



BUDGET DOCUMENT

2012-2013



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Mayor's Report

Ladies and Gentlemen

It is a great honour for me to table the first annual budget for the term of the current council. The transitional pains and aches is something of the past and this council can now firmly position itself to deliver on the objectives set in the new Integrated Development Plan.

I am very aware of the proud record of the previous council when it comes to financial oversight and accountability, but have reason to believe that we will build on the good foundation laid and even progress further.

During the first year of our term, I realised a number of shortcomings in the communication with the community emanating from differences in understanding of the accountability processes, starting with the IDP and Budget process and culminating in the Annual report. The connectedness of these phases is often overlooked, resulting in misguided expectations and unnecessary conflict.

Camdeboo Municipality has once again been crowned by the Empowerdex Rating Agency as the best place to live in South Africa. This is due to good scores in basic service delivery elements, like electricity, refuse removal and water reticulation. Although these accolades are welcomed, the manner in which the community of the Camdeboo experiences these services remains the ultimate

test for quality of our municipal service delivery. In the light thereof, it remains our goal to interact with our communities at an optimal level in order to improve service delivery.

The Budget for 2012/2013 continues to address the bulk and other services related to our highest priority in the Integrated Development Plan, namely housing. The upgrading of bulk services in water and sanitation, as well as electricity is of ongoing importance and is addressed. These services are often far from the public eye and create the perception that service delivery is slow and pitched erroneously. The state of our roads, an element that is squarely in the face of the community, needs urgent intervention and is receiving the required attention in the budget for repairs and maintenance.

It would be irresponsible to consider this annual budget without taking a serious look at debt collection in the Camdeboo municipality. The current collection ratio of 74% for the past year, and much lower when all arrears are included, is not acceptable and will put a very huge burden on the financial capacity of the institution. Although the Credit Control Policy is adhered to, the normal measures seem to be less effective and council will have to consider relevant actions to monitor and improve this state of affairs in the light of growing unemployment and a slower growth rate in the economy.

The plight of the poor and always been, and will continue to be, a priority to the municipality and the government. The budget allows for a growth in the number of households that will be assisted through indigent subsidies. Additional to this, the establishment of an environment conducive to job creation remains of national importance and is pursued in this budget by building on good infrastructure and affordability to retain current businesses and draw more enterprises to the Camdeboo. Although a lot more needs to be done, this path will be vigorously pursued.

The cost pressures in the current budget is brought about by higher than average provision for personnel cost in the light of feedback from the current round of negotiations in the Local Government Bargaining Council. Also the compliance with legislation, especially in Water Services, puts some added pressure on the funding of the budget.

The municipality is hard pressed to make informed choices on limited resources to address an ever-growing assortment of needs as it responds to the developmental nature of this sphere of government.

We will tenaciously pursue a better life for all in the Camdeboo.

COUNCILLOR H. MAKOBA

31 May 2012

RESOLUTIONS FOR ADOPTION AT THE COUNCIL MEETING SCHEDULED FOR 24 MAY 2012

- 1 That Council approves
- (a) As its tabled budget for the 2012/2013 financial year, the consolidated three year Capital Budget, Operating Budget, Cash Flow Budget, measurable performance objectives for revenue for each source and for each vote as contained in the tabled budget document and appendices;
 - (b) The medium term (indicative) budgets for the 2013/2014 and 2014/2015 financial years contained in the budget document;

- 2 Amendments to be made to the rates, tariff, credit control and indigent policies of the Council, as well as the Supply Chain Management Policy;

- 3 That in terms of section 75(a)(1) of the Municipal Systems Act (Act 32 of 2000),read with section 17(3) of the Municipal Finance Management Act (Act 56 of 2003, the tariffs for property rates, water, electricity and other services be increased by the following percentages with effect from 1 July 2012:

Property rates	<i>Residential: 0.572c in the R</i>
	<i>Business: 1.144c in the R</i>
	<i>Agricultural: 0.143c in the R</i>
	<i>Agricultural small-holdings 0.286c in the R</i>
	<i>State-owned: 1.144c in the R</i>
	<i>Rebates as per policy</i>

Water	10%
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Water - Municipal accounts	10%
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Electricity (subject to approval from NERSA)	11.03%
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Refuse	10%
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Sewerage	10%
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Other small tariffs as per the attached schedule

- 4 That the Accounting Officer comply with all legal requirements relating to the finalization of the budget, the advertising of the Council's resolution with regard to the submission of the prescribed information to both Provincial and National Treasury.

BUDGET FOR 2012/13 TO 2014/15

This section contains an Executive Summary of the Camdeboo Municipality's Budget followed by a more detailed explanation of its Operating and Capital components over the next three years.

