

# Central Karoo District Municipality

# BUDGET

## 2010/2011 tot 2012/2013

**OPGESTEL DEUR:**  
**MNR. C.J.KYMDLL**  
**DIREKTEUR: FINANSIES**  
**Telefoon + 27 (23) 449 1000**  
**Faks +27 (23) 415 1253**

**Last Revision date:** 26 May 2010



**CENTRAL KAROO**  
DISTRICKS MUNISIPALITEIT / DISTRICT MUNICIPALITY  
“ORGANISAMA WENTSE” / “SAYE”

## TABLE OF CONTENTS

	<b>Page</b>
<b>1. INTRODUCTION</b>	<b>2</b>
<b>2. MAYORAL SPEECH</b>	<b>3</b>
<b>3. BUDGET RELATED RESOLUTIONS</b>	<b>6</b>
<b>4. MUNICIPAL MANAGER'S QUALITY CERTIFICATE</b>	<b>7</b>
<b>5. EXECUTIVE SUMMARY</b>	<b>8</b>
• <b>ANNEXURE A – DETAILED CAPITAL BUDGET</b>	<b>20</b>
• <b>ANNEXURE B – TARIFF LIST</b>	<b>23</b>
<b>6. ANNUAL BUDGET TABLES</b>	<b>30</b>
<b>7. SUPPORTING DOCUMENTATION</b>	<b>88</b>

The following policies are submitted annually as part of the budget documentation:

- ❖ Cash Management and Investment Policy
- ❖ Rates Policy
- ❖ Tariff Policy
- ❖ Supply Chain Management Policy
- ❖ Credit Control and Debt Collection and Indigent Policy

In terms of the Budget and Reporting Regulations, the following policies are also submitted as part of the documentation:

- ❖ Virement Policy
- ❖ Funding and Reserve Policy
- ❖ Asset Management Policy

# 1. INTRODUCTION

## MUNICIPAL BUDGET

### DEFINITION OF A MUNICIPAL BUDGET

A municipal budget is generally a projection of future revenues and expenditure. A budget is used to control financial transactions and should also be used as a management and planning tool.

It is also the tool for implementing the service delivery objectives of the Municipality as set out in their Integrated Development Plan (IDP).

A municipal budget also provides for greater transparency, accountability, flexibility, and predictability within the municipality.

### **A Municipal budget is divided into a Capital and an Operating Budget:**

- a) A capital budget is an estimate of the expenses that will be incurred during that financial year to create future benefits, and the sources of finance from which these expenses will be funded. The municipality spends money either to buy fixed assets or to add to the value of an existing fixed asset with a useful life that extends beyond one year. Fixed assets include, inter alia, land and buildings, motor vehicles, furniture, computers, office equipment and machinery.
- b) An operating budget is an estimate of the operating revenues which will accrue to the municipality through its normal service delivery and the expenditure that will be incurred through the day to day operations of the municipality over the financial year.

**Example:** The purchase of a photocopier is a capital expenditure and is budgeted for under the capital budget, but the maintenance and other expenses such as the paper and toner for the photocopier is budgeted for under the operating budget.

### OBJECTIVE OF A MUNICIPAL BUDGET

The main objective of a municipal budget is to sensibly allocate realistically expected resources to the municipality's service delivery goals or performance objectives identified as priorities in the approved IDP.

The municipal budget is a tool through which the total level of revenue and expenditure are adequately controlled, public resources are appropriately allocated among sectors and programs, and ensure that departments operate as efficiently as possible within the municipality.

## 2. MAYORAL SPEECH

Mr Speaker, Aldermen, Councillors, Municipal Manager and Directors, members of the public and staff members.

It is again my privilege to table this Integrated Development Plan as well as the Budget, together with related documents, for the 2010/2011 financial year and the two outer years as prescribed in terms of Section 16 of the Municipal Finance Management Act.

As in previous years the Budget and the IDP are the culmination of a detailed and extensive planning process over several months. The process again included a series of consultative meetings in the region and ward to identify the needs of the communities. This process enabled Council to get a broad overview of the most important needs in the different wards and how they should be prioritised in 2010/2011 as it is inevitable that priorities change from year to year.

As in the past, Council's objective with the Budget is very clear. Although you may have heard them in previous years when I tabled the budget, they were as fundamental to the budget process this year as then and I am repeating them for your convenience again this year.

They are to:

- \* Ensure that every citizen of the Central Karoo Region shares in the services that this District Municipality provides.
- \* Provide cost-effective and efficient services to the community as a whole.
- \* Improve the standard of services.
- \* Provide for the maintenance of existing infrastructure.
- \* Provide and plan for new infrastructure and new bulk services due to the growing needs of the own. In this regard, we wish to build capacity for long-term growth.
- \* Protect the poor by subsidising various rates and tariffs from the equitable share paid by the State as well as from rate payers funds, and to
- \* Maintain financial discipline, thereby ensuring that the finances of this Council are kept on a sound basis.

Before I get into the details of the 2010/2011 Budget, I believe it is important to sketch some of the background against which this year's budget had to be formulated.

Although the tight economic conditions, which were experienced over the past number of years, appear to have eased somewhat, we are by no means close to the favourable conditions experienced in the first half of the decade. The Municipality therefore continues to feel the negative impact on its Grants and Subsidies and traditional sources of income as well as the economic growth of the town.

As a result of the water pre-paid meters that was installed, the Municipality's income from water sales declined for the period from July 2009 to June 2010.

The increases in the price of electricity over the past few years have been drastic and are resulting in consumers cutting back on their electricity consumption, again with a negative effect on the Municipality's income from this source. As you will note we have increase the electricity

tariff lower than what was approved by NERSA and also did not increase the monthly basic charge for electricity in respect of domestic consumers.

As far as water is concerned, the Municipality continues to provide 6 kilolitres of free water per month to all consumers, in contrast to the neighbouring municipalities. This is of particular importance with regard to the indigent and the poor in our community.

The sewerage tariff will also be increased with 8%.

Capital projects for 2010/2011 to the amount of R9 628 400 include the tarring or upgrading of several streets as well as improvements to drainage and storm water systems.

The total budget for 2010/2011 amounts to R64 834 482 and consists of a Capital Budget of R9 628 400 and an Operating Budget of R55 206 082. The Capital Budget amounts to 14.85 per cent of the total budget and the Operating Budget to 85.15 per cent.

The total Operating budget compares with the initial budget of R55 200 379 approved for the 2009/2010 financial year, an increase thus of only 0,01 per cent. This is indicative of responsible budgeting as well as Council's empathy with our ratepayers in the difficult economic conditions prevailing at present.

The Operational Budget also includes departmental and non-cash transactions to a value of R42 475. If this is subtracted, the operational cash budget for 2010/2011 is decreased to R55 163 607.

The Municipality will also receive grants of R28,80 million in total from the National Government and R5,20 million in total from the Western Cape provincial government towards its capital as well as operating budgets for the 2010/2011 financial year.

