations listed in 10.1 above may be granted an 80% rates rebate if they do not apply or qualify for exemption in terms of 10(d).

These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community.

An annual rebate will only be granted if an organisation, owner or user of the property is registered as non-profit or public benefit organisation with the municipality before the end of September. Organisations, owners or such users who fail to register before the end of September will not be entitled to the rebate for that financial year.

12.3 Categories of owners

(a) Retired and Disabled Persons Rate Rebate will receive an additional 40 % discount

i. Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:

a. occupies the property as his/her normal residence;

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- b. be at least 65 years of age or in receipt of a disability pension from the Department of Welfare and Population Development;
 - c. be in receipt of a total monthly gross income from all sources (including income of spouse of owner) not exceeding **R4 500**; or an amount to be determined by Council
 - d. not be the owner of more than one property; and
 - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- ii. Property owners must apply on a prescribed application form for a rebate as determined by the Municipality.
- iii. Applications must be accompanied by-
- a. a certified copy of the identity document or any other proof of the owners age which is acceptable to the municipality;
 - b. sufficient proof of income of the owner and his/her spouse;
 - c. an affidavit from the owner;
 - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
 - f. See also section 10(3)
- iv. These applications must reach the Municipality on or before 31 August 2013 of the 2013/2014 municipal financial year for which relief is sought or alternatively any other date determined by Council preceding the start of the new municipal financial year for which relief is sought
- v. The Municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

- 12.4 Properties with a market value below a prescribed valuation level, instead of a rate determined on the market value of these properties a uniform amount may be fixed per property.

13. RATES INCREASES

- (a) The Municipality will consider increasing rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time.
1. Rate increases will be used to finance the increase in operating costs of community and subsidised services.
 2. Relating to community and subsidised services the following annual adjustments will be made:
 - i. All salary and wage increases as agreed at the South African Local Government Bargaining Council
 - ii. An inflation adjustment for general expenditure, repairs and maintenance and contributions to statutory funds, and
 - iii. Additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
- (b) Extraordinary expenditure related to community services not foreseen during the previous budget period and approved by the council during a budget review process will be financed by an increase in property rates.
- (c) Affordability of rates to ratepayers.
- (d) All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

14. NOTIFICATION OF RATES

- (a) The Municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.
- (b) A notice stating the purport of the Municipality's resolution and the date on which the new rates become operational will be displayed by the Municipality at places installed for that purpose.

15. PAYMENT OF RATES

- 15.1 Ratepayers may choose between paying rates annually in one instalment on or before 30 September or in twelve equal instalments on or before the seventh day of the month following on the month in which it becomes payable.
- 15.2 If the owner of property that is subject to rates, notifies the Municipal Manager or his/her nominee not later than 31 May in any financial year, or such later date in such financial year as may be determined by the Municipal Manager or his/her nominee that he/she wishes to pay all rates in respect of such property in instalments, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year in twelve instalments until such notice is withdrawn by him/her in a similar manner.
- 15.3 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.
- 15.4 If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and Indigent Policy of the Municipality.
- 15.5 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of *the Credit Control Policy of Emthanjeni Municipality*.
- 15.6 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 15.7 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

16. REGULAR REVIEW PROCESS

The rates policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

17. SHORT TITLE

This policy is the Property Rates Policy of Emthanjeni Municipality.

18. ENFORCEMENT/IMPLEMENTATION

This policy has been approved by the Council of Emthanjeni Municipality in terms of resolutiondated _____ and comes into effect from 1 July **2013**.

CASH AND INVESTMENT POLICY

1. Introduction

- 1.1 As trustees of public funds, Councillors and officials have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible.
- 1.2 The Council of the Municipality has a responsibility to invest public funds carefully and has to report to the community in this regard.
- 1.3 In terms of The Municipal Finance Management Act , 2003 (Act No 56 of 2003), Chapter 3, Section 13 –
 - (1.) The Minister may prescribe a framework within which Municipalities must –
 - conduct their Cash Management and Investments; and
 - invest money not immediately required
 - (2.) A Municipality must establish an appropriate and effective Cash Management and Investment Policy in accordance with any framework that may be prescribed in terms of subsection (1).

2. Objective

The objective of the investment policy is to gain the highest possible return, without unnecessary risk, during periods when excess funds are not being used. To establish this, it is essential to have an effective Cash Flow Management Program.

3. Responsibility/Accountability

3.1 In terms of the Municipal Finance Management Act, 2003, Chapter 8, Section 60, the Municipal Manager is the Accounting Officer of the Municipality. However, he may delegate in terms of Section 79(1) certain duties/tasks to designated officials, referred to in section 77(1), who would be accountable to him. The Municipal Manager is therefore accountable for all transactions entered into by his designates. One of the main functions of the Municipal Manager is that of adequate and effective cash management. The duty to manage the municipality's cash and investments is delegated to the Chief Financial Officer.

3.2 The Chief Financial Officer is responsible, as delegated, for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management. Sound cash management includes the following:

Collecting revenue when it is due and banking it promptly;

Making payments, including transfers to other levels of government and non-government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the government's normal terms for account payments;

Avoiding pre-payments for goods or services unless required by the contractual arrangements with the supplier;

Accepting discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the relevant treasury;

Pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the Municipality are collected and banked promptly;

Accurately forecasting the institution's cash flow requirements;

Timing the inflow and outflow of cash;

Recognising the time value of money, i.e. economically, efficiently, and effectively managing cash; and

Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets.

- 3.3 The overall responsibility of investments rests with the Municipal Manager. However, the day to day handling of investments is the Chief Financial Officer's responsibility.
- 3.4 In terms of Section 79(1) of the Municipal Finance Management Act, 2003 the powers and duties to do investments are delegated to the Chief Financial Officer. In terms of Section 82 (1) of the MFMA, the Chief Financial Officer may sub-delegate the duties and authority to do investments to any official in the budget and treasury office or to the holder of a specific post in that office. The Chief Financial Officer is accountable to the Municipal Manager for the investments made by the Chief Financial Officer or his delegated officials
- 3.5 In the instance that the Chief Financial Officer has to do an investment, quotations are required from various financial institutions. In the case of telephonic quotations, the following information is required:
 - The name of the person who gave the quotation;
 - The relevant terms and rates; and
 - Other facts such as if interest is payable on a monthly basis or on maturation date
- 3.6 Where payments to financial institutions in respect of investments are to be effected by cheque, the following procedures apply:
 - The Chief Financial Officer's clerk must complete a cheque requisition form and submit it to the Chief Financial Officer or his delegated official together with the supporting quotations;
 - The Chief Financial Officer or his delegated official must authorise the requisition.

3.7 All investment documents will require two signatories, namely the Chief Financial Officer or his delegated official and one other official in the treasury office. Specimen signatures must be held by all financial institutions that the Municipality deals with.

4. Cash Management

Adequate and effective cash management is one of the main functions of the Chief Financial Officer or his/her Delegate.

4.1 Debtor Collections:

4.1.1 All funds due to the Municipality must be collected in good time and banked on a daily basis. Cash left in the safe which poses a security risk, could result in higher insurance premiums to cover the additional risk and does not earn interest. Large sums of money received must be deposited into the bank account on the same day the payment is received.

4.1.2 It is important that all monies owing to the Municipality are correctly reflected in the debtors system. The following control measures are necessary:

- A well managed debtors and banking control system will ensure that funds owed to the Municipality are received and banked; and
- It is also important to review debt collection performance by comparing the debtors outstanding in relation to total turnover and then comparing this to previous financial years, in order to determine whether the debt collection process is deteriorating or improving.

4.1.3 All monies collected by the Municipality must be banked in the bank account of the Municipality.

- 4.1.4 Moneys collected by some other agency on behalf of the Municipality shall be paid over to the Municipality or deposited in the bank account of the Municipality in a manner prescribed by the Chief Financial Officer.
- 4.1.5 The receipt of all monies collected by the Municipality shall be acknowledged forthwith by the issue of a numbered official receipt.

4.2 Payment of Creditors

- 4.2.1 Due to the high bank charges with regard to cheque payments, it is essential to limit the payment of creditors to one payment per creditor per week, where possible³. Exceptions, authorised by the Chief Financial Officer, with regard to emerging contractors can, however, be made, should the cash position allow for it. Should the facility be available, payments should be done by electronic transfer – subject to strict control measures.
- 4.2.2 When considering the time to pay a creditor, proper consideration must be given to the conditions of credit terms of payment offered:
- In cases where a cash discount is given for early settlement, the discount, if the relevant time scale is taken into account, will in most cases be more than any investment benefit that could be received from temporarily investing the funds.
 - If discounts are offered for early settlement they must be properly considered and utilised.
- 4.2.3 Besides this, the normal conditions of credit terms of payment offered by suppliers, must also be considered and utilised to the full by paying on the due date and not earlier.

4.3 Receipt of Payments

4.3.1 Receipt of money over the counter:

- Every amount of payment received by a Cashier or other officer responsible for the receipt of money shall be acknowledged at once by the issue of a numbered official receipt or cash ticket; and
- Every receipt form, which is cancelled, will be reattached, in the correct place, in the receipt book. Where computer generated receipts are used, the original receipt must be filed for audit purposes.

4.3.2 Receipt of Money by Post:

- When money (including postal orders and cheques) is received with the Council's mail, the Registry Clerk shall record all payment remittances as and when received in the cheque register in the presence of a witness. Post-dated cheques received in the Council's mail must also be recorded in the cheque register. The cheque register shall be regarded as the register of remittances received by post;
- The cheque register together with all remittances received must be sent to a designated official in the finance section, before close of cashier on the same day;
- The designated official on receipt of the cheque register together with the remittances will code all remittances and submit it to the cashier for receipting;
- The Cashier will receipt all remittances and issue official receipts to the designated official;
- The designated official will record all receipts in the cheque register and return same to registry. The Registry Clerk must ensure that all receipts are recorded in the cheque register;
- All documents relating to remittances received in the mail must be filed for audit purposes;
- A separate register for post dated cheques will be maintained by the Registry Clerk and all post-dated cheques must be stored safely in the Registry Safe; and

- The Registry Clerk will ensure that all post-dated cheques, which become due are sent promptly to the designated official for receipting and recording of receipts in the post-dated cheque register.

4.4 Bank and Cash:

- 4.4.1 All names of bank accounts or investment accounts must be in the name of EMTHANJENI MUNICIPALITY.
- 4.4.2 New bank accounts may be opened if required and approved by the CFO.
- 4.4.3 All bank accounts must be accounted for in the accounting system.
- 4.4.4 All bank and cash should be made in terms of the Cash Management Policy.

4.5 Management of Inventory

Cash management must be improved by seeing to it that adequate inventory control is exerted over all goods kept in inventory. For this purpose an Inventory Management Policy must be developed.

4.6 Management of Debt

The Municipality may only incur debt in terms of the Municipal Finance Management Act, 2003, Chapter 6. The Municipality may incur two types of debt, namely short term and long term debt.

4.6.1 Short term debt.

4.6.1.1 The Municipality:--

- may incur short-term debt only in accordance with and subject to the Provisions of the MFMA, Section 45(1), and only when necessary to bridge –
 - (a) shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or

(b) capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

- may incur short-term debt only if –

(a) a resolution of the Municipal Council, signed by the Mayor, has approved the debt agreement; and

(b) the Accounting Officer has signed the agreement or other document which creates or acknowledges the debt.

- Must pay off short term debt within a financial year; and

- May not renew or refinance its short term debt.

4.6.1.2 No lender may extend credit to the Municipality for the purpose of renewing or refinancing debt that must be paid off in terms of the above, unless such extension was agreed and approved by the Council. If a lender willfully extends credit to the Municipality for the purpose of renewing or refinancing debt, the Municipality is not bound by the contract in terms of which the credit was extended to the Municipality.

4.6.2 Long term debt.

4.6.2.1 The Municipality may incur long term debt in terms of Section 46(1) of the MFMA only for the purpose of capital investment in property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in Section 152 of the Constitution, and only if –

(a) a resolution of the Municipal Council, signed by the Mayor, has approved the debt agreement; and

(b) the Accounting Officer has signed the agreement or other document which creates or acknowledges the debt.

(c) the Accounting Officer of the Municipality has complied with Section 21A of the Municipal Systems Act, by making public an information statement setting out the particulars of the proposed debt, the purpose for

which the debt is to be incurred and the particulars of any security to be provided, at least 21 days prior to the meeting of the Council at which approval for the debt is to be considered.

4.6.2.2 Section 152 of the Constitution reads as follows: “The objects of local government are:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.”

5. Investments

5.1 Legal Requirements

5.1.1 The way in which surplus funds and other municipal funds can be invested, is controlled in terms of legislation:

- GRAP ACCOUNTING STANDARDS;
- Local Government Municipal Finance Management Act 2003, Act No 56 of 2003, section 13(1)

5.1.2 The Minister, acting with the concurrence of the Cabinet member responsible for local government, may prescribe a framework within which municipalities must –

- (a) Conduct their cash management and investments; and
- (b) Invest money not immediately required. Invest only with --
 - Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
 - Securities issued by the National Government;

- Deposits with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No. 45 of 1984);
- Deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984)
- Listed corporate bonds with an investment grade rating from an internationally recognized credit rating agency.
- Bankers, acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990);
- Guaranteed endowment policies with the intention of establishing a sinking fund;
- Repurchase agreements with banks registered in terms of the Banks Act, 1990(Act 94 of 1990)
- Any other instruments or investments in which a Municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: Provided that such instruments shall not extend beyond the date of maturity or redemption thereof.; and
- Any other investments determined by the Minister of Finance and published in the Government Gazette.

5.2 Cash Flow Estimates

- 5.2.1 Before money can be invested, the Chief Financial Officer must determine whether there will be surplus funds available during the term of the investment. He/she must fix the term of the investment.
- 5.2.2 In order to be able to make investments for any fixed term, it is essential that cash flow estimates be drawn up.
- 5.2.3 When drawing up cash flow estimates, it is essential that the Chief Financial Officer take note of the following:

- Be aware of the expected cash flow and when it is likely to take place, as well as the timing with regard to cash outflow, as far as both the operating and the capital budgets are concerned;
 - By utilising the available information and expertise, the Chief Financial Officer or his/her delegate must assess the timing with regard to when, for how long and the amount to be invested; and
 - Daily cash flow estimates must provide for daily call investments and investment withdrawals, whereas long-term investments must be based on projections further into the future.
- 5.3 From time to time the Council will have surplus funds available which are not needed immediately and which could be invested. Depending on circumstances some funds could be invested for a long term whilst others would only be short-term investments. Surplus funds in the current account may also be invested for short periods (days).
- 5.4 Generally investments are done every month when prior investments mature and funds are available for re-investment. Investments may be made by the Chief Financial Officer as follows:
- Long term investments should be made with financial institutions of minimum BBB rating (where BBB refers to lower risk institutions);
 - Short term investments should be made with an financial institutions of minimum B rating (where B refers to higher risk institutions);
 - All available funds should not be placed with a single institution, the invested amount should, where possible, be spread equally to all relevant institution's; and
 - The total amount invested at an institution may not exceed 10% of the relevant institution's shareholder's funds (Capital and Reserves).

6. Investment Ethics

The following ethics must apply when dealing with financial institutions and other interested parties:

- 6.1 The Municipal Manager and Chief Financial Officer will be responsible for the investment of funds, and he/she has to steer clear of outside interference, regardless of whether such interference comes from individual Councillors, agents or any other institution.
- 6.2 Under no circumstances may he/she be forced or bribed into making an investment. No official may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to do so, and can merely be seen as goodwill. A certificate in respect of the gift should be furnished to the Chief Financial Officer. The gift should not be in lieu of a commission.
- 6.3 The Chief Financial Officer must act according to his/her discretion and must report any serious cases of payment in kind or gifts, to the Municipal Manager. Excessive gifts and hospitality should, however, be avoided.
- 6.4 Interest rates offered should never be divulged to another institution.

7. Investment Principles

- 7.1 Exposure to a Single Institution:
Money, especially large sums of money, must be invested with more than one institution, in order to limit risk exposure of the Municipality. All available funds should not be placed with a single institution, the invested amount should, where possible, be spread equally to all relevant institutions. If legislation permits, the Chief Financial Officer must try to plan the distribution of the investments to cover different types of investments.
- 7.2 Risks and Return
It can be accepted as a general rule that the larger the return, the greater the risk.
- 7.3 Borrowing Money for Reinvestment

The Municipality may not borrow money for reinvestment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.

7.4 Registered Financial Institutions

If the Chief Financial Officer invests with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act 94 of 1990 and that they are approved financial institutions – as approved by the Reserve Bank, from time to time. An updated list of the approved financial institutions should be obtained regularly.

7.5 Growth-related Investments

When making growth-related investments, the Chief Financial Officer must obtain a guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

8. Investment of Funds by the Municipality:

- 8.1 The investment register must be examined on a daily basis to identify investments falling due within the two weeks following and start the investment process such as looking at alternatives, cash flow requirements and timely reporting to the Municipal Manager and Council.
- 8.2 Prior to the investment of monies, the Chief Financial Officer (CFO), must determine whether there will be surplus funds available, as well as to fix the term for which such money should be invested.
- 8.3 In order to be able to make investments for any fixed term, it is essential that cash flow forecasts be drawn up.
- 8.4 In the instance surplus funds are available for investment, the Chief Financial Officer should contact the various banking institutions for interest rate quotations and prepare a manual or computerised list of the quotations indicating the amounts to be invested, the rates quoted and the maturity values (maximum return).

8.5 Based on the results of 8.4 above, and the value of the prospective investment, the Chief Financial Officer should, authorise the investment. All relevant information must be filed together with the investment documentation.

9. Call Deposits and Fixed Deposits

9.1 Quotations should be obtained from a minimum of three financial institutions, bearing in mind the limits of the term for which it is intended to invest the funds. Should one of the institutions offer a better rate for a term, other than what the Municipality had in mind, the other institutions which were approached, should also be asked to fix a rate for that long a term.

7.2 Quotations must be obtained electronically, otherwise per facsimile, as rates can generally change on a regular basis and time is a determining factor when investments are made. It is however prudent to obtain written (e-mail acceptable) quotations. No verbal quote or quotes received after closing date and time may be considered. The person responsible for requesting quotations from institutions must record the following:

- Name of institution;
- Name of person quoting rates;
- Closing date and time;
- Period of the investment;
- Relevant terms; and
- Other facts i.e. are interest payable monthly or on maturation date.

9.3 Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested. The best offer must under normal circumstances be accepted, with thorough consideration of investment principles. The Chief Financial Officer must note any deviation

if such best offer is not accepted. No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.

9.4 If institutions have been asked for a quotation with regard to a specific package, the institution must be requested to give the best rate in their quotation. They must also be informed that, once the quotation has been given, no further bargaining or discussions will be entered into in that regard.

9.5 The above procedure must be followed for all investments.

9.6 The Chief Financial Officer must make sure that the investment document received is a genuine document, issued by an approved institution, and the investment capital must be paid over only to the institution with which it is to be invested and not to an agent.

10. Other External Deposits

Other investment possibilities, which are subject to the applicable legislation and are available to the Municipality, include debentures and other securities of the State as well as other Municipalities or statutory bodies in the Republic, instituted under and in terms of any law. With regard to such investments, the principles and practices set out above must apply.

11. Control of Investments

11.1 An Investment Register must be kept of all investments made. The following facts must be indicated:

- Name of institution;
- Type of investment;
- Capital invested
- Date invested;

- Term of investment
- Interest rate;
- Maturation date;
- Interest earned;
- Interest received;
- Interest capitalised.

The Investment Register and accounting records must be reconciled on monthly basis.

11.2 The Investment Register must be examined on a fortnightly basis to identify investments falling due within the next two weeks. It must then be established as what to do with the funds bearing in mind the cash flow requirements.

11.3 Interest, correctly calculated, must be received in good time, together with any distributable capital. The Chief Financial Officer must check that the interest is calculated correctly.

11.4 Investment documents and certificates must be kept in a safe place. The following documents must be safeguarded:

- Fixed deposit letter or investment certificate;
- Receipt for capital invested;
- Copy of electronic transfer or cheque requisition;
- Excel schedule of comparative investment figures;
- Commission certificate indicating no commission was paid on the investment; and
- Interest rate quoted.

11.5 The Chief Financial Officer is responsible for ensuring that the invested funds are secure and, should there be a measure of risk, that such risk be rated realistically.

12. General Investment Practice

12.1 General

After determining whether there is cash available for investment and fixing the maximum term of investment, the Chief Financial Officer must consider the way in which the investment is to be made. As rates can vary according to money market perceptions with regard to the terms of investment, quotations must be requested electronically, within term limitations, and these must be set out on a schedule.

12.2 Commission Certificate

The Auditor General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate must state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

12.3 Reports:

12.3.1 The Council must be given a monthly report on all borrowings and investments. With specific reference to:

(a) Borrowings: (For each individual loan)

- Name of institution;
- Date of initial borrowing/loan received (in respect of existing loans)
- Balance beginning of month;
- Loans received during month;
- Loans redeemed during month;
- Balance at end of the month;
- Interest rate;
- Interest paid during month;
- Maturity date;

- Type of loan;
- Total Amount.
- (b) Investments: (For each individual Investment)
 - Name of Institution invested with;
 - Date of investment;
 - Type of investment;
 - Period of investment;
 - Interest rate;
 - Maturity date;
 - Interest earned during month;
 - Balance of investment at beginning of month;
 - Investments made during month;
 - Investments withdrawn during month;
 - Balance of Investments at end of the month;
 - Allocation of investments to reserves and other funds
 - Source of investment;
 - Appropriation of investments.

12.3.2 The Municipality must within 30 days after an investment with currency of 13 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

12.4 Cash in the Bank

12.4.1 Where money is kept in current accounts, it would be possible to bargain for more beneficial rates with regards to deposits, for instance call deposits. Fixed term deposits can increase these rates.

12.4.2 The most important factor is that the cash in the current account must be kept to an absolute minimum. (Not more than R 5 000 000 at end of each month in cash book)

12.5 Creditworthiness

When investments are placed with smaller registered institutions, the Chief Financial Officer has to see to it that the Municipality is not exposed to too much risk. He/she has to ensure that the creditworthiness and performance of the institution is to his/her satisfaction, before investing money in the institution. The Chief Financial Officer is entitled to information from which the creditworthiness of financial institutions can be determined. This must be obtained and analysed annually.

12.6 GRAP

It is of utmost importance that the Chief Financial Officer applies GRAP in the compilation of the budgets and financial statements of the Municipality as well as the financial systems in use.

13. Investment Managers

If the Council will benefit from it, it is permitted to make use of Investment Managers as defined in the Municipal Investment Regulations.

14. Oversight Role of Council

14.1 The Council reserves its right to maintain oversight over the implementation of this Policy.

14.2 For the purposes of such oversight the Accounting Officer must-

- (a) within 30 days of the end of each financial year; submit a report on the implementation of this Policy, to the Council; and.

- (b) when ever there are serious and material problems in the implementation of this Policy, immediately submit a report to the Council.

15. COMMENCEMENT

This policy takes effect on 1 JULY 2013.

CREDIT CONTROL & DEBT COLLECTION POLICY

1. INTRODUCTION

The Debt Collection Policy must be read with the Customer Care and Management Policy.

2. OBJECTIVE

The objective of the Debt Collection Policy is to ensure that all revenues, rates and taxes, service levies, rentals and any other revenue due to the Municipality is collected in good time and in a humane and a cost efficient manner.

3. ARRANGEMENT FOR SETTLEMENT

3.1 If the domestic household's total gross financial income of all occupants over 18 years of age is less than the threshold of **R3 200, as determined by Council annually, such household is regarded as indigent and the indigent policy will apply.**

3.2 **If a domestic household's total gross income exceeds the threshold amount of R3 200, as determined by Council annually, and should that household refuse or neglect to pay their bill with the Municipality, and is not willing to pay according to the payment schedule as outlined below:**

3.2.1. Current Account must always be paid plus

3.2.2 Reconnection fees plus

3.3.3 Initial amount per payment schedule below:

Final Credit Control and Debt Collection Policy: 2013/2014 Financial Year

OUTSTANDING AMOUNT	REPAYMENT TO RE-CONNECT SERVICES
Up to R800	Full amount plus reconnection
R801 – R2000	40% Initial payment and arrears must be settled within 4 months
R2001 – R4000	30% Initial payment and arrears must be settled within 9 months
R4001 – R6000	25% Initial payment and arrears must be settled within 15 months
R6001 and more	15% Initial payment and arrears must be settled within 30 months

And also agree to where possible

- i. pay the current portion of the account in cash and sign an acknowledgement of debt; or
- ii. provide a garnishee order/employment order/stop order (if he or she is in employment);
- iii. sign Consent to Judgement;
- iv. acknowledge that interest will be charged at the prescribed rate;
- v. acknowledge that if the arrangements negotiated are later defaulted on, no further arrangements will be possible and disconnection of water and electricity will immediately follow, as will legal proceedings, the Municipality will not enter into an extended term of payment with this customer and reserve it's right to restrict, block, disconnect or suspend the supply of water and electricity or other municipal services.

Final Credit Control and Debt Collection Policy: 2013/2014 Financial Year

- 3.3 All business customers must pay their accounts in full on due date – exception can only be considered on a case-by-case basis after written application from the individual business has been received. The Chief Financial Officer will consider and approve such applications for arrangements from business with in his/her discretion to a maximum of twelve instalments.
- 3.4 Down payments and instalments will be scaled according to the income of the household and the size of the down payment and the terms of the repayment will be determined by Council on an annual basis, as contained in the tariff and rates schedule.
- 3.5 The Chief Financial Officer will consider and approve such application for arrangement, should such terms stated in the schedule be exceeded. Customers with arrears will convert to a prepayment meter, the cost of which will be paid off by adding it as a surcharge to the prepaid electricity cost, and repaying it with each purchase, at not less than 10% of electricity until the debt is liquidated. Should the defaulter be a tenant, the owner will be held liable for the cost of conversion to a prepayment meter.
- 3.7 Customers wishing to apply for arrangements for the settling of their accounts must provide:
- i) proof of income, such as a pay slip of all members in the household elder than 18 years; or a state grant slip, etc;
 - ii) proof of unemployment as attested to by the Department of Labour;
 - iii) proof of address, physical and postal (if any), such as a telephone account, consumer (not municipal) account; contact details, and
 - iv) personal details as required by Council on the Municipality's prescribed form.
- 3.8 Customers with valid arrears arrangements will not be charged interest while agreed arrangements are met – should one such instalment not be met, interest will be charged on all arrear instalments as in clause 4.2.2 of this policy.

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- 3.9 Should a customer fall into arrears,
- i) the full amount outstanding will become due and immediately payable;
 - ii) restriction, disconnection, blocking or suspension of services processes will immediately begin;
 - iii) the arrears arrangement will be enforced and legal action will begin immediately;
 - iv) no new agreement may be entered into; and
 - v) if the customer has a prepayment meter installed, such outstanding amount will be collected by adding it as a surcharge to the prepaid electricity cost at not less than 20% of each electricity purchase until the debt is liquidated.
- 3.10 The Chief Financial Officer, in consultation with the Municipal Manager, may appoint a Debt Collection Business to collect all arrear amounts on accounts older than 60 days. A fixed commission of not more than 25% on a risk basis will be paid on all arrear amounts recovered.

4. ENFORCEMENT MECHANISMS

4.1 INTERRUPTION OF SERVICES

4.1.1 Customers that are in arrears with their municipal bill will have their supply of electricity and water and other municipal services, restricted, blocked, suspended or disconnected. Council reserves the right to restrict or deny the sale of electricity or water coupons to customers who are in arrears with their rates or any other municipal charges or fees.

4.1.2 Upon the liquidation of arrears, or the conclusion of arrangements for term payment, the restricted service will be reconnected as soon as conveniently possible, there after the conventional meter will be replaced by a prepayment

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meter and the cost of the meter will be recovered through a deduction of not less than 20% of pre-paid sales or cash payment.

4.1.3 The cost of the restriction or disconnection, and the reconnection, will be determined by tariffs agreed by Council, and will be payable by the consumer before reconnection.

Households, classified as indigent, will be treated as per indigent policy.

Council may recover arrear amounts of prepayment customers through the deduction of a percentage of sales until the debt is liquidated.

If services have been disconnected or restricted for an account that is in arrears and such arrears has not been paid or an acceptable arrangement has not been made within 30 days after disconnection or restriction, legal processes will commence which could involve final demands, summonses, court trials, judgements, garnishee orders and/or sales in execution of property.

4.2 INTEREST

4.2.1 Interest will be raised as a charge on all accounts not paid by the due date **except on those who accounts who are classified as Indigent Households account and those who have made arrangements to pay their outstanding accounts.**

4.2.2 Interest will be charged on the total outstanding capital balance of the accounts (i.e. total capital levied for services less interest charged), at a rate determined by Council annually as per tariff policy.

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4.2.3 The decision to waive interest in specific instances can only be taken by the Chief Financial Officer.

4.3 CONTACT

4.3.1 The Chief Financial Officer, in consultation with the Municipal Manager, may appoint Debt Collectors to assist, within the constraints of affordability, make personal contact with all arrears debtors to encourage their payment, and to inform them of the state of their arrears, and their rights (if any) to conclude arrangements or to indigence subsidies, and other related matters, and will provide information on how and where to access such arrangements or subsidies.

Directorate of Finance shall maintain a schedule of debtors with large amounts outstanding and will maintain intensive contact with these debtors as in 4.3.1

Such contact is not a right for debtors that debtors enjoy – disconnection of services, and other collection proceedings, will continue in the absence of such contact for whatever reason.

4.4 LEGAL PROCESS

4.4.1 INTERNAL LEGAL PROCESS

The Municipality will, after all enforcement mechanisms, as referred to in 4.1 to 4.3 above, have failed, proceed with the legal process of issuing final demands and summonses. Should these actions fail, the legal process will be continued with the use of attorneys as referred to in 4.4.2.

4.4.2 USE OF ATTORNEYS/ CREDIT BUREAUS

- i The Chief Financial Officer will, when a debtor falls into arrears, immediately commence the debt collection process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and/or sales in execution of property.
- ii The Municipal Manager will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from the Chief Financial Officer.
- iii The Chief Financial Officer will establish procedures and codes of conduct with outside parties, be they attorneys, the courts, the sheriff and others and will require regular reports on progress from them.
- iv Garnishee orders, in the case of employed debtors, are preferred to sales in execution, but both are part of the Municipality's armoury of debt collection procedures.
- v All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.
- vi All costs of this process are for the account of the debtor.
- vii Individual debtor accounts are protected and are not the subject of public information. However, the Municipal Manager and the Chief Financial Officer may release debtor information to Credit Bureaux. This release will be in writing, and this situation will be included in the Municipality's agreement with its customers.
- viii Council will receive and consider reports on relevant matters, including cost effectiveness, of this process.

4.5 USE OF COLLECTION AGENTS

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- 4.5.1 The Chief Financial Officer will consider the use of agents, and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct, and the success of such agents and products will be both part of the agreement the Municipality might conclude with such agents or product vendors and will be closely monitored by the Municipal Manager.
- 4.5.2 Customers will be informed of the powers and duties of such agents, and their responsibilities including their responsibility to observe agreed codes of conduct.
- 4.5.3 Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will see the contract terminated.

5 THEFT AND FRAUD

- 5.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, reticulation network or any other supply equipment or committing any unauthorised service associated with the supply of municipal services, as well as theft and damage to Council property, will be liable for penalties as determined from time to time.
- 5.2 The Municipality will immediately terminate the supply of services to a customer should such conduct as outlined above be detected.
- 5.3 The total bill owing, including penalties, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, becomes due and payable before any reconnection can be sanctioned.
- 5.4 The Municipality will maintain monitoring systems and teams to detect and survey customers who are undertaking such illegal actions.
- 5.5 Council may distinguish in its penalties between cases of vandalism and cases of theft.

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- 5.6 Subsequent acts of tampering will lead to penalties and deposits increasing in quantum.
- 5.7 The Municipality reserves the right to lay charges and to take any other legal action against both vandals and thieves.

6 COST OF COLLECTION

All costs of legal process, including interest, penalties, service discontinuation costs and legal costs associated with credit control are for the account of the debtor and should reflect at least the cost of the particular action. This onus is to be specifically outlined in Council's credit agreement with a future customer.

7 ABANDONMENT

- 7.1 The Municipal Manager, and through delegation the Chief Financial Officer, must ensure that all avenues are utilized to collect the municipality's debt.
- 7.2 There are some circumstances that allow for the valid termination of debt collection procedures:
 - i. the insolvency of the debtor, whose estate has insufficient funds; and
 - ii. a balance being too small to recover, for economic reasons, considering the cost of recovery.
- 7.3 The decision to terminate the debt collection procedures in specific instances will only be taken by the Chief Financial Officer.
- 7.4 The Chief Financial Officer will maintain audit trails in such an instance and document the reasons for the abandonment and the writing-off of the abandoned debt.

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8 WRITE-OFF

Council will consider, on an annual basis, the writing off of service arrears, after the Chief Financial Officer has submitted a report with the reasons, but not for tampering charges or connection/reconnection fees or legal/collection costs or any other fee/instalment in terms of an existing agreement or for the purpose of selling properties within a period of 24 months after write-off of arrears.

9 BY-LAWS

The principle contained in this policy will be reflected in the various service by-laws as promulgated and amended by Council from time to time.

10 COMMENCEMENT

This policy takes effect on 1 JULY 2013.

INDIGENT POLICY

INTRODUCTION

The Indigent Policy must be read along with the Customer Care and Management Policy.

2 PRINCIPLES THAT UNDERPIN AN INDIGENT POLICY

The following principles are applied in the policy:

- Administrative Integrity must be maintained at all costs – policy and execution are legally separate and must also be practically separate.
- Communication of policies, rights and responsibilities, must be understandable, effective and regular.
- Billing is to be accurate, timely and understandable.
- The customer is entitled to efficient, effective and reasonable access to pay points, and to a variety of reliable payment methods.
- Poor households are to be identified and supported, with appropriate policies and practices.
- Enforcement of payment will be prompt, consistent, effective and humane.
- Fraud and criminality will lead to loss of rights and severe penalties.
- Targets for performance in both customer service and debt collection will be set and strived for.
- Results will be regularly and efficiently reported.
- Indigent Policy will be agreed to by Council and management, and thereafter supported by these parties.

3. RESPONSIBILITIES AND DELEGATED AUTHORITY

- 3.1. The Council --
- 3.1.1 must create, evaluate, review and adopt the Indigent Policy and related by-laws.
- 3.1.2 The Mayor must oversee and monitor the implementation and enforcement of the municipality's policies in this regard.
- 3.2 The Municipal Manager --
- 3.2.1 as Accounting Officer, must implement and enforce this policy and any relevant by-laws.
- 3.2.2 must establish and control the administration necessary to fulfil this policy, and report efficiently and regularly to the Executive Committee in this regard.
- 3.2.3 may delegate authority in this regard to the Chief Financial Officer (CFO).
- 3.3 The Applicant Indigent --
- 3.3.1 must apply annually to be considered for the indigent equitable share, subsidy or rebate in terms of this and any other policy of Council in this regard; and
- 3.3.2 must report any change in his/her circumstances which moves his/her household out of the eligibility brackets in clause 4.1.2.

