

**ANNUAL BUDGET OF
MATJHABENG LOCAL MUNICIPALITY**



2012/13 TO 2014/15

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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PART 1 – ANNUAL BUDGET

1.1 Mayor's Report

The new budget cycle for Matjhabeng Local Municipality starts in the 1st of July of each year, and ends at 30th June the following year.

According to section 24(1) of the Municipal Finance Management Act, a municipal council must at least 30 days before the start of the new financial year, consider approval of the annual budget.

The Matjhabeng Annual Budget includes an Operational Budget that provides for the annual expenditure and revenue estimates for 2012/13, as well as a Capital Budget that provides for the on-going investment in infrastructure necessary to provide the services to the community.

The total Operational Budget for the 2012/13 financial year is R1 617 317 571. The proposed pay rate is based at 70%, which was informed by past collection trends. The proposed income to be collected from the budgeted income is R1 292 195 331 based on the aforementioned pay rate of 70%. The municipality also made provision for bad debts of R325 122 239 for the financial year 2012/13 but we are positive that we can do more than the anticipated budget.

The Operational budget has been divided into revenue and expenditure sections. The revenue section consists of property rates, electricity, water, sanitation; refuse removal, grants and subsidies, interest and investment income and other revenue such as income on bad debt. The expenditure section includes items such as personnel costs, general expenditure, repairs & maintenance, capital charges, contribution to reserves and contribution to capital.

Due to the present high unit price of water and the present difficult economical situation, there will be a 0% water increase in the water tariffs for the 2012/13 financial year. Sedibeng Water increased its tariffs with 8%. The electricity tariff will increase with 11.03% as per the Eskom increase. The refuse tariff will increase with 5.50%, this tariff increase will be for the repairs & maintenance of refuse removal trucks. The sewerage tariff will increase with 5.50%.

The assessment rates will decrease from R148 379 657 to R133 541 691 and the pay rate for assessment rates will be 90%. Matjhabeng Local Municipality will implement their Property Rates Policy in the 2011/12 financial year.

The factors which have been considered in the increases include the following:

-  CPIX of 5.50%
-  Increase in Sedibeng Water tariff 8%
-  Eskom tariff approximately 11.03%
-  Salary increase approximately 8%

The Capital budget for the 2012/13 financial year is R253 978 000. The sources of funds for the capital budget are as follow:

Contribution to Capital Expenditure	R35 000 000
Municipal Infrastructure Grant	R218 978 000
Other grant funding	R

The total budget for the Matjhabeng Local Municipality is R1 617 317 571.

1.2 Council Resolutions

The Municipal Finance Management Act requires that the municipality table and adopt the budget and budget regulations. The format of the budget and supporting documentation is prescribed by the Municipal Budget and Reporting Regulations.

On 27 March 2012 the Matjhabeng Local Municipality's Council adopted the following resolution:

COUNCIL RESOLVED (27 MARCH 2012)

That the Operating Draft Budget of **R 1 292 195 331[R 1 617 317 571(billing revenue) less anticipated bad debts due to 30% non collection of revenue] of R 325 122 239** and the **Capital Budget of R 253 978 000 BE APPROVED.**

The split up of Capital Budget allocation is as follows:

MIG	R 218 978 000
Own funding	R 35 000 000
Other:	
Integrated National Electrification Programme	R 10 448 000
Electricity Demand Side Management Grant	R 8 000 000
Integrated National Electrification Programme	R 2 000 000
Neighborhood Development Partnership	R 500 000

1.3 Executive Summary

The Matjhabeng Local Municipality Annual Budget for the 2012/13 financial year is compiled in accordance with the prescripts of the Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations and National Treasury's MFMA Circular No. 51, 54 and 55.

The main challenges experienced during the compilation of the 2011/12 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Sedibeng Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2012/13 MTREF process; and
- Availability of affordable capital/borrowing.

The total operational budget increased from R1 491 935 649 in 2011/12 to R1 617 317 571 in the 2012/13 financial year, this is an increase of 4.8%. The Equitable Share allocation for the 2012/13 financial year is R434 657 000, this is an increase of R32 249 000 compared to the R392 899 000 allocation of the 2011/12 financial year.

Table 1 – Consolidated overview of the 2012/13 MTREF

R thousand	Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14
Total Operating Revenue	1 419 342 822	1 491 935 649	1 617 317 571	1 639 102 732
Total Operating Expenditure	1 419 342 822	1 491 935 649	1 617 317 571	1 639 102 732
Surplus/ (Deficit)				

The 2011/12 Operating Budget of **R 1,491,935,649 (billed amount)** has been divided into revenue and expenditure sections. The revenue section consists of property rates, electricity, water, sanitation; refuse removal, grants and subsidies, interest and investment income and other revenue such as rental of halls and hostels. The expenditure section includes items such as personnel costs, general expenses, repairs and maintenance, capital charges, contribution to reserves and contributions to capital. The 2011/2012 budget will be based on a collection rate of 62.5% as per the requirements of the Municipal Finance Management Act. The proposed income will be at **R1,136,036,318** for the 2011/12 financial

year. The collection rate was informed by past collection trends. The pay rate of 62.5% has been informed by the following factors:-

- The average pay rate for the past three years was 62% .
- In line with the impact of the recession still anticipated to be felt until December 2010, a conservative estimate of 62.5% was deemed appropriate.
- In light of the abovementioned facts the consumer revenue was therefore decreased as the estimates of previous years (85-90% revenue collection) never materialised.

The breakdown below indicates the billed income as well as the proposed income, the municipality also made provision for bad debts of R355 899 331 for the 2011/2012 financial year.

The total Capital Budget Projection for the financial years 2011/2012 is R204, 637,496 2012/2013 is R237 200 046 and for 2013/2014 is R250 737 098. The Municipal Infrastructure Grant allocation for the respective financial years are, 2011/2012 R164 896 000; 2012/2013 R200 499 000; 2013/2014 R211 526 000. The other grant funding consists of allocations for the Neighbourhood Development Partnership Grant and the Integrated National Electrification Programme. The projected allocation from the contribution from Operating budget is R27 455 496 for 2011/12; R30 201 046 for 2012/13 and R31 711 098 for 2013/14.