The national grants include the Municipal Infrastructural Grants of R7,46 million, Finance Management Grant of R1 million, Municipal System Improvement Grant of R750 thousand, DWAF of R3,6 million and Equitable Share in the amount of R15,8 million.

The provincial funding will include Local Government and Housing of R1 million towards the Shared Services budget. It will also include smaller grants toward the maintenance of proclaimed roads, ie R10 000, an amount of R50 000 for library services, an amount of R333 000 for Disaster Management, an amount of R591 389 for Tourism and a community development workers operations support grant of R100 000.

The bulk of the Capital Budget for 2010/2011 is devoted to infrastructure improvements in the following services:

Streets and Storm Water	R7,5 million.
Graveyard	R100 000

The details of all these capital projects can be found in the project list, which is included in the Executive Summary.

The funding of the capital budget in the short and medium term has been analysed in detail, and it has become clear that the present levels of financing of capital budgets from the Capital Replacement Reserve (CRR) will be impossible to sustain over the longer term.

In view of the above situation it is also recommended that the proposed levels of capital funding from the CRR are not exceeded and that any proposed additions to the draft capital budgets be prioritised against other projects which already appear on the capital budgets

The Operational Budget, as in previous years, again focuses on the maintenance of existing infrastructure and improvement of service delivery to the community. Council remains committed to a clean environment. This priority also figures in the operational budget.

Details of the operational budget are provided in the budget document. Councillors are, however, urged to peruse through these details and consult with Directors if any clarification is required. As in the past, Council will have to continue to exercise strict financial discipline to prevent excessive burdens being placed on the community by way of excessive tariff increases.

It will be noted that the plight of the poor has again received attention. It is proposed that the household subsidies for indigent households are increased from R150,11, plus VAT, to R150,35, plus VAT.

Pensioners with a total monthly income not exceeding R1 200 per month will qualify for a discount of thirty per cent on their property rates. Pensioners with a total monthly income exceeding R1 200 but not more than R1 500 per month will qualify for a discount of twenty per cent on their property rates. Pensioners with a total monthly income exceeding R1 500 but not more than R2 160 per month will qualify for a discount of ten per cent on their property rates.

The proposed tariffs for the 2010/2011 financial year are listed in the Executive Summary to this document but I would like to highlight the following:

The draft budget for 2010/2011 makes provision for the following tariff increases:

* Rates	6.00%
* Water	12.00%
* Electricity	26.00%
* Sewerage	8.00%
* Refuse	7.00%

It will be noted that Council's electricity tariff increase is lower than the Eskom increase of 28.9%, which has been approved by NERSA.

In conclusion, I would like to thank all who were involved in the IDP and budget process thus far and for the hard and diligent work that clearly went into it.

As this is a draft budget there is obviously still some more work to do but I have no doubt that together we have the dedication and resolve to table a final budget that will enable Central Karoo District Municipality to sustain its reputation as one of the more financially responsible District Municipalities in South Africa.

**Mr T PRINCE**  
**EXECUTIVE MAYOR**

### **3. BUDGET RELATED RESOLUTIONS**

The MFMA stipulates that the Mayor must table the annual budget at a council meeting at least 90 days before the start of the budget year and the Mayor must take all reasonable steps to ensure that the municipality approves its annual budget before the start of the budget year. For this reason Council may at the time of tabling the budget simply note the draft resolutions.


The following is the draft resolutions which Council needs to take with the approval of the 2010/11 Budget by the end of May 2010:

1. Council resolves that the Annual Budget of the Municipality for the financial year 2010/11 and indicative for the two projected outer years 2011/12 and 2012/13 and the multi-year and single year capital appropriations be approved as set out in the following schedules:
  - 1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in Table A2,
  - 1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as reflected in Table A3,
  - 1.3. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source as reflected in Table A5,
  - 1.4. Capital detailed budget reflected in Executive Summary.
2. Council resolves that property rates reflected in the 2010/11 Tariff list (Executive Summary) and any other municipal tax reflected in the 2010/11 Tariff list are imposed for the budget year 2010/11.
3. Council resolves that tariffs and charges reflected in the 2010/11 Tariff list (Executive Summary) be approved for the budget year 2010/11.
4. Council resolves that the measurable performance objectives for revenue from each source and for each vote reflected in section 6 of this document be approved for the budget year 2010/11.
5. Council resolves to adopt the amended Integrated Development Plan (IDP).
6. Council resolves that the amended budget related policies reflected in Annexure C are approved for the budget year 2010/11.
7. Council resolves that the filling of the vacant posts as identified by the Executive Management and as shown in section 5 of this document be approved.
8. Council approves that the subsidies in respect of indigent and poor households be approved subject to the public participation process as follows:
  - Indigent households                      R150,35 (VAT excluded)

#### 4. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, Mr S Jooste, acting municipal manager of Central Karoo District 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.

Mr S Jooste  
ACTING MUNICIPAL MANAGER OF CENTRAL KAROO DISTRICT MUNICIPALITY (DC5)

  
.....  
SIGNATURE

24/5/10  
.....  
DATE



# BESTUURSVERSLAG / EXECUTIVE SUMMARY

## BESPREKINGSKODUMENT VAN BEGROTING VIR 2010/11 / DISCUSSION DOCUMENT FOR 2010/11 BUDGET

### INLEIDING / INTRODUCTION

Hierdie dokument het ten doel om die begroting vir 2010/11 op te som en te vereenvoudig, sowel as om sekere belangrike aspekte uit te wys. Verder word 'n bondige langtermyn vooruitsig aan u geskets.

Alvorens die nuwe begroting bespreek word, is dit nodig om te weet watter oogmerke, riglyne en faktore in aanmerking geneem is met die opstel van die 2010/11 begroting.

*The purpose of this document is to summarise and simplify the 2010/11 budget as well to emphasise certain important aspects. Also, a concise, long-term projection is outlined.*

*Before the new budget is discussed, it is necessary to be conversant with objectives, guidelines and factors taken into consideration during framing it.*

### OOGMERKE / OBJECTIVES:

- Die opstel van 'n wetlike bindende finansiële plan en beleid. /  
*The framing of a legally-binding financial plan and policy.*
- Die begroting wat goedgekeur word, akkuraat en betroubaar is om te verseker dat dit gebruik kan word as 'n beheerinstrument. /  
*That the budget which is approved be accurate and reliable to so ensure that it can be used as an instrument of control.*
- Tariewe te verhoog binne die betalingsvermoë van die belastingbetalers. /  
*That rates be increased within the financial capabilities of tax-payers.*
- Om te verseker dat effektiewe dienste aan die inwoners gelewer word teen billike tariewe. /  
*That it is ensured that effective services at reasonable rates be delivered to all.*
- Voldoen aan die nuwe Begrotings Regulasies /  
*Comply with the New Budget Regulations.*

RIGLYNE / GUIDELINES:

