



**INKWANCA MUNICIPALITY
EC 133
BUDGET STRATEGY AND
EXPENDITURE FRAMEWORK**

2011/2012

INKWANCA TABLED BUDGET 2011/2012

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1. Mayoral budget speech

2. Budget resolutions

Inkwanca Local Municipality resolved on the motion of and seconded bythe Draft Annual budget for 2011/2012 be approved as presented by the Municipal Manager, Mr. Ncube on 4 May, 2011.

There were no opposing motions.

- Operating Budget R 38 138 205
- Capital Budget R 8 236 000
- **TOTAL BUDGET R 46 374 205**

3. The budget

The complete 2011/2012 budget is attached as Annexure 1. Please refer to page 1 of Annexure 1 for the Table of Contents.

4. Executive summary

The Municipal Finance Management Act (MFMA) and the related Circulars that have been distributed by the National Treasury require that the Mayor table a three year medium term budget strategy and expenditure framework to the Inkwanca Municipal Council by the end of March 2011 for the financial year beginning July 1, 2011 and ending June 30, 2014. The first year of this expenditure framework (2011/2012) constitutes the recommended budget for adoption for the coming financial year

The tabled budget is to be taken out to the public for consultation and then with all revisions be brought back to the entire municipal council for approval before the beginning of the new financial year as required in the MFMA. This final budget to be brought back to council will incorporate any of the submissions and changes that are deemed required by the Mayor.

Most of the requirements of the MFMA concerning the budget content and documentation are in place for this budget process and were incorporated into this budget document. Major requirements of the MFMA include:

- 1) The budget must set out 'realistically anticipated revenues' for the year by each revenue source:
- 2) The budget must be generally divided between capital and operating expenditures and each must be set out by 'vote'
- 3) Expenditures can only be funded by 'realistic' revenues; surplus cash carried forward and not committed to any other expenditure or borrowed funds (borrowed funds can only be used to fund capital projects).

There are many other format requirements for the budget that are too numerous to mention here, however, a complete listing can be found in section 17 of the MFMA

The budget and financial policies used to develop this budget are focused on making Inkwanca Municipality financially sustainable in the long run. One of the biggest challenges facing the municipality in the near future is maintaining positive operating cash flows and unexpected contingencies. We must not only have sufficient cash available to pay all the creditors that we owe as required by the MFMA but also to allow for a cash reserve to even out sporadic cash flows during the operating year. We have worked diligently toward this goal over the past few years and have finally reached the point where we do not be operate on an overdraft.

As presented, the Budget for 2011/12 balances expenditures with revenues as required by the MFMA. In addition, we anticipate moving toward our goal of maintaining an operating cash reserve of 30 days.

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Operational Revenues are anticipated to reach **R 38 138 205** (including currently known grants received for operational expenditures):

Operational expenditures funded from operating revenues are proposed at **R 38 138 205**

OPERATING REVENUE FOR 2011/2012

Property Rates	R 3 000 000
Water & Sanitation	R 1 200 000
Electricity	R 5 550 000
Refuse	R 375 000
Subsidies/Grants	R 18 898 240
Agency Fees (CHDM)	R 8 156 800
Sundry	R 868 165
	<u>R 38 138 205</u>

The **Equitable Share** Allocation from the National Treasury is **R 15 748 000**, which has increased from the current budget of R 13 503 000 by **R2 245 000** which is an increase of 16.63%.

TARRIF INCREASES

	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
Rates	9.50%	9.00%	9.00%
Refuse	9.50%	9.00%	9.00%
Water	12.00%	12.00%	12.00%
Sanitation	12.00%	12.00%	12.00%
Electricity	20.28%	19.00%	18.00%

REBATES ON RATABLE PROPERTIES

Senior Citizens	50%
Indigents	50% -100%
Newly erected Structures for Business for the First year of its operation	50%
Newly erected Structures for residential for First Year	75%
Farms/Agricultural Properties (phase-in over 3 years)	75%, 50%, 25%

All other Rebates, Exemptions and Discounts will be effected according to Municipal Rates Policy.

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OPERATING EXPENDITURE FOR 2011/2012

Salaries/Wages/Allow.	R	19 088 592
Bulk Water Purchase	R	250 000
Bulk Electricity Purchases	R	5 312 600
General Expenditure	R	7 789 020
Repairs & Maintenance	R	2 859 750
Contributions to Funds	R	2 838 242
	R	38 138 204

The Capital Budget is funded from MIG Grants and own funds

MIG Funds	R	8 236 000
Own Funds	R	870 000
	R	9 106 000

CAPITAL BUDGET 2011/2011

<u>PROJECT NAME</u>		<u>AMOUNT</u>
Completion Masakhe Community Hall	R	4 341 000
Masakhe Sokoyi Bridge	R	3 145 000
Surfacing of taxi route at Molteno	R	750 000
Water Works – New Projects	R	700 000
Capital Tools	R	170 000
	R	9 106 000

5. Budget process overview

The MFMA requires that the municipalities should innovate and introduce changes which are designed and intended to enhance the budget and treasury reforms. The envisaged reforms demand among other a different approach to budget development and budget implementation. The MFMA requires municipalities to approve budget which clearly indicate the desire to achieve specific and measurable objectives. These objectives should be clearly linked to the integrated development plan (IDP), the service delivery and budget implementation plan (SDBIP), the performance agreement and performance targets of the senior managers, among others. The system further requires that the budget of the municipality be build upon specific assumptions. These assumptions should clearly chart direction, set financial milestones regarding how the budget would be realised, identify and recognise in the budget all secured sources of funding, how revenue is derived and from which sources, provide a clear indication of the strength of the local revenue base, and recognise all the factors which have a potential to enhance or inhibit the realisation of the municipal budget.