4. INDIGENT POLICY

4.1 Criteria

- 4.1.1 Council will provide an indigent subsidy, in line with national government regulations and guidelines, to assist the poorest households in the community to receive a basket of basic municipal services either free or rebated, and thereby make basic municipal services available to all.

4.1.2 Indigent subsidies are available **only to domestic households** where the total income of all occupants over 18 years of age is equal to two state pensions or less than **R3 200 per month** (threshold), as contained in the tariff schedule, as annually determined by Council.

4.1.3 The subsidy will be available **only to households legally occupying premises and legally consuming municipal services.**

4.1.4 All other consumers who are not households as mentioned above, **do not qualify to be recognised as an Indigent Household.**

4.2 Funding

4.2.1 The source of funding for the indigent subsidy is the Equitable Share contribution to the Municipality made by the government from the National Treasury. Council will determine the subsidy amount or percentage, per service category, per household, on a year-to-year basis, taking into account the Equitable Share allocation. The subsidy allocation must be contained in the tariff schedule and must be reviewed annually with the annual budget and tariffs.

4.2.2 The subsidy will be widely publicised by the Council, the Municipality and civil society structures.

4.3 Services

4.3.1 Monthly subsidised services will be as follows:

- refuse removal;
- sewerage.

4.3.2 Subsidised services, on a free basic service (consumption basis) will be the following:

- electricity (50kWh);

- water (8 kl).
 - Property Rates will be dealt with as per Rates Policy as per exemption of **R28 000** per property.
- 4.3.3 Households that qualify for an indigent subsidy
- i) will be required to consent to a prepayment electricity meter, the cost of which will be recovered as a surcharge on their subsequent electricity coupon cost; or a cash payment by the household;
 - The owner will be required to consent to a prepayment electricity meter, the cost of which will be recovered as a cash payment by the owner, in those cases where the household is a tenant.
 - ii) Households that exceed 8 kl of water per month and are in arrears will have a restriction apparatus fitted to their water supply.
 - iii) Households that exceed the 50kWh of electricity per month and are in arrears will have their electricity suspended.
 - iv) Indigent households who's property valuation exceeds R28 000 will have to pay the difference in property rates.
- 4.3.4 The indigent debtor will be responsible for payment of the difference between the subsidy received and the standard tariff determined by Council annually.

4.4 Household Eligibility

4.4.1 Households become eligible for the rebate through an approved application, annually, on a specific Municipal application form, after which screening and ongoing auditing will occur. This form will require at least the following data:

- Information of owner of household;
- Physical and postal address;

- Telephone details (if applicable);
- A list of all persons in the household, names and ages;
- Listed gross monthly income of all adults (over 18), with proof (pay slip, grant proof, etc);
- Ownership of business or second properties;
- Confirmation that he/she has had Municipality's Indigent subsidy explained to them; that they are aware that the provision of fraudulent information is an offence;
- In the case of claims of unemployment amongst adults, proof attested by the Department of Labour in this regard must be attached.

4.5 Exclusion

A household will be excluded from the subsidy if:

- 4.5.1 the household head owns a business or a second property;
- 4.5.2 the application was filled in dishonestly;
- 4.5.3 applicant reports a change in his/her circumstances which moves his/her household out of the eligibility brackets in clause 4.1.2;
- 4.5.4 an arrangement to pay arrears over time falls months or more into arrears with their current account and their current arrangement in dishonoured;
- 4.5.5 on going audits suggest improvements in the financial circumstances of the household moving it out of the eligibility brackets in clause 4.1.2.
- 4.5.6 the house is rented to someone who does not qualify or a shop is opened up it will lead to immediate disqualification.

4.6 Investigation

- 4.6.1 The Municipality reserves the right to verify the details provided in 4.4.1
- 4.6.2 The Municipality will undertake an ongoing inspection of the applicant household and any changes in that household's circumstances must be reported.
- 4.6.3 Applicant must attest to the above before a Commissioner of Oaths and a representative of a civil society structure must attest to the veracity of the application.

4.7 Write-off

Council will consider, on an annual basis, the writing off of subsidised existing service arrears at the time of enrolment as an indigent household, **but not for tampering charges or connection/reconnection fees or legal/collection cost or any other fee/instalment in terms of an existing agreement or for the purpose of selling properties within a period of 24 months after the writing off.**

4.8 Auditing

The indigent subsidy will be activated after the indigent application has been approved by the Executive Committee of Council or by approval by the Municipal Manager or the Chief Financial Officer. An initial inspection of the applicant household by the Municipality's designated officials must be done within one month of application. Follow-up inspections will be performed, within six months to determine changes in household circumstances. Such inspections will be conducted by individuals appointed by the Chief Financial Officer to do so and they will make recommendations on whether the subsidy should be continued or discontinued. The Executive Committee of Council, the Municipal Manager or Chief Financial Officer shall decide on the discontinuation of a subsidy.

5. DEBT COLLECTION RELATED TO THE INDIGENT

5.1 Enforcement Mechanisms

- 5.1.1 Customers who are Indigent and who are in arrears and whose usage on their municipal bill exceeds the predetermined levels, will have their supply of electricity and water, and other municipal services, restricted, blocked, suspended or disconnected.
- 5.1.2 The Municipality reserves the right to restrict or deny the sale of electricity or water coupons to indigent customers who are in arrears with their rates or other municipal charges.
- 5.1.3 Upon the liquidation of arrears, or the conclusion of arrangements for instalment payment, the restricted, suspended or disconnected service will be reconnected or unblocked as soon as conveniently possible.
- 5.1.4 The cost of the restriction, blocking, suspension or disconnection, and the reconnection or unblocking, will be determined by tariffs agreed by Council, and will be payable by the consumer before reconnection.
- 5.1.5 Households, classified as indigent, will not be handed over for legal processes, including judgement and summonses.
- 5.1.6 The arrear amount, including the cost of the restriction, blocking, suspension or disconnection, and the reconnection or unblocking, must be transferred to the electricity vending system and collected through the deduction of not less than 20% of electricity purchases.

5.2 Interest

- 5.2.1 Interest will **NOT** be raised as a charge on **Indigent Households accounts** not paid by the due date.
- 5.2.2 Interest will **NOT** be charged on the total outstanding capital balance of the accounts at a rate determined by Council annually as per tariff policy. See the *debt collection policy section that deals with interest*

- 5.2.3 The decision to waive interest in specific instances can only be taken by the Chief Financial Officer.
- 5.2.4 The charging of interest will cease from the date the arrear debt is transferred as per 5.1.6 above or when an agreement has been signed with a customer.

5.3 Personal Contact

- 5.3.1 The Municipality will endeavour, within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment, and to inform them of the state of their arrears, and their rights (if any) to conclude arrangements or to indigent subsidies, and other related matters, and will provide information on how and where to access such arrangements or subsidies.
- 5.3.2 The cost of the contact, by telephone, e-mail or short message service (sms), will be determined by tariffs agreed by Council, and will be payable by the consumer.
- 5.3.3 Directorate of Finance shall maintain a schedule of debtors with large amounts outstanding and will maintain intensive contact with these debtors as in 5.3.1.
- 5.3.4 Such contact is not a right that debtors enjoy – disconnection of services, and other collection proceedings, will continue in the absence of such contact for whatever reason.

6 THEFT AND FRAUD

- 6.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, reticulation network or any other supply equipment or committing any unauthorised act associated with the supply of municipal services, as well as theft and damage to Council property, will be liable for penalties as determined from time to time.

- 6.2 The Municipality will immediately terminate the subsidy and the supply of services to a customer should such conduct as outlined above be detected.
- 6.3 A customer who has his subsidy terminated as per 6.2 above, will not be eligible for a subsidy for the remaining portion of the current and the following financial year.
- 6.4 The total bill owing, including penalties, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, becomes due and payable before any reconnection can be sanctioned.
- 6.5 The debt collection process as outlined in the Debt Collection Policy will become applicable.

7 CLEARANCE CERTIFICATES

- 7.1 Are issued on request by the transferring attorney and on receipt of the applicable fees.
- 7.2 Are only issued when all amounts due in connection with that property for municipal fees, surcharges on fees, property rates and other municipal taxes, levies and duties have been fully paid.
- 7.3 Any instalment for rates, refuse and sewerage is immediately payable.
- 7.4 The Municipality, as owner of municipal property, may issue a clearance certificate provided proper arrangement for the payment of any outstanding amount has been made.

8 REPORTING TO COUNCIL

The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties. This report shall reflect on:

- 8.1 Number of indigent households applied;
- 8.2 Amount of subsidy allocated per service category;
- 8.3 Amount of debt accumulating and debt recovery information (numbers of customer; enquires; default arrangement; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);
- 8.4 Performance of all areas against targets agreed to in item 9 of this policy document.

9 PERFORMANCE EVALUATION

- 9.1 The performance measured will be to identify the number of indigent households and to measure the percentage of these households to whom the Municipality provides assistance.
- 9.2 Council will create a forum wherein these targets are assessed, Council's performance evaluated and remedial steps taken.

10 BY-LAWS

The principle contained in this policy will be reflected in the various service by-laws as promulgated and amended by Council from time to time.

11 COMMENCEMENT

This policy takes effect on 1 JULY 2013.

EMTHANJENI MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Date of adoption:

Original	:	[29 September 2005]
1 st Review	:	[15 October 2009]
2 nd Review	:	[5 May 2011]
3 rd Review	:	[31 May 2012]
4 th Review	:	30 May 2013

Emthanjeni Local Council resolves in terms of Section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of Emthanjeni Local Municipality.

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23. Procedure for handling, opening and recording of bids
24. Registration of contractors
25. Negotiations with preferred bidders
26. Unbundling of tenders
27. Two-stage bidding process
28. No obligation to accept lowest or any bid
29. Committee system for competitive bids
30. Bid specification committees
31. Bid evaluation committees
32. Bid Adjudication Committees
33. Procurement of banking services
34. Procurement of IT related goods or services
35. Procurement of goods and services under contracts secured by other organs of state
36. Procurement of goods necessitating special safety arrangements
37. Proudly SA Campaign
38. Appointment of consultants
39. Deviation from, and ratification of, minor breaches of procurement processes
40. Urgent and emergency cases
41. Unsolicited bids
42. Combating of abuse of supply chain management system.
43. Management of expansion or variation of orders against the original contract

44. Local Content

Part 3: Logistics, Disposal, Risk and Performance Management

45. Logistics management

46. Disposal management

47. Risk management

48. Performance management

Part 4: Other matters

49. Safe custody of contracts

50. Prohibition on awards to persons whose tax matters are not in order

51. Prohibition on awards to persons in the service of the state

52. Awards to close family members of persons in the service of the state

53. Ethical standards

54. Inducements, rewards, gifts and favours

55. Sponsorships

56. Objections and complaints

57. Resolution of disputes, objections, complaints and queries

58. Contracts providing for compensation based on turnover

59. Penalties

CHAPTER 3

CODE OF CONDUCT FOR SUPPLY CHAIN PRACTITIONERS

CHAPTER 4

PURCHASES PROCEDURES

CHAPTER 5

CREDITOR PAYMENT PROCEDURES

Definitions

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“Accounting officer” means the Accounting Officer referred to in section 60 of the Municipal Finance Management Act, No. 56 of 2003, in relation to a municipal entity, means the official referred to in section 93, and includes a person acting as the accounting officer.

“Accredited Agent” means a provider who is authorized to deliver certain goods / services and can be trading in a specific area, however, an accredited agent is not a sole provider.

“accredited” means goods / services that are officially recognized, are generally accepted or having a guaranteed quality.

“black people”; is as generic term which means Africans, Coloureds and Indians as defined in the Broad-Based Black Empowerment Act (No. 53 of 2003);

“competitive bid” means a bid in terms of a competitive bidding process;

“competitive bidding process” means procurement above a transaction value of R200 000 (including VAT) and long term contracts.

“competitive bidding process” means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

“emergency procurement” emergency cases are cases where immediate action is necessary in order to avoid dangerous or risky situation (life threatening) or misery such as floods or fires.

“exceptional / urgent cases” exceptional cases are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical.

However a lack of proper planning should not be constituted as an urgent case subject

To the approval of the Accounting Officer. The nature of the urgency and the details of the justifiable procurement must be recorded and the AO to approve.

“Exempted Micro Enterprise” [EME’s] Enterprises with an annual total revenue of R5 million or less [all taxes included] for goods and services. Sector charters have been developed for the Tourism and Construction industry where thresholds of Rand 2.5 million and Rand 1.5 million respectively have been established.

“final award”, in relation to bids or quotations submitted for a contract, means **bids or quotations submitted for a contract, means the final decision on which-bid or quote to accept;**

“formal written price quotation” means quotations referred to in paragraph 12 (1) (c) of this Policy;

“Fruitless expenditure”-expenditure made in vain and could have been avoided if reasonable care taken;

“final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“formal written price quotation” means quotations for procurement of transaction value of over R10 000 up to R200 000

“in the service of the state” means to be –

- (a) a member of –
 - (i) any municipal Council;
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;

- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

“ **Irregular expenditure**”-expenditure incurred that is not in accordance with a requirement of a SCM policy of the municipality or by-laws giving effect to such a policy/eg. Unsolicited bids

“**long term contract**” means a contract with a duration period exceeding one year;

“**list of accredited prospective providers**” means the list of accredited prospective providers which the **municipality must** keep;

“**other applicable legislation**” means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

“**Sole Provider**”-means a provider of specialized or exclusive goods/services who has a sole distribution / patent /manufacturing rights and copy rights.

“**Transversal contract**” means a contract arranged for more then one dept/mun or for more than one level of government eg. National and Provincial Government.

- (d) Circular issued dated 08 December 2011 by Minister of Trade And Industry

“**Treasury guidelines**” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“**the Act**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“**the Regulations**” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005, and also Circular 1/2/1/2/2 that deals with Insurance and validity of Broad Based Black Economic Empowerment(B-BBEE) Status Level Certificates in respect of Exempted Micro Enterprises (EMEs)

“**the Treasury Circulars**” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005, Circular1/2/1/2/2 that deals with Issuance and validity of Broad Based Black Economic Empowerment(B-BBEE) Status Level Certificates in respect of Exempted Micro Enterprises (EMEs) and: Local production and content.

“**written**” means quotations of transaction value of R2 000 up to R30 000(VAT included).

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

Supply chain management policy

2. (1) All officials and other role players in the supply chain management system of **Emthanjeni** Local Municipality must implement this Policy in a way that –
 - (a) gives effect to –
 - (i) Section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) is fair, equitable, transparent, competitive and cost effective;
 - (c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of Section 168 of the Act;

- (d) is consistent with other applicable legislation;
 - Broad Based Black Economic Empowerment Act [B-BBEEA];
 - Corruption Act, 1998 – anti-corruption measures and practices;
 - Competition Law and Regulations;
 - Promotion of Administrative Justice Act, 2000;
 - National Archives of South Africa Act, 1996;
 - National Small Business Act;
 - Construction Industry Development Board Act, 2000 [Act no 38 of 2000].

- (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (3) This Policy applies when Emthanjeni Local Municipality–
 - (a) procures goods or services;
 - (b) disposes of goods no longer needed;
 - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- (4) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contracted with another organ of state, including –
 - (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

Amendment of the supply chain management policy

- 3. (1) The Accounting Officer must –
 - (a) at least annually review the implementation of this Policy; and
 - (b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Council.

(2) If the Accounting Officer submits proposed amendments to the Council that differ from the model policy issued by the National Treasury, the Accounting Officer must –

- (a) ensure that such proposed amendments comply with the Regulations; and
- (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

Delegation of supply chain management powers and duties

4. (1) The Emthanjeni Council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –

(a) to discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –

- (i) Chapter 8 or 10 of the Act; and
- (ii) this Policy;

(b) to maximise administrative and operational efficiency in the implementation of this Policy;

(c) to enforce reasonable, cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

(d) to comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of subparagraph (1).

(3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of Emthanjeni

Local Municipality or to a committee which is not exclusively composed of officials of Emthanjeni Local Municipality;

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system, provided for in paragraph 28 of this Policy.

Sub-delegations

The Chief Financial Officer may only appoint supply chain practitioners on the committees with express prior permission from the Accounting Officer [Municipal Manager].

5. (1) The Accounting Officer may in terms of Section 79 or 106 of the Act sub - delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent.
- (2) The power to make a final award –
- (a) Above R10 million (including VAT) **must not** be sub-delegated by the Accounting Officer;
- (b) above R2 million (including VAT), but not exceeding R10 million (including VAT), may be sub-delegated but only to –
- (i) the Chief Financial Officer;
- (ii) a Senior Manager; or
- (iii) a Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is a member; or
- (c) not exceeding R2 million (including VAT) may be sub-delegated but only to –
- (i) the Chief Financial Officer;
- (ii) a Senior Manager;

- (iii) a Manager directly accountable to the Chief Financial Officer or a Senior Manager; or
 - (iv) a Bid Adjudication Committee.
- (3) An official or Bid Adjudication Committee to which the power to make final awards has been sub-delegated must, within five days of the end of each month, submit to the Accounting Officer a written report containing particulars of each final award made by such official or committee during that month, including–
 - (a) the amount of the award;
 - (b) the name of the person to whom the award was made; and
 - (c) the reason why the award was made to that person.
- (4) A written report must be submitted –
 - (a) to the Accounting Officer, in the case of an award by –
 - (i) the Chief Financial Officer;
 - (ii) a Senior Manager; or
 - (iii) a Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is a member; or
 - (b) to the Chief Financial Officer or the Senior Manager responsible for the relevant bid, in the case of an award by –
 - (i) a manager; or
 - (ii) a Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is not a member.
- (5) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system.
- (6) No supply chain management decision-making powers may be delegated to an advisor or consultant.

Oversight role of Council

6. (1) Emthanjeni Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the Accounting Officer must –
 - (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the Supply Chain Management Policy of any municipal entity under the sole or shared control of the municipality, to the Council of the municipality; and
 - (ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the Council.
- (3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the Supply Chain Management Policy to the Mayor.
- (4) The reports must be made public in accordance with Section 21A of the Municipal Systems Act.

Compliance with Ethical Standards

In order to create an environment where business can be conducted with integrity and in a fair and reasonable manner, this Policy will strive to ensure that the Municipal Manager and all representatives of Emthanjeni Municipality who are involved in supply chain management activities shall act with integrity and in accordance with the highest ethical standards.

All supply chain management representatives shall adhere to the code of conduct of municipal staff contained in schedule 2 of the Systems Act, and this Policy's Code of Ethical Standards.

Supply chain management unit

7. Emthanjeni municipality shall strive to a centralised supply chain management system is hereby established to implement this Policy; the supply chain unit operates under the direct supervision of the Chief Financial Officer.

A centralized purchasing structure offer benefits in terms of:

- Greater standardisation, because purchases are made through one office.
- The buying power for each transaction is increased.
- Buyers are afforded the opportunity to become experts.
- Control over all aspects of the purchasing system is improved, and the system tends to be simpler.
- Suppliers may communicate more easily with a centralised purchasing structure than with different departments.

Training of supply chain management officials

8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2 SUPPLY CHAIN MANAGEMENT SYSTEM

Format of supply chain management system

9. This Policy provides systems for –
- (i) demand management;
 - (ii) acquisition management;
 - (iii) logistics management;
 - (iv) disposal management;

- (v) risk management; and
- (vi) performance management.
- (vii)** asset management

Part 1: Demand management

System of demand management

10. (1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by Emthanjeni Local Municipality support its operational commitments and its strategic goals outlined in the IDP.

(2) The demand management system must –

- (a) include timely planning and management processes to ensure that all goods and services required by Emthanjeni Local Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
- (c) provide for the compilation of the required specifications to ensure that its needs are met.
- (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
- (e) The municipality must compile a Procurement Plan containing all planned Procurement for the financial year in respect of the procurement of goods, services and infrastructure projects which exceed R 200 000 [all applicable taxes included] per case as described in the Supply Chain Management Guide for Accounting Officers.
- (f) The procurement plan must be finalized on the 1 July every year. The relevant

information should preferably be furnished in the format contained in the Procurement Plan Template enclosed as Annexure A.

(g) (Also refer to National Treasury MFMA Circular 62.

Part 2: Acquisition management

System of acquisition management

- 11.** (1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –
- (a) that goods and services are procured by Emthanjeni Local Municipality in accordance with authorised processes only;
 - (b) that expenditure on goods and services is incurred in terms of an approved budget;
 - (c) that the threshold values for the different procurement processes are complied with;
 - (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are as per National and Provincial prescripts [SCM Practice note 2, Explanatory notes: Revised quotation / bid forms]
 - (e) that the preference point system used in accordance with the Revised Preferential Procurement Policy Regulations of 7 December 2011 [utilizing B-BBEE status level verification certificates to claim preference points].
 - (f) that any Treasury guidelines on acquisition management are properly taken into account.
 - (g) Verification of bids in excess of R10 million

Prior to advertisement:

Verification by the CFO

The senior manager responsible for a vote must submit to the CFO:

- proof that budgetary provision exists for the procurement of the goods/services and / or infrastructure projects;
- any ancillary budgetary implications related to the bid;
- any multi -year budgetary implications;

Prior to the award of a bid

Contracts above the value of R 10 million [all applicable taxes included] may only be awarded to the preferred bidder after the CFO has verified in writing that budgetary provision exists for the acquisition of the goods, infrastructure projects and /or services and that it is consistent with the Integrated Development Plan.

- (h) Publication of awards in respect of advertised competitive bids [above the threshold value of R 200 000]

The following information on the successful bids must be placed on the municipal website:

- Contract numbers and description of goods, services or infrastructure projects;
- Names of the successful bidders and the B-BBEE level of contribution claimed;
- Brand names and dates for completion of contracts.

- (i) Functionality

Adhere to the revised guidelines when functionality is included as a criterion in the evaluation of bids [National Treasury note issued in September 2010].

- Clear indication must be given in bid documents if bids will be evaluated on functionality.
- Evaluation criteria must be objective.
- The weight of each criterion, applicable values and the minimum qualifying score [for each bid on its own merit] must be indicated in the bid documents.
- Bidders failing to achieve the qualifying score for functionality must be disqualified.
- Bidders achieving the minimum qualifying score must be evaluated further in terms of points for price and B-BBEE status level contribution

Pre –evaluation

- After closure of the bid pre-evaluation is done to ensure all bidders comply with the prescribed minimum norms and standards, NO TECHNICAL EVALUATION IS DONE AT THIS POINT.

- Bidders are then invited to prepare for a functionality presentation in line with the criteria set out in the bid document on a specific date and provided with a time slot.

Appointment of a functionality committee

-The functionality committee is an ad-hoc committee appointed per bid.

- It should consist out of a cross functional team

- To be included as well:

- A SCM Practitioner;

- The end-user;

- Technical experts;

- Members of the Bid Evaluation- and Adjudication committees;

-CFO or a person with knowledge of the available budget from the CFO's office;

- Any other official deemed to be relevant;

-Provincial SCM official.

- Each member will complete a score sheet per bidder.

-The totals to be calculated by SCM, an average calculated and only the bidders who scored the minimum qualifying score will be evaluated further.

-Prior to the functionality committee meeting the end-user and the technical experts can sit with all the appointed committee members and peruse each bidder's proposal and draw-up a list of questions for clarification. Each member can add his / her own questions and during the presentations clarify or verify the information presented with relevant questions.

NOTE: There cannot be two [2] technical evaluation processes, only one done by a duly appointed functionality committee.

- Functionality evaluation forms part of the formal evaluation processes and is open for legal scrutiny and challenges –therefore it is a formal once off process with proper procedures and score sheets to be completed per committee member for each bidder, duly signed off by the relevant committee member.

- Score sheets form part of a bid and year-end audit by the Auditor –General.
- Not following proper processes may lead to expenditure been classified as irregular by the Auditor-General’s office.

that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation;

and

- (j) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) Where the municipality contracts with another organ of state for the provision of goods and services, the Accounting Officer must make public the fact that such goods or services are procured otherwise than through the municipality’s supply chain management system, including -
 - (a) the kind of goods or services; and
 - (b) the name of the supplier.

Range of procurement processes

12. (1)

AMOUNT [VAT INCL.]	PROCEDURES
R up to R 1 000	<ul style="list-style-type: none"> • One quotation will be required • The supplier is to be selected and will be appointed on a rotation basis, provided that parts or repairs could be supplied immediately. • Normal stock items: the Buyer will re-order on the agreed minimum stock level. • For the purchasing of non-stock items authorization is required in accordance with delegations. Approval: Chief Financial Officer

R 1 001 up to R 2 000	<ul style="list-style-type: none"> • Two quotations will be required. • Supplier is to be appointed on a rotation basis, provided that parts of repairs could be supplied immediately. • Normal stock items: The Buyer will re-order on the agreed minimum stock level. • For the purchasing of non-stock items authorization is required in accordance with delegations. <p>Approval: Chief Financial Officer</p>
R 2 001 up to R 10 000	<ul style="list-style-type: none"> • Three written quotations will be required • Supplier is to be appointed on a rotation basis, provided that parts or repairs could be supplied immediately • Normal stock items: the buyer will re-order on the agreed minimum stock level • For the purchasing of non-stock items authorization is required in accordance with delegations <p>Approval: Chief Financial Officer</p>
R 10 001 up to R 200 000	<ul style="list-style-type: none"> • Three formal written quotations are required • The CFO will appoint the supplier of on a rotation basis depending on the urgency and delivery period. • All requirements in excess of R30 000 must be advertised for at least 7 days on the website and an official notice board of Emthanjeni Local Municipality; <p>Purchases above R100 000 CFO will approve</p>
More than R 200 000 & long term contracts	Standard procedures as defined in the Procurement Policy apply

(2) The Accounting Officer may, in writing-

(a) lower, but not increase, the different threshold values specified in table (1); or

(b) direct that –

a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.
- (4) **The following types of transactions are excluded from the normal bid process:**
- (i) **Where there are only sole suppliers of a product / service e.g.**
 - i. Eskom
 - ii. Bulk water suppliers
 - iii. Postage and telephone
 - iv. Rail and road transport
 - v. De Aar Printers / Die Echo
 - vi. De Aar Stone Crushers
 - vii. De Aar Chemist
 - viii. De Aar Glassworks
 - ix. Lexis Nexis
 - x. Lex Patria
 - xi. Swift Print
 - xii. OVK
 - (ii) **Where prices are fixed or regulated**
 - i. Fuel purchases
 - ii. Newspapers and magazines
 - (iii) **Where services / products are subjected to maintenance contracts e.g.**
 - i. Assets under guarantee (Servicing vehicles and machinery)
 - ii. Alarm Monitoring
 - iii. Nashua Mobile
 - (iv) **Where the normal bid process is not feasible e.g:**
 - i. Subsistence and travel
 - ii. Official lunches
 - iii. Annual health examinations for officials
 - iv. Stripped (dismantled) machinery requiring a quote for repairs.

v. Annual licence fees. Software & vehicles

- (v) **Emerging contractors (Decision by Municipal Manager or designate)**
- (vi) **Service Level Agreements**
- (vii) **External professional membership institutions within the Local Government sphere: membership fees.**
 - i. IPMSA (Institute of municipal practitioners of SA)
 - ii. ILGM (Institute for Local Government management in SA)
 - iii. IMFO (Institute for municipal financial officers)
 - iv. IMESA (Institute for municipal engineers of SA)
- (5) **Please note. The list of transactions will be excluded from the normal bidding processes and may be amended or extended, as and when required**

General pre-conditions for consideration of written quotations or bids

13. A formal written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

- (a) has furnished that provider's –
 - (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any;
 - (iv) **check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three [3] months;**

Bids/ quotations should only be awarded to suppliers who are not in arrears with their municipal rates and taxes. If the suppliers are not resident in this municipality, but offer their services from any other municipality, the same applies. It should be established if they are

not in arrears in their own municipality.

- (v) requirements for construction and engineering related bids should be awarded according to CIDB regulations;
- (vii) The CIDB Act requires that all projects need to be registered with the CIDB;
- (viii) Before an award is done to a contractor, the contractor's CIDB grading must be confirmed with the CIDB website;
- (ix) The CIDB grading designation is as follows:

Grading designation	Less than or equal to
1	R 200 000
2	R 650 000
3	R 2 000 000
4	R 4 000 000
5	R 6 500 000
6	R 13 000 000
7	R 40 000 000
8	R 130 000 000
9	No Limit

- (b) has authorised Emthanjeni Local Municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
- (c) has indicated –
 - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months;
 or

- (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months.

Lists of accredited prospective providers: Database

Lists of accredited prospective providers: Database

- 14.** (1) The Accounting Officer must –
- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written quotations and formal written price quotations; and
 - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - (c) specify the listing criteria for accredited prospective providers; and
 - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.

Petty cash purchases

- 15.** The conditions for the procurement of goods by means of petty cash purchases, are as follows –
- (a) a Senior Manager may delegate responsibility for petty cash to an official reporting to the manager if the amount is equal to or less than R2 000;

- (b) the maximum number of petty cash purchases or the maximum amounts per month for each manager is R2 000;
- (c) types of excluded expenditure from petty cash purchases include office furniture and equipment; and
- (d) a monthly reconciliation report from each manager must be provided to the Chief Financial Officer, including –
 - (i) the total amount of petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase.

Written quotations

Although the Act makes provision for verbal quotations, Emthanjeni Local Municipality will not apply this condition due to the loopholes it poses and lack of capacity to monitor it. Only written quotations will be applicable as per decision by the Municipal Manager.

Written or verbal quotations

16. The conditions for the procurement of goods or services through written or verbal quotations are as follows:
- (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
 - (b) where no suitable accredited service providers are available from the list, quotations may be obtained from other possible providers not on the list, provided that such service providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this policy.
 - [c] quotations must be approved on a rotation basis.
 - [d] to the extent feasible, providers must be requested to submit such quotations in

writing if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;

- (f) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider:
- (g) The municipality will investigate and utilize various other options to advertise bids/quotations viz. community boards, the library, public buildings, police station, etc. This is to ensure that the municipality tried to obtain at least three quotations. In cases where there are only a few suppliers for certain goods and, vehicle repairs, the municipality will then use these suppliers on a rotation basis, in order to give everybody a chance. This practice will only be utilized in exceptional cases. As soon as more suppliers become available, such goods / services will be provided via the database.

Formal written price quotations

17. (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:

- (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of Emthanjeni Local Municipality;
- (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1) (b) and (c) of this Policy;

The revised PPPFA prescripts are applicable, eg. Point system and Status level verification certificates [score cards] must be applied in the adjudication process. Please refer to paragraph 19 [3] for more detail.

- (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) the accounting officer or chief financial officer must on a monthly basis be notified

- in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
- (e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (f) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who's offer is according to
 - (g) specifications, has the ability to deliver and is compliant with all the other requirements and scored the highest points. Minimum requirements for proper record keeping must be complied with.
- (h) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer, and
 - (i) the CFO must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that sub-paragraph.

Procedures for procuring goods or services through written quotations and formal written price quotations

- 18.** The procedure for the procurement of goods or services through written quotations or formal written price quotations is as follows:
- (a) when using the list of accredited prospective providers the Accounting Officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) all requirements in excess of R30 000 that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be

- advertised for at least 7 days on the website and an official notice board of Emthanjeni Local Municipality;
- (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - (d) the Accounting Officer must on a monthly basis be notified in writing of all written quotations and formal written price quotations accepted by an official acting in terms of a subdelegation;
 - (e) offers below R30 000 must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services;
 - (j) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;
 - (k) **Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.**

Competitive bids

- 19. (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11 (2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

- (3) The 80 / 20 principle is applicable; 80 points for price and 20 points for B-BBEE status level verification certificates. The 20 points will be standard as follows;

B-BBEE Status Level of Contributor	Number of points [80 / 20]	Number of points [90/10]
1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non compliant Contributor	0	0

The points scored for price must be added to the points scored for B-BBEE status level of contribution to obtain the bidder's total points scored out of 100.

A bid must not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score 0 out of a maximum of 10 or 20 points for B-BBEE status.

PLEASE NOTE:

[a] The 80/20 point system is applicable from R30 000 [all taxes included] up to R1million [all taxes included]

[b] The 90/10 point system is applicable to bids invited exceeding R 1million [all taxes included]

This should not be interpreted that quotations can be invited for up to R 1million.

The threshold for the invitation of quotations did not change and it is still at R200 000.

Note: Quotations can only be invited not exceeding R 200 000.

Process for competitive bidding

20. The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation;
- (b) Public invitation of bids;
- (c) Site meetings or briefing sessions;
- (d) Handling of bids submitted in response to public invitation;
- (e) Evaluation of bids;
- (f) Award of contracts;
- (g) Administration of contracts
- (h) After approval of a bid, the Accounting Officer and the bidder must enter into a written agreement. Proper record keeping Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.
- (i) Sub-contracting

A bidder must not be awarded the points claimed for B-BBEE status level contribution if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the contract value to any other enterprise that does not qualify for at least the same number of points that the bidder qualifies for, unless the intended sub-contractor is an EME that has the capacity to execute the sub-contract.

A contractor is not allowed to sub-contract more than 25% of the contract value to another enterprise that does not have an equal or higher B-BBEE status level, unless the intended sub-contractor is an EME that has the capacity and ability to execute the sub-contract.

- (i) Evaluation of bids that scored equal points

In the event that two or more bids have scored equal total, the successful bid must be the one that scored the highest points for B-BBEE.

If two or more bids have equal points, including equal preference points for B-BBEE, the successful bid must be the one scoring the highest points for

functionality, if functionality is part of the evaluation process. In the event that two or more bids are equal in all respects, the award must be decided by drawing lots.

(k) Cancellation and re-invitation of bids

In the application of the 80/20 point system, if **all** bids received exceed R1 million, the bid must be cancelled. If one or more of the acceptable bid[s] received are within the R 1 million thresholds, all bids received must be evaluated on the 80/20 preference point system.

In the application of the 90/10 preference point system, if all bids received are equal or below R1million, the bid must be cancelled. If one or more of the acceptable bid[s] received are above the R1million threshold, all bids received must be evaluated on the 90/10 preference point system.

If a bid was cancelled as indicated above, the correct preference point system must be stipulated in the bid documents of the re-invited bid.

(l) Awarding of contracts

A contract must be awarded to the bidder who scored the highest total number of points in terms of the preference point system. Points scored must be rounded off to the nearest 2 decimal places.

In exceptional circumstances a contract may, on reasonable and justifiable grounds be awarded to a bidder that did not score the highest number of points. The reasons for such a decision must be approved and recorded for audit purposes and must be defensible in a court of law.

(m) Sale and letting of assets

The Preferential Procurement Regulations, 2011, are not applicable to the sale and letting of assets.

In instances where assets are sold or leased, by means of a bidding process, the bid must be awarded to the bidder with the highest price

(n) Proper record keeping

(o) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

Bid documentation for competitive bids

21. The criteria to which bid documentation for a competitive bidding process must comply, must –

- (a) take into account –
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- (b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract; a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion

- and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
 - (f) The Accounting Officer reserves the right to stipulate such a dispute to be settled utilizing a court of law preferably within the municipal boundaries or as close as possible to the municipal boundaries

Public invitation for competitive bids

- 22.** (1) The procedure for the invitation of competitive bids is as follows:
- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of Emthanjeni Local Municipality or any other appropriate ways; and
 - (b) the information contained in a public advertisement, must include –
 - (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by Emthanjeni Local Municipality; and
 - (iii) date, time and venue of any proposed site meetings or briefing sessions;
- (2) ***The Accounting Officer may determine a closing date for the submission of bids which is less than the 30 or 14 days requirement, only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.***
- (6) Bids submitted must be sealed.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

Procedure for handling, opening and recording of bids

23. The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids–

- (i) must be opened only in public;
- (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
- (iii) received after the closing time should not be considered and returned unopened immediately.