1.4 Operating Revenue Framework

In order for Matjhabeng Local Municipality to improve the quality of the services provided it will have to generate the required revenue. The municipality's anticipated revenue was based on a collection rate of 62.5%. The municipality aspires to improve their collection rate to 75% - 85%. A revenue strategy has been developed to ensure the improved collection rate is achieved.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

Revenue Raising Strategy

- ☀ Implementation of the Financial Recovery Ten (10) Point Action Plan

- ☀ Rejuvenate disconnection project (Operation Betaal) with a revenue protection unit in place to monitor reconnections and disconnections.
- ☀ Review accounting policies
- ☀ Implementation of the new Valuation Roll.

The following table is a summary of the 2011/12 MTREF (classified by main revenue source):

Table 2 – Operating Revenue per source

	2010/2011 BUDGET	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 BUDGET
<i>Revenue Per Source (Billed amount)</i>				
Assessment Rates	186 625 387	136,325,137	148,379,657	160,250,029
Water	183 016 590	183,016,590	183,016,590	183,016,590
Electricity	432 281 220	518,737,464	575,954,206	645,068,711
Sanitation	98 230 046	98,230,046	103,632,698	111,923,314
Refuse Removal	55 224 343	55,279,568	58,319,944	62,985,539
Grants & Subsidies	360 650 000	392,899,000	434,657,000	408,097,000
Other income	32 796 290	34,108,141	35,984,089	41,168,290
Income – Bad Debts		50,000,000	52,750,000	
Interest Income – Bad Debts	70 518 946	23,339,704	24,623,388	26,593,259
Total Income as per billing	1 419 342 821	1,491,935,649	1,617,317,571	1,639,102,732
Less: Contribution to reserves (Bad Debts)	397 009 808	355,899,331	325,122,239	228,695,510
Total realistically anticipated revenue collected	1 022 333 014	1,136,036,318	1,242,748,582	1,340,902,438

The main source of revenue is electricity, water, sanitation, refuse removal, equitable share allocation and other income. The electricity increased with 11% from R518 737 464 to R575 954 206, for water and sanitation there will be no increases. Refuse Removal income is increased with 0.07% from R55 279 568 to R55 319 944. Other income is divided into income collected from bad debts and interest on outstanding debtors, this increased with 5.50% from R34 108 141 to R35 984 089 and R70 339 704 to R77 373 388.

The Equitable Share allocation for the 2012/13 financial year is R434 657 000, this is an increase of R41 758 000 compared to the R392 899 000 allocation of the 2011/12 financial year.

1.5 Operating Expenditure Framework

The salary figure is **36.44%** of the total expenditure. However, not all vacancies have been filled. This has an adverse impact on service delivery. If all positions were to be filled, the salary figure would be closer to 50% of total expenditure. This would clearly be unaffordable to the municipality. However, there are critical positions that would have to be filled.

Provision is made for an 8, 5% salary increase and then only emergency vacancies are budgeted for.

- a) There are other fixed costs that the municipality cannot do without.
- Supply of bulk services making up **36.66%** of total expenditure.
 - General Expenses relate to operational costs and are therefore inevitable. This makes up **11.13%** of total expenditure.
 - Repairs and Maintenance relates to service backlogs and upgrading of infrastructure **12.50%** of total expenditure has been allocated to repair and maintenance.

The Municipality therefore has a great challenge of providing basic services to its population with limited resources.

Table 3 – Expenditure per category

<i>Expenditure Per Category</i>			
Salaries, wages and allowances	430,636,695	471,912,614	519,103,875
General expenses	115,442,828	144,101,477	156,306,551
Electricity bulk purchases	234,673,503	260,487,588	278,019,316
Water bulk purchases	198,429,776	214,304,158	231,448,491
Repairs and maintenance	124,898,020	161,889,494	182,528,989
Interest and Capital redemption	4,500,000	4,500,000	4,500,000
Contribution to capital expenditure	27,455,496	35,000,000	38,500,000
Total Expenditure	1,491,935,649	1,617,317,571	1,639,102,732
(Surplus)/ Deficit	-	-	-

1.6 Capital Expenditure

The total Capital Budget Projection for the financial years 2011/2012 is R204, 637,496 2012/2013 is R253 978 000 and for 2013/2014 is R250 737 098. The Municipal Infrastructure Grant allocation for the respective financial years are, 2011/2012 R164 896 000; 2012/2013 R200 030 000; 2013/2014 R211 526 000. The other grant funding consists of allocations for the Neighbourhood Development Partnership Grant and the Integrated National Electrification Programme. The projected allocation from the contribution from Operating budget is R49 100 000 for 2011/12; R35 000 000 for 2012/13 and R38 500 000 for 2013/14.

Table 2 gives an indication of the Capital Budget projections for the

period 1 July 2011 to 30 June 2014.

TABLE 2: CAPITAL BUDGET 1 JULY 2011 TO 30 JUNE 2014

	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 BUDGET
<i>Own Funding</i>			
Capital Replacement Reserve	49,100,000	35,000,000	38,500,000
Total	49,100,000	35,000,000	38,500,000
<i>Grant Funding</i>			
Municipal infrastructure grant	164,896,000	218,978,000	236,496,000
Other Grant Funding	12,286,000	6,500,000	7,500,000
Total	177,182,000	225,478,000	243,996,000
Total funding	204,637,496	253,978,000	250,737,098

1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulation.

