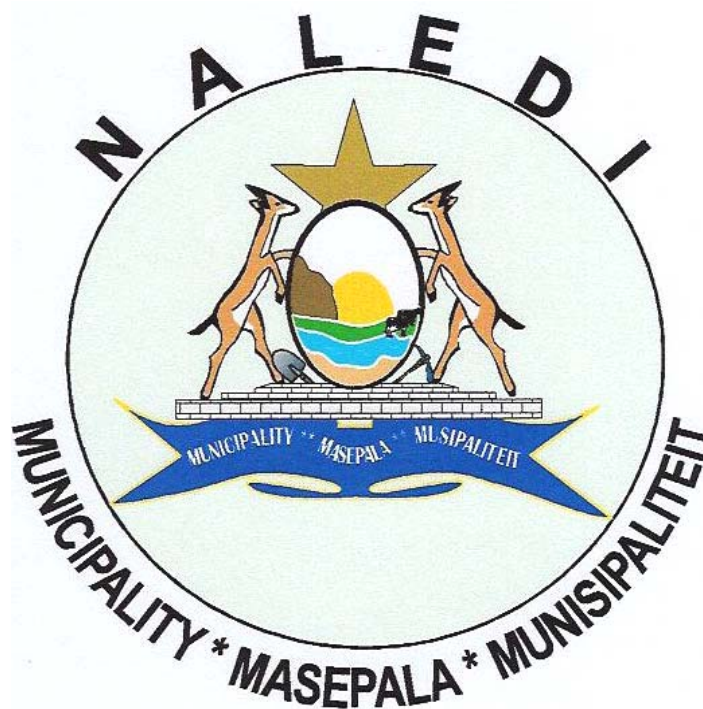


NALEDI LOCAL MUNICIPALITY



2013/2014 TO 2015/2016 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) DRAFT ANNUAL BUDGET DOCUMENT

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ADDITIONAL DOCUMENTS

- Annexure A Integrated Development Plan 2013/14 to 2016/17
- Annexure B Policies as set out in Par 4.2
- Annexure C Rates and Tariff for the rendering of Municipal Services 2013/14

Part 1 – Annual Budget

1.1 Mayor's Report

Speech by the Mayor on the tabling the draft budget and draft IDP 2013/14

Only people have been asking how we plan to meet our municipalities increasing demands of needs. Right now you'll find Naledi employees working 24/7 to ensure that we are supplying services to do just that.

Just to give you an idea, we are currently in the process of pave a road, refurbishing boreholes and tender is out for re building the water purification plant in Wepener. And we have already laid hundreds kilometers pave roads in both Wepener and Dewetsdorp.

But we are not stopping there. South Africa future depends on long term solutions so we are coming up with new ways to generate clean, renewable water. We are ensuring that our new project of elevated tank and interlinking pipe in Dewetsdorp is more efficient.

We have also completed the construction of water treatment plant in Van Stadensrus and water pump station in Wepener. But as you can appreciate it all takes time. That's why starting right now, if every Naledi resident all 8400 household of us and counting, is responsible to save as much drops of water at home and at work together, we'll all have as much as we need.

A new water meter project is about to start in Morojaneng and the whole idea here is to save much water as we can. The project is also meant to meet the indigent half way, how? Remember each household is subsidized with 6 kl of water per month which means the municipality is buying water on your behalf.

Today we are tabling a 2013/14 budget and medium term revenue expenditure framework. Municipalities exercise their legislature and executive powers over specific functions that we set out in the construction. Municipal functions including providing portable water, sanitation, refuse removal services, building regulations, cemeteries, childcare facilities, electricity, firefighting land use and zoning parks and recreation, control of pollution, public advertising public places, municipal roads, street lights, town planning, trading regulation and licenses (street, food and liquor trade) traffic control and parking. All these functions need rands and cents to have effect on them.

That is why we are today planning budget processes that will seek local community ideas and inputs to ensure their participation.

Challenges

As we shall be tabling the budget and draft IDP, we must know that local government continues to face major challenges i.e. reducing unemployment, increasing access to better quality basic services, overcoming the legacy of apartheid spatial development, strengthening community participation and building a more accountable, effective and efficient local government.

As we are drawing closer to 2014, the year in which the target date was set for government to ensure universal access to basic services, let us plan a budget that will attempt to address the needs of our Naledi residents and throughout your support, I have realized that the quality of IDP has improved but, there is still a long way to go.

Thank you all.

1.2 Council Resolutions

On the 28 March 2013 the Council of Naledi Local Municipality met at the Town Hall in Dewetsdorp to consider the Annual Budget of the municipality for the financial year 2013/14. The Council approved and adopted the following resolutions:

1. The Council of Naledi Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

1.1 The Annual Budget of the municipality for the financial year 2013/2014 and the multi-year and single-year capital appropriations as set out in the following tables:

1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 8 on page 25

1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 10 on page 29

1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 11 on page 30

1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 6 on page 21

1.2 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:

1.2.1 Budgeted Financial Position as contained in Table 12 on page 31

1.2.2 Budgeted Cash Flows Statement as contained in Table 13 on page 32

2. The Council of Naledi Local 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 2013 ,the following tariffs as set out in Annexure C

2.1 Property rates

2.2 Electricity

2.3 The supply of water

2.4 Sanitation services

2.5 Solid waste services

- 2.6 Cemeteries
 - 2.7 Town Planning (Building Plans)
 - 2.8 Posters and distribution of handbills
 - 2.9 Credit control charges (Penalties and Fines)
 - 2.10 Rental of municipal facilities
 - 2.11 Library fees
 - 2.12 Supply of information
- 3 The Council of Naledi Local Municipality approves the newly designed Integrated Development Plan for the period 2013/2014 to 2016/2017 as set out in Annexure A.
- 4 To give proper effect to the municipality's annual budget, the Council of Naledi Local Municipality approves:
- 4.1 That the cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2 The adoption and the implementation of the following policies, attached as Annexure B
 - Rates Policy
 - Tariffs Policy
 - Credit Control and Debt Collection Policy
 - External Loans Policy
 - Bad Debts and Write off Policy
 - Investment and Banking Policy
 - Virement Policy
 - Indigent policy
 - Supply Chain Management Policy
 - 4.3 That the Municipal Manager be authorised to sign all necessary agreement and documents to give effect to the capital and operating programme.

1.3 Executive Summary

The compilation of the annual budget for the 2013/14 financial year as well as the MTREF remains to be affected by the legacy issues affecting the eco-political environment from which the municipality operates. Nevertheless sound financial management principles were applied during the compilation and adoption to ensure that municipality remains financially viable and that all municipal services are provided sustainably, economically and equitably to all communities.

The challenges emanating from economic factors within the jurisdiction of Naledi Municipality remains to be the key limitation that affects the municipality's ability to collect sustainable revenue from the provision of services; this in turn causes more financial constraints and further limits the ability to provide services to communities and the achievement of strategic objectives of the municipality. Where appropriate, priorities were ranked and programmes and projects were reviewed and analysed according to their impact, relevance and financial viability. A critical review was conducted to identify expenditure related to non-core functions and "nice to have" to ensure that due to limited financial muscle, the municipality should only prioritise programmes that add value and respond to service delivery imperatives.

The 2013/14 annual budget is also influenced by the adjustment budget of 2012/13. The adjustment budget had to incorporate the issues raised in the financial recovery plan which includes amongst others the issue of the long term outstanding creditors, whereby the short, medium and long term payment plans have to be provided for in the current year and the two outer years (MTREF). The Financial Recovery Plan advocates for implementation of stricter internal controls to ensure reduction of expenditure on non-core functions, and increased or concerted efforts in the implementation of the Revenue Enhancement Strategy.

The provision of main services remains the responsibility of the municipality, however over the years the municipality entered into Service Delivery Agreements with the service providers of water and electricity. The municipality has to focus on the development of the financial recovery plan, and thereafter develop a revenue enhancement strategy to optimize their collection of debts owed by the customers; this shall be made possible only by the complete and stringent implementation of the council's Credit control and debt collection policy. In addition, proper management of existing debtor's accounts which are regularly verified and monitored will ensure that only valid customers are billed on time, with the correct rates and at the correct consumption levels of services. The Council will shall be monitor the implementation of initiatives by means of quarterly reports to council on the progress made and the recovery and collection levels on all outstanding customers.

The National Treasury's MFMA Circular No 60 was used to guide the compilation of the 2013/14 MTREF. The main challenges experienced during the compilation on the 2013/14 MTREF can be summarised as follows:

- Continuous and constant international, national, provincial, regional and local economic pressures;
- Aging and poorly maintained water, roads and electricity infrastructure;

- The need to re-prioritise projects and expenditure within the existing resource envelope subject to cash flow limitations and declining cash reserves of the municipality;
- The increased cost of bulk electricity (due to tariff increases by Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- The increased cost of bulk water (due to tariff increases by Bloem-water), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable, and lack of proper management of alternative sources. (I.e. performing the task providing water services internally due to lack of technical capacity and financial resources.);
- Inability to properly account for distribution losses on bulk water purchases due to excessive water leakages emanating from inadequate budgeting for repairs and maintenance resulting in potential revenue being forfeited;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- The municipality's lack of financial viability to raise borrowings for capital expenditure;
- Migratory patterns along the Lesotho border which is directly affected by the provision of services to foreigners who do not qualify to as indigents; and
- Inability to collect more revenues as a result of high unemployment rate and inadequate and/or lack of sustainable economic activities

The following budget principles and guidelines directly informed the compilation of the 2013/14MTREF.

