



**Lukhanji Municipality  
BUDGET STRATEGY AND  
EXPENDITURE FRAMEWORK**

**FOR**

**2011/12 – 2013/14**

**TABLED MAY 12, 2011**

# Lukhanji Tabled Budget

## 1. Table of Contents

<b>No.</b>	<b>Section description</b>	<b>Page</b>
1	Table of Contents – Listing of Schedules, Tables and Graphs	2
2	Mayoral Budget Speech	4
3	Budget Related Resolutions	12
	<b>The Budget</b>	
4	Executive Summary	13
5	Budget Schedules (operating and capital)	19
6	Budget Related Policies and Tariffs	73

# Lukhanji Tabled Budget

## Listing of Schedules, Tables and Graphs

<b>No.</b>	<b>Description</b>	<b>Page</b>
	Total Revenues Summary Pie Chart	17
	Total Expenditures Summary Pie Chart	18
Table A1	Budget Summary	20
Table A2	Budgeted Financial Performance (revenue and expenditure by standard classification)	22
Table A3	Budgeted Financial Performance (revenue and expenditure by municipal vote)	24
Table A4	Budgeted Financial Performance (revenue and expenditure)	25
Table A5	Budgeted Capital Expenditure by Vote, standard classification and funding	27
Table A6	Budgeted Financial Position	29
Table A7	Budgeted Cash Flows	31
Table A8	Cash backed reserves/accumulated surplus reconciliation	32
Table A9	Asset Management	33
Table A10	Basic Service Delivery Measurement	35

# Lukhanji Tabled Budget

## 2. Mayoral Budget Speech

Good Morning

Honourable Speaker

MEC & Delegates from his Office

Leadership of the Ruling Party

Chief Whip of Council

Members of the Mayoral Committee

Fellow Councillors

Municipal Manager, Directors and Officials

Honourable Guests

Members of the Media

Ladies and Gentlemen

We are gathered here this afternoon to consider the Medium-Term Revenue and Expenditure Framework (MTREF) for the 2011/12, 2012/13, and 2013/14 financial years.

The 2011/2012 budget comes at the end of this Council's term of office and at a time when our community readies itself once again to elect Councillors for the next term of office. I will not dwell on the elections or the outcome thereof as the people shall speak, and speak loud and clearly as in the past, in that regard.

A momentum occasion that the investigation of R7 million fraud has been completed and the outcomes of the investigation is ready for presentation.

This budget will form an important foundation and will guide the incoming Council on what we believe the priorities are for our area.

At the occasion of our State of the Lukhanji Address earlier this year, we went into great length to report back on the work of this Council, and the municipality as a whole. Those members of the community who showed interest in the running of Lukhanji will attest that we did our best to ensure that we live to our vision of creating a better life for all. I will therefore not dwell again on those issues, in the interest of time.

Distinguished Guests, Fellow Councillors, Comrades....., the Freedom Charter implores us towards the realisation of that objective of our most popular slogan which continues to be "*the people shall govern*". With that, I believe, the slogan referred to those within and outside government. Based on this revolutionary ideal, the Mayoral Committee embarked on an extensive outreach programme to all 27 wards to discuss our draft budget. We have done that to heed the call of the Freedom Charter to allow "*the people to govern*", to allow our people to have a say in how they want to be governed during the forthcoming financial year and beyond, to build on the principle of "community participation" as envisaged in our

## **Lukhanji Tabled Budget**

Constitution and local government legislation - after all, is **this** not what "people governing" mean, Madam Speaker, fellow Councillors? This meeting would not have been proper if we did not solicit the input, negative or positive, from the constituencies we serve. Therefore, Madam Speaker, the budget I am about to present is proudly a people's budget and will help us fulfil a commitment we made to the electorate.

Today I will talk about changes in governance in order to do an even better job of serving the people of Lukhanji.

We must put our finances in order and establish a foundation so as to better serve our people.

We must find ways to do things smarter, cheaper, better and this must lead us towards realising our goal of building better communities.

We must do it, and we will.

Though we face tough times, I've never been more optimistic about Lukhanji, its people, and our future. What we have done together since we assumed office 2006 is impressive. We are working together as a team, and it shows. We are not letting budgetary constraints get in the way of strengthening basic services. We never cried "poverty" and we are making progress. We are making the right choices.

### **PRIORITIES**

Today it is my privilege to propose our budget for for the 2011/12, 2012/13, and 2013/14 financial years.

This budget confronts one stubborn fact. We have a money problem. Money is tight today for businesses, employees, families - and therefore, for us as a Council who receive no benefit.

Finances at local government will be tight not just for months, but for some years to come. As we face a long-term revenue problem, this is not the time for budget gimmicks, or for new programs that cannot be sustained. The long term will not only require a change in budgeting but in our attitude as well.

This is a time for balancing priorities across the spectrum.

This is a time for focusing on the municipality's core responsibilities - and doing these things well. We will surely fail if we do not implement significant changes in the manner in which we do business and engage with residents. We cannot afford to stay as we are and indulge only in expenditure cuts and continue to provide services on the same basis as at present, as we will find ourselves in a lose-lose situation and will surely fail.

## Lukhanji Tabled Budget

Madam Speaker, Fellow Councillor, the time has arrived for us to inculcate a culture of service excellence on a sustainable, equitable and affordable basis to all, a culture of continuous improvement and performance management. Fellow Councillors, we have a choice - Do basic things well - or, try to do everything and fail by doing nothing well. Simply put - the choice between excellent or average service.

This brings me to our budget for the 2011/12, 2012/13, and 2013/14 financial years.

Our budget is based on simple maths: You cannot spend more than you collect. If you increase spending for one project or programme, you have to take away from another. This I have been taught by especially the Technical Services and Community Services Directorates during the past few weeks.

Finance Officials also told us, that is the simple maths of this budget.

There must always be a fine balance between our priorities to service our communities and this budget.

It is fair.

With money tight, the course we must take together is clear:

- Set priorities,
- Take care of the basics,
- Do more for less.
- Do a better job of managing our revenue, managing projects and managing assets.

Today, I bring to you a budget that sets that direction. It makes the right choices and put us on a course to make our municipality stronger.

This budget makes adjustments in some fees and charges but also seeks to lift that burden of poverty and underdevelopment which our President spoke about by focussing on the continued provision of basic services and the alleviation of the plight of the poor. It is for this reason that Directors were instructed to be conservative in the expenditure estimations and to cut as far as possible especially in luxuries such as exuberant overtime payments and unnecessary outsourcing of services. To say they were not happy will be a gross understatement, but they had to comply in the interest of continued financial and fiscal stability.

During our Budget & IDP consultations the public gave direction and they will judge us harshly if we do not face facts and keep to simple maths. Budget gimmicks will only make the problem worse and create a need for much deeper cuts later.

This budget presents a challenge to our self discipline, to our ability to work together, and to our values.

## **Lukhanji Tabled Budget**

We should never lose sight of why we are in public service. Government is a vehicle for our hopes for a better society. Just as we will not allow budgetary constraints to hamper our effort to strengthen the rendering of basic services, we will not allow these difficult times to impact further on the poor and most needy.

Madam Speaker, before we go into the actual detail of the budget, allow me to briefly enlighten Council on a number of projects completed or currently underway and done in partnership with other government departments that does not form part of this budget.

Progress is being made in the implementation of Komani River Clean-up Project. The implementer (contractor) has been appointed and project is valued at R20 million and deliverables include community parks in Ilinge, Whittlesea, Lesseyton, Mlungisi and Ezibeleni. A total of 146 jobs have been created over a period of two years.

It is our intention to develop the Shiloh Irrigation Scheme further in order for it to serve as an agricultural market. In future it should also serve as a marketing place for emerging farmers for their products like eggs, poultry, hay as well as livestock traders.

I am also please to announce that we have secured an additional R10 million from the DEDEA for the second phase of the Bulhoek Memorial site. Thus far 105 jobs have been created over a period of two years. Speaking of jobs – I wish to report that a further 150 jobs have been created on the rural roads project under EPWP in ward 14 while an additional 20 jobs have been created on the road between Upper Zangqokwe and Kamastone. 14 jobs have been created on a Lapesi project over a period of six months while a further 50 jobs have been created on a fencing project in Mceula. While we have managed to construct 120 disaster houses in Whittlesea, Tylden and Mlungisi, we received funding to the tune of R4 million for the refurbishment of houses struck by disaster. We intend applying the funds to refurbish the houses under a mass employment programme.

### **OPERATING BUDGET**

## Lukhanji Tabled Budget

We are proposing a total operating budget of 439 million 700 thousand rand (R439 700 000). It is interesting to note that Lukhanji's operating budget in 2006 was only R185 million and this huge increase reflects the unbelievable growth Lukhanji experienced since we assumed office. This increased budget will be a tool to consolidate service delivery and accelerate job creation. This is how this portion of the 2011/12 budget has been allocated, per directorate:

<b>Executive Mayor and Municipal Manager:</b>	<b>10% increase</b>
<b>Budget &amp; Treasury</b>	<b>8.7% decrease</b>
<b>Administration and Human Resources</b>	<b>14% increase</b>
<b>Human Settlements</b>	<b>7% increase</b>
<b>Community Services</b>	<b>20% decrease</b>
<b>Technical Services</b>	<b>14% increase</b>

It is proposed that employee costs will be R121.4 million which is 28% of the total budget. This is sufficient to allow for an expected 7% increase in salaries as well as the filling of all critical vacancies.

### CAPITAL BUDGET

The service delivery component of the municipality's total capital budget financed from internal and external funds amounts to R42.6 million in 2011/2012, decreasing approximately by R600 thousand. A significant allocation is made for Cleansing and Health related Services, Sewerage and Stormwater, the construction of housing, community lighting, new roads and internal streets and the upgrading of existing roads and streets, especially in the rural and previously disadvantaged areas of Lukhanji.

Madam Speaker, fellow Councillors, the new Council will spend the Capital Budget as follows:

- Rehabilitation of Rural Gravel Roads and Stormwater (Phase IV) in Wards 1, 3, 5, 11-14, 17 and Ward 27 at an amount of R2.4 million.
- Upgrading of Lukhanji Gravel Roads and Stormwater in Wards 2, 4, 6-8, 15-16 and Wards 18-26 which will cost us R2.4 million.
- Surfacing of Gravel Roads in Ezibeleni, Mlungisi and Whittlesea (Wards 4, 6-10, 15-26) at an amount of R14.8 million.
- Upgrading & Rehabilitation of Lukhanji Stormwater in wards 1-2, 4, 6-10 and ward 15 which will cost Council R1.7 million.
- We will build the Qwabi Bridge over Kuzitungu River in Ward 14 at a total cost of R3.2 million.
- The Council will spend an amount of R 362 400 on Phases 3 and 4 of the completion of the Ex- TRC Crèches.
- R100 000 will be expended on the construction of the Whittlesea Transfer Station and Ilinge and Lesseyton Tip Sites.



## Lukhanji Tabled Budget

- A total of 30 High Mast lights will be erected throughout Lukhanji specifically in Tambo Village and Hewu Area, Dongwe, Tylden, Thembani, Shiloh and Lesseyton. This was one of the direct requests from the communities. This will cost Council R7.5 million.
- We have placed an amount of R1,3 million on this budget for the provision of LED Facilities in all wards.
- R3.8 million has been provided for the construction of Community Halls in Wards 1 and 5 and a further R 48 575 on the Yonda Community Hall.
- The Council will spend R414 852 on the upgrading of the Machibini Telecentre while R500 000 has been budgeted for the construction of public ablution facilities in Whittlesea.
- The Gravseal of roads in wards 4, 7-10, and ward 15 have been allocated an amount of R119 361
- We are currently in discussions with a developer who is prepared to construct bulk services in New Rathwick to the tune of R37 million.
- The Department of Land and Rural Reform will provide us with an unlimited grant to purchase some farms in Lukhanji that will contribute towards making land available for emerging farmers as well as the restoration of the road linking the Queenstown CBD to Zingquthu.

## TARIFFS

Madam Speaker, it's impossible to keep tariff increases below inflation when taking factors like electricity, petrol, diesel, salaries and wages, and increases of material into account. We have all seen our own costs go up over the past year - petrol, bread, milk, insurance, cars, even newspapers are more expensive now - so it should not come as a surprise that it will cost us more to maintain the level of service we all want and need. We have tried to minimise the increases as far as possible.

Madam Speaker I wish to propose the following increases on the main consumer services:

- Refuse Removal, will increase by 8%.
- Water & Sewerage Charges will be increased by 6%
- Assessment Rates are mainly used to provide non-remunerative services such as the cost of governance and administration, library services, sport and recreation facilities, and to pay for the costs of maintaining an ordered community as far as, for example, traffic, health, roads, parks, etc. are concerned. Given the nature of these collective services, their provision must be financed by a general tax, unlike the specific charge for measurable services, e.g. water and electricity. Assessment Rates will increase by 8%.
- Electricity will increase by 20,38%. We will need a motivation to the NER as to why we accepted an increase below the recommended increase of almost 23%.

## Lukhanji Tabled Budget

Madam Speaker, we have the great responsibility of lifting the intolerable burden of poverty and underdevelopment. We have an obligation to provide all residents with a certain amount of free water and electricity so as to help the poorer households. The intention is to ensure that every family in the distribution system would always at least have access to some basic amount of essential services.

In pursuance of our constitutional obligation of progressively realising the social and economic rights of our people, we need to do more to ensure that every indigent household is registered on our systems as we failed last year to minimise the costs of service delivery to the most vulnerable in our community. We need to correct this. To this effect 10 persons per ward will be employed to conduct household surveys to ensure that all indigents are captured and catered for under our Indigent Policy.

During the previous financial years we found it possible not to introduce any increases on the core services of indigent households. As I have stated on numerous occasions in the past - this is not enough to relieve the burden on the really poor and vulnerable people in our community. I therefore would like to propose the following tariffs for indigent households:

- For Destitute indigents with a combined income of R1140 - No Account
- Indigents with a combined income of R2280 - a flat rate of R50 per month
- Electricity consumption will be levied as follows:
  - First 50 Kw Free
  - 51-100 Kw Increase of 16.38%
  - In excess of 100Kw Increase of 20.38%

Madam Speaker, the scenario for the rest of the consumers will be as follows:

- For a property valued at R800 000 with an average consumption of electricity of 1000kw and 30kl of water per month – the account will increase with 15,78%
- For a property valued at R400 000 with an average consumption of electricity of 400kw and 20kl of water per month – the account will increase with 18,72%
- The accounts of households in Mlungisi and Ezibeleni who currently pay an infrastructure levy and use 50kw of electricity and 6kl of water or less per month, the account will increase with 10,13%

Madam Speaker although we would want to do far more than the mentioned elements as well as everything that is included in this budget, we can't do everything in one or even two terms. We need to reach everyone, include everyone, and make a difference in their lives.

We must do it, and we will.

# Lukhanji Tabled Budget

## CONCLUSION

Fellow Councillors, our term was never easy, but we soldiered on. Today, I stand before you and speak like the words of Paul to Corinthians when he says; *“it is by faith you stand firm.”* We stood firm against gales of despair. We could look back with satisfaction that we never took the trust that the community of Lukhanji have in us for granted.

We took tough decisions each year to ensure that our actions are geared towards improving the lives of many of our poor people.

The 2011/2012 budget was prepared under extremely challenging circumstances. It took a lot of effort and creativity from our staff, especially in Budget and Treasury, to present this document you consider today. I therefore want to commend to this Council the constructive role that the Municipal Manager and Budget and Treasury staff played in absorbing and synthesizing a vast tapestry of pressures as part of the process of preparing the Municipal Budget.

My thanks also go to all Councillors who have the extremely difficult task of balancing the community's expectations with the reality of limited resources. Local Government is not a job – it is a calling and requires incredible skills in problem-solving and negotiation.

By now we have learned who of us are retiring and who may stand a chance of returning. Whatever your future will be I trust that you will always look back on the last five years with fond memories of the contribution you have made to our community.

Finally I would like to thank the residents of Lukhanji. Over the past two years I have met so many residents and the vast majority of them have welcomed me with open arms. I've met with them in their homes, businesses, churches, in their playing fields and their streets. The support and words of encouragement have been heart-warming and have reminded me of how privileged to be the Executive Mayor of such a wonderful community.

Mr Speaker, I hereby present the draft 2011/2012 budget to Council for consideration and move that this budget of Lukhanji Municipality for the 2011/20112 to 2013/2014 Financial Years be approved as recommended in the Budget Report.

**I thank you.**

# Lukhanji Tabled Budget

## 3. Budget Related Resolutions

1. Council resolves that the annual budget of the municipality for the financial year ; and indicative for the two projected outer years 2012/13 and 2013/14 be approved as set-out in the following tables:

- 1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) **Table A2.**
- 1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) **Table A3.**
- 1.3. Budgeted Financial Performance (revenue and expenditure by source) **Table A4.**
- 1.4. Budgeted Capital Expenditure by vote, standard classification and funding **Table A5.**
- 1.5. Budgeted Financial Position **Table A6.**
- 1.6. Budgeted Cash Flows **Table A7.**
- 1.7. Cash Backed Reserves/accumulated surplus Reconciliation **Table A8.**
- 1.8. Asset Management **Table A9.**
- 1.9. Basic Service Delivery **Table A10.**
2. Council resolves that property rates and any other municipal taxes reflected in **appendix A** are imposed for the budget year.
2. Electricity tariffs be imposed at 20.38% approved by Nersa for bulk purchases with effect 1 July 2011.
3. Council resolves that tariffs and charges reflected in **appendix A** are approved for the budget year.
  - 3.1 Council resolves that the Electricity tariffs for non-indigent consumers be approved with 20.38% with effect from 1 July 2011.
  - 3.2 Council resolves that the monthly electricity tariffs for registered indigents for the financial year be approved as follows:

First 50 Kw	Free
51-100 Kw	Increase of 20%
In excess of 100Kw	Increase of 20.38%
4. Council resolves that the measurable performance objectives for revenue from each source reflected in **table 10** are approved for the budget year.
5. Council resolves that the measurable performance objectives for each vote reflected in **section 17** are approved for the budget year 2011/12.
6. Council resolves to adopt the amended Integrated Development Plan as submitted.
7. That the **7%** provided for salary increases for employees is maintained.
8. That indigent income levels are set at the following:

Destitute indigent	R 1050 and Indigent R2100
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# Lukhanji Tabled Budget

## The Budget

### 4 Executive Summary

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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 Lukhanji Municipal Council by the end of March for the financial year beginning July 1, 2008 and ending June 30.

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 preparation of this budget document evolved the making of critical policy decisions and key strategies and policy directions that were given by the Mayoral Committee over the past months. In August of 2009 the Mayoral committee approved a set of assumptions and forecasts that were then used to prepare 'baseline' budgets. These 'baseline' budgets formed the basis for operating budget discussions and these were given to the Directors to review and revise within given guidelines. These revised baseline budgets returned by the directors then formed the basis for the draft budget that was built upon the key assumptions and decisions (*see section 10 for a discussion of budget assumptions*).

The budget and financial policies used to develop this budget are focused on making Lukhanji financially sustainable in the long run. One of the biggest challenges facing the municipality in the near future is maintaining an operating year end cash balance to allow for 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 anticipate beginning the next financial year with enough cash to pay our creditors and still maintain some level of cash reserves.

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

**Operational Revenues** are anticipated to reach **R439.7 Million** (including currently known grants received for operational expenditures); **operational expenditures** funded from cash carry forwards and operating revenues are proposed at **R439.7 Million**.

**The Capital Budget** is funded from a blend of conditional grants, proposed borrowings and cash carried forward from prior years. Capital expenditures for 2011/12 are estimated to total **R42.6 Million** for a variety of projects and purchases.

In preparing the budget many issues emerged that had to be taken into account. Several assumptions were utilized to produce estimates and forecasts. In addition, many policy decisions were incorporated into this budget document. The following list attempts to give the most significant of these.

# Lukhanji Tabled Budget

## Operating Revenues

- Revenues are shown on a 'billed' (or accrual) basis where applicable. In many cases revenue billed is much higher than cash actually collected on that billing. An offsetting bad debt expense is also included for each billed revenue vote. This expense must be considered in any revenue discussion. **Allocations for bad debt** include the following amounts.
  - Electricity 32.6 million
  - Rates .8 million
  - Refuse Collection 10.6 million
  - Water & Sanitation 16.7 million
  - Debtor's Interest 15.3 million
- **Rates and tariffs** in most cases contain proposed increases. A detailed listing and explanation of these is included in this document (see appendix A). To summarize these recommended increases:
  - Electricity 20.38% increase
  - Rates 8.0% increase
  - Refuse Collection 14.0% increase
  - Water & Sanitation 6.0% increase
- The **Equitable Share** Allocation from the National Treasury is **R96,062,000** which is up from the current budget of R86,908,000
- The operating budget anticipates an agency **payment from the Chris Hani District Municipality** for providing the water and sanitation service of **R44,7 million in the Lukhanji Municipal Area**. This amount is based on the model we have used for the past three years.
- The anticipated agency fees from the province are set at levels that reflect preliminary provincial funding levels. In the case of the Primary Health Clinics these levels do not fund the anticipated expenditures and thus must be subsidized from operating revenues from other areas. This Municipality is thus not providing this Primary Health Services in the 2011/12 financial year.

## Operating Expenditures

- **Employee salaries** and related expenses are increased by the level indicated by correspondence from SALGA. This amount to a **7% increase in 2011/12**. Council salaries are also budgeted to increase this same amount. In addition, all positions are budgeted to be filled for the entire year except where contract workers are used in the place of a vacancy. In Rand terms the salary and allowance related budget increased by almost R8,7 Million over the adjusted budget in the current 2010/11 budget.

## Lukhanji Tabled Budget

- **Primary health clinics** are not in the 2011/12 budget, following an agreement with the Provincial Government to discontinue that service.
- **Electricity bulk purchases** are anticipated to **increase by 36.5%** for next year.
- All costs related to our current **DBSA loan** and the repayment for **past fleet purchases** are fully funded in this budget. In addition, the budget makes appropriations for the repayment of **new debt** for capital acquisitions including the fleet replacement program, maintenance of the electricity reticulation, and other capital items. A complete listing is included in the budget document.
- An amount of **R1,500,000** has been allocated in the operating budget for normal street maintenance and repairs material
- **No amount** is included in the operating budget for the purchase of small equipment and machinery.

### **Capital Budget**

The capital budget reflected in this document utilizes actually anticipated revenues, cash forward and borrowings to fund the budgeted expenditures of **R42.6 million**. The largest of these include the **MIG** grant **R26.5** million.

### **Other items in the operating budget**

Included in the appendix is a separate listing of various conditional grants/other funded items and programs included within the operating budget. Most of these items (amounting to some **R2.3 Million**) are funded by conditional grants that specify exactly what the money can be expended on.

### **Conclusion**

The budget as presented in this document meets the requirements of the MFMA and is presented to Council for consideration and review.

As with any such Endeavour, preparation of this document required the participation and time of many individuals. Appreciation and thanks are expressed to all those involved in making this possible.

The table and charts below show the percentage makeup of the revenue and expenditures for the 2010/11 Lukhanji Budget.