Section 16 of the MFMA requires that the council must for each year approve an annual budget before the start of the annual financial year. The Act further requires that Mayor must table the annual budget at a council meeting at 90 days before the start of the budget year. In our case the mayor managed to table the draft budget in a council meeting on the 31st March, 2011. The final budget was subsequently tabled by the Mayor in a council meeting on the 4 May 2011

Section 17 (1) (2) (3) of the MFMA states that among other the council of a municipality must approve a budget scheduled in prescribed format. To date the council of Inkwanca has sought to introduce changes through reforms in the budget process by insisting on approving a budget and the related budget schedules which conforms to circular 28 & circular 51 & 54. The budget further recognizes budget estimates for the subsequent two financial years, 2012/2013 and 2013/2014 respectively.

DRAFT BUDGET AND IDP PUBLIC HEARINGS

Ward	Venue	Date	Team
All wards	Massacre Community Hall	18 April 2011	All Councilors
All wards	Nomonde Hall	19 April 2011	All Councilors

6.Alignment of budget with IDP

Each year the IDP must be reviewed as required by the Municipal Systems Act and MFMA. It should be reviewed in terms of performance in achieving outcomes and outputs, since the current financial positions and the future fiscal outlook for the municipality will have a direct bearing on delivery. The review should ensure that the plans are still within the financial capacity of Inkwanca Municipality

VISION

A Municipality that provides an equal opportunity for economic development and social upliftment for all residents.

MISSION

To create an environment that will ensure equal opportunity for economic development and social upliftment through integrated stakeholder involvement, multi-skilling of communities, sustainable economic growth, good governance and provision of efficient and quality services.

VALUE

In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:

- Good Governance
- Accountability
- Public Accountability
- People Development
- Teamwork
- Integrity
- Tolerance
- Honesty
- Responsibility
- Trust

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OBJECTIVES & STRATEGIES.

The following tables outline key objectives and strategies identified for implementation in 2012/13

Key Performance Area No. 1 – Spatial Development Framework
Environmental Management and Nature Conservation

Spatial Planning			
Strategic Objective	Operational Objectives	Strategies	Projects & Targets
Cross cutting.	To ensure that planning and development decisions have a legal basis & are spatially considered.	Review and implementation of the SDF	Adoption of SDF by Council by December 2010
	To establish a Land Use Management System in comprising zoning maps and scheme clauses.	Partner with DLGTA – send new applications for assessment before endorsed.	Develop zoning guidelines in partnership with DLGTA by December 2010
Environmental Management	To adhere to sound environmental practices and to protect environmentally sensitive areas.	Adhere to demarcation of areas that have been identified for biodiversity conservation in the SDF	Develop principles and procedures in partnership with DEDEA
		Lobby for funding for the development of an Environment Management Plan.	Submit Business Plan to DEDEA

KEY PERFORMANCE AREA 2: BASIC SERVICES AND INFRASTRUCTURE

Inkwanca will continue to canvas for more funding through the MIG programme, the district municipality, sector departments and donor organizations. Service delivery areas that have been prioritized are:-

- Provision of water and sanitation;
- The construction and maintenance of municipal roads;
- Provision of electricity;

Water and Sanitation			
Strategic Objective	Operational Objectives	Strategies	Projects & Targets
Improve service deliver quality and meet basic needs.	To ensure that old water and sanitation infrastructure is rehabilitated by 2011 and maintained	Identify sources (donors) that can realistically be approached for additional funding.	Negotiate with MIG, DLGTA, Sector depts., CHDM DM and DBSA for additional funds.
		Lobby for additional funding for the replacement of old water pipe	Approach WSA to priorities and plan for the replacement of obsolete water pipes.
	To develop infrastructure in terms of identified priority areas	Allocate funds to service delivery areas prioritized for development.	Bulk water supply; and maintenance & operation budget provision. Investigate water provision options to deal with restrictions during drought.
Grow labour intensive and pro-poor programme.	To maximize job opportunities and skill development.	Implement EPWP guidelines with targets	Monitor the implementation of EPWP and report on job creation.
Roads and streets			
Strategic Objective	Operational	Strategies	Projects & Targets

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	Objectives		
Improve service deliver quality and meet basic needs.	To ensure improved roads and storm water drainage	Lobby additional funding to upgrade and maintain roads	
Meet basic needs.	To improve the management of municipal and access roads.		Submit business plan to Dept R&T for support or pilot project.
Electricity and Energy Provision			
Strategic Objective	Operational Objectives	Strategies	Projects
Improve service deliver quality; basic needs and economic development.	To provide and effective electricity service	Allocate sufficient funds to upgrade the power station.	Upgrade existing Power Station at Molteno Upgrade street lighting.