- Die Minister van Finansies, wie se taak dit is om algehele spandering en befondsing van die owerheidsektor en die makro-ekonomiese stabiliteit en ander ekonomiese doelwitte te bewerkstellig, het die maksimum persentasie van spandering op 5.7% vasgestel vir die kapitale- en bedryfs-begroting vir die 2010/11 boekjaar. /  
*The Minister of Finance, whose function it is to achieve total expenditure and funding of the public sector and macro-economic stability and other national economic objectives, has fixed maximum expenditure percentage for the capital and operating budget for the 2010/11 financial year at 5.7%.*
- 'n Doelwit te stel om tariefverhogings tot onder die 8% te hou. /  
*To set the objective of keeping rates increases below 8%.*
- Die GOP in die begroting in te sluit. /  
*To incorporate the IDP in the budget.*
- 'n Groeikoers soos geïllustreer deur onderstaande diagram te aanvaar vir begrotingsdoeleindes. /  
*To accept a growth rate for budgetary purposes as shown in the following diagram:*

<b>Groei Parameters / Growth Parameters</b>	<b>Jaar 2 / Year 2</b>	<b>Jaar 3 / Year 3</b>
<b>UITGAWES / EXPENDITURE:</b>		
Salarisse, Lone en Toelae / <i>Salaries, Wages and Allowances</i>	<b>8.5%</b>	<b>8.0%</b>
Algemene Onkoste / <i>General Expenditure</i>	<b>6.0%</b>	<b>6.0%</b>
Herstel en Onderhoud / <i>Repairs and Maintenance</i>	<b>6.0%</b>	<b>6.0%</b>
Ander / <i>Other</i>	<b>6.0%</b>	<b>6.0%</b>
<b>INKOMSTE / INCOME:</b>		
Eiendomsbelasting / <i>Property Rates</i>	<b>6.0%</b>	<b>6.0%</b>
Rioolheffing / <i>Sanitation</i>	<b>6.0%</b>	<b>6.0%</b>
Vullisverwydering / <i>Refuse Removal</i>	<b>6.0%</b>	<b>6.0%</b>
Elektrisiteit / <i>Electricity</i>	<b>6.0%</b>	<b>6.0%</b>
Water / <i>Water</i>	<b>6.0%</b>	<b>6.0%</b>
Balanseerende Syfer (Surplus Fondse) / <i>Balancing Figure (Surplus Funds)</i>	<b>R0.00</b>	<b>R0.00</b>

**FAKTORE WAT DIE 2010/11 BEGROTING BEÏNVLOED HET / FACTORS THAT INFLUENCED THE 2010/11 BUDGET:**

- Personeeluitgawes styg met 10.2% as gevolg van voorsiening volgens die Task skale, 'n addisionele salarisaanpassings van 8%, voorsiening vir Munisipale Bestuurder en Bestuurder Strategiese Ontwikkeling. / *Expenditure on personnel increased by 10.2% as a result of provision according the Task scales, additional 8% salary adjustment, provision for a Municipal Manager and Strategic Development Manager.*
- GOP integrasie met huidige begroting. / *IDP integrated into current budget.*
- Grootmaat Aankope styg met 19.9% as gevolg van Subsidies en skenkings. / *Bulk Purchases increase by 19.9%. as a result of Grants and subsidies .*
- Herstel en Onderhoud styg met 13.4% as gevolg van agterstand op instandhouding van bates. / *Repairs and Maintenance increase by 13.4% as a result of backlogs on maintenance of assets.*
- Subsidies en Skenkings / Subsidies and Grants.  
Fondse beskikbaar vir Sentraal Karoo Distriksmunisipaliteit vir die 2010/11 boekjaar is as volg. / *Funds for the Central Karoo District Municipality for the 2010/11 financial year are as follows:*

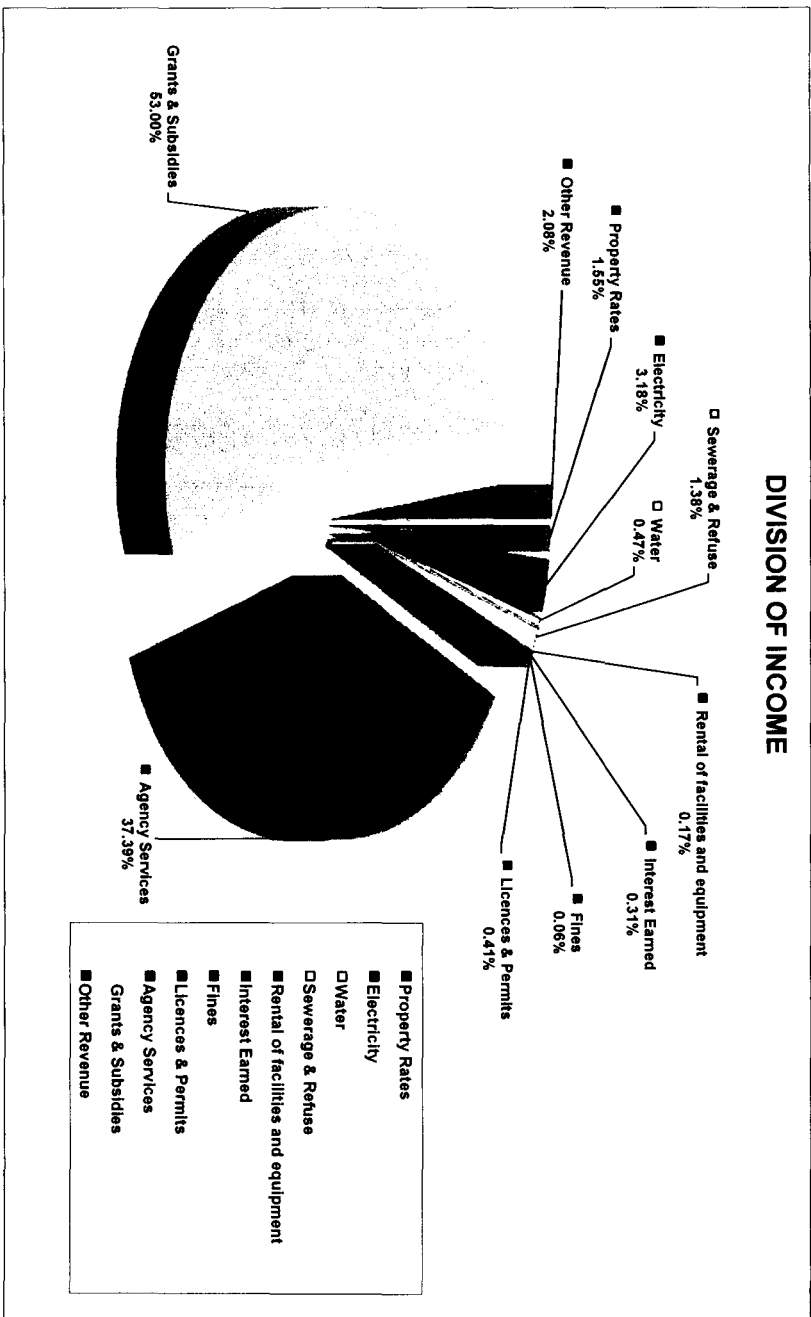
<b>FONDS / FUND</b>	<b>BEDRAG / AMOUNT</b>
Equitable Share	R 15 757 000
Financial Management Grant	R 1 000 000
Municipal Infrastructure Grant	R 7 461 000
Municipal System Improvement Grant	R 750 000
Department of Local Government and Housing	R 1 103 000
Department of Economic Development and Tourism	R 591 389
Department Social Services and Poverty Alleviation	R 2 000 000
Department of Health	R 867 000
Department of Health	R 76 000
Department of Housing	R 500 000
Department of Transport	R 10 000
Department of Culture Affairs and Sport	R 50 000
DWAF	R 3 655 366
ISRDP	R 200 000
<b>TOTAAL / TOTAL</b>	<b>R 34 020 755</b>

