

1.1 MAYOR'S FOREWORD

I feel honoured to be presenting the 2005/2006 annual report of Emakhazeni Local Municipality. In exercising their power, the people in our municipality gave us a mandate to deliver quality services, to transform the apartheid landscape, to effectively manage the municipality and most importantly, to involve them in all activities of service delivery.

In our response to the mandate, we have timely embarked on community consultation meetings in all our units on the Integrated Development Plan (IDP) and the Budget process. In order to monitor the effective management of our municipality, our administration compiled the Service Delivery and Budget Implementation Plan (SDBIP), for all our departments, which was approved by council on time for implementation, even though according to the MFMA implementation plan of National treasury, we were not supposed to compile them.

The municipal council extended invitations to local and outside investors, to invest in property development within our municipality. This initiative saw the beginning of a partnership with business as major stakeholders to the course towards poverty alleviation through job creation. The partnership saw the beginning of a R1.3 billion project of the Highlands Gate Golf Course in Dullstroom, which is an anchor project of both our municipality and the Nkangala District Municipality. This project has created job opportunities for people who were unemployed for a very long time. It is because of this reason we are saying the project has assisted in the elimination of unemployment in this area and eradication of poverty.

Other projects such as the Highlands Walk shopping centre in the Belfast town, and the St Micheils between Belfast and Machadodorp, were also conceived during this financial year. The council has since approved both projects in order to respond to the challenge of job shortage in these areas. We strongly believe that through creating sustainable jobs for our communities, we will also be reducing the high level of crime, especially around Waterval Boven area which is a tourist attraction.

Our municipality boasts of a number of *undeclared* heritage sites, which are visited by a number of tourists. One of these sites is the burial site of the Mozambican miners who perished in the train disaster that happened 56 years ago. As an area that is rich with cultural attractions, Emakhazeni has a grave (**resting place**) of King Ndzundza, at KwaSimkhulu, next to Sunbury, that dates back to the year 1600, fifty two years before the arrival of Jan Van Riebeeck. We have celebrated the existence of this site with the Nzundza Sokhulumi tribe during this financial year.

In our quest for service delivery, we are aware of the fact that the rural communities living on farms have not benefited from the free basic services provided by the government. Accessing clean water, electricity and proper sanitation, has been a challenge, since they live on privately owned farms. Challenging as it may be, we have installed a number of boreholes, especially on farms where the owners granted permission for such a service.

I wish to thank the Acting Municipal Manager for his visionary guidance to the Council, all councilors for their commitment in monitoring service delivery, officials, all community leaders including church leaders, businesses, for their active participation in the programmes of the municipality towards making the people's lives better.

Should we together continue in this manner, united in all our endeavours, we will reach our target of eradicating poverty and halving of unemployment sooner than it is anticipated. Our motto: *KUMNYAMA KUBOMVU SIYANQOBA* must be a motivating factor, especially as we turn all our challenges into programmes of action that will give hope to those who have lost hope towards a better life.

Clr. Linkie Mohlala
Executive Mayor

1.2 OVERVIEW OF THE MUNICIPALITY

Emakhazeni Local Municipality is situated in the heart centre of Mpumalanga Province. It is one of the six Municipalities that fall within the jurisdiction of Nkangala District Municipality.

The Municipality covers a ground surface of approximately 52000 square kilometers which makes it the largest Municipality in terms of surface area. In spite its vastness, the Municipality only has seven wards.

According to Census 2001, the Municipality has a total population of approximately 43 007. However, recent statistics by the Municipality indicates a total population of approximately 59 000 people. This means that the Municipality has recorded an annual growth of 9% over the past years.

The Administrative head and the Council Chamber are located in Belfast with additional six administrative units located in Dullstroom, Sakhelwe, Siyathuthuka, Emthonjeni, Machadodorp and Waterval Boven respectively.

During March 2006, new Councillors were appointed and as such thirteen (13) seats were available. Of the thirteen seats available eleven (11) seats were won by the African National Congress (ANC) and two by the Democratic Alliance (DA). Therefore, it can be deduced the ANC has an overwhelming majority of about 89%. This situation makes the decision making process to be fairly quicker and easier.

Giving effect to section 12 notice 300 of the Municipality Structures (Act 117 of 1998) that established the Emakhazeni Local Municipality, the MEC for Local government and housing gave a notice to change the Municipal governance system from being the collective to be the Executive Mayoral type.

As a result of this amendment, four Councillors were designated as fulltime, namely the Speaker, the Executive Mayor and two (2) members of the Mayoral Committee. Whereas, prior to this amendment, the Municipality did not have any fulltime Councillor.

During 2005/06 financial year, the Municipality had a performance Management System and the Municipal Manager signed the annual performance contracts which were based on the approved operational plans.

In March 2006, the then Municipal Manager resigned and an Acting Municipal Manager was appointed to guide the Municipality until the end of the financial year.

1.3 EXECUTIVE SUMMARY

The vision of the municipality is "A secure environment and sustainable development to promote excellence, unity and community participation."

MISSION

That it is committed to creating a conducive institutional environment within which communities can thrive economically and socially.

CORE VALUES

- Transparency
- High quality service
- Accountability
- Service communities with integrity
- Efficiency
- Professionalism
- Adoption of all the Batho Pele principles

IDP Objectives and the Budget Requirements

The Council's operational and capital budget that relates to the financial statements attached hereto are linked to the IDP. Therefore the following projects were completed in 2005/6 financial year in accordance with the IDP priorities.

- Upgrading of Machado Water treatment plant
- Draught Relief Emakhazani rural Area
- Sanitation Emakhazeni rural area
- Electrification of Emthonjeni Ext.3
- Siyathuthuka Cemetery
- Watervalboven Cemetery
- New Sewage line Vermooten street
- Installation of Sanitation at Emgwenya
- Upgrading of Sakhelwe Sports stadium Phase 1
- Construction of a new Reservoir Water pipeline Phase 3
- Repairing Pot-holes Emakhazeni area
- Upgrading of Belfast Purification plant

- Upgrading Watervalboven Purification plant
- Upgrading of Machadodorp High Tension Network
- Upgrading of Siyathiuthuka Stadium
- Construction of Alfred Mahlangu Park

Future Developments and Performance

The council was able to provide free basic water, sanitation, sewerage and electricity to 1206 indigent household around the area. The municipality aims to increase that number in the new financial year 2006/7.

With the appointment of the credit controller, the Council's aim is to reduce our debtors, improve our cash flow and promptly produce monthly cut-off lists in order to enable our consumers to pay on time. Through the Municipal Systems Improvement Grant we are going to embark on the process of data cleansing of our debtors. This exercise is aimed at assisting the municipality to further enhance its revenue collection.

The municipality plans to increase its capital investment expenditure particularly on water and sanitation projects in order to meet the millennium targets of universal access to water and sanitation by 2010.

The Constitution of the Republic prescribes the function of local authorities to play a developmental role. Accordingly, the municipality is in the process of developing a Local Economic development strategy which will be adopted by council in March 2007. This strategy aims to assist council to create jobs and half unemployment by 2014.

The municipality has a human resource development plan whose major objective is to continue to skill our municipal officials to be more efficient in dealing with our clients and consumers thereby promoting the culture of professionalism and the Batho Pele principles.

Due to an increase in staff members as a result of the demand of municipal services, the municipality intends erecting a new office building in the next two years.

I trust that this annual report will assist the Council to account to the public with regard to issues of service delivery and the financial status of the Municipality.

Thank you

Mr. O. N. Nkosi
Municipal Manager

Backlogs in Service Delivery

Water Backlogs

Backlogs to be eliminated
(No of households not receiving Minimum
Standard Services)

Spending on new Infrastructure to
eliminate Backlogs

Spending on renewal of
Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure
There are no new backlogs created.

Sanitation Backlogs

Backlogs to be Eliminated
(No of households not receiving Minimum
Standard Services)

Spending on new Infrastructure to
eliminate Backlogs

Spending on renewal of
Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure
There are no new backlogs created.

Refuse Removal Backlogs

Backlogs to be Eliminated
(No of households not receiving Minimum
Standard Services)

Spending on new Infrastructure to
eliminate Backlogs

Spending on renewal of
Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure
There are no new backlogs created.

	Required	Budgeted	Actual
Backlogs to be eliminated (No of households not receiving Minimum Standard Services)	1168	233	28
Spending on new Infrastructure to eliminate Backlogs	R45.7mil.	R9.14mil.	R3.62mil
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R42.25mil.	R8.4mil.	R9.04mil
Total Spending to Eliminate Backlogs			R12.66mil.
Spending on maintenance to ensure There are no new backlogs created.		R3.21mil	R2.16mil
Sanitation Backlogs			
Backlogs to be Eliminated (No of households not receiving Minimum Standard Services)	1773	354	66
Spending on new Infrastructure to eliminate Backlogs	R25.9mil.	R5.2mil.	R1.07mil
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R20mil.	R4.0mil	R3.83mil
Total Spending to Eliminate Backlogs			R4.9mil
Spending on maintenance to ensure There are no new backlogs created.		R2.58mil.	R1.97mil.
Refuse Removal Backlogs			
Backlogs to be Eliminated (No of households not receiving Minimum Standard Services)	1400	0	0
Spending on new Infrastructure to eliminate Backlogs	5000		
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R3.5 mil	R2mil	0
Total Spending to Eliminate Backlogs	R4mil	-	-
Spending on maintenance to ensure There are no new backlogs created.	R300 000	-	-

Electricity Backlogs (per month)

Backlogs to be Eliminated
(No of households not receiving Minimum
Standard Services)

Spending on new Infrastructure to
eliminate Backlogs

Spending on renewal of
Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure
There are no new backlogs created.

Roads Backlogs

Backlogs to be Eliminated
(No of households not receiving Minimum
Standard Services)

Spending on new Infrastructure to
eliminate Backlogs

Spending on renewal of
Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure
There are no new backlogs created.

	Required	Budgeted	Actual
Backlogs to be Eliminated (No of households not receiving Minimum Standard Services)	1380	276	600
Spending on new Infrastructure to eliminate Backlogs	R13.9mil.	R2.78mil.	R4.62mil.
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R6.2mil.	R1.24mil	0
Total Spending to Eliminate Backlogs			R4.62mil
Spending on maintenance to ensure There are no new backlogs created.		R12.06mil	R12.12mil
Roads Backlogs			
Backlogs to be Eliminated (No of households not receiving Minimum Standard Services)	119km	23.8	10km
Spending on new Infrastructure to eliminate Backlogs	R82mil.	R16.4mil	R0
Spending on renewal of Existing Infrastructure to Eliminate Backlogs	R15mil.	R3mil.	R1mil
Total Spending to Eliminate Backlogs			R1mil.
Spending on maintenance to ensure There are no new backlogs created.		R5.11mil	R4.83mil.

Level and Standard of Service

BUILDING AND ZONING PLANS 2005/2006

APPLICATIONS OUTSTANDING 1 JULY 2005	CATEGORY	NUMBER OF NEW APPLICATIONS 2005/2006	TOTAL VALUE OF APPLICATIONS RECEIVED RAND	APPLICATIONS OUTSTANDING 30 JUNE 2006
24	RESIDENTIAL	169	R 21 970.00	24
-	RES. ADDITIONS	18	R 2 340.00	-
-	COMMERCIAL	24	R 3 120.00	-
-	INDUSTRIAL	-	-	-

Number of households electrified	- 117
Number of households provided with water	- 325
Number of households built during the year	- 556
Number of households with no access to minimum services	- 425 (Farms, Sakhelwe, Emthonjeni & Emgwenya)

BACKLOGS

1. +/- 100 stands without services in Emgwenya
2. 425 house holds in rural area without water
3. 959 households in rural area without sanitation
4. Upgrading 6km of streets in Dullstroom
5. Upgrading of 2km streets in Sakhelwe
6. Upgrading of 17km of gravel streets in Siyathuthuka
7. Upgrading 10km of gravel streets in Belfast
8. Upgrading 4 km of gravel streets in Emthonjeni
9. Upgrading 5km of gravel streets in Emgwenya
10. 1400 households in the rural areas do not have access to refuse removal services.

PROJECT PROGRESS REPORT 2005/2006

C/MP 0328 MIG/NDM	Upgrading of Belfast water purification works	Belfast /Siyathuthuka	Civil works 3 014 249.62 Mechanical & Electrical 1 233 719.06	2 840 551.25 759 506.03	Starting date is 7 November 2005 Planned completion date is 28 July 2006. 90% completed Revised completion date 21 August 2006 Project is completed.	35x local labour 5X women 30x men 11x youth 16x skilled labour	<u>Total no. of households benefited</u> 4399	<u>Ward</u> 1, 2 and 3
C/MP 0363 MIG/NDM	Upgrading of Waterval Boven sewer purification works.	Waterval Boven/ Emgwenya	Civil works 1 287 165.60 Mechanical 1 047 744.79 Electrical 297 431.81	1 195 715.78 817 795.00 206 405.001	Did start during October 2005 Planned completion date 31 May 2006 100% completed 6x weeks behind schedule Problems experienced with the blasting of rock. Project completed on 29 June 2006.	9x local labours 4x women 4x youth 16x skilled labour	2505	7
2402/05 NDM	Upgrading of Machadodorp HT network	Machadodorp /Emthonjeni	3 500 000.00	3 000 000.00	Project 9x weeks behind schedule 100% completed Project completed on 18 July 2006.	12x local labours	639	6
Own project funded by DPLG	Drought relief	Rural area Emakhazeni	800 000.00	800 000.00	18x boreholes + hand pumps 2x windmills 3x tanks 100% completed	5x skilled labour	28	1,2,34 and 5
2201/05 NDM	Sanitation Rural area	Rural area Emakhazeni	400 000.00	400 000.00	Project completed 60x VIP toilets installed 100% completed	16x local labour 2x skilled labour	60	1 and 2
2204/06E NDM	New sewer from Vermooten Street pump station to purification works	Belfast	1 200 000.00	821 183.38	Site handover 25 April 2006. Completion date 23 August 2006. 95% completed Project 2x weeks ahead of schedule	25x local labour 6x female 19x male 10x youth	1528	1

					Project is completed and contractor is busy to repair snags on the list.	3x skilled labour		
2704/06E NDM	Upgrading of sport stadium Sakhelwe Phase 1	Sakhelwe	309 250.00	309 250.00	Starting date 23 January 2006 Planned completion date 31 March 2006 100% completed Revised completion date 31 May 2006. Project 5x weeks behind schedule. Contractor has cash flow problems. Project completed on 30 June 2006.	24x local labour 14x women 10x men 1x disabled 11x youth 4x skilled labour	859	4
DPLG	Patching of streets in Belfast	Belfast	250 000.00	250 000.00	Starting date 6 March 2006. Planned completion date 31 March 2006. 100% completed Project completed.		1528	1
DPLG	Patching of streets in Dullstroom	Dullstroom	250 000.00	250 000.00	Starting date 6 March 2006. Planned completion date 31 March 2006. 100% completed Project completed.		766	4
DPLG	Patching of streets in Machadodorp	Machadodorp	250 000.00	250 000.00	Starting date 6 March 2006. Planned completion date 31 March 2006. 100% completed Project completed.		639	6
DPLG	Patching of streets in Waterval Boven	Waterval Boven	250 000.00	250 000.00	Starting date 6 March 2006. Planned completion date 31 March 2006. 100% completed Project completed.		855	7

ORGANIZATIONAL STRUCTURE

The Municipality consists of five (5) Departments, as per the organizational structure approved by Council on 28 October 2004 through the Municipality's Strategic Workshop held on 23 – 25 October 2005 in preparation for implementation during the 2005/2006 financial year:

Office of the Municipal Manager
Financial Services Department
Corporate Services Department
Technical Services Department
Community Services Department

Office of the Municipal Manager

Functions falling under the Office of the Municipal Manager are the Municipal Council, Youth, Gender, Disabled, Aged, LED, IDP, Tourism, Communications, Information Technology and Internal Audit. During the 2005/2006 financial year the Municipality was able to perform all the above functions as all the posts of the sections were filled.

Financial Services Department

The sections that fall under the Financial Services Department are Income, Expenditure and Budget Office. The Income section is responsible for debtors (raising of debtors & collection of income) and credit control. The Expenditure section is responsible for Salaries, Creditors and procurement. The Budget Office is responsible for Compilation of Budget, Budget Control, Bank reconciliation and Financial Statements. The Municipality was able to perform all the above functions through the appointment of all Senior Officials during the 2005/2006 financial year of the sections except the Deputy Managers for Income & Expenditure.

Corporate Services Department

Corporate Services Department is responsible for Human Resources, General Administration, Logistics, Labour Relations and Legal Services. The Municipality was able to perform the above functions through the appointment of all Senior Officials of the Department. However, the functioning of the Labour Relations & Legal Services Section was not efficient due to the fact the Municipality could only manage to fill the post of the Deputy Manager under the Section.

Technical Services Department

The Technical Services Department is responsible for Water, Sanitation, Electricity, Roads, Housing, Forestry, Property Administration, Building Inspection and General Public Works. During the 2005/2006 financial the Municipality managed to fill Senior

positions and as a result also managed to perform the above functions effectively and efficiently

Community Services Department

The Community Services Department is responsible for Primary Health, Environmental Health (includes Waste Management), Public Safety, Social Development. Senior positions were filled before and during 2005/2006 financial year thus enabled the department to carry out its functions effectively and efficiently.

General

The Organizational Structure of the Municipality provides for the appointment of 385 personnel. In addition to the 251 posts filled during 2004/2005 financial year, the Municipality budgeted for 29 additional posts. During the 2005/2006 financial year a total of 268 posts were filled and 117 vacant. The Municipality also managed to fill 20 posts, vacant as a result of Resignations, Deaths and Retirements. The Municipality also managed to appoint 45 temporal staff during the 2005/2006 financial year.

Employment Equity

The Municipality compiled and submitted its Employment Equity Plan to the Department of Labour as required in terms of the Employment Equity Act, Act No. 55 of 1988. Numerical goals were set to improve employment equity. The 2005/2006 implementation report of the Employment Equity Plan indicates that the Municipality improved on employment equity.

Skills Development

The Municipality compiled its Workplace Skills Plan through the conduct of skills assessment and identification of skills gaps. As a result skills needs are compiled and training is based on the skills needs. ABET classes are also conducted for all relevant employees with the assistance of LGSETA. Employees who attended the ABET classes will be receiving their certificates during 2007.

Performance Management System

The Municipality adopted a Performance Management Framework. The Municipal Manager and Managers directly accountable to the Municipal Manager who are responsible and accountable for the above-mentioned departments, signed performance agreements during the 2005/2006 financial year. The Service Delivery and Budget Implementation Plans of the departments were attached to the performance agreements as an additional tool to measure their performance. At the end of the 2005/2006 financial year, the evaluation of the performance of the Managers was done and their performance bonuses were paid according to their performance.

Staffing

Function	Full-time	Vacant	Total
Managerial positions	3	2	5
Electricity	2	-	2
Community Services	6	-	6
Health	11	4	15
Finance & Administration	24	14	38
Public Safety	7	10	17
Sport & Recreation	4	7	11
Waste Management	32	35	67
Waste water Man.	42	12	54
Water	30	12	42
Other	107	21	128
Total	268	117	385

Skills or level of Education

The skills or level of education attained by most of the professionals and other senior officials are – B degree and or tertiary qualifications. Most of the unskilled have no qualifications but others have Grade 12 to tertiary qualifications.

Trends on total personnel expenditure over the last 3 years, compared to the total budget

Year	Total personnel expenditure	Total budget	%
2004	14 150 456	39 239 010	36.06
2005	17 539 050	46 972 225	37.34
2006	19 627 421	51 977 083	37.76

The reason for deviation with the norm of 35% is due to the allowed/affordable increase of the budget versus the percentage salary increases and or urgent need of additional posts.

Number and Name of Pension and Medical Aid Funds

Pension funds	-	5	Medical aid	-	7
Municipal Employees Pension Fund			HOSMED		
Municipal Gratuity Fund			BONITAS		
Samwu Provident Fund			MUNIMED		
SALA Pension Fund			SAMWUMED		
Municipal Workers Fund			GLOBAL HEALTH		
			LAMAF		
			PROSANO		

Disclosures concerning Councillors and Senior Officials for the period 1 July 2005 to 30 June 2006.

MAYOR		SPEAKER	
Councillor Allowance	R 71 091.02	Councillor Allowance	R 56 873.24
Travelling Allowance	R 17 772.76	Travelling Allowance	R 14 218.28
Personal Facility	R 3 129.12	Personal Facility	R 3 129.12
Cell Phone	R 7 500.00	Cell Phone	R 7 500.00
TOTAL	R 99 492.29	TOTAL	R 81 720.64

EXCO MEMBER		EXCO MEMBER	
Councillor Allowance	R 53 319.06	Councillor Allowance	R 53 319.06
Travelling Allowance	R 13 329.79	Travelling Allowance	R 13 329.79
Personal Facility	R 3 129.12	Personal Facility	R 3 129.12
Cell Phone	R 7 500.00	Cell Phone	R 7 500.00
TOTAL	R 77 277.97	TOTAL	R 77 277.97

COUNCILLOR		COUNCILLOR	
Councillor Allowance	R 28 435.56	Councillor Allowance	R 28 435.56
Travelling Allowance	R 7 108.95	Travelling Allowance	R 7 108.95
Personal Facility	R 3 129.12	Personal Facility	R 3 129.12
Cell Phone	R 7 500.00	Cell Phone	R 7 500.00
TOTAL	R 46 173.63	TOTAL	R 46 173.63

COUNCILOR		COUNCILLOR	
Councillor Allowance	R 28 435.56	Councillor Allowance	R 28 435.56
Travelling Allowance	R 7 108.95	Travelling Allowance	R 7 108.95
Personal Facility	R 3 129.12	Personal Facility	R 3 129.12
Cell Phone	R 7 500.00	Cell Phone	R 7 500.00
TOTAL	R 46 173.63	TOTAL	R 46 173.63

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TOTAL	R 46 173.63	TOTAL	R 46 173.63

COUNCILLOR	
Councillor Allowance	R 28 435.56
Travelling Allowance	R 7 108.95
Personal Facility	R 3 129.12
Cell Phone	R 7 500.00
TOTAL	R 46 173.63

Salary scales and benefits applicable to posts of the Municipal Manager and every Manager directly accountable to the Municipal Manager for the period 1 July 2005 to 30 June 2006.

MUNICIPAL MANAGER		FINANCIAL SERVICES MANAGER	
Basic Salary	R 245 443.00	Basic Salary	R 175 000.00
Pension	R 53 997.00	Pension	R 38 500.00
UIF	R 1 061.00	UIF	R 1 061.00
Travelling Allowance	R 145 759.00	Travelling Allowance	R 103 621.00
TOTAL	R 446 260.00	TOTAL	R 318 182.00

TECHNICAL SERVICES MANAGER		CORPORATE SERVICES MANAGER	
Basic Salary	R 175 000.00	Basic Salary	R 175 000.00
Pension	R 38 500.00	Pension	R 38 500.00
UIF	R 1 061.00	UIF	R 1 061.00
Travelling Allowance	R 103 621.00	Travelling Allowance	R 103 621.00
TOTAL	R 318 182.00	TOTAL	R 318 182.00

COMMUNITY SERVICES MANAGER	
Basic Salary	R 175 000.00
Pension	R 38 500.00
UIF	R 1 061.00
Travelling Allowance	R 103 621.00
TOTAL	R 318 182.00

Rate and General Services

- Our income increased by 37% in 2005/06 as compared to 2004/05 financial year under rates and general services due to the TMT Project which was a project that council entered into with a third party company.

Trading Services

- Income received decreased by 5% in 2005/06 as compared to 2004/05 financial year due to illegal connections and tampering of electricity by the community.

Capital Expenditure

- Capital expenditure decreased by 54% in 2005/06 financial year when compared with the previous financial year, this is because of some district projects when finalised

Resources Used to Finance Fixed assets

- Council spend **R2 146 767** which was 46% increase from the previous financial year on it's own income (resource) to finance Capital Projects in the 2005/2006 Financial year.

External Loans

- External loans decreased by **R 84 645** which is 70% from 2004/2005; this has a positive impact on the municipality's credit worthiness.
- No new loans were acquired during the year.
- Equitable Share increased by 33% compared to the previous financial year.
- The decrease of **R 358 665** on investment means more Capital projects were financed by council.

Provision

- More contribution was made for Provision for Leave due to the new condition of employment agreement which stipulates that an employee may not accumulate more forty eight days.

Provision for Bad Debts

- More contribution was made for Provision for Bad debts as required by the MFMA Chapter 4 Section 17(1) (a) which state that an annual budget of a municipality must set out realistically anticipated revenue for the year from each revenue source.
- Payment level was 80% in 2004/2005 financial and a provision of R3 645 691 was budgeted for as a contribution for provision of bad debts.

Consumer Debtors

- Consumer debtors increased by 13.5% compared to previous financial year. 2004/2005(R37 331 747) 2005/2006 (R42 375 271)
- Credit control policy has to be implemented fully.

Payment Level

- Payment level was 87% which shows a going concern risk. Consumer debtors amounted to 42 375 271 and they included an amount of R38 936 676 which is more than 150 days old. There is a possibility that the municipality might not be able to recover the amount.

Creditors

- Creditors decreased by 23% compared to previous financial year.
- This indicates that the municipality was able to pay creditors on time.

Free Basic Services

- The municipality has provided free basic services on water and electricity of R648 900 and R727 180 respectively in the current financial year for all residents.

Indigent

- The municipality has approved and provided free basic services of 1206 which include assessment rates, sewerage, refuse removals and additional 20 kw in all indigents on electricity.

INCOME STATEMENT

For the year ended
30 June 2006

2005 ACTUAL INCOME R	2005 ACTUAL EXPENDITURE R	2005 SURPLUS/ (DEFICIT) R		2006 ACTUAL INCOME R	2006 ACTUAL EXPENDITURE R	2006 SURPLUS/ (DEFICIT) R	2006 BUDGET SURPLUS/ (DEFICIT) R
29,418,223	31,493,133	(2,074,910)	RATES & GENERAL SERVICES	40,265,384	39,265,605	999,779	2,075,217
22,626,510	25,224,790	(2,598,280)	Community Services	33,772,030	32,264,294	1,507,736	1,024,524
529,244	2,338,740	(1,809,496)	Susidised Services	466,053	2,585,743	(2,119,689)	2,405,028
6,262,469	3,929,603	2,332,866	Economic Services	6,027,301	4,415,568	1,611,732	(1,354,335)
-	-	-	Housing Services	-	-	-	-
16,182,825	13,561,601	2,621,224	Trading Services	15,334,275	14,757,515	576,761	(2,701,354)
<u>45,601,048</u>	<u>45,054,734</u>	546,314	TOTAL	<u>55,599,660</u>	<u>54,023,120</u>	1,576,540	<u>(626,137)</u>
		(865,492)	Appropriations for the year (refer to note)			(241,798)	

	Net Surplus for the year/	
(319,178)	(Defecit for the year)	1,334,742
	Unappropriated Surplus/ (Defecit) at the beginning of	
<u>21,912,990</u>		<u>21,593,812</u>
	Unappropriated Surplus/ (Defecit) at the end of the	
<u><u>21,593,812</u></u>		<u><u>22,928,554</u></u>

**EMAKHAZENI LOCAL MUNICIPALITY
ACCUMULATED FUNDS, RESERVES, PROVISIONS & TRUST FUNDS**

	BALANCE AT 2005-06-30	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENT	OTHER INCOME	OPERATING EXPENDITURE DURING THE YEAR	CAPITAL EXPENDITURE DURING THE YEAR	BALANCE AT 2006- 06-30
	R	R	R	R	R	R	R
1. Statutory Funds							
Capital Development Fund	7,484,567	456,010	-	-	-	-	7,940,577
Land Trust Fund	3,412,069	300,883	-	-	-	-	3,712,952
Reserve Funds							
Maintenance Electricity	83,025	-	-	-	-	-	83,025
Maintenance Water	283,821	-	-	-	-	-	283,821
Maintenance Sewerage	142,901	-	-	-	-	-	142,901
Maintenance General	199,952	-	-	-	-	-	199,952
MHR Fly Fishing Park	240,771	-	-	-	-	-	240,771
Provisions							

Provision for Bad Debts	6,596,194	3,645,691	-	-	-	-	10,241,885
Provision for Leave Pay	1,338,289	621,057	-	-	495,598	-	1,463,749
General Valuation	44,322	-	-	-	-	-	44,322
Election Expenditures	21,335	-	-	-	-	-	21,335
Audit Fees	249,746	187,000	-	-	239,249	-	197,497
Sub-Total	20,096,992	5,210,642	-	-	734,847	-	24,572,786

5,210,642

(3,645,691)

1,564,951

(734,847)

830,103

	30-06-2005	30-06-2006	
ACCUMULATED FUNDS:			
Capital Development Fund	7,484,567	7,940,577	
Land Trust Fund	3,412,069	3,712,952	
	<hr/>		
(Refer Appendix A)	10,896,636	11,653,529	756,893.2
RESERVES			
Maintenance	709,699	709,699	
MHR Fly Fishing Park	240,771	240,771	
	<hr/>		
(Refer Appendix A)	950,470	950,470	
LONG TERM LIABILITIES:			
Annuity Loans	69,801	36,900	
Loan Fund	51,744	-	
	<hr/>		
	121,545	36,900	
Less: Short-term portion	28,664	36,900	
	<hr/>		
(Refer Appendix B)	92,881	-	
FIXED ASSETS:			
Fixed assets at the beginning of the	70,068,036	81,715,430	

year
 Capital expenditure during the year
 Contribution ex operating income
 General capital
 Donation

11,647,394	6,334,432
648,463	2,146,767
10,998,931	4,183,364
	4,300

Less:
 Assets written off, transferred or
 disposed of during the year

-	-
---	---

TOTAL FIXED ASSETS

81,715,430	88,049,862
-------------------	-------------------

Less:

Loans redeemed and other capital
 receipts
 Unrealised housing charges

(80,685,566)	(87,019,998)
(152,512)	-

NET FIXED ASSETS

877,352	1,029,864
----------------	------------------

152,51

(Refer to Appendix C)

INVESTMENTS:

Unlisted

External

10,873,664	10,514,999
------------	------------

TOTAL INVESTMENTS

10,873,664	10,514,999
-------------------	-------------------

(358,66

Local Authorities are required to invest funds which are not

immediately required with prescribed institutions and the period

should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet commitments

	30-06-2005	30-06-2006
DEBTORS:		
Consumer debtors	37,331,747	42,375,271
Sundry Debtors	70,183	242,449
Grants spent not yet received	1,390,158	2,490,631
Less: Provision for bad debts	(6,596,194)	(10,241,885)
VAT	5,178,399	2,395,061
	<hr/> 37,374,293	<hr/> 37,261,528 <hr/>
PROVISIONS:		
Leave	1,338,289	1,463,749
General Valuation	44,322	44,322
Election Costs	21,335	21,335
Audit Fees	249,746	197,497

1,653,692	1,726,902
------------------	------------------

CREDITORS:

Trade Creditors:	1,232,443	1,538,226
Unspent Grants	3,308,521	4,373,938
Debtors received in Advance	486,325	1,421,408
Value Added Tax	8,089,469	1,201,739
Unallocated receipts	-	1,409,434
Sundry	-	92,500
	13,116,758	10,037,244

CONSUMER DEPOSITS

Electricity & Water	836,850	957,217
Sundry Deposits	720	-
	837,570	957,217

FINANCING TRANSACTIONS:

Interest : Earned (External)	667,623	92,580
Interest : Paid (External)	(18,516)	(34,072)
	<hr/>	<hr/>
	649,107	58,508
	<hr/> <hr/>	<hr/> <hr/>
	30-06-2005	30-06-2006

APPROPRIATIONS:**Appropriation Account:**

Unappropriated Surplus at the beginning of the year	21,912,990	21,593,812
Operating Surplus/(Defecit) for the year	546,314	1,576,541
Prior year adjustment	(865,492)	(241,798)
	<hr/>	<hr/>
	21,593,812	22,928,555
	<hr/> <hr/>	<hr/> <hr/>

COUNCILLORS REMUNERATION

Mayor's allowance	66767
-------------------	-------

			89,149	
Full-time Councillors		154256	133,724	
Councillor's allowance		241434	255,312	
Pension fund, Medical Aid, Group Life, Subsidies and travel contribution	251236		467,132	
		713,693		945,317

Actual increase equals 6%. Recommended increase of 6%.

REMUNERATION OF SECTION 57 EMPLOYEES

		Municipal Manager		Chief Finance Officer
Salaries		267,756		190,909
Contributions to Pension, UIF and Medical Aid Funds	111,565		79,546	
Motor and Travelling allowances		66,939		47,727
		446,260		318,182

CASH GENERATED BY OPERATIONS:

Surplus / (Deficit) for the year		546,314		1,576,540
Adjusted for:				
Statutory funds provisions and reserves	871,983		852,863	
Contributions to bad debt provision	-			
Interest income		(667,623)		(92,580)
Prior year adjustment		(865,492)		(241,798)
Interest paid		18,516		34,072

		<u>(96,302)</u>	<u>2,129,097</u>
Operating surplus before working capital changes			
(Increase) / Decrease in Debtors		(637,509)	112,765.09
(Increase) / Decrease in other Debtors	1,701		-
(Decrease) / Increase in conditional grants and receipts	-		-
(Decrease) /Increase in Deposits		32,199	119,647.36
(Decrease) /Increase in Creditors		<u>143,693</u>	<u>(3,079,514)</u>
		<u>(459,916)</u>	<u>(2,847,101)</u>
Cash Generated by Operations		<u>(556,218)</u>	<u>(718,004)</u>
INCREASE/(DECREASE) IN LONG TERM LOANS (EXTERNAL):			
Loans Raised		-	-
Loans Repaid		(23,708)	(84,644)
(Refer to Appendix B)		<u>(23,708)</u>	<u>(84,644)</u>
		30-06-2005	30-06-2006
(INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS:			
Investments Made			(751,803)

(751,803)

(INCREASE)/DECREASE IN CASH:

Cash balance at the beginning of the year

265,111

Less: Cash balance at the end of the year (45,174)

(520,232)

219,937

CAPITAL DEVELOPMENT FUND

Outstanding advances to borrowing services:-

Accumulated Fund

7,484,567

Less: External Investments

(5,378,888)

(Refer to Appendix A and B for more detail)

2,105,679

CASHFLOW STATEMENT
for the year ended
30 JUNE 2006

	30-06-2005	30-06-2006
Cash retained from operations:	92,889	(659,496)

Cash generated by operations	14	(96,302)	2,129,097
Investment income	10	667,623	92,580
(Increase)/Decrease in operating capital	15	(459,916)	(2,847,101)
		111,405	(625,424)
Less:			
Interest paid	10	(18,516)	(34,072)
Cash Utilised in Investment Operations			
- Fixed Assets	4	(648,463)	(2,146,767)
		(555,574)	(2,806,264)
Cash effect of financing operations:			
Increase/(Decrease) in long term loans	16	(23,708)	(84,644)

(Increase)/Decrease in cash investments	17	(751,803)	358,665
(Increase)/Decrease in cash	18	219,937	565,406
		(555,574)	839,427

BALANCE SHEET AS AT 30 JUNE 2006

		30-06-2005	30-06-2006
	Note	R	R
CAPITAL EMPLOYED:			
Funds & Reserves		11,847,106	12,603,999
Statutory funds	1		

Reserves	2	10,896,636 950,470	11,653,529 950,470
(Accumulated Defecit)			
Unappropriated Surplus	11	21,593,812	22,928,555
		33,440,918	35,532,554
Long Term Liabilities	3	92,881	-
Consumer Deposits	9	837,570	957,217
		34,371,369	36,489,772
EMPLOYMENT OF CAPITAL:			
Fixed Assets	4	877,352	1,029,864
Investments	5	10,873,664	10,514,999

		11,751,016	11,544,863
NET CURRENT ASSETS:		22,620,353	24,944,909
Current Assets:		37,419,467	37,266,188
Debtors	6	37,374,293	37,261,528
Cash on hand		39,373	4,660
Bank Account		5,801	-
Current Liabilities:		(14,799,114)	(12,321,279)
Provisions	7	1,653,692	1,726,902
Short-term portion of Long Term Liabilities	3	28,664	36,900
Bank overdraft		-	520,232
Creditors	8	13,116,758	10,037,244
		34,371,369	36,489,772

EMAKHAZENI LOCAL MUNICIPALITY
EXTERNAL LOANS AND INTERNAL ADVANCES

Date Issued	Current Fin. Institution	Interes Rate	Original Amount	Maturity / Redeemable	Balance at 30 June 2005	Received during the year	Redeemed or Written off during the year	Balance at 30 June 2006
External Loans					R	R	R	R
	Metropolitan Asset Managers		63,400.00	31 May 2006	3,072.00	-	3,072.00	-
	INCA		30,284.59	31 July 2006	7,763.51		6,079.24	1,684.27
July 1-	DBSA - 11295			31 July 2006		-		-

1978		11.25	146,000.00		46,753.09		46,753.09	-
July 1979	1- DBSA - 11296	10.25	71,000.00	31 July 2006	16,643.20	-	16,643.20	-
July 1993	1- DBSA - 13108	15.26	70,000.00	31 July 2006	47,313.06	-	12,096.90	35,216.16
					121,544.86	-	84,644.43	36,900.43
Internal Advances:								
CAPITAL DEVELOPMENT FUND								
-Main Substation								
					223,740	-	12,762	210,978
-Upgrade Pool Tanker					-	-	5,166	(5,166)
-Nissan LAW					-	-	-	-
- Upgrade Electrical Network					10,886	-	4,712	6,174
-Tractor (FORD)					17,372	-	7,520	9,852
D. ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE								
					44	-	882	(838)
YEAR ENDED 30 JUNE 2005								
- Backactor (TLB)					10,695	-	4,629	6,066
					6,773	-	2,932	3,841
E. DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005								
-Trailer					4,990	-	2,161	2,829
- Massey Furgeson Tractor					17,824	-	7,716	10,108
- Massey Furgeson Tractor					16,755	-	7,253	9,502
-Nissan LAW					-	-	-	-

- Shed	137,803	-	4,298	133,505
- Hydraulic Lift	3,141	-	2,398	743
- Tar Joubert Street	70,808	-	7,504	63,304
- Equipment - Parks	345,600	-	38,400	307,200
- Equipment - Cleansing	404,676	-	44,964	359,712
- Equipment - Electricity	323,902	-	35,989	287,913
- Vehicle -				
Mayor	178,650	-	19,850	158,800
- Vehicle -				
Traffic	90,602	-	10,066	80,536
- Equipment - Public Works	202,076	-	22,452	179,624
Land Trust Fund				
-Tourism Fase 1 & 2	23,299	-	43,699	(20,400)
	2,105,679	-	292,297	1,813,382

Expenditure	Budget	Balance at	Expenditure	Written off,	Balance at transferred or disposed of
SERVICE				during the	30-06-2006 year
2004/2005	2005/2006	30-06-2005	2005/2006		
5,887,850	RATES & GENERAL SERVICES: 5,921,032	53,817,205	2,643,797	-	56,461,003

2,992,260	COMMUNITY SERVICES:	2,648,032	27,947,762	1,169,786	-	29,117,548
-	Assessment	-	-	-	-	-
-	Health Services	600,000	64,788	41,010	-	105,798
-	Forestry	-	12,500	-	-	12,500
2,266,618	Public Works	-	20,933,953	-	-	20,933,953
-	Management Services	212,000	143,725	196,013	-	339,738
645,782	Council's General Planning, Environment & Housing	639,632	4,783,335	639,632	-	5,422,968
-	Economic and Social Services	1,047,300	287,649	150,795	-	438,444
-		-	17,568	-	-	17,568
48,709	Municipal Manager	81,000	48,709	74,765	-	123,474
31,151	Finances/Treasurer	68,100	465,336	67,572	-	532,908
-	Town Clerk	-	480	-	-	480
-	Town Estate	-	628,034	-	-	628,034
-	Workshop	-	368,805	-	-	368,805
-	Cemetery	-	190,972	-	-	190,972
-	Registration Authority	-	-	-	-	-
-	Stores	-	1,908	-	-	1,908
-	SUSIDISED SERVICES:	1,273,000	7,459,765	489,415	-	7,949,180
-	Market	-	451,116	-	-	451,116
-	Library	-	42,118	-	-	42,118
-	Fire Protection	-	15,777	-	-	15,777
-	Traffic	-	272,732	-	-	-

-		-				-	272,732
-	Civil Building	3,000	4,377,379	2,268		-	4,379,647
-	Abattoir	-	-	-		-	-
-	Sport & Recreation	1,200,000	2,106,722	421,347		-	2,528,069
-	Parks & Pavements	70,000	129,074	65,800		-	194,874
-	Swimming Pool	-	64,847	-		-	64,847

Expenditure	SERVICE	Budget	Balance at	Expenditure	Written off,	Balance at	
2004/2005		2005/2006	30-06-2005	2005/2006	during the	30-06-2006	
					year		
2,895,590	ECONOMICAL SERVICES:	2,000,000	18,409,678	984,596		-	19,394,275
363,316	Cleansing	-	384,478	-		-	384,478
-	Licencing	-	-	-		-	-
-	Holiday Resort	-	-	-		-	-
2,532,274	Sewerage	2,000,000	18,025,200	984,596		-	19,009,797
5,759,544	TRADING SERVICES:	6,453,915	27,898,225	3,690,634		-	31,588,859

1,991,545	Electricity	1,000,000	14,822,814	1,064,009	-	15,886,823	
3,767,999	Water	5,453,915	13,075,411	2,626,626	-	15,702,037	
-	HOUSING:	-	-	-	-	-	
-	Housing	-	-	-	-	-	
11,647,394	TOTAL ASSETS	FIXED	12,374,947	81,715,430	6,334,432	-	88,049,862

SERVICE	Balance at	Expenditure	Written off,	Balance at
	30-06-2005	2005/2006	during the	transferred or disposed of
				30-06-2006
				year

LESS:

LOANS REDEEMED AND OTHER CAPITAL

80,685,566

6,334,432

-

87,019,998

RECEIPTS:

Loans redeemed & Advances
Contribution ex operating income
General Capital-ward 2

General Capital

Donations

80,685,566	6,334,432	-	87,019,998
3,138,923	-	-	3,138,923
7,721,609	2,146,767	-	9,868,376
105,557	-	-	105,557
64,186,493	4,183,364	-	68,369,857
5,532,984	4,300	-	5,537,284
			-

NET FIXED ASSETS

1,029,864	-	-	1,029,864
------------------	---	---	------------------

12374947.46

(1,047,300)

(1,200,000)

(2,000,000)

(5,453,915)

2,673,732

2005

ACTUAL

R

2006

ACTUAL

R

2006

BUDGET

R

**D. ANALYSIS OF OPERATING
INCOME AND EXPENDITURE FOR
THE
YEAR ENDED 30 JUNE 2005**

7,685,292
7,254,100
11,055,790
5,127,035
-
-
14,478,831
45,601,048
17,539,050
17,827,811
-
7,682,749
10,145,062
2,923,957
574,954
648,463
5,540,500

INCOME

Grants and subsidies	11,071,376	10,860,689
Assessment Rates	7,380,085	7,300,000
Sale of Electricity	10,232,479.81	12,071,177.00
Sale of Water	4,917,167.56	4,967,133.00
Refuse Removal Services	2,706,996	3,054,866
Sewerage Services	3,273,240	3,538,766
Other Income	16,018,315	22,838,621
	55,599,660	64,631,252

EXPENDITURE

Wages and allowances	19,627,421	21,139,705
General Expenses:	24,151,808	29,621,328
* Bulk water purchases	-	-
* Bulk electricity purchases	8,922,777	7,976,171
* Other general expenses	15,229,030	21,645,157
General Expenses not classified	-	-
Repairs and maintenance	2,793,318	5,348,668
Capital Charges	93,164	76,652
Contributions to Fixed Assets	2,146,767	7,818,762
Contributions to Funds		-

**E. DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005**

	45,054,735		5,210,642	
	45,054,735	Gross Expenditure	54,023,120	64,005,115
	45,054,735	Less: Amounts charged out	-	-
	45,054,735	Net Expenditure	54,023,120	64,005,115

**EMAKHAZENI LOCAL
MUNICIPALITY
DETAILED INCOME
STATEMENT
for the year ended
30 JUNE 2006**

2005	2005			2006	2006	2006	2006
ACTUAL	ACTUAL	(DEFICIT)		ACTUAL	ACTUAL	SURPLUS/ (DEFICIT)	BUDGET
INCOME	EXPENDITURE	R		INCOME	EXPENDITURE	R	SURPLUS/ (DEFICIT) R
R	R	R		R	R	R	R
29,418,223	31,493,133	(2,074,910)	RATES & GENERAL SERVICES	40,265,384	39,265,605	999,779	2,075,217
22,626,510	25,224,790	(2,598,280)	COMMUNITY SERVICES	33,772,030	32,264,294	1,507,736	1,024,524

7,254,100	-	7,254,100	Assessment Rates	7,380,085	-	7,380,085	(7,300,000)
20,951	51,251	(30,300)	Cemetry	20,801	35,396	(14,596)	214,839
906,000	234,393	671,607	Forestry	435,000	185,001	249,999	258,912
-	-	-	Social Development	4,059	589,597	(585,538)	629,895
3,620	895,463	(891,843)	Health Services	210,863	1,175,515	(964,652)	1,453,375
62,917	4,849,488	(4,786,571)	Public Works	918,103	4,839,275	(3,921,173)	4,786,089
-	-	-	Urban Development	-	531,186	(531,186)	625,497
865,822	8,686,473	(7,820,650)	Council's General Administration / Management Services	907,764	7,194,226	(6,286,461)	9,450,299
-	-	-	Municipal Manager	11,071,386	1,882,713	9,188,673	(8,043,585)
7,165,302	1,129,264	6,036,038	Finance / Treasurer	320,110	3,688,748	(3,368,638)	2,736,954
529,573	3,137,575	(2,608,002)	Finance	12,503,858	8,830,687	3,673,172	(7,466,627)
5,818,225	4,437,159	1,381,066	Traffic & Licencing	-	166,738	(166,738)	258,645
-	208,416	(208,416)	Workshop	-	-	-	-
-	1,592,808	(1,592,808)	Town Secretary	-	-	-	-
-	2,500	(2,500)	Stores	-	-	-	-
529,244	2,338,740	(1,809,496)	SUBSIDISED SERVICES	466,053	2,585,743	(2,119,689)	2,405,028
-	-	-	Library	11,211	368,751	(357,541)	377,714
10,508	338,822	(328,314)	Fire Services	(1,711)	74,587	(76,298)	81,400
310	51,251	(50,941)	Civil Buildings	455,088	307,677	147,411	(102,480)
456,985	402,631	54,353	Swimming Pool	628	10,973	(10,345)	23,329
2,506	21,101	(18,595)	Parks & Pavements & Grounds	838	1,823,755	(1,822,917)	2,025,065
58,936	1,524,935	(1,466,000)					

2005	2005	2005		2006	2006	2006	2006
ACTUAL	ACTUAL	SURPLUS/		ACTUAL	ACTUAL	SURPLUS/	BUDGET
INCOME	EXPENDITURE	(DEFICIT)		INCOME	EXPENDITURE	(DEFICIT)	SURPLUS/
R	R	R		R	R	R	(DEFICIT)
				R	R	R	R
6,262,469	3,929,603	2,332,866	ECONOMICAL SERVICES	6,027,301	4,415,568	1,611,732	(1,354,335)
3,334,573	1,849,331	1,485,242	Sewerage	3,283,700	1,974,504	1,309,196	(1,078,623)
-	-	-	Parks Chalets	35,739.20	223,252	(187,512)	165,759
2,927,897	2,080,272	847,624	Cleansing Service	2,707,861.90	2,217,813	490,049	(441,471)
-	-	-	HOUSING SERVICES	-	-	-	-
-	-	-	Housing	-	-	-	-
16,182,825	13,561,601	2,621,224	TRADING SERVICES	15,334,275	14,757,515	576,761	(2,701,354)
11,055,790	11,081,497	(25,707)	Electricity	10,345,666	12,104,799	(1,759,132)	(1,000,039)
5,127,035	2,480,104	2,646,931	Water	4,988,609	2,652,716	2,335,893	(1,701,315)

2005	2005	2005		2006	2006	2006	2006
ACTUAL	ACTUAL	SURPLUS/		ACTUAL	ACTUAL	SURPLUS/	BUDGET

INCOME	EXPENDITURE	(DEFICIT)		INCOME	EXPENDITURE	(DEFICIT)	SURPLUS/ (DEFICIT)
R	R	R		R	R	R	R
<u>45,601,048</u>	<u>45,054,734</u>	546,314	TOTAL	<u>55,599,660</u>	<u>54,023,120</u>	1,576,540	<u>(626,137.22)</u>
		(865,492)	Appropriations for the year			(241,798)	
		<u>(319,178)</u>	Net Surplus / (Deficit) for the year			<u>1,334,742</u>	
		21,912,990	Unappropriated Surplus / (Deficit) at the beginning of the year			21,593,812	
		<u>21,593,812</u>	Unappropriated Surplus / (Deficit) at the end of the year			<u>22,928,554</u>	

EMAKHAZENI LOCAL MUNICIPALITY
for the year ended
30 JUNE 2006

APPENDIX F

STATISTICAL INFORMATION	2005	2006
ELECTRICITY		
Number of consumers (Commercial & Residential)	7491	8269
Units bought ('000 kWh) per annum	22801938	26913122
Cost per unit bought ®	0.33c	0.35c
Units generated by municipality ('000 kWh) per annum	0	0
Cost per unit generated ®	0	0
Units sold	20233733	22238720
Cost per unit sold	0.69c	0.87c
Units lost in distribution ('000 kWh) per annum	0	0
Units distributed as a free basic service ('000 kWh) per annum	1481750	2695580
Number of pre-paid meters installed	5259	6027

WATER

Number of consumers (Commercial & Residential)	10710	10720
Units sold	1618344	2029827
Cost per kl sold	R 2.05	R 2.42
Units distributed as a free basic service kl per annum	771120	771840

SEWERAGE AND SANITATION

Number of consumers	10710	10720
Flush toilets connected to a public sewerage system	8897	8985

GENERAL STATISTICS

Population	45122	45600
Surface area in hectares	52730	52730

Valuation of taxable and non-taxable property

Number of employees	242	259
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SOCIAL DEVELOPMENT AND AMENITIES SECTION

FUNCTION	OBJECTIVES	BUDGETED	EXPENDITURE	ACHIEVEMENT	CHALLENGES
PROMOTE SPORTS AND RECREATION	MAKE SPORT AND RECREATION ACCESSIBLE TO ALL PEOPLE IN THE MUNICIPAL AREA.	R50 000.00	R50 000.00	<ul style="list-style-type: none"> • DEVELOPMENT OF HUMAN RESOURCE POTENTIAL THROUGH MAYORAL CUP GAMES. • PROVISION OF SPORTS EQUIPMENT TO ALL UNITS. 	TO HAVE AN ORGANIZED AND FORMAL COMPETITIVE SPORT.
MANAGEMENT OF SPORTS INFRASTRUCTURE	CREATION OF INFRASTRUCTURE REQUIRED FOR THE DELIVERY OF SPORT AND RECREATION.	R800 000.00	R800 000.00	SECOND PHASE OF THE UPGRADING OF SAKHELWE STADIUM.	MAINTENANCE DUE TO NON-APPROPRIATION OF MAINTENANCE BUDGET.

MANAGEMENT OF LIBRARY SERVICES	MAKE LIBRARIES TO BE REPOSITORY OF KNOWLEDGE AND INFORMATION	R80 000.00 (PROVINCIAL LIBRARY DEPARTMENT	R80 000.00	PROCUREMENT OF NEW READING MATERIAL ON 29 MAY 2006.	CONTINUOUS PROCUREMENT OF READING MATERIAL THAT MEET ASPIRATIONS OF LIBRARY USERS.
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LIBRARY SERVICES

ACTIVITY	OBJECTIVES	BUDGET	EXPENDITURE	ACHIEVEMENTS	CHALLENGES
LICENSING	TO DELIVER PROFESSIONAL TO COMMUNITY	R50 000.00	R9000.00	APPOINT CHIEF LICENSING OFFICER	TO IMPLEMENT THE BEST PRACTICE MODEL AND RUN A QUALITY SERVICE.
	TO IMPROVE THE APPLICATIONS AND	R50 000.00	R8600.00	EXTRA TESTING OFFICERS TRAINED	TO TRAIN MORE PERSONNEL.

INCREASE THE TESTS DONE TO COMPLY WITH LEGISLATION.

TO DO MORE TESTS.

TO CREATE MORE TIME FOR COMMUNITY TO SUBMIT VEHICLES FOR TESTING OF ROADWORTHINESS.

R50 000.00

R8600.00

EXTRA EXAMINER OF VEHICLES WAS TRAINED.

TO TRAIN MORE PERSONNEL.

REGISTRATION AND LICENSING OF MOTOR VEHICLES

R1, 074, 264.00

**R621 707,61
(INCOME)**

ALL APPLICATIONS RECEIVED DONE.

TO DO ALL APPLICATION RECEIVED IMMEDIATELY TO INCREASE AMOUNT OF APPLICATIONS.

TESTING OF DRIVERS LICENSES AND ISSUE OF CREDIT CARD DRIVERS LICENSES.

R145 000.00

**R213,332.82
(INCOME)**

DRIVERS LICENSE TESTS DONE AS MUCH AS POSSIBLE WITH MINIMUM PERSONNEL

TO COMPLY WITH NEW LEGISLATION AND PROCEDURES

TESTING OF LEARNERS LICENSES

R130 000.00

**R11 954.32
(INCOME)**

LEARNERS LICENSE TESTS DONE AS MUCH AS POSSIBLE WITH MINIMUM PERSONNEL.

TO COMPLY WITH NEW LEGISLATION AND PROCEDURES.

ISSUE OF PRDP'S (PROFESSIONAL

R63 600.00

R30 142.54

ALL APPLICATIONS RECEIVED DONE AND

TO PROMOTE AND UPGRADE

DRIVING PERMIT)

**TRAINED OF ONE
EXTRA EXAMINER.**

**TESTING
STATION**

ACTIVITY	OBJECTIVES	BUDGET	EXPENDITURE	ACHIEVEMENTS	CHALLENGES
TRAFFIC	INCREASE OF LAW ENFORCEMENT			5 YEAR CONTRACT WITH TMT	TO MAXIMIZE LAW ENFORCEMENT
	EXECUTING OF WARRANTS			ROADBLOCKS, ELECTRONICALLY AND ALLOCATIONS OF OFFICERS ON NATIS	FIND NEW METHODS AS NATIS STOP THE ALLOCATIONS OF OUTSTANDING FINES.
MAINTANANCE	TO IMPROVE THE QUALITY OF SIGNS AND ROAD MARKS	R50 000.00	R50 000.00	REPLACE OLD SIGNS AND REPAINT MARKS.	TO FIND METHODS TO TRAIN COMMUNITY NOT TO DAMAGE SIGNS
FIRE & RESCUE	TO ESTABLISH A FIRE SECTION TO			THE POSITION OF CHIEF FIRE OFFICER	TO APPOINT A WELL TRAINED

**PERFORM
PROFESSIONAL
SERVICES.**

**WAS APPROVED FOR
APPOINTMENT
2006/2007**

**AND SUITABLE
PERSON FOR
THE POSITION
OF CHIEF FIRE
OFFICER.**

PUBLIC SAFETY

ACTIVITY	OBJECTIVES	BUDGET	EXPENDITURE	ACHIEVEMENTS	CHALLENGES
LICENSING	TO DELIVER PROFESSIONAL TO	R50 000.00	R9000.00	APPOINT CHIEF LICENSING	TO IMPLEMENT THE BEST PRACTICE

COMMUNITY			OFFICER	MODEL AND RUN A QUALITY SERVICE.
TO IMPROVE THE APPLICATIONS AND INCREASE THE TESTS DONE TO COMPLY WITH LEGISLATION.	R50 000.00	R8600.00	EXTRA TESTING OFFICERS TRAINED TO DO MORE TESTS.	TO TRAIN MORE PERSONNEL.
TO CREATE MORE TIME FOR COMMUNITY TO SUBMIT VEHICLES FOR TESTING OF ROADWORTHINESS.	R50 000.00	R8600.00	EXTRA EXAMINER OF VEHICLES WAS TRAINED.	TO TRAIN MORE PERSONNEL.
REGISTRATION AND LICENSING OF MOTOR VEHICLES	R1, 074, 264.00	R621 707,61 (INCOME)	ALL APPLICATIONS RECEIVED DONE.	TO DO ALL APPLICATION RECEIVED IMMEDIATELY TO INCREASE AMOUNT OF APPLICATIONS.
TESTING OF DRIVERS LICENSES AND ISSUE OF CREDIT CARD	R145 000.00	R213,332.82 (INCOME)	DRIVERS LICENSE TESTS DONE AS MUCH AS POSSIBLE WITH MINIMUM	TO COMPLY WITH NEW LEGISLATION AND

ACTIVITY	OBJECTIVES	BUDGET	EXPENDITURE	ACHIEVEMENTS	CHALLENGES
	DRIVERS LICENSES.			PERSONNEL	PROCEDURES
	TESTING OF LEARNERS LICENSES	R130 000.00	R11 954.32 (INCOME)	LEARNERS LICENSE TESTS DONE AS MUCH AS POSSIBLE WITH MINIMUM PERSONNEL.	TO COMPLY WITH NEW LEGISLATION AND PROCEDURES.
	ISSUE OF PRDP'S (PROFESSIONAL DRIVING PERMIT)	R63 600.00	R30 142.54	ALL APPLICATIONS RECEIVED DONE AND TRAINED OF ONE EXTRA EXAMINER.	TO PROMOTE AND UPGRADE TESTING STATION
TRAFFIC	INCREASE OF LAW ENFORCEMENT			5 YEAR CONTRACT WITH TMT	TO MAXIMIZE LAW ENFORCEMENT
	EXECUTING OF WARRANTS			ROADBLOCKS, ELECTRONICALLY AND ALLOCATIONS OF OFFICERS ON NATIS	FIND NEW METHODS AS NATIS STOP THE ALLOCATIONS OF OUTSTANDING FINES.
MAINTANANCE	TO IMPROVE THE QUALITY OF SIGNS AND ROAD MARKS	R50 000.00	R50 000.00	REPLACE OLD SIGNS AND REPAINT MARKS.	TO FIND METHODS TO TRAIN

FIRE & RESCUE

**TO ESTABLISH A
FIRE SECTION TO
PERFORM
PROFESSIONAL
SERVICES.**

**THE POSITION OF
CHIEF FIRE
OFFICER WAS
APPROVED FOR
APPOINTMENT
2006/2007**

**COMMUNITY
NOT TO
DAMAGE SIGNS**

**TO APPOINT A
WELL TRAINED
AND SUITABLE
PERSON FOR
THE POSITION
OF CHIEF FIRE
OFFICER.**

SERVICE DELIVERY: ANNUAL REPORT 2005/2006 PRIMARY & COMMUNITY HEALTH

FUNCTION	OBJECTIVE	STRATEGIES	OUTCOME	SERVICE DELIVERY INDICATORS/ TARETS	ADDITIONAL RESOURCES REQUIRED AS CAPITAL OR OPERATING EXPENDITURE	KEY FACTORS IMPACTING ON ACHIEVING OBJECTIVE	PROGRESS / ACHIEVEMENTS
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Rendering of Primary Health Care Services	To deliver Primary Health Care in a high quality, compassionate and efficient manner	To maintain service delivery according to the parameters of the national and Provincial Policy of the following programs in the core PHC package: -Management of childhood illness. -Expanded program an immunization. -Sexually transmitted diseases. -HIV/AIDS. -Women 2 Reproductive Health. -Communicable diseases. Tuberculosis. Chronic disease. -Rehabilitation Services. -Oral Health. -Mental Health. -NAFSI.	Primary Health Care Services in a high quality, compassionate and efficient manner according to the PHC package. Upgraded Clinic facilities	As indicated in Core PHC package attached as Annexure "A". All Clinics to be upgraded by 2006/2007.	HIV/AIDS awareness programs. Training for Home Based Caregivers. Funds to implement AIDS Council year plan. Land for a hospice. Building costs for a hospice. Equipment and staff for a hospice. Equipment for all Clinics. Renovation costs for all Clinics.	Depending on subsidization of Health Services by the Provincial Health Authority. Possibility of funds from foreign investors and donors. Lack of staff and volunteers	HIV/AIDS awareness programs.	VCT site at Siyathuthuka Clinic. PMTCT programmes running smoothly.
							Training for Home Based Caregivers.	Dept. of Health and Social Services to administer training in the 2006/2007 financial year.
							Funds to implement AIDS Council year plan.	Funds were available but were not used for projects as planned.
							Land for a hospice.	FAMSA acquired a piece of land in Sakhelwe for the purpose to build a hospice.
							Building costs for a hospice.	FAMSA to get funds. Application for funding to organizations was submitted by FAMSA. Municipality donated towards project from Mayors fund.
							Equipment and staff for a hospice.	Funding to be sourced when hospice is built
							Equipment for all Clinics.	<u>Equipment purchased:</u> <u>Siyathuthuka:</u> Blood sugar Monitor

								<p>Ear, Nose and Throat machine Fridge Microwave 2 Desks</p> <p><u>W/Boven:</u> Microwave 2 Plate stove Kettle Ceiling fan</p>
							Renovation costs for all Clinics.	IDP projects started in June 2006
	Well trained professional staff to deliver the core of PHC package	Formal courses. In service training. Workshops On the job training. Self-development.	Competent, skilled work force to deliver a fully integrated PHC Service	At least two untrained staff per Clinic per year. Course on dispensing to be completed by all Professional Nurses by July 2007.	More staff to be appointed. Transport and subsistence for travelling.	Availability of funds from the Provincial Health Authority. Availability of Municipal funds. Skills development funds.	More staff to be appointed.	Sr. D S Mokoena was appointed in 2005/2006. Enrolled nurses are continuing to moonlight at Siyathuthuka clinic assisting with the heavy work load. Cleaner appointed for Waterval Boven Gate Clinic.
							Transport and subsistence for traveling.	Adequately budgeted for.
							At least two untrained staff per Clinic per year.	Staff does attend training as required by the Department of health and social services.

							Course on dispensing to be completed by all Professional Nurses by July 2007.	Sr. Prinsloo to attend and complete the necessary course. Sr. Pienaar already in possession of certificate. Sr Mokoena and Sr Khoza completed the course awaiting results.
Rendering of an Environmental Health Service	<p>1. <u>Consumer protection</u> Food safety/ Hygiene / availability. Safety of cosmetics, disinfectants and hazardous substances control.</p> <p><u>Adequate shelter –</u> health-protecting qualities.</p> <p><u>Safe biological interactions-</u> Disease vectors and pest control. Keeping of animals.</p>	<p>Inspection, evaluation and monitoring of food establishment, recreation facilities, sewage & water purification plants, refuse sites. (30%)</p> <p>Taking samples (water, milk, and food). Follow-up on complaints related to health. (20%)</p> <p>Involvement in Health Education programs. (5%)</p>	Community having access to a safer environment by means of a high quality, compassionate and efficient service.	As indicated on Annexure "B"	<p>By-laws Legislation Vehicles Cooler- boxes Thermometers Monitoring equipment e.g. pH meters, turbidity meters, oil test kits.</p>	<p>Lack of by-laws Lack of resources Vehicles not accessible to rural areas. Lack of equipment. Thermometers. Support from relevant Departments, DWAF, DACE, and HEALTH. At least 3 E.H.P's must be appointed to render a service in all areas. (Lack of staff)</p>	By-laws	Corporate Services in process to compile by-laws
							Legislation	Adequate
							Vehicles	All E.H.P.'s have vehicles
							Cooler-boxes	2 Cooler boxes were purchased.
							Thermometers	To be purchased
							Monitoring equipment e.g. pH meters, turbidity meters, oil test kits.	<p>No monitoring equipment was purchased due to lack of funds. Request was made in the IDP 2006-2011 for the purchasing of this equipment.</p> <p>Mrs. N. Singh appointed May</p>

	<p>Containment of infectious disease. Tracing of source infection Environment pollution control and prevention. Includes lighting and ventilation monitoring.</p> <p><u>Environmental hygiene maintenance.</u></p> <p>Empower communities to contribute to enhancement of environmental hygiene and consumer health protection.</p>	<p>Liaise with relevant Department where necessary DWAF, DACE, HEALTH (5%)</p>					<p>Appointment of more staff</p>	<p>2006.</p>
<p>Rendering of an adequate administrative function - management</p>	<p>Having an accessible and efficient record system for follow-ups and</p>	<p>Update filing system. Daily time sheets. Monthly reports. Rectification</p>	<p>A high quality, professional services.</p>	<p>Daily time sheet per E.H.O. Monthly report per E.H.O consolidated to form one comprehensive</p>	<p>Computers/ printers for E.H.O's. More filing cabinets.</p>	<p>Lack of proper computers and printers. Office space Lack of by-laws.</p>	<p>Computers/ printers for E.H.P's.</p>	<p>Computers and printers were provided to the 2 E.H.P.'s. Mrs. Singh to receive her equipment in the 2006/2007 financial</p>

	complaints. (10%)	letters, notices. Prosecutions where necessary. Building plans scrutiny on health issues.		report to Council. Filing system to be updated and running properly by September 2004. 80% of complaints to be followed-up in writing. Monthly Departmental meeting. Complaints book to be completed adequately. Skills development training.				year budget.
						More filing cabinets	Purchased 2 filing cabinets and 2 Stationary cabinets for stock keeping and filing.	
						Daily time sheets per E.H.P.	E.H.P. completed daily time sheets.	
						Monthly reports from each E.H.P.	Submitted monthly	
						Consolidated monthly report	Submitted monthly	
						Filing system to be updated and running properly by September 2004.	New filing system developed and implemented.	
						80 % of complaints to be followed-up in writing	Complaints followed-up – most important ones were in writing	
						Monthly departmental meetings	As per schedule of Community Services Department.	
						Complaints book to be completed adequately	Not completed.	

								Skills development training	No training received.
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<p>Rendering of an adequate waste management program / system To develop and deliver a refuse removal system that is fully functional.</p>			<p>To develop programs for the refuse teams to ensure that refuse is removed according to the schedules.</p>	<p>Meetings with teams. Development and implementation of an Integrated Waste Management Plan. A fully operational and well functioning refuse removal system. Programs /schedules to be developed and fully functional by July 2005.</p>	<p>Reducing complaints regarding refuse removal. Transport Refuse removal equipment. Protective clothing for teams. Adoption of an Integrated Waste Management Plan. Transport.</p>	<p>Removal equipment in a continuous working condition. Adequate amount of equipment. Adequate amount of workers in teams. Appointment of additional E.H.P.'s to monitor teams.</p>	<p>Transport</p>	<p>INADEQUATE Provision made in IDP 2006-2011</p>
							<p>Refuse removal equipment</p>	<p>Inadequate – IDP 2006-2011</p>
							<p>Protective clothing for teams</p>	<p>Purchased regularly and supplied to refuse removal teams</p>
							<p>Programs / schedules to be developed and fully functional by July 2005</p>	<p>Fully functional</p>
							<p>Reducing complaints regarding refuse removal</p>	<p>Complaints have reduced</p>
							<p>Development and implementation of an Integrated Waste Management Plan.</p>	<p>Qhakaza Development Consultants have drafted a plan however</p>

							Assess the possibility of initiating	this plan needs to be revised.
							Purchasing more Bulk refuse bins	No funds were available.
							Protective clothing for workers	Purchased when necessary
							Waste Management system	Not completed
							Reducing illegal dumping	Notices given to public Fines for illegal dumping.
							Reducing complaints regarding illegal dumping and cleanliness of towns	Illegal dumping still a problem.
							Initiating cleaning campaigns	Cleaning campaigns held once in each town.
							Educating public and workers regarding waste management	Continually educating also given during cleaning campaigns.

							recycling projects	Buyisa-e-Bag Buy-back center initiative – Machadodorp. Buy-back centers in other towns to follow if this project is implemented and a success
							Cleaning of areas where refuse has been dumped illegally.	Continuously
							Notices to the general public.	When necessary
							Adequate amount of workers in teams	Shortage of adequate amount of permanent staff, street cleaners and landfill site caretakers. To be rectified in the

								2006/2007 financial year.
							Recycling projects on all sites	Will be initiated as sites are permitted Buyisa-e-Bag buy back centre to be implemented in Machadodorp, proposals have already been submitted via DALA.
							Educate recyclers on waste management issues and safety.	Informal training as sites is visited. Formal training to be given as recycling committees is established.
	Management of refuse dumping sites.	Development and implementation of an	Implementation of Integrated Waste Management Plan. Permitted refuse	All refuse dumping sites must be licensed.	Integrated Waste Management Plan.	Adoption of Integrated Waste Management	Adequate amount of equipment on all sites.	Not adequate - IDP 2006-2011

		<p>Integrated Waste Management Plan. Rehabilitating existing refuse dumping sites. Developing new dumping sites where necessary. Permitting all refuse dumping sites. Managing all refuse dumping sites according to all relevant legislation. Initiating recycling projects. Educate recyclers on waste management issues and safety. Expanding lifetimes of refuse dumping</p>	<p>dumping sites. Adequate management of refuse dumping sites. Minimum pollution and impact to the environment. Well developed and managed recycling projects. Minimization of waste to be compacted and covered.</p>	<p>Recycling projects on all sites.</p>	<p>Transport. Adequate amount of equipment on all sites. Security on all sites. Secured area where recyclers can store recycled waste on all sites e.g. Lockable "cages". Protective clothing for workers. Shelter for workers and security on all refuse dumping sites.</p>	<p>Plan. Transport. Adequate amount of equipment on all waste dumping sites. Equipment to be in a continuous working condition. Appointment of workers at all sites. Security at all sites (24 hours). Appointment of additional E.H.P.'s to monitor management of all sites. Co-operation of recyclers. Co-operation of other Government and Municipal Departments.</p>		<p>Equipment has been budgeted for in the 2006/2007 financial year however this equipment is more for refuse removal rather than site management. Provision must be made in IDP reviews for Bull dozers as well for effective site management.</p>
							<p>Security on all sites.</p>	<p>3 Sites has caretakers. Machadodorp – to be appointed. No one to work over weekends. Sites are</p>

		sites.						not properly fenced.
							Shelter for workers and security on all refuse dumping sites.	W/Boven – have shelter Other – No funds available No shelters on illegal sites.
							Secured area where recyclers can store recycled waste on all sites e.g. Lockable "cages"	Can not build "cages" on illegal sites IDP 2006-2011