Solid Waste Management

Solid Waste Management			
Strategic Objective	Operational Objectives	Strategies	Projects & Targets
Improve service deliver quality and environmental management.	To effectively manage waste management and to operate legally	Allocate funding towards the rehabilitation of solid waste disposal sites	Fencing of sites; Continue with the Clean-up campaign;
	Compliant waste disposal sites. To undertake waste collection and disposal efficiently		Purchase protective clothing for workers.
Housing			
Strategic Objective	Operational Objectives	Strategies	Projects& Targets
Improve service deliver quality and meet basic needs.	Ensure efficient housing delivery is supervised and managed by skilled personnel	Capacitate existing staff members and employ staff with the necessary skills	Identify staff for training in Project Management. Employ housing staff as per the new organ gram.

KEY PERFORMANCE AREA 3 – LOCAL ECONOMIC DEVELOPMENT

Strategic Objective	Operational Objectives	Strategies	Projects & targets
Grow agriculture and agro-processing	To ensure improved roads	Lobby additional funding to upgrade and maintain roads	
		Develop SMME value chain analysis model	
	To promote better Land Use Management	Lobby funding to invest in Land Care initiatives	Negotiate with Dept Agric to fund Land Care initiatives
		Increase awareness on better land use management practices	Development of Land Use Management Plan

KEY PERFORMANCE AREA 4 – GOOD GOVERNANCE & PUBLIC PARTICIPATION

Community and Public Participation

Strategic Objective	Operational Objectives	Strategies	Projects & Targets
Improve capacity of government and communities	To ensure that communities are involved in the IDP and prioritization process.	Table an inclusive process plan/IDP time schedule – publish and create public awareness.	August 2010
	Improve functionality of the Area Committees.	Alignment of area committees with the demarcated wards Render administrative support to the CDWs.	Monitor reports from area Committees and CDWs and follow up quarterly
Meet basic needs and Service Delivery Quality.	To improve coordination of planning initiatives by various Depts. Involved in Development in the area	Schedule IGR meetings in Process Plan/Time Schedule. Submit the IDP process Plan to the DLGTA by the end of July 2010 for circulation in other government department to include in their plans	As per the process plan.

KEY PERFORMANCE AREA 5 – FINANCIAL VIABILITY

KPA	IDP OBJECTIVES	STRATEGIES
Revenue Enhancement	<p>Improve Revenue collection and ensure what is due to the council is collected.</p> <p>Ensure that revenue losses are properly accounted for.</p>	<p>Develop and implement revenue enhancement strategy</p> <p>Review and implement the debt collection strategy</p> <p>Proper identification of revenue sources for the municipality</p>
Revenue Management & Expenditure	Ensure sound financial management practices	<p>Develop and implement strong financial control systems in line with MFMA Requirements</p> <p>Adherence to the SCM Policy & Implementation of the SCM Policy</p>
Implementation of the MFMA	Improve accountability and financial governance	Ensure adherence to the MFMA Requirements and reporting
Auditor General Report	Improvement of the overall control & corporate governance.	Ensure the municipality gets an unqualified audited audit report
Annual financial statements	Comply with applicable laws and regulations	Prepare Grap compliant AFS from the 2009/10 Financial year

Inkwanca 2011/2012 budget and supporting documentation

Financial Viability			
Strategic Objective	Operational Objectives	Strategies	Projects
Improve capacity of government and community	Improve financial liquidity and viability	Implementation of Council's Policies: - credit control policy & Indigent policy.	Monthly reports to Council on implementation results; Update Indigent register for 2010/11;
		Community awareness campaign.	Use budget time-schedule to promote awareness to report illegal connections, leakages and payment returns.
Grow labour intensive and pro-poor		Provide Free Basic Services to Households in need.	Update Indigent Register.

KEY PERFORMANCE AREA 6 – INSTITUTIONAL DEVELOPMENT

Skills Development			
Strategic Objective	Operational Objectives	Strategies	Projects & Targets
Human Resource Development	Achieve a highly motivated and capacitated staff. Ensure that the municipality retains its capacitated staff Ensure that policies and Bylaws are in compliance with legislation.	Develop skills development plan which will focus more on designated groups by December 2010. All posts that have been budgeted for be filled before the end of the financial year. Develop staff retention plan by December 2010.	WSP Submission No. of vacant post filled.
Policies and By Laws	To insure that policies and by-laws are in compliance with legislation, and implemented by 2010	Review existing policies and by-laws before the end of the financial year and Develop new by –laws and policies by 2010	No. of Policies Reviewed No. of new policies developed
Performance Management	To provide Quality Services in Accordance With Key Performance Areas	To Review PMS Annually	Reviewed PMS

The council of Inkwanca has also through this budget sought ensure the approved budget for the financial year 11/12 is prepared and takes into consideration the results of the IDP review processes , the related budget policies, and any revisions of the IDP, and any revisions of the budget related policies. The mayor also managed to table the final budget in council on the 31st March 2011.