DC5 Central Karoo - Table A4 Budgeted Financial Performance (Revenue and expenditure)

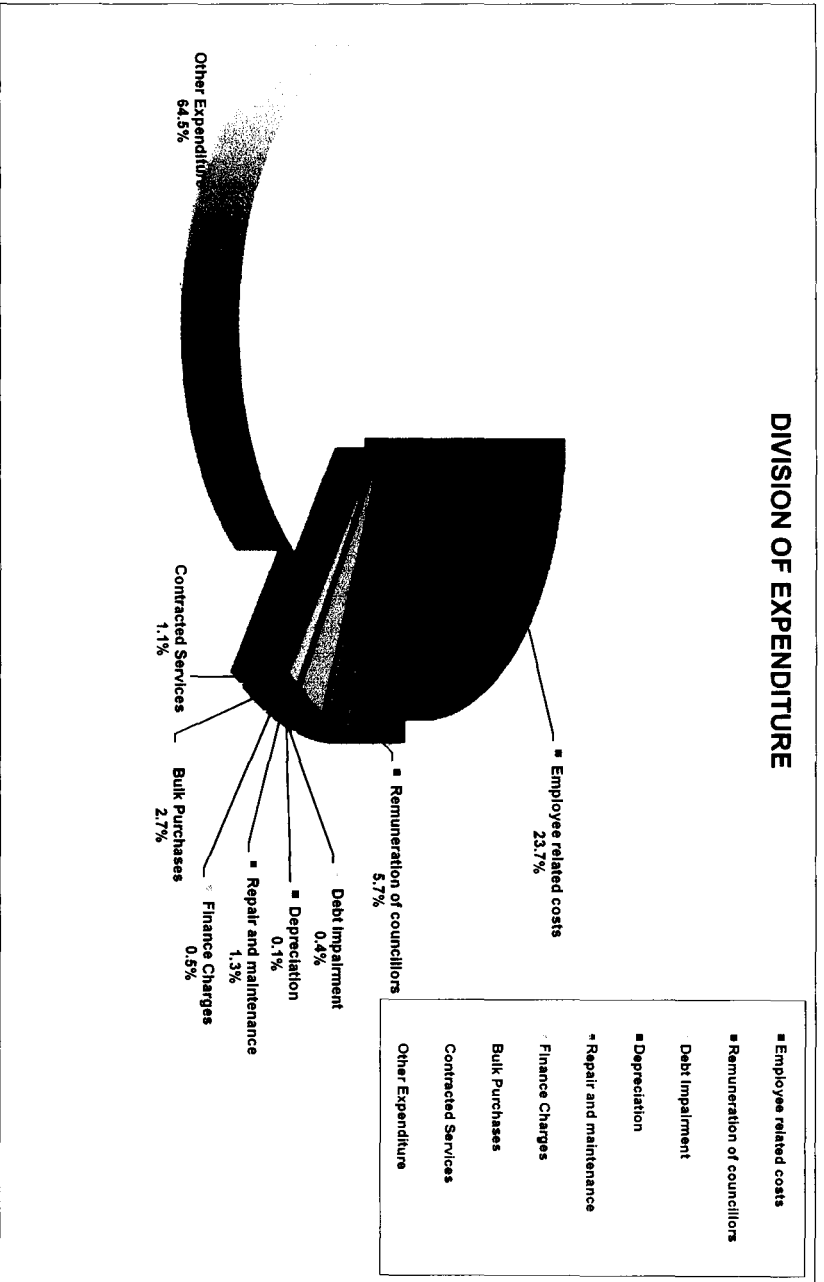
Description	Ref	Current Year 2009/10										2010/11 Medium Term Expenditure Framework Revenue &		
		2006/7	2007/8	2008/9	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	% Variance Adjusted	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13		
<b>R thousand</b>	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	% Variance Adjusted	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13		
<b>Revenue By Source</b>														
Property rates	2	498	682	703	941	941	941	957	5.7%	998	1,045	4,586		
Property rates - penalties & collection changes		-	-	-	-	-	-	-		-	-	-		
Service charges - electricity revenue	2	887	919	1,030	1,453	1,453	1,453	1,070	28.8%	2,041	2,136	2,235		
Service charges - water revenue	2	570	514	245	786	786	786	139	-158.1%	304	346	374		
Service charges - sewerage & refuse revenue	2	725	792	795	833	833	833	640	5.7%	884	925	968		
Rental of facilities and equipment		79	123	94	107	107	107	35	0.0%	107	113	119		
Interest earned - external investments		665	540	179	200	200	200	101	0.0%	200	209	219		
Interest earned - outstanding debtors		23	8	0	-	-	-	-	-	-	-	-		
Fines		27	15	32	38	38	38	15	0.0%	38	39	41		
Licences and permits		219	212	241	264	264	264	181	0.0%	264	276	289		
Agency services		23,249	20,685	24,110	21,143	21,143	21,143	21,312	11.9%	24,000	25,738	26,919		
Transfers recognised - operational		25,151	20,153	26,846	31,943	36,522	36,522	28,046	-7.4%	34,021	31,773	32,380		
Other revenue	2	812	974	1,219	877	1,502	1,502	1,158	-12.3%	1,337	1,482	1,654		
Gains on disposal of PPE		10	-	-	-	-	-	-	-	-	-	-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>52,916</b>	<b>45,617</b>	<b>56,105</b>	<b>58,585</b>	<b>63,790</b>	<b>63,790</b>	<b>53,654</b>	<b>0.6%</b>	<b>64,193</b>	<b>64,084</b>	<b>69,784</b>		