- The 2012/13 Adjustments Budget priorities and targets ,as well as the base line allocations contained in that Draft Annual Budget were adopted as the upper limits for the new baselines of the 2013/14 annual budget;
- Intermediate service level standards were used to inform the measurable objectives ,targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost

reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- All other possible factors which shall have a direct impact on the 2013/14 annual budget and which were not catered for on or before the approval of this annual budget, shall be factored through a budget adjustment process

In view of the above mentioned factors, table 1 listed below, is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework

Table 1 - Consolidated Overview of the 2013/14 MTREF

R Thousand	Adjustment Budget	Budget Year	Budget Year	Budget Year
	2012-2013	2013-2014	2014-2015	2015-2016
Total Operating Revenue	107 723	87 611	90 193	93 027
Total Operating Expenditure	107 628	87 338	89 949	92 944
Surplus/(Deficit) for the year	95	274	244	83
Total Capital Expenditure	15 598	20 307	13 594	13 816

Total operating revenue has dropped by R 4 514 million (19%) for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue shall increase by R 2 582 million (3%) and R 2 834 million (3%) respectively.

Total operating expenditure for the 2012/13 financial year has been appropriated at R107 628 million and translates into a budgeted surplus of R95 000 thousand. In comparison, the operating expenditure has dropped by R20 290 million (19%) in the 2013/14 budget and by R2 611 thousand (3%) and R 2 995 million (3%) for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R244 million and then stabilise at R 83 million.

The main cost driver of the increases for the total expenditure is the provision in the 2013/14 annual budget made for the item of debt impairment, with an increase of R 12 000 million to compensate for high outstanding debtors. The municipality is currently finalising the process of data cleansing to ensure that the long outstanding irrecoverable debtors are submitted to council to be written over the MTREF period. A provision was also made for asset depreciation and asset impairment with a marginal increase of R 1

500. Due to aging infrastructure and the result of conversion to GRAP from IMFO, the municipality had to properly budget for Asset depreciation and impairment.

The bulk water purchases remains one of the biggest challenges for the municipality, this is compounded by the inability to properly account for distribution losses on water, forfeited revenue, etc. Despite all the factors affecting losses on the water networks, the municipality must constantly maintain the same level of bulk purchases to ensure that water supply to communities is continuous and uninterrupted. The cost of bulk purchases by the water service provider increased by 5.6%, and this input cost to the municipality must be properly reflected to ensure that bulk water services are sufficiently provided for. Bulk water services for the 2013/14.

The capital expenditure increased with R4 709 Million for 2013/14, and decreased by R 6 713 million for 2014/15 and decreased by R222 thousand for 2015/16. All the capital expenditure is financed out of conditional grant, with the largest portion funded by Municipal Infrastructure Grant.

1.4 Operating Revenue Framework

For Naledi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 50 per cent annual collection rate for property rates and other key service charges;
- Electricity tariffs increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;

- The municipality's Indigent Policy and rendering of free basic services;
and
- The Tariffs Policy of Naledi Local Municipality

The following table is a summary of the 2013/2014 MTREF (classified by main revenue source):

Table 2 - Summary of revenue classified by main revenue source

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	3 002	2 355	2 547	5 791	8 467	8 467	-	9 091	9 582	10 100
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	5 540	2 936	3 230	3 078	3 174	3 174	-	3 352	3 533	3 724
Service charges - sanitation revenue	2	3 019	3 165	3 355	1 905	2 500	2 500	-	2 640	2 783	2 933
Service charges - refuse revenue	2	2 043	2 121	2 248	1 298	1 604	1 604	-	1 694	1 786	1 882
Service charges - other											
Rental of facilities and equipment				320	235	311	311				
Interest earned - external investments											
Interest earned - outstanding debtors				32	-	-	-				
Dividends received				5	5	5	5		5	5	5
Fines				5	2	7	7		7	7	7
Licences and permits											
Agency services											
Transfers recognised - operational		25 769	35 625	35 528	39 482	39 482	39 482		40 740	41 969	43 431
Other revenue	2	7 781	2 190	1 601	26 588	28 560	28 560	-	30 081	30 527	30 945
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		47 154	48 392	48 871	78 384	84 110	84 110	-	87 611	90 192	93 027



In line with the format prescribed by the Municipal Budget and Reporting Regulations, Capital transfer and contribution are excluded from the operating statements, as inclusion of these revenue sources will distort the calculation of the operating surplus/deficit.

The largest revenue source is transfers from external sources, totalling R 42 210 million of the total operating revenue. The second largest source is electricity at R 19,171 million of the total operating revenue and as electricity is supplied by Centlec. The third largest source is property rates which is totalling 9 091 million of the total revenue. A contributing factor to a large increase in service charges is that previous budgets did not break even on the cost for service delivery.

The other revenue of, consists of various items such as income received from building plans, cemetery fees, rental of municipal properties, commission, fines, etc. The tariffs on these items are reviewed annually to ensure that they are cost reflective and market related. The municipality is embarking of the system of improving a strict implementation of internal control measures to ensure that income from these items is sustainable. The "other income" includes VAT recovery of R4, 500 million and R 1,100 million of interest earned from external investment. The Salary Subsidy for Municipal Manager and the Chief Financial Officer from Corporate Governance and Traditional Affairs as allocated as other income is included.

Table 2.1 depicted below provides further illustrate a gradual increase on all main revenue source over the MTREF period. The table further illustrate each class of main revenue component relative to the total revenue .Property Rates has realised a 5.6% steady increase with the 2013/14 outer year at 5.4% .However, the Transfer recognised from operation shows a steady decline over the MTREF, from 47% for the 2013/14, 47% for the 2014/15 and 47% for the 2015/16 .The other service charges remains stagnant caused by realistic projections based on an assessment of covering input costs and making the service charges affordable. The reality is that the municipal area experiences a high indigence rate as a result most of the charges shall have to be paid by with the equitable share in any case.

Table 2.1 Percentage growth in revenue by main revenue source

Description	Ref	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework					
		Original Budget	Adjusted Budget	Full Year Forecast	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Revenue By Source											
Property rates	2	5 791	8 467	8 467	10%	9 091	10%	9 582	11%	10 100	%
Property rates - penalties & collection charges		0	0	0	0%	0	0%	0	0%	0	0%
Service charges - electricity revenue	2	-	-	-	0%			-	0%	-	0%
Service charges - water revenue	2	3 078	3 174	3 174	4%	3 352	3%	3 533	4%	3 724	4%
Service charges - sanitation revenue	2	1 905	2 500	2 500	3%	2 640	3%	2 783	3%	2 933	3%
Service charges - refuse revenue	2	1 298	1 604	1 604	2%	1 694	2%	1 786	2%	1 882	2%
Service charges - other		0	0	0	0%	0	0%	0	0%	0	0%
Rental of facilities and equipment		235	311	311	0%	0	0%	0	0%		0%
Interest earned - external investments		0	0	0	0%	0	0%	0	0%	0	0%
Interest earned - outstanding debtors		-	-	-	0%		0%	0	0%	0	0%
Dividends received		5	5	5	0%	5	0%	5	0%	5	0%
Fines		2	7	7	0%	7	0%	7	0%	7	0%
Licences and permits		0	0	0	0%	0	0%	0	0%	0	0%
Agency services		0	0	0	0%	0	0%	0	0%	0	0%
Transfers recognised - operational		39 482	39 482	39 482	47%	40 740	47%	41 969	47%	43 431	47%
Other revenue	2	26 588	28 560	28 560	34%	30 081	34%	30 527	34%	30 945	33%
Gains on disposal of PPE											0%
Total Revenue (excluding capital transfers and contributions)		78 384	84 110	84 110	100%	87 611	100%	90 192	100%	93 027	100%



Table 3 - Operating Transfers and Grant Receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
RECEIPTS:	1, 2										
-											
<u>Operating Transfers and Grants</u>											
National Government:			25 769	32 082	35 528	35 528	35 528	39 482	40 740	41 969	43 431
Local Government Equitable Share			23 469	29 882	33 288	33 288	33 288	37 182	38 200	39 235	40 514
Finance Management			1 000	1 200	1 450	1 450	1 450	1 500	1 650	1 800	1 950
Municipal Systems Improvement			1 300	1 000	790	790	790	800	890	934	967
Other transfers/grants [insert description]											
Provincial Government:			-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]											
District Municipality:			-	-	-	-	-	-	-	-	-
[insert description]											
Other grant providers:		-	-	-	-	-	-	-	-	-	
[insert description]											
Total Operating Transfers and Grants	5	25 769	32 082	35 528	35 528	35 528	39 482	40 740	41 969	43 431	



Capital Transfers and Grants										
National Government:		10 605	12 634	15 598	15 598	15 598	18 663	17 376	13 491	13 692
Municipal Infrastructure Grant (MIG)		10 605	11 764	14 149	14 149	14 149	17 163	16 295	13 406	13 602
Regional Bulk Infrastructure		–	–	–	–	–	500	81	85	90
EPWP		–	870	1 449	1 449	1 449	1 000	1 000	–	–
Provincial Government:		–	–	–	–	–	–	3 859	–	–
Municipal Water Infrastructure		–	–	–	–	–	–	3 859	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	10 605	12 634	15 598	15 598	15 598	18 663	21 235	13 491	13 692
TOTAL RECEIPTS OF TRANSFERS & GRANTS		36 374	44 716	51 126	51 126	51 126	58 145	61 975	55 460	57 123

The process of tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 5.6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. Apart from an allowed increase in electricity (12%) and water tariffs (9%), all other service charges were increased within the National Treasury's prescribed tariffs(5.6%) ,this was done despite the under-recovery of the past three financial years wherein the municipality's tariffs were not cost reflective.

The percentage increase of electricity bulk tariffs (Centlec/Eskom) and the water bulk tariffs (Bloem Water) are far beyond the mentioned inflation target. Given that these tariffs increases are determined by external agencies, these tariffs are largely outside the control of the municipality .Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future position and viability.

It must also be appreciated that the consumer price index ,as measured by the CPI ,is not a good measure of the cost to increases of goods and services relevant to municipalities .The food basket of goods and services utilised in the calculation of the CPI consists of items such as food, petrol and medical services ,whereas the cost drivers of a municipality are informed by items such as the cost of remuneration ,bulk purchases of water and electricity ,fuel ,chemicals ,cement ,etc. The current challenges facing the municipality is managing the gap between the cost drivers and tariffs levied, as any shortfall must be factored in either by operational efficiency gains or service level reductions. This adds to the contributing factors that the tariffs mentioned above have to increase beyond the official inflation rate of the Reserve Bank.

Within this framework, the municipality has undertaken the tariff setting process relating to service charges as follows, Refer to **Annexure C** for all the relevant tariffs applicable to the 2013/14 financial year

1.4.1 Property rates

Cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The implementation of the Property Rates is regulated in terms of the Municipal Property Rates Act, and the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The categories of rateable properties for the purpose of levying rates and the rates for the 2013/14 financial year based on a 5.6 per cent increase from 1 July 2013 as contained in the attached Annexure C no 1

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, it is necessary to carefully review the level and structure of the water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. A tariff increase of 5.6 per cent from 1 July 2013 for water is proposed. This is based on input cost assumptions of 10 per cent increase in the cost of bulk water, In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents. The municipality is currently levying water supplied by the water board (Bloem Water) and using boreholes in one of its towns (Vanstadensrus). The municipality is seized with the challenge of ensuring that the maintenance of the water infrastructure is factored in the tariffs, at the present moment distribution losses are negatively affecting anticipated revenues which could be realised between the cost and sales of water.

Annexure C no 1 shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house: A summary of the proposed water tariffs for households (residential) and non-residential shown in Annexure C no 1

1.4.3 Sale of Electricity and impact of Tariff increase.

Naledi Municipality maintains a Service Delivery Agreement (SDA) with Centlec (a Municipal Entity which is a electricity distribution utility). The municipality did not have capacity to provide electricity services to its communities and this informed a need to enter into an SDA with the service provider .However in terms of the SDA the electricity tariffs must be set by the municipality, in association with Centlec through the normal planning and budgeting process. Electricity budget was only included from the 2013/14 and MTREF and this has resulted in the marginal increment to the total operational revenue.

NERSA has announced the revised bulk electricity pricing structure with a 13,5 per cent increase in the Eskom bulk electricity tariff to municipalities and will be effective from 1 July 2013 .Considering the Eskom increase, the consumer tariff and to be increased by 20.3 per cent to offset the additional bulk purchases cost from 1 July 2013. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in the consumption of electricity, which will have a negative impact on the prospect of anticipated revenue from electricity sales.

The attached Annexure C indicates the impact of the proposed increases in electricity tariffs. NERSA has also advised that a stepped tariff structure needs to be implemented from 1 July 2013. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim will be to subsidize the lower consumption users (Mostly the poor and possible indigents). The municipality has not implemented the stepped tariff to enable cross subsidization.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. The proper repairs and maintenance and upgrading of the reticulation network is a strategic priority, especially the sub-stations and transmission lines. Lack of proper town planning that result in new settlement compounds the challenges affecting the existing reticulation network and hence a need for upgrading and regularly maintenance

The approved budgets for the electricity can only be used for certain committed upgrade projects and to strengthen critical infrastructure (e.g. Sub-station without back-up supply). Owing to the high increases in Eskom tariffs, it is apparent that it remains a challenge to maintain high levels of maintenance and upgrades by means of increasing electricity tariff that factor in both issues, as the resultant tariff increase will not be affordable to the consumers. It is therefore proposed that a long term sustainable solution, as a strategy for funding the infrastructure, to consider spreading the burden in the 2013/14 financial period, over the MTREF period to coincide with the life span of the assets being upgraded.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 5.6 per cent for sanitation from 1 July 2013 is proposed. This is based on the input cost assumptions related to water. Sanitation charges are calculated according to the percentage water discharged as indicated in the Annexure C no 10; free sanitation (98 per cent of 6 kℓ water) will be applicable to registered indigents. Annexure C no 10 shows the comparison between current sanitation charges and increases

1.4.5 Waste Removal and Impact of Tariff increases.

Annexure C no 10 shows the comparison between the current and proposed amounts payable from 1 July 2013. A tariff increase of 5.6 per cent for sanitation from 1 July 2013 is proposed. Waste charges are calculated according to the percentage of Waste Removal discharged as indicated in the table below. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long term. The municipality must place more emphasis on the cost driver affecting the provision of this service, this include but not limited to repairs and maintenance on vehicles, increase in general expenditure such as petrol and diesel and the cost of remuneration. There is need to investigate the cost structure of solid waste as well as consideration of alternative service delivery models. The outcome of the investigation will be investigated into the next planning cycle.

1.4.6 Other tariff increases.

Annexure C compares current and proposed tariffs for all other services

1.5 Operating Expenditure Framework

The Municipal expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 4 - Summary of operating expenditure by standard classification.

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type											
Employee related costs	2	17 795	22 534	22 972	26 748	24 905	24 905	–	25 028	26 630	28 218
Remuneration of councillors		3 450	1 564	1 827	1 797	1 818	1 818		1 818	1 818	1 818
Debt impairment	3	4 058	3 865	718	–	–	–		12 000	11 381	11 100
Depreciation & asset impairment	2	–	–	4 500	1 700	1 700	1 700	–	1 500	1 500	1 500
Finance charges		–	–	–	120	82	82		87	91	96
Bulk purchases	2	5 346	4 721	6 000	23 097	29 097	29 097	–	25 967	26 446	26 951
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		–	–	–	1 300	2 396	2 396	–	2 469	2 667	2 811
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	31 637	23 833	15 751	21 453	24 113	24 528	–	18 468	19 414	20 450
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		62 286	56 517	51 768	76 215	84 111	84 526	–	87 337	89 948	92 944

1.5.1 Employee related costs

The budgeted allocation for employee related costs for the 2013/14 financial year totals R 25 028 million, which equals 31 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.85 per cent for the 2013/14 financial year. An annual increase of 6 per cent has been included for the 2013/14, and 6.4 and 6.4 per cent for the two outer years of the MTREF. As part of the Municipal cost reprioritization and cash management strategy not all vacancies could be filled. However the municipality had to respond to an outstanding bargaining council outcome that compels the municipality to fill certain post within the corporate management unit and the office of the municipal manager. In addition, the Auditor General has raised audit queries over the filling of posts in the Budget and treasury unit, including the creation of a fully-fledged Supply Chain Management unit and the budget unit.

1.5.2 Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipal budget.

1.5.3 Debt impairment

The municipality has been under-budgeting for debt impairment over the past years, and during the budget bilateral with the Provincial Treasury, it was brought to the attention of the municipality that the item should be reasonably budgeted. In responding, for the budget year 2013/14, the budget was increased with an amount of R 12 000 million compared to a budgeted amount of R 12 199 in the 2012/13 financial period. The municipality is currently collecting approximately 25% from outstanding debtors; the implementation of an effective revenue management strategy will assist the municipality to increase its recovery rate to at least 50% (i.e. Conservative figure subject to realistic socio-economic imperatives affecting the area).

In addition, the development and proper implementation of a Debt Write-off policy, as well as a Credit and Debt collection management will also assist the municipality to recover relatively more from outstanding debtors. It should be noted that a budget for debt impairment has been reduced with 11 % and 13 % for the two outer years of the MTREF. While the expenditure is considered to be a non-cash flow item, it informs the total cost associated with the rendering of services to the municipality, as well as the municipality's realistically anticipated revenues

1.5.4 Depreciation & asset impairment

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management policy. In addition, consideration has also been given to our ageing asset infrastructure and inadequate repairs and maintenance over the years. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriation in this regard total R 1,500 million for the 2013/14 financial year, a decrease of 12% from the previous year and it constitute 2% of the total operating expenditure. The implementation of the conversion to GRAP 17 accounting standards has meant bringing in a range of assets previously not included in the asset register, it has to be noted that the municipality is in the

process of finalising its infrastructure asset bundling in the 2012/13 financial year, this is to give a true and factual reflection of the actual cost of asset and the subsequent requirement to properly budget realistically for depreciation and asset impairment.

1.5.5 Bulk purchases

Bulk purchases are directly informed by the purchase of Water from Bloem Water. The outstanding amounts owed and the annual price increases have been factored in the budget appropriation and are directly informing the revenue provisions. The expenditure relatively caters for distribution losses on water.

1.5.6 Contracted Services

Contracted service includes the two items of Equipment rental and Insurance.

1.5.7 Other Expenditure

Other expenditure comprises of general expenses which includes among others, audit fees, fuel, diesel, bank charges, printing and stationery, etc.

Table 4.1 - Main Operational Expenditure categories for 2013/14 expressed as a percentage

Expenditure Category	Amounts - R'000	% of total budget
Employee Cost	25 028	29%
Remuneration of councillors	1 818	2 %
Debt Impairment	12 000	14%
Depreciation and asset impairment	1 500	2%
Finance Charges	87	0%
Bulk purchases	25 967	29 %
Contracted services	2 469	3%
Other expenditure	18 468	21%
Total expenditure	87 337	100%

1.5.8 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipal current infrastructure, the 2013/14 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance. The other expenditure includes amongst others materials for maintenance, cleaning materials and chemicals, etc.

Table 5 - Operational repairs and maintenance

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		1 800	804	2 291	1 175	1 199	1 199		1 231	1 295	1 370
Total Repairs and Maintenance Expenditure	9	1 800	804	2 291	1 175	1 199	1 199	-	1 231	1 295	1 370

During the compilation of the 2013/14 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the municipality's infrastructure and historic deferred maintenance. The other expenditure increase by R 32 thousand between the previous adjusted annual budget for the financial year 2012/13 and the current financial year of 2013/14, The item of operational repairs shows a marginal increase over the MTREF period, showing a marginal increase of R 64 thousand for 2013/14 and R 75 thousand for the outer year. This strategic imperative remains a priority as can be seen by the budget appropriation over the MTREF. The need to increase budget appropriation for repairs and maintenance is constrained by inadequate financial resources experienced by the municipality.

1.5.9 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipal Indigent Policy. The target is to register 5 000 or more indigent households during the 2013/14 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

Table 6 – (A5) Budget Capital Expenditure by Vote, Standard classification and Funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Council		30	37	-	-	-	-	-	50	53	55
Vote 2 - Budget and Treasury		40	350	-	-	-	-	-	50	80	100
Vote 3 - Corporate Services		480	-	6 222	-	-	-	-	-	-	-
Vote 4 - Technical Services		123 033	11 764	9 375	17 803	18 655	18 655	-	21 287	13 546	13 751
Vote 5 - Planning and Development		517	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-



Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		124 100	12 151	15 597	17 803	18 655	18 655	-	21 387	13 679	13 906
Total Capital Expenditure - Vote		124 100	12 151	15 597	17 803	18 655	18 655	-	21 387	13 679	13 906
Capital Expenditure - Standard											
<i>Governance and administration</i>		70	387	-	-	-	-	-	100	133	155
Executive and council		30	37						50	53	55
Budget and treasury office		40	350						50	80	100
Corporate services											
<i>Community and public safety</i>		2 500	-	6 222	6 222	6 222	6 222	-	4 774	393	-
Community and social services		1 600		6 222	6 222	6 222	6 222				
Sport and recreation									4 774	393	-
Public safety		900									
Housing											
Health											
<i>Economic and environmental services</i>		40	4 317	6 283	1 750	550	550	-	4 913	3 921	8 607
Planning and development		-	517								
Road transport		30	3 320	6 283	1 750	550	550		4 913	3 921	8 607
Environmental protection		10	480								
<i>Trading services</i>		11 652	5 481	6 975	8 175	8 175	8 175	-	10 786	8 562	4 463
Electricity		1 828							81	85	90
Water		5 280	5 481	2 698	2 698	2 698	2 698		10 295	8 477	4 373
Waste water management		2 074	-	4 277	5 477	5 477	5 477		410		
Waste management		2 470									
<i>Other</i>				650	650	650	650		814	670	680
Total Capital Expenditure - Standard	3	14 262	10 185	20 130	16 797	15 597	15 597	-	21 387	13 679	13 906
Funded by:											
National Government		13 433	12 634	15 598	15 598	15 598	15 598		21 235	13 491	13 692
Provincial Government											
District Municipality		6 834									
Other transfers and grants											
Transfers recognised - capital	4	20 267	12 634	15 598	15 598	15 598	15 598	-	21 235	13 491	13 692
Public contributions & donations	5										



Borrowing	6										
Internally generated funds											
Total Capital Funding	7	20 267	12 634	15 598	15 598	15 598	15 598	-	21 235	13 491	13 692

For the 2013/14 financial year an amount of R 20 235 million has been appropriated for the development of infrastructure of the total capital expenditure. The two outer year's totals amount to R 13 491 million and R13 692 million respectively

Table 6.1 - Break down of budgeted capital expenditure for 2013/14

Project Name	Funding	Budgeted Amount
Paving of Internal street	EPWP	1 000 000
Waste Water Treatment Sewerage	MIG	409 806
Construction of Sports Facility	MIG	4 774 191
Households Electrification	INEG	81 000
Elevated Tanks	MIG	3 014 719
Installation of water meters	MIG	3 368 796
Wepener.Ebenezer 1.5 Construction of internal street	MIG	3 912 727
Water Affairs	Water Affairs Grant	3 859 000
PMU	MIG	814 750
TOTAL CAPITAL EXPENDITURE		20 234 989

1.7 Annual Budget Tables

The following tables present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/2014 budget and MTREF as approved by the Council

Table 7 – (A1) Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	3 002	2 355	2 547	5 791	8 467	8 467	–	9 091	9 582	10 100
Service charges	10 602	8 222	8 833	6 281	7 278	7 278	–	7 687	8 102	8 539
Investment revenue	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	25 769	35 625	35 528	39 482	39 482	39 482	–	40 740	41 969	43 431
Other own revenue	7 781	2 190	1 963	26 830	28 883	28 883	–	30 093	30 539	30 957
Total Revenue (excluding capital transfers and contributions)	47 154	48 392	48 871	78 384	84 110	84 110	–	87 611	90 192	93 027
Employee costs	17 795	22 534	22 972	26 748	24 905	24 905	–	25 028	26 630	28 218
Remuneration of councillors	3 450	1 564	1 827	1 797	1 818	1 818	–	1 818	1 818	1 818
Depreciation & asset impairment	–	–	4 500	1 700	1 700	1 700	–	1 500	1 500	1 500
Finance charges	–	–	–	120	82	82	–	87	91	96
Materials and bulk purchases	5 346	4 721	6 000	23 097	29 097	29 097	–	25 967	26 446	26 951
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	35 695	27 698	16 469	22 753	26 509	26 924	–	32 937	33 462	34 360
Total Expenditure	62 286	56 517	51 768	76 215	84 111	84 526	–	87 337	89 948	92 944
Surplus/(Deficit)	(15 132)	(8 125)	(2 897)	2 169	(1)	(416)	–	274	244	83
Transfers recognised - capital	13 433	12 634	15 597	18 663	18 663	18 663	–	21 307	13 594	13 816
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(1 699)	4 509	12 700	20 832	18 662	18 247	–	21 580	13 839	13 899
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(1 699)	4 509	12 700	20 832	18 662	18 247	–	21 580	13 839	13 899
Capital expenditure & funds sources										
Capital expenditure	14 262	10 185	20 130	16 797	15 597	15 597	–	21 440	16 735	13 964
Transfers recognised - capital	20 267	12 634	15 598	15 598	15 598	15 598	–	21 235	13 491	13 692



Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	20 267	12 634	15 598	15 598	15 598	15 598	-	21 235	13 491	13 692
Financial position										
Total current assets	62 158	44 769	56 770	69 750	69 750	69 750	-	49 950	15 750	69 750
Total non current assets	34 452	46 252	57 252	69 452	69 452	69 452	-	82 452	82 452	72 472
Total current liabilities	47 018	30 313	32 313	30 113	30 113	30 113	-	20 113	20 113	20 113
Total non current liabilities	651	538	425	-	-	-	-	-	-	-
Community wealth/Equity	28 008	28 237	28 306	28 306	28 306	28 306	-	28 306	28 306	28 306
Cash flows										
Net cash from (used) operating	11 733	12 643	15 667	(38 877)	(47 028)	(47 028)	-	(19 983)	(24 242)	(27 045)
Net cash from (used) investing	13 433	12 634	15 598	15 598	15 598	15 598	-	17 376	16 386	13 498
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	14 934	40 211	71 476	1 869	(6 282)	(4 909)	25 148	23 914	16 058	2 511
Cash backing/surplus reconciliation										
Cash and investments available	(11 814)	(12 042)	(12 230)	9 750	9 750	9 750	-	(10 050)	9 750	9 750
Application of cash and investments	(27 637)	(26 811)	(38 607)	12 901	15 095	15 095	-	(3 143)	17 602	(4 845)
Balance - surplus (shortfall)	15 823	14 769	26 377	(3 151)	(5 345)	(5 345)	-	(6 907)	(7 852)	14 595
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	4 500	1 700	1 700	1 700	1 500	1 500	1 500	1 500
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	1 800	1 396	878	2 278	-	1 175	1 236	1 236	1 308	1 219
Free services										
Cost of Free Basic Services provided	19 740	21 512	22 908	22 908	22 908	22 908	22 908	22 908	22 908	22 908
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0	0	0	0	0
Energy:	0	0	0	0	0	0	0	0	0	0
Refuse:	-	-	-	-	-	-	-	-	-	-

Table 8 - (A2) Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		18 656	28 230	27 480	39 162	43 773	43 773	45 214	46 723	48 592
Executive and council		8 131	10 669	8 206	12 801	17 220	17 220	18 081	19 003	20 022
Budget and treasury office		5 697	12 925	14 061	20 050	20 097	20 097	20 673	21 229	21 855
Corporate services		4 828	4 636	5 213	6 311	6 457	6 457	6 460	6 491	6 716
<i>Community and public safety</i>		6 757	4 972	10 161	7 955	8 620	8 620	8 187	3 907	3 633
Community and social services		4 273	3 137	8 890	6 765	8 277	8 277	7 832	3 539	3 251
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		587	81	90	100	100	100	103	106	109
Housing		1 218	254	272	204	242	242	252	262	273
Health		679	1 500	909	886	-	-	-	-	-
<i>Economic and environmental services</i>		7 666	10 891	5 993	6 341	8 495	8 495	9 819	8 983	13 835
Planning and development		840	631	776	849	849	849	885	932	962
Road transport		6 826	10 260	5 217	5 492	7 646	7 646	8 933	8 051	12 872
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		27 510	16 935	20 834	47 098	46 835	46 835	45 698	44 174	40 783
Electricity		2 398	209	233	19 931	19 931	19 931	21 859	22 002	22 097
Water		14 216	9 287	8 992	17 289	18 699	18 699	17 111	15 566	11 768
Waste water management		6 133	4 305	8 232	6 166	5 340	5 340	3 738	3 489	3 663
Waste management		4 763	3 134	3 377	3 712	2 865	2 865	2 989	3 116	3 256
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	60 589	61 028	64 468	100 556	107 723	107 723	108 918	103 787	106 843
Expenditure - Standard	-									
<i>Governance and administration</i>		20 850	25 294	25 999	42 743	44 430	44 431	45 781	46 819	48 344
Executive and council		10 222	13 231	10 213	24 165	24 723	24 723	24 701	24 613	24 887
Budget and treasury office		5 813	8 937	10 245	11 316	12 917	12 917	13 652	14 517	15 347
Corporate services		4 815	3 126	5 541	7 262	6 790	6 790	7 428	7 689	8 109
<i>Community and public safety</i>		6 767	5 465	10 135	7 674	6 606	6 606	8 816	4 695	4 567
Community and social services		4 283	3 780	8 923	6 341	5 312	5 312	7 736	3 543	3 340
Sport and recreation		-	-	-	-	-	-	-	-	-



Public safety		587	52	53	160	520	520	240	258	279
Housing		1 218	233	250	287	244	244	273	291	308
Health		679	1 400	909	886	531	531	567	603	639
Economic and environmental services		7 667	9 383	3 542	5 743	7 358	7 358	8 698	7 904	12 791
Planning and development		840	280	390	880	547	547	813	830	848
Road transport		6 827	9 103	3 152	4 863	6 811	6 811	7 884	7 073	11 942
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		27 004	20 876	24 738	42 457	49 233	49 233	45 349	44 125	41 059
Electricity		2 398	524	825	18 347	18 273	18 273	17 892	17 934	17 980
Water		14 217	11 767	11 729	18 172	23 041	23 041	22 705	21 575	18 189
Waste water management		5 626	5 321	9 585	4 688	6 311	6 311	3 035	2 789	2 954
Waste management		4 763	3 264	2 599	1 250	1 608	1 608	1 717	1 827	1 936
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	62 288	61 018	64 414	98 617	107 628	107 628	108 643	103 542	106 760
Surplus/(Deficit) for the year		(1 699)	10	54	1 939	96	96	274	245	83

Table 9 – (A2A) Budgeted Financial Performance (revenue and expenditure by Standard Classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard	1									
<i>Municipal governance and administration</i>		18 656	28 230	27 480	39 162	43 773	43 773	45 214	46 723	48 592
Executive and council		8 131	10 669	8 206	12 801	17 220	17 220	18 081	19 003	20 022
<i>Mayor and Council</i>		8 131	10 669	8 206	12 801	17 220	17 220	18 081	19 003	20 022
<i>Municipal Manager</i>										
Budget and treasury office		5 697	12 925	14 061	20 050	20 097	20 097	20 673	21 229	21 855
Corporate services		4 828	4 636	5 213	6 311	6 457	6 457	6 460	6 491	6 716
<i>Human Resources</i>				2 635	3 363	3 460	3 460	3 444	3 553	3 689
<i>Information Technology</i>										
<i>Property Services</i>		1 349	227	226	186	235	235	248	261	274
<i>Other Admin</i>		3 479	4 409	2 352	2 762	2 762	2 762	2 768	2 677	2 752
<i>Community and public safety</i>		6 757	4 972	10 161	7 955	8 620	8 620	8 187	3 907	3 633
Community and social services		4 273	3 137	8 890	6 765	8 277	8 277	7 832	3 539	3 251
<i>Libraries and Archives</i>		459	565	629	703	703	703	722	742	766



<i>Museums & Art Galleries etc</i>									
<i>Community halls and Facilities</i>	121	71	71	89	104	104	108	112	116
<i>Cemeteries & Crematoriums</i>	3 410	2 471	8 190	5 973	7 470	7 470	7 002	2 686	2 369
<i>Child Care</i>									
<i>Aged Care</i>									
<i>Other Community</i>	283	30		-					
<i>Other Social</i>									
Sport and recreation									
Public safety	587	81	90	100	100	100	103	106	109
<i>Police</i>									
<i>Fire</i>	587	81	90	100	100	100	103	106	109
<i>Civil Defence</i>									
<i>Street Lighting</i>									
<i>Other</i>									
Housing	1 218	254	272	204	242	242	252	262	273
Health	679	1 500	909	886	-	-	-	-	-
<i>Clinics</i>									
<i>Ambulance</i>									
<i>Other</i>	679	1 500	909	886	-	-	-	-	-
<i>Economic and environmental services</i>	7 666	10 891	5 993	6 341	8 495	8 495	9 819	8 983	13 835
Planning and development	840	631	776	849	849	849	885	932	962
<i>Economic Development/Planning</i>	840	631	776	849	849	849	885	932	962
<i>Town Planning/Building</i>									
<i>enforcement</i>									
<i>Licensing & Regulation</i>									
Road transport	6 826	10 260	5 217	5 492	7 646	7 646	8 933	8 051	12 872
<i>Roads</i>	6 826	10 260	5 217	5 455	7 609	7 609	8 895	8 012	12 832
<i>Public Buses</i>									
<i>Parking Garages</i>									
<i>Vehicle Licensing and Testing</i>									
<i>Other</i>				37	37	37	38	39	41
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>									
<i>Biodiversity & Landscape</i>									
<i>Other</i>									
<i>Trading services</i>	27 510	16 935	20 834	47 098	46 835	46 835	45 698	44 174	40 783
Electricity	2 398	209	233	19 931	19 931	19 931	21 859	22 002	22 097
<i>Electricity Distribution</i>	2 398	209	233	19 931	19 931	19 931	21 859	22 002	22 097
<i>Electricity Generation</i>									

Water	14 216	9 287	8 992	17 289	18 699	18 699	17 111	15 566	11 768
<i>Water Distribution</i>	14 216	9 287	8 992	17 289	18 699	18 699	17 111	15 566	11 768
<i>Water Storage</i>									
Waste water management	6 133	4 305	8 232	6 166	5 340	5 340	3 738	3 489	3 663
<i>Sewerage</i>	6 133	4 305	8 232	6 166	5 340	5 340	3 738	3 489	3 663
<i>Storm Water Management</i>									
<i>Public Toilets</i>									
Waste management	4 763	3 134	3 377	3 712	2 865	2 865	2 989	3 116	3 256
<i>Solid Waste</i>	4 763	3 134	3 377	3 712	2 865	2 865	2 989	3 116	3 256
<i>Other</i>	-	-	-	-	-	-	-	-	-
Air Transport									
Abattoirs									
Tourism									
Forestry									
Markets									
Total Revenue - Standard	60 589	61 028	64 468	100 556	107 723	107 723	108 918	103 787	106 843
Expenditure - Standard	-	-	-	-	-	-	-	-	-
<i>Municipal governance and administration</i>	20 850	25 294	25 999	42 743	44 430	44 431	45 781	46 819	48 344
Executive and council	10 222	13 231	10 213	24 165	24 723	24 723	24 701	24 613	24 887
<i>Mayor and Council</i>	10 222	13 231	10 213	24 165	24 723	24 723	24 701	24 613	24 887
<i>Municipal Manager</i>									
Budget and treasury office	5 813	8 937	10 245	11 316	12 917	12 917	13 652	14 517	15 347
Corporate services	4 815	3 126	5 541	7 262	6 790	6 790	7 428	7 689	8 109
<i>Human Resources</i>			2 525	4 043	3 491	3 491	3 712	3 935	4 161
<i>Information Technology</i>									
<i>Property Services</i>	1 349	51	253	100	51	51	53	56	59
<i>Other Admin</i>	3 466	3 075	2 763	3 119	3 248	3 248	3 663	3 699	3 889
<i>Community and public safety</i>	6 767	5 465	10 135	7 674	6 606	6 606	8 816	4 695	4 567
Community and social services	4 283	3 780	8 923	6 341	5 312	5 312	7 736	3 543	3 340
<i>Libraries and Archives</i>	459	891	762	800	850	850	918	977	1 036
<i>Museums & Art Galleries etc</i>									
<i>Community halls and Facilities</i>	121	58	61	60	30	30	31	33	35
<i>Cemeteries & Crematoriums</i>	3 410	2 619	8 100	5 481	4 433	4 433	6 786	2 533	2 269
<i>Child Care</i>									
<i>Aged Care</i>									
<i>Other Community</i>	293	212	-						
<i>Other Social</i>									

Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	587	52	53	160	520	520	240	258	279
<i>Police</i>	-	-	-	-	-	-	-	-	-
<i>Fire</i>	587	52	53	160	520	520	240	258	279
<i>Civil Defence</i>	-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Housing	1 218	233	250	287	244	244	273	291	308
Health	679	1 400	909	886	531	531	567	603	639
<i>Clinics</i>	-	-	-	-	-	-	-	-	-
<i>Ambulance</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	679	1 400	909	886	531	531	567	603	639
<i>Economic and environmental services</i>	7 667	9 383	3 542	5 743	7 358	7 358	8 698	7 904	12 791
Planning and development	840	280	390	880	547	547	813	830	848
<i>Economic Development/Planning</i>	-	-	-	-	-	-	-	-	-
<i>Town Planning/Building</i>	840	280	390	880	547	547	813	830	848
enforcement	-	-	-	-	-	-	-	-	-
<i>Licensing & Regulation</i>	-	-	-	-	-	-	-	-	-
Road transport	6 827	9 103	3 152	4 863	6 811	6 811	7 884	7 073	11 942
<i>Roads</i>	6 827	9 103	3 152	4 612	6 551	6 551	7 607	6 778	11 630
<i>Public Buses</i>	-	-	-	-	-	-	-	-	-
<i>Parking Garages</i>	-	-	-	-	-	-	-	-	-
<i>Vehicle Licensing and Testing</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	251	260	260	277	295	313
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>	-	-	-	-	-	-	-	-	-
<i>Biodiversity & Landscape</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	27 004	20 876	24 738	42 457	49 233	49 233	45 349	44 125	41 059
Electricity	2 398	524	825	18 347	18 273	18 273	17 892	17 934	17 980
<i>Electricity Distribution</i>	-	-	-	-	-	-	-	-	-
<i>Electricity Generation</i>	2 398	524	825	18 347	18 273	18 273	17 892	17 934	17 980
Water	14 217	11 767	11 729	18 172	23 041	23 041	22 705	21 575	18 189
<i>Water Distribution</i>	14 217	11 767	11 729	18 172	23 041	23 041	22 705	21 575	18 189
<i>Water Storage</i>	-	-	-	-	-	-	-	-	-
Waste water management	5 626	5 321	9 585	4 688	6 311	6 311	3 035	2 789	2 954
<i>Sewerage</i>	5 626	5 321	9 585	4 688	6 311	6 311	3 035	2 789	2 954
<i>Storm Water Management</i>	-	-	-	-	-	-	-	-	-
<i>Public Toilets</i>	-	-	-	-	-	-	-	-	-

Waste management	-	4 763	3 264	2 599	1 250	1 608	1 608	1 717	1 827	1 936
<i>Solid Waste</i>		4 763	3 264	2 599	1 250	1 608	1 608	1 717	1 827	1 936
<i>Other</i>		-	-	-	-	-	-	-	-	-
Air Transport										
Abattoirs										
Tourism										
Forestry										
Markets										
Total Expenditure - Standard	3	62 288	61 018	64 414	98 617	107 628	107 628	108 643	103 542	106 760
Surplus/(Deficit) for the year		(1 699)	10	54	1 939	96	96	274	245	83

Table 10 – (A3) Budgeted Financial Performance (revenue and expenditure by municipal votes)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - Council		8 131	10 669	8 206	12 801	17 220	17 220	18 081	19 003	20 022
Vote 2 - Budget and Treasury		5 697	12 924	14 061	20 050	20 097	20 097	20 673	21 229	21 855
Vote 3 - Corporate Services		4 150	4 518	4 560	5 927	4 602	4 602	4 624	4 773	4 955
Vote 4 - Technical Services		41 770	32 285	36 865	61 529	64 775	64 955	64 654	57 850	59 049
Vote 5 - Planning and Development		840	631	776	849	849	849	885	932	962
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-



Total Revenue by Vote	2	60 588	61 027	64 468	101 156	107 542	107 723	108 917	103 787	106 843
Expenditure by Vote to be appropriated	1									
Vote 1 - Council		10 222	13 232	10 213	24 165	24 723	24 723	24 700	24 613	24 887
Vote 2 - Budget and Treasury		5 813	8 937	10 245	11 316	1 601	12 917	13 652	14 517	15 347
Vote 3 - Corporate Services		4 137	3 676	4 561	6 049	5 473	5 473	5 521	5 861	6 209
Vote 4 - Technical Services		41 274	34 894	39 003	56 207	63 969	63 969	63 956	57 722	59 469
Vote 5 - Planning and Development		840	280	390	880	547	547	813	830	848
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	62 286	61 019	64 412	98 617	96 313	107 629	108 642	103 542	106 760
Surplus/(Deficit) for the year	2	(1 698)	8	56	2 539	11 229	94	274	244	83

Table 11 - A4 Budgeted Financial Performance (revenue by source and expenditure by type)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	3 002	2 355	2 547	5 791	8 467	8 467	-	9 091	9 582	10 100
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	5 540	2 936	3 230	3 078	3 174	3 174	-	3 352	3 533	3 724
Service charges - sanitation revenue	2	3 019	3 165	3 355	1 905	2 500	2 500	-	2 640	2 783	2 933
Service charges - refuse revenue	2	2 043	2 121	2 248	1 298	1 604	1 604	-	1 694	1 786	1 882
Service charges - other											
Rental of facilities and equipment				320	235	311	311				
Interest earned - external investments											
Interest earned - outstanding debtors				32	-	-	-				
Dividends received				5	5	5	5		5	5	5
Fines				5	2	7	7		7	7	7
Licences and permits											
Agency services											
Transfers recognised - operational		25 769	35 625	35 528	39 482	39 482	39 482		40 740	41 969	43 431
Other revenue	2	7 781	2 190	1 601	26 588	28 560	28 560	-	30 081	30 527	30 945
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		47 154	48 392	48 871	78 384	84 110	84 110	-	87 611	90 192	93 027
Expenditure By Type											
Employee related costs	2	17 795	22 534	22 972	26 748	24 905	24 905	-	25 028	26 630	28 218
Remuneration of councillors		3 450	1 564	1 827	1 797	1 818	1 818		1 818	1 818	1 818
Debt impairment	3	4 058	3 865	718	-	-	-		12 000	11 381	11 100
Depreciation & asset impairment	2	-	-	4 500	1 700	1 700	1 700	-	1 500	1 500	1 500
Finance charges		-	-	-	120	82	82		87	91	96
Bulk purchases	2	5 346	4 721	6 000	23 097	29 097	29 097	-	25 967	26 446	26 951
Other materials	8	-	-	-	-	-	-	-	-	-	-



Contracted services		-	-	-	1 300	2 396	2 396	-	2 469	2 667	2 811
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	31 637	23 833	15 751	21 453	24 113	24 528	-	18 468	19 414	20 450
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		62 286	56 517	51 768	76 215	84 111	84 526	-	87 337	89 948	92 944
Surplus/(Deficit)		(15 132)	(8 125)	(2 897)	2 169	(1)	(416)	-	274	244	83
Transfers recognised - capital		13 433	12 634	15 597	18 663	18 663	18 663	-	21 307	13 594	13 816
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1 699)	4 509	12 700	20 832	18 662	18 247	-	21 580	13 839	13 899
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(1 699)	4 509	12 700	20 832	18 662	18 247	-	21 580	13 839	13 899
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(1 699)	4 509	12 700	20 832	18 662	18 247	-	21 580	13 839	13 899
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(1 699)	4 509	12 700	20 832	18 662	18 247	-	21 580	13 839	13 899

Table 12 – (A6) Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		(11 932)	(12 170)	(12 230)	(12 250)	(12 250)	(12 250)		(12 250)	(12 250)	(12 250)
Call investment deposits	1	118	128	-	22 000	22 000	22 000	-	2 200	22 000	22 000
Consumer debtors	1	55 183	56 811	60 000	60 000	60 000	60 000	-	60 000	6 000	60 000
Other debtors		17 775	-	9 000							
Current portion of long-term receivables											
Inventory	2	1 014	-	-							
Total current assets		62 158	44 769	56 770	69 750	69 750	69 750	-	49 950	15 750	69 750
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	34 452	46 252	57 252	69 452	69 452	69 452	-	82 452	82 452	72 472
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		34 452	46 252	57 252	69 452	69 452	69 452	-	82 452	82 452	72 472
TOTAL ASSETS		96 610	91 021	114 022	139 202	139 202	139 202	-	132 402	98 202	142 222
LIABILITIES											
Current liabilities											
Bank overdraft	-										
Borrowing	4	113	113	113	113	113	113		113	113	113



Consumer deposits								-			
Trade and other payables	4	45 318	30 000	30 000	30 000	30 000	30 000	-	20 000	20 000	20 000
Provisions		1 587	200	2 200							
Total current liabilities		47 018	30 313	32 313	30 113	30 113	30 113	-	20 113	20 113	20 113
Non current liabilities											
Borrowing		651	538	425	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		651	538	425	-	-	-	-	-	-	-
TOTAL LIABILITIES		47 669	30 851	32 738	30 113	30 113	30 113	-	20 113	20 113	20 113
NET ASSETS	5	48 941	60 170	81 284	109 089	109 089	109 089	-	112 289	78 089	122 109
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		28 008	28 237	28 306	28 306	28 306	28 306		28 306	28 306	28 306
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	28 008	28 237	28 306	28 306	28 306	28 306	-	28 306	28 306	28 306

References

FS164 Naledi (Fs) - Table 13 – (A7) Consolidated Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		21 384	12 767	13 262	11 085	11 085	11 085		18 077	19 271	20 535
Government - operating	1	25 769	35 625	35 528	35 528	35 528	35 528		40 740	41 969	43 398
Government - capital	1	13 433	12 634	15 598	15 598	15 598	15 598		17 376	16 380	13 498
Interest											
Dividends											
Payments											
Suppliers and employees		(48 853)	(48 383)	(48 673)	(100 968)	(109 157)	(109 157)		(96 122)	(101 805)	(104 416)
Finance charges				(48)	(120)	(82)	(82)		(54)	(57)	(60)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 733	12 643	15 667	(38 877)	(47 028)	(47 028)	-	(19 983)	(24 242)	(27 045)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		13 433	12 634	15 598	15 598	15 598	15 598		17 376	16 386	13 498
NET CASH FROM/(USED) INVESTING ACTIVITIES		13 433	12 634	15 598	15 598	15 598	15 598	-	17 376	16 386	13 498
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											



NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		25 166	25 277	31 265	(23 279)	(31 430)	(31 430)	-	(2 607)	(7 856)	(13 547)
Cash/cash equivalents at the year begin:	2	(10 232)	14 934	40 211	25 148	25 148	26 521	148	26 521	23 914	16 058
Cash/cash equivalents at the year end:	2	14 934	40 211	71 476	1 869	(6 282)	(4 909)	148	23 914	16 058	2 511

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipal IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and priorities in the allocation of resources

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2012. Key dates applicable to the process were as follows (*refer to the table listed below*):

REVISED IDP AND BUDGET PROCESS PLAN TIMETABLE FOR 2013/14 MTREF

8 PROCESS PROGRAMME & TIMEFRAME

The Following is a process programme and timeframe for **2013 -14 IDP/BUDGET Review Process** that Naledi Local Municipality is going to follow:

8.1 Preparation [Pre-Planning] Phase

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)	Estimated Costs
Consider comments and/or proposals received from MEC, if any, MSA s 32	Convene an IDP Steering Committee and analyse MEC's comments and/or proposals, if any.	IDP Steering Committee	16 Aug 2012	R2000.00
Consider comments and/or proposals from Councillors, Ward Committees and other key-role players that may have been received	Convene an IDP Steering Committee and analyse comments and/or proposals, if any.	IDP Steering Committee	23 Aug 2012	R2000.00
Establish method(s) of gathering of data and processing into decision-making information and Municipal turn around strategy 2010/2011/12	Convene an IDP Steering Committee	IDP Steering Committee	28 Aug 2012	R2000.00
Obtain adoption of IDP Review Process Plan	Convene a Special Council Meeting	Municipal Manager & Mayor	31 Aug 2012	N/A
Training of Stakeholders/Rep Forum members on IDP Processes	Provide detailed accredited training for Rep Forum members on IDP processes	Appointed Service Provider by MM	18 Sep 2012	R150.000



8.2 Phase 1: Analysis

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)	Estimated Costs
Status Quo Analysis	Present status quo(incl Spatial Development Framework) report on Community and Municipal-wide issues	IDP Steering Committee	28 Sep 2012	R3000.00
Progress Report on 2011/2012 IDP Implementation	Present Outcome & Impact of 2011/2012 IDP Implementation (Performance report of the IDP to steering committee)	IDP Steering Committee	16 October 2012	R3000.00
Validation of existing level of development dynamics	Present existing level of development dynamics Representative Forum (Get the Provincial Assessment report)	IDP Steering Committee	16 Oct 2012	R2000.00
Document all Outputs	Deskwork	Manager: IDP & OPM Unit	24 Oct 2012	N/A
Development and alignment of IDP Sector plans & programmes as per the legislative requirements including Performance Management System	*Conduct an Audit of Existing Sector Plans and Programmes and Align to IDP *Develop Outstanding Sector Plans and Programmes and Align to IDP	IDP Steering Committee	31 Oct 2012	R2000.00



	*Conduct an Audit of existing PMS and Align to IDP(move to strategy phase)			
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8.3 Phase 2: Strategies

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)	Estimated Costs
Review of Naledi Vision, Mission &, Values	Facilitate a meeting with IDP Steering Committee & Rep Forum	Manager: IDP & OPM Unit	08 Nov 2012	R20.000
Review of Development Objective & Strategies	Facilitate a meeting with IDP Steering Committee & Rep Forum	Rep Forum : IDP & OPM Unit	22 Nov 2012	R20.000



A.

8.4 Phase 3: Projects

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)	Estimated Costs
Review previous IDP projects and & programmes	Facilitate a meeting with IDP Steering Committee & Rep Forum	Manager: IDP & OPM Unit	29 Nov 2012	R20 000.00
Designing of IDP projects & programmes	Establish Project/Programme and Sectoral Task teams and assign responsibilities to design projects/programmes with clear deliverables	IDP Steering Committee	06 Dec 2012	R5000.00

8.5 Phase 4: Integration

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)	Estimated Costs
Integration & Alignment of IDP to Xhariep IDP, Provincial and National Plans and Programmes	1. Develop Financial strategies [Medium Term Expenditure Framework] including 2012/2013 Annual Budget	IDP Steering Committee	07 Feb 2013	R5000.00
Integration & Alignment of IDP to Xhariep IDP, Provincial and National Plans and Programmes	2. Align to Spatial development framework (Xhariep DM & Free State Provincial Growth & Development Strategy) 3. Align to Free State Growth Development Strategy 4. Align to National Spatial Development Perspective	IDP Steering Committee	21 Feb 2013	R5000.00

B. Phase 4: Integration (Continues)

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)	Estimated Costs
Document Output and Incorporate Budget Process as per applicable MFMA Circular	Deskwork Internal Consultation External Consultation Adjust to Approved Budget Process	Manager: IDP& OPM Unit	12 Feb 2012	N/A
Publication of draft IDP 2012/13 Annual Budget for public comment	Advertise through Xhariep Independent, Seipone News, The Weekly, Sports Eye, Public Eye, Free State News and Municipal Notice Boards for 21 days	Manager: IDP & OPM Unit	14 Mar 2012	R60.000
Council Strategic Planning	To look at all the issues that has been tabled before Council and discuss way forward	Council & Management	10 – 12 April 2013 Venue to be decided by the Mayor & MM	R500.000

8.6 Phase 5: Approval

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)	Estimated Costs
Obtain approval of IDP 2012/13 & Annual Budget	Convene a Special Council Meeting (Budget Speech by the Mayor)	Municipal Manager & Mayor	14 May 2013	R20.000
Consideration of public comment	Consider and Incorporate Public Comments	Manager: IDP & OPM Unit	29 May 2013	N/A
Development and submission of Service Delivery & Budget Implementation Plan & Annual Performance Agreements by Municipal Manager to the Mayor for consideration	Develop and Implement Support Systems and Mechanisms, Commit Resources (Capital, Human and Physical) Build Capacity of Council and Officials	Municipal Manager	June 2013	N/A



IDP Implementation, Monitoring and Review	Constantly Implement, Monitor and Review Implementation of Naledi IDP then Report to Relevant Stakeholders and the Public	All	Immediately	N/A
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BUDGET TIMELINES

OBJECTIVE	RESPONSIBILITY	TARGET DATE	% COMPLETE
Develop budget and schedule for preparation of operating and capital budget (Adopted from Treasury guide)	IDP/Budget & Treasury	31 August 2012	100%
Review tariffs and charges and collection of revenue and prepare forecasts of revenue for next three years in consultation with other municipalities (Section 21 (2) (d))	Budget & Treasury	March 2013	0%
Develop structure of budgets to align with portfolios and organisational management structures.	Budget and Treasury Officer	29 August 2012	0%
Integrate the IDP planning process with the budget process and timetable through development of operational and project plans.	MM / MFS	29 September 2012	0%
Evaluate estimates and allocations to determine a draft budget and budget options for three years.	MFS/ All Heads of Departments	15 March 2013	0%
In consultation with IDP Steering Committee develop capital and operating budgets for next three years.	IDP Steering Committee / MM / MFS	10 January 2013	0%
Prepare Adjustment budget in reporting formats (National Treasury)	Budget and Treasury Officer	25 January 2013	0%



Communicate proposed budget to community for comments and inputs.	Councillors	15 - 17 April 2013	0%
Submit draft budget to National Treasury.	Budget and Treasury Officer	30 March 2013	0%
Advertise proposed budget to public for objections.	MAS	04 April 2013	0%
Table draft budget in Council for public consultation and debate.	Mayor	30 March 2013	0%
Approve 2012/2013 capital and operating budgets and cash flow budget by resolution that also notes outer two year's projected budgets.	Council	30 May 2013	0%
Submit approved budgets to National Treasury.	Budget and Treasury Officer	31 May 2013	0%
Draft SDBIP (Section 69 (3) (a))	IDP & OPMS Manager	30 May 2013	0%
Final SDBIP	IDP & OPMS Manager	14 June 2013	

2.1.2 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by the National Treasury.

2.1.3 IDP and Service Delivery and Budget Implementation Plan

This is a newly designed IDP, resulted from the public participation processes that will be valid for the years 2013/14 to 2017/18. It started in September after the tabling of the IDP process plan and the budget time schedules for the 2013/14 MTREF in August 2012.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The process plan applicable to fourth revision cycle include the following key IDP processes and deliverables

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP; and
- The review of the performance management and monitoring system.

The IDP has been taken into a business and financial planning process leading to the 2013/14 MTREF, based on the approved 2012/13 MTREF, Mid-year review and adjustment budget. The business planning process has subsequently been refined in the light of the current economic circumstances and the revenue projections.

With the compilation of the 2013/14 MTREF, each department /function had to review their business planning process, including setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan .Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and the three year capital programme.

2.1.4 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF.

- Growth and Development in the municipal area;
- Policy priorities and strategic objectives;
- Asset maintenance;
- Economic climate and trends (i.e. inflation, Eskom/Centlec increases, household's debt, migration patterns);
- Performance trends;
- The approved 2012/13 adjustment budget and performance against the SDBIP;
- Cash Flow Management Strategy;
- Debtor payment levels
- Loan and investment possibilities;
- The need for tariff increase versus the ability of the communities to pay for services;
- Improved and sustainable service delivery;
- Situational analysis performed during the IDP compilations which includes statistical information (e.g. Population, unemployment rate, etc.)

In addition, the strategic guideline given in the National Treasury's MFMA circulars 58, 59 and 67 has been factored into the planning and prioritisation process

2.2 Overview of budget related-policies

The Municipal budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. Listed below are policies attached as annexure B and had been either developed or reviewed to be implemented with effect from 1 July 2013:

- Supply Chain Management Policy
- Property Rates Policy
- Tariffs Policy
- Credit Control and Debt Collection Policy
- Municipal Banking and Investment Policy
- Indigent Policy
- Budget Management Policy
- Budget Principles
- Assets Management Policy
- External Loans
- Cell phones Policy
- Virement Policy
- Bad Debts Policy
- Reimbursement Policy
- Inventory Policy

2.3 Municipal Managers Quality Certificate.

I **Qheku Wilson Lefora** municipal manager of Naledi Local Municipality, hereby certify that the Draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

**Municipal Manager of
Naledi Local Municipality (FS164)**

Signature _____

Date _____



ANNEXURE C

TARIFFS 2013 - 2014

Item No	Description	Tariffs July 2011-2012	Tariffs July 2012 - 2013	Tariffs July 2013 - 2014
1.	<p>Assessment Rates</p> <p>Domestic(residential)</p> <p>Land</p> <p>Improvements</p> <p>Government, Business & other</p> <p>Land</p> <p>Improvements</p> <p>Rebate % - Government</p> <p>Site Levies (owned by municipality)</p> <p>Site levy all towns</p> <p>Empty erven</p> <p>RESIDENTIAL</p> <p>All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. For the 2009/2010 financial year the maximum reduction is determined as R35 000. The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. The remaining R20 000 is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.</p> <p><u>Retired and Disabled Persons Rate Rebate.</u> For the 2009/2010 financial year the total monthly income and corresponding rebate is determined as follows:-</p> <p>R0 to R2 500 per month - 100%</p> <p>R2 501 to R5 000 per month - 50%</p>			
		0.011	0.01166	0.012313

R5 001 to R8 000 per month - 20%			
Indigent owners and child headed families will receive a 100% rebate from rates			
BUSINESS/INDUSTRIAL/COMMERCIAL	0.011	0.01166	0.012313
STATE OWNED-GOVERNMENT	0.022	0.02332	0.024626
Ratio 1:2 - State owned properties, including all agricultural properties (farms) owned any sphere of government, shall be levied 2 x the rate of domestic properties.			
STATE OWNED-GOVERNMENT AGRICULTURE			
- Ratio of 1:0.25 (75% rebate) on tariff of R0.02332 as promulgated by the Minister of Provincial and Local Government		0.002915	0.003078
AGRICULTURAL - Normal	0.0006875	0.0014575	0.0015391
<u>Standard rebate to all agricultural properties</u>			
- Ratio of 1:0.25 (75% rebate) on tariff of R0.01166 as promulgated by the Minister of Provincial and Local Government			
<u>Additional rebate if qualified and applied for</u>			
- 2,5% for the provision of accommodation in a permanent structure to farm workers and their dependants			
- 2,5% if such residential properties are provided with potable water.			
- 2,5% if the farmer for the farm workers electrifies such residential properties.			
- 2,5% for the provision of land for burial to own farm workers and educational and recreational purposes to own farm workers as well as people from surrounding farms.			

2.	Administration			
	Building plan fees (Extensions)	76.97	82.00	86.59
	Building plan fees (New Buildings)	76.97	82.00	86.59
	Tax certificate	76.97	82.00	86.59
	Valuation certificates	76.97	82.00	86.59
	Photostats	1.78	2.00	2.10
	Faxes : Receive	2.65	3.00	3.20
	Send:	R9+R2/P	R10+R2/P	R11+R2/P
	Posters deposit	117.87	125.00	132.00
	Advertisement board on encroachments p/a	353.60	375.00	396.00
	Business license p/a	117.87	125.00	132.00
	Clearance certificates	117.46	125.00	132.00
	Tender Document			
	Tender below R 500, 000.00	371.00	394.00	416.00
	Tender above R 500, 000.00	636.00	675.00	712.00
	Data base registration	159.00	169.00	178.00
	Proof of residents letter	9.00	10.00	11.00
	3.	Sport grounds, Parks and Cemeteries		
Grave Fees				
Per site: Former Towns		618.21	655.00	692.00
Per site: grave digging(Morojaneng) Site @ Dewetsdorp ; Wepener		123.64	131.00	138.00
Digging of grave		833.46	883.00	932.00
Opening of grave		833.46	883.00	932.00
Payment to contractor		618.79	656.00	692.00
Sport grounds				
Rent sport grounds:		618.21	655.00	692.00

4.	Library			
	Fines/Penalty per week	12.38	13.12	14.00
	Lost book each	117.87	125.00	132.00
5.	Fire Brigade			
	Call out			
6.	Properties			
	Camps	4000p/a per camp minimum of 5000		
	Cow(including calf)	42.40	45.00	48.00
	Horse(including Colt/Foal)	58.30	62.00	65.00
	Sheep(including lamp)	37.10	40.00	42.00
	Goat(including young Goat/Kit)	31.80	34.00	36.00
	Biological Assets disposal	636.00	675.00	712.00
	Private rental - Mc Donald and 20 Spies street (garden service included)	1 256.81	1 332.00	1406.00
	Private rental - 16 Spies street			
	Private rental - 18 Spies street			
	Personnel Housing - If qualified (Post level 1-6)			
	Municipal flat	600	636.00	672.00
	Municipal House	950	1 007.00	1063.00
	Conference			
	Show grounds			
	Swimming pools			
Old municipal buildings				

	Dewetsdorp (Flats)			
	Vodacom/MTN			
7.	Public Works			
	General workman per hour - Supervisor	99.38	105.00	111.00
	General workman per hour	3.73	4.00	5.00
	Illegal dumping on pavement - per load	198.76	211.00	222.00
	Garden refuse removal - per load			
	Construction equipment - per hour (fuel included)	372.67	395.00	417.00
	Transport - per kilometer (load km)	18.63	20.00	22.00
	Clearing of erven with machinery - per erf per hour (min: 1 hour)	211.18	224.00	237.00
	Whole area - Per hand per square meter (Not removal)	1.24	1.32	1.40
	GRAVEL			
8.	Licences per annum			
	Business Licences	186.34	198.00	209.00
	Informal tuck shop	62.11	66.00	70.00
	Street hawker	13.66	15.00	16.00
9.	City Hall and Offices			
	Rental Town Hall Wepener			
	Side Hall	157.62	167.08	176.00
	Main hall	315.24	334.15	353.00
	Kitchen and cutlery	229.26	243.02	257.00
	Table and Chair	265.00	280.90	297.00
	All	716.45	759.44	802.00
	Qibing & Ebenhaeserhoogte halls			
	Friday - Sunday	186.28	197.45	209.00
	Monday - Thursday	186.28	197.45	209.00
	Mapuding hall Dewetsdorp			
	Rental Town Hall			
	Side Hall	157.62	167.08	176.00

	Main hall	315.24	334.15	353.00
	Halls for churches	127.20	134.83	142.00
	Kitchen and cutlery	229.26	243.02	257.00
	Table and Chair	265.00	280.90	297.00
	All	716.45	759.44	802.00
	Morojaneng Hall			
	Rental	169.34	179.50	190.00
	Vanstadensrus			
	Hire: Community hall	186.28	197.45	209.00
	Refundable deposit payable on all cutlery hire	651.32	690.40	730.00
	Deposits			
	<i>Wepener</i>			
	City Hall	976.98	1 035.60	1094.00
	Annex and kitchen	358.23	379.72	400.00
	Ebenhaezerhoogte/Qibing Halls	651.32	690.40	730.00
	Dewetsdorp			
	Morojaneng Hall -	651.32	690.40	730.00
	Morojaneng Hall - Non residents	651.32	690.40	730.00
	Dewetsdorp Town Hall	976.98	1 035.60	1094.00
	Van Stadensrus	651.32	690.40	730.00
10.	Sewerage and Sanitation			
	1) Domestic Houses, Churches, Flats & Suction (Houses) - DOM	50.87	55.45	58.55
	2) Business, Offices & Suction - BUS	90.27	98.39	103.90
	3) School - SCH	2579.22	2 811.35	2968.79
	4) Correctional Services - CORR	2149.35	2 342.79	2473.99
	5) SAPS, Hotel & Guest House - SAP	967.21	1 054.26	1113.30
	6) Big Business - BBUS	203.47	221.78	234.20
	7) Retirement Home - OLD	398.35	434.20	458.52
	8) Sport Clubs, Spoornet - DEPT	97.44	106.21	112.16

	New Connections			
	New connections - private			
	New connections - other			
	public works			
	finest	530.00	561.80	593.26
11.	Refuse Removal			
	1) Domestic Houses, Departmental & Sport Clubs - DOM	40.84	43.29	45.71
	2) Business, Shops, Spoornet & Boarding House - BUS	114.63	121.51	128.31
	3) Big Business, Correctional Service, SAPS & Hostel - BBUS	361.09	382.76	404.19
	4) Offices - OFF	63.05	66.83	70.58
	5) School - SCH	226.40	239.98	253.42
13.	WATER CONSUMPTION			
	Consumers			
	Service levy	16.53	18.02	19.02
	Service levy – Commercial, government, sport & schools	97.67	106.46	112.42
	Per Kl usage (1 -6)	-	-	
	Per Kl usage (>6 Kl -30Kl)	8.20	8.93	9.43
	>30KL + COMMERCE, GOVERNMENT CONTRACTORS	8.77	9.56	10.09
	BREAKAGE			
	BREAKAGE UNREPORTED			
	Sport Clubs and Departmental			
	Per Kl usage	7.79	8.49	8.96
	Irrigation			
	Flood irrig / cycle - V/Stadensrus	18.78	20.47	21.62
	Lost Water Tokens	273.19	297.78	314.46
	Connections			
	Reconnection - 1 st	187.82	204.72	216.19

	Reconnection - 2 nd	450.77	491.34	518.85
	Reconnection - 3 rd	901.54	982.68	1037.71
	New connections			
	Test meter	225.38	245.67	259.43
	Private Work			
	Labour per hour - Supervisor	99.34	108.28	114.35
	Labour per hour - General worker	55.88	60.91	64.32
	Saturday and weekdays - after hours			
	Public holidays, Sundays			
	Material costs			
14.	<i>Travel and Subsistence</i>			
	Vehicle running cost	2.14	2.27	2.40
	Day allowance - councillors	The S&T rates	The S&T rates	
	- officials	shall be as per	shall be as per	
	Accommodation - overnight maximum self catering/n	approved approved	approved approved	
	- Hotel / night maximum	S&T policy of the municipality	S&T policy of the municipality	
	(Accommodation includes dinner except where it is not part of the reservation. Receipts for expenses on meals must be submitted)			
15.	<i>Expenditure Tariffs</i>			
	Cell phones allowance			
	Councillors	The cellular phone allowances	The cellular phone allowances	
	Mayor	of councillors shall be per	of councillors shall be per	
		Remuneration of Office Bearers Act.	Remuneration of Office Bearers Act.	
	Municipal manager	1 272.00	1 348.32	1423.83
	HOD/Directors - Section 56 Managers	1 060.00	1 123.60	1186.52
	Manager reporting directly to HOD	848.00	898.88	949.22
	Assistant Managers	689.00	730.34	771.24

	Supervisors/PA other officials	265.00 127.20	280.90 134.83	296.63 142.38
18.	<i>New accounts</i> Deposit	218.00	231.00	244.00