FS184 Matjhabeng - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Financial Performance										
Property rates	169	181	186	136		136	136	148	160	173
Service charges	289	926	625	325	-	325	325	380	250	070
Investment revenue	500	587	768	855		855	855	920	1 002	1 083
Transfers recognised - operational	256	383	752	264	-	264	264	923	994	234
Other own revenue	2	2	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	640	640	-	-	-	-	-	-	-	-
	223	286	360	392		392	392	434	408	449
	346	027	650	899	-	899	899	657	097	844
	149	77	103	107		107	107	113	67	73
	090	727	315	448	-	448	448	357	762	182
	1 044	1 135	1 419	1 491		1 491	1 491	1 617	1 639	1 779
	621	704	343	936	-	936	936	318	103	330
Employee costs	-	-	389	414	-	414	414	438	489	512
Remuneration of councillors	18	18	25	15	-	15	15	13	14	15
Depreciation & asset impairment	697	242	589	728	-	728	728	619	709	885
Finance charges	15	28	4	4	-	4	4	4	4	4
Materials and bulk purchases	518	890	-	500	-	500	500	500	500	500
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	396	303	354	471	-	471	471	469	385	426
Total Expenditure	896	228	427	342	-	342	342	224	002	416
	717	712	1 170	1 339		1 339	1 339	1 400	1 403	1 510
	752	816	201	582	-	582	582	428	365	003
Surplus/(Deficit)	326	422	249	152	-	152	152	216	235	269
Transfers recognised - capital	868	888	142	354	-	354	354	889	738	328
Contributions recognised - capital & contributed assets	73	134	-	-	-	-	-	218	-	-
Share of surplus/ (deficit) of associate	183	923	-	27	-	27	27	978	35	38
Surplus/(Deficit) after capital transfers & contributions	-	-	-	455	-	455	455	000	500	425
	400	557	249	179		179	179	470	274	309
	051	811	142	809	-	809	809	867	238	753
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	400	557	249	179	-	179	179	470	274	309
	051	811	142	809	-	809	809	867	238	753
Capital expenditure & funds sources										
Capital expenditure	-	-	-	205	-	205	205	253	-	-
Transfers recognised - capital	-	-	-	637	-	637	637	978	-	-
Public contributions & donations	-	-	-	177	-	177	177	218	-	-
Borrowing	-	-	-	182	-	182	182	978	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	27	-	27	27	35	38	40
	-	-	-	455	-	455	455	000	500	425
	-	-	-	204	-	204	204	253	38	40

	-	-	-	637	-	637	637	978	500	425
Financial position										
Total current assets	164	186	201	181	181	181	181	196	211	228
Total non current assets	398	333	281	569	569	569	569	095	782	725
Total current liabilities	576	759	876	724	724	724	724	782	845	912
Total non current liabilities	149	328	619	592	592	592	592	559	164	777
Community wealth/Equity	430	530	553	450	450	450	450	486	525	567
	397	995	849	875	875	875	875	945	901	973
	71	80	84	51	51	51	51	55	60	64
	109	305	074	595	595	595	595	723	181	995
	565	438		330	330	330	330	356	385	416
	125	342	-	253	253	253	253	673	207	023
Cash flows										
Net cash from (used) operating	179	191	1 973	2 799	-	2 799	2 799	3 023	3 265	3 527
Net cash from (used) investing	926	917	768	859	-	859	859	847	755	016
Net cash from (used) financing	(111)	(147)	140	27	-	27	27	29	32	34
Cash/cash equivalents at the year end	534	554	107	455	-	455	455	652	024	586
	(22)	(39)								
	902	033	-	-	-	-	-	-	-	-
	45	50	2 164	2 852	-	2 852	2 827	3 053	6 351	9 912
	490	819	694	360	-	360	314	499	279	880
Cash backing/surplus reconciliation										
Cash and investments available	37	44	47	14	14	14	14	16	17	18
Application of cash and investments	268	168	952	896	896	896	896	088	375	765
Balance - surplus (shortfall)	106	210	353	252	415	252	252	272	287	309
	328	906	999	809	943	809	809	393	007	968
	(69)	(166)	(306)	(237)	(401)	(237)	(237)	(256)	(269)	(291)
	059	738	048	913	047	913	913	306	632	204
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	15	28		4		4	4	4	4	4
Renewal of Existing Assets	518	890	-	500	-	500	500	500	500	500
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	17	17	17	17	17	17	17	17	17	17
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	14	14	14	14	14	14	14	14	14	14

FS184 Matjhabeng - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	R ef	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcom e	Audited Outcom e	Audited Outcom e	Original Budget	Adjuste d Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard										
<i>Governance and administration</i>					623		623	675	622	681
					764		764	974	452	347
Executive and council					431		431	459	434	478
Budget and treasury office					192		192	216	187	202
Corporate services								3	3	3
					68		68	72	78	84
<i>Community and public safety</i>					187		187	261	041	284
Community and social services					55		55	58	63	68
Sport and recreation					70		70	77	82	88
Public safety					1		1	1	2	2
Housing					762		762	903	056	220
					11		11	11	12	13
Health										
<i>Economic and environmental services</i>										
Planning and development										
Road transport										
Environmental protection										
					799		799	862	940	1 015
<i>Trading services</i>					984		984	603	009	209
Electricity					518		518	575	645	696
Water					737		737	954	069	674
					183		183	183	183	197
Waste water management					017		017	017	111	658
Waste management					98		98	103	111	120
					230		230	633	923	877
<i>Other</i>	4							6	6	7
Total Revenue - Standard	2				1 491		1 491	1 617	1 647	1 788
					936		936	318	500	399
Expenditure - Standard										
<i>Governance and administration</i>					193		193	247	253	344
					268		268	154	660	449
Executive and council					92		92	114	124	173
Budget and treasury office					70		70	82	74	119
Corporate services					984		984	842	833	175
					29		29	50	54	52
					588		588	139	373	003
					298		298	310	326	351
<i>Community and public safety</i>					463		463	268	321	043
Community and social services					170		170	122	123	133
Sport and recreation					178		178	782	354	885
					39		39	71	77	83