<b>Expenditure By Type</b>																				
Employee related costs	2	9,322	10,921	9,734	11,702	11,748	11,748	7,937	10.2%	13,084	14,178	15,305								
Remuneration of councillors		2,248	2,295	2,548	2,801	2,801	2,801	2,036	10.4%	3,125	3,391	3,662								
Debt Impairment	3	1,881	621	581	144	254	254	-	-21.0%	210	220	230								
Depreciation & asset impairment	2	2,344	2,373	1,614	2,373	2,373	2,373	-	-5487.5%	42	2,258	2,278								
Finance charges		56	53	986	50	50	50	-	82.8%	291	110	110								
Bulk purchases	2	654	708	932	1,163	1,213	1,213	991	19.9%	1,513	1,584	1,679								
Contracted services		347	345	351	415	550	550	495	9.1%	605	633	663								
Repair and Maintenance		307	313	422	578	621	621	348	13.4%	717	751	785								
Transfers and grants		2,004	2,358	-	2,000	2,000	2,000	-	-100.0%	-	-	-								
Other expenditure	4, 5	34,374	29,421	34,076	31,103	33,591	33,591	26,526	5.7%	35,618	33,197	33,035								
Loss on disposal of PPE		74	-	15	-	-	-	-	-	-	-	-								
<b>Total Expenditure</b>		<b>53,661</b>	<b>49,410</b>	<b>51,259</b>	<b>52,330</b>	<b>55,201</b>	<b>55,201</b>	<b>38,332</b>	<b>0.01%</b>	<b>55,206</b>	<b>57,322</b>	<b>57,747</b>								
<b>Surplus/(Deficit) for the year</b>		<b>(389)</b>	<b>(3,480)</b>	<b>5,268</b>	<b>6,833</b>	<b>9,210</b>	<b>9,210</b>	<b>15,670</b>	<b>5.1%</b>	<b>9,704</b>	<b>8,512</b>	<b>12,822</b>								

## DIVISION OF INCOME



## DIVISION OF EXPENDITURE



2.BEHANDELING VAN DIE BEGROTING VIR 2010/11 / DEALING WITH 2010/11 BUDGET

Die bedryfsbegroting toon 'n afname van 0.01% teenoor die 2009/10 Finansiële Jaar. Die begroting is egter aangepas ten einde voorsiening te maak om aan die vereistes van GAMAP/GRAP en die voorskrifte vervat in die omsendbrief No 51 2010/11 van die Nasionale Tesourie te voldoen. /

*There has been an increase of 0.01% when compared to the 2009/10 Financial Year. Essential adaptations have been introduced to apply with GAMAP/GRAP regulations and Circular No 51 2010/11 received from Nasionaal Treasurer.*

2.1KAPITAAL / CAPITAL

Die Kapitale uitgawe komponent van die 2010/11 begroting het vir 'n toename in groei gesorg en 'n vermeerdering van 5.72% vergeleke met die vorige boekjaar is gerealiseer. Die toename kan hoofsaaklik toegeskryf word aan die feit dat die MIG Fondse in die begroting toegeneem het. Die meeste van die kapitale uitgawes is befonds deur subsidies van buite soos in die GOP begroting en die onderstaande skedule aangedui. /

*The Capital expenditure component of the 2010/11 budget growth has been increased. There has been a increase of 5.72% when compared to the previous financial year. This increase can mainly be attributed to the fact of the increase in MIG Funds. Most of the capital expenditure has been funded by outside subsidies such as from the IDP budget and indicated in the schedule below:*

<b>KAPITAALBESTEDING / CAPITAL EXPENDITURE</b>	<b>BEDRAG / AMOUNT</b>	<b>BEFONDSING / FUNDING</b>
<b>Distriksmunisipaliteit / District Municipality</b>		
Meubels & Toerusting / Furniture & Equipment	67 400	KVR / CRR
Rekenaartoerusting / Computer Equipment	70 000	KVR / CRR
<b>Murraysburg DMA</b>		
Voertuie/ Vehicle	100 000	KVR / CRR
Gereedskap / Equipment	6 000	KVR / CRR
Omheining van Begraafplaas / Fencing of Graveyard	100 000	KVR / CRR
Biblioteek Rakke / Library Shelving	24 000	DPLG
Paaie en Stormwater / Roads and Storm water	7 461 000	MIG
Multi Purpose Centre	1 800 000	DPLG
<b>TOTAAL / TOTAL</b>	<b>9 628 400</b>	



## 2.2 UITGAWE / EXPENDITURE

Uitgawe op die Raad se bedryfsbegroting beloop 'n bedrag van R55 206 082 vir die 2010/11 boekjaar, vergeleke met 'n bedrag van R55 200 379 van die 2009/10 begroting wat 'n toename van R5 703 0.01% reflekteer. Dit is 5.69% minder as die toegelate 5.7% beperking in toename wat die Departement van Finansies oor die bestedingsvlak van Plaaslike Owerhede geplaas het. toename in die uitgawe komponent vergeleke met die vorige boekjaar is soos op bladsy 4 aangedui. /

*Expenditure amounts to R55 206 082 of the Council's operational budget for the 2010/11 financial year, compared to R55 200 379 for the 2009/10 budget, a increase of R5 703, or 0.01%. This is 5.69% less than the permissible 5.7% limit on excess which the Department of Finance placed on the expenditure level of Local Authorities. Increase in the expenditure component compared to the previous financial year is as indicated on Page 4.*

### 2.2.1 SALARISSE EN TOELAES / SALARIES AND ALLOWANCES

Personeeluitgawes styg met 10.2% as gevolg van voorsiening volgens die Task skale, 'n addisionele salaris aanpassings van 8%, voorsiening vir Munisipale Bestuurder en Bestuurder Strategiese Ontwikkeling. /

*Expenditure on personnel has increased by 10.2% as a result of provision according the Task scales, additional 8% salary adjustment, provision for Municipal Manager and Strategic Development Manager.*

### 2.2.2 ALGEMENE ONKOSTES / GENERAL EXPENDITURE

Die Algemene Onkoste komponent van die 2010/11 begroting beloop 'n bedrag van R35 823 506 wat 'n bedrag van R2 027 440 5.7% meer is as die 2009/10 begroting. Die bedrag van R2 027 440 sluit reeds in die allokasies van die GOP. Die grootste enkele rede vir die vermeerdering kan toegeskryf word aan die GOP projekte. /

*The General Expenses component of the 2010/11 budget amounts to R35 823 506, which is R2 027 440 or 5.7% more than the 2009/10 budget. The amount of R2 027 440 includes the IDP allocations. The largest single reason for the increase can be ascribed to the IDP projects included in the budget.*

### 2.2.3 HERSTEL EN ONDERHOUD / REPAIR AND MAINTENANCE

Hierdie uitgawe komponent toon 'n toename in bestedingsvlak ten bedrae van R96 000 13.4% vergeleke met die 2009/10 begrotingsjaar. Addisionele fondse is nie beskikbaar om hierdie komponent te verhoog nie. Die Begroting vir Herstel en Onderhoud sal as volg aangewend word nl.