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

(c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The Accounting Officer must –

- (i) record in a register all bids received in time;
- (ii) make the register available for public inspection; and
- (iii) publish the entries in the register and the bid results on the website.

Registration of contractor

24. Contractors/bidders who are compelled to register with controlling authorities regarding their goods/services to be delivered should ensure that their relevant registration is in order prior to the closure of the bids.

Negotiations with preferred bidders

25. (1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
- (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

Unbundling of tender

26. When it is considered in Emthanjeni Local Municipality's best interest to divide the total requirement on any one tender between two or more tenderers e.g. in order to draw from the most convenient or nearest sources, or to ensure continued competition or to optimize available resources or to support SMME's, a supply or service may be divided amongst several tenderers, and contracts can be placed accordingly, provided that this was a tender condition

Two-stage bidding process

27. (1) A two-stage bidding process is allowed for –
- (a) large complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

No obligation to accept lowest or any bid

28. The lowest of any tender or quotation shall not necessarily be recommended for acceptance, provided that this was a tender condition.

Committee system for competitive bids

29. (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the Accounting Officer may determine:
- (a) a Bid Specification Committee;
 - (b) a Bid Evaluation Committee; and
 - (c) a Bid Adjudication Committee;

The services of the consultant in the committee system will only be procured with express invitation from Municipal Manager and their participation will explicitly be of advisory nature

Quorum

The quorum for meetings will be fifty percent of members plus one member.

- (2) **The Accounting Officer appoints the members of each committee, taking into account that councillors are barred from serving on municipal tender committees; and** Outside technical experts can also be co-opted, they must leave the meeting after advice has been given. Only standing committee members can be involved in final deliberation and recommendations or final approval.
- (3) **A neutral or independent observer, appointed by the Accounting Officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.**

- (4) The committee system must be consistent with –
 - (a) paragraph 28, 29 and 30 of this Policy; and
 - (b) any other applicable legislation.

The Accounting Officer may apply the committee system to formal written price quotations.

Bid Specification Committees

30. (1) A Bid Specification Committee must compile the specifications for each procurement of goods or services by Emthanjeni Local Municipality.

- (2) Specifications –
 - (a) to be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and
 - (g) must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

- (3) A Bid Specification Committee may be composed of of:
- manager responsible for the function involved
 - legal advisor
 - when appropriate, include external specialist advisors.
- (4) No person, advisor or corporate entity involved with the Bid Specification Committee, or director of such a corporate entity, may bid for any resulting contracts.

Bid Evaluation Committees

31. (1) A Bid Evaluation Committee must –
- (a) evaluate bids in accordance with –
- (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 29(2) (f).
- (b) evaluate each bidder's ability to execute the contract;
- (c) check in respect of the recommended bidder, whether municipal rates and taxes and municipal service charges are not in arrears, and;
- (d) submit to the Adjudication Committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) A Bid Evaluation Committee must as far as possible be composed of:
- One or two senior managers from departments requiring the goods or services;
 - Supply chain practitioner/controller
 - Tender secretariat
 - Internal Auditor:

To promote transparency, the Internal Auditor's role in the committee system will be purely to monitor and not to participate in the committee system.

Bid Adjudication Committees

- 32.** (1) A Bid Adjudication Committee must –
- (a) consider the report and recommendations of the bid evaluation committee; and
 - (b) either –
 - (i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - (ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.

For better control and efficiency purposes Directorates who will serve on this committee will be appointed by the Accounting Officer and it will be on a rotational basis

A Bid Adjudication Committee **may** include –

- Chief Financial Officer ;
 - Supply Chain Manager; **[The Chairperson of Committee]**
 - Director;
 - Internal Auditor;
 - Tender Secretariat; and or
 - Technical expert in the relevant field who is an official, if such an expert exists.
- (3) If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) **Neither a member of a Bid Evaluation Committee, nor an advisor or person assisting the Evaluation Committee, may be a member of a Bid**

Adjudication Committee.

(5) (a) If the Bid Adjudication Committee decides to award a bid other than the one recommended by the bid evaluation committee, the Bid Adjudication Committee must prior to awarding the bid –

(i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;

(ii) notify the Accounting Officer.

(b) The Accounting Officer may –

(i) after due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee referred to in paragraph (a); and

(ii) if the decision of the Bid Adjudication Committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the Evaluation Committee or the Adjudication Committee back to that committee for reconsideration of the recommendation.

(7) The Accounting Officer must comply with Section 114 of the Act within 10 working days

(8) For the purposes of continuity and not to delay meetings the Accounting Officer may also appoint any official to temporarily replace members that are absent from meetings due to illness, leave, etc. The Accounting Officer may also decide whether or not such an official will have the same powers as committee members

Extension of Awarded Contract

(b) The Accounting Officer may –

- (i) award or extend a existing contract when a written submission has been received by the specific Director for the extension due to circumstances unknown.
- (ii) That the extension must not be more than 20% of the original contract price of the tender amount awarded.
- (iii) That all the relevant supporting documentation form the Director, Consulting Engineer and also the Contractor involved.
- (iv) that National Treasury be informed about the extensions.

Procurement of banking services

- 33.** (1) A contract for banking services –
- (a) must be procured through competitive bids;
 - (b) must be consistent with Section 7 or 85 of the Act; and
 - (c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper. Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

Procurement of IT related goods or services

- 34.** (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

(3) The Accounting Officer must notify SITA together with a motivation of the IT needs if –

- (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (including VAT); or
- (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (including VAT).

(4) If SITA comments on the submission and Emthanjeni Local Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the Council, the National Treasury, the relevant Provincial treasury and the Auditor General.

Procurement of goods and services under contracts secured by other organs of state

35. (1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –

- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
- (b) there is no reason to believe that such contract was not validly procured;
- (c) there are demonstrable discounts or benefits to do so; and
- (d) that other organ of state and the provider have consented to such procurement in writing.

(2) Sub-paragraphs (1) (c) and (d) do not apply if –

- (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
- (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

Procurement of goods necessitating special safety arrangements

36. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

Proudly SA Campaign

37. Emthanjeni Local Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services and see also Cir 1/2/1/2/2 that deals with the promotion of local production and content

Appointment of consultants

38. (1) The Accounting Officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

(2) Consultancy services must be procured through competitive bids if

- (a) the value of the contract exceeds R200 000 (VAT included); or
- (b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

- (a) all consultancy services provided to an organ of state in the last five years; and

- (b) any similar consultancy services provided to an organ of state in the last five years.

(4) *The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in Emthanjeni Local Municipality.*

Deviation from, and ratification of, minor breaches of procurement processes

- 39.** (1) The Accounting Officer may –
- (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos and/or nature and game reserves; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The Accounting Officer must record the reasons for any deviations in terms of this policy and report them to the next meeting of the Council and include as a note to the annual financial statements.

- (3) Reasons for any deviation will not apply to the procurement of goods and services contracted with another organ of state.

Management of expansion or variation of orders against the original contract

- 39.1. Contracts may be expanded or varied by not more than 20% for construction related goods, services and /or infrastructure projects and 15% for all other goods and/or services of the original value of the contract. Furthermore, anything beyond the above mentioned thresholds must be reported to council. Any expansion or variation in excess of these thresholds must be dealt with in terms of the provisions of Section 116 (3) of the MFMA which will be regarded as an amendment of the contract.
- 39.2. The contents of this paragraph are not applicable to transversal contracts, facilitated by the relevant treasuries on behalf of municipalities and specific term contracts. The latter refers to orders placed as and when commodities are required and at the time of awarding contracts, the required quantities were unknown.

39.3 Local Content

The Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act No 5 OF 2000 which came into effect on 7 December 2011 make provision for the dti to designate sectors in line with national development and industrial policies for local production. To this end the dti has designated and determined the stipulated minimum thresholds for the following sectors:

-Bus Sector	70 - 80 %
-Pylons	100 %
-Rolling Stock	55 – 80 %
-Textiles	100%
- Processed Vegetables	80 %
- Set Top Boxes	30 %
- Furniture Products	from 65 to 100%

Note: Other designated sectors may be added by dti in future.

When inviting bids/quotations where local content is applicable, municipalities must indicate this in the bid advertisement. The MBD 6.2, SABS Specification SATS 1286:2011, and dti Guidance on the calculations of local content [available on dti's official website <http://www.thedti.gov.za>] should also be included in the bid documents/quotations.

The supplier has to proof that the product he offers does indeed comply with the stipulated thresholds. In order to do this there are three annexures which the supplier has to fill in and submit together with the bid document/quotation. These forms are also available on the dti Guidance on the calculations of Local content. It

is advisable that municipalities attach the Guidance document to the bid documents/quotations in order to assist the suppliers to fill in the bid documents.

A two stage evaluation process may be followed

-First stage: calculate if the bidder adheres to the local content percentage requirement

-Second stage: Only the bidders who comply with the local content percentage requirement will be evaluated further.

Urgent and emergency cases

40. In urgent and emergency cases, a municipality may dispense with the invitation of bids and may obtain the required goods, works or services by means of quotations by preferably making use of the database of prospective suppliers, or otherwise in any manner to the best interest of the municipality.

Urgent cases are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical. However, a lack of proper planning should not be constituted as an urgent case.

Emergency cases are cases where immediate action is necessary in order to avoid a dangerous or risky situation or misery.

The reasons for the urgency/emergency and for dispensing of competitive bids should be clearly recorded and approved by the Accounting Officer.

Unsolicited bids

41. (1) In accordance with Section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The Accounting Officer may decide in terms of Section 113(2) of the Act to consider an unsolicited bid, only if –

(a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- (c) the person who made the bid is the sole provider of the product or service; and
- (d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- (e) If the municipality will not incur any cost in monetary value.

(3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public together with –

- (a) reasons as to why the bid should not be open to other competitors;
- (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The Accounting Officer must submit all written comments received pursuant to sub-paragraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The Adjudication Committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.

(6) A meeting of the Adjudication Committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the Adjudication Committee must take into account –

- (a) any comments submitted by the public; and
- (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing Emthanjeni Local Municipality to the bid may be entered into or signed within 30 days of the submission.

Combating of abuse of supply chain management system

42. (1) The Accounting Officer must–

- (a) take all reasonable steps to prevent abuse of the supply chain management system;
- (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
- (c) check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to Emthanjeni Local Municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with Emthanjeni Local Municipality or any other organ of

- state after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - (f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of Emthanjeni Local Municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

Part 3: Logistics, Disposal, Risk and Performance Management

Logistics management

- 43.** The Accounting Officer must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.
- (h) **the maintenance and administration of term contracts is co-managed with acquisition management for general goods / services.**

Disposal management

44. (1) The criteria for the disposal or letting of capital assets, including unserviceable, redundant or obsolete capital assets are as follows:

Section 14 and 90-Disposal of capital assets

- 1 A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.
- 2 A municipality may transfer ownership or otherwise dispose of a capital asset other than an asset contemplated in subsection 1, but only after the municipal Council, in a meeting open to the public-

- (a) Has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal service; and
- (b) Has considered the fair market value of the asset of the asset and the economic and community value to be received in exchange for the asset.

3 A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

4 A municipal council may delegate to the Accounting Officer of the municipality its power to make the determinations referred to in sub-section 2 (a) and (b) in respect of movable capital assets below a value determined by the council.

5 Any transfer of ownership of a capital asset in terms of sub-section 2 or 4 must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of Section 111.

6 This section does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework

(2) Assets may be disposed of by –

- (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
- (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
- (iii) selling the asset; or
- (iii) destroying the asset.

(2) The Accounting Officer must ensure that –

- (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

- (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

Risk management

45. (1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:

- (2) Risk management must include –
 - (a) the identification of risks on a case-by-case basis;
 - (b) the allocation of risks to the party best suited to manage such risks;
 - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

Performance management

46. The Accounting Officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

Part 4: Other matters

Safe custody of contracts

47. Original contracts should be kept by the Corporate Department, with the copies to the relevant department. The Accounting officer together with the Chief Financial Officer will be the only officials who will hold the keys to the safe.

Prohibition on awards to persons whose tax matters are not in order

48. (1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the Accounting Officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may be presumed to be in order.

Prohibition on awards to persons in the service of the state

- 49.** Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
- (a) who is in the service of the state;
 - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) a person who is an advisor or consultant contracted with Emthanjeni Municipality.

Municipalities are exempted from complying with this regulation until 2011 , insofar as this regulation prohibits making awards to a persons in the following circumstances:

- **where the person receiving the award is a non-executive member of the Board of Directors of a municipality entity; or**
- **where the person receiving the award is not a natural person and any of it's directors, managers, principal shareholders or stakeholders is a non-executive member of the Board of Director of a municipal entity.**

Awards to close family members of persons in the service of the state

50. The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

Ethical standards

51. (1) A code of ethical standards is hereby established for officials and other role players in the supply chain management system of Emthanjeni Local Municipality in order to promote –

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

Note:

It is recommended that the municipality or municipal entity adopt the 'National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management'. When adopted, such code of conduct becomes binding on all officials and other role players involved in the implementation of the supply chain management policy of the municipality or municipal entity. A copy of the National Treasury code of conduct is available on the website www.treasury.gov.za/mfma located under "legislation". This code of conduct must be adopted by council or board of directors to become binding.

Inducements, rewards, gifts and favours to municipalities, officials and other role players

- 52.** (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
- (a) any inducement or reward to Emthanjeni Local Municipality for or in connection with the award of a contract; or
 - (b) any reward, gift, favour or hospitality to –
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.
- (2) The Accounting Officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is

alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gifts less than R350 in value.

Sponsorships

- 53.** The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- (a) a provider or prospective provider of goods or services; or
 - (b) a recipient or prospective recipient of goods disposed or to be disposed.

Objections and complaints

54. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

Resolution of disputes, objections, complaints and queries

- 55. (1)** The Accounting Officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –
- (a) to assist in the resolution of disputes between Emthanjeni Local Municipality and other persons regarding -
 - (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

A parent municipality and a municipal entity under its sole or shared control may for purposes of subparagraph (1) appoint the same person

(2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must –

- (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
- (b) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

- (a) the dispute, objection, complaint or query is not resolved within 60 days; or
- (b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

Contracts providing for compensation based on turnover

56. If a service provider acts on behalf of Emthanjeni Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and Emthanjeni Local Municipality must stipulate –

- (a) a cap on the compensation payable to the service provider; and
- (d) that such compensation must be performance based.

Penalties

57. If the supplier fails to deliver any or all the goods or to perform the services within the period specified in the contract, the Municipality should, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day until actual delivery or performance. The Municipality may also consider termination of the contact

CHAPTER 3

CODE OF CONDUCT FOR SUPPLY CHAIN PRACTITIONERS

The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1 General Principles

Emthanjeni Local Municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role layers should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual. They should not abuse the power and authority vested in them.

2 Conflict of interest

An official or other role player involved with supply chain management-

- must treat all providers and potential providers equitably;
- May not use his or her position for private gain or to improperly benefit another person;
- may not accept any reward ,gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, a value of more than R350;
- must declare to the Accounting Officer details of any reward ,gift, favour, hospitality or other benefits promised, offered or granted to that person or any other family member, partner or associate of that person;
- must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by Emthanjeni Local Municipality;
- must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person ,or close family member, partner or associate , has any private or business interest;
- must declare any business, commercial and financial interest or activities undertaken for financial gain that may raise possible conflict of interest;
- should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- should not take improper advantages of their previous office after leaving their official position.

3 Accountability

Practitioners are accountable for their decisions and actions to the public.

Practitioners should use public property scrupulously.

Only Accounting Officer or their delegates have the authority to commit Emthanjeni Local Municipality to any transaction for the procurement of goods and/ or services.

All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

Practitioner must assist the Accounting Officer in combating fraud, corrupt, favouritism and unfair and irregular practices in the supply chain management system

Practitioners must report to the Accounting Officer any alleged irregular conduct in the supply chain management which that person may become aware of, including

1. any alleged fraud, corruption, favouritism or unfair conduct
2. an alleged contravention of the policy on inducements, reward, gifts and favours to municipalities or municipal entities, officials or other role players; and
3. any alleged breach of this code of conduct.

Any declarations made must be recorded in a register which the Accounting Officer must keep for this purpose. Any declarations made by the Accounting Officer must be made to the Mayor who must ensure that such declaration is recorded in the register.

4. Openness

Practitioners should be as open as possible about all the decision and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5. Confidentiality

Any information that is the property of Emthanjeni Local Municipality or its providers should be protected at all times. No information regarding any bid/contract/bidder/contractor may be revealed if such an action will infringe on the relevant bidder's/contractor's personal rights.

Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role layers involved in SCM after separation from service.

6. Bid Committees

Bid Specification, Evaluation and Adjudication Committees should implement supply chain management on behalf of Emthanjeni Local Municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

Bid Evaluation /Adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

All members of Bid Adjudication Committees should be cleared by the Accounting Officer at the level of 'CONFIDENTIAL' and should be required to declare their financial interest annually.

No person should-

- interfere with the supply chain management system of Emthanjeni Local Municipality; or
- amend or tamper with any price quotation/bid after its submission.

7. Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

Suggestions of fictitious lower quotations;

Reference to non-existent competition;

Exploiting errors in price quotations/bids

Soliciting price quotations/bids from bidders/contractors whose names appear on the Register for Tender Defaulters

When adopted, this code of conduct becomes binding on all officials and other role players involved in the implementation of the Supply Chain Management Policy of Emthanjeni Local Municipality.

- (2) A breach of the code of ethics must be dealt with as follows –
- (a) in the case of an employee, in terms of the disciplinary procedures of Emthanjeni Local Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
 - (c) In all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

The Accounting Officer must review the policy at least annually and, where necessary, submit proposals for amendment to the Council (Regulation 3).

Commencement

This Policy takes effect on 01 July 2013.

CHAPTER 4

PURCHASES PROCEDURES

NO.	PROCEDURE	FREQUENCY	RESPONSIBILITY	KPI
1.	Purchase Requisitions:	Ongoing	MM, Directors	Yes
1.1	<ul style="list-style-type: none"> • Purchase requisitions (PR) are completed in the various sections of the Municipality. 	Ongoing	CFO	Yes
1.2	The CFO should assign the responsibility of maintaining the Purchases Requisition Book to a specific person in each section.	Ongoing	CFO	Yes
1.3	The buyer is responsible for maintaining a record of the pre-numbered colour coded purchase requisition books issued to each section.	Ongoing	Municipal Manager CFO	Yes
2.	The Officer authorising the purchase requisition, should ensure that there is sufficient funds available within the nominated vote. Where there are insufficient funds, the Municipal Manager may utilise a saving in the amount appropriated under a main division within a vote, towards the defrayment of excess expenditure under another main division within the same vote.	Ongoing	CFO	Yes
3.	Purchases requisitions should be forwarded to the Supply Chain Clerks.	Ongoing	CFO	Yes
3.1	The Supply Chain Clerks check the requisition to ensure the following:	Ongoing	CFO	Yes
3.2		Ongoing	CFO	Yes

NO.	PROCEDURE	FREQUENCY	RESPONSIBILITY	KPI
	<ul style="list-style-type: none"> • The correct vote has been inserted; • The description of the goods/services is accurate and the quantity specified; • That all unused lines have been ruled off to prevent unauthorised additions; and • That the requisition has been signed by an authorised Officer designated by the Municipal Manager. 			
4.	It is the SC Clerks' responsibility to source the supplier for the goods requested. The database is to be used, unless these suppliers are unable to fulfill the order on and as required basis.	Ongoing	Supply Chain Manager	Yes
5.	In the instance that quotations are required, the purchase requisitions together with the quotations must be handled according to the Supply Chain Management Policy.	Ongoing	Municipal Manager, Chief Financial Officer, Supply Chain Manager	Yes
6.	Once the requisition has been through the process and has been approved, the requisition and quotations should be returned to the buyer.	Ongoing	Municipal Manager CFO Supply Chain Manager.	Yes
7.	The buyer would then make out the order. Four copies of the order must be produced. The first must be sent to the supplier, the second must be attached to the requisition and forwarded to the creditors department, the third copy must be sent to the receiving section, and the final copy remains in the order book.	Ongoing	CFO	Yes
8.	All goods should be received in a demarcated area by			

NO.	PROCEDURE	FREQUENCY	RESPONSIBILITY	KPI
	the stores. An exception to this would be the delivery of capital works or maintenance projects, as well as goods to be delivered directly to the department for example motor vehicles, plant and equipment.	Ongoing	CFO	Yes
9.	<p>When the delivery of goods is made by the suppliers, the receiver must:</p> <ul style="list-style-type: none"> • Match the supplier delivery note to a properly authorised purchase order; • Check the quantity of goods received against the supplier delivery note and the purchase order; • Reject all incorrect deliveries. In the case of short deliveries, clearly indicate as such on the suppliers delivery note and the purchase order; • Prepare a goods received note (GRN) in duplicate detailing the items and quantities received; • Sign the suppliers delivery note and GRN to indicate receipt of the goods; and • Ensure that the supplier's delivery personnel sign the delivery note to indicate agreement with the delivery and to the adjustments, if any. 	Ongoing	CFO	Yes
10.	Goods should then be sent to the relevant section. The official that authorised the requisition should sign the goods received note to indicate receipt of the goods.	Ongoing	CFO	Yes
11.	<p>The supplier's delivery note and the original goods received note should be forwarded to the creditors section.</p> <p>The duplicate goods received note should be filed.</p>	Ongoing	CFO	Yes

NO.	PROCEDURE	FREQUENCY	RESPONSIBILITY	KPI
12.	If the Chief Financial Officer instructs that a supplier make delivery of goods at a location other than the demarcated area, a person designated by the Chief Financial Officer, shall take delivery thereof and sign the supplier's delivery note to indicate receipt of the goods. This delivery note must then be submitted to the creditors section after being signed by the Chief Financial Officer.	Periodic	CFO	Yes
13.	<p>The creditors section receives the following in batches as the invoices are finalised for payment:</p> <ul style="list-style-type: none"> • Orders with corresponding requisitions from the buying section; • The supplier's delivery note and the internal goods received note (GRN) from the receiving section; and • If the supplier forwards his invoice with the delivery note, the receiving official should date stamp and forward to creditors. 	Weekly	CFO	Yes
14.	Procedures for actual payment of creditor invoices are documented under the creditor payment section.			

CHAPTER 5 CREDITORS PAYMENT PROCEDURE

NO.	PROCEDURE	FRE QUENCY	RESPONSIBILITY	KPI
1.	Each supplier invoice must be matched to a properly approved requisition and order form.	Ongoing	CFO (Creditors Section)	Yes
2.	The invoice must then be matched to the delivery note. The description of the goods, the quantity supplied and the signature of the authorised person receiving the goods must be confirmed.	Ongoing	CFO (Creditors Section)	Yes
3.1.	The creditors section is responsible for checking the adequacy and completeness of documents received from the purchasing and stores sections.	Ongoing	CFO (Creditors Section)	Yes
3.2.	If the creditors section is not satisfied with the documents received from the purchasing or stores sections, they must interrogate the relevant purchasing or stores officials.	Ongoing	SC Manager CFO (Head of Creditors Section)	No
4.	If the invoice relates to a service that was supplied, the official that requested the service, should sign the invoice to indicate that the service was received.	Ongoing	CFO (Creditors Section)	Yes
5.	Where a service is rendered regularly in terms of a standing contract, or where a continuing service such as a telephone is provided, order forms are not required. The official receiving the service must approve the invoice before submitting it to the creditors section for checking and payment.	Ongoing	CFO	Yes
6.	All payments:	Ongoing	CFO	Yes

NO.	PROCEDURE	FRE QUENCY	RESPONSIBILITY	KPI
	<ul style="list-style-type: none"> Should be effected by cheque or by electronic transfer. Apart from petty cash, no payments should be made in cash; and Should be made monthly, and, only under exceptional circumstances, as determined by the Chief Financial Officer, should a payment be made outside of these intervals. 			
7.	The creditors section must prepare a list of payments to be made, differentiating between electronic and cheque payments.	Monthly	CFO (Creditors section)	Yes
8.	The creditors section must present the payment listing together with supporting documentation to the Chief Financial Officer.	Monthly	CFO (Creditors Section)	Yes
9.	The CFO must critically inspect the supporting documentation to satisfy himself/herself that the requested payments are in order.	Monthly as whenever payments are request	CFO	Yes
10.	Disputed payments will be returned to the creditors section. It is the responsibility of the creditors section to ensure that the supporting documentation is complete.	Monthly	CFO (Creditors Section).	Yes
11.	These cheque requisition forms will be forwarded to an official who has been assigned the responsibility to prepare cheques.	Monthly	Chief Financial Officer	No

NO.	PROCEDURE	FRE QUENCY	RESPONSIBILITY	KPI
12.	The cheques and the supporting documentation are forwarded to the Municipal Manager and Chief Financial Officer or to the signatories appointed by them for signing.		Municipal Manager CFO SCM	
13.	The cheques and the supporting documentation are forwarded to the Municipal Manager and Chief Financial Officer or to the signatories appointed by them for signing.	Monthly		
14.	Every signatory must inspect the documentation and satisfy him/ herself as to the validity of the expense before he/she signs the cheque.	Monthly	All designated signatories	Yes
15.1	Two signatories must sign every cheque.	Monthly	All designated signatories	Yes
15.2	The cheque number must appear on the supporting documentation. The documentation should also be stamped as evidence of it being paid.		Chief Financial Officer	
16.	The cheques should then be posted to or collected by the respective creditor.	Monthly	Chief Financial Officer	No

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Cemeteries					
Cemetery : Caroluspoort, cemeteries next N1 & N12					
A) Funerals*					
Adults older than 12 years	833.68	896.23	963.51	1 035.70	1 113.42
Children younger than 12 years	664.39	714.30	767.81	825.44	887.28
Still born child	730.79	785.61	844.56	907.89	975.96
Extra depth (deeper than 2m per 300 mm)	159.91	171.93	184.82	198.68	213.60
B) Reservations*					
Residents	359.21	386.23	415.18	446.32	479.74
Non - residents	504.82	542.72	583.42	627.19	674.21
C) Funerals - weekends & public holidays*	1 496.93	1 609.21	1 729.91	1 859.65	1 999.12
Kareeville Cemetery Jansenville, Mziwabantu & next to Burgerville road					
A) Funerals*					
Selfdug graves	135.00	145.18	156.05	167.72	180.35
Children younger than 12 years & still born	67.63	72.72	78.16	84.04	90.35
* Tariffs does not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Housing					
Nonzwakazi hostel					
House rent sewerage *	124.24	133.56	143.57	154.34	165.92
House rent refuse *	78.18	84.05	90.35	97.13	104.41
House rent water *	51.75	55.63	59.80	64.29	69.11
* Tariffs does not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Building plans*					
A) Minimum building plan fees	151.67	163.07	175.35	188.42	202.63
B) Buildings with a value higher than R 25 000, 2 % of value of the building* (value calculated per m2)					
Description of building					
Economic houses	2 683.77	2 885.09	3 101.49	3 334.12	3 584.12
Sub-economic houses	1 669.47	1 794.74	1 929.30	2 074.04	2 229.56
Outbuildings	1 673.16	1 798.68	1 933.60	2 078.60	2 234.47
Factories and stores	2 439.82	2 622.89	2 819.56	3 031.05	3 258.33
Offices and business premises	1 168.60	1 256.32	1 350.53	1 451.75	1 560.70
Multistorey buildings	2 439.82	2 622.89	2 819.56	3 031.05	3 258.33
Toilets	2 696.75	2 899.04	3 116.49	3 350.18	3 601.49
Carports	744.82	800.70	860.79	925.35	994.74
Shadeports	385.44	414.39	445.44	478.86	514.82
Open verandahs	257.02	276.32	297.02	319.30	343.25
Closed verandahs	1 335.61	1 435.79	1 543.51	1 659.30	1 783.68
Swimming pool	1 335.61	1 435.79	1 543.51	1 659.30	1 783.68
Solar panels - excluding buildingplan fees	1 500.00	1 612.54	1 733.51	1 863.51	2 003.25
C) Sewerage plans*					
5c/ R100.00 of the value of new buildings or alterations					
D) Building plan copies*					
Small A1	28.42	30.61	32.89	35.35	37.98
Large A0	50.26	54.04	58.16	62.46	67.19
E) Sewerage connections *	1 959.65	2 106.67	2 264.65	2 434.47	2 617.11
F) Search fee for building plan*	64.39	69.30	74.47	80.00	86.05
G) Valuation & Clearance certificate* (If both are required, this amount 2x)	41.84	45.00	48.42	52.02	55.96
* Tariffs does not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Fire prevention					
A) For each motor pump*					
Call out fee	513.33	551.84	593.25	637.72	685.61
Pump cost - Plus for each jet per hour or a portion thereof of during which the motor pump is used at the scene of the fire	138.86	149.30	160.53	172.54	185.53
Standby fee - each hour or a portion thereof which the motor pump is on standby at the scene of the fire.	513.33	551.84	593.25	637.72	685.61
B) For each vehicle called out*	180.09	193.60	208.16	223.77	240.53
C) For each chemical fire extinguisher*					
Normal extinguisher 9 litre	97.28	104.65	112.46	120.88	130.00
Lux extinguisher	180.09	193.60	208.16	223.77	240.53
D) Fire brigade vehicles (per km)*	22.37	24.12	25.88	27.81	29.91
E) Patrol vehicle (per km)*	14.12	15.26	16.40	17.63	18.95
F) Tanker vehicle (per km)*	16.93	18.25	19.65	21.05	22.63
* Tariffs do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Assessment rates					
Market value rate	0.0146570	-	-	-	-
Bussiness Properties	0.0147260	-	-	-	-
Guest Houses	0.0147260	-	-	-	-
Agricultural Properties	0.0036640	0.011500	0.012190	0.012921	0.013697
(Agricultural Property must take note that the Nett Effect of the Agricultural Levy will be as follows:)		0.002875	0.003048	0.003230	0.003424
Residential	-	0.011500	0.012190	0.012921	0.013697
State Owned	-	0.015000	0.015900	0.016854	0.017865
Bussiness & Guest Houses	-	0.011700	0.012402	0.013146	0.013935
Industrial	-	0.015000	0.015900	0.016854	0.017865
Place of Worship	-	0.011500	0.012190	0.012921	0.013697
Public Benefit Organization	-	0.011500	0.012190	0.012921	0.013697
Public Service Infrastructure	-	0.015000	0.015900	0.016854	0.017865
Mining	-	0.015000	0.015900	0.016854	0.017865
* Tariffs do not include VAT (0% rated)					
Sale of municipal erven per m²*					
Residential Properties	9.36				
> De Aar East	-	10.06	10.82	11.63	12.50
> Nonzwakazi	-	10.06	10.81	11.63	12.50
> Britstown	-	10.06	10.81	11.63	12.50
> Hanover	-	10.06	10.81	11.63	12.50
> Solheim / Rantsig	-	36.82	39.58	42.55	45.74
Business Properties					
> De Aar	-	37.52	40.33	43.36	46.61
> Britstown	-	28.14	30.25	32.52	34.96
> Hanover	-	24.39	26.22	28.19	30.30
Industrial Properties					
> De Aar	-	37.52	40.33	43.36	46.61
> Britstown	-	28.14	30.25	32.52	34.96
> Hanover	-	24.39	26.22	28.19	30.30
Other Properties		Other Properties will be sold as per SCM Policy after Council's Authorisation			
Printing of Duplicate Monthly Service accounts		0.87	0.94	1.01	1.08
Printing of Duplicate Copies of Deeds of Property from the Deeds Office		12.28	13.20	14.19	15.26
* Tariffs do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Electricity					
A) Basic levies					
Household *	104.94	111.24	117.91	124.99	132.48
Business *	96.56	102.35	108.49	115.00	121.90
Departmental *	13.33	14.13	14.98	15.88	16.83
B) Consumption levies (per unit)					
Prepaid meter* - Households					
Prepaid meter * 1 kWh - 50 kWh (Free Indigents only)	0.6436	0.6809	0.7204	0.7622	0.8613
Prepaid meter * 51 kWh - 350 kWh	0.8200	0.8676	0.9179	0.9711	1.1313
Prepaid meter * 351 kWh - 600 kWh	1.0900	1.1663	1.2479	1.3353	1.5757
Prepaid meter * 601 and more	1.2900	1.3803	1.4769	1.5803	1.9280
Prepaid meter* - Business	1.2657	1.4080	1.5206	1.6423	1.8557
Conventional meters - Households *					
Households * 1 kWh - 50 kWh (Free Indigents only)	0.7296	0.7719	0.8167	0.8641	0.9764
Households *51 kWh - 350 kWh	0.8590	0.9088	0.9615	1.0173	1.1852
Households *351 kWh - 600 kWh	1.0024	1.0726	1.1476	1.2280	1.4490
Households *601 kWh and more	1.0824	1.1582	1.2392	1.3260	1.6177
Business *	1.2657	1.3543	1.4491	1.5505	1.5505
External consumers *	1.3163	1.4084	1.5070	1.6125	1.6125
KVA *	147.1015	157.3986	168.4165	180.2057	180.2057
kWh of KVA *	0.6966	0.7454	0.7975	0.8534	0.8534
Streetlights *	0.5439	0.5820	0.6227	0.6663	0.6663
Transnet KVA *(minimum of 700 KVA)	147.1015	157.3986	168.4165	180.2057	180.2057
Transnet kWh *	0.5439	0.5820	0.6227	0.6663	0.6663
Departmental : small consumers *	0.5439	0.5820	0.6227	0.6663	0.6663
Departmental : large KVA *	62.6153	66.9984	71.6883	76.7064	76.7064
Departmental : large kWh *	0.5439	0.5820	0.6227	0.6663	0.6663
Departmental : rural small consumers *	0.5439	0.5820	0.6227	0.6663	0.6663
Departmental : bulk consumers KVA *	52.0129	55.6538	59.5496	63.7180	63.7180
C) Consumer deposits					
Households	1 328.00	1 411.00	1 499.00	1 592.00	1 691.00
Small and medium business	1 911.00	1 911.00	1 911.00	1 911.00	1 911.00
Large business	2 102.00	2 102.00	2 102.00	2 102.00	2 102.00
Industrial :KVA	8 470.00	8 470.00	8 470.00	8 470.00	8 470.00
D) Service connections					
Single phase under ground level 60 A *	4 655.00	4 934.39	5 230.44	5 544.21	5 876.84
Overhead connection single phase 60 A *	3 101.49	3 287.63	3 484.91	3 693.95	3 915.61
3 Phase *					
6.6 KV or 11 KV					
Change from conventional meter to prepaid *	607.02	643.86	682.46	723.68	766.67
Replacing of overhead connection *	1 724.56	1 828.07	1 937.72	2 054.39	2 178.07
Replacing of connection under ground *					
Change from prepaid to conventional meter *					
Tempory or building connection 60 A					
single phase *	4 686.23	4 967.46	5 265.53	5 581.40	5 916.32
Temporary or building connection					
3 Phase *					
Reconnection temporary households *	141.58	150.09	159.12	168.68	178.77
Reconnection temporary business *	265.35	281.32	298.16	316.05	335.00
Reconnection fee after services have been terminated due to non-payment *	154.65	163.95	173.77	184.21	195.26
Tampering with meter - households *	2 925.44	3 101.05	3 287.11	3 484.30	3 693.33
Tampering with meter - business *	15 166.58	16 076.58	17 041.23	18 063.68	19 147.54
Tampering with meter - KVA *	20 968.42	22 226.58	23 560.18	24 973.77	26 472.19
Tampering with prepaid meter - households*	2 925.44	3 101.05	3 287.11	3 484.30	3 693.33