		-	-	-	788	-	788	358	750	566
					70		70	97	105	113
Public safety		-	-	-	680	-	680	256	780	804
Housing		-	-	-	17	-	17	18	19	19
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	116	-	116	71	76	99
		-	-	-	430	-	430	901	487	806
Planning and development		-	-	-	75	-	75	24	25	44
Road transport		-	-	-	40	-	40	47	51	55
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	862	-	862	985	979	1 062
		-	-	-	732	-	732	063	445	047
Electricity		-	-	-	371	-	371	549	512	569
		-	-	-	747	-	747	206	901	453
Water		-	-	-	353	-	353	312	331	341
		-	-	-	203	-	203	259	798	121
Waste water management		-	-	-	137	-	137	123	134	151
Waste management		-	-	-	781	-	781	598	746	473
		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	21	-	21	2	3	3
		-	-	-	043	-	043	931	189	430
Total Expenditure - Standard	3	-	-	-	1 491	-	1 491	1 617	1 639	1 860
		-	-	-	936	-	936	317	103	776

FS184 Matjhabeng - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	1				408		408	434	408	449
Vote 1 - COUNCIL GENERAL		-	-	-	097	-	097	657	097	844
Vote 2 - OFFICE OF THE EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-
Vote 3 - OFFICE OF THE SPEAKER		-	-	-	-	-	-	-	-	-
Vote 4 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	23	-	23	24	26	28
Vote 5 - CORPORATE SUPPORT SERVICES		-	-	-	340	-	340	623	593	721
Vote 6 - FINANCE		-	-	-	75	-	75	81	88	95
Vote 7 - HUMAN RESOURCES		-	-	-	192	-	192	225	197	213
Vote 8 - COMMUNITY SERVICES		-	-	-	328	-	328	871	673	486
Vote 9 - PUBLIC SAFETY AND TRANSPORT		-	-	-	-	-	-	-	-	-
Vote 10 - ECONOMIC DEVELOPMENT		-	-	-	55	-	55	58	63	68
Vote 11 - ENGINEERING SERVICES		-	-	-	350	-	350	396	067	113
Vote 12 - WATER		-	-	-	1	-	1	1	2	2
Vote 13 - ELECTRICITY		-	-	-	762	-	762	903	056	220
Vote 14 - MECHANICAL WORKSHOP		-	-	-	-	-	-	-	-	-
Vote 15 - HOUSING SERVICES		-	-	-	281	-	281	286	294	318
		-	-	-	247	-	247	649	940	535
		-	-	-	518	-	518	575	645	696
		-	-	-	737	-	737	954	069	674
		-	-	-	-	-	-	-	-	-
		-	-	-	11	-	11	11	12	13
		-	-	-	000	-	000	880	830	857
Total Revenue by Vote	2	-	-	-	1 491	-	1 491	1 620	1 650	1 791
		-	-	-	936	-	936	015	413	545
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL GENERAL		-	-	-	42	-	42	55	6	104
Vote 2 - OFFICE OF THE EXECUTIVE MAYOR		-	-	-	203	-	203	243	033	301
Vote 3 - OFFICE OF THE SPEAKER		-	-	-	13	-	13	15	16	17
Vote 4 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	362	-	362	188	476	751
Vote 5 - CORPORATE SUPPORT SERVICES		-	-	-	13	-	13	16	18	19
Vote 6 - FINANCE		-	-	-	618	-	618	667	171	524
Vote 7 - HUMAN RESOURCES		-	-	-	34	-	34	43	46	50
Vote 8 - COMMUNITY SERVICES		-	-	-	553	-	553	243	963	566
Vote 9 - PUBLIC SAFETY AND TRANSPORT		-	-	-	38	-	38	47	51	55
Vote 10 - ECONOMIC DEVELOPMENT		-	-	-	527	-	527	441	582	504
Vote 11 - ENGINEERING SERVICES		-	-	-	93	-	93	86	79	88
		-	-	-	008	-	008	997	344	917
		-	-	-	4	-	4	10	11	12
		-	-	-	900	-	900	930	896	793
		-	-	-	184	-	184	168	173	187
		-	-	-	107	-	107	516	187	445
		-	-	-	-	-	-	91	99	107
		-	-	-	-	-	-	601	671	207
		-	-	-	27	-	27	14	15	33
		-	-	-	759	-	759	772	206	714
		-	-	-	103	-	103	134	145	156
		-	-	-	756	-	756	907	839	906

Vote 12 - WATER		-	-	-	475 900 441 054	-	475 900 441 054	400 977 505 510	428 718 465 254	451 834 518 442
Vote 13 - ELECTRICITY		-	-	-	1 069 17 816	-	1 069 17 816	6 453 18 871	7 025 19 438	7 554 19 788
Vote 14 - MECHANICAL WORKSHOP		-	-	-	1 069 17 816	-	1 069 17 816	6 453 18 871	7 025 19 438	7 554 19 788
Vote 15 - HOUSING SERVICES		-	-	-	1 491 631	-	1 491 631	1 617 317	1 584 803	1 832 247
Total Expenditure by Vote	2	-	-	-	1 491 631	-	1 491 631	1 617 317	1 584 803	1 832 247

FS184 Matjhabeng - Table A4 Budgeted Financial Performance
(revenue and expenditure)

Description	R ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcom e	Audited Outcom e	Audited Outcom e	Original Budget	Adjust ed Budget	Full Year Forecas t	Pre- audit outcom e	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	169	181	186	136	-	136	136	148	160	173
Property rates - penalties & collection charges		289	926	625	325	-	325	325	380	250	070
Service charges - electricity revenue	2	212	289	432	518	-	518	518	575	645	696
Service charges - water revenue	2	062	866	281	737	-	737	737	954	069	674
Service charges - sanitation revenue	2	160	159	183	183	-	183	183	183	183	197
Service charges - refuse revenue	2	454	696	017	017	-	017	017	017	017	658
Service charges - other	2	80	85	98	98	-	98	98	103	111	120
Rental of facilities and equipment	2	054	482	230	230	-	230	230	633	923	877
Interest earned - external investments	2	47	52	55	55	-	55	55	58	62	68
Interest earned - outstanding debtors	2	685	340	224	280	-	280	280	320	986	024
Dividends received		15	12	7	11	-	11	11			
Fines		694	480	343	000	-	000	000			
Licences and permits		2	2			-					
Agency services		640	640			-					
Transfers recognised - operational		107	39	77	73	-	73	73	77	26	28
Other revenue	2	136	665	796	340	-	340	340	373	593	721
Gains on disposal of PPE		37	37			-					
Total Revenue (excluding capital transfers and contributions)		1 044 621	1 135 704	1 419 343	1 491 936	-	1 491 936	1 491 936	1 617 318	1 639 103	1 779 330
Expenditure By Type											
Employee related costs	2	-	-	389	414	-	414	414	438	489	512
Remuneration of councillors		18	18	25	15	-	15	15	13	14	15
Debt impairment	3	697	242	589	728	-	728	728	619	709	885
Depreciation & asset impairment	2	297	208	253	355	-	355	355	325	228	257
	2	576	760	010	899	-	899	899	122	696	605
	2	15	28		4	-	4	4	4	4	4
	2	518	890	-	500	-	500	500	500	500	500