- Normale Herstel en Onderhoud sowel as agterstand op Onderhoud – R716 800
- Kapitaaluitgawe ten opsigte van agterstand – R7 461 000. /

*This expenditure component displays the considerable increase of R96 000 or 13.4% in comparison to the 2009/10 budget. Additional funds are not available to increase this component. The Repair and Maintenance budget will be spend as follow nl.*

- *Daily Repair and Maintenance and backlogs on Maintenance – R716 800*
- *Capital Expenditure in respect of backlogs – R7 461 000.*

#### 2.2.4 BYDRAE TOT VASTE BATES / CONTRIBUTIONS TO FIXED ASSETS

Reeds bespreek onder die punt 2.1 (bladsy 5) van hierdie verslag. /  
*Already discussed under point 2.1 (page 5) of this report.*

#### 2.2.5 VOORSIENINGS TOT BEDRYESKAPITAAL / PROVISIONS FOR WORKING CAPITAL

Hierdie uitgawe komponent toon 'n toename ten bedrae van R8 192 163 of 5.3% vergeleke met die 2009/10 begrotingsjaar en word hoofsaaklik toegeskryf aan die voorsiening vir oninbare skulde, instaleer van vooruitbetaalde watermeters, eiendomsbelasting en subsidiëring van lae inkomste huishoudings.

Die volgende katagorieë is van toepassing naamlik:

- R0.00 – R250.00 word ten volle gesubsidieer.
- R251.00 – R1 100.00 ontvang subsidie vir water, riool en elektrisiteit.
- R1 101.00 – R2 160.00 ontvang subsidie vir water en elektrisiteit

Eiendomsbelasting Kortings:

1. Alle Residensiële eiendomme is vrygestel van belasting op eerste 19 000 van markwaarde.
2. Addisionel korting aan eienaars wat ouderdomspensioen of ongeschiktheidstoelaes ontvang asook eienaars wat voldoen aan die vereistes vir ontvangs van die korting is as volg:
  - a. Totale maandelikse huishoudelike inkomste tot R1 200 – 30%
  - b. Totale maandelikse huishoudelike inkomste tot R1 500 – 20%
  - c. Totale maandelikse huishoudelike inkomste tot R2 160 – 10%. /

*This expenditure component reflects an increase of R8 192 163 or 5.3%, when compared to the 2009/10 budget. This is mainly due to the provision for bad debts, installation of Pre-Paid Watermeters, rates and subsidizing of low-income households*

*The following categories are applicable:*

- *R0.00 – R250.00 will be fully subsidized.*
- *R251.00 – R1 100.00 will received subsidy for water, sewerage and electricity.*
- *R1 101.00 – R2 160.00 will received subsidy for water and electricity.*

*Rates Discount:*

1. *All residential property are exempt from the first 19 000 market value.*
2. *Additional discount for owners who received elderly pension or disability allowance and also owners who qualify according this category are as follows:*
  - a. *Total monthly household income up to R1 200 – 30%*
  - b. *Total monthly household income up to R1 500 – 20%*
  - c. *Total monthly household income up to R2 160 – 10%*

#### 2.2.6 GROOTMAAT AANKOPE / BULK PURCHASES

Hierdie uitgawe komponent toon 'n toename ten bedrae van R300 700 of 19.9% vergeleke met die 2009/10 begrotingsjaar en word hoofsaaklik toegeskryf aan die 24.8% verhoging ontvang vanaf NERSA.

*This expenditure component reflects an increase of R300 700 or 5.3% when compared to the 2009/10 budget. This is mainly due to the increase of 24.8% received from NERSA.*

#### 2.2.7 GEKONTRAKTEERDE DIENSTE / CONTRACTED SERVICES

Hierdie uitgawe komponent toon 'n toename ten bedrae van R55 000 of 9.1% vergeleke met die 2009/10 begrotingsjaar en word hoofsaaklik toegeskryf aan Shared Services met Prins Albert Munisipaliteit.

*This expenditure component reflects an increase of R55 000 or 9.1% when compared to the 2009/10 budget. This is mainly due to the Shared Services with Prince Albert Municipality.*

Die totale bedrag uit die bedryfsinkomste begroting beloop 'n bedrag van R64 193 186 vergeleke met die vorige begrotingsjaar se R63 789 548 en reflekteer 'n toename van R403 638 of 0.6%. Die toename in inkomste is te wyte aan Subsidies en Skenkings ontvang vir GOP projekte, MIG Fondse en Agentskapsdienste. Geen fondse word vanaf die Surplusfondse aangewend nie maar die volgende tariefaanpassings word gemaak by Murraysburg DMA, soos onder uiteengesit.

Eiendomsbelasting	-	6.00%	Riool	-	8.00%
Vullis	-	7.00%	Elektrisiteit	-	26.00%
Water	-	12.00%			

Elektrisiteit word verhoog as gevolg van die 24.8% aanpassing van NERSA en aangesien daar die afgelope 5 jaar slegs die aanpassing van NERSA toegepas is. Indien die Raad die tarief nie met 26% aanpas nie sal die Elektrisiteitsdiens nie meer 'n Handelsdiens wees nie. /

*The total amount from the operating income budget amounts to R64 193 186, compared to the previous budget R63 789 548. This reflects an increase of R403 638 or 0.6%. This increase in income is due to Subsidies and Grants received for IDP projects, MIG Funds and Agencies Services. No additional funds was necessary to utilize from Surplusfunds but adjust tariffs were made at Murraysburg DMA as set out below.*

Rates	-	6.00%	Sewerage	-	8.00%
Refuse	-	7.00%	Electricity	-	26.00%
Water	-	12.00%			

*The increase in Electricity is due to the increase of 24.8% received from NERSA and in the last 5 years the Council only increase the tariff with the tariff increases received from NERSA. If the Council does not increase the tariff with 26% the Electricity Service will not remain a Trading Service.*