7. Budget related policies overview and amendments

The detailed policies are not included in the budget documentation, however they are available on request to councilors and are to be made publicly available when the budget is tabled for consultation, tabled for consideration of approval and finally approved.

- Revenue related policies (tariffs, credit control, revenue collection, indigents, etc)
- Free basic services including levels, households benefiting and cost
- Investment of funds, reserves and cash management
- Supply chain management policy

Revenue Related Policies

In 2010/11 the municipality approved several revised revenue related policies.

Credit Control and Debt Collection Policy

This policy lays out the framework and the principles by which the municipality deals with those citizens that either want to connect to the municipal services or fall into arrears on the municipal services for which they are provided service.

This policy set out the application process, the billing process and the mechanism to be used when performing the debt collection function.

Free Basic Services

No revisions to free basic services are planned for this financial year. The free basic services policy is written in line with national directives and recommendations and states that those households registered as indigent within the municipality will receive 50 kw of electricity and 6 kl of water each month free of charge for the provision of basic service.

Investment of Funds and cash Management

In accordance with the MFMA ch 8 s.60, the council approves this policy where excess funds are not being used, to invest public funds responsibly, and have an effective cash flow management program.

Supply Chain Management Policy

The MFMA required the municipality to adopt and implement a new supply chain policy by January 1st 2006. We now have a detailed policy of council and a set of procedures to follow. The Supply Chain unit has been established within the Finance Directorate and is operating. The Policy set limits for the various methods of procurement used within the municipality and delegated authority to implement the policy to the Accounting Officer as required in the MFMA.

Arrangements Policy

This policy creates the framework to guide staff in entering into arrangements for payment with municipal customers that have problems paying their accounts.

The policy differentiates between indigent, domestic and business type customers. The policy also basis repayment schedules based upon the income levels of households and sets guidelines to use when dealing with indigents.

8. Budget assumptions

Only 2 posts have been budgeted for 2011/2012:

S. 57 IPAS Manager Debtors Clerk Molteno

- General Expenditure has increased by R1 917 294.
- Provision for leave are R325 298
- Budgeted amount for increase in bulk electricity purchases is 20.38%
- Decrease in Water Purchases has been budgeted for, because we are not buying water from Carnarvon.
- Repairs & Maintenance will also increase by R 192 494. This is as a result of the money received under the WSSP Grant. This will put us in a position for effect repairs and maintenance on these functions.
- Vehicle installments have also been budgeted for under the relevant departments.
- MSIG and FMG have also been budgeted under general expenditure. For the year under review it amounts to R 790 000 & R2 000 000 respectively.

IMPLEMENTATION OF THE BUDGET

- The budget office will be strategically positioned and equipped to interact with departments on a continuous basis, where the examination of the departmental budget and the implementation thereof is continuously under the scrutiny of the unit.
- The unit will monitor departmental spending and ensure alignment to the IDP and performance targets.
- Compare the cost recovery rate and spending by individual departments and track these to the departmental budget first and eventually to the municipal budget and ultimately link the process to the SDBIP.
- The budget office will be responsible for developing a management report where senior management and the council are able to timorously implement corrective interventions and measures to ensure that the service delivery and budget implementation plan of the municipality is realisable.

KEY DELIVERY AREAS

- Produce monthly budget reports and summary for each budget vote.
- Produce a consolidated budget report for all budget votes
- Produce an extensive analysis of the budget in relation to implementation and demonstrate linkages and adherence to the performance audit and the SDBIP.
- Take into consideration the key performance areas for each department.
- Link departmental performance to key priorities in the IDP

- Identify gaps and challenges and bring these to the attention of the respective managers and council.

9. Funding the budget

- That the budget is based on the assumption that all identified sources and funds are secured in the DORA.
- Review of the tariff structure for the budget year 11/12
- Review of the valuation roll to determine the revenue base of the municipality
- Review of the indigent register.
- Review of the electricity tariff by applying to NERSA to approve the electricity tariff increase.

10. Disclosure on implementation of MFMA & other legislation

The MFMA (Municipal Finance Management Act) became effective July 1st of 2004. Most of the requirements of the act took effect immediately: however, various delays were given to certain sections of the act based on the 'capacity' of the municipality as was determined by National Treasury. All local municipalities were classified as either a high, medium or low capacity municipality with each level given different implementation dates for the various delayed sections.

Inkwanca is classified as a low capacity municipality and was required to meet the implementation dates put forth for low capacity municipalities.

Many of the major changes required by the act have already been implemented by the municipality. Some of these include, the establishment of a budget and treasury office within the finance directorate, the adoption of various policies and procedures including policies for cash and investments, establishment of a new audit committee, and other administrative requirements.