Finance charges												
		286	362	401	433		433	433	474	509	550	
Bulk purchases	2	642	455	022	103	-	103	103	792	468	225	
Other materials	8											
		2	2									
Contracted services		441	558	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	96	91	101	115		115	115	144	156	168	
Loss on disposal of PPE		879	909	417	443	-	443	443	101	307	811	
Total Expenditure		717	712	1 170	1 339	-	1 339	1 339	1 400	1 403	1 510	
		752	816	201	582		582	582	428	365	003	
Surplus/(Deficit)		326	422	249	152		152	152	216	235	269	
Transfers recognised - capital		868	888	142	354	-	354	354	889	738	328	
Contributions recognised - capital		73	134						218			
Contributed assets		183	923						978			
	6				27	-	27	27	35	38	40	
					455	-	455	455	000	500	425	
Surplus/(Deficit) after capital transfers & contributions		400	557	249	179	-	179	179	470	274	309	
Taxation		051	811	142	809	-	809	809	867	238	753	
Surplus/(Deficit) after taxation		400	557	249	179	-	179	179	470	274	309	
Attributable to minorities		051	811	142	809	-	809	809	867	238	753	
Surplus/(Deficit) attributable to municipality		400	557	249	179	-	179	179	470	274	309	
Share of surplus/ (deficit) of associate	7	051	811	142	809	-	809	809	867	238	753	
Surplus/(Deficit) for the year		400	557	249	179	-	179	179	470	274	309	
		051	811	142	809	-	809	809	867	238	753	

FS184 Matjhabeng - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	R ef	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
Capital expenditure - Vote												
Multi-year expenditure to be appropriated	2											
Vote 1 - COUNCIL GENERAL		-	-	-	7 498	-	7 498	7 498	78 614	-	-	
Vote 2 - OFFICE OF THE EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-	-	
Vote 3 - OFFICE OF THE SPEAKER		-	-	-	-	-	-	-	-	-	-	
Vote 4 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	
Vote 5 - CORPORATE SUPPORT SERVICES		-	-	-	-	-	-	-	-	-	-	
Vote 6 - FINANCE		-	-	-	2 055	-	2 055	2 055	-	-	-	
Vote 7 - HUMAN RESOURCES		-	-	-	-	-	-	-	-	-	-	
Vote 8 - COMMUNITY SERVICES		-	-	-	19 890	-	19 890	19 890	43 433	-	-	
Vote 9 - PUBLIC SAFETY AND TRANSPORT		-	-	-	-	-	-	-	-	-	-	
Vote 10 - ECONOMIC		-	-	-	10 175	-	10 175	10 175	2 382	-	-	

DEVELOPMENT											
Vote 11 - ENGINEERING SERVICES		-	-	-	82 216	-	82 216	82 216	128 814	-	-
Vote 12 - WATER		-	-	-	61 956	-	61 956	61 956	254 713	-	-
Vote 13 - ELECTRICITY		-	-	-	13 350	-	13 350	13 350	-	-	-
Vote 14 - MECHANICAL WORKSHOP		-	-	-	7 498	-	7 498	7 498	-	-	-
Vote 15 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	204 637	-	204 637	204 637	507 956	-	-
<u>Single-year expenditure to be appropriated</u>	2										
Vote 1 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 2 - OFFICE OF THE EXECUTIVE MAYOR		-	-	-	-	-	-	-	-	-	-
Vote 3 - OFFICE OF THE SPEAKER		-	-	-	-	-	-	-	-	-	-
Vote 4 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SUPPORT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCE		-	-	-	-	-	-	-	-	-	-
Vote 7 - HUMAN RESOURCES		-	-	-	-	-	-	-	-	-	-
Vote 8 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - PUBLIC SAFETY AND TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 10 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - ENGINEERING SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 12 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 13 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 14 - MECHANICAL WORKSHOP		-	-	-	-	-	-	-	-	-	-
Vote 15 - HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		-	-	-	204 637	-	204 637	204 637	507 956	-	-
Capital Expenditure - Standard											
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-
Executive and council											
Budget and treasury office											
Corporate services											
<i>Community and public safety</i>		-	-	-	27 388	-	27 388	27 388	21 716	-	-
Community and social services					19 890		19 890	19 890	15 000		
Sport and recreation									6 716		
Public safety											
Housing					7 498		7 498	7 498			
Health											
<i>Economic and environmental services</i>		-	-	-	10 175	-	10 175	10 175	64 407	-	-
Planning and development					10 175		10 175	10 175			
Road transport									64 407		
Environmental protection											
<i>Trading services</i>		-	-	-	75 306	-	75 306	75 306	93 555	-	-
Electricity					13 350		13 350	13 350			
Water					61 956		61 956	61 956	53 990		
Waste water management									39		

Waste management									565		
<i>Other</i>					92 768		92 768	92 768	74 299		
Total Capital Expenditure - Standard	3	-	-	-	205 637	-	205 637	205 637	253 978	-	-
Funded by:											
National Government									18 948		
Provincial Government					164 896		164 896	164 896	200 030		
District Municipality											
Other transfers and grants					12 286		12 286	12 286			
Transfers recognised - capital	4	-	-	-	177 182	-	177 182	177 182	218 978	-	-
Public contributions & donations	5										
Borrowing	6										
Internally generated funds					27 455		27 455	27 455	35 000	38 500	40 425
Total Capital Funding	7	-	-	-	204 637	-	204 637	204 637	253 978	38 500	40 425