CAPITAL PROJECTS / KAPITAAL PROEKTTE

ANNEXURE A

UITGAWE Technical Services / Tegiese Dienste Meubels en Toerusting	SAKKE VERLEK GEPANDE VER 2006/06	R	GOEDDOELIGE RESULTING VER 2006/10	HERWANE RESULTING VER 2006/10	J1		J2		J3		J4		J5	
					REQDITING VER 2010/11	R	BEVALING VER 2011/12	R	BEVALING VER 2012/13	R	BEVALING VER 2013/14	R	BEVALING VER 2014/15	R
DMA Administrasie / DMA Administrasie		2,009,200	2,110,600	2,110,600	1,900,000	1,007,000	507,000	7,000	7,000					
Faksmasjien		0	0	0	0	0	0	0	0					
150 Stoele (Stadsaal)		0	0	0	0	0	0	0	0					
Groentetuin		0	0	0	0	0	0	0	0					
Omhulping van Begraafplaas		0	100,000	100,000	100,000	0	0	0	0					
Begraafplaas Register		0	0	0	0	0	0	0	0					
Dienswering & Veilige Glas		0	0	0	0	0	0	0	0					
Mult Purpose Centre		2,000,000	2,000,000	2,000,000	1,800,000	1,000,000	500,000	7,000	7,000					
Meubels en Toerusting		8,200	10,600	10,600	0	0	0	0	0					
District Council Levies / Distrikraadheffings														
Meubels en Toerusting		168,000	95,000	95,000	348,290	100,000	69,513	73,684	78,104					
Rekenaarvoorsiening en Programmatuur		25,000	25,000	25,000	25,000	30,000	34,187	36,238	38,412					
Voertuie		143,000	70,000	70,000	321,290	70,000	35,326	37,448	38,692					
Geboue		0	0	0	0	0	0	0	0					
Environmental Health / Omgewingsgesondheid														
Meubels en Toerusting		20,000	0	0	8,400	8,400	0	0	0					
Landelike Sanitise		0	0	0	0	0	0	0	0					
"Pig Stays"		0	0	0	0	0	0	0	0					
Public Works & Roads / Openbare Werke & Strate														
Kanaal in nuwe Behuistings Gebied		2,378,700	6,800,000	8,800,000	7,567,000	8,673,000	10,610,000	0	0					
Buisele		0	0	0	0	0	0	0	0					
Tear van Strate en Stormwater Dreinerig		0	0	0	0	0	0	0	0					
Stormwaterkanaal - Meiringstraat		1,218,000	1,000,000	0	0	0	0	0	0					
Geredskap		1,000,000	10,700	7,000	6,000	8,673,000	0	0	0					
Stormwater Opgradering		0	6,774,000	8,774,000	7,461,000	10,610,000	0	0	0					
Vragmotor		150,000	0	0	100,000	0	0	0	0					
Sportfasiliteite		0	0	0	0	0	0	0	0					
Slamper (Boma)		0	4,000	4,000	0	0	0	0	0					
Storer(Stort & Toilet)		0	15,000	15,000	0	0	0	0	0					
Sport en Ontspanning														
Sport Beiliging		0	0	0	0	0	0	0	0					
Dept. Sport														
Global Fund														
Meubels en Toerusting		0	0	0	0	0	0	0	0					
Dept. Gesondheid														

Tourism / Toerisme		10,000	0	0	7,000	0	0	0	0	0	0	0
Meubels en Toerusting		10,000	0	0	7,000	0	0	0	0	0	0	0
	CRR											
Civil Defence / Burgerlike Beskerming		995,000	40,500	113,500	22,000	0	0	0	0	0	0	0
Brandweer Vaertjê		0	0	0	0	0	0	0	0	0	0	0
Ratelslang		0	0	0	0	0	0	0	0	0	0	0
Brandweertoerusting		0	0	0	0	0	0	0	0	0	0	0
Mediese en Ander Noodvoorraad		0	0	0	0	0	0	0	0	0	0	0
Verskui NAR Toring		0	0	0	0	0	0	0	0	0	0	0
Distri - Rampebestuur Sentrum		995,000	40,500	113,500	22,000	0	0	0	0	0	0	0
	Dept. Housing											
Library / Biblioteek		14,090	61,500	61,500	24,000	0	0	0	0	0	0	0
Meubels en Toerusting		0	2,500	2,500	0	0	0	0	0	0	0	0
Rakke		14,090	59,000	59,000	24,000	0	0	0	0	0	0	0
	inkonste											
	DPLG											
Cleaning and Sanitation / Reiniging en Sanitasie		0	0	0	0	0	0	0	0	0	0	0
Suiptjê / Nagsmets		0	0	0	0	0	0	0	0	0	0	0
Vullisjampies: Betonlaaie		0	0	0	0	0	0	0	0	0	0	0
Opgradering Van Okasiedlamme		0	0	0	0	0	0	0	0	0	0	0
Storingsterrein		0	0	0	0	0	0	0	0	0	0	0
Rioolstelsel: Nuwe Pyplyn		0	0	0	0	0	0	0	0	0	0	0
Openbare Toilette		0	0	0	0	0	0	0	0	0	0	0
Rioolpomptasie		0	0	0	0	0	0	0	0	0	0	0
Opgradering van Vullissterrein		0	0	0	0	0	0	0	0	0	0	0
Opgradering Rioolpyplyn		0	0	0	0	0	0	0	0	0	0	0
	inkonste											
Housing / Behuising		0	0	0	0	0	0	0	0	0	0	0
200/300 Huse		0	0	0	0	0	0	0	0	0	0	0
Omheining van 500 Woonings		0	0	0	0	0	0	0	0	0	0	0
	Dept. Behuising											
	Dept. Behuising											
LED		0	0	0	0	0	0	0	0	0	0	0
Rekenaartoevoersing		0	0	0	0	0	0	0	0	0	0	0
	CRR											
Electricity / Elektriesiteit		45,000	0	0	0	100,000	100,000	0	0	0	0	0
Elektriese Netwerk		0	0	0	0	100,000	100,000	0	0	0	0	0
Straatbeligting - Busroete		0	0	0	0	0	0	0	0	0	0	0
Elektriese: Behuisingsskema		0	0	0	0	0	0	0	0	0	0	0
Sport-Opgradering Beligting		0	0	0	0	0	0	0	0	0	0	0
Vooruitbetaal Meters		45,000	0	0	0	0	0	0	0	0	0	0
	CRR											
Water		2,007,500	0	0	0	100,000	100,000	0	0	0	0	0
Toerusting		7,500	0	0	0	0	0	0	0	0	0	0
Opgradering Netwerk		0	0	0	0	100,000	100,000	0	0	0	0	0
Voorbetaalde Watermeters		2,000,000	0	0	0	0	0	0	0	0	0	0
Reservoir		0	0	0	0	0	0	0	0	0	0	0
Hoofwater Toevoer		0	0	0	0	0	0	0	0	0	0	0
	inkonste											
	MIG											
	MIG											
<b>TOTALE UITGAWE</b>		<b>7,847,490</b>	<b>9,107,600</b>	<b>11,431,890</b>	<b>9,628,400</b>	<b>10,045,270</b>	<b>11,486,513</b>	<b>80,684</b>	<b>85,104</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>INKOMSTE</b>							
Nasionale Regering							
- huidige jaar allokasie	4 238 000	6 774 000	9 098 290	7 481 000	8 973 000	10 910 000	0
- oorgeëtra van vorige allokasies							
Provinsiale Regering							
- huidige jaar allokasie	3 009 090	2 059 000	2 059 000	1 824 000	1 000 000	500 000	0
- oorgeëtra van vorige allokasies							
Toekennings & subsidies van DM							
- huidige jaar allokasie	0	0	0	0	0	0	0
- oorgeëtra van vorige allokasies							
Eksterne lenings							
- CRR	340 047	274 600	274 600	343 400	72 270	76 513	80 684
- Behuisingstonds	0	0	0	0	0	0	0
- Bydrae uit Inkomste	0	0	0	0	0	0	0
- Ander Ad-hoc finansierings bronne	60 353	0	0	0	0	0	0
- Ander (spesifiseer)							
	<b>7 647 490</b>	<b>9 107 600</b>	<b>11 431 890</b>	<b>9 628 400</b>	<b>10 045 270</b>	<b>11 486 513</b>	<b>80 684</b>
							<b>85 104</b>

**MURRAYSBURG TARIFF ADJUSTMENTS : JULY 1, 2010**

**A) PROPERTY TAX**

Town	- Increase from 0.011c to 0.0117c in the Rand
Farms	- Increase from 0.011c to 0.0117c in the Rand

**DISCOUNT:**

**1. ALL RESIDENTIAL PROPERTIES:**

Exempt from rates on first 19 000 of market value.

