

**BUDGET OF  
EKURHULENI METROPOLITAN  
MUNICIPALITY**

**2014/15 TO 2016/17  
MEDIUM-TERM REVENUE AND  
EXPENDITURE FORECASTS**

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**City of  
Ekurhuleni**

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## Abbreviations and Acronyms

AARTO	Administrative Adjudication of Road Traffic Offences	kWh	kilowatt
AGSA	Auditor-General South Africa	L	Litre
ARS	Application Rationalisation Strategy	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth Initiative	M&E	Monitoring and Evaluation
BSC	Budget Steering Committee	MBRR	Municipal Budget and Reporting Regulations
CBD	Central Business District	MEC	Member of the Executive Committee
CBO	Community Based Organisation	MFMA	Municipal Financial Management Act
CBP	Community Based Projects	MHDP	Municipal Housing Development Plan
CCA	Customer Care Areas	MIG	Municipal Infrastructure Grant
CCC	Customer Care Centres	MMC	Member of Mayoral Committee
CFO	Chief Financial Officer	MOU	Memorandum of Understanding
CIF	Capital Investment Framework	MPRA	Municipal Properties Rates Act
CIPC	Companies and Intellectual Property Commission	MSA	Municipal Systems Act
CITP	Comprehensive Integrated Transport Plan	MSDF	Metropolitan Spatial Development Framework
CM	City Manager	MTEF	Medium-term Expenditure Framework
CODESA	Convention for a Democratic South Africa	MTREF	Medium-term Revenue and Expenditure Framework
COO	Chief Operating Officer	MVRA/ DLTC	Motor Vehicle Registering Authority / Driver's Licensing Testing Centre
CPI	Consumer Price Index	NDP	National Development Plan
CPIX	Consumer Price Index excluding mortgage costs	NDPG	Neighborhood Development Programme Grant
CRM	Customer Relations Management	NERSA	National Energy Regulator South Africa
CSIR	Council of Scientific and Industrial Research	NGO	Non-Governmental Organisations
DCS	Digital City Systems	NKPIs	National Key Performance Indicators
DEMS	Disaster and Emergency Management Services	NOC	Network Operation Centre
DMTN	Domestic Medium-term Note	NSDP	National Spatial Development Perspective
DORA	Division of Revenue Act	NT	National Treasury
EDC	Ekurhuleni Development Company	NUSP	National Upgrading Support Programme
EE	Employment Equity	OHS	Occupational Health and Safety
EIA	Environmental Impact Assessment	OPCA	Operation Clean Audit

EM	Executive Mayor	OPM	Organisational Performance Management
EMIS	Engineering Management Information System	PBO	Public Benefit Organisations
EMM	Ekurhuleni Metropolitan Municipality	PDI	Previously Disadvantaged Individuals
EMPD	Ekurhuleni Metro Police Department	PHC	Provincial Health Care
EPWP	Expanded Public Works Programme	PMO	Project Management Office
ERM	Environmental Resource Management	PMS	Performance Management System
ERP	Enterprise Resource Planning	PPE	Property Plant and Equipment
FBE	Free basic electricity	PPI	Producer Price Index
FBS	Free basic services	PPP	Public Private Partnership
GAMAP	Generally Accepted Municipal Accounting Practice	PRASA	Passenger Rail Agency of South Africa
GDP	Gross domestic product	PSI	Public Services Infrastructure
GDS	Growth and Development Strategy	PTIS	Public Transport Infrastructure System
GFS	Government Financial Statistics	RFP	Request for Proposal
GGDS	Gauteng Growth and Development Strategy	RG	Restructuring Grant
GPG	Gauteng Provincial Government	RMEP	Revenue Management
GRAP	General Recognised Accounting Practice	RMTC	Road Management Traffic Corporation
HR	Human Resources	RSDF	Regional Spatial Development Framework
HSDG	Human Settlement Development Grant	SALGA	South African Local Government Association
HSDP	Human Settlement Development Plan	SAMSA	South African Maritime Safety Authority
IBALCO	IDP Budget Asset and Liability Committee	SAPS	South African Police Services
IBT	Inclining Block Tariff	SCOA	Standard Chart Of Accounts
ICT	Information Communication Technology	SDBIP	Service Delivery Budget Implementation Plan
IDP	Integrated Development Strategy	SIP	Strategic Implementation Plan
IMS	Intelligent Metering Systems	SMME	Small Micro and Medium Enterprises
INEP	Integrated National Electrification Programme	SRAC	Sports, Recreation, Arts and Culture
IR	Institutional Review	STS	Standard Transfer Specification
IRPTN	Integrated Rapid Public Transport Network	UCC	Unified Command Centre
IT	Information Technology	USDG	Urban Settlement Development Grant
KPA	Key Performance Area	VAT	Value Added Tax
KPI	Key Performance Indicator	WMS	Waste Management Services



## **Part 1 – Annual Budget**

### **1.1 Mayor’s Report**

This budget is presented in the year we celebrate 20 years of South Africa’s democracy. Democracy, anchored by the will of the people, has ensured that the Ekurhuleni Metropolitan Municipality (EMM) has utilised the budget, for many years, as a tool to respond to the needs of our communities as raised via the Integrated Development Plan (IDP) process. This consultative process has enabled our key stakeholders to have a direct and greater influence in the development and allocation of budget. In light of our ability to align budget to community needs, many Ekurhuleni residents can attest to our service delivery track record and to the fact that Ekurhuleni is now a better place to live than it was in 1994.

Since 1994, via the budget, we have realised tangible and major improvements in the provision of core municipal services, including that 87% of our residents have piped water, 82% now have access to electricity, 85% of households enjoy flushing toilets and 88.4% of households have access to refuse removal. Added to this, almost 82 000 houses have been built, many roads have been constructed, clinics were built and upgraded and a number of recreational facilities were built and others upgraded in townships.

As we move the City of Ekurhuleni forward, our medium-term revenue and expenditure framework will focus on amongst others, supporting the provision of services where they do not exist, improving the quality of services and ensuring that Ekurhuleni becomes a destination for growth and development so that we can accelerate job creation and curb the extreme levels poverty and inequalities. In driving development and economic growth, our budgeting makes provision for flagship projects, namely the Aerotropolis, Urban Renewal, Township Economies, Revitalisation of the Manufacturing Sector, Rehabilitation of Dams and Lakes, Digital City and the Integrated Rapid Public Transport Network.

Despite the volatile economic environment, the City of Ekurhuleni has maintained sound and prudent financial management. We remain a credit worthy municipality with a strong liquidity position. All these factors contributed towards the provision of sustainable services in the past few years. Our city is building capital replacement reserves with a view to addressing infrastructure backlogs, as highlighted by the Growth and Development Strategy (GDS) 2055.

Working together, we have laid a solid foundation with major progress in bettering the lives our residents. Our budget commits not only to moving Ekurhuleni forward, but to also supporting the broader national discourse.

## 1.2 Council Resolutions

On 29 May 2014 the EMM's Council will meet at the Germiston Council Chambers to consider the metro's annual budget for the 2014/15 financial year. The Council will consider the following resolutions:

- “1. *The Council of the EMM, 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 2014/15 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 19 on page 62;*
    - 1.1.2 *Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 20 on page 65;*
    - 1.1.3 *Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 22 on page 67; and*
    - 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 23 on page 71.*
  - 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 24 on page 73;*
    - 1.2.2 *Budgeted Cash Flows as contained in Table 25 on page 75;*
    - 1.2.3 *Cash backed reserves and accumulated surplus reconciliation as contained in Table 26 on page 76;*
    - 1.2.4 *Asset management as contained in Table 27 on page 79, and*
    - 1.2.5 *Basic service delivery measurement as contained in Table 28 on page 82.*
  
2. *The Council of the EMM, 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 2014:*
  - 2.1 *Schedule 1 - Tariffs for property rates.*
  - 2.2 *Schedule 2 – Tariffs for electricity.*
  - 2.3 *Schedule 3 - Tariffs for the supply of water.*
  - 2.4 *Schedule 4 - Tariffs for the supply of sewer.*
  - 2.5 *Schedule 5 – Tariffs for waste management services.*

– as set out in Annexure D
  
3. *The Council of the EMM, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 the tariffs for other services, as set out in the various tariff schedules as contained in Annexure D.*
  
4. *To give proper effect to the municipality's annual budget, the Council of the EMM approves:*
  - 4.1 *That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates and user charges for services to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by Section 8 of the Municipal Budget and Reporting Regulations.*

- 4.2 *That the municipality be permitted to enter into long-term borrowings for the funding of the capital programmes in respect of the 2014/15 financial year limited to an amount of R1.1 billion, 2015/16 financial year limited to an amount of R1.49 billion and 2016/17 financial year limited to an amount of R1.41 billion, in terms of Section 46 of the Municipal Finance Management Act.*
- 4.3 *That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.*
5. *To guide the implementation of the municipality’s annual budget, the Council of the EMM approves the policies as set out in the Annexures of this document.*

<i>Annexure E</i>	<i>Medium-term Budget Policy Statement (reviewed)</i>
<i>Annexure F</i>	<i>Pricing Policy Statement (reviewed)</i>
<i>Annexure G</i>	<i>Property Rates Policy (reviewed)</i>
<i>Annexure H</i>	<i>Provision of Free Basic Electricity Policy (reviewed)</i>
<i>Annexure I</i>	<i>Solid Waste Tariff Policy (reviewed)</i>
<i>Annexure J</i>	<i>Consumer Deposit Policy (reviewed)</i>
<i>Annexure K</i>	<i>Indigent Policy (reviewed)</i>
<i>Annexure L</i>	<i>Credit Control &amp; Debt Collection Policy (reviewed)</i>
<i>Annexure M</i>	<i>Provision for Doubtful Debtors and Debtors Write Off (reviewed)</i>
<i>Annexure N</i>	<i>Budget Implementation and Monitoring Policy (remains unchanged)</i>
<i>Annexure O</i>	<i>Municipal Entity Financial Support Policy (remains unchanged)</i>
<i>Annexure P</i>	<i>Accounting Policy (reviewed)</i>
<i>Annexure Q</i>	<i>Funding and Reserves Policy (remains unchanged)</i>
<i>Annexure R</i>	<i>Borrowing Policy (remains unchanged)</i>
<i>Annexure S</i>	<i>Cash Management Policy (remains unchanged)</i>
<i>Annexure T</i>	<i>Policy on electricity metering for residential and small business customers in the EMM (reviewed)</i>
<i>Annexure U</i>	<i>Policy for the Vending of Pre-paid Electricity (reviewed)</i>

6. *To ensure oversight of the municipal entities, the Council of the EMM **APPROVES** the salaries and benefits of the Municipal Entities as set out in the Annexure C (main budget document) for the purpose of setting upper limits as required by Section 89 of the Municipal Finance Management Act.*
7. **That** the Chief Financial Officer in consultation with the City Manager **BE DELEGATED** the authority to adjust the 2014/15 Operating and Capital Budgets (income and expenditure) with:
- 7.1 *all operating and capital grants received in addition to the currently gazetted DORA grants*
- 7.2 *income received for recoverable jobs*
- 7.3 *insurance claims received*
- 7.4 *developers’ contributions received*
- 7.5 *transactions on the internal cost management structure*
- 7.6 *disbursement of centralised budgets*

*subject to these adjustments being reported on in the Adjustments Budget.*

8. **That** the Chief Financial Officer **BE AUTHORISED** to amend the structure on the financial system, in collaboration with the Heads of Departments, to align the financial system to the outcome of the Institutional Review and the new Standard Chart Of Accounts (SCOA), structure proposed by National Treasury.
9. **That**, in order to facilitate multi-year budgeting, departments **BE AUTHORISED** to commit projects on the 2015/16 and 2016/17 budgets, on both internal and confirmed external funding sources.
10. **That** the taking up of a municipal bond of R1.1 billion (as part of the R4 billion extension approved on the R4 billion registered bond) to fund the 2014/2015 Capital Budget **BE APPROVED** for a term of 10 to 15 years and that a further report be submitted to Council to give feedback on the public comments received in this regard before the transaction is finalised.
11. **That** authority **BE GRANTED**, to a maximum amount of R150 million, in respect of bank overdraft facilities and/or the raising of short-term loans, including loans at call from Council's bankers, for the financial year ending 30 June 2015 in order to finance temporarily –
  - Expenditure on the Capital Budget; or
  - Expenditure on the Operating Budget incurred in anticipation of the receipt of revenue estimated and from which the expenditure would have been defrayed.
12. **That** the EMM, IDP and Service Delivery Budget Implementation Plan (SDBIP) for 2014/15 as contained in Annexures A and V respectively, **BE ADOPTED**.
13. **That** the EMM Water Services Development Plan for 2014/15 as contained in Annexure A(3) of Annexure A in the EMM IDP **BE APPROVED** and submitted to Department Of Water Affairs.
14. **That** the copy of the IDP **BE SUBMITTED** to the MEC for Local Government for comments.
15. **That** the MEC for Local Government **BE REQUESTED** to approve the EMM IDP for 2014/15 as its Land Development Objectives as envisaged in Section 72a of the Development Facilitation Act.”

### 1.3 Executive Summary

Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. This includes the compilation of the Medium-term Revenue and Expenditure Framework.

The City's GDS and IDP are its principal strategic planning instruments, which directly guide and inform its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation, which directly informs the Service Delivery and Budget Implementation Plan.

The compilation of the MTREF remains a huge challenge to balance the budget between the limited revenue resources available and the immense need to provide quality service delivery to our community. Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth to ensure financial sustainability. Council on the other hand must address the huge demand to improve the standard of service delivery and to "do more with less" funds available.

The MTREF used the guidelines set by the Minister of Finance in his budget speech of 26 February 2014 as well as the guidelines in terms of Circular 70 dated 4 December 2013 and Circular 72 dated 17 March 2014 as issued by National Treasury.

The budget is based on the EMM Service Delivery Statement (Manifesto) and the EMM GDS 2055 approved by Council, together with the economic and socio-economic factors within EMM.

Several flagship projects provided in the 2014/15 MTREF are addressing the key aspects of the National Development Plan. To name a few, flagship projects such as job creation and the Aerotropolis stimulate economic growth and development.

The economic outlook on national level is expected to be 2.1%. The outlook for EMM was analysed for the various main services rendered by EMM. The economic outlook on energy consumption in EMM proved to be negative in the current year and is expected to continue in the 2014/15 MTREF. Income from energy is expected to decrease by 1% in the new year. The growth rate for all other services is expected to be 2%.

The inflation outlook as set out in Circular No 72 is set at 6.2%.

It is proposed that the property rate tariff be increased by 7.5% for 2014/15, which is still in line with the tariff increase set in the current MTREF approved by Council.

Electricity tariffs will increase by an average of 7.39% as announced by NERSA and NT. However, the tariffs for the different users will vary with increases between 6.3% and 7.6%.

The water tariff will increase by 8.1%, which is exactly the same as the bulk purchase tariff increase as announced by Rand Water.

Sanitation tariffs will increase by 8.0%. This is based on the cost of sewer purification rendered by Erwat.

Refuse removal tariff for businesses was set at 6%. This is in line with the Minister of Finance, in his budget speech of 26 February 2014 in which he urged governments to continue to provide an enabling environment for businesses to grow. While the refuse removal tariff for residential properties will increase by 10%, cognisance must be taken of

the fact that the Cleansing Levy of R5 will be removed from the tariff structures. The net effect of refuse removal tariff increase will result in an increase between 2.4% and 7.1%, depending on the stand size.

Sundry tariff increases will be limited, in most instances, to be within the CPI rate. However, from the input received during the public participation meetings the Budget Steering Committee reviewed the tariffs for cemetery fees and public transport fees. The proposed tariff increases in the tabled budget of 6.7% for cemetery fees has been reduced to 5.0% in the final budget. The average tariff increase of 14% for transport fees has been reduced to 7% in the final budget.

The impact of the above tariff increases on households is estimated to vary between 7.0% and 7.6%, as set out in Table 13 MBRR Table SA14 – household bills on page 46.

The financial sustainability of the 2014/15 MTREF is largely dependent on the collection level of billed income. Provision is made for a collection level of 93%. To achieve this collection, the EMM will have to implement more robust credit control measures.

The Capital Budget of R3.8 billion for 2014/15 is 27% more when compared to the 2013/14 Adjusted Budget. The increase is due to focused on energy distribution network and the implementation of the IRPTN.

Historically the ratio between the Operating Budget and Capital Budget was 90:10 (10%). The ratio as determined on the draft budget for the current year is 12.66%. As a result of the increase in the Capital Budget in 2014/15 the ratio will improve to 14.41%.

The Capital Budget is largely driven by projects emanating from the GDS 2055, IDP and projects identified by the community as well as the backlog in services. A comprehensive backlog study was conducted and various components of backlog on infrastructure were analysed, including access backlogs, technical backlogs, and growth and renewal backlogs totalling in excess of R85 billion.

In order to improve the services rendered to our community the repair and maintenance budget has been increased by 10.47% in 2014/15, which is more than CPI rate or the average tariff increases.

In terms of Council's social commitment to assist the poorer communities in Ekurhuleni provision was also made for the supply of free basic services and social contributions to identified structures in Ekurhuleni.

All residential owners will continue to receive assessment rate exemption on the value of their homes. The first R150 000 is exempted for assessment rates. Various other grants on assessment rates, such as pensioners' rebate, rebate to low income people, properties zoned for religious purposes, will continue in the new year.

It was also decided to continue with the supply of free basic water and sanitation to residents. All residents receive 6Kl water and 6Kl sanitation free, whilst indigents receive an additional 3Kl per month.

The slow pace in registering indigents necessitates Council to consider some alternative option in addressing the indigents. Similar to the process already followed by other metros in SA, it is proposed that Council consider the targeted approach like other metros. This implies that all residents with property values of less than R150 000 will be regarded as deemed indigent.

The total amount budgeted for free basic services and social grants to our community amounts to more than R2.3 billion.

The MTREF for the 2014/15 Multi-year budget, with comparative information is as follows:

**Table 1: Operating Budget Summary**

FINANCIAL PERIOD	F00	F00	F00	F01	%	%	%	F02	F03
	R'000	R'000	R'000	R'000				R'000	R'000
	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total	2015/16	2016/17
<b>INCOME</b>									
Property Rates	4,296,636	2,571,775	4,222,713	4,689,288	9.14%	11.05%	16.56%	5,064,431	5,444,263
Departmental Usage	10,745	6,104	26,411	11,847	10.25%	-55.15%	0.04%	12,841	13,868
Less: Income foregone	628,414	363,117	623,582	675,414	7.48%	8.31%	2.39%	726,070	780,525
<b>Sub-total: Net Property Rates</b>	<b>3,678,967</b>	<b>2,214,763</b>	<b>3,625,542</b>	<b>4,025,721</b>	<b>9.43%</b>	<b>11.04%</b>	<b>14.22%</b>	<b>4,351,203</b>	<b>4,677,607</b>
Penalties Imposed on Property Rates	62,392	71,157	101,385	108,989	74.68%	7.50%	0.38%	119,888	131,876
Interest Earned - Outstanding Debtors	201,775	220,375	230,000	219,921	8.99%	-4.38%	0.78%	239,714	261,288
<b>Sub-total: Penalties and Interest on Debtors</b>	<b>264,167</b>	<b>291,533</b>	<b>331,385</b>	<b>328,910</b>	<b>24.51%</b>	<b>-0.75%</b>	<b>1.16%</b>	<b>359,601</b>	<b>393,164</b>
Electricity Sales	11,198,138	6,505,399	11,048,135	11,393,024	1.74%	3.12%	40.24%	12,234,969	13,139,133
Departmental Usage	301,547	113,941	224,801	324,475	7.60%	44.34%	1.15%	350,433	378,468
<b>Sub-total: Net Electricity Sales</b>	<b>11,499,685</b>	<b>6,619,340</b>	<b>11,272,936</b>	<b>11,717,499</b>	<b>1.89%</b>	<b>3.94%</b>	<b>41.38%</b>	<b>12,585,402</b>	<b>13,517,601</b>
Solid Waste Income	1,036,451	593,579	1,008,213	1,108,842	6.98%	9.98%	3.92%	1,190,789	1,278,916
Departmental Usage	111,371	70,140	98,955	122,508	10.00%	23.80%	0.43%	132,307	142,889
<b>Sub-total: Solid Waste Sales</b>	<b>1,147,822</b>	<b>663,720</b>	<b>1,107,168</b>	<b>1,231,349</b>	<b>7.28%</b>	<b>11.22%</b>	<b>4.35%</b>	<b>1,323,096</b>	<b>1,421,805</b>
Sanitation Income	1,122,894	675,830	1,127,615	1,233,101	9.81%	9.35%	4.36%	1,325,425	1,424,662
Departmental Usage	29,874	7,303	28,246	32,115	7.50%	13.70%	0.11%	34,684	37,459
Less: Income foregone	269,905	140,194	255,690	269,905	0.00%	5.56%	0.95%	290,148	311,909
<b>Sub-total: Net Sanitation Sales</b>	<b>882,863</b>	<b>542,940</b>	<b>900,171</b>	<b>995,311</b>	<b>12.74%</b>	<b>10.57%</b>	<b>3.52%</b>	<b>1,069,961</b>	<b>1,150,211</b>
Water Sales	2,874,757	1,691,487	2,904,726	3,173,057	10.38%	9.24%	11.21%	3,489,571	3,837,673
Departmental Usage	47,368	44,778	47,368	52,104	10.00%	10.00%	0.18%	56,273	60,775
Less: Income foregone	327,654	189,542	326,919	357,300	9.05%	9.29%	1.26%	393,030	432,333
<b>Sub-total: Net Water Sales</b>	<b>2,594,470</b>	<b>1,546,723</b>	<b>2,625,175</b>	<b>2,867,861</b>	<b>10.54%</b>	<b>9.24%</b>	<b>10.13%</b>	<b>3,152,814</b>	<b>3,466,115</b>
Market Income	17,707	10,422	13,974	19,473	9.97%	39.35%	0.07%	21,420	23,562
Minor Income	52,050	29,423	52,050	58,860	13.08%	13.08%	0.21%	62,097	65,513
<b>Total: User Charges for Services</b>	<b>16,194,598</b>	<b>9,412,567</b>	<b>15,971,474</b>	<b>16,890,353</b>	<b>4.30%</b>	<b>5.75%</b>	<b>59.65%</b>	<b>18,214,790</b>	<b>19,644,807</b>
Rent of Facilities and Equipment - Produced Assets	60,847	32,212	55,770	65,730	8.03%	17.86%	0.23%	70,989	76,668
Rent of Facilities and Equipment - Non-Produced Assets	200	123	200	215	7.50%	7.50%	0.00%	231	248
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>61,047</b>	<b>32,336</b>	<b>55,970</b>	<b>65,945</b>	<b>8.02%</b>	<b>17.82%</b>	<b>0.23%</b>	<b>71,220</b>	<b>76,916</b>
Interest Earned - Current Investment Portfolio	195,615	132,505	195,569	220,043	12.49%	12.51%	0.78%	246,448	276,021
<b>Sub-Total: Interest Earned</b>	<b>195,615</b>	<b>132,505</b>	<b>195,569</b>	<b>220,043</b>	<b>12.49%</b>	<b>12.51%</b>	<b>0.78%</b>	<b>246,448</b>	<b>276,021</b>
Traffic Fines	86,000	13,401	56,015	94,600	10.00%	68.88%	0.33%	104,060	114,466
Final Notice Fees	56,560	52,952	67,850	79,802	41.09%	17.61%	0.28%	87,782	96,560
Disconnection Fees	37,642	40,518	58,562	70,073	86.16%	19.66%	0.25%	77,080	84,788
Other Fines	5,493	4,878	6,013	8,641	57.30%	43.71%	0.03%	9,505	10,456
<b>Sub-Total: Fines</b>	<b>185,694</b>	<b>111,748</b>	<b>188,440</b>	<b>253,116</b>	<b>36.31%</b>	<b>34.32%</b>	<b>0.89%</b>	<b>278,427</b>	<b>306,270</b>
Licenses & Permits	39,384	21,109	39,384	45,417	15.32%	15.32%	0.16%	49,959	54,954
Income from Agency Services	246,055	136,215	240,411	258,557	5.08%	7.55%	0.91%	279,241	301,581
Operating Grants - Other	21,002	3,291	21,002	22,388	6.60%	6.60%	0.08%	43,418	44,557
Equitable Share	1,917,953	1,438,465	1,917,953	2,042,951	6.52%	6.52%	7.22%	2,173,369	2,374,368
Provincial Operating Grants	223,630	5,952	223,630	14,864	-93.35%	-93.35%	0.05%	-	-
National Operating Grant	284,760	122,067	284,760	354,920	24.64%	24.64%	1.25%	296,744	324,658
Health Subsidies	104,395	43,159	104,395	111,952	7.24%	7.24%	0.40%	117,885	124,133
Emergency Services Subsidies	129,001	90,301	129,001	136,040	5.46%	5.46%	0.48%	143,250	150,842
<b>Sub-Total: Operating Grants</b>	<b>2,680,742</b>	<b>1,703,235</b>	<b>2,680,742</b>	<b>2,683,115</b>	<b>0.09%</b>	<b>0.09%</b>	<b>9.48%</b>	<b>2,774,667</b>	<b>3,018,558</b>
Capital Grants - Other	31,036	0	27,932	5,500	-82.28%	-80.31%	0.02%	5,000	8,000
INEP	10,000	6,225	10,000	61,000	510.00%	510.00%	0.22%	50,000	40,000
Electricity Demand Side Management	-	-	-	10,000	100.00%	100.00%	0.04%	15,000	15,000
Neighborhood Development Partnership Grant	24,000	14,283	24,000	50,000	108.33%	108.33%	0.18%	80,739	84,883
USDG	1,411,438	643,485	1,411,438	1,569,981	11.23%	11.23%	5.54%	1,645,159	1,716,314
Public Transport Infrastructure Grant	239,543	16,392	239,543	230,000	-3.98%	-3.98%	0.81%	330,000	350,000
Provincial Capital Grants	100,880	4,268	100,880	76,700	-23.97%	-23.97%	0.27%	83,000	45,000
<b>Sub-Total: Capital Grants</b>	<b>1,816,897</b>	<b>684,653</b>	<b>1,813,793</b>	<b>2,003,181</b>	<b>10.25%</b>	<b>10.44%</b>	<b>7.07%</b>	<b>2,208,898</b>	<b>2,259,197</b>
Fuel Levy	1,406,096	937,398	1,406,096	1,469,674	4.52%	4.52%	5.19%	1,515,534	1,572,960
Essential Services	21,900	26,021	21,846	23,187	5.88%	6.14%	0.08%	26,665	30,665
Other Sundry Income	30,214	27,557	35,620	41,663	37.89%	16.97%	0.15%	47,913	55,100
<b>Sub-Total: Other Income</b>	<b>1,458,210</b>	<b>990,976</b>	<b>1,463,562</b>	<b>1,534,524</b>	<b>5.23%</b>	<b>4.85%</b>	<b>5.42%</b>	<b>1,590,112</b>	<b>1,658,724</b>
Gain on Sale of Assets	5,000	-	5,000	5,000	0.00%	0.00%	0.02%	5,000	5,000
<b>TOTAL OPERATING INCOME</b>	<b>26,826,375</b>	<b>15,731,639</b>	<b>26,611,272</b>	<b>28,313,882</b>	<b>5.54%</b>	<b>6.40%</b>	<b>100.00%</b>	<b>30,429,565</b>	<b>32,672,800</b>
<b>NET OPERATING INCOME</b>	<b>26,826,375</b>	<b>15,731,639</b>	<b>26,611,272</b>	<b>28,313,882</b>	<b>5.54%</b>	<b>6.40%</b>	<b>100.00%</b>	<b>30,429,565</b>	<b>32,672,800</b>

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

FINANCIAL PERIOD	F00	F00	F00	F01	%	%	%	F02	F03
	R'000	R'000	R'000	R'000	B to B	P to B	Of Total	R'000	R'000
EXPENDITURE	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15				2015/16	2016/17
Employee Related Costs - Salaries & Wages	4,492,309	2,201,155	4,206,278	4,625,961	2.98%	9.98%	17.25%	4,922,022	5,237,032
Employee Related Costs - Overtime	378,158	258,775	356,069	361,678	-4.36%	1.58%	1.35%	384,826	409,454
Employee Related Costs - Additional Positions	24,398	-	27,500	195,221	700.14%	609.90%	0.73%	207,716	221,009
Employee Related Costs - Social Contributions	1,118,759	583,700	1,079,678	1,168,164	4.42%	8.20%	4.36%	1,242,927	1,322,474
Employee Related Costs - Salaries Capitalised	(132,791)	-	(66,396)	(179,043)	34.83%	169.66%	-0.67%	(129,656)	(137,954)
Employee Related Costs - Salaries to R and M Int	(722,926)	(388,842)	(683,279)	(725,195)	0.31%	6.13%	-2.70%	(756,220)	(789,231)
Remuneration of Councillors	92,786	51,809	92,908	101,919	9.84%	9.70%	0.38%	108,441	115,382
<b>Sub-Total: Remuneration</b>	<b>5,250,693</b>	<b>2,706,597</b>	<b>5,012,758</b>	<b>5,548,706</b>	<b>5.68%</b>	<b>10.69%</b>	<b>20.69%</b>	<b>5,980,055</b>	<b>6,378,166</b>
Bad Debts (Provision for Bad Debts) - additional t	1,144,566	1,142,833	1,144,566	1,230,204	7.48%	7.48%	4.59%	1,426,146	1,559,221
<b>Sub-Total: Bad Debt Provision</b>	<b>1,144,566</b>	<b>1,142,833</b>	<b>1,144,566</b>	<b>1,230,204</b>	<b>7.48%</b>	<b>7.48%</b>	<b>4.59%</b>	<b>1,426,146</b>	<b>1,559,221</b>
Collection Costs	155,142	66,303	122,798	178,238	14.89%	45.15%	0.66%	187,863	198,007
Depreciation - Existing Assets	2,288,832	1,335,152	2,288,832	2,051,463	-10.37%	-10.37%	7.65%	2,154,036	2,261,738
<b>Sub-Total: Depreciation</b>	<b>2,288,832</b>	<b>1,335,152</b>	<b>2,288,832</b>	<b>2,051,463</b>	<b>-10.37%</b>	<b>-10.37%</b>	<b>7.65%</b>	<b>2,154,036</b>	<b>2,261,738</b>
Repairs and Maintenance - External Contractors	1,002,569	411,651	898,148	1,089,528	8.67%	21.31%	4.06%	1,175,466	1,268,756
Repairs and Maintenance - Electricity Maintenance	343,327	158,376	343,327	452,846	31.90%	31.90%	1.69%	486,311	522,250
Repairs and Maintenance - Water Maintenance L	63,814	20,664	63,814	87,645	37.35%	37.35%	0.33%	95,913	92,569
Repairs and Maintenance - Ringfenced Pending C	-	-	-	-	0.00%	0.00%	0.00%	-	-
Repairs and Maintenance - Internal Maintenance	722,326	388,822	680,748	725,195	0.40%	6.53%	2.70%	756,220	789,232
<b>Sub-Total: Repairs and Maintenance</b>	<b>2,132,035</b>	<b>979,513</b>	<b>1,986,036</b>	<b>2,355,214</b>	<b>10.47%</b>	<b>18.59%</b>	<b>8.78%</b>	<b>2,513,910</b>	<b>2,672,807</b>
Interest Expense - Current External Borrowings	673,534	278,492	620,500	706,964	4.96%	13.93%	2.64%	742,313	794,274
<b>Sub-Total: Interest Expense</b>	<b>673,534</b>	<b>278,492</b>	<b>620,500</b>	<b>706,964</b>	<b>4.96%</b>	<b>13.93%</b>	<b>2.64%</b>	<b>742,313</b>	<b>794,274</b>
Bulk Purchases - Electricity	7,273,666	4,226,781	7,284,975	7,624,022	4.82%	4.65%	28.43%	8,030,255	8,540,200
Bulk Purchases - Water	1,963,400	1,163,859	1,950,200	2,153,380	9.68%	10.42%	8.03%	2,368,719	2,605,590
Bulk Purchases - Sewer purification	471,077	274,795	471,077	513,474	9.00%	9.00%	1.91%	559,687	610,059
<b>Sub-Total: Bulk Purchases</b>	<b>9,708,143</b>	<b>5,665,435</b>	<b>9,706,252</b>	<b>10,290,877</b>	<b>6.00%</b>	<b>6.02%</b>	<b>38.38%</b>	<b>10,958,661</b>	<b>11,755,849</b>
Contracted Services - Existing Contracts	843,433	277,750	638,091	902,139	6.96%	41.38%	3.36%	974,310	1,052,255
<b>Sub-Total: Contracted Services</b>	<b>843,433</b>	<b>277,750</b>	<b>638,091</b>	<b>902,139</b>	<b>6.96%</b>	<b>41.38%</b>	<b>3.36%</b>	<b>974,310</b>	<b>1,052,255</b>
Grants & Subsidies Paid - Social/Educational/Sp	133,464	22,088	80,838	109,319	-18.09%	35.23%	0.41%	116,837	124,882
Grants & Subsidies Paid - Eskom	459,766	231,163	459,766	444,997	-3.21%	-3.21%	1.66%	467,247	490,610
Grants & Subsidies Paid - Entities	5,000	1,750	5,000	3,500	-30.00%	-30.00%	0.01%	3,689	3,888
Grants & Subsidies Paid - Add rebates on Ass rat	44,382	20,693	42,308	45,609	2.77%	7.80%	0.17%	49,030	52,707
Grants & Subsidies Paid - Free Basic Services - f	356,586	171,113	357,608	445,395	24.91%	24.55%	1.66%	478,577	514,236
<b>Sub-Total: Grants and Subsidies</b>	<b>999,199</b>	<b>446,807</b>	<b>945,521</b>	<b>1,048,821</b>	<b>4.97%</b>	<b>10.93%</b>	<b>3.91%</b>	<b>1,115,380</b>	<b>1,186,323</b>
General Expenses	1,589,684	445,749	1,076,370	1,564,001	-1.62%	45.30%	5.83%	1,517,609	1,519,345
Grants Expenditure	508,390	127,855	515,890	369,784	-27.26%	-28.32%	1.38%	316,341	345,394
Impairment loss	-	-	-	-	0.00%	0.00%	0.00%	-	-
Loss on Sale of Assets	25,000	-	25,000	25,000	0.00%	0.00%	0.09%	25,000	25,000
<b>TOTAL OPERATING EXPENDITURE</b>	<b>25,318,652</b>	<b>13,472,486</b>	<b>24,082,615</b>	<b>26,271,412</b>	<b>3.76%</b>	<b>9.09%</b>	<b>97.97%</b>	<b>27,911,624</b>	<b>29,748,379</b>
Internal Charges	533,057	525,862	533,047	543,048	1.87%	1.88%	2.03%	586,491	633,408
<b>NET OPERATING EXPENDITURE</b>	<b>25,851,709</b>	<b>13,998,348</b>	<b>24,615,662</b>	<b>26,814,460</b>	<b>3.72%</b>	<b>8.93%</b>	<b>100.00%</b>	<b>28,498,115</b>	<b>30,381,788</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>974,666</b>	<b>1,733,291</b>	<b>1,995,611</b>	<b>1,499,422</b>	<b>53.84%</b>	<b>-24.86%</b>		<b>1,931,450</b>	<b>2,291,013</b>
Contribution to Capital Budget	1,816,897	684,653	1,857,550	2,003,181	10.25%	7.84%		2,208,898	2,259,197
Total Transfers to Cash-Backed Reserves	130,000	75,833	130,000	113,000	-13.08%	-13.08%		183,000	335,000
Total Transfers from Cash-Backed Reserves	975,937	569,297	975,937	619,642	-36.51%	-36.51%		464,732	309,821
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>3,706</b>	<b>1,542,101</b>	<b>983,997</b>	<b>2,883</b>	<b>-22.20%</b>	<b>-99.71%</b>		<b>4,285</b>	<b>6,637</b>



**Table 2 Consolidated Overview of the 2014/15 MTREF**

	<b>Adjustment Budget 2013/14</b>	<b>Budget Year 2014/15</b>	<b>Budget Year +1 2015/16</b>	<b>Budget Year +2 2016/17</b>
Total Operating Revenue	25,009,478,054	26,310,700,762	28,220,667,456	30,413,603,396
Total Operating Expenditure	25,005,772,124	26,307,817,482	28,216,382,842	30,406,966,300
<i>Surplus/(Deficit) for the year</i>	3,705,930	2,883,280	4,284,614	6,637,096
Total Capital Expenditure	2,987,419,379	3,790,365,854	4,248,100,621	4,252,041,688
** Total Operating Revenue excludes Grants received for Capital				
** Total Operating Expenditure excludes Capital expenditure funded by Grants and includes Contribution to Capital Replacement Reserve				

Total operating revenue has grown by 5.2% or R1.3 billion for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 7.26% and 7.77% respectively, equating to a total revenue growth of R4.2 billion over the MTREF when compared to the 2014/15 financial year.

Total operating expenditure amounts to R26.3 billion in the 2014/15 financial year. Thus, it translates into a budgeted surplus of R2.9 million. When compared to the 2013/14 Adjustments Budget, operational expenditure has grown by 5.21% in the 2014/15 budget and by 7.25% and 7.76% for each of the respective outer years of the MTREF. The operating surplus for the two outer years amounts to R4.3 million and R6.6 million respectively.

The Capital Budget of R3.8 billion for 2014/15 is 27% more when compared to the 2013/14 Adjusted Budget. The increase is due to focused on energy distribution network and the implementation of the IRPTN.

## **1.4 Operating Revenue Framework**

Statistics from the 2011 National Census show that the population of EMM has increased by an average of 3.14% annually. A large portion of these residents are unemployed, which results in an increase in services and expenditure but not necessarily an increase in the income base of Council.

For the EMM 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 the metro is 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 metro and continued economic development;
- Efficient revenue management, which aims to ensure a 93% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy 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
- Tariff policies of the metro.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

**Table 3 Summary of revenue classified by main revenue source (Source: NT Table A4)**

R thousand	Description	2010/11				2011/12		2012/13		Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17			
	<b>Revenue By Source</b>															
	Property rates	2,431,047	2,590,399	2,802,871	3,540,277	3,678,967	3,625,542	3,625,542	3,625,542	4,025,721	4,351,203	4,677,607				
	Property rates - penalties & collection charges	62,531	53,770	72,092	62,392	62,392	101,385	101,385	101,385	108,989	119,888	131,876				
	Service charges - electricity revenue	7,588,994	9,086,646	9,692,978	11,499,685	11,499,685	11,272,936	11,272,936	11,272,936	11,717,499	12,585,402	13,517,601				
	Service charges - water revenue	1,184,378	2,053,595	2,158,533	2,574,470	2,594,470	2,625,175	2,625,175	2,625,175	2,867,861	3,152,814	3,466,115				
	Service charges - sanitation revenue	681,256	715,985	736,557	862,863	882,863	900,171	900,171	900,171	995,311	1,069,961	1,150,211				
	Service charges - refuse revenue	610,983	726,039	846,321	1,147,822	1,147,822	1,107,168	1,107,168	1,107,168	1,231,349	1,323,096	1,421,805				
	Service charges - other	56,295	58,232	65,887	69,772	69,757	66,024	66,024	66,024	78,333	83,517	89,075				
	Rental of facilities and equipment	49,064	49,227	49,600	61,127	61,047	55,970	55,970	55,970	65,945	71,220	76,916				
	Interest earned - external investments	119,553	153,736	239,543	195,615	195,615	195,569	195,569	195,569	220,043	246,448	276,021				
	Interest earned - outstanding debtors	212,198	199,887	257,705	201,712	201,775	230,000	230,000	230,000	219,921	239,714	261,288				
	Dividends received	-	-	-	-	-	-	-	-	-	-	-				
	Fines	135,349	210,364	173,029	185,158	185,694	188,440	188,440	188,440	253,116	278,427	306,270				
	Licences and permits	30,049	33,961	35,332	38,985	39,384	39,384	39,384	39,384	45,417	49,959	54,954				
	Agency services	186,877	208,921	228,211	246,055	246,055	240,411	240,411	240,411	258,557	279,241	301,581				
	Transfers recognised - operational	2,816,128	3,285,158	3,638,073	2,618,495	2,680,742	2,680,742	2,680,742	2,680,742	2,680,742	2,774,667	3,018,558				
	Other revenue	69,724	105,667	138,189	1,458,215	1,458,210	1,463,562	1,463,562	1,463,562	1,534,524	1,590,112	1,658,724				
	Gains on disposal of PPE	4,872	776	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000				
	<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16,239,296</b>	<b>19,532,362</b>	<b>21,134,921</b>	<b>24,767,643</b>	<b>25,009,478</b>	<b>24,797,479</b>	<b>24,797,479</b>	<b>24,797,479</b>	<b>26,310,701</b>	<b>28,220,667</b>	<b>30,413,603</b>				

**Table 4 Percentage growth in revenue by main revenue source (this represents the revenue per source as a percentage of the total revenue)**

Description	Current year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget R' 000	%	Budget Year 2014/15 R '000	%	Budget Year +1 2015/16 R '000	%	Budget Year +2 2016/17 R '000	%
<b>Revenue by Source</b>								
Property Rates	3,678,967	14.7%	4,025,721	16.1%	4,351,202,702	17.4%	4,677,606,877	18.7%
Property Rates - Penalties & Collection Charges	62,392	0.2%	108,989	0.4%	119,888	0.5%	131,876,267	0.5%
Service Charges - Electricity Revenue	11,499,685	46.0%	11,717,499	46.9%	12,585,402	50.3%	13,517,601	54.0%
Service Charges - Water Revenue	2,594,470	10.4%	2,867,861	11.5%	3,152,814	12.6%	3,466,115	13.9%
Service Charges - Sanitation Revenue	882,863	3.5%	995,311	4.0%	1,069,961	4.3%	1,150,211	4.6%
Service Charges - Refuse Revenue	1,147,822	4.6%	1,231,349	4.9%	1,323,096	5.3%	1,421,805	5.7%
Service Charges - Other	69,757	0.3%	78,333	0.3%	83,517	0.3%	89,075	0.4%
Rental of Facilities and Equipment	61,047	0.2%	65,945	0.3%	71,220	0.3%	76,916	0.3%
Interest earned - External Investments	195,615	0.8%	220,043	0.9%	246,448	1.0%	276,021	1.1%
Interest earned -Outstanding Debtors	201,775	0.8%	219,921	0.9%	239,714	1.0%	261,288	1.0%
Fines	185,694	0.7%	253,116	1.0%	278,427	1.1%	306,270	1.2%
Licenses and Permits	39,384	0.2%	45,417	0.2%	49,959	0.2%	54,954	0.2%
Agency Services	246,055	1.0%	258,557	1.0%	279,241	1.1%	301,581	1.2%
Transfers Recognised - Operational	2,680,742	10.7%	2,683,115	10.7%	2,774,667	11.1%	3,018,558	12.1%
Other Revenue	1,458,210	5.8%	1,534,524	6.1%	1,590,112	6.4%	1,658,724	6.6%
Gains on Disposal of PPE	5,000	0.0%	5,000	0.0%	5,000	0.0%	5,000	0.0%
<b>Total Revenue (Excluding Capital Transfers and Contributions)</b>	<b>25,009,478</b>	<b>100.0%</b>	<b>26,310,701</b>	<b>105.2%</b>	<b>28,220,667</b>	<b>112.8%</b>	<b>30,413,603</b>	<b>121.6%</b>
Total Revenue from Rates and Service Charges	19,935,956	79.7%	21,025,063	79.9%	22,685,881	80.4%	24,454,290	80.4%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges contributes 79.5% (in 2014/15) of the total revenue basket for the metro. This represents an increase of 5% in the first year of the MTREF and 8% in the outer years.

Details in this regard are contained in Table 22 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) on page 67.

Electricity is the biggest source of income and represents R11.7 billion or 44.5% of the total income budget in 2014/15. This contribution from electricity decreased from 46% in the current year to 44.5% in 2014/15.

Property rates are the second largest revenue source totalling 15.3% or R4.0 billion. This includes income forgone.

Operating grants and transfers totals R2.7 billion or 10.2% of total income budget in the 2014/15 financial year and moves to R3.0 billion by 2016/17. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium-term:

Table 5 Operating Transfers and Grant Receipts

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
National Government:	2,592,802	2,956,672	3,430,910	2,157,928	2,168,333	2,168,333	2,397,871	2,470,113	2,699,026
Local Government Equitable Share	1,471,409	1,644,128	1,825,341	1,917,953	1,917,953	1,917,953	2,042,951	2,173,369	2,374,368
Finance Management	1,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,300
Public Transport and Systems	-	-	17,206	4,000	4,000	4,000	20,000	20,000	20,000
Integrated City Development Grant	-	-	-	8,808	8,808	8,808	40,323	-	-
EPWP Operational	-	-	7,814	-	10,405	10,405	6,422	-	-
Water Services Operating Subsidy	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]	1,120,393	1,311,294	1,579,299	225,917	225,917	225,917	286,925	275,494	303,358
Provincial Government:	209,210	365,394	255,847	460,567	462,252	462,252	285,244	304,553	319,532
Health subsidy	113,431	79,897	101,755	104,395	104,395	104,395	111,952	117,885	124,133
Ambulance subsidy	52,870	163,184	119,220	129,001	129,001	129,001	136,040	143,250	150,842
SETA	11,294	23,539	18,680	21,002	21,002	21,002	22,388	23,821	23,821
Other transfers/grants [insert description]	31,614	98,774	16,192	206,169	207,854	207,854	14,864	19,597	20,736
District Municipality: [insert description]	-	-	-	-	-	-	-	-	-
Other grant providers:	12,464	-	-	-	-	-	-	-	-
Public Contributions	12,464	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>2,814,475</b>	<b>3,322,066</b>	<b>3,686,757</b>	<b>2,618,495</b>	<b>2,630,585</b>	<b>2,630,585</b>	<b>2,683,115</b>	<b>2,774,667</b>	<b>3,018,558</b>

It is concerning to note that total operational grant income will only increase from R2.618 billion in 2013/14 Original Budget to R2.683 billion in 2014/15, which is a mere 2.46% increase. This is largely as a result of a decrease in Provincial Grants in particular the Human Settlement Development Grant (HSDG).

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 city.

The principles set out in the Medium-term Budget Policy and Pricing Policy Statement formed the basis of tariff settings.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities must justify in their budget documentation all increases in excess of the 6% upper boundary of the South African Reserve Bank's inflation target in the budget narratives. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Rand Water bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and tariffs are largely outside the control of the city. Discounting the impact of these price increases in lower consumer tariffs will erode the city's future financial position and viability.

The current challenge facing the city is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the city has undertaken the tariff setting process relating to service charges as follows:

#### 1.4.1 Property Rates

The Municipal Property Rates Act came into effect on the 1 July 2009. In terms of Section 46 of the Act, the market value of a property, if sold on the date of valuation in the open market by a willing seller to a willing buyer, is to be realised in the valuation roll.

In terms of Section 8 of the Act, a municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property, which may include categories determined according to the –

- a. Use of the property.
- b. Permitted use of the property.
- c. Geographical area in which the property is situated.

In terms of Section 15(1) of the Act, a municipality may in terms of criteria set out in its rates policy –

- a. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property; or
- b. Grant to a specific category of owners of properties, or to the owners of a specific category of properties a rebate on or a reduction in the rates payable in respect of their properties.

Categories of owners in respect of which rebates are granted may in accordance with Section 15(2) include the following:

- a. Indigent owners.
- b. Owners dependant on pensions or social grants for their livelihood.
- c. Owners temporarily without income.
- d. Owners of property situated within an area affected by –
  - i. A disaster within the meaning of the Disaster Management Act.
  - ii. Any other serious adverse social or economic conditions.
- e. Owners of residential properties with a market value lower than an amount determined by the municipality; or
- f. Owners of agricultural properties who are bona fide farmers.

In terms of Section 17 of the Act, the following rates applicable to Council, are deemed to be “impermissible”:

- a. The first 30% of the market value of Public Services Infrastructure.
- b. On those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or a national botanical garden.
- c. On mineral rights within the meaning of paragraph (b) of the definition of “property” in Section 1.
- d. On the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality –
  - i. for residential purposes; or
  - ii. for properties used for multiple purposes, provided one or more components of the property are used for residential purposes.
- e. On a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residential residence registered

in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

### FUNDING REQUIREMENTS

The following factors were taken into consideration in the determination of the proposed rate:

- i. Operational and capital funding requirements.
- ii. Market values of properties as published in second general valuation roll (GV 2013), including supplementary valuation rolls published after implementation date, compiled in terms of Municipal Property Rates act.
- iii. Anticipated property developments and growth in supplementary property values.

Valuation roll (GV2013) and supplementary 1 which became effective 1 July 2013 can be summarised as follows:

Rating Category	Rate Category Description	Properties	Roll-Value
1	Residential	533 059	277 072 031 000
2	Industrial	8 621	43 686 520 000
3	Business and Commercial	14 916	75 155 350 000
4	Farms - Agriculture	710	2 719 543 000
5	Farms - Commercial	205	786 412 000
6	Farms - Residential	2 471	4 175 305 000
8	Municipal Properties	193	746 893 000
9	PSI	2 557	22 497 156 000
11	Informal Settlements	6 673	488 426 000
12	Mining and Quarries	106	1 482 410 000
13	Vacant Land	43 431	11 738 799 000
14	Protected Areas	27	90 665 000
17	Smallholdings - Agriculture	171	227 130 000
18	Smallholdings - Commercial	294	751 240 000
19	Smallholdings - Residential	1 662	2 619 142 000
20	Smallholdings - Other	894	660 927 000
21	Farms - Other	1 171	1 959 030 000
<b>Grand Total</b>		<b>617 161</b>	<b>446 856 979 000</b>

In order to realise required funding and based on differential rating ratios in respect of individual categories of properties, it is proposed that residential base rate be increased by **7.50%** to **0,00796c**, based on market value of property as reflected in the valuation roll.

It should be noted that due to the implementation of the new valuation roll during 2013/14 and subsequent increase in property values, no tariff increases were implemented during the 2013/14 financial year.

Increased tariffs per rating category will be as follows:

**Table 6 Comparison of proposed rates to be levied for the 2014/15 financial year**

Category	Ratio	Current Tariff (1 July 2013)	Proposed tariff (from 1 July 2014)
		R	R
Residential	1	0.0074	0.00796
Industrial	2.5	0.0187	0.01989
Business and Commercial	2	0.0149	0.01591
Farms - Agriculture	0.25	0.0018	0.00199
Farms - Business and Commercial	2	0.0149	0.01591
Farms - Industrial	2.5	n/a	0.01989
Farms - Residential	1	0.0074	0.00796
Farms - Other	0.25	0.0018	0.00199
State-owned Properties	2	0.0149	0.01591
Municipal Properties	2	0.0149	0.01591
Public Services Infrastructure (PSI)	0.25	0.0018	0.00199
Private Towns	1	0.0074	0.00796
Smallholdings - Agriculture	0.25	0.0018	0.00199
Smallholdings - Business and Commercial	2	0.0149	0.01591
Smallholdings - Industrial	2.5	n/a	0.01989
Smallholdings - Residential	1	0.0074	0.00796
Smallholdings - Other	0.25	0.0018	0.00199
Informal Settlements	1	0.0074	0.00796
Mining and Quarries	3	0.0224	0.02387
Vacant Land	4	0.0298	0.03182
Places of Worship	2	n/a	0.01591
Protected Areas	1	0.0074	0.00796
National Monuments	1	0.0074	0.00796

The proposed rates would yield an estimated R4.025 billion in the 2014/15 financial year and is summarised as follows:

Line	Description	Budget 2014/15
1-01-0050	PROPERTY RATES: GOVERNMENT	12 007 840
1-01-0100	PROPERTY RATES: INDUSTRY/BUSINESS	1 991 976 579
1-01-0150	PROPERTY RATES: RESIDENTIAL	2 271 779 846
1-01-0200	PROPERTY RATES: SMALL HOLDING	10 369 781
1-01-0250	PROPERTY RATES: VACANT LAND	356 149 779
1-01-0300	PROPERTY RATES: OTHER	47 004 011
1-01-0305	PROPERTY RATES: MUNICIPAL	11 846 672
	<b>TOTAL INCOME</b>	<b>4 701 134 508</b>
1-55-7100	INCOME FOREGONE: EXCLUSIONS RESIDENTIAL ( See Table Below)	-618 669 788
1-55-7350	INCOME FOREGONE: EXCLUSIONS RELIGIOUS	-56 743 724
		<b>4,025,720,996</b>



Property Values		No of properties	Income Forgone Calculation (No of properties x R150 000)
From	To		
-	150,000	<b>92,734</b>	<b>98,406,964</b>
150,001	300,000	150,559	179,767,446
300,001	600,000	136,392	162,852,048
600,001	1,000,000	85,461	102,040,434
1,000,001	1,500,000	40,786	48,698,484
1,500,001	2,000,000	10,623	12,683,862
2,000,001	2,500,000	4,736	5,654,784
2,500,001	3,000,000	2,784	3,324,096
3,000,001	4,000,000	2,484	2,965,896
4,000,001	5,000,000	1,010	1,205,940
5,000,001	6,000,000	427	509,838
6,000,001	100,000,000	469	559,986
		<b>528,465</b>	<b>618,669,778</b>

## EXCLUSIONS AND REBATES

With the exception of aged/pensioners' rebate, disability grantees and medically boarded persons, exclusions and rebates as per item 4 of tariff schedule will remain unchanged.

Sliding scale in respect of item 4.5 - aged/pensioners rebate, disability grantees and medically boarded persons have been amended as follows:

Average monthly earnings in respect of preceding 12 months.	
R0.00 to R2,520.00 (2 x state pensions when amended)	100 % rebate on assessment rates
R2,520.01 to R4,900.00	85% rebate on assessment rates
R4,900.01 to R6,400.00	70% rebate on assessment rates
R6,400.01 to R7,900.00	55% rebate on assessment rates
R7,900.01 to R11,900.00	40% rebate on assessment rates

### 1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases

The sanitation tariff increase is based on the increase in purification cost as received from ERWAT. The ERWAT increase for the 2014/15 financial year is 8% and it is proposed that the sanitation tariff to our customers also be increased by 8%.

The sanitation revenue budget is increased by 12.74% in 2014/15, which is made up as follows:

FINANCIAL PERIOD	F00				F01	%	%
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B
<b>INCOME</b>	R'000	R'000	R'000	R'000	R'000		
Sanitation Income	1,102,894	1,122,894	675,830	1,127,615	1,233,101	9.81%	9.35%
Departmental Usage	29,874	29,874	7,303	28,246	32,115	7.50%	13.70%
Less: Income Foregone	269,905	269,905	140,194	255,690	269,905	0.00%	5.56%

FINANCIAL PERIOD	F00				F01	%	%
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B
<b>Sub-total: Net Sanitation Sales</b>	<b>862,863</b>	<b>882,863</b>	<b>542,940</b>	<b>900,171</b>	<b>995,311</b>	<b>12.74%</b>	<b>10.57%</b>

The above comparison of budget-to-budget indicates that sanitation revenue has increased by 9.81%, which represents an increase of 8% in tariffs and approximately 2% in growth. Cognisance must be taken of the fact that budget for free basic services has not been increased, which resulted that the increase in the net sales is 12.74%.

Water tariff increase of 8.10%, which is equal to the bulk purchases increase from Rand Water, is proposed.

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their 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.

During the compilation of the **current** budget for water and sanitation, provision was made for a growth rate increase of 2%. Based on the mid-year actual results it appears that the 2013/14 budgeted income of water and sanitation will exceed the budgeted income slightly.

Increases in the bulk purchases from Rand Water and treatment costs from Erwat have the biggest impact in the setting of tariffs for each new budget cycle. The water tariffs have been adjusted by 8.10% and the waste water tariffs by 8% to achieve the estimated surplus as reflected in the budget. The main issues to be considered in determining the tariff increases for 2014/15 are as follows:

**Bulk purchase of water** - bulk purchase of water comprises 52.94% (R2.54 billion) of the water services expenditure. At the Major Vaal River User Forum held on 31 July 2013, representatives of the Department of Water Affairs and Environment as well as the Trans Caledon Tunnel Authority announced the following increases in the Vaal River Raw Water Tariff:

	2013/14 c/kl	2014/15 c/kl	% change
State schemes	46,59	49,51	6,267
Augmentation schemes	219,99	232,31	5,600
Total development and use of water works	266,58	281,82	5,717

At a Rand Water Services Forum held on 16 October 2013, representatives of Rand Water submitted its tariff increase for 2014/15 as 8.1%. Rand Water reported that that SALGA supports the proposed increase. The proposed tariff increase was approved by parliament.

**Treatment charges Erwat** - the waste water treatment services by Erwat comprise 12.61% of the total expenditure budget of water services. The amount provided on the

2014/15 budget for this service amounts to R513 million and reflects an increase of 9% on the 2013/14 budgeted amount. Erwat’s motivation for this increase is the growth in flow and the need to extend and improve the various Waste Water Treatment Works.

**Provision for bad debts** - the provision for bad debts has been decreased from the revised budgeted amount of R91 million for 2013/14 to R72 million (20.62% decrease) for 2014/15. The decrease in the provision is not the result of a decrease in the total provision but merely as a reduction in the proportional contribution towards bad debts. The total budget for the provision of bad debts of the entire metro increased by 7.48%.

**Depreciation** - the provision for depreciation has decreased from the revised budgeted amount of R171 million for 2013/14 to R159 million (7.03% decrease) for 2014/15.

**Repairs and maintenance** - to address critically required maintenance and the refurbishment of water and sewer infrastructure, a 2% maintenance levy, calculated as a percentage of total income, was approved for the 2013/14 financial year. It is recommended that this levy be increased to 3% for 2014/15. An amount of R87.6 million has been included in the budget for 2014/15 in this regard.

The budgeted expenditure of R 435.5 million on repairs and maintenance represents 10.69% of the water services total expenditure and reflects an increase of 9.49% on the previous year’s revised budget.

**Free basic water and sanitation** - in addition, 6kℓ of water and sanitation, per 30-day period, will again be granted free of charge to all residents. A further 3kℓ water, per 30-day, period will again be granted free of charge to all registered indigent residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 7: Summary of tariffs: water**

CATEGORY	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
	Rand per kℓ	Rand per kℓ
<b>RESIDENTIAL</b>		
0 – 6 kℓ per 30-day period	0	0
7 – 15 kℓ per 30-day period	10.02	10.84
16 – 30 kℓ per 30-day period	12.28	13.28
31 – 45 kℓ per 30-day period	15.29	16.53
46 – 60 kℓ per 30-day period	16.70	20.38
61 > kℓ per 30-day period	18.85	20.38
<b>NON-RESIDENTIAL</b>		
0 – 5 000 kℓ per 30-day period	13.14	14.21
5 001 – 25 000 kℓ per 30-day period	13.36	14.45
25 001 > kℓ per 30-day period	13.57	15.08

The residential tariff structure is designed to charge higher levels of consumption at a higher rate, steadily increasing to a rate of R20.38 per kilolitre for consumption in excess of 45kℓ per 30-day period.

The structure of the non-residential (business and industrial) is being amended for the 2014/15 financial year to be in line with this principle. The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling house:

**Table 8: Impact of water increases for a single dwelling house**

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
5	0.00	0.00	0.00	0.0%
10	40.08	43.36	3.28	8.1%
20	151.58	163.96	12.38	8.1%
30	274.38	296.76	22.38	8.1%
40	427.28	462.06	34.78	8.1%
50	587.23	646.61	59.38	Structural change
80	1,131.23	1258.01	126.78	
100	1,508.23	1665.61	157.38	

The tariffs proposed for the sanitation service are as follows:

**Table 9: Summary of tariffs: sanitation**

CATEGORY	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
	Rand per kℓ	Rand per kℓ
<b>RESIDENTIAL</b>		
0 – 6 kℓ per 30-day period	0.00	0.00
7 – 15 kℓ per 30-day period	7.65	8.27
16 – 30 kℓ per 30-day period	3.25	3.51
31 – 45 kℓ per 30-day period	2.99	3.23
46 – 60 kℓ per 30-day period	2.78	2.20
61 > kℓ per 30-day period	1.01	2.20
<b>NON-RESIDENTIAL</b>		
0 – 5 000 kℓ per 30-day period	5.65	6.49
5 001 – 25 000 kℓ per 30-day period	3.13	3.46
25 000 > kℓ per 30-day period	2.00	2.25

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling house:

**Table 10: Impact of sanitation increases on a single dwelling house**

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
5	0.00	0.00	0.00	0.0%
10	30.60	33.08	2.48	8.0%
20	85.70	91.98	6.88	8.0%
30	117.60	127.08	9.48	8.0%
40	147.50	159.38	11.88	8.0%
50	176.35	186.53	10.18	Structural change
80	224.35	252.53	28.18	
100	244.55	296.53	51.98	

### 1.4.3 Sale of Electricity and Impact of Tariff Increases

Based on the announcement by NERSA and as addressed in NT Budget Circular No 70 municipalities were advised to structure their 2014/15 electricity tariffs on the approved 7.39% NERSA guideline tariff increase and to provide for a 8.06% increase in the cost of bulk purchases for the tabled 2014/15 budgets and MTREF.

Council's existing electricity tariffs were raised to provide an income that will increase by 7.39%. This is in response to the guideline. However, based on the fact that provision is made for a decrease in the income base and a negative economic growth rate for electricity sales, the overall income will only increase by 1.89%.

The revised tariff will be applicable as from 1 July 2014 which is as follows:

- Tariff A IBT (average 450 kwh)	+6.3%
- Tariff B	+7.6%
- Tariff C and E	+7.4%
- Tariff D	+7.3%

A figure equal to 4% of the income is to be ring-fenced and placed in a maintenance fund that will only be used to fund critical electricity maintenance and refurbishment. At the level of increase, this maintenance fund is estimated to accumulate to a total of R453 million in the 2014/15 financial year.

A figure equal to 0.25% of the income is to be ring-fenced and placed into an energy efficiency demand side management fund that will only be used to fund critical energy efficiency and demand side management projects. At this level of increase, this fund is estimated to accumulate to a total of R26.6 million in the 2014/15 financial year. The fund will be used to convert council-owned assets to become energy efficient with projects such as streetlight efficiency; building efficiency and possibly the installation of solar geysers.

The following table provides a brief summary of the proposed July 2014 tariff increase and structural changes:

**Table 11: Summary of tariff increases: electricity**

	CURRENT TARIFFS 2013/14 R	PROPOSED TARIFFS 2014/15 R	% Increase
<b>Tariff A (Business)</b>			
Energy charge	1.45,39	1.56,29	7.5%
<b>Tariff A (IBT) Energy charge</b>			
A.1 Block (1 to 600 kWh)	0.78,90	0.83,87	6.3%
A.2 Block (>600 to <=700 kWh)	1.31,99	1.42,55	8.0%
A.3 Block (>700 kWh)	2.20,00	4.00,00	81.8%
A.4 Flat rate in the case of a billing system that cannot accommodate the inclining block rate.	0.80,00	0.86,00	7.5%
<b>Tariff B (Residential and Bulk Residential) Energy charge</b>			

	<b>CURRENT TARIFFS 2013/14 R</b>	<b>PROPOSED TARIFFS 2014/15 R</b>	<b>% Increase</b>
Energy charge	1.18,00	1.27	7.6%
<b>Tariff B (Business, Mixed business and Residential, Commercial or Industrial) Energy charge</b>			
Energy charge (High Demand)	1.30,54	1.40,33	7.5%
Energy charge (Low Demand)	1.03,44	1.11,20	7.5%
<b>Tariff C Energy charge</b>			
<b>High Demand Season</b>			
230/400 V	1.32,82	1.42,65	7.4%
230/400 V, direct from substation	1.30,44	1.40,09	7.4%
>230/400V & <= 11kV	1.28,06	1.37,54	7.4%
<b>Low Demand Season</b>			
230/400 V	0.79,63	0.85,52	7.4%
230/400 V, direct from substation	0.78,21	0.84,00	7.4%
>230/400V & <= 11kV	0.76,79	0.82,47	7.4%
<b>Tariff D Energy charge</b>			
<b>High Demand Season (Peak)</b>			
230/400 V, direct from substation	2.86,25	3.07,15	7.3%
>230/400V & <= 11kV	2.81,02	3.01,53	7.3%
>11kV	2.60,26	2.79,26	7.3%
<b>High Demand Season (Standard)</b>			
230/400 V, direct from substation	1.00,43	1.07,76	7.3%
>230/400V & <= 11kV	0.98,61	1.05,81	7.3%
>11kV	0.91,30	0.97,96	7.3%
<b>High Demand Season (Off-Peak)</b>			
230/400 V, direct from substation	0.60,58	0.65,00	7.3%
>230/400V & <= 11kV	0.59,49	0.63,83	7.3%
>11kV	0.55,11	0.59,13	7.3%
<b>Low Demand Season (Peak)</b>			
230/400 V, direct from substation	1.06,46	1.14,23	7.3%
>230/400V & <= 11kV	1.04,52	1.12,15	7.3%
>11kV	0.96,75	1.03,81	7.3%
<b>Low Demand Season (Standard)</b>			
230/400 V, direct from substation	0.69,82	0.74,92	7.3%
>230/400V & <= 11kV	0.68,54	0.73,54	7.3%
>11kV	0.63,50	0.68,14	7.3%
<b>Low Demand Season (Off-Peak)</b>			
230/400 V, direct from substation	0.55,11	0.59,13	7.3%
>230/400V & <= 11kV	0.54,07	0.58,02	7.3%
>11kV	0.50,06	0.53,71	7.3%

	CURRENT TARIFFS 2013/14 R	PROPOSED TARIFFS 2014/15 R	% Increase
<b>Tariff E Energy charge</b>			
<b>High Demand Season (Peak)</b>			
230/400 V	3.96,06	4.25,37	7.4%
230/400 V, direct from substation	3.88,98	4.17,76	7.4%
>230/400V & <= 11kV	3.81,95	4.10,21	7.4%
>11kV	3.53,61	3.79,78	7.4%
<b>High Demand Season (Standard)</b>			
230/400 V	1.13,11	1.21,48	7.4%
230/400 V, direct from substation	1.11,10	1.19,32	7.4%
>230/400V & <= 11kV	1.09,08	1.17,15	7.4%
>11kV	1.01,01	1.08,48	7.4%
<b>High Demand Season (Off-Peak)</b>			
230/400 V	0.66,75	0.71,69	7.4%
230/400 V, direct from substation	0.65,52	0.70,37	7.4%
>230/400V & <= 11kV	0.64,31	0.69,07	7.4%
>11kV	0.59,56	0.63,97	7.4%
<b>Low Demand Season (Peak)</b>			
230/400 V	1.20,43	1.29,34	7.4%
230/400 V, direct from substation	1.18,36	1.27,12	7.4%
>230/400V & <= 11kV	1.16,16	1.24,76	7.4%
>11kV	1.07,55	1.15,51	7.4%
<b>Low Demand Season (Standard)</b>			
230/400 V	0.79,07	0.84,92	7.4%
230/400 V, direct from substation	0.77,72	0.83,47	7.4%
>230/400V & <= 11kV	0.76,26	0.81,90	7.4%
>11kV	0.70,62	0.75,85	7.4%
<b>Low Demand Season (Off-Peak)</b>			
230/400 V	0.59,34	0.63,73	7.4%
230/400 V, direct from substation	0.58,33	0.62,65	7.4%
>230/400V & <= 11kV	0.57,23	0.61,47	7.4%
>11kV	0.53,00	0.56,92	7.4%

It is proposed that a letter explaining the extent of the EMM's 1 July 2014 tariff increases be distributed to all electricity customers. Newspaper articles containing the same message should be published to inform residents of the proposed tariff changes. It is further suggested that the message facility in Council's accounts be utilised to ensure that most customers receive notice of the pending increases.

The Energy Department will continue to explore the metro's mandate towards the implementation of renewable energies. More efficient streetlights are being installed, whilst retrofits are also executed to replace old technology mercury vapour lamps and fittings.

## **MITIGATION MEASURE ON TARIFF A (IBT) TO PREVENT RISK TO EMM REVENUE**

Tariff A (IBT) is the EMM tariff suitable for lower-end users of electricity. The tariff has inclining blocks (where energy is progressively more expensive, as more energy is used) and is heavily subsidised.

In addition to the heavy subsidisation, EMM also provides 100 units of free basic electricity to all customers on this tariff (although this “blanket” approach is changing on 1 June 2014, as per the previous 2013/14 budget resolution).

There is still high risk for EMM, should higher-end customers migrate to Tariff A. These customers will find a major cost-saving in most cases, causing significant loss to EMM.

To mitigate this risk, EMM has two options, namely:

- Target FBE to customers who, on average, use less than 450 units per month to be implemented on 1 June 2014, and
- Raise the level of the last IBT block (>700 units per month), by a very high margin.

It should be noted that no lower-end customer on Tariff A (IBT) should use electricity in the 3<sup>rd</sup> IBT block, given that it is much higher than the average consumption of about 450 units per month.

The very high block 3, therefore, mitigates EMM financial risk, by making it more expensive for higher end customers on Tariff A (IBT). These customers should be on Tariff B.

Revenue enhancement projects will see a continued focus on tampered prepayment meters (as well as protecting them), with a view to also assisting finance in achieving proposed payment levels. Revenue is also enhanced by the continual refinement of energy tariffs, derived from the analysis of Eskom supply tariffs, as well as those of other key players in the South African Energy market. Finally, back office work will see more business processes implemented and these will lead to better efficiencies and a better service to energy customers.

### **1.4.4 Waste Removal and Impact of Tariff Increases**

The proposed tariff increase for rendering of refuse removal services and disposal services are as follows:

- 6% business tariffs
- 10% domestic tariffs
- 15% disposal tariffs

The proposed 6% tariff increase for business tariffs is in line with the consumer price index. The service is sustainable and is generating a surplus. The EMM business service competes with the private sector and therefore prices should be competitive as well.

The proposed 10% increase covers the cost of rendering the domestic waste collection service. Considering the fact that the R5 cleansing levy will be removed in 2014/15, the net increase for refuse services to residential properties will increase between 2.4% and



7.1% for residential properties. The rand value paid by domestic customers is still lower than that paid by business customers. To assist the poor, a rebate of 15% will again be granted to all residential households with a property value of less than R300 000 and a stand size of less than 300m<sup>2</sup>.

Although 15% is proposed for the disposal tariffs, the income generated will not cover the costs of rendering the service. The affordability for businesses has been considered when proposing the 15% at the cost of making a deficit. The disposal business processes are under review to bring the costs down in the future and that will also affect the tariff proposed going forward.

Waste Management Services has income generating services that have to be self-sustainable and non-income generating service that are public goods and are funded from rates and taxes and equitable share. The total income budget for 2014/15 financial year is R1.6 billion with an increase of 6.31%.

**The main cost drivers for Waste Management Services are as follows:**

**- Increase in transport costs:**

Waste management services, with the exception of landfills, are in essence a transport intensive operation and are therefore sensitive to the substantial and constant increases in the price of the following key transport inputs:

Average increase: oils and lubricants	+/-16%
Average increase: fuel costs	+/-14%
Average increase: tyres	+/-18%
Average increase: general spares to maintain the fleet	+/-19%

**- Labour costs**

Solid waste collection is a labour intensive operation and labour costs tend to have a ripple effect on tariffs.

The following table compares current and proposed amounts payable from 1 July 2014:

**Table 12 Comparison between current waste removal fees and increases**

Residential Stand Size	CURRENT TARIFFS FOR 2013/14			CURRENT TARIFFS FOR 2014/15			% Increase
	REFUSE	CLEAN SING	TOTAL	REFUSE	CLEAN SING	TOTAL	
<b>Property Value <u>BELOW</u> R300 000</b>							
0 - 300 m <sup>2</sup> (Properties with value of <b>R300 000 and less</b> )	R75.39	R5.00	R80.39	R82.93	R0	R82.93	2.4%
<b>Property Value <u>ABOVE</u> R300 000</b>							
0 - 300 m <sup>2</sup>	R88.70	R5.00	R93.70	R97.57	R0	R97.57	4.1%
301 - 600 m <sup>2</sup>	R104.47	R5.00	R109.47	R114.92	R0	R114.92	5.0%
601 - 900 m <sup>2</sup>	R116.59	R5.00	R121.59	R128.25	R0	R128.25	5.5%

Residential Stand Size	CURRENT TARIFFS FOR 2013/14			CURRENT TARIFFS FOR 2014/15			% Increase
	REFUSE	CLEAN SING	TOTAL	REFUSE	CLEAN SING	TOTAL	
901 - 1200 m <sup>2</sup>	R128.76	R5.00	R133.76	R141.64	R0	R141.64	5.9%
1 201- 1 500 m <sup>2</sup>	R149.02	R5.00	R154.02	R163.92	R0	R163.92	6.4%
1 501- 2 000 m <sup>2</sup>	R169.28	R5.00	R174.28	R186.21	R0	R186.21	6.8%
2 000 m <sup>2</sup> +	R189.52	R5.00	R194.52	R208.47	R0	R208.47	7.1%

#### 1.4.5 Other Tariff Increases

The Finance Department has embarked on a process to compile a consolidated report of all sundry tariffs of all the departments. The tariffs were determined by departments and consolidated by the Finance Department.

#### FINANCIAL SERVICES

Refer to Schedule “6”

Tariffs have been increased in the main by between 4.3% and 6.67%. Tariffs in respect of “photocopy charges” were adjusted in accordance with market-related pricing. It is recommended that these tariffs be approved and be made applicable with effect from 1 July 2014.

Deviations in excess of standard increase can be summarised as follows:

- Valuation Certificate or property-related information – no increase proposed as current tariff exceeds competitive pricing in respect of both Johannesburg and Tshwane.
- Electronic extract of general valuation roll or supplementary valuation roll – new tariff included 2013/14. Tariff to be applicable for the duration of the validity period of roll. Substantial deviation between Johannesburg and Tshwane tariffs.
- Warning notices (excluding water and electricity notices) - aligned to electricity and water notice fees to ensure tariff standardisation between services.

#### BUILDING PLANS

Refer to Schedule “7”

The 2014/15 budget necessitates the revision of these tariffs in order to keep in line with the Consumer Price Index (CPI) and to uphold market-related values. The determination of the tariffs was set in line with the tariff structure of other metropolitan municipalities and also in line with the budget instructions imposed for the determination of revenue, taking into consideration National Treasury guidelines and revenue targets set for building control revenue. The proposed increase in most cases could be restricted to approximately between 4% and 11.04%.

The proposed increases of tariffs should not be too high as to discourage building without approval from the EMM and also not influence illegal building work.

#### ROAD-RELATED SERVICES

Refer to Schedule “8”

It is proposed that the rates be increased in accordance with the annual increase in prices of civil engineering plant and material, diesel fuel and labour costs represented by the Producer Price Index in the proportion plant: 30%; material: 30%; labour: 30%; fuel: 10%.

The year-on-year increases in the indexes according to the Statistics South Africa and the Department of Energy are as follows:

Plant:	8.5%
Material:	4.9%
Labour:	6.8%
Fuel:	4.2%

The net increase amounts to approximately 5.5 %

### **SERVICES RENDERED BY EMPD**

**Refer to Schedule "9"**

The 2014/15 budget necessitates the revision of these tariffs in order to keep in line with the CPI and to uphold market-related values. The department has adjusted the tariffs to align to the averaged CPIX (5.78% rounded up to 6%), further it has benchmarked its tariffs with the Tshwane Metropolitan Police Department.

### **LICENSING SERVICES**

**Refer to Schedule "10"**

The 2014/15 budget necessitates the revision of these tariffs in order to keep in line with the CPI and to uphold market-related values. The tariffs have been revised and increased by approximately 6% for the 2014/15 financial year.

### **COMMUNITY SAFETY**

**Refer to Schedule "11 & 12"**

The tariffs for the Emergency Service Division has been revised and increased by approximately 7.5% for the 2014/15 financial year and the tariffs for the Disaster Management Division has increased by approximately 5.5%.

### **LIBRARY SERVICES AND AUDITORIA**

**Refer to Schedule "13 & 14"**

#### **LIBRARY SERVICES**

Tariffs are normally increased annually. EMM tariffs have not been increased in the current financial year as they were compared to those of other Metropolitan Municipalities i.e. Cape Town, Tshwane and Johannesburg. It has been noted that Ekurhuleni charges more for some of the services i.e. copy and printing. It has also been realised that EMM has been charging much more than some of the businesses around the libraries.

The tariffs for copies and printing were decreased, the reasons for that are:

- (1) Photocopy services allow for students to make copies for their assignments and school projects, and
- (2) It is hoped that these tariffs eliminate the tearing and stealing of books.

If and when the tariffs are changed, all photocopier coin boxes have to be calibrated by an external service provider at a huge cost. Therefore tariffs should not be changed every year.

All tariffs are VAT inclusive.

Other impacts on costs are the following:

- Maintenance and operational costs.
- Market-related costs.
- The demand and cost of rendering the services.
- The volume and length of time taken to complete activities.

### **Media-related Tariffs**

A market related adjustment has been proposed for all tariffs.

Obsolete media tariff has been removed to comply with GRAP 17.

Daisy players are only loaned to visually impaired and blind people.

The Inter-Library Loan Tariff has been aligned with the National Library's tariff structure which charges according to the weight of the book.

### **LIBRARY AUDITORIA**

The rental cost was increased last year to cater for maintenance and the cost of rendering the service. However, the tariffs for the auditoria will not increase and should be kept as low as possible. The reasons are:

- (1) There are several restrictions on the usage of the auditoria i.e. all events held there should be offered for free or at a minimal cost.
- (2) They can only be used for certain purposes e.g. educational, and also only during library hours, which proves to be cost-effective.

The auditoria are commonly used for the benefit of the communities, and should therefore not be too costly which may result in them not being used at all.

### **ARTS CULTURE AND HERITAGE FACILITIES**

**Refer to Schedule "15"**

The core function of the directorate is that of community developmental. The tariffs for the direct costs services were increased by 5.9 % as per the CPIX.

All the Art Centre Tariffs have not changed as the centres are community-based and most of the users are unemployed youth / artists who are unemployed.

### **SPORTS AND RECREATION**

**Refer to Schedule "16"**

During the 2012/13 financial year the department embarked on a tariff benchmarking exercise with other municipalities and private facilities. This exercise contributed to the increase of SRAC facility tariffs by 200% in the 2013/14 financial year and subsequently aligned the EMM's tariffs with the other municipalities, although the EMM is still charging lower tariffs compared to the eThekweni, City of Johannesburg and other private facilities. The Finance Department also emphasised the department's need to generate income in order for the municipality to sustain its service delivery obligations.

In order for the department to create a balance between the concerns raised by the facility users and its responsibility to generate income, the department is not increasing its tariffs for the 2014/15 financial year. To mitigate the complaints raised by facility users on the affordability of the tariffs, the department will be implementing its by-laws on offering discounts to non-profit making developmental structures using its facilities for developmental purposes and an annual federation lease tariff for sports clubs that wish to use a facility but do not wish to enter into a lease with Council.

The accessibility of SRAC facilities is one of the key mandates of the department and is critical to the development of EMM communities. It is for this reason that the department recommends the following:

1. 50% discount on all tariffs for non-profit social and recreation groups that charge a small amount to their users.
2. 75% discount on all tariffs for non-profit social and recreation groups that charge no tariff to their users.
3. An annual sporting federation/association lease tariff for sport federations that wish to use a facility but do not wish to enter into a long-term lease with Council.

**REMOVAL OF STREET TREES**

**Refer to Schedule “17”**

The tariffs have been revised and increased substantially approximately 100% for the 2014/15 financial year. This increase has been recommended as the removal of the city’s trees is an undesirable practice. The destruction of our green environment only contributes to the problems of global warming and an increase of carbon in our environment.

Trees are protected in terms of the by-Laws approved by the metro and published under Local Authority Notice 1120 on 27 April 2007. In 2002 the EMM approved the use of the Helliwell System for determining the value of a tree. The value of a tree is based on a set of internationally accepted criteria. Should a tree have to be removed its value will be determined using the Helliwell System. The actual cost of removing the tree should be added to the value of the tree when it is removed.

Both the City of Johannesburg and Tshwane also use the Helliwell System for determining the value of a tree.

**HELLIWELL SYSTEM OF TREE EVALUATION OF THE BRITISH TREE COUNCIL**

Evaluation factors score:		1	2	3	4
A	Size of tree – girth, height width and trunk size	Small 0 – 4 meters	Medium 4 - 8 meters	Large 8 – 16 meters	Very large 16 meters +
B	Useful life expectancy	10 - 20 yrs	20 -40 yrs	40 - 100 yrs	100 + yrs
C	Importance of position in landscape (location + function)	Little	Some	Considerate	Great
D	Presence of other trees and surrounds and aesthetics	Many 10 or more	Some 4 - 10	Few Suitable	None 0
E	Relation to the setting, location, foliage, cover and aesthetics	Barely Suitable	Fairly Suitable	Very Suitable	Especially Suitable
F	Form – shape, size, height, weight, look of tree	Poor	Fair	Good	Very Good
G	Special factors - botanical value of species, growth, rate, flowers	None	One	Two	Three +

The following formula is used in determining the value of a tree:

$$A \times B \times C \times D \times E \times F \times G \times R = \text{Total Value of Tree}$$

- Where
- A = size of tree.
  - B = useful life expectancy of tree.
  - C = importance of position of tree in landscape.

- D = presence of other trees in the vicinity of the tree concerned.  
 E = aesthetics of the tree.  
 F = form of tree.  
 G = botanical value of tree.  
 R = 12.

## **CEMETERY AND CREMATORIIUMS**

**Refer to Schedule “18”**

A tariff increase of 6.7% was recommended in the tabled budget for burial/cremation costs for residents and non- residents except indigent burials for the 2014/15 financial year. This 6.7% increase is in line with PPI and together with the rearrangement of grave subsidies will continue for at least the next four years to equalize our tariffs to those of our immediate neighbours, Johannesburg and Tshwane.

The motivation for requesting the increase of the burial and cremation tariffs:

### **1. Cost recovery**

- A directive from the Finance Department to ensure council remains sustainable.
- Recover costs of overtime salaries paid due to popularity of weekend burials.

### **2. To reduce the subsidisation of the burial tariffs**

- The ratios of subsidisation over three burials have been realigned to encourage multiple burials. This is in line with the proposed Alternative Burial Strategy and may extend the current burial space crisis time limit of 11 to 15 years.

### **3. Reducing of influx of burials from non-residents**

- By increasing our tariffs to an equitable amount with our neighbours this will discourage the influx of neighbouring residents making use of our subsidised burial services particularly at Kromvlei, Mooifontein and Vlaktefontein Cemeteries. Recent burial statistics show a decrease in burials within the EMM supporting this motivation.

### **4. Encourage cremations and multiple burials as alternative burial methods**

- By keeping cremations at a lower price than burials and applying lower increases to second and third in-earth internments provides a financial motivation that may assist in popularising cremations and multiple burials. This too is in line with the proposed Alternative Burial Strategy, Institutes National Cemeteries Association and in accordance to SALGA’s summit resolution in this regard.

### **5. To standardise burial and cremation tariffs with neighbouring councils Johannesburg, Midvaal and Tshwane**

- The standardisation of burial tariffs amongst neighbouring councils will assist in providing a uniform burial service across Gauteng as proposed by Gauteng Provincial Government and further discourage the influx of neighbouring residents making use of our subsidised burial services at particularly Kromvlei, Mooifontein and Vlaktefontein Cemeteries.
- It is anticipated to complete this equitation of tariffs amongst the major Gauteng councils with continued application of increased burial tariffs.

During the public participation meetings residents raised their concerns regarding cemetery fee increases and subsequently it was decided to reduce the proposed increase of 6.7% to 5%.

## **ADVERTISING SIGNS**

**Refer to Schedule “19”**

The 2014/15 budget necessitates the revision of these tariffs in order to keep in line with the CPI and to uphold market-related values. The determination of the tariffs was set in line with the tariff structure of other metropolitan municipalities and also in line with the budget instructions for the determination of revenue, taking into consideration National Treasury guidelines and revenue targets set for advertising revenue. The proposed increase in most cases is restricted to approximately 5.34% where possible.

### **The existing tariffs are being amended as follows:**

An application fee for semi-permanent flags is being introduced to assist with the control of the erection of this type of advertising sign. It will also generate an additional income for Council in respect of the application fees paid. A semi-permanent flag is an advertising sign attached to a single flagstaff projecting vertically from premises or projecting vertically, horizontally or at an angle from a building on the site or against the building or boundary walls/fences where the business is located or attached to a free-standing flag staff on an approved site.

An annual licensing fee for estate agent signs for commercial, industrial and non-residential properties has been added and the application fee for estate agent signs for commercial, industrial and non-residential properties has been removed. Estate agent signs are advertising signs that are displayed to advertise the fact that land, premises, development or other forms of fixed property are for sale, to let, sold or on show. The inclusion of a licensing fee will ensure that the commercial, industrial and non-residential estate agents are controlled as effectively as the residential estate agents are controlled.

The tariff for the submission of an ad-hoc proposal has been removed. EMM envisages that this tariff has restricted the submission of innovative ideas and that the removal thereof will enable EMM to accommodate a more open approach to new ideas and trends from a media owner perspective, thereby enhancing revenue.

The annual licensing fee for portable flags and portable advertising signs as well as the removal fee for unlicensed banners has been increased substantially in order to make provision for the cumbersome administrative and labour intensive procedures executed by EMM personnel.

The tariffs for face changes have been removed. It has proven near impossible to monitor the face change of each advertising sign whereby the income generated does not justify the operational functions involved in the monitoring of the face changes.

## **CITY DEVELOPMENT**

**Refer to Schedule “20”**

Principles and points of departure incorporated in the application fees

- Town planning in municipalities has never been a commercial service of Council. The planners are salaried employees and part of the job is the handling of applications in terms of the applicable legislation as well as the dissemination of information and provision of developmental advice. The fees do therefore not necessarily reflect the time allotted to process and finalise an application.
- All successful applications for change in land use inevitably result in higher rates and taxes in perpetuity, which in any case exceed any application fee by far. The long-term

benefits will therefore exceed the short-term income from excessive or higher application fees.

- Fees were compared to the Tshwane and Johannesburg Metros and in some cases the new fees were increased to compare better with those of other metros.
- Many of the fee structures were amended to incorporate the new Ekurhuleni Town Planning Scheme, which will be sent to Council for final approval and will come into operation in the middle of 2014. The application procedures in the new scheme differ substantially from those in the former town planning schemes and the whole approach requires that application fees be adjusted so that the developmental principles of the scheme can be realised. It must be noted that due to the fact that no benchmark exists for this type of scheme and its enhanced application procedures, a flat fee has been charged which might be adjusted in the next financial year. A distinction is also made with regard to applications in terms of the new scheme, as they relate to residential and non-residential land uses. This will assist where applications have a lesser impact, so that these applicants may more readily comply with the necessary town planning regulations and thereby encourage small scale developments.
- The fee structure for Building Line Relaxations has been amended to align with the principles in the Lesedi Scheme to allow for applications relating to single dwellings (residential 1 and 2) to be charged less, whilst all other zoning categories will pay the same amount as the SDP if this building line relaxation application is circulated separately from the SDP, to encourage simultaneous applications.
- A distinction has been made in terms of the preparation of Map 3 documents, whereby townships with up to nine erven will be charged only R1000 and townships with 10 or more erven R3400, which is in line with the current tariff. Once the Ekurhuleni Scheme comes into operation, this tariff will fall away completely. This is due to the fact that the new scheme is completely electronic and hard copies of these documents will no longer be required. The lower tariff for smaller developments is suggested due to the lesser amount of work required to prepare such documentation.
- Regarding the issuing of a certificate in terms of Section 101(1) and the granting of Extension of time i.t.o. Section 101(2), a new tariff is required as these have not been charged before. These charges are also in line with other metros.
- The tariff for applications i.t.o. Section 62 or 63 including for the revoking of a provision in an approved scheme or revoking an approved scheme was removed as the ordinance does not make provision for tariffs on these sections.
- With regard to the issuing of Regulation 38 Certificates, the fee structure has been changed and combined with the tariff for subdivision applications to provide more clarity for easier administration of these application fees.
- For applications for the amendment of subdivision plan or conditions of approval or cancellation of approval – Section 92(4)(a) and (b), a fee has been added in the case of material changes to cover administration costs.
- Fees for the simultaneous subdivision and consolidation of properties in terms of Section 92(1) have been introduced. This tariff was not specified before and caused confusion when it had to be calculated.



- Tariffs in terms of the Black Communities Development Act, 1984, will not be applicable when the EMM Scheme comes into operation as these areas have been incorporated into the scheme.
- The land use and GIS tariffs have generally been increased by 5% in line with CPIX.
- The fees are structured to be competitive and to attract development (developmental approach) as well as with service delivery in mind.
- The figures are rounded off and do not deviate substantially in respect of comparable types of applications.
- Principles as set out in the department’s current policies were also used as a guideline in determining some of the fees e.g. township establishment vs rezoning, in that applicants should not be discouraged from submitting township applications due to excessive application fees.
- No fees should be charged for government-related and housing projects/applications.
- Certain principles in the standardising of advertising applications in the press and on-site with a view to achieving administrative justice have also been implemented to ensure uniformity between CCCs.
- The standardised set of application fees in terms of the Gauteng Removal of Restrictions Act, No. 3 of 1996, is not mentioned in the above table as these need not be promulgated as part of the Council’s fee structure.

**ENVIRONMENTAL HEALTH**

**Refer to Schedule “22”**

In the process of determining the tariff increase for 2014/15 financial year tariffs, which are charged by other adjacent metros such as City of Johannesburg and Tshwane, were considered which revealed the following:

**COMPARISON OF EMM TARIFF WITH TARIFF FROM OTHER METROS**

		EMM	COJ	TSHWANE	DIFFERENCE	PROPOSAL
Item No.	SERVICE	TARIFFS (VAT INCLUDED) 2013/2014	TARIFFS (VAT INCLUDED) 2013/2014	TARIFFS (VAT INCLUDED) 2013/2014	TARIFFS (VAT INCLUDED)	TARIFFS (VAT INCLUDED) 2014/2015
1.	Cost of copies		R1.00	None		
2.	Maintenance of private, underdeveloped stands	Cost price + R454.00	R755.00	None	None	Cost price + R480.00
3.	Issuing of export certificate for food stuffs	R960.00	R960.00	R532.40	None	R960.00
4.	Sampling and analysis of borehole water intended for human consumption from private dwellings	R343.00	R910.00	Average R1295.65	CoJ and Tshwane tariffs are R572 and R952.00 more than	R363.00

		EMM	COJ	TSHWANE	DIFFERENCE	PROPOSAL
Item No.	SERVICE	TARIFFS (VAT INCLUDED) 2013/2014	TARIFFS (VAT INCLUDED) 2013/2014	TARIFFS (VAT INCLUDED) 2013/2014	TARIFFS (VAT INCLUDED)	TARIFFS (VAT INCLUDED) 2014/2015
					EMM respectively.	
5.	Prohibition Notice Re-Inspection	R549.00	R960.00	R532.40	R411.00	R480.00 (5,7 CIP)
6.	Issuing of a permit for a service to remove human excrement	R549.00	R585.00	None	R40.00 less than COJ	R585 =R586.00
7.	Issuing of a permit for the installation of a sewer works	R549.00	R585.00	None	R36.10	R585.00
8.	Issuing of a permit for the conducting of an offensive trade	R549.00	R585.00	None	R36.00	R585.00
9.	Issuing of a permit for the conducting of a hairdressing, beauty and/or cosmetology service	R549.00	R585.00	None	R36.00	R585.00
10.	Issuing of a permit to conduct an accommodation establishment	R997.00	R990.00	None	EMM R97.00 higher	R1054.00
11.	Issuing a permit to conduct a childcare service	R369.00	R585.00	R532.40	COJ R216.00 Tshwane R163.00	R390.00
12.	Issuing a permit for the keeping of poultry	R549.00	R585.00	None	R36.00	R580.00
13.	Issuing of a permit for the keeping of rabbits	R549.00	R585.00	None	R36.00	R580.00
14.	Issuing of a permit to conduct a dog kennel or cattery	R586.00	R585.00	None	R1.00	R619.00
15.	Issuing of a permit to keep bees	R586.00	R585.00	None	R1.00	R619.00

Table 1 above shows that on tariff no. 1, COJ charges R1 per copy and there is no tariff in Tshwane. It is proposed that the EMM maintain the tariff for making copies as per schedule E.

Tariff no. 2, the maintenance of private, under developed stands. Take note that this tariff is not applicable in Tshwane, is fixed in COJ at R755, and cost price plus R454 at the EMM. It is recommended that these tariffs be increased by 5.7%, the current CPI. It implies that the proposed tariff will be cost price + R480.

Tariff no. 3, regarding the issuing of export certificates for food stuffs, shows that COJ is charging R960, the same as EMM. Tshwane is charging R428 less than the EMM. It is proposed that tariff No. 3 be retained at R960, as this tariff was increased significantly in the previous financial year, resulting in numerous complaints received by the department in this regard. In addition, take note that this will make the tariff the same as COJ.

Tariff no. 4, regarding sampling and analysis of borehole water intended for human consumption, the EMM's tariff is the lowest. Tshwane, on average, is charging R952.65 more than the EMM, while COJ is charging R567.00 more. As Council resolved to keep this tariff low and not increase in the previous financial year, it is recommended that it now be increased by 5.7% CPI. The new tariff is proposed as R363.

Tariff no. 5, regarding prohibition notice reinspection, COJ is charging R411 more than the EMM and Tshwane is charging R17 less than the EMM. In the previous financial year EMM resolved to increase the tariff by CPI. It is recommended that this tariff be increased by 5.7% CPI. The proposed new tariff is R480.

Tariffs no. 6-9 were found to be R36 lower than the COJ. It is recommended that these tariffs be increased by 5.7% CPI. The new tariffs are proposed as R580.

Tariff no. 10, regarding the issuing of a permit to conduct an accommodation establishment, the EMM is charging R97 more than COJ. It is recommended that this tariff be increased by 5.7% CPI. The proposed new tariff is R1054.

Tariff no. 11, regarding the issuing of a permit to conduct a child care service, COJ is charging R216 more than the EMM and Tshwane is charging R163 more. The EMM increased this tariff by CPI in previous financial year. It is thus recommended that it be increased by 5.7% CPI in the new financial year. The new proposed tariff is R390.

Tariff no. 12 & 13, COJ is charging R36 more than EMM. It is recommended that this tariff be increased by 5.7% CPI. The proposed new tariff is R580.

Tariff No. 14 and 15, COJ is charging R1 more than EMM. It is proposed that this tariff be increased by 5.7% CPI. The new proposed tariff is R619.

## **BUS SERVICE**

### **Refer to Schedule "23"**

The escalating prices of diesel, tyres, lubricants, spare parts, and salary increases makes it imperative to increase bus tariffs at least once per annum. The prices of certain components increase to a magnitude much higher than that of the official inflation rate as expressed by the CPI. The price of diesel on the reef increased from R11.11 per litre in January 2013 to R13.39 per litre in March 2014 - an increase of 20.5%.

Although the EMM Bus Services has always operated at a loss, an attempt must be made to recover most of the operating expenditure incurred. As such, tariffs - as the only source of revenue for the bus services - have to be adjusted annually.

For the 2012/13 financial year the bus services operated at a loss of R32, 481,432 and for the 2013/14 financial year a loss of approximately R37, 667,870 is projected.

In view of the concerns raised at the public participation meetings it was decided to reduce the proposed increase from an average of 14% to an average of 11.85%.

### **Scheduled Bus Trips**

To ensure that EMM's bus fares are market-related, compared to the fares charged by alternative modes of transport, cognisance needs to be taken of the tariffs charged by mini-bus taxis and other bus operators, such as Putco which operates in the same area. Putco operates several buses, mainly during peak periods, between Vosloorus and Boksburg. The tariff charged by Putco in respect of the above route is R17 per trip, cash fare, and R15.30 per trip if 10-trip, multi-journey coupon is used. Putco also operates buses between Katlehong and Johannesburg at R17 per cash trip or R15.40 per trip for a

10-trip, multi-journey coupon. In the Boksburg area, taxis operating between Vosloorus and Boksburg currently charge R15 per trip, irrespective of whether the passenger is an adult or a scholar. In the Germiston area, taxis operating between Katlehong and Germiston charge R13 per passenger per trip, and between Germiston and Johannesburg R10 per passenger per trip. No distinction is made between adults and scholars on any of the above routes. Usually Putco and the taxi industry also increase their tariffs annually, the above-mentioned tariffs to increase substantially during 2014.

Various other factors such as salaries, maintenance and repair costs and other general expenses have necessitated the required increase in the bus tariffs. The private sector in general operates at lower costs as their employees are remunerated at lower salary scales, compared to the municipal bus services, and the operating conditions are different as their work schedules are designed so that they work on weekends without claiming overtime.

Taking the above into consideration, and that council has no control over factors which have an impact on operational costs, it is proposed that the following tariff structure for the Municipal Bus Service be considered and approved by council for implementation with effect from 1 July 2014:

<b>EMM MUNICIPAL BUS SERVICES (BOKSBURG AND GERMISTON DEPOTS) (VAT exempted)</b>				
<b>DESCRIPTION</b>	<b>PRESENT</b>	<b>PROPOSED</b>	<b>INCREASE</b>	
			<b>R/trip</b>	<b>%</b>
<b>Scholar cash (per trip)</b>	<b>R12.50</b>	<b>R13.50</b>	<b>R1.00</b>	<b>8.00%</b>
<b>Scholar coupon (10 trips)</b>	<b>R80.00</b>	<b>R86.00</b>	<b>R1-00</b>	<b>7.50%</b>
<b>Scholar coupon (44 trips)</b>	<b>R352.00</b>	<b>R380.00</b>	<b>R1-00</b>	<b>7.95%</b>
<b>Adult cash (per trip)</b>	<b>R12.50</b>	<b>R13.50</b>	<b>R1-00</b>	<b>8.00%</b>
<b>Adult coupon (10 Trip)</b>	<b>R90.00</b>	<b>R97.00</b>	<b>R1-00</b>	<b>7.78%</b>
<b>Adult coupon (44 Trip)</b>	<b>R396.00</b>	<b>R427.00</b>	<b>R1-00</b>	<b>7.83%</b>
<b>Pensioners/disabled (per trip)</b>	<b>R6.00</b>	<b>R6.50</b>	<b>R0-50</b>	<b>8.33%</b>
<b>*Adult coupon 10-trip transfer (20 trips)</b>	<b>R135.00</b>	<b>R175.00</b>	<b>R2.00</b>	<b>29.63%</b>
<b>*Adult coupon 44-trip transfer (88 trips)</b>	<b>R594.00</b>	<b>R770.00</b>	<b>R2.00</b>	<b>29.63%</b>

\* The transfer tariff is to be increased at a higher percentage rate as these trips cover two destinations without the need for passengers to make use of two separate buses and pay the single fare twice.

The average increase is 11.85% and the proposed tariffs compared well to the transport industry.

It is proposed that the cash tariff be increased by a higher percentage than multi-journey coupons to discourage the use of cash as a method of payment and rather promote the use of smartcards (multi-journey coupons) so that bus drivers do not have to handle any cash, thereby reducing the risk of pilferage by drivers.

To provide a more user-friendly payment system for commuters, ticket prices have also been rounded off to the closest 50 cents. The recommended tariff adjustments will not necessarily assist in decreasing the annual deficit experienced by the bus services and may at the most maintain the current deficit situation.

### **Special Bus Services**

Besides the normal scheduled bus services, special bus services for various occasions such as funerals, sports events, educational uses, etc. are also rendered.

Due to the procurement of a number of new buses during the past few financial years, the overall image and quality of services rendered increased considerably. This in turn resulted in a rise in the demand of EMM buses, which simultaneously coincided with a substantial increase in private hire revenue. Taking the continuing escalating cost of living into account, an increase is necessary.

Due to the continuous increase of various costs, as indicated in the beginning of this report, the running cost to operate a bus is currently in the region of R12 per kilometre but excludes several other cost factors such as insurance, telephone, rent, rates and taxes etc, as these costs are not specifically charged to the bus services and can thus not be brought into consideration. In addition to the costs above, provision must be made for unforeseen occurrences such as breakdowns and accidents and it is advisable to add an additional 25% to the running cost of R12 to recover these expenses.

Currently the special bus services provided by council are running at a substantial loss. This can mainly be attributed to bus drivers being paid overtime for all special hire trips as they fall outside the allowable working hours of 40 hours per week, per driver. A bus driver is currently remunerated at R95.71 per hour, normal time; R143.57 per hour, for time and a half; and R191.42 per hour, for double time (Sundays and public holidays). The hourly rate charged for special hire services is currently R115 for time and a half and R185 for double time. This results in a shortfall of R28.57 per hour for time and a half and R6.42 per hour for double time. This is being rectified, but in an attempt to soften the impact of a sudden sharp increase it will be done gradually, over a period of time.

Cognisance must also be taken of the salary increase (estimated at about 6.8%) negotiated for July 2014 as this will influence these tariffs. Increase in salaries will escalate the tariffs above to R102.22 per hour for normal time, R153.33 per hour for time and a half, and R204.44 per hour for double time.

To address this situation, but also taking into account that the tariffs do not become unaffordable, it is imperative that these tariffs be increased and implemented on 1 July 2014 as follows:

DESCRIPTION	EMM MUNICIPAL BUS SERVICES (GERMISTON & BOKSBURG DEPOTS) (VAT exempted)		% INCREASE
	PRESENT	PROPOSED	
Rate per km	R13-50	R15-00	11.11%
Rate per hour (week days & Saturdays)	R115.00	R135.00	17.39%
Rate per hour (Sundays & public holidays)	R185.00	R205.00	10.81%

**HIRE OR USE OF FACILITIES IN PARKS**

**Refer to Schedule “24”**

Tariffs are normally increased annually as a cost recovery exercise to keep abreast with inflation and the rising costs of maintenance. The cost of hiring facilities also allows income generation for the Council, which in turn ensures that a cost-effective service can be rendered to the community. The proposed tariffs are generally increased by approximately 6.7%, the average PPI as released by Statistics South Africa. The only tariff increase to surpass this percentage is the tariff for the hire surcharge of a venue after

midnight as the old tariff of R330 did not cover the cost of overtime and standby allowances for the staff at the venue.

The proposed tariffs have been rounded off to the nearest R10 to assist with the accounting practices of Council.

The recently accepted returnable deposit applicable for the use of many facilities has substantially discouraged vandalism.

#### **Conditions for use of a facility**

The Mayoral Committee and heads of departments may use park facilities for official functions, at 50% of the approved tariffs.

As part of our tariff determination process we have been able to compare our services with those of our neighbours in past few years.

#### **1.4.6 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

#### **Table 13 MBRR Table SA14 – household bills**

Cognisance must be taken of the following factors affecting the average monthly household bills as indicated in the above schedule:

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

<b>EKU Ekurhuleni Metro - Supporting Table SA14 Household bills</b>										
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
<b>Rates and services charges:</b>										
Property rates	297.92	316.25	339.17	351.89	351.89	351.89	7.5%	378.28	406.65	437.15
Electricity: Basic levy	-	21.04	23.36	25.35	25.35	25.35	7.5%	27.25	29.37	31.54
Electricity: Consumption	835.50	978.00	1,086.00	1,180.00	1,180.00	1,180.00	7.6%	1,270.00	1,363.85	1,464.64
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	201.60	227.55	249.78	274.38	274.38	274.38	8.2%	296.76	326.43	359.08
Sanitation	85.86	98.76	109.29	117.60	117.60	117.60	8.1%	127.08	136.61	146.86
Refuse removal	79.95	91.94	105.73	116.59	116.59	116.59	10.0%	128.25	137.87	148.21
Other	-	-	-	5.00	5.00	5.00	(100.0%)	-	-	-
<b>sub-total</b>	<b>1,500.83</b>	<b>1,733.54</b>	<b>1,913.33</b>	<b>2,070.81</b>	<b>2,070.81</b>	<b>2,070.81</b>	<b>7.6%</b>	<b>2,227.62</b>	<b>2,400.78</b>	<b>2,587.48</b>
VAT on Services	168.41	198.42	220.38	240.65	240.65	240.65	7.6%	258.91	279.18	301.05
<b>Total large household bill:</b>	<b>1,669.24</b>	<b>1,931.96</b>	<b>2,133.71</b>	<b>2,311.46</b>	<b>2,311.46</b>	<b>2,311.46</b>	<b>7.6%</b>	<b>2,486.53</b>	<b>2,679.96</b>	<b>2,888.53</b>
<b>% increase/-decrease</b>		<b>15.7%</b>	<b>10.4%</b>	<b>8.3%</b>	<b>-</b>	<b>-</b>	<b>7.6%</b>	<b>7.6%</b>	<b>7.8%</b>	<b>7.8%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>										
<b>Rates and services charges:</b>										
Property rates	189.58	201.25	215.83	235.45	235.45	235.45	7.5%	253.11	272.09	292.50
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	417.75	415.70	422.82	394.50	394.50	394.50	6.3%	419.35	450.34	483.62
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	156.60	176.75	193.88	212.98	212.98	212.98	8.2%	230.36	253.40	278.74
Sanitation	74.16	85.31	94.19	101.35	101.35	101.35	8.1%	109.53	117.74	126.58
Refuse removal	79.95	91.94	105.73	116.59	116.59	116.59	10.0%	128.25	137.87	148.21
Other	-	-	-	5.00	5.00	5.00	(100.0%)	-	-	-
<b>sub-total</b>	<b>918.04</b>	<b>970.95</b>	<b>1,032.45</b>	<b>1,065.87</b>	<b>1,065.87</b>	<b>1,065.87</b>	<b>7.0%</b>	<b>1,140.60</b>	<b>1,231.44</b>	<b>1,329.65</b>
VAT on Services	101.98	118.02	114.33	116.26	116.26	116.26	6.9%	124.25	134.31	145.20
<b>Total small household bill:</b>	<b>1,020.02</b>	<b>1,088.97</b>	<b>1,146.78</b>	<b>1,182.13</b>	<b>1,182.13</b>	<b>1,182.13</b>	<b>7.0%</b>	<b>1,264.85</b>	<b>1,365.75</b>	<b>1,474.85</b>
<b>% increase/-decrease</b>		<b>6.8%</b>	<b>5.3%</b>	<b>3.1%</b>	<b>-</b>	<b>-</b>	<b>7.0%</b>	<b>7.0%</b>	<b>8.0%</b>	<b>8.0%</b>
			<b>(0.21)</b>	<b>(0.42)</b>	<b>(1.00)</b>	<b>-</b>				
<b>Monthly Account for Household - 'Indigent' Household receiving</b>										
<b>Rates and services charges:</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	237.50	244.50	187.73	197.25	197.25	197.25	6.3%	209.68	225.18	241.82
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	89.40	100.90	110.62	121.52	121.52	121.52	8.2%	131.44	144.58	159.04
Sanitation	45.54	52.39	57.76	62.15	62.15	62.15	8.1%	67.17	72.21	77.62
Refuse removal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	<b>372.44</b>	<b>397.79</b>	<b>356.11</b>	<b>380.92</b>	<b>380.92</b>	<b>380.92</b>	<b>7.2%</b>	<b>408.29</b>	<b>441.97</b>	<b>478.48</b>
VAT on Services	52.14	55.69	49.86	53.33	53.33	53.33	7.2%	57.16	61.88	66.99
<b>Total small household bill:</b>	<b>424.58</b>	<b>453.48</b>	<b>405.97</b>	<b>434.25</b>	<b>434.25</b>	<b>434.25</b>	<b>7.2%</b>	<b>465.45</b>	<b>503.85</b>	<b>545.47</b>
<b>% increase/-decrease</b>		<b>6.8%</b>	<b>(10.5%)</b>	<b>7.0%</b>	<b>-</b>	<b>-</b>	<b>7.2%</b>	<b>7.2%</b>	<b>8.2%</b>	<b>8.3%</b>

- In the above example, the overall impact of tariff increases on household bills has been kept between 7% and 7.6%, with not more than 8.3% in the outer years.
- The calculation with regard to electricity is based on the assumption that Tariff B would be applicable for middle income households. These households are not entitled to free basic electricity (FBE). Tariff A (IBT) is applicable for the affordable and indigent households in the above example. Affordable households are also not entitled to FBE in terms of the draft FBE policy. However, indigent households will still be entitled to 100kwh FBE.
- All consumers receive 6kl of water free, whilst indigents receive 9kl of water free.

## 1.5 Operating Expenditure Framework

The metro's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- The asset renewal and the repairs and maintenance requirements as identified in the backlog study.
- 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 needs and backlog eradication goals.
- The prioritisation of capital needs was based on the Capital Investment Framework.
- Operational gains and efficiencies will be directed to funding the Capital Budget and other core services.
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.
- Applying the guidance from NT of *doing more for less*.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):



Table 14 Summary of operating expenditure by standard classification item (Table A4)

Description	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework					
	Audited Outcome	2011/12 Audited Outcome	2012/13 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Expenditure By Type</b>										
Employee related costs	3,800,446	4,109,532	4,276,571	5,134,073	5,157,937	4,919,850	4,919,850	5,446,788	5,871,614	6,262,784
Remuneration of councillors	66,908	79,406	87,955	97,286	92,786	92,908	92,908	101,919	108,441	115,382
Debt impairment	1,445,304	1,442,008	887,675	1,144,566	1,144,566	1,144,566	1,144,566	1,230,204	1,426,146	1,559,221
Depreciation & asset impairment	2,068,687	1,984,750	2,055,905	1,312,896	1,312,896	1,312,896	1,312,896	1,431,820	1,689,304	1,951,916
Finance charges	382,613	453,418	522,866	685,215	673,534	620,500	620,500	706,964	742,313	794,274
Bulk purchases	6,435,217	7,930,516	8,852,864	9,686,163	9,708,143	9,706,252	9,706,252	10,290,877	10,958,661	11,755,849
Other materials	1,781,722	1,737,189	1,839,955	2,118,929	2,133,516	1,986,036	1,986,036	2,355,214	2,513,910	2,672,907
Contracted services	614,834	684,663	685,955	810,490	846,254	638,091	638,091	902,139	974,310	1,052,255
Transfers and grants	134,180	426,285	960,646	1,003,679	999,199	945,521	945,521	1,048,821	1,115,380	1,188,323
Other expenditure	1,139,099	1,197,375	981,875	2,615,640	2,782,041	2,248,105	2,248,105	2,655,071	2,608,303	2,696,154
Loss on disposal of PPE	24,773	21,039	15,256	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Total Expenditure</b>	<b>17 893,784</b>	<b>20 066,181</b>	<b>21 167,521</b>	<b>24 633,937</b>	<b>24 875,772</b>	<b>23 639,725</b>	<b>23 639,725</b>	<b>26 194,817</b>	<b>28 033,383</b>	<b>30 071,966</b>
<b>Surplus/(Deficit)</b>	<b>(1,654,487)</b>	<b>(533,819)</b>	<b>(32,600)</b>	<b>133,706</b>	<b>133,706</b>	<b>1,157,754</b>	<b>1,157,754</b>	<b>115,883</b>	<b>187,285</b>	<b>341,637</b>
Transfers recognised - capital	581,561	1,272,382	1,108,485	1,691,438	1,816,897	1,813,793	1,813,793	2,003,181	2,208,898	2,259,197
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	(130,000)	(130,000)	(130,000)	(130,000)	(113,000)	(183,000)	(335,000)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>
Taxation	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>

The budgeted allocation for employee related costs for the 2014/15 financial year totals R5.50 billion, which equals 20.69% of the total operating expenditure. Compared to the 2013/14 provision for salary expenditure, the provision for 2014/15 increased by 5.6% (or 5.68% when including councillor allowances). An annual increase of 7.77% and 6.66% has been provided for the two outer years of the MTREF.

Due to the T-scale system, the number of vacancies is budgeted at a salary scale lower than previous incumbents' salary scales. After taking the salary increase of 6.8% and the reduced T-scales salary into consideration, the net increase in salaries for 2014/15 is 3.84%.

An amount of R195 million has been provided for new positions in the 2014/15 financial year. The purpose of the funds provided is to accommodate additional personnel for the extension of services (like new clinics or fire stations) for an amount of R55 million. Council also recognised the high cost of overtime budgeted. The budget for overtime was reduced by 4.36% but an amount of R40 million was provided for additional positions in departments where overtime is excessive and manpower limited. Another R100 million is provided for the roll-out of the Institutional Review.

A detailed analysis is supplied with the discussion regarding employee related costs as set out in MBRR Tables SA22 -24 in this document.

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 metro's budget. An increase of 9.84% has been provided in the 2014/15 financial year.

The provision of debt impairment was determined based on an annual collection rate of 93% and the EMM's Debt Write-off Policy. For the 2014/15 financial year this amount equates to R1.230 billion and escalates to R1.559 billion by 2016/17.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R2.051 billion for the 2014/15 financial and equates to 7.65% of the total operating expenditure. The budgeted depreciation reflected a decrease from 2013/14 to 2014/15 and the reasons for the decrease are as follows:

- After the audit of the 2012/13 Annual Financial Statements, the useful lives of certain assets which had reported zero book values were extended, because these assets were found to still be usable. From a budget perspective, extending the useful lives of assets would imply that the assets would be depreciated over a longer period of time than was originally budgeted for, and the impact is a reduced depreciation charge over the remaining period.
- Certain assets (e.g. rail network) were impaired and therefore derecognised, thereby reducing the total cost of the metro's assets. This cost is the basis for calculating depreciation. The drop in the total cost was not mitigated by a corresponding increase due to the creation of new assets, as most of these were still sitting in work in progress (not yet capitalised).
- EMM has experienced a high volume of WIP in 2013 and as capitalisation cannot be done before assets are finalised, these assets could not be depreciated, contributing to the reduced depreciation figures.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 2.64% (R707 million) of operating expenditure excluding annual redemption for 2014/15 and increases to R794 million by 2016/17.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repairs and maintenance comprise of, amongst others, the purchase of materials for maintenance, staff cost of dedicated maintenance personnel and the appointment of external contractors to perform maintenance works. In line with the metro’s repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the metro’s infrastructure. For 2014/15 the appropriation against this group of expenditure is R2.355 billion which represents 8.78% of the total operating expenditure.

As part of the compilation of the 2014/15 MTREF contracted services expenditure totalled R902 million, which is 2.64% of the total operating expenditure. This represents an increase of 4.96% on the previous budget.

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.

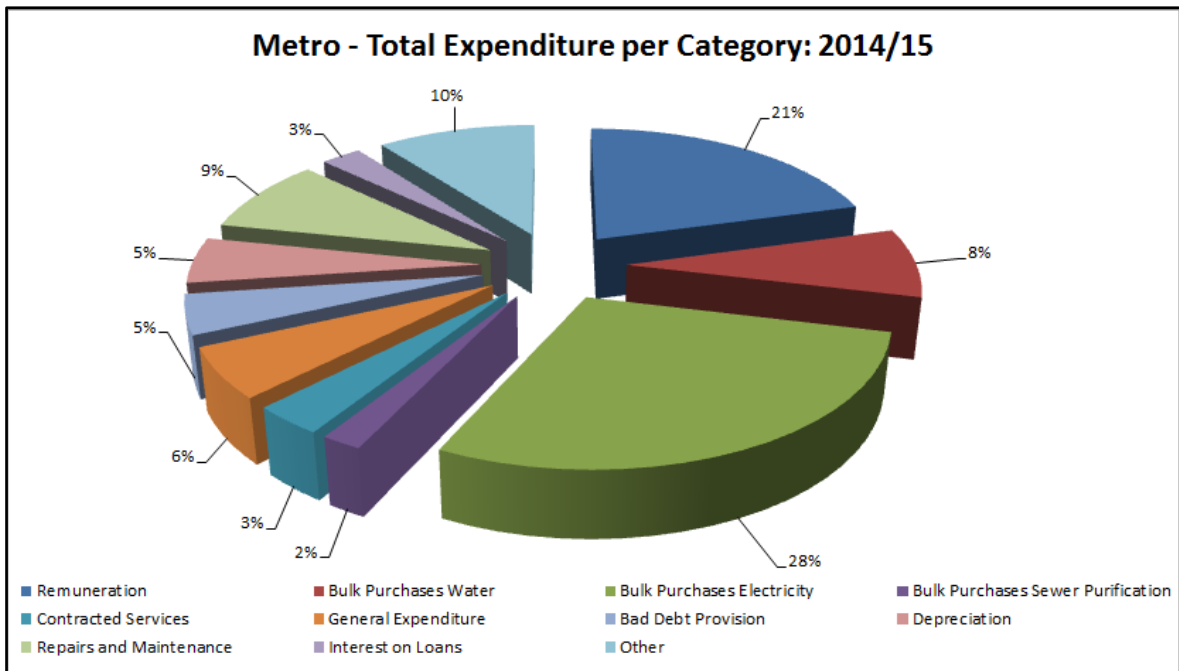


Figure 1 Main operational expenditure categories for the 2014/15 financial year

### 1.5.1 Repairs and maintenance

Aligned to the priority given to preserving and maintaining the metro's current infrastructure, the 2014/15 budget and MTREF provide for growth in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance requirements of the metro. 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. The following table is extracted from MBRR Table SA1 to reflect the amount provided for repairs and maintenance in context with the amounts provided for PPE, depreciation and the renewal of assets:

**Table 15 Operational repairs and maintenance**

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
<b>Repairs and Maintenance by Expenditure Item</b>										
Employee related costs	-	-	-	722,326	722,926	683,279	683,279	725,195	756,220	789,231
Other materials	1,781,722	1,737,189	1,839,955	1,396,604	1,410,591	1,302,757	1,302,757	1,630,019	1,757,690	1,883,575
Contracted Services	-	-	-	-	-	-	-	-	-	-
Other Expenditure	-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>1,781,722</b>	<b>1,737,189</b>	<b>1,839,955</b>	<b>2,118,929</b>	<b>2,133,517</b>	<b>1,986,036</b>	<b>1,986,036</b>	<b>2,355,214</b>	<b>2,513,910</b>	<b>2,672,807</b>

The table below provides a breakdown of repairs and maintenance in relation to asset class as summarised from MBRR SA34c:

**Table 16 Consolidated repairs and maintenance by asset class**

EKU Ekurhuleni Metro - Supporting Table SA34c Consolidated repairs and maintenance by asset class									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1,371,859</b>	<b>1,377,514</b>	<b>1,447,287</b>	<b>1,620,454</b>	<b>1,625,245</b>	<b>1,568,707</b>	<b>1,768,203</b>	<b>1,892,069</b>	<b>2,013,988</b>
Infrastructure - Road transport	453,172	392,310	370,940	468,365	473,415	441,515	477,973	520,193	566,277
<i>Roads, Pavements &amp; Bridges</i>	421,024	360,101	326,669	433,025	437,594	406,439	441,082	480,494	523,546
<i>Storm water</i>	32,148	32,209	44,271	35,341	35,821	35,077	36,891	39,699	42,731
Infrastructure - Electricity	532,544	582,466	638,085	695,939	697,629	686,324	795,636	840,016	888,010
<i>Transmission &amp; Reticulation</i>	486,199	534,461	581,685	636,846	638,596	628,672	736,695	779,547	825,860
<i>Street Lighting</i>	46,345	48,005	56,400	59,093	59,033	57,651	58,941	60,469	62,150
Infrastructure - Water	262,002	263,802	304,715	312,912	310,484	307,716	343,483	370,712	387,801
<i>Reticulation</i>	262,002	263,802	304,715	312,912	310,484	307,716	343,483	370,712	387,801
Infrastructure - Sanitation	70,635	85,982	76,233	80,294	80,744	79,939	83,103	89,470	96,349
<i>Reticulation</i>	70,635	85,982	76,233	80,294	80,744	79,939	83,103	89,470	96,349
Infrastructure - Other	53,506	52,953	57,315	62,944	62,974	53,213	68,007	71,679	75,550
<i>Waste Management</i>	53,506	52,953	57,315	62,944	62,974	53,213	68,007	71,679	75,550
<b>Community</b>	<b>45,186</b>	<b>43,852</b>	<b>57,052</b>	<b>73,418</b>	<b>73,861</b>	<b>64,717</b>	<b>85,528</b>	<b>90,187</b>	<b>95,101</b>
Parks & gardens	12,199	11,968	15,260	18,214	18,824	16,233	19,661	20,722	21,841
Sportsfields & stadia	235	2,361	2,585	2,728	2,788	2,445	7,908	8,335	8,785
Swimming pools	247	649	556	536	503	392	569	599	632
Community halls	1,506	5,846	4,439	5,476	5,373	4,893	5,814	6,128	6,459
Libraries	910	1,815	1,717	885	885	808	982	1,035	1,091
Recreational facilities	-	160	151	184	135	112	156	165	174
Fire, safety & emergency	5,621	1,400	882	2,376	2,334	8,143	14,409	15,188	16,008
Security and policing	271	276	117	335	335	333	526	555	585
Buses	9,225	12,743	15,694	16,760	16,760	15,849	16,558	17,493	18,482
Clinics	42	10	-	-	-	-	-	-	-
Museums & Art Galleries	42	5	-	-	-	-	-	-	-
Cemeteries	495	972	0	2,503	2,503	-	-	-	-
Social rental housing	14,394	5,647	15,649	23,421	23,421	15,509	18,944	19,967	21,046
Other	-	0	0	-	-	-	-	-	-
<b>Heritage assets</b>	<b>85,274</b>	<b>100,420</b>	<b>103,195</b>	<b>145,618</b>	<b>145,618</b>	<b>128,646</b>	<b>229,015</b>	<b>242,171</b>	<b>256,099</b>
Buildings	-	-	-	-	-	-	-	-	-
Other	85,274	100,420	103,195	145,618	145,618	128,646	229,015	242,171	256,099
<b>Investment properties</b>	<b>18,777</b>	<b>22,401</b>	<b>25,615</b>	<b>26,410</b>	<b>26,410</b>	<b>26,410</b>	<b>26,638</b>	<b>28,607</b>	<b>30,721</b>
Housing development	-	-	-	-	-	-	-	-	-
Other	18,777	22,401	25,615	26,410	26,410	26,410	26,638	28,607	30,721
<b>Other assets</b>	<b>260,625</b>	<b>193,002</b>	<b>206,806</b>	<b>253,029</b>	<b>262,383</b>	<b>197,556</b>	<b>245,830</b>	<b>260,876</b>	<b>276,898</b>
General vehicles	70,877	70,750	93,212	100,392	99,170	93,673	106,677	114,044	121,958
Specialised vehicles	33,500	35,675	44,559	44,701	43,272	40,670	47,688	50,339	53,138
Plant & equipment	-	0	0	-	-	-	-	-	-
Computers - hardware/equipment	33,642	67,071	49,133	67,488	66,788	48,056	72,525	76,442	80,570
Furniture and other office equipment	121,424	16,641	17,538	16,088	21,409	14,503	18,129	19,197	20,333
Civic Land and Buildings	1,182	2,865	2,364	24,360	24,350	654	810	854	900
<b>Total Repairs and Maintenance Expenditure</b>	<b>1,781,722</b>	<b>1,737,189</b>	<b>1,839,955</b>	<b>2,118,929</b>	<b>2,133,516</b>	<b>1,986,036</b>	<b>2,355,214</b>	<b>2,513,910</b>	<b>2,672,807</b>
<b>Specialised vehicles</b>	<b>33,500</b>	<b>35,675</b>	<b>44,559</b>	<b>44,701</b>	<b>43,272</b>	<b>40,670</b>	<b>47,688</b>	<b>50,339</b>	<b>53,138</b>
Refuse	27,613	28,373	35,639	34,694	33,510	32,444	37,087	39,142	41,312
Fire	5,887	7,301	8,920	10,007	9,761	8,226	10,602	11,197	11,826
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>4.8%</b>	<b>5.0%</b>	<b>5.2%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>10.0%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.6%</b>	<b>8.6%</b>	<b>8.4%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>8.9%</b>

The total amount budgeted for repairs and maintenance in the 2014/15 financial year amounts to R2,36 billion.

For the 2014/15 financial year 75 % or R1,77 billion of repairs and maintenance will be spent on infrastructure assets.

Electricity infrastructure has received a significant proportion of the infrastructure allocation, totalling 45 % (R796 million), followed by road infrastructure 27 % (R477 million), water at 19,4 % (R343 million) and sanitation at 5 % (R83 million).

Community assets have been allocated R86 million of total repairs and maintenance equating 4 % of total repairs and maintenance.

Social Rental Housing was allocated R19 million and this forms part of Community assets which constitutes 22 % of total Community assets.

The amount of R246 million (10 % of total repairs and maintenance) for other assets, relates mainly to the repairs and maintenance of vehicles, IT equipment and Council buildings.

Specialized Vehicles such as our Fire trucks and Waste removal trucks have been allocated 19 % (R48 m) of the Other Assets budget which amount to R246 m.

### 1.5.2 Free Basic Services: Basic Social Services Package

Council renders free basic services (FBS) to residents, and services grants based on certain conditions.

FBS imply the service is rendered for free to all residents. It means a resident does not need to apply for the free service.

The cost of FBS is regarded as “Income Forgone” and the cost is deducted from the income of the relevant service. In other words, it would have been income but Council opted not to charge residents for the service rendered.

The following table reflects the various FBS rendered and the cost of the service:

Item	Type of Service	Description	Actuals 1012/13	Amended Budget	Actuals for 9 months	Projections	Draft Budget 2014/15	% Increase
1557100	Assessment Rates	Income Forgone: R150K Rate Exclusions	559,052,390	575,506,782	331,421,843	575,096,670	618,669,788	7.50%
1557350	Assessment Rates	Income Forgone: Exclusions Religious	42,341,453	52,906,981	31,694,840	48,485,765	56,743,724	7.25%
1557315	Sanitation	Income Foregone: Sanitation 6 KL	218,246,197	269,905,000	140,193,728	255,690,140	269,905,000	0.00%
1557320	Water	Income Foregone: Water 6 KL	282,989,668	327,654,000	189,541,593	326,918,610	357,300,235	9.05%
		Free Basic Services	1,102,629,709	1,225,972,763	692,852,004	1,206,191,185	1,302,618,747	6.25%

Various grants or rebates are allocated to residents based on their specific socio-economic circumstances. Such grants and rebates are only supplied if the terms and conditions are adhered to. As these grants or rebates are not applicable to all residents, it is not treated like FBS (and subsequently deducted from the income budget), but is recorded in the budget as a grant expenditure item in the expenditure of the budget.

The following table reflects the various FBS rendered and the cost of the service:

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

Description		Actuals 2012/2013	Amended Budget 2013/14	Actuals for 9 Mnths	Projections	Balanced Budget	% Increase
Assessm Rates	0.5 % INCENTIVE	(1,777)	15,806,743	(390)	9,195,651	16,850,849	6.61%
	GRANTS: PENSIONER REBATE	39,398,067	44,381,782	20,693,078	42,308,292	45,609,202	2.77%
	GRANTS: INDIGENTS RATES	21,782,062	24,911,684	15,035,108	24,573,571	136,530,415	448.06%
	GRANTS REBATE: REFUSE REMOVAL	-	34,943,553	-	17,844,842		-100.00%
	GRANTS: RATES (OTHER)	23,812,012	26,602,530	14,765,464	20,967,167	29,205,998	9.79%
	<b>VARIOUS ASSESSMENT RATE GRANTS</b>	<b>84,990,364</b>	<b>146,646,292</b>	<b>50,493,261</b>	<b>114,889,523</b>	<b>228,196,465</b>	<b>55.61%</b>
Grants & Bursaries	DISCRETIONARY GRANTS: EDUCATIONA	6,532,909	15,274,000	5,529,264	9,174,906	16,000,000	4.75%
	DISCRETIONARY GRANTS: GENERAL	33,500,000	5,000,000	1,750,000	5,000,000	3,500,000	-30.00%
	DISCRETIONARY GRANTS: SOCIAL SUPP	3,430,210	3,816,720	-	-	4,100,000	7.42%
	DISCRETIONARY GRANTS: SPORT	40,744	-	-	-	-	0.00%
	GRANTS: EDUCATION (EXTERNAL)	7,052,298	9,701,000	622,660	9,006,189	9,844,725	1.48%
	SUBSIDY: SPCA	2,552,288	2,679,902	-	-	2,825,000	5.41%
	<b>VARIOUS DISCRETIONARY GRANTS</b>	<b>13,075,540</b>	<b>16,197,622</b>	<b>622,660</b>	<b>9,006,189</b>	<b>16,769,725</b>	<b>3.53%</b>
Indigents	EXCESS CONSUMPTION	341,900,297	400,000,000	202,655,737	400,000,000	375,460,191	-6.13%
	EXCESS CONSUMPTION OF INDIGENTS:	-	-	-	-	-	0.00%
	ESKOM FREE BASIC ELECTRICITY	61,901,285	59,766,202	28,507,060	59,766,202	69,537,131	16.35%
	GRANTS: FREE BASIC ELECTRICITY	130,545,377	270,000,000	103,507,130	275,765,183	191,600,000	-29.04%
	GRANTS: INDIGENT MANAGEMENT	1,274,244	4,594,400	665,062	3,890,219	4,900,000	6.65%
	GRANTS: REFUSE REMOVAL	35,078,343	33,855,987	39,015,019	34,578,898	38,934,385	15.00%
	GRANTS: SANITATION 3 KL	8,896,914	10,316,160	5,580,889	8,245,756	31,790,799	208.17%
	GRANTS: WATER 3 KL	11,412,075	12,908,160	7,309,871	10,554,497	41,639,713	222.58%
	INDIGENT BURIALS	372,550	1,140,000	194,450	724,496	1,140,000	0.00%
	REFUSE REMOVAL: INFORMAL SETTLEMENTS	3,896,156	22,880,000	150,294	10,929,072	24,252,800	6.00%
	TANKERING OF WATER	2,996,836	5,100,000	826,612	2,995,633	5,100,000	0.00%
		<b>TOTAL: GRANTS - INDIGENTS</b>	<b>598,274,077</b>	<b>820,560,909</b>	<b>388,412,123</b>	<b>807,449,956</b>	<b>784,355,019</b>
	<b>GRANTS AND SUBSIDIES</b>	<b>736,372,890</b>	<b>983,404,823</b>	<b>439,528,044</b>	<b>931,345,668</b>	<b>1,029,321,209</b>	<b>4.67%</b>

The total cost of FBS and grants and subsidies as budgeted in 2014/15 amounts to R2.372 billion. These costs are largely covered by the Equitable Share Grant received from National Government which amounts to R2.043 billion in 2014/15.

Cognisance must be taken that in addition to the above recognised costs, there are some other grants not recorded as expenditure line items, such as:

- Water rendered to informal settlements is not metered and therefore not included. Costs to this effect form part of cost for unaccounted water, which the department is addressing.
- Electricity supply to all Tariff A users is heavily subsidised and sold below cost to residents. The cost to subsidise the tariff is not included in the above table.
- The provision of chemical toilets to informal settlements is not included because the cost thereof is funded by USDG.
- The Council's Indigent Policy prescribes various concessions to registered indigents on sundry services, such as cemetery fees, use of halls and community centres, ambulance and emergency fees, etc.

Further detail relating to FBS, the cost of FBS, revenue lost owing to FBS and basic service delivery measurement is contained in Table 28 MBRR A10 (Basic Service Delivery Measurement) on page 82.

## 1.6 Capital expenditure

The evaluation of the project proposals was based on the following key criteria:

- Compliance with Draft Capital Investment Framework (CIF) – projects was evaluated by the City Planning Department.
- Compliance with the USDG Framework and Housing Strategy – projects were evaluated by the Human Settlements and City Planning Departments.
- Economic impacts of projects - projects were evaluated by the Economic Development Department.

The Capital Budget will be funded as follows:

- **USDG grant** – allocations as per the 2014 Division of Revenue Act (DoRA)) - based on housing department's integrated planning and funding strategy and in compliance with the USDG framework.
- **Other grant funding** - allocation of all the external funds as per the 2014 Division of Revenue Act (DoRA) and the Provincial gazette - to fund social projects that will not necessarily generate revenue.
- **Municipal bonds** - to fund economic infrastructure that will stimulate economic growth and job creation.
- **Cash generated from revenue** - to fund movable assets.

The capital programme is aligned to asset renewal needs and backlog eradication goals and 45% of the total capital amount will be utilised for asset renewals. Operational gains and efficiencies will be directed to funding the Capital Budget. Strict adherence to the principle of no project plans no budget, if there is no business plan, no funding allocation can be made.

Projects already approved and already commenced with that have to be completed during the 2014/15 to 2016/17 financial period were allocated funding as per the approved MTREF.

Projects previously approved in the 2013/14 to 2015/16 MTREF but not yet planned nor commenced with, were subjected to departmental project prioritisation taking changed priorities and service delivery pressures into account.

Projects were subjected to project prioritisation based on a capital prioritisation model that is informed by the Capital Investment Framework to be used in 2014/15 financial year (and beyond) budget preparation. The various categories in the project prioritisation model carry the following budget requests:

- Economic development – R 1,025,301,244 (27.05%)
- Upgrading and renewal – R1, 646,797,155 (43.45%)
- Urban restructuring – R 1,118,267,455 (29.50%)

The National Treasury has set a benchmark of 39% - 40% of the Capital Budget to be spent on renewal projects and this was taken into account. This budget allocates 43% for asset renewals.

Impact of proposed projects on the operational budgets of future years was evaluated. It is not sustainable to construct facilities where there are not sufficient operating funds available to operationalise the facilities.

The following table provides a breakdown of budgeted capital expenditure by vote:



**Table 17 2014/15 Medium-term Capital Budget per vote**

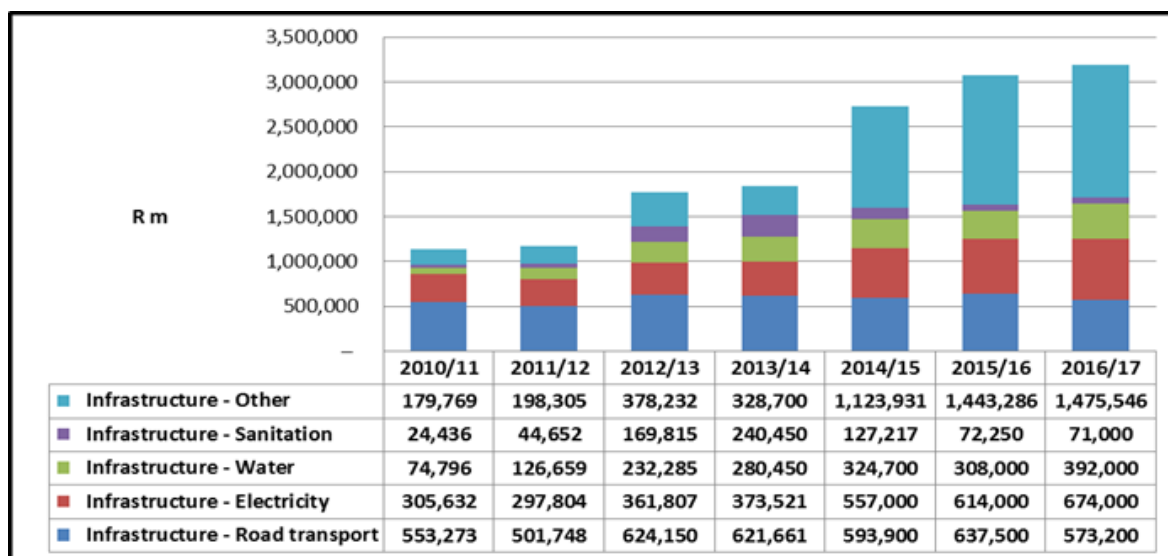
Vote description	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
<b>R Thousand</b>								
Chief Operating Officer	120,000	0.00%	130,000	0.00%	130,000	0.00%	180,000	0.00%
City Manager	440,000	0.01%	270,000	0.01%	230,000	0.01%	280,000	0.01%
City Planning	5,151,985	0.17%	4,150,000	0.11%	4,400,000	0.10%	4,800,000	0.11%
Communication and Brand Management	580,000	0.02%	290,000	0.01%	310,000	0.01%	350,000	0.01%
Corporate Legal Services	5,032,600	0.17%	4,932,600	0.13%	4,955,000	0.12%	3,970,000	0.09%
Council General	3,700,000	0.12%	10,000,000	0.26%	100,000,000	2.35%	100,000,000	2.35%
Customer Relations Management	65,393,489	2.19%	43,700,000	1.15%	15,850,000	0.37%	850,000	0.02%
Disaster & Emergency Management Services	68,178,590	2.28%	104,619,920	2.76%	120,080,000	2.83%	111,950,000	2.63%
Economic Development	62,458,493	2.09%	59,300,000	1.56%	65,260,000	1.54%	36,230,000	0.85%
EMPD	73,901,000	2.47%	130,330,000	3.44%	90,935,000	2.14%	103,300,000	2.43%
Energy	385,338,104	12.90%	578,150,000	15.25%	635,760,000	14.97%	696,700,000	16.39%
Environmental Resources Management	11,328,000	0.38%	11,495,000	0.30%	9,625,000	0.23%	12,835,000	0.30%
EPMO	220,000	0.01%	9,180,000	0.24%	180,000	0.00%	220,000	0.01%
Executive Office	4,163,000	0.14%	2,663,000	0.07%	7,213,000	0.17%	10,700,000	0.25%
Finance	13,315,000	0.45%	20,351,000	0.54%	8,251,000	0.19%	7,251,000	0.17%
Fleet Management	39,525,969	1.32%	10,435,000	0.28%	25,005,000	0.59%	3,400,000	0.08%
Health & Social Development	94,409,774	3.16%	96,600,000	2.55%	155,950,000	3.67%	170,100,000	4.00%
Human Resources Management & Development	540,000	0.02%	850,000	0.02%	1,030,000	0.02%	1,000,000	0.02%
Human Settlements	170,176,538	5.70%	329,992,435	8.71%	438,319,000	10.32%	431,276,863	10.14%
ICT	125,330,000	4.20%	176,938,000	4.67%	176,309,500	4.15%	202,704,325	4.77%
Internal Audit	361,000	0.01%	606,400	0.02%	384,500	0.01%	424,500	0.01%
Legislature	7,300,000	0.24%	4,300,000	0.11%	3,300,000	0.08%	3,300,000	0.08%
Real Estate	177,076,312	5.93%	265,605,000	7.01%	337,135,000	7.94%	287,840,000	6.77%
Risk Management	370,000	0.01%	290,000	0.01%	220,000	0.01%	220,000	0.01%
Roads and Stormwater	665,457,500	22.28%	608,100,000	16.04%	660,700,000	15.55%	596,800,000	14.04%
SRAC	158,275,376	5.30%	122,250,000	3.23%	100,911,000	2.38%	107,000,000	2.52%
Strategy & Corporate Planning	260,000	0.01%	310,000	0.01%	310,000	0.01%	360,000	0.01%
Transport	317,435,000	10.63%	607,093,244	16.02%	739,747,621	17.41%	693,400,000	16.31%
Waste Management	115,131,649	3.85%	126,916,800	3.35%	156,800,000	3.69%	194,000,000	4.56%
Water & Sanitation	416,450,000	13.94%	460,517,455	12.15%	388,800,000	9.15%	470,600,000	11.07%
<b>Total Capital Budget</b>	<b>2,987,419,379</b>	<b>100%</b>	<b>3,790,365,854</b>	<b>100%</b>	<b>4,248,100,621</b>	<b>100%</b>	<b>4,252,041,688</b>	<b>100%</b>

For 2014/15 an amount of R2.726 billion has been appropriated for the development of infrastructure which represents 71.94% of the total Capital Budget. In the outer years this amount totals R3.075 billion, 72.39% and R3.185 billion, 74.92% respectively for each of the financial years. Infrastructure development relates to roads and stormwater, transport, electricity, water and waste water management and other.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 27 MBRR A9 (Asset Management) on page 79. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

Furthermore pages 291 onwards contain a detailed breakdown of the Capital Budget per project over the medium-term.

The following graph provides a breakdown of the Capital Budget to be spent on infrastructure-related projects over the MTREF.



**Figure 2 Capital Infrastructure Programme**

**1.6.1 Future operational cost of new infrastructure**

The future operational costs and revenues associated with the capital programme have been included in Table 84 MBRR SA35 - future financial implications of the Capital Budget on page 294. This table shows that future operational costs associated with the capital programme totals R563 million in 2014/15, escalates to R596 million in 2015/16 and to R630 million in 2016/17. It needs to be noted that as part of the 2013/14 MTREF, this expenditure has been factored into the two outer years of the operational budget through increases in the budgets of the departments and the provision of the R55 million global amount for additional vacancies. Also a provision of R100 million has been allocated for the rollout of the Institutional Review.

The new facilities created through the capital programme of the Social Development Cluster have the greatest impact on future Operating Budgets as a result of the increased human resource costs associated with the facilities. The sustainability of the number of facilities created is being looked at to ensure that future tariffs are not unaffordable to our communities. Part of the long-term strategy is to invest in projects that will stimulate economic growth which will result in increased financial resources so that social facilities can be afforded.

In the short- to medium-term, however, it will require a reduction in the investment in social facilities so that available funds can be geared towards economic growth projects. The section dealing with the proposed new capital prioritisation model will further elaborate on this principle.

**1.7 Annual Budget Tables - Parent Municipality**

The following pages in this section presents the 10 main budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality’s 2014/15 budget and MTREF as approved by Council. Each table is accompanied by *explanatory notes* on the facing page.

***It is important to note that these tables represent the budget of the EMM only and not consolidated figures for the group.***

Table 18 MBRR Table A1 - Budget Summary

Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousands</b>												
<b>Financial Performance</b>												
Property rates	2,493,578	2,644,170	2,874,963	2,874,963	3,602,668	3,741,359	3,726,927	3,726,927	4,134,710	4,471,090	4,809,483	
Service charges	10,121,906	12,640,496	13,500,277	13,500,277	16,154,613	16,194,588	15,971,474	15,971,474	16,890,353	18,214,790	19,644,807	
Investment revenue	119,553	153,736	239,543	239,543	195,615	195,615	195,569	195,569	220,043	246,448	276,021	
Transfers recognised - operational	2,816,128	3,285,158	3,638,073	3,638,073	2,618,495	2,680,742	2,680,742	2,680,742	2,683,115	2,774,667	3,018,558	
Other own revenue	688,132	808,802	882,065	882,065	2,196,252	2,197,165	2,222,768	2,222,768	2,382,480	2,513,673	2,664,734	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16,239,296</b>	<b>19,532,362</b>	<b>21,134,921</b>	<b>21,134,921</b>	<b>24,767,643</b>	<b>25,009,478</b>	<b>24,797,479</b>	<b>24,797,479</b>	<b>26,310,701</b>	<b>28,220,667</b>	<b>30,413,603</b>	
Employee costs	3,800,446	4,109,532	4,276,571	4,276,571	5,134,073	5,157,837	4,919,860	4,919,860	5,446,788	5,871,614	6,262,784	
Remuneration of councillors	66,908	79,406	87,955	87,955	97,286	92,786	92,908	92,908	101,919	108,441	115,382	
Depreciation & asset impairment	2,068,687	1,984,750	2,055,905	2,055,905	1,312,896	1,312,896	1,312,896	1,312,896	1,431,820	1,689,304	1,951,916	
Finance charges	382,613	453,418	522,866	522,866	685,215	673,534	620,500	620,500	706,964	742,313	794,274	
Materials and bulk purchases	8,216,939	9,667,706	10,692,819	10,692,819	11,805,093	11,841,659	11,692,289	11,692,289	12,646,091	13,472,571	14,428,656	
Transfers and grants	134,180	426,285	960,646	960,646	1,003,679	999,199	945,521	945,521	1,048,821	1,115,380	1,186,323	
Other expenditure	3,224,010	3,345,085	2,570,761	2,570,761	4,595,696	4,797,862	4,055,762	4,055,762	4,812,415	5,033,760	5,332,631	
<b>Total Expenditure</b>	<b>17,893,784</b>	<b>20,066,181</b>	<b>21,167,521</b>	<b>21,167,521</b>	<b>24,633,937</b>	<b>24,875,772</b>	<b>23,639,725</b>	<b>23,639,725</b>	<b>26,194,817</b>	<b>28,033,383</b>	<b>30,071,966</b>	
<b>Surplus/(Deficit)</b>	<b>(1,654,487)</b>	<b>(533,819)</b>	<b>(32,600)</b>	<b>(32,600)</b>	<b>133,706</b>	<b>133,706</b>	<b>1,157,754</b>	<b>1,157,754</b>	<b>115,883</b>	<b>187,285</b>	<b>341,637</b>	
Transfers recognised - capital	581,561	1,272,382	1,108,485	1,108,485	1,691,438	1,816,897	1,813,793	1,813,793	2,003,181	2,208,898	2,259,197	
Contributions recognised - capital & contributed assets	-	-	-	-	(130,000)	(130,000)	(130,000)	(130,000)	(113,000)	(183,000)	(335,000)	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>	
<b>Capital expenditure &amp; funds sources</b>												
<b>Capital expenditure</b>	<b>1,926,053</b>	<b>2,001,014</b>	<b>2,370,437</b>	<b>2,370,437</b>	<b>2,980,933</b>	<b>2,987,419</b>	<b>2,867,264</b>	<b>2,867,264</b>	<b>3,640,366</b>	<b>4,148,101</b>	<b>4,052,042</b>	
Transfers recognised - capital	581,561	1,272,382	1,108,485	1,108,485	1,691,438	1,816,897	1,813,793	1,813,793	2,003,181	2,208,898	2,259,197	
Public contributions & donations	-	5,662	13,644	13,644	-	-	-	-	-	-	-	
Borrowing	1,043,572	475,500	965,258	965,258	1,040,089	895,943	806,349	806,349	1,234,110	1,493,190	1,340,863	
Internally generated funds	300,921	247,470	283,050	283,050	249,405	274,579	247,121	247,121	403,075	446,014	451,982	
<b>Total sources of capital funds</b>	<b>1,926,053</b>	<b>2,001,014</b>	<b>2,370,437</b>	<b>2,370,437</b>	<b>2,980,933</b>	<b>2,987,419</b>	<b>2,867,264</b>	<b>2,867,264</b>	<b>3,640,366</b>	<b>4,148,101</b>	<b>4,052,042</b>	

Description	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework				
	2010/11	2011/12	2012/13	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>									
<b>Financial position</b>									
Total current assets	4,348,969	6,344,765	8,582,096	6,885,493	7,460,196	7,460,196	7,712,353	8,870,666	9,950,561
Total non current assets	43,016,251	43,408,278	44,069,583	49,075,165	49,295,383	49,295,383	50,738,936	51,768,765	53,176,412
Total current liabilities	3,492,760	4,687,221	6,094,811	4,518,133	4,966,231	4,966,231	4,858,802	5,323,368	5,818,134
Total non current liabilities	5,596,979	6,484,677	6,899,838	7,565,415	7,517,843	7,517,843	8,878,151	10,039,469	11,017,924
Community wealth/Equity	38,275,481	38,581,145	39,657,030	43,877,110	44,271,505	44,271,505	44,714,335	45,276,594	46,290,914
<b>Cash flows</b>									
Net cash from (used) operating	1,241,882	3,071,675	3,634,219	3,400,245	4,221,625	4,221,625	3,615,986	3,943,897	4,180,522
Net cash from (used) investing	(1,815,917)	(2,242,131)	(2,703,819)	(2,873,854)	(3,122,016)	(3,122,016)	(3,949,177)	(4,405,356)	(4,404,732)
Net cash from (used) financing	1,248,273	670,016	705,553	247,039	247,039	247,039	918,698	1,247,775	1,107,107
Cash/cash equivalents at the year end	1,338,863	2,838,424	4,374,377	3,637,717	4,329,031	4,329,031	4,341,321	5,127,637	6,010,535
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	1,589,759	3,331,895	5,201,363	4,299,225	4,959,928	4,959,928	5,122,903	6,066,475	7,102,063
Application of cash and investments	1,003,936	2,306,251	3,556,594	3,009,316	2,995,846	2,859,887	3,403,254	3,868,353	4,617,877
Balance - surplus (shortfall)	585,822	1,025,644	1,644,769	1,289,909	1,964,082	2,100,041	1,719,650	2,198,122	2,484,186
<b>Asset management</b>									
Asset register summary (WDV)	42,783,023	42,855,177	43,184,587	48,472,166	48,606,384	48,879,657	49,879,657	50,750,305	52,003,056
Depreciation & asset impairment	2,068,687	1,984,750	2,055,905	1,312,896	1,312,896	1,431,820	1,431,820	1,689,304	1,951,916
Renewal of Existing Assets	904,696	1,051,967	1,106,260	1,344,555	1,549,182	1,549,182	1,646,797	1,920,592	1,838,642
Repairs and Maintenance	1,781,722	1,737,189	1,839,955	2,133,516	1,986,036	2,355,214	2,355,214	2,513,910	2,672,807
<b>Free services</b>									
Cost of Free Basic Services provided	-	38,601	41,356	-	518,165	600,287	600,287	656,426	718,406
Revenue cost of free services provided	1,206,531	1,097,260	1,798,970	2,209,378	2,137,537	2,331,940	2,331,940	2,573,612	2,758,964
<b>Households below minimum service level</b>									
Water:	20	20	20	-	20	20	20	20	20
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	13	23	23	33	43
Refuse:	64	164	169	-	182	182	182	182	182

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the metro's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council from operating performance and resources deployed to capital expenditure, financial position, cash and funding compliance, and the metro's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of funding for the municipal budget. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after total expenditure) is positive over the MTREF.
  - b. Capital expenditure is balanced by capital funding sources, of which:
    - i. Transfers recognised are reflected on the Financial Performance Budget.
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget.
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The cash-backing/surplus reconciliation shows that in previous financial years the liquidity position of the municipality was placed under pressure and consequently many of its obligations were not cash-backed. This placed the municipality in a very vulnerable financial position. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. The cash position of the Council improved over the last year and it is anticipated that the goal of having all obligations cash-back will be achieved by 2013/14 or even the current year, when surpluses are reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of FBS shows that the amount spent on FBS and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 19 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description R thousand	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
<b>Revenue - Standard</b>												
<i>Governance and administration</i>												
Executive and council	4,010,732	4,374,109	4,774,528	4,774,528	6,246,655	5,799,404	5,820,331	6,576,402	7,058,805	7,542,954		
Budget and treasury office	(61,026)	648	8,338	8,338	22	522	370	22	26	29		
Corporate services	4,272,230	4,319,430	4,714,574	4,714,574	6,127,411	5,762,492	5,783,213	6,465,156	6,921,042	7,411,334		
<i>Community and public safety</i>	(200,472)	54,031	51,615	51,615	119,221	36,390	36,747	111,224	137,737	131,591		
Community and social services	<b>624,974</b>	<b>747,676</b>	<b>591,008</b>	<b>591,008</b>	<b>969,237</b>	<b>1,111,295</b>	<b>1,080,608</b>	<b>983,289</b>	<b>1,143,768</b>	<b>1,148,967</b>		
Sport and recreation	33,372	31,682	30,618	30,618	37,052	37,544	36,517	42,149	48,817	52,018		
Public safety	78,946	95,977	82,850	82,850	180,026	174,486	174,301	42,869	37,830	40,561		
Housing	55,903	272,295	222,644	222,644	264,368	263,668	234,551	292,976	306,122	300,154		
Health	163,143	95,167	87,236	87,236	294,536	441,714	440,983	415,752	526,728	522,555		
<i>Economic and environmental services</i>	293,610	252,556	167,659	167,659	193,255	193,883	194,256	189,545	224,271	233,679		
Planning and development	<b>1,013,091</b>	<b>481,628</b>	<b>743,715</b>	<b>743,715</b>	<b>1,216,060</b>	<b>1,277,455</b>	<b>1,269,302</b>	<b>1,265,444</b>	<b>1,262,499</b>	<b>1,331,643</b>		
Road transport	1,164	3,012	9,379	9,379	61,192	92,399	95,646	116,424	83,695	64,357		
Environmental protection	1,011,812	477,995	734,022	734,022	1,154,754	1,184,628	1,173,279	1,144,904	1,176,679	1,265,151		
<i>Trading services</i>	116	620	313	313	114	427	377	4,116	2,125	2,135		
Electricity	<b>11,146,650</b>	<b>15,184,921</b>	<b>16,116,292</b>	<b>16,116,292</b>	<b>17,871,950</b>	<b>18,483,041</b>	<b>18,292,635</b>	<b>19,348,218</b>	<b>20,751,371</b>	<b>22,281,274</b>		
Water	8,117,054	10,002,208	10,604,186	10,604,186	12,004,860	12,096,065	11,877,658	12,506,942	13,454,074	14,431,190		
Waste water management	1,561,137	3,302,266	3,484,641	3,484,641	3,696,041	3,969,685	4,017,243	4,214,781	4,498,700	4,793,156		
Waste management	678,016	715,985	736,557	736,557	862,863	882,863	900,171	995,311	1,069,961	1,150,211		
<i>Other</i>	790,444	1,164,463	1,290,908	1,290,908	1,308,185	1,534,427	1,497,564	1,631,184	1,728,637	1,906,716		
	25,410	16,411	17,865	17,865	25,180	25,180	18,396	27,528	30,122	32,962		
<b>Total Revenue - Standard</b>	<b>16,820,857</b>	<b>20,804,744</b>	<b>22,243,406</b>	<b>22,243,406</b>	<b>26,329,081</b>	<b>26,696,375</b>	<b>26,481,272</b>	<b>28,200,882</b>	<b>30,246,565</b>	<b>32,337,800</b>		

Standard Classification Description R thousand	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Expenditure - Standard</b>												
<b>Governance and administration</b>												
Executive and council	3,554,158	3,366,299	3,121,791	2,927,566	2,938,973	2,927,566	2,938,973	2,353,916	3,417,577	3,658,356	3,884,135	
Budget and treasury office	340,230	777,791	660,167	450,847	461,188	450,847	461,188	411,330	559,679	584,338	610,472	
Corporate services	3,038,499	1,798,028	1,670,019	1,443,314	1,431,226	1,443,314	1,431,226	1,111,471	1,817,688	1,965,619	2,093,444	
<b>Community and public safety</b>	175,430	790,479	791,605	1,033,405	1,046,558	1,033,405	1,046,558	831,115	1,040,211	1,108,398	1,180,219	
Community and social services	<b>2,486,253</b>	<b>2,896,360</b>	<b>3,203,677</b>	<b>4,233,383</b>	<b>4,390,784</b>	<b>4,233,383</b>	<b>4,390,784</b>	<b>4,064,911</b>	<b>4,259,845</b>	<b>4,520,991</b>	<b>4,798,509</b>	
Sport and recreation	236,601	229,585	238,044	285,566	290,728	285,566	290,728	273,191	294,709	316,734	336,267	
Public safety	399,308	678,166	716,842	826,456	840,130	826,456	840,130	795,439	844,803	897,803	953,950	
Housing	725,470	957,704	1,034,416	1,420,950	1,469,119	1,420,950	1,469,119	1,298,370	1,506,308	1,600,033	1,699,987	
Health	403,179	228,142	291,509	619,876	670,333	619,876	670,333	642,011	479,975	502,974	530,173	
<b>Economic and environmental services</b>	721,695	802,763	922,865	1,080,535	1,120,474	1,080,535	1,120,474	1,055,900	1,134,051	1,203,447	1,278,132	
Planning and development	<b>1,750,342</b>	<b>1,709,774</b>	<b>1,845,192</b>	<b>1,781,039</b>	<b>1,814,098</b>	<b>1,781,039</b>	<b>1,814,098</b>	<b>1,759,675</b>	<b>2,008,179</b>	<b>2,166,203</b>	<b>2,370,610</b>	
Road transport	104,219	123,900	157,124	285,120	296,743	285,120	296,743	270,662	392,284	360,886	377,174	
Environmental protection	1,526,785	1,528,393	1,632,905	1,416,383	1,438,854	1,416,383	1,438,854	1,413,849	1,540,296	1,724,740	1,907,611	
<b>Trading services</b>	119,338	57,482	55,163	79,536	78,501	79,536	78,501	75,165	75,599	80,578	85,825	
Electricity	<b>9,979,372</b>	<b>12,006,189</b>	<b>12,982,270</b>	<b>15,671,626</b>	<b>15,711,925</b>	<b>15,671,626</b>	<b>15,711,925</b>	<b>15,449,592</b>	<b>16,490,716</b>	<b>17,668,396</b>	<b>18,998,279</b>	
Water	6,863,339	8,220,114	8,825,670	10,712,910	10,704,690	10,712,910	10,704,690	10,616,430	11,073,209	11,767,449	12,579,138	
Waste water management	2,530,839	2,493,348	2,906,275	3,171,245	3,211,918	3,171,245	3,211,918	3,176,643	3,491,915	3,830,648	4,198,169	
Waste management	22,318	407,930	448,249	493,712	492,350	493,712	492,350	492,708	534,398	581,564	632,964	
<b>Other</b>	562,877	884,797	802,076	1,293,758	1,302,966	1,293,758	1,302,966	1,163,812	1,391,193	1,488,735	1,588,007	
	<b>123,658</b>	<b>87,558</b>	<b>14,593</b>	<b>20,323</b>	<b>19,993</b>	<b>20,323</b>	<b>19,993</b>	<b>11,631</b>	<b>18,501</b>	<b>19,437</b>	<b>20,433</b>	
<b>Total Expenditure - Standard</b>	<b>17,893,784</b>	<b>20,066,181</b>	<b>21,167,521</b>	<b>24,633,937</b>	<b>24,875,772</b>	<b>24,633,937</b>	<b>24,875,772</b>	<b>23,639,725</b>	<b>26,194,817</b>	<b>28,033,383</b>	<b>30,071,966</b>	
<b>Surplus/(Deficit) for the year</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>	

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that the Total Revenue in this table includes capital revenues (transfers recognised – capital) and so does not balance with the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for Trading Services should exceed expenditures. The table highlights that this is the case for electricity, water and waste water functions.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Corporate Services.



**Table 20 Consolidated – Budgeted Financial Performance (revenue and expenditure by municipal vote)**

R thousand	Vote Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
<b>Revenue by Vote</b>													
	Vote 1 - Executive and Council	66,024	6	-	22	22	22	36	22	26	29		
	Vote 2 - Finance and Corporate Services	4,052,880	4,374,108	4,774,528	6,246,632	5,799,382	5,799,382	5,820,295	6,576,380	7,058,779	7,542,925		
	Vote 3 - Energy	7,378,650	10,002,208	10,604,186	12,004,860	12,096,065	12,096,065	11,877,658	12,508,942	13,454,074	14,431,190		
	Vote 4 - Water and Sanitation	2,945,453	4,018,251	4,221,197	4,558,905	4,852,549	4,852,549	4,917,413	5,210,092	5,568,661	5,943,367		
	Vote 5 - Waste Management	1,060,070	1,164,463	1,290,908	1,308,185	1,534,427	1,534,427	1,497,564	1,631,184	1,728,637	1,906,716		
	Vote 6 - Human Settlements	164,101	95,167	87,236	294,536	441,714	441,714	440,983	415,752	526,728	522,555		
	Vote 7 - City Planning	2,300	1,873	2,391	25,937	43,768	43,768	47,015	80,802	44,695	49,357		
	Vote 8 - Economic Development	17,024	16,738	24,785	60,360	73,736	73,736	66,952	63,150	69,122	47,962		
	Vote 9 - Disaster and Emergency Management Services	265,720	203,808	147,249	167,901	169,401	169,401	169,193	200,701	204,149	187,472		
	Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	58,047	79,927	67,755	149,350	142,783	142,783	141,609	53,161	52,846	56,669		
	Vote 11 - Health and Social Development	234,972	247,720	163,687	186,775	187,403	187,403	187,775	183,064	217,434	226,466		
	Vote 12 - Environmental Resource Management	69,257	49,084	46,027	67,841	69,674	69,674	69,587	36,972	35,927	38,045		
	Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	126,262	73,322	79,367	102,948	100,748	100,748	71,838	98,756	108,809	119,895		
	Vote 14 - Transport Planning & Provisioning	-	231,563	311,681	573,671	570,432	570,432	562,180	846,854	965,455	1,032,406		
	Vote 15 - Roads and Stormwater	380,096	246,516	422,410	581,159	614,272	614,272	611,174	298,050	211,224	232,745		
	<b>Total Revenue by Vote</b>	<b>16,820,857</b>	<b>20,804,744</b>	<b>22,243,406</b>	<b>26,329,081</b>	<b>26,696,375</b>	<b>26,696,375</b>	<b>26,481,272</b>	<b>28,200,882</b>	<b>30,246,565</b>	<b>32,337,800</b>		
<b>Expenditure by Vote to be appropriated</b>													
	Vote 1 - Executive and Council	235,537	192,388	210,866	261,897	300,087	300,087	239,311	287,064	302,668	319,220		
	Vote 2 - Finance and Corporate Services	3,715,620	2,009,217	2,022,896	2,687,413	2,665,630	2,665,630	2,133,490	3,164,182	3,390,924	3,601,816		
	Vote 3 - Energy	4,355,403	8,926,947	9,421,829	10,795,068	10,786,848	10,786,848	10,696,655	11,148,783	11,849,069	12,667,288		
	Vote 4 - Water and Sanitation	2,733,234	3,119,705	3,473,985	3,642,323	3,682,995	3,682,995	3,647,720	4,006,522	4,391,538	4,809,506		
	Vote 5 - Waste Management	840,271	995,191	875,960	1,293,758	1,302,966	1,302,966	1,163,812	1,391,193	1,488,735	1,588,007		
	Vote 6 - Human Settlements	444,105	289,175	389,888	619,876	670,333	670,333	642,011	479,975	502,974	530,173		
	Vote 7 - City Planning	87,911	87,242	90,071	183,992	166,670	166,670	193,129	247,299	218,167	230,049		
	Vote 8 - Economic Development	138,194	37,343	56,260	102,531	131,475	131,475	79,156	138,593	136,251	140,579		
	Vote 9 - Disaster and Emergency Management Services	664,416	507,514	531,003	693,802	722,973	722,973	648,204	706,782	750,724	797,398		
	Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	523,221	501,796	527,441	586,389	600,037	600,037	554,693	597,076	638,795	678,963		
	Vote 11 - Health and Social Development	488,322	542,131	634,062	757,812	794,856	794,856	733,144	796,228	844,040	895,751		
	Vote 12 - Environmental Resource Management	540,493	586,721	539,740	605,169	603,994	603,994	583,049	612,478	650,411	690,794		
	Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	697,917	727,009	801,246	964,790	986,682	986,682	889,773	1,058,454	1,123,563	1,193,061		
	Vote 14 - Transport Planning & Provisioning	520,751	226,061	243,822	295,012	310,553	310,553	298,543	326,549	353,416	372,240		
	Vote 15 - Roads and Stormwater	1,908,389	1,317,743	1,348,452	1,144,106	1,149,674	1,149,674	1,137,036	1,233,639	1,392,109	1,557,119		
	<b>Total Expenditure by Vote</b>	<b>17,893,784</b>	<b>20,066,181</b>	<b>21,167,521</b>	<b>24,633,937</b>	<b>24,875,772</b>	<b>24,875,772</b>	<b>23,639,725</b>	<b>26,194,817</b>	<b>28,033,383</b>	<b>30,071,966</b>		
	<b>Surplus/(Deficit) for the year</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>		

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the metro. This means it is possible to present the vote’s operating surplus or deficit. The following table is an analysis of the surplus or deficit for refuse removal, electricity and water (including sanitation) trading services.

**Table 21 Surplus/ (deficit) calculations for trading services as per MBRR Table A3**

Description	10/11	11/12	12/13	Current Year 2013/14			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full year Forecast	Budget 2014/15	Budget 2015/16	Budget 2016/17
<b>Electricity</b>									
Total Revenue (incl. capital grants and transfers)	8,445,034.00	10,179,220.00	10,848,111.00	12,004,860.00	12,096,065.00	11,756,497.00	12,506,942.00	13,454,074.00	14,431,190.00
Operating Expenditure	7,113,414.00	9,103,957.00	9,665,754.00	11,104,112.00	11,103,892.00	11,005,699.00	11,345,001.00	11,996,232.00	12,765,397.00
<b>Surplus/ (Deficit) for the year</b>	<b>1,331,620.00</b>	<b>1,075,263.00</b>	<b>1,182,357.00</b>	<b>900,748.00</b>	<b>992,173.00</b>	<b>750,798.00</b>	<b>1,161,941.00</b>	<b>1,457,842.00</b>	<b>1,665,793.00</b>
<b>Percentage Surplus</b>	<b>15.77%</b>	<b>10.56%</b>	<b>10.90%</b>	<b>7.50%</b>	<b>8.20%</b>	<b>6%</b>	<b>9.29%</b>	<b>10.84%</b>	<b>11.54%</b>
<b>Water</b>									
Total Revenue (incl capital grants and transfers)	2,945,453.00	4,101,802.00	4,344,676.00	4,558,905.00	4,558,905.00	4,585,926.00	5,323,091.00	5,751,661.00	6,278,367.00
Operating Expenditure	2,866,945.00	3,203,256.00	3,597,464.00	3,747,620.00	3,745,362.00	3,693,244.00	4,073,377.00	4,441,679.00	4,842,934.00
<b>Surplus/ (Deficit) for the year</b>	<b>78,508.00</b>	<b>898,546.00</b>	<b>747,212.00</b>	<b>811,285.00</b>	<b>813,543.00</b>	<b>892,682.00</b>	<b>1,249,714.00</b>	<b>1,309,982.00</b>	<b>1,435,433.00</b>
<b>Percentage Surplus</b>	<b>2.67%</b>	<b>21.91%</b>	<b>17.20%</b>	<b>17.80%</b>	<b>17.85%</b>	<b>19%</b>	<b>23.48%</b>	<b>22.78%</b>	<b>22.86%</b>

The electricity trading surplus is increasing from R901 million in 2013/14 MTREF to R1,665 million in 2016/17 budget. This is primarily as a result of the high increases in Eskom bulk purchases and the metro’s tariff setting policy.

The surplus on the water and sanitation account remains relatively constant over the MTREF, translating into a surplus of 23.48%, 22.78% and 22.86% for each of the respective financial years.

Note that the surpluses on these trading accounts are utilised to cross-subsidise other services.

Waste Management reflects a surplus of R212 million in 2014/15. In the outer years, the surplus is R231 million and R267 million respectively.

Table 22 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Revenue By Source</b>												
Property rates	2,431,047	2,590,399	2,802,871	2,802,871	3,540,277	3,678,987	3,625,642	3,625,642	4,025,721	4,351,203	4,677,607	
Property rates - penalties & collection charges	62,531	53,770	72,092	72,092	62,392	62,392	101,385	101,385	108,989	119,888	131,876	
Service charges - electricity revenue	7,588,994	9,086,646	9,692,978	9,692,978	11,499,685	11,499,685	11,272,936	11,272,936	11,717,499	12,585,402	13,517,601	
Service charges - water revenue	1,184,378	2,053,595	2,158,533	2,158,533	2,574,470	2,594,470	2,625,175	2,625,175	2,867,861	3,152,814	3,466,115	
Service charges - sanitation revenue	681,256	715,985	736,557	736,557	862,863	882,863	900,171	900,171	995,311	1,069,961	1,150,211	
Service charges - refuse revenue	610,983	726,039	846,321	846,321	1,147,822	1,147,822	1,107,168	1,107,168	1,231,349	1,323,096	1,421,805	
Service charges - other	56,295	58,232	65,887	65,887	69,772	69,757	66,024	66,024	78,333	83,517	89,075	
Rental of facilities and equipment	49,064	49,227	49,600	49,600	61,127	61,047	55,970	55,970	65,945	71,220	76,916	
Interest earned - external investments	119,553	153,736	239,543	239,543	195,615	195,615	195,569	195,569	220,043	246,448	276,021	
Interest earned - outstanding debtors	212,198	199,887	257,705	257,705	201,712	201,775	230,000	230,000	219,921	239,714	261,288	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	
Fines	135,349	210,364	173,029	173,029	185,158	185,694	188,440	188,440	253,116	278,427	306,270	
Licences and permits	30,049	33,961	35,332	35,332	38,985	39,384	39,384	39,384	45,417	49,959	54,954	
Agency services	186,877	208,921	228,211	228,211	246,055	246,055	240,411	240,411	258,557	279,241	301,581	
Transfers recognised - operational	2,816,128	3,285,158	3,638,073	3,638,073	2,618,495	2,680,742	2,680,742	2,680,742	2,683,115	2,774,667	3,018,558	
Other revenue	69,724	105,667	138,189	138,189	1,458,215	1,458,210	1,463,562	1,463,562	1,534,524	1,590,112	1,668,724	
Gains on disposal of PPE	4,872	776	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16,239,296</b>	<b>19,532,362</b>	<b>21,134,921</b>	<b>21,134,921</b>	<b>24,767,643</b>	<b>25,009,478</b>	<b>24,797,479</b>	<b>24,797,479</b>	<b>26,310,701</b>	<b>28,220,667</b>	<b>30,413,603</b>	

EKU Ekurhuleni Metro - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)													
R thousand	Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
	<b>Expenditure By Type</b>												
	Employee related costs	3,800,446	4,109,532	4,276,571	5,134,073	4,919,850	4,919,850	4,919,850	4,919,850	5,446,788	5,871,614	6,262,784	
	Remuneration of councillors	66,908	79,406	87,955	97,286	92,786	92,786	92,786	92,908	101,919	108,441	115,382	
	Debt impairment	1,445,304	1,442,008	887,675	1,144,566	1,144,566	1,144,566	1,144,566	1,144,566	1,230,204	1,426,146	1,559,221	
	Depreciation & asset impairment	2,068,687	1,984,750	2,055,905	1,312,896	1,312,896	1,312,896	1,312,896	1,312,896	1,431,820	1,689,304	1,951,916	
	Finance charges	382,613	453,418	522,866	685,215	620,500	620,500	620,500	620,500	706,964	742,313	794,274	
	Bulk purchases	6,435,217	7,930,516	8,852,864	9,686,163	9,708,143	9,708,143	9,708,252	9,706,252	10,290,877	10,988,661	11,755,849	
	Other materials	1,781,722	1,737,189	1,839,955	2,118,929	2,133,516	2,133,516	1,986,036	1,986,036	2,355,214	2,513,910	2,672,807	
	Contracted services	614,834	684,663	685,955	810,490	846,254	846,254	638,091	638,091	902,139	974,310	1,052,255	
	Transfers and grants	134,180	426,285	960,646	1,003,679	999,199	999,199	945,521	945,521	1,048,821	1,115,380	1,186,323	
	Other expenditure	1,139,099	1,197,375	981,875	2,615,640	2,782,041	2,782,041	2,248,105	2,248,105	2,655,071	2,608,303	2,696,154	
	Loss on disposal of PPE	24,773	21,039	15,256	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
	<b>Total Expenditure</b>	<b>17,893,784</b>	<b>20,066,181</b>	<b>21,167,521</b>	<b>24,633,937</b>	<b>24,875,772</b>	<b>24,875,772</b>	<b>23,639,725</b>	<b>23,639,725</b>	<b>26,194,817</b>	<b>28,033,383</b>	<b>30,071,966</b>	
	<b>Surplus/(Deficit)</b>	<b>(1,654,487)</b>	<b>(533,819)</b>	<b>(32,600)</b>	<b>133,706</b>	<b>133,706</b>	<b>133,706</b>	<b>1,157,754</b>	<b>1,157,754</b>	<b>115,883</b>	<b>187,285</b>	<b>341,637</b>	
	Transfers recognised - capital	581,561	1,272,382	1,108,485	1,691,438	1,816,897	1,816,897	1,813,793	1,813,793	2,003,181	2,208,898	2,259,197	
	Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	
	Contributed assets	-	-	-	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(113,000)	(183,000)	(335,000)	
	<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>	
	Taxation	-	-	-	-	-	-	-	-	-	-	-	
	<b>Surplus/(Deficit) after taxation</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>	
	Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	
	<b>Surplus/(Deficit) attributable to municipality</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>	
	Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
	<b>Surplus/(Deficit) for the year</b>	<b>(1,072,927)</b>	<b>738,563</b>	<b>1,075,885</b>	<b>1,695,144</b>	<b>1,820,603</b>	<b>1,820,603</b>	<b>2,841,547</b>	<b>2,841,547</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>	

### **Explanatory notes to MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the metro. Rates and service charge revenues comprise 73.87% of the total revenue mix. In the 2014/15 financial year, revenue from rates and service charges totalled R16.9 billion in the income budget. This increases to R18.2 billion and R19.6 billion in the respective financial years.

Details in this regard are contained in Table 87 MBRR Table SA1 - Supporting detail to budgeted financial performance on page 321.

Electricity is the biggest source of income and represents R11.7 billion or 41.38% of the total income budget in 2014/15. The percentage will be 41.37% in the third MTREF financial year.

Property rates are the second largest revenue source totalling 14.22% of the total income budget or R4 billion.

Operating grants and transfers totals R2.7 billion or 9.47% of total income budget in the 2013/14 financial year and moves to R3 billion by 2016/17.

Bulk purchases significantly increased between 2009/10 and 2016/17, escalating from R5.1 billion to R11.8 billion. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Rand Water. Bulk purchases also include bulk sewer purification costs.

Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

The following graph illustrates the major expenditure items per type.

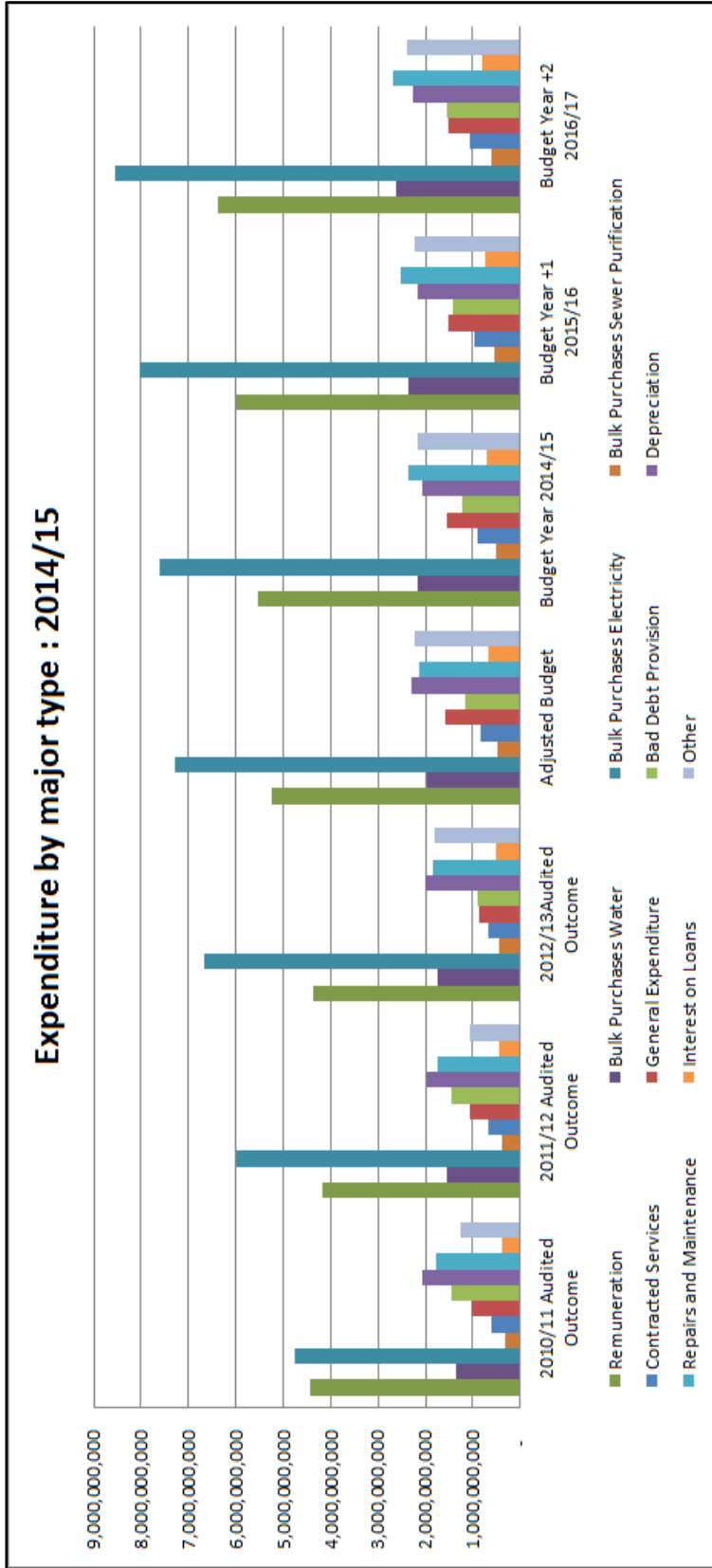


Figure 3 Expenditure by major type

**Table 23 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

R thousand	Vote Description	2010/11		2011/12		2012/13		Current Year 2013/14		2014/15		Medium Term Revenue & Budget Year	
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
	<b>Capital Expenditure - Standard</b>												
	<i>Governance and administration</i>												
	Executive and council	137,019	278,405	309,799	461,220	363,178	326,845	326,845	326,845	475,026	552,688	477,250	
	Budget and treasury office	15,368	20,296	16,581	23,083	17,183	15,105	15,105	15,105	27,143	111,673	115,390	
	Corporate services	56,101	113,101	161,198	279,474	215,093	193,928	193,928	193,928	265,162	258,721	154,186	
	<b>Community and public safety</b>	65,550	145,009	132,021	158,663	130,903	117,812	117,812	117,812	182,721	182,295	207,674	
	Community and social services	541,893	398,077	503,416	520,933	644,690	624,500	624,500	624,500	859,617	1,034,320	1,069,427	
	Sport and recreation	128,884	91,171	108,668	140,590	123,883	136,978	136,978	136,978	151,475	171,036	174,800	
	Public safety	48,354	25,719	69,519	98,400	114,142	93,872	93,872	93,872	46,600	58,000	78,000	
	Housing	56,529	78,132	153,513	120,003	142,080	131,927	131,927	131,927	234,950	211,015	215,250	
	Health	189,563	86,615	65,677	70,530	170,177	170,069	170,069	170,069	329,992	438,319	431,277	
	<b>Economic and environmental services</b>	119,562	116,439	106,048	91,410	94,410	91,655	91,655	91,655	96,600	155,950	170,100	
	Planning and development	535,498	423,261	686,049	1,089,172	1,041,462	1,026,312	1,026,312	1,026,312	1,274,388	1,463,633	1,322,965	
	Road transport	33,304	27,869	43,352	55,195	46,242	45,606	45,606	45,606	47,700	53,560	19,930	
	Environmental protection	497,374	387,169	634,958	1,021,729	982,893	969,500	969,500	969,500	1,215,193	1,400,448	1,290,200	
	<b>Trading services</b>	4,820	8,223	7,739	12,248	12,328	11,206	11,206	11,206	11,495	9,625	12,835	
	Electricity	692,282	897,068	858,625	892,483	916,920	870,648	870,648	870,648	1,165,584	1,181,360	1,361,300	
	Water	357,957	391,268	388,369	353,751	385,338	370,834	370,834	370,834	578,150	635,760	696,700	
	Waste water management	165,497	166,614	230,152	239,700	247,905	229,470	229,470	229,470	333,300	316,550	399,600	
	Waste management	33,573	221,070	112,219	179,000	168,545	163,555	163,555	163,555	127,217	72,250	71,000	
	<b>Other</b>	135,255	118,116	127,886	120,032	115,132	106,788	106,788	106,788	126,917	156,800	194,000	
	<b>Total Capital Expenditure - Standard</b>	<b>1,926,053</b>	<b>2,001,014</b>	<b>2,370,437</b>	<b>2,980,933</b>	<b>2,987,419</b>	<b>2,867,264</b>	<b>2,867,264</b>	<b>2,867,264</b>	<b>3,790,366</b>	<b>4,248,101</b>	<b>4,252,042</b>	
	<b>Funded by:</b>												
	National Government	511,527	1,225,271	1,074,311	1,639,943	1,684,981	1,684,981	1,684,981	1,684,981	1,920,981	2,120,898	2,206,197	
	Provincial Government	57,756	31,156	34,174	23,560	100,880	100,880	100,880	100,880	76,700	83,000	45,000	
	District Municipality												
	Other transfers and grants	12,278	15,955	-	27,945	31,036	27,932	27,932	27,932	5,500	5,000	8,000	
	<b>Transfers recognised - capital</b>	<b>581,561</b>	<b>1,272,382</b>	<b>1,108,485</b>	<b>1,691,438</b>	<b>1,816,897</b>	<b>1,813,793</b>	<b>1,813,793</b>	<b>1,813,793</b>	<b>2,003,181</b>	<b>2,208,898</b>	<b>2,259,197</b>	
	Public contributions & donations		5,662	13,644	-	-	-	-	-	-	-	-	
	Borrowing	1,043,572	475,500	985,258	1,040,089	895,943	806,349	806,349	806,349	1,234,110	1,493,190	1,340,863	
	Internally generated funds	300,921	247,470	283,050	249,405	274,579	247,121	247,121	247,121	553,075	546,014	651,982	
	<b>Total Capital Funding</b>	<b>1,926,053</b>	<b>2,001,014</b>	<b>2,370,437</b>	<b>2,980,933</b>	<b>2,987,419</b>	<b>2,867,264</b>	<b>2,867,264</b>	<b>2,867,264</b>	<b>3,790,366</b>	<b>4,248,101</b>	<b>4,252,042</b>	

**Explanatory notes to MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the Capital Budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year Capital Budget appropriations. In relation to multi-year appropriations for 2014/15, R3.332 billion has been allocated of the R3.790 billion Capital Budget, which totals 87.92%. This allocation escalates to R3.859 billion in 2015/16 and R3.885 billion in 2016/17.
3. Single-year capital expenditure has been appropriated at R457.6 million for the 2014/15 financial year and remains relatively constant over the MTREF at levels of R388.5 million and R366.7 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the metro. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. In terms of Circular 58, any downward adjustments for 2014/15 (relating to the multi-year appropriation for 2014/15) in the 2013/14 budget must be explained. The following votes had downward adjustments:
  - Health and Social Development – the budget was adjusted as a result of final bids amount being known.
  - Waste Management – The Cell Development in Rietfontein project amount has been revised downward in line with the estimated amount required to finish the project.
6. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2014/15, capital grants and transfers totals R2.003 billion (52.85%) and increases to R2.209 billion by 2015/16 (52.00%). It then escalates to R2.259 billion (53.13%). A substantial portion of the Capital Budget will be funded from borrowing over MTREF, with anticipated borrowings of R1.234 billion in 2014/15 (R1.1 billion in terms of new bond, R135.9 million transferred from previous year). Borrowing is estimated at R1.493 billion in 2015/16 and R1.341 billion in the 2016/17 financial years. The balance will be funded from internally generated funding totalling R553 million, R546 million and R652 million in the respective multi-year budgets. These funding sources are further discussed in detail in 2.6 (overview of budget funding).



Table 24 MBRR Table A6 - Budgeted Financial Position

Description	2010/11				2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>ASSETS</b>														
<b>Current assets</b>														
Cash	1,338,863	2,838,424	4,374,377	3,637,717	3,755,814	4,329,031	3,637,717	3,755,814	4,329,031	4,329,031	4,341,321	5,127,637	6,010,535	
Call investment deposits	20,000	21,285	22,771	21,285	21,285	22,771	21,285	21,285	22,771	22,771	22,771	22,771	22,771	
Consumer debtors	2,447,473	3,008,134	3,562,483	2,477,687	2,477,687	2,477,687	2,477,687	2,477,687	2,477,687	2,477,687	2,674,035	2,998,162	3,145,335	
Other debtors	410,160	331,876	503,663	454,959	454,959	454,959	454,959	454,959	454,959	454,959	486,351	520,882	556,823	
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inventory	132,473	145,046	128,801	175,748	175,748	175,748	175,748	175,748	175,748	175,748	187,875	201,214	215,097	
<b>Total current assets</b>	<b>4,348,969</b>	<b>6,344,765</b>	<b>8,582,096</b>	<b>6,767,396</b>	<b>6,885,493</b>	<b>7,460,196</b>	<b>6,767,396</b>	<b>6,885,493</b>	<b>7,460,196</b>	<b>7,460,196</b>	<b>7,712,353</b>	<b>8,870,666</b>	<b>9,950,561</b>	
<b>Non current assets</b>														
Long-term receivables	2,333	2,520	2,387	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	
Investments	230,895	472,185	804,214	522,126	522,126	608,126	522,126	522,126	608,126	608,126	758,811	916,067	1,068,757	
Investment property	126,279	110,247	128,920	126,279	126,279	126,279	126,279	126,279	126,279	126,279	161,144	164,309	167,937	
Investment in Associate	0	0	0	0	0	0	0	0	0	0	0	0	0	
Property, plant and equipment	42,625,347	42,678,424	42,965,056	48,348,709	48,348,709	48,348,709	48,348,709	48,348,709	48,348,709	48,348,709	49,605,254	50,470,512	51,717,084	
Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-	
Biological	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intangible	31,396	66,507	90,611	31,396	31,396	131,396	31,396	31,396	131,396	131,396	113,260	115,484	118,035	
Other non-current assets	-	78,395	78,395	78,395	78,395	78,395	78,395	78,395	78,395	78,395	97,990	99,915	102,121	
<b>Total non current assets</b>	<b>43,016,251</b>	<b>43,408,278</b>	<b>44,069,583</b>	<b>49,030,987</b>	<b>49,075,165</b>	<b>49,295,383</b>	<b>49,030,987</b>	<b>49,075,165</b>	<b>49,295,383</b>	<b>49,295,383</b>	<b>50,738,936</b>	<b>51,768,765</b>	<b>53,176,412</b>	
<b>TOTAL ASSETS</b>	<b>47,365,220</b>	<b>49,753,043</b>	<b>52,651,679</b>	<b>55,798,383</b>	<b>55,960,658</b>	<b>56,755,578</b>	<b>55,798,383</b>	<b>55,960,658</b>	<b>56,755,578</b>	<b>56,755,578</b>	<b>58,451,289</b>	<b>60,639,431</b>	<b>63,126,972</b>	
<b>LIABILITIES</b>														
<b>Current liabilities</b>														
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing	175,354	182,305	629,421	576,113	178,648	576,113	576,113	178,648	576,113	576,113	222,087	287,087	349,587	
Consumer deposits	487,038	532,611	620,477	591,076	591,076	591,076	591,076	591,076	591,076	591,076	631,860	676,722	723,416	
Trade and other payables	2,597,755	3,712,879	4,608,704	3,466,107	3,466,107	3,516,740	3,466,107	3,466,107	3,516,740	3,516,740	3,703,075	4,036,351	4,399,623	
Provisions	292,612	259,426	236,209	282,302	282,302	282,302	282,302	282,302	282,302	282,302	301,781	323,207	345,509	
<b>Total current liabilities</b>	<b>3,492,760</b>	<b>4,687,221</b>	<b>6,094,811</b>	<b>4,915,598</b>	<b>4,518,133</b>	<b>4,966,231</b>	<b>4,915,598</b>	<b>4,518,133</b>	<b>4,966,231</b>	<b>4,966,231</b>	<b>4,858,802</b>	<b>5,323,368</b>	<b>5,818,134</b>	
<b>Non current liabilities</b>														
Borrowing	3,715,714	4,333,206	4,503,777	5,163,597	5,163,597	5,163,597	5,163,597	5,163,597	5,163,597	5,163,597	6,252,384	7,269,337	8,069,750	
Provisions	1,881,265	2,151,470	2,396,061	2,401,818	2,401,818	2,354,246	2,401,818	2,401,818	2,354,246	2,354,246	2,625,767	2,770,132	2,948,174	
<b>Total non current liabilities</b>	<b>5,596,979</b>	<b>6,484,676</b>	<b>6,899,838</b>	<b>7,565,415</b>	<b>7,565,415</b>	<b>7,517,843</b>	<b>7,565,415</b>	<b>7,565,415</b>	<b>7,517,843</b>	<b>7,517,843</b>	<b>8,878,151</b>	<b>10,039,469</b>	<b>11,017,924</b>	
<b>TOTAL LIABILITIES</b>	<b>9,089,739</b>	<b>11,171,898</b>	<b>12,994,649</b>	<b>12,481,013</b>	<b>12,083,548</b>	<b>12,484,073</b>	<b>12,481,013</b>	<b>12,083,548</b>	<b>12,484,073</b>	<b>12,484,073</b>	<b>13,736,953</b>	<b>15,362,836</b>	<b>16,836,059</b>	
<b>NET ASSETS</b>	<b>38,275,481</b>	<b>38,581,145</b>	<b>39,657,030</b>	<b>43,317,370</b>	<b>43,877,110</b>	<b>44,271,505</b>	<b>43,317,370</b>	<b>43,877,110</b>	<b>44,271,505</b>	<b>44,271,505</b>	<b>44,714,335</b>	<b>45,276,594</b>	<b>46,290,914</b>	
<b>COMMUNITY WEALTH/EQUITY</b>														
Accumulated Surplus/(Deficit)	38,275,481	38,581,145	38,853,844	42,384,184	42,943,924	43,338,319	42,384,184	42,943,924	43,338,319	43,338,319	43,668,149	44,047,408	44,726,728	
Reserves	-	-	803,186	933,186	933,186	933,186	933,186	933,186	933,186	933,186	1,046,186	1,229,186	1,564,186	
Minorities' interests	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>38,275,481</b>	<b>38,581,145</b>	<b>39,657,030</b>	<b>43,317,370</b>	<b>43,877,110</b>	<b>44,271,505</b>	<b>43,317,370</b>	<b>43,877,110</b>	<b>44,271,505</b>	<b>44,271,505</b>	<b>44,714,335</b>	<b>45,276,594</b>	<b>46,290,914</b>	

## Explanatory notes to MBRR Table A6 - Budgeted Financial Position

1. Table MBRR A6 is consistent with international standards of good financial management practice, and improves councillors' and management's understanding of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets less liabilities as "accounting" community wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash, appear first.
3. Table 89 MBRR Table SA3 – supporting detail to the statement of financial position is supported by an extensive table of notes (SA3 which can be found on page 325) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits.
  - Consumer debtors.
  - Property, plant and equipment.
  - Trade and other payables.
  - Provisions non-current.
  - Changes in net assets.
  - Reserves.
4. The municipal equivalent of equity is community wealth/equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the budgeted financial performance or the Capital Budget will inevitably impact on the budgeted financial position. For example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 25 MBRR Table A7 - Budgeted Cash Flow Statement

R thousand	Description	EKU Ekurhuleni Metro - Table A7 Consolidated Budgeted Cash Flows									
		2010/11		2011/12		2012/13		Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
	<b>Receipts</b>										
	Ratepayers and other	11,518,108	14,289,572	15,664,592	23,143,839	21,788,794	20,299,927	21,788,794	21,272,093	22,188,916	23,727,862
	Government - operating	2,749,523	3,221,894	3,711,812	2,618,495	2,680,742	2,680,742	2,680,742	2,683,115	2,774,667	3,018,558
	Government - capital	581,561	1,301,441	1,167,478	1,691,438	1,813,793	1,816,897	1,813,793	2,003,181	2,208,898	2,259,197
	Interest	331,751	353,623	497,248	397,327	397,390	397,327	397,390	439,964	486,162	537,309
	Dividends										
	<b>Payments</b>										
	Suppliers and employees	(13,422,268)	(15,215,152)	(16,023,400)	(22,886,543)	(20,893,074)	(20,117,435)	(20,893,074)	(21,026,331)	(21,851,052)	(23,379,307)
	Finance charges	(382,613)	(453,418)	(522,866)	(685,215)	(620,500)	(673,534)	(620,500)	(706,964)	(742,313)	(794,274)
	Transfers and Grants	(134,179)	(426,285)	(960,645)	(1,003,679)	(945,521)	(1,003,679)	(945,521)	(1,049,071)	(1,121,380)	(1,188,823)
	<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,241,882</b>	<b>3,071,675</b>	<b>3,534,219</b>	<b>3,275,662</b>	<b>4,221,625</b>	<b>3,400,245</b>	<b>4,221,625</b>	<b>3,615,866</b>	<b>3,943,897</b>	<b>4,180,522</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
	<b>Receipts</b>										
	Proceeds on disposal of PPE	4,553	1,646								
	Decrease (Increase) in non-current debtors	-	-	133							
	Decrease (increase) other non-current receivables	25,502	(187)								
	Decrease (increase) in non-current investments	80,081	(242,575)	(333,515)							
	<b>Payments</b>										
	Capital assets	(1,926,053)	(2,001,014)	(2,370,437)	(2,980,933)	(2,987,419)	(2,987,419)	(2,987,419)	(3,790,366)	(4,248,101)	(4,252,042)
	<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1,815,917)</b>	<b>(2,242,131)</b>	<b>(2,703,819)</b>	<b>(2,867,368)</b>	<b>(3,122,016)</b>	<b>(2,873,854)</b>	<b>(3,122,016)</b>	<b>(3,949,177)</b>	<b>(4,405,356)</b>	<b>(4,404,732)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
	<b>Receipts</b>										
	Short term loans	-	-								
	Borrowing long term/refinancing	1,615,000	800,000	800,000	785,000	785,000	785,000	785,000	1,100,000	1,490,000	1,410,000
	Increase (decrease) in consumer deposits	70,011	45,573	87,866	38,152	38,152	38,152	38,152	40,784	44,862	46,694
	<b>Payments</b>										
	Repayment of borrowing	(436,738)	(175,557)	(182,314)	(576,113)	(576,113)	(576,113)	(576,113)	(222,087)	(287,087)	(349,587)
	<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>1,248,273</b>	<b>670,016</b>	<b>705,553</b>	<b>247,039</b>	<b>247,039</b>	<b>247,039</b>	<b>247,039</b>	<b>918,698</b>	<b>1,247,775</b>	<b>1,107,107</b>
	<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>674,238</b>	<b>1,499,561</b>	<b>1,536,953</b>	<b>655,333</b>	<b>1,346,647</b>	<b>773,431</b>	<b>1,346,647</b>	<b>585,507</b>	<b>786,316</b>	<b>882,897</b>
	Cash/cash equivalents at the year begin:	664,625	1,338,863	2,838,424	2,982,384	2,982,384	2,982,384	2,982,384	3,755,814	4,341,321	5,127,637
	Cash/cash equivalents at the year end:	1,338,863	2,838,424	4,374,377	3,637,717	4,329,031	3,755,814	4,329,031	4,341,321	5,127,637	6,010,535

Table 26 MBRR Table A8 – Cash-backed Reserves/Accumulated Surplus Reconciliation

Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>													
Cash/cash equivalents at the year end	1,338,863		2,938,424		4,374,377		3,637,717	3,755,814	4,329,031	4,329,031	4,341,321	5,127,637	6,010,535
Other current investments > 90 days	20,000		21,285		22,772		21,285	21,285	22,771	22,771	22,771	22,771	22,771
Non current assets - investments	230,895		472,185		804,214		522,126	522,126	608,126	608,126	758,811	918,067	1,068,757
<b>Cash and investments available:</b>	<b>1,589,759</b>		<b>3,331,895</b>		<b>5,201,363</b>		<b>4,181,128</b>	<b>4,299,225</b>	<b>4,959,928</b>	<b>4,959,928</b>	<b>5,122,903</b>	<b>6,066,475</b>	<b>7,102,063</b>
<b>Application of cash and investments</b>													
Unspent conditional transfers	133,881		99,676		232,407		-	-	50,633	50,633	-	-	-
Unspent borrowing	87,660		412,161		246,903		-	-	135,959	-	-	-	-
Statutory requirements													
Other working capital requirements	(13,156)		645,190		692,334		371,139	773,480	548,043	548,043	828,143	934,937	1,157,645
Other provisions	571,366		684,614		762,445		764,277	764,276	764,276	764,276	913,399	948,021	991,226
Long term investments committed	224,185		464,610		819,320		538,374	538,374	563,749	563,749	615,526	756,210	904,819
Reserves to be backed by cash/investments	-		-		803,186		933,186	933,186	933,186	933,186	1,046,186	1,229,186	1,564,186
<b>Total Application of cash and investments:</b>	<b>1,003,936</b>		<b>2,306,251</b>		<b>3,556,594</b>		<b>2,606,975</b>	<b>3,009,316</b>	<b>2,995,846</b>	<b>2,859,887</b>	<b>3,403,254</b>	<b>3,868,353</b>	<b>4,617,877</b>
<b>Surplus(shortfall)</b>	<b>585,822</b>		<b>1,025,644</b>		<b>1,644,769</b>		<b>1,574,153</b>	<b>1,289,909</b>	<b>1,964,082</b>	<b>2,100,041</b>	<b>1,719,650</b>	<b>2,198,122</b>	<b>2,484,186</b>
<b>Other working capital requirements</b>													
Debtors	2,477,030		2,968,013		3,683,963		3,094,968	2,692,627	2,918,064	2,918,064	2,874,932	3,101,414	3,241,978
Creditors due	2,463,874		3,613,203		4,376,297		3,466,107	3,466,107	3,466,107	3,466,107	3,703,075	4,036,351	4,399,623
Total	13,156		(645,190)		(692,334)		(371,139)	(773,480)	(648,043)	(548,043)	(828,143)	(934,937)	(1,157,645)
<b>Debtors collection assumptions</b>													
Balance outstanding - debtors	2,859,965		3,342,530		4,058,533		2,935,123	2,935,123	2,935,123	2,935,123	3,162,863	3,521,521	3,704,634
Estimate of debtors collection rate	87%		89%		91%		105%	92%	99%	99%	91%	88%	88%

### **Explanatory notes to MBRR Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget.
3. It can be seen that the metro's cash levels are increasing steadily.
4. The cash and cash equivalents increase because of healthy increases in operational activities due to implementations of various interventions, i.e. extensive debt collection drive.
5. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents are expected to improve steadily to R6.010 billion in 2016/17. This increase is in line with the metro's aim to achieve a three-month operating expenses coverage with its available cash and cash equivalents balances in the near future. As can be seen from the table, the metro has a healthy net cash inflow from its operating activities. This result steadily increases over the MTREF period. This indicates that the cash inflows (inflows from ratepayers, etc.) generated from operating activities substantially exceeds the cash outflows (outflows to suppliers, employees etc.) of the operating activities. The significant net cash outflows from investing activities indicates inter alia that the metro is spending vast amounts on capital assets (property, plant and equipment etc.). This is made possible largely due to the healthy net cash inflows from operating activities mentioned above. The net cash inflows from financing activities is largely due to existing bonds and new bonds that will be taken up during the MTREF, as discussed in various sections within this document.

### **Explanatory notes to MBRR Table A8 – Cash-backed Reserves/Accumulated Surplus Reconciliation**

1. The cash-backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. The end objective of the medium-term framework is to ensure the budget is funded and aligned to Section 18 of the MFMA.
6. From the table it can be seen that the cash surplus is increasing over the years.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF and considering the requirements of Section 18 of the MFMA, it can be concluded that the 2014/15 MTREF is funded due to the significant cash surplus.
8. Cash and investments available increase from R5.2 billion in 2012/13, to R7.1 billion in 2016/17, mainly due to the increase in the cash and cash equivalents, as discussed in the cash flow section. The application of cash and commitments similarly increase from R3.5 billion to R4.6 billion in 2016/17. This is mainly due to long-term investments (sinking

funds) committed to repay borrowings, as well as the increase in cash-backed reserves. Overall the surplus indicates healthy growth to 2016/17. This increase is in line with the metro's aim to achieve a three-month operating expenses coverage with its available cash and cash equivalents balances in the near future.

Table 27 MBRR Table A9 - Asset Management

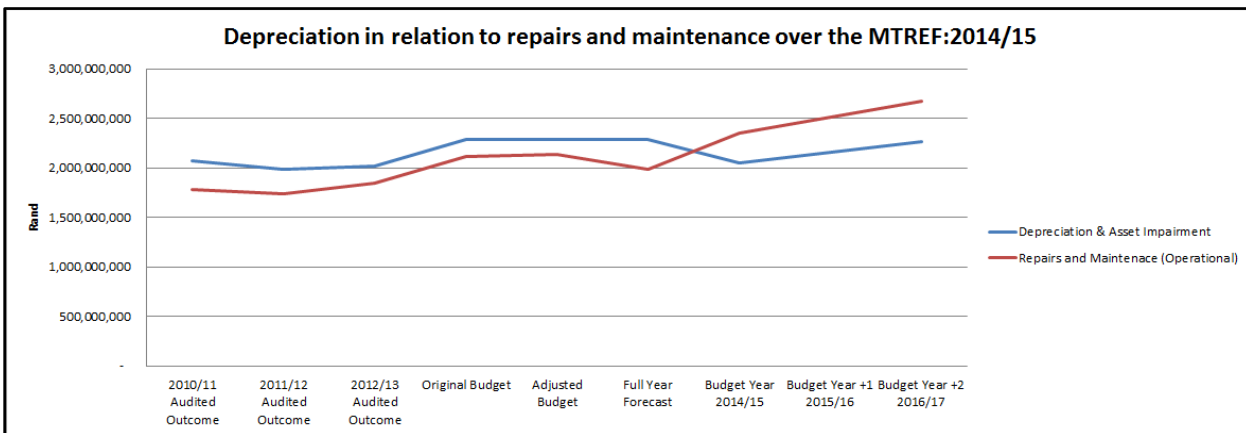
Description R thousand	2010/11					2011/12			2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
<b>CAPITAL EXPENDITURE</b>																
<b>Total New Assets</b>	1,021,357	949,047	1,264,177	1,550,843	1,642,864	1,318,081	2,143,569	2,327,509	2,413,400							
Infrastructure - Road transport	187,971	86,786	408,772	606,942	588,856	547,203	748,851	896,498	956,500							
Infrastructure - Electricity	157,550	289,673	104,449	164,931	251,518	210,006	454,850	503,500	551,000							
Infrastructure - Water	52,971	8,956	146,756	191,000	197,223	172,723	302,600	266,000	357,000							
Infrastructure - Sanitation	13,276	75,797	65,196	110,100	93,145	50,050	79,017	39,000	30,000							
Infrastructure - Other	25,570	193,344	195,390	216,255	176,880	70,300	106,200	49,000	15,000							
Infrastructure	437,337	634,556	920,563	1,289,228	1,307,622	1,050,282	1,691,519	1,753,998	1,909,500							
Community	191,353	131,651	139,856	127,610	119,075	87,010	103,050	124,161	136,500							
Heritage assets	-	-	-	-	-	-	-	-	-							
Investment properties	142,600	52,934	64,587	38,550	129,420	129,420	196,800	228,500	239,000							
Other assets	250,067	129,907	139,171	95,454	86,748	51,368	152,200	220,850	128,400							
Agricultural Assets	-	-	-	-	-	-	-	-	-							
Biological assets	-	-	-	-	-	-	-	-	-							
Intangibles	-	-	-	-	-	-	-	-	-							
<b>Total Renewal of Existing Assets</b>	904,696	1,051,967	1,106,260	1,430,090	1,344,555	1,549,182	1,646,797	1,920,592	1,838,642							
Infrastructure - Road transport	365,302	223,653	147,490	325,195	300,995	336,294	286,450	330,050	246,700							
Infrastructure - Electricity	148,082	100,456	271,666	168,100	113,100	142,180	102,150	110,500	123,000							
Infrastructure - Water	21,826	268,125	76,726	40,100	41,933	47,073	22,100	42,000	35,000							
Infrastructure - Sanitation	11,161	28,654	47,023	68,900	75,400	113,505	48,200	33,250	41,000							
Infrastructure - Other	154,199	99,807	88,976	118,700	108,859	196,891	297,530	446,000	481,663							
Infrastructure	700,570	720,695	631,881	720,995	640,287	835,941	756,430	961,800	927,363							
Community	101,978	67,406	80,575	154,250	163,960	192,054	168,000	220,800	199,300							
Heritage assets	-	-	-	-	-	-	-	-	-							
Investment properties	-	-	-	31,000	39,677	15,527	82,000	130,739	109,883							
Other assets	102,149	263,866	393,804	523,845	500,632	505,661	640,367	607,254	602,095							
Agricultural Assets	-	-	-	-	-	-	-	-	-							
Biological assets	-	-	-	-	-	-	-	-	-							
Intangibles	-	-	-	-	-	-	-	-	-							
<b>Total Capital Expenditure</b>	553,273	310,439	556,262	932,137	889,851	883,497	1,035,301	1,226,548	1,203,200							
Infrastructure - Road transport	305,632	370,129	376,115	333,031	364,618	352,186	557,000	614,000	674,000							
Infrastructure - Electricity	74,796	277,080	223,482	231,100	239,155	219,795	324,700	308,000	392,000							
Infrastructure - Water	24,436	104,451	112,219	179,000	168,545	163,555	127,217	72,250	71,000							
Infrastructure - Sanitation	179,789	293,152	284,366	334,955	285,740	267,191	403,730	495,000	496,663							
Infrastructure - Other	1,137,907	1,355,251	1,552,444	2,010,223	1,947,908	1,886,224	2,447,949	2,715,797	2,836,663							
Infrastructure	293,331	199,057	220,431	281,860	283,034	279,064	271,050	344,961	335,800							
Community	-	-	-	-	-	-	-	-	-							
Heritage assets	-	-	-	-	-	-	-	-	-							
Investment properties	142,600	52,934	64,587	69,550	169,097	144,947	278,800	359,239	348,883							
Other assets	352,216	393,773	532,976	619,300	587,380	557,029	792,567	828,104	730,495							
Agricultural Assets	-	-	-	-	-	-	-	-	-							
Biological assets	-	-	-	-	-	-	-	-	-							
Intangibles	-	-	-	-	-	-	-	-	-							
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	1,926,053	2,001,014	2,370,437	2,980,933	2,987,419	2,867,264	3,790,366	4,248,101	4,252,042							

EKU Ekurhuleni Metro - Table A9 Consolidated Asset Management												
Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>												
Infrastructure - Road transport	16,680,304	16,015,294	16,661,474	18,325,915	18,559,409	18,325,915	18,592,534	18,950,778	19,323,009	19,749,712		
Infrastructure - Electricity	12,812,647	12,690,004	13,261,875	13,561,068	14,772,557	13,561,068	14,798,923	15,084,070	15,380,352	15,719,991		
Infrastructure - Water	3,032,370	3,018,449	3,099,188	3,452,222	3,452,222	3,452,222	3,458,383	3,525,020	3,544,258	3,873,629		
Infrastructure - Sanitation	2,715,159	3,037,819	3,096,661	3,449,407	3,449,407	3,260,769	3,455,563	3,522,146	3,591,328	3,670,634		
Infrastructure - Other	639,772	668,875	648,663	722,553	722,553	1,504,314	723,843	771,200	752,282	768,894		
Infrastructure	35,880,252	35,430,441	36,767,862	40,956,148	40,956,148	40,768,427	41,029,246	41,853,213	42,591,230	43,782,860		
Community	3,293,219	3,653,445	3,534,696	3,937,339	3,937,339	3,480,586	3,944,367	4,092,067	4,154,335	4,214,859		
Heritage assets	78,395	78,395	78,395	78,395	78,395	78,950	78,395	97,990	99,915	102,121		
Investment properties	126,279	110,247	128,920	126,279	126,279	126,279	126,279	161,144	164,309	167,937		
Other assets	3,373,481	3,516,143	2,584,102	3,455,222	3,455,222	3,986,528	3,296,701	3,561,983	3,625,032	3,617,244		
Agricultural Assets	-	-	-	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-	-	-	-		
Intangibles	31,396	66,507	90,611	31,396	31,396	31,396	131,396	113,260	115,484	118,035		
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>42,783,023</b>	<b>42,855,177</b>	<b>43,184,587</b>	<b>48,506,384</b>	<b>48,506,384</b>	<b>48,472,166</b>	<b>48,606,384</b>	<b>49,879,657</b>	<b>50,750,305</b>	<b>52,003,056</b>		
<b>EXPENDITURE OTHER ITEMS</b>												
Depreciation & asset impairment	2,068,687	1,984,750	2,055,905	1,312,896	1,312,896	1,312,896	1,312,896	1,431,820	1,689,304	1,951,916		
Repairs and Maintenance by Asset Class	1,781,722	1,737,189	1,839,955	2,118,929	2,118,929	2,133,516	1,986,036	2,355,214	2,513,910	2,672,807		
Infrastructure - Road transport	453,172	392,310	370,940	468,365	468,365	473,415	441,515	477,973	520,193	566,277		
Infrastructure - Electricity	532,544	582,466	638,085	695,939	695,939	697,629	686,324	795,636	840,016	888,010		
Infrastructure - Water	262,002	263,802	304,715	312,912	312,912	310,484	307,716	343,483	370,712	387,801		
Infrastructure - Sanitation	70,635	85,982	76,233	80,294	80,294	80,744	79,939	83,103	89,470	96,349		
Infrastructure - Other	53,506	52,953	57,315	62,944	62,944	62,974	53,213	68,007	71,679	75,550		
Infrastructure	1,371,859	1,377,514	1,447,287	1,620,454	1,620,454	1,625,245	1,568,707	1,768,203	1,892,069	2,013,988		
Community	45,186	43,852	57,052	73,418	73,418	73,861	64,717	85,528	90,187	95,101		
Heritage assets	85,274	100,420	103,195	145,618	145,618	145,618	128,646	229,015	242,171	256,099		
Investment properties	18,777	22,401	25,615	26,410	26,410	26,410	26,410	26,638	28,607	30,721		
Other assets	260,625	193,002	206,806	253,029	253,029	262,383	197,556	245,830	260,876	276,898		
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>3,850,409</b>	<b>3,721,939</b>	<b>3,895,860</b>	<b>3,431,825</b>	<b>3,431,825</b>	<b>3,446,412</b>	<b>3,298,932</b>	<b>3,787,034</b>	<b>4,203,214</b>	<b>4,624,723</b>		
Renewal of Existing Assets as % of total capex	47.0%	52.6%	46.7%	48.0%	48.0%	45.0%	54.0%	43.4%	45.2%	43.2%		
Renewal of Existing Assets as % of deprcn"	43.7%	53.0%	53.8%	108.9%	108.9%	102.4%	118.0%	115.0%	113.7%	94.2%		
R&M as a % of PPE	4.2%	4.1%	4.3%	4.4%	4.4%	4.4%	4.1%	4.7%	5.0%	5.2%		
Renewal and R&M as a % of PPE	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	8.0%	9.0%	9.0%		



**Explanatory notes to MBRR Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40% of their Capital Budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The metro meets the 40% renewal requirement. The repairs and maintenance is not met due to the EMM having revalued its assets with the first time adoption of GRAP 17 and asset values are currently high in relation to other municipalities.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the metro’s strategy to address the maintenance backlog.



**Figure 4 Depreciation in relation to repairs and maintenance over the MTREF**

Table 28 MBRR Table A10 - Basic Service Delivery Measurement

EKU Ekurhuleni Metro - Table A10 Consolidated basic service delivery measurement									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	456,077	465,881	473,800	481,855		485,178	494,882	502,305	509,839
Piped water inside yard (but not in dwelling)	159,526	-	-	-		-	-	-	-
Using public tap (at least min.service level)	130,000	162,414	162,414	162,414		162,414	162,414	162,414	162,414
Other water supply (at least min.service level)	2,000	2,000	2,000	2,000		2,000	2,000	2,000	2,000
<i>Minimum Service Level and Above sub-total</i>	747,603	630,295	638,214	646,269	-	649,592	659,296	666,719	674,253
Using public tap (< min.service level)	20,000	20,000	20,000	20,000		20,000	20,000	20,000	20,000
Other water supply (< min.service level)	-	-	-	-		-	-	-	-
No water supply	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	20,000	20,000	20,000	20,000	-	20,000	20,000	20,000	20,000
<b>Total number of households</b>	<b>767,603</b>	<b>650,295</b>	<b>658,214</b>	<b>666,269</b>		<b>669,592</b>	<b>679,296</b>	<b>686,719</b>	<b>694,253</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	615,603	464,673	472,592	480,647		482,044	491,685	501,519	511,549
Flush toilet (with septic tank)	3,000	1,208	1,208	1,208		1,208	1,208	1,208	1,208
Chemical toilet	90,000	95,500	95,500	100,000		100,000	100,000	100,000	100,000
Pit toilet (ventilated)	60,000	66,914	66,914	62,414		62,414	62,414	62,414	62,414
Other toilet provisions (> min.service level)	-	-	-	-		-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	768,603	628,295	636,214	644,269	-	645,666	655,307	665,141	675,171
Bucket toilet	-	-	-	-		-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-		-	-	-	-
No toilet provisions	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>768,603</b>	<b>628,295</b>	<b>636,214</b>	<b>644,269</b>		<b>645,666</b>	<b>655,307</b>	<b>665,141</b>	<b>675,171</b>
<b>Energy:</b>									
Electricity (at least min.service level)	171,994	171,994	176,994	185,000		185,000	181,300	171,300	161,300
Electricity - prepaid (min.service level)	310,000	320,000	330,000	340,000		340,000	360,000	380,000	400,000
<i>Minimum Service Level and Above sub-total</i>	481,994	491,994	506,994	525,000	-	525,000	541,300	551,300	561,300
Electricity (< min.service level)	-	-	-	-		-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-		-	-	-	-
Other energy sources	-	-	-	13,000		13,000	23,000	33,000	43,000
<i>Below Minimum Service Level sub-total</i>	-	-	-	13,000	-	13,000	23,000	33,000	43,000
<b>Total number of households</b>	<b>481,994</b>	<b>491,994</b>	<b>506,994</b>	<b>538,000</b>		<b>538,000</b>	<b>564,300</b>	<b>584,300</b>	<b>604,300</b>
<b>Refuse:</b>									
Removed at least once a week	672,336	686,000	721,006	774,499		959,190	959,190	959,190	959,190
<i>Minimum Service Level and Above sub-total</i>	672,336	686,000	721,006	774,499	-	959,190	959,190	959,190	959,190
Removed less frequently than once a week	-	-	-	-		-	-	-	-
Using communal refuse dump	64,000	164,000	169,125	181,673		181,673	181,673	181,673	181,673
Using own refuse dump	-	-	-	-		-	-	-	-
Other rubbish disposal	-	-	-	-		-	-	-	-
No rubbish disposal	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	64,000	164,000	169,125	181,673	-	181,673	181,673	181,673	181,673
<b>Total number of households</b>	<b>736,336</b>	<b>850,000</b>	<b>890,131</b>	<b>956,172</b>		<b>1,140,863</b>	<b>1,140,863</b>	<b>1,140,863</b>	<b>1,140,863</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	768,603	650,295	658,214	666,269		669,592	679,296	686,719	694,253
Sanitation (free minimum level service)	768,603	628,295	636,214	644,269		645,666	655,307	665,141	675,171
Electricity/other energy (50kwh per household per month)	291,185	-	-	-		310,000	270,000	270,000	270,000
Refuse (removed at least once a week)	189,281	-	-	42,040		42,040	42,040	42,040	42,040
<b>Cost of Free Basic Services provided (R'000)</b>									
Water (6 kilolitres per household per month)	-	17,756	19,752	22,187		309,505	362,728	397,623	435,874
Sanitation (free sanitation service)	-	5,833	6,088	6,688		130,152	155,058	170,812	188,166
Electricity/other energy (50kwh per household per month)	-	12,717	11,746	13,227		35,508	39,501	44,991	51,366
Refuse (removed once a week)	-	2,295	3,770	4,485		43,000	43,000	43,000	43,000
<b>Total cost of FBS provided (minimum social package)</b>	<b>-</b>	<b>38,601</b>	<b>41,356</b>	<b>46,586</b>		<b>518,165</b>	<b>600,287</b>	<b>656,426</b>	<b>718,406</b>
<b>Highest level of free service provided</b>									
Property rates (R value threshold)	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Water (kilolitres per household per month)	9	9	9	9	9	9	9	9	9
Sanitation (kilolitres per household per month)	9	9	9	9	9	9	9	9	9
Sanitation (Rand per household per month)	43	43	64	69	69	69	74	80	87
Electricity (kwh per household per month)	100	100	100	100	100	100	100	100	100
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)	562,903	512,920	552,865	578,173	575,507	575,507	618,670	665,070	714,950
Property rates (other exemptions, reductions and rebates)	36,654	106,676	111,737	137,032	139,898	120,547	148,410	159,541	171,506
Water	242,553	269,106	636,302	740,562	740,562	737,473	774,400	906,290	971,601
Sanitation	179,418	208,557	227,143	280,221	280,221	263,936	301,696	324,164	348,306
Electricity/other energy	185,003	-	192,447	329,766	329,766	335,531	261,137	275,296	290,502
Refuse	-	-	60,757	116,591	116,591	87,926	199,718	214,696	230,799
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	17,719	27,032	27,032	16,617	27,910	29,555	31,299
<b>Total revenue cost of free services provided (total social package)</b>	<b>1,206,531</b>	<b>1,097,260</b>	<b>1,798,970</b>	<b>2,209,378</b>	<b>2,209,378</b>	<b>2,137,537</b>	<b>2,331,940</b>	<b>2,573,612</b>	<b>2,758,964</b>

**Explanatory notes to MBRR Table A10 - Basic Service Delivery Measurement**

1. It is anticipated that these FBS will cost the municipality R2.3 billion in 2014/15. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services.
2. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
3. The metro continues to make good progress with the eradication of backlogs:
4. The budget provides for 115 000 households to be registered as indigent in 2014/15, and therefore entitled to receiving FBS. The number has been left at a constant 50 000 over the MTREF period, mainly due to affordability. The equitable share grant currently does not cover the cost of FBS. The level of FBS will have to be reviewed to cover the cost of additional indigents given the rapid rate of immigration to the metro, especially by poor people seeking economic opportunities.

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the metro’s mayor 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 metro’s mayor 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 City Manager and senior metro officials, 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 metro’s 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.
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### **2.1.1 Budget Process Overview**

The key deadlines for the compilation of the IDP and MTREF was submitted to Council for approval during August 2013 as required by Section 21(b) of the MFMA. In terms of the approved key deadlines, the first draft (skeleton) IDP and budget must be submitted to Council at the end of January 2014 and tabled to Council at the end of March 2014. Public participation is scheduled for April 2014 with final adoption of the IDP and budget during May 2014. This means that these draft planning proposals, which will be contained in the reviewed IDP and budget, are not being put forward for either tabling or final approval, but are merely noted as a first draft that will be used as the basis for oversight committee engagements.

The Strategy and Corporate Planning Department conducted meetings with ward committees from 6 August 2013 to 17 September 2013 to get input for the review of the IDP. During the period, ward committees were consulted to obtain their priorities and needs. The proposals formulated in terms of the high level results which departments will work towards achieving to support the GDS’s 2055 programmes has been drafted. These still need further refinement in terms of detailed targets to be reflected in the SDBIP. This process will unfold as part of the engagement period before the final draft is tabled to Council on 31 March 2014.

The IDP engaged meetings with each department during October/November 2013. This consisted of one-on-one engagement with departments to discuss the SDBIP and to finalise indicators and targets. The process also ensures that departmental outputs are aligned with national outcomes and the GDS.

The departments received budget compilation guidelines and templates to be submitted in support of their budget requests during October 2013.

Departments duly complied and submitted their Operating Budget and Capital Budget requests to the Finance Department for consolidation during November 2013. Consolidation of the departmental input received and analysis of the requests took place during November 2013.

### **IBALCO Meetings**

The IDP, Budget, Assets and Liabilities Committee (IBALCO) have been set up as a subcommittee of the City Manager's Strategic Management Team (SMT). This committee is tasked with the technical evaluation of departmental budget requests. Meetings took place regularly since the initial budget process started, to consider all the matters affecting the compilation of the new budget.

IBALCO meetings took place prior to all the Budget Steering Committee meetings to review documentation before submission to the Budget Steering Committee.

### **Budget Steering Committee**

The Budget Steering Committee was set up by the Executive Mayor in terms of Section 4 of the Municipal Budget and Reporting Regulations.

The Budget Steering Committee is chaired by the MMC Finance all the members of Mayoral Committee are invited to the meetings. The Executive Mayor is an ex officio member of the Budget Steering Committee and attended several meetings.

The following meetings were held by the Budget Steering Committee:

- 1 November 2013: Meeting held to consider Draft Medium-term Budget Policy Statement.
- 13 November 2013: Meeting held to consider Draft Medium-term Budget Policy Statement.
- 10 and 11 December 2013: Meeting held to discuss the revenue and tariff policies of the main services. The adjustments budget for the 2013/2014 financial year were also discussed at this session.
- 14 to 17 January 2014: Meeting held to consider 2013/14 Adjustment Budget of departments as well as skeleton budget to be submitted to Council in January 2014. The Revenue Frameworks of the main income generating services were also discussed.
- 4 April 2014: Meeting was held in preparation for the public participation meetings in the various CCA's. The detailed presentations were evaluated as well.
- 24 April 2014: Meeting held to consider the recommendations of the report received from the Oversight Committees. The critical issues that emanated from the public participation meetings were also discussed.

The draft Medium-term Budget Policy Statement was also discussed by the Mayoral Committee at the Mayoral Lekgotla.

Key dates as approved by Council in August 2013 were as follows:

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

<b>EKURHULENI: SCHEDULE OF KEY DEADLINES</b>				
<b>Proposed Date</b>	<b>IDP</b>	<b>Operating Budget</b>	<b>Capital Budget</b>	<b>SDBIP</b>
August 2013	Approval of Schedule of Key Deadlines as required by Section 21 of the MFMA Council – 28 August 2013 Submit Schedule of Key Deadlines after approval to Gauteng MEC for Local Government and Housing as well as Provincial and National Treasury			
August - September 2013	IDP Reviews with the community:			
	- EMM process with external stakeholders.			
	- Meetings with Ward Committees will take place between 6 August to 17 September 2013. All 101 wards in Ekurhuleni will be consulted through the Ward Committes System on their priorities and needs.			
September 2013	Tabling of the Unaudited Annual Report in Council for referral to Oversight Committees			
September - October 2013	Mayoral Lekgotla to set priorities for IDP / Budget cycle			
September - October 2013		Compilation and evaluation of <b>fixed cost expenditure budget</b> to ring-fence the amount required for this purpose: Compilation by Budget Office: 2 – 13 September 2013 Budget Steering Committee to consider draft budget instructions and guidelines for new budget: Meeting end of September 2013	Project plans and related outputs of the projects already approved as part of the multi-year budget that will continue in 2014/2015 to be used as the basis for the first part of the capital budget and SDBIP, being the committed capital projects where funding have already been approved. Compilation by EPMO and Budget Office : 2 – 13 September 2013 Budget Steering Committee to consider draft budget instructions and guidelines for new budget: Meeting end of September 2013	

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

<b>EKURHULENI: SCHEDULE OF KEY DEADLINES</b>				
<b>Proposed Date</b>	<b>IDP</b>	<b>Operating Budget</b>	<b>Capital Budget</b>	<b>SDBIP</b>
October - November 2013	Interrogation / assessment of the Unaudited Annual Report by Oversight Committees			
October – November 2013	IDP Engagements with EMM Departments:  - This consists of one-on-one engagement with Departments to discuss the SDBIP and finalise indicators and targets. - Process also involves ensuring that Departmental outputs are aligned with national outcomes and the Growth Development Strategy	Budget Instructions to be issued to Departments by 4th October 2013	Budget Instructions to be issued to Departments by 4th October 2013	
		The next step will be to draft the tariff increases and the <b>revenue budget</b> to determine the total amount available for appropriation to other expenditure categories and operational projects. Tariff increases based on tentative increases received from bulk service providers and to be confirmed later in the process.	New project proposals must be subjected to project prioritization. The business plan submitted for project prioritization must contain outputs to be achieved. Outputs of the projects approved for funding will thus be included in the SDBIP.	
		Compilation by Depts and Budget Office: 7 – 18 October 2013	Compilation by Depts and Budget Office: 7 – 18 October 2013	
		Budget Steering Committee: Last week in October 2013	Budget Steering Committee: Last week in October 2013	
November 2013 and December 2013		An <b>overheads cost allocation</b> will be given to departments based on the available funds. This will be based on norms and standards that will be recommended by IBALCO  The 2013/2014 main adjustments budget must be compiled  Finalisation of Draft Budget and Adjustment Budget by Budget Office – December 2013	The 2013/2014 main adjustments budget must be compiled  Finalisation of Draft Budget and Adjustment Budget by Budget Office – December 2013	Adjustment to performance information contained in the 2013/14 SDBIP.
January 2014	Budget Steering Committee to consider Skeleton Budget, IDP and SDBIP			
	Budget Steering Committee to consider Adjustment Budget and SDBIP			
	Skeleton Budget, IDP and SDBIP to be tabled to Mayoral Committee and Council			

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

<b>EKURHULENI: SCHEDULE OF KEY DEADLINES</b>				
<b>Proposed Date</b>	<b>IDP</b>	<b>Operating Budget</b>	<b>Capital Budget</b>	<b>SDBIP</b>
February 2014	Engagements with Oversight committees PRIOR to the tabling of the budget:			
	Workshops with individual oversight committees per department to discuss departmental budgets: (to be facilitated by the HOD's)			
	<ul style="list-style-type: none"> <li>• Tariff increases</li> <li>• Capital budgets including projects and outputs to be achieved</li> <li>• Operating budgets</li> <li>• SDBIP proposals</li> </ul>			
	Workshops with all councilors (combined workshops) to discuss Metro total budget: (to be facilitated by IDP Office and Finance)			
	Adjustment Budget and SDBIP to be tabled to Mayoral Committee and Council			
March 2014	Mid-Year Budget and Performance Assessment Engagement with National Treasury			
	Tabling of the MTREF budget, IDP, Tariffs and the Institutional Service Delivery Budget Implementation Plan (SDBIP) for public and stakeholder comment and input Joint Budget Steering Committee / Mayoral Committee Council – 27 March 2014 Preparation of Budget Tips Campaign – printing of posters, flyers, etc. To be available directly after the tabling of the Reviewed IDP and Budget to Council. Budget Feedback Campaign			
Immediately after tabling of Draft Budget	Making public of tabled IDP / Budget as per the MFMA and MSA requirements			
	Submission of IDP to MEC for Comments			
	Submission of Budget to NT for Comments (Including upload files in printed and electronic format)			
April 2014	Submission of draft IDP / Budget to organs of state			
	External consultation on the draft budget (and tariffs) and IDP			
	National Treasury Budget and Benchmark Assessments Budget feedback meetings with National and Provincial Government - National Sector Departments (to be detailed) - Provincial Sector Departments (to be detailed) MEC comments on the draft IDP to be received. These to be incorporated into the final budget and IDP.			
May 2014	Summary of public comments received submitted to Budget Steering Committee for consideration			
	Joint Budget Steering Committee / Mayoral Committee			
	Preparation of Budget Speech			
	Printing of Glossy Budget documents			
	Printing of Glossy Budget speech document			
Immediately after Council approval	Council – 29 May 2014			
	Making public of approved IDP / Budget as per the MFMA and MSA requirements			
	Submission of approved IDP to MEC for Local Government and Housing			
CM and HOD's to sign performance agreements as per approved SDBIP	Submission of approved IDP and Budget to NT (Including upload files in printed and electronic format)			
	Performance contract signing ceremony to take place within 14 days after approval of the Budget			



### 2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP is the EMM's principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into planning statements covering the five-year objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The whole process was structured around supporting and working towards contributing to the achievement of the programmes set in the GDS 2055. In terms of Section 34 of the Municipal Systems Act, 32 of 2000, the Council must annually review its IDP in terms of a predetermined process. This process was adopted by the Council on 30 August 2012.

The review of the IDP in terms of the Municipal Systems Act is guided and informed by the following:

- It must support and work towards achieving the vision and mission of EMM.
- Working towards the achievement of the EMM GDS 2055 programmes.
- Addressing the national outcomes set by Parliament.
- Focus on basic service delivery in terms of the eradication of backlogs and the maintenance of existing infrastructure and community needs.
- Provincial plans and programmes applicable to the specific budget allocations by the respective provincial sector departments to these projects should also be reflected as far as possible.

All departments were part of the process of reviewing the IDP and SDBIP in terms of the newly approved GDS 2055.

### 2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2014/15 MTREF, 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 2014/15 MTREF:

- City growth.
- Policy priorities and strategic objectives.
- Asset maintenance.
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns).
- Performance trends.
- The approved 2013/14 adjustments budget and performance against the SDBIP.
- Cash Flow Management Strategy.
- Debtor payment levels.
- Loan and investment possibilities.
- The need for tariff increases versus the ability of the community to pay for services.
- Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury’s MFMA Circular 70 and Circular 72 have been taken into consideration in the planning and prioritisation process.

### Flagship Projects

The flagship projects of Council, which are discussed in detail as part of the departmental budget reports, are as follows:

**Aerotropolis** – the project is at a conceptual/design phase. The department is currently developing master plan which is due for completion in 2015. However, an interim implementation plan is expected for delivery in 2014, and will comprise of a set of significant and critical infrastructure initiatives and projects that should be considered for implementation in the short- to medium-term to ensure that the relevant socio-economic infrastructure important for the Aerotropolis’s development is initiated. This budget provided for the implementation of the recommendations from the five-year plan.

One of the expected deliverables for the master plan is a proposal for an establishment of a special purpose vehicle to drive Aerotropolis development. Interim capacity needs to be provided to drive critical processes leading up to the establishment of the special purpose vehicle. To this effect, the establishment and operationalisation of the project office is considered. Furthermore, as with other similar projects of this complexity, establishment of partnerships is essential to ensure continuous sharing of information and benchmarking.

Departments have identified the following projects to address this flagship:

Project	Brief explanation	Department
Implementation of Ekurhuleni Aerotropolis Development Programme	Ekurhuleni Aerotropolis Investment Conference is scheduled for June 2014 and a five-year implementation plan has been developed.	Economic Development
Kempton Park Cultural Precinct	Proposal to develop Kempton Park as the cultural capital due to the fact that it serves as a compulsory conduit in and out of South Africa has been put forward.	SRAC
Albertina Sizulu Corridor Fire Station	This fire station will be situated at the heart of the Aerotropolis. It will be finalised during the 2016/17 financial year.	DEMS
Pomona outfall sewer and Pomona bulk water supply	To support the Aerotropolis’s master plan, the department has initiated the Pomona outfall sewer and the Pomona bulk water supply projects to make it possible for the developments within the area to be realised. To further develop the city, water and sanitation has budgeted for the construction of water and sanitation infrastructure at the Glen Gory development.	Water and Sanitation
Upgrading of roads	The increased provision for “main roads” in 2014/15 and 2015/16 is primarily to cater for Aerotropolis-related infrastructure and access roads currently in the planning phase.	Roads and Stormwater

**Urban Renewal (management and regeneration)** – a number of initiatives that will stimulate the renewal of the metro’s urban areas are included in the budget.

The following type of projects will complement the urban renewal project:

- Upgrading of precinct buildings and CCA buildings.
- Upgrading of various taxi ranks.
- Upgrading of certain community facilities such as the Germiston Theatre.
- Construction of a new fire station in Germiston.
- Various roads and stormwater projects in CCAs.
- Erection of streetlights in certain areas.
- Replacement of water pipes and upgrading of stormwater systems in CBDs.

The Human Settlement Department’s Capital Budget includes provision of R50 million for Tembisa Urban Renewal and R52 million for projects related to Germiston urban renewal.

**Township Economies** – some of the projects listed under urban renewal above, will also contribute to the township economies goal. Some other projects relating to the revitalisation of township economics are:

- Refurbishment of the Springs Fresh Produce Market - R13 million.
- Township Enterprise Hubs - R8.2 million.
- Trading stalls - R5 million.
- Township Economies - R10 million
- Community agricultural projects - R6 million.
- Fabrication Laboratory - R5 million.
- Township industrial parks - R6 million.

An amount of R6.4 million in respect of the Expanded Public Works Programme grant will also be channelled towards job creation projects.

**Rehabilitation of Dams, Lakes and Pans** – R3 million has been set aside on the Capital Budget for the rehabilitation of dams, lakes and pans, and R2 million set aside in Operating Budget for 2014/15 financial year for the following projects in particular:

- Rehabilitation: degraded wetlands/catchments.
- Rehabilitation of the Natalspruit catchment area.
- Rehabilitation of Boksburg Lake.
- Victoria Lake (Germiston) upgrade.
- Murray Park upgrade.

The rehabilitation of dams and lakes also contributes to urban renewal.

**Digital City** – an amount of R78 million has been provided for on the Capital Budget for projects related to the Digital City concept for the following projects in particular:

- DCS: Broadband fibre – R48 million
- Digital city services/services integrator – R30 million. This includes implementing video conferencing and Wi-Fi nodes.

For more details on the progress and plans for 2014/15, refer to departmental budget discussion.

**IRPTN** – the Integrated Rapid Public Transport Network (IRPTN) entails the introduction of a Bus Rapid Transit System (BRT) that will be integrated with other public transport modes in Ekurhuleni, from Tembisa to Vosloorus. The project has been provided for in the Capital Budget. An amount of R750.4 million has been made available from the internal sources and a further R970 million has provisionally been granted by the National Treasury.

**Revitalisation of the Manufacturing Sector** – the purpose of the project is to stimulate industrial activity, efficiencies and the competitiveness of industrial and manufacturing sector entities. The revival of the manufacturing sector is important not only to Ekurhuleni but to the country and, as such, can attract grant funding from both National and Provincial governments. The City Improvement District and Urban Development Zones projects will both contribute to the revitalisation of the manufacturing sector.

The Investment and Development Facilitation Strategic Policy Framework has been developed and adopted. The Investment Centre is operational to implement the investment and development facilitation framework and to fast-track strategic and mega investments. A partnership with Productivity SA has been established to provide industrial upgrade and productivity improvement programmes.

### **Other Strategic Projects**

**Artisan Development Programme** – Ekurhuleni faces unprecedented challenges that are manifested through amongst other things; high unemployment rates, large number of employment seekers who cannot enter labour markets, low education and a poor skills base. The programme will complement the Recognition of Prior Learning Programme, and will focus on provision of skills required to achieve artisan qualifications.

**Youth Placement Programme** – Ekurhuleni faces unprecedented challenges that are manifested through amongst other things; high unemployment rates, large number of employment seekers who cannot enter the labour markets, low education and a poor skills base. Young people are mostly affected by this challenge of unemployment. The programme is a continuation of the current youth placement programme and seeks to place at least 800 unemployed youth with third party institutions.

**Bursary Provision** – As part of community development, economic development has been given the responsibility of bursary provision in the city. This is part of the overall Organisational Youth Development Programme. The aim of the bursary scheme is to increase knowledge and to improve the employability of bursary holders after studies have been completed. This is a strategic project that supports the achievement of service delivery goals (Youth Development Programme and job creation). The budget is required to sustain the bursary holders that are currently studying towards their qualification.

**Innovation and Incubation Programme** – The city has commenced with its innovation programme, and the bid is already initiated for a feasibility study. However, stakeholders with good innovation programmes are approached by the city to augment this programme. Microsoft has offered to assist in setting up a mobile innovation programme on software development. The recently refurbished Kempton Park Investment Centre will also house a Tender Advice Centre which needs to be operationalised. There is also a need for contribution to the existing SEDA incubation programme (construction, base metal and jewellery) and the operationalisation of chemical incubation.

**Ekurhuleni Business Facilitation Network** – The city launched the Ekurhuleni Business Facilitation Network to facilitate development and investment in the regional economy. The centre is critical to realising the city's Job Creation Battle Plan which necessitates large scale investments that drive and influence economic inflows and outflows. The centre houses various directorates in the Economic Development Department as well as external economic development partners that also contribute to the maintenance and operationalisation of the facility, in particular Peermont. It is for this reason that the contribution of both EMM and Peermont will be R2 million each to cover general expenses as well as project-related expenses. Therefore, it is prudent that the city follows through on its commitments to its partners to maintain cordial relations.

**Investment Facilitation** – most of the industrial investment facilitation SDBIP targets need programmes to be developed and thus feasibilities/business plans need to be done for the implementation of programmes. Professional services will be obtained to enhance our investment promotion efforts and to help attract more investors to the city, to conduct studies to determine Ekurhuleni's investment value proposition through benchmarking its attractiveness, studying investors' perceptions against Ekurhuleni realities, and identifying possible target companies to invest in Ekurhuleni

**Benchmarking report with identified improvement opportunities and implementation plan** – accelerated economic development is necessary for a city like Ekurhuleni which is characterised by high levels of poverty, unemployment and skills shortages. Because the Economic Development Department is the command centre for economic growth, which is a necessity for the eradication of the challenges the city faces, it is important that the department functions optimally to ensure that the city is in a position to address the challenges it faces. The main objective will be to improve the way the EMM and more specifically the Economic Development Department assists the city in achieving its broader objectives.

**Economic Impact Report** – this project involves the assessment of economic benefits associated with the rejuvenation of EMM dams. The rejuvenation project involves the rehabilitation and maintenance of EMM dams; their conservation and beautification; linkages to sport, recreation and leisure; opportunities for economic development and food security; as well as tourism and leisure opportunities. The impact assessment exercise will require specialised modeling skills that will have to be sourced outside EMM.

### **Key intervention programmes to alleviate poverty**

The Ekurhuleni Jobs Programme has been launched by the Economic Development Department and a number of job interventions have been identified to stimulate the national job creation initiative of government. The programme includes:

- The expansion of the EPWP programme and development of mainstream PDI-owned businesses.
- Activation of trade-in-services community work for indigents.
- Activation of graduate development programmes and experiential training programmes in partnership with local businesses.
- Set aside Community Based Projects (CBP) to activate neighbourhood development and job creation initiatives within communities. Council has launched the Lungile Mtshali project in January/February 2014 and it is expected that the project will come into full operation before the end of the current financial year. Funding has been made available in the 2014/15 financial year for this project.
- Facilitation of youth development initiatives.

Though a number of the programmes will be facilitated and funded via capital projects, the following specific provision was made for projects funded from the Operating Budget of departments, as set in the following table:

<b>PROGRESS: EMM JOBS TARGET DEPARTMENTS/ DIVISIONS</b>	<b>JOB CREATION PROGRAMMES</b>	<b>BUDGET</b>	<b>FTE JOBS</b>	<b>PROGRESS REPORT</b>
DEMS	Emergency Services Reserve Force	R27,000,000	200	174 appointed
DEMS	Hydrant Maintenance, Marking & Testing Programme	R38,000,000	219	Project not commenced yet due to the fact that an item in this regard is still under consideration.
DEMS	Community Emergency Response Teams	R15,000,000	400	413 Appointed
Environmental Management	Environmental Services Stewardship	R1,400,000	100	88
Environmental Management	Clean & Green Officers (Eco-Guides)	R4,500,000	400	
EMPD	Metro Police Peace Corp Volunteers	R78,000,000	1010	100 of the 1010 are already deployed. The remainder is currently undergoing security clearance and will be processed into the project as from next month.
Economic Development	Youth Work Readiness Programme	R15,000,000	500	908
Economic Development	Graduate Placement Programme	R21,000,000	500	
Economic Development	Business Mentorship Programme	R5,000,000	100	
CCC	Lungile Mtshali Poverty Alleviation Programme (expansion to 49 additional wards)	R49,000,000	2500	3095
<b>Total</b>		<b>R236,900,000</b>	<b>5529</b>	

The Expanded Public Works Programme (EPWP) is one of the key interventions aimed at the alleviation of poverty through the creation of jobs. R6.4 million has been granted by National Treasury for 2014/15 which will be utilised for direct job creation.

#### 2.1.4 Community Consultation

Section 29 (1) (b) of Chapter 5 of the Municipal Systems Act of 2000 states that municipalities through appropriate mechanisms, processes and procedures established in

terms of public participation; allow for communities to be consulted on their development needs and priorities; and that the local community to participate in drafting of the IDP.

EMM used the ward committees as a mechanism for the purpose of engaging and consulting communities on their needs and priorities. The IDP review meetings were held in all 20 Customer Care Centres with ward committees from 101 wards. Several wards (between two and nine) were combined into a single CCA with the effect that only 17 meetings were held across the metro.

These meetings took place between 6 August 2013 and 17 September 2013.

## **A. REVIEW PROCESS**

The process entailed a work session per CCA which focused around the following:

- Basic feedback on the past IDP/budget process – comments and process.
- Discussion of five ward priorities.
- Departmental plans in relation to ward priorities.
- Report on Capital Budget to be implemented in CCA per ward.
- Reflection of department's operational budget in CCA and wards.
- Alignment of the above with each other.

In terms of the IDP review meeting, there was a plenary session chaired by the chairperson of oversight committees or CCA manager and then a breakaway session chaired by the ward councillor. During the breakaway session, the wards were afforded an opportunity to go through their previous years IDP needs and to peruse the current financial year's budget, which was divided into a CCA-based budget and the metro-wide budget.

Most departments attended all of these meetings to answer to ward committees' questions based on the IDP needs identified last year and in previous years.

After discussions, ward councillors signed-off their IDP needs and this was to be sent to departments so that they can incorporate them into their planning and budgeting processes.

In most meetings, ward councillors were not present because they had to attend to Council matters. In those cases the IDP planning file was left with public participation officials, who took it to the next ward committee meeting.

### **Top Five IDP identified**

The following are community needs identified during the IDP reviews during August and September 2013:

1. Construction of new roads.
2. Erection of high mast lights and streetlights.
3. Construction of new RDP houses.
4. Development of new parks and maintenance of existing parks.
5. Development of sports facilities and multipurpose centres.

## Challenges experienced from previous IDP Review Meetings

- This revolved mainly around the failure of departments to attend the meetings at all or alternatively sending junior officials who were completely ignorant of the matters under discussion and thus unable to provide satisfactory answers. This resulted in negative perceptions and frustration developing amongst the ward committee and ward councillors present.
- Sometimes other role players, like councilors, also failed to attend the meetings mainly due to other commitments. This caused some disruption of the process.
- Another issue which was often raised was the complete ignoring of the ward priorities by departments when drafting their own project plans which led to no priorities of a particular ward featuring in the SDBIP which understandably causes intense frustration. Communities argued that even after spending a lot of time formulating their real needs and priorities they become lost in the system and are not attended to.
- These problems have been ongoing for a number of years and need to be attended to at the highest level.

## 2.2 Overview of alignment of annual budget with IDP

The alignment of the budget with the IDP has been achieved through the setting of targets by departments which were guided by the following principles:

- It had to be aligned to the national outcome related to their mandate.
- Focus on basic service delivery in terms of the eradication of backlogs, provision of basic services as well as the maintenance of existing infrastructure and community needs.
- All targets set in the IDP were cross referenced to the budget as part of the result-based budget process. Each outcome with its supporting activities set for the coming year has been linked to specific votes in the budget to be utilised to achieve it. The Capital Budget is fully linked, but the operational budget still requires some work to reflect details in this regard.

The constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short-, medium- and long-term strategic and budget priorities to create a development platform which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore,



integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlates with national and provincial intent. It must aim to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the metro, issues of national and provincial importance should be reflected in the IDP. A clear understanding of such intent is therefore imperative to ensure that the metro strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the metro's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009.
- Government Programme of Action.
- Development Facilitation Act of 1995.
- Provincial Growth and Development Strategy (GGDS).
- National and provincial spatial development perspectives.
- Relevant sector plans such as transportation, legislation and policy.
- National Key Performance Indicators (NKPIs).
- Accelerated and Shared Growth Initiative (ASGISA).
- National 2014 Vision.
- National Spatial Development Perspective (NSDP).
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives an indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

The main objectives of the city include:

- Provision of quality basic services and infrastructure.
- Economic growth and development that leads to sustainable job creation.
- Fighting poverty and building clean, healthy, safe and sustainable communities.
- Provision of integrated social services for empowered and sustainable communities.
- Fostering participatory democracy and Batho Pele principles through a caring, accessible and accountable service.
- Ensuring financial sustainability.
- Optimal institutional transformation to ensure capacity to achieve set objectives.

To ensure integrated and focused service delivery between all spheres of government it was important for the metro to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas are contained in the IDP.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

The Ekurhuleni Metro is in the process of reviewing its planning, budgeting and reporting cycle and improvements will be seen in the following financial years.

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

EKU Ekurhuleni Metro - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)										
Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Outcome 2: A long and healthy life for all	HEALTH AND SOCIAL DEVELOPMENT	12,590	7,306	20,718	11,785	12,413	12,786	14,162	15,199	16,333
Outcome 3: All people in South Africa are and feel safe	DISASTER AND EMERGENCY MANAGEMENT SERVICES	72,973	202,620	144,903	167,021	168,521	141,210	194,171	193,080	178,242
	EKURHULENI METRO POLICE DEPARTMENT	37,412	72,178	77,105	102,948	100,748	58,338	96,356	106,049	116,721
Outcome 4: Decent Employment through inclusive Economic Growth	DISASTER AND EMERGENCY MANAGEMENT SERVICES	2,980	1,188	2,345	880	880	929	930	1,070	1,230
Outcome 5: A skilled and capable workforce to support an inclusive growth	EKURHULENI METRO POLICE DEPARTMENT	-	-	-	-	-	-	2,400	2,760	3,174
	HEALTH AND SOCIAL DEVELOPMENT	(2)	-	-	-	-	-	-	-	-
Outcome 6: An efficient, competitive and responsive economic infrastructure network	CITY MANAGER	1,958	-	7,065	-	500	500	-	-	-
	ECONOMIC DEVELOPMENT	692	1,134	6,989	35,255	48,631	11,338	31,622	39,000	15,000
	ROADS AND STORMWATER TRANSPORT PLANNING & PROVISIONING	820	806	815	806	806	806	1,800	1,899	2,003
		207,391	230,901	310,832	573,671	570,432	570,432	846,854	965,455	1,032,406
Outcome 8: Sustainable human settlements and improved quality of household life	CITY MANAGER	14,949	15,938	19,352	22,531	22,531	23,680	26,587	29,246	32,170
	ENERGY	484,913	860,167	834,888	454,731	545,936	545,936	721,220	790,045	829,141
	FINANCE	-	-	-	-	-	-	-	-	-
	HUMAN SETTLEMENTS	107,769	70,216	63,105	251,832	369,443	401,009	331,882	409,410	398,166
	WASTE MANAGEMENT	875,984	1,116,625	1,244,482	1,139,098	1,365,340	1,312,187	1,437,848	1,518,408	1,678,098
	WATER AND SANITATION	737,407	1,161,506	1,208,306	1,039,603	1,293,247	1,130,884	1,306,151	1,350,335	1,397,269
Outcome 9: A responsible, accountable, effective and efficient local government system	CITY MANAGER	-	(124)	1,275	2	2	(162)	-	-	-
	CITY PLANNING	7,805	11,727	10,866	36,018	21,018	22,981	53,933	15,125	16,813
	CORPORATE LEGAL	(35,821)	(101,051)	(141,954)	1,384	1,384	1,741	3,715	4,272	4,913
	COUNCIL GENERAL	18,616	10,374	-	5,000	5,000	5,000	5,000	5,000	5,000
	DISASTER AND EMERGENCY MANAGEMENT SERVICES	(7,159)	(22,925)	(21,823)	-	-	-	-	-	-
	ECONOMIC DEVELOPMENT	16,183	15,567	17,756	25,105	25,105	25,105	27,528	30,122	32,962
	ENERGY	7,670,886	9,199,129	9,855,558	11,550,129	11,550,129	11,482,648	11,786,972	12,608,599	13,543,376
	FINANCE	3,953,295	4,412,682	4,833,499	6,122,411	5,757,492	5,908,213	6,463,246	6,917,091	7,346,985
	HEALTH AND SOCIAL DEVELOPMENT	221,331	227,809	139,959	174,989	174,989	108,129	168,902	202,235	210,133
	HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	11,238	23,400	18,592	21,002	21,002	21,002	22,388	23,821	23,821
	HUMAN SETTLEMENTS	6,303	(36,082)	(74,247)	42,704	72,271	(129,123)	83,870	117,318	124,388
	INFORMATION AND COMMUNICATION TECHNOLOGY	-	3	-	-	-	-	-	-	-
	PARKS & CEMETERIES	8,305	(3,175)	(9,263)	29,241	-	-	-	-	-
	REAL ESTATE	(206)	(196)	(136)	64,000	43,226	6,861	116,626	143,101	139,905
	ROADS AND STORMWATER	179,068	243,299	417,092	580,353	613,466	8,714	297,750	215,825	236,741
	SPORTS, RECREATION, ARTS AND CULTURE	38,025	51,742	40,932	142,319	135,753	5,718	47,294	43,794	38,658
		WATER AND SANITATION	2,009,884	2,935,760	3,128,513	3,519,302	3,559,302	4,604,329	3,905,990	4,270,326
Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced	ENVIRONMENTAL RESOURCE MANAGEMENT	9,152	500	202	-	313	313	4,000	2,000	2,000
	PARKS & CEMETERIES	35,923	21,485	19,113	38,600	38,710	38,710	-	-	-
	WASTE MANAGEMENT	113,555	57,275	61,727	169,087	169,087	153,677	190,266	213,633	229,666
Outcome 12: An efficient, effective and development - oriented public service and an empowered, fair and inclusive citizenship	CITY MANAGER	1,249	10,752	-	-	-	-	-	-	-
	CITY PLANNING	26	181	186	219	219	354	282	324	373
	ENERGY	-	-	-	-	-	-	-	-	-
	EXECUTIVE OFFICE	702	1	-	22	22	36	22	25	29
	FLEET MANAGEMENT	(247)	(185)	(1,011)	1	1	1	1	1	1
	LEGISLATURE	-	1	-	-	-	-	-	-	-
	REAL ESTATE	-	-	-	-	-	-	-	-	-
SPORTS, RECREATION, ARTS AND CULTURE	4,905	6,210	5,665	7,031	7,031	5,565	10,667	11,552	12,511	
<b>Allocations to other priorities</b>										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>16,820,857</b>	<b>20,804,744</b>	<b>22,243,406</b>	<b>26,329,081</b>	<b>26,696,375</b>	<b>26,481,272</b>	<b>28,200,882</b>	<b>30,246,565</b>	<b>32,337,801</b>

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

EKU Ekurhuleni Metro - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)											
Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>											
Outcome 1: Improved quality of education	HEALTH AND SOCIAL DEVELOPMENT	650	712	734	780	780	770	818	869	922	
Outcome 2: A long and healthy life for all	HEALTH AND SOCIAL DEVELOPMENT	464,172	481,066	520,481	620,745	656,556	597,542	654,283	693,918	736,089	
	HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	452	1,506	1,100	1,200	1,200	962	2,200	2,200	2,200	
	REAL ESTATE	10,369	11,635	12,988	17,904	17,904	16,903	20,406	21,712	23,102	
Outcome 3: All people in South Africa are and feel safe	DISASTER AND EMERGENCY MANAGEMENT SERVICES	2,979	5,564	5,130	32,296	5,555	1,605	8,446	8,446	8,446	
	EKURHULENI METRO POLICE DEPARTMENT	603,274	719,976	792,448	959,371	981,908	884,998	1,052,768	1,118,068	1,187,770	
Outcome 4: Decent Employment through inclusive Economic Growth	DISASTER AND EMERGENCY MANAGEMENT SERVICES	2	1,076	444	-	-	-	-	-	-	
	ECONOMIC DEVELOPMENT	808	6,124	16,013	56,801	74,034	24,923	59,043	59,043	59,043	
	ENERGY	282,234	102,047	92,578	130,018	133,133	134,343	167,627	193,742	221,529	
	SPORTS, RECREATION, ARTS AND CULTURE	294,478	322,232	324,752	378,376	378,676	377,017	381,731	406,162	432,156	
	WATER AND SANITATION	299,742	313,541	324,300	363,044	363,967	356,250	381,545	405,963	431,945	
Outcome 5: A skilled and capable workforce to support an inclusive growth	CITY MANAGER	234,037	250,779	259,979	297,294	298,931	293,590	297,541	316,584	336,845	
	CITY PLANNING	1,644	559	498	100	100	100	100	100	100	
	ECONOMIC DEVELOPMENT	123	127	108	837	837	425	747	747	747	
	EKURHULENI METRO POLICE DEPARTMENT	105	161	54	241	241	241	14,186	14,512	14,855	
	HEALTH AND SOCIAL DEVELOPMENT	5,793	5,890	6,536	5,419	5,419	4,774	5,686	5,936	6,202	
	HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	5,893	6,305	6,479	7,081	7,098	6,219	6,954	7,270	7,606	
	HUMAN SETTLEMENTS	16,618	18,468	13,541	20,538	20,338	14,595	18,150	18,596	19,065	
	REAL ESTATE	307	238	340	567	567	197	585	594	604	
	WATER AND SANITATION	3,246	2,693	2,591	2,887	3,813	3,391	3,768	3,954	4,152	
Outcome 6: An efficient, competitive and responsive economic infrastructure network	CITY MANAGER	1,958	3,122	13,574	25,582	24,984	17,472	15,140	16,046	17,010	
	DISASTER AND EMERGENCY MANAGEMENT SERVICES	338	164	293	323	367	367	540	583	630	
	ECONOMIC DEVELOPMENT	564	273	8,577	3,283	14,295	13,661	11,338	5,181	5,465	
	ENERGY	702,692	757,442	806,050	894,068	897,255	846,142	1,013,808	1,073,573	1,140,306	
	ENVIRONMENTAL RESOURCE MANAGEMENT	-	-	-	-	4,029	-	3,997	4,397	4,837	
	REAL ESTATE	13,456	14,484	19,132	14,126	18,276	14,320	17,113	18,191	19,339	
	ROADS AND STORMWATER	429,075	357,539	332,818	430,415	430,384	425,565	460,443	500,910	545,066	
	TRANSPORT PLANNING & PROVISIONING	215,551	225,409	242,973	295,012	310,697	298,543	326,549	353,416	372,240	
	WATER AND SANITATION	336,747	151,756	164,008	165,948	151,931	163,611	188,920	207,544	215,608	
Outcome 8: Sustainable human settlements and improved quality of household life	DISASTER AND EMERGENCY MANAGEMENT SERVICES	-	-	-	(6,565)	(6,565)	(6,565)	(4,168)	(3,126)	(2,084)	
	ENERGY	50,388	193,283	192,447	329,766	329,766	335,531	261,137	278,773	297,630	
	HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	626	211	283	169	175	157	172	172	172	
	HUMAN SETTLEMENTS	16	19	29	42	42	31,593	24	24	25	
	WASTE MANAGEMENT	696,557	797,464	722,531	1,083,104	1,092,805	976,256	1,172,271	1,254,889	1,337,903	
	WATER AND SANITATION	18	69,527	222,364	241,241	241,241	234,755	317,231	308,876	347,333	
Outcome 9: A responsible, accountable, effective and efficient local government system	CITY MANAGER	94,876	259,923	245,997	302,532	335,034	274,303	433,851	450,834	468,801	
	CITY PLANNING	113,922	121,508	124,389	148,772	148,256	143,451	148,517	158,286	168,667	
	CORPORATE LEGAL	182,730	218,182	219,218	318,172	319,537	298,809	294,596	315,052	336,949	
	COUNCIL GENERAL	424,917	489,730	322,962	823,111	408,691	274,747	431,644	454,519	478,841	
	DISASTER AND EMERGENCY MANAGEMENT SERVICES	501,254	477,785	503,312	667,747	723,815	652,797	701,964	744,821	790,407	
	ECONOMIC DEVELOPMENT	132,680	26,257	27,196	35,430	36,094	34,270	48,448	51,583	54,907	
	ENERGY	5,788,869	7,184,150	7,750,009	9,760,260	9,735,741	9,689,682	9,942,920	10,486,362	11,147,603	
	ENVIRONMENTAL RESOURCE MANAGEMENT	-	-	-	-	4,953	-	63	63	63	
	FINANCE	1,312,602	1,721,621	1,601,088	581,478	984,282	802,104	1,294,472	1,413,718	1,512,450	
	HEALTH AND SOCIAL DEVELOPMENT	90,245	106,927	100,514	126,627	127,984	126,171	131,444	139,194	148,281	
	HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	43,759	135,156	154,492	156,345	156,503	130,616	148,241	156,228	164,729	
	HUMAN SETTLEMENTS	402,413	227,885	291,140	619,267	669,723	610,222	475,029	498,014	525,198	
	INFORMATION AND COMMUNICATION TECHNOLOGY	6,185	249,355	273,114	258,827	247,008	195,646	268,580	290,497	313,265	
	LEGISLATURE	(53,688)	3,099	8,333	7,893	7,893	5,703	7,827	7,829	7,831	
	REAL ESTATE	97,831	66,689	100,600	159,789	152,460	132,952	183,005	193,535	204,721	
	ROADS AND STORMWATER	1,154,375	928,675	1,011,131	713,691	719,154	711,471	773,195	891,199	1,012,053	
	SPORTS, RECREATION, ARTS AND CULTURE	182,789	93,877	109,210	124,158	124,168	124,158	115,932	126,541	137,537	
	WATER AND SANITATION	2,211,782	2,416,870	2,697,729	2,947,840	2,990,986	2,955,764	3,196,701	3,548,904	3,903,630	
Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced	ECONOMIC DEVELOPMENT	4,894	4,446	4,352	6,754	6,804	6,053	5,556	5,909	6,285	
	ENVIRONMENTAL RESOURCE MANAGEMENT	48,800	48,019	44,988	71,762	61,583	61,522	57,789	61,535	65,457	
	HEALTH AND SOCIAL DEVELOPMENT	3,718	3,585	2,843	2,580	2,748	2,443	2,730	2,790	2,853	
	PARKS & CEMETERIES	59,786	86,048	98,931	103,433	103,937	93,246	112,524	118,107	124,100	
	WASTE MANAGEMENT	91,394	87,333	79,545	210,656	210,136	187,557	219,702	247,277	255,874	
Outcome 12: An efficient, effective and development - oriented public service and an empowered, fair and inclusive citizenship	CITY MANAGER	10,512	7,510	8,164	13,593	14,581	8,485	39,000	39,000	39,000	
	CITY PLANNING	6,769	7,247	8,374	82,195	65,403	49,253	98,036	59,133	60,635	
	ECONOMIC DEVELOPMENT	2	45	27	21	21	8	21	23	24	
	ENERGY	130,271	-	-	(309,044)	(309,044)	(309,044)	(196,218)	(147,164)	(98,109)	
	EXECUTIVE OFFICE	36,463	53,449	59,034	62,825	68,183	57,448	62,406	65,914	69,608	
	FLEET MANAGEMENT	-	38,432	14,574	19,326	19,501	18,944	34,507	39,627	44,908	
	HUMAN SETTLEMENTS	-	-	-	-	-	-	4,275	4,275	4,275	
	LEGISLATURE	85,293	108,602	127,309	166,700	166,722	166,406	186,228	197,033	208,532	
	REAL ESTATE	-	-	-	-	395	-	-	-	-	
	SPORTS, RECREATION, ARTS AND CULTURE	54,457	72,401	72,773	99,187	111,778	74,284	110,730	114,876	117,733	
<b>Allocations to other priorities</b>											
<b>Total Expenditure</b>		<b>17,893,784</b>	<b>20,066,180</b>	<b>21,167,522</b>	<b>24,633,937</b>	<b>24,875,772</b>	<b>23,639,725</b>	<b>26,194,817</b>	<b>28,033,383</b>	<b>30,071,967</b>	

**Table 31 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	EKU Ekurhuleni Metro - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)																	
		2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework								
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17									
R thousand																			
National Outcome 1 - Improved quality of basic education	Health & Social Development	90,446	87,408	79,023	65,710	68,610	68,285	70,100	137,450	151,500									
National Outcome 2 - A long and healthy life for all South Africans	Disaster & Emergency Management Services	15,682	7,893	17,768	28,054	30,854	30,474	65,100	78,250	68,200									
National Outcome 3 - All people in South Africa are and feel safe	EMPD	8,691	5,274	15,319	21,340	22,740	21,816	26,740	37,540	48,700									
National Outcome 3 - All people in South Africa are and feel safe	Economic Development	2,623	32,010	51,073	51,055	39,550	39,200	43,200	49,000	15,000									
National Outcome 4 - Decent employment through inclusive economic growth	Transport Planning and Provision	-	-	-	-	-	-	-	-	-									
National Outcome 4 - Decent employment through inclusive economic growth		-	-	-	-	-	-	-	-	-									
National Outcome 5 - skilled and capable workforce to support an inclusive growth path	City Manager	-	-	-	-	-	-	-	-	-									
National Outcome 6 - An efficient, competitive and responsive economic infrastructure network	ICT	-	-	-	-	-	-	-	-	-									
National Outcome 6 - An efficient, competitive and responsive economic infrastructure network	Roads and Stormwater	188,301	30,990	47,353	-	-	-	-	-	-									
National Outcome 6 - An efficient, competitive and responsive economic infrastructure network	Water & Sanitation	104,821	25,311	104,533	-	-	-	-	-	-									
National Outcome 6 - An efficient, competitive and responsive economic infrastructure network		-	-	-	-	-	-	-	-	-									
National Outcome 7 - Vibrant, equitable and sustainable rural communities with food security for all	City Manager	-	-	-	-	6,568	-	-	-	-									
National Outcome 8 - Sustainable human settlements and improved quality of household life	Disaster & Emergency Management Services	-	14,557	13,470	-	-	-	-	-	-									
National Outcome 8 - Sustainable human settlements and improved quality of household life	Economic Development	-	-	-	-	-	-	-	-	-									
National Outcome 8 - Sustainable human settlements and improved quality of household life	EMPD	-	6,925	1,800	-	-	-	-	-	-									
National Outcome 8 - Sustainable human settlements and improved quality of household life	Energy	229,719	382,915	376,115	333,031	364,618	352,186	557,000	614,000	674,000									
National Outcome 8 - Sustainable human settlements and improved quality of household life	Environmental Resources Management	-	23,073	37,324	-	-	-	-	-	-									
National Outcome 8 - Sustainable human settlements and improved quality of household life	Human Settlements	127,358	52,934	64,587	69,550	169,097	169,097	329,012	437,239	430,097									
National Outcome 8 - Sustainable human settlements and improved quality of household life	Real Estate	-	-	-	41,350	49,276	48,109	56,200	90,500	88,200									

EKU Ekurhuleni Metro - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)										
Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
National Outcome 8 - Sustainable human settlements and improved quality of household life	Roads and Stormwater	305,972	271,825	508,804	634,395	651,758	643,954	593,900	637,500	573,200
National Outcome 8 - Sustainable human settlements and improved quality of household life	SRAC	81,104	78,988	89,940	150,200	140,725	139,885	95,450	78,911	79,000
National Outcome 8 - Sustainable human settlements and improved quality of household life	Transport Planning and Provision	-	64,438	69,663	354,082	297,983	295,709	559,641	691,448	683,600
National Outcome 8 - Sustainable human settlements and improved quality of household life	Waste Management	-	7,074	-	75,700	70,800	66,890	77,000	117,000	144,500
National Outcome 8 - Sustainable human settlements and improved quality of household life	Water & Sanitation	81,602	356,219	200,113	410,100	405,700	383,350	451,917	380,250	463,000
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Chief Operating Officer	-	-	247	120	120	108	130	130	180
National Outcome 9 - A responsive, accountable, effective and efficient local government system	City Manager	46,773	43,081	286	440	440	396	270	230	280
National Outcome 9 - A responsive, accountable, effective and efficient local government system	City Planning	885	1,216	3,951	3,800	5,152	4,637	4,150	4,400	4,800
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Communication and Brand Management	-	-	253	280	580	522	290	310	350
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Corporate Legal Services	2,590	5,233	4,610	5,033	5,033	4,529	4,933	4,955	3,970
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Council General	-	-	-	10,000	3,700	3,330	10,000	100,000	100,000
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Customer Relations Management	-	-	20,686	65,393	65,393	58,854	43,700	15,850	850
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Disaster & Emergency Management Services	25,477	28,406	72,101	40,813	37,324	33,592	39,520	41,830	43,750
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Economic Development	30,834	1,870	875	17,465	22,908	20,728	16,100	16,260	21,230
National Outcome 9 - A responsive, accountable, effective and efficient local government system	EMPD	5,669	15,076	33,055	29,795	51,161	46,045	103,590	53,395	54,600
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Energy	128,238	5,486	12,254	20,720	20,720	18,648	21,150	21,760	22,700
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Environmental Resources Management	10,047	12,472	25,773	2,020	2,140	1,926	995	1,125	1,535
National Outcome 9 - A responsive, accountable, effective and efficient local government system	EPMO	-	-	-	220	220	198	9,180	180	220
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Executive Office	7,943	499	679	4,163	4,163	3,747	2,663	7,213	10,700
National Outcome 9 - A responsive, accountable, effective and efficient local government system	Finance	14,628	75,777	19,160	13,490	13,315	11,984	20,351	8,251	7,251

EKU Ekurhuleni Metro - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)										
R thousand	Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Fleet Management	1,646	2,854	6,943	21,560	39,526	10,435	25,005	3,400
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Health & Social Development	28,116	28,831	27,025	17,500	16,873	15,100	9,500	8,000
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Human Resources Management & Development	617	345	575	540	540	850	1,030	1,000
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Human Settlements	62,205	725	1,091	980	1,080	972	1,080	1,180
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	ICT	62,048	139,431	126,836	153,090	125,330	176,938	176,310	202,704
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Internal Audit	-	-	235	361	361	606	385	425
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Legislature	2,458	2,442	8,442	7,300	7,300	4,300	3,300	3,300
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Real Estate	-	8,789	114,174	209,550	127,800	209,405	246,635	199,640
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Risk Management	-	-	-	220	370	290	220	220
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Roads and Stormwater	1,455	14,183	8,279	13,700	13,700	14,200	23,200	23,600
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	SRAC	9,885	4,201	21,290	17,350	17,550	26,800	22,000	28,000
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Strategy & Corporate Planning	-	-	105	560	260	310	310	360
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Transport	-	5,733	2,860	19,552	19,452	47,452	48,300	9,800
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Waste Management	93,913	52,161	70,969	44,332	44,332	49,917	39,800	49,500
	National Outcome 9 - A responsive, accountable, effective and efficient local government system	Water & Sanitation	12,647	39,109	37,725	8,600	10,750	8,600	8,550	7,600
	National Outcome 10 - Environmental assets and natural resources that are well protected and continually enhanced	Environmental Resources Management	99,308	6,379	11,589	9,228	9,188	10,500	8,500	11,300
	National Outcome 10 - Environmental assets and natural resources that are well protected and continually enhanced	Waste Management	41,342	58,881	56,927	-	-	-	-	-
	National Outcome 11 - Create a better South Africa and contribute to a better and safer Africa and World		-	-	-	-	-	-	-	-
	National Outcome 12 - An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship	Health & Social Development	-	-	-	8,200	8,927	11,400	9,000	10,600
<b>Allocations to other priorities</b>			<b>1,926,053</b>	<b>2,001,014</b>	<b>2,370,437</b>	<b>2,980,933</b>	<b>2,987,419</b>	<b>3,790,366</b>	<b>4,248,101</b>	<b>4,252,042</b>
<b>Total Capital Expenditure</b>										

### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the metro has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered - plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

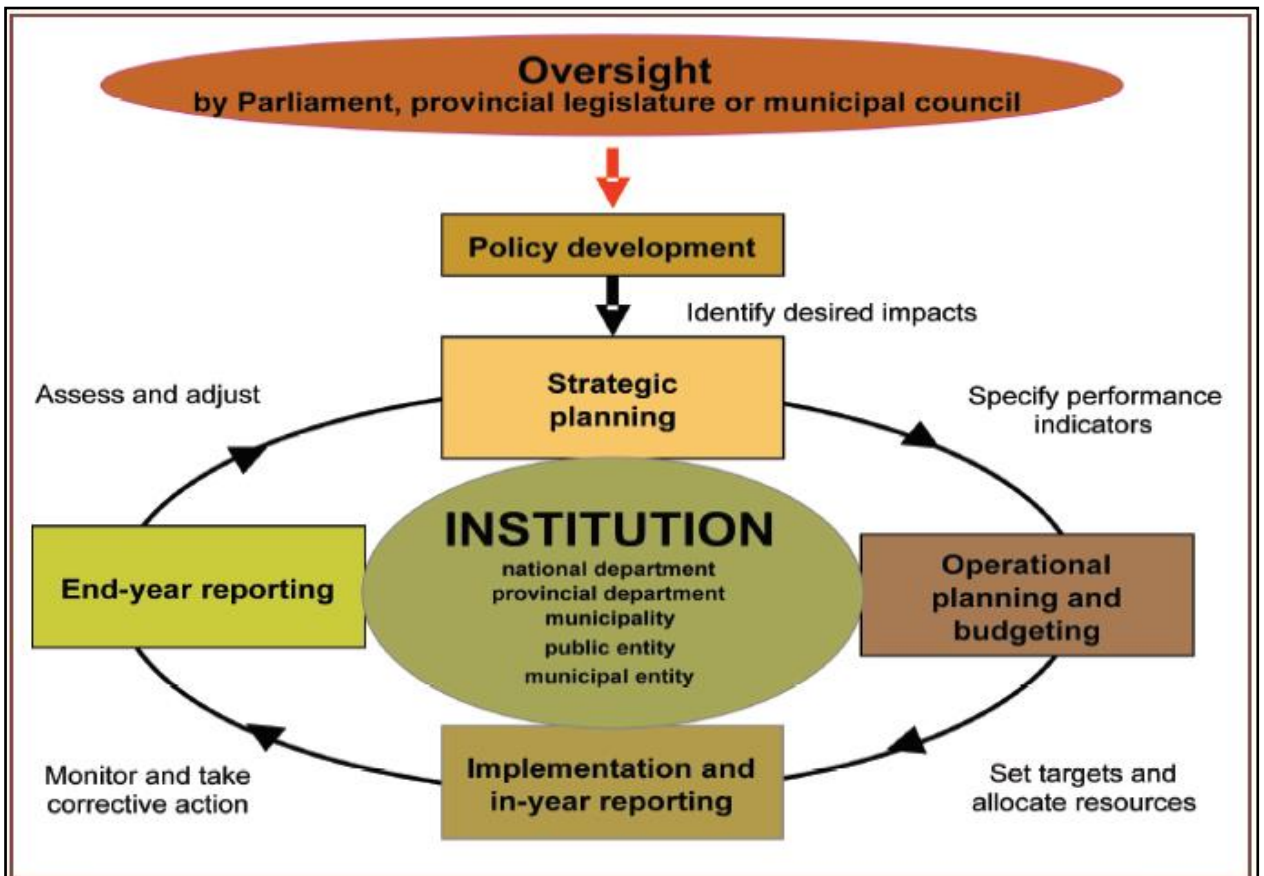


Figure 5 Planning, budgeting and reporting cycle



The performance of the metro 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 metro 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).
- Improvement (making changes where necessary).

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

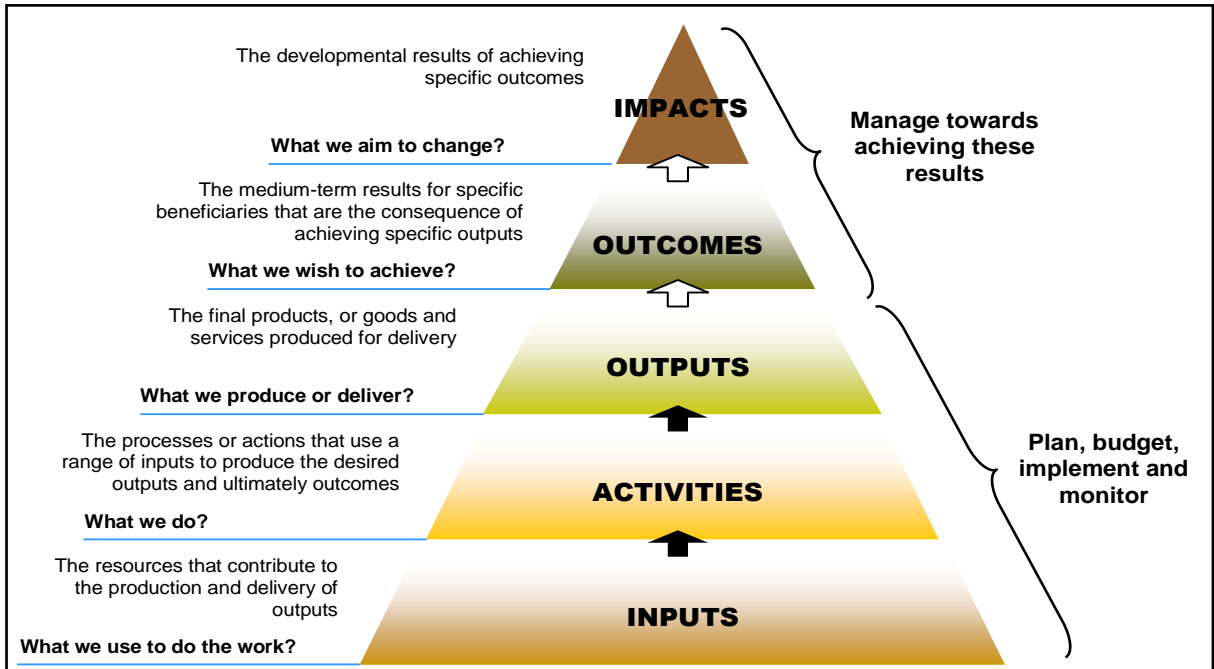


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

**Table 32 MBRR Table SA7 - Measurable performance objectives**

EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Vote 1 - Executive and Council</b>										
<b>Function 1.2- Legislature</b>										
Number of decisions taken by Council as a percentage of those referred	Number				100%	100%	100%	100%	100%	100%
Number of functional Section 79 Committees	Number				18	18	18	18	18	18
Number of functional ward committees	Number				101	101	101	101	101	101
<b>Function 1.5- City Secretariat</b>										
% of reports adhering to cabinet brief format	Percentage			100%	100%	100%	100%	100%	100%	200%
% deviation from set calendar	Percentage						< 20%	< 15%	< 10%	< 10%
Working days within which draft minutes are circulated	Days						3	3	2	3
<b>Vote 2 - Finance and Corporate Services</b>										
<b>2.1 Strategy &amp; Corporate Planning</b>										
Number of GDS programmes supporting the SDBIP evaluated	Number			0	1	1	1	4	4	4
AG opinion	Status			0	0	0	0	Unqualified Audit	Unqualified Audit	Unqualified Audit
Metro-wide service delivery satisfaction rate	Rate				60%	65%	65%	65%	67%	
<b>2.2 Risk Management</b>										
Number of risk transfer and financing mechanisms reviewed	Number				0	0	0	1	1	1
EMM institutional compliance maturity level	Level				0	0	0	2	3	3
Number of departmental risk profiles completed	Number			0	20	20	20	27	27	27
<b>2.7 Customer Relations Management</b>										
Number of contact points providing uniform customer services					25	25	15	25	25	25
<b>2.8 Fleet Management</b>										
Number of Vehicles utilised, that meet the efficiency requirements	Number				2850	2850	2850	280	280	280
Number of vehicles monitored for fuel consumption	Number				0	0	0	244	1285	1285
<b>2.9 Real Estate</b>										
No of land parcels released	Number				-	-	-	10	10	10
Revenue generated through management of property transactions	Revenue				5%	5%	5%	5%	5%	5%
<b>2.10 Financial Services</b>										
% Savings of Operating Costs	Percentage				10%	10%	6%	10%	10%	10%
% of Billed Amounts Collected	Percentage			92.02%	93%	93%	93%	94%	94%	95%
Audit Opinion from the Auditor General	Unqualified			Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Clean
<b>2.11 Human Resource Management and Development</b>										
Percentage of critical prioritised posts filled	Percentage				30%	30%	30%	40%	60%	80%
Percentage of executive managers performance managed	Percentage							100%	100%	100%
<b>2.12 Information Communication Technology</b>										
Level of availability of customer facing applications	Level				0%	95%	95%	96%	97%	98%
Number of deployed Wi-Fi hotspots operational	Number							75	75	75
Number of solutions signed off by line managers	Percentage							100	100	100
<b>2.13 Corporate Legal</b>										
% functionality of the Office of the Municipal Ombudsman	Percentage				0%	0%	0%	60%	70%	75%
% disputes resolved	Percentage				0%	0%	0%	100%	100%	100%
% of by-law contravention cases finalised	Percentage				0%	0%	0%	100%	100%	100%
<b>2.14 Communications and Marketing</b>										
<b>Sub-function 1 - Communication</b>										
Number of Communication and Marketing activities in respect to flagship projects	Number			16	16	16	16	16	16	16
Number of digitized and telecommunication activities utilized for projects	Number			27	40	40	40	36	36	36
<b>Sub-function 2 - Marketing</b>										
Number of strategic brand building activities	Number			1	2	2	2	2	0	0
Number of awareness activities	Number			60	65	65	65	64	65	64
Number of partnerships	Number			9	10	10	10	10	10	10
<b>2.15 Internal Audit</b>										
% of planned internal audit reviews completed	Percentage				85%	85%	85%	90%	90%	90%
% of cases finalised with clear recommendations	Percentage				60%	60%	60%	60%	65%	70%
<b>2.16 EPMO</b>										
Project Management maturity level	Level				2	2	2	3	3	4
% capex spend against the budget for capital projects	Percentage				0	0	0	95%	96%	97%

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

<b>EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives</b>										
Description	Unit of measurement	2010/11			Current Year 2013/14			2014/15 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Vote 3 - Energy</b>										
<b>Function 3.1 Energy</b>										
Number of solar high mast lights installed	Number			0	12	12	2	12	12	12
No of PV Solar Lighting Units installed in Informal Settlements	No			0	7000	7000	12181	7000	7000	7000
Number of high mast lights installed	Number			98	72	72	98	72	72	72
Number of street lights installed	Number			2103	570	570	2103	570	570	570
Number of subsidized households electrified	Number			10048	5000	5000	10048	5000	5000	5000
Reduced electricity downtime - % Compliance to NRS 048 Part 6 standard	Percentage			0,8%	0,8%	0,8%	0,8%	0,8%	0,8%	0,8%
Forced interruption index - a lowering value indicates improvement	Forced			Index of 15,2 Hours	Index of 15,2 Hours	Index of 15,2 Hours	Index of 15,2 Hours	Index of 15,2 Hours	Index of 15,2 Hours	Index of 15,2 Hours
% Unaccounted for electricity	Percentage				11%	11%	11%	11.50%	11.50%	11.30%
<b>Vote 4 - Water and Sanitation</b>										
<b>Function 4.1 Water and Sanitation</b>										
Number of additional households (RDP) provided with sewer connections	Number			7827	1138	1138	2838	1138	2838	2838
Number of additional households (RDP) provided with water connections	Number			7827	1138	1138	2838	1138	2838	2838
Percentage of Non-Revenue Water (NRW)	Percentage			39.7%	38%	38%	40.30%	37.60%	35.40%	33.00%
Number of unmetered stands provided with meters	Number			0	24,000	24,001	24,000	10,000	15000	15000
Blue Drop score (min 95%)	Percentage			>95%	>95%	>95%	>95%	>95%	>95%	>95%
<b>Vote 5- Waste Management</b>										
<b>Function 5.1 Waste Management</b>										
Number of landfill sites compliant with permit conditions	Number				5	5	5	5	5	5
% of recyclable waste reclaimed	Percentage			1%	3%	3%	10%	3%	3%	7%
Number of households with weekly kerb-side waste removal services in formal areas	Number			New Indicator	959, 190	959, 190	959, 190	959, 190	959, 190	959, 190
Number of additional households (RDP) with access to refuse removal	Number			New Indicator	55575	55576	55577	55578	55579	55580
Number of informal settlements (units) with access to refuse removal	Number			119	119	119	119	119	119	119
<b>Vote 6 Human Settlements</b>										
<b>Function 6.1 Human Settlements</b>										
Number of subsidised housing units built.	Number			0	1100	1100	0	1100	2000	4000
Hectares of land procured	ha							95	18	75
Number of informal settlements provided with interim services	Number			119	119	119	119	119	119	119
Number of informal settlements upgraded to formal townships	Number							3	3	0
<b>Vote 7 City Planning</b>										
<b>Function 7.1 City Planning</b>										
% of development applications complying with town planning policies and legislation	Percentage			90%	91%	91%	91%	92%	93%	94%
Percentage of municipal capital budget invested in geographic priority areas	Percentage							60%	61%	62%
% of land affected by geotechnical hazards rehabilitated	Percentage			76%	80%	80%	80%	85%	85%	85%
<b>Vote 8 Economic Development</b>										
<b>Function 8.1 Economic Development</b>										
Aerotropolis Master Plan approved by target date	Date							Jun-15		
Number of enterprises developed that are sustainable								100	110	120
Number of job opportunities created				21700	25000	25000	25000	25000	30000	35000
Number of enterprises developed that are sustainable	Number			0	80	80	80	100	110	120
Rand value committed /approved with respect to domestic and foreign direct investment	Rand			0	R6bn	R6bn	R6bn	R6.5bn	R8.0bn	R9.5bn
<b>Function 8.2 Economic Development: Fresh Produce Market</b>										
% increase in SFPM Revenue generated	Percentage				10%	10%	9.4%	10%	15%	15%
<b>Function 8.3 Economic Development: Tourism</b>										
% of business tourists visiting Ekurhuleni					10%	10%	10%	10%	10%	10%
<b>Vote 9 Disaster and Emergency Management Services</b>										
<b>Function 9.1 Disaster and Emergency Management Services</b>										
Number by which Fire incidents reported in informal settlements is reduced	Number			38	52	52	52	43	42	42
% of Emergency Medical calls not serviced.	Number				1%	1%	1%	1%	1%	1%
Number of Operational Ambulances on 24/7	Number			30	50	50	50	60	60	60
% compliance with the prescribed South African National Standard 10090 (speed of response)	Percentage			81%	82%	82%	82%	82%	82%	82%
Number of Disaster & Emergency Management Services facilities operationalized	Number			3	2	2	2	2	1	1
<b>Vote 10 Sport, Recreation, Arts &amp; Culture (SRAC)</b>										
<b>Function 10.1 SRAC: Sport &amp; Recreation</b>										
Number of new Sport and Recreation facilities developed	Number			0	1	1	1	1	1	1
Number of children aged 3-6 years participating in accredited ECD programme.	Number							0	11760	12000
Number of youth participating in accredited capacity building programmes	Number							0	150	100
<b>Function 10.2 SRAC: Arts &amp; Culture</b>										
Number of new Arts, Culture and Heritage facilities developed	Number			2	1	1	1	3	1	2
<b>Function 10.3 Libraries</b>										
Number of new library facilities developed	Number			1	3	3	3	4	2	1

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

<b>EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives</b>										
Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Vote 11 Health and Social Development</b>										
<b>Function 11.1 Health and Social Development</b>										
Number of newly constructed facilities functional	Number				4	4	4	3	1	6
Number of ECD practitioners trained in accredited ECD training programme	Number				420	420	420	150	150	140
Percentage of babies tested HIV-positive (PCR) at six (6) weeks	Percentage			2.20%	2.60%	2.60%	2.20%	<2.15%	<2.12%	<2.11%
Tuberculosis Smear Conversion Rate 3 months).	Percentage			88%	80% National Target	85% National Target	85% National Target	>85%	>85%	>85%
Total Number of patients initiated on Antiretroviral Therapy	Total			45,700	35,000	35,000	36,785	33,000	31,000	30,000
Percentage of inspected premises that are rodent-free after intervention.	Percentage				70%	80%	60%	96.50%	97.00%	97.50%
Number of new indigent households registered	Number			14,000	14,000	14,000	14,000	15000	16000	17000
<b>Vote 12 Environmental Resource Management</b>										
<b>Function 12.1 Environmental Resource Management</b>										
Number of departments in EMM with a developed Climate Change response plan	Number							6	6	0
Number of EMM departments with an improved Environmental Compliance index score (Internal)	Number							6	6	0
Number of industries with an improved Environmental Compliance index score (External)	Number							6	6	6
<b>Function 12.2 Environmental Resource Management: Parks &amp; Cemeteries</b>										
Lifespan of cemeteries in years	Years	11	11	11	11	11	11	11	11	11
Number of leisure facilities developed	Number				5	5	5	5	5	5
Number of conservation areas developed	Number				0	0	0	1	1	1
<b>Vote 13 Ekurhuleni Metropolitan Police Department</b>										
<b>Function 13.1 Ekurhuleni Metropolitan Police Department</b>										
Number of newly constructed EMPD precinct stations	Number				2	2	2			
Incident fatality rate	Number				Not more than 245	Not more than 245	196	Not more than 192	Not more than 188	Not more than 184
Number of violations recorded with respect EMPD By-Laws	Number				1020	1021	2794	1000	1000	1000
Number of criminals arrested	Number				1200	1200	1709	1200	1200	1200
Number of police officers successfully completing advanced/specialized training programs	Number				200	200	397	200	200	200
<b>Vote 14 Transport</b>										
<b>Function 14.1 Transport</b>										
Number of new bus routes established between Ekurhuleni and Tshwane and/or Johannesburg.	Number			1	1	1	1	1	1	1- Johannesburg / EMM BRT Route
Number of New Public Transport Facilities constructed	Number			1	1	1	1	2	2	0
No. of kms of BRT routes constructed for phase 1 of the IRPTN.	Number			0	0	0	0	5	10	3
<b>Function 14.2 Licensing</b>										
Number of Licensing Hubs constructed in previously disadvantaged areas	Number			1	0	0	0	1	1	0
<b>Vote 15 Roads and Stormwater</b>										
<b>Function 15.1 Roads and Stormwater</b>										
Km of newly constructed strategic roads	Km				1	1	1	1	1	1
Number of intersections upgraded on strategic roads	Number				6	6	6	6	6	6
Number of Systems added to the existing stormwater network	Number							45 systems	44 systems	44 systems
Number of signal heads replaced with LED heads	Number				404	404	404	403	403	403
KM of strategic road network maintained	KM				20	20	390	390	390	390
Km of paved roads meeting minimum standards	KM				400	400	462	418	412	412
KM of Stormwater infrastructure maintained	KM				150	150	180	2302	2302	2302
<b>Entities</b>										
<b>BBC</b>										
Efficiency rating for bus utilisation	rate				30568	30568	30568	32096	33701	35386
Total Revenue Generated					R23,395,103	R23,395,104	R23,395,105	R25,955,067	R28,881,872	R37,546,434
<b>ERWAT</b>										
Percentage of wastewater treatment works complying with the applicable standards	Percentage				0.87	0.87	0.87	0.78	0.79	0.8
<b>EDC</b>										
Number of new units constructed to accommodate social housing target market.	Number							250 units	800 units	900 units
Revenue collected as a % of amount billed (R30,2m) for the year excluding arrears	Percentage				0.95	0.95	0.95	0.95	0.95	0.95

The following table sets out the EMM’s main performance objectives and benchmarks for the 2014/15 MTREF.

**Table 33 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2010/11			2011/12			2012/13			Current Year 2013/14			2014/15			2014/15 Medium Term Revenue & Budget Year		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17							
<b>Borrowing Management</b>																			
Credit Rating	Interest & Principal Paid / Operating Expenditure	Aa2za	Aa2za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	Aa3za	
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	4.6%	3.1%	3.3%	3.3%	5.1%	5.0%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	
Capital Charges to Own Revenue	Borrowed funding of own capital expenditure	6.1%	3.9%	4.0%	4.0%	5.7%	5.6%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	
Borrowed funding of own capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	120.1%	110.7%	64.1%	64.1%	60.9%	67.1%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	
<b>Safety of Capital</b>																			
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	560.7%	560.7%	553.3%	553.3%	553.3%	553.3%	553.3%	553.3%	553.3%	553.3%	553.3%	553.3%	553.3%	553.3%	553.3%	
Liquidity	Current assets/current liabilities	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	
Current Ratio	Current assets less debtors > 90 days/current liabilities	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	
Current Ratio adjusted for aged debtors	Monetary Assets/Current Liabilities	0.4	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	
<b>Revenue Management</b>																			
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	86.6%	88.8%	88.8%	88.8%	90.8%	105.4%	91.7%	91.7%	91.7%	91.7%	91.7%	91.7%	91.7%	91.7%	91.7%	91.7%	91.7%	
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)	Total Outstanding Debtors to Annual Revenue	17.6%	17.1%	19.2%	19.2%	11.9%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	
Outstanding Debtors to Revenue	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Longstanding Debtors Recovered	% of Creditors Paid Within Terms (within MFMA's 65(e))	184.0%	127.3%	100.0%	100.0%	96.3%	92.3%	80.1%	80.1%	80.1%	80.1%	80.1%	80.1%	80.1%	80.1%	80.1%	80.1%	80.1%	
Creditors System Efficiency																			
Creditors to Cash and Investments																			
<b>Other Indicators</b>																			
Electricity Distribution Losses (2)	Total Volume Losses (KW)	1,269,869	1,209,303	1,139,315	1,139,315	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	1,209,303	
	Total Cost of Losses (Rand '000)	551,989	659,971	696,441	696,441	821,851	821,851	821,851	821,851	821,851	821,851	821,851	821,851	821,851	821,851	821,851	821,851	821,851	
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total Volume Losses (Kf)	98,959	102,874	110,110	110,110	99,392	99,392	99,392	99,392	99,392	99,392	99,392	99,392	99,392	99,392	99,392	99,392	99,392	
	Total Cost of Losses (Rand '000)	402,144	468,329	557,052	557,052	571,675	571,675	571,675	571,675	571,675	571,675	571,675	571,675	571,675	571,675	571,675	571,675	571,675	
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Employee costs/(Total Revenue - capital revenue)	23.4%	21.0%	20.2%	20.2%	20.7%	20.6%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	
	Remuneration/(Total Revenue - capital revenue)	24.6%	22.2%	20.7%	20.7%	22.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	
	Repairs & Maintenance/(Total Revenue excluding capital revenue)	11.0%	8.9%	8.7%	8.7%	8.6%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
	Finance charges & Depreciation/(Total Revenue - capital revenue)	15.1%	12.5%	12.2%	12.2%	8.1%	7.9%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	
<b>IDP regulation financial liability indicators</b>																			
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	25.4	23.9	18.0	18.0	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	22.6%	21.8%	24.7%	24.7%	14.8%	14.7%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.2	2.1	3.1	3.1	2.2	2.3	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	
<b>References</b>																			
1. Consumer debtors > 12 months old are excluded from current assets																			
2. Only include if services provided by the municipality																			
<b>Calculation data</b>																			
Debtors > 90 days		1,131,003	1,327,599	1,410,249	1,410,249	1,638,129	1,649,606	1,583,968	1,583,968	1,583,968	1,583,968	1,583,968	1,583,968	1,583,968	1,583,968	1,583,968	1,583,968	1,583,968	
Monthly fixed operational expenditure		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	
Fixed operational expenditure % assumption		1,344,492	722,970	1,248,308	1,248,308	1,289,495	1,170,523	1,053,470	1,053,470	1,053,470	1,053,470	1,053,470	1,053,470	1,053,470	1,053,470	1,053,470	1,053,470	1,053,470	
Own capex		1,615,000	800,000	800,000	800,000	785,000	785,000	785,000	785,000	785,000	785,000	785,000	785,000	785,000	785,000	785,000	785,000	785,000	
Borrowing																			

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long-term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, EMM's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the metro's debt portfolio is dominated by municipal bonds. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF.

- *Borrowing to asset ratio* is a measure of the long-term borrowings (non-current) as a percentage of the total asset base of the municipality. This ratio will increase over the MTREF from 10.1% in 2014/15 to 12.3% in 2016/17, but must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing will move from 3.3% in 2012/13 to 3.8% in 2016/17. The increase can be attributed to the raising of municipal bonds to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the affordability of the interest repayments are becoming problematic in the outer years. The metro has not yet reached its prudential borrowing limits, but the shrinking revenue raising ability (mainly resulting from decreasing margins in the electricity service) makes loan servicing unaffordable. The Capital Budget is based on the R4 billion Domestic Medium-term Note Programme (or municipal bond) which will last up to the 2014/15 financial year, as well as possible other borrowings during the 2015/16 financial year. These additional loan fundings will, however, be subject to affordability once the electricity increases for the outer years are finalised by NERSA.
- *Capital charges to Own Revenue* is a measure of the cost of borrowing in relation to the Own Revenue. It can be seen that the cost of borrowing will move from 4.0% in 2012/13 to 4.2% in 2016/17. This ratio will increase to 5.7% in 2014/15, before it decreases again to the noted 4.2% in 2016/17. The variation of the percentage is as a result of a loan of R400m that will be settled in 2014/15.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The percentage over the MTREF period varies from is 61.5% to 70.8% in 2016/17.

Long-term debt increased from R4.515 billion as at 30 June 2012 to R5.133 billion as at 30 June 2013. This is inter alia as a result of:

- The issuing of the first municipal bond for R815 million on 28 July 2010 to fund a portion of the capital infrastructure programme for the 2009/10 financial year as well as a portion of the capital programme for the 2010/11 financial year. The bond was issued for a 10-year period at a fixed interest rate of 10.56%.
- The second EMM bond was issued on 11 March 2011 for R800 million. This bond was taken up to finance the remainder of the capital programme for the 2010/11 financial year. The book filled at 185 basis points and the final interest rate was fixed

at 10.72%, being the R208 at 8.87% (as at the time of finalising the book build) + 185 basis points.

- The third EMM bond was issued on 4 May 2012 at an amount of R800 million. The final interest rate was fixed at 10.05%. A R4 billion Medium-term Domestic Note Programme was registered at the Johannesburg Stock Exchange (of which the R2.415 billion has been issued).
- The fourth EMM bond was issued on 16 May 2013 at an amount of R800 million and this is the first amortisation bond issued by the metro. This bond was taken up to finance the remainder of the capital programme for the 2012/13 financial year. The book filled at 180 basis points and the final interest rate was fixed at 9.16%, being the R213 at 7.36% (as at the time of finalising the book build) + 185 basis points. The tenure is fixed at 15 years. No sinking will be established for this bond issuance, the interest and capital repayment will done be semi-annually.
- The total bonds issued to date from the R4 billion DMTN is R3 215 billion and the balance is R785 million, which will be issued before end of June 2014.

The long-term loans with bullet redemption profiles will be funded from sinking funds. The value of sinking funds as at 30 June 2013 was R764.4 million.

#### 2.3.1.2 Safety of Capital

- *The gearing ratio* is a measure of the long-term borrowings (non-current) over funds and reserves. During the 2012/13 financial year the ratio was 11.2% which will increase to 16.0% in the 2015/16 financial year. This ratio is much lower than the benchmark levels, mainly resulting from the implementation of GRAP 17 where found assets were fair valued as part of the first time recognition of certain assets. This transaction credited the accumulated surplus and the equity of the metro is thus much higher than would have most probably been the case with historical costs. This ratio is therefore not seen as a reliable measure for the affordability of additional loans.

#### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the metro's ability to pay short-term obligations with its short-term assets. The higher the ratio, the better the metro's ability to adhere to its short-term obligations. The calculation is the current assets divided by the current liabilities and as a benchmark the metro has set a limit of 1.2, hence at no point in time should this ratio be less than 1.2. For the 2014/15 MTREF the current ratio is expected to be 1.6, and 1.7 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the metro to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2012/13 financial year the ratio is 0.7 and as part of the financial planning strategy it is projected to increase to 0.8 in the 2014/15 financial year and continue its upward trend to 1.0 in 2016/17. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges. As part of the longer-term financial planning objectives this ratio will have to be set at a minimum of 1.

#### 2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management and enhancement project has been embarked upon to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The Revenue Management and Enhancement Programme is driving projects that cover the following six areas:
  - Metering and billing value chain.
  - Water and electricity losses.
  - Key accounts management unit.
  - Indigent management.
  - Telephone query management.
  - Data quality.
- The programme has identified the following key business themes which serve as strategic objectives that should drive and support revenue management and enhancement programme.
  - Reduction of consumer debt through appropriate credit control and debt collection to improve revenue.
  - Improved, consistent and accurate /integrative property value chain.
  - Improved customer services.
  - Monitoring and evaluation of consumption processes and efficiencies.
  - Revenue collection.
- *The annual debtors' collection rate* indicates the percentage payment levels of the metro. It indicates at what levels the metro receives payments owed, in terms of receivables, from its customers. It is also used to establish whether credit control has been efficiently managed. The metro's payment level percentage, according to this calculation, in 2012/13 was 88.8% and is expected to be at 92.7% in 2016/17.

#### 2.3.1.5 Creditors Management

- As evident from the *Creditors System Efficiency ratio*, the metro has managed to ensure that creditors are settled within the legislated 30 days of invoice (with the exception of invoices under dispute and isolated incidents of invoices not being certified for payment within the prescribed timeframes). While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a very high compliance rate to this legislative obligation.

#### 2.3.1.6 Other Indicators

- *The electricity distribution losses*, as per the audited financial statements, have moved from 11.72% (of which non-technical losses were only 5.82%) in the 2010/11 financial year to 11.12% (of which non-technical losses were only 5.22%) in the 2011/12 financial year.

The Energy Department uses the following data to determine the loss:

- Meter On Line data.
- Suprima and IMS prepayment sales data.
- Take credit meter read data.
- Take usage for streetlights/traffic lights.
- The usage for own consumption.



It is expected to stabilise over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters. Material losses can be divided in technical and non-technical losses. Technical losses are related to copper, iron and heat losses and are generally between 5% and 7% and it is in line with the industry norm. These losses cannot be reduced and are inherent in any electricity network. Non-technical losses can be attributed to illegal connections and electricity theft (also bypassed meters, etc.). The Energy Department is in the process of restitution of large areas to repair the electrical network and install protective structures and split prepayment meters to manage and reduce illegal connections and meter tampering. It has been determined that more than 60% of total unit sales are from the demand meter customer segment, business/industry and large residential/townhouse complexes. All these demand meters are placed on automated meter reading to minimise risk as far as possible. Readings are taken at intervals of 30 minutes and accounts issued monthly. In addition, the Cable and Copper Theft Task Team will continue with its activities to curb cable and copper theft. An energy balance has been created and shows losses are within acceptable norms, although more is being done to reduce these losses. By-law "sting" operations are executed regularly by the EMPD and people tampering with their meters are arrested and taken to court.

- *The water distribution losses*, as per the audited financial statements, have reduced slightly from 33.07% in 2009/10 to 30.34% in 2011/12 and 31.8% in 2012/13. This has been achieved with the introduction of a water leakage report and action centre. The intention is to further rollout additional depots within the metro to further leverage from the efficiency that the centre offers. It is planned to further reduce the distribution losses over the MTREF period. It must be recognised that the metro is managing aged and ageing infrastructure and this has a direct bearing on the amount of water lost. The water losses were due to many factors significant of which were the following:
  - Unmetered properties that were not billed.
  - Metered areas that were billed on estimates.
  - Properties with more than one meter.
  - Infrastructure-related water losses.

The department is attending to these areas of concern through Programme Boloka Metsi. The interventions in this programme include the following projects:

- Infrastructure replacement and rehabilitation programmes.
- Metering Programme.
- Top Consumer Programme.
- Education and awareness/Consumer Capacitation Programme.

The objective of this intervention is to significantly reduce both non-revenue water and water losses. It must be mentioned though that the extent to which the non-revenue water is reduced depends on the rate at which migration is affecting the metro. The metro has been experiencing growth in the last year mostly from poor people that stay in informal settlements. This increases the amount of free basic water that the metro supplies to these areas and by extension increases the amount of non-revenue water.

- *Employee costs and remuneration as a percentage of revenue (excluding capital*

*revenue*) continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers. The averages of the ratios are 19.8% and 21.1% respectively over the MTREF.

- *Repairs and maintenance as a percentage of revenue (excluding capital revenue)* needs to be at an appropriate level to ensure that capital assets remain efficient and perform and an optimal level. Similar to that of employee costs, repairs and maintenance as a percentage of operating revenue is also ultimately decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. The average ratio is 8.3% over the MTREF.
- *Finance charges and depreciation as a percentage of revenue (excluding capital revenue)* is dependent on borrowing, interest rate levels, and the rate of depreciation of capital assets. The average ratio is 8.0% over the MTREF.

- **2.3.1.7 IDP regulation financial viability indicators**

- *Debt Coverage* is the coverage of revenue (excluding operating grants) over debt-service and is an indication of the metro's ability to meet annual interest and principle payments on debt. The coverage is expected to be 30.6 in 2014/15 and is expected to move to 30.8 in 2016/17.
- *Outstanding service debtors to revenue ratio* is an indication of what percentage of revenue is in outstanding service debtors. This is also an indicator of the metro's effectiveness in managing credit control and debt collection. The lower the ratio, the more effective the management of receivables. The ratio is estimated to be 12% in 2014/15 and is expected to move to 12.2% in 2016/17.
- *Cost coverage* is an indication of the metro's ability to cover fixed operational expenditure with its cash and investment balances. The higher the ratio, the higher the ability. The ratio is estimated at 2.5 in 2014/15 and is expected to move to 3.0 in 2015/16.

### **2.3.2 Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the metro.

For the 2014/15 financial year, 115 000 registered indigents have been provided for in the budget which includes the deemed indigents.

In terms of the municipality's Indigent Policy, registered households are entitled to 9 kl free water, 100 kwh of electricity, 9 kl sanitation and free waste removal equivalent to a residential once a week service, and a full rebate on their property rates.

Further detail relating to the number of households receiving FBS, the cost of FBS, highest level of FBS and revenue cost associated with FBS is contained in Table 28 MBRR A10 (Basic Service Delivery Measurement) on page 82.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc.) are not taken into account in the table noted above.

### 2.3.3 Providing clean water and managing waste water

The EMM is the Water Services Authority for the entire municipal area in terms of the Water Services Act, 1997. Approximately 99% of the municipality's bulk water needs are provided directly by Rand Water and the remaining 1% is purchased from Johannesburg Water, with its origin also from Rand Water.

Water is distributed to EMM customers via an extensive reticulation system comprising of 91 water reservoirs and towers, 41 pump stations, 9 416 km of pipelines and 437 830 water connections and meters. The estimated replacement value of this water services infrastructure has been assessed to be some R6.2 billion and R1.4 billion for water meters.

According to EMM's asset management plan its water infrastructure assets condition can be rated as follows:

<b>Condition of Assets</b>	<b>Percentage of Assets</b>
Very Good	18%
Good	23%
Fair	55%
Poor	3%
Very Poor	1%

EMM is responsible for providing its citizens with clean, safe water which is measured against the South African National Standard for Drinking Water (SANS 241) and also evaluated by the Department of Water Affairs according to its Blue Drop Certification Programme. The EMM has been in the top 10 since the inception of the Blue Drop Certification in 2009 and has therefore, as per condition, received a Platinum Blue Drop award in the third year (2011). In 2012; the EMM, after running for four consecutive years, received both the Platinum and number one (01) Blue Drop awards; in retrospect.

The following are the main challenges facing the city in providing water services:

- High non-revenue water – 38.6%.
- Very old water meter infrastructure.
- Ageing water distribution infrastructure.
- Shortage of skilled technical staff.

The following are some of the steps that have been taken to address these challenges:

- Strategic plans have been developed to address the non-revenue water, very old water meter infrastructure and ageing water distribution infrastructure.
- These strategic plans are supported through the Capital Budget – five-year implementation plan.

- The shortage of skilled personal remains a major challenge.

With regards to Sanitation Services the EMM is also the Services Authority for the entire municipal area in terms of the Water Services Act, 1997. EMM has established a Municipal Entity, Erwat, as the service provider for the treatment of its waste water. 100% of EMM’s waste water is treated by Erwat.

Waste water is collected by EMM from its customers through a system of 8 082 km of sewer pipelines, 152 sewer pump stations and conveyed to 17 waste water treatment plants managed by Erwat. The estimated replacement value of waste water services infrastructure has been assessed to be R5 billion and R5.3 billion for waste water treatment plants.

According to EMM’s asset management plan its waste water infrastructure assets condition can be rated as follows:

<b>Condition of Assets</b>	<b>Percentage of Assets</b>
Very Good	29%
Good	17%
Fair	51%
Poor	2%
Very Poor	1%

EMM and Erwat are responsible for the conveyance and treatment of waste water according to national legislation and permit conditions as issued by the Department of Water Affairs. The Department of Water Affairs established an incentive-based assessment system to evaluate services they provide, namely the Green Drop Certification Programme. Municipalities have been evaluated twice since the inception of this programme.

Two Green Drop Awards, out of 17 drainage systems, were received by EMM and Erwat with an average score of 65% for all drainage systems during the 2009 assessment. Only one Green Drop Award, out of 17 drainage systems, were made to EMM and Erwat with an average score of 78.8% for all drainage systems during the 2011 assessment.

The following are the main challenges facing the city in providing sanitation services:

- Ageing waste water collection infrastructure.
- Ageing and capacity pressure on Erwat’s waste water treatment plants.
- Provision of suitable sanitation systems for informal settlements.
- Shortage of skilled technical staff.

The following are some of steps that have been taken to address these challenges:

- Strategic plans have been developed to address the ageing and capacity pressure on EMM and Erwat systems.
- These strategic plans are supported through the Capital Budget – five-year implementation plan.
- Implementation of pilot projects to establish suitable sanitation systems for informal settlements have been initiated.
- The shortage of skilled personnel remains a major challenge.

## 2.4 Overview of budget-related policies

The city's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The entire set of budget-related policies can be viewed on the EMM website:

<http://www.ekurhuleni.gov.za>

### LIST OF BUDGET RELATED POLICIES

The following is a list of all budget-related policies and indicates whether the relevant policy has been changed or not:

Annexure E	Medium-term Budget Policy Statement (reviewed)
Annexure F	Pricing Policy Statement (reviewed)
Annexure G	Property Rates Policy (reviewed)
Annexure H	Provision of Free Basic Electricity Policy (reviewed)
Annexure I	Solid Waste Tariff Policy (reviewed)
Annexure J	Consumer Deposit Policy (reviewed)
Annexure K	Indigent Policy (reviewed)
Annexure L	Credit Control and Debt Collection Policy (reviewed)
Annexure M	Provision for Doubtful Debtors and Debtors Write Off (reviewed)
Annexure N	Budget Implementation and Monitoring Policy (remains unchanged)
Annexure O	Municipal Entity Financial Support Policy (remains unchanged)
Annexure P	Accounting Policy (reviewed)
Annexure Q	Funding and Reserves Policy (remains unchanged)
Annexure R	Borrowing Policy (remains unchanged)
Annexure S	Cash Management Policy (remains unchanged)
Annexure T	Policy on electricity metering for residential and small business customers in the EMM (reviewed)
Annexure U	Policy for the Vending of Pre-paid Electricity (reviewed)

### MEDIUM-TERM BUDGET POLICY (Refer to Annexure E)

The Medium-term Budget Policy Statement has been amended to accommodate the strategic guidelines set by the Minister of Finance, the National Treasury Budget Circular, local economic circumstances and the strategic direction from ruling government.

It is focusing on the EMM Service Delivery Statement (manifesto), EMM GDS 2055 and all the various national budget guidelines. It also gives strategic direction in terms of economic outlook for EMM and the key assumptions for MTREF budget period.

### PRICING POLICY (Refer to Annexure F)

The City's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The Pricing Policy Statement has been developed to guide pricing and the provision of free basic services.

The Pricing Policy addressed all the factors that influenced the compilation and setting of the tariffs. The policy discussed all the factors influencing the tariff setting for the main services namely, assessment rates, electricity, water, sanitation and refuse removal.

This year, a Pricing Policy Statement has been developed to guide pricing and the provision of free basic services.

The objectives of the Pricing Policy are as follows:

- To ensure that pricing of services in the EMM is done in a financially sustainable and socially responsible manner, and in doing so:
  - Determining cost reflective tariffs, as far as is possible
  - Ensuring equitable pricing
  - Ensuring affordability of basic services to the community
- To ensure compliance with the Municipal Systems Act
- To ensure compliance with all tariff setting regulatory bodies

**PROPERTY RATES POLICY (Refer to Annexure G)**

The following changes were made to the Property Rates Policy:

<b>Existing Rates Policy</b>	<b>Recommended 2014</b>
<p>“Council” – none</p>	<p><b>“Council”</b> means:</p> <ul style="list-style-type: none"> <li>(a) the “Municipality” and vice versa;</li> <li>(b) the Council of the EMM established by Provincial Notice No. 6768, as amended, exercising its legislative and executive authority through the municipality;</li> <li>(c) its successor in title; or</li> <li>(d) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Act;</li> <li>(e) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of Section 81(2) of the act, or any other by-law, as the case may be;</li> </ul>
<p>“Owner”</p>	<p>Owner” :</p> <ul style="list-style-type: none"> <li>(ix) any legal person, including but not limited to:                             <ul style="list-style-type: none"> <li>(i) a company registered in terms of the Companies Act, 1973, a trust, a close corporation registered in terms of the Close Corporations Act, 1984; as amended by the Companies Act, 2008;</li> </ul> </li> </ul>

Existing Rates Policy	Recommended 2014
	<ul style="list-style-type: none"> <li>(ii) any department of state;</li> <li>(iii) any council or board established in terms of any legislation applicable to the Republic of South Africa;</li> <li>(iv) any embassy or other foreign entity.</li> </ul>
<p>“Pensioner” refers to a person who is at least 60 years of age and is in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council;</p>	<p>“Pensioner” means a person whom -</p> <ul style="list-style-type: none"> <li>(i) is at least than 60 years of age on date of application, provided that where couples are married in community of property and the property is registered in both their names , the age of the eldest will be the qualifying factor;</li> <li>(ii) is the registered owner of the property or registered as “life right use” tenant in deeds office;</li> <li>(iii) is in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council;</li> <li>(iv) is the owner/occupant and account holder of the property concerned, which will consist of one dwelling only and no part thereof will be sub-leased;</li> <li>(v) must reside permanently on the property concerned which consists of one dwelling only; and</li> <li>(vi) a person who is a mentally and/or physically disabled person complying with the requirements in (i) to (v) above.</li> </ul>
<p>2.1 Introduction Property rates are the most reliable source of revenue for the municipality. Services financed from rates include installation and maintenance of streets, roads, sidewalks, streetlights, and stormwater drainage facilities, building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration such as computer equipment, stationery, and costs of governance, such as council and community meetings, which facilitate community participation on issues of IDPs and municipal budgets.</p>	<p>2.1 Introduction Property rates are the most reliable source of revenue for the municipality. Services financed from rates include installation and maintenance of streets, roads, sidewalks, streetlights, and stormwater drainage facilities, building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration such as computer equipment, stationery, and costs of Governance, such as Council and community meetings, which facilitate community participation on issues of IDPs and municipal budgets.</p>
<p>5.2 Rating (d) farm properties used for:</p> <ul style="list-style-type: none"> <li>(i) agricultural purposes;</li> <li>(ii) other business and commercial purpose;</li> <li>(iii) residential purposes; or</li> </ul>	<p>5.2 Rating (d) farm properties used for:</p> <ul style="list-style-type: none"> <li>(i) agricultural purposes;</li> <li>(ii) residential purposes;</li> <li>(iii) industrial purposes;</li> <li>(iv) business and commercial purposes; or</li> </ul>

Existing Rates Policy	Recommended 2014																																				
(iv) purposes other than those specified above;	(v) purposes other than those specified above;																																				
<p>5.4 Ratios farm properties used for:</p> <table border="0"> <tr> <td>i. agricultural purposes;</td> <td>0.25</td> </tr> <tr> <td>ii. other business and commercial purpose;</td> <td>2.00</td> </tr> <tr> <td>iii. residential purposes; or</td> <td>1.00</td> </tr> <tr> <td>iv. purposes other than those specified above</td> <td>0.25</td> </tr> </table> <p>smallholdings used for:</p> <table border="0"> <tr> <td>i. agricultural purposes;</td> <td>0.25</td> </tr> <tr> <td>ii. residential purposes;</td> <td>1.00</td> </tr> <tr> <td>iii. business and commercial purposes;</td> <td>2.00</td> </tr> <tr> <td>iv. purposes other than those specified above;</td> <td>0.25</td> </tr> </table>	i. agricultural purposes;	0.25	ii. other business and commercial purpose;	2.00	iii. residential purposes; or	1.00	iv. purposes other than those specified above	0.25	i. agricultural purposes;	0.25	ii. residential purposes;	1.00	iii. business and commercial purposes;	2.00	iv. purposes other than those specified above;	0.25	<p>5.4 Ratios farm properties used for:</p> <table border="0"> <tr> <td>v. agricultural purposes</td> <td>0.25</td> </tr> <tr> <td>vi. residential purposes</td> <td>1.00</td> </tr> <tr> <td>vii. industrial purposes</td> <td>2.50</td> </tr> <tr> <td>viii. business and commercial purposes</td> <td>2.00</td> </tr> <tr> <td>ix. purposes other than those specified above</td> <td>0.25</td> </tr> </table> <p>smallholdings used for:</p> <table border="0"> <tr> <td>i. agricultural purposes</td> <td>0.25</td> </tr> <tr> <td>ii. residential purposes</td> <td>1.00</td> </tr> <tr> <td>iii. industrial purposes</td> <td>2.50</td> </tr> <tr> <td>iv. business and commercial purposes</td> <td>2.00</td> </tr> <tr> <td>v. purposes other than those specified above</td> <td>0.25</td> </tr> </table> <p><i>Alignment to rating categories</i></p>	v. agricultural purposes	0.25	vi. residential purposes	1.00	vii. industrial purposes	2.50	viii. business and commercial purposes	2.00	ix. purposes other than those specified above	0.25	i. agricultural purposes	0.25	ii. residential purposes	1.00	iii. industrial purposes	2.50	iv. business and commercial purposes	2.00	v. purposes other than those specified above	0.25
i. agricultural purposes;	0.25																																				
ii. other business and commercial purpose;	2.00																																				
iii. residential purposes; or	1.00																																				
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vi. residential purposes	1.00																																				
vii. industrial purposes	2.50																																				
viii. business and commercial purposes	2.00																																				
ix. purposes other than those specified above	0.25																																				
i. agricultural purposes	0.25																																				
ii. residential purposes	1.00																																				
iii. industrial purposes	2.50																																				
iv. business and commercial purposes	2.00																																				
v. purposes other than those specified above	0.25																																				
8.4 Pensioners (b) produce a valid South African identity document;	8.4 Pensioners (b) produce a valid South African identity document ;																																				
8.5 Disability Grantees (c) produce a valid South African identity document;	8.5 Disability Grantees (c) produce a valid South African identity document;																																				
8.15 Exemption, reduction and rebates effective date	<p>8.15 Exemption, reduction and rebates effective date</p> <p>8.15.1 Exemptions and reductions as prescribed in terms of the Act will be applicable as from the effective date of entry in current general valuation roll or supplementary valuation roll, compiled in terms of Sections 32 and 78 of the Act.</p> <p>8.15.2 Application-based rebates as approved by Council from time to time, will be effective as from date when all qualifying criteria in terms of rebate has been met, but not exceeding the effective date of entry in current general valuation roll or supplementary valuation roll, compiled in terms of Sections 32 and 78 of the Act.</p>																																				



<b>PROPERTY RATES BY-LAW</b>	
<b>Existing</b>	<b>Recommended 2014</b>
<b>Rates Policy</b>	<b>All references to rates amended to ‘Property Rates Policy’</b>
<p><b>5. Short title and commencement</b> This by-law is the Property Rates By-law, and takes effect on 1 July 2009.</p>	<p><b>5. Short title and commencement</b> This by-law, called the Property Rates By-law of the EMM, takes effect from the date of approval by Council.</p>

**PROVISION OF FREE BASIC ELECTRICITY POLICY (Refer to Annexure H)**

<b>Existing</b>	<b>Recommended 2014</b>
<b>Provision of FBS Policy</b>	
<b>CONTENTS</b>	<b>CONTENTS</b>
<p>1. ALLOCATION OF FREE BASIC ELECTRICITY</p> <p>2. APPLICATION PROCEDURE FOR NON-PROFIT ORGANISATIONS</p> <p>3. APPLICATION PROCEDURE FOR INDIVIDUALS RECEIVING ELECTRICITY IN BULK</p> <p>4. GENERAL PROVISIONS</p> <p>5. DEVIATION FROM THE FREE BASIC ELECTRICITY POLICY</p>	<p>1. OBJECTIVES OF POLICY</p> <p>2. ALLOCATION OF FREE BASIC ELECTRICITY</p> <p>3. APPLICATION PROCEDURE FOR NON-PROFIT ORGANISATIONS</p> <p>4. APPLICATION PROCEDURE FOR INDIVIDUALS RECEIVING ELECTRICITY IN BULK</p> <p>5. GENERAL PROVISIONS</p> <p>6. DEVIATION FROM THE FREE BASIC ELECTRICITY POLICY</p>

Existing	Recommended 2014
<b>Provision of FBS Policy</b>	
	<p><b>1. OBJECTIVES OF POLICY</b></p> <ul style="list-style-type: none"> <li>▶ To comply with the provisions of the Constitution of the Republic of South Africa.</li> <li>▶ To comply with the provisions of the Electricity Regulation Act 4 of 2006.</li> <li>▶ To ensure compliance with the Municipal Systems Act No. 32, 2000.</li> <li>▶ To comply with the provisions of the Municipal Finance Management Act 56, 2003.</li> <li>▶ To comply with the Electricity Pricing Policy Government Notice 1398 of 2008.</li> <li>▶ To comply with the Electricity Basic Services Support Tariff (Free Basic Electricity) Policy Government Notice 1693 Of 2003.</li> <li>▶ To ensure affordability of basic services to the community.</li> </ul>
<p>1.1.2 residents using electricity for residential purposes within the Eskom supplied area inside EMM and a contract exists whereby Ekurhuleni pays Eskom to supply free basic electricity to these customers.</p>	<p>2.1.3 residents using electricity for residential purposes within the Eskom supplied area inside EMM on the Eskom Home light tariff, and a contract exists whereby Ekurhuleni pays Eskom to supply free basic electricity to these customers.</p>
<p>1.3 when the applicant residing in a private residential complex that receives electricity in bulk from Ekurhuleni satisfies the criteria listed below: The applicant shall be a pensioner and/or mentally challenged and/or physically challenged person. When the applicant uses electricity at a historical average of no more than 450 kWh per month (calculated over a six-month period or if occupation took place less than six months prior to the date of application calculated from the date of occupation). The applicant must have received, for the preceding 12 months, a joint maximum average income of R10 000 or less per month. The applicant is the occupant of the dwelling concerned, which consists of one dwelling only and no part thereof will be subleased.</p>	<p>2.3 when the applicant residing in a private residential complex that receives electricity in bulk from Ekurhuleni satisfies the criteria listed below: The applicant shall be a pensioner and/or mentally challenged and/or physically challenged person. When the applicant uses electricity at a historical average of no more than 450 kWh per month (calculated over a 12-month period or if occupation took place less than 12 months prior to the date of application calculated from the date of occupation). The applicant must have received, for the preceding 12 months, a joint maximum average income of R11 500 or less per month. The applicant is the occupant of the dwelling concerned, which dwelling consists of one dwelling only and no part thereof will be sublet.</p>

Existing	Recommended 2014
<p><b>Provision of FBS Policy</b></p> <p>3.3 The application must also be accompanied by an affidavit from the Board of Trustees or owner stating that an allocation of FBE, when received on a monthly basis in the form of a rebate on the bulk account, shall be passed through to the approved applicant, and also indicate that the applicant's electricity consumption per month is below the determined average of 450 kWh units per month, measured over the last six months (or lesser time period, if not residing there for six months).</p>	<p>4.3 The application must also be accompanied by an affidavit from the Board of Trustees or owner stating that an allocation of FBE, when received on a monthly basis in the form of a rebate on the bulk account, shall be passed through to the approved applicant, and also indicate that the applicant's electricity consumption per month is below the determined average of 450 kWh units per month, measured over the last 12 months (or lesser time period, if not residing there for 12 months).</p>
<p><b>5. DEVIATION FROM THE FREE BASIC ELECTRICITY POLICY</b></p> <p>Any deviation from the Free Basic Electricity Policy must be approved in writing by the chief financial officer.</p>	<p><b>6. DEVIATION FROM THE FREE BASIC ELECTRICITY POLICY</b></p> <p>Any deviation from the Free Basic Electricity Policy must be approved in writing by the chief financial officer.</p> <p>NOTE: The reference to “they” in the above sentences is a reference to the department concerned and its personnel.</p> <p>The term “shall” is used throughout this document to indicate those provisions which, are considered to be mandatory.</p> <p>The term “should” is used to indicate those provisions which, although not mandatory, are provided as a recognised means of meeting the requirements.</p> <p>The term “may” is used to indicate something which is permitted.</p> <p>The term “can” is used to indicate a possibility or a capability.</p>

**WASTE MANAGEMENT TARIFF POLICY (refer to Annexure I)**

The Waste Management Tariff Policy has been reviewed in totality.

**CONSUMER DEPOSIT POLICY (refer to Annexure J)**

The following changes were effected:

Existing	Recommended 2014
<b>Consumer Deposit Policy</b>	

Existing	Recommended 2014
<b>Consumer Deposit Policy</b>	
NOW THEREFORE the Council of the EMM adopted the following Deposit Policy at the Council meeting held at the end of May 2013.	NOW THEREFORE the Council of the EMM adopted the Consumer Deposit Policy as set out hereunder:
<b>DEFINITIONS</b>	<b>DEFINITIONS</b>
<p><b>“Consumer”</b> means customer.</p>	<p><b>“Consumer”</b> means any occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, the owner of the premises and or recipient and or consumer of various services rendered by the municipality. A customer will therefore be deemed a customer by virtue of receiving, consuming and or utilising any facility, equipment, service rendered by the municipality and or a municipal entity or an agent as appointed by the municipality.</p>
<p><b>“Council”</b> means:</p> <ul style="list-style-type: none"> <li>(a) the “municipality” and vice versa;</li> <li>(b) the Council of the EMM exercising its legislative and executive authority through the municipality.</li> <li>(c) its successor in title; or</li> <li>(d) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in Section 59 of the Act;</li> <li>(e) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of Section 81(2) of the act, or any other by-law, as the case may be.</li> </ul>	<p><b>“Council”</b> means:</p> <ul style="list-style-type: none"> <li>(a) the “municipality” and vice versa;</li> <li>(b) <i>the Council of the EMM established by Provincial Notice No. 6768, as amended, exercising its legislative and executive authority through the municipality;</i></li> <li>(c) its successor in title; or</li> <li>(d) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in Section 59 of the Act;</li> <li>(e) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of Section 81(2) of the act, or any other by-law, as the case may be. <i>Standardisation from Indigent Policy</i></li> </ul>
<p><b>“Customer”</b> means any occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, the owner of the premises and or recipient and or consumer of various services rendered by the municipality. A customer will therefore be deemed a customer by virtue of receiving, consuming and or utilising any facility, equipment, service rendered by the municipality and or a municipal entity or an agent as appointed by the municipality.</p>	<p><b>“Customer”</b> means Consumer”</p>

**INDIGENT SUPPORT POLICY (refer to Annexure K)**

The following changes were effected:

<p><b>Introduction</b></p> <p>The Indigent Support Policy is a legal imperative, a tool designed to ensure that some aspects of the Constitution of the Republic of South Africa, in terms of service delivery and access to such basic services are realised. The policy is a result of continuous prevalence of indigence and poverty within communities. This policy therefore is a tool of intervention to alleviate the plight and to encourage indigent households to live within affordable consumption levels. The Indigent Support Policy is mindful of the Bill of Rights in its attempt to discharge the government’s mandate. This policy must be read in conjunction with the Credit Control Policy and related legislative frameworks.</p>	<p><b>Introduction</b></p> <p>The Indigent Support Policy is a legal imperative, a tool designed to ensure that persons and households classified as indigent have access to basic services as defined in the Constitution of the Republic of South Africa, Act No. 108 of 1996. The policy is a result of continuous prevalence of indigence and poverty within communities. This policy therefore is a tool of intervention to alleviate the plight and to encourage indigent households to live within affordable consumption levels. The Indigent Support Policy is aimed at ensuring that the state fulfil its constitutional obligation contained in the Bill of Rights. This policy must be read in conjunction with the Credit Control Policy and applicable legislative frameworks.</p>
<p><b>OBJECTIVE OF POLICY</b></p> <p>The objective of the Indigent Support Policy is to ensure:</p> <p>(a) the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the EMM.</p> <p>(b) the establishment of procedures and guidelines for the effective subsidisation of basic service charges to approved indigent households, within budgetary and intergovernmental grant guidelines.</p>	<p><b>OBJECTIVE OF POLICY</b></p> <p>The objective of the Indigent Support Policy is to ensure:</p> <p>(a) the provision of basic services to indigent households in communities falling under the jurisdiction of the EMM in a sustainable manner, within the financial and administrative capacity of the EMM.</p> <p>(b) the establishment of procedures and guidelines for the effective subsidisation of basic service charges to such approved indigent households, within budgetary and intergovernmental grant guidelines.</p>
<p><b>Principles of Policy</b></p> <p>The following are the guiding principles for the formulation of an Indigent Support Policy:</p> <p>(a) the Indigent Support Policy must be formulated in accordance with the Constitution of the Republic of South Africa, Act 108 of 1996 and other related legislation.</p>	<p><b>Principles of Policy</b></p> <p>The following are the guiding principles for the formulation of an Indigent Support Policy:</p> <p>(a) the Indigent Support Policy must be formulated in accordance with the Constitution of the Republic of South Africa, 1996, (Act No 108 of 1996 and other applicable legislation, amongst others, the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) which provides that everybody has a right to administrative justice that is lawful, reasonable and procedurally fair.</p>
<p><b>DEFINITIONS</b></p>	<p><b>DEFINITIONS</b></p>

<p>Council means:</p> <p>(a) the Council of the EMM established by Provincial Notice No. 6768, as amended, exercising its legislative and executive authority through the municipality; or</p> <p>(b) its successor in title; or</p> <p>(c) a structure or person exercising a delegated power or carrying out an instruction, where any power has been delegated or sub-delegated, or an instruction given, as contemplated in Section 59 of the Act; or</p> <p>(d) a service provider fulfilling a responsibility, assigned to it in terms of Section 81(2) of the act, or any other by-law or policy, as the case may be.</p>	<p>Council means:</p> <p>a) the “municipality” and vice versa;</p> <p>b) the Council of the EMM established by Provincial Notice No. 6768, as amended, exercising its legislative and executive authority through the municipality;</p> <p>c) its successor in title; or</p> <p>d) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in Section 59 of the Act; or</p> <p>e) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of Section 81(2) of the act, or any other by-law, as the case may be.</p>
<p><b>Deemed Indigent</b></p>	<p><b>Deemed Indigent</b></p> <p>means individuals who live together in a single residential property and qualify for indigent relief based on the use and value of the property as determined in terms of general valuation roll.</p>
<p><b>Dependant</b></p>	<p><b>Dependant</b></p> <p>means a person under the age of 18 years who is financially dependent and resides permanently with the owner and/or tenant of property in a single residential property within the area of jurisdiction of EMM.</p>
<p><b>Illegal Connection</b></p>	<p><b>Illegal Connection</b></p> <p>a connection to any system through which municipal services are provided, which is not authorised or approved by the municipality or its authorised agent.</p>
<p><b>9.1 Household</b></p>	<p><b>9.1 Registered Household</b></p>
<p><b>9.1.3 Exclusions</b></p>	<p><b>9.1.3 Exclusions – Registered Households</b></p>
<p><b>9.2 Deemed Indigent Households</b></p>	<p><b>9.2 Deemed Indigent Households</b></p> <p><b>NEW SECTION</b></p> <p>Households within the following categories of properties will be deemed to be Indigent Households :</p> <p>(a) the property is used for residential purposes only as reflected in General Valuation Roll;</p> <p>(b) residential exclusion as per Property Rates Act (6 of 2004) is applicable to the property;</p> <p>(c) municipal value of property does not exceed <b>maximum value R 150 000.</b></p> <p><b>9.2.1 Exclusions – Deemed Indigent</b></p>

	<p><b>Households</b></p> <p>Indigent relief will be withdrawn whereupon verification, the Deemed Indigent Household, including occupants / residents and / or dependants residing on the property, as the case may be:</p> <ul style="list-style-type: none"> <li>(a) receive significant benefits or regular monetary income that is above the indigent qualification threshold;</li> <li>(b) owner of property own more than one property, registered individually or jointly.</li> <li>(c) owner of property rent or sublease his property or part thereof to any third party.</li> <li>(d) deemed indigent household tampers or illegally connects or reconnects services.</li> <li>(e) business activities are being conducted on property.</li> <li>(f) properties registered in name of National, Provincial or Local Government</li> <li>(g) owner of property applies to be excluded from Deemed Indigent relief.</li> <li>(h)</li> </ul>
<p><b>10 Extent of Indigent Support</b></p>	<p><b>10 Extent of Indigent Support</b></p>
	<p><b>10.1 Registered Indigent Household / Person</b></p>
<p>(e) a household may apply for the continuation of relief on expiry of relief period as specified in Section 10 below - subject to compliance with policy qualification criteria.</p>	<p>(e) a household may apply for the continuation of relief on expiry of relief period as specified in <u>Section 11 below</u> - subject to compliance with policy qualification criteria.</p>
	<p><b>10.2 Deemed Indigent Household</b></p> <ul style="list-style-type: none"> <li>(a) Indigent support will be given on a monthly basis, and the extent of the monthly support will be determined by the national policy guidelines and the Council's budgetary provisions in respect of: <ul style="list-style-type: none"> <li>(i) free basic water</li> <li>(ii) free refuse collection</li> <li>(iii) free basic electricity or energy (depending on which service level is applicable)</li> <li>(iv) free basic sanitation</li> <li>(v) assessment rates.</li> </ul> </li> <li>(b) the level of indigent support granted shall not exceed the actual monthly billing to the account in respect of the</li> </ul>

	<p>services referred to in the preceding paragraph.</p> <p>(c) the relief will be subject to national policy guidelines and the Council's budgetary provisions.</p> <p>(d) the recipient's monthly account will be credited with the amount of indigent relief granted in terms of this policy.</p>
<p><b>12. ADMINISTRATION OF INDIGENT SUPPORT</b></p> <p>(g) appropriate disciplinary measures as prescribed by the Council, shall be imposed on people who misuse the system and provide incorrect information. Penalty of up to R5 000 may be raised on account if false information was supplied on which Council approved indigent status and subsequent financial benefits. Failure to pay or make payment arrangement within three months shall compel Council to take legal action.</p>	<p><b>12. ADMINISTRATION OF INDIGENT SUPPORT</b></p> <p>(g) Relief will be stopped with immediate effect if it is found that an approved indigent has supplied information known to have been untrue in order to obtain relief. It will further be stopped if it is discovered that an approved indigent failed to inform EMM of changes in his/her/their financial circumstances which would disqualify them from receiving assistance in terms of this policy. Providing misleading information constitutes fraud and EMM may claim any financial benefits that have been granted, from the indigent. In addition to having to repay the financial benefits, the indigent who has received the benefits will be guilty of committing an act of fraud which is a criminal offence and criminal charges may be brought against such person/s.</p>
<p><b>13. CONTROL MEASURES FOR THE DISTRIBUTION OF INDIGENT SUPPORT</b></p> <p>(a) the task team consisting of relevant officials and nominated councillors from various committees of council shall meet quarterly to ensure the implementation of the indigent support programme.</p> <p>(b) any resident of the municipality who is aware of malpractice may lodge an objection to the council for granting such relief to such a person.</p> <p>(c) the details of all applicants and their respective households must be submitted to the Council on a quarterly basis.</p> <p>(d) the following particulars of new recipients of indigent support must be displayed on the notice board at the cashier's offices of the Council for a period of 14 days:</p> <p>(i) Names of households receiving relief for the prescribed period</p>	<p><b>13. CONTROL MEASURES FOR THE DISTRIBUTION OF INDIGENT SUPPORT</b></p> <p>(a) any resident of the municipality who is aware of malpractice may lodge an objection to the Council for granting such relief to such a person.</p> <p>(b) the details of all applicants and their respective households must be submitted to the Council on a quarterly basis.</p>



<p>(ii) Stand number where services are rendered to the recipients</p> <p>(iii) Number of dependants residing on the property.</p> <p>(e) any resident of the municipality may, within 14 days from the date of publication of the notice referred to in paragraph above lodge a written objection to the Council for the granting of such relief to such a person.</p>	
<p><b>14. CORRECTIVE STEPS</b></p> <p>If the extent of the indigent support as per Section 10 above is exceeded the following will be implemented:</p> <p>(a) Installation of a <b>pre-paid electrical meter.</b></p> <p>(b) Installation of a <b>water demand meter.</b></p>	<p><b>14. CORRECTIVE STEPS</b></p> <p>If the extent of the indigent support as per Section 10 above is exceeded the following <u>may</u> be implemented:</p> <p>(a) Installation of a <b>pre-paid electrical meter.</b></p> <p>(b) Installation of a <b>water demand meter.</b></p>
<p><b>16. EXITING THE PROGRAMME</b></p> <p>All approved applicants will be captured in the indigent database, from which all skills development and job creation programmes developed by the EMM will draw their intake from.</p>	<p><b>16. EXITING THE PROGRAMME</b></p> <p>All approved applicants will be captured in the indigent database, from which all skills development and job creation programmes developed by the <u>EMM</u> will draw their intake from.</p>

**CREDIT CONTROL AND DEBT COLLECTION POLICY (refer to Annexure L)**

The following changes were effected:

<b>DEFINITIONS</b>	<b>DEFINITIONS</b>
<p><b>Credit Control Policy</b></p> <p>Council means:</p> <p>(a) the “municipality” and vice versa;</p> <p>(b) the Council of the EMM exercising its legislative and executive authority through the municipality;</p> <p>(c) its successor in title; or</p> <p>(d) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in Section 59 of the Act; or</p> <p>(e) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of Section 81(2) of the act, or any other by-law, as the case may be.</p>	<p>Council means:</p> <p>(a) the “municipality” and vice versa;</p> <p>(b) the Council of the EMM established by Provincial Notice No. 6768, as amended, exercising its legislative and executive authority through the municipality;</p> <p>(c) its successor in title; or</p> <p>(d) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in Section 59 of the Act;</p> <p>(e) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of Section 81(2) of the act, or any other by-law, as the case may be.</p>

<p><b>Customer</b> means any occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, the owner of the premises and or recipient and or consumer of various services rendered by the municipality. A customer will therefore be deemed a customer by virtue of receiving, consuming and or utilising any facility, equipment, service rendered by the municipality and or a municipal entity or an agent as appointed by the municipality.</p>	<p><b>Consumer</b> means any occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, the owner of the premises and or recipient and or consumer of various services rendered by the municipality. A customer will therefore be deemed a customer by virtue of receiving, consuming and or utilising any facility, equipment, service rendered by the municipality and or a municipal entity or an agent as appointed by the municipality;</p>
	<p><b>Customer</b> means <b>Consumer</b></p>

<p>5.7 Arrear Accounts</p> <p>(a) The Council or its duly appointed agents may, in addition to the normal civil legal steps to secure payment of accounts that are in arrears, take the following actions to secure payment for property rates, municipal services, interest, penalties and other related charges namely:</p> <p>(i) termination and/or restriction of the provision of any municipal services in accordance with paragraph 7; and</p> <p>(ii) allocation of the full or portion of a payment of an account, or the full or portion of pre-paid service payment, as payment for arrears in accordance with paragraph 5.6.</p> <p>(f) Proof of registration as an indigent customer must be handed to the council on or before the required date of payment contemplated in 5.5(a).</p>	<p>5.7 Arrear Accounts</p> <p>(a) The Council or its duly appointed agents may, in addition to the normal civil legal steps to secure payment of accounts that are in arrears, take the following actions to secure payment for property rates, municipal services, interest, penalties and other related charges namely:</p> <p>(i) termination and/or restriction of the provision of any municipal services in accordance with paragraph 7; and</p> <p>(ii) allocation of the full or portion of a payment of an account, or the full or portion of pre-paid service payment, as payment for arrears in accordance with paragraph 5.7.</p> <p>(f) Proof of registration as an indigent customer must be handed in to the Council on or before the required date of payment contemplated in 5.5(a).</p>
<p><b>5.7 COST TO REMIND CUSTOMERS OF ARREARS.</b></p>	<p><b>5.8 COST TO REMIND CUSTOMERS OF ARREARS.</b></p>
<p>5.9 PAYMENT ALLOCATION PRIORITIES</p>	<p>5.9 Payment Allocation Priorities</p> <p>Payments received in respect of consolidated debt will be allocated in the following priority order, with oldest outstanding debt being settled first irrespective of date of payment :</p> <p>Priority Category</p> <ol style="list-style-type: none"> <li>1. Deposit raised</li> <li>2. Arrangement instalment</li> <li>3. Balance brought forward from previous financial system</li> <li>4. Cash</li> <li>5. Abeyance debt</li> <li>6. Clearance debt in terms of Section</li> </ol>

<p>7.1 General</p> <p>(a) The council or duly appointed agent may terminate and/or restrict the supply of water, electricity or in the case of pre-paid electricity withhold the selling of electricity in terms of the prescribed disconnection procedures, or discontinue any other service to any premises associated with the customer, whenever a consumer of any service –</p> <p>(i) after the expiry of the period for payment in terms of the final demand/ notice referred to in section 5.6 fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for municipal services, property rates or taxes or other amounts due in terms of this policy;</p> <p>(ii) no proof of registration as an indigent was furnished within the period provided for in the final demand/ notice referred to in section 5.6.</p>	<p>118 (inside and outside)</p> <p>7. Disconnection fees</p> <p>8. Legal costs</p> <p>10. Interest services</p> <p>11. Interest other</p> <p>12. Interest housing</p> <p>13. Interest loans</p> <p>15. Assessment rates</p> <p>20. Refuse service debt</p> <p>25. Sewer service debt</p> <p>30. Water service debt</p> <p>35. Electricity service debt</p> <p>40. Rental charges</p> <p>45. Hostel fees</p> <p>50. Housing charges</p> <p>55. Ambulance fees</p> <p>60. Emergency fees</p> <p>65. Improvement district</p> <p>70. Loans</p> <p>99. Other (any other service debt raised to account)</p> <p>7.1 General</p> <p>(a) The council or duly appointed agent may terminate and/or restrict the supply of water, electricity or in the case of pre-paid electricity withhold the selling of electricity in terms of the prescribed disconnection procedures, or discontinue any other service to any premises associated with the customer, whenever a consumer of any service:</p> <p>(i) after the expiry of the period for payment in terms of the final demand/notice referred to in section <b>5.7</b> fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for municipal services, property rates or taxes or other amounts due in terms of this policy;</p> <p>(ii) no proof of registration as an indigent was furnished within the period provided for in the final demand/notice referred to in section <b>5.7</b>.</p>
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<p>9.1 General Principles</p> <p>(c) If applicant is a company, close corporation, trust in terms of the Trust Property Control Act No. 57 of 1988, home owners association or a body corporate in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), debt repayment arrangement to be signed by duly authorised member.</p>	<p>9.1 General Principles</p> <p>(c) If applicant is a company, close corporation, trust in terms of the Trust Property Control Act No. 57 of 1988, home owners association or a body corporate in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), debt repayment arrangement to be signed by duly authorised member with submission of signed deed of personal surety in terms of 6(d) by each of listed directors, members or trustees of such juristic person.</p>
<p>9.2 Duration and Conditions for Payment</p> <p>(k) In the case of multiple defaults the following steps may be undertaken</p> <p>(l) Installation of water management devices as determined by the Council from time to time;</p> <p>(m) Installation of a pre-paid electricity meter or equivalent as determined by Council from time to time;</p> <p>(n) A copy of the agreement must be made available to the consumer.</p>	<p>9.2 Duration and Conditions for Payment</p> <p>(k) In the case of multiple defaults the following steps may be undertaken</p> <p>(i) Installation of water management devices as determined by the Council from time to time;</p> <p>(ii) Installation of a pre-paid electricity meter or equivalent as determined by council from time to time;</p> <p>(l) A copy of the agreement must be made available to the consumer.</p>
<p>11 Legal Action</p> <p>(b) If after giving notification in terms of Section 11(1) such debt remains outstanding, legal proceedings will be instituted through court of competent jurisdiction, against customer.</p>	<p>11 Legal Action</p> <p>(b) If after giving notification in terms of Section <b>11(a)</b> such debt remains outstanding, legal proceedings will be instituted through court of competent jurisdiction, against customer.</p>
<p>12 Dishonoured Payments</p> <p>(e) Where a payment referred to in Section <b>11(a)</b> was tendered and any debt management action in terms of this policy was suspended as result of deemed payment, such debt management action shall continue without further notice to such customer.</p>	<p>12 Dishonoured Payments</p> <p>(e) Where a payment referred to in Section <b>12(a)</b> was tendered and any debt management action in terms of this policy was suspended as result of deemed payment, such debt management action shall continue without further notice to such customer.</p>

<p>16 Fraud Theft</p> <p>(b) Illegal connection, reconnection or tampering with a service supply of Council is considered a criminal offence which will result in legal actions being taken.</p>	<p>16 Fraud Theft</p> <p>(b) Illegal connection, reconnection or tampering with a service supply of Council is considered a criminal offence which will result in legal actions being taken and the immediate cancellation of user agreement between Council and consumer.</p> <p>(c) Council reserves the right to refuse service agreement with tenant where illegal connection, reconnection or tampering with service supply has been identified and as such will only consider new consumer agreement with owner of property.</p>
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**CREDIT CONTROL AND DEBT COLLECTION BY-LAWS**

The following changes were effected:

DEFINITIONS	DEFINITIONS
<b>Credit Control and Debt Collection By-Laws Policy</b>	
<p>Preamble WHEREAS the EMM has adopted a Credit Control and Debt Collection Policy on 30 November 2006:</p>	<p>Preamble Removed – effective date reference</p>
<p><b>2. Objective of the BY-LAW</b> The objective of this by-law is to:</p> <ul style="list-style-type: none"> <li>i. ensure that all monies due and payable to the Council are collected;</li> <li>ii. provide for customer management, credit control procedures and mechanisms and debt collection procedures and mechanisms;</li> <li>iii. provide for indigents in a way that is consistent with rates and tariff policies and any national policy on indigents;</li> <li>iv. provide for extension of time for payment of accounts;</li> <li>v. provide for charging of interest on arrears, where appropriate;</li> <li>vi. provide for termination of services or the restriction of the provision of services when payments are in the arrears;</li> <li>vii. provide for matters relating to unauthorised consumption of services, theft and damages.</li> </ul>	<p><b>2. Objective of the BY-LAW</b> The objective of this by-law is to:</p> <ul style="list-style-type: none"> <li>(a) provide for customer management, credit control procedures and mechanisms and debt collection procedures and mechanisms;</li> <li>(b) provide for indigents in a way that is consistent with rates and tariff policies and any national and / or local policy on indigents ;</li> <li>(c) set realistic targets consistent with:                             <ul style="list-style-type: none"> <li>(i) generally recognised accounting practices and collection ratios; and</li> <li>(ii) the estimates of income set in the budget less an acceptable provision for bad debts;</li> </ul> </li> <li>(d) provide for charging of interest on arrears, where appropriate;</li> <li>(e) provide for extensions of time for payment of accounts;</li> <li>(f) provide for termination of services or the restriction of the provision of services when payments are in the arrears;</li> <li>(g) provide for matters relating to unauthorised consumption of</li> </ul>

	<p>services, theft and damages.</p> <p>(h) provide for actions that may be taken by the municipality to secure payment of accounts that are in arrears including:</p> <ul style="list-style-type: none"> <li>(i) The termination of municipal services or the restriction of the provision of services</li> <li>(ii) The seizure of property</li> <li>(iii) The attachment of rent payable on a property</li> <li>(iv) The extension of liability to a director, trustee or a member if the debtor is a company, a trust or a close corporation.</li> </ul> <p>(i) provide for alternative debt repayment arrangements in accordance with the terms and conditions of this policy.</p> <p>(j) create an environment which enables a customer to repay the outstanding debt and establish culture of payment for services rendered by the municipality.</p> <p>(k) effectively and efficiently deal with defaulters in accordance with the terms and conditions of this policy.</p> <p>(l) provide for procedures and mechanisms to ensure that all monies due and payable to the municipality are collected.</p>
<p><b>3 Application of By-law</b>                  This by-law shall only apply to money due and payable to the Council and municipal entity in respect of which the municipality is the parent municipality for:</p> <ul style="list-style-type: none"> <li>a. Assessment rates and taxes levied on the property</li> <li>b. Fees, surcharges on fees, charges and tariffs in respect of municipal services, such as:                         <ul style="list-style-type: none"> <li>i. provision of water</li> <li>ii. refuse removal</li> <li>iii. sewerage</li> <li>iv. removal and purification of sewerage</li> <li>v. electricity consumption</li> <li>vi. municipal services provided through prepaid meters</li> <li>vii. all other related costs for services rendered in terms of the property</li> </ul> </li> <li>viii. interest which has accrued or will accrue in respect of money due and payable to the</li> </ul>	<p><b>3.1 Applicable Items</b>                  This by-law shall apply to, but not be limited to, monies due and payable to the municipality and municipal entity for:</p> <ul style="list-style-type: none"> <li>(a) Property rates</li> <li>(b) Municipal tax</li> <li>(c) Fees, surcharges on fees, charges and tariffs in respect of municipal services, such as:                         <ul style="list-style-type: none"> <li>(i) provision of water</li> <li>(ii) refuse removal</li> <li>(iii) sewerage</li> <li>(iv) the removal and purification of sewerage</li> <li>(v) electricity consumption</li> <li>(vi) Rental and or leasing of equipment, land, buildings and facilities of all types</li> <li>(vii) interest which has accrued or will accrue in respect of money due and payable to the</li> </ul> </li> </ul>

<p>Council</p> <p>ix. collection charges in those cases where the Council is responsible for:</p> <p>(aa) the rendering of municipal accounts in respect of any one or more of the municipal services</p> <p>(bb) the recovery of amounts due and payable in respect thereof, irrespective whether the municipal services, or any of them, are provided by the Council itself or by a service utility with which it has concluded a service provider agreement to provide a service on the municipality's behalf</p>	<p>municipality</p> <p>(viii) burial fees</p> <p>(ix) dumping of refuse</p> <p>(x) collection charges in those cases where the municipality is responsible for:</p> <p>(aa) the rendering of municipal accounts in respect of any one or more of the municipal services</p> <p>(bb) the recovery of amounts due and payable in respect thereof, irrespective whether the municipal services, or any of them, are provided by the municipality itself or by a service utility with which it has concluded an agreement to provide a service on the municipality's behalf</p> <p>(xi) any other charges levied from time to time</p> <p><b>3.2</b> This by-law shall apply to municipal services provided through pre-paid meters</p> <p>3.3 This by-law shall apply to any municipal entity of which the municipality is the parent municipality</p> <p>3.4 This by-law shall apply to customers within the official demarcated boundaries of the municipality, including newly demarcated areas as determined by the demarcation board from time to time</p> <p>3.5 This by-law shall apply to, but not be limited to, the following <b>categories of customers</b>:</p> <p>(a) Residential customers of the municipality</p> <p>(b) Business customers of the municipality</p> <p>(c) Non-governmental organisations for profit and non-profit</p> <p>(d) Educational institutions for profit and non-profit</p> <p>(e) Religious institutions</p> <p>(f) National, provincial and local government</p> <p>(g) State-owned entities</p> <p>(h) Any other category of customer as determined by the municipality from time to time</p>
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<p><b>4 Short Title</b> This by-law is the Credit Control and Debt Collection By-law, and takes effect on 1 July 2010.</p>	<p><b>4 Short Title</b> This by-law shall be called the property Credit Control and Debt Collection By-law of the EMM and takes effect from date of approval by Council.</p>
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**PROVISION FOR DOUBTFUL DEBTORS AND DEBTORS WRITE-OFF (refer to Annexure M)**

The following changes were effected:

Existing	Recommended 2014
<b>Provision for Doubtful Debtors and Debtors Write-off Policy</b>	
The policy, as amended, will be effective as from 1 July 2013.	NOW THEREFORE the Council of the EMM has adopted the Provision for Doubtful Debt and Debt Write-off Policy as set out hereunder:

**BUDGET IMPLEMENTATION AND MONITORING POLICY (refer to Annexure N)**

No change on the policy is proposed.

**ACCOUNTING POLICY (refer to Annexure P)**

The following changes were effected:

**Additions to the Policy**

**Deletions from the Policy**

Policy name	Description of change
Internal Reserves	Not a required policy by GRAP
Segmental Informational	Not a required policy by GRAP

**Changes to the Policy**

Policy name	Description of change
Employee benefits	Newly effective accounting standard replaces old accounting standard
Events after the reporting date	Additional information
Commitments	Additional information
Various	Enhancements due to revisions of standards etc.

Existing	Recommended 2014
<b>Accounting Policy</b>	



<p><b>2. PROPERTY, PLANT AND EQUIPMENT (PPE)</b>                  PPE is stated at cost less accumulated depreciation and accumulated impairment. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an infinite life.</p>	<p><b>1.2 PROPERTY, PLANT AND EQUIPMENT (PPE)</b>                  The cost of an item of PPE is recognised as an asset when:</p> <ul style="list-style-type: none"> <li>• it is probable that future economic benefits or service potential associated with the item will flow to the economic entity, and</li> <li>• the cost of the item can be measured reliably.</li> </ul> <p><u>PPE is initially measured at cost.</u>                  PPE is subsequently measured at cost less accumulated depreciation and any accumulated impairment. Land is not depreciated as it is deemed to have an infinite life.</p>
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Existing	Recommended 2014
<b>Accounting Policy</b>	
<p><b>1.3 INVESTMENT IN CONTROLLED ENTITIES</b>                  In the economic entity’s Separate Financial Statements, investments in controlled entities are accounted for at cost less any accumulated impairment.</p>	<p><b>1.3 INVESTMENT IN CONTROLLED ENTITIES</b>                  Delete</p>
<p><b>1.10 PROVISIONS AND CONTINGENCIES</b>  <b>a) COID Provision</b>                  The provision for COID pensions and medical aid liability is based on eligible members, their current age and their future life expectancy. Cash flows are projected on the basis of current pension payments escalated at 6.5% (2011 - 6.10%) per annum over members’ expected lives. Resulting cash flows have been discounted to net present value applying a discount rate of 11.00% (2011 - 11.50%).</p> <p><b>b) Landfill Rehabilitation Provision</b>                  The value of the provision is based on the expected future cost to rehabilitate the various sites discounted back to the balance sheet date at the cost of capital, which is currently 11.00% (2011 - 11.50%).</p>	<p><b>1.10 PROVISIONS AND CONTINGENCIES</b>  <b>a) COID Provision</b>                  The provision for COID pensions and medical aid liability is based on eligible members, their current age and their future life expectancy. Cash flows are projected on the basis of current pension payments escalated at 7.0% (2012 - 6.5%) per annum over members’ expected lives. Resulting cash flows have been discounted to net present value applying a discount rate of 10.75% (2012 - 11.00%).</p> <p><b>b) Landfill Rehabilitation Provision</b>                  The value of the provision is based on the expected future cost to rehabilitate the various sites discounted back to the balance sheet date at the cost of capital, which is currently 10.75% (2012 - 11.00%).</p>
<p><b>1.12 BORROWING COSTS</b>                  Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:</p> <ul style="list-style-type: none"> <li>• Actual borrowing costs on funds specifically borrowed for the purpose of</li> </ul>	<p><b>1.12 BORROWING COSTS</b>                  Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:</p> <ul style="list-style-type: none"> <li>• Actual borrowing costs on funds specifically borrowed for the purpose of</li> </ul>

<p>obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.</p> <ul style="list-style-type: none"> <li>Weighted average of the borrowing costs applicable to the economic entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.</li> </ul>	<p>obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.</p> <ul style="list-style-type: none"> <li>Weighted average of the borrowing costs applicable to the economic entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.</li> </ul> <p>The capitalisation of borrowing costs commences when all the following conditions have been met:</p> <ul style="list-style-type: none"> <li>expenditures for the asset have been incurred;</li> <li>borrowing costs have been incurred; and</li> <li>activities that are necessary to prepare the asset for its intended use or sale are undertaken.</li> </ul>
<p><b>1.14 INVESTMENT PROPERTY</b> At initial recognition, the economic entity measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.</p> <p><b>Item</b> Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.</p>	<p><b>1.14 INVESTMENT PROPERTY</b> Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the enterprise, and the cost or fair value of the investment property can be measured reliably.</p> <p><b>Item</b> Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.</p>
<p><b>1.18 REVENUE FROM NON-EXCHANGE TRANSACTIONS</b></p> <p><b>Transfers</b> Apart from services in kind, which are not recognised, the economic entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset. The economic entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.</p> <p><b>Fines</b> Fines are recognised as revenue when the receivable meets the definition of an asset and</p>	<p><b>1.18 REVENUE FROM NON-EXCHANGE TRANSACTIONS</b></p> <p><b>Transfers</b></p> <p>The economic entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.</p> <p><b>Fines</b> Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.</p>

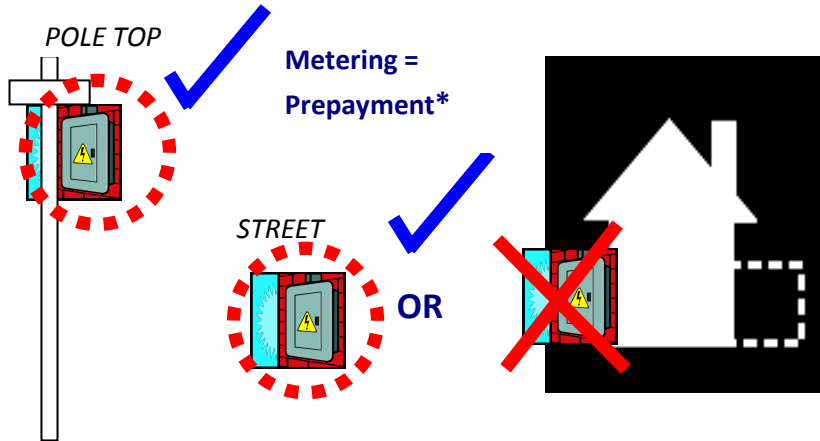
<p>satisfies the criteria for recognition as an asset.</p> <p>Assets arising from fines are measured at the best estimate of the inflow of resources to the economic entity.</p>	<p>Assets arising from fines are measured at the best estimate of the inflow of resources to the economic entity.</p> <p>Where the municipality collects fines in the capacity of an agent, the fine is not revenue of the entity as collecting entity.</p>
<p><b>1.25 SEGMENTAL INFORMATION</b></p> <p>The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes.</p> <p><b>1.26 RESEARCH AND DEVELOPMENT EXPENDITURE</b></p> <p>Research costs are charged against operating surplus as incurred. Development costs are recognised as an expense in the period in which they are incurred unless the following criteria are met:</p> <p>The product or process is clearly defined and the costs attributable to the process or product can be separately identified and measured reliably;</p> <p>The technical feasibility of the product or process can be demonstrated;</p> <p>The existence of a market or, if to be used internally rather than sold, its usefulness to the economic entity can be demonstrated;</p> <p>Adequate resources exist, or their availability can be demonstrated, to complete the project and then market or use the product or process; and</p> <p>The asset must be separately identifiable.</p> <p>Where development costs are deferred, they are written off on a straight-line basis over the life of the process or product, subject to a maximum of five years. The amortisation begins from the commencement of the commercial production of the product or use of the process to which they relate.</p>	<p><b>1.25 SEGMENTAL INFORMATION</b></p> <p><b>1.26 RESEARCH AND DEVELOPMENT EXPENDITURE</b></p> <p>Research costs are charged against operating surplus as incurred. Development costs are recognised as an expense in the period in which they are incurred unless the following criteria are met:</p> <ul style="list-style-type: none"> <li>• The product or process is clearly defined and the costs attributable to the process or product can be separately identified and measured reliably;</li> <li>• The technical feasibility of the product or process can be demonstrated;</li> <li>• The existence of a market or, if to be used internally rather than sold, its usefulness to the economic entity can be demonstrated;</li> <li>• Adequate resources exist, or their availability can be demonstrated, to complete the project and then market or use the product or process; and</li> <li>• The asset must be separately identifiable.</li> </ul>
<p><b>1.27 RELATED PARTIES</b></p> <p>Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.</p>	<p><b>1.27 RELATED PARTIES</b></p> <p>A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.</p> <p>Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are</p>

<p>Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the economic entity.</p> <p>Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.</p>	<p>required to perform such functions.</p> <p>Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the economic entity.</p> <p>Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).</p> <p>Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.</p>
<p><b>1.30 EVENTS AFTER THE REPORTING DATE</b></p>	<p><b>1.29 EVENTS AFTER THE REPORTING DATE</b></p> <p>Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:</p> <ul style="list-style-type: none"> <li>• those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and</li> <li>• those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).</li> </ul> <p>Reporting date means the date of the last day of the reporting period to which the financial statements relate.</p> <p>The entity adjusts the amounts recognised in its financial statements to reflect adjusting events after the reporting date.</p> <p>The entity does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.</p> <p><b>1.30 COMMITMENTS</b></p> <p>The entity discloses each class of capital assets (PPE, investment properties, intangible assets and heritage assets) recognised in the financial statements as well as future minimum lease payments under non-cancellable operating leases for each of the following periods:</p> <ul style="list-style-type: none"> <li>• Not later than one year,</li> <li>• Later than one year and not later than five years, and</li> <li>• Later than five years.</li> </ul>

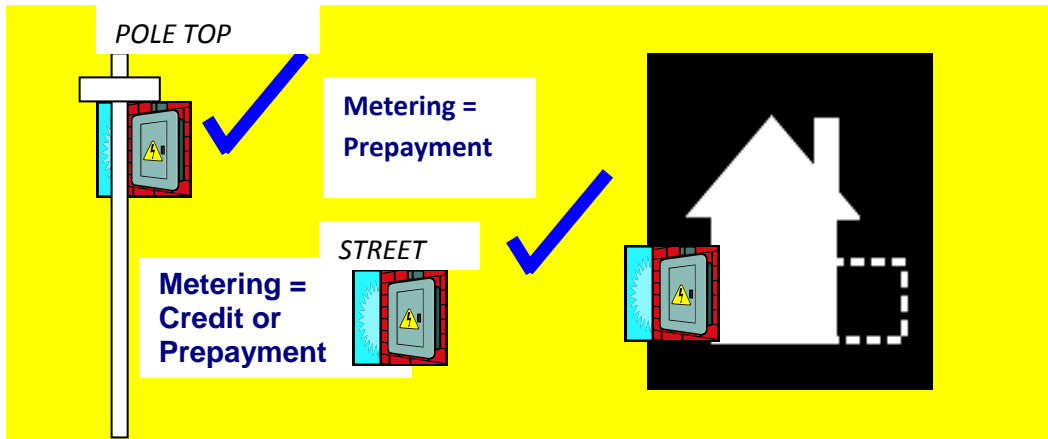
**ELECTRICITY METERING FOR RESIDENTIAL AND SMALL BUSINESS** (refer to Annexure T)

The following changes were made:

<b>Existing</b>
<b>ELECTRICITY METERING FOR RESIDENTIAL AND SMALL BUSINESS</b>



<b>Recommended 2014</b>
<b>ELECTRICITY METERING FOR RESIDENTIAL AND SMALL BUSINESS</b>



<b>Existing</b>	<b>Recommended 2014</b>
<b>ELECTRICITY METERING FOR RESIDENTIAL AND SMALL BUSINESS</b>	

<p><b>6. METERING IN NEW RESIDENTIAL AND SMALL BUSINESS AREAS</b>                  New residential and small business electricity customers can be categorised as follows:                  Category E New areas with expected lower-end use.                  Category F New areas with expected Medium- to higher-end use</p>	<p><b>6. METERING IN NEW RESIDENTIAL AND SMALL BUSINESS AREAS</b>                  New residential and small business electricity customers can be categorized as follows:                   Category F New areas with expected lower-end use.                  Category G New areas with expected medium- to higher-end use                   Category H New Bulk Residential Complexes and Small Businesses (AMR demand meters)</p>
<p><b>6.1 CATEGORY E: NEW RESIDENTIAL AND BUSINESS AREAS (OR NODES) – LOWER END-USERS</b>                   These are defined as new nodes in lower end-user areas. Typically these areas are or will be fully electrified with underground or overhead networks, or a combination of the two systems. Metering will be installed as soon as connections are made.</p>	<p><b>6.1 CATEGORY F: NEW RESIDENTIAL AND BUSINESS AREAS (OR NODES) – LOWER END-USERS</b>                   These are defined as new nodes in lower end-user areas. Typically these areas are or will be fully electrified with underground or overhead networks, or a combination of the two systems. Metering will be installed as soon as connections are made.</p>
<p><b>9. STAKEHOLDER ENGAGEMENT</b>                  Continuous engagement with stakeholders is required to ensure a sustainable provision of the electricity service.</p>	<p><b>9. STAKEHOLDER ENGAGEMENT</b>                  Continuous engagement with stakeholders is required to ensure a sustainable provision of the electricity service.                  NOTE: The reference to “they” in the above sentences is a reference to the department concerned and its personnel.                  The term “shall” is used throughout this document to indicate those provisions which, are considered to be mandatory.                  The term “should” is used to indicate those provisions which, although not mandatory, are provided as a recognised means of meeting the requirements.                  The term “may” is used to indicate something which is permitted.                  The term “can” is used to indicate a possibility or a capability.</p>

**POLICY FOR THE VENDING OF PRE-PAID ELECTRICITY (refer to Annexure U)**

Existing	Recommended 2014
<p><b>VENDING OF PREPAYMENT ELECTRICITY</b></p> <p><b>DEFINITIONS</b>                      Tampering means to interfere with the metering installation in a way that damages it or slows it down.</p> <p>Disaster recovery means the retrieval of data that may have been lost.</p> <p>CTS meters: credit transfer specification meters are secure message system for carrying information between a point of sale (POS) and a meter.                      STS meters: Standard transfer specification meters are secure message system for carrying information between a POS and a meter.</p>	<p><b>DEFINITIONS</b>                      Tampering means unauthorised interference with the metering installation in a way that damages it or slows it down or to bypass the meter, resulting in no or a reduction in consumption being registered.                      Disaster recovery is the process, policies and procedures that are related to preparing for recovery or continuation of technology infrastructure which are vital to an organisation after a natural or human-induced disaster.                      Cash - Power Transfer Specification (CTS) is a proprietary secure message protocol that allows information to be carried between point of sale equipment and prepayment meters.                      Standard Transfer Specification (STS) is a secure message protocol that allows information to be carried between point of sale equipment and prepayment meters.                      On-line vending system is a vending system where transaction requests are handled by means of real-time communications and no batch communication of transactions is permitted.</p>
<p>1. <b>DEFINITIONS</b>                      Tampering means to interfere with the metering installation in a way that damages it or slows it down.                      Disaster recovery means the retrieval of data that may have been lost.</p>	<p>1. <b>DEFINITIONS</b>                      Tampering means unauthorised interference with the metering installation in a way that damages it or slows it down or to bypass the meter, resulting in no or a reduction in consumption being registered.</p>
<p>2. <b>VENDING SYSTEMS</b>                      2.1 The Head of Department: Energy, or a person delegated by him, shall assume total responsibility for the operation and maintenance of the vending system within EMM, with the exception of the handling of cash and the staffing of the various vending stations. ICT staff are to assist the various "Vending and Network" Administration Sections within the EMM as and when required</p>	<p>2. <b>VENDING SYSTEMS</b>                      2.1 The Head of Department: Energy, or his delegate, shall assume total responsibility for the operation and maintenance of the vending system within EMM, with the exception of the handling of cash and the staffing of the various vending stations. ICT staff are to assist the Head of Department: Energy whenever and where required to ensure the continued operation of the vending system.</p>
<p>2.2 The chief financial officer is responsible for the handling of cash and the staffing of vending stations within the Ekurhuleni Metropolitan area. Electronic integration between the Billing System and the Vending System must be established.</p> <p>2.3 Should insufficient capacity be available, within the "Vending and Network" Administration Sections of the "Customer Care" branches, in the various regions and</p>	<p>2.2 The chief financial officer is responsible for the handling of cash and the staffing of vending stations within the Ekurhuleni Metropolitan area. Electronic integration between the Billing System and the Vending System must be established.</p> <p>2.3 Should sufficient capacity not be available within the "Vending and Network" Administration Sections of the depots to provide a satisfactory service</p>

<p>CCAs on the approved energy structure, to provide a satisfactory service to customers, then the management of the Prepaid Systems is to be outsourced, and the necessary contractors be appointed in terms of the Council's Procurement Policy.</p> <p>2.4 The vending system to be used by EMM is to be an online vending system.</p> <p>2.5 The integration between the vending system and the Council's billing systems must cater for the blocking of the vending of electricity should this be a requirement of the ED: Finance Chief Financial Officer.</p> <p>2.6 The necessary facility to provide data back-up, an off-site disaster recovery site and Online Point of Sales Terminals, for vending during times of system failure, are to be provided in the system. An integrated plan to upgrade the system on an ongoing basis is a requirement.</p> <p>2.7 The database and control system are to ensure that every meter delivered and installed is captured onto the system.</p> <p>2.8 No vending to individual sub-consumers of bulk customers i.e. blocks of flats, town house clusters, hostels, etc., is to be provided by EMM. Instead the complex owner, or body corporate is to make their own arrangements for such vending if required.</p> <p>2.9 Vending systems shall be designed to vend in terms of Council policies, including monthly issues of FBE, and to accommodate future policy changes</p> <p>2.10 Mandatory information on the vending system must include a key field</p>	<p>to customers, then the management of the Prepaid Systems is to be outsourced, and the necessary contractors are to be appointed in terms of the Council's Supply Chain Management Policy.</p> <p>2.4 The vending system to be used by EMM shall be an online vending system.</p> <p>2.5 The integration between the vending system and the Council's billing systems must cater for the blocking of the vending of electricity should this be a requirement of the chief financial officer.</p> <p>2.6 High availability is to be achieved through having an offsite disaster recovery site to permit continued vending should the primary system fail. Redundant connectivity to EMM's network needs to be in place for third party service providers to permit continued vending should the primary connectivity fail. Daily back-ups of vending system data are to be made.</p> <p>2.7 A control system must be in place to ensure that every meter procured, once delivered, is loaded onto the system. Only three system meter stores will be permitted viz. EMM free meters, EMM scrap meters and EMM be tested meters.</p> <p>2.8 No vending to individual sub-consumers of bulk customers i.e. blocks of flats, town house clusters, hostels, etc., is to be provided by EMM. Instead the complex owner or body corporate is to make their own arrangements for such vending if required.</p> <p>2.9 Vending systems shall be designed to vend in terms of Council policies, including monthly issues of FBE and shall be able to accommodate future policy changes.</p> <p>2.10 Mandatory information on the vending system must include a key field</p>
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<p>common to both vending and billing systems that identifies the property as well as fields identifying the township, CCA, physical address of the property, owner account number and owner details.</p>	<p>common to both vending and billing systems that identifies the property as well as fields identifying the township, depot, physical address of the property, owner account number and owner details.</p> <p>2.14 All new pre-payment applications shall be captured through EMM Business Process Management System to maintain the integrity of point of connection, account and meter and owner data on the vending system for all meters that are installed.</p> <p>2.15 The system must be regularly upgraded to stay current with the latest release.</p>
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## 2.5 Overview of budget assumptions

### 2.5.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro-economic targets.
- The general inflationary outlook and the impact on the metro’s residents and businesses.
- The impact of municipal cost drivers.
- The increase in prices for bulk electricity and water.
- The increase in the cost of remuneration.

The inflation outlook for the MTREF is as follows:

The following table reflects the inflation forecast as reflected in the Budget Speech on 26 February 2014.

Fiscal Year	2012	2013	2014	2015	2016
CPI Inflation	Actual	Estimate	Forecast		
	5.6%	5.7%	6.2%	5.4%	5.4%

### 2.5.2 Credit rating outlook

Table 34 Credit rating outlook

Security class	Currency	Rating	Annual rating 2012/2013	Previous rating
Short-term	Rand	Moody’s	P-1.za	P-1za
Long-term	Rand	Moody’s	Aa3.za	Aa2.za
Outlook	Rand	Moody’s	Negative	Negative

The rating definitions are:

- Short-term: Prime – 1 (highest quality)  
Short-term Debt Ratings (maturities of less than one year)  
Prime-1 (highest quality)
- Long-term: Aa2za  
Defined as high grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.
- Senior unsecured debt (rating attached to municipal bond programme): Aa2za  
Defined as high grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.
- Long-term: Aa3.za  
Defined as high grade: “Aa” rated are judged to be of high quality and subject to very low risk for long-term debt and the best ability to repay short-term debt.

### **2.5.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City had a R4 billion Domestic Medium-term Note Programme registered which was applicable to last five financial years for the capital expenditure funding and formed the basis of the borrowings programme. For the 2014/15 MTREF the City will be registering another R4 billion Domestic Medium-term Note Programme as approved by Council. It is based on the assumption that borrowings are undertaken using fixed interest rates (assumed at 11% p.a.) for municipal bonds requiring semi-annual interest payments.

### **2.5.4 Collection rate for revenue services**

The rate of revenue collection is currently expressed as a percentage (93%) of annual billings. Cash flow is assumed to be 93% of billings. No provision has been made for increased collection of arrear debt and any revenue yielded from this will be used to strengthen the liquidity position of the City.

### **2.5.5 Growth or decline in tax base of the municipality**

Growth projections – growth projections refer to the increase in the number of units consumed for the service. It does not refer to the increase in the tariff, nor does it reflect the total increase in income. It is expressed as a percentage which represents the percentage increase in units consumed. Growth projections are determined per service which is driven by service specific trends. Electricity, as an example, shows a negative growth rate due to the various energy efficiency initiatives. The individual growth rates are:

- Assessment rates: 2.0%
- Electricity: -1,0%
- Water: 2.0%
- Sanitation: 2.0%
- Solid Waste: 2.0%

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing ‘households’ is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households

influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of FBS.

### **2.5.6 Salary increases**

A 6.8% cost of living increase has been provided for.

### **2.5.7 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- National Development Plan addressing inter alia economic growth and job creation.
- Enhancing education and skills development.
- Improving health services.
- Rural development and agriculture.
- Fighting crime and corruption.

### **2.5.8 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 95% is achieved on operating expenditure and 90% on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget.

## **2.6 Overview of budget funding**

### **2.6.1 Medium-term Outlook: Operating Revenue**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The metro derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development.
- Revenue management and enhancement.
- Achievement of a 93% annual collection rate for consumer revenue.
- National Treasury guidelines.
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval.
- Achievement of full cost recovery of specific user charges.
- Determining tariff escalation rate by establishing/calculating revenue requirements.
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).
- The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers, aligned to the economic forecasts.

The proposed tariff increases for the 2014/15 MTREF on the different revenue categories are:

**Table 35 Proposed tariff increases over the medium-term**

Revenue category	2014/15 Proposed tariff increase	2015/16 Proposed tariff increase	2016/17 Proposed tariff increase
	%	%	%
Property rates	7.5	7.5	7.5
Sanitation	8.0	7.5	7.5
Solid waste			
- Residential (average between 2.4% and 7.1%)	5.5	7.5	7.5
- Businesses	6.0	5.0	5.0
- Waste disposal sites	15.0	10.0	10.0
Water	8.1	10.0	10.0
Electricity	7.39	7.39	7.39

The tables below provide detailed investment information and investment particulars by maturity.

Table 36 MBRR SA15 – Detailed Investment Information

EKU Ekurhuleni Metro - Supporting Table SA15 Investment particulars by type									
Investment type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government	-	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	183,946	114,264	164,177	138,638	138,638	138,638	138,638	138,638	138,638
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	62,949	375,206	658,808	400,773	400,773	488,259	638,944	796,200	948,890
<b>Municipality sub-total</b>	<b>250,895</b>	<b>493,470</b>	<b>826,986</b>	<b>543,411</b>	<b>543,411</b>	<b>630,897</b>	<b>781,582</b>	<b>938,838</b>	<b>1,091,528</b>
<b>Entities</b>									
Securities - National Government	-	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>	<b>250,895</b>	<b>493,470</b>	<b>826,986</b>	<b>543,411</b>	<b>543,411</b>	<b>630,897</b>	<b>781,582</b>	<b>938,838</b>	<b>1,091,528</b>

Table 37 MBRR SA16 – Investment particulars by maturity

EKU Ekurhuleni Metro - Supporting Table SA17 Borrowing												
Borrowing - Categorized by type R thousand	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
<b>Parent municipality</b>												
Long-Term Loans (annuity/reducing balance)	1,667,884	1,485,586	856,157	1,130,977	1,130,977	1,130,977	1,130,977	1,119,764	679,337	69,750		
Long-Term Loans (non-annuity)	432,620	432,620	432,620	32,620	32,620	32,620	32,620	32,620	-	-		
Local registered stock	210	-	-	-	-	-	-	-	-	-		
Instalment Credit	-	-	-	-	-	-	-	-	-	-		
Financial Leases	-	-	-	-	-	-	-	-	-	-		
PPP liabilities	-	-	-	-	-	-	-	-	-	-		
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-	-		
Marketable Bonds	1,615,000	2,415,000	3,215,000	4,000,000	4,000,000	4,000,000	4,000,000	5,100,000	6,590,000	8,000,000		
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-	-		
Bankers Acceptances	-	-	-	-	-	-	-	-	-	-		
Financial derivatives	-	-	-	-	-	-	-	-	-	-		
Other Securities	-	-	-	-	-	-	-	-	-	-		
<b>Municipality sub-total</b>	<b>3,715,714</b>	<b>4,333,206</b>	<b>4,503,777</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>6,252,384</b>	<b>7,269,337</b>	<b>8,069,750</b>		
<b>Entities</b>												
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-	-		
<b>Entities sub-total</b>												
<b>Total Borrowing</b>	<b>3,715,714</b>	<b>4,333,206</b>	<b>4,503,777</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>6,252,384</b>	<b>7,269,337</b>	<b>8,069,750</b>		
<b>Unspent Borrowing - Categorized by type</b>												
<b>Parent municipality</b>												
Marketable Bonds	87,660	412,161	246,903	-	-	-	135,959	-	-	-		
<b>Municipality sub-total</b>	<b>87,660</b>	<b>412,161</b>	<b>246,903</b>				<b>135,959</b>					
<b>Entities</b>												
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-	-		
<b>Entities sub-total</b>												
<b>Total Unspent Borrowing</b>	<b>87,660</b>	<b>412,161</b>	<b>246,903</b>				<b>135,959</b>					

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R2.8 million, R4.2 million and R6.6 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

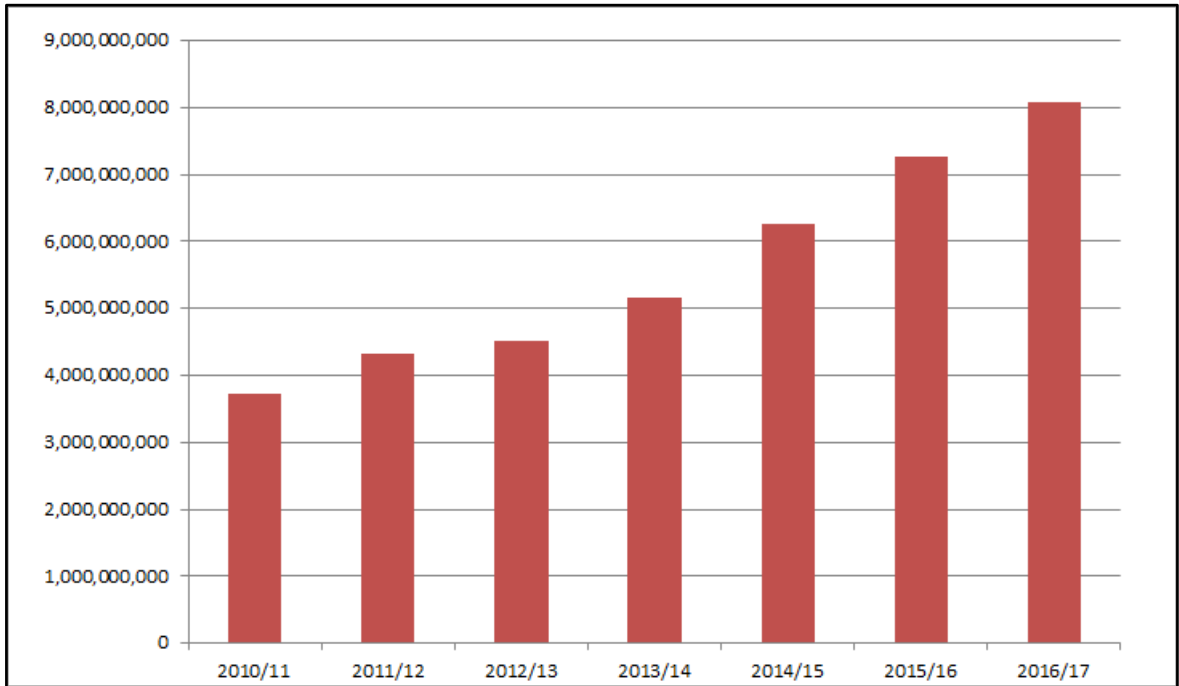
The following table is a detailed analysis of the metro's borrowing liability.

Table 38 MBRR Table SA 17 - Detail of borrowings

EKU Ekurhuleni Metro - Supporting Table SA17 Borrowing										
Borrowing - Categorized by type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15
<b>R thousand</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)	1,667,884	1,485,586	856,157	1,130,977	1,130,977	1,130,977	1,119,764	679,337	69,750	
Long-Term Loans (non-annuity)	432,620	432,620	432,620	32,620	32,620	32,620	32,620	-	-	-
Local registered stock	210	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-	-
Marketable Bonds	1,615,000	2,415,000	3,215,000	4,000,000	4,000,000	4,000,000	5,100,000	6,590,000	8,000,000	
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	<b>3,715,714</b>	<b>4,333,206</b>	<b>4,503,777</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>6,252,384</b>	<b>7,269,337</b>	<b>8,069,750</b>	
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	<b>3,715,714</b>	<b>4,333,206</b>	<b>4,503,777</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>6,252,384</b>	<b>7,269,337</b>	<b>8,069,750</b>	
<b>Unspent Borrowing - Categorized by type</b>										
<b>Parent municipality</b>										
Marketable Bonds	87,660	412,161	246,903	-	-	-	135,959	-	-	-
<b>Municipality sub-total</b>	<b>87,660</b>	<b>412,161</b>	<b>246,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,959</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Unspent Borrowing</b>	<b>87,660</b>	<b>412,161</b>	<b>246,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,959</b>	<b>-</b>	<b>-</b>	<b>-</b>



The following graph illustrates the growth in outstanding borrowing for the 2010/11 to 2016/17 period.



**Figure 7 Growth in outstanding borrowing (long-term liabilities)**

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash-backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash-backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R553 million in 2014/15, R546 million in 2015/16 and R652 million in 2016/17.

Table 39 MBRR Table SA 18 - Capital transfers and grant receipts

R thousand	Description	2010/11		2011/12		2012/13		Current Year 2013/14		2014/15		Medium Term Revenue & Budget Year	
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
	<b>Capital Transfers and Grants</b>												
	<b>National Government:</b>												
	MIG/USDG	484,631	1,186,773	1,121,161	1,639,943	1,632,538	1,632,538	1,632,538	1,920,981	2,120,898	2,206,197		
	Public Transport and Systems	400,780	1,019,773	997,123	1,358,995	1,358,995	1,358,995	1,358,995	1,569,981	1,645,159	1,716,314		
	INEP	20,000	20,000	32,794	239,543	239,543	239,543	239,543	230,000	330,000	350,000		
	Electrification Demand Side Management	25,000	100,000	73,000	10,000	10,000	10,000	10,000	61,000	50,000	40,000		
		25,000	47,000	12,000	11,000	16,000	16,000	16,000	10,000	15,000	15,000		
	Other capital transfers/grants [insert desc]	13,851		6,243	20,405	8,000	8,000	8,000	50,000	80,739	84,883		
	<b>Provincial Government:</b>	<b>22,253</b>	<b>2,618</b>	<b>71,399</b>	<b>23,550</b>	<b>23,550</b>	<b>23,550</b>	<b>23,550</b>	<b>76,700</b>	<b>83,000</b>	<b>45,000</b>		
	Other capital transfers/grants [insert description]	22,253	2,618	71,399	23,550	23,550	23,550	23,550	76,700	83,000	45,000		
	<b>District Municipality:</b>												
	[insert description]												
	<b>Other grant providers:</b>												
	Public Contributions	9,825	11,850	-	27,945	31,036	27,932	27,932	5,500	5,000	8,000		
	Foreign Grants	4,825	11,850		27,945	31,036	27,932	27,932	5,500	5,000	8,000		
		5,000											
	<b>Total Capital Transfers and Grants</b>	<b>516,709</b>	<b>1,201,241</b>	<b>1,192,560</b>	<b>1,691,438</b>	<b>1,687,124</b>	<b>1,684,020</b>	<b>1,684,020</b>	<b>2,003,181</b>	<b>2,208,898</b>	<b>2,259,197</b>		
	<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>3,331,184</b>	<b>4,523,307</b>	<b>4,879,317</b>	<b>4,309,933</b>	<b>4,317,709</b>	<b>4,314,605</b>	<b>4,314,605</b>	<b>4,686,296</b>	<b>4,983,564</b>	<b>5,277,755</b>		

### 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category.
- Clear separation of capital and operating receipts from government, which also enables cash from 'ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue.
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term-borrowing (debt).

Table 40 MBRR Table A7 - Budget cash flow statement

Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Ratepayers and other	11,518,108	14,289,572	15,664,592	23,143,839	20,299,927	21,788,794	21,788,794	21,788,794	21,788,794	21,272,093	22,188,916	23,727,862
Government - operating	2,749,523	3,221,894	3,711,812	2,618,495	2,680,742	2,680,742	2,680,742	2,680,742	2,680,742	2,683,115	2,774,667	3,018,558
Government - capital	581,561	1,301,441	1,167,478	1,691,438	1,816,897	1,813,793	1,813,793	1,813,793	1,813,793	2,003,181	2,208,898	2,259,197
Interest	331,751	353,623	497,248	397,327	397,327	397,390	397,390	397,390	397,390	439,964	486,162	537,309
Dividends												
<b>Payments</b>												
Suppliers and employees	(13,422,268)	(15,215,152)	(16,023,400)	(22,886,543)	(20,117,435)	(20,893,074)	(20,893,074)	(20,893,074)	(20,893,074)	(21,026,331)	(21,851,052)	(23,379,307)
Finance charges	(382,613)	(453,418)	(522,866)	(685,215)	(673,534)	(620,500)	(620,500)	(620,500)	(620,500)	(706,964)	(742,313)	(794,274)
Transfers and Grants	(134,179)	(426,285)	(960,645)	(1,003,679)	(1,003,679)	(945,521)	(945,521)	(945,521)	(945,521)	(1,049,071)	(1,121,380)	(1,188,823)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,241,882</b>	<b>3,071,675</b>	<b>3,534,219</b>	<b>3,275,662</b>	<b>3,400,245</b>	<b>4,221,625</b>	<b>4,221,625</b>	<b>4,221,625</b>	<b>4,221,625</b>	<b>3,615,986</b>	<b>3,943,897</b>	<b>4,180,522</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE	4,553	1,646										
Decrease (increase) in non-current debtors	-	-	133									
Decrease (increase) other non-current receivables	25,502	(187)										
Decrease (increase) in non-current investments	80,081	(242,575)	(333,515)									
<b>Payments</b>												
Capital assets	(1,926,053)	(2,001,014)	(2,370,437)	(2,980,933)	(2,987,419)	(2,867,264)	(2,867,264)	(2,867,264)	(2,867,264)	(3,790,366)	(4,248,101)	(4,252,042)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1,815,917)</b>	<b>(2,242,131)</b>	<b>(2,703,819)</b>	<b>(2,867,368)</b>	<b>(2,873,854)</b>	<b>(3,122,016)</b>	<b>(3,122,016)</b>	<b>(3,122,016)</b>	<b>(3,122,016)</b>	<b>(3,949,177)</b>	<b>(4,405,356)</b>	<b>(4,404,732)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans												
Borrowing long term/refinancing	1,615,000	800,000	800,000	785,000	785,000	785,000	785,000	785,000	785,000	1,100,000	1,490,000	1,410,000
Increase (decrease) in consumer deposits	70,011	45,573	87,866	38,152	38,152	38,152	38,152	38,152	38,152	40,784	44,862	46,694
<b>Payments</b>												
Repayment of borrowing	(436,738)	(175,557)	(182,314)	(576,113)	(576,113)	(576,113)	(576,113)	(576,113)	(576,113)	(222,087)	(287,087)	(349,587)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>1,248,273</b>	<b>670,016</b>	<b>705,553</b>	<b>247,039</b>	<b>247,039</b>	<b>247,039</b>	<b>247,039</b>	<b>247,039</b>	<b>247,039</b>	<b>918,698</b>	<b>1,247,775</b>	<b>1,107,107</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>674,238</b>	<b>1,499,561</b>	<b>1,535,953</b>	<b>655,333</b>	<b>773,431</b>	<b>1,346,647</b>	<b>1,346,647</b>	<b>1,346,647</b>	<b>1,346,647</b>	<b>585,507</b>	<b>786,316</b>	<b>882,897</b>
Cash/cash equivalents at the year begin:	664,625	1,338,863	2,838,424	2,982,384	2,982,384	2,982,384	2,982,384	2,982,384	2,982,384	3,755,814	4,341,321	5,127,637
Cash/cash equivalents at the year end:	1,338,863	2,838,424	4,374,377	3,637,717	3,755,814	4,329,031	4,329,031	4,329,031	4,329,031	4,341,321	5,127,637	6,010,535

Since 2011/12 MTREF budget, various cost efficiencies and savings had to be realised to ensure the metro could meet its operational expenditure commitments. In addition, the metro undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the metro and it is projected that cash and cash equivalents on hand will increase to R4 341 million by the 2014/15 financial year end. Furthermore the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to reach R5 127 million by 2015/16 and steadily increasing to R6 010 million by 2016/17.

#### **2.6.4 Cash-backed Reserves/Accumulated Surplus Reconciliation**

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with Sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are these funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with Section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with Section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 41 MBRR Table A8 – Cash-backed reserves/accumulated surplus reconciliation**

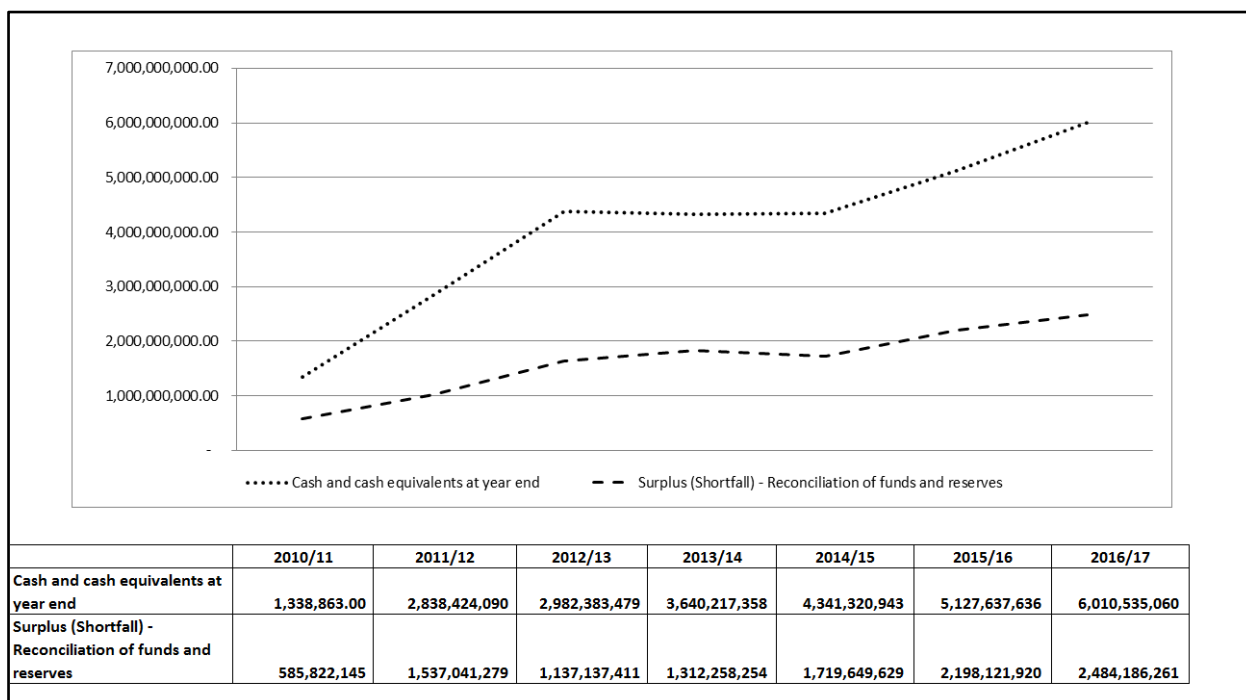
Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>													
Cash/cash equivalents at the year end	1,338,863		2,838,424		4,374,377		3,637,717	3,755,814	4,329,031	4,329,031	4,341,321	5,127,637	6,010,535
Other current investments > 90 days	20,000		21,285		22,772		21,285	21,285	22,771	22,771	22,771	22,771	22,771
Non current assets - Investments	230,895		472,185		804,214		522,126	522,126	608,126	608,126	758,811	916,067	1,068,757
<b>Cash and investments available:</b>	<b>1,589,759</b>		<b>3,331,895</b>		<b>5,201,363</b>		<b>4,181,128</b>	<b>4,299,225</b>	<b>4,959,928</b>	<b>4,959,928</b>	<b>5,122,903</b>	<b>6,066,475</b>	<b>7,102,063</b>
<b>Application of cash and investments</b>													
Unspent conditional transfers	133,881		99,676		232,407		-	-	50,633	50,633	-	-	-
Unspent borrowing	87,660		412,161		246,903		-	-	135,959		-	-	-
Statutory requirements													
Other working capital requirements	(13,156)		645,190		692,334		371,139	773,480	548,043	548,043	828,143	934,937	1,157,645
Other provisions	571,366		684,614		762,445		764,277	764,276	764,276	764,276	913,399	948,021	991,226
Long term investments committed	224,185		464,610		819,320		538,374	538,374	563,749	563,749	615,526	756,210	904,819
Reserves to be backed by cash/investments	-		-		803,186		933,186	933,186	933,186	933,186	1,046,186	1,229,186	1,564,186
<b>Total Application of cash and investments:</b>	<b>1,003,936</b>		<b>2,306,251</b>		<b>3,556,594</b>		<b>2,606,975</b>	<b>3,009,316</b>	<b>2,995,846</b>	<b>2,859,887</b>	<b>3,403,254</b>	<b>3,868,353</b>	<b>4,617,877</b>
<b>Surplus(shortfall)</b>	<b>585,822</b>		<b>1,025,644</b>		<b>1,644,769</b>		<b>1,574,153</b>	<b>1,289,909</b>	<b>1,964,082</b>	<b>2,100,041</b>	<b>1,719,650</b>	<b>2,198,122</b>	<b>2,484,186</b>
<b>Other working capital requirements</b>													
Debtors	2,477,030		2,988,013		3,683,963		3,094,968	2,692,627	2,918,064	2,918,064	2,874,932	3,101,414	3,241,978
Creditors due	2,463,874		3,613,203		4,376,297		3,466,107	3,466,107	3,466,107	3,466,107	3,703,075	4,036,351	4,399,623
Total	13,156		(645,190)		(692,334)		(371,139)	(773,480)	(548,043)	(548,043)	(828,143)	(934,937)	(1,157,645)
<b>Debtors collection assumptions</b>													
Balance outstanding - debtors	2,859,965		3,342,530		4,058,533		2,935,123	2,935,123	2,935,123	2,935,123	3,162,863	3,521,521	3,704,634
Estimate of debtors collection rate	87%		89%		91%		105%	92%	99%	99%	91%	88%	88%

From the above table and the discussion of Table A8 on page 76 it can be seen that the cash and investments available will increase to R7.1 billion by 2016/17, which includes the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to ‘roll-over’ and be spent in the ordinary course of business, but this practice has been discontinued. During 2009/10, National Treasury issued Circular 51 which outlines the process to be followed in order to retain unspent conditional grants. Subsequently Circular 67 was issued on 12 March 2013 which specifically deals with the process to be followed for motivating for 2012/13 unspent funds. Council has to apply annually for the roll-over of unspent grants.
- There is an amount of R246.9 million unspent borrowing from the previous financial year (2012/13). In terms of the municipality’s Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. For the purpose of the cash-backed reserves and accumulated surplus reconciliation a provision equivalent to one month’s operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 90 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the metro to meet its creditor obligations.
- Other provisions to the amount of R913 million has been provided for the 2014/15 financial year and this increases to R991 million by 2016/17. This liability is informed by, amongst others, the supplementary pension liability.
- Long-term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long-term investments and must be ‘held to maturity’ and is not available for spending. This commitment amounts to R615 million for the 2014/15 financial year.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality’s cash-backing policy. These include the rehabilitation of landfill sites and quarries.

For the current year a cash surplus is forecasted and for future years an increase of surplus cash is predicted as indicated on the above table. In conclusion, from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible for the MTREF. The challenge for the metro will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash-backed reserves/accumulated funds reconciliation over a seven-year perspective.



**Figure 8 Cash and cash equivalents / Cash-backed reserves and accumulated funds**

### 2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against 14 different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.



**Table 42 MBRR SA10 – Funding compliance measurement**

EKURHULENI Metro Supporting Table SA10 Funding measurement														
Description	MFMA section	Ref	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Funding measures</b>														
Cash/cash equivalents at the year end - R'000	18(1)b	1	1,338,863	2,838,424	4,374,377	3,637,717	3,755,814	4,329,031	4,329,031	4,491,321	5,377,637	6,460,535		
Cash + investments at the yr end less applications - R'000	18(1)b	2	585,822	1,025,644	1,644,769	1,574,153	1,289,909	1,964,082	2,100,041	1,869,660	2,511,122	3,202,186		
Cash year end/monthly employee/supplier payments	18(1)b	3	1.2	2.1	3.1	2.2	2.3	2.7	2.7	2.5	2.9	3.2		
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(2,312,211)	(345,811)	1,075,885	719,207	844,666	1,865,611	1,865,611	1,386,672	1,754,450	2,004,985		
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	15.2%	1.1%	14.7%	(5.1%)	(7.2%)	(6.0%)	(0.5%)	1.9%	1.8%		
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	86.6%	88.8%	90.8%	105.4%	91.7%	99.4%	99.4%	90.9%	88.1%	87.5%		
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	11.4%	9.4%	5.4%	5.8%	5.7%	5.8%	5.8%	5.8%	6.3%	6.4%		
Capital payments % of capital expenditure	18(1)c,(19)	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	120.1%	109.8%	63.4%	60.9%	67.1%	74.5%	74.5%	67.2%	76.8%	78.6%		
Grants % of Govt. legislated/gazetted allocations	18(1)a	10	N.A.	16.9%	21.4%	(27.7%)	0.0%	0.0%	0.0%	100.1%	100.1%	100.2%		
Current consumer debtors % change - incr/(decr)	18(1)a	11	N.A.	8.0%	(5.3%)	3.8%	0.0%	0.0%	0.0%	7.8%	11.3%	5.2%		
Long term receivables % change - incr/(decr)	18(1)a	12	N.A.	4.1%	4.3%	4.4%	4.4%	4.1%	4.9%	0.0%	0.0%	0.0%		
R&M % of Property Plant & Equipment	20(1)(vi)	13	4.2%	4.1%	4.3%	4.4%	4.4%	4.1%	4.9%	4.8%	5.0%	5.2%		
Asset renewal % of capital budget	20(1)(vi)	14	47.0%	52.6%	46.7%	48.0%	45.0%	54.0%	0.0%	45.2%	46.3%	45.4%		

**References**

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substitution of National/Province allocations included in budget
11. Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement														
Description	MFMA section	Ref	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Supporting indicators</b>														
% incr total service charges (incl prop rates)	18(1)a		12,664,548	15,333,893	16,424,839	19,181,408	19,997,004	19,754,371	19,698,401	21,091,008	22,757,100	24,531,206	7.8%	
% incr Property Tax	18(1)a		12,615,484	15,284,666	16,375,240	19,757,281	19,935,956	19,698,401	19,698,401	21,025,063	22,685,881	24,454,290	7.6%	
% incr Service charges - electricity revenue	18(1)a		2,493,578	2,644,170	2,874,963	3,602,668	3,741,359	3,726,927	3,726,927	4,134,710	4,471,090	4,809,483	7.4%	
% incr Service charges - water revenue	18(1)a		7,588,994	9,086,646	9,692,978	11,499,685	11,499,685	11,272,936	11,272,936	11,717,499	12,585,402	13,517,601	9.9%	
% incr Service charges - sanitation revenue	18(1)a		1,184,378	2,063,595	2,158,533	2,574,470	2,594,470	2,625,175	2,625,175	2,867,861	3,152,814	3,466,115	7.5%	
% incr Service charges - refuse revenue	18(1)a		681,256	715,985	736,557	862,863	882,863	900,171	900,171	995,311	1,069,961	1,150,211	7.5%	
% incr in Service charges - other	18(1)a		610,983	726,039	846,321	1,147,822	1,147,822	1,107,168	1,107,168	1,231,349	1,323,086	1,421,805	6.7%	
Total billable revenue	18(1)a		56,295	58,232	65,887	69,772	69,757	66,024	66,024	78,333	83,517	89,075		
Service charges			49,064	49,227	49,600	61,127	61,047	55,970	55,970	65,945	71,220	76,916		
Service charges - electricity revenue			1,344,482	728,632	1,261,952	1,289,495	1,170,523	1,053,470	1,053,470	1,637,185	1,939,203	1,792,845		
Service charges - water revenue			11,518,108	14,289,572	15,664,592	23,143,839	20,299,927	21,788,794	21,788,794	21,272,093	22,188,916	23,727,862		
Service charges - sanitation revenue			13,298,744	16,092,691	17,257,305	21,948,533	22,128,121	21,916,168	21,916,168	23,402,543	25,194,553	27,114,024		
Service charges - refuse removal			828,040	482,565	716,003	(1,123,410)	(1,123,410)	(1,123,410)	(1,123,410)	227,740	388,658	183,114		
Service charges - other			3,397,688	4,557,540	4,746,558	4,309,933	4,497,639	4,494,535	4,494,535	4,686,296	4,983,564	5,277,755		
Rental of facilities and equipment	20(1)(vi)		1,926,053	2,001,014	2,370,437	2,980,933	2,987,419	2,867,264	2,867,264	3,640,366	4,148,101	4,052,042		
Capital expenditure excluding capital grant funding	20(1)(vi)		904,696	1,051,967	1,106,260	1,430,090	1,344,555	1,549,182	1,549,182	1,646,797	1,920,592	1,838,642		
Cash receipts from ratepayers			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%		
Ratepayer & Other revenue			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%		
Change in consumer debtors (current and non-current)														
Operating and Capital Grant Revenue														
Capital expenditure - total														
Capital expenditure - renewal														
<b>Supporting benchmarks</b>														
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%		
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%		
DoRA operating grants total MFY										2,397,871	2,470,113	2,699,026		
DoRA capital grants total MFY										1,920,981	2,120,898	2,206,197		
Provincial operating grants										285,244	304,563	319,532		
Provincial capital grants										76,700	83,000	45,000		
District Municipality grants														
Total gazetted/adviced national, provincial and district grants										4,680,796	4,978,564	5,269,755		
Average annual collection rate (arrears inclusive)														

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement														
Description	MFMA section	Ref	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
<b>DoRA operating</b>														
Local Government Equitable Share														
Finance Management														
Integrated City Development Grant & EPWP														
USDG, MHSCG & PTIS - operating														
<b>DoRA capital</b>														
USDG														
Public Transport and Systems														
INEP & Electrification Demand Side Management														
NDFG														
<b>Trend</b>														
Change in consumer debtors (current and non-current)			828,040	482,565	716,003	(1,123,410)	227,740	358,658	183,114	-	-	-	-	-
<b>Total Operating Revenue</b>														
<b>Total Operating Expenditure</b>														
<b>Operating Performance Surplus/(Deficit)</b>														
<b>Cash and Cash Equivalents (30 June 2012)</b>														
<b>Revenue</b>														
% Increase in Total Operating Revenue														
% Increase in Property Rates Revenue														
% Increase in Electricity Revenue														
% Increase in Property Rates & Services Charges														
<b>Expenditure</b>														
% Increase in Total Operating Expenditure														
% Increase in Employee Costs														
% Increase in Electricity Bulk Purchases														
Average Cost Per Budgeted Employee Position (Remuneration)														
Average Cost Per Councilor (Remuneration)														
R&M % of PPE														
Asset Renewal and R&M as a % of PPE														
Debt Impairment % of Total Billable Revenue														

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement														
Description	MFMA section	Ref	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Capital Revenue</b>														
Internally Funded & Other (R'000)			300,921	253,132	296,694	249,405	274,579	247,121	247,121	403,075	446,014	451,982		
Borrowing (R'000)			1,043,572	475,500	965,258	1,040,089	895,943	806,349	806,349	1,234,110	1,493,190	1,340,863		
Grant Funding and Other (R'000)			581,561	1,272,382	1,108,485	1,691,438	1,816,897	1,813,793	1,813,793	2,003,181	2,208,898	2,259,197		
Internally Generated funds % of Non Grant Funding			22.4%	34.7%	23.5%	19.3%	23.5%	23.5%	23.5%	24.6%	23.0%	25.2%		
Borrowing % of Non Grant Funding			77.6%	65.3%	76.5%	80.7%	76.5%	76.5%	76.5%	75.4%	77.0%	74.8%		
Grant Funding % of Total Funding			30.2%	63.6%	46.8%	56.7%	60.8%	63.3%	63.3%	55.0%	53.3%	55.8%		
<b>Capital Expenditure</b>														
Total Capital Programme (R'000)			1,926,053	2,001,014	2,370,437	2,980,933	2,987,419	2,867,264	2,867,264	3,640,366	4,148,101	4,052,042		
Asset Renewal			904,696	1,051,967	1,106,260	1,430,090	1,344,555	1,549,182	1,549,182	1,646,797	1,920,592	1,838,642		
Asset Renewal % of Total Capital Expenditure			47.0%	52.6%	46.7%	48.0%	45.0%	54.0%	54.0%	45.2%	46.3%	45.4%		
<b>Cash</b>														
Cash Receipts % of Rate Payer & Other			85.6%	88.8%	90.8%	105.4%	91.7%	99.4%	99.4%	90.9%	88.1%	87.5%		
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0		
<b>Borrowing</b>														
Credit Rating (2009/10)														
Capital Charges to Operating			4.6%	3.1%	3.3%	5.1%	5.0%	5.1%	5.1%	3.5%	3.7%	3.8%		
Borrowing Receipts % of Capital Expenditure			120.1%	109.8%	63.4%	60.9%	67.1%	74.5%	74.5%	67.2%	76.8%	78.6%		
<b>Reserves</b>														
Surplus/(Deficit)			585,822	1,025,644	1,644,769	1,574,153	1,289,909	1,964,082	2,100,041	1,869,650	2,511,122	3,202,186		
<b>Free Services</b>														
Free Basic Services as a % of Equitable Share			0.0%	2.3%	2.3%	2.4%	0.0%	27.0%	27.0%	29.4%	30.2%	30.3%		
Free Services as a % of Operating Revenue (excl operational transfers)			9.0%	6.8%	7.1%	6.0%	7.1%	7.2%	7.2%	6.8%	6.8%	6.8%		
<b>High Level Outcome of Funding Compliance</b>														
Total Operating Revenue			16,239,296	19,532,362	21,134,921	24,767,643	25,009,478	24,797,479	24,797,479	26,310,701	28,220,667	30,413,603		
Total Operating Expenditure			17,893,784	20,066,181	21,167,521	24,633,937	24,875,772	23,639,725	23,639,725	26,194,817	28,033,383	30,071,966		
Surplus/(Deficit) Budgeted Operating Statement			(1,654,487)	(533,819)	(32,600)	133,706	133,706	1,157,754	1,157,754	115,883	187,285	341,637		
Surplus/(Deficit) Considering Reserves and Cash Backing			(1,068,665)	491,825	1,612,169	1,707,859	1,423,615	3,121,836	3,257,795	1,985,533	2,698,407	3,543,824		
<b>MTREF Funded (1) / Unfunded (0)</b>			15	0	1	1	1	1	1	1	1	1		
<b>MTREF Funded ✓ / Unfunded ✘</b>			15	✘	✓	✓	✓	✓	✓	✓	✓	✓		

#### 2.6.5.1 *Cash/cash equivalent position*

The metro's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF, would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the Medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with Section 45 of the MFMA, which deals with the repayment of short-term debt at the end of the financial year. The forecasted cash and cash equivalents for the MTREF shows R4.3 billion, R5.1 billion and R6.0 billion for each respective MTREF financial years.

#### 2.6.5.2 *Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detailed reconciliation of the cash-backed reserves/surpluses is contained in Table 25, on page 75. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### 2.6.5.3 *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash inflow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the metro to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. During the MTREF the municipality's improving cash position causes the ratio to move upwards from 2.5 in 2014/15 to 3.2 in 2016/17. This measure will have to be carefully monitored going forward.

#### 2.6.5.4 *Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium-term. For the MTREF the indicative outcome is a surplus of R1.3 billion, R1.7 billion and R2 billion.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.6.5.5 Property rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase. The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 4.2%, 2.6% and 2.2% for the respective financial year of the MTREF. This trend will have to be carefully monitored and managed with the implementation of the budget.

#### *2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is expected to be at 91%, 88.4% and 87.8% for each of the respective financial years. This measure and performance objective will have to be meticulously managed.

A 93% collection target has been set for the metro.

#### *2.6.5.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 7% over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

#### *2.6.5.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It should be noted that a timing discount may have an influence on the cash position forecasted over financial years. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### *2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

It can be seen that borrowing equates to 75.4%, 77.0% and 74.8% of own funded capital over the MTREF.

*2.6.5.10 Transfers/grants revenue as a percentage of government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100% could indicate that not all grants as contained in the Division of Revenue Act have been budgeted for. The metro has budgeted for all transfers.

*2.6.5.11 Consumer debtors change (current and non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor, the change in current debtors and the change in long-term receivables, both from the Budgeted Financial Position. The current consumer debtors' ratio decreases over the MTREF to 5.2% in 2016/17. The long-term receivables' ratio is expected to be constant at 0% for 2015/16 as and 2016/17.

*2.6.5.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium- to long-term because the revenue budget is not being protected. Details of the metro's strategy pertaining to asset management and repairs and maintenance are contained in Table 83 MBRR SA34c - repairs and maintenance expenditure by asset class on page 293.

*2.6.5.13 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed Capital Budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 82 MBRR SA34b on page 292.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 43 MBRR SA19 - Expenditure on transfers and grant programmes

R thousand	Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
<b>EXPENDITURE:</b>													
<b>Operating expenditure of Transfers and Grants</b>													
<b>National Government:</b>													
	Local Government Equitable Share	2,591,745	2,957,350	3,399,015	2,157,928	2,202,713	2,202,713	2,202,713	2,397,871	2,470,113	2,699,026		
	Finance Management	1,471,409	1,644,128	1,825,341	1,917,953	1,917,953	1,917,953	1,917,953	2,042,951	2,173,369	2,374,368		
	Public Transport and Systems	1,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,300		
	Integrated City Development Grant	-	-	2,445	4,000	18,761	18,761	18,761	20,000	20,000	20,000		
	EPWP Operational	-	-	-	8,808	8,808	8,808	8,808	40,323	-	-		
	Water Services Operating Subsidy	-	-	7,065	-	11,154	11,154	11,154	6,422	-	-		
	Other transfers/grants [insert description]	1,119,306	1,311,972	1,562,914	225,917	244,787	244,787	244,787	286,925	275,494	303,358		
	<b>Provincial Government:</b>	<b>211,055</b>	<b>324,976</b>	<b>238,791</b>	<b>460,567</b>	<b>478,029</b>	<b>478,029</b>	<b>478,029</b>	<b>285,244</b>	<b>304,553</b>	<b>319,532</b>		
	Health subsidy	113,431	79,897	85,882	104,395	104,395	104,395	104,395	111,952	117,885	124,133		
	Ambulance subsidy	52,870	163,184	119,220	129,001	129,001	129,001	129,001	136,040	143,250	150,842		
	SETA	11,294	23,539	18,680	21,002	21,002	21,002	21,002	22,388	23,821	23,821		
	Other transfers/grants [insert description]	33,459	58,356	15,009	206,169	-	223,630	223,630	14,864	19,597	20,736		
	<b>District Municipality:</b> [insert description]	-	-	-	-	-	-	-	-	-	-		
	<b>Other grant providers:</b>	<b>13,357</b>	<b>2,832</b>	<b>268</b>	-	-	-	-	-	-	-		
	Public Contributions	13,357	2,832	268	-	-	-	-	-	-	-		
	<b>Total operating expenditure of Transfers and Grants:</b>	<b>2,816,127</b>	<b>3,285,158</b>	<b>3,638,073</b>	<b>2,618,495</b>	<b>2,680,742</b>	<b>2,680,742</b>	<b>2,680,742</b>	<b>2,683,115</b>	<b>2,774,667</b>	<b>3,018,558</b>		
	<b>Capital expenditure of Transfers and Grants</b>												
	<b>National Government:</b>	<b>511,527</b>	<b>1,215,159</b>	<b>1,074,311</b>	<b>1,639,943</b>	<b>1,684,981</b>	<b>1,684,981</b>	<b>1,684,981</b>	<b>1,920,981</b>	<b>2,120,898</b>	<b>2,206,197</b>		
	MIG/USDG	398,822	1,044,276	944,707	1,358,995	1,411,438	1,411,438	1,411,438	1,569,981	1,645,159	1,716,314		
	Public Transport and Systems	13,131	20,000	38,387	239,543	239,543	239,543	239,543	230,000	330,000	350,000		
	INEP	26,413	100,000	72,808	10,000	10,000	10,000	10,000	61,000	50,000	40,000		
	Electrification Demand Side Management	24,971	47,000	11,842	11,000	16,000	16,000	16,000	10,000	15,000	15,000		
	Other capital transfers/grants [insert desc]	48,190	3,883	6,568	20,405	8,000	8,000	8,000	50,000	80,739	84,883		
	<b>Provincial Government:</b>	<b>58,033</b>	<b>43,773</b>	<b>34,174</b>	<b>23,550</b>	<b>100,880</b>	<b>100,880</b>	<b>100,880</b>	<b>76,700</b>	<b>83,000</b>	<b>45,000</b>		
	Other capital transfers/grants [insert description]	58,033	43,773	34,174	23,550	100,880	100,880	100,880	76,700	83,000	45,000		
	<b>District Municipality:</b> [insert description]	-	-	-	-	-	-	-	-	-	-		
	<b>Other grant providers:</b>	<b>12,000</b>	<b>13,451</b>	<b>-</b>	<b>27,945</b>	<b>31,036</b>	<b>31,036</b>	<b>27,932</b>	<b>5,500</b>	<b>5,000</b>	<b>8,000</b>		
	Public Contributions	7,844	13,451	-	27,945	31,036	31,036	27,932	5,500	5,000	8,000		
	Foreign Grants	4,156	-	-	-	-	-	-	-	-	-		
	<b>Total capital expenditure of Transfers and Grants</b>	<b>581,560</b>	<b>1,272,383</b>	<b>1,108,485</b>	<b>1,691,438</b>	<b>1,816,897</b>	<b>1,813,793</b>	<b>1,813,793</b>	<b>2,003,181</b>	<b>2,208,898</b>	<b>2,259,197</b>		
	<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>3,397,687</b>	<b>4,557,540</b>	<b>4,746,558</b>	<b>4,309,933</b>	<b>4,497,639</b>	<b>4,494,535</b>	<b>4,494,535</b>	<b>4,686,296</b>	<b>4,983,564</b>	<b>5,277,755</b>		



**Table 44 MBRR SA 20 - Reconciliation between transfers, grant receipts and unspent funds**

R thousand	Description	2010/11				2011/12		2012/13		Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure	
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
	<b>Operating transfers and grants:</b>												
	<b>National Government:</b>												
	Balance unspent at beginning of the year	2,077	3,163	2,485					34,380				
	Current year receipts	2,592,802	2,956,672	3,430,910					2,168,333				
	Conditions met - transferred to revenue	2,591,716	2,957,350	3,399,014					2,202,713				
	Conditions still to be met - transferred to liabilities	3,163	2,485	34,380									
	<b>Provincial Government:</b>												
	Balance unspent at beginning of the year	10,197	8,352	48,770					65,827				
	Current year receipts	209,210	365,394	255,847					462,252				
	Conditions met - transferred to revenue	211,055	324,976	238,791					478,029				
	Conditions still to be met - transferred to liabilities	8,352	48,770	65,827									
	<b>District Municipality:</b>												
	Balance unspent at beginning of the year												
	Current year receipts												
	Conditions met - transferred to revenue												
	Conditions still to be met - transferred to liabilities												
	<b>Other grant providers:</b>												
	Balance unspent at beginning of the year	3,993	3,100	268									
	Current year receipts	12,484											
	Conditions met - transferred to revenue	13,357	2,832	268									
	Conditions still to be met - transferred to liabilities	3,100	268										
	<b>Total operating transfers and grants revenue</b>	<b>2,816,127</b>	<b>3,285,158</b>	<b>3,638,073</b>					<b>2,680,742</b>				
	<b>Total operating transfers and grants - CTBM</b>	<b>14,615</b>	<b>51,523</b>	<b>100,207</b>					<b>50,050</b>				
	<b>Capital transfers and grants:</b>												
	<b>National Government:</b>												
	Balance unspent at beginning of the year	61,457	34,561	6,175					53,025				
	Current year receipts	484,631	1,186,773	1,121,161					1,632,538				
	Conditions met - transferred to revenue	511,527	1,215,159	1,074,311					1,684,981				
	Conditions still to be met - transferred to liabilities	34,561	6,175	53,025									
	<b>Provincial Government:</b>												
	Balance unspent at beginning of the year	117,041	81,260	40,105					77,330				
	Current year receipts	22,253	2,618	71,399					23,550				
	Conditions met - transferred to revenue	58,034	43,773	34,174					100,880				
	Conditions still to be met - transferred to liabilities	81,260	40,105	77,330									
	<b>District Municipality:</b>												
	Balance unspent at beginning of the year												
	Current year receipts												
	Conditions met - transferred to revenue												
	Conditions still to be met - transferred to liabilities												
	<b>Other grant providers:</b>												
	Balance unspent at beginning of the year	5,620	3,445	1,845					1,845				
	Current year receipts	9,825	11,850	27,945					26,087				
	Conditions met - transferred to revenue	12,000	13,451	27,945					31,036				
	Conditions still to be met - transferred to liabilities	3,445	1,845	1,845									
	<b>Total capital transfers and grants revenue</b>	<b>581,561</b>	<b>1,272,383</b>	<b>1,108,485</b>					<b>1,815,897</b>				
	<b>Total capital transfers and grants - CTBM</b>	<b>119,266</b>	<b>48,125</b>	<b>132,200</b>					<b>583</b>				
	<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>3,397,688</b>	<b>4,557,540</b>	<b>4,746,558</b>					<b>4,497,639</b>				
	<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>133,881</b>	<b>99,648</b>	<b>232,407</b>					<b>50,633</b>				

## 2.8 Councillor and employee benefits

**Table 45: MBRR SA22 - Summary of councillor and staff benefits**

EKU Ekurhuleni Metro - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	38,978	49,830	49,940	59,147	54,647	55,725	53,883	57,331	61,000
Pension and UIF Contributions	5,532	7,104	7,449	8,197	8,197	8,021	8,082	8,600	9,150
Medical Aid Contributions	1,898	2,095	2,161	2,458	2,458	2,409	2,405	2,559	2,723
Motor Vehicle Allowance	10,006	7,700	9,805	10,535	10,535	10,238	11,243	11,963	12,729
Cellphone Allowance	-	-	2,435	2,911	2,911	2,858	3,059	3,255	3,463
Housing Allowances	10,495	12,677	16,163	14,038	14,038	13,657	23,246	24,734	26,317
Other benefits and allowances	-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>	<b>66,908</b>	<b>79,406</b>	<b>87,955</b>	<b>97,286</b>	<b>92,786</b>	<b>92,908</b>	<b>101,919</b>	<b>108,441</b>	<b>115,382</b>
% increase		18.7%	10.8%	10.6%	(4.6%)	0.1%	9.7%	6.4%	6.4%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	20,747	33,998	-	43,760	43,760	43,760	44,260	46,916	49,731
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	1,536	-	-	4,558	4,558	4,558	4,708	4,991	5,290
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	1,252	445	-	1,823	1,823	1,823	1,878	1,991	2,110
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>23,536</b>	<b>34,444</b>	<b>-</b>	<b>50,142</b>	<b>50,142</b>	<b>50,142</b>	<b>50,847</b>	<b>53,897</b>	<b>57,131</b>
% increase		46.3%	(100.0%)	-	-	-	1.4%	6.0%	6.0%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	2,347,381	2,512,179	2,618,132	3,422,654	3,426,770	3,258,111	3,454,056	3,752,437	4,008,779
Pension and UIF Contributions	567,984	607,591	620,615	732,164	739,460	719,462	751,135	799,208	850,357
Medical Aid Contributions	194,671	212,884	238,589	267,781	272,107	258,053	304,317	323,793	344,516
Overtime	332,031	366,826	393,764	372,142	378,088	356,069	361,678	384,826	409,811
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	175,855	186,406	197,591
Cellphone Allowance	7,268	8,614	10,955	11,441	11,441	11,037	12,166	12,945	13,773
Housing Allowances	-	-	-	-	-	-	47,712	50,575	53,610
Other benefits and allowances	23,513	24,189	42,195	31,504	31,504	31,845	30,660	32,630	34,726
Payments in lieu of leave	95,131	87,983	89,398	154,673	156,754	156,661	160,812	171,104	182,054
Long service awards	60,813	73,118	61,569	16,300	16,300	8,152	17,376	18,488	19,671
Post-retirement benefit obligations	148,118	181,704	201,354	75,272	75,272	70,318	80,174	85,305	90,765
<b>Sub Total - Other Municipal Staff</b>	<b>3,776,910</b>	<b>4,075,088</b>	<b>4,276,571</b>	<b>5,083,931</b>	<b>5,107,695</b>	<b>4,869,708</b>	<b>5,395,941</b>	<b>5,817,717</b>	<b>6,205,653</b>
% increase		7.9%	4.9%	18.9%	0.5%	(4.7%)	10.8%	7.8%	6.7%
<b>Total Parent Municipality</b>	<b>3,867,354</b>	<b>4,188,938</b>	<b>4,364,525</b>	<b>5,231,358</b>	<b>5,250,623</b>	<b>5,012,758</b>	<b>5,548,706</b>	<b>5,980,056</b>	<b>6,378,166</b>

Provision is made for a 6.6% increase in councillor remuneration.

Councillor's remuneration increased with 9.7% in 2014/15 Budget and 6.4% in the outer years of the MTREF. This is due to 6.6% councillor allowance increase and an under estimate of the increase in the 2013/14 financial year.

The councillor allowances reflected in Annexure B amounts to R104.9 million, which include R3.1 million.

In reconciling the total employee-related costs with the budget provided the following details are provided:

**Table 46: Total employees related costs.**

DESCRIPTION	2013/2014				2014/15	2015/16	2016/17
	Original Budget	Adjusted Budget	YTD Actuals	Full Year Projection			
	R	R	R	R			
Employee Related Costs - Salaries & Wages	4,455,326,532	4,462,643,266	3,156,756,904	4,492,809,853	4,625,960,930.00	4,922,022,420.00	5,236,674,971.00
Employee Related Costs - Overtime	372,141,709	378,157,709	378,697,496	378,592,709	361,678,180.00	384,825,583.00	409,811,270.00
Employee Related Costs - Additional Positions	55,000,000	55,000,000	-	24,398,413	195,221,483.00	207,715,658.00	221,009,460.00
Employee Related Costs - Social Contributions	1,106,721,431	1,118,758,764	838,343,193	1,118,758,764	1,168,164,414.00	1,242,926,970.00	1,322,474,365.00
Employee Related Costs - Salaries Capitalised	(132,791,426)	(132,791,426)	-	(132,791,426)	(179,042,764.00)	(129,656,441.00)	(137,954,451.00)
Employee Related Costs - Salaries to R and M Internal	(722,325,589)	(723,081,389)	(553,471,478)	(723,081,389)	(725,194,591.00)	(756,220,211.00)	(789,231,441.00)
	<b>5,134,072,657</b>	<b>5,158,686,924</b>	<b>3,820,326,115</b>	<b>5,158,686,924</b>	<b>5,446,787,652.00</b>	<b>5,871,613,979.00</b>	<b>6,262,784,174.00</b>
Remuneration of Councillors	97,285,812	92,785,812	78,801,029	78,371,509.47	101,918,572.00	108,441,365.00	115,381,613.00
<b>Sub-Total: Remuneration</b>	<b>5,231,358,469</b>	<b>5,251,472,736</b>	<b>3,899,127,144</b>	<b>5,237,058,433</b>	<b>5,548,706,224.00</b>	<b>5,980,055,344.00</b>	<b>6,378,165,787.00</b>

**Table 47 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)**

EKU Ekurhuleni Metro - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)					
Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Total Package
			1.		2.
<b>Rand per annum</b>					
<b>Councillors</b>					
Speaker	1	492,047	93,149	419,908	1,005,104
Chief Whip	1	640,151	115,364	195,792	951,307
Executive Mayor	1	578,230	524,202	153,046	1,255,478
Deputy Executive Mayor					-
Executive Committee	10	4,496,193	829,161	3,385,910	8,711,263
Total for all other councillors	189	47,676,133	9,343,517	32,975,769	89,995,419
<b>Total Councillors</b>	<b>202</b>	<b>53,882,753</b>	<b>10,905,393</b>	<b>37,130,425</b>	<b>101,918,571</b>
<b>Senior Managers of the Municipality</b>					
Municipal Manager (MM)	1	2,533,383	92,400	48,000	2,673,783
Chief Finance Officer	1	2,461,000	-	36,000	2,497,000
Chief Operating Officer	1	2,256,720	66,240	36,000	2,358,960
Chief of Police	1	1,572,438	-	19,200	1,591,638
Chief Audit Executive	1	1,510,421	86,400	36,000	1,632,821
Chief Information Officer	1	2,637,054	108,000	36,000	2,781,054
<i>List of each official with packages &gt;= senior manager</i>					
Head of Department : Human Settlement	1	1,646,948	172,800	36,000	1,855,748
Head of Department : Sport, Recreation, Arts, Culture	1	1,476,035	-	36,000	1,512,035
Head of Department : Disaster Management	1	1,625,282	108,137	36,000	1,769,419
Head of Department : Strategy and Corporate Planning	1	1,395,829	31,459	36,000	1,463,288
Head of Department : Risk Management	1	1,358,023	-	36,000	1,394,023
Head of Department : Transport	1	1,715,077	-	36,000	1,751,077
Council Secretary	1	1,225,052	-	36,000	1,261,052
Head of Department : Energy	1	1,832,961	118,800	36,000	1,987,761
Head of Department : Solid Waste	1	1,419,309	53,015	36,000	1,508,324
Head of Department : Economic Development	1	1,740,796	-	36,000	1,776,796
Head of Department : Human Resources	1	1,806,948	-	36,000	1,842,948
Head of Department : Corporate and Legal	1	1,637,652	129,600	36,000	1,803,252
Head of Department : Environmental Resource Management	1	1,592,571	-	36,000	1,628,571
Head of Department : Enterprise Programme Management	1	1,717,350	-	36,000	1,753,350
Head of Department : Facilities Management	1	1,544,549	108,000	36,000	1,688,549
Head of Department : Water and Sanitation	1	1,875,924	172,800	36,000	2,084,724
Head of Department : Fleet Management	1	1,605,000	-	36,000	1,641,000
Head of Department : Roads and Transport	1	1,765,500	-	36,000	1,801,500
Head of Department : City Planning updated	1	1,758,477	73,920	36,000	1,868,397
Head of Department : Communications updated	1	1,602,869	-	36,000	1,638,869
Head of Department : Support Services updated	1	1,605,000	-	36,000	1,641,000
Head of Department : Customer Relations updated	1	1,605,000	-	36,000	1,641,000
					-
<b>Total Senior Managers of the Municipality</b>	<b>28</b>	<b>48,523,166</b>	<b>1,321,571</b>	<b>1,003,200</b>	<b>50,847,937</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>230</b>	<b>102,405,919</b>	<b>12,226,964</b>	<b>38,133,625</b>	<b>152,766,507</b>

Table 48 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers										
Number	2012/13		Current Year 2013/14		Budget Year 2014/15		Contract employees	Contract employees	Contract employees	
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees				Positions
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)	202	-	175	202	-	202	-	-	-	202
Board Members of municipal entities										
<b>Municipal employees</b>										
Municipal Manager and Senior Managers	94	-	72	85	72	13	-	-	-	14
Other Managers	1,001	787	7	964	7					1,060
Professionals	917	917	-	1,062	1,062	-	-	-	-	1,168
Finance	154	154	-	149	149	-	-	-	-	164
Spatial/town planning	93	93	-	98	98	-	-	-	-	108
Information Technology	4	4	-	4	4	-	-	-	-	4
Roads	8	8	-	8	8	-	-	-	-	9
Electricity	33	33	-	33	33	-	-	-	-	36
Water	26	26	-	26	26	-	-	-	-	29
Sanitation	28	28	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-
Other	571	571	-	744	744	-	-	-	-	818
Technicians	1,314	1,160	-	1,404	1,382	22	-	-	-	1,520
Finance	110	91	-	19	19	-	-	-	-	21
Spatial/town planning	48	37	-	47	47	-	-	-	-	52
Information Technology	107	95	-	22	22	-	-	-	-	24
Roads	60	47	-	54	54	-	-	-	-	59
Electricity	125	105	-	154	154	-	-	-	-	169
Water	152	133	-	145	145	-	-	-	-	160
Sanitation	-	-	-	-	-	-	-	-	-	-
Refuse	48	43	-	18	18	-	-	-	-	20
Other	664	609	-	945	923	22	-	-	-	1,015
Clerks (Clerical and administrative)	3,550	3,134	11	3,871	3,786	85	-	-	-	4,258
Service and sales workers	3,241	2,950	-	3,775	3,706	69	-	-	-	4,077
Skilled agricultural and fishery workers	176	139	-	176	176	-	-	-	-	194
Craft and related trades	1,045	858	-	530	530	-	-	-	-	583
Plant and Machine Operators	1,433	1,278	-	1,944	1,939	5	-	-	-	2,138
Elementary Occupations	5,459	4,888	-	4,888	4,668	20	-	-	-	5,157
<b>TOTAL PERSONNEL NUMBERS</b>	<b>18,432</b>	<b>16,111</b>	<b>265</b>	<b>18,701</b>	<b>17,321</b>	<b>416</b>	<b>20,551</b>	<b>19,053</b>	<b>1,498</b>	<b>260,0%</b>
<b>% increase</b>				1.5%	7.5%	57.0%	9.9%	10.0%		
<b>Total municipal employees headcount</b>										
Finance personnel headcount	1,024	1,243	5	1,314	1,203	62	1,024	1,243	5	
Human Resources personnel headcount	215	256	4	256	256	4	282	282	4	

In addition to the information supplied in Table SA24 the following summary of employees are provided:

**Table 49: Number of positions of employees**

Department	Number of Positions				Budget 2014/2015
	Filled	Vacant	Frozen Funding	New Top Structure	
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION	49	8	0	6	19,361,149.29
CITY MANAGER	7	7	1	2	7,124,339.67
CITY PLANNING	274	49	16	3	148,028,199.57
COMMUNICATION & BRAND MANAGEMENT	43	16	3	5	36,934,223.92
CORPORATE LEGAL	349	80	11	3	150,246,282.46
CUSTOMER RELATIONS MANAGEMENT	112	23			53,076,488.47
DISASTER AND EMERGENCY MANAGEMENT SERVICES-DISASTER MANAGEMENT	237	20	13	8	148,332,644.52
DISASTER AND EMERGENCY MANAGEMENT SERVICES-EMERGENCY SERVICES	1053	78	22		348,259,855.90
DISASTER AND EMERGENCY MANAGEMENT SERVICES-SUPPORT	7	4	0	1	5,942,589.01
ECONOMIC DEVELOPMENT	375	27	7	4	47,166,207.82
EKURHULENI METRO POLICE DEPARTMENT	2041	298	29	0	554,357,497.02
ENERGY	978	218	41	1	362,060,339.57
ENVIRONMENTAL RESOURCE MANAGEMENT	41	31	4	2	21,764,735.31
EPMO	1	6			1,174,005.82
EXECUTIVE OFFICE	54	4	51		30,724,666.68
EXECUTIVE SECRETARIAT	4	2			7,908,750.14
FINANCE	1084	164	66	4	389,496,878.91
FLEET MANAGEMENT	190	46	30	4	72,689,628.24
HEALTH AND SOCIAL DEVELOPMENT	1572	182	4	9	638,031,094.28
HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT	321	175	10	2	131,758,992.61
HUMAN SETTLEMENTS	204	62	14	1	83,378,649.50
INFORMATION AND COMMUNICATION TECHNOLOGY	162	37	13	4	94,912,747.68
INTERNAL AUDIT	50	7	4		33,931,133.56
LEGISLATURE	119	30		1	74,361,984.43
PARKS & CEMETERIES	1899	228		4	392,831,770.10
REAL ESTATE	192	58	15	5	77,622,322.48
RISK MANAGEMENT	1	0			6,629,240.99
ROADS AND STORMWATER	843	164	53	4	207,600,497.74
SPORTS, RECREATION, ARTS AND CULTURE	1348	194	32	2	363,805,377.86
STRATEGY & CORPORATE PLANNING	14	9		2	15,213,277.71
TRANSPORT PLANNING & PROVISIONING	632	81	37	10	212,566,795.64
WASTE MANAGEMENT	1434	156	51	5	297,499,409.28
WATER AND SANITATION	933	158	38		267,212,016.78
<b>GRAND TOTAL</b>	<b>16623</b>	<b>2622</b>	<b>565</b>	<b>92</b>	<b>5,302,003,792.98</b>
<b>NON-STRUCTURAL POSITIONS</b>	<b>Total</b>	<b>Filled</b>	<b>Vacant</b>		<b>Budget 2014/2015</b>
TEMPS	217	50	167		60,504,611.07
CAPITAL LABOUR EXPENDITURE					131,042,764.00
FIXED TERM POSITIONS	285	145	140		53,283,721.19
CALL CENTRE POSITIONS	50	50	0		10,024,018.67
EXPERIENTIAL STUDENTS	208	65	143		7,804,437.39
INTERNSHIPS	29	15	14		3,584,459.11
LEARNERSHIPS	325	139	186		10,867,347.93
METRO POLICE STUDENTS	150	149	1		7,770,728.25
NGO TENDER COMMITTEE	1	0	1		176,273.00
NGO DEVELOPMENT TRIBUNAL	2	0	2		352,546.00
NON-COUNCIL TENDER MEMBER	5	0	5		932,484.17
PENSIONERS	4	4	0		242,662.70
TARIFF DOCTORS	10	10	0		5,270,630.00
TRIBUNAL MEMBERS	2	0	2		352,546.00
URBAN MARSHALLS	40	40	0		4,230,483.60
ADDITIONAL POSTS	0				195,221,489.14
MEDICAL PENSIONERS	0				79,174,115.10
PENSION GRATUITIES	0				1,000,000.00
LONG SERVICE AWARD	0				17,375,800.00
AD-HOC TRAVEL	0				2,939,985.01
CONTRACT WORKERS	0				171,238,234.05
OVERTIME	0				361,993,402.30
STANDBY	0				17,803,441.89
<b>GRAND TOTAL</b>	<b>1328</b>	<b>667</b>	<b>661</b>		<b>1,143,186,180.59</b>

## 2.9 Monthly targets for revenue, expenditure and cash flow

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	Budget Year 2014/15												Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>															
Property rates	247,406	304,389	427,929	335,373	336,236	327,721	316,253	329,538	327,189	329,967	222,762	520,968	4,025,721	4,351,203	4,677,607
Property rates - penalties & collection charges	5,449	7,629	9,809	7,629	10,999	8,719	9,809	8,719	6,539	7,629	8,719	17,438	108,989	119,888	131,876
Service charges - electricity revenue	981,681	1,233,552	1,185,747	837,248	967,977	812,030	873,393	754,759	786,419	803,098	862,356	1,624,239	11,717,499	12,585,402	13,517,601
Service charges - water revenue	229,429	133,714	166,821	372,822	430,179	285,786	245,227	229,429	128,406	181,534	178,438	285,076	2,867,861	3,152,814	3,466,115
Service charges - sanitation revenue	69,672	33,076	99,531	99,531	99,531	108,144	109,484	95,035	19,906	85,609	75,609	100,183	996,311	1,069,961	1,150,211
Service charges - refuse revenue	87,529	92,788	106,091	103,447	97,911	105,580	93,180	109,535	104,733	91,137	106,888	132,550	1,231,349	1,323,086	1,421,905
Service charges - other	6,180	6,016	7,050	7,050	5,483	7,050	6,255	7,050	7,348	4,605	6,981	7,265	78,333	83,517	89,075
Rental of facilities and equipment	6,641	5,160	5,287	5,348	5,363	4,894	5,498	5,906	5,490	5,022	5,875	5,484	65,945	71,220	76,916
Interest earned - external investments	21,469	18,642	11,996	16,620	12,578	15,110	9,459	11,100	6,658	20,783	31,008	44,620	220,043	246,448	276,021
Interest earned - outstanding debtors	11,888	12,566	14,293	13,321	8,951	13,425	14,237	13,458	10,806	12,192	12,184	83,000	219,921	239,714	261,288
Dividends received															
Fines	18,062	20,249	17,805	18,805	18,126	21,407	19,546	23,929	26,155	18,081	27,843	23,106	253,116	278,427	306,270
Licences and permits	3,003	3,179	6,019	3,546	3,726	2,580	5,288	3,724	4,244	2,539	4,517	4,819	45,417	49,959	54,954
Agency services	18,888	21,044	25,815	24,186	19,988	17,139	20,815	19,941	20,823	14,157	23,080	32,670	258,557	279,241	301,581
Transfers recognised - operational	268,312	107,325	409,108	134,156	268,312	433,845	38,136	104,034	536,623	13,510	53,662	316,094	2,683,115	2,774,667	3,018,558
Other revenue	153,452	76,726	137,420	76,717	54,208	80,947	39,850	59,736	36,676	58,833	460,357	299,600	1,534,524	1,590,112	1,658,724
Gains on disposal of PPE												5,000	5,000	5,000	5,000
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,128,860</b>	<b>2,076,055</b>	<b>2,630,721</b>	<b>2,055,800</b>	<b>2,329,468</b>	<b>2,245,377</b>	<b>1,806,430</b>	<b>1,775,891</b>	<b>2,027,816</b>	<b>1,653,677</b>	<b>2,078,503</b>	<b>3,502,103</b>	<b>26,310,701</b>	<b>28,220,667</b>	<b>30,413,603</b>
<b>Expenditure By Type</b>															
Employee related costs	377,969	458,203	440,312	456,980	438,651	459,484	425,406	441,807	442,585	599,147	391,893	514,352	5,446,788	5,871,614	6,262,784
Remuneration of councillors	7,486	7,404	7,511	7,401	7,406	7,412	11,287	8,044	8,016	8,016	8,016	13,921	101,919	108,441	115,382
Debt impairment	38,536	123,020	159,927	135,322	123,020	135,322	110,718	73,812	73,812	73,812	73,812	109,089	1,230,204	1,426,146	1,559,221
Depreciation & asset impairment	114,546	114,546	114,546	114,546	114,546	114,546	114,546	114,546	114,546	114,546	114,546	171,818	1,431,820	1,689,304	1,951,916
Finance charges			12,614		5,522	289,670			11,283		5,522	382,353	706,964	742,313	794,274
Bulk purchases	720,361	1,252,722	1,125,723	1,405,063	724,345	664,860	687,011	644,895	678,393	725,784	767,635	894,087	10,290,877	10,958,661	11,755,849
Other materials	117,761	164,865	235,521	188,417	211,969	188,417	141,313	164,865	235,521	164,865	235,521	306,178	2,355,214	2,513,910	2,672,807
Contracted services	27,064	63,150	83,150	72,171	72,171	99,235	99,235	108,257	76,854	50,490	86,271	84,092	902,139	974,310	1,052,255
Transfers and grants	1,393	72,914	147,730	4,396	196,939	7,831	123,814	154,484	93,255	11,210	142,041	92,813	1,048,821	1,115,380	1,186,323
Other expenditure	132,754	185,855	285,507	212,406	238,956	212,406	159,304	185,855	265,507	185,855	285,507	345,159	2,655,071	2,698,303	2,896,154
Loss on disposal of PPE												25,000	25,000	25,000	25,000
<b>Total Expenditure</b>	<b>1,537,869</b>	<b>2,442,678</b>	<b>2,572,540</b>	<b>2,596,702</b>	<b>2,133,525</b>	<b>2,179,183</b>	<b>1,872,634</b>	<b>1,896,564</b>	<b>1,999,772</b>	<b>1,933,724</b>	<b>2,090,764</b>	<b>2,938,862</b>	<b>26,194,917</b>	<b>28,033,383</b>	<b>30,071,966</b>
<b>Surplus/(Deficit)</b>	<b>590,990</b>	<b>(366,623)</b>	<b>58,182</b>	<b>(540,902)</b>	<b>195,943</b>	<b>66,194</b>	<b>(66,204)</b>	<b>(120,673)</b>	<b>28,044</b>	<b>(280,047)</b>	<b>(12,261)</b>	<b>563,241</b>	<b>115,883</b>	<b>187,285</b>	<b>341,637</b>
Transfers recognised - capital	160,274	160,274	160,274	160,274	160,274	160,274	160,274	160,274	160,274	160,274	160,274	240,162	2,003,181	2,208,898	2,259,197
Contributed assets	(9,400)	(9,400)	(9,400)	(9,400)	(9,400)	(9,400)	(9,400)	(9,400)	(9,400)	(9,400)	(9,400)	(9,600)	(113,000)	(183,000)	(335,000)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>741,865</b>	<b>(215,749)</b>	<b>209,056</b>	<b>(390,028)</b>	<b>346,818</b>	<b>217,068</b>	<b>84,671</b>	<b>30,201</b>	<b>178,919</b>	<b>(129,172)</b>	<b>138,613</b>	<b>793,802</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>
Taxation															
Attributable to minorities															
Share of Surplus/(deficit) of associate															
<b>Surplus/(Deficit)</b>	<b>741,865</b>	<b>(215,749)</b>	<b>209,056</b>	<b>(390,028)</b>	<b>346,818</b>	<b>217,068</b>	<b>84,671</b>	<b>30,201</b>	<b>178,919</b>	<b>(129,172)</b>	<b>138,613</b>	<b>793,802</b>	<b>2,006,064</b>	<b>2,213,182</b>	<b>2,265,834</b>



Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>	<b>222,433</b>	<b>880,143</b>	<b>421,486</b>	<b>451,561</b>	<b>301,455</b>	<b>1,467,951</b>	<b>362,132</b>	<b>457,245</b>	<b>619,886</b>	<b>331,316</b>	<b>660,530</b>	<b>400,264</b>	<b>6,576,402</b>	<b>7,058,805</b>	<b>7,542,954</b>
<i>Governance and administration</i>															
Executive and council	2	2	2	2	2	2	2	2	2	2	2		22	26	29
Budget and treasury office	213,368	879,388	420,187	451,080	293,148	1,466,640	361,394	455,955	611,884	330,829	648,160	333,124	6,465,166	6,921,042	7,411,334
Corporate services	9,063	754	1,297	479	8,304	1,310	736	1,289	8,000	485	12,369	67,138	111,224	137,737	131,591
<i>Community and public safety</i>	<b>172,726</b>	<b>31,720</b>	<b>43,947</b>	<b>31,682</b>	<b>167,954</b>	<b>50,140</b>	<b>33,162</b>	<b>47,727</b>	<b>139,693</b>	<b>40,337</b>	<b>45,504</b>	<b>178,697</b>	<b>983,289</b>	<b>1,143,768</b>	<b>1,148,967</b>
Community and social services	4,168	3,211	3,273	3,180	4,076	3,273	3,211	3,273	4,045	3,180	3,180	4,080	42,149	48,817	52,018
Sport and recreation	1,208	2,126	3,177	2,899	3,055	4,859	3,167	4,724	5,422	7,487	9,033	(4,287)	42,869	37,830	40,561
Public safety	58,642	11,216	14,519	10,870	54,113	14,982	11,478	15,473	52,612	10,574	11,859	26,638	292,976	306,122	300,164
Housing	44,639	12,462	16,261	13,933	48,357	20,190	12,522	17,062	47,772	17,726	19,994	144,833	415,732	526,728	522,555
Health	64,068	2,705	6,717	801	58,353	6,836	2,784	7,196	29,842	1,370	1,439	7,433	189,545	224,271	233,679
<i>Economic and environmental services</i>	<b>45,562</b>	<b>51,435</b>	<b>60,003</b>	<b>64,652</b>	<b>81,604</b>	<b>80,408</b>	<b>51,749</b>	<b>64,162</b>	<b>84,147</b>	<b>84,351</b>	<b>96,123</b>	<b>501,250</b>	<b>1,265,444</b>	<b>1,262,499</b>	<b>1,331,643</b>
Planning and development	7,600	2,039	2,772	2,404	3,623	3,623	2,053	2,945	8,461	3,226	3,717	69,042	116,424	83,696	64,357
Road transport	37,952	49,386	57,221	62,239	73,052	76,775	49,686	61,207	75,677	81,115	92,396	428,199	1,144,904	1,176,679	1,265,151
Environmental protection	10	10	10	10	10	10	10	10	10	10	10	4,010	4,116	2,125	2,136
<i>Trading services</i>	<b>1,837,176</b>	<b>1,261,406</b>	<b>2,253,934</b>	<b>1,656,359</b>	<b>1,926,716</b>	<b>796,110</b>	<b>1,507,065</b>	<b>1,355,405</b>	<b>1,332,952</b>	<b>1,346,322</b>	<b>1,424,994</b>	<b>2,649,779</b>	<b>19,348,218</b>	<b>20,751,371</b>	<b>22,281,274</b>
Electricity	1,202,074	777,698	1,838,883	1,226,722	1,467,409	343,403	1,109,520	987,692	627,105	888,129	842,639	1,195,667	12,506,942	13,454,074	14,431,190
Water	279,408	196,000	240,166	249,075	266,760	208,072	226,682	178,815	524,793	276,442	391,174	1,178,391	4,214,781	4,498,700	4,793,166
Waste water management	84,543	86,367	76,454	79,305	92,069	79,305	79,305	94,919	82,166	82,166	79,305	79,428	995,311	1,069,961	1,150,211
Waste management	271,151	202,341	98,431	101,257	100,477	165,330	91,568	93,978	98,898	99,595	111,875	196,292	1,631,184	1,728,637	1,906,716
Other	1,837	2,226	2,226	2,420	2,614	1,643	3,197	2,226	2,011	2,226	2,226	2,676	27,528	30,122	32,982
<b>Total Revenue - Standard</b>	<b>2,279,734</b>	<b>2,226,930</b>	<b>2,781,596</b>	<b>2,206,674</b>	<b>2,480,342</b>	<b>2,396,251</b>	<b>1,957,305</b>	<b>1,926,766</b>	<b>1,804,551</b>	<b>1,804,551</b>	<b>2,229,377</b>	<b>3,732,666</b>	<b>28,200,882</b>	<b>30,246,565</b>	<b>32,337,800</b>
<b>Expenditure - Standard</b>															
<i>Governance and administration</i>															
Executive and council	150,826	277,706	448,210	539,387	369,768	247,671	294,283	254,456	211,936	221,397	148,527	253,409	3,417,577	3,658,356	3,884,135
Budget and treasury office	62,830	63,822	64,352	65,201	66,796	66,478	65,284	20,409	20,624	22,473	10,874	31,535	559,679	584,338	610,472
Corporate services	67,241	136,469	302,692	388,883	217,546	99,826	148,979	135,194	95,666	104,156	41,072	79,965	1,817,688	1,965,619	2,093,444
<i>Community and public safety</i>	<b>230,613</b>	<b>357,945</b>	<b>335,278</b>	<b>342,788</b>	<b>361,005</b>	<b>357,997</b>	<b>354,353</b>	<b>366,111</b>	<b>369,835</b>	<b>297,604</b>	<b>421,006</b>	<b>465,310</b>	<b>4,259,845</b>	<b>4,520,991</b>	<b>4,798,509</b>
Community and social services	23,433	23,657	23,918	23,887	23,978	23,960	24,078	25,272	24,928	24,698	24,777	28,124	294,709	316,734	336,267
Sport and recreation	65,071	66,563	68,484	70,021	72,437	75,241	75,971	77,567	74,881	73,276	72,190	53,102	844,803	897,803	963,950
Public safety	33,387	122,029	122,262	125,213	121,867	119,644	123,231	123,621	122,324	92,861	128,668	271,001	1,506,308	1,600,033	1,699,987
Housing	21,985	50,473	27,837	28,271	49,092	45,863	37,037	46,612	52,389	47,265	52,351	20,909	479,975	502,974	530,173
Health	86,736	95,224	92,776	95,397	93,630	93,299	94,036	93,039	95,314	89,504	142,821	92,275	1,134,051	1,203,447	1,278,132
<i>Economic and environmental services</i>	<b>69,188</b>	<b>161,269</b>	<b>158,407</b>	<b>157,526</b>	<b>158,387</b>	<b>132,494</b>	<b>174,746</b>	<b>126,612</b>	<b>168,999</b>	<b>135,756</b>	<b>163,353</b>	<b>403,442</b>	<b>2,008,179</b>	<b>2,166,203</b>	<b>2,370,610</b>
Planning and development	24,731	29,316	25,966	24,832	25,604	25,510	25,679	32,678	32,589	33,126	29,272	82,982	392,284	360,886	377,174
Road transport	38,554	126,102	126,432	126,277	126,348	100,584	142,621	87,492	127,986	96,207	127,688	313,994	1,540,296	1,724,740	1,907,611
Environmental protection	5,903	5,850	6,010	6,418	6,435	6,399	6,446	6,441	6,424	6,422	6,383	6,466	75,599	80,578	85,825
<i>Trading services</i>	<b>1,086,072</b>	<b>1,643,833</b>	<b>1,629,164</b>	<b>1,556,046</b>	<b>1,243,689</b>	<b>1,439,618</b>	<b>1,048,183</b>	<b>1,146,076</b>	<b>1,249,567</b>	<b>1,277,723</b>	<b>1,355,579</b>	<b>1,815,167</b>	<b>16,490,716</b>	<b>17,688,396</b>	<b>18,998,279</b>
Electricity	912,914	1,204,040	1,249,042	1,147,209	771,515	1,043,588	661,828	740,136	741,666	867,338	875,132	858,802	11,073,209	11,767,449	12,579,138
Water	84,439	321,034	199,373	271,035	301,523	254,622	245,568	250,085	311,996	266,985	316,838	669,418	3,491,915	3,830,648	4,198,169
Waste water management	43,816	48,962	44,816	42,816	47,962	42,816	42,816	47,962	43,817	42,815	42,815	42,985	534,398	581,564	632,964
Waste management	44,904	69,797	136,932	94,986	122,689	98,592	97,971	107,993	152,088	100,585	120,795	243,962	1,391,193	1,488,735	1,588,007
Other	1,170	1,926	1,481	955	676	1,404	1,089	3,309	1,435	1,245	2,297	1,534	18,501	19,437	20,433
<b>Total Expenditure - Standard</b>	<b>1,537,869</b>	<b>2,442,678</b>	<b>2,572,540</b>	<b>2,596,703</b>	<b>2,133,525</b>	<b>2,179,183</b>	<b>1,872,634</b>	<b>1,896,564</b>	<b>1,999,772</b>	<b>1,933,724</b>	<b>2,090,763</b>	<b>2,938,863</b>	<b>26,194,817</b>	<b>28,033,383</b>	<b>30,071,966</b>
Surplus/(Deficit) before assoc.	741,865	(215,746)	209,056	(390,029)	346,817	217,069	84,671	30,202	178,918	(129,173)	138,614	793,803	2,006,064	2,213,162	2,265,834
Share of surplus/ (deficit) of associate															
<b>Surplus/(Deficit)</b>	<b>741,865</b>	<b>(215,746)</b>	<b>209,056</b>	<b>(390,029)</b>	<b>346,817</b>	<b>217,069</b>	<b>84,671</b>	<b>30,202</b>	<b>178,918</b>	<b>(129,173)</b>	<b>138,614</b>	<b>793,803</b>	<b>2,006,064</b>	<b>2,213,162</b>	<b>2,265,834</b>



Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

R thousand	Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
	<b>Multi-year expenditure to be appropriated</b>																
	Vote 1 - Executive and Council	1,295	9,329	20,442	21,324	22,580	27,674	12,084	19,774	26,815	22,074	41,578	211,435	436,405	576,036	516,274	
	Vote 2 - Finance and Corporate Services	1,663	11,907	26,091	27,217	28,819	36,321	15,424	25,239	34,225	28,174	53,068	289,863	567,000	614,000	674,000	
	Vote 3 - Energy	886	6,454	14,142	14,753	15,621	19,146	8,360	13,680	18,551	15,272	28,765	296,277	451,917	380,250	463,000	
	Vote 4 - Water and Sanitation	215	1,550	3,396	3,543	3,751	4,597	2,008	3,285	4,465	3,667	6,907	36,126	72,500	117,000	141,500	
	Vote 5 - Waste Management	976	7,034	15,411	16,077	17,023	20,864	9,111	14,908	20,216	16,642	31,346	159,404	329,012	437,239	430,097	
	Vote 7 - City Planning	164	1,180	2,586	2,697	2,856	3,500	1,529	2,501	3,392	2,792	5,259	26,744	55,200	64,000	35,000	
	Vote 8 - Economic Development	175	1,261	2,764	2,883	3,063	3,741	1,634	2,673	3,625	2,984	5,621	28,585	59,000	70,200	67,000	
	Vote 9 - Disaster and Emergency Management Services	280	2,019	4,424	4,615	4,887	5,989	2,615	4,280	5,804	4,777	8,999	45,760	94,450	79,911	80,000	
	Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	240	1,729	3,789	3,953	4,186	5,130	2,240	3,666	4,971	4,092	7,708	39,196	80,900	145,950	161,600	
	Vote 11 - Health and Social Development	30	214	468	489	517	634	277	453	614	506	953	4,845	10,000	8,500	11,300	
	Vote 12 - Environmental Resource Management	97	700	1,534	1,600	1,694	2,076	907	1,484	2,012	1,656	3,119	15,862	32,740	37,540	48,700	
	Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	1,661	11,964	26,214	27,346	28,956	35,489	15,497	25,358	34,387	28,308	53,319	271,142	559,641	691,448	683,600	
	Vote 14 - Transport Planning & Provisioning	1,762	12,696	27,819	29,020	30,728	37,661	16,446	26,911	36,492	30,041	56,583	287,741	593,900	637,500	573,200	
	Vote 15 - Roads and Stormwater	9,443	68,038	149,081	155,515	164,671	201,825	88,131	144,212	195,561	160,985	303,225	1,691,981	3,332,666	3,859,573	3,885,271	
	<b>Capital multi-year expenditure sub-total</b>																
	<b>Single-year expenditure to be appropriated</b>																
	Vote 1 - Executive and Council	21	155	339	353	374	459	200	328	444	366	689	3,504	7,233	10,743	14,280	
	Vote 2 - Finance and Corporate Services	318	2,292	5,022	5,239	5,547	6,799	2,969	4,858	6,588	5,423	10,215	51,944	107,213	94,034	92,496	
	Vote 3 - Energy	63	452	991	1,033	1,094	1,341	586	958	1,300	1,070	2,015	10,247	21,150	21,760	22,700	
	Vote 4 - Water and Sanitation	26	184	403	420	445	545	238	390	528	435	819	4,167	8,600	8,550	7,600	
	Vote 5 - Waste Management	161	1,163	2,549	2,659	2,816	3,451	1,507	2,466	3,344	2,762	5,184	26,365	54,417	39,800	52,500	
	Vote 6 - Human Settlements	3	21	46	48	51	62	27	44	60	50	93	475	980	1,080	1,180	
	Vote 7 - City Planning	12	89	194	203	215	263	115	188	255	210	395	2,011	4,150	4,400	4,800	
	Vote 8 - Economic Development	12	88	192	200	212	260	114	186	252	207	391	1,986	4,100	1,260	1,230	
	Vote 9 - Disaster and Emergency Management Services	135	975	2,137	2,229	2,360	2,893	1,263	2,067	2,803	2,308	4,346	22,103	45,620	49,880	44,950	
	Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	82	594	1,302	1,358	1,438	1,763	770	1,260	1,708	1,406	2,649	13,469	27,800	21,000	27,000	
	Vote 11 - Health and Social Development	47	336	735	767	812	996	435	711	965	794	1,496	7,607	15,700	10,000	8,500	
	Vote 12 - Environmental Resource Management	4	32	70	73	77	95	41	68	92	76	142	724	1,495	1,125	1,535	
	Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	290	2,086	4,571	4,769	5,049	6,189	2,702	4,422	5,996	4,936	9,298	47,282	97,590	53,395	54,600	
	Vote 14 - Transport Planning & Provisioning	141	1,014	2,223	2,319	2,455	3,009	1,314	2,150	2,916	2,400	4,521	22,990	47,452	48,300	9,800	
	Vote 15 - Roads and Stormwater	42	304	665	694	735	900	393	643	873	718	1,353	6,880	14,200	23,200	23,600	
	<b>Capital single-year expenditure sub-total</b>	1,358	9,785	21,439	22,365	23,681	29,024	12,674	20,739	28,124	23,151	43,607	221,752	457,700	388,527	366,771	
	<b>Total Capital Expenditure</b>	10,802	77,823	170,520	177,879	188,352	230,849	100,805	164,951	223,684	184,136	346,832	1,913,733	3,790,366	4,248,101	4,252,042	

**Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

R thousand	Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2		
	<b>Capital Expenditure - Standard</b>																	
	<i>Government and administration</i>	1,409	10,155	22,251	23,211	24,578	30,123	13,154	21,524	29,188	24,028	45,258	230,147	475,026	552,688	477,250		
	Executive and council	81	580	1,271	1,326	1,404	1,721	752	1,230	1,668	1,373	2,586	13,151	27,143	111,673	115,390		
	Budget and treasury office	787	5,669	12,421	12,957	13,719	16,815	7,343	12,015	16,293	13,412	25,263	128,469	265,162	268,721	154,186		
	Corporate services	542	3,906	8,559	8,928	9,454	11,587	5,060	8,279	11,227	9,242	17,408	88,527	182,721	182,295	207,674		
	<b>Community and public safety</b>	2,551	18,377	40,266	42,003	44,476	54,512	23,804	38,951	52,820	43,481	81,899	416,479	859,617	1,034,320	1,069,427		
	Community and social services	449	3,238	7,095	7,402	7,837	9,606	4,194	6,864	9,307	7,662	14,432	73,389	151,475	171,036	174,800		
	Sport and recreation	138	996	2,183	2,277	2,411	2,955	1,280	2,112	2,863	2,357	4,440	22,577	46,600	58,000	78,000		
	Public safety	697	5,023	11,005	11,480	12,156	14,899	6,506	10,646	14,437	11,884	22,385	113,832	234,950	211,015	215,250		
	Housing	979	7,055	15,457	16,124	17,074	20,926	9,138	14,952	20,277	16,892	31,440	159,879	329,992	438,319	431,277		
	Health	287	2,065	4,525	4,720	4,998	6,126	2,675	4,377	5,936	4,886	9,203	46,802	96,600	155,950	170,100		
	<b>Economic and environmental services</b>	3,781	27,244	59,694	62,270	65,937	80,814	35,289	57,745	78,305	64,461	121,416	617,433	1,274,388	1,463,633	1,322,965		
	Planning and development	142	1,020	2,234	2,331	2,468	3,025	1,321	2,161	2,931	2,413	4,545	23,110	47,700	63,560	19,930		
	Road transport	3,606	25,978	56,921	59,378	62,874	77,060	33,650	55,062	74,668	61,467	115,776	588,753	1,215,193	1,400,448	1,290,200		
	Environmental protection	34	246	538	562	595	729	318	521	706	581	1,095	5,569	11,495	9,625	12,835		
	<b>Trading services</b>	3,013	21,711	47,571	49,625	52,546	64,402	28,122	46,018	62,403	51,370	96,759	642,044	1,165,584	1,181,360	1,361,300		
	Electricity	1,715	12,360	27,081	28,250	29,913	36,663	16,010	26,197	35,525	29,244	55,083	280,110	578,150	635,760	696,700		
	Water	544	3,919	8,586	8,957	9,484	11,624	5,076	8,306	11,263	9,272	17,464	238,808	333,300	316,550	399,600		
	Waste water management	377	2,720	5,959	6,216	6,582	8,067	3,523	5,764	7,817	6,435	12,121	61,636	127,217	72,250	71,000		
	Waste management	377	2,713	5,945	6,202	6,567	8,048	3,514	5,751	7,798	6,420	12,092	61,490	126,917	156,800	194,000		
	<b>Other</b>	47	337	738	770	815	999	436	714	968	797	1,501	7,631	15,750	16,100	21,100		
	<b>Total Capital Expenditure - Standard</b>	<b>10,802</b>	<b>77,823</b>	<b>170,520</b>	<b>177,879</b>	<b>188,352</b>	<b>230,849</b>	<b>100,805</b>	<b>164,951</b>	<b>223,684</b>	<b>184,136</b>	<b>346,832</b>	<b>1,913,733</b>	<b>3,790,366</b>	<b>4,248,101</b>	<b>4,252,042</b>		
	<b>Funded by:</b>																	
	National Government	5,700	41,066	89,982	93,865	99,391	121,817	53,194	87,043	118,036	97,167	183,019	930,703	1,920,981	2,120,898	2,206,197		
	Provincial Government	228	1,640	3,593	3,748	3,968	4,864	2,124	3,475	4,713	3,880	7,308	37,161	76,700	83,000	45,000		
	District Municipality	16	118	258	269	285	349	152	249	338	278	524	2,665	5,500	5,000	8,000		
	Other transfers and grants	5,944	42,824	93,832	97,881	103,644	127,029	55,470	90,767	123,086	101,324	190,851	970,528	2,003,181	2,208,898	2,259,197		
	Transfers recognised - capital																	
	Public contributions & donations	3,662	26,383	57,808	60,302	63,853	78,260	34,174	55,919	75,831	62,423	117,578	597,918	1,234,110	1,493,190	1,340,863		
	Borrowing	1,196	8,617	18,981	19,695	20,855	25,560	11,162	18,264	24,767	20,388	38,402	345,287	553,075	546,014	651,982		
	Internally generated funds																	
	<b>Total Capital Funding</b>	<b>10,802</b>	<b>77,823</b>	<b>170,520</b>	<b>177,879</b>	<b>188,352</b>	<b>230,849</b>	<b>100,805</b>	<b>164,951</b>	<b>223,684</b>	<b>184,136</b>	<b>346,832</b>	<b>1,913,733</b>	<b>3,790,366</b>	<b>4,248,101</b>	<b>4,252,042</b>		

Table 55 MBRR SA30 - Budgeted monthly cash flow

R thousand	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	MONTHLY CASH FLOWS												Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Receipts By Source</b>															
Property rates	247,406	304,389	427,929	335,373	336,236	327,721	316,253	329,538	327,189	329,967	222,762	225,208	3,729,971	3,808,199	3,825,704
Property rates - penalties & collection charges	5,449	7,629	9,809	7,629	10,989	8,719	9,809	8,719	6,539	7,629	8,719	17,438	108,989	119,888	131,876
Service charges - electricity revenue	981,681	1,233,552	1,185,747	837,248	957,977	812,030	873,393	754,759	786,419	808,098	862,356	373,517	10,466,777	10,371,184	11,254,091
Service charges - water revenue	229,429	133,714	166,821	372,822	430,179	286,796	245,227	229,429	128,406	181,534	178,438	80,606	2,663,391	3,148,414	3,461,275
Service charges - sanitation revenue	69,672	33,076	99,531	99,531	99,531	108,144	109,484	95,035	19,906	85,609	73,609	26,791	921,919	1,065,661	1,145,589
Service charges - refuse revenue	87,529	92,788	106,091	103,447	97,911	105,580	93,180	109,535	104,733	91,137	106,868	46,356	1,145,155	1,323,096	1,421,805
Service charges - other	6,180	6,016	7,067	7,060	5,483	7,060	6,255	7,060	7,348	6,805	6,981	7,265	78,333	83,517	89,075
Rental of facilities and equipment	6,641	5,260	5,260	5,348	5,363	5,363	5,498	5,906	5,490	5,002	5,975	5,484	65,945	71,220	76,916
Interest earned - external investments	21,469	18,642	11,996	16,620	12,578	15,110	9,459	11,100	6,658	20,783	31,008	44,620	220,043	246,448	276,021
Interest earned - outstanding debtors	11,888	12,566	14,293	13,321	8,951	13,425	14,237	13,458	10,606	12,192	12,184	83,000	219,921	239,714	261,288
Dividends received															
Fines	18,062	20,249	17,805	18,805	18,126	21,407	19,546	23,929	26,155	18,081	27,843	23,106	253,116	278,427	306,270
Licences and permits	3,003	3,179	6,019	3,546	3,726	2,580	5,288	3,724	4,244	2,539	2,760	4,819	45,417	49,959	54,964
Agency services	18,888	21,044	25,815	24,186	19,988	17,139	20,815	19,941	20,823	14,157	23,090	32,670	258,557	279,241	301,581
Transfer receipts - operational	268,287	107,315	409,070	134,143	268,287	433,804	38,132	104,024	536,573	13,508	53,657	316,315	2,683,115	2,774,667	3,018,558
Other revenue	153,452	76,726	137,420	76,717	54,208	80,947	39,850	59,736	36,676	58,833	460,357	299,600	1,534,524	1,590,111	1,655,726
<b>Cash Receipts by Source</b>	<b>2,128,835</b>	<b>2,076,045</b>	<b>2,630,683</b>	<b>2,055,787</b>	<b>2,329,443</b>	<b>2,245,337</b>	<b>1,806,427</b>	<b>1,775,882</b>	<b>2,027,766</b>	<b>1,653,676</b>	<b>2,078,498</b>	<b>1,586,794</b>	<b>24,395,174</b>	<b>25,449,745</b>	<b>27,283,729</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	160,274	160,274	160,274	160,274	160,274	160,274	160,274	160,274	160,274	160,274	160,274	240,162	2,003,181	2,208,898	2,259,197
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	1,100,000	1,490,000	1,410,000
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(13,234)	(13,234)	(13,234)	(13,234)	(13,234)	(13,234)	(13,234)	(13,234)	(13,234)	(13,234)	(13,234)	(13,234)	(158,811)	(157,256)	(152,690)
<b>Total Cash Receipts by Source</b>	<b>2,279,274</b>	<b>2,226,484</b>	<b>2,781,122</b>	<b>2,206,226</b>	<b>2,479,882</b>	<b>2,395,775</b>	<b>1,956,865</b>	<b>1,926,321</b>	<b>3,278,205</b>	<b>1,804,115</b>	<b>2,228,936</b>	<b>1,817,120</b>	<b>27,380,326</b>	<b>29,036,249</b>	<b>30,846,930</b>
<b>Cash Payments by Type</b>															
Employee related costs	377,969	458,203	440,312	456,980	438,651	459,484	425,406	441,807	442,585	599,147	391,893	447,616	5,380,052	5,617,023	6,051,538
Remuneration of councillors	7,486	7,404	7,511	7,401	7,406	7,412	11,287	8,044	8,016	8,016	8,016	10,268	98,265	104,554	111,245
Finance charges	-	-	12,614	-	5,522	289,670	-	-	11,283	-	5,522	382,353	706,964	742,313	794,274
Bulk purchases - Electricity	498,079	1,030,440	903,441	1,182,781	502,063	442,578	464,729	422,613	456,111	503,502	545,353	335,151	7,286,939	7,696,395	8,176,298
Bulk purchases - Water & Sewer	222,282	222,282	222,282	222,282	222,282	222,282	222,282	222,282	222,282	222,282	222,282	222,282	2,667,395	2,928,989	3,216,280
Other materials	117,761	164,865	235,521	188,417	211,969	188,417	141,313	164,865	235,521	164,865	235,521	306,178	2,355,214	2,513,910	2,672,807
Contracted services	27,064	63,150	63,150	72,171	72,171	99,235	99,235	108,257	76,854	50,490	86,271	84,082	902,139	974,310	1,052,255
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	1,393	72,914	147,730	4,396	196,939	7,831	123,814	154,484	93,255	11,210	142,041	93,063	1,049,071	1,121,380	1,188,823
Other expenditure	132,741	185,837	265,482	212,386	238,934	212,386	159,289	185,837	265,482	185,837	265,482	26,733	2,336,427	2,015,871	2,098,884
<b>Cash Payments by Type</b>	<b>1,384,775</b>	<b>2,205,095</b>	<b>2,298,043</b>	<b>2,346,814</b>	<b>1,895,936</b>	<b>1,929,295</b>	<b>1,647,355</b>	<b>1,708,169</b>	<b>1,811,389</b>	<b>1,745,349</b>	<b>1,902,381</b>	<b>1,907,746</b>	<b>22,782,366</b>	<b>23,714,745</b>	<b>25,362,404</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	10,802	77,923	170,520	177,879	188,352	230,849	100,805	164,951	223,684	184,136	346,832	1,913,733	3,790,366	4,248,101	4,252,042
Repayment of borrowing	-	-	22,000	-	42,000	-	-	22,000	-	42,000	-	94,087	222,087	287,087	349,587
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>1,395,577</b>	<b>2,282,918</b>	<b>2,490,563</b>	<b>2,524,694</b>	<b>1,926,288</b>	<b>2,160,144</b>	<b>1,748,160</b>	<b>1,895,140</b>	<b>2,035,073</b>	<b>1,971,485</b>	<b>2,249,212</b>	<b>3,915,566</b>	<b>26,794,819</b>	<b>28,249,932</b>	<b>29,964,032</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>883,697</b>	<b>(56,434)</b>	<b>290,559</b>	<b>(318,467)</b>	<b>353,594</b>	<b>235,631</b>	<b>208,705</b>	<b>31,181</b>	<b>1,243,132</b>	<b>(167,370)</b>	<b>(20,276)</b>	<b>(2,098,445)</b>	<b>585,507</b>	<b>786,317</b>	<b>882,897</b>
Cash/cash equivalents at the monthly/year begin.	3,755,814	4,639,511	4,583,077	4,873,637	4,555,170	4,908,763	5,144,395	5,353,100	5,384,281	6,627,413	6,460,042	6,439,766	3,755,814	4,341,321	6,127,638
Cash/cash equivalents at the monthly/year end.	4,639,511	4,583,077	4,873,637	4,555,170	4,908,763	5,144,395	5,353,100	5,384,281	6,627,413	6,460,042	6,439,766	4,341,321	4,341,321	5,127,638	6,010,535

## 2.10 Annual budgets and SDBIPs – internal departments

### 2.10.1 CITY MANAGER

The budgets of the following departments have been clustered into the budget of the City Manager:

- Office of City Manager
- Office of Chief Operating Officer
- Executive Support
- City Secretariat
- Communications and Marketing
- Institutional Strategy, Monitoring and Evaluation and Research
- Internal Audit
- Risk Management
- Enterprise Programme Management Office
- Customer Relations Management
- Urban Management
- Urban Renewal

Each department will retain their respective individual cost centres to ensure accountability, but reporting will be done in a consolidated manner.

R101 million has been provided in the Operating Budget for the Lungile Mtshali Programme. This programme will ensure that projects of high priority (and visibility) will be implemented in each of the 101 wards to the value of R1 million.

#### **Operating Budget of the City Manager**

The main cost drivers of relevant departments are salaries and office overhead costs.

#### **Capital Budget of the departments within the City Manager**

##### **City Manager**

An amount of R270 000 for the 2014/15, R230 000 for the 2015/16 and R280 000 for the 2016/17 financial years have been provided for operational equipment for the City Manager.

##### **Chief Operating Officer**

An amount of R130 000 for the 2014/15, R130 000 for the 2015/16 and R180 000 for the 2016/17 financial years have been provided for operational equipment for the chief operating officer.

##### **Communications and Marketing Department**

An amount of R290 000 for the 2014/15, R310 000 for the 2015/16 and R350 000 for the 2016/17 financial years have been provided for operational equipment for the Communications and Marketing Department.

### Strategy & Corporate Planning Department

An amount of R310 000 for the 2014/15, R310 000 for the 2015/16 and R360 000 for the 2016/17 financial years have been provided for operational equipment for the Strategy & Corporate Planning Department.

### Capital Budget of the Internal Audit Department

An amount of R606 400 for the 2014/15, R384 500 for the 2015/16 and R424 500 for the 2016/17 financial years have been provided for operational equipment for the Internal Audit Department.

### Capital Budget of the Risk Management Department

An amount of R290 000 for the 2014/15, R220 000 for the 2015/16 and R220 000 for the 2016/17 financial years have been provided for operational equipment for the Risk Management Department.

### Customer Relations Management Department

The department has requested the following Capital Budget:

#### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal Bonds	33,250,000	15,000,000	-
Revenue	10,450,000	850,000	850,000
<b>Total</b>	<b>43,700,000</b>	<b>15,850,000</b>	<b>850,000</b>

#### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Corporate	16,700,000	15,850,000	850,000
Daveyton	7,000,000	-	-
Nigel	1,100,000	-	-
Tembisa	8,500,000	-	-
Tembisa 2	10,000,000	-	-
Vosloorus	400,000	-	-
<b>Total</b>	<b>43,700,000</b>	<b>15,850,000</b>	<b>850,000</b>

#### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
CBD/Developed, Residential	1,100,000	-	-
Developed	5,850,000	-	-
Operational Equipment	10,850,000	15,850,000	850,000

<b>Ward Category</b>	<b>Budget Submission 2014/15</b>	<b>Budget Submission 2015/16</b>	<b>Budget Submission 2016/17</b>
Underdeveloped	25,900,000	-	-
<b>Total</b>	<b>43,700,000</b>	<b>15,850,000</b>	<b>850,000</b>

### **Expected outcomes from the implementation of the Capital Budget of CRM**

The total budget for the department is R43.7 million.

- R27 million has been provided for the upgrades of five CCA buildings.
- A further amount of R5.8 million has been provided for the upgrades of CCA brownfield buildings.
- An amount of R10 million has been allocated to the Unified Command Centre (UCC).

Table 56: Operating Budget of the City Manager

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>CITY MANAGER'S OFFICE</b>												
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	%	F02 R'000	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total				
<b>INCOME</b>												
National Operating Grant	-	-	-	-	-	0.00%	0.00%	0.00%			-	-
<b>Sub-Total: Operating Grants</b>	-	-	-	-	-	0.00%	0.00%	0.00%			-	-
Other Sundry Income	2	2	814	(162)	0	-95.47%	-100.06%	100.00%			0	0
<b>Sub-Total: Other Income</b>	2	2	814	(162)	0	-95.47%	-100.06%	100.00%			0	0
<b>TOTAL OPERATING INCOME</b>	2	2	814	(162)	0	-95.47%	-100.06%	100.00%			0	0
<b>NET OPERATING INCOME</b>	2	2	814	(162)	0	-95.47%	-100.06%	100.00%			0	0
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	135,234	138,471	59,664	122,462	147,892	6.80%	20.77%	32.74%			157,357	167,428
Employee Related Costs - Overtime	733	733	891	552	388	-47.06%	-29.73%	0.09%			413	439
Employee Related Costs - Social Contributions	19,094	19,094	9,812	18,388	19,709	3.22%	7.19%	4.36%			20,971	22,313
Employee Related Costs - Salaries Capitalised	(3,255)	(3,255)	-	(1,628)	(3,255)	0.00%	100.00%	-0.72%			(3,464)	(3,685)
<b>Sub-Total: Remuneration</b>	151,806	155,042	70,368	139,774	164,734	6.25%	17.86%	36.46%			175,277	186,495
Depreciation - Existing Assets	74,580	74,580	43,505	74,580	61,392	-17.68%	-17.68%	13.59%			64,461	67,684
<b>Sub-Total: Depreciation</b>	74,580	74,580	43,505	74,580	61,392	-17.68%	-17.68%	13.59%			64,461	67,684
Repairs and Maintenance - External Contractors	7,257	5,492	1,492	5,657	11,064	101.48%	95.58%	2.45%			11,662	12,292
Repairs and Maintenance - Internal Maintenance Teams	665	830	368	550	680	-18.04%	23.61%	0.15%			724	770
<b>Sub-Total: Repairs and Maintenance</b>	7,922	6,322	1,860	6,208	11,745	85.78%	89.20%	2.60%			12,386	13,062
Contracted Services - Existing Contracts	949	1,312	411	1,066	2,480	89.04%	132.64%	0.55%			2,678	2,892
<b>Sub-Total: Contracted Services</b>	949	1,312	411	1,066	2,480	89.04%	132.64%	0.55%			2,678	2,892
General Expenses	63,399	89,843	16,683	47,539	211,420	135.32%	344.73%	46.80%			211,690	211,981
Grants Expenditure	-	-	-	-	-	0.00%	0.00%	0.00%			-	-
<b>TOTAL OPERATING EXPENDITURE</b>	298,657	327,099	132,826	269,167	451,770	38.11%	67.84%	100.00%			466,492	482,115
<b>NET OPERATING EXPENDITURE</b>	298,657	327,099	132,826	269,167	451,770	38.11%	67.84%	100.00%			466,492	482,115
<b>OPERATING SURPLUS/(DEFICIT)</b>	(298,654)	(327,096)	(132,012)	(269,329)	(451,770)	384.16%	827.96%	0			(466,492)	(482,114)
Total Transfers from Cash-Backed Reserves	5,964	5,964	3,479	5,964	3,787	-182.54%	-182.54%	0.00%			2,840	1,993
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	(292,690)	(321,132)	(128,533)	(263,366)	(447,983)	392.72%	839.66%	0.00%			(463,652)	(480,221)

## 2.10.2 CITY PLANNING

The result statements of the department are contained in the IDP in Annexure A.

### Key Strategic Projects of the City Planning Department

Project Name	Brief Description	Project Status/Progress	2014/15 Financial Implications
Development of Regional Spatial Development Frameworks (RSDFs) for Regions B, C, D, E & F and review of the metropolitan Spatial Development Framework (MSDF).	The aim of the project is to develop RSDFs and review the current (2011) MSDF to give context to urban design, city form and city identity for the metro.	The service provider was appointed towards the end of the 2013/14 financial year. The service provider started with work in July 2014. The draft status quo report has been drafted.	R12 million
Development of identified strategic land parcels.	The aim is to mobilise private sector investors to partner with the metro to maximise the potential land asset value and attract more investment in order for Ekurhuleni to achieve its developmental objectives that would result in economic growth, poverty alleviation.  EMM intends to package land for development to alter the metro's spatial landscape and optimise urban development by maximising the potential of strategic developable land and property through partnership with the private sector, lease or outright disposal of the land and property assets.	Framework for the development of strategic land parcels and development areas owned by Council has been approved.	R0 (no expenditure will be incurred in the current financial year- the process for appointing the service provider is still at the initiation phase and no deliverables in terms of the scope work may be financially committed for, in the current financial year).
Regularisation of unproclaimed townships.	The project aims to regularise existing townships within the area of jurisdiction of EMM that have not been proclaimed. Once proclamation has been completed property owners will be able to obtain freehold titles.	Three townships (Igqagqa, Tembisa Ext.7 and Etwatwa Ext.2 have been registered with the Surveyor-General and Registrar of Deeds.	R600 000
Development Ekurhuleni Town Planning Scheme.	The project aims to put in place the new Ekurhuleni Town Planning Scheme by	Public participation on the draft Town Planning Scheme has	R312 523.27



	<p>30 June 2014, which will replace the current 17 Town Planning Schemes that are currently operational.</p>	<p>been completed. The final draft Town Planning Scheme has been completed and is in the process of going to Council for approval.</p>	
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**Project 1: Development of RSDFs for Regions B, C, D, E and F and review of the MSDF**

The SCM process for the appointment of a service provider to undertake this project on behalf of the department is on course and has reached the Bid Adjudication Committee, which has referred the item back for auditing due to the magnitude/nature of the project. It is the intention of City Planning Department to appoint a multidisciplinary team/company led by one project managers to draft of five RSDFs and the further consolidation of all the six Regional Spatial Development Frameworks (RSDF) and the ultimate review of the metropolitan Spatial Development Framework (MSDF).

**Project 2: Development of identified strategic land parcels**

The framework for strategic land parcels was approved by Council in February 2014. A number of strategic land parcels will be identified to undergo the process of feasibilities, in-depth analysis, land packaging and profiling by a team of expertise to inform if the metro’s objective of their development will be realised. A transaction advisor will be appointed through the tender process for the provision of professional specialised consulting services for conducting feasibility studies and execution of business plans for the development of strategic land parcels within EMM. The outcomes will also inform Council which land parcels would proceed to the tender phase to solicit the best possible proposal through Requests for Proposals. Business plans for each land parcel will be available upon the completion of the work to be conducted by the service provider to be appointed. The project duration is expected to take a maximum of 36 months from the 2014/15 to 2016/2017 financial years.

The project is co-managed by the Real Estate and City Planning Departments. It is therefore agreed between the two departments that the project will, in the first financial year, be financed by City Planning. The budget for the project will be defrayed from City Planning Consultants Vote for 2014/2015, and for 2015/2016 and 2016/2017 financial years funding will be provided for by Real Estate Department.

**Project 3: Regularisation of unproclaimed townships**

There are over 200 townships which township establishment procedures were not completed at the time that the townships were established. The aim is to complete all the processes so that the townships are fully established and registered. This will enable the communities in the townships to obtain freehold titles to their properties and therefore to use them as tradable assets. The EMM will also be able to develop and/or dispose of municipal land within the townships. In addition the EMM will obtain valuable data relating to land use contraventions such as illegal development, encroachments, etc.

To date, the Department has fully completed three townships, with an additional 12 in various stages of progress. It is estimated that at the end of the financial year, 24 townships will be completed, including those carried over from last year. Total cost for 24 townships is approximately R4.8 million.

Because of experience and improved staffing, the department hopes to achieve a rate of 50 townships per year beginning in 2014/15, at a cost of R10 million per year for the next four years, leading to completion of the project.

**Project 4: Development Ekurhuleni Town Planning Scheme**

Public participation on the draft Town Planning Scheme has been completed. Comments from the public participation process were considered and incorporated into the scheme’s clauses. The report to Council for final approval of the scheme’s clauses and zoning maps has been completed and is in the process of going to Council for approval.

Once Council approval is obtained, the scheme can be proclaimed and all previous schemes be rescinded, then the new scheme can come into operation.

Estimated Budget:

- Printing of scheme clauses - R200 000
- Printing of manuals - R200 000
- Workshops - R200 000

-Proclamation of scheme document R200 000 (this is an estimate, apparently each page must be proclaimed).

**Total = R800 000**

The Operating Budget per category is attached hereto.

Table 57: Operating Budget of the City Planning Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>CITY PLANNING</b>												
FINANCIAL PERIOD	F00 R'000 ORG BUDGET	F00 R'000 ADJ BUDGET	F00 R'000 YEAR TO DATE	F00 R'000 PROJECTED	F01 R'000 2014/15	% B to B	% P to B	% Of Total	F02 R'000 2015/16	F03 R'000 2016/17		
<b>INCOME</b>												
Licenses & Permits	32,157	30,417	17,230	33,694	37,130	22.07%	10.20%	45.95%	40,843	44,928		
National Operating Grant	23,808	8,808	-	8,808	40,323	357.80%	357.80%	49.90%	-	-		
<b>Sub-Total: Operating Grants</b>	<b>23,808</b>	<b>8,808</b>	<b>-</b>	<b>8,808</b>	<b>40,323</b>	<b>357.80%</b>	<b>357.80%</b>	<b>49.90%</b>	<b>-</b>	<b>-</b>		
Other Sundry Income	2,803	2,803	1,252	4,513	3,349	19.46%	-25.80%	4.14%	3,851	4,429		
<b>Sub-Total: Other Income</b>	<b>2,803</b>	<b>2,803</b>	<b>1,252</b>	<b>4,513</b>	<b>3,349</b>	<b>19.46%</b>	<b>-25.80%</b>	<b>4.14%</b>	<b>3,851</b>	<b>4,429</b>		
<b>TOTAL OPERATING INCOME</b>	<b>58,768</b>	<b>42,028</b>	<b>18,481</b>	<b>47,015</b>	<b>80,802</b>	<b>92.26%</b>	<b>71.87%</b>	<b>100.00%</b>	<b>44,695</b>	<b>49,357</b>		
<b>NET OPERATING INCOME</b>	<b>58,768</b>	<b>42,028</b>	<b>18,481</b>	<b>47,015</b>	<b>80,802</b>	<b>92.26%</b>	<b>71.87%</b>	<b>100.00%</b>	<b>44,695</b>	<b>49,357</b>		
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	120,673	120,673	62,409	116,972	121,580	0.75%	3.94%	48.99%	129,361	137,640		
Employee Related Costs - Overtime	146	146	38	78	140	-4.06%	80.12%	0.06%	149	158		
Employee Related Costs - Social Contributions	26,281	26,281	13,924	25,693	26,866	2.23%	4.56%	10.82%	28,585	30,415		
Employee Related Costs - Salaries Capitalised	(307)	(307)	-	(153)	(307)	0.00%	100.00%	-0.12%	(326)	(347)		
<b>Sub-Total: Remuneration</b>	<b>146,792</b>	<b>146,792</b>	<b>76,370</b>	<b>142,590</b>	<b>148,279</b>	<b>1.01%</b>	<b>3.99%</b>	<b>59.74%</b>	<b>157,769</b>	<b>167,866</b>		
Depreciation - Existing Assets	1,330	1,330	776	1,330	1,083	-18.58%	-18.58%	0.44%	1,137	1,194		
<b>Sub-Total: Depreciation</b>	<b>1,330</b>	<b>1,330</b>	<b>776</b>	<b>1,330</b>	<b>1,083</b>	<b>-18.58%</b>	<b>-18.58%</b>	<b>0.44%</b>	<b>1,137</b>	<b>1,194</b>		
Repairs and Maintenance - External Contractors	22,699	22,722	1,709	12,633	22,777	0.24%	80.29%	9.18%	24,007	25,304		
Repairs and Maintenance - Internal Maintenance Teams	190	200	62	157	194	-3.06%	23.52%	0.08%	206	220		
<b>Sub-Total: Repairs and Maintenance</b>	<b>22,888</b>	<b>22,922</b>	<b>1,771</b>	<b>12,790</b>	<b>22,971</b>	<b>0.22%</b>	<b>79.80%</b>	<b>9.26%</b>	<b>24,214</b>	<b>25,523</b>		
Contracted Services - Existing Contracts	328	400	154	272	346	-13.57%	27.27%	0.14%	373	403		
<b>Sub-Total: Contracted Services</b>	<b>328</b>	<b>400</b>	<b>154</b>	<b>272</b>	<b>346</b>	<b>-13.57%</b>	<b>27.27%</b>	<b>0.14%</b>	<b>373</b>	<b>403</b>		
General Expenses	38,008	35,598	7,747	21,190	35,143	-1.28%	65.85%	14.16%	35,293	35,456		
Grants Expenditure	23,808	8,808	-	16,308	40,323	357.80%	147.26%	16.25%	-	-		
<b>TOTAL OPERATING EXPENDITURE</b>	<b>233,154</b>	<b>215,850</b>	<b>86,818</b>	<b>194,479</b>	<b>248,144</b>	<b>14.96%</b>	<b>27.59%</b>	<b>99.98%</b>	<b>218,786</b>	<b>230,442</b>		
Internal Charges	50	50	34	50	45	-11.36%	-11.36%	0.02%	48	52		
<b>NET OPERATING EXPENDITURE</b>	<b>233,205</b>	<b>215,900</b>	<b>86,852</b>	<b>194,529</b>	<b>248,189</b>	<b>14.96%</b>	<b>27.58%</b>	<b>100.00%</b>	<b>218,834</b>	<b>230,493</b>		
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(174,436)</b>	<b>(173,822)</b>	<b>(68,371)</b>	<b>(147,515)</b>	<b>(167,386)</b>	<b>-3.73%</b>	<b>13.47%</b>		<b>(174,139)</b>	<b>(181,137)</b>		
Total Transfers from Cash-Backed Reserves	1,401	1,401	817	1,401	889	-36.51%	-36.51%		667	445		
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(173,036)</b>	<b>(172,471)</b>	<b>(67,554)</b>	<b>(146,114)</b>	<b>(166,497)</b>	<b>-3.46%</b>	<b>13.95%</b>		<b>(173,472)</b>	<b>(180,692)</b>		

## Capital Budget of the City Planning Department

An amount of R4.1 million for 2014/15, R4.4 million for 2015/16 and R4.8 million for the 2016/17 financial years have been provided for operational equipment for the City Planning Department.

### 2.10.3 CORPORATE LEGAL SERVICES

The result statements of the department are contained in the IDP in Annexure A.

The Corporate Legal Services Department's mandate is to entirely guide, advise and enhance good governance processes across all structures of Council. In pursuit of and in sustaining this, the department will continue to effectively focus all its resources on ensuring proactive, professional and responsive legal support services, guided by the thrust of ensuring compliance with applicable legislation.

#### Key Strategic Projects of the Corporate Legal Services Department

PROJECT NAME	PROJECT DESCRIPTION
Increased conclusion of by-law infringement cases	Number of cases of contravention of by-laws finalised

#### Operating Budget of the Corporate Legal Services Department

By nature of its core functions, the Corporate Legal Services Department is not an income generating department for the metro, and therefore its Operating Budget is mainly focused on the expenditure component. It is however vital to mention that even though it is not extensive, there is some income generated by the department; i.e. sundry income, and the main contributing source is the legal cost recoveries. The income budget for rental of facilities has, as a result of institutional review developments, been allocated or moved to the relevant department dealing with real estate transactions.

The expenditure component is comprised of various cost drivers i.e. general expenses; contracted services; compensation of employees; repairs and maintenance (external); repairs and maintenance (internal teams); and the grants in aid categories. The major drivers are compensation of employees and contracted services categories. The biggest single cost item is contracts: legal services, which is rooted in the contracted services component. The cost of legal fees has, due its unpredictable nature, significantly escalated during the past eight financial years and this has been identified as an area where the department should continue developing and applying very stringent cost management mechanisms. One such key cost control mechanism is the legal account control registers. This however doesn't imply that the focus will be on cost cutting, but rather on value for money objective. The connotation is that quality and efficient legal advice should take precedence over the significance of cost cutting. The schedule below illustrates the legal costs quantum leap patterns over the period in question.

Financial Year	Actual Expenditure	Projected Expenditure
2006/2007	8,125,988	
2007/2008	11,655,800	

Financial Year	Actual Expenditure	Projected Expenditure
2008/2009	13,745,556	
2009/2010	12,801,287	
2010/2011	21,852,032	
2011/2012	33,382,114	
2012/2013	56,407,892	
2013/2014	20,256, 229 (as at 31 December 2013)	54,700,000
2014/2015	Due in 2014/15	54,700,000

The size and frequency of legal expenditure is informed by the number and magnitude of legal cases by and against Council. Partially, the costs are driven by the period and court levels it takes to resolve a particular case, which may invariably transcend more than one financial year. A classic example to this, is the original 2012/2013 budget of R30 million; which had to be adjusted upward during the budget adjustment window, to R55 million due to major litigation cases by and against Council. The bigger chunk of these costs are for litigation services provided by external legal practitioners; mostly in the contracted panel of attorneys; since municipal legal advisors do not have right of appearance or are not litigators, as they are non-practicing attorneys.

As another facet of approach to ensuring value for money on legal budget, the department will continue to commit to rigorously focus on cases by and against Council through the introduced hands-on legal case management system which generates constant reports on analysis of dispute, progress etc. Optimisation of legal human capital resourcing, if embarked upon, could prove to be a very positive development within the scope of cost cutting measures as this will ensure legal transgressions by Council and risks against the Council are reduced as a result of increased legal advice capacity, which in turn will cut litigation costs.

### **Capital Budget of the Corporate Legal Services Department**

The Capital Budget of Corporate Legal Services Department is essentially meant for securing tools of trade, as the department is a corporate services function in the metro and not service delivery orientated. Hence the department's Capital Budget size is quite nominal.

For each one of the financial years 2014/15, 2015/16 and 2016/17 an amount of R4.9 million, R4.9 million and R3.9 million respectively is being requested to make provision for ICT equipment, office furniture, specialised equipment and vehicles.

Table 58: Operating Budget of the Corporate Legal Services Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>											
<b>CORPORATE LEGAL</b>											
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15					2015/16	2016/17
<b>INCOME</b>											
Rent of Facilities and Equipment - Produced Assets	-	-	154	(41)	-	-	0.00%	0.00%	0.00%	-	-
Rent of Facilities and Equipment - Non-Produced Assets	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-
<b>Sub-total: Rent of Facilities and Equipment</b>	-	-	154	(41)	-	-	0.00%	0.00%	0.00%	-	-
Other Sundry Income	1,384	1,384	1,312	1,781	3,735	3,735	169.78%	109.67%	100.00%	4,295	4,939
<b>Sub-Total: Other Income</b>	<b>1,384</b>	<b>1,384</b>	<b>1,312</b>	<b>1,781</b>	<b>3,735</b>	<b>3,735</b>	<b>169.78%</b>	<b>109.67%</b>	<b>100.00%</b>	<b>4,295</b>	<b>4,939</b>
<b>TOTAL OPERATING INCOME</b>	<b>1,384</b>	<b>1,384</b>	<b>1,466</b>	<b>1,741</b>	<b>3,735</b>	<b>3,735</b>	<b>169.78%</b>	<b>114.55%</b>	<b>100.00%</b>	<b>4,295</b>	<b>4,939</b>
<b>NET OPERATING INCOME</b>	<b>1,384</b>	<b>1,384</b>	<b>1,466</b>	<b>1,741</b>	<b>3,735</b>	<b>3,735</b>	<b>169.78%</b>	<b>114.55%</b>	<b>100.00%</b>	<b>4,295</b>	<b>4,939</b>
<b>EXPENDITURE</b>											
Employee Related Costs - Salaries & Wages	132,365	132,365	69,333	129,396	119,804	119,804	-9.49%	-7.41%	41.22%	127,472	135,630
Employee Related Costs - Overtime	2,786	2,786	1,535	2,235	2,673	2,673	-4.06%	-19.62%	0.92%	2,844	3,026
Employee Related Costs - Social Contributions	32,524	32,524	16,647	31,563	30,588	30,588	-5.95%	-3.09%	10.52%	32,546	34,628
Employee Related Costs - Salaries Capitalised	(50)	(50)	-	(25)	(50)	(50)	0.00%	100.02%	-0.02%	(53)	(57)
<b>Sub-Total: Remuneration</b>	<b>167,625</b>	<b>167,625</b>	<b>87,515</b>	<b>163,169</b>	<b>153,015</b>	<b>153,015</b>	<b>-8.72%</b>	<b>-6.22%</b>	<b>52.64%</b>	<b>162,808</b>	<b>173,228</b>
Depreciation - Existing Assets	2,213	2,213	1,291	2,213	1,802	1,802	-18.58%	-18.58%	0.62%	1,892	1,986
<b>Sub-Total: Depreciation</b>	<b>2,213</b>	<b>2,213</b>	<b>1,291</b>	<b>2,213</b>	<b>1,802</b>	<b>1,802</b>	<b>-18.58%</b>	<b>-18.58%</b>	<b>0.62%</b>	<b>1,892</b>	<b>1,986</b>
Repairs and Maintenance - External Contractors	4,009	3,831	1,352	3,012	3,734	3,734	-2.51%	23.97%	1.28%	3,936	4,149
Repairs and Maintenance - Internal Maintenance Teams	697	1,538	1,196	720	713	713	-53.67%	-1.06%	0.25%	758	807
<b>Sub-Total: Repairs and Maintenance</b>	<b>4,705</b>	<b>5,369</b>	<b>2,548</b>	<b>3,733</b>	<b>4,447</b>	<b>4,447</b>	<b>-17.17%</b>	<b>19.14%</b>	<b>1.53%</b>	<b>4,694</b>	<b>4,956</b>
Contracted Services - Existing Contracts	59,108	58,893	20,358	53,456	54,544	54,544	-7.38%	2.03%	18.76%	58,908	63,620
<b>Sub-Total: Contracted Services</b>	<b>59,108</b>	<b>58,893</b>	<b>20,358</b>	<b>53,456</b>	<b>54,544</b>	<b>54,544</b>	<b>-7.38%</b>	<b>2.03%</b>	<b>18.76%</b>	<b>58,908</b>	<b>63,620</b>
Grants & Subsidies Paid - Social/Educational/Sports	6,497	6,497	-	-	6,925	6,925	6.59%	100.00%	2.38%	7,299	7,693
<b>Sub-Total: Grants and Subsidies</b>	<b>6,497</b>	<b>6,497</b>	<b>-</b>	<b>-</b>	<b>6,925</b>	<b>6,925</b>	<b>6.59%</b>	<b>100.00%</b>	<b>2.38%</b>	<b>7,299</b>	<b>7,693</b>
General Expenses	7,590	8,456	2,965	5,804	8,339	8,339	-1.39%	43.67%	2.87%	8,339	8,339
<b>TOTAL OPERATING EXPENDITURE</b>	<b>247,738</b>	<b>249,053</b>	<b>114,677</b>	<b>228,375</b>	<b>229,072</b>	<b>229,072</b>	<b>-8.02%</b>	<b>0.31%</b>	<b>78.81%</b>	<b>243,940</b>	<b>259,822</b>
Internal Charges	72,073	72,073	135,801	72,073	61,606	61,606	-14.52%	-14.52%	21.19%	66,555	71,858
<b>NET OPERATING EXPENDITURE</b>	<b>319,810</b>	<b>321,125</b>	<b>250,478</b>	<b>300,447</b>	<b>290,678</b>	<b>290,678</b>	<b>-9.48%</b>	<b>-3.25%</b>	<b>100.00%</b>	<b>310,475</b>	<b>331,680</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(318,426)</b>	<b>(319,741)</b>	<b>(249,011)</b>	<b>(298,707)</b>	<b>(286,944)</b>	<b>(286,944)</b>	<b>-10.26%</b>	<b>-3.94%</b>		<b>(306,180)</b>	<b>(326,741)</b>
Total Transfers from Cash-Backed Reserves	1,638	1,638	956	1,638	1,040	1,040	-36.51%	-36.51%		780	520
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(316,788)</b>	<b>(318,103)</b>	<b>(248,056)</b>	<b>(297,068)</b>	<b>(285,904)</b>	<b>(285,904)</b>	<b>-10.12%</b>	<b>-3.76%</b>		<b>(305,400)</b>	<b>(326,221)</b>

## 2.10.4 DISASTER AND EMERGENCY MANAGEMENT SERVICES (DEMS)

The result statements of the department are contained in the IDP in Annexure A.

Disaster and Emergency Management Services Department provides the following services to the community of Ekurhuleni:

- Fire fighting
- Fire safety
- Rescue services
- Emergency medical services
- Handling of hazardous material incidents
- Emergency Operations Centre
- Disaster management

### Key Strategic Projects of the Disaster and Emergency Management Services Department

NAME OF THE PROJECT	BRIEF DESCRIPTION
Construction of Duduza Fire Station	The construction of Duduza Fire Station which is located in Ward 87 is due for completion by 30 September 2014. It is intended to service the communities of Duduza, Jameson Park and Alra Park.
Establishment of a Fire Station in Zonkizizwe.	The construction of Zonkizizwe Fire Station which is located in Ward 62 is due for completion in March 2014. It is intended to service the communities of Zonkizizwe, Katlehong 2 and a backup for Palmridge and Katlehong 1.
Replacement of aged specialised emergency vehicles	Procurement of specialised emergency vehicles is a metro-wide project. Eight of these vehicles will be procured in 2014/15, in terms of the SDBIP.
Construction of a fire station in Thokoza.	Thokoza has no purpose-built fire station and operations are undertaken from a temporary facility at the Multipurpose Centre. This project commenced during the 2013/14 financial year and will be completed in the 2015/16 financial year.
Establishment of a fire station in KwaThema.	There is no fire station in KwaThema. Response to emergency incidents is from the Selection Park Fire Station, which is a distance from the area. It is a multi-year project which will be completed in 2015/2016 financial year. Construction of KwaThema Fire Station is part of the city's programme of eradicating service delivery backlogs and inequalities in the receipt of services.
Construction of the Germiston Fire Station.	The construction of the new fire station in Germiston is part of Germiston Urban Renewal Programme. The current fire station is more than 100-years-old and it's not feasible to maintain. It's thus being preserved as a museum. It's a multi-year project to be completed in 2015/16.
Construction of the Albertina Sizulu Corridor	This fire station will be situated at the heart of the Aerotropolis. There are huge economic developments

NAME OF THE PROJECT	BRIEF DESCRIPTION
Fire Station.	coming up in that corridor and the Kempton Park Fire Station, which is far from this area, is already not coping under the current circumstances. It will be concluded during the 2016/17 financial year.
Disaster Risks and Vulnerability Assessment	The current disaster risks profile is almost five-years-old and needs to be reviewed. This will be done in the 2014/15 and 2015/16 financial years.

### **Operating Budget of the Disaster and Emergency Management Services Department**

This department is also partly funded by the Gauteng Provincial Government for the provision of ambulance services. The majority of the department's costs are subsidised by assessment rates.

The main cost drivers are salaries and cost of provision of emergency services. The emergency services section operates on a 24/7 basis increasing the salary cost.

The provision of funds for disasters and emergency management is done within this cost centre. Disasters are dealt with as follows, in terms of the MFMA. Section 12 of the MFMA outlines the process of setting up relief funds to deal with disasters. The process to develop a disaster management funding model for the city, to ensure that both proactive and reactive activities of disaster management are catered for sufficiently, is underway as part of the SDBIP targets. The following conditions apply:

- The bank account must be in the name of the municipality.
- Only the City Manager may be the accounting officer of the fund.
- Funds must be paid into either the municipality's bank account, or the new account opened for the specific purpose.
- Funds may be withdrawn from the special purpose account WITHOUT it being appropriated in a budget, but only with the written authority of the accounting officer acting in accordance with a Council decision and for the purposes that the funds were deposited into the account.

Section 29 of the MFMA deals with the process related to unforeseen and unavoidable expenditure. The mayor can authorise expenditure in an emergency or other exceptional circumstances, for unforeseeable and unavoidable expenditure for which no provision was made in an approved budget. Such expenditure:

- Must be reported by the mayor to the municipal council at its next meeting.
- Must be appropriated in an adjustments budget within 60 days after the expenditure was incurred.

There is however a need to have a model for funding disaster management in the city which is under investigation.

In addition, Council has catastrophe insurance in the case of natural disasters. Cover is limited to council-owned property and third party liability. There is no cover for privately-owned property.

The metro's declared asset values for assets that are insurable amounts to R34 billion. Excluded from these declared values, and subsequently cover thereon, are items such as roads, bridges, water and sewer network and electricity network (because you can either



not source cover for these items or if you could it would simply be too expensive), however items such as sub stations, pump stations (in other words, machinery-related) are covered.

Cover is capped at R1.5 billion for any single event. Events covered are:

**Fire and allied perils** - which means fire, spontaneous combustion, spontaneous fermentation, spontaneous charring, spontaneous heating, lightning, thunderbolt, explosions, implosions, earthquakes and tremors, riot and strike, malicious damage, volcanic eruptions, subsidence and landslip, and acts of authorities.

**Special perils** - which means storm, wind, snow, water, hail, aircraft or other aerial devices or articles dropped therefrom, impact by vehicles (including railway) or animals, falling trees, accidental leakage from tanks, pipes etc.

The Operating Budget per category is attached hereto.

**Table 59: Operating Budget of the Disaster and Emergency Management Services Department**

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>										
<b>DISASTER &amp; EMERGENCY MANAGEMENT SERVICES</b>										
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	%	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total		2016/17
<b>INCOME</b>										
Minor Income	9,096	9,096	4,903	9,096	9,639	5.97%	5.97%	4.80%		10,729
<b>Total: User Charges for Services</b>	<b>9,096</b>	<b>9,096</b>	<b>4,903</b>	<b>9,096</b>	<b>9,639</b>	<b>5.97%</b>	<b>5.97%</b>	<b>4.80%</b>		<b>10,729</b>
Rent of Facilities and Equipment - Produced Assets	0	0	-	0	0	0.00%	0.00%	0.00%		0
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>		<b>0</b>
Licenses & Permits	3,369	3,369	1,697	3,113	4,191	24.38%	34.64%	2.09%		5,071
Emergency Services Subsidies	129,001	129,001	90,301	129,001	136,040	5.46%	5.46%	67.78%		150,842
<b>Sub-Total: Operating Grants</b>	<b>129,001</b>	<b>129,001</b>	<b>90,301</b>	<b>129,001</b>	<b>136,040</b>	<b>5.46%</b>	<b>5.46%</b>	<b>67.78%</b>		<b>150,842</b>
USDG	25,554	27,054	5,412	27,054	49,900	84.44%	84.44%	24.86%		19,600
<b>Sub-Total: Capital Grants</b>	<b>25,554</b>	<b>27,054</b>	<b>5,412</b>	<b>27,054</b>	<b>49,900</b>	<b>84.44%</b>	<b>84.44%</b>	<b>24.86%</b>		<b>19,600</b>
Other Sundry Income	880	880	826	929	930	5.69%	0.13%	0.46%		1,230
<b>Sub-Total: Other Income</b>	<b>880</b>	<b>880</b>	<b>826</b>	<b>929</b>	<b>930</b>	<b>5.69%</b>	<b>0.13%</b>	<b>0.46%</b>		<b>1,230</b>
<b>TOTAL OPERATING INCOME</b>	<b>167,901</b>	<b>169,401</b>	<b>103,137</b>	<b>169,193</b>	<b>200,701</b>	<b>18.48%</b>	<b>18.62%</b>	<b>100.00%</b>		<b>187,472</b>
<b>NET OPERATING INCOME</b>	<b>167,901</b>	<b>169,401</b>	<b>103,137</b>	<b>169,193</b>	<b>200,701</b>	<b>18.48%</b>	<b>18.62%</b>	<b>100.00%</b>		<b>187,472</b>
<b>EXPENDITURE</b>										
Employee Related Costs - Salaries & Wages	415,640	439,555	211,518	403,349	444,854	1.21%	10.29%	62.57%		503,618
Employee Related Costs - Overtime	53,368	58,068	34,603	55,817	55,710	-4.06%	-0.19%	7.84%		63,069
Employee Related Costs - Social Contributions	97,011	112,422	54,317	103,632	113,441	0.91%	9.47%	15.96%		128,426
Employee Related Costs - Salaries Capitalised	(4,676)	(4,676)	-	(2,338)	(4,676)	0.00%	100.00%	-0.66%		(5,294)
<b>Sub-Total: Remuneration</b>	<b>561,343</b>	<b>605,369</b>	<b>300,439</b>	<b>560,459</b>	<b>609,330</b>	<b>0.65%</b>	<b>8.72%</b>	<b>85.71%</b>		<b>689,820</b>
Depreciation - Existing Assets	39,789	39,789	23,210	39,789	23,656	-40.55%	-40.55%	3.33%		26,081
<b>Sub-Total: Depreciation</b>	<b>39,789</b>	<b>39,789</b>	<b>23,210</b>	<b>39,789</b>	<b>23,656</b>	<b>-40.55%</b>	<b>-40.55%</b>	<b>3.33%</b>		<b>26,081</b>
Repairs and Maintenance - External Contractors	25,764	25,798	5,470	17,318	26,609	3.14%	53.65%	3.74%		29,560
Repairs and Maintenance - Internal Maintenance Teams	2,810	3,541	1,865	2,515	2,875	-18.81%	14.29%	0.40%		3,255
<b>Sub-Total: Repairs and Maintenance</b>	<b>28,574</b>	<b>29,339</b>	<b>7,336</b>	<b>19,834</b>	<b>29,484</b>	<b>0.49%</b>	<b>48.66%</b>	<b>4.15%</b>		<b>32,815</b>
Contracted Services - Existing Contracts	29,223	367	180	367	540	47.01%	47.01%	0.08%		630
<b>Sub-Total: Contracted Services</b>	<b>29,223</b>	<b>367</b>	<b>180</b>	<b>367</b>	<b>540</b>	<b>47.01%</b>	<b>47.01%</b>	<b>0.08%</b>		<b>630</b>
General Expenses	26,462	40,231	10,845	19,344	34,740	-13.65%	79.59%	4.89%		34,740
<b>TOTAL OPERATING EXPENDITURE</b>	<b>685,391</b>	<b>715,095</b>	<b>342,009</b>	<b>639,793</b>	<b>697,750</b>	<b>-2.43%</b>	<b>9.06%</b>	<b>98.14%</b>		<b>784,086</b>
Internal Charges	14,976	14,976	17,536	14,976	13,200	-11.86%	-11.86%	1.86%		15,397
<b>NET OPERATING EXPENDITURE</b>	<b>700,367</b>	<b>730,071</b>	<b>359,545</b>	<b>654,769</b>	<b>710,950</b>	<b>-2.62%</b>	<b>8.58%</b>	<b>100.00%</b>		<b>799,483</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(532,466)</b>	<b>(560,670)</b>	<b>(256,408)</b>	<b>(485,576)</b>	<b>(510,250)</b>	<b>-8.99%</b>	<b>5.08%</b>			<b>(612,010)</b>
Contribution to Capital Budget	25,554	27,054	5,412	27,054	49,900	84.44%	84.44%			19,600
Total Transfers from Cash-Backed Reserves	6,565	6,565	3,830	6,565	4,168	-36.51%	-36.51%			2,084
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>(551,455)</b>	<b>(581,159)</b>	<b>(257,990)</b>	<b>(506,065)</b>	<b>(555,981)</b>	<b>-4.33%</b>	<b>9.86%</b>			<b>(629,526)</b>

**Capital Budget of the Disaster and Emergency Management Services Department**

The department has requested the following Capital Budget:

**Budget per Source of Finance**

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal Bonds	10,400,000	25,800,000	31,600,000
Revenue	44,319,920	49,230,000	60,750,000
USDG	49,900,000	45,050,000	19,600,000
<b>Total</b>	<b>104,619,920</b>	<b>120,080,000</b>	<b>111,950,000</b>

**Budget per Customer Care Area**

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Alberton	600,000	800,000	1,200,000
Benoni	600,000	1,600,000	8,600,000
Boksburg	800,000	2,400,000	-
Corporate	48,119,920	50,380,000	63,950,000
Duduza	5,600,000	-	-
Edenvale	1,400,000	1,450,000	1,200,000
Germiston	20,600,000	19,600,000	1,000,000
Katlehong 1	-	1,550,000	6,000,000
Katlehong 2		-	-
Kempton Park	2,600,000	18,800,000	23,400,000
Kwa Thema	11,300,000	9,000,000	-
Nigel		-	2,000,000
Tembisa 2	-	1,200,000	600,000
Tokoza	13,000,000	13,000,000	-
Vosloorus	-	300,000	4,000,000
<b>Total</b>	<b>104,619,920</b>	<b>120,080,000</b>	<b>111,950,000</b>

**Budget per Ward Category**

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	2,800,000	2,800,000	2,800,000
CBD	1,000,000	-	-
CBD / Developed, Residential	27,700,000	47,200,000	33,400,000
Developed	-	1,000,000	12,000,000
Developed, Residential	200,000	250,000	-
Operational Equipment	43,019,920	45,280,000	57,750,000
Underdeveloped	29,900,000	23,550,000	6,000,000
<b>Total</b>	<b>104,619,920</b>	<b>120,080,000</b>	<b>111,950,000</b>

### **New facilities to be constructed with a significant impact on Operating Budgets of future years (2014/15 financial year)**

The department is creating a number of new fire stations, but the renewal of current assets is limited to 3% and the replacement of vehicles 16%.

The fire brigade services and rescue services are a competency of the municipality in terms of the Constitution. The municipality therefore has the responsibility to provide equitable distribution of resources within its jurisdiction to ensure that all communities have services throughout the metro. There have been no fire stations in the townships in the past to provide these services. Furthermore, the growth of the city also impacts negatively on the existing resources thereby requiring more resources to be put in place.

Though the ambulance service is constitutionally a competency of the Provincial Government, it is run by the municipality as an integral part of the fire services in terms of the provisions of the Fire Brigade Services Act, 1987. The service is subsidised by the Provincial Health Department as per the MOU between the two parties. As indicated above, fire stations are constructed to primarily provide fire and rescue services which is a competency of the municipality.

In the period 2012/13 to 2016/17, the following fire stations are on the IDP:

- Duduza Fire Station
- Zonkizizwe Fire Station
- KwaThema Fire Station
- Germiston Fire Station
- Albertina Sizulu Corridor
- Thokoza Fire Station

Of the above fire stations, the following are already operational and the Operating Budget attached thereto is already being incurred and will not need additional budget except for additional staff to augment the already existing staff to meet the standards. This is an institutional review process:

- Duduza Fire Station, which will be finalised in September 2014. The fire station is operating from a temporary facility.
- Germiston Fire Station, which will be finalised during 2015/16 only. The fire station was the first one in Ekurhuleni. It's very old and difficult to maintain and no longer appropriate. The building qualifies to be a museum.

The following fire stations will indeed require additional Operating Budget once finalised. A need for these facilities was identified through the IDP process and they are required to render services:

- Zonkizizwe Fire Station. The fire station is meant to cover this area which is on the Southern border of the municipality far from any other facility. There are also risks that this fire station is going to cover such as the Klip Rivier Road, which sees a significant amount of transportation of hazardous materials by road which links with the N3 corridor, the Vaal Triangle, JHB and the Eastern Region of EMM. There are also huge economic projects such as the Tambo Springs Inland Port and other economic projects coming up in this area. The fire station will be finalised during 2013/14 financial year.

- KwaThema Fire Station. KwaThema is one of the townships not covered at all, even by a temporary facility. The fire station will be finalised in 2015/16. Only then will the Operating Budget be required and that provides enough time from now to source funding.
- Albertina Sizulu Corridor Fire Station. This fire station will be situated at the heart of the Aerotropolis. There are huge economic developments coming up in that corridor and the Kempton Park Fire Station which is far from this area is already not coping under the current circumstances. The fire station will only be finalised in 2016/17 providing enough time from now until then for funds to be sourced.

### Expected outcomes from the implementation of the Capital Budget

The total budget for the department is R104.6 million and significant projects are:

- R45.3 million for the construction of five fire stations in the following areas - Duduza, Germiston central, KwaThema, Thokoza and Zonkizizwe.
- R28.5 million for vehicles and specialised vehicles.

### 2.10.5 ECONOMIC DEVELOPMENT

The result statements of the department is contained in the IDP in Annexure A.

### Flagship Projects as pronounced by the Executive Mayor

Activity	Description
<b>1. Coordination of the metro-wide job creation programme</b>	
Purpose of the project	Coordinate a city-wide intervention that creates short- medium- and long-term work opportunities through the provision of training, experiential learning, and private sector placement opportunities.
Current progress on project	<ul style="list-style-type: none"> <li>• A media campaign to attract external companies to partner with the city on the programme was run in November 2013 and more than 40 companies have formally expressed their interest and are participating in the programme.</li> <li>• To date 475 unemployed youth have been placed with external companies, and 345 are placed internally.</li> <li>• 88 Interns have left the programme.</li> <li>• A total of 908 unemployed youth have been placed since the beginning of the 2013/2014 financial year.</li> </ul>
Future activities of the project	<ul style="list-style-type: none"> <li>• Implementation of the Graduate Placement Programme.</li> <li>• Youth Placement and other related programmes.</li> <li>• Engagements with private companies and</li> </ul>

	placement of unemployed graduates and matriculants is an ongoing programme.
Activity	Description
<b>2. Revitalisation of Township Economies</b>	
Purpose of the project	Systematic intervention in the economic rejuvenation in the townships in a manner that addresses spatial inequalities through the development of economic infrastructure to drive economic activity.
Current progress on project	<ul style="list-style-type: none"> <li>The finalisation of a Comprehensive Project Implementation Programme, the determination of Project Priority Zones in which a number of catalytic projects are clustered, and the outlining of Project Action Plans. A system for the ongoing monitoring and evaluation of projects system will also be proposed. The deliverables for this phase are the preparation work for <b>Business Plans</b> for each project complying with the NDP's requirements. The emphasis will be on identifying groups of projects that together can place the township areas on a sustainable development trajectory.</li> </ul>
Future activities of the project	<p>Implement the township economy strategy and Infrastructure plan in each complex in line with the Capex allocations.</p> <p>The implementation of the Township Retail Development Programme utilising council-owned shops as well as unfolding the waste recycling programme in the township.</p>

Activity	Description
<b>3. Revitalisation of Manufacturing Sector</b>	
Purpose of the project	To stimulate industrial activity, efficiencies and competitiveness of industrial and manufacturing sector entities through the implementation of the 13 Pillar Programmes.
Current progress on project	<ul style="list-style-type: none"> <li>Investment and Development Facilitation Strategic Policy Framework has been developed and adopted.</li> <li>Investment Centre being operationalised to implement the investment and development facilitation framework.</li> <li>Investment Centre system to fast-track strategic and mega investments and developments established.</li> <li>Continued implementation of the National Cleaner Production Centre programme.</li> <li>Strategy partnership with Productivity SA has</li> </ul>

	been established to provide industrial upgrade and productivity improvement programmes.
<b>Future activities of the project</b>	<ul style="list-style-type: none"> <li>• Develop an Industrial Planning and Development Strategy.</li> <li>• Develop an Economic Clustering and Sector Development and Support Programme.</li> <li>• Adopt and implement the Productivity Improvements and Industrial Upgrade Programme.</li> <li>• Continued implementation of the National Cleaners Production and Resource Efficiency Programme.</li> <li>• Develop a Comprehensive Skills Development Programme to focus on scarce skills.</li> <li>• Develop an Industrial and Economic Infrastructure Plan and Logistics Framework.</li> <li>• Adopt the Buy Local Campaign and Implement a strategic and targeted Local Procurement Programme to encourage local production and contents in partnership with Proudly SA.</li> <li>• Develop a database of industrialists and establish an Industrial Stakeholder Coordinating Forum in partnership with captains of industries to encourage industrial participation.</li> <li>• Research and development to encourage innovation.</li> </ul>

<b>Activity</b>	<b>Description</b>
<b>4. Implement the EMM Strategic Investment Facilitation Programme</b>	
Purpose of the project	To ensure that Ekurhuleni Business and Investment Centre is established and operationalised.
Current progress on project	<ul style="list-style-type: none"> <li>• Ekurhuleni Business Facilitation Network Centre Launched on 31 January 2014.</li> <li>• Investment Centre established with the application window open to public for investment and development facilitation.</li> <li>• Investment Centre dedicated telephone numbers (011 999 3516/3520) and email (eic@ekurhuleni.gov.za) activated.</li> </ul>
Future activities of the project	<ul style="list-style-type: none"> <li>• ICT provided with terms of references to develop an investment/development automated application process solution.</li> <li>• ICT working on a video conferencing solution with Microsoft.</li> <li>• To make the centre fully operational.</li> </ul>

<b>Activity</b>	<b>Description</b>
<b>5. Implement the Ekurhuleni Aerotropolis Development Programme</b>	

Purpose of the project	1.To implement the Ekurhuleni Aerotropolis Development Programme.
Current progress on project	<ul style="list-style-type: none"> <li>• Ekurhuleni Aerotropolis Investment Conference - scheduled for June 2014. Interdepartmental "organising" committee established - preparations for organising and hosting the conference initiated in December 2013.</li> <li>• Five-year Strategic Implementation Plan towards the Ekurhuleni Aerotropolis Master Plan developed - work under way and on course to be delivered in April 2014.</li> </ul>
Future activities of the project	<ul style="list-style-type: none"> <li>• The Aerotropolis project is still at a conceptual/design phase. A Master Plan currently under development and is due for completion in 2015.</li> <li>• An Interim Implementation Plan is expected for delivery in 2014, which comprises a set of significant and critical infrastructure initiatives and projects.</li> <li>• This budget requested will implement the recommendations from the five-year plan, upon approval.</li> <li>• The request is also made for the completion of the 30-year master plan.</li> </ul>

### Key Priorities

Activity	Description
<b>1. The Industrial Investment Facilitation</b>	
<b>Future activities of the Project (14/15)</b>	<p>The Facilitation has proposed two key deliverables for the 2014/15 financial year:</p> <ul style="list-style-type: none"> <li>• Number of strategic land parcels identified for the industrial and manufacturing sector.</li> <li>• Rand value committed/approved with respect to domestic and foreign direct investment.</li> </ul>
<b>2. High School Support Programme</b>	
<b>Future activities of the project (14/15)</b>	<ul style="list-style-type: none"> <li>• 1000 high school bursaries at R10 000 p/a.</li> <li>• Tertiary Domestic Financial Assistance Scheme (domestic).</li> <li>❖ 500 bursaries at R50 000 p/a.</li> <li>• Tertiary Domestic Financial Assistance Scheme (international).</li> <li>❖ 10 bursaries at R500 000 p/a.</li> <li>❖ School competition on economic related field, e.g. Aerotropolis.</li> </ul>



## **Operating Budget of the Economic Development Department**

The Economic Development Department consists of the following cost centres:

- Economic Development
- Fresh Produce Market
- Tourism

The Fresh Produce Market is being renovated in the current financial year and renovations will continue in the 2014/15 financial year. An additional amount of R5 million has been provided for the maintenance of the market. This project is aimed at the enhancement of the operations of the market with resulting increased revenue.

The Operating Budget per category is attached hereto.

Table 60: Operating Budget of the Economic Development Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>											
<b>ECONOMIC DEVELOPMENT</b>											
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15					2015/16	2016/17
<b>INCOME</b>											
Market Income	17,707	17,707	10,422	13,974	19,473	9.97%	39.35%	30.84%		21,420	23,562
<b>Total: User Charges for Services</b>	<b>17,707</b>	<b>17,707</b>	<b>10,422</b>	<b>13,974</b>	<b>19,473</b>	<b>9.97%</b>	<b>39.35%</b>	<b>30.84%</b>		<b>21,420</b>	<b>23,562</b>
Rent of Facilities and Equipment - Produced Assets	7,278	7,278	553	4,271	8,008	10.03%	87.49%	12.68%		8,648	9,340
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>7,278</b>	<b>7,278</b>	<b>553</b>	<b>4,271</b>	<b>8,008</b>	<b>10.03%</b>	<b>87.49%</b>	<b>12.68%</b>		<b>8,648</b>	<b>9,340</b>
Interest Earned - Current Investment Portfolio	115	115	10	69	43	-63.04%	-38.49%	0.07%		48	53
<b>Sub-Total: Interest Earned</b>	<b>115</b>	<b>115</b>	<b>10</b>	<b>69</b>	<b>43</b>	<b>-63.04%</b>	<b>-38.49%</b>	<b>0.07%</b>		<b>48</b>	<b>53</b>
Provincial Operating Grants	-	327	-	327	-	-100.00%	0.00%	0.00%		-	-
National Operating Grant	-	11,154	7,086	11,154	6,422	-42.42%	-42.42%	10.17%		-	-
<b>Sub-Total: Operating Grants</b>	<b>-</b>	<b>11,481</b>	<b>7,086</b>	<b>11,481</b>	<b>6,422</b>	<b>-44.06%</b>	<b>-44.06%</b>	<b>10.17%</b>		<b>-</b>	<b>-</b>
USDG	24,850	35,650	15,395	35,650	29,200	-18.09%	-18.09%	46.24%		39,000	15,000
Provincial Capital Grants	10,405	1,500	-	1,500	-	-100.00%	0.00%	0.00%		-	-
<b>Sub-Total: Capital Grants</b>	<b>35,255</b>	<b>37,150</b>	<b>15,395</b>	<b>37,150</b>	<b>29,200</b>	<b>-21.40%</b>	<b>-21.40%</b>	<b>46.24%</b>		<b>39,000</b>	<b>15,000</b>
Other Sundry Income	5	5	2	7	5	-1.17%	-30.57%	0.01%		6	7
<b>Sub-Total: Other Income</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>5</b>	<b>-1.17%</b>	<b>-30.57%</b>	<b>0.01%</b>		<b>6</b>	<b>7</b>
<b>TOTAL OPERATING INCOME</b>	<b>60,360</b>	<b>73,736</b>	<b>33,469</b>	<b>66,952</b>	<b>63,150</b>	<b>-14.36%</b>	<b>-5.68%</b>	<b>100.00%</b>		<b>69,122</b>	<b>47,962</b>
<b>NET OPERATING INCOME</b>	<b>60,360</b>	<b>73,736</b>	<b>33,469</b>	<b>66,952</b>	<b>63,150</b>	<b>-14.36%</b>	<b>-5.68%</b>	<b>100.00%</b>		<b>69,122</b>	<b>47,962</b>
<b>EXPENDITURE</b>											
Employee Related Costs - Salaries & Wages	31,372	31,694	19,409	29,706	43,236	36.42%	45.55%	31.08%		46,003	48,947
Employee Related Costs - Overtime	575	575	490	567	552	-4.06%	-2.68%	0.40%		587	625
Employee Related Costs - Social Contributions	5,486	5,486	2,652	5,184	5,505	0.35%	6.19%	3.96%		5,857	6,232
Employee Related Costs - Salaries Capitalised	(1,540)	(1,540)	-	(770)	(1,540)	0.00%	100.00%	-1.11%		(1,638)	(1,743)
<b>Sub-Total: Remuneration</b>	<b>35,893</b>	<b>36,215</b>	<b>22,551</b>	<b>34,688</b>	<b>47,753</b>	<b>31.86%</b>	<b>37.67%</b>	<b>34.33%</b>		<b>50,809</b>	<b>54,061</b>
Depreciation - Existing Assets	5,313	5,313	3,099	5,313	4,645	-12.57%	-12.57%	3.34%		4,877	5,121
<b>Sub-Total: Depreciation</b>	<b>5,313</b>	<b>5,313</b>	<b>3,099</b>	<b>5,313</b>	<b>4,645</b>	<b>-12.57%</b>	<b>-12.57%</b>	<b>3.34%</b>		<b>4,877</b>	<b>5,121</b>
Repairs and Maintenance - External Contractors	3,033	2,083	682	2,079	2,835	36.11%	36.33%	2.04%		2,988	3,149
Repairs and Maintenance - Internal Maintenance Teams	62	116	74	48	63	-45.34%	32.92%	0.05%		68	72
<b>Sub-Total: Repairs and Maintenance</b>	<b>3,095</b>	<b>2,199</b>	<b>757</b>	<b>2,127</b>	<b>2,898</b>	<b>31.81%</b>	<b>36.25%</b>	<b>2.08%</b>		<b>3,055</b>	<b>3,221</b>
Contracted Services - Existing Contracts	-	-	-	-	2,000	100.00%	100.00%	1.44%		2,160	2,333
<b>Sub-Total: Contracted Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>1.44%</b>		<b>2,160</b>	<b>2,333</b>
Grants & Subsidies Paid - Social/Educational/Sports	-	-	-	-	5,982	100.00%	100.00%	4.30%		6,305	6,646
<b>Sub-Total: Grants and Subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,982</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4.30%</b>		<b>6,305</b>	<b>6,646</b>
General Expenses	58,720	76,772	12,027	26,038	69,076	-10.02%	165.29%	49.66%		69,077	69,079
Grants Expenditure	-	11,481	7,077	11,481	6,422	-44.06%	-44.06%	4.62%		-	-
<b>TOTAL OPERATING EXPENDITURE</b>	<b>103,021</b>	<b>131,979</b>	<b>45,510</b>	<b>79,646</b>	<b>138,777</b>	<b>5.15%</b>	<b>74.24%</b>	<b>99.77%</b>		<b>136,284</b>	<b>140,460</b>
Internal Charges	304	304	2	304	321	5.47%	5.47%	0.23%		345	371
<b>NET OPERATING EXPENDITURE</b>	<b>103,325</b>	<b>132,284</b>	<b>45,513</b>	<b>79,951</b>	<b>139,097</b>	<b>5.15%</b>	<b>73.98%</b>	<b>100.00%</b>		<b>136,629</b>	<b>140,831</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(42,965)</b>	<b>(58,548)</b>	<b>(12,044)</b>	<b>(12,998)</b>	<b>(75,947)</b>	<b>29.72%</b>	<b>484.28%</b>			<b>(67,508)</b>	<b>(92,869)</b>
Contribution to Capital Budget	35,255	37,150	15,395	30,907	29,200	-21.40%	-5.52%			39,000	15,000
Total Transfers from Cash-Backed Reserves	794	794	463	794	504	-36.51%	-36.51%			378	252
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(77,426)</b>	<b>(94,904)</b>	<b>(26,976)</b>	<b>(43,111)</b>	<b>(104,643)</b>	<b>10.26%</b>	<b>142.73%</b>			<b>(106,129)</b>	<b>(107,617)</b>

## Capital Budget of the Economic Development Department

The department has requested the following Capital Budget:

### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal bonds	27,000,000	25,000,000	20,000,000
USDG	29,200,000	39,000,000	15,000,000
Revenue	3,100,000	1,260,000	1,230,000
<b>Total</b>	<b>59,300,000</b>	<b>65,260,000</b>	<b>36,230,000</b>

### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Benoni	1,000,000	-	-
Brakpan	12,000,000	20,000,000	15,000,000
Corporate	28,300,000	25,260,000	1,230,000
Springs	13,000,000	15,000,000	20,000,000
Tembisa	5,000,000	5,000,000	-
<b>Total</b>	<b>59,300,000</b>	<b>65,260,000</b>	<b>36,230,000</b>

### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	37,200,000	44,000,000	15,000,000
CBD	13,000,000	15,000,000	20,000,000
Operational equipment	3,100,000	1,260,000	1,230,000
Underdeveloped	6,000,000	5,000,000	-
<b>Total</b>	<b>59,300,000</b>	<b>65,260,000</b>	<b>36,230,000</b>

### Expected outcomes from the implementation of the Capital Budget

The total budget for the department is R59.3 million. Significant projects are:

- R13 million for the refurbishment of the Springs Fresh Produce Market.
- R8.2 million for Township Enterprise Hubs.
- R5 million for trading stalls.
- R6 million for community agricultural projects.
- R5 million for the fabrication laboratory.
- R6 million for the township industrial parks.
- R10 million for the Township Economies

## 2.10.6 EKURHULENI METRO POLICE DEPARTMENT (EMPD)

The result statements of the department is contained in the IDP in Annexure A

### Key projects of the Ekurhuleni Metro Police Department

- Improve organisational effectiveness in policing services (crime prevention, by-law enforcement, security and traffic law enforcement).
- Improve organisational governance vs. creating a better/improved enabling environment in EMPD.
- Build a new 'officer core' and improve discipline among the ranks.
- Grow community engagement (through social crime prevention programmes and Community Policing Forums).

### Operating Budget of the Ekurhuleni Metro Police Department

The EMPD Operating Budget comprises mainly of remuneration-related (salaries etc.) votes at 73.21%, repairs and maintenance-related votes (various votes including repair and maintenance of vehicles and buildings) at 2.33% and contracted services-related votes (the largest being the security contracts) at 17.12%, with the remaining 7.34% used for "general expenses".

One of the single greatest cost components of the EMPD is security contracts. The expenditure has drastically and significantly increased over the past few years, and is reflected as per the table below.

Financial Year	Actual Expenditure
2006/07	38,303,822
2007/08	45,228,492
2008/09	77,394,426
2009/10	76,833,395
2010/11	101,502,135
2011/12	99,508,647
2012/13	110,502,565
2013/14 (current budgeted)	133,284,023
2014/15 (proposed budget)	150,000,000

An amount of R 150 million has been budgeted for the 2014/15 financial year. The department is however investigating alternative security measures that will significantly reduce the cost of external security services.

The department's main revenue source is traffic fines. Traffic fine income does not grow at the same rate as the cost of the service. An amount of R86 million was budgeted for the 2013/14 financial year which has increased to R94.6 million for the 2014/15 financial year.

The AARTO Act is promulgated for implementation as from 1 April 2012. This budget does not make provision for any additional costs resulting from the AARTO process.

The AARTO process has been delayed due to the failure of the RTMC to promulgate changes to the relevant legislation and the decision to implement lies with the Minister of Transport. The cost implication of AARTO is however extremely high due to the fact that currently offenders can be notified via normal mail at a cost about R3 and/or personal serving. In terms of the AARTO legislation however each infringement notice must be

served via registered mail at a cost of R18.75 per infringement. The cost of this postage is currently offset in a back office contract and EMPD therefore does not pay any postage fee. The projected cost once AARTO is implemented will be R22.5 million for the 2014/2015 financial year (based on 100 000 fines issued per month.)

It must also be noted that the projected income will decrease dramatically due to AARTO legislation that is not fully implemented in South Africa.

The Operating Budget per category is attached hereto.

Table 61: Operating Budget of the Ekurhuleni Metro Police Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>EKURHULENI METRO POLICE DEPARTMENT</b>												
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	%	F02 R'000	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total				
<b>INCOME</b>												
Traffic Fines	86,000	86,000	13,401	56,015	94,600	10.00%	68.88%	95.79%			104,060	114,466
Other Fines	333	333	460	954	590	77.18%	-38.16%	0.60%			649	714
<b>Sub-Total: Fines</b>	<b>86,333</b>	<b>86,333</b>	<b>13,861</b>	<b>56,969</b>	<b>95,190</b>	<b>10.26%</b>	<b>67.09%</b>	<b>96.39%</b>			<b>104,709</b>	<b>115,180</b>
USDG	15,700	13,500	366	13,500	-	-100.00%	0.00%	0.00%			-	-
<b>Sub-Total: Capital Grants</b>	<b>15,700</b>	<b>13,500</b>	<b>366</b>	<b>13,500</b>	<b>-</b>	<b>-100.00%</b>	<b>0.00%</b>	<b>0.00%</b>			<b>-</b>	<b>-</b>
Other Sundry Income	915	915	561	1,369	3,566	289.87%	160.44%	3.61%			4,100	4,715
<b>Sub-Total: Other Income</b>	<b>915</b>	<b>915</b>	<b>561</b>	<b>1,369</b>	<b>3,566</b>	<b>289.87%</b>	<b>160.44%</b>	<b>3.61%</b>			<b>4,100</b>	<b>4,715</b>
<b>TOTAL OPERATING INCOME</b>	<b>102,948</b>	<b>100,748</b>	<b>14,788</b>	<b>71,838</b>	<b>98,756</b>	<b>-1.98%</b>	<b>37.47%</b>	<b>100.00%</b>			<b>108,809</b>	<b>119,895</b>
<b>NET OPERATING INCOME</b>	<b>102,948</b>	<b>100,748</b>	<b>14,788</b>	<b>71,838</b>	<b>98,756</b>	<b>-1.98%</b>	<b>37.47%</b>	<b>100.00%</b>			<b>108,809</b>	<b>119,895</b>
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	482,458	462,273	229,831	442,847	498,454	7.83%	12.56%	47.09%			530,355	564,298
Employee Related Costs - Overtime	142,674	142,674	81,149	138,447	136,882	-4.06%	-1.13%	12.93%			145,642	154,963
Employee Related Costs - Social Contributions	120,470	120,470	72,119	120,339	133,741	11.02%	11.14%	12.64%			142,300	151,407
Employee Related Costs - Salaries Capitalised	(1,073)	(1,073)	-	(537)	(1,073)	0.00%	100.00%	-0.10%			(1,142)	(1,215)
<b>Sub-Total: Remuneration</b>	<b>744,529</b>	<b>724,344</b>	<b>383,100</b>	<b>701,097</b>	<b>768,003</b>	<b>6.03%</b>	<b>9.54%</b>	<b>72.56%</b>			<b>817,156</b>	<b>869,454</b>
Repairs and Maintenance - External Contractors	16,941	18,301	11,081	16,901	19,241	5.14%	13.85%	1.82%			20,280	21,375
Repairs and Maintenance - Internal Maintenance Teams	5,345	5,803	4,208	5,364	5,469	-5.75%	1.95%	0.52%			5,819	6,192
<b>Sub-Total: Repairs and Maintenance</b>	<b>22,286</b>	<b>24,104</b>	<b>15,289</b>	<b>22,265</b>	<b>24,710</b>	<b>2.52%</b>	<b>10.98%</b>	<b>2.33%</b>			<b>26,099</b>	<b>27,567</b>
Contracted Services - Existing Contracts	128,206	160,664	68,684	116,444	181,210	12.79%	55.62%	17.12%			195,706	211,363
<b>Sub-Total: Contracted Services</b>	<b>128,206</b>	<b>160,664</b>	<b>68,684</b>	<b>116,444</b>	<b>181,210</b>	<b>12.79%</b>	<b>55.62%</b>	<b>17.12%</b>			<b>195,706</b>	<b>211,363</b>
General Expenses	68,917	77,732	22,921	49,115	83,649	7.61%	70.31%	7.90%			83,649	83,649
<b>TOTAL OPERATING EXPENDITURE</b>	<b>963,937</b>	<b>986,844</b>	<b>489,993</b>	<b>888,920</b>	<b>1,057,572</b>	<b>7.17%</b>	<b>18.97%</b>	<b>99.92%</b>			<b>1,122,610</b>	<b>1,192,032</b>
Internal Charges	853	853	460	853	882	3.46%	3.46%	0.08%			953	1,029
<b>NET OPERATING EXPENDITURE</b>	<b>964,790</b>	<b>987,697</b>	<b>490,453</b>	<b>889,773</b>	<b>1,058,454</b>	<b>7.16%</b>	<b>18.96%</b>	<b>100.00%</b>			<b>1,123,563</b>	<b>1,193,061</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(861,842)</b>	<b>(886,949)</b>	<b>(475,665)</b>	<b>(817,934)</b>	<b>(959,699)</b>	<b>8.20%</b>	<b>17.33%</b>				<b>(1,014,753)</b>	<b>(1,073,166)</b>
Contribution to Capital Budget	15,700	13,500	366	13,500	-	-100.00%	0.00%				-	-
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(877,542)</b>	<b>(900,449)</b>	<b>(476,031)</b>	<b>(831,434)</b>	<b>(959,699)</b>	<b>6.58%</b>	<b>15.43%</b>				<b>(1,014,753)</b>	<b>(1,073,166)</b>

**Capital Budget of the Ekurhuleni Metro Police Department**

The department has requested the following Capital Budget:

**Budget per Source of Finance**

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Revenue	97,590,000	54,395,000	54,600,000
Municipal Bonds	32,740,000	36,540,000	48,700,000
<b>Total</b>	<b>130,330,000</b>	<b>90,935,000</b>	<b>103,300,000</b>

**Budget per Customer Care Area**

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Alberton	-	-	-
Benoni	-	-	700,000
Boksburg	-	1,500,000	8,000,000
Brakpan	1,000,000	1,000,000	-
Corporate	105,630,000	55,435,000	57,600,000
Edenvale	-	3,000,000	9,000,000
Katlehong 2	-	-	-
Kempton Park	5,700,000	20,000,000	20,000,000
Springs	3,000,000	-	-
Tembisa 1	2,500,000	10,000,000	8,000,000
Tokoza	12,500,000	-	-
<b>Total</b>	<b>130,330,000</b>	<b>90,935,000</b>	<b>103,300,000</b>

**Budget per Ward Category**

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
CBD	2,000,000	4,000,000	3,000,000
CBD / Developed, Residential	6,740,000	23,540,000	37,700,000
Operational Equipment	103,590,000	53,395,000	54,600,000
Underdeveloped	18,000,000	10,000,000	8,000,000
<b>Total</b>	<b>130,330,000</b>	<b>90,935,000</b>	<b>103,300,000</b>

**Expected outcomes from the implementation of the Capital Budget**

The department seeks to render effective and efficient crime prevention, observance of laws and by-laws and traffic law enforcement. The quality of life of the community of Ekurhuleni is improved as the EMPD work in partnership with our communities to serve them within the parameters of the Constitution of South Africa as well as other relevant

laws to promote a safe environment. This initiative also increases police visibility in the metro.

The total budget for the department is R130.33 million and it is earmarked for amongst others R12.5 million for the construction of the Thokoza Precinct Station as well as R1.2 million for planning fees for the Tembisa and Kempton Park Precincts which start construction in 2015/16.

R91.5 million has been provided for the purchasing of vehicles and specialised vehicles to address the area of visible policing.



## 2.10.7 ENERGY

The result statements of the department is contained in the IDP in Annexure A

### Key Strategic Projects of the Energy Department

NAME OF THE PROJECT	BRIEF DESCRIPTION
Solar lighting for informal settlements	Provision of four solar powered lights plus cellphone charger
One megawatt landfill gas projects	Generation of energy from methane at landfill sites
Upgrading of Edenvale Industries Substation	Create transformer capacity and increase remaining useful life of substation
Electrification of Esselen Park (Ext. 3), John Dube and Eden Park	Electrification of stands
Kaalfontein Substation	Upgrade of substation to two x 20 MVA transformer
Langaville Electricity Network Restitution	Converting to protective structures, improvement and upgrading electricity network

### Operating Budget of the Energy Department

The Operating Budget of the Energy Department consists mainly of the repairs and maintenance and bulk purchases in terms of operating expenses and electricity sales in terms of operating income.

In terms of the repairs and maintenance budget an amount of R459 494 000 is allocated to maintenance and refurbishment of electrical infrastructure.

#### Refurbishment

Work in terms of the refurbishment budget is prioritised based on the department's approved asset management refurbishment programme and will be amended as and when required in order to address newly identified priorities. Forced interruption statistics, local knowledge, asset age and inspection results are used to identify refurbishment projects. A detailed multi-year refurbishment plan has been compiled by the department.

#### Repairs and Maintenance

Repairs and maintenance forms part of the department's daily asset management activities. Repairs will only be carried out as and when required. Maintenance will be done in terms of the department's approved maintenance plan.

### TARIFF INCREASES AND FREE BASIC ELECTRICITY

#### Increases

- NERSA announced an Eskom increase of 8.06%.
- Subsequent to this announcement NERSA announced a guideline increase of 7.39% for local government.

#### FBE

- 100 units per month remains in place, however:
- A restriction has been put forward from 1 June 2014 to limit the allocation of FBE to:

- Households using less than 450 units per month.
- Based on a 12-month average value of consumption.
- This restriction is aimed at avoiding a situation where EMM will sell for less than the actual purchase price.
- It should be noted that the low IBT rates match those of Eskom, which results in a huge cross subsidisation from other customer segments.
- That is, EMM has a very low rate subsidised heavily by other customers and 100 units FBE. Change is required to avoid sustainability matters arising.

## **OPERATING INCOME**

Tariffs were increased, in accordance with the guidelines of National Treasury MFMA Circular 70, by 7.39%. In addition, the Energy Department will continue to focus efforts on accurate billing, a reduction in energy losses and migrate indigent customers to prepayment metering. Efforts to reduce tampering will continue, as will the fight against cable and copper theft. Finally, the continued installation of energy efficient streetlights will assist in a reduction in the purchased units from Eskom.

The Operating Budget per category is attached hereto.

Table 62: Operating Budget of the Energy Department

EKURHULENI METROPOLITAN MUNICIPALITY												
ENERGY												
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000	
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15					2015/16	2016/17	
<b>INCOME</b>												
Interest Earned - Outstanding Debtors	34,000	34,000	38,327	38,777	36,720	8.00%	-5.30%	0.29%		40,025	43,627	
<b>Sub-total: Penalties and Interest on Debtors</b>	<b>34,000</b>	<b>34,000</b>	<b>38,327</b>	<b>38,777</b>	<b>36,720</b>	<b>8.00%</b>	<b>-5.30%</b>	<b>0.29%</b>		<b>40,025</b>	<b>43,627</b>	
Electricity Sales	11,198,138	11,198,138	6,505,399	11,048,135	11,393,024	1.74%	3.12%	91.09%		12,234,969	13,139,133	
Departmental Usage	301,547	301,547	113,941	224,801	324,475	7.60%	44.34%	2.59%		350,433	378,468	
<b>Sub-total: Net Electricity Sales</b>	<b>11,499,685</b>	<b>11,499,685</b>	<b>6,619,340</b>	<b>11,272,936</b>	<b>11,717,499</b>	<b>1.89%</b>	<b>3.94%</b>	<b>93.69%</b>		<b>12,585,402</b>	<b>13,517,601</b>	
<b>Total: User Charges for Services</b>	<b>11,499,685</b>	<b>11,499,685</b>	<b>6,619,340</b>	<b>11,272,936</b>	<b>11,717,499</b>	<b>1.89%</b>	<b>3.94%</b>	<b>93.69%</b>		<b>12,585,402</b>	<b>13,517,601</b>	
Disconnection Fees	3,500	3,500	16	6,414	6,389	82.53%	-0.40%	0.05%		7,027	7,730	
Other Fines	2,750	2,750	4,244	3,321	4,890	77.83%	47.26%	0.04%		5,379	5,917	
<b>Sub-Total: Fines</b>	<b>6,250</b>	<b>6,250</b>	<b>4,261</b>	<b>9,735</b>	<b>11,279</b>	<b>80.46%</b>	<b>15.86%</b>	<b>0.09%</b>		<b>12,407</b>	<b>13,647</b>	
Licenses & Permits	-	-	0	-	-	0.00%	0.00%	0.00%		-	-	
Equitable Share	270,000	305,636	202,500	305,636	326,220	6.73%	6.73%	2.61%		347,045	379,141	
<b>Sub-Total: Operating Grants</b>	<b>270,000</b>	<b>305,636</b>	<b>202,500</b>	<b>305,636</b>	<b>326,220</b>	<b>6.73%</b>	<b>6.73%</b>	<b>2.61%</b>		<b>347,045</b>	<b>379,141</b>	
Capital Grants - Other	-	-	(0)	-	-	0.00%	0.00%	0.00%		-	-	
INEP	10,000	10,000	6,225	10,000	61,000	510.00%	510.00%	0.49%		50,000	40,000	
Electricity Demand Side Management	-	-	-	-	10,000	100.00%	100.00%	0.08%		15,000	15,000	
Neighborhood Development Partnership Grant	11,000	16,000	9,393	16,000	-	-100.00%	0.00%	0.00%		-	-	
USDG	163,731	214,300	78,920	214,300	332,750	55.27%	55.27%	2.66%		391,000	407,000	
<b>Sub-Total: Capital Grants</b>	<b>184,731</b>	<b>240,300</b>	<b>94,538</b>	<b>240,300</b>	<b>403,750</b>	<b>68.02%</b>	<b>68.02%</b>	<b>3.23%</b>		<b>456,000</b>	<b>462,000</b>	
Essential Services	10,000	10,000	7,955	10,000	10,510	5.10%	5.10%	0.08%		12,087	13,899	
Other Sundry Income	194	194	791	274	964	396.81%	251.39%	0.01%		1,108	1,275	
<b>Sub-Total: Other Income</b>	<b>10,194</b>	<b>10,194</b>	<b>8,746</b>	<b>10,274</b>	<b>11,474</b>	<b>12.55%</b>	<b>11.68%</b>	<b>0.09%</b>		<b>13,195</b>	<b>15,174</b>	
<b>TOTAL OPERATING INCOME</b>	<b>12,004,860</b>	<b>12,096,065</b>	<b>6,967,711</b>	<b>11,877,658</b>	<b>12,506,942</b>	<b>3.40%</b>	<b>5.30%</b>	<b>100.00%</b>		<b>13,454,074</b>	<b>14,431,190</b>	
<b>NET OPERATING INCOME</b>	<b>12,004,860</b>	<b>12,096,065</b>	<b>6,967,711</b>	<b>11,877,658</b>	<b>12,506,942</b>	<b>3.40%</b>	<b>5.30%</b>	<b>100.00%</b>		<b>13,454,074</b>	<b>14,431,190</b>	

**EKURHULENI METROPOLITAN MUNICIPALITY**

**ENERGY**

FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000
EXPENDITURE	ORG BUDGET	ADJ BUDGET YEAR TO DATE	PROJCTED	2014/15	2015/16	2016/17					
Employee Related Costs - Salaries & Wages	291,899	146,177	279,329	318,493	338,877	360,565	7.96%	14.02%	2.81%		
Employee Related Costs - Overtime	38,231	29,705	37,060	36,679	39,026	41,524	-4.06%	-1.03%	0.32%		
Employee Related Costs - Social Contributions	69,236	36,041	67,771	72,440	77,076	82,009	4.63%	6.89%	0.64%		
Employee Related Costs - Salaries Capitalised	(19,059)	-	(9,529)	(19,059)	(20,279)	(21,577)	0.00%	100.00%	-0.17%		
Employee Related Costs - Salaries to R and M Internal	(250,289)	(139,522)	(240,287)	(240,926)	(240,958)	(240,993)	-3.74%	0.27%	-2.12%		
<b>Sub-Total: Remuneration</b>	<b>130,018</b>	<b>133,133</b>	<b>134,343</b>	<b>167,627</b>	<b>193,742</b>	<b>221,529</b>	<b>25.91%</b>	<b>24.78%</b>	<b>1.48%</b>		
Bad Debts (Provision for Bad Debts) - additional target	678,499	647,773	678,499	683,623	744,579	801,476	0.76%	0.76%	6.03%		
<b>Sub-Total: Bad Debt Provision</b>	<b>678,499</b>	<b>647,773</b>	<b>678,499</b>	<b>683,623</b>	<b>744,579</b>	<b>801,476</b>	<b>0.76%</b>	<b>0.76%</b>	<b>6.03%</b>		
Collection Costs	1,295	279	856	1,549	1,633	1,721	19.63%	81.05%	0.01%		
Depreciation - Existing Assets	550,910	321,364	550,910	512,513	538,138	565,045	-6.97%	-6.97%	4.52%		
<b>Sub-Total: Depreciation</b>	<b>550,910</b>	<b>321,364</b>	<b>550,910</b>	<b>512,513</b>	<b>538,138</b>	<b>565,045</b>	<b>-6.97%</b>	<b>-6.97%</b>	<b>4.52%</b>		
Repairs and Maintenance - External Contractors	143,590	90,869	143,279	144,030	158,433	174,276	-3.38%	0.52%	1.27%		
Repairs and Maintenance - Electricity Maintenance Levy	343,327	158,376	343,327	452,846	486,311	522,250	31.90%	31.90%	3.99%		
Repairs and Maintenance - Internal Maintenance Teams	254,988	141,983	245,157	245,734	246,074	246,436	-3.79%	0.24%	2.17%		
<b>Sub-Total: Repairs and Maintenance</b>	<b>741,905</b>	<b>747,790</b>	<b>731,764</b>	<b>842,610</b>	<b>890,818</b>	<b>942,962</b>	<b>12.68%</b>	<b>15.15%</b>	<b>7.43%</b>		
Interest Expense - Current External Borrowings	158,787	57,572	153,081	169,857	178,350	190,834	6.96%	10.96%	1.50%		
<b>Sub-Total: Interest Expense</b>	<b>158,787</b>	<b>57,572</b>	<b>153,081</b>	<b>169,857</b>	<b>178,350</b>	<b>190,834</b>	<b>6.96%</b>	<b>10.96%</b>	<b>1.50%</b>		
Bulk Purchases - Electricity	7,291,216	4,226,781	7,284,719	7,623,482	8,029,672	8,539,570	4.82%	4.65%	67.20%		
<b>Sub-Total: Bulk Purchases</b>	<b>7,291,216</b>	<b>4,226,781</b>	<b>7,284,719</b>	<b>7,623,482</b>	<b>8,029,672</b>	<b>8,539,570</b>	<b>4.82%</b>	<b>4.65%</b>	<b>67.20%</b>		
Contracted Services - Existing Contracts	152,163	149,263	114,379	164,551	177,715	191,932	10.24%	43.86%	1.45%		
<b>Sub-Total: Contracted Services</b>	<b>152,163</b>	<b>149,263</b>	<b>114,379</b>	<b>164,551</b>	<b>177,715</b>	<b>191,932</b>	<b>10.24%</b>	<b>43.86%</b>	<b>1.45%</b>		
Grants & Subsidies Paid - Eskom	59,766	33,675	59,766	69,537	73,014	76,665	16.35%	16.35%	0.61%		
Grants & Subsidies Paid - Free Basic Services - Indigents	270,000	103,507	275,765	191,600	205,759	220,965	-29.04%	-30.52%	1.69%		
<b>Sub-Total: Grants and Subsidies</b>	<b>329,766</b>	<b>137,182</b>	<b>335,531</b>	<b>261,137</b>	<b>278,773</b>	<b>297,630</b>	<b>-20.81%</b>	<b>-22.17%</b>	<b>2.30%</b>		
General Expenses	149,147	152,655	101,211	144,825	144,825	144,825	-5.13%	43.09%	1.28%		
<b>TOTAL OPERATING EXPENDITURE</b>	<b>10,183,705</b>	<b>10,175,313</b>	<b>10,085,291</b>	<b>10,571,773</b>	<b>11,178,244</b>	<b>11,897,522</b>	<b>3.90%</b>	<b>4.82%</b>	<b>93.18%</b>		
Internal Charges	920,407	166,417	920,407	773,228	817,988	867,875	-15.99%	-15.99%	6.82%		
<b>NET OPERATING EXPENDITURE</b>	<b>11,104,112</b>	<b>11,095,720</b>	<b>11,005,699</b>	<b>11,345,001</b>	<b>11,996,233</b>	<b>12,765,397</b>	<b>2.25%</b>	<b>3.08%</b>	<b>100.00%</b>		
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>900,748</b>	<b>1,000,345</b>	<b>871,960</b>	<b>1,161,941</b>	<b>1,457,841</b>	<b>1,665,793</b>	<b>16.15%</b>	<b>33.26%</b>			
Contribution to Capital Budget	184,731	94,538	240,300	403,750	456,000	462,000	68.02%	68.02%			
Total Transfers from Cash-Backed Reserves	309,044	180,276	309,044	196,218	147,164	98,109	-36.51%	-36.51%			
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>1,025,061</b>	<b>1,069,089</b>	<b>940,703</b>	<b>954,409</b>	<b>1,149,005</b>	<b>1,301,903</b>	<b>-10.73%</b>	<b>1.46%</b>			

**Capital Budget of the Energy Department**

The department has requested the following Capital Budget:

**Budget per Source of Finance**

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
INEP	61,000,000	50,000,000	40,000,000
Revenue	21,150,000	21,760,000	22,700,000
Other national grants	10,000,000	15,000,000	15,000,000
Municipal Bonds	153,250,000	158,000,000	212,000,000
USDG	332,750,000	391,000,000	407,000,000
<b>Total</b>	<b>578,150,000</b>	<b>635,760,000</b>	<b>696,700,000</b>

**Budget per Customer Care Area**

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Alberton	6,500,000	8,000,000	10,000,000
Benoni	41,000,000	-	-
Benoni	6,500,000	8,000,000	10,000,000
Boksburg	6,500,000	8,000,000	10,000,000
Brakpan	6,500,000	8,000,000	10,000,000
Corporate	406,150,000	491,760,000	522,700,000
Daveyton	5,250,000	6,500,000	8,000,000
Duduza	1,250,000	1,500,000	3,000,000
Edenvale	6,500,000	8,000,000	10,000,000
Etwatwa	1,250,000	1,500,000	1,500,000
Germiston	13,300,000	18,000,000	19,000,000
Katlehong 1	1,250,000	1,500,000	1,500,000
Kempton Park	12,500,000	15,000,000	16,000,000
KwaThema	25,900,000	8,500,000	9,500,000
Nigel	5,500,000	8,000,000	9,000,000
Springs	6,500,000	8,000,000	9,000,000
Tembisa 1	5,900,000	8,500,000	11,500,000
Tembisa 2	5,900,000	8,500,000	11,500,000
Tokoza	6,900,000	8,500,000	14,500,000
Tsakane	4,250,000	6,500,000	6,500,000
Vosloorus	2,850,000	3,500,000	3,500,000
<b>Total</b>	<b>578,150,000</b>	<b>635,760,000</b>	<b>696,700,000</b>

## **Expected outcomes from the implementation of the Capital Budget**

Amongst others, the strategic focus of the Energy Department is:

- To reduce the overall purchases from Eskom to create space for new development (renewable energy and demand side management).
  - Reduce non-technical losses of electricity.
  - Set up sustainable supportive processes to strive towards achieving this target.
  - In the medium-term, create an online (smart) grid, which can be monitored continuously.
- To generate adequate revenue to ensure that the entire revenue chain is effective.
- To provide alternative energy solutions.
- To provide street and area lighting.
- To ensure the proper protection of electricity meters.

The energy budget addresses refurbishment and renewal of electricity infrastructure assets to ensure that the electricity service remains sustainable. Electrification continues unabated and numbers approaching 5 000 new connections will be added in the 2014/15 financial year. Similarly, high mast and streetlighting networks will continue to be expanded.

The total Capital Budget of the department is R578.1 million. Some of the key projects on the 2014/15 financial year include:

- R26.15 million for the installation of street and high mast lighting where required in all CCAs.
- R47.25 million for the installation of protective structures and pre-payment meters to prevent electricity theft, vandalism and for safety.
- R71.6 million for the network strengthening as well as enhancement to cater for growth and expansion.
- R150 million for electrification projects.
- R10 million for energy efficiency projects funded from a grant to be received from the Department of Minerals and Energy.
- R160 million for building and also upgrading and renewal of substations.
- R20 million for electricity network restitution.
- R20 million for renewable energy projects.
- R41 million for infrastructure development in Glen Gory, Benoni.
- R21.15 million for specialised equipment and other vehicles.

### **2.10.8 ENVIRONMENTAL RESOURCE MANAGEMENT**

The budget of the department includes provision for the five divisions namely:

1. Strategic Planning Environmental
2. Environmental Protection and Resilience
3. Legislative Compliance
4. Infrastructure Planning and Coordination
5. Support Services

The result statements of the department is contained in the IDP in Annexure A.

### **Flagship Projects as pronounced by the Executive Mayor**

## Beautification of Lakes and Dams

The beautification of lakes, dams and pans project will create an attractive environment contributing to the city being a preferred destination for investment, home for water sport, water economics and hospitality.

The funds that have been set aside for the project in the 2014/15 Capital Budget amounts to R3 million, while the Operating Budget amounts to R2 million.

The progress to date:

- The concept document for the master plan on the beautification of lakes and dams has been drafted.
- Germiston Lake was upgraded
  - Slipway finalised
  - Lapa upgraded construction onsite
  - New ablution facility plans are reviewed by consultants

The planned activities for 2014/15 were related to the following:

- Compile master plan
- Victoria Lake (Germiston) upgrade
- Murray Park upgrade
- Develop RFPs and RFIs and identify the wetlands
- Implement the Memorandum of Understanding between EMM and South African Maritime Safety Authority

## Key Strategic Projects of the Environmental Resource Management Department

NAME OF THE PROJECT	BRIEF DESCRIPTION
Upgrading of Ambient Air Quality Monitoring Station	EMM currently operates ten air quality monitoring stations. The project entails the installation of a communication system to comply with Department of Environmental Affairs and South African Air Quality Industry Standards reporting requirements and installation of security cameras at the stations.
Upgrading Community Environmental Education Centre: Esslen Park	Building of a wooden structure as an education centre, fencing of the area and installation of water, electricity and a recycling station.
Payneville Ext3 Rehabilitation	Removal and safe disposal of radioactive material from the Payneville informal settlement.
Rehabilitation of Boksburg Lake	Conducting specialist studies to establish the source and quality of pollution in the lake and to devise effective mechanisms and options to deal with the current sludge in the lake.
Rehabilitation of Natalspruit Catchment	Rehabilitation of the Rietfontein wetlands in Kempton Park. Activities include building gabions and weirs and re-wetting of the wetland.
Rehabilitation :	Rehabilitation of the Palm Ridge wetlands in Alberton.

NAME OF THE PROJECT	BRIEF DESCRIPTION
Degraded wetlands/catchments	Environmental authorisation for the project has been granted. Activities include building of gabion walls and re-vegetation.

### **Operating Budget of the Environmental Resource Management Department**

A large portion of the budget goes to employee-related costs. Productivity and effective management of personnel therefore equals, to a large extent, effective budget management. Overtime costs are limited to an absolute minimum. Contractors will be managed well to ensure that the department receives value for money. Repairs and maintenance expenditure is relatively small but will nevertheless be well managed.

Outcomes from the spending of the departmental Operational Budget will include:

1. Phase one of the Greening of EMM by-laws.
2. Phase one of the implementation of Environmental Service Level Agreements with other departments.
3. Development of Climate Change Strategy and Response Plan.
4. Celebration of important Environmental Awareness Days.
5. Ensuring of Environmental Compliance by licencing industries with listed activities.

The Operating Budget per category is attached hereto.



Table 63: Operating Budget of the Environmental Resource Management Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>ENVIRONMENTAL RESOURCE MANAGEMENT</b>												
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15		2014/15				2015/16	2016/17
<b>INCOME</b>												
Provincial Operating Grants	-	313	-	313	-	-	-	-100.00%	0.00%	0.00%	-	-
<b>Sub-Total: Operating Grants</b>	-	<b>313</b>	-	<b>313</b>	-	-	-	<b>-100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	-	-
USDG	-	-	-	-	4,000	-	4,000	100.00%	100.00%	100.00%	2,000	2,000
<b>Sub-Total: Capital Grants</b>	-	-	-	-	<b>4,000</b>	-	<b>4,000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>2,000</b>	<b>2,000</b>
Other Sundry Income	-	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-
<b>Sub-Total: Other Income</b>	-	-	-	-	-	-	-	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	-	-
<b>TOTAL OPERATING INCOME</b>	-	<b>313</b>	-	<b>313</b>	<b>4,000</b>	-	<b>4,000</b>	<b>1176.74%</b>	<b>1176.74%</b>	<b>100.00%</b>	<b>2,000</b>	<b>2,000</b>
<b>NET OPERATING INCOME</b>	-	<b>313</b>	-	<b>313</b>	<b>4,000</b>	-	<b>4,000</b>	<b>1176.74%</b>	<b>1176.74%</b>	<b>100.00%</b>	<b>2,000</b>	<b>2,000</b>
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	20,581	20,796	8,734	18,563	22,166	18,563	22,166	6.59%	19.41%	34.33%	23,585	25,094
Employee Related Costs - Overtime	107	107	14	80	103	80	103	-4.06%	28.15%	0.16%	109	116
Employee Related Costs - Social Contributions	2,910	2,910	824	2,219	1,855	2,219	1,855	-36.26%	-16.41%	2.87%	1,973	2,100
Employee Related Costs - Salaries Capitalised	(753)	(753)	-	(376)	(753)	(376)	(753)	0.00%	100.00%	-1.17%	(801)	(852)
<b>Sub-Total: Remuneration</b>	<b>22,846</b>	<b>23,060</b>	<b>9,571</b>	<b>20,486</b>	<b>23,371</b>	<b>20,486</b>	<b>23,371</b>	<b>1.35%</b>	<b>14.08%</b>	<b>36.20%</b>	<b>24,866</b>	<b>26,458</b>
Depreciation - Existing Assets	30,737	30,737	17,930	30,737	26,972	30,737	26,972	-12.25%	-12.25%	41.78%	28,321	29,737
<b>Sub-Total: Depreciation</b>	<b>30,737</b>	<b>30,737</b>	<b>17,930</b>	<b>30,737</b>	<b>26,972</b>	<b>30,737</b>	<b>26,972</b>	<b>-12.25%</b>	<b>-12.25%</b>	<b>41.78%</b>	<b>28,321</b>	<b>29,737</b>
Repairs and Maintenance - External Contractors	5,759	6,119	174	971	8,033	971	8,033	31.27%	727.16%	12.44%	8,651	9,320
Repairs and Maintenance - Internal Maintenance Teams	83	86	27	64	84	64	84	-1.70%	31.57%	0.13%	90	96
<b>Sub-Total: Repairs and Maintenance</b>	<b>5,842</b>	<b>6,205</b>	<b>201</b>	<b>1,035</b>	<b>8,118</b>	<b>1,035</b>	<b>8,118</b>	<b>30.82%</b>	<b>684.06%</b>	<b>12.57%</b>	<b>8,741</b>	<b>9,416</b>
General Expenses	16,615	14,517	948	13,228	6,104	13,228	6,104	-57.95%	-53.86%	9.45%	6,104	6,104
Grants Expenditure	-	313	-	313	-	313	-	-100.00%	0.00%	0.00%	-	-
<b>TOTAL OPERATING EXPENDITURE</b>	<b>76,039</b>	<b>74,832</b>	<b>28,649</b>	<b>65,799</b>	<b>64,564</b>	<b>65,799</b>	<b>64,564</b>	<b>-13.72%</b>	<b>-1.88%</b>	<b>100.00%</b>	<b>68,032</b>	<b>71,714</b>
<b>NET OPERATING EXPENDITURE</b>	<b>76,039</b>	<b>74,832</b>	<b>28,649</b>	<b>65,799</b>	<b>64,564</b>	<b>65,799</b>	<b>64,564</b>	<b>-13.72%</b>	<b>-1.88%</b>	<b>100.00%</b>	<b>68,032</b>	<b>71,714</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(76,039)</b>	<b>(74,519)</b>	<b>(28,649)</b>	<b>(65,485)</b>	<b>(60,564)</b>	<b>(65,485)</b>	<b>(60,564)</b>	<b>-18.73%</b>	<b>-7.51%</b>		<b>(66,032)</b>	<b>(69,714)</b>
Contribution to Capital Budget	-	-	-	-	4,000	-	4,000	100.00%	100.00%		2,000	2,000
Total Transfers from Cash-Backed Reserves	4,277	4,277	2,495	4,277	2,715	4,277	2,715	-36.51%	-36.51%		2,037	1,358
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>(71,762)</b>	<b>(70,242)</b>	<b>(26,155)</b>	<b>(61,209)</b>	<b>(61,849)</b>	<b>(61,209)</b>	<b>(61,849)</b>	<b>-11.95%</b>	<b>1.05%</b>		<b>(65,995)</b>	<b>(70,357)</b>

## Capital Budget of the Environmental Resource Management Department

The department has requested the following Capital Budget:

### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Revenue	4,995,000	5,125,000	5,535,000
Municipal Bonds	2,500,000	2,500,000	5,300,000
USDG	4,000,000	2,000,000	2,000,000
<b>Total</b>	<b>11,495,000</b>	<b>9,625,000</b>	<b>12,835,000</b>

### Budget per Customer Care Area

CCA	Budget Submission 2013/14	Budget Submission 2014/15	Budget Submission 2015/16
Boksburg	1,000,000	1,000,000	3,500,000
Corporate	7,995,000	8,625,000	9,335,000
Kempton Park	500,000	-	-
Springs	2,000,000	-	-
<b>Total</b>	<b>11,495,000</b>	<b>9,625,000</b>	<b>12,835,000</b>

### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Developed, residential	1,000,000	1,000,000	3,500,000
Operational equipment	4,995,000	5,125,000	5,535,000
Underdeveloped	5,500,000	3,500,000	3,800,000
<b>Total</b>	<b>11,495,000</b>	<b>9,625,000</b>	<b>12,835,000</b>

### Expected outcomes from the implementation of the Capital Budget

The mission of environmental resources management department is to serve our community by rendering essential affordable municipal services, providing facilities, creating a safe and healthy environment and facilitating economic growth. The key performance areas of the department are as follows:

- Environmental management termed as policy and planning.
- Air Quality Management.
- Open spaces and wetlands.

The department has identified five key performance areas namely, reduction of pollution, catchment management, mitigation and adaptation to effect climate change, environmental governance (internal and external) and environmental awareness, education and capacity building.

The Capital Budget will ensure the following:

1. Improved air quality monitoring.
2. Establishment of new environmental education centre.
3. Land rehabilitation in Payneville.
4. Rehabilitation of Boksburg Lake and Natalspruit catchment.
5. Preparations to rehabilitate other degraded wetlands and catchments.

#### **2.10.9 EXECUTIVE OFFICE**

The Executive Office cost centre is the cost centre of the executive arm of the political office being the Office of the Executive Mayor and the Members of Mayoral Committee.

##### **Operating Budget of the Executive Office Department**

The budget consists mainly of salaries, councillor remuneration and operational expenditure-related to the administration of the function.

##### **Capital Budget of the Executive Office Department**

An amount of R2.663 million for 2014/15 and R7.213 million for 2015/16 and R10.7 million has been provided for operational equipment for the office of the Executive as well as those of the MMCs.

Table 64: Operating Budget of the Executive Office Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>EXECUTIVE OFFICE</b>												
FINANCIAL PERIOD	F00	F00	F00	F00	F00	F01	%	%	%	F02	F03	
	R'000	R'000	R'000	R'000	R'000	R'000	Of Total	P to B	B to B	R'000	R'000	
ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15								
<b>INCOME</b>												
Other Sundry Income	22	22	-	36	22	22	100.00%	-38.13%	0.00%	25	29	
<b>Sub-Total: Other Income</b>	<b>22</b>	<b>22</b>	<b>-</b>	<b>36</b>	<b>22</b>	<b>22</b>	<b>100.00%</b>	<b>-38.13%</b>	<b>0.00%</b>	<b>25</b>	<b>29</b>	
<b>TOTAL OPERATING INCOME</b>	<b>22</b>	<b>22</b>	<b>-</b>	<b>36</b>	<b>22</b>	<b>22</b>	<b>100.00%</b>	<b>-38.13%</b>	<b>0.00%</b>	<b>25</b>	<b>29</b>	
<b>NET OPERATING INCOME</b>	<b>22</b>	<b>22</b>	<b>-</b>	<b>36</b>	<b>22</b>	<b>22</b>	<b>100.00%</b>	<b>-38.13%</b>	<b>0.00%</b>	<b>25</b>	<b>29</b>	
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	31,527	31,527	16,894	29,687	29,649	29,649	45.82%	-0.13%	-5.96%	31,547	33,566	
Employee Related Costs - Overtime	300	300	150	160	288	288	0.45%	79.67%	-4.06%	306	326	
Employee Related Costs - Social Contributions	2,983	2,983	1,039	2,465	2,000	2,000	3.09%	-18.87%	-32.96%	2,128	2,264	
Employee Related Costs - Salaries Capitalised	(292)	(292)	-	(146)	(292)	(292)	-0.45%	100.00%	0.00%	(310)	(330)	
Remuneration of Councillors	9,156	9,156	5,085	7,939	9,967	9,967	15.40%	25.53%	8.86%	10,605	11,283	
<b>Sub-Total: Remuneration</b>	<b>43,675</b>	<b>43,675</b>	<b>23,169</b>	<b>40,106</b>	<b>41,613</b>	<b>41,613</b>	<b>64.31%</b>	<b>3.76%</b>	<b>-4.72%</b>	<b>44,276</b>	<b>47,109</b>	
Depreciation - Existing Assets	1,274	1,274	743	1,274	1,038	1,038	1.60%	-18.57%	-18.57%	1,090	1,144	
<b>Sub-Total: Depreciation</b>	<b>1,274</b>	<b>1,274</b>	<b>743</b>	<b>1,274</b>	<b>1,038</b>	<b>1,038</b>	<b>1.60%</b>	<b>-18.57%</b>	<b>-18.57%</b>	<b>1,090</b>	<b>1,144</b>	
Repairs and Maintenance - External Contractors	167	222	124	150	162	162	0.25%	7.91%	-27.05%	171	180	
Repairs and Maintenance - Internal Maintenance Teams	20	20	10	15	20	20	0.03%	35.68%	-1.70%	22	23	
<b>Sub-Total: Repairs and Maintenance</b>	<b>187</b>	<b>243</b>	<b>135</b>	<b>165</b>	<b>182</b>	<b>182</b>	<b>0.28%</b>	<b>10.45%</b>	<b>-24.88%</b>	<b>192</b>	<b>203</b>	
Grants & Subsidies Paid - Social/Educational/Sports	3,675	3,675	52	3,753	3,862	3,862	5.97%	2.90%	5.10%	4,071	4,291	
<b>Sub-Total: Grants and Subsidies</b>	<b>3,675</b>	<b>3,675</b>	<b>52</b>	<b>3,753</b>	<b>3,862</b>	<b>3,862</b>	<b>5.97%</b>	<b>2.90%</b>	<b>5.10%</b>	<b>4,071</b>	<b>4,291</b>	
General Expenses	17,634	22,937	12,781	15,769	18,010	18,010	27.83%	14.21%	-21.48%	18,010	18,010	
<b>TOTAL OPERATING EXPENDITURE</b>	<b>66,445</b>	<b>71,804</b>	<b>36,880</b>	<b>61,069</b>	<b>64,705</b>	<b>64,705</b>	<b>100.00%</b>	<b>5.95%</b>	<b>-9.89%</b>	<b>67,639</b>	<b>70,757</b>	
<b>NET OPERATING EXPENDITURE</b>	<b>66,445</b>	<b>71,804</b>	<b>36,880</b>	<b>61,069</b>	<b>64,705</b>	<b>64,705</b>	<b>100.00%</b>	<b>5.95%</b>	<b>-9.89%</b>	<b>67,639</b>	<b>70,757</b>	
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(66,423)</b>	<b>(71,782)</b>	<b>(36,880)</b>	<b>(61,033)</b>	<b>(64,683)</b>	<b>(64,683)</b>	<b>5.98%</b>	<b>-9.89%</b>	<b>-9.89%</b>	<b>(67,613)</b>	<b>(70,728)</b>	
Total Transfers from Cash-Backed Reserves	3,621	3,621	2,112	3,621	2,299	2,299	-36.51%	-36.51%	-36.51%	1,724	1,150	
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(62,802)</b>	<b>(68,161)</b>	<b>(34,768)</b>	<b>(57,412)</b>	<b>(62,384)</b>	<b>(62,384)</b>	<b>8.66%</b>	<b>-8.48%</b>	<b>-8.48%</b>	<b>(65,889)</b>	<b>(69,578)</b>	

## 2.10.10 FINANCE DEPARTMENT

The result statements of the department is contained in the IDP in Annexure A

### Flagship projects of the Finance Department

<b>FLAGSHIP NAME</b>	<b>REVENUE MANAGEMENT AND ENHANCEMENT PROGRAMME</b>
<b>DESCRIPTION OF THE FLAGSHIP</b>	<p>The programme has identified the following key business themes which serve as strategic objectives that should drive and support revenue management and enhancement programme.</p> <ul style="list-style-type: none"> <li>• Reduction of consumer debt through appropriate credit control and debt collection to improve revenue.</li> <li>• Improved, consistent and accurate/integrative property value chain.</li> <li>• Improved customer services.</li> <li>• Monitoring and evaluation of consumption processes and efficiencies.</li> <li>• Revenue collection.</li> </ul>
<b>PROGRESS TO DATE</b> (this section covers what has been done up to now but also what is expected to be achieved in the remainder of the year).	Progress of individual projects within RMEP listed separately hereunder.

<b>FLAGSHIP NAME</b>	1. Key Accounts
<b>DESCRIPTION OF THE FLAGSHIP</b>	Establishment of a fully-fledged customer centric key accounts management unit to collect and manage relationships with Top-500 and government accounts.
<b>PROGRESS TO DATE</b> (this section covers what has been done up to now but also what is expected to be achieved in the remainder of the year).	Concept document, customer survey, customer segmentation, systems developments completed. Operating model and structure to be implemented by 30 June 2014.
<b>EXPECTED OR PLANNED DELIVERABLES FOR 14/15</b>	Key accounts to operate as a fully-fledged unit going forward.

<b>FLAGSHIP NAME</b>	2. e-Siyakhokha
<b>DESCRIPTION OF THE FLAGSHIP</b>	<p>The Electronic Bill Presentment and Payment Project (EBPP) was launched in July 2011. EMM adopted the name: e-Siyakhokha for the project. The benefits of the projects are amongst others:</p> <ul style="list-style-type: none"> <li>• Statements available to consumers immediately after billing run. This will significantly enhance statement availability time and lead to reduction in number of duplicate account statement enquiries.</li> <li>• Early payment of accounts as statements will be available to consumers well in advance of due</li> </ul>

	<p>date.</p> <ul style="list-style-type: none"> <li>• Alternative payment solution in addition to existing facilities.</li> <li>• Reduced printing and postage costs as electronic statements will be supplied at no cost to consumer.</li> <li>• Improved service delivery as a possibility exists to add various other services to function which will include account enquiry function and submission of services meter readings.</li> <li>• Data cleansing as customers are required to provide up-to-date contact details when they register on the portal.</li> </ul>
<p><b>PROGRESS TO DATE</b> (this section covers what has been done up to now but also what is expected to be achieved in the remainder of the year.)</p>	<p>Number of accounts registered: <b>114 522</b>                  Summary statements sent by SMS: <b>over 200 000 SMSes sent per month.</b>                  Payments per month: <b>average R25 million</b></p> <p><b>Planned activities for remainder of 2013/14:</b></p> <ul style="list-style-type: none"> <li>• Increase number of registered accounts to 140 000 by 30 June 2014, through Siyakhokha Siyathuthuka Campaign.</li> <li>• Complete the implementation of the transaction consolidator which integrates e-Siyakhokha with Venus.</li> <li>• Roll-out MMS statements and emailing of PDF statements.</li> </ul>
<p><b>EXPECTED OR PLANNED DELIVERABLES FOR 14/15</b></p>	<p>Increase the number of EMM services offered through e-Siyakhokha:</p> <p>Increase number of registered accounts to 200 000 by 30 June 2015, through Siyakhokha Siyathuthuka Campaign.</p>

<p><b>FLAGSHIP NAME</b></p>	<p>3. Indigent Management Programme</p>
<p><b>DESCRIPTION OF THE FLAGSHIP</b></p>	<p>The project centres around three key areas:</p> <ul style="list-style-type: none"> <li>• The Indigent Support Policy</li> <li>• Streamlining of processes</li> <li>• System</li> </ul>
<p><b>PROGRESS TO DATE</b> (this section covers what has been done up to now but also what is expected to be achieved in the remainder of the year).</p>	<p>The Indigent Support Policy is reviewed annually taking into account the changes in the environment both internally and externally. The current policy has been reviewed to include the targeted approach of indigents. All owners with properties with the value of R150 000 and less are deemed to be indigent. The Finance Department has done the necessary analysis to determine the viability thereof.</p>

	<p>Streamlining of processes eliminating bottlenecks on the system and thus improving turnaround times. Bottlenecks were identified with the verification and approval process.</p> <ul style="list-style-type: none"> <li>• Verification process: Field workers still continue with the work of verifying and will be given hand-held devices to do the work. This is anticipated to begin next financial year.</li> <li>• Approval of applications. This was previously done by the committee, which presented challenges because the seating on the committee was never consistent. The committee was replaced by indigent coordinators.</li> </ul> <p>The Business Process Management was implemented to deal with the process from the point of application to when subsidy is issued for an approved indigent. This has helped to improve turnaround times and provide an audit trail. An application can easily be tracked in the system.</p>
<p><b>EXPECTED OR PLANNED DELIVERABLES FOR 14/15</b></p>	<p>The Social and Health Department needs to acquire an electronic register or database of all indigents in the system.</p> <p>Hand-held devices will need to be acquired for verification purposes.</p> <p>The automation process will link both internal and external systems as part of the verification and approval process. Internal systems include Venus, GIS and Valuation –VA3. External systems include Home Affairs, SARS and SASSA, to name the critical ones. Our internal controls must be such that we are able to interface with all systems identified.</p>

<p><b>FLAGSHIP NAME</b></p>	<p>4. Restructuring of the Debtors Book</p>
<p><b>DESCRIPTION OF THE FLAGSHIP</b></p>	<p>This is the process of collection through internal processes as we eliminated the possibility of selling the right to collect on our debtor's book.</p>
<p><b>PROGRESS TO DATE</b> (this section covers what has been done up to now but also what is expected to be achieved in the remainder of the year).</p>	<p>Revenue department has accessed the collection capability within EMM and the resources we have so far. Alberton and Springs are utilising a system that may be outdated in terms of collection and we have engaged ICT to look into a compatible system that may be utilised.</p> <p>Revenue division is planning to enhance the current collection system or procure a more appropriate system based on the advice from ICT.</p> <p>Revenue division is setting up a debt collection unit. Internal staff at credit control together with the 20</p>

	students from economic development will form part of the team. They will all be focusing on debt collection.
<b>EXPECTED OR PLANNED DELIVERABLES FOR 14/15</b>	Reduction of the debtor's book and improved cash flow.
<b>FLAGSHIP NAME</b>	5. Siyakhokha Siyathuthuka
<b>DESCRIPTION OF THE FLAGSHIP</b>	The Siyakhokha Siyathuthuka project is a drive to promote payment for services rendered.
<b>PROGRESS TO DATE</b> (this section covers what has been done up to now but also what is expected to be achieved in the remainder of the year).	For the year 2013/14 the drive was on a door-to-door campaign focussing on the Eskom supplied areas. The project engaged over 470 field workers that visited about 50 000 households.  Field workers noted issues ranging from indigents, water leaks, illegal connections and any other queries raised by residents.  A report is still to be compiled for the project done and an application has been sent to CPO office to get a service provider that can analyse the 50 000 forms we got back from field workers.
<b>EXPECTED OR PLANNED DELIVERABLES FOR 14/15</b>	The Siyakhokha Siyathuthuka Campaign is conducted annually and focusses on the services that the department needs to drive awareness of.

### Operating Budget of the Finance Department

The Finance Department renders a financial service to the municipality and Council. It therefore has to secure sound and sustainable management of the fiscal and financial affairs of the municipality; and ensure transparent, accountable and appropriate lines of responsibility in the fiscal and financial affairs of the municipality and its entities.

The department manages the borrowing, investments, supply chain management, revenue, expenditure, assets and liabilities of the municipality and therefore has to draw up the budgets and ensure that financial planning processes are followed and complied with in terms of legislation and other regulations and to coordinate these not only within the municipality but also with other organs of state in the different spheres of government.

The Operating Budget will enable the department to perform the above functions and duties and many other functions that it would be expected to be perform.

The Finance Department's budget includes the full income for the assessment rates, regardless of the utilisation of the rates. The cost centre shows a surplus, but it is not technically a surplus generating function.

The Operating Budget per category is attached hereto.



Table 65: Operating Budget of the Financial Services Department

EKURHULENI METROPOLITAN MUNICIPALITY										
FINANCE DEPARTMENT										
FINANCIAL PERIOD	F00 R'000 ORG BUDGET	F00 R'000 ADJ BUDGET	F00 R'000 YEAR TO DATE	F00 R'000 PROJECTED	F01 R'000 2014/15	% B to B	% P to B	% Of Total	F02 R'000 2015/16	F03 R'000 2016/17
<b>INCOME</b>										
Property Rates	4,124,880	4,296,636	2,571,775	4,222,713	4,689,288	9.14%	11.05%	72.53%	5,064,431	5,444,263
Departmental Usage	42,897	10,745	6,104	26,411	11,847	10.25%	-55.15%	0.18%	12,841	13,868
Less: Income foregone	627,501	628,414	363,117	623,582	675,414	7.48%	8.31%	10.45%	726,070	780,525
<b>Sub-total: Net Property Rates</b>	<b>3,540,277</b>	<b>3,678,967</b>	<b>2,214,763</b>	<b>3,625,542</b>	<b>4,025,721</b>	<b>9.43%</b>	<b>11.04%</b>	<b>62.27%</b>	<b>4,351,203</b>	<b>4,677,607</b>
Penalties imposed on Property Rates	62,392	62,392	71,157	101,385	108,989	74.68%	7.50%	1.69%	119,888	131,876
Interest Earned - Outstanding Debtors	20,729	20,792	16,491	23,591	21,519	3.50%	-8.78%	0.33%	23,456	25,567
<b>Sub-total: Penalties and Interest on Debtors</b>	<b>83,121</b>	<b>83,183</b>	<b>87,649</b>	<b>124,976</b>	<b>130,508</b>	<b>56.89%</b>	<b>4.43%</b>	<b>2.02%</b>	<b>143,343</b>	<b>157,443</b>
Rent of Facilities and Equipment - Produced Assets	80	-	128	80	-	0.00%	0.00%	0.00%	-	-
Rent of Facilities and Equipment - Non-Produced Assets	200	200	123	200	215	7.50%	7.50%	0.00%	231	248
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>280</b>	<b>200</b>	<b>252</b>	<b>280</b>	<b>215</b>	<b>7.50%</b>	<b>-23.10%</b>	<b>0.00%</b>	<b>231</b>	<b>248</b>
Interest Earned - Current Investment Portfolio	195,500	195,500	132,494	195,500	220,000	12.53%	12.53%	3.40%	246,400	275,968
<b>Sub-Total: Interest Earned</b>	<b>195,500</b>	<b>195,500</b>	<b>132,494</b>	<b>195,500</b>	<b>220,000</b>	<b>12.53%</b>	<b>12.53%</b>	<b>3.40%</b>	<b>246,400</b>	<b>275,968</b>
Final Notice Fees	56,536	56,560	52,952	67,850	79,802	41.09%	17.61%	1.23%	87,782	96,560
Disconnection Fees	33,385	34,072	40,461	52,084	63,611	86.70%	22.13%	0.98%	69,973	76,970
Other Fines	290	116	3	249	116	0.00%	-53.33%	0.00%	128	140
<b>Sub-Total: Fines</b>	<b>90,211</b>	<b>90,747</b>	<b>93,416</b>	<b>120,182</b>	<b>143,529</b>	<b>58.16%</b>	<b>19.43%</b>	<b>2.22%</b>	<b>157,882</b>	<b>173,670</b>
Licenses & Permits	3,330	3,729	1,382	2,430	3,916	5.00%	61.14%	0.06%	4,307	4,738
Income from Agency Services	-	-	0	-	-	0.00%	0.00%	0.00%	-	-
Equitable Share	924,656	420,133	693,967	420,133	455,578	8.44%	8.44%	7.05%	484,661	529,484
National Operating Grant	1,250	1,250	609	1,250	1,250	0.00%	0.00%	0.02%	1,250	1,300
<b>Sub-Total: Operating Grants</b>	<b>925,906</b>	<b>421,383</b>	<b>694,576</b>	<b>421,383</b>	<b>456,828</b>	<b>8.41%</b>	<b>8.41%</b>	<b>7.07%</b>	<b>485,911</b>	<b>530,784</b>
Fuel Levy	1,406,096	1,406,096	937,398	1,406,096	1,469,674	4.52%	4.52%	22.73%	1,515,534	1,572,960
Other Sundry Income	7,691	7,686	19,731	11,825	9,766	27.06%	-17.41%	0.15%	11,230	12,915
<b>Sub-Total: Other Income</b>	<b>1,413,787</b>	<b>1,413,782</b>	<b>957,129</b>	<b>1,417,921</b>	<b>1,479,440</b>	<b>4.64%</b>	<b>4.34%</b>	<b>22.88%</b>	<b>11,230</b>	<b>12,915</b>
Gain on Sale of Assets	5,000	5,000	-	5,000	5,000	0.00%	0.00%	0.08%	5,000	5,000
<b>TOTAL OPERATING INCOME</b>	<b>6,257,411</b>	<b>5,892,492</b>	<b>4,181,661</b>	<b>5,913,213</b>	<b>6,465,156</b>	<b>9.72%</b>	<b>9.33%</b>	<b>100.00%</b>	<b>6,921,042</b>	<b>7,411,334</b>
<b>NET OPERATING INCOME</b>	<b>6,257,411</b>	<b>5,892,492</b>	<b>4,181,661</b>	<b>5,913,213</b>	<b>6,465,156</b>	<b>9.72%</b>	<b>9.33%</b>	<b>100.00%</b>	<b>6,921,042</b>	<b>7,411,334</b>

**EKURHULENI METROPOLITAN MUNICIPALITY**

**FINANCE DEPARTMENT**

FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	%	F02 R'000	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total			2015/16	2016/17
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	408,100	407,654	165,477	352,232	389,724	-4.40%	10.64%	21.95%			414,667	441,205
Employee Related Costs - Overtime	9,996	10,512	5,577	8,625	10,041	-4.47%	16.42%	0.57%			10,684	11,368
Employee Related Costs - Additional Positions	55,000	24,398	-	27,500	195,221	700.14%	609.90%	11.00%			207,716	221,009
Employee Related Costs - Social Contributions	169,646	169,646	82,689	157,536	173,789	2.44%	10.32%	9.79%			184,911	196,746
Employee Related Costs - Salaries Capitalised	(1,788)	(1,788)	-	(894)	(1,788)	0.00%	100.00%	-0.10%			(1,903)	(2,025)
<b>Sub-Total: Remuneration</b>	<b>640,953</b>	<b>610,421</b>	<b>253,743</b>	<b>544,998</b>	<b>766,987</b>	<b>25.66%</b>	<b>40.73%</b>	<b>43.21%</b>			<b>816,075</b>	<b>868,303</b>
Bad Debts (Provision for Bad Debts) - additional target	318,716	318,716	323,449	318,716	418,457	31.29%	31.29%	23.57%			491,812	538,972
<b>Sub-Total: Bad Debt Provision</b>	<b>318,716</b>	<b>318,716</b>	<b>323,449</b>	<b>318,716</b>	<b>418,457</b>	<b>31.29%</b>	<b>31.29%</b>	<b>23.57%</b>			<b>491,812</b>	<b>538,972</b>
Collection Costs	156,207	153,847	66,024	121,942	176,689	14.85%	44.90%	9.95%			186,230	196,287
Depreciation - Existing Assets	20,782	20,782	12,123	20,782	18,531	-10.83%	-10.83%	1.04%			19,457	20,430
<b>Sub-Total: Depreciation</b>	<b>20,782</b>	<b>20,782</b>	<b>12,123</b>	<b>20,782</b>	<b>18,531</b>	<b>-10.83%</b>	<b>-10.83%</b>	<b>1.04%</b>			<b>19,457</b>	<b>20,430</b>
Repairs and Maintenance - External Contractors	18,335	18,204	2,166	10,945	20,500	12.61%	87.30%	1.15%			21,607	22,774
Repairs and Maintenance - Internal Maintenance Teams	864	960	328	689	884	-8.01%	28.33%	0.05%			940	1,000
<b>Sub-Total: Repairs and Maintenance</b>	<b>19,199</b>	<b>19,164</b>	<b>2,495</b>	<b>11,633</b>	<b>21,383</b>	<b>11.58%</b>	<b>83.81%</b>	<b>1.20%</b>			<b>22,547</b>	<b>23,774</b>
Interest Expense - Current External Borrowings	229,324	217,493	87,794	162,264	227,313	4.51%	40.09%	12.80%			238,678	255,386
<b>Sub-Total: Interest Expense</b>	<b>229,324</b>	<b>217,493</b>	<b>87,794</b>	<b>162,264</b>	<b>227,313</b>	<b>4.51%</b>	<b>40.09%</b>	<b>12.80%</b>			<b>238,678</b>	<b>255,386</b>
Contracted Services - Existing Contracts	112,113	142,092	35,034	110,135	124,455	-12.41%	13.00%	7.01%			134,411	145,164
<b>Sub-Total: Contracted Services</b>	<b>112,113</b>	<b>142,092</b>	<b>35,034</b>	<b>110,135</b>	<b>124,455</b>	<b>-12.41%</b>	<b>13.00%</b>	<b>7.01%</b>			<b>134,411</b>	<b>145,164</b>
Grants & Subsidies Paid - Social/Educational/Sports	42,409	42,409	14,765	30,163	46,057	8.60%	52.69%	2.59%			49,511	53,224
Grants & Subsidies Paid - Eskom	400,000	400,000	197,487	400,000	375,460	-6.13%	-6.13%	21.15%			394,233	413,945
Grants & Subsidies Paid - Add rebates on Ass rates - pens	44,382	44,382	20,693	42,308	45,609	2.77%	7.80%	2.57%			49,030	52,707
Grants & Subsidies Paid - Free Basic Services - Indigents	24,912	24,912	15,035	24,574	30,693	23.21%	24.90%	1.73%			32,995	35,470
<b>Sub-Total: Grants and Subsidies</b>	<b>511,703</b>	<b>511,703</b>	<b>247,981</b>	<b>497,045</b>	<b>497,820</b>	<b>-2.71%</b>	<b>0.16%</b>	<b>28.04%</b>			<b>525,770</b>	<b>556,347</b>
General Expenses	433,271	436,373	90,697	327,013	322,674	-26.06%	-1.33%	18.18%			323,252	323,876
Grants Expenditure	1,250	1,250	609	1,250	1,250	0.00%	0.00%	0.07%			1,250	1,300
Impairment loss	-	-	-	-	-	0.00%	0.00%	0.00%			-	-
Loss on Sale of Assets	25,000	25,000	-	25,000	25,000	0.00%	0.00%	1.41%			25,000	25,000
<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,468,517</b>	<b>2,456,941</b>	<b>1,119,949</b>	<b>2,140,779</b>	<b>2,600,568</b>	<b>5.85%</b>	<b>21.48%</b>	<b>146.49%</b>			<b>2,784,481</b>	<b>2,953,838</b>
Internal Charges	(1,057,760)	(1,057,760)	(17,906)	(1,057,760)	(825,338)	-21.97%	-21.97%	-46.49%			(865,112)	(910,569)
<b>NET OPERATING EXPENDITURE</b>	<b>1,410,757</b>	<b>1,399,081</b>	<b>1,102,042</b>	<b>1,083,019</b>	<b>1,775,220</b>	<b>26.88%</b>	<b>63.91%</b>	<b>100.00%</b>			<b>1,919,369</b>	<b>2,043,269</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>4,846,655</b>	<b>4,493,411</b>	<b>3,079,618</b>	<b>4,830,195</b>	<b>4,689,936</b>	<b>4.37%</b>	<b>-2.90%</b>				<b>5,001,673</b>	<b>5,368,064</b>
Total Transfers to Cash-Backed Reserves	130,000	130,000	75,833	130,000	-	-100.00%	0.00%				-	-
Total Transfers from Cash-Backed Reserves	6,168	6,168	3,598	6,168	3,916	-36.51%	-36.51%				2,937	1,958
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>4,722,822</b>	<b>4,369,579</b>	<b>3,007,383</b>	<b>4,706,363</b>	<b>4,693,862</b>	<b>7.42%</b>	<b>-0.27%</b>				<b>5,004,610</b>	<b>5,370,022</b>

### Capital Budget of the Finance Department

The department has requested the following Capital Budget:

#### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal Bonds	11,500,000	-	-
Revenue	8,851,000	8,251,000	7,251,000
<b>Total</b>	<b>20,351,000</b>	<b>8,251,000</b>	<b>7,251,000</b>

#### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Corporate	8,851,000	7,251,000	7,251,000
Germiston	11,500,000	-	-
KwaThema	-	1,000,000	-
<b>Total</b>	<b>20,351,000</b>	<b>8,251,000</b>	<b>7,251,000</b>

#### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	2,000,000	1,800,000	1,800,000
CBD	11,500,000	-	-
Operational equipment	6,851,000	5,451,000	5,451,000
Underdeveloped	-	1,000,000	-
<b>Total</b>	<b>20,351,000</b>	<b>8,251,000</b>	<b>7,251,000</b>

### Expected outcomes from the implementation of the Capital Budget

The total budget for the department is R20.3 million.

Except for operational capital needs (IT, furniture and vehicles), the following projects are budgeted:

- R11.5 million for the upgrading and renewal of the Central Procurement Office at the Germiston Stores.
- R2 million for the renovation of paypoints.

The upgrading and renewal of the CPO at Germiston Stores will realise a clean and effective administration of the supply chain administration in terms of the IDP/SDBIP target. The project commenced in the previous financial year.

**2.10.11 FLEET MANAGEMENT**

The result statements of the department is contained in the IDP in Annexure A.

**Key Strategic Projects of the Fleet Management Department**

NAME OF THE PROJECT	BRIEF DESCRIPTION
Establishment of a functional fleet management unit	<ul style="list-style-type: none"> <li>• Setting up of Fleet Management Unit and strategy conceptualisation.</li> <li>• Completion of the strategy and organisational structure.</li> </ul>

**Operating Budget of the Fleet Management Department**

The Fleet Management budget comprises the cost of the section responsible for the management of the council-owned fleet, but NOT the cost of the vehicles. The operational costs (fuel, tyres, repairs and maintenance, etc.) is budgeted for under the departments that are utilising the vehicles to ensure true cost reflection of services. The acquisition of vehicles is also budgeted for under the departments and not the fleet management cost centre.

The cost is therefore mainly comprised of salaries and overhead costs.

Table 66: Operating Budget of the Fleet Management Department

EKURHULENI METROPOLITAN MUNICIPALITY												
FLEET MANAGEMENT												
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000	
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15							
<b>INCOME</b>												
Other Sundry Income	1	1	-	1	1	1	0.00%	23.76%	100.00%	1	1	
<b>Sub-Total: Other Income</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0.00%</b>	<b>23.76%</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	
<b>TOTAL OPERATING INCOME</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0.00%</b>	<b>23.76%</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	
<b>NET OPERATING INCOME</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0.00%</b>	<b>23.76%</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	56,803	56,803	27,921	53,307	62,044	62,044	9.23%	16.39%	137.96%	66,014	70,239	
Employee Related Costs - Overtime	2,237	2,237	3,419	2,237	2,147	2,147	-4.06%	-4.06%	4.77%	2,284	2,430	
Employee Related Costs - Social Contributions	13,461	13,461	7,229	13,330	14,443	14,443	7.30%	8.35%	32.12%	15,367	16,351	
Employee Related Costs - Salaries Capitalised	(1,396)	(1,396)	-	(998)	(1,396)	(1,396)	0.00%	100.00%	-3.10%	(1,485)	(1,580)	
Employee Related Costs - Salaries to R and M Internal	(43,236)	(43,236)	(22,180)	(40,140)	(42,500)	(42,500)	-1.70%	5.88%	-94.51%	(45,220)	(48,115)	
<b>Sub-Total: Remuneration</b>	<b>27,869</b>	<b>27,869</b>	<b>16,388</b>	<b>28,037</b>	<b>34,737</b>	<b>34,737</b>	<b>24.64%</b>	<b>23.90%</b>	<b>77.24%</b>	<b>36,960</b>	<b>39,326</b>	
Depreciation - Existing Assets	1,048	1,048	611	1,048	853	853	-18.57%	-18.57%	1.90%	896	941	
<b>Sub-Total: Depreciation</b>	<b>1,048</b>	<b>1,048</b>	<b>611</b>	<b>1,048</b>	<b>853</b>	<b>853</b>	<b>-18.57%</b>	<b>-18.57%</b>	<b>1.90%</b>	<b>896</b>	<b>941</b>	
Repairs and Maintenance - External Contractors	1,898	1,778	957	1,728	1,898	1,898	6.75%	9.83%	4.22%	2,001	2,109	
Repairs and Maintenance - Internal Maintenance Teams	660	700	317	606	675	675	-3.51%	11.39%	1.50%	719	765	
<b>Sub-Total: Repairs and Maintenance</b>	<b>2,558</b>	<b>2,478</b>	<b>1,273</b>	<b>2,335</b>	<b>2,574</b>	<b>2,574</b>	<b>3.85%</b>	<b>10.23%</b>	<b>5.72%</b>	<b>2,719</b>	<b>2,873</b>	
General Expenses	3,254	3,449	1,764	2,928	5,646	5,646	63.69%	92.82%	12.55%	5,646	5,646	
<b>TOTAL OPERATING EXPENDITURE</b>	<b>34,730</b>	<b>34,844</b>	<b>20,036</b>	<b>34,347</b>	<b>43,810</b>	<b>43,810</b>	<b>25.73%</b>	<b>27.55%</b>	<b>97.42%</b>	<b>46,221</b>	<b>48,786</b>	
Internal Charges	1,079	1,079	1,526	1,079	1,162	1,162	7.69%	7.69%	2.58%	1,254	1,355	
<b>NET OPERATING EXPENDITURE</b>	<b>35,808</b>	<b>35,923</b>	<b>21,562</b>	<b>35,426</b>	<b>44,971</b>	<b>44,971</b>	<b>25.19%</b>	<b>26.94%</b>	<b>100.00%</b>	<b>47,476</b>	<b>50,141</b>	
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(35,807)</b>	<b>(35,922)</b>	<b>(21,562)</b>	<b>(35,425)</b>	<b>(44,970)</b>	<b>(44,970)</b>	<b>25.19%</b>	<b>26.94%</b>		<b>(47,475)</b>	<b>(50,139)</b>	
Total Transfers from Cash-Backed Reserves	16,482	16,482	9,614	16,482	10,465	10,465	-36.51%	-36.51%		7,848	5,232	
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(19,325)</b>	<b>(19,440)</b>	<b>(11,947)</b>	<b>(18,943)</b>	<b>(34,506)</b>	<b>(34,506)</b>	<b>77.50%</b>	<b>82.15%</b>		<b>(39,626)</b>	<b>(44,907)</b>	

### Capital Budget of the Fleet Management Department

The department has requested the following Capital Budget:

#### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Revenue	10,435,000	25,005,000	3,400,000
<b>Total</b>	<b>10,435,000</b>	<b>25,005,000</b>	<b>3,400,000</b>

#### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Corporate	2,700,000	3,900,000	3,400,000
Germiston	7,735,000	21,105,000	-
<b>Total</b>	<b>10,435,000</b>	<b>25,005,000</b>	<b>3,400,000</b>

#### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	7,735,000	21,105,000	-
Operational Equipment	2,700,000	3,900,000	3,400,000
<b>Total</b>	<b>10,435,000</b>	<b>25,005,000</b>	<b>3,400,000</b>

#### Expected outcomes from the implementation of the Capital Budget

The total budget for the department is R10.4 million.

R7.7 million is for the extension of mechanical workshop and the balance of the budget (R2.7 million) is for operational equipment.

## 2.10.12 HEALTH AND SOCIAL DEVELOPMENT

The result statements of the department is contained in the IDP in Annexure A.

### Key Strategic Projects of the Health and Social Development Department

NAME OF THE PROJECT	BRIEF DESCRIPTION
Health Care Facilities	Increase access to Primary Health Care and Social Services through building and appointments of personnel for new facilities.
Early Childhood Development (ECD)	Increase ECD practitioners graduating from an ECD training programme.
HIV from Mother to Child	Increase percentage of babies tested HIV-positive (PCR) at six weeks.
Tuberculosis Treatment	Improve on percentage of New Smear Positive (+) Tuberculosis Patients Cured.
Antiretroviral Therapy (ART) Services	Increase the number of HIV positive clients on ART.
Environmental Health - rodent control	Reduce rodent infestation in Ekurhuleni by implementing a funded Rodent Control Strategy.
Indigent Management	Increase the number of registered indigents by increasing the number of campaigns and access points for registrations.

### Operating Budget of the Health and Social Development Department

The department is responsible for the rendering of Primary Health Care Services, Environmental Health Services as well as the Community Development functions.

The Health and Social Development department is partly funded by the Gauteng Provincial Government for the provision of a primary health care function. The majority of the cost of the department, however, is subsidised from assessment rates.

The main cost drivers are salaries and cost of provision of Primary Health Care services at the clinics. Six clinics render 24-hour services and are subsidised by Gauteng Department of Health and Social Development. Sixteen health facilities render Saturday services. The operating cost for the multi-sectorial HIV/Aids Unit is funded from assessment rates while the CSP Programme is 100% funded by a grant from Gauteng Province.

The Operating Budget per category is attached hereto.

Table 67: Operating Budget of the Health and Social Development Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>										
<b>HEALTH AND SOCIAL DEVELOPMENT</b>										
<b>FINANCIAL PERIOD</b>										
	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	P to B	B to B	Of Total	2015/16	2016/17
<b>INCOME</b>										
Other Fines	180	180	0	109	180	0.00%	0.00%	0.10%	198	218
<b>Sub-Total: Fines</b>	<b>180</b>	<b>180</b>	<b>0</b>	<b>109</b>	<b>180</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.10%</b>	<b>198</b>	<b>218</b>
Licenses & Permits	128	128	254	131	180	40.41%	40.41%	0.10%	198	218
Operating Grants - Other	-	-	-	-	-	0.00%	0.00%	0.00%	11,601	12,216
Equitable Share	3,734	3,734	2,326	3,734	-	-100.00%	0.00%	0.00%	-	-
Provincial Operating Grants	10,487	11,115	5,197	11,115	11,018	-0.87%	-0.87%	6.02%	-	-
Health Subsidies	104,395	104,395	43,159	104,395	111,952	7.24%	7.24%	61.15%	117,885	124,133
<b>Sub-Total: Operating Grants</b>	<b>118,616</b>	<b>119,245</b>	<b>50,681</b>	<b>119,245</b>	<b>122,970</b>	<b>3.12%</b>	<b>3.12%</b>	<b>67.17%</b>	<b>129,486</b>	<b>136,349</b>
USDG	66,860	66,860	32,377	66,860	56,950	-14.82%	-14.82%	31.11%	84,350	86,000
Provincial Capital Grants	-	-	-	-	-	0.00%	0.00%	0.00%	-	-
<b>Sub-Total: Capital Grants</b>	<b>66,860</b>	<b>66,860</b>	<b>32,377</b>	<b>66,860</b>	<b>56,950</b>	<b>-14.82%</b>	<b>-14.82%</b>	<b>31.11%</b>	<b>84,350</b>	<b>86,000</b>
Other Sundry Income	990	990	970	1,431	2,784	181.21%	94.56%	1.52%	3,202	3,682
<b>Sub-Total: Other Income</b>	<b>990</b>	<b>990</b>	<b>970</b>	<b>1,431</b>	<b>2,784</b>	<b>181.21%</b>	<b>94.56%</b>	<b>1.52%</b>	<b>3,202</b>	<b>3,682</b>
<b>TOTAL OPERATING INCOME</b>	<b>186,775</b>	<b>187,403</b>	<b>84,283</b>	<b>187,775</b>	<b>183,064</b>	<b>-2.32%</b>	<b>-2.32%</b>	<b>100.00%</b>	<b>217,434</b>	<b>226,466</b>
<b>NET OPERATING INCOME</b>	<b>186,775</b>	<b>187,403</b>	<b>84,283</b>	<b>187,775</b>	<b>183,064</b>	<b>-2.32%</b>	<b>-2.32%</b>	<b>100.00%</b>	<b>217,434</b>	<b>226,466</b>
<b>EXPENDITURE</b>										
Employee Related Costs - Salaries & Wages	486,814	511,491	262,669	477,427	518,495	1.37%	1.37%	64.90%	551,679	586,986
Employee Related Costs - Overtime	5,782	5,782	3,178	3,688	5,547	-4.06%	-4.06%	0.69%	5,902	6,280
Employee Related Costs - Social Contributions	122,065	122,065	64,174	117,708	126,825	3.90%	3.90%	15.87%	134,941	143,578
Employee Related Costs - Salaries Capitalised	(1,507)	(1,507)	-	(753)	(1,507)	0.00%	0.00%	-0.19%	(1,603)	(1,706)
<b>Sub-Total: Remuneration</b>	<b>613,153</b>	<b>637,831</b>	<b>330,021</b>	<b>598,070</b>	<b>649,360</b>	<b>1.81%</b>	<b>1.81%</b>	<b>8.58%</b>	<b>690,919</b>	<b>735,138</b>
Depreciation - Existing Assets	36,694	36,694	21,405	36,694	31,626	-13.81%	-13.81%	3.96%	33,207	34,867
<b>Sub-Total: Depreciation</b>	<b>36,694</b>	<b>36,694</b>	<b>21,405</b>	<b>36,694</b>	<b>31,626</b>	<b>-13.81%</b>	<b>-13.81%</b>	<b>3.96%</b>	<b>33,207</b>	<b>34,867</b>
Repairs and Maintenance - External Contractors	5,562	5,137	2,225	4,661	6,302	22.68%	35.22%	0.79%	6,642	7,001
Repairs and Maintenance - Internal Maintenance Teams	1,394	4,002	3,050	1,980	1,426	-64.36%	-15.08%	0.18%	1,518	1,615
<b>Sub-Total: Repairs and Maintenance</b>	<b>6,956</b>	<b>9,139</b>	<b>5,274</b>	<b>6,340</b>	<b>7,728</b>	<b>-15.44%</b>	<b>21.89%</b>	<b>0.97%</b>	<b>8,160</b>	<b>8,616</b>
Interest Expense - Current External Borrowings	41,771	41,771	21,439	44,805	44,683	6.97%	6.97%	5.59%	46,918	50,202
<b>Sub-Total: Interest Expense</b>	<b>41,771</b>	<b>41,771</b>	<b>21,439</b>	<b>44,805</b>	<b>44,683</b>	<b>6.97%</b>	<b>6.97%</b>	<b>5.59%</b>	<b>46,918</b>	<b>50,202</b>
Contracted Services - Existing Contracts	3,161	2,853	681	2,282	3,107	8.90%	36.18%	0.39%	3,356	3,624
<b>Sub-Total: Contracted Services</b>	<b>3,161</b>	<b>2,853</b>	<b>681</b>	<b>2,282</b>	<b>3,107</b>	<b>8.90%</b>	<b>36.18%</b>	<b>0.39%</b>	<b>3,356</b>	<b>3,624</b>
Grants & Subsidies Paid - Social/Educational/Sports	1,140	1,140	194	724	1,140	0.00%	0.00%	0.14%	1,202	1,286
Grants & Subsidies Paid - Free Basic Services - Indigents	2,594	2,594	563	1,848	2,800	7.92%	51.56%	0.35%	2,951	3,111
<b>Sub-Total: Grants and Subsidies</b>	<b>3,734</b>	<b>3,734</b>	<b>758</b>	<b>2,572</b>	<b>3,940</b>	<b>5.51%</b>	<b>53.19%</b>	<b>0.49%</b>	<b>4,153</b>	<b>4,377</b>
General Expenses	42,721	52,824	16,706	32,132	43,931	-16.84%	-16.84%	36.72%	43,931	43,931
Grants Expenditure	10,487	11,115	5,170	11,115	11,018	-0.87%	-0.87%	1.38%	11,601	12,216
<b>TOTAL OPERATING EXPENDITURE</b>	<b>758,677</b>	<b>795,962</b>	<b>401,454</b>	<b>734,010</b>	<b>795,394</b>	<b>-0.07%</b>	<b>-0.07%</b>	<b>99.56%</b>	<b>842,244</b>	<b>892,971</b>
Internal Charges	3,404	3,404	1,916	3,404	3,546	4.16%	4.16%	0.44%	3,830	4,136
<b>NET OPERATING EXPENDITURE</b>	<b>762,082</b>	<b>799,366</b>	<b>403,371</b>	<b>737,414</b>	<b>798,940</b>	<b>-0.05%</b>	<b>-0.05%</b>	<b>8.34%</b>	<b>846,074</b>	<b>897,107</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(575,307)</b>	<b>(611,963)</b>	<b>(319,087)</b>	<b>(549,639)</b>	<b>(615,876)</b>	<b>0.64%</b>	<b>12.05%</b>		<b>(628,640)</b>	<b>(670,640)</b>
Contribution to Capital Budget	66,860	66,860	25,531	66,860	56,950	-14.82%	-14.82%		84,350	86,000
Total Transfers from Cash-Backed Reserves	4,270	4,270	2,491	4,270	2,711	-36.51%	-36.51%		2,033	1,356
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>(637,897)</b>	<b>(674,563)</b>	<b>(342,127)</b>	<b>(612,229)</b>	<b>(670,114)</b>	<b>-0.66%</b>	<b>9.45%</b>		<b>(710,957)</b>	<b>(755,285)</b>



**Capital Budget of the Health and Social Development Department**

The department has requested the following Capital Budget:

**Budget per Source of Finance**

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal Bonds	17,000,000	51,500,000	57,800,000
USDG	56,950,000	84,350,000	86,000,000
Revenue	22,650,000	20,100,000	26,300,000
<b>Total</b>	<b>96,600,000</b>	<b>155,950,000</b>	<b>170,100,000</b>

**Budget per Customer Care Area**

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Benoni	1,500,000	10,150,000	9,000,000
Corporate	33,000,000	26,500,000	26,600,000
Daveyton	1,000,000	12,000,000	12,000,000
Duduza	-	-	1,000,000
Edenvale	-	2,000,000	10,000,000
Etwatwa	100,000	2,000,000	12,000,000
Germiston	7,100,000	13,000,000	17,000,000
Katlehong	18,600,000	24,000,000	18,000,000
Kempton Park	3,000,000	27,100,000	25,500,000
KwaThema	9,000,000	14,000,000	6,000,000
Tembisa	7,300,000	20,100,000	31,000,000
Tembisa 1	-	100,000	2,000,000
Thokoza	4,000,000	-	-
Vosloorus	12,000,000	5,000,000	-
<b>Total</b>	<b>96,600,000</b>	<b>155,950,000</b>	<b>170,100,000</b>

**Budget per Ward Category**

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	11,300,000	12,500,000	13,100,000
CBD / developed, residential	1,000,000	15,000,000	15,000,000
Developed, residential	-	2,100,000	10,500,000
Operational equipment	20,700,000	13,000,000	12,500,000
Underdeveloped	63,600,000	113,350,000	119,000,000
<b>Total</b>	<b>96,600,000</b>	<b>155,950,000</b>	<b>170,100,000</b>

**Expected outcomes from the implementation of the Capital Budget**

The key performance areas of the department are:

- Primary health care.
- Community development.
- Environmental Health Service.

The total budget for the department is R96.6 million. A number of clinics are at various stages of design and construction. The department is planning to continue with the construction of the new Villa Liza Clinic that was initiated in 2013/14 and to initiate a further five new clinics (Dukathole, Tsietsi Phomolong South, Chief A Luthuli Ext Ward 24, Crystal Park and Khumalo which will replace the old one) in 2014/15. Two new Early Childhood Development Centres will also be initiated in 14/15.

Extensions and upgrades to three clinics (Tswelopele, Motsamai and Palm Ridge) will be continued with, whilst three additional projects (Selope Thema, Bonaero Park and Esangweni) will be initiated.

## 2.10.13 HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

The result statements of the department is contained in the IDP in Annexure A.

### Key Strategic Projects of the Department

A key strategic project of the Department Human Resources Management and Development is the finalisation of the Institutional Review Process.

The Functional Structure's design of all departments has been completed and they will be submitted to Council for approval on/before 30 June 2014.

R100 million has been set aside for capacitating the Departmental Functional Structures on a priority basis.

A further R55 million has also been set aside for providing capacity for the newly built or refurbished council facilities such as clinics, fire stations, etc.

Another key strategic project of the department is the compilation of a HR strategy. The HR strategy will include the following components:

- Strategies from a Human Capital perspective to support the GDS 2055.
- Ensure statutory and regulatory compliance.
- Develop a strategy driven and dynamic EMM structure.
- Promote and preserve HR professionalism.
- Build and manage a performance culture.
- Build and maintain sound labour relations.
- Alignment and support all flagship projects.
- Development of a costing model that will project the future year cost implications of staff appointments, inclusive of post-retirement benefits

### Operating Budget of the Human Resources Management and Development Department

The main cost driver of the department is personnel costs which comprises 70.10% of the total Operating Budget of the department.

The department is also responsible for the advertising and filling of positions, generic training programmes, addressing labour matters and facilitating employee wellbeing programmes, with subsequent cost and budgetary provision of the services.

### Capital Budget of the Human Resources Management and Development Department

An amount of R850 000, R1.030 million and R1 million for the 2014/15, 2015/16 and 2016/17 financial years respectively has been provided for operational equipment for the Human Resource Management and Development department.

Table 68: Operating Budget of the Human Resources Management and Development Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>										
<b>HUMAN RESOURCES MANAGEMENT &amp; DEVELOPMENT</b>										
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000
ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15					2015/16	2016/17
<b>INCOME</b>										
Operating Grants - Other	21,002	21,002	3,291	21,002	22,388	6.60%	6.60%	100.00%	23,821	23,821
<b>Sub-Total: Operating Grants</b>	<b>21,002</b>	<b>21,002</b>	<b>3,291</b>	<b>21,002</b>	<b>22,388</b>	<b>6.60%</b>	<b>6.60%</b>	<b>100.00%</b>	<b>23,821</b>	<b>23,821</b>
Other Sundry Income	-	-	-	-	-	0.00%	0.00%	0.00%	-	-
<b>Sub-Total: Other Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATING INCOME</b>	<b>21,002</b>	<b>21,002</b>	<b>3,291</b>	<b>21,002</b>	<b>22,388</b>	<b>6.60%</b>	<b>6.60%</b>	<b>100.00%</b>	<b>23,821</b>	<b>23,821</b>
<b>NET OPERATING INCOME</b>	<b>21,002</b>	<b>21,002</b>	<b>3,291</b>	<b>21,002</b>	<b>22,388</b>	<b>6.60%</b>	<b>6.60%</b>	<b>100.00%</b>	<b>23,821</b>	<b>23,821</b>
<b>EXPENDITURE</b>										
Employee Related Costs - Salaries & Wages	103,886	103,886	53,620	100,729	110,751	6.61%	9.95%	65.37%	117,839	125,381
Employee Related Costs - Overtime	306	306	336	219	294	-4.06%	34.03%	0.17%	313	333
Employee Related Costs - Social Contributions	21,313	21,313	11,716	21,273	23,277	9.22%	9.42%	13.74%	24,767	26,352
Employee Related Costs - Salaries Capitalised	(140)	(140)	-	(70)	(140)	0.00%	100.00%	-0.08%	(149)	(158)
<b>Sub-Total: Remuneration</b>	<b>125,364</b>	<b>125,364</b>	<b>66,672</b>	<b>122,151</b>	<b>134,182</b>	<b>7.03%</b>	<b>9.85%</b>	<b>79.20%</b>	<b>142,770</b>	<b>151,907</b>
Depreciation - Existing Assets	851	851	496	851	693	-18.57%	-18.57%	0.41%	727	764
<b>Sub-Total: Depreciation</b>	<b>851</b>	<b>851</b>	<b>496</b>	<b>851</b>	<b>693</b>	<b>-18.57%</b>	<b>-18.57%</b>	<b>0.41%</b>	<b>727</b>	<b>764</b>
Repairs and Maintenance - External Contractors	1,183	1,168	377	985	1,178	0.86%	19.65%	0.70%	1,242	1,309
Repairs and Maintenance - Internal Maintenance Teams	113	131	69	98	115	-12.06%	17.26%	0.07%	122	130
<b>Sub-Total: Repairs and Maintenance</b>	<b>1,296</b>	<b>1,299</b>	<b>446</b>	<b>1,083</b>	<b>1,293</b>	<b>-0.45%</b>	<b>19.43%</b>	<b>0.76%</b>	<b>1,364</b>	<b>1,439</b>
Contracted Services - Existing Contracts	8,016	8,016	189	3,807	8,680	8.28%	127.98%	5.12%	9,374	10,124
<b>Sub-Total: Contracted Services</b>	<b>8,016</b>	<b>8,016</b>	<b>189</b>	<b>3,807</b>	<b>8,680</b>	<b>8.28%</b>	<b>127.98%</b>	<b>5.12%</b>	<b>9,374</b>	<b>10,124</b>
Grants & Subsidies Paid - Social/Educational/Sports	21,300	21,300	6,100	14,428	16,000	-24.88%	10.90%	9.44%	16,864	17,775
<b>Sub-Total: Grants and Subsidies</b>	<b>21,300</b>	<b>21,300</b>	<b>6,100</b>	<b>14,428</b>	<b>16,000</b>	<b>-24.88%</b>	<b>10.90%</b>	<b>9.44%</b>	<b>16,864</b>	<b>17,775</b>
General Expenses	69,317	69,268	24,692	51,904	52,650	-23.99%	1.44%	31.08%	52,919	53,209
<b>TOTAL OPERATING EXPENDITURE</b>	<b>226,144</b>	<b>226,098</b>	<b>97,595</b>	<b>194,224</b>	<b>213,498</b>	<b>-5.57%</b>	<b>9.92%</b>	<b>126.02%</b>	<b>224,019</b>	<b>235,218</b>
Internal Charges	(47,320)	(47,320)	(17,384)	(47,320)	(44,087)	-6.83%	-6.83%	-26.02%	(46,244)	(48,539)
<b>NET OPERATING EXPENDITURE</b>	<b>178,824</b>	<b>178,778</b>	<b>80,211</b>	<b>146,904</b>	<b>169,411</b>	<b>-5.24%</b>	<b>15.32%</b>	<b>100.00%</b>	<b>177,775</b>	<b>186,679</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>										
Total Transfers from Cash-Backed Reserves	(157,822)	(157,776)	(76,920)	(125,901)	(147,023)	-6.82%	16.78%		(153,954)	(162,858)
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(157,249)</b>	<b>(157,203)</b>	<b>(76,586)</b>	<b>(125,329)</b>	<b>(146,659)</b>	<b>-6.71%</b>	<b>17.02%</b>		<b>(153,681)</b>	<b>(162,676)</b>

## 2.10.14 HUMAN SETTLEMENTS

The result statements of the department is contained in the IDP in Annexure A.

### Key Projects of the Department

#### 1. CONSTRUCTION OF HOUSES PROGRAMME

**Purpose:** This programme entails the construction of houses on serviced stands for in-situ and Greenfield developments, where beneficiaries have been identified. The programme constitutes the last phase and consolidates a housing project, apart from other socio-economic amenities and services that are required to achieve integrated and sustainable developments.

**Progress:** The department has already appointed professional service providers to technically oversee the project and contractors to construct houses in various housing projects.

#### 2. UNDERTAKING DETAILED PLANNING TO ENABLE THE DEVELOPMENT OF STANDS FOR HUMAN SETTLEMENTS PROJECTS

**Purpose:** This programme entails the detailed planning process per priority settlement to enable the appropriate upgrading and formalisation of informal settlements. The major component of the programme involves undertaking feasibility studies to assess the suitability of various land parcels for human settlements development.

**Progress:** Various professional service providers have been issued with instructions to perform certain work which includes more specific instructions per settlement. There are projects plans per settlement and various professional studies are currently underway and at different stages. On average it can take one year, 18 months to two years to complete various studies, depending on requirements.

#### 3. THE IMPLEMENTATION OF THE INFORMAL SETTLEMENT MANAGEMENT PLAN

**Purpose:** This plan will enable the municipality to coordinate and manage informal settlements in a more comprehensive and integrated manner and also create improved access of interim basic municipal services to people living in informal settlements.

**Progress:** There are scheduled monthly inter-departmental meetings that are held to discuss, plan, monitor and assess the provision of interim basic municipal services to all informal settlements. Various departments responsible for infrastructure and services provision are being encouraged to budget for services in the informal settlements. Service departments have submitted their annual plans for services to be rendered in the informal settlements. There are scheduled dates for site visits to the various informal settlement areas.

In respect of informal settlements, upgrading plans over the short-, medium- and long-term the National Department of Human Settlements has been requested through the National Upgrading Support Programme (NUSP) to develop 18 service delivery intervention plans (business plans) and to fast-track the development on 18 category B informal settlement plans.

**Department’s planned activities for 2014/2015 include:**

- To construct houses.
- To conduct feasibility and pre-planning studies for human settlements.
- To undertake repairs, maintenance, address the upgrading and refurbishment of targeted rental stock owned by Council within various CCAs.
- To continue with the coordination and monitoring role through monthly inter-departmental meetings; reporting and planned site visits to the informal settlement areas; to ensure that all service departments budget for services to be rendered in the informal settlements, and to establish the various local structures, that is, the ward-based, customer care area and metro-wide informal settlement structures.
- To finalise the development of informal settlement score card jointly with other departments.
- Coordinate and manage the land acquisition processes.
- Community outreach and beneficiary education within housing projects.

**Other Strategic Projects of the Human Settlements Department**

PROJECT NAME	PROJECT DESCRIPTION
Leeuwpoot mixed housing development	<ul style="list-style-type: none"> <li>○ The project is aimed at addressing the housing backlog and to provide various housing products, such as subsidised housing, to a large extent rental and credit-linked housing to the various targeted beneficiaries.</li> <li>○ The developer has been appointed and agreements will be finalised during the last quarter of 2013/14.</li> <li>○ The first phase will focus on bulk infrastructure provision, detailed planning and design.</li> <li>○ The northern part of the project is linked to the Joe Slovo informal settlement to be upgraded and formalised.</li> <li>○ The project is planned to be implemented over the medium- to long-term.</li> </ul>
Development of the township revitalisation and renewal strategy and plans	<ul style="list-style-type: none"> <li>○ This would give direction and guidance in terms of investment and development of the township to achieve economic growth, social cohesion and facelift of townships. The Tembisa Urban Regeneration study, comprising of a development framework and business plan is complete and phase 1 “quick win” projects are being implemented in the current financial year.</li> <li>○ The draft plan for Germiston is also complete. It is currently being</li> </ul>

PROJECT NAME	PROJECT DESCRIPTION
	<p>circulated for comments prior submission to Council for approval.</p> <ul style="list-style-type: none"> <li>○ The draft development frameworks and business plans for the three townships (Wattville/Actonville, Daveyton/Etawatwa and Kwatsaduza) are also complete and being circulated for comments.</li> <li>○ The report for Katorus is outstanding due to further geological and bulk infrastructure studies that are required prior to finalisation of business plans.</li> </ul>
<p>Informal Settlements Formalisation and Upgrade Programme</p>	<ul style="list-style-type: none"> <li>○ The Programme is aimed at the upgrading and formalisation of informal settlements.</li> <li>○ It addresses the entire planning and tenure arrangements in informal settlements.</li> </ul>
	<ul style="list-style-type: none"> <li>○ This entails the categorisation of informal settlements as requiring relocation, in-situ upgrading or part relocation and part in-situ upgrading.</li> <li>○ The major aspect of the plan involves undertaking feasibility studies to assess the suitability of various land parcels for human settlements development.</li> <li>○ Upon positive recommendations of the feasibility reports per informal settlement, detailed pre-planning studies are undertaken in particular Environmental Impact Assessment (EIA) Studies and Geo-Technical studies. On receipt of positive results thereof, land acquisition processes are embarked upon and where land is owned by the</li> </ul>

PROJECT NAME	PROJECT DESCRIPTION
	<p>municipality, it must be reserved for a housing purpose and a full township establishment process will follow.</p> <ul style="list-style-type: none"> <li>○ In case of private land, township establishment would only commence when land has been procured by the municipality.</li> <li>○ In the 2014/15 financial year, work will be done to complete projects already at planning stage towards townships proclamation and new studies will be embarked for informal settlements without any plans.</li> </ul>

The Operating Budget per category is as follows:



Table 69: Operating Budget of the Human Settlements Department

EKURHULENI METROPOLITAN MUNICIPALITY												
HUMAN SETTLEMENTS												
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15				B to B	P to B	Of Total	2016/17
<b>INCOME</b>												
Rent of Facilities and Equipment - Produced Assets	33,004	33,004	20,069	32,273	34,365				4.12%	6.48%	8.27%	40,084
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>33,004</b>	<b>33,004</b>	<b>20,069</b>	<b>32,273</b>	<b>34,365</b>				<b>4.12%</b>	<b>6.48%</b>	<b>8.27%</b>	<b>40,084</b>
Operating Grants - Other	-	-	-	-	-				0.00%	0.00%	0.00%	-
Provincial Operating Grants	191,982	206,242	-	206,242	-				-100.00%	0.00%	0.00%	-
National Operating Grant	-	33,370	449	33,370	52,374				56.95%	56.95%	12.60%	52,374
<b>Sub-Total: Operating Grants</b>	<b>191,982</b>	<b>239,613</b>	<b>449</b>	<b>239,613</b>	<b>52,374</b>				<b>-78.14%</b>	<b>-78.14%</b>	<b>12.60%</b>	<b>52,374</b>
Capital Grants - Other	-	-	0	-	-				0.00%	0.00%	0.00%	-
Neighborhood Development Partnership Grant	10,000	8,000	4,890	8,000	50,000				525.00%	525.00%	12.03%	84,883
USDG	36,000	64,067	6,230	64,067	204,012				218.44%	218.44%	49.07%	300,214
Provincial Capital Grants	23,550	97,030	3,966	97,030	75,000				-22.70%	-22.70%	18.04%	45,000
<b>Sub-Total: Capital Grants</b>	<b>69,550</b>	<b>169,097</b>	<b>15,086</b>	<b>169,097</b>	<b>329,012</b>				<b>94.57%</b>	<b>94.57%</b>	<b>79.14%</b>	<b>430,097</b>
<b>TOTAL OPERATING INCOME</b>	<b>294,536</b>	<b>441,714</b>	<b>35,604</b>	<b>440,983</b>	<b>415,752</b>				<b>-5.88%</b>	<b>-5.72%</b>	<b>100.00%</b>	<b>522,555</b>
<b>NET OPERATING INCOME</b>	<b>294,536</b>	<b>441,714</b>	<b>35,604</b>	<b>440,983</b>	<b>415,752</b>				<b>-5.88%</b>	<b>-5.72%</b>	<b>100.00%</b>	<b>522,555</b>

**EKURHULENI METROPOLITAN MUNICIPALITY**

**HUMAN SETTLEMENTS**

FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	%	F02 R'000	F03 R'000
EXPENDITURE	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total	2015/16	2016/17	
Employee Related Costs - Salaries & Wages	106,132	106,347	32,581	82,451	106,529	0.17%	29.20%	22.00%	113,346	120,601	
Employee Related Costs - Overtime	684	684	616	666	656	-4.06%	-1.46%	0.14%	698	743	
Employee Related Costs - Social Contributions	15,705	15,705	7,575	14,671	15,862	1.00%	8.12%	3.28%	16,877	17,957	
Employee Related Costs - Salaries Capitalised	(38,903)	(38,903)	-	(19,452)	(38,903)	0.00%	100.00%	-8.03%	(41,393)	(44,042)	
<b>Sub-Total: Remuneration</b>	<b>83,618</b>	<b>83,832</b>	<b>40,772</b>	<b>78,336</b>	<b>84,143</b>	<b>0.37%</b>	<b>7.41%</b>	<b>17.37%</b>	<b>89,528</b>	<b>95,258</b>	
Bad Debts (Provision for Bad Debts) - additional target	1,922	1,922	1,421	1,922	2,013	4.72%	4.72%	0.42%	2,174	2,348	
<b>Sub-Total: Bad Debt Provision</b>	<b>1,922</b>	<b>1,922</b>	<b>1,421</b>	<b>1,922</b>	<b>2,013</b>	<b>4.72%</b>	<b>4.72%</b>	<b>0.42%</b>	<b>2,174</b>	<b>2,348</b>	
Depreciation - Existing Assets	79,209	79,209	46,205	79,209	54,670	-30.98%	-30.98%	11.29%	57,404	60,274	
<b>Sub-Total: Depreciation</b>	<b>79,209</b>	<b>79,209</b>	<b>46,205</b>	<b>79,209</b>	<b>54,670</b>	<b>-30.98%</b>	<b>-30.98%</b>	<b>11.29%</b>	<b>57,404</b>	<b>60,274</b>	
Repairs and Maintenance - External Contractors	23,893	23,865	11,326	21,556	25,620	7.35%	18.85%	5.29%	27,003	28,461	
Repairs and Maintenance - Internal Maintenance Teams	328	341	109	261	335	-1.70%	28.64%	0.07%	357	379	
<b>Sub-Total: Repairs and Maintenance</b>	<b>24,220</b>	<b>24,206</b>	<b>11,435</b>	<b>21,817</b>	<b>25,955</b>	<b>7.22%</b>	<b>18.97%</b>	<b>5.36%</b>	<b>27,360</b>	<b>28,841</b>	
Interest Expense - Current External Borrowings	127,320	127,320	48,434	122,333	136,196	6.97%	11.33%	28.12%	143,006	153,017	
<b>Sub-Total: Interest Expense</b>	<b>127,320</b>	<b>127,320</b>	<b>48,434</b>	<b>122,333</b>	<b>136,196</b>	<b>6.97%</b>	<b>11.33%</b>	<b>28.12%</b>	<b>143,006</b>	<b>153,017</b>	
Grants & Subsidies Paid - Entities	3,500	3,500	1,750	3,500	3,500	0.00%	0.00%	0.72%	3,689	3,888	
<b>Sub-Total: Grants and Subsidies</b>	<b>3,500</b>	<b>3,500</b>	<b>1,750</b>	<b>3,500</b>	<b>3,500</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.72%</b>	<b>3,689</b>	<b>3,888</b>	
General Expenses	52,928	55,453	11,917	40,104	62,504	12.71%	55.85%	12.91%	62,701	62,914	
Grants Expenditure	191,982	239,613	449	239,613	52,374	-78.14%	-78.14%	10.81%	52,374	52,374	
<b>TOTAL OPERATING EXPENDITURE</b>	<b>564,699</b>	<b>615,055</b>	<b>162,383</b>	<b>586,834</b>	<b>421,355</b>	<b>-31.49%</b>	<b>-28.20%</b>	<b>87.00%</b>	<b>438,236</b>	<b>458,914</b>	
Internal Charges	61,997	61,997	63,141	61,997	62,950	1.54%	1.54%	13.00%	67,986	73,425	
<b>NET OPERATING EXPENDITURE</b>	<b>626,696</b>	<b>677,053</b>	<b>225,524</b>	<b>648,831</b>	<b>484,305</b>	<b>-28.47%</b>	<b>-25.36%</b>	<b>100.00%</b>	<b>506,222</b>	<b>532,338</b>	
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(332,160)</b>	<b>(235,339)</b>	<b>(189,921)</b>	<b>(207,849)</b>	<b>(68,553)</b>	<b>-70.87%</b>	<b>-67.02%</b>		<b>20,506</b>	<b>(9,784)</b>	
Contribution to Capital Budget	69,550	169,097	21,932	169,097	329,012	94.57%	94.57%		437,239	430,097	
Total Transfers from Cash-Backed Reserves	6,820	6,820	3,978	6,820	4,330	-36.51%	-36.51%		3,248	2,165	
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>(394,890)</b>	<b>(397,615)</b>	<b>(207,874)</b>	<b>(370,125)</b>	<b>(393,235)</b>	<b>-1.10%</b>	<b>6.24%</b>		<b>(413,485)</b>	<b>(437,715)</b>	

## Capital Budget of the Human Settlements Department

The department has requested the following Capital Budget:

### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
HSDG	75,000,000	83,000,000	45,000,000
Other national grants	50,000,000	80,739,000	84,883,000
Revenue	980,000	1,080,000	1,180,000
USDG	204,012,435	273,500,000	300,213,863
<b>Total</b>	<b>329,992,435</b>	<b>438,319,000</b>	<b>431,276,863</b>

### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Benoni	10,000,000	55,000,000	67,000,000
Boksburg	80,000,000	70,000,000	100,000,000
Corporate	980,000	1,080,000	1,180,000
Germiston	109,300,000	146,000,000	81,200,000
Katlehong 1	2,500,000	5,500,000	17,000,000
Kempton Park			
Multi	77,212,435	80,000,000	80,013,863
Tembisa			
Tembisa 1	50,000,000	80,739,000	84,883,000
<b>Total</b>	<b>329,992,435</b>	<b>438,319,000</b>	<b>431,276,863</b>

### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	84,212,435	125,000,000	130,013,863
Developed, residential	132,000,000	188,000,000	181,200,000
Operational equipment	980,000	1,080,000	1,180,000
Underdeveloped	112,800,000	124,239,000	118,883,000
<b>Total</b>	<b>329,992,435</b>	<b>438,319,000</b>	<b>431,276,863</b>

### Expected outcomes from the implementation of the Capital Budget

The Human Settlements Department is responsible for the planning, development, implementation and creation of sustainable human settlements in Ekurhuleni.

The total departmental budget for 2014/15 is R329.9 million. Significant Projects include:

- R50 million - for Tembisa Urban Renewal.
- R40 million – for the Human Settlements Feasibility and Pre-planning Studies.

- R37.2 million has been allocated to address the upgrading and refurbishment of rental stock owned by Council within various CCCs.
- R52 million for projects related to Germiston Urban Renewal.
- R57.3 million for social housing projects at Germiston Fire Station and Dellville.
- R80 million towards the development of bulk infrastructure that would be required for the Leeupoort development.

### **Budget of Ekurhuleni Development Company (EDC)**

The Budget of the EDC is presented as a consolidated budget for the four entities:

- Ekurhuleni Development Company SOC Ltd (management company).
- Pharoe Park Housing Company SOC Ltd.
- Germiston Phase II Company SOC Ltd.
- Lethabong Housing Institute NPC.

The entity has settled long-term loans on the properties owned by the entity. The properties were paid over 20 years and depreciation is charged over 50 years. The repayment of long-term loans by entity created an imbalance in the budget and had huge pressure on the cash flow of the entity. EMM assisted EDC with a once off grant of R30 million and the long-term loans have since been fully settled. The settlement of loans improved the entity's financial position and liquidity. The annual operating grant to the EDC has been reduced from R6.5 million per year to R3.5 million per year since the entity has fully settled the long-term loans.

The EDC will as a matter of priority start working on the merging of the companies to ensure VAT efficiencies are achieved.

### **Assumptions underpinning the budget**

The assumptions and guidelines used in compiling the draft budget are as follows:

#### **Income:**

- 8% tariff increase was used as a basis for determining the income for the 2014/15 year.

#### **Expenditure:**

- Salaries (6.8%).
- Repairs and maintenance – a once off R2.5 million in 2014/15 (*refurbishment of Block E in Pharoe Park*) and R3.5 million for 2015/6 and 2016/17.
- General Expenditure 5.8% increase.
- Collection costs: 0% increase.
- Contracted services: actual as per contracts.
- The Grant going forward has been reduced based on the above to R3.5 million per annum.
- EDC's costs as the management company will be recovered from the other entities based on the services provided.

- No increase in the number of units has been factored into the budget. Any transfer of units from EMM has not been included as this has not yet been finalised.
- The group still continues to be squeezed by cost increases which are above inflationary increases and are market-related whilst our income stream is regulated, as a result of the rental being subsidised, as the entities provide social housing units.

### **Capital Budget**

The EDC in collaboration with the Human Settlements Department (HSD) and the Gauteng Department of Local Government and Housing (GDLGH) is proceeding with project planning and detail design for the Germiston Fire Station housing project and the Delville Ext 9 housing project. The implementation protocol is in the process of being finalised amongst the three parties. The EDC, in years prior, received a conditional grant of R10-million from the GDLGH to pursue social housing in the city of Ekurhuleni. To this end the HSD has already appointed a professional team to finalise the plans for the two projects. The team has already completed draft project business plans which were submitted to the GDLGH to secure budgets in the 2014/15 financial year. The planning fees will be paid using the R10 million grant already received.

Table 70: Budget of Ekurhuleni Development Company

<b>EDC</b>										
FINANCIAL PERIOD	F00 R'000 ORG BUDGET	F00 R'000 ADJ BUDGET YEAR TO DATE	F00 R'000 PROJECTED	F01 R'000 2014/15	% B to B	% P to B	% Of Total	F02 R'000 2015/16	F03 R'000 2016/17	
<b>INCOME</b>										
Rent of Facilities and Equipment - Produced Assets	27,835	27,835	24,408	29,449	5.80%	20.65%	46.23%	31,040	32,716	
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>27,835</b>	<b>27,835</b>	<b>24,408</b>	<b>29,449</b>	<b>5.80%</b>	<b>20.65%</b>	<b>46.23%</b>	<b>31,040</b>	<b>32,716</b>	
Interest Earned - Current Investment Portfolio	242	242	855	265	9.50%	-69.01%	0.42%	279	294	
<b>Sub-Total: Interest Earned</b>	<b>242</b>	<b>242</b>	<b>855</b>	<b>265</b>	<b>9.50%</b>	<b>-69.01%</b>	<b>0.42%</b>	<b>279</b>	<b>294</b>	
Other Sundry Income	8,555	3,272	6,544	18,962	121.65%	189.74%	29.77%	25,090	26,257	
<b>Sub-Total: Other Income</b>	<b>8,555</b>	<b>3,272</b>	<b>6,544</b>	<b>18,962</b>	<b>121.65%</b>	<b>189.74%</b>	<b>29.77%</b>	<b>25,090</b>	<b>26,257</b>	
<b>TOTAL OPERATING INCOME</b>	<b>36,632</b>	<b>15,904</b>	<b>31,807</b>	<b>48,676</b>	<b>32.88%</b>	<b>53.03%</b>	<b>76.42%</b>	<b>56,409</b>	<b>59,267</b>	
Internal Recoveries	14,198	7,099	14,198	15,021	5.80%	5.80%	23.58%			
<b>NET OPERATING INCOME</b>	<b>50,830</b>	<b>23,003</b>	<b>46,005</b>	<b>63,697</b>	<b>25.31%</b>	<b>38.46%</b>	<b>100.00%</b>	<b>56,409</b>	<b>59,267</b>	
<b>EXPENDITURE</b>										
Employee Related Costs - Salaries & Wages	9,522	9,443	6,889	10,085	6.80%	46.39%	18.32%	10,624	11,304	
Remuneration of Councillors	749	828	828	884	6.80%	6.80%	1.61%	1,047	1,114	
<b>Sub-Total: Remuneration</b>	<b>10,271</b>	<b>10,271</b>	<b>7,717</b>	<b>10,969</b>	<b>6.80%</b>	<b>42.15%</b>	<b>19.92%</b>	<b>11,671</b>	<b>12,418</b>	
Bad Debts (Provision for Bad Debts) - current trends	1,900	1,900	2,791	2,200	15.79%	-21.18%	4.00%	2,050	1,900	
<b>Sub-Total: Bad Debt Provision</b>	<b>1,900</b>	<b>1,900</b>	<b>2,791</b>	<b>2,200</b>	<b>15.79%</b>	<b>-21.18%</b>	<b>4.00%</b>	<b>2,050</b>	<b>1,900</b>	
Depreciation - Existing Assets	1,198	1,198	566	1,257	4.92%	10.94%	2.28%	1,257	1,257	
<b>Sub-Total: Depreciation</b>	<b>1,198</b>	<b>1,198</b>	<b>566</b>	<b>1,257</b>	<b>4.92%</b>	<b>10.94%</b>	<b>2.28%</b>	<b>1,257</b>	<b>1,257</b>	
Repairs and Maintenance - External Contractors	3,500	3,500	3,500	6,000	71.43%	71.43%	10.90%	3,500	3,500	
<b>Sub-Total: Repairs and Maintenance</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>6,000</b>	<b>71.43%</b>	<b>71.43%</b>	<b>10.90%</b>	<b>3,500</b>	<b>3,500</b>	
Interest Expense - Current External Borrowings	47	47	134	55	17.02%	-58.96%	0.10%	60	64	
<b>Sub-Total: Interest Expense</b>	<b>47</b>	<b>47</b>	<b>134</b>	<b>55</b>	<b>17.02%</b>	<b>-58.96%</b>	<b>0.10%</b>	<b>60</b>	<b>64</b>	
Contracted Services - Existing Contracts	-	-	-	2,277	100.00%	100.00%	4.14%	2,406	2,596	
<b>Sub-Total: Contracted Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,277</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4.14%</b>	<b>2,406</b>	<b>2,596</b>	
General Expenses	15,755	15,755	11,962	15,174	-3.69%	26.85%	27.56%	15,676	15,234	
<b>TOTAL OPERATING EXPENDITURE</b>	<b>32,671</b>	<b>32,671</b>	<b>27,237</b>	<b>37,932</b>	<b>16.10%</b>	<b>39.27%</b>	<b>68.90%</b>	<b>36,620</b>	<b>36,969</b>	
Internal Charges	16,186	16,186	16,186	17,124	5.80%	5.80%	31.10%	18,050	19,024	
<b>NET OPERATING EXPENDITURE</b>	<b>48,857</b>	<b>48,857</b>	<b>43,423</b>	<b>55,056</b>	<b>12.69%</b>	<b>26.79%</b>	<b>100.00%</b>	<b>54,670</b>	<b>55,993</b>	
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>1,973</b>	<b>2,032</b>	<b>2,582</b>	<b>8,641</b>	<b>337.97%</b>	<b>234.61%</b>		<b>1,739</b>	<b>3,274</b>	
Contribution to Capital Budget				10,305	100.00%	100.00%		105	130	
Total Transfers from Cash-Backed Reserves				2,500	100.00%	100.00%				
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>1,973</b>	<b>2,032</b>	<b>2,582</b>	<b>836</b>	<b>-57.62%</b>	<b>-67.62%</b>		<b>1,634</b>	<b>3,144</b>	

**2.10.15 INFORMATION COMMUNICATION TECHNOLOGY (ICT)**

The result statements of the department are contained in the IDP in Annexure A.

**Flagship Project as pronounced by the Executive Mayor**

Activity	Description
<b>Digital City</b>	
Brief Description	<p>Digital City is the innovative use of technology to create a smart City. The Digital City is divided into four streams of work which are: broadband infrastructure; setting up EM as an Internet service provider; Enterprise Operation Centre/Unified Command Centre (UCC) Digital City services and products.</p> <p>Implementation of Phase 1 of the project which includes setting up of the Digital City unit to provide effective broadband infrastructure that supports the business services, commercialisation of the fibre and connectivity to Ekurhuleni community.</p> <p><b>Project Components</b></p> <p>Stream 1: Broadband (fibre connectivity):</p> <ul style="list-style-type: none"> <li>• Rollout fibre broadband throughout Ekurhuleni. All municipality buildings to be connected (estimated 545 buildings).</li> <li>• Existing connectivity: 21, remainder: 524.</li> <li>• 645 km implemented-status questionable (only 180 km validated).</li> </ul> <p>Stream 2: Broadband wireless connectivity:</p> <ul style="list-style-type: none"> <li>• Provision of broadband wireless overlay (Wi-Fi-based).</li> <li>• Estimated 22 sites done at present. Required: 523 sites.</li> </ul> <p>Stream 3: Unified Command Centre:</p> <ul style="list-style-type: none"> <li>• UCC Steering Committee.</li> <li>• Interim UCC established - capacitisation in progress.</li> </ul> <p>Stream 4: EMM E-Citizen Services:</p> <ul style="list-style-type: none"> <li>• In assessment.</li> <li>• City operations: function of BPM and common architecture programme.</li> <li>• External: function of potential datasets which can be made available to outside world, as well as potential in - city BPO components which city has appetite to provide.</li> </ul> <p>Alignment with the GDS 2055:</p> <p>Goal: increased broadband coverage.</p> <p>This strategy is supported by:</p> <ul style="list-style-type: none"> <li>• Creating a fibre and wireless network throughout Ekurhuleni to create a connected city.</li> <li>• Create internet zones to the public to encourage economic development, especially in historically disadvantaged areas.</li> <li>• Connect all the EMM buildings and as such increase efficiency.</li> <li>• Install video conferencing in boardrooms and meeting rooms to increase efficiency and reduce travelling time.</li> </ul>

	<ul style="list-style-type: none"> <li>• Install application functionality to have an increased engagement with the citizens by means of easy-to-use and advanced technology. These include SMS, smart phone, website and other electronic communication.</li> </ul>
<p>Current progress on project</p>	<p><b><u>Infrastructure:</u></b></p> <ul style="list-style-type: none"> <li>• Fibre audit and verification completed.</li> <li>• Built five network links.</li> <li>• Fibre repair programme commenced.</li> <li>• Specifications and standards defined.</li> <li>• Master plans and business cases developed.</li> <li>• Tender process in progress for nine of the 10 tenders to execute the programme.</li> <li>• 54 Wi-Fi units rolled out for internal use.</li> </ul> <p><b><u>Business Process Mapping:</u></b> Business processes mapping for the 20 key departments targeted for the UCC is underway and due for completion at the end of March 2014.</p> <p><b><u>Applications:</u></b></p> <ul style="list-style-type: none"> <li>• City process model, BPM Framework, APM and RMP have been created.</li> <li>• Master systems plan in progress.</li> </ul> <p><b><u>Unified Command Centre:</u></b></p> <ul style="list-style-type: none"> <li>• Interim UCC at Bedfordview capacitated – people, systems, communications and IT systems.</li> <li>• Long-term UCC:             <ul style="list-style-type: none"> <li>• Site identified, soil sampling done.</li> <li>• Sizing of headcount done.</li> <li>• Key functions to be included identified.</li> <li>• Tender in progress to appoint a consultant for the development of the strategy, high-level processes, operating procedures and requirements analysis.</li> </ul> </li> </ul>
<p>Plans for the 2014/2015 financial year</p>	<p><b><u>Infrastructure:</u></b></p> <ul style="list-style-type: none"> <li>• Develop fibre-based broadband propositions with commercial business case.</li> <li>• Install 350 km of fibre; build 80 sites; install 75 Wi-Fi units.</li> <li>• Install 10 fixed video conferencing units and 30 screens for internal video streaming.</li> <li>• Upgrade the data centres by installing two generators, 20 air conditioners and access control systems.</li> <li>• Connect four Siyafunda centres.</li> <li>• Upgrade security.</li> </ul> <p><b><u>Business Process Automation:</u></b> Complete the business process mapping for the 20 key departments targeted for the UCC.</p> <p><b><u>Applications:</u></b></p> <ul style="list-style-type: none"> <li>• Initiate ERP Programme for ( HR, EPMO, O&amp;M, planning and finance).</li> <li>• Acquire and implement workforce management system.</li> <li>• Provide the relevant applications and solutions for the UCC.</li> <li>• Automation of customer-facing UCC processes.</li> </ul> <p><b><u>Unified Command Centre:</u></b></p> <ul style="list-style-type: none"> <li>• Perform conceptual design.</li> </ul>



## Key Strategic Projects of the Information Communication Technology Department

Activity	Description
<b>Business Process Management (BPM)</b>	
Brief Description	The project is about redesigning and automating the business processes with the aim to reduce silo operations and improve responses to the customers. BPM aims to improve the efficiency of the municipality business processes, doing things better with optimised processes and achieve better communication across the organisation; to integrate municipality business processes with partners in the value chain, and understanding which partner is responsible for what part of the process. This will also apply to the municipality's interaction with other spheres of government, business, NGOs, etc.
Current progress on project	Seven customer-facing processes were automated.
Plans for the 2014/2015 financial year	In the new financial year the department will focus on business processes engineering for the three departments (i.e. finance, HR, strategy, governance, EPMO and corporate legal) in preparation for the ERP project.
<b>Information and Knowledge Management</b>	
Brief Description	The intent of the project is to create an information environment that provides the following: business-driven; knowledge-based; integrated; always available and reliable.
Current progress on project	The Information and Knowledge Management Framework was developed and is currently with R&D for input and comments. The specifications for the electronic documents and records management system were completed and the solution will be implemented during the end of 2013/14 financial year. The evaluation to appoint a service provider is complete and the report is going through SCM.
Plans for the 2014/15 financial year	The department will implement an electronic documents and records management system that will be a central document repository for EMM.
<b>Enterprise Resource Planning</b>	
Brief Description	An Enterprise Resource Planning system (ERP) is a system that replaces many stand-alone systems of individual departments and offices – such as human resources management, payroll, finance, supply chain management, grant management and projects – and integrates the functions into a single and automated system that runs on a single database. ERP provides for policies and procedures to be built into the system and uploaded as necessary. This will greatly reduce our dependence on policy and procedure manuals for knowledge transfer and provide a much more efficient means to handle knowledge retention, especially as experienced staff retires. ERP systems also come with built-in audit and

	security controls that have been implemented.
Current progress on project	City Process Model, Applications Portfolio Management and Requirements Management Portfolio have been completed. The Master Systems Plan came up as a result, and consideration of, the need for integrated systems. An integrated system would reduce the number of applications and the costs associated with those applications. Improve service delivery and unification of the city.
Plans for the 2014/15 financial year	Phase 2: ICT will seek the approval of the ERP Business Case, align ERP project with Business Process Management and the Master Systems Plan.
<b>Permanent location of the consolidated call centre with supporting CRM system</b>	
Brief Description	Implementation of the call centre at the permanent site. The call centre will consolidate non–lifethreatening and EMPD call centre with the intention of sharing of systems.
Current progress on project	Completed.

Table 71: Operating Budget of the Information Communication Technology Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>INFORMATION AND COMMUNICATION TECHNOLOGY</b>												
<b>FINANCIAL PERIOD</b>												
	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000	
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15					2015/16	2016/17	
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	92,700	84,184	42,349	77,761	90,304	7.27%	16.13%	29.71%	96,083	102,233		
Employee Related Costs - Overtime	588	588	494	588	564	-4.06%	-4.06%	0.19%	601	639		
Employee Related Costs - Social Contributions	19,916	16,543	8,811	16,461	17,341	4.82%	5.35%	5.70%	18,451	19,632		
Employee Related Costs - Salaries Capitalised	(11,019)	(11,019)	-	(5,509)	(11,019)	0.00%	100.00%	-3.62%	(11,724)	(12,474)		
<b>Sub-Total: Remuneration</b>	<b>102,186</b>	<b>90,296</b>	<b>51,654</b>	<b>89,301</b>	<b>97,191</b>	<b>7.64%</b>	<b>8.83%</b>	<b>31.97%</b>	<b>103,411</b>	<b>110,029</b>		
Depreciation - Existing Assets	82,083	82,083	47,882	82,083	76,313	-7.03%	-7.03%	25.10%	80,129	84,135		
<b>Sub-Total: Depreciation</b>	<b>82,083</b>	<b>82,083</b>	<b>47,882</b>	<b>82,083</b>	<b>76,313</b>	<b>-7.03%</b>	<b>-7.03%</b>	<b>25.10%</b>	<b>80,129</b>	<b>84,135</b>		
Repairs and Maintenance - External Contractors	67,653	67,453	14,820	48,362	72,912	8.58%	50.76%	23.98%	76,849	80,999		
Repairs and Maintenance - Internal Maintenance Teams	40	59	35	30	41	-30.77%	35.68%	0.01%	44	46		
<b>Sub-Total: Repairs and Maintenance</b>	<b>67,693</b>	<b>67,212</b>	<b>14,855</b>	<b>48,393</b>	<b>72,953</b>	<b>8.54%</b>	<b>50.75%</b>	<b>24.00%</b>	<b>76,893</b>	<b>81,046</b>		
Interest Expense - Current External Borrowings	-	130	129	-	-	-100.00%	0.00%	0.00%	-	-		
<b>Sub-Total: Interest Expense</b>	<b>-</b>	<b>130</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>-100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>		
Contracted Services - Existing Contracts	-	-	-	-	-	0.00%	0.00%	0.00%	-	-		
<b>Sub-Total: Contracted Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>		
General Expenses	82,659	83,081	41,018	51,664	76,292	-8.17%	47.67%	25.10%	76,292	76,292		
<b>TOTAL OPERATING EXPENDITURE</b>	<b>334,621</b>	<b>322,803</b>	<b>155,538</b>	<b>271,441</b>	<b>322,749</b>	<b>-0.02%</b>	<b>18.90%</b>	<b>106.17%</b>	<b>336,725</b>	<b>351,502</b>		
Internal Charges	(20,082)	(20,082)	(8,139)	(20,082)	(18,755)	-6.61%	-6.61%	-6.17%	(19,555)	(20,401)		
<b>NET OPERATING EXPENDITURE</b>	<b>314,539</b>	<b>302,721</b>	<b>147,399</b>	<b>251,359</b>	<b>303,994</b>	<b>0.42%</b>	<b>20.94%</b>	<b>100.00%</b>	<b>317,170</b>	<b>331,102</b>		
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(314,539)</b>	<b>(302,721)</b>	<b>(147,399)</b>	<b>(251,359)</b>	<b>(303,994)</b>	<b>0.42%</b>	<b>20.94%</b>		<b>(317,170)</b>	<b>(331,102)</b>		
Total Transfers from Cash-Backed Reserves	55,712	55,712	32,499	55,712	35,373	-36.51%	-36.51%		26,530	17,686		
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(258,827)</b>	<b>(247,008)</b>	<b>(114,900)</b>	<b>(195,646)</b>	<b>(268,621)</b>	<b>8.75%</b>	<b>37.30%</b>		<b>(290,640)</b>	<b>(313,415)</b>		

**Capital Budget of the Information Communication Technology Department**

The department has requested the following Capital Budget:

**Budget per Source of Finance**

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Revenue	1,908,000	2,310,000	2,541,000
Municipal Bonds	175,030,000	173,999,500	200,163,325
<b>Total</b>	<b>176,938,000</b>	<b>176,309,500</b>	<b>202,704,325</b>

**Budget per Customer Care Area**

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Corporate	176,938,000	176,309,500	202,704,325
<b>Total</b>	<b>176,938,000</b>	<b>176,309,500</b>	<b>202,704,325</b>

**Budget per Ward Category**

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Operational equipment	176,938,000	176,309,500	202,704,325
<b>Total</b>	<b>176,938,000</b>	<b>176,309,500</b>	<b>202,704,325</b>

**Expected outcomes from the implementation of the Capital Budget**

The total budget for the department is R176.9 million. Significant projects are:

- R30-million for the implementation of Digital City services – this includes implementing video conferencing and Wi-Fi nodes.
- R35 million for the upgrading of the aged server equipment
- R48 million for the DCS: broadband fibre.
- R12.1 million for the purchasing of the Electronic Document Management System as well as the Business Process Management.
- R30 million for the migration to next generation network.
- R10 million for security for ICT Infrastructure.

### **2.10.16 LEGISLATURE**

This department was established with the purpose of strengthening the capacity of the EMM through modernisation and technological advancements. It includes the following budgets:

- Office of the Speaker.
- Office of the Chief Whip.
- Oversight committees.
- Administration of Ward Committees.
- Part-time councillors.
- Budget for chairpersons of Oversight Committees.

It is important to note that cost centre 105010, which contains the budget for part-time councillors, has also been allocated to the Legislature. This implies that all the councillor allowances are now budgeted as part of the Legislature - based on the principle that part-time councillors will mostly form part of the oversight committees. The mentioned cost centre also provides for the travelling and accommodation of part-time councillors to conferences and seminars and overseas business activities.

#### **Capital Budget of the Legislature Department**

An amount of R4.3 million, R3.3 million and R3.3 million for the 2014/15, 2015/16 and 2016/17 financial years respectively, has been provided for operational equipment for the Legislature department.

#### **Operating Budget of the Legislature Department**

The Operating Budget of the Legislature is as follows:

Table 72: Operating Budget of the Legislature Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>LEGISLATURE</b>												
FINANCIAL PERIOD	F00	F00	F00	F00	F00	F01	%	%	%	F02	F03	
	R'000	R'000	R'000	R'000	R'000	R'000	B to B	P to B	Of Total	R'000	R'000	
ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15								
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	50,749	50,749	22,364	47,077	65,480	29.03%	39.09%	32.86%	69,671	74,130		
Employee Related Costs - Overtime	1,090	1,090	815	1,017	1,046	-4.06%	2.86%	0.52%	1,113	1,184		
Employee Related Costs - Social Contributions	8,819	8,819	2,979	7,311	8,883	0.72%	21.51%	4.46%	9,452	10,057		
Remuneration of Councillors	88,130	83,630	46,724	84,969	91,952	9.95%	8.22%	46.14%	97,837	104,098		
<b>Sub-Total: Remuneration</b>	<b>148,788</b>	<b>144,288</b>	<b>72,882</b>	<b>140,373</b>	<b>167,361</b>	<b>15.99%</b>	<b>19.23%</b>	<b>83.98%</b>	<b>178,072</b>	<b>189,469</b>		
Repairs and Maintenance - External Contractors	20	880	3	17	30	-96.55%	75.18%	0.02%	32	34		
<b>Sub-Total: Repairs and Maintenance</b>	<b>20</b>	<b>880</b>	<b>3</b>	<b>17</b>	<b>30</b>	<b>-96.55%</b>	<b>75.18%</b>	<b>0.02%</b>	<b>32</b>	<b>34</b>		
Contracted Services - Existing Contracts	750	950	11	450	1,060	11.58%	135.56%	0.53%	1,145	1,236		
<b>Sub-Total: Contracted Services</b>	<b>750</b>	<b>950</b>	<b>11</b>	<b>450</b>	<b>1,060</b>	<b>11.58%</b>	<b>135.56%</b>	<b>0.53%</b>	<b>1,145</b>	<b>1,236</b>		
General Expenses	25,035	28,496	13,151	21,269	30,828	8.18%	44.94%	15.47%	30,837	30,848		
<b>TOTAL OPERATING EXPENDITURE</b>	<b>174,593</b>	<b>174,615</b>	<b>86,048</b>	<b>162,109</b>	<b>199,279</b>	<b>14.12%</b>	<b>22.93%</b>	<b>100.00%</b>	<b>210,086</b>	<b>221,586</b>		
<b>NET OPERATING EXPENDITURE</b>	<b>174,593</b>	<b>174,615</b>	<b>86,048</b>	<b>162,109</b>	<b>199,279</b>	<b>14.12%</b>	<b>22.93%</b>	<b>100.00%</b>	<b>210,086</b>	<b>221,586</b>		
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(174,593)</b>	<b>(174,615)</b>	<b>(86,048)</b>	<b>(162,109)</b>	<b>(199,279)</b>	<b>14.12%</b>	<b>22.93%</b>		<b>(210,086)</b>	<b>(221,586)</b>		
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(174,593)</b>	<b>(174,615)</b>	<b>(86,048)</b>	<b>(162,109)</b>	<b>(199,279)</b>	<b>14.12%</b>	<b>22.93%</b>		<b>(210,086)</b>	<b>(221,586)</b>		

## 2.10.17 REAL ESTATE

### Flagship Projects as pronounced by the Executive Mayor

The Real Estate Department is involved, as a secondary partner, with the two flagship projects:

NAME OF THE PROJECT	BRIEF DESCRIPTION
Establishment of a functional Real Estate management unit	<ul style="list-style-type: none"> <li>• Setting up of Real Estate Department and strategy conceptualisation.</li> <li>• Completion of the strategy and organisational structure.</li> </ul>

### Establishment of the new Real Estate Department

The organisation identified the need to establish a Real Estate Department mainly as a result of the fragmented management of the City's property portfolio which led to long transaction turnaround times and ultimately neglect of the council's property portfolio.

Several workshops were held with all roleplayers in the organisation which resulted in the decision to establish a centralised unit responsible for all of the City's real estate assets.

The following divisions in the Real Estate Department were approved:

- Strategy and planning.
- Governance and compliance.
- Support services.
- Portfolio advisory services.
- Property development.
- Property management.
- Facilities management.
- Parks and cemeteries.

The following actions are planned for the new year:

- Filling of vacancies of head of department and three divisional heads.
- Approval of the Real Estate Strategy.
- Amalgamation of functions currently diversified in various departments.
- Approval of the complete Real Estate organisational structure.

### Progress with the revenue enhancement drive in EMM with respect to the role the new Real Estate Department should play

The potential exists to maximise the rental from the commercial lease portfolio by ensuring that all new leases and renewals are done at proven market-related rentals and escalations. The current back-log needs to be addressed with the additional resource and man-power required which will be brought about with the institutional review process, the amalgamation of property transactions and improved systems, delegation and procedure.

Every effort must be made to facilitate shorter approval processes by the correct interpretation of the MFMA, asset transfer regulations and SCM regulations. The property portfolio needs to be segmented in order to identify specific sites with high rental value potential. The aim is to increase the real revenue with 5% annually.

Many of Council's existing real estate assets (buildings) are in a state of neglect. An amount of R15 million has been allocated to enhance revenue potential of some of these facilities. This is part of the prestige building programme where components of the building will be repaired to increase the revenue potential of the facility. Examples are Springs Market, Alberton civic community facilities etc.

### **Real Estate Departmental key strategic projects as identified by the department**

#### **Office accommodation and office densification projects**

R156 million collectively has been budgeted for office accommodation and densification purposes.

Council has several expense leases where Council leases buildings for office accommodation purposes. Council wants to reduce the expense leases and rather occupy office space owned by Council. The funds will be used to:

- Procure properties that have been identified by Germiston Urban Regeneration Task Team in terms of the implementation plan of the urban renewal of the city.
- Density council-owned office space.
- Refurbish office space.

#### **Upgrade of Electrical/Mechanical Installations in EMM Buildings**

Electro mechanical installations such as lifts, central air conditioning systems, generators etc. in various EMM buildings are past their useful engineered economic life cycle. They have deteriorated to an unacceptable state resulting in failure and subject to costly maintenance and repairs expenditure. It is necessary to start the process of renewal and upgrading with the purpose of compliance with health and safety regulations and reduction of risk factors leading to failures.

#### **Upgrade and renewal of buildings around EMM**

Complete replacement of building components to extend the remaining useful lifespan of buildings.

#### **Revenue generating projects (prestige buildings)**

R15 million has been allocated to revenue enhancement (refurbishment of lettable facilities). The Property Advisory Division will identify buildings with revenue potential. Work will be done on buildings where any improvement to the facility will enhance the revenue potential of the facility. Value for money studies will be done to prioritise the facilities with the aim to allocate funding to the most lucrative projects. Examples of such facilities are the Springs Market, Brakpan Airfield, Alberton Civic Centre community halls and other community facilities.

#### **Segmentation of the EMM property portfolio**

The Portfolio Advisory Division of RE will be tasked to divide the portfolio into segments for which specific strategies could be developed with the aim of improving the financial, social and strategic benefit derived from the said segment. Examples of this strategy are to have a specific strategy for cell masts, billboards, council shops etc.

The department started developing strategies to deal with council-owned shops, out-of-home advertising and cell masts.

The result statement of the department is contained in the IDP in Annexure A.



Table 73: Operating Budget of the Real Estate Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>REAL ESTATE DEPARTMENT</b>												
FINANCIAL PERIOD	F00 R'000 ORG BUDGET	F00 R'000 ADJ BUDGET YEAR TO DATE	F00 R'000 PROJECTED	F01 R'000 2014/15	% B to B	% P to B	% Of Total	F02 R'000 2015/16	F03 R'000 2016/17			
<b>INCOME</b>												
Minor Income	26,257	26,242	26,242	28,715	9.42%	9.42%	24.53%	30,294	31,961			
<b>Total: User Charges for Services</b>	<b>26,257</b>	<b>26,242</b>	<b>26,242</b>	<b>28,715</b>	<b>9.42%</b>	<b>9.42%</b>	<b>24.53%</b>	<b>30,294</b>	<b>31,961</b>			
Rent of Facilities and Equipment - Produced Assets	14,723	14,723	14,474	14,662	-0.42%	1.30%	12.52%	15,835	17,101			
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>14,723</b>	<b>14,723</b>	<b>14,474</b>	<b>14,662</b>	<b>-0.42%</b>	<b>1.30%</b>	<b>12.52%</b>	<b>15,835</b>	<b>17,101</b>			
Licenses & Permits	-	1,740	-	-	-100.00%	0.00%	0.00%	-	-			
Operating Grants - Other	-	-	-	-	0.00%	0.00%	0.00%	446	470			
Provincial Operating Grants	-	1,425	1,425	446	-68.70%	-68.70%	0.38%	-	-			
<b>Sub-Total: Operating Grants</b>	<b>-</b>	<b>1,425</b>	<b>1,425</b>	<b>446</b>	<b>-68.70%</b>	<b>-68.70%</b>	<b>0.38%</b>	<b>446</b>	<b>470</b>			
USDG	88,600	38,710	38,710	71,100	83.67%	83.67%	60.73%	94,500	86,500			
<b>Sub-Total: Capital Grants</b>	<b>88,600</b>	<b>38,710</b>	<b>38,710</b>	<b>71,100</b>	<b>83.67%</b>	<b>83.67%</b>	<b>60.73%</b>	<b>94,500</b>	<b>86,500</b>			
Essential Services	1,900	1,900	1,846	1,777	-6.47%	-3.76%	1.52%	2,044	2,350			
Other Sundry Income	361	361	577	373	3.19%	-35.47%	0.32%	428	493			
<b>Sub-Total: Other Income</b>	<b>2,261</b>	<b>2,261</b>	<b>2,424</b>	<b>2,150</b>	<b>-4.93%</b>	<b>-11.31%</b>	<b>1.84%</b>	<b>2,472</b>	<b>2,843</b>			
<b>TOTAL OPERATING INCOME</b>	<b>131,841</b>	<b>85,101</b>	<b>83,274</b>	<b>117,072</b>	<b>37.57%</b>	<b>40.59%</b>	<b>100.00%</b>	<b>143,547</b>	<b>138,875</b>			
<b>NET OPERATING INCOME</b>	<b>131,841</b>	<b>85,101</b>	<b>83,274</b>	<b>117,072</b>	<b>37.57%</b>	<b>40.59%</b>	<b>100.00%</b>	<b>143,547</b>	<b>138,875</b>			
<b>EXPENDITURE</b>												
Employee Related Costs - Salaries & Wages	374,101	378,005	369,427	380,898	0.77%	3.11%	53.01%	405,276	431,213			
Employee Related Costs - Overtime	9,774	10,074	9,723	9,377	-6.92%	-3.56%	1.31%	9,977	10,616			
Employee Related Costs - Social Contributions	93,306	93,306	92,206	98,482	5.55%	6.81%	13.71%	104,785	111,491			
Employee Related Costs - Salaries Capitalised	(3,308)	(3,308)	(1,654)	(3,308)	0.00%	100.00%	-0.46%	(3,520)	(3,745)			
Employee Related Costs - Salaries to R and M Internal	(40,975)	(40,975)	(28,479)	(48,874)	19.28%	71.62%	-6.80%	(52,002)	(55,330)			
<b>Sub-Total: Remuneration</b>	<b>432,897</b>	<b>437,101</b>	<b>441,224</b>	<b>436,575</b>	<b>-0.12%</b>	<b>-1.05%</b>	<b>60.76%</b>	<b>464,516</b>	<b>494,245</b>			
Repairs and Maintenance - External Contractors	99,897	102,731	88,115	125,033	21.71%	41.90%	17.40%	131,784	138,901			
Repairs and Maintenance - Internal Maintenance Teams	47,184	40,960	25,869	55,227	34.83%	113.49%	7.69%	58,762	62,523			
<b>Sub-Total: Repairs and Maintenance</b>	<b>147,081</b>	<b>143,691</b>	<b>113,984</b>	<b>180,260</b>	<b>25.45%</b>	<b>58.14%</b>	<b>25.09%</b>	<b>190,546</b>	<b>201,424</b>			
Contracted Services - Existing Contracts	40,642	35,833	32,317	45,138	25.97%	39.67%	6.28%	48,749	52,649			
<b>Sub-Total: Contracted Services</b>	<b>40,642</b>	<b>35,833</b>	<b>32,317</b>	<b>45,138</b>	<b>25.97%</b>	<b>39.67%</b>	<b>6.28%</b>	<b>48,749</b>	<b>52,649</b>			
General Expenses	39,242	40,782	32,236	40,955	0.42%	27.05%	5.70%	41,018	41,086			
Grants Expenditure	-	1,425	1,425	446	-68.70%	-68.70%	0.06%	446	470			
<b>TOTAL OPERATING EXPENDITURE</b>	<b>659,862</b>	<b>658,832</b>	<b>621,186</b>	<b>703,374</b>	<b>6.76%</b>	<b>13.23%</b>	<b>97.89%</b>	<b>745,276</b>	<b>789,874</b>			
Internal Charges	16,654	16,644	16,644	15,173	-8.84%	-8.84%	2.11%	16,387	17,698			
<b>NET OPERATING EXPENDITURE</b>	<b>676,515</b>	<b>675,476</b>	<b>637,830</b>	<b>718,547</b>	<b>6.38%</b>	<b>12.65%</b>	<b>100.00%</b>	<b>761,662</b>	<b>807,571</b>			
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(544,674)</b>	<b>(590,375)</b>	<b>(554,556)</b>	<b>(601,475)</b>	<b>1.88%</b>	<b>8.46%</b>		<b>(618,115)</b>	<b>(668,697)</b>			
Contribution to Capital Budget	88,600	38,710	88,710	71,100	83.67%	-19.85%		94,500	86,500			
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>(633,274)</b>	<b>(629,085)</b>	<b>(643,266)</b>	<b>(672,575)</b>	<b>6.91%</b>	<b>4.56%</b>		<b>(712,615)</b>	<b>(755,197)</b>			

## Capital Budget of the Real Estate Department

The department has requested the following Capital Budget:

### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal Bonds	158,600,000	170,500,000	136,000,000
Revenue	35,905,000	72,135,000	65,340,000
USDG	71,100,000	94,500,000	86,500,000
<b>Total</b>	<b>265,605,000</b>	<b>337,135,000</b>	<b>287,840,000</b>

### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Corporate	142,605,000	216,135,000	201,840,000
Germiston	100,000,000	100,000,000	80,000,000
Springs	23,000,000	21,000,000	6,000,000
<b>Total</b>	<b>265,605,000</b>	<b>337,135,000</b>	<b>287,840,000</b>

### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	82,000,000	102,000,000	74,000,000
CBD	100,000,000	100,000,000	80,000,000
CBD / Developed, Residential	8,000,000	7,000,000	6,000,000
Developed, Residential	17,500,000	17,000,000	3,000,000
Operational Equipment	37,905,000	67,135,000	65,340,000
Underdeveloped	20,200,000	44,000,000	59,500,000
<b>Total</b>	<b>265,605,000</b>	<b>337,135,000</b>	<b>287,840,000</b>

### Expected outcomes from the implementation of the Capital Budget

The total budget for the department is R265.6 million.

Significant projects for the department are:

- R50 million for Brownfield Property Acquisition
- R56 million for Densification of Council Buildings
- R15 million for development of Vlakfontein Cemetery.
- R19.5 million for upgrading of existing fleet.
- R8.1 million for development/upgrading regional parks.
- R5.6 million to develop/upgrade community parks.
- R4 million for upgrading of Murray Park.
- R3 million for upgrading cemeteries.
- R15 million for refurbishment of lettable facilities

## 2.10.18 ROADS AND STORM WATER

The result statements of the department is contained in the IDP in Annexure A.

### Key Strategic Projects of the Roads and Storm water Department:

NAME OF THE PROJECT	BRIEF DESCRIPTION
Fak'imali Uzobona	The upgrading and construction of storm water infrastructure on an as and when required basis. This includes construction of new roads and storm water services as well as upgrading of existing roads and storm water services.
Hlase! ama Potholes	Patching of potholes and repairs to failed sections of paved roads (rehabilitation and resurfacing). This includes the reconstruction of failed layers of existing roads, patching and repairs of surface layers, road markings, traffic calming measures etc.
Vuk'uphile	Roads EPWP job creation programme addressing paving and other labour intensive projects.

#### Fak'imali Uzobona

This project addresses the construction of new roads and storm water drainage services as well as the upgrading of existing roads and storm water services predominantly in the areas where the backlog is the greatest. These areas are Duduza, Tsakane, KwaThema, Daveyton/Etswatwa, Wattville, Vosloorus, Katlehong, Tokoza and Tembisa, commercial and industrial areas.

Areas where township development (housing as well as industrial and commercial) is taking place, is also catered for under this programme, which is a multi-year project (spanning over more than one financial year). Consultants and contractors are in place (also appointed on a multi-year basis). The appointment of consultants and contractors, over multi-financial years, will facilitate a "seamless" continuation/implementation of new budgets without the time consuming process of advertising and appointment every financial year. The estimated implementation amount is R539 million per annum (additional funds have been requested for future financial years).

#### Hlase! ama Potholes

This project addresses the rehabilitation, patching and repair of tar roads through the appointment of SMMEs (small contractors), as well as the as and when contractors, which have been appointed in all areas of EMM. The methods of repairs are based on labour intensive methods thus contributing to job creation. These SMMEs will also be appointed on a multi-year basis. The budget for roads repairs and maintenance amounts to R333 million.

#### Vuk'uphile

The programme is aimed at addressing the training of learners (learnership programme) to the point where they can be employed as contractors specifically for projects of a smaller magnitude, such as paving of sidewalks, kerbing installation and other labour intensive projects.

Learners have completed their “classroom training” and are now deployed to various construction projects. This programme is also aimed at assisting other departments with the implementation of construction projects within their department. This project is a major contributor to the EMMs Job Creation Programme.

Table 74: Operating Budget of the Roads and Storm Water Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>											
<b>ROADS AND STORMWATER</b>											
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000
ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	2015/16	2016/17					
<b>INCOME</b>											
Minor Income	806	806	508	806	1,800	1,800	123.33%	123.33%	0.60%	1,899	2,003
<b>Total: User Charges for Services</b>	<b>806</b>	<b>806</b>	<b>508</b>	<b>806</b>	<b>1,800</b>	<b>1,800</b>	<b>123.33%</b>	<b>123.33%</b>	<b>0.60%</b>	<b>1,899</b>	<b>2,003</b>
Rent of Facilities and Equipment - Produced Assets	75	75	41	75	-	-	-100.00%	0.00%	0.00%	-	-
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>75</b>	<b>75</b>	<b>41</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>-100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>
Capital Grants - Other	27,945	31,036	-	27,932	5,500	5,500	-82.28%	-80.31%	1.85%	5,000	8,000
Neighborhood Development Partnership Grant	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-
USDG	543,700	573,722	384,732	573,722	282,250	282,250	-50.80%	-50.80%	94.70%	194,550	211,500
<b>Sub-Total: Capital Grants</b>	<b>571,645</b>	<b>604,758</b>	<b>384,732</b>	<b>601,654</b>	<b>287,750</b>	<b>287,750</b>	<b>-52.42%</b>	<b>-52.17%</b>	<b>96.54%</b>	<b>199,550</b>	<b>219,500</b>
Essential Services	8,500	8,500	12,244	8,500	8,500	8,500	0.00%	0.00%	2.85%	9,775	11,241
Other Sundry Income	133	133	28	139	-	-	-100.00%	0.00%	0.00%	-	-
<b>Sub-Total: Other Income</b>	<b>8,633</b>	<b>8,633</b>	<b>12,272</b>	<b>8,639</b>	<b>8,500</b>	<b>8,500</b>	<b>-1.54%</b>	<b>-1.61%</b>	<b>2.85%</b>	<b>9,775</b>	<b>11,241</b>
<b>TOTAL OPERATING INCOME</b>	<b>581,159</b>	<b>614,272</b>	<b>397,554</b>	<b>611,174</b>	<b>298,050</b>	<b>298,050</b>	<b>-51.48%</b>	<b>-51.23%</b>	<b>100.00%</b>	<b>211,224</b>	<b>232,745</b>
<b>NET OPERATING INCOME</b>	<b>581,159</b>	<b>614,272</b>	<b>397,554</b>	<b>611,174</b>	<b>298,050</b>	<b>298,050</b>	<b>-51.48%</b>	<b>-51.23%</b>	<b>100.00%</b>	<b>211,224</b>	<b>232,745</b>
<b>EXPENDITURE</b>											
Employee Related Costs - Salaries & Wages	184,592	185,203	86,491	170,987	181,559	181,559	-1.97%	6.18%	12.15%	193,179	205,543
Employee Related Costs - Overtime	4,651	4,651	4,886	4,559	4,462	4,462	-4.06%	-2.12%	0.30%	4,748	5,052
Employee Related Costs - Social Contributions	39,569	39,569	20,516	38,796	41,392	41,392	4.61%	6.69%	2.77%	44,041	46,860
Employee Related Costs - Salaries Capitalised	(22,963)	(22,963)	-	(11,482)	(13,778)	(13,778)	-40.00%	20.00%	-0.92%	(14,660)	(15,598)
Employee Related Costs - Salaries to R and M Internal	(152,417)	(152,417)	(83,500)	(147,290)	(154,935)	(154,935)	1.65%	5.19%	-10.37%	(164,850)	(175,401)
<b>Sub-Total: Remuneration</b>	<b>53,432</b>	<b>54,043</b>	<b>28,393</b>	<b>55,570</b>	<b>58,702</b>	<b>58,702</b>	<b>8.62%</b>	<b>5.63%</b>	<b>3.93%</b>	<b>62,459</b>	<b>66,456</b>
Depreciation - Existing Assets	1,006,345	1,006,345	587,035	1,006,345	915,841	915,841	-8.99%	-8.99%	61.30%	961,633	1,009,714
<b>Sub-Total: Depreciation</b>	<b>1,006,345</b>	<b>1,006,345</b>	<b>587,035</b>	<b>1,006,345</b>	<b>915,841</b>	<b>915,841</b>	<b>-8.99%</b>	<b>-8.99%</b>	<b>61.30%</b>	<b>961,633</b>	<b>1,009,714</b>
Repairs and Maintenance - External Contractors	303,821	308,530	128,268	304,111	333,551	333,551	8.11%	9.68%	22.33%	366,906	403,597
Repairs and Maintenance - Internal Maintenance Teams	156,374	157,420	86,295	151,539	158,983	158,983	0.99%	4.91%	10.64%	169,158	179,984
<b>Sub-Total: Repairs and Maintenance</b>	<b>460,195</b>	<b>465,950</b>	<b>214,563</b>	<b>455,650</b>	<b>492,534</b>	<b>492,534</b>	<b>5.71%</b>	<b>8.09%</b>	<b>32.97%</b>	<b>536,064</b>	<b>583,580</b>
Contracted Services - Existing Contracts	4,970	4,017	478	3,040	700	700	-82.57%	-76.97%	0.05%	756	816
<b>Sub-Total: Contracted Services</b>	<b>4,970</b>	<b>4,017</b>	<b>478</b>	<b>3,040</b>	<b>700</b>	<b>700</b>	<b>-82.57%</b>	<b>-76.97%</b>	<b>0.05%</b>	<b>756</b>	<b>816</b>
General Expenses	26,139	26,145	8,508	23,405	23,221	23,221	-1.18%	-0.79%	1.55%	23,221	23,221
<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,551,081</b>	<b>1,556,501</b>	<b>838,976</b>	<b>1,544,011</b>	<b>1,490,997</b>	<b>1,490,997</b>	<b>-4.21%</b>	<b>-3.43%</b>	<b>99.80%</b>	<b>1,584,132</b>	<b>1,683,788</b>
Internal Charges	3,116	3,116	3,473	3,116	3,017	3,017	-3.19%	-3.19%	0.20%	3,258	3,519
<b>NET OPERATING EXPENDITURE</b>	<b>1,554,197</b>	<b>1,559,617</b>	<b>842,449</b>	<b>1,547,127</b>	<b>1,494,014</b>	<b>1,494,014</b>	<b>-4.21%</b>	<b>-3.43%</b>	<b>100.00%</b>	<b>1,587,390</b>	<b>1,687,307</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(973,039)</b>	<b>(945,346)</b>	<b>(444,894)</b>	<b>(935,953)</b>	<b>(1,195,964)</b>	<b>(1,195,964)</b>	<b>26.51%</b>	<b>27.78%</b>		<b>(1,376,166)</b>	<b>(1,454,562)</b>
Contribution to Capital Budget	571,645	604,758	384,732	601,654	287,750	287,750	-52.42%	-52.17%		199,550	219,500
Total Transfers from Cash-Backed Reserves	410,091	410,091	239,220	410,091	260,375	260,375	-36.51%	-36.51%		195,282	130,188
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(1,134,592)</b>	<b>(1,140,012)</b>	<b>(590,407)</b>	<b>(1,127,516)</b>	<b>(1,223,338)</b>	<b>(1,223,338)</b>	<b>7.31%</b>	<b>8.50%</b>		<b>(1,380,435)</b>	<b>(1,543,875)</b>

### Capital Budget of the Roads and Storm Water Department

The department has requested the following Capital Budget:

#### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Developer's contributions	5,500,000	5,000,000	8,000,000
Revenue	14,200,000	23,200,000	23,600,000
Municipal Bonds	306,150,000	437,950,000	353,700,000
USDG	282,250,000	194,550,000	211,500,000
<b>Total</b>	<b>608,100,000</b>	<b>660,700,000</b>	<b>596,800,000</b>

#### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Benoni	39,300,000	31,500,000	17,000,000
Benoni	1,000,000	1,000,000	2,000,000
Boksburg	17,400,000	22,500,000	20,000,000
Brakpan	-		
Corporate	148,400,000	157,300,000	170,600,000
Daveyton	6,500,000	11,000,000	3,000,000
Duduza	3,000,000	3,000,000	3,000,000
Edenvale	29,500,000	30,200,000	24,700,000
Etwatwa	3,000,000	5,000,000	
Germiston	46,750,000	54,250,000	40,500,000
Katlehong	6,000,000	6,000,000	10,000,000
Katlehong, Alberton	2,500,000	4,000,000	2,500,000
Katlehong1&2	21,000,000	21,000,000	22,000,000
Kempton Park	128,300,000	148,000,000	141,500,000
Kwa Thema	7,000,000	-	-
Springs	1,000,000	1,000,000	2,000,000
Tembisa 1	58,000,000	73,000,000	67,000,000
Tembisa 2	500,000	4,000,000	6,000,000
Thokoza	18,050,000	8,050,000	-
Tsakane	65,000,000	70,000,000	55,000,000
Vosloorus	5,900,000	9,900,000	10,000,000
<b>Total</b>	<b>608,100,000</b>	<b>660,700,000</b>	<b>596,800,000</b>

#### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	18,300,000	22,000,000	27,000,000

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
CBD	7,500,000	23,000,000	24,000,000
CBD/developed, residential	12,600,000	13,600,000	5,500,000
Developed, residential	272,500,000	274,700,000	270,700,000
Operational equipment	14,200,000	23,200,000	23,600,000
Underdeveloped	283,000,000	304,200,000	246,000,000
<b>Total</b>	<b>608,100,000</b>	<b>660,700,000</b>	<b>596,800,000</b>

### Expected outcomes from the implementation of the Capital Budget

The mission of the department is the development and management of affordable, appropriate and high quality roads and storm water infrastructure, to continuously improve the quality of life in a sustainable, safe, economical, equitable, integrated, environmentally sensitive and participatory manner. The Roads and Storm Water Department has undertaken to eliminate the backlog of gravel roads by 2015 through the as and when tender termed Fak'imali Uzobona, which was initiated in 2004, and to date over a R1.6 billion has been spent with the construction of roads and storm water. Roads and storm water were identified as the metro's number one key mandate through the community participation process. The total budget for the department has grown from R327 million in 2011/12 to R608.1 million in 2014/15.

#### Below is a summary of budget breakdown per category:

Under the **Admin** portion of the budget, provision has been made to cater for procurement of ICT equipment, specialised equipment, office furniture and vehicles with focus mainly in the depots. The refurbishment of the roads depots also falls within this category with recommended budget of **R22.2 million**.

The increased provision for “**main roads**” in 2014/15 and 2015/16 is primarily to cater for Aerotropolis-related infrastructure and access roads currently in the planning phase. Major roads constructed by developers are also taken into account in the SDBIP target relating to the “Expansion of the Strategic Road Network”. Due to the complexities and challenges in constructing these roads due to EIAs and land acquisition, it is difficult to predict exactly when which road will be constructed. In terms of the SDBIP target, the network is to be expanded by 5 km over a five-year period with recommended budget of **R98.5 million** for 2014/15.

Under **pedestrian facilities** provision has been made for pedestrian walkways as well as pedestrian bridges. In terms of the draft SDBIP it is proposed that walkways be constructed in 20 wards per financial year and 70 over the five-year period with recommended budget of **R20.6 million**.

The draft budget for **storm water** will address a variety of projects, including work on dams and natural water courses. Due to the variable nature and cost of storm water projects it is often difficult to estimate the length of Stormwater systems to be constructed or upgraded. In terms of the SDBIP, it is envisaged that the capacity of storm water systems will be increased by 25 km per annum through recommended budget of **R133.1 million** for 2014/15.

On **tertiary roads** funds are required to eradicate backlog in previously disadvantaged areas and for provision of access roads in formal areas. Based on the estimated cost of

R3.8 million/km, 50 km of tertiary roads is to be upgraded in 2014/15 with recommended budget of **R184.8 million**. For the 2015/16 and 2016/17 financial years, 44 km and 42 km are to be upgraded respectively.

Funding for **traffic calming and signal upgrades** are provided for provision of safety on roads and to improve the level of congestion. Measures are implemented on a priority basis in accordance with applications received. The recommended budget of **R15.9 million** funds will be utilised for the installation of new signals as well as the upgrading of existing signals.

The draft budget for the **rehabilitation of roads** will address the upgrade of roads in accordance with the results of the Pavement Management System. Funds from the Operational Budget are also utilised for this purpose. An estimated 200 km per annum are envisaged to be rehabilitated and/or resurfaced per financial year with recommended budget of **R123 million** for 2014/15.

Further key deliverables expected of the abovementioned projects include job creation, accredited training, development of local sub-contractors and an injection of community retained earnings to boost the local township economies.

Some of the main projects are:

- R78 million for the roads infrastructure in the low cost housing areas.
- R135 million for the rehabilitation of roads in all of the six regions.
- R63.1 million for the construction of tertiary roads in all of the six regions.
- R19 million for the Thokoza and Katlehong Implementation of storm water master Plans.
- R17.6 million for pedestrian management.

Further key deliverables expected of the above-mentioned projects include job creation, accredited training, development of local sub-contractors and an injection of community retained earnings to boost local township economies.



**2.10.19 SPORT, RECREATION, ARTS AND CULTURE (SRAC)**

The SRAC department consists of the following functions:

- Sport and Recreation.
- Arts, Culture and Heritage.
- Library and Information Services.
- Projects.
- Support.
- Strategy and Planning.
- Operations.
- Governance and Compliance.

The result statements of the department is contained in the IDP in Annexure A.

**Key projects of the Sport, Recreation, Arts and Culture Department**

NAME OF THE PROJECT	BRIEF DESCRIPTION
Masakane Games	This programme has a two-pronged approach; one being schools sport and the other a community-wide sport development programme. The school sport programme targets all schools in Ekurhuleni on two priority sporting codes - soccer and netball. The community-wide sporting programme has four sporting codes - soccer, netball, athletics and volleyball. These two programmes are aimed at identifying new talent that can represent the municipality in competitive sport codes.
Kiddies Olympics	An annual multi-coded sport festival for children from five to eight-years-old. The children are exposed to recreational programmes including indigenous games. This is an introduction to sport and recreation targeted at five to six-year-olds that involves day care centres and crèches throughout Ekurhuleni where children are exposed to different forms of recreation and sport with the hope that for future development they will be nurtured in their chosen sporting code/s.
September Cultural Month	September month will be a culmination of a year-long cultural competition of various art forms to be celebrated over three days in the metro. This programme would start at ward/area competitions to the six Ekurhuleni regions into a metro-wide cultural celebration at the end of September annually. Part of the programme would encourage the use of our community halls and public spaces to display art, crafts, drama and the like.
Kempton Park Cultural Precinct	As a first step towards realising an integrated spatial framework and land use for the Aerotropolis, we propose the development of Kempton Park as the cultural capital due to the fact that it serves as a compulsory conduit in and out of South Africa.

NAME OF THE PROJECT	BRIEF DESCRIPTION
	Furthermore, it would allow the EMM to leverage the capital infrastructure and rich political heritage and history of the location. Amongst others, Kempton Park served as the seat for negotiations for the new political dispensation i.e. the CODESA deliberations that became the foundation for the new democracy. This provides for the possibility of the development of political tourism and exporting the South African story.
Elites arts and sports events	To bid and host annually two major sporting and cultural events in the municipality.
Holiday Programmes  Greater participation of children in library programmes and services at all libraries	The programmes offer information and recreation activities to children and the youth at libraries during school holidays. The activities include, amongst others, career guidance, drafting of a CV, puppet shows, creating emails, video shows, storytelling, colouring, painting, and making Christmas cards, computer games and book bash literature festivals.

### Operating Budget of the Sport, Recreation, Arts and Culture Department

The department has been tasked to do the following:

- Improve the condition of the facilities by working with the Real Estate Department to prioritise maintenance works.
- Analyse trends and transactions to identify the reasons for the decline in revenue.

The Operating Budget per category is attached hereto.

Table 75: Operating Budget of the Sport, Recreation, Arts and Culture Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>												
<b>SPORTS RECREATION, ARTS AND CULTURE</b>												
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	2015/16	2016/17				2015/16	2016/17
<b>INCOME</b>												
Minor Income	150	150	37	150	177	187	197	18.00%	18.00%	0.33%	187	197
<b>Total: User Charges for Services</b>	<b>150</b>	<b>150</b>	<b>37</b>	<b>150</b>	<b>177</b>	<b>187</b>	<b>197</b>	<b>18.00%</b>	<b>18.00%</b>	<b>0.33%</b>	<b>187</b>	<b>197</b>
Rent of Facilities and Equipment - Produced Assets	5,767	5,767	3,505	4,638	8,695	9,391	10,142	50.79%	87.50%	16.36%	9,391	10,142
<b>Sub-total: Rent of Facilities and Equipment</b>	<b>5,767</b>	<b>5,767</b>	<b>3,505</b>	<b>4,638</b>	<b>8,695</b>	<b>9,391</b>	<b>10,142</b>	<b>50.79%</b>	<b>87.50%</b>	<b>16.36%</b>	<b>9,391</b>	<b>10,142</b>
Other Fines	1,114	1,114	170	777	1,795	1,974	2,172	61.08%	130.94%	3.38%	1,974	2,172
<b>Sub-Total: Fines</b>	<b>1,114</b>	<b>1,114</b>	<b>170</b>	<b>777</b>	<b>1,795</b>	<b>1,974</b>	<b>2,172</b>	<b>61.08%</b>	<b>130.94%</b>	<b>3.38%</b>	<b>1,974</b>	<b>2,172</b>
Operating Grants - Other	-	-	-	-	-	7,550	8,050	0.00%	0.00%	0.00%	7,550	8,050
Provincial Operating Grants	3,700	4,208	755	4,208	3,400	-	-	-19.20%	-19.20%	6.40%	-	-
<b>Sub-Total: Operating Grants</b>	<b>3,700</b>	<b>4,208</b>	<b>755</b>	<b>4,208</b>	<b>3,400</b>	<b>7,550</b>	<b>8,050</b>	<b>-19.20%</b>	<b>-19.20%</b>	<b>6.40%</b>	<b>7,550</b>	<b>8,050</b>
Capital Grants - Other	-	-	0	-	-	-	-	0.00%	0.00%	0.00%	-	-
USDG	137,400	127,975	49,428	127,975	35,800	31,911	34,000	-72.03%	-72.03%	67.34%	31,911	34,000
Provincial Capital Grants	-	2,350	302	2,350	1,700	-	-	-27.67%	-27.67%	3.20%	-	-
<b>Sub-Total: Capital Grants</b>	<b>137,400</b>	<b>130,325</b>	<b>49,730</b>	<b>130,325</b>	<b>37,500</b>	<b>31,911</b>	<b>34,000</b>	<b>-71.23%</b>	<b>-71.23%</b>	<b>70.54%</b>	<b>31,911</b>	<b>34,000</b>
Other Sundry Income	1,219	1,219	390	1,511	1,594	1,833	2,108	30.73%	5.53%	3.00%	1,833	2,108
<b>Sub-Total: Other Income</b>	<b>1,219</b>	<b>1,219</b>	<b>390</b>	<b>1,511</b>	<b>1,594</b>	<b>1,833</b>	<b>2,108</b>	<b>30.73%</b>	<b>5.53%</b>	<b>3.00%</b>	<b>1,833</b>	<b>2,108</b>
<b>TOTAL OPERATING INCOME</b>	<b>149,350</b>	<b>142,783</b>	<b>54,587</b>	<b>141,609</b>	<b>53,161</b>	<b>52,846</b>	<b>56,669</b>	<b>-62.77%</b>	<b>-62.46%</b>	<b>100.00%</b>	<b>52,846</b>	<b>56,669</b>
<b>NET OPERATING INCOME</b>	<b>149,350</b>	<b>142,783</b>	<b>54,587</b>	<b>141,609</b>	<b>53,161</b>	<b>52,846</b>	<b>56,669</b>	<b>-62.77%</b>	<b>-62.46%</b>	<b>100.00%</b>	<b>52,846</b>	<b>56,669</b>

**EKURHULENI METROPOLITAN MUNICIPALITY**

**SPORTS RECREATION, ARTS AND CULTURE**

FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F02 R'000	F03 R'000
EXPENDITURE	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	2015/16	2016/17					
Employee Related Costs - Salaries & Wages	277,116	278,038	148,929	270,478	291,792	310,467	330,337	4.95%	7.88%	47.72%	310,467	330,337
Employee Related Costs - Overtime	17,278	17,278	13,870	16,543	16,577	17,638	18,767	-4.06%	0.20%	2.71%	17,638	18,767
Employee Related Costs - Social Contributions	73,165	73,165	39,485	71,487	78,741	83,780	89,142	7.62%	10.15%	12.88%	83,780	89,142
Employee Related Costs - Salaries Capitalised	(4,515)	(4,515)	-	(2,258)	(4,515)	(4,804)	(5,112)	0.00%	100.00%	-0.74%	(4,804)	(5,112)
Employee Related Costs - Salaries to R and M Internal	-	(600)	-	-	-	-	-	-100.00%	0.00%	0.00%	-	-
<b>Sub-Total: Remuneration</b>	<b>363,044</b>	<b>363,366</b>	<b>202,284</b>	<b>356,250</b>	<b>382,595</b>	<b>407,081</b>	<b>433,134</b>	<b>5.29%</b>	<b>7.39%</b>	<b>62.56%</b>	<b>407,081</b>	<b>433,134</b>
Depreciation - Existing Assets	131,281	131,281	76,580	131,281	114,396	120,116	126,122	-12.86%	-12.86%	18.71%	120,116	126,122
<b>Sub-Total: Depreciation</b>	<b>131,281</b>	<b>131,281</b>	<b>76,580</b>	<b>131,281</b>	<b>114,396</b>	<b>120,116</b>	<b>126,122</b>	<b>-12.86%</b>	<b>-12.86%</b>	<b>18.71%</b>	<b>120,116</b>	<b>126,122</b>
Repairs and Maintenance - External Contractors	27,565	33,352	10,660	20,843	36,749	38,733	40,825	10.19%	76.32%	6.01%	38,733	40,825
Repairs and Maintenance - Internal Maintenance Teams	1,661	2,160	1,168	1,527	1,700	1,808	1,924	-21.30%	11.30%	0.28%	1,808	1,924
<b>Sub-Total: Repairs and Maintenance</b>	<b>29,226</b>	<b>35,512</b>	<b>11,829</b>	<b>22,370</b>	<b>38,449</b>	<b>40,542</b>	<b>42,749</b>	<b>8.27%</b>	<b>71.88%</b>	<b>6.29%</b>	<b>40,542</b>	<b>42,749</b>
Contracted Services - Existing Contracts	4,854	5,254	137	2,532	4,550	4,914	5,307	-13.41%	79.73%	0.74%	4,914	5,307
<b>Sub-Total: Contracted Services</b>	<b>4,854</b>	<b>5,254</b>	<b>137</b>	<b>2,532</b>	<b>4,550</b>	<b>4,914</b>	<b>5,307</b>	<b>-13.41%</b>	<b>79.73%</b>	<b>0.74%</b>	<b>4,914</b>	<b>5,307</b>
Grants & Subsidies Paid - Social/Educational/Sports	-	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-
<b>Sub-Total: Grants and Subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>
General Expenses	61,406	67,336	34,141	45,175	52,151	52,168	52,186	-22.55%	15.44%	8.53%	52,168	52,186
Grants Expenditure	3,700	4,208	627	4,208	3,400	7,550	8,050	-19.20%	-19.20%	0.56%	7,550	8,050
<b>TOTAL OPERATING EXPENDITURE</b>	<b>593,511</b>	<b>606,956</b>	<b>325,597</b>	<b>561,815</b>	<b>595,540</b>	<b>632,371</b>	<b>667,549</b>	<b>-1.88%</b>	<b>6.00%</b>	<b>97.39%</b>	<b>632,371</b>	<b>667,549</b>
Internal Charges	15,623	15,633	23,507	15,623	15,977	17,255	18,635	2.20%	2.27%	2.61%	17,255	18,635
<b>NET OPERATING EXPENDITURE</b>	<b>609,134</b>	<b>622,589</b>	<b>349,105</b>	<b>577,437</b>	<b>611,517</b>	<b>649,626</b>	<b>686,184</b>	<b>-1.78%</b>	<b>5.90%</b>	<b>100.00%</b>	<b>649,626</b>	<b>686,184</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(459,783)</b>	<b>(479,805)</b>	<b>(294,518)</b>	<b>(435,829)</b>	<b>(558,356)</b>	<b>(596,779)</b>	<b>(629,515)</b>	<b>16.37%</b>	<b>28.11%</b>		<b>(596,779)</b>	<b>(629,515)</b>
Contribution to Capital Budget	137,400	130,325	49,730	130,325	37,500	31,911	34,000	-71.23%	-71.23%		31,911	34,000
Total Transfers from Cash-Backed Reserves	22,745	22,745	13,268	22,745	14,441	10,831	7,221	-36.51%	-36.51%		10,831	7,221
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(574,439)</b>	<b>(587,386)</b>	<b>(330,980)</b>	<b>(543,409)</b>	<b>(581,415)</b>	<b>(617,860)</b>	<b>(656,294)</b>	<b>-1.02%</b>	<b>6.99%</b>		<b>(617,860)</b>	<b>(656,294)</b>

**Capital Budget of the Sport, Recreation, Arts and Culture Department**

The department has requested the following Capital Budget:

**Budget per Source of Finance**

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal Bonds	61,150,000	48,000,000	45,000,000
Other Provincial Grants	1,700,000	-	-
Revenue	23,600,000	21,000,000	28,000,000
USDG	35,800,000	31,911,000	34,000,000
<b>Total</b>	<b>122,250,000</b>	<b>100,911,000</b>	<b>107,000,000</b>

**Budget per Customer Care Area**

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Alberton	4,000,000	4,000,000	-
Benoni	2,000,000	-	-
Brakpan	12,850,000	-	-
Corporate	56,300,000	61,500,000	73,000,000
Duduza	8,500,000	-	-
Etwatwa	-	8,911,000	11,000,000
Germiston	20,000,000	10,000,000	-
Katlehong 2	-	1,000,000	16,000,000
Nigel	-	4,000,000	4,000,000
Tembisa 1	8,300,000	11,500,000	3,000,000
Tsakane	10,300,000	-	-
<b>Total</b>	<b>122,250,000</b>	<b>100,911,000</b>	<b>107,000,000</b>

**Budget per Ward Category**

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	2,000,000	2,500,000	3,000,000
CBD / Developed, Residential	32,850,000	10,000,000	-
Multi Wards	25,000,000	34,000,000	43,000,000
Operational Equipment	25,300,000	20,000,000	25,000,000
Underdeveloped	37,100,000	34,411,000	36,000,000
<b>Total</b>	<b>122,250,000</b>	<b>100,911,000</b>	<b>107,000,000</b>

The department is creating a number of libraries and cultural facilities, with the amount available for the renewal of current facilities increasing from 10% to 21.6%.

Although the financial sustainability of these non-income generating facilities is usually questioned, it contributes towards the creation of sustainable human settlements (social upliftment). It is proposed that SRAC together with the Economic Development and Real Estate Departments re-visit the leasing potential of lettable facilities and that the maintenance thereof be addressed via a service level agreement between SRAC and Real Estate.

### **Expected outcomes from the implementation of the Capital Budget**

The department is tasked with the following functions:

- Provision of sport, recreation, arts and cultural facilities.
- Preservation and promotion of Ekurhuleni's heritage and identity.
- Transformation and development of library media resources.

Utilisation of sport, recreation, arts and culture programmes to enhance social cohesion. To address the above, the total budget for the department is R122.2 million.

Some of the major projects include:

- R20 million for the development of the Germiston Theatre to be completed in 2015/16.
- R2 million for the completion of the OR Tambo Narrative Centre.
- R10.3 million for the completion of the new Tsakane Library.
- R12.85 million for the completion of the new Brakpan Library.
- R8.5 million for the completion of the Duduza Reconciliation Park.
- R7 million for rehabilitation of sport facilities.
- R11 million for rehabilitation of swimming pools (Selection Park, Van Dyk and Etwatwa).
- R2.8 million to start rehabilitation of Thami Mnyele Cultural Park.
- R3.5 million to complete the KwaThema Indaba Tree.
- R2 million to start the rehabilitation of Tembisa Library.
- R4 million to start the construction of a new swimming pool in Eden Park.
- R13 million has also been provided for vehicles.

## 2.10.20 TRANSPORT PLANNING AND PROVISION

The result statements of the department is contained in the IDP in Annexure A.

### Flagship Projects as pronounced by the Executive Mayor

#### Integrated Rapid Public Transport Network (IRPTN)

The Department of Transport Planning and Provision is responsible for the Integrated Rapid Transit Network (IRPTN). This project emanated from the Public Transport Action Strategy and Action Plan which was adopted by the National Cabinet in 2007. The strategy is aimed at accelerated modal upgrading and Integrated Public Transport Networks.

Ekurhuleni is one of the 12 metros in the country identified to implement an IRPTN. The department has been allocated a budget of R211 401 244 in 2014/15, R259 047 621 in 2015/16 and R280 000 000 in 2016/17 by the metro from the USDG. A further R970 000 000 has provisionally been granted by the National Treasury.

The focus areas on the IRPTN project in the year 2014/15 will be the implementation of the IRPTN infrastructure such as the road Infrastructure, bus stations and the Transport Command Centre to name but a few.

#### Key Strategic projects of the Transport Department

PROJECT NAME	PROJECT DESCRIPTION
Planning and implementation of Integrated Rapid Public Transport Network.	The project entails the introduction of a Bus Rapid Transit System that will be integrated with other Public Transport Modes in Ekurhuleni from Tembisa to Vosloorus. The system will be a combination of dedicated bus lanes and feeder routes with dedicated median stations and as well as a dedicated Transport Command Centre.
Germiston Intermodal Facility.	This is a joint venture project between PRASA, Ekurhuleni and the Gauteng Department of Roads and Transport. This entails the demolishing of the current Germiston Taxi Rank and constructing a new intermodal facility that will include all modes of transport including rail.

PROJECT NAME	PROJECT DESCRIPTION
Katlehong Licensing Hub	This is the first fully-fledged licensing hub that will be constructed in a township. Amongst some of the most important services that will be offered are: motor vehicle registration, driver licensing and testing and also vehicle testing.
Construction of the New Vosloorus and Palm Ridge public transport facilities.	The department envisages to have newly constructed public transport facilities in Palm Ridge and New Vosloorus. Currently in these areas there are no ranking facilities.
Provision of bus shelters in Ekurhuleni	The department is looking at erecting bus/taxi shelters across Ekurhuleni. This is in line with the provision of public transport infrastructure across EMM.

### **Operating Budget of the Transport Department**

The Transport Department is responsible for the transport planning, public transport and licensing function. The department is in the process of compiling a Comprehensive Integrated Public Transport Plan (CITP) that will guide the development transportation and spatial planning in the metro.

The Operating Budget per category is attached hereto.



Table 76: Operating Budget of the Transport Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>										
<b>TRANSPORT, PLANNING AND PROVISIONING</b>										
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	%	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15		B to B	P to B	Of Total	2016/17
<b>INCOME</b>										
Minor Income	15,756	15,756	8,975	15,756	18,529	18,529	17.60%	17.60%	2.19%	20,623
<b>Total: User Charges for Services</b>	<b>15,756</b>	<b>15,756</b>	<b>8,975</b>	<b>15,756</b>	<b>18,529</b>	<b>18,529</b>	<b>17.60%</b>	<b>17.60%</b>	<b>2.19%</b>	<b>20,623</b>
Other Fines	1,000	1,000	—	604	1,070	1,070	7.00%	77.22%	0.13%	1,295
<b>Sub-Total: Fines</b>	<b>1,000</b>	<b>1,000</b>	<b>—</b>	<b>604</b>	<b>1,070</b>	<b>1,070</b>	<b>7.00%</b>	<b>77.22%</b>	<b>0.13%</b>	<b>1,295</b>
Licenses & Permits	—	—	547	17	—	—	0.00%	0.00%	0.00%	—
Income from Agency Services	246,055	246,055	136,215	240,411	258,557	258,557	5.08%	7.55%	30.53%	301,581
National Operating Grant	4,000	18,761	5,880	18,761	20,000	20,000	6.60%	6.60%	2.36%	20,000
<b>Sub-Total: Operating Grants</b>	<b>4,000</b>	<b>18,761</b>	<b>5,880</b>	<b>18,761</b>	<b>20,000</b>	<b>20,000</b>	<b>6.60%</b>	<b>6.60%</b>	<b>2.36%</b>	<b>20,000</b>
Capital Grants - Other	—	—	(0)	—	—	—	0.00%	0.00%	0.00%	—
USDG	53,700	35,700	6,627	35,700	304,401	304,401	752.66%	752.66%	35.94%	320,000
Public Transport Infrastructure Grant	239,543	239,543	16,392	239,543	230,000	230,000	-3.98%	-3.98%	27.16%	350,000
<b>Sub-Total: Capital Grants</b>	<b>293,243</b>	<b>275,243</b>	<b>23,018</b>	<b>275,243</b>	<b>534,401</b>	<b>534,401</b>	<b>94.16%</b>	<b>94.16%</b>	<b>63.10%</b>	<b>670,000</b>
Other Sundry Income	13,617	13,617	186	11,388	14,297	14,297	5.00%	25.54%	1.69%	18,908
<b>Sub-Total: Other Income</b>	<b>13,617</b>	<b>13,617</b>	<b>186</b>	<b>11,388</b>	<b>14,297</b>	<b>14,297</b>	<b>5.00%</b>	<b>25.54%</b>	<b>1.69%</b>	<b>18,908</b>
<b>TOTAL OPERATING INCOME</b>	<b>573,671</b>	<b>570,432</b>	<b>174,823</b>	<b>562,180</b>	<b>846,854</b>	<b>846,854</b>	<b>48.46%</b>	<b>50.64%</b>	<b>100.00%</b>	<b>1,032,406</b>
<b>NET OPERATING INCOME</b>	<b>573,671</b>	<b>570,432</b>	<b>174,823</b>	<b>562,180</b>	<b>846,854</b>	<b>846,854</b>	<b>48.46%</b>	<b>50.64%</b>	<b>100.00%</b>	<b>1,032,406</b>
<b>EXPENDITURE</b>										
Employee Related Costs - Salaries & Wages	161,529	162,959	88,470	160,164	175,447	175,447	7.66%	9.54%	53.73%	198,622
Employee Related Costs - Overtime	16,649	16,649	9,892	15,640	15,973	15,973	-4.06%	2.13%	4.89%	18,083
Employee Related Costs - Social Contributions	44,221	44,221	24,449	44,036	47,267	47,267	6.89%	7.34%	14.47%	53,511
Employee Related Costs - Salaries Capitalised	—	—	—	—	(9,185)	(9,185)	100.00%	100.00%	-2.81%	—
<b>Sub-Total: Remuneration</b>	<b>222,399</b>	<b>223,828</b>	<b>122,811</b>	<b>219,840</b>	<b>229,501</b>	<b>229,501</b>	<b>2.53%</b>	<b>4.39%</b>	<b>70.28%</b>	<b>270,216</b>
Repairs and Maintenance - External Contractors	15,038	14,676	6,993	13,941	15,867	15,867	8.12%	13.82%	4.86%	17,627
Repairs and Maintenance - Internal Maintenance Teams	4,327	4,711	2,208	3,864	4,427	4,427	-6.02%	-6.02%	1.36%	5,012
<b>Sub-Total: Repairs and Maintenance</b>	<b>19,365</b>	<b>19,387</b>	<b>9,201</b>	<b>17,805</b>	<b>20,295</b>	<b>20,295</b>	<b>4.68%</b>	<b>13.99%</b>	<b>6.21%</b>	<b>22,640</b>
Contracted Services - Existing Contracts	7,136	8,136	4,464	6,252	13,881	13,881	70.61%	122.03%	4.25%	16,191
<b>Sub-Total: Contracted Services</b>	<b>7,136</b>	<b>8,136</b>	<b>4,464</b>	<b>6,252</b>	<b>13,881</b>	<b>13,881</b>	<b>70.61%</b>	<b>122.03%</b>	<b>4.25%</b>	<b>16,191</b>
Grants & Subsidies Paid - Entities	1,500	1,500	—	1,500	—	—	-100.00%	0.00%	0.00%	—
<b>Sub-Total: Grants and Subsidies</b>	<b>1,500</b>	<b>1,500</b>	<b>—</b>	<b>1,500</b>	<b>—</b>	<b>—</b>	<b>-100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>—</b>
General Expenses	38,779	36,745	17,030	32,553	40,941	40,941	11.42%	25.77%	12.54%	40,941
Grants Expenditure	4,000	18,761	5,880	18,761	20,000	20,000	6.60%	6.60%	6.12%	20,000
<b>TOTAL OPERATING EXPENDITURE</b>	<b>293,179</b>	<b>308,357</b>	<b>159,386</b>	<b>296,710</b>	<b>324,618</b>	<b>324,618</b>	<b>5.27%</b>	<b>9.41%</b>	<b>99.41%</b>	<b>369,988</b>
Internal Charges	1,833	1,833	704	1,833	1,931	1,931	5.36%	5.36%	0.59%	2,252
<b>NET OPERATING EXPENDITURE</b>	<b>295,012</b>	<b>310,190</b>	<b>160,089</b>	<b>298,543</b>	<b>326,549</b>	<b>326,549</b>	<b>5.27%</b>	<b>9.38%</b>	<b>100.00%</b>	<b>372,240</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>278,659</b>	<b>260,242</b>	<b>14,733</b>	<b>263,637</b>	<b>520,305</b>	<b>520,305</b>	<b>99.93%</b>	<b>97.36%</b>		<b>660,166</b>
Contribution to Capital Budget	293,243	275,243	23,018	275,243	534,401	534,401	94.16%	94.16%		670,000
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(14,584)</b>	<b>(15,001)</b>	<b>(8,285)</b>	<b>(11,606)</b>	<b>(14,097)</b>	<b>(14,097)</b>	<b>-6.03%</b>	<b>21.46%</b>		<b>(9,834)</b>

## Capital Budget of the Transport Department

The department has requested the following Capital Budget:

### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal Bonds	65,240,000	102,400,000	13,600,000
Other National Grants	230,000,000	330,000,000	350,000,000
Revenue	7,452,000	8,300,000	9,800,000
USDG	304,401,244	299,047,621	320,000,000
<b>Total</b>	<b>607,093,244</b>	<b>739,747,621</b>	<b>693,400,000</b>

### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Corporate	490,293,244	638,947,621	641,400,000
Duduza	18,000,000	-	2,000,000
Germiston	30,000,000	40,000,000	40,000,000
Katlehong 1	21,800,000	39,000,000	-
Katlehong 2	15,000,000	-	-
Tembisa 1	2,000,000	21,800,000	10,000,000
Tokoza	15,000,000	-	-
Vosloorus	15,000,000	-	-
<b>Total</b>	<b>607,093,244</b>	<b>739,747,621</b>	<b>693,400,000</b>

### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	442,841,244	590,647,621	633,600,000
CBD	30,000,000	40,000,000	40,000,000
Operational Equipment	47,452,000	48,300,000	9,800,000
Underdeveloped	86,800,000	60,800,000	10,000,000
<b>Total</b>	<b>607,093,244</b>	<b>739,747,621</b>	<b>693,400,000</b>

### Expected outcomes from the implementation of the Capital Budget

The total budget for the department is R607 million. Significant projects are:

- R441.4 million for the IRPTN of which R230 million is funded by the Public Transport Infrastructure and Systems Grant from the National Department of Transport.
- R93 million for the upgrading of taxi ranks.
- R23.8 million for the establishment of the MVRA/DLTC in Katlehong and Tembisa.
- R40 million for the procurement of busses.

## Budget of the Brakpan Bus Company (BBC)

### Challenges

- BBC has been operating on an interim contract from NDoT for 14 years.
- The company subsidy is short paid by 39% by DoT since it changed the paying method from passenger to kilometer based in 2010
- The current interim contract ends 31 March 2014.
- BBC will request EMM to provide grant of R5 million while subsidy issue is still under negotiation. It is proven that BBC will not survive in the absence of grant while subsidy is not resolved

### Revenue

The total annual average income envisaged will be 9 %. It will be made of the income received from cash passengers, coupon, specials subsidy and grant.

- Increase of 16% on coupon sales as well as cash passengers is made up of annual fare increase at 10% and expected passenger increase by 6%.
- Increase of 16% on special trips is made up of annual fare increase of 10% and expected special trips increase by 6%.

Increase of 5% subsidy escalation for financial year 2014/15 as per letter coined by DoRT of 5.5%.

### Revenue

The total annual average income envisaged will be 9 %. It will be made of the income received from cash passengers, coupon, specials subsidy and grant.

- Increase of 16% on coupon sales as well as cash passengers is made up of annual fare increase at 10% and expected passenger increase by 6%.
- Increase of 16% on special trips is made up of annual fare increase of 10% and expected special trips increase by 6%.
- Increase of 5% subsidy escalation for financial year 2014/15 as per letter coined by DoRT of 5.5% .

### EXPENSES

- The total annual average expenses envisaged will be 8 %.
- The two main cost drive of this increase is salaries and fuel.
- The fuel will increase by 10%

#### An increase of 16% on salaries

- Salaries of senior managers will increase by estimated 10% which be revised as soon as performance reviewed is finalised.
- Blue collar employees' salaries is budgeted at 10%. Current year bargaining Council has increased by 10% - the same.
- In terms of turnaround strategy, three positions were envisaged namely, HR manager and marketing officer. They have worked only six months in the current year.
- Housing and medical aid will be paid for the whole year since both only started in January 2014.

### Capital Budget

BBC total Capital Budget will be R250 000.

R50 000 will be used for furniture and computers for new staff and  
R200 000 will be used to purchase one vehicle

Table 77: Budget of the Brakpan Bus Company

<b>BBC</b>										
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	%	F03 R'000
ORG BUDGET	ADJ BUDGET	BUDGET YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total	2015/16	2016/17	
<b>INCOME</b>										
Interest Earned - Current Investment Portfolio	50	50	22	50	0.00%	0.00%	0.16%	50	53	
<b>Sub-Total: Interest Earned</b>	<b>50</b>	<b>50</b>	<b>22</b>	<b>50</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.16%</b>	<b>50</b>	<b>53</b>	
Capital Grants - Other		5,000	-	5,000	0.00%	0.00%	16.13%	5,000		
<b>Sub-Total: Capital Grants</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>0.00%</b>	<b>0.00%</b>	<b>16.13%</b>	<b>5,000</b>	<b>-</b>	
Other Sundry Income	27,346	23,395	11,057	23,395	10.94%	10.94%	83.71%	28,882	37,546	
<b>Sub-Total: Other Income</b>	<b>27,346</b>	<b>23,395</b>	<b>11,057</b>	<b>23,395</b>	<b>10.94%</b>	<b>10.94%</b>	<b>83.71%</b>	<b>28,882</b>	<b>37,546</b>	
<b>TOTAL OPERATING INCOME</b>	<b>27,396</b>	<b>28,445</b>	<b>11,079</b>	<b>28,445</b>	<b>9.00%</b>	<b>9.00%</b>	<b>100.00%</b>	<b>33,932</b>	<b>37,599</b>	
<b>NET OPERATING INCOME</b>	<b>27,396</b>	<b>28,445</b>	<b>11,079</b>	<b>28,445</b>	<b>9.00%</b>	<b>9.00%</b>	<b>100.00%</b>	<b>33,932</b>	<b>37,599</b>	
<b>EXPENDITURE</b>										
Employee Related Costs - Salaries & Wages	10,415	11,498	4,787	11,498	16.35%	16.35%	43.54%	14,513	15,621	
Employee Related Costs - Overtime	611	611	495	611	18.48%	18.48%	2.36%	776	822	
Remuneration of Councillors	600	600	312	600	0.00%	0.00%	1.95%	636	700	
<b>Sub-Total: Remuneration</b>	<b>11,626</b>	<b>12,709</b>	<b>5,594</b>	<b>12,709</b>	<b>15.68%</b>	<b>15.68%</b>	<b>47.85%</b>	<b>15,924</b>	<b>17,143</b>	
Depreciation - Existing Assets	1,775	1,775	762	1,775	6.00%	6.00%	6.12%	2,069	2,276	
<b>Sub-Total: Depreciation</b>	<b>1,775</b>	<b>1,775</b>	<b>762</b>	<b>1,775</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.12%</b>	<b>2,069</b>	<b>2,276</b>	
Repairs and Maintenance - External Contractors	1,500	475	82	475	6.00%	6.00%	1.64%	554	609	
<b>Sub-Total: Repairs and Maintenance</b>	<b>1,500</b>	<b>475</b>	<b>82</b>	<b>475</b>	<b>6.00%</b>	<b>6.00%</b>	<b>1.64%</b>	<b>554</b>	<b>609</b>	
Interest Expense - Current External Borrowings	700	610	349	610	-18.03%	-18.03%	1.63%	-	-	
<b>Sub-Total: Interest Expense</b>	<b>700</b>	<b>610</b>	<b>349</b>	<b>610</b>	<b>-18.03%</b>	<b>-18.03%</b>	<b>1.63%</b>	<b>-</b>	<b>-</b>	
General Expenses	11,741	12,833	6,465	12,833	2.39%	2.39%	42.76%	15,253	17,136	
<b>TOTAL OPERATING EXPENDITURE</b>	<b>27,341</b>	<b>28,402</b>	<b>13,252</b>	<b>28,402</b>	<b>8.19%</b>	<b>8.19%</b>	<b>100.00%</b>	<b>33,800</b>	<b>37,164</b>	
<b>NET OPERATING EXPENDITURE</b>	<b>27,341</b>	<b>28,402</b>	<b>13,252</b>	<b>28,402</b>	<b>8.19%</b>	<b>8.19%</b>	<b>100.00%</b>	<b>33,800</b>	<b>37,164</b>	
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>54</b>	<b>43</b>	<b>(2,173)</b>	<b>43</b>	<b>544.68%</b>	<b>544.68%</b>		<b>132</b>	<b>435</b>	
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>54</b>	<b>43</b>	<b>(2,173)</b>	<b>43</b>	<b>544.68%</b>	<b>544.68%</b>		<b>132</b>	<b>435</b>	

## 2.10.21 WASTE MANAGEMENT DEPARTMENT

The result statements of the department is contained in the IDP in Annexure A.

### Key Strategic Projects of the Waste Management Department

NAME OF THE PROJECT	BRIEF DESCRIPTION
Cleaning and rehabilitation of illegal dumping hot spots	100 hot spots programme - clean and rehabilitate identified illegal dumping hot spots.
Waste to Bio-Fuel	Conversion of methane gas to bio-fuel for EMM refuse collection fleet.
Waste Business Re-engineering	Business improvement programme aimed at improving current systems, maximising efficiency and minimising costs: <ul style="list-style-type: none"> <li>• Waste collection improvement plan.</li> <li>• Area street cleaning improvement plan.</li> <li>• Business/bulk waste improvement.</li> <li>• Refuse management information system.</li> <li>• Fixed collection calendar.</li> </ul>
Cooperatives in Waste Management Services	Establishment of cooperatives to render waste management services in informal settlements.
Norms and standards for Waste Management	Framework for norms and standards developed and implemented.

### Draft Operating Budget of the Waste Management Department

The total income budget for 2014/15 financial year is R1.6 billion with an increase of 6.31%. The surplus is estimated at R212.3 million or 14.96% of total expenditure budget.

Business and residential tariffs will increase with 6% and 10% respectively. The tariff for waste disposal services will still maintain percentage tariff increase of 15%.

The total expenditure budget for 2014/15 is R1.4 billion with an increase of 7.31%,

Waste Management Services Department services more than one million households in EMM. The services rendered include residential waste collection (formal and informal settlements), business and waste collection, street sweeping, litter picking, waste transfer and disposal services as well as provision of public off-loading facilities. Waste Management Services Department is labour intensive with a staff compliment over 1600 while some of the services have been outsourced to serve the communities better. The department contributes to the Growth and Development Strategy through ensuring environmental resources are protected from harm by ensuring that no waste is disposed of in non-designated areas. The departmental strategic focus for the year is outlined as follows:

- i. Construction of waste minimisation facilities.
- ii. Increase the operational compliance of all landfill sites in Ekurhuleni.

- iii. Increased compliance to the national and provincial waste management norms and standards – through distribution of 240l bins and provision of equitable waste collection and disposal services.
- iv. Increased provision of waste management services to informal settlements.
- v. Increase implementation of the greenhouse gas emissions policy.
- vi. Increased waste minimisation.
- vii. Increase support to primary and secondary education.
- viii. Increase citizen responsibility for municipal services.
- ix. Increased provision of landfill airspace.

Table 78: Operating Budget of the Waste Management Department

EKURHULENI METROPOLITAN MUNICIPALITY										
WASTE MANAGEMENT										
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	F02 R'000	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total	2015/16	2016/17
<b>INCOME</b>										
Interest Earned - Outstanding Debtors	26,984	26,984	34,266	30,774	29,682	10.00%	-3.55%	1.82%	32,353	35,265
<b>Sub-total: Penalties and Interest on Debtors</b>	<b>26,984</b>	<b>26,984</b>	<b>34,266</b>	<b>30,774</b>	<b>29,682</b>	<b>10.00%</b>	<b>-3.55%</b>	<b>1.82%</b>	<b>32,353</b>	<b>35,265</b>
Solid Waste Income	1,036,451	1,036,451	593,579	1,008,213	1,108,842	6.98%	9.98%	67.98%	1,190,789	1,278,916
Departmental Usage	111,371	111,371	70,140	98,955	122,508	10.00%	23.80%	7.51%	132,307	142,889
<b>Sub-total: Solid Waste Sales</b>	<b>1,147,822</b>	<b>1,147,822</b>	<b>663,720</b>	<b>1,107,168</b>	<b>1,231,349</b>	<b>7.28%</b>	<b>11.22%</b>	<b>75.49%</b>	<b>1,323,096</b>	<b>1,421,805</b>
<b>Total: User Charges for Services</b>	<b>1,147,822</b>	<b>1,147,822</b>	<b>663,720</b>	<b>1,107,168</b>	<b>1,231,349</b>	<b>7.28%</b>	<b>11.22%</b>	<b>75.49%</b>	<b>1,323,096</b>	<b>1,421,805</b>
Equitable Share	91,680	327,922	68,760	327,922	345,153	5.25%	5.25%	21.16%	367,187	401,146
<b>Sub-Total: Operating Grants</b>	<b>91,680</b>	<b>327,922</b>	<b>68,760</b>	<b>327,922</b>	<b>345,153</b>	<b>5.25%</b>	<b>5.25%</b>	<b>21.16%</b>	<b>367,187</b>	<b>401,146</b>
USDG	41,700	31,700	5,868	31,700	25,000	-21.14%	-21.14%	1.53%	6,000	48,500
<b>Sub-Total: Capital Grants</b>	<b>41,700</b>	<b>31,700</b>	<b>5,868</b>	<b>31,700</b>	<b>25,000</b>	<b>-21.14%</b>	<b>-21.14%</b>	<b>1.53%</b>	<b>6,000</b>	<b>48,500</b>
Other Sundry Income	-	-	17	-	-	0.00%	0.00%	0.00%	-	-
<b>Sub-Total: Other Income</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATING INCOME</b>	<b>1,308,185</b>	<b>1,534,427</b>	<b>772,630</b>	<b>1,497,564</b>	<b>1,631,184</b>	<b>6.31%</b>	<b>8.92%</b>	<b>100.00%</b>	<b>1,728,637</b>	<b>1,906,716</b>
<b>NET OPERATING INCOME</b>	<b>1,308,185</b>	<b>1,534,427</b>	<b>772,630</b>	<b>1,497,564</b>	<b>1,631,184</b>	<b>6.31%</b>	<b>8.92%</b>	<b>100.00%</b>	<b>1,728,637</b>	<b>1,906,716</b>

**EKURHULENI METROPOLITAN MUNICIPALITY**

**WASTE MANAGEMENT**

FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	%	F02 R'000	F03 R'000
EXPENDITURE	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total	2015/16	2016/17			
Employee Related Costs - Salaries & Wages	244,002	245,824	121,213	231,783	254,624	3.58%	9.85%	18.18%	270,919	288,258			
Employee Related Costs - Overtime	41,438	41,938	33,202	34,854	39,756	-5.20%	14.06%	2.84%	42,300	45,007			
Employee Related Costs - Social Contributions	55,112	55,112	29,715	54,322	58,648	6.42%	7.96%	4.19%	62,402	66,396			
Employee Related Costs - Salaries Capitalised	(5,824)	(5,824)	-	(2,912)	(5,824)	0.00%	100.00%	-0.42%	(6,197)	(6,594)			
<b>Sub-Total: Remuneration</b>	<b>334,728</b>	<b>337,050</b>	<b>184,130</b>	<b>318,047</b>	<b>347,203</b>	<b>3.01%</b>	<b>9.17%</b>	<b>24.79%</b>	<b>369,424</b>	<b>393,068</b>			
Bad Debts (Provision for Bad Debts) - additional target	54,719	54,719	56,802	54,719	53,546	-2.14%	-2.14%	3.82%	66,054	72,579			
<b>Sub-Total: Bad Debt Provision</b>	<b>54,719</b>	<b>54,719</b>	<b>56,802</b>	<b>54,719</b>	<b>53,546</b>	<b>-2.14%</b>	<b>-2.14%</b>	<b>3.82%</b>	<b>66,054</b>	<b>72,579</b>			
Depreciation - Existing Assets	52,845	52,845	30,826	52,845	45,809	-13.31%	-13.31%	3.27%	48,100	50,505			
<b>Sub-Total: Depreciation</b>	<b>52,845</b>	<b>52,845</b>	<b>30,826</b>	<b>52,845</b>	<b>45,809</b>	<b>-13.31%</b>	<b>-13.31%</b>	<b>3.27%</b>	<b>48,100</b>	<b>50,505</b>			
Repairs and Maintenance - External Contractors	96,769	95,332	41,934	84,189	103,751	8.83%	23.24%	7.41%	109,353	115,258			
Repairs and Maintenance - Internal Maintenance Teams	5,146	5,482	2,994	4,565	5,265	-3.96%	15.33%	0.38%	5,602	5,961			
<b>Sub-Total: Repairs and Maintenance</b>	<b>101,914</b>	<b>100,814</b>	<b>44,928</b>	<b>88,755</b>	<b>109,016</b>	<b>8.14%</b>	<b>22.83%</b>	<b>7.79%</b>	<b>114,955</b>	<b>121,219</b>			
Interest Expense - Current External Borrowings	67,324	67,324	34,538	76,424	72,018	6.97%	-5.77%	5.14%	75,619	80,912			
<b>Sub-Total: Interest Expense</b>	<b>67,324</b>	<b>67,324</b>	<b>34,538</b>	<b>76,424</b>	<b>72,018</b>	<b>6.97%</b>	<b>-5.77%</b>	<b>5.14%</b>	<b>75,619</b>	<b>80,912</b>			
Contracted Services - Existing Contracts	222,866	226,395	80,554	167,345	253,014	11.76%	51.19%	18.07%	273,255	295,115			
<b>Sub-Total: Contracted Services</b>	<b>222,866</b>	<b>226,395</b>	<b>80,554</b>	<b>167,345</b>	<b>253,014</b>	<b>11.76%</b>	<b>51.19%</b>	<b>18.07%</b>	<b>273,255</b>	<b>295,115</b>			
Grants & Subsidies Paid - Social/Educational/Sports	57,824	53,344	150	28,774	24,253	-54.53%	-15.71%	1.73%	26,072	28,027			
Grants & Subsidies Paid - Free Basic Services - Indigents	33,856	33,856	39,015	34,579	144,771	327.61%	318.67%	10.34%	155,629	167,301			
<b>Sub-Total: Grants and Subsidies</b>	<b>91,680</b>	<b>87,200</b>	<b>39,165</b>	<b>63,353</b>	<b>169,024</b>	<b>93.84%</b>	<b>166.80%</b>	<b>12.07%</b>	<b>181,701</b>	<b>195,329</b>			
General Expenses	98,381	107,728	27,420	73,023	98,309	-8.74%	34.63%	7.02%	98,309	98,309			
<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,024,457</b>	<b>1,034,075</b>	<b>498,364</b>	<b>894,511</b>	<b>1,147,939</b>	<b>11.01%</b>	<b>28.33%</b>	<b>81.98%</b>	<b>1,227,417</b>	<b>1,307,035</b>			
Internal Charges	283,644	283,644	94,529	283,644	252,361	-11.03%	-11.03%	18.02%	268,148	285,526			
<b>NET OPERATING EXPENDITURE</b>	<b>1,308,101</b>	<b>1,317,718</b>	<b>592,893</b>	<b>1,178,154</b>	<b>1,400,299</b>	<b>6.27%</b>	<b>18.86%</b>	<b>100.00%</b>	<b>1,495,565</b>	<b>1,592,561</b>			
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>84</b>	<b>216,709</b>	<b>179,737</b>	<b>319,410</b>	<b>230,885</b>	<b>6.54%</b>	<b>-27.72%</b>		<b>233,072</b>	<b>314,155</b>			
Contribution to Capital Budget	41,700	31,700	5,868	31,700	25,000	-21.14%	-21.14%		6,000	48,500			
Total Transfers from Cash-Backed Reserves	14,342	14,342	8,366	14,342	9,106	-36.51%	-36.51%		6,830	4,553			
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(27,273)</b>	<b>199,351</b>	<b>182,236</b>	<b>302,052</b>	<b>214,991</b>	<b>7.85%</b>	<b>-28.82%</b>		<b>233,902</b>	<b>270,208</b>			



### Capital Budget of the Waste Management Department

The department has requested the following Capital Budget:

#### Budget per Source of Finance

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Revenue	58,916,800	100,800,000	105,500,000
Municipal Bonds	43,000,000	50,000,000	40,000,000
USDG	25,000,000	6,000,000	48,500,000
<b>Total</b>	<b>126,916,800</b>	<b>156,800,000</b>	<b>194,000,000</b>

#### Budget per Customer Care Area

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Brakpan	7,000,000	7,000,000	14,500,000
Corporate	94,916,800	145,800,000	145,500,000
Edenvale	15,000,000	-	13,500,000
Kempton Park	-	2,000,000	12,500,000
Vosloorus	10,000,000	2,000,000	8,000,000
<b>Total</b>	<b>126,916,800</b>	<b>156,800,000</b>	<b>194,000,000</b>

#### Budget per Ward Category

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	-	35,000,000	25,000,000
CBD	15,000,000	-	13,500,000
Developed, residential	5,000,000	7,000,000	14,500,000
Operational equipment	58,916,800	40,800,000	55,500,000
Underdeveloped	48,000,000	74,000,000	85,500,000
<b>Total</b>	<b>126,916,800</b>	<b>156,800,000</b>	<b>194,000,000</b>

#### Expected outcomes from the implementation of the Capital Budget

The total Capital Budget of the department is R126.9 million. Some of the key projects on the 2014/15 financial year include:

- R10 million for cell development – Platkop.
- R18 million for the development of the public offloading facilities/recycling.
- R48.5 million for procurement of specialised vehicles.
- R15 million for facilities, upgrade and construction of facilities.

## 2.10.22 WATER AND SANITATION

The result statements of the department is contained in the IDP in Annexure A.

### Key Strategic Projects of the Water and Sanitation Department

PROJECT NAME	PROJECT DESCRIPTION
Rainwater harvesting network	The project aims to investigate options that can be implemented with a view to collecting rainwater for use in order to reduce potable water usage.
Reduction in non-revenue water	There are various projects within this programme, some of which are listed below: 1) Replacement of mid-block water pipelines within EMM. 2) Domestic leak repairs and meter replacement in the Tsakane area. 3) Bulk metering audit and consolidation industrial areas. 4) Bulk metering audit and consolidation for top consumers.
Enhance water management information and revenue system	This project is aimed at sourcing a management system that can be utilised to manage the distribution system with a view to manage revenue, identify losses and maintain infrastructure. The projects include: 1) Telemetry system. 2) Maintenance system. 3) Infrastructure Management Query Station.
Project <i>Xixima</i>	Implementation of sustainable sanitation solution in prioritised informal settlements.
Installation of services for low cost housing developments.	Installation of water services infrastructure in Palm Ridge.

### Operating Budget of the Water and Sanitation Department

Bulk purchase of water comprises 52.90% (R2,153,380,465) of the water services expenditure.

The waste water treatment services by Erwat comprise 12.61% of the total expenditure budget of water services. The amount provided on the 2014/15 budget for this service amounts to R513,474,235. Erwat's motivation for this increase is the growth in flow and the need to extend and improve the various Waste Water Treatment Works.

To address critically required maintenance and the refurbishment of water and sewer infrastructure, a 2% maintenance levy, calculated as a percentage of total income was approved for the 2013/14 financial year. It is recommended that this levy be increased to 3% for 2014/15.

The greatest challenge facing the department is the non-revenue water. Non-revenue water is currently at 31.9% and the department aims to reduce this through the implementation of additional repairs and maintenance works, the renewal of infrastructure as well as the installation of water meters in areas previously unmetered. Special provision is made on the 2014/15 Capital Budget for a water loss eradication project in order to reduce the water losses.

The Operating Budget per category is attached hereto.

Table 79: Operating Budget of the Water and Sanitation Department

<b>EKURHULENI METROPOLITAN MUNICIPALITY</b>											
<b>WATER AND SANITATION</b>											
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	% B to B	% P to B	% Of Total	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15						2016/17
<b>INCOME</b>											
Interest Earned - Outstanding Debtors	120,000	120,000	131,291	136,858	132,000			10.00%	-3.55%	2.48%	156,829
<b>Sub-total: Penalties and Interest on Debtors</b>	<b>120,000</b>	<b>120,000</b>	<b>131,291</b>	<b>136,858</b>	<b>132,000</b>			<b>10.00%</b>	<b>-3.55%</b>	<b>2.48%</b>	<b>156,829</b>
Sanitation Income	1,102,894	1,122,894	675,830	1,127,615	1,233,101			9.81%	9.35%	23.17%	1,424,662
Departmental Usage	29,874	29,874	7,303	28,246	32,115			7.50%	13.70%	0.60%	37,459
Less: Income foregone	269,905	269,905	140,194	255,690	269,905			0.00%	5.56%	5.07%	311,909
<b>Sub-total: Net Sanitation Sales</b>	<b>862,863</b>	<b>882,863</b>	<b>542,940</b>	<b>900,171</b>	<b>995,311</b>			<b>12.74%</b>	<b>10.57%</b>	<b>18.70%</b>	<b>1,150,211</b>
Water Sales	2,854,757	2,874,757	1,691,487	2,904,726	3,173,057			10.38%	9.24%	59.61%	3,837,673
Departmental Usage	47,368	47,368	44,778	47,368	52,104			10.00%	10.00%	0.98%	60,775
Less: Income foregone	327,654	327,654	189,542	326,919	357,300			9.05%	9.29%	6.71%	432,333
<b>Sub-total: Net Water Sales</b>	<b>2,574,470</b>	<b>2,594,470</b>	<b>1,546,723</b>	<b>2,625,175</b>	<b>2,867,861</b>			<b>10.54%</b>	<b>9.24%</b>	<b>53.88%</b>	<b>3,466,115</b>
<b>Total: User Charges for Services</b>	<b>3,437,334</b>	<b>3,477,334</b>	<b>2,089,663</b>	<b>3,525,346</b>	<b>3,863,172</b>			<b>11.10%</b>	<b>9.58%</b>	<b>72.57%</b>	<b>4,616,326</b>
Disconnection Fees	70	70	41	64	73			4.36%	13.89%	0.00%	88
<b>Sub-Total: Fines</b>	<b>70</b>	<b>70</b>	<b>41</b>	<b>64</b>	<b>73</b>			<b>4.36%</b>	<b>13.89%</b>	<b>0.00%</b>	<b>88</b>
Equitable Share	627,883	860,527	470,913	860,527	916,000			6.45%	6.45%	17.21%	1,064,597
National Operating Grant	210,917	210,917	108,042	210,917	234,551			11.21%	11.21%	4.41%	250,984
<b>Sub-Total: Operating Grants</b>	<b>838,800</b>	<b>1,071,444</b>	<b>578,955</b>	<b>1,071,444</b>	<b>1,150,550</b>			<b>7.38%</b>	<b>7.38%</b>	<b>21.61%</b>	<b>1,315,581</b>
USDG	161,200	182,200	46,391	182,200	174,617			-4.16%	-4.16%	3.28%	186,000
<b>Sub-Total: Capital Grants</b>	<b>161,200</b>	<b>182,200</b>	<b>46,391</b>	<b>182,200</b>	<b>174,617</b>			<b>-4.16%</b>	<b>-4.16%</b>	<b>3.28%</b>	<b>186,000</b>
Essential Services	1,500	1,500	4,706	1,500	2,400			60.00%	60.00%	0.05%	3,174
Other Sundry Income	1	1	244	1	279			25227%	27704%	0.01%	368
<b>Sub-Total: Other Income</b>	<b>1,501</b>	<b>1,501</b>	<b>4,951</b>	<b>1,501</b>	<b>2,679</b>			<b>78.44%</b>	<b>78.45%</b>	<b>0.05%</b>	<b>3,542</b>
<b>TOTAL OPERATING INCOME</b>	<b>4,568,905</b>	<b>4,862,549</b>	<b>2,851,291</b>	<b>4,917,413</b>	<b>5,323,092</b>			<b>9.70%</b>	<b>8.25%</b>	<b>100.00%</b>	<b>6,278,367</b>
<b>NET OPERATING INCOME</b>	<b>4,568,905</b>	<b>4,862,549</b>	<b>2,851,291</b>	<b>4,917,413</b>	<b>5,323,092</b>			<b>9.70%</b>	<b>8.25%</b>	<b>100.00%</b>	<b>6,278,367</b>

**EKURHULENI METROPOLITAN MUNICIPALITY**

**WATER AND SANITATION**

FINANCIAL PERIOD	F00	F00	F00	F00	F01	%	%	%	F02	F03						
	R'000	R'000	R'000	R'000	R'000	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	Of Total	R'000	R'000	2016/17
<b>EXPENDITURE</b>																
Employee Related Costs - Salaries & Wages	221,701	223,339	118,122	218,965	220,441			-1.30%	0.67%	5.41%				234,549	249,560	
Employee Related Costs - Overtime	22,693	22,693	19,169	22,671	21,771			-4.06%	-3.97%	0.53%				23,165	24,647	
Employee Related Costs - Social Contributions	52,975	52,975	27,497	51,991	55,329			4.44%	6.42%	1.36%				58,870	62,637	
Employee Related Costs - Salaries Capitalised	(10,417)	(10,417)	-	(5,208)	(8,668)			-16.79%	66.43%	-0.21%				(9,223)	(9,813)	
Employee Related Costs - Salaries to R and M Internal	(235,408)	(235,408)	(134,340)	(227,083)	(237,960)			1.08%	4.79%	-5.84%				(253,189)	(269,393)	
<b>Sub-Total: Remuneration</b>	<b>51,544</b>	<b>53,181</b>	<b>30,449</b>	<b>61,335</b>	<b>50,913</b>			<b>-4.26%</b>	<b>-16.99%</b>	<b>1.25%</b>				<b>54,172</b>	<b>57,639</b>	
Bad Debts (Provision for Bad Debts) - additional target	90,710	90,710	113,388	90,710	72,566			-20.00%	-20.00%	1.78%				121,528	143,848	
<b>Sub-Total: Bad Debt Provision</b>	<b>90,710</b>	<b>90,710</b>	<b>113,388</b>	<b>90,710</b>	<b>72,566</b>			<b>-20.00%</b>	<b>-20.00%</b>	<b>1.78%</b>				<b>121,528</b>	<b>143,848</b>	
Depreciation - Existing Assets	171,048	171,048	99,778	171,048	159,022			-7.03%	-7.03%	3.90%				166,974	175,322	
<b>Sub-Total: Depreciation</b>	<b>171,048</b>	<b>171,048</b>	<b>99,778</b>	<b>171,048</b>	<b>159,022</b>			<b>-7.03%</b>	<b>-7.03%</b>	<b>3.90%</b>				<b>166,974</b>	<b>175,322</b>	
Repairs and Maintenance - External Contractors	98,601	96,125	43,192	96,687	107,640			11.98%	11.33%	2.64%				118,405	130,245	
Repairs and Maintenance - Water Maintenance Levy	63,814	63,814	20,664	63,814	87,645			37.35%	37.35%	2.15%				95,913	92,569	
Repairs and Maintenance - Internal Maintenance Teams	239,358	237,841	136,128	235,411	240,262			1.02%	2.06%	5.90%				255,639	272,000	
<b>Sub-Total: Repairs and Maintenance</b>	<b>401,773</b>	<b>397,780</b>	<b>199,984</b>	<b>395,911</b>	<b>435,548</b>			<b>9.49%</b>	<b>10.01%</b>	<b>10.69%</b>				<b>469,956</b>	<b>494,814</b>	
Interest Expense - Current External Borrowings	60,689	60,689	28,586	61,593	56,898			-6.25%	-7.62%	1.40%				59,742	63,924	
<b>Sub-Total: Interest Expense</b>	<b>60,689</b>	<b>60,689</b>	<b>28,586</b>	<b>61,593</b>	<b>56,898</b>			<b>-6.25%</b>	<b>-7.62%</b>	<b>1.40%</b>				<b>59,742</b>	<b>63,924</b>	
Bulk Purchases - Electricity	-	470	-	256	540			14.89%	110.64%	0.01%				584	631	
Bulk Purchases - Water	1,923,870	1,963,400	1,163,859	1,950,200	2,153,380			9.68%	10.42%	52.86%				2,368,719	2,605,590	
Bulk Purchases - Sewer purification	471,077	471,077	274,795	471,077	513,474			9.00%	9.00%	12.61%				559,687	610,059	
<b>Sub-Total: Bulk Purchases</b>	<b>2,394,948</b>	<b>2,434,948</b>	<b>1,438,654</b>	<b>2,421,534</b>	<b>2,667,395</b>			<b>9.55%</b>	<b>10.15%</b>	<b>65.48%</b>				<b>2,928,989</b>	<b>3,216,280</b>	
Contracted Services - Existing Contracts	35,959	38,941	9,868	23,925	41,835			7.43%	74.86%	1.03%				45,182	48,797	
<b>Sub-Total: Contracted Services</b>	<b>35,959</b>	<b>38,941</b>	<b>9,868</b>	<b>23,925</b>	<b>41,835</b>			<b>7.43%</b>	<b>74.86%</b>	<b>1.03%</b>				<b>45,182</b>	<b>48,797</b>	
Grants & Subsidies Paid - Social/Educational/Sports	5,100	5,100	827	2,996	5,100			0.00%	70.25%	0.13%				5,513	5,960	
Grants & Subsidies Paid - Free Basic Services - Indigents	25,224	25,224	12,993	20,843	75,531			199.44%	262.38%	1.85%				81,242	87,389	
<b>Sub-Total: Grants and Subsidies</b>	<b>30,324</b>	<b>30,324</b>	<b>13,819</b>	<b>23,839</b>	<b>80,631</b>			<b>165.89%</b>	<b>238.24%</b>	<b>1.98%</b>				<b>86,755</b>	<b>93,348</b>	
General Expenses	37,502	37,621	15,489	29,999	48,188			28.09%	60.63%	1.18%				48,188	48,188	
Grants Expenditure	210,917	210,917	108,042	210,917	234,551			11.21%	11.21%	5.76%				223,120	250,984	
<b>TOTAL OPERATING EXPENDITURE</b>	<b>3,485,413</b>	<b>3,526,160</b>	<b>2,058,057</b>	<b>3,490,811</b>	<b>3,847,547</b>			<b>9.11%</b>	<b>10.22%</b>	<b>94.46%</b>				<b>4,204,606</b>	<b>4,593,144</b>	
Internal Charges	262,207	262,207	32,572	262,207	225,830			-13.87%	-13.87%	5.54%				237,073	249,789	
<b>NET OPERATING EXPENDITURE</b>	<b>3,747,620</b>	<b>3,788,367</b>	<b>2,090,629</b>	<b>3,753,018</b>	<b>4,073,377</b>			<b>7.52%</b>	<b>8.54%</b>	<b>100.00%</b>				<b>4,441,679</b>	<b>4,842,934</b>	
<b>OPERATING SURPLUS/(DEFICIT)</b>																
Contribution to Capital Budget	811,285	1,064,182	760,662	1,164,395	1,249,715			17.43%	7.33%					1,309,982	1,435,434	
Total Transfers to Cash-Backed Reserves	161,200	182,200	46,391	182,200	174,617			-4.16%	-4.16%					184,250	186,000	
Total Transfers from Cash-Backed Reserves	-	-	-	-	113,000			100.00%	100.00%					183,000	335,000	
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>755,382</b>	<b>987,279</b>	<b>775,695</b>	<b>1,087,493</b>	<b>1,028,953</b>			<b>4.22%</b>	<b>-5.38%</b>					<b>992,874</b>	<b>947,862</b>	

**Capital Budget of the Water and Sanitation Department**

The department has requested the following Capital Budget:

**Budget per Source of Finance**

Source of Finance	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Municipal Bonds	127,300,000	96,000,000	77,000,000
Revenue	158,600,000	108,550,000	207,600,000
USDG	174,617,455	184,250,000	186,000,000
<b>Total</b>	<b>460,517,455</b>	<b>388,800,000</b>	<b>470,600,000</b>

**Budget per Customer Care Area**

CCA	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
Alberton	2,000,000	10,000,000	5,000,000
Benoni	45,600,000	-	-
Benoni	59,700,000	78,000,000	62,000,000
Boksburg	2,500,000		
Brakpan	7,500,000	6,000,000	2,000,000
Brakpan	3,000,000	7,000,000	
Corporate	266,900,000	275,550,000	400,600,000
Edenvale	10,000,000	-	
Etwatwa	1,500,000	10,000,000	-
Germiston	3,500,000		
Katlehong 2	40,817,455		
Kwa-Thema	500,000		
Springs	5,000,000	250,000	1,000,000
Tembisa 1	6,000,000	2,000,000	
Tsakane	4,500,000		
Vosloorus	1,500,000		
<b>Total</b>	<b>460,517,455</b>	<b>388,800,000</b>	<b>470,600,000</b>

**Budget per Ward Category**

Ward Category	Budget Submission 2014/15	Budget Submission 2015/16	Budget Submission 2016/17
All wards	183,800,000	154,000,000	273,000,000
Developed, Residential	61,600,000	8,000,000	5,000,000
Operational Equipment	8,600,000	8,550,000	7,600,000
Underdeveloped	206,517,455	218,250,000	185,000,000
<b>Total</b>	<b>460,517,455</b>	<b>388,800,000</b>	<b>470,600,000</b>

## Expected outcomes from the implementation of the Capital Budget

The mission of the department is the provision and management of water services in an effective, efficient, affordable, equitable and sustainable manner, applying appropriate standards and the optimal utilisation of resources, guided by the principles of Batho Pele whilst taking into consideration the environment, developmental needs and services backlog of the communities.

The human settlement programme budget will be implemented to achieve a set SDBIP target of servicing **3 660 low cost housing** developments with water, sanitation and toilets structures in the 2014/15 financial year. Palm Ridge area developments have been budgeted for separately because of the extend of the bulk services in the form of the 30 Ml water reservoir, water pump stations, bulk water pipeline from the rand water pipeline and the outfall sewer pipelines. The construction of the toilets structures, water and sewer reticulation network also form part of the budget even though they will be completed in future financial year.

To address the decent sanitation provision within informal settlements, the department has planned to install water borne ablution facilities at **20 informal settlements**. It is anticipated that the Capital Budget will facilitate the appointment of **4 300 job opportunities**.

To support the Aerotropolis master plan, the department has initiated the Pomona outfall sewer as well as the Pomona bulk water supply projects to make it possible for the developments within the area to be realised. To further develop the city, water and sanitation has budgeted for the construction of water and sanitation infrastructure at Glen Gory development.

In the previous financial year the Auditor General of South Africa has placed an emphasis of the high water losses of the municipality. It has been the strategic intent of the municipality to reduce the water losses to acceptable international standards. To ensure that the water losses are addressed, the water demand management strategy was adopted and the department developed the water loss eradication plan. The programme of water loss eradication has commenced with implementation during the current financial year 2013/14. This programme encapsulates 17 projects such as metering industrial areas, water pipe replacement, metering of unmetered households, water management awareness campaigns and leak repairs to name but a few. It is planned that **21 000 water meters** are to be installed on properties that are not metered. The programme outcomes of achieving a **reduction of non-revenue water to 36.6%** is included in the department's predetermined objectives as outlined on the attached SDBIP document.

The total budget for the department is R310.5 million. Some of the big projects to be implemented on the 2014/15 financial year include:

- R61.6 million for the installation of bulk and internal services required for the Palm Ridge phases 5 & 6 (Ext 9) development areas.
- R14 million for the upgrade of outfall sewers in Vosloorus.
- R15 million each for the bulk supply of the Albertina Sisulu Corridor in Pomona as well as the eastern outfall sewer in Pomona.
- R150 million for Water Loss Eradication Programme

## BUDGET OF ERWAT

### Key Strategic Projects of ERWAT

The Erwat Board approved a strategy at its strategic planning session and the following key strategic projects were identified:

The above was reduced to two clear strategic objectives namely:

- 19 Green Drop Awards.
- R200 million revenue from other activities.

### 19 GREEN DROP AWARDS

In order to achieve the strategic objective of 19 Green Drop Awards the Erwat Capital Budget has been reassessed and prioritised to be able to achieve this objective. It is however clear that the timeframe for achieving this objective is quite long and the current target is 10 Green Drop Awards by 2017.

The capital schedule indicates total need of R1.3 billion over the three years ending 30 June 2017. Of this, finance to the amount of R777.8 million is already available but finance, through loans, grants and development contributions of R561.5 million must be obtained to enable Erwat to complete these projects. The capital need for 2014/15 of R396.8 million.

### MAINTENANCE

In order to further support the strategic objective of 19 Green Drop Awards the maintenance budget has been increased from R70.8 million in 2014 to R99.1 million in 2015 (an increase of 40%). This is necessary to facilitate the refurbishment of some plants and to ensure the effective operation of all plants in order to comply with required standards and ultimately obtaining Green Drop status for the plants.

### EXTERNAL BUSINESS

The second strategic objective agreed on was the increase of Erwat external business to a turnover of R200 million over the next three years.

The budget used as a target for external business is R100.6 million (18%) higher than the previous budget of R85.1 million to support this strategic objective.

### Operating Budget of Erwat

The assumptions and guidelines used in compiling the draft budget are as follows:

EXPENDITURE	Suggested increase 2014/2015	Increase 2013/2014
Manpower (Ave CPI* +1,25)	23.6%	18.7%
Electricity	15%	13%
Chemicals	7%	10%
Other costs (CPI minus 1%)	5.7%	4.75%
*CPI estimate 5.75%		

INCOME	Suggested increase 2014/2015	Increase 2013/2014
Revenue growth		



User charges	8%	7.6%
External business	17.8%	13%

The bulk sewer purification costs budgeted by EMM is therefore based on the 8% increase as indicated above.

Table 80: Budget of Erwat

ERWAT										
FINANCIAL PERIOD	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F00 R'000	F01 R'000	%	%	F03 R'000
	ORG BUDGET	ADJ BUDGET	YEAR TO DATE	PROJECTED	2014/15	B to B	P to B	%	Of Total	2016/17
<b>INCOME</b>										
Sanitation Income	486,667	486,667	486,667	486,667	525,601	8.00%	8.00%	77.73%		677,740
<b>Sub-total: Net Sanitation Sales</b>	<b>486,667</b>	<b>486,667</b>	<b>486,667</b>	<b>486,667</b>	<b>525,601</b>	<b>8.00%</b>	<b>8.00%</b>	<b>77.73%</b>		<b>677,740</b>
<b>Total: User Charges for Services</b>	<b>486,667</b>	<b>486,667</b>	<b>486,667</b>	<b>486,667</b>	<b>525,601</b>	<b>8.00%</b>	<b>8.00%</b>	<b>77.73%</b>		<b>677,740</b>
Capital Grants - Other	50,000	50,000	50,000	50,000	50,000	0.00%	0.00%	7.39%		50,000
<b>Sub-Total: Capital Grants</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>0.00%</b>	<b>0.00%</b>	<b>7.39%</b>		<b>50,000</b>
Other Sundry Income	35,107	85,107	35,107	85,514	100,606	18.21%	17.65%	14.88%		120,981
<b>Sub-Total: Other Income</b>	<b>35,107</b>	<b>85,107</b>	<b>35,107</b>	<b>85,514</b>	<b>100,606</b>	<b>18.21%</b>	<b>17.65%</b>	<b>14.88%</b>		<b>120,981</b>
<b>TOTAL OPERATING INCOME</b>	<b>571,774</b>	<b>621,774</b>	<b>571,774</b>	<b>622,181</b>	<b>676,207</b>	<b>8.75%</b>	<b>8.68%</b>	<b>100.00%</b>		<b>848,721</b>
<b>NET OPERATING INCOME</b>	<b>571,774</b>	<b>621,774</b>	<b>571,774</b>	<b>622,181</b>	<b>676,207</b>	<b>8.75%</b>	<b>8.68%</b>	<b>100.00%</b>		<b>848,721</b>
<b>EXPENDITURE</b>										
Employee Related Costs - Salaries & Wages	189,917	189,917	189,917	189,917	233,771	23.09%	23.09%	37.33%		279,564
Remuneration of Councillors	1,075	1,075	1,075	1,075	1,567	45.77%	45.77%	0.25%		1,800
<b>Sub-Total: Remuneration</b>	<b>190,992</b>	<b>190,992</b>	<b>190,992</b>	<b>190,992</b>	<b>235,338</b>	<b>23.22%</b>	<b>23.22%</b>	<b>37.58%</b>		<b>281,364</b>
Bad Debts (Provision for Bad Debts) - current trends	727	727	727	250	129	-82.26%	-48.40%	0.02%		84
<b>Sub-Total: Bad Debt Provision</b>	<b>727</b>	<b>727</b>	<b>727</b>	<b>250</b>	<b>129</b>	<b>-82.26%</b>	<b>-48.40%</b>	<b>0.02%</b>		<b>84</b>
Depreciation - Existing Assets	43,915	43,915	43,915	24,669	31,919	-27.32%	29.39%	5.10%		47,940
<b>Sub-Total: Depreciation</b>	<b>43,915</b>	<b>43,915</b>	<b>43,915</b>	<b>24,669</b>	<b>31,919</b>	<b>-27.32%</b>	<b>29.39%</b>	<b>5.10%</b>		<b>47,940</b>
Repairs and Maintenance - External Contractors	70,887	70,887	70,887	74,208	99,094	39.79%	33.54%	15.82%		122,266
<b>Sub-Total: Repairs and Maintenance</b>	<b>70,887</b>	<b>70,887</b>	<b>70,887</b>	<b>74,208</b>	<b>99,094</b>	<b>39.79%</b>	<b>33.54%</b>	<b>15.82%</b>		<b>122,266</b>
Interest Expense - Current External Borrowings	23,857	23,857	23,857	8,805	31,499	32.03%	257.74%	5.03%		52,133
<b>Sub-Total: Interest Expense</b>	<b>23,857</b>	<b>23,857</b>	<b>23,857</b>	<b>8,805</b>	<b>31,499</b>	<b>32.03%</b>	<b>257.74%</b>	<b>5.03%</b>		<b>52,133</b>
Bulk Purchases	174,919	174,919	174,919	131,745	161,666	-7.58%	22.71%	25.82%		190,006
<b>Sub-Total: Bulk Purchases</b>	<b>174,919</b>	<b>174,919</b>	<b>174,919</b>	<b>131,745</b>	<b>161,666</b>	<b>-7.58%</b>	<b>22.71%</b>	<b>25.82%</b>		<b>190,006</b>
General Expenses	66,477	66,477	66,477	52,045	66,562	0.13%	27.89%	10.63%		104,928
<b>TOTAL OPERATING EXPENDITURE</b>	<b>571,774</b>	<b>571,774</b>	<b>571,774</b>	<b>482,714</b>	<b>626,207</b>	<b>9.52%</b>	<b>29.73%</b>	<b>100.00%</b>		<b>798,721</b>
<b>NET OPERATING EXPENDITURE</b>	<b>571,774</b>	<b>571,774</b>	<b>571,774</b>	<b>482,714</b>	<b>626,207</b>	<b>9.52%</b>	<b>29.73%</b>	<b>100.00%</b>		<b>798,721</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>139,467</b>	<b>50,000</b>					<b>50,000</b>
<b>NET OPERATING SURPLUS/ (DEFICIT)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>139,467</b>	<b>50,000</b>					<b>50,000</b>

## 2.11 Contracts having future budgetary implications

In terms of the metro's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation or Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## 2.12 Capital expenditure details

The following three tables present details of the metro's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**Table 81: MBRR SA 34a - capital expenditure on new assets by asset class**

EKU Ekurhuleni Metro - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>437,337</b>	<b>634,556</b>	<b>920,563</b>	<b>1,289,228</b>	<b>1,307,622</b>	<b>1,050,282</b>	<b>1,691,519</b>	<b>1,753,998</b>	<b>1,909,500</b>
Infrastructure - Road transport	187,971	86,786	408,772	606,942	588,856	547,203	748,851	896,498	956,500
<i>Roads, Pavements &amp; Bridges</i>	187,971	86,786	408,772	606,942	588,856	547,203	748,851	896,498	956,500
Infrastructure - Electricity	157,550	269,673	104,449	164,931	251,518	210,006	454,850	503,500	551,000
<i>Transmission &amp; Reticulation</i>	120,016	240,598	87,263	145,331	226,050	189,205	437,600	480,000	526,000
<i>Street Lighting</i>	37,533	29,075	17,186	19,600	25,469	20,802	17,250	23,500	25,000
Infrastructure - Water	52,971	8,956	146,756	191,000	197,223	172,723	302,600	266,000	357,000
<i>Reticulation</i>	52,971	8,956	146,756	191,000	197,223	172,723	302,600	266,000	357,000
Infrastructure - Sanitation	13,276	75,797	65,196	110,100	93,145	50,050	79,017	39,000	30,000
<i>Sewerage purification</i>	13,276	75,797	65,196	110,100	93,145	50,050	79,017	39,000	30,000
Infrastructure - Other	25,570	193,344	195,390	216,255	176,880	70,300	106,200	49,000	15,000
<i>Waste Management</i>	25,244	15,942	29,915	45,700	47,700				
<i>Transportation</i>	-	33,634	45,543	29,500	31,500	31,500	63,000	-	-
<i>Other</i>	326	143,768	119,932	141,055	97,680	38,800	43,200	49,000	15,000
<b>Community</b>	<b>191,353</b>	<b>131,651</b>	<b>139,856</b>	<b>127,610</b>	<b>119,075</b>	<b>87,010</b>	<b>103,050</b>	<b>124,161</b>	<b>136,500</b>
Parks & gardens	39,101	18,861	41,265	27,100	28,326	11,200	20,600	19,500	6,500
Sportsfields & stadia	45,690	334	3,000	14,000	14,000	-	-	-	-
Libraries	16,408	18,218	15,169	16,000	8,360	23,260	26,650	18,911	14,000
Recreational facilities	-	484	6,065	-	-	-	4,000	9,000	20,000
Clinics	70,654	86,973	44,936	39,710	45,230	42,900	31,500	71,250	91,000
Museums & Art Galleries	-	6,781	21,236	30,800	23,159	9,650	16,800	3,500	3,000
Other	19,500	-	8,184	-	-	-	3,500	2,000	2,000
<b>Investment properties</b>	<b>142,600</b>	<b>52,934</b>	<b>64,587</b>	<b>38,550</b>	<b>129,420</b>	<b>129,420</b>	<b>196,800</b>	<b>228,500</b>	<b>239,000</b>
Housing development	142,600	52,934	64,587	38,550	129,420	129,420	196,800	228,500	239,000
<b>Other assets</b>	<b>250,067</b>	<b>129,907</b>	<b>139,171</b>	<b>95,454</b>	<b>86,748</b>	<b>51,368</b>	<b>152,200</b>	<b>220,850</b>	<b>128,400</b>
General vehicles	123,428	-	-	-	-	-	-	-	-
Plant & equipment	33,184	2,645	17,628	-	-	-	-	-	-
Furniture and other office equipment	26,290	3,307	44,357	-	-	-	-	-	-
Markets	-	4,125	101	15,000	16,793	15,114	-	-	-
Other Land	51,962	54,712	61,995	80,454	69,954	36,254	150,700	219,350	126,600
Other	15,203	65,118	15,091	-	-	-	1,500	1,500	1,800
<b>Total Capital Expenditure on new assets</b>	<b>1,021,357</b>	<b>949,047</b>	<b>1,264,177</b>	<b>1,550,843</b>	<b>1,642,864</b>	<b>1,318,081</b>	<b>2,143,569</b>	<b>2,327,509</b>	<b>2,413,400</b>

**Table 82 MBRR SA34b - capital expenditure on the renewal of existing assets by asset class**

<b>EKU Ekurhuleni Metro - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class</b>									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>700,570</b>	<b>720,695</b>	<b>631,881</b>	<b>720,995</b>	<b>640,287</b>	<b>835,941</b>	<b>756,430</b>	<b>961,800</b>	<b>927,363</b>
Infrastructure - Road transport	365,302	223,653	147,490	325,195	300,995	336,294	286,450	330,050	246,700
<i>Roads, Pavements &amp; Bridges</i>	365,302	223,653	147,490	325,195	300,995	336,294	286,450	330,050	246,700
Infrastructure - Electricity	148,082	100,456	271,666	168,100	113,100	142,180	102,150	110,500	123,000
<i>Transmission &amp; Reticulation</i>	139,893	100,456	271,666	168,100	113,100	137,580	93,250	100,000	106,000
<i>Street Lighting</i>	8,189	-	-	-	-	4,600	8,900	10,500	17,000
Infrastructure - Water	21,826	268,125	76,726	40,100	41,933	47,073	22,100	42,000	35,000
<i>Reticulation</i>	21,826	268,125	76,726	40,100	41,933	47,073	22,100	42,000	35,000
Infrastructure - Sanitation	11,161	28,654	47,023	68,900	75,400	113,505	48,200	33,250	41,000
<i>Sewerage purification</i>	11,161	28,654	47,023	68,900	75,400	113,505	48,200	33,250	41,000
Infrastructure - Other	154,199	99,807	88,976	118,700	108,859	196,891	297,530	446,000	481,663
<i>Waste Management</i>	119,198	46,848	25,182	26,000	19,100	63,290	72,500	117,000	141,500
<i>Transportation</i>	-	28,831	12,306	11,200	9,200	8,380	30,000	40,000	40,000
<i>Other</i>	35,001	24,129	51,487	81,500	80,560	125,221	195,030	289,000	300,163
<b>Community</b>	<b>101,978</b>	<b>67,406</b>	<b>80,575</b>	<b>154,250</b>	<b>163,960</b>	<b>192,054</b>	<b>168,000</b>	<b>220,800</b>	<b>199,300</b>
Parks & gardens	53,545	6,503	2,262	15,250	22,150	37,989	31,600	57,000	82,900
Sportsfields & stadia	30,662	15,200	23,440	43,000	41,354	41,354	-	-	-
Libraries	1,960	1,855	1,144	17,000	10,260	10,160	6,000	5,000	5,000
Recreational facilities	2,010	5,500	11,557	24,900	36,093	35,188	20,000	31,500	36,000
Buses	-	-	1,640	12,000	11,900	10,710	40,000	40,000	-
Clinics	12,476	1,002	34,833	29,300	26,435	28,135	41,900	69,300	63,900
Museums & Art Galleries	682	29,936	2,368	2,500	2,500	15,973	21,000	12,000	2,000
Other	643	7,411	3,331	10,300	13,267	12,545	7,500	6,000	9,500
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,000</b>	<b>39,677</b>	<b>15,527</b>	<b>82,000</b>	<b>130,739</b>	<b>109,883</b>
Housing development	-	-	-	31,000	39,677	15,527	82,000	130,739	109,883
<b>Other assets</b>	<b>102,149</b>	<b>263,866</b>	<b>393,804</b>	<b>523,845</b>	<b>500,632</b>	<b>505,661</b>	<b>640,367</b>	<b>607,254</b>	<b>602,095</b>
General vehicles	-	113,100	131,143	132,140	146,720	132,048	204,908	196,860	198,790
Specialised vehicles	70,941	51,168	108,563	37,432	37,432	33,689	48,517	30,000	32,000
Plant & equipment	-	16,699	1,494	38,855	45,071	38,320	34,577	34,880	43,600
Furniture and other office equipment	-	29,637	-	66,037	73,463	92,627	104,971	97,519	115,105
Markets	-	-	11,735	-	-	-	13,000	15,000	20,000
Other Land	22,681	41,336	137,481	219,703	149,978	166,556	211,395	228,595	187,400
Other	8,527	11,925	3,388	29,678	47,968	42,421	23,000	4,400	5,200
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>904,696</b>	<b>1,051,967</b>	<b>1,106,260</b>	<b>1,430,090</b>	<b>1,344,555</b>	<b>1,549,182</b>	<b>1,646,797</b>	<b>1,920,592</b>	<b>1,838,642</b>
<b>Specialised vehicles</b>	<b>70,941</b>	<b>51,168</b>	<b>108,563</b>	<b>37,432</b>	<b>37,432</b>	<b>33,689</b>	<b>48,517</b>	<b>30,000</b>	<b>32,000</b>
Refuse	70,941	51,168	69,856	37,432	37,432	33,689	48,517	30,000	32,000
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	38,707	-	-	-	-	-	-
<b>Renewal of Existing Assets as % of</b>	<b>47.0%</b>	<b>52.6%</b>	<b>46.7%</b>	<b>48.0%</b>	<b>45.0%</b>	<b>54.0%</b>	<b>43.4%</b>	<b>45.2%</b>	<b>43.2%</b>
<b>Renewal of Existing Assets as % of</b>	<b>43.7%</b>	<b>53.0%</b>	<b>53.8%</b>	<b>108.9%</b>	<b>102.4%</b>	<b>118.0%</b>	<b>115.0%</b>	<b>113.7%</b>	<b>94.2%</b>

Table 83 MBRR SA34c - repairs and maintenance expenditure by asset class

EKU Ekurhuleni Metro - Supporting Table SA34c Consolidated repairs and maintenance by asset class									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1,371,859</b>	<b>1,377,514</b>	<b>1,447,287</b>	<b>1,620,454</b>	<b>1,625,245</b>	<b>1,568,707</b>	<b>1,768,203</b>	<b>1,892,069</b>	<b>2,013,988</b>
Infrastructure - Road transport	453,172	392,310	370,940	468,365	473,415	441,515	477,973	520,193	566,277
<i>Roads, Pavements &amp; Bridges</i>	421,024	360,101	326,669	433,025	437,594	406,439	441,082	480,494	523,546
<i>Storm water</i>	32,148	32,209	44,271	35,341	35,821	35,077	36,891	39,699	42,731
Infrastructure - Electricity	532,544	582,466	638,085	695,939	697,629	686,324	795,636	840,016	888,010
<i>Transmission &amp; Reticulation</i>	486,199	534,461	581,685	636,846	638,596	628,672	736,695	779,547	825,860
<i>Street Lighting</i>	46,345	48,005	56,400	59,093	59,033	57,651	58,941	60,469	62,150
Infrastructure - Water	262,002	263,802	304,715	312,912	310,484	307,716	343,483	370,712	387,801
<i>Reticulation</i>	262,002	263,802	304,715	312,912	310,484	307,716	343,483	370,712	387,801
Infrastructure - Sanitation	70,635	85,982	76,233	80,294	80,744	79,939	83,103	89,470	96,349
<i>Reticulation</i>	70,635	85,982	76,233	80,294	80,744	79,939	83,103	89,470	96,349
Infrastructure - Other	53,506	52,953	57,315	62,944	62,974	53,213	68,007	71,679	75,550
<i>Waste Management</i>	53,506	52,953	57,315	62,944	62,974	53,213	68,007	71,679	75,550
<b>Community</b>	<b>45,186</b>	<b>43,852</b>	<b>57,052</b>	<b>73,418</b>	<b>73,861</b>	<b>64,717</b>	<b>85,528</b>	<b>90,187</b>	<b>95,101</b>
Parks & gardens	12,199	11,968	15,260	18,214	18,824	16,233	19,661	20,722	21,841
Sportsfields & stadia	235	2,361	2,585	2,728	2,788	2,445	7,908	8,335	8,785
Swimming pools	247	649	566	536	503	392	569	599	632
Community halls	1,506	5,846	4,439	5,476	5,373	4,893	5,814	6,128	6,459
Libraries	910	1,815	1,717	885	885	808	982	1,035	1,091
Recreational facilities	-	160	151	184	135	112	156	165	174
Fire, safety & emergency	5,621	1,400	882	2,376	2,334	8,143	14,409	15,188	16,008
Security and policing	271	276	117	335	335	333	526	555	585
Buses	9,225	12,743	15,694	16,760	16,760	15,849	16,558	17,493	18,482
Clinics	42	10	-	-	-	-	-	-	-
Museums & Art Galleries	42	5	-	-	-	-	-	-	-
Cemeteries	495	972	0	2,503	2,503	-	-	-	-
Social rental housing	14,394	5,647	15,649	23,421	23,421	15,509	18,944	19,967	21,046
Other	-	0	0	-	-	-	-	-	-
<b>Heritage assets</b>	<b>85,274</b>	<b>100,420</b>	<b>103,195</b>	<b>145,618</b>	<b>145,618</b>	<b>128,646</b>	<b>229,015</b>	<b>242,171</b>	<b>256,099</b>
Buildings	-	-	-	-	-	-	-	-	-
Other	85,274	100,420	103,195	145,618	145,618	128,646	229,015	242,171	256,099
<b>Investment properties</b>	<b>18,777</b>	<b>22,401</b>	<b>25,615</b>	<b>26,410</b>	<b>26,410</b>	<b>26,410</b>	<b>26,638</b>	<b>28,607</b>	<b>30,721</b>
Housing development	-	-	-	-	-	-	-	-	-
Other	18,777	22,401	25,615	26,410	26,410	26,410	26,638	28,607	30,721
<b>Other assets</b>	<b>260,625</b>	<b>193,002</b>	<b>206,806</b>	<b>253,029</b>	<b>262,383</b>	<b>197,556</b>	<b>245,830</b>	<b>260,876</b>	<b>276,898</b>
General vehicles	70,877	70,750	93,212	100,392	99,170	93,673	106,677	114,044	121,958
Specialised vehicles	33,500	35,675	44,559	44,701	43,272	40,670	47,688	50,339	53,138
Plant & equipment	-	0	0	-	-	-	-	-	-
Computers - hardware/equipment	33,642	67,071	49,133	67,488	66,788	48,056	72,525	76,442	80,570
Furniture and other office equipment	121,424	16,641	17,538	16,088	21,409	14,503	18,129	19,197	20,333
Civic Land and Buildings	1,182	2,865	2,364	24,360	24,350	654	810	854	900
<b>Total Repairs and Maintenance Expenditure</b>	<b>1,781,722</b>	<b>1,737,189</b>	<b>1,839,955</b>	<b>2,118,929</b>	<b>2,133,516</b>	<b>1,986,036</b>	<b>2,355,214</b>	<b>2,513,910</b>	<b>2,672,807</b>
<b>Specialised vehicles</b>	<b>33,500</b>	<b>35,675</b>	<b>44,559</b>	<b>44,701</b>	<b>43,272</b>	<b>40,670</b>	<b>47,688</b>	<b>50,339</b>	<b>53,138</b>
Refuse	27,613	28,373	35,639	34,694	33,510	32,444	37,087	39,142	41,312
Fire	5,887	7,301	8,920	10,007	9,761	8,226	10,602	11,197	11,826
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>4.8%</b>	<b>5.0%</b>	<b>5.2%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>10.0%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.6%</b>	<b>8.6%</b>	<b>8.4%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>8.9%</b>

Table 84 MBRR SA35 - future financial implications of the Capital Budget

EKU Ekurhuleni Metro - Supporting Table SA35 Consolidated future financial implications of the capital budget							
Vote Description R thousand	2014/15 Medium Term Revenue & Expenditure			Forecasts			Present value
	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	
<b>Capital expenditure</b>							
Vote 1 - Executive and Council	7,233	10,743	14,280	15,137	16,045	17,008	18,028
Vote 2 - Finance and Corporate Services	543,618	670,070	608,770	553,076	586,261	621,436	658,722
Vote 3 - Energy	578,150	635,760	696,700	765,002	810,902	859,556	911,130
Vote 4 - Water and Sanitation	460,517	388,800	470,600	276,236	292,810	310,379	329,001
Vote 5 - Waste Management	126,917	156,800	194,000	200,870	212,922	225,698	239,239
Vote 6 - Human Settlements	329,992	438,319	431,277	361,863	383,575	406,589	430,984
Vote 7 - City Planning	4,150	4,400	4,800	5,088	5,393	5,717	6,060
Vote 8 - Economic Development	59,300	65,260	36,230	38,404	40,708	43,151	45,740
Vote 9 - Disaster and Emergency Management Services	104,620	120,080	111,950	118,667	125,787	133,334	141,334
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	122,250	100,911	107,000	113,420	120,225	127,439	135,085
Vote 11 - Health and Social Development	96,600	155,950	170,100	180,306	191,124	202,592	214,747
Vote 12 - Environmental Resource Management	11,495	9,625	12,835	13,605	14,421	15,287	16,204
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	130,330	90,935	103,300	82,998	87,978	93,257	98,852
Vote 14 - Transport Planning & Provisioning	607,093	739,748	693,400	364,004	385,844	408,995	433,535
Vote 15 - Roads and Stormwater	608,100	660,700	596,800	629,428	667,194	707,225	749,659
<i>List entity summary if applicable</i>							
<b>Total Capital Expenditure</b>	<b>3,790,366</b>	<b>4,248,101</b>	<b>4,252,042</b>	<b>3,718,104</b>	<b>3,941,190</b>	<b>4,177,661</b>	<b>4,428,321</b>
<b>Future operational costs by vote</b>							
Vote 1 - Executive and Council	-	-	-	-	-	-	-
Vote 2 - Finance and Corporate Services	177,572	186,451	195,773	207,520	219,971	233,169	247,159
Vote 3 - Energy	13,463	14,136	14,843	15,734	16,678	17,678	18,739
Vote 4 - Water and Sanitation	709	744	781	828	878	931	986
Vote 5 - Waste Management	38,848	41,955	45,312	48,031	50,912	53,967	57,205
Vote 6 - Human Settlements	320	326	332	352	374	396	420
Vote 7 - City Planning	403	411	419	444	471	499	529
Vote 8 - Economic Development	7,604	7,756	7,911	8,385	8,889	9,422	9,987
Vote 9 - Disaster and Emergency Management Services	37,155	39,013	40,964	43,422	46,027	48,788	51,716
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	45,701	47,986	50,385	53,409	56,613	60,010	63,610
Vote 11 - Health and Social Development	106,230	111,542	117,119	124,146	131,595	139,490	147,860
Vote 12 - Environmental Resource Management	31,711	33,296	34,961	37,059	39,283	41,639	44,138
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	24,939	26,185	27,495	29,144	30,893	32,747	34,711
Vote 14 - Transport Planning & Provisioning	66,715	73,387	80,725	85,569	90,703	96,145	101,914
Vote 15 - Roads and Stormwater	12,600	13,230	13,892	14,725	15,608	16,545	17,538
<i>List entity summary if applicable</i>							
<b>Total future operational costs</b>	<b>563,969</b>	<b>596,419</b>	<b>630,913</b>	<b>668,768</b>	<b>708,894</b>	<b>751,427</b>	<b>796,513</b>
<b>Future revenue by source</b>							
Property rates	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-
Service charges - electricity revenue	1,279	1,460	1,489	1,579	1,673	1,774	1,880
Service charges - water revenue	-	-	-	-	-	-	-
Service charges - sanitation revenue	4,300	3,944	4,023	4,264	4,520	4,791	5,079
Service charges - refuse revenue	52,002	55,642	59,537	63,109	66,896	70,910	75,164
Service charges - other	2,560	3,025	3,176	3,367	3,569	3,783	4,010
Rental of facilities and equipment	800	1,000	1,050	1,113	1,180	1,251	1,326
<i>List other revenues sources if applicable</i>							
<i>List entity summary if applicable</i>							
<b>Total future revenue</b>	<b>60,941</b>	<b>65,071</b>	<b>69,275</b>	<b>73,432</b>	<b>77,838</b>	<b>82,508</b>	<b>87,459</b>
<b>Net Financial Implications</b>	<b>4,293,394</b>	<b>4,779,448</b>	<b>4,813,679</b>	<b>4,313,439</b>	<b>4,572,245</b>	<b>4,846,580</b>	<b>5,137,375</b>

Table 85 MBRR SA36 - Detailed Capital Budget per municipal vote

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget 2016/17	Ward location	New or renewal
<b>R thousand</b>		<b>6</b>	<b>3</b>	<b>3</b>	<b>5</b>							
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>												
Chief Operating Officer	EDMP Projects	Yes	Infrastructure	Other	28 23122626, 102572	6,568	—	—	—	—	—	—
Chief Operating Officer	ICT Equipment	Yes	Other Assets	Office Equipment	28 23122626, 102572	235	45	60	60	80	Multi Wards	Renewal of Existing Assets
Chief Operating Officer	Office Furniture	Yes	Other Assets	Office Equipment	28 23122626, 102572	3	45	50	50	70	Operational Equipment	Renewal of Existing Assets
Chief Operating Officer	Other Equipment	Yes	Other Assets	Office Equipment	28 23122626, 102572	18	18	20	20	30	Operational Equipment	Renewal of Existing Assets
City Manager	ICT Equipment	Yes	Other Assets	Office Equipment	28 23122626, 102572	63	180	120	100	120	Operational Equipment	Renewal of Existing Assets
City Manager	Office Furniture	Yes	Other Assets	Office Equipment	28 23122626, 102572	212	180	120	100	120	Operational Equipment	Renewal of Existing Assets
City Manager	Other Equipment	Yes	Other Assets	Office Equipment	28 23122626, 102572	12	36	30	30	40	Operational Equipment	Renewal of Existing Assets
City Manager	ICT Equipment	Yes	Other Assets	Office Equipment	28 23122626, 102572	26	—	—	—	3,000	Operational Equipment	New
City Planning	Installation of Alarm System	Yes	Other Assets	Office Equipment	28 23122626, 102572	1,310	3,579	2,100	2,700	—	Operational Equipment	Renewal of Existing Assets
City Planning	Office Furniture	Yes	Other Assets	Office Equipment	28 23122626, 102572	49	—	—	—	—	Operational Equipment	Renewal of Existing Assets
City Planning	Other Equipment	Yes	Other Assets	Office Equipment	28 23122626, 102572	462	485	200	300	300	Operational Equipment	Renewal of Existing Assets
City Planning	Specialised Vehicles	Yes	Other Assets	Office Equipment	28 23122626, 102572	24	88	150	200	200	Operational Equipment	Renewal of Existing Assets
City Planning	Specialised Equipment	Yes	Other Assets	Other Motor Vehicles	28 23122626, 102572	1,467	—	1,200	600	600	Operational Equipment	Renewal of Existing Assets
City Planning	Vehicles	Yes	Other Assets	Plant & equipment	28 23122626, 102572	181	315	300	400	400	Operational Equipment	Renewal of Existing Assets
Communication and Brand Management	ICT Equipment	Yes	Other Assets	Office Equipment	28 23122626, 102572	432	180	200	200	300	Operational Equipment	Renewal of Existing Assets
Communication and Brand Management	Office Furniture	Yes	Other Assets	Office Equipment	28 23122626, 102572	200	225	140	160	180	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	Other Equipment	Yes	Other Assets	Office Equipment	28 23122626, 102572	11	180	100	80	120	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	Departmental ICT Equipment	Yes	Other Assets	Office Equipment	n/a/n/a	42	117	50	70	50	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	Furniture for the Banquet hall @the Chamber Germ.	Yes	Other Assets	Office Equipment	n/a/n/a	1,440	1,080	1,200	1,200	1,200	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	Hi-volume photocopiers (Agendas)	Yes	Other Assets	Office Equipment	n/a/n/a	355	65	60	65	70	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	ICT equipment (separation of powers Legislature)	Yes	Other Assets	Office Equipment	n/a/n/a	3	1,584	1,800	1,500	1,500	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	Replace various air conditioners	Yes	Other Assets	Office Equipment	n/a/n/a	260	—	—	—	—	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	Specialised equipment	Yes	Other Assets	Office Equipment	n/a/n/a	96	50	60	100	100	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	Springs Filing System	Yes	Other Assets	Office Equipment	n/a/n/a	145	65	30	100	300	Operational Equipment	Renewal of Existing Assets
Corporate Legal Services	Vehicles	Yes	Other Assets	Other Motor Vehicles	n/a/n/a	2,149	342	503	910	400	Operational Equipment	Renewal of Existing Assets
Council General	ERP Phase 1	Yes	Infrastructure	Other	n/a/n/a	—	—	10,000	100,000	100,000	All wards	Renewal of Existing Assets
Council General	Provision for bulk infrastructure	Yes	Infrastructure	Office Equipment	n/a/n/a	—	3,330	—	—	—	Operational Equipment	Renewal of Existing Assets
Customer Relations Management	CCA Brownfields Upgrades (Benoni, Boksburg, Bratpan, Germiston, Kain)	Yes	Other Assets	Other Land and Buildings	n/a/n/a	9,960	20,250	5,850	—	—	All wards	Renewal of Existing Assets
Customer Relations Management	Daveyton Building Upgrade	Yes	Other Assets	Other Land and Buildings	n/a/n/a	180	—	—	—	—	Multiple wards	Renewal of Existing Assets
Customer Relations Management	Duduza Building Upgrade	Yes	Other Assets	Other Land and Buildings	n/a/n/a	2,596	3,150	7,000	—	—	70	Renewal of Existing Assets
Customer Relations Management	Ekwama New building	Yes	Other Assets	Other Land and Buildings	n/a/n/a	2,184	—	—	—	—	98	Renewal of Existing Assets
Customer Relations Management	ICT Equipment	Yes	Other Assets	Office Equipment	n/a/n/a	272	225	400	400	400	66	Renewal of Existing Assets
Customer Relations Management	Kalahong 1 Building Upgrade	Yes	Other Assets	Other Land and Buildings	n/a/n/a	2,943	—	—	—	—	52	Renewal of Existing Assets
Customer Relations Management	Nigel Building Upgrade	Yes	Other Assets	Other Land and Buildings	n/a/n/a	444	7,200	1,100	—	—	88	Renewal of Existing Assets
Customer Relations Management	Office Furniture	Yes	Other Assets	Office Equipment	n/a/n/a	819	540	450	450	450	Operational Equipment	Renewal of Existing Assets
Customer Relations Management	Tembeza 2/ Nimie Mandela New Building	Yes	Other Assets	Other Land and Buildings	n/a/n/a	596	9,000	10,000	—	—	89	Renewal of Existing Assets
Customer Relations Management	United Command Centre	Yes	Infrastructure	Other	n/a/n/a	600	2,109	8,500	—	—	6	Renewal of Existing Assets
Customer Relations Management	Vosloorus Building Upgrade	Yes	Other Assets	Other Land and Buildings	n/a/n/a	106	2,880	400	15,000	—	95	Renewal of Existing Assets
Disaster & Emergency Management Serv	Disaster & Emergency Management Serv	Yes	Other Assets	Other Land and Buildings	28 242965-26 098919	13,000	—	1,000	2,800	2,800	All wards	Renewal of Existing Assets
Disaster & Emergency Management Serv	Disaster & Emergency Management Serv	Yes	Other Assets	Other Land and Buildings	28 417473-26 374623	738	7,200	5,600	17,000	12,400	15 New	Renewal of Existing Assets
Disaster & Emergency Management Serv	Disaster & Emergency Management Serv	Yes	Other Assets	Other Land and Buildings	28 17029-26 219474	420	3,000	20,000	15,000	—	87	New
Disaster & Emergency Management Serv	Disaster & Emergency Management Serv	Yes	Other Assets	Other Land and Buildings	28 389652-26 296765	9,754	11,300	9,000	9,000	—	77	New
Disaster & Emergency Management Serv	Disaster & Emergency Management Serv	Yes	Other Assets	Other Land and Buildings	28 142274-26 339368	1,000	13,000	13,000	13,000	—	77	New
Disaster & Emergency Management Serv	Disaster & Emergency Management Serv	Yes	Other Assets	Other Land and Buildings	n/a/n/a	12,726	—	—	—	—	62	New

EKU Ekurhuleni Metro - Supporting Table SA36 Consolidated detailed capital budget												
Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
R thousand		6	3	3	5							
Disaster & Emergency Management Serv/Const Fire Station/House Zonkezwane		Yes	Other Assets	Other Land and Buildings	28.176794-26.41475	6,100			1,000		62	New
Disaster & Emergency Management Serv/Elandstons/Inislando Fire Station		Yes	Other Assets	Other Land and Buildings		720				10,000	92	Renewal of Existing Assets
Disaster & Emergency Management Serv/Emergency Services Perms Office		Yes	Other Assets	Other Land and Buildings	28.284468-26.227854							Renewal of Existing Assets
Disaster & Emergency Management Serv/Emergency Services Training Academy		Yes	Other Assets	Plant & equipment				1,000	600	2,000	88	Renewal of Existing Assets
Disaster & Emergency Management Serv/Establish Radio Technical Workshop		Yes	Other Assets	Plant & equipment		273		1,000	600	600	Operational Equipment	Renewal of Existing Assets
Disaster & Emergency Management Serv/Establishment DMC Regional Office		Yes	Other Assets	Plant & equipment		308					17	Renewal of Existing Assets
Disaster & Emergency Management Serv/Establishment of Corporate Disaster Management Centre		Yes	Other Assets	Other Land and Buildings	28.223165-26.145385							New
Disaster & Emergency Management Serv/Extension of Farmare Fire Station		Yes	Other Assets	Other Land and Buildings					1,000	8,000	20	New
Disaster & Emergency Management Serv/Furnished BeSAFE Centre		Yes	Other Assets	Office Equipment				800	2,400			Renewal of Existing Assets
Disaster & Emergency Management Serv/High Volume Emergency Water Relay System		Yes	Other Assets	Other Land and Buildings						15,000		Renewal of Existing Assets
Disaster & Emergency Management Serv/ICT Equipment (DMC)		Yes	Other Assets	Office Equipment		487	900	300	500			Renewal of Existing Assets
Disaster & Emergency Management Serv/ICT Equipment (DMC)		Yes	Other Assets	Office Equipment		287	315	600	800			Renewal of Existing Assets
Disaster & Emergency Management Serv/Installation and upgrading of Security Systems in EMM		Yes	Other Assets	Office Equipment		27	90	100	50			Renewal of Existing Assets
Disaster & Emergency Management Serv/Katshong Fire Station		Yes	Other Assets	Security Measures		1,782						Renewal of Existing Assets
Disaster & Emergency Management Serv/Office Furniture (EMS)		Yes	Other Assets	Other Land and Buildings					1,550	6,000		New
Disaster & Emergency Management Serv/Office Furniture (EMS)		Yes	Other Assets	Office Equipment		226	270	800	800			Renewal of Existing Assets
Disaster & Emergency Management Serv/Office Furniture (Support Services)		Yes	Other Assets	Office Equipment		29	72	300	80			Renewal of Existing Assets
Disaster & Emergency Management Serv/Office Furniture (DMC)		Yes	Other Assets	Office Equipment		90	225	35	50			Renewal of Existing Assets
Disaster & Emergency Management Serv/Other Equipment (DMC)		Yes	Other Assets	Office Equipment		40						Renewal of Existing Assets
Disaster & Emergency Management Serv/Other Equipment (DMC)		Yes	Other Assets	Office Equipment		88	180	200	200			Renewal of Existing Assets
Disaster & Emergency Management Serv/Other Equipment (EMS)		Yes	Other Assets	Office Equipment								Renewal of Existing Assets
Disaster & Emergency Management Serv/Other Equipment (EMS)		Yes	Other Assets	Office Equipment		664	1,265	1,400	1,600			Renewal of Existing Assets
Disaster & Emergency Management Serv/Other Equipment (Support Services)		Yes	Other Assets	Office Equipment		25	25	8	200			Renewal of Existing Assets
Disaster & Emergency Management Serv/Retro of All Metro Fire Stations/House		Yes	Other Assets	Other Land and Buildings		2,214	2,700	2,000	2,000	2,400	89-12,17,19,94,95,98,97,7	Renewal of Existing Assets
Disaster & Emergency Management Serv/Refurbishment Community Safety HQ		Yes	Other Assets	Other Land and Buildings		50					20	Renewal of Existing Assets
Disaster & Emergency Management Serv/Refurbishment of DMC Premises /Facilities		Yes	Other Assets	Other Land and Buildings		200				500	8,16,38,59,75,82	Renewal of Existing Assets
Disaster & Emergency Management Serv/Replacement of Breathing Apparatus Sets		Yes	Other Assets	Other Land and Buildings					5,000	4,000		Renewal of Existing Assets
Disaster & Emergency Management Serv/Restoration of Germiston Fire Station		Yes	Other Assets	Other Land and Buildings						4,000	36	Renewal of Existing Assets
Disaster & Emergency Management Serv/Specialized Equipment (DMC)		Yes	Other Assets	Plant & equipment		54	650	222	500	200		Renewal of Existing Assets
Disaster & Emergency Management Serv/Specialized Equipment (ES)		Yes	Other Assets	Plant & equipment		2,631	1,800	2,000	2,400			Renewal of Existing Assets
Disaster & Emergency Management Serv/Specialized Equipment (SS)		Yes	Other Assets	Plant & equipment								Renewal of Existing Assets
Disaster & Emergency Management Serv/Specialized Vehicles (ES)		Yes	Specialised Vehicles	Ambulances		38,707						Renewal of Existing Assets
Disaster & Emergency Management Serv/Specialized Vehicles (ES)		Yes	Other Assets	Other Motor Vehicles		20,671	21,600	24,555	30,000	30,000		Renewal of Existing Assets
Disaster & Emergency Management Serv/Two way Radio Communication Equipment		Yes	Other Assets	Other		4,349	900	2,500	500	500		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade all Repairer Sites Phase 1		Yes	Other Assets	Other						300		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade all Repairer Sites Phase 2		Yes	Other Assets	Other						300		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade of Aberdon Fire Station		Yes	Other Assets	Other Land and Buildings						1,200		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade of Beroni Central Fire Station		Yes	Other Assets	Other Land and Buildings						600		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade of Commercial Fire Station		Yes	Other Assets	Other Land and Buildings						600		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade of Kenvale Fire Station		Yes	Other Assets	Other Land and Buildings						600		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade of Kempson Fire Station		Yes	Other Assets	Other Land and Buildings						1,200		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade of Olenstein Fire Station		Yes	Other Assets	Other Land and Buildings						600		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade of Pimrose Fire Station		Yes	Other Assets	Other Land and Buildings						600		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade of Voslooro Fire Station		Yes	Other Assets	Other Land and Buildings						300		Renewal of Existing Assets
Disaster & Emergency Management Serv/Upgrade Communication Switch to include Dispatching Operator Consoles		Yes	Other Assets	Plant & equipment							20	Renewal of Existing Assets
Disaster & Emergency Management Serv/Vehicles (DMC)		Yes	Other Assets	Other Motor Vehicles		117	450	2,000	1,000	2,000		Renewal of Existing Assets
Disaster & Emergency Management Serv/Vehicles (ES)		Yes	Other Assets	Other Motor Vehicles		900	900	1,000	900	1,000		Renewal of Existing Assets
Disaster & Emergency Management Serv/Vehicles (ES)		Yes	Other Assets	Other Motor Vehicles		2,361	900	1,000	1,100	1,300		Renewal of Existing Assets



EKU Ekurhuleni Metro - Supporting Table SA36 Consolidated detailed capital budget													
Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project Information		
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
R thousand		6	3	3	5								
Economic Development	Aviation Museum	Yes	Infrastructure	Other		1,988					36	All wards	New
Economic Development	Business Advisory Centre	Yes	Infrastructure	Other								All wards	New
Economic Development	Business Place	Yes	Infrastructure	Other								All wards	New
Economic Development	CCTV System	Yes	Other Assets	Markets		101						Operational Equipment	New
Economic Development	CCTV System	Yes	Other Assets	Markets								Operational Equipment	New
Economic Development	Community Agric Projects	Yes	Infrastructure	Other			5,000					All wards	New
Economic Development	Community Agric Projects	Yes	Infrastructure	Other			5,000					All wards	New
Economic Development	Ekurhuleni Industrial Park	Yes	Infrastructure	Other								All wards	New
Economic Development	EMFP Projects	Yes	Infrastructure	Other			5,000					All wards	New
Economic Development	Fabrication Laboratory	Yes	Infrastructure	Other								All wards	New
Economic Development	Fencing Wholesale Centre	Yes	Other Assets	Markets		200						Operational Equipment	Renewal of Existing Assets
Economic Development	ICT Equipment	Yes	Other Assets	Office Equipment		157	2,781	400	100	100		Operational Equipment	Renewal of Existing Assets
Economic Development	ICT Equipment	Yes	Other Assets	Office Equipment			250					Operational Equipment	Renewal of Existing Assets
Economic Development	ICT Equipment	Yes	Other Assets	Office Equipment		162						Operational Equipment	New
Economic Development	Implementation Poultry Project	Yes	Infrastructure	Other		1,700						All wards	New
Economic Development	Industrial Parks & Community Agric Projects	Yes	Infrastructure	Other		7,675						All wards	New
Economic Development	Office Furniture	Yes	Other Assets	Office Equipment		62	342	100	60	50		All wards	Renewal of Existing Assets
Economic Development	Office Furniture	Yes	Other Assets	Office Equipment			100					All wards	Renewal of Existing Assets
Economic Development	Office Furniture	Yes	Other Assets	Office Equipment		28						Operational Equipment	New
Economic Development	Office Furniture	Yes	Other Assets	Office Equipment		1	108	250	100	80		Operational Equipment	Renewal of Existing Assets
Economic Development	Other Equipment (Tourism)	Yes	Other Assets	Office Equipment								Operational Equipment	New
Economic Development	Recycling - Buy Back Centre	Yes	Infrastructure	Other		239	200					All wards	Renewal of Existing Assets
Economic Development	Recycling - Buy Back Centre	Yes	Infrastructure	Other								All wards	Renewal of Existing Assets
Economic Development	Refurbishment of Fresh Produce Market	Yes	Other Assets	Markets		11,535	15,114	13,000	15,000	20,000		All wards	New
Economic Development	Shared Industrial Production Facilities in Tembisa & Thokoza	Yes	Infrastructure	Other		3,691	2,350					All wards	New
Economic Development	Shared Industrial Production Facilities in Tembisa & Thokoza	Yes	Infrastructure	Other			750					All wards	Renewal of Existing Assets
Economic Development	Specialized Equipment	Yes	Other Assets	Plant & equipment		365	1,063	2,350	1,000	1,000		Operational Equipment	Renewal of Existing Assets
Economic Development	Specialized Equipment	Yes	Other Assets	Plant & equipment		3,583						Operational Equipment	Renewal of Existing Assets
Economic Development	Tamboekesobain Infrastructure	Yes	Infrastructure	Other		936	200					All wards	Renewal of Existing Assets
Economic Development	Tamboekesobain Infrastructure	Yes	Infrastructure	Other								All wards	Renewal of Existing Assets
Economic Development	Tourism Art Décor	Yes	Infrastructure	Other		4,150	3,150	1,000				All wards	New
Economic Development	Tourism Route Signage	Yes	Infrastructure	Other				10,000	15,000	15,000		All wards	New
Economic Development	Township Economies Development	Yes	Infrastructure	Other			5,800					All wards	New
Economic Development	Township Economies Development	Yes	Infrastructure	Other			11,000	8,200	10,000	10,000		All wards	New
Economic Development	Township Enterprise Hubs	Yes	Infrastructure	Other			2,500	6,000	8,000	8,000		All wards	New
Economic Development	Township Industrial Parks	Yes	Infrastructure	Other			4,000	5,000	6,000	6,000		All wards	New
Economic Development	Trading Stalls	Yes	Infrastructure	Other		15,376	220					All wards	New
Economic Development	Upgrade to Economic Infrastructure	Yes	Infrastructure	Other								Operational Equipment	Renewal of Existing Assets
Economic Development	Vehicles (2 Seats or Less)	Yes	Other Assets	Other Motor Vehicles								Operational Equipment	Renewal of Existing Assets
EMFPD	Const Benoni Precinct	Yes	Other Assets	Other Land and Buildings	S 26.10.786E 28.19.179					700	27	Operational Equipment	Renewal of Existing Assets
EMFPD	Const EMPD Specialised Unit Offices	Yes	Other Assets	Other Land and Buildings	S 26.10.112E 28.07.522		450		3,000	9,000		Operational Equipment	Renewal of Existing Assets
EMFPD	Const K9 Unit (Dog Unit)	Yes	Other Assets	Other Land and Buildings	S 26.14.230E 28.16.911				500	5,000		Operational Equipment	Renewal of Existing Assets
EMFPD	Const Kempson Park Precinct	Yes	Other Assets	Other Land and Buildings	S 26.06.244E 28.13.782				700	9,000		Operational Equipment	Renewal of Existing Assets
EMFPD	Const Precinct Edenburg	Yes	Other Assets	Other Land and Buildings	S 26.05.328E 28.12.894		630		7,000	10,000		Operational Equipment	Renewal of Existing Assets
EMFPD	Const Precinct Edenburg	Yes	Other Assets	Other Land and Buildings	S 26.21.207E 28.08.191		6,000	12,500			56	Operational Equipment	New
EMFPD	Const Precinct Stations Tokozwa	Yes	Other Assets	Other Land and Buildings	S 26.24.594E 28.09.122		7,500					Operational Equipment	Renewal of Existing Assets
EMFPD	Const Precinct Stations Zonkezwane	Yes	Other Assets	Other Land and Buildings	S 26.00.560E 28.13.061				500	8,000		Operational Equipment	Renewal of Existing Assets
EMFPD	Const Tembisa Precinct	Yes	Other Assets	Other Land and Buildings	S 26.05.288E 28.21.957		276	80				Operational Equipment	Renewal of Existing Assets
EMFPD	Establishment of Equestrian Unit	Yes	Other Assets	Other Land and Buildings	S 26.06.277E 28.13.835		2,338	1,000	1,200	1,500		Operational Equipment	Renewal of Existing Assets
EMFPD	ICT Equipment (EMFPD)	Yes	Other Assets	Office Equipment		628						Operational Equipment	Renewal of Existing Assets

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project Information		
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year 2015/16	Budget Year 2016/17	Ward location	New or renewal	
R thousand		6	3	3	5			6,000					
EMPD	Installation and upgrading of Security Systems in EMM	Yes	Other Assets	Security Measures	S 26.06.277E 28 13.835	4,887	5,400					Operational Equipment	Renewal of Existing Assets
EMPD	Installation and upgrading of Security Systems in EMM	Yes	Other Assets	Security Measures	S 26.06.277E 28 13.835							Operational Equipment	Renewal of Existing Assets
EMPD	Office Furniture (EMPD)	Yes	Other Assets	Office Equipment	S 26.06.277E 28 13.835	99	900	500	500	800		Operational Equipment	Renewal of Existing Assets
EMPD	Refurbishment Alberton Pound office	Yes	Other Assets	Other Land and Buildings	S 26.17.290E 28.07.230	178	536	590	695	800		Operational Equipment	Renewal of Existing Assets
EMPD	Refurbishment All EMPD facilities	Yes	Other Assets	Other Land and Buildings	S 26.06.277E 28 13.835	2,500	4,986	2,040	2,040	3,000	84	All wards	Renewal of Existing Assets
EMPD	Refurbishment Boksburg Pound office	Yes	Other Assets	Other Land and Buildings	S 26.13.566E 28 17.085							All wards	Renewal of Existing Assets
EMPD	Refurbishment Braikan Pound office	Yes	Other Assets	Other Land and Buildings	S 26.15.345E 28 21.628							74	Renewal of Existing Assets
EMPD	Refurbishment Logistics section	Yes	Other Assets	Other Land and Buildings	S 26.06.277E 28 14.569							16	Renewal of Existing Assets
EMPD	Refurbishment of EMPD Headquarters	Yes	Other Assets	Other Land and Buildings	S 26.06.277E 28 13.835	2,000		2,000	1,000			16	Renewal of Existing Assets
EMPD	Refurbishment Tembisa regional office	Yes	Other Assets	Other Land and Buildings	S 26.06.277E 28 13.061							6	Renewal of Existing Assets
EMPD	Specialized Equipment (EMPD)	Yes	Other Assets	Plant & equipment	S 26.06.277E 28 13.835	2,895	10,115	4,000	4,000	4,000		Operational Equipment	Renewal of Existing Assets
EMPD	Specialized Vehicles (EMPD)	Yes	Other Assets	Other Motor Vehicles	S 26.06.277E 28 13.835	1,196	1,080	1,500	2,000	2,500		Operational Equipment	Renewal of Existing Assets
EMPD	Training Academy (Kwa-Thema)	Yes	Other Assets	Other Land and Buildings	S 26.16.727E 28 23.687	295	2,160	3,000				77	Renewal of Existing Assets
EMPD	Vehicles (EMPD)	Yes	Other Assets	Other Motor Vehicles	S 26.06.277E 28 13.835	28,020	25,677	90,000	45,000	45,000		Operational Equipment	Renewal of Existing Assets
Energy	Alberton Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	500	700	850	1,000	2,000		Multi Wards	Renewal of Existing Assets
Energy	Alberton Network enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	3,000	2,250	4,000	5,000	5,000		Multi Wards	Renewal of Existing Assets
Energy	Alberton Network enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	1,000	1,170	1,650	2,000	3,000		Multi Wards	Renewal of Existing Assets
Energy	Alberton Revenue enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	New
Energy	Alberton Revenue enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	New
Energy	Alra Park Ex4.3	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	New
Energy	Alra Park Ex4.3	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	New
Energy	Atom Road Substation	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	New
Energy	Benoni Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	347	700	850	1,000	2,000		Multi Wards	Renewal of Existing Assets
Energy	Benoni Network enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	4,800	3,000	4,000	5,000	5,000		Multi Wards	Renewal of Existing Assets
Energy	Benoni Revenue enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	New
Energy	Benoni Revenue enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	New
Energy	Boksburg Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	999	700	850	1,000	2,000		Multi Wards	Renewal of Existing Assets
Energy	Boksburg Network enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	4,000	3,000	4,000	5,000	5,000		Multi Wards	Renewal of Existing Assets
Energy	Boksburg Revenue enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	1,025	1,170	1,650	2,000	3,000		Multi Wards	New
Energy	Boksburg Revenue enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Braikan Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	500	700	850	1,000	2,000		Multi Wards	Renewal of Existing Assets
Energy	Braikan Network enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	3,628	3,000	4,000	5,000	5,000		Multi Wards	Renewal of Existing Assets
Energy	Braikan Revenue enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Braikan Revenue enhancement	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	1,000	1,170	1,650	2,000	3,000		Multi Wards	Renewal of Existing Assets
Energy	Building Benoni	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Building Edevalse	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Building Emisson	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Buildings Braikan and Boksburg	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Chef Albert Luthuli Ex4.6	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Chef Albert Luthuli Ex4.6	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Clayville X45	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Clayville X45	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							Multi Wards	Renewal of Existing Assets
Energy	Corporate Electrification	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates							All wards	New
Energy	Corporate Electrification	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	66,042	127,500	100,000	120,000	120,000		All wards	New
Energy	Corporate Electrification INEP	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	72,808	10,000	61,000	50,000	40,000		All wards	New
Energy	Corporate Energy efficiency	Yes	Infrastructure	Electricity Retiulation	Multi co-ordinates/Multi co-ordinates	11,842	16,000	10,000	15,000	15,000		All wards	Renewal of Existing Assets
Energy	Corporate ICT equipment	Yes	Other Assets	Office Equipment	Multi co-ordinates/Multi co-ordinates	1,154	1,260	1,600	1,600	2,000		Operational Equipment	Renewal of Existing Assets
Energy	Corporate Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	4,783	7,500	6,000	10,000	10,000		All wards	New
Energy	Corporate Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates							All wards	New

Municipal Vote/Capital project R thousand	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework				Project Information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
Energy	Corporate Network enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	766	2,000	3,000	5,000	5,000	All wards	Renewal of Existing Assets	
Energy	Corporate Office furniture	Yes	Other Assets	Office Equipment	Multi co-ordinates/Multi co-ordinates	513	1,080	1,400	1,500	1,500	Operational Equipment	Renewal of Existing Assets	
Energy	Corporate Operational requirement	Yes	Other Assets	Office Equipment	Multi co-ordinates/Multi co-ordinates	96	108	160	—	—	Operational Equipment	Renewal of Existing Assets	
Energy	Corporate other equipment	Yes	Other Assets	Office Equipment	Multi co-ordinates/Multi co-ordinates	20,700	25,000	25,000	60,000	60,000	All wards	New	
Energy	Corporate Revenue enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	14,688	2,700	3,000	3,500	4,000	All wards	Renewal of Existing Assets	
Energy	Corporate Revenue enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	2,720	2,700	3,000	3,500	4,000	Operational Equipment	Renewal of Existing Assets	
Energy	Corporate Specialized equipment	Yes	Infrastructure	Plant & equipment	Multi co-ordinates/Multi co-ordinates	40,680	—	160,000	200,000	200,000	All wards	New	
Energy	Corporate Substations	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	33,515	36,000	—	—	—	All wards	Renewal of Existing Assets	
Energy	Corporate Substations Upgrade	Yes	Infrastructure	Other Motor Vehicles	Multi co-ordinates/Multi co-ordinates	7,772	13,500	15,000	15,000	15,000	Operational Equipment	Renewal of Existing Assets	
Energy	Corporate vehicles	Yes	Other Assets	Other Motor Vehicles	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Operational Equipment	New	
Energy	Crystal Park substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	574	1,100	1,250	1,500	3,000	Multi Wards	Renewal of Existing Assets	
Energy	Daveyton Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	3,020	2,000	4,000	5,000	5,000	Multi Wards	Renewal of Existing Assets	
Energy	Daveyton Network enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Debeix substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Diens Street substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Duduzi Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	670	1,100	1,250	1,500	3,000	Multi Wards	New	
Energy	Eden Park (Ext 1)	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Eden Park West (Ext 1)	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Edenpark substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Edenvale Industries substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Edenvale Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	549	700	850	1,000	2,000	Multi Wards	Renewal of Existing Assets	
Energy	Edenvale Murr. substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Edenvale Network enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	4,048	3,000	4,000	5,000	5,000	Multi Wards	Renewal of Existing Assets	
Energy	Edenvale Revenue enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	1,000	1,170	1,650	2,000	3,000	Multi Wards	Renewal of Existing Assets	
Energy	Edenvale Revenue enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Ekurhuleni	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Ekurhuleni	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Esseen Park Ex 3	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Esseen Park Ex 3	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Esseen Park Ex 3	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Esseenpark substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Etakwa Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	662	1,100	1,250	1,500	1,500	Multi Wards	Renewal of Existing Assets	
Energy	External Infrastructure Development Glen Gory	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	470	700	850	1,000	1,000	Multi Wards	New	
Energy	Germiston Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	10,000	9,000	10,800	15,000	15,000	Multi Wards	Renewal of Existing Assets	
Energy	Germiston Network enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Germiston Norm Substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Germiston Revenue enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	1,000	1,170	1,650	2,000	3,000	Multi Wards	Renewal of Existing Assets	
Energy	Germiston Revenue enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	Renewal of Existing Assets	
Energy	Hairiebest substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	J.P. Maras Substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	John Dube Village	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	John Dube Village	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Kaalfontein substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Kaalfontein substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Kaalfontein substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Kaalfontein substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Kempton Park Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	775	1,100	1,250	1,500	1,500	Multi Wards	Renewal of Existing Assets	
Energy	Kempton Park Network enhancement	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	484	700	850	1,000	1,000	Multi Wards	New	
Energy	Kempton Park Network enhancement	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	
Energy	Kempton Park Network enhancement	Yes	Infrastructure	Lighting	Multi co-ordinates/Multi co-ordinates	7,838	7,200	10,000	12,000	12,000	Multi Wards	Renewal of Existing Assets	
Energy	Kempton Park Revenue enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	Renewal of Existing Assets	
Energy	Kempton Park Revenue enhancement	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	Renewal of Existing Assets	
Energy	Krugersdorp substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	1,000	1,170	1,650	2,000	3,000	Multi Wards	Renewal of Existing Assets	
Energy	Kwa-Thema A substation	Yes	Infrastructure	Electricity Reconciliation	Multi co-ordinates/Multi co-ordinates	—	—	—	—	—	Multi Wards	New	

Municipal Vote/Capital project R thousand	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework				Project information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
Energy	Kwa-Thema Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates	899	1,100	1,250	1,500	1,500	Multi Wards	New	
Energy	Kwa-Thema Network enhancement	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates	2,543	3,000	3,000	5,000	5,000	Multi Wards	Renewal of Existing Assets	
Energy	Kwa-Thema Revenue enhancement	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates		1,170	1,650	2,000	3,000	Multi Wards	Renewal of Existing Assets	
Energy	Kwa-Thema Revenue enhancement	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates	1,000					Multi Wards	Renewal of Existing Assets	
Energy	Kwa-Thema Substations	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates	1,227					Multi Wards	New	
Energy	Langaville Electricity Network Resatation	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates	30,000	20,000				Multi Wards	Renewal of Existing Assets	
Energy	Langaville Ext 10	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates						Multi Wards	New	
Energy	Lights Benoni	Yes	Infrastructure	Lighting	Multi co-ordinates						Multi Wards	Renewal of Existing Assets	
Energy	Lights Kempton Park and Edenvale	Yes	Infrastructure	Lighting	Multi co-ordinates						Multi Wards	Renewal of Existing Assets	
Energy	Lights Kempton Park and Edenvale	Yes	Infrastructure	Lighting	Multi co-ordinates						Multi Wards	Renewal of Existing Assets	
Energy	Lights Springs and Edenvale	Yes	Infrastructure	Lighting	Multi co-ordinates						Multi Wards	Renewal of Existing Assets	
Energy	Mayfield Switching Station 1	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates						Multi Wards	New	
Energy	Mayfield Switching Station 2	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates						Multi Wards	New	
Energy	Nigel Lighting	Yes	Infrastructure	Lighting	Multi co-ordinates	318	700	850	1,000	1,000	88	New	
Energy	Nigel Network enhancement	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates		1,800	3,000	5,000	5,000	88	Renewal of Existing Assets	
Energy	Nigel Revenue enhancement	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates	2,000					88	Renewal of Existing Assets	
Energy	Nigel Revenue enhancement	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates						88	Renewal of Existing Assets	
Energy	Normalization of East Region	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates	1,016						Renewal of Existing Assets	
Energy	Normalization of South Region	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Palm Ridge Electrification Phase 6	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							New	
Energy	Palm Ridge Electrification Phase 6	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							New	
Energy	Parkrand substation	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							New	
Energy	Phomolong substation	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							New	
Energy	Pole mounted boxes Palm Ridge	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Pole mounted boxes Regier Park Ex45	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Pole mounted boxes Ronsdubut	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Pole mounted boxes Villa Lisa Ex42	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Pole mounted boxes Windmill Park Ex49	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Protective Structures in Braikpan	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Protective Structures in Kempton CBD	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Protective Structures in Kempton Park	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Protective Structures in Kwa-Thema	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Acornville	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Benoni CBD	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Kempton CBD	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Kempton Park	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Leachville	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Nigel	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Primrose	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Primrose	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Relocation of meters Springs	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Renewable Energy Projects	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates	13,281	27,495	20,000	20,000	60,000	All wards	New	
Energy	Retrolit in Edenvale	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Retrolit in Phomolong	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Retrolit in Thembsa Hostels	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							Renewal of Existing Assets	
Energy	Russel Road substation	Yes	Infrastructure	Electricity Reticalation	Multi co-ordinates							New	
Energy	Solar lighting Atterpark, Nigel	Yes	Infrastructure	Lighting	Multi co-ordinates							New	



EKU Ekurhuleni Metro - Supporting Table SA38 Consolidated detailed capital budget													
Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information		
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
R thousand		6	3	3	5								
Environmental Resources Management	ICT Equipment	Yes	Other Assets	Office Equipment		92	68	75	75	75	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	ICT Equipment	Yes	Other Assets	Office Equipment		68	135	200	200	200	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	ICT Equipment	Yes	Other Assets	Office Equipment		110	180	200	250	250	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	Office Furniture	Yes	Other Assets	Office Equipment		66	108	120	150	150	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	Office Furniture	Yes	Other Assets	Office Equipment		60	68	50	100	100	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	Office Furniture	Yes	Other Assets	Office Equipment		80	45	50	50	50	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	Other Equipment	Yes	Other Assets	Office Equipment		38	15	150	100	100	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	Payneville Ex 3 rehabilitation	Yes	Community	Other		-	-	-	-	-	72	New	
Environmental Resources Management	Payneville Ex 3 rehabilitation	Yes	Community	Other		878	1,110	2,000	-	-	72	Renewal of Existing Assets	
Environmental Resources Management	Playground Equipment	Yes	Community	Establishment of Parks & Gardens		2,126	-	-	-	-	All wards	New	
Environmental Resources Management	Rehabilitation of the Boksburg Lake	Yes	Community	Other		-	-	1,000	1,000	3,500	32	Renewal of Existing Assets	
Environmental Resources Management	Rehabilitation of the Boksburg lake	Yes	Community	Other		1,000	1,170	1,500	2,000	2,000	Multi Wards	Renewal of Existing Assets	
Environmental Resources Management	Rehabilitation of the Naabospruit Catchment	Yes	Community	Other	28° 9' 5.66"-26° 24' 44.43"	2,588	1,285	1,500	1,500	1,800	Multi Wards	Renewal of Existing Assets	
Environmental Resources Management	Specialised Equipment	Yes	Other Assets	Plant & equipment	28°13'23.54"-26°44'48.35"	174	390	-	-	500	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	Upgrading and Refurbishment of Infrastructure at Germiston Lake	Yes	Community	Establishment of Parks & Gardens		16,987	-	4,000	4,000	4,000	36	New	
Environmental Resources Management	Upgrading of Ambient Air Quality Monitoring Stations	Yes	Community	Other		388	3,960	-	-	-	Operational Equipment	Renewal of Existing Assets	
Environmental Resources Management	Vehicles	Yes	Other Assets	Other Motor Vehicles		645	738	-	-	-	Operational Equipment	Renewal of Existing Assets	
EPMO	ICT Equipment	Yes	Other Assets	Office Equipment		90	90	80	80	100	Operational Equipment	Renewal of Existing Assets	
EPMO	Office furniture	Yes	Other Assets	Office Equipment		90	90	80	80	100	Operational Equipment	Renewal of Existing Assets	
EPMO	Project Management System	Yes	Other Assets	Office Equipment		-	-	9,000	9,000	100	Operational Equipment	Renewal of Existing Assets	
EPMO	Other Equipment	Yes	Other Assets	Office Equipment		-	-	20	20	20	Operational Equipment	Renewal of Existing Assets	
Executive Office	ICT Equipment	Yes	Other Assets	Office Equipment		95	270	300	1,000	1,000	Operational Equipment	Renewal of Existing Assets	
Executive Office	ICT Equipment	Yes	Other Assets	Office Equipment		8	581	645	645	1,000	Operational Equipment	Renewal of Existing Assets	
Executive Office	ICT Equipment	Yes	Other Assets	Office Equipment		250	180	200	1,000	1,000	Operational Equipment	Renewal of Existing Assets	
Executive Office	Office Furniture	Yes	Other Assets	Office Equipment		252	900	1,000	1,000	1,000	Operational Equipment	Renewal of Existing Assets	
Executive Office	Other Equipment	Yes	Other Assets	Office Equipment		29	45	50	100	200	Operational Equipment	Renewal of Existing Assets	
Executive Office	Other Equipment	Yes	Other Assets	Office Equipment		34	421	468	468	500	Operational Equipment	Renewal of Existing Assets	
Executive Office	Vehicles	Yes	Other Assets	Other Motor Vehicles		-	-	-	3,000	3,000	Operational Equipment	Renewal of Existing Assets	
Executive Office	Vehicles (MMCs)	Yes	Other Assets	Other Motor Vehicles		-	1,350	-	-	-	Operational Equipment	Renewal of Existing Assets	
Executive Office	ACL audit exchange software	Yes	Other Assets	Other		112	90	-	-	-	All wards	New	
Finance	Airconditioners at Paypoints	Yes	Other Assets	Other Land and Buildings		-	-	-	-	-	All wards	Renewal of Existing Assets	
Finance	Airconditioners at Paypoints	Yes	Other Assets	Other Land and Buildings		14,000	7,200	11,500	-	-	All wards	Renewal of Existing Assets	
Finance	CPO/Germiston Stores	Yes	Other Assets	Other Land and Buildings		2,228	2,700	2,300	2,300	2,300	Operational Equipment	Renewal of Existing Assets	
Finance	Langaville Paypoint	Yes	Other Assets	Office Equipment		-	-	1,000	1,000	-	Operational Equipment	Renewal of Existing Assets	
Finance	Renovate Paypoints	Yes	Other Assets	Office Equipment		868	644	2,251	851	851	Operational Equipment	Renewal of Existing Assets	
Finance	Sprunview Paypoint	Yes	Other Assets	Other Land and Buildings		-	-	2,000	1,800	1,800	All wards	Renewal of Existing Assets	
Finance	Tshepo Air Centre Paypoint	Yes	Other Assets	Other Land and Buildings		-	-	-	-	-	Operational Equipment	Renewal of Existing Assets	
Finance	Vehicles	Yes	Other Assets	Other Motor Vehicles		1,951	976	2,300	2,300	2,300	Operational Equipment	Renewal of Existing Assets	
Finance	Vehicles	Yes	Other Assets	Other Motor Vehicles		500	352	-	-	-	Operational Equipment	Renewal of Existing Assets	
Fleet Management	Buildings fleet MNGMT & MECH ENG	Yes	Other Assets	Other Land and Buildings		-	-	-	-	-	All wards	Renewal of Existing Assets	
Fleet Management	Fleet Audit Phase 2	Yes	Other Assets	Other Motor Vehicles		-	-	-	-	-	Operational Equipment	Renewal of Existing Assets	
Fleet Management	Fleet Financing options	Yes	Other Assets	Other Land and Buildings		-	-	-	-	-	Operational Equipment	Renewal of Existing Assets	
Fleet Management	Fleet Management System	Yes	Other Assets	Other		-	-	-	-	-	Operational Equipment	Renewal of Existing Assets	
Fleet Management	Fuel Management and Fleet Management System	Yes	Other Assets	Other		1,406	29,678	-	-	-	Operational Equipment	Renewal of Existing Assets	
Fleet Management	Furniture for new Fleet building	Yes	Other Assets	Other		302	135	100	500	500	Operational Equipment	Renewal of Existing Assets	
Fleet Management	ICT Equipment	Yes	Other Assets	Office Equipment		322	180	100	400	400	Operational Equipment	Renewal of Existing Assets	

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
R thousand		6	3	3	5							
Fleet Management	ICT Equipment	Yes	Other Assets	Office Equipment		2,250	900	7,735	21,105	-	All wards	Renewal of Existing Assets
Fleet Management	Mechanical Workshop	Yes	Other Assets	Other Land and Buildings			630	500	1,000	1,000	Operational Equipment	Renewal of Existing Assets
Fleet Management	Other Equipment	Yes	Other Assets	Office Equipment		46					Operational Equipment	Renewal of Existing Assets
Fleet Management	Vehicle Tracking (Telmetrics)	Yes	Other Assets	Other Motor Vehicles							Operational Equipment	Renewal of Existing Assets
Fleet Management	Workshop Equipment	Yes	Other Assets	Plant & equipment		3,980	900	1,000	1,000	1,000	Operational Equipment	Renewal of Existing Assets
Fleet Management	Workshop viability study	Yes	Other Assets	Other		409					Operational Equipment	Renewal of Existing Assets
Health & Social Development	Air Conditioners Clinics East	Yes	Other Assets	Plant & equipment		488					Operational Equipment	Renewal of Existing Assets
Health & Social Development	Air Conditioners Clinics North	Yes	Other Assets	Plant & equipment		488					Operational Equipment	Renewal of Existing Assets
Health & Social Development	Air Conditioners Health Facilities	Yes	Other Assets	Plant & equipment		488					Operational Equipment	Renewal of Existing Assets
Health & Social Development	Birch-Acres Clinic	Yes	Community	Clinics			457	600	500	500	Operational Equipment	Renewal of Existing Assets
Health & Social Development	Bonsero Park Clinic	Yes	Community	Clinics				150	4,000	12,000	13	New
Health & Social Development	BUHLE PARK Clinic	Yes	Community	Clinics				2,000	12,000	10,000		New
Health & Social Development	Building - Youth Friendly Services	Yes	Community	Clinics		1,502		100	2,000	12,000	41	New
Health & Social Development	Building - Youth Friendly Services	Yes	Community	Clinics								New
Health & Social Development	Bulk Medicine Store: Conversion of Existing Structure	Yes	Community	Clinics			2,000	2,000	2,000	3,000	All wards	New
Health & Social Development	Care Centres (Social Development)	Yes	Community	Clinics		3,907	700	1,500			All wards	Renewal of Existing Assets
Health & Social Development	Carports & Garages Clinics East	Yes	Community	Clinics							Multi Wards	New
Health & Social Development	Carports & Garages Clinics North	Yes	Community	Clinics		744					Multi Wards	Renewal of Existing Assets
Health & Social Development	Carports & Garages Clinics South	Yes	Community	Clinics		510					Multi Wards	Renewal of Existing Assets
Health & Social Development	Carports & Garages Health Facilities	Yes	Community	Clinics		269					Multi Wards	New
Health & Social Development	Early Childhood Development Centre	Yes	Community	Clinics			1,080	1,500	1,500	2,000	Multi Wards	Renewal of Existing Assets
Health & Social Development	EXT & UPGRADE DAVEYTON EAST CLINIC	Yes	Community	Clinics			400				All wards	New
Health & Social Development	EXT & UPGRADE DAVEYTON EXT. CLINIC (Chris Hani ZENZELE) Clinic	Yes	Community	Clinics		910					68	Renewal of Existing Assets
Health & Social Development	EXT & UPGRADE EDENVALE CLINIC	Yes	Community	Clinics					2,000	10,000	68	Renewal of Existing Assets
Health & Social Development	EXT & UPGRADE EMAPHUPEN CLINIC	Yes	Community	Clinics		13						19
Health & Social Development	EXT & UPGRADE KEMPTON PARK CLINIC	Yes	Community	Clinics								66
Health & Social Development	EXT & UPGRADE KEMPTON PARK CLINIC	Yes	Community	Clinics			50	1,000	15,000	15,000		16
Health & Social Development	Ext & Upgrade Mossama Clinic	Yes	Community	Clinics			7,000	11,500				16
Health & Social Development	EXT & UPGRADE SPARTAN	Yes	Community	Clinics					100	500		50
Health & Social Development	EXT & UPGRADE JOY CLINIC	Yes	Community	Clinics		13,350						17
Health & Social Development	EXT & UPGRADE JOY CLINIC	Yes	Community	Clinics			1,825					67
Health & Social Development	EXT & UPGRADE PHOLA PARK CLINIC	Yes	Community	Clinics								67
Health & Social Development	EXT & UPGRADE TSWELOPELE CLINIC (ADD LEVEL 2)	Yes	Community	Clinics		3,400						57
Health & Social Development	EXT & UPGRADE TSWELOPELE CLINIC (ADD LEVEL 2)	Yes	Community	Clinics								57
Health & Social Development	EXT & UPGRADE TSWELOPELE CLINIC (ADD LEVEL 2)	Yes	Community	Clinics				3,000				44
Health & Social Development	Extension & Upgrade BARCELONA CLINIC	Yes	Community	Clinics			12,451	100	2,000	12,000		44
Health & Social Development	Extension & upgrade CLINIC WHITE CITY	Yes	Community	Clinics		12,000						28
Health & Social Development	Extension & upgrade CLINIC WHITE CITY	Yes	Community	Clinics			1,850					79
Health & Social Development	Extension & Upgrade Esangweni Clinic	Yes	Community	Clinics			382	7,000	12,000	3,000		10
Health & Social Development	Extension & upgrade Slope Thema Clinic	Yes	Community	Clinics			352	7,000	12,000	3,000		10
Health & Social Development	EXTENSION & UPGRADE THCC FOR PHAPHAMA	Yes	Community	Clinics		143						6
Health & Social Development	GENERATORS AT HEALTH FACILITIES	Yes	Community	Plant & equipment			1,800	5,000	3,000	4,000	Operational Equipment	Renewal of Existing Assets
Health & Social Development	GREENFIELDS PAVING	Yes	Community	Clinics		342					53	Renewal of Existing Assets
Health & Social Development	Guard House Abuloni Facilities East	Yes	Other Assets	Security Measures		402					Multi Wards	Renewal of Existing Assets
Health & Social Development	Guard House Abuloni Facilities North	Yes	Other Assets	Security Measures		375					Multi Wards	New
Health & Social Development	Guard House Abuloni Health Facilities South	Yes	Other Assets	Security Measures				1,000	1,500	1,500	Multi Wards	Renewal of Existing Assets
Health & Social Development	Guard House Abuloni Health Facilities	Yes	Other Assets	Security Measures		5,124	1,872	3,000	1,000	1,500	Operational Equipment	Renewal of Existing Assets
Health & Social Development	ICT Equipment	Yes	Community	Office Equipment		33					Multi Wards	Renewal of Existing Assets
Health & Social Development	Improve Access Disabled at Clinics (East)	Yes	Community	Clinics		29					Multi Wards	Renewal of Existing Assets
Health & Social Development	Improve Access Disabled at Clinics (North)	Yes	Community	Clinics							Multi Wards	Renewal of Existing Assets

Municipal Vote/Capital project		Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project Information	
R thousand	Audited Outcome 2012/13						Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
Health & Social Development	52	185	Yes	Community	Clinics			300	100	100	100	Multi Wards	Renewal of Existing Assets
Health & Social Development	2,666	1,215	Yes	Community	Clinics			1,000	1,000	1,000	1,000	Multi Wards	Renewal of Existing Assets
Health & Social Development	10,307	349	Yes	Community	Clinics	5		2,000	12,000	10,000	80	Multi Wards	New
Health & Social Development		6,474	Yes	Community	Clinics						88	Multi Wards	New
Health & Social Development			Yes	Community	Clinics						72	Multi Wards	New
Health & Social Development			Yes	Community	Clinics			1,000	12,000	4,000	91	Multi Wards	New
Health & Social Development			Yes	Community	Clinics			150	2,000	71	24	Multi Wards	New
Health & Social Development			Yes	Community	Clinics			1,500	10,000	7,000	24	Multi Wards	New
Health & Social Development			Yes	Community	Clinics				1,000	1,000		Multi Wards	New
Health & Social Development	341	360	Yes	Community	Clinics			7,000	11,000	5,000		Multi Wards	Renewal of Existing Assets
Health & Social Development	160		Yes	Community	Clinics						75	Multi Wards	Renewal of Existing Assets
Health & Social Development			Yes	Community	Clinics			2,000	12,000	8,000		Multi Wards	Renewal of Existing Assets
Health & Social Development	10,958	1,143	Yes	Community	Clinics							Multi Wards	New
Health & Social Development	9,269	983	Yes	Community	Clinics			100				Multi Wards	New
Health & Social Development		8,760	Yes	Community	Clinics			150	4,000		89	Multi Wards	New
Health & Social Development	1,687	1,441	Yes	Community	Office Equipment			2,000	1,000	1,000		Operational Equipment	Renewal of Existing Assets
Health & Social Development	596	1,556	Yes	Other Assets	Office Equipment			1,800	1,000	1,500	58	Operational Equipment	Renewal of Existing Assets
Health & Social Development	3,181		Yes	Community	Clinics			4,000				Multi Wards	New
Health & Social Development	437	1,678	Yes	Community	Clinics			1,500	900	1,200		Multi Wards	Renewal of Existing Assets
Health & Social Development	414		Yes	Other Assets	Security Measures							Multi Wards	Renewal of Existing Assets
Health & Social Development	717		Yes	Other Assets	Security Measures							Multi Wards	Renewal of Existing Assets
Health & Social Development		270	Yes	Community	Clinics			500	500	300		Multi Wards	Renewal of Existing Assets
Health & Social Development	6,117	6,796	Yes	Other Assets	Other Motor Vehicles			3,500	2,000	1,000		Operational Equipment	Renewal of Existing Assets
Health & Social Development	997	154	Yes	Other Assets	Plant & equipment			2,000	2,000	1,000		Operational Equipment	Renewal of Existing Assets
Health & Social Development		1,278	Yes	Community	Clinics			3,000			7	All wards	New
Health & Social Development		45	Yes	Community	Clinics				100			All wards	Renewal of Existing Assets
Health & Social Development	1,667		Yes	Community	Clinics			1,000	1,000	1,000		Operational Equipment	Renewal of Existing Assets
Health & Social Development	3,237		Yes	Community	Clinics							Operational Equipment	Renewal of Existing Assets
Health & Social Development	2,398		Yes	Other Assets	Other Motor Vehicles							Operational Equipment	Renewal of Existing Assets
Health & Social Development		285	Yes	Other Assets	Other Motor Vehicles			1,800	1,500	1,000		Operational Equipment	Renewal of Existing Assets
Health & Social Development	5,521	827	Yes	Other Assets	Other Motor Vehicles			1,800	1,500	1,000		Operational Equipment	Renewal of Existing Assets
Health & Social Development	780		Yes	Community	Clinics			12,000	5,000		45	Operational Equipment	Renewal of Existing Assets
Health & Social Development		4,000	Yes	Community	Clinics						45	Operational Equipment	New
Health & Social Development		72	Yes	Other Assets	Other Land and Buildings			30				Operational Equipment	Renewal of Existing Assets
Health & Social Development	405	288	Yes	Other Assets	Office Equipment			700	600	600		Operational Equipment	Renewal of Existing Assets
Health & Social Development	94	108	Yes	Other Assets	Office Equipment			100	100	200		Operational Equipment	Renewal of Existing Assets
Health & Social Development	76	18	Yes	Other Assets	Office Equipment			20	30	50		Operational Equipment	Renewal of Existing Assets
Health & Social Development			Yes	Infrastructure	Other Motor Vehicles				300	150		Operational Equipment	Renewal of Existing Assets
Human Resources Management & Development	582	32,390	Yes	Infrastructure	Housing			7,000	45,000	50,000		All wards	New
Human Resources Management & Development		77,030	Yes	Infrastructure	Housing	28,168-26,253		15,000	10,000		36	All wards	New



Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	OPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project Information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
						6	3	3	5	36	All wards	Renewal of Existing Assets
Human Settlements	Deville Social Housing Project-Services and Amenities	Yes	Infrastructure	Housing	28 17-26 22	2,760	20,000	9,150	-	-	All wards	Renewal of Existing Assets
Human Settlements	Driefontein 85-IR	Yes	Infrastructure	Housing	28 17-26 22	-	18,000	-	-	-	All wards	New
Human Settlements	Driefontein 85-R	Yes	Infrastructure	Housing	28 17-26 22	-	20,000	-	-	-	All wards	New
Human Settlements	Germiston Fire Station Social Housing Project-Buildings	Yes	Infrastructure	Housing	28 17-26 22	-	13,150	20,000	-	-	36	Renewal of Existing Assets
Human Settlements	Germiston Fire Station Social Housing Project-Services and Amenities	Yes	Infrastructure	Housing	28 17-26 22	-	32,000	50,000	25,000	35	36	Renewal of Existing Assets
Human Settlements	Germiston Urban Renewal (Civic Precinct)	Yes	Other Assets	Office Equipment	28 219-26 008	-	10,000	43,000	29,200	35	35	Renewal of Existing Assets
Human Settlements	Germiston Urban Renewal (Cultural Precinct)	Yes	Infrastructure	Housing	28 162-26 213	-	10,000	25,000	27,000	35	35	New
Human Settlements	Germiston Urban Renewal (Fire Station)	Yes	Infrastructure	Housing	for Projects to City Planning in the form	3,638	20,000	40,000	55,000	45,000	All wards	New
Human Settlements	Human Settlements Feasibility and Pre Planning	Yes	Infrastructure	Office Equipment	for Projects to City Planning in the form	-	307	300	330	360	Operational Equipment	Renewal of Existing Assets
Human Settlements	Human Settlements, Pre Planning Fees	Yes	Other Assets	Housing	28 239-26 222	367	307	2,500	5,500	17,000	All wards	New
Human Settlements	ICT Equipment	Yes	Infrastructure	Housing		830					All wards	New
Human Settlements	Kabus Urban Renewal Project	Yes	Infrastructure	Housing		110					All wards	New
Human Settlements	KLIPPOORT JUE 112 IR	Yes	Infrastructure	Housing		830					All wards	New
Human Settlements	KLIPPOORT JUE 112 IR	Yes	Infrastructure	Housing		110					All wards	New
Human Settlements	Leeupoort Development (Bulk Infrastructure)	Yes	Infrastructure	Housing	28 202-26 344	-	80,000	70,000	100,000	34,42,32,31,43	Operational Equipment	Renewal of Existing Assets
Human Settlements	Office Furniture	Yes	Other Assets	Office Equipment		24	98	180	200	220	All wards	New
Human Settlements	Office Furniture	Yes	Infrastructure	Housing		8,322					All wards	New
Human Settlements	Olenostein 402-JR	Yes	Infrastructure	Housing		-					All wards	New
Human Settlements	Olenostein 402-JR	Yes	Infrastructure	Housing		-					All wards	New
Human Settlements	Other Equipment	Yes	Other Assets	Office Equipment		38	117	-	-	-	Mua Wards	Renewal of Existing Assets
Human Settlements	Refurbishment of Rental Property	Yes	Infrastructure	Housing	for Projects to City Planning in the form of a shape file	19,267	24,150	37,212	25,000	35,014	Mua Wards	Renewal of Existing Assets
Human Settlements	Refurbishment of Rental Property	Yes	Other Assets	Office Equipment		12,473					Mua Wards	Renewal of Existing Assets
Human Settlements	Tembisa Urban Renewal Framework Projects	Yes	Infrastructure	Housing	for Projects to City Planning in the form	8,000	8,000	50,000	80,739	84,883	Mua Wards	Renewal of Existing Assets
Human Settlements	Tembisa Urban Renewal Framework Projects	Yes	Infrastructure	Housing	28 244-26 029	7,527					Mua Wards	Renewal of Existing Assets
Human Settlements	Tembisa Urban Renewal Framework Projects	Yes	Infrastructure	Housing		661	450	500	560	600	Operational Equipment	Renewal of Existing Assets
Human Settlements	Vehicles	Yes	Other Assets	Other Motor Vehicles	28 262-26 272			3,000	10,000	17,000	Mua Wards	Renewal of Existing Assets
Human Settlements	Watville-Aconville Urban Renewal Project	Yes	Infrastructure	Housing	28 168-26 253	16,605					All wards	New
Human Settlements	Witpoortje 1171R	Yes	Infrastructure	Housing							All wards	New
ICT	Acquisition of Electronic document Management system	Yes	Infrastructure	Other		8,706	4,500	4,070	4,477	4,925	Operational Equipment	Renewal of Existing Assets
ICT	Business Intelligence System	Yes	Infrastructure	Other	Nono	5,766					All wards	Renewal of Existing Assets
ICT	Business Intelligence System	Yes	Infrastructure	Other		12,893					All wards	Renewal of Existing Assets
ICT	Business Process Re-Engineering	Yes	Infrastructure	Other		884					operational Equipment	Renewal of Existing Assets
ICT	Credit Control and Debt Management System	Yes	Infrastructure	Other		3,000					operational Equipment	Renewal of Existing Assets
ICT	Customer Revenue Call Centre	Yes	Infrastructure	Other		4,422					All wards	Renewal of Existing Assets
ICT	Database Security	Yes	Infrastructure	Other		39,057	37,665	48,000	42,199	46,419	Operational Equipment	Renewal of Existing Assets
ICT	DCS: Access Point Network for mobility such as 3G and urban manage	Yes	Infrastructure	Other	Nono						All wards	Renewal of Existing Assets
ICT	DCS: Broadband Fibre	Yes	Infrastructure	Other		5,000					All wards	Renewal of Existing Assets
ICT	DCS: Redundancy and Peering with Network Operators	Yes	Infrastructure	Other							All wards	Renewal of Existing Assets
ICT	DCS: Wireless Security	Yes	Infrastructure	Other							All wards	Renewal of Existing Assets
ICT	DCS: Network Management System	Yes	Infrastructure	Other							All wards	Renewal of Existing Assets
ICT	DCS: Re-configuration of Wireless Network	Yes	Infrastructure	Other		12,860					All wards	Renewal of Existing Assets
ICT	Digital City Services / Services Integrator	Yes	Infrastructure	Other		4,705		30,000	47,000	60,000	Operational Equipment	Renewal of Existing Assets
ICT	Emergence Architectural Business process management including Document	Yes	Infrastructure	Other	Nono	10,000	13,500	12,100	13,310	14,641	Operational Equipment	Renewal of Existing Assets
ICT	ERP Phase 1	Yes	Infrastructure	Other	Nono						All wards	Renewal of Existing Assets
ICT	Fibre Verification for excess capacity towards digital city	Yes	Infrastructure	Other							All wards	Renewal of Existing Assets
ICT	Fix the fibre breakages and new links for Digital City positioning to be an ir	Yes	Infrastructure	Other							All wards	Renewal of Existing Assets
ICT	ICT Equipment	Yes	Other Assets	Office Equipment		1,110	1,103	1,440	1,650	1,815	Operational Equipment	Renewal of Existing Assets
ICT	Migration to Next Generation Network	Yes	Infrastructure	Other	Nono		16,160	30,000	40,000	40,000	Operational Equipment	Renewal of Existing Assets
ICT	Office Furniture	Yes	Other Assets	Office Equipment		212	374	468	660	726	Operational Equipment	Renewal of Existing Assets
ICT	Security for ICT Infrastructure	Yes	Infrastructure	Other	Nono	4,470	15,124	10,000	15,000	20,000	Operational Equipment	Renewal of Existing Assets

Municipal Vote/Capital project		Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes			2014/15 Medium Term Revenue & Expenditure Framework			Project Information	
R thousand	Outcome 2012/13						Audited 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
ICT	6	Service Provider Core Infrastructure	Yes	3	3	5	5	5	5	5	5	All wards	Renewal of Existing Assets	
ICT	Yes	Unified Command Centre	Yes	Infrastructure	Other	None	6,000	7,469	9,720	4,960	6,445	All wards	Renewal of Existing Assets	
ICT	Yes	Upgrade of Data Centers and Disaster Recovery centre	Yes	Infrastructure	Other	None	502	—	—	35,910	7,090	All wards	Renewal of Existing Assets	
ICT	Yes	Upgrading aged server equipment	Yes	Infrastructure	Other	None	—	—	—	5,669	7,090	Operational Equipment	Renewal of Existing Assets	
ICT	Yes	Vehicles	Yes	Other Assets	Other Motor Vehicles	None	200	199	477	350	250	Operational Equipment	Renewal of Existing Assets	
Internal Audit	Yes	ICT Equipment	Yes	Other Assets	Office Equipment	None	25	27	115	20	20	Operational Equipment	Renewal of Existing Assets	
Internal Audit	Yes	ICT Equipment (Speaker)	Yes	Other Assets	Office Equipment	None	10	—	14	15	15	Operational Equipment	Renewal of Existing Assets	
Internal Audit	Yes	Other Equipment	Yes	Other Assets	Office Equipment	None	—	—	—	—	—	37	Renewal of Existing Assets	
Internal Audit	Yes	Upgrade of Office building	Yes	Other Assets	Other Land and Buildings	None	—	—	—	—	—	140	Renewal of Existing Assets	
Internal Audit	Yes	Vehicles	Yes	Other Assets	Other Motor Vehicles	None	—	99	—	—	—	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	ICT Equipment	Yes	Other Assets	Office Equipment	None	1,626	1,575	1,000	1,000	1,000	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	ICT Equipment (Chief Whip)	Yes	Other Assets	Office Equipment	None	93	450	250	250	250	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	ICT Equipment (Speaker)	Yes	Other Assets	Office Equipment	None	—	450	250	250	250	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	Office Furniture	Yes	Other Assets	Office Equipment	None	679	1,575	1,000	1,000	1,000	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	Office Furniture (Chief Whip)	Yes	Other Assets	Office Equipment	None	72	450	250	250	250	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	Office Furniture (Speaker)	Yes	Other Assets	Office Equipment	None	169	450	250	250	250	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	Other Equipment	Yes	Other Assets	Office Equipment	None	38	225	300	300	300	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	Other Equipment (Chief Whip)	Yes	Other Assets	Office Equipment	None	1,062	900	1,000	—	—	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	Vehicles	Yes	Other Assets	Other Motor Vehicles	None	4,905	—	—	—	—	Operational Equipment	Renewal of Existing Assets	
Legislature	Yes	Ward councilors accommodation	Yes	Other Assets	Other Land and Buildings	None	532	485	—	—	—	36	Renewal of Existing Assets	
Real Estate	Yes	Alarms: Metro Parks Facilities	Yes	Community	Establishment of Parks & Gardens	None	75	—	—	—	—	36	Renewal of Existing Assets	
Real Estate	Yes	Alberion Dam	Yes	Community	Establishment of Parks & Gardens	None	1,831	1,530	—	—	—	32	Renewal of Existing Assets	
Real Estate	Yes	Bokkie Park	Yes	Community	Establishment of Parks & Gardens	None	—	—	—	—	—	32	Renewal of Existing Assets	
Real Estate	Yes	Brownfield Property Acquisition	Yes	Other Assets	Other Land and Buildings	None	—	50,000	—	—	—	36	Renewal of Existing Assets	
Real Estate	Yes	Cambrian Cemetery Ext	Yes	Community	Establishment of Parks & Gardens	None	—	1,000	—	—	—	All wards	Renewal of Existing Assets	
Real Estate	Yes	Community Park Road/develop	Yes	Community	Establishment of Parks & Gardens	None	—	—	—	—	—	40	Renewal of Existing Assets	
Real Estate	Yes	Construct Metro Parks Deposits	Yes	Community	Establishment of Parks & Gardens	None	1,761	3,534	2,000	5,000	8,000	Multi Wards	Renewal of Existing Assets	
Real Estate	Yes	Densification of Council Buildings	Yes	Other Assets	Other Land and Buildings	None	30,545	57,600	56,000	60,000	60,000	All wards	Renewal of Existing Assets	
Real Estate	Yes	Densification of Council Buildings	Yes	Other Assets	Other Land and Buildings	None	—	—	—	—	—	All wards	Renewal of Existing Assets	
Real Estate	Yes	Develop/Upgrade Cemeteries	Yes	Community	Establishment of Parks & Gardens	None	1,800	3,000	3,000	3,000	12,000	All wards	Renewal of Existing Assets	
Real Estate	Yes	Develop/Upgrade Community Parks	Yes	Community	Establishment of Parks & Gardens	None	7,000	5,600	6,600	5,600	6,600	All wards	Renewal of Existing Assets	
Real Estate	Yes	Develop/Upgrade Conservation Areas	Yes	Community	Establishment of Parks & Gardens	None	2,000	2,000	4,000	4,000	7,000	All wards	Renewal of Existing Assets	
Real Estate	Yes	Develop/Upgrade Regional Parks	Yes	Community	Establishment of Parks & Gardens	None	2,100	8,100	8,100	8,500	15,000	All wards	Renewal of Existing Assets	
Real Estate	Yes	Develop: Blesbospruit for tourism	Yes	Community	Establishment of Parks & Gardens	None	900	2,200	—	—	—	67	New	
Real Estate	Yes	Develop: Bolsburg lake	Yes	Community	Establishment of Parks & Gardens	None	1,883	2,200	—	—	—	32	Renewal of Existing Assets	
Real Estate	Yes	Develop: Cemetery - Berms	Yes	Community	Establishment of Parks & Gardens	None	1,220	3,000	2,500	3,000	3,000	Multi Wards	Renewal of Existing Assets	
Real Estate	Yes	Develop: Cemeteries Muslim Section	Yes	Community	Establishment of Parks & Gardens	None	1,151	500	—	—	—	Multi Wards	Renewal of Existing Assets	
Real Estate	Yes	Develop: Community Park, Zontizwe	Yes	Community	Establishment of Parks & Gardens	None	1,600	2,500	—	—	—	Multi Wards	Renewal of Existing Assets	
Real Estate	Yes	Develop: Conservation areas Southern Region Meyersdal Koppies	Yes	Community	Establishment of Parks & Gardens	None	1,000	2,500	—	—	—	84	Renewal of Existing Assets	
Real Estate	Yes	Develop: Kromwiel Cemetery - phase 2	Yes	Community	Establishment of Parks & Gardens	None	1,224	—	—	—	—	38	New	
Real Estate	Yes	Develop: Multi Purpose Park Mosua	Yes	Community	Establishment of Parks & Gardens	None	2,000	4,000	—	—	—	9	Renewal of Existing Assets	
Real Estate	Yes	Develop: Multi Purpose Park, Mosua	Yes	Community	Establishment of Parks & Gardens	None	2,076	4,000	—	—	—	9	Renewal of Existing Assets	
Real Estate	Yes	Develop: Multi Purpose Park, Winnie Mandela	Yes	Community	Establishment of Parks & Gardens	None	90	30	—	—	—	47	New	
Real Estate	Yes	Develop: Nyont Park	Yes	Community	Establishment of Parks & Gardens	None	—	—	—	—	—	75	Renewal of Existing Assets	
Real Estate	Yes	Develop: President Regional Park	Yes	Community	Establishment of Parks & Gardens	None	—	—	—	—	—	—	88	Renewal of Existing Assets
Real Estate	Yes	Develop: Vlakfontein Cemetery	Yes	Community	Establishment of Parks & Gardens	None	2,795	2,570	—	—	—	—	New	
Real Estate	Yes	Develop: Vlakfontein Cemetery	Yes	Community	Establishment of Parks & Gardens	None	—	15,000	14,000	—	—	—	—	

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes			2014/15 Medium Term Revenue & Expenditure Framework			Project Information	
						Outcome 2012/13	Current Year 2013/14	Year +1 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
R thousand		6	3	3	5	5,131	1,280	6,500	7,000	5,000	Operational Equipment	Renewal of Existing Assets	
	Development of Town Entrances	Yes	Community	Establishment of Parks & Gardens		970	1,200	1,000	—	—	Multi Wards	Renewal of Existing Assets	
	Fencing - Metro Parks Facilities: Phase 3	Yes	Community	Establishment of Parks & Gardens		64,476	2,250	3,000	—	—	Multi Wards	Renewal of Existing Assets	
	Germiston Civic Precinct	Yes	Community	Other Land and Buildings		2,073	7,200	50,000	30,000	30,000	36	Renewal of Existing Assets	
	Germiston Lake	Yes	Community	Establishment of Parks & Gardens		—	2,000	—	—	—	36	Renewal of Existing Assets	
	Germiston Precinct Building	Yes	Other Assets	Other Land and Buildings		—	—	—	—	—	—	Renewal of Existing Assets	
	ICT Equipment	Yes	Other Assets	Office Equipment		890	564	3,600	4,320	4,320	Operational Equipment	Renewal of Existing Assets	
	ICT Equipment	Yes	Other Assets	Office Equipment		1,017	355	750	750	1,000	Operational Equipment	Renewal of Existing Assets	
	Modernisation Replacement of the Lit Systems at the BENONI CCA EMFD	Yes	Other Assets	Other Land and Buildings		—	—	—	—	—	28	Renewal of Existing Assets	
	Modernisation Replacement of the Lit Systems at the BRAKPAN TRAFFIC	Yes	Other Assets	Other Land and Buildings		—	—	—	—	—	97	Renewal of Existing Assets	
	Modernisation Replacement of the Lit Systems at the EDENVALE CIVIC C	Yes	Other Assets	Other Land and Buildings		—	—	—	—	—	18	Renewal of Existing Assets	
	Modernisation Replacement of the Lit Systems at the SPRINGS CCA CLIN	Yes	Other Assets	Other Land and Buildings		—	—	—	—	—	75	Renewal of Existing Assets	
	Modernisation Replacement of the Lit Systems at the SPRINGS CCA LIBR	Yes	Other Assets	Other Land and Buildings		—	—	—	—	—	75	Renewal of Existing Assets	
	Modernisation Replacement of the Lit Systems at the SPRINGS CCA LIBR	Yes	Other Assets	Other Land and Buildings		—	—	—	—	—	16	Renewal of Existing Assets	
	Murray Park	Yes	Community	Establishment of Parks & Gardens		—	—	—	—	—	45	Renewal of Existing Assets	
	New cemetery in South	Yes	Community	Establishment of Parks & Gardens		—	3,000	8,000	7,000	6,000	—	Renewal of Existing Assets	
	Office Furniture	Yes	Other Assets	Office Equipment		242	180	500	25,000	30,000	—	Renewal of Existing Assets	
	Office Furniture	Yes	Other Assets	Office Equipment		242	270	300	600	720	Operational Equipment	Renewal of Existing Assets	
	Office furniture for detailed buildings	Yes	Other Assets	Office Equipment		36	1,800	2,000	2,000	2,000	Operational Equipment	Renewal of Existing Assets	
	Other Equipment	Yes	Other Assets	Office Equipment		44	45	65	80	—	Operational Equipment	Renewal of Existing Assets	
	Playground Equipment	Yes	Community	Office Equipment		4,121	1,080	1,000	1,000	1,200	Operational Equipment	Renewal of Existing Assets	
	Purchase Specialised Equipment	Yes	Other Assets	Plant & equipment		8,130	6,300	5,000	7,000	10,000	Operational Equipment	Renewal of Existing Assets	
	Rehabilitation of Leasable Facilities	Yes	Other Assets	Other Land and Buildings		—	13,500	16,000	20,000	5,000	All wards	Renewal of Existing Assets	
	Rehabilitation of the Boksburg Lake	Yes	Community	Other		—	900	—	—	—	32	Renewal of Existing Assets	
	Rehabilitation of Weddeman Dams	Yes	Community	Establishment of Parks & Gardens		—	—	—	—	—	39	Renewal of Existing Assets	
	Replace lifts in the springs civic centre	Yes	Other Assets	Other Land and Buildings		886	—	—	—	—	75	Renewal of Existing Assets	
	Software - Cemetery management system	Yes	Other Assets	Other		200	900	2,000	—	—	—	Renewal of Existing Assets	
	Specialised Equipment	Yes	Other Assets	Plant & equipment		422	540	715	730	—	Operational Equipment	Renewal of Existing Assets	
	Upgrade and renewal of buildings around EMM	Yes	Other Assets	Other Land and Buildings		—	—	5,000	10,000	—	All wards	Renewal of Existing Assets	
	Upgrade of Electro Mechanical Installations in EMM Buildings	Yes	Other Assets	Other Land and Buildings		—	—	—	5,000	—	All wards	Renewal of Existing Assets	
	Upgrading and Rebuild of Infrastructure at Germiston Lake	Yes	Community	Establishment of Parks & Gardens		5,131	1,280	6,500	7,000	5,000	Operational Equipment	Renewal of Existing Assets	
	Vehicles - More Than 2 seats	Yes	Other Assets	Other Motor Vehicles		—	736	1,500	3,000	40,000	Operational Equipment	Renewal of Existing Assets	
	Vehicles - Two seats and less	Yes	Other Assets	Other Motor Vehicles		18,459	17,480	14,000	40,500	—	Operational Equipment	Renewal of Existing Assets	
	Vehicles (2 Seats or Less)	Yes	Other Assets	Other Motor Vehicles		—	4,140	—	—	—	Operational Equipment	Renewal of Existing Assets	
	ICT Equipment	Yes	Other Assets	Office Equipment		—	135	150	120	150	Operational Equipment	Renewal of Existing Assets	
	Office Furniture	Yes	Other Assets	Office Equipment		—	180	100	80	20	Operational Equipment	Renewal of Existing Assets	
	Other Equipment	Yes	Other Assets	Office Equipment		—	18	40	20	20	Operational Equipment	Renewal of Existing Assets	
	Aerropolis: Albernia Sibulu Corridor	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		—	—	—	—	—	—	New	
	Aerropolis: Rhodesfield	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		1,917	6,400	9,000	11,000	30,000	17	New	
	Aerropolis: Rhodesfield road network	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		399	—	—	—	—	—	Renewal of Existing Assets	
	Alsaville Spruit food management	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		11,666	5,000	6,000	1,000	700	23	Renewal of Existing Assets	
	Alsaville Spruit food management	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		6,549	4,000	4,000	700	700	20	Renewal of Existing Assets	
	Bedfordview Stormwater Protection	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		751	2,000	2,500	3,000	5,000	20	Renewal of Existing Assets	
	Bedfordview, Geometric Rd improvement (Including Edemate)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		—	—	500	500	—	27	Renewal of Existing Assets	
	Benoni Const of S W Outfall Flywid	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		1,896	—	6,000	6,000	—	74	Renewal of Existing Assets	
	Benivier Drive: Reconstruction & widening	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		—	—	—	—	—	—	Renewal of Existing Assets	
	Brekpan, Const of Farghinson Road	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		3,764	6,000	—	—	—	—	Renewal of Existing Assets	
	Const. Of Small Holding Roads	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		—	—	—	—	—	—	Renewal of Existing Assets	

Municipal Vote/Capital project		Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes			2014/15 Medium Term Revenue & Expenditure Framework			Project Information	
R thousand	6						3	3	Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location
Roads and Stormwater	Yes	Const. of Small Holding Roads (Eastern Region)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	630	2,000	5,000	5,000	5,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Construct Daveyton CBD/N12 Interchange	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	1,680	8,000	10,000	5,000	5,000	Multi Wards	New	
Roads and Stormwater	Yes	Construction of Rivas Rd, Roadside	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	—	—	—	—	40	Renewal of Existing Assets	
Roads and Stormwater	Yes	Contribution Township Development	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	6,500	11,000	3,000	3,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Croydon Bulk SW System	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	900	1,000	500	1,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	De-silting Elsburg dam	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	450	—	—	—	17	Renewal of Existing Assets	
Roads and Stormwater	Yes	Doubling Barry Manale Rd	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	250	1,500	6,500	6,000	43	Renewal of Existing Assets	
Roads and Stormwater	Yes	Eastern Reg. Imp New Traffic Sign	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	5,000	10,000	8,000	1,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Easleigh Spruit Channel	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	1,500	500	3,000	3,000	17	Renewal of Existing Assets	
Roads and Stormwater	Yes	Elandsbulten, SW Impmentation (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	3,950	—	500	4,000	6,000	10	New	
Roads and Stormwater	Yes	Eisangweni Pedestrian facilities/bridge	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	4,021	—	3,000	5,000	4,000	10	New	
Roads and Stormwater	Yes	Eswawa Stormwater	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	—	4,000	15,000	15,000	24	New	
Roads and Stormwater	Yes	Extension of Albertina Sisulu Expressway	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	961	—	3,780	10,000	6,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	External Infrastructure Development Glen Gory	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	965	—	2,250	500	5,000	17	Renewal of Existing Assets	
Roads and Stormwater	Yes	Geometric Road Improvements (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	—	—	—	—	Multi Wards	New	
Roads and Stormwater	Yes	Greater Stormwater System Implement	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	—	—	—	—	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Greater Tembisa Roads and SW	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	4,823	1,350	1,500	4,000	2,000	18	Renewal of Existing Assets	
Roads and Stormwater	Yes	Hamsela / Barendal SW Systems	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	820	900	1,000	1,000	1,000	Operational Equipment	Renewal of Existing Assets	
Roads and Stormwater	Yes	ICT Equipment	Yes	Other Assets	Office Equipment	5	2,800	2,000	—	—	—	23	Renewal of Existing Assets	
Roads and Stormwater	Yes	Impale Park Stormwater System Northrop Rd etc	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	1,873	900	1,000	2,000	2,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Implement Traffic Signals: East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	2,500	2,500	4,000	2,500	2,500	61	New	
Roads and Stormwater	Yes	Install SW in Palm Ridge	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	2,000	2,500	3,000	3,000	18	Renewal of Existing Assets	
Roads and Stormwater	Yes	Isando/valle Ersson-Probecon Impi (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	3,000	3,000	—	—	81	Renewal of Existing Assets	
Roads and Stormwater	Yes	K136 & Rd 1894 Link Road	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	200	4,000	12,000	12,000	1	Renewal of Existing Assets	
Roads and Stormwater	Yes	Kaal Spruit rehabilitation	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	1,100	1,100	1,550	—	—	Multi Wards	New	
Roads and Stormwater	Yes	Kalehong & Thokoza, Lining of Canal between Kalehong and Thokoza	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	13,036	12,500	11,000	11,000	12,000	Multi Wards	New	
Roads and Stormwater	Yes	Kalehong Implementation of Stormwater Masterplan	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	2,105	3,105	—	—	—	17	Renewal of Existing Assets	
Roads and Stormwater	Yes	Kempson Park Depot	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	1,016	—	—	—	—	69	Renewal of Existing Assets	
Roads and Stormwater	Yes	Khoswa Stormwater Day/ton	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	225	1,000	6,000	—	21	Renewal of Existing Assets	
Roads and Stormwater	Yes	Krat Barbara Road Intersection Upgrade	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	3,998	—	—	—	—	Multi Wards	New	
Roads and Stormwater	Yes	Kwa- Themba Stormwater	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	1,012	—	—	—	—	31	Renewal of Existing Assets	
Roads and Stormwater	Yes	Leachville Roads & Stormwater	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	540	800	1,000	1,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Minor Extensions to Stormwater Germiston	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	500	500	500	500	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Minor Extensions to Stormwater Germiston	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	942	650	650	650	650	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Minor Road Improvements: East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	650	—	2,500	6,500	6,500	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Minor Works for Roads and SW: South	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	500	—	—	—	44	New	
Roads and Stormwater	Yes	Monument Road	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	270	300	300	400	Operational Equipment	Renewal of Existing Assets	
Roads and Stormwater	Yes	NG Const. peds brd btw Map & Voslo	Yes	Other Assets	Office Equipment	5	151	86	100	100	200	Operational Equipment	Renewal of Existing Assets	
Roads and Stormwater	Yes	Office Furniture	Yes	Other Assets	Office Equipment	5	1,617	3,500	3,000	3,000	3,000	Multi Wards	New	
Roads and Stormwater	Yes	Paving & Sleekwalks: East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	2,999	—	—	—	—	72	New	
Roads and Stormwater	Yes	Payneville & Slovo Park Roads & Stormwater	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	1,350	—	—	—	—	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Pedestrian Bridge: Swarthopness street	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	2,000	2,000	5,000	2,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Pedestrian Bridges: Greater Tembisa streams	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	7,955	10,300	8,000	6,000	6,000	Multi Wards	Renewal of Existing Assets	
Roads and Stormwater	Yes	Pedestrian Management East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	5,192	5,100	5,100	5,100	5,100	56, 54, 56, 57, 58	Renewal of Existing Assets	
Roads and Stormwater	Yes	Pedestrian Management Impi. (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	500	1,500	2,500	2,500	2,500	67	New	
Roads and Stormwater	Yes	Pedestrian Management Impi. (South)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	687	2,700	9,000	6,000	6,000	100	Renewal of Existing Assets	
Roads and Stormwater	Yes	Phola Park Roads and SW	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	—	—	—	—	—	—	
Roads and Stormwater	Yes	Pomona Roads	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater	5	—	—	—	—	—	—	—	

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes				2014/15 Medium Term Revenue & Expenditure Framework				Project Information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year 2015/16	Budget Year 2016/17	Ward location	New or renewal			
						6	5	3	3	3	100				
Roads and Stormwater	Pomona Roads	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		3,500					100		New		
Roads and Stormwater	Pomona Roads	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		1,000	1,800	2,000	7,000	7,000			Renewal of Existing Assets		
Roads and Stormwater	Pomona Stormwater System	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater			3,000	7,000	11,000	5,000	27		Renewal of Existing Assets		
Roads and Stormwater	Pretria Road Upgrading	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		1,401	4,500	4,000	4,000	5,000	15		Renewal of Existing Assets		
Roads and Stormwater	Quinine Rd Stormwater System	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater				200	5,000	22			Renewal of Existing Assets		
Roads and Stormwater	Raverswood Rd Construction (Future)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Raverswood Rd Construction (Future)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Reconstruct Limon Jones Railway Crossing	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		164	270						Renewal of Existing Assets		
Roads and Stormwater	Reconstruction of Nienann Road	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Rehab. Of Roads: From Opex	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Rehab. Of Roads: From Opex	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Rehabilitate Dam Spillways	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater				3,000	3,000	75			Renewal of Existing Assets		
Roads and Stormwater	Rehabilitate Roads in Eastern Region	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		14,000	59,000	39,000	45,000	30,000			Renewal of Existing Assets		
Roads and Stormwater	Rehabilitation of Roads (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		18,812	58,000	42,000	40,000	25,000			Renewal of Existing Assets		
Roads and Stormwater	Rehabilitation of Roads (North) From Opex	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Rehabilitation of roads: South	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		3,000	59,000	42,000	45,000	30,000			Renewal of Existing Assets		
Roads and Stormwater	Replacement of Traffic Signals with LED Heads: East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater			450	500	500	500			Renewal of Existing Assets		
Roads and Stormwater	Roads East (AS and When)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		30,500	48,719	26,000	25,000	25,000			New		
Roads and Stormwater	Roads East (AS and When)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		18,761	7,650	10,000	10,000	10,000			Renewal of Existing Assets		
Roads and Stormwater	Roads on Dokitole	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater			45,000	41,000	30,000	45,000			New		
Roads and Stormwater	Roads: Low Cost Housing: East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		29,999	11,000	12,000	17,000	19,000			New		
Roads and Stormwater	Roads: Low Cost Housing: North	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		20,400	25,000	25,000	30,000	40,000			New		
Roads and Stormwater	Roads: Low Cost Housing: South	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		30,000	5,000	3,700					New		
Roads and Stormwater	Rondeburgpark Roads & SW	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		500							41		
Roads and Stormwater	Rover St Widening in Henville (Future)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Rover St Widening in Henville (Future)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Sandpan Area Stormwater Outfall	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		383	332	500	5,000	2,000	27		Renewal of Existing Assets		
Roads and Stormwater	Sidewalks General	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									New		
Roads and Stormwater	Sidewalks General (Kalekongo CCC)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Sidewalks General (Bolsburg CCC)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Sidewalks General (Germiston CCC)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Sidewalks General (Kalekongo CCC)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Sidewalks General (Thokoza CCC)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Sidewalks General (Vosloorus CCC)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Silt & rubbish trap: Bolsburg lake	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		722	450						Renewal of Existing Assets		
Roads and Stormwater	Somerset Stormwater Upgrading	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		370	1,000						Renewal of Existing Assets		
Roads and Stormwater	South Traffic Signal Co ordination	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	South, Replacement of Traffic Signals with LED Heads	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		973	1,620	1,800	2,800	3,000			Renewal of Existing Assets		
Roads and Stormwater	South, JG Strydom Road, Construct Road	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	South, JG Strydom Road, Construct Road	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		19,905	25,000	20,000	25,000	25,000			New		
Roads and Stormwater	South, Sidewalks and Rd Reserve	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		5,000	3,150	3,500	5,500	5,500			Renewal of Existing Assets		
Roads and Stormwater	Southern Drive Intersect Upgrading	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		12,120	3,000	6,000	6,000	5,000			Renewal of Existing Assets		
Roads and Stormwater	Souransberg Drive Intersect Upgrading	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		10,000	17,000	21,000	24,000	25,000			Renewal of Existing Assets		
Roads and Stormwater	Specialised Equipment	Yes	Other Assets	Pair & equipment		224	8,600	2,500	3,000				Renewal of Existing Assets		
Roads and Stormwater	St Austel Stormwater Drainage	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Stormwater (AS and When) East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Stormwater Improvements (Minor) (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Stormwater Upgrades (South)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Stormwater Upgrades: North	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		
Roads and Stormwater	Stormwater Upgrading Thirwa	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater									Renewal of Existing Assets		

EKU Ekurhuleni Metro - Supporting Table SA36 Consolidated detailed capital budget														
Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes			2014/15 Medium Term Revenue & Expenditure Framework			Project information		
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal		
R thousand		6	3	3	5									
Roads and Stormwater	Shyls Road Improvements	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		2,989	4,500	-	2,300	4,000	29	Renewal of Existing Assets		
Roads and Stormwater	SW in Vosloorus	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		1,666	2,300	-	-	44, 45, 46, 47, 64, 95	New			
Roads and Stormwater	SW Master Plan Implementation	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	-	-	-	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	SW Masterplan Implent in Kalesburg	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	-	-	-	36	New			
Roads and Stormwater	SW Upgrade Nasmith Rd, Diehobek	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		6,799	10,000	5,000	2,000	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Swarspruit Rehabilitation, Kempton Park	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	(810)	8,000	10,000	14	Renewal of Existing Assets			
Roads and Stormwater	Tembsa Depot Upgrading	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	-	2,000	5,000	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Tembsa Natural Watercourses upgrading	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		3,473	22	4,000	4,000	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Tenary Rds South Dept Construction	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		10,436	40,000	16,000	18,000	Multi Wards	New			
Roads and Stormwater	Tenary Roads (South)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		10,303	8,000	6,000	6,000	Multi Wards	New			
Roads and Stormwater	Tenary Roads in Kalesburg	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		3,000	-	-	-	Multi Wards	New			
Roads and Stormwater	Tenary roads in the Eastern Region	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		4,275	10,500	3,500	3,500	Multi Wards	New			
Roads and Stormwater	Tenary Roads in Thokoza- Phase 3	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		9,762	4,000	3,600	3,600	Multi Wards	New			
Roads and Stormwater	Tenary Roads in Vosloorus- Phase 3	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		27,800	4,000	3,600	3,600	Multi Wards	New			
Roads and Stormwater	Tenary Roads North	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		45,100	47,050	30,000	25,000	Multi Wards	New			
Roads and Stormwater	Tenary Roads North	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		1,605	1,600	8,000	8,000	Multi Wards	New			
Roads and Stormwater	Thokoza Stormwater Masterplan Implementation	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		9,053	1,600	8,000	8,000	Multi Wards	New			
Roads and Stormwater	Thokoza Impenentation of Stormwater Masterplan	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		3,000	2,700	3,000	3,000	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Township Developp/Ext Services ex Contributors	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		609	4,492	1,500	1,500	Multi Wards	New			
Roads and Stormwater	Traffic Calming (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		708	450	800	800	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Traffic Calming in the Eastern Region	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		800	1,350	2,000	2,000	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Traffic Calming South	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		2,805	990	1,100	1,100	Multi Wards	New			
Roads and Stormwater	Traffic Signal SMARTSM Compliance	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	-	-	-	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Traffic Signal Upgrades: East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		2,890	1,900	2,000	2,500	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Traffic Signal Upgrades: South	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		7,100	4,950	5,500	5,500	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Traffic Signal Southern Region	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		1,500	-	-	-	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Traffic Signal Upgrading (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		450	450	3,000	3,000	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Trichards Rd from North Rand to Impaal Park	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	450	3,000	6,000	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Turney Rds, Brobb & Brickfields rds	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	450	3,000	6,000	92	Renewal of Existing Assets			
Roads and Stormwater	Turney Roads (East)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		10,040	-	-	-	Multi Wards	New			
Roads and Stormwater	Turnley Roads (East)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		10,000	-	-	-	Multi Wards	New			
Roads and Stormwater	Turnley Roads (East)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		38,629	-	-	-	Multi Wards	New			
Roads and Stormwater	Turnley Roads (South)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		10,000	-	-	-	Multi Wards	New			
Roads and Stormwater	Turnley Roads (South)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		188	3,000	4,000	4,000	Multi Wards	New			
Roads and Stormwater	Turnley Stormwater (East)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		4,000	3,000	3,000	3,000	24	Renewal of Existing Assets			
Roads and Stormwater	Upgrade Joe Mzame Road, Kwa- Thema	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	-	-	-	27	Renewal of Existing Assets			
Roads and Stormwater	Upgrade of First Road: Pabonin	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		500	450	-	-	Multi Wards	Renewal of Existing Assets			
Roads and Stormwater	Upgrade of O'Neilly Merry Street	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		8,709	4,500	3,000	4,000	100	Renewal of Existing Assets			
Roads and Stormwater	Upgrading of Roads Depos: East	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		4,143	9,450	11,000	19,000	Operational Equipment	Renewal of Existing Assets			
Roads and Stormwater	Upgrading of Agric Holding Roads (North)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	450	-	-	95	Renewal of Existing Assets			
Roads and Stormwater	Upgrading of Michalee street Vehicles	Yes	Other Assets	Other Motor Vehicles		500	-	-	-	92	Renewal of Existing Assets			
Roads and Stormwater	Vosloorus New Depot	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		614	450	3,000	4,000	43	Renewal of Existing Assets			
Roads and Stormwater	Wilead SW System	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		315	315	-	-	43	Renewal of Existing Assets			
Roads and Stormwater	Wilead SW System	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		8,145	8,145	-	-	43	Renewal of Existing Assets			
SRAC	Chris Hani Memorial	Yes	Community	Museums & Art Galleries	S 26-16-40 625E 26-16-12 659	614	8,145	-	-	-	43	Renewal of Existing Assets		
SRAC	Chris Hani Memorial	Yes	Community	Museums & Art Galleries	S 26-16-40 625E 26-16-12 659	614	8,145	-	-	-	43	Renewal of Existing Assets		

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project Information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
R thousand		6	3	3	5							
SRAC	Chris Hani Museum	Yes	Community	Museums & Art Galleries		500	3,500	8,500	1,000	16,000	43	New
SRAC	Construction & Development of Duduza Reconciliation Park	Yes	Community	Museums & Art Galleries		-	-	-	-	-	87	New
SRAC	Construction of a Zonkizwe Multi-purpose center	Yes	Community	Recreational Facilities		-	-	-	-	-	61	New
SRAC	Construction of a 1000 seater Theatre	Yes	Community	Recreational Facilities		-	-	-	-	-	42	New
SRAC	Construction of a Multi-purpose center in Vosloorus	Yes	Community	Recreational Facilities		-	-	-	-	-	45	New
SRAC	Construction of a new Bonaero Park Library	Yes	Community	Libraries		600	-	-	-	-	23	New
SRAC	Construction of a new swimming pool in Duduza	Yes	Community	Recreational Facilities		465	-	4,000	4,000	-	87	New
SRAC	Construction of a new swimming pool in Eden Park	Yes	Community	Recreational Facilities		-	-	4,000	4,000	-	58	New
SRAC	Construction of a new World Class Library	Yes	Community	Recreational Facilities		3,000	-	-	-	-	42	New
SRAC	Construction of a Softball Field & Golf driving range in Tsakane	Yes	Community	Sportfields		-	14,000	-	-	-	82	New
SRAC	Construction of a Soccer Field & Golf driving range in Tsakane	Yes	Community	Libraries		-	-	-	-	-	82	New
SRAC	Construction of Bedfordview Art Gallery	Yes	Community	Sportfields		-	-	-	-	-	-	New
SRAC	Construction of Drum Theatre Moses Molekwa Art Centre	Yes	Community	Museums & Art Galleries		1,180	-	-	-	-	2	New
SRAC	Construction of New Library, Tsakane	Yes	Community	Museums & Art Galleries		-	-	-	-	-	85	New
SRAC	Construction of New Library, Tsakane	Yes	Community	Libraries		-	8,360	10,300	-	-	85	New
SRAC	Construction: Ablution facilities	Yes	Community	Libraries		-	900	1,500	2,000	3,000	65	New
SRAC	Construction: New Library Etwatwa	Yes	Other Assets	Other		-	-	-	-	-	-	New
SRAC	Construction: New Library Etwatwa	Yes	Community	Libraries		2,835	-	-	8,911	11,000	65	New
SRAC	Construction: New Library Langaville	Yes	Community	Libraries		-	-	-	-	-	81	New
SRAC	Construction: New Library Langaville	Yes	Community	Libraries		1,180	-	-	-	-	81	New
SRAC	Construction: New Library, Brakpan	Yes	Community	Libraries		-	-	-	-	-	97	New
SRAC	Construction: New Library, Brakpan	Yes	Community	Libraries		-	5,760	12,850	-	-	97	New
SRAC	Construction: New Library, Vosloorus	Yes	Community	Libraries		-	-	-	-	-	63	New
SRAC	Fencing: Sport & Recreational Facilities	Yes	Community	Other		2,375	-	-	-	-	-	New
SRAC	Fencing: Sport & Recreational Facilities	Yes	Community	Other		5,410	5,000	2,500	1,000	2,000	All wards	Renewal of Existing Assets
SRAC	Furniture & Equipment: Arts & Culture	Yes	Other Assets	Office Equipment		206	-	-	-	-	Operational Equipment	Renewal of Existing Assets
SRAC	Furniture & Equipment: Arts & Culture	Yes	Other Assets	Office Equipment		1,686	-	-	1,500	1,000	Operational Equipment	Renewal of Existing Assets
SRAC	Furniture & Equipment: Community and Recreation Centres	Yes	Other Assets	Office Equipment		4,295	-	-	-	-	Operational Equipment	Renewal of Existing Assets
SRAC	Furniture & Equipment: Community and Recreation Centres	Yes	Other Assets	Office Equipment		-	-	-	-	-	Operational Equipment	Renewal of Existing Assets
SRAC	Furniture: Community and Sport centres	Yes	Other Assets	Office Equipment		500	450	300	1,000	1,000	Operational Equipment	Renewal of Existing Assets
SRAC	Furniture: Community and Sport centres	Yes	Community	Museums & Art Galleries		-	2,141	4,013	10,000	-	36	Renewal of Existing Assets
SRAC	Germination Theatre	Yes	Community	Office Equipment		489	1,170	1,500	3,000	3,000	Operational Equipment	Renewal of Existing Assets
SRAC	ICT Equipment	Yes	Community	Libraries		168	-	-	-	-	Operational Equipment	New
SRAC	Libraries Books	Yes	Community	Libraries		637	-	-	-	-	Operational Equipment	New
SRAC	Libraries Books	Yes	Community	Libraries		-	1,620	3,000	1,000	3,000	Operational Equipment	Renewal of Existing Assets
SRAC	Libraries Furniture	Yes	Other Assets	Office Equipment		987	900	500	1,000	1,000	Operational Equipment	Renewal of Existing Assets
SRAC	Libraries ICT Equipment	Yes	Other Assets	Office Equipment		134	-	1,000	-	-	Operational Equipment	Renewal of Existing Assets
SRAC	Libraries ICT Equipment	Yes	Other Assets	Office Equipment		-	-	700	-	-	Operational Equipment	Renewal of Existing Assets
SRAC	Libraries Specialised Equipment	Yes	Community	Museums & Art Galleries		75	380	300	500	1,000	Operational Equipment	Renewal of Existing Assets
SRAC	Office Furniture	Yes	Community	Museums & Art Galleries		331	-	-	-	-	30	Renewal of Existing Assets
SRAC	OR: Tambo Precinct and surrounding development ( 2010 projects as May	Yes	Community	Museums & Art Galleries		-	-	2,000	-	-	30	New
SRAC	OR: Tambo Precinct Narrative Centre	Yes	Community	Museums & Art Galleries		17,650	2,350	-	-	-	30	New
SRAC	OR: Tambo Precinct Narrative Centre	Yes	Community	Museums & Art Galleries		-	3,800	-	-	-	30	New
SRAC	Other Equipment	Yes	Community	Sportfields		-	45	-	-	-	Operational Equipment	Renewal of Existing Assets
SRAC	Reconstruct: Kalerong Stadium	Yes	Community	Libraries		3,963	-	-	-	-	40	Renewal of Existing Assets
SRAC	Reconstruction of Oltanstein Library	Yes	Community	Libraries		1,759	-	-	-	-	89	Renewal of Existing Assets
SRAC	Reconstruction of Oltanstein Library	Yes	Community	Recreational Facilities		2,265	-	-	-	-	89	Renewal of Existing Assets
SRAC	Refurbishment of Community Centres	Yes	Community	Recreational Facilities		791	-	-	-	-	All wards	Renewal of Existing Assets
SRAC	Rehabilitation of Alva Park Swimming pool	Yes	Community	Sportfields		6,345	-	-	-	-	88	New

EkuKuruleni Metro - Supporting Table SA36 Consolidated detailed capital budget													
Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project Information		
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
R thousand		6	3	3	5								
SRAC	Renovation of Durucas stadium	Yes	Community	Recreational Facilities		5,355	14,786	-	-	-	84	New	
SRAC	Renovation of Kalebong Swimming Pool	Yes	Community	Libraries		1,970	2,555	-	-	-	40	New	
SRAC	Renovation of Libraries	Yes	Community	Sportsfields		1,144	3,500	3,000	2,000	5,000	Multi Wards	Renewal of Existing Assets	
SRAC	Renovation of Pam Brink Stadium	Yes	Community	Recreational Facilities		1,450	10,588	7,000	7,500	10,000	Multi Wards	Renewal of Existing Assets	
SRAC	Renovation of Sport Facilities	Yes	Community	Recreational Facilities		3,181	-	-	-	-	Multi Wards	Renewal of Existing Assets	
SRAC	Renovation of Swimming Pools	Yes	Community	Museums & Art Galleries		5,056	9,900	11,000	20,500	20,000	Multi Wards	Renewal of Existing Assets	
SRAC	Renovation of Thami Mnyele Cultural Park	Yes	Community	Sportsfields		40	5,500	2,800	3,500	-	9	New	
SRAC	Renovation of the Boksburg stadium	Yes	Community	Sportsfields		6,790	12,102	-	-	-	43	New	
SRAC	Renovation of Venille stadium	Yes	Community	Recreational Facilities		-	-	-	-	-	30	New	
SRAC	Replacement of heating system: Boksburg North swimming pool	Yes	Community	Recreational Facilities		4,000	-	2,000	2,500	3,000	All wards	Renewal of Existing Assets	
SRAC	Resurfacing of Hard Courts	Yes	Other Assets	Plant & equipment		960	1,350	1,500	2,000	3,000	Operational Equipment	Renewal of Existing Assets	
SRAC	Specialized Equipment	Yes	Community	Other Motor Vehicles		4,500	4,500	3,500	3,000	-	Operational Equipment	Renewal of Existing Assets	
SRAC	Specialized Vehicles	Yes	Community	Libraries		-	-	-	-	-	All wards	Renewal of Existing Assets	
SRAC	Toiles and guardhouses at various libraries	Yes	Community	Libraries		3,389	-	-	-	-	All wards	New	
SRAC	Upgrade of Aka Park Library	Yes	Community	Recreational Facilities		4,309	-	-	-	-	All wards	Renewal of Existing Assets	
SRAC	Upgrade of Libraries	Yes	Community	Libraries		900	900	2,000	8,000	-	All wards	New	
SRAC	Upgrade of Sport & Recreation Facilities	Yes	Community	Libraries		734	-	-	-	-	2	New	
SRAC	Upgrade Tembisa Library	Yes	Community	Museums & Art Galleries		611	2,500	3,500	2,000	2,000	Multi Wards	Renewal of Existing Assets	
SRAC	Upgrade Art Centres	Yes	Community	Museums & Art Galleries		1,757	1,800	-	-	-	2	New	
SRAC	Upgrade: Construction of Memorial Stes	Yes	Community	Recreational Facilities		-	-	-	-	-	Multi Wards	Renewal of Existing Assets	
SRAC	Upgrade: Recreation Facilities	Yes	Community	Sportsfields		-	-	-	-	-	40	Renewal of Existing Assets	
SRAC	Upgrading & Conversion of a World Class stadium	Yes	Community	Sportsfields		3,821	-	-	-	-	2	Renewal of Existing Assets	
SRAC	Upgrading and completion Makrurong stadium	Yes	Community	Sportsfields		3,472	8,966	-	-	-	78	New	
SRAC	Upgrading of the kwa-thema stadium	Yes	Community	Sportsfields		11,353	2,250	13,000	10,000	12,000	Operational Equipment	Renewal of Existing Assets	
SRAC	Upgrading of Vosloorus Stadium	Yes	Community	Sportsfields		2,250	180	120	120	140	Operational Equipment	Renewal of Existing Assets	
SRAC	Vehicles	Yes	Other Assets	Other Motor Vehicles		34	180	120	120	140	Operational Equipment	Renewal of Existing Assets	
SRAC	Vehicles	Yes	Other Assets	Other Motor Vehicles		71	54	70	70	80	Operational Equipment	Renewal of Existing Assets	
Strategy & Corporate Planning	ICT Equipment	Yes	Other Assets	Office Equipment		-	-	-	-	-	88	Operational Equipment	
Strategy & Corporate Planning	Office Furniture	Yes	Other Assets	Office Equipment		12,000	-	30,000	40,000	2,000	35	New	
Strategy & Corporate Planning	Other Equipment	Yes	Other Assets	Other		-	-	-	-	-	All wards	New	
Strategy & Corporate Planning	Bluegumview Taxi Rank	Yes	Infrastructure	Car Parks, Bus Terminals and Taxi Ranks		500	2,000	21,800	39,000	-	4	New	
Transport	Bus Ticket System	Yes	Infrastructure	Car Parks, Bus Terminals and Taxi Ranks		409	2,700	21,800	39,000	-	37	New	
Transport	Construction of intermodal facilities	Yes	Infrastructure	Car Parks, Bus Terminals and Taxi Ranks		446	630	800	900	1,000	65	New	
Transport	Construction of intermodal facilities: Upgrading Germiston Station Taxi Rank	Yes	Infrastructure	Car Parks, Bus Terminals and Taxi Ranks		806	893	800	700	800	Operational Equipment	Renewal of Existing Assets	
Transport	Construction of MVRADLTC Kwatsiduzza	Yes	Other Assets	Other Land and Buildings		38,387	239,543	230,000	259,048	280,000	All wards	New	
Transport	Construction of MVRADLTC Tembisa	Yes	Other Assets	Other Land and Buildings		1,000	5,000	15,000	330,000	350,000	All wards	New	
Transport	Construction of one taxi and bus laybys	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		759	450	500	600	600	Operational Equipment	Renewal of Existing Assets	
Transport	Construction of pedestrian walkways and cycle paths	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		497	552	900	900	900	Operational Equipment	Renewal of Existing Assets	
Transport	Du Plessis Taxi rank	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	-	-	-	-	45	New	
Transport	Establish MVRADLTC Kalebong	Yes	Other Assets	Car Parks, Bus Terminals and Taxi Ranks		-	-	-	-	-	45	New	
Transport	ICT Equipment	Yes	Other Assets	Office Equipment		-	-	-	-	-	45	New	
Transport	ICT Equipment (LIC)	Yes	Other Assets	Office Equipment		-	-	-	-	-	45	New	
Transport	Integrated Rapid Public Transport Network(IRPTN)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	-	-	-	-	45	New	
Transport	Integrated Rapid Public Transport Network(IRPTN)	Yes	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	-	-	-	-	45	New	
Transport	New Vosloorus Hospital Taxi Rank	Yes	Infrastructure	Car Parks, Bus Terminals and Taxi Ranks		-	-	-	-	-	45	New	
Transport	Office Furniture	Yes	Other Assets	Office Equipment		-	-	-	-	-	45	New	
Transport	Office Furniture (Licensing)	Yes	Other Assets	Office Equipment		-	-	-	-	-	45	New	



Municipal Vote/Capital project		Program/Project description		Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand				6	3	3	5	Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget 2016/17	Ward location	New or renewal
Transport	Other Equipment (LIC)	Yes	Other Assets	28	187	600		28	187	600	-	-	Operational Equipment	Renewal of Existing Assets
Transport	Palm Ridge Taxi Rank	Yes	Infrastructure	918	5,000	15,000		918	5,000	15,000	-	-	61	New
Transport	Ruimsig Taxi Rank (Tokoz)	Yes	Infrastructure	286	2,000	15,000		286	2,000	15,000	-	-	58	New
Transport	Ramaphosa Taxi Rank	Yes	Infrastructure	4,446	19,500	15,000		4,446	19,500	15,000	-	-	42	New
Transport	Refurbish All Metro Licensing Premises	Yes	Other Assets	9,673	13,086	1,440		9,673	13,086	1,440	1,600	-	All wards	Renewal of Existing Assets
Transport	Refurbishment of Public Transport Facilities	Yes	Infrastructure	1,640	7,380	40,000		1,640	7,380	40,000	40,000	-	Operational Equipment	Renewal of Existing Assets
Transport	Replace Municipal buses	Yes	Specialised Vehicles										Operational Equipment	Renewal of Existing Assets
Transport	Replace Municipal buses	Yes	Specialised Vehicles										Operational Equipment	Renewal of Existing Assets
Transport	Security Cameras	Yes	Other Assets	298	10,710	700		298	10,710	700	1,200	-	Operational Equipment	New
Transport	Security Cameras	Yes	Other Assets	25	540	1,200		25	540	1,200	2,000	-	Operational Equipment	Renewal of Existing Assets
Transport	Specialized Equipment (Licensing)	Yes	Other Assets	306	1,620	1,300		306	1,620	1,300	2,000	-	Operational Equipment	Renewal of Existing Assets
Transport	Upgrading of Germiston Bus Depot	Yes	Infrastructure	463	-	-		463	-	-	-	-	All wards	Renewal of Existing Assets
Transport	Upgrading of Weighbridges in EMM	Yes	Other Assets										Operational Equipment	Renewal of Existing Assets
Transport	Upgrading of Weighbridges in EMM	Yes	Other Assets										Operational Equipment	Renewal of Existing Assets
Transport	Vehicles	Yes	Other Assets	535	720	1,000		535	720	1,000	1,000	-	Operational Equipment	Renewal of Existing Assets
Transport	Vehicles (Licensing)	Yes	Other Assets										Operational Equipment	Renewal of Existing Assets
Waste Management	Air space development	Yes	Infrastructure		1,148	1,200			1,148	1,200	25,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Area and Street Furniture in our CBDs	Yes	Other Assets										All wards	Renewal of Existing Assets
Waste Management	Cell and storm water - Fookkraal	Yes	Infrastructure	10,900	-	-		10,900	-	-	8,500	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Cell development - Platop	Yes	Infrastructure	499	5,000	2,000		499	5,000	2,000	12,500	31	Operational Equipment	Renewal of Existing Assets
Waste Management	Cell Development - Rietfontein	Yes	Infrastructure	8,400	4,050	2,000		8,400	4,050	2,000	8,000	64	Operational Equipment	Renewal of Existing Assets
Waste Management	Cell Development - Rietfontein	Yes	Infrastructure		14,200	-			14,200	-	-	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Conversion and upgrading of existing Mini site to drop off facility for recycling	Yes	Infrastructure	220	1,000	15,000		220	1,000	15,000	-	-	All wards	Renewal of Existing Assets
Waste Management	Develop Shimmer & Jack Waste site	Yes	Infrastructure		2,250	18,000			2,250	18,000	30,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Development of the public offloading facilities/recycling	Yes	Infrastructure		500	11,000			500	11,000	2,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Development of the public offloading facilities/recycling	Yes	Infrastructure		5,982	10,080			5,982	10,080	15,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Facilities, Upgrade and construction of facilities	Yes	Infrastructure	570	990	800		570	990	800	1,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	ICT Equipment	Yes	Other Assets	8,298	9,000	2,000		8,298	9,000	2,000	5,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Installation Gas Flares & Walls	Yes	Infrastructure										97 99 76 36	Renewal of Existing Assets
Waste Management	LANDFILL REHABILITATION, PREV-NEW	Yes	Infrastructure										All wards	New
Waste Management	Office Furniture	Yes	Other Assets	222	225	300		222	225	300	-	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Other Equipment	Yes	Other Assets	311	45	300		311	45	300	300	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Rehabilitation of the closed Braikan landfill site	Yes	Infrastructure	1,000	500	5,000		1,000	500	5,000	31	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Renewal of Transfer Station in Alberton	Yes	Infrastructure	19,200	3,510	-		19,200	3,510	-	-	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Specialised Equipment	Yes	Other Assets	69,696	33,689	48,517		69,696	33,689	48,517	30,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Specialised Vehicles (less than 2 seats)	Yes	Specialised Vehicles	180	1,350	-		180	1,350	-	-	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Specialised Vehicles (more than 2 seats)	Yes	Other Assets	1,830	3,600	4,500		1,830	3,600	4,500	1,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Supply of Bulk Containers	Yes	Other Assets	88	900	3,000		88	900	3,000	3,000	-	Operational Equipment	Renewal of Existing Assets
Waste Management	Supply of recycling bins	Yes	Infrastructure										Operational Equipment	Renewal of Existing Assets
Waste Management	Upgrading of public offloading areas/recycling facilities	Yes	Infrastructure										Operational Equipment	Renewal of Existing Assets
Waste Management	Waste Minimisation Projects	Yes	Infrastructure										Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Alberton, Install new OF Hunterfield	Yes	Infrastructure										Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Alberton, Replace old water connections	Yes	Infrastructure										Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Alra Park Essential services	Yes	Infrastructure	772	-	-		772	-	-	-	-	Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Augmentation of Rondebout Water Supply	Yes	Infrastructure										Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Bedford View bulk water upgrade	Yes	Infrastructure	427	-	-		427	-	-	-	-	Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Benoni (East): Augment water	Yes	Infrastructure										Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Benoni (East): Extend Sewers	Yes	Infrastructure										Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Benoni: Extension of Ryfield W&S network	Yes	Infrastructure	11,000	3,600	-		11,000	3,600	-	-	-	Operational Equipment	Renewal of Existing Assets

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
R thousand		6	3	3	5							
Water & Sanitation	Benoni: Realign of Lakeside Mall	Yes	Infrastructure	Sewerage Purification & Retention		2,523	900	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Blaauwbaan: relocate the gravity sewer pipeline	Yes	Infrastructure	Sewerage Purification & Retention		862	1,880	-	-	-	17	Renewal of Existing Assets
Water & Sanitation	Boksburg: Network Upgrade	Yes	Infrastructure	Water Reservoirs & Retention		891	6,300	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Brakpan: New and upgrading supply pipework	Yes	Infrastructure	Water Reservoirs & Retention		1,089	3,150	-	-	-	74	Renewal of Existing Assets
Water & Sanitation	Brakpan: Replace outfall sewer Casselodeale	Yes	Infrastructure	Sewerage Purification & Retention		7,261	900	-	-	-	74	Renewal of Existing Assets
Water & Sanitation	Brakpan: Upgrade feeder Rand Colerries	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	74	Renewal of Existing Assets
Water & Sanitation	Brakpan: Upgrade Various Sewers	Yes	Infrastructure	Sewerage Purification & Retention		871	3,600	-	8,000	10,000	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Brakpan: Upgrade Water Network	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Building New and Upgrade Depot Buildings	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	To be determined	Renewal of Existing Assets
Water & Sanitation	Bulk supply for new water supply (Dawn Park)	Yes	Infrastructure	Water Reservoirs & Retention		3,888	1,500	2,000	6,000	2,000	31	Renewal of Existing Assets
Water & Sanitation	Construct new rdp pumpst: Delpark X13	Yes	Infrastructure	Water Reservoirs & Retention		33	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Daveyton: Booster Pump Knoppefontein Res	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	68	Renewal of Existing Assets
Water & Sanitation	Daveyton: Rehabilitate 450dia steel pipe	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	79	Renewal of Existing Assets
Water & Sanitation	Duduza Ext 4 (on Hold)	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	35	Renewal of Existing Assets
Water & Sanitation	Dukathole (Germiston Ext 8)	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	5	Renewal of Existing Assets
Water & Sanitation	Eckeni Erf 1 Essential services	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	EdePark West & X 1 (650) Essential Services	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	EdePark West & X 1 (650) Essential Services	Yes	Infrastructure	Water Reservoirs & Retention		3,550	4,050	10,000	-	-	18	Renewal of Existing Assets
Water & Sanitation	Edenvalle: Ilfordale Outfall sewer	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Edenvalle: Ilfordale Outfall sewer	Yes	Infrastructure	Plant & equipment		-	-	-	-	-	100	Renewal of Existing Assets
Water & Sanitation	Emergency Equipment at Depots	Yes	Other Assets	Sewerage Purification & Retention		8,000	-	-	-	-	67	New
Water & Sanitation	ERWAT: Upgrade Hareheestoren WCW	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	67	Renewal of Existing Assets
Water & Sanitation	Etawa Ext 18 Essential services - Remedial Work	Yes	Infrastructure	Water Reservoirs & Retention		316	9,365	500	-	-	67	Renewal of Existing Assets
Water & Sanitation	Etawa Ext 35 Essential services	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	65	Renewal of Existing Assets
Water & Sanitation	Etawa Ext 36 Toilet Structures	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	67	New
Water & Sanitation	Etawa Ext 37 Essential services - Completion	Yes	Infrastructure	Water Reservoirs & Retention		8,100	-	-	-	-	67	Renewal of Existing Assets
Water & Sanitation	Etawa Ext 37 Essential services - Completion	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	24	New
Water & Sanitation	Etawa Ext 37 Essential services - Completion	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	39	New
Water & Sanitation	External Infrastructure Development Glen Gory	Yes	Infrastructure	Water Reservoirs & Retention		4,788	-	45,600	-	-	39	New
Water & Sanitation	Germiston: Elimination of Kippoortje & pump s	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Germiston: Elimination of Kippoortje & pump s	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Germiston: Elsburg outfall sewer (R385) (P 283) C/F	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Germiston: Replace water pipes CBD	Yes	Infrastructure	Water Reservoirs & Retention		114	2,700	3,500	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Germiston: Supply To Russel Rd Reservoir	Yes	Infrastructure	Water Reservoirs & Retention		200	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Germiston: Upgrade and replace Delena outfall sewer	Yes	Infrastructure	Sewerage Purification & Retention		22,083	11,000	-	-	-	36	Renewal of Existing Assets
Water & Sanitation	Human Settlements Essential Services	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	ICT Equipment	Yes	Other Assets	Office Equipment		1,031	1,061	65,500	101,000	100,000	Multi Wards	New
Water & Sanitation	Install comb meters industrial areas	Yes	Infrastructure	Water Reservoirs & Retention		25,000	-	800	800	500	Operational Equipment	Renewal of Existing Assets
Water & Sanitation	Installation of water meters in various	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Installation of water meters in various	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	All wards	Renewal of Existing Assets
Water & Sanitation	Installation of water meters in various towns	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Isolate Midblock water Kwa-Thema	Yes	Infrastructure	Water Reservoirs & Retention		4,227	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Katlehong: Network Upgrade	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Kempson Park / Bapoboban: Geesewald Water	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	25	Renewal of Existing Assets
Water & Sanitation	Kempson Park: Augment Water	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Kempson Park: Sewer Upgrades	Yes	Infrastructure	Sewerage Purification & Retention		553	7,200	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Kempson Park: Upgrade depot building	Yes	Infrastructure	Water Reservoirs & Retention		6,500	-	-	-	-	17	Renewal of Existing Assets
Water & Sanitation	Kwa-Thema Ext 3 essential services	Yes	Infrastructure	Water Reservoirs & Retention		2,454	1,000	-	-	-	Multi Wards	New
Water & Sanitation	Kwa-Thema: Upgrading of water network C/F	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets
Water & Sanitation	Langaville: Upgrade water and sewer network	Yes	Infrastructure	Sewerage Purification & Retention		67	-	-	-	-	81	Renewal of Existing Assets

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
R thousand		6	3	3	5							
Water & Sanitation	Langaville: Upgrade water and sewer network	Yes	Infrastructure	Sewerage Purification & Retention		6,000	6,000	500		81	Renewal of Existing Assets	
Water & Sanitation	Lilington Outfall sewer (H281) court	Yes	Infrastructure	Sewerage Purification & Retention		3,750	6,300	2,000		8	Renewal of Existing Assets	
Water & Sanitation	Madelaufu Essential services	Yes	Infrastructure	Sewerage Purification & Retention		2,051		2,000			New	
Water & Sanitation	Masebana Water and Sewer Network	Yes	Infrastructure	Sewerage Purification & Retention		13,574					New	
Water & Sanitation	Mid-Block Water Lines Removal	Yes	Infrastructure	Water Reservoirs & Retention		1,739				71	Renewal of Existing Assets	
Water & Sanitation	Modderfontein 76 IR Ph7 Ehal SVC CF	Yes	Infrastructure	Water Reservoirs & Retention			500	3,000	7,000		Renewal of Existing Assets	
Water & Sanitation	Modderfontein 76 IR Ph7 Ehal SVC CF	Yes	Infrastructure	Water Reservoirs & Retention							Renewal of Existing Assets	
Water & Sanitation	Nigel Dumtoro Alignment Water	Yes	Infrastructure	Water Reservoirs & Retention							Renewal of Existing Assets	
Water & Sanitation	Nigel Sewer Extensions	Yes	Infrastructure	Sewerage Purification & Retention		716	5,000	4,500		81	Renewal of Existing Assets	
Water & Sanitation	Nigel: Upgrade/Eliminate Rockville pumpst	Yes	Infrastructure	Water Reservoirs & Retention		1,925				88	Renewal of Existing Assets	
Water & Sanitation	Nigel: Water tower Visagie Park	Yes	Infrastructure	Water Reservoirs & Retention							Renewal of Existing Assets	
Water & Sanitation	Office Equipment	Yes	Other Assets	Office Equipment		133	283	500			Operational Equipment	
Water & Sanitation	Office Furniture	Yes	Other Assets	Office Equipment		185	325	360			Operational Equipment	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		6,190	283			89	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		22,100	36,050	40,817		89	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		10,887				61	New	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		4,130	900				Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		1,967	450			12	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention							Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention			7,500	25,500	40,000	100	New	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		1,500				100	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		2,516	13,500	34,200	37,000	100	New	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		2,500				23	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		2,000		2,500	3,000		Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention			2,500				Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		800					Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		1,072					Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention			800	3,000		43	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention							Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		1,455	100				Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		15,787					Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		655	2,500	4,600	18,000		Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		17,547					Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention			2,700	500		76	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		2,945	4,815	3,350	4,000	4,000	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		319	382	500	750	600	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention							Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention							Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		200					Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		4,505	270	5,000	250	1,000	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		2,176	1,000	4,000		9	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		6,500	1,000			14	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention			500			10, 90	New	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention						86	Renewal of Existing Assets	
Water & Sanitation	Old Mutual Land Essential Services	Yes	Infrastructure	Sewerage Purification & Retention		12,895				86	New	

EKU Ekurhuleni Metro - Supporting Table SA36 Consolidated detailed capital budget													
Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project Information		
						Audited Outcome 2012/13	Current Year 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
R thousand		6	3	3	5								
Water & Sanitation	Tsakane: Provide water Tsakane x 6 and 10	Yes	Infrastructure	Water Reservoirs & Retention		2,990	500	-	-	-	86	New	
Water & Sanitation	Tsakane: Upgrade Xhosa/ Zulu water FIS	Yes	Infrastructure	Water Reservoirs & Retention		200	-	-	-	-	84	Renewal of Existing Assets	
Water & Sanitation	Upgrade Outfall Sewers in Vosloorus CF	Yes	Infrastructure	Sewerage Purification & Retention		-	10,000	1,500	-	-	44	Renewal of Existing Assets	
Water & Sanitation	Upgrade services Riverside, Mashinini	Yes	Infrastructure	Water Reservoirs & Retention		3,937	-	-	-	-	74, 78, 79	New	
Water & Sanitation	Upgrade services Riverside, Mashinini	Yes	Infrastructure	Water Reservoirs & Retention		-	13,300	-	10,000	10,000	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Upgrade Sewer Networks	Yes	Infrastructure	Sewerage Purification & Retention		-	-	5,700	-	-	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Upgrade training venue at Boksburg water depot	Yes	Infrastructure	Water Reservoirs & Retention		25	-	-	-	-	32	Renewal of Existing Assets	
Water & Sanitation	Upgrade water main Selcourt	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	76	Renewal of Existing Assets	
Water & Sanitation	Upgrade water main Selcourt	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Upgrade Water Network CF Ewawa X19	Yes	Infrastructure	Water Reservoirs & Retention		1,000	500	1,000	10,000	-	Multi Wards	New	
Water & Sanitation	Upgrade Water Networks	Yes	Infrastructure	Water Reservoirs & Retention		17,121	11,000	15,000	15,000	30,000	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Upgrading of Benoni SIP	Yes	Infrastructure	Sewerage Purification & Retention		-	8,550	-	1,000	5,000	Operational Equipment	Renewal of Existing Assets	
Water & Sanitation	Vehicles (two seats or less)	Yes	Other Assets	Other Motor Vehicles		-	900	-	-	-	Operational Equipment	Renewal of Existing Assets	
Water & Sanitation	Vatbommet Porton 36 Essential services	Yes	Infrastructure	Water Reservoirs & Retention		6,709	-	-	-	-	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Vosloorus: Replace water main supply	Yes	Infrastructure	Water Reservoirs & Retention		14,380	1,450	-	-	-	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Vosloorus: Upgrade and provide cathodic protection to steel pipes	Yes	Infrastructure	Water Reservoirs & Retention		9,452	10,100	9,000	12,000	20,000	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Water and Sanitation services to inf. settlements	Yes	Infrastructure	Sewerage Purification & Retention		165	-	-	-	-	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Water and sewer refunds	Yes	Infrastructure	Sewerage Purification & Retention		655	-	-	-	-	67	New	
Water & Sanitation	Water and Sewer Refc. Weigedacht	Yes	Infrastructure	Sewerage Purification & Retention		-	4,000	2,000	-	-	67	Renewal of Existing Assets	
Water & Sanitation	Water and Sewer Refc. Weigedacht	Yes	Infrastructure	Sewerage Purification & Retention		6,013	-	-	-	-	Multi Wards	Renewal of Existing Assets	
Water & Sanitation	Water Demand Management Projects	Yes	Infrastructure	Water Reservoirs & Retention		13,508	-	-	-	-	All wards	New	
Water & Sanitation	WATER DEVELOPER CREATED ASSETS	Yes	Infrastructure	Water Reservoirs & Retention		1,991	-	-	-	-	All wards	New	
Water & Sanitation	Water Intelligent Meters	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	All wards	New	
Water & Sanitation	Water Loss Eradication Programme	Yes	Infrastructure	Water Reservoirs & Retention		-	-	150,000	100,000	200,000	Operational Equipment	New	
Water & Sanitation	Water Loss Eradication Programme	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Operational Equipment	New	
Water & Sanitation	Water Loss Eradication Programme	Yes	Infrastructure	Water Reservoirs & Retention		-	-	-	-	-	Operational Equipment	New	
Water & Sanitation	Water Services Vehicles	Yes	Other Assets	Other Motor Vehicles		2,077	135,000	2,100	3,000	2,500	Operational Equipment	Renewal of Existing Assets	
Water & Sanitation	Waterville en 3130 Essential services	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	30	New	
Water & Sanitation	Zonkizwe Proper Ext 1 & 2 Sanitation System	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	61	New	
Water & Sanitation	Procurement of Chemical / Toilets	Yes	Infrastructure	Sewerage Purification & Retention		-	-	-	-	-	All wards	New	
<b>Parent Capital expenditure</b>		<b>2,370,437</b>				<b>2,867,264</b>	<b>3,790,366</b>	<b>4,248,101</b>	<b>4,252,042</b>				

Table 86 MBRR SA37 - Projects delayed from previous financial year

Municipal Vote/Capital project		Project name	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Current Year 2013/14 Original Budget	Full Year Forecast	2014/15 Budget	2014/15 Medium Term Revenue & Expenditure Framework Budget Year	2015/16 Budget Year	2016/17 Budget Year
R thousand											
Parent municipality: List all capital projects grouped by Municipal Vote											
	Disaster & Emergency Management Services	Refurb of All Metro Fire Stations/House	Other Assets	Other Land and Buildings		2,000	2,700	2,000	2,000	2,000	2,400
	Economic Development	Refurbishment of Fresh Produce Market	Other Assets	Markets		15,000	15,114	13,000	15,000	15,000	20,000
	EMPD	Refurbishment All EMPD facilities	Other Assets	Other Land and Buildings	S 26 06 27/E 28 13 835	2,040	4,986	2,040	2,040	2,040	3,000
	Energy	Alberton Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	2,000
	Energy	Benoni Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	2,000
	Energy	Benoni Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	3,000	3,000	4,000	5,000	5,000	5,000
	Energy	Boksburg Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	2,000
	Energy	Boksburg Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	3,000	3,000	4,000	5,000	5,000	5,000
	Energy	Brakpan Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	2,000
	Energy	Brakpan Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	3,000	3,000	4,000	5,000	5,000	5,000
	Energy	Corporate Electrification INEP	Infrastructure	Electricity Reclamation	Multi co-ordinates	10,000	10,000	50,000	70,000	70,000	70,000
	Energy	Corporate Energy efficiency	Infrastructure	Electricity Reclamation	Multi co-ordinates	11,000	16,000	10,000	10,000	10,000	10,000
	Energy	Corporate Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	2,000	2,000	3,000	5,000	5,000	5,000
	Energy	Corporate Substations	Infrastructure	Electricity Reclamation	Multi co-ordinates	-	-	160,000	200,000	200,000	200,000
	Energy	Daveyton Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	3,000
	Energy	Daveyton Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	2,000	2,000	4,000	5,000	5,000	5,000
	Energy	Duduza Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	3,000
	Energy	Edenvale Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	2,000
	Energy	Edenvale Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	3,000	3,000	4,000	5,000	5,000	5,000
	Energy	Etwatva Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	1,500
	Energy	Germiston Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	1,000
	Energy	Germiston Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	9,000	9,000	10,800	15,000	15,000	15,000
	Energy	Katlehong Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	1,500
	Energy	Kempton Park Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	1,000
	Energy	Kwa-Thema Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	1,500
	Energy	Nigel Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	1,000
	Energy	Renewable Energy Projects	Infrastructure	Electricity Reclamation	Multi co-ordinates	10,000	27,495	20,000	20,000	20,000	50,000
	Energy	Springs Lighting	Infrastructure	Lighting	Multi co-ordinates	700	700	850	1,000	1,000	1,000
	Energy	Springs Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	3,000	3,000	4,000	5,000	5,000	5,000
	Energy	Tembisa 2 Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	1,500
	Energy	Tembisa 2 Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	3,000	3,000	3,000	5,000	5,000	5,000
	Energy	Tembisa Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	1,500
	Energy	Tembisa Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	2,500	2,500	3,000	5,000	5,000	5,000
	Energy	Thokoza Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	1,500
	Energy	Thokoza Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	3,000	3,000	4,000	5,000	5,000	10,000
	Energy	Tsakane Lighting	Infrastructure	Lighting	Multi co-ordinates	1,100	1,100	1,250	1,500	1,500	1,500
	Energy	Tsakane Network enhancement	Infrastructure	Electricity Reclamation	Multi co-ordinates	2,000	2,000	3,000	5,000	5,000	5,000

Municipal Vote/Capital project		Project name	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Current Year 2013/14		2014/15 Medium Term Expenditure Framework		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	Municipal Vote/Capital project					Original Budget	Full Year Forecast	2014/15	Budget Year 2014/15			
Environmental Resources Management	Rehabilitation of the Matieland Catchment	Community	Other	1,300	1,170	1,500	2,000	2,000	2,000	2,000	2,000	2,000
Environmental Resources Management	Rehabilitation: Degraded Wetlands/ Catchment	Other Assets	Other	1,428	1,285	1,500	1,500	1,500	1,500	1,500	1,500	1,800
Health & Social Development	Improve Access Disabled Health Facilities	Community	Clinics	450	185	300	100	100	100	100	100	100
Health & Social Development	MEDICAL WASTE STORAGE FACILITIES	Community	Clinics	1,350	1,215	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Health & Social Development	New Dukatole Clinic	Community	Clinics	200	360	7,000	11,000	11,000	11,000	11,000	11,000	5,000
Health & Social Development	Security Upgrade Facilities	Other Assets	Security Measures	900	1,678	1,500	900	900	900	900	1,200	1,200
Human Settlements	Refurbishment of Rental Property	Other Assets	Office Equipment	-	24,150	23,000	25,000	25,000	25,000	25,000	30,000	30,000
Real Estate	Alarms: Metro Parks Facilities	Community	Establishment of Parks & Gardens	750	495	500	500	500	500	500	700	700
Real Estate	Construct Metro Parks Depots	Community	Establishment of Parks & Gardens	-	3,534	2,000	5,000	5,000	5,000	5,000	8,000	8,000
Roads and Stormwater	Develop: Cemeteries - Bernis	Community	Establishment of Parks & Gardens	1,500	3,000	2,500	3,000	3,000	3,000	3,000	3,000	3,000
Roads and Stormwater	Aerotropolis: Rhodesfield road network	Infrastructure	Roads, Pavements, Bridges & Stormwater	6,000	5,400	9,000	11,000	11,000	11,000	11,000	30,000	30,000
Roads and Stormwater	Bedfordview Stormwater Protection	Infrastructure	Roads, Pavements, Bridges & Stormwater	4,000	4,000	4,000	700	700	700	700	700	700
Roads and Stormwater	Bedfordview, Geometric Rd Improvement (Including Edenvale)	Infrastructure	Roads, Pavements, Bridges & Stormwater	2,000	2,000	2,500	3,000	3,000	3,000	3,000	5,000	5,000
Roads and Stormwater	Elandsfontein, SW Implementation (North)	Infrastructure	Roads, Pavements, Bridges & Stormwater	1,500	1,500	500	3,000	3,000	3,000	3,000	3,000	3,000
Roads and Stormwater	Geometric Road Improvements (North)	Infrastructure	Roads, Pavements, Bridges & Stormwater	3,000	3,780	10,000	6,000	6,000	6,000	6,000	6,000	6,000
Roads and Stormwater	Gladiator Stormwater System Implement	Infrastructure	Roads, Pavements, Bridges & Stormwater	2,500	2,250	500	5,000	5,000	5,000	5,000	5,000	5,000
Roads and Stormwater	Harmelia / Buurendal SW Systems	Infrastructure	Roads, Pavements, Bridges & Stormwater	1,500	1,350	1,500	4,000	4,000	4,000	4,000	2,000	2,000
Roads and Stormwater	Implement Traffic Signals: East	Infrastructure	Roads, Pavements, Bridges & Stormwater	1,000	900	1,000	1,000	1,000	1,000	1,000	2,000	2,000
Roads and Stormwater	Install SW in Palm Ridge	Infrastructure	Roads, Pavements, Bridges & Stormwater	2,500	2,500	2,500	4,000	4,000	4,000	4,000	2,500	2,500
Roads and Stormwater	Katehong Implementation of Stormwater Masterplan	Infrastructure	Roads, Pavements, Bridges & Stormwater	12,500	12,500	11,000	11,000	11,000	11,000	11,000	12,000	12,000
Roads and Stormwater	Minor Road Improvements: East	Infrastructure	Roads, Pavements, Bridges & Stormwater	500	500	500	500	500	500	500	500	500
Roads and Stormwater	Minor Works for Roads and SW: South	Infrastructure	Roads, Pavements, Bridges & Stormwater	650	650	650	650	650	650	650	650	650
Roads and Stormwater	Paving & Sidewalks: East	Infrastructure	Roads, Pavements, Bridges & Stormwater	-	3,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Roads and Stormwater	Pedestrian Management Impl. (North)	Infrastructure	Roads, Pavements, Bridges & Stormwater	6,000	10,300	8,000	6,000	6,000	6,000	6,000	6,000	6,000
Roads and Stormwater	Pedestrian Management: South	Infrastructure	Roads, Pavements, Bridges & Stormwater	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,500	5,500
Roads and Stormwater	Pomona Roads	Infrastructure	Roads, Pavements, Bridges & Stormwater	3,000	2,700	9,000	6,000	6,000	6,000	6,000	6,000	6,000
Roads and Stormwater	Pomona Stormwater System	Infrastructure	Roads, Pavements, Bridges & Stormwater	2,000	1,800	2,000	7,000	7,000	7,000	7,000	7,000	7,000
Roads and Stormwater	Quinine Rd Stormwater System	Infrastructure	Roads, Pavements, Bridges & Stormwater	4,000	4,500	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Roads and Stormwater	Rehabilitate Roads in Eastern Region	Infrastructure	Roads, Pavements, Bridges & Stormwater	59,000	59,000	39,000	45,000	45,000	45,000	45,000	30,000	30,000
Roads and Stormwater	Rehabilitation of Roads (North)	Infrastructure	Roads, Pavements, Bridges & Stormwater	58,000	58,000	40,000	25,000	25,000	25,000	25,000	25,000	25,000
Roads and Stormwater	Rehabilitation of roads: South	Infrastructure	Roads, Pavements, Bridges & Stormwater	79,000	59,000	42,000	45,000	45,000	45,000	45,000	30,000	30,000
Roads and Stormwater	Roads East (AS and When)	Infrastructure	Roads, Pavements, Bridges & Stormwater	-	48,719	26,000	25,000	25,000	25,000	25,000	25,000	25,000
Roads and Stormwater	Roads on Dolomite	Infrastructure	Roads, Pavements, Bridges & Stormwater	5,000	7,650	5,000	5,000	5,000	5,000	5,000	7,000	7,000
Roads and Stormwater	Roads: Low Cost Housing: East	Infrastructure	Roads, Pavements, Bridges & Stormwater	45,000	45,000	41,000	30,000	30,000	30,000	30,000	45,000	45,000
Roads and Stormwater	Roads: Low Cost Housing: South	Infrastructure	Roads, Pavements, Bridges & Stormwater	25,000	25,000	25,000	30,000	30,000	30,000	30,000	40,000	40,000
Roads and Stormwater	Sandpan Areas Stormwater Outfall	Infrastructure	Roads, Pavements, Bridges & Stormwater	5,000	332	500	5,000	5,000	5,000	5,000	2,000	2,000
Roads and Stormwater	Stormwater (AS and When) East	Infrastructure	Roads, Pavements, Bridges & Stormwater	25,000	25,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000
Roads and Stormwater	Stormwater Improvements (Minor) (North)	Infrastructure	Roads, Pavements, Bridges & Stormwater	3,500	3,150	3,500	3,500	3,500	3,500	3,500	5,500	5,500
Roads and Stormwater	Stormwater Upgrades (South)	Infrastructure	Roads, Pavements, Bridges & Stormwater	3,000	3,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Roads and Stormwater	Stormwater Upgrades: North	Infrastructure	Roads, Pavements, Bridges & Stormwater	17,000	17,000	21,000	24,000	24,000	24,000	24,000	25,000	25,000

Municipal Vote/Capital project		Project name	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Current Year 2013/14 Original Budget	Full Year Forecast	2014/15 Budget Year 2014/15	2015/16 Budget Year +1 2015/16	2016/17 Budget Year +2 2016/17
R. thousand										
Roads and Stormwater		SW in Vostloosrus	Infrastructure	Roads, Pavements, Bridges & Stormwater		2,300	2,300	2,300	2,300	4,000
Roads and Stormwater		Tertiary Roads (South)	Infrastructure	Roads, Pavements, Bridges & Stormwater		8,000	40,000	16,000	16,000	15,000
Roads and Stormwater		Tertiary Roads in Katlehong	Infrastructure	Roads, Pavements, Bridges & Stormwater		8,000	8,000	6,000	6,000	10,000
Roads and Stormwater		Tertiary Roads: North	Infrastructure	Roads, Pavements, Bridges & Stormwater		-	47,050	25,000	25,000	20,000
Roads and Stormwater		Township Develop:Ext Services (North)	Infrastructure	Roads, Pavements, Bridges & Stormwater		3,000	2,700	3,000	3,000	6,000
Roads and Stormwater		Township Develop:Ext Services ex Contributions	Infrastructure	Roads, Pavements, Bridges & Stormwater		4,100	4,492	1,500	1,500	1,000
Roads and Stormwater		Traffic Signal Upgrades: East	Infrastructure	Roads, Pavements, Bridges & Stormwater		2,000	1,800	2,000	2,000	1,000
Roads and Stormwater		Traffic Signal Upgrades: South	Infrastructure	Roads, Pavements, Bridges & Stormwater		5,500	4,950	5,500	5,500	5,500
Roads and Stormwater		Traffic Signals Upgrading (North)	Infrastructure	Roads, Pavements, Bridges & Stormwater		2,500	2,250	3,000	3,000	3,000
Roads and Stormwater		Upgrading of Agric Holding Roads (North)	Infrastructure	Roads, Pavements, Bridges & Stormwater		4,000	4,500	3,000	4,000	4,000
SRAC		Fencing: Sport & Recreational Facilities	Community	Other		-	5,000	2,500	1,000	2,000
SRAC		Rehabilitation of Libraries	Community	Libraries		-	3,500	3,000	2,000	5,000
SRAC		Rehabilitation of Sport Facilities	Community	Recreational Facilities		4,500	10,588	7,000	7,500	10,000
SRAC		Rehabilitation of Swimming Pools	Community	Recreational Facilities		-	9,900	11,000	20,500	20,000
SRAC		Upgrade: Art Centres	Community	Museums & Art Galleries		-	-	1,000	2,000	2,000
SRAC		Upgrade: Construction of Memorial Sites	Community	Museums & Art Galleries		2,500	2,500	3,500	-	3,000
Transport		Construction of Intermodal Facilities: Upgrading Gemiston Station Taxi Rank	Infrastructure	Car Parks, Bus Terminals and Taxi Ranks		5,000	-	30,000	40,000	40,000
Transport		Refurbish All Metro Licensing Premises	Other Assets	Other Land and Buildings		1,440	13,086	1,440	1,600	1,600
Waste Management		Cell development - Platkop	Infrastructure	Refuse sites		5,000	5,000	10,000	2,000	8,000
Waste Management		Develop Simmer & Jack Waste site	Infrastructure	Refuse sites		5,000	1,000	15,000	-	13,500
Waste Management		Facilities, Upgrade and construction of facilities	Infrastructure	Refuse sites		10,000	10,080	15,000	15,000	15,000
Water & Sanitation		Building New and Upgrade Depot Buildings	Infrastructure	Water Reservoirs & Reclamation		6,000	3,600	6,000	8,000	10,000
Water & Sanitation		Construct new r&p; pumpst: Daipark X13	Infrastructure	Water Reservoirs & Reclamation		2,500	1,500	2,000	2,000	2,000
Water & Sanitation		Pomona: Bulk supply Albertina Sisulu Corridor	Infrastructure	Water Reservoirs & Reclamation		-	-	23,000	37,000	27,000
Water & Sanitation		Pomona: New Eastern OF sewer	Infrastructure	Sewerage Purification & Reclamation		-	-	36,700	40,000	30,000
Water & Sanitation		Pre-implementation Planning - various projects	Infrastructure	Water Reservoirs & Reclamation		2,500	-	2,500	3,000	3,000
Water & Sanitation		Reservoir Construction	Infrastructure	Water Reservoirs & Reclamation		2,500	2,500	4,600	18,000	20,000
Water & Sanitation		Water and Sanitation services to int. settlements	Infrastructure	Sewerage Purification & Reclamation		2,500	10,100	9,000	12,000	20,000

## **2.13 Legislation compliance status**

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### **2.13.1 In year reporting**

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the metro's website.

### **2.13.2 Internship programme**

The metro has been participating since 2008 actively in the Municipal Financial Management Internship Programme. The programme started with five interns undergoing training in various divisions of the Financial Services Department.

Ten interns were appointed in October 2012 for a period of 24 months ending September 2014. There are currently only 6 interns left on the programme.

Finance Department is in a process to advertise for the appointment of ten additional interns.

Finance Department also appointed 10 experiential trainees from August 2013 for a period of 12 months.

### **2.13.3 Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

### **2.13.4 Audit Committee**

An Audit Committee has been established and is fully functional.

### **2.13.5 Service Delivery and Implementation Plan**

Council compiled a detailed SDBIP document in 2013/14 MTREF. It has now been updated after the 2014/15 draft MTREF was compiled. The detailed SDBIP is reflected in MBRR Schedule SA7 of the report.

### **2.13.6 Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements.

### **2.13.7 MFMA Training**

The MFMA training module in electronic format is presented at the metro's internal centre and training is ongoing.

### **2.13.8 Policies**

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the regulations have been complied with.



## 2.14 Other supporting documents

Table 87 MBRR Table SA1 - Supporting detail to budgeted financial performance

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to Budgeted Financial Performance										
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>REVENUE ITEMS:</b>										
<b>Property rates</b>										
Total Property Rates	3,067,144	3,138,177	3,404,265	4,167,778	4,307,381	4,249,124	4,249,124	4,701,135	5,077,272	5,458,132
less Revenue Foregone	636,097	547,778	601,394	627,501	628,414	623,582	623,582	675,414	726,070	780,525
<b>Net Property Rates</b>	<b>2,431,047</b>	<b>2,590,399</b>	<b>2,802,871</b>	<b>3,540,277</b>	<b>3,678,967</b>	<b>3,625,542</b>	<b>3,625,542</b>	<b>4,025,721</b>	<b>4,351,203</b>	<b>4,677,607</b>
<b>Service charges - electricity revenue</b>										
Total Service charges - electricity revenue	7,773,997	9,086,646	9,692,978	11,499,685	11,499,685	11,272,936	11,272,936	11,717,499	12,585,402	13,517,601
less Revenue Foregone	185,003									
<b>Net Service charges - electricity revenue</b>	<b>7,588,994</b>	<b>9,086,646</b>	<b>9,692,978</b>	<b>11,499,685</b>	<b>11,499,685</b>	<b>11,272,936</b>	<b>11,272,936</b>	<b>11,717,499</b>	<b>12,585,402</b>	<b>13,517,601</b>
<b>Service charges - water revenue</b>										
Total Service charges - water revenue	1,426,931	2,322,701	2,441,523	2,902,124	2,922,124	2,952,094	2,952,094	3,225,161	3,545,844	3,898,448
less Revenue Foregone	242,553	269,106	282,990	327,654	327,654	326,919	326,919	357,300	393,030	432,333
<b>Net Service charges - water revenue</b>	<b>1,184,378</b>	<b>2,053,595</b>	<b>2,158,533</b>	<b>2,574,470</b>	<b>2,594,470</b>	<b>2,625,175</b>	<b>2,625,175</b>	<b>2,867,861</b>	<b>3,152,814</b>	<b>3,466,115</b>
<b>Service charges - sanitation revenue</b>										
Total Service charges - sanitation revenue	860,674	924,542	954,803	1,132,768	1,152,768	1,155,861	1,155,861	1,265,216	1,360,109	1,462,120
less Revenue Foregone	179,418	208,557	218,246	269,905	269,905	255,690	255,690	269,905	290,148	311,909
<b>Net Service charges - sanitation revenue</b>	<b>681,256</b>	<b>715,985</b>	<b>736,557</b>	<b>862,863</b>	<b>882,863</b>	<b>900,171</b>	<b>900,171</b>	<b>995,311</b>	<b>1,069,961</b>	<b>1,150,211</b>
<b>Service charges - refuse revenue</b>										
Total refuse removal revenue	610,983	726,039	846,321	1,147,822	1,147,822	1,107,168	1,107,168	1,231,349	1,323,096	1,421,805
Total landfill revenue	-	-	-	-	-	-	-	-	-	-
less Revenue Foregone	-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - refuse revenue</b>	<b>610,983</b>	<b>726,039</b>	<b>846,321</b>	<b>1,147,822</b>	<b>1,147,822</b>	<b>1,107,168</b>	<b>1,107,168</b>	<b>1,231,349</b>	<b>1,323,096</b>	<b>1,421,805</b>
<b>Other Revenue by source</b>										
Fuel Levy	-	-	-	1,406,096	1,406,096	1,406,096	1,406,096	1,469,674	1,515,534	1,572,960
Other revenue	69,724	105,667	138,189	52,119	52,114	57,466	57,466	64,850	74,578	85,764
<b>Total 'Other' Revenue</b>	<b>69,724</b>	<b>105,667</b>	<b>138,189</b>	<b>1,458,215</b>	<b>1,458,210</b>	<b>1,463,562</b>	<b>1,463,562</b>	<b>1,534,524</b>	<b>1,590,112</b>	<b>1,658,724</b>

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'												
Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>												
<b>EXPENDITURE ITEMS:</b>												
<b>Employee related costs</b>												
Basic Salaries and Wages	2,630,161	2,576,453	2,643,281	2,643,281	3,760,260	3,766,457	3,631,310	3,531,310	3,682,067	3,934,000	4,201,754	
Pension and UIF Contributions	934,286	607,591	620,615	620,615	764,668	771,964	751,942	751,942	751,135	799,208	850,357	
Medical Aid Contributions	-	212,884	238,589	238,589	342,054	346,379	327,735	327,735	304,317	323,793	344,516	
Overtime	332,031	366,826	393,764	393,764	372,142	378,088	356,069	356,069	361,678	384,826	409,811	
Performance Bonus	-	-	-	-	-	-	-	-	-	-	-	
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	175,855	186,406	197,591	
Cellphone Allowance	-	8,614	10,955	10,955	11,441	11,441	11,037	11,037	12,166	12,945	13,773	
Housing Allowances	-	-	-	-	-	-	-	-	47,712	50,575	53,610	
Other benefits and allowances	-	24,189	42,195	42,195	-	-	-	-	32,538	34,621	36,836	
Payments in lieu of leave	-	87,983	89,398	89,398	-	-	-	-	160,812	171,104	182,054	
Long service awards	60,813	73,118	61,569	61,569	16,300	16,300	8,152	8,152	17,376	18,488	19,671	
Post-retirement benefit obligations	-	181,704	201,354	201,354	-	-	-	-	80,174	85,305	90,765	
<b>sub-total</b>	<b>3,957,292</b>	<b>4,139,363</b>	<b>4,301,720</b>	<b>4,301,720</b>	<b>5,266,864</b>	<b>5,290,628</b>	<b>4,986,245</b>	<b>4,986,245</b>	<b>5,625,830</b>	<b>6,001,270</b>	<b>6,400,739</b>	
Less: Employees costs capitalised to PPE	156,847	29,831	25,149	25,149	132,791	132,791	66,396	66,396	179,043	129,656	137,954	
<b>Total Employee related costs</b>	<b>3,800,446</b>	<b>4,109,532</b>	<b>4,276,571</b>	<b>4,276,571</b>	<b>5,134,073</b>	<b>5,157,837</b>	<b>4,919,850</b>	<b>4,919,850</b>	<b>5,446,788</b>	<b>5,871,614</b>	<b>6,262,784</b>	
<b>Contributions recognised - capital</b>												
<i>List contributions by contract</i>												
<b>Total Contributions recognised - capital</b>												
<b>Depreciation &amp; asset impairment</b>												
Depreciation of Property, Plant & Equipment	2,063,499	1,980,010	2,013,688	2,013,688	2,282,007	1,306,071	1,306,071	1,306,071	1,424,664	1,681,779	1,944,016	
Lease amortisation	5,290	4,740	594	594	6,825	6,825	6,825	6,825	7,166	7,525	7,901	
Capital asset impairment	(102)	-	41,643	41,643	975,937	-	-	-	-	-	-	
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Depreciation &amp; asset impairment</b>	<b>2,068,687</b>	<b>1,984,750</b>	<b>2,055,905</b>	<b>2,055,905</b>	<b>1,312,896</b>	<b>1,312,896</b>	<b>1,312,896</b>	<b>1,312,896</b>	<b>1,431,820</b>	<b>1,689,304</b>	<b>1,951,916</b>	
<b>Bulk purchases</b>												
Electricity Bulk Purchases	4,746,662	5,991,227	6,659,762	6,659,762	7,291,216	7,273,196	7,284,719	7,284,719	7,623,482	8,029,672	8,539,570	
Water Bulk Purchases	1,688,555	1,939,289	2,193,112	2,193,112	2,394,948	2,434,948	2,421,534	2,421,534	2,667,395	2,928,989	3,216,280	
<b>Total bulk purchases</b>	<b>6,435,217</b>	<b>7,930,516</b>	<b>8,852,864</b>	<b>8,852,864</b>	<b>9,686,163</b>	<b>9,708,143</b>	<b>9,706,252</b>	<b>9,706,252</b>	<b>10,290,877</b>	<b>10,958,661</b>	<b>11,755,849</b>	
<b>Transfers and grants</b>												
Cash transfers and grants	95,127	233,371	662,681	662,681	782,045	782,045	767,908	767,908	689,718	729,349	771,340	
Non-cash transfers and grants	39,053	192,914	297,965	297,965	221,634	217,154	177,612	177,612	359,103	396,031	414,982	
<b>Total transfers and grants</b>	<b>134,180</b>	<b>426,285</b>	<b>960,646</b>	<b>960,646</b>	<b>1,003,679</b>	<b>999,199</b>	<b>945,521</b>	<b>945,521</b>	<b>1,048,821</b>	<b>1,115,380</b>	<b>1,186,323</b>	
<b>Contracted services</b>												
<i>List services provided by contract</i>												
<b>Total contracted services</b>	<b>614,834</b>	<b>684,663</b>	<b>685,955</b>	<b>685,955</b>	<b>810,490</b>	<b>846,254</b>	<b>638,091</b>	<b>638,091</b>	<b>902,139</b>	<b>974,310</b>	<b>1,052,255</b>	
<b>Total contracted services</b>	<b>614,834</b>	<b>684,663</b>	<b>685,955</b>	<b>685,955</b>	<b>810,490</b>	<b>846,254</b>	<b>638,091</b>	<b>638,091</b>	<b>902,139</b>	<b>974,310</b>	<b>1,052,255</b>	

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'												
Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>												
<b>Other Expenditure By Type</b>												
Collection costs	112,615	131,933	114,275	157,502	155,142	122,798	122,798	122,798	122,798	178,238	187,863	198,007
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-	-	-
Consultant fees	140,828	112,056	80,287	299,443	271,988	187,535	187,535	187,535	187,535	292,381	244,381	244,381
Audit fees	14,186	14,880	19,784	18,076	18,076	15,463	15,463	15,463	15,463	19,500	19,500	19,500
General expenses	184,596	214,602	213,206	1,299,956	1,415,314	1,281,657	1,281,657	1,281,657	1,281,657	1,263,887	1,254,157	1,330,419
Rental of Equipment (2556250)	95,784	120,541	62	130	830	195	195	195	195	260	281	303
Vehicle - Fuel (2556775)	77,807	100,998	115,701	123,054	127,347	119,220	119,220	119,220	119,220	139,158	139,158	139,158
Service Connections (2556335+6365)	90,707	81,833	44,163	101,998	101,998	66,619	66,619	66,619	66,619	98,155	98,155	98,155
Special Events (2556400)	46,967	62,876	63,255	94,287	143,793	87,647	87,647	87,647	87,647	101,596	101,596	101,596
Telephone (2556475)	49,161	53,699	34,105	52,000	51,807	37,368	37,368	37,368	37,368	45,000	45,000	45,000
License Software (2555550)	26,304	38,250	39,763	46,812	46,999	29,190	29,190	29,190	29,190	49,627	49,680	49,737
Printing & Stationery (2555625)	26,897	30,789	35,685	42,547	47,539	36,413	36,413	36,413	36,413	45,771	45,771	45,771
Insurance Premium (2555350)	32,411	29,925	29,811	32,000	32,000	32,000	32,000	32,000	32,000	33,000	33,000	33,000
Training Claimable (2555675)	24,933	25,215	19,989	31,529	36,449	23,622	23,622	23,622	23,622	46,295	46,295	46,295
Refuse Bins Bags & Containers (2556150)	28,807	17,748	9,385	23,352	28,152	16,380	16,380	16,380	16,380	24,404	24,404	24,404
Land Invasion Relocation (2555410)	37,532	9,401	14,219	12,000	12,000	11,674	11,674	11,674	11,674	13,000	13,000	13,000
Community Development Projects (2555075)	25,449	1,545	2,291	5,880	6,459	4,425	4,425	4,425	4,425	20,590	20,590	20,590
Uniforms & Protective Clothing (2555950)	18,868	20,636	26,516	38,253	42,862	22,405	22,405	22,405	22,405	43,014	43,014	43,014
Hire of Vehicles (2556800)	22,458	6,515	1,140	6,101	6,529	3,610	3,610	3,610	3,610	9,061	9,061	9,061
Postage (2556525)	16,884	18,726	19,306	41,026	38,392	29,862	29,862	29,862	29,862	39,344	39,344	39,344
Rental of Buildings & Facilities (2556225)	13,866	14,288	19,960	18,987	17,648	16,765	16,765	16,765	16,765	15,794	17,057	18,422
Community Based Programmes (2556450)	6,893	42,998	32,488	101,000	105,433	52,678	52,678	52,678	52,678	110,000	110,000	110,000
General Consumables (2555725)	18,155	21,078	22,139	17,851	23,351	16,066	16,066	16,066	16,066	20,457	20,457	20,457
Software Development (2555875)	3,782	6,236	2,241	12,158	12,658	8,782	8,782	8,782	8,782	13,773	13,773	13,773
Membership Fees (2555975)	9,812	9,704	11,105	11,719	11,966	7,733	7,733	7,733	7,733	12,969	12,969	12,969
Network Extensions (25505990+5996)	12,342	10,923	10,996	19,243	18,573	12,548	12,548	12,548	12,548	19,799	19,799	19,799
Rehabilitation Landfill Sites (2556125)	1,054	-	-	8,736	8,736	5,450	5,450	5,450	5,450	-	-	-
<b>Total 'Other' Expenditure</b>	<b>1,139,099</b>	<b>1,197,375</b>	<b>981,875</b>	<b>2,615,640</b>	<b>2,782,041</b>	<b>2,248,105</b>	<b>2,248,105</b>	<b>2,248,105</b>	<b>2,248,105</b>	<b>2,655,071</b>	<b>2,608,303</b>	<b>2,695,154</b>
<b>Repairs and Maintenance by Expenditure Item</b>												
Employee related costs	-	-	-	722,326	722,926	683,279	683,279	683,279	683,279	725,195	756,220	789,231
Other materials	1,781,722	1,737,189	1,839,955	1,396,604	1,410,591	1,302,757	1,302,757	1,302,757	1,302,757	1,630,019	1,757,690	1,883,575
Contracted Services	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>1,781,722</b>	<b>1,737,189</b>	<b>1,839,955</b>	<b>2,118,929</b>	<b>2,133,517</b>	<b>1,986,036</b>	<b>1,986,036</b>	<b>1,986,036</b>	<b>1,986,036</b>	<b>2,355,214</b>	<b>2,513,910</b>	<b>2,672,807</b>

**Table 88 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

EKU Ekurhuleni Metro - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)																	
Description	Vote 1 - Executive and Council	Vote 2 - Finance and Corporate Services	Vote 3 - Energy	Vote 4 - Water and Sanitation	Vote 5 - Waste Management	Vote 6 - Human Settlements	Vote 7 - City Planning	Vote 8 - Economic Development	Vote 9 - Disaster and Emergency Management Services	Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	Vote 11 - Health and Social Development	Vote 12 - Environmental Resource Management	Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	Vote 14 - Transport Planning & Provisioning	Vote 15 - Roads and Stormwater	Total	
<b>Revenue By Source</b>																	
Property rates	-	4,025,721	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,025,721
Property rates - penalties & collection charges	-	106,989	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106,989
Service charges - electricity revenue	-	-	11,717,499	-	-	-	-	-	-	-	-	-	-	-	-	-	11,717,499
Service charges - water revenue	-	-	-	2,867,861	-	-	-	-	-	-	-	-	-	-	-	-	2,867,861
Service charges - sanitation revenue	-	-	-	995,311	-	-	-	-	-	-	-	-	-	-	-	-	995,311
Service charges - refuse revenue	-	-	-	-	1,231,349	-	-	-	-	-	-	-	-	-	-	-	1,231,349
Service charges - other	-	-	-	-	-	-	-	19,473	9,639	177	-	28,715	-	18,529	1,800	-	78,333
Rental of facilities and equipment	-	14,215	-	-	-	34,365	-	8,008	0	-	-	662	-	-	-	-	65,945
Interest earned - external investments	-	220,000	-	-	-	-	-	43	-	-	-	-	-	-	-	-	220,043
Interest earned - outstanding debtors	-	21,519	36,720	132,000	29,682	-	-	-	-	-	-	-	-	-	-	-	219,921
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	143,529	11,279	73	-	-	37,130	-	-	1,795	180	-	96,190	1,070	-	-	253,116
Licences and permits	-	3,916	-	-	-	-	-	-	4,191	-	180	-	-	-	-	-	45,417
Agency services	-	-	-	-	-	-	3,349	-	-	-	-	-	-	258,557	-	-	258,557
Other revenue	22	1,483,175	11,474	2,679	-	-	3,349	5	930	1,594	2,784	2,150	3,566	14,297	8,500	1,534,524	
Transfers recognised - operational	-	479,217	326,220	1,150,550	345,153	52,374	40,323	6,422	136,040	3,400	122,970	446	-	20,000	-	-	2,683,115
Gains on disposal of PPE	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>22</b>	<b>6,505,280</b>	<b>12,103,192</b>	<b>5,148,474</b>	<b>1,606,184</b>	<b>86,739</b>	<b>80,802</b>	<b>33,550</b>	<b>150,801</b>	<b>15,661</b>	<b>126,114</b>	<b>31,972</b>	<b>98,756</b>	<b>312,453</b>	<b>10,300</b>	<b>26,310,701</b>	
<b>Expenditure By Type</b>																	
Employee related costs	123,834	1,354,323	167,627	50,913	347,203	84,143	148,279	47,763	609,330	382,595	649,360	425,220	768,003	229,501	58,702	5,446,788	
Remuneration of councillors	101,919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,919	
Debt impairment	-	418,457	683,623	72,566	63,546	2,013	-	-	-	-	-	-	-	-	-	1,230,204	
Depreciation & asset impairment	(1,877)	105,779	316,294	92,167	36,703	50,340	193	4,141	19,488	99,955	28,915	24,257	-	-	655,465	1,431,820	
Finance charges	-	227,313	168,857	56,898	72,018	136,196	-	-	-	-	44,683	-	-	-	-	706,964	
Bulk purchases	-	-	7,623,482	2,687,395	-	-	-	-	-	-	-	-	-	-	-	10,290,877	
Other materials	313	235,426	842,610	435,548	109,016	25,955	22,971	2,898	29,484	38,449	7,728	67,278	24,710	20,295	492,534	2,355,214	
Contracted services	1,060	190,208	164,551	41,835	253,014	-	346	2,000	540	4,550	3,107	45,138	181,210	13,881	700	902,139	
Transfers and grants	3,862	620,745	281,137	80,631	169,024	3,600	-	5,982	-	-	3,940	-	-	-	-	1,048,821	
Other expenditure	57,954	86,931	919,602	508,569	350,670	177,828	75,610	75,619	47,940	71,527	58,495	50,585	84,531	62,872	26,238	2,655,071	
Loss on disposal of PPE	-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000
<b>Total Expenditure</b>	<b>287,064</b>	<b>3,164,182</b>	<b>11,148,783</b>	<b>4,006,522</b>	<b>1,391,193</b>	<b>479,975</b>	<b>247,299</b>	<b>138,593</b>	<b>706,782</b>	<b>597,076</b>	<b>796,228</b>	<b>612,478</b>	<b>1,058,454</b>	<b>326,549</b>	<b>1,233,639</b>	<b>26,194,817</b>	
<b>Surplus/(Deficit)</b>	<b>(287,042)</b>	<b>3,341,098</b>	<b>954,409</b>	<b>1,141,953</b>	<b>214,991</b>	<b>(393,235)</b>	<b>(166,497)</b>	<b>(104,043)</b>	<b>(555,981)</b>	<b>(581,415)</b>	<b>(670,114)</b>	<b>(580,505)</b>	<b>(959,699)</b>	<b>(14,097)</b>	<b>(1,223,338)</b>	<b>115,883</b>	
Transfers recognised - capital	-	71,100	403,750	174,617	25,000	329,012	-	29,200	49,900	37,500	56,950	4,000	-	534,401	287,750	2,003,181	
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributed assets	-	-	-	(113,000)	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(287,042)</b>	<b>3,412,198</b>	<b>1,358,159</b>	<b>1,203,570</b>	<b>239,991</b>	<b>(64,223)</b>	<b>(166,497)</b>	<b>(75,443)</b>	<b>(506,081)</b>	<b>(543,915)</b>	<b>(613,164)</b>	<b>(576,505)</b>	<b>(959,699)</b>	<b>520,305</b>	<b>(935,588)</b>	<b>2,006,064</b>	

Table 89 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>												
<b>ASSETS</b>												
<u>Call investment deposits</u>												
Call deposits < 90 days	–	–	–	22,771	21,285	21,285	22,771	22,771	22,771	22,771	22,771	22,771
Other current investments > 90 days	20,000	21,285	21,285	22,771	21,285	21,285	22,771	22,771	22,771	22,771	22,771	22,771
<b>Total Call investment deposits</b>	<b>20,000</b>	<b>21,285</b>	<b>21,285</b>	<b>22,771</b>	<b>21,285</b>	<b>21,285</b>	<b>22,771</b>	<b>22,771</b>	<b>22,771</b>	<b>22,771</b>	<b>22,771</b>	<b>22,771</b>
<u>Consumer debtors</u>												
Consumer debtors	9,635,056	9,149,377	10,594,597	10,594,597	10,603,434	10,603,434	10,603,434	10,603,434	12,029,985	13,788,167	15,496,970	(12,351,635)
Less: Provision for debt impairment	(7,187,583)	(6,141,243)	(7,042,114)	(7,042,114)	(8,125,747)	(8,125,747)	(8,125,747)	(8,125,747)	(9,355,950)	(10,790,005)	(12,351,635)	(12,351,635)
<b>Total Consumer debtors</b>	<b>2,447,473</b>	<b>3,008,134</b>	<b>3,552,483</b>	<b>3,552,483</b>	<b>2,477,687</b>	<b>2,477,687</b>	<b>2,477,687</b>	<b>2,477,687</b>	<b>2,674,035</b>	<b>2,998,162</b>	<b>3,145,335</b>	<b>3,145,335</b>
<u>Debt impairment provision</u>												
Balance at the beginning of the year	6,255,039	7,756,989	6,141,243	6,141,243	6,941,662	6,981,180	6,981,180	6,981,180	8,125,746	9,363,859	10,792,414	10,792,414
Contributors to the provision	1,445,304	1,442,008	914,944	914,944	1,184,084	1,144,566	1,144,566	1,144,566	1,230,204	1,426,146	1,559,221	1,559,221
Bad debts written off	(512,761)	(3,057,753)	(14,073)	(14,073)	–	–	–	–	–	–	–	–
<b>Balance at end of year</b>	<b>7,187,583</b>	<b>6,141,243</b>	<b>7,042,114</b>	<b>7,042,114</b>	<b>8,125,746</b>	<b>8,125,746</b>	<b>8,125,746</b>	<b>8,125,746</b>	<b>9,355,950</b>	<b>10,790,005</b>	<b>12,351,635</b>	<b>12,351,635</b>
<u>Property, plant and equipment (PPE)</u>												
PPE at cost/valuation (excl. finance leases)	49,130,117	51,007,087	53,287,428	53,287,428	57,859,326	57,825,108	57,859,326	57,859,326	61,160,167	64,171,937	67,672,346	67,672,346
Leases recognised as PPE	–	–	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	6,504,769	8,328,664	10,322,373	10,322,373	9,510,617	9,510,617	9,510,617	9,510,617	11,554,913	13,701,425	15,955,262	15,955,262
<b>Total Property, plant and equipment (PPE)</b>	<b>42,625,347</b>	<b>42,678,424</b>	<b>42,965,055</b>	<b>42,965,055</b>	<b>48,348,709</b>	<b>48,314,491</b>	<b>48,348,709</b>	<b>48,348,709</b>	<b>49,605,254</b>	<b>50,470,512</b>	<b>51,717,084</b>	<b>51,717,084</b>
<b>LIABILITIES</b>												
<u>Current liabilities - Borrowing</u>												
Short term loans (other than bank overdraft)	175,354	182,305	629,421	629,421	576,113	178,648	576,113	576,113	222,087	287,087	349,587	349,587
Current portion of long-term liabilities	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Current liabilities - Borrowing</b>	<b>175,354</b>	<b>182,305</b>	<b>629,421</b>	<b>629,421</b>	<b>576,113</b>	<b>178,648</b>	<b>576,113</b>	<b>576,113</b>	<b>222,087</b>	<b>287,087</b>	<b>349,587</b>	<b>349,587</b>
<u>Trade and other payables</u>												
Trade and other creditors	2,463,874	3,613,203	4,376,297	4,376,297	3,466,107	3,466,107	3,466,107	3,466,107	3,703,075	4,036,351	4,399,623	4,399,623
Unspent conditional transfers	133,881	99,676	232,407	232,407	–	–	50,633	50,633	–	–	–	–
VAT	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Trade and other payables</b>	<b>2,597,755</b>	<b>3,712,879</b>	<b>4,608,704</b>	<b>4,608,704</b>	<b>3,466,107</b>	<b>3,466,107</b>	<b>3,516,740</b>	<b>3,516,740</b>	<b>3,703,075</b>	<b>4,036,351</b>	<b>4,399,623</b>	<b>4,399,623</b>
<u>Non current liabilities - Borrowing</u>												
Borrowing	3,715,714	4,333,206	4,503,777	4,503,777	5,163,597	5,163,597	5,163,597	5,163,597	6,252,384	7,269,337	8,069,750	8,069,750
Finance leases (including PPP asset element)	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Non current liabilities - Borrowing</b>	<b>3,715,714</b>	<b>4,333,206</b>	<b>4,503,777</b>	<b>4,503,777</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>5,163,597</b>	<b>6,252,384</b>	<b>7,269,337</b>	<b>8,069,750</b>	<b>8,069,750</b>

EKU Ekurhuleni Metro - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	2010/11		2011/12		2012/13		Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>											
<b>Provisions - non-current</b>											
Retirement benefits	1,378,113	1,502,271	1,640,940	1,664,796	1,664,796	1,664,796	1,664,796	1,664,796	1,712,368	1,822,111	1,956,948
<i>List other major provision items</i>											
Refuse landfill site rehabilitation	-	-	755,121	737,022	737,022	737,022	689,450	689,450	913,399	948,021	991,226
Other	503,152	649,199									
<b>Total Provisions - non-current</b>	<b>1,881,265</b>	<b>2,151,470</b>	<b>2,396,061</b>	<b>2,401,818</b>	<b>2,401,818</b>	<b>2,401,818</b>	<b>2,354,246</b>	<b>2,354,246</b>	<b>2,625,767</b>	<b>2,770,132</b>	<b>2,948,174</b>
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance	42,880,968	38,275,480	37,897,959	40,819,040	40,819,040	41,253,321	40,626,772	40,626,772	41,775,085	42,017,226	42,795,894
GRAP adjustments	(3,532,561)	(432,899)									
Restated balance	39,348,407	37,842,581	37,897,959	40,819,040	40,819,040	41,253,321	40,626,772	40,626,772	41,775,085	42,017,226	42,795,894
Surplus/(Deficit)	(1,072,927)	738,563	1,075,885	1,695,144	1,695,144	1,820,603	2,841,547	2,841,547	2,006,064	2,213,182	2,265,834
Appropriations to Reserves	-	-	(120,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(113,000)	(183,000)	(335,000)
Transfers from Reserves	1,239,285	1,084,374		975,937	975,937	975,937	975,937	975,937	619,392	458,732	260,849
Depreciation offsets	(1,239,285)	(1,084,374)		(975,937)	(975,937)	(975,937)	(975,937)	(975,937)	(619,392)	(458,732)	(260,849)
Other adjustments	-	-									
<b>Accumulated Surplus/(Deficit)</b>	<b>38,275,481</b>	<b>38,581,145</b>	<b>38,853,844</b>	<b>42,384,184</b>	<b>42,384,184</b>	<b>42,943,924</b>	<b>43,338,319</b>	<b>43,338,319</b>	<b>43,668,149</b>	<b>44,047,408</b>	<b>44,726,728</b>
<b>Reserves</b>											
Housing Development Fund											
Capital replacement			803,186	933,186	933,186	933,186	933,186	933,186	1,046,186	1,229,186	1,564,186
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	<b>-</b>	<b>-</b>	<b>803,186</b>	<b>933,186</b>	<b>933,186</b>	<b>933,186</b>	<b>933,186</b>	<b>933,186</b>	<b>1,046,186</b>	<b>1,229,186</b>	<b>1,564,186</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>38,275,481</b>	<b>38,581,145</b>	<b>39,657,030</b>	<b>43,317,370</b>	<b>43,317,370</b>	<b>43,877,110</b>	<b>44,271,505</b>	<b>44,271,505</b>	<b>44,714,335</b>	<b>45,276,594</b>	<b>46,290,914</b>
<b>Total capital expenditure includes expenditure on nationally significant priorities:</b>											
Provision of basic services											

**Table 90 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

EKU Ekurhuleni Metro - Supporting Table SA9 Social, economic and demographic statistics and assumptions											
Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population	Source Of data Census 2011 interactive data in super cross 3.14% growth rate	2,480	2,724	3,178	3,178	3,178	3,178	3,178	3,277	3,379	3,485
Females aged 5 - 14		200	220	225	225	225	225	225	232	240	247
Males aged 5 - 14		196	213	230	230	230	230	230	237	245	252
Females aged 15 - 34		489	502	640	640	640	640	640	660	680	702
Males aged 15 - 34		532	536	711	711	711	711	711	733	756	780
Unemployment		332	434	456	456	456	456	456	470	485	500
<b>Monthly household income (no. of households)</b>											
No income	Source Of data Census 2011 interactive data in super cross 3.14% growth rate			1,343	1,343	1,343	1,343	1,343	1,386	1,429	1,474
R1 - R1 600				652	652	652	652	652	672	694	715
R1 601 - R3 200				257	257	257	257	257	265	273	282
R3 201 - R6 400				216	216	216	216	216	223	230	238
R6 401 - R12 800				173	173	173	173	173	179	185	190
R12 801 - R25 600				131	131	131	131	131	136	140	144
R25 601 - R51 200				55	55	55	55	55	57	59	607
R52 201 - R102 400				16	16	16	16	16	31	32	33
R102 401 - R204 800				5	5	5	5	5	5	5	6
R204 801 - R409 600				4	4	4	4	4	4	4	4
R409 601 - R819 200											
> R819 200											
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month				533	533	533	533	549.00	566.00	584.00	603.00
< R 2300 per household per month											
<b>Household/demographics (000)</b>											
Number of people in municipal area	Source Of data Census 2011 interactive data in super cross 3.14% growth rate			3,178	3,178	3,178	3,178	3,178	3,278	3,380	3,486
Number of poor people in municipal area				1,015	1,015	1,015	1,015	1,015	1,047	1,080	1,114
Number of households in municipal area				533	533	533	533	549	566	584	603
Number of poor households in municipal area											
Definition of poor household (R per month)				<=R2300 P/M	<=R2300 P/M	<=R2300 P/M	<=R2300 P/M	<=R2300 P/M	<=2372 P/M	<=2448 P/M	<=2524 P/M
<b>Housing statistics</b>											
Formal	Source Of data Census 2011 interactive data in super cross 3.14% growth rate			777	777	777	777	777	801	827	853
Informal				238	238	238	238	238	245	253	261
<b>Total number of households</b>					1,015	1,015	1,015	1,015	1,015	1,047	1,080
Dwellings provided by municipality											
Dwellings provided by province/s											
Dwellings provided by private sector											
<b>Total new housing dwellings</b>											
<b>Economic</b>											
Inflation/inflation outlook (CPIX)					6.2%	4.8%	4.7%	4.7%	5.5%	5.1%	4.9%
Interest rate - borrowing											
Interest rate - investment							4.7%	4.7%	5.0%	10.0%	7.5%
Remuneration increases					15.1%	12.0%	12.0%	12.0%	7.0%	6.6%	6.4%
Consumption growth (electricity)					4.5%	0.0%	-2.5%	-2.5%	1.4%	0.0%	0.0%
Consumption growth (water)					3.0%	3.0%	2.5%	2.5%	-2.9%	1.7%	1.7%
<b>Collection rates</b>											
Property tax/service charges					89.6%	91.8%	93.0%	93.0%	93.0%	93.0%	93.0%
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors					89.6%	91.8%	93.0%	93.0%	93.0%	93.0%	93.0%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

Total municipal services	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets (000)</b>									
<b>Water:</b>									
Piped water inside dwelling	456,077	465,881	473,800	481,855		485,178	494,882	502,305	509,839
Piped water inside yard (but not in dwelling)	159,526	-	-	-		-	-	-	-
Using public tap (at least min.service level)	130,000	162,414	162,414	162,414		162,414	162,414	162,414	162,414
Other water supply (at least min.service level)	2,000	2,000	2,000	2,000		2,000	2,000	2,000	2,000
<i>Minimum Service Level and Above sub-total</i>	747,603	630,295	638,214	646,269	-	649,592	659,296	666,719	674,253
Using public tap (< min.service level)	20,000	20,000	20,000	20,000		20,000	20,000	20,000	20,000
Other water supply (< min.service level)	-	-	-	-		-	-	-	-
No water supply	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	20,000	20,000	20,000	20,000	-	20,000	20,000	20,000	20,000
<b>Total number of households</b>	<b>767,603</b>	<b>650,295</b>	<b>658,214</b>	<b>666,269</b>	<b>-</b>	<b>669,592</b>	<b>679,296</b>	<b>686,719</b>	<b>694,253</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	615,603	464,673	472,592	480,647		482,044	491,685	501,519	511,549
Flush toilet (with septic tank)	3,000	1,208	1,208	1,208		1,208	1,208	1,208	1,208
Chemical toilet	90,000	95,500	95,500	100,000		100,000	100,000	100,000	100,000
Pit toilet (ventilated)	60,000	66,914	66,914	62,414		62,414	62,414	62,414	62,414
Other toilet provisions (> min.service level)	-	-	-	-		-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	768,603	628,295	636,214	644,269	-	645,666	655,307	665,141	675,171
Bucket toilet	-	-	-	-		-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-		-	-	-	-
No toilet provisions	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>768,603</b>	<b>628,295</b>	<b>636,214</b>	<b>644,269</b>	<b>-</b>	<b>645,666</b>	<b>655,307</b>	<b>665,141</b>	<b>675,171</b>
<b>Energy:</b>									
Electricity (at least min.service level)	171,994	171,994	176,994	185,000		185,000	181,300	171,300	161,300
Electricity - prepaid (min.service level)	310,000	320,000	330,000	340,000		340,000	360,000	380,000	400,000
<i>Minimum Service Level and Above sub-total</i>	481,994	491,994	506,994	525,000	-	525,000	541,300	551,300	561,300
Electricity (< min.service level)	-	-	-	-		-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-		-	-	-	-
Other energy sources	-	-	-	13,000		13,000	23,000	33,000	43,000
<i>Below Minimum Service Level sub-total</i>	-	-	-	13,000	-	13,000	23,000	33,000	43,000
<b>Total number of households</b>	<b>481,994</b>	<b>491,994</b>	<b>506,994</b>	<b>538,000</b>	<b>-</b>	<b>538,000</b>	<b>564,300</b>	<b>584,300</b>	<b>604,300</b>
<b>Refuse:</b>									
Removed at least once a week	672,336	686,000	721,006	774,499		959,190	959,190	959,190	959,190
<i>Minimum Service Level and Above sub-total</i>	672,336	686,000	721,006	774,499	-	959,190	959,190	959,190	959,190
Removed less frequently than once a week	-	-	-	-		-	-	-	-
Using communal refuse dump	64,000	164,000	169,125	181,673		181,673	181,673	181,673	181,673
Using own refuse dump	-	-	-	-		-	-	-	-
Other rubbish disposal	-	-	-	-		-	-	-	-
No rubbish disposal	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	64,000	164,000	169,125	181,673	-	181,673	181,673	181,673	181,673
<b>Total number of households</b>	<b>736,336</b>	<b>850,000</b>	<b>890,131</b>	<b>956,172</b>	<b>-</b>	<b>1,140,863</b>	<b>1,140,863</b>	<b>1,140,863</b>	<b>1,140,863</b>



**EKURHULENI METROPOLITAN MUNICIPALITY – BUDGET 2014/15 TO 2016/17**

Municipal in-house services	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets (000)</b>									
<u>Water:</u>									
Piped water inside dwelling	456,077	465,881	473,800	481,855		485,178	494,882	502,305	509,839
Piped water inside yard (but not in dwelling)	159,526	-	-	-		-	-	-	-
Using public tap (at least min.service level)	130,000	162,414	162,414	162,414		162,414	162,414	162,414	162,414
Other water supply (at least min.service level)	2,000	2,000	2,000	2,000		2,000	2,000	2,000	2,000
<i>Minimum Service Level and Above sub-total</i>	747,603	630,295	638,214	646,269	-	649,592	659,296	666,719	674,253
Using public tap (< min.service level)	20,000	20,000	20,000	20,000		20,000	20,000	20,000	20,000
Other water supply (< min.service level)	-	-	-	-		-	-	-	-
No water supply	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	20,000	20,000	20,000	20,000	-	20,000	20,000	20,000	20,000
<b>Total number of households</b>	<b>767,603</b>	<b>650,295</b>	<b>658,214</b>	<b>666,269</b>	<b>-</b>	<b>669,592</b>	<b>679,296</b>	<b>686,719</b>	<b>694,253</b>
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	615,603	464,673	472,592	480,647		482,044	491,685	501,519	511,549
Flush toilet (with septic tank)	3,000	1,208	1,208	1,208		1,208	1,208	1,208	1,208
Chemical toilet	90,000	95,500	95,500	100,000		100,000	100,000	100,000	100,000
Pit toilet (ventilated)	60,000	66,914	66,914	62,414		62,414	62,414	62,414	62,414
Other toilet provisions (> min.service level)	-	-	-	-		-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	768,603	628,295	636,214	644,269	-	645,666	655,307	665,141	675,171
Bucket toilet	-	-	-	-		-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-		-	-	-	-
No toilet provisions	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>768,603</b>	<b>628,295</b>	<b>636,214</b>	<b>644,269</b>	<b>-</b>	<b>645,666</b>	<b>655,307</b>	<b>665,141</b>	<b>675,171</b>
<u>Energy:</u>									
Electricity (at least min.service level)	171,994	171,994	176,994	185,000		185,000	181,300	171,300	161,300
Electricity - prepaid (min.service level)	310,000	320,000	330,000	340,000		340,000	360,000	380,000	400,000
<i>Minimum Service Level and Above sub-total</i>	481,994	491,994	506,994	525,000	-	525,000	541,300	551,300	561,300
Electricity (< min.service level)	-	-	-	-		-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-		-	-	-	-
Other energy sources	-	-	-	13,000		13,000	23,000	33,000	43,000
<i>Below Minimum Service Level sub-total</i>	-	-	-	13,000	-	13,000	23,000	33,000	43,000
<b>Total number of households</b>	<b>481,994</b>	<b>491,994</b>	<b>506,994</b>	<b>538,000</b>	<b>-</b>	<b>538,000</b>	<b>564,300</b>	<b>584,300</b>	<b>604,300</b>
<u>Refuse:</u>									
Removed at least once a week	672,336	686,000	721,006	774,499		959,190	959,190	959,190	959,190
<i>Minimum Service Level and Above sub-total</i>	672,336	686,000	721,006	774,499	-	959,190	959,190	959,190	959,190
Removed less frequently than once a week	-	-	-	-		-	-	-	-
Using communal refuse dump	64,000	164,000	169,125	181,673		181,673	181,673	181,673	181,673
Using own refuse dump	-	-	-	-		-	-	-	-
Other rubbish disposal	-	-	-	-		-	-	-	-
No rubbish disposal	-	-	-	-		-	-	-	-
<i>Below Minimum Service Level sub-total</i>	64,000	164,000	169,125	181,673	-	181,673	181,673	181,673	181,673
<b>Total number of households</b>	<b>736,336</b>	<b>850,000</b>	<b>890,131</b>	<b>956,172</b>	<b>-</b>	<b>1,140,863</b>	<b>1,140,863</b>	<b>1,140,863</b>	<b>1,140,863</b>

**Table 91 MBRR SA32 – List of external mechanisms**

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand

## 2.15 Municipal Manager's quality certificate



### City Manager's Quality Certificate

I **KHAYA NGEMA**, City Manager of Ekurhuleni Metropolitan Municipality, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development of the municipality.

Signature: \_\_\_\_\_  \_\_\_\_\_ Date: 13.05.14

Name of City Manager: **Khaya Ngema**  
City Manager  
Ekurhuleni Metropolitan Municipality (GT000)