

ANNUAL DRAFT BUDGET OF

VHEMBE DISTRICT MUNICIPALITY

2012/13 TO 2014/15

MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

PART 1 – ANNUAL DRAFT BUDGET

- 1.1 MAYOR'S REPORT
- 1.2 COUNCIL RESOLUTIONS
- 1.3 EXECUTIVE SUMMARY
- 1.4 OPERATING REVENUE FRAMEWORK
- 1.5 OPERATING EXPENDITURE FRAMEWORK
- 1.6 CAPITAL EXPENDITURE
- 1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

PART 2 – SUPPORTING DOCUMENTATION

- 2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS
- 2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP
- 2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS
- 2.4 OVERVIEW OF BUDGET RELATED-POLICIES
- 2.5 OVERVIEW OF BUDGET ASSUMPTIONS
- 2.6 OVERVIEW OF BUDGET FUNDING
- 2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS
- 2.8 COUNCILLOR AND EMPLOYEE BENEFITS
- 2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW
- 2.10 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS
- 2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS
- 2.12 CAPITAL EXPENDITURE DETAILS
- 2.13 LEGISLATION COMPLIANCE STATUS
- 2.14 OTHER SUPPORTING DOCUMENTS
- 2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

List of Tables

- Table 1 Consolidated Overview of the 2012/13 MTREF
- Table 2 Summary of revenue classified by main revenue source
- Table 3 Percentage growth in revenue by main revenue source
- Table 4 Operating Transfers and Grant Receipts
- Table 5 Comparison of proposed rates to levied for the 2012/13 financial year
- Table 6 Proposed Water Tariffs
- Table 7 Comparison between current water charges and increases (Domestic)
- Table 8 Comparison between current electricity charges and increases (Domestic)
- Table 9 Comparison between current sanitation charges and increases
- Table 10 Comparison between current sanitation charges and increases, single dwelling- houses
- Table 11 Comparison between current waste removal fees and increases
- Table 12 MBRR Table SA14 – Household bills
- Table 13 Summary of operating expenditure by standard classification item
- Table 14 Operational repairs and maintenance
- Table 15 Repairs and maintenance per asset class
- Table 16 2012/13 Medium-term capital budget per vote

Table 17 MBRR Table A1 - Budget Summary

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table 20 Surplus/(Deficit) calculations for the trading services

Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table 23 MBRR Table A6 - Budgeted Financial Position

Table 24 MBRR Table A7 - Budgeted Cash Flow Statement

Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 26 MBRR Table A9 - Asset Management

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

Table 28 IDP Strategic Objectives

Table 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Table 31 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Table 32 MBRR Table SA7 - Measurable performance objectives

Table 33 MBRR Table SA8 - Performance indicators and benchmarks

Table 34 Credit rating outlook

Table 35 Breakdown of the operating revenue over the medium-term

Table 36 Proposed tariff increases over the medium-term

Table 37 MBRR SA15 – Detail Investment Information

Table 38 MBRR SA16 – Investment particulars by maturity

Table 39 Sources of capital revenue over the MTREF

Table 40 MBRR Table SA 17 - Detail of borrowings

Table 41 MBRR Table SA 18 - Capital transfers and grant receipts

Table 42 MBRR Table A7 - Budget cash flow statement

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Table 44 MBRR SA10 – Funding compliance measurement

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Table 46 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Table 47 MBRR SA22 - Summary of councillor and staff benefits

Table 48 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Table 49 MBRR SA24 – Summary of personnel numbers

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

- Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)
- Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)
- Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)
- Table 55 MBRR SA30 - Budgeted monthly cash flow
- Table 56 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure
- Table 57 Water Services Department – Performance objectives and indicators
- Table 58 MBRR SA 34a - Capital expenditure on new assets by asset class
- Table 59 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class
- Table 60 MBRR SA34c - Repairs and maintenance expenditure by asset class
- Table 61 MBRR SA35 - Future financial implications of the capital budget
- Table 62 MBRR SA36 - Detailed capital budget per municipal vote
- Table 63 MBRR SA37 - Projects delayed from previous financial year
- Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance
- Table 65 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)
- Table 66 MBRR Table SA3 – Supporting detail to Statement of Financial Position
- Table 67 MBRR Table SA9 – Social, economic and demographic statistics and assumptions
- Table 68 MBRR SA32 – List of external mechanisms

1.1 MAYOR'S REPORT

Mayor's Report

**EXECUTIVE MAYOR'S REPORT TO THE 2012/13 IDP REVIEW AND 2013/14
DRAFT BUDGET COUNCIL MEETING OF 31 MARCH 2012**

Honourable Speaker Cllr Mahasela C

Honourable Chief Whip Cllr Dali T

Members of the Mayoral Committee

All Councillors

Mahosi ashu /Tihosi ta hina

Municipal Manager and his team of Administration

Members of the Public in the Gallery

It is a great pleasure and honour for me to be given this opportunity to address this auspicious gathering of district parliament. Comrades it is unfortunate that we are meeting 13 days after we have laid to rest comrade George Phadagi, one of pioneers of local government in our country. Comrades we also loss the lives of two water section personnel in the line of duty on Friday 25th at Thohoyandou Unit D R7 reservoir. Let me appreciate the support and commitment demonstrated by the honourables of this house. Since I have been mandated to steer the ship of our District Municipality I am fortunate to serve with a team of dedicated politicians. I have been elected at a very crucial time of the calendar of our District. The district municipality

was to ensure that sufficient budget public consultations are been carried out before the adoption of the budget and the IDP.

Let me also acknowledge the support and the commitment of our hard working Municipal Manager and his entire team of administration. For us as politicians to succeed in our commitment of improving the quality of lives of our communities we need a capable team of technocrats who will also understand the interface and interconnection of political and administrative component. I would like to emphasize that let us all understand our roles and responsibilities very well. Let the politicians run the political show without any hindrances by the administration. The same principle must apply to you honourable Councillors.

Madam Speaker

In May 2011 over 400 000 voters representing more than 1.2 million people of Vhembe district municipality mandated the 100yrs old African national congress to lead the District. They have done so with full hope and belief that their ANC will continue to liberate them from hunger, poverty and underdevelopment. As a deployee of the African National Congress we dare not to disappoint the hopes and aspirations of our masses.

Let me remind all members of this house that the people of this district voted for better educational facilities, improved health care, job opportunities, a crime free society and improved lively hoods in their respective rural villages and farms.

In 2011/2012 budget an amount of R3.5 million was set aside for a bursary scheme. More than 60 students benefited from the scheme and are now studying from various universities and further education and training colleges (FET). We have donated more than 1800 track suites and 700 shoes to needy primary learners across the District. We have done so though the responsibility of providing education is not our constitutional mandate. In the spirit of cooperative governance we have to lend a hand in a skills development revolution.

Madam speaker

It is with great pleasure to announce to this council sitting that Vhembe district has been identified as one of the 10 pilot districts by the National government for the implementation of National Health Insurance (NHI). In this regard on the 14th of May 2012 the Minister of Health; Dr Motsoaledi visited our district to meet with various stakeholders to explain how the NHI will be rolled out in the district. The Minister has indicated that all our health institutions will benefit from the project. Let me also commend the Department of Community Services for hosting a successful HIV and Aids campaign in Shakadza village on the 25th of May 2012.

National leadership of South African Police led by the Deputy Minister of Police comrade M.M Soty and the MEC of Safety, Security and Liaison Comrade Radzilani FF deem it fit to launch second hand good act in our district. The launch was done on the 21st of May 2012 and it was a national event, all provincial commissioners and deputy national commissioner were hosted by the district. I call upon members of this important house to join men and women in blue uniforms in a struggle of creating a crime free community.

Through our capital budget of more than R700 Million 2500 jobs were created during the implementation of various infrastructure projects like road constructions, water projects and LED programmes.

Madame Speaker

Let me congratulate the Masia Matsila community for its successful partnership with the University of Venda and the Department of Rural Development. The partnership will create an investment opportunity of more than R30 Million .It will boost the Agricultural economy of Ha Masia and the surrounding villages.

The African National Congress in Vhembe Region held a very successful regional conference from 18th to the 20th of May 2012. In that conference our own Chief Whip Councillor Dali TS has been given

a responsibility of a Treasurer, Cllr Mboyi, Cllr Ramoyada, Cllr Makhomisane and Cllr Malange were also elected as members of the Regional Executive Committee. On behalf of the house I congratulate you comrades and pass my ululations to the newly elected regional Chairperson Comrade Matibe Tshitereke. Let me also congratulate the local and provincial house of traditional leaders for holding a very successful election.

It is pleasure for me to inform this respected chamber that one of us Hosi Chauke known as Mdavula has been elected as a deputy chairperson of Limpopo house of traditional leaders, go and represent us well Muhlengwe. In the same note allow me to welcome Hosi Nxumalo in his new responsibility as chairperson of our local house traditional leaders. Let me commit myself that my office will continue to support our local house of traditional leaders.

Madam Speaker

Today we will be adopting our budget which will guide us on how to improve the quality of lives of our electorates. Our revenue has increase by 2% from R1, 080,509,670 to R1, 092,085,293. More than 90% of our budgets are grants from Provincial and National governments. This is worrying factor, because our existence should not only be determined by other spheres of government. We have a challenge of creating and building a sustainable district municipality. This honourable house has the responsibility of strengthening its

revenue collection capacity particularly on water billing. This is the time honourable councillors to go out and encourage our electorates to pay for water, particularly those communities which are well serviced.

In conclusion let me submit the following items for today's consideration:

Item 7.1.1: to 7.1.8

2012/2015 budget

Draft 2012/2013-16/17 IDP

Audit committee exit report

Audit Committee Charter

Risk Management Committee Charter

Risk Management Strategy

Top Ten Risks of VDM

Communication Strategy Review

Madam Speaker I so move

1.2 RESOLUTIONS

On 31 May 2012 the Council of Vhembe District Municipality will meet at Vhembe Council Chamber to consider the annual budget of the municipality for the financial year 2012/13. The Council approved and adopted the following resolutions:

The Council of Vhembe District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.2.1 The annual budget of the municipality for the financial year 2012/13 and the multi-year and single-year capital appropriations as set out in the following tables:
- 1.2.2 Budgeted Financial Performance (revenue and expenditure by standard classification);
- 1.2.3 Budgeted Financial Performance (revenue and expenditure by municipal vote);
- 1.2.4 Budgeted Financial Performance (revenue by source and expenditure by type); and
- 1.2.5 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
- 1.2.6 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
- 1.2.7 Budgeted Financial Position as contained in Table 23.
- 1.2.8 Budgeted Cash Flows as contained in Table 24;
- 1.2.9 Cash backed reserves and accumulated surplus reconciliation as contained in Table 25.
- 1.2.10 Asset management as contained in Table 26 and
- 1.2.11 Basic service delivery measurement as contained in Table 27.

The Council of Vhembe District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012: the tariffs for the supply of water – as set out in Annexure A

1.3 EXECUTIVE SUMMARY

The 2012/13 medium term budget was developed within the municipality budget framework, municipal budget and reporting frameworks and treasury guidelines. A total of **R1,548,372,158** for 2012/13 medium term is proposed comprising of **R1,004,069,500** for operating budget and **R544,302,658** for capital budget.

The municipality has experienced a positive budget growth of 16.8% compared to the 2010/11 financial year. The 85.6% of the budget funding is based on grants and subsidies provided for by the national government. The grants are utilized to fund both operating and capital expenditure. The Municipality will realise operating deficit over the multi-year period. The deficit has resulted from the implementation of GRAP 17, wherein water related assets were recognised as a result of transfer and assets constructed through grants. The deficit will be funded through accumulated surplus as the assets depreciate in accordance to their useful life.

The budget was prepared in line with the National, provincial and district priorities to ensure that services are planned according to planning guidelines.

BUDGET ITEM	2012/13	2013/14	2014/15
Operating Revenue	R547 783 635	R568,352,351	R589,693,402
Operating Expenditure	R1,092,086,293	R975,685,365	R989,325,924
Operating Deficit	R456,285,865	R407,333,014	R399,632,522
Capital Budget	R544,302,658	R536,259,733	R556,395,739
TOTAL	R1, 548,432,212	R1,104, 612,084	R1,146,089,140

1.4 REVENUE FRAMEWORK

The 2012/13 revenue allocation has increase by 2% from **R1, 080,509,670** allocated for 2011/12 financial year to R1 092,085,293 . Revenue is derived from grants and subsidies received from both Provincial and National spheres of government as gazetted in the Division of Revenue Act, herein referred to as DORA. Revenue is also derived from municipal own funding received through interest earned on investments, sale of tender documents, rental of property and water sales.

Projected revenue sources is as follows:

REVENUE BY SOURCE	2012/13	2013/14	2014/15
	Budget	Budget	Budget
Conditional grant	516,479,000	498,702,000	496,269,000
Unconditional Grant	476,439,000	511,035,000	549,640,000
Water Sales	41,391,870	43,709,815	46,157,564
SARS- VAT Refund	44,137,000	46,608,672	49,218,758
Interest from Investments	3,763,552	3,974,311	4,188,924
Other Income	9,874,870.57	582,286	614,894
	1,092,085,293	1,104,612,084	1,146,089,140

It is clear from the table above that 91% of the anticipated revenue is funded from government grants and 9% from own source. In order to sustain government conditional grants, the municipality must accelerate spending of capital projects funded from grants. Allocation of resources towards investing in water services has been intensified because water provision is the main source of revenue for the municipality. Revenue generated from water provision has been ring fenced in order to sustain water provision within the district.

1.5 OPERATING EXPENDITURE FRAMEWORK

The tabling of the 2012/2013 budget is a statement of our commitment to provide municipal services to the community of Vhembe District. The operating budget totals R1, 004,269,500 the operating budget consist of the following expenditure items:

DESCRIPTION	TOTAL	%
Employee Related Cost	330 556 387	30%
Councilor Remuneration	8 528 169	1%
General Expenses	607 247 669	39%
Repairs and Maintenance	57 737 275	4%
TOTAL OPERATING	1 004 069 500	65%

Funding of the operating budget is mainly from the Equitable share allocation, Water operating subsidy grant received from Department of Water Affairs (DWA) and a portion of own funds.

To support the 2012/13 operating budget the Tariff structure has been reviewed and in summary, 10 % increase will be effected on the water tariff and 4,8 % increase on the sale of tender documents as well as the rental of Thusong Centre from the 1st July 2012. Provision has been made for the provision of free basic water and sanitation to the poor households.

1.6 CAPITAL EXPENDITURE

The Capital Budget totals R544,302,658 and is funded mainly through Government Grants and own revenue.

The municipality has also reviewed all the budget related policies to support the implementation of the Service Delivery and Budget Implementation Plan.

1.7 ANNUAL BUDGET TABLES

See attached Budget Tables as per Budget and Reporting Regulations

PART 2 – SUPPORTING DOCUMENTATION

2.1 BUDGET PROCESS

The budget process is an effective process that every local government must undertake to ensure good governance and accountability. The process outlines the current and future direction that the district would follow in order to meet legislative stipulations. The budget process enables the district to optimally involve residents and other stakeholders in the budgeting process.

The preparation process is guided by the following legislative, requirements:

- Municipal Finance Management Act
- Municipal Systems Act and
- Municipal Structures Act

Vhembe District Municipality Budget/Integrated Development Plan (IDP) Review processes for the 2012/13 financial year started with the development and approval in August 2011 of the “Process Plan for the Budget formulation see below schedule

FIRST QUARTER		JULY-SEPTEMBER 2011		
ACTIVITY	TASK	RESPONSIBLE PERSON	PARTICIPANTS	TIME-SCHEDULE
1/1 Tabling Budget Process Plan	Tabling Development of Budget Process Plan	C.F.O, Finance Portfolio Chairperson and Executive Mayor	IDP Steering, Portfolio & Mayoral committees and Council	25 Aug 2011
1/2 Revenue Allocation	Determining Draft initial allocation to Votes (Departments)	C.F.O	Steering Committee & Management Committee	21 & 26 Sep 2011
	Determining Proposed Rates & Service Charges			
SECOND QUARTER		OCTOBER-DECEMBER 2011		
2/1 Report of the previous year Audited statement and Annual Report	Presenting of Auditor General Report and Draft Annual Report	C.F.O & Municipal Manager	Steering & Management Committees	05 Dec 2011
2/2 Prepare proposed Budget	Issuing Budget guidelines	C.F.O	IDP Steering Committee and Management.	12 Dec 2011

and Plans for the next Financial year.	Departmental Presentation of proposed Budget & Plans Presentation of Budget related Policies	All Departments	IDP Steering committee, Management Committees, and Local Labour Forum	19 Dec 2011
THIRD QUARTER		JANUARY- MARCH 2012		
3/1 Budget Adjustment	Presenting of Budget Adjustment	C.F.O	IDP Steering & Management Committees,	09 Jan 2012
3/2 Budget Adjustment	Submission of Budget Adjustment and Annual Report	C.F.O & Portfolio and Executive Mayor	Finance Portfolio & Mayoral Committees and Council	19 Jan 2012
3/3 Reporting of Audited Statement & Annual Report				
3/4 Consolidate Budget and Plans for the next Financial year.	Tabling of Consolidated Drafts IDP Review & Budget, Budget related Policies, Draft SDBIP and Plans for the next Financial year.	C.F.O, Municipal Manager & Portfolio and Executive Mayor	IDP/Budget Management, Steering, Mayoral Committees, IDP Rep Forum and Council	23 Mar 2012

FOURTH QUARTER

APRIL-JUNE 2012

4/1 Approval of Budget	Submission of Draft Multi Year Budget to Stakeholders	C.F.O	National & Provincial Treasury and COGTA (DPLGH)	02 Apr 2012
	Public Participation & Consultation Process	Executive Mayor	Public	04-06 Apr 2012
	Consolidation of inputs, Finalization and Submission of Multi Year Budget.	C.F.O, Municipal Manager, Finance Portfolio Chairperson & Executive Mayor	IDP/Budget Management, Steering, Mayoral Committees, IDP Rep Forum and Council	24 May 2012
	Submission of SDBIP			
	Submission of Approved Multi Year Budget to Stakeholders	C.F.O	National & Provincial Treasury and COGTA (DPLGH)	12 June 2012
	Approval and Signing of Performance Agreement	Executive Mayor	Municipal Manager & Section 57 Managers	28 June 2012

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

(Copy table SA8 and attach here)

2.4 OVERVIEW OF BUDGET- RELATED POLICIES

The municipality has various policies which relate to budgeting and financial management in the municipality. These Financial policies comply with the MFMA and its promulgated regulations. The following attached budget related policies were amended:

- Credit Control and Debt Collection policy
- Supply Chain Management Policy
- Subsistence and Travelling Policy
- Cell phone and 3G usage Policy
- Asset Management Policy
- Virement Policy
- Petty Cash Policy

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievements of the longer-term financial and strategic targets. The municipal fiscal environment is influenced by a variety of macro economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total operating budget.

The following principles and guidelines directly informed the compilation of the budget:

- The priorities and targets in relation to the key strategic focus areas as determined in the IDP
- The tariff increases to take in to account service provision
- Division of Revenue Act

- An assessment of the capacity to implement the budget
- Expenditure trend of the current and the past three financial year
- The need to enhance the municipality's revenue base.

The multi year budget is therefore based on the following tariff increase:

SALE OF TENDER DOCUMENTS

	2012/2013		2013/2014		2014/2015	
Inflation Rate	5.40%		5.60%		4.60%	
		Tarrif		Tarrif		Tarrif
Micro Project	3.47	67.72	3.79	71.51	3.29	74.80
Small Project	6.64	129.60	7.26	136.86	6.30	143.15
Medium Projects	10.11	197.31	11.05	208.36	9.58	217.94
Large Projects	16.69	325.70	18.24	343.94	15.82	359.76

Classification should be limited to the following categories:

- Micro projects >30 000 but less than 150 000
- Small projects > 150 000 but less than 500 000
- Medium projects > 500 000 but less than 2 000 000
- Large projects > 2 000 000

Rental of Thusong service centre

Rental payable per month for the lease of offices will be as follows:

Tariff	1 st year	2 nd year	3 rd year
	R25 per m2	6.5% escalation	6.5% escalation

Water and Sanitation

The tariff for water and sanitation from local municipalities will be applicable with an increase of 10% in the 2012/13 budget year.

The water tariff is not yet cost reflective. It is proposed that the tariff be increased by 10% annually. The municipality is currently experiencing challenges with regards to the provision of water within the district.

Community Services Tariff

inflation rate	5.40%		5.60%		4.60%	
	Half Yearly	yearly	Half Yearly	Yearly	Half Yearly	Yearly
Bulk Deposit	165.69	331.38	174.97	349.93	183.02	366.03
Dry cleaning rooms	88.37	176.73	93.32	186.63	97.61	195.22
Spraying rooms	88.37	176.73	93.32	186.63	97.61	195.22

Certificate of registrations issued to premises other than the above

	2012/2013			2013/2014		2014/2015	
	5.40%			5.60%		4.60%	
	Half Yearly	Inflation rate	yearly	Half Yearly	yearly	Half Yearly	yearly
Up to 2000 litre storage capacity	63.24	6.48	126.48	66.78	133.56	69.85	139.71
Up to 5000 litre storage capacity	126.48	12.96	252.96	133.56	267.13	139.71	279.41
Up to 20 000 litre storage capacity	252.96	25.92	505.92	267.13	534.25	279.41	558.83
Above 20 000 litre storage capacity	505.92	51.84	1,011.84	534.25	1,068.50	558.83	1,117.65

FEES FOR EXAMINING VEHICLE

	2012/2013			2013/2014		2014/2015	
Inflation rate	5.40%			5.60%		4.60%	
Road tank wagon	5.09	94.32	99.41	5.57	104.98	4.83	109.81
Motor vehicle	4.53	83.84	88.37	4.95	93.32	4.29	97.61
Any vehicle	2.26	41.92	44.18	2.47	46.66	2.15	48.80

	2012/2013		2013/2014		2014/2015		
Inflation rate	5.40%		5.60%		4.60%		
Call out charges							
Heavy duty pump unit	220.00	11.88	231.88	12.99	244.87	11.26	256.13
Medium duty pump unit	190.00	10.26	200.26	11.21	211.47	9.73	221.20
Light duty pump unit	160.00	8.64	168.64	9.44	178.08	8.19	186.28
Water tanker	190.00	10.26	200.26	11.21	211.47	9.73	221.20
Rescue tender	190.00	10.26	200.26	11.21	211.47	9.73	221.20
Service vehicle	120.00	6.48	126.48	7.08	133.56	6.14	139.71
Trailer or portable pump unit	120.00	6.48	126.48	7.08	133.56	6.14	139.71

Service charges per hour or part thereof

	2011/2012	2012/2013	2013/2014	2014/2015
Inflation rate		5.40%	5.60%	4.60%

Heavy duty pump unit	500.00	27.00	527.00	29.51	556.51	25.60	582.11
Medium duty pump unit	450.00	24.30	474.30	26.56	500.86	23.04	523.90
Light duty pump unit	400.00	21.60	421.60	23.61	445.21	20.48	465.69
Water tanker	450.00	24.30	474.30	26.56	500.86	23.04	523.90
Rescue tender	450.00	24.30	474.30	26.56	500.86	23.04	523.90
Service vehicle	350.00	18.90	368.90	20.66	389.56	17.92	407.48
Trailer or portable pump unit	350.00	18.90	368.90	20.66	389.56	17.92	407.48

LABOUR CHARGES	2012/2013		2013/2014		2014/2015		
Inflation rate		5.40%		5.60%		4.60%	
Per officer per hour	199.12	10.75	209.87	11.75	221.63	10.19	231.82
Per fire fighter per hour	157.20	8.49	165.69	9.28	174.97	8.05	183.02

PERFORMANCE OF ANY STANDBY DUTY AT ANY PREMISES

	2012/2013			2013/2014	2014/2015		
Inflation rate		5.40%		5.60%		4.60%	
Per fire fighter per hour or part thereof	125.76	6.79	132.55	7.42	139.97	6.44	146.41

FILLING OF SWIMMING POOLS

	2012/2013			2013/2014	2014/2015		
Inflation rate		5.40%		5.60%		4.60%	
Filling of Swimming Pool	838.40	45.27	883.67	49.49	933.16	42.93	976.08

ENVIRONMENTAL HEALTH SERVICES

PROGRAMME	EXISTING RATES	PROPOSED FOR 2012-2013
1.CERFIFICATE OF ACCEPTABILITY(CATERERS)	R118.00	R170.00
2.CERTIFICATE OF ACCEPTABILITY FOR FOOD PREMISES	R118.00	BEE – R200.00
		BIG OUTLETS - R 350.00
3. CERTIFICATE OF FITNESS FOR PREMISES	R197-00	SMALL BUSINESS- R250.00
		BIG OUTLETS – R350.00
4.CERTIFICATE OF COMPETENCY -FUNERAL UNDERTAKERS	NEW	R500.00
5.HEALTH REPORT	NEW	R300-00
6.SITE INSPECTION FOR CIRCUMCISION SCHOOLS	NEW	R350-00
7.BUILDING PLANS- DWELLING	R60-00	R150-00
8.BUILDING PLANS- BUSSINES PLANS	R60-00	R350-00

Tractors Tariff.

Type of service	Rate/Ha	Ha/Day	Income	Income/Month	Income/Yr	12 Tractors
Ploughing	R700.00	06	4,200	84,000	1,008,000	12,096,000
Disc harrow	R350.00	06	2,100	42,000	504,000	6,048,000
Ripping	R700.00	05	3,500	70,000	840,000	10,080,000
Rigging or lining	R350.00	06	2,100	42,000	504,000	6,048,000
Totals			11,900	238,000	2,856,000	34,272,000
Average		5.75	2,975	59,500	714,000	8,568,000

Rates for hiring of agricultural implements

Type of service	Rate/Ha
Ploughing	R700.00
Disc harrow	R350.00
Ripping	R700.00
Rigging or lining	R350.00
De- bushing	R200.00

2.5 OVERVIEW OF BUDGETING FUNDING

The funding of the operating and capital budget per source is as follows:

REVENUE BY SOURCE	2012/13	2013/14	2014/15
	Budget	Budget	Budget
Conditional grant	516,479,000	498,702,000	496,269,000
Unconditional Grant	476,439,000	511,035,000	549,640,000
Water Sales	41,391,870	43,709,815	46,157,564
SARS- VAT Refund	44,137,000	46,608,672	49,218,758
Interest from Investments	3,763,552	3,974,311	4,188,924
Other Income	9,874,870.57	582,286	614,894
	1,092,085,293	1,104,612,084	1,146,089,140

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Operating grants and subsidies represent the bulk of the revenue sources of the VDM. With the abolishment of RSC levies, the VDM is totally dependent on National and Provincial grants and subsidies as revenue source.

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

No allocation will be transferred to Local Municipalities.

2.9 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Provision is made for an increase in Councillors and employee benefits

See SA 22 Budget table on employee remuneration

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

See Budget Tables SA 27

2.11 CAPITAL EXPENDITURE DETAILS

PROJECTS	ALLOCATION
Roads	22,362,000.00
Sewer	28,150,000.00
Water project	451,466,050.00
Rural Sanitation	26,000,000.00
Capital Outlay	16,324,608
TOTAL	544,302,658.00

2.12 LEGISLATION COMPILATION STATUS

Disclosure on implementation of MFMA chapter Legislation

The passing of the MFMA into law was a key milestone that had a fundamental impact on municipal financial management that required transformation in financial discipline and planning processes.

The budget preparation for 20011/12 has met this entire key requirement.

The following are some of the MFMA areas and relative status

IDP

The 2011/12 review process is done, including public consultation as required by legislation

BUDGET

This annual budget has been develop taking the MFMA and national treasury requirements into account budget are being tabled and approved with the required legislative timeframes.

ANNUAL

The annual report has been developed in terms of the MFMA.

IN YEAR REPORT

Reports was done in terms of MFMA and National Treasury and send electronically copy National and Provincial Treasury

BUDGET AND TREASURY OFFICE

A budget and treasury office has been established in accordance with the MFMA and national treasury requirements

SDBIP

The SDBIP document is at preparation stage taking the MFMA requirements into account.

AUDIT COMMITTEE

An audit committee has been established

2.13 OTHER SUPPORTING DOCUMENTS

2.14 MUNICIPAL MANAGER'S QUALITY CERTIFICATION