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Tampering with prepaid meter - business *	15 166.58	16 076.58	17 041.23	18 063.68	19 147.54
E) Call out fees and repair due to consumer faults					
Meter testing					
kWh single phase meter *	373.60	401.67	431.75	464.12	498.95
kWh 3 phase meter *	469.65	504.91	542.81	583.51	627.28
Rural *					
F) Call out fee due to consumer faults					
Urban area *	39.47	42.98	40.35	43.86	46.49
Rural *	39.47	42.98	40.35	43.86	46.49
After hours and Saturdays *	39.47	42.98	40.35	43.86	46.49
Sundays & public holidays *	39.47	42.98	40.35	43.86	46.49
G) Special meter reading when services are terminated					
All consumers *	65.35	70.26	75.53	81.23	87.28
F) Removing of service connection requested by consumer					
Overhead service connection *	326.14	350.61	376.93	405.18	435.61
Under ground *	469.65	504.91	542.81	583.51	627.28
Ticky box electricity*	376.79	405.05	435.43	468.08	503.19
Electricity Hanover Highmass lightning*	9.83	10.56	11.35	12.21	13.12
Prepaid Cards	9.21	9.91	10.70	11.49	12.37
*Tariffs do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Caravan parks					
Day or a portion of a day - max 4 persons*	104.39	112.28	121.05	129.82	139.47
Per person for more than 4 per day*	48.25	52.63	56.14	60.53	64.91
Electricity per day*	21.93	23.68	25.44	28.07	29.82
*Tariffs do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Sewerage and Refuse removal					
Households, Churches & Church halls					
Fixed costs *	71.52	75.81	80.36	85.18	90.29
Running costs *	47.23	50.07	53.07	56.26	59.63
Halls, Libraries, Sport clubs, Showground's, Swimming pools					
Fixed costs *	71.52	75.81	80.36	85.18	90.29
Running costs *	94.47	100.14	106.14	112.51	119.26
All Businesses					
Fixed costs *	71.52	75.81	80.36	85.18	90.29
Running costs *	94.47	100.14	106.14	112.51	119.26
Old age homes, Creches, Hostels & Schools					
Fixed costs *	71.52	75.81	80.36	85.18	90.29
Running costs *	152.27	161.41	171.09	181.35	192.24
Hotels, guest houses & Correctional Services					
Fixed costs *	71.52	75.81	80.36	85.18	90.29
Running costs *	152.29	161.43	171.11	181.38	192.26
Hospitals					
Fixed costs *	71.52	75.81	80.36	85.18	90.29
Running costs *	152.29	161.43	171.11	181.38	192.26
Availability levy					
Abattoirs (Industrial effluent)*	257.06	272.48	288.83	306.16	324.53
Septic tanks					
Monday to Friday - per load or a portion thereof. One free removal per month. (Excluding public holidays) *	102.16	108.29	114.79	121.68	128.98
Monday to Friday - per load or a portion thereof. Add removal Public holidays excluded.*	66.67	71.05	75.44	79.82	84.21
After hours & public holidays (As above)*					
Industrial effluent (85 % of water consumption or as determined by contract)*	3.21	3.40	3.61	3.83	4.05
Km to outside of urban area per km *	22.81	24.56	26.32	27.19	28.95
Waste water removal					
Waste water removal*	59.37	62.93	66.71	70.71	74.95
Water water removal per bucket*	59.37	62.93	66.71	70.71	74.95
Dry sanitation *	41.84	44.35	47.01	49.83	52.82
Sewerage clearance Monday - Friday					
during office hours *	215.79	228.95	242.98	257.02	272.81
Sewerage clearance Monday - Friday After hours & public holidays *	515.79	547.37	579.82	614.91	651.75
E) Sewerage connections *	1 850.88	1 962.28	2 079.82	2 205.26	2 336.84

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Refuse removal					
Refuse removal*	74.05	78.49	83.20	88.20	93.49
Special refuse removal *	128.95	136.84	145.61	154.39	163.16
Building rubble*	258.77	274.56	291.23	308.77	327.19
*Tariffs do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Town halls and community halls					
De Aar Town hall West					
Deposit	516.00	555.00	597.00	642.00	690.00
Rent					
07:00 to 17:59	516.67	556.14	597.37	642.11	690.35
18:00 to 23:59	772.81	831.58	893.86	960.53	1 032.46
(This amount is applicable if renting from 07:00 - 23:59)					
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
After 23:59 per hour and 2 hours thereafter the hall will be closed					
Kitchen per period of part thereof	105.26	113.16	121.93	131.58	141.23
Electricity - Stoves per kWh	4.39	5.26	5.26	6.14	6.14
Tables (per table) (if not renting anything else)					
Hiring of cutlery and crockery and tables	387.72	417.54	448.25	482.46	518.42
Tariff for broken or damaged items per item					
Cups	30.70	33.33	35.96	38.60	41.23
Saucers	30.70	33.33	35.96	38.60	41.23
Dessert plates	30.70	33.33	35.96	38.60	41.23
Dinner and soup plates	30.70	33.33	35.96	38.60	41.23
Table spoons	30.70	33.33	35.96	38.60	41.23
Tea spoons	30.70	33.33	35.96	38.60	41.23
Table knives	30.70	33.33	35.96	38.60	41.23
Table forks	30.70	33.33	35.96	38.60	41.23
Dessert knives	30.70	33.33	35.96	38.60	41.23
Dessert forks	30.70	33.33	35.96	38.60	41.23
Dessert spoons	30.70	33.33	35.96	38.60	41.23
Soup spoons	30.70	33.33	35.96	38.60	41.23
Dessert bowls	30.70	33.33	35.96	38.60	41.23
Small dessert bowls	30.70	33.33	35.96	38.60	41.23
Small Plates	30.70	33.33	35.96	38.60	41.23
Trays	30.70	33.33	35.96	38.60	41.23
Coffee pots	195.61	210.53	226.32	243.86	261.40
Rent of piano's					
Upright piono per function	85.96	92.98	100.00	107.02	114.91
Upright piono per practice	30.70	33.33	35.96	38.60	41.23
Grand piano per function	256.14	275.44	296.49	318.42	342.11
Grand piano per practice	71.93	78.07	83.33	89.47	96.49
Bar					
Rent	71.93	78.07	83.33	89.47	96.49
Vacation of premisses					
If lessee does not evacuate within time limits above of have written permission to stay until the next day at 10:00 , the applicable tariff is	71.93	78.07	83.33	89.47	96.49

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Stands					
Stands (for trading)	22.81	24.56	27.19	28.95	30.70
De Aar Town Hall - side hall	96.49	104.39	112.28	120.18	128.95
Caretaker fee	100.00	107.89	115.79	124.56	134.21
De Aar Juvenes Hall					
Rent					
07:00 to 18:00	291.23	313.16	336.84	362.28	389.47
18:00 to 23:59	387.72	417.54	448.25	482.46	518.42
Deposit	513.60	552.12	593.53	638.05	685.90
Caretaker fee	211.40	228.07	244.74	263.16	282.46
Community hall East & Nonzwakazi					
Rent					
Church services	130.70	141.23	151.75	163.16	174.56
Meetings	130.70	141.23	151.75	163.16	174.56
Film shows & concerts	259.65	279.82	300.88	322.81	347.37
Disco	321.93	346.49	372.81	400.00	430.70
Weddings	130.70	141.23	151.75	163.16	174.56
Social functions	130.70	141.23	151.75	163.16	174.56
Deposit	267.00	288.00	309.00	332.00	357.00
Caretaker fee	107.89	116.67	125.44	134.21	144.74
Vacation of premises					
As applicable for De Aar town hall					
Hanover town hall					
Rent					
07:00 to 18:00	386.84	416.67	447.37	480.70	516.67
18:00 to 23.59	643.86	692.98	744.74	800.00	860.53
Deposit	638.00	686.00	738.00	793.00	853.00
Deposit only cover crockery and cutlery & rent, if applicable.					
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
Vacation of premisses					
If lessee does not evacuate within time limits above of have written permission to stay until the next day at 10:00					
, the applicable tariff is	71.93	78.07	83.33	89.47	96.49

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Hanover Community Hall Kwezi					
Rent					
Church services	130.70	141.23	151.75	163.16	174.56
Meetings	130.70	141.23	151.75	163.16	174.56
Film shows & concerts	259.65	279.82	300.88	322.81	347.37
Disco	321.93	346.49	372.81	400.00	430.70
Weddings	130.70	141.23	151.75	163.16	174.56
Social functions	130.70	141.23	151.75	163.16	174.56
Vacation of premisses					
Same as above for Hanover Town Hall					
Britstown town hall					
Rent					
07:00 to 18:00	386.84	416.67	447.37	480.70	516.67
18:00 to 23:59	579.82	623.68	670.18	721.05	774.56
After 23:59 per hour and 2 hours thereafter					
the hall will be closed	516.67	556.14	597.37	642.11	690.35
Braai area at Town Hall	134.21	144.74	155.26	167.54	179.82
Vacation of premisses					
If lessee does not evacuate within time limits above of have written permission to stay until the next day at 10:00 , the applicable tariff is	71.93	78.07	83.33	89.47	96.49
Deposit					
Kitchen per period of part thereof	86.00	93.00	100.00	107.00	115.00
Electricity - Stoves per kWh	4.39	5.26	5.26	6.14	6.14
*Tariffs do not include VAT					
Vacation of premisses					
If lessee does not evacuate within time limits above of have written permission to stay until the next day at 10:00 , the applicable tariff is	71.93	78.07	83.33	89.47	96.49
Community Halls in Jansenville & Mziwabantu					
Rent					
Church services	130.70	141.23	151.75	163.16	174.56
Meetings	130.70	141.23	151.75	163.16	174.56
Film shows and concerts	194.74	209.65	225.44	242.11	260.53
Disco	194.74	209.65	225.44	242.11	260.53
Weddings	130.70	141.23	151.75	163.16	174.56
Social functions	130.70	141.23	151.75	163.16	174.56
Vacation of premisses					
If lessee does not evacuate within time limits above of have written permission to stay until the next day at 10:00 , the applicable tariff is	71.93	78.07	83.33	89.47	96.49
Multipurpose centre					
Rent Multipurpose centre	418.42	450.00	484.21	520.18	559.65
Deposit	347.00	374.00	402.00	432.00	464.00

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Sportgrounds					
De Aar West					
Athletics					
Rent : Affiliated (Changerooms included) (Marking, layout of lanes and toilet paper excluded)	793.86	853.51	917.54	986.84	1 060.53
Rent : Not Affiliated (Marking, layout of lanes and toilet paper excluded)	1 613.16	1 734.21	1 864.91	2 004.39	2 154.39
Rent : Chreche	361.40	388.60	418.42	449.12	483.33
Deposit changerooms and pavilion hall	655.00	705.00	757.00	814.00	875.00
Rent changerooms	250.88	270.18	290.35	312.28	335.09
Rent pavilion hall	237.72	256.14	275.44	295.61	317.54
Floodlights	182.46	196.49	211.40	227.19	243.86
Caretaker fee	250.88	270.18	290.35	312.28	335.09
Rugby					
Rent Field "A"(affiliated changerooms included)	158.77	171.05	184.21	197.37	212.28
Rent Field "B"(affiliated changerooms included)	116.67	125.44	135.09	145.61	156.14
Rent Field "A"(not affiliated)	361.40	388.60	418.42	449.12	483.33
Rent Field "B"(not affiliated)	209.65	225.44	242.98	260.53	280.70
Deposit changerooms and pavilion hall					
Affiliated	492.00	529.00	569.00	612.00	658.00
Not Affiliated	850.00	914.04	982.46	1 056.14	1 135.96
Rent changerooms	250.88	270.18	290.35	312.28	335.09
Rent pavilion hall	237.72	256.14	275.44	295.61	317.54
Floodlights	182.46	196.49	211.40	227.19	243.86
Caretaker fee	250.88	270.18	290.35	312.28	335.09
Cricket					
Rent Field "A" (not affiliated)	361.40	388.60	418.42	449.12	483.33
Rent Field "B" (not affiliated)	209.65	225.44	242.98	260.53	280.70
Rent Field "A" (affiliated)					
Rent Field "B" (affiliated)					
Deposit changerooms and pavilion hall					
Affiliated	492.00	529.00	569.00	612.00	658.00
Not Affiliated	850.00	914.00	983.00	1 056.00	1 136.00
Rent changerooms	250.88	270.18	290.35	312.28	335.09
Rent pavilion hall	237.72	256.14	275.44	295.61	317.54
Floodlights	182.46	196.49	211.40	227.19	243.86
Caretaker fee	250.88	270.18	290.35	312.28	335.09
*Tariffs do not include VAT					
Drum majorettes					
Schools inhouse comptitions "A" Field	209.65	225.44	242.98	260.53	280.70
Schools inhouse comptitions "B" Field	141.23	152.63	164.04	176.32	189.47
Schools regional competitions "A" Field	504.39	542.98	583.33	627.19	673.68
Schools regional competitions "B" Field	209.65	225.44	242.98	260.53	280.70
Deposit changerooms and pavilion hall					
affiliated	630.00	678.00	729.00	783.00	842.00
Deposit changerooms and pavilion hall					
not affiliated	486.84	523.68	563.16	605.26	650.88
Rent changerooms(include pavilion hall 1/7/2004)	250.88	270.18	290.35	312.28	335.09
Rent pavilion hall	225.44	242.98	260.53	280.70	301.75
Floodlights	182.46	196.49	211.40	227.19	243.86
Caretaker fee	250.88	270.18	290.35	312.28	335.09

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Social functions					
Deposit changerooms and pavilion hall	531.58	571.93	614.91	660.53	710.53
Rent changerooms	237.72	256.14	275.44	295.61	317.54
Rent pavilion hall	504.39	542.98	583.33	627.19	673.68
Floodlights	169.30	182.46	196.49	210.53	226.32
Caretaker fee	250.88	270.18	290.35	312.28	335.09
Annual fees (Affiliation fees)					
De Aar Rugby Klub	1 324.56	1 424.56	1 530.70	1 645.61	1 769.30
Primary De Aar (without trompoppies)	6 550.00	7 042.11	7 570.18	8 137.72	8 747.37
High school De Aar	10 198.25	10 963.16	11 785.96	12 669.30	13 620.18
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
Merino Park					
Rent sportsgrounds (not affiliated)	130.70	141.23	151.75	163.16	174.56
Rent sportsgrounds (affiliated)	59.65	64.91	69.30	74.56	79.82
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
Nonzwakazi					
Rent sportsgrounds (not affiliated)	130.70	141.23	151.75	163.16	174.56
Rent sportsgrounds (affiliated)	59.65	64.91	69.30	74.56	79.82
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
Proteaville & Mziwabantu					
Rent sportsgrounds (not affiliated)	130.70	141.23	151.75	163.16	174.56
Rent sportsgrounds (affiliated)	59.65	64.91	69.30	74.56	79.82
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
Kwezi					
Rent sportsgrounds (not affiliated)	130.70	141.23	151.75	163.16	174.56
Rent sportsgrounds (affiliated)	59.65	64.91	69.30	74.56	79.82
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
Criket oval					
Rent	627.19	674.56	725.44	779.82	837.72
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
*Tariffs do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Swimming pools*					
Public swimming pool*					
A) Admission fees daily per visit					
Adults	11.40	12.28	14.04	14.91	15.79
Children	8.77	9.65	10.53	11.40	12.28
B) Seasonal admission fees (1/10 - 30/3)					
Adults	207.89	223.68	240.35	258.77	278.07
Children	130.70	141.23	151.75	163.16	174.56
C) Rent of swimming pool					
Schools 10:00 - 13:00 (Mondays - Fridays)	259.65	279.82	300.88	322.81	347.37
(Saturdays)	259.65	279.82	300.88	322.81	347.37
Provincial level	772.81	831.58	893.86	960.53	1 032.46
Functions : Schools & Private after 18:00	464.04	499.12	536.84	577.19	620.18
D) Deposit	376.00	405.00	435.00	468.00	503.00
E) Flood lights*	169.30	182.46	196.49	210.53	226.32
F) Caretaker fee*	169.30	182.46	196.49	210.53	226.32
Oasis swimming pool					
A) Admission fees daily per visit*					
Adults	9.65	10.53	11.40	12.28	13.16
Children	7.02	7.89	8.77	8.77	9.65
B) Seasonal admission fees (1/10 - 30/3)					
Adults	182.46	196.49	211.40	227.19	243.86
Children	105.26	113.16	121.93	131.58	141.23
C) Rent of swimming pool*					
Schools 10:00 - 13:00 (Mondays - Fridays)	130.70	141.23	151.75	163.16	174.56
(Saturdays)	193.86	208.77	224.56	241.23	259.65
Provincial level	194.74	209.65	225.44	242.11	260.53
Functions : Schools & Private after	321.93	346.49	372.81	400.00	430.70
D) Deposit	272.00	293.00	315.00	338.00	364.00
E) Flood lights*	182.46	196.49	211.40	227.19	243.86
F) Caretaker fee*	142.98	154.39	165.79	178.07	191.23
If there is any major damages not covered by the deposit the lessee will be alliable for repairs.(Work done departmentally)					
*Tariffs do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Airdome*					
One engine Aircraft	72.81	78.95	84.21	91.23	97.37
Two engine Aircraft	80.70	86.84	93.86	100.88	107.89
Three and more engine Aircraft	118.42	128.07	137.72	147.37	158.77
Annual airstrip hiring - local	1 024.40	1 101.23	1 183.82	1 272.61	1 368.05
*Tariffs do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Water					
Basic levy per service connection					
Households *	49.01	51.96	55.07	58.38	61.88
Businesses*	248.49	263.39	279.20	295.95	313.71
Defence Force*	248.49	263.39	279.20	295.95	313.71
Industrial *	248.49	263.39	279.20	295.95	313.71
Schools *	248.49	263.39	279.20	295.95	313.71
Flats *	248.49	263.39	279.20	295.95	313.71
Old age homes *	248.49	263.39	279.20	295.95	313.71
Churches *	46.28	49.06	52.00	55.12	58.43
Municipal activities *	11.74	12.45	13.20	13.99	14.83
Government offices *	248.49	263.39	279.20	295.95	313.71
Hospitals *	248.49	263.39	279.20	295.95	313.71
S A P D *	248.49	263.39	279.20	295.95	313.71
Correctional Services *	248.49	263.39	279.20	295.95	313.71
Transnet *	248.49	263.39	279.20	295.95	313.71
Clinics *	248.49	263.39	279.20	295.95	313.71
Consumptions - households					
1 - 6 kl * (Tariff per kiloliter)	-	-	-	-	-
7 - 15 kl * (Tariff per kiloliter)	6.49	6.88	7.29	7.73	8.19
16 - 30 kl * (Tariff per kiloliter)	7.37	7.81	8.28	8.77	9.30
31 kl and more * (Tariff per kiloliter)	8.59	9.10	9.65	10.23	10.84
Consumptions - Indigent households					
1 - 6 kl * (Tariff per kiloliter)	-	-	-	-	-
7 - 15 kl * (Tariff per kiloliter)	6.49	6.88	7.29	7.73	8.19
16 - 30 kl * (Tariff per kiloliter)	7.37	7.81	8.28	8.77	9.30
31 kl and more * (Tariff per kiloliter)	8.59	9.10	9.65	10.23	10.84
Consumptions - Government Departments (Exc schools)					
1 - 6 kl * (Tariff per kiloliter)	3.58	3.80	4.03	4.27	4.52
7 - 15 kl * (Tariff per kiloliter)	4.92	6.88	7.29	7.73	8.19
16 kl and more* (Tariff per kiloliter)	5.59	7.81	8.28	8.77	9.30
31 kl and more * (Tariff per kiloliter)	8.59	9.10	9.65	10.23	10.84
Consumptions -all other activities excluding Households, Municipal, Indigent and Government cons.					
1 - 6 kl * (Tariff per kiloliter)	3.58	3.80	4.03	4.27	4.52
7 - 15 kl * (Tariff per kiloliter)	4.92	5.21	5.53	5.86	6.21
16 kl and more* (Tariff per kiloliter)	5.59	5.92	6.28	6.65	7.05
31 kl and more * (Tariff per kiloliter)	8.59	9.10	9.65	10.23	10.84
Consumptions - Muncipal activities					
1 - 6 kl * (Tariff per kiloliter)	2.36	2.51	2.66	2.82	2.98
7 kl and more * (Tariff per kiloliter)	2.36	2.51	2.66	2.82	2.98
Consumer deposit					
Household	510.00	541.00	574.00	608.00	644.00
Small and medium business	622.00	660.00	699.00	741.00	786.00
Industrial	1 033.00	1 095.00	1 161.00	1 231.00	1 305.00
Government Department	Determined by CFO				
Testing of meter *	192.98	205.26	217.54	230.70	243.86

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Service connections					
20 mm / 15 mm water meter *	1 557.02	1 650.88	1 750.00	1 855.26	1 965.79
25 mm / 20 mm water meter *	1 907.02	2 021.93	2 142.98	2 271.93	2 407.89
Larger than abovementioned *					
Special meterreadings as requested by consumer					
Read of meter *	121.05	128.95	136.84	144.74	153.51
Special meter readings by termination of service *	82.46	87.72	92.98	98.25	104.39
Communal water *	47.60	50.46	53.49	56.70	60.10

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Machinery & Plant equipment					
Hiring of machinery and plant equipment (Excluding Show Grounds)		Actual Cost as determined by relevant Director			
Selling of red soil		Actual Cost as determined by relevant Director			
* Tariff do not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Libraries					
Photocopies - per page or part thereof	0.79	0.88	0.96	1.05	1.14
Rent					
Rent of Library Hall (De Aar West, De Aar East, Nonzwakazi, Britstown and Hanover)	174.56	185.09	196.14	207.98	220.44
Deposit					
Deposit of Library Hall (De Aar West, De Aar East, Nonzwakazi, Britstown and Hanover)	142.15	151.00	160.00	170.00	180.00
* Tariff does not include VAT					

Emthanjeni Municipality
Final Tariffs for 2013/2014 MTEF Period

	CURRENT YR	BUDGET			
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Guest Houses*					
Application for Guest House	250.00	268.77	288.95	310.61	333.95
* Tariff does not include VAT					

Municipal annual budget and MTREF & supporting tables

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

Ilze Baron
National Treasury
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Electronic submissions: lgdocuments@treasury.gov.za

gets

Version 2.5

treasury

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Preparation Instructions

Municipality Name: NC073 Emthanjeni

CFO Name: Faried Manuel

Tel: 0536329100

Fax:

E-Mail: fmanuel@emthanjeni.co.za

Budget for MTREF starting: 2013

Budget

Does this municipality have Entities?

No

If YES: Identify type of report:

Parent Municipality

Name V

Printing Instructions

Showing / Hiding Columns

Hide Pre-audit columns on all sheets

Hide Reference columns on all sheets

Showing / Clearing Highlights

Clear Highlights on all sheets

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Year: 2013/14

Votes & Sub-Votes

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<u>ts Guide</u>	Click to view
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<u>Guide</u>	Click to view
<u>s</u>	Click to view

Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - EXECUTIVE AND COUNCIL	Vote 1 EXECUTIVE AND COUNCIL	
Vote 2 - FINANCE AND ADMINISTRATION	1.1 OFFICE OF THE MAYOR	1.1 - OFFICE OF THE MAYOR
Vote 3 - PLANNING AND DEVELOPMENT	1.2 COUNCIL EXPENSES	1.2 - COUNCIL EXPENSES
Vote 4 - HEALTH	1.3 OFFICE MUNICIPAL MANAGER	1.3 - OFFICE MUNICIPAL MANAGER
Vote 5 - COMMUNITY AND SOCIAL SERVICES	1.4 (Name of sub-vote)	
Vote 6 - PUBLIC SAFETY	1.5 (Name of sub-vote)	
Vote 7 - SPORT AND RECREATION	1.6 (Name of sub-vote)	
Vote 8 - ROAD TRANSPORT	1.7 (Name of sub-vote)	
Vote 9 - OTHER	1.8 (Name of sub-vote)	
Vote 10 - HOUSING SERVICES	1.9 (Name of sub-vote)	
Vote 11 - WASTE MANAGEMENT	1.10 (Name of sub-vote)	
Vote 12 - WASTE WATER MANAGEMENT	Vote 2 FINANCE AND ADMINISTRATION	
Vote 13 - ELECTRICITY	2.1 DIRECTORATE: CHIEF FINANCIAL OFFICER	DIRECTORATE: CHIEF FINANCIAL OFFICER
Vote 14 - WATER	2.2 FINANCIAL SERVICES	FINANCIAL SERVICES
Vote 15 - (NAME OF VOTE 15)	2.3 ASSESSMENT RATES	ASSESSMENT RATES
	2.4 DIR. : CORPORATE SERVICES	DIR. : CORPORATE SERVICES
	2.5 ADMINISTRATION	ADMINISTRATION
	2.6 PROPERTY SERVICES	PROPERTY SERVICES
	2.7 INTERNAL AUDIT	INTERNAL AUDIT
	2.8 SUPPLY CHAIN MANAGEMENT UNIT	SUPPLY CHAIN MANAGEMENT UNIT
	2.9 BUDGET AND TREASURY OFFICE	BUDGET AND TREASURY OFFICE
	2.10 (Name of sub-vote)	
	Vote 3 PLANNING AND DEVELOPMENT	
	3.1 DIR. : INFRASTRUCTURE SERVICES	DIR. : INFRASTRUCTURE SERVICES
	3.2 INFRASTRUCTURE SERVICES	INFRASTRUCTURE SERVICES
	3.3 DIR. : DEVELOPMENT SERVICES	DIR. : DEVELOPMENT SERVICES
	3.4 LOCAL ECONOMIC DEVELOPMENT	LOCAL ECONOMIC DEVELOPMENT
	3.5 (Name of sub-vote)	
	3.6 (Name of sub-vote)	
	3.7 (Name of sub-vote)	
	3.8 (Name of sub-vote)	
	3.9 (Name of sub-vote)	
	3.10 (Name of sub-vote)	
	Vote 4 HEALTH	
	4.1 HEALTH SERVICES	4.1 - HEALTH SERVICES
	4.2 (Name of sub-vote)	
	4.3 (Name of sub-vote)	
	4.4 (Name of sub-vote)	
	4.5 (Name of sub-vote)	
	4.6 (Name of sub-vote)	
	4.7 (Name of sub-vote)	
	4.8 (Name of sub-vote)	
	4.9 (Name of sub-vote)	
	4.10 (Name of sub-vote)	
	Vote 5 COMMUNITY AND SOCIAL SERVICES	
	5.1 CEMETRIES	CEMETRIES
	5.2 LIBRARIES	LIBRARIES
	5.3 TOWN HALL	TOWN HALL
	5.4 TOWN COMMONAGE	TOWN COMMONAGE
	5.5 (Name of sub-vote)	
	5.6 (Name of sub-vote)	
	5.7 (Name of sub-vote)	
	5.8 (Name of sub-vote)	
	5.9 (Name of sub-vote)	
	5.10 (Name of sub-vote)	
	Vote 6 PUBLIC SAFETY	
	6.1 TRAFFIC SERVICES	TRAFFIC SERVICES
	6.2 FIRE PREVENTION	FIRE PREVENTION
	6.3 (Name of sub-vote)	
	6.4 (Name of sub-vote)	
	6.5 (Name of sub-vote)	
	6.6 (Name of sub-vote)	
	6.7 (Name of sub-vote)	
	6.8 (Name of sub-vote)	
	6.9 (Name of sub-vote)	
	6.10 (Name of sub-vote)	
	Vote 7 SPORT AND RECREATION	
	7.1 SPORT AND RECREATION	SPORT AND RECREATION
	7.2 PARKS AND GARDENS	PARKS AND GARDENS
	7.3 CARAVAN PARK	CARAVAN PARK
	7.4 SWIMMING POOL	SWIMMING POOL
	7.5 (Name of sub-vote)	
	7.6 (Name of sub-vote)	
	7.7 (Name of sub-vote)	
	7.8 (Name of sub-vote)	
	7.9 (Name of sub-vote)	
	7.10 (Name of sub-vote)	
	Vote 8 ROAD TRANSPORT	
	8.1 VEHICLE REGISTRATION	VEHICLE REGISTRATION
	8.2 VEHICLE TESTING STATION	VEHICLE TESTING STATION
	8.3 STREETS	STREETS
	8.4 WORKSHOP	WORKSHOP
	8.5 (Name of sub-vote)	
	8.6 (Name of sub-vote)	
	8.7 (Name of sub-vote)	
	8.8 (Name of sub-vote)	
	8.9 (Name of sub-vote)	
	8.10 (Name of sub-vote)	
	Vote 9 OTHER	
	9.1 TOURISM	TOURISM
	9.2 CONTINUED MEMBERS	CONTINUED MEMBERS
	9.3 (Name of sub-vote)	
	9.4 (Name of sub-vote)	
	9.5 (Name of sub-vote)	
	9.6 (Name of sub-vote)	
	9.7 (Name of sub-vote)	
	9.8 (Name of sub-vote)	
	9.9 (Name of sub-vote)	
	9.10 (Name of sub-vote)	
	Vote 10 HOUSING SERVICES	
	10.1 HOUSING SERVICES	10.1 - HOUSING SERVICES
	10.2 (Name of sub-vote)	
	10.3 (Name of sub-vote)	
	10.4 (Name of sub-vote)	
	10.5 (Name of sub-vote)	
	10.6 (Name of sub-vote)	
	10.7 (Name of sub-vote)	
	10.8 (Name of sub-vote)	
	10.9 (Name of sub-vote)	
	10.10 (Name of sub-vote)	
	Vote 11 WASTE MANAGEMENT	
	11.1 SOLID WASTE	11.1 - SOLID WASTE
	11.2 (Name of sub-vote)	
	11.3 (Name of sub-vote)	
	11.4 (Name of sub-vote)	
	11.5 (Name of sub-vote)	
	11.6 (Name of sub-vote)	
	11.7 (Name of sub-vote)	
	11.8 (Name of sub-vote)	
	11.9 (Name of sub-vote)	
	11.10 (Name of sub-vote)	
	Vote 12 WASTE WATER MANAGEMENT	
	12.1 SEWERAGE	12.1 - SEWERAGE
	12.2 (Name of sub-vote)	
	12.3 (Name of sub-vote)	
	12.4 (Name of sub-vote)	
	12.5 (Name of sub-vote)	
	12.6 (Name of sub-vote)	
	12.7 (Name of sub-vote)	
	12.8 (Name of sub-vote)	
	12.9 (Name of sub-vote)	
	12.10 (Name of sub-vote)	
	Vote 13 ELECTRICITY	
	13.1 ELECTRICITY	13.1 - ELECTRICITY
	13.2 (Name of sub-vote)	
	13.3 (Name of sub-vote)	
	13.4 (Name of sub-vote)	
	13.5 (Name of sub-vote)	
	13.6 (Name of sub-vote)	
	13.7 (Name of sub-vote)	
	13.8 (Name of sub-vote)	
	13.9 (Name of sub-vote)	
	13.10 (Name of sub-vote)	
	Vote 14 WATER	
	14.1 WATER	14.1 - WATER
	14.2 (Name of sub-vote)	
	14.3 (Name of sub-vote)	
	14.4 (Name of sub-vote)	
	14.5 (Name of sub-vote)	
	14.6 (Name of sub-vote)	
	14.7 (Name of sub-vote)	
	14.8 (Name of sub-vote)	
	14.9 (Name of sub-vote)	
	14.10 (Name of sub-vote)	
	Vote 15 (NAME OR VOTE 15)	
	15.1 (Name of sub-vote)	15.1 - (Name of sub-vote)
	15.2 (Name of sub-vote)	
	15.3 (Name of sub-vote)	
	15.4 (Name of sub-vote)	
	15.5 (Name of sub-vote)	
	15.6 (Name of sub-vote)	
	15.7 (Name of sub-vote)	
	15.8 (Name of sub-vote)	
	15.9 (Name of sub-vote)	
	15.10 (Name of sub-vote)	

NC073 Emthanjeni - Contact Information

A. GENERAL INFORMATION

Municipality	NC073 Emthanjeni
Grade	
Province	NC NORTHERN CAPE
Web Address	www.emthanjeni.co.za
e-mail Address	munmanager@emthanjeni.co.za

² 1 Grade in terms of the Remuneration of Public Office Bearers Act.