3. EXECUTIVE SUMMARY

The 2012/13 Budget preparation commenced in August 2011 after Council approved a timetable for the IDP and Budget preparation process. The budget is driven by a continued focus on basic services and the need to maintain the health of existing infrastructure. This approach facilitates the national priority to create decent and sustainable jobs in the economy through quality and reliable basic services. The initiative to have tariffs that reflect the cost started two years ago and is a feature of the current budget as well. This results in tariff increases that are higher than the rate of inflation, but moves the tariffs closer to our ideal of reflecting substantially the input cost. Although this might reflect less positive, the need to have sustainability is important and one also need to take into account the low levels from which these tariffs come.

The Budget comprises both Operating and Capital Budgets, which is a requirement of the Constitution and the Municipal Finance Management Act (Act 56 of 2003). The Capital Budget generally contains new or replacement assets such as roads, vehicles, buildings, etc. The Operating budget, which is the largest component of the budget, includes the provision of services like water, electricity, refuse collection, sanitation and others.

Operating Budget

Expenditure

The total operating budget increased from R157.4 in 2011/12 to R159.2m in 2012/13.

The overall growth of 1.1% is attributable to a number of expenditure items. Examples of these items are the following:

Expenditure item	2011/12 Budget R	2012/13 Budget R	Year on Year
Employee cost	53 017	60 946	14.9%
Remuneration of councillors	2 818	3 500	24.2%
Depreciation & impairment	9 628	12 842	33.4%
Materials and Bulk purchases	45 095	41 091	-8.9%
Other expenditure	33 735	40 482	20%

Reasons for significant variances:

Employee cost: Besides a provision for an increase of 8.5%, some additional posts had to be created to comply with the provisions in legislation concerning water and sanitation, as well as changes to the organogram.

Remuneration of councillors: The number of councillors increased because of the provision for full-time status for the speaker.

Materials and bulk purchases: This relates mostly to the increase in the purchase price of electricity and fuel. The budget reduction is because of an over-provision in the 2011/12 budget.

Revenue

Total operating revenue increased from R167.428 million in 2011/12 to R187.309 million in 2012/13 (11.9% growth).

Revenue sources...

Revenue sources:

Revenue Item	Budget 2011/12	Budget 2012/13	Year on year
Property rates	14 352	17 183	19.7%
Property rates - penalties & collection charges	850	820	-3.5%
Service charges - electricity revenue	60 478	63 191	4.5%
Service charges - water revenue	16 382	19 648	19.9%
Service charges - sanitation revenue	11 576	9 172	-20.8%
Service charges - other	1 173	1 498	27.6%
Rental of facilities and equipment	515	791	53.8%
Interest earned - external investments	1 240	1 154	-6.9%
Interest earned - outstanding debtors	1 510	2 101	39.2%
Fines	242	401	65.8%
Licences and permits	2 236	2 065	-7.7%
Transfers recognised - operational	49 647	59 643	20.1%

Service tariffs/Rates

The average increases to services are generally high when one looks at the percentage. However the rand value is still significantly low when compared to the cost to deliver the service. The municipality embarked on a multi-year approach to bring the service charges in line with the related cost.

Rates

The tariff increase is 10% and the natural growth increases the revenue from rates by 19.7%. The addition of agricultural land from the District Management Area to the municipality has added to the growth and also afforded council the option of relieving the rates burden of bona fides farmers and agricultural smallholdings.

Electricity

The electricity tariff increases by 11.03% as per the NERSA directive. The budgeted revenue from the service only increases by 4.5%. The municipality needs to maintain the maintenance spending of electricity as per the requirement by NERSA.

Water

The water tariff increases by 10% and the budgeted revenue grows by 19.9%. The legislative requirements relating to water and sanitation have a significant effect on the cost of the service, especially employment cost.

Capital Budget

The Capital budget increased from R45.683m in 2011/12 to R48.356m in 2012/13 (5.9%). The reason for this increase in capital spending is mainly the fact that spending on the new refuse dump site has been delayed and is anticipated to happen in the next financial year. Furthermore the work on electrical infrastructure spending to cope with the load, also contributed to the increase.

Funding:

FUNDING SOURCE	INTERNAL	%	EXTERNAL
From Own Revenue (Opex / CRR)	28,090,500		
From Internal Funds or Loans	1,500,000		
TOTAL INTERNAL FUNDING	29,590,500		
PROVISION FOR REHABILITATION			
DWA			5,000,000
CACADU			
FMG			785,000
INEP / Dept of Energy			
MIG (incl. DBSA counterfunding)			12,980,000
TOTAL EXTERNAL FUNDING			18,765,000
Internal Funding		61.2	29,590,500
External Funding		38.8	18,765,000
TOTAL CAPITAL BUDGET		100	48,355,500

The most significant projects are in the following areas:

Electricity

Infrastructure, R1.5m

Substations, R2.17m

Water

Waste Water Treatment Works, R400,000

Emergency water supply upgrading (Grt), R5m

Upgrading of Bulk water supply (Aberdeen), R5.5m

Waste Management

Waste Transfer station, R6.48m

Rehabilitation of waste site, R1.5m

Roads transport

Goedhals Square, R2m

Construction of industrial street, R800,000

3.1 MAIN FEATURES OF THE BUDGET FOR 2012-2013

The assumptions and principles in the development of this Budget are mainly based on guidelines received from the National Treasury (expenditure growth) and other external bodies such as the National Regulator of South Africa (NERSA) and South African Local Government Bargaining Council. The IDP's strategic focus areas informed the development of the Budget, in addition to assessing the relevant capacity to implement the Budget, taking affordability into account. The aforementioned guidelines were considered appropriate to inform the development of the Budget.