# Lukhanji Tabled Budget

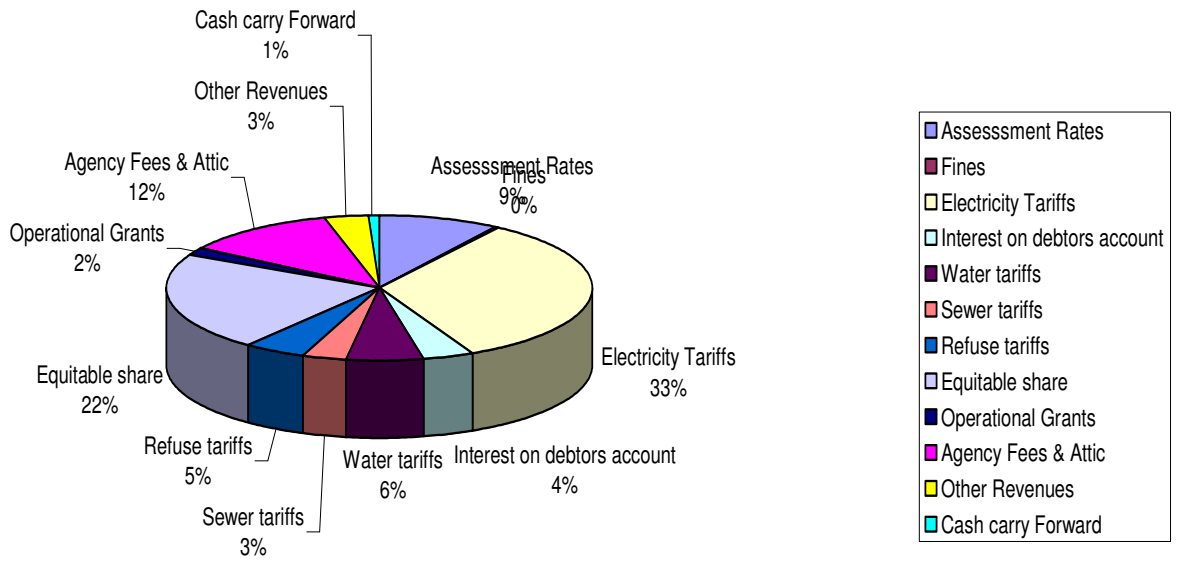
## Executive Summary 2011/12 Tabled Budget Overview

REVENUE			
<b>Operating Budget Revenue ( 000's )</b>		<b>Capital Budget Revenue ( 000's )</b>	
Assessment Rates	40,443,841	Loans taken by municipality	
Fines	528,830	Municipal Infrastructure Grant (MIG)	26,480,000
Electricity Tariffs	147,204,703	Intergrated National Electrification Programme	1,000,000
Interest on debtors account	17,585,513		
Water tariffs	25,168,111		
Sewer tariffs	15,000,661		
Refuse tariffs	20,920,627		
<b>Government Grants and Subsidy</b>	103,409,000		
Equitable Share	96,062,000		
Operational Grants (FMG & MSIG)	2,290,000		
Other Grants	5,057,000		
	47359786		
<b>Agency Fees</b>			
Water and Sewer	44,700,352		
Libraries	2,659,434		
Gain on sale asset			
Other Revenues	14,817,887		
Total operating revenues	436,539,859	Total Capital Revenues	27,480,000
Cash carry over from prior year (grants & ATTIC)	3,154,400	Cash carry over from prior year (grants)	15,073,878
Total Revenue and Cash	<b>439,694,259</b>		<b>42,553,878</b>
EXPENDITURE			
<b>Operating Budget Expenditures ( 000's )</b>		<b>Capital Budget Expenditures ( 000's )</b>	
Salaries, Wages, Allowances & related costs	121,443,664	Roads, Pavements, Bridges and Stormwater	2,370,904
Small Capital	0	Cemeteries	1,202,031
Electricity Bulk Purchases	131,486,033	Public Toilets Queenstown and Whittlesea	500,000
General Expenses	37,701,364	Community lighting	5,830,444
Repairs and maintenance	9,410,601	Community halls, telecentre	2,653,697
Repayment on municipal debts	6,965,092	Sealing of Urban Gravel Roads - Ezibeleni & Whittlesea	119,362
<b>Provision for bad debts</b>		Refuse sites	
Assessment rates	803,865	LED facilities	1,324,000
Debtors Interest	15,252,595	Ex TRC chreches	353,400
Electricity	32,614,237	Lukhanji Upgrading of Gravel Roads& Stormwater	1,437,873
Water	10,912,028	Other	1,324,000
Refuse	10,566,983	Ezibeleni Conference Centre	100,000
Sewer	6,093,306	Lukhanji Storm Water Upgrade Ilinge	1,696,436
Operational grants	480,085	Qwabi Bridge over Kuzitungu River	1,567,853
Municipal services charges	1,288,950	Whittlesea Walkways and Pavements	
WSSA management contract	54675456	Resurfacing of of Gravel Roads	6,000,000
		Unallocated funds	16,073,878
Total operating budget expenditure	<b>439,694,259</b>	Total Capital Expenditure	<b>42,553,878</b>



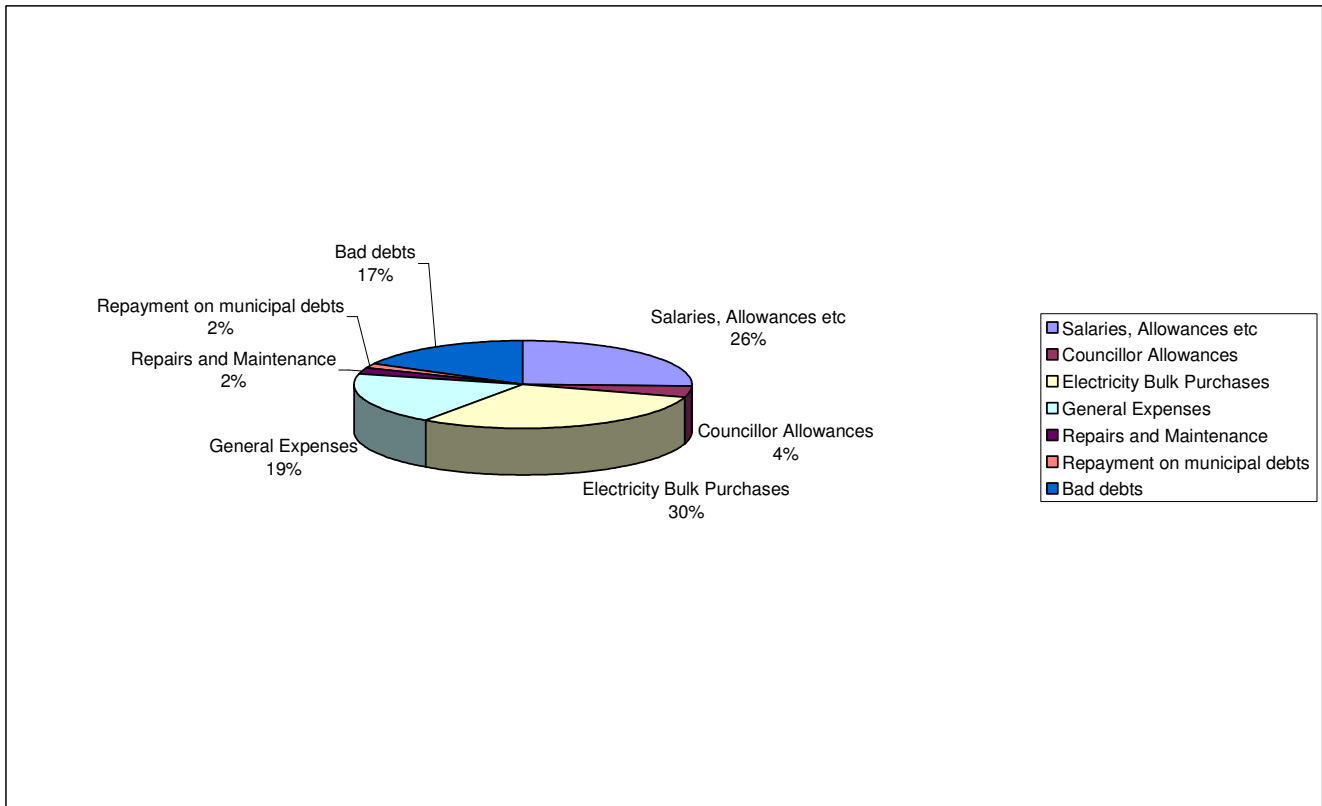
# Lukhanji Tabled Budget

## How the Total Operating Revenue Budget are funded (R439.7 million)



# Lukhanji Tabled Budget

## How the Total Budget Operating Expenditure are allocated (R439.7 million)



## **Lukhanji Tabled Budget**

### **5. Annual Budget Tables (Operating & Capital)**

The following budget schedules are to be approved by resolution of Council and are shown in the following National Treasury schedules:

**Table A1 – Budget Summary**

**Table A2 – Budgeted Financial Performance ( Revenue and Expenditure by standard classification)**

**Table A3 – Budgeted Financial Performance ( Revenue and Expenditure by municipal vote)**

**Table A4 – Budgeted Financial performance (Revenue and Expenditure)**

**Table A5 – Budget Capital Expenditure by vote, standard classification and funding.**

**Table A6 – Budgeted Financial Position**

**Table A7 – Budgeted Cash Flows**

**Table A8 – Cash Backed reserves/ accumulated surplus Reconciliation**

**Table A9 – Asset management**

**Table A10 – Basic Service Delivery**

# Lukhanji Tabled Budget

EC134 Lukhanji - Table A1 Budget Summary

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Financial Performance</b>										
Property rates	26,751	28,799	34,520	37,448	37,448	37,448	37,448	40,444	43,679	50,948
Service charges	99,165	122,677	105,972	171,875	173,615	173,615	173,615	207,844	231,489	310,302
Investment revenue	2,317	4,720	6,721	2,010	2,010	2,010	2,010	2,111	2,216	2,443
Transfers recognised - operational	89,742	101,391	121,847	108,945	111,512	111,512	111,512	105,704	118,940	136,143
Other own revenue	38,421	61,832	64,173	78,620	77,303	77,303	77,303	83,547	114,174	121,706
<b>Total Revenue (excluding capital transfers and contributions)</b>	256,396	319,419	333,233	398,897	401,888	401,888	401,888	439,694	510,499	621,541
Employee costs	73,288	87,062	77,415	104,136	101,187	101,187	101,187	109,243	108,956	130,744
Remuneration of councillors	9,556	11,858	11,374	14,404	14,346	14,346	14,346	18,810	16,209	18,240
Depreciation & asset impairment	9,441	-	9,285	-	-	-	-	-	-	-
Finance charges	1,258	2,011	1,610	7,590	7,600	7,600	7,600	6,965	6,034	6,573
Materials and bulk purchases	36,262	51,217	72,255	96,638	111,473	111,473	111,473	131,486	131,486	159,457
Transfers and grants	39,154	39,965	24,028	8,714	8,714	8,714	8,714	434	-	-
Other expenditure	82,011	104,134	70,119	167,005	156,224	156,224	156,224	172,710	192,466	175,928
<b>Total Expenditure</b>	250,969	296,248	266,086	398,488	399,544	399,544	399,544	439,694	455,150	490,942
<b>Surplus/(Deficit)</b>	5,426	23,171	67,147	410	2,344	2,344	2,344	0	55,348	130,599
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	5,426	23,171	67,147	410	2,344	2,344	2,344	0	55,348	130,599
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	5,426	23,171	67,147	410	2,344	2,344	2,344	0	55,348	130,599
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	140,889	207,296	49,242	43,286	42,131	42,131	42,131	41,452	41,980	43,239
Transfers recognised - capital	140,942	207,296	49,242	39,576	-	-	-	33,464	33,464	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	3,709	-	-	-	-	-	-
<b>Total sources of capital funds</b>	140,942	207,296	49,242	43,286	-	-	-	33,464	33,464	-
<b>Financial position</b>										
Total current assets	147,848	229,348	231,645	273,653	274,066	274,066	274,066	285,632	312,595	394,234

# Lukhanji Tabled Budget

Table A1 Budget Summary Cont'd

Total non current assets	<b>140,942</b>	207,296	206,710	207,296	207,296	207,296	207,296	207,296	207,296	207,296
Total current liabilities	<b>81,126</b>	122,208	176,814	121,812	114,413	114,413	114,413	209,430	207,544	207,544
Total non current liabilities	<b>58,283</b>	63,386	55,715	55,093	55,093	55,093	55,093	51,685	51,685	51,685
Community wealth/Equity	<b>149,380</b>	251,051	309,424	304,043	304,043	284,360	284,360	304,043	320,066	350,437
<b>Cash flows</b>										
Net cash from (used) operating	<b>9,616</b>	29,218	510,841	5,726	44,277	44,277	44,277	14,333	59,405	16,384
Net cash from (used) investing	<b>(2,284)</b>	(3,750)	3,228	-	18	18	18	-	-	-
Net cash from (used) financing	<b>2,627</b>	(4,696)	4,278	(5,316)	(5,316)	(5,316)	(5,316)	(5,353)	(5,091)	(5,091)
<b>Cash/cash equivalents at the year end</b>	<b>47,168</b>	67,940	586,288	74,408	112,977	112,977	112,977	121,957	176,270	187,563
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	<b>47,832</b>	74,080	108,737	75,115	75,528	75,528	75,528	84,094	96,057	177,696
Application of cash and investments	<b>(9,575)</b>	(613)	80,987	(45,799)	(46,607)	(46,607)	(46,607)	(41,590)	(49,113)	(30,311)
<b>Balance - surplus (shortfall)</b>	<b>57,407</b>	74,693	27,749	120,914	122,135	122,135	122,135	125,684	145,169	208,007
<b>Asset management</b>										
Asset register summary (WDV)	-	140,941	207,296	72,332	59,146	59,146	41,373	41,373	38,438	46,543
Depreciation & asset impairment	<b>9,441</b>	-	9,285	-	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
<b>Free services</b>										
Cost of Free Basic Services provided	<b>14,060</b>	16,228	16,228	18,532	18,532	18,532	20,969	20,969	23,804	27,112
Revenue cost of free services provided	-	-	-	49,511	49,511	49,511	49,511	49,511	53,782	58,570
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

# Lukhanji Tabled Budget

EC134 Lukhanji - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		125,469	112,044	148,895	136,970	137,786	137,786	142,582	174,690	71,447
Executive and council		38,567	52,855	87,334	73,744	73,843	73,843	74,286	211	221
Budget and treasury office		86,902	58,915	61,561	62,946	63,662	63,662	67,987	174,480	71,226
Corporate services		-	274	-	281	281	281	308	-	-
<b>Community and public safety</b>		19,395	22,445	26,325	26,443	28,341	28,341	21,143	24,872	25,581
Community and social services		2,049	4,273	2,592	4,503	4,815	4,815	4,872	1,550	1,624
Sport and recreation		284	644	799	194	239	239	200	205	211
Public safety		8,641	9,969	14,260	11,521	13,040	13,040	12,102	12,576	13,204
Housing		-	-	-	-	-	-	-	-	-
Health		8,421	7,560	8,673	10,224	10,247	10,247	3,970	10,541	10,541
<b>Economic and environmental services</b>		4,045	15,570	17,102	8,224	4,271	4,271	8,703	7,474	7,848
Planning and development		1,632	7,534	4,803	2,627	2,606	2,606	2,810	1,687	1,772
Road transport		2,412	8,036	12,299	5,597	1,666	1,666	5,893	5,787	6,076
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		107,484	169,357	171,522	227,259	231,531	231,531	267,266	303,406	293,244
Electricity		58,057	106,747	102,841	123,479	125,420	125,420	156,480	167,846	202,005
Water		21,976	31,431	34,882	64,496	64,551	64,551	68,539	98,137	52,095
Waste water management		12,294	12,956	13,319	14,093	14,166	14,166	14,931	15,820	15,820
Waste management		15,157	18,222	20,480	25,190	27,393	27,393	27,315	21,602	23,325
<b>Other</b>	4	3	3	3	2	3	3	2	2	2
<b>Total Revenue - Standard</b>	2	256,396	319,419	363,847	398,897	401,932	401,932	439,695	510,445	398,122
<b>Expenditure - Standard</b>	-									
<b>Governance and administration</b>		74,842	45,513	33,325	42,792	40,465	40,465	44,807	42,587	70,683
Executive and council		14,025	21,836	19,486	21,664	19,425	19,425	23,760	20,981	31,779
Budget and treasury office		57,962	20,401	10,976	17,781	17,790	17,790	17,221	18,181	33,387
Corporate services		2,855	3,276	2,863	3,348	3,250	3,250	3,826	3,425	5,517
<b>Community and public safety</b>		31,919	34,610	38,858	44,739	44,382	44,382	44,109	59,679	73,369
Community and social services		8,073	8,760	8,248	10,150	10,366	10,366	11,679	11,254	9,167
Sport and recreation		6,287	6,497	6,545	8,979	8,778	8,778	10,207	10,045	10,484
Public safety		10,584	11,645	15,828	14,610	14,089	14,089	18,253	16,983	21,003
Housing		-	-	-	-	-	-	-	-	-

# Lukhanji Tabled Budget

## Table A2 Cont'd

Health		6,974	7,708	8,237	10,999	11,149	11,149	3,970	21,396	32,715
<b>Economic and environmental services</b>		<b>13,777</b>	<b>24,529</b>	<b>14,231</b>	<b>23,412</b>	<b>22,954</b>	<b>22,954</b>	<b>22,381</b>	<b>24,224</b>	<b>25,061</b>
Planning and development		7,939	12,259	7,713	9,782	8,492	8,492	8,900	9,433	9,986
Road transport		5,837	12,269	6,519	13,630	14,462	14,462	13,481	14,791	15,075
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>130,127</b>	<b>191,481</b>	<b>228,720</b>	<b>287,433</b>	<b>293,192</b>	<b>293,192</b>	<b>328,277</b>	<b>383,351</b>	<b>359,056</b>
Electricity		69,457	110,356	128,436	162,226	166,076	166,076	199,573	237,518	223,065
Water		27,475	41,786	57,057	74,459	83,577	83,577	73,238	84,760	78,071
Waste water management		14,040	17,254	18,497	19,679	17,683	17,683	20,932	25,137	26,331
Waste management		19,155	22,086	24,729	31,068	25,856	25,856	34,534	35,936	31,589
<b>Other</b>	4	<b>306</b>	<b>114</b>	<b>99</b>	<b>112</b>	<b>116</b>	<b>116</b>	<b>120</b>	<b>123</b>	<b>128</b>
<b>Total Expenditure - Standard</b>	3	<b>250,969</b>	<b>296,248</b>	<b>315,233</b>	<b>398,488</b>	<b>401,109</b>	<b>401,109</b>	<b>439,694</b>	<b>509,964</b>	<b>528,298</b>
<b>Surplus/(Deficit) for the year</b>		<b>5,426</b>	<b>23,171</b>	<b>48,614</b>	<b>410</b>	<b>823</b>	<b>823</b>	<b>1</b>	<b>481</b>	<b>(130,176)</b>

# Lukhanji Tabled Budget

## EC134 Lukhanji - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue by Vote</b>	1									
EXECUTIVE AND COUNCIL		38,567	52,855	87,334	73,744	73,843	73,843	74,286	211	1,021
FINANCE AND ADMINISTRATION		86,902	59,189	61,674	63,227	63,943	63,943	68,296	174,480	71,226
PLANNING AND DEVELOPMENT		1,632	7,534	4,803	2,627	2,606	2,606	2,810	1,687	1,772
HEALTH COMMUNITY AND SOCIAL SERVICES		8,421	7,560	8,673	10,224	10,247	10,247	3,970	10,541	10,541
PUBLIC SAFETY		2,049	4,273	2,592	4,503	4,815	4,815	4,872	1,550	1,624
SPORT AND RECREATION		8,641	9,969	14,260	11,521	13,040	13,040	12,102	12,576	13,204
WASTE WATER MANAGEMENT		284	644	686	194	107	107	200	205	211
WASTE MANAGEMENT		12,294	12,956	13,319	14,093	14,166	14,166	14,931	15,820	15,820
ROADS TRANSPORT		15,157	18,222	20,480	25,190	27,393	27,393	27,315	21,602	23,325
WATER		2,412	8,036	12,299	5,597	1,666	1,666	5,893	5,787	6,076
ELECTRICITY		21,976	31,431	34,882	64,496	64,551	64,551	68,539	98,137	52,095
OTHER		58,057	106,747	102,841	123,479	125,420	125,420	156,480	167,846	202,005
HOUSING		3	3	3	2	3	3	-	-	-
<b>Total Revenue by Vote</b>	2	<b>256,396</b>	<b>319,419</b>	<b>363,847</b>	<b>398,897</b>	<b>401,799</b>	<b>401,799</b>	<b>439,694</b>	<b>510,443</b>	<b>398,920</b>
<b>Expenditure by Vote to be appropriated</b>	1									
EXECUTIVE AND COUNCIL		14,025	21,836	19,486	21,664	19,425	19,425	23,760	23,760	31,779
FINANCE AND ADMINISTRATION		60,817	23,677	13,840	21,128	21,040	21,040	21,047	21,165	38,904
PLANNING AND DEVELOPMENT		7,939	12,259	7,713	9,782	8,492	8,492	8,900	9,433	9,986
HEALTH COMMUNITY AND SOCIAL SERVICES		6,974	7,708	8,237	10,999	11,149	11,149	3,970	21,396	32,715
PUBLIC SAFETY		8,073	8,760	8,248	10,150	10,366	10,366	11,679	11,254	9,167
SPORT AND RECREATION		10,584	11,645	15,828	14,610	14,313	14,313	18,253	16,983	18,855
WASTE WATER MANAGEMENT		6,287	6,497	6,544	8,979	8,778	8,778	10,207	10,045	10,484
WASTE MANAGEMENT		14,040	17,254	18,497	19,679	17,683	17,683	20,932	25,137	26,331
ROADS TRANSPORT		19,155	22,086	24,729	31,068	25,856	25,856	34,534	35,936	31,589
WATER		5,837	12,269	6,519	13,630	14,462	14,462	13,481	14,791	15,075
ELECTRICITY		27,475	41,786	57,057	74,459	83,577	83,577	73,238	84,760	78,071
OTHER		69,457	110,356	128,436	162,226	166,076	166,076	199,573	237,518	223,065
HOUSING		306	114	99	112	116	116	120	123	128
<b>Total Expenditure by Vote</b>	2	<b>250,969</b>	<b>296,248</b>	<b>315,232</b>	<b>398,488</b>	<b>401,333</b>	<b>401,333</b>	<b>439,694</b>	<b>512,301</b>	<b>526,150</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>5,426</b>	<b>23,171</b>	<b>48,615</b>	<b>410</b>	<b>466</b>	<b>466</b>	<b>(1)</b>	<b>(1,858)</b>	<b>(127,230)</b>