B. CONTACT INFORMATION

Postal address:	
P.O. Box	42
City / Town	De Aar
Postal Code	7000
Street address	
Building	
Street No. & Name	45 Voortrekker Street
City / Town	De Aar
Postal Code	7000
General Contacts	
Telephone number	536329100
Fax number	536310105

C. POLITICAL LEADERSHIP

Speaker:		Secretary/PA to the Speaker:	
Name	MM Freddie	Name	T Msengana
Telephone number	536312034	Telephone number	536312034
Cell number	839654314	Cell number	835130261
Fax number	536310105	Fax number	536310105
E-mail address	speaker@emthanjeni.co.za	E-mail address	tmsengana@emthanjeni.co.za
Mayor/Executive Mayor:		Secretary/PA to the Mayor/Executive Mayor:	
Name	ST Thomas	Name	T Msengana
Telephone number	536311530	Telephone number	536312034
Cell number	828806566	Cell number	835130261
Fax number	536310105	Fax number	536310105
E-mail address	mayor@emthanjeni.co.za	E-mail address	tmsengana@emthanjeni.co.za
Deputy Mayor/Executive Mayor:		Secretary/PA to the Deputy Mayor/Executive Mayor:	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
D. MANAGEMENT LEADERSHIP			
Municipal Manager:		Secretary/PA to the Municipal Manager:	
Name	Isak Visser	Name	T. Reed
Telephone number	536329100	Telephone number	536329100
Cell number	828022319	Cell number	792382692
Fax number	536310105	Fax number	536310105
E-mail address	munmanager@emthanjeni.co.za	E-mail address	treed@emthanjeni.co.za
Chief Financial Officer		Secretary/PA to the Chief Financial Officer	
Name	Fariel Manuel	Name	
Telephone number	0536329100	Telephone number	
Cell number	823172841	Cell number	
Fax number	0865364323	Fax number	
E-mail address	fmanuel@emthanjeni.co.za	E-mail address	
Official responsible for submitting financial information			
Name	HH van der Merwe		
Telephone number	536329100		
Cell number	763860379		

Fax number	536311683
E-mail address	vdm@emthanjeni.co.za

|

NC073 Emthanjeni - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
Governance and administration		23 738	30 729	34 712	38 755	38 551	38 840	42 501	44 353	46 061
Executive and council		1 971	2 052	4 236	2 705	2 799	2 934	3 305	3 719	3 769
Budget and treasury office		21 767	15 886	30 444	36 009	35 711	35 862	39 153	40 589	42 244
Corporate services		-	12 791	31	40	40	44	43	45	48
Community and public safety		22 160	12 890	8 933	9 573	9 692	8 157	10 696	10 793	11 388
Community and social services		1 018	1 193	1 444	1 181	1 232	1 352	1 137	1 162	1 191
Sport and recreation		415	1 586	79	18	86	145	91	96	102
Public safety		18 176	9 177	7 165	7 354	7 354	5 632	7 892	8 399	8 903
Housing		1 746	686	244	19	19	28	520	21	23
Health		806	249	-	1 001	1 001	1 001	1 056	1 114	1 169
Economic and environmental services		2 717	6 650	4 205	19 141	19 141	17 962	18 949	14 944	14 471
Planning and development		6	4 490	3 586	18 483	18 483	17 201	18 250	14 204	13 687
Road transport		2 711	2 160	619	658	658	761	698	740	784
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		78 863	101 894	102 474	114 331	107 238	106 303	149 108	152 385	142 745
Electricity		42 087	54 965	58 731	63 176	56 083	56 151	68 789	73 458	78 571
Water		14 845	19 741	19 017	20 021	20 021	19 210	47 583	44 890	28 673
Waste water management		14 652	16 706	15 592	19 380	19 380	19 117	20 447	21 264	22 184
Waste management		7 279	10 482	9 134	11 754	11 754	11 825	12 289	12 772	13 318
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	127 478	152 164	150 324	181 799	174 622	171 263	221 253	222 474	214 665
Expenditure - Standard										
Governance and administration		31 858	32 332	31 634	40 878	40 492	35 418	42 289	43 919	46 686
Executive and council		10 828	11 000	7 480	10 947	10 430	10 514	12 506	13 142	13 916
Budget and treasury office		21 030	13 430	16 289	17 942	18 133	14 993	17 103	17 370	18 448
Corporate services		-	7 902	7 865	11 990	11 930	9 911	12 681	13 407	14 323
Community and public safety		24 626	22 446	49 053	22 728	22 070	20 790	23 327	24 774	26 382
Community and social services		8 789	4 511	4 676	10 576	7 443	6 648	7 755	8 265	8 822
Sport and recreation		2 894	3 149	33 033	674	3 599	3 063	3 562	3 803	4 082
Public safety		9 631	9 828	7 829	9 123	8 673	8 673	9 359	9 883	10 470
Housing		3 049	4 673	3 346	2 139	2 138	2 270	2 441	2 601	2 770
Health		264	286	169	217	217	137	209	222	238
Economic and environmental services		57 880	77 679	17 931	17 322	17 272	20 840	24 011	23 859	25 438
Planning and development		3 779	7 164	8 438	6 444	6 394	8 384	10 511	9 546	10 017
Road transport		54 101	70 515	9 493	10 878	10 878	12 456	13 500	14 314	15 422
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		47 247	54 057	107 096	84 685	82 948	83 788	94 183	100 754	107 921
Electricity		26 809	31 194	54 164	52 585	53 725	53 217	58 448	62 727	67 423
Water		6 045	12 310	32 572	9 289	8 589	9 439	10 801	11 469	12 211
Waste water management		6 464	5 086	11 112	10 399	9 427	9 678	11 519	12 286	13 095
Waste management		7 931	5 467	9 248	12 412	11 207	11 454	13 415	14 273	15 193
Other	4	986	1 711	1 480	1 967	1 857	1 693	2 198	2 323	2 459
Total Expenditure - Standard	3	162 598	188 225	207 194	167 580	164 640	162 529	186 009	195 629	208 886
Surplus/(Deficit) for the year		(35 120)	(36 060)	(56 870)	14 219	9 982	8 734	35 245	26 845	5 779

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure),
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure),
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

NC073 Emthanjeni - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand	1						
Revenue - Standard							
Municipal governance and administration		23 738	30 729	34 712	38 755	38 551	38 840
Executive and council		1 971	2 052	4 236	2 705	2 799	2 934
<i>Mayor and Council</i>		1 840	1 723	3 977	2 355	2 449	2 584
<i>Municipal Manager</i>		132	329	259	350	350	350
Budget and treasury office		21 767	15 886	30 444	36 009	35 711	35 862
Corporate services		-	12 791	31	40	40	44
<i>Human Resources</i>		-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-
<i>Property Services</i>		-	12 791	31	40	40	44
<i>Other Admin</i>		-	-	-	-	-	-
Community and public safety		22 160	12 890	8 933	9 573	9 692	8 157
Community and social services		1 018	1 193	1 444	1 181	1 232	1 352
<i>Libraries and Archives</i>		563	706	793	711	711	702
<i>Museums & Art Galleries etc</i>		-	-	-	-	-	-
<i>Community halls and Facilities</i>		167	186	212	168	100	86
<i>Cemeteries & Crematoriums</i>		178	250	383	200	200	201
<i>Child Care</i>		-	-	-	-	-	-
<i>Aged Care</i>		-	-	-	-	-	-
<i>Other Community</i>		-	-	-	-	-	-
<i>Other Social</i>		109	50	56	102	221	362
Sport and recreation		415	1 586	79	18	86	145
Public safety		18 176	9 177	7 165	7 354	7 354	5 632
<i>Police</i>		18 176	9 177	7 165	7 354	7 354	5 632
<i>Fire</i>		-	-	-	-	-	-
<i>Civil Defence</i>		-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-
Housing		1 746	686	244	19	19	28
Health		806	249	-	1 001	1 001	1 001
<i>Clinics</i>		-	-	-	-	-	-
<i>Ambulance</i>		-	-	-	-	-	-
<i>Other</i>		806	249	-	1 001	1 001	1 001
Economic and environmental services		2 717	6 650	4 205	19 141	19 141	17 962
Planning and development		6	4 490	3 586	18 483	18 483	17 201
<i>Economic Development/Planning</i>		1	277	303	1 142	1 142	1 032
<i>Town Planning/Building enforcement</i>		5	4 213	3 283	17 341	17 341	16 168
<i>Licensing & Regulation</i>		-	-	-	-	-	-
Road transport		2 711	2 160	619	658	658	761
<i>Roads</i>		271	-	18	13	13	26
<i>Public Buses</i>		-	-	-	-	-	-
<i>Parking Garages</i>		-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>		2 440	2 160	601	645	645	735
<i>Other</i>		-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-
<i>Biodiversity & Landscape</i>		-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-
Trading services		78 863	101 894	102 474	114 331	107 238	106 303
Electricity		42 087	54 965	58 731	63 176	56 083	56 151
<i>Electricity Distribution</i>		42 087	54 965	58 731	63 176	56 083	56 151
<i>Electricity Generation</i>		-	-	-	-	-	-
Water		14 845	19 741	19 017	20 021	20 021	19 210

Water Distribution	14 845	19 741	19 017	20 021	20 021	19 210
Water Storage	-	-	-	-	-	-
Waste water management	14 652	16 706	15 592	19 380	19 380	19 117
Sewerage	14 652	16 706	15 592	19 380	19 380	19 117
Storm Water Management	-	-	-	-	-	-
Public Toilets	-	-	-	-	-	-
Waste management	7 279	10 482	9 134	11 754	11 754	11 825
Solid Waste	7 279	10 482	9 134	11 754	11 754	11 825
Other	-	-	-	-	-	-
Air Transport	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
Markets	-	-	-	-	-	-
Total Revenue - Standard	127 478	152 164	150 324	181 799	174 622	171 263
Expenditure - Standard						
Municipal governance and administration	31 858	32 332	31 634	40 878	40 492	35 418
Executive and council	10 828	11 000	7 480	10 947	10 430	10 514
Mayor and Council	8 663	8 800	6 424	7 921	7 746	7 654
Municipal Manager	2 165	2 200	1 056	3 026	2 684	2 860
Budget and treasury office	21 030	13 430	16 289	17 942	18 133	14 993
Corporate services	-	7 902	7 865	11 990	11 930	9 911
Human Resources	-	4 905	4 644	7 343	901	1 035
Information Technology	-	-	-	-	-	-
Property Services	-	2 406	2 600	3 746	7 283	3 016
Other Admin	-	591	620	901	3 746	5 860
Community and public safety	24 626	22 446	49 053	22 728	22 070	20 790
Community and social services	8 789	4 511	4 676	10 576	7 443	6 648
Libraries and Archives	4 272	2 165	2 043	3 552	3 552	3 235
Museums & Art Galleries etc	-	-	-	-	-	-
Community halls and Facilities	2 522	1 712	1 920	5 890	2 757	2 230
Cemeteries & Crematoriums	1 829	559	620	872	872	928
Child Care	-	-	-	-	-	-
Aged Care	-	-	-	-	-	-
Other Community	-	-	-	-	-	-
Other Social	166	75	93	262	262	255
Sport and recreation	2 894	3 149	33 033	674	3 599	3 063
Public safety	9 631	9 828	7 829	9 123	8 673	8 673
Police	9 395	9 542	7 420	8 430	7 980	7 980
Fire	236	286	409	693	693	693
Civil Defence	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-
Other	-	-	-	-	-	-
Housing	3 049	4 673	3 346	2 139	2 138	2 270
Health	264	286	169	217	217	137
Clinics	3	-	-	-	-	-
Ambulance	-	-	-	-	-	-
Other	261	286	169	217	217	137
Economic and environmental services	57 880	77 679	17 931	17 322	17 272	20 840
Planning and development	3 779	7 164	8 438	6 444	6 394	8 384
Economic Development/Planning	1 987	4 562	5 257	2 061	2 031	7 032
Town Planning/Building enforcement	1 792	2 602	3 181	4 383	4 363	1 352
Licensing & Regulation	-	-	-	-	-	-
Road transport	54 101	70 515	9 493	10 878	10 878	12 456
Roads	52 608	68 859	7 778	8 989	8 989	10 820
Public Buses	-	-	-	-	-	-
Parking Garages	-	-	-	-	-	-
Vehicle Licensing and Testing	722	827	864	864	864	578

<i>Other</i>		771	829	851	1 026	1 026	1 057
Environmental protection		-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-
<i>Biodiversity & Landscape</i>		-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-
Trading services		47 247	54 057	107 096	84 685	82 948	83 788
Electricity		26 809	31 194	54 164	52 585	53 725	53 217
<i>Electricity Distribution</i>		26 809	31 194	54 164	52 585	53 725	53 217
<i>Electricity Generation</i>		-	-	-	-	-	-
Water		6 045	12 310	32 572	9 289	8 589	9 439
<i>Water Distribution</i>		6 045	12 310	32 572	9 289	8 589	9 439
<i>Water Storage</i>		-	-	-	-	-	-
Waste water management		6 464	5 086	11 112	10 399	9 427	9 678
<i>Sewerage</i>		6 464	5 086	11 112	10 399	9 427	9 678
<i>Storm Water Management</i>		-	-	-	-	-	-
<i>Public Toilets</i>		-	-	-	-	-	-
Waste management		7 931	5 467	9 248	12 412	11 207	11 454
<i>Solid Waste</i>		7 931	5 467	9 248	12 412	11 207	11 454
Other		986	1 711	1 480	1 967	1 857	1 693
Air Transport		-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-
Tourism		986	1 711	1 480	1 967	1 857	1 693
Forestry		-	-	-	-	-	-
Markets		-	-	-	-	-	-
Total Expenditure - Standard	3	162 598	188 225	207 194	167 580	164 640	162 529
Surplus/(Deficit) for the year		(35 120)	(36 060)	(56 870)	14 219	9 982	8 734

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if may be placed under 'Other'. Assign associate share to relevant classification

<i>check oprev balance</i>	-	-	-	-	-	-
<i>check opexp balance</i>	-	-	-	-	-	-

2013/14 Medium Term Revenue & Expenditure Framework		
Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
42 501	44 353	46 061
3 305	3 719	3 769
2 915	3 310	3 346
389	408	423
39 153	40 589	42 244
43	45	48
-	-	-
-	-	-
43	45	48
-	-	-
10 696	10 793	11 388
1 137	1 162	1 191
710	712	714
-	-	-
215	225	239
212	225	238
-	-	-
-	-	-
-	-	-
-	-	-
91	96	102
7 892	8 399	8 903
-	-	-
-	-	-
-	-	-
-	-	-
7 892	8 399	8 903
520	21	23
1 056	1 114	1 169
1 056	1 114	1 169
-	-	-
-	-	-
18 949	14 944	14 471
18 250	14 204	13 687
1 045	47	50
17 206	14 156	13 636
-	-	-
698	740	784
15	16	17
-	-	-
-	-	-
683	724	768
-	-	-
-	-	-
-	-	-
-	-	-
149 108	152 385	142 745
68 789	73 458	78 571
68 789	73 458	78 571
-	-	-
47 583	44 890	28 673

47 583	44 890	28 673
-	-	-
20 447	21 264	22 184
20 447	21 264	22 184
-	-	-
-	-	-
12 289	12 772	13 318
12 289	12 772	13 318
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
221 253	222 474	214 665
42 289	43 919	46 686
12 506	13 142	13 916
9 431	9 880	10 478
3 074	3 262	3 438
17 103	17 370	18 448
12 681	13 407	14 323
914	973	1 036
-	-	-
3 292	3 509	3 732
8 474	8 925	9 554
23 327	24 774	26 382
7 755	8 265	8 822
3 823	4 081	4 352
-	-	-
2 952	3 142	3 359
980	1 042	1 111
-	-	-
-	-	-
-	-	-
-	-	-
3 562	3 803	4 082
9 359	9 883	10 470
8 583	9 038	9 573
776	845	897
-	-	-
-	-	-
-	-	-
2 441	2 601	2 770
209	222	238
-	-	-
-	-	-
209	222	238
24 011	23 859	25 438
10 511	9 546	10 017
4 302	3 567	3 800
6 209	5 979	6 217
-	-	-
13 500	14 314	15 422
11 494	12 177	13 142
-	-	-
-	-	-
940	1 001	1 069

1 066	1 137	1 210
-	-	-
-	-	-
-	-	-
-	-	-
94 183	100 754	107 921
58 448	62 727	67 423
58 448	62 727	67 423
-	-	-
10 801	11 469	12 211
10 801	11 469	12 211
-	-	-
11 519	12 286	13 095
11 519	12 286	13 095
-	-	-
-	-	-
13 415	14 273	15 193
13 415	14 273	15 193
2 198	2 323	2 459
-	-	-
-	-	-
2 198	2 323	2 459
-	-	-
-	-	-
186 009	195 629	208 886
35 245	26 845	5 779

used must be supported by footnotes. Nothing else

- - -
- - -

NC073 Emthanjeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		1 971	2 052	4 236	2 705	2 799	2 934	3 305	3 719	3 769
Vote 2 - FINANCE AND ADMINISTRATION		21 767	28 677	30 475	36 050	35 752	35 906	39 196	40 634	42 293
Vote 3 - PLANNING AND DEVELOPMENT		6	4 490	3 586	18 483	18 483	17 201	18 250	14 204	13 687
Vote 4 - HEALTH		806	249	-	1 001	1 001	1 001	1 056	1 114	1 169
Vote 5 - COMMUNITY AND SOCIAL SERVICES		1 018	1 193	1 444	1 113	1 232	1 352	1 137	1 162	1 191
Vote 6 - PUBLIC SAFETY		18 176	9 177	7 165	7 354	7 354	5 632	7 892	8 399	8 903
Vote 7 - SPORT AND RECREATION		415	1 586	79	86	86	145	91	96	102
Vote 8 - ROAD TRANSPORT		2 711	2 160	619	658	658	760	698	740	784
Vote 9 - OTHER		-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES		1 746	686	244	19	19	28	520	21	23
Vote 11 - WASTE MANAGEMENT		7 279	10 482	9 134	11 754	11 754	11 825	12 289	12 772	13 318
Vote 12 - WASTE WATER MANAGEMENT		14 652	16 706	15 592	19 380	19 380	19 117	20 447	21 264	22 184
Vote 13 - ELECTRICITY		42 087	54 965	58 731	63 176	56 083	56 151	68 789	73 458	78 571
Vote 14 - WATER		14 845	19 741	19 017	20 021	20 021	19 210	47 583	44 890	28 673
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	127 478	152 164	150 324	181 799	174 622	171 263	221 253	222 474	214 665
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		10 828	11 000	7 480	10 605	10 430	10 514	12 506	13 142	13 916
Vote 2 - FINANCE AND ADMINISTRATION		21 030	21 332	24 154	30 274	30 063	24 904	29 786	30 779	32 773
Vote 3 - PLANNING AND DEVELOPMENT		3 779	7 164	8 438	6 444	6 394	8 384	10 511	9 546	10 017
Vote 4 - HEALTH		264	286	169	217	217	137	209	222	238
Vote 5 - COMMUNITY AND SOCIAL SERVICES		8 788	4 511	4 676	7 651	7 443	6 648	7 755	8 265	8 822
Vote 6 - PUBLIC SAFETY		9 631	9 828	7 829	9 123	8 673	8 673	9 359	9 883	10 470
Vote 7 - SPORT AND RECREATION		2 894	3 149	33 033	3 599	3 599	3 063	3 562	3 803	4 082
Vote 8 - ROAD TRANSPORT		54 101	70 515	9 493	10 878	10 878	12 456	13 498	14 311	15 419
Vote 9 - OTHER		986	1 711	1 480	1 967	1 857	1 693	2 198	2 323	2 459
Vote 10 - HOUSING SERVICES		3 049	4 673	3 346	2 139	2 138	2 270	2 441	2 601	2 770
Vote 11 - WASTE MANAGEMENT		7 931	5 467	9 248	12 412	11 207	11 454	13 415	14 273	15 193
Vote 12 - WASTE WATER MANAGEMENT		6 464	5 086	11 112	10 399	9 427	9 678	11 519	12 286	13 095
Vote 13 - ELECTRICITY		26 809	31 194	54 164	52 585	53 725	53 217	58 448	62 727	67 423
Vote 14 - WATER		6 045	12 310	32 572	9 289	8 589	9 439	10 801	11 469	12 211
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	162 598	188 225	207 194	167 580	164 640	162 529	186 009	195 629	208 886
Surplus/(Deficit) for the year	2	(35 120)	(36 060)	(56 870)	14 219	9 982	8 734	35 245	26 845	5 779

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

NC073 Emthanjeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CARAVAN PARK		5	8	3	1	1	6	1	1	1
SWIMMING POOL		60	75	62	67	67	123	71	75	79
Vote 8 - ROAD TRANSPORT		2 711	2 160	619	658	658	760	698	740	784
VEHICLE REGISTRATION		2 220	1 424	291	476	476	484	505	535	567
VEHICLE TESTING STATION		220	737	310	169	169	251	179	189	201
STREETS		271	-	18	13	13	26	15	16	17
WORKSHOP		-	-	-	-	-	-	-	-	-
Vote 9 - OTHER		-	-	-	-	-	-	-	-	-
TOURISM		-	-	-	-	-	-	-	-	-
CONTINUED MEMBERS		-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES		1 746	686	244	19	19	28	520	21	23
10.1 - HOUSING SERVICES		1 746	686	244	19	19	28	520	21	23
Vote 11 - WASTE MANAGEMENT		7 279	10 482	9 134	11 754	11 754	11 825	12 289	12 772	13 318
11.1 - SOLID WASTE		7 279	10 482	9 134	11 754	11 754	11 825	12 289	12 772	13 318
Vote 12 - WASTE WATER MANAGEMENT		14 652	16 706	15 592	19 380	19 380	19 117	20 447	21 264	22 184
12.1 - SEWERAGE		14 652	16 706	15 592	19 380	19 380	19 117	20 447	21 264	22 184
Vote 13 - ELECTRICITY		42 087	54 965	58 731	63 176	56 083	56 151	68 789	73 458	78 571
13.1 - ELECTRICITY		42 087	54 965	58 731	63 176	56 083	56 151	68 789	73 458	78 571

NC073 Emthanjeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Vote 14 - WATER		14 845	19 741	19 017	20 021	20 021	19 210	47 583	44 890	28 673
14.1 - WATER		14 845	19 741	19 017	20 021	20 021	19 210	47 583	44 890	28 673
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]										
Total Revenue by Vote	2	127 478	152 164	150 324	181 799	174 622	171 263	221 253	222 474	214 665

NC073 Emthanjeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure by Vote										
Vote 1 - EXECUTIVE AND COUNCIL	1	10 828	11 000	7 480	10 605	10 430	10 514	12 506	13 142	13 916
1.1 - OFFICE OF THE MAYOR		1 932	1 929	2 026	2 620	2 620	2 426	3 314	3 376	3 588
1.2 - COUNCIL EXPENSES		6 900	6 872	4 398	5 301	5 196	5 228	6 117	6 504	6 890
1.3 - OFFICE:MUNICIPAL MANAGER		1 997	2 200	1 056	2 684	2 614	2 860	3 074	3 262	3 438
Vote 2 - FINANCE AND ADMINISTRATION		21 030	21 332	24 154	30 274	30 063	24 904	29 786	30 779	32 773
DIRECTORATE: CHIEF FINANCIAL OFFICER		1 869	2 352	3 348	1 678	1 678	2 103	1 766	1 873	1 974
FINANCIAL SERVICES		7 212	7 157	8 965	9 381	9 330	7 324	7 996	8 266	8 774
ASSESSMENT RATES		1 222	1 748	1 911	4 313	4 213	3 578	4 194	3 858	4 146
DIR. : CORPORATE SERVICES		626	633	4 644	901	901	1 035	914	973	1 036
ADMINISTRATION		4 738	5 107	620	7 343	7 343	5 860	8 474	8 925	9 554
PROPERTY SERVICES		2 953	2 297	2 600	3 746	3 686	3 016	3 292	3 509	3 732
INTERNAL AUDIT		67	139	141	342	342	1	410	436	463
SUPPLY CHAIN MANAGEMENT UNIT		1 120	418	424	655	655	672	698	743	790
BUDGET AND TREASURY OFFICE		1 224	1 483	1 502	1 916	1 916	1 315	2 041	2 197	2 303
				-						
Vote 3 - PLANNING AND DEVELOPMENT		3 779	7 164	8 438	6 444	6 394	8 384	10 511	9 546	10 017
DIR. : INFRASTRUCTURE SERVICES		565	951	1 172	1 177	1 157	1 853	1 272	1 354	1 441
INFRASTRUCTURE SERVICES		1 329	1 652	2 544	3 206	3 206	4 499	4 937	4 625	4 776
DIR. : DEVELOPMENT SERVICES		-	-	-	657	657	657	762	812	864
LOCAL ECONOMIC DEVELOPMENT		1 884	4 562	4 723	1 404	1 374	1 374	3 540	2 755	2 935
Vote 4 - HEALTH		264	286	169	217	217	137	209	222	238
4.1 - HEALTH SERVICES		264	286	169	217	217	137	209	222	238
Vote 5 - COMMUNITY AND SOCIAL SERVICES		8 788	4 511	4 676	7 651	7 443	6 648	7 755	8 265	8 822
CEMETERIES		1 829	559	620	872	872	928	980	1 042	1 111
LIBRARIES		4 272	2 165	2 043	3 552	3 552	3 235	3 823	4 081	4 352
TOWN HALL		2 023	1 712	1 920	2 965	2 757	2 230	2 671	2 844	3 040
TOWN COMMONAGE		664	75	93	262	262	255	281	298	319
Vote 6 - PUBLIC SAFETY		9 631	9 828	7 829	9 123	8 673	8 673	9 359	9 883	10 470
TRAFFIC SERVICES		9 395	9 542	7 420	8 430	7 980	8 121	8 583	9 038	9 573
FIRE PREVENTION		236	286	409	693	693	552	776	845	897
Vote 7 - SPORT AND RECREATION		2 894	3 149	33 033	3 599	3 599	3 063	3 562	3 803	4 082
SPORT AND RECREATION		722	597	553	674	674	491	502	536	613
PARKS AND GARDENS		1 251	1 418	1 329	1 683	1 683	1 341	1 627	1 736	1 908

NC073 Emthanjeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CARAVAN PARK		37	27	25	67	67	42	71	76	81
SWIMMING POOL		884	1 108	31 126	1 175	1 175	1 189	1 363	1 454	1 480
Vote 8 - ROAD TRANSPORT		54 101	70 515	9 493	10 878	10 878	12 456	13 498	14 311	15 419
VEHICLE REGISTRATION		434	461	356	386	386	334	404	430	462
VEHICLE TESTING STATION		288	366	508	478	478	478	536	570	607
STREETS		52 608	68 859	7 778	8 989	8 989	10 587	11 492	12 174	13 140
WORKSHOP		771	829	851	1 026	1 026	1 057	1 066	1 137	1 210
Vote 9 - OTHER		986	1 711	1 480	1 967	1 857	1 693	2 198	2 323	2 459
TOURISM		392	865	703	997	887	858	953	996	1 046
CONTINUED MEMBERS		594	846	777	970	970	834	1 246	1 327	1 413
Vote 10 - HOUSING SERVICES		3 049	4 673	3 346	2 139	2 138	2 270	2 441	2 601	2 770
10.1 - HOUSING SERVICES		3 049	4 673	3 346	2 139	2 138	2 270	2 441	2 601	2 770
Vote 11 - WASTE MANAGEMENT		7 931	5 467	9 248	12 412	11 207	11 454	13 415	14 273	15 193
11.1 - SOLID WASTE		7 931	5 467	9 248	12 412	11 207	11 454	13 415	14 273	15 193
Vote 12 - WASTE WATER MANAGEMENT		6 464	5 086	11 112	10 399	9 427	9 678	11 519	12 286	13 095
12.1 - SEWERAGE		6 464	5 086	11 112	10 399	9 427	9 678	11 519	12 286	13 095
Vote 13 - ELECTRICITY		26 809	31 194	54 164	52 585	53 725	53 217	58 448	62 727	67 423
13.1 - ELECTRICITY		26 809	31 194	54 164	52 585	53 725	53 217	58 448	62 727	67 423

NC073 Emthanjeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Vote 14 - WATER		6 045	12 310	32 572	9 289	8 589	9 439	10 801	11 469	12 211
14.1 - WATER		6 045	12 310	32 572	9 289	8 589	9 439	10 801	11 469	12 211
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	162 598	188 225	207 194	167 580	164 640	162 529	186 009	195 629	208 886
Surplus/(Deficit) for the year	2	(35 120)	(36 060)	(56 870)	14 219	9 982	8 734	35 245	26 845	5 779

References

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

NC073 Emthanjeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Revenue By Source											
Property rates	2	11 599	12 193	14 337	18 397	17 888	17 888	17 888	21 373	22 655	24 015
Property rates - penalties & collection charges		120	176	223	-	-	-	-	-	-	-
Service charges - electricity revenue	2	35 498	38 908	46 442	43 767	38 823	38 823	38 823	52 567	56 463	60 734
Service charges - water revenue	2	12 786	13 371	15 575	16 902	16 902	16 112	16 112	23 401	24 053	25 497
Service charges - sanitation revenue	2	8 002	9 011	8 797	11 991	11 991	11 768	11 768	13 047	13 830	14 659
Service charges - refuse revenue	2	4 491	4 696	4 947	7 182	7 182	7 289	7 289	7 712	8 174	8 665
Service charges - other		176	19	466	139	258	411	411	147	154	163
Rental of facilities and equipment		442	566	587	499	499	555	556	529	561	595
Interest earned - external investments		910	903	585	734	945	1 080	1 080	793	809	857
Interest earned - outstanding debtors		599	843	1 116	741	741	622	622	740	741	741
Dividends received		1	1	-	-	-	-	-	-	-	-
Fines		11 744	8 699	6 703	7 025	7 025	5 425	5 425	7 543	8 030	8 511
Licences and permits		1 052	1 086	1 107	1 160	1 160	1 115	1 115	1 230	1 304	1 382
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		26 284	32 356	34 533	39 306	39 306	39 306	39 306	40 495	39 653	40 197
Other revenue	2	5 239	20 198	5 547	17 807	15 659	14 574	14 574	15 213	15 661	16 433
Gains on disposal of PPE		-	17	3	6	100	154	154	80	80	70
Total Revenue (excluding capital transfers and contributions)		118 942	143 043	140 970	165 658	158 481	155 122	155 122	184 871	192 168	202 520
Expenditure By Type											
Employee related costs	2	44 944	51 491	46 227	53 434	53 434	52 281	52 281	59 618	62 572	66 630
Remuneration of councillors		3 076	3 223	3 421	3 503	3 503	3 681	3 681	3 918	4 172	4 443
Debt impairment	3	14 276	1 766	16 971	8 217	6 993	8 217	8 217	8 627	9 145	9 876
Depreciation & asset impairment	2	47 589	66 837	68 650	7 924	7 924	7 924	7 924	8 479	8 987	9 706
Finance charges		875	755	1 284	1 121	1 121	1 121	1 121	933	636	329
Bulk purchases	2	20 420	26 380	34 106	38 142	40 736	40 819	40 819	44 159	47 551	51 335
Other materials	8	-	-	-	11 017	11 017	11 017	11 017	8 178	8 530	9 200
Contracted services		7 311	8 970	8 689	6 989	6 493	5 456	5 456	7 026	7 366	7 808
Transfers and grants		1 641	568	788	12 630	10 712	10 712	10 712	12 422	13 163	13 949
Other expenditure	4, 5	22 465	27 853	26 661	24 603	22 706	21 300	21 300	32 649	33 506	35 607
Loss on disposal of PPE		2	382	395	-	-	-	-	-	-	-
Total Expenditure		162 598	188 225	207 194	167 580	164 640	162 529	162 529	186 009	195 629	208 886
Surplus/(Deficit)		(43 656)	(45 182)	(66 224)	(1 922)	(6 159)	(7 407)	(7 407)	(1 137)	(3 461)	(6 366)
Transfers recognised - capital		8 536	9 121	9 354	16 141	16 141	16 141	16 141	36 382	30 306	12 145
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(35 120)	(36 060)	(56 870)	14 219	9 982	8 734	8 734	35 245	26 845	5 779
Taxation											
Surplus/(Deficit) after taxation		(35 120)	(36 060)	(56 870)	14 219	9 982	8 734	8 734	35 245	26 845	5 779
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(35 120)	(36 060)	(56 870)	14 219	9 982	8 734	8 734	35 245	26 845	5 779
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(35 120)	(36 060)	(56 870)	14 219	9 982	8 734	8 734	35 245	26 845	5 779

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method

NC073 Emthanjeni - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		302	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION		1 944	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING AND DEVELOPMENT		419	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH		40	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		40	-	-	508	300	300	300	-	-	-
Vote 6 - PUBLIC SAFETY		91	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 8 - ROAD TRANSPORT		2 005	1 803	1 855	-	-	-	-	-	-	-
Vote 9 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES		400	-	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		425	-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		7 613	10 905	283	5 200	5 200	5 200	5 200	-	-	-
Vote 13 - ELECTRICITY		1 698	1 527	-	-	-	-	-	-	-	-
Vote 14 - WATER		2 646	3 142	10 691	10 178	10 178	10 178	10 178	20 000	16 813	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	17 623	17 377	12 830	15 886	15 678	15 678	15 678	20 000	16 813	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	271	27	209	209	209	209	221	234	248
Vote 2 - FINANCE AND ADMINISTRATION		-	1 749	2 632	1 683	1 623	1 623	1 623	1 959	2 076	2 201
Vote 3 - PLANNING AND DEVELOPMENT		-	377	1 159	19	19	19	19	15 344	12 629	12 168
Vote 4 - HEALTH		-	36	-	20	20	20	20	21	23	24
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	36	218	808	808	808	808	728	846	897
Vote 6 - PUBLIC SAFETY		-	82	876	470	420	420	420	510	568	596
Vote 7 - SPORT AND RECREATION		-	-	68	95	95	95	95	101	107	113
Vote 8 - ROAD TRANSPORT		-	-	368	3 461	3 461	3 461	3 461	3 519	3 601	3 653
Vote 9 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES		-	360	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		-	382	-	652	652	652	652	55	58	62
Vote 12 - WASTE WATER MANAGEMENT		4 512	-	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		-	-	364	800	412	412	412	505	520	540
Vote 14 - WATER		848	-	-	17	17	17	17	1 076	904	20
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		5 359	3 293	5 713	8 234	7 737	7 737	7 737	24 039	21 566	20 521
Total Capital Expenditure - Vote		22 982	20 670	18 543	24 120	23 415	23 415	23 415	44 039	38 379	20 521
Capital Expenditure - Standard											
Governance and administration		2 246	2 020	2 659	1 892	1 832	1 832	1 832	2 180	2 311	2 449
Executive and council		302	271	27	209	209	209	209	221	234	248
Budget and treasury office		1 644	1 479	2 551	1 296	1 276	1 276	1 276	1 479	1 568	1 662
Corporate services		300	270	80	387	347	347	347	479	508	539
Community and public safety		571	514	1 162	1 901	1 643	1 643	1 643	1 360	1 543	1 630
Community and social services		40	36	218	1 316	1 108	1 108	1 108	728	846	897
Sport and recreation		-	-	68	95	95	95	95	101	107	113
Public safety		91	82	876	470	420	420	420	510	568	596
Housing		400	360	-	-	-	-	-	-	-	-
Health		40	36	-	20	20	20	20	21	23	24
Economic and environmental services		2 424	2 180	3 382	3 480	3 480	3 480	3 480	18 863	16 230	15 820
Planning and development		419	377	1 159	19	19	19	19	15 344	12 629	12 168
Road transport		2 005	1 803	2 224	3 461	3 461	3 461	3 461	3 519	3 601	3 653
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		17 741	15 956	11 339	16 847	16 459	16 459	16 459	21 636	18 295	622
Electricity		1 698	1 527	364	800	412	412	412	505	520	540
Water		3 494	3 142	10 691	10 195	10 195	10 195	10 195	21 076	17 717	20
Waste water management		12 125	10 905	283	5 200	5 200	5 200	5 200	55	58	62
Waste management		425	382	-	652	652	652	652	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	22 982	20 670	18 543	24 120	23 415	23 415	23 415	44 039	38 379	20 521
Funded by:											
National Government		21 035	10 358	9 354	16 141	16 141	16 141	16 141	36 382	30 306	12 145
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	21 035	10 358	9 354	16 141	16 141	16 141	16 141	36 382	30 306	12 145
Public contributions & donations	5	-	978	-	-	-	-	-	-	-	-
Borrowing	6	-	9 000	-	-	-	-	-	-	-	-
Internally generated funds		1 947	334	9 189	7 979	7 274	7 274	7 274	7 657	8 073	8 376
Total Capital Funding	7	22 982	20 670	18 543	24 120	23 415	23 415	23 415	44 039	38 379	20 521

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by standard classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Must reconcile to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget

NC073 Emhlanjeni - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework				
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14
Capital expenditure - Municipal Vote												
Multi-year expenditure appropriation												
Vote 1 - EXECUTIVE AND COUNCIL	2	302	--	--	--	--	--	--	--	--	--	--
1.1 - OFFICE OF THE MAYOR		257	--	--	--	--	--	--	--	--	--	--
1.2 - COUNCIL EXPENSES		45	--	--	--	--	--	--	--	--	--	--
1.3 - OFFICE MUNICIPAL MANAGER		--	--	--	--	--	--	--	--	--	--	--
Vote 2 - FINANCE AND ADMINISTRATION		1 944	--	--	--	--	--	--	--	--	--	--
DIRECTORATE: CHIEF FINANCIAL OFFICER		--	--	--	--	--	--	--	--	--	--	--
FINANCIAL SERVICES		665	--	--	--	--	--	--	--	--	--	--
ASSESSMENT RATES		--	--	--	--	--	--	--	--	--	--	--
DIR. - CORPORATE SERVICES		--	--	--	--	--	--	--	--	--	--	--
ADMINISTRATION		215	--	--	--	--	--	--	--	--	--	--
PROPERTY SERVICES		300	--	--	--	--	--	--	--	--	--	--
INTERNAL AUDIT		--	--	--	--	--	--	--	--	--	--	--
SUPPLY CHAIN MANAGEMENT UNIT		56	--	--	--	--	--	--	--	--	--	--
BUDGET AND TREASURY OFFICE		708	--	--	--	--	--	--	--	--	--	--
Vote 3 - PLANNING AND DEVELOPMENT		419	--	--	--	--	--	--	--	--	--	--
DIR. - INFRASTRUCTURE SERVICES		419	--	--	--	--	--	--	--	--	--	--
INFRASTRUCTURE SERVICES		--	--	--	--	--	--	--	--	--	--	--
DIR. - DEVELOPMENT SERVICES		--	--	--	--	--	--	--	--	--	--	--
LOCAL ECONOMIC DEVELOPMENT		--	--	--	--	--	--	--	--	--	--	--
Vote 4 - HEALTH		40	--	--	--	--	--	--	--	--	--	--
4.1 - HEALTH SERVICES		40	--	--	--	--	--	--	--	--	--	--
Vote 5 - COMMUNITY AND SOCIAL SERVICES		40	--	--	508	300	300	300	--	--	--	--
CEMETERIES		40	--	--	--	--	--	--	--	--	--	--
LIBRARIES		--	--	--	508	300	300	300	--	--	--	--
TOWN HALL		--	--	--	--	--	--	--	--	--	--	--
TOWN COMMONAGE		--	--	--	--	--	--	--	--	--	--	--
Vote 6 - PUBLIC SAFETY		91	--	--	--	--	--	--	--	--	--	--
TRAFFIC SERVICES		60	--	--	--	--	--	--	--	--	--	--
FIRE PREVENTION		31	--	--	--	--	--	--	--	--	--	--
Vote 7 - SPORT AND RECREATION		--	--	--	--	--	--	--	--	--	--	--
SPORT AND RECREATION		--	--	--	--	--	--	--	--	--	--	--
PARKS AND GARDENS		--	--	--	--	--	--	--	--	--	--	--
CARAVAN PARK		--	--	--	--	--	--	--	--	--	--	--
SWIMMING POOL		--	--	--	--	--	--	--	--	--	--	--
Vote 8 - ROAD TRANSPORT		2 005	1 803	1 855	--	--	--	--	--	--	--	--
VEHICLE REGISTRATION		--	--	--	--	--	--	--	--	--	--	--
VEHICLE TESTING STATION		--	--	--	--	--	--	--	--	--	--	--
STREETS		2 005	1 803	1 855	--	--	--	--	--	--	--	--
WORKSHOP		--	--	--	--	--	--	--	--	--	--	--
Vote 9 - OTHER		--	--	--	--	--	--	--	--	--	--	--
TOURISM		--	--	--	--	--	--	--	--	--	--	--
CONTINUED MEMBERS		--	--	--	--	--	--	--	--	--	--	--
Vote 10 - HOUSING SERVICES		400	--	--	--	--	--	--	--	--	--	--
10.1 - HOUSING SERVICES		400	--	--	--	--	--	--	--	--	--	--
Vote 11 - WASTE MANAGEMENT		425	--	--	--	--	--	--	--	--	--	--
11.1 - SOLID WASTE		425	--	--	--	--	--	--	--	--	--	--
Vote 12 - WASTE WATER MANAGEMENT		7 613	10 905	283	5 200	5 200	5 200	5 200	--	--	--	--
12.1 - SEWERAGE		7 613	10 905	283	5 200	5 200	5 200	5 200	--	--	--	--
Vote 13 - ELECTRICITY		1 698	1 527	--	--	--	--	--	--	--	--	--
13.1 - ELECTRICITY		1 698	1 527	--	--	--	--	--	--	--	--	--
Vote 14 - WATER		2 646	3 142	10 691	10 178	10 178	10 178	10 178	20 000	16 913	--	--
14.1 - WATER		2 646	3 142	10 691	10 178	10 178	10 178	10 178	20 000	16 913	--	--
Vote 15 - (NAME OF VOTE 15)		--	--	--	--	--	--	--	--	--	--	--
15.1 - (Name of sub-vote)		--	--	--	--	--	--	--	--	--	--	--
Capital multi-year expenditure sub-total		17 623	17 377	12 830	15 686	15 678	15 678	15 678	20 000	16 913	--	--

NC073 Emthanjeni - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		3 481	9 161	14 379	2 350	2 350	2 350	2 350	2 585	2 844	3 000
Call investment deposits	1	8 300	8 668	12 625	10 110	10 110	10 110	10 110	10 716	11 788	12 861
Consumer debtors	1	15 349	40 831	39 145	10 748	15 748	15 748	15 748	12 037	9 171	9 109
Other debtors		-	7 236	7 868	7 924	7 924	7 924	7 924	8 558	9 243	9 400
Current portion of long-term receivables		25	13	-	-	-	-	-	-	-	-
Inventory	2	46 520	45 987	46 079	40 850	40 850	40 850	40 850	43 301	45 899	47 902
Total current assets		73 674	111 896	120 096	71 981	76 981	76 981	76 981	77 197	78 943	82 271
Non current assets											
Long-term receivables		43	30	1	-	-	-	-	-	-	-
Investments		7	208	132	-	-	-	-	-	-	-
Investment property		4 272	3 441	3 107	4 272	4 272	4 272	4 272	4 272	4 272	4 272
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	842 947	1 075 120	1 025 429	823 142	823 142	823 142	823 142	888 993	942 332	942 626
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		1 372	1 611	1 062	1 060	1 060	1 060	1 060	1 166	1 283	1 400
Other non-current assets		244	-	-	186	186	186	186	177	168	150
Total non current assets		848 886	1 080 410	1 029 731	828 660	828 660	828 660	828 660	894 608	948 055	948 448
TOTAL ASSETS		922 560	1 192 306	1 149 827	900 641	905 641	905 641	905 641	971 805	1 026 998	1 030 719
LIABILITIES											
Current liabilities											
Bank overdraft	1	1 721	4 020	5 154	1 452	1 452	1 452	1 452	1 251	1 026	1 020
Borrowing	4	986	2 025	2 257	1 200	1 200	1 200	1 200	1 296	1 374	1 400
Consumer deposits		1 634	1 711	1 782	1 869	6 869	6 869	6 869	1 899	1 932	2 011
Trade and other payables	4	13 269	15 304	26 920	9 959	9 959	9 959	9 959	10 666	11 306	11 200
Provisions		922	1 091	1 283	1 896	1 896	1 896	1 896	1 920	2 017	2 199
Total current liabilities		18 533	24 151	37 395	16 376	21 376	21 376	21 376	17 032	17 654	17 830
Non current liabilities											
Borrowing		4 181	13 100	11 117	9 947	5 574	5 574	5 574	10 543	11 176	1 317
Provisions		21 291	27 920	27 093	30 433	30 433	30 433	30 433	32 259	34 194	35 294
Total non current liabilities		25 472	41 020	38 210	40 379	36 007	36 007	36 007	42 802	45 370	36 611
TOTAL LIABILITIES		44 004	65 171	75 605	56 756	57 383	57 383	57 383	59 834	63 024	54 441
NET ASSETS	5	878 555	1 127 135	1 074 222	843 885	848 258	848 258	848 258	911 971	963 974	976 278
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		595 468	919 832	875 152	572 578	576 951	576 951	576 951	640 664	692 667	704 971
Reserves	4	283 088	207 303	199 070	271 307	271 307	271 307	271 307	271 307	271 307	271 307
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	878 555	1 127 135	1 074 222	843 885	848 258	848 258	848 258	911 971	963 974	976 278

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

NC073 Emthanjeni - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		72 702	57 408	103 995	119 277	118 129	118 129	118 129	125 172	125 125	135 072
Government - operating	1	26 284	33 056	34 533	38 311	38 311	38 311	38 311	40 556	39 772	40 376
Government - capital	1	8 536	8 421	9 354	16 141	16 141	16 141	16 141	36 382	30 306	12 145
Interest		1 509	1 922	1 924	734	945	945	945	793	825	880
Dividends		1	1	-	1	1	1	1	1	1	2
Payments											
Suppliers and employees		(77 891)	(91 564)	(123 145)	(129 788)	(165 447)	(165 447)	(145 198)	(128 441)	(132 269)	(135 650)
Finance charges		(875)	(755)	(1 284)	(1 121)	(1 121)	(1 121)	(1 121)	(933)	(636)	(329)
Transfers and Grants	1	(1 641)	(568)	(788)	(12 805)	(14 723)	(14 723)	(14 723)	(13 573)	(14 388)	(16 009)
NET CASH FROM/(USED) OPERATING ACTIVITIES		28 624	7 922	24 589	30 750	(7 763)	(7 763)	12 486	59 957	48 736	36 486
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	160	47	65	65	65	65	12	80	70
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		20	13	42	22	22	22	22	-	25	27
Decrease (increase) in non-current investments		(0)	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(24 605)	(20 670)	(18 543)	(24 085)	(24 791)	(24 791)	(24 791)	(39 634)	(35 591)	(35 622)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(24 585)	(20 497)	(18 454)	(23 998)	(24 704)	(24 704)	(24 704)	(39 622)	(35 486)	(35 525)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	9 000	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	105	161	161	161	111	118	121
Payments											
Repayment of borrowing		(1 475)	(1 350)	(2 050)	(2 350)	(2 350)	(2 350)	(2 350)	(2 538)	(2 741)	(2 948)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 475)	7 650	(2 050)	(2 245)	(2 189)	(2 189)	(2 189)	(2 427)	(2 623)	(2 827)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	7 495	10 059	5 134	5 951	5 951	5 951	5 951	(8 456)	9 452	20 079
Cash/cash equivalents at the year end:	2	10 059	5 134	9 219	10 458	(28 706)	(28 706)	(8 456)	9 452	20 079	18 212

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

NC073 Emthanjeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	10 059	5 134	9 219	10 458	(28 706)	(28 706)	(8 456)	9 452	20 079	18 212
Other current investments > 90 days		0	8 675	12 632	550	39 713	39 713	19 464	2 598	(6 473)	(3 372)
Non current assets - Investments	1	7	208	132	-	-	-	-	-	-	-
Cash and investments available:		10 067	14 017	21 982	11 008	11 008	11 008	11 008	12 050	13 606	14 840
Application of cash and investments											
Unspent conditional transfers		3 443	-	-	1 200	1 200	1 200	1 200	1 272	1 348	1 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2				3 274	3 274	3 274	3 274	3 470	3 679	3 800
Other working capital requirements	3	(3 012)	(15 829)	(19 270)	(12 245)	(18 186)	(18 919)	(18 919)	(12 040)	(8 916)	(9 090)
Other provisions		(922)	(1 091)		(1 226)	(1 226)	(1 226)	(1 226)	1 920	2 017	2 199
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	2 253	2 253								
Total Application of cash and investments:		1 761	(14 667)	(19 270)	(8 997)	(14 938)	(15 671)	(15 671)	(5 378)	(1 872)	(2 091)
Surplus(shortfall)		8 305	28 684	41 252	20 005	25 946	26 679	26 679	17 428	15 478	16 931

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

NC073 Emthanjeni - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	7 164	20 670	15 190	15 378	15 378	15 378	39 052	32 151	14 905
Infrastructure - Road transport		851	3 430	1 738	10 178	10 178	10 178	2 670	2 730	2 760
Infrastructure - Electricity		1 356	981	-	-	-	-	-	-	-
Infrastructure - Water		1 281	4 380	3 585	-	-	-	21 058	16 813	-
Infrastructure - Sanitation		1 009	-	6 000	5 200	5 200	5 200	-	-	-
Infrastructure - Other		1 009	-	730	-	-	-	-	-	-
Infrastructure		5 506	8 790	12 053	15 378	15 378	15 378	23 728	19 543	2 760
Community		150	816	1 000	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	1 509	11 063	2 137	-	-	-	15 324	12 608	12 145
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	15 818	-	3 353	8 742	8 037	8 037	4 987	6 228	5 616
Infrastructure - Road transport		3 052	-	1 490	3 461	3 461	3 461	820	840	860
Infrastructure - Electricity		36	-	-	800	412	412	505	520	540
Infrastructure - Water		351	-	-	17	17	17	18	19	20
Infrastructure - Sanitation		3 004	-	-	-	-	-	-	-	-
Infrastructure - Other		2 358	-	201	652	652	652	55	58	62
Infrastructure		8 800	-	1 691	4 930	4 542	4 542	1 398	1 437	1 482
Community		124	-	370	1 529	1 231	1 231	828	953	1 010
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	6 895	-	1 071	2 221	2 201	2 201	2 760	3 838	3 124
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	221	62	62	62	-	-	-
Total Capital Expenditure	4	3 903	3 430	3 228	13 639	13 639	13 639	3 490	3 570	3 620
Infrastructure - Road transport		1 392	981	-	800	412	412	505	520	540
Infrastructure - Electricity		1 631	4 380	3 585	17	17	17	21 076	16 832	20
Infrastructure - Water		4 013	-	6 000	5 200	5 200	5 200	-	-	-
Infrastructure - Sanitation		3 367	-	931	652	652	652	55	58	62
Infrastructure - Other		14 305	8 790	13 744	20 308	19 920	19 920	25 126	20 980	4 242
Infrastructure		274	816	1 370	1 529	1 231	1 231	828	953	1 010
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	8 403	11 063	3 208	2 221	2 201	2 201	18 084	16 446	15 269
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	221	62	62	62	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	22 982	20 670	18 543	24 120	23 415	23 415	44 039	38 379	20 521
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	3 903	296 430	474 979	292 059	292 059	292 059	315 765	334 968	313 839
Infrastructure - Electricity		1 392	51 145	61 762	51 035	51 035	51 035	55 118	58 425	60 937
Infrastructure - Water		1 631	98 323	110 077	97 954	97 954	97 954	105 790	112 138	116 959
Infrastructure - Sanitation		4 013	112 385	79 281	112 359	112 359	112 359	121 348	128 628	134 159
Infrastructure - Other		3 367	1 892	64 967	1 893	1 893	1 893	2 045	2 167	2 261
Infrastructure		14 305	560 175	791 065	555 300	555 300	555 300	600 065	636 326	628 156
Community		274	207 276	114 057	207 432	207 432	207 432	224 026	237 468	247 679
Heritage assets		821 337	-	-	-	-	-	-	-	-
Investment properties		4 272	3 441	3 107	4 272	4 272	4 272	4 272	4 272	4 272
Other assets		7 031	50 413	279 535	60 410	60 410	60 410	64 901	68 539	66 792
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		1 372	1 611	1 062	1 060	1 060	1 060	1 166	1 283	1 400
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	848 591	822 916	1 188 826	828 474	828 474	828 474	894 431	947 887	948 298
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	47 589	66 837	68 650	7 924	7 924	7 924	8 479	8 987	9 706
Repairs and Maintenance by Asset Class		8 607	9 714	8 679	11 017	10 917	10 917	12 040	12 608	13 455
Infrastructure - Road transport		2 200	776	502	1 368	1 368	1 368	1 509	1 577	1 677
Infrastructure - Electricity		-	116	50	1 595	1 495	1 495	1 726	1 829	1 944
Infrastructure - Water		-	841	404	749	749	749	819	856	910
Infrastructure - Sanitation		4 025	905	432	712	712	712	779	814	865
Infrastructure - Other		300	711	351	711	711	711	777	812	863
Infrastructure		6 525	3 350	1 739	5 136	5 036	5 035	5 610	5 888	6 259
Community		230	970	452	1 626	1 626	1 626	1 777	1 858	1 975
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	158	158	158	172	180	191
Other assets	6, 7	1 852	5 394	6 489	4 098	4 098	4 098	4 481	4 683	5 031
TOTAL EXPENDITURE OTHER ITEMS		56 196	76 551	77 330	18 941	18 841	18 841	20 519	21 596	23 162
Renewal of Existing Assets as % of total capex		68.8%	0.0%	18.1%	36.2%	34.3%	34.3%	11.3%	16.2%	27.4%
Renewal of Existing Assets as % of deprecn"		33.2%	0.0%	4.9%	110.3%	101.4%	101.4%	58.8%	69.3%	57.9%
R&M as a % of PPE		1.0%	0.9%	0.8%	1.3%	1.3%	1.3%	1.4%	1.3%	1.4%
Renewal and R&M as a % of PPE		3.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category

NC073 Emthanjeni - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		7 600	7 850	8 046	8 288	8 288	8 288	8 738	8 853	8 905
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	450	565	570
Using public tap (at least min.service level)	2	30	20	21	21	21	21	471	586	570
Other water supply (at least min.service level)	4	-	-	-	-	-	-	450	565	570
<i>Minimum Service Level and Above sub-total</i>		7 630	7 870	8 067	8 309	8 309	8 309	10 109	10 569	10 615
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	12	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	12	-	-	-	-	-	-	-
Total number of households	5	7 630	7 882	8 067	8 309	8 309	8 309	10 109	10 569	10 615
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		6 200	6 477	6 639	6 838	6 838	6 838	7 288	7 403	7 550
Flush toilet (with septic tank)		1 015	1 115	1 143	1 177	1 177	1 177	1 627	1 742	1 800
Chemical toilet		340	230	236	243	243	243	693	808	900
Pit toilet (ventilated)		-	-	-	-	-	-	450	565	612
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		7 555	7 822	8 018	8 258	8 258	8 258	10 058	10 518	10 862
Bucket toilet		75	60	62	63	63	63	513	628	628
Other toilet provisions (< min.service level)		-	-	-	-	-	-	450	565	565
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		75	60	62	63	63	63	963	1 193	1 193
Total number of households	5	7 630	7 882	8 079	8 321	8 321	8 321	11 021	11 711	12 055
Energy:										
Electricity (at least min.service level)		4 100	3 143	3 222	3 318	3 318	3 318	3 768	3 883	3 922
Electricity - prepaid (min.service level)		3 520	4 729	4 847	4 993	4 993	4 993	5 443	5 558	5 680
<i>Minimum Service Level and Above sub-total</i>		7 620	7 872	8 069	8 311	8 311	8 311	9 211	9 441	9 602
Electricity (< min.service level)		10	10	10	11	11	11	461	576	580
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	450	565	580
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		10	10	10	11	11	11	911	1 141	1 160
Total number of households	5	7 630	7 882	8 079	8 321	8 321	8 321	10 121	10 581	10 762
Refuse:										
Removed at least once a week		7 630	7 882	8 079	8 321	8 321	8 321	10 121	10 581	10 702
<i>Minimum Service Level and Above sub-total</i>		7 630	7 882	8 079	8 321	8 321	8 321	10 121	10 581	10 702
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	7 630	7 882	8 079	8 321	8 321	8 321	10 121	10 581	10 702
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		7 630	7 882	8 079	8 321	8 321	8 321	8 771	8 886	8 905
Sanitation (free minimum level service)		1 800	2 300	2 475	3 000	3 000	3 000	3 300	3 500	3 750
Electricity/other energy (50kwh per household per month)		1 800	2 300	2 475	3 000	3 000	3 000	3 300	3 500	3 750
Refuse (removed at least once a week)		1 800	2 300	2 475	3 000	3 000	3 000	3 300	3 500	3 750
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		3 607	4 118	4 483	4 894	4 894	4 894	5 469	5 872	5 980
Sanitation (free sanitation service)		2 061	2 912	3 159	4 275	4 275	4 275	4 985	5 604	5 660
Electricity/other energy (50kwh per household per month)		702	731	860	1 158	1 158	1 158	1 344	1 504	1 680
Refuse (removed once a week)		1 285	1 816	1 970	2 666	2 666	2 666	3 108	3 494	3 695
Total cost of FBS provided (minimum social package)		7 655	9 577	10 472	12 993	12 993	12 993	14 906	16 475	17 015
Highest level of free service provided										
Property rates (R value threshold)		18 000	18 000	18 000	18 000	18 000	18 000	18 000	18 000	18 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		95	105	119	119	119	119	126	133	133
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		60	66	70	74	74	74	78	83	83
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		3 607	4 118	4 483	4 894	4 894	4 894	5 469	5 872	5 995
Sanitation		2 061	2 912	3 159	4 275	4 275	4 275	4 985	5 604	5 805
Electricity/other energy		702	731	860	1 158	1 158	1 158	1 344	1 504	1 650
Refuse		1 285	1 816	1 970	2 666	2 666	2 666	3 108	3 494	3 756
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)	6	7 655	9 577	10 472	12 993	12 993	12 993	14 906	16 475	17 206

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service

NC073 Emthamneni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Ref	Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
REVENUE ITEMS:											
Property rates											
6	Total Property Rates	11 599	12 193	14 337	19 495	18 700	18 700	18 700	46 552	49 345	52 306
	less Revenue Foregone				1 098	812	812	812	25 178	26 696	28 291
	Net Property Rates	11 599	12 193	14 337	18 397	17 888	17 888	17 888	21 374	22 649	24 015
6	Service charges - electricity revenue										
	Total Service charges - electricity revenue	35 490	38 908	46 442	43 787	38 823	38 823	38 823	52 967	56 463	60 734
	less Revenue Foregone										
	Net Service charges - electricity revenue	35 490	38 908	46 442	43 787	38 823	38 823	38 823	52 967	56 463	60 734
6	Service charges - water revenue										
	Total Service charges - water revenue	12 786	13 371	15 375	16 902	16 902	16 112	16 112	23 491	24 033	25 497
	less Revenue Foregone										
	Net Service charges - water revenue	12 786	13 371	15 375	16 902	16 902	16 112	16 112	23 491	24 033	25 497
6	Service charges - sanitation revenue										
	Total Service charges - sanitation revenue	8 002	9 011	8 797	11 991	11 991	11 788	11 788	13 047	13 630	14 659
	less Revenue Foregone										
	Net Service charges - sanitation revenue	8 002	9 011	8 797	11 991	11 991	11 788	11 788	13 047	13 630	14 659
6	Service charges - refuse revenue										
	Total refuse removal revenue	4 491	4 696	4 947	7 182	7 182	7 289	7 289	7 712	8 174	8 655
	Total landfill revenue										
	less Revenue Foregone										
	Net Service charges - refuse revenue	4 491	4 696	4 947	7 182	7 182	7 289	7 289	7 712	8 174	8 655
Other Revenue by source											
	Prepaid Electricity Sales	3 489	15 951	2 759	15 927	13 811	13 811	13 811	12 702	13 446	14 235
	Cemetery Fees	89	185	228	200	201	201	201	212	225	238
	Sundry Income	1 577	3 826	2 340	1 701	2 43	2 43	2 43	2 074	1 752	1 707
	Insurance Claims Received								66	69	74
	Connection fees	44	186	170	36	103	103	103	38	40	43
	Special meter readings	17	16	12	22	22	22	22	24	25	27
	Parking meters fees	33	25	20	10	10	10	10	11	11	12
	Validation certificates	10	9	19	11	11	11	11	12	13	14
	Other								371	371	80
3	Total 'Other' Revenue	5 239	20 198	5 547	17 807	15 659	14 534	14 534	19 213	19 661	16 433
EXPENDITURE ITEMS:											
Employee related costs											
2	Basic Salaries and Wages	29 229	33 071	29 684	39 142	39 142	39 457	39 457	40 143	42 092	44 828
	Pension and UIF Contributions	6 070	6 846	6 154	6 937	6 937	6 469	6 469	7 718	8 112	8 640
	Medical Aid Contributions	821	869	780	2 339	2 339	1 794	1 794	3 822	2 793	2 974
	Overtime	1 154	1 331	1 195	735	735	735	735	1 633	1 736	1 834
	Performance Bonus										
	Motor Vehicle Allowance	1 694	1 956	1 758	1 630	1 630	1 283	1 283	1 984	1 619	1 724
	Cellphone Allowance				390	390	316	316	409	432	460
	Housing Allowance	132	111	100	198	198	134	134	196	200	213
	Other benefits and allowances				1 742	1 742	1 742	1 742	1 421	1 533	1 611
	Payments in lieu of leave				350	350	350	350	3 203	3 346	3 564
	Long service awards		2 307	2 071							
	Post-retirement benefit obligations	5 814	5 001	4 486					688	729	783
4	sub-total	44 944	51 491	46 227	53 434	53 434	52 281	52 281	59 618	62 572	66 630
	Less: Employees costs capitalised to PPE										
1	Total Employee related costs	44 944	51 491	46 227	53 434	53 434	52 281	52 281	59 618	62 572	66 630
Subsidies recognised - capital											
<i>List contributions by contract</i>											
Total Contributions recognised - capital											
Depreciation & asset impairment											
	Depreciation of Property, Plant & Equipment	47 589	66 837	68 650	50 093	50 093	50 093	50 093	53 600	56 816	61 361
	Lease amortisation										
	Capital asset impairment										
	Depreciation resulting from revaluation of PPE				42 169	42 169	42 169	42 169	45 121	47 828	51 655
10	Total Depreciation & asset impairment	47 589	66 837	68 650	7 924	7 924	7 924	7 924	8 479	9 887	9 708
Bulk purchases											
	Electricity Bulk Purchases	19 803	25 930	33 174	37 300	39 864	39 864	39 864	43 088	46 332	50 226
	Water Bulk Purchases	817	871	932	842	842	842	842	925	1 074	1 080
1	Total bulk purchases	20 620	26 801	34 106	38 142	40 706	40 706	40 706	44 158	47 551	51 333
Transfers and grants											
	Cash transfers and grants										
	Non-cash transfers and grants	1 641	588	788	12 630	10 712	10 712	10 712	12 422	13 163	13 949
1	Total transfers and grants	1 641	588	788	12 630	10 712	10 712	10 712	12 422	13 163	13 949
Contracted services											
	Traffic Violation Systems	7 311	5 308	4 797	3 840	3 716	3 435	3 435	4 147	4 315	4 574
	Security Services		1 032	2 768	1 600	1 476	1 219	1 219	1 244	1 318	1 397
	MISC Asset Maintenance										
	Uberchick IT Maintenance										
	Synthe/Prepaid/Electricity		351	578	840	716	717	717	890	944	1 000
	Professional Consultancy Fees		2 279	545	709	585	85	85	745	790	837
	Repairs and maintenance Contracted Services										
1	sub-total	7 311	8 970	8 689	6 989	6 493	5 456	5 456	7 026	7 366	7 808
Allocations to organs of state:											
	Electricity										
	Water										
	Sanitation										
	Other										
1	Total contracted services	7 311	8 970	8 689	6 989	6 493	5 456	5 456	7 026	7 366	7 808
Other Expenditure By Type											
	Collection costs	80	95	91	1 600	899	1 600	1 600	1 696	1 798	1 942
	Contributions to 'other' provisions										
	Consultant fees	834	995	949							
	Audit fees	974	1 163	1 036	2 036	2 036	1 863	1 863	2 488	2 647	2 805
	General expenses	6 685	7 978	7 606	3 759	2 705	3 999	3 999	10 779	9 851	10 335
	Departmental Service Accounts	2 526	3 015	2 874	3 124	3 124	2 121	2 121	3 196	3 537	3 749
	External Licences and Subscriptions	303	381	344	315	315	502	502	334	354	375
	Fuel and Oil	2 407	2 932	2 796	2 640	2 640	1 635	1 635	2 938	3 294	3 590
	General Valuation Roll expenses	1 056	1 260	2 252	1 300	1 300	693	693	650	488	517
	Insurance	932	2 112	2 014	1 208	1 208	1 100	1 100	1 305	1 409	1 522
	Workmen's Compensation (CODA)				388	388	388	388	411	436	462
	SALGA Memberships Fees	256	348	331	435	435	435	435	461	489	518
	Telephone expenses	1 888	2 253	1 148	845	845	715	715	895	949	1 008
	Printing and Stationery	548	651	621	682	682	510	510	773	831	891
	Protective Clothing	279	333	317	434	434	432	432	466	493	522
	Publicity Costs	201	240	229	288	288	264	264	301	319	319
	Tourism Strategy	220	283	250	450	450	300	300	426	448	475
	Subsistence and Travel	1 019	1 095	1 146	1 170	1 170	1 995	1 995	2 927	2 210	2 368
	SAMSA Games	300	358		420	420	383	383			
	Skills Development Training	336	401	382	583	583	61	61	600	655	694
	Electricity Costs for Rural Water pumps	783	911	869	1 145	1 145	1 145	1 145	1 214	1 438	1 492
	Employee Wellness expense	820	979	933	1 162	1 162	1 162	1 162	1 400	1 540	1 694
	Ward Capitalisation and Training								400	400	400
1	Total 'Other' Expenditure	22 485	27 851	28 661	24 603	22 706	21 360	21 360	32 648	33 596	35 697
by Expenditure Item											
8	Employee related costs	861	858	868							
	Other materials	7 059	6 113	4 352	7 274	7 274	7 175	7 175	8 178	8 530	9 200
	Contracted Services	516	2 742	3 459	3 743	3 643	3 741	3 657	3 862	4 078	4 255
	Other Expenditure	171									
9	Total Repairs and Maintenance Expenditure	8 607	9 714	8 679	11 017	10 917	10 917	10 917	12 040	12 608	13 455
check											

Disclosures

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries
3. Insert other

NC073 Emtshanjeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - FINANCE AND ADMINISTRATION	Vote 3 - PLANNING AND DEVELOPMENT	Vote 4 - HEALTH	Vote 5 - COMMUNITY AND SOCIAL SERVICES	Vote 6 - PUBLIC SAFETY	Vote 7 - SPORT AND RECREATION	Vote 8 - ROAD TRANSPORT	Vote 9 - OTHER	Vote 10 - HOUSING SERVICES	Vote 11 - WASTE MANAGEMENT	Vote 12 - WASTE WATER MANAGEMENT	Vote 13 - ELECTRICITY	Vote 14 - WATER	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates			21 373														21 373
Property rates - penalties & collection charges																	-
Service charges - electricity revenue														52 567			52 567
Service charges - water revenue													13 047		23 401		36 448
Service charges - sanitation revenue												7 712					7 712
Service charges - refuse revenue											19						147
Service charges - other			2			126											529
Rental of facilities and equipment	414					87		25	4								793
Interest earned - external investments			793														740
Interest earned - outstanding debtors			101								1	80	160	196	202		-
Dividends received																	7 543
Fines							7 342							201			683
Licences and permits									683								550
Agency services							550										16 266
Other revenue	100	57	1 926	1 056	245	740		66	11				28	12 746	31		39 500
Transfers recognised - operational	2 711	16 870	1 000								500	4 498	7 212	3 079	2 891		80
Gains on disposal of PPE	80																-
Total Revenue (excluding capital transfers and contribution)		3 305	39 196	2 926	1 056	1 198	7 892	91	698	-	520	12 289	20 447	68 789	26 525	-	184 933
Expenditure By Type																	
Employee related costs	3 303	15 350	4 834		4 106	3 611	2 500	5 836	1 539	2 130	6 662	2 709	4 615	1 564			58 759
Remuneration of councillors	3 918																3 918
Debt impairment		2 418									623	1 069	3 192	1 325			8 627
Depreciation & asset impairment	11	781	20	125	1 750			3 416		49	213	681	480	952			8 479
Finance charges	1										39	44	365	21			471
Bulk purchases													43 066	1 074			44 159
Other materials																	-
Contracted services		1 757	121			4 147	76	541	20	8	285	324	1 002	286			8 567
Transfers and grants	510	380	16 274		740						3 565	4 032	2 138	23 325			50 964
Other expenditure	4 019	10 686	4 142	105	1 888	2 111	1 086	7 226	640	254	2 082	2 660	4 048	3 330			44 276
Loss on disposal of PPE																	-
Total Expenditure		11 762	31 372	25 390	230	8 483	9 869	3 663	17 019	2 198	2 441	13 470	11 519	58 924	31 877	-	228 219
Surplus/(Deficit)		(8 457)	7 824	(22 464)	826	(7 285)	(1 977)	(3 572)	(16 321)	(2 198)	(1 921)	(1 181)	8 928	9 865	(5 352)	-	(43 286)
Transfers recognised - capital				15 324													36 382
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(8 457)	7 824	(7 140)	826	(7 285)	(1 977)	(3 572)	(16 321)	(2 198)	(1 921)	(1 181)	8 928	9 865	15 706	-	(6 904)

References

1. Departmental columns to be based on municipal organisation structure

NC073 Emthanjeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	To continuously review the accountable and transparent governance processes as per the Risk Based Audit Plan (RBAP)			393	329	345	350	350	350	389	408	423
Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	To be an executive council by leading and consulting our community and do on-going oversight of our service delivery and performance			1 578	1 723	3 890	2 355	2 449	2 584	2 915	3 310	3 346
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To promote LED, SMME's and tourism, support emerging farmers and reduce unemployment and poverty in the municipal area			2	277	303	1 142	1 142	1 142	1 045	47	50
Provision of access to all basic services rendered to residents within available resources	To provide all communities quality water, sanitation and refuse management and maintain existing infrastructure			36 776	46 929	43 743	51 155	51 155	50 152	80 319	78 927	64 174
Provision of access to all basic services rendered to residents within available resources	To upgrade and maintain road infrastructure			2 711	2 160	619	658	658	760	698	740	784
Provision of access to all basic services rendered to residents within available resources	To provide a quality electricity supply, manage demand and maintain existing infrastructure			42 087	54 965	58 731	63 176	56 083	56 151	68 789	73 458	78 571
Maintaining a financially sustainable and viable municipality	To render a strategic financial management services to Emthanjeni Municipality			-	368	505	338	338	338	376	395	409
Maintaining a financially sustainable and viable municipality	To strengthen and implement financial and asset management within Emthanjeni Municipality			11 762	7 503	14 480	15 657	15 868	16 005	15 739	15 823	16 054
Maintaining a financially sustainable and viable municipality	To implement the Municipal Property Rates Act by imposing rates on all taxable properties within Emthanjeni Municipality			5 477	2 114	9 038	14 014	13 305	12 918	16 990	18 074	19 034
Maintaining a financially sustainable and viable municipality	To implement the Supply Chain Management policy that is fair equitable, transparent, competitive and cost effective			4 500	4 700	5 100	4 500	4 700	5 100	4 500	4 700	5 100
Maintaining a financially sustainable and viable municipality	To implement financial reforms as required per MFMA			-	1 200	1 321	1 500	1 500	1 500	1 550	1 600	1 650
Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	To maintain a capacitated municipality, achieve Employment Equity targets, develop human resources and comply to required legislation			-	-	-	-	-	-	-	-	-
Municipal Transformation and Institutional Development	To upgrade and maintain municipal buildings and offices			27	12 791	31	40	40	44	41	43	46
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To promote LED, SMME's and tourism, support emerging farmers and reduce unemployment and poverty in the municipal area			1 824	1 442	1 444	2 114	2 233	2 353	2 193	2 276	2 360
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To facilitate empowerment of women, youth development, poverty alleviation and create opportunities			2 161	2 272	323	105	105	173	611	118	125
Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	To improve and facilitate rural development in the municipal area			4	4 213	3 283	17 341	17 341	16 059	17 206	14 156	13 636
Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	To provide traffic services in terms of the legislation, awareness and training to the community, law enforcement, road safety participation and fire protection services within the municipal area			18 176	9 177	7 165	7 354	7 354	5 632	7 892	8 399	8 903
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	127 478	152 164	150 324	181 799	174 622	171 263	221 253	222 474	214 665