The national priorities outlined in National Treasury Circular 58 were considered as far as they were included in the IDP. The pressure to comply with measures relating to water, as well as staff shortages in key areas, necessitated a review of the organogram. This review placed a huge burden on the budget, and in particular employee cost. Some of the positions will have to be phased in over the next few years.

The undertaking to make service charges reflective of the associated cost is continued in this budget proposal. The process started in 2010/2011 and was relatively well-received by the communities. This acceptance was based mainly on a realistic fear that service delivery will deteriorate due to lack of repairs and maintenance. Closing the gap, however, is becoming more and more difficult in the light of the huge increases to electricity tariffs alone, as well as the fuel cost, in the last financial year. Although the increase to the electricity tariff is relatively lower this year, the users are still reeling under the cost increases in the previous years and became reluctant to accept the increases proposed in this budget. The sentiment remains negative, in spite of the fact that the logic is understood and accepted.

The challenges associated with the implementation of the new valuation roll, has had a knock-on effect on the debt collection process. Although the municipality collected most of the rates revenue, the older arrears were not handed over as per the policy due to the rates process of objections and reviews that took much longer than anticipated. These challenges are now under control and we hope to see the positive spin on collection as soon as the arrears are handed over. The effect of all of these developments is that the institution is trying to catch up in its debt collection process. It is crucial to overcome these collection challenges in the next financial term.

The programme for the assistance of the poor (Indigent subsidy), provides for the following benefits to poor households in the Municipality:

- Free 6kl of water p.m.
- Free basic sanitation
- Free 50kwh electricity p.m.
- Free basic refuse removal
- Property rates subsidy

Out of approximately 11 000 households, some 4 572 households receive the aforementioned assistance.

The budget related policies as outlined has been adhered to in the development of the budget, whilst continuous monitoring of budget performance is possible through the Service Delivery and Budget Implementation Plan.

3.2 HIGH LEVEL PERFORMANCE OBJECTIVES FOR 2011/12

The more significant performance objectives, which informed the preparation of the budget is set out in the Service Delivery and Budget Implementation Plan, a draft of which will be submitted to the mayor.

3.3 BUDGET STRATEGY AND ASSUMPTIONS

- (a) Considering National Treasury's guideline for year-on-year increases in expenditure headline inflation forecast of 5.9% for 2012/13, the annual increase for 2011/12 draft Operating Budget be limited to the following and be reviewed during the process, if considered necessary:
- The overall increases in operating expenditure be limited to 5.8%
 - The overall increase in human resource costs be restricted to the SALGBC determined agreement of the average CPI percentage for the twelve month period, February 2011 to January 2012, as published by Statistics South Africa, plus 1.5%. Treasury advised to budget for a 5% cost-of-living adjustment to be effected in July 2012.
- (b) Rates and tariffs increases consider the inflation rate, as well as the affordability levels. Where Council has significant under-recovery of cost on economic services, such a cost-reflective tariff be phased in over the next few years.

(c) The Direct Reports prepare the Operating and Capital Budgets aligned to the IDP and that this be supported by the SDBIP's of the organisation and the Direct reports before final approval of the Budget.

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets.

The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget , whilst NERSA regulates electricity tariff increases. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The principles and priorities included in the IDP directly informed the compilation of the Budget.