# Lukhanji Tabled Budget

EC134 Lukhanji - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>											
Property rates	2	26,751	28,799	34,520	37,448	37,448	37,448	37,448	40,444	43,679	50,948
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	52,223	73,604	90,071	115,606	117,537	117,537	117,537	147,810	167,529	242,772
Service charges - water revenue	2	21,976	21,816	-	23,758	23,812	23,812	23,812	25,168	26,663	26,663
Service charges - sanitation revenue	2	12,358	13,058	-	14,159	14,237	14,237	14,237	15,001	15,893	15,900
Service charges - refuse revenue	2	12,608	14,200	15,901	18,351	18,030	18,030	18,030	19,820	21,405	24,967
Service charges - other											
Rental of facilities and equipment		1,359	1,550	1,464	1,350	1,495	1,495	1,495	1,405	1,462	1,585
Interest earned - external investments		2,317	4,720	6,721	2,010	2,010	2,010	2,010	2,111	2,216	2,443
Interest earned - outstanding debtors		14,894	19,092	15,717	16,283	16,948	16,948	16,948	17,586	18,992	22,153
Dividends received						-	-	-			
Fines		159	231	602	504	853	853	853	529	555	612
Licences and permits		4,093	4,343	7,777	4,765	5,062	5,062	5,062	5,003	5,253	5,791
Agency services		5,688	22,840		43,436	44,289	44,289	44,289	46,204	74,449	76,741
Transfers recognised - operational		89,742	101,391	121,847	108,945	111,512	111,512	111,512	105,749	118,940	136,143
Other revenue	2	9,046	12,054	35,359	12,282	8,674	8,674	8,674	12,822	13,462	14,824
Gains on disposal of PPE		3,182	1,721	3,254		(18)	(18)	(18)	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>256,396</b>	<b>319,419</b>	<b>333,233</b>	<b>398,897</b>	<b>401,888</b>	<b>401,888</b>	<b>401,888</b>	<b>439,694</b>	<b>510,499</b>	<b>621,541</b>
<b>Expenditure By Type</b>	-										
Employee related costs	2	73,288	87,062	77,415	104,136	101,187	101,187	101,187	109,243	108,956	130,744
Remuneration of councillors		9,556	11,858	11,374	14,404	14,346	14,346	14,346	18,810	16,209	18,240
Debt impairment	3	34,926	41,673	42,760	67,327	67,327	67,327	67,327	76,243	87,058	87,118
Depreciation & asset impairment	2	9,441	-	9,285	-	-	-	-	-	-	-
Finance charges		1,258	2,011	1,610	7,590	7,600	7,600	7,600	6,965	6,034	6,573
Bulk purchases	2	36,262	51,217	72,255	96,638	111,473	111,473	111,473	131,486	131,486	159,457
Other materials	8					-					
Contracted services		22,032	32,919	4,854	54,627	54,639	54,639	54,639	51,327	59,921	59,899
Transfers and grants		39,154	39,965	24,028	8,714	8,714	8,714	8,714	480		
Other expenditure	4, 5	25,052	29,542	22,506	45,052	34,258	34,258	34,258	45,140	45,486	28,911
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>250,969</b>	<b>296,248</b>	<b>266,086</b>	<b>398,488</b>	<b>399,544</b>	<b>399,544</b>	<b>399,544</b>	<b>439,694</b>	<b>455,150</b>	<b>490,942</b>

## Lukhanji Tabled Budget

<b>Surplus/(Deficit)</b>		5,426	23,171	67,147	410	2,344	2,344	2,344	(46)	55,348	130,599
Transfers recognised - capital											
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		5,426	23,171	67,147	410	2,344	2,344	2,344	(46)	55,348	130,599
Taxation											
<b>Surplus/(Deficit) after taxation</b>		5,426	23,171	67,147	410	2,344	2,344	2,344	(46)	55,348	130,599
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		5,426	23,171	67,147	410	2,344	2,344	2,344	(46)	55,348	130,599
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		5,426	23,171	67,147	410	2,344	2,344	2,344	(46)	55,348	130,599

# Lukhanji Tabled Budget

EC134 Lukhanji - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital expenditure - Vote Multi-year expenditure to be appropriated</b>	2										
EXECUTIVE AND COUNCIL FINANCE AND ADMINISTRATION		190	509	121	1,435	1,435	1,435	1,435	1,376	1,417	1,459
PLANNING AND DEVELOPMENT		17,957	16,759	3,981	-	-	-	-	-	-	-
HEALTH COMMUNITY AND SOCIAL SERVICES		75,346	1,062	252	6,301	6,301	6,301	6,301	1,744	1,796	1,850
PUBLIC SAFETY		1,930	283	67	-	-	-	-	-	-	-
SPORT AND RECREATION		10,675	1,166	277	4,229	4,229	4,229	4,229	5,154	5,309	5,468
WASTE WATER MANAGEMENT		597	308	73	200	200	200	200	200	206	212
WASTE MANAGEMENT		2,758	56	13	1,045	1,045	1,045	1,045	371	382	393
ROADS TRANSPORT		-	-	-	4	4	4	4	4	5	5
WATER		524	600	143	2,957	2,957	2,957	2,957	544	560	577
ELECTRICTY		1,445	97,186	23,086	14,932	14,932	14,932	14,932	17,342	17,862	18,398
OTHER		-	-	-	1,150	1,150	1,150	1,150	690	711	732
HOUSING		29,467	89,167	21,181	7,617	7,617	7,617	7,617	11,206	11,542	11,889
		53	200	48	-	-	-	-	-	-	-
		-	-	-	3,414	3,414	3,414	3,414	2,821	2,905	2,993
		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	<b>140,942</b>	<b>207,296</b>	<b>49,242</b>	<b>43,286</b>	<b>43,286</b>	<b>43,286</b>	<b>43,286</b>	<b>41,452</b>	<b>42,695</b>	<b>43,976</b>
<b>Single-year expenditure to be appropriated</b>	2										
EXECUTIVE AND COUNCIL FINANCE AND ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
HEALTH COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	-
WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-
WATER		-	-	-	-	-	-	-	-	-	-
ELECTRICTY		-	-	-	-	-	-	-	-	-	-
OTHER		-	-	-	-	-	-	-	-	-	-

# Lukhanji Tabled Budget

		-	-	-	-	-	-	-	-	-	-
HOUSING		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		<b>140,942</b>	<b>207,296</b>	<b>49,242</b>	<b>43,286</b>	<b>43,286</b>	<b>43,286</b>	<b>43,286</b>	<b>41,452</b>	<b>42,695</b>	<b>43,976</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>18,148</b>	<b>17,268</b>	<b>4,102</b>	<b>1,435</b>	<b>1,435</b>	<b>1,435</b>	<b>1,435</b>	<b>1,376</b>	<b>1,417</b>	<b>1,459</b>
Executive and council		190	509	121	1,435	1,435	1,435	1,435	1,376	1,417	1,459
Budget and treasury office		17,957	16,759	3,981	-	-	-	-	-	-	-
Corporate services											
<b>Community and public safety</b>		<b>15,960</b>	<b>1,813</b>	<b>683</b>	<b>8,888</b>	<b>8,888</b>	<b>8,888</b>	<b>8,888</b>	<b>8,545</b>	<b>8,802</b>	<b>9,066</b>
Community and social services		10,675	1,166	277	4,229	4,229	4,229	4,229	5,154	5,309	5,468
Sport and recreation		2,758	56	13	1,045	1,045	1,045	1,045	371	382	393
Public safety		597	308	325	200	200	200	200	200	206	212
Housing					3,414	3,414	3,414	3,414	2,821	2,905	2,993
Health		1,930	283	67	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>76,791</b>	<b>98,248</b>	<b>23,086</b>	<b>21,234</b>	<b>21,234</b>	<b>21,234</b>	<b>21,234</b>	<b>19,086</b>	<b>19,658</b>	<b>20,248</b>
Planning and development		75,346	1,062		6,301	6,301	6,301	6,301	1,744	1,796	1,850
Road transport		1,445	97,186	23,086	14,932	14,932	14,932	14,932	17,342	17,862	18,398
Environmental protection											
<b>Trading services</b>		<b>29,991</b>	<b>89,767</b>	<b>21,324</b>	<b>11,729</b>	<b>10,574</b>	<b>10,574</b>	<b>10,574</b>	<b>12,445</b>	<b>12,103</b>	<b>12,466</b>
Electricity		29,467	89,167	21,181	7,617	7,617	7,617	7,617	11,206	11,542	11,889
Water					1,150				690		
Waste water management					4				4		
Waste management		524	600	143	2,957	2,957	2,957	2,957	544	560	577
<b>Other</b>			<b>200</b>	<b>48</b>							
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>140,889</b>	<b>207,296</b>	<b>49,242</b>	<b>43,286</b>	<b>42,131</b>	<b>42,131</b>	<b>42,131</b>	<b>41,452</b>	<b>41,980</b>	<b>43,239</b>
<b>Funded by:</b>											
National Government					34,130	-	-	-	33,464	33,464	-
Provincial Government					4,240	-	-	-			
District Municipality					1,207	-	-	-			
Other transfers and grants		140,942	207,296	49,242							
<b>Transfers recognised - capital Public contributions &amp; donations</b>	<b>4</b>	<b>140,942</b>	<b>207,296</b>	<b>49,242</b>	<b>39,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,464</b>	<b>33,464</b>	<b>-</b>
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>					3,709						
<b>Total Capital Funding</b>	<b>7</b>	<b>140,942</b>	<b>207,296</b>	<b>49,242</b>	<b>43,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,464</b>	<b>33,464</b>	<b>-</b>

# Lukhanji Tabled Budget

EC134 Lukhanji - Table A6 Budgeted Financial Position

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		47,168	73,374	108,030	74,408	74,821	74,821	74,821	83,387	95,350	176,989
Call investment deposits	1	664	707	707	707	707	707	707	707	707	707
Consumer debtors	1	36,502	43,729	38,207	87,000	87,000	87,000	87,000	90,000	105,000	105,000
Other debtors		63,515	111,538	84,701	111,538	111,538	111,538	111,538	111,538	111,538	111,538
Current portion of long-term receivables											
Inventory	2										
<b>Total current assets</b>		<b>147,848</b>	<b>229,348</b>	<b>231,645</b>	<b>273,653</b>	<b>274,066</b>	<b>274,066</b>	<b>274,066</b>	<b>285,632</b>	<b>312,595</b>	<b>394,234</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	140,942	207,296	206,710	207,296	207,296	207,296	207,296	207,296	207,296	207,296
Agricultural											
Biological											
Intangible											
Other non-current assets											
<b>Total non current assets</b>		<b>140,942</b>	<b>207,296</b>	<b>206,710</b>	<b>207,296</b>	<b>207,296</b>	<b>207,296</b>	<b>207,296</b>	<b>207,296</b>	<b>207,296</b>	<b>207,296</b>
<b>TOTAL ASSETS</b>		<b>288,790</b>	<b>436,644</b>	<b>438,355</b>	<b>480,949</b>	<b>481,362</b>	<b>481,362</b>	<b>481,362</b>	<b>492,929</b>	<b>519,891</b>	<b>601,531</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	-1										
Borrowing	4	3,443	4,455	4,276	4,043	4,043	4,043	4,043	3,409	1,523	1,523
Consumer deposits		7,087	7,383	7,603	7,400		0	0	83,000	83,000	82,999
Trade and other payables	4	70,596	110,370	164,935	110,370	110,370	110,370	110,370	123,021	123,021	123,021
Provisions											
<b>Total current liabilities</b>		<b>81,126</b>	<b>122,208</b>	<b>176,814</b>	<b>121,812</b>	<b>114,413</b>	<b>114,413</b>	<b>114,413</b>	<b>209,430</b>	<b>207,544</b>	<b>207,544</b>
<b>Non current liabilities</b>											
Borrowing		13,402	11,803	7,496	3,511	3,511	3,511	3,511	102	102	102
Provisions		44,881	51,583	48,219	51,583	51,583	51,583	51,583	51,583	51,583	51,583

## Lukhanji Tabled Budget

Total non current liabilities		58,283	63,386	55,715	55,093	55,093	55,093	55,093	51,685	51,685	51,685
<b>TOTAL LIABILITIES</b>		<b>139,409</b>	<b>185,594</b>	<b>232,529</b>	<b>176,906</b>	<b>169,506</b>	<b>169,507</b>	<b>169,507</b>	<b>261,115</b>	<b>259,229</b>	<b>259,228</b>
<b>NET ASSETS</b>	5	<b>149,380</b>	<b>251,051</b>	<b>205,826</b>	<b>304,043</b>	<b>311,856</b>	<b>311,855</b>	<b>311,855</b>	<b>231,814</b>	<b>260,663</b>	<b>342,302</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		149,380	251,051	309,424	304,043	304,043	284,360	284,360	304,043	320,066	350,437
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>149,380</b>	<b>251,051</b>	<b>309,424</b>	<b>304,043</b>	<b>304,043</b>	<b>284,360</b>	<b>284,360</b>	<b>304,043</b>	<b>320,066</b>	<b>350,437</b>

# Lukhanji Tabled Budget

EC134 Lukhanji - Table A7 Budgeted Cash Flows

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other Government - operating	1	171,862	166,320	260,417	320,846	323,863	323,863	323,863	360,218	405,290	405,290
Government - capital	1										
Interest		16,382	23,026	22,437	2,010	2,010	2,010	2,010	2,010	2,010	2,010
Dividends											
<b>Payments</b>											
Suppliers and employees		(177,369)	(158,015)	226,377	(314,856)	(280,152)	(280,152)	(280,152)	(346,284)	(346,284)	(389,304)
Finance charges		(1,258)	(2,114)	1,610	(2,274)	(1,444)	(1,444)	(1,444)	(1,612)	(1,612)	(1,612)
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>9,616</b>	<b>29,218</b>	<b>510,841</b>	<b>5,726</b>	<b>44,277</b>	<b>44,277</b>	<b>44,277</b>	<b>14,333</b>	<b>59,405</b>	<b>16,384</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		3,182	1,721	3,254		18	18	18			
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables	5	5	5	-							
Decrease (increase) in non-current investments		(37)	(43)	(26)							
<b>Payments</b>											
Capital assets		(5,434)	(5,434)								
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(2,284)</b>	<b>(3,750)</b>	<b>3,228</b>	<b>-</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing		2,290	(821)	(922)	(5,316)	(5,316)	(5,316)	(5,316)	(5,353)	(5,091)	(5,091)
Increase (decrease) in consumer deposits		336	297	219							
<b>Payments</b>											
Repayment of borrowing			(4,172)	4,981							
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>2,627</b>	<b>(4,696)</b>	<b>4,278</b>	<b>(5,316)</b>	<b>(5,316)</b>	<b>(5,316)</b>	<b>(5,316)</b>	<b>(5,353)</b>	<b>(5,091)</b>	<b>(5,091)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>9,959</b>	<b>20,772</b>	<b>518,347</b>	<b>410</b>	<b>38,979</b>	<b>38,979</b>	<b>38,979</b>	<b>8,979</b>	<b>54,314</b>	<b>11,293</b>
Cash/cash equivalents at the year begin:	2	37,209	47,168	67,940	73,998	73,998	73,998	73,998	112,977	121,957	176,270
Cash/cash equivalents at the year end:	2	47,168	67,940	586,288	74,408	112,977	112,977	112,977	121,957	176,270	187,563

# Lukhanji Tabled Budget

## EC134 Lukhanji - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	R ef	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	47,168	67,940	586,288	74,408	112,977	112,977	112,977	121,957	176,270	187,563
Other current investments > 90 days		664	6,140	(477,551)	707	(37,449)	(37,449)	(37,449)	(37,862)	(80,214)	(9,867)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>47,832</b>	<b>74,080</b>	<b>108,737</b>	<b>75,115</b>	<b>75,528</b>	<b>75,528</b>	<b>75,528</b>	<b>84,094</b>	<b>96,057</b>	<b>177,696</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		20,483	23,979	36,631	23,979	23,979	23,979	23,979	36,631	36,631	36,631
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	(30,058)	(30,525)	33,310	(81,544)	(82,352)	(82,352)	(82,352)	(90,707)	(98,950)	(80,868)
Other provisions			5,934	11,046	11,766	11,766	11,766	11,766	12,486	13,206	13,926
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(9,575)</b>	<b>(613)</b>	<b>80,987</b>	<b>(45,799)</b>	<b>(46,607)</b>	<b>(46,607)</b>	<b>(46,607)</b>	<b>(41,590)</b>	<b>(49,113)</b>	<b>(30,311)</b>
<b>Surplus(shortfall)</b>		<b>57,407</b>	<b>74,693</b>	<b>27,749</b>	<b>120,914</b>	<b>122,135</b>	<b>122,135</b>	<b>122,135</b>	<b>125,684</b>	<b>145,169</b>	<b>208,007</b>



# Lukhanji Tabled Budget

EC134 Lukhanji - Table A9 Asset Management

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>CAPITAL EXPENDITURE</b>										
<b><u>Total New Assets</u></b>	1	-	140,941	207,296	72,332	59,146	59,146	41,373	38,438	46,543
<i>Infrastructure - Road transport</i>		-	812	97,649	18,016	21,825	21,825	17,342	14,896	19,897
<i>Infrastructure - Electricity</i>		-	26,324	86,966	6,823	6,861	6,861	11,206	5,700	7,000
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	1,112	130	3,508	3,299	3,299	2,288	9,604	11,610
Infrastructure		-	28,248	184,746	28,348	31,985	31,985	30,836	30,200	38,507
Community		-	198	-	4,451	6,721	6,721	5,647	3,165	2,575
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	35,054	16,461	16,461	2,821	-	-
Other assets	6	-	112,495	22,550	4,479	3,979	3,979	2,070	5,073	5,461
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b><u>Total Renewal of Existing Assets</u></b>	2	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b><u>Total Capital Expenditure</u></b>	4	-	140,941	207,296	72,332	59,146	59,146	41,373	38,438	46,543
<i>Infrastructure - Road transport</i>		-	812	97,649	18,016	21,825	21,825	17,342	14,896	19,897
<i>Infrastructure - Electricity</i>		-	26,324	86,966	6,823	6,861	6,861	11,206	5,700	7,000
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	1,112	130	3,508	3,299	3,299	2,288	9,604	11,610
Infrastructure		-	28,248	184,746	28,348	31,985	31,985	30,836	30,200	38,507

# Lukhanji Tabled Budget

Community		-	198	-	4,451	6,721	6,721	5,647	3,165	2,575
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	35,054	16,461	16,461	2,821	-	-
Other assets		-	112,495	22,550	4,479	3,979	3,979	2,070	5,073	5,461
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>2</b>	<b>-</b>	<b>140,941</b>	<b>207,296</b>	<b>72,332</b>	<b>59,146</b>	<b>59,146</b>	<b>41,373</b>	<b>38,438</b>	<b>46,543</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>									
<i>Infrastructure - Road transport</i>			812	97,649	18,016	21,825	21,825	17,342	14,896	19,897
<i>Infrastructure - Electricity</i>			26,324	86,966	6,823	6,861	6,861	11,206	5,700	7,000
<i>Infrastructure - Water</i>										
<i>Infrastructure - Sanitation</i>										
<i>Infrastructure - Other</i>			1,112	130	3,508	3,299	3,299	2,288	9,604	11,610
Infrastructure		-	28,248	184,746	28,348	31,985	31,985	30,836	30,200	38,507
Community			198		4,451	6,721	6,721	5,647	3,165	2,575
Heritage assets										
Investment properties		-	-	-	-	-	-	-	-	-
Other assets			112,495	22,550	39,533	20,440	20,440	4,891	5,073	5,461
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>-</b>	<b>140,941</b>	<b>207,296</b>	<b>72,332</b>	<b>59,146</b>	<b>59,146</b>	<b>41,373</b>	<b>38,438</b>	<b>46,543</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b><u>Depreciation &amp; asset impairment</u></b>		9,441	-	9,285	-	-	-	-	-	-
<b><u>Repairs and Maintenance by Asset Class</u></b>	<b>3</b>									
<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	<b>6, 7</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>9,441</b>	<b>-</b>	<b>9,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Lukhanji Tabled Budget

EC134 Lukhanji - Table A10 Basic service delivery measurement

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Household service targets (000)</b>	1									
<b>Water:</b>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-

# Lukhanji Tabled Budget

		-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		8,094	8,829	8,829	8,290	8,290	8,290	8,290	8,290	8,290
Sanitation (free minimum level service)		9,822	10,097	10,097	9,198	9,198	9,198	9,198	9,198	9,198
Electricity/other energy (50kwh per household per month)		7,238	7,511	7,511	6,463	6,463	6,463	6,463	6,463	6,463
Refuse (removed at least once a week)		4,718	4,570	4,570	4,244	4,244	4,244	4,244	4,244	4,244
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		4,471	5,989	5,989	5,822	5,822	5,822	6,172	6,542	6,934
Sanitation (free sanitation service)		1,853	1,905	1,905	1,735	1,735	1,735	1,839	1,950	2,067
Electricity/other energy (50kwh per household per month)		2,552	2,916	2,916	4,814	4,814	4,814	5,873	7,165	8,741
Refuse (removed once a week)		5,184	5,418	5,418	6,161	6,161	6,161	7,085	8,148	9,370
<b>Total cost of FBS provided (minimum social package)</b>		<b>14,060</b>	<b>16,228</b>	<b>16,228</b>	<b>18,532</b>	<b>18,532</b>	<b>18,532</b>	<b>20,969</b>	<b>23,804</b>	<b>27,112</b>
<b>Highest level of free service provided</b>										
Property rates (R'000 value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)					2,483	2,483	2,483	2,483	2,657	2,843
Property rates (other exemptions, reductions and rebates)					295	295	295	295	316	338
Water					32,685	32,685	32,685	32,685	34,646	36,724
Sanitation					3,865	3,865	3,865	3,865	4,097	4,342
Electricity/other energy					3,564	3,564	3,564	3,564	4,455	5,568
Refuse					6,619	6,619	6,619	6,619	7,612	8,754
Municipal Housing - rental rebates	6									
Housing - top structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>49,511</b>	<b>49,511</b>	<b>49,511</b>	<b>49,511</b>	<b>53,782</b>	<b>58,570</b>

## Lukhanji Tabled Budget

2011/12

### KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE

Number	Item description	Due Date	Responsible Person
	<b>July 2010</b>		
1	Review the 2010/11 Budget Process	1-31 July	CFO
2	Establish process and timetable for the 2011/12 to 2013/14 Budget Development <sup>9</sup>	20-Jul-10	Mayor, CFO, Budget Mgr
	<b>August 2010</b>		
3	<b>COUNCIL MEETING: Budget Schedule to be tabled to the Council</b>	31-Aug-10	MAYOR
4	2009/10 Financial Statements submitted to Auditor-General	31-Aug-10	CFO
	<b>September 2010</b>		
5	<b>MAYORAL/ BUDGET STEERING COMMITTEE MEETING: Mayoral committee to meet and identify strategies and guidelines for the development of the 2011/12 to 2013/14 Budgets. Committee should adopt the 'Budget Preparation and Financial Guidelines' proposed.</b>	08-Sep-10	CFO, Budget Mgr
6	<b>MAYORAL / STEERING COMMITTEE MEETING: - review progress and budget assumptions</b>	08-Sep-10	CFO, Budget Mgr
7	<b>MEETING WITH DIRECTORS AND MANAGERS: Directorates to be provided with the current Baseline Operating Medium Term Expenditure Forecasts (MTEF) 2011/12 thru 2013/14 that are to be used as a basis for the development of new Operating Medium Term Expenditure</b>	15-Sep-10	CFO, Budget Mgr
8	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	30-Sep-10	Budget Mgr