**2. PENSIONERS:**

Owners who received elderly pension or disability allowance as well owners who does not received elderly pension or disability allowance, but qualify according the requirements receive discount.

Total monthly household income to R1 200 - 30%

Total monthly household income to R1 500 - 20%

Total monthly household income to R2 000 - 10%

**3. Rural Area - 93.4%**

**B) SEWERAGE**

- Suctions
  - Remains R30.00 per load
  - Remains R50.00 per load
- After hours
  - Remains R18.00 for 1 removal a week
- Night pails
  - Increased from R27.90 to R30.00 p.m.
- Availability
  - Increased from R27.90 to R30.00 per toilet p.m.
- Hostel/Spitskop House
  - Remains R48.00 per toilet p.m.
- Schools
  - R25.00 plus VAT
- Sewer blockages
  - Equitable Share fallen one = Category
- New sewerage connections
  - Actual costs plus 10% Administration fee



**C) REFUSE REMOVAL**

- Domestic
- Increased from R31.00 to R33.00 p.m.
- Commercial
- Increased from R59.30 to R63.40 p.m.
- Hotel
- Increased from R59.30 to R63.40 p.m.
- Spitskop Hostel
- Increased from R59.30 to R63.40 p.m.
- Karoo Boschies
- Increased from R59.30 to R63.40 p.m.

**D) ELECTRICITY**

- Domestic
- Increased from R25.00 p.m. plus 0.92c per unit (50 kWh free)
- Commercial
- Increased from R75.00 p.m. plus 0.92c per unit
- Spitskop Hostel
- Remains R75.00 p.m.
- Pre-paid Indigents
- Increased from 0.63c to 0.80c per unit
  - Increased from 0.74c to 0.94c per unit
- Pre-paid
- Increased from 0.63c to 0.80c per unit
- Installations** remain R30.00 per hour or R50.00 per hour after hours (electricians labour) plus material (cost plus 30%) plus 70c per kilometre for farm installations.

**Reconnections**

- Remain R20.00 plus VAT
- Remain R120.00

**E) WATER**

- Availability
- Increased from R21.50 to R22.00 p.m.
- Consumption
- Increased from R2.35 to R2.65 per kilolitre (6 kl free)
  - Remains R25.00 per hour or part thereof
- Irrigation water : Town
- Increased to R2.50 per hour for overflow water
- Irrigation water : Cultivated fields
- Increased to R35.00 per month
- Reconnections
- Remains to R20.00 plus VAT
  - Remains R25.00
- Deposits
- Increased to R22.00 per hour or part thereof
- Irrigation water : Bowls Club
- Actual costs plus 10% Administrationfee
- Installations**

- Pre-Paid
- F) GARDEN REFUSE**
  - Garden refuse
  - Building rubble
  - Increased from R3.80 to R4.25 p.m
  - per load or part load
  - R39.00 per load plus VAT
  - R100.00 per load plus VAT
- G) POUND FEES**
  - Small stock
  - Large stock
  - Feed - Small stock
  - Feed - Large stock
  - Transport
  - R 15.00
  - R 30.00
  - R8.00
  - R 15.00
  - R100.00 per occasion regardless of animal total
- H) BUILDING PLANS**
  - R 57.00 Minimum of 50m<sup>2</sup>
  - R 1.15 Extra per m<sup>2</sup>
- I) PHOTOSTATS**
  - R0.50 per page
- J) RENTAL : CADLE HALL**
  - R25.00
- K) TOWN HALL TARIFFS**
  - Political meetings
  - Dances and weddings
  - Non-political organisations
  - Churches
  - Schools
  - R50.00
  - R100.00
  - R60.00
  - R30.00
  - R25.00

**L) COMMUNITY HALL TARIFFS**

- R50.00 Political meetings
- R80.00 Dances and weddings
- R60.00 Non-political organisations
- R30.00 Churches
- R 20.00 Schools

Deposit's for both hall's: R150.00

- M) HIRE : CHAIRS** - R0.50 per chair

- N) CARAVAN PARKING SPACE** - R20.00 plus VAT

- O) SAND** - R20.00 per ton or part thereof plus VAT  
Transport supplied by purchaser

- P) GRAZING**
  - R15.00 p.m. Large stock
  - R3.00 p.m. Small stock

**Q) SUBSIDIES FOR LOWER-INCOME GROUPS**

	Monthly	Amount of	Total
<b>SERVICE</b>	<b>Subsidies</b>	<b>Subsidies</b>	<b>Subsidies</b>
	R	R	R
Property Rates	21.85	All Households	486,722.00
<b>TOTAL</b>	<b>21.85</b>		<b>486,722.00</b>

	Monthly	Amount of	Total
<b>SERVICE</b>	<b>Subsidies</b>	<b>Subsidies</b>	<b>Subsidies</b>
	R	R	R
6kl Water	25.50		179,010.00
<b>TOTAL</b>	<b>25.50</b>	<b>585</b>	<b>179,010.00</b>

ANNEXURE B

CATOGORY: R0.00-R250.00

SERVICE	Monthly Subsidies	Amount of Subsidies	Total Subsidies
	R	R	R
Water Basic	0.00		0.00
6 kl Water	25.50		45,900.00
Sewerage	30.00		54,000.00
Refuse	33.00		59,400.00
50 kwh Electricity	40.00		72,000.00
VAT	17.99		32,382.00
<b>TOTAL</b>	<b>146.49</b>	<b>150</b>	<b>263,682.00</b>

CATOGORY: R251.00-R1 100.00

SERVICE	Monthly Subsidies	Amount of Subsidies	Total Subsidies
	R	R	R
Water Basic	0.00		0.00
6 kl Water	25.50		76,500.00
Sewerage	15.00		45,000.00
Refuse	0.00		0.00
50 kwh Electricity	40.00		120,000.00
BTW	11.27		33,810.00
<b>TOTAL</b>	<b>91.77</b>	<b>250</b>	<b>275,310.00</b>

ANNEXURE B

CATEGORY: R1 101.00-R2 160.00

SERVICE	Monthly Subsidies	Amount of Subsidies	Total Subsidies
	R	R	R
Water Basic	0.00		0.00
6 kl Water	25.50		122,400.00
Sewerage	0.00		0.00
Refuse	0.00		0.00
50 kwh Electricity	40.00		192,000.00
BTW	9.17		44,016.00
<b>TOTAL</b>	<b>74.67</b>	<b>400</b>	<b>358,416.00</b>

C.J. KYMDELL  
DIRECTOR FINANCE