The budget and how it must be designed, funded and reported on is a very big part of MFMA implementation. Requirements include funding the budget only from realistic revenue, surplus cash or borrowing (but only for capital projects) The budget must also be prepared and tabled to council much earlier than was previously required (by March 31st) and must be voted on in its final form before the end of May.

Much of the implementation of the MFMA involves new and sometimes complex budgetary and financial reporting requirements. Detailed monthly budgetary reports must be delivered to the Mayor along with quarterly performance indicators. The Mayor is required to make quarterly reports to

the council on all aspects of the budgets implementation and any problems that that need to be addressed. A midyear performance report is to be delivered to council along with recommendations on needed midyear adjustments that need to be made. Annual, quarterly and monthly reports are required to be to be delivered to National Treasury in very specific formats. All of these reporting requirements are already being met.

11. Summary of budgets and Service Delivery and Budget Implementation Plan (SDBIP)

The SDBIP has not been completed and will be submitted at a later stage.

12. Budgeted Financial Statements

The budgeted Financial Statements have not been completed and will be submitted at a later stage.

QUALITY CERTIFICATE

I, N.A. Ncube, municipal manager of Inkwanca 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 documentation are consistent with the integrated Development Plan of the municipality.

Print Name

Municipal Manager of Inkwanca Municipality EC 133

Signature

Date

PROPOSED SCHEDULE OF TARRIFFS
FOR

INKWANCA MUNICIPALITY

2011/2013

INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

ELECTRICITY

1. Unless indicated otherwise the following tariffs are applicable throughout the Inkwanca Municipal area.
2. All tariffs exclude VAT
3. Interest at the Standard Interest Rate would be charged on all late payments.
4. Please note that this tariff is pending on the approval by NER.

	<u>2008/2009</u> <u>Tariff</u> <u>Approved</u> <u>By NER</u>	<u>2009/2010</u> <u>Tariff</u> <u>Approved</u> <u>By NER</u>	<u>2010/2011</u> <u>Tariff</u> <u>Approved</u> <u>By NER</u>	<u>2011/2012</u> <u>Tariff</u> <u>Proposed</u> <u>20.38%</u>	<u>2012/2013</u> <u>Tariff</u> <u>Proposed</u> <u>19.00%</u>	<u>2013/2014</u> <u>Tariff</u> <u>Proposed</u> <u>18.00%</u>
<u>DOMESTIC CONSUMERS (per month per connection)</u>						
Basic/Availability Charge	52.64	70.50	82.05	98.77	117.54	138.70
Per Unit (kWh) consumed [FBE] In						
(0- 50 units)	0.49	0.6566	0.7813	0.9400	1.1200	1.3200
(51 - 99 999 units)	0.4900	0.6566	0.7813	0.9400	1.1200	1.3200

PRE-PAID CONSUMERS

Per Unit (kWh)	0.5800	0.8900	1.0300	1.2400	1.4800	1.7400
Indigents Per Unit (kWh)	0.5800	0.8900	1.0300	1.2400	1.4800	1.7400

SMALL COMMERCIAL CONSUMERS (per month per connection)

Basic/Availability Charge	135.36	181.35	211.45	254.54	302.91	357.43
Per Unit (kWh) consumed	0.5100	0.68	0.85	1.02	1.22	1.44

GOVERNMENT CONSUMERS (per month per connection)

Basic/Availability Charge	135.36	181.35	211.45	254.54	302.91	357.43
Per Unit (kWh) consumed	0.5100	0.68	0.85	1.02	1.22	1.44

LARGE/INDUSTRIAL COMMERCIAL CONSUMERS (per month per connection)

Basic/Availability Charge	96.30	102.08	135.36	162.95	193.91	228.81
Per Unit (kWh) consumed	0.2115	0.22	0.30	0.36	0.43	0.51
Per KVA consumed	44.95	47.65	63.18	76.06	99.35	117.23

Reconnection Fee:

(for any reason excluding tampering with electricity supplies)

Per Occasion	100.00	100.00	120.00	150.00	187.50	234.75
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Tampering with Electricity Supplies

(1) Tampering is defined as interference with the electricity supply up to and including the electricity meter, and includes the following:

- (a) connecting the electricity supply after it has been disconnected for non-payment or any other valid reason;
- (b) interfering with the electricity meter in any manner;
- © interfering with the wiring on council's side of the electricity meter.

(2) In the case of single-phase supplies to domestic installations and small businesses, if tampering or attempts there are at are found then the supply will be disconnected after all amounts owing in respect of electricity consumption

are paid in full, plus the following reconnection fees: -

			<u>25%</u>	<u>25%</u>	<u>25%</u>	
	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
(a) first offence	1 947.70	2 610.00	3 260.00	4 075.00	5 093.75	6 367.19
(b) second offence	2 149.20	2 880.00	3 600.00	4 500.00	5 625.00	7 031.25
© third offence	2 756.20	5 033.00	6 290.00	7 862.50	9 828.13	12 285.16

(3) With regard to three-phase supplies to large businesses and industries where tampering is found, the reconnection fees will be according to the circumstances of each case.

ELECTRICAL SERVICES

Cost of single phase services connections

- 1) when metering and cable is supplied
- 2) when onl metering is supplied and installed.