## Lukhanji Tabled Budget

<b>KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE</b>			
<b>Number</b>	<b>Item description</b>	<b>Due Date</b>	<b>Responsible Person</b>
	<b>October 2010</b>		
9	<b>MAYORAL / STEERING COMMITTEE MEETING: - review progress and baseline operating budget.</b>	13-Oct-10	CFO, Budget Mgr
10	Schedule individual meetings with Directorate to review baseline budget and work progress for completion of changes and supplemental requests	20-Oct-10	Budget Mgr
11	Review current tariffs, receive requested changes from directorates and prepare options for consideration	30-Oct-10	Revenue Mgr, Budget Mgr.
12	<b>SUBMISSION OF BASELINE BUDGETS AND SUPPLEMENTAL REQUESTS FROM DIRECTORATES:</b> Final date for submission of all Baseline Operating Budgets, Capital Budgets and Operational plans by Directorates to the budget office.	30-Oct-10	Directorates
	<b>November 2010</b>		
13	Draft report on proposed tariff changes for review to Budget Steering Committee delivered to CFO	05-Nov-10	Revenue Mgr, Budget Mgr.
14	<b>MAYORAL / STEERING COMMITTEE MEETING: - review progress and proposed tariff report.</b>	05-Nov-10	CFO, Budget Mgr
15	Prepare first draft of operating and capital medium term budget based on baseline operating budgets submitted by directorates	27-Nov-10	Budget Mgr
16	Receive audited Financial Statements and Audit report from the Auditor-General for the 2009//10 financial year	30-Nov-10	Auditor-Gener
	<b>December 2010</b>		
17	<b>MAYORAL / STEERING COMMITTEE MEETING: - review progress, baseline budget report AND DRAFT TARRIFS.</b>	08-Dec-10	CFO, Budget Mgr
	<b>January 2011</b>		
18	<b>MAYORAL / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.</b>	23-Jan-11	CFO, Budget Mgr
19	<b>MAYORAL COMMITTEE MEETING: PRESENT MIDYEAR PERFORMANCE REPORT TO MAYORAL COMMITTEE:</b> Final review of 2010/11 operating and capital budget for midyear adjustments to mayoral committee for approval to council.	26-Jan-11	Municipal Manager
20	<b>SUBMISSION OF CAPITAL BUDGET REQUESTS FROM DIRECTORATES:</b> Final date for submission of all Capital Budget plans by Directorates to the budget office.	26-Jan-11	All Directors
21	<b>COUNCIL MEETING:</b> Table in a special council meeting the annual report, mid year assessment report, financial statements and audit report	28-Jan-11	Municipal Manager, May

## Lukhanji Tabled Budget

<b>KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE</b>			
<b>Number</b>	<b>Item description</b>	<b>Due Date</b>	<b>Responsible Person</b>
<b>February 2011</b>			
22	<b>MAYORAL / STEERING COMMITTEE MEETING: - review progress and the DRAFT BUDGET.</b>	02-Feb-11	CFO, Budget Mgr
23	<b>MEETING WITH DIRECTORS AND MANAGERS:</b> Directorates to be provided with the SDBIP performance indicators from last year and asked to revise. They should also provide Key service delivery targets in conjunction with the IDP office.	09-Feb-11	CFO, Budget Mgr
24	<b>COUNCIL MEETING:</b> Table in a special council meeting the adjustments budget for mid-year	23-Feb-11	Mayor
25	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	25-Feb-11	Budget Mgr
<b>March 2011</b>			
26	<b>MAYORAL / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.</b>	11-Mar-11	CFO, Budget Mgr
27	Final Date for Directorates to present SDBIP performance indicators and service delivery targets for 2011/12 for review.	09-Mar-11	Directorates
28	<b>MAYORAL / STEERING COMMITTEE MEETING:</b> final draft operating and capital budget presented to Mayoral committee for review	16-Mar-11	CFO, Budget Mgr
29	<b>COUNCIL MEETING: Council (after consideration of the 2009/10 Annual Report) to adopt an Oversight Report.</b>	31-Mar-11	Oversight Committee
30	<b>COUNCIL MEETING:</b> Operating and Capital draft budget and IDP tabled to Council for consultation with the community	31-Mar-11	Mayor, Finance MEC
31	Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the Annual Financial Statements, the 2009/10 audit report and any corrective action taken in response to the findings of the audit report.	31-Mar-11	Administrative Director
32	Submit draft budgets in required form to NT, Provincial Treasury	31-Mar-11	Budget Mgr

## Lukhanji Tabled Budget

<b>KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE</b>			
<b>Number</b>	<b>Item description</b>	<b>Due Date</b>	<b>Responsible Person</b>
	<b>April 2011</b>		
34	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	13-Apr-11	Budget Mgr
35	Directorates are to provide a list of Capital Projects to be rolled over for inclusion in the 2011/12 Budget to the budget office and cash balances forward for grant projects.	29-Apr-11	Directorates
	<b>May 2011</b>		
36	Hold public meetings and consultations on budget/ IDP	2 - 6 May	Speaker, Administrative Director
37	Final Budgets prepared taking into consideration submissions made during consultation process	11-May-11	CFO, Budget Mgr
38	<b>MEETING OF MAYORAL / STEERING COMMITTEE:</b> Approval of FINAL operating and capital budget for presentation to the full council	18-May-11	CFO, Budget Mgr
39	<b>COUNCIL MEETING: IDP &amp; Budgets for 2011/12 thru 20113/14 adopted by Council along with the Mayor's budget address</b>	27-May-11	Mayor, Finance MEC
	<b>June 2011</b>		
40	The Service Delivery and Budget Implementation Plans (SDBIP) along with the annual performance agreements for the Municipal Manager and all managers directly responsible to the MM (based on the operational plans and IDP) is to be issued to the Mayor by the 14th day after the budget is approved	17-Jun-11	Municipal Manager
41	IDP & Annual Budget reports to National, Provincial Treasury and the District municipality.	17-Jun-11	Budget Mgr
42	MAYORAL TO APPROVE SDBIP AND PERFORMANCE AGREEMENTS within 14 days after receiving them.	30-Jun-11	MAYOR



## **Lukhanji Tabled Budget**

**The tables contained in the following pages attempt to align the draft budget with the IDP.**

Table SA4 – Reconciliation of IDP strategic objectives and Budget – Revenue

Table SA5 – Reconciliation of IDP strategic objectives and Budget – Operating Expenditure

Table SA6 – Reconciliation of IDP strategic objectives and Budget – Capital Expenditure

# Lukhanji Tabled Budget

EC134 Lukhanji - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Good Governance & Financial Viability	To achieve clean audit by 30 June 2011		125,469	111,770	148,895	136,689	137,505	137,505	142,273	174,690	71,447
Institutional Development & Transformation	Revise and automate and cascade performance management		–	274	–	281	281	281	308	–	–
Local Economic Development	Improve agricultural contribution to economy		1,632	7,534	4,803	2,627	2,606	2,606	2,810	1,687	1,772
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste		129,294	199,841	210,149	259,300	261,540	261,540	294,304	334,067	324,903
<b>Total Revenue (excluding capital transfers and contributions)</b>		1	<b>256,396</b>	<b>319,419</b>	<b>363,847</b>	<b>398,897</b>	<b>401,932</b>	<b>401,932</b>	<b>439,695</b>	<b>510,445</b>	<b>398,122</b>

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Good Governance & Financial Viability	To achieve clean audit by 30 June 2011		71,987	42,237	30,462	39,445	37,215	37,215	40,981	39,163	65,165
Institutional Development & Transformation	Revise and automate and cascade performance management		2,855	3,276	2,863	3,348	3,250	3,250	3,826	3,425	5,517
Local Economic Development	Improve agricultural contribution to economy		7,939	12,259	7,713	9,782	8,492	8,492	8,900	9,433	9,986
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste		168,188	238,476	274,195	345,914	352,152	352,152	385,987	457,944	447,629
		1	<b>250,969</b>	<b>296,248</b>	<b>315,233</b>	<b>398,488</b>	<b>401,109</b>	<b>401,109</b>	<b>439,694</b>	<b>509,964</b>	<b>528,298</b>

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Good Governance & Financial Viability	To achieve clean audit by 30 June 2011	A		18,148	17,268	4,102	1,435	1,435	1,435	1,376	1,417	1,459
Institutional Development & Transformation	Revise and automate and cascade performance management	B		-	-	-	-	-	-	-	-	-
Local Economic Development	Improve agricultural contribution to economy	C		75,346	1,062	-	6,301	6,301	6,301	1,744	1,796	1,850
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste	D		47,395	188,967	45,141	35,549	34,395	34,395	38,332	38,767	39,930
			1	140,889	207,296	49,242	43,286	42,131	42,131	41,452	41,980	43,239

# Lukhanji Tabled Budget

## Lukhanji Tabled Budget

### 10 Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. The section provides a comprehensive summary of all the assumptions used in preparing the budget.

po

<b>Budget Assumptions Table 2011/12</b>				
	Estimated 2010/11	Estimated 2011/12	Estimated 2012/13	Estimated 2013/14
1) General Inflation Factor	5.10%	4.80%	4.20%	4.20%
2) Interest Rates:				
Borrowing	12.00%	12.00%	12.00%	12.00%
Investing	8.00%	8.00%	8.00%	8.00%
3) Increases - Rates and Tariffs:				
Growth Factor	1.00%	1.00%	1.00%	1.00%
Rates	8.00%	8.00%	7.00%	7.00%
Electricity	28.00%	20.38%	22.00%	22.00%
Refuse	15.00%	14.00%	14.00%	14.00%
Water	6.00%	6.00%	6.00%	6.00%
Sanitation	6.00%	6.00%	6.00%	6.00%
4) Tax Base Growth	0.00%	0.00%	0.00%	0.00%
5) Billing Collection Rates:				
Rates	98.00%	98.00%	98.00%	98.00%
Electricity	77.10%	77.10%	77.10%	77.10%
Refuse	49.90%	49.90%	49.90%	49.90%
Water	56.20%	56.20%	56.20%	56.20%
Sanitation	58.90%	58.90%	58.90%	58.90%
Debtor Interest		0.00%	0.00%	0.00%
6) Bulk Electricity Purchases				
Growth Factor	0.00%	0.00%	0.00%	0.00%
Bulk Cost Increases	28.90%	26.71%	25.90%	25.00%

## Lukhanji Tabled Budget

<b>Budget Assumptions Table 2011/12</b>				
	Estimated 2010/11	Estimated 2011/12	Estimated 2012/13	Estimated .2013/14
7) Salary Increased				
Salaries	8.00%	7.00%	6.00%	6.00%
Overtime	8.00%	7.00%	7.00%	7.00%
Contract Workers	4.00%	6.00%	6.00%	6.00%
8) WSSA contract increase	5.00%	5.00%	5.00%	5.00%
9) Equitable Share Allocation	86,907,672	96,062,000	106,129,000	113,038
10) Water/Sanitation Subsidy (from District)	40,738,324	44,700,352	46,935,370	49,282,138
12) Primary Health Clinics Allow.				
13) Primary Health Clinics Deficit				
14) ATIC Clinics Allow.	4,180,279	3,969,664	3,594,266	3,813,159
15) ATIC Clinics Deficit	0	0	0	0
16) Library Allocation	2,423,714	2,659,434	2,739,217	2,906,035

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Borrowing Management</b>											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	4.6%	2.7%	1.7%	0.7%	0.7%	0.7%	0.7%	0.0%	0.0%	0.0%
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.5%	2.1%	-1.3%	1.9%	1.9%	1.9%	1.9%	1.6%	1.3%	1.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	##### ##	- 41028050.0%	92198300.0%	- 143.3%	-12.3%	-	-	-	-	-
<b>Safety of Capital</b>											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	93.3%	73.9%	75.1%	58.2%	55.8%	59.6%	59.6%	85.9%	81.0%	74.0%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.8	1.9	1.3	2.2	2.4	2.4	2.4	1.4	1.5	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.8	1.9	1.3	2.2	2.4	2.4	2.4	1.4	1.5	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.4	0.5	0.9
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		117.5%	86.4%	140.2%	140.2%	140.2%	140.2%	119.3%	114.6%	109.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	39.0%	48.6%	36.9%	49.8%	49.4%	49.4%	49.4%	45.8%	42.4%	34.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
<b>Funding of Provisions</b>											
Provisions not funded - %	Unfunded Provs./Total Provisions										
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source										
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.6%	27.3%	23.2%	26.1%	25.2%	25.2%	25.2%	24.8%	21.3%	21.0%

## Lukhanji Tabled Budget

Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	24.8%	27.2%	27.7%	25.5%	25.5%		28.2%	24.1%	20.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.2%	0.6%	3.3%	1.9%	1.9%	1.9%	1.9%	1.6%	1.2%	1.1%
<b>IDP regulation financial viability indicators</b>	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	6.1	12.5	105.2	144.3	144.3	144.3	144.5	166.1	194.8	241.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	78.6%	101.5%	86.6%	94.2%	93.4%	93.4%	93.4%	80.7%	78.3%	59.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.6	3.1	30.0	2.5	3.7	3.7	3.7	3.7	5.2	4.9



# Lukhanji Tabled Budget

## EC134 Lukhanji Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Funding measures</b>	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	47,168	67,940	586,288	74,408	112,977	112,977	112,977	121,957	176,270	187,563
Cash + investments at the yr end less applications - R'000	18(1)b	2	57,407	74,693	27,749	120,914	122,135	122,135	122,135	125,684	145,169	208,007
Cash year end/monthly employee/supplier payments	18(1)b	3	2.6	3.1	30.0	2.5	3.7	3.7	3.7	3.7	5.2	4.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	5,426	23,171	67,147	410	2,344	2,344	2,344	0	55,348	130,599
Service charge rev % change - macro CPIX target exclusive	18(1)a, (2)	5	N.A.	14.3%	(13.3%)	43.0%	(5.2%)	(6.0%)	(6.0%)	11.6%	4.8%	25.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a, (2)	6	101.7%	67.1%	122.8%	92.4%	93.3%	93.3%	93%	113.5%	105.2%	88.0%
Debt impairment expense as a % of total billable revenue	18(1)a, (2)	7	27.4%	27.2%	30.1%	32.0%	31.7%	31.7%	31.7%	30.5%	31.5%	24.0%
Capital payments % of capital expenditure	18(1)c; 19	8	3.9%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	#####	#####	9219830							
Grants % of Govt. legislated/gazetted allocations	18(1)a	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	1	N.A.	55.2%	(20.8%)	61.5%	0.0%	0.0%	0.0%	1.5%	7.4%	0.0%
Long term receivables % change - incr(decr)	18(1)a	2	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	1	4.3%	#NAME?	3.0%	5.9%	6.6%	6.6%	6.6%	4.5%	4.6%	4.6%
Asset renewal % of capital budget	20(1)(vi)	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank			664	707	707	707	707	707	707	707
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										
<b>Municipality sub-total</b>	1	-	664	707	707	707	707	707	707	707
<b>Entities</b>										
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										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		-	664	707	707	707	707	707	707	707

References

# Lukhanji Tabled Budget

EC134 Lukhanji - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months			Rand thousand	
<b>Parent municipality</b> ABSA BANK		Call	CALL ACCOUNTS		707	60
<b>Municipality sub-total</b>					707	60
<b>Entities</b>						
<b>Entities sub-total</b>					-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1				707	60

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA17 Borrowing

Borrowing - Categorised by type  R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)			4,452	3,533	2,551	2,551	2,551	1,421	1,421	1,421
Local registered stock										
Instalment Credit										
Financial Leases			8,950	8,271	5,003	5,003	5,003	2,090	102	-
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	13,402	11,803	7,554	7,554	7,554	3,511	1,523	1,421
<b>Entities</b>										
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										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	13,402	11,803	7,554	7,554	7,554	3,511	1,523	1,421

# Lukhanji Tabled Budget

EC134 Lukhanji - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>RECEIPTS:</b>	1, 2									
<b><u>Operating Transfers and Grants</u></b>										
<b>National Government:</b>		-	42,608	54,967	69,776	72,699	72,699	98,352	100,281	109,946
Equitable share			40,858	53,732	68,291	70,964	70,964	96,062	97,991	107,646
Finance Management			750	500	750	1,000	1,000	1,500	1,500	1,500
Municipal Systems Improvement			1,000	735	735	735	735	790	790	800
<b>Provincial Government:</b>		-	8,377	6,688	7,475	11,052	11,052	-	10,162	10,511
Health subsidy			8,377	6,688	7,475	11,052	11,052		10,162	10,511
Housing	4									
<b>District Municipality:</b>		-	2,262	20,448	#REF!	42,124	42,124	47,360	44,843	46,601
<i>Water and Sanitation Provider</i>			2,262	18,024	18,596	39,700	39,700	44,700	42,419	44,177
<i>Library Subsidy</i>				2,424	#REF!	2,424	2,424	2,659	2,424	2,424
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	-	53,246	82,103	#REF!	125,874	125,874	145,712	155,286	167,059
<b><u>Capital Transfers and Grants</u></b>										
<b>National Government:</b>		-	10,232	21,009	19,734	19,734	19,734	28,446	42,480	52,197
Municipal Infrastructure (MIG)			10,232	21,009	19,734	19,734	19,734	26,480	34,480	42,197
Public Works								966		
Municipal Infrastructure (MIG)								1,000	8,000	10,000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	-	10,232	21,009	19,734	19,734	19,734	28,446	42,480	52,197
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		-	63,478	103,112	#REF!	145,608	145,608	174,158	197,766	219,256

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>EXPENDITURE:</b>	1									
<u>Operating expenditure of Transfers and Grants</u>										
<b>National Government:</b>		-	42,608	54,967	69,776	72,699	72,699	98,352	100,281	109,946
Equitable share			40,858	53,732	68,291	70,964	70,964	96,062	97,991	107,646
Finance Management			750	500	750	1,000	1,000	1,500	1,500	1,500
Municipal Systems Improvement			1,000	735	735	735	735	790	790	800
<b>Provincial Government:</b>		-	8,377	6,688	7,475	11,052	11,052	3,490	10,162	10,511
Health subsidy			8,377	6,688	7,475	11,052	11,052	3,490	10,162	10,511
Housing										
Sports and Recreation										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>Water and Sanitation Provider</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		-	50,984	61,655	77,251	83,751	83,751	101,842	110,443	120,458
<u>Capital expenditure of Transfers and Grants</u>										
<b>National Government:</b>		-	10,232	21,009	19,734	19,734	19,734	28,446	34,480	42,197
Municipal Infrastructure (MIG)			10,232	21,009	19,734	19,734	19,734	26,480	26,480	32,197
Public Works								966	-	-
Municipal Infrastructure (MIG)								1,000	8,000	10,000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	2,262	18,024	18,596	39,700	39,700	43,371	44,820	47,939
<i>Water and Sanitation Provider</i>			2,262	18,024	18,596	39,700	39,700	43,371	44,820	47,939
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total capital expenditure of Transfers and Grants</b>		-	12,494	39,033	38,330	59,434	59,434	71,817	79,300	90,136
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	63,478	100,688	115,581	143,185	143,185	173,658	189,743	210,594

References

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year			5,528	12,838		4,564	4,564	1,936		
Current year receipts			13,249	18,346	69,776	72,449	72,449	99,318	100,281	109,946
<b>Conditions met - transferred to revenue</b>		-	5,939	19,472	69,776	77,014	77,014	101,254	100,281	109,946
Conditions still to be met - transferred to liabilities			12,838	11,712						
<b>Provincial Government:</b>										
Balance unspent at beginning of the year			13,900	6,003		3,766	3,766	1,949		
Current year receipts			23,771	22,333	7,475	15,788	15,788	2,659	12,586	12,935
<b>Conditions met - transferred to revenue</b>		-	31,667	18,013	7,475	19,554	19,554	4,608	12,586	12,935
Conditions still to be met - transferred to liabilities			6,003	10,323						
<b>District Municipality:</b>										
Balance unspent at beginning of the year			77	1,140				36		
Current year receipts			1,813	195						
<b>Conditions met - transferred to revenue</b>		-	751	58	-	-	-	36	-	-
Conditions still to be met - transferred to liabilities			1,140	1,277						
<b>Other grant providers:</b>										
Balance unspent at beginning of the year			512	502						
Current year receipts			107	158						
<b>Conditions met - transferred to revenue</b>		-	116	(7)	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			502	667						
<b>Total operating transfers and grants revenue</b>		-	38,473	37,537	77,251	96,568	96,568	105,899	112,867	122,881
<b>Total operating transfers and grants - CTBM</b>	2	-	20,483	23,979	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year					7,654	8,484	8,484	5,984		
Current year receipts					19,734	19,734	19,734	26,480	34,480	42,197
<b>Conditions met - transferred to revenue</b>		-	-	-	27,388	28,218	28,218	32,464	34,480	42,197
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year					3,146	7,533	7,533	3,646		
Current year receipts					31,908	13,694	13,694			
<b>Conditions met - transferred to revenue</b>		-	-	-	35,054	21,227	21,227	3,646	-	-
Conditions still to be met - transferred to liabilities										

## Lukhanji Tabled Budget

<b>District Municipality:</b>										
Balance unspent at beginning of the year				404	384	384	633			
Current year receipts										
<b>Conditions met - transferred to revenue</b>				<b>404</b>	<b>384</b>	<b>384</b>	<b>633</b>			
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year							3,709			
Current year receipts										
<b>Conditions met - transferred to revenue</b>							<b>3,709</b>			
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>				<b>62,846</b>	<b>49,829</b>	<b>49,829</b>	<b>40,452</b>	<b>34,480</b>	<b>42,197</b>	
<b>Total capital transfers and grants - CTBM</b>	2									
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>				<b>140,097</b>	<b>146,397</b>	<b>146,397</b>	<b>146,351</b>	<b>147,347</b>	<b>165,078</b>	
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>										

Table SA21 – Disclosure o Allocations Made by the Municipality



## Lukhanji Tabled Budget

The municipality currently does not make any allocations to other municipalities so this table is not populated.