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

NC073 Emthanjeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Promote representative governance through the sustainable utilisation of available resources in consultation with the Promote representative governance through the sustainable utilisation of available resources in consultation with the Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To continuously review the accountable and transparent governance processes as per the To be an executive council by leading and consulting our community and do on-going oversight of our service delivery To promote LED, SMME's and tourism, support emerging farmers and reduce unemployment and poverty in the			1 997	2 200	1 056	2 684	2 614	2 860	3 074	3 262	3 438	
				8 831	8 800	6 424	7 921	7 816	7 654	9 431	9 880	10 478	
				1 884	4 562	4 723	2 061	2 031	2 031	4 302	3 517	3 697	
Provision of access to all basic services rendered to residents within available resources	To provide all communities quality water, sanitation and refuse manage demand and maintain existing infrastructure			20 439	22 863	52 932	32 100	29 224	30 570	35 735	38 027	40 498	
Provision of access to all basic services rendered to residents within available resources	To upgrade and maintain road infrastructure			54 101	70 515	9 493	10 878	10 878	12 456	13 498	14 311	15 419	
Provision of access to all basic services rendered to residents within available resources	To provide a quality electricity supply, manage demand and maintain existing infrastructure			26 809	31 194	54 164	52 585	53 725	53 217	58 448	62 727	67 423	
Maintaining a financially sustainable and viable municipality	To render a strategic financial management services to Emthanjeni Municipality			1 869	2 352	3 348	1 678	1 678	2 103	1 766	1 873	1 974	
Maintaining a financially sustainable and viable municipality	To strengthen and implement financial and asset management within Emthanjeni Municipality			7 212	7 157	8 965	9 381	9 330	7 324	7 996	8 266	8 774	
Maintaining a financially sustainable and viable municipality	To implement the Municipal Property Rates Act by imposing rates on all taxable properties within Emthanjeni Municipality			1 222	1 748	1 911	4 313	4 213	3 578	4 194	3 858	4 146	
Maintaining a financially sustainable and viable municipality	To implement the Supply Chain Management policy that is fair equitable, transparent, competitive and cost effective			1 120	418	424	655	655	672	698	743	790	
Maintaining a financially sustainable and viable municipality	To implement financial reforms as required per MFMA			1 224	1 483	1 502	1 916	1 916	1 315	2 041	2 197	2 303	
Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	To maintain a capacitated municipality, achieve Employment Equity targets, develop human resources and comply to required			5 431	5 878	5 405	8 585	8 585	6 896	9 799	10 334	11 053	
Municipal Transformation and Institutional Development	To upgrade and maintain municipal buildings and offices			2 953	2 297	2 600	3 746	3 686	3 016	3 292	3 509	3 732	
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To promote LED, SMME's and tourism, support emerging farmers and reduce unemployment and poverty in the			9 052	4 796	4 845	7 868	7 660	6 785	7 964	8 487	9 060	
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To facilitate empowerment of women, youth development, poverty alleviation and create opportunities			5 943	7 822	36 379	5 738	5 737	5 333	6 003	6 404	6 852	
Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	To improve and facilitate rural development in the municipal area			2 880	4 313	5 195	6 350	6 220	8 045	8 407	8 302	8 676	
Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or	To provide traffic services in terms of the legislation, awareness and training to the community, law enforcement,			9 631	9 828	7 829	9 123	8 673	8 673	9 359	9 932	10 572	
Allocations to other priorities													
Total Expenditure				1	162 598	188 225	207 194	167 580	164 640	162 529	186 009	195 629	208 886

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

NC073 Emthanjeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Provision of access to all basic services rendered to residents within available resources	To provide all communities quality water manage demand and maintain existing infrastructure	A		3 494	3 142	10 691	10 195	10 195	10 195	21 076	17 717	20
Provision of access to all basic services rendered to residents within available resources	To upgrade and maintain road infrastructure	B		2 424	2 180	3 382	3 480	3 480	3 480	18 863	16 230	15 820
Provision of access to all basic services rendered to residents within available resources	To provide all communities quality sanitation manage demand and maintain existing infrastructure	C		12 550	11 287	283	5 852	5 852	5 852	55	58	62
Maintaining a financially sustainable and viable municipality	To render a strategic financial management services to Emthanjeni Municipality	D		1 144	629	1 561	286	266	266	489	368	362
Maintaining a financially sustainable and viable municipality	To strengthen and implement financial and asset management within Emthanjeni Municipality	E		500	850	990	1 010	1 010	1 010	990	1 200	1 300
Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or Municipal Transformation and Institutional Development	To provide traffic services in terms of the legislation, awareness and training to the community, law enforcement, To upgrade and maintain municipal buildings and offices	F		91	82	876	470	420	420	510	568	596
		G		300	270	80	387	347	347	479	508	539
Provision of access to all basic services rendered to residents within available resources	To provide all communities sustainable electricity and to manage electricity increased demand within the current	H		1 698	1 527	364	800	412	412	505	520	540
Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	To facilitate empowerment of women, youth development, poverty alleviation and create opportunities	I		342	307	245	1 620	1 412	1 412	1 049	1 187	1 258
Promote representative governance through the sustainable utilisation of available resources in consultation with the	To continuously review the accountable and transparent governance processes as per the	J		440	395	68	20	20	20	21	23	24
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	22 982	20 670	18 543	24 120	23 415	23 415	44 039	38 379	20 521

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36

NC073 Emthanjeni - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 1 - Executive and Council										
Function 1 - Governance										
Sub-function 1 - Office of the Municipal	NO of performance									
To be an executive Council by leading and	NO of performance	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
to continuously review the accountable and	% completed	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Sub-function 2 - Council										
Develop Risk based audit plan and submit to the	KBAP submitted to the	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
submit quarterly performance reports to or the	NO of performance	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
submit quarterly performance reports to or the	reports submitted to the									
Sub-function 3 - Internal audit Section										
Implement Public Education Campaigns on	reports or budget on the	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
municipal services and natural resources	campaigns implemented	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Function 2 - Local Economic Development										
Sub-function 1 - Economic Development										
Arrange meetings with possible investors for the	No meetings	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Awareness programmes through exhibitions	Number of campaigns	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 2 - Office of the Mayor										
Compile a rural development strategy	Strategy approved	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Establish commonage committee	Committee established	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 3 - Public Safety										
Establish community safety plans in conjunction	Number of plans	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
inspect and assess infrastructure and to send	Number of reports	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
messages to ensure disaster operational readiness										
Vote 2 - Finance and Admin										
Function 1 - Directorate Chief Financial Officer										
Sub-function 1 - Directorate CFO										
Submit the annual financial statements by the	Statements submitted	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
end of August to the Auditor General										
Monthly financial reporting to council	No of reports	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 2 - Financial Services										
Compilation of a Revenue Enhancement Strategy	% Completion	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Achievement of a payment percentage of above	Payment %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
80% (Actual payments received from debtors										
Sub-function 3 - Assessment Rates										
Complete the supplementary valuation roll by	Valuation Roll completed	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
prepare and submit the adjustments budget by	approved main &	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
the end of February and the draft main budget	adjustments budgets									
Function 2 - Public Participation										
Sub-function 1 - DCCDS										
Annual workshop with ward committees to	Workshop held	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
complete the integrity plan for all municipal	Number of plans	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
buildings										
Sub-function 2 - Public Safety										
Increase capacity of traffic services to optimize	Number of staff	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
road safety awareness campaigns held in all	conducted	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
wards	Number of campaigns									
Sub-function 3 - Community Services										
Participate in annual National Active Alive	Number of joint	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Programme	Programme									
Speed law enforcement (direct prosecution)	# of enforcement	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
officers										
Vote 3 - Basic Service Delivery										
Function 1 - Infrastructure Services										
Sub-function 1 - Directorate Infrastructure										
Provide consideration (decisions) on building	% building plans	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
implemented in De Aar and Hanover housing	evaluated within the	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
project	Number of sites serviced									
Sub-function 2 - Water										
Implementation of the WCDWM project funded	% of approved project	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
spent the approved maintenance budget for	% of approved	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
water assets	maintenance budget for									
Sub-function 3 - Water and Waste Water										
Planning of new boreholes for De Aar	DWA approval and	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Water quality as per blue drop	agreements with farmers	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
	% water quality level									
Function 2 - Waste Water Management										
Sub-function 1 - Waste Water Management										
Submit business plan to council by end June for	business plan submitted	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
spend the approved maintenance budget for	% of approved	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
sewage treatment works	maintenance budget for									
Sub-function 2 - Road Transport										
Construct new tar roads	NO of kilometers	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Spent the approved maintenance budget for	% of approved	3.0%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
road and transport	maintenance budget for									
Sub-function 3 - Infrastructural Services										
Complete and submit business plan to ward by end	business plan submitted	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
June for the annual proposal for the electricity	to M&C based time	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Electricity Master plan	Completed plan									
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
 2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
 3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NC073 Emthanjeni - Entities measurable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Entity 1 - (name of entity)										
<i>Insert measure/s description</i>										

Entity 2 - (name of entity)										
<i>audit committee for approval by end June</i>										
Entity 3 - (name of entity)										
<i>audit committee for approval by end June</i>										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NC073 Emthanjeni - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Borrowing Management											
Credit Rating		B	B	B	B	B	B	B			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	1.1%	1.6%	2.1%	2.1%	2.1%	2.1%	1.9%	1.7%	1.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.5%	1.9%	3.1%	2.7%	2.9%	3.0%	3.0%	2.4%	2.2%	2.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	96.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	1.5%	6.3%	5.6%	3.7%	2.1%	2.1%	2.1%	3.9%	4.1%	0.5%
Liquidity											
Current Ratio	Current assets/current liabilities	4.0	4.6	3.2	4.4	3.6	3.6	3.6	4.5	4.5	4.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4.0	4.6	3.2	4.4	3.6	3.6	3.6	4.5	4.5	4.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.7	0.7	0.8	0.6	0.6	0.6	0.8	0.8	0.9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		79.3%	52.3%	98.3%	95.0%	100.0%	103.1%	103.1%	87.2%	82.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			79.2%	52.3%	98.2%	95.0%	100.0%	103.1%	103.1%	87.2%	82.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.0%	33.6%	33.4%	11.3%	14.9%	15.3%	15.3%	11.1%	9.6%	9.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	90.0%	93.0%	99.0%	99.0%	99.0%	99.0%	99.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		91.3%	181.6%	292.0%	52.4%	-19.1%	-19.1%	-64.9%	62.7%	31.3%	35.1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.8%	36.0%	32.8%	32.3%	33.7%	33.7%	33.7%	32.2%	32.6%	32.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.5%	38.2%	35.9%	34.4%	35.9%	36.7%	36.7%	34.4%	32.6%	31.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.2%	6.8%	6.2%	6.7%	6.9%	7.0%	7.0%	6.5%	6.6%	6.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	40.7%	47.3%	49.6%	5.5%	5.7%	5.8%	5.8%	5.1%	5.0%	5.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	28.3	27.8	34.5	38.3	38.3	38.3	34.8	40.5	39.8	42.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.0%	60.9%	51.4%	18.9%	25.3%	25.5%	25.5%	17.3%	14.6%	13.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.2	0.6	0.9	1.0	(2.8)	(2.8)	(0.8)	0.8	1.7	1.4

References

1. Consumer debtors > 12 months old are excluded from current assets

2. Only include if services provided by the municipality

NC073 Emthanjeni - Supporting Table SA11 Property rates summary

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Valuation:	1									
Date of valuation:		2008/01/07	2008/01/07	2008/01/07	2008/01/07					
Financial year valuation used		2008	2008	2008	2008			2013		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		No	No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	3	2	2	2	2	2	2	2	2	2
No. of data collectors (FTE)	3	2	2	2	2	2	2	2	2	2
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)		12	24	36						
No. of properties	5	10 506	10 506	10 636						
No. of sectional title values	5	1	1	2	2	2	2	2	2	2
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations										
No. of valuation roll amendments		1								
No. of objections by rate payers		456								
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation			Yes	Yes		Yes	Yes		Yes	Yes
Public service infrastructure value (Rm)	5	-	-	-	-	-	-	-	-	-
Municipality owned property value (Rm)		1 510	1 510	1 510	1 510	1 510	1 510	1 510	1 510	1 510
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)		1	1	1						
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		1	1	1	-	-	-	-	-	-
Total value used for rating (Rm)	5	135	135	135	135	135	135			
Total land value (Rm)	5	87	87	87	87	87	87			
Total value of improvements (Rm)	5	48	48	48	48	48	48			
Total market value (Rm)	5	135	135	135	135	135	135			
Rating:										
Residential rate used to determine rate for other categories? (Y/N)	5	Yes	Yes	Yes	Yes					
Differential rates used? (Y/N)		Yes	Yes	Yes	Yes					
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes			
Special rating area used? (Y/N)		No	No	No	No					
Phasing-in properties s21 (number)		2100	2160	2280	2280					
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes					
Fixed amount minimum value (R'000)		18	18	18	18	18				
Non-residential prescribed ratio s19? (%)		15.0%	15.0%	15.0%	15.0%					
Rate revenue:										
Rate revenue budget (R '000)	6	11 357	15 123	15 321						
Rate revenue expected to collect (R'000)	6	10 335	12 193	14 095						
Expected cash collection rate (%)	7	91.0%	80.6%	92.0%						
Special rating areas (R'000)		-	-	-						
Rebates, exemptions - indigent (R'000)		897	970	1 032						
Rebates, exemptions - pensioners (R'000)		-	-	-						
Rebates, exemptions - bona fide farm. (R'000)		-	-	-						
Rebates, exemptions - other (R'000)		-	-	-						
Phase-in reductions/discounts (R'000)		-	-	-						
Total rebates, exemptns, reductns, discs (R'000)		897	970	1 032						

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

NC073 Emthanjani - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	
Budget Year 2013/14																		
Valuation:																		
No. of properties																		
No. of sectional title property values																		
No. of unreasonably difficult properties s7(2)																		
No. of supplementary valuations																		
Supplementary valuation (Rm)																		
No. of valuation roll amendments																		
No. of objections by rate-payers																		
No. of appeals by rate-payers																		
No. of appeals by rate-payers finalised																		
No. of successful objections	5																	
No. of successful objections > 10%	5																	
Estimated no. of properties not valued																		
Years since last valuation (select)																		
Frequency of valuation (select)																		
Method of valuation used (select)																		
Base of valuation (select)																		
Phasing-in properties s21 (number)																		
Combination of rating types used? (Y/N)																		
Fiat rate used? (Y/N)																		
Is balance rated by uniform rate/variable rate?																		
Valuation reductions:																		
Valuation reductions-public infrastructure (Rm)																		
Valuation reductions-nature reserves/park (Rm)																		
Valuation reductions-mineral rights (Rm)																		
Valuation reductions-R15,000 threshold (Rm)		87				274												
Valuation reductions-public worship (Rm)																		
Valuation reductions-other (Rm)																		
Total valuation reductions:																		
Total value used for rating (Rm)	6																	
Total land value (Rm)	6																	
Total value of improvements (Rm)	6																	
Total market value (Rm)	6																	
Rating:																		
Average rate	3	0.011500	0.015000	0.011700	0.011500	0.015000	0.015000	0.015000	0.015000	0.015000	0.015000	0.015000	0.011500	0.015000	0.015000	0.015000	0.015000	
Rate revenue budget (R'000)		9 552	272	3 512	3 155	4 279	21 374	362	21 374	344	362	21 374	230	218	230	218	14	13
Rate revenue expected to collect (R'000)		9 074	258	3 336	2 997	4 065	21 374	344	21 374	344	362	21 374	218	218	218	218	13	13
Expected cash collection rate (%)	4	95.0%	95.0%	95.0%	95.0%	95.0%	100.0%	95.0%	100.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)																		
Rebates, exemptions - indigent (R'000)																		
Rebates, exemptions - pensioners (R'000)																		
Rebates, exemptions - bona fide fam. (R'000)																		
Rebates, exemptions - other (R'000)																		
Phase-in reductions/discounts (R'000)																		
Total rebates,exemptions,deducts,discs (R'000)																		
References																		
1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations																		
2. Include value of additional reductions is 'free' value greater than MPRA minimum.																		
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum																		
4. Include arrears collections																		
5. In favour of the rate-payer																		
6. Provide relevant information for historical comparisons.																		

NC073 Emthanjani - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
							Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Exemptions, reductions and rebates (Rands) <i>[Insert lines as applicable]</i>									
Water tariffs <i>[Insert blocks as applicable]</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							
Waste water tariffs <i>[Insert blocks as applicable]</i>		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
Electricity tariffs <i>[Insert blocks as applicable]</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							

NC073 Emthanjeni - Supporting Table SA14 Household bills

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		396.00	429.66	456.30	833.01	637.58	833.01	(5.7%)	787.75	680.06	710.67
Electricity: Basic levy		85.92	93.22	99.00	104.94	104.94	104.94	5.7%	111.24	108.49	115.00
Electricity: Consumption		656.60	771.50	881.38	977.74	977.74	977.74	6.2%	1 042.67	1 126.59	1 209.47
Water: Basic levy		40.13	43.54	46.24	49.01	49.01	49.01	5.7%	51.96	55.07	58.38
Water: Consumption		138.22	149.94	159.24	168.96	168.96	168.96	5.6%	179.02	189.81	201.12
Sanitation		97.23	105.49	112.03	118.75	118.75	118.75	5.6%	125.86	133.42	141.42
Refuse removal		60.62	65.78	69.86	74.05	74.05	74.05	5.7%	78.49	83.20	88.20
Other											
sub-total		1 474.72	1 659.13	1 824.05	2 326.46	2 131.03	2 326.46	2.2%	2 376.99	2 376.64	2 524.26
VAT on Services		151.02	172.13	222.73	230.30	230.30	230.30		313.61	332.73	353.40
Total large household bill:		1 625.74	1 831.26	2 046.78	2 556.76	2 361.33	2 556.76	5.2%	2 690.60	2 709.37	2 877.65
% increase/-decrease			12.6%	11.8%	24.9%	(7.6%)	8.3%		5.2%	0.7%	6.2%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		12.53	13.60	14.44	588.72	588.72	588.72	1.2%	596.08	471.78	482.63
Electricity: Basic levy		-	-	-	104.94	104.94	104.94	-	111.24	-	-
Electricity: Consumption		408.36	452.50	485.87	653.02	653.02	653.02	6.1%	695.21	629.24	672.72
Water: Basic levy		40.13	43.54	46.24	49.01	49.01	49.01	5.7%	51.96	55.07	58.38
Water: Consumption		117.24	124.95	132.70	132.11	132.11	132.11	5.7%	140.04	162.11	171.87
Sanitation		97.23	105.49	112.03	118.75	118.75	118.75	5.6%	125.86	133.42	141.42
Refuse removal		60.62	65.78	69.86	74.05	74.05	74.05	5.7%	78.49	83.20	88.20
Other											
sub-total		736.11	805.86	861.14	1 720.60	1 720.60	1 720.60	4.5%	1 798.87	1 534.82	1 615.22
VAT on Services		101.65	114.41	126.55	130.53	130.53	130.53		251.84	214.87	226.13
Total small household bill:		837.76	920.27	987.69	1 851.13	1 851.13	1 851.13	10.8%	2 050.72	1 749.70	1 841.35
% increase/-decrease			9.8%	7.3%	87.4%	-	-		10.8%	(14.7%)	5.2%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		12.53	13.23	14.05	39.09	39.09	39.09	2.9%	40.25	42.67	45.22
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		43.01	37.85	40.16	32.18	32.18	32.18	5.5%	34.05	36.02	38.11
Water: Basic levy		40.13	43.54	46.24	49.01	49.01	49.01	5.7%	51.96	55.07	58.38
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		97.23	105.49	112.03	118.75	118.75	118.75	5.6%	125.86	133.42	141.42
Refuse removal		60.62	65.78	69.86	74.05	74.05	74.05	5.7%	78.49	83.20	88.20
Other											
sub-total		253.52	265.89	282.34	313.08	313.08	313.08	5.6%	330.61	350.38	371.33
VAT on Services		33.74	35.37	37.87	38.36	38.36	38.36		46.28	49.05	51.99
Total small household bill:		287.26	301.26	320.21	351.44	351.44	351.44	7.2%	376.89	399.43	423.32
% increase/-decrease			4.9%	6.3%	9.8%	-	-		7.2%	6.0%	6.0%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

NC073 Emthanjeni - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		8 307	8 876	12 757	10 110	10 110	10 110	10 716	11 788	12 861
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	8 307	8 876	12 757	10 110	10 110	10 110	10 716	11 788	12 861
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		8 307	8 876	12 757	10 110	10 110	10 110	10 716	11 788	12 861

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

NC073 Emthanjeni - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months								Rand thousand	
Parent municipality											
General Investment		12 months	Fixed Deposit	Yes	Yes	7.50%	0	0	30/06/2013	10 716	793
Municipality sub-total										10 716	793
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									10 716	793

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
2. List investments in expiry date order

NC073 Emthanjeni - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		4 181	13 100	11 117	9 947	5 574	5 574	10 543	11 176	1 317
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	4 181	13 100	11 117	9 947	5 574	5 574	10 543	11 176	1 317
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	4 181	13 100	11 117	9 947	5 574	5 574	10 543	11 176	1 317

Unspent Borrowing - Categorized by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

NC073 Emthanjeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		26 531	29 962	32 679	37 623	37 623	37 623	38 260	37 860	38 349
Local Government Equitable Share		24 169	28 012	30 439	34 323	34 323	34 323	34 820	35 326	35 732
Finance Management		750	1 200	1 450	1 500	1 500	1 500	1 550	1 600	1 650
Municipal Systems Improvement		859	750	790	800	800	800	890	934	967
EPWP Incentive				-	1 000	1 000	1 000	1 000	-	-
Energy Efficiency and Demand Management		753	-		-					
Other transfers/grants [insert description]										
Provincial Government:		5 211	440	218	1 683	1 683	1 683	2 235	1 793	1 848
Health subsidy		-	-		1 001	1 001	1 001	1 056	1 114	1 169
Sport and Recreation			440		682	682	682	679	679	679
Housing		5 211	-	218	-			500		
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	31 742	30 402	32 897	39 306	39 306	39 306	40 495	39 653	40 197
Capital Transfers and Grants										
National Government:		13 228	9 730	-	16 141	16 141	16 141	36 382	29 248	12 145
Municipal Infrastructure Grant (MIG)		11 172	9 570		16 141	16 141	16 141	15 324	12 608	12 145
Regional Bulk Infrastructure		652	160		-			20 000	16 640	-
Other capital transfers/grants [insert desc]		1 404						1 058		
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		638	978	-	-	-	-	-	-	-
Lotto		638	978							
Total Capital Transfers and Grants	5	13 866	10 708	-	16 141	16 141	16 141	36 382	29 248	12 145
TOTAL RECEIPTS OF TRANSFERS & GRANTS		45 608	41 110	32 897	55 447	55 447	55 447	76 877	68 901	52 342

References

- Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
- Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
- Replacement of RSC levies
- Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
- Total transfers and grants must reconcile to Budgeted Cash Flows
- Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

NC073 Emthanjeni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		26 531	7 393	32 680	37 623	37 623	37 573	38 260	37 860	16 103
Local Government Equitable Share		24 169	5 443	30 440	34 323	34 323	34 323	34 820	35 326	13 486
Finance Management		750	1 200	1 450	1 500	1 500	1 500	1 550	1 600	1 650
Municipal Systems Improvement		859	750	790	800	800	800	890	934	967
EPWP Incentive				-	1 000	1 000	950	1 000	-	-
Energy Efficiency and Demand Management		753	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	869	1 669	1 683	1 683	1 683	2 235	1 793	1 848
Health subsidy		-	-	979	1 001	1 001	1 001	1 056	1 114	1 169
Sport and Recreation			298	690	682	682	682	679	679	679
Housing			571		-			500		
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		26 531	8 263	34 349	39 306	39 306	39 256	40 495	39 653	17 951
Capital expenditure of Transfers and Grants										
National Government:		11 190	9 760	13 566	16 141	16 141	16 141	36 382	30 306	12 145
Municipal Infrastructure Grant (MIG)		9 134	9 600	13 306	16 141	16 141	16 141	15 324	12 608	12 145
Regional Bulk Infrastructure		652	160	260	-	-	-	20 000	16 640	-
Other capital transfers/grants [insert desc]		1 404	-					1 058	1 058	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		998	-	-	-	-	-	-	-	-
Lotto		998								
Total capital expenditure of Transfers and Grants		12 188	9 760	13 566	16 141	16 141	16 141	36 382	30 306	12 145
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		38 719	18 023	47 915	55 447	55 447	55 397	76 877	69 959	30 096

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

NC073 Emthanjeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		17 473	29 785	33 216	37 623	37 623	37 623	40 495	39 653	40 197
Conditions met - transferred to revenue		17 473	29 785	33 216	37 623	37 623	37 623	40 495	39 653	40 197
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		7 910	1 640	690	1 683	1 683	1 683			
Conditions met - transferred to revenue		8 811	2 571	1 318	1 683	1 683	1 683	-	-	-
Conditions still to be met - transferred to liabilities		(901)	(931)	(628)						
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		26 284	32 356	34 533	39 306	39 306	39 306	40 495	39 653	40 197
Total operating transfers and grants - CTBM	2	(901)	(931)	(628)	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		94	2 038	2 008						
Current year receipts		21 248	10 328	7 346	16 141	16 141	16 141	36 382	30 306	12 145
Conditions met - transferred to revenue		19 304	10 358	9 354	16 141	16 141	16 141	36 382	30 306	12 145
Conditions still to be met - transferred to liabilities		2 038	2 008							
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		753	-							
Conditions met - transferred to revenue		753	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		638	-							
Conditions met - transferred to revenue		978	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		(340)								
Total capital transfers and grants revenue		21 035	10 358	9 354	16 141	16 141	16 141	36 382	30 306	12 145
Total capital transfers and grants - CTBM	2	1 698	2 008	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		47 319	42 714	43 888	55 447	55 447	55 447	76 877	69 959	52 342
TOTAL TRANSFERS AND GRANTS - CTBM		797	1 077	(628)	-	-	-	-	-	-

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance

2. CTBM = conditions to be met

3. National Treasury database will require this reconciliation for each transfer/grant

NC073 Emthanjeni - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>	4										
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Free Basic Services to Indigent Households</i>	5	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Free Basic Services to Indigent Households</i>	5	1 641	568	788	12 630	10 712	10 712	10 712	12 422	13 163	13 949
Total Non-Cash Grants To Groups Of Individuals:		1 641	568	788	12 630	10 712	10 712	10 712	12 422	13 163	13 949
TOTAL NON-CASH TRANSFERS AND GRANTS		1 641	568	788	12 630	10 712	10 712	10 712	12 422	13 163	13 949
TOTAL TRANSFERS AND GRANTS	6	1 641	568	788	12 630	10 712	10 712	10 712	12 422	13 163	13 949

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

NC073 Emthanjeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	2 536	2 713	2 475	2 475	2 475	2 475	2 783	2 957	3 134
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance		328	273	825	825	825	825	932	990	1 050
Cellphone Allowance		189	202	183	183	183	183	203	215	228
Housing Allowances										
Other benefits and allowances			35		20	20	20		9	32
Sub Total - Councillors		3 053	3 223	3 483	3 503	3 503	3 503	3 918	4 171	4 444
% increase	4		5.6%	8.1%	0.6%	-	-	11.8%	6.5%	6.5%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	1 652	1 965	2 701	2 660	2 660	2 660	3 041	6 072	6 436
Pension and UIF Contributions		251	270	449	441	441	441	504	1 334	1 414
Medical Aid Contributions		49	53	40	90	90	90	66	92	98
Overtime		485	521	633						
Performance Bonus										
Motor Vehicle Allowance	3				728	728	728	703	1 316	1 395
Cellphone Allowance	3	281	302	298	47	47	47	60	277	294
Housing Allowances	3	38	41	307						
Other benefits and allowances	3				575	575	575	392	613	650
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		2 756	3 152	4 428	4 541	4 541	4 541	4 766	9 704	10 287
% increase	4		14.4%	40.5%	2.5%	-	-	4.9%	103.6%	6.0%
Other Municipal Staff										
Basic Salaries and Wages		25 274	27 170	31 741	36 570	36 570	36 570	40 143	36 851	36 343
Pension and UIF Contributions		4 014	7 377	5 195	6 750	6 750	6 750	7 329	6 761	7 166
Medical Aid Contributions		1 591	1 710	2 555	2 605	2 605	2 605	2 622	2 573	2 728
Overtime		415	446	797	419	419	419	1 403	404	428
Performance Bonus		305	328							
Motor Vehicle Allowance	3	896	963		892	892	892	891	1 416	1 501
Cellphone Allowance	3	657	706	435				145	286	303
Housing Allowances	3	326	350		785	785	785	862	198	210
Other benefits and allowances	3	1 798	1 933	1 937	189	189	189	1 262		
Payments in lieu of leave										
Long service awards			2 307							
Post-retirement benefit obligations	6		5 001		683	683	683	196	209	221
Sub Total - Other Municipal Staff		35 277	48 292	42 660	48 893	48 893	48 893	54 852	48 697	48 899
% increase	4		36.9%	(11.7%)	14.6%	-	-	12.2%	(11.2%)	0.4%
Total Parent Municipality		41 086	54 667	50 571	56 937	56 937	56 937	63 535	62 572	63 630
			33.1%	(7.5%)	12.6%	-	-	11.6%	(1.5%)	1.7%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		41 086	54 667	50 571	56 937	56 937	56 937	63 535	62 572	63 630
% increase	4		33.1%	(7.5%)	12.6%	-	-	11.6%	(1.5%)	1.7%
TOTAL MANAGERS AND STAFF	5,7	38 033	51 444	47 088	53 434	53 434	53 434	59 617	58 401	59 186

References:

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

NC073 Emthanjeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		14	2	12	14	2	12	14	2	12
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	5		5	4	3	1	4	3	1
Other Managers	7	7	3	4	7	1	6	7	6	1
Professionals		2	-	2	2	-	2	3	3	-
<i>Finance</i>		1	-	1	1	-	1	1	1	-
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-	1	1	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		1	-	1	1	-	1	1	1	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Technicians		17	11	6	16	11	5	17	12	5
<i>Finance</i>		6	-	6	5	-	5	6	1	5
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>		3	3	-	3	3	-	3	3	-
<i>Electricity</i>		6	6	-	6	6	-	6	6	-
<i>Water</i>		2	2	-	2	2	-	2	2	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		120	120	-	109	109	-	112	112	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		36	36	-	36	36	-	36	36	-
Plant and Machine Operators		20	20	-	24	24	-	20	20	-
Elementary Occupations		133	133	-	132	122	10	133	124	9
TOTAL PERSONNEL NUMBERS	9	354	325	29	344	308	36	346	318	28
% increase					(2.8%)	(5.2%)	24.1%	0.6%	3.2%	(22.2%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number fo persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions

NC073 Emthanjani - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

R thousand	Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote			275	195	275	280	395	275	238	254	275	233	332	3 305	3 719	3 769	
	Vote 1 - EXECUTIVE AND COUNCIL		14 314	2 725	2 200	2 338	10 616	815	515	795	847	40 634	42 293	39 196	40 634	42 293	
	Vote 2 - FINANCE AND ADMINISTRATION		10 851	821	951	816	700	897	621	521	509	14 204	13 687	18 250	14 204	13 687	
	Vote 3 - PLANNING AND DEVELOPMENT		88	88	88	88	88	88	88	88	88	88	88	1 056	1 114	1 169	
	Vote 4 - HEALTH		100	100	100	100	100	100	100	100	100	100	100	1 137	1 191	1 191	
	Vote 5 - COMMUNITY AND SOCIAL SERVICES		658	658	658	658	658	658	658	658	658	658	658	7 892	8 399	8 903	
	Vote 6 - PUBLIC SAFETY		8	8	8	8	8	8	8	8	8	8	8	91	96	102	
	Vote 7 - SPORT AND RECREATION		58	58	58	58	58	58	58	58	58	58	58	698	740	784	
	Vote 8 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Vote 9 - OTHER		43	43	43	43	43	43	43	43	43	43	43	-	-	-	
	Vote 10 - HOUSING SERVICES		1 024	1 024	824	1 024	1 324	943	724	1 986	624	702	825	12 289	12 772	13 318	
	Vote 11 - WASTE MANAGEMENT		3 704	904	1 704	1 704	1 704	859	874	4 704	713	1 704	1 169	20 447	21 264	22 184	
	Vote 12 - WASTE WATER MANAGEMENT		12 281	6 898	4 530	2 968	6 689	2 934	5 581	9 944	5 581	4 600	6 367	68 789	73 458	78 571	
	Vote 13 - ELECTRICITY		5 966	2 642	3 167	3 231	7 182	3 881	4 657	5 914	2 347	2 167	2 007	47 583	44 890	28 673	
	Vote 14 - WATER																
	Vote 15 - [NAME OF VOTE 15]																
	Total Revenue by Vote		49 371	16 164	14 606	13 317	29 565	11 155	11 578	26 647	11 871	11 677	13 230	221 253	222 474	214 665	
Expenditure by Vote to be appropriated																	
	Vote 1 - EXECUTIVE AND COUNCIL		962	962	962	962	962	962	962	962	962	962	962	12 506	13 142	13 916	
	Vote 2 - FINANCE AND ADMINISTRATION		2 451	1 551	2 651	2 451	2 451	2 851	2 451	1 451	3 651	2 451	2 923	29 786	30 779	32 773	
	Vote 3 - PLANNING AND DEVELOPMENT		837	837	837	837	837	837	837	837	837	837	1 302	10 511	9 546	10 017	
	Vote 4 - HEALTH		17	17	17	17	17	17	17	17	17	17	17	209	222	238	
	Vote 5 - COMMUNITY AND SOCIAL SERVICES		646	646	646	646	646	646	646	646	646	646	446	7 755	8 265	8 822	
	Vote 6 - PUBLIC SAFETY		780	780	780	780	1 380	780	780	780	780	780	80	9 359	9 883	10 470	
	Vote 7 - SPORT AND RECREATION		297	297	297	297	297	297	297	297	297	297	297	3 562	3 803	4 082	
	Vote 8 - ROAD TRANSPORT		1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	723	13 498	14 311	15 419	
	Vote 9 - OTHER		183	183	183	183	183	183	183	183	183	183	183	2 198	2 323	2 469	
	Vote 10 - HOUSING SERVICES		203	203	203	203	203	203	203	203	203	203	204	2 441	2 601	2 770	
	Vote 11 - WASTE MANAGEMENT		1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	13 415	14 273	15 193	
	Vote 12 - WASTE WATER MANAGEMENT		960	960	960	960	960	960	960	960	960	960	960	11 519	12 286	13 095	
	Vote 13 - ELECTRICITY		6 385	6 868	4 868	4 568	3 868	3 386	3 779	5 138	3 597	5 387	7 112	58 448	62 727	67 423	
	Vote 14 - WATER		700	800	1 091	1 188	1 300	1 500	900	800	600	500	522	10 801	11 469	12 211	
	Vote 15 - [NAME OF VOTE 15]																
	Total Expenditure by Vote		16 665	16 348	15 738	15 636	15 348	14 866	14 369	14 518	14 977	15 467	17 814	186 009	195 629	208 886	
	Surplus/(Deficit) before assoc.		32 705	(184)	(1 132)	(2 319)	14 217	(3 711)	(2 791)	12 129	(3 106)	(3 790)	(4 584)	35 245	26 845	5 779	
	Taxation																
	Attributable to minorities																
	Share of surplus/ (deficit) of associate																
	Surplus/(Deficit)	1	32 705	(184)	(1 132)	(2 319)	14 217	(3 711)	(2 791)	12 129	(3 106)	(3 790)	(4 584)	35 245	26 845	5 779	