	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
1) when metering and cable is supplied	2365.77	2957.21	3 696.00	4 620.00	5 775.00	7 220.00
2) when onl metering is supplied and installed.	1025.49	1281.86	1 281.86	1 605.00	2 003.00	3 505.00

Cost for 3 phase services connections

- 1) when metering and cable is supplied
- 2) when onl metering is supplied and installed.

1) when metering and cable is supplied	4417.48	5521.86	6 900.00	8 625.00	10 800.00	13 500.00
2) when onl metering is supplied and installed.	2208.74	2760.92	3 450.00	4 312.50	5 400.00	6 750.00

Cost of installing a temporary connection

- 1) Single phase connection fee
- 2) Three phase connection

1) Single phase connection fee	121.36	151.70	165.00	206.25	260.00	325.00
2) Three phase connection	364.08	455.10	490.00	612.50	765.00	960.00

Call-out fees

- 1) a call-out fee will be charged if the power failure is not municipal fault

1) a call-out fee will be charged if the power failure is not municipal fault	145.63	182.03	227.00	283.75	355.00	445.00
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Testing of electrical meter

- 1) Single phase meters
- 2) Three phase meters
- 3) Large Cosumers (kva bulk meters)

1) Single phase meters	283.98	354.97	442.00	552.50	690.00	865.00
2) Three phase meters	516.99	646.24	807.00	1 008.75	1 260.00	1 575.00
3) Large Cosumers (kva bulk meters)	946.61	1183.26	1 475.00	1 843.75	2 305.00	2 885.00

Except for Call-outs these services a payable in advance

INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

WATER

1. Unless indicated otherwise the following tariffs are applicable throughout the Inkwanca Municipal area.
2. All tariffs exclude VAT
3. Interest at the Standard Interest Rate would be charged on all late payments.

	<u>2008/2009</u> <u>Tariff</u>	<u>2009/2010</u> <u>Tariff</u>	<u>2010/2011</u> <u>Tariff</u>	<u>2011/2012</u> <u>Tariff</u>	<u>2012/2013</u> <u>Tariff</u> <u>Proposed</u>	<u>2013/2014</u> <u>Tariff</u> <u>Proposed</u>
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METERED CONSUMERS (per month per connection)

DOMESTIC CONSUMERS

				<u>12%</u>	<u>12%</u>	<u>12%</u>
Basic/Availability Charge		38.47	40.77	46.00	51.55	57.75
Per Unit (Kiloliter) consumed	(0 - 6 units)	0.00	0.00	0.00	0.00	0.00
	(7- 40 units)	2.83	3.00	4.61	5.15	5.80
	(41- 100 units)	3.61	3.83	5.61	6.30	7.10
	Above 100 units	4.26	4.51	6.89	7.75	8.70

Commercials/Government/Schools and Hostels

Basic/Availability Charge (Molteno/Sterkroom)		57.71	61.17	69.00	77.30	86.60	96.99
	(7- 40 units)	2.83	3.00	4.61	5.15	5.80	6.50
	(41- 100units)	2.83	3.83	5.61	6.30	7.10	7.95
	Above 100 units	3.61	4.51	6.89	7.75	8.65	9.70

UNMETERED CONSUMERS (per month per connection)

Basic/Availability Charge (on site connection)		129.01	136.75	154.00	172.50	193.20	216.40
Basic/Availability Charge (raw water)		129.01	136.75	154.00	172.50	193.20	216.40

Connection Fee:

Installation of a Tap		100.00	120.00	120.00	135.00	151.20	218.40
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Call out fees

Consumer be charged a call out fee (water pipe burst)and is not the council		65.00	70.00	70.00	78.40	87.80	99.00
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INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

SEWERAGE

1. Unless indicated otherwise the following tariffs are applicable throughout the Inkwanca Municipal area.
2. All tariffs exclude VAT
3. Interest at the Standard Interest Rate would be charged on all late payments.

	<u>2008/2009</u> <u>Tariff</u>	<u>2009/2010</u> <u>Tariff</u>	<u>2010/2011</u> <u>Tariff</u>	<u>2011/2012</u> <u>Tariff</u> <u>Proposed</u> <u>12%</u>	<u>2012/2013</u> <u>Tariff</u> <u>Proposed</u> <u>12%</u>	<u>2013/2014</u> <u>Tariff</u> <u>Proposed</u> <u>12%</u>
<u>WATER-BORNE SEWERAGE (per month per connection)</u>						
Basic/Availability Charge (Domestic)	67.90	71.97	81.00	90.75	101.64	113.84
Basic/Availability Charge (Commercial)/Post Office	150.05	159.06	178.94	200.40	224.45	251.38
Basic/Availability Charge (Industrial/Schools/Hostels/Spoornet)	955.18	1012.49	1139.05	1275.75	1428.84	1600.30

SEPTIC TANKS/DRAINS

Per Occasion (paid in advance)	123.48	130.89	147.30	165.00	185.00	207.00
Suction of Privat tanks	932.80	988.77	1112.76	1246.00	1396.00	1563.00
Blocked Drain	64.13	67.98	76.50	86.00	96.00	108.00

INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

REFUSE REMOVAL

1. Unless indicated otherwise the following tariffs are applicable throughout the Inkwanca Municipal area.
2. All tariffs exclude VAT
3. Interest at the Standard Interest Rate would be charged on all late payments.