### EC134 Lukhanji - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<u>Transfers to other municipalities</u>										
<b>TOTAL TRANSFERS TO MUNICIPALITIES:</b>		-	-	-	-	-	-	-	-	-
<u>Transfers to Entities/Other External Mechanisms</u>										
<b>TOTAL TRANSFERS TO ENTITIES/EMs'</b>		-	-	-	-	-	-	-	-	-
<u>Transfers to other Organs of State</u>										
<b>TOTAL TRANSFERS TO OTHER ORGANS OF STATE:</b>		-	-	-	-	-	-	-	-	-
<u>Grants to Organisations/ Groups of Individuals</u>										
<b>TOTAL GRANTS TO ORGANISATIONS/GROUPS OF INDIVIDUALS:</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	5	-	-	-	-	-	-	-	-	-

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
		A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>	1									
Salary			6,664	7,126	9,369	7,864	7,864	9,103	9,650	10,229
Pension Contributions										
Medical Aid Contributions								1,700		
Motor vehicle allowance			2,221	2,456	3,167	2,621	2,621	3,034	3,217	3,410
Cell phone allowance			509	562	594	591	591	674	714	757
Housing allowance										
Other benefits or allowances										
In-kind benefits										
<b>Sub Total - Councillors</b>		-	<b>9,394</b>	<b>10,144</b>	<b>13,130</b>	<b>11,076</b>	<b>11,076</b>	<b>14,511</b>	<b>13,580</b>	<b>14,395</b>
<b>% increase</b>	4		-	<b>8.0%</b>	<b>29.4%</b>	<b>(15.6%)</b>	-	<b>31.0%</b>	<b>(6.4%)</b>	<b>6.0%</b>
<b><u>Senior Managers of the Municipality</u></b>	2									
Salary			1,988	2,214	2,484	2,484	2,484	2,683	2,844	3,015
Pension Contributions			398	423	486	486	486	525	557	590
Medical Aid Contributions			178	183	203	203	203	220	233	247
Motor vehicle allowance			431	431	431	431	431	465	493	523
Cell phone allowance										
Housing allowance			34	34	27	27	27	29	31	33
Performance Bonus - Normal Bonus			254	276	305	305	305	329	349	370
Other benefits or allowances			27	23	24	24	24	26	28	30
In-kind benefits										
<b>Sub Total - Senior Managers of Municipality</b>		-	<b>3,309</b>	<b>3,584</b>	<b>3,961</b>	<b>3,961</b>	<b>3,961</b>	<b>4,278</b>	<b>4,534</b>	<b>4,806</b>
<b>% increase</b>	4		-	<b>8.3%</b>	<b>10.5%</b>	-	-	<b>8.0%</b>	<b>6.0%</b>	<b>6.0%</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages			43,269	48,806	61,106	58,755	58,755	71,825	70,604	74,758
Pension Contributions			6,240	6,494	8,947	8,052	8,052	11,225	11,145	11,814
Medical Aid Contributions			5,025	10,270	7,005	6,242	6,242	7,052	8,667	9,187
Motor vehicle allowance			2,149	2,220	2,566	2,606	2,606	2,744	2,371	2,341
Cell phone allowance			29	24	21	37	37	13	17	17
Housing allowance			301	320	325	280	280	231	165	163
Overtime			3,606	4,335	5,205	4,583	4,583	3,778	3,469	3,677
Leave Bonus			3,046	3,339	4,443	4,443	4,443	5,095	5,499	5,829
Other benefits or allowances			2,694	1,133	3,647	2,408	2,408	3,091	2,861	3,004

## Lukhanji Tabled Budget

In-kind benefits										
<b>Sub Total - Other Municipal Staff</b>		-	66,359	76,942	93,267	87,407	87,407	105,053	104,797	110,790
% increase	4		-	15.9%	21.2%	(6.3%)	-	20.2%	(0.2%)	5.7%
<b>Total Parent Municipality</b>		-	79,062	90,670	110,357	102,444	102,444	123,842	122,911	129,992
			-	14.7%	21.7%	(7.2%)	-	20.9%	(0.8%)	5.8%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	79,062	90,670	110,357	102,444	102,444	123,842	122,911	129,992
% increase	4		-	14.7%	21.7%	(7.2%)	-	20.9%	(0.8%)	5.8%
<b>TOTAL MANAGERS AND STAFF</b>	5	-	69,668	80,526	97,227	91,368	91,368	109,331	109,331	115,597

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No. 10	Salary	Contrib. 1.	Allowances	Normal Bonuses	In-kind benefits 2.	Total Package 3.
<b>Rand per annum</b>								
<b>Councillors</b>	4							
Speaker	5	1	374,128		143,918			518,047
Chief Whip								-
Executive Mayor		1	467,663		175,092			642,755
Deputy Executive Mayor								-
Executive Committee		7	2,455,228		952,870			3,408,098
Total for all other councillors		44	6,317,183		2,643,579			8,960,762
<b>Total Councillors</b>	9	53	9,614,204	-	3,915,459			13,529,663
<b>Senior Managers of the Municipality</b>	6							
Municipal Manager (MM)		1	607,113	148,016	88,160	71,389		914,679
Chief Finance Officer		1	709,650	1,498	-	59,262		770,410
Director - Human Settlements		1	484,162	139,218	104,984	59,662		788,026
Director - Technical Services		1	664,428	1,498	60,000	59,662		785,588
Director - Community Services		1	573,967	141,923	7,979	59,662		783,531
Director - Corporate & Human Resources		1	497,761	137,628	91,385	59,662		786,435
<i>List of each official with packages &gt;= senior manager</i>								
Head: Internal Audit & Performance Management								-
Head: Geographical Information & Policy								-
Head Office of Intergovernmental & Governance Relations								-
<b>Total Senior Managers of the Municipality</b>	9	6	3,537,082	569,781	352,508	369,297	-	4,828,668
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>		59	13,151,286	569,781	4,267,967	369,297	-	18,358,331

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2009/10			Current Year 2010/11			Budget Year 2011/12		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		53			53			53		
Board Members of municipal entities	3									
<b>Municipal employees</b>	4									
Municipal Manager and Senior Managers	2	6		6	6		6	8		8
Other Managers	6	3		3	3		3	3		3
Professionals		303	303	-	303	303	-	368	356	12
<i>Finance</i>		54	54		54	54		62	62	
<i>Spatial/town planning</i>		54	54		54	54		54	54	
<i>Information Technology</i>		3	3		3	3		4	4	
<i>Roads</i>		26	26		26	26		38	38	
<i>Electricity</i>		35	35		35	35		43	43	
<i>Water</i>		14	14		14	14		20	8	12
<i>Sanitation</i>		22	22		22	22		26	26	
<i>Refuse</i>		95	95		95	95		121	121	
<i>Other</i>		272	272		272	272		255	255	
Technicians		-	-	-	-	-	-	-	-	-
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Clerks (Clerical and administrative)		46	38	8	55	47	8	55	47	8
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>		<b>683</b>	<b>613</b>	<b>17</b>	<b>692</b>	<b>622</b>	<b>17</b>	<b>742</b>	<b>658</b>	<b>31</b>
<b>% increase</b>			(10.2%)	(97.2%)	3,970.6%	3,558.8%	-	4,264.7%	(11.3%)	(95.3%)
<b>Total municipal employees headcount</b>	5									
Finance personnel headcount	7									

# Lukhanji Tabled Budget

Human Resources personnel headcount	7														
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## EC134 Lukhanji - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	R ef	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Multi-year expenditure to be appropriated</b>	1															
EXECUTIVE AND COUNCIL		-	-	155	-	-	30	-	-	30	300	300	561	1,376	1,417	1,459
FINANCE AND ADMINISTRATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PLANNING AND DEVELOPMENT		705	1,349	745	790	705	116	675	647	220	675	647	(5,530)	1,744	1,796	1,850
HEALTH COMMUNITY AND SOCIAL SERVICES		350	616	494	16	16	186	266	316	16	266	316	2,296	5,154	5,309	5,468
PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-	200	200	206	212
SPORT AND RECREATION		200	-	120	-	-	-	-	-	220	-	-	(170)	371	382	393
WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	4	4	5	5
WASTE MANAGEMENT		410	300	-	-	-	-	-	-	-	500	600	(1,266)	544	560	577
ROADS TRANSPORT		553	1,080	1,931	790	480	340	2,346	1,378	340	2,346	1,378	4,380	17,342	17,862	18,398
WATER		91	91	91	91	91	91	91	91	49	-	49	(135)	690	711	732
ELECTRICITY		1,920	-	65	-	-	-	-	-	-	1,049	1,000	7,172	11,206	11,542	11,889
OTHER													-	-	-	-
HOUSING		1,503	1,349	1,089	705	1,339	116	-	-	-	-	-	(3,280)	2,821	2,905	2,993
													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	<b>5,732</b>	<b>4,785</b>	<b>4,689</b>	<b>2,392</b>	<b>2,631</b>	<b>878</b>	<b>3,378</b>	<b>2,432</b>	<b>876</b>	<b>5,136</b>	<b>4,290</b>	<b>4,233</b>	<b>41,452</b>	<b>42,695</b>	<b>43,976</b>
<b>Single-year expenditure to be appropriated</b>																
EXECUTIVE AND COUNCIL													-	-	-	-
FINANCE AND ADMINISTRATION													-	-	-	-

## Lukhanji Tabled Budget

PLANNING AND DEVELOPMENT													-	-	-	-
HEALTH													-	-	-	-
COMMUNITY AND SOCIAL SERVICES													-	-	-	-
PUBLIC SAFETY													-	-	-	-
SPORT AND RECREATION													-	-	-	-
WASTE WATER MANAGEMENT													-	-	-	-
WASTE MANAGEMENT													-	-	-	-
ROADS TRANSPORT													-	-	-	-
WATER													-	-	-	-
ELECTRICITY													-	-	-	-
OTHER													-	-	-	-
HOUSING													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	2	5,732	4,785	4,689	2,392	2,631	878	3,378	2,432	876	5,136	4,290	4,233	41,452	42,695	43,976

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital Expenditure - Standard Governance and administration</b>	1	-	280	100	-	-	155	-	-	30	300	300	211	1,376	1,417	1,459
Executive and council		-	280	100	-	-	155	-	-	30	300	300	211	1,376	1,417	1,459
Budget and treasury office													-	-	-	-
Corporate services													-	-	-	-
<b>Community and public safety</b>		2,053	1,965	1,702	721	1,355	302	266	316	237	266	316	(953)	8,545	8,802	9,066
Community and social services		350	616	494	16	16	186	266	316	16	266	316	2,296	5,154	5,309	5,468
Sport and recreation		200	-	120	-	-	-	-	-	220	-	-	(170)	371	382	393
Public safety		-	-	-	-	-	-	-	-	-	-	-	200	200	206	212
Housing		1,503	1,349	1,089	705	1,339	116	-	-	-	-	-	(3,280)	2,821	2,905	2,993
Health													-	-	-	-
<b>Economic and environmental services</b>		1,258	2,429	2,676	1,580	1,185	456	3,021	2,025	560	3,021	2,025	(1,150)	19,086	19,658	20,248
Planning and development		705	1,349	745	790	705	116	675	647	220	675	647	(5,530)	1,744	1,796	1,850
Road transport		553	1,080	1,931	790	480	340	2,346	1,378	340	2,346	1,378	4,380	17,342	17,862	18,398
Environmental protection													-	-	-	-
<b>Trading services</b>		2,421	391	156	91	91	91	91	91	49	1,549	1,649	5,776	12,445	12,103	12,466
Electricity		1,920	-	65	-	-	-	-	-	-	1,049	1,000	7,172	11,206	11,542	11,889
Water		91	91	91	91	91	91	91	91	49	-	49	(135)	690	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	4	4	-	-
Waste management		410	300	-	-	-	-	-	-	-	500	600	(1,266)	544	560	577
<b>Other</b>													-	-	-	-



## Lukhanji Tabled Budget

Total Capital Expenditure - Standard	2	5,732	5,065	4,634	2,392	2,631	1,003	3,378	2,432	876	5,136	4,290	3,883	41,452	41,980	43,239
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## **Lukhanji Tabled Budget**

Summary of the detailed capital plan is shown below and contains:

- Information by programme and municipal ward
- The source of the funding for the capital programme

**Table SA34A – Capital expenditure by asset category**

**Table SA35 – Future financial implications of capital budget**

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
-										
<b>Infrastructure</b>		-	28,248	184,746	28,348	31,985	31,985	30,836	30,200	38,507
Infrastructure - Road transport		-	812	97,649	18,016	21,825	21,825	17,342	14,896	19,897
<i>Roads, Pavements &amp; Bridges</i>			812	97,649	18,016	21,825	21,825	15,519	8,396	16,639
<i>Storm water</i>								1,823	6,500	3,259
Infrastructure - Electricity		-	26,324	86,966	6,823	6,861	6,861	11,206	5,700	7,000
<i>Generation</i>										
<i>Transmission &amp; Reticulation</i>			26,324	86,966	5,474	5,536	5,536			
<i>Street Lighting</i>					1,350	1,325	1,325	11,206	5,700	7,000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	1,112	130	3,508	3,299	3,299	2,288	9,604	11,610
<i>Waste Management</i>					2,365	2,215	2,215	544	-	-
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3		1,112	130	1,143	1,084	1,084	1,744	9,604	11,610
<b>Community</b>		-	198	-	4,451	6,721	6,721	5,647	3,165	2,575
Parks & gardens										
Sportsfields & stadia			198		2,125	1,425	1,425	371	1,565	2,575
Swimming pools										
Community halls					1,576	1,576	1,576	3,604	1,330	-
Libraries					212	255	255			
Recreational facilities										
Fire, safety & emergency						2,878	2,878	200	-	-
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries					285	285	285	1,279	270	-
Social rental housing	8									
Other					252	302	302	192	-	-

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>	1									
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	35,054	16,461	16,461	2,821	-	-
Housing development					35,054	16,461	16,461	2,821	-	-
Other										
<b>Other assets</b>		-	112,495	22,550	4,479	3,979	3,979	2,070	5,073	5,461
General vehicles			8,392	11,530	1,979	1,979	1,979		1,958	2,346
Specialised vehicles										
Plant & equipment					2,000	2,000	2,000		2,000	2,000
Computers - hardware/equipment										
Furniture and other office equipment			5,063	1,887						
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			11,321		500			1,376	1,115	1,115
Other Land			81,676							
Surplus Assets - (Investment or Inventory)										
Other			6,044	9,134				695	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on new assets</b>	1	-	140,941	207,296	72,332	59,146	59,146	41,373	38,438	46,543
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

# Lukhanji Tabled Budget

## EC134 Lukhanji - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2011/12 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Present value
<b>Capital expenditure</b>	1							
EXECUTIVE AND COUNCIL		1,376	1,417	1,459				
FINANCE AND ADMINISTRATION		-	-	-				
PLANNING AND DEVELOPMENT		1,744	1,796	1,850				
HEALTH		-	-	-				
COMMUNITY AND SOCIAL SERVICES		5,154	5,309	5,468				
PUBLIC SAFETY		200	206	212				
SPORT AND RECREATION		371	382	393				
WASTE WATER MANAGEMENT		4	5	5				
WASTE MANAGEMENT		544	560	577				
ROADS TRANSPORT		17,342	17,862	18,398				
WATER		690	711	732				
ELECTRICITY		11,206	11,542	11,889				
OTHER		-	-	-				
HOUSING		2,821	2,905	2,993				
		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>41,452</b>	<b>42,695</b>	<b>43,976</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
EXECUTIVE AND COUNCIL								
FINANCE AND ADMINISTRATION								
PLANNING AND DEVELOPMENT								
HEALTH								
COMMUNITY AND SOCIAL SERVICES								
PUBLIC SAFETY								
SPORT AND RECREATION								
WASTE WATER MANAGEMENT								
WASTE MANAGEMENT								
ROADS TRANSPORT								
WATER								
ELECTRICITY								
OTHER								
HOUSING								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								

# Lukhanji Tabled Budget

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>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		41,452	42,695	43,976	-	-	-	-

# Lukhanji Tabled Budget

DESCRIPTION OF PROJECT	ESTIMATED BEGINNING CASH 2011/12	Original Revenue Budget 2011/12	Original BUDGET EXPEND. 2011/2012	PROJECTED EXPEND. BUDGET 2012/2013	PROJECTED EXPEND. BUDGET 2013/2014
<b>FUNDING FROM SOURCES:</b>					
<b>Own Funds</b>					
Nature Reserve	192,261		192,261	-	-
Refurbishment of MV Switchgear	3,064,849		3,064,849	-	-
Bulk Services Levy	452,075		452,075	-	-
<b>Grand Total Own Funds</b>	<b>3,709,185</b>	<b>0</b>	<b>3,709,185</b>	<b>0</b>	<b>0</b>
<b>Borrowing</b>					
Replacement of Plant			-	2,000,000	2,000,000
Implement Fleet Replacement Program			-	1,958,000	2,346,000
<b>Grand Total for Borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,958,000</b>	<b>4,346,000</b>

<b>From Eastern Cape Provincial Government:</b>					
<b>Housing Projects :</b>					
Ekuphumleni Housing	16,191		16,191		
Enkululekweni Housing	14,805		14,805		
Ezibeleni Phase II Housing	2,407		2,407		
Ilinge Housing	2,562		2,562		
Imvani Housing	6,920		6,920		
Sabata Dalindyebo Housing	477		477		
Tambo Village Housing	569		569		
Ilinge Transfer Fees	43,219		43,219		
Ilinge Registration Fees	9,325		9,325		
Interest on Housing Projects	4,120		4,120		
Interest on Housing Projects	70,000		70,000		
Sabata Dalindyebo Ph 3 Project Linked	640,200		640,200		
Nomzamo Project Linked Housing	606,660		606,660		
Bothas Hoek Housing	43,861		43,861		
Ensam Housing	20,000		20,000		
Merino Walk Housing	-18,751		-18,751		
Poplar Grove Housing	1,002,515		1,002,515		
Who can Tell Housing	336,518		336,518		
McBride Housing	19,120		19,120		
<b>Total Housing Projects</b>	<b>2,820,718</b>	<b>0</b>	<b>2,820,718</b>	<b>0</b>	<b>0</b>
<b>Other :</b>					
Whittlesea Ext 4 Roads	471,000		471,000	-	-
Fire Services	200,000		200,000	-	-
Hydraulic Analysis Sewerage	4,447		4,447		
CMIP Project: Ezibeleni Bulkwater & Roads	14,596		14,596		
CMIP Project: Sabata Services	16,982		16,982		
CMIP Project: Ezibeleni Sewer	51,489		51,489		
BCIG projects: Mlungisi bulkwater	67,117		67,117		
<b>Total Other Projects</b>	<b>825,631</b>	<b>0</b>	<b>825,631</b>	<b>0</b>	<b>0</b>
<b>Total Eastern Cape Provincial Government</b>	<b>3,646,349</b>	<b>0</b>	<b>3,646,349</b>	<b>0</b>	<b>0</b>

## Lukhanji Tabled Budget

GRANT / OTHER FUNDING FOR CAPITAL PROJECTS 2010/11 BY SOURCE					
DESCRIPTION OF PROJECT	ESTIMATED BEGINNING CASH 2011/12	Original Revenue Budget 2011/12	Original BUDGET EXPEND. 2011/2012	PROJECTED EXPEND. BUDGET 2012/2013	PROJECTED EXPEND. BUDGET 2013/2014
<b>From National Government:</b>					
<b>Municipal Infrastructure Grant (MIG):</b>					
MIG Retention	3,700		3,700		
MIG Counterfund	296,342		296,342		
LED Facilities	51,569	1,324,000	1,375,569	1,115,000	1,698,400
TRC Creches Phase 3 and 4	52,031	353,400	405,431		
Lukhanji Stormwater Upgrade Ilinge	126,895	1,696,436	1,823,331	6,500,000	5,500,000
Lukhanji Sealing of Urban Gravseal Roads in Ezibeleni and Whittlesea	438,137	119,362	557,499	7,171,750	250,000
Lukhanji Upgrading of Gravel Roads and Stormwater	1,067,652	1,437,873	2,505,525	2,130,000	-
Lukhanji Rehab Rural Gravel Roads & Stormwater Phase 4	-2,313,097	2,370,904	57,807	2,025,000	3,285,600
Queenstown Tar Roads	23,547	-	23,547	2,000,000	3,500,000
Qwabi Bridge over Kuzitungu River	957,147	1,567,853	2,525,000		-
The Surfacing of Gravel Roads in Ezibeleni, Mlungisi, Ilinge and Ekuphumleni/Sada	-	6,000,000	6,000,000	70,400	10,000,000
Ezibeleni Stormwater	-		-		-
Recreational Facilities	283,306		283,306		-
New Cemetery - Whittlesea	77,373	1,202,031	1,279,404		-
Ilinge Transfer Station	444,021	50,000	494,021		
Lukhanji Solid Waste : Lesseyton Tip Site & Ilinge Transfer Station	-	50,000	50,000		
Community Lighting in Lukhanji	847,439	5,830,444	6,677,883	7,000,000	6,500,000
Community Facilities (halls, clinic and telecentre)	159,805	2,653,697	2,813,502		2,000,000
Public Toilets Queenstown & Whittlesea	290,474	500,000	790,474		-
Recreational Facilities - Dumpy Adams Sportfields	87,556	-	87,556	2,575,000	
PMU Fees		1,324,000	1,324,000	1,609,850	1,698,400
<b>Total MIG</b>	<b>2,893,897</b>	<b>26,480,000</b>	<b>29,373,897</b>	<b>32,197,000</b>	<b>34,432,400</b>
<b>Eskom</b>					
National Electrification Programme (urban areas)	329,401	1,000,000	1,329,401	1,690,000	1,690,000



## Lukhanji Tabled Budget

New Rathwick Electrification	134,123		134,123	310,000	310,000
<b>Total Eskom</b>	<b>463,524</b>	<b>1,000,000</b>	<b>1,463,524</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>Neighbourhood Development Partnership Grant</b>					
Ezibeleni Conference Centre		-	-	-	-
Mlungisi Youth Centre		-	-	-	-
Whittlesea Public Ablution		-	-		
Whittlesea Walkways and Pavements		-	-		
Construction and upgrade of Community Facilities in Mlungisi					
Ezibeleni 'Town' Centre				-	
Whittlesea 'Town' Centre				-	
Mlungisi 'Town' Centre				-	
Ezibeleni Dam Recreational Area				-	
<b>Total Neighbourhood Development Partnership Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total National Government</b>	<b>3,357,421</b>	<b>27,480,000</b>	<b>30,837,421</b>	<b>0</b>	<b>0</b>
<b>From Chris Hani District Municipality</b>					
Consolidated Rural Areas	24,023		24,023		
Libraries	182,500		182,500		
Rural Water Scheme	1,000,000		1,000,000		
			-		
<b>Total Chris Hani District Municipality</b>	<b>1,206,523</b>	<b>0</b>	<b>1,206,523</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL NEW AND EXISTING CAPITAL GRANTS</b>	<b>11,919,478</b>	<b>27,480,000</b>	<b>39,399,478</b>	<b>3,958,000</b>	<b>4,346,000</b>



**Lukhanji Municipality  
BUDGET  
APPENDIX A**

**RATES AND TARIFFS**

**2011/12 – 2013/14**

# Lukhanji Tabled Budget

Tariff Ref #	Sub #		2010/11	2011/2012
		<b>Listing of Adopted Tariffs</b>		
		ALL TARIFFS ARE EXCLUSIVE OF VAT		
<b>TECHNICAL SERVICES</b>				
<b>AVAILABILITY FEES</b>				
1		Monthly availability fee for electricity, water or sewerage point not connected to the reticulation network	R 50.00	53.00
			R 40.00	40.00
2		<b>STORMWATER PIPES ACROSS FOOTPATHS : RESIDENTIAL BUILDINGS</b>  That a stormwater pipe across a footpath be done by the Council at a labour only basis where the owner of the property will provide all material. The aforesaid to be to the discretion of the Director : Technical Services		
3		<b>PAVING OF SIDEWALKS : COMMERCIAL AND BUSINESS PREMISES</b>  In the event that the owner/operator of a commercial or business concern wishes to improve his premises by means of paving the sidewalk adjacent to the premises, the owner/operator shall provide all material and the municipality shall provide labour only.		
4		<b>SEWERAGE</b>  Per point	R 604.16	640.40
5		<b>DOMESTIC WATER CONNECTION</b> Connection	R 5,305.00	5623.30
		Connection	R 2,600.00	2756.00
6		<b>DEFECTIVE WATER METER</b>  Testing of water meter on written request by consumer	R 175.00	185.50