FS184 Matjhabeng - Table A6 Budgeted
Financial Position

Description	R ef	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcom e	Audited Outcom e	Audited Outcom e	Original Budget	Adjuste d Budget	Full Year Forecas t	Pre- audit outcom e	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS											
Current assets											
Cash		25 046	30 375	32 805							
Call investment deposits	1	12 223	13 793	15 147	14 896	14 896	14 896	14 896	16 088	17 375	18 765
Consumer debtors	1	117 258	123 552	133 227	166 673	166 673	166 673	166 673	180 007	194 408	209 960
Other debtors		2 836	11 547	12 471							
Current portion of long-term receivables											
Inventory	2	7 036	7 066	7 631							
Total current assets		164 398	186 333	201 281	181 569	181 569	181 569	181 569	196 095	211 782	228 725
Non current assets											
Long-term receivables		6 775	-								
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	569 162	759 076	876 346	724 592	724 592	724 592	724 592	782 559	845 164	912 777
Agricultural											
Biological											
Intangible											
Other non-current assets		213	253	273							
Total non current assets		576 149	759 328	876 619	724 592	724 592	724 592	724 592	782 559	845 164	912 777
TOTAL ASSETS		740 548	945 661	1 077 901	906 161	906 161	906 161	906 161	978 654	1 056 946	1 141 502
LIABILITIES											
Current liabilities											
Bank overdraft	-										
Borrowing	4	52 398	53 890	26 787	34 933	34 933	34 933	34 933	37 727	40 745	44 005
Consumer deposits		25 265	25 706	27 762							
Trade and other payables	4	350 227	448 289	495 942	415 943	415 943	415 943	415 943	449 218	485 156	523 968
Provisions		2 507	3 110	3 359							
Total current liabilities		430 397	530 995	553 849	450 875	450 875	450 875	450 875	486 945	525 901	567 973
Non current liabilities											
Borrowing		69 067	20 643	11 468	48 978	48 978	48 978	48 978	52 897	57 128	61 699
Provisions		2 042	59 661	72 606	2 617	2 617	2 617	2 617	2 826	3 052	3 297

Total non current liabilities		71 109	80 305	84 074	51 595	51 595	51 595	51 595	55 723	60 181	64 995
TOTAL LIABILITIES		501 506	611 300	637 924	502 471	502 471	502 471	502 471	542 668	586 082	632 968
NET ASSETS	5	239 041	334 361	439 977	403 690	403 690	403 690	403 690	435 986	470 865	508 534
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		328 070	438 342								
Reserves	4	237 055			330 253	330 253	330 253	330 253	356 673	385 207	416 023
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	565 125	438 342		330 253	330 253	330 253	330 253	356 673	385 207	416 023

FS184 Matjhabeng - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		834 018	1 082 228	918 730	1 075 697		1 075 697	1 075 697	1 161 753	1 254 693	1 355 068
Government - operating	1			262 505 83	392 899		392 899	899	424 331	458 277	494 940
Government - capital	1			366	177 182 50		177 182 50	182 50	191 357 54	206 665 58	223 198 62
Interest	2	640	160	308	000		000	000	000	320	986
Dividends		37	55	43							
Payments											
Suppliers and employees		(630) 555	(877) 644	678 783 30	1 104 081		1 104 081	1 104 081	1 192 407	1 287 800	1 390 824
Finance charges		(26)	(15)	032							
Transfers and Grants	1	215)	882)								
NET CASH FROM/(USED) OPERATING ACTIVITIES		179 926	191 917	1 973 768	2 799 859	-	2 799 859	2 799 859	3 023 847	3 265 755	3 527 016
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		5 745	-								
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables		(1)	(1)	1							
Decrease (increase) in non-current investments		782)	394)	832							
Payments											
Capital assets		(115) 497)	(146) 161)	138 274	27 455		27 455	27 455	29 652	32 024	34 586
NET CASH FROM/(USED) INVESTING ACTIVITIES		(111) 534)	(147) 554)	140 107	27 455	-	27 455	27 455	29 652	32 024	34 586

CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(22 902)	(39 033)								
NET CASH FROM/(USED) FINANCING ACTIVITIES		(22 902)	(39 033)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		45 490	5 329	2 113 875	2 827 314	-	2 827 314	2 827 314	3 053 499	3 297 779	3 561 602
Cash/cash equivalents at the year begin:	2		45 490	819 50	046 25		046 25	-		053 499 3	351 279 6
Cash/cash equivalents at the year end:	2	45 490	50 819	2 164 694	2 852 360	-	2 852 360	2 827 314	3 053 499	3 351 279 6	3 912 880 9

FS184 Matjhabeng - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available											
Cash/cash equivalents at the year end	1	45 490	50 819	2 164 694	2 852 360	-	2 852 360	2 827 314	3 053 499	6 351 279	9 912 880
Other current investments > 90 days		(8 222)	(6 652)	(2 116 742)	(2 837 464)	14 896	(2 837 464)	(2 812 418)	(3 037 412)	(6 333 904)	(9 894 116)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		37 268	44 168	47 952	14 896	14 896	14 896	14 896	16 088	17 375	18 765
Application of cash and investments											
Unspent conditional transfers		7 771	46 427	78 266	51 445	51 445	51 445	51 445	55 561	60 006	64 806
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	98 557	164 479	275 733	201 363	364 497	201 363	201 363	216 832	227 001	245 162
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		106 328	210 906	353 999	252 809	415 943	252 809	252 809	272 393	287 007	309 968
Surplus(shortfall)		(69 059)	(166 738)	(306 048)	(237 913)	(401 047)	(237 913)	(237 913)	(256 306)	(269 632)	(291 204)

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE BUDGET PROCESS

This chapter provides an overview of the Budget Process, as well as an overview of the current financial position and the various challenges it faces in the year ahead.