	<u>2008/2009</u> <u>Tariff</u>	<u>2009/2010</u> <u>Tariff</u>	<u>2010/2011</u> <u>Tariff</u>	<u>2011/2012</u> <u>Tariff</u>	<u>2012/2013</u> <u>Tariff</u>	<u>2013/2014</u> <u>Tariff</u>
<u>REFUSE REMOVAL (per month for one removal per week)</u>				9.50%	Proposed 9%	Proposed 9%
Domestic Consumers	34.87	36.96	40.00	44.00	48.00	52.00
Commercial Consumers	63.32	67.12	72.50	80.00	86.00	94.00
Government/Hospitals/Spoornet/Hostels/Schools	137.57	145.83	157.50	173.00	186.00	203.00
Garden Refuse Removal and Rubble per load	90.56	96.00	103.70	115.00	123.00	134.00

INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

RATES

1. Unless indicated otherwise the following tariffs are applicable throughout the Inkwanca Municipal area.
2. Interest at the Standard Interest Rate would be charged on all late payments.

	<u>2008/2009</u> <u>Tariff</u>	<u>2009/2010</u> <u>Tariff</u>	<u>2010/2011</u> <u>Tariff</u>	<u>2011/2012</u> <u>Tariff</u>	<u>2012/2013</u> <u>Tariff</u>	<u>2013/2014</u> <u>Tariff</u>
				9.50%	9%	9%
Per Rand on Valuation of all Residential Properties	0.0252	0.0252	0.0272	0.0298	0.0325	0.0354
Per Rand on Valuation of all Commercial Properties	0.0412	0.0412	0.0445	0.0487	0.0531	0.0579
Per Rand on Valuation of all Government Properties	0.0629	0.0629	0.0679	0.0744	0.0810	0.0883
Per Rand on Valuation of all land (erven)	0.1259	0.1259	0.1349	0.1477	0.1610	0.1755
Per Rand on Valuation of all Farms used for Agricultural purposes	0.0134	0.0134	0.0050	0.0055	0.0060	0.0065
Per Rand on Valuation of all Farms used for eco-tourism/conversion	0.0280	0.0280	0.0302	0.0331	0.0360	0.0393
Per Rand on Valuation of all Farms used for trading in/ hunting of game	0.0280	0.0280	0.0302	0.0331	0.0360	0.0393

REBATES ON RATABLE PROPERTIES

Government Properties	20%	30%	30%
Senior Citizens	30%	50%	50%
Indigents	100%	100%	100%
Newly erected Structures for Business for First Year of its operation 50% thereafter 25%	50%	50%	50%
Newly erected Structures for residential for First Year 75% thereafter 50%,25%	75%	75%	75%
Farms/Agricultural Properties (phase-in over 3 years) 75%,50%,25%	75%	75%	75%
All other Rebates,Exemptions and Discounts will be effected according to Municipal Rates Policy			

INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

OTHER SERVICES						
	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>
BUILDINGS RENTALS per month				9%	9%	9%
Nomonde Police Station	599	599.20	645.00	705.00	768.45	837.61
Nomande Work Station	599	635.15	686.00	748.00	815.32	888.70
Old Municipal Building Sosial development	1798	1 905.46	2 020.00	2202.00	2400.18	2616.20
Sterkstroom Municipal Building Sosial development	1798	1 905.46	2 020.00	2202.00	2400.18	2616.20
Sterkstroom Municipal Building Education development	1798	1 905.46	2 020.00	2202.00	2400.18	2616.20
Accomodation per Room per month (small) Excl Electricity	240	254.06	274.00	300.00	327.00	356.43
Accomodation per Room per month (big)Excl Electricity	360	381.09	412.00	450.00	490.00	535.00
Ecroachment Fees per Square meter	16	17.01	18.35	20.00	22.00	24.00
CAMPING FACILITIES						
All the tariffs below are payable in advance						
Train Coach Accomodation						
Per Compartment (per Night)	150	158.79	170.00	185.00	202.00	220.00
Chalets						
Per night	282	298.69	321.80	350.00	383.00	417.00
Per month	1124	1 190.91	1 285.00	1 400.00	1 526.00	1 648.00
Note: if more than one person per chalet the applicable rate will be R75 per person						
and if more than one person per month, the rate will be x2 and no one is allowed to more than 3 months						
A refundable deposit of R150 is payable and 10%of this is no refunded						
Caravan Stands						
per stand per day exclude elecricity	107	113.42	122.00	133.00	145.00	158.00
per car per day	11	11.34	12.25	13.35	14.55	15.86

INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

COMMUNITY & TOWN HALLS, SPORTS FIELD AND PUBLIC PLACES						
	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>
<u>Community and Town halls, Sports Field and Public Places</u>				<u>10%</u>	<u>10%</u>	<u>10%</u>
<u>Category I: events organised with the purpose of making profit by:</u> businesses, corporate bodies and includes functions such as disco's, beauty contests,concerts,professional boxing and films.	219	231.71	250.00	275.00	302.50	332.75
<u>DEPOSIT</u>	137	144.81	155.00	170.50	187.55	206.30
<u>Category II: fundraising events such as:</u> bazaars,concerts,dances,high teas run by: Churches or Religious Bodies, Cultural Organisations, Schools (State Aided), Service Clubs(Rotary,Round Table etc), Sporting Clubs and includes Graduations, Parties and Weddings	175	185.36	200.00	220.00	242.00	266.20
Local Teams - per match				100.00	100.00	100.00
Teams outside boundaries Inkwanca - per match				300.00	300.00	300.00
<u>DEPOSIT</u>	109	115.85	125.00	137.50	151.25	166.00
<u>Category III: Includes events such as:</u> Church Services, Funerals,Meetings and Prize Giving run by: Churches or Religious bodies, Cultural Organisations, Schools(State Aided), Service Clubs (Rotary,Round Table etc) and Sporting Clubs.	115	121.64	130.00	143.00	157.30	173.00
<u>DEPOSIT</u>	72	76.03	82.00	90.20	100.00	110.00
<u>Notes</u>						
1.Deposits 20% is non-refundable						
2.Sundays & Public Holidays - daily rate x 2						
3.Hire after 24h00 subject to staff availability						
<u>Keys available at Housing Clerk</u>						

INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

CEMETERY CHARGES						
	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>	<u>Tariff</u>
<u>NOMONDE, MASAKE, DENNEKRUIN</u>				10%	10%	10%
Adult per plot	90	95.27	102.90	114.00	124.50	137.00
Child per plot	30	31.76	34.30	38.00	41.50	45.65
Digging of Adult Grave	90	95.27	102.90	113.19	124.50	137.00
Digging of Child Grave	68	72.41	78.20	86.00	95.00	104.00
Supervision fee in cases where graves are privately dug	19	20.38	22.00	25.00	27.00	30.00
<u>MOLTENO&STERTROOM TOWN</u>						
Adult per plot	180	190.55	350.00	385.00	423.50	465.85
Child per plot	120	127.03	150.00	165.00	181.50	200.00
Digging of Adult Grave	120	127.03	150.00	165.00	181.50	199.65
Digging of Child Grave	68	72.41	85.00	93.50	102.85	113.00
Supervision fee in cases where graves are privately dug	90	95.27	112.00	123.20	135.50	150.00
<u>Exhumation and opening of graves</u>						
per grave	256	271.85	320.00	352.00	387.20	425.90

For the purpose of determination of above fees Adult shall mean a person 12 years of age or older.

In addition to the above mentioned charges payable any overtime being paid to employees of the council shall be levied.

INKWANCA MUNICIPALITY [EC133]

SCHEDULE OF TARIFFS

GRAZING CAMPS						
R5.00 per hacter will be levied to all grazing camps						
POUNDING FEES						
	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
				10%	10%	10%
Per Cattle per day	26	27.19	29.36	33.00	36.00	40.00
Per Goat per day	13	13.59	14.68	16.00	18.00	20.00
Per sheep per day	6	6.79	7.33	8.00	10.00	12.00

ADMINISTRATIVE SERVICES						
	2006/2007	2007/2008	2008/2009	2011/2012	2012/2013	2013/2014
Per A4 photo copy	2	2.04	2.20	2.40	2.65	3.00
Per A3 photo copy	4	4.07	4.40	4.80	5.30	5.85
Note/ colour copies x2 the amount						
Facsimile first page is R4 there after R1 per page: Old						
Facsimile:Local	4	3.81	4.10	3.81	4.10	4.10
Facsimile:National	5	5.08	5.50	5.08	5.50	5.50
Facsimile:International	10	10.16	11.00	10.16	11.00	11.00
Valuation Certificate	29	30.27	32.70	30.27	32.70	35.31
Clarence Certificate	95	100.91	108.90	100.91	108.90	108.90
Business Licence	252	267.12	288.45	267.12	288.45	288.45
Hawker Licence	34	35.62	38.45	35.62	38.45	38.45
Information Printouts						
I D P Document	24	25.41	27.40	25.41	27.40	27.40
Financial Statements	18	19.05	20.55	19.05	20.55	20.55
Budget	12	12.70	13.70	12.70	13.70	13.70

INSPECTION AND PENALTY FEES						
	2006/2007	2007/2008	2008/2009	2011/2012	2012/2013	2013/2014
Building & Inpection fees	128	135.92	146.80	162.00	178.00	195.00
Penalty Building & Inspection fees	256	271.85	293.60	333.00	355.00	390.00

SOIL AND SAND						
Per cubic meter	38	40.78	44.00	48.40	54.00	60.00

STANDARD INTEREST						
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Being the prime rate+ 1.5% per month