4. BUDGET TABLES

Budget schedules to be approved by resolution of Council

Table A1 – Budget Summary

EC101 Camdeboo - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands										
Financial Performance										
Property rates	9 525	13 237	16 732	15 202	16 370	16 645	15 762	18 003	16 443	17 265
Service charges	44 524	56 082	60 836	95 785	102 623	88 383	62 498	99 348	103 601	77 030
Investment revenue	4 636	3 058	2 974	1 240	810	1 093	1 093	1 154	1 341	1 408
Transfers recognised - operational	31 485	43 720	55 840	49 647	52 118	36 356	36 356	59 643	60 718	63 754
Other own revenue	3 310	3 860	4 306	5 553	5 802	5 256	5 256	6 277	6 006	6 306
Total Revenue (excluding capital transfers and contributions)	93 480	119 956	140 688	167 428	177 723	147 733	120 965	184 426	188 110	165 763
Employee costs	32 886	40 269	47 356	53 017	53 657	43 592	43 592	60 946	62 299	65 414
Remuneration of councillors	2 000	1 916	2 039	2 818	2 818	2 496	2 496	3 500	3 047	3 200
Depreciation & asset impairment	2 901	9 468	13 031	9 628	30 628	5 988	5 988	12 842	10 413	10 934
Finance charges	(372)	(239)	-	-	-	-	-	-	-	-
Materials and bulk purchases	16 675	22 439	27 607	45 095	50 000	34 398	34 398	41 091	48 775	51 214
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	24 078	26 439	21 655	33 735	48 441	34 275	34 275	40 482	35 794	37 584
Total Expenditure	78 168	100 292	111 689	144 292	185 543	120 748	120 748	158 861	160 329	168 346
Surplus/(Deficit)	15 313	19 665	29 000	23 135	(7 820)	26 985	217	25 565	27 780	(2 582)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed a	(3 050)	(107)	138	(13 195)	(5)	(0)	(0)	(5)	(17 105)	(17 961)
Surplus/(Deficit) after capital transfers & contributions	12 263	19 558	29 138	9 940	(7 825)	26 984	217	25 560	10 675	(20 543)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	12 263	19 558	29 138	9 940	(7 825)	26 984	217	25 560	10 675	(20 543)
Capital expenditure & funds sources										
Capital expenditure	-	-	-	45 683	48 196	35 543	35 543	48 356	78 510	56 230
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-	-
Financial position										
Total current assets	-	-	72 031 427	-	-	-	-	-	-	-
Total non current assets	-	-	41 667 808	-	-	-	-	-	-	-
Total current liabilities	-	-	11 772 338	-	-	-	-	-	-	-
Total non current liabilities	-	-	16 663 950	-	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	-	-	-	-	-	-	-	-	-	-
Net cash from (used) investing	-	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	-	-	-
Cash backing/surplus reconciliation										
Cash and investments available	-	-	40 628 928	-	-	-	-	-	-	-
Application of cash and investments	-	-	10 395 287	-	-	-	-	-	-	-
Balance - surplus (shortfall)	-	-	30 233 641	-	-	-	-	-	-	-
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	2 901	9 468	13 031	9 628	30 628	5 988	12 842	12 842	10 413	10 934
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

EC101 Camdeboo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard										
<i>Governance and administration</i>		43 831	47 071	75 797	54 527	55 825	54 685	63 034	60 859	1 316
Executive and council		(816)	29	287	825	825	94	1 835	870	913
Budget and treasury office		33 642	45 890	74 881	53 348	54 440	53 985	60 519	59 605	-
Corporate services		11 005	1 152	629	354	560	607	680	383	402
<i>Community and public safety</i>		4 775	5 197	3 977	3 698	3 329	2 938	4 164	4 000	4 200
Community and social services		137	101	114	150	150	117	168	162	170
Sport and recreation		64	64	55	86	86	72	90	93	98
Public safety		1 930	1 835	1 640	2 577	2 118	1 933	2 929	2 787	2 926
Housing		1	173	1	-	2	3	3	-	-
Health		2 643	3 026	2 167	886	974	812	974	958	1 006
<i>Economic and environmental services</i>		120	144	154	754	1 154	207	420	815	856
Planning and development		-	-	-	600	1 000	83	400	649	681
Road transport		120	144	154	154	154	124	20	167	175
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		44 709	67 529	60 631	108 013	116 981	89 615	116 379	121 965	128 063
Electricity		28 256	41 723	43 981	62 368	67 068	57 712	65 703	70 536	74 063
Water		9 334	18 091	8 362	16 603	20 871	17 819	19 899	17 957	18 855
Waste water management		4 816	5 220	6 451	22 860	22 860	9 379	24 938	26 786	28 125
Waste management		2 303	2 495	1 837	6 181	6 181	4 705	5 839	6 686	7 020
<i>Other</i>	4	45	19	303	435	435	288	804	470	494
Total Revenue - Standard	2	93 480	119 960	140 861	167 428	177 723	147 733	184 801	188 110	134 929
Expenditure - Standard										
<i>Governance and administration</i>		25 368	30 099	26 210	38 269	45 139	34 200	42 666	40 559	19 714
Executive and council		2 885	3 076	5 287	9 033	10 102	6 305	10 167	9 747	10 235
Budget and treasury office		12 285	18 776	13 829	20 756	26 473	21 080	22 905	21 784	-
Corporate services		10 198	8 246	7 094	8 480	8 564	6 815	9 595	9 028	9 479
<i>Community and public safety</i>		12 712	13 936	15 155	17 152	17 336	13 748	18 221	18 578	19 507
Community and social services		1 357	1 518	1 672	2 442	2 423	1 791	2 540	2 583	2 712
Sport and recreation		5 286	6 415	8 001	9 209	9 499	8 043	9 802	10 055	10 558
Public safety		1 991	2 558	2 865	3 949	3 960	2 808	4 260	4 262	4 475
Housing		380	110	-	-	-	-	-	-	-
Health		3 699	3 334	2 617	1 552	1 455	1 106	1 620	1 679	1 762
<i>Economic and environmental services</i>		5 757	5 949	5 941	10 904	8 348	6 279	10 656	11 894	12 488
Planning and development		-	0	26	830	918	695	716	591	621
Road transport		5 757	5 949	5 914	10 074	7 430	5 584	9 939	11 302	11 868
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		37 106	50 096	63 790	90 348	113 667	65 884	86 830	105 522	110 798
Electricity		25 670	33 214	38 581	61 146	70 457	44 758	56 698	73 549	77 227
Water		7 052	9 600	14 843	15 747	24 538	12 341	17 462	17 281	18 145
Waste water management		1 857	2 386	2 582	5 582	5 353	4 648	6 328	7 891	8 286
Waste management		2 528	4 895	7 784	7 873	13 319	4 137	6 343	6 801	7 141
<i>Other</i>	4	274	322	628	815	1 058	637	868	881	925
Total Expenditure - Standard	3	81 218	100 402	111 723	157 487	185 548	120 749	159 241	177 435	163 433
Surplus/(Deficit) for the year		12 263	19 558	29 138	9 940	(7 825)	26 984	25 560	10 675	(28 504)

References

Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC101 Camdeboo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		(816)	29	287	1 425	1 825	177	2 235	1 519	1 595
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		11 023	1 171	646	374	580	621	692	405	425
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		5 176	5 858	4 460	7 718	7 808	5 982	7 867	8 348	8 765
Vote 4 - CORPORATE SERVICES - PROTECTION		1 930	1 835	1 640	2 577	2 118	1 933	2 929	2 787	2 926
Vote 5 - FINANCIAL SERVICES		33 642	45 890	74 881	53 348	54 440	53 985	60 519	59 605	62 586
Vote 6 - TECHNICAL SERVICES - ENGINEERING		14 271	23 455	14 967	39 617	43 885	27 323	44 856	44 910	47 155
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		28 256	41 723	43 981	62 368	67 068	57 712	65 703	70 536	74 063
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	93 480	119 960	140 861	167 428	177 723	147 733	184 801	188 110	197 515
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		2 885	3 076	5 314	10 307	11 304	7 224	11 166	10 774	11 313
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		11 511	9 698	8 677	10 290	10 622	8 316	11 850	11 031	11 583
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		12 211	15 143	19 118	19 635	25 412	13 991	18 633	19 560	20 538
Vote 4 - CORPORATE SERVICES - PROTECTION		1 991	2 558	2 833	3 739	3 750	2 745	3 960	4 034	4 236
Vote 5 - FINANCIAL SERVICES		12 285	18 776	13 829	20 756	26 473	21 080	22 905	21 784	22 873
Vote 6 - TECHNICAL SERVICES - ENGINEERING		14 666	17 936	23 339	31 403	37 321	22 573	33 729	36 474	38 298
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		25 670	33 214	38 614	61 356	70 667	44 821	56 998	73 776	77 465
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	81 218	100 402	111 723	157 487	185 548	120 749	159 241	177 435	186 306
Surplus/(Deficit) for the year	2	12 263	19 558	29 138	9 940	(7 825)	26 984	25 560	10 675	11 209

Table A4 – Budgeted Financial Performance (revenue and expenditure)