## Lukhanji Tabled Budget

WATER TARIFFS				NORMAL TARIFF	NORMAL TARIFF		
TYPE							
7	<b>a</b>	<b>DOMESTIC/FLATS</b>	<b>0 KL-20</b>	BASIC PER KL	R 28.19	29.88	
			<b>0 KL-20</b>	KL	R 3.47	3.68	
			21KL-50	BASIC PER KL	R 44.32	46.98	
			21KL-50	KL	R 4.12	4.37	
			51KL AND MORE	BASIC PER KL	R 64.45	68.32	
			51 KL AND MORE	KL	R 4.84	5.13	
		<b>b</b>	<b>BUSINESS AND INDUSTRIAL</b>	<b>0KL-100</b>	BASIC PER KL	R 40.28	42.70
				0KL-100	KL	R 3.38	3.58
			101KL-500	BASIC PER KL	R 64.45	68.32	
			101KL-500	KL	R 3.61	3.83	
			500KL ANDMORE	BASIC PER KL	R 201.40	213.48	
			500KL ANDMORE	KL	R 3.72	3.94	
		<b>c</b>	<b>UNPURIFIED WATER</b>		R 0.23	0.24	
		<b>d</b>	<b>GOLF CLUB</b>		R 0.10	0.11	
8	<b>BUILDING PLAN AND PLAN PRINTING FEES</b>						
	Building fees to be determined on the minimum value of alterations on						

## Lukhanji Tabled Budget

	existing buildings or the construction of new buildings be increased, as set out hereunder :			
		Building under tile	R 2,100.00	R 2,226.00
		Building under iron	R 2,100.00	R 2,226.00
		Outbuildings	R 2,100.00	R 2,226.00
		Open buildings (verandahs etc.)	R 1,130.00	R 1,197.80
		Shell buildings	R 1,650.00	R 1,749.00
		Internal alterations	R 720.00	R 763.20
		Underground tanks	R 5,600.00	R 5,936.00
		Porta pools	R 5,600.00	R 5,936.00
		Swimming pools	R 5,600.00	R 5,936.00
		Carports	R 8,340.00	R 8,840.40
		Scrutiny fee (Excluding Government Housing Projects) - Minimun	R 350.00	R 371.00
		Basic Charge	R 41.00	R 43.46
		Fee - m2 x rate x 0.00275 + basic charge		
	<b>Plan printing fees :</b>			
9		Paper A2	R 14.60	15.48
		Paper A1	R 17.50	18.55
		Paper A0	R 28.60	30.32
		Paper A3	R 2.90	3.07
		Paper A4	R 0.85	0.90
	<b>ROAD PATCHING</b>			
1		To replace Kerbing - Zone 1	R 205.00	R 217.30
0		To replace Kerbing - Zone 2	R 255.00	R 270.30
		Road patching on work done by WSSA and the Post Office be as follows : Zone 1	R 355.00	R 376.30
		Road patching on work done by WSSA and the Post Office be as follows : Zone 2	R 425.00	R 450.50
	<b>PLANT AND VEHICLES</b>			
	<b>C A T</b>	<b>DESCRIPTION</b>		<b>2011/12</b>
1	<b>a</b>	MOTOR CARS	/KM	R 1.90 /KM
1	<b>b</b>	1/2 TON LDVS	/KM	R 1.90 /KM
	<b>c</b>	1 TON LDVS	/KM	R 2.56 /KM
	<b>d</b>	2 - 3 TON TRUCKS	/KM	R 5.10 /KM

## Lukhanji Tabled Budget

<b>e</b>	4 - 7 TON TRUCKS	+/K M	R 8.48	+/KM
		/H	R 86.92	/H
<b>f</b>	REFUSE TRUCKS		R 9.54	
<b>g</b>	TRAILERS	/KM	R 14.74	/KM
<b>h</b>	TRACTORS	/KM	R 108.28	/KM
<b>i</b>	FIRE BRIGADE VEHICLES F1	+/K M		
	F2	+/K M		
	F3	+/K M		
	F4	+/K M		
<b>j</b>	MOTOR CYCLES	+/K M		
<b>k</b>	TRACTOR DRAWN MOTORS	/H	R 19.56	/H
<b>l</b>	WATER TRAILERS (TANKERS)	/H	R 14.98	/H
<b>m</b>	DUMPERS	/H	R 53.72	/H
<b>n</b>	TLB	/H	R 155.06	/H
<b>o</b>	COMPRESSORS	/H	R 175.96	/H
<b>p</b>	CONCRETE MIXERS	/H	R 65.84	/H
<b>q</b>	FRONT END LOADERS	/H	R 186.93	/H
<b>r</b>	WATER PUMPS AND GEN SETS	/H	R 20.99	/H
<b>s</b>	CHAIN SAWS	/H	R 32.96	/H
<b>t</b>	GRADERS	/H	R 300.02	/H
<b>u</b>	ROLLERS	/H	R 85.07	/H
<b>v</b>	SEWER JET CLEANING	/H	R 138.02	/H

## Lukhanji Tabled Budget

		MACHINES			
	<b>w</b>	VIBRATORS AND COMPACTORS	/H	R 22.33	/H
	<b>x</b>	LAWN MOWERS	/H	R 15.73	/H
	<b>y</b>	TANAKA BRUSH CUTTERS	/H	R 15.73	/H
	<b>z</b>	TAR CUTTER	/H	R 32.21	/H
<b>ELECTRICITY CONNECTION FEES</b>					
1 2	<b>a</b>	TYPE		R 275.00	291.50
		KVA Range			
		Type of Consumer			
		Type of Connection			
	<b>b</b>	TYPE		R 3,700.00	3922.00
		KVA Range			
		Type of Consumer			
		Type of Connection			
	<b>c</b>	TYPE		Actual Cost	(i)
		KVA Range			
		Type of Consumer			
		Type of Connection			
<b>d</b>	TYPE		Actual Cost	(i)	
	KVA Range				
	Type of Consumer				
	Type of Connection				
1 2	<b>e</b>	TYPE		Actual Cost	
		KVA Range			
		Type of Consumer			
		Type of Connection			
	<b>f</b>	TYPE		Actual Cost	
		KVA Range			
	Type of Consumer				
	Type of Connection				

## Lukhanji Tabled Budget

<b>g</b>	TYPE		Actual Cost	
	KVA Range			
	Type of Consumer			
	Type of Connection			
<b>h</b>	TYPE		Actual Cost	(i)
	KVA Range			
	Type of Consumer			
	Type of Connection			
<b>i</b>	TYPE		Actual Cost	(i)
	KVA Range			
	Type of Consumer			
	Type of Connection			
<b>j</b>	TYPE		Actual Cost	(i)
	KVA Range			
	Type of Consumer			
	Type of Connection			
<b>k</b>	TYPE		Actual Cost	
	KVA Range			
	Type of Consumer			
	Type of Connection			
<b>l</b>	TYPE		Actual Cost	
	KVA Range			
	Type of Consumer			
	Type of Connection			
<b>m</b>	TYPE		Actual Cost	
	KVA Range			
	Type of Consumer			
	Type of Connection			
<b>n</b>	TYPE		Actual Cost	
	KVA Range			
	Type of Consumer			
	Type of Connection			
<b>o</b>	Enermet Ripple Relay		Free (ii)	



## Lukhanji Tabled Budget

<b>NOTES</b>			
	(i)	All material required to make the supply available is normally supplied by the Municipality. A customer could however, supply all material and carry out the entire work, but on the day of commissioning of the supply point, the entire installation gets handed over to the Municipality. The assets now belong to the Municipality who will be responsible for all maintenance and repairs in future. The customer only needs to pay the normal deposit fee.	
	(ii)	A ripple relay is fitted in an electrical geyser in order for the Municipality to restrict its maximum demand drawn from Eskom, by switching the geyser on or off. Hence there is no benefit to the customer, therefore the Municipality is responsible for supplying the relay free of charge.	
	(ii)	No conventional metering will be allowed for any single phase domestic and or commercial supplies, except for government installations.	
	(i)		
	(v)	Indigents will qualify in accordance with the Indigent Policy.	
	(v)	A 60/40 percent ratio for the collection of arrears on the purchase of pre-paid electricity by customers.	
<b>ATTENDANCE TO FAILURE OF SUPPLY COMPLAINTS</b>			
1 3		Call-out during office hours : Rural	
		Call-out during office hours : Town	R 110.00
		Call-out after office hours : Rural	
		Call-out after office hours : Town	R 130.00
			116.60
			137.80
<b>FEE FOR DISCONNECTION FOR NON-PAYMENT</b>			
1 4		Additional deposit	R 150.00
		Administration fee	R 50.00
		Paper Cut - Administration fee	R 50.00
			159.00
			53.00
			53.00
<b>TESTING OF ELECTRICITY METERS</b>			
1 5		Single Phase	R 165.00
		Three Phase	R 265.00
		MD meter (KVA/KWH combination meter)	R 450.00
			174.90
			280.90
			477.00
<b>SPECIAL METER READINGS</b>			
1 6			

## Lukhanji Tabled Budget

	Town	R 85.00	90.10
	Rural		
<b>1</b>	<b>ALTERATIONS AND ADDITIONS TO EXISTING SERVICES</b>	Actual Cost	
<b>7</b>			
<b>1</b>	<b>FAILURE TO KEEP APPOINTMENTS FOR INSPECTION AND FAILURE TO SUBMITT COMMENCEMENT FORMS</b>		
<b>8</b>		R 50.00	53.00
		R 50.00	53.00
	<b>EQUIPMENT USAGE FEES</b>		
<b>1</b>	Pipe Bender	N/A	N/A
<b>9</b>	Bending Brake (Folding Machine)	N/A	N/A
	Engraving of Labels	N/A	N/A
	Testing of Transformer oil	N/A	N/A
	Testing of pressure vessels, air compressor - general inspection	N/A	N/A
	Any other inspections	N/A	N/A
	Hydraulic Pumps	N/A	N/A
	Block and Tackle	N/A	N/A
	Labour (Minimun of 1 hour)	N/A	N/A
	<b>ELECTRICITY TARIIFFS</b>		
<b>2</b>	<b>T a 1 DOMESTIC QUEENSTOWN</b>		
<b>0</b>	SERVICE CHARGE	R 82.26	99.02
	KWH	R 0.8973	1.0802
	<b>T b 2 PREPAYMENT</b>		
	KWH (Inclusive of Vat)	R 1.0112	1.2173
	<b>T c 3 SMALL USERS</b>		
	(CONSUMPTION NOT EXCEEDING 80 KVA OR 20 000 KWH PER MONTH)		
	SERVICE CHARGE	R 349.00	420.13
	KWH<=500	R 1.0496	1.2635
	KWH>=500	R 0.0824	0.0992
	<b>T d 4 PREPAYMENT - BUSINESS</b>		
	KWH (Inclusive of Vat)	R 1.0624	1.2789
	<b>NON DOMESTIC LARGE POWER USERS</b>		

## Lukhanji Tabled Budget

e	T 5	<b>CONSUMPTION NOT EXCEEDING 40 (KVA)</b>		
		SERVICE CHARGE	R 658.40	792.58
		KWH	R 0.4520	0.5441
		KVA	R 131.59	158.41
		MINIMUM KVA	R 5,263.71	6336.45
f	T X	<b>TIME OF USE</b> (MINIMUM CONSUMPTION OF 100 000 KWH PER MONTH/ABOVE 80 KW-MAX)		
		<b>LOW DEMAND</b>		
		BASIC	R 315.74	380.09
		PEAK 07:00 - 10:00; 18:00 - 20:00	R 1.6019	1.9284
		STANDARD 06:00 - 07:00; 10:00 - 18:00; 20:00 - 22:00 SAT 07:00 - 12:00;		
		18:00 - 20:00	R 0.6971	0.8392
		OFF PEAK 22:00 - 06:00; SUNDAY = OFF PEAK	R 0.3609	0.4345
		kvaRH (only applicable for KvaRh exceeding 30% of TOTAL kvh 0.96pf)	R 0.6194	0.7456
		<b>HIGH DEMAND</b>		
		BASIC	R 315.74	380.09
		PEAK 07:00 - 10:00; 18:00 - 20:00	R 1.6280	1.9598
		STANDARD 06:00 - 07:00; 10:00 - 18:00; 20:00 - 22:00	R 0.7229	0.8702
		OFF PEAK 22:00 - 06:00; SUNDAY = OFF PEAK	R 0.3609	0.4345
kvaRH (only applicable for KvaRh exceeding 30% of TOTAL kvh 0.96pf)	R 0.0766	0.0922		
g	T 7	<b>TIME OF USE</b> (MINIMUM CONSUMPTION OF 200 000 KWH PER MONTH/ABOVE 150 KVA)		
		<b>LOW DEMAND</b>		
		BASIC	R 605.46	728.85
		DEMAND KW	R 48.97	58.95
		PEAK 07:00 - 10:00; 18:00 - 20:00	R 0.9556	1.1504
		STANDARD 06:00 - 07:00; 10:00 - 18:00; 20:00 - 22:00 SAT 07:00 - 12:00;		
		18:00 - 20:00	R 0.5938	0.7148
		OFF PEAK 22:00 - 06:00; SUNDAY = OFF PEAK	R 0.3351	0.4034
		kvaRH (only applicable for KvaRh exceeding 30% of TOTAL kvh 0.96pf)	R 0.0766	0.0922
		<b>HIGH DEMAND</b>		
		BASIC	R 605.46	728.85
		DEMAND KW	R 52.35	63.02
		PEAK 07:00 - 10:00; 18:00 - 20:00	R 1.0591	1.2749
STANDARD 06:00 - 07:00; 10:00 - 18:00; 20:00 - 22:00	R 0.5938	0.7148		
OFF PEAK 22:00 - 06:00; SUNDAY = OFF PEAK	R 0.3609	0.4345		
kvaRH (only applicable for KvaRh exceeding 30% of TOTAL kvh 0.96pf)	R 0.0766	0.0922		

## Lukhanji Tabled Budget

	TOTAL kvh 0.96pf) All units include an additional 1.5 cent charge approved by the NER for upgrading the electrical network. This tariff is not applicable to consumers receiving 50kw free electricity.		
	<b>Note :</b>		
	The municipality increased its tariff only by 28.9% from 1 July 2009 to 30 June 2010 with no increase for indigents using 50 KW, a 15% Increase from 51-100KW and a 28.9% Increase in excess of 100KW. The proposed tariff increase from 1 July 2010 to 30 June 2011 amounts to 28% and the following increases will be applicable to indigent consumers.		
	Registered indigents first 50KW	Free	
	51-100KW	22% Increase	
	In excess of 100 KW	28% Increase	
	<b>INFRASTRUCTURE DEVELOPMENT UNIT</b>		
	<b>PERSONNEL CHARGES</b>		
2	Senior Professional/Technical/Management staff	R 546.00	R 578.76
1	Professional/Technical/Management staff	R 318.00	R 337.08
	Supervisory staff	R 244.00	R 258.64
	Clerical and administrative staff	R 185.00	R 196.10
	<b>DISBURSEMENTS CHARGES</b>		
2	Typing	R 18.50	R 19.61
2	Duplication	R 0.75	R 0.80
	Duplication	R 1.80	R 1.91
	Binding and Documents	R 7.45	R 7.90
	Plan Plotting (Mono)	R 3.00	R 3.18
	Plan Plotting (Colour)	R 5.30	R 5.62
	Telephone Calls	R 3.70	R 3.92
	Faxes (Outgoing)	R 0.40	R 0.42
	Faxes (Incoming)	R 0.50	R 0.53

## Lukhanji Tabled Budget

2 3	<b>TRANSPORT</b>	As per AA table	
2 4	<b>LABOUR (Skilled/Semi Silled)</b>	Statutory minimum rate +10%	Statutory minimum rate +10%
2 5	<b>OUTSIDE DISBURSEMENTS</b>	Actual cost +10%	Actual cost +10%
2 6	<b>BULK SERVICES CONTRIBUTION LEVY</b> For any rezoning, subdivision and departure application approvals, as calculated		
	Additional Vehicle Trips /day @	R 994.27	R 1,053.93
	Additional Stormwater /HA*Runoff Factor @	R 60,286.76	R 63,903.97
	Additional kl Sewerage /day @	R 2,679.87	R 2,840.66
	Additional kl Water /day @	R 3,903.77	R 4,138.00
	Additional Waste collection services /week @	R 716.00	R 758.96
<b>COMMUNITY SERVICES</b>			
	<b>REFUSE TARIFFS</b>		
	<b>DESCRIPTION</b>	<b>REMOV ALS PER WEEK</b>	<b>2010/2011 CHARGE PER BIN</b>
			<b>2010/2011 ADDITIONAL BINS</b>
2 7	DOMESTIC	1	R 65.00
	BUSINESS/OTHER	2	R 102.30
	BUSINESS/OTHER	3	R 153.46
	BUSINESS/OTHER	4	R 204.64
	BUSINESS/OTHER	5	R 255.81
	BUSINESS/OTHER	6	R 306.93
	INDIGENTS	1	R 0.00
	OLD AGE HOMES	1	R 65.64
	BULK CONTAINER - SMALL		R 182.22
	BULK CONTAINER - LARGE		R 258.15
	4.5M CONTAINERS		R 317.40
	18M CONTAINERS		R 489.33
	770 LITRE CONTAINER		R 198.38
2 8	<b>REFUSE DISPOSAL SITE</b>		
	Tip Site Ticket (Per Load)		R 60.00
			69.00
2 9	<b>SALE OF PLANTS</b>		
	Seedlings	<b>Incl VAT</b>	<b>Incl VAT</b>
		R 0.40	0.40

## Lukhanji Tabled Budget

	Shrubs	R 25.00	25.00
	Trees (In containers)	R 40.00	40.00
	Trees (ex open grounds)	R 35.00	35.00
	Hire of Large plants	R 20.00	20.00
	Hire of Small plants	R 15.00	15.00
	Potting soil bag (small)	R 8.00	8.00
	Potting soil bag (large)	R 50.00	50.00
	Potplants 7.5cm	R 15.00	15.00
	Potplants 10cm	R 20.00	20.00
	Potplants 12.5cm	R 25.00	25.00
	Potplants 15cm	R 30.00	30.00
	Potplants 20cm	R 40.00	40.00
<b>SEWAGE REMOVAL FEES</b>			
		<b>p/hr</b>	<b>p/hr</b>
3	Sewage Pump	R 40.00	40.00
0	Tractor	R 250.00	250.00
	Sewer Tractor	R 30.00	30.00
	Driver	R 50.00	50.00
	Staff (1)	R 40.00	40.00
<b>SWIMMING POOL FEES : VAT Inclusive</b>			
3	Entrance fee (Adults)	R 6.00	6.00
1	Entrance fee (Children)	R 3.00	3.00
	Season Tickets	R 80.00	100.00
<b>BERRY &amp; BONKOLO DAM USAGE FEES : VAT Inclusive</b>			
3	Entrance fees : per vehicle with 5 people	R 26.50	30.00
2	Entrance fees : additional people per person	R 5.00	6.00
	Season Tickets	R 85.00	100.00
<b>GAME RESERVE ENTRANCE FEES : VAT Inclusive</b>			
3	Entrance fees : per vehicle with 5 people	R 30.00	30.00
3	Entrance fees : additional people per person	R 6.00	6.00
	Season Tickets	R 85.00	100.00
<b>GAME RESERVE LAPA HIRE FEES</b>			
		<b>Excl VAT</b>	<b>Excl VAT</b>
3	Hire of Lapa	R 370.00	370.00
4	Deposit of Lapa (refundable under conditions)	R 250.00	250.00
	Overtime	<b>Actual Costs</b>	<b>Actual Costs</b>
	Hire of Sunnyside during office hours	<b>p/hr</b>	<b>p/hr</b>
	Guided Vehicle Tour	R 340.00	340.00
		R 110.00	110.00

## Lukhanji Tabled Budget

	Caravan or Tent	R 110.00	110.00
	Electricity	R 55.00	55.00
	Only educational tours are free of charge.		
<b>CEMETERY CHARGES EXCLUDING VAT</b>			
<b>CEMETRIES ; MLUNGISI, EZIBELANI, WHITTLESEA &amp; Ilinge</b>			
3 5	Adult Plot	R 155.00	155.00
	Casket Plot	R 180.00	180.00
	Baby Plot	R 84.00	84.00
	Digging of Adult Grave	R 198.00	220.00
	Digging of Casket Grave	R 221.00	245.00
	Closing of Grave	R 120.00	135.00
	Closing of Baby Grave	R 90.00	100.00
<b>CEMETRIES - NEW</b>			
BERM SECTION			
3 6	Adult Plot	R 215.00	215.00
	Digging of Adult Grave	R 221.00	215.00
	Digging of Casket Grave	R 215.00	221.00
	Closing of Grave	R 180.00	200.00
	Exhumation of Body	R 900.00	900.00
	Funerals on Saturday additional		
	Funerals on Sunday and Public Holidays		
<b>CEMETERY - MONUMENTAL SECTION</b>			
3 7	Digging of Adult Grave	R 400.00	440.00
	Single Plot	R 335.00	335.00
	Double Plot	R 670.00	670.00
	Casket Grave	R 335.00	335.00
	Extra Deep Grave	R 192.00	192.00
	Outsize Casket Grave	R 240.00	240.00
	Closing of Grave	R 180.00	200.00
	Wall of Remembrance	R 300.00	300.00
	Ash Grave	R 120.00	120.00
	Burial of Ashes in existing grave	R 120.00	120.00
	Erection of monuments : Single Grave	R 150.00	150.00
	Erection of monuments : Double Grave	R 300.00	300.00
Closing of Baby Grave	R 90.00	100.00	
Outsize Baby Grave		30.00	
<b>CEMETERY - BABY SECTION</b>			
3 8	Digging of Grave	R 198.00	198.00
	Baby Plot	R 155.00	155.00