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

NC073 Emtshanjeni - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard		14 590	2 921	2 476	2 619	11 011	1 090	791	1 143	2 524	1 131	1 109	1 178	42 501	44 353	46 061
<i>Governance and administration</i>		275	185	275	280	395	275	275	238	254	275	233	332	3 305	3 719	3 769
Executive and council		14 311	2 722	2 197	2 335	10 612	812	512	902	2 266	852	792	843	39 153	40 569	42 244
Budget and treasury office		4	4	4	4	4	4	4	4	4	4	4	4	43	45	48
Corporate services		896	896	896	896	896	896	815	896	896	896	896	1 116	10 793	11 388	
<i>Community and public safety</i>		100	100	100	100	100	100	100	100	100	100	100	39	1 137	1 162	
Community and social services		8	8	8	8	8	8	8	8	8	8	8	8	91	96	
Sport and recreation		658	658	658	658	658	658	577	658	658	658	658	939	7 892	8 399	
Public safety		43	43	43	43	43	43	43	43	43	43	43	520	21	23	
Housing		88	88	88	88	88	88	88	88	88	88	88	1 056	1 114	1 169	
Health		10 909	879	1 009	874	758	955	679	481	679	579	579	567	18 949	14 944	
<i>Economic and environmental services</i>		10 851	821	951	816	700	897	621	423	621	521	521	509	18 250	14 204	
Planning and development		58	58	58	58	58	58	58	58	58	58	58	58	698	740	
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Environmental protection		22 976	11 468	10 225	8 928	16 899	8 413	9 293	9 551	22 548	9 265	9 173	10 368	149 108	152 385	
<i>Trading services</i>		12 281	6 898	4 530	2 968	6 689	2 934	2 834	3 161	9 944	5 581	4 600	6 368	68 789	73 458	
Electricity		5 966	2 642	3 167	3 231	7 182	3 881	4 657	4 422	5 914	2 347	2 167	2 007	47 583	44 890	
Water		3 704	904	1 704	1 704	1 704	874	859	704	4 704	713	1 704	1 169	20 447	21 264	
Waste water management		1 024	1 024	824	1 024	1 324	724	943	1 264	1 986	624	702	825	12 289	12 772	
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Other</i>		49 371	16 164	14 606	13 317	29 585	11 155	11 578	12 071	26 647	11 871	11 677	13 230	221 253	222 474	
Total Revenue - Standard		3 413	2 513	3 613	3 413	3 413	3 813	3 413	3 413	2 413	4 613	3 413	4 848	42 289	43 919	
Expenditure - Standard		962	962	962	962	962	962	962	962	962	962	962	962	12 506	13 142	
<i>Governance and administration</i>		1 406	1 006	1 606	1 406	1 406	1 606	1 406	1 406	906	2 406	1 406	1 134	17 103	17 370	
Executive and council		1 045	545	1 045	1 045	1 045	1 045	1 045	1 045	545	1 245	1 045	1 787	12 681	13 407	
Budget and treasury office		1 944	1 944	1 943	1 944	2 544	1 944	2 344	1 944	1 944	1 844	1 944	1 044	23 327	24 774	
Corporate services		646	646	646	646	646	646	646	646	646	646	646	446	7 755	8 265	
<i>Community and public safety</i>		297	297	297	297	297	297	297	297	297	297	297	297	3 562	3 803	
Community and social services		780	780	780	780	1 380	780	1 180	780	780	480	780	80	9 359	9 883	
Sport and recreation		203	203	203	203	203	203	203	203	203	203	203	204	2 441	2 601	
Public safety		17	17	17	17	17	17	17	17	17	17	17	17	209	222	
Housing		1 962	1 962	1 962	2 262	1 962	1 962	1 962	1 962	1 962	2 062	1 962	2 027	24 011	23 859	
Health		837	837	837	837	837	837	837	837	837	837	837	1 302	10 511	9 546	
<i>Economic and environmental services</i>		1 125	1 125	1 125	1 425	1 125	1 125	1 125	1 125	1 125	1 225	1 125	725	13 500	14 314	
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Road transport		9 163	9 746	8 037	7 834	7 246	6 964	6 467	6 757	8 016	6 275	7 965	9 712	94 183	100 754	
Environmental protection		6 385	6 868	4 868	4 568	3 868	3 366	3 469	3 779	5 138	3 597	5 387	7 112	58 448	62 727	
Trading services		700	800	1 091	1 188	1 300	1 500	900	900	900	600	500	522	10 801	11 469	
Electricity		960	960	960	960	960	960	960	960	960	960	960	960	11 519	12 286	
Water		1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	1 118	13 415	14 273	
Waste water management		183	183	183	183	183	183	183	183	183	183	183	183	2 198	2 323	
Waste management		16 665	16 348	15 738	15 636	15 348	14 866	14 369	14 259	14 518	14 977	15 467	17 814	186 009	195 629	
<i>Other</i>		32 705	(184)	(1 132)	(2 319)	14 217	(3 711)	(2 791)	(2 188)	12 129	(3 106)	(3 790)	(4 584)	35 245	26 845	
Total Expenditure - Standard		32 705	(184)	(1 132)	(2 319)	14 217	(3 711)	(2 791)	(2 188)	12 129	(3 106)	(3 790)	(4 584)	35 245	26 845	
Surplus/(Deficit) before assoc.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)		32 705	(184)	(1 132)	(2 319)	14 217	(3 711)	(2 791)	(2 188)	12 129	(3 106)	(3 790)	(4 584)	35 245	26 845	

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

NC073 Emthanjeni - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

R thousand	Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework				
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
	Capital Expenditure - Standard	1	182	182	182	182	182	182	182	182	182	182	182	182	182	182	2 180	2 311	2 449
	Governance and administration		18	18	18	18	18	18	18	18	18	18	18	18	18	18	221	234	248
	Executive and council		123	123	123	123	123	123	123	123	123	123	123	123	123	123	1 479	1 568	1 662
	Budget and treasury office		40	40	40	40	40	40	40	40	40	40	40	40	40	40	479	508	539
	Corporate services		113	113	113	113	113	113	113	113	113	113	113	113	113	113	1 360	1 543	1 630
	Community and public safety		61	61	61	61	61	61	61	61	61	61	61	61	61	61	728	846	897
	Community and social services		8	8	8	8	8	8	8	8	8	8	8	8	8	8	101	107	113
	Sport and recreation		43	43	43	43	43	43	43	43	43	43	43	43	43	43	510	568	596
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Housing		2	2	2	2	2	2	2	2	2	2	2	2	2	2	21	23	24
	Health		1 572	1 572	1 572	1 572	1 572	1 572	1 572	1 572	1 572	1 572	1 572	1 572	1 572	1 572	18 863	16 230	15 820
	Economic and environmental services		1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	15 344	12 629	12 168
	Planning and development		293	293	293	293	293	293	293	293	293	293	293	293	293	293	3 519	3 601	3 653
	Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Environmental protection		1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	1 803	21 636	18 295	622
	Trading services		42	42	42	42	42	42	42	42	42	42	42	42	42	42	505	520	540
	Electricity		1 756	1 756	1 756	1 756	1 756	1 756	1 756	1 756	1 756	1 756	1 756	1 756	1 756	1 756	21 076	17 717	20
	Water		5	5	5	5	5	5	5	5	5	5	5	5	5	5	55	58	62
	Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Capital Expenditure - Standard	2	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	44 039	38 379	20 521

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

NC073 Emthanjani - Supporting Table SA30 Budgeted monthly cash flow

R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16	
Cash Receipts By Source																
Property rates	13 679	311	311	311	311	311	311	311	311	311	311	311	17 099	18 124	19 212	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	6 152	6 085	6 089	4 389	2 116	1 768	1 878	2 157	2 828	3 496	4 257	5 296	47 311	50 817	54 661	
Service charges - water revenue	760	800	1 240	1 720	2 008	2 320	2 560	2 440	1 880	1 520	724	749	18 721	19 243	20 397	
Service charges - sanitation revenue	815	815	815	815	815	815	815	815	815	815	815	815	9 785	10 372	10 995	
Service charges - refuse revenue	482	482	482	482	482	482	482	482	482	482	482	482	5 784	6 131	6 499	
Service charges - other	12	12	12	12	12	12	12	12	12	12	12	12	147	154	163	
Rental of facilities and equipment	33	33	33	33	33	33	33	33	33	33	33	33	397	421	446	
Interest earned - external investments	40	40	40	40	40	40	40	40	40	40	40	40	476	485	514	
Interest earned - outstanding debtors	26	26	26	26	26	26	26	26	26	26	26	26	317	323	343	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	1	1	2	
Fines	566	566	566	566	566	566	566	566	566	566	566	566	6 789	7 227	7 660	
Licences and permits	82	82	82	82	82	82	82	82	82	82	82	82	984	1 043	1 106	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operational	16 012	1 410	186	186	12 010	186	186	520	9 239	186	186	186	40 495	39 772	40 376	
Other revenue	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	16 656	11 610	13 957	
Cash Receipts by Source	40 048	12 850	11 270	10 050	19 890	8 030	8 380	8 872	17 703	8 958	8 922	9 988	164 961	165 723	176 330	
Other Cash Flows by Source																
Transfer receipts - capital	4 513	1 755	1 755	1 755	8 344	1 755	1 755	1 755	7 731	1 755	1 755	1 755	36 382	30 306	12 145	
Contributions recognised - capital & Contributed assets																
Proceeds on disposal of PPE	1	1	1	1	1	1	1	1	1	1	1	1	12	80	70	
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits																
Increase (Increase) in non-current debtors																
Decrease (Increase) in non-current receivables																
Decrease (Increase) in non-current investments																
Total Cash Receipts by Source	44 563	14 606	13 026	11 806	28 235	9 786	10 136	10 628	25 436	10 714	10 678	11 855	201 467	196 252	188 693	
Cash Payments by Type																
Employee related costs	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	58 759	62 572	64 630	
Remuneration of councillors	326	326	326	326	326	326	326	326	326	326	326	326	3 918	4 172	4 443	
Finance charges	78	78	78	78	78	78	78	78	78	78	78	78	933	636	329	
Bulk purchases - Electricity	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	3 590	43 086	46 532	48 256	
Bulk purchases - Water & Sewer	89	89	89	89	89	89	89	89	89	89	89	89	1 074	1 019	1 080	
Other materials	682	682	682	682	682	682	682	682	682	682	682	682	8 178	8 530	8 200	
Contracted services	586	586	586	586	586	586	586	586	586	586	586	586	7 026	7 366	7 808	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	13 573	14 388	15 009	
Other expenditure	533	533	533	533	533	533	533	533	533	533	533	533	6 401	2 076	2 232	
Cash Payments by Type	11 912	11 912	11 912	11 912	11 912	11 912	11 912	11 912	11 912	11 912	11 912	11 912	142 947	147 292	151 988	
Other Cash Flows/Payments by Type																
Capital assets	3 303	3 303	3 303	3 303	3 303	3 303	3 303	3 303	3 303	3 303	3 303	3 303	39 634	35 591	35 622	
Repayment of borrowing	212	212	212	212	212	212	212	212	212	212	212	212	2 538	2 741	2 948	
Other Cash Flows/Payments																
Total Cash Payments by Type	15 427	15 427	15 427	15 427	15 427	15 427	15 427	15 427	15 427	15 427	15 427	15 427	185 119	185 624	190 556	
NET INCREASE/(DECREASE) IN CASH HELD	29 136	(821)	(2 400)	(3 620)	12 808	(5 641)	(5 291)	(4 799)	10 009	(4 713)	(4 748)	(3 572)	16 348	10 628	(1 865)	
Cash/cash equivalents at the month/year begin:	(6 456)	20 680	19 859	17 458	13 838	26 646	21 005	15 714	10 915	20 924	16 212	11 463	(8 456)	7 891	18 520	
Cash/cash equivalents at the month/year end:	20 680	19 859	17 458	13 838	26 646	21 005	15 714	10 915	20 924	16 212	11 463	7 891	18 520	18 520	16 654	

NC073 Emthanjeni - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Aon Insurance	Yrs	3	Shortterm Insurance	30 June 2015	3 000
Worley Parsons	Yrs	2	Provision for Professional Services on Storm Water	30 June 2014	2 363
Jorian	Yrs	3	Storm Water Project	30 June 2015	13 487
E-Valuations	Yrs	4	Compilation of General and Supplementary Valuation Roll	30 June 2016	2 043
Ducharme Consulting	Yrs	2	Technical Assistance in complying with GRAP standards	30 June 2014	2 000
Vela Vke Consulting Engineers	Yrs	2	Consulting Eneengineers:Britstown Bulk water Supply Schem	30 June 2014	2 816
Nation Wide Security Services	Yrs	3	Secirty Services	31 July 2015	1 899
Phambili Civils	Mths	9	Storm Water Project	31 July 2013	6 002
ABSA	Yrs	3	Banking Services	31 August 2014	46

References

1. Total agreement period from commencement until end
2. Annual value

NC073 Emthanjani - Supporting Table SA33 Contracts having future budgetary implications

R thousand	Description	Ref	Preceding Years	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework			Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Total Contract Value
				Original Budget	Budget Year 2012/13	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16								
	Parent Municipality:															
	Revenue Obligation By Contract	2														
	Contract 1: Traffic Violation Services		4 519	2 560	2 816	3 098	3 407	3 748								20 148
	Contract 2: Smart Metro Revenue Enhancement		-	1 200	1 284	1 367	1 463	1 580								6 895
	Contract 3 : VeriCred Collections		-	2 250	2 965	3 256										8 471
	Total Operating Revenue Implication		4 519	6 010	7 065	7 721	4 871	5 328								35 514
	Expenditure Obligation By Contract	2														
	UberTech Consulting		420	441	463											1 324
	Contract 2 : Security Services		1 200	1 600	1 750	1 900										6 450
	Contract 3 : Synfell		574	1 080	1 134	1 149										3 937
	Total Operating Expenditure Implication		2 194	3 121	3 347	3 049										11 711
	Capital Expenditure Obligation By Contract	2														
	Contract : DBSA		994	994	994	994	994	994								5 964
	Contract 2 : ABSA Bank		2 328	2 328	2 328	2 328	1 728									11 040
	Contract 3 etc															-
	Total Capital Expenditure Implication		3 322	3 322	3 322	3 322	2 722	994								17 004
	Total Parent Expenditure Implication		5 516	6 443	6 669	6 371	2 722	994								28 715
	Entities:															
	Revenue Obligation By Contract	2														
	Contract 1															-
	Contract 2															-
	Contract 3 etc															-
	Total Operating Revenue Implication															-
	Expenditure Obligation By Contract	2														
	Contract 1															-
	Contract 2															-
	Contract 3 etc															-
	Total Operating Expenditure Implication															-
	Capital Expenditure Obligation By Contract	2														
	Contract 1															-
	Contract 2															-
	Contract 3 etc															-
	Total Capital Expenditure Implication															-
	Total Entity Expenditure Implication															-

References

- Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
- List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)

NC073 Emthanjeni - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		5 506	8 790	12 053	15 378	15 378	15 378	23 728	19 543	2 760
Infrastructure - Road transport		851	3 430	1 738	10 178	10 178	10 178	2 670	2 730	2 760
Roads, Pavements & Bridges		851	3 430	1 738				2 670	2 730	2 760
Storm water		-			10 178	10 178	10 178			
Infrastructure - Electricity		1 356	981	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation		1 356	981	-						
Street Lighting										
Infrastructure - Water		1 281	4 380	3 585	-	-	-	21 058	16 813	-
Dams & Reservoirs		-								
Water purification										
Reticulation		1 281	4 380	3 585				21 058	16 813	-
Infrastructure - Sanitation		1 009	-	6 000	5 200	5 200	5 200	-	-	-
Reticulation		1 009	-	6 000						
Sewerage purification					5 200	5 200	5 200			
Infrastructure - Other		1 009	-	730	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3	1 009	-	730						
Community		150	816	1 000	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia			110							
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries			706							
Social rental housing	8									
Other		150		1 000						
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		1 509	11 063	2 137	-	-	-	15 324	12 608	12 145
General vehicles			5 923							
Specialised vehicles			3 077							
Plant & equipment		587	977							
Computers - hardware/equipment		543	977	576						
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		379	110	1 561				15 324	12 608	12 145
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets	1	7 164	20 670	15 190	15 378	15 378	15 378	39 052	32 151	14 905
Specialised vehicles		-	3 077	-	-	-	-	-	-	-
Refuse			3 077							
Fire										
Conservancy										
Ambulances										

References

- Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure in Budgeted Capital Expenditure
- Airports, Car Parks, Bus Terminals and Taxi Ranks
- For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
- Work-in-progress/under construction to be budgeted under the respective item.
- Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
- Donated/contributed & leased assets to be included within the respective sub-class

NC073 Emthanjeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand	1					
Capital expenditure on renewal of existing assets by Asset Class/Sub-class						
Infrastructure		8 800	–	1 691	4 930	4 542
Infrastructure - Road transport		3 052	–	1 490	3 461	3 461
<i>Roads, Pavements & Bridges</i>		3 052		1 490	3 461	3 461
<i>Storm water</i>						
Infrastructure - Electricity		36	–	–	800	412
<i>Generation</i>						
<i>Transmission & Reticulation</i>		36			800	412
<i>Street Lighting</i>						
Infrastructure - Water		351	–	–	17	17
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>		351	–	–	17	17
Infrastructure - Sanitation		3 004	–	–	–	–
<i>Reticulation</i>		3 004	–	–	–	–
<i>Sewerage purification</i>						
Infrastructure - Other		2 358	–	201	652	652
<i>Waste Management</i>					652	652
<i>Transportation</i>	2					
<i>Gas</i>						
<i>Other</i>	3	2 358		201		
Community		124	–	370	1 529	1 231
Parks & gardens					45	45
Sportsfields & stadia					50	50
Swimming pools					118	118
Community halls				370	508	300
Libraries					–	–
Recreational facilities					–	–
Fire, safety & emergency					–	–
Security and policing					–	–
Buses	7				–	–
Clinics					–	–
Museums & Art Galleries					–	–
Cemeteries					300	300
Social rental housing	8					–
Other		124			508	418
Heritage assets		–	–	–	–	–
Buildings						
Other	9					
Investment properties		–	–	–	–	–
Housing development						
Other						
Other assets		6 895	–	1 071	2 221	2 201
General vehicles		996	–	–	–	–
Specialised vehicles	10	–	–	–	600	600
Plant & equipment		2 637			691	691
Computers - hardware/equipment		458		640	555	535
Furniture and other office equipment		–			375	375
Abattoirs					–	–

Markets					-	-
Civic Land and Buildings					-	-
Other Buildings		386		431	-	-
Other Land		2 417			-	-
Surplus Assets - (Investment or Inventory)					-	-
Other		-			-	-
Agricultural assets		-	-	-	-	-
<i>List sub-class</i>						
Biological assets		-	-	-	-	-
<i>List sub-class</i>						
Intangibles		-	-	221	62	62
Computers - software & programming		-	-	221	62	62
Other (<i>list sub-class</i>)		-				
Total Capital Expenditure on renewal of existing assets	1	15 818	-	3 353	8 742	8 037

Specialised vehicles		-	-	-	600	600
Refuse					600	600
Fire						
Conservancy						
Ambulances						
Renewal of Existing Assets as % of total capex		68.8%	0.0%	18.1%	36.2%	34.3%
Renewal of Existing Assets as % of deprecn"		33.2%	0.0%	4.9%	110.3%	101.4%

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) must reconcile to total capital €
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastr
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

check balance - - - - -

13	2013/14 Medium Term Revenue & Expenditure Framework			
	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	4 542	1 398	1 437	1 482
	3 461	820	840	860
	3 461	820	840	860
	412	505	520	540
	412	505	520	540
	17	18	19	20
	17	18	19	20
	-	-	-	-
	-			
	652	55	58	62
	652	55	58	62
	1 231	828	953	1 010
	45	48	51	54
	50	53	56	60
	118			
	300	680	796	843
	-			
	-			
	-			
	-			
	-			
	300	48	51	54
	-			
	418			
	-	-	-	-
	-	-	-	-
	2 201	2 760	3 838	3 124
	600	-	-	-
	691	376	433	459
	535	421	446	450
	375	261	277	316
	-			

-			
-			
-	425	443	464
-			
-			
-	1 277	2 239	1 435
-	-	-	-
-	-	-	-
62	-	-	-
62			
8 037	4 987	6 228	5 616

600	-	-	-
600			
34.3%	11.3%	16.2%	27.4%
101.4%	58.8%	69.3%	57.9%

Expenditure in Budgeted Capital Expenditure

Structure

- - - -

NC073 Emthanjeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand	1						
Repairs and maintenance expenditure by Asset Class/Sub-class							
Infrastructure		6 525	3 350	1 739	5 136	5 036	5 035
Infrastructure - Road transport		2 200	776	502	1 368	1 368	1 368
<i>Roads, Pavements & Bridges</i>		2 200	776	502	1 368	1 368	1 368
<i>Storm water</i>							
Infrastructure - Electricity		–	116	50	1 595	1 495	1 495
<i>Generation</i>							
<i>Transmission & Reticulation</i>		–	116	50	1 595	1 495	1 495
<i>Street Lighting</i>							
Infrastructure - Water		–	841	404	749	749	749
<i>Dams & Reservoirs</i>					149	149	149
<i>Water purification</i>		–	841	404	237	237	237
<i>Reticulation</i>					363	363	363
Infrastructure - Sanitation		4 025	905	432	712	712	712
<i>Reticulation</i>					712	712	712
<i>Sewerage purification</i>		4 025	905	432			
Infrastructure - Other		300	711	351	711	711	711
<i>Waste Management</i>		300	711	351	711	711	711
<i>Transportation</i>	2						
<i>Gas</i>							
<i>Other</i>	3						
Community		230	970	452	1 626	1 626	1 626
Parks & gardens		–	–	–	33	33	33
Sportsfields & stadia		–	–	–	58	58	58
Swimming pools		–	582	163	278	278	278
Community halls		230	388	289	375	375	375
Libraries		–	–	–	38	38	38
Recreational facilities		–	–	–	–	–	–
Fire, safety & emergency		–	–	–	762	762	762
Security and policing		–	–	–	–	–	–
Buses	7	–	–	–	–	–	–
Clinics		–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–
Cemeteries		–	–	–	34	34	34
Social rental housing	8	–	–	–	–	–	–
Other		–	–	–	48	48	48
Heritage assets		–	–	–	–	–	–
Buildings							
Other	9						
Investment properties		–	–	–	158	158	158
Housing development							
Other					158	158	158
Other assets		1 852	5 394	6 489	4 047	4 047	4 047
General vehicles		563	1 811	1 935	1 872	1 872	1 872
Specialised vehicles	10	–	3 247	4 330	317	317	317

Plant & equipment		-	-		218	218	218
Computers - hardware/equipment		-	306	224	321	321	321
Furniture and other office equipment		-	30		443	443	443
Abattoirs		-	-		-	-	-
Markets		-	-		-	-	-
Civic Land and Buildings		-	-		-	-	-
Other Buildings		-	-		496	496	496
Other Land		-	-		140	140	140
Surplus Assets - (Investment or Inventory)		-	-		-	-	-
Other		1 289	-		240	240	240
Agricultural assets		-	-	-	-	-	-
<i>List sub-class</i>							
Biological assets		-	-	-	-	-	-
<i>List sub-class</i>							
Intangibles		-	-	-	51	51	51
Computers - software & programming					51	51	51
Other (<i>list sub-class</i>)							
Total Repairs and Maintenance Expenditure	1	8 607	9 714	8 679	11 017	10 917	10 917

Specialised vehicles		-	3 247	4 330	317	317	317
Refuse			3 247	4 330	317	317	317
Fire							
Conservancy							
Ambulances							
R&M as a % of PPE		1.0%	0.9%	0.8%	1.3%	1.3%	1.3%
R&M as % Operating Expenditure		5.3%	5.2%	4.2%	6.6%	6.6%	6.7%

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

check balance		-	-	-	-	-	-
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2013/14 Medium Term Revenue & Expenditure Framework		
Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
5 610	5 888	6 259
1 509	1 577	1 677
1 509	1 577	1 677
1 726	1 829	1 944
1 726	1 829	1 944
819	856	910
163	170	181
259	270	287
397	415	441
779	814	865
779	814	865
777	812	863
777	812	863
1 777	1 858	1 975
36	38	40
63	66	70
304	318	338
410	429	456
41	43	46
-	-	-
833	871	926
-	-	-
-	-	-
-	-	-
-	-	-
37	38	41
-	-	-
53	55	59
-	-	-
172	180	191
172	180	191
4 425	4 624	4 968
2 046	2 138	2 273
347	363	439

239	249	265
351	367	390
484	506	538
-	-	-
-	-	-
-	-	-
542	566	602
153	160	170
-	-	-
263	274	292
-	-	-
-	-	-
-	-	-
56	58	62
56	58	62
12 040	12 608	13 455

347	363	439
347	363	439

1.4%	1.3%	1.4%
6.5%	6.4%	6.4%

- - -

NC073 Emthanjeni - Supporting Table SA34d Depreciation by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand	1						
Depreciation by Asset Class/Sub-class							
Infrastructure		26 022	31 716	32 554	4 301	4 301	4 301
Infrastructure - Road transport		12 942	16 669	17 109	2 127	2 127	2 127
<i>Roads, Pavements & Bridges</i>		12 942	16 669	17 109	2 127	2 127	2 127
<i>Storm water</i>							
Infrastructure - Electricity		2 719	4 502	4 621	449	449	449
<i>Generation</i>							
<i>Transmission & Reticulation</i>		2 719	4 502	4 621	449	449	449
<i>Street Lighting</i>							
Infrastructure - Water		5 343	6 882	7 063	890	890	890
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>		5 343	6 882	7 063	890	890	890
Infrastructure - Sanitation		3 826	1 928	1 979	636	636	636
<i>Reticulation</i>		3 826	1 928	1 979	636	636	636
<i>Sewerage purification</i>							
Infrastructure - Other		1 192	1 735	1 781	199	199	199
<i>Waste Management</i>		1 192	1 735	1 781	199	199	199
<i>Transportation</i>	2						
<i>Gas</i>							
<i>Other</i>	3						
Community		10 590	15 640	16 053	1 332	1 332	1 332
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls		4 675	6 021	6 180	556	556	556
Libraries		3 769	4 854	4 983	425	425	425
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses	7						
Clinics		716	922	947	117	117	117
Museums & Art Galleries							
Cemeteries		667	1 859	1 908	115	115	115
Social rental housing	8						
Other		763	1 983	2 035	119	119	119
Heritage assets		-	-	-	-	-	-
Buildings							
Other	9						
Investment properties		-	-	-	19	19	19
Housing development							
Other					19	19	19
Other assets		10 405	17 581	18 094	2 272	2 272	2 272
General vehicles		1 765	3 273	3 360	295	295	295
Specialised vehicles	10	1 925	3 479	3 571	1 646	1 646	1 646

Plant & equipment							
Computers - hardware/equipment		1 001	1 289	1 323	106	106	106
Furniture and other office equipment		47	61	62	11	11	11
Abattoirs			-	-			
Markets			-	-			
Civic Land and Buildings		2 767	3 564	3 658	46	46	46
Other Buildings		1 612	3 076	3 157	168	168	168
Other Land			-	-			
Surplus Assets - (Investment or Inventory)			-	-			
Other		1 288	2 839	2 962			
Agricultural assets		-	-	-	-	-	-
<i>List sub-class</i>							
Biological assets		-	-	-	-	-	-
<i>List sub-class</i>							
Intangibles		572	1 900	1 950	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)		572	1 900	1 950			
Total Depreciation	1	47 589	66 837	68 650	7 924	7 924	7 924

Specialised vehicles		1 925	3 479	3 571	1 646	1 646	1 646
Refuse		1 925	3 479	3 571	1 646	1 646	1 646
Fire							
Conservancy							
Ambulances							

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

Check	0	(0)	(0)	-	-	-
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2013/14 Medium Term Revenue & Expenditure Framework		
Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
4 582	4 841	5 212
2 266	2 394	2 577
2 266	2 394	2 577
478	505	543
478	505	543
948	1 002	1 076
948	1 002	1 076
678	716	776
678	716	776
212	224	240
212	224	240
1 440	1 522	1 634
609	644	692
457	483	518
125	132	141
123	130	140
126	133	143
-	-	-
20	21	23
20	21	23
2 437	2 603	2 837
324	342	371
1 757	1 885	2 062

114	121	130
11	12	13
49	52	56
181	192	206
-	-	-
-	-	-
-	-	-
-	-	-
8 479	8 987	9 706

1 757	1 885	2 062
1 757	1 885	2 062

- - -

NC073 Emthanjeni - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
R thousand								
Capital expenditure	1							
Vote 1 - EXECUTIVE AND COUNCIL		221	234	248	263	283	306	321
Vote 2 - FINANCE AND ADMINISTRATION		1 959	2 076	2 201	2 333	2 508	2 709	2 844
Vote 3 - PLANNING AND DEVELOPMENT		15 344	12 629	12 168	12 898	13 865	14 974	15 723
Vote 4 - HEALTH		21	23	24	26	27	30	31
Vote 5 - COMMUNITY AND SOCIAL SERVICES		728	846	897	951	1 022	1 104	1 159
Vote 6 - PUBLIC SAFETY		510	568	596	631	679	733	770
Vote 7 - SPORT AND RECREATION		101	107	113	120	129	139	146
Vote 8 - ROAD TRANSPORT		3 519	3 601	3 653	3 872	4 162	4 495	4 720
Vote 9 - OTHER		-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES		-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		55	58	62	66	71	76	80
Vote 12 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		505	520	540	572	615	665	698
Vote 14 - WATER		21 076	17 717	20	21	23	25	26
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total Capital Expenditure		44 039	38 379	20 521	21 752	23 384	25 254	26 517
Future operational costs by vote	2							
Vote 1 - EXECUTIVE AND COUNCIL		25	26	28	30	31	33	35
Vote 2 - FINANCE AND ADMINISTRATION		320	338	358	379	402	428	454
Vote 3 - PLANNING AND DEVELOPMENT		30	32	34	36	38	40	43
Vote 4 - HEALTH		-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		140	148	157	166	176	187	199
Vote 6 - PUBLIC SAFETY		72	76	81	85	90	96	102
Vote 7 - SPORT AND RECREATION		18	19	20	21	23	24	26
Vote 8 - ROAD TRANSPORT		276	291	309	327	347	369	392
Vote 9 - OTHER		-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES		-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		834	880	933	989	1 048	1 116	1 183
Vote 13 - ELECTRICITY		189	199	211	224	237	253	268
Vote 14 - WATER		516	544	577	612	648	691	732
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total future operational costs		2 420	2 553	2 706	2 869	3 041	3 238	3 433
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		46 459	40 932	23 227	24 621	26 425	28 493	29 950

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

NC073 Emthanjani - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
WATER		Bristown Water Supply: Reservoir														
Sewerage		Upgrading of Purification Works in De Aar	BSD16		Infrastructure - Water	Water purification	Ward 7									
Water		Storm Water Drainage	BSD26		Infrastructure - Sanitation	Sewerage purification	Ward 4									
Road Transport		Construction of New Tarmacked Streets	BSD77		Infrastructure - Water	Storm water	Ward 1 to 5									
Road Transport		Rehabilitation of Streets in Emthanjani	BSD 30		Infrastructure - Road transport	Roads, Pavements & Bridges	Ward 1, 2, 3, 4									
Road Transport		Resealing of Streets in Emthanjani	BSD30		Infrastructure - Road transport	Roads, Pavements & Bridges	Ward 1, 2, 3, 5									
Infrastructure Services		Replacement of Equipment and Machinery	FVFM8		Infrastructure - Road transport	Roads, Pavements & Bridges	Ward 1, 2, 3, 6									
Finance and Admin		Replacement of Computer Equipment	FVFM3		Other Assets	Plant & equipment	Ward 5									
Infrastructure Services		Vehicle for Infrastructure Services	BSD47		Other Assets	Computers - hardware/equipment	Ward 5, 6 and 7									
Electricity		Electrification of 75 houses	BSD68		Infrastructure - Other	General vehicles	Ward 5									
Community Services		EIA: New Cemetery Bristown	BSD65		Infrastructure - Electricity	Transmission & Retoolation	Ward 7									
Community Services		Upgrading of existing cemeteries	BSD63		Community	Cemeteries	Ward 7									
Electricity		Installation of Prepaid Electricity Meters	BSD81		Community	Cemeteries	Ward 4									
Public Safety		Procurement of Traffic Equipment	BSD70		Infrastructure - Electricity	Transmission & Retoolation	Ward 1 to 7									
Finance and Admin		Upgrading of municipal buildings	BSD34		Other Assets	Security and policing	Ward 5									
Finance and Admin		Intangibles of GRAP Compliance	FVFM2		Community	Buildings	Ward 1 to 7									
Parent Capital expenditure	1				Intangibles	Computers - software & programming	Ward 5									
Entities:																
<i>List all capital projects grouped by Entity</i>																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure																
Total Capital expenditure																

References:

1. Must reconcile with Budgeted Capital Expenditure
2. As per Table SA6
3. As per Table SA34
4. Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by programme by vote

NC073 Emthanjani - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3 Examples	Asset Sub-Class 3 Examples	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework			
								Original Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>													
Entities: <i>List all capital projects grouped by Municipal Entity</i>													
Entity Name Project name													

References

1. List all projects with planned completion dates in current year that have been re-budgeted in the MTREF
2. Refer MFMA s30
3. As per Table SA34

NC073 Emthanjeni Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	10 059	5 134	9 219	10 458	(28 706)	(28 706)	(8 456)	9 452	20 079	18 212
Cash + investments at the yr end less applications - R'000	18(1)b	2	8 305	28 684	41 252	20 005	25 946	26 679	26 679	17 428	15 478	16 931
Cash year end/monthly employee/supplier payments	18(1)b	3	1.2	0.6	0.9	1.0	(2.8)	(2.8)	(0.8)	0.8	1.7	1.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(23 366)	(24 280)	(56 870)	22 143	17 906	16 658	16 658	43 644	35 748	14 879
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	1.8%	9.8%	2.4%	(11.4%)	(6.8%)	(6.0%)	21.1%	(0.0%)	0.7%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	79.2%	52.3%	98.2%	95.0%	100.0%	103.1%	103.1%	87.2%	82.5%	83.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	19.5%	2.2%	18.6%	8.3%	7.5%	8.9%	8.9%	7.3%	7.3%	7.4%
Capital payments % of capital expenditure	18(1)c;19	8	107.1%	100.0%	100.0%	99.9%	105.9%	105.9%	105.9%	90.0%	92.7%	173.6%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								105.1%	105.4%	105.1%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	212.7%	(2.2%)	(60.3%)	26.8%	0.0%	0.0%	(13.0%)	(10.6%)	0.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(30.7%)	(96.1%)	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.0%	0.9%	0.8%	1.3%	1.3%	1.3%	1.5%	1.4%	1.3%	1.4%
Asset renewal % of capital budget	20(1)(vi)	14	68.8%	0.0%	18.1%	36.2%	34.3%	34.3%	0.0%	11.3%	16.2%	27.4%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection