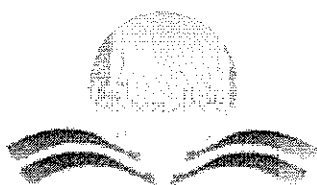


Ugu District Municipality

Budget 2012/2013

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Ugu District Municipality

Quality Certificate

I Luvuyo Mahlaka, Municipal Manager of Ugu District Municipality hereby certify that the 2012/2013 annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Name: Luvuyo Mahlaka
MUNICIPAL MANAGER

Signature: 

Date: 28/05/2012

EXTRACT FROM THE DRAFT MINUTES OF THE UGU DISTRICT MUNICIPAL COUNCIL MEETING HELD ON 31 MAY 2012

6.2

Draft Budget 2012/2013: Ugu District Municipality

The Speaker took members through the item.

Sharing his view, Cllr Mavundla proposed that Management should look at a caucus vote; whereby the said vote would assist Councillors when they had attended governance workshops, conferences and so forth and same was duly seconded by Cllr Zuma.

Cllr ST Gumede proposed that an amount of R3, 000.00 should be made available for each Councillor.

Concurring, the Speaker emphasised that this should be the responsibility of the Municipal Manager to make a provision for such request within the budget.

Cllr Snashall sought clarity with regard to the request for an amount of R3, 000.00.

In response, Cllr Nair explained that the said amount would assist Councillors for workshops and so forth.

Cllr Snashall then referred members to page 4 of the presentation and sought clarity with respect to the amount budgeted for Indigent Burial Support given that the amount did not increase; instead the amount remained the same.

In response, the Speaker advised Council that the amount for Indigent Burial Support was well considered. He mentioned that there was interaction with the Local Municipalities in this regard and the District Municipality then developed a policy; whereby the protocol was rectified.

Cllr Snashall referred members to the income regarding Rent of Facilities and Equipment and sought clarity as to what would the Municipality be renting out in order to obtain income.

In response, the Acting General Manager: Treasury explained to members that the said income would be obtained from MTN, Vodacom and Cell C for cell phone masts that were erected on water treatment plants. She pointed out that the said contracts were renegotiated; as a result there would be an increase in income. Furthermore, she indicated that an amount of R1.8 million would be received from the Ugu Fresh Produce Market given that the Market would be rented out.

Cllr Snashall referred members to page 5 and sought clarity on how much the Municipality was purchasing water and how much the Municipality was selling same.

In response, the Acting General Manager: Treasury advised that the Municipality purchased water from Umgeni Water for R4.00 per kilolitre and that same was

sold for R8.43 per kilolitre. Moreover, she advised that there would be a 5.6% increase in the purchase price; as a result water would be sold for R8.94 per kilolitre.

Cllr Snashall noted the 6% increase in water and sanitation tariffs and stressed that the Municipality's tariffs for water and sanitation were the highest in the country.

Also, he referred to page 7, waste water management and emphasised that the budget for same decreased by 31%. He sought clarity if the Municipality could cut down on its core business.

In response, the Speaker explained to members that the amount of R59 million had included some refurbishments.

Cllr Snashall referred to page 9 and sought clarity on other grants given that he thought that the Municipality only received funding from DORA.

In response, the Speaker explained to members that business plans were approved and submitted to DWA, MIG, CoGTA and so forth for funding; as a result same were referred to as Other Grants.

Following questions of clarity, Cllr Snashall moved for the recommendations and was duly seconded by Cllr Nair.

Following which,

It was unanimously

RESOLVED:

- (a) That the Draft Budget 2012/2013: Ugu District Municipality be **NOTED**.
- (b) That the annual budget of the Municipality for the financial year 2012/2013; and indicatives for the two projected outer years 2013/2014 and 2014/2015 be **APPROVED**, as set out in the following schedules:
 - Table A1 – Budget Summary;
 - Table A2 to Table A4 – Budgeted Financial Performance;
 - Table A5 – Budgeted capital expenditure by vote, GFS and funding;
 - Table A6 – Budgeted Financial Position
 - Table A7 – Budgeted Cash Flows
 - Table A8 – Accumulated Surplus Reconciliation
 - Table A9 – Asset Management
 - Table A10 – Basic Service Delivery Measurement;
 - Other supporting tables (Tables SA1 – SA36);
 - Detailed Capital Budget;
 - Budget Regulation Charts.
- (c) That increases in the Municipal tariffs for the budget year 2012/2013, as per the attached Tariff of Charges Schedule 2012/2013, be **IMPOSED**.

- (d) That the budget related policies for water and sanitation tariff calculation budget policy, water services policy, credit control and debt collection policy, free basic water services policy, indigent support policy, Virement policy, fund reserves policy, as attached, be **APPROVED** for the budget year 2012/2013.
- (e) That the cash management and investment policy and the asset management policy as attached be **APPROVED** for the budget year 2012/2013.
- (f) That, it be noted that the Service Delivery and Budget Implementation Plan had been drafted and should be submitted to the Mayor for approval, within 14 days after final approval of the budget 2012/2013.
- (g) That an amount of R3, 000.00 be made available for each Councillor for workshops, conferences and so forth and that the Municipal Manager be tasked to ensure that such a provision was made available within the budget.

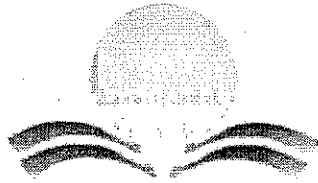
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.....
P P NTEBE

GENERAL MANAGER: CORPORATE SERVICES

1



Ugu District Municipality

VISION

“A place where everyone benefits equally from socio-economic opportunities and services”

MISSION

To provide quality drinking water and access to sanitation. Create an enabling environment for social and economic development. Ensure community participation and coordinate public and private players.

Budget Speech by the Mayor of Ugu District Municipality, on the occasion of the presentation of the IDP and Budget for the financial year 2012/2013, at a Municipal Council Meeting held on the 31st May 2012, Port Shepstone.

Speaker of Council: Cllr Sthembiso Cele

Mayors of our Local Municipalities;

Members of the Executive Committee;

Honourable Councillors;

People of Ugu;

The management and all staff members;

Distinguished guests;

The Media;

Ladies and Gentlemen;

Mr Speaker, I feel privileged and honoured to address this sitting of our Council on this crucial gathering – I will be presenting to you, Ugu District Municipality 5 Year Integrated Development Plan (IDP) 2012/2013 – 2016/2017 and the Budget for the financial year 2012/2013.

Section 87 (3) of the Municipal Finance Management Act No. 56 of 2003 calls for the Mayor of the parent municipality to table the proposed budget of the municipal entity in the Council, when the annual budget of the municipality for the relevant year is tabled. Mr Speaker this legislative requirement warrants for the Council to consider and approve these strategic documents which are used as a tool to manage the public funds in order to expedite the provision of basic and sustainable services. We do all these legislated endeavours in our quest to improve the quality of lives for Ugu District citizens.

Ladies and Gentlemen, let me emphasise that over and above compliance with the MFMA and other legislation, the aim of the Budget is to enable the municipality to achieve its vision and mission through the implementation of all projects and programmes as contained in its Integrated Development Plan. The Integrated Development Plan (IDP) forms basis of the prioritisation of resources as it contains programmed informed by the community needs. All resources have been allocated to priority projects as identified in the IDP hence a 5 Year plan is presented to this Council

Clear directives and adherence to the national government mandate

Mr Speaker it is important to highlight the fact that, this Council has completed a 1 year period in its term of office following an inauguration that was held in June 2011. We thank the community of Ugu district for giving us a clear mandate as public representatives. We as

Ugu District Council have managed to take stock of achievements that were realised by the collective and we have managed to produce a continuous plan that will drive our vision for the next four years as the mechanism to "build a better life for all".

Ugu district municipal council has rolled out massive infrastructural projects across its family of municipalities during the current term of office, these projects include Thoyana Water Scheme in Vulamehlo, Upgrading of Bulk water at Kwanyuswa and extending reticulation, Nomakhanzana Water scheme in Umzumbe, Umzimkhulu Off Storage Dam, Waterborne project for Park Ryne in Umdoni Umuziwabantu Phase 1 and 2 and we are busy planning phase three (3) of this project. Regarding provision of Ventilated Improved Pit latrines (VIP's) a total of sixteen thousand (16000) units are targeted covering the whole of the district and we are chasing to clear the backlogs in Ezinqoleni and Umdoni Municipalities hence we are at 60 % towards completion of the entire project which is anticipated before end of June 2012. Ladies and Gentlemen I must mention that, these are continued collective efforts aimed at creating a conducive and sustainable environment that promote better livelihoods to the public we serve.

In addition to our collective efforts in his 2012 State of the Nation Address (SONA) President Zuma highlighted the triple challenge which is that of unemployment, poverty and economic inequality that still persist despite the progress made in 2011. The President invited the nation to join government in the massive infrastructure development drive for the year 2012 and beyond. This campaign will boost the level of the economy and create job opportunities.

Mr Speaker, the priorities contained in our five (5) year plan from 2012/13 – 2015/2016, and the 2012/2013 budget annual budget are aligned with the national development plan and amongst the focus areas the creation of job opportunities whilst expanding water and sanitation infrastructure. I wish to state categorically that, this Council has put mechanisms in place to fight and combat the scourge of corruption and we "urge" the public members to report to us where they are suspecting corruption during the delivery of their services.

Consultation with Ugu district community & Integrated Development Plan for 2012/2013 – 2015/2016

Mr Speaker we have conducted a total of nineteen community meetings and Budget Road shows during the period of November 2011 and March to April 2012. These meetings were part of our legislative obligation as prescribed in various municipal pieces of legislation, the purpose was to receive inputs from the public on the Draft IDP and Budget for 2012/2013. These consultative meetings were mostly a joint collaboration between the respective local and district municipality.

It is important to share with you Mr Speaker on some of the inputs that were received from the public members; for example at Vukuzithathe MPCC ward 4 of Umuziwabantu Mr Alpheus Mkhize was grateful for the infrastructure provided within Umuziwabantu area in the same venue Sibongile Njoboli commended the municipality

for presenting the budget in isiZulu also convey sincere words of gratitude for Mazakhele project, Sanele Bhengu from Umzumbe at ward 14 acknowledged that Jojo tanks were installed however condemn the community for vandalising the tanks, Thulani Mkhize of Umzumbe at ward 10 requested for the VIP toilets that accommodates people living with disability, Sifiso Dlamini and Va Zama at ward 1 commended the municipality for bringing the budget to the community and Bhekani Chiliza from Dweshula thanked the municipality for donating the computer laboratories at Mangquzuka high and Beulah Primary schools and rate payers association requested for regular interactions and working in collaboration with municipalities in order to achieve more results.

These vital inputs made by public members ensured us as public representatives that "We are on track and made us to realise that "working together, We Can Do More" Mr Speaker, allow me to convey the sincere words of gratitude to those Councillors who participated in the public participation processes and received inputs from their respective constituencies. These inputs were recorded carefully and considered hence we are now bringing this IDP to Council to be noted subject to its approval in June 2012.

2012/2013 Budget

In terms of Chapter 57 of the Municipal Finance Management Act, Act no 56 of 2003, I wish to table before this house, our 2012/2013 budget for approval.

Mr Speaker, as public representatives we are entrusted with a responsibility to comply with the provisions of the MFMA of 2003, and in so doing we use the budgeting process as our strategy to fulfil our constitutional mandate of a developmental local government, a sphere of government that is closer to the people. We manage public funds in a way that ensures that we improve the quality of lives of our people. We see the budget as an instrument of development. We do this through planning, budget allocation, control and proper accounting for every cent entrusted to this municipality and "We" do that in a manner that build and promotes our trust to the public.

The total budget we are presenting here before this house amounts to R 978,917,107 with a R 324,382,424 capital budget and a R 654,084,683 operational budget. Mr Speaker I must indicate that, this budget has grown slightly from our adjusted budget 2011/12 and this is in line with our developmental mandate which the people of Ugu gave this Council, alongside our local municipalities are also given clear mandate to deliver services, grow the economy and to help build a better life. I stand before you to present critical strategic focus areas in our budget which we have made since then and to highlight our programme of action for

2012/2013 under the theme: **"We are united in diversity and working together to ensure better life for all of our district citizens"**

Mr Speaker, we are however, encouraged by the efforts of the national government at reducing the effect of job losses, amongst other things, and we need to compliment such efforts through our programmes at the district level.

Water and Sanitation

Water continues to be our most essential core function. As we noted in the State of the District last year, rural communities, as per government's mandate, will continue to have our dedicated attention, so that they too, can have access to clean, portable water, Mr Speaker please allow me to announce to this Council that, Ugu District Municipality recently attained three "Silver Blue Drop Status Awards" in the Blue Drop Assessments by the Department of Water Affairs on water supply authorities.

This countrywide assessment recognized three of the municipality's water systems. The Umtavuna plant which supplies water to the to the Ezingolweni, KwaXolo, KwaNzimakwe, Southbroom and Port Edward areas, the Umtwalume and Umzinto water systems which supply the northern areas of the district.

This countrywide assessment recognized three of the municipality's water systems. Out of a total of 153 municipalities and water authorities which were assessed UGU came at number 31 in the country with an overall score of 92.55% with the best performing municipality, the City of Tshwane, attaining an overall score of 98.95%. The DM came in at number 7 in the province being overtaken by marginal points. "The municipality's other water systems were marginally off the minimum score for the Blue Drop Status and with improvement in the issues that were highlighted, Ugu will work on attaining a full Blue Drop status for all the water supply systems."

Ugu District Municipality's outstanding achievement was noted by the Minister of Water Affairs who singled out the Municipality as one of the best performing municipalities when pitted against the larger Metropolitan cities. "The Blue Drop Award has become a highly coveted price amongst the municipalities and shown by the results, many municipalities put in a lot of effort."

From the Municipal Infrastructure Grant (MIG) allocation of R 289 million, the municipality has set aside R 238, 7 million for water and sanitation infrastructure programme. An additional R 31, 2 million from Equitable Share will be spent to ensure that we continue to provide our people with free basic water from the communal standpipes.

In addition the National Government equitable shares grant of R 214, 1 million, we will spend R16, 4 million towards the cost of supplying free basic metered water. An additional

R51, 5 million to subsidise the water tariff, this in the face of the difficult economic conditions facing our people.

Mr Speaker, we will also continue with our responsibility to look after our senior citizens, which is part of our African culture of respecting the elderly.

An allocation of R 46, 8 million has been made for rolling out the rural Ventilated Improved Pit toilets, a programme that will see us advancing with work to eradicate rural sanitation backlogs from across Ugu district family of municipalities.

In responding to our constitutional mandate as clearly spelt out under the objects of local government, Local Economic Development has been increasingly becoming our area of focus, Difficult economic conditions demand that we look for innovative and creative ways of ensuring that people keep their jobs and that those who have lost their jobs are able to be part of a growing number of people who are self employed. Ugu District Municipality has facilitated and formed a number of strategic partnerships in our quest to respond to the escalating plight of unemployment. Those partners include KwaZulu – Natal Fashion Council, Trade and Investment KwaZulu / Natal and we are also proud to be part of the Vuka Mentorship Programme a project that we have partnered in association with Nedbank, the recent partnerships milestones resulted into the establishment of Ugu Kuphuka Furniture Manufacturing Association.

Our comprehensive LED strategy will continue to give us direction in this regard. We have therefore allocated R 6 million towards LED projects across the District.

Tourism

In compliance with the provisions of Section 87(3) Municipal Finance Management Act, we have included the budget of the Tourism Entity, which has been approved by the Board, as part of this budget we are tabling here today.

The total operating revenue for the year commencing in July 01 is R13, 6 million, with a corresponding expenditure of R 13, 6 million.

As part of our ongoing commitment to growing our tourism industry, we have, as a district municipality, made an allocation of R 10 million towards tourism marketing and development.

We reiterate our commitment to the Board to execute its mandate and manage any operational challenges it may face. We will always be available to lend support because ours is about building a better district.

Relief for the poor

Difficult economic conditions means people will find it difficult to make ends meet. Within the provisions of our Indigent Support Policy, we will continue to provide those who qualify for indigent support with rebates.

In respect of sanitation, indigent customers will receive a full monthly subsidy on sanitation, both in respect of waterborne sewer and conservancy tanks, except for additional draw requests, which must be paid for separately by the customer

In respect of water, an allocation of R 16, 9 million indigent support has been set aside to provide 6kl of water to deserving and qualifying households, whose gross monthly income is less than R2000.

Organizations that continue to work with our communities in self help projects will again this year benefit from the R315 000.00 grants in aid fund.

The belt tightening measures we introduced in the previous budgets have been slowly providing positive results. We have indeed ripped fruits from our going concern and cash flow challenges plan and we will continue to bring down the cost of doing our business and to this end, management is working towards realising savings in respect of our operational costs including amongst other things: overtime; transport costs; electricity and salaries and wages.

Other critical budget allocations considered

Section 2 of the MFMA Circular 59 highlighted that Municipalities must take the following inflation forecast into consideration when preparing their 2012/2013 budgets and MTREF. The period of salary and Wage Collective Agreement 2009/10 to 2011/2012 has come to an end. In the absence of other information from the South African Local Government Bargaining Council, municipalities are advised to budget for a 5 % percent cost of living increase adjustment, to be implemented with effect from July 2012, this is in line with the increase proposed in the 2012 NTBPS. Mr Speaker, Ugu District Municipal Council has imposed monotorium in employment, however we have set aside an amount to a tune of R

10 million for the staff restructuring costs and I must indicate the fact that, this is targeting the most critical positions. The budget we are presenting here today needs to be seen within the national imperative of accelerating service delivery and development hence we are appealing to our administrators to take note of this whenever they are discharging their responsibilities.

Special Programmes

We have been making good progress with regards to addressing the plight of our special interest groups within our district. The introduction of Operation Sukuma Sakhe Programme (OSSP) which is a poverty alleviation programme driven by the Office of the Premier, presented us with an opportunity to tap into other resources in pursuance of our mandatory coordination role. We are continuing to work well as Ugu District Task Team of Sukuma Task Team, as led by a capable "Deputy Mayor" Cllr Mondli Chiliza, for this we thank all of you for the support that you have pledged to the this critical development intervention.

Allocations in respect of the Special Programmes are as follows:

| | |
|--------------------------------|--------------|
| • Youth | : R 300 000 |
| • Women | : R 200 000 |
| • Elderly | : R 200 000 |
| • HIV/AIDS | : R 400 000 |
| • Rights of the Child | : R 200 000 |
| • Crime Prevention Initiatives | : R 50 000 |
| • Heritage | : R 300 000 |
| • Disability | : R 200 000 |
| • Ward Committees | : R 35 000 |
| • Mayor's Bursary Fund | : R 90 000 |
| • Farm Workers | : R 20 000 |
| • Public Participation | : R1,350,000 |
| • Masakhane Campaign | : R 145,000 |

We have taken a conscious decision and resolved to create the Special Programmes Committee, where we have combined youth development and special projects, our thinking is that this approach will enable us to save the scarce resources, whilst pursuing to honour the needs of vulnerable groups in the same vein we have learned that these are cross cutting issues, for example the youth is comprised of people living with disabilities and

young women. We are aware that, there is a Youth Convention planned to take place in June and hope that our youth will continue to engage about these matters and we will be able to find a common understanding

The IGR Act makes it mandatory on us to design practical mechanisms of ensuring that the institution of traditional leadership is supported and strengthened so that it adds value to the realisation of a better life for the rural people of our country and district.

In compliance with the National Treasury we have allocated R 1, 3 million for the following services by the Mayors' Office and it is therefore divided as follows:

- 38,4% for the Indigents / Pauper Burial Fund = R 500 000
- 38,4 % for Education Support Fund = R 500 000
- 23,7 % for Community initiatives = R 300 000

Tariff of Charges

During the recently held Budget Roadshows between April and May 2012, Ugu District Municipality together with its family of municipalities; consulted the community on the 2012/2013 draft budget where the inputs made by the communities were considered.

It is against this background that Ugu District Municipality finds it significantly necessary that the community served by this organisation is informed about the changes soon to be effected.

Water and Sanitation Tariff has been calculated at 6 % increase; this is in line with Section 2 of the MFMA circular no 59, where it is indicated that the CPI inflation projected for 2012/2013 is 5, 9 % which also informed our tariff of 6 % increase.

Conclusion

Mr Speaker, Ugu District municipality in its quest to fast track service delivery will continue to implement water and sanitation programmes, and also play a pivotal role in fulfilling its mandate through the application of well coordinated service deliver approaches. This will enable us to collectively ensure that public members receive a better life for all. Given the huge task that is ahead of us we are determined to provide more with less in an effective, efficient, economical and accountable manner.

"Baba Somlomo"

Sengideda sonke siyamazi ubaba Dr Rev Mgojo obambe iqhaza elikhulu emzabalazweni wabantu abamfofu, ngithi angibikele lendlu ukuthi uxinwe ukugulaungene ephuma esibhedlela nomam wakwakhe.....ngicele indlu ukuba iwuthandazise lomndeni kulesikhathi sobudala bawo" Ngingajabula uma singakhe ithimba lapho sizohlela ukumvakashela ubaba wethu osesibhedlala.

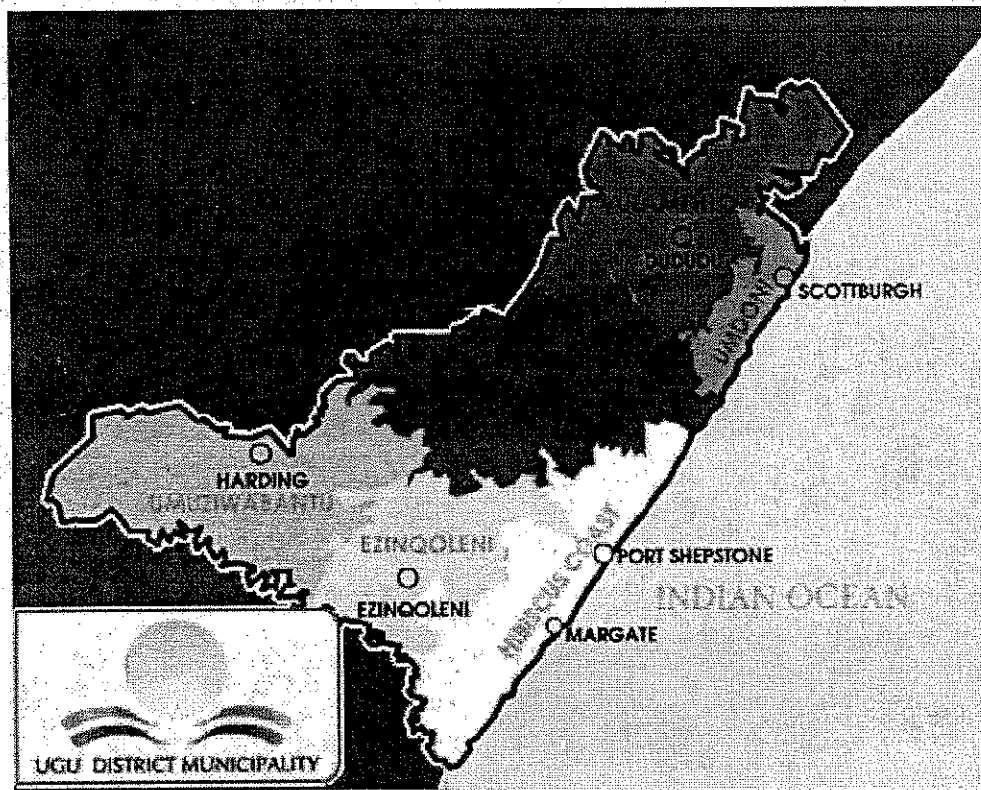
I thank you,

Cllr N.H GUMEDE

Mayor

EXECUTIVE SUMMARY

1. BACKGROUND



Source: <http://www.ugu.org.za/council/municipalities.asp>

Ugu District municipality consists of eighty one (81) municipal wards in its (06) Local Municipalities, namely, Hibiscus Coast, Umzumbe, Vulamehlo, Umdoni, Ezingoleni and Umuziwabantu. The municipality also has forty two (42) traditional authorities. It is 5866km² in extent and is home to 709,918 residents with 84% population residing in rural areas (Household Survey Data, Statistics SA (2007)). About 57,9% of the population is aged between 15 and 64years, which calls for government interventions and support relating to infrastructure for human development such as education, health and employment (State of the population of KZN (2009)).

The municipality has 151,620 households – with Hibiscus Coast and Umzumbe having the largest number of households of all the local municipalities i.e. 50,650 and 40,579 households respectively. The average household size in Ugu is 4.6 persons per household. (State of the Population of KZN (2009). There is a rising HIV sero-prevalence rate from 37% to 40.6%, which is the highest in the 11 districts of the province.

The unemployment rate in the Ugu Region is estimated at 26, 8% (Global Insights 2010). The districts economically active population is estimated at 21,2% of the total population. Most of the rural households rely solely on state grants. Ugu was identified during Presidential State of the Nation address in 2001 as a poverty nodal area that would be targeted for rural development programs.

Ugu's main function is Water and Sanitation as well as the maintenance of water infrastructure. The current service delivery backlog is estimated at 30.09% for water and 27,19% for sanitation which is 46,393 and 41,231 households respectively.

2. Ugu District Municipality's Development Priorities

1. Infrastructure investment
2. Economic and Sector Development
3. Financial Viability
4. Education and Skills development
5. Institutional integration and coordination
6. Centralised planning
7. Reduce HIV & AIDS
8. Clean environment
9. Peace and stability.

3. ORGANISATIONAL STRATEGIC OBJECTIVES

1. To create a conducive environment for participatory development.
2. To build and strengthen the administrative and institutional capability of the municipality
3. To develop and maintain a financially viable and sustainable organisation that achieves full compliance with legislation.
4. To develop and promote an integrated sustainable environment
5. To provide access to sustainable quality drinking water and sanitation services.
6. To create a conducive environment for economic growth and job opportunities.

NATIONAL OUTCOMES

In January 2010, Cabinet adopted the 12 outcomes within which to frame public-service delivery priorities and targets. The following table is a summary of outcomes/priorities which were considered in the compilation of the 2012/2013 Annual Budget.

| NATIONAL OUTCOME/OUTPUT | ROLE OF LOCAL GOVERNMENT |
|---|---|
| 1. Improve the quality of basic education | - Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections. |
| 2. Improve Health and life expectancy | - Improve community health by providing clean water and sanitation. - TB and HIV and AIDS awareness, prevention and treatment programmes. |
| 3. All people in South Africa protected and feel safe | - Improving collaborations with the SAPS and ensuring rapid response to crime. - Reduce level of crime in the municipality. |
| 4. Decent employment through inclusive economic growth | - Ensure proper implementation of the EPWP. - Design service level processes to be labour-intensive. - Eliminate corruption in procurement processes to ensure value for money |
| 5. A skilled and capable workforce to support inclusive growth | - Develop and extend intern and work experience programmes. - Link procurement to skills development initiatives. |
| 6. An efficient, competitive and responsive economic infrastructure network | - Ring-fence water and electricity functions so as to facilitate cost-reflecting pricing of these services. - Maintain and expand water purification and waste water treatment works in line with growing demand. |
| 7. Vibrant, equitable and sustainable rural communities and food security | - Facilitate the development of local markets for agricultural produce. - Ensure effective spending of grants for funding extensions of access to basic services. - Improve transport links with urban centres to ensure economic |

| | |
|--|--|
| | integration. |
| 8. Sustainable human settlements and improved quality of household life | - Ensure capital budgets are appropriately prioritised to maintain existing services and extend services. |
| 9. A response and accountable, effective and efficient local government system | - Ensure ward committees are representative and fully involved in community consultation processes around IDP, Budget and other strategic service delivery issues. - Improve municipal financial administrative capacity by implementing competency norms and standards and acting against incompetence and corruption. |
| 10. Protection and enhancement of environmental assets and natural resources | - Develop and implement water management plans to reduce water losses. - Ensure effective maintenance and rehabilitation of infrastructure. - Run water saving awareness campaigns - Ensure development does not take place on wetlands. |
| 11. A better South Africa, a better and safer Africa and World | - Create an enabling environment for investment. - Ensure basic infrastructure is in place and properly maintained. |
| 12. A development-orientated public service and inclusive citizenship | - Continue to develop performance monitoring and management systems. - Comply with legal financial reporting requirements. - Review municipal expenditure to eliminate wastage. - Ensure councils behave in ways to restore community trust in local government. |

STATE OF THE NATION ADDRESS

In his 2012 State of the Nation Address (SONA), President Zuma stated that challenges of unemployment, poverty and economic inequality still persist despite the progress made in 2011. He acknowledged that government alone cannot solve these challenges but working together solutions are possible. The President invited the nation to join government in the massive infrastructure development drive for the year 2012 and beyond. This campaign will boost the level of the economy and create job opportunities.

The following priorities were identified in the National Development Plan and have been aligned to the Districts 5 year IDP and the 2012/2013 Annual Budget.

1. Creating jobs and livelihoods.
2. Expanding infrastructure
3. Transitioning to a low-carbon economy
4. Transforming urban and rural spaces
5. Improving rural education and training
6. Providing quality health care
7. Building a capable state
8. Fighting corruption and enhancing accountability
9. Transforming society and uniting the nation,

In drafting the 2012/2013 Budget, Council continues to support job creation by:

1. Ensuring that service delivery and capital projects are labour intensive.
2. Ensuring that service providers use labour intensive approaches.
3. Supporting labour intensive LED projects.
4. Participating fully in the EPWP and
5. Implementing intern programmes to provide young people with on-the-job training.

2011 BUDGET SPEECH

In his 2012 Budget Speech, The Minister of Finance shared the country's vision for the economy in 2030. The New Growth Path recognises that special employment initiatives have to be a priority in the country's present circumstances, while in the longer term growth in agriculture and manufacturing, and investment in a knowledge-based economy must be prioritised.

The draft National Development Plan identifies several key objectives:

1. Lowering costs for both households and business
2. Increasing public infrastructure spending
3. Growing our manufacturing and agricultural sectors
4. Raising mining output
5. Improving the functioning of the labour market, particularly to help young people access work; and
6. Raising competitiveness and exports.

He also stated that the country's development strategy requires a capable state which must be supported by:-

1. parents who will work with the state to deliver quality education,
2. community leaders who will help protect neighbourhoods;
3. Business leaders and trade unions to grow the economy, and
4. Investors to create jobs.

To support the country's rapid growth path to 2030, the following levers of change must be effectively directed

1. Our public-sector infrastructure programme
2. Support for industrial development and special economic zones
3. Investment in science and technology
4. Support for emerging farmers and land reform beneficiaries
5. Expansion of employment programmes
6. Improvements in further education and skills development.

In drafting the 2012/2013 Budget, the Council supports the national initiatives and targets towards achieving the 2030 economic vision. In the 2012/2013 financial year, the municipality will continue to focus on lowering costs of doing business which will in the long-term lower the household costs; and increase its capital infrastructure investments.

OVERVIEW OF THE 2012/2013 ANNUAL BUDGET PROCESS

The 2012/2013 Annual Budget preparation process can be illustrated as below:-

August 2011 - Adoption of Framework Plan and Process Plan by Council and submission to COGTA, National and Provincial Treasury

September 2011 - Assessment of IDP Implementation Plan

October - Conduct financial sustainability strategy with revenue enhancement focus

November 2011 - Conduct Community needs Consultation to develop KPIs for 2012 PMS.

| |
|---|
| December 2011 - Submit 2012/2013 budget framework to all relevant persons (Budget framework to include salary, operational and capital budget related information). |
| January 2012 - Submission of detailed estimates by Office of the Municipal Manager and Heads of Departments to the General Manager: Treasury. |
| February 2012 - Internal Consultative process with Departments by means of workshops and meetings to assess financial feasibility if proposed projects. |
| March 2012 - Tabling of 2012/2013 Draft Budget (Ugu and the Entity) in Council for noting. |
| April – May 2012 – Stakeholder consultation process. Comments, additions and proposals by stakeholders. (All Local Municipalities, KZN Provincial Treasury, KZN SCRRA) |
| May 2012 - Special Joint Exco and Finance Portfolio Committee meeting to consider stakeholders input on the 2012/2013 draft IDP & budget. |
| May 2012 – Mayor tables the 2012/2013 Draft Budget for final adoption by Council. |

Stakeholder consultative process

The Draft Budget was submitted to the Top Management, Finance Portfolio / Budget Steering Committee, the Executive Committee and approved by Council on the 22nd March 2012, for public consultation.

A total of nineteen (19) IDP, Budget and PMS Roadshows were held jointly with the six local municipalities. Public Comments were discussed at the Special Joint Exco and Finance Committee meeting of 25 May 2012, where recommendations for changes in the Draft Budget were received and effected before tabling Council for Approval. The Final Draft Budget 2011/2012 was then tabled by the Mayor to Council on 31st May 2012 where it was unanimously approved for implementation in the 2012/2013 financial year.

Summary of IDP/Budget & PMS Consultative Meetings per Local Municipality

| MUNICIPALITY | DATES | NO OF MEETINGS |
|----------------|--|----------------|
| Ezingoleni | 14, 15, 16 May 2012 | 03 |
| Hibiscus Coast | 20 & 30 April 2012 (two sessions) | 03 |
| Umzumbe | 16, 18 & 20 April 2012 | 03 |
| Umdoni | 17 & 18 April 2012 (two sessions each) | 04 |
| Vulamehlo | 14, 15, 16 May 2012 | 03 |
| Umuziwabantu | 12 & 13 April 2012 (two sessions in one) | 03 |
| | TOTAL | 19 |

Annual Review of policies

The administration annually reviews all budget related policies during the budget process and these are tabled to Council for Approval with the Annual Budget for that particular financial year.

For the 2012/2013 budget year, the following budget related policies were reviewed and adopted by Council for implementation.

1. Budget Policy
2. Virement Policy
3. Funding and Reserves Policy
4. Water Services Policy (Tariff Policy)
5. Credit Control and Debt Collection Policy.
6. Basic Water Services Policy.
7. Indigent Support Policy.
8. Cash Management & Investment Policy.
9. Asset Management Policy.
10. Supply Chain Management Policy

ALIGNMENT OF INTEGRATED DEVELOPMENT PLAN AND BUDGET

Over and above compliance with the MFMA and other legislation, the aim of the Budget is to enable the municipality to achieve its vision and mission through the implementation of all projects and programmes as contained in its Integrated Development Plan. The Integrated Development Plan (IDP) formed basis of the prioritisation of resources as it contains programmed informed by the community needs. All resources have been allocated to priority projects as identified in the IDP.

The alignment of the Integrated Development Plan to the Budget is reflected in the following Schedules:

- Reconciliation of IDP Strategic objectives and Budget (Revenue) – Table SA4
- Reconciliation of IDP Strategic objectives and Budget (Operating Expenditure) – Table SA5
- Reconciliation of IDP Strategic objectives and Budget (Capital Expenditure) – Table SA6

CHALLENGES IN THE BUDGET 2012/2013

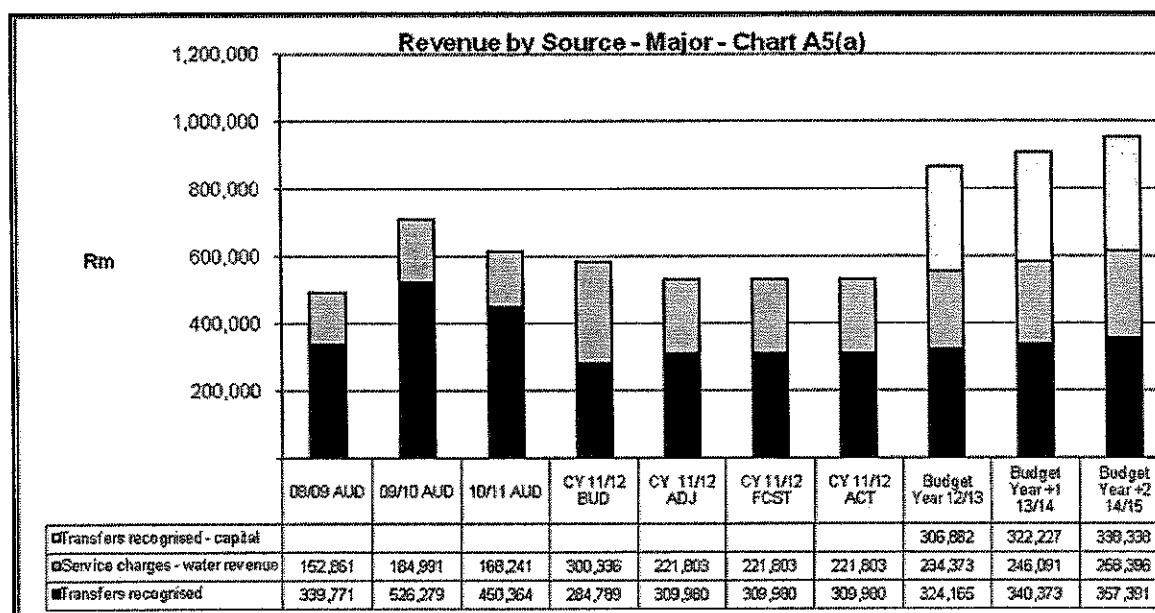
In January 2012, Council adopted a Financial Recovery Plan for implementation in the 2011/2012 financial year and subsequent periods until the municipality recovers from the current cash flow challenges.

The plan details all the activities that should be undertaken by management in addressing the current cash flow challenges of the municipality. The interventions of management in remedying the current situation include stringent cost reduction initiatives which aim to relieve financial strain on internal funding sources, without compromising service delivery in the District.

BUDGET ASSUMPTIONS
OPERATING REVENUE

The following are Ugu's main revenue sources:-

1. Service charges for water
2. Service charges for sanitation
3. Grants and subsidies
4. Interest on external investments
5. Rental of facilities and equipment, and
6. Other income



Service charges for water and sanitation

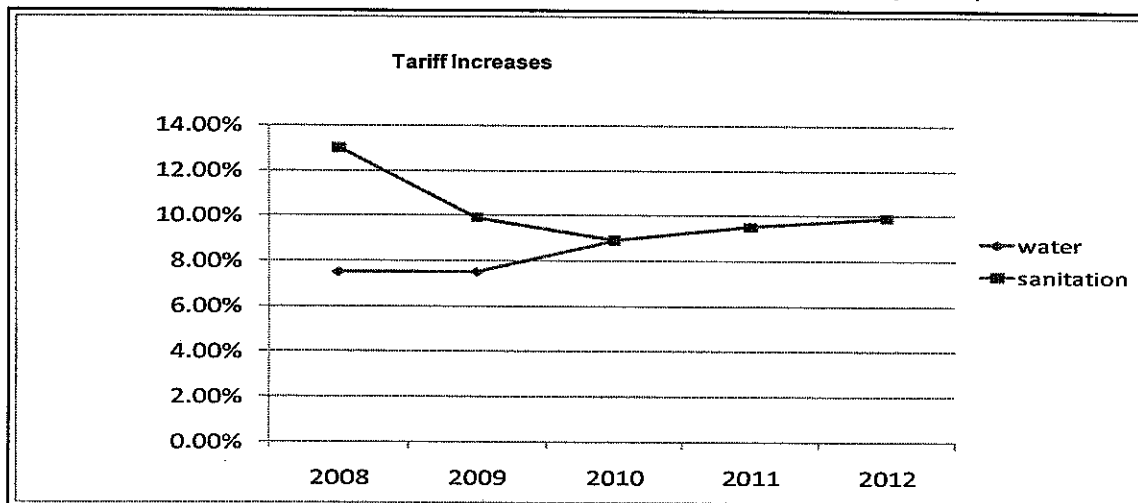
The cost of water and sanitation is determined by three factors:

1. The cost of bulk water
2. The capital cost of infrastructure, and
3. The cost of operating and maintaining the infrastructure
- 4.

For the 2012/2013 Budget, Council approved a 6% (9,9% in 2011/12) increase for water and sanitation charges effective from 01st July 2012 to 30 June 2013. The 6 % increase is based on Headline CPI Inflation forecast of 5,6% in 2013. The revenues are further affected by

1. increases in electricity costs
2. increases in the cost of bulk water
3. Realistically anticipated consumption volumes
4. local economic conditions and affordability level
5. the need to ensure sustainability in the provision of services

The graph below shows increases in water and sanitation tariffs over the past 3 years up to 2012.



See, *Annexure A: Tariffs of Charges* – gives a detailed list of all Council tariffs and the proposed increases.

Free and Subsidised Services

Distribution of water is done via more than 42 000 private household connections and over 4 500 communal stand taps which mainly service the inland rural areas. All households that have access to water receive 6kl a month as *free basic water* which has necessitated an allocation of 16,480,761 to be made in the 2012/13 Annual Budget to be funded from *Equitable Share*. A further R31,258,070 allocation has been made from *Equitable Share* for water provided through *standpipes*.

A total of 5196 beneficiaries were recorded on the **Indigent Register** as at 30 April 2012. The municipality has set aside R16, 960,000 from *Equitable Share* for Indigent Support. Indigent households will receive 6kl free every month for the 2012/2013 financial year.

Interest on Investments

The budgeted interest of R2,000,000 is based on the expected average interest return of 13%p.a on average investments of R68,6 million during the year as the cash flow position of the municipality gradually improves.

See, *Supporting Table SA16 – Investment particulars by maturity*.

Other Revenue

Other revenue consists of Plans Approval fees, disconnection and reconnection fees, new connection fees, tender deposits, rates certificate fees, rental of facilities and other sundry services provided

See, *Annexure A: Tariffs of Charges - detailed list of all council tariffs and the proposed increases*.

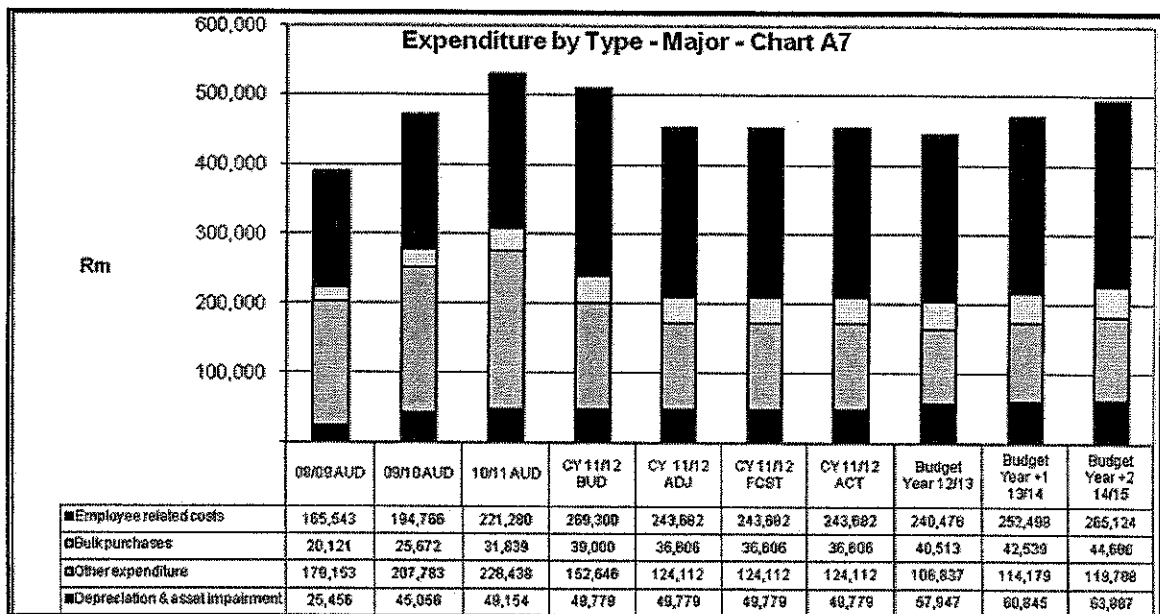
Grants and subsidies

The municipality will receive grants totalling R604,8 million from the National and Provincial Equitable distribution of revenues in the 2012/2013 financial year. This consists of operating grants of R324 million and capital grants of R280,9 million.

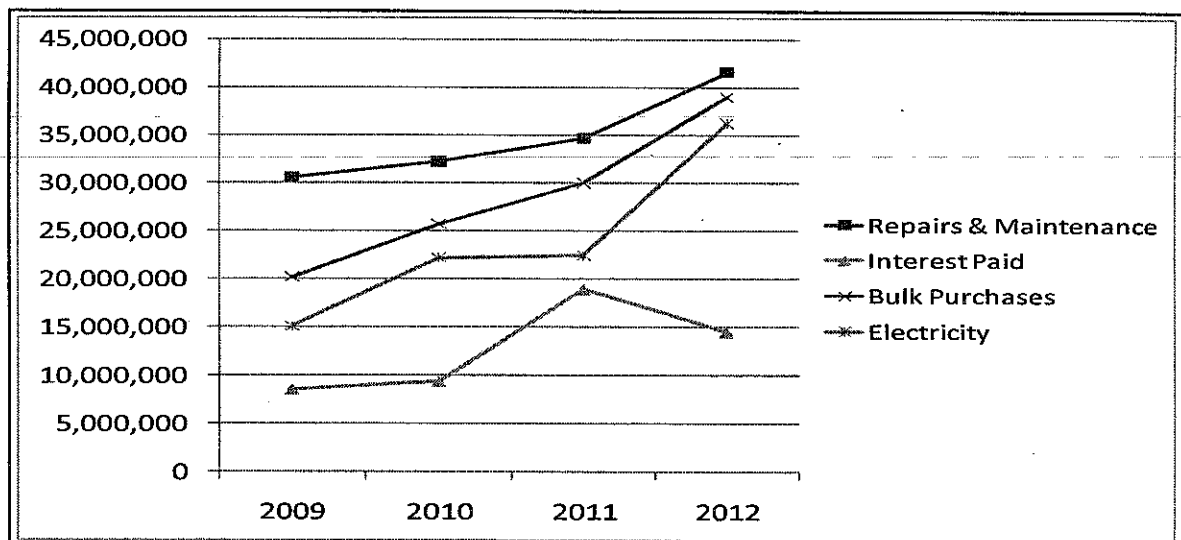
OPERATING EXPENDITURE

The operating expenditure budget has been prepared in line with the municipalities Financial Recovery Plan as adopted by Council for implementation from the 2011/2012 financial year and beyond, which contains strategies of curbing administrative expenditure to improve the cash flow position of the municipality.

The graph below shows operating expenditure by type.

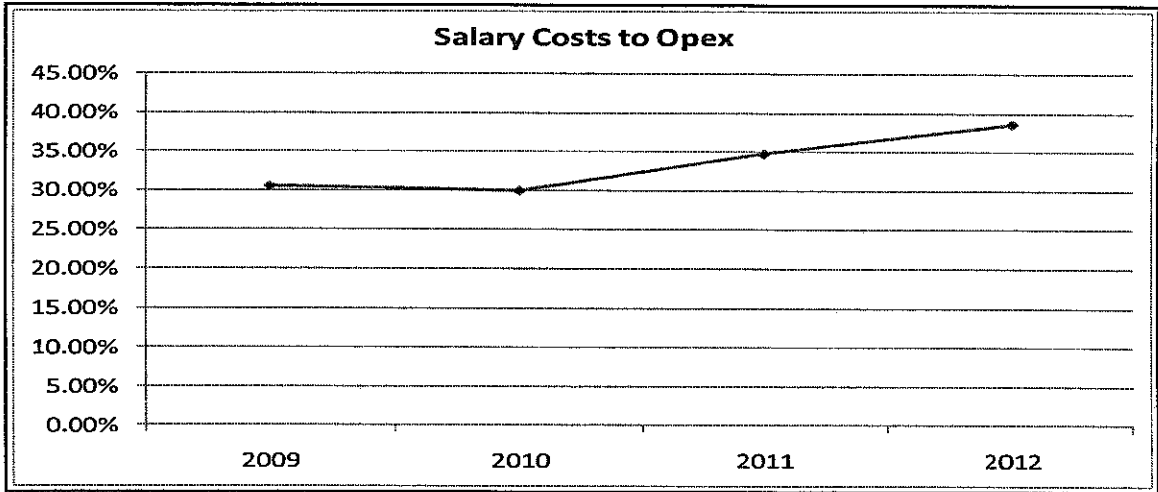


The graph below shows a year to year increase on the municipality's highest cost drivers from 2009 up to 2013 financial years.



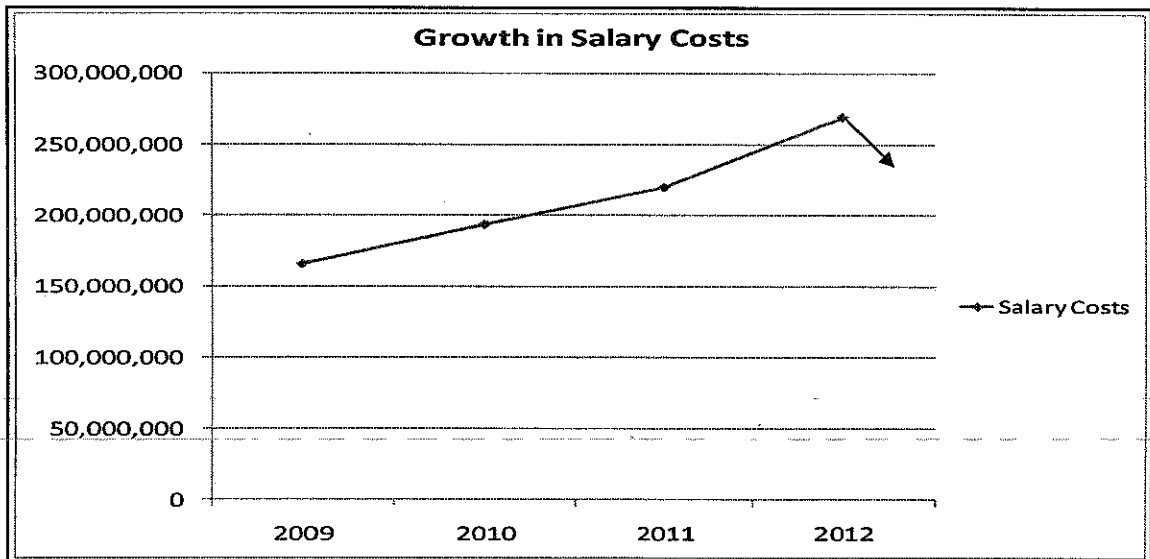
Salaries & Allowances

The total salary cost as a % of total direct operating expenditure is 36,76% in 2012/2013. The graph below shows an increase from 2009 financial year.



The period of the Salary and Wage Collective Agreement 2009/10 to 2011/2012 has come to an end. In the absence of other information from the South African Local Government Bargaining Council, the municipality has made a provision of a 6% increase in the salary bill. An allocation of R18,000,000 has been made for overtime. A provision of a 6, 00% increase has been made in the 2012/13 Budget for increases in Councillor Allowances.

The graph below shows an increase in total salary costs from 2009 up to 2013 financial years.



Depreciation and Asset Impairment

Depreciation and amortisation has been calculated based on the straight line method and the useful life of the assets as per the approved Asset Management Policy. It amounts to R57, 9m in 2012/2013.

Bulk Water Purchases

The water supplied by the District is derived from dams, rivers, ground water and bulk purchases from eThekweni / Umgeni Water. The northern coastal strip (i.e. Craigburn, Umzinto and Umtwalume) is serviced by potable water purchased in bulk from Umgeni Water. The cost per kiloliter will increase by 5,6% which necessitated an allocation of R40,5million for the 2012/2013 financial year.

CAPITAL EXPENDITURE

Zero-based budgeting method has been used in compiling the capital budget. Council has approved to total capital budget of R324,38 million to be spent in 2012/2013 which is a 3,2% decrease from the adjusted capital budget of R335, 09million in 2011/2012.

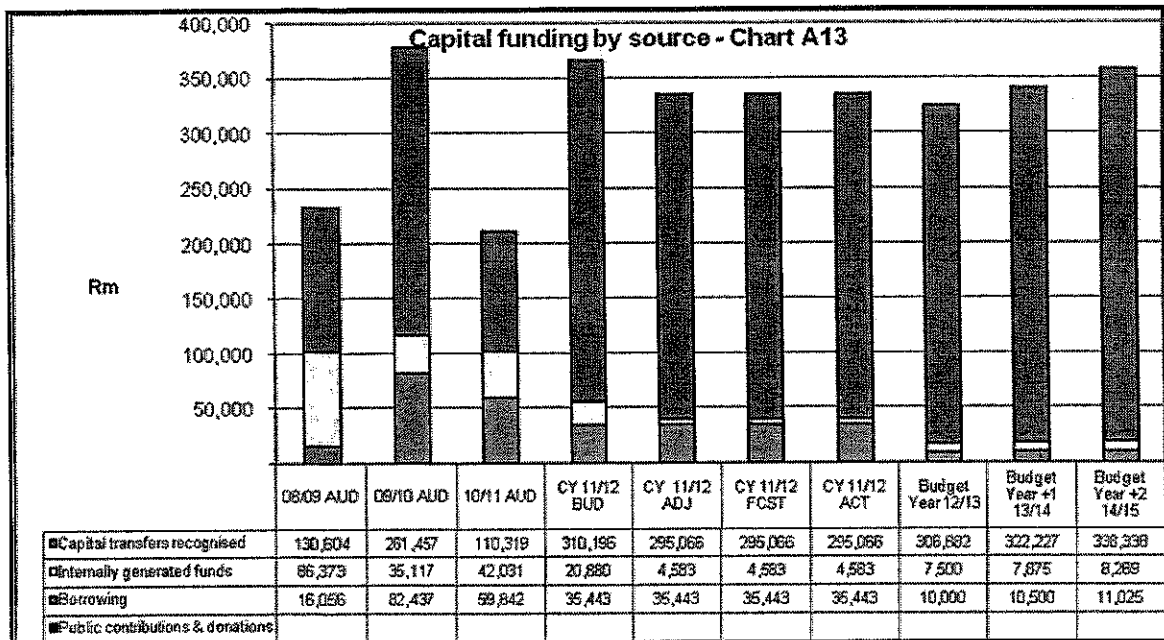
Council has embarked on a number of initiatives in order to fast track capital projects. These include:-

- Explore leveraging MIG funding using private sector funds (loans) to bring projects forward, i.e. bridge funding;
- Target quick wins to eradicate backlog in selected municipalities;
- Masakhane pipe extension programme-voluntary labour by communities to undertake extension of mains in areas with spare capacity;
- Increase capacity of the Project Management Unit (PMU);
- Mobilising additional funding from DWAF to address bulk systems;
- Strategic partnerships with other water utilities, e.g. Umngeni water.
- BOT options are also being considered.

The following sources will be used to fund capital expenditure in the 2012/2013 financial year.

1. Grants and subsidies
2. Borrowings
3. Internal funds

The graph below shows a contribution of each of these sources to the financing of total capital budget.



UGU SOUTH COAST TOURISM ENTITY

Ugu established the Ugu South Coast Tourism Entity. This Board is entrusted with delivering innovative and cost effective strategies that will ensure a growing, quality tourism economy that creates sustainable jobs and alleviates poverty. Its core functions are Tourism Development and Tourism Marketing, for which Ugu District Municipality has allocated R4, 452,000 and R5, 565,000 respectively. Other Local Municipalities also make grant allocations to the Entity.

The Board has adopted to a total budget of R13, 740,392 for the 2012/2013 financial year which is made up of an operating budget of R13, 600,392 and a capital budget of R140, 000.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Service Delivery and Budget Implementation plan is currently being reviewed to include changes made to the Draft Budget after the consultation process, and its Draft will be submitted to the Mayor 14 days from the date of the approval of the Budget.

DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT

| | |
|---------------------------------|--|
| Water Service Authority: | Ugu District Municipality |
| Water Service Provider: | Ugu District Municipality (with bulk purchases from Umgeni Water and eThekweni Metro in the northern part of the district. Bulk water is also sold to Sisonke District Municipality) |

Blue Drop Ratings

The municipality water supply systems were awarded a 93.5% score in May 2009, which means that it has very good Drinking Water Quality Management (DWQM) and effectively manages the quality of

drinking water in its supply zone. Applications have been for the year 2010 and we are awaiting the results from DWA. With respect to the 2009 classification the following are the challenges that led to the non - award of the Blue Drop Classification

| Criteria | Requirement | Management Response |
|--------------------------------|---|--|
| Process Controlling | Registration of process controllers (Operators) | Applications for all operators were submitted to DWAF in Feb 2009 and DWA is still working on them. It is anticipated that these will be available by the next review |
| Credibility of Sample Analysis | Proof that analyses results are used to improve process controlling | The analysis failed to capture that the municipality has an Incident Management Protocol and Register that are used to address and record all deviations and improvements. In addition, the monthly submissions to DWAF have functionality of reporting on what has been done to attend to deviations, which has always been done consistently. It is hoped this will be addressed by the next review. |

As part of the Drinking Water Quality Management initiatives, the municipality developed and adopted a **Water Safety Plan** in July 2009, which has guided the management of water services in general. As part of the Safety Plan the following are some of the activities that are already in progress or due for implementation within the next three years;

- Online drinking water monitoring for all water treatment plants and the associated reporting at the operation, tactical and strategic levels
- Establishment of a Control Centre that will drive operations and assist in moving from reactive maintenance to proactive maintenance and to be the key business reporting centre
- Establishment of ISO based quality management systems in a phased manner for water and sanitation services
- Establishing an Asset Management Plan that will drive all maintenance work within the municipality
- Contracting professional and independent persons to undertake process audits for all treatment plants
- Establishing a treatment/process section within the municipality to ensure that the right level of attention and staffing is in place for all treatment plants
- Establishment of a scarce skills allowance to be able to attract and retain suitably qualified personnel

Green Drop Rating

Applications have also been made for all treatment systems within the district and are awaiting the classification results.

Challenges in the management of drinking water and sewerage:

The following are some of the challenges faced in the provision of water and sanitation services in the district and the proposed solution for each challenge.

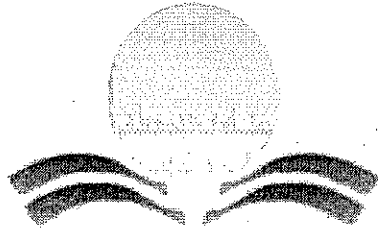
| Issue | Challenge | Recommendation |
|----------------------------------|--|--|
| Pipeline Replacement Program | Majority of pipelines in the urban areas are old AC pipes. Current budget provisions of R10m/yr are inadequate | Allocated funding for a massive AC renewal program and also apply for grant funding |
| Non Revenue Water Programme | Budget provisions limit the current program to part of the network at a time which is inadequate. | Seek grant funding to fast track the implementation of the NRW Programmes |
| Supply and Treatment Constraints | A number of WTW and WWTW are functioning at capacity and certain areas do not have the required 48hr storage | Update Water and Sanitation Master Plans; Upgrade of WTW and WWTW and implementation of Phase 2 of the South |

| Issue | Challenge | Recommendation |
|---|---|--|
| | | Coast Bulk Pipeline |
| Supply to higher lying areas and consumers along bulk mains | Majority of higher lying areas are connected on bulk mains which do not offer the necessary buffer for maintenance purposes and adequate pressures during high demand periods | Planning and design of supply alternatives to higher lying areas such as elevated towers and network modifications |
| Telemetry | The telemetry system outdated | SCADA System Review and Master Planning in progress |
| Rural WTW monitoring | There are currently no staff to man remote rural plants | Online Drinking Water Quality Monitoring and Automation Project in progress |
| Skills Development | The majority of plumbing staff is not suitable qualified while others are illiterate. This has a great effect on operations. | Conclude the RPL process and establish routine training program for all staff |
| Utility Mapping | The majority of the pipelines and other drawings for the municipality are old and outdated and in certain places are none existent. | Develop a GIS Strategy to influence utility mapping as a whole and then implement map update and utility books for the different operational areas |
| Dedicated maintenance crews | With current staffing levels most of the work done is reactive in nature with limited proactive maintenance | Implementation of Shift System and build maintenance crews from the day teams |

2011/12 budget and MTREF allocations proposed

The projects above are key to our operations, however lack of funds has limited the budget provision to only a few listed in the table below.

| Issue | FY 2010/11 | FY 2011/12 |
|---|------------|------------|
| Pipeline Replacement Program | 20,000,000 | 15,000,000 |
| Non Revenue Water Programme | 7,235,000 | 7,235,000 |
| Training of Process Controllers | Nil | 116,000 |
| Refurbishment of Filters | 4,000,000 | Nil |
| UMzimkhulu Off-Channel Storage Dam | - | 2,000,000 |
| Quantity and quality ground water testing of existing borehole in Ugu District Municipality | - | 5,000,000 |



UGU DISTRICT MUNICIPALITY

BUDGET POLICY



Contents

1. Principles
2. Definitions
3. Object of the Policy
4. Scope and Intended Audience
5. Regulatory Framework
6. Roles and responsibilities
7. Annual schedule of key deadlines
8. Budget principles
9. Funding of expenditure
10. The Capital Budget
11. Operating Revenue
12. Operating Budget
13. Salaries and Allowances
14. Provision for maintenance
15. Finance Charges, Depreciation and Impairment
16. Consultation on tabled budgets
17. Approval of the Annual Budget
18. Publication of the budgets
19. Monthly Budget Reports
20. Related Policies
21. Review of the Policy



1. PRINCIPLES

Section 215 (1) of the Constitution of the Republic of South Africa states that National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector. It also states in S215 (3), that Budgets in each sphere of government must contain

- a. estimates of revenue and expenditure, differentiating between capital and current expenditure;
- b. proposals for financing any anticipated deficit for the period to which they apply; and
- c. an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.

Section 26(h) of the Municipal Systems Act (Act 32 of 2000) requires a municipality's Integrated Development Plan to reflect a financial plan, which must include a budget projection for at least the next three years;

Section 21 of the Municipal Finance Management Act (Act 56 of 2003) prescribes the function of the Mayor who must coordinate the processes for preparing the annual budget and for the reviewing of the municipality's Integrated Development Plan and budget related policies and to ensure that any revisions are mutually consistent and credible;

Section 16 of the Municipal Finance Management Act, requires the municipal council to approve an annual budget for the municipality before the start of the financial year;

The Minister with the concurrence of the Minister for Provincial and Local Government, has in terms of S168 of the Municipal Finance Management Act issued the Municipal Budget and Reporting Regulations which aim to secure sound and sustainable management of the budgeting and the reporting practices of the municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes;

Now **THEREFORE**, the Council of Ugu District Municipality adopts the Budget Policy as set out in this document.

2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

References will be made in the policy to particular legislation without quoting it verbatim. The users should therefore refer to the legislation for the exact text.



3. OBJECT OF THE POLICY

To set a broad framework within which Budget related decisions of the municipality will be taken and implemented to ensure efficient and transparent financial planning that will promote sound and sustainable financial management, essential for the achievement of the municipality's developmental priorities as contained in its Integrated Development Plan.

4. SCOPE AND INTENDED AUDIENCE

This Policy will serve as a guideline for the effective management of the municipal budgetary processes, in order to attain the strategic objectives of the municipality within the ambits of the applicable legislation, and shall apply to all departments within the municipality.

Council has considered the guidelines distributed by National Treasury to local government which detail the processes and formats to be followed when preparing the budget documents.

The municipality shall comply with the provisions of this policy in the compilation of each of its budgets.

5. REGULATORY FRAMEWORK

In the process of preparing the budget, the municipality, its Mayor, political office bearers, Municipal Manager, Chief Financial Officer and other officials comply with all relevant legal requirements , including:-

- a) The provisions of Chapter 4 of the Municipal Finance Management Act, 2003, ("the MFMA"), as well as Sections 42, 43, 53, 54, 55, 68, 69, 70, 71, 72, 75, 80, 81, and 83 thereof; and
- b) The Municipal Budget and Reporting Regulations published in terms of Section 168 of the MFMA.
- c) All relevant budget related Circulars and notices issued by the National Treasury.

6. ROLES AND RESPONSIBILITIES

(1) Role of Council

- a) Must provide political leadership & direction
- b) Play an oversight role by approving budget related policies, and ensuring that the priorities are reflected in the budget. (Council may not delegate approval of budgets & policies)
- c) Approve the Integrated Development Plan, the Annual Budgets and the Service Delivery Budget Implementation Plan.
- d) Monitor the outcomes of the implementation of the policies and budgets.

(2) Role of the Mayor

- a) Provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. (S53, MFMA)



- b) Prepare and table a schedule of key deadlines for the preparation, tabling and approval of the budget, annual review of the IDP and the consultative process. (S16, MFMA)
- c) Take all reasonable steps to ensure that the municipality approves its annual budget before the start of the financial year and report to the municipal council and the MEC for finance in the province any delays in the tabling of the annual budget. (S53, MFMA)
- d) Must establish a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in S53, MFMA. (Reg 4(1))

(3) Role of the Accounting Officer (Municipal Manager)

- a) Assist the Mayor in performing budgetary functions assigned to him in terms of Chapter 4 & 7 of the MFMA and to provide administrative support, resources and information necessary for the performance of those functions. (S68, MFMA)
- b) Is responsible for the implementation of the approved budget and must take all reasonable steps to ensure that the spending of funds is in accordance with the budget and is reduced as necessary when anticipated revenue is anticipated to be less than the projected in the budget.
- c) Ensure that revenue and expenditure are properly monitored.
- d) Must prepare an adjustments budget and submit it to the Mayor for consideration and tabling in the municipal council when necessary.
- e) Report to the municipal council any shortfalls in budget revenue, overspending and necessary steps taken to prevent shortfalls and overspending.
- f) Submit to the Mayor actual revenue, borrowings, expenditure and where necessary report variances on projected revenue and the budget.

(4) Role of the Chief Financial Officer (CFO)

- a) Must advise the Accounting Officer on the exercise of powers and duties assigned to him in terms of the MFMA.
- b) Must assist the Accounting Officer in the preparation and implementation of the municipality's budget.
- c) Must perform all budgeting and other duties as delegated by the accounting officer in terms of S79, MFMA.

(5) Role of Senior Managers & Other Officials

- a) Each Senior Manager and each municipal official exercising financial management responsibilities must take all reasonable steps within her area of responsibility to ensure that the financial resources of the municipality are utilised effectively, efficiently, economically and transparently.



- b) Must prevent unauthorised, irregular and fruitless or wasteful expenditure and other losses within her Department.
- c) Must ensure that all revenue due to the municipality is collected.
- d) Must ensure that all information required by the accounting officer for compliance with the provisions of the Acts is timeously submitted.

(6) Role of the Budgeting Steering Committee

1. Reg.4 of the municipal budgeting and reporting regulations requires the Mayor to establish a Budget steering Committee comprising of the following members:-

- o The Mayor – Chairperson
- o The Speaker
- o The Whips of Political Parties
- o The Accounting Officer (Municipal Manager)
- o The Chief Financial Officer
- o The IDP Manager
- o The Manager Budget Office and,
- o Members of Senior Management (Top Management)

2. The role of the Committee shall be:-

- a) To assist the Mayor in carrying out his statutory roles & responsibilities in accordance with S52 and S53 of the MFMA.
- b) To provide technical assistance to municipal political office bearers during policy formulation and to assist priority determination.
- c) To interrogate and make recommendations on the adoption of the Annual Budget, the Service Delivery and Budget Implementation Plan (SDBIP), S71 monthly budget statements and S72 Midyear budget and performance report and the Adjustments Budget.
- d) To evaluate the progress report of the Municipal Manager with regard to the financial year end closure and compilation of the municipal audit file.
- e) To evaluate progress report on the statutory audit by the office of the Auditor General.
- f) To exercise oversight in the compilation of the Annual Report.
- g) To evaluate action plans from the Municipal Manager on corrective measures to be taken on issues raised by the Auditor General.
- h) To evaluate and recommend payment of Annual Performance Bonuses to the Municipal Manager and Senior Management after the annual report has been adopted by Council on 31 January each year.



(7) Role of the Budget and Treasury Office

- a) To assist the Municipal Manager in tabulating key time frames for the Budget Process.
- b) To provide guidance to the Municipal Manager and Senior Managers during the budget preparation process in accordance with National Treasury MFMA Reforms.
- c) To consolidate departmental Capital and Operating budgets.
- d) To consolidate departmental S71 monthly budget statements, quarterly returns and the Midyear monitoring report and submit to the Finance Portfolio Committee.
- e) To report any unauthorised, irregular, fruitless and wasteful expenditure or any deviations from the approved budget to the Finance Portfolio Committee.
- f) To assist the Municipal Manager in implementing recommendations of the Finance Portfolio Committee.
- g) To manage the administrative operations of the Budget and Treasury Office to ensure full compliance with the MFMA and any issued guidelines or Circulars from National Treasury.

(8) Delegation of budgetary roles and responsibilities

1. All delegations by the Mayor to the Municipal Manager, Council/Exco to the members of the Finance portfolio Committee, the Municipal Manager to the CFO and other Senior Managers, of their roles, duties and responsibilities as per the MFMA:-

- a) Must be in writing
- b) are subject to the limitations as may be imposed by the Act,
- c) Does not absolve the Mayor, the Municipal Manager or the Senior Officials of the responsibilities concerning the exercise of the delegated power or the performance of the fiduciary duties.
- d) Should not be indefinite and must be reviewed annually.

7. ANNUAL SCHEDULE OF KEY DEADLINES

7.1. The deadline dates for all budget preparation processes shall be as per the approved Process Plan as tabled by the Mayor to Council in August.

7.2. Such Process Plan shall indicate the target dates for the draft revision of the IDP and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the MFMA, for the submission of all the budget-related documentation to the Mayor, Finance Committee, Executive Committee and Council.



7.3. Such time schedule shall provide for the deadlines set out in Appendix A, unless the Mayor, after consultation with the Chief Financial Officer, determines otherwise and provided that the requirements of the MFMA shall at all times be adhered to.

7.4. The Chief Financial Officer shall be responsible for ensuring that the time schedule is adhered to.

8. BUDGET PRINCIPLES

The sequence in which the Annual Budget shall be prepared shall be, first, the capital component and second, the operating component, except where the CFO with the consent of the Mayor decides otherwise.

The municipality's annual budget should:-

- a) Move towards the achievement of goals and objectives of the municipality within the constraints of the available resources.
- b) Consider the Priorities as identified in the State of the Nation Address, State of the Province Address and the State of the District Address.
- c) Reflect the priorities contained in the municipality's IDP.
- d) Be credible and fully funded from realistically anticipated revenues.
- e) Consider any resolutions taken by Council or the Executive Committee in the previous Budget Year which have financial implications on the current MTREF.
- f) The basis of measurement and accounting policies underpinning the municipality's annual financial statements must be the same as those used in the preparation of the municipality's annual budget and supporting documentation.

9. FUNDING OF EXPENDITURE

An Annual budget must be funded only from:

- a) Realistically anticipated revenues to be collected.
- b) Cash-backed accumulated surpluses from previous years not committed for other purposes;
- c) Borrowed funds, but only for revenue-generating capital projects; and
- d) Grants and subsidies as per DORA.

10. THE CAPITAL BUDGET

- a) The Budget shall be prepared in the prescribed budget format of National Treasury.
- b) The annual capital budget shall be prepared from a zero base, except in so far as capital projects represent a contractual commitment to the municipality extending over more than one financial year.



- c) The annual capital budget shall only be approved by Council if it is properly balanced. I.e. if the sources of finance have been secured to fund the budget and are equal to the proposed capital expenditure.
- d) Before approving the capital budget, the Council shall consider the impact on the present and future operating budgets in relation to Finance Charges on external loans, Depreciation on fixed assets, Maintenance costs of fixed assets, and any other ordinary operational expenses associated with any item in that capital budget.
- e) The council shall also consider any impact of operating expenses – net of any revenues to be generated from the project – i.e. on future service tariffs.

11. OPERATING REVENUE

1. The Operating revenue must include:
 - a) Estimates for all municipal revenue sources and;
 - b) All gazetted grants and subsidies;
2. The allocation of interest on investments shall be budgeted for in terms of the cash and investment policy.
3. In preparing the revenue budget, the municipality shall strive to maintain the aggregate revenues from service charges at not less than 90% of the aggregate revenues net of operating grants.
4. The proposed increases in tariffs should be affordable, i.e. in line with CPIX, and should take into account the need to address infrastructure backlogs.
5. Tariff increases must respond to the population growth rate and the Division of Revenue Act.
6. The water and sanitation charges shall be calculated and levied as per the reviewed Water and Sanitation Tariffs Policy for that MTREF.
7. All tariffs shall be published in a local newspaper, and placed on the municipal website and at the entrance of Ugu offices at least 30 days before the start of the financial year.
8. All tariffs must be gazetted in the Government Gazette before the 1st July each year.

12. OPERATING EXPENDITURE

The operating budget shall duly reflect the impact of the capital component on:

- a) Depreciation and impairment charges
- b) repairs and maintenance expenses
- c) interest payable on external loans, and
- d) Any other operating expenses associated with fixed assets.



The operating budget must be in the prescribed National Treasury Format.

13. SALARIES AND ALLOWANCES

The budget for salaries and allowances shall be separately prepared and shall strive to reflect best practise percentage to the total operating budget of the municipality. The remuneration of Councillors and other political office bearers shall be excluded from this limit.

14. PROVISION FOR MAINTENANCE

The municipality shall adequately provide in each annual and adjustments budget, for the maintenance of its fixed assets in accordance with its fixed asset management and accounting policy as well as routine maintenance plans.

15. FINANCE CHARGES, DEPRECIATION AND IMPAIRMENT

The Finance Charges payable by the municipality shall be apportioned between departments or votes on the basis of the proportion at the last balance sheet date of the outstanding loan balances belonging to such department or vote to the aggregate outstanding loan balances. However, should Council decide to raise loans only for financing of fixed assets in a specified service or vote, finance charges shall be charged to or apportioned only between the departments or votes relating to such service.

The depreciation expenses shall be apportioned to each department based on the cost of assets allocated to that department. The depreciation method used shall be in terms of the Fixed Assets Management and accounting policies.

16. CONSULTATION ON TABLED DRAFT BUDGETS

The Municipality shall, after the annual draft budget is tabled, consider the views of the local community, the National and Provincial Treasuries, organs of state and local municipalities, as required by Section 23 of the MFMA, and shall comply with all other requirements of that section. In terms of S75, MFMA, the draft budget will be posted to the municipal website.

17. APPROVAL OF THE ANNUAL BUDGET

The Council shall approve the budget before the start of the financial year, in accordance the provisions of Section 24 of the MFMA, failing which, the municipality shall be subject to the provisions of Section 25 of the MFMA.



18. PUBLICATION OF THE BUDGETS

In accordance with Section 22 of the MFMA, the Municipal Manager shall ensure that immediately after the annual budget is tabled in the Council:

- a) The budget is made public in accordance with the provisions of Section 17 (3) of the Local Government Municipal Systems Act.
- b) The budget is submitted to the National Treasury and Provincial Treasury in printed and electronic formats;
- c) The budget is submitted to any prescribed organs of state and to other municipalities affected by it.

19. BUDGET IMPLEMENTATION REPORTS

The chief financial officer shall compile monthly and quarterly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall furnish the chief financial officer with all explanations required for deviations from the budget.

The Chief Financial Officer shall submit these monthly and quarterly reports to the mayor, finance committee and executive committee, and all other prescribed parties, in accordance with the prescriptions of the Municipal Finance Management Act.

20. RELATED POLICIES

This policy must be read in conjunction with the following budget-related policies of the municipality:-

- a) Indigent Support Policy
- b) Asset Management Policy
- c) Water Services Policy (incorporating the Tariff Policy)
- d) Cash and Investments Policy
- e) Supply Chain Management Policy
- f) Credit Control and Debt Collection Policy
- g) Funding and Reserves Policy
- h) Virement Policy
- i) Basic Services Policy



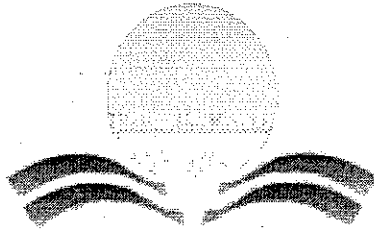
21. REVIEW OF THE POLICY

This policy will be reviewed annually by the Budget Steering Committee prior to the commencement of the budget process to ensure compliance with any changes in legislation or any 'best practice' guidelines and MFMA Circulars as may be issued by National Treasury from time to time.

Records of Approval

| Meeting | Date | Resolution |
|------------------------------|------|------------|
| Top Management | | |
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VIREMENT POLICY
UGU DISTRICT MUNICIPALITY



VIREMENT POLICY

Contents

1. Definitions
2. Object of the policy
3. Legislative framework
4. Determination of vote
5. Manageable groups of revenue
6. Non manageable groups of revenue and expenditure
7. Operating Budget virements
8. Capital Budget virements
9. Review of policy



10. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

References will be made in the policy to particular legislation without quoting it verbatim. The users should therefore refer to the legislation for the exact text.

"Virement", means "a regulated transfer or re-allocation of money from one account to another, especially public funds."

"Identified Savings", the original budget less all the expenditure incurred and committed orders on that account.

11. OBJECT OF THE POLICY

To introduce a Framework by which departmental budgets can be managed by HOD's to ensure effective financial management.

A virement represents a flexible mechanism to effect budgetary amendments within a municipal financial year.

12. LEGISLATIVE FRAMEWORK

- a. Chapter 4 of the Municipal Finance Management Act.
- b. The Municipal Budget and Reporting Regulations published in terms of Section 168 of the MFMA.
- c. All relevant budget related Circulars and notices issued by the National Treasury.

13. DETERMINATION OF VOTE

CFO shall determine the number and type of votes to be used and line items to be shown under each vote. In so doing, the CFO shall consider and properly reflect the organisational structure and shall comply with the prescribed budget format of National Treasury. The operating expenditure shall be classified as per the Government Financial Statistics classifications used in the prescribed National Treasury format

14. MANAGEABLE GROUPS OF REVENUE

All manageable revenue which is budgeted for under a department is the responsibility of each HOD to ensure that it is collected.

Must report to the CFO and budget office any deviations that they become aware of which might affect the budgeted estimates.

HOD's are responsible for all grants and donations which are budgeted for under their departments.



They must report any deviations to the Chief Financial Officer or the budget office in writing. They must seek reasons for deviations from the responsible donor or the transferring sector departments.

If HOD's become aware that budgeted revenue will not materialize or will not be collected, they must inform the CFO or the Budget Office to ensure that revenue will be adjusted downwards in the Adjustments Budget.

15. NON-MANAGEABLE GROUPS OF REVENUE AND EXPENDITURE

No funds Transfers can be made on these groups:-

Depreciation,
Finance Charges,
Departmental Charges,
Investment Income and
Employee Related Costs

16. OPERATING BUDGET VIREMENTS

Operating budget virements can only be done on General Expenses, Contracted Services and Repairs and Maintenance items.

Funds transfer can take place within these groups provided the total approved budget allocation per vote is not exceeded. In order for a vote to transfer funds from one item to another, there must be identified savings within the limitations of the approved budget for that group. These must be clearly stated in the formal funding requests submitted to the CFO and the Budget Office.

All requests for the transfer of funds must be in writing using the prescribed request forms in Appendix A and B, and must be properly authorised by the Manager and General Manager responsible for that vote and the Chief Financial Officer as per the set limits.

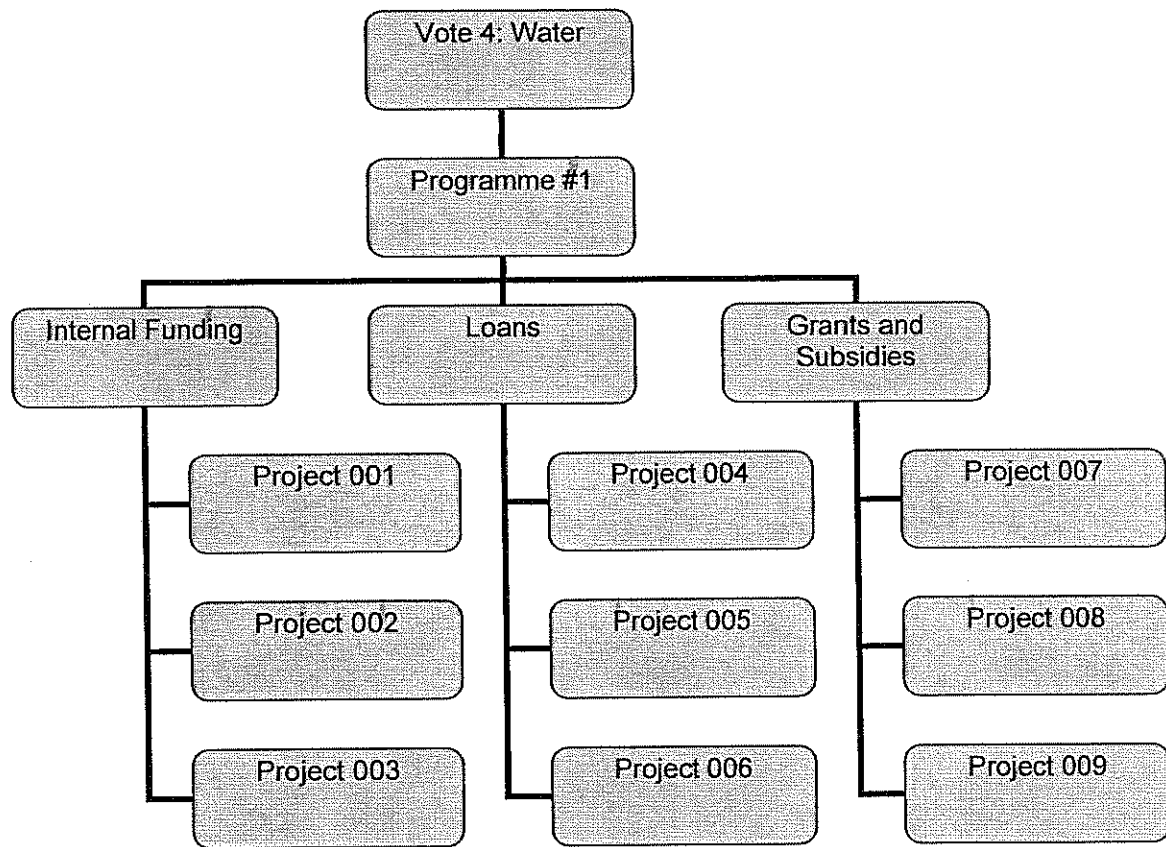
Each HOD is responsible for his own operational budget and must ensure that all expenditure is contained to the approved allocations by Council.

Movement of funds from different sectors and categories will be attended to in the normal Adjustments Budget process annually in February.

17. CAPITAL BUDGET VIREMENTS



VIREMENT POLICY



Virements on the Capital budget allocations can be done from one project to another within the same vote and source of funding, i.e. from Water, CRR to Water CRR. Virements cannot be done to a new project which was not part of the approved capital budget. Any other transfer of funds or requests for new allocations must be done through an adjustments budget and approved by Council.

All requests must be in writing on the prescribed form in Appendix B and must be properly authorised by the responsible Manager, General Manager and the CFO.

18. REVIEW OF POLICY

This policy will be reviewed once annually during the Annual Budget Process.

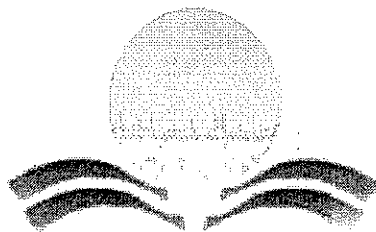


VIREMENT POLICY

Records of Approval

| Meeting | Date | Resolution |
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| Top Management | | |
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FUNDING AND RESERVES POLICY

UGU DISTRICT MUNICIPALITY



FUNDING AND RESERVES POLICY

Contents

1. Definitions
2. Object of the Policy
3. Scope and Intended Audience
4. Regulatory Framework
5. Funding of the Annual Budget
6. Cash Management
7. Donations, grants and subsidies
8. The Capital Replacement Reserve
9. Capital Contributions
10. Other Items to be cash backed
11. Policy review



1. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

References will be made in the policy to particular legislation without quoting it verbatim. The users should therefore refer to the legislation for the exact text.

2. OBJECT OF THE POLICY

The objectives of this policy are to:

2.1 Ensure that the Medium Term Revenue/Expenditure Framework (Annual Budget) of the Municipality is appropriately funded.

2.2 Ensure that cash resources and reserves are maintained at the required levels to avoid unfunded liabilities.

2.3 To achieve financial stability in order to provide sustainable levels of service delivery to the community.

3. SCOPE AND INTENDED AUDIENCE

The funding and reserves policy aims to ensure that the Municipality has sufficient funding in order to achieve its objectives through the implementation of its operating and capital budgets.

This policy aims to set guidelines towards ensuring financial viability over both the short- and long-term which includes reserves requirements.

4. REGULATORY FRAMEWORK

The legislative framework governing funding of the Annual Budget is:

4.1 Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003); and,

4.2 Local Government: Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.



5. FUNDING OF THE ANNUAL BUDGET

5.1 An annual budget may only be funded from:

- a. Cash backed accumulated funds from previous years' surpluses and reserves not committed for any other purpose;
- b. Realistically anticipated revenues to be collected;
- c. Borrowed funds only for capital expenditure, and
- d. Grants and subsidies.

5.2 Realistic anticipated revenue projections must take into account:

- a. Projected revenue for the current year based on the previous year's billing information.

6. CASH MANAGEMENT

The availability of cash is the most important requirement for financial sustainability and must be closely monitored by the CFO. In doing so the CFO must ensure a minimum cash on hand to cover 60 days operational expenditure.

Surplus cash not immediately required for operational purposes must be invested in terms of the Municipality's Cash and Investment Policy to maximize the return on cash.

7. DONATIONS, GRANTS AND SUBSIDIES.

Revenue from donations or any other grants may only be included in the budget if there is acceptable documentation that guarantees the funds such as:

- (i) Signed service level agreement;
- (ii) Contract or written confirmation; or
- (iii) Any other legally binding document.

The conditions of the specific grant must be taken into consideration when allocated to a specific project.

Government grants and subsidies allocated to specific capital projects are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.



8. THE CAPITAL REPLACEMENT RESERVE

All reserves must be “ring fenced” and “cash backed” as internal reserves within the accumulated surplus, except for provisions as allowed by GRAP.

Once the municipality has reached its maximum gearing ability, no further borrowings can be taken up. The municipality must invest in a capital replacement reserve. This reserve provides internal funding for the municipality’s capital replacement and renewal programme.

Contributions to the capital replacement reserve through the operating budget will be:

- (i) Interest received on investments;
- (ii) Proceeds from sale of assets.

9. THE CAPITAL CONTRIBUTIONS

These supplement capital expenditure for the necessary expansions and upgrading of bulk infrastructure. Revenue generated from capital contributions is allocated to this reserve for each applicable service. The unspent contributions must be cash backed to ensure availability of cash when the infrastructure upgrades are required.

10. OTHER ITEMS TO BE CASH BACKED

a) Unspent conditional grant funding

Revenue received from conditional grants is recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Amounts in relation to the unspent grant funding are therefore retained in cash and are not available to fund any other items on the operating or capital budget other than that for which it was intended for.

b) Consumer Deposits

Consumer deposits are partial security for a future payment. Deposits are considered a liability as the deposit is utilised once the agreement is terminated. The funds are owed to consumers and can therefore not be utilised to fund the operating or capital budget. Consumer deposits should be retained in cash and be ring-fenced.



FUNDING AND RESERVES POLICY

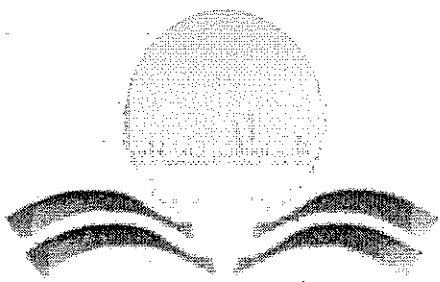
11. POLICY REVIEW

This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and accounting standards.

Records of Approval

| Meeting | Date | Resolution |
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| Top Management | | |
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WATER SERVICES POLICY
UGU DISTRICT MUNICIPALITY



WATER SERVICES POLICY

Contents

1. Vision
2. Mission
3. The legal context
4. The fundamental principle for provision of water services
5. The cost of water
6. The cost of bulk water
7. The capital cost of infrastructure and of operating and maintenance
8. Tariffs and charges
9. Local municipalities
10. Basic water services and community participation
11. Water and Sanitation tariffs



WATER SERVICES POLICY

VISION

A non-discriminatory society of healthy and empowered people living in a safe, transformed and sustainable environment, underpinned by a thriving and growing economy in which all participate and benefit fairly and equitably.

MISSION

Enhancing our performance and work ethic to reach world- class standards, by placing emphasis on customer satisfaction and total quality management of all resources at our disposal Water Services must be provided to all persons in the Ugu District Municipality area on a sustainable basis within the financial and human resources of the Municipality so as to promote a healthy lifestyle and to attract investment and promote economic growth in the region.

THE LEGAL CONTEXT

The Constitution provides that everyone is entitled to a healthy lifestyle and to water, and that is taken further in the Water Services Act which, in section 3(1), states that everyone has a right of access to a basic water supply and to basic sanitation, both collectively referred to as water services.

A basic water supply means access to the prescribed minimum standard of water supply services necessary for the reliable supply of a sufficient quantity and quality of water to households, including informal households, to support life and personal hygiene.

Basic sanitation means access to the prescribed minimum standard of services necessary for the safe, hygienic and adequate collection, removal, disposal or purification of human excreta, domestic wastewater and sewage from households, including informal households.

The duty to provide water services to the public vests in the third sphere of government, i.e., the municipal level of government. Both the Water Services Act 108 of 1997 and the Local Government: Municipal Structures Act 117 of 1998 place this onus primarily on the District Municipalities.

As a Water Services Authority (WSA), a District Municipality has a duty: a) To all consumers or potential consumers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water services
b) Section 11(1) of the Water Services Act

This duty may be discharged by the District Municipality itself, or it may approve the appointment of another entity to carry out that duty. Thus it may be its own Water Services Provider (WSP) or it can delegate that function to a public or private sector WSP. A WSA must adopt a Water Services Development Plan (WSDP) that becomes part of the Municipality's Integrated Development Plan. This is a detailed description of the how the WSA intends to implement and execute its mandate under the law. This document sets out the Ugu District Municipality's Water Services Policy and provides an overview of the principles and guidelines it will follow in exercising its role and function as a WSA. It does not replace the WSDP, but complements it. The WSDP should be interpreted within the parameters of the principles and guidelines contained in this Policy.

THE FUNDAMENTAL PRINCIPLE FOR PROVISION OF WATER SERVICES

The Ugu District Municipality will strive to provide water services to all persons who reside, work or visit its area of jurisdiction in a manner that is economically and financially sustainable. In other words, water services will be provided within a framework of fiscal discipline and a balanced budget. To the extent that the Ugu District Municipality is able, from its own resources or by way of grants from other sources, including other levels of government, to provide free basic water services to its poorer communities, it will do so in



accordance with the policies of the national government, but always subject to the aforementioned fundamental principle. It goes without saying that the Ugu District Municipality will vigorously pursue a policy of cost recovery commensurate with the principles of good economic and financial management, save where it has, by decision of its Council, adopted a free basic water services policy. Within the framework of this fundamental principle, the Ugu District Municipality will strive, by applying efficient practices and innovative policies, to provide water services in a range of levels of services to cater for the needs of all its people so that all may receive water services which improve the quality of their lives and the health of all. The extension of water services to all areas of the district will be guided by this principle as will the upgrading of existing water services. Having said that, it is equally the objective of the municipality to provide water services to all as soon as possible in accordance with its mandate under the law. Any entity approved by the Ugu District Municipality as a WSP will be expected to apply the fundamental principle and, on an ongoing basis, satisfy the municipality that it is financially sustainable.

THE COST OF WATER

The cost of water services to the consumer is largely determined by three factors:

- a) the cost of bulk water,
- b) the capital cost of the infrastructure required, and
- c) the cost of operating and maintaining the infrastructure.

By the application of efficient and cost effective measures, the Ugu District Municipality will be able to extend the provision of water services to the maximum number of people in fulfilment of its legislative mandate.

THE COST OF BULK WATER

The Ugu District Municipality will take ongoing measures to acquire bulk water supplies at the most economical cost without sacrificing quality. To this end it will constantly monitor the performance and costs of its suppliers and will, where appropriate, rationalize the acquisition of bulk water. Options available to the municipality are:

- a) accessing bulk water through its own resources,
- b) co-operating with other municipalities in establishing multi-jurisdictional municipal service districts in terms of section 87 of the Local Government:

Municipal Systems Act 32 of 2000,

- c) purchasing water from a bulk supplier such as a Water Board or otherwise, or
- d) a combination of the above.

The Ugu District Municipality will therefore determine what the quality of the water it requires (is in order to be) for safe (for) human consumption and will then acquire such water from the most efficient supplier, in appropriate circumstances, including its own resources.

THE CAPITAL COST OF INFRASTRUCTURE AND OF OPERATING AND MAINTENANCE

The cost of operating and maintaining a water services scheme, whether it be for the provisions of water supply services or sanitation services, is directly related to the type of infrastructure established for any such scheme. Consequently, if the fundamental principle for the provision of water services is to be applied, the nature and quality of any required infrastructure must be commensurate with:

- a) the ability of the Ugu District Municipality to afford such infrastructure, even on a loan basis,
- b) the ability of the community to whom water services are to be provided to pay the costs of the infrastructure and, subsequently, the operation and maintenance of the scheme through the imposition of tariffs.



This principle requires that the Ugu District Municipality will establish or approve water services schemes with varying levels of service and access to ensure that the people served by these schemes will be able to afford the services. A policy of progressive upgrades will be applied, whereby schemes can be improved and extended as economic and financial circumstances of the community served by such schemes improve. A policy of cross subsidization between wealthier or more populated communities and poorer or less densely populated areas will be applied, consistent with the fundamental principle. This means that, provided that tariffs to the wealthier or more populated communities do not exceed acceptable levels, cost savings made on such schemes will be used to augment the cost of water schemes to poorer or less populated areas. The isolation of water schemes into self financing entities will be avoided to enable the cost of both infrastructure and operating and maintenance to be shared as much as is practically possible. Thus WSPs will not be approved unless such a sharing is included as part of any approval.

TARIFFS AND CHARGES

The Water Services Act and the Ugu District Municipality's Water Services By-Laws set out the basis on which tariffs for water services are to be determined. Furthermore the Minister of Water Affairs is empowered by the Water Services Act to provide guidelines which must be followed in setting tariffs. The Ugu District Municipality will apply the provisions of the Act and the By-Laws, and adhere to the Minister's guidelines, and accepts as a principle that tariffs will at all times be kept to a minimum commensurate with the fundamental principle and the notion of cross subsidization and sharing set out in this policy document. By definition, that means that the Ugu District Municipality will operate an efficient and professional water services facility so as to streamline activities and avoid unnecessary and duplicated costs and expenses. By definition also, that means that the Ugu District Municipality will adopt efficient and zero tolerant cost recovery procedures commensurate with, and will enforce, the By-Laws to the maximum extent.

BASIC WATER SERVICES AND COMMUNITY PARTICIPATION

Although the Water Services Act defines basic water services which are set out above in paragraph 3, the Ugu District Municipality believes that adequate and effective water services will contribute significantly to the health and quality of life of the people in its area of jurisdiction. Thus, as part of its mandate as a development agency, and as part of the integrated development plan for the municipality, the Ugu District Municipality will strive to bring water services to every corner of its area in a way which will not only provide basic water services as defined in the Act, but which will meaningfully contribute to the improvement of the health and quality of life of all people. To that end, the Ugu District Municipality will engage with and interact with the people it serves, through its elected Councillors and appointed officials, in fulfilment of the requirements of Chapter 4 of the Local Government: Municipal Systems Act 32 of 2000. From the perspective of water services, the Ugu Municipality will use this process to ensure that:

- a) water services are provided which are consistent with the people's expressed needs, within the parameters of the fundamental principle;
- b) people are fully informed on the way water services are provided, the cost of infrastructure and the cost of operating and maintaining the water schemes so that decisions are made by all stakeholders on an informed and logical basis,
- c) people are aware of the tariffs and how they are calculated so that payments are encouraged,
- d) people are encouraged to pay for water services that they receive because they understand and accept the notion that services must be paid for,
- e) people are informed of any actions taken and why they are taken, including the recovery of costs, and
- f) complaints are dealt with early and promptly.

LOCAL MUNICIPALITIES

The national Constitution, as well as the legislation constituting local government and providing for its successful operation requires all levels of government to work co-operatively. The nature of local



government in South Africa gives district and local municipality's jurisdiction over the same spatial area and the same people. In the interests of good governance and efficient service provision, district and local municipalities must work together for the mutual benefit of their common beneficiaries. The Ugu Municipality pledges itself to work closely with local municipalities in its area within the legislative framework applicable, in the provision of water services.

WATER AND SANITATION TARIFFS

1. WATER TARIFFS

1. All consumers who fall in the group who qualify for Free Basic Water in terms of Ugu's Free Basic Services Policy will receive a credit for water usage of 200 litres per day allocated to that consumer.
2. Basic Charges be levied to all consumers in terms of the Water Services By-laws.
3. A special category for Industrial consumers using more than 350Kl per day be given a reduced tariff as per Service Level Agreement.
4. A stepped tariff based on the quota allocation shall be implemented as approved by Council from time to time.

In terms of the Municipal By-Laws Ugu will hold the owner liable for all debts incurred on the property in the event of any costs not being recovered from the tenant for Water and Sanitation charges

Public notice of every tariff and charges adopted or ratified by the authority shall be given and such tariff notice and charges shall apply to all applicable consumers from a date 30 days after the publication of such notice, provided that the expense of such public notice shall be borne by the authority or authorised provider responsible for the application of the tariffs and charges.

1.2. MISCELLANEOUS CHARGES

As per existing tariff of charges

1.3. WATER SUPPLIED BY TANKER CHARGES

Water supplied by tankers to be charged as per tariffs approved by Council.

NB: Subject to availability during normal working hours.

1.4 WATER DEMAND CONTROL MANAGEMENT

Ugu District municipality has introduced a new water demand management system for its residents.

The system allows for consumers who choose to implement this system to be placed on restrictive devices as approved by the SABS/ SANS so as to control daily flows of water in accordance to the free basic water policy. Such costs to install these devices will be for the cost of the consumer.

The water management device measures out a specific supply of water on a daily basis, at the normal pressure and flow rate to which households can afford.

It allows households that are indigent to receive their daily allocated portion of water per month.

Should residents require more water than was allocated to them, they can commit to pay for that additional water, and the water management device will then be set to a higher maximum consumption.



It must be emphasised that this is not the same thing as a pre-paid water meter. This device guarantees a basic daily water supply.

A meter replacement programme will be conducted every year to replace any meter that does not meet SANS requirements.

2. SANITATION TARIFFS

The sanitation charges consist of the following components

- a) Conservancy Tanks – Residential and Commercial;
- b) Septic Tanks;
- c) Water Borne Sewerage.

2.1 CONSERVANCY TANKS

RESIDENTIAL and COMMERCIAL

The tariff for any conservancy tank customers shall comprise of a basic fixed charge, a consumption charge and a charge for each additional draw requested. Adhoc meaning any property not linked to the monthly conservancy tank charges (not basic conservancy tank charges). This tariff is not applicable to commercial properties where there is no mainline available.

Properties linked to monthly conservancy tank charges (not basic conservancy tank charges) will be entitled to one draw per month non cumulative. Such monthly draw will only be done at least once per month or at the request of the Any draws requested and done on a public holiday; week-end and after 3pm on a week-day shall be levied an after hours tariff for conservancy tank draws.

Any property where there is mainline availability but property is using a conservancy will be charged both for mainline; as if connected; and also as an adhoc conservancy tank customer in (a) above.

2.2. SEPTIC TANKS

Not serviced by Ugu District Municipality unless in emergency cases where a tariff will be charged at a cost plus 10%. (Except where a formal agreement is in place.)

2.3. WATERBORNE

Sewerage Availability Charge: To be raised where consumers are able to connect into sewer mains.

- a) Basic Sanitation Tariff
- b) Consumption charge as per tariff of charges

3. OTHER CHARGES

All sanitation related charges not mentioned will be at cost plus 10%



4 WATER AND SANITATION CAPITAL CONTRIBUTIONS

The capital contribution charges for Water and Sanitation will be increased annually by the percentage determined by Council.

All quota applications will be assessed individually and amounts payable will be determined according to availability of capacity in the system at time of assessment.

The amounts payable will be as approved by Council annually.

In all cases the developer will be responsible to install the reticulation within the development according to Ugu standards.

The capital contributions charges will be raised to install bulk services in addition to the laying of the reticulation:-

A developer may be required to pay Council all cost involved in extending any existing service based on cost plus 10%.

The above charges will be applicable to all developments

5. INTERNAL CHARGES FOR WATER AND SANITATION

The Water Services Section are to zero rate any Water and Sanitation charges for all Ugu buildings. For record purposes accounts are to be submitted to the respective General Managers.

6. REVISION OF WATER QUOTAS BASED ON APPLICATION REQUESTS

The authority or the Authorised Provider: Water Services be authorised to approve applications for quota reductions duly advertised in terms of the By-Laws Amendments, for all consumers. Quotas are to be based on building plans or six (6) months allocation as determined by readings taken from the water meters serving the properties concerned, but not less than any maximum consumption.

7. WATER SERVICES AVAILABILITY CHARGE

Payable on all properties including vacant properties as determined by Council from time to time.



WATER SERVICES POLICY

Records of Approval

| Top Management | | |
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061

UGU DISTRICT MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

*Adopted and implemented in terms of the provisions
of Section 62(1)(f)(3)
of the Local Government : Municipal Finance
Management Act, No. 56 of 2003 read with
Section 96(b) and Section 97(1)
of the Local Government : Municipal Systems Act
No. 32 of 2000*

A. PREAMBLE:

- The Local Government : Municipal Systems Act No. 32 of 2000 ("the Municipal Systems Act") has as one of its objects the need to ensure financially and economically viable municipalities;
- The Municipal Systems Act also envisages a new system of Local Government requiring an efficient, effective and transparent local public administration that conforms to constitutional principles;
- The Ugu District Municipality has adopted a tariff policy in terms of Section 74(1) of the Municipal Systems Act No. 32 of 2000 which policy reflects the principles enunciated in Section 74(2) and differentiates as it may in terms of Section 74(3) of the Municipal Systems Act;
- The Ugu District Municipality has also adopted By-laws as envisaged in Section 75 of the Municipal Systems Act No. 32 of 2000;
- This policy is adopted in terms of Section 96(d) of the Municipal Systems Act, is consistent with the Ugu District Municipality's rates and tariff policies and complies with the provisions of the Municipal Systems Act;

B. THE OBJECTIVES AND CONTENTS OF THIS POLICY:

1. The adoption of this policy has as its principal objective the fulfilment of the requirements of Section 97(1) of the Municipal Finance Management Act, namely to provide for:-

- a) Credit Control Procedures and Mechanisms;
- b) Debt Collection Procedures and Mechanisms;
- c) Provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents;
- d) Realistic targets consistent with:-
 - (i) generally recognised accounting practices and collection ratios; and
 - (ii) the estimates of income set in the budget less an acceptable provision for bad debts;
- e) Interest on arrears, where appropriate;
- f) Extension of time for payment of accounts;
- g) Termination of services with the restriction of the provision of services when payments are in arrears;
- h) Matters relating to unauthorised consumption of services, theft and damages; and
- i) Any other matters that may be prescribed by Regulation in terms of Section 104 of the Municipal Systems Act.

2. To the extent that the differentiation envisaged in Section 97(2) of the Municipal Systems Act is discretionary,

- The Ugu District Municipality has in terms of Section 98 of the Municipal Systems Act No. 32 of 2000 adopted By-laws to give effect to this Credit Control and Debt Collection policy, its implementation and enforcement and for this reason it is not necessary within the framework of this policy to indicate the procedures of implementation, delegation or, otherwise, administration

of this policy apart from what is mentioned further herein.

C. **SUPERVISORY AUTHORITY:-**

In terms of Section 99 of the Municipal Systems Act a municipality's executive committee or executive mayor, must:-

1. oversee and monitor:-
 - a) the implementation and enforcement of the Municipality's Credit Control and Debt Collection policy and any by-laws enacted in terms of Section 98; and
 - b) the performance of the Municipal Manager in the implementing of this policy and any by-laws;
2. Where necessary, evaluate or review the policy and any by-laws, or the implementation of the policy and any such by-laws, in order to improve efficiency in Credit Control and Debt Collection mechanisms, processes and procedures; and
3. At such intervals as may be determined by the Council report to a meeting of the Council, except when the Council itself performs the duties mentioned in paragraphs 1 and 2.

D. **IMPLEMENTING AUTHORITY:**

In terms of Section 100 of the Municipal Systems Act the Municipal Manager or service provider must :-

1. Implement and enforce the Municipality's Credit Control and Debt Collection policy and any by-laws enacted in terms of Section 98;
2. In accordance with the Credit Control and Debt Collection policy and any such by-laws, establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the Municipality; and

3. At such intervals as may be determined by the Council report prescribed particulars to a meeting of the Supervisory Authority referred to in Section 99.

E. **DEFINITIONS:**

1. Except to the extent to which the context may otherwise require:
 - a) any word or expression importing any gender or the neuter shall include both genders and the neuter;
 - b) words importing the singular shall include the plural and *vice versa* where the context so requires;
 - c) the following words shall have the meanings assigned to them herein:-
 - (i) "service charges" shall mean all monies that are currently due and payable to the Ugu District Municipality in terms of Section 96(a) of the Municipal Systems Act;
 - (ii) "Municipality" shall mean the Ugu District Municipality;
 - (iii) "Services" shall mean all services provided by the Ugu District Municipality and without limiting the generality of the foregoing shall include_
 - aa) water supply and connection;
 - ab) sanitation supply and connection;
 - ac) miscellaneous services as specified in the Municipality's tariffs;
 - ad) where sanitation, connection and supply does not apply, sanitation haulage, ad hoc vacuum tanker services, conservancy tank clearances; services relating to industrial effluent;
 - ae) the provision of water borne sanitation;

af) or any other services that the Municipality may supply

all in terms of the Municipality's tariffs.

(iv) "consumer" shall mean, without limiting the generality thereof, any natural person or legal entity or generally any member of the public who has made application for services and whose application has been approved.

(v) "owner" shall mean, without limiting the generality thereof,

(a) a person in whom is vested the legal title to the premises;

(b) in a case where the person in whom the legal title to premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;

(c) in any case where the authority or authorised provider is unable to determine the identity of such person, a person who is entitled to the benefit of the use such premises or a building or buildings thereon, including a person who receives the rent or profits of such premises or any part thereof from any tenant or occupier or who would receive such rent or profits if the premises or any part thereof were let, whether for his own account or as agent for any person entitled thereto or having an interest therein;

(c) in the case of premises for which a lease agreement of 30 years or longer has been entered into, the lessee there under;

(e) in relation to

(i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 95 of 1986, the developer or the body corporate in respect of the common property, or a section as defined in such Act, the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed provider of such person;

F. THE SCOPE OF THIS POLICY:

1. This policy shall apply solely in respect of all levies, fees, surcharges on fees, service charges and any other monetary amounts due to the Municipality and levied in terms of the Municipality's existing tariffs;
2. Any interest which has already or shall in the future accrue to the Municipality in respect of the rendering of the services;
3. Any collection charges lawfully due to the Municipality.

G. SERVICE AGREEMENTS:-

1. The Credit Control procedure shall commence with an application by a potential consumer for the provision of services;
2. The application aforesaid shall contain at least the following:-
 - a) the full name of the Applicant/s;
 - b) the identity number (in the case of a natural person) or registration number; copies of relevant registration certificate together with certified copy of the resolutions that give permission to apply on behalf of the legal person in the case of a corporate entity or any other legal person;
 - c) the postal address and physical address (which in the case of legal persons must include the address of their accounting officer or principal place of business);
 - d) a copy of the Applicant/s 's identity document or in the case of a legal person its proof of registration; copies of relevant registration certificate together with certified copy of the resolutions that give permission to apply on behalf of the legal person;
 - e) in the event that the Applicant/s is/are not the owner/s of the property at which the services will be supplied then the application must contain:-
 - (i) the consent of the owner to the supply of services on credit to the Applicant;

- (ii) the owner/s 's full details including a copy of the owner/s 's identity document or proof of registration as envisaged in the preceding paragraphs;
 - (iii) The aforesaid consent shall make provision that in the event of the Applicant/s defaulting in the payment of any amounts due that the owner/s will be held responsible therefore;
 - f) the Applicant's contact details including :
 - (i) telephone numbers (home, work and cellular phone numbers); and
 - (ii) e-mail address (where applicable);
 - g) The amount of the deposit shall be calculated as per policy and payable in advance prior to connection of the service;
3. Every such application shall constitute an offer to the Municipality to enter into an agreement with the Applicant for the rendering of the services applied for which upon acceptance shall constitute a binding agreement between the Municipality and the consumer/s;
 4. Illiterate Applicants must be assisted in the completion of the forms and must affix their mark to the form which mark must be certified by a Commissioner of Oaths as the mark of the Applicant;
 6. The name, address and details of the Applicant's employer shall also be stated;
 - ~~7. The Applicant shall also consent on the application form to:-~~
 - a) an adverse listing with the credit bureau in the event of a default in payment:

H. THE RENDERING OF ACCOUNTS:

The Municipality shall render accounts to all consumers and in this regard in terms of Part 5: Accounts of the Water and Sanitation Services Municipal Bi-laws from time to time

1. Payments can be made at:-

- (i) Ugu District Municipalities offices in Port Shepstone, Oslo Beach, Harding, Park Rynie offices as well as Satellite Offices;
- (ii) The South African Post Office and their agencies;
- (iii) ABSA Bank; and
- (iv) Easy-Pay outlets, example Pick 'n Pay and Checkers;
- (v) Selected credit card payments can be made at Port Shepstone, Park Rynie and Oslo Beach offices.
- (vi) In addition to the above, Municipality offers debit order facilities and details can be obtained from any of the municipal offices

I DEBT COLLECTION PROCEDURE:

- 1. The Municipality or any duly authorised collection agent or service provider for the collection of outstanding debt may, in addition to the normal legal procedures for the collection of arrear accounts, also –
 - a) terminate or restrict the supply of services; and
 - b) allocate any payments or pre-payments toward the liquidation of any arrears;
- 2. In the event of the Municipality terminating the supply of the service, it will be in terms of Municipal Bi-laws Part 5 (13) "arrears"

J INSTALMENT AGREEMENTS (ARREARS ONLY):

DOMESTIC ACCOUNTS

- 1. The Municipality recognises that in certain instances domestic consumers may experience difficulty with the payment of a lump sum arrear amount and in such instances will accommodate any domestic consumers who require paying their arrears over an extended period;

2. In these instances the Municipality shall require:-

- a) an agreement stipulating:
 - (i) the extended period;
 - (ii) the amount payable by the consumer;
 - (iii) any deposits payable.

In such instances all deposits shall be payable either in cash or by bank guarantee.

3. Each request is treated on its individual merits, however, collection staff will be guided by the following minimum guidelines in entering into agreements of this nature:-

- a) First time request:-
 - (i) R1,000.00 or less – no request for extension will be entertained;
 - (ii) R1, 001.00 – R3, 000.00 – a deposit of 50% of the arrears with the balance payable over a period of three months;
 - (iii) R3, 001.00 – R6, 000.00 – a deposit of 50% of the arrears with the balance payable over six months;
 - (iv) R6, 001.00 – R8, 000.00 – a deposit of 50% of the arrears with the balance payable over nine months;
 - (v) R8, 001.00 and above – a deposit of 50% of the arrears with the balance payable over twelve months.
- b) In respect of repeat requests by domestic defaulting consumers or domestic consumers with agreements as envisaged in sub-paragraph (a) above or first time tampering consumers:-
 - (i) R2, 000.00 or less – no agreement or extension will be entered into;

- (ii) R2, 001.00 – R4, 000.00 – a deposit of 75% of the arrears payable with the balance payable over three months;
 - (iii) R4, 001.00 – R6, 000.00 – a deposit of 75% the arrears with the balance payable over six months;
 - (iv) R6, 001.00 – R8, 000.00 – a deposit of 75% of the arrears with the balance payable over nine months;
 - (v) R8, 001.00 and above – a deposit of 75% of the arrears with the balance payable over twelve months.
4. Reconnection fees and additional deposits must be paid in full before any agreement as aforesaid can be entered into;
 5. In the event of such agreements being negotiated with legal entities, then, the agreement must be duly signed by a duly authorised officer of the same and this must be accompanied by personal sureties of a natural person. All such agreements must be accompanied by a resolution of the entity authorising the signatory to sign as aforesaid;
 6. In instances where agreements as envisaged in this clause are entered into, a consumer may be required to complete a debit order authority for the payment of the arrears in terms of the agreement.

K DISHONOURD CHEQUES:

The refusal or failure by a bank to honour any cheque payment or debit order by a consumer shall be regarded as non-payment. In this regard:-

1. The consumer will be contacted telephonically and requested to make a cash deposit equivalent to that of the dishonoured cheque or debit order into the Municipality's bank account within 24 hours of such request;
2. Should the Municipality be unable to contact the consumer as aforesaid, the Municipality shall issue a final demand and proceed as envisaged earlier herein;

3. Should the cheque payment or debit order relate at all to an agreement for extension or reconnection, the supply of the service will immediately be disconnected without any further notice to the consumer and will only be reconnected once the consumer has made payment of the full outstanding balance in cash;
4. In the event of a consumer not having sufficient funds in cash to settle the amount equivalent to the amount of a dishonoured cheque then the Municipality shall be entitled but not obliged to proceed with the institution of criminal charges of fraud against the consumer;
5. All dishonoured cheques shall be retained by the Municipality and only returned to the consumer upon request therefore by the consumer and after reversal of the dishonoured payment;
6. The Municipality shall be entitled to levy an administration fee in order to recover all bank charges and administrative work involved in reversing the entries which fee shall be levied irrespective of the reason for dishonour or non-payment;
7. Details of all dishonoured cheque payments may be forwarded to the credit bureau for processing against the consumer's credit profile.

L METER TAMPERING:

1. Water metering and connection equipment remain the property of the Municipality and any person involved in the tampering with, damaging or theft thereof will be liable to criminal prosecution;
2. Where there exists *prima facie* evidence of any illegal reconnection of a supply, or the tampering therewith, the supply will be immediately terminated. Reconnection of the supply after such termination shall only be effected if the relevant penalty tariff charges has been paid and satisfactory arrangements have been made for the settlement of any outstanding arrears;
3. The detection of any further instances of tampering as envisaged herein will result in termination of the water supply and the removal of any connection equipment.

Consumers in such instances will then be required to pay the full costs of a new connection together with a penalty on consumption equivalent to the average usage over the six months preceding the date of tampering together with all outstanding arrear charges before replacement of the equipment and reconnection of the supply will be considered.

M UNOCCUPIED PREMISES:

1. When a consumer terminates a consumption account and no new consumer is registered the property shall be deemed to be unoccupied;
2. In such instances, a courtesy letter shall be forwarded for the attention of any actual new occupier (should there be one) and served at the premises where the supply has been rendered, requiring the new occupier within 7 (seven) days of the aforesaid letter to register with the Municipality as a consumer and detailing the registration procedures to be followed;
3. A failure by a new occupier to respond to the aforesaid letter will result in the termination/disconnection of the service supplied;
4. In such instances, the property will be linked to the registered owner's name and any basic charges in terms of the tariff shall be levied on a monthly basis and sent by ordinary mail to the most recent recorded address of the registered owner of the property for payment;
5. In the event of water consumption being recorded at a property that has been deemed unoccupied in terms hereof, every effort shall be made to establish the identity of the person responsible for the aforesaid consumption and such person shall be charged accordingly as if he or she were a consumer;
6. However, should attempts at establishing the identity of such person fail then the registered owner of the property shall be liable for any water consumed at the property.

N NEW DEPOSITS:

1. All new consumers are required to pay a minimum deposit in accordance with the applicable Municipality tariff;

2. The calculation of the minimum deposit is based on a three month's estimate consumption as indicated by the consumer;
3. In respect of domestic consumers the Municipality applies four scales of tariffs to determine the deposit payable, namely:-
 - a) Scale 1: 0 – 200 litres per day;
 - b) Scale 2: 201 – 500 litres per day;
 - c) Scale 3: 501 – 750 litres per day;
 - d) Scale 4: 751 – 1000 litres per day.
4. The deposit amount is calculated on the following formula:
 $3 \times (\text{tariff} \times \text{estimated consumption plus basic charge and Value Added Tax});$

O ADDITIONAL DEPOSITS:

1. The value of the original deposit paid or any guarantees held in respect of the aforesaid deposit will be reviewed on a regular basis;
2. Upon such review the Municipality may require a consumer not previously required to pay a deposit for whatever reason, to pay a deposit on request within 10 (ten) days from the date of such request.

P COMMERCIAL ACCOUNTS:

1. In these instances where commercial accounts fall into arrears, the Municipality shall require:-
 - (a) Arrears to be paid in full before water supply is re-instated
 - (b) No instalment arrangement shall be accepted for any commercial account
 - (c) In such instances deposits shall be adjusted and payable either in cash or by bank guarantee

(d) Reconnection fees and additional deposits must be paid in full before water supply is re-instated

1. The Municipality shall review consumption patterns whenever meter readings are received;
2. Should the amount of the deposit or guarantee held be deemed inadequate after such review, the Municipality shall send a letter requesting the payment of an additional deposit;
3. The value of any such increase in deposit shall be added to the next monthly account.

Q DOMESTIC ACCOUNTS:

1. In the event of the Municipality detecting an irregular and unacceptable payment pattern then the Municipality shall be entitled to review the deposit held in respect of residential consumers;
2. In the event of such review the relevant consumer shall be sent a request by the Municipality for the payment of an additional deposit;
3. The value of any such increase of the deposit as aforesaid shall be added to the consumer's next account.

R FORFEITING DEPOSITS:

A deposit shall be forfeited to the Municipality if it has not been claimed within a period of 36 months from the date of termination of a service.

S CLEARANCE CERTIFICATES:

1. Certificates are issued in terms of Section 118 of Systems Act
2. In addition to the afore going the Municipality shall require a deposit equivalent to the cost of three month's average consumption on water and sanitation charges (where applicable);

In case of a vacant stand,

3. Upon payment of the amounts referred to in 1 and 2 above, the Municipality shall issue a clearance certificate within 5 (five) working days of the request for such certificate.

T DEBT COLLECTION:

In terms of Water and Sanitation Municipal By-laws Part 5 (13) "arrears"

Paragraph 11

V WATER AND SANITATION RATES:

1. Water and sanitation rates are an availability charge which is levied against properties where there is water reticulation and waterborne sanitation system in place is charged to the registered owner of the property;
2. The water rates year commences on the 1st July of each year and terminates on the 30th June of the following year. Upon the declaration of the rates tariffs, these are advertised as required in terms of existing legislation;
3. Rate payers currently have the option of paying their rates on an annual basis or by monthly instalments. Monthly rates are payable over a maximum period of 10 months commencing on the 1st September of the rates year and terminating on the 30th June of the rates year;
4. Water rates accounts are posted by ordinary mail during September of each year and the final date for annual payments is the last working day of November in that year;
5. Water rates that are not paid by the final date incur a late payment penalty calculated at 1.25% per month on outstanding rates from the 1st December each year. In the event that these rates remain unpaid after the 31st January of the following year, a once-off collection charge equivalent to 10% of the rates outstanding at the time is levied; however, penalties continue to accrue on the outstanding rates due notwithstanding the once-off charge aforesaid;
6. After the final date for payment of the water rates has expired and in the event of no payment being received by the Municipality a final notice shall be despatched by

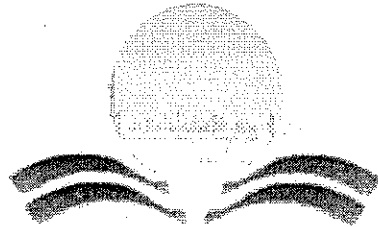
registered mail to the consumer requiring the payment of the arrear amount and any penalties and interest;

7. Upon expiry of the period reflected in the final notice the Municipality shall :-
 - a) compile a schedule of all arrear rate payers;
 - b) conduct deeds offices searches in respect of ownership of property;
 - c) authorise and institute the necessary tracing action in instances where the consumer's whereabouts are unknown;
 - d) engage legal assistance for the institution of civil legal proceedings against the consumer.

W TEMPORARY MEASURES OF ASSISTANCE:

1. The Municipality recognises that there are instances where rate payers face temporary hardships caused by personal circumstances, poor economic conditions, unemployment, temporary disablement or illness and in such instances the Municipality is willing to accommodate arrangements to settle outstanding arrears;
2. In such instances the following procedures shall apply:-
 - a) consumers may approach the Municipality for arrangements to be made for a maximum period extending up to the 30th June of the current financial year, and in exceptional circumstances, up to 1 (one) month before the final date for payment of rates in respect of the next financial year;
 - b) these arrangements envisage the consumer paying in equal instalments all outstanding amounts including any interest and collection charges that may have been levied by the Municipality;
3. Once such an arrangement has been made the consumer must sign an Acknowledgement of Debt for this purpose and should the consumer renege on this arrangement then the whole outstanding arrear amount, inclusive of penalties and interest shall become immediately due and payable and shall be subject to the normal collections procedures envisaged herein;

4. In exceptional circumstances and so as to ensure payment of the capital sums of rates due and in order to avoid the accrual of further legal costs and other charges, the Municipality may, by resolution waive the payment of any interest, penalties and/or collection charges for a maximum period of 6 (six) months calculated from the date of signature of the Acknowledgement of Debt.



UGU DISTRICT MUNICIPALITY
BASIC WATER SERVICES POLICY



BASIC WATER SERVICES POLICY

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BASIC WATER SERVICES POLICY

1. THE LEGAL CONTEXT

“basic water supply” means the minimum standards of water supply services necessary for the reliable supply of water to households to support life and personal hygiene prescribed in terms of the Water Services Act, 1997(Act No. 108 of 1997);

2. OBJECT OF THE POLICY

The Ugu District Municipality fully supports the National Government’s Policy on providing free basic services to the poorer section of the community. In that regard it will fully co-operate in implementing the policy. However, being committed to the fundamental principle set out in paragraph 4 above, the financial implications must determine the extent to which water can be provided free to certain consumers. In conjunction with the Provincial Support Units established by the Department of Water Affairs and that Department, the Ugu District Municipality will progressively introduce the policy to its area. Full advantage will be taken of subsidies and grants made available by other spheres of government to enable the Ugu Municipality to implement a policy of free basic water without violating the fundamental principle. In line with the principles of transparency inherent in paragraph 7.1, the people of the area will be informed and consulted on the implementation of the policy as it unfolds. There are two inter-related long-term objectives which will guide the Ugu Municipality in regard to the provision of free basic services and these are:

- a) the elimination of poverty in the Ugu District area, and
- b) the equal treatment of all persons in the area.

Whilst the historic imbalances between the citizens of South Africa are a fact, resulting in a mass of poor people badly provided with basic services, this should not be seen as normal and everlasting. Initially therefore, different levels of service must be provided at affordable or no cost, but the policy is accepted that, over time, realistically computed, these distinction should be eliminated and everyone should be treated equally.

3. PURPOSE

The primary purpose of the basic water services policy is to assist in promoting sustainable access to basic water supply and sanitation to all households.

4. ADMINISTRATION OF FREE BASIC WATER SERVICES

In recognition of the primary importance of having a clean and adequate water supply, the South African government in 2000 introduced the Free Basic Water Policy, which allows for household to get 6 000 litres (6kl) of water per month at no cost. Such service is dependent on the municipality receiving equitable share from National Treasury and as determined by Council from time to time.



BASIC WATER SERVICES POLICY

4.1 FREE BASIC WATER

4.1.1 PRIVATE CONNECTIONS

- Commercial, Government, Bulk users and Industrial users, and other categories be retained with no Free Basic Water allocation, except for users classified in designated zones within the Free Basic Water Policy. All households who fall in the group who qualify for free basic water in terms of Ugu district Municipality will receive a free water usage of 200 litres per day , based on the quota allocation and number of days in a meter reading period. The customer will forfeit this benefit should the consumption exceed the allocation per quota per month depending on the number of days.

4.1.2 QUALIFICATION CRITERIA

- Indigent households
- Rural communities where water is supplied by stand pipes
- Informal settlements where water is supplied by stand pipes
- People served from Springs and borehole water supply in rural areas
- Rain water harvesting schemes
- The Authority or the Authorised Provider may convey any water required as a temporary measure by tanker to any place where such temporary supply of water is required, subject to such conditions and period, which shall not exceed three months, as may be prescribed by it.

5. FREE BASIC SANITATION

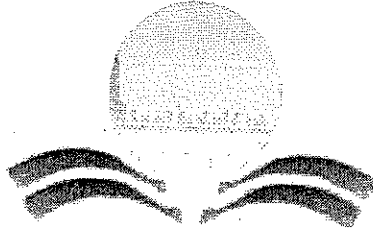
Free basic sanitation shall be provided to the following:

- Indigent households
- Rural communities where there is no sanitation infrastructure
- Informal settlements

Records of Approval

| Meeting | Date | Resolution |
|-----------------------------|------|------------|
| Top Management | | |
| EXCO | | |
| Revision 1 | | |
| BTS Task Team | | |
| Top Management | | |
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| Finance Portfolio Committee | | |
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UGU DISTRICT MUNICIPALITY
INDIGENT SUPPORT POLICY



INDIGENT SUPPORT POLICY

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INDIGENT SUPPORT POLICY

1. PREAMBLE

WHEREAS section 74 of the Local Government: Municipal Systems Act, No. 32 of 2000, requires that the Council should, in formulating a Tariff Policy for the municipality, at least take into consideration the extent of subsidisation of tariffs for poor households;

WHEREAS Council therefore needs to approve an Indigent Support Policy;

WHEREAS such policy must provide procedures and guidelines for the subsidisation of basic services and tariff charges to its indigent households; and

WHEREAS the Council has committed itself to render a basic level of services necessary to ensure an acceptable and reasonable quality of life, which takes into account health and environmental considerations;

NOW THEREFORE the Council of the Ugu Municipality has adopted the **Indigent Support Policy** set out hereunder:

2. DEFINITIONS

For the purpose of this policy, any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in this policy, and unless the context indicates otherwise –

“Act” means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended from time to time;

“Authorised Officer” means any official of the Council who has been authorised by the Council to administer, implement and enforce the provisions of this Policy;

“by-law” means a by-law adopted by the Council;

“Municipal manager” means the person appointed by the Council as the Municipal Manager of the Ugu Municipalities in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), and includes any person:

(a) Acting in such position; and

(b) to whom the Municipal Manager has delegated a power, function or duty;

“Council” means –

The Council of the Ugu Municipality established by Provincial Notice No. 1264 of Government Gazette 21807 of 28 November 2000, as amended, exercising its legislative and executive authority through the municipality; or

(a) its successor in title; or

(b) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Act; or

(c) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of section 81(2) of the act, or any other by-law, as the case may be;

“indigent person” means a person who meets criteria on qualification for indigent support.

“municipality” means municipalities within Ugu District Municipality

“services” means the basic services referred to in this policy

“household” means all the people who permanently reside in the dwelling

“dwelling” means property registered in the deeds office or allocated to a family by the Traditional Authority, with an Ugu water connection



3. POLICY OBJECTIVE

The objective of the policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial means of Council; and
- To provide procedures and guidelines for the subsidisation of service charges and rates to its indigent households, using a portion or the whole of the Equitable Share for this purpose.
- Council also recognises that many of the residents can simply not afford to pay the required service charges and rates, and Council will endeavour to ensure affordability through:
- Setting rates and tariffs which will balance the economic viability of continued service delivery; and
- Determine appropriate service levels.

4. CRITERIA FOR QUALIFICATION FOR INDIGENT SUPORT

- The indigent subsidy shall apply to a household¹ per dwelling² and not an individual.
- The property must be zoned residential.
- The total gross monthly income of all members of the household must not exceed two old age grants (excluding disability and child grant)
- Household's dependant on social welfare grants only may also apply.
- The applicant as well as any other member of the household shall not own other fixed property other than the one on which they reside.
- Multi unit residential - bulk users and Non Government Organizations are excluded from this policy
- Each household will receive 6kl

5. REQUIREMENTS

The following documents should be submitted together with the application form:

- Copies of identity documents for household members 18 years and above.
- Copies of birth certificates of household members younger than 18 years.
- Copies of proof of income or written affidavits confirming status of employment or circumstances from each household member 18 years and above
- Proof of ownership or occupancy e.g. Title deed or letter from ward councillor confirming occupancy status
- Where property owner or account holder is deceased, copy of the death certificate and letter from ward councillor confirming that applicant resides in the dwelling.

6. APPLICATION FOR INDIGENT SUPPORT

- The legal owner of a dwelling who is responsible for the payment of the water and sanitation services account must apply for the household to be registered as indigent.



INDIGENT SUPPORT POLICY

- Application forms are available from any of the Water Services Offices within the Ugu District Municipality and can also be posted on request.

7. AVENUES FOR SUBMISSION OF APPLICATION FORMS

- Submit through Ward Councillor
- Submit personally to any of Ugu District Municipality offices

8. PROCESSING OF APPLICATION

- Each application will be given a number, registered on the Indigent Support application register and an Indigent Support Application card issued to the applicant for control purposes.
- The application will be processed within two weeks of receipt by Municipality in a manner prescribed by the internal processes.
- A letter informing the applicant of the status of the application will be sent to the applicant within two weeks of finalizing the application scrutiny process.
- For the purposes of transparency, on an annual basis the following key information of the recipient's indigent support shall be displayed on all Councils and notice boards of Local Municipalities.
- Names of Households benefiting from the Indigent Support
- Stand number where services are rendered to the recipients
- Any resident may query the qualification of a recipient in writing within
- Days from the date of publication of such listings.
- A report on Indigent Support shall be done to the Budget and Finance Committee quarterly

9. DURATION OF THE INDIGENT SUPPORT BENEFIT

- Indigent support is only provided for a period of 12 months, from date of approval, where after the applicant must submit Form UIS 3, confirming that its circumstances has not changed since its initial application and that it still qualifies for indigent support in terms of the latest criteria.
- The Municipality will send a written notice to the approved household, at least two months prior to expiry of the approval, but the onus still rests on the applicant or another permanent adult occupant on the property to submit Form UIS 3.
- Random verifications may be performed by the municipality or an appointed agent without prior notice.

10. RESPONSIBILITY OF THE INDIGENT SUPPORT APPLICANT/ BENEFICIARY

- Should, at the most, 21 days lapse without receiving any feedback regarding the application, the applicant should enquire as to the status of the application through the call centre.
- The onus is on the beneficiary to inform the Municipality of any change in his/her status or personal household circumstances that might affect their Indigent status.

11. USAGE IN EXCESS OF THE BASIC SERVICE LEVELS

- All services used in excess of the basic municipal services level shall be levied at the current scale of tariff and payable on the due date and a device will be installed to control water usage.
- If the excess account is not paid for as and when due, the services shall be restricted to the basic level and the normal credit control and debt collection policy shall be implemented.



12. WITHDRAWAL OF INDIGENT SUPPORT BY THE MUNICIPALITY

- The Indigent support shall be withdrawn by the Municipality in the event of the beneficiary misusing the system or providing incorrect information.
- In this regard the Municipality shall recover from the recipient the amount of relief furnished by debiting the beneficiary's account.
- The Municipality shall apply its credit control policy in accordance with the credit control and debt collection policy.
- The Municipality shall institute a criminal charge of fraud against the beneficiary.
- The Indigent support will cease should the form UIS 3 not be supplied to the municipality.

13. EXTENUATING CIRCUMSTANCES

- In the event of death of one of the member of the household, and where the flow has been limited, full flow will be reinstated from the day of death to the day of the funeral after which the flow shall be limited again.
- In the event of a household member suffers from a sickness requiring excessive usage of water and is under a home based care programme, such a household will be eligible to apply for additional allocation of water, approval of which is subject to the Municipality's conditions.

14. WHAT DOES THE INDIGENT SUPPORT BENEFIT COVER

On approval of the application the Municipality shall provide the following

- Basic Municipal Services which include:
- Access to a minimum safe water supply³ as determined by Council
- Adequate sanitation⁴ as determined by Council
- Once off credit equivalent to the outstanding balance on the dwelling at the date of approval.
- Where there are leaks after the meter or in the property, they may be attended to in terms of the bylaws S58 (4) (c) and the cost may be recovered from the Indigent Support allocation.
- Cost of restriction shall be recovered from the Indigent Support allocation.
- Excess usage in the event of death shall be recovered from the Indigent Support allocation

15. MISCELLANEOUS

- Should any circumstances not covered by this policy regarding the administration of the Indigent Support policy arise, and is urgent, it shall be referred to the General Manager, Treasury.

16. COMMUNICATION

- From time to time the municipality will endeavour to communicate its policy adequately, so that members of the community are apprised of the existence of such a policy or any amendments that may have been done by Council.
- Structures, processes and/or platforms that shall be used to communicate the benefits of the policy shall include:
 - a) The Ward Committee
 - b) The Ward Councillors

³ As determined in the annual municipal budget

⁴ As determined in the annual municipal budget.



- c) Community meetings
- d) Budget and IDP road shows
- e) Special events
- f) Local media

- Any communication issued by the municipality must be coordinated by the Communications Unit or the Municipal Manager or his delegated authority.

17. SANITATION REBATE

All applications will be considered on the following basis:

- The Sanitation Rebate subsidy will apply to a household per dwelling and not to an individual.
- Each household shall receive a rebate on the fixed sanitation basic charge as determined by Council.
- The legal owner of a dwelling who is responsible for the payment of the water and sanitation services account must apply for the household to be registered as a sanitation rebate beneficiary.
- The applicant as well as any other member of the household shall not own other fixed property other than the one on which they reside.
- The sanitation rebate shall be withdrawn by the Municipality in the event of the beneficiary misusing the system or providing incorrect information.

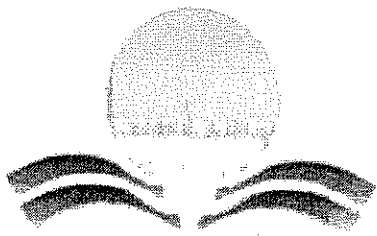


INDIGENT SUPPORT POLICY

Records of Approval

| Meeting | Date | Resolution |
|-----------------------------|------|------------|
| Top Management | | |
| EXCO | | |
| Revision 1 | | |
| Policy Review Task Team | | |
| Top Management | | |
| Extended Top Management | | |
| Finance Portfolio Committee | | |
| EXCO | | |





UGU DISTRICT MUNICIPALITY
CASH AND INVESTMENT POLICY



CASH AND INVESTMENT POLICY

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CASH AND INVESTMENT POLICY

1. DEFINITIONS

In this Investment and Cash Management Policy, unless the context otherwise indicates, a word of expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act No. 56 of 2003 and other related legislations/Regulations, has the same meaning as in that Act.

- **Accounting Officer:** is the Municipal Manager.
- **Act:** means the Local Government: Municipal Finance Management Act No. 56 of 2003, the Local Government: Municipal Systems Act No. 32 of 2000.
- **Accounting Principles:** mean stipulated guidelines to be followed.
- **Acquisition:** means acquiring goods or services through procurement policies.
- **Agents:** mean professional bodies appointed to execute a specific task on behalf of the Ugu District Municipality.
- **Accounts:** mean statement of moneys received.
- **Assignee:** means a person with a delegated authority.
- **Bank:** means an institution recognized by the Registrar of Banks.
- **Bank Account:** is the recognized statement of financial holdings on behalf of the municipality.
- **Cash:** means money, such as bank notes and coin, or cash equivalents.
- **Chief Financial Officer:** means an official, designated by the accounting officer who is responsible for the financial affairs of the municipality.
- **Constitution of the Republic of South Africa, Act No. 108 of 1996:** means the Supreme Law of the Republic of South Africa.
- **Cash Management:** means efficient and effective management of funds.
- **Delegate:** means an official/person delegated to perform tasks on behalf of another person.
- **Delegated Authority:** means any person/persons/committee delegated with the authority to act for on behalf of Ugu District Municipality.
- **Diversification of Investments:** means investing in more, or more than one type of financial instrument.
- **Investment Ethics:** mean ethical framework within which investments must take place.
- **Liquidity:** means the ease with which financial instruments can be converted to cash or cash equivalents.
- **Municipal Entity:** means the developmental arm of the municipality established in terms of the Local Government: Municipal Finance Management Act No. 56 of 2003, in particular.
- **Municipality:** means the Ugu District Municipality.
- **Ownership:** means that all investments must be made in the name of the Ugu District Municipality.
- **Short term investment:** means a financial instrument with a lifespan or maturity of less than or equal to 1 year.
- **Long term investment:** means financial instrument with a lifespan or maturity of greater than a year.



2. OBJECT OF THE POLICY

In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 13(2): "Each Municipal Council and Governing body shall adopt by resolution an investment policy regarding the investment of its cash resources not immediately required.

An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Competitive investment and effective cash management ensures both short term and long-term viability and sustainability of the municipality. Hence, it is critical for the Ugu District Municipality to have its own investment and cash management policy located within the local government legislative framework. This policy should be read and understood against this background.

The primary and the ultimate goal of the investment of funds is to earn the safety of returns on investment principal, an amount invested whilst managing liquidity requirements and, providing the highest return on investment at minimum risk, within the parameters of authorized instruments as per the MFMA

3. CASH MANAGEMENT

3.1 OPENING OF A BANK ACCOUNT

The CFO will ensure that the municipality opens and maintains the following minimum bank accounts:

- General Bank Account – normal municipal receipts and payments
- External Financing Fund – to record loan receipts and accumulations towards the repayment of such loans
- Capital Replacement reserve – this reserve must be cash backed at all times and therefore requires a separate bank account
- Unutilized Capital Receipts – this is to account for unutilized conditional grant monies and developer contributions, requires a separate bank account and must be cash backed.
- Consumer deposits – this is to account for consumer deposits received and must be cash backed and requires a separate bank account.

A specific account will be identified as a primary bank account and all the allocations from national, provincial and other spheres of government will be deposited into this account



3.2 MANAGEMENT OF A BANK ACCOUNT

Only the accounting officer or his/her delegate is authorized to withdraw money from the municipality's bank account and the delegated powers shall be in accordance with limits which will be specified by the accounting officer

The responsibility for the management of all the municipal bank accounts will be allocated by the Chief Financial Officers to the officials of the Treasury department in accordance with their job descriptions

The Chief Financial Officer or his/her delegate will review reconciliations of all the municipal bank accounts on a monthly basis.

3.3 CASH MANAGEMENT

All monies received by the municipality must be deposited into the municipal bank account promptly.

The CFO will establish an internal control procedure for the operation and maintenance of the following process with regards to cash management:

- Receipting, and banking of and reconciliations of daily cash and cheques
- Returned cheque register
- Unallocated receipts/deposit registers

3.4 PETTY CASH

The municipality keeps petty cash floats at two of its offices, that is Treasury office and Park Rynie office.

Each petty cash float will be limited to R1000 for the Treasury office and R500 for the Park Rynie offices.

Each transaction of petty cash shall not exceed R250.00.

The officials who are responsible for petty cash management will be independent of all other cash functions like cashiering

An imprest system of petty cash will be used.

A detailed process of petty cash management will be provided in the petty cash procedure manual.

4 CASH FLOW ESTIMATES

Before money can be invested, the Accounting Officer or his/her delegate must determine whether there will be surplus funds after meeting the necessary obligations.

To be able to make investments for any fixed terms; it is essential that cash flow estimates are prepared.



CASH AND INVESTMENT POLICY

The Auditor-General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate must state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

5 INVESTMENT ETHICS

- The Municipal Manager and his/her delegate are responsible for the investment of funds and must ensure that there is no interference in these processes.
- Under no circumstances may he/she accept bribes into making an investment.
- No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her relationship with the said institution.
- The gift must be declared to the Municipality.

The Municipal Manager and his/her delegate must act according to their discretion and must report any serious cases of payment in kind or gifts, to the Municipal Council. Excessive gifts and hospitality should be avoided at all costs.

5.1 RISK MANAGEMENT

The preservation of principal is the foremost objective of the investment program. To attain this objective, diversification is required to ensure that the Municipal Manager or his/her nominee prudently manages risk exposure. Risk profiles should be minimized by only placing investments with institutions and instruments approved by the Public Investment Commission or the Republic of South Africa: National Minister of Finance.

5.2 PRUDENCE

Investments shall be made with care, skill, prudence and diligence. The approach must be that which a prudent person acting in a like capacity and familiar with investment matters would use in the investment of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Municipality. Investment officials are required to:

- a. Adhere to written procedures and policy guidelines.
- b. Exercise due diligence.
- c. Prepare all reports timeously.
- d. Exercise strict compliance with all legislation.

5.3 OWNERSHIP

All investments must be made in the name of the Ugu District Municipality.



6 DELEGATION OF AUTHORITY

The delegation to authorise investments must distinguish between short term & long-term investments. The authority to make long-term investments as provision of security, is vested with the Municipal Council in terms of Section 48 of the MFMA and with reference to section 11(1) (h) of the MFMA dealing with cash management, the responsibility to make short investments lies with the Municipal Manager or Chief Financial Officer or any other senior financial officer authorised by either the Municipal Manager or the Chief Financial Officer/ relevant assignee.

The Local Government Municipal Systems Act of 2000, Section 3, (60) (2) states that the Municipal Council may only delegate to an Accounting Officer, Executive Committee, Mayor or Chief Financial Officer decisions to make investments on behalf of the municipality within a policy framework determined by the Minister of Finance.

The Chief Financial Officer is responsible for the investment of municipality's funds that are made under section 13 of the Municipal Finance Management Act.

7 INVESTMENT ISSUE PERTAINING TO MUNICIPAL COUNCIL APPROVAL

In the event that an investment that needs to be made, quotations are required from the various financial institutions. In the case of telephonic quotations, the following information is required:

- The name of the person, who gave the quotation,
- The relevant terms and rates and
- Other facts such as if interest is payable on a monthly basis or on a compound basis upon maturation.

Where payments to financial institutions in respect of investments are to be effected by cheque, the following procedures must apply:

- The Manager: Equity & Accounts must complete a cheque requisition form and submit it to the Municipal Manager and the Chief Financial Officer together with the supporting quotations,
- The Municipal Manager and the Chief Financial Officer must either authorize the requisition or submit it to the Municipal Council for authorization depending on the value of the investment,
- When the Municipal Council or the Municipal Manager have authorized the requisition, the Municipal Manager and the Chief Financial Officer or their delegated signatories are required to sign the cheque and submit it to the financial institution concerned.

All investment documents must be signed by two authorized cheque signatories.

The Chief Financial Officer must ensure that a bank, insurance company or other financial institution, which at the end of a financial year holds, or at any time during a financial year held, an investment for the municipality must:



- Within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and
- Promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.
- Promptly disclose information of any possible or actual change in the investment portfolio, which could or will have a material adverse effect.

8 MUNICIPAL ENTITIES

The board of Directors of all municipal entities must adopt this cash management and investment policy. Further, the same municipal entities must submit reports, as detailed in the reporting and monitoring procedures, in the same manner as Ugu District Municipality, to the Mayor.

9 POLICY REVIEW

This policy must be reviewed annually and be tabled to the Municipal Council for approval.

10 INTERNAL CONTROL PROCEDURES

An investment register should be kept of all investments made. The following facts must be indicated:

Name of institution;

- **Capital invested;**
- **Date invested;**
- **Interest rate; and**
- **Maturity date and**
- **Interests earned on investments.**

The investment register and accounting records must be reconciled on a monthly basis.

The investment register must be examined on a fortnightly basis by the senior official under the direction of the Chief Financial Officer/ assignee as instructed, to identify investments falling due within the next two weeks. An investment plan must then be established for the next calendar month bearing in mind the cash flow requirements.



CASH AND INVESTMENT POLICY

Interest, correctly calculated, must be received timeously, together with any distributable capital. The Chief Financial Officer or his/her assignee must check that the interest is calculated correctly, in terms of sound universally accepted financial management practices.

Investment documents and certificates must be safeguarded in a fire resistant safe, with dual custody. The following documents must be safeguarded:

- Fixed deposit letter or investment certificate;
- Receipt for capital invested;
- Copy of electronic transfer or cheque requisition;
- Schedule of comparative investment figures;
- Commission certificate indicating no commission was paid on the investment; and
- Interest rate quoted.

All investment must be denominated in South African Rand (ZAR)

The Chief Financial Officer or his/her assignee is responsible for ensuring that the invested funds have been invested with financial institutions approved by the Republic of South Africa: National Minister of Finance, Public Investors Commission or with a bank rating of AA and endeavour to minimize risk exposure.

11 REPORTING AND MONITORING PROCEDURES

The Municipal Manager must within 10 days of the end of each month submit to the Mayor or Finance, Budget Control & Monitoring Committee a report describing in detail the investment and cash flow position of the municipality as at the end of the month.

The report must contain a statement, prepared in compliance with generally recognized accounting principles/generally accepted municipal accounting principles, that states the:

- beginning market value for the period
- additions and changes to the market value during the period
- ending market value for the period
- fully accrued interest/yield for the reporting period
- the credit risk rating for the institutions whose securities are held by the municipality as at beginning and end of the reporting period
- investments disposed of due to adverse changes in credit ratings
- diversification of investments
- any investments locked into a time period with an institution that has a rating that is not acceptable according to Fitch, Naspers or CA-ratings.



12 PERMITTED INVESTMENTS

The Republic of South Africa: National Minister of Finance may identify by regulation in terms of Section 168 of the Municipal Finance Management Act instruments or investments other than those referred to below in which Municipality may invest:

- Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- Securities issued by the National Government;
- Investments with the Public Investment Commissioners as contemplated by the Public Investment Commissions Act, 1984 (Act No. 5 of 1984);
- Listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;
- Deposits with the corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984);
- Banker's acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990);
- Municipal Bonds issued by a Municipality
- Guaranteed endowment policies with the intention of establishing a sinking fund; and
- Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)

13 EXISTING INVESTMENTS

Current investments that were not permitted investments at the time of purchase do not have to be liquidated.

14 INVESTMENT DIVERSIFICATION

The Chief Financial Officer must ensure that available money is not invested with one institution. Investment will be restricted to institutions with a minimum credit rating of [AA].

The maximum term for any investment, may be 2 years, other than ceded investments.



15 PERFORMANCE EVALUATION

The performance of the investment portfolio must be evaluated quarterly. The time weighted yield attributable to the investment portfolio must be calculated each quarter and compared with the prevailing returns available on securities issued by the National Government.

A report discussing the performance of the investment portfolio must be submitted to the Chief Financial Officer within 10 days of the end of each quarter.

16 USE OF INDEPENDENT INVESTMENT MANAGERS

Should the need arise to use an investment manager at any time; one will be appointed using Supply Chain Management principles and practices.

17 CASH MANAGEMENT

The Chief Financial Officer, inter-alia, has to ensure financial viability and sustainability of the municipality. In order to achieve this in a sustainable manner, the Chief Financial Officer must ensure that internal financial systems and controls are in place that will enable the Municipality to detect the mismanagement of funds.

18 UNALLOCATED RECEIPTS

All unclaimed and unidentified deposits older than three (3) years shall be publicized in a local newspaper on an annual basis and if unclaimed within the specified time frame, such monies will be transferred to sundry income.

19 PAYMENT OF CREDITORS

Due to the high bank charges with regard to cheque payments, it is essential to limit the payment of creditors to one payment per creditor per month. Should the facility be available, payments should be done by electronic transfer (subject to strict controls).

When considering the time to pay a creditor, proper consideration must be given to the conditions of credit terms of payment offered.

- In cases where a cash discount is given for early settlement, the discount, if the relevant time scale is taken into account, must in most cases be more than any investment benefit that could be received from temporarily investing the funds.
- If discounts are offered for early settlement they must be properly considered and utilized.



Besides this, the normal conditions of credit terms of payment offered by suppliers, must also be considered and utilized to the full by paying on the due date and not earlier, provided that no worthwhile discount is available or offered.

20 BANK AND CASH IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT Act NO.56 of 2003, Chapter 3, Part 1.

- All names of bank accounts must be changed to the name of the newly created municipality,
- New bank accounts must be opened if required,
- All cheques received from the disestablished municipalities must be banked,
- All bank accounts currently held and transferred to the municipality must be accounted for in the new accounting system,
- The official responsible must ensure that the name change on the accounts has been effected,
- All bank and cash must be made in terms of the Cash Management Policy,
- Every municipality must open and maintain at least one bank account in the name of the municipality and
- All money received by a municipality must be paid into its bank account in the name of the municipality as per the abovementioned legislative framework.

21 MANAGEMENT OF STOCK

Cash management must be improved by seeing that adequate stock control is exerted over all goods kept in stock.

22 SHORT- AND LONG-TERM DEBT

A municipality may only incur debt in terms of the Municipal Finance Management Act No. 56 of 2003. The municipality may incur two types of debt, namely short-term and long-term debt.

22.1. SHORT-TERM DEBT

A municipality may incur short-term debt only when necessary to bridge:

- Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year or



CASH AND INVESTMENT POLICY

- Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long- term debt commitments.

A municipality:

- Must pay off short-term debt within a financial year and
- May not renew or refinance its short-term debt.

22.2. LONG-TERM DEBT

A municipality may incur long-term debt for purposes of financing its long-term strategic objectives, as outlined in the Constitution of the Republic of South Africa, Act No. 108 of 1996, and Chapter 7 on Local Government.

- *To provide democratic and accountable government for local communities,*
- *To ensure the provision of services to communities in a sustainable manner,*
- *To promote social and economic development,*
- *To promote a safe and healthy environment and*
- *To encourage the involvement of communities and community organizations in the matters of local government.*

23. CONCLUSION

The Municipal Manager in particular and the Chief Financial Officer must ensure that the implementation of this policy is done according to the prescripts. Any deviations due to unforeseen circumstances must be brought to the attention of the Municipal Council in a written form and recommended remedial solutions thereof.

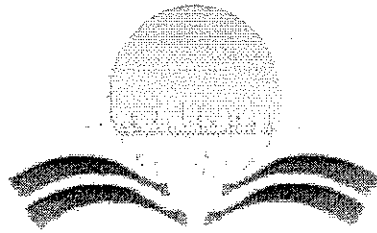


CASH AND INVESTMENT POLICY

Records of Approval

| Meeting | Date | Resolution |
|------------------------------|------|------------|
| Top Management | | |
| EXCO | | |
| Revision 1 | | |
| BTS Task Team | | |
| Top Management | | |
| Extended Top Management | | |
| LLF | | |
| Corporate Services Portfolio | | |
| EXCO | | |





FIXED ASSET MANAGEMENT POLICY

UGU DISTRICT MUNICIPALITY



UGU DISTRICT MUNICIPALITY
FIXED ASSET MANAGEMENT POLICY

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FIXED ASSET MANAGEMENT POLICY

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UGU DISTRICT MUNICIPALITY
FIXED ASSET MANAGEMENT POLICY

PART 1 DEFINITION OF A FIXED ASSET

A fixed asset is defined in GAMAP 17 as a tangible item of property, plant or equipment held by a municipality for use in the productions or supply of goods or services, for rental to others, or for administrative purposes, and which is expected to be used during more than one reporting period (financial year).

A fixed asset is thus an asset, either movable or immovable, under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year.

To be recognised as a fixed asset, an asset must also meet the criteria referred to in parts 13, 14 and 15 below.

Assets held under leases

Finance leases are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

UGU DISTRICT MUNICIPALITY
FIXED ASSET MANAGEMENT POLICY

PART 2 FUNCTIONAL RESPONSIBILITIES

The purpose of this section is to prescribe the responsibilities of the Municipality regarding assets as follows:

- 2.1. The Municipal Manager
- 2.2. The Treasury Section: Equity & Accounts.
- 2.3. The Budget Office
- 2.4. The Expenditure Section
- 2.5. The Supply Chain Management Section
- 2.6. Human Resources Section (HR)
- 2.7. Other Departments

2.1. The Municipal Manager

The Municipal Manager or his duly delegated representative is responsible to:

- a) Ensure implementation of the approved Asset Management Policy as required in terms of section 63 of the Municipal Finance Management Act (MFMA).
- b) Verify assets in possession of the Council annually, during the course of the financial year.
- c) Keep a complete and balanced record of all assets in possession of the Council.
- d) Report in writing all asset losses, where applicable, to Council.
- e) Ensure that assets are valued and accounted for in accordance with GRAP.

2.2 The Treasury Section: Equity & Accounts.

The Treasury Section: Equity & Accounts:

- a) Shall ensure that complete records of asset items are kept, verified and balanced regularly.
- b) Shall ensure that all departments are doing annual asset verification. The results of this verification must be reported to the Municipal Manager or Council.
- c) The asset verification report shall –
 - i. Reflect a complete list of all assets found during the verification;

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- ii. Reflect whether appropriate records have been maintained reflecting what articles should have been found during verification
 - iii. Reflect any discrepancies between the articles found during verification and the record referred to in paragraph (b);
 - iv. Be submitted to the departments for comment on variances reflected
- d) Shall ensure that the Asset Register is balanced annually with the general ledger and the financial statements.
- e) Shall ensure adequate bar codes and equipment to exercise the function relating to asset control are available at all times.
- f) Provide the Auditor-General or his personnel, on request, with the financial records relating to assets belonging to Council as recorded in the Asset Register.
- g) Ensure that all audit queries are resolved in a timely manner.

2.3. The Budget Office:

The Budget Office:

- a) Shall ensure that a project is created for approved budgeted capital expenditure that clearly describes the item to be acquired. A clear description of the funding source is also required.
- b) Shall release capital funds only after receiving written authority and a clear and concise description of the item to be purchased.
- c) Shall ensure that any changes in the capital budget, with regards to funds transferred or project description changes are communicated to Treasury Section: Equity & Accounts.
- d) Shall ensure that the relevant information relating to the calculation of depreciation is obtained from the departments and provided to the Treasury Section in the prescribed format.

2.4. The Expenditure Section

The Expenditure Section:

- a) Shall ensure that invoices authorized for payment are matched to the goods received note before processing such payment.

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- b) Shall if any doubt exists as to whether the invoice is in accordance with policy, query the payment with the relevant department and shall not process a payment until the invoice meets the policy criteria

2.5. The Supply Chain Management Section

2.5.1 The Supply Chain Management Section:

- a) Shall ensure that the correct material group is allocated to asset acquisitions to enable the creation of the relevant work flow message.
- b) The bid committees must comply with and be constituted in accordance with the Supply Chain Management policy.

2.5.2 Expenditure Section: (Stores)

- a) Shall ensure that, before accepting an obsolete or damaged asset or asset inventory item, a completed asset form and condemnation form, counter signed by Treasury Section: Equity & Accounts, are presented.
- b) Shall ensure that a verifiable record is kept of all obsolete, damaged and unused asset or asset inventory items received from departments.
- c) Shall compile a list of the items to be auctioned in accordance with their guidelines and the prescriptions of the Treasury Section: Equity & Accounts.
- d) Shall compile and circulate a list of unused movable assets to enable other departments to obtain items that are of use to them.
- e) Shall ensure that Budget Office is notified of any auctioning or disposing of written-off asset or asset inventory items.

2.6. Human Resources Section

Human Resources Section:

- a) Shall ensure that no monies are paid out on terminations of service without receiving the relevant asset resignation form signed off by the relevant department.
- b) Shall ensure that every asset resignation form is counter signed by the Treasury Section: Equity & Accounts before processing the termination of service.

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2.7. All other Departments

All Departments:

- a) Shall ensure that employees in their departments adhere to the approved Asset Management Policies and Procedures.
- b) Shall ensure that an employee with delegated authority has been nominated to implement and maintain physical control over assets in his/her department. Budget Office must be notified of who the responsible person is. Although authority has been delegated the responsibility to ensure adequate physical control over each asset remains with the Head of Department.
- c) Shall ensure that assets are properly maintained in accordance with their respective asset maintenance policy.
- d) Shall ensure that the assets and / or inventory items of the municipality are not used for private gain.
- e) Shall ensure that they budget for adequate funds for the purchase of bar coding equipment.
- f) Shall ensure that all their movable assets as reflected on the Asset Register and the Asset Inventory Register are bar coded.
- g) Shall ensure that The Budget Office is notified of any changes in the status of the assets under the departments. This must be done on the prescribed form and include the following:
 - Movements which relate to the writing-off of and transfer of assets (inter departmental transfers).
 - Changes in the estimated useful lives of assets for depreciation purposes.
 - The identification of impairment losses on assets by following the procedures as outlined in this policy document.
- h) Shall certify in writing that they have assessed and identified impairment losses on all assets at year end.
- i) ~~Shall ensure that a complete asset verification of all inventory and asset items is done during the course of every financial year and that the results of the verification are reported to Budget Office.~~
- j) Shall ensure that all obsolete and broken inventory and asset items, accompanied by the relevant asset form and attached condemnation forms, are handed in to the inventory management section without delay.

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- k) Shall be responsible for maintaining and managing their own Departmental Asset Inventory Records (DIR) for items that will not be recorded in the Asset Register or Asset Inventory Register. These inventory assets are acquired via the operational budget. The information to be recorded in the DIR must include the description, quantity and location of the items.
- l) Shall ensure that the correct cost element and description are being used before authorizing any requisitions.
- m) The detailed projects as created must be categorized and clearly identified as follows:

Immovable Assets:

- Infrastructure assets
- Roads
- Buildings
- Land
- Pedestrian Malls
- Airports
- Recreational Facilities
- Security Measures
- Asset under construction (Only an asset after completion)
- Town Development
- Investment Properties

Movable Assets:

- Office Equipment
- Furniture and Fittings
- Bins and Containers
- Emergency Equipment
- Motor Vehicles
- Aircraft
- Watercraft
- Plant and Equipment
- Vehicles
- Furniture
- Plant
- Small Plant

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PART 3 FORMAT OF FIXED ASSET REGISTER

The fixed asset register shall be maintained in the format determined by the chief financial officer, which format shall comply with the requirements of generally recognised accounting practice (GRAP) and generally accepted municipal accounting practice (GAMAP) and any other accounting requirements which may be prescribed.

The fixed asset register shall reflect the following information:

- a brief but meaningful description of each asset
- the date on which the asset was acquired or brought into use
- the location of the asset
- the department(s) or vote(s) within which the assets will be used
- the title deed number, in the case of fixed property
- the stand number, in the case of fixed property
- where applicable, the identification number, as determined in compliance with part 11 below
- the original cost, or the revalued amount determined in compliance with part 26 below, or the fair value if no costs are available
- the (last) revaluation date of the fixed assets subject to revaluation
- the revalued value of such fixed assets
- who did the (last) revaluation
- accumulated depreciation to date
- the depreciation charge for the current financial year
- the carrying value of the asset
- the method and rate of depreciation
- Accumulated impairment losses to date
- impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- the source of financing
- the current insurance arrangements

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- whether the asset is required to perform basic municipal services
- whether the asset has been used to secure any debt, and – if so – the nature and duration of such security arrangements
- the date on which the asset is disposed of
- the disposal price
- the date on which the asset is retired from use, if not disposed of.

All heads of department under whose control any fixed asset falls shall promptly provide the chief financial officer in writing with any information required to compile the fixed asset register, and shall promptly advise the chief financial officer in writing of any material change which may occur in respect of such information.

A fixed asset shall be capitalised, that is, recorded in the fixed assets register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, whereafter it shall be appropriately capitalised as a fixed asset.

A fixed asset shall remain in the fixed assets register for as long as it is in physical existence. The fact that a fixed asset has been fully depreciated shall not in itself be a reason for writing-off such an asset.

PART 4 CLASSIFICATION OF FIXED ASSETS

In compliance with the requirements of the National Treasury, the chief financial officer shall ensure that all fixed assets are classified under the following headings in the fixed assets register, and heads of departments shall in writing provide the chief financial officer with such information or assistance as is required to compile a proper classification:

PROPERTY, PLANT AND EQUIPMENT

- land (not held as investment assets)

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- infrastructure assets (assets which are part of a network of similar assets)
- community assets (resources contributing to the general well-being of the community)
- heritage assets (culturally significant resources)
- other assets (ordinary operational resources)

INVENTORY

- housing (rental stock or housing stock not held for capital gain)

INVESTMENT PROPERTY

- investment assets (resources held for capital or operational gain)

The chief financial officer shall adhere to the classifications indicated in the annexure on fixed asset lives (see part 33 below), and in the case of a fixed asset not appearing in the annexure shall use the classification applicable to the asset most closely comparable to the asset in question.

PART 5 INVESTMENT PROPERTY

Investment assets shall be accounted for in terms of IAS 40 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

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Investment assets shall not be depreciated, but shall be annually valued on balance sheet date to determine their fair (market) value. Investment assets shall be recorded in the balance sheet at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

An expert valuer shall be engaged by the municipality to undertake such valuations unless available in-house.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – whereafter it shall be reclassified as an investment asset.

PART 6 FIXED ASSETS TREATED AS INVENTORY

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

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PART 7 RECOGNITION OF HERITAGE ASSETS IN THE FIXED ASSET REGISTER

If no original costs or fair values are available in the case of one or more or all heritage assets, the chief financial officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For balance sheet purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

PART 8 RECOGNITION OF DONATED ASSETS

Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the chief financial officer.

PART 9 SAFEKEEPING OF ASSETS

Every head of department shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.

In exercising this responsibility, every head of department shall adhere to any written directives issued by the municipal manager to the department in question, or generally to all departments, in regard to the control of or safekeeping of the municipality's fixed assets.

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PART 10 IDENTIFICATION OF FIXED ASSETS

The municipal manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerised fixed asset register.

The identification system shall be determined by the municipal manager, acting in consultation with the chief financial officer and other heads of departments, and shall comply with any legal prescriptions, as well as any recommendations of the Auditor-General as indicated in the municipality's audit report(s), and shall be decided upon within the context of the municipality's budgetary and human resources.

Every head of department shall ensure that the asset identification system approved for the municipality is scrupulously applied in respect of all fixed assets controlled or used by the department in question.

PART 11 PROCEDURE IN CASE OF LOSS, THEFT, DESTRUCTION, OR IMPAIRMENT OF FIXED ASSETS

Every head of department shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in question is promptly reported in writing to the chief financial officer, to the internal auditor, and – in cases of suspected theft or malicious damage – also to the South African Police Service.

PART 12 CAPITALISATION CRITERIA: MATERIAL VALUE

No item with an initial cost or fair value of less than R5 000 (five thousand rand) – or such other amount as the council of the municipality may from time to time determine on the recommendation of the municipal manager – shall be recognised as a fixed asset. If the item has a cost or fair value lower than this capitalisation benchmark, it shall be treated as an ordinary operating expense.

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Every head of department shall, however, ensure that any item with a value in excess of R250 (two hundred and fifty rand), and with an estimated useful life of more than one year, shall be recorded on a stocksheets. Every head of department shall moreover ensure that the existence of items recorded on such stocksheets is verified from time to time, and at least once in every financial year, and any amendments which are made to such stocksheets pursuant to such stock verifications shall be retained for audit purposes.

PART 13 CAPITALISATION CRITERIA: INTANGIBLE ITEMS

No intangible item shall be recognised as a fixed asset, except that the chief financial officer, acting in strict compliance with the criteria set out in IAS 38 (dealing with research and development expenses) may recommend to the council that specific development costs be recognised as fixed assets.

PART 14 CAPITALISATION CRITERIA: REINSTATEMENT, MAINTENANCE AND OTHER EXPENSES

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalised as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

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The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

| Capital Expenditure | Maintenance |
|--|--|
| <ul style="list-style-type: none">▪ Acquiring a new asset▪ Replacing an existing asset ▪ Enhancing an existing asset so that its use is expanded▪ Further developing an existing asset so that its original useful life is extended | <ul style="list-style-type: none">▪ Restoring an asset so that it can continue to be used for its intended purpose▪ Maintaining an asset so that it can be used for the period for which it was initially intended. |

PART 15 MAINTENANCE PLANS

Every head of department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the council of the municipality for approval.

If so directed by the municipal manager, the maintenance plan shall be submitted to the council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The head of department controlling or using the infrastructure asset in question, shall annually report to the council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned.

PART 16 DEFERRED MAINTENANCE

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset (see part 16 above), the chief

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financial officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the financial statements. Such note shall also indicate any plans which the council of the municipality has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the chief financial officer shall redetermine the useful operating life of the fixed asset in question, if necessary in consultation with the head of department controlling or using such asset, and shall recalculate the annual depreciation expenses accordingly.

PART 17 GENERAL MAINTENANCE OF FIXED ASSETS

Every head of department shall be directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in part 16 and part 17 above) are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

PART 18 DEPRECIATION OF FIXED ASSETS

All fixed assets, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which a fixed asset is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed.

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However, depreciation shall initially be calculated from the day following the day in which a fixed asset is acquired or – in the case of construction works and plant and machinery – the day following the day in which the fixed asset is brought into use, until the end of the calendar month concerned. Thereafter, depreciation charges shall be calculated monthly.

Each head of department, acting in consultation with the chief financial officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

PART 19 RATE OF DEPRECIATION

The chief financial officer shall assign a useful operating life to each depreciable asset recorded on the municipality's fixed asset register. In determining such a useful life the chief financial officer shall adhere to the useful lives set out in the annexure to this document (see part 33 below).

In the case of a fixed asset which is not listed in this annexure, the chief financial officer shall determine a useful operating life, if necessary in consultation with the head of department who shall control or use the fixed asset in question, and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed.

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PART 20 METHOD OF DEPRECIATION

Except in those cases specifically identified in part 23 below, the chief financial officer shall depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of the asset in question.

PART 21 AMENDMENT OF ASSET LIVES AND DIMINUTION IN THE VALUE OF FIXED ASSETS

Only the chief financial officer may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs the chief financial officer shall inform the council of the municipality of such amendment.

The chief financial officer shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.

If the value of a fixed asset has been diminished to such an extent that it has no or a negligible further useful operating life or value such fixed asset shall be fully depreciated in the financial year in which such diminution in value occurs.

Similarly, if a fixed asset has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the fixed asset has physically ceased to exist, it shall be written off the fixed asset register.

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In the all the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable fixed asset, and such fixed asset has been capitalised at a value other than a purely nominal value, such fixed asset shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable asset, and the department or vote controlling or using the fixed asset in question shall bear the full depreciation expenses concerned.

PART 22 ALTERNATIVE METHODS OF DEPRECIATION IN SPECIFIC INSTANCES

The chief financial officer may employ the sum-of-units method of depreciation in the case of fixed assets which are physically wasted in providing economic benefits or delivering services.

The chief financial officer shall only employ this method of depreciation if the head of department controlling or using the fixed asset in question gives a written undertaking to the municipal manager to provide:

- estimates of statistical information required by the chief financial officer to prepare estimates of depreciation expenses for each financial year; and
- actual statistical information, for each financial year.

The head of department concerned shall moreover undertake to provide such statistical information at the specific times stipulated by the chief financial officer.

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Where the chief financial officer decides to employ the sum-of-units method of depreciation, and the requirements set out in the preceding paragraph have been adhered to, the chief financial officer shall inform the council of the municipality of the decision in question.

PART 23 CREATION OF NON-DISTRIBUTABLE RESERVES FOR FUTURE DEPRECIATION

The chief financial officer shall ensure that in respect of all fixed assets financed from internal loans and advances, from grants or subsidies or contributions received from other spheres of government or from the public at large, as well as in respect of fixed assets donated to the municipality, a non-distributable reserve for future depreciation is created equal in value to the capitalised value of each fixed asset in question.

The chief financial officer shall thereafter ensure that in the case of depreciable fixed assets an amount equal to the monthly depreciation expenses of the fixed asset concerned is transferred each month from such non-distributable reserve to the municipality's appropriation account. Where there is a difference between the budgeted monthly depreciation expenses and the actual total depreciation expenses for each financial year, the chief financial officer shall appropriately adjust the aggregate transfer from the non-distributable reserve for the year concerned.

PART 24 CARRYING VALUES OF FIXED ASSETS

All fixed assets shall be carried in the fixed asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation.

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The only exceptions to this rule shall be revalued assets (see part 26 below) and heritage assets in respect of which no value is recorded in the fixed asset register (see part 8 above).

PART 25 REVALUATION OF FIXED ASSETS (LAND AND BUILDINGS ONLY)

Subsequent to initial recognition as an asset, an item of **land and buildings** may be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations shall be made with sufficient regularity such that the carrying amounts do not differ materially from those which would be determined using fair value at the balance sheet date.

The fair value of land and buildings will be based on their market value indicated in the valuation roll. This value will normally be determined by a professional valuer.

The revaluation of land and buildings cannot be limited to specific sets of land or buildings but shall include the entire class of property to which such an asset belongs.

Any increase as a result of a revaluation in the carrying amount will be credited to the NDR under the heading "Revaluation Surplus", however a revaluation increase shall be recognised as revenue to the extent that it reverses a revaluation decrease previously recognised as an expense. Depreciation on the re-valued amount will be charged to the income statement and a transfer will be made from the NDR to offset this depreciation in the statement of changes in equity.

Where a decrease arises such a decrease should be recognised as an expense but may be charged directly against any revaluation surplus to the extent of the balance of such a revaluation surplus.

PART 26 IMPAIRMENT LOSSES

The accounting treatment relating to impairment losses is outlined as follows in **GAMAP 17**:

The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

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Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately, unless it reverses a previous revaluation in which case it should be charged to a non-distributable reserve in accordance with GAMAP 17.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Example:

An example of where the municipality has suffered an impairment loss is the purchase of land for an amount of R 5 000 000. The land will be utilized for new subsidized housing developments. If at year end the expectation is that the Municipality will receive only R 1 000 000 by way of subsidies an impairment loss of

R 4 000 000 needs to be recognized. The recoverable amount (R 1 m) is calculated as being the larger of

- **Net Selling price** of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- **Value in use** of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

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The following steps will have to be performed regularly during the year to account for impairment losses:

- Departments will identify and inform Treasury Section: Equity & Accounts of assets that:
 - Are in a state of damage at year end.
 - Are technologically obsolete at year end. This can be facilitated if departments require Treasury Section: Equity & Accounts to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
 - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
 - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments.
- The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
- The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.

DISCLOSURE REQUIREMENTS RELATING TO IMPAIRMENT LOSSES:

All material impairment losses need to be disclosed in the notes to the income statement as a separately disclosable item. They are normally disclosed as part of the note on the amounts that are included in the calculation of the Net Surplus or Deficit for the year.

PART 27 VERIFICATION OF FIXED ASSETS

Every head of department shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the department concerned.

Every head of department shall promptly and fully report in writing to the chief financial officer in the format determined by the chief financial officer, all relevant results of such fixed asset verification, provided that each such asset verification shall be undertaken and completed as closely as possible to the

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end of each financial year, and that the resultant report shall be submitted to the chief financial officer not later than 30 June of the year in question.

PART 28 ALIENATION OF FIXED ASSETS

In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy.

Every head of department shall report in writing to the chief financial officer on 31 October and 30 April of each financial year on all fixed assets controlled or used by the department concerned which such head of department wishes to alienate by public auction or public tender. The chief financial officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

The council shall delegate to the municipal manager the authority to approve the alienation of any fixed asset with a carrying value less than R5 000 (five thousand rand).

The council shall ensure that the alienation of any fixed asset with a carrying value equal to or in excess of R5 000 (five thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004 (see part 34 below).

Once the fixed assets are alienated, the chief financial officer shall delete the relevant records from the fixed asset register.

If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss in the

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income statement of the department or vote concerned. If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be recognised as a gain in the income statement of the department or vote concerned.

All gains realised on the alienation of fixed assets shall be appropriated annually to the municipality's capital replacement reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the income statement of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

Transfer of fixed assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the above procedures, except that the process of alienation shall be by private treaty.

PART 29 OTHER WRITE-OFFS OF FIXED ASSETS

A fixed asset even though fully depreciated shall be written off only on the recommendation of the head of department controlling or using the asset concerned, and with the approval of the council of the municipality.

Every head of department shall report to the chief financial officer on 31 October and 30 April of each financial year on any fixed assets which such head of department wishes to have written off, stating in full the reason for such recommendation. The chief financial officer shall consolidate all such reports, and shall promptly submit a recommendation to the council of the municipality on the fixed assets to be written off.

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The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the chief financial officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned (see also part 22).

PART 30 REPLACEMENT NORMS

The municipal manager, in consultation with the chief financial officer and other heads of departments, shall formulate norms and standards for the replacement of all normal operational fixed assets. Such norms and standards shall be incorporated in a formal policy, which shall be submitted to the council of the municipality for approval. This policy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items. Such policy shall also provide for the replacement of fixed assets which are required for service delivery but which have become uneconomical to maintain.

PART 31 INSURANCE OF FIXED ASSETS

The municipal manager shall ensure that all movable fixed assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

If the municipality operates a self-insurance reserve (assuming such reserve to be allowed), the chief financial officer shall annually determine the premiums payable by the departments or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the heads of departments concerned.

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The municipal manager shall recommend to the council of the municipality, after consulting with the chief financial officer, the basis of the insurance to be applied to each type of fixed asset: either the carrying value or the replacement value of the fixed assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the municipality.

The chief financial officer shall annually submit a report to the council of the municipality on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.

PART 32 BIOLOGICAL ASSETS

Accounting for biological assets shall take place in accordance with the requirements of IAS 41.

The chief financial officer, in consultation with the head(s) of department concerned, shall ensure that all biological assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated point-of-sales costs. Such valuation shall be undertaken by a recognised valuer in the line of the biological assets concerned. Any losses on such valuation shall be debited to the department or vote concerned as an operating expense, and any increase in the valuation shall be credited to the department or vote concerned as an operating revenue.

If any biological asset is lost, stolen or destroyed, the matter – if material – shall be reported in writing by the head of department concerned in exactly the same manner as though the asset were an ordinary fixed asset.

Records of the details of biological assets shall be kept in a separate section of the fixed assets register or in a separate accounting record altogether, and such details shall reflect the information which the chief financial officer, in consultation with the head of department concerned and the internal auditor, deems necessary for accounting and control purposes.

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The chief financial officer shall annually insure the municipality's biological assets, in consultation with the head(s) of department concerned, provided the council of the municipality considers such insurance desirable and affordable.

PART 33 ANNEXURE: FIXED ASSET LIVES

INFRASTRUCTURE ASSETS

The following is the list of infrastructure assets, with the estimated useful life in years indicated in brackets in each case.

| | | |
|------|----------------------------------|------|
| * | Electricity | |
| | Power stations | (30) |
| | Cooling towers | (30) |
| | Transformer kiosks | (30) |
| | Meters | (20) |
| | Load control equipment | (20) |
| | Switchgear | (20) |
| | Supply and reticulation networks | (20) |
| | Mains | (20) |
| | | |
| * | Roads | |
| | Motorways | (15) |
| | Other roads | (10) |
| | Traffic islands | (10) |
| | Traffic lights | (20) |
| | Street lights | (25) |
| | Overhead bridges | (30) |
| | Stormwater drains | (20) |
| | Bridges, subways and culverts | (30) |
| | Car parks | (20) |

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| | | |
|---|---|------|
| | Bus terminals | (20) |
| * | Water | |
| | Mains | (20) |
| | Supply and reticulation networks | (20) |
| | Reservoirs and storage tanks | (20) |
| | Meters | (15) |
| | Rights (that is, the right to draw water from a particular source belonging to another party) | (20) |
| * | Gas | |
| | Supply and reticulation networks | (20) |
| | Storage tanks | (20) |
| | Mains | (20) |
| | Meters | (20) |
| * | Sewerage | |
| | Sewer mains | (20) |
| | Outfall sewers | (20) |
| | Sewage purification works | (20) |
| | Sewerage pumps | (15) |
| | Sludge machines | (15) |
| * | Pedestrian malls | |
| | Footways | (20) |
| | Kerbing | (20) |
| | Paving | (20) |
| * | Airports | |
| | Runways | (20) |
| | Aprons | (20) |
| | Taxiways | (20) |

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| | | |
|---|---------------------------|------|
| | Airport and radio beacons | (20) |
| * | Security measures | |
| | Access control systems | (5) |
| | Security systems | (5) |
| | Security fencing | (3) |

COMMUNITY ASSETS

The following is a list of community assets, showing again the assigned or estimated useful lives in years in brackets:

| | | |
|---|-------------------------------------|-------|
| * | Buildings and other assets | |
| | Ambulance stations | (30) |
| | Aquariums | (30) |
| | Beach developments | (30) |
| | Care centres | (30) |
| | Cemeteries | (30)# |
| | Civic theatres | (30) |
| | Clinics and hospitals | (30) |
| | Community centres | (30) |
| | Fire stations | (30) |
| | Game reserves and rest camps | (30) |
| | Indoor sports | (30) |
| | Libraries | (30) |
| | Museums and art galleries | (30) |
| | Parks | (30) |
| | Public conveniences and bath houses | (30) |
| | Recreation centres | (30) |
| | Sports and related stadiums | (30) |
| | Zoos | (30) |
| * | Recreation facilities | |

UGU DISTRICT MUNICIPALITY

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| | |
|--|------|
| Bowling greens | (20) |
| Tennis courts | (20) |
| Swimming pools | (20) |
| Golf courses | (20) |
| Jukskei pitches | (20) |
| Outdoor sports facilities | (20) |
| Organs (that is, pipe organs that are fixtures in a municipal hall or other centre) | (20) |
| Lakes and dams | (20) |
| Fountains | (20) |
| Flood lighting | (20) |

Sum-of-units method of depreciation may be preferred.

HERITAGE ASSETS

The following is a list of at least some typical heritage assets encountered in the municipal environment (no asset lives are given, of course, as no ordinary depreciation will be charged against such assets):

- Museum exhibits
- Works of art (which will include paintings and sculptures)
- Public statues
- Historical buildings or other historical structures (such as war memorials)
- Historical sites (for example, an Iron Age kiln, historical battle site or site of a historical settlement)

INVESTMENT ASSETS

It is not possible to provide an exhaustive list of investment assets, as the actual list will depend very much on the local circumstances of each

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municipality. However, the following will be among the most frequently encountered:

- Office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties) (30)
- Shopping centres (again developed along similar lines) (30)
- Housing developments (that is, developments financed and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit) (30)

OTHER ASSETS

The following is a list of other assets, again showing the estimated useful life in years in brackets:

- * Buildings
- Abattoirs (30)
- Asphalt plant (30)
- Cable stations (30)
- Caravan parks (30)
- Compacting stations (30)
- Hostels used to accommodate the public or tourists (30)
- Hostels for municipal employees (30)
- Housing schemes (30)
- Kilns (30)
- Laboratories (30)
- Fresh produce and other markets (30)

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| | |
|-------------------------------|--------|
| Nurseries | (30) |
| Office buildings | (30) |
| Old age homes | (30) |
| Quarries | (30) # |
| Tip sites | (30) # |
| Training centres | (30) |
| Transport facilities | (30) |
| Workshops and depots | (30) |
| | |
| * Office equipment | |
| Computer hardware | (5) |
| Computer software | (3-5) |
| Office machines | (3-5) |
| Air conditioners | (5-7) |
| | |
| * Furniture and fittings | |
| Chairs | (7-10) |
| Tables and desks | (7-10) |
| Cabinets and cupboards | (7-10) |
| | |
| * Bins and containers | |
| Household refuse bins | (5) |
| Bulk refuse containers | (10) |
| | |
| * Emergency equipment | |
| Fire hoses | (5) |
| Other fire-fighting equipment | (15) |
| Emergency lights | (5) |
| | |
| * Motor vehicles | |
| Ambulances | (5-10) |
| Fire engines | (20) |

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| | |
|------------------------------------|---------|
| Buses | (15) |
| Trucks and light delivery vehicles | (5-7) |
| Ordinary motor vehicles | (5-7) |
| Motor cycles | (3) |
| * Plant and equipment | |
| Graders | (10-15) |
| Tractors | (10-15) |
| Mechanical horses | (10-15) |
| Farm equipment | (5) |
| Lawn mowers | (2) |
| Compressors | (5) |
| Laboratory equipment | (5) |
| Radio equipment | (5) |
| Firearms | (5) |
| Telecommunication equipment | (5) |
| Cable cars | (15) |
| Irrigation systems | (15) |
| Cremators | (15) |
| Lathes | (15) |
| Filling equipment | (15) |
| Conveyors | (15) |
| Feeders | (15) |
| Tippers | (15) |
| Pulverising mills | (15) |
| * Other | |
| Aircraft | (15) |
| Watercraft | (15) |

Sum-of-units may be preferred.

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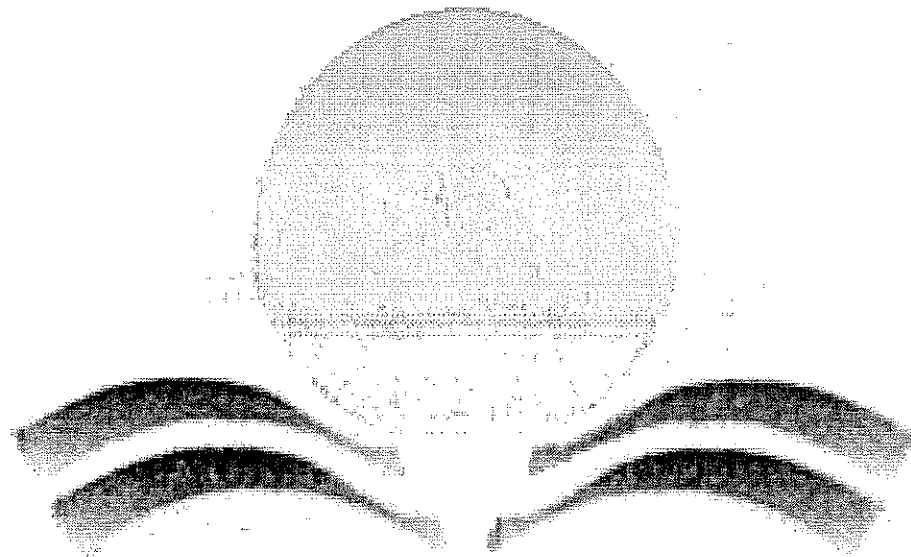
PART 34 ANNEXURE: PARAPHRASE OF SECTION 14 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 2003

A municipality may not alienate any capital asset required to provide a minimum level of basic municipal services.

A municipality may alienate any other capital asset, but provided

- the council, in a meeting open to the public, has first determined that the asset is not required to provide a minimum level of basic municipal services, and
- the council has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

SUPPLY CHAIN MANAGEMENT POLICY



UGU DISTRICT MUNICIPALITY

**MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY LOCAL GOVERNMENT: MUNICIPAL FINANCE
MANAGEMENT ACT, 2003 Date of adoption: 23 October 2009**

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the municipality

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Definitions

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“competitive bidding process” means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

“competitive bid” means a bid in terms of a competitive bidding process;

“final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“formal written price quotation” means quotations referred to in paragraph 12

(1) (c) of this Policy;

“in the service of the state” means to be –

(a) a member of –

(i) any municipal council;

(ii) any provincial legislature; or

(iii) the National Assembly or the National Council of Provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature;

“long term contract” means a contract with a duration period exceeding one year;

“list of accredited prospective providers” means the list of accredited

prospective providers which the municipality must keep in terms of paragraph 14 of this policy;

“other applicable legislation” means any other legislation applicable to municipal supply chain management, including –

(a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);

(b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and

(c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“the Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“the Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“written or verbal quotations” means quotations referred to in paragraph 12(1)(b) of this Policy.

CHAPTER 1 IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

Supply chain management policy

2. (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –

- (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
- (b) is fair, equitable, transparent, competitive and cost effective;
- (c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
- (d) is consistent with other applicable legislation;
- (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the municipality:-

- (a) procures goods or services;
 - (b) disposes goods no longer needed;
 - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- (3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

Amendment of the supply chain management policy

3. (1) The accounting officer must –

- (a) at least annually review the implementation of this Policy; and
- (b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the council

(2) If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –

- (a) ensure that such proposed amendments comply with the Regulations; and

(b) report any deviation from the model policy to the National Treasury and Treasury and the relevant provincial treasury.
ensure that such proposed amendments comply with the Regulations; and

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

Delegation of supply chain management powers and duties

4. (1) The council

hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –

(a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –

(i) Chapter 8 or 10 of the Act; and

(ii) this Policy;

(b) to maximise administrative and operational efficiency in the implementation of this Policy;

(c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

(d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

(3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

Sub delegations

5. (1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.

(2) The power to make a final award –

(a) above R10 million (VAT included) may not be sub delegated by the accounting officer;

(b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –

(i) the chief financial officer and;

(ii) a senior manager; or

(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

(c) not exceeding R2 million (VAT included) may be subdelegated but only to –

(i) the chief financial officer;

(ii) a senior manager;

(iii) a manager directly accountable to the chief financial officer or a senior manager; or

(iv) a bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including—

- (a) the amount of the award;
- (b) the name of the person to whom the award was made; and
- (c) the reason why the award was made to that person.

(4) A written report referred to in subparagraph (3) must be submitted —

(a) to the accounting officer, in the case of an award by —

(i) the chief financial officer;

(ii) a senior manager; or

(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

(b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by —

(i) a manager referred to in subparagraph (2)(c)(iii); or

(ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.

(5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.

(6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

(7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

Oversight role of council

6. (1) The council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must –
 - (a) (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
- (3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor *select which is applicable*.

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

Supply chain management unit

7. (1) A supply chain management unit is hereby established to implement this Policy.

Note:

A parent municipality and a municipal entity under its sole or shared control may establish a joint supply chain management unit to implement their respective supply chain management policies.

(2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

Training of supply chain management officials

8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2 SUPPLY CHAIN MANAGEMENT SYSTEM

Format of supply chain management system

9. This Policy provides systems for –
- (i) demand management;
 - (ii) acquisition management;
 - (iii) logistics management;
 - (iv) disposal management;
 - (v) risk management; and
 - (vi) performance management.

Part 1: Demand management

System of demand management

10. (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

(2) The demand management system must –

- (a) include timely planning and management processes to ensure that all goods and service required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
- (c) provide for the compilation of the required specifications to ensure that its needs are met.
- (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

(3) by the end of each financial year the departments must submit Procurement plans for the forth coming year to SCM unit; the detail plan must include:

- a. quantity of goods including monthly requirement.
- b. Estimated prices.
- c. Expected purchase date.

Part 2: Acquisition management

System of acquisition management

11. (1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –

- (a) that goods and services are procured by the municipality in accordance with authorised processes only;
- (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
- (c) that the threshold values for the different procurement processes are complied with;
- (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
- (e) that any Treasury guidelines on acquisition management are properly taken into account.

(2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including

- (a) the kind of goods or services; and
- (b) the name of the supplier.

Range of procurement processes

12. (1) Goods and services may only be procured by way of –

- (a) petty cash purchases, up to a transaction value of **R250** (VAT included);
- (b) Transactions above R250 up to R2000; at least one written or verbal quotation.
- (c) Three written quotations for procurements of a transaction value over R2 000 up to R10 000 (VAT included);
- (d) Three formal written price quotations for procurements of a transaction value over R10 000 to R200 000 (VAT included); and
- (e) a competitive bidding process for–
 - (i) procurements above a transaction value of R200 000 (VAT included); and
 - (ii) the procurement of long term contracts.

(2) The accounting officer may, in writing

- (a) lower, but not increase, the different threshold values specified in subparagraph (1); or
- (b) direct that –

- (i) Transactions above R250 up to R2000; at least one written or verbal quotation.
- (ii) Three written quotations for procurements of a transaction value over R2 000 up to R10 000 (VAT included);
- (iii) Three formal written price quotations for procurements of a transaction value over R10 000 to R200 000 (VAT included); and
- (iv) a competitive bidding process for–
 - (a) procurements above a transaction value of R200 000 (VAT included); and
 - (b) the procurement of long term contracts.

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

General preconditions for consideration of written quotations or bids

13. A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

(a) has furnished that provider's –

(i) full name;

(ii) identification number or company or other registration number; and

(iii) tax reference number and VAT registration number, if any;

(b) has authorised the municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and

(c) a certificate signed by the bidder certifying that the bidder, propriety, director, member and; or any other associates has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

(d) has indicated –

(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph

(iv) is in the service of the state, or has been in the service of the state in the previous twelve months.

Lists of accredited prospective providers

14. (1) The accounting officer must –

(a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and

(b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

(c) specify the listing criteria for accredited prospective providers; and

(d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

(3) The list must be compiled per commodity and per type of service.

Petty cash purchases

15. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –

(a) *Council to insert* the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;

(b) (i) Maximum amount of R250 can be issued from petty cash box

(ii) Maximum amount of R250 can be issued using cash cheque

(iii) In both above instances petty cash is used to reimburse an employee for the pre approved Expenditure incurred where vouchers or invoices are supplied.
For an approved expenditure yet to be incurred for which a petty cash vouchers/invoices Would be supplied later.

(iv) Where petty cash is requested without

(c) *Council to insert* any types of expenditure from petty cash purchases that are excluded, where this is considered necessary; and

(d) A monthly reconciliation report from each manager must be provided to the chief financial officer, including –

(i) The total amount of petty cash purchases for that month; and

(ii) Receipts and appropriate documents for each purchase.

Written or verbal quotations

16. The conditions for the procurement of goods or services through written or verbal quotations are as follows:

(a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;

(b) to the extent feasible, providers must be requested to submit such quotations in writing;

(c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;

(d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and

(e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

Formal written price quotations

17. (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:

(a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality

(b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;

(c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and

(d) the accounting officer must record the names of the potential providers and their written quotations.

(2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

18. The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows:

(a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;

(b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and on a notice board of the Treasury department of the municipality.

(c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;

(d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;

(e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;

(f) acceptable offers, which are subject to the preference points system (PPPFA act 2000: Preferential Procurement Regulations, 2011 regulations), B-BBEE must be awarded to the bidder who scored the highest points;

Competitive bids

19. (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

(2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

Process for competitive bidding

20. The procedures for the following stages of a competitive bidding process are as follows:

Bid documentation for competitive bids

21. The criteria to which bid documentation for a competitive bidding process must comply, must –

(a) take into account –

(i) the general conditions of contract and any special conditions of contract, if specified;

(ii) any Treasury guidelines on bid documentation; and

(iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

(b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–

(i) if the bidder is required by law to prepare annual financial statements for auditing,

(ii) their audited annual financial statements – (aa) for the past three years; or (bb) since their establishment if established during the past three years;

(ii) a certificate signed by the bidder certifying that the bidder, propriety, director, member and; or any other associates has undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

- (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

Public invitation for competitive bids

22. (1) The procedure for the invitation of competitive bids is as follows:

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspaper commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

(b) the information contained in a public advertisement, must include –

(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;

(ii) A statement that bids may only be submitted on the bid documentation provided by the municipality and

(iii) Date, time and venue of any proposed site meetings or briefing sessions.;

(2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

(3) Bids submitted must be sealed.

(4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

Procedure for handling, opening and recording of bids

23. The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids—

(i) must be opened only in public;

(ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and

(iii) received after the closing time should not be considered and returned unopened immediately.

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

(c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The accounting officer must —

(i) record in a register all bids received in time;

(ii) make the register available for public inspection; and

(iii) publish the entries in the register and the bid results on the website.

Negotiations with preferred bidders

24. (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –

- (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

Two-stage bidding process

25. (1) A two-stage bidding process is allowed for –

- (a) large complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

Committee system for competitive bids

26. (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:

- (a) a bid specification committee;
 - (b) a bid evaluation committee; and
 - (c) a bid adjudication committee;
- (2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and
- (3) A neutral or independent observer may be appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

(4) The committee system must be consistent with –

- (a) paragraph 27, 28 and 29 of this Policy; and
- (b) any other applicable legislation.

(5) The accounting officer may apply the committee system to formal written price quotations.

Bid specification committees

27. (1) A bid specification committee must compile the specifications for each procurement of goods or services by the municipality

(2) Specifications –

(a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

(b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

(c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

(d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

(e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;

(f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and

(g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

(3) A bid specification committee must be composed of one or more officials of the municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

(4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

Bid evaluation committees

28. (1) A bid evaluation committee must –

(a) evaluate bids in accordance with –

(i) the specifications for a specific procurement; and

(ii) the points system set out in terms of paragraph 27(2)(f).

(b) evaluate each bidder's ability to execute the contract;

(c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;

(d) A bid evaluation committee must be able to invite when appropriate an external specialist advisors.

Bid adjudication committees

29. (1) A bid adjudication committee must –

(a) consider the report and recommendations of the bid evaluation committee; and

(b) either –

(i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

(ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

(2) A bid adjudication committee must consist of at least four senior managers of the municipality

which must include –

(a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and

(b) at least one senior supply chain management practitioner who is an official of the municipality and

(c) a technical expert in the relevant field who is an official, if such an expert exists.

(3) The accounting officer must appoint the Chief Financial Officer as a chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

(5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

(i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;

(ii) notify the accounting officer.

(b) The accounting officer may –

(i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and

(ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The accounting officer must comply with section 114 of the Act within 10 working days .

30. Procurement of banking services

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

Procurement of IT related goods or services

31. (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

(3) The accounting officer must notify SITA together with a motivation of the IT needs if –

(a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

(b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) If SITA comments on the submission and the municipality

disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

Procurement of goods and services under contracts secured by other organs of state

32. (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –

- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
- (b) there is no reason to believe that such contract was not validly procured;
- (c) there are demonstrable discounts or benefits to do so; and
- (d) that other organ of state and the provider have consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if –

- (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
- (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

Procurement of goods necessitating special safety arrangements

33. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

Proudly SA Campaign

34. The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- Firstly – suppliers and businesses within the municipality or district;
- Secondly – suppliers and businesses within the relevant province;
- Thirdly – suppliers and businesses within the Republic.

Appointment of consultants

35. (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

- (2) Consultancy services must be procured through competitive bids if
- (a) the value of the contract exceeds R200 000 (VAT included); or
 - (b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

- (a) all consultancy services provided to an organ of state in the last five years; and
 - (b) any similar consultancy services provided to an organ of state in the last five years.
- (4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality

Deviation from, and ratification of minor breaches of, procurement processes

36. (1) The accounting officer may –

- (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos and/or nature and game reserves; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

Unsolicited bids

37. (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- (c) the person who made the bid is the sole provider of the product or service; and
- (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

- (a) reasons as to why the bid should not be open to other competitors;
- (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the adjudication committee must take into account –
- (a) any comments submitted by the public; and
 - (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered to or signed within 30 days of submission.

Combating of abuse of supply chain management system

38. (1) The accounting officer must–

- (a) take all reasonable steps to prevent abuse of the supply chain management system;**
- (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –**
 - (i) take appropriate steps against such official or other role player; or**
 - (ii) report any alleged criminal conduct to the South African Police Service;**
- (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;**
- (d) reject any bid from a bidder–**

(i) if any municipal rates and taxes or municipal service charges owed

by that bidder or any of its directors, propriety, member and; or any other associates to the

municipality or municipal entity, are in arrears for more than three months; or

(ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder

that performance was unsatisfactory;

(e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

(f) cancel a contract awarded to a person if –

(i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

(ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

(g) reject the bid of any bidder if that bidder or any of its directors –

(i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;

(ii) has been convicted for fraud or corruption during the past five years;

(iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

(2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

Part 3: Logistics, Disposal, Risk and Performance Management

Logistics management

39. The accounting officer must establish and implement an effective system of logistics management, which must include

(a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

(b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

(c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;

(d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

(e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

(f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

(g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Disposal management

40. (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows: (*Fanie*)

- Every Head of Department shall report in writing to the CFO on 31 October and 30 April of each financial year on all assets which they wish to alienate and the proposed method of alienation.
- The CFO shall consolidate the requests received from the various departments, and shall promptly report the consolidated information to the Municipal Manager of the municipality, recommending the process of alienation to be adopted.
- The Council shall delegate to the Municipal Manager the authority to approve the alienation of any asset with a carrying value less than R5 000 (five thousand rand).
- The Council shall ensure that the alienation of any asset with a carrying value equal to or in excess of R5 000 (five thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004. The Act states that the municipality may not alienate any capital asset required to provide a minimum level of service. The municipality may alienate any other capital asset, provided the Council has considered the fair market value and the economic and community value to be received in exchange for the asset.
- Selling: Assets to be sold shall be sold in terms of paragraph 9.4 below.
- Donations: Donations may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager for approval.
- Destruction: Assets that are hazardous or need to be destroyed must be identified for tenders or quotations by professional disposal agencies.
- Scrapping: Scrapping of assets that cannot be alienated otherwise may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager.
- Once the assets are alienated, the CFO shall write-off the relevant assets in the asset register.
- The letting of immovable property, excluding municipal housing for officials and political office bearers, must be done at market-related tariffs, unless the relevant treasury approves otherwise. No municipal property may be let free of charge without the prior approval of the relevant treasury.
- The CFO must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of municipal property to ensure sound financial planning and management.

(2) Assets may be disposed of by –

- (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
- (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
- (iii) selling the asset; or
- (iv) destroying the asset.

(3) The accounting officer must ensure that –

- (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

Risk management

41. (1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:

(a)

- (i) the risks are measured in terms on impact and likelihood
- (ii) Internal controls are evaluated in order to obtain the residual risks
- (iii) the action plans are developed in order to mitigate the risk and reduce the risks into tolerable levels
- (iv) Implementation of action plans is monitored on a regular basis and reported accordingly to the Risk Management Committee and Top Management

(2) Risk management must include –

(a) the identification of risks on a case-by-case basis;

(b) the allocation of risks to the party best suited to manage such risks;

(c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

(d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

(e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

Performance management

42. The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

Part 4: Other matters

Prohibition on awards to persons whose tax matters are not in order

43. (1) No award above R30 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

Prohibition on awards to persons in the service of the state

44. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy who are in the service of the state.

Awards to close family members of persons in the service of the state

45. The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in previous twelve months, including

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

Ethical standards

46. (1) A code of ethical standards as set out in subparagraph (2) / is hereby established for officials and other role players in the supply chain management system of the municipality

in order to promote –

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) An official or other role player involved in the implementation of this Policy –

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;
- (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350 in value;
- (d) notwithstanding subparagraph (2) (c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipal

(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) must be scrupulous in his or her use of property belonging to municipality

(h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

(i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

(i) any alleged fraud, corruption, favouritism or unfair conduct;

(ii) any alleged contravention of paragraph 47(1) of this Policy; or

(iii) any alleged breach of this code of ethical standards.

(3) Declarations in terms of subparagraphs (2)(d) and (e)

(a) must be recorded in a register which the accounting officer must keep for this purpose;

(b) by the accounting officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.

(4) The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.

(5) A breach of the code of ethics must be dealt with as follows

(a) in the case of an employee, in terms of the disciplinary procedures of the municipality

envisaged in section 67(1)(h) of the Municipal Systems Act;

(b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

(c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

Inducements, rewards, gifts and favours to municipalities officials and other role players

47. (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

(a) any inducement or reward to the municipality *select which is applicable* for or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to –

(i) any official; or

(ii) any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gifts less than R350 in value.

Sponsorships

48. The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- (a) a provider or prospective provider of goods or services; or
- (b) a recipient or prospective recipient of goods disposed or to be disposed.

Objections and complaints

49. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

Resolution of disputes, objections, complaints and queries

50. (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

- (a) to assist in the resolution of disputes between the municipality and other persons regarding \i) any decisions or actions taken in the implementation of the supply chain management system; or
- (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
- (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must –

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

(a) the dispute, objection, complaint or query is not resolved within 60 days; or

(b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

Contracts providing for compensation based on turnover

51. If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is

fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –

- (a) a cap on the compensation payable to the service provider; and
- (d) that such compensation must be performance based.

Commencement

52. This Policy takes effect on approval.

IMPORTANT CONTACT DETAILS

Luvuyo Mahlaka
Municipal Manager
Ugu District Municipality
28 Connor Street
Port Shepstone
4240

P.O Box 33
Port Shepstone
4240

Tell no: (039) 688 5702
Fax no: (039) 682 1720
Cell no: (079) 887 5467
E-mail: luvuyo.Mahlaka@ugu.gov.za
Website: www.ugu.org.za

6.7 Records of Approval

| Meeting | Date | Resolution |
|------------------------------|------|------------|
| Top Management | | |
| EXCO | | |
| Revision 1 | | |
| BTS Task Team | | |
| Top Management | | |
| Extended Top Management | | |
| LLF | | |
| Corporate Services Portfolio | | |
| EXCO | | |

UGU DISTRICT MUNICIPALITY

TARIFF OF CHARGES 2012/2013 WITH EFFECT FROM 1 JULY 2012 (EXCLUDING VAT)

1. **COUNCIL'S CHARGES FOR WATER SUPPLIED TO CONSUMERS**

- (a) All consumers with a private water connection will be liable for the payment of a basic cost irrespective if water is supplied or not. The basic cost shall be calculated by multiplying the quota of a consumer by the amount of the basic cost.
- (b) Charges for water supplied shall be calculated by multiplying the consumption of the consumer by the applicable tariff code, by category of consumer.
- (c) The following tariff and basic costs will be implemented on all accounts submitted on or after **1 July 2012** based on the quota as allocated to the meter.

CONSUMPTION CHARGE

1. **Properties zoned as Special and General Residential -Category A AND E**

| | 2012/2013 | 2011/2012 |
|---------------|-----------|-----------|
| 0 to 39 Kl | 8.94 | 8.43 |
| 39.1 to 50 Kl | 14.32 | 13.51 |
| >50Kl | 16.10 | 15.19 |

2. **Muli unit residential - Estates AND OTHER bulk users**

Total Monthly Quota as per Service Level Agreement- Category B

| | 2012/2013 |
|------------------------------------|-----------|
| For water consumption | 6.32 |
| For water drawn in excess of quota | 16.10 |

3. **Commercial, Industrial or other- Category C**

| | |
|------------------------------------|-------|
| For water consumption up to quota | 8.94 |
| For water drawn in excess of quota | 17.87 |

4. **Special Category - Category D**

| |
|---|
| Basic to be determined as per Service Level Agreement |
| Water Consumption determined as per Service Level Agreement |

BASIC CHARGE

Category A to D

- (d) A monthly basic charge per kilolitre quota (or part thereof) per day which cost shall be paid at Council's option by the consumer and/or legal owner of the property serviced by the meter – **R114.26**(2011/2012 R 107.79)
Consumers receiving a substandard service will receive a 75% rebate. (Rural consumers)

Category E

- (e) A monthly basic charge per kilolitre quota of **0.71 kilolitres** per day, which cost shall be paid at Council's option by the consumer and/or legal owner EARNING BETWEEN R 2360 AND R 4000,00 PER House Hold PER MONTH serviced by the meter – **R81.11**(2011/2012 R 76.52)

(f) **Water and Sanitation Basic Charges- other**

| | |
|--|--|
| Category | Adjusted billing to |
| Schools | One Basic per meter + Charge per Kilolitre |
| Religious institutions & non profit organisations | One Basic per meter + Charge per Kilolitre |
| Sanitation rebate Earnings between R2360.00 – R4000.00 | 40% rebate |
| Industrial | Calculated Quota |
| Category E | Per house hold income R2360 - R4000 |
| Category F | indigent |

2. **COUNCIL'S CHARGE FOR A NEW WATER AND SANITATION CONNECTION**

2.1 WATER

| SIZE | 2012/2013 | 2011/2012 | % Increase |
|------------------|---------------|------------------|------------|
| 15 mm [Other] | 3,542.22 | 3,341.72 | 6% |
| 20 mm | 3,974.55 | 3,749.58 | 6% |
| 25 mm | 5,154.38 | 4,862.63 | 6% |
| 40 mm | 8,062.20 | 7,605.85 | 6% |
| LARGER SIZES | | | |
| SIZE | 2011/2012 | DEPOSIT REQUIRED | |
| 50mm | Cost plus 10% | 10,070.00 | |
| 75mm | Cost plus 10% | 11,130.00 | |
| 100mm | Cost plus 10% | 12,190.00 | |
| 50mm combination | Cost plus 10% | 13,250.00 | |

2.2 SANITATION

| SIZE | 2012/2013 | 2012/2013 | % Increase |
|--|---------------|---|------------|
| 110mm standard connection, 6m from the boundary of the property to be connected | 1398.47 | 1,319.32 | 6% |
| 160mm Standard connection 6m from the boundary of the property to be connected | 1,798.83 | 1,697.01 | 6% |
| OTHER TYPES OF SANITATION CONNECTIONS | | | |
| SIZE | 2012/2013 | DEPOSIT REQUIRED | |
| 110mm under gravel, situated more than 6m from boundary of the property to be connected | Cost plus 10% | Equivalent to 160mm standard connection | |
| 160mm under gravel, situated more than 6m from boundary of the property to be connected | Cost plus 10% | Equivalent to 160mm standard connection | |
| 110mm under tarmac road, situated more than 6m from boundary of the property to be connected | Cost plus 10% | Equivalent to 160mm standard connection | |
| 160mm under tarmac road, situated more than 6m from boundary of the property to be connected | Cost plus 10% | Equivalent to 160mm standard connection | |

3. COUNCIL'S CHARGES FOR MISCELLANEOUS SERVICES

| | SERVICE | 2012/2013 | 2011/2012 | % INCREASE |
|-----|--|----------------------------------|----------------------------------|------------|
| 1. | Testing water meters 15 mm and 20 mm | 901.91 | 850.86 | 6% |
| 2. | Reconnection/Disconnection of supply | 190.35 | 179.58 | 6% |
| 3. | Reconnection of supply outside working hours | 820.89 | 774.43 | 6% |
| 4. | Restriction (Credit control) | 194.97 | 183.94 | 6% |
| | Disconnection (Credit control) | 454.94 | 429.19 | 6% |
| 6. | Special meter readings | 649.91 | 613.13 | 6% |
| 7. | Inspection of leaks in terms of Section 23(c) | 867.50 | 818.40 | 6% |
| 8. | Any other service | | | 6% |
| 9. | For water drawn from an unmetered point of supply per hour or part thereof | 662.92 | 625.40 | 6% |
| 10. | For water drawn from a hydrant standpipe | 8.43/kl | 8.43/kl | 6% |
| 11. | Availability charge per fire hydrant standpipe | 68.51 per month per fire hydrant | 64.64 per month per fire hydrant | 6% |
| 12. | Water supplied by tanker less/equal to 6kl | 937.49 | 884.43 | 6% |
| 13. | Plan approval fee | 206.25 | 194.58 | 6% |
| 14. | Water & Sanitation Inspection Fee per visit | 419.76 | 396.00 | 6% |
| 15. | Pre Plan Approval Administration Fee | 166.97 | 157.52 | 6% |
| 16. | Clearance Certificates | 216.79 | 204.52 | 6% |
| 17. | Drainage Certificate Fee | 170.46 | 160.82 | 6% |
| 18. | Application in terms of New Planning Act | 2,120.00 | 2,000.00 | 6% |
| 19. | Town Planning Applications | 206.25 | 194.58 | 6% |

4. **WATER AVAILABILITY CHARGE** for the year 2012/2013 raised in terms of Section 10G(7) of the Local Government Transitional Act, and the regulations framed in terms of Section 47 of the Ordinance 27/63, the Council levy a uniform **WATER RATE** as set out hereunder, on all land subject to such rate, within local authority areas and townships within the defined areas of the former Lower South Coast and Umzinto Regional Water Services Corporations, for the financial year ending **30 June 2012**:

A UNIFORM CHARGE OF R1 411.78(2011/2012 R1 284.60) PER YEAR PER RATED LOT IRRESPECTIVE OF AREA.

The final date for payment of such charge shall be **30 NOVEMBER 2012**.

5. **COUNCIL'S CHARGES FOR SANITATION SERVICES**

| | | 2012/2013 | 2011/2012 | % INCREASE (DECREASE) |
|-----|---|--------------------------|--------------------------|-----------------------------|
| 5.1 | Waterborne Sanitation (All Areas) Residential Basic Charge (per unit / per property) Charge per kilolitre (water consumption) Conservancy with a Main line facility to Pay 2x basic fee | 249.22 2.78 498.43 | 235.11 2.63 470.22 | 6% 6% |
| | Industrial/ Commercial Basic Charge (per quota) Charge per kilolitre | 249.22 2.78 | 235.11 2.63 | 6% 6% |
| | For any sewage effluent delivered to the sewerage works for processing, per kilolitre or part thereof | 20.89 | 19.71 | 6% |
| 5.3 | Conservancy Tank Clearances (All Ugu) Residential Basic Charge (per unit/ per property) Charge per kilolitre(water consumption) | 249.21 2.78 | 235.11 2.63 | 6% 6% |
| | SINGLE RESIDENTIAL UNITS | | | |
| | ▪ FIRST LOAD 100% OF APPROVED TARIFF - | 290.36 | 237.93 | 6% |
| | ▪ SECOND LOAD 70% OF APPROVED TARIFF- | 176.54 | 166.55 | 6% |
| | ▪ THIRD LOAD AND MORE 50% OF APPROVED | 126.10 | 118.97 | 6% |
| | ON CONDITION THAT THERE IS A SPLIT OF GREY AND BLACK WATER | | | |
| | As approved by a municipal inspector | | | |
| | Industrial/Commercial Basic Charge(per quota) Charge per kilolitre <i>Conservancy tank customers will receive one load per month included in the tariff</i> | 249.21 2.78 | 235.11 2.63 | 6% 6% |
| 5.4 | Adhoc Vacuum tanker services (All Ugu) For each draw requested | 396.23 | 373.81 | 6% |
| 5.5 | Removal of conservancy tank effluent: - - For the removal of conservancy effluent per load or part thereof after normal office hours (Monday to Friday). | 1642.84 | 1,549.85 | 6% |

| | | 2012/2013 | 2011, 2012 | INCREASE (DECREASE) |
|------|--|---|---|------------------------|
| | An applicant for the supply of a conservancy service shall pay a deposit equivalent to the rand value of the number of estimated additional monthly draws anticipated. | | | |
| 5.6 | 1) Conservancy tank additional draws are performed on a cash basis, unless there is a consumer account reflecting an appropriate deposit. 2) Conservancy tank draws shall be performed within 48 hours of request and/or confirmation of receipt of monies. 3) It is the responsibility of the person requesting a draw to get a reference number for follow-up queries. | | | |
| 5.7 | Septic Tank Charge: - Umdoni Municipality - Per Draw Provided: i) The septic tank must be located and exposed by the owner. ii) The effluent in the septic tank must be liquefied by the owner. iii) The septic tank must be accessible for removal. This service is performed on a cash basis only. | 1,044.24 | 985.14 | 6% |
| 5.8 | Leachate Removal Charge: - Umdoni Municipality - Per Draw | 176.01 | 166.05 | 6% |
| 5.10 | Sewerage Availability Charge | Raised monthly where vacant stand waterborne consumers are able to connect into sewer mains, at an amount equivalent to the monthly basic sewer charge. | Raised monthly where vacant stand waterborne consumers are able to connect into sewer mains, at an amount equivalent to the monthly basic sewer charge. | 6% |

SANITATION AVAILABILITY CHARGE FOR THE YEAR 2012/2013

A UNIFORM CHARGE OF R249.22X 12 = R2990.64 (2011/2012 R 2 821.31) PER YEAR PER RATED LOT PROVIDED SANITATION IS AVAILABLE

The final date for payment of such charge shall be **30 NOVEMBER 2012.**

6. Tariff of charges for GIS Copies of Maps - all prices excl vat

| Size | Colour Copy | Back and White Copy | Standard photo Copy |
|----------------------------|-------------|---------------------|---------------------|
| A0 | 212.00 | 106.00 | - |
| A1 | 159.00 | 79.50 | - |
| A2 | 106.00 | 53.00 | - |
| A3 | 63.00 | 31.80 | 5.30 |
| A4 | 53.00 | 26.50 | 2.12 |
| Electronic Soft copy on CD | 53.00 | - | - |

7. PROPOSED NEW CAPITAL CONTRIBUTIONS FOR THE 2011/2012

WATER SUPPLY

WATER SUPPLY
CONTRIBUTION

| | |
|--------------------------------|--------------------|
| INTERNAL NETWORK | |
| OUTFALL SEWER/PUMPING MAIN | R 7884.00 |
| WASTE WATER TREATMENT WORKS | R 7489.80 |
| TOTAL | R 15 373.80 |
| ONE QUOTA = 1000 LITERS | |
| | |
| | |
| NETWORK | |
| TAM | R 2299.50 |
| SUPPLY PIPELINE | R 2089.26 |
| PUMPSATION | R 2969.64 |
| RESERVOIR | R 2233.80 |
| WATER PURIFICATION WORKS | R 2759.40 |
| TOTAL | R 12 351.60 |
| ONE QUOTA = 1000 LITERS | |
| | |

SEWERAGE

SEWERAGE
CONTRIBUTION

| | WATER QUOTA | SANITATION QUOTA |
|---|-------------|------------------|
| RESIDENTIAL 1 | | |
| SUB ECONOMIC (250 TO 400 M ²) | 0.25 | 0.20 |
| LOW (401 TO 700 M ²) | 0.60 | 0.50 |
| MIDDLE (701 TO 900 M ²) | 0.80 | 0.65 |
| HIGH (901 TO 2000) | 1.00 | 1.00 |
| GRANNY FLAT | 0.80 | 0.65 |
| RESIDENTIAL 2 AND 3 | | |
| LOW (30 TO 60 M ²) | 0.60 | 0.50 |
| MIDDLE (61 TO 200 M ²) | 0.80 | 0.65 |
| HIGH (201 TO 500) | 1.00 | 1.00 |
| RESIDENTIAL 4 (HIGH RISE) | 1.00 | 1.00 |
| LOW (30 TO 50 M ²) | 0.45 | 0.40 |
| MIDDLE (51 TO 80 M ²) | 0.60 | 0.50 |
| HIGH (81 TO 200 M ²) | 0.75 | 0.70 |
| OFFICE /100M ² | 0.40 | 0.40 |
| SHOPS/100M ² | 0.40 | 0.40 |
| | | |

| | WATER QUOTA | SANITATION QUOTA |
|---|-------------|------------------|
| CLINIC/BED | 0.25 | 0.25 |
| RETIREMENT VILLAGE/PERSON | | |
| FRAIL CARE/PERSON | 0.25 | 0.25 |
| BEDSITTER/PERSON | 0.25 | 0.25 |
| UNITS/UNIT | 0.50 | 0.50 |
| OSTELS/PUPIL | 0.15 | 0.15 |
| CRECHE/PUPIL | 0.02 | 0.02 |
| SCHOOLS/PUPIL | 0.02 | 0.02 |
| HOSPITAL/BED | 0.25 | 0.25 |
| RESTAURANT/SEAT | 0.09 | 0.09 |
| WAREHOUSE(EXCL. OFFICE) /100 M ² | 0.20 | 0.20 |
| INDUSTRIAL(EXCL.OFFICE) /100M ² | 0.40 | 0.40 |
| CARAVAN PARK/SITE | 0.60 | 0.5 |
| CONFERENCE CENTRE/SEAT | 0.09 | 0.09 |
| GOLF ESTATE /HECTARE | 5.00 | 0.00 |
| SERVICE ATION/WORKSHOP/100M ² | 0.40 | 0.40 |
| B&B AND GUESTHOUSE/LODGE/ROOM | 0.60 | 0.50 |
| HOTEL/ROOM | 0.60 | 0.60 |
| CHURCH/RELIGIOUS INSTITUTIONS | 1.00 | 1.00 |
| HALLS AND CLUB HOUSES | 1.00 | 1.00 |

8. INDUSTRIAL EFFLUENT CHARGES

- The charges payable by the owner or occupier, as the case may be, of the manufacturing premises for the use of the Council's sewers in respect of the discharge and conveyance therein of trade effluent from the manufacturing premises, including the use of the Council's sewage purification works for purification of the trade effluent, shall be determined in accordance with the provisions of this by-law. Accounts will be rendered as soon as possible after each period of six months ending on 31st December, or 30th June of each year and shall apply to such periods. Where during any such six monthly period there has been a change of ownership or occupancy necessitating an apportionment of the amount due to the Council, the Council will apportion the amount between the parties concerned in a manner proportionate to the quantity of trade effluent discharged during the relevant respective periods of ownership or occupancy. Nothing herein shall be construed as preventing the Council from submitting accounts on a monthly basis should such practice be considered more expedient by the Council.

The General Manager: Water Services may base the trade effluent charge as described in paragraph (p) section (a), on the highest COD of one, or more samples collected from the trade effluent sampling point.

The charge to be levied by the General Manager: Water Services in respect to trade effluent discharged into its sewers from manufacturing premises shall be assessed in accordance with the following formula: -

$$R = A + ((COD/1000) \times B)$$

WHERE

R is the rate in cents per kilolitre due to the Council.

A is the basic carriage tariff expressed in cents per kilolitre, determined annually in advance by the Council. The value of A is 4.42 (6%).

B is the basic treatment tariff expressed in cents per kilogram of COD, determined annually in advance by the Council. The value of B is 0.416 (6%).

COD is the chemical oxygen demand value expressed in milligram of COD per litre of effluent recorded in snap samples of effluent collected as and when deemed fit by the General Manager: Water Services.

The charges payable by the owner or occupier will also include any other charges as may be applicable.

- A copy of the methods of chemical analysis and testing procedures used to determine the COD for the purpose of calculating the charge equation described above shall be kept available by the General Manager: Water Services for inspection by the owner or occupier of any premises concerned. The method of chemical analysis will in all respects follow the STANDARD METHODS FOR WATER ANALYSES published by the SOUTH AFRICAN BUREAU OF STANDARDS being SABS METHOD 1048 – CHEMICAL OXYGEN DEMAND OF WATER.
- In the absence of any direct measurement, the quality of trade effluent discharged into the Council's sewers from any particular manufacturing premises during any period shall be estimated and determined by the General Manager: Water Services by reference to the quantity of water consumed on such premises during such period. The quantity of water consumed on such premises shall be determined by reference to the Council's water meters in the case of water obtained from the Council and by meter or by calculation in the case of water obtained from any other source, including water emerging from material processed on the premises. In determining the quantity of trade effluent so discharged, due allowance shall be made for the quality of water which it is estimated is used for domestic purposes including gardening on such premises or any other purpose not resulting in the discharge of trade effluent and for water lost by reaction or evaporation during any processes on the manufacturing premises concerned and for water present in the final products or materials produced on such premises and, generally, the District Municipality shall take into consideration such matters as will enable it to estimate for the purpose of the by-laws the quantity of trade effluent discharged as aforesaid during any given period.

Industries linked to water borne sewer will be liable for the sanitation basic fee and charges per kilolitre as per charges set, over and above the industrial effluent charge.

9. ACCEPTANCE OF SEWAGE DELIVERED BY ROAD HAULAGE

| Description | 2012/2013 | 2011/2012 |
|---|---------------|---------------|
| | R | R |
| The charges for any sewage delivered for disposal to any Council facilities shall be assessed by an authorised officer in accordance with the prescribed tariff of charges: | | |
| (a) Disposal of trade effluent from within the Council's area of jurisdiction delivered by private road tanker to Council facilities | | |
| Per tanker load | 549.05 | 517.98 |
| (b) Disposal of trade effluent from without the Council's area of jurisdiction delivered by private road tanker to Council facilities | | |
| Per tanker load | 823.59 | 776.97 |

| | | |
|---|---------------|---------------|
| (c) Disposal of domestic effluent from within or without the Council's area of jurisdiction to Council facilities | | |
| (i) delivered by private road tanker per kilolitre, measured as the nominal carrying capacity, of the tanker | 137.27 | 129.50 |
| (ii) delivered by private road haulage in drums per drum of capacity not exceeding 150 litres | 27.45 | 25.90 |

11. TARIFFS FOR INSTALLATION OF BASE TELECOMMUNICATION STATIONS

The MONTHLY tariffs for the new installation and the renewal of existing leases of base telecommunication stations on municipal property shall be as per the below mentioned tariff of charges:

- R5,013.95 on property with an existing structure.

Tower erected on Municipal land (a Greenfield site)

- R2506.97 for Co-Locators (Sub-leases)

Billed to the main lessee, applicable to new leases signed or renewed after 1 July 2012

(R1002.79 for antennae's with no base stations

Dependant on technical criteria, frequency emissions and site size being no greater than 5m2

It should be noted that for a single installation, a lease agreement will be entered into with one service provider. In the event of co-use of telecommunications masts by cellular network providers, the primary service provider with whom the municipality entered into lease agreement will be responsible for the account.

12. OFFENCES AND PENALTIES

Any offences and/or penalties raised by the municipality shall be affected as per Part 7 (General Provisions), clause 34, of the Gazetted Water Services Bylaws, as adopted in terms of Section 21 of the Water Services Act, Act No. 108 of 1997.

(3. WATERBORNE SANITATION SPECIAL LEVY

A special levy would be introduced in the areas which will benefit from the waterborne sewer development programme. However the sub-economic areas would be exempt from this levy.

14. SPORTFIELDS AND MULTI – COURTS TARIFFS 2012/2013

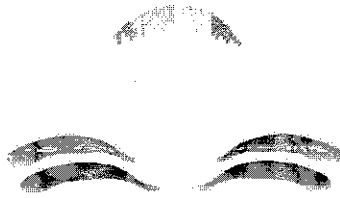
| | SERVICE | 2012/2013 | 2011/2012 | % INCREASE (DECREASE) | |
|---|---|------------|-----------|--------------------------|--|
| 1 | SOCCER FIELDS | | | | |
| | 1.1 Ad Hoc Daily Charges - Sporting Events (per field or part thereof). | | | | |
| | 1.1.1 Hire by clubs, associations, schools, welfare organisations and Religious Organisations If a gate levy or event fee is charged is charged then the hire fee will be either 15% of gross gate levy or the tariff , whichever is the greater. PER GAME | | | | |
| | - FIELD A | R 499.70 | R 471.42 | 6% | |
| | - FIELD B | R 346.41 | R 326.81 | 6% | |
| | 1.1.2 Hire by Professional clubs : | | | | |
| | (i) Soccer Match - FIELD A | R 1,839.38 | R1,735.27 | 6% | |
| | - FIELD B | R 1,532.81 | R1,446.05 | 6% | |
| | (ii) Hire by Professional Clubs for training sessions only one day prior to the day of the match - FIELD B only (Per day or part thereof). | | | | |
| | | R 346.41 | R 326.81 | 6% | |
| | 1.2 Hire Flood Lights - Per hour or part thereof | | | | |
| | 1.2.1 Scools and amateur clubs - FIELD A (100 lux) | R 81.75 | R 77.13 | 6% | |
| | - FIELD B (100 lux) | R 81.75 | R 77.13 | 6% | |
| | 1.2.2 Practice - MAIN FIELD (200 lux) | R 143.06 | R 134.97 | 6% | |
| - FIELD B (200 lux) | R 143.06 | R 134.97 | 6% | | |
| 1.2.3 Event - MAIN FIELD (500 lux) | R 551.81 | R 520.58 | 6% | | |
| 1.3 Corporate Events - Daily Charges | | | | | |
| - FIELD A | R 4,659.76 | R4,396.00 | 6% | | |

| | | | | |
|----------|--|--|--|------------------------------------|
| | - FIELD B Flood Lights - as per hourly charge item 1.2 | R 3,960.70 | R3,736.60 | 6% |
| 2 | MULTI-COURT CHARGES Netball, Volleyball, Basketball, Korfball, Other 2.1 DAILY CHARGES per Court per session to a maximum of 4 hours, thereafter per hour or part thereof. 2.2 MONTHLY CHARGES per court per court, applicable to clubs, schools, & associations. 2.3 HIRE FLOOD LIGHTS - Per hour or part thereof 2.3.1 Schools and Amateur clubs 2.3.2 Commercial users | R 72.22 R 11.74 R 155.83 R 113.43 R 168.61 | R 68.14 R 11.08 R 147.01 R 107.01 R 159.07 | 6% 6% 6% 6% 6% |
| 3 | OTHER DAILY CHARGES 3.1 Use of ablutions/ changerooms for sporting and other events taking place outside the facility (per change room unit) 3.2 CLUB HOUSE (i) Hire of functions room only, not connected with an event at the stadium, per 4 hour or part thereof. (ii) V.I.P. Lounge - Per hour per room. 3.3 Driving schools - Driver training in the parking area- per month | R 378.09 R 122.62 R 229.92 R 240.14 | R 356.69 R 115.68 R 216.91 R 226.55 | 6% 6% 6% 6% |

INDOOR CENTRE

| | SERVICE | 2012/2013 | 2011/2012 | % INCREASE (DECREASE) |
|----------|---|--------------------------------------|--------------------------------------|----------------------------------|
| 1 | Balls, Dances, Discotheques, Banquets, Exhibitions, Concerts, Shows, Competitions, Conferences, Promotions, Pageants. (i) Per hour or thereof (min 4 hours hire), - weekdays - weekends (ii) 50% for setting up/breaking down per hour | R 122.62 R 306.56 | R 115.68 R 289.21 | 6% 6% |
| 2 | Weddings, Thanksgiving, Birthdays, Graduation Ceremonies, Engagements, Umemulo (i) Per hour or part thereof (min 4 hours hire) (ii) 50% for setting up/breaking down per hour | R 306.56 | R 289.21 | 6% |
| 3 | Funerals, Memorial Services, Isikhumbuzo (i) Per hour or part thereof (min 4 hours hire) (ii) 50% for setting up/breaking down per hour | R 122.62 | R 115.68 | 6% |
| 4 | Religious Services, Inkonzo yePhasika (i) Per hour or part thereof (min 4 hours hire) (ii) 50% for setting up/breaking down per hour | R 102.19 | R 96.41 | 6% |
| 5 | School entertainment and functions e.g. pageants, (i) plays, film shows, award evenings, prize giving, assemblies, PTA meetings. Per hour or part thereof (min 4 hours hire) (ii) 50% for setting up/breaking down per hour | R 102.19 | R 96.41 | 6% |
| 6 | Public assemblies, Lectures, Meetings, Seminars and Workshops | | | |

| | | | | |
|---|--|----------|----------|----|
| | (i) Per hour or part thereof (min 4 hours hire) | R 357.66 | R 337.42 | 6% |
| | (ii)50% for setting up/breaking down per hour | | | |
| 7 | Sport, Recreation and Cultural practices, competitions and tournaments incl. music, drama and dance | R 255.47 | R 241.01 | 6% |
| | (i) For once off events and tournaments per hour or part thereof (min 4 hours hire) | | | |
| | (ii) Club/Association/Federation training and coaching, per hour or part thereof (min 4 hours hire) | R 153.28 | R 144.61 | 6% |
| | (iii)50% for setting up / breaking down per hour. | | | |
| 3 | ADDITIONAL CHARGES: | | | |
| | (i) Security When security is required in the case of high risk events such as large crowds, school functions, parties and discotechs, amongst others, the department will arrange security for the protection of the council asset at the expense of the hirer, giving due notification | | | |
| | (ii) Fireman, Medical and Disaster Management attendance For the attendance of a Fireman, Medical and Disaster Management on duty at the facility, as required by law. Such charges are payable in terms of the General By-laws | | | |
| | (iii) Equipment and Accessories Any equipment or accessories required will be charge seperately. | | | |
| | (iv) Portable Seating Portable seating for utilisation off site will be charged at R0.50 per seat per day excluding cost to move and replace post event. The hirer will also be responsible for insurance of seats and damages | Sq | sq | |
| 9 | Rebate on Tariff Only upon authorisation by the Municipal Manager shall a tariff rebate be considered in respect of sports fields, Multi-courts, and the Indoor Centre tariff of charges | | | |



Ugu District Municipality
PROMOTION OF ACCESS TO INFORMATION ACT (PAIA)
SCHEDULE OF FEES

REQUEST FOR ACCESS TO RECORD OF UGU DISTRICT MUNICIPALITY
 (No. R 223, Government Gazette, 9 March 2001, No. 22125)

(Act No. 2 of 2000)

[Regulation 6]

A request for access to a record, as contemplated in Section 18(1) of the Act, must be made in the form of Form A – PAIA REQUEST FOR ACCESS TO RECORD.

1. FEE STRUCTURE

Fees chargeable for the records of Ugu District Municipality;

| A. REPRODUCTION FEES | | |
|-----------------------------|--|------------------------------------|
| 1. | For every photocopy of an A4 Size page or part thereof | R0.60 |
| 2. | For every printed copy of an A4 size page or part thereof held on a computer in electronic or machine readable form | R0.40 |
| 3. | For a copy in a computer readable form on; | |
| 3.1 | Compact Disc (CD) | R40.00 |
| 3.2 | Digital Video Disk (DVD) | R40.00 |
| 4. | | |
| 4.1 | For transcription of visual images for an A4 size page or part thereof | R22.00 R60.00 |
| 4.2 | For a copy of visual images | |
| 5. | | |
| 5.1 | For a transcription of an audio record, for an A4 size page or part thereof | R12.00 R17,00 |
| 5.2 | For a copy of an audio record | |
| 6. | The request fee payable by every requested, other than a personal requestor referred to in section 22(1) of the Act | R35.00 |
| B. ACCESS FEES | | |
| | Access fees payable by a requester referred to in section 22(7) of the Act, unless exempted under section 22(8) of the Act | |
| 1. | For every photocopy of an A4 Size page or part thereof | R0.60 |
| 2. | For every printed copy of an A4 size page or part thereof held on a computer in electronic or machine readable form | R0.40 |
| 3. | For a copy in a computer readable form on; | |
| 3.1 | Compact Disc (CD) | R40.00 |
| 3.2 | Digital Video Disk (DVD) | R40.00 |
| 4. | | |
| 4.1 | For transcription of visual images for an A4 size page or part thereof | R22.00 R60.00 |
| 4.2 | For a copy of visual images | |
| 5. | | |
| 5.1 | For a transcription of an audio record, for an A4 size page or part thereof | R12.00 R17,00 |
| 5.2 | For a copy of an audio record | |
| 6. | To search for the record for disclosure, excluding the first hour, reasonably required time for such a search. | R15.00 per hour or part of an hour |

For purposes of section 22(2) of the Act the following applies;

- Six hours as the hours to be exceeded before a deposit is payable; and
- One third of the access fee is payable as a deposit by the requester

2. FORM OF REQUEST

A request for access to a record, as contemplated in Section 53(1) of the Act, must be made in the form of Form A.

3. NOTICE OF INTERNAL APPEAL

Notice of an internal appeal, as contemplated in section 75(1) OF THE Act, must be lodged in the form of Form B.

4. APPEAL FEES

The appeal fee payable in respect of the lodging of an internal appeal by a requester against the refusal of his or her request for access, as contemplated in Section 75(3)(a) of the Act, is R50.00

5. VALUE ADDED TAX – VAT

Ugu District Municipality is registered under the Value Added Tax Act, 1991 (Act No. 89 of 1991) as a vendor and therefore will add value added tax to all fees prescribed above.

6. COMMENCEMENT

These regulations shall come into operation at Ugu District Municipality on 1 May 2011.

UGU DISTRICT MUNICIPALITY

STAFF & SALARIES ANALYSIS – 2012/2013

1) Percentage Increase = **6,00%**

2) Staff Analysis - Posts

a) All existing vacant posts have been excluded from The Salaries Budget

b) Staff re-structuring costs for the 2012/2013 budget amounts to R10 million (R0 in 2011/12; R11,023,494 in 2010/2011). This is meant to fill critical posts only.

3) Salary Analysis - General

a) Total salary cost as a % of total direct operating expenditure = R 240,475,559/654,084,683 x 100% = **36,76** (38,55% in 2011/12; 37,90% in 2010/2011; 34,43% in 2009/2010 and 33,58% in 2008/2009).

b) Overtime for the 2012/2013 budget amounts to R18 million (2011/12: R20 million; 2010/2011: R16,228,619); a 10% decrease. It is broken up as follows:

| DEPARTMENT | 2012/13 | 2011/2012 |
|---------------------------------------|-------------------|-------------------|
| MUNICIPAL MANAGER | 397,167 | 441,297 |
| CORPORATE SERVICES | 47,696 | 2,190,584 |
| TREASURY | 152,729 | 1,952,852 |
| WATER SERVICES (WATER & SANITATION) | 17,336,708 | 14,251,919 |
| INFRASTRUCTURE & ECONOMIC DEVELOPMENT | 65,700 | 1,163,348 |
| TOTAL | 18,000,000 | 20,000,000 |

UGU DISTRICT MUNICIPALITY

DRAFT IDP, PMS AND BUDGET PROCESS & FRAMEWORK PLAN

2012/13-2016/2017

Prepared In-house by
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Planning and Development
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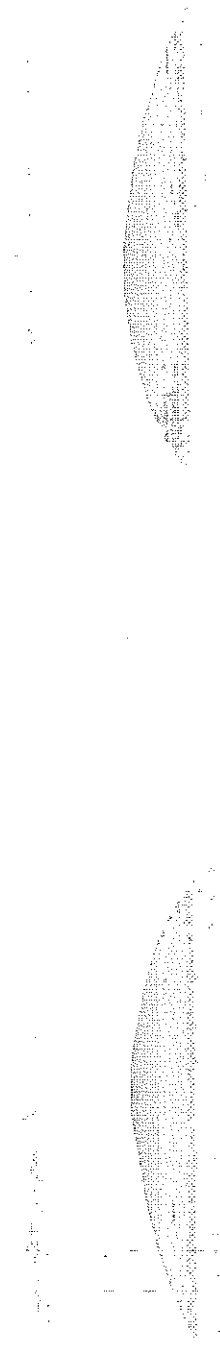
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2.4 Cost Estimate for the Planning Process.....

2.5 Conclusion.....



ACRONYMS USED

| | |
|-------|--|
| AG | : Auditor General |
| DC | : District Council |
| DM | : District Municipality |
| DLGTA | : Department of Local Government and Traditional Affairs |
| DOR | : Division of Revenue |
| DORA | : Division of Revenue Act |
| EXCO | : Executive Council |
| GIS | : Geographic Information Systems |
| IDP | : Integrated Development Plan |
| IDPRF | : Integrated Development Plan Representative Forum |
| IDPTC | : Integrated Development Plan Technical Committee |
| IDT | : Independent Development Trust |
| ISRDP | : Integrated Sustainable Rural Development Programme |
| KPA | : Key Performance Area |
| KPI | : Key Performance Indicator |
| LED | : Local Economic Development |
| LM | : Local Municipality |
| LUMS | : Land Use Management Schemes |

| | |
|-----------|---|
| MEC | : Member of Executive Committee |
| MFMA | : Municipal Finance Management Act (Act 56 of 2003) |
| MM | : Municipal Manager |
| MSA | : Municipal Systems Act (Act 32 of 2000) |
| MTEF | : Medium Term Expenditure Framework |
| NGO | : Non-governmental Organisation |
| NSDP | : National Spatial Development Perspective |
| NT | : National Treasury |
| PC | : Project consolidate |
| PCC | : President's Coordinating Council |
| PGDS | : Provincial Growth and Development Strategy |
| PMS | : Performance Management System |
| PMU | : Project Management Unit |
| REP FORUM | : Representative Forum |
| SAQA | : South African Qualifications Authority |
| SDBIP | : Service Delivery and Budget Implementation Plan |
| SETA | : Sector Education and Training Authority |

1. SECTION A: FRAMEWORK PLAN

SECTION ONE: INTRODUCTION AND BACKGROUND

1. INTRODUCTION

An IDP is one of the key tools for Local Government to achieve its developmental role and seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner. The Ugu District Municipality is in a process of developing a comprehensive 5 year Integrated Development Plan (IDP) in terms of Chapter 5 of the Municipal Systems Act, 2000.

Legislative requirement

In terms of Chapter 5, Section 34 of the Municipal Systems Act, 2000 it requires that all municipalities to annually review and amend its IDP in accordance with an assessment of its performance measurements, Section 41 of the Act requests the inclusion in to the extent that changing circumstances so demand. Section 26 of the Act also describes the Core components of integrated development plans. Section 28 stipulates that the

Municipal Council must adopt a process to guide the planning, drafting, adoption and review of its IDP. The Municipal Finance Management Act, No.56 of 2003 (MFMA), Section 21 (1) (b) prescribes that the Mayor must table in the Municipal Council a time schedule outlining the key deadlines for the preparation, tabling and approval of the annual budget, annual review of the IDP as well as the budget related policies and related consultative processes, approval of the annual budget, annual review of the IDP as well as the budget related policies and related consultative processes.

The Process Plan of the District and its Local Municipalities need to be prepared in line with this IDP Review Framework Plan as agreed to by all the Municipalities in the District. The IDP Process Plan provides guidance with respect to the programme of action that has to be followed during the IDP development process. The purpose of this process plan is to identify and detail the elements identified in the Framework Plan and set out the specific time frames in which all activities should be achieved.

Ugu District Municipality (DC 21) has six category B municipalities under its jurisdiction. The six local municipalities are:

- KZN 211 Vulamehlo
- KZN 212 Umdoni
- KZN 213 Umzumbhe

- KZN 214 Umuziwabantu
- KZN 215 Eziqoleni
- KZN 216 Hibiscus Coast.

The Process Plan and Framework Plan are two distinct documents which talk to each other.

1.1 WHAT IS A DISTRICT FRAMEWORK PLAN?

The objective of a Framework Plan is to ensure that the processes of both the District and Local Municipalities' IDP development and reviews are mutually linked and do inform each other. The Framework Plan is to be used by all municipalities in the district as a basis for drafting their process plans, the framework plan has to be agreed by all local municipalities. The Framework Plan binds the District and Local Municipalities.

The Framework Plan specifies the roles of different role players in the IDP process and determines procedures for coordination, consultation and alignment between the district and the local municipalities. The Framework Plan guides each municipality in preparing its Process Plan.

1.2 UNDERLYING APPROACH TO THE FRAMEWORK PLAN

The Framework Plan as stipulated in Section 27 (2) of the Municipal Systems Act of 2000 identifies the following:

- Identify plans and planning requirements that bind the District and Local Municipalities in terms of national and provincial legislation.
- Identify matters that require alignment between the District and Local Municipalities.
- Specify the principles to be applied and coordinate the approach to be adopted in respect of the matters identified.
- Determine procedures for consultation between the municipalities during the process of drafting their respective IDPs and to effect essential amendments to the framework.

1.3 WHAT IS THE PROCESS PLAN?

The Process Plan fulfils the function of a "business plan", it therefore details and sets out timeframes to the processes that will be followed during the IDP development stages ensuring that all aspects are covered on time for adoption. The Process Plan must also consider and include amongst others what has been set out in the Framework Plan, the MEC comments, Council priorities, Draft IDP Assessments and Self Assessments, community input etc.

In terms of Section 34 of the MSA:

A municipal council-

- (a) must review its integrated development plan-
 - (i) annually in accordance with an assessment of its performance measurements in terms of section 4i; and
 - (ii) to the extent that changing circumstances so demand; and
- (b) may amend its IDP in accordance with a prescribed process

In order to ensure effective IDP development during this new 5 year plan, the municipality must prepare and adopt an IDP Process Plan which must be reviewed annually. The preparation of a Process Plan for the annual review is referred to in chapter 5, Section 28 of the MSA as follows:

Adoption of a process-

- (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting and adoption and review of its integrated development plan.

In all the Process plan must indicate what has to happen, when, by whom, with whom and where, and it should include cost estimates.

1.4 ALIGNMENT OF GOVERNMENT POLICIES AND PLANS

Alignment of government policies and plans is crucial in strategic planning. Therefore the relevant binding and non-binding national and provincial policies including, programmes and strategies need to be considered in the municipal development planning process and interventions. The key mandates relevant to the municipal context in co-operative governance will be considered and addressed. These includes amongst others, Provincial Growth and Development Strategy, the New Growth Path, the MTSF as stipulated below:-

Medium Term Strategic Framework (MTSF, 2009 – 2014)

The Medium Term Strategic Framework stipulates the following strategic priorities and programmes for the electoral mandate period (2009 – 2014). They are:

1. Speeding Up Growth and Transforming the Economy To Create Decent Work And Sustainable Livelihoods
2. Massive Programme To Build Economic And Social Infrastructure
3. Comprehensive Rural Development Strategy Linked To Land and Agrarian Reform and Food Security
4. Strengthen the Skills and Human Resource Base
5. Improve the Health Profile of all South Africans
6. Intensify the Fight against Crime and Corruption
7. Building Cohesive, Caring and Sustainable Communities
8. Pursuing African Advancement and Enhanced International Cooperation
9. Sustainable Resource Management and Use
10. Building A Developmental State Including Improvement Of Public Services And Strengthens Democratic Institutions.

KZN Provincial Priorities

1. Rural development and agrarian reform
2. Creating decent work and economic growth
3. Fight crime and corruption
4. Development of human capability and education
5. Creating healthier and sustainable communities
6. Nation building and good governance

Operation Sukuma Sakhe Program

This is a Premier initiated program focuses on poverty, disease and other social ills. It will become a standing item in the IDPF agenda. The IDP managers and some representatives of government department play a dual advocacy to the IDPF and Sukuma Sakhe Task Team in order to ensure alignment.

2. SECTION TWO: INSTITUTIONAL ARRANGEMENTS FOR THE IDP

This institutional arrangement is set out to ensure the following:

- Institutionalization of the participation process
- Effective management in the drafting of objectives and
- To give affected parties access to contribute to the decision-making process.

2.1 COUNCIL

The Council will adopt the 2012/2013-2016/2017 1st draft IDP document by December 2011. This will ensure inclusion into the national and provincial budgeting processes as well as inform the municipal budgeting process. The final IDP document will be adopted by May 2012 together with the Municipal budget. Sector Plans will be approved by Council on their completion. Council is responsible for the adoption of all the final documents.

2.2 EXCO

- Responsible for overseeing the IDP Review process;
- Political responsibility an accountability regarding the IDP Review process;

2.3 MAYOR

- Responsible for overseeing the IDP Review process, tabling and approval of the IDP process;
- Political responsibility an accountability regarding the IDP Review process;

2.4 IDP REPRESENTATIVE FORUM

2.4.1 COMPOSITION OF IDP REPRESENTATIVE FORUM

The IDP Representative Forum (IDP Rep Forum) is constituted as part of the preparation phase of the IDP and continues its functions throughout the annual IDP Review process. The proposed composition of the IDP Rep Forum is as follows:

| | |
|------------------------------|-----------------------------------|
| ● Councillors | ● Advocates of unorganised groups |
| ● Traditional leaders | ● Resource persons |
| ● Ward Committee Chairperson | ● Other community representatives |
| ● Senior municipal | ● National and Provincial |

| | |
|---|--------------------------------------|
| officials | Departments regional representatives |
| ● Stakeholder representatives of organised groups | |
| ● NGO's | ● Parastatal organisations |

2.5 IDP CLUSTER

- Acts as support to the IDPF
- Effective management in the drafting of objectives and
- To give affected parties access to contribute to the decision-making process.
- Ensure vertical and horizontal alignment of programs and projects
- Monitoring and evaluation of programs and projects

2.6 TOP MANAGEMENT AND EXTENDED TOP MANAGEMENT

- Responsible for overseeing the IDP Review process;
- Provide relevant technical, sector and financial information regarding their departmental and ownership.

2.7 IDP STEERING COMMITTEE

As part of the 2012 / 2013 IDP Process, the Ugu Steering Committee which comprises of managers from different departments, IDP managers form local municipalities and

sector department acts as a support to the IDP Representative Forum. The meeting is chaired by the Municipal Manager or General Manager.

2.8 DISTRICT PLANNERS FORUM

- Provide relevant technical, sector and financial information regarding their municipality;
- Facilitate vertical alignment between DMs and LMs;
- Facilitate horizontal alignment with sector department and public utilities;

2.9 DEVELOPMENT PLANNING UNIT

- Responsible for the compilation on overseeing on the IDP document
- Monitoring and evaluation

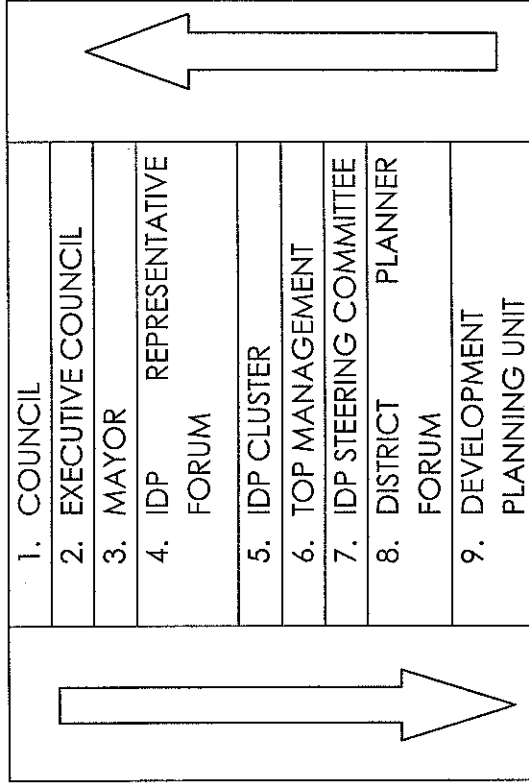
2.10 TERMS OF REFERENCE FOR THE IDP REPRESENTATIVE FORUM

The summarised terms of reference for the IDP Representative Forum could be based on the composition of the constituency's interests in the IDP process, and is proposed to be as follows:

- Represent the interest of the municipality's constituency in the IDP process
- Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders inclusive of municipal government
- Ensure communication between all the stakeholder representatives inclusive of municipal government

● Monitor the performance of the planning and implementation process

2.11 IDP REPORTING STRUCTURE



2.12 THE IDP MANAGER AND RESPONSIBILITIES

The Municipal Manager or IDP Manager on his behalf is the responsible person for championing the Integrated Development Planning process.

The IDP Manager should therefore be a dedicated person that has the required authority to involve all the relevant role-players. Amongst other, the following responsibilities have been allocated to the IDP Manager for the IDP development process:

- To ensure that the Process Plan is finalised and adopted by Council;
- To adjust the IDP according to the proposals of the MEC;
- To identify additional role-players to sit on the IDP Representative Forum;
- To ensure the continuous participation of role players;
- To monitor the participation of role players;
- To ensure appropriate procedures are followed;
- To ensure documentation is prepared properly;
- To carry out the day-to-day management of the IDP process;
- To respond to comments and enquiries;
- To ensure alignment of the IDP with other IDP's within the District Municipality;
- To co-ordinate the preparation of the Sector Plans and their inclusion into the IDP documentation;
- To co-ordinate the inclusion of the Performance Management System (PMS) and the budget into the IDP;
- To submit the IDP to the relevant authorities.

3. SECTION 3: ROLES AND RESPONSIBILITIES

3.1 ROLE PLAYERS

The following internal and external role players have been identified to ensure a successful and useful IDP Process within the municipality. Each of these role players will contribute immensely to the success of the 5 year IDP.

- Internal Role-players
- Council and the Executive Committee;
 - Mayor;
 - IDP Representative Forum
 - IDP Cluster
 - IDP Steering Committee;
 - Extended Top Management
 - Top Management;
 - IDP Manager;

External Role-players

- National, Provincial Government Departments and Local Municipalities;
- State Owned Enterprises
- Planning professionals/facilitators;
- Civil Society Organisations.
- Amakhosi
- IDP Clusters

3.2 ROLES AND RESPONSIBILITIES

As with the preparation of the IDP the main roles and responsibilities allocated to each of the internal and external role players are set out in table.1 and table .2 respectively. The tables provide an indication of the various roles and responsibilities of the different groupings relating to specifically the IDP Review, PMS and Budgeting processes.

TABLE 1: INTERNAL ROLES AND RESPONSIBILITIES

| Roles and Responsibilities | |
|----------------------------|---|
| <p>Council</p> | <p>IDP</p> <ul style="list-style-type: none"> ● Final decision making ● Approval of the IDP documentation. ● Coordination roles for local municipalities. ● Ensuring horizontal alignment of the IDP's of the municipalities in the district council area. ● Ensuring vertical alignment between the district and local planning. ● Facilitation of vertical alignment of IDP's with other spheres of government and sector departments. ● Provide events for joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists. ● Linking the IDP process with their constituencies ● Organising public participation. <p>PMS</p> <ul style="list-style-type: none"> ● Final decision making ● Consider and adopt final report. ● Consider and approve the performance agreement of the MM ● Popularising PMS within their constituencies <p>BUDGET</p> <ul style="list-style-type: none"> ● Final decision making ● Approve the budget before the start of the financial year. ● Council to approve unforeseen and unavoidable expenses ● Approve Service Delivery and Budget Implementation Plan |
| <p>Mayor</p> | <p>IDP</p> <ul style="list-style-type: none"> ● Responsible for overseeing the process ● Political responsibility an accountability regarding the process <p>PMS</p> <ul style="list-style-type: none"> ● Establishing the performance agreement for the Municipal Manager in terms of the PMS. |

| Role Player | Roles and Responsibilities |
|---|--|
| | <ul style="list-style-type: none"> ● Determine KPA's for MM based on institutional KPI's. ● Determine the performance objectives and targets that the MM must meet in relation to the KPA's. ● Negotiate the performance objectives and targets that the MM must meet. ● Submit draft performance agreement for the MM via EXCO to the Council for consideration and approval. ● Conclude and sign performance agreement with the MM on behalf of Council. <p>BUDGET</p> <ul style="list-style-type: none"> ● Table budget to Council at least 90 days before the start of the financial year. ● Table budget timetable to Council. ● Report authorization of unforeseeable and unavoidable expenses at Council meeting after having authorized such expenses. ● Submit SDBIP to Council, 14 days after approval of budget ● Ensure conclusion of management's performance agreements. ● Ensure that the management's performance agreements are made public. ● Submit to Council an annual report within 7 months after the end of the financial year. |
| <p>Ugu Municipal Officials</p> | <p>IDP</p> <ul style="list-style-type: none"> ● Provide technical/sector expertise through the IDP Steering Committee (Senior officials) ● Prepare selected Sector Plans. ● Provide comments on the IDP document as members of staff <p>PMS</p> <ul style="list-style-type: none"> ● Setting KPI's for administrative components and service providers ● Prepare progress reports- Top management: Monthly ● Reporting on the performance measures. ● Verification of interim PMS measurement results. |
| <p>Municipal Manager / IDP Manager</p> | <p>IDP</p> <ul style="list-style-type: none"> ● Decide on planning process. ● Monitor process. ● Overall Management and co-ordination. <p>PMS</p> |

| Roles and Responsibilities | |
|-----------------------------------|---|
| Role Player | <ul style="list-style-type: none"> ● Submission of annual performance report to Council for approval. ● Submission of audit to Council ● Submit report to the Council about mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing process. ● Establishment of a performance audit committee. ● Entering into performance agreements with departmental heads. ● Performance monitoring ● Submission of approved annual performance report, together with financial statements, to the Auditor General. ● Receive external Auditors report. ● Submission of audit report via EXCO to Council within 1 month of receipt. ● Within 14 days of adopting the annual report: <ul style="list-style-type: none"> ● make copies available to the public and the media; ● submit a copy of the report to the MEC for local government in the province; ● submit a copy of the report to the Auditor General and any other institutions prescribed by regulation. <p>BUDGET</p> <ul style="list-style-type: none"> ● Give notice of bank account to National Treasury (NT) and Auditor General (AG). ● Supply NT and AG with list of bank accounts. ● Table consolidated report of all withdrawals from bank account to Council within 30 days after the end of each quarter. ● Submission of draft budget implementation plan to Mayor within 14 days after approval of the budget. ● Perform mid-year performance assessment of the municipality and the submission of the report to the Mayor. ● The submission of the annual financial statements to the AG within two months after the end of the Financial Year. ● Submission of annual oversight reports to the Provincial Legislature within 7 days after adoption by Council. |
| IDP Manager | <p>IDP</p> <ul style="list-style-type: none"> ● ensure that the Process Plan is specializ and adopted by Council; |

| Roles and Responsibilities | |
|-------------------------------|---|
| Role Player | Roles and Responsibilities |
| | <ul style="list-style-type: none"> ● Day-to-day management of the IDP process ● Ensure continuous and improved participation of role players through IDPRF and other means; ● Prepare documentation and submissions; ● co-ordinate the preparation of the Sector Plans and their inclusion into the IDP documentation; ● co-ordinate the inclusion of the Performance Management System (PMS) into the revised IDP; ● Submit the reviewed IDP to the relevant authorities. <p>PMS</p> <ul style="list-style-type: none"> ● Day-to-day management of the process ● Performance management review planning and preparation. ● Prepare documentation and submissions; ● ensure that the Process Plan is specializ and adopted by Council; ● Day-to-day management of the IDP process <p>BUDGET</p> <ul style="list-style-type: none"> ● Interact with Budget Officer for alignment of processes ● Ensuring IDP process conducted timeously for budgeting purposes |
| Manager: Budget Office | <p>IDP</p> <ul style="list-style-type: none"> ● Interact with IDP manager to ensure processes are aligned ● Ensuring budget proposals in line with IDP <p>BUDGET</p> <ul style="list-style-type: none"> ● ensure that the Process Plan is specializ and adopted by Council; ● Day-to-day management of the budgeting process ● Make information available to staff members for budgeting purposes ● Prepare documentation and submissions; ● Ensure draft budget is in place for submission to Council. |

TABLE 2: EXTERNAL ROLES AND RESPONSIBILITIES

| Role Player | Roles and Responsibilities |
|--|---|
| <p>Planning Professionals</p> | <ul style="list-style-type: none"> ● Specialist & targeted input. ● Facilitation of planning workshops. ● Sector Plans. ● Documentation. |
| <p>Representative Forum/Civil Society</p> | <ul style="list-style-type: none"> ● Representing interest and contributing knowledge and ideas. ● Identify and priorities community needs ● Provide comments on the IDP document |
| <p>Government Departments</p> | <ul style="list-style-type: none"> ● Provide data and information. ● Budget guidelines. ● Alignment of budgets with the IDP. ● Provide professional and technical support (sector specialization) |
| <p>Amakhosi</p> | <ul style="list-style-type: none"> ● Provide traditional leadership ● Joint planning ● Makes land available ● Provide data and information |
| <p>Communities</p> | <ul style="list-style-type: none"> ● Joint planning ● Provide data and information. ● Identifies community issues and needs ● Priorities needs ● Monitors the implementation of projects |
| <p>Local Municipalities</p> | <ul style="list-style-type: none"> ● Joint planning ● Alignment of budgets with the IDP ● Documentation ● preparation of the Sector Plans ● communication with civil society |

OVERVIEW OF THE IDP PHASES & BROAD

TIMEFRAMES

| PHASE | ACTIVITIES |
|--------------------------|---|
| Pre-Phase 1: Preparation | Drafting and approval of the IDP Framework and Process Plan. |
| Phase 1: Analysis | Collect information on the status quo of development and service provision. Assess the level of development and access to basic services. |
| Phase 2: Strategies | Development of strategies to deal with development challenges. |
| Phase 3: Projects | Identification of specific projects to implement development objectives and strategies. |
| Phase 4: Integration | Alignment of development strategies and projects across all development players in the district. |
| Phase 5: Adoption | Presentation of the IDP to Council for consideration and adoption. |

IDP Cycle: Phases Timeframes

- Preparation Phase (August 2011)
- Analysis Phase (September – October 2011)
- Objectives and Strategies Phase (November 2011)
- Projects Phase (December 2011 – January 2012)
- Integration Phase (February 2012)
- Approval Phase: Draft IDP (March 2012)
- Adoption Phase: Final IDP (May 2012)

4. SECTION FOUR: MECHANISMS AND PROCEDURES FOR PARTICIPATION AND ALIGNMENT

4.1 FUNCTIONS AND CONTEXT OF PUBLIC PARTICIPATION

Four major functions can be aligned with the public participation process namely:

- Needs orientation;
- Appropriateness of solutions;
- Community ownership; and
- Empowerment.

Like with the preparation of the IDP, the public participation process in the IDP phases has to be institutionalised in order to ensure all residents have an equal right to participate. The public participation process during the IDP development phase is closely linked to the activities of developing the municipal IDP, such as contributing to the municipal issues, objectives, ensuring the appropriateness of municipal strategies and forming part of project development task teams.

The completed performance management system (PMS) for the municipality will contribute to the public participation process, through regular information and

consultation workshops and the preparation and audit of performance reports.

The importance of alignment is crucial as part of the 2012 / 2013 IDP Process. Alignment in terms of Spatial Development Frameworks, Land Use Management Systems (LUMS), cross boarder and institutional alignment between the municipality and the various processes ongoing at national and provincial government levels.

4.2 MECHANISMS FOR PARTICIPATION

Municipalities will confirm the following mechanisms for participation:

4.2.1 IDP REPRESENTATIVE FORUM (IDP REP FORUM) AND IDP CLUSTER

This forum will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organisations into the Rep Forum and ensure their continued participation throughout the process.

4.2.2 MEDIA

Local newspapers will be used to inform the community of the progress of the 2012/2013 IDP development.

4.2.3 WARD COMMITTEES

These forums will provide open dialogue between the municipality and the community. The municipality will provide regular support to the committee and will attend meetings per invite.

4.3 PROCEDURES/PROCESS FOR PARTICIPATION

4.3.1 COUNCIL

The Council will consider, for comments, a draft 2012/2013 IDP document by December 2011. This will ensure inclusion into the national and provincial budgeting processes as well as inform the municipal budgeting process. The final IDP document will be adopted by May 2012 together with the municipal budget. Sector Plans will be approved by Council on their completion.

4.3.2 EXCO

- Responsible for overseeing the IDP process;
- Political responsibility an accountability regarding the IDP process;

4.3.3 MAYOR

- Responsible for overseeing the IDP Review process, tabling and approval of the IDP process;
- Political responsibility an accountability regarding the IDP Review process

4.3.4 IDP REPRESENTATIVE FORUM

In order to ensure maximum participation in the Rep Forum meetings from members of the public, representatives and relevant government officials, it is recommended that Rep Forum meetings are scheduled as and when required during the key stages of the IDP Process:

- The first Rep Forum meeting will involve a presentation of this Process Plan focusing on identifying areas to be addressed in the IDP Phase.
- Following the Rep Forum workshops will be held to provide feedback on the IDP Process, acquire input from the Rep Forum members and to ensure participation in all activities such as PMS, LUMS and Budget development of the 2011/2012 IDP Review Process.

4.3.5 IDP STEERING COMMITTEE

- Provide technical/sector expertise in IDP process;
- Ensure preparation of Sector Plans relating to their functional areas;
- Provide comments on the IDP document;
- Ensure preparation of cross dimensional issues, strategies and plans;
- Identify key needs to meet strategies, objectives for budgeting;

4.3.6 DISTRICT PLANNERS FORUM

- Provide relevant technical, sector and financial information regarding their municipality;
- Facilitate vertical alignment between DMs and LMs;
- Facilitate horizontal alignment with sector department and public utilities;
- Provide developmental planning input
- Self assessment of district IDP documents

4.3.7 TOP MANAGEMENT AND EXTENDED TOP MANAGEMENT

- Provide relevant technical, sector and financial information regarding their departments;
- Contribute technical expertise in the consideration and finalisation of the IDP;
- Provide comments on the IDP document as Senior Management;

4.3.8 NEWSPAPERS

Two newspaper adverts will be posted, the first one at the beginning of the process inviting the public to participate, the second advert will be posted once draft budget and IDP are in place inviting the public to comment and to comply with legislative requirement to advertise for 21 days for the public, once 21 day period has lapsed, the final draft will be sent to Council for approval.

4.3.9 ROADSHOWS/IZIMBIZO

They will be held in 3 venues (on average) per municipality for all 6 local municipalities. They will be held in March to May 2012 to consider draft IDP and budget including the announcement of municipal programme of action. The municipality is to look at a more friendly approach so that elements raised are fully included in the strategic document. The language is also believed to be a barrier so the se should be conducted in languages that best suit the majority so as to increase meaningful participation.

The meetings in 2012/2013 financial year will focus on the needs that the community have rather than the projects that the community proposes.

● How many meetings

Two meetings per ward in the venues that are accommodative to most of the community members. In other words these meetings will make a clear distinction between what is needed by the community and what can be done. There after the municipal officials together with the community will identify the support required in addressing the community needs.

● Types of meetings

The focus of the meetings will ensure that many community members participate in the process; however the quality of the input will not be compromised. This is because one of the challenges within the participation process is that in some of the instances people do not contribute meaningfully in the participation process. The quality of the contribution will be ensured by having the group breakaways within the meetings. In addition to that within the invitations there will be specific invitations that will be sent to the civil society organisations.

There will be two types of meetings with the first meetings being aimed at confirming the communities' current priority issues. From the community issues these will then be budgeted for. There after the second set of meetings will be the IDP Budget road shows aimed involving the communities within the budgeting process. However a dialogue will be formed between

the municipality and the community through ward meetings/community forums.

● With who

These meetings will target all the community members within the Ugu district municipality. This in one way or the other will allow the community to be involved rather than informed about the development planning process.

● Objectives

Move towards a community needs driven development with the community being involved both in the planning and budgeting process.

● By When

These will be completed by May 2012. Ongoing dialogue is also being encouraged.

4.3.10 RADIO SLOTS

These are mainly used by the political leadership. These are recommended where possible if they suit the municipality's programme financially and otherwise.

5 SECTION B: PROCESS PLAN

SECTION ONE: 2012 / 2013 IDP ACTION PROGRAMME

5.1 MUNICIPAL AND PROVINCIAL BUDGET AND IDP REVIEW ALIGNMENT

The 2012/2013 IDP Action Programme is based on the alignment of the internal municipal processes (IDP, PMS and Budget) with the external processes (planning and budgeting) of national and provincial government. This alignment has a substantial impact on the 2012/2013 IDP Process, specifically in terms of key milestones and deadline dates. The Municipal Finance Management Act (MFMA) No 176 of 2004 also has a direct and large impact on the 2012/ 2013 IDP Review Process in terms of alignment. Section 1.4 in the Process Plan indicates to the municipal and provincial budget and IDP alignment process, which also points to the critical dates for IDP and budget approval and development.

5.2 VERTICAL, HORIZONTAL AND CROSS BORDER ALIGNMENT

The IDP forum, District Planners Forum, MTSF Cluster meetings etc, will provide a platform/Mechanism for discussion on vertical, horizontal and cross border alignment issues since the three spheres of government

are represented at the forum. Special strategic planning sessions and workshops will also be held.

This IDP Cluster is a representative of the different department grouped according to their related objectives as identified in the MTSF strategic planning session and agreed upon in the IDPF. There are 5 clusters in the district. This structure reports to the IDPF.

The following role players / stakeholders will be consulted:

- Sector Departments
- NGOs
- CBOs
- Organized Business
- Parastatals
- Local Municipalities
- Cross boarder municipalities
- Provincial Planners Forum

There will also be alignment on government programs such as the Provincial Programs (PGDS) to be aligned with UGU DM Growth and Development Strategy, the SDF, the New Growth Path

5.3 INTEGRATED DEVELOPMENT PLANNING & BUDGET:

The budget planning cycle considers a review of the IDP, service delivery targets and objectives for the next 3 years. It also considers local, provincial and national

issues, previous year's performance and current economic and demographic trends. It is essential that such alignment is indicated so that the municipality can be able to ensure that all budgeted projects are implemented within the budget year whilst continuing to outsource funding for those projects which are non-funded.

5.4 Performance Management

The process plan and its activities will be monitored in the Municipality. The PMS will be developed and will be reported by both internal and External Role players through the following strictures: Top Management, Extended Top Management and IDP Forum.

5.5 CRITICAL DATES FOR THE 2012/2013 IDP MUNICIPAL PROCESSES

The critical dates have taken into consideration the Provincial and National Government Departments' budgeting cycle which informs the municipal planning and budgeting cycle. It is important for municipalities to take note of these budgeting cycles to ensure relevant and useful input into the budgeting processes of national and provincial government at strategic times. In doing this, municipalities will ensure that their priorities are captured and address and that IDP implementation is facilitated.

Some of the critical dates include:

- June – National and Provincial Departments prepare MTEF Budgets
- August: National and Provincial Departments prepare adjustments estimates
- October: Extended National Cabinet Finalise Division of Revenue
- November: Provincial Cabinet approved Budget proposals – Departments allocations
- December Council ADOPT 1st draft IDP
- -January Ugu District Pre-Review Session
- February - National/Provincial tabling of Budget
- March:
- April: National DOR and Provincial budgets legislated and DORA gazette notices published.
- Finalise IDP Implementation Plan
- IDP Review advertised for public comment
- June: Budget and IDP Review final documents approved by Council
- June-July: Finalise IDP Performance Agreements
- July: IDP Implementation Management initiated.

6 SECTION TWO: IMPORTANT ACTIVITIES AND ACTION PROGRAMMED FOR THE 2011/2012 IDP PROCESS

2.1 FOCUS AREAS FOR THE 2012/ 2013 IDP

The following aspects were identified:

1. Alignment with national and provincial policies;
2. Input into the national and provincial MTEF (budgeting) process to ensure funding commitments and IDP Implementation;
3. Financial Sustainability and revenue enhancement;
4. Objectives, strategies and projects addressing cross dimensional and sector specific issues;
5. Strengthening the functioning of PMS;
6. Strengthening Intergovernmental relations (with a view to align municipal programmes with programmes of other spheres of government);
7. Sector plans (Spatial Development Framework, Skills Profile, Public Transport Plan, Institutional Plan, Financial Plan and Capital Investment Plan)
8. Municipalities to refer to Demarcation Board Report Section 12 notice and Schedule 5 of the Constitution to ascertain core and non core functions;
9. To indicate funded and unfunded mandates and implications thereof in IDP;
10. SDBIP to show response to the AG Report (where necessary);
11. Municipal IDP's analysis to clearly reflect areas where there are shortfalls in backlog information;
12. MEC comments

13. Internal and External IDP assessment comments

2.2 IDP COMPONENTS AS IDENTIFIED BY DLGTA

- Executive Summary
- Status Quo Analysis
- Long Term Growth and development Goals (Vision, Mission, objectives and Strategies)
- Overview of Spatial Development Framework
- Three to Five year development Programme of Government and other actors
- Three year Implementation Plan that will be reviewed annually
- One year detailed Operational Plan to be reviewed annually (projects) translating into SDBIP
- Municipal Budget overview and three year financial plan
- Key Performance Indicators for each objective and annual performance report for 09/2010
- Executive summaries of all sector plans to be attached to the main document.
- The following sector plans are required:
 - Spatial Development Framework
 - Disaster Management Plan
 - Land use Management Framework
 - Coastal Zone Management Plan
 - Waste Management Plan
 - Water Services Development Plan
 - Integrated Transport Plan

2.3 ACTION PROGRAMME

The table below provides the detailed action plan for the 2011 / 2012 IDP. The action plan is broken up into the 4 quarters of the municipal financial year with activities reflecting being either IDP, PMS or Budget related with budget Estimates.



IDP/PMS BUDGET ACTION PROGRAMME – 2012 / 2013 FINANCIAL YEAR

| SPECIFIC TARGET DATE | KEY ACTIVITIES | RESPONSIBILITY | 1 ST QUARTER | | | 2 ND QUARTER | | | 3 RD QUARTER | | | 4 TH QUARTER | | | Budget Estimated |
|----------------------|---|-------------------------------------|-------------------------|---|---|-------------------------|---|---|-------------------------|---|---|-------------------------|---|---|------------------|
| | | | J | A | S | O | N | D | J | F | M | A | M | J | |
| 30/07/11 | 1. Advertise on local news paper for the Adoption and commencement of the IDP review process. | Manager: Development Planning | | | | | | | | | | | | | |
| 30/07/11 | 1. Compile, approve and sign performance contracts that are linked to the PMS of the municipality for all S57 employees. | Exco, Mayor, MM, all S57 employees. | | | | | | | | | | | | | In-house |
| 29/07/11 | 1. Submit Draft Framework and Process Plans to COGTA for comments | Manager: Development Planning | | | | | | | | | | | | | |
| 30/08/11 | 1. Support Municipalities in preparing their joint Process Plans for IDP, budget and PMS. | Manager: Development Planning | | | | | | | | | | | | | |
| 20/08/11 | 2. Submit Draft Framework and Process Plans to (steering committees) Top Management, IDPRF, portfolio committees, EXCO and Council for consideration, recommendation and adoption | Manager: Development Planning | | | | | | | | | | | | | |
| 31/08/11 | 2. Adoption of Framework Plan and Process Plan by Council and submission to COGTA | Manager: Development Planning | | | | | | | | | | | | | In-house |

| | | | | | | | | | | | | | | | | | | | | |
|-------------------|---|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|-----------|
| 01/08/11-30/09/11 | 3. Determine entry points in national and provincial planning and budget process. | Manager: Developme nt Planning | | | | | | | | | | | | | | | | | | In-house |
| 30/09/11 | 4. Assessment of IDP Implementation Plan (by reviewing alignment of priority and cross cutting issues against strategic objectives, strategies and programs as identifies government mandates such as METF, NSDP, PGDF, LUMS and IDP) | Manager: Developme nt Planning | | | | | | | | | | | | | | | | | | In-house |
| 30/09/11 | 5. Determine which sector plans need to be reviewed and commence with the process of reviewing thereof | Manager: Developme nt Planning | | | | | | | | | | | | | | | | | | In-house |
| | | | | | | | | | | | | | | | | | | | | |
| 31/10/11 | 6. Submit the draft reviewed strategic framework to the IDP steering committee and IDPRF | Manager: Developme nt Planning | | | | | | | | | | | | | | | | | | In-house |
| 31/10/11 | 7. District-wide IDPRF workshop on progress and plans against national targets. | Manager: Developme nt Planning | | | | | | | | | | | | | | | | | | R5 000.00 |
| 31/10/11 | 8. Conduct financial sustainability strategy with revenue enhancement focus | General Manager: Treasury | | | | | | | | | | | | | | | | | | In-house |
| 01/09/11-31/11/11 | 9. Conduct Community needs Consultation | Manager: Developme nt Planning, Senior Manager Mayorality | | | | | | | | | | | | | | | | | | In-house |

| | | | | | |
|---------------------------------------|---|--------------------------------|--|--|------|
| Anytime of the year as when required. | 7. Conduct Workshops/Meeting with other relevant structures | Manager: Developme nt Planning | | | 0.00 |
| Anytime of the year as when required. | 8. All IDP staff to attend training organised by DLGTA and other training provided by a SAQA accredited IDP Training Course provided by SETA so as to re-capacitate them on the changing dynamics of the IDP. | Manager: Developme nt Planning | | | None |

2.4 . COST ESTIMATE FOR THE PLANNING PROCESS

Council has received grant funding from the Department of Local Government and Traditional Affairs for the IDP review process. The municipality has budgeted R10 590.00 for IDP review however grant funding from COGTA will also be utilized for IDP review but will not be reflected on the document. The planning process is outlined below:

| ITEM | COST ESTIMATE |
|------------------------|--------------------|
| IDP Advertising | R10 590.00 |
| Workshops and Meetings | R50 000.00 |
| Printing Costs | R200 000.00 |
| IDP / Budget Roadshows | R100 000.00 |
| Translating Costs | R100 000.00 |
| Total | R460 590.00 |

The IDP review is mainly done in-house; the planning process will therefore to a large extent be accommodated within the available funding. However, additional funds may be obtained from other sources and such funds will be utilized to complete certain aspects of the review process such as the sector plans that might need specialist assistance.

2.5 CONCLUSION

The focus of the IDP review and budget process as detailed above is to improve on the implementation aspect, financial sustainability and clear linkage between the two processes.

SERVICE DELIVERY AGREEMENT

BETWEEN

**UGU SOUTH COAST TOURISM (PTY) LTD
(2009/003419/07)**

AND

UGU DISTRICT MUNICIPALITY

(together herein referred to as "the Parties")

**And established in terms of Section 93C of Act
32 of 2000 (the Municipal Systems Act)**

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FIN

PREAMBLE

WHEREAS the District Municipality is a Municipality as defined in terms of the Local Government Municipal Systems Act 32 of 2000 and the Municipal Structures Act 117 of 1998;

AND WHEREAS the parties wish to give effect to and recognition of the Principles enshrined in the Constitution of the Republic of South Africa of 1996, and with specific reference to Section 156 of such Constitution and the parties are obliged to take cognizance of Section 93C and 93D of the Systems Act.

AND WHEREAS the parties are also cognizant of and acknowledge that they are properly bound by the Municipal Finance Management Act 56 of 2003, and more specifically Section 87 of such Act as well as rules pertaining to National Treasury Funding.

AND WHEREAS Section 38 of the Kwa Zulu Natal Tourism Act of 1996 has application to the relationships between the parties.

AND WHEREAS Ugu is, inter alia, empowered, and wishes to in terms of the Municipal Structures Act and Systems Act conclude such an Agreement, and to create a uniform, co-ordinated and measure Tourism Structure by dissolving pre-existing Tourism structures and bringing them within the knowledge and scope of Local and District Municipalities.

AND WHEREAS Tourism as a properly created Municipal Entity as defined herein has the capacity, experience and know-how to implement its statutory functions.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:-**DEFINITIONS**

The definitions as contained in all Acts mentioned in the text of this Agreement and Regulations are applicable to this contract. In addition, the following definitions are applicable:-

- 1.1 "Constituent member" or "Member" shall mean the Ugu Regional Tourism and Community Tourism organisations as provided for in Ugu Tourism Constitution or a member of them.
- 1.2 "Contract" means this Service Level Agreement of which the only two parties, shall be Ugu and South Coast Tourism (Pty) Ltd, and shall, in context, hereinafter be referred to as the "parties".
- 1.3 "Effective date" means the 1st of July 2009
- 1.4 "Integrated Development Plan" or "IDP" shall mean development planning as provided for in terms of the Division of Revenue Act 1 of 2007, the Municipal Structures Act and the Municipal Systems Act.
- 1.5 "Parent Municipality" means the Ugu District Municipality;
- 1.6 "Person" includes reference to a juristic person.
- 1.7 "Preferential Procurement" means the process provided for in the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of

2000) and read with and shall comply fully with the Ugu Supply Chain Management Policy.

1.8 "South Coast Tourism" means Ugu South Coast Tourism (Pty) Ltd, company registration number 2009 / 003419 / 07 (a company incorporated in terms of the Companies Act, 1973) and represented herein by the Chief Executive Officer; he being duly authorized, as Chief Executive Officer.

1.9 "South Coast Tourism's address" means:

1.9.1 For postal purposes: PO Box 570, Port Shepstone, 4240.

1.9.2 For communications by telephone and facsimile:

Telephone (039) 682 7944 and Fax (039) 682 1034

1.9.3 For other purposes: 16 Bisset Street, Port Shepstone, 4240;

1.10 "a sponsorship" or "a sponsor" shall mean the support of an event, activity, person, organisation financially or through the provision of products or services. A sponsor is the individual or group that provides the support, similar to a benefactor, as it applies to the Municipal Entity.

1.11 "The Articles" means the Articles of the Company and any and every other Statute or subordinate legislation from time in force concerning companies and necessarily affecting the Company.

1.12 "The CEO" means the Chief Executive Officer in the company;

1.13 "the Companies Act" means the Act 61 of 1973, as amended or any Act which replaces it, and any and every other statute or subordinate legislation from time to time in force concerning Companies generally and necessarily affecting the company, South Coast Tourism (Pty) Ltd.

1.14 "The Constitution" shall mean the Constitution of Ugu South Coast Tourism (Pty) Ltd.

1.15 "the Company" or "the Entity" shall mean South Coast Tourism (Pty) Ltd.

1.16 "the Municipality" or "Ugu" means the Ugu District Municipality, established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), represented herein by the Municipal Manager thereof, he being duly authorized.

1.17 "The Municipal Finance Management Act" means Local Government Municipal Finance Management Act No. 56 of 2003;

1.18 "The Municipality's address" means:

1.18.1 PO Box 33, Port Shepstone, 4240

1.18.2 For communications by
Facsimile: 039 682 1720
Telephone 039 688 5700

1.18.3 For other purposes: Ugu Municipal Offices,
28 Connor Street,
Port Shepstone

1.19 "The Service" or "Service Level Agreement" shall mean the measurable and expected outcomes of Tourism as they pertain to:

- 1.19.1 Feasibility;
- 1.19.2 The quality of ongoing service delivery to the tourist industry and community; in line with the objectives as set out in the IDP of the Parent Municipality.
- 1.19.3 Feedback from the tourist industry and community; and
- 1.19.4 Compliance with the shareholders directives; and
- 1.19.5 Compliance with the terms and conditions of this Agreement by all affected parties.
- 1.19.6 Compliance with the Articles and Memorandum of Association of the Entity.

1.20 "The Systems Act" or "the Act" means the Local Government: Municipal Systems Act 32 of 2000;

1.21 "Tourism" or references to "Tourism" shall specifically include the provisions of Section 38 of the Kwa Zulu Natal Tourism Act of 1996 and such references shall also refer to the Constitution of the Entity.

1.2.1 "Service Level Agreement" shall mean this Service Delivery Agreement, and "Service Delivery Agreement" shall have a corresponding meaning.

WHEREAS:-

It was resolved at a meeting of the Ugu District Municipality on 6 March 2007 to establish a single Tourism Body in accordance with all Statutory Prescripts. This has been done.

NOW THEREFORE

1. RECORDAL OF INSTITUTIONAL HISTORY

1.1.1 The Municipality has, over a period of time, entered into various Agreements with the Hibiscus Coast Tourism Association, Umdoni Coast & Country Tourism Association, Eziqoleni Tourism and Ugu Tourism Association (UTMA); and these bodies have been incorporated in to South Coast Tourism and are thereafter known as Ugu - South Coast Tourism (Pty) Ltd (UguSCT).

1.1.2.1 The parties recognize that Tourism is a central activity and a source of revenue and a basis for economic empowerment of all people in the Ugu District, by virtue of the District's abundant natural resources, its ancient and complex historic ethnic cultures, its vibrant tribal diversity and its unique demographics; supported by its existing tourism infrastructure.

1.1.2.2 The parties acknowledge and appreciate the historical events leading up to the formation of the entity, which historical events are captured in the Constitution.

1.1.2.3 The parties are enjoined by signature of this Agreement to give effect to the spirit as well as the content of this Agreement.

- 1.2 The parties have agreed to maintain continuity of the relationship between the Municipality and these various bodies or their successors for the purpose of facilitating tourism within the Ugu District Municipality area, and a Constitution has been created to give effect to this purpose, and to recognize this appointment of the Municipal Managers of Local Municipalities as Directors of the Company, and the integral and fundamental role of such Municipal Managers in representing the ongoing interests of such local Municipalities.
- 1.3 A principal object of the parties in entering into this Agreement is to achieve tourism growth for the Ugu District Municipality area by marketing it as a premier tourist destination and to develop tourism infrastructure products to be evolved within previously disadvantaged and under developed areas within the Ugu District Municipality as may be feasible, with particular emphasis on the hinterland.
- 1.4 Secondary aims will be provision of quality visitor service centers, to update membership services and responsible tourism advice, and monitoring of local Tourism operations and establishments for compliance with provincial, district and local policies and administration.
- 1.5 Ugu and the National Treasury of the Republic of South Africa requires a Service Level Agreement in terms of which its measurability, deliverability and its plans can be objectively quantified.

2. FUNCTION OF UGU SOUTH COAST TOURISM

- 1.1 The main business which the Company is to carry on; is the promotion and implementation of tourism within the Parent Municipality's area of jurisdiction, predicated on the Kwa Zulu Natal Tourism Act as needs be, and based on the Parent Municipality's Integrated Development Plans and Policies.
- 1.2 To engage in and facilitate an ongoing community consultation process as envisaged by Section 80(2) of the Systems Act and Section 38 of the Tourism Act during the establishment of this Agreement, as well as with the constituent members as defined herein.
2. The main object of Tourism shall be to contribute to the economic, social and environmental development of the area of jurisdiction of the Parent Municipality through Tourism as contemplated inter alia in Section 8 read with Section 86E of the Local Government: Municipal Systems Act.
3. The specific ancillary objects, if any, referred to in Section 33(1) of the Systems Act, form an integral part of the main objective of the company.

3. POWERS OF UGU SOUTH COAST TOURISM

1. Schedule 2 of the Companies Act of 1973 shall not apply to the Company.

2. The Company is a private company established in terms of Section 86C of the Systems Act and accordingly is restricted to act as a municipal entity in terms of:
 - 2.1 Chapter 8A of the Systems Act; and
 - 2.2 Chapter 10 and 11 and Section 116 of the Local Government Municipal Finance Management Act No. 56 of 2003; and
 - 2.3 Section 41 of the Systems Act; and
 - 2.4 Section 38 of the Kwa Zulu Natal Tourism Act 113 of 1996; and
 - 2.5 Its Articles and Memorandum of Association.
3. Section 86D(2) of the Systems Act shall apply namely that Tourism must restrict its activities to the purpose for which it is used by its Parent Municipality in terms of Section 86E(1)(a); and Tourism shall have no competence to perform any activity which falls outside the functions and powers of its Parent Municipality contemplated by Chapter 8 of the Act.
4. The company has incorporated into Ugu South Coast Tourism the following three (3) community tourism associations, namely:
 - 4.1 Hibiscus Coast Tourism Association;
 - 4.2 Umdoni Coast & Country Tourism Association; and
 - 4.3 Izingolweni Tourism Association;into one Municipal entity, and

5. Ugu South Coast Tourism shall register as a Community Tourism Association with the accredited Government approved Tourism Bodies, and as provided in the Tourism Act.

4. RESTRICTIONS ON UGU SOUTH COAST TOURISM

1. All the income, expenditure, sponsorship and property of Tourism shall be applied solely towards the promotion of its main objective;
2. No portion of Tourism's income, expenditure and property shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to Ugu or directors of the Company, or its Parent Municipality; provided that nothing herein contained shall prevent the payment in good faith or reasonable remuneration to an officer or servant of the Company or to any member in return for any services actually rendered to the company, nor shall Tourism be precluded from acquiring bona-fide sponsors to improve and further its objects and functions, provided that this is done in line with a sponsorship policy, which policy shall be approved by the Parent Municipality, within a reasonable time period after signature hereof
3. The winding-up of the company, shall be in terms of the stipulations contained in the Local Government: Municipal Systems Act, The Local Government: Municipal Finance Management Act and other relevant Acts.

4. The company shall monitor and annually review its annual budget process as set out in Section 87 of the Municipal Finance Management Act.
5. Ownership of, equity interest or shares or any alienation or transfer of that share in the Company may only be alienated or disposed of in terms of Section 86G of the Systems Act and, in the following manner:
 - (a) to a wholly owned private company, subject to the Municipal Finance Management Act; or
 - (b)(i) subject to Section 14 of the Municipal Finance Management Act; and
 - (ii) if that transfer or disposal would not result in an infringement of Section 86C(2) by another Municipality which holds an interest in the company.
6. To only provide goods and services only as provided for in respect of the preferential Procurement Policy Framework Act of 2000 (Act 5 of 2000).
7. To acquire goods and services only as provided for in this Service Level Agreement.

5. ACTIVITIES OF UGU SOUTH COAST TOURISM

1. Schedule 2 of the Companies Act shall not apply to the Company.
2. Section 86D (2) of the Systems Act shall apply and provides that:

A private company which is a municipal entity –

- (a) must restrict its activities to the purpose for which it is used by its parent municipality in terms of Section 86H(1)(a);
- (b) and has no competence to perform any activity which falls outside the functions and powers of its parent municipality contemplated by Chapter 8.

3. Section 120 read with Section 104 of the Municipal Finance Management Act shall apply.

4. To render an objectively quantifiable and measurable service to the Parent Municipality.

6. **OWNERSHIP OF COMPANY**

(a) The Company is established and fully owned by the Parent Municipality in terms of Section 86C of the Systems Act, and as such the Parent Municipality holds all the shares therein.

(b) No other party shall be a party to this Agreement, or claim enforceable rights, or obligations from the parties arising from this Agreement, or resulting from the Constitution of South Coast Tourism (Pty) Ltd.

(c) No District or Area Tourism Committee shall have any enforceable rights in respect of the Company.

7. DUTIES OF PARENT MUNICIPALITY

Sections 93A and 93B of the Systems Act stipulates the following duties of the Parent Municipality with respect to the Company:

1 The parent municipality must:

(a) exercise any shareholder, statutory, contractual or other rights and powers it may have in respect of the municipal entity to ensure that –

- (i) both the municipality and the municipal entity comply with the Systems Act, the Municipal Finance Management Act and any other applicable legislation; and
- (ii) the municipal entity is managed responsibly and transparently, and meets its statutory, contractual and other obligations as well as the provisions of its own Constitution;

(b) allow the board of directors and chief executive officer of the municipal entity to fulfill their responsibilities; and

(c) establish and maintain clear channels of communication between the municipality and the municipal entity.

2 The Parent Municipality having sole control over the Company must:

(a) ensure that annual performance objectives and indicators for the municipal entity are established by Agreement with the

municipal entity and included in the municipal entity's multi-year business plan in accordance with Section 87(5)(d) of the Municipal Finance Management Act;

(b) must monitor and annually review, as part of the municipal entity's annual budget process as set out in Section 87 of the Municipal Finance Management Act, the performance of the municipal entity against the agreed performance objectives and indicators; and

(c) may liquidate and disestablish the municipal entity –

(i) following an annual performance review, if the performance of the municipal entity is unsatisfactory or due to non-compliance in terms of Section 116(1)(b)(ii) of the MFMA;

(ii) in the event of financial difficulties if the municipality does not impose a financial recovery plan in terms of the MFMA (Municipal Finance Management Act) and the municipal entity continues to experience serious or persistent financial problems; or

(iii) if the municipality has terminated the services delivery Agreement or other Agreement it had with the municipal entity.

(d) If the company is liquidated and/or disestablished: -

- (i) take charge and possession of all assets, liabilities, rights and obligations of the company, due to fact that it then vest in the parent municipality; and
- (ii) ensure that the staff of the company be dealt with in accordance with applicable labour legislation vis-vis the company; provided, however, that the staff shall have no legal recourse against the Parent Municipality, congruent with the legal position that no contract of employment or any other legal relationship exists between the staff members of the entity and the Parent Municipality

8. POWERS AND DUTIES OF DIRECTORS OF TOURISM

1 In terms of Section 93H of the Systems Act:

(a) the board of directors of Ugu South Coast Tourism shall

- (i) provide effective, transparent, accountable and coherent corporate governance and conduct effective oversight of the affairs of tourism;
- (ii) ensure that Tourism comply with all applicable legislation Agreements;
- (iii) communicate openly and promptly with the parent municipality of Tourism; and
- (iv) deal with the parent municipality in good faith.
- (v) give effect to the Constitution of the Republic of South Africa.
- (vi) ensure that the rights to operate an exclusive Tourism Structure by the parent municipality are upheld.

(vii) attend its meetings punctually and regularly.

(b) A director of South Coast Tourism must at all times act in accordance with the Code of Conduct for directors referred to in Section 93L of the Systems Act.

2 Tourism shall comply with the Systems Act and ensure in terms of Section 93J of the Act, that:

(a) the board of directors of Tourism appoint a Chief Executive Officer (CEO) of the municipal entity.

(b) The chief executive officer of Tourism shall be accountable to the board of directors for the management of the municipal entity.

3. The Municipal Entity shall place considerable resources, time funding and skills to the non-coastal areas within the Municipality and shall develop tourism in rural and tribal areas within the Municipality areas of the District as far as may reasonably possible, and subject to budgets and demand and desirability.

4. In giving effect to clause 9.3 Tourism shall, as far as possible develop websites alerting visitors to places of historical and cultural interest and importance as well as to places in which the bio-diversity or natural surroundings of the area is recognised.

- (d) the appointment of staff, other than the senior managers directly accountable to the Chief Executive Officer, and subject to the Employment Equity Act No. 55 of 1998 and shall regulate;
- (e) the management, effective utilisation and training of staff;
- (f) the maintenance of discipline of staff;
- (g) the promotion of sound labour relations and compliance by Tourism with applicable labour legislation;
- (h) advising the board of directors of the company;
- (i) the drafting of standing rules for Directors and Committees for approval by the Board.

10. ACCOUNTABILITY TO THE UGU COMMUNITY

10.1. Both parties shall facilitate participation by the community in the affairs of Tourism and shall, as far as may be reasonably possible; with further reference to Section 80(2) of the Systems Act: -

- 10.1.1 develop and maintain a network whereby community satisfaction or dissatisfaction with the work of Tourism is assessed through its committees where practical;
- 10.1.2 the implementation of national and provincial legislation applicable to the functions of Tourism;

9. THE CHIEF EXECUTIVE OFFICER AND STAFF OF SOUTH COAST TOURISM

1. The Chief Executive Officer of Tourism shall be accountable to the board of directors for the management of Tourism.
2. The Chief Executive Officer as the head of administration of Tourism is subject to the policy directions of the board of directors and is responsible and accountable to the board of directors for: -
 - (a) the formation and development of an economical, effective, efficient and accountable administrative unit: -
 - (i) equipped to carry out the task of implementing the functions of Tourism;
 - (ii) responsive to the needs of the community to participate in the affairs of the Tourism;
 - (iii) to deal with subordinate Tourism Communities;
 - (iv) to liaise with the Offices of the Municipal Managers of the Municipalities.
 - (b) the management of the affairs of Tourism in accordance with the articles of Association and other legislation applicable to the Company;
 - (c) the implementation of the Company's development plans, and policies of the company and monitoring of progress with the implementation thereof;

10.1.3 the performance of any other function that may be assigned by the parent company.

10.1.4 Give attention, and preference as far as may be reasonably possible, to the development of Tourism destinations other than within the Coastal areas of the District.

11. SENIOR MANAGERS REPORTING TO THE CHIEF EXECUTIVE OFFICER

1. Section 57 of the Systems Act, read with the necessary amendments thereto, shall mutatis mutandis be applicable to the Chief Executive Officer and the managers directly accountable to the Chief Executive Officer, of the Entity.
2. The upper limits of the salary, allowances and other benefits of the Chief Executive Officer and senior managers reporting to the CEO of the Company shall be determined by the Parent Municipality in terms of Section 89(a) of the Municipal Finance Management Act.

12. MEETINGS OF THE BOARD OF DIRECTORS

1. Section 93I of the Systems Act stipulates that at the Meetings of board of directors and shall sit as a committee as far as may be possible serving the interests of Tourism in the District:

- (a) Meetings of the board of directors of Tourism must be open to the Municipal representatives referred to in Section 93D(1)(a).
- (b) Municipal representatives referred to in Section 93D(1)(a) have non-participating observer status in a meeting of the board of directors of the Company.

- 2. Every meeting of directors as a committee shall, be held in the area of jurisdiction of the Parent Municipality in which the company's registered office is for the time being situated.

13. GENERAL MEETINGS OF TOURISM

- 1. The Mayor or executive Mayor, as the case may be, of the parent municipality may at any time call or convene any meeting of the Board of Directors of the Entity or any other General Meeting of Tourism together with the representative of the parent Municipality or other general meeting of Tourism, and the representatives of the parent municipality, in order for the board of directors to give account for actions taken by it.
- 2. Should such meeting be called, the Manager or Executive Mayor shall as far as reasonably possible, give written notice of the meeting, and an Agenda for such meeting.

14. REPRESENTATION AT GENERAL MEETINGS OF TOURISM

- 1. Save as otherwise herein provided, there shall be no less than one (1) of the representatives, mandated by the parent Municipality to

represent it at any General Meeting, and dealt with more fully at clause 16 below.

2. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

3. All business that is transacted at a general meeting, and all that is transacted at the annual general meeting, shall be deemed to be special business.

3.1 The parties record that it was of paramount importance that the directors of the Entity play a purposeful and ongoing role in the running of the Entity as stipulated in Section 93D of the Act.

3.2 Should it occur that any director of the Company and for any reason whatsoever misses three consecutive committee meetings of the Company, or misses a cumulative total of 3 out of any 5 meetings of the company then;

3.3 The Chairman shall forward a written communication, to be delivered by hand to such director who shall be invited to furnish viva voce reasons at the next sitting of the committee of the Company, or if the Chairman accepts otherwise, written reason to explain his/her ongoing absence from such meetings;

3.4 If no reasons are given on the date designated by the Chairman, or if the reasons given are unacceptable to a quorum

of the meeting of the representatives present; who shall evaluate such reasons reasonably then the Chair shall forward formal communication to the Mayor with a recommendation to have the said Director dismissed as provided for in the Act and with reference to the Companies Act, and a new director shall be appointed in his place as provided for by such aforementioned legislation.

3.5 upon receipt of such communication, the Parent Municipality shall forthwith take a decision with regards to the dismissal or other punishment as deemed fit.

3.6 The provisions of 14.3.1 to 14.3.5 set out hereinabove shall mutatis mutandis apply to the Ugu representative as contemplated in clause 14.1 and the same procedural steps shall apply mutatis mutandis to such representative.

3.7 Should such step be necessary it shall be incumbent upon the Chairperson of the Board of Directors of the Company to immediately alert the Mayor and to liaise further with the Mayor in this regard, who shall thereafter deal with the matter on the basis of urgency and as a fiduciary duty.

15. CODE OF CONDUCT FOR DIRECTORS AND STAFF OF TOURISM

1. In terms of Section 93L of the Systems Act the following applies to the Directors of the Company:

- (a) The Code of Conduct for Councilors contained in Schedule 1 of the Systems Act applies.
- (b) In the application of item 14 and 15 of the Code of Conduct in respect of the Directors of the Company.
2. In terms of Section 93L of the Systems Act the following applies to any member of Staff (employees) of the Company:
The Code of Conduct for municipal staff members contained in Schedule 2 of the Systems Act applies with the applicable and necessary changes, to members of staff (employees) of the Company.

16. MUNICIPAL REPRESENTATIVES

1. The Parties shall comply with 93D of the Systems Act namely that:
- (a) The Council of the Parent Municipality must designate a councilor or an official of the parent Municipality, or both, as the representative or representatives of the Parent Municipality –
- (i) to represent the parent municipality as a non-participating observer at meetings of the board of directors of Tourism; and
 - (ii) to attend Directors meetings and to exercise the parent municipality's rights and responsibilities as a shareholder, together with such other councilors or officials that the council may designate as representatives.
 - (iii) failure by any representative to attend any such meeting shall be recorded in the minutes of such meeting

- (b) (i) The official lines of communications between Tourism and the parent municipality exist between the Chairperson of the board of directors of Tourism and the Mayor or Executive Mayor, as the case may be, of the parent municipality.
- (ii) The Mayor or executive Mayor, as the case may be, of a parent municipality may at any time call or convene any meeting of shareholders or other general meeting comprising to board of directors of the Company concerned and the representatives of the parent municipality, in order for the board of directors to give account for actions taken by it.
- (iii) The council of a parent municipality may determine the reporting responsibilities of a municipal representative.
- (c) (i) A municipal representative must represent the parent municipality faithfully at shareholder meetings, without consideration of personal interest or gain, and shall keep the council informed of –
- (a) how voting rights were exercised; and
- (b) all relevant actions taken on behalf of the municipality by the representative.
- (ii) A municipal representative
- (a) must act in accordance with the instructions of the council; and
- (b) may be reimbursed for expenses in connection with his or her duties as a municipal representative, but

may not receive any additional compensation or salary for such duties.

- (c) is expected to attend all directors meetings punctually and not be absent without prior written notice to the CEO

17. EXISTING AGREEMENT

Save as is provided for herein, any existing Agreements between the Ugu District Municipality and South Coast Tourism and/or Ugu Tourism Association (UTMA) or as between any of the municipalities referred to at Clause 19.1 above, entered into in writing is terminated with effect from the date of signature hereof.

2. This Agreement shall supercede any other Agreements between any Tourism Association, and any Municipality which falls within the Ugu District.

18. DURATION

18.1 This Agreement shall commence on the effective date and shall continue for a fixed period of 5 years, whereafter but subject to the provisions of Section 343 of Act 61 of 1973, a new Agreement must be negotiated between the parties.

18.2 The parties are directed in terms of Section 116(1)(b)iii of the Municipal Finance Management Act to periodically review this contract no less than once every three years

and in terms of Section 116(1)(ii) of the MFMA of the Municipality may terminate this Agreement due to non or under performance.

19. FINANCIAL CONTRIBUTION BY MUNICIPALITY

1. South Coast Tourism shall annually –

1.1 prepare a business plan linked to and taking cognizance of the Ugu District Municipality Integrated Development Plan. This annual business plan shall be submitted to the Municipality which shall be obliged thereafter to provide three periodic payments; such payments shall not necessarily be in equal amounts; subject to its receipt of a payment from National Government which is made annually and shall make over a grant to South Coast Tourism;

1.2 Not more than two (2) months after the end of its financial year, after completion of the annual audit, submit to the Municipal Manager of the Municipality a report on its affairs and activities during the financial year and its audited annual financial statements, which report and financial statements shall be tabled at the next meeting of the Municipality; and

1.3 before or on the date prescribed, submit a budget for the ensuing financial year and a service delivery and budget implementation plan as prescribed, to the Municipal Manager, which budget and business plan shall be considered by the Municipal Council in line with its budgeting process when considering the increase referred to in clause 19.5 below.

1.4 The funds of South Coast Tourism shall consist of –

1.4.1 Grant in Aid from District and Local Municipalities of the Ugu District;

1.4.2 donations, bequests, sponsorships or contributions made to it;

1.4.3 subject to the KwaZulu-Natal Tourism Act, income generated so as to achieve its objects; and

1.4.4 its membership fees;

- 2 When the annual business plan of South Coast Tourism is so submitted, it shall also submit a comprehensive report on its activities. Without limiting the generality of such report it shall incorporate therein all information which may be called for by the Municipal Manager or other authorised officials of the Municipality. The report shall be comprehensive enough to enable the Municipality to assess whether South Coast Tourism has fully complied with this Agreement, what service levels it has maintained and generally what its performance has been.
3. The parties record that Ugu District Municipality has committed itself to make a financial contribution in line with its Grant-in-Aid Policy to South Coast Tourism from the municipal budget. Ugu shall from its operational grant be permitted to make three draw downs of three financial draw downs per year to benefit the entity.

4. The parties therefore record that the Municipality has committed itself to a base level contribution as a Grant-in-Aid to South Coast Tourism for the duration of this contract period .The amount will be congruent with the annual budget increases of the Municipality, subject to the availability of funding, per annum as it applies to Municipalities and subject; however, to the availability of funds and any unforeseen/impending shortfalls in budgeted revenue.

5. Ugu District Municipality will inform South Coast Tourism by no later than 31 May each year of the approved increase in the base level Grant-in Aid. Monies received by Tourism from Ugu shall be split as to 50% to marketing and 50% as to development in respect of Tourism's expenses.

19.6 Transfer payments shall be effected by the Parent Municipality to the Entity once the following has been achieved:

- a) Receipt of periodic Equitable Share transfers (in terms of the Division of Revenue Act) from National Treasury, by the Parent Municipality;
- b) Confirmation from the Accounting Officer of the Parent Municipality, that Section 104 (General Reporting Obligations) of the MFMA has been complied with by the Entity; and
- c) Receipt of tax invoice from the Entity, requesting draw down, in terms of the approved budget.

20. FUTURE EVOLVEMENT OF SOUTH COAST TOURISM

South Coast Tourism shall, within a reasonable period:

1. Effect such changes as maybe necessary or appropriate for it to function as a Local Tourism Association in terms of the KwaZulu-Natal Tourism Act, 1996 (KwaZulu-Natal Tourism Act, Act 11 of 1996). Without limiting the generality of the requirement, it shall adopt and follow the objects set out in the said Tourism Act, and any other relevant legislation regarding tourism and the local authority.
2. South Coast Tourism is to conduct its activities as laid out in the Memorandum of Association, as per its core business, being tourism marketing and development.
3. South Coast Tourism shall in the course of its daily business, and by way of its Constitution as far as may be permitted; be entitled to procure funding by way of Sponsorships either with reference to:
 - (a) a sponsorship panel;
 - (b) ad hoc sponsorships.
4. Such sponsorships shall not have to comply with the MFMA or the supply Chain Management Policy subject to Section 93C(a)(iii) of the Systems Act.
5. Sponsorships received by Tourism shall not form part of the ordinary income received by Tourism, and not be subject to any Preferential Procurement policy and shall be treated as sponsorship funding as provided for in the Kwa Zulu Natal Tourism Act, provided that such

sponsorship are recorded in writing, and that all monies paid to Tourism and receipted and banked, unless such sponsorships are not in monetary form, in which event they shall still be recorded by Tourism.

6. If any doubts exist as to whether or not a sponsorship or monies received should be dealt with in terms of the MFMA, this item shall be tabled and minuted and resolved at a director's meeting as defined herein.

21. PREMISES

1. South Coast Tourism has entered into separate formal lease with a Wideprops 118 Pty Ltd 2002/030541/08 (a private landlord) for the sole occupation of the premises at 16 Bisset Street, Port Shepstone for a period not more than 2 years and 11 months, which lease may be renewed by mutual consent between the private landlord and the entity.

22. AUDIT

- (a) The parties record that the books and records of South Coast Tourism will be subject to an annual audit and the results thereof made available to the Ugu District Municipality.
- (b) For the purposes of cost efficacy, the Municipalities Chief Financial Officer, or his nominated representative will engage the services of the Company Auditors from time to time, who shall prepare an Audit Report, which shall together, with

working papers in support thereof be submitted to the Auditor General in compliance with all statutory requirements.

23. PERFORMANCE EVALUATION

1. The parties agree that the activities of South Coast Tourism will be monitored and evaluated, and record that this Agreement is a Service Level Agreement in which the Parent requires; inter alia:
 - 1.1 measureable outcomes;
 - 1.2 flexibility by the Entity;
 - 1.3 penetration of Tourism into diverse areas and communities within the Municipality;
 - 1.4 structured planning;
 - 1.5 compliance with its shareholder interests;
 - 1.6 compliance with Section 104 of MFMA.
2. The monitoring and evaluation shall be done in accordance with the reasonable requirements of the Municipal Manager of the Municipality, who reserves this right and who is, in any event obliged to comply with Section 87 of the Municipal Finance Management Act. He may legitimately utilize the services of consultants or other experts for this purpose including the conducting of periodic or ongoing and / or annual market research as to the views of the public generally and the members of South Coast Tourism in this regard.
3. The following reports shall be submitted to the Municipal Manager to evaluate the ongoing performance of South Coast Tourism:

3.1 Audited financial statements, within 60 days of South Coast Tourism year end.

3.2 Three annual finance progress reports.

3.3 A quarterly summary activity report detailing:

3.3.1 Information and Provision.

3.3.2 Marketing

3.3.3 Finances.

3.3.4 Development.

Cognizance shall also be taken of:

1. Political
2. Environmental;
3. Economic;
4. Social;
5. Logistical;
6. Quality

consideration of Tourism's role.

4. Board minutes from time to time shall be forwarded to the Municipal Manager.

5. Annual board review of company performance to be forwarded to the municipal manager within 90 days of its year-end. This to include quantifiable and detailed evaluations of the outcome of the chief executive officers key performance areas.

6. Marketing Action Plan

7. Development Action Plan

24. DOMICILIUM AND NOTICES

The parties select their addresses as hereinbefore stated as their respective *domicilia citandi et executandi* for all purposes arising out of this Agreement or the cancellation thereof.

Any notice sent to the *domicilia citandi et executandi* of a party by previous registered post or delivered there by hand shall be deemed to have been received on the fifth business day after posting or on the date of delivery, as the case may be.

Any party may, by written notice to the other, change his *domicilia citandi et executandi* to another physical address (not being a post office box number or poste restante) within the Republic of South Africa and such change shall become effective seven days after the giving of such notice.

All notices which may or may have to be given in terms of this Agreement shall be in writing.

25. JUDICIAL PROCEEDINGS AND DISPUTE RESOLUTION

1. The parties acknowledge that with reference to interpretation of powers and obligations of the parties, and in the event of a dispute between the parties that:
 - 1.1 This Service Level Agreement shall have application and;
 - 1.2 The Articles and Memorandum of the Company shall have application.

2. Should a dispute arise at any level between the parties, which cannot be resolved by intervention, of the CEO, the Municipal Manager, and/ or the directors of the Entity, then the parties acknowledge that Chapter 4 of The Intergovernmental Relations Framework Act 113 of 1995 shall have application (Act 113 of 2005).

3. In terms of Section 41 read with 42(2) of Act 113 of 2005,
 - 3.1. Any dispute which may arise between the parties relating to the interpretation, effect or termination of this Agreement or to their rights or obligations in terms hereof shall be submitted for facilitation if any party to the dispute so requires.

 - 3.2. The Facilitator shall then make his/her finding available to the relevant MEC in terms of Section 44 of Act 113 of 2005.

4. The Arbitrator shall be a practising or retired attorney or Senior Government Official who have had not less that 10 (ten) years experience. He she shall be appointed by Agreement between the parties to the dispute, and failing such Agreement, within 7 (seven) days after the date upon which the arbitration is demanded, by the relevant MEC in Kwa Zulu Natal, or his nominee.

26. NON VARIATION

This Agreement shall constitute the entire Agreement between the parties, as to the regulation of the Municipal Entity, and no addition to or variation, consensual cancellation or novation of this Service Level Agreement and no waiver of any right arising from this Agreement or its breach or

termination shall be of any force or effect unless reduced to writing and signed by all the parties or their duly authorized representatives.

27 INTERPRETATION

- 1.1 Headings of clauses shall be deemed to have been included for purposes of convenience only and shall not affect the interpretation of this Agreement.
- 1.2 Unless inconsistent with the context, words relating to any gender shall include the other genders, words relating to the singular shall include the plural and vice versa and words relating to natural persons shall include associations of persons having corporate status by statute or common law.
- 1.3 In the event that any of the provisions of this Agreement or its collateral Constitution, are found to be invalid, unlawful or unenforceable, such terms shall be severable from the remaining terms which shall continue to be valid and enforceable.
- 1.4 This Agreement incorporates the Annexures and Constitution, which Annexures shall have the same force and effect as if set out in the body of this Agreement. The various documents forming part of this Agreement are to be taken as mutually explanatory. In the event of any conflict or inconsistency the provisions contained in the main body of the Agreement will prevail.
- 1.5 If any provision in a definition is a substantive provision conferring any right or imposing any obligation on any party, then

notwithstanding that such provision is only in this interpretation clause or in a definition elsewhere in this Agreement, effect shall be given to it as a substantive provision of this Agreement.

- 1.6 When any number of days is prescribed in this Agreement, the same shall be reckoned exclusively of the first and inclusively of the last day unless that last day falls on a Saturday, Sunday or proclaimed public holiday in the Republic of South Africa, in which event the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 1.7 Any reference to an enactment is to that enactment as at the date of signature hereof and as amended or re-enacted from time to time.
- 1.8 If any provision in this Agreement is in conflict or inconsistent with any law, the invalidity of any such provision shall not affect the validity of the remainder of the provision hereof.
- 1.9 Where figures are referred to in words and in numerals, if there is any conflict between the two, the words shall prevail.

**THUS DONE and SIGNED by UGU DISTRICT MUNICIPALITY at Port
Shepstone on this _____ day of _____ 2010.**

AS WITNESSES:

1. _____

2. _____

L. MAHLAKA
MUNICIPAL MANAGER
Duly Authorised

THUS DONE and SIGNED by SOUTH COAST TOURISM at Port
Shepstone on this _____ day of _____ 2010.

AS WITNESSES:

1. _____

2. _____

MICHAEL BERTRAM
CHIEF EXECUTIVE OFFICER –
SOUTH COAST TOURISM
Duly Authorised

**UGU DISTRICT MUNICIPALITY
MUNICIPAL INFRASTRUCTURE GRANT 2011/2012 ALLOCATION**

| DETAILS | | 2011/2012 | 2012/2013 | % Increase |
|---|---------------------------|-------------|-------------|------------|
| National MIG Allocation | | 239,046,000 | 289,979,000 | 21.31% |
| Vat Recovered MIG | | 20,856,000 | | -100.00% |
| PROJECT CONSOLIDATE | | | | |
| SANITATION IMPLEMENTATION | | | | |
| Less : Allocated Expenditure | | 259,902,000 | 289,979,000 | 11.57% |
| <i>Capital - Grants</i> | | | | |
| Motor Vehicle | Capex - Grants | | | |
| Computer Equipment | Capex - Grants | 0 | | |
| Ugu District Sports Complex | Capex - Grants | 0 | | |
| <i>Capital - Sanitation</i> | | | | |
| Infrastructure Projects | Capex - Sanitation | 18,500,000 | 27,200,000 | 47.03% |
| <i>Capital - Water</i> | | 197,243,835 | 211,533,424 | 7.24% |
| Infrastructure Projects | Capex - Water | 197,243,835 | 211,533,424 | 7.24% |
| Administrative Assets | Capex - Water | 0 | | |
| <i>Capital - Sanitation</i> | | | | |
| Infrastructure Projects | Capex - Sanitation | | | |
| <i>Operational - Grants</i> | | 44,158,165 | 51,245,576 | 16.05% |
| Vulamehlo VIP's | Opex - Conditional Grants | 5,400,000 | 11,000,000 | 103.70% |
| Umdoni VIP's | Opex - Conditional Grants | 1,800,000 | 5,000,000 | 177.78% |
| Umzumbe VIP's | Opex - Conditional Grants | 7,100,000 | 5,000,000 | -29.58% |
| Eziqoleni VIP's | Opex - Conditional Grants | 1,800,000 | 2,000,000 | 11.11% |
| uMuziwabantu VIP's | Opex - Conditional Grants | 4,800,000 | 17,000,000 | 254.17% |
| Hibiscus Coast VIP's | Opex - Conditional Grants | 6,000,000 | 6,895,891 | 14.93% |
| General Operational Expenditure (Prog. Mgt Costs) | Opex - Conditional Grants | 2,500,000 | 4,349,685 | 73.99% |
| Staff Salaries & Allowances | Opex - Conditional Grants | 14,758,165 | | -100.00% |
| AVAILABLE | | -0 | 0 | -100.00% |

UGU DISTRICT MUNICIPALITY
EQUITABLE SHARE 2012/2013 ALLOCATION

| DETAILS | OPERATING BUDGET 201 | Revised 2012 | 2013 | % Increase |
|---|-----------------------|--------------|--------------|------------|
| National Equitable Share Allocation | | -193,409,000 | -214,131,000 | 10.7% |
| Less : Allocated Expenditure | | 193,409,000 | 214,131,000 | 10.7% |
| <i>Cost of Supplying Free Basic Metered Water</i> | Water | 15,491,909 | 16,480,761 | 6.4% |
| <i>Free Basic Water – Standpipes</i> | Water | 27,819,571 | 31,258,070 | 12.4% |
| <i>Equitable Share 2011/2012– Water</i> | | 84,616,553 | 89,693,546 | 6.0% |
| Water Tariff Subsidization | Water | 48,616,553 | 51,533,546 | 6.0% |
| Emergency Water Supply | Water | 10,000,000 | 8,600,000 | -14.0% |
| Indigent Support | Water | 16,000,000 | 16,960,000 | 6.0% |
| Drought Relief | Water | 10,000,000 | 8,600,000 | -14.0% |
| Contribution to Capex for Water Tankers | Water | 0 | 4,000,000 | |
| <i>Equitable Share 2009/2010 – Sanitation</i> | | 4,349,601 | 4,610,577 | 6.0% |
| Sanitation Service Subsidization | Sanitation | 4,349,601 | 4,610,577 | 6.0% |
| <i>Equitable Share 2009/2010 – Grants</i> | | 61,131,366 | 72,088,046 | 17.9% |
| Tourism Marketing – Single Tourism Body | LED | 5,250,000 | 5,565,000 | 6.0% |
| Tourism Development | LED | 4,200,000 | 4,452,000 | 6.0% |
| Disaster Management | Public Safety | 4,725,000 | 5,008,500 | 6.0% |
| Fire Fighting | Public Safety | 1,050,000 | 1,113,000 | 6.0% |
| Environmental Services | Environmental Service | 2,376,000 | 2,518,560 | 6.0% |
| Local Economic Development Projects | LED | 6,300,000 | 6,000,000 | -4.8% |
| Other Operational Expenditure | | 37,030,366 | 47,218,986 | 27.5% |
| Other New Powers & Functions | Grants | 200,000 | 212,000 | 6.0% |
| Water Tankers | Water Serv | | | |
| AVAILABLE | | -0 | 0 | -153.9% |

DC21 Ugu - 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 | – | – | – | – | – | – | – | – | – | – |
| Service charges | 201,995 | 246,729 | 240,280 | 391,114 | 312,581 | 296,952 | 296,302 | 330,413 | 346,934 | 364,281 |
| Investment revenue | 10,748 | 9,885 | 6,161 | 10,983 | 2,000 | 1,900 | 1,900 | 2,000 | 2,100 | 2,205 |
| Transfers recognised - operational | 339,771 | 526,279 | 450,364 | 284,789 | 309,980 | 294,481 | 294,481 | 324,165 | 340,373 | 357,391 |
| Other own revenue | 114,654 | 148,610 | 153,836 | 8,045 | 7,489 | 7,115 | 7,399 | 8,560 | 8,989 | 9,438 |
| Total Revenue (excluding capital transfers and contributions) | 667,167 | 931,503 | 850,642 | 694,931 | 632,050 | 600,448 | 600,082 | 665,136 | 698,395 | 733,315 |
| Employee costs | 165,543 | 194,766 | 221,280 | 269,300 | 243,682 | 231,498 | 231,498 | 240,476 | 252,499 | 265,124 |
| Remuneration of councillors | 5,542 | 6,467 | 6,192 | 7,002 | 7,002 | 6,652 | 6,647 | 6,981 | 6,981 | 6,981 |
| Depreciation & asset impairment | 25,456 | 45,056 | 49,154 | 49,779 | 49,779 | 47,290 | 47,290 | 57,947 | 60,845 | 63,887 |
| Finance charges | 8,514 | 9,300 | 20,978 | 14,469 | 18,410 | 17,489 | 17,489 | 17,972 | 18,871 | 19,814 |
| Materials and bulk purchases | 24,646 | 31,047 | 31,839 | 44,480 | 42,872 | 40,728 | 40,228 | 45,438 | 47,709 | 50,095 |
| Transfers and grants | 215,869 | 215,869 | 145,715 | 108,222 | 115,585 | 109,806 | 109,806 | 114,758 | 120,496 | 126,521 |
| Other expenditure | 201,971 | 242,335 | 272,840 | 187,666 | 154,721 | 146,985 | 145,856 | 140,973 | 149,911 | 157,307 |
| Total Expenditure | 647,541 | 744,839 | 747,998 | 680,918 | 632,051 | 600,448 | 598,814 | 624,545 | 657,313 | 689,730 |
| Surplus/(Deficit) | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 40,593 | 41,082 | 43,586 |
| Transfers recognised - capital | – | – | – | – | – | – | – | 306,882 | 322,227 | 338,338 |
| Contributions recognised - capital & contributed assets | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 347,476 | 363,309 | 381,923 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) for the year | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 347,476 | 363,309 | 381,923 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 318,338 | 317,638 | 324,382 | 340,602 | 357,632 |
| Transfers recognised - capital | 130,604 | 261,457 | 110,319 | 310,196 | 295,066 | 280,312 | 279,383 | 306,882 | 322,227 | 338,338 |
| Public contributions & donations | – | – | – | – | – | – | – | – | – | – |
| Borrowing | 16,056 | 82,437 | 59,842 | 35,443 | 35,443 | 33,671 | 33,671 | 10,000 | 10,500 | 11,025 |
| Internally generated funds | 86,373 | 35,117 | 42,031 | 20,880 | 4,583 | 4,354 | 4,583 | 7,500 | 7,875 | 8,269 |
| Total sources of capital funds | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 318,338 | 317,638 | 324,382 | 340,602 | 357,632 |
| Financial position | | | | | | | | | | |
| Total current assets | 348,174 | 235,485 | 129,388 | 98,548 | 82,048 | 82,048 | 82,031 | 93,852 | 92,802 | 90,184 |
| Total non current assets | 934,440 | 1,252,405 | 1,407,324 | 1,348,412 | 1,312,876 | 1,317,320 | 1,316,430 | 1,577,477 | 1,559,950 | 1,637,945 |
| Total current liabilities | 450,374 | 370,312 | 321,970 | 277,649 | 255,450 | 233,139 | 232,389 | 234,829 | 237,867 | 241,122 |
| Total non current liabilities | 139,700 | 248,791 | 245,265 | 267,921 | 267,921 | 238,020 | 238,020 | 243,270 | 236,726 | 230,293 |
| Community wealth/Equity | 692,539 | 866,788 | 969,476 | 901,390 | 871,553 | 928,209 | 928,052 | 1,193,231 | 1,178,159 | 1,256,714 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 201,388 | 189,219 | 127,647 | 475,910 | 266,719 | 249,412 | 234,736 | 372,423 | 391,044 | 410,596 |
| Net cash from (used) investing | (236,219) | (370,773) | (211,222) | (394,493) | (234,559) | (187,646) | (187,646) | (306,876) | (322,220) | (338,331) |
| Net cash from (used) financing | 8,995 | 138,185 | (27,447) | 12,872 | (15,841) | (15,841) | (15,841) | (17,172) | (18,031) | (18,932) |
| Cash/cash equivalents at the year end | 196,102 | 152,732 | 41,710 | 470,574 | 58,028 | 87,634 | 72,958 | 106,402 | 157,195 | 210,528 |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | 211,233 | 152,732 | 41,710 | 13,311 | 22,311 | 22,311 | 22,302 | 20,551 | 21,578 | 22,657 |
| Application of cash and investments | 212,058 | 273,673 | 222,456 | 176,820 | 176,031 | 158,675 | 164,956 | 139,169 | 143,596 | 148,160 |
| Balance - surplus (shortfall) | (825) | (120,941) | (180,746) | (163,509) | (153,720) | (136,364) | (142,654) | (118,618) | (122,018) | (125,503) |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 918,685 | 1,252,377 | #REF! | 1,348,388 | 1,312,852 | 1,317,297 | 1,577,456 | 1,577,456 | 1,559,931 | 1,637,927 |
| Depreciation & asset impairment | 25,456 | 45,056 | 49,154 | 49,779 | 49,779 | 47,290 | 57,947 | 57,947 | 60,845 | 63,887 |
| Renewal of Existing Assets | – | – | – | – | – | – | – | – | – | – |
| Repairs and Maintenance | 30,519 | 31,616 | 21,102 | 41,096 | 24,915 | 23,669 | 29,645 | 29,645 | 31,127 | 32,683 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | 4 | 4 | 4 | 40,930 | 43,084 | 43,352 | 47,739 | 47,739 | 50,126 | 52,632 |
| Revenue cost of free services provided | 1 | – | 1 | 85,114 | 89,593 | 94,309 | 99,272 | 99,272 | 104,236 | 109,448 |
| Households below minimum service level | | | | | | | | | | |
| Water: | 85 | 82 | 80 | 78 | 78 | 78 | 76 | 76 | 74 | 72 |
| Sanitation/sewerage: | 57 | 50 | 42 | 34 | 34 | 34 | 22 | 22 | 17 | 12 |
| Energy: | – | – | – | – | – | – | – | – | – | – |
| Refuse: | – | – | – | – | – | – | – | – | – | – |

DC21 Ugu - 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 2014/15 |
| R thousand | 1 | | | | | | | | | |
| Revenue - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 157,098 | 72,335 | 182,334 | 83,442 | 86,038 | 81,736 | 100,619 | 105,650 | 110,9 |
| Executive and council | | 157,098 | 3,481 | 48,179 | 3,643 | 2,616 | 2,485 | 3,600 | 3,780 | 3,9 |
| Budget and treasury office | | - | 67,887 | 90,421 | 79,799 | 82,822 | 78,681 | 96,819 | 101,660 | 106,7 |
| Corporate services | | - | 968 | 43,733 | - | 600 | 570 | 200 | 210 | 2 |
| <i>Community and public safety</i> | | 4,978 | 3,555 | 837 | 6,024 | 7,024 | 6,673 | 6,662 | 6,995 | 7,3 |
| Community and social services | | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | - | - | 249 | 249 | 237 | 540 | 567 | 5 |
| Public safety | | 4,978 | 3,555 | 837 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,7 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 197,924 | 353,420 | 254,848 | 62,284 | 70,038 | 66,536 | 70,781 | 74,320 | 78,0 |
| Planning and development | | 197,924 | 353,203 | 252,368 | 59,908 | 67,662 | 64,279 | 68,263 | 71,676 | 75,2 |
| Road transport | | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | 217 | 2,480 | 2,376 | 2,376 | 2,257 | 2,519 | 2,644 | 2,7 |
| <i>Trading services</i> | | 306,703 | 407,799 | 412,089 | 542,087 | 468,584 | 445,155 | 485,277 | 509,541 | 535,0 |
| Electricity | | - | - | - | - | - | - | - | - | - |
| Water | | 254,336 | 335,729 | 313,628 | 446,662 | 373,160 | 354,502 | 384,093 | 403,298 | 423,4 |
| Waste water management | | 52,367 | 72,070 | 98,461 | 95,424 | 95,424 | 90,653 | 101,183 | 106,243 | 111,5 |
| Waste management | | - | - | - | - | - | - | - | - | - |
| <i>Other</i> | 4 | 465 | 626 | 535 | 1,094 | 366 | 347 | 1,800 | 1,890 | 1,9 |
| Total Revenue - Standard | 2 | 667,167 | 837,735 | 850,642 | 694,931 | 632,050 | 600,448 | 665,138 | 698,395 | 733,3 |
| Expenditure - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 165,425 | 122,164 | 163,985 | 158,515 | 135,692 | 128,907 | 135,353 | 142,120 | 149,2 |
| Executive and council | | 50,698 | 50,906 | 56,454 | 67,001 | 57,243 | 54,381 | 56,318 | 59,134 | 62,0 |
| Budget and treasury office | | 114,727 | 24,688 | 55,591 | 38,761 | 36,203 | 34,393 | 35,458 | 37,230 | 39,0 |
| Corporate services | | - | 46,570 | 51,939 | 52,752 | 42,246 | 40,133 | 43,577 | 45,756 | 48,0 |
| <i>Community and public safety</i> | | 20,388 | 5,009 | 457 | 10,556 | 10,654 | 10,121 | 9,764 | 10,252 | 10,7 |
| Community and social services | | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | - | - | 4,781 | 3,879 | 3,685 | 3,642 | 3,824 | 4,0 |
| Public safety | | 20,388 | 5,009 | 457 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,7 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 101,024 | 163,912 | 92,097 | 72,574 | 78,270 | 74,357 | 90,295 | 94,809 | 99,5 |
| Planning and development | | 99,417 | 163,211 | 86,378 | 63,627 | 71,219 | 67,658 | 82,355 | 86,473 | 90,7 |
| Road transport | | - | - | - | - | - | - | - | - | - |
| Environmental protection | | 1,608 | 700 | 5,719 | 8,948 | 7,052 | 6,699 | 7,939 | 8,336 | 8,7 |
| <i>Trading services</i> | | 359,136 | 358,356 | 486,975 | 434,112 | 403,930 | 383,734 | 416,981 | 437,830 | 459,7 |
| Electricity | | - | - | - | - | - | - | - | - | - |
| Water | | 300,994 | 310,907 | 415,067 | 367,697 | 344,680 | 327,446 | 338,241 | 355,153 | 372,9 |
| Waste water management | | 58,142 | 47,449 | 71,908 | 66,414 | 59,251 | 56,288 | 78,739 | 82,676 | 86,8 |
| Waste management | | - | - | - | - | - | - | - | - | - |
| <i>Other</i> | 4 | 1,567 | 1,631 | 4,484 | 5,160 | 3,503 | 3,328 | 1,798 | 1,888 | 1,9 |
| Total Expenditure - Standard | 3 | 647,541 | 651,071 | 747,998 | 680,917 | 632,049 | 600,447 | 654,190 | 686,899 | 721,2 |
| Surplus/(Deficit) for the year | | 19,626 | 186,664 | 102,644 | 14,013 | 1 | 1 | 10,949 | 11,496 | 12,0 |

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

DC21 Ugu - 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 | | | | | | | | | | |
| Revenue - Standard | 1 | | | | | | | | | |
| Municipal governance and administration | | 157,098 | 72,335 | 182,334 | 83,442 | 86,038 | 81,736 | 100,619 | 105,650 | 110,932 |
| Executive and council | | 157,098 | 3,481 | 48,179 | 3,643 | 2,616 | 2,485 | 3,600 | 3,780 | 3,969 |
| Mayor and Council | | 49,782 | 703 | 10,875 | | | | | | |
| Municipal Manager | | 107,316 | 2,778 | 37,303 | 3,643 | 2,616 | 2,485 | 3,600 | 3,780 | 3,969 |
| Budget and treasury office | | | 67,887 | 90,421 | 79,799 | 82,822 | 78,681 | 96,819 | 101,660 | 106,743 |
| Corporate services | | | 968 | 43,733 | | 600 | 570 | 200 | 210 | 221 |
| Human Resources | | | | | | | | | | |
| Information Technology | | | | | | | | | | |
| Property Services | | | | | | 600 | 570 | 200 | 210 | 221 |
| Other Admin | | | 968 | 43,733 | | | | | | |
| Community and public safety | | 4,978 | 3,555 | 837 | 6,024 | 7,024 | 6,673 | 6,662 | 6,995 | 7,344 |
| Community and social services | | | | | | | | | | |
| Libraries and Archives | | | | | | | | | | |
| Museums & Art Galleries etc | | | | | | | | | | |
| Community halls and Facilities | | | | | | | | | | |
| Cemeteries & Crematoriums | | | | | | | | | | |
| Child Care | | | | | | | | | | |
| Aged Care | | | | | | | | | | |
| Other Community | | | | | | | | | | |
| Other Social | | | | | | | | | | |
| Sport and recreation | | | | | 249 | 249 | 237 | 540 | 567 | 585 |
| Public safety | | 4,978 | 3,555 | 837 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,749 |
| Police | | | | | | 1,050 | 998 | 1,113 | 1,169 | 1,227 |
| Fire | | | | | | | | | | |
| Civil Defence | | | | | | | | | | |
| Street Lighting | | | | | | | | | | |
| Other | | 4,978 | 3,555 | 837 | 4,725 | 5,725 | 5,439 | 5,009 | 5,259 | 5,522 |
| Housing | | | | | | | | | | |
| Health | | | | | | | | | | |
| Clinics | | | | | | | | | | |
| Ambulance | | | | | | | | | | |
| Other | | | | | | | | | | |
| Economic and environmental services | | 197,924 | 353,420 | 254,848 | 62,284 | 70,038 | 66,536 | 70,781 | 74,320 | 78,036 |
| Planning and development | | 197,924 | 353,203 | 252,368 | 59,908 | 67,662 | 64,279 | 68,263 | 71,676 | 75,259 |
| Economic Development/Planning | | 197,924 | 353,203 | 252,368 | 59,908 | 67,662 | 64,279 | 68,263 | 71,676 | 75,259 |
| Town Planning/Building enforcement | | | | | | | | | | |
| Licensing & Regulation | | | | | | | | | | |
| Road transport | | | | | | | | | | |
| Roads | | | | | | | | | | |
| Public Buses | | | | | | | | | | |
| Parking Garages | | | | | | | | | | |
| Vehicle Licensing and Testing | | | | | | | | | | |
| Other | | | | | | | | | | |
| Environmental protection | | | 217 | 2,480 | 2,376 | 2,376 | 2,257 | 2,519 | 2,644 | 2,777 |
| Pollution Control | | | | | | | | | | |
| Biodiversity & Landscape | | | | | | | | | | |
| Other | | | 217 | 2,480 | 2,376 | 2,376 | 2,257 | 2,519 | 2,644 | 2,777 |
| Trading services | | 306,703 | 407,799 | 412,069 | 542,087 | 468,584 | 445,155 | 485,277 | 509,541 | 535,018 |
| Electricity | | | | | | | | | | |
| Electricity Distribution | | | | | | | | | | |
| Electricity Generation | | | | | | | | | | |
| Water | | 254,336 | 335,729 | 313,628 | 446,662 | 373,160 | 354,502 | 384,093 | 403,298 | 423,463 |
| Water Distribution | | 254,336 | 335,729 | 313,628 | 446,662 | 373,160 | 354,502 | 384,093 | 403,298 | 423,463 |
| Water Storage | | | | | | | | | | |
| Waste water management | | 52,367 | 72,070 | 98,461 | 95,424 | 95,424 | 90,653 | 101,183 | 106,243 | 111,555 |
| Sewerage | | 52,367 | 72,070 | 98,461 | 95,424 | 95,424 | 90,653 | 101,183 | 106,243 | 111,555 |
| Storm Water Management | | | | | | | | | | |
| Public Toilets | | | | | | | | | | |
| Waste management | | | | | | | | | | |
| Solid Waste | | | | | | | | | | |
| Other | | 465 | 626 | 535 | 1,094 | 366 | 347 | 1,800 | 1,890 | 1,985 |
| Air Transport | | | | | | | | | | |
| Abattoirs | | | | | | | | | | |
| Tourism | | | | | | | | | | |
| Forestry | | | | | | | | | | |
| Markets | | 465 | 626 | 535 | 1,094 | 366 | 347 | 1,800 | 1,890 | 1,985 |
| Total Revenue - Standard | 2 | 667,167 | 837,735 | 850,642 | 694,931 | 632,050 | 600,448 | 665,138 | 698,395 | 733,315 |
| Expenditure - Standard | | | | | | | | | | |
| Municipal governance and administration | | 165,425 | 122,164 | 163,985 | 158,515 | 135,692 | 128,907 | 135,353 | 142,120 | 149,226 |
| Executive and council | | 50,698 | 50,906 | 56,454 | 67,001 | 57,243 | 54,381 | 56,318 | 58,134 | 62,091 |
| Mayor and Council | | | 14,166 | 14,663 | 19,020 | 14,273 | 13,560 | 14,787 | 15,527 | 16,303 |
| Municipal Manager | | 50,698 | 36,739 | 41,791 | 47,982 | 42,970 | 40,821 | 41,531 | 43,607 | 45,788 |
| Budget and treasury office | | 114,727 | 24,688 | 55,591 | 38,761 | 36,203 | 34,393 | 35,458 | 37,230 | 39,092 |
| Corporate services | | | 46,570 | 51,939 | 52,752 | 42,246 | 40,133 | 43,577 | 45,756 | 48,044 |
| Human Resources | | | | | | | | | | |
| Information Technology | | | | | | | | | | |
| Property Services | | | | | | | | | | |
| Other Admin | | | 46,570 | 51,939 | 52,752 | 42,246 | 40,133 | 43,577 | 45,756 | 48,044 |

| | | | | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Community and public safety | 20,388 | 5,009 | 457 | 10,556 | 10,654 | 10,121 | 9,764 | 10,252 | 10,764 |
| Community and social services | - | - | - | - | - | - | - | - | - |
| Libraries and Archives | - | - | - | - | - | - | - | - | - |
| Museums & Art Galleries etc | - | - | - | - | - | - | - | - | - |
| Community halls and Facilities | - | - | - | - | - | - | - | - | - |
| Cemeteries & Crematoriums | - | - | - | - | - | - | - | - | - |
| Child Care | - | - | - | - | - | - | - | - | - |
| Aged Care | - | - | - | - | - | - | - | - | - |
| Other Community | - | - | - | - | - | - | - | - | - |
| Other Social | - | - | - | - | - | - | - | - | - |
| Sport and recreation | - | - | - | 4,781 | 3,879 | 3,685 | 3,642 | 3,824 | 4,016 |
| Public safety | 20,388 | 5,009 | 457 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,749 |
| Police | - | - | - | - | - | - | - | - | - |
| Fire | - | - | - | 1,050 | 1,050 | 908 | 1,113 | 1,169 | 1,227 |
| Civil Defence | - | - | - | - | - | - | - | - | - |
| Street Lighting | - | - | - | - | - | - | - | - | - |
| Other | 20,388 | 5,009 | 457 | 4,725 | 5,725 | 5,439 | 5,009 | 5,259 | 5,522 |
| Housing | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Clinics | - | - | - | - | - | - | - | - | - |
| Ambulance | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | 101,024 | 163,912 | 92,097 | 72,574 | 78,270 | 74,357 | 90,295 | 94,809 | 99,550 |
| Planning and development | 99,417 | 163,211 | 86,378 | 63,627 | 71,219 | 67,658 | 82,355 | 86,473 | 90,796 |
| Economic Development/Planning | 99,417 | 163,211 | 86,378 | 63,627 | 71,219 | 67,658 | 82,355 | 86,473 | 90,796 |
| Town Planning/Building enforcement | - | - | - | - | - | - | - | - | - |
| Licensing & Regulation | - | - | - | - | - | - | - | - | - |
| Road transport | - | - | - | - | - | - | - | - | - |
| Roads | - | - | - | - | - | - | - | - | - |
| Public Buses | - | - | - | - | - | - | - | - | - |
| Parking Garages | - | - | - | - | - | - | - | - | - |
| Vehicle Licensing and Testing | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Environmental protection | 1,608 | 700 | 5,719 | 8,948 | 7,052 | 6,699 | 7,939 | 8,336 | 8,753 |
| Pollution Control | - | - | - | - | - | - | - | - | - |
| Biodiversity & Landscape | - | - | - | - | - | - | - | - | - |
| Other | 1,608 | 700 | 5,719 | 8,948 | 7,052 | 6,699 | 7,939 | 8,336 | 8,753 |
| Trading services | 359,136 | 358,356 | 486,975 | 434,112 | 403,930 | 383,734 | 416,981 | 437,830 | 459,721 |
| Electricity | - | - | - | - | - | - | - | - | - |
| Electricity Distribution | - | - | - | - | - | - | - | - | - |
| Electricity Generation | - | - | - | - | - | - | - | - | - |
| Water | 300,994 | 310,907 | 415,067 | 367,697 | 344,680 | 327,446 | 338,241 | 355,153 | 372,911 |
| Water Distribution | 300,994 | 310,907 | 415,067 | 367,697 | 344,680 | 327,446 | 338,241 | 355,153 | 372,911 |
| Water Storage | - | - | - | - | - | - | - | - | - |
| Waste water management | 58,142 | 47,449 | 71,908 | 66,414 | 59,251 | 56,268 | 78,739 | 82,676 | 86,810 |
| Sewerage | 58,142 | 47,449 | 71,908 | 66,414 | 59,251 | 56,268 | 78,739 | 82,676 | 86,810 |
| Storm Water Management | - | - | - | - | - | - | - | - | - |
| Public Toilets | - | - | - | - | - | - | - | - | - |
| Waste management | - | - | - | - | - | - | - | - | - |
| Solid Waste | - | - | - | - | - | - | - | - | - |
| Other | 1,567 | 1,631 | 4,484 | 5,160 | 3,503 | 3,328 | 1,798 | 1,888 | 1,983 |
| Air Transport | - | - | - | - | - | - | - | - | - |
| Abattoirs | - | - | - | - | - | - | - | - | - |
| Tourism | - | - | - | - | - | - | - | - | - |
| Forestry | - | - | - | - | - | - | - | - | - |
| Markets | 1,567 | 1,631 | 4,484 | 5,160 | 3,503 | 3,328 | 1,798 | 1,888 | 1,983 |
| Total Expenditure - Standard | 3 647,541 | 651,071 | 747,998 | 680,917 | 632,049 | 600,447 | 654,190 | 686,899 | 721,244 |
| Surplus/(Deficit) for the year | 19,626 | 186,664 | 102,644 | 14,013 | 1 | 1 | 10,949 | 11,496 | 12,071 |

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

| | | | | | | | | | |
|---------------------|----|-------------|---|--------|--------|--------|--------------|--------------|--------------|
| check oprev balance | - | -93,768,328 | - | -77 | 40 | 38 | -306,882,423 | -322,226,545 | -338,337,872 |
| check opexp balance | -1 | -93,768,328 | - | -1,003 | -1,059 | -1,025 | -29,644,591 | 29,586,135 | 31,514,505 |

DC21 Ugu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Ref | 2008/9 | 2009/10 | 2010/11 | Current Year 2011/12 | | | 2012/13 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote1 - Executive & Council | | 157,098 | 3,481 | 48,179 | 3,643 | 2,616 | 2,485 | 3,600 | 3,780 | 3,969 |
| Vote2 - Finance & Administration | | - | 68,855 | 134,155 | 79,799 | 83,422 | 79,251 | 97,019 | 101,870 | 106,963 |
| Vote3 - Infrastructure & Economic Development | | 197,924 | 353,203 | 252,368 | 59,908 | 67,662 | 64,279 | 66,263 | 71,676 | 75,259 |
| Vote4 - Water | | 254,336 | 335,729 | 313,628 | 446,662 | 373,160 | 354,502 | 384,093 | 403,298 | 423,463 |
| Vote5 - Waste Water Management | | 52,367 | 72,070 | 98,461 | 95,424 | 95,424 | 90,653 | 101,183 | 106,243 | 111,555 |
| Vote6 - Public Safety | | 4,978 | 3,555 | 837 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,749 |
| Vote7 - Environmental Protection | | - | 217 | 2,480 | 2,376 | 2,376 | 2,257 | 2,519 | 2,644 | 2,777 |
| Vote8 - Other : Market | | 465 | 626 | 535 | 1,094 | 366 | 347 | 1,800 | 1,890 | 1,985 |
| Vote9 - Sports & Recreation | | - | - | - | 249 | 249 | 237 | 540 | 567 | 595 |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 667,167 | 837,735 | 850,642 | 694,931 | 632,050 | 600,448 | 665,138 | 698,395 | 733,315 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote1 - Executive & Council | | 50,698 | 50,906 | 56,454 | 67,001 | 57,243 | 54,381 | 56,318 | 59,134 | 62,091 |
| Vote2 - Finance & Administration | | 114,727 | 71,258 | 107,530 | 91,513 | 78,448 | 74,526 | 79,035 | 82,986 | 87,136 |
| Vote3 - Infrastructure & Economic Development | | 99,417 | 163,211 | 86,378 | 63,627 | 71,219 | 67,658 | 82,355 | 86,473 | 90,796 |
| Vote4 - Water | | 300,994 | 310,907 | 415,067 | 367,697 | 344,680 | 327,446 | 338,241 | 355,153 | 372,911 |
| Vote5 - Waste Water Management | | 58,142 | 47,449 | 71,908 | 66,414 | 59,251 | 56,288 | 78,739 | 82,676 | 86,810 |
| Vote6 - Public Safety | | 20,388 | 5,009 | 457 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,749 |
| Vote7 - Environmental Protection | | 1,608 | 700 | 5,719 | 8,948 | 7,052 | 6,699 | 7,939 | 8,336 | 8,753 |
| Vote8 - Other : Market | | 1,567 | 1,631 | 4,484 | 5,160 | 3,503 | 3,328 | 1,798 | 1,888 | 1,983 |
| Vote9 - Sports & Recreation | | - | - | - | 4,781 | 3,879 | 3,685 | 3,642 | 3,824 | 4,016 |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 647,541 | 651,071 | 747,998 | 680,917 | 632,049 | 600,447 | 654,190 | 686,899 | 721,244 |
| Surplus/(Deficit) for the year | 2 | 19,626 | 186,664 | 102,644 | 14,013 | 1 | 1 | 10,949 | 11,496 | 12,071 |

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

DC21 Ugu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

| 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 | | | | | | | | | | |
| Vote1 - Executive & Council | 1 | 157,098 | 3,481 | 48,179 | 3,643 | 2,616 | 2,485 | 3,600 | 3,780 | 3,969 |
| Mayor and Council | | 49,782 | 703 | 10,875 | - | - | - | - | - | - |
| Municipal Manager | | 107,316 | 2,778 | 37,303 | 3,643 | 2,616 | 2,485 | 3,600 | 3,780 | 3,969 |
| Vote2 - Finance & Administration | | - | 68,855 | 134,155 | 79,799 | 83,422 | 79,251 | 97,019 | 101,870 | 106,963 |
| Budget and treasury office | | - | 67,867 | 90,421 | 79,799 | 82,822 | 78,681 | 96,819 | 101,660 | 106,743 |
| Corporate services | | - | 968 | 43,733 | - | 600 | 570 | 200 | 210 | 221 |
| Vote3 - Infrastructure & Economic Development | | 197,924 | 353,203 | 252,368 | 59,908 | 67,662 | 64,279 | 68,263 | 71,676 | 75,259 |
| 3.1 - Local Economic Development | | 197,924 | 353,203 | 252,368 | 59,908 | 67,662 | 64,279 | 68,263 | 71,676 | 75,259 |
| Vote4 - Water | | 254,336 | 335,729 | 313,628 | 446,662 | 373,160 | 354,502 | 384,093 | 403,298 | 423,463 |
| 4.1 - [Name of sub-vote] | | 254,336 | 335,729 | 313,628 | 446,662 | 373,160 | 354,502 | 384,093 | 403,298 | 423,463 |
| Vote5 - Waste Water Management | | 52,367 | 72,070 | 98,461 | 95,424 | 95,424 | 90,653 | 101,183 | 106,243 | 111,555 |
| 5.1 - [Name of sub-vote] | | 52,367 | 72,070 | 98,461 | 95,424 | 95,424 | 90,653 | 101,183 | 106,243 | 111,555 |
| Vote6 - Public Safety | | 4,978 | 3,555 | 837 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,749 |
| 6.1 - Fire Fighting | | 4,978 | 3,555 | 837 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,749 |
| 6.2 - Disaster Management | | - | - | - | - | - | - | - | - | - |
| Vote7 - Environmental Protection | | - | 217 | 2,480 | 2,376 | 2,376 | 2,257 | 2,519 | 2,644 | 2,777 |
| 7.1 - [Name of sub-vote] | | - | 217 | 2,480 | 2,376 | 2,376 | 2,257 | 2,519 | 2,644 | 2,777 |

DC21 Ugu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

| 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 |
| R thousand | | | | | | | | | | |
| Vote8 - Other : Market 8.1 - [Name of sub-vote] | | 465 465 | 626 626 | 535 535 | 1,094 1,094 | 366 366 | 347 347 | 1,800 1,800 | 1,890 1,890 | 1,985 1,985 |
| Vote9 - Sports & Recreation 9.1 - [Name of sub-vote] | | - - | - - | - - | 249 249 | 249 249 | 237 237 | 540 540 | 567 567 | 595 595 |
| Vote 10 - [NAME OF VOTE 10] 10.1 - [Name of sub-vote] | | - - | - - | - - | - - | - - | - - | - - | - - | - - |
| Vote 11 - [NAME OF VOTE 11] 11.1 - [Name of sub-vote] | | - - | - - | - - | - - | - - | - - | - - | - - | - - |
| Vote 12 - [NAME OF VOTE 12] 12.1 - [Name of sub-vote] | | - - | - - | - - | - - | - - | - - | - - | - - | - - |
| Vote 13 - [NAME OF VOTE 13] 13.1 - [Name of sub-vote] | | - - | - - | - - | - - | - - | - - | - - | - - | - - |

DC21 Ugu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

| 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 |
| R thousand | | | | | | | | | | |
| Vote 14 - [NAME OF VOTE 14] 14.1 - [Name of sub-vote] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] 15.1 - [Name of sub-vote] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 667,167 | 837,735 | 850,642 | 694,931 | 632,050 | 600,448 | 665,138 | 698,395 | 733,315 |

DC21 Ugu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

| 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 |
| Expenditure by Vote | | | | | | | | | | |
| Vote1 - Executive & Council | 1 | 50,698 | 50,906 | 56,454 | 67,001 | 57,243 | 54,381 | 56,318 | 59,134 | 62,091 |
| Mayor and Council | | - | 14,166 | 14,663 | 19,020 | 14,273 | 13,560 | 14,787 | 15,527 | 16,303 |
| Municipal Manager | | 50,698 | 36,739 | 41,791 | 47,982 | 42,970 | 40,821 | 41,531 | 43,607 | 45,788 |
| Vote2 - Finance & Administration | | 114,727 | 71,258 | 107,530 | 91,513 | 78,448 | 74,526 | 79,035 | 82,986 | 87,136 |
| Budget and treasury office | | 114,727 | 24,688 | 55,591 | 38,761 | 36,203 | 34,393 | 35,458 | 37,230 | 39,092 |
| Corporate services | | - | 46,570 | 51,939 | 52,752 | 42,246 | 40,133 | 43,577 | 45,756 | 48,044 |
| Vote3 - Infrastructure & Economic Development | | 99,417 | 163,211 | 86,378 | 63,627 | 71,219 | 67,658 | 82,355 | 86,473 | 90,796 |
| 3.1 - Local Economic Development | | 99,417 | 163,211 | 86,378 | 63,627 | 71,219 | 67,658 | 82,355 | 86,473 | 90,796 |
| Vote4 - Water | | 300,994 | 310,907 | 415,067 | 367,697 | 344,680 | 327,446 | 338,241 | 355,153 | 372,911 |
| 4.1 - [Name of sub-vote] | | 300,994 | 310,907 | 415,067 | 367,697 | 344,680 | 327,446 | 338,241 | 355,153 | 372,911 |
| Vote5 - Waste Water Management | | 58,142 | 47,449 | 71,908 | 66,414 | 59,251 | 56,288 | 78,739 | 82,676 | 86,810 |
| 5.1 - [Name of sub-vote] | | 58,142 | 47,449 | 71,908 | 66,414 | 59,251 | 56,288 | 78,739 | 82,676 | 86,810 |
| Vote6 - Public Safety | | 20,388 | 5,009 | 457 | 5,775 | 6,775 | 6,436 | 6,122 | 6,428 | 6,749 |
| 6.1 - Fire Fighting | | 20,388 | 5,009 | 457 | 4,725 | 5,725 | 5,439 | 5,009 | 5,259 | 5,522 |
| 6.2 - Disaster Management | | - | - | - | 1,050 | 1,050 | 998 | 1,113 | 1,169 | 1,227 |
| Vote7 - Environmental Protection | | 1,608 | 700 | 5,719 | 8,948 | 7,052 | 6,699 | 7,939 | 8,336 | 8,753 |
| 7.1 - [Name of sub-vote] | | 1,608 | 700 | 5,719 | 8,948 | 7,052 | 6,699 | 7,939 | 8,336 | 8,753 |

DC21 Ugu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

| 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 |
| R thousand | | | | | | | | | | |
| Vote8 - Other : Market 8.1 - [Name of sub-vote] | | 1,567 | 1,631 | 4,484 | 5,160 | 3,503 | 3,328 | 1,798 | 1,888 | 1,983 |
| | | 1,567 | 1,631 | 4,484 | 5,160 | 3,503 | 3,328 | 1,798 | 1,888 | 1,983 |
| Vote9 - Sports & Recreation 9.1 - [Name of sub-vote] | | - | - | - | 4,781 | 3,879 | 3,685 | 3,642 | 3,824 | 4,016 |
| | | - | - | - | 4,781 | 3,879 | 3,685 | 3,642 | 3,824 | 4,016 |
| Vote 10 - [NAME OF VOTE 10] 10.1 - [Name of sub-vote] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] 11.1 - [Name of sub-vote] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] 12.1 - [Name of sub-vote] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] 13.1 - [Name of sub-vote] | | - | - | - | - | - | - | - | - | - |

DC21 Ugu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

| 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 |
| R thousand | | | | | | | | | | |
| Vote 14 - [NAME OF VOTE 14] 14.1 - [Name of sub-vote] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] 15.1 - [Name of sub-vote] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 647,541 | 651,071 | 747,998 | 680,917 | 632,049 | 600,447 | 654,190 | 686,899 | 721,244 |
| Surplus/(Deficit) for the year | 2 | 19,626 | 186,664 | 102,644 | 14,013 | 1 | 1 | 10,949 | 11,496 | 12,071 |

References

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

DC21 Ugu - 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 | – | – | – | – | – | – | – | – | – | – |
| Property rates - penalties & collection charges | | | | | | | | | | | |
| Service charges - electricity revenue | 2 | – | – | – | – | – | – | – | – | – | – |
| Service charges - water revenue | 2 | 152,861 | 184,991 | 168,241 | 300,336 | 221,803 | 210,713 | 210,213 | 234,373 | 246,091 | 258,396 |
| Service charges - sanitation revenue | 2 | 49,134 | 61,739 | 72,040 | 90,778 | 90,778 | 86,239 | 86,089 | 96,041 | 100,843 | 105,885 |
| Service charges - refuse revenue | 2 | – | – | – | – | – | – | – | – | – | – |
| Service charges - other | | | | | | | | | | | |
| Rental of facilities and equipment | | 291 | 792 | 1,150 | 770 | 558 | 530 | 530 | 2,970 | 3,119 | 3,275 |
| Interest earned - external investments | | 10,748 | 9,885 | 6,161 | 10,983 | 2,000 | 1,900 | 1,900 | 2,000 | 2,100 | 2,205 |
| Interest earned - outstanding debtors | | 3,393 | 38,475 | 17,071 | 1,244 | 1,244 | 1,182 | 1,182 | 1,873 | 1,967 | 2,065 |
| Dividends received | | | | | | | | | | | |
| Fines | | | | | | | | | | | |
| Licences and permits | | | | | | | | | | | |
| Agency services | | | | | | | | | | | |
| Transfers recognised - operational | | 339,771 | 526,279 | 450,364 | 284,789 | 309,960 | 294,481 | 294,481 | 324,165 | 340,373 | 357,391 |
| Other revenue | 2 | 110,971 | 109,343 | 133,962 | 6,031 | 5,667 | 5,403 | 5,667 | 3,717 | 3,903 | 4,098 |
| Gains on disposal of PPE | | | | 1,653 | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 667,167 | 931,503 | 850,642 | 694,931 | 632,050 | 600,448 | 600,082 | 665,138 | 698,395 | 733,315 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 2 | 165,543 | 194,766 | 221,280 | 269,300 | 243,682 | 231,498 | 231,498 | 240,476 | 252,499 | 265,124 |
| Remuneration of councillors | | 5,542 | 6,467 | 6,192 | 7,002 | 7,002 | 6,652 | 6,647 | 6,981 | 6,981 | 6,981 |
| Debt impairment | 3 | 10,396 | 17,840 | 27,900 | 9,280 | 9,280 | 8,816 | 8,716 | 11,379 | 11,948 | 12,546 |
| Depreciation & asset impairment | 2 | 25,456 | 45,056 | 49,154 | 49,779 | 49,779 | 47,290 | 47,290 | 57,947 | 60,845 | 63,887 |
| Finance charges | | 8,514 | 9,300 | 20,978 | 14,469 | 18,410 | 17,489 | 17,489 | 17,972 | 18,871 | 19,814 |
| Bulk purchases | 2 | 20,121 | 25,672 | 31,839 | 39,000 | 36,606 | 34,776 | 34,776 | 40,513 | 42,539 | 44,666 |
| Other materials | 8 | 4,525 | 5,375 | | 5,480 | 6,265 | 5,952 | 5,452 | 4,924 | 5,171 | 5,429 |
| Contracted services | | 12,422 | 16,713 | 16,502 | 25,741 | 21,329 | 20,263 | 20,263 | 22,652 | 23,785 | 24,974 |
| Transfers and grants | | 215,869 | 215,869 | 145,715 | 108,222 | 115,585 | 109,806 | 109,806 | 114,758 | 120,496 | 126,521 |
| Other expenditure | 4, 5 | 179,153 | 207,783 | 228,438 | 152,646 | 124,112 | 117,907 | 116,878 | 106,942 | 114,179 | 119,788 |
| Loss on disposal of PPE | | | | | | | | | | | |
| Total Expenditure | | 647,541 | 744,839 | 747,998 | 680,918 | 632,051 | 600,448 | 598,814 | 624,545 | 657,313 | 689,730 |
| Surplus/(Deficit) | | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 40,593 | 41,082 | 43,586 |
| Transfers recognised - capital | | | | | | | | | | | |
| Contributions recognised - capital | 6 | – | – | – | – | – | – | – | 306,882 | 322,227 | 336,338 |
| Contributed assets | | | | | | | | | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 347,476 | 363,309 | 381,923 |
| Taxation | | | | | | | | | | | |
| Surplus/(Deficit) after taxation | | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 347,476 | 363,309 | 381,923 |
| Attributable to minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 347,476 | 363,309 | 381,923 |
| Share of surplus/ (deficit) of associate | 7 | | | | | | | | | | |
| Surplus/(Deficit) for the year | | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 347,476 | 363,309 | 381,923 |

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method

DC21 Ugu - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description | Ref | 2008/9 | 2009/10 | 2010/11 | Current Year 2011/12 | | | | 2012/13 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| R thousand | | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure, to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive & Council | | 2,068 | 2,624 | 75 | 2,000 | 3,418 | 3,247 | 3,247 | - | - | - |
| Vote 2 - Finance and Administration | | 5,777 | 9,317 | 4,250 | 3,100 | 1,165 | 1,107 | 1,107 | 2,500 | 2,625 | 2,756 |
| Vote 3 - Infrastructure and Economic Development | | 23,108 | 67,966 | 18 | 5 | - | - | - | - | - | - |
| Vote 4 - Water | | 190,755 | 236,061 | 159,364 | 225,372 | 254,307 | 241,592 | 241,092 | 281,182 | 295,242 | 310,004 |
| Vote 5 - Waste Water Management | | 8,822 | 60,324 | 41,215 | 116,902 | 59,552 | 56,574 | 56,374 | 40,700 | 42,735 | 44,872 |
| Vote 6 - Public Safety | | - | - | 18 | 17,065 | 16,650 | 15,818 | 15,818 | - | - | - |
| Vote 7 - Environmental Protection | | - | - | - | 50 | - | - | - | - | - | - |
| Vote 8 - Markets | | 2,503 | 2,718 | 387 | 650 | - | - | - | - | - | - |
| Vote 9 - Sports and Recreation | | - | - | 6,874 | 775 | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 318,338 | 317,638 | 324,382 | 340,602 | 357,632 |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Executive & Council | | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - Finance and Administration | | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - Infrastructure and Economic Development | | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Water | | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - Waste Water Management | | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - Public Safety | | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - Environmental Protection | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - Markets | | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - Sports and Recreation | | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | | | | | | | | | | |
| Total Capital Expenditure - Vote | | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 318,338 | 317,638 | 324,382 | 340,602 | 357,632 |
| Capital Expenditure - Standard | | | | | | | | | | | |
| Governance and administration | | 7,844 | 11,941 | 4,326 | 5,100 | 4,583 | 4,364 | 4,354 | 2,500 | 2,625 | 2,756 |
| Executive and council | | 2,068 | 2,624 | 75 | 2,000 | 3,418 | 3,247 | 3,247 | - | - | - |
| Budget and treasury office | | - | - | - | - | - | - | - | - | - | - |
| Corporate services | | 5,777 | 9,317 | 4,250 | 3,100 | 1,165 | 1,107 | 1,107 | 2,500 | 2,625 | 2,756 |
| Community and public safety | | - | - | 6,893 | 17,840 | 16,650 | 15,818 | 15,818 | - | - | - |
| Community and social services | | - | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | - | 6,874 | 775 | - | - | - | - | - | - |
| Public safety | | - | - | 18 | 17,065 | 16,650 | 15,818 | 15,818 | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 23,108 | 70,685 | 18 | 55 | - | - | - | - | - | - |
| Planning and development | | 23,108 | 67,966 | 18 | 5 | - | - | - | - | - | - |
| Road transport | | - | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | 2,718 | 50 | 50 | - | - | - | - | - | - |
| Trading services | | 199,578 | 296,365 | 200,569 | 342,874 | 313,859 | 298,166 | 297,466 | 321,882 | 337,977 | 354,875 |
| Electricity | | - | - | - | - | - | - | - | - | - | - |
| Water | | 190,755 | 236,061 | 159,364 | 225,372 | 254,307 | 241,592 | 241,092 | 281,182 | 295,242 | 310,004 |
| Waste water management | | 8,822 | 60,324 | 41,215 | 116,902 | 59,552 | 56,574 | 56,374 | 40,700 | 42,735 | 44,872 |
| Waste management | | - | - | - | - | - | - | - | - | - | - |
| Other | | 2,503 | - | 387 | 650 | - | - | - | - | - | - |
| Total Capital Expenditure - Standard | 3 | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 318,338 | 317,638 | 324,382 | 340,602 | 357,632 |
| Funded by: | | | | | | | | | | | |
| National Government | | 190,604 | 261,457 | 110,319 | 310,196 | 295,066 | 280,312 | 279,383 | 284,882 | 299,127 | 314,083 |
| Provincial Government | | - | - | - | - | - | - | - | 16,700 | 16,485 | 17,309 |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | 6,300 | 6,615 | 6,946 |
| Transfers recognised - capital | 4 | 190,604 | 261,457 | 110,319 | 310,196 | 295,066 | 280,312 | 279,383 | 306,882 | 322,227 | 338,338 |
| Public contributions & donations | 5 | - | - | - | - | - | - | - | - | - | - |
| Borrowing | 6 | 16,066 | 82,437 | 59,842 | 35,443 | 35,443 | 33,671 | 33,671 | 10,000 | 10,500 | 11,025 |
| Internally generated funds | 7 | 66,373 | 35,117 | 42,031 | 20,880 | 4,583 | 4,364 | 4,583 | 7,500 | 7,875 | 8,269 |
| Total Capital Funding | 7 | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 318,338 | 317,638 | 324,382 | 340,602 | 357,632 |

References:

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year.
- Capital expenditure by standard classification must reconcile to the appropriations by vote.
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure).
- Must reconcile to Budgeted Financial Performance (revenue and expenditure).
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17.
- Total Capital Funding must balance with Total Capital Expenditure.
- Include any capitalised interest (MFMA section 48) as part of relevant capital budget.

DC21 Ugu - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description | Ref | 2008/9 | 2009/10 | 2010/11 | Current Year 2011/12 | | | 2012/13 Medium Term Revenue & Expenditure Framework | | | | | | | | | | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 | | | | | | | | |
| R thousand | 1 | | | | | | | | | | | | | | | | | | |
| Capital expenditure - Municipal Vote | 2 | | | | | | | | | | | | | | | | | | |
| Multi-year expenditure appropriation | | | | | | | | | | | | | | | | | | | |
| Vote 1 - Executive & Council | | 2,068 | 2,624 | 75 | 2,000 | 3,418 | 3,247 | 3,247 | | | | | | | | | | | |
| 1.1 - Mayor and Council | | 2,068 | 25 | 21 | 2,000 | 3,418 | 3,247 | 3,247 | | | | | | | | | | | |
| 1.2 - Municipal Manager's Office | | | 2,599 | 55 | | | | | | | | | | | | | | | |
| Vote 2 - Finance and Administration | | 5,777 | 9,317 | 4,250 | 3,100 | 1,165 | 1,107 | 1,107 | 1,107 | 2,625 | 2,756 | | | | | | | | |
| 2.1 - Budget and Treasury Office | | | | | | | | | | | | | | | | | | | |
| 2.2 - Corporate Services | | 5,777 | 9,317 | 4,250 | 3,100 | 1,165 | 1,107 | 1,107 | 1,107 | 2,625 | 2,756 | | | | | | | | |
| Vote 3 - Infrastructure and Economic Development | | 23,108 | 67,966 | 18 | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.1 - Local Economic Development | | 23,108 | 67,966 | 18 | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 4 - Water | | 190,755 | 236,061 | 159,354 | 225,972 | 254,307 | 241,592 | 241,092 | 261,182 | 295,242 | 310,004 | | | | | | | | |

| 4.1 - [Name of sub-vote] | 190,755 | 236,061 | 159,354 | 225,972 | 254,307 | 241,592 | 241,092 | 281,182 | 295,242 | 310,004 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Vote 5 - Waste Water Management | | | | | | | | | | |
| 5.1 - [Name of sub-vote] | 8,822 | 60,324 | 41,215 | 116,902 | 59,552 | 56,574 | 56,374 | 40,700 | 42,735 | 44,872 |
| | 8,822 | 60,324 | 41,215 | 116,902 | 59,552 | 56,574 | 56,374 | 40,700 | 42,735 | 44,872 |
| Vote 6 - Public Safety | | | | | | | | | | |
| 6.1 - Fire Fighting | - | - | 18 | 17,065 | 16,650 | 15,818 | 15,818 | - | - | - |
| 6.2 - Disaster Management | - | - | 18 | 17,065 | 16,650 | 15,818 | 15,818 | - | - | - |
| Vote 7 - Environmental Protection | | | | | | | | | | |
| 7.1 - [Name of sub-vote] | - | - | - | 50 | - | - | - | - | - | - |
| | - | - | - | 50 | - | - | - | - | - | - |
| Vote 8 - Markets | 2,503 | 2,718 | 387 | 650 | - | - | - | - | - | - |

21 Ugu - 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 |
| SETS | | | | | | | | | | | |
| rent assets | | | | | | | | | | | |
| Cash | | 46,122 | 102,862 | 41,710 | 13,301 | 22,301 | 22,301 | 22,292 | 20,546 | 21,573 | 22,652 |
| Call investment deposits | 1 | 149,435 | 49,874 | 0 | 10 | 10 | 10 | 10 | 5 | 5 | 6 |
| Consumer debtors | 1 | 45,616 | 45,276 | 39,837 | 53,249 | 43,249 | 43,249 | 43,249 | 58,821 | 54,171 | 49,288 |
| Other debtors | | 99,106 | 9,440 | 39,555 | 24,154 | 8,654 | 8,654 | 8,646 | 7,646 | 8,334 | 9,084 |
| Current portion of long-term receivables | 8 | 8 | 19,485 | 13 | 7 | 7 | 7 | 7 | 8 | 8 | 9 |
| Inventory | 2 | 7,888 | 8,548 | 8,272 | 7,826 | 7,826 | 7,826 | 7,826 | 6,826 | 8,711 | 9,146 |
| Total current assets | | 348,174 | 235,485 | 129,388 | 98,548 | 82,048 | 82,048 | 82,031 | 93,852 | 92,802 | 90,184 |
| non current assets | | | | | | | | | | | |
| Long-term receivables | | 79 | 29 | 26 | 24 | 24 | 24 | 24 | 22 | 20 | 18 |
| Investments | | 15,676 | 0 | 0 | - | - | - | - | - | - | - |
| Investment property | | | | | | | | | | | |
| Investment in Associate | | | | | | | | | | | |
| Property, plant and equipment | 3 | 911,090 | 1,240,221 | 1,393,603 | 1,334,123 | 1,298,587 | 1,303,032 | 1,303,032 | 1,569,467 | 1,551,542 | 1,629,119 |
| Agricultural | | | | | | | | | | | |
| Biological | | | | | | | | | | | |
| Intangible | | 7,595 | 12,156 | 13,694 | 14,265 | 14,265 | 14,265 | 13,375 | 7,989 | 8,389 | 8,808 |
| Other non-current assets | | | | | | | | | | | |
| Total non current assets | | 934,440 | 1,252,405 | 1,407,324 | 1,348,412 | 1,312,876 | 1,317,320 | 1,316,430 | 1,577,477 | 1,559,950 | 1,637,945 |
| TOTAL ASSETS | | 1,282,614 | 1,487,891 | 1,536,711 | 1,446,960 | 1,394,924 | 1,399,368 | 1,398,461 | 1,671,329 | 1,652,752 | 1,728,129 |
| LIABILITIES | | | | | | | | | | | |
| current liabilities | | | | | | | | | | | |
| Bank overdraft | 1 | | 4 | - | | | | | | | |
| Borrowing | 4 | 7,750 | 34,285 | 12,863 | 9,399 | 9,399 | 9,399 | 9,399 | 9,868 | 10,362 | 10,880 |
| Consumer deposits | | 17,475 | 17,766 | 18,267 | 18,206 | 18,982 | 18,982 | 18,482 | 19,036 | 19,988 | 20,987 |
| Trade and other payables | 4 | 423,172 | 316,098 | 287,929 | 248,106 | 223,106 | 200,795 | 200,795 | 202,062 | 203,461 | 204,996 |
| Provisions | | 1,979 | 2,159 | 2,912 | 1,938 | 3,964 | 3,964 | 3,714 | 3,862 | 4,056 | 4,258 |
| Total current liabilities | | 450,374 | 370,312 | 321,970 | 277,649 | 255,450 | 233,139 | 232,389 | 234,829 | 237,867 | 241,122 |
| non current liabilities | | | | | | | | | | | |
| Borrowing | | 114,261 | 221,274 | 215,249 | 235,433 | 235,433 | 205,532 | 205,532 | 209,158 | 200,909 | 192,685 |
| Provisions | | 25,439 | 27,517 | 30,016 | 32,488 | 32,488 | 32,488 | 32,488 | 34,112 | 35,818 | 37,609 |
| Total non current liabilities | | 139,700 | 248,791 | 245,265 | 267,921 | 267,921 | 238,020 | 238,020 | 243,270 | 236,726 | 230,293 |
| TOTAL LIABILITIES | | 590,074 | 619,103 | 567,235 | 545,569 | 523,371 | 471,159 | 470,409 | 478,099 | 474,593 | 471,415 |
| TOTAL ASSETS | 5 | 692,539 | 868,788 | 969,476 | 901,390 | 871,553 | 928,209 | 928,052 | 1,193,231 | 1,178,159 | 1,256,714 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 306,056 | 248,197 | 255,878 | 136,935 | 122,922 | 122,922 | 123,891 | 370,782 | 548,495 | 623,396 |
| Reserves | 4 | 386,483 | 620,591 | 713,598 | 764,455 | 748,631 | 805,287 | 804,161 | 822,448 | 629,665 | 633,318 |
| Minorities' interests | | | | | | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | 692,539 | 868,788 | 969,476 | 901,390 | 871,553 | 928,209 | 928,052 | 1,193,231 | 1,178,159 | 1,256,714 |

References
Detail to be provided in Table SA3

Include completed low cost housing to be transferred to beneficiaries within 12 months
Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
Detail to be provided in Table SA3. Includes reserves to be funded by statute.
Net assets must balance with Total Community Wealth/Equity

DC21 Ugu - 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 | | 495,944 | 306,371 | 323,551 | 367,500 | 290,163 | 246,638 | 209,643 | 287,053 | 301,405 | 316,476 |
| Government - operating | 1 | 209,166 | 264,822 | 345,839 | 246,223 | 299,387 | 284,418 | 270,197 | 322,541 | 338,668 | 355,601 |
| Government - capital | 1 | 130,604 | 261,457 | 104,525 | 218,172 | 210,887 | 200,343 | 190,326 | 306,882 | 322,227 | 338,338 |
| Interest | | 14,141 | 48,360 | 23,233 | 17,859 | 2,000 | 2,000 | 2,000 | 2,000 | 2,100 | 2,205 |
| Dividends | | | | | | | | | | | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (639,954) | (466,622) | (502,807) | (359,955) | (401,724) | (361,552) | (325,397) | (413,323) | (433,989) | (455,688) |
| Finance charges | | (8,514) | (9,300) | (20,978) | (13,889) | (18,409) | (18,409) | (18,409) | (17,972) | (18,871) | (19,814) |
| Transfers and Grants | 1 | | (215,869) | (145,715) | | (115,585) | (104,027) | (93,624) | (114,758) | (120,496) | (126,521) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 201,388 | 189,219 | 127,647 | 475,910 | 266,719 | 249,412 | 234,736 | 372,423 | 391,044 | 410,596 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | = | - | 970 | | | | | | | |
| Decrease (increase) in non-current debtors | | 27 | - | | 5 | 5 | 5 | 5 | 6 | 6 | 7 |
| Decrease (increase) other non-current receivables | | = | 46 | 0 | = | | | | | | |
| Decrease (increase) in non-current investments | | (1,900) | 15,676 | | (63,000) | | | | | | |
| Payments | | | | | | | | | | | |
| Capital assets | | (234,348) | (386,496) | (212,192) | (331,498) | (234,564) | (187,651) | (187,651) | (306,882) | (322,227) | (338,338) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (236,219) | (370,773) | (211,222) | (394,493) | (234,559) | (187,646) | (187,646) | (306,876) | (322,220) | (338,331) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | | | | | | | | | |
| Borrowing long term/refinancing | | 16,410 | 148,667 | 8,199 | 13,292 | | | | | | |
| Increase (decrease) in consumer deposits | | | | | 868 | 715 | 715 | 715 | 800 | 840 | 882 |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | (7,415) | (10,482) | (35,646) | (1,288) | (16,557) | (16,557) | (16,557) | (17,972) | (18,871) | (19,814) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 8,995 | 138,185 | (27,447) | 12,872 | (15,841) | (15,841) | (15,841) | (17,172) | (18,031) | (18,932) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (25,836) | (43,369) | (111,022) | 94,289 | 16,318 | 45,924 | 31,248 | 48,374 | 50,793 | 53,332 |
| Cash/cash equivalents at the year begin: | 2 | 221,938 | 196,102 | 152,732 | 376,285 | 41,710 | 41,710 | 41,710 | 58,028 | 106,402 | 157,195 |
| Cash/cash equivalents at the year end: | 2 | 196,102 | 152,732 | 41,710 | 470,574 | 58,028 | 87,634 | 72,958 | 106,402 | 157,195 | 210,528 |

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

221 Ugu - 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 |
| thousand | | | | | | | | | | | |
| cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 196,102 | 152,732 | 41,710 | 470,574 | 58,028 | 87,634 | 72,958 | 106,402 | 157,195 | 210,528 |
| Other current investments > 90 days | | (545) | 0 | 0 | (457,263) | (35,717) | (65,323) | (50,656) | (85,852) | (135,617) | (187,870) |
| Non current assets - Investments | 1 | 15,676 | 0 | 0 | - | - | - | - | - | - | - |
| cash and investments available: | | 211,233 | 152,732 | 41,710 | 13,311 | 22,311 | 22,311 | 22,302 | 20,551 | 21,578 | 22,657 |
| application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 300,410 | 188,581 | 138,623 | 115,721 | 105,721 | 95,149 | 95,149 | 93,246 | 91,381 | 89,563 |
| Unspent borrowing | | - | - | - | - | - | - | - | 10,000 | 10,500 | 11,025 |
| Statutory requirements | 2 | | | | | | | | (18,988) | (19,938) | (20,935) |
| Other working capital requirements | 3 | (104,028) | 85,092 | 83,833 | 61,099 | 70,310 | 63,526 | 69,807 | 52,512 | 59,133 | 65,997 |
| Other provisions | | | | | | | | | | | |
| Long term investments committed | 4 | 15,676 | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | | | | | | | | 2,400 | 2,520 | 2,520 |
| total Application of cash and investments: | | 212,058 | 273,673 | 222,456 | 176,820 | 176,031 | 158,675 | 164,956 | 139,169 | 143,596 | 148,160 |
| plus(shortfall) | | (825) | (120,941) | (180,746) | (163,509) | (153,720) | (136,364) | (142,654) | (118,618) | (122,018) | (125,503) |

References

Must reconcile with Budgeted Cash Flows

For example: VAT, taxation

Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)

For example: sinking fund requirements for borrowing

Council approval required for each reserve created and basis of cash backing of reserves

DC21 Ugu - 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 | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 335,092 | 324,382 | 340,602 | 357,632 |
| Infrastructure - Road transport | | - | - | - | - | - | - | 100 | 105 | 110 |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | 162,857 | 210,739 | 134,431 | 219,479 | 250,414 | 250,414 | 265,432 | 278,704 | 292,639 |
| Infrastructure - Sanitation | | 10,521 | 59,173 | 41,100 | 112,362 | 59,002 | 59,002 | 39,200 | 41,160 | 43,218 |
| Infrastructure - Other | | 259 | - | - | - | - | - | - | - | - |
| Infrastructure | | 173,637 | 269,912 | 175,531 | 331,831 | 309,416 | 309,416 | 304,732 | 319,966 | 335,967 |
| Community | | 23,108 | 67,484 | 6,875 | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Other assets | 6 | 36,288 | 41,615 | 29,787 | 34,688 | 25,677 | 25,677 | 19,650 | 20,633 | 21,664 |
| Agricultural Assets | | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| Intangibles | | - | - | - | - | - | - | - | - | - |
| Total Renewal of Existing Assets | 2 | - | - | - | - | - | - | - | - | - |
| Infrastructure - Road transport | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | - | - | - | - | - | - | - | - | - |
| Community | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Other assets | 6 | - | - | - | - | - | - | - | - | - |
| Agricultural Assets | | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| Intangibles | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | 4 | - | - | - | - | - | - | 100 | 105 | 110 |
| Infrastructure - Road transport | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | 162,857 | 210,739 | 134,431 | 219,479 | 250,414 | 250,414 | 265,432 | 278,704 | 292,639 |
| Infrastructure - Sanitation | | 10,521 | 59,173 | 41,100 | 112,362 | 59,002 | 59,002 | 39,200 | 41,160 | 43,218 |
| Infrastructure - Other | | 259 | - | - | - | - | - | - | - | - |
| Infrastructure | | 173,637 | 269,912 | 175,531 | 331,831 | 309,416 | 309,416 | 304,732 | 319,966 | 335,967 |
| Community | | 23,108 | 67,484 | 6,875 | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Other assets | 6 | 36,288 | 41,615 | 29,787 | 34,688 | 25,677 | 25,677 | 19,650 | 20,633 | 21,664 |
| Agricultural Assets | | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| Intangibles | | - | - | - | - | - | - | - | - | - |
| TOTAL CAPITAL EXPENDITURE - Asset class | 2 | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 335,092 | 324,382 | 340,602 | 357,632 |
| ASSET REGISTER SUMMARY - PPE (WDV) | | | | | | | | | | |
| Infrastructure - Road transport | 5 | - | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | 911,090 | 1,240,221 | - | 1,334,123 | 1,298,687 | 1,303,032 | 1,569,467 | 1,551,542 | 1,629,119 |
| Infrastructure - Sanitation | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 911,090 | 1,240,221 | - | 1,334,123 | 1,298,687 | 1,303,032 | 1,569,467 | 1,551,542 | 1,629,119 |
| Community | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | 13,694 | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Other assets | | - | - | - | - | - | - | - | - | - |
| Agricultural Assets | | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| Intangibles | | 7,636 | 12,156 | #REF! | 14,265 | 14,265 | 14,265 | 7,989 | 8,389 | 8,808 |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 918,686 | 1,252,377 | #REF! | 1,348,388 | 1,312,852 | 1,317,297 | 1,577,456 | 1,559,931 | 1,637,927 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | |
| Depreciation & asset impairment | 3 | 25,456 | 45,056 | 49,154 | 49,779 | 49,779 | 47,290 | 57,947 | 60,845 | 63,887 |
| Repairs and Maintenance by Asset Class | | 30,519 | 31,616 | 21,102 | 41,056 | 24,915 | 23,669 | 28,645 | 31,127 | 32,683 |
| Infrastructure - Road transport | | 1,158 | 1,182 | - | 5,745 | 462 | 439 | 5,196 | 5,456 | 5,729 |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | 11,483 | 16,009 | 7,965 | 18,617 | 14,458 | 13,735 | 13,093 | 13,747 | 14,435 |
| Infrastructure - Sanitation | | 257 | 338 | 625 | 448 | 363 | 346 | 394 | 413 | 434 |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 12,896 | 17,528 | 8,610 | 24,810 | 15,283 | 14,519 | 18,682 | 19,616 | 20,597 |
| Community | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Other assets | 6,7 | 17,622 | 14,088 | 12,492 | 16,286 | 9,632 | 9,150 | 10,963 | 11,511 | 12,086 |
| TOTAL EXPENDITURE OTHER ITEMS | | 55,975 | 76,672 | 70,256 | 90,875 | 74,694 | 70,960 | 87,592 | 91,972 | 96,571 |
| Renewal of Existing Assets as % of total capex | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Renewal of Existing Assets as % of deprecn* | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M as a % of PPE | | 3.3% | 2.5% | 1.5% | 3.1% | 1.9% | 1.8% | 1.9% | 2.0% | 2.0% |
| Renewal and R&M as a % of PPE | | 3.0% | 3.0% | 0.0% | 3.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down values)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category

DC21 Ugu - 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 | | 42,000 | 42,000 | 42,000 | 44,100 | 46,305 | 48,620 | 51,444 | 54,017 | 56,718 |
| Piped water inside yard (but not in dwelling) | | = | 1 | = | = | = | = | = | = | = |
| Using public tap (at least min.service level) | 2 | = | = | = | = | = | = | = | = | = |
| Other water supply (at least min.service level) | 4 | 15,048 | 16,048 | 20,548 | 22,548 | 22,548 | 22,548 | 24,548 | 26,548 | 28,548 |
| <i>Minimum Service Level and Above sub-total</i> | | 57,048 | 60,049 | 62,548 | 66,648 | 68,853 | 71,168 | 75,992 | 80,565 | 85,266 |
| Using public tap (< min.service level) | 3 | = | = | = | = | = | = | = | = | = |
| Other water supply (< min.service level) | 4 | = | = | = | = | = | = | = | = | = |
| No water supply | | 15,128 | 22,128 | 79,628 | 77,628 | 77,628 | 77,628 | 75,628 | 73,628 | 71,628 |
| <i>Below Minimum Service Level sub-total</i> | | 85,128 | 82,128 | 79,628 | 77,628 | 77,628 | 77,628 | 75,628 | 73,628 | 71,628 |
| Total number of households | 5 | 142,176 | 142,177 | 142,176 | 144,276 | 146,481 | 148,796 | 151,620 | 154,193 | 156,894 |
| Sanitation/sewerage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 16,000 | 16,000 | 16,000 | 16,881 | 16,881 | 16,881 | 16,881 | 16,881 | 16,881 |
| Flush toilet (with septic tank) | | 26,500 | 26,500 | 26,500 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 |
| Chemical toilet | | = | = | = | 140 | 140 | 140 | 140 | 140 | 140 |
| Pit toilet (ventilated) | | 42,363 | 49,252 | 57,436 | 64,547 | 64,547 | 64,547 | 85,991 | 81,547 | 86,547 |
| Other toilet provisions (> min.service level) | | = | = | = | = | = | = | = | = | = |
| <i>Minimum Service Level and Above sub-total</i> | | 84,863 | 91,752 | 99,936 | 108,568 | 108,568 | 108,568 | 130,012 | 125,568 | 130,568 |
| Bucket toilet | | = | = | = | = | = | = | = | = | = |
| Other toilet provisions (< min.service level) | | = | = | = | = | = | = | = | = | = |
| No toilet provisions | | 57,313 | 50,424 | 42,240 | 33,608 | 33,608 | 33,608 | 21,608 | 16,608 | 11,608 |
| <i>Below Minimum Service Level sub-total</i> | | 57,313 | 50,424 | 42,240 | 33,608 | 33,608 | 33,608 | 21,608 | 16,608 | 11,608 |
| Total number of households | 5 | 142,176 | 142,176 | 142,176 | 142,176 | 142,176 | 142,176 | 151,620 | 142,176 | 142,176 |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | = | = | = | = | = | = | = | = | = |
| Electricity - prepaid (min.service level) | | = | = | = | = | = | = | = | = | = |
| <i>Minimum Service Level and Above sub-total</i> | | = | = | = | = | = | = | = | = | = |
| Electricity (< min.service level) | | = | = | = | = | = | = | = | = | = |
| Electricity - prepaid (< min. service level) | | = | = | = | = | = | = | = | = | = |
| Other energy sources | | = | = | = | = | = | = | = | = | = |
| <i>Below Minimum Service Level sub-total</i> | | = | = | = | = | = | = | = | = | = |
| Total number of households | 5 | = | = | = | = | = | = | = | = | = |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | = | = | = | = | = | = | = | = | = |
| <i>Minimum Service Level and Above sub-total</i> | | = | = | = | = | = | = | = | = | = |
| Removed less frequently than once a week | | = | = | = | = | = | = | = | = | = |
| Using communal refuse dump | | = | = | = | = | = | = | = | = | = |
| Using own refuse dump | | = | = | = | = | = | = | = | = | = |
| Other rubbish disposal | | = | = | = | = | = | = | = | = | = |
| No rubbish disposal | | = | = | = | = | = | = | = | = | = |
| <i>Below Minimum Service Level sub-total</i> | | = | = | = | = | = | = | = | = | = |
| Total number of households | 5 | = | = | = | = | = | = | = | = | = |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 57,048 | 60,048 | 62,548 | 64,548 | 64,548 | 64,548 | 75,992 | 68,548 | 70,548 |
| Sanitation (free minimum level service) | | 42,363 | 49,252 | 57,436 | 64,547 | 64,547 | 64,547 | 85,991 | 81,547 | 86,547 |
| Electricity/other energy (50kwh per household per month) | | = | = | = | = | = | = | = | = | = |
| Refuse (removed at least once a week) | | = | = | = | = | = | = | = | = | = |
| Cost of Free Basic Services provided (R'000) | 8 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 1,792 | 1,792 | 2,070 | 40,930,080 | 43,084,295 | 43,351,889 | 47,738,831 | 50,125,773 | 52,632,061 |
| Sanitation (free sanitation service) | | 2,070 | 2,070 | 2,070 | = | = | = | = | = | = |
| Electricity/other energy (50kwh per household per month) | | = | = | = | = | = | = | = | = | = |
| Refuse (removed once a week) | | = | = | = | = | = | = | = | = | = |
| Total cost of FBS provided (minimum social package) | 4 | 4 | 4 | 4 | 40,930 | 43,084 | 43,352 | 47,739 | 50,126 | 52,632 |
| Highest level of free service provided | | | | | | | | | | |
| Property rates (R value threshold) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Water (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (Rand per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Electricity (kwh per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Refuse (average litres per week) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Revenue cost of free services provided (R'000) | 9 | | | | | | | | | |
| Property rates (R15 000 threshold rebate) | | = | = | = | = | = | = | = | = | = |
| Property rates (other exemptions, reductions and rebates) | | = | = | = | = | = | = | = | = | = |
| Water | | 930 | = | 1,077 | 85,113,654 | 89,593,320 | 94,308,758 | 99,272,377 | 104,235,996 | 109,447,798 |
| 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 | 1 | = | 1 | 85,114 | 89,593 | 94,309 | 99,272 | 104,236 | 109,448 |

References

1. include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service

DC21 Ugu - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

| Ref | Description | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | Current Year 2011/12 | | | | 2012/13 Medium Term Revenue & Expenditure Framework | | | |
|------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-------------------|----------------------|------------------------|------------------------|--|---|--|--|--|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Audited Outcome | Audited Outcome | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 | | | | | |
| R thousand | | | | | | | | | | | | | | | | | | | | | |
| 6 | REVENUE ITEMS: | | | | | | | | | | | | | | | | | | | | |
| | Property rates | | | | | | | | | | | | | | | | | | | | |
| | Total Property Rates | | | | | | | | | | | | | | | | | | | | |
| | less Revenue Foregone | | | | | | | | | | | | | | | | | | | | |
| | Net Property Rates | | | | | | | | | | | | | | | | | | | | |
| 6 | Service charges - electricity revenue | | | | | | | | | | | | | | | | | | | | |
| | Total Service charges - electricity revenue | | | | | | | | | | | | | | | | | | | | |
| | less Revenue Foregone | | | | | | | | | | | | | | | | | | | | |
| | Net Service charges - electricity revenue | | | | | | | | | | | | | | | | | | | | |
| 6 | Service charges - water revenue | | | | | | | | | | | | | | | | | | | | |
| | Total Service charges - water revenue | | | | | | | | | | | | | | | | | | | | |
| | less Revenue Foregone | | | | | | | | | | | | | | | | | | | | |
| | Net Service charges - water revenue | | | | | | | | | | | | | | | | | | | | |
| 6 | Service charges - sanitation revenue | | | | | | | | | | | | | | | | | | | | |
| | Total Service charges - sanitation revenue | | | | | | | | | | | | | | | | | | | | |
| | less Revenue Foregone | | | | | | | | | | | | | | | | | | | | |
| | Net Service charges - sanitation revenue | | | | | | | | | | | | | | | | | | | | |
| 6 | Service charges - refuse revenue | | | | | | | | | | | | | | | | | | | | |
| | Total refuse removal revenue | | | | | | | | | | | | | | | | | | | | |
| | Total landfill revenue | | | | | | | | | | | | | | | | | | | | |
| | less Revenue Foregone | | | | | | | | | | | | | | | | | | | | |
| | Net Service charges - refuse revenue | | | | | | | | | | | | | | | | | | | | |
| 3 | Other Revenue by source | | | | | | | | | | | | | | | | | | | | |
| | Building Plan Fees | | | | | | | | | | | | | | | | | | | | |
| | Plant Approval | | | | | | | | | | | | | | | | | | | | |
| | Connection fee - illegal connections | | | | | | | | | | | | | | | | | | | | |
| | House Connections | | | | | | | | | | | | | | | | | | | | |
| | New Connections Fees | | | | | | | | | | | | | | | | | | | | |
| | Reconnections | | | | | | | | | | | | | | | | | | | | |
| | Restrictions/Disconnections | | | | | | | | | | | | | | | | | | | | |
| | Septic Tanks - Dindori Municipality | | | | | | | | | | | | | | | | | | | | |
| | Tender Deposits | | | | | | | | | | | | | | | | | | | | |
| | Rates/Certificates | | | | | | | | | | | | | | | | | | | | |
| | Waterundry | | | | | | | | | | | | | | | | | | | | |
| | Miscellaneous / Sundry | | | | | | | | | | | | | | | | | | | | |
| | Total 'Other' Revenue | | | | | | | | | | | | | | | | | | | | |
| 1 | EXPENDITURE ITEMS: | | | | | | | | | | | | | | | | | | | | |
| | Employee related costs | | | | | | | | | | | | | | | | | | | | |
| | Basic Salaries and Wages | | | | | | | | | | | | | | | | | | | | |
| | Pension and UIF Contributions | | | | | | | | | | | | | | | | | | | | |
| | Medical Aid Contributions | | | | | | | | | | | | | | | | | | | | |
| | Overtime | | | | | | | | | | | | | | | | | | | | |
| | Performance Bonus | | | | | | | | | | | | | | | | | | | | |
| | Motor Vehicle Allowance | | | | | | | | | | | | | | | | | | | | |
| | Cellphone Allowance | | | | | | | | | | | | | | | | | | | | |
| | Housing Allowances | | | | | | | | | | | | | | | | | | | | |
| | Other benefits and allowances | | | | | | | | | | | | | | | | | | | | |
| | Payments in lieu of leave | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|----|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 4 | Long service awards | 3,600 | 83 | 10 | 10 | 10 | 10 | 10 | 10 | 745 | 779 | 816 |
| 5 | Post-retirement benefit obligations | 2,280 | 4,127 | 705 | 705 | 570 | 570 | 570 | 570 | 745 | 783 | 824 |
| | Less: Employees costs capitalised to PPE | 165,543 | 221,280 | 243,882 | 243,882 | 231,498 | 231,498 | 231,498 | 231,498 | 240,476 | 232,469 | 235,124 |
| 1 | Total Employee related costs | 165,543 | 194,766 | 269,300 | 269,300 | 231,498 | 231,498 | 231,498 | 231,498 | 240,476 | 232,469 | 235,124 |
| | Contributions recognised - capital | | | | | | | | | | | |
| | <i>List contributions by contract</i> | | | | | | | | | | | |
| | Total Contributions recognised - capital | | | | | | | | | | | |
| | Depreciation & asset impairment | | | | | | | | | | | |
| | Depreciation of Property, Plant & Equipment | 25,456 | 44,718 | 49,779 | 49,779 | 47,280 | 47,280 | 47,280 | 47,280 | 57,947 | 60,845 | 63,887 |
| | Lease amortisation | | 338 | | | | | | | | | |
| | Capital asset impairment | | | | | | | | | | | |
| | Depreciation resulting from revaluation of PPE | | | | | | | | | | | |
| 10 | Total Depreciation & asset impairment | 25,456 | 45,056 | 49,779 | 49,779 | 47,280 | 47,280 | 47,280 | 47,280 | 57,947 | 60,845 | 63,887 |
| 1 | Bulk purchases | | | | | | | | | | | |
| | Electricity Bulk Purchases | 20,121 | 25,978 | 39,000 | 39,000 | 34,776 | 34,776 | 34,776 | 34,776 | 40,513 | 44,539 | 44,666 |
| | Water Bulk Purchases | | 25,972 | 39,000 | 39,000 | 34,776 | 34,776 | 34,776 | 34,776 | 40,513 | 42,539 | 44,666 |
| 1 | Total bulk purchases | 20,121 | 25,972 | 39,000 | 39,000 | 34,776 | 34,776 | 34,776 | 34,776 | 40,513 | 42,539 | 44,666 |
| | Transfers and grants | | | | | | | | | | | |
| | Cash transfers and grants | 215,869 | 145,715 | 108,222 | 108,222 | 109,806 | 109,806 | 109,806 | 109,806 | 114,758 | 120,496 | 126,521 |
| | Non-cash transfers and grants | | | | | | | | | | | |
| 1 | Total transfers and grants | 215,869 | 145,715 | 108,222 | 108,222 | 109,806 | 109,806 | 109,806 | 109,806 | 114,758 | 120,496 | 126,521 |
| | Contracted services | | | | | | | | | | | |
| | <i>List services provided by contract</i> | | | | | | | | | | | |
| | Security Services | 4,230 | 7,476 | 6,667 | 6,667 | 8,847 | 8,847 | 8,404 | 8,404 | 9,149 | 9,809 | 10,087 |
| | Cleaning & Hygiene Services | 839 | 1,124 | 1,249 | 1,249 | 1,893 | 1,893 | 1,508 | 1,508 | 2,030 | 2,132 | 2,238 |
| | Cash Banking | 143 | 127 | 200 | 200 | 160 | 160 | 171 | 171 | 200 | 210 | 221 |
| | Alarm Monitoring | 35 | 205 | 60 | 60 | 60 | 60 | 57 | 57 | 13 | 14 | 15 |
| | Agency services | 2,007 | 161 | 409 | 409 | | | | | | | |
| | Other contracted services | 495 | 821 | 300 | 300 | 285 | 285 | 285 | 285 | 832 | 978 | 1,027 |
| | Consulting Fees | 3,884 | 6,916 | 9,070 | 9,070 | 5,465 | 5,465 | 5,465 | 5,465 | 5,115 | 5,370 | 5,639 |
| | ERP Support Services | | | 2,700 | 2,700 | 2,090 | 2,090 | 2,090 | 2,090 | 2,301 | 2,416 | 2,536 |
| | Consulting Chemists | 557 | 88 | 3,109 | 3,109 | 1,944 | 1,944 | 1,944 | 1,944 | 2,920 | 2,948 | 2,978 |
| | Internal Audit caseload | 182 | 350 | 440 | 440 | 133 | 133 | 133 | 133 | 300 | 315 | 331 |
| | Pest Control | 47 | 47 | 928 | 928 | 104 | 104 | 104 | 104 | 83 | 97 | 102 |
| 1 | Allocations to organs of state: | 12,422 | 16,713 | 25,741 | 25,741 | 20,263 | 20,263 | 20,263 | 20,263 | 22,652 | 21,785 | 24,974 |
| | Electricity | | | | | | | | | | | |
| | Water | | | | | | | | | | | |
| | Sanitation | | | | | | | | | | | |

| Other | 12,422 | 16,713 | 16,502 | 25,741 | 21,329 | 20,263 | 20,263 | 20,263 | 22,652 | 23,765 | 24,974 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total contracted services | | | | | | | | | | | |
| Other Expenditure By Type | | | | | | | | | | | |
| Collection costs | 35 | | | | | | | | 1,500 | | 1,554 |
| Contributions to other provisions | | 1,447 | 2,169 | | 1,500 | 1,500 | 1,500 | 1,500 | 19,396 | 1,576 | 23,684 |
| Consultant fees | 729 | 1,942 | 139,254 | 32,637 | 23,724 | 22,539 | 22,539 | 22,539 | 1,100 | 1,155 | 1,213 |
| Audit fees | 1,364 | | | | | | | | 700 | 735 | 772 |
| General expenses | 121,559 | 150,847 | | | | | | | | | |
| Marketing and promotion | | | | | | | | | | | |
| Disaster Recovery Plan | | | | | | | | | | | |
| Repairs and maintenance (to be deleted) | | | | | | | | | | | |
| Electricity | 15,381 | 22,989 | 27,738 | 36,249 | 37,381 | 35,512 | 35,512 | 35,512 | 43,550 | 45,759 | 48,047 |
| Fuel & Oil | 1,178 | 7,431 | 9,188 | 9,224 | 9,274 | 7,850 | 7,760 | 7,760 | 9,253 | 9,688 | 9,939 |
| Transport Costs | 14,681 | 5,721 | 4,893 | 5,469 | 4,544 | 4,317 | 4,317 | 4,317 | 4,136 | 4,343 | 4,580 |
| Uniforms | 798 | 297 | 636 | 948 | 598 | 588 | 588 | 588 | 1,140 | 1,197 | 1,257 |
| Workshops/Commission | 1911 | 980 | 1,220 | 1,500 | 1,509 | 1,425 | 1,425 | 1,425 | 1,500 | 1,575 | 1,659 |
| Telephones | 1,551 | 202 | 1,114 | 1,505 | 1,376 | 1,369 | 1,369 | 1,369 | 1,309 | 1,388 | 1,468 |
| Training and work study | 1,178 | 10 | 1,013 | 2,816 | 1,250 | 1,067 | 1,067 | 1,067 | 2,851 | 2,488 | 2,982 |
| Rent Offices | 1,253 | 2,011 | 1,373 | 2,480 | 1,880 | 1,766 | 1,766 | 1,766 | 1,720 | 1,806 | 1,898 |
| Rent Office Equipment | 4,201 | 2,046 | 477 | 1,088 | 1,063 | 1,010 | 1,010 | 1,010 | 1,970 | 2,068 | 2,171 |
| Events | 2,194 | 1,867 | 2,728 | 1,500 | 1,500 | 1,425 | 1,425 | 1,425 | 1,500 | 1,575 | 1,654 |
| Accommodation, seminars, travel | 2,138 | 1,534 | 1,786 | 2,088 | 1,200 | 1,140 | 1,140 | 1,140 | 1,053 | 1,105 | 1,161 |
| Advertising | 1,313 | 562 | 496 | 1,913 | 3,218 | 3,057 | 3,057 | 3,057 | 828 | 659 | 692 |
| Cellphones | 1,327 | 1,186 | 1,424 | 1,745 | 1,505 | 1,430 | 1,430 | 1,430 | 1,825 | 1,818 | 2,012 |
| Garden Services | 1,924 | 2,802 | 3,884 | 1,636 | 1,342 | 1,275 | 1,275 | 1,275 | 662 | 695 | 720 |
| Computer Licenses | 1,068 | 2,057 | 2,189 | 2,000 | 2,900 | 2,765 | 2,765 | 2,765 | 2,900 | 3,045 | 3,197 |
| Legal Fees | 1,998 | 1,412 | 3,808 | 1,700 | 1,693 | 1,579 | 1,579 | 1,579 | 1,743 | 1,788 | 1,888 |
| Insurance | 2,240 | 1,530 | 1,449 | 3,000 | 2,161 | 2,059 | 2,059 | 2,059 | 3,028 | 3,179 | 3,338 |
| Licenses | | | | | | | | | 2,758 | 2,895 | 3,041 |
| Printing & Stationery & postage | | | | | | | | | 2,230 | 2,342 | 2,459 |
| Total Other Expenditure | 179,153 | 207,783 | 228,438 | 152,848 | 124,112 | 117,907 | 116,878 | 116,878 | 108,942 | 114,179 | 119,783 |

| By Expenditure Item | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Employee related costs | | | | | | | | | | | |
| Other materials | | | | | | | | | | | |
| Contracted Services | | | | | | | | | | | |
| Other Expenditure | 30,518 | 31,616 | 21,102 | 41,086 | 24,915 | 25,689 | 24,915 | 24,915 | 26,645 | 31,127 | 32,683 |
| Total Repairs and Maintenance Expenditure | 30,518 | 31,616 | 21,102 | 41,086 | 24,915 | 25,689 | 24,915 | 24,915 | 26,645 | 31,127 | 32,683 |

check (0) (0) (0)

- References
1. Must reconcile with Budgeted Financial Performance (Revenue and Expenditure)
 2. Must reconcile to supporting documentation on staff salaries
 3. Insert other categories where revenue or expenditure is of a material nature (list separate items until 'General expenses' is not > 10% of Total Expenditure)
 4. Expenditure to meet any unfulfilled obligations
 5. This sub-total must agree with the total on SA22, but excluding councillor and board member items
 6. Include a note for each revenue item that is effected by 'Revenue foregone'
 7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)

DC21 Ugu - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

| Description | Ref | Vote1 - Executive & Council | Vote2 - Finance & Administration | Vote3 - Infrastructure & Economic Development | Vote4 - Water | Vote5 - Waste Water Management | Vote6 - Public Safety | Vote7 - Environmental Protection | Vote8 - Other Market | Vote9 - Sports & Recreation | Vote 10 - [NAME OF VOTE 10] | Vote 11 - [NAME OF VOTE 11] | Vote 12 - [NAME OF VOTE 12] | Vote 13 - [NAME OF VOTE 13] | Vote 14 - [NAME OF VOTE 14] | Vote 15 - [NAME OF VOTE 15] | Total |
|--|-----|-----------------------------|----------------------------------|---|----------------|--------------------------------|-----------------------|----------------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------|
| R thousands | | | | | | | | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | | | | | | | |
| Property rates | 1 | | | | | | | | | | | | | | | | |
| Property rates - penalties & collection charges | | | | | | | | | | | | | | | | | |
| Service charges - electricity revenue | | | | | 234,373 | | | | | | | | | | | | 234,373 |
| Service charges - water revenue | | | | | | 66,041 | | | | | | | | | | | 66,041 |
| Service charges - sanitation revenue | | | | | | | | | | | | | | | | | |
| Service charges - refuse revenue | | | | | | | | | | | | | | | | | |
| Service charges - other | | | | | 630 | | | | 1,800 | 540 | | | | | | | 2,970 |
| Rental of facilities and equipment | | | 2,000 | | | | | | | | | | | | | | 2,000 |
| Interest earned - external investments | | | | | 1,873 | | | | | | | | | | | | 1,873 |
| Interest earned - outstanding debtors | | | | | | | | | | | | | | | | | |
| Dividends received | | | | | | | | | | | | | | | | | |
| Fines | | | | | | | | | | | | | | | | | |
| Licences and permits | | | | | | | | | | | | | | | | | |
| Agency services | | | | | 3,185 | 532 | | | | | | | | | | | 3,717 |
| Other revenue | | | | | 144,032 | 4,611 | 6,122 | 2,519 | | | | | | | | | 157,284 |
| Transfers recognised - operational | | 3,600 | 96,019 | 68,263 | 144,032 | 4,611 | 6,122 | 2,519 | | | | | | | | | 324,165 |
| Gains on disposal of PPE | | | | | | | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 3,600 | 97,019 | 68,263 | 384,093 | 101,183 | 6,122 | 2,519 | 1,800 | 540 | | | | | | | 665,138 |
| Expenditure By Type | | | | | | | | | | | | | | | | | |
| Employee related costs | | 27,372 | 41,184 | 17,522 | 121,139 | 28,070 | | 6,365 | 238 | 616 | | | | | | | 240,476 |
| Remuneration of councillors | | 6,981 | | | | | | | | | | | | | | | 6,981 |
| Debt impairment | | | | | 9,000 | 2,379 | | | | | | | | | | | 11,379 |
| Depreciation & asset impairment | | | 6,795 | | 34,768 | 17,864 | | | | | | | | | | | 57,947 |
| Finance charges | | | | | 4,423 | 13,474 | | | 75 | | | | | | | | 17,972 |
| Bulk purchases | | | | | 40,513 | | | | | | | | | | | | 40,513 |
| Other materials | | | | | 2,668 | 2,257 | | | | | | | | | | | 4,925 |
| Contracted services | | 2,801 | 7,131 | | 7,855 | 3,926 | | | 512 | 629 | | | | | | | 22,652 |
| Transfers and grants | | 7,310 | 1,662 | 63,913 | 40,760 | | 1,113 | | | | | | | | | | 114,758 |
| Other expenditure | | 12,064 | 21,523 | 917 | 54,659 | 8,682 | 5,008 | 1,578 | 630 | 1,697 | | | | | | | 106,942 |
| Loss on disposal of PPE | | | | | | | | | | | | | | | | | |
| Total Expenditure | | 56,318 | 77,276 | 82,381 | 315,985 | 74,171 | 6,122 | 7,924 | 1,455 | 2,942 | | | | | | | 624,545 |
| Surplus/(Deficit) | | (52,718) | 19,743 | (14,089) | 68,108 | 27,012 | | (5,405) | 345 | (2,402) | | | | | | | 40,593 |
| Transfers recognised - capital | | | | | 267,882 | 39,200 | | | | | | | | | | | 306,882 |
| Contributions recognised - capital | | | | | | | | | | | | | | | | | |
| Contributed assets | | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) after capital transfers & contributions | | (52,718) | 19,743 | (14,089) | 335,791 | 66,212 | | (5,405) | 345 | (2,402) | | | | | | | 347,476 |

References
1. Departmental columns to be based on municipal organisation structure

DC21 Ugu - Supporting Table SA3 Supporting detail to '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 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Call investment deposits | | | | | | | | | | | |
| Call deposits < 90 days | | 149,435 | 32,035 | 0 | 10 | 10 | 10 | 10 | 5 | 5 | 6 |
| Other current investments > 90 days | | | 17,839 | | | | | | | | |
| Total Call investment deposits | 2 | 149,435 | 49,874 | 0 | 10 | 10 | 10 | 10 | 5 | 5 | 6 |
| Consumer debtors | | | | | | | | | | | |
| Consumer debtors | | 74,027 | 88,710 | 110,481 | 129,000 | 119,000 | 119,000 | 119,000 | 145,951 | 153,249 | 160,911 |
| Less: Provision for debt impairment | | (28,411) | (43,434) | (70,644) | (75,751) | (75,751) | (75,751) | (75,751) | (87,130) | (99,078) | (111,624) |
| Total Consumer debtors | 2 | 45,616 | 45,276 | 39,837 | 53,249 | 43,249 | 43,249 | 43,249 | 58,821 | 54,171 | 49,288 |
| Debt impairment provision | | | | | | | | | | | |
| Balance at the beginning of the year | | 22,519 | 30,413 | 43,434 | 70,644 | 70,644 | 70,644 | 70,644 | 75,751 | 87,130 | 99,078 |
| Contributions to the provision | | 8,400 | 17,840 | 27,210 | 7,126 | 7,126 | 7,126 | 7,126 | 11,379 | 11,948 | 12,546 |
| Bad debts written off | | (2,509) | (1,933) | | (2,019) | (2,019) | (2,019) | (2,019) | | | |
| Balance at end of year | | 28,411 | 46,319 | 70,644 | 75,751 | 75,751 | 75,751 | 75,751 | 87,130 | 99,078 | 111,624 |
| Property, plant and equipment (PPE) | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | 3 | 1,781,537 | 2,151,374 | 2,354,330 | 2,438,959 | 2,403,323 | 2,407,768 | 2,407,768 | 2,732,150 | 2,772,360 | 2,910,978 |
| Leases recognised as PPE | | | | | | | | | | | |
| Less: Accumulated depreciation | 2 | 870,447 | 911,153 | 960,727 | 1,104,836 | 1,104,736 | 1,104,736 | 1,104,736 | 1,162,683 | 1,220,818 | 1,281,858 |
| Total Property, plant and equipment (PPE) | 2 | 911,090 | 1,240,221 | 1,393,603 | 1,334,123 | 1,298,587 | 1,303,032 | 1,303,032 | 1,569,467 | 1,551,542 | 1,629,119 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities - Borrowing | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | | | | | | | | | | |
| Current portion of long-term liabilities | | 7,750 | 34,285 | 12,863 | 9,399 | 9,399 | 9,399 | 9,399 | 9,868 | 10,362 | 10,880 |
| Total Current liabilities - Borrowing | | 7,750 | 34,285 | 12,863 | 9,399 | 9,399 | 9,399 | 9,399 | 9,868 | 10,362 | 10,880 |
| Trade and other payables | | | | | | | | | | | |
| Trade and other creditors | | 122,762 | 127,517 | 149,306 | 132,385 | 117,385 | 105,646 | 105,646 | 108,816 | 112,080 | 115,443 |
| Unspent conditional transfers | | 300,410 | 188,581 | 138,623 | 115,721 | 105,721 | 95,149 | 95,149 | 93,246 | 91,381 | 89,553 |
| VAT | | | | | | | | | | | |
| Total Trade and other payables | 2 | 423,172 | 316,098 | 287,929 | 248,106 | 223,106 | 200,795 | 200,795 | 202,062 | 203,461 | 204,996 |
| Non current liabilities - Borrowing | | | | | | | | | | | |
| Borrowing | 4 | 104,184 | 219,097 | 212,328 | 228,351 | 228,351 | 199,158 | 199,158 | 199,158 | 190,409 | 181,660 |
| Finance leases (including PPP asset element) | | 10,076 | 2,177 | 2,921 | 7,082 | 7,082 | 6,374 | 6,374 | 10,000 | 10,500 | 11,025 |
| Total Non current liabilities - Borrowing | | 114,261 | 221,274 | 215,249 | 235,433 | 235,433 | 205,532 | 205,532 | 209,158 | 200,909 | 192,685 |
| Provisions - non-current | | | | | | | | | | | |
| Retirement benefits | | 20,565 | 21,538 | 22,123 | 27,087 | 27,087 | 27,087 | 27,087 | 28,441 | 29,863 | 31,356 |
| List other major provision items | | | | | | | | | | | |
| Refuse landfill site rehabilitation | | | | | | | | | | | |
| Other | | 4,874 | 5,979 | 7,893 | 5,401 | 5,401 | 5,401 | 5,401 | 5,671 | 5,955 | 6,253 |
| Total Provisions - non-current | | 25,439 | 27,517 | 30,016 | 32,488 | 32,488 | 32,488 | 32,488 | 34,112 | 35,818 | 37,609 |
| CHANGES IN NET ASSETS | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening balance | | 64,822 | 306,056 | 248,197 | 255,878 | 255,878 | 255,878 | 255,878 | 123,891 | 370,782 | 548,495 |
| GRAP adjustments | | | (3,074) | (1,114) | | | | | | | |
| Restated balance | | 64,822 | 302,982 | 247,083 | 255,878 | 255,878 | 255,878 | 255,878 | 123,891 | 370,782 | 548,495 |
| Surplus/(Deficit) | | 19,626 | 186,664 | 102,644 | 14,013 | (0) | (0) | 1,268 | 347,476 | 363,309 | 381,923 |
| Appropriations to Reserves | | | (41,000) | (33,000) | (35,000) | (35,000) | (35,000) | (35,000) | (36,750) | (38,588) | (40,517) |
| Transfers from Reserves | | 86,373 | 41,967 | 33,174 | 34,998 | 34,998 | 34,998 | 34,998 | 36,751 | 38,588 | 40,518 |
| Depreciation offsets | | 4,121 | 19,402 | 19,760 | 18,826 | 18,826 | 18,826 | 18,826 | 19,768 | 20,756 | 21,794 |
| Other adjustments | | 131,113 | (261,818) | (113,783) | (151,780) | (151,780) | (151,780) | (152,080) | (120,353) | (206,353) | (328,817) |
| Accumulated Surplus/(Deficit) | 1 | 306,056 | 248,197 | 255,878 | 136,935 | 122,922 | 122,922 | 123,891 | 370,782 | 548,495 | 623,396 |
| Reserves | | | | | | | | | | | |
| Housing Development Fund | | | | | | | | | | | |
| Capital replacement | | 172 | 450 | 276 | 199 | 199 | 199 | 199 | 129 | 141 | 148 |
| Self-insurance | | | | | | | | | | | |
| Other reserves | | 386,311 | 620,141 | 713,322 | 764,256 | 748,432 | 805,088 | 803,962 | 822,319 | 629,524 | 633,171 |
| Revaluation | | | | | | | | | | | |
| Total Reserves | 2 | 386,483 | 620,591 | 713,598 | 764,455 | 748,631 | 805,287 | 804,161 | 822,448 | 629,665 | 633,318 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 692,539 | 868,788 | 969,476 | 901,390 | 871,553 | 928,209 | 928,052 | 1,193,231 | 1,178,159 | 1,256,714 |

Total capital expenditure includes expenditure on nationally significant priorities:

| | | | | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|--|--|--|
| Provision of basic services | | | | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|--|--|--|

DC21 Ugu - 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 | |
| R thousand | | | | | | | | | | | | | |
| Good Governance | Financial Management | | | 73,800 | 67,887 | 69,334 | 81,629 | 81,822 | 77,731 | 96,819 | 101,660 | 106,743 | |
| Good Governance | Human Resources Management | | | 867 | | | | | | | | | |
| Good Governance | Support services | | | 352 | | | | | | | | | |
| Good Governance | Institutional Transformation | | | 32,295 | 968 | 627 | 42,329 | 600 | 570 | 200 | 210 | 221 | |
| Good Governance | Strategic Planning | | | 102 | 3,481 | 5,373 | 3,643 | 2,616 | 2,485 | 3,600 | 1,470 | 1,544 | |
| Economic Development | Agricultural Market | | | 465 | 626 | 535 | 1,094 | 366 | 347 | 1,800 | | | |
| Economic Development | Local Economic Development | | | 197 | 24,890 | 252,368 | 18,730 | 67,652 | 64,279 | 68,263 | 70,526 | 74,157 | |
| Environmental Protection | Environmental Services | | | - | 217 | 2,480 | 2,376 | 2,376 | 2,257 | 2,519 | 2,644 | 2,777 | |
| Community | Sports & Recreation | | | - | | | 249 | 249 | 236 | 540 | 567 | 595 | |
| Safety & Security | Fire Fighting | | | - | | | 1,050 | 6,775 | 6,436 | 5,001 | 5,257 | 5,513 | |
| Safety & Security | Disaster Management | | | 4,978 | 3,555 | 837 | 4,725 | 1,000 | 950 | 1,121 | 1,177 | 1,236 | |
| Sustainable Services | Sanitation | | | 53,283 | 72,070 | 98,461 | 95,424 | 95,424 | 90,653 | 101,183 | 106,243 | 111,555 | |
| Sustainable Services | Water | | | 500,828 | 664,042 | 313,628 | 446,662 | 373,160 | 354,502 | 384,093 | 405,163 | 425,421 | |
| Allocations to other priorities | | | 2 | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | | 1 | 667,167 | 837,735 | 743,643 | 694,931 | 632,050 | 600,447 | 665,138 | 695,010 | 729,761 |

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

DC21 Ugu - 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 | | | | | | | | | | | | | |
| Financial Viability | Financial Management | | | 25,925 | 24,506 | 10,008 | 13,569 | 14,700 | 13,965 | 53,765 | 56,453 | 59,276 | |
| Good Governance | Human Resources Management | | | 171,086 | 194,766 | 133,413 | 153,593 | 250,684 | 238,150 | 247,635 | 260,017 | 273,017 | |
| Good Governance | Communication Services | | | 2,194 | 1,819 | 3,372 | 2,895 | 7,050 | 6,698 | 7,325 | 7,691 | 8,076 | |
| Good Governance | Public Participation | | | - | 2,005 | 1,530 | 1,800 | 2,488 | 2,364 | 688 | 723 | 759 | |
| Good Governance | Support Services | | | 20,627 | 16,269 | - | - | - | - | 23,844 | 25,037 | 26,288 | |
| Good Governance | Strategic Planning | | | 130 | 443 | - | 3,440 | 1,616 | 1,535 | 3,679 | 3,863 | 4,058 | |
| Good Governance | Shared Services Strategy | | | - | - | 408 | 265 | 89 | 85 | 20 | 21 | 22 | |
| Institutional Transformation | Skills Training & Development | | | 1,178 | 1,393 | 864 | 2,816 | 1,045 | - | 1,256 | 1,319 | 1,385 | |
| Institutional Transformation | Employee Assistance Programmes | | | 227 | 445 | 340 | 525 | - | 992 | - | - | - | |
| Institutional Transformation | Occupational Health & Safety | | | 523 | 345 | 383 | 683 | - | - | - | - | - | |
| Social Development | Special Programmes | | | 2,584 | 5,822 | 9,481 | 8,329 | 2,858 | 2,715 | 3,860 | 4,053 | 4,256 | |
| Social Development | Culture | | | 183 | 367 | 383 | 450 | - | - | - | - | - | |
| Social Development | Sports Development | | | 5,779 | 3,691 | 3,494 | 4,792 | 7,460 | 7,087 | 3,026 | 3,178 | 3,337 | |
| Economic Development | Agricultural Market | | | 1,567 | 1,631 | 1,754 | 5,160 | 1,173 | 1,114 | 94 | 99 | 103 | |
| Economic Development | Local Economic Development | | | 6,087 | 5,338 | 5,100 | 6,300 | 6,300 | 5,985 | 6,000 | 6,300 | 6,615 | |
| Economic Development | Tourism Marketing | | | 3,153 | 5,653 | 4,250 | 5,250 | 5,250 | 4,988 | 5,565 | 5,843 | 6,135 | |
| Economic Development | Tourism Development | | | 3,752 | 3,500 | 3,400 | 4,200 | 4,200 | 3,990 | 4,452 | 4,675 | 4,908 | |
| Environmental Protection | Environmental Services | | | 1,608 | 377 | 811 | 8,498 | 1,666 | 1,582 | 1,585 | 1,664 | 1,747 | |
| Environmental Protection | Waste Management | | | - | 279 | 43 | - | - | - | - | - | - | |
| Environmental Protection | Coastal Management | | | - | - | 20 | 25 | - | - | - | - | - | |
| Environmental Protection | Air Quality Management | | | - | 45 | 68 | 100 | - | - | - | - | - | |
| Safety & Security | Fire Fighting | | | - | - | 850 | 1,050 | 1,050 | 998 | 1,113 | 1,169 | 1,227 | |
| Safety & Security | Disaster Management | | | 20,388 | 5,009 | 1,275 | 1,500 | 5,725 | 5,439 | 5,009 | 5,259 | 5,522 | |
| Safety & Security | Security Measures | | | - | 7,122 | - | 6,667 | 8,060 | 7,657 | 2,323 | 2,440 | 2,562 | |
| Safety & Security | Crime Prevention Programmes | | | 358 | - | 89 | 105 | 44 | 42 | - | - | - | |
| Sustainable Services | Sanitation | | | 58,142 | 72,070 | 46,078 | 40,342 | 30,399 | 28,879 | 47,760 | 50,148 | 52,656 | |
| Sustainable Services | VIP Toilets | | | 21,056 | 56,217 | 20,572 | 26,900 | 26,900 | 25,555 | 46,896 | 49,241 | 51,703 | |
| Sustainable Services | Water Distribution | | | 300,994 | 335,729 | 495,082 | 381,664 | 253,282 | 240,618 | 188,294 | 197,709 | 207,594 | |
| Sustainable Services | Community | | | - | - | 4,930 | - | - | - | - | - | - | |
| Allocations to other priorities | | | | | | | | | | | | | |
| Total Expenditure | | | | 1 | 647,541 | 744,839 | 747,998 | 680,919 | 632,037 | 600,436 | 654,190 | 686,899 | 721,244 |

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

DC21 Ugu - 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 | |
| R thousand | | | | | | | | | | | | | |
| Good Governance | Support services | A | | 2,068 | 9,317 | | | | | | | | |
| Good Governance | Human Resources Management | B | | | | | | | | | | | |
| Good Governance | Vehicle Replacement Programme (Fleet Management) | C | | | | | | | | | | | |
| Good Governance | Financial Management / IA | D | | | | | | | | | | | |
| Good Governance | Legal Services | E | | | | | | | | | | | |
| Good Governance | Financial Management | F | | 5,777 | 3,082 | 4,250 | 3,100 | 1,165 | 1,107 | 2,500 | 2,625 | 2,756 | |
| Good Governance | Strategy & shared services | G | | | | | | | | | | | |
| Good Governance | Executive & Council | H | | | 25 | 75 | | 3,418 | 3,247 | | | | |
| Institutional Transformation | Office centralisation | I | | | | | 2,000 | | | | | | |
| Infrastructure | Telecommunication | | | | | | | | | | | | |
| Institutional Transformation | Workshops Refurbishment | | | | | | | | | | | | |
| Infrastructure | Sports development | | | 23,108 | 67,484 | 6,874 | 775 | | | | | | |
| Institutional Transformation | Special Programmes | | | | | | | | | | | | |
| Safety & Security | Security Measures | | | | | | | | | | | | |
| Safety & Security | Disaster Management | | | | | 18 | 17,065 | 16,650 | 15,818 | | | | |
| Safety & Security | Fire Fighting | | | | | | | | | | | | |
| Economic Development | Agricultural Market | J | | 2,503 | 2,716 | 387 | 650 | | | | | | |
| Economic Development | Local Economic Development | K | | | | 18 | 5 | | | | | | |
| Environmental Protection | Environmental Services | L | | | | | 50 | | | | | | |
| Sustainable Services | Leakage Management | M | | | | | | | | | | | |
| Sustainable Services | Water | N | | 190,755 | 236,061 | 159,354 | 225,972 | 254,307 | 241,592 | 281,182 | 295,242 | 310,004 | |
| Sustainable Services | Sanitation | O P | | 8,822 | 60,324 | 41,215 | 116,902 | 59,552 | 56,574 | 40,700 | 42,735 | 44,872 | |
| Allocations to other priorities | | | | 3 | | | | | | | | | |
| Total Capital Expenditure | | | | 1 | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 318,338 | 324,382 | 340,602 | 357,632 |

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36

DC21 Ugu - Supporting Table SA8 Performance indicators and benchmarks

| Description of financial indicator | Basis of calculation | 2008/9 | 2008/10 | 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 |
| Borrowing Management | | | | | | | | | | | |
| Credit Rating | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 2.5% | 2.7% | 7.6% | 2.3% | 5.5% | 5.7% | 5.7% | 5.8% | 5.7% | 5.7% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 4.9% | 4.9% | 14.1% | 3.8% | 10.9% | 11.1% | 10.9% | 10.5% | 10.5% | 10.5% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 16.0% | 126.5% | 8.0% | 23.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Safety of Capital | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 29.6% | 35.7% | 30.2% | 30.8% | 31.4% | 25.5% | 26.3% | 28.2% | 28.6% | 30.4% |
| Liquidity | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 0.8 | 0.6 | 0.4 | 0.4 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 0.8 | 0.6 | 0.4 | 0.4 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.4 | 0.4 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Revenue Management | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 156.6% | 77.5% | 82.4% | 92.1% | 90.7% | 81.1% | 65.5% | 84.7% | 84.7% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | | 156.6% | 77.5% | 82.4% | 92.1% | 90.7% | 81.1% | 65.5% | 84.7% | 84.7% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 21.7% | 8.0% | 9.3% | 11.1% | 8.2% | 8.6% | 8.2% | 10.0% | 9.0% | 8.0% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| Creditors Management | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA' s 65(e)) | | | | | | | | | | |
| Creditors to Cash and Investments | | 62.6% | 83.5% | 358.0% | 28.1% | 202.3% | 120.6% | 144.8% | 102.3% | 71.3% | 54.8% |
| Other Indicators | | | | | | | | | | | |
| Electricity Distribution Losses (2) | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Water Distribution Losses (2) | % Volume (units purchased and own source less units sold)/Total units purchased and own source | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 24.8% | 20.9% | 26.0% | 38.8% | 38.6% | 38.6% | 36.6% | 36.2% | 36.2% | 36.2% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 26.4% | 22.0% | 26.4% | 40.4% | 40.3% | 42.5% | 38.0% | 38.0% | 38.0% | 38.0% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 4.6% | 3.4% | 2.5% | 5.9% | 3.9% | 3.9% | 4.5% | 4.5% | 4.5% | 4.5% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 5.1% | 5.8% | 8.2% | 9.2% | 10.8% | 10.8% | 10.4% | 11.4% | 11.4% | 11.4% |
| IDP regulation financial viability indicators | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year | 5.6 | 6.9 | 20.9 | 22.1 | 22.1 | 22.1 | 16.1 | 16.3 | 16.3 | 17.1 |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 71.5% | 30.0% | 32.9% | 19.8% | 16.6% | 17.5% | 16.8% | 19.9% | 17.9% | 15.9% |
| iii. Cost coverage | (Available cash + investments)/monthly fixed operational expenditure | 4.7 | 3.3 | 1.0 | 10.6 | 1.4 | 2.3 | 1.9 | 2.7 | 3.7 | 4.8 |

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

DC21 Ugu - Supporting Table SA9 Social, economic and demographic statistics and assumptions

| Description of economic indicator | Ref. | Basis of calculation | 1998 Census | | 2001 Census | | 2007 Survey | | 2008/10 | | 2010/11 | | Current Year 2011/12 | | 2012/13 Medium Term Revenue Framework | |
|--|-------|---|-------------|----------|-------------|----------|-------------|----------|---------|----------|---------|----------|----------------------|---------|---------------------------------------|-----------------|
| | | | Outcome | Forecast | Outcome | Forecast | Outcome | Forecast | Outcome | Forecast | Outcome | Forecast | Original Budget | Outcome | Forecast | Original Budget |
| Demographics | | | | | | | | | | | | | | | | |
| Population | | Stalasa and Ugu DP 2011/12 | 843 | 704 | 710 | 710 | 710 | 710 | 710 | 710 | 710 | 710 | 710 | 710 | 710 | 710 |
| Females aged 5 - 14 | | Stalasa and Ugu DP 2011/12 | 138 | 93 | 94 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 |
| Males aged 5 - 14 | | Stalasa and Ugu DP 2011/12 | 114 | 92 | 92 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 | 121 |
| Females aged 15 - 34 | | Stalasa and Ugu DP 2011/12 | 101 | 120 | 130 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 |
| Males aged 15 - 34 | | Stalasa and Ugu DP 2011/12 | 194 | 117 | 116 | 105 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 |
| Unemployment | | Stalasa and Ugu DP | 320 | 34 | 213 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 |
| Identify households income (no. of households) | 1, 12 | | | | | | | | | | | | | | | |
| No income | | Stalasa | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 | 41,247 |
| R1 - R1 600 | | Stalasa (R1 - R4 600) | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 | 16,449 |
| R1 601 - R3 200 | | Stalasa (R4 601 - R9 600) | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 | 38,547 |
| R3 201 - R6 400 | | Stalasa (R9 601 - R19 200) | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 | 21,780 |
| R6 401 - R12 800 | | Stalasa (R19 201 - R38 400) | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 | 10,995 |
| R12 801 - R25 600 | | Stalasa (R38 401 - R76 800) | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 | 4,958 |
| R25 601 - R51 200 | | Stalasa (R76 801 - R153 600) | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 | 1,811 |
| R51 201 - R102 400 | | Stalasa (R153 601 - R307 200) | 532 | 532 | 532 | 532 | 532 | 532 | 532 | 532 | 532 | 532 | 532 | 532 | 532 | 532 |
| R102 401 - R204 800 | | Stalasa (R307 201 - R614 400) | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| R204 801 - R409 600 | | Stalasa (R614 401 - R1 228 800) | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 |
| R409 601 - R819 200 | | Stalasa (R1 228 801 - R 2 457 600) | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| > R819 200 | | Stalasa (R 2 457 601 and more) | | | | | | | | | | | | | | |
| Poverty profiles (no. of households) | | | | | | | | | | | | | | | | |
| < R2 050 per household per month | 13 | | | | | | | | | | | | | | | |
| Insert description | 2 | | | | | | | | | | | | | | | |
| Household demographics (000) | | | | | | | | | | | | | | | | |
| Number of people in township area | | Stalasa | 643,349 | 704,090 | 709,918 | 709,918 | 709,918 | 709,918 | 709,918 | 709,918 | 709,918 | 709,918 | 709,918 | 709,918 | 709,918 | 709,918 |
| Number of poor people in municipal area | | Global insight | | | | | | | | | | | | | | |
| Number of households in municipal area | | Stalasa | 122,548 | 150,610 | 151,455 | 151,455 | 151,455 | 151,455 | 151,455 | 151,455 | 151,455 | 151,455 | 151,455 | 151,455 | 151,455 | 151,455 |
| Number of poor households in municipal area | | Ugu DP | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 | 2,020 |
| Definition of poor household (R per month) | | Ugu DP 2010/11 | | | | | | | | | | | | | | |
| Housing statistics | | | | | | | | | | | | | | | | |
| Formal | 3 | | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 | 144,324 |
| Informal | | | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 | 6,296 |
| Total number of households | | | 150,610 | 151,455 | 152,620 | 152,620 | 152,620 | 152,620 | 152,620 | 152,620 | 152,620 | 152,620 | 152,620 | 152,620 | 152,620 | 152,620 |
| Dwellings provided by municipality | 4 | | | | | | | | | | | | | | | |
| Dwellings provided by private | 5 | | | | | | | | | | | | | | | |
| Dwellings provided by private sector | | | | | | | | | | | | | | | | |
| Total new housing dwellings | | | | | | | | | | | | | | | | |
| Economic | | | | | | | | | | | | | | | | |
| Inflation rate outlook (CPI) | 6 | | | | | | | | | | | | | | | |
| Interest rate - borrowing | | | | | | | | | | | | | | | | |
| Interest rate - investment | | | | | | | | | | | | | | | | |
| Remuneration increases | | | | | | | | | | | | | | | | |
| Consumption growth (electricity) | | | | | | | | | | | | | | | | |
| Consumption growth (water) | | | | | | | | | | | | | | | | |
| Collection rates | | | | | | | | | | | | | | | | |
| Property rates/service charges | | | | | | | | | | | | | | | | |
| Rental of facilities & equipment | | | | | | | | | | | | | | | | |
| Interest - external investments | | | | | | | | | | | | | | | | |
| Interest - debtors | | | | | | | | | | | | | | | | |
| Revenue from agency services | | | | | | | | | | | | | | | | |
| Detail on the provision of municipal services for A10 | | | | | | | | | | | | | | | | |
| Total municipal services | | | | | | | | | | | | | | | | |
| | Ref. | | | | | | | | | | | | | | | |
| | | Household service targets (000) | | | | | | | | | | | | | | |
| | | Water | | | | | | | | | | | | | | |
| | | Piped water inside dwelling | | | | | | | | | | | | | | |
| | | Piped water inside yard (but not in dwelling) | | | | | | | | | | | | | | |

DC21 Ugu 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 | 196,102 | 152,732 | 41,710 | 470,574 | 58,028 | 87,634 | 72,958 | 106,402 | 157,195 | 210,528 |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | (825) | (120,941) | (180,748) | (163,509) | (153,720) | (136,364) | (142,854) | (118,618) | (122,018) | (125,503) |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | 4.7 | 3.3 | 1.0 | 10.6 | 1.4 | 2.3 | 1.9 | 2.7 | 3.7 | 4.8 |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | 23,747 | 206,066 | 122,404 | 32,839 | 18,826 | 18,826 | 20,095 | 367,243 | 384,065 | 403,717 |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | 16.1% | (8.6%) | 56.8% | (26.1%) | (11.0%) | (6.2%) | (0.3%) | (1.0%) | (1.0%) |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 156.6% | 77.5% | 82.4% | 92.1% | 90.7% | 81.1% | 69.0% | 84.7% | 84.7% | 84.7% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 5.1% | 7.2% | 11.6% | 2.4% | 3.0% | 3.0% | 2.9% | 3.4% | 3.4% | 3.4% |
| Capital payments % of capital expenditure | 18(1)c;19 | 8 | 100.6% | 102.0% | 100.0% | 90.4% | 70.0% | 58.9% | 59.1% | 94.6% | 94.6% | 94.6% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 16.0% | 126.5% | 8.0% | 23.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grants % of Govt. legislated/gazetted allocations | 18(1)a | 10 | | | | | | | | 0.0% | 0.0% | 0.0% |
| Current consumer debtors % change - incr(decr) | 18(1)a | 11 | N.A. | (48.7%) | 7.0% | (2.5%) | (32.9%) | 0.0% | 0.0% | 28.1% | (6.0%) | (6.6%) |
| Long term receivables % change - incr(decr) | 18(1)a | 12 | N.A. | (63.4%) | (8.8%) | (9.5%) | 0.0% | 0.0% | 0.0% | (8.4%) | (9.2%) | (10.1%) |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 3.3% | 2.5% | 1.5% | 3.1% | 1.9% | 1.8% | 2.3% | 1.9% | 2.0% | 2.0% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

DC21 Ugu - Supporting Table SA13 Service Tariffs by category

| Description | Ref | Provide description of tariff structure where appropriate | 2008/9 | 2009/10 | 2010/11 | Current Year 2011/12 | 2012/13 Medium Term Revenue & Expenditure Framework | | |
|---|----------------------|---|--------|---------|---------|----------------------|---|------------------------|------------------------|
| | | | | | | | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| Property rates (rate in the Rand) | 1 | | | | | | | | |
| Residential properties | | | | | | | | | |
| Residential properties - vacant land | | | | | | | | | |
| Formal/informal settlements | | | | | | | | | |
| Small holdings | | | | | | | | | |
| Farm properties - used | | | | | | | | | |
| Farm properties - not used | | | | | | | | | |
| Industrial properties | | | | | | | | | |
| Business and commercial properties | | | | | | | | | |
| Communal land - residential | | | | | | | | | |
| Communal land - small holdings | | | | | | | | | |
| Communal land - farm property | | | | | | | | | |
| Communal land - business and commercial | | | | | | | | | |
| Communal land - other | | | | | | | | | |
| State-owned properties | | | | | | | | | |
| Municipal properties | | | | | | | | | |
| Public service infrastructure | | | | | | | | | |
| Privately owned towns serviced by the owner | | | | | | | | | |
| State trust land | | | | | | | | | |
| Restitution and redistribution properties | | | | | | | | | |
| Protected areas | | | | | | | | | |
| National monuments properties | | | | | | | | | |
| Exemptions, reductions and rebates (Rands) | | | | | | | | | |
| Residential properties | | | | | | | | | |
| R15 000 threshold rebate | | | | | | | | | |
| General residential rebate | | | | | | | | | |
| Indigent rebate or exemption | | | | | | | | | |
| Pensioners/social grants rebate or exemption | | | | | | | | | |
| Temporary relief rebate or exemption | | | | | | | | | |
| Bona fide farmers rebate or exemption | | | | | | | | | |
| List other rebates or exemptions | | | | | | | | | |
| <i>[insert lines if necessary]</i> | | | | | | | | | |
| Water tariffs | | | | | | | | | |
| Domestic | | | | | | | | | |
| Basic charge/ fixed fee (Rands/month) | | | 83 | 91 | 98 | 108 | 114 | 120 | 126 |
| Service point - vacant land (Rands/month) | | | 83 | 91 | 98 | 108 | 114 | 120 | 126 |
| Water usage - flat rate tariff (c/kl) | | 6kl | 6kl | 6kl | 6kl | 6kl | 6kl | 6kl | 6kl |
| 0 - 30.00 | 5774175 kl | | 7 | 7 | 8 | 8 | 9 | 9 | 10 |
| 30.01 - 39.00 | 1522476.4 kl | | 7 | 7 | 8 | 8 | 9 | 9 | 10 |
| 39.01 - 51.00 | 1560000 kl | | 10 | 11 | 12 | 14 | 14 | 15 | 16 |
| 51.01 -> | (fill in thresholds) | | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| Water usage - Block 4 (c/kl) | (fill in thresholds) | | | | | | | | |
| <i>[insert extra blocks if necessary]</i> | | | | | | | | | |
| Waste water tariffs | | | | | | | | | |
| Domestic | | | | | | | | | |
| Basic charge/ fixed fee (Rands/month) | | | 123.78 | 134.70 | 145.75 | 235.11 | 249.22 | 261.68 | 274.77 |
| Service point - vacant land (Rands/month) | | | | | | | | | |
| Waste water - flat rate tariff (c/kl) | | | | | | | | | |
| Water usage - life line tariff | (fill in structure) | | | | | | | | |
| Water usage - Block 1 (c/kl) | (fill in structure) | | | | | | | | |
| Water usage - Block 2 (c/kl) | (fill in structure) | | | | | | | | |

| | | | | | | | | |
|--|-------------------------|--|--|--|--|--|--|--|
| Water usage - Block 3 (c/Kl) [insert extra blocks if necessary] | (fill in structure) | | | | | | | |
| Electricity tariffs | | | | | | | | |
| Domestic | | | | | | | | |
| Basic charge/ fixed fee (Rands/month) | | | | | | | | |
| Service point - vacant land (Rands/month) | | | | | | | | |
| FBE | (how is this targeted?) | | | | | | | |
| Life-line tariff - meter | (describe structure) | | | | | | | |
| Life-line tariff - prepaid | (describe structure) | | | | | | | |
| Flat rate tariff - meter (c/kwh) | | | | | | | | |
| Flat rate tariff - prepaid (c/kwh) | | | | | | | | |
| Meter - IBT Block 1 (c/kwh) | (fill in thresholds) | | | | | | | |
| Meter - IBT Block 2 (c/kwh) | (fill in thresholds) | | | | | | | |
| Meter - IBT Block 3 (c/kwh) | (fill in thresholds) | | | | | | | |
| Meter - IBT Block 4 (c/kwh) | (fill in thresholds) | | | | | | | |
| Meter - IBT Block 5 (c/kwh) | (fill in thresholds) | | | | | | | |
| [insert extra blocks if necessary] | (fill in thresholds) | | | | | | | |
| Prepaid - IBT Block 1 (c/kwh) | (fill in thresholds) | | | | | | | |
| Prepaid - IBT Block 2 (c/kwh) | (fill in thresholds) | | | | | | | |
| Prepaid - IBT Block 3 (c/kwh) | (fill in thresholds) | | | | | | | |
| Prepaid - IBT Block 4 (c/kwh) | (fill in thresholds) | | | | | | | |
| Prepaid - IBT Block 5 (c/kwh) | (fill in thresholds) | | | | | | | |
| [insert extra blocks if necessary] | (fill in thresholds) | | | | | | | |
| Waste management tariffs | | | | | | | | |
| Domestic | | | | | | | | |
| Street cleaning charge | | | | | | | | |
| Basic charge/ fixed fee | | | | | | | | |
| 80l bin - once a week | | | | | | | | |
| 250l bin - once a week | | | | | | | | |

References
1 If properties are not rated or zero rated this must be indicated as such

DC21 Ugu - Supporting Table SA14 Household bills

| 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 % incr. | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| Rand/cent | | | | | | | | | | | |
| Monthly Account for Household - 'Middle Income Range' | | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | | | | | | | |
| Electricity: Basic levy | | | | | | | | | | | |
| Electricity: Consumption | | | | | | | | | | | |
| Water: Basic levy | | 83.24 | 90.65 | 98.08 | 107.79 | 107.79 | 107.79 | 6.0% | 114.26 | 119.97 | 125.97 |
| Water: Consumption | | 162.75 | 177.25 | 126.86 | 252.90 | 252.90 | 252.90 | 6.0% | 268.20 | 281.61 | 295.69 |
| Sanitation | | 257.75 | 252.97 | 273.71 | 235.11 | 235.11 | 235.11 | 6.0% | 249.22 | 261.68 | 274.77 |
| Refuse removal | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| sub-total | | 503.74 | 520.87 | 498.65 | 595.80 | 595.80 | 595.80 | 6.0% | 631.68 | 663.26 | 696.43 |
| VAT on Services | | | | | | | | | | | |
| Total large household bill: | | 503.74 | 520.87 | 498.65 | 595.80 | 595.80 | 595.80 | 6.0% | 631.68 | 663.26 | 696.43 |
| % increase/decrease | | | 3.4% | (4.3%) | 19.5% | - | - | 6.0% | 5.0% | 5.0% | 5.0% |
| Monthly Account for Household - 'Affordable Range' | | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | | | | | | | |
| Electricity: Basic levy | | | | | | | | | | | |
| Electricity: Consumption | | | | | | | | | | | |
| Water: Basic levy | | 83.24 | 90.65 | 98.08 | 107.79 | 107.79 | 107.79 | 6.0% | 114.26 | 119.97 | 125.97 |
| Water: Consumption | | 162.75 | 177.25 | 126.86 | 210.75 | 210.75 | 210.75 | 6.0% | 223.50 | 234.68 | 246.41 |
| Sanitation | | 123.78 | 134.70 | 145.75 | 235.11 | 235.11 | 235.11 | 6.0% | 249.22 | 261.68 | 274.77 |
| Refuse removal | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| sub-total | | 369.77 | 402.60 | 370.69 | 553.65 | 553.65 | 553.65 | 6.0% | 586.98 | 616.33 | 647.15 |
| VAT on Services | | | | | | | | | | | |
| Total small household bill: | | 369.77 | 402.60 | 370.69 | 553.65 | 553.65 | 553.65 | 6.0% | 586.98 | 616.33 | 647.15 |
| % increase/decrease | | | 8.9% | (7.9%) | 49.4% | - | - | 6.0% | 5.0% | 5.0% | 5.0% |
| Monthly Account for Household - 'Indigent' Household receiving free basic services | | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | | | | | | | | | | |
| Electricity: Basic levy | | | | | | | | | | | |
| Electricity: Consumption | | | | | | | | | | | |
| Water: Basic levy | | 83.24 | 90.65 | 98.08 | 107.79 | 107.79 | 107.79 | 6.0% | 114.26 | 119.97 | 125.97 |
| Water: Consumption | | 162.75 | 177.25 | 126.86 | 168.60 | 168.60 | 168.60 | 6.0% | 178.80 | 187.74 | 197.13 |
| Sanitation | | 123.78 | 134.70 | 145.75 | 235.11 | 235.11 | 235.11 | 6.0% | 249.22 | 261.68 | 274.77 |
| Refuse removal | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| sub-total | | 369.77 | 402.60 | 370.69 | 511.50 | 511.50 | 511.50 | 6.0% | 542.28 | 569.39 | 597.86 |
| VAT on Services | | | | | | | | | | | |
| Total small household bill: | | 369.77 | 402.60 | 370.69 | 511.50 | 511.50 | 511.50 | 6.0% | 542.28 | 569.39 | 597.86 |
| % increase/decrease | | | 8.9% | (7.9%) | 38.0% | - | - | 6.0% | 5.0% | 5.0% | 5.0% |

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

DC21 Ugu - 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 | | 149,435 | 119,094 | 41,710 | 38,245 | 38,245 | 38,245 | 68,629 | 72,060 | 75,663 |
| Deposits - Public Investment Commissioners | | | | | | | | | | |
| Deposits - Corporation for Public Deposits | | | | | | | | | | |
| Bankers Acceptance Certificates | | 15,676 | 13,777 | 16,741 | 17,839 | = | = | = | = | = |
| Negotiable Certificates of Deposit - Banks | | | | | | | | | | |
| Guaranteed Endowment Policies (sinking) | | | | | | | | | | |
| Repurchase Agreements - Banks | | | | | | | | | | |
| Municipal Bonds | | | | | | | | | | |
| Municipality sub-total | 1 | 165,111 | 132,871 | 58,451 | 56,084 | 38,245 | 38,245 | 68,629 | 72,060 | 75,663 |
| Entities | | | | | | | | | | |
| Securities - National Government | | | | | | | | 426 | 447 | 470 |
| 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 | | - | - | - | - | - | - | 426 | 447 | 470 |
| Consolidated total: | | 165,111 | 132,871 | 58,451 | 56,084 | 38,245 | 38,245 | 69,055 | 72,507 | 76,133 |

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

DC21 Ugu - 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 | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Monetary value | Interest to be realised |
|--|-----|----------------------|--------------------|--------------------------------|------------------------------------|---------------|----------------------------|----------------------|------------------------------|----------------|-------------------------|
| | | Yrs/Months | | | | | | | | Rand thousand | |
| Parent municipality | | | | | | | | | | | |
| ABSA Bank CALL M/G | | One day Notice | Daily Call Account | | | 4.50% | | | | 60,785 | |
| ABSA Bank CALL | | One day Notice | Daily Call Account | | | 4.50% | | | | 7,834 | |
| FNB CALL | | One day Notice | Daily Call Account | | | 4.50% | | | | 10 | |
| Municipality sub-total | | | | | | | | | | 68,629 | |
| Entities | | | | | | | | | | | |
| ABSA Bank Call account # 923 296 9176 | | Daily Call | Daily Call | | | 4.50% | | | | 426 | |
| Entities sub-total | | | | | | | | | | 426 | |
| TOTAL INVESTMENTS AND INTEREST | 1 | | | | | | | | | 69,055 | |

References
 1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
 2. List investments in expiry date order

DC21 Ugu - 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 |
| R thousand | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Long-Term Loans (annuity/reducing balance) | | 83,684 | 219,097 | 214,729 | 207,234 | 228,351 | 199,158 | 199,158 | 190,409 | 181,660 |
| Long-Term Loans (non-annuity) | | | | | | | | | | |
| Local registered stock | | 20,300 | - | | 21,117 | | | | | |
| Instalment Credit | | | | | | | | | | |
| Financial Leases | | 10,076 | 2,177 | 520 | 7,082 | 7,082 | 6,374 | 10,000 | 10,500 | 11,025 |
| PPP liabilities | | | | | | | | | | |
| Finance Granted By Cap Equipment Supplier | | | | | | | | | | |
| Marketable Bonds | | | | | | | | | | |
| Non-Marketable Bonds | | | | | | | | | | |
| Bankers Acceptances | | | | | | | | | | |
| Financial derivatives | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Municipality sub-total | 1 | 114,261 | 221,274 | 215,249 | 235,433 | 235,433 | 205,532 | 209,158 | 200,909 | 192,685 |
| Entities | | | | | | | | | | |
| Long-Term Loans (annuity/reducing balance) | | | | | | | | | | |
| Long-Term Loans (non-annuity) | | | | | | | | | | |
| Local registered stock | | | | | | | | | | |
| Instalment Credit | | | | | | | | | | |
| Financial Leases | | | | | | | | | | |
| PPP liabilities | | | | | | | | | | |
| Finance Granted By Cap Equipment Supplier | | | | | | | | | | |
| Marketable Bonds | | | | | | | | | | |
| Non-Marketable Bonds | | | | | | | | | | |
| Bankers Acceptances | | | | | | | | | | |
| Financial derivatives | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Entities sub-total | 1 | - | - | - | - | - | - | - | - | - |
| Total Borrowing | 1 | 114,261 | 221,274 | 215,249 | 235,433 | 235,433 | 205,532 | 209,158 | 200,909 | 192,685 |

| | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---------------|---------------|---------------|
| Unspent Borrowing - Categorised by type | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Long-Term Loans (annuity/reducing balance) | | | | | | | | | | |
| Long-Term Loans (non-annuity) | | | | | | | | | | |
| Local registered stock | | | | | | | | | | |
| Instalment Credit | | | | | | | | | | |
| Financial Leases | | | | | | | | 10,000 | 10,500 | 11,025 |
| PPP liabilities | | | | | | | | | | |
| Finance Granted By Cap Equipment Supplier | | | | | | | | | | |
| Marketable Bonds | | | | | | | | | | |
| Non-Marketable Bonds | | | | | | | | | | |
| Bankers Acceptances | | | | | | | | | | |
| Financial derivatives | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Municipality sub-total | 1 | - | - | - | - | - | - | 10,000 | 10,500 | 11,025 |
| Entities | | | | | | | | | | |
| Long-Term Loans (annuity/reducing balance) | | | | | | | | | | |
| Long-Term Loans (non-annuity) | | | | | | | | | | |
| Local registered stock | | | | | | | | | | |
| Instalment Credit | | | | | | | | | | |
| Financial Leases | | | | | | | | | | |
| PPP liabilities | | | | | | | | | | |
| Finance Granted By Cap Equipment Supplier | | | | | | | | | | |
| Marketable Bonds | | | | | | | | | | |
| Non-Marketable Bonds | | | | | | | | | | |
| Bankers Acceptances | | | | | | | | | | |
| Financial derivatives | | | | | | | | | | |
| Other Securities | | | | | | | | | | |
| Entities sub-total | 1 | - | - | - | - | - | - | - | - | - |
| Total Unspent Borrowing | 1 | - | - | - | - | - | - | 10,000 | 10,500 | 11,025 |

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

DC21 Ugu - 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: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 235,637 | 222,867 | 278,255 | 260,554 | 299,637 | 299,637 | 317,365 | 339,262 | 358,472 |
| Local Government Equitable Share | | 98,828 | 120,121 | 161,009 | 161,009 | 193,409 | 193,409 | 210,131 | 229,264 | 246,208 |
| Finance Management | | 500 | 750 | 1,000 | 1,000 | 1,250 | 1,250 | 1,250 | 900 | 950 |
| Municipal Systems Improvement | | 735 | 1,300 | - | 1,000 | 1,000 | 1,000 | 1,000 | - | - |
| Municipal Infrastructure Grant | | 40,680 | 40,877 | 60,573 | 58,713 | 61,649 | 61,649 | 51,246 | 53,808 | 96,493 |
| Department of Water Affairs | | 2,931 | 10,134 | 14,014 | - | - | - | - | - | - |
| Levy replacement | | 32,295 | 35,147 | 38,832 | 38,832 | 42,329 | 42,329 | 46,138 | 50,290 | 54,816 |
| Water Services Operating Subsidy | | | | | | | | 6,600 | 5,000 | - |
| EPWP Incentive | | | | | | | | 1,000 | - | - |
| Other transfers/grants [insert description] | | 59,668 | 14,538 | 2,827 | | | | | | |
| Provincial Government: | | 34,194 | 43,471 | 2,849 | - | - | - | 1,800 | - | - |
| Sport and Recreation | | 1,800 | 135 | | | | | | | |
| Community development projects | | | | | | | | 1,400 | | |
| District Growth Development | | | | | | | | 400 | | |
| Other transfers/grants | | 32,394 | 43,336 | 2,849 | | | | | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | 1,000 | - | - |
| Municipal Governance & Administration skilled professional for Shard Development | | | | | | | | 800 | | |
| LG Seta grant | | | | | | | | 200 | | |
| Total Operating Transfers and Grants | 5 | 269,830 | 266,338 | 281,103 | 260,554 | 299,637 | 299,637 | 320,165 | 339,262 | 358,472 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 210,627 | 141,446 | 75,684 | 220,887 | 210,887 | 210,887 | 284,882 | 306,950 | 333,001 |
| Municipal Infrastructure Grant (MIG) | | 106,627 | 141,446 | 75,684 | 177,397 | 177,397 | 177,397 | 238,733 | 252,085 | 276,028 |
| Public Works | | | | | 1,802 | 1,802 | 1,802 | | | |
| Regional Bulk Infrastructure | | | | | 40,000 | 30,000 | 30,000 | 40,373 | 53,000 | 55,000 |
| Rural roads asset management grant | | | | | | | | 1,776 | 1,865 | 1,973 |
| Equitable share - contribution to Capital Budget | | 104,000 | | | 1,688 | 1,688 | 1,688 | 4,000 | | |
| Provincial Government: | | 40,000 | - | 57,315 | - | - | - | 15,700 | - | - |
| Other capital transfers/grants [insert description] | | 40,000 | | 57,315 | | | | | | |
| Co-operative Governance & Traditional Affairs | | | | | | | | 14,200 | | |
| Planned groundwater related dev.- Rural KZN water supplu(DWA) | | | | | | | | 1,500 | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | 6,300 | - | - |
| Gamalakhe WWTW (Masala National Transfers) | | | | | | | | 1,100 | | |
| Kwambonwa WWTW (Masala National Transfers) | | | | | | | | 5,200 | | |
| Total Capital Transfers and Grants | 5 | 250,627 | 141,446 | 133,000 | 220,887 | 210,887 | 210,887 | 306,882 | 306,950 | 333,001 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 520,457 | 407,784 | 414,103 | 481,441 | 510,524 | 510,524 | 627,047 | 646,212 | 691,473 |

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
5. Total transfers and grants must reconcile to Budgeted Cash Flows
6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

DC21 Ugu - 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: | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 223,526 | 199,970 | 263,673 | 260,554 | 299,387 | 299,387 | 317,365 | 339,262 | 358,472 |
| Local Government Equitable Share | | 98,828 | 120,121 | 161,009 | 161,009 | 193,409 | 193,409 | 210,131 | 229,264 | 246,208 |
| Finance Management | | 725 | 847 | 1,112 | 1,000 | 1,000 | 1,000 | 1,250 | 900 | 950 |
| Municipal Systems Improvement | | 2,326 | 2,979 | - | 1,000 | 1,000 | 1,000 | 1,000 | - | - |
| Municipal Infrastructure Grant | | 40,680 | 40,877 | 60,573 | 58,713 | 61,649 | 61,649 | 51,246 | 53,808 | 56,493 |
| Department of Water Affairs | | 4,601 | - | 2,147 | - | - | - | - | - | - |
| Levy replacement | | 32,295 | 35,147 | 38,832 | 38,832 | 42,329 | 42,329 | 46,138 | 50,290 | 54,816 |
| Water Services Operating Subsidy | | 44,072 | - | - | - | - | - | 6,600 | 5,000 | - |
| EPWP Incentive | | - | - | - | - | - | - | 1,000 | - | - |
| Other transfers/grants [insert description] | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | - | - | 2,476 | - | - | - | 1,800 | - | - |
| Sport and Recreation | | - | - | 1,698 | - | - | - | - | - | - |
| Community development projects | | - | - | - | - | - | - | 1,400 | - | - |
| District Growth Development | | - | - | - | - | - | - | 400 | - | - |
| Other transfers/grants | | - | - | 777 | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | 1,000 | - | - |
| Municipal Governance & Administration skilled professional for Shard Development | | - | - | - | - | - | - | 800 | - | - |
| LG Seta grant | | - | - | - | - | - | - | 200 | - | - |
| Total operating expenditure of Transfers and Grants: | | 223,526 | 199,970 | 266,148 | 260,554 | 299,387 | 299,387 | 320,165 | 339,262 | 358,472 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 121,120 | 232,720 | 147,805 | 220,887 | 210,887 | 210,887 | 284,882 | 306,950 | 333,001 |
| Municipal Infrastructure Grant (MIG) | | 121,065 | 206,537 | 147,805 | 177,397 | 177,397 | 177,397 | 238,733 | 252,085 | 276,028 |
| Public Works | | - | 2,480 | - | 1,802 | 1,802 | 1,802 | - | - | - |
| Regional Bulk Infrastructure | | 55 | - | - | - | 30,000 | 30,000 | 40,373 | 53,000 | 55,000 |
| Rural roads asset management grant | | - | - | - | - | - | - | 1,776 | 1,865 | 1,973 |
| Equitable share contribution to Capital Budget | | - | 23,704 | - | 40,000 | - | - | - | - | - |
| | | - | - | - | 1,688 | 1,688 | 1,688 | 4,000 | - | - |
| Provincial Government: | | 9,779 | 34,643 | 51,402 | - | - | - | 15,700 | - | - |
| Co-operative Governance & Traditional Affairs | | - | - | - | - | - | - | 14,200 | - | - |
| Planned groundwater related dev.-Rural KZN water supplu(DWA) | | - | - | - | - | - | - | 1,500 | - | - |
| Other capital transfers/grants [insert description] | | 9,779 | 34,643 | 51,402 | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | 6,300 | - | - |
| Gamalakhie WWTW (Masala National Transfers) | | - | - | - | - | - | - | 1,100 | - | - |
| Kwambonwa WWTW (Masala National Transfers) | | - | - | - | - | - | - | 5,200 | - | - |
| Total capital expenditure of Transfers and Grants | | 130,899 | 267,363 | 199,208 | 220,887 | 210,887 | 210,887 | 306,882 | 306,950 | 333,001 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 354,425 | 467,333 | 465,356 | 481,441 | 510,274 | 510,274 | 627,047 | 646,212 | 691,473 |

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

DC21 Ugu - 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 | | 4,621 | 3,416 | 1,088 | 986 | 986 | 986 | - | | |
| Current year receipts | | 183,038 | 198,195 | 315,870 | 239,676 | 239,676 | 239,676 | 317,365 | 339,262 | 358,472 |
| Conditions met - transferred to revenue | | 184,243 | 200,513 | 315,982 | 240,662 | 240,662 | 240,662 | 317,365 | 339,262 | 358,472 |
| Conditions still to be met - transferred to liabilities | | 3,416 | 1,098 | 986 | | | | | | |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 41,359 | 71,878 | 40,949 | 57,751 | 57,751 | 57,751 | | | |
| Current year receipts | | 53,276 | 43,129 | 44,951 | 955 | 955 | 955 | 1,800 | | |
| Conditions met - transferred to revenue | | 22,757 | 74,058 | 28,149 | 58,706 | 58,706 | 58,706 | 1,800 | | |
| Conditions still to be met - transferred to liabilities | | 71,878 | 40,949 | 57,751 | | | | | | |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 26,929 | 26,084 | 9,486 | 22,269 | 22,269 | 22,269 | | | |
| Current year receipts | | 8,451 | 10,365 | 19,772 | 377 | 377 | 377 | 1,000 | | |
| Conditions met - transferred to revenue | | 9,295 | 26,963 | 6,989 | 22,646 | 22,646 | 22,646 | 1,000 | | |
| Conditions still to be met - transferred to liabilities | | 26,084 | 9,486 | 22,269 | | | | | | |
| Total operating transfers and grants revenue | | 216,295 | 301,534 | 351,119 | 322,014 | 322,014 | 322,014 | 320,165 | 339,262 | 358,472 |
| Total operating transfers and grants - CTBM | 2 | 101,378 | 51,533 | 81,006 | - | - | - | - | - | - |
| Capital transfers and grants: | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 45,411 | 147,291 | 82,201 | 25,388 | 25,388 | 25,388 | | | |
| Current year receipts | | 222,946 | 141,446 | 36,536 | 239,046 | 239,046 | 239,046 | 284,882 | 306,950 | 333,001 |
| Conditions met - transferred to revenue | | 121,065 | 206,537 | 93,349 | 264,434 | 264,434 | 264,434 | 284,882 | 306,950 | 333,001 |
| Conditions still to be met - transferred to liabilities | | 147,291 | 82,201 | 25,388 | | | | | | |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | 15,700 | | |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | 15,700 | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | 6,300 | | |
| Conditions met - transferred to revenue | | - | - | - | - | - | - | 6,300 | - | - |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Total capital transfers and grants revenue | | 121,065 | 206,537 | 93,349 | 264,434 | 264,434 | 264,434 | 306,882 | 306,950 | 333,001 |
| Total capital transfers and grants - CTBM | 2 | 147,291 | 82,201 | 25,388 | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS REVENUE | | 337,360 | 508,071 | 444,468 | 586,448 | 586,448 | 586,448 | 627,047 | 646,212 | 691,473 |
| TOTAL TRANSFERS AND GRANTS - CTBM | | 248,670 | 133,734 | 106,394 | - | - | - | - | - | - |

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

DC21 Ugu - 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 |
| 1 thousand | | | | | | | | | | | |
| Cash Transfers to other municipalities <i>Insert description</i> | 1 | | | | | | | | | | |
| Total Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Entities/Other External Mechanisms <i>Ugu South Coast Tourism Entity</i> | 2 | | | | 9,450 | 9,450 | 9,450 | 9,450 | 10,017 | 10,518 | 11,044 |
| Total Cash Transfers To Entities/Ems' | | - | - | - | 9,450 | 9,450 | 9,450 | 9,450 | 10,017 | 10,518 | 11,044 |
| Cash Transfers to other Organs of State <i>Insert description</i> | 3 | | | | | | | | | | |
| Total Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Organisations <i>Insert description</i> | 4 | | | | | | | | | | |
| Local Economic Development | | | | | 6,300 | 6,300 | 6,300 | 6,300 | 6,000 | 6,300 | 6,618 |
| Environmental Services | | | | | 2,376 | 2,376 | 2,376 | 2,376 | 2,519 | 2,644 | 2,771 |
| Public Safety | | | | | 6,122 | 5,775 | 5,775 | 5,775 | 5,775 | 6,064 | 6,367 |
| Total Cash Transfers To Organisations | | - | - | - | 14,798 | 14,451 | 14,451 | 14,451 | 14,294 | 15,008 | 15,756 |
| Cash Transfers to Groups of Individuals <i>Free Basic Services and Special Programmes</i> <i>Water Services Operating Subsidy grants</i> | 5 | 215,869 | 215,869 | 145,715 | 83,975 | 91,684 | 85,905 | 85,905 | 90,447 | 94,970 | 99,718 |
| Total Cash Transfers To Groups Of Individuals: | | 215,869 | 215,869 | 145,715 | 83,975 | 91,684 | 85,905 | 85,905 | 90,447 | 94,970 | 99,718 |
| TOTAL CASH TRANSFERS AND GRANTS | 6 | 215,869 | 215,869 | 145,715 | 108,222 | 115,585 | 109,806 | 109,806 | 114,758 | 120,496 | 126,521 |
| Non-Cash Transfers to other municipalities <i>Insert description</i> | 1 | | | | | | | | | | |
| Total Non-Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i> | 2 | | | | | | | | | | |
| Total Non-Cash Transfers To Entities/Ems' | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to other Organs of State <i>Insert description</i> | 3 | | | | | | | | | | |
| Total Non-Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Grants to Organisations <i>Insert description</i> | 4 | | | | | | | | | | |
| Total Non-Cash Grants To Organisations | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Grants to Groups of Individuals <i>Insert description</i> | 5 | | | | | | | | | | |
| Total Non-Cash Grants To Groups Of Individuals: | | - | - | - | - | - | - | - | - | - | - |
| TOTAL NON-CASH TRANSFERS AND GRANTS | | - | - | - | - | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS | 6 | 215,869 | 215,869 | 145,715 | 108,222 | 115,585 | 109,806 | 109,806 | 114,758 | 120,496 | 126,521 |

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

DC21 Ugu - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration | | 2008/9 | 2009/10 | 2010/11 | Current Year 2011/12 | | | 2012/13 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | Ref | 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 |
| | | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| | 1 | 2,195 | 2,541 | 2,349 | 2,703 | 2,703 | 2,703 | 3,494 | 3,668 | 3,652 |
| | | 213 | 201 | 198 | 221 | 221 | 221 | 213 | 224 | 235 |
| | | 152 | 127 | 128 | 127 | 127 | 127 | 128 | 134 | 141 |
| | | 1,870 | 1,720 | 1,682 | 1,658 | 1,658 | 1,658 | 1,687 | 1,771 | 1,880 |
| | | 181 | 203 | 210 | 228 | 229 | 229 | 214 | 225 | 236 |
| | | 1,382 | 1,625 | 1,665 | 2,040 | 2,040 | 2,040 | 1,173 | 1,232 | 1,294 |
| | | 48 | 48 | 51 | 23 | 23 | 23 | 72 | 76 | 80 |
| | | 5,541 | 6,467 | 6,192 | 7,002 | 7,002 | 7,002 | 6,991 | 7,330 | 7,597 |
| | 4 | | 16.7% | (4.2%) | 13.1% | - | - | (0.3%) | 5.0% | 5.0% |
| Senior Managers of the Municipality | | | | | | | | | | |
| | 2 | 2,978 | 4,105 | 3,709 | 4,816 | 4,816 | 4,816 | 3,330 | 4,022 | 4,223 |
| | | 145 | 71 | 73 | 73 | 73 | 73 | 81 | 85 | 89 |
| | | 266 | 26 | 30 | 30 | 30 | 30 | 36 | 36 | 40 |
| | | 266 | 343 | | 1,076 | 0 | 0 | | | |
| | 3 | 1,382 | 1,590 | 1,479 | 1,709 | 1,709 | 1,709 | 1,424 | 1,495 | 1,570 |
| | 3 | | 346 | | | | | | | |
| | 3 | | | 372 | 372 | 372 | 372 | 325 | 341 | 358 |
| | 3 | 240 | 221 | 252 | 282 | 445 | 445 | | | |
| | 6 | | | | | | | | | |
| | 4 | 4,891 | 6,702 | 5,915 | 6,267 | 7,444 | 7,444 | 5,696 | 5,981 | 6,289 |
| | 4 | | 34.3% | (11.7%) | 39.8% | (10.0%) | - | (23.9%) | 5.0% | 5.0% |
| Other Municipal Staff | | | | | | | | | | |
| | | 96,295 | 119,478 | 125,450 | 170,384 | 143,151 | 143,151 | 142,784 | 146,923 | 157,418 |
| | | 28,967 | 18,333 | 20,638 | 25,288 | 22,345 | 22,345 | 28,160 | 27,490 | 26,854 |
| | | 17,382 | 20,178 | 19,365 | 13,153 | 18,630 | 18,630 | 18,000 | 18,900 | 19,845 |
| | | 266 | 7,971 | 8,925 | | | | | | |
| | 3 | 16,634 | 10,794 | 12,416 | 10,845 | 11,745 | 11,745 | 12,959 | 13,124 | 13,780 |
| | 3 | | 676 | 586 | 800 | 483 | 483 | 416 | 437 | 458 |
| | 3 | 1,396 | 806 | 653 | 772 | 690 | 690 | 522 | 569 | 1,017 |
| | 3 | 4,858 | 5,926 | 12,440 | 30,816 | 30,402 | 30,402 | 16,989 | 17,819 | 18,731 |
| | 6 | | | | | | | 5,015 | 5,596 | 5,829 |
| | 6 | | | | | | | 742 | 779 | 818 |
| | 6 | | | | | | | 746 | 765 | 824 |
| | 4 | 165,601 | 188,064 | 208,525 | 261,034 | 236,238 | 236,238 | 234,830 | 246,571 | 258,900 |
| | 4 | | 13.6% | 10.9% | 25.2% | (9.5%) | - | (0.6%) | 5.0% | 5.0% |
| Total Parent Municipality | | | | | | | | | | |
| | | 176,134 | 201,232 | 220,832 | 276,502 | 250,684 | 250,684 | 247,507 | 258,882 | 272,877 |
| | | | 14.2% | 9.6% | 25.2% | (9.3%) | - | (1.3%) | 5.0% | 5.0% |
| Board Members of Entities | | | | | | | | | | |
| | | | 98 | 57 | 140 | 140 | 140 | 83 | 98 | 103 |
| | | | | | | | | | | |
| | | | | | 123 | 123 | 123 | 74 | 77 | 81 |
| | | | | | | | | | | |
| | 3 | | | | | | | | | |
| | 3 | | 1 | 1 | 1 | 2 | 3 | 1 | 1 | 1 |
| | 3 | | | | | | | | | |
| | 3 | | | | | | | | | |
| | 6 | | | | | | | | | |
| | 4 | | 98 | 58 | 264 | 265 | 266 | 168 | 176 | 185 |
| | 4 | | - | (41.5%) | 359.0% | 0.2% | 0.5% | (36.9%) | 5.0% | 5.0% |
| Senior Managers of Entities | | | | | | | | | | |
| | | | 1,819 | 1,589 | 1,660 | 1,781 | 1,781 | 1,924 | 2,020 | 2,121 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | 33 | 46 | 49 | 49 | 49 | 60 | 63 | 66 |
| | 3 | | | | | | | | | |
| | 3 | | 631 | 207 | 179 | 197 | 197 | 182 | 202 | 212 |
| | 3 | | 19 | 22 | 22 | 24 | 24 | 25 | 26 | 26 |
| | 3 | | 10 | 22 | 16 | | | 26 | | |
| | 6 | | | | | | | | | |
| | 4 | | 1,821 | 1,887 | 1,923 | 2,051 | 2,067 | 2,227 | 2,311 | 2,427 |
| | 4 | | - | 4.2% | 1.6% | 6.7% | 0.8% | 7.7% | 3.8% | 5.0% |
| Other Staff of Entities | | | | | | | | | | |
| | | | 1,010 | 1,195 | 1,587 | 1,376 | 1,375 | 1,936 | 2,188 | 2,461 |
| | | | 69 | 77 | 358 | 117 | 117 | 167 | 175 | 184 |
| | | | 155 | 144 | 298 | 283 | 293 | 378 | 386 | 418 |
| | | | | | | | | | | |
| | 3 | | 4 | | 4 | 4 | 4 | 7 | 6 | 8 |
| | 3 | | | | | | | 36 | 36 | 40 |
| | 3 | | 771 | 111 | 98 | 92 | 104 | 141 | 141 | 148 |
| | 3 | | | | 132 | 108 | 106 | 154 | 162 | 170 |
| | 3 | | 144 | 130 | 30 | 28 | 26 | 37 | 36 | 41 |
| | 6 | | | | | | | | | |
| | 4 | | 1,452 | 1,658 | 2,284 | 2,011 | 2,011 | 2,854 | 3,148 | 3,469 |
| | 4 | | - | 14.2% | 37.8% | (12.0%) | - | 41.9% | 10.3% | 10.2% |
| Total Municipal Entities | | | | | | | | | | |
| | | | 3,371 | 3,612 | 4,471 | 4,327 | 4,345 | 5,248 | 5,636 | 6,081 |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | | | | | | | | | |
| | | 176,134 | 204,604 | 224,244 | 280,773 | 255,011 | 255,029 | 252,755 | 265,518 | 278,958 |
| | 4 | | 16.2% | 9.6% | 25.2% | (9.2%) | 0.0% | (0.9%) | 5.0% | 5.1% |
| TOTAL MANAGERS AND STAFF | | | | | | | | | | |
| | 5 | 170,593 | 198,039 | 217,995 | 273,507 | 247,744 | 247,760 | 245,806 | 258,011 | 271,076 |

References:

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s67 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

DC21 Ugu - 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) | | 35 | | 35 | 35 | | 35 | 35 | 8 | 27 |
| Board Members of municipal entities | 4 | 14 | | 14 | 14 | | 14 | 14 | | 14 |
| Municipal employees | 5 | | | | | | | | | |
| Municipal Manager and Senior Managers | 3 | 10 | | 10 | 10 | | 10 | 7 | | 7 |
| Other Managers | 7 | 19 | 19 | | 19 | 19 | | 30 | 30 | |
| Professionals | | 330 | 325 | 5 | 337 | 332 | 5 | 284 | 277 | 5 |
| Finance | | 145 | 140 | 5 | 145 | 140 | 5 | 75 | 63 | |
| Spatial/town planning | | | | | | | | | | |
| Information Technology | | 7 | 7 | | 7 | 7 | | 7 | 7 | |
| Roads | | | | | | | | | | |
| Electricity | | | | | | | | | | |
| Water | | | | | | | | 170 | 170 | |
| Sanitation | | | | | | | | 29 | 29 | |
| Refuse | | | | | | | | | | |
| Other | | 178 | 178 | | 185 | 185 | | 3 | 3 | |
| Technicians | | 922 | 922 | - | 945 | 945 | - | 595 | 595 | - |
| Finance | | | | | | | | | | |
| Spatial/town planning | | | | | | | | | | |
| Information Technology | | | | | | | | 5 | 5 | |
| Roads | | | | | | | | | | |
| Electricity | | | | | | | | | | |
| Water | | 753 | 753 | | 770 | 770 | | 467 | 467 | |
| Sanitation | | 169 | 169 | | 175 | 175 | | 123 | 123 | |
| Refuse | | | | | | | | | | |
| Other | | | | | | | | | | |
| Clerks (Clerical and administrative) | | | | | | | | 36 | 36 | |
| Service and sales workers | | | | | | | | | | |
| Skilled agricultural and fishery workers | | | | | | | | | | |
| Craft and related trades | | | | | | | | | | |
| Plant and Machine Operators | | | | | | | | | | |
| Elementary Occupations | | | | | | | | | | |
| TOTAL PERSONNEL NUMBERS | | 1,330 | 1,266 | 64 | 1,360 | 1,296 | 64 | 1,001 | 946 | 53 |
| % increase | | | | | 2.3% | 2.4% | - | (26.4%) | (27.0%) | (17.2%) |
| Total municipal employees headcount | 6 | | | | | | | | | |
| Finance personnel headcount | 8 | 151 | 146 | 5 | 151 | 146 | 5 | 151 | 146 | 5 |
| Human Resources personnel headcount | 8 | 18 | 18 | - | 21 | 21 | - | 21 | 21 | - |

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions

DC21 Ugu - 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 | |
| | | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand |
| Revenue by Vote | | | | | | | | | | | | | | | | | |
| Vote1 - Executive & Council | | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 3,600 | 3,780 | 3,968 | |
| Vote2 - Finance & Administration | | 3,057 | 3,000 | 3,001 | 3,002 | 3,001 | 3,002 | 3,001 | 3,002 | 3,001 | 3,002 | 3,001 | 3,002 | 97,019 | 101,870 | 106,966 | |
| Vote3 - Infrastructure & Economic Development | | 5,671 | 5,608 | 5,605 | 5,584 | 5,650 | 5,584 | 5,650 | 5,584 | 5,650 | 5,584 | 5,650 | 5,584 | 68,263 | 71,676 | 75,259 | |
| Vote4 - Water | | 32,164 | 32,096 | 32,340 | 31,546 | 31,435 | 31,990 | 32,898 | 32,344 | 32,050 | 32,344 | 32,050 | 32,344 | 384,093 | 403,298 | 423,462 | |
| Vote5 - Waste Water Management | | 8,428 | 8,415 | 8,378 | 8,395 | 8,278 | 8,977 | 8,400 | 8,368 | 8,429 | 8,346 | 8,335 | 8,368 | 101,183 | 106,243 | 111,554 | |
| Vote6 - Public Safety | | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 6,122 | 6,428 | 6,749 | |
| Vote7 - Environmental Protection | | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 2,519 | 2,644 | 2,772 | |
| Vote8 - Other : Market | | 45 | 45 | 45 | 35 | 45 | 60 | 60 | 40 | 40 | 40 | 45 | 40 | 540 | 567 | 593 | |
| Vote9 - Sports & Recreation | | | | | | | | | | | | | | | | | |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | | | | | |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | | | | | |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | | | | | |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | | | | | |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | | | | | |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | | | | | |
| Total Revenue by Vote | | 55,191 | 55,001 | 55,205 | 54,399 | 54,246 | 55,464 | 55,872 | 54,786 | 57,066 | 56,014 | 53,595 | 55,300 | 665,138 | 698,395 | 733,315 | |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | | |
| Vote1 - Executive & Council | | 4,626 | 4,626 | 4,626 | 4,626 | 4,626 | 4,626 | 4,626 | 4,626 | 4,626 | 4,626 | 4,626 | 4,626 | 56,318 | 59,134 | 62,099 | |
| Vote2 - Finance & Administration | | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 6,581 | 79,035 | 82,986 | 87,136 | |
| Vote3 - Infrastructure & Economic Development | | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 6,780 | 82,355 | 86,473 | 90,796 | |
| Vote4 - Water | | 28,676 | 28,676 | 28,676 | 28,676 | 28,676 | 28,676 | 28,676 | 28,676 | 28,676 | 28,676 | 28,676 | 28,676 | 338,241 | 355,153 | 372,911 | |
| Vote5 - Waste Water Management | | 6,562 | 6,562 | 6,562 | 6,562 | 6,562 | 6,562 | 6,562 | 6,562 | 6,562 | 6,562 | 6,562 | 6,562 | 78,739 | 82,676 | 86,810 | |
| Vote6 - Public Safety | | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 6,122 | 6,428 | 6,749 | |
| Vote7 - Environmental Protection | | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 662 | 7,939 | 8,336 | 8,753 | |
| Vote8 - Other : Market | | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 1,798 | 1,888 | 1,983 | |
| Vote9 - Sports & Recreation | | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 3,642 | 3,824 | 4,016 | |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | | | | | |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | | | | | |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | | | | | |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | | | | | |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | | | | | |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | | | | | |
| Total Expenditure by Vote | | 54,726 | 54,726 | 54,726 | 54,726 | 54,726 | 54,726 | 54,726 | 54,726 | 54,726 | 54,726 | 54,726 | 54,726 | 654,190 | 686,899 | 721,244 | |
| Surplus/(Deficit) before assoc. | | 465 | 274 | 479 | (327) | (480) | 3,738 | 1,146 | 60 | 2,340 | 1,287 | (1,132) | 3,099 | 10,949 | 11,496 | 12,071 | |
| Taxation | | | | | | | | | | | | | | | | | |
| Attributable to minorities | | | | | | | | | | | | | | | | | |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) | 1 | 465 | 274 | 479 | (327) | (480) | 3,738 | 1,146 | 60 | 2,340 | 1,287 | (1,132) | 3,099 | 10,949 | 11,496 | 12,071 | |

References
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

DC21 Ugu - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

| Description | Ref | Budget Year 2012/13 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | | |
|---|-----|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|-------|-------|
| | | July | Aug | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 | | |
| | | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | R thousand | | |
| Capital Expenditure - Standard | 1 | | | | | | | | | | | | | | | | | |
| Governance and administration | | | | | | | | | | | | | | | | | | |
| Executive and council | | 206 | 229 | 206 | 229 | 206 | 229 | 206 | 229 | 206 | 206 | 206 | 206 | 206 | 206 | 2,500 | 2,625 | 2,756 |
| Budget and treasury office | | | | | | | | | | | | | | | | | | |
| Corporate services | | 206 | 229 | 206 | 229 | 206 | 229 | 206 | 229 | 206 | 206 | 206 | 206 | 206 | 206 | 2,500 | 2,625 | 2,756 |
| Community and public safety | | | | | | | | | | | | | | | | | | |
| Community and social services | | | | | | | | | | | | | | | | | | |
| Sport and recreation | | | | | | | | | | | | | | | | | | |
| Public safety | | | | | | | | | | | | | | | | | | |
| Housing | | | | | | | | | | | | | | | | | | |
| Health | | | | | | | | | | | | | | | | | | |
| Economic and environmental services | | | | | | | | | | | | | | | | | | |
| Planning and development | | | | | | | | | | | | | | | | | | |
| Road transport | | | | | | | | | | | | | | | | | | |
| Environmental protection | | | | | | | | | | | | | | | | | | |
| Trading services | | | | | | | | | | | | | | | | | | |
| Electricity | | 27,742 | 26,742 | 25,742 | 26,142 | 25,742 | 25,742 | 26,742 | 26,742 | 26,742 | 25,242 | 24,742 | 31,318 | 337,977 | 354,875 | | | |
| Water | | 22,742 | 22,742 | 22,742 | 22,742 | 22,742 | 22,742 | 22,742 | 22,742 | 22,742 | 22,742 | 22,742 | 31,018 | 295,242 | 310,004 | | | |
| Waste water management | | 5,000 | 4,000 | 3,000 | 3,400 | 3,000 | 3,000 | 4,000 | 4,000 | 4,000 | 2,500 | 2,000 | 300 | 42,735 | 44,872 | | | |
| Waste management | | | | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | | | | |
| Total Capital Expenditure - Standard | 2 | 27,948 | 26,971 | 25,948 | 26,371 | 25,948 | 25,971 | 26,948 | 26,948 | 26,948 | 25,448 | 24,948 | 31,457 | 340,602 | 357,632 | | | |

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure.

DC21 Ugu - Supporting Table SA30 Budgeted monthly cash flow

| R thousand | 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 |
| Cash Receipts By Source | | | | | | | | | | | | | | | |
| Property rates | | | | | | | | | | | | | | | |
| Property rates - penalties & collection charges | | | | | | | | | | | | | | | |
| Service charges - electricity revenue | 16,900 | 16,900 | 16,800 | 16,400 | 16,200 | 16,800 | 16,900 | 16,850 | 16,500 | 16,550 | 16,440 | 16,277 | 199,217 | 209,178 | 219,637 |
| Service charges - water revenue | 16,800 | 16,900 | 6,800 | 6,500 | 6,990 | 6,620 | 6,850 | 6,950 | 6,650 | 6,900 | 6,800 | 6,975 | 87,535 | 85,716 | 90,002 |
| Service charges - sanitation revenue | | | | | | | | | | | | | | | |
| Service charges - refuse revenue | | | | | | | | | | | | | | | |
| Service charges - other | 98 | 96 | 96 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 1,170 | 1,229 | 1,290 |
| Rental of facilities and equipment | 150 | 135 | 155 | 165 | 150 | 185 | 180 | 145 | 155 | 170 | 175 | 175 | 2,300 | 2,100 | 2,205 |
| Interest earned - external investments | | | | | | | | | | | | | | | |
| Interest earned - outstanding debtors | | | | | | | | | | | | | | | |
| Dividends received | | | | | | | | | | | | | | | |
| Fines | | | | | | | | | | | | | | | |
| Licenses and permits | | | | | | | | | | | | | | | |
| Agency services | 20,800 | | | | 150,000 | | | | 49,365 | | | | 322,541 | 338,668 | 355,601 |
| Transfer receipts - operational | 315 | 400 | 550 | 400 | 490 | 400 | 400 | 560 | 400 | 400 | 400 | 236 | 5,031 | 5,283 | 5,547 |
| Other revenue | | | | | | | | | | | | | | | |
| Cash Receipts by Source | 144,763 | 24,493 | 24,403 | 23,583 | 173,928 | 24,103 | 24,428 | 24,593 | 73,067 | 24,208 | 23,913 | 26,136 | 611,593 | 642,173 | 674,282 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfer receipts - capital | 83,610 | | | | 63,272 | | | | 180,000 | | | | | 322,227 | 338,338 |
| Contributions recognised - capital & Contributed assets | | | | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | | | | | | | | | | | | | |
| Short term loans | | | | | | | | | | | | | | | |
| Borrowing long term/financing | | | | | | | | | | | | | | | |
| Increase (decrease) in consumer deposits | 70 | 63 | 60 | 75 | 68 | 68 | 66 | 66 | 65 | 70 | 60 | 70 | 800 | 840 | 882 |
| Decrease (increase) in non-current debtors | | | | | | | | | | | | | | | |
| Decrease (increase) other non-current receivables | | | | | | | | | | | | | | | |
| Decrease (increase) in non-current investments | | | | | | | | | | | | | | | |
| Total Cash Receipts by Source | 228,443 | 24,356 | 24,463 | 23,638 | 237,268 | 24,171 | 24,493 | 24,659 | 233,132 | 24,278 | 23,973 | 26,212 | 919,252 | 965,246 | 1,013,508 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 17,573 | 34,573 | 17,573 | 17,573 | 18,573 | 17,573 | 17,573 | 17,573 | 17,573 | 17,573 | 17,573 | 17,573 | 240,476 | 252,499 | 265,024 |
| Remuneration of councillors | 581 | 581 | 581 | 581 | 581 | 581 | 581 | 581 | 581 | 581 | 581 | 581 | 6,981 | 7,330 | 7,697 |
| Finance charges | 1,404 | 1,404 | 1,404 | 1,404 | 1,404 | 1,404 | 1,404 | 1,404 | 1,404 | 1,404 | 1,404 | 1,404 | 17,972 | 18,871 | 19,814 |
| Bulk purchases - Electricity | 3,207 | 3,207 | 3,207 | 3,207 | 3,207 | 3,207 | 3,207 | 3,207 | 3,207 | 3,207 | 3,207 | 3,211 | 38,408 | 40,412 | 42,433 |
| Bulk purchases - Water & Sewer | 330 | 345 | 350 | 320 | 350 | 320 | 330 | 330 | 360 | 345 | 320 | 250 | 3,940 | 4,136 | 4,343 |
| Other materials | 1,752 | 1,752 | 1,752 | 1,752 | 1,752 | 1,752 | 1,752 | 1,752 | 1,752 | 1,752 | 1,752 | 1,761 | 21,033 | 22,085 | 23,189 |
| Contracted services | | | | | | | | | | | | | | | |
| Transfers and grants - other municipalities | 9,974 | 10,000 | 10,000 | 9,800 | 9,500 | 10,000 | 9,800 | 9,774 | 9,800 | 9,750 | 10,500 | 6,660 | 114,758 | 120,466 | 126,524 |
| Transfers and grants - other | 8,534 | 8,800 | 8,660 | 8,540 | 8,720 | 8,654 | 8,874 | 8,534 | 8,900 | 8,660 | 8,540 | 7,900 | 102,406 | 107,500 | 112,902 |
| Other expenditure | | | | | | | | | | | | | | | |
| Cash Payments by Type | 43,355 | 60,667 | 43,622 | 43,177 | 44,087 | 43,481 | 43,621 | 43,155 | 43,487 | 43,272 | 43,877 | 50,280 | 548,063 | 573,356 | 602,023 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | 16,000 | 24,500 | 24,000 | 32,000 | 24,500 | 25,000 | 25,000 | 34,500 | 25,400 | 20,000 | 15,000 | 41,982 | 306,882 | 303,592 | 318,374 |
| Repayment of borrowing | 1,497 | 1,497 | 1,497 | 1,497 | 1,497 | 1,497 | 1,497 | 1,497 | 1,497 | 1,497 | 1,497 | 1,505 | 17,972 | 18,871 | 19,814 |
| Other Cash Flows/Payments | | | | | | | | | | | | | | | |
| Total Cash Payments by Type | 59,852 | 86,664 | 69,119 | 76,674 | 70,084 | 69,968 | 70,118 | 79,152 | 70,364 | 64,769 | 60,374 | 93,748 | 870,908 | 895,818 | 940,609 |
| NET INCREASE/(DECREASE) IN CASH HELD | 168,590 | (62,109) | (44,657) | (53,037) | (167,184) | (45,818) | (46,626) | (54,494) | (162,768) | (40,492) | (36,402) | (67,536) | (48,374) | (69,428) | (72,889) |
| Cash/cash equivalents at the month/year begin: | 59,028 | 226,619 | 164,510 | 119,853 | 66,817 | 234,000 | 188,163 | 142,557 | 88,063 | 250,831 | 210,340 | 173,938 | 53,028 | 106,402 | 175,830 |
| Cash/cash equivalents at the month/year end: | 226,619 | 164,510 | 119,853 | 66,817 | 234,000 | 188,163 | 142,557 | 88,063 | 250,831 | 210,340 | 173,938 | 106,402 | 106,402 | 175,830 | 248,729 |

DC21 Ugu - 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 | | 173,637 | 269,912 | 175,531 | 331,831 | 309,416 | 293,945 | 304,732 | 319,969 | 335,967 |
| Infrastructure - Road transport | | - | - | - | - | - | - | 100 | 105 | 110 |
| Roads, Pavements & Bridges | | - | - | - | - | - | - | 100 | 105 | 110 |
| Storm water | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - |
| Generation | | - | - | - | - | - | - | - | - | - |
| Transmission & Reticalation | | - | - | - | - | - | - | - | - | - |
| Street Lighting | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | 162,857 | 210,739 | 134,431 | 219,479 | 250,414 | 237,893 | 285,432 | 278,704 | 292,639 |
| Dams & Reservoirs | | - | - | - | - | - | - | 100 | 105 | 110 |
| Water purification | | 6,405 | - | - | - | - | - | - | - | - |
| Reticalation | | 156,451 | 210,739 | 134,431 | 219,479 | 250,414 | 237,893 | 285,332 | 278,599 | 292,529 |
| Infrastructure - Sanitation | | 10,521 | 59,173 | 41,100 | 112,352 | 59,002 | 56,052 | 39,200 | 41,160 | 43,218 |
| Reticalation | | 8,124 | 59,173 | 41,100 | 112,352 | 59,002 | 56,052 | 39,200 | 41,160 | 43,218 |
| Sewerage purification | | 2,397 | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | 259 | - | - | - | - | - | - | - | - |
| Waste Management | | - | - | - | - | - | - | - | - | - |
| Transportation | | - | - | - | - | - | - | - | - | - |
| Gas | | - | - | - | - | - | - | - | - | - |
| Other | | 259 | - | - | - | - | - | - | - | - |
| Community | | 23,108 | 67,484 | 6,875 | - | - | - | - | - | - |
| Parks & gardens | | - | - | - | - | - | - | - | - | - |
| Sportsfields & stadia | | 23,108 | 67,484 | 6,875 | - | - | - | - | - | - |
| Swimming pools | | - | - | - | - | - | - | - | - | - |
| Community halls | | - | - | - | - | - | - | - | - | - |
| Libraries | | - | - | - | - | - | - | - | - | - |
| Recreational facilities | | - | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | | - | - | - | - | - | - | - | - | - |
| Security and policing | | - | - | - | - | - | - | - | - | - |
| Buses | | - | - | - | - | - | - | - | - | - |
| Clinics | | - | - | - | - | - | - | - | - | - |
| Museums & Art Galleries | | - | - | - | - | - | - | - | - | - |
| Cemeteries | | - | - | - | - | - | - | - | - | - |
| Social rental housing | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Buildings | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Housing development | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Other assets | | 36,288 | 41,615 | 29,787 | 34,688 | 25,677 | 24,393 | 19,650 | 20,633 | 21,664 |
| General vehicles | | 2,724 | 8,195 | - | 5,358 | 5,140 | 4,883 | 15,500 | 16,275 | 17,069 |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - |
| Plant & equipment | | 3,862 | 2,785 | 6,317 | 4,755 | 755 | 717 | 1,463 | 1,536 | 1,612 |
| Computers - hardware/equipment | | 5,151 | 7,499 | 3,315 | 4,520 | 3,211 | 3,051 | 2,530 | 2,657 | 2,789 |
| Furniture and other office equipment | | 273 | 1,104 | 1,375 | 360 | - | - | 58 | 60 | 63 |
| Abattoirs | | - | - | - | - | - | - | - | - | - |
| Markets | | 2,503 | - | - | - | - | - | - | - | - |
| Civic Land and Buildings | | - | - | - | - | - | - | - | - | - |
| Other Buildings | | 21,975 | 22,032 | 18,780 | 19,575 | 16,550 | 15,723 | 100 | 105 | 110 |
| Other Land | | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory) | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | 120 | 20 | 19 | - | - | - |
| Agricultural assets | | - | - | - | - | - | - | - | - | - |
| List sub-class | | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| List sub-class | | - | - | - | - | - | - | - | - | - |
| Intangibles | | - | - | - | - | - | - | - | - | - |
| Computers - software & programming | | - | - | - | - | - | - | - | - | - |
| Other (list sub-class) | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure on new assets | 1 | 233,033 | 379,011 | 212,192 | 366,519 | 335,092 | 318,338 | 324,382 | 340,602 | 357,632 |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - |
| Refuse | | - | - | - | - | - | - | - | - | - |
| Fire | | - | - | - | - | - | - | - | - | - |
| Conservancy | | - | - | - | - | - | - | - | - | - |
| Ambulances | | - | - | - | - | - | - | - | - | - |

References

- Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure in Budgeted Capital Expenditure
- Airports, Car Parks, Bus Terminals and Taxi Ranks
- For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes
- Work-in-progress/under construction to be budgeted under the respective item
- Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
- Donated/contributed & leased assets to be included within the respective sub-class

DC21 Ugu - Supporting Table SA34c Repairs and maintenance expenditure 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 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 12,896 | 17,528 | 8,610 | 24,810 | 15,283 | 14,519 | 18,682 | 19,616 | 20,597 |
| Infrastructure - Road transport | | 1,156 | 1,182 | - | 5,745 | 462 | 439 | 5,196 | 5,456 | 5,729 |
| Roads, Pavements & Bridges | | 1,156 | 1,182 | - | 5,745 | 462 | 439 | 5,196 | 5,456 | 5,729 |
| Storm water | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - |
| Generation | | - | - | - | - | - | - | - | - | - |
| Transmission & Reticulation | | - | - | - | - | - | - | - | - | - |
| Street Lighting | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | 11,493 | 16,009 | 7,985 | 18,617 | 14,458 | 13,735 | 13,093 | 13,747 | 14,435 |
| Dams & Reservoirs | | 610 | 878 | 352 | 1,713 | 530 | 504 | 1,108 | 1,164 | 1,222 |
| Water purification | | 1,366 | 2,914 | 497 | 752 | 318 | 303 | 425 | 446 | 469 |
| Reticulation | | 9,508 | 12,216 | 7,137 | 16,152 | 13,609 | 12,928 | 11,560 | 12,138 | 12,744 |
| Infrastructure - Sanitation | | 257 | 338 | 625 | 448 | 363 | 345 | 394 | 413 | 434 |
| Reticulation | | 257 | 338 | 625 | 448 | 363 | 345 | 394 | 413 | 434 |
| Sewerage purification | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - |
| Waste Management | | - | - | - | - | - | - | - | - | - |
| Transportation | | - | - | - | - | - | - | - | - | - |
| Gas | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Community | | - | - | - | - | - | - | - | - | - |
| Parks & gardens | | - | - | - | - | - | - | - | - | - |
| Sportsfields & stadia | | - | - | - | - | - | - | - | - | - |
| Swimming pools | | - | - | - | - | - | - | - | - | - |
| Community halls | | - | - | - | - | - | - | - | - | - |
| Libraries | | - | - | - | - | - | - | - | - | - |
| Recreational facilities | | - | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | | - | - | - | - | - | - | - | - | - |
| Security and policing | | - | - | - | - | - | - | - | - | - |
| Buses | | - | - | - | - | - | - | - | - | - |
| Clinics | | - | - | - | - | - | - | - | - | - |
| Museums & Art Galleries | | - | - | - | - | - | - | - | - | - |
| Cemeteries | | - | - | - | - | - | - | - | - | - |
| Social rental housing | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Buildings | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Housing development | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Other assets | | 17,622 | 14,088 | 12,492 | 16,286 | 9,632 | 9,150 | 10,605 | 11,135 | 11,692 |
| General vehicles | | - | - | - | - | - | - | - | - | - |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - |
| Plant & equipment | | 12,406 | 9,776 | 7,782 | 10,696 | 6,668 | 6,240 | 6,182 | 6,491 | 6,816 |
| Computers - hardware/equipment | | 288 | 78 | 153 | 50 | 50 | 48 | 36 | 37 | 39 |
| Furniture and other office equipment | | 356 | 56 | 474 | 236 | 361 | 343 | 741 | 778 | 817 |
| Abattoirs | | - | - | - | - | - | - | - | - | - |
| Markets | | - | - | - | - | - | - | - | - | - |
| Civic Land and Buildings | | 4,442 | 3,025 | 1,812 | 4,479 | 1,729 | 1,643 | 2,650 | 2,782 | 2,921 |
| Other Buildings | | - | - | - | - | - | - | - | - | - |
| Other Land | | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory) | | - | - | - | - | - | - | - | - | - |
| Other | | 431 | 254 | 2,272 | 1,125 | 924 | 877 | 997 | 1,047 | 1,099 |
| Agricultural assets | | - | - | - | - | - | - | - | - | - |
| List sub-class | | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| List sub-class | | - | - | - | - | - | - | - | - | - |
| Intangibles | | - | - | - | - | - | - | 357 | 375 | 394 |

| | | | | | | | | | | |
|--|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Computers - software & programming Other (list sub-class) | | | | | | | | 357 | 375 | 394 |
| Total Repairs and Maintenance Expenditure | 1 | 30,519 | 31,616 | 21,102 | 41,096 | 24,915 | 23,669 | 29,645 | 31,127 | 32,683 |

| | | | | | | | | | | |
|--------------------------------|--|------|------|------|------|------|------|------|------|------|
| Specialised vehicles | | | | | | | | | | |
| Refuse | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Conservancy | | | | | | | | | | |
| Ambulances | | | | | | | | | | |
| R&M as a % of PPE | | 3.3% | 2.5% | 1.5% | 3.1% | 1.9% | 1.8% | 1.9% | 1.9% | 1.9% |
| R&M as % Operating Expenditure | | 4.7% | 4.2% | 2.8% | 6.0% | 3.9% | 3.9% | 4.7% | 4.7% | 4.7% |

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

| | | | | | | | | | | |
|---------------|--|---|---|---|---|---|---|---|---|---|
| check balance | | - | - | - | - | - | - | 0 | 0 | 0 |
|---------------|--|---|---|---|---|---|---|---|---|---|

DC21 Ugu - Supporting Table SA34d Depreciation 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 | | | | | | | | | |
| Depreciation by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | - | - | - | - | - | - | 33,975 | 35,674 | 37,458 |
| Infrastructure - Road transport | | - | - | - | - | - | - | 3 | 3 | 3 |
| <i>Roads, Pavements & Bridges</i> | | - | - | - | - | - | - | 3 | 3 | 3 |
| <i>Storm water</i> | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Electricity | | - | - | - | - | - | - | - | - | - |
| <i>Generation</i> | | - | - | - | - | - | - | - | - | - |
| <i>Transmission & Reticulation</i> | | - | - | - | - | - | - | - | - | - |
| <i>Street Lighting</i> | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Water | | - | - | - | - | - | - | 31,008 | 32,558 | 34,187 |
| <i>Dams & Reservoirs</i> | | - | - | - | - | - | - | 31,008 | 32,558 | 34,187 |
| <i>Water purification</i> | | - | - | - | - | - | - | - | - | - |
| <i>Reticulation</i> | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Sanitation | | - | - | - | - | - | - | 2,964 | 3,113 | 3,268 |
| <i>Reticulation</i> | | - | - | - | - | - | - | 2,964 | 3,113 | 3,268 |
| <i>Sewerage purification</i> | | - | - | - | - | - | - | - | - | - |
| Infrastructure - Other | | - | - | - | - | - | - | - | - | - |
| <i>Waste Management</i> | | - | - | - | - | - | - | - | - | - |
| <i>Transportation</i> | 2 | - | - | - | - | - | - | - | - | - |
| <i>Gas</i> | | - | - | - | - | - | - | - | - | - |
| <i>Other</i> | 3 | - | - | - | - | - | - | - | - | - |
| Community | | - | - | - | - | - | - | - | - | - |
| Parks & gardens | | - | - | - | - | - | - | - | - | - |
| Sportsfields & stadia | | - | - | - | - | - | - | - | - | - |
| Swimming pools | | - | - | - | - | - | - | - | - | - |
| Community halls | | - | - | - | - | - | - | - | - | - |
| Libraries | | - | - | - | - | - | - | - | - | - |
| Recreational facilities | | - | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | | - | - | - | - | - | - | - | - | - |
| Security and policing | | - | - | - | - | - | - | - | - | - |
| Buses | 7 | - | - | - | - | - | - | - | - | - |
| Clinics | | - | - | - | - | - | - | - | - | - |
| Museums & Art Galleries | | - | - | - | - | - | - | - | - | - |
| Cemeteries | | - | - | - | - | - | - | - | - | - |
| Social rental housing | 8 | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Buildings | | - | - | - | - | - | - | - | - | - |
| Other | 9 | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Housing development | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Other assets | | - | - | - | - | - | - | 23,972 | 25,171 | 26,429 |
| General vehicles | | - | - | - | - | - | - | 5,429 | 5,386 | 5,655 |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - |
| Plant & equipment | | - | - | - | - | - | - | 7,218 | 7,579 | 7,658 |
| Computers - hardware/equipment | | - | - | - | - | - | - | 2,979 | 3,128 | 3,284 |
| Furniture and other office equipment | | - | - | - | - | - | - | 352 | 369 | 386 |
| Abattoirs | | - | - | - | - | - | - | - | - | - |
| Markets | | - | - | - | - | - | - | 810 | 955 | 1,003 |
| Civic Land and Buildings | | - | - | - | - | - | - | 7,384 | 7,754 | 8,141 |
| Other Buildings | | - | - | - | - | - | - | - | - | - |
| Other Land | | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory) | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Agricultural assets | | - | - | - | - | - | - | - | - | - |
| <i>List sub-class</i> | | - | - | - | - | - | - | - | - | - |
| Biological assets | | - | - | - | - | - | - | - | - | - |
| <i>List sub-class</i> | | - | - | - | - | - | - | - | - | - |
| Intangibles | | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|---------------|---------------|---------------|
| Computers - software & programming Other (list sub-class) | | | | | | | | | | |
| Total Depreciation | 1 | - | - | - | - | - | - | 57,947 | 60,845 | 63,887 |

| | | | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|--|--|
| Specialised vehicles | | | | | | | | | | |
| Refuse | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Conservancy | | | | | | | | | | |
| Ambulances | | | | | | | | | | |

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

| | | | | | | | | | | |
|--|-------|----------|----------|----------|----------|----------|----------|-----|-----|-----|
| | Check | (25,456) | (45,056) | (49,154) | (49,779) | (49,779) | (47,290) | (0) | (0) | (0) |
|--|-------|----------|----------|----------|----------|----------|----------|-----|-----|-----|

DC21 Ugu - 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 & Council | | - | - | - | | | | |
| Vote 2 - Finance and Administration | | 2,500 | 2,625 | 2,756 | 2,894 | 3,039 | 3,191 | 3,350 |
| Vote 3 - Infrastructure and Economic Development | | - | - | - | | | | |
| Vote 4 - Water | | 281,182 | 295,242 | 310,004 | 325,504 | 341,779 | 358,868 | 376,611 |
| Vote 5 - Waste Water Management | | 40,700 | 42,735 | 44,872 | 47,115 | 49,471 | 51,945 | 54,542 |
| Vote 6 - Public Safety | | - | - | - | | | | |
| Vote 7 - Environmental Protection | | - | - | - | | | | |
| Vote 8 - Markets | | - | - | - | | | | |
| Vote 9 - Sports and Recreation | | - | - | - | | | | |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | | | | |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | | | | |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | | | | |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | | | | |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | | | | |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | | | | |
| List entity summary if applicable | | | | | | | | |
| Total Capital Expenditure | | 324,382 | 340,602 | 357,632 | 375,513 | 394,289 | 414,003 | 434,703 |
| Future operational costs by vote | 2 | | | | | | | |
| Vote 1 - Executive & Council | | | | | | | | |
| Vote 2 - Finance and Administration | | | | | | | | |
| Vote 3 - Infrastructure and Economic Development | | | | | | | | |
| Vote 4 - Water | | 14,059 | 14,762 | 15,500 | 16,275 | 17,089 | 17,943 | 18,841 |
| Vote 5 - Waste Water Management | | 2,035 | 2,137 | 2,244 | 2,356 | 2,474 | 2,597 | 2,727 |
| Vote 6 - Public Safety | | | | | | | | |
| Vote 7 - Environmental Protection | | | | | | | | |
| Vote 8 - Markets | | | | | | | | |
| Vote 9 - Sports and Recreation | | | | | | | | |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | |
| List entity summary if applicable | | | | | | | | |
| Total future operational costs | | 16,094 | 16,899 | 17,744 | 18,631 | 19,563 | 20,541 | 21,568 |
| Future revenue by source | 3 | | | | | | | |
| Property rates | | | | | | | | |
| Property rates - penalties & collection charges | | | | | | | | |
| Service charges - electricity revenue | | | | | | | | |
| Service charges - water revenue | | 23,437 | 24,609 | 25,840 | 27,132 | 28,488 | 29,913 | 31,408 |
| Service charges - sanitation revenue | | 9,604 | 10,084 | 10,588 | 11,118 | 11,674 | 12,257 | 12,870 |
| Service charges - refuse revenue | | | | | | | | |
| Service charges - other | | | | | | | | |
| Rental of facilities and equipment | | | | | | | | |
| List other revenues sources if applicable | | | | | | | | |
| List entity summary if applicable | | | | | | | | |
| Total future revenue | | 33,041 | 34,693 | 36,428 | 38,249 | 40,162 | 42,170 | 44,279 |
| Net Financial Implications | | 307,435 | 322,807 | 338,947 | 355,895 | 373,689 | 392,374 | 411,993 |

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

DC21 Ugu - Supporting Table SA36 Detailed capital budget

| Municipal Vote/Capital project | Ref | Program/Project description | Project number | IDP Goal code | Individually Approved (Year(s)) | Asset Class | Asset Sub-Class | GPS co-ordinates | Total Project Estimates | 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 | Year of renewal | |
| Parent municipality: List all capital projects grouped by Municipal Vote | | | | | | | | | | | | | | | | | |
| Finance and Administration | 4 | 1. Computer equipment | | 2 | 6 | 3 | 3 | 5 | 2,500 | | 2,625 | 2,756 | | | | new | |
| Water | | 1. General Equipment 2. Building and Structures 3. Motor Vehicles 4. Water Infrastructure 5. Computer equipment 6. Office Furniture & equipment 7. Access Roads 8. Air Conditioner | | | | Other Assets Other Assets Other Assets Infrastructure - Water Other Assets Other Assets Infrastructure - Other Other Assets | Computers - hardware/equipment Plant & equipment Other Buildings General vehicles Relocation Computers - hardware/software | | 1,463 100 15,500 283,932 30 50 100 8 | 1,463 100 45,500 283,932 30 50 100 8 | 1,536 105 16,275 274,592 32 53 105 8 | 1,674 110 17,045 285,311 33 55 110 8 | | | | | new refurbishment new new new new new |
| Waste Water | | 1. Sewer Mains 2. Workshop tools & Equipment 3. Plant & Equipment 4. Sanitation Infrastructure | | | | Infrastructure - Sanitation Other Assets Other Assets Infrastructure - Sanitation | Sewerage purification Plant & equipment Plant & equipment Sewerage purification | | 1,950 50 100 36,701 | 1,950 50 100 36,701 | 1,949 53 105 40,635 | 2,040 55 110 42,667 | | | | refurbishment new new refurbishment | |
| Parent Capital expenditure | | | | | | | | | 324,382 | | 338,054 | 354,957 | | | | | |
| Entity: List all capital projects grouped by Entity | | | | | | | | | | | | | | | | | |
| Entity A Water project A | | | | | | | | | | | | | | | | | |
| Entity B Sanitation project B | | | | | | | | | | | | | | | | | |
| Entity Capital expenditure | | | | | | | | | | | | | | | | | |
| Total Capital expenditure | | | | | | | | | 324,382 | | 338,054 | 354,957 | | | | | |

References
1. Must reconcile with Budgeted Capital Expenditure
2. As per Table SA6
3. As per Table SA34
4. Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by programme by Vote

**UGU DISTRICT MUNICIPALITY
DRAFT - CAPITAL BUDGET 2012/2013**

| Capital Item | Department | Allocated to | Total Amount | Internal Funds | Other Grants | External Loan | MIG Grant |
|--|--------------------|--------------|------------------|------------------|--------------|---------------|-----------|
| COMPUTER EQUIPMENT | | | | | | | |
| Computer equipment - hardware | Corporate Services | IT | 500,000 | 500,000 | | | |
| Server Infrastructure & VM Ware system | Corporate Services | IT | 2,000,000 | 2,000,000 | | | |
| | | | | | | | |
| Total | | | 2,500,000 | 2,500,000 | - | - | - |

UGU DISTRICT MUNICIPALITY

DRAFT- WATER - CAPITAL BUDGET 2012/2013

| <u>Capital Item</u> | <u>Total Amount</u> | <u>Internal Funds</u> | <u>Other Grants</u> | <u>External Loan</u> | <u>MIG Grant</u> |
|---|---------------------|-----------------------|---------------------|----------------------|------------------|
| <u>BUILDINGS AND STRUCTURES (30)</u> | | | | | |
| Building and structures | 100,000 | 100,000 | | | |
| <u>GENERAL EQUIPMENT (10)</u> | | | | | |
| General equipment | 450,000 | 450,000 | | | |
| <u>MOTOR VEHICLES (5)</u> | | | | | |
| MOTOR VEHICLES (5) | 10,000,000 | | | 10,000,000 | |
| Water Tankers (E/S) | 5,500,000 | 1,500,000 | R4,000,000 | | |
| <u>WATER INFRASTRUCTURE (50)</u> | | | | | |
| Pipe extensions | 300,000 | 300,000 | | | |
| <u>OFFICE FURNITURE & EQUIPMENT</u> | | | | | |
| Office furniture & Equipment | 50,000 | 50,000 | | | |
| <u>COMPUTER EQUIPMENT</u> | | | | | |
| Computer equipment | 30,000 | 30,000 | | | |
| <u>RURAL WATER SCHEMES</u> | | | | | |
| general plant refurbishment (painting and general housekeeping) | 20,000 | 20,000 | | | |
| <u>LABORATORY EQUIPMENT</u> | | | | | |
| Laboratory equipment | 30,000 | 30,000 | | | |
| <u>PURIFICATION PLANT & EQUIPMENT</u> | | | | | |
| Dosing pumps and associated equipment | 300,000 | 300,000 | | | |
| <u>ACCESS ROADS</u> | | | | | |
| Pumpstations & resevoirs | 100,000 | 100,000 | | | |

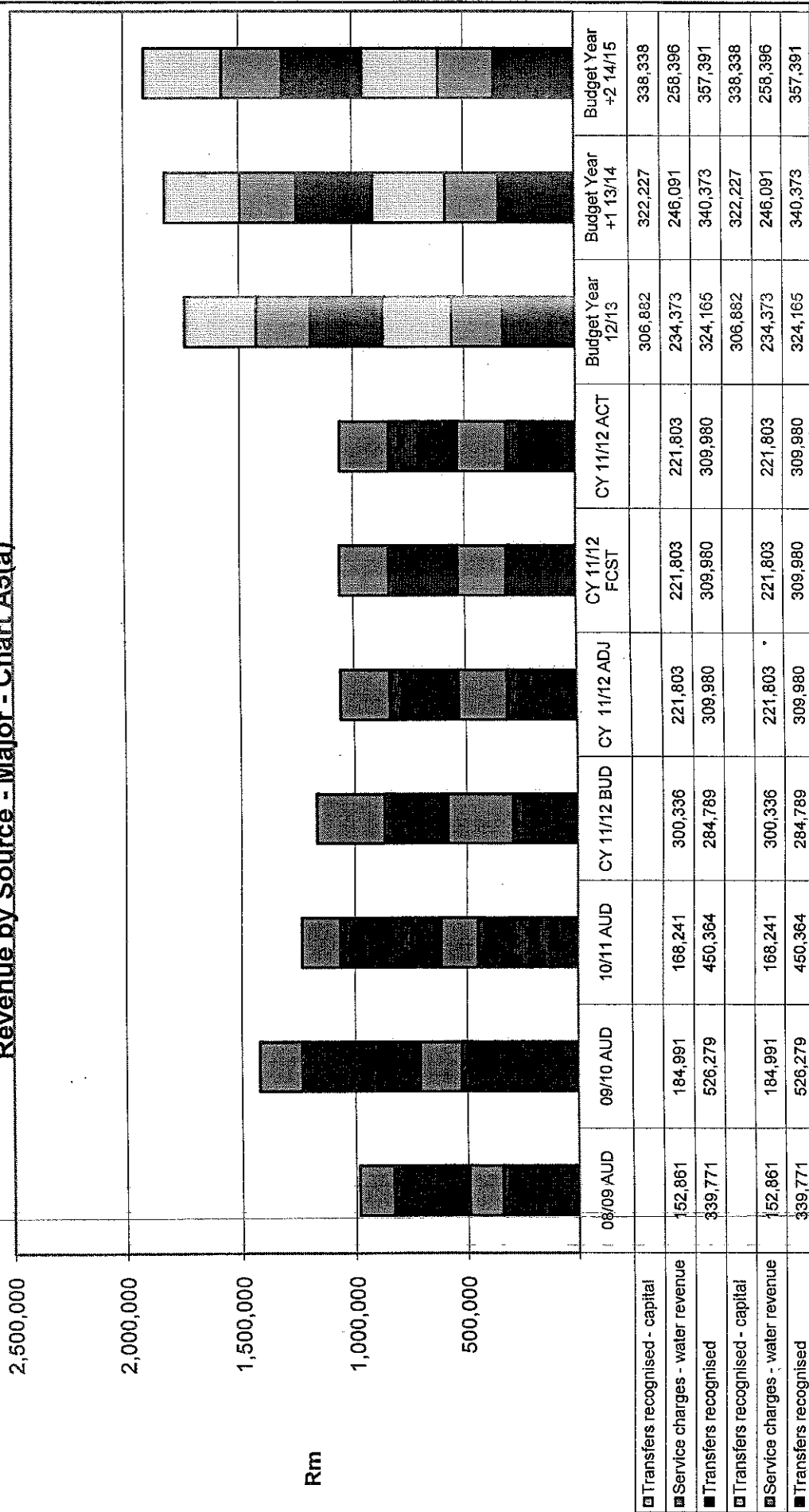
| | | | | | | | |
|--|--|------------|--|---------|--|--|-------------|
| RURAL Pumpstation & Reservoirs | | | | | | | |
| general plant refurbishment | | 100,000 | | 100,000 | | | |
| TELEMETRY | | | | | | | |
| Telemetry | | 200,000 | | 200,000 | | | |
| WORKSHOP TOOLS & EQUIPMENT | | | | | | | |
| Tools and equipment | | 122,500 | | 122,500 | | | |
| PLANT & EQUIPMENT | | | | | | | |
| Plant and equipment | | 190,000 | | 190,000 | | | |
| AIR CONDITIONER | | | | | | | |
| 1 x air conditioner - Scottburgh Office | | 7,500 | | 7,500 | | | |
| WATER INFRASTRUCTURE (MIG FUNDED) (50) | | | | | | | |
| Stick Farm Water Supply (AFA) MIS 177240 | | 3,900,000 | | | | | R3,900,000 |
| Dududu Water Reticulation Infills | | 2,500,000 | | | | | R2,500,000 |
| Qoqologo Rural Water Supply Scheme Phase 4 | | 1,400,000 | | | | | R1,400,000 |
| Kwaxolo Water Supply: Reticulation | | 9,000,000 | | | | | R9,000,000 |
| Mathulini Water Supply Phases 4-7 | | 11,000,000 | | | | | R11,000,000 |
| Mhlabatshane Regional Water Supply Scheme | | 20,000,000 | | | | | R20,000,000 |
| Greater Vulamehlo Water Scheme | | 7,000,000 | | | | | R7,000,000 |
| KwaMgai and Surrounds Water | | 5,000,000 | | | | | R5,000,000 |
| Ezingoleni Bulk Water Extensions Phase 3 | | 4,000,000 | | | | | R4,000,000 |
| Umtamvuna Water Works Raw Water Upgrade | | 10,000,000 | | | | | R10,000,000 |
| Mabheleni East Water Project | | 2,000,000 | | | | | R2,000,000 |
| Thoyane Water Project Phases 4 & 7 | | 10,000,000 | | | | | R10,000,000 |
| Umzimkhulu Bulk Water Augmentation Scheme Stage | | 20,000,000 | | | | | R20,000,000 |
| Maphumulo Water Supply | | 6,000,000 | | | | | R6,000,000 |
| Non Revenue Water Reduction Project | | 2,500,000 | | | | | R2,500,000 |
| Masinenge Bulk Water Project | | 8,000,000 | | | | | R8,000,000 |
| Msikaba and Surrounds Water Supply Scheme | | 22,000,000 | | | | | R22,000,000 |
| Harding Weza Regional Bulk water Supply | | 7,000,000 | | | | | R7,000,000 |
| KwaNyuswa Phase 6 & 7 - Bulk Infrastructure Upgrade, Extention and Reticulation. | | 20,000,000 | | | | | R20,000,000 |
| Isonoti Housing | | 11,000,000 | | | | | R11,000,000 |
| Water Pipeline Replacement | | 20,000,000 | | | | | R20,000,000 |
| Meter replacement project | | 7,733,424 | | | | | R7,733,424 |
| Harding waterworks project | | 1,500,000 | | | | | R1,500,000 |

| | | | | | | |
|--|--------------------|------------------|-------------------|-------------------|--------------------|--|
| Malangeni housing project Phase 2(Cogta massification grant) | 1,500,000 | | | R1,500,000 | | |
| Port Shepstone and Murchison Reservoirs (COGTA) | 7,000,000 | | | R7,000,000 | | |
| Umhlabatshane | 40,373,000 | | | R40,373,000 | | |
| Planned groundwater related dev.-Rural KZN water supplu(DWA) | 1,500,000 | | | R1,500,000 | | |
| Rural roads asset management grant | 1,776,000 | | | R1,776,000 | | |
| | 281,182,424 | 3,500,000 | 10,000,000 | 56,149,000 | 211,533,424 | |

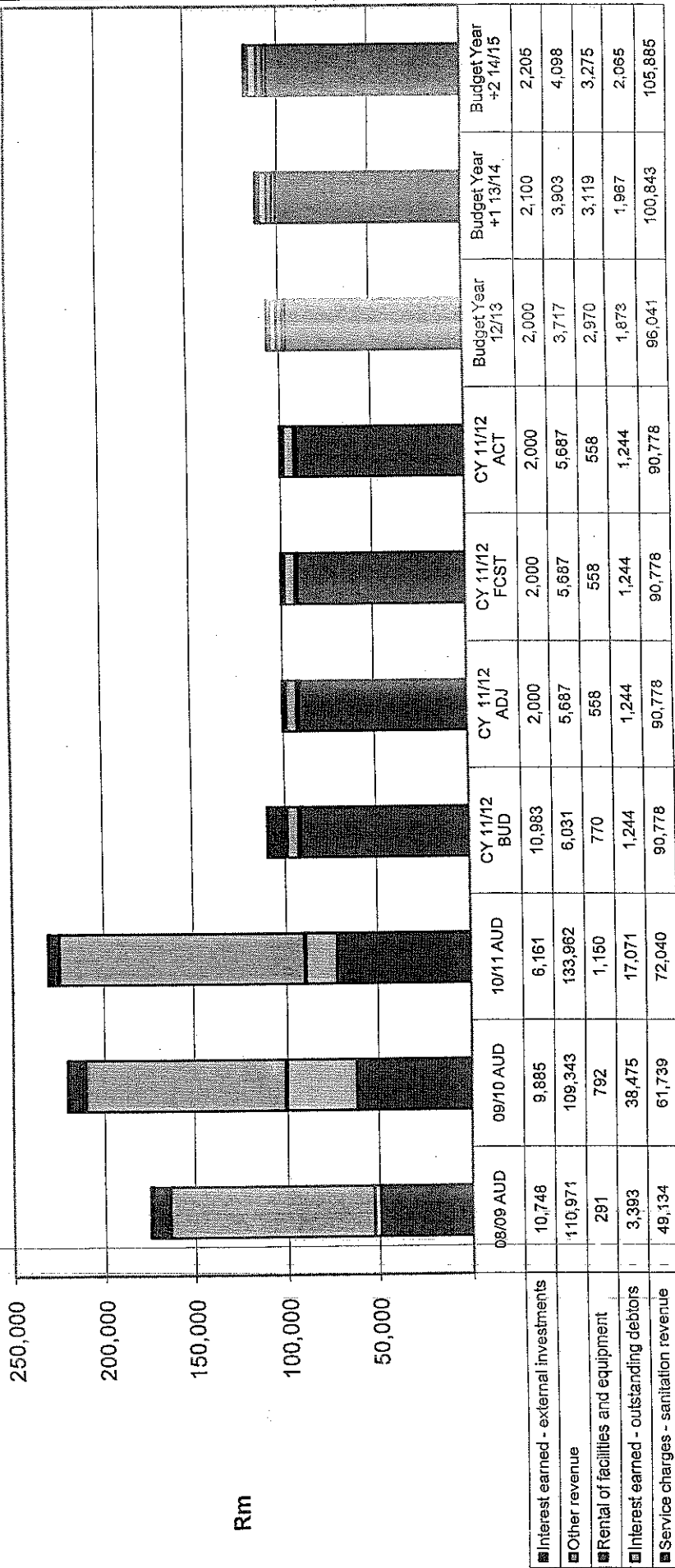
UGU DISTRICT MUNICIPALITY
SANITATION - CAPITAL BUDGET 2012/2013

| Capital Item | Total Amount | Internal Funds | Other Grants | External Loan | MIG Grant |
|---|-------------------|------------------|-------------------|---------------|-------------------|
| SEWER MAINS (40) | | | | | |
| Sever Mains | 1,350,000 | 1,350,000 | | | |
| WOKSHOP TOOLS & EQUIPMENT (7) | | | | | |
| Tools & equipment | 50,000 | 50,000 | | | |
| PUMP AND EQUIPMENT | | | | | |
| Plant & Equipment | 100,000 | 100,000 | | | |
| SANITATION INFRASTRUCTURE (MIG FUNDED) (50) | | | | | |
| Bhobhoyi / Mkhholombe Sanitation (MIG and COGTA) | 6,900,000 | | 2,700,000 | | 4,200,000 |
| Umbango Sewer pipeline replacement | 6,000,000 | | | | 6,000,000 |
| Scottburgh Sewer pipeline replacement | | | | | |
| Umzinto WWTW and outfall sewer upgrade and rehabilitation. | 2,000,000 | | | | 2,000,000 |
| Masinenge/Uvongo Sanitation Project (MIG & COGTA massification grant) | 3,500,000 | | 1,500,000 | | 2,000,000 |
| Harding WW upgrade & reticulation - Phase 3 | 2,000,000 | | | | 2,000,000 |
| Harding Housing Project - Mazakhele | 3,000,000 | | | | 3,000,000 |
| Pennington pumpstation | 8,000,000 | | | | 8,000,000 |
| Gama lakhe WWTW (Masala National Transfers) | 1,100,000 | | 1,100,000 | | |
| Kwambonwa WWTW (Masala National Transfers) | 5,200,000 | | 5,200,000 | | |
| Malangeni housing project Phase 2 (Cogta massification grant) | 1,500,000 | | RI,500,000 | | |
| | 40,700,000 | 1,500,000 | 12,000,000 | - | 27,200,000 |

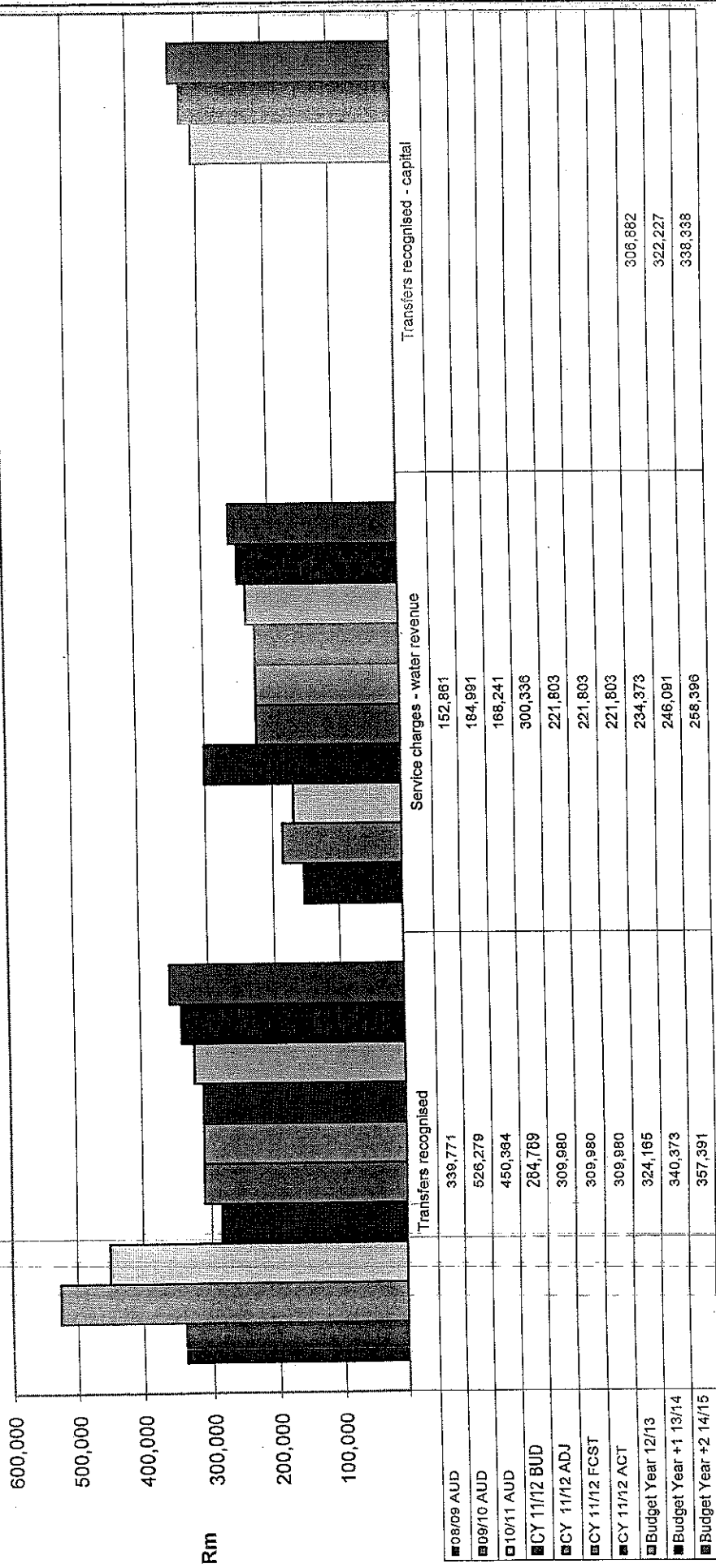
Revenue by Source - Major - Chart A5(a)



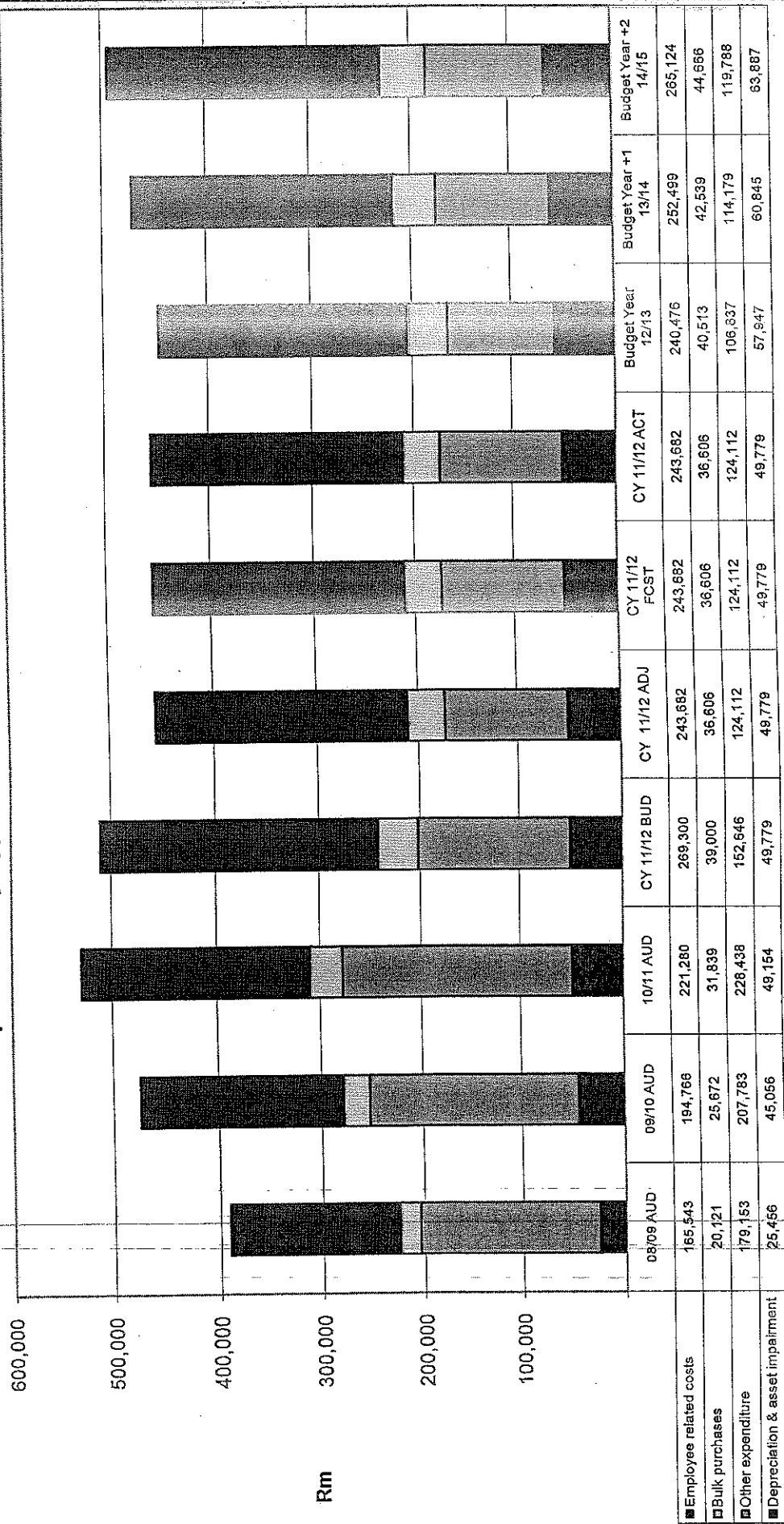
Revenue by Source - Minor - Chart A6



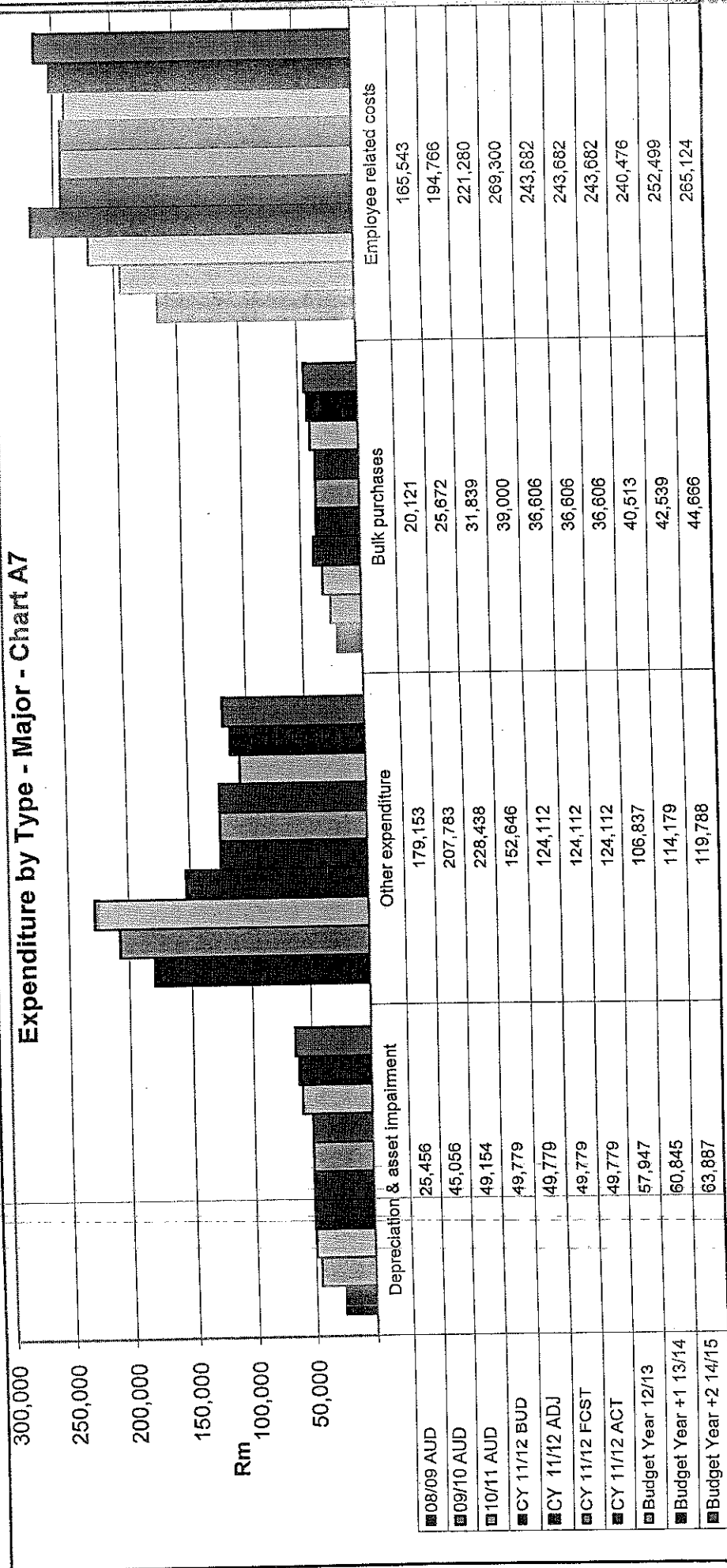
Revenue by Source - Major - Chart A5(b) - source trend



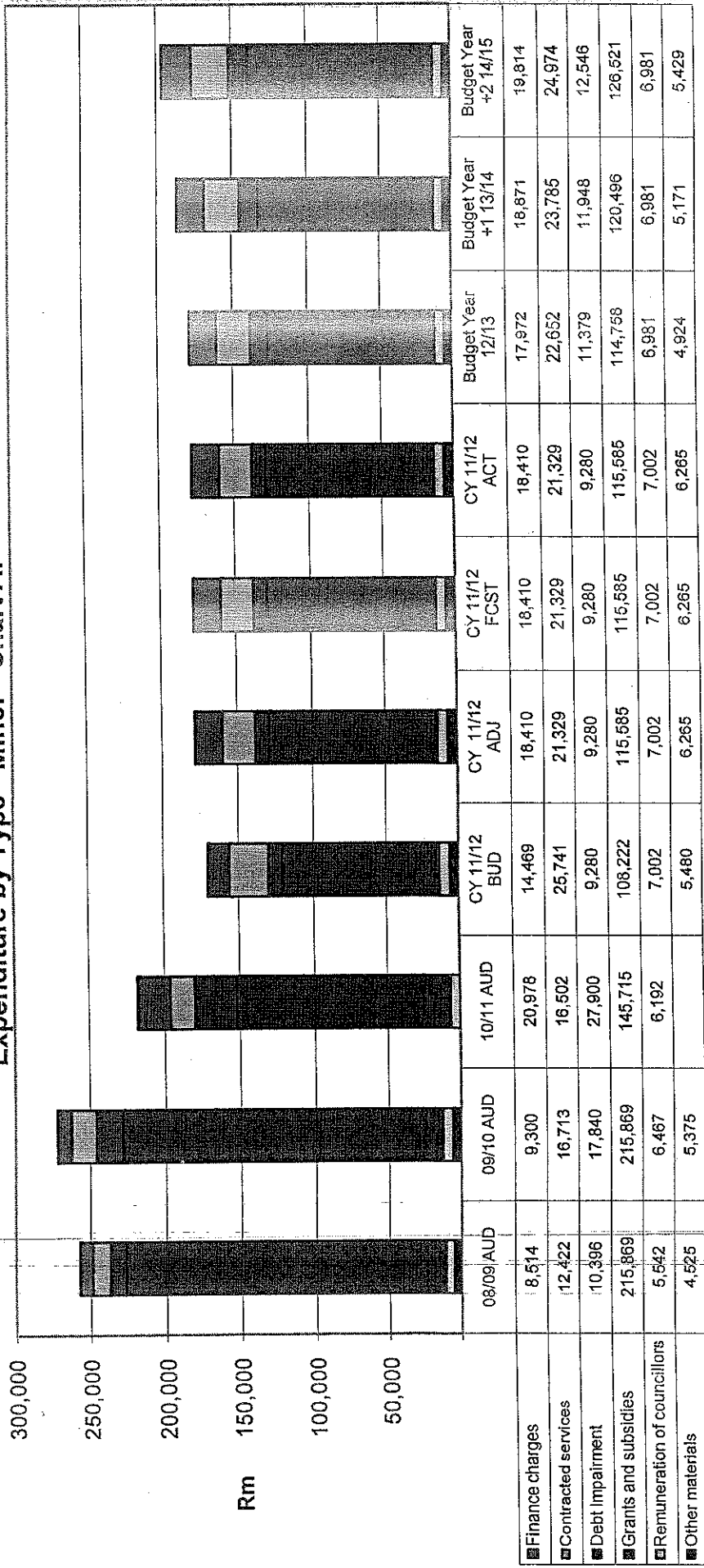
Expenditure by Type - Major - Chart A7



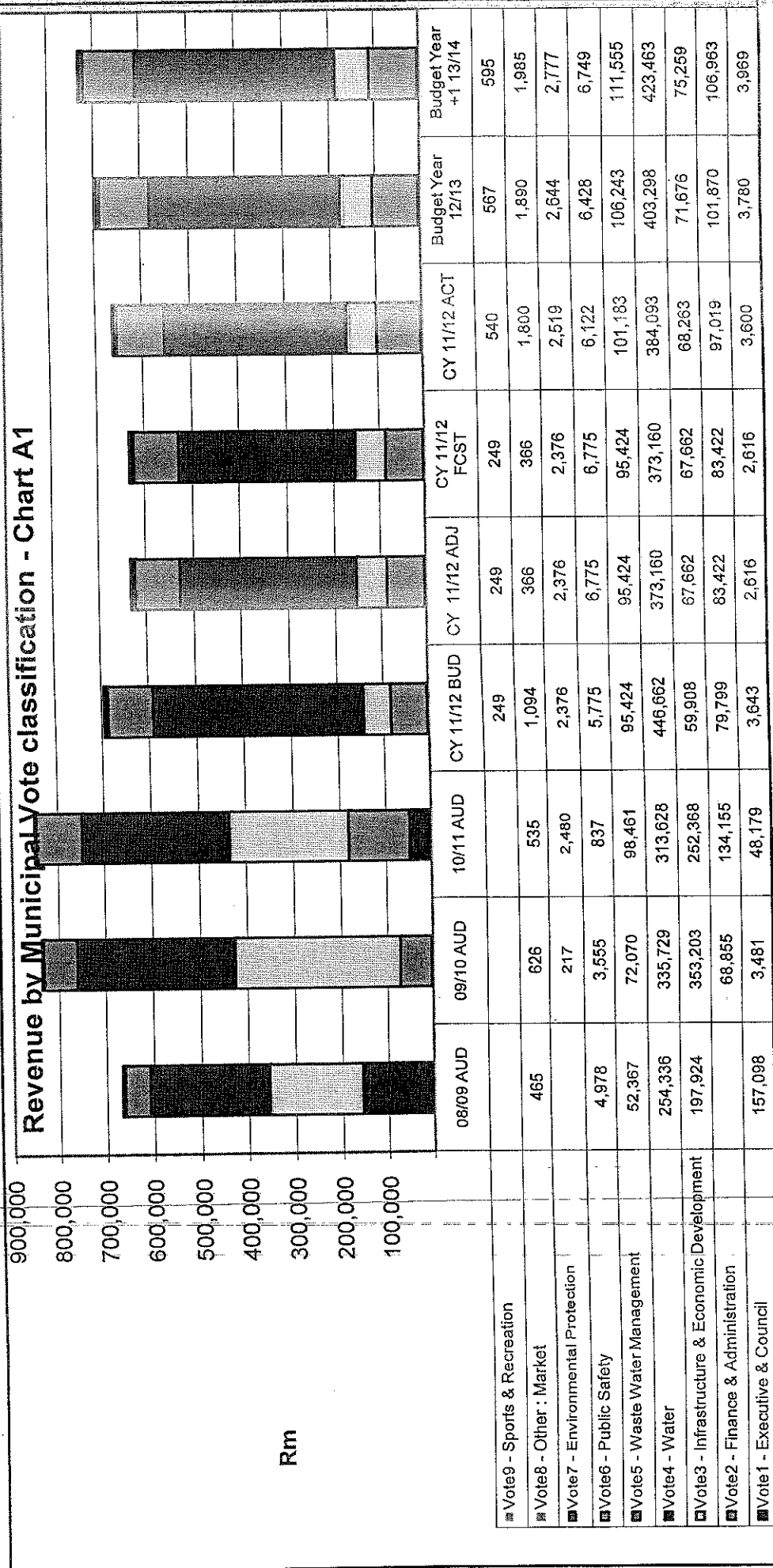
Expenditure by Type - Major - Chart A7



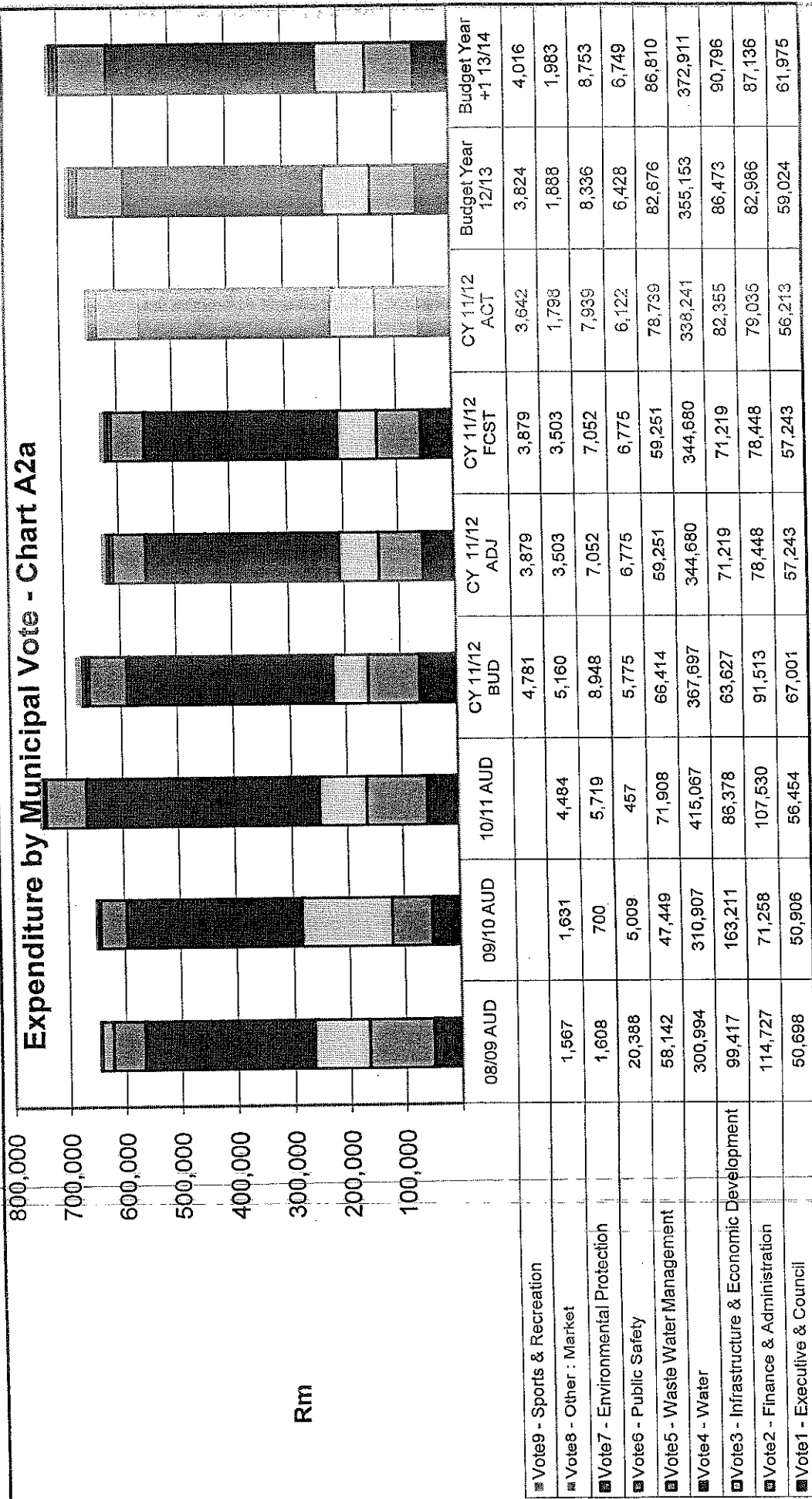
Expenditure by Type - Minor - Chart A7



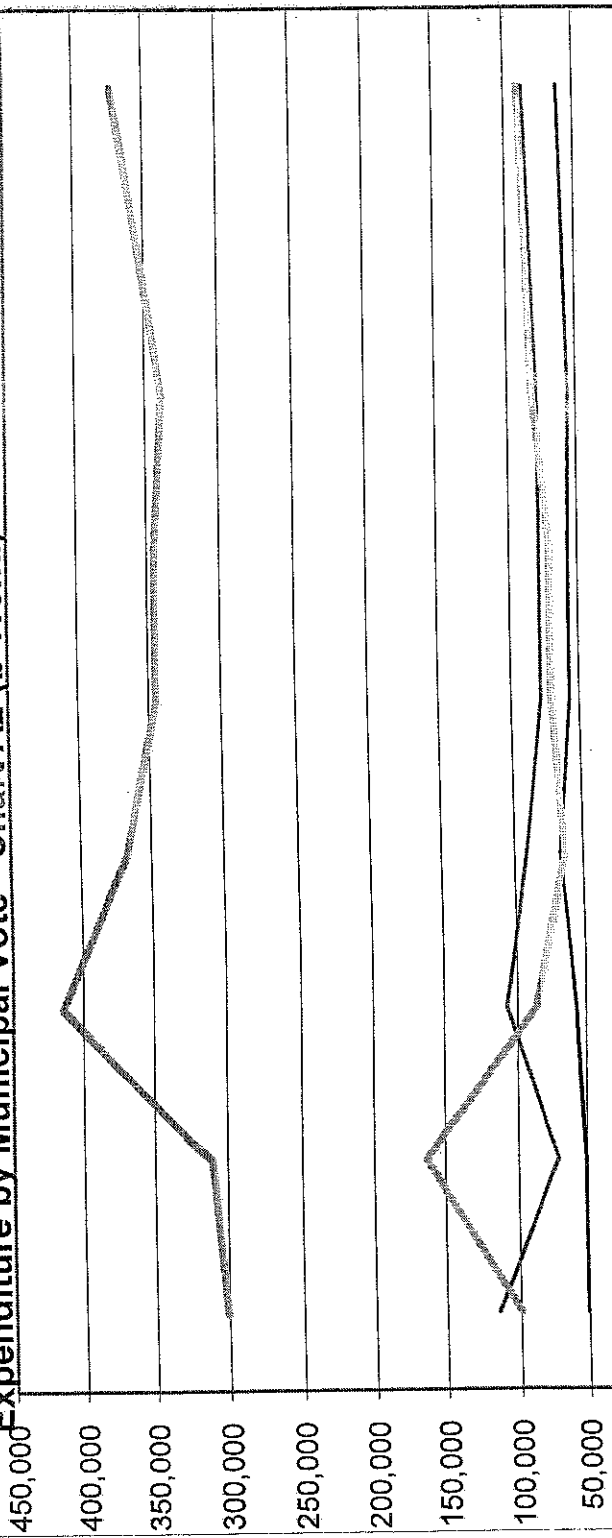
Revenue by Municipal Vote classification - Chart A1



Expenditure by Municipal Vote - Chart A2a



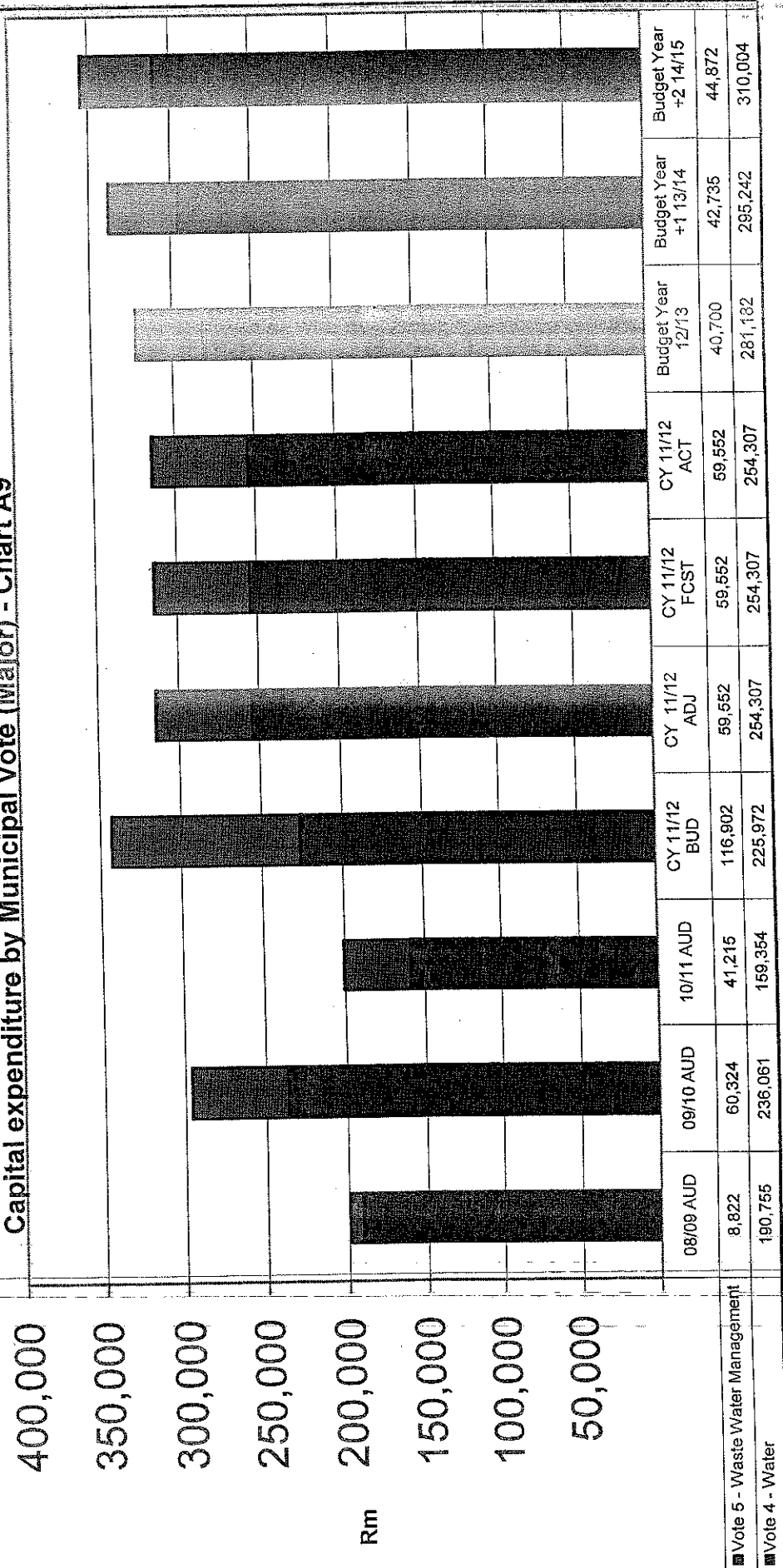
Expenditure by Municipal Vote - Chart A2 (b Trend)



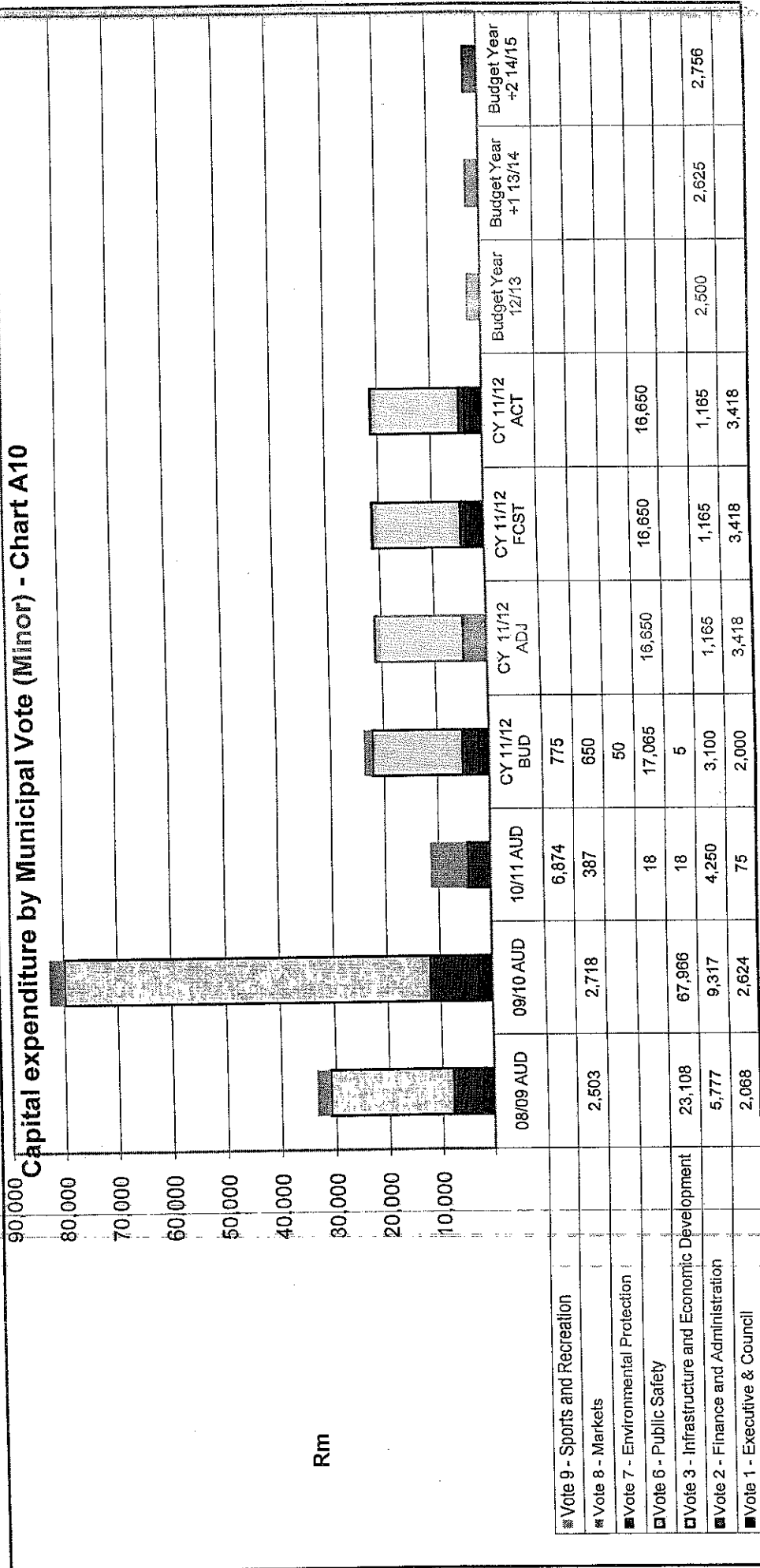
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| | 08/09 AUD | 09/10 AUD | 10/11 AUD | CY 11/12 BUD | CY 11/12 ADJ | CY 11/12 FCST | CY 11/12 ACT | Budget Year 12/13 | Budget Year +1 13/14 |
|---|-----------|-----------|-----------|--------------|--------------|---------------|--------------|-------------------|----------------------|
| Vote1 - Executive & Council | 50,698 | 50,906 | 56,454 | 67,001 | 57,243 | 57,243 | 56,213 | 59,024 | 61,975 |
| Vote2 - Finance & Administration | 114,727 | 71,258 | 107,530 | 91,513 | 78,448 | 78,448 | 79,035 | 82,986 | 87,136 |
| Vote3 - Infrastructure & Economic Development | 99,417 | 163,211 | 86,378 | 63,627 | 71,219 | 71,219 | 82,355 | 86,473 | 90,796 |
| Vote4 - Water | 300,994 | 310,907 | 415,067 | 367,697 | 344,680 | 344,680 | 338,241 | 355,153 | 372,911 |
| Vote9 - Sports & Recreation | | | | 4,781 | 3,879 | 3,879 | 3,642 | 3,824 | 4,016 |

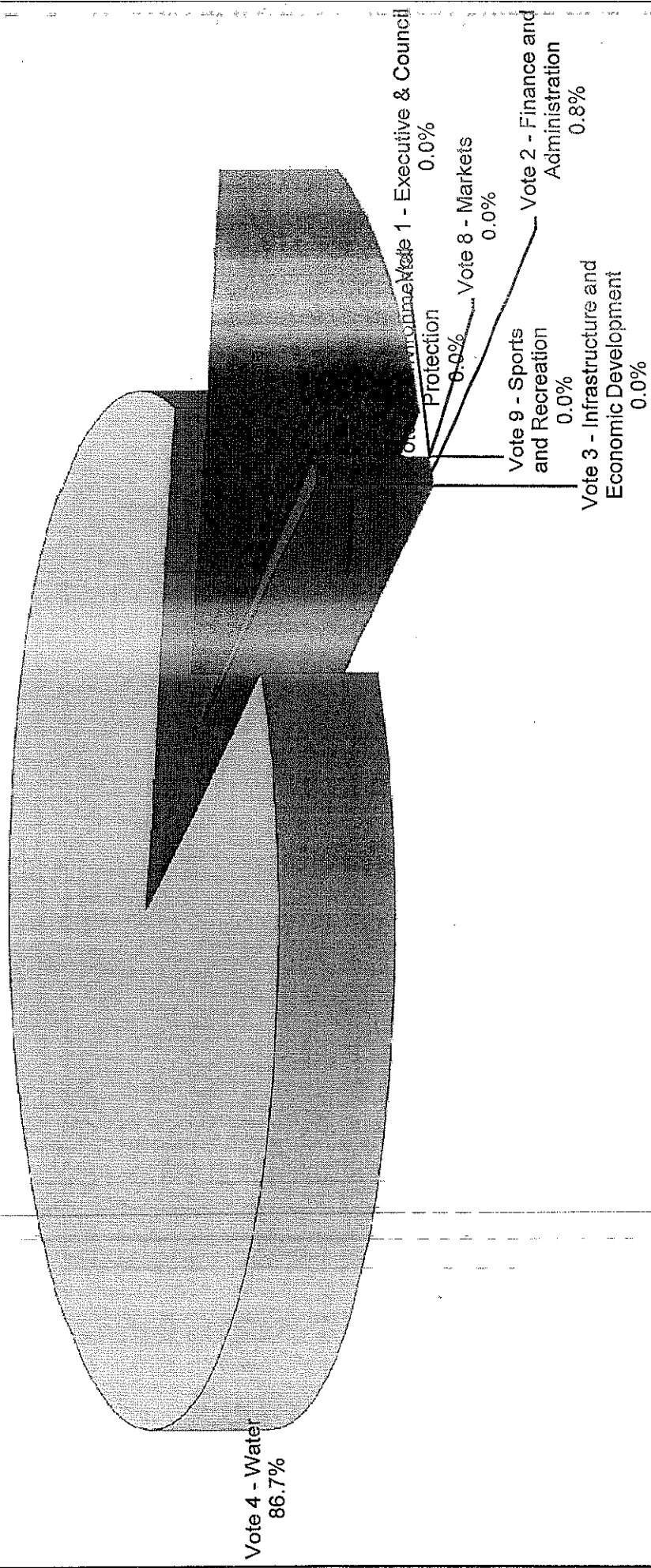
Capital expenditure by Municipal Vote (Major) - Chart A9



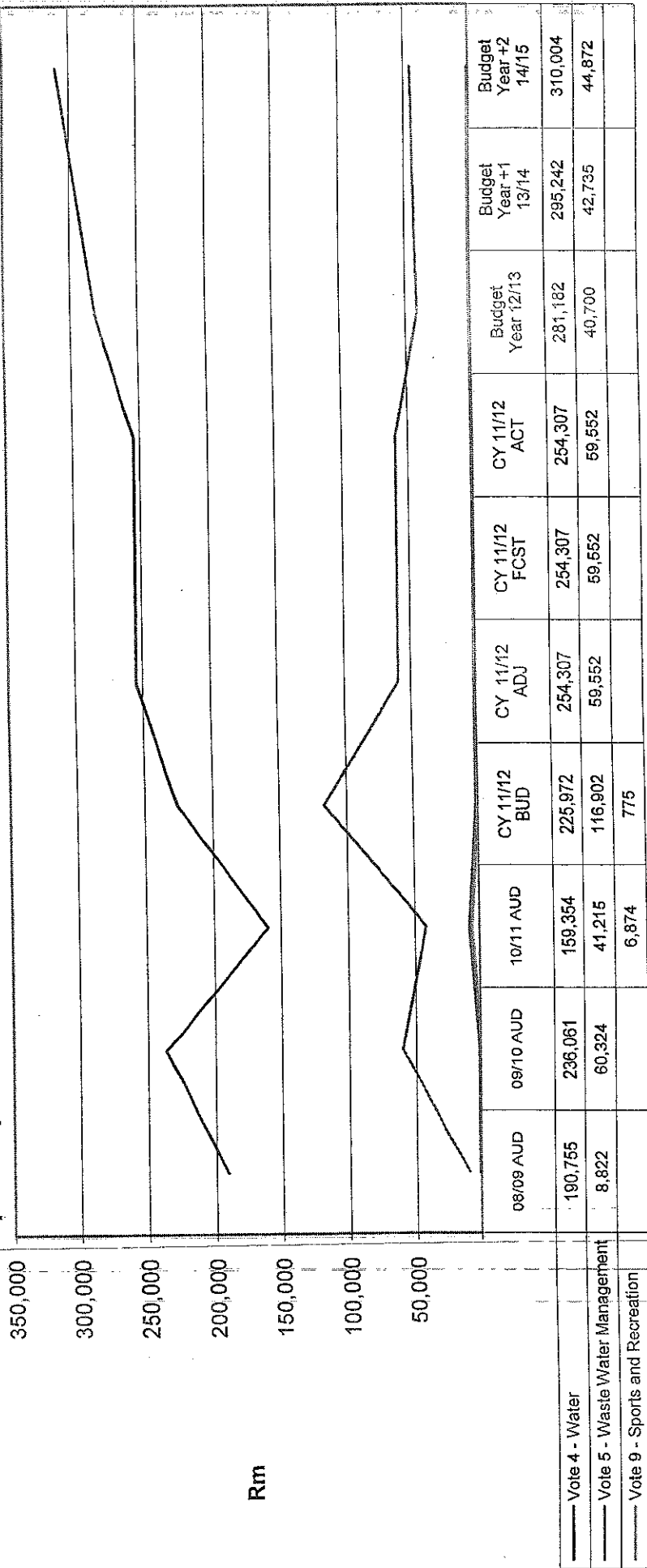
Capital expenditure by Municipal Vote (Minor) - Chart A10



**2012/13 Budget Year
Capital expenditure program per vote**



Capital expenditure by Municipal Vote (Major - Trend) - Chart A12



Capital funding by source - Chart A13