## Lukhanji Tabled Budget

<b>3</b>	<b>EXHUMATION OF BODY</b>		
<b>9</b>	Exhumation	R 900.00	900.00
	<b>LIBRARY FEES</b>		
	<b>LIBRARIES FINES : VAT Inclusive</b>		
	1. Books, CD's, Art prints	R 1.00	1.00
	2. Video's	R 5.00	5.00
	3. Lost member pocket	R 2.00	2.00
	3 Lost member card (PALS)	R 10.00	10.00
<b>4</b>	4. Visitors	R 20.00	20.00
<b>0</b>	5. Internet	R 20.00	20.00
	6. Printing from Internet	R 0.00	0.00
		R 0.00	0.00
	7. Photocopies & Printing	R 0.80	0.80
		R 2.00	2.00
		R 5.80	5.80
		R 12.00	12.00
	8. Membership fees	R 40.00	40.00
	<b>LIBRARY HALL HIRE FEES</b>		
	Hall hire during office hours	R 40.00	40.00
	After hours (plus caretakers overtime)	R 52.00	52.00
	Cups & Saucers per 50 persons or part thereof)	R 30.00	30.00
<b>4</b>	Plates	R 25.00	25.00
<b>1</b>	Cleaning	R 114.00	114.00
	Admin Costs	10%	0.10
	Use of Kitchen	R 80.00	80.00
	Urn	R 30.00	30.00
	Stove	R 50.00	50.00
	<b>POUND FEES</b>		
	<b>RATE OF COMPENSATION</b>	Excl VAT	Excl VAT
<b>4</b>	For animals delivered to the pouNd, whether one or more per kilometer or portion of a kilometer	R 4.50	5.00
<b>2</b>	For animals transported by vehicle, per kilometer or portion of a kilometer	R 13.00	14.00
	Use of coomonage for initiation school		150.00
	Deposit of initiation site		50.00
	Price of Lucern	Actual	Actual



## Lukhanji Tabled Budget

4 3	<b>TRESPASSING FEE</b>		
	Horses, cattle, and pigs per head	R 55.00	60.00
	Goats & Sheep per head	R 35.00	40.00
<b>POUND FEES</b>			
4 4	Horses, cattle, and pigs per head	R 65.00	70.00
	Goats & Sheep per head	R 35.00	40.00
<b>SUSTENANCE FEES</b>			
4 5	Horses, cattle, and pigs per head	R 70.00	75.00
	Goats & Sheep per head	R 35.00	40.00
<b>OTHER CHARGES</b>			
4 6	Dipping Fees - (Cattle)	R 30.00	35.00
	Dosing Fees - (Goats, Sheep per Head)	R 25.00	30.00
<b>CALL OUTS</b>			
4 7	18H00 to 06H00 and over weekends per call out to impound (To be paid by owner of animals)	R 350.00	350.00
<b>CLINICS</b>			
4 8	Patient Health Books - VAT Inclusive	R 10.00	10.00
<b>THOBI KULA INDOOR SPORT CENTRE FEES</b>			
		Excl VAT	Excl VAT
	Actual Hire (per hall)	R 70.00	70.00
	Kitchen	R 90.00	90.00
	Stove	R 60.00	60.00
	Administration fee	10% of Invoice	10% of Invoice
	Cleaning Fees (Per Day)	R 130.00	130.00
	Recognised Charitable Organisation	On discretion of the Director	On discretion of the Director
	Educational Organisations	On discretion of the Director	On discretion of the Director
	Cultural Organisations	On discretion of the Director	On discretion of the Director
	Sporting Related Organisations	On discretion of the Director	On discretion of the Director
	Government Institutions	On discretion of the Director	On discretion of the Director
	Religious Organisations	On discretion of the Director	On discretion of the Director
	Funerals	On discretion of the Director	On discretion of the Director
	Congress (Non Political)	On discretion of the Director	On discretion of the Director
4 9			

## Lukhanji Tabled Budget

	Lecturers	On discretion of the Director	On discretion of the Director
	Workshops (Non political)	On discretion of the Director	On discretion of the Director
	Displays	On discretion of the Director	On discretion of the Director
	Repetitions / Rehearsels	On discretion of the Director	On discretion of the Director
	Political Parties	R 700.00	R 700.00
	Funtions where entrance fees are charged	R 2,700.00	R 2,700.00
	Dances / Discos	R 2,700.00	R 2,700.00
	Competitions / Contests of any nature	R 2,700.00	R 2,700.00
	Parties	R 1,500.00	R 1,500.00
	Graduation Ceremonies	R 1,500.00	R 1,500.00
	Weddings	R 1,500.00	R 1,500.00
	Other forms of entertainment	R 1,500.00	R 1,500.00
	Use of Rugby Soccer Field		R 70.00
	<b>ENVIRONMENTAL HEALTH FEES</b>		
50	Business License Application fee	R 60.00	60.00
	Private Kitchen Application fee	R 60.00	60.00
	Keeping of animal Application fee	R 60.00	60.00
	Condemnations fee	R 220.00	220.00
	<b>FIRE BRIGADE FEES</b>		
	<b>TURNOUT</b>		
51	Machines	R 220.00	250.00
	Each service vehicle used	R 220.00	250.00
	Veld fire units	R 80.00	100.00
	Hazchem trailer	R 100.00	150.00
	<b>TRAVELLING : KILOMETERS</b>		
52	Machines	R 600.00	1000.00
	Veld fire units	R 500.00	600.00
	Each service vehicle	R 550.00	600.00
	<b>OPERATING</b>		
53	Operating of pump and equipment	R 65.00	80.00
	F4	R 75.00	75.00
	Veld fire units	R 35.00	40.00
	<b>STANDBY</b>		
54	All vehicles per hour	R 45.00	50.00
	Service vehicles	R 35.00	50.00
	Fire extinguishers and foam	Foam plus 20%	Foam plus 20%
5	<b>TESTING OF EQUIPMENT AND INSTALLATION</b>		

## Lukhanji Tabled Budget

5	Sprinkler system		
	Up to five installations per premises per installation	R 70.00	80.00
	Over five installations per premises per installation	R 6.00	10.00
<b>Testing and Repairs : Hose and Couplings</b>			
5 6	Hose (All diameters)		
	Pressure testing per length	R 35.00	45.00
	Vulcanising per patch	R 45.00	55.00
	Big Suction	R 45.00	55.00
	Big Suction (all diameters)	R 40.00	50.00
	Wire bending each type	R 45.00	55.00
	Big Suction	R 45.00	45.00
	Truing couplings (all diameters)		
	Hose per pair	R 35.00	45.00
Suction per pair	R 40.00	50.00	
<b>FIRE PERSONNEL FEES</b>			
5 7	For each hour during which members of the Fire Brigade are engaged in :		
	Chief Fire Officer	R 75.00	80.00
	Each Officer	R 55.00	65.00
	Each Fireman	R 50.00	60.00
<b>FIRE STANDBY FEES</b>			
5 8	Chief Fire Officer	R 75.00	80.00
	Each Officer	R 55.00	65.00
	Each Fireman	R 50.00	60.00
<b>FIRE CASUAL FEES</b>			
5 9	Fire Fighting	R 40.00	50.00
	For attendance of personnel or use of equipment and material :		
<b>BREATHING OF APPARATUS</b>			
6 0	Compressed air type	R 50.00	60.00
	set plus R30.00 per cylinder		set plus R30.00 per cylinder
<b>FIRE - OTHER CHARGES</b>			
6 1	Recharging cylinders	R 50.00	60.00
	Oxygen resuscitation apparatus plus cost of recharging	R 20.00	30.00
	Portable lighting equipment - 5kw unit per hour	R 60.00	80.00
	Smoke extrator - Whilst in operation	R 60.00	80.00
	Smoke extrator - Whilst standing per hour	R 25.00	30.00
	Portable foam apparatus		
	Generator or branch per hour	R 50.00	60.00
	20% Admin	20% Admin	

## Lukhanji Tabled Budget

		fee	fee
	Medium expansion generator	R 50.00	60.00
		20% Admin fee	20% Admin fee
	Portable tank Chemicals	R 50.00	60.00
	Water		
	For each hour or part thereof during which water is supplied :		
	Large bore hose	R 55.00	65.00
	Small bore hose	R 45.00	55.00
	Servicing of Fire Extinguishers		
	Servicing and refilling of Extinguishers	R 0.00	0.00
		Actual Cost	Actual Cost
	Equipment and material		
	Floating pumps	R 55.00	65.00
	Lights	R 55.00	65.00
	<b>TRAFFIC FEES</b>		
<b>6</b>	<b>Search fees</b>		
<b>2</b>	Lost ticket	R 40.00	40.00
	Licensing Section	R 40.00	40.00
<b>6</b>	<b>Serving of Summonses</b>		
<b>3</b>	Non-personal serving	R 45.00	45.00
	Personal serving	R 50.00	50.00
	An extra is a non-personal summons is paid	R 10.00	10.00
<b>6</b>	<b>Impounding of vehicles</b>		
<b>4</b>	Pound fees to:	R 150.00	150.00
		R 600.00	600.00
		Should it be done within six months 100% additional	Should it be done within six months 100% additional
<b>6</b>	<b>Control over functions held on a public road</b>		
<b>5</b>	Sport and Races		
	(a) Issuing of permit	R 150.00	150.00
	(b) Full time traffic assistance per person per hour	Actual Costs	Actual Costs
	(c) Tariff per km per vehicle	R 4.50	4.50
	The monies in (a - c) above will not be refunded if an event is cancelled for any reason.		
	The monies in (a - c) must be paid in advance.		
	These tariffs will not be applicable to the following : Local Schools, Welfare or non-profit making.		
	Local sports clubs to pay R25.00 for a permit and actual overtime, where applicable.		

## Lukhanji Tabled Budget

	<b>Funerals</b>		
66	Per funeral (weekdays)	Actual Overtime, Vehicle cost	Actual Overtime, Vehicle cost
	Per funeral (weekends)	Actual Overtime, Vehicle cost	Actual Overtime, Vehicle cost
	Events (Fun Runs, Marathons)	R 300.00	300.00
67	<b>Parking meter fees</b> DPS	R1.00 per 10 min R6.00 per hour	R1.00 per 10 min R6.00 per hour
<b>FINANCIAL SERVICES</b>			
68	<b>VOTERS ROLL</b> Per copy per ward	R 5,000.00	R 5,000.00
69	<b>INFORMATION TO THE PUBLIC</b> 1. Computer printout of names and addresses or portion thereof 2. Any valuation certificate or certificate of outstanding balance against a property excluding certificates in terms of Section 96 of Ordinance 20 of 1974	R 5,000.00 R 30.00	R 5,000.00 R 30.00
70	<b>PHOTOCOPIES FOR PRIVATE PURPOSE</b> A4 Size per page (Black & White) A3 Size per page (Black & White)	R 0.80 R 2.00	R 0.80 R 2.00
71	<b>FACSIMILE TRANSMISSION</b> International per A4 page National per A4 page Local per A4 page	R 10.00 R 5.00 R 2.00	R 10.00 R 5.00 R 2.00
72	<b>INTEREST ON ALL OUTSTANDING FEES</b> Interest will be levied in terms of the standard rates.		
1	<b>ALLOCATION TO SPCA</b> Allocation to SPCA R48000 - R150000	R 12,500.00	R 12,500.00
73	<b>PROPERTY RATES</b>		
	Residential	in the Rand R 0.00578	in the Rand R 0.00624
	Businesses, Commercial, Industrial	R 0.00722	R 0.00780
	Educational	R 0.00578	R 0.00624

## Lukhanji Tabled Budget

	Public Service Infrastructure		R 0.00145	R 0.00157
	Vacant Land		R 0.02538	R 0.02741
	INFRASTRUCTURE RATE (PHASE IN ON PREVIOUS NO VALUATION)		R 53.76	58.06
	<b>CATEGORIES OF REBATES GRANTED</b>			
7 4	Telkom Residential - Annual Payers Residential - Monthly Payers Government Municipal Commercial - Annual Payers Commercial - Monthly Payers Industrial - Annual Payers Industrial - Monthly Payers Businesses - Annual Payers Businesses - Monthly Payers Education Transnet Agricultural Institutional		<b>As per policy</b>	
7 5	<b>REFUSE BAGS</b> Refuse Bags may be changed as per price increases to recover full costs.			
	<b>ESTATES</b>			
	<b>CIVIC CENTER RENTALS</b>			
7 6	CIVIC CENTRE : QUEENSTOWN	p/h	R 95.00	R 100.70
	CIVIC CENTRE : ASHLEY WYNGAARDT	p/h	R 85.00	R 90.10
	CIVIC CENTRE : MLUNGISI	p/h	R 45.00	R 47.70
	CIVIC CENTRE : EZIBELENI	p/h	R 70.00	R 74.20
	CIVIC CENTRE : SKWEYIYA	p/h	R 75.00	R 79.50
	CIVIC CENTRE : SADA & EKUPHUMLENI	p/h	R 75.00	R 79.50
	CIVIC CENTRE : KAMASTONE, MCEULA, LESSYTON	p/h	R 55.00	R 58.30
	CIVIC CENTRE : ILINGE & TAMBO VILLAGE	p/h	R 65.00	R 68.90
	<b>(NOTE; All are Excluding the Overtime Costs of the Caretaker)</b>			
7 7	<b>DEPOSITS</b> Political Parties		R 2,000.00	R 2,120.00

## Lukhanji Tabled Budget

	Funtions where entrance fees are charged	R 2,000.00	R 2,120.00
	Dances / Discos	R 2,000.00	R 2,120.00
	Competitions / Contests of any nature	R 2,000.00	R 2,120.00
	Parties	R 2,000.00	R 2,120.00
	Graduation Ceremonies	R 1,000.00	R 1,060.00
	Weddings	R 2,000.00	R 2,120.00
	Other forms of entertainment	R 2,000.00	R 2,120.00
<b>OTHER FACILITY RENTALS</b>			
	Hire of other facilities in the Town, VAN and Ezibeleni Halls		
	Side Hall (Queenstown, Ezibeleni, Skweyiya, Sada & Ekuphumleni)	R 45.00	R 47.70
	Kitchen - Queenstown	R 105.00	R 111.30
	Kitchen (Ezibeleni, Skweyiya, Ekuphumleni Ashley Wyngaardt)	R 55.00	R 58.30
	Administration fee	10% of Total Cost	10% of Total Cost
	Samro (Civic Centres of Queenstown, Ashley Wyndgaardt & Skweyiya)	R 20.00	R 21.20
	Sound system	R 175.00	R 185.50
	Urn	R 50.00	R 53.00
	Stove	R 120.00	R 127.20
	Bainmarie	R 65.00	R 68.90
	Crockery Deposit ( Additional to rental of crockery)	R 300.00	R 318.00
	Cups & Saucers	R 0.70	R 0.74
	Milk Jugs	R 0.60	R 0.64
	Sugar Bowls	R 0.60	R 0.64
	Serving Dishes	R 1.70	R 1.80
	Plates	R 0.70	R 0.74
	Side Plates	R 0.70	R 0.74
	Pudding Bowls	R 0.70	R 0.74
	Knives, Forks & Spoons	R 1.00	R 1.06
	Tea Pots	R 1.70	R 1.80
	Piano	R 50.00	R 53.00
	Grand Piano	R 150.00	R 159.00
	Table Cloth Large	R 25.00	R 26.50
	Table Cloth Medium	R 17.00	R 18.02
	Table Cloth Small	R 10.00	R 10.60
	Fridge Sidehall	R 20.00	R 21.20

7  
8

## Lukhanji Tabled Budget

	Warming Tray		R 0.00
	Cleaning levy per function		R 0.00
	Monday to Friday 15H00	R 95.00	R 100.70
	Friday 15H01 to Sunday, incl. Public Holidays	R 120.00	R 127.20
<p><b>Night work allowance per hour payable in terms of Bargaining Council resolution</b>  <b>Nominal Rate of R10-00 per hour</b>  <b>Any Shortfall or Surplus between R25-00 be waived against administration fees.</b></p>			
<b>LAND USE MATTERS</b>			
<b>7 9</b>	Administration Costs	R 750.00	R 795.00
	Rezoning fee	R 800.00	R 848.00
	Advertisement Costs	R 650.00	R 689.00
	Bed and Breakfast Applications	R 800.00	R 848.00
	House Business	R 750.00	R 795.00
	Land Use Penalty	R 5,500.00	R 5,830.00
	Subdivision	R 750.00	R 795.00
	Lease of Containers	R 200.00	R 212.00
	Encroachment	R 500.00	R 530.00
	Infrastructure impact cost	Assess on merit in line with Council's policy	Assess on merit in line with Council's policy
<b>ADMINISTRATIVE MATTERS</b>			
<b>8 0</b>	Copy of Title Deed	R 20.00	R 21.20
	Deed searches per individual search	R 20.00	R 21.20
	Photocopies A4 Size per page (Black & White)	R 1.00	R 1.06
<b>MUNICIPAL BUILDINGS : RENTALS</b>			
<b>8 1</b>	Business Tariff:		
	Queenstown	R 60.00	R 63.60
	Ilinge	R 25.00	R 26.50
	Van	R 30.00	R 31.80
	Other Villages	R 20.00	R 21.20
	Whittlesea	R 25.00	R 26.50
	Ezibeleni & Mlungisi	R 25.00	R 26.50
	Residential Tariff :		
	Queenstown	R 35.00	R 37.10
	Ilinge	R 18.00	R 19.08
	Van	R 20.00	R 21.20
Other Villages	R 10.00	R 10.60	



## Lukhanji Tabled Budget

	Whittlesea	R 18.00	R 19.08
	Ezibeleni & Mlungisi	R 18.00	R 19.08
	(Working on 80% of a suggested market related rental of R50-00 p/m2)		
	Whittlesea CBD		
	(Working on 80% of a suggested market related rental of R25-00 p/m2)		
	Ezibeleni & Mlungisi		
	(Working on 80% of a suggested market related rental of R10-00 p/m2)		
	Residential Tariff :		
	Queenstown & VAN		
	(Working on 80% of a suggested market related rental of R30-00 p/m2)		
	Whittlesea		
	(Working on 80% of a suggested market related rental of R7-50 p/m2)		
	Ezibeleni & Mlungisi		
	(Working on 80% of a suggested market related rental of R7-50 p/m2)		
	Municipal Flats & Houses:		
	Uitsig Flats	R 2,250.00	R 2,385.00
	Fairview Flats	R 2,700.00	R 2,862.00
	Municipal Houses @ 82 PA Street	R 3,150.00	R 3,339.00
	Municipal Houses @ 1 Horwood Square	R 3,600.00	R 3,816.00
	Municipal Houses @ 1 New Street	R 2,925.00	R 3,100.50
<b>ADMINISTRATION AND HUMAN RESOURCES</b>			
<b>8</b>	<b>ACCESS TO INFORMATION</b>		
<b>2</b>	Request fee	R 40.00	R 42.40
<b>8</b>	<b>FEES FOR REPRODUCTION :</b>		
<b>3</b>	A4 Size per page (Black & White)	R 0.80	R 0.85
	Computer readable form - Stiffy disc	R 7.00	R 7.42
	Computer readable form - Compact disc	R 45.00	R 47.70
	Transcription of visual images, A4 or part thereof	R 25.00	R 26.50
	Copy of visual images	R 70.00	R 74.20
	Transcription of an audio record, A4 or part thereof	R 15.00	R 15.90
	Copy of audio record	R 40.00	R 42.40
	Advertising	R 650.00	R 689.00



**Lukhanji Municipality  
BUDGET  
APPENDIX B**

**NEW AND  
AMENDED POLICIES**

**2011/12 - 20113/14**



# **LUKHANJI LOCAL MUNICIPALITY**

**2011 - 2012**

## **DRAFT RATES POLICY**

# Lukhanji Tabled Budget

Version 3.1

## TABLE OF CONTENTS

1. DEFINITIONS.....	101
2. INTRODUCTION .....	109
3. CONSULTATION PROCESS.....	111
4. GUIDING PRINCIPLES.....	111
5. IMPERMISSIBLE RATES .....	112
6. PROPERTY CATEGORIES .....	113
7. RATING OF MULTIPLE USE PROPERTY .....	113
8. DIFFERENTIAL RATING.....	114
9. EXEMPTIONS, REDUCTIONS AND REBATES .....	114
10. PROCEDURES FOR GRANTING EXEMPTIONS, REBATES & REDUCTIONS .....	117
11. PENALTIES .....	118
12. PAYMENT OF RATES.....	118
13. ACCOUNTS TO BE FURNISHED.....	120
14. PHASING IN OF RATES .....	120
15. FREQUENCY OF VALUATION .....	121
16. REGISTER OF PROPERTIES .....	121
17. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY .....	122
18. REGULAR REVIEW PROCESSES.....	122
19. ENFORCEMENT/IMPLEMENTATION AND ENQUIRIES.....	122
20. ANNUAL REVIEW OF RATES POLICY .....	122
21. LEGAL COMPLIANCE .....	122
22. BIODIVERSITY ACT.....	123

# Lukhanji Tabled Budget

## DEFINITIONS

**'Act'** means the Local Government: Property Rates Act, No 6 of 2004 and includes the regulations made in terms of Section 83 of the Act;

**'Agent'**, in relation to the owner of a property, means a person appointed by the owner of the property-

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner;

**'Agricultural purpose'** in relation to the use of a property, excludes the use (of a property for the purpose of eco-tourism or for the trading in or hunting of game);

### **Other definitions:**

**'Annually'** means once every financial year (1 July to the 30 June the following year);

**'Appeal board'** means a valuation appeal board established in terms of section 56;

**'Assistant municipal valuer'** means a person designated as an assistant municipal valuer in terms of section 35(1) or (2);

**'Bona fide farmers'** is a person that is fulltime farmer and if such land is used *bona fide* and exclusively by the owner or occupier for agricultural purposes;

### **'Category'**

- (a) in relation to property, means a category of properties determined in terms of Section 8; and

- (b) in relation to owners of properties, means a category of owners determined in terms of section 15(2)

**'Chief Financial Officer'** means the Chief Financial Officer as defined in the Municipal Finance Management Act;

**'Child-headed household'** means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.

# Lukhanji Tabled Budget

**'Council'** means the Council of the Lukhanji Municipality;

**'Communal Land'** as defined in Section 1 of the Communal Land Right Act of 2004;

**'Data-Collector'** means a person designated as a data-collector in Section 36;

**'Date of valuation'** means the date determined by a municipality in terms of section 31(1);

**'District management area'** means a part of a district municipality which in terms of section 6 of the Municipal Structures Act has no local municipality and is governed by that municipality alone;

**'District Municipality'** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

**'Dominant use'** in relation to a property means where a particular use is the largest proportion as compared to other uses on that property / pro rata

**'Due date'** means the date specified as such on a municipal account dispatched from the offices of the responsible officer for any rates payable and which is the last day allowed for the payment of such rates;

**'Effective date'**-

(a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1);

(b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect;

**'Exclusion'**, in relation to a municipality's rating power, means a restriction of that power as provided for in section 17;

**'Exemption'**, in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

**'Financial year'** means the period starting from 1 July in a year to 30 June the next year;

**'Income Tax Act'** means the Income Tax Act, 1962 (Act No. 58 of 1962);

## Lukhanji Tabled Budget

**'Infrastructure rate'** the municipality retains the right to implement a levy as determined by council according to sec.7 and 11;

**'Land reform beneficiary'**, in relation to a property, means a person who -

- (a) acquired the property through -
  - (i) the Provision of Land and Assistance Act No. 126 of 1993; or
  - (ii) the Restitution of Land Rights Act No. 22 of 1994;
- (b) holds the property subject to the Communal Property Associations Act No 28 of 1996;
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

**'Land tenure right'** means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004;

**'Local Community'**, in relation to a municipality-

- (a) body that mean of persons comprising –
  - (i) the residents of the municipality;
  - (ii) the ratepayers of the municipality;
  - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
  - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
- (b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

**'Local Municipality'** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

## Lukhanji Tabled Budget

**'Market Value'**, in relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

**'MEC for Local Government'** means the member of the Executive Council of a province who is responsible for local government in that province;