EC101 Camdeboo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	8 535	12 471	15 961	14 352	15 370	15 762	15 762	17 183	15 524	16 300
Property rates - penalties & collection charges		990	766	771	850	1 000	883		820	919	965
Service charges - electricity revenue	2	27 761	37 580	43 470	60 478	64 929	56 816	56 816	63 191	65 413	68 684
Service charges - water revenue	2	9 215	10 266	8 165	16 382	18 750	17 470	-	19 648	17 719	-
Service charges - sanitation revenue	2	4 803	5 203	6 430	11 576	11 576	8 415	-	9 172	12 521	-
Service charges - refuse revenue	2	2 303	2 488	1 835	6 175	6 175	4 705	4 705	5 839	6 679	7 013
Service charges - other		442	545	937	1 173	1 192	977	977	1 498	1 269	1 333
Rental of facilities and equipment		317	373	466	515	645	646	646	791	557	584
Interest earned - external investments		4 636	3 058	2 974	1 240	810	1 093	1 093	1 154	1 341	1 408
Interest earned - outstanding debtors		829	920	1 313	1 510	2 004	1 916	1 916	2 101	1 633	1 714
Dividends received											
Fines		625	373	156	242	242	109	109	401	262	275
Licences and permits		1 198	1 270	1 330	2 236	1 777	1 727	1 727	2 065	2 419	2 540
Agency services		95	137	66							
Transfers recognised - operational		31 485	43 720	55 840	49 647	52 118	36 356	36 356	59 643	60 718	63 754
Other revenue	2	246	788	975	1 050	1 134	850	850	918	1 136	1 193
Gains on disposal of PPE							7	7			
Total Revenue (excluding capital transfers and contributions)		93 480	119 956	140 688	167 428	177 723	147 733	120 965	184 426	188 110	165 763
Expenditure By Type											
Employee related costs	2	32 886	40 269	47 356	53 017	53 657	43 592	43 592	60 946	62 299	65 414
Remuneration of councillors		2 000	1 916	2 039	2 818	2 818	2 496	2 496	3 500	3 047	3 200
Debt impairment	3		202	(372)	1 400	6 500	542	542	2 475	1 514	1 590
Depreciation & asset impairment	2	2 901	9 468	13 031	9 628	30 628	5 988	5 988	12 842	10 413	10 934
Finance charges		(372)	(239)								
Bulk purchases	2	16 675	22 439	27 607	45 095	50 000	34 398	34 398	41 091	48 775	51 214
Other materials	8										
Contracted services		723	797	1 272	1 343	1 883	1 322	1 322	2 081	1 452	1 525
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	23 521	25 453	20 755	30 992	40 058	32 410	32 410	35 926	32 828	34 469
Loss on disposal of PPE		(166)	(13)								
Total Expenditure		78 168	100 292	111 689	144 292	185 543	120 748	120 748	158 861	160 329	168 346
Surplus/(Deficit)											
Transfers recognised - capital		15 313	19 665	29 000	23 135	(7 820)	26 985	217	25 565	27 780	(2 582)
Contributions recognised - capital	6	(3 050)	(107)	138	(13 195)	(5)	(0)	(0)	(5)	(17 105)	(17 961)
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		12 263	19 558	29 138	9 940	(7 825)	26 984	217	25 560	10 675	(20 543)
Taxation											
Surplus/(Deficit) after taxation		12 263	19 558	29 138	9 940	(7 825)	26 984	217	25 560	10 675	(20 543)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		12 263	19 558	29 138	9 940	(7 825)	26 984	217	25 560	10 675	(20 543)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		12 263	19 558	29 138	9 940	(7 825)	26 984	217	25 560	10 675	(20 543)

Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding

EC101 Camdeboo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	310	4 400	4 400
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		-	-	-	230	230	99	99	121	435	205
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	-	4 995	5 176	2 787	2 787	7 655	12 943	20 235
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	205	205	181	181	145	1 291	1 145
Vote 5 - FINANCIAL SERVICES		-	-	-	760	935	470	470	943	1 325	1 363
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	-	-	31 058	33 214	26 636	26 636	26 022	33 396	24 090
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	-	8 435	8 436	5 370	5 370	13 160	24 720	5 580
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	45 683	48 196	35 543	35 543	48 356	78 510	57 018
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		-	-	-	45 683	48 196	35 543	35 543	48 356	78 510	57 018
Capital Expenditure - Standard											
Governance and administration		-	-	-	990	1 165	569	569	1 374	6 160	5 180
Executive and council		-	-	-	-	-	-	-	310	4 400	4 400
Budget and treasury office		-	-	-	760	935	470	470	943	1 325	575
Corporate services		-	-	-	230	230	99	99	121	435	205
Community and public safety		-	-	-	5 200	5 381	2 968	2 968	14 280	15 734	22 380
Community and social services		-	-	-	4 995	5 176	2 787	2 787	14 035	14 343	21 135
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	205	205	181	181	245	1 391	1 245
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	1 940	2 025	1 896	1 896	4 820	10 485	7 150
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	1 940	2 025	1 896	1 896	4 820	10 485	7 150
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	37 553	39 625	30 110	30 110	27 882	46 131	21 520
Electricity		-	-	-	8 435	8 436	5 370	5 370	6 680	23 220	4 580
Water		-	-	-	14 717	12 015	9 295	9 295	20 317	14 295	15 885
Waste water management		-	-	-	14 401	19 174	15 445	15 445	885	8 616	1 055
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	-	-	45 683	48 196	35 543	35 543	48 356	78 510	56 230
Funded by:											
National Government		-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	-	-	-	-	-	-	-	-	-	-

Table A7 – Budgeted Cash Flows

EC101 Camdeboo - Table A7 Budgeted Cash Flows											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13	Medium Term	Revenue &
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		72 686	81 046	71 504 439	(79 824)	118 262	118 262	118 262	121 088	121 088	121 088
Government - operating	1	18 038	31 201		49 647	49 647	49 647	49 647	37 044	38 896	40 841
Government - capital	1	11 096	14 622	46 126 593	-				22 600	23 730	24 917
Interest		1 060	1 102	3 147 422	2 750	810	810	810	1 220	1 281	1 345
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(147 506)	(135 187)	(103 137 509)	(19 601)	(158 510)	(158 510)	(158 510)	(133 853)	(140 546)	(147 573)
Finance charges		(147 506)	(303)	-	-	-	-	-	-	-	-
Transfers and Grants	1	(147 506)	-	-	28	138	138	138	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(339 638)	(7 519)	17 640 945	(47 000)	10 347	10 347	10 347	48 099	44 450	40 618
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		44 637	7 520	14 760					-	-	-
Payments											
Capital assets		-	-	-	47 001	48 196	48 196	48 196	48 356	50 774	53 312
NET CASH FROM/(USED) INVESTING ACTIVITIES		44 637	7 520	14 760	47 001	48 196	48 196	48 196	48 356	50 774	53 312
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	1 459	1 459	1 460	-	-	-	-	40 628	404 789	781 104
Cash/cash equivalents at the year end:	2	1 459	1 460	17 657 165	1	375 563	375 563	375 563	404 789	781 104	1 170 180

2. OVERVIEW OF ANNUAL BUDGET PROCESS

In terms of section 24 of the Municipal Finance Management Act (Act 56 of 2003), Council must, at least 30 days before the start of the financial year, consider the annual budget for approval. Section 53 requires the Mayor of the municipality to provide political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

In line with the above requirements, the budget process for the 2012/2013 MTREF period proceeded according to the following timeline:

2.1 Schedule of Key deadlines



Camdeboo Municipality Schedule of Key Deadlines - IDP & Budget 2012-2013 Budget Year

<u>Date</u>	<u>Action</u>	<u>Reference</u>	<u>Responsibility</u>
August 2011	Plan & Prepare		
4	Review previous year's budget process		Mayor & BSC
10	Table in Council Budget & IDP Time Schedule	MFMA 21(1)(b) & 53 (1)(b) MSA s34	Mayor & BSC
25	Establish/confirm Committees and consultation forums	MFMA guidance	Mayor & BSC
Sept 2011	Consult & review		
1	Publicise schedule on website	MFMA guidance	Accounting Officer
5	Implementation of IDP & Budget key deadlines	MFMA guidance	Accounting Officer
30	Review provincial & national government sector and strategic plans	MFMA Guidance	Mayor & BSC
From 1 st	Consult with community on changing needs and expectations	MSA ch4 as amended	Mayor & BSC
October 2011	Review and update		
1 - 22	Review and update budget related policies	MFMA Guidance	Accounting Officer
24 - 28	Evaluate revenue projections for next budget year, proposed rates and service charges	MFMA Guidance	Accounting Officer
31	Review of potential price increases Of bulk resources (electricity)	MFMA s42	Accounting Officer
Nov 2011	Conclude & confirm		
1 –11	Engage with national & provincial Sector departments on alignment with municipal plans	MFMA Guidance	Accounting Officer
1 – 30	Conclude initial community consultation on priorities	MSA ch4	Mayor & BSC
25	Identify government allocations to	MFMA Guidance	Accounting Officer

	municipality		
30	Commence preparation of Departmental plans & SDBIP aligned to IDP and community inputs	MFMA Guidance	Accounting Officer
Dec 2011	Draft & discuss		
2	Conclude first budget draft and Policies for council discussion	MFMA Guidance	Accounting Officer
10	Community and stakeholder consultation on inputs, financial models, impact on tariffs and charges	MSA ch4 as amended	Accounting Officer
13	Management discussion and debate on estimated plans and resources	MFMA Guidance	Accounting Officer
15	Council discussion and debate on estimated plans and resources	MFMA s53	Mayor & BSC
January 2012	Finalise		
13	Finalise inputs from bulk providers (Eskom)	MFMA Guidance	Accounting Officer
Date	Action	Reference	Responsibility
20	Finalise first draft of departmental plans and SDBIP for review against strategic priorities	MFMA Guidance	Accounting Officer
27	Finalise detailed Capital & Operational Budgets & align to IDP And draft SDBIP	MFMA Guidance	Accounting Officer
30	Report to Council on status of Budget – reinforce upcoming process on budget approval & oversight	MFMA Guidance	Mayor & BSC
31	Note the President's "State of the Nation" address for budget priorities	MFMA Guidance	Mayor & BSC
Febr 2012	Transfers and tabling		
29	Note National and provincial allocations to municipality for incorporation in the budget	MFMA Guidance	Accounting Officer
March 2012	Consult & Confirm		
15	Receive Bulk resource providers' price increases	MFMA s42	Accounting Officer
15	Incorporate transfers to and from municipalities	MFMA s37(2)	Accounting Officer
22	Print and distribute all documents prior to meeting of budget tabling	MFMA Guidance	Accounting Officer
29	Table in Council the annual budget and all supporting documentation	MFMA s16(2); s17 & s87(3)	Mayor & BSC
April 2012	Consider		
5	Submit tabled budget to Treasury and affected organs of state	MFMA s22	Accounting Officer
5	Publicise the tabled budget and supporting documentation	MFMA s22	Accounting Officer
27	Note National & Provincial Allocations to municipality for Incorporation in budget	MFMA Guidance	Accounting Officer
9 - 27	Public hearings	MFMA s23; s24 MSA ch 4 as amended	Mayor & BSC
9 - 27	Meetings with Wards:	MFMA s23	Ward Councillors
27	Confirm provincial & national budget allocations	MFMA Guidance	Accounting Officer

27	Review provincial and national Legislation for new reporting Requirements and deadlines	New	Accounting Officer
May 2012	Consider		
3	Consider views of community and Stakeholders and, if needed, revise budget and table amendments for council consideration	MFMA s23(1)&(2)	Accounting Officer Mayor & BSC
7 - 9	Assist mayor in preparing final budget documentation for approval by council	MFMA s68	Accounting Officer
9	Review any comments from National or Provincial government Or organ of state	MFMA s68	Accounting Officer
14 - 18	Print and distribute budget documentation, draft IDP and SDBIP	MFMS Guidance	Accounting Officer
24	Consider approval of the annual Budget	MFMA s24(1)	Council
<u>Date</u>	<u>Action</u>	<u>Reference</u>	<u>Responsibility</u>
24	Approve annual budget by council Resolution (including taxes, tariffs, measureable performance object's, changes to IDP and budget related policies, SDBIP and LTC's where appropriate	MFMA s16(1), s24(2) & s53(1)(c)(ii)	Council
31	Publicise approved budget and submit to Treasury	MFMA s75	Accounting Officer

2.2 Priorities and linkages to the IDP

The Integrated Development Plan (IDP) determines and prioritises the needs of the community. The 2012/13 to 2014/15 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- Municipal transformation and development
- Service delivery and infrastructure development
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The abovementioned strategic focus areas informed the preparation of the Budget. After the tabling of the budget, a series of meetings will be held throughout the municipal area to consult with the communities and other stakeholders on how the draft budget addresses the IDP priorities and objectives. The feedback from these meetings will be referred to the Budget Committee for consideration.

The Capital Project list attached hereto clearly shows the IDP numbers to which the project relates.

2.3 Measurable Performance Objectives and indicators

Refer to the SDBIP

2.4 Overview of budget related policies

Revenue related policies

Tariff Policy:

Council has approved a Tariff Policy in terms of Municipal Systems Act in 2008. The policy is annually reviewed.

Credit Control and Debt Collection Policy:

The policy has been adopted by Council in 2008 and has been reviewed annually.

Indigence Policy:

Council approved changes to the adopted policy in 2010. A workshop was held with councillors and officials during 2011/12 and changes were suggested and a forum established.

Budget related policies

The following policies have been approved by Council:

Supply Chain Management - SCOUNCIL-024/10
 Investment policy - FIN-190/06
 Travelling and subsistence - C90.33/04
 Management of immovable property – SCOUNCIL-024/10
 Unforeseen and unavoidable expenditure – SCOUNCIL-024/10

Amended policy

Rates policy:

The policy is submitted to Council for approval of a separate rating for agricultural smallholdings at 0.5 of the residential rate and upon application.

Supply Chain Management Policy:

The SCM policy has been redrafted with the assistance of Cacadu District Municipality and GTZ to include the latest changes to the Regulations.

Subsistence and Travelling Policy:

The policy must include the latest increase by SARS of R88.00 daily allowance

New Policies to be approved

Funding and reserves policy

2.5 Overview of Budget Assumptions

The following key assumptions underpinned the preparation of the budget:

	2012/13	2013/14	2014/15
Revenue	%	%	%
Water tariff increases	10	10	10
Sanitation tariff increases	10	15	15
Refuse tariff increases	10	15	15
Electricity tariff increases	12	12	12
Revenue collection rates	80	85	85
Expenditure			
Total expenditure increase allowed	6.0	6.0	6.0
Salary increase	8.5	6.0	6.0
Increase in repairs and maintenance	10	10	10
Increase in bulk purchases of electricity	10	10	10

2.6 Overview of budget funding

Refer to Budget tables

2.7 Expenditure on allocations and grant programmes

None

2.8 Allocations and grants made by the municipality

The Municipality makes the following grants for 2012/13 budget year:

SPCA – Graaff-Reinet	R18 000
Local Tourism Forum	R120 000

2.9 Councillors allowances and employee benefits

	<i>Total remuneration</i>	<i>Cellphone allowance</i>	<i>Total</i>
Mayor	R 607 324.88	R 40 017.12	R 645 076.88
13 Part-time Councillors	R 2 368 561.52	R 161 887.44	R 2 530 448.96
<i>Total</i>	R 2 807 440.00	R 190 476.00	R 3 175 525.84

2.10 Contracts having future budgetary implications

The municipality has no current contracts with material future budgetary implications.

2.11 Capital expenditure details

See attachment

2.12 Municipal Manager's Quality Certification

Quality Certificate

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

Print Name : Monde Gerald Langbooi

Municipal Manager of Camdeboo Municipality (EC101)

Signature _____

Date : 31 May 2012