



Lukhanji Municipality
**BUDGET STRATEGY AND
EXPENDITURE FRAMEWORK**

FOR

2012/13 – 2014/15

ADOPTED JUNE 22, 2012

Lukhanji Adopted Budget

1. Table of Contents

No.	Section description	Page
1	Table of Contents – Listing of Schedules, Tables and Graphs	2
2	Mayoral Budget Speech	5
3	Budget Related Resolutions	28
	The Budget	
4	Executive Summary	30
5	Budget Schedules (operating and capital)	38
6	Budget Related Charts and Explanatory Notes	48
	Supporting Documentation	
7	Budget Process Overview (including consultation process and outcomes)	53
8	Alignment of Budget with Integrated Development Plan	59
9	Budget Related Policies Overview and Amendments	65
10	Budget Assumptions	68
11	Funding the Budget (including fiscal overview and sources of funding)	72
12	Disclosure on Allocations Made by the Municipality	89
13	Disclosure on Salaries, Allowances and Benefits	90
14	Monthly Cash Flows by Source	94
15	Measurable Performance Objectives (Revenue Source & Vote)	100
16	Disclosure on Implementation of MFMA & Other Legislation	106
17	Summary of Budgets/SDBIPs – departmental/functional (internal)	107
18	Summary of Budgets and SDBIPs – entities & other external mechanisms	107
19	Summary of Detailed Capital Plan	113
A	Appendix A – Rates and Tariffs	115
B	Appendix B – New and Amended Policies	

Lukhanji Adopted Budget

Listing of Schedules, Tables and Graphs

No.	Description	Page
	Total Revenues Summary Pie Chart	34
	Total Expenditures Summary Pie Chart	35
	Functional Organizational Chart	36
Table A1	Budget Summary	38
Table A2	Budgeted Financial Performance (revenue and expenditure by standard classification)	39
Table A3	Budgeted Financial Performance (revenue and expenditure by municipal vote)	40
Table A4	Budgeted Financial Performance (revenue and expenditure)	41
Table A5	Budgeted Capital Expenditure by Vote, standard classification and funding	42
Table A6	Budgeted Financial Position	43
Table A7	Budgeted Cash Flows	44
Table A8	Cash backed reserves/accumulated surplus reconciliation	45
Table A9	Asset Management	46
Table A10	Basic Service Delivery Measurement	47
Chart 1	Operating Revenue by Source	49
Chart 2	Operating Expenditure by GFS Function	50
Chart 3	Capital Expenditure by Vote	51
Chart 4	Capital Funding by Source	52
Table SA4	Reconciliation of IDP to Budget - Revenue	63
Table SA5	Reconciliation of IDP to Budget - Operating Expenditure	64
Table SA6	Reconciliation of IDP to Budget - Capital Expenditure	65
	Listing of Budget Assumptions	68
Table SA10	Funding Measurement	74
Table SA8	Performance Indicators and Benchmarks	75
Table SA15	Investment Particulars by Type	79

Lukhanji Adopted Budget

Table SA16	Investment Particulars by Maturity	79
Table SA18	Transfer and Grants receipts	83
Table SA19	Expenditures on transfers and grant programme	82
Table SA 20	Reconciliation of transfers, grant receipts and unspent funds	84
	Listing of Cash Carryovers	86
Table SA17	New Borrowing	88
Table SA21	Transfers and grants made by the municipality	89
Table SA23	Disclosure of Salary, Allowance and Benefits (political office bearers/councillors/senior managers)	90
Table SA22	Summary of councillor and staff benefits	91
Table SA24	Summary of Personnel Numbers	92
Table SA25	Budgeted monthly revenue and expenditure	94
Table SA26	Budgeted monthly revenue and expenditure (municipal vote)	95
Table SA27	Budgeted monthly revenue and expenditure (standard classification)	96
Table SA28	Budgeted monthly capital expenditure (municipal vote)	97
Table SA29	Budgeted monthly capital expenditure (standard classification)	98
Table SA30	Budgeted monthly cash flows	99
Table 10	Revenues by source and Vote	101
	Summary of Directorates SDBIP's	107
Table SA34a	Capital expenditure on new assets by asset class	109-110
Table SA35	Future financial implications of the capital budget	111
Table SA36	Capital expenditures by Source/Ward	112
	Appendix A – Rates and Tariffs	115

Lukhanji Adopted Budget

**BUDGET SPEECH
AND
STATE OF THE MUNICIPALITY**



**PRESENTED BY
EXECUTIVE MAYOR
COUNCILLOR MNCEDISI NONTSELE**

22 JUNE 2012

Lukhanji Adopted Budget

Theme

“Towards a shared destiny”

Honourable Speaker

Executive Mayor of Chris Hani District Municipality

Leadership of our Movement, African National Congress

Chief Whip of Council

Members of the Mayoral Committee

Chief Whips of Political Parties

Chairperson of the Municipal Public Accounts Committee

The Traditional Leadership

Fellow Councillors

Religious Fraternity

Social partners as represented through Organised Business and Labour

The Acting Municipal Manager and the Entire Management Team

District Managers from Sector Departments

Distinguished Guests and Dignitaries from all sector departments and parastatals

Ward Committees and the Community Development Workers

Comrades and Friends,

I think at first it is most appropriate to upfront welcome all who could find time off their normal schedules to attend this gathering and to pay homage to the tireless efforts we have collectively made to produce these strategic documents that are being tabled to Council for adoption. I wish to extend the appreciation of the entire Council for your presence here this morning.

Madam Speaker, the year 2012 marks an important milestone in the history of our country and that of our people as a whole. This year, we celebrate the 100 years of the existence of the oldest liberation movement in Africa, the midwife of the South African democracy and freedom, the African National Congress.

Lukhanji Adopted Budget

I am reminded of the day former President Nelson Rolihlahla Mandela spoke at the very first Opening of our Democratic Parliament, on 24 May 1994, almost a month after the historic April 27th elections where, for the first time ever, the people of our country freely decided which political party is best suited to govern a liberated South Africa.

The Honorable Nelson Mandela issued a historic challenge, in which he stated and I quote: ***“We must, constrained by and yet regardless of the accumulated effect of our historical burdens, seize the time to define for ourselves what we want to make of our shared destiny.”*** Close quote.

Inspired by this noble articulation and the vision Council adopted we defined our path and committed ourselves in fulfilling the aspirations of the people. Using the transformation tool, the Integrated Development Plan, we have been making a synopsis of the past years and re-affirm our positions in shaping our lives as no one will do that for us.

That is done through the political guidance from our people’s organisations, the African National Congress when it articulates the strategic objectives of the National Democratic Revolution, that is, the creation of a united, non-racial, non-sexist and democratic society. This, in essence, means the liberation of Africans in particular and black people in general from political and economic bondage. It means uplifting the quality of life of all South Africans, especially the poor, the majority of whom are African and female.

We owe it to ourselves at this point to pause for a moment, reflect on the trajectory we have traversed the milestones we achieved and the challenges that still lies ahead. This day provides us with *that* opportunity, where we all gathered from all the segments of our Municipal Area to define the roadmap 2012-2017. We are all here today to define the footpath of development so that we are able as a collective to

Lukhanji Adopted Budget

make a reflection on an annual basis of the road worth travelling “***Towards a shared destiny***”.

Today marks almost 13 months after the third democratic local government elections held on the 18th May 2011. Building on the solid foundation of our predecessors, we have committed ourselves in addressing persistent developmental challenges confronting our municipality.

Our Integrated Development Plan succinctly elaborate on these challenges and what needs to be done, in our collective efforts of bringing about meaningful changes to the lives of all inhabitants of Lukhanji.

It is for this reason that we adopted five strategic priorities aligned to five manifesto priorities areas of the ruling party. Our five strategic priorities for the five year term of council remains a critical yardstick on which we will measure our progress and performance in the next five years. These strategic priorities are;

- DECENT JOBS AND SUSTAINABLE LIVELIHOODS
- IMPROVE LOCAL PUBLIC SERVICES AND BROADEN ACCESS TO THEM
- BUILD MORE UNITED, NON-RACIAL, INTEGRATED AND SAFER COMMUNITIES
- PROMOTE MORE ACTIVE COMMUNITY PARTICIPATION IN LOCAL GOVERNMENT
- ENSURE MORE EFFECTIVE, ACCOUNTABLE AND CLEAN LOCAL GOVERNMENT THAT WORKS TOGETHER WITH NATIONAL AND PROVINCIAL GOVERNMENT

The five priorities we have adopted after the May 18th local government elections are interlinked and interwoven with national and provincial strategic documents. These strategies therefore will only be achieved with the active participation and support from the other two spheres of government. It is against this background that we will work

Lukhanji Adopted Budget

tirelessly towards strengthening and implementing inter-governmental structures and programs.

To realise our strategic objectives therefore Speaker, will require us to collaborate and partner with other spheres of government for provision of services to our people. This is more critical in the context of powers and functions allocated to us as a municipality.

We have in the past stated that ours is a developmental state geared towards addressing the challenges of the poor and marginalised sections of society whiles at the same time facilitating local economic development and social transformation.

We deliberately make mention of developmental state so as to differentiate the kind of state we want to build in comparison to other forms of states. It is for this reason that much support in the local economic development perspective has been provided in order to redirect our focus and planning to that of becoming a true developmental state. Our conception of developmental state is premised on the following key principles;

- It facilitates and promote local economic development
- It agitates and champion structural reforms
- It derives its legitimacy through popular mass participation and electoral process, and
- It is socially inclusive

This is the kind of municipality we envisage to build; it must remain at the head of such a programme as outlined above, aimed towards the realisation of the fulfilment of the national democratic goals. We however, remain mindful that government can only do so much through partnerships and working together with different stakeholders and social partners.

By adopting the five strategic priorities we wanted a significant paradigm shift in terms of how we have been doing things over the past 11 years of democratic local

Lukhanji Adopted Budget

government. If we are to meet developmental priorities and address challenges of our people, then we must direct our approach and focus towards partnerships or building of social compacts.

It is our intention as the ANC led government to ensure economic growth and development while at the same time providing security for the poor and the vulnerable of our society. Honourable Speaker I wish to state without fear that we as an Executive have been biased in the identification of service delivery projects so that we make a positive impact in the communities.

We believe that through social compacts, we can make tremendous strides towards attaining its five strategic priority areas and consequently bring about both quantitative and qualitative changes to the lives of our people.

Madam Speaker, what kind of social compacts do we want to build and achieve as a municipality in order for us to accelerate service delivery and enhance development?

In an attempt to respond to this question, we want to advance a debate that our social compact should be characterised by the following;

- The municipality should continue to provide basic services to its people and also lead infrastructural investment program;
- We should continue to strengthen our effort of providing a conducive environment for local economic development and private sector investment
- The middle class and all sections of the entire Lukhanji community who are able to afford to pay for services including Councillors, municipal staff, teachers, nurses, business people, etc should pay for such services as water, refuse removal etc. this will allow us to generate income in order to rollout more investment in the provision of basic services as well as maintain current infrastructure;
- Labour force of the municipality to go extra-mile in terms of productivity, innovation and dedication towards service delivery;

Lukhanji Adopted Budget

- Union Leaders to assist management of the municipality in enforcing non-negotiable principles such as discipline, zero tolerance to corruption and fraud;
- Communities to hold us as public representatives accountable by ensuring that quarterly feedback meetings with ward Councillors take place;
- Communities to embrace a sense of ownership spirit by taking care of public properties and assets such as cemetery fences, community halls and acting against vandalism of public property

The above is stated as part of realising the ward needs and they are captured from page 77-82

Madam Speaker, these are but some of the actions that together with different role players we can build sustainable social compacts around them. It could be more of them; we are therefore starting a debate on what role should be played by different sectors in addressing triple challenges of poverty, unemployment and inequality.

It is against this backdrop, Fellow Councillors, that we meet here this morning to define that 2012-2017 roadmap I alluded to earlier. It is against this backdrop that we need to define that footpath "***Towards a shared destiny***".

Let me at the onset say that the compilation of the IDP and Budget was a huge challenge. We could not table a balanced budget at the end of May as is the norm for various reasons as reported to Council in May. Council sent me back to look at all alternatives and to present a balanced budget today. Fellow Councillors, it was indeed not an easy or pleasant task. We had to make hard decisions and smart choices. We knew what had to be done: Cut overheads, find efficiencies, set priorities, and get back to basics.

We had to find ways to do things smarter, cheaper, better

Lukhanji Adopted Budget

One of the main reasons why we could not table a balanced budget last month was the issue of money. This budget confronts that stubborn fact. We have a money problem. Money is tight today for businesses, employees, families - and therefor, for us as a Council who receive a direct benefit.

So 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.

Our budget is based on simple math: You cannot spend more than you collect. If you increase spending for one project or programme, you have to take away from another.

That is the simple math of this budget and that is the formula we have used to enable us to table a budget this morning.

It is balanced!!

It is fair !! -

*It is the tool that will set us on the footpath "**Towards a shared destiny**"*

At this point Madam Speaker, I want to make this point that we should be justly proud of Council's continued ability to prepare balanced budgets although we had some difficulties this time around. We should be justly proud that we consistently produce

Lukhanji Adopted Budget

budgets which continue to address the rising expectations of our rapidly expanding town. There will always be those who say we should do more, but given the various revenue constraints we face as a Council, the challenge as always is to do more with less, whilst maintaining Council's sound financial position.

With money tight, the course we must take together is clear. 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 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 and accept cuts as far as possible. To say they were not happy will be a gross understatement, but they did so in the interest of continued financial and fiscal stability.

Some will argue against these cuts that we have proposed. I agree that many of the cuts are difficult. But to those who question these cuts, let me say that the public will judge us harshly if we do not face facts and keep to simple math. 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.

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.

We asked the hard questions:

Lukhanji Adopted Budget

Given our financial situation and the need to find some relief, where can we make cuts with the least impact on the poor and the truly needy?

Where can we cut overheads first, services last?

We cut funding for things that make less sense during tough times and the result is a budget that continues with significant investment in core human services. There should be no question about this Council's continuing commitment to the needy and the poorest of the poor.

That's a given.

But we should ask about results. When revenue slows, let us ask, are we doing everything we can to achieve the results we want?

That's why we need to shift the discussion from spending to service, from funding levels to results.

We must do more to improve the lot of the poor, the elderly, the disadvantaged and our children.

1. **Operating Budget**

In terms of current legislation, the Minister of Finance is required to determine the maximum growth limits for municipal budgets. The guideline growth rates for municipal budgets for this year is proposed at 6% and takes into account anticipated changes in service charges and tariffs for electricity and water and medium term salary agreements between SALGA and organised labour.

Lukhanji Adopted Budget

The 2012/2013 financial year will cost us R486.6 Million just over R51 Million more than 2011/2012. This, Fellow Councillors, is a clear indication that Lukhanji is growing, and growing very fast.

It's a challenge. But one we can manage as long as the other spheres of government continue to come to the table and address various fiscal issues with us. I have mentioned earlier that we had to redirect our expenditure patterns to reflect a significant investment in core human services. As a result Madam Speaker Operational Expenditure will be as follows:

Salaries and Allowances: Provision has been made for an increase of 7,8% in salaries and allowances as per guidance obtained from SALGA. Salary negotiations has as yet not been finalised but we remain carefully optimistic that the final outcome will produce a lower percentile rather than a higher one.

I am pleased to announce that within the tight budgetary constrictions, we have been able to accommodate the creation of the Directorate of IPED and Community Safety. Support staff for the two new Directorates will however have to be sourced from current human capital. In addition, all 139 vacancies are budgeted to be filled for nine months except where contract workers are used in the place of a vacancy. Madam Speaker, as part of our efforts to strengthen the governance and oversight function your office will be further capacitated by the appointment of a manager to further enhance our public participation efficiency. We will also look at formalising the public accounts functionality by formalising the Municipal Public Accounts Committee with a full-time leader and administrative staff. All this will be considered from the existing pool of 139 vacancies.

Lukhanji Adopted Budget

In Rand terms the salary and allowance related budget increased by almost R13.8 Million over the adjusted budget in the current 2011/12 budget.

Electricity bulk purchases are anticipated to increase by 13.5% for next year.

All costs related to our current **DBSA loan** and the repayment for **past fleet purchases** are fully funded in the budget

An amount of **R3,841,518** has been allocated in the operating budget for normal street maintenance and repairs material

During the current financial year, we were unable to properly accommodate Traditional Leaders costs. This has now been addressed.

Madam Speaker, Fellow Councillors, I am also pleased to announce that we could address a number of issues that prevented us from balancing our budget earlier. These include:

- Long Service Bonuses for staff which are paid out to staff who have reached a certain number of years unbroken service with the municipality. This is unfortunately not a Council policy that can be waived or amended. It is part of the employment conditions of all municipal staff nationally.
- Increase in Audit Fees which is a statutory requirement. Each year the municipality needs to apportion a fixed percentage of its budget towards fees to be paid to the Auditor General. At the end of May were unable to say exactly how much this would have amounted to.
- SALGA levies. All municipalities are obliged to pay a certain percentage of its budget towards SALGA. We did not have sufficient funds at the end of May to realistically budget for SALGA subscriptions. During our review of the draft budget, we were able to locate some funds to cater for this expenditure.

Lukhanji Adopted Budget

- The Roads Unit – We have resolved to establish two additional roads units. Different theories on the funding thereof were tested and we ultimately agreed that the best option would be to fund this project from the appropriation fund.

During the whole process of redirecting scarce resources we were unable to fully accommodate all requests from Directorates. The requests from the LED unit and the SPU unit for projects during the forthcoming financial year had to be halved; Provision for SALA and Cape Joint pension funds' short payments could not be accommodated as well as a request to increase the maintenance budget. The proposal is that any saving or increase in revenue realised should be directed towards addressing these shortcomings.

2. Capital Expenditure

The service delivery component of the municipality's total capital budget financed from internal and external funds amounts to R105 Million in 2012/2013, increasing by approximately R61.5 Million over the 2011/12 capital budget.

Following extensive public consultation on the draft IDP and Budget as directed by Council on 28 March 2012 the R105 Million will be allocated as follows:

Roads, Pavements, Bridges and Storm water	28 994 000
Cemeteries	1 111 000
Community Lighting	2 741 000
Community Halls	6 941 000
Sport fields	4 818 000
LED Facilities	1 435 000
Vehicle Replacement Programme	2 500 000
Plant Replacement	10 000 000
Plant Replacement - Roads Unit	13 500 000
Electricity	2 189 000

Lukhanji Adopted Budget

Fencing of Grazing Camps	1 100 000
Libraries	189 000
Bulk Services	579 000
PMU Fees	1 606 000
Fire Services	285 000
Nature Reserve	202 000
Public Toilets Whittlesea	390 000

In addition to these capital projects, I am pleased to announce that we had successful engagements with the Department of Local Government regarding MIG projects. We will be utilising R58 692 935 in MIG funding for the following projects during the new financial year:

PROJECT NAME	APPROVED BUDGET	AFFECTED WARDS
PMU - Lukhanji 2012 -2013	803 050	-
Lukhanji Upgrading of Gravel Roads & Storm Water	8 700 000	All wards
Lukhanji Upgrading of Gravel Roads, Phase 2 & Storm Water	1 300 000	All wards
Dumpy Adams Sports Complex Refurbishment & Upgrade Phase 1	467 376	19 - 25
Dumpy Adams Sports Complex Refurbishment & Upgrade Phase 2	938 410	19-25
Dumpy Adams Sports Complex Refurbishment & Upgrade Phase 3	1 161 720	19-25
Ezibeleni Stadium	2 000 000	4, 6, 7, 8, 15
Ward 5 Community Hall	3 200 000	5
Ward 1 Community Hall	3 200 000	1
Upgrading of the Machibini Telecentre (Extension)	178 236	3
Lukhanji LM: Community Facilities (Halls, Public Toilets) (Lower Machibini Hall)	291 784	3
Rehabilitation and Extension of the Sada Stadium	250 794	9,10
Upgrading & Rehabililtation of Lukhanji Storm water in Sada	1 190 554	9, 10
Upgrading & Rehabililtation of Lukhanji Stormwater, Phase 2, (Sada)	179 799	9, 11
The Construction of Whittlesea Public Toilets	61 404	5,9-14,16-17
Whittlesea Cemetery	1 111 363	9, 10, 16, 5,

Lukhanji Adopted Budget

		17
Fencing of Grazing Camps in Various Areas	1 100 000	Various wards
Lukhanji Community Lighting	2 740 705	Various wards
Surfacing of Gravel Roads in Ekuphumleni, Ilinge & Mlungisi	2 740 705	1, 2, 16, 18-25
Revitalisation of Zingquthu Shearing Shed	200 000	26
Feasibility Study for establishment of Agricultural Market in Shiloh	306 100	Various wards
SUB-TOTALS (GAZETTED)	32 122 000	-
Completion of the Inter-modal Transport Facility-Queenstown	7 147 278	All wards
Ward 7 Community Hall	3 200 000	7
Ward 4 Community Hall	3 200 000	
Renovation and Extension of the Sada Stadium Ablution Block	3 319 254	
Ilinge Sports Fields	7 140 096	
Interest on the front-loaded amount	2 564 306	
SUB-TOTALS (FRONT-LOADED)	26 570 934	
GRAND-TOTALS (GAZETTED + FRONT-LOADED)	58 692 935	

In addition to these, application will be submitted for bridges at Galawater, Zinquthu and Yonda for an amount of R5 Million each. Further applications will be submitted for cemeteries at Lessyton and ILinge for an amount of R3 Million each. Funding will also be sought for the establishment of an Agricultural Market in Shiloh as well as additional fencing of Grazing Camps.

Roads throughout the Lukhanji area are in a continuous stage of deterioration. We have a total of 190km of surfaced road-network. An amount of R12,5 Million has been allocated to address road maintenance as follows:

- 1.03 km section of the street between Sada and Ekuphumleni - R3.0 million
- A 500m section of Calderwood Road starting Cathcart Road and ending at Dunbar Road (at the Taxi Rank). - R702 000.
- 1.0km section of Pelem Road from the centre of Pelem Road Bridge ending at Kulu Street (near Mpendulo School) in Mlungisi - R819 000.

Lukhanji Adopted Budget

- Intersection of Pelem Road/Dahlia Street and Pambo Street in Mlungisi - R1.0 million.
- Rehabilitation will be undertaken on the following intersections in the Queenstown CBD:
 - The intersection of Bowker Street/Victoria Road and Komani Street
 - The intersection of Bowker Street and Robinson Road at an estimated cost R2.2 million for both.
- The South African National Roads Agency will rehabilitate 1.5 km of Robinson Road.
- Widening and kerbing on the gravseal road in Unathi Mkefa in Ezibeleni at an estimated cost of R1.0 million.
- Widening and kerbing on Dahlia Street between Sussex Road and Western Street at an estimated cost of R1.0 million.
- 200m of a section of a street in Zone 1 in Ezibeleni. Special Maintenance will be undertaken on 400 m of the same street. The estimated cost is R1.0 million.
- Special maintenance on 600 m of Mager Street in Westbourne at an estimated cost of R1.0 million.
- Special maintenance on Ebden Street between Dugmore and Griffith Street at an estimated cost of R600 000.
- Patching will be undertaken on various streets within the Municipality.

We have a total distance of approximately 324 kilometres of gravel roads throughout Lukhanji. We are in the process of purchasing two additional sets of road plant which will be used to maintain a combined total of approximately 80 kilometres (approximately 3.0 km in each ward) in the 2012/13 financial year. The work undertaken on the maintenance of gravel roads is paid through the Municipal Infrastructure Grant (MIG). Measures undertaken are reshaping, re-gravelling and blading/grading.

Lukhanji Adopted Budget

600m of Bambiso Street in Ekuphumleni will be surfaced with block paving and a further 500m of one street in Ilinge. The total allocation for the block paving of gravel roads over the 2011/12 and 2012/13 financial years is R3.7 million funded from MIG.

The municipality will enter into partnerships with training institutions which will train the locals on the use of block paving. The construction programme will also be used as a skills development programme in the form of a learnership.

Madam Speaker, I believe that it would be remiss of me not to briefly update Council and the community at large on the latest developments on other fronts.

- During the current financial year we have almost doubled our EPWP targets on employment opportunities and full time equivalents. A positive of that is that we have been allocated an amount of R2,8 Million for the new financial year. We intend using the funds on a number of job creation projects that would see the employment of 10 persons per ward on projects involving waste management, the removal of lapses, etc. On the same front, Chris Hani District Municipality budgeted an amount of R2,5 Million for the rehabilitation of the Mlungisi Cemetery and ultimately turning it into a memorial site. We are committed to roll out this approach throughout Lukhanji at all our cemeteries and communal sites.
- There is a universal consensus that “Education is a precursor for development”. As people of Lukhanji, we fully embrace this important thrust. As a province we have not done that well during the 2011 Matric exams. We are therefore obliged to contribute towards achieving better results come the end of 2012. To this end, Madam Speaker, we pledge our commitment to all schools especially Khanya which we have adopted. Former teachers on Council have offered their personal time to share their knowledge and experience with learners in order to improve results all round. I encourage all former teachers to do the same.

On the same note, I am pleased to announce that our partnership with the Air Force is continually growing. We will be hosting our second Siyandiza Youth

Lukhanji Adopted Budget

Camp from the 1st to the 7th of July where the Air Force will orientating Maths and Science learners and identify potential Air Force candidates for uptake in 2013.

- In line with our moral and social responsibility and care towards the most needy in our community during this cold season, we have managed to obtain blankets that will be distributed to the most deserving in all wards. Blankets will also be donated to the Rowel Old Age Home. In total 500 blankets will be distributed throughout all 27 Wards of Lukhanji at approximately 20 blankets per ward.
- We are in the process of revitalizing the Chris Hani Hexagon in partnership with the Department of Local Government and Housing. I will be reporting in due course with further detail and budget allocations.
- There are quite a few number of new commercial and social developments evolving as we speak. The Nonesi Mall is set to open its doors in October; another Shopping Complex is in the pipeline for Whitlesea and the Frontier Hospital is due for an extensive upgrade. This all is positive signs that we are about to make an impact on the unemployment levels in Lukhanji. These projects are set to create massive employment for our people and I am confident that we will see a positive upswing on the labour front sooner rather than later.
- In so far as the Office Precinct is concerned, I wish to report that a preferred developer has now been identified. A consultation between this developer and ECDC is being arranged for the end of this month in order for their proposals to be combined into one in order to meet our requirements. AS soon as agreement has been reached between the parties, a Master Agreement will be concluded hopefully by mid-July. I will keep Council abreast of any further developments.
- At the recent job summit held in East London, a commitment was made by Transnet to use Queenstown as a site for packaging coal into skiptainers for offshore transportation and the East London Industrial Zone. This will bring a much needed capital injection into the local economy as well as job creation.

In addition to these, Council should refer to page 186-197 where all housing projects are captured.

Lukhanji Adopted Budget

- The Department of Tourism will spend an amount of R15 Million on the further development of the Bonkolo Dam. The project will include the construction of a conference centre, the establishment of swimming pools, provisioning of a borehole, creating roof tops for braai stands, providing concrete tables and chairs, construction of paved walkways, the construction of ablution facilities and the general landscaping of the area. 35% of the R15 Million will be used on labour, the majority of which will be sourced from local inhabitants.
- The Department of Sports, Recreation, Arts and Culture will have a busy year in Lukhanji. They are currently championing the establishment of a sports academy at the Sandringham Sports Fields including Madeira Park. They further committed to host a Smalltown Jazz Festival later this year. We are indeed looking forward to these developments and pledge our wholehearted support.
- The Department of Human Settlements will spent R64 770 000 on housing projects throughout our area.

It includes the following:

Sada wooden / zinc 1000; Lesseyton 750, RA 60's	R4, 47 million
Lukhanji 200	R7, 50 million
New Rathwick 3000	R1, 66 million
Quality Coffins 18	R1, 66 million
Zola / Xuma / Toisekraal	R13, 12 million
Braakloof 281	R2, 38 million
Toisekraal 364	R6, 69 million
Nomzamo 337	R1, 50 million
Emergency / Disaster Houses	R2, 49 million

The Department will also attend to the following rectification programmes during the year:

Ezibeleni 1 226	R4, 35 million
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Lukhanji Adopted Budget

Imvani 145	R6, 80 million
Whittlesea 754	R4, 35 million
Ilinge (Pre-1994)	R6, 80 million

Madam Speaker, to return to the main business of the day, allow me now to elaborate on the unpleasant part of our budget. The part that will affect us all where it usually hurts the most - our pockets.

3. Tariff Proposals

We have all seen our own costs continually going up over the past year - petrol, bread, milk, insurance, cars, even newspapers are more expensive now - so there can be no surprise that it will cost us more to maintain the level of service we all want and need.

In spite of the adverse impact of inflationary pressure on our input costs, we have managed to balance our budget whilst limiting increases in tariffs on the main consumer services. Accordingly, Madam Speaker I wish to propose the following increases on the main consumer services:

Electricity	11.0%
Rates/Infrastructure	10.0%
Refuse	7.0%
Sewerage	6.0%
Water	6.0%

In my opening remarks, Madam Speaker, I alluded to the fact that we have the great responsibility of addressing the triple challenges of poverty, unemployment and inequality.

Lukhanji Adopted Budget

During the previous financial years we found it possible not to place an undue financial burden on the poorest of poor in our community. It is my pleasure to announce, that we have managed once again to maintain the status quo in as far as indigent households are concerned. There will be no increases for destitute and indigent households during the new financial year.

Madam Speaker allow me briefly to summarise what all these adjustments mean in Rands and Cents.

1. The monthly account for a **large household** with an average value of R1,3 Million and the usage of 1000 units of electricity and 30kl of water will increase by approximately 9,9%. In monetary terms this will increase the monthly account by R227,50.
2. On a **small household** with a value of about R500 000 and usage of electricity of 400 units and 20kl water the monthly account will increase by 9,5% working out to an increase of R93,26 per month.
3. The account of **households using prepaid electricity** (Mlungisi, Ezibeleni and VAN areas) will increase with 7,2% or R18,46 per month.

Lukhanji Adopted Budget

CONCLUSION

Madam Speaker, this budget is the financial expression of the needs of our communities. It has been arrived at by ensuring that we prioritize and are biased towards the basic needs of our people who require urgent attention.

This budget therefore is informed by what is available in the revenue streams at our disposal. We are experiencing a challenge of not being able to collect what is due to us and as per the credit control policy. We call upon all our communities to make an effort to pay for the services they use in order to enable us to further improve the living conditions of our people in the area.

I want to take this opportunity to acknowledge the contribution of all those that have contributed to another outstanding financial year. I salute all the Directorates in their continuing efforts and their commitment to fiscal discipline.

I must of course also acknowledge the efforts of all the people who have worked on the budget, which is before you today. To the Portfolio Holder of Finance and other colleagues in the Mayoral Committee and Budget Steering Committee, I express my appreciation for your co-operation and understanding and making my task easier. A word of appreciation to the Acting Municipal Manager, CFO and all the Directors and Managers for ensuring that tight deadlines were met. In the same vein, we extend our sincere word of appreciation to both Provincial Treasury and Department of Local Government and Traditional Affairs for their useful insights, guidance and support. It will also be amiss Madam Speaker and the Council at large not to mention the Audit Committee, who have for the first time given us a green light to proceed with this budget. We say to all you, it is through your efforts that the budget impact on all of us is kept to a minimum.

Lukhanji Adopted Budget

Again Madam Speaker, we want to also extend our heartfelt gratitude to our communities, who have spent long hours in community meetings, advising us on the best ways of how this difficult task of balancing conflicting community needs can be taken forward.

Madam Speaker, for the first time we need to report to Council that the IDP priorities are linked to the Budget and those are captured as ward needs that should inform the service delivery we are to implement for the next five years

Madam Speaker, I formally move the adoption of the Integrated Development Plan and the 2012/13 to 2014/15 Budget Strategy and Expenditure Framework as well as the revised budget related policies for the Lukhanji Municipality.

I further move the adoption of the recommendations as contained on pages 28 and 29 of the Budget document.

I finally move the adoption of the proposed Rates and Tariffs as contained in Appendix A of the budget document from pages 115 to 123.

I thank you.

Lukhanji Adopted Budget

3. Budget Related Resolutions

1. Council resolves that the final annual budget of the municipality for the financial year 2012/13 and indicative for the two projected outer years 2013/14 and 2014/15 be adopted 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 13.5% approved by Nersa for bulk purchases with effect 1 July 2012.
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 11% with effect 1 July 2012.
 - 3.2 Council resolves that the monthly electricity tariffs for registered indigents for the financial year be approved as follows:

First 50 Kw	Free
In excess of 51Kw	Increase of 11%
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 2012/13.
6. Council resolves to adopt the amended Integrated Development Plan as submitted.

Lukhanji Adopted Budget

7. That Council approve amended policies as per **appendix B**.
8. That the **7.8%** provided for salary increases for employees is maintained.
9. That indigent income levels are set at the following:

Destitute indigent	R 1160
Indigent	R 2320

Lukhanji Adopted Budget

The Budget

4 Executive Summary

The Municipal Finance Management Act (MFMA) and the related Circulars that have been distributed by the National Treasury require that the Mayor table a three year medium term budget strategy and expenditure framework to the Lukhanji Municipal Council by the end of March for the financial year beginning July 1,2012 and ending June 30,2013.

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 2011 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 2012/13 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 **R524.4Million** (including currently known grants received for operational expenditures); **operational expenditures** funded from cash carry forwards and operating revenues are proposed at **R486.6 Million**.

Lukhanji Adopted Budget

The Capital Budget is funded from a blend of conditional grants, proposed borrowings and cash carried forward from prior years. Capital expenditures for 2012/13 are estimated to total **R105 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.

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 31.4 million
 - Rates 2.8 million
 - Refuse Collection 9.6 million
 - Water & Sanitation 17.0 million
 - Debtor's Interest 18.2 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 11.0% increase
 - Rates 10.0% increase
 - Refuse Collection 7.0% increase
 - Water & Sanitation 6.0% increase
- The **Equitable Share** Allocation from the National Treasury is **R109,210,000** which is up from the current budget of R96,062,000.
- The operating budget anticipates an agency **payment from the Chris Hani District Municipality** for providing the water and sanitation service of **R55,437,452 in the Lukhanji Municipal Area**. This amount is based on the model we have used for the past three years.

Lukhanji Adopted Budget

Operating Expenditures

- **Employee salaries** and related expenses are increased by the level indicated by correspondence from SALGA. This amount to an **7.8% increase in 2012/13**. 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 R13.8 Million over the adjusted budget in the current 2011/12 budget.
- **Electricity bulk purchases** are anticipated to **increase by 13.5%** for next year.
- All costs related to our current **DBSA loan** and the repayment for **past fleet purchases** are fully funded in this budget
- An amount of **R3,841,518** 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 **R105 million**. Major items include the allocation of **R32 Million** in conditional capital grants allocated to the municipality and **R39.5 Million** to be funded from surplus cash reserves and **R26 million** from a loan.

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 **R7.1 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 2012/13 Lukhanji Budget.

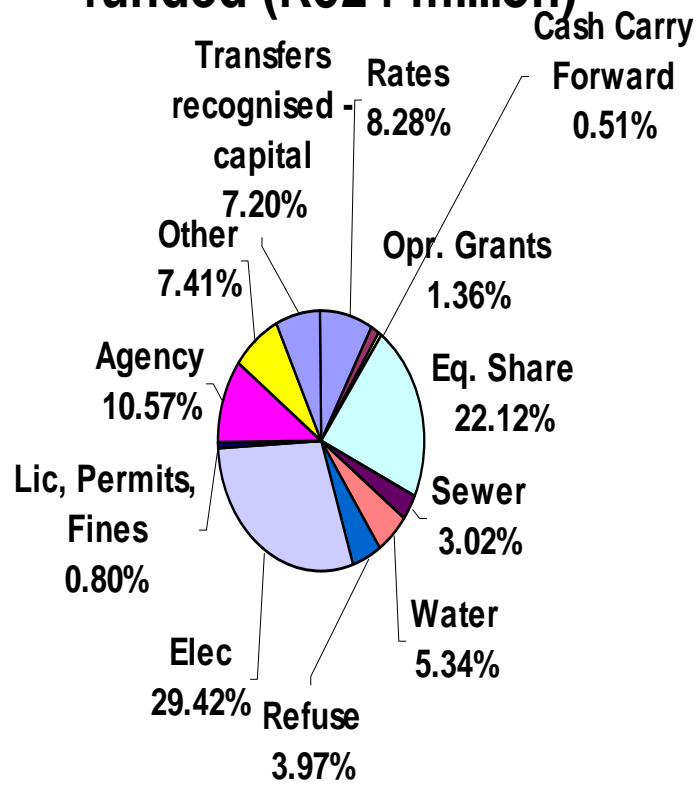
Lukhanji Adopted Budget

Executive Summary 2012/13 Tabled Budget Overview

Revenues			
Operating Budget Revenues (000's)		Capital Budget Revenues (000's)	
Assessment Rates	43 406	Own Funds	39 500
Fines	801	Municipal Infrastructure Grant (MIG)	32 122
Electricity Tariffs	154 299	DBSA Loan - MIG Front Loading	26 571
Interest on Debtor Accounts	20 112		
Water Tariffs	28 000		
Sewer Tariffs	15 812		
Refuse Tariffs	20 833		
Government Grants and Subsidy:			
Equitable Share	109 210		
Libraries	4 150		
Operational Grants : FMG	1 500		
: MSIG	800		
: EPWP	2 844		
Graduate Development Programme	2 000		
	<u>120 504</u>		
Agency Fees:			
Water and Sewer	55 437		
Primary Health	-		
	<u>55 437</u>		
Gain on Sale of Property	-		
Other Revenues	24 809		
	<u>24 809</u>		
Total Operating Revenues	<u>484 015</u>	Total Capital Revenues	<u>98 193</u>
Cash Carry Over from prior year (grants)	2 656	Cash Carry Over Prior Year (grants)	6 958
Transfers recognised - capital	37 741		
	<u>37 741</u>		
Total Revenue and Cash	<u>524 412</u>		<u>105 151</u>
Expenditures			
Operating Budget Expenditures (000's)		Capital Budget Expenditures (000's)	
Salaries, Wages, Allowances & related costs	118 004	Roads, Pavements, Bridges and Stormwater	28 845
Councillor Allowances	19 600	Cemeteries	1 111
Small Capital - Water	3 000	Community Lighting	2 741
Electricity Bulk Purchases	141 331	Community Halls	13 341
General Expenses	47 909	Sportfields	15 278
Repairs and Maintenance	25 078	LED Facilities Other	306
Repayment on Municipal Debt	4 791	Vehicle Replacement Programme	2 500
Provision for Bad Debts:		Plant Replacement	10 000
Assessment Rates	2 822	Plant Replacement - Roads Unit	13 500
Debtor Interest	18 241	Electricity	2 189
Electricity	31 438	Fencing of Grazing Camps	1 100
Water	10 827	Libraries	189
Refuse	9 669	Bulk Services	579
Sewer	6 191	PMU Fees	4 170
	<u>79 188</u>	Fire Services	285
Operational Grants (see detail list)	7 144	Nature Reserve	202
Municipal Services Charges	1 303	Public Toilets Whittlesea	390
WSSA Management Contract	37 578	Completion of Inter-Nodal Transport Facility	7 147
	<u>37 578</u>	Construction of Shearing Shed in Emdeni/Gwatyu	554
		Qwabi Bridge over Kuzintugu River	149
		Livestock Improvement Program in Hewu/Zulukama	375
		Zingqutu Shearing Shed	200
Provision for Working Capital	1 743		
Total Operating Budget Expenditures	<u>486 671</u>	Total Capital Expenditures	<u>105 151</u>

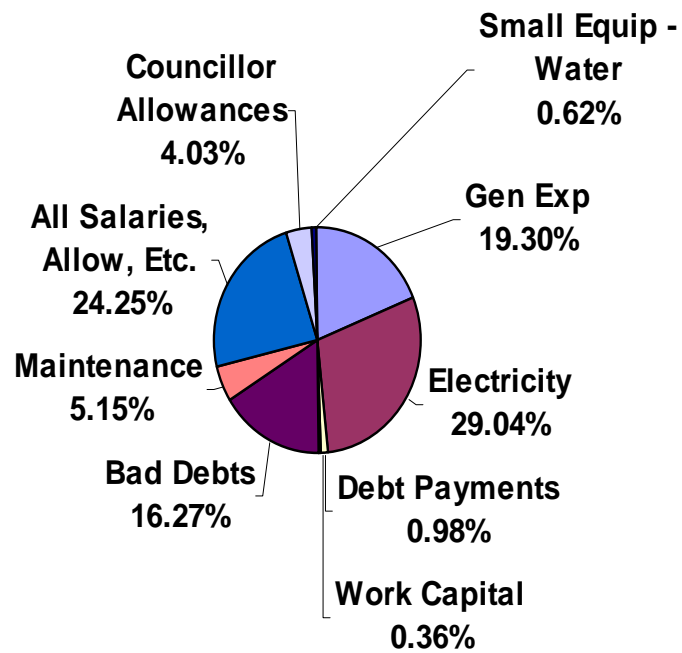
Lukhanji Adopted Budget

How the Total Budget Operating Revenue are funded (R524 million)

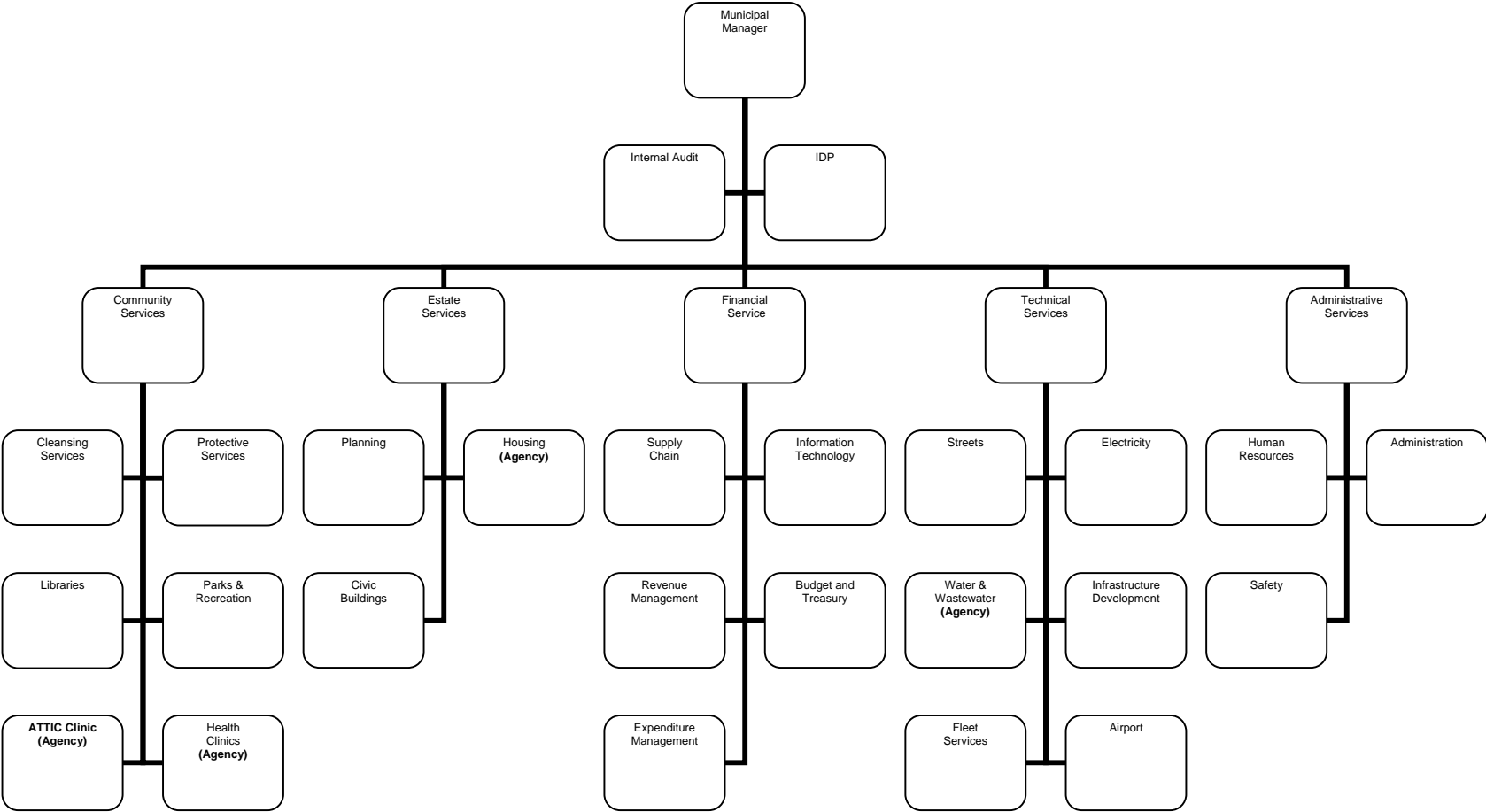


Lukhanji Adopted Budget

How the Total Budget Operating Expenditure are allocated (R487 million)



Lukhanji Adopted Budget



Lukhanji Adopted Budget

5 Annual Budget Tables (Operating & Capital)

These budget schedules are to be approved by resolution of Council and are contained in the following pages:

- 5.1 - Table A1 - Budget Summary**
- 5.2 - Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**
- 5.3 - Table A3 - Budgeted Financial Performance (revenue and Expenditure by municipal vote)**
- 5.4 - Table A4 - Budgeted Financial Performance (revenue and Expenditure)**
- 5.5 - Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding**
- 5.6 - Table A6 - Budgeted Financial Position**
- 5.7 - Table A7 - Budgeted Cash Flows**
- 5.8 - Table A8 - Cash Backed reserves/accumulated surplus Reconciliation**
- 5.9 - Table A9 - Asset management**
- 5.10 - Table A10 - Basic Service Delivery**

Lukhanji Adopted Budget

EC134 Lukhanji - 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	28 799	33 440	39 334	40 444	40 444	40 444	40 444	43 406	46 879	50 629
Service charges	122 677	143 012	170 897	207 798	198 466	198 466	198 466	218 944	240 334	263 078
Investment revenue	4 720	6 721	5 202	2 111	2 111	2 111	2 111	5 200	5 200	5 200
Transfers recognised - operational	100 567	124 997	125 368	102 259	108 339	108 339	108 339	123 160	126 832	137 341
Other own revenue	62 656	77 976	78 621	87 083	85 864	85 864	85 864	95 960	97 709	100 232
Total Revenue (excluding capital transfers and contributions)	319 419	386 145	419 423	439 694	435 224	435 224	435 224	486 671	516 955	556 480
Employee costs	87 062	88 261	98 336	109 470	106 849	106 849	106 849	120 225	125 917	131 888
Remuneration of councillors	11 858	13 901	15 242	18 810	17 698	17 698	17 698	17 918	18 649	19 416
Depreciation & asset impairment	-	9 285	15 309	-	-	-	-	-	-	-
Finance charges	2 011	1 522	876	6 965	5 673	5 673	5 673	4 791	1 265	1 162
Materials and bulk purchases	55 785	81 414	103 727	141 497	147 592	147 592	147 592	166 409	185 648	207 468
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	139 532	155 913	147 933	162 953	157 412	157 412	157 412	175 584	183 214	193 497
Total Expenditure	296 248	350 295	381 423	439 694	435 224	435 224	435 224	484 928	514 693	553 431
Surplus/(Deficit)	23 171	35 850	37 999	0	-	-	-	1 743	2 262	3 049
Transfers recognised - capital	-	-	-	41 452	36 980	36 980	36 980	37 741	36 885	42 906
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	23 171	35 850	37 999	41 452	36 980	36 980	36 980	39 484	39 147	45 955
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	23 171	35 850	37 999	41 452	36 980	36 980	36 980	39 484	39 147	45 955
Capital expenditure & funds sources										
Capital expenditure	207 296	789 694	802 003	41 452	46 480	46 480	36 980	105 151	51 885	57 906
Transfers recognised - capital	207 296	779 716	793 820	41 452	36 980	36 980	36 980	37 741	36 885	42 906
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	9 978	8 183	-	9 500	9 500	9 500	26 571	-	-
Internally generated funds	-	-	-	-	-	-	-	40 840	15 000	15 000
Total sources of capital funds	207 296	789 694	802 003	41 452	46 480	46 480	46 480	105 151	51 885	57 906
Financial position										
Total current assets	229 348	334 888	355 395	309 468	345 894	345 894	345 894	321 458	309 375	297 735
Total non current assets	207 296	789 694	802 003	248 748	848 483	848 483	848 483	1 044 926	1 096 811	1 154 717
Total current liabilities	122 208	176 814	146 249	135 780	164 717	164 717	164 717	157 450	152 450	147 450
Total non current liabilities	63 386	82 639	85 257	53 106	76 288	76 288	76 288	89 157	85 555	81 952
Community wealth/Equity	251 051	865 130	925 892	369 330	953 372	953 372	953 372	1 119 777	1 168 181	1 223 050
Cash flows										
Net cash from (used) operating	29 218	70 427	30 510	68 184	105 990	105 990	105 990	1 743	2 262	3 049
Net cash from (used) investing	1 683	(29 868)	(12 518)	(41 452)	(36 980)	(36 980)	(36 980)	(65 651)	(36 885)	(42 906)
Net cash from (used) financing	(4 696)	(5 903)	(1 022)	(5 401)	9 500	9 500	9 500	22 369	(1 038)	(1 038)
Cash/cash equivalents at the year end	73 374	108 029	125 000	146 331	203 518	203 518	203 518	161 979	126 318	85 423
Cash backing/surplus reconciliation										
Cash and investments available	74 080	108 762	125 224	84 096	115 724	115 724	115 724	71 288	54 205	37 565
Application of cash and investments	(78 096)	4 944	(96 370)	(160 478)	(195 995)	(195 995)	(195 995)	(143 766)	(148 149)	(154 339)
Balance - surplus (shortfall)	152 177	103 818	221 595	244 574	311 719	311 719	311 719	215 054	202 354	191 904
Asset management										
Asset register summary (WDV)	207 296	789 694	802 003	248 748	848 483	848 483	1 044 926	1 044 926	1 096 811	1 154 717
Depreciation & asset impairment	-	9 285	15 309	-	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	40 935	20 620	29 380
Repairs and Maintenance	4 567	9 052	8 650	10 011	15 181	15 181	25 078	25 078	25 258	25 448
Free services										
Cost of Free Basic Services provided	-	-	31 834	33 828	33 828	33 828	36 586	36 586	39 584	42 847
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	10	9	9	9	9	9	9	9
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	8	8	-	-

Lukhanji Adopted Budget

EC134 Lukhanji - 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
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		112 044	149 904	194 515	144 003	143 774	143 774	159 906	169 017	183 704
Executive and council		52 855	83 413	140 987	75 707	83 086	83 086	97 378	103 010	113 417
Budget and treasury office		57 922	65 243	52 555	67 063	58 558	58 558	60 354	64 007	68 288
Corporate services		1 268	1 248	973	1 233	2 130	2 130	2 175	2 000	2 000
<i>Community and public safety</i>		22 445	26 326	21 190	26 867	19 071	19 071	30 590	33 453	22 601
Community and social services		4 273	2 639	1 878	10 025	4 194	4 194	14 306	12 224	11 824
Sport and recreation		644	696	210	571	729	729	5 334	10 697	238
Public safety		9 969	14 318	12 637	12 302	10 179	10 179	10 949	10 532	10 539
Housing		-	-	-	-	-	-	-	-	-
Health		7 560	8 673	6 465	3 970	3 970	3 970	-	-	-
<i>Economic and environmental services</i>		15 570	36 857	3 639	30 611	34 019	34 019	29 567	29 424	46 559
Planning and development		7 534	16 218	1 303	7 375	5 913	5 913	5 655	9 991	16 158
Road transport		8 036	20 639	2 335	23 236	28 106	28 106	23 912	19 433	30 401
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		169 357	173 055	200 077	279 665	275 337	275 337	304 345	321 943	346 519
Electricity		106 747	99 663	121 846	167 641	162 110	162 110	166 589	179 630	197 648
Water		31 431	39 593	31 742	69 229	62 302	62 302	75 660	78 326	81 748
Waste water management		12 956	13 319	17 793	14 935	18 691	18 691	29 171	30 317	31 538
Waste management		18 222	20 480	28 696	27 859	32 234	32 234	32 925	33 671	35 586
<i>Other</i>	4	3	3	3	2	3	3	3	3	3
Total Revenue - Standard	2	319 419	386 145	419 423	481 146	472 204	472 204	524 411	553 840	599 386
Expenditure - Standard										
<i>Governance and administration</i>		45 513	47 648	83 762	44 300	40 659	40 659	50 093	49 456	52 220
Executive and council		21 836	27 376	50 281	23 535	28 302	28 302	25 629	25 480	26 725
Budget and treasury office		19 739	16 588	27 964	16 077	7 798	7 798	20 231	19 688	21 007
Corporate services		3 937	3 684	5 517	4 688	4 559	4 559	4 232	4 288	4 489
<i>Community and public safety</i>		34 610	36 730	43 477	44 107	41 756	41 756	39 625	41 143	42 766
Community and social services		8 760	8 683	9 993	11 679	11 229	11 229	11 517	11 959	12 280
Sport and recreation		6 497	6 555	7 312	10 207	9 408	9 408	10 069	10 426	10 928
Public safety		11 645	13 256	17 245	18 251	17 150	17 150	18 039	18 758	19 558
Housing		-	-	-	-	-	-	-	-	-
Health		7 708	8 237	8 927	3 970	3 970	3 970	-	-	-
<i>Economic and environmental services</i>		24 529	34 129	16 691	22 891	23 957	23 957	27 726	28 254	29 438
Planning and development		12 259	20 383	7 083	8 900	9 420	9 420	10 930	11 685	12 281
Road transport		12 269	13 746	9 608	13 990	14 537	14 537	16 796	16 569	17 157
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		191 481	231 688	237 395	328 277	328 735	328 735	367 368	395 719	428 881
Electricity		110 356	126 693	149 606	199 573	197 301	197 301	206 148	229 427	255 861
Water		41 786	61 768	49 920	73 238	72 728	72 728	86 803	89 888	93 355
Waste water management		17 254	18 497	14 144	20 932	24 101	24 101	33 336	34 403	35 614
Waste management		22 086	24 729	23 725	34 534	34 606	34 606	41 082	42 001	44 051
<i>Other</i>	4	114	99	99	120	117	117	116	121	125
Total Expenditure - Standard	3	296 248	350 295	381 423	439 694	435 224	435 224	484 928	514 693	553 431
Surplus/(Deficit) for the year		23 171	35 850	37 999	41 452	36 980	36 980	39 484	39 147	45 955

Lukhanji Adopted Budget

EC134 Lukhanji - 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										
Vote 1 - EXECUTIVE AND COUNCIL	1	52 855	83 413	140 987	75 707	83 086	83 086	97 378	103 010	113 417
Vote 2 - FINANCE AND ADMINISTRATION		59 189	66 491	53 528	68 296	60 688	60 688	62 528	66 007	70 287
Vote 3 - PLANNING AND DEVELOPMENT		7 534	16 218	1 303	7 375	5 913	5 913	5 655	9 991	16 158
Vote 4 - HEALTH		7 560	8 673	6 465	3 970	3 970	3 970	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		4 273	2 639	1 878	10 025	4 194	4 194	14 306	12 224	11 824
Vote 6 - COMMUNITY SAFETY		9 969	14 318	12 637	12 302	10 179	10 179	10 949	10 532	10 539
Vote 7 - SPORT AND RECREATION		644	696	210	571	729	729	5 334	10 697	238
Vote 8 - WASTE WATER MANAGEMENT		12 956	13 319	17 793	14 935	18 691	18 691	29 171	30 317	31 538
Vote 9 - WASTE MANAGEMENT		18 222	20 480	28 696	27 859	32 234	32 234	32 925	33 671	35 586
Vote 10 - ROADS TRANSPORT		8 036	20 639	2 335	23 236	28 106	28 106	23 912	19 433	30 401
Vote 11 - WATER		31 431	39 593	31 742	69 229	62 302	62 302	75 660	78 326	81 748
Vote 12 - ELECTRICITY		106 747	99 663	121 846	167 641	162 110	162 110	166 589	179 630	197 648
Vote 13 - OTHER		3	3	3	2	3	3	3	3	3
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 15 - IPED		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	319 419	386 145	419 423	481 146	472 204	472 204	524 411	553 840	599 386
Expenditure by Vote to be appropriated										
Vote 1 - EXECUTIVE AND COUNCIL	1	21 836	27 376	50 281	23 535	28 302	28 302	22 662	22 412	23 550
Vote 2 - FINANCE AND ADMINISTRATION		23 677	20 272	33 481	20 765	12 357	12 357	24 464	23 976	25 496
Vote 3 - PLANNING AND DEVELOPMENT		12 259	20 383	7 083	8 900	9 420	9 420	10 930	11 685	12 281
Vote 4 - HEALTH		7 708	8 237	8 927	3 970	3 970	3 970	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		8 760	8 683	9 993	11 679	11 229	11 229	11 517	11 959	12 280
Vote 6 - COMMUNITY SAFETY		11 645	13 256	17 245	18 251	17 150	17 150	18 039	18 758	19 558
Vote 7 - SPORT AND RECREATION		6 497	6 555	7 312	10 207	9 408	9 408	10 069	10 426	10 928
Vote 8 - WASTE WATER MANAGEMENT		17 254	18 497	14 144	20 932	24 101	24 101	33 336	34 403	35 614
Vote 9 - WASTE MANAGEMENT		22 086	24 729	23 725	34 534	34 606	34 606	41 082	42 001	44 051
Vote 10 - ROADS TRANSPORT		12 269	13 746	9 608	13 990	14 537	14 537	16 796	16 569	17 157
Vote 11 - WATER		41 786	61 768	49 920	73 238	72 728	72 728	86 803	89 888	93 355
Vote 12 - ELECTRICITY		110 356	126 693	149 606	199 573	197 301	197 301	206 148	229 427	255 861
Vote 13 - OTHER		114	99	99	120	117	117	116	121	125
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 15 - IPED		-	-	-	-	-	-	2 967	3 068	3 174
Total Expenditure by Vote	2	296 248	350 295	381 423	439 694	435 224	435 224	484 928	514 693	553 431
Surplus/(Deficit) for the year	2	23 171	35 850	37 999	41 452	36 980	36 980	39 484	39 147	45 955

Lukhanji Adopted Budget

EC134 Lukhanji - 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	28 799	33 440	39 334	40 444	40 444	40 444	40 444	43 406	46 879	50 629
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	73 604	90 613	113 421	147 810	143 898	143 898	143 898	154 299	171 203	189 147
Service charges - water revenue	2	21 816	23 179	25 157	25 168	19 862	19 862	19 862	28 000	29 938	32 011
Service charges - sanitation revenue	2	13 058	13 392	14 124	15 001	14 882	14 882	14 882	15 812	16 902	18 069
Service charges - refuse revenue	2	14 200	15 828	18 195	19 820	19 824	19 824	19 824	20 833	22 291	23 852
Service charges - other											
Rental of facilities and equipment		1 550	1 464	1 469	1 405	2 350	2 350	2 350	2 519	2 519	2 519
Interest earned - external investments		4 720	6 721	5 202	2 111	2 111	2 111	2 111	5 200	5 200	5 200
Interest earned - outstanding debtors		19 092	16 797	16 883	17 586	22 718	22 718	22 718	20 112	21 601	23 202
Dividends received											
Fines		231	602	729	529	301	301	301	801	801	801
Licences and permits		4 343	4 898	5 009	5 003	4 230	4 230	4 230	4 208	4 208	4 208
Agency services		23 664	38 325	35 945	49 693	45 301	45 301	45 301	55 437	56 199	56 961
Transfers recognised - operational		100 567	124 997	125 368	102 259	108 339	108 339	108 339	123 160	126 832	137 341
Other revenue	2	12 054	12 637	9 230	12 868	10 964	10 964	10 964	12 883	12 382	12 542
Gains on disposal of PPE		1 721	3 254	9 356	-	-			-	-	-
Total Revenue (excluding capital transfers and contributions)		319 419	386 145	419 423	439 694	435 224	435 224	435 224	486 671	516 955	556 480
Expenditure By Type											
Employee related costs	2	87 062	88 261	98 336	109 470	106 849	106 849	106 849	120 225	125 917	131 888
Remuneration of councillors		11 858	13 901	15 242	18 810	17 698	17 698	17 698	17 918	18 649	19 416
Debt impairment	3	41 673	57 894	76 044	76 243	69 002	69 002	69 002	79 188	85 777	92 929
Depreciation & asset impairment	2	-	9 285	15 309	-	-	-	-	-	-	-
Finance charges		2 011	1 522	876	6 965	5 673	5 673	5 673	4 791	1 265	1 162
Bulk purchases	2	51 217	72 361	95 077	131 486	132 411	132 411	132 411	141 331	160 389	182 020
Other materials	8	4 567	9 052	8 650	10 011	15 181	15 181	15 181	25 078	25 259	25 448
Contracted services		32 919	38 280	40 883	51 327	35 476	35 476	35 476	40 064	41 921	43 871
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4,5	64 940	59 738	31 006	35 383	52 934	52 934	52 934	56 332	55 516	56 698
Loss on disposal of PPE											
Total Expenditure		296 248	350 295	381 423	439 694	435 224	435 224	435 224	484 928	514 693	553 431
Surplus/(Deficit)		23 171	35 850	37 999	0	-	-	-	1 743	2 262	3 049
Transfers recognised - capital					41 452	36 980	36 980	36 980	37 741	36 885	42 906
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		23 171	35 850	37 999	41 452	36 980	36 980	36 980	39 484	39 147	45 955
Taxation											
Surplus/(Deficit) after taxation		23 171	35 850	37 999	41 452	36 980	36 980	36 980	39 484	39 147	45 955
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		23 171	35 850	37 999	41 452	36 980	36 980	36 980	39 484	39 147	45 955
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		23 171	35 850	37 999	41 452	36 980	36 980	36 980	39 484	39 147	45 955

Lukhanji Adopted Budget

EC134 Lukhanji - 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
Capital expenditure - Vote											
<i>Multi-year expenditure, to be appropriated</i>	2										
Vote 1 - EXECUTIVE AND COUNCIL		509	2 662	1 633	1 376	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION		16 759	14 805	16 144	-	-	-	-	-	-	-
Vote 3 - PLANNING AND DEVELOPMENT		1 062	577 012	571 874	1 744	-	-	-	-	-	-
Vote 4 - HEALTH		283	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		1 166	-	-	5 153	-	-	-	13 731	6 400	-
Vote 6 - COMMUNITY SAFETY		308	47	20	200	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		56	702	665	371	-	-	-	15 278	10 459	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	4	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		600	8 404	8 359	544	-	-	-	-	-	-
Vote 10 - ROADS TRANSPORT		97 186	102 213	119 096	17 342	22 193	22 193	22 193	36 141	22 767	33 582
Vote 11 - WATER		-	-	-	690	-	-	-	-	-	-
Vote 12 - ELECTRICITY		89 167	83 849	84 212	11 206	8 990	8 990	8 990	-	-	-
Vote 13 - OTHER		200	-	-	-	-	-	-	-	-	-
Vote 14 - HOUSING		-	-	-	2 821	-	-	-	-	-	-
Vote 15 - IPED		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	207 296	789 694	802 003	41 452	31 183	31 183	31 183	65 150	39 626	33 582
<i>Single-year expenditure, to be appropriated</i>	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	1 324	1 324	1 324	2 535	1 694	1 792
Vote 2 - FINANCE AND ADMINISTRATION		-	-	-	-	9 500	9 500	9 500	26 000	5 000	5 000
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	1 482	1 482	1 482	4 170	5 564	11 531
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	1 502	-	6 000
Vote 6 - COMMUNITY SAFETY		-	-	-	-	-	-	-	285	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	550	550	550	-	-	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	4	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	-	554	554	554	-	-	-
Vote 10 - ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 11 - WATER		-	-	-	-	-	-	-	574	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-	4 929	-	-
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 14 - HOUSING		-	-	-	-	1 887	1 887	1 887	-	-	-
Vote 15 - IPED		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	15 297	15 297	15 297	40 001	12 259	24 324
Total Capital Expenditure - Vote		207 296	789 694	802 003	41 452	46 480	46 480	46 480	105 151	51 885	57 906
Capital Expenditure - Standard											
<i>Governance and administration</i>		17 268	17 467	17 777	1 376	10 824	10 824	1 324	28 535	6 694	6 792
Executive and council		509	2 662	1 633	1 376	1 324	1 324	1 324	2 535	1 694	1 792
Budget and treasury office		16 759	14 805	16 144	-	9 500	9 500	-	26 000	5 000	5 000
Corporate services		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 813	748	685	8 545	2 437	2 437	2 437	30 797	16 859	6 000
Community and social services		1 166	-	-	5 153	-	-	-	15 234	6 400	6 000
Sport and recreation		56	702	665	371	550	550	550	15 278	10 459	-
Public safety		308	47	20	200	-	-	-	285	-	-
Housing		-	-	-	2 821	1 887	1 887	1 887	-	-	-
Health		283	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		98 248	679 225	690 970	19 086	23 676	23 676	23 676	40 312	28 331	45 114
Planning and development		1 062	577 012	571 874	1 744	1 482	1 482	1 482	4 170	5 564	11 531
Road transport		97 186	102 213	119 096	17 342	22 194	22 194	22 194	36 141	22 767	33 582
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		89 767	92 253	92 571	12 445	9 544	9 544	9 544	5 508	-	-
Electricity		89 167	83 849	84 212	11 206	8 990	8 990	8 990	4 929	-	-
Water		-	-	-	690	-	-	-	574	-	-
Waste water management		-	-	-	4	-	-	-	4	-	-
Waste management		600	8 404	8 359	544	554	554	554	-	-	-
<i>Other</i>		200	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	207 296	789 694	802 003	41 452	46 480	46 480	36 980	105 151	51 885	57 906
Funded by:											
National Government					41 452	36 980	36 980	36 980	36 304	36 885	42 906
Provincial Government									825		
District Municipality									612		
Other transfers and grants		207 296	779 716	793 820							
Transfers recognised - capital	4	207 296	779 716	793 820	41 452	36 980	36 980	36 980	37 741	36 885	42 906
Public contributions & donations	5										
Borrowing	6		9 978	8 183		9 500	9 500	9 500	26 571	15 000	15 000
Internally generated funds									40 840		15 000
Total Capital Funding	7	207 296	789 694	802 003	41 452	46 480	46 480	46 480	105 151	51 885	57 906

Lukhanji Adopted Budget

EC134 Lukhanji - Table A6 Budgeted Financial Position

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
ASSETS											
Current assets											
Cash		73 374	108 030	125 000	83 389	27 278	27 278	27 278	22 342	20 259	18 619
Call investment deposits	1	707	733	225	707	88 446	88 446	88 446	48 946	33 946	18 946
Consumer debtors	1	43 729	37 506	25 538	90 000	25 538	25 538	25 538	45 538	50 538	55 538
Other debtors		111 538	188 620	204 632	135 372	204 632	204 632	204 632	204 632	204 632	204 632
Current portion of long-term receivables											
Inventory	2										
Total current assets		229 348	334 888	355 395	309 468	345 894	345 894	345 894	321 458	309 375	297 735
Non current assets											
Long-term receivables											
Investments											
Investment property			91 284	91 284		91 284	91 284	91 284	91 284	91 284	91 284
Investment in Associate											
Property, plant and equipment	3	207 296	698 411	710 711	248 748	757 191	757 191	757 191	953 634	1 005 519	1 063 425
Agricultural											
Biological											
Intangible				8		8	8	8	8	8	8
Other non-current assets											
Total non current assets		207 296	789 694	802 003	248 748	848 483	848 483	848 483	1 044 926	1 096 811	1 154 717
TOTAL ASSETS		436 644	1 124 583	1 157 398	558 216	1 194 377	1 194 377	1 194 377	1 366 384	1 406 186	1 452 452
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	4 455	4 276	4 794	3 409	4 794	4 794	4 794	2 564	2 564	2 564
Consumer deposits		7 383	7 603	7 937	83 000	7 937	7 937	7 937	7 900	7 900	7 900
Trade and other payables	4	110 370	164 935	133 517	49 371	134 910	134 910	134 910	129 910	124 910	119 910
Provisions						17 076	17 076	17 076	17 076	17 076	17 076
Total current liabilities		122 208	176 814	146 249	135 780	164 717	164 717	164 717	157 450	152 450	147 450
Non current liabilities											
Borrowing		11 803	7 496	6 906	1 523	16 406	16 406	16 406	29 275	25 673	22 070
Provisions		51 583	75 143	78 351	51 583	59 882	59 882	59 882	59 882	59 882	59 882
Total non current liabilities		63 386	82 639	85 257	53 106	76 288	76 288	76 288	89 157	85 555	81 952
TOTAL LIABILITIES		185 594	259 453	231 506	188 886	241 005	241 005	241 005	246 607	238 005	229 403
NET ASSETS	5	251 051	865 130	925 892	369 330	953 372	953 372	953 372	1 119 777	1 168 181	1 223 050
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		251 051	865 130	925 892	369 330	953 372	953 372	953 372	1 119 777	1 168 181	1 223 050
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	251 051	865 130	925 892	369 330	953 372	953 372	953 372	1 119 777	1 168 181	1 223 050

Lukhanji Adopted Budget

EC134 Lukhanji - Table A7 Budgeted Cash Flows

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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		166 320	66 452	162 008	272 221	330 793	330 793	330 793	253 807	266 383	282 853
Government - operating	1		134 499	101 664	103 416	111 829	111 829	111 829	116 354	122 532	133 041
Government - capital	1					27 480	27 480	27 480	32 122	36 885	42 906
Interest		23 026	22 437	13 651	4 443	2 111	2 111	2 111	5 200	5 200	5 200
Dividends											
Payments											
Suppliers and employees		(158 015)	(150 785)	(240 129)	(310 283)	(360 586)	(360 586)	(360 586)	(405 151)	(428 510)	(460 827)
Finance charges		(2 114)	(2 176)	(6 684)	(1 614)	(5 636)	(5 636)	(5 636)	(589)	(228)	(124)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		29 218	70 427	30 510	68 184	105 990	105 990	105 990	1 743	2 262	3 049
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1 721	3 254	9 356							
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables		5									
Decrease (increase) in non-current investments		(43)	(7 828)	5 694					39 500	15 000	15 000
Payments											
Capital assets			(25 295)	(27 568)	(41 452)	(36 980)	(36 980)	(36 980)	(105 151)	(51 885)	(57 906)
NET CASH FROM/(USED) INVESTING ACTIVITIES		1 683	(29 868)	(12 518)	(41 452)	(36 980)	(36 980)	(36 980)	(65 651)	(36 885)	(42 906)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		(821)				9 500	9 500	9 500	26 571		
Increase (decrease) in consumer deposits		297									
Payments											
Repayment of borrowing		(4 172)	(5 903)	(1 022)	(5 401)	-			(4 202)	(1 038)	(1 038)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4 696)	(5 903)	(1 022)	(5 401)	9 500	9 500	9 500	22 369	(1 038)	(1 038)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	47 168	73 374	108 029	125 000	125 008	125 008	125 008	203 518	161 979	126 318
Cash/cash equivalents at the year end:	2	73 374	108 029	125 000	146 331	203 518	203 518	203 518	161 979	126 318	85 423

Lukhanji Adopted Budget

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

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
Cash and investments available											
Cash/cash equivalents at the year end	1	73 374	108 029	125 000	146 331	203 518	203 518	203 518	161 979	126 318	85 423
Other current investments > 90 days		707	733	225	(62 235)	(87 794)	(87 794)	(87 794)	(90 691)	(72 113)	(47 858)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		74 080	108 762	125 224	84 096	115 724	115 724	115 724	71 288	54 205	37 565
Application of cash and investments											
Unspent conditional transfers		23 979	36 631	15 471	12 981	15 471	15 471	15 471	15 471	15 471	15 471
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(102 076)	(31 687)	(111 841)	(173 459)	(211 466)	(211 466)	(211 466)	(159 237)	(163 620)	(169 810)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(78 096)	4 944	(96 370)	(160 478)	(195 995)	(195 995)	(195 995)	(143 766)	(148 149)	(154 339)
Surplus(shortfall)		152 177	103 818	221 595	244 574	311 719	311 719	311 719	215 054	202 354	191 904

Lukhanji Adopted Budget

EC134 Lukhanji - Table A9 Asset Management

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
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	207 296	789 694	802 003	41 452	46 480	46 480	64 217	31 265	28 526
Infrastructure - Road transport		-	102 213	119 096	17 342	22 193	22 193	-	-	-
Infrastructure - Electricity		-	83 849	84 212	11 206	8 990	8 990	4 929	-	-
Infrastructure - Water		-	-	-	690	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	4	-	-	-	-	-
Infrastructure - Other		-	8 240	8 203	2 288	2 036	2 036	13 891	11 406	15 464
Infrastructure		-	194 302	211 511	31 531	33 219	33 219	18 820	11 406	15 464
Community		-	-	-	5 724	550	550	31 897	16 859	6 000
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	91 284	91 284	-	-	-	-	-	-
Agricultural Assets	6	207 296	504 109	499 200	4 197	12 711	12 711	13 500	3 000	7 062
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	8	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	40 935	20 620	29 380
Infrastructure - Road transport		-	-	-	-	-	-	27 856	15 620	24 380
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	574	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	4	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	28 435	15 620	24 380
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	12 500	5 000	5 000
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	102 213	119 096	17 342	22 193	22 193	27 856	15 620	24 380
Infrastructure - Electricity		-	83 849	84 212	11 206	8 990	8 990	4 929	-	-
Infrastructure - Water		-	-	-	690	-	-	574	-	-
Infrastructure - Sanitation		-	-	-	4	-	-	4	-	-
Infrastructure - Other		-	8 240	8 203	2 288	2 036	2 036	13 891	11 406	15 464
Infrastructure		-	194 302	211 511	31 531	33 219	33 219	47 255	27 026	39 844
Community		-	-	-	5 724	550	550	31 897	16 859	6 000
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	91 284	91 284	-	-	-	-	-	-
Agricultural Assets		-	207 296	499 200	4 197	12 711	12 711	26 000	8 000	12 062
Biological assets		-	504 109	-	-	-	-	-	-	-
Intangibles		-	-	8	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	207 296	789 694	802 003	41 452	46 480	46 480	105 151	51 885	57 906
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport			102 213	119 096				119 096	119 096	119 096
Infrastructure - Electricity			83 849	84 212				84 212	84 212	84 212
Infrastructure - Water			-	-				-	-	-
Infrastructure - Sanitation			-	-				-	-	-
Infrastructure - Other			8 240	8 203				8 203	8 203	8 203
Infrastructure			194 302	211 511				211 511	211 511	211 511
Community			-	-				-	-	-
Heritage assets			-	-				-	-	-
Investment properties			91 284	91 284		91 284	91 284	91 284	91 284	91 284
Other assets			207 296	504 109	499 200	248 748	757 191	742 123	794 008	851 914
Agricultural Assets			-	-		-	-	-	-	-
Biological assets			-	-		-	-	-	-	-
Intangibles			-	8		8	8	8	8	8
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	207 296	789 694	802 003	248 748	848 483	848 483	1 044 926	1 096 811	1 154 717
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment			9 285	15 309						
Repairs and Maintenance by Asset Class	3	4 567	9 052	8 650	10 011	15 181	15 181	25 078	25 258	25 448
Infrastructure - Road transport		971	1 329	1 451	2 159	1 972	1 972	2 159	2 159	2 159
Infrastructure - Electricity		1 397	1 834	1 722	2 443	2 593	2 593	2 493	2 493	2 493
Infrastructure - Water		59	2 860	490	225	3 345	3 345	5 171	5 190	5 209
Infrastructure - Sanitation		38	503	1 440	669	2 212	2 212	7 854	7 872	7 891
Infrastructure - Other		-	-	-	-	-	-	2 500	2 500	2 500
Infrastructure		2 465	6 527	5 104	5 496	10 122	10 122	20 176	20 214	20 252
Community		152	169	165	367	300	300	326	326	326
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1 951	2 356	3 381	4 147	4 759	4 759	4 575	4 719	4 870
TOTAL EXPENDITURE OTHER ITEMS		4 567	18 337	23 959	10 011	15 181	15 181	25 078	25 258	25 448
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.9%	39.7%	50.7%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		2.2%	1.3%	1.2%	4.0%	2.0%	2.0%	2.6%	2.5%	2.4%
<i>Renewal and R&M as a % of PPE</i>		2.0%	1.0%	1.0%	4.0%	2.0%	2.0%	6.0%	4.0%	5.0%

Lukhanji Adopted Budget

EC134 Lukhanji - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
Water:										
Piped water inside dwelling		14 763	14 813	20 851	21 081	21 256	21 474	21 761	22 073	22 400
Piped water inside yard (but not in dwelling)		12 211	12 211	11 952	11 952	11 952	11 952	11 927	11 877	11 827
Using public tap (at least min.service level)	2	8 511	8 511	8 511	8 488	8 460	8 390	8 340	8 290	8 250
Other water supply (at least min.service level)	4	2 315	2 315	2 315	2 265	2 215	2 165	2 110	2 055	2 000
<i>Minimum Service Level and Above sub-total</i>		37 800	37 850	43 629	43 786	43 883	43 981	44 138	44 295	44 477
Using public tap (< min.service level)	3			7 095	7 072	7 072	7 072	7 072	7 072	7 072
Other water supply (< min.service level)	4			2 533	2 405	2 308	2 210	2 160	2 110	2 055
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	9 628	9 477	9 380	9 282	9 232	9 182	9 127
Total number of households	5	37 800	37 850	53 257	53 263	53 263	53 263	53 370	53 477	53 604
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		25 461	26 436	30 983	30 928	30 928	30 928	30 989	31 051	31 114
Flush toilet (with septic tank)		1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724
Chemical toilet		4 170	4 170	4 170	4 170	4 170	4 170	4 170	4 170	4 170
Pit toilet (ventilated)		8 707	8 707	8 386	8 331	8 276	8 221	8 160	8 098	8 035
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		40 062	41 037	45 263	45 153	45 098	45 043	45 043	45 043	45 043
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	40 062	41 037	45 263	45 153	45 098	45 043	45 043	45 043	45 043
Energy:										
Electricity (at least min.service level)		51 160	51 935	51 921	52 550	52 550	52 482	53 300	53 350	53 500
Electricity - prepaid (min.service level)		49 560	50 277	50 271	50 850	50 850	50 782	51 575	52 440	52 675
<i>Minimum Service Level and Above sub-total</i>		100 720	102 212	102 192	103 400	103 400	103 264	104 875	105 790	106 175
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	100 720	102 212	102 192	103 400	103 400	103 264	104 875	105 790	106 175
Refuse:										
Removed at least once a week								27 890		
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	27 890	-	-
Removed less frequently than once a week										
Using communal refuse dump								110		
Using own refuse dump										
Other rubbish disposal								4 048		
No rubbish disposal								4 158		
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	8 316	-	-
Total number of households	5	-	-	-	-	-	-	36 206	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)				7 241	7 309	7 309	7 309	7 309	7 309	7 309
Sanitation (free minimum level service)				9 567	9 157	9 157	9 157	9 157	9 157	9 157
Electricity/other energy (50kwh per household per month)				8 354	8 152	8 152	8 152	8 152	8 152	8 152
Refuse (removed at least once a week)				9 535	9 812	9 812	9 812	9 812	9 812	9 812
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)				6 390	6 523	6 523	6 523	6 914	7 329	7 769
Sanitation (free sanitation service)				3 961	4 076	4 076	4 076	4 321	4 580	4 855
Electricity/other energy (50kwh per household per month)				11 034	12 389	12 389	12 389	13 752	15 265	16 944
Refuse (removed once a week)				10 448	10 840	10 840	10 840	11 598	12 410	13 279
Total cost of FBS provided (minimum social package)		-	-	31 834	33 828	33 828	33 828	36 586	39 584	42 847
Highest level of free service provided										
Property rates (R 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)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	-	-	-	-	-	-

Lukhanji Adopted Budget

6 Budget Related Charts and Explanatory Notes

These charts tie with the budget schedules presented above and are presented to illustrate the related numerical schedule.

6.1 - Chart 1 - Operating Revenue by Source

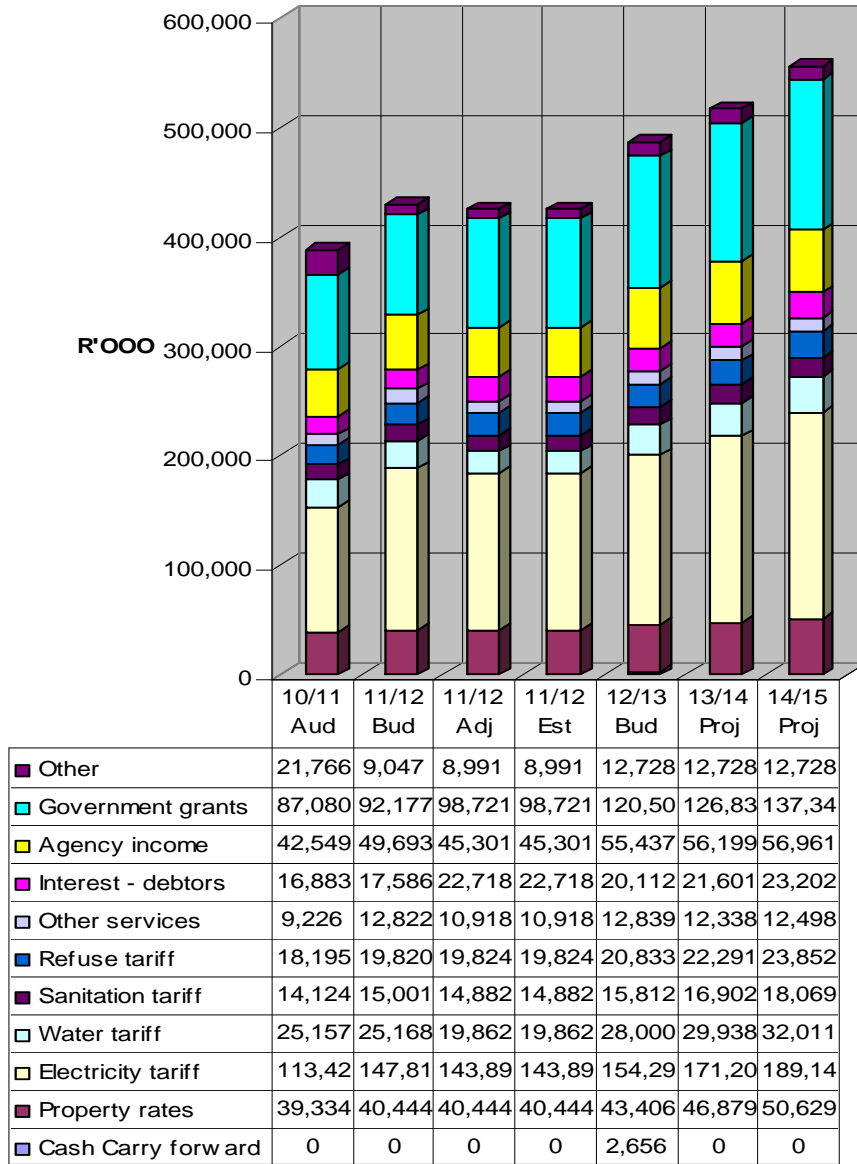
6.2 - Chart 2 - Operating Expenditures by GFS Function (Vote)

6.3 - Chart 3 - Capital Expenditure by Vote

6.6 - Chart 4 - Capital Budget by funding source

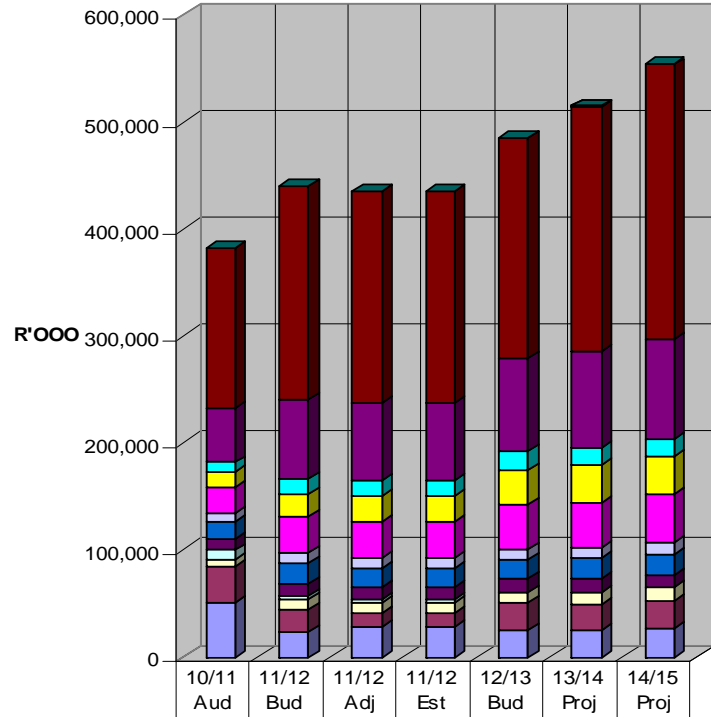
Lukhanji Adopted Budget

CHART 1 - OPERATING REVENUE BY SOURCE



Lukhanji Adopted Budget

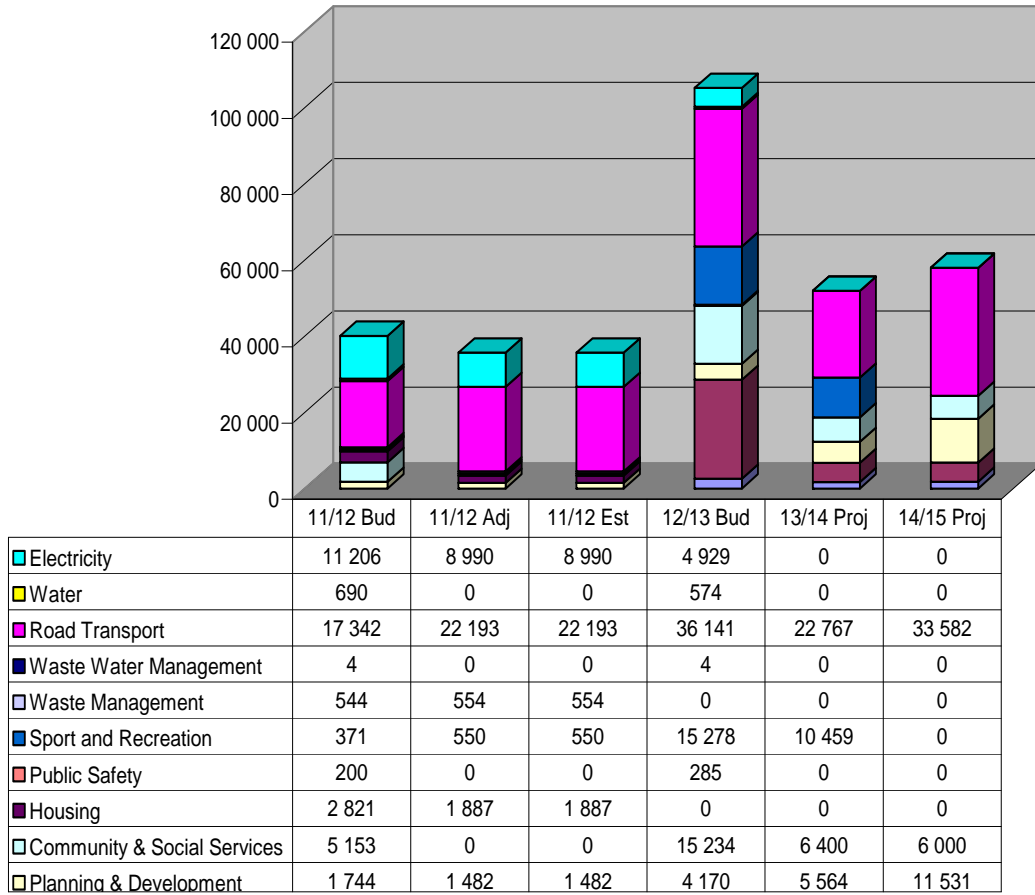
CHART 2 - OPERATING EXPENDITURE BY GFS FUNCTION



	10/11 Aud	11/12 Bud	11/12 Adj	11/12 Est	12/13 Bud	13/14 Proj	14/15 Proj
Other	99	120	117	117	116	121	125
Electricity	149,60	199,57	197,30	197,30	206,14	229,42	255,86
Water	49,920	73,238	72,728	72,728	86,803	89,888	93,355
Road Transport	9,608	13,990	14,537	14,537	16,796	16,569	17,157
Waste Water Management	14,144	20,932	24,101	24,101	33,336	34,403	35,614
Waste Management	23,725	34,534	34,606	34,606	41,082	42,001	44,051
Sport and Recreation	7,312	10,207	9,408	9,408	10,069	10,426	10,928
Public Safety	17,245	18,251	17,150	17,150	18,039	18,758	19,558
Community & Social Services	9,993	11,679	11,229	11,229	11,517	11,959	12,280
Health	8,927	3,970	3,970	3,970	0	0	0
Planning & Development	7,083	8,900	9,420	9,420	10,930	11,685	12,281
Finance & Admin	33,481	20,765	12,357	12,357	24,464	23,976	25,496
Executive & Council	50,281	23,535	28,302	28,302	25,629	25,480	26,725

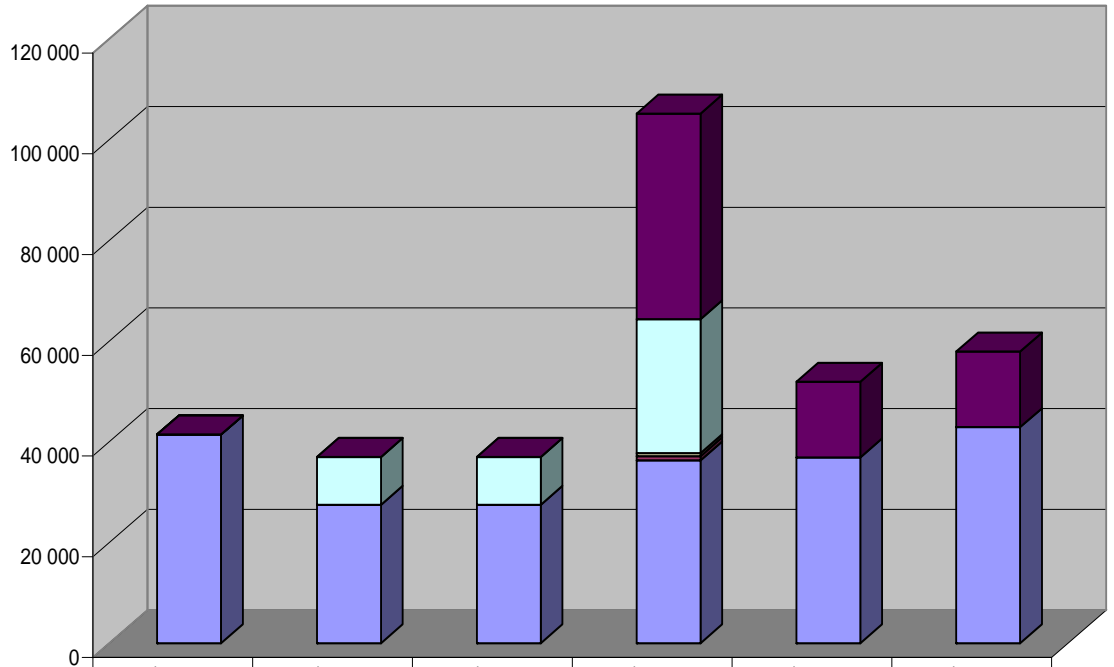
Lukhanji Adopted Budget

CHART 3 - CAPITAL EXPENDITURE BY VOTE



Lukhanji Adopted Budget

CHART 4 - CAPITAL FUNDING BY SOURCE



	11/12 Bud	11/12 Adj	11/12 Est	12/13 Bud	13/14 Proj	14/15 Proj
■ Accumulated Surplus (Own Funds)	0	0	0	40 840	15 000	15 000
■ External Loans	0	9 500	9 500	26 571	0	0
■ District Municipality	0	0	0	612	0	0
■ Provincial Government	0	0	0	825	0	0
■ National Government	41 452	27 480	27 480	36 304	36 885	42 906

Lukhanji Adopted Budget

Supporting Documentation

Section 17(3) of the MFMA requires certain documents must accompany the budget.

7. Budget Process Overview

The following schedule was adopted by the Council in August 2011 and was followed in the preparation of the 2012/13 medium term budget document.

Lukhanji Municipality

2012/13

KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE		
Item description	Due Date	Responsible Person
July 2011		
Review the 2010/11 Budget Process	1-31 July	CFO
Establish process and timetable for the 2012/13 to 2014/15 Budget Development.	21-Jul-11	Mayor, CFO, Budget Mgr
August 2011		
Identify the key assumptions and factors affecting the medium term budget forecasts.	22-Aug-11	CFO
COUNCIL MEETING: Budget Schedule to be tabled to the Council	26-Aug-11	MAYOR
2010/11 Financial Statements submitted to Auditor-General	31-Aug-11	CFO
September 2011		
MAYORAL/ BUDGET STEERING COMMITTEE MEETING: Mayoral committee to meet and identify strategies and guidelines for the development of the 2012/13 to 2014/15 Budgets. Committee should adopt the 'Budget Preparation and Financial Guidelines' proposed.	07-Sep-11	CFO, Budget Mgr
MAYORAL / STEERING COMMITTEE MEETING: - review progress and budget assumptions	07-Sep-11	CFO, Budget Mgr
MEETING WITH DIRECTORS AND MANAGERS: Directorates to be provided with the current Baseline Operating Medium Term Expenditure Forecasts (MTEF) 2012/13 thru 2014/15 that are to be used as a basis for the development of new Operating Medium Term Expenditure	20-Sep-11	CFO, Budget Mgr
Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	30-Sep-11	Budget Mgr

Lukhanji Adopted Budget

October 2011		
MAYORAL / STEERING COMMITTEE MEETING: - review progress and baseline operating budget.	05-Oct-11	CFO, Budget Mgr
Schedule individual meetings with Directorate to review baseline budget and work progress for completion of changes and supplemental requests	27-Oct-11	Budget Mgr
Review current tariffs, receive requested changes from directorates and prepare options for consideration	31-Oct-11	Revenue Mgr, Budget Mgr.
SUBMISSION OF BASELINE BUDGETS AND SUPPLEMENTAL REQUESTS FROM DIRECTORATES: Final date for submission of all Baseline Operating Budgets, Capital Budgets and Operational plans by Directorates to the budget office.	31-Oct-11	Directorates
November 2011		
Draft report on proposed tariff changes for review to Budget Steering Committee delivered to CFO	03-Nov-11	Revenue Mgr, Budget Mgr.
MAYORAL / STEERING COMMITTEE MEETING: - review progress and proposed tariff report.	09-Nov-11	CFO, Budget Mgr
Prepare first draft of operating and capital medium term budget based on baseline operating budgets submitted by directorates	30-Nov-11	Budget Mgr
Receive audited Financial Statements and Audit report from the Auditor-General for the 2010//11 financial year	30-Nov-11	Auditor-General
December 2011		
MAYORAL / STEERING COMMITTEE MEETING: - review progress, baseline budget report AND DRAFT TARRIFS.	07-Dec-11	CFO, Budget Mgr
January 2012		
MAYORAL / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	18-Jan-12	CFO, Budget Mgr
MAYORAL COMMITTEE MEETING: PRESENT MIDYEAR PERFORMANCE REPORT TO MAYORAL COMMITTEE: Final review of 2011/12 operating and capital budget for midyear adjustments to mayoral committee for approval to council.	25-Jan-12	Municipal Manager
COUNCIL MEETING: Table in a special council meeting the annual report, mid year assessment report, financial statements and audit report	31-Jan-12	Municipal Manager, Mayor

Lukhanji Adopted Budget

February 2012		
MAYORAL / STEERING COMMITTEE MEETING: - review progress and the DRAFT BUDGET.	01-Feb-12	CFO, Budget Mgr
COUNCIL MEETING: Table in a special council meeting the adjustments budget for mid-year	28-Feb-12	Mayor
Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	23-Feb-12	Budget Mgr
March 2012		
MAYORAL / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	07-Mar-12	CFO, Budget Mgr
Final Date for Directorates to present SDBIP performance indicators and service delivery targets for 2012/13 for review.	16-Mar-12	Directorates
MAYORAL / STEERING COMMITTEE MEETING: final draft operating and capital budget presented to Mayoral committee for review	21-Mar-12	CFO, Budget Mgr
COUNCIL MEETING: Council (after consideration of the 2010/11 Annual Report) to adopt an Oversight Report.	31-Mar-12	Oversight Committee
COUNCIL MEETING: Operating and Capital draft budget and IDP tabled to Council for consultation with the community	31-Mar-12	Mayor, Finance MEC
Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the Annual Financial Statements, the 2010/11 audit report and any corrective action taken in response to the findings of the audit report.	31-Mar-12	Administrative Director
Submit draft budgets in required form to NT, Provincial Treasury	31-Mar-12	Budget Mgr

Lukhanji Adopted Budget

April 2012		
Hold public meetings and consultations on budget/ IDP	1-30 April	Speaker, Administrative Director
Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	12-Apr-12	Budget Mgr
Directorates are to provide a list of Capital Projects to be rolled over for inclusion in the 2012/13 Budget to the budget office and cash balances forward for grant projects.	30-Apr-12	Directorates
May 2012		
Hold public meetings and consultations on budget/ IDP	1 - 7 May	Speaker, Administrative Director
Final Budgets prepared taking into consideration submissions made during consultation process	18-May-12	CFO, Budget Mgr
MEETING OF MAYORAL / STEERING COMMITTEE: Approval of FINAL operating and capital budget for presentation to the full council	23-May-12	CFO, Budget Mgr
COUNCIL MEETING: IDP & Budgets for 2012/13 thru 2014/15 adopted by Council along with the Mayor's budget address	31-May-12	Mayor, Finance MEC
June 2012		
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 th	14-Jun-12	Municipal Manager
IDP & Annual Budget reports to National, Provincial Treasury and the District municipality.	14-Jun-12	Budget Mgr
MAYORAL TO APPROVE SDBIP AND PERFORMANCE AGREEMENTS within 14 days after receiving them.	28-Jun-12	MAYOR

Lukhanji Adopted Budget

Political Oversight

The Budget is a political document. Although most of the technical preparation of the document is performed by staff, the budget is, in accordance with the MFMA, the Mayor's document. The Mayor and the Mayoral committee were involved with the budget at every step.

In July 2011 the mayor appointed a 'Budget' Steering committee to assist in the political oversight of the budget process. This committee met regularly to review each step of the budget's development. It was this committee that made the major political decisions regarding policies, tariffs and funding issues.

Budget Development Overview

The 2012/13 budget process began in July 2011 with the development of a Budget Schedule. This schedule outlined the key steps, milestones and timetables for the budget process. The Mayoral Committee also reviewed and approved the 'Budget Preparation and Financial Guidelines' that list the assumptions, goals and roles and responsibilities used in preparing the new budget.

In August 2011 the Mayoral committee approved the budget preparation schedule and tabled that schedule to council.

During the months of September thru January 2011/12 the baseline budget was prepared using the approved guidelines and assumptions. Each directorate was given the opportunity to make changes within their operating budgets. Directorates were also requested to submit capital requests and supplemental operating requests on items such as personnel and new programs.

Concurrent with this process various committees were appointed to review and make recommendations on the municipalities various budget related policies.

At the end of February a first draft budget was prepared using all available data and in March this report was presented to the Mayoral Committee.

In February the mid year assessment was prepared and based on that report an adjustments budget is submitted today for approval by council.

In February and March 2012 a draft budget was presented to the Mayoral along with a list of recommendations for items such as tariff increases and miscellaneous items. This final budget was prepared in conformance with circular 59 from National Treasury and is now being tabled to the entire council on June 22, 2012.

After being tabled to the council, the budget and IDP documents will be submitted to the National and Provincial Treasuries and made available to the public at all libraries and in city offices as well as being placed on the municipality's website.

A formal consultation schedule was developed by the Administrative Services Directorate in conjunction with the Speaker. This schedule appears below.

Lukhanji Adopted Budget

BUDGET + IDP OUTREACH PROGRAMME APRIL 2012

DATE	WARDS	VENUE	TIME	Teams
Mon 16 April	5	Galawater Upper Shiloh Lower Shiloh Sibonile Dipala SHILOH SCHOOL	10:00 - 13:00	Team 1 and Team 2
		MBEKWENI Dyamala Ngojini Mtha Nqobokeni	14:00 -16:00	Team 1 and Team 2
	Opening Ceremony Induction of Traditional Leaders	12 Apostolic Church	14:00 - 16:00	Executive Mayor Speaker MM Dir. Admin & HR
Tues 17 April	2	Ilinge	12:00-16:00	Team 1 and Team 2
Wed 18 April	27	Lesseyton	09:00-13:30	Team 1 and Team 2
	18,20,21,Portion 25	Support Centre	17:00-19:00	Team 1 and Team 2
Thurs 19 April	Provincial visit	Lukhanji municipality	10:00-13:00	Executive Mayor MM CFO
	3	Machibini Clinic	9:00-11:00	Team 1 and Team 2
	2	Telecentre	11:00-13:00	Team 1 and Team 2
	27	Zinquthu	14:30 - 16:00	Team 1 and Team 2
Fri 20 April	Free Day			
	Registration for Conference	Cradock		
Mon 23 April	11 and 16 (<i>Ekephumleni + Zola</i>)	Ekuphumleni Hall	14:00 - 16:00	Team 1
	Ext. 2 & 4, Whittlesea Town	Whittlesea Primary	14:30-18:00	Team 2
	Traditional Courts Bill Public Hearing	Town Hall	10:00	All remaining Councillors & Traditional Leaders
Tues 24 April	12	Yonda Shed	09:00 - 14:00	Team 1
	13, 14	Mceula Hall	09:00 - 14:00	Team 2
	6, 26 and 25	Town Hall	17:00 - 19:00	Team 1 and Team 2
Wed 25 April	1	Tylden Creche	10:00 - 13:00	Team 1
	14, 18	Who can Tell	10:00 - 13:00	Team 2
	17	Brakloof	14:30 - 17:00	Team 1
	9,10,11	Sada	14:00 - 16:00	Team 2
Thurs 26 April	Traditional Leaders Training	Council Chamber	10:00 - 16:00	All Councillors + Traditional Leaders
	22, 23, 24, Portion 25	Skweyiya Hall	17:00 - 19:00	Team 1 and Team 2
Sun 29 April	4, 6, 7, 8, 15	Ezibeleni Hall	14:00 - 16:00	Team 1 and Team 2
Wed 2 May	Gwatywu, Tembani, Forest Hill	Tembani	10:00 - 12:00	Team 1 and Team 2
	Nonibe, Sunnyside	Nonibe	14:00 - 17:00	
Thurs 3 May	Ward 9, 10, 11	Sada Community Hall	10:00 - 14:00	Team 1 and Team 2
	18, 19	Ashley Wyngaard	17:00 - 19:00	
To be confirmed for 4 May	Ward 27	Lessyton Clinic	10:00 - 13:00	Team 1 and 2
Fri 4 May	Business Fraternity	Council Chamber	14:30 - 17:00	Team 1 and 2
Sun 6 May	4,7,8,15	Ezibeleni Community Hall	14:00 - 17:00	Team 1 and 2
Sun 13 May	17	Whittlesea Primary	14:00 - 17:00	Team 1 and 2

Lukhanji Adopted Budget

From this plan workshops will be held in every ward cluster within the municipality during the period April thru mid May. These consultative meetings will be attended by Mayoral Committee members, Ward Councillors, municipal officials and ward committee members. Both verbal and written submissions are encouraged at these meetings and will be recorded and maintained in the Administrative Services Directorate.

From these public consultations submissions are to be received and reviewed by the Mayor. Along with consultative inputs from the national and provincial treasuries, these submissions will subsequently be included in the final budget approved by council in May.

8. Alignment of Budget with Integrated Development Plan

Each year the IDP must be reviewed as required by the Municipal Systems Act and MFMA. It should be reviewed in terms of performance in achieving outcomes and outputs, since the current financial position and the future fiscal outlook for the municipality will have a direct bearing on delivery. The review should ensure that the plans are still within the financial capacity of Lukhanji. This section should give readers a good understanding of what is contained in the IDP and how that guides the allocations in the budget. The intention is not to attach the IDP as an annexure or to repeat everything in the IDP. However, it is critical that the user of the budget documentation obtains a good high-level overview of the IDP and be referred to the detailed IDP documentation.

Lukhanji Adopted Budget

Vision

Lukhanji Municipality to be a municipality of choice, that seeks to work closely with its people to promote governance, economic growth and sustainable delivery of services.

Mission

To strive for financial and administrative stability while providing effective, affordable, sustainable integrated development in order to achieve socio economic upliftment, stability and growth.

Value

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

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

LUKHANJI KEY PRIORITIES (KPAs) FOR 2012/2017

Priorities as determined by the communities through the ward councilors and endorsed by the IDP Representative Forum

1. Infrastructure and Basic Services
 - Roads
 - Storm Water Drainage
 - Street lighting
 - Sanitation
2. Housing
 - Rectification of the RDP houses
3. Local Economic Development and job creation
 - Fencing of agricultural and grazing land
 - Tourism
 - SMME development
 - Irrigation schemes
4. Social And Recreational Facilities
 - Sports Facilities

Lukhanji Adopted Budget

- Fencing facilities

5. Health

LUKHANJI DEVELOPMENT TARGETS FOR 2012/2017

GOOD GOVERNANCE + FINACIAL VIABILITY

- To achieve a clean audit by June 2014
- To improve turnaround time for completion of budget: adjustment , DRAFT 12/13 budget
- To improve turn around for dealing with disciplinary cases brought before the DC to less than 60 days from date of initial charges by end 2012.
- To have all our employees signing a pledge to anti-corruption program by end of 2012.
- To develop clear policy for restorative justice processes and renaming

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

- To revise and automate and cascade performance management
- To adopt a HR retention strategy
- To adopt revised EEP with specific targets for women, youth and disabled in our top three levels of management
- To fill all critical budgeted vacancies in the organogram by June 2013
- To facilitate accredited training of officials and councilors
- To facilitate training and capacity building of all ward committees

LOCAL ECONOMIC DEVELOPMENT

- To improve Agric contribution to economy by between 1% and 2.5%
- To support Local Tourism Agency
- To adopt an Agriculture and Rural development plan
- To pilot Liberation Heritage Route at Sada and Ntabelanga/Bulhoek
- To develop a investment package by the end of 2012

SERVICE DELIVERY

- To ensure that 90% of our households have safe places to dispose of their refuse and waste by end 2012
- To facilitate construction of 2000 low cost houses with support from EC department of Housing
- To facilitate supply of electricity to 2%of households by June 2012
- To construct 50km of new gravel road network in our rural areas by December 2012
- To maintain and or upgrade at least 25km of road surface (Tarr + Gravel)
- To facilitate increase household access to water and sanitation services

Lukhanji Adopted Budget

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

- 8.2 – Table SA4 – Reconciliation of IDP strategic objectives and Budget – Revenue
- 8.3 – Table SA5 – Reconciliation of IDP strategic objectives and Budget – Operating Expenditure
- 8.4 – Table SA6 – Reconciliation of IDP strategic objectives and Budget – Capital Expenditure

Lukhanji Adopted Budget

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

Strategic Objective	Goal	Goal Code	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
Good Governance & Financial Viability	To achieve clean audit by 30 June 2014			110 776	148 656	193 542	142 770	141 644	141 644	157 732	167 017	181 705
Institutional Development & Transformation	Revise and automate and cascade performance management			1 268	1 248	973	1 233	2 130	2 130	2 175	2 000	2 000
Local Economic Development	Improve agricultural contribution to economy			7 534	16 218	1 303	7 375	5 913	5 913	5 655	9 991	16 158
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste			199 841	220 023	223 604	329 769	322 517	322 517	358 850	374 832	399 524
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	319 419	386 145	419 423	481 146	472 204	472 204	524 411	553 840	599 386

Lukhanji Adopted Budget

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

Strategic Objective	Goal	Goal Code	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
R thousand												
Good Governance & Financial Viability	To achieve clean audit by 30 June 2014			41 576	43 964	78 245	39 612	36 100	36 100	45 861	45 168	47 731
Institutional Development & Transformation	Revise and automate and cascade performance management			3 937	3 684	5 517	4 688	4 559	4 559	4 232	4 288	4 489
Local Economic Development	Improve agricultural contribution to economy			12 259	20 383	7 083	8 900	9 420	9 420	10 930	11 685	12 281
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste			238 476	282 263	290 579	386 494	385 145	385 145	423 905	453 551	488 930
Allocations to other priorities												
Total Expenditure			1	296 248	350 295	381 423	439 694	435 224	435 224	484 928	514 693	553 431

Lukhanji Adopted Budget

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

Strategic Objective	Goal	Goal Code	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
Good Governance & Financial Viability	To achieve clean audit by 30 June 2014	A		17 268	17 467	17 777	1 376	10 824	10 824			
Institutional Development & Transformation	Revise and automate and cascade performance management	B		-	-	-	-	-	-	-	-	-
Local Economic Development	Improve agricultural contribution to economy	C		1 062	577 012	571 874	1 744	1 482	1 482	2 535	1 694	1 792
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste	D		188 967	195 215	212 352	38 332	34 174	34 174	102 617	50 191	56 114
Allocations to other priorities			3									
Total Capital Expenditure			1	207 296	789 694	802 003	41 452	46 480	46 480	105 151	51 885	57 906

9 Budget Related Policies Overview and Amendments

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

This section attempts to give a **broad overview** of the budget policy framework and highlight the amended policies to be approved by council resolution.

Budget related policies include, but are not limited to:

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

Revenue Related Policies

In 2007/08 the municipality approved several revised revenue related policies. These included a revised credit control and debt collection policy.

Policies submitted for revision in with the 2010/11 tabled budget include :

Lukhanji Municipality Virement (Adjustment Budget) Policy

Lukhanji Adopted Budget

Lukhanji Municipality Arrangement Policy
Lukhanji Municipality Credit Control and Debt Collection policy

Credit Control and Debt Collection Policy

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

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

Free Basic Services

No revisions to free basic services are planned for this financial year. The free basic services policy is written in line with national directives and recommendations and states that those households registered as indigent within the municipality will receive 50kw of electricity and 10kl of water each month free of charge for the provision of basic service.

Investment of Funds, borrowing and cash management

In accordance with the MFMA, this past financial year the council adopted a 'cash and investment policy' setting out various principles and reporting requirements for the municipality's investments.

During 2007/08 a debt management policy that sets out the debt policy of the municipality was also adopted. This policy sets a framework for the municipality to use when considering the use of debt for a project. This policy also sets self imposed limits on both the total amount of debt that can be issued by the municipality and the amount required each year for annual debt servicing.

Supply Chain Management Policy

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

Lukhanji Adopted Budget

Unforeseen and Unavoidable Expenditure Policy

In accordance with the MFMA the council passed a policy to be used in the municipality when unforeseen and unavoidable expenditures become needed. This policy delegates certain powers and responsibilities onto the Mayor and Municipal Manager and requires all such expenditures to be tabled before council in an adjustment budget as soon as possible.

Adjustment budget Policy

A policy relating to adjustment budgets was adopted by council in during the 2006/07 budget process. This policy sets out the method and authority for proposing adjustments budgets to council during the financial year.

Debt Management Policy

A Debt Management Policy was adopted by council in 2007/08. This policy is meant to establish guidelines for the issuance, use of or budgeting of debt instruments within the municipality.

Write Off Policy

The municipality has many old and uncollectible accounts still within its active billing system.

This write off policy (adopted in 2007/08) establishes guidelines and authorization levels and criteria to be used when writing off those debtor accounts that are deemed uncollectible.

Arrangements Policy

This policy (adopted in 2007/08) creates the framework to guide staff in entering into arrangements for payment with municipal customers that have problems paying their accounts.

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

Lukhanji Adopted 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.

Budget Assumptions Table 2012/13			
	Estimated 2012/13	Estimated 2013/14	Estimated 2014/15
1) General Inflation Factor	4.8%	5.3%	5.0%
2) Interest Rates:			
Borrowing	13.0%	13.0%	13.0%
Investing	6.0%	6.0%	6.0%
3) Increases - Rates and Tariffs:			
Growth Factor	0.0%	0.0%	0.0%
Rates	10.0%	8.0%	8.0%
Electricity	11.0%	10.0%	10.0%
Refuse	7.0%	7.0%	7.0%
Water	6.0%	7.0%	7.0%
Sanitation	6.0%	7.0%	7.0%
4) Tax Base Growth	0.0%	0.0%	0.0%
5) Billing Collection Rates:			
Rates	98.0%	98.0%	98.0%
Electricity	79.0%	79.0%	79.0%
Refuse	53.0%	53.0%	53.0%
Water	60.0%	60.0%	60.0%
Sanitation	59.0%	59.0%	59.0%
Debtor Interest	7.0%	7.0%	7.0%
6) Bulk Electricity Purchases			
Growth Factor	0.0%	0.0%	0.0%
Bulk Cost Increases	13.5%	13.5%	13.5%

Lukhanji Adopted Budget

7) Salary Increases			
Salaries	7.8%	5.0%	5.0%
Overtime	7.8%	5.0%	5.0%
Contract Workers	4.0%	4.0%	4.0%
8) WSSA contract increase	5.0%	5.0%	5.0%
9) Equitable Share Allocation	109,210,000	117,362,000	127,591,000
10) Water/Sanitation Subsidy (from District)	42,574,127	43,560,698	44,571,226
12) Primary Health Clinics Allow.	-	-	-
13) Primary Health Clinics Deficit	-	-	-
14) ATIC Clinics Allow.	-	-	-
15) ATIC Clinic Deficit	-	-	-
16) Property Sales	-	-	-
17) Small Equipment Purchases	-	-	-
18) Change in # of Staff	-	-	-
19) New Capital Purchases (Fleet)	-	-	-
20) New Debt Payments (Fleet)	-	-	-
21) Library Allocation	4,150,000	4,300,000	4,300,000

General inflation outlook and its impact on the municipal activities

General inflationary pressure is expected to remain in the moderate range as per the National Treasury forecasts. We have used the guidelines as per circular 48, 51, 58 and 59 from National Treasury for the next three years when preparing this medium term budget

Lukhanji Adopted Budget

Interest rates for borrowing and investment of funds

Based on historical trends and current market analysis we have used 10% as the base interest rate on all loans that we anticipate taking out over the medium term estimate. Investment income is calculated using a 6% rate for cash invested.

Rates, tariffs, charges and timing of revenue collection

The Lukhanji Municipality is still in the process of performing new valuations on property within the municipality. As a result of this, current valuations use property values sometimes dating back many years. Because of the uncertainty of when the new valuation roles will be completed we have conservatively used a zero percent increase in values for property. Rates are set to increase by 10% representing the CPIX.

A costing study was conducted in 2005/06 to assist the municipality in determining the 'total' direct and indirect cost of delivering the various services to the community. As a result of this study a new costing model was developed to distribute the indirect or 'administrative' costs incurred by the municipality. This new costing model is reflected in the proposed tariffs for the municipality this year.

Refuse charges are set to increase 7% this year. This is as a result of the service not breaking even or running at a loss. This will have to increased over a number of years to ensure that the service is fully funded.

Electrical service is dependent on bulk electric purchases from ESKOM. As a result of the 13.5% increase in the cost of bulk electricity, the tariffs charged to customers will increase this year by 11%. Indigent customers will be subsidized as follows:

0 – 50kw	free
51kw onwards	11% Increase

The municipality performs the water and sanitation services under an agency contract with the Chris Hani District Municipality. The district must approve all tariff increases relating to the water and sanitation function. A indication was received from Chris Hani District municipality to increase the water and sanitation tariff with 6% as well. We have also increased the outer years of this budget with 6%.

Lukhanji Adopted Budget

Growth or decline in tax base of the municipality

The municipality has continued to experience challenges in completing the valuation of property within the municipality. For purposes of this budget the property valuations and methods of billing unvalued property remains the same as in 2010/11.

Until a new valuation roll can be presented for approval we are using a zero growth factor. The municipality will also need to take into account the valuation roll that will be available on April 2nd. Until then the municipality has budgeted for a flat rate that is currently levied on non rated properties. The municipality will not be in a position to balance the budget if valuations are to be implemented in all its areas as a result of the flat rate that will falling away and many properties could be exempted from paying rates. The impact on this will however only be known after the valuation roll is received and calculations are done.

Collection rates for each revenue source and customer type

(for more detail see section 15 – revenue by source and vote)

Collection of billed services continues to be problematic in many areas of the municipality. As a result of this the allowance for bad debts has been increased substantially over the past several years to more closely reflect the actual collection rate of municipal services. These lower collection rates continue to put upward pressure on service tariffs and will require a conscience effort to address in the future.

Collection rates for services that are billed to the community are usually very different than the amount actually billed for a particular service. This is the result of many different factors including consumer attitude, ability to pay and other issues. The municipality began a project plan last year to improve the collection of the various billed services thru a project management plan that addresses many different areas of the billing and collection cycle.

In addition, the credit control and debt collection policy was revised last year and a debtor's write off and arrangements policies were also added to the mix. The adoption of these policies is only one part of a multi prong approach to address this issue.

Lukhanji Adopted Budget

Price movements on specifics e.g. bulk purchases of water and electricity, fuel etc

We have budgeted for a bulk price increase in 12/13 of 13.5% for purchases of bulk electricity for distribution and resale as per circular no. 48, 51, 58 and Circular 59. For the medium term we have projected 13.5% for 2013/14 and 13.5% for 2014/15 respectively.

Average salary increases

When we include councillor allowances, salaries and related expenses make up almost half of the operating budget. This salary related expenses are increased each year by bargaining agreements controlled by SALGA.

Salaries for municipal workers are projected to increase steadily over the medium term budget forecast. For 2012/13 salaries are projected to increase 7.8%, for 13/14 to 14/15 a projected 5.0% increase is also used.

11 Funding the Budget

Fiscal Overview

Over the past few years the Lukhanji Municipality has been working to reform its financial position and reporting systems to promote sustainability and conformance to the requirements of the MFMA.

Sustainability can mean many different things but at its core is the idea of financial stability and the ability to financially meet the obligations and commitments that are required to deliver the services within the community.

The MFMA requires many things from the municipality in this respect. Some of these items include: 1) Payment of all creditors within 30 days; 2) using only realistically expected actual revenues and non-committed cash surpluses to fund the budget; 3) discontinue the use of short term borrowing (bank overdraft) to fund operating expenses; and 4) ensuring that all required reserve funds are 'cash backed'.

Primarily from a cash point of view, Lukhanji has faced serious financial difficulties over the past few years. Lukhanji is not alone. Many local municipalities in South Africa are facing the same difficulties. The reasons for this situation are not simple and neither are the solutions. Over the past years the municipality has been required

Lukhanji Adopted Budget

to take on large numbers of employees, a large borrowing debt and a large population that simply do not have the income to pay the rates and tariffs required.

These conditions have resulted in overall low collection rates for services billed, growing pressure on salaries to become a greater and greater portion of the operating budget and finally, cash strapped bank accounts.

It is to this end the municipality has continued to focus its attention toward the past few years. Prudent budgeting and some hard decision making has allowed this goal to become a reality. The municipality will end 2012/13 with enough cash at the end of the financial year to pay all of its creditors. This, however, must not be the end.

The municipality must strengthen its credit control and debt collection efforts. We must evaluate every area of operations and ask ourselves if we are doing things in the most efficient and effective way. We must make sure that those organs of state for which we supply agency functions pay for those functions in their entirety so that local Rand can be used to pay for the local services that we are required to perform.

Probably most important, we must be willing to change. We cannot continue to do things the way that we always have done them in the past.

New challenges always bring with them new opportunities. We must find those opportunities that present themselves and use them to better our municipality.

Funded versus a Balanced budget: Table SA 10

The implementation of the MFMA changes the perspective of the budget from a 'funds' perspective where the emphasis is on balancing funds going out to funds coming in to a more dynamic accounting perspective.

This new perspective requires us to analyse the budget from several viewpoints to ensure that the budget is indeed balanced in accordance with the MFMA. The MFMA requires in section 18 that the budget be funded using only 'realistically' anticipated revenues to be collected and cash backed accumulated funds that are not committed to other purposes. Borrowed funds can only be used to fund capital budget items in accordance with MFMA requirements.

Although we show revenues on an accrual basis we must ensure that revenues used to fund the budget are realistically anticipated to be collected.

To be credible the budget must be consistent with the IDP and be achievable in terms of service delivery and performance targets. Credible budgets have realistic revenue

Lukhanji Adopted Budget

and expenditure projections and the implementation of it improves the financial viability of the municipality.

The municipality has followed these principles and the directions put forth in NT circulars 41 and 42 concerning both the budget process and funding of a municipal budget.

We have made full disclosure on all revenues using accrual methods and all cash that is available has been shown where it is legally committed to be spent.

Cash flow for the 2012/13 budget year reflects that cash receipts for the year will be sufficient to place a small surplus into working operating capital.

EC134 Lukhanji Supporting Table SA10 Funding measurement

Description	MFMA section	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
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	73 374	108 029	125 000	146 331	203 518	203 518	203 518	161 979	126 318	85 423
Cash + investments at the yr end less applications - R'000	18(1)b	2	152 177	103 818	221 595	244 574	311 719	311 719	311 719	215 054	202 354	191 904
Cash year end/monthly employee/supplier payments	18(1)b	3	3.5	4.4	4.4	4.3	6.2	6.2	6.2	4.5	3.3	2.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	23 171	35 850	37 999	41 452	36 980	36 980	36 980	39 484	39 147	45 955
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	10.5%	13.1%	12.1%	(9.8%)	(6.0%)	(6.0%)	3.8%	3.5%	3.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	78.3%	26.5%	58.0%	81.2%	101.9%	101.9%	101.9%	70.8%	69.2%	68.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	27.2%	32.5%	35.9%	30.5%	28.6%	28.6%	28.6%	29.9%	29.6%	29.4%
Capital payments % of capital expenditure	18(1)c:19	8	0.0%	3.2%	3.4%	100.0%	79.6%	79.6%	79.6%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	39.4%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								409.8%	389.3%	372.8%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	45.6%	1.8%	(2.1%)	2.1%	0.0%	0.0%	8.7%	2.0%	2.0%
Long term receivables % change - incr(decr)	18(1)a	12	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)	13	2.2%	1.3%	1.2%	4.0%	2.0%	2.0%	3.3%	2.6%	2.5%	2.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.9%	39.7%	50.7%

Lukhanji Adopted Budget

11.2 – Financial Indicators – Table SA 8

The municipality is in the process of developing useful performance indicators that will be both meaningful and useful for detecting financial problems and trends that need to be investigated. These indicators are not available at this time but will be made public once finalized.

EC134 Lukhanji - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	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
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.1%	2.1%	0.5%	2.8%	1.3%	1.3%	1.3%	1.9%	0.4%	0.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.8%	2.8%	0.6%	3.7%	1.7%	1.7%	1.7%	2.5%	0.6%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	39.4%	0.0%	0.0%
<u>Safety of Capital</u>											
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%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.9	1.9	2.4	2.3	2.1	2.1	2.1	2.0	2.0	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	1.9	2.4	2.3	2.1	2.1	2.1	2.0	2.0	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	0.9	0.6	0.7	0.7	0.7	0.5	0.4	0.3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		78.3%	26.5%	58.0%	81.2%	101.9%	101.9%	101.9%	70.8%	69.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			78.3%	26.5%	58.0%	81.2%	101.9%	101.9%	101.9%	70.8%	69.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	48.6%	58.6%	54.9%	51.3%	52.9%	52.9%	52.9%	51.4%	49.4%	46.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		26.6%	26.0%	17.3%	6.5%	11.3%	11.3%	11.3%	11.1%	10.3%	9.3%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	32.0%	31.0%	30.0%					30.0%	30.0%	30.0%
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)	27.3%	22.9%	23.4%	24.9%	24.6%	24.6%	24.6%	24.7%	24.4%	23.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.9%	25.9%	27.1%	29.0%	28.4%	28.4%		29.6%	29.1%	28.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.4%	2.3%	2.1%	2.3%	3.5%	3.5%		5.2%	4.9%	4.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.6%	2.8%	3.9%	1.6%	1.3%	1.3%	1.3%	1.0%	0.2%	0.2%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.7	17.8	29.9	159.8	159.8	159.8	34.8	58.3	62.5	67.2
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	101.5%	127.1%	108.7%	90.3%	95.4%	95.4%	95.4%	94.5%	88.1%	82.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.5	4.4	4.4	4.3	6.2	6.2	6.2	4.5	3.3	2.0

Lukhanji Adopted Budget

Sources of Funding

11.3 - Rates, tariffs and other charges

The detailed listings of all of the proposed tariffs and rates for the 2012/13 financial year are contained in **appendix A**. In this section we will highlight only the major changes proposed. We will concentrate on the four major tariffs of the municipality along with the property rates.

These five revenue sources will account for an almost R262.3 million in billed revenue for the municipality in 2012/13 and will account for an estimated R201.4 million in actual cash collection. The breakdown is as follows:

Item	Billed (000's)	Cash (000's)
• Property Rates	43,406	40,584
• Electricity	153,299	122,861
• Water	28,000	17,173
• Wastewater	15,812	9,621
• Refuse Collection	20,833	11,164
• Total	<u>262,350</u>	<u>201,403</u>

Property Rates

The municipality still faces the challenges regarding valuations done by the service provider. Currently the municipality is trying to obtain solutions from the service provider regarding incorrect valuations as well properties not correctly identified in the valuation roll. This will hopefully be resolved in due course to enable the municipality to raise its rates correctly on 1 July 2012.

As shown in appendix A levied rates are proposed to be increased by **10%** this budget year.

Electricity Tariffs

The single largest revenue source for the municipality is the electricity tariff (R153.2 million next year). It is also the source of the single largest expenditure – bulk electricity purchases (budgeted at R141.3 million next year).

The vast majority of domestic users of the municipal electrical distribution system are using a 'pre-paid' meter system. Using this system the municipality is able to collect the tariff charge 'up front' and eliminate all bad debts associated with these customers. This is the reason that the collection rate

Lukhanji Adopted Budget

from the electricity tariff is so high compared to other tariffs that are billed in the conventional way.

Some 3199 customers (including domestic, commercial and industrial) are billed via a conventional meter. As can be seen in the rates listed in appendix A the charge to these customers is broken down into several components including fixed component and several usage based components.

The initial tariff increase put forth in the budget for electricity is **11%**.

Water and Wastewater Tariffs

Lukhanji delivers water and wastewater services in the capacity of an agent of the Chris Hani District Municipality. As such, the budget and any tariff increases are to be done in consultation with the district.

As of this time we are requesting a **6%** increase in both water and sanitation rates.

Currently the wastewater tariffs are billed to customers with water borne sewer connections based on the number of sewer connection points. Households are assumed and only charged for one connection point while commercial and industrial users are billed for the actual number of points that they have. Wastewater is an annual charge and may be paid annually or in monthly instalments if the rates and taxes of the relevant erf are also paid in monthly instalments.

Water is billed monthly based on usage with higher usage resulting in a higher charge. An availability charge is payable on all property where a connection to the water network is possible but not utilized.

All current/proposed water and wastewater tariffs are listed in appendix A.

Refuse Collection

Refuse collection tariffs are 'use based' fees that are based on factors such as the category of the customer and the number of removals required.

For 2012/13 a **7%** increase in refuse tariffs across the board is scheduled. The tariff could be reduced this year as a result of the service being breaking even after the previous increases.

The listing of proposed refuse tariffs is included in appendix A.

Lukhanji Adopted Budget

11.4 - Savings and efficiencies

The budget must be fully funded and be able to fund the required reserves with cash per the MFMA. To meet this goal the municipality will need to continue to find savings and operating efficiencies in municipal operations. Currently the municipality has to place constraints on the expenditure accounts in certain areas of operation. The municipality also has plans to investigate the elimination of certain areas and operations that are not core functions of the municipality.

Other areas of operations being examined include; the implementation of the credit control and debt collection policy of the municipality; and addressing a major issue concerning a tremendous amount of extremely old and very difficult to collect debtors on the active billing system. The old hard to collect accounts in this billing system need to be purged and 'cleaned' to a separate collection system that is then contracted out to the private sector for processing. This will allow the limited staff to focus on more current debtors; those with a higher likelihood of collection.

11.5 - Investments – cash backed accumulated surplus

This section documents particulars of existing investments and predicted levels of investments based on future strategies. The portfolio of investments should also be compliant with the MFMA, regulations and investment framework.

The following tables are included to show details concerning the municipality's investments.

11.6 - Table SA15 – Investments Particulars by Type

11.7 - Table SA16 – Investments Particulars by Maturity

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA15 Investment particulars by type

Investment type	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
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		707	733	225	707	88 446	88 446	48 946	33 946	18 946
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	707	733	225	707	88 446	88 446	48 946	33 946	18 946
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		707	733	225	707	88 446	88 446	48 946	33 946	18 946

EC134 Lukhanji - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months								Rand thousand	
Parent municipality											
ABSA BANK		Call	CALL ACCOUNTS		Variable		0	0		48 946	5 791
Municipality sub-total										48 946	5 791
TOTAL INVESTMENTS AND INTEREST	1									48 946	5 791

Lukhanji Adopted Budget

11.8 - Grant allocations

The following is a listing of grants included within the budget and a brief description of each.

MUNICIPAL INFRASTRUCTURE GRANT

This fund is allocated to municipalities to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure, as well as the rehabilitation and renewal of municipal infrastructure. Conditions to the grant is to prioritise residential infrastructure for water, sanitation, refuse removal, street lighting, solid waste, connector and bulk infrastructure, and other municipal infrastructure like roads in line with the MIG policy framework. Municipalities must adhere to the labour intensive construction method and must report to DPLG in terms of the Division of Revenue Act on progress.

NATIONAL ELECTRIFICATION PROGRAMME

This fund is allocated to municipalities to provide capital subsidies to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.

Conditions include that the amounts must be accounted for through regular reporting, all benefits must be passed to end users, ring fence the electricity function, safely operate and maintain the infrastructure and also adhere to the labour intensive construction method.

MUNICIPAL SYSTEM IMPROVEMENT PROGRAMME

This grant is allocated to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance system as required in the Local Government Municipal Systems Act of 2000.

Conditions include that a activity plan must be submitted in the prescribed format with detail budgets and timeframes. Submission of monthly expenditure reports in accordance of the Division of the Revenue Act.

Lukhanji Adopted Budget

LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

This grant is allocated to promote and support reforms to financial management and the implementation of the Municipal Finance Management Act.

Conditions include submission of council resolution striving to achieve multi-year budgets, accounting and reporting reforms. The employment of a skilled chief financial officer and promotion of internship programme in financial management and ongoing review, revision and submission of implementation plans to address weaknesses in financial management.

LOCAL GOVERNMENT SUPPORT GRANT

This grant is allocated to strengthen the capacity of municipalities, integrated planning and good governance, facilitate land and Infrastructure development and promotion of sustainable local economic and rural development as well as free basic services.

Conditions include proper utilization of the funds for which it is allocated and regular reporting in terms of the Division of Revenue Act.

11.9 -Table SA 18 - Transfers and grant receipts

Table SA 19 - Expenditure on transfers and grant programme

Table SA 20 - Reconciliation of transfers, grant receipts and unspent Funds

The table on the following page gives a detail listing of the allocations that the municipality anticipates receiving.

Lukhanji Adopted Budget

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

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
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		53,732	70,964	87,550	99,676	99,676	99,676	116,354	122,532	133,041
Local Government Equitable Share		53,732	70,964	86,908	96,062	96,062	96,062	109,210	117,362	127,591
Finance Management					1,500	1,500	1,500	1,500	1,500	1,500
Municipal Systems Improvement					790	790	790	800	870	950
EPWP Incentive				642	324	324	324	2,844		
Integrated National Electrification Programme					1,000	1,000	1,000			
Infrastructure Skills Development								2,000	2,800	3,000
Provincial Government:		7,786	10,422	6,581	4,531	3,798	3,798	4,150	4,300	4,300
Health subsidy		6,688	7,871	6,776	733					
Aticc		824	1,466	(195)	3,490	3,490	3,490	-	-	-
Seta Funds		274	385		308	308	308			
Library Subsidy								4,150	4,300	4,300
IEC			700							
District Municipality:		20,448	33,979	32,505	43,371	38,179	38,179	42,574	43,561	44,571
Water and Sanitation Provider		18,024	33,979	32,505	43,371	38,179	38,179	42,574	43,561	44,571
Library Subsidy		2,424								
Total operating expenditure of Transfers and Grants:		81,966	115,365	126,636	147,578	141,653	141,653	163,078	170,393	181,912
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	-	-	29,980	29,980	29,980	32,122	36,885	42,906
Municipal Infrastructure Grant (MIG)					26,480	26,480	26,480	32,122	33,885	35,844
Rural Households Infrastructure					3,500	3,500	3,500			
Neighbourhood Development Partnership									3,000	7,062
Total capital expenditure of Transfers and Grants		-	-	-	29,980	29,980	29,980	32,122	36,885	42,906
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		81,966	115,365	126,636	177,558	171,633	171,633	195,200	207,278	224,818

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA18 Transfers and grant receipts

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
RECEIPTS:										
Operating Transfers and Grants	1, 2									
National Government:		54,967	72,699	89,550	99,676	99,676	99,676	116,354	122,532	133,041
Local Government Equitable Share		53,732	70,964	86,908	96,062	96,062	96,062	109,210	117,362	127,591
Finance Management		500	1,000	1,250	1,500	1,500	1,500	1,500	1,500	1,500
Municipal Systems Improvement		735	735	750	790	790	790	800	870	950
EPWP Incentive				642	324	324	324	2,844		
Integrated National Electrification Programme					1,000	1,000	1,000			
Infrastructure Skills Development								2,000	2,800	3,000
Provincial Government:		7,786	10,422	6,581	4,531	3,798	3,798	4,150	4,300	4,300
Health subsidy		6,688	7,871	6,776	733					
Aticc		824	1,466	(195)	3,490	3,490	3,490	-	-	-
Seta Funds		274	385		308	308	308			
Library Subsidy								4,150	4,300	4,300
IEC			700							
District Municipality:		20,448	33,979	32,505	43,371	38,179	38,179	42,574	43,561	44,571
Water and Sanitation Provider		18,024	33,979	32,505	43,371	38,179	38,179	42,574	43,561	44,571
Library Subsidy		2,424				-	-	-	-	-
Total Operating Transfers and Grants	5	83,201	117,100	128,636	147,578	141,653	141,653	163,078	170,393	181,912
Capital Transfers and Grants										
National Government:		21,009	27,896	6,980	29,980	29,980	29,980	32,122	36,885	42,906
Municipal Infrastructure Grant (MIG)		21,009	27,896	5,980	26,480	26,480	26,480	32,122	33,885	35,844
Rural Households Infrastructure				1,000	3,500	3,500	3,500			
Neighbourhood Development Partnership									3,000	7,062
Total Capital Transfers and Grants	5	21,009	27,896	6,980	29,980	29,980	29,980	32,122	36,885	42,906
TOTAL RECEIPTS OF TRANSFERS & GRANTS		104,210	144,997	135,616	177,558	171,633	171,633	195,200	207,278	224,818

Lukhanji Adopted Budget

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

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
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year						-	-			
Current year receipts					99 676	99 676	99 676	116 354	122 532	133 041
Conditions met - transferred to revenue		-	-	-	99 676	99 676	99 676	116 354	122 532	133 041
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year						4 865	4 865	1 796		
Current year receipts					2 583	3 798	3 798	4 150	4 300	4 300
Conditions met - transferred to revenue		-	-	-	2 583	8 663	8 663	5 946	4 300	4 300
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year						-	-	38		
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	38	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year								822		
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	822	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	102 259	108 339	108 339	123 160	126 832	137 341
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					13 972			4 182		
Current year receipts					27 480	27 480	27 480	32 122	36 885	42 906
Conditions met - transferred to revenue		-	-	-	41 452	27 480	27 480	36 304	36 885	42 906
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year								825		
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	825	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year								612		
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	612	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts						9 500	9 500			
Conditions met - transferred to revenue		-	-	-	-	9 500	9 500	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	41 452	36 980	36 980	37 741	36 885	42 906
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	143 711	145 319	145 319	160 901	163 717	180 247
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

Lukhanji Adopted Budget

11.10 - Contributions and donations

Municipalities must budget for anticipated contributions and or donations. These could be in the form of cash or in kind. An example of an in kind contribution is infrastructure assets donated to the municipality free of charge by a developer as part of a residential development scheme. Municipalities must consider the financial and service delivery consequences of receiving contributions and donations. For example, the receipt of an infrastructure asset will require ongoing repairs and maintenance of the asset to maintain agreed service levels and standards. The revenue implications should also be considered. In the above example of a new residential development there should also be new rates and taxes on the new residential properties. Whether the new rates and taxes etc are set at levels sufficient to cover the ongoing costs of the new infrastructure is a policy decision for the council.

The municipality anticipates **no contributions and or donations** for the coming budget years.

11.11 - Sale of assets

All disposals of municipal assets is controlled by requirements put forth in the MFMA. Lukhanji anticipate selling of certain portions of surplus vacant land this financial year. The revenue from this will be utilized for once off maintenance to properties and the cost thereof has been budgeted.

11.12 - Carry over

Provision for the carryover of cash from unfinished programs and projects from the 2011/12 financial year to the 2012/13 financial year will be included in the final budget presented for approval. These funds were allocated to a specific purpose in previous financial years but for a variety of reasons the project will not be completed by the end of the financial year.

The following table lists the anticipated cash from operational and capital grant projects that is projected to be brought forward to the new budget year.

Lukhanji Adopted Budget

Cash Carry Forward

DESCRIPTION OF PROJECT	ACTUAL CASH CARRY FORWARD
Capital Grants Projects	
Libraries	189,325
Rural Water Projects	422,452
New Rathwick Electrification	188,743
Refurbishment of MV Switchgear	1,000,000
Nature Reserve	201,791
Bulk Services Levy	1,138,130
Whittlesea Ext 4	383,407
Urban Gravel Roads-MIG	2,993,061
Fire Services	285,471
Sewer hydraulic Analysis	4,348
Ezibeleni Sewer	52,016
Sabata Dalindyabo Services	17,155
Ezibeleni Bulkwater & Roads	14,745
Mlungisi Bulkwater	67,804
TOTAL CAPITAL GRANTS	6,958,448

Cash Carry Forward

DESCRIPTION OF PROJECT	ACTUAL CASH CARRY FORWARD
Operating Grants Projects	
MSP funds - Staff Audit, Database Cleansing, IT	194,792
SETA Training Grant	175,078
Mendi educare Centre	13,433
Services for informal settlements	82,487
Valuation fund - Ezibeleni Township	38,658
Completion of Zoning Scheme - Lukhanji	6,264
Laurie Dashwood Park Settlement Planning	22,551
Relayout of Whittlesea 200 Erven	44,147
Survey of Laurie Dashwood Park	2,394
General Valuation - Lukhanji (with carryover)	27,475
Preparation of Structure Plan	90,900
HIV Prevention Grant	6,861
Shiloh Greenfields - Survey Costs	89,635
Planning of Shiloh Greenfields	2,683
Brakkloof Settlement Planning	1,317
Free Basic Services	63,512
Shiloh Bede Free Basic Water	51,109
IEC	288,031
LED Project - Resource Group	528,721
Development of Small Micro Enterprise Strategy & Hawkers Support	66,174
Financial Management Grant	0
Municipal Systems Improvement Grant - Carryover /Unallocated:	0
CMTP - Development of interventions & related projects	821,688
Rags to Riches	32,171
Tyden Irrigation Scheme	6,167
TOTAL OPERATING GRANTS	2,656,248
GRAND TOTAL ALL GRANTS	9,614,696

Lukhanji Adopted Budget

11.13 - Proposed Future Revenue Sources

Each year when preparing the budget, thought should be given to proposed future revenue sources that could be introduced. This section will highlight these, their potential impact on future budgets and any potential issues.

The largest single potential revenue source for the municipality is the collection of billed tariffs and rates. In addition, the completion of the valuation of property within the municipality is critical to the financial future.

Both of these items will be given top priority in the coming financial year in hopes of development strategies and plans to implement improvements in the future.

11.14 - Borrowing

Lukhanji Municipality is anticipating taking up loans from DBSA for upfront lending from MIG funds for the 2012/2013 financial year.

11.15 - TABLE SA17 - New Borrowing

The table on the following page outlines anticipated payments to borrowings for the year.

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	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
Parent municipality										
Long-Term Loans (non-annuity)		4,428	2,500	2,134		2,134	2,134	571	359	125
Financial Leases		7,376	4,996	4,772	1,523	4,772	4,772	2,133	1,307	503
Bankers Acceptances								26,571		
Municipality sub-total	1	11,803	7,496	6,906	1,523	6,906	6,906	29,275	1,666	628
Total Borrowing	1	11,803	7,496	6,906	1,523	6,906	6,906	29,275	1,666	628
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Lukhanji Adopted Budget

12. - Table SA 21 - Disclosure on Allocations Made by the Municipality

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

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

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
Cash Transfers to Groups of Individuals											
<i>Insert description</i>	5										
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-

13 Disclosure on Salaries, Allowances and Benefits

The tables on the following pages give the required listings of salaries, Allowances, and personnel as required by the MFMA.

13.1 - TABLE SA23 - Salaries, Allowances and Benefits (Political Office bearers/councillors/senior managers)

13.2 - TABLE SA22 - Summary of councillor and staff benefits

13.3 - TABLE SA24 - Summary of Personnel Numbers

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	53			54	54		54	54	
Board Members of municipal entities	5									
Municipal employees										
Municipal Manager and Senior Managers	3	8		8	8		8	9		9
Other Managers	7	3		3	3		3	2		2
Professionals		575	575	-	575	575	-	588	574	14
<i>Finance</i>		54	54		54	54		60	58	2
<i>Spatial/town planning</i>		54	54		54	54		43	42	1
<i>Information Technology</i>		3	3		3	3		4	4	
<i>Roads</i>		26	26		26	26		40	40	
<i>Electricity</i>		35	35		35	35		43	43	
<i>Water</i>		14	14		14	14		20	10	10
<i>Sanitation</i>		22	22		22	22		25	24	1
<i>Refuse</i>		95	95		95	95		121	121	
<i>Other</i>		272	272		272	272		232	232	
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)		55	47	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										
TOTAL PERSONNEL NUMBERS		694	622	19	695	676	19	708	675	33
% increase					0.1%	8.7%	-	1.9%	(0.1%)	73.7%
Total municipal employees headcount	6									
Finance personnel headcount	8									
Human Resources personnel headcount	8									

Lukhanji Adopted Budget

- 14 Table SA 25 - Budgeted monthly revenue and expenditure**
- Table SA 26 - Budgeted monthly revenue and expenditure
(Municipal Vote)**
- Table SA 27 - Budgeted monthly revenue and expenditure
(Standard Classification)**
- Table SA 28 - Budgeted monthly capital expenditure
(Municipal Vote)**
- Table SA 29 - Budgeted monthly capital expenditure
(Standard Classification)**
- Table SA 30 - Budgeted Monthly cash flow**

The table on the following pages presents a monthly cash flow for the municipality over the next financial year.

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source																
Property rates		3 051	4 480	5 157	3 131	2 529	4 622	2 134	2 811	5 605	2 792	2 189	4 905	43 406	46 879	50 629
Property rates - penalties & collection charges													-	-	-	-
Service charges - electricity revenue		10 138	10 985	11 681	10 517	9 596	9 734	9 538	10 785	8 411	10 944	10 568	41 403	154 299	171 203	189 147
Service charges - water revenue		1 368	2 001	1 419	1 557	1 250	1 416	1 476	1 308	1 198	1 461	1 359	12 187	28 000	29 938	32 011
Service charges - sanitation revenue		928	1 422	895	1 030	651	797	617	796	489	662	602	6 923	15 812	16 902	18 069
Service charges - refuse revenue		955	1 352	985	942	767	906	883	1 060	713	923	903	10 444	20 833	22 291	23 852
Service charges - other													-	-	-	-
Rental of facilities and equipment		42	42	42	42	42	42	42	42	42	42	42	2 059	2 519	2 519	2 519
Interest earned - external investments		433	433	433	433	433	433	433	433	433	433	433	433	5 200	5 200	5 200
Interest earned - outstanding debtors		129	188	318	155	113	237	89	198	108	121	110	18 346	20 112	21 601	23 202
Dividends received													-	-	-	-
Fines		67	67	67	67	67	67	67	67	67	67	67	67	801	801	801
Licences and permits		351	351	351	351	351	351	351	351	351	351	351	351	4 208	4 208	4 208
Agency services		5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	292	55 437	56 199	56 961
Transfers recognised - operational		551	551	551	39 755	551	551	551	27 853	551	551	551	50 589	123 160	126 832	137 341
Other revenue		1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 615	12 883	12 382	12 542
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contribution)		24 050	27 909	27 937	64 018	22 388	25 194	22 218	51 742	24 006	24 384	23 212	149 613	486 671	516 955	556 480
Expenditure By Type																
Employee related costs		9 974	9 974	9 974	9 974	10 513	9 974	9 974	9 974	9 974	9 974	9 974	9 974	120 225	125 917	131 888
Remuneration of councillors		1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	17 918	18 649	19 416
Debt impairment													79 188	79 188	85 777	92 929
Depreciation & asset impairment													-	-	-	-
Finance charges		397	397	397	400	400	400	400	400	400	400	400	400	4 791	1 265	1 162
Bulk purchases		17 831	18 584	14 626	9 440	9 764	9 281	8 908	9 420	8 866	9 477	9 930	15 203	141 331	160 389	182 020
Other materials													25 078	25 078	25 259	25 448
Contracted services		207	207	207	207	207	207	207	207	207	207	207	37 785	40 064	41 921	43 871
Transfers and grants													-	-	-	-
Other expenditure		8 813	8 793	9 312	9 312	9 312	9 312	9 312	9 312	9 312	9 312	9 312	(45 084)	56 332	55 516	56 698
Loss on disposal of PPE													-	-	-	-
Total Expenditure		38 716	39 449	36 009	30 827	31 689	30 667	30 295	30 807	30 253	30 863	31 317	124 037	484 928	514 693	553 431
Surplus/(Deficit)		(14 666)	(11 540)	(8 072)	33 191	(9 301)	(5 473)	(8 077)	20 936	(6 247)	(6 479)	(8 104)	25 576	1 743	2 262	3 049
Transfers recognised - capital													37 741	37 741	36 885	42 906
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(14 666)	(11 540)	(8 072)	33 191	(9 301)	(5 473)	(8 077)	20 936	(6 247)	(6 479)	(8 104)	63 316	39 484	39 147	45 955
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	(14 666)	(11 540)	(8 072)	33 191	(9 301)	(5 473)	(8 077)	20 936	(6 247)	(6 479)	(8 104)	63 316	39 484	39 147	45 955

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2012/13											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL		40 059	0	0	0	31 448	0	0	0	22 985	0	0	2 883	97 378	103 010	113 417
Vote 2 - FINANCE AND ADMINISTRATION		5 913	3 531	4 978	5 695	4 857	3 005	5 136	2 602	4 240	6 079	3 270	13 223	62 528	66 007	70 287
Vote 3 - PLANNING AND DEVELOPMENT		557	135	135	135	2 135	135	135	135	135	135	135	1 745	5 655	9 991	16 158
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		818	441	441	441	441	441	441	441	441	441	441	9 077	14 306	12 224	11 824
Vote 6 - COMMUNITY SAFETY		877	877	877	877	877	877	877	877	877	877	877	1 304	10 949	10 532	10 539
Vote 7 - SPORT AND RECREATION		42	42	42	42	42	42	42	42	42	42	42	4 875	5 334	10 697	238
Vote 8 - WASTE WATER MANAGEMENT		579	1 799	2 305	1 805	1 907	1 520	1 691	1 481	1 682	1 357	1 532	11 514	29 171	30 317	31 538
Vote 9 - WASTE MANAGEMENT		3 462	1 081	1 492	1 156	3 128	889	1 057	1 000	2 743	835	1 047	15 035	32 925	33 671	35 586
Vote 10 - ROADS TRANSPORT		709	709	709	709	709	709	709	709	709	709	709	16 115	23 912	19 433	30 401
Vote 11 - WATER		1 224	5 267	5 914	5 361	5 462	5 146	5 339	5 366	5 223	5 093	5 358	20 907	75 660	78 326	81 748
Vote 12 - ELECTRICITY		12 970	10 167	11 016	11 716	13 011	9 625	9 767	9 565	12 665	8 439	10 972	46 676	166 589	179 630	197 648
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-	-	3	3	3	3
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - IPED		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		67 210	24 050	27 909	27 937	64 018	22 388	25 194	22 218	51 742	24 006	24 384	143 356	524 411	553 840	599 386
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		2 851	3 062	3 181	3 181	3 720	3 181	3 181	3 181	3 181	3 181	3 181	(12 421)	22 662	22 412	23 550
Vote 2 - FINANCE AND ADMINISTRATION		2 408	2 588	2 588	2 591	2 591	2 591	2 591	2 591	2 591	2 591	2 591	(3 847)	24 464	23 976	25 496
Vote 3 - PLANNING AND DEVELOPMENT		710	749	749	749	749	1 034	1 034	1 034	1 034	1 034	1 034	1 018	10 930	11 685	12 281
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		925	925	925	925	925	925	925	925	925	925	925	1 344	11 517	11 959	12 280
Vote 6 - COMMUNITY SAFETY		1 818	1 818	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	(2 071)	18 039	18 758	19 558
Vote 7 - SPORT AND RECREATION		825	825	825	825	825	825	825	825	825	825	825	992	10 069	10 426	10 928
Vote 8 - WASTE WATER MANAGEMENT		1 545	1 545	1 620	1 620	1 620	1 620	1 620	1 620	1 620	1 620	1 620	15 661	33 336	34 403	35 614
Vote 9 - WASTE MANAGEMENT		1 840	1 840	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	20 525	41 082	42 001	44 051
Vote 10 - ROADS TRANSPORT		1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 405	16 796	16 569	17 157
Vote 11 - WATER		4 951	4 951	5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 026	31 662	86 803	89 888	93 355
Vote 12 - ELECTRICITY		19 434	20 187	16 431	11 246	11 570	11 086	10 714	11 226	10 672	11 282	11 736	60 564	206 148	229 427	255 861
Vote 13 - OTHER		9	9	9	9	9	9	9	9	9	9	9	18	116	121	125
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - IPED		-	-	-	-	-	-	-	-	-	-	-	2 967	2 967	3 068	3 174
Total Expenditure by Vote		38 716	39 899	36 460	31 277	32 140	31 403	31 031	31 543	30 989	31 599	32 053	117 817	484 928	514 693	553 431
Surplus/(Deficit) before assoc.																
		28 494	(15 850)	(8 551)	(3 340)	31 878	(9 015)	(5 837)	(9 325)	20 753	(7 594)	(7 669)	25 539	39 484	39 147	45 955
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	28 494	(15 850)	(8 551)	(3 340)	31 878	(9 015)	(5 837)	(9 325)	20 753	(7 594)	(7 669)	25 539	39 484	39 147	45 955

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard																
<i>Governance and administration</i>		45 972	3 532	4 978	5 695	36 305	3 005	5 136	2 602	27 225	6 079	3 270	16 107	159 906	169 017	183 704
Executive and council		40 059	0	0	0	31 448	0	0	0	22 985	0	0	2 883	97 378	103 010	113 417
Budget and treasury office		5 913	3 531	4 978	5 695	4 857	3 005	5 136	2 602	4 240	6 079	3 270	11 049	60 354	64 007	68 288
Corporate services		-	-	-	-	-	-	-	-	-	-	-	2 175	2 175	2 000	2 000
<i>Community and public safety</i>		1 737	1 360	1 360	1 360	1 360	1 360	1 360	1 360	1 360	1 360	1 360	15 255	30 590	33 453	22 601
Community and social services		818	441	441	441	441	441	441	441	441	441	441	9 077	14 306	12 224	11 824
Sport and recreation		42	42	42	42	42	42	42	42	42	42	42	4 875	5 334	10 697	238
Public safety		877	877	877	877	877	877	877	877	877	877	877	1 304	10 949	10 532	10 539
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 266	844	844	844	2 844	844	844	844	844	844	844	17 860	29 567	29 424	46 559
Planning and development		557	135	135	135	2 135	135	135	135	135	135	135	1 745	5 655	9 991	16 158
Road transport		709	709	709	709	709	709	709	709	709	709	709	16 115	23 912	19 433	30 401
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		18 235	18 314	20 727	20 038	23 509	17 179	17 854	17 412	22 313	15 723	18 910	94 131	304 345	321 943	346 519
Electricity		12 970	10 167	11 016	11 716	13 011	9 625	9 767	9 565	12 665	8 439	10 972	46 676	166 589	179 630	197 648
Water		1 224	5 267	5 914	5 361	5 462	5 146	5 339	5 366	5 223	5 093	5 358	20 907	75 660	78 326	81 748
Waste water management		579	1 799	2 305	1 805	1 907	1 520	1 691	1 481	1 682	1 357	1 532	11 514	29 171	30 317	31 538
Waste management		3 462	1 081	1 492	1 156	3 128	889	1 057	1 000	2 743	835	1 047	15 035	32 925	33 671	35 586
Other		-	-	-	-	-	-	-	-	-	-	-	3	3	3	3
Total Revenue - Standard		67 210	24 050	27 909	27 937	64 018	22 388	25 194	22 218	51 742	24 006	24 384	143 356	524 411	553 840	599 386
Expenditure - Standard																
<i>Governance and administration</i>		4 865	5 258	5 376	5 379	5 918	5 379	5 379	5 379	5 379	5 379	5 379	(8 979)	50 093	49 456	52 220
Executive and council		2 851	3 062	3 181	3 181	3 720	3 181	3 181	3 181	3 181	3 181	3 181	(9 454)	25 629	25 480	26 725
Budget and treasury office		1 555	1 720	1 720	1 723	1 723	1 723	1 723	1 723	1 723	1 723	1 723	1 457	20 231	19 688	21 007
Corporate services		460	475	475	475	475	475	475	475	475	475	475	(981)	4 232	4 288	4 489
<i>Community and public safety</i>		3 961	3 961	3 973	3 973	3 973	3 973	3 973	3 973	3 973	3 973	3 973	(4 057)	39 625	41 143	42 766
Community and social services		1 318	1 318	1 318	1 318	1 318	1 318	1 318	1 318	1 318	1 318	1 318	(2 979)	11 517	11 959	12 280
Sport and recreation		825	825	825	825	825	825	825	825	825	825	825	992	10 069	10 426	10 928
Public safety		1 818	1 818	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	(2 071)	18 039	18 758	19 558
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2 110	2 148	2 148	2 148	2 148	2 434	2 434	2 434	2 434	2 434	2 434	2 423	27 726	28 254	29 438
Planning and development		710	749	749	749	749	1 034	1 034	1 034	1 034	1 034	1 034	1 018	10 930	11 685	12 281
Road transport		1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 405	16 796	16 569	17 157
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		27 771	28 524	24 953	19 768	20 092	19 608	19 236	19 748	19 194	19 804	20 258	128 411	367 368	395 719	428 881
Electricity		19 434	20 187	16 431	11 246	11 570	11 086	10 714	11 226	10 672	11 282	11 736	60 564	206 148	229 427	255 861
Water		4 951	4 951	5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 026	5 026	31 662	86 803	89 888	93 355
Waste water management		1 545	1 545	1 620	1 620	1 620	1 620	1 620	1 620	1 620	1 620	1 620	15 661	33 336	34 403	35 614
Waste management		1 840	1 840	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875	20 525	41 082	42 001	44 051
Other		9	9	9	9	9	9	9	9	9	9	9	18	116	121	125
Total Expenditure - Standard		38 716	39 899	36 460	31 277	32 140	31 403	31 031	31 543	30 989	31 599	32 053	117 817	484 928	514 693	553 431
Surplus/(Deficit) before assoc.		28 494	(15 850)	(8 551)	(3 340)	31 878	(9 015)	(5 837)	(9 325)	20 753	(7 594)	(7 669)	25 539	39 484	39 147	45 955
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	28 494	(15 850)	(8 551)	(3 340)	31 878	(9 015)	(5 837)	(9 325)	20 753	(7 594)	(7 669)	25 539	39 484	39 147	45 955

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<i>Multi-year expenditure to be appropriated</i>	1															
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	65 150	65 150	39 626	33 582
<i>Single-year expenditure to be appropriated</i>																
Vote 1 - EXECUTIVE AND COUNCIL		510	135	135	135	-	100	334	234	248	234	234	234	2 535	1 694	1 792
Vote 2 - FINANCE AND ADMINISTRATION		-	26 000	-	-	-	-	-	-	-	-	-	-	26 000	5 000	5 000
Vote 3 - PLANNING AND DEVELOPMENT		134	134	134	315	315	413	540	540	540	359	359	387	4 170	5 564	11 531
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		168	98	587	1 756	1 658	2 368	2 553	1 143	1 143	1 155	1 143	1 463	1 502	-	6 000
Vote 6 - COMMUNITY SAFETY		-	-	-	32	32	32	32	32	32	32	32	32	285	-	-
Vote 7 - SPORT AND RECREATION		64	467	796	2 243	2 169	2 177	1 820	2 091	2 091	392	392	575	-	-	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	0	0	0	0	0	0	0	0	0	4	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - ROADS TRANSPORT		833	982	1 880	3 639	3 639	3 639	3 582	3 582	3 582	3 582	3 582	3 617	-	-	-
Vote 11 - WATER		-	-	-	64	64	64	64	64	64	64	64	64	574	-	-
Vote 12 - ELECTRICITY		-	-	-	243	928	928	928	928	243	243	243	243	4 929	-	-
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - IPED		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	1 710	27 816	3 532	8 427	8 806	9 721	9 854	8 616	7 944	6 061	6 049	6 615	40 001	12 259	24 324
Total Capital Expenditure	2	1 710	27 816	3 532	8 427	8 806	9 721	9 854	8 616	7 944	6 061	6 049	71 765	105 151	51 885	57 906

Lukhanji Adopted Budget

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

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		510	26 135	135	135	-	100	334	234	248	234	234	234	28 535	6 694	6 792
Executive and council		510	135	135	135	-	100	334	234	248	234	234	234	2 535	1 694	1 792
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Services		-	26 000	-	-	-	-	-	-	-	-	-	-	26 000	5 000	5 000
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		232	565	1 383	4 031	3 859	4 577	4 404	3 266	3 266	1 578	1 566	2 070	30 797	16 859	6 000
Community and social services		-	-	-	43	43	43	229	229	229	229	229	229	1 502	-	-
Sport and recreation		64	467	796	2 243	2 169	2 177	1 820	2 091	2 091	392	392	575	15 278	10 459	-
Public safety		-	-	-	32	32	32	32	32	32	32	32	32	285	-	-
Civic Centres		168	98	587	1 712	1 615	2 324	2 324	914	914	926	914	1 234	13 731	6 400	6 000
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		967	1 116	2 014	3 954	3 954	4 052	4 123	4 123	4 123	3 941	3 941	4 003	40 312	28 331	45 114
Planning and development		134	134	134	315	315	413	540	540	540	359	359	387	4 170	5 564	11 531
Road transport		833	982	1 880	3 639	3 639	3 639	3 582	3 582	3 582	3 582	3 582	3 617	36 141	22 767	33 582
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	307	993	993	993	993	307	307	307	307	5 508	-	-
Electricity		-	-	-	243	928	928	928	928	243	243	243	243	4 929	-	-
Water		-	-	-	64	64	64	64	64	64	64	64	64	574	-	-
Waste water management		-	-	-	0	0	0	0	0	0	0	0	0	4	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	1 710	27 816	3 532	8 427	8 806	9 721	9 854	8 616	7 944	6 061	6 049	6 615	105 151	51 885	57 906

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14
Cash Receipts By Source													1		
Property rates	3 051	4 480	5 157	3 131	2 529	4 622	2 134	2 811	5 605	2 792	2 189	4 905	43 406	46 879	50 629
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	10 138	10 985	11 681	10 517	9 596	9 734	9 538	10 785	8 411	10 944	10 568	41 403	154 299	171 203	189 147
Service charges - water revenue	1 368	2 001	1 419	1 557	1 250	1 416	1 476	1 308	1 198	1 461	1 359	12 187	28 000	29 938	32 011
Service charges - sanitation revenue	928	1 422	895	1 030	651	797	617	796	489	662	602	6 923	15 812	16 902	18 069
Service charges - refuse revenue	955	1 352	985	942	767	906	883	1 060	713	923	903	10 444	20 833	22 291	23 852
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	42	42	42	42	42	42	42	42	42	42	42	2 059	2 519	2 519	2 519
Interest earned - external investments	433	433	433	433	433	433	433	433	433	433	433	433	5 200	5 200	5 200
Interest earned - outstanding debtors	129	188	318	155	113	237	89	198	108	121	110	18 346	20 112	21 601	23 202
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	67	67	67	67	67	67	67	67	67	67	67	67	801	801	801
Licences and permits	351	351	351	351	351	351	351	351	351	351	351	351	4 208	4 208	4 208
Agency services	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	5 013	292	55 437	56 199	56 961
Transfer receipts - operational	551	551	551	39 755	551	551	551	27 853	551	551	551	50 589	123 160	126 832	137 341
Other revenue	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 615	12 883	12 382	12 542
Cash Receipts by Source	24 050	27 909	27 937	64 018	22 388	25 194	22 218	51 742	24 006	24 384	23 212	149 613	486 671	516 955	556 480
Total Cash Receipts by Source	24 050	27 909	27 937	64 018	22 388	25 194	22 218	51 742	24 006	24 384	23 212	149 613	486 671	516 955	556 480
Cash Payments by Type															
Employee related costs	9 974	9 974	9 974	9 974	10 513	9 974	9 974	9 974	9 974	9 974	9 974	9 974	120 225	125 917	131 888
Remuneration of councillors	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	17 918	18 649	19 416
Finance charges	-	-	-	-	-	-	-	-	-	-	-	79 188	79 188	85 777	92 929
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	397	397	397	400	400	400	400	400	400	400	400	400	4 791	1 265	1 162
Other materials	17 831	18 584	14 626	9 440	9 764	9 281	8 908	9 420	8 866	9 477	9 930	15 203	141 331	160 389	182 020
Contracted services	-	-	-	-	-	-	-	-	-	-	-	25 078	25 078	25 259	25 448
Transfers and grants - other municipalities	207	207	207	207	207	207	207	207	207	207	207	37 785	40 064	41 921	43 871
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	8 813	8 793	9 312	9 312	9 312	9 312	9 312	9 312	9 312	9 312	9 312	(45 084)	56 332	55 516	56 698
Cash Payments by Type	38 716	39 449	36 009	30 827	31 689	30 667	30 295	30 807	30 253	30 863	31 317	124 037	484 928	514 693	553 431
Total Cash Payments by Type	38 716	39 449	36 009	30 827	31 689	30 667	30 295	30 807	30 253	30 863	31 317	124 037	484 928	514 693	553 431
NET INCREASE/(DECREASE) IN CASH HELD	(14 666)	(11 540)	(8 072)	33 191	(9 301)	(5 473)	(8 077)	20 936	(6 247)	(6 479)	(8 104)	25 576	1 743	2 262	3 049
Cash/cash equivalents at the month/year begin:	203 518	188 852	177 312	169 240	202 431	193 130	187 657	179 580	200 516	194 269	187 790	179 686	203 518	205 261	207 523
Cash/cash equivalents at the month/year end:	188 852	177 312	169 240	202 431	193 130	187 657	179 580	200 516	194 269	187 790	179 686	205 261	205 261	207 523	210 572

Lukhanji Adopted Budget

15 Measurable Performance Objectives (Revenue Source and Vote)

Provided in the following pages are summaries of annual measurable performance objectives for each vote. Also included is revenue by source and vote in Table 10. Annual performance objectives must be converted into quarterly targets for the Service Delivery and Budget Implementation Plan (SDBIP) and will be audited in terms of the annual performance report required by the Systems Act (refer also to chapters 2 and 5 of the annual report as per MFMA circular 11).

15.1 Table 10 – Revenues by Source and Vote

The following pages contain the listing of revenue by Source and Vote.

Lukhanji Adopted Budget

Lukhanji Municipality - Table 10 Operating Revenue by Source & Vote 2012/13 Performance Objectives re MFMA 17 3 b

Source	Vote	Source	Votes	Description	Notes
Property Rates		43,406,469		8.9%	
	Finance		37,545,071	Assessment Rates	The two aspects to Assessment Rates include collection and expansion. Specific targets need to be set for collection in each ward and customer group. Expansion will include an increase in the actual rate of 10% and concluding the evaluation process in t
	Finance		5,861,398	Infrastructure Improvement Rate	This charge is a flat rate that is raised in areas where no valuation exists on properties. The increase in tariff is set at 10%. All the valuation of properties in the Lukhanji area needs to be undertaken in this financial year.
Electricity from Tariffs		154,299,175		31.7%	
	Electric Distribution		104,000	Availability Charges	The charge is levied when vacant land is sold but the owner did not connect to main services of the municipality. Encourage the owner to develop their properties and pay for actual usages.
	Electric Distribution		793,000	Electric Connection fees / other	This service fee is charged once off when new connection are done to properties. Payment is basic for the meter and cabling to main source.
	Electric Distribution		153,035,175	Electricity Tariffs	We do calculations of tariffs on consumption and growth as well as payment trends on the service. NER gives a guideline as to what % may be increased. Deloitte's were requested to do a full study and presentation on this tariff as it show a huge surplus a
	Electric Distribution		367,000	Electricity Reconnection / Tamper Fees	This is a charge that is payable when services to the property were disconnected due to non payment or a person has tampered with that service. Encourage to debtors to settle their accounts before hand.

Lukhanji Adopted Budget

Water From Tariffs		28,000,228	5.8%	
Water Distribution	160,000	Availability Charges	The charge is levied when vacant land is sold but the owner did not connect to main services of the municipality. Encourage the owner to develop their properties and pay for actual usages.	
Water Distribution	160,000	Water Connection Fees	This service fee is charged once off when new connection are done to properties. Payment is basic for the meter and piping to main source.	
Water Distribution	27,680,228	Water Tariffs	The charge is for the usage of water. Different categories exist for the billing of this service. An 6% increase has been set to the service as the District Municipality is responsible for this function. No metering exist in Whittlesea and needs to be add	
Sanitation From Tariffs		15,812,056	3.2%	
Sewerage Disposal	168,000	Availability Charges	The charge is levied when vacant land is sold but the owner did not connect to main services of the municipality. Encourage the owner to develop their properties and pay for actual usages.	
Sewerage Disposal	1,800	Sewer Connection Fees	This service fee is charged once off when new connection are done to properties. Payment is basic for the meter and piping to main source.	
Sewerage Disposal	66,000	Septic Tanks	This service fee is charged when septic tanks need to be pumped out.	
Sewerage Disposal	15,576,256	Sewer Tariffs	The charge is applicable to properties that has sewer connections to their property. Different categories exist for the billing of this service. An increase of 8% has been set to the service as the District Municipality is responsible for this function. S	
Refuse from Tariffs		20,891,001	4.3%	
Solid Waste Disposal	58,000	Tipping Fees	This is a cost recovery charge only.	
Refuse Removal	20,833,001	Refuse Removal Fees	The charge is for the removal of refuse at properties. Different categories exist for the billing of this service depending on the number of removals. The tariff increase has been set at 7% due to the fact that the function is not breaking even.	

Lukhanji Adopted Budget

Grants		123,160,248	25.3%	
Allocations:		17,918,000	Equitable Share	This is covered by the Division of the Revenue Act. The municipality administers this grant to fund the supply of free basic services to the indigent and other target groups in accordance with the spirit of this grant.
Council				
Finance (rates)		3,713,443	Equitable Share	
Electricity		7,394,672	Equitable Share	
Refuse		6,161,093	Equitable Share	
General		74,022,792	Equitable Share	
Various Departments		4,359,226	Conditional Grants	Conditional Grants are awarded to the municipality from the national and provincial government for specific purposes. The money must be spent as required by conditions set forth in the award.
Various Departments		2,784,774	Conditional Grants	Conditional Grants are awarded to the municipality from the national and provincial government for specific purposes. The money must be spent as required by conditions set forth in the award.
Various Departments		2,656,248	Conditional Grants : Cash Carry Forwards	Conditional Grants are awarded to the municipality from the national and provincial government for specific purposes. The money must be spent as required by conditions set forth in the award.
Libraries		4,150,000	Allocation from Province	These are fees allocated to the municipality from the Eastern Cape Provincial Government to cover some cost of the municipality for the providing the service on their behalf.
Interest and Investment Income		5,200,000	1.1%	
Finance		5,200,000	Interest on Bank Acct and Investments	This is for having positive funds available in the municipal bank account and the investment of surplus cash.
Rentals		2,518,907	0.5%	
Technical Service: Admin.		2,600	Rental of Property	This is a commercial utilization of land held for strategic and administrative purposes.
Sportfields		155,500	Rental of Property	This is a cost recovery charge for the utilization of sporting facilities by the community.
Pound and Commonage		150	Rental of Property	This is properties that is owned by the municipality and rented at market related rates to the public.
Housing: Estates		1,999,577	Rental of Property	
Civic Centers : Estates		361,080	Rental of Property	This is civic centers that are rented out to the public for functions ect.

Lukhanji Adopted Budget

Interest From Debtors		20,111,983	4.1%	
Finance		2,300,950	Interest on Rates	This is a punitive charge to encourage people to pay their outstanding debt on time.
Finance		17,811,032	Interest on Service Charges	This is a punitive charge to encourage people to pay their outstanding debt on time.
Fines		801,100	0.2%	
Libraries		900	Library Fines	Penalties for late returning of books
Traffic Administration		800,000	Traffic Fines	These are penalties that are imposed for dangerous behaviour on the roads.
Finance		200	Parking Fines	These are penalties that are imposed for the community not paying for the provision of parking bays.
Licenses and Permits		4,207,500	0.9%	
Community Services: Admin.		7,500	Licenses: Trading	This is a fee charged to do business on the street in certain marked zones.
Community Services: Admin.		4,200,000	Licenses: Drivers	Application for new drivers licences
Income From Agency Services		55,437,452	11.4%	
Water Distribution		51,937,452	Contribution from Chris Hani	The municipality is doing the service on behalf of the District Municipality and the shortfall is to be funded by them.
Traffic Administration		3,500,000	Motor Registration	This is a charge paid by the Eastern Cape Province for providing a service on behalf of the Department of Transport.
Health: Aticc		0	Allocation from Province	These are fees allocated to the municipality from the Eastern Cape Provincial Government to cover some cost of the municipality for the providing the service on their behalf.

Lukhanji Adopted Budget

Other		12,824,767	2.6%	
Council	348,000	Community Levy	This is charged to all households to replace the levies usually charged for providing fire services and replacing Dog Tax fee.	
Council		Sale of Erven	From the sale of surplus municipal property for Building Maintenance	
Council	13,000	Other		
Estates: Administration	12,010	Other		
Technical Service: Admin.	61,200	Other		
Technical Service: Admin.	287,700	Building Plan Fees	This is a cost recovery charge only and will grow due to building activity.	
Streets	76,000	Connection Fees: Private Works	This is a cost recovery charge only for doing private works for the community.	
Infrastructure Develop. Unit	8,657,246	Project Fees	This is cost recovery charge for managing projects on behalf of other spheres of government.	
Finance	36,000	Commission on Stop orders		
Finance	13,200	Other	The are fees that are collected for the usage of parking bays in the town.	
Finance	40,000	Parking Meter Fees		
Sale of Refuse bags	90,930	Other		
Cemetery	430,000	Digging of Graves	This is a cost recovery charge for digging graves for the community.	
Cemetery	460,000	Burial Fees		
Cemetery	163,000	Plot Fees	This is a cost recovery charge for supplying plots to the community.	
Fire Brigade	1,500	Fees	This is a cost recovery charge for supplying the service outside the municipal area.	
Health		Patient Retain Card	Charge to have see doctor at clinic. Control.	
Libraries	34,660	Miscellaneous Fees		
Nature Reserve	60,000	Gate Fees	This is a cost recovery charge for entering the Game reserve.	
Parks and Recreation	16,500	Miscellaneous Fees		
Pound and Commonage	5,000	Grazing Fees	This is a cost recovery charge for feeding impounded animals at the pound.	
Pound and Commonage	675,000	Pound Fees	This is a cost recovery charge for keeping impounded animals at the pound.	
Pound and Commonage	516,000	Pound Sales	This charge is when impounded animals are sold on auction.	
Protective Services Control	134,621	WSSA contribution	This is a cost recovery charge for providing a 24hrs response centre to the community.	
Traffic Administration	375,000	Roadworthy Certificates	This is a cost recovery charge when people are testing their vehicles for roadworthiness.	
Traffic Administration	318,200	Miscellaneous Fees		
486,670,885		486,670,885	100%	

Lukhanji Adopted Budget

16 Disclosure on Implementation of MFMA & Other Legislation

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

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

A MFMA implementation plan was developed to assist the municipality in implementing the required changes by the deadlines given. With only a few exceptions all sections of the MFMA were required to be implemented by Lukhanji by July 1st of 2006.

Many of the major changes required by the act have already been implemented by the municipality. Some of these include adoption and implementation of a new supply chain policy and establishment of a supply chain unit, the establishment of a budget and treasury office within the finance directorate, the adoption of various policies and procedures including policies for cash and investments, delegations within the organization, establishment of a new audit committee, policy on unforeseen and unexpected expenditures and other administrative requirements.

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

Much of the implementation of the MFMA involves new and sometimes complex budgetary and financial reporting requirements. Detailed monthly budgetary reports must be delivered to the Mayor along with quarterly performance indicators. The Mayor is required to make quarterly reports to the council on all aspects of the budgets implementation and any problems that need to be addressed. A mid year performance report is to be delivered to council along with recommendations on needed mid year adjustments that need to be made. Annual, quarterly and monthly reports are required to be delivered to National Treasury in very specific formats. All of these reporting requirements are already being met.

Lukhanji Adopted Budget

17 Budgets and SDBIPs – Departmental / Functional (internal)

A summary of each functional SDBIP within each directorate is provided in the following pages showing the information set out in MFMA Circular 13 under the section “Format of Departmental SDBIPs”:

- Purpose (outcomes);
- Service delivery description (outputs);
- Resources utilised (inputs);
- Inputs to detailed sector capital plans; and
- The link between performance measures in the SDBIP and performance contracts.

The summary of the Directorate SDBIP contain in the following pages gives performance targets and indicators for the 2012/13 year.

These are based on the draft SDBIP.

TO BE INCLUDED IN FINAL BUDGET

18 Budgets and SDBIPs - Entities & Other External Mechanisms

The municipality has no entities.

19 Summary of Detailed Capital Plans

Detailed capital plans, aligned to national and provincial sector plans, will be contained in the SDBIP as per MFMA Circular No 13. These should be summarised and referenced here. The detailed plans must be submitted to National Treasury with the budget documentation. Capital programmes should be approved as an overall comprehensive capital budget to ensure that projects can be executed in terms of the implementation plans. The summary of the detailed capital plan should reflect:

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

Lukhanji Adopted Budget

- 19.2 – Table SA 34a - Capital expenditure by asset category**
Table SA 35 - Future financial implications of capital budget

The following pages contain the listing of capital by category.

Lukhanji Adopted Budget

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

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
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	194 302	211 511	31 531	33 219	33 219	18 820	11 406	15 464
Infrastructure - Road transport		–	102 213	119 096	17 342	22 193	22 193	–	–	–
<i>Roads, Pavements & Bridges</i>			102 213	119 096	17 342	15 537	15 537			
<i>Storm water</i>						6 657	6 657			
Infrastructure - Electricity		–	83 849	84 212	11 206	8 990	8 990	4 929	–	–
<i>Generation</i>			83 849	84 212						
<i>Transmission & Reticulation</i>					11 206	8 990	8 990	2 189		
<i>Street Lighting</i>								2 741	–	–
Infrastructure - Water		–	–	–	690	–	–	–	–	–
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>					690	–	–			
Infrastructure - Sanitation		–	–	–	4	–	–	–	–	–
<i>Reticulation</i>					4	–	–			
<i>Sewerage purification</i>										
Infrastructure - Other		–	8 240	8 203	2 288	2 036	2 036	13 891	11 406	15 464
<i>Waste Management</i>					544	554	554			
<i>Transportation</i>	2							7 147	7 147	9 202
<i>Gas</i>										
<i>Other</i>	3		8 240	8 203	1 744	1 482	1 482	6 743	4 259	6 262
Community		–	–	–	5 724	550	550	31 897	16 859	6 000
Parks & gardens								15 278	10 459	
Sportsfields & stadia										
Swimming pools										
Community halls					3 604	–	–	13 731	6 400	–
Libraries					78	–	–	189		
Recreational facilities					371	550	550			
Fire, safety & emergency					200	–	–	285		
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries					1 279	–	–	1 111	–	6 000
Social rental housing	8									
Other					192	–	–	1 302		

Lukhanji Adopted Budget

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

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	
R thousand	1										
Heritage assets		-	-	-	-	-	-	-	-	-	
Buildings	9										
Other											
Investment properties		-	91 284	91 284	-	-	-	-	-	-	
Housing development			91 284	91 284							
Other											
Other assets		207 296	504 109	499 200	4 197	12 711	12 711	13 500	3 000	7 062	
General vehicles	10										
Specialised vehicles											
Plant & equipment											
Computers - hardware/equipment							9 500	9 500	13 500		
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings						2 821	1 887	1 887		3 000	7 062
Other Land											
Surplus Assets - (Investment or Inventory)											
Other		207 296	504 109	499 200	1 376	1 324	1 324				
Agricultural assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		-	-	8	-	-	-	-	-	-	
Computers - software & programming				8							
Other (list sub-class)											
Total Capital Expenditure on new assets	1	207 296	789 694	802 003	41 452	46 480	46 480	64 217	31 265	28 526	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
Ambulances											

Lukhanji Adopted Budget

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

Vote Description	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
R thousand								
Capital expenditure	1							
Vote 1 - EXECUTIVE AND COUNCIL		2 535	1 694	1 792				
Vote 2 - FINANCE AND ADMINISTRATION		26 000	5 000	5 000				
Vote 3 - PLANNING AND DEVELOPMENT		4 170	5 564	11 531				
Vote 4 - HEALTH		-	-	-				
Vote 5 - COMMUNITY AND SOCIAL SERVICES		15 234	6 400	6 000				
Vote 6 - COMMUNITY SAFETY		285	-	-				
Vote 7 - SPORT AND RECREATION		15 278	10 459	-				
Vote 8 - WASTE WATER MANAGEMENT		4	-	-				
Vote 9 - WASTE MANAGEMENT		-	-	-				
Vote 10 - ROADS TRANSPORT		36 141	22 767	33 582				
Vote 11 - WATER		574	-	-				
Vote 12 - ELECTRICITY		4 929	-	-				
Vote 13 - OTHER		-	-	-				
Vote 14 - HOUSING		-	-	-				
Vote 15 - IPED		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		105 151	51 885	57 906	-	-	-	-
Future operational costs by vote	2							
Vote 1 - EXECUTIVE AND COUNCIL								
Vote 2 - FINANCE AND ADMINISTRATION								
Vote 3 - PLANNING AND DEVELOPMENT								
Vote 4 - HEALTH								
Vote 5 - COMMUNITY AND SOCIAL SERVICES								
Vote 6 - COMMUNITY SAFETY								
Vote 7 - SPORT AND RECREATION								
Vote 8 - WASTE WATER MANAGEMENT								
Vote 9 - WASTE MANAGEMENT								
Vote 10 - ROADS TRANSPORT								
Vote 11 - WATER								
Vote 12 - ELECTRICITY								
Vote 13 - OTHER								
Vote 14 - HOUSING								
Vote 15 - IPED								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		105 151	51 885	57 906	-	-	-	-

Lukhanji Adopted Budget

EC134 Lukhanji - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Vote 12 - ELECTRICITY		Refurbishment of MV Switchgear				Infrastructure - Electricity	Generation					1 000				All
Vote 12 - ELECTRICITY		National Electrification Programme (urban areas)				Infrastructure - Electricity	Generation					1 189				All
Vote 2 - FINANCE AND ADMINISTRATION		Replacement of Municipal Plant				Other Assets	Plant & equipment					10 000	2 500	2 500		All
Vote 2 - FINANCE AND ADMINISTRATION		Implement Fleet Replacement Program				Other Assets	General vehicles					2 500	2 500	2 500		All
Vote 2 - FINANCE AND ADMINISTRATION		Additional Plant Replacement Roads Unit				Other Assets	Plant & equipment					13 500				All
Vote 10 - ROADS TRANSPORT		Bulk Services				Infrastructure - Other	Other					2 777				All
Vote 10 - ROADS TRANSPORT		Upgrade Lukhanji Roads				Infrastructure - Road transport	Roads, Pavements & Bridges					12 500	10 000	10 000		All
Vote 10 - ROADS TRANSPORT		Lukhanji Upgrading Gravel Roads & Stormwater				Infrastructure - Road transport	Roads, Pavements & Bridges					8 700	5 620	14 380		All
Vote 1 - EXECUTIVE AND COUNCIL		Feasibility Study - Construction of Agricultural market in Shiloh				Infrastructure - Other	Other					306	1 694	1 792		5
Vote 1 - EXECUTIVE AND COUNCIL		LED Zingquthu Shearing Shed				Infrastructure - Other	Other					200				27
Vote 10 - ROADS TRANSPORT		Upgrading & Rehabilitation of Lukhanji Stormwater in Sada				Infrastructure - Other	Other					554				1
Vote 1 - EXECUTIVE AND COUNCIL		Storage Facilities - Livestock Improvement Hewu/Zukama				Infrastructure - Other	Other					375				11,13,14
Vote 10 - ROADS TRANSPORT		Lukhanji Stormwater Upgrade				Infrastructure - Road transport	Roads, Pavements & Bridges					1 300				All
Vote 10 - ROADS TRANSPORT		Inter-modal Transport Facility				Infrastructure - Road transport	Roads, Pavements & Bridges					7 147	7 147	9 202		All
Vote 10 - ROADS TRANSPORT		Owabi Bridge over Kuzitunzu River				Infrastructure - Road transport	Transportation					149				14
Vote 5 - COMMUNITY AND SOCIAL SERVICES		New Cemetery - Whittlesea				Community	Cemeteries					1 111				5,9,10,16,17
Vote 5 - COMMUNITY AND SOCIAL SERVICES		New Cemetery - Lesseyton				Community	Cemeteries							3 000		
Vote 5 - COMMUNITY AND SOCIAL SERVICES		New Cemetery - Ilinge				Community	Cemeteries							3 000		
Vote 10 - ROADS TRANSPORT		Surfacing of Gravel roads in Ezibeleni, Mlungisi, Ilinge, Ekuphumleni/Sada				Infrastructure - Road transport	Storm water					3 453				1,2,18-25
Vote 10 - ROADS TRANSPORT		Upgrading & Rehabilitation of Lukhanji Stormwater Phase 2				Infrastructure - Road transport	Storm water					1 370				
Vote 12 - ELECTRICITY		Community Lighting in Sabata, Ezibeleni, Ilinge, Nomzamo and Whittlesea				Infrastructure - Electricity	Street Lighting					2 741				Various Wards
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Community Hall				Community	Community halls					3 200				1
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Community Hall				Community	Community halls					3 200				5
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Community Hall				Community	Community halls					3 200	3 200			7
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Community Hall				Community	Community halls					3 200	3 200			4
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Upper Machibini Community Hall				Community	Community halls					249				18-25
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Lower Machibini Community Hall				Community	Community halls					292				3
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Public Toilets Whittlesea				Community	Buildings					390				5,9-14,16-17
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Sada Stadium				Community	Sportsfields & stadia					3 570	3 319			9,10
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Ilinge Stadium				Community	Sportsfields & stadia					7 140	7 140			1,2
Vote 3 - PLANNING AND DEVELOPMENT		Implement NDP Approved Projects				Infrastructure - Other	Other							3 000	7 062	All
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Ezibeleni Stadium				Community	Sportsfields & stadia					2 000				4,6-8,15
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Recreational Facilities - Dumpy Adams Sportfields				Community	Sportsfields & stadia					2 568				18-25
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Fencing of Grazing Camps				Community	Other					1 100				Various Wards
Vote 3 - PLANNING AND DEVELOPMENT		PMU Fees & Interest on Front Loaded Portion				Infrastructure - Other	Other					4 170	2 564	4 469		All
Parent Capital expenditure	1											105 151	51 885	57 906		
Total Capital expenditure												-	-	105 151	51 885	57 906

Lukhanji Adopted Budget

						GRANT / OTHER FUNDING FOR CAPITAL PROJECTS 2012/13 BY SOURCE					
WARD(s) EFFECTED	Function	Sub Function	Directorate	Department	DESCRIPTION OF PROJECT	New - N Existing - E	ESTIMATED BEGINNING CASH 2012/13	Original Revenue Budget 2012/13	Original BUDGET EXPEND. 2012/2013	PROJECTED EXPEND. BUDGET 2013/2014	PROJECTED EXPEND. BUDGET 2014/2015
FUNDING FROM SOURCES:											
Own Funds											
All	2	5	CS	1125-62	Nature Reserve	E	201,791		201,791		
All	14	1	TS	1130-06	Refurbishment of MV Switchgear	N		1,000,000	1,000,000		
All	2	5	TS	1130-20	Bulk Services Levy	N	1,138,130		1,138,130		
All	2	5	TS	1130-22	Additional Plant for Roads Unit	N		13,500,000	13,500,000		
All	2	5	TS	1130-22	Replacement of Municipal Plant	N		10,000,000	10,000,000	2,500,000	2,500,000
All	2	5	TS	1130-22	Implement Fleet Replacement Program	N		2,500,000	2,500,000	2,500,000	2,500,000
All	12	1	TS	1130-20	Upgrade Lukhanji Roads	N		12,500,000	12,500,000	10,000,000	10,000,000
Grand Total Own Funds							1,339,921	39,500,000	40,839,921	15,000,000	15,000,000
Borrowing											
All	12	1	TS	1130-20	Completion of Inter Modal Transport Facility - Queenstown	N		7,147,278	7,147,278		
7	5	3	HS	1160-20	Community Hall	N		3,200,000	3,200,000		
4	5	3	HS	1160-20	Community Hall	N		3,200,000	3,200,000		
9,10	8	1	CS	1125-60	Renovation and extension of Sada Stadium Ablution Block	N		3,319,254	3,319,254		
1,2	8	1	CS	1125-60	Ilunge Sportfields	N		7,140,096	7,140,096		
	3	1	TS	1130-10	Interest on Front loaded Amount			2,564,306	2,564,306		
Grand Total for Borrowing							0	26,570,934	26,570,934	0	0
From Eastern Cape Provincial Government:											
Housing Projects :											
Other :											
	12	1	TS	1130-20	Whittlesea Ext 4 Roads	E	383,407		383,407		-
All	7	1	CS	1125-18	Fire Services	E	285,471		285,471		-
			Tech	1130-16	Hydraulic Analysis Sewerage		4,348		4,348		
			Tech	1130-26	CMIP Project: Ezibeleni Bulkwater & Roads		14,745		14,745		
			Tech	1130-26	CMIP Project: Sabata Services		17,155		17,155		
			Tech	1130-26	CMIP Project: Ezibeleni Sewer		52,016		52,016		
			Tech	1130-26	BCIG projects: Mlungisi bulkwater		67,804		67,804		
Total Other Projects							824,946	0	824,946	0	0
Total Eastern Cape Provincial Government							824,946	0	824,946	0	0

Lukhanji Adopted Budget

GRANT / OTHER FUNDING FOR CAPITAL PROJECTS 2012/13 BY SOURCE											
WARD(s) EFFECTED	Function	Sub Function	Directorate	Department	DESCRIPTION OF PROJECT	New - Existing - E	ESTIMATED BEGINNING CASH 2012/13	Original Revenue Budget 2012/13	Original BUDGET EXPEND. 2012/2013	PROJECTED EXPEND. BUDGET 2013/2014	PROJECTED EXPEND. BUDGET 2014/2015
From National Government:											
Municipal Infrastructure Grant (MIG):											
All	12	1	TS	1130-20	Lukhanji Upgrading Gravel Roads & Stormwater			8,700,000	8,700,000	5,619,816	14,380,185
9,10	12	1	TS	1130-20	Upgrading & Rehabilitation of Lukhanji Stormwater in Sada			1,370,353	1,370,353		
Various Wards		1	MM	1105-00	LED Facilities			306,100	306,100	1,694,250	1,792,200
26		1	MM	1105-00	LED Zingquthu Shearing Shed			200,000	200,000		
1		1	MM	1105-00	LED Emdeni/Gwatyu Zingquthu Shearing Shed		553,600		553,600		
11,13,14		1	MM	1105-00	Storage Facilities - Livestock Improvement Hewu/Zulukama		375,000		375,000		
All	12	1	TS	1130-20	Lukhanji Stormwater Upgrade			1,300,000	1,300,000		
All	12	1	TS	1130-20	Inter-modal Transport Facility				-	7,147,278	9,202,215
14	12	1	TS	1130-20	Qwabi Bridge over Kuzitungu River		149,023		149,023		
1,2,16,18-25	12	1	TS	1130-20	Surfacing of Gravel roads in Ezibeleni, Mlungisi, Ilinge, Ekuphumleni/Sada		712,596	2,740,705	3,453,301		
27	5	4	CS	1125-02	New Cemetry - Lesseyton						3,000,000
1-2	5	4	CS	1125-02	New Cemetry - Ilinge						3,000,000
5,9,10,17	5	4	CS	1125-02	New Cemetry - Whittlesea			1,111,363	1,111,363		
Various Wards	14	1	TS	1130-06	Community Lighting in Sabata, Ezibeleni, Ilinge, Nomzamo and Whittlesea			2,740,705	2,740,705		
5	5	3	HS	1160-20	Community Hall			3,200,000	3,200,000	3,200,000	
1	5	3	HS	1160-20	Community Hall			3,200,000	3,200,000	3,200,000	
3	5	3	HS	1160-20	Upper Machibini Community Hall		70,795	178,236	249,031		
3	5	3	HS	1160-20	Lower Machibini Community Hall			291,784	291,784		
5,9-14,16-17	5	3	CS	1160-20	Public Toilets Whittlesea		328,997	61,404	390,401		
9,10	8	1	CS	1125-60	Sada Stadium			250,794	250,794	3,319,254	
1-2	8	1	CS	1125-60	Ilinge Stadium					7,140,096	
4,6,7,8,15	8	1	CS	1125-60	Ezibeleni Stadium			2,000,000	2,000,000		
19-25	8	1	CS	1125-60	Recreational Facilities - Dumpy Adams Sportfields			2,567,506	2,567,506		
Various Wards	3	1	MM	1105-00	Fencing of Grazing Camps			1,100,000	1,100,000		
All	3	1	TS	1130-10	PMU Fees & Interest on Front Loaded Portion		803,050	803,050	1,606,100	2,564,306	4,469,400
Total MIG							2,993,061	32,122,000	35,115,061	33,885,000	35,844,000
Eskom											
	14	1	TS	1130-06	National Electrification Programme (urban areas)		1,000,000		1,000,000		
	14	1	TS	1130-06	New Rathwick Electrification		188,743		188,743		
Total Eskom							1,188,743	0	1,188,743	0	0
Neighbourhood Development Partnership Grant											
All	3	1	TS	1130-10	Implement NDP Approved Projects	N			-	3,000,000	7,062,000
4,18	3	1	TS	1130-10	Mlungisi Youth Centre	N			-		
Total Neighbourhood Development Partnership Grant							0	0	0	3,000,000	7,062,000
Total National Government							4,181,804	32,122,000	36,303,804	36,885,000	42,906,000
From Chris Hani District Municipality											
	5	1	CS	1125-46	Libraries	E	189,325		189,325		
	5	1	TS	1130-30	Rural Water Scheme	E	422,452		422,452		
Total Chris Hani District Municipality							611,777	0	611,777	0	0
GRAND TOTAL NEW AND EXISTING CAPITAL GRANTS							6,958,448	98,192,934	105,151,382	51,885,000	57,906,000

Lukhanji Adopted 2012/13 Budget Report



Lukhanji Municipality
BUDGET
APPENDIX A
RATES AND TARIFFS
2012/13 – 2014/15

Lukhanji Adopted 2012/13 Budget Report

Tariff Ref #	Sub #	Listing of Adopted Tariffs		2011/12	2011/12	2012/13	2012/13	
TECHNICAL SERVICES								
AVAILABILITY FEES								
1		Monthly availability fee for electricity, water or sewerage point not connected to the reticulation network	Commercial : Domestic :	R 53.00 R 40.00		R 56.00 R 45.00		
STORMWATER PIPES ACROSS FOOTPATHS : RESIDENTIAL BUILDINGS								
2		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.						
PAVING OF SIDEWALKS : COMMERCIAL AND BUSINESS PREMISES								
3		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.						
SEWERAGE								
4		Per point		R 640.40		R 678.82		
DOMESTIC WATER CONNECTION								
5		Connection	Long	R 5,623.30		R 5,960.70		
		Connection	Short	R 2,756.00		R 2,921.36		
DEFECTIVE WATER METER								
6		Testing of water meter on written request by consumer		R 185.50		R 196.63		
WATER TARIFFS				NORMAL TARIFF	IN DROUGHT SEASON	NORMAL TARIFF	IN DROUGHT SEASON	
		TYPE	CATEGORY					
7	a	DOMESTIC/FLATS	0 KL TO 20 KL	BASIC	R 29.88	R 59.76	R 31.68	R 63.35
			0 KL TO 20 KL	PER KL	R 3.68	R 7.36	R 3.90	R 7.80
			21 KL TO 50 KL	BASIC	R 46.98	R 93.97	R 49.80	R 99.61
			21 KL TO 50 KL	PER KL	R 4.37	R 8.74	R 4.63	R 9.26
			51 KL AND MORE	BASIC	R 68.32	R 136.64	R 72.42	R 144.83
			51 KL AND MORE	PER KL	R 5.13	R 10.25	R 5.43	R 10.87
	b	BUSINESS AND INDUSTRIAL	0 KL TO 100 KL	BASIC	R 42.70	R 85.40	R 45.26	R 90.52
			0 KL TO 100 KL	PER KL	R 3.58	R 7.15	R 3.79	R 7.58
			101 KL TO 500 KL	BASIC	R 68.32	R 136.64	R 72.42	R 144.83
			101 KL TO 500 KL	PER KL	R 3.83	R 7.67	R 4.07	R 8.13
			500 KL AND MORE	BASIC	R 213.48	R 426.96	R 226.29	R 452.58
			500 KL AND MORE	PER KL	R 3.94	R 7.89	R 4.18	R 8.36
c	UNPURIFIED WATER		PER KL	R 0.24	R 0.48	R 0.25	R 0.51	
d	GOLF CLUB		PER KL	R 0.11	R 0.21	R 0.11	R 0.22	
BUILDING PLAN AND PLAN PRINTING FEES								
Building fees to be determined on the minimum value of alterations on existing buildings or the construction of new buildings be increased, as set out hereunder :								
8		Building under tile		R 2,226.00		R 2,337.30		
		Building under iron		R 2,226.00		R 2,337.30		
		Outbuildings		R 2,226.00		R 2,337.30		
		Open buildings (verandahs etc.)		R 1,197.80		R 1,257.69		
		Shell buildings		R 1,749.00		R 1,836.45		
		Internal alterations		R 763.20		R 801.36		
		Underground tanks		R 5,936.00		R 6,232.80		
		Porta pools		R 5,936.00		R 6,232.80		
		Swimming pools		R 5,936.00		R 6,232.80		
		Carports		R 8,840.40		R 9,282.42		
		Scrutiny fee (Excluding Government Housing Projects) - Minimum		R 371.00		R 389.55		
		Basic Charge		R 43.46		R 45.63		
		Fee - m2 x rate x 0.00275 + basic charge						
	Plan printing fees :							
9		Paper A2		R 15.48		R 16.54		
		Paper A1		R 18.55		R 19.48		
		Paper A0		R 30.32		R 31.84		
		Paper A3		R 3.07		R 3.22		
		Paper A4		R 0.90		R 0.95		
ROAD PATCHING								
10		To replace Kerbing - Zone 1		R 217.30/m2		R 228.17/m2		
		To replace Kerbing - Zone 2		R 270.30/m2		R 283.82/m2		
		Road patching on work done by WSSA and the Post Office be as follows : Zone 1		R 376.30/m2		R 395.12/m2		
		Road patching on work done by WSSA and the Post Office be as follows : Zone 2		R 450.50/m2		R 473.03/m2		

Lukhanji Adopted 2012/13 Budget Report

PLANT AND VEHICLES							
CAT	DESCRIPTION			2011/12	PRIVATE USE (VAT EXCL)	2012/13	PRIVATE USE (VAT EXCL)
a	MOTOR CARS			R 1.90 /KM	R 4.15 /KM	R 2.00 /KM	R 4.15 /KM
b	1/2 TON LDVS			R 1.90 /KM	R 4.15 /KM	R 2.00 /KM	R 4.15 /KM
c	1 TON LDVS			R 2.56 /KM	R 5.60 /KM	R 2.69 /KM	R 5.60 /KM
d	2 - 3 TON TRUCKS			R 5.10 /KM	R 11.00 /KM	R 5.36 /KM	R 11.00 /KM
e	4 - 7 TON TRUCKS			R 8.48 +/KM R 86.92 /H	R 18.00 /KM R 198.00 /KM	R 8.90 /KM R 91.27 /KM	R 18.00 +/KM R 198.00 /H
f	REFUSE TRUCKS			R 9.54 /KM		R 10.02 /KM	
g	TRAILERS			R 14.74 /KM	R 24.00 /KM	R 15.48 /KM	R 24.00 /KM
h	TRACTORS			R 108.28 /KM	R 265.00 /KM	R 113.69 /KM	R 265.00 /KM
i	FIRE BRIGADE VEHICLES F1				R 10.00 +/KM R 228.00		R 10.00 +/KM R 228.00
	F2				R 5.30 +/KM R 228.00		R 5.30 +/KM R 228.00
	F3				R 5.30 +/KM R 228.00		R 5.30 +/KM R 228.00
	F4				R 11.00 +/KM R 247.00		R 11.00 +/KM R 247.00
j	MOTOR CYCLES				R 1.15 +/KM		R 1.15 +/KM
k	TRACTOR DRAWN MOTORS			R 19.56 /H	R 32.00 /H	R 20.54 /H	R 32.00 /H
l	WATER TRAILERS (TANKERS)			R 14.98 /H	R 24.00 /H	R 15.73 /H	R 24.00 /H
m	DUMPERS			R 53.72 /H	R 75.00 /H	R 56.41 /H	R 75.00 /H
n	TLB			R 155.06 /H	R 406.00 /H	R 162.81 /H	R 406.00 /H
o	COMPRESSORS			R 175.96 /H	R 185.00 /H	R 184.76 /H	R 185.00 /H
p	CONCRETE MIXERS			R 65.84 /H	R 185.00 /H	R 69.13 /H	R 185.00 /H
q	FRONT END LOADERS			R 186.93 /H	R 406.00 /H	R 196.28 /H	R 406.00 /H
r	WATER PUMPS AND GEN SETS			R 20.99 /H	R 34.00 /H	R 22.04 /H	R 34.00 /H
s	CHAIN SAWS			R 32.96 /H	R 18.00 /H	R 34.61 /H	R 18.00 /H
t	GRADERS			R 300.02 /H	R 430.00 /H	R 315.02 /H	R 430.00 /H
u	ROLLERS			R 85.07 /H	R 185.00 /H	R 89.32 /H	R 185.00 /H
v	SEWER JET CLEANING MACHINES			R 138.02 /H	R 300.00 /H	R 144.92 /H	R 300.00 /H
w	VIBRATORS AND COMPACTORS			R 22.33 /H	R 48.00 /H	R 23.45 /H	R 48.00 /H
x	LAWN MOWERS			R 15.73 /H	R 15.00 /H	R 16.52 /H	R 15.00 /H
y	TANAKA BRUSH CUTTERS			R 15.73 /H	R 15.00 /H	R 16.52 /H	R 15.00 /H
z	TAR CUTTER			R 32.21 /H	R 85.00 /H	R 33.82 /H	R 85.00 /H

ELECTRICITY CONNECTION FEES							
a	TYPE			2011/12		2012/13	
	KVA Range	A1		R 291.50		R 306.08	
	Type of Consumer	0 - 5					
	Type of Connection	Self Assisted					
	Type of Connection	From existing low voltage (lv) reticulation to the consumers distribution board mounted in the interior of dwelling					
b	TYPE	B1		R 3,922.00	(i)	R 4,118.10	(i)
	KVA Range	0 - 15					
	Type of Consumer	Pre-Payment metering (Single Phase)					
	Type of Connection	From existing low voltage (lv) reticulation to an underground two way cable box, supplied at consumers boundary, via a pole mounted box					
c	TYPE	B2		Actual Cost	(i)	Actual Cost	(i)
	KVA Range	15 - 50					
	Type of Consumer	Pre-Payment metering (3 Phase)					
	Type of Connection	From existing low voltage (lv) reticulation meter pillar box supplied at consumers boundary					
d	TYPE	C1		Actual Cost	(i)	Actual Cost	(i)
	KVA Range	15 - 20					
	Type of Consumer	Domestic/Commercial (1 Phase) Government Supplies Only					
	Type of Connection	From existing low voltage (lv) reticulation to the consumers point of supply at a pillar mounted meter box positioned on the boundary of the consumers premises (includes meter and circuit breaker)					
e	TYPE	C2		Actual Cost		Actual Cost	
	KVA Range	15 - 50					
	Type of Consumer	Domestic/Commercial (3 Phase)(Pre-Payment)					
	Type of Connection	From existing low voltage (lv) reticulation to the consumers point of supply at a pillar mounted meter box positioned on the boundary of the consumers premises (includes meter and circuit breaker)					
f	TYPE	D1		Actual Cost		Actual Cost	
	KVA Range	51 - 80					
	Type of Consumer	Commercial					
	Type of Connection	From existing low voltage (lv) reticulation to the consumers point of supply at a meter cubicle mounted on the boundary of the consumers premises or cubicle or a meter room					
g	TYPE	D2		Actual Cost		Actual Cost	
	KVA Range	80 - 200					
	Type of Consumer	Commercial/Industrial					
	Type of Connection	From existing substation to the low voltage (lv) reticulation supply point at a meter cubicle mounted on the boundary of the consumers premises or a cubicle on the consumers premises or a meter room					
h	TYPE	D3		Actual Cost	(i)	Actual Cost	(i)
	KVA Range	151 - 315					
	Type of Consumer	Commercial					
	Type of Connection	Miniature substation to be supplied by the Municipality, positioned either on the consumers premises or outside his boundary fence					
i	TYPE	D4		Actual Cost	(i)	Actual Cost	(i)
	KVA Range	315 - 500					
	Type of Consumer	Commercial					
	Type of Connection	Miniature substation to be supplied by the Municipality, positioned either on the consumers premises or outside his boundary fence					

Lukhanji Adopted 2012/13 Budget Report

			Actual Cost	(i)	Actual Cost	(i)
	J	TYPE	05			
		KVA Range	500 - 700			
		Type of Consumer	Commercial			
		Type of Connection	Point of supply situated adjacent to or in integral substation building on the consumers premises			
	K	TYPE	E1			
		KVA Range	800 - 3500			
		Type of Consumer	LARGE			
		Type of Connection	11kv supply from the Municipality's metered circuit breakers to the consumers 11kv switchgear			
	I	TYPE	E2			
		KVA Range	<3500			
		Type of Consumer	LARGE			
		Type of Connection	11kv supply from the Municipality's metered circuit breakers to the consumers 11kv switchgear			
	M	TYPE	E1			
		KVA Range	0 - 500			
		Type of Consumer	Farm Supplies			
		Type of Connection	11kv overhead line from nearest point of supply, transformer, metering, low voltage equipment and cabling			
	N	TYPE	E2			
		KVA Range	0 - 500			
		Type of Consumer	Temporary Connection			
		Type of Connection	Nearest to point of supply			
	O	TYPE	E1			
		KVA Range	0 - 500			
		Type of Consumer	Emergency			
		Type of Connection	All electrical gear to be fitted with a ripple relay by the Municipality			
		Emergency Ripple Relay				
		Notes				
	(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 their 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.				
	(iii)	No conventional metering will be allowed for any single phase domestic and or commercial supplies, except for government installations.				
	(iv)	Indigents will qualify in accordance with the Indigent Policy.				
	(v)	A 80/40 percent ratio for the collection of arrears on the purchase of pre-paid electricity by customers.				
		ATTENDANCE TO FAILURE OF SUPPLY COMPLAINTS				
		Call-out during office hours - Rural				
		Call-out during office hours - Town				
		Call-out after office hours - Rural				
		Call-out after office hours - Town				
			R 118,80			R 122,43
			R 137,80			R 144,69
		FEE FOR DISCONNECTION FOR NON-PAYMENT				
		Additional deposit	R 150,00			R 166,66
		Administration fee	R 53,00			R 55,66
		Paper Cut - Administration fee	R 53,00			R 55,66
		TESTING OF ELECTRICITY METERS				
		Single Phase	R 174,90			R 183,66
		Three Phase	R 250,90			R 264,36
		Ind meter (KVA/KWH combination meter)	R 477,00			R 500,94
		SPECIAL METER READINGS				
		Town	R 90,10			R 94,61
		Rural				
		ALTERATIONS AND ADDITIONS TO EXISTING SERVICES				
			Actual Cost			Actual Cost
		FAILURE TO KEEP APPOINTMENTS FOR INSPECTION AND FAILURE TO SUBMIT COMMENCEMENT FORMS				
			R 53,00			R 55,66
			R 53,00			R 55,66
		EQUIPMENT USAGE FEES				
		Pipe Bender	N/A			N/A
		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 (Minimum of 1 hour)	N/A			N/A
		ELECTRICITY TARIFFS				
	a	T1 DOMESTIC QUEENSTOWN SERVICE CHARGE				
		Block 1 (0-50KWh)	R 91,00			R 95,11
		Block 2 (51-350KWh)	R 0,66			R 0,66
		Block 3 (351-600KWh)	R 0,73			R 0,73
		Block 4 (>600KWh)	R 1,03			R 1,09
			R 1,23			R 1,29
	b	T2 PREPAYMENT				
		Block 1 (0-50KWh)	R 0,66			R 0,66
		Block 2 (51-350KWh)	R 0,66			R 0,66
		Block 3 (351-600KWh)	R 1,07			R 1,09
		Block 4 (>600KWh)	R 1,24			R 1,29
	c	T3 SMALL USERS (CONSUMPTION NOT EXCEEDING 80 KVA OR 20 000 KWH PER MONTH) SERVICE CHARGE				
		KWH<=500	R 420,13			R 468,36
		KWH>=500	R 1,26335			R 1,3500
	d	T4 PREPAYMENT - BUSINESS KWH (Inclusive of Vat)				
			R 1,2789			R 1,3500
	e	T5 NON DOMESTIC LARGE POWER USERS CONSUMPTION NOT EXCEEDING 40 (KVA) SERVICE CHARGE				
		KVA	R 792,55			R 840,76
		KVA	R 0,2431			R 0,2539
		MINIMUM KVA	R 158,47			R 166,44
			R 0,336,45			R 0,353,00
	f	TX TIME OF USE (MINIMUM CONSUMPTION OF 100 000 KWH PER MONTH/ABOVE 80 KW-MAX) LOW DEMAND				
		BASIC	R 380,09			R 401,00
		PEAK 07:00 - 10:00; 18:00 - 20:00	R 1,99259			R 2,1409
		STANDARD 06:00 - 07:00; 10:00 - 18:00; 20:00 - 22:00 SAT 07:00 - 12:00; 18:00 - 20:00	R 0,83352			R 0,8819
		OFF PEAK 22:00 - 06:00; SUNDAY = OFF PEAK	R 0,3335			R 0,3509
		kvaRh (only applicable for KvaRh exceeding 30% of TOTAL kvh 0.96pf)	R 0,7456			R 0,7826
		HIGH DEMAND				
		BASIC	R 380,09			R 401,00
		PEAK 07:00 - 10:00; 18:00 - 20:00	R 1,99259			R 2,1409
		STANDARD 06:00 - 07:00; 10:00 - 18:00; 20:00 - 22:00 SAT 07:00 - 12:00; 18:00 - 20:00	R 0,87222			R 0,9200
		OFF PEAK 22:00 - 06:00; SUNDAY = OFF PEAK	R 0,3335			R 0,3509
		kvaRh (only applicable for KvaRh exceeding 30% of TOTAL kvh 0.96pf)	R 0,09222			R 0,1023
	g	T7 TIME OF USE (MINIMUM CONSUMPTION OF 200 000 KWH PER MONTH/ABOVE 150 KVA) LOW DEMAND				
		BASIC	R 728,85			R 809,02
		DEMAND KW	R 58,09			R 61,44
		PEAK 07:00 - 10:00; 18:00 - 20:00	R 1,1924			R 1,2509
		STANDARD 06:00 - 07:00; 10:00 - 18:00; 20:00 - 22:00 SAT 07:00 - 12:00; 18:00 - 20:00	R 0,7148			R 0,7558
		OFF PEAK 22:00 - 06:00; SUNDAY = OFF PEAK	R 0,4034			R 0,4278
		kvaRh (only applicable for KvaRh exceeding 30% of TOTAL kvh 0.96pf)	R 0,09222			R 0,1023
		HIGH DEMAND				
		BASIC	R 728,85			R 809,02
		DEMAND KW	R 58,09			R 61,44
		PEAK 07:00 - 10:00; 18:00 - 20:00	R 1,1924			R 1,2509
		STANDARD 06:00 - 07:00; 10:00 - 18:00; 20:00 - 22:00	R 0,7148			R 0,7558
		OFF PEAK 22:00 - 06:00; SUNDAY = OFF PEAK	R 0,4034			R 0,4278
		kvaRh (only applicable for KvaRh exceeding 30% of TOTAL kvh 0.96pf)	R 0,09222			R 0,1023
		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.				
		Note :				
		The municipality increased its tariff only by 1% from 1 July 2012 to 30 June 2013 with no increase for indigents using 50 KW. The proposed tariff increase from 1 July 2012 to 30 June 2013 amounts to 11% and the following increases will be applicable to 1				
		Registered indigents first 50KW	Free			Free
		51-100KW	22% Increase			As per Nerasa
		In excess of 100 KW	28% Increase			As per Nerasa
		INFRASTRUCTURE DEVELOPMENT UNIT				
		PERSONNEL CHARGES				
		Senior Professional/Technical/Management staff	R 578,70			R 607,70
		Professional/Technical/Management staff	R 337,00			R 354,99
		Supervisory staff	R 208,83			R 221,87
		Clerical and administrative staff	R 196,10			R 205,90
		DISBURSEMENTS CHARGES				
		Typing	R 19,61			R 20,59
		Duplication	R 0,80			R 0,84
		Binding and Documents	R 1,01			R 1,05
		Plan Plotting (A0/A0)	R 7,90			R 8,30
		Plan Plotting (Colour)	R 3,18			R 3,33
		Telephone Calls	R 5,27			R 5,50
		Faxes (Outgoing)	R 0,25			R 0,26
		Faxes (Incoming)	R 0,25			R 0,26
		TRANSPORT				
			As per AA table			As per AA table
		LABOUR (Skilled/Semi Skilled)				
			Statutory minimum rate plus 10%			Statutory minimum rate plus 10%
		OUTSIDE DISBURSEMENTS				
			Actual Cost plus 10%			Actual Cost plus 10%
		BULK SERVICES CONTRIBUTION LEVY				
		For rezoning, subdivision and departure application approvals, as calculated				
		Additional Vehicle Trips /day @	R 1 053,93			R 1 108,63
		Additional Stormwater /Runoff Factor @	R 333,07			R 351,72
		Additional Sewerage /day @	R 2 845,66			R 2 982,60
		Additional Water /day @	R 4 138,00			R 4 344,80
		Additional Waste collection services /week @	R 758,96			R 796,91

Lukhanji Adopted 2012/13 Budget Report

COMMUNITY SERVICES

REFUSE TARIFFS				2011/2012 CHARGE PER BIN	2011/2012 ADDITIONAL BINS	2012/2013 CHARGE PER BIN	2012/2013 ADDITIONAL BINS	
	DESCRIPTION	REMOVALS PER WEEK	2006/2007 CHARGE PER BIN	2006/2007 ADDITIONAL BINS				
27	DOMESTIC	1	R 40.64	R 40.64	R 70.89	R 70.89	R 75.85	R 75.85
	BUSINESS/OTHER	2	R 63.34	R 47.52	R 110.48	R 82.89	R 118.21	R 88.70
	BUSINESS/OTHER	3	R 95.01	R 71.28	R 165.74	R 124.34	R 177.35	R 133.04
	BUSINESS/OTHER	4	R 126.70	R 95.01	R 221.01	R 165.74	R 236.48	R 177.35
	BUSINESS/OTHER	5	R 158.38	R 118.76	R 276.27	R 207.17	R 295.60	R 221.68
	BUSINESS/OTHER	6	R 190.03	R 142.51	R 331.48	R 248.59	R 354.68	R 265.99
	INDIGENTS	1			R 0.00	R 0.00	R 0.00	R 0.00
	OLD AGE HOMES	1	R 40.64	R 40.64	R 70.89	R 70.89	R 75.85	R 75.85
	BULK CONTAINER - SMALL		R 112.82	R 75.21	R 196.80	R 131.20	R 210.58	R 140.38
	BULK CONTAINER - LARGE		R 159.83	R 75.21	R 279.80	R 131.20	R 298.32	R 140.38
	4.5M CONTAINERS		R 180.00	R 103.00	R 342.79	R 194.53	R 366.79	R 208.15
	18M CONTAINERS		R 280.00	R 150.00	R 528.48	R 283.31	R 565.47	R 303.15
	770 LITRE CONTAINER				R 214.25	R 107.13	R 229.24	R 114.63
28	REFUSE DISPOSAL SITE Tip Site Ticket (Per Load)						R 75.00	
29	SALE OF PLANTS							
	Seedlings				R 0.40		R 0.45	
	Shrubs				R 25.00		R 27.00	
	Trees (In containers)				R 40.00		R 45.00	
	Trees (ex open grounds)				R 35.00		R 40.00	
	Hire of Large plants				R 20.00		R 25.00	
	Hire of Small plants				R 15.00		R 15.00	
	Potting soil bag (small)				R 8.00		R 10.00	
	Potting soil bag (large)				R 50.00		R 60.00	
	Potplants 7.5cm				R 15.00		R 20.00	
	Potplants 10cm				R 20.00		R 25.00	
	Potplants 12.5cm				R 25.00		R 25.00	
	Potplants 15cm				R 30.00		R 35.00	
Potplants 20cm				R 40.00		R 50.00		
30	SEWAGE REMOVAL FEES							
	Sewage Pump				R 40.00 p/h		R 42.40 p/h	
	Tractor				R 250.00 p/h		R 265.00 p/h	
	Sewer Tractor				R 30.00		R 31.80	
	Driver				R 50.00 p/h		R 53.00 p/h	
Staff (1)				R 40.00 p/h		R 42.40 p/h		
31	SWIMMING POOL FEES : VAT Inclusive							
	Entrance fee (Adults)				R 6.00		R 8.00	
	Entrance fee (Children)				R 3.00		R 4.00	
	Season Tickets				R 100.00		R 120.00	
32	BERRY & BONKOLO DAM USAGE FEES : VAT Inclusive							
	Entrance fees : per vehicle with 5 people				R 30.00		R 35.00	
	Entrance fees : additional per person				R 6.00		R 6.00	
Season Tickets				R 100.00		R 120.00		
33	GAME RESERVE ENTRANCE FEES : VAT Inclusive							
	Entrance fees : per vehicle with 5 people				R 30.00		R 35.00	
	Entrance fees : additional per person				R 6.00		R 6.00	
Season Tickets				R 100.00		R 120.00		
34	GAME RESERVE LAPA HIRE FEES							
	Hire of Lapa				R 370.00		R 400.00	
	Deposit of Lapa (refundable under conditions)				R 250.00		R 300.00	
	Overtime				Actual Costs	p/h		
	Hire of Sunnyside during office hours				R 340.00		R 350.00	
	Guided Vehicle Tour				R 110.00	Plus Overtime	R 120.00	Plus Overtime
	Caravan or Tent				R 110.00	Per Day Extra	R 120.00	Per Day Extra
Electricity				R 55.00	Per Day	R 65.00	Per Day	
Only educational tours are free of charge.								
35	CEMETERY CHARGES EXCLUDING VAT CEMETRIES ; MLUNGISI, EZIBELENI, WHITTLESEA & ILINGE							
	Adult Plot				R 155.00		R 165.00	
	Casket Plot				R 180.00		R 190.00	
	Baby Plot				R 84.00		R 90.00	
	Digging of Adult Grave				R 220.00		R 235.00	
	Digging of Casket Grave				R 245.00		R 260.00	
	Closing of Grave				R 135.00		R 145.00	
	Closing of Baby Grave				R 100.00		R 110.00	
36	CEMETRIES - NEW							
	BERM SECTION							
	Adult Plot				R 215.00		R 230.00	
	Digging of Adult Grave				R 215.00		R 230.00	
	Digging of Casket Grave				R 221.00		R 238.00	
	Closing of Grave				R 200.00		R 210.00	
	Exhumation of Body				R 900.00		R 955.00	
	Funerals on Saturday additional							
	Funerals on Sunday and Public Holidays							
37	CEMETERY - MONUMENTAL SECTION							
	Digging of Adult Grave				R 400.00		R 470.00	
	Single Plot				R 335.00		R 355.00	
	Double Plot				R 670.00		R 710.00	
	Casket Grave				R 335.00		R 355.00	
	Extra Deep Grave				R 192.00		R 205.00	
	Outsize Casket Grave				R 240.00		R 255.00	
	Funerals on Saturday additional							
	Funerals on Sunday and Public Holidays							
	Closing of Grave				R 200.00		R 210.00	
	Wall of Remembrance				R 300.00		R 300.00	
	Ash Grave				R 120.00		R 130.00	
	Burial of Ashes in existing grave				R 120.00		R 130.00	
Erection of monuments : Single Grave				R 150.00		R 160.00		
Erection of monuments : Double Grave				R 300.00		R 320.00		
Outsize Baby Grave				R 30.00		R 30.00		
Closing of Baby Grave				R 100.00		R 100.00		
38	CEMETERY - BABY SECTION							
	Digging of Grave				R 198.00		R 210.00	
Baby Plot				R 155.00		R 165.00		
39	EXHUMATION OF BODY Exhumation				R 900.00		R 955.00	

Lukhanji Adopted 2012/13 Budget Report

41	LIBRARY HALL HIRE FEES Hall hire during office hours After hours (plus caretakers overtime) Cups & Saucers per 50 persons or part thereof Plates Cleaning Admin Costs Use of Kitchen Urn Stove	R 40.00	p/h	R 50.00	p/h
		R 52.00		R 60.00	
		R 30.00		R 40.00	
		R 25.00		R 30.00	
		R 114.00		R 120.00	
		10%		10%	
		R 80.00		R 100.00	
		R 30.00		R 40.00	
		R 50.00		R 60.00	
POUND FEES					
42	RATE OF COMPENSATION For animals delivered to the pound, whether one or more per kilometer or portion of a kilometer For animals transported by vehicle, per kilometer or portion of a kilometer Use of commingage for initiation school Deposit of initiation site Price of Lucern	R 5.00		R 5.50	
		R 14.00		R 15.00	
		R 150.00		R 200.00	
		R 50.00		R 50.00	
		Actual		Actual	
43	TRESPASSING FEE Horses, cattle, and pigs per head Goats & Sheep per head	R 60.00		R 65.00	
		R 40.00		R 45.00	
44	POUND FEES Horses, cattle, and pigs per head Goats & Sheep per head	R 70.00		R 75.00	
		R 40.00		R 45.00	
45	SUSTENANCE FEES Horses, cattle, and pigs per head Goats & Sheep per head	R 75.00		R 80.00	
		R 40.00		R 45.00	
46	OTHER CHARGES Dipping Fees - (Cattle) Dosing Fees - (Goats, Sheep per Head)	R 35.00		R 40.00	
		R 30.00		R 35.00	
47	CALL OUTS 18H00 to 06H00 and over weekends per call out to impound (To be paid by owner of animals)	R 350.00		R 370.00	
48	CLINICS Patient Health Books - VAT Inclusive	R 10.00		R 0.00	
49	THOBI KULA INDOOR SPORT CENTRE FEES Actual Hire (per hall) Kitchen Stove Complete sound system Urn Administration fee Cleaning Fees (Per Day) Recognised Charitable Organisation Educational Organisations Cultural Organisations Sporting Related Organisations Government Institutions Religious Organisations Funerals Congress (Non Political) Lecturers Workshops (Non political) Displays Repetitions / Rehearsals Political Parties Funtions where entrance fees are charged Dances / Discos Competitions / Contests of any nature Parties Graduation Ceremonies Weddings Use of Rugby Soccer Fields Other forms of entertainment	R 70.00	p/h	R 75.00	p/h
		R 90.00	p/h	R 95.00	p/h
		R 60.00	p/h	R 65.00	p/h
			p/h		p/h
			p/h		p/h
		10% of Invoice		10% of Invoice	
		R 130.00	R60-00 o/t R75-00 o/t Sunday	R 140.00	R65-00 o/t R80-00 o/t Sunday
		On discretion of the Director		On discretion of the Director	
		On discretion of the Director		On discretion of the Director	
		On discretion of the Director		On discretion of the Director	
		On discretion of the Director		On discretion of the Director	
		On discretion of the Director		On discretion of the Director	
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		On discretion of the Director		On discretion of the Director	
		On discretion of the Director		On discretion of the Director	
		On discretion of the Director		On discretion of the Director	
		On discretion of the Director		On discretion of the Director	
		R 700.00		R 800.00	
		R 2 700.00		R 3 000.00	
		R 2 700.00		R 3 000.00	
		R 2 700.00		R 3 000.00	
		R 1 500.00		R 1 600.00	
		R 1 500.00		R 1 600.00	
		R 1 500.00		R 1 600.00	
R 70.00		R 70.00			
R 1 500.00		R 1 600.00			
50	ENVIRONMENTAL HEALTH FEES Business License Application fee Private Kitchen Application fee Keeping of animal Application fee Condemnations fee	R 60.00		R 70.00	
		R 60.00		R 70.00	
		R 60.00		R 70.00	
		R 220.00		R 250.00	
FIRE BRIGADE FEES					
51	TURNOUT Machines Each service vehicle used Veld fire units Hazchem trailer	R 250.00		R 275.00	
		R 250.00		R 275.00	
		R 100.00		R 120.00	
		R 150.00		R 200.00	
52	TRAVELLING : KILOMETERS Machines Veld fire units Each service vehicle	R 1 000.00		R 1 200.00	
		R 600.00		R 700.00	
		R 600.00		R 700.00	
53	OPERATING Operating of pump and equipment F4 Veld fire units	R 80.00		R 90.00	
		R 75.00			
		R 40.00		R 50.00	
54	STANDBY All vehicles per hour Service vehicles Fire extinguishers and foam	R 50.00		R 60.00	
		R 50.00		R 60.00	
		Foam plus 20%		Foam plus 20%	
55	TESTING OF EQUIPMENT AND INSTALLATION Sprinkler system Up to five installations per premises per installation Over five installations per premises per installation	R 80.00		R 90.00	
		R 10.00		R 10.00	
56	Testing and Repairs : Hose and Couplings Hose (All diameters) Pressure testing per length Vulcanising per patch Big Suction Big Suction (all diameters) Wire bending each type Big Suction Truing couplings (all diameters) Hose per pair Suction per pair	R 45.00		R 50.00	
		R 55.00		R 60.00	
		R 55.00		R 60.00	
		R 50.00		R 60.00	
		R 55.00		R 60.00	
		R 45.00		R 50.00	
		R 45.00		R 50.00	
		R 45.00		R 50.00	
		R 50.00		R 60.00	
		R 50.00		R 60.00	

Lukhanji Adopted 2012/13 Budget Report

STANDBY All vehicles per hour Service vehicles Fire extinguishers and foam	R 50.00 R 50.00 Foam plus 20%	R 60.00 R 60.00 Foam plus 20%
TESTING OF EQUIPMENT AND INSTALLATION Sprinkler system Up to five installations per premises per installation Over five installations per premises per installation	R 80.00 R 10.00	R 90.00 R 10.00
Testing and Repairs : Hose and Couplings Hose (All diameters) Pressure testing per length Vulcanising per patch Big Suction Big Suction (all diameters) Wire bending each type Big Suction Truing couplings (all diameters) Hose per pair Suction per pair	R 45.00 R 55.00 R 55.00 R 50.00 R 55.00 R 45.00 R 45.00 R 50.00	R 50.00 R 60.00 R 60.00 R 60.00 R 60.00 R 50.00 R 50.00 R 60.00
FIRE PERSONNEL FEES For each hour during which members of the Fire Brigade are engaged in : Chief Fire Officer Each Officer Each Fireman	R 80.00 R 65.00 R 60.00	R 85.00 R 70.00 R 65.00
FIRE STANDBY FEES Chief Fire Officer Each Officer Each Fireman	R 80.00 R 65.00 R 60.00	R 85.00 R 70.00 R 65.00
FIRE CASUAL FEES Fire Fighting For attendance of personnel or use of equipment and material :	R 50.00 p/h	R 60.00 p/h
BREATHING OF APPARATUS Compressed air type	R 60.00 per set plus R30.00 per cylinder	R 70.00 per set plus R30.00 per cylinder
FIRE - OTHER CHARGES Recharging cylinders Oxygen resuscitation apparatus plus cost of recharging Portable lighting equipment - 5kw unit per hour Smoke extractor - Whilst in operation Smoke extractor - Whilst standing per hour Portable foam apparatus Generator or branch per hour Medium expansion generator Portable tank Chemicals Water For each hour or part thereof during which water is supplied : Large bore hose Small bore hose Servicing of Fire Extinguishers Servicing and refilling of Extinguishers Equipment and material Floating pumps Lights	R 60.00 R 30.00 R 80.00 p/h R 80.00 p/h R 30.00 p/h R 60.00 plus 20% Admin fee R 60.00 plus 20% Admin fee R 60.00 R 65.00 R 55.00 R 0.00 Actual Cost R 65.00 R 65.00	R 70.00 R 40.00 R 90.00 p/h R 90.00 p/h R 35.00 p/h R 70.00 plus 20% Admin fee R 70.00 plus 20% Admin fee R 70.00 R 70.00 R 60.00 Actual Cost R 70.00 R 70.00
TRAFFIC FEES		
Search fees Lost ticket Licensing Section	R 40.00 R 40.00	R 40.00 R 102.00
Servicing of Summonses Non-personal serving Personal serving An extra is a non-personal summons is paid	R 45.00 R 50.00 R 10.00	R 65.00 R 100.00
Impounding of vehicles Pound fees to:	R 150.00 p/day R 600.00 Tow In Should it be done within six months 100% additional	R 150.00 p/day R 680.00 Tow In Should it be done within six months 100% additional
Control over functions held on a public road Sport and Races (a) Issuing of permit (b) Full time traffic assistance per person per hour (c) Tariff per km per vehicle 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.	R 150.00 Actual Costs R 4.50	R 200.00 Actual Costs R 4.50
Funerals Per funeral (weekdays) Per funeral (weekends) Events (Fun Runs, Marathons)	Actual Costs Overtime, Vehicle costs Actual Costs Overtime, Vehicle costs R 300.00 per application	R 350.00 R 450.00 per application
Parking meter fees DPS	R1-00 per 10 minutes R 6.00 p/h	R1.50 per 10 minutes R 6.00 p/h
Accidental Report OAR		R 132.00

Lukhanji Adopted 2012/13 Budget Report

FINANCIAL SERVICES			
68	VOTERS ROLL Per copy per ward	R 5,000.00	R 5,000.00
69	INFORMATION TO THE PUBLIC 1. Computer printout of names and addressess 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	PHOTOCOPIES FOR PRIVATE PURPOSE A4 Size per page (Black & White) A3 Size per page (Black & White)	R 0.80 R 2.00	R 1.50 R 3.00
71	FACSIMILE TRANSMISSION International per A4 page National per A4 page Local per A4 page	R 10.00 R 5.00 R 2.00	R 15.00 R 8.00 R 2.50
72	INTEREST ON ALL OUTSTANDING FEES Interest will be levied in terms of the standard rates.		
1	ALLOCATION TO SPCA Allocation to SPCA R48000 - R150000	R 12,500.00 p/m	R 12,500.00 p/m
73	PROPERTY RATES Residential Businesses, Commercial, Industrial Educational Public Service Infrastructure Vacant Land INFRASTRUCTURE RATE (PHASE IN ON PREVIOUS NO VALUATION)	in the Rand R 0.00624 R 0.00780 R 0.00624 R 0.00157 R 0.02741 R 58.06	in the Rand R 0.00686 R 0.00858 R 0.00686 R 0.00173 R 0.03015 R 63.87
74	CATEGORIES OF REBATES GRANTED 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	As per policy	As per policy
75	REFUSE BAGS Refuse Bags may be changed as per price increases to recover full costs.		

Lukhanji Adopted 2012/13 Budget Report

ESTATES					
CIVIC CENTER RENTALS					
		2006/07	2007/08 100%		
76	CIVIC CENTRE : QUEENSTOWN	R 70.00 p/h	R 80.00 p/h	R 107.70 p/h	R 107.70 p/h
	CIVIC CENTRE : ASHLEY WYNGAARDT	R 62.00 p/h	R 70.00 p/h	R 96.00 p/h	R 96.00 p/h
	CIVIC CENTRE : MLUNGISI	R 35.00 p/h	R 40.00 p/h	R 47.70 p/h	R 51.00 p/h
	CIVIC CENTRE : EZIBELANI	R 52.00 p/h	R 60.00 p/h	R 74.20 p/h	R 79.00 p/h
	CIVIC CENTRE : SKWEYIYA	R 52.00 p/h	R 60.00 p/h	R 79.50 p/h	R 85.00 p/h
	CIVIC CENTRE : SADA & EKUPHUMLENI	R 52.00 p/h	R 70.00 p/h	R 79.50 p/h	R 85.00 p/h
	CIVIC CENTRE : KAMASTONE				
	MCEULA, LESSYTON	R 42.00 p/h	R 45.00 p/h	R 58.30 p/effent	R 63.00 p/effent
	CIVIC CENTRE : ILINGE & TAMBO VILLAGE	R 42.00 p/h	R 50.00 p/h	R 68.90 p/effent	R 74.00 p/effent
	(NOTE: All are Excluding the Overtime Costs of the Caretaker)				
DEPOSITS					
77	Political Parties			R 2,120.00	R 2,268.00
	Funtions where entrance fees are charged			R 2,120.00	R 2,268.00
	Dances / Discos			R 2,120.00	R 2,268.00
	Competitions / Contests of any nature			R 2,120.00	R 2,268.00
	Parties			R 2,120.00	R 2,268.00
	Graduation Ceremonies			R 1,060.00	R 1,134.00
	Weddings			R 2,120.00	R 2,268.00
Other forms of entertainment			R 2,120.00	R 2,268.00	
OTHER FACILITY RENTALS					
Hire of other facilities in the Town, VAN and Ezibeleni Halls					
78	Side Hall (Queenstown, Ezibeleni, Skweyiy, Sada & Ekuphumleni)			R 47.70 p/h	R 50.00 p/h
	Kitchen - Queenstown			R 111.30 p/day	R 117.00 p/day
	Kitchen (Ezibeleni, Skweyiy, Ekuphumleni Ashley Wyngaardt)			R 58.30 p/day	R 61.00 p/day
	Administration fee			10% of Total Cost	10% of Total Cost
	Sambo (Civic Centres of Queenstown, Ashley Wyngaardt & Skweyiy)			R 21.20	R 22.68
	Sound system			R 185.50	R 198.49
	Urn			R 53.00	R 56.71
	Stove			R 127.20	R 136.10
	Bainmarie			R 68.90	R 73.72
	Crockery Deposit (Additional to rental of crockery)			R 318.00	R 340.26
	Cups & Saucers			R 0.74	R 0.79
	Milk Jugs			R 0.64	R 0.69
	Sugar Bowls			R 0.64	R 0.69
	Serving Dishes			R 1.80	R 1.93
	Plates			R 0.74	R 0.79
	Side Plates			R 0.74	R 0.79
	Pudding Bowls			R 0.74	R 0.79
	Knives, Forks & Spoons			R 1.06	R 1.13
	Tea Pots			R 1.80	R 1.93
	Piano			R 53.00	R 56.71
	Grand Piano			R 159.00	R 170.13
	Table Cloth Large			R 26.50	R 28.36
	Table Cloth Medium			R 18.02	R 19.29
	Table Cloth Small			R 10.60	R 11.34
	Fridge Sidehall			R 21.20	R 22.68
	Warming Tray				
	Cleaning levy per function Monday to Friday 15H00			R 100.70	R 107.75
Friday 15H01 to Sunday, incl. Public Holidays			R 127.20	R 136.10	
Night work allowance per hour payable in terms of Bargaining Council resolution Nominal Rate of R10-00 per hour Any Shortfall or Surplus between R25-00 be waived against administration fees.					
LAND USE MATTERS					
79	Administration Costs			R 795.00	R 850.65
	Rezoning fee			R 848.00	R 907.36
	Advertisement Costs			R 689.00	R 731.28
	Bed and Breakfast Applications			R 848.00	R 907.36
	House Business			R 795.00	R 850.65
	Land Use Penalty			R 5,830.00	R 6,238.10
	Subdivision			R 795.00	R 850.65
	Lease of Containers			R 212.00	R 226.84
	Encroachment			R 530.00	R 567.10
	Infrastructure impact cost				
				Assess on merit in line with Council's policy	Assess on merit in line with Council's policy
ADMINISTRATIVE MATTERS					
80	Copy of Title Deed			R 21.20	R 22.68
	Deed searches per individual search			R 21.20	R 22.68
	Photocopies A4 Size per page (Black & White)			R 1.06	R 1.13
MUNICIPAL BUILDINGS : RENTALS					
81	Business Tariff: Queenstown			R 63.60 p/m2	R 68.05 p/m2
	Ilinge			R 26.50 p/m2	R 28.36 p/m2
	Van			R 31.80 p/m2	R 34.03 p/m2
	Other Villages			R 21.20 p/m2	R 22.68 p/m2
	Whittlesea			R 26.50 p/m2	R 28.36 p/m2
	Ezibeleni & Mlungisi			R 26.50 p/m2	R 28.36 p/m2
	Residential Tariff : Queenstown			R 37.10 p/m2	R 39.70 p/m2
	Ilinge			R 19.08 p/m2	R 20.42 p/m2
	Van			R 21.20 p/m2	R 22.68 p/m2
	Other Villages			R 10.60 p/m2	R 11.34 p/m2
	Whittlesea			R 19.08 p/m2	R 20.42 p/m2
	Ezibeleni & Mlungisi			R 19.08 p/m2	R 20.42 p/m2
	(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 2,385.00 p/m	R 2,551.95 p/m
	Fairview Flats			R 2,862.00 p/m	R 3,062.34 p/m
	Municipal Houses @ 82 PA Street			R 3,339.00 p/m	R 3,572.73 p/m
Municipal Houses @ 1 Horwood Square			R 3,516.00 p/m	R 4,083.12 p/m	
Municipal Houses @ 1 New Street			R 3,100.50 p/m	R 3,317.54 p/m	
ADMINISTRATION AND HUMAN RESOURCES					
ACCESS TO INFORMATION					
82	Request fee			R 42.40	R 45.00
FEES FOR REPRODUCTION :					
83	A4 Size per page (Black & White)			R 0.85	R 1.00
	Computer readable form - Stiffy disc			R 7.42	
	Computer readable form - Compact disc			R 47.70	R 50.00
	Transcription of visual images, A4 or part thereof			R 26.50	R 35.00
	Copy of visual images			R 74.20	R 80.00
	Transcription of an audio record, A4 or part thereof			R 15.90	R 20.00
	Copy of audio record			R 42.40	R 50.00
	Advertising			R 689.00	R 800.00