**'Minister'** means the Cabinet member responsible for local government;

**'Multiple purposes'**, in relation to a property, means the use of a property for more than one purpose;

**'Municipal Council'** or **'Council'** means a municipal council referred to in section 18 of the Municipal Structures Act;

**'Municipal Finance Management Act'** means the Municipal Finance Management Act No. 56 of 2003;

**'Municipal Systems Act'** means the Local Government: Municipal Systems Act, No 32 of 2000;

**'Municipality'**-

- (a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and
- (b) as a geographical area, means a municipal area demarcated in terms of the Municipal Demarcation Act No. 27 1998;

**'Municipal Manager'** means a person appointed in terms of section 82 of the Municipal Structures Act;

**'Municipal-owned property'** refers to property that is registered in the name of the Municipality and property vested by usage in the name of the Municipality whether it is used by the Municipality itself or made available to other entities without cost or in terms of a rental agreement;

**'Municipal Structures Act'** means the Municipal Structures Act No 117 of 1998;

**'Municipal Systems Act'** means the Municipal System Act No. 32 2000;

**'Municipal Valuer'** or **"Valuer of a municipality"** means a person designated as a municipal valuer in terms of section 33(1) of the MPRA;



## Lukhanji Tabled Budget

**'Newly rateable property'** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding-

- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

**'Old order right'** means a tenure or other right in or to communal land which (Ciskei, Transkei and RSA) :-

- (a) is formal or informal;
- (b) is registered or unregistered;
- (c) derives from or is recognised by law, including customary law, practice or usage; and
- (d) exists immediately prior to a determination by the Minister in terms of section 18, but does not include –
  - (i) any right or interest of a tenant, labour tenant, sharecropper or employee if such right or interest is purely of a contractual nature; and
  - (ii) any right or interest based purely on temporary permission granted by the owner or lawful occupier of the land in question, on the basis that such permission may at any time be withdrawn by such owner or lawful occupier;

**'Occupier'**, in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

**'Organ of state'** means an organ of state as defined in section 239 of the Constitution;

**'Owner'**-

- (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

## Lukhanji Tabled Budget

(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
- (iv) a judicial manager, in the case of a property in the estate of a person under
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (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 usufructure 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
- (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;

**‘Penalty’** in relation to the time period of underdeveloped vacant land which is not utilized in the specific time period as stipulated in the policy;

**‘Permitted use’**, in relation to a property, means the limited purposes for which the property may be used in terms of -

- (a) any restrictions imposed by -
  - (i) a condition of title;
  - (ii) a provision of a town planning or land use scheme; or
  - (iii) any legislation applicable to any specific property or properties;
- (b) any alleviation of any such restrictions;

**‘Person’** includes an organ of state;

**‘Prescribe’** means prescribed by regulation in terms of section 83;

**‘Property’** means -

## Lukhanji Tabled Budget

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure;

**'Property register'** means a register of properties referred to in section 23 of the MPRA;

**'Protected area'** means an area that is or has to be listed in the register referred to in section 10 of the Protected Area Act;

**'Protected Areas Act'** means the National Environmental Management: Protected Areas Act, 2003;

**'Publicly controlled'** means owned by or otherwise under the control of an organ of state, including -

- (a) a public entity listed in the Public Finance Management Act No. 1 of 1999.
- (b) a municipality; or
- (c) a municipal entity as defined in the Municipal Systems Act;

**'Public service infrastructure'** means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system (excluding the land upon which the railway line is based) ;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;

## Lukhanji Tabled Budget

- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

**'Rate'** means a municipal rate on property envisaged in section 229(1)(a) of the Constitution;

**'Rateable property'** means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17;

**'Rebate'**, in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;

**'Reduction'**, in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

### **'Register'**-

- (a) means to record in a register in terms of-
  - (i) the Deeds Registries Act 47 of 1937; or
  - (ii) the Mining Titles Registration Act 16 of 1967; and
  
- (b) includes any other formal act in terms of any other legislation to record-
  - (i) a right to use land for or in connection with mining purposes; or
  - (ii) a land tenure right;

**'Residential property'** means a property included in a valuation roll in terms of section 48 (2)(b) as residential;

**'Residential property: mixed use'** refers to property that is used predominantly for residential purposes (51 % or more) but has significant portions of the property devoted to purposes that fall within other categories of property;

## Lukhanji Tabled Budget

**'Rural communal settlements'** means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

**'Sectional Titles Act'** means the Sectional Titles Act No. 95 of 1986;

**'Sectional title scheme'** means a scheme defined in section 1 of the Sectional Titles Act;

**'Sectional title unit'** means a unit defined in section 1 of the Sectional Titles Act;

**'Special State Owned Properties'** properties that are owned by National and Provincial Government, used for public benefit purposes and as a rule do not trade regularly in a four year valuation cycle.

**'Specified public benefit activity'** means an activity listed in item 1 (welfare and 5 humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

**'State trust land'** means land owned by the state-

- (a) in trust for persons communally inhabiting the land in terms of a traditional
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights

**'Vacant land'** means land where no immovable improvements have been erected.

## INTRODUCTION

The purpose of this document is to serve as the foundation for public consultations on the Rates Policy the Lukhanji Municipality wishes to adopt on 1 July 2010, in line with the market-based valuation of all properties in the Lukhanji Municipal area of jurisdiction.

This document aims to invite views on how the municipality intends to apply the rating policy mechanisms at its disposal in the 2001/12 financial year, as required by the Act (MPRA).

## Lukhanji Tabled Budget

2.1 The Municipal Property Rates Act No. 6 of 2004 (MPRA) requires municipalities to develop and adopt rates policies consistent with the Act on the levying of rates on rateable property in the municipality.

2.2 Municipalities need a reliable source of revenue to provide basic services and perform its functions. Income derived from property rates are a most important source of revenue for the municipality.

2.3 Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include constructed and maintaining streets, roads, sidewalks, street lighting, and storm drainage facilities; and building and operating clinics, parks, recreational facilities and cemeteries. Revenue from property rates is also used to fund municipal administration, such as computer equipment and stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

2.4 Municipal property rates are set, collected, and used locally. Revenue from property rates is spent within a municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDP's) and budget processes, which a municipality invites communities to input prior to municipal council adoption of the budget.

2.5 The Constitution of the Republic of South Africa, sec 229 Of 1996, entitles municipalities to impose rates on property in their areas, subject to regulation in terms of national legislation.

2.6 The Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities and in general to meet its obligations in terms of section 152 of the Constitution of the Republic of South Africa, 1996.

2.7 There is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities.

## **Lukhanji Tabled Budget**

2.8 Income derived from property rates is a critical source of revenue for municipalities to achieve their constitutional objectives, especially in areas that have been neglected in the past due to racially discriminatory, inadequate or inappropriate legislation and regulation.

2.9 It is essential that municipalities exercise their power to impose rates within a statutory framework that not only enhances certainty, uniformity and simplicity across the nation, but also takes into account historical imbalances and the rates burden on the poor.

2.10 The Constitution of the Republic of South Africa confers on Parliament the power to regulate the exercise by municipalities of their fiscal powers.

## **CONSULTATION PROCESS**

1. Inspection period for Members of the Public and interested parties, runs during April and May of 2011 for the financial year 2011/2012.
2. Ward General Meetings and Public Information Sessions are to be held during April and May 2011 for the financial year 2011/2012. Dates and venues that will be announced by means of notices and newspaper advertisements during April and May of 2011.
3. Organisations, Associations, Forums, Groupings and or Individual members of the public who wish to make written submissions can do so by completing the available Rates Policy Comments/Suggestion form. These forms should be addressed to The Municipal Manager, Lukhanji Municipality, Private Bag X7111, Queenstown, 5320.
4. Upon conclusion of the consultation process the Lukhanji Municipality will assess the implications of submissions and will publish a final Draft Rates Policy.
5. The Rates Policy for 2011/12 is then tabled before Council with the adoption of the budget and will be legislated as a By-Law of Council.
6. The consultation process is in accordance with section 4 of the MPRA 6 of 2004.

## **GUIDING PRINCIPLES**

**In formulating the rates policy for Lukhanji Municipality the following guiding principles will be taken into account:**

## Lukhanji Tabled Budget

- Equity, i.e. that all categories of property and categories of owners be treated equitably in relation to each other
- Affordability, i.e. that the rates policy should take into account issues of affordability across categories of owners
  
- Poverty Alleviation, i.e. that the rates policy should facilitate poverty alleviation within the context of the mechanisms at its disposal
- Social and Economic Development, i.e. that the rates policy should within the context of the mechanisms at its disposal seek to enhance social and economic development
- Financial Sustainability and Cost Efficiency, i.e. that the rates policy should be cost efficient and should enhance the financial sustainability of the municipality
- Encourage Development of Property, i.e. that the rates policy should utilize the mechanism at its disposal to encourage the development of property in line with the socio-economic development needs and goals of the municipality
- Community Participation, i.e. that the rates policy should be reflective of issues and options expressed during public engagements

## IMPERMISSIBLE RATES

5.1 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 valuation roll and supplementary valuation roll.

5.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. 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

5.3 All existing rated property owners will not be phased in on the new valuation roll, except as prescribed by legislation.

Section 17 of the Act outlines Impermissible Rates, these include:



## **Lukhanji Tabled Budget**

- the first 30% of the market value of public service infrastructure as defined in the Act
- protected areas
- (land with) mineral rights
- (land owned by) land reform beneficiaries
- the first R15 000 of the market value of residential property and properties used for multiple purposes of which one or more component thereof are used for residential purposes
- property used primarily for religious worshipping purposes, including an official residence occupied by the officiating office bearer

## **PROPERTY CATEGORIES**

Lukhanji Municipality has the following property categories:

- (a) Residential properties
- (b) Business
- (c) Agricultural
- (d) Public Service Infrastructure
- (e) Communal and State Trust Land
- (h) State Owned Properties
- (i) Municipal Owned Properties
- (j) Schools including Public, Private and Early Childhood Development Centres
- (k) Vacant properties
- (l) Places of Worship
- (m) Public Benefit Organisations
- (n) Clinics and Institutions

## **RATING OF MULTIPLE USE PROPERTY**

In determining the rating of multiple use properties Lukhanji Municipality classifies these properties in terms of Section 9(1) (b) of the Act, and will rate such properties based on their dominant use / pro rata.

# Lukhanji Tabled Budget

## DIFFERENTIAL RATING

The following factors will be taken into consideration for the purpose of differential rating:

- The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- The effects of rates on the property on the promotion of the social and economic development of a municipality.
- Differential rating among the various property categories will be done by way of setting ratios between the main categories of property and therefore different Cent amount in the Rand for different categories of property.
- In this context it is the intent to set different rates for residential properties in relation to commercial properties and different rates for different categories of vacant land as outlined in this policy.
- In addition exemptions, reductions in the value of properties and or rebates in respect of the cent in the rand payable, will be considered for various categories of owners, (such as for example owners receiving old age or disability grants), based on the outcomes of public consultations and rating policy decisions.

## EXEMPTIONS, REDUCTIONS AND REBATES

Exemptions, reductions and the level of rebate granted to specific owners within each category of property situated within the Municipality's jurisdiction will be determined annually as part of the review and determination of the Rates Policy and Budget process. Granting of rebates within a particular category of property is aimed at ensuring an equitable distribution of the property rates burden amongst the categories of property that constitute the property rates base of the Municipality.

Based on the guiding principles underpinning this policy and subject to any changes in national legislation, the following categories of property owners will be considered on annual application where applicable for exemptions, rebates and reductions:

### **Exemptions:**

- a) Child headed households (exempt if owner registered/court of law approval)
- b) Owners of property situated within an area affected by a declared disaster area within the meaning of the Disaster Management Act, No. 57 of 2002 for the time period as stipulated.

## Lukhanji Tabled Budget

- c) The Municipality may exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property.
- d) Public Service Infrastructure
- e) Places of Worship
- f) Municipal owned properties
- g) Duly registered public benefit organisations
- h) Communal Land as defined in Section 1 of the Communal Land Right Act of 2004;

### **Rebates and Reductions:**

- i) Land reform beneficiaries; (phasing over 4 yrs.)
- j) Indigent households as defined in the municipality's indigent policy;
- k) Beneficiaries of old age grants;
- l) Beneficiaries of disability grants;
- m) Owners of properties who are not beneficiaries of old age or disability grants, but whose income is equivalent to that of such beneficiaries and who meet the criteria as defined in the municipality's indigent policy;
- n) Owners of properties who are unemployed
- o) bona fide farmers;
- p) Sporting bodies;
- q) Demolished properties
- r) Grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties.

**Indigent households:** The Council has adopted an "Indigent Policy" that provides for the alleviation of the rates burden on the low income sectors of the community within the Municipality. Owners of property who qualify for the assistance provided by this Policy must make application to access the relief provided if they do not automatically receive it.

**Bona fide farmers:** In the case of properties that are used for agricultural purposes, the owner(s) may qualify for an agricultural rebate, subject to the following conditions:

- a) The property must be used for *bona fide* agricultural purposes.
- b) The usage of the property must accord with the zoning scheme for the area.
- c) The owner must be registered with the South African Revenue Service as a farmer and must submit a copy of the last IT48 ("calculation of taxable income from farming operations") together with the application for a rebate. If no IT48 can be produced due

## Lukhanji Tabled Budget

to recent ownership change, upon application, a municipal official, authorised by the Municipal Manager shall issue an agricultural certificate to the owner of the property after an inspection of the property if he or she is satisfied that such land is used *bona fide* and exclusively by the owner or occupier for agricultural purposes.

- d) If the owner is a company or a close corporation, which would preclude the South African Revenue Services from issuing an IT48 on behalf of the owner, upon application, a municipal official, authorised by the Municipal Manager shall issue an **agricultural certificate** to the owner of the property after inspection of the property if he or she is satisfied that such land is used *bona fide* and exclusively by the owner or occupier for agricultural purposes.
- e) The land owner must prove that he/she has complied (or is awaiting confirmation of application) with the National Veld and Forest Fire Act 101 of 1998 and legislation governing the control of alien invasive species.

Rebates Applicable to Bona Fide Farmers and Agricultural Properties will be 65% for Farmers not receiving the following services from the Municipality:

Water

Electricity

Sewerage

Farmers receiving the above services from the Municipality will receive a rebate according to the services which they receive.

An additional 5 % rebate could be granted to farmers that contributes to job creation provided that proof be given of:

- The number of jobs created
- That the salaries/wages given to employees meet the minimum standards set by Government.

### **Public Benefit Organisations (PBO's)**

Taking into account the effects of rates on PBO's performing a specific public benefit activity and registered in terms of the Income Tax Act for tax reduction because of those activities, it is proposed that PBOs performing the following specified public benefits activities be exempted from rating:

- Welfare and humanitarian, for example PBOs providing disaster relief.

## **Lukhanji Tabled Budget**

- Health Care, for example PBO's providing counseling and treatment of persons afflicted with HIV and AIDS including the care of their families and dependents in this regard.
- Education and development, for example a PBO's providing early childhood development services for pre-school children.

Lukhanji Municipality will consider rebates in respect of public and independent schools as well as early childhood development centres.

Lukhanji Municipality may consider rebates in respect of Special State Owned Properties used for public benefit purposes and as a rule do not trade regularly in a four year valuation cycle in the open market.

## **PROCEDURES FOR GRANTING EXEMPTIONS, REBATES & REDUCTIONS**

- (a) Applications for exemptions and rebates will only be considered after an application on the prescribed form has been lodged with the Chief Financial Officer on an annual basis
- (b) Applications must reach the Municipality before 31 May 2010, for which relief is sought, failing which the exemption or rebate will lapse and will only be re-instated once the application has been approved
- (c) All applications must be made under oath. In addition, applications for exemptions by public benefit organisations must be accompanied by a letter from the South African Revenue Service confirming that the organisation qualifies for exemption in terms of the Income Tax Act.
- (d) All other property owners seeking an exemption must submit either a letter from their auditors, or annual financial statements confirming that the applicant qualifies for an exemption. Properties for which application for exemption from the payment of rates is made must be used exclusively for the purpose that forms the basis for the application for exemption. Where this is not the case, the property will form part of the category multiple use properties and those portions not used for the purpose for which application for exemption has been made will be re-valued and property rates levied in accordance with the category/categories of property applicable. An application for an exemption or rebate must authorise the Municipality to inspect the property at any reasonable time during the financial year to confirm compliance with

## Lukhanji Tabled Budget

the conditions of the exemption or rebate. Where access is denied, the exemption or rebate may be withheld, or withdrawn, if already effective.

- (e) Applications for a reduction in rates based on a reduction in value of a property must be made on the prescribed form within 30 days of the occurrence of the event giving rise to the reduction of the value of the property relied upon. The onus rests on the applicant to ensure that the application form and all supporting documents are lodged timeously, and that the property concerned qualifies for the exemption, rebate, or reduction.
- (f) The effective date of an exemption or rebate shall be the date when the Municipality approves the application for exemption or rebate, irrespective of whether or not the property qualified for exemption or rebate in terms of its use prior to that date.
- (g) The Municipality reserves the right to refuse an exemption or rebate if the details supplied in the application are incomplete, incorrect, or false. In accordance with Section 15(3) of the Act, the Municipal Manager of the Municipality shall annually table in the Council of the Municipality:
  - (i) list of all exemptions, rebates and reductions granted by the Municipality during the previous financial year; and
  - (ii) statement reflecting the income of the Municipality foregone during the previous financial year by way of such exemptions, rebates and reductions and the exclusions referred to in Section 17 (1) (a), (e), (g), (h) and (i) of the Act.

The exemptions, rebates and reductions shall be clearly indicated on the property rates account submitted to each property owner.

## PENALTIES

In relation to the time period of underdeveloped vacant land which is not utilized in the specific time period as stipulated in the agreement and or title deed, a periodical escalation will be applicable

## PAYMENT OF RATES

12.1 The rates levied on the properties shall be payable:-

- (a) on a monthly basis; or
- (b) annually, before 30 September each year.

## Lukhanji Tabled Budget

- (c) a once off application to pay on a monthly basis should be submitted in May of each year
- 12.2 The municipality shall determine the due dates for payments in monthly installments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent.
- 12.3 Rates payable on an annual basis, excluding annual rates levied on state owned properties, will be subject to a discount determined by council if paid in full on or before 30 September of each year.
- 12.4 Interest on arrears rates, whether payable on or before 30 September or in equal monthly installments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.
- 12.5 The municipality retains the right to implement a levy as determined and approved by council according to sec.7 and 11, for properties identified as suitable for a standard infrastructure rate. This is in terms of the Act and serves to simplify the billing of property rates for lower value properties.
- 12.6 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. Should an owner default on his debt for three consecutive months the amount is payable immediately. Application is not automatically resumed but re-application has to take place for monthly payments.
- 12.7 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act and the Municipality's credit control and debt collection by-law.
- 12.8 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.
- 12.9 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.

## Lukhanji Tabled Budget

### ACCOUNTS TO BE FURNISHED

- 13.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:-
- (i) the amount due for rates payable,
  - (ii) the date on or before which the amount is payable,
  - (iii) how the amount was calculated,
  - (iv) the market value of the property, and
  - (v) rebates, exemptions, reductions or phasing-in, if applicable.
- 13.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.
- 13.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

### PHASING IN OF RATES

- 14.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.
- 14.2 The phasing-in discount on the properties referred to in section 21 shall be as follows:-
- First year (2009/2010) : 75% of the relevant rate ;
  - Second year (2010/2011) : 50% of the relevant rate;
  - Third year (2011/2012) : 25% of the relevant rate.
  - Subsequent years (July 2013) : 0% of the relevant rate.
- 14.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:-
- First year (2009/2010) : 100% of the relevant rate;
  - Second year (2010/2011) : 75% of the relevant rate;
  - Third year (2011/2012) : 50% of the relevant rate;



## **Lukhanji Tabled Budget**

- Fourth year (2012/2013) : 25% of the relevant rate.
- Subsequent years (July 2013) : 0% of the relevant rate.

## **FREQUENCY OF VALUATION**

- 15.1 The municipality shall prepare a new valuation roll at least every 4 (four) years.
- 15.2 In accordance with the Act the municipality, under exceptional circumstances, may decide to extend the validity of the valuation roll to 5 (five) years by applying for approval to the MEC for Local Government and Housing in the province.
- 15.3 Supplementary valuations may be done on a continual basis but at least on an annual basis.
- 15.4 Interim valuations may be done on a continual basis to fix short term problems.

## **REGISTER OF PROPERTIES**

- 16.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 16.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 16.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:
- i. Exemption from rates in terms of section 15 of the Property Rates Act,
  - ii. Rebate or reduction in terms of section 15,
  - iii. Phasing-in of rates in terms of section 21, and
  - iv. Exclusions as referred to in section 17.
- 16.4 The register will be open for inspection by the public at elected municipal offices during office hours or on the website of the municipality.
- 16.5 The municipality will update Part A of the register during the supplementary valuation process.
- 16.6 Part B of the register will be updated on an annual basis as part of the implementation of the municipality's annual budget.

## **Lukhanji Tabled Budget**

### **BY-LAWS TO GIVE EFFECT TO THE RATES POLICY**

The municipality must in terms of Section 6 of the MPRA N0 6 of 2004 adopt By-laws to give effect to the implementation of the Rates Policy and such By-laws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.

### **REGULAR REVIEW PROCESSES**

The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the Integrated Development Plan and with legislation.

### **ENFORCEMENT/IMPLEMENTATION AND ENQUIRIES**

This policy has been approved by the Municipality in terms of resolution .....dated..... and comes into effect on 1 July 2011.

### **ANNUAL REVIEW OF RATES POLICY**

The municipality will annually review, and if necessary amend its rates policy taking into accounts public comments \_\_\_\_\_ and \_\_\_\_\_ inputs.

### **LEGAL COMPLIANCE**

In terms of Section 229 of the Constitution of the Republic of South Africa Act No. 108 of 1996, a municipality may impose rates on property.

In terms of Section 4(1) (c) of the Municipal Systems Act No. 32 of 2000, a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.

## Lukhanji Tabled Budget

In terms of Section 2(1) of the Municipal Property Rates Act No. 6 of 2004, a municipality may levy a rate on property in its area of jurisdiction in accordance with the provisions of the said Act.

The Council of the Municipality will impose a rate in terms of the aforementioned legislation. Consequently, this rates policy has been developed within the parameters of the applicable legislation relating to property rates.

This Property Rates Policy ('the Policy') is in terms of the Municipal Property Rates Act No 6 or 2004 and in conjunction with the Municipal Financial Management Act of 2003.

## BIODIVERSITY ACT

**'Critical Biodiversity Area'** refers to areas defined as Critical Biodiversity Areas 1 and 2 (CBA1; CBA2) as defined in the Conservation Assessment and Plan that forms part of the Municipal Spatial Development Framework (SDF);

**'Long-term protected critical biodiversity area'** refers to critical biodiversity areas which been made subject to contractual agreements between the land owner and the municipality for a period of thirty years or in perpetuity, and entered into the title deeds of the land;

**'Short-term protected critical biodiversity area'** refers to critical biodiversity areas which have been made subject to contractual agreements between the land owner and the municipality for a period of five years.