THE BUDGET PROCESS

Budgeting is the central process of prioritising service delivery and the management of functions within the Municipality. That prioritising is perhaps the single most important contribution that Council makes in setting the direction of the organisation and represents a principle management responsibility. The developing of the budget begins with the Integrated Development Plan (IDP), which is a community driven document, where the citizens of Matjhabeng get an opportunity to communicate their needs and desires to their representatives on Council. This document, which is linked to the Budget, forms the 'wish list' for projects, and service delivery items for the Municipality to consider as it develops the Budget. The challenge then facing the Municipality is finding the means to deliver on the 'wish list' to the community while also maintaining existing programs and services while addressing the current service needs to meet increasing demands. The process is managed by a series of transparent meetings and discussions between management, Council, and the community until a final Budget is passed in May/June of each year. That Budget then represents the legal, and directional spending limits for the Municipality for the Budget Year.

The budget cycle is a continuous process of planning, implementing, monitoring and reporting.

The Municipal Finance Management Act (56 of 2003) (MFMA) provides that the involvement of Council in the budgeting and financial management process must be:-

- ✓ Consideration of the views of the local community and any organ of state that made submissions on the tabled budget
- ✓ Give the mayor an opportunity to respond to any submissions and if necessary revise the budget.
- ✓ Consider approval of the budget at least 30 days before the start of the budget year.
- ✓ Approve the budget before the start of the budget year.

By focusing on these critical aspects, Councillors will be able to provide appropriate political leadership and direction to the Municipality's operations, oversee the preparation of budgets and oversee the achievement of financial and non-financial objectives expressed in the budget and IDP.

The Budget Process is guided by the following phases:-

- ✓ Revision of the Integrated Development Plan
- ✓ Development of Budget Policies and Guidelines
- ✓ Preparation and submission of departmental budgets
- ✓ Preparation of the draft annual budget
- ✓ Revision of the budget by the Budget Advisory Committee
- ✓ Revision of the budget by the Mayoral Committee
- ✓ Community Consultations
- ✓ Budget approval and
- ✓ Budget implementation

2.2 OVERVIEW OF THE BUDGET POLICIES

Recommended Budget Policies

Policy # 1 - Budget Sustainability

Background. Sustainability is the notion that current economic and consumption patterns should not reduce opportunities for future generations by depleting or impairing resources. The driving force behind sustainability is the recognition that, our communities' natural capital is limited. Sustainability demands balance among economy, environment, and community. Emphasizing any one of these factors over the others causes an imbalance in future equity and undermines the ability to support current business practices over the long term. Many businesses worldwide have demonstrated that they can operate profitably while employing sustainable practices. Similarly, many governments have adopted and implemented sustainable policies and business practices. Through the power of example, the public sector must continue to lead the way toward a sustainable future. Standing at the vortex of the policymaking process, government has an important role to play in this critical effort.

Recommendation:

That the issue of sustainability is considered a core value in setting organizational policy and establishing business practices in all areas of public finance. Accordingly, it is recommended that Matjhabeng Municipality adopt the following actions:

A. Public Policy:

- ☐ Incorporate a commitment to sustainability into mission and value statements.
- ☐ Develop organizational goals that reflect sustainability principles at the departmental levels.
- ☐ Encourage policy development that supports the environmental sustainability of the Municipality
- Implement policies encouraging or requiring the use of products certified as sustainable and/or environmentally friendly.
- ☐ Evaluate how the Municipality tax structure affects its goals for a healthy economy, a healthy environment, and social fairness.
- Form partnerships with other government agencies and with the private and not-for-profit sectors that promote sustainability.

B. Budget and Management:

- Develop budget processes that reflect sustainability goals and objectives, measure government performance in realizing those goals and objectives, and benchmark such performance against comparable Municipalities and/or accepted standards.
- Consider financing and capital planning processes that systematically identify future costs and allocate those costs equitably across generations. The use of life-cycle costing and similar analytical tools is advised.

C. Sustainable Business Practices:

- Implement purchasing practices that support the procurement of sustainable and recycled goods and services consistent with the Municipality financial plans and resources.
- Promote the use of products certified by reputable third-party organizations.
- Develop sustainability principles and guidelines for facility and infrastructure development. Adopt green building standards, for construction projects.
- Adopt policies that promote sustainable business practices in governmental operations, such as fleet management, building maintenance, and parks and green space. Consider adopting guidelines established by independent organizations.
- Implement practices and procedures that reduce waste, carbon dioxide emissions, and reliance on non-renewable resources; promote recycling and reuse; and minimize employee exposure to hazardous materials.
- Educate and inform employees of the importance of sustainable practices and offer suggestions they can employ in the workplace.
- Report on sustainable business practices and goals in annual reports, budget documents, and other core communications.
- Include sustainability in job descriptions and performance reviews.

Policy # 2 – Financial Planning Policies**Background.**

The development and adoption of Financial Policies form the framework for the preparation of Operating and Capital Budgets that encompasses the broad scope of governmental planning and

decision-making with regard to the use of resources. The policies included are those considered fundamental to the budget process and the long-term financial sustainability of Matjhabeng.

The Municipality's adopted financial policies should be used to frame major policy initiatives and be summarized in the budget document.

It is further recommended that these policies, along with any others that may be adopted, be reviewed during the budget process. Finance staff should review the policies to ensure continued relevance and to identify any gaps that should be addressed with new policies. The results of the review should be shared with the Council during the review of the proposed budget.

These policies address both the need for a long-term view and the fundamental principle of a balanced budget. At a minimum, the Municipality should adopt policies that support.

Recommendation:

- A. Balanced Budget - That** Matjhabeng Municipality adopt the policy of commitment to a balanced operating and capital budget under normal circumstances, and provides for disclosure when a deviation from a balanced budget is planned or when it occurs.
- B. Long-Range Planning - That** Matjhabeng Municipality adopt a policy(s) that supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets. This requires that the long term financial impact of all budget decisions be included in the budgets including maintenance cost of new infrastructure.
- C. Asset Management - That** Matjhabeng Municipality adopt a policy that assess the condition of all major capital assets and plan for the ongoing financial commitments required to maximize the public's benefit and in accordance with GAMAP policy.
- D. Linkage of the IDP and Capital Budget - That** Matjhabeng Municipality adopt a policy whereby only projects identified in the IDP be included in the Capital Budget
- E. Separate Multi-year Capital Budget – That** Matjhabeng adopt a policy of preparing a separate 3 year Capital budget that includes financing plans to ensure a balanced Capital Budget.

- F. Total cost of Capital Projects** – That Matjhabeng Municipality adopt a policy where Council must consider the total cost covering all financial years until the project is operational and must consider the impact of future costs and revenues on the operational budget.

Policy # 3 – Budget Policy

Background

The Adoption of Budget Policies forms the framework upon which the Revenues and Expenditures of the Operating and Capital Budgets are constructed. This framework ensures the budgets are compiled using realistic assumptions. They also ensure that the budget estimates are sustainable in future years.

- A. Revenue Policies** - That Matjhabeng Municipality adopt the policy of budgeting for revenue projections that can realistically be collected and are sustainable. Understanding the revenue stream is essential to prudent planning. This policy seeks stability to avoid potential service disruptions caused by revenue shortfalls. At a minimum Matjhabeng should have policies that address:

- ❖ **Revenue Diversification** - That Matjhabeng adopt a policy that encourages a diversity of revenue sources in order to improve the ability to handle fluctuations in individual sources.
- ❖ **Tariffs** – That Matjhabeng adopt a policy that identify the manner in which tariffs are set and the extent to which they cover the cost of the service provided.
- ❖ **Use of One-time Revenues** – That Matjhabeng adopt a policy of discouraging the use of one-time revenues for ongoing expenditures and that all one time revenues are used to fund one-time expenditures.
- ❖ **Use of Unpredictable Revenues** – That Matjhabeng adopt a policy where on the collection of major revenue sources it considers unpredictable, a corresponding allowance for non collection be included in the Budget.
- ❖ **Revenue Management** – That Matjhabeng municipality adopt a policy that the approved credit control policy will be enforced to ensure a high rate of collection of the revenues owing to the Municipality

- B. Expenditure Policies** - The expenditures of the Municipality define the ongoing public service commitment. Prudent expenditure planning and accountability will ensure fiscal stability. At a minimum Matjhabeng should have policies that address:

- **Appropriation of funds for expenditure** – That Matjhabeng Municipality adopt a policy by which it incurs only those expenditures that are approved in the Budget and within the limits of the amounts appropriated for different votes in the approved Budget
- **Debt Capacity, Issuance, and Management** – That Matjhabeng Municipality adopt a policy that specifies appropriate uses for debt and identifies the maximum amount of debt and debt service is no greater than 20% of Gross Operating Expenditure.
- **Reserve or Stabilization Accounts** - That Matjhabeng adopt a policy to maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. That this Reserve be capped at a maximum of 20% of Gross Operating Expenditures and be funded from any cash surpluses generated.
- **Operating/Capital Expenditure Accountability** - That Matjhabeng adopt a policy to compare actual expenditures to budget on a monthly basis and that staff be required to recommend actions that will bring into balance, if necessary.
- **Salary and Allowance costs** – That Matjhabeng adopt a policy whereby the cost of salaries and allowances do not exceed 36 % of Gross operating costs and that this policy be phased in over the next three years.

STRATEGIC PLAN FOR MATJHABENG

The Strategic Plan is the guide for determining how the Municipality's limited resources are utilised. It will link to the annual budget process and all spending proposals will be reviewed within its framework. This Plan is divided into four themes, with each theme containing goals. Each Budget Year, the goals are prioritised and those with the highest priority will frame the operating and capital budgets formulation. Each of those goals will then have action plans and progress indicators that will measure the Municipality's success.

The themes reflect the vision for Matjhabeng. They are the priorities that will direct work efforts. Each theme is supported by specific goals. Some of these goals will be achieved in the next budget year. Others are longer term challenges that Matjhabeng will have to address over multiple budgets, and when the financial resources become available. Together, these goals become the building blocks of a healthy, growing and prosperous Matjhabeng.

The Strategic Plan, as outline below, outlines Matjhabeng Municipality's course for the next three years. It has been developed as a plan to set the priorities across the many facets of municipal operations. Each year, the Executive Mayor and Council will determine the highest priorities from across the four themes based on the input gathered from the community via the annual IDP review. These priorities will then form the basis upon which the department budgets are formulated. Departments will be required to develop Action Plans in the form of specific projects, to which available funding will be allocated. Each project will have performance indicators that will show the progress made in achieving these goals.

At the beginning of each fiscal year, the Plan will be reviewed to ensure any changes to priorities are incorporated into the Plan. Periodic reporting during the year will provide Council and the community with updates on the progress made on the action plans for the year.

Vision

To be a united, non-racial, transparent, responsive, developmental and efficient municipality that renders sustainable services, so as to improve the quality of life in the community.

Matjhabeng Local Municipality is committed to the Batho Pele Principles namely:

- Consultation with all Role-players
- Setting of Service Standards
- Equal access to all services
- All will be treated with courtesy and consideration
- Full disclosure of relevant particulars
- Administration that is open and transparent
- Redress will take place where standards are not met
- All funds received will be spent – Economical, Effective and Efficient.

Mission Statement

- To provide municipal services in an economic, efficient and effective way
- To promote a self reliant community through the promotion of a culture of entrepreneurship.
- To create a conducive environment for growth and development
- To promote co-operative governance.
- To promote a dynamic community participation and value adding partnership
-

Themes

Theme 1 - Municipal Services to all Residents

- Ensure access to water services to every household
- Ensure access to electricity to every household
- Provide sanitation to every household
- Provide refuse pick-up to every household
- To respond to existing health issues to improve and protect the health of all residents and decrease the incidence of preventable illness with public education programs
- Provide road access to property
- Ensure safe and secure environment
- Provide access to sports and recreation facilities
- To render economic information to all residents of the municipality
- To ensure maintenance of infrastructure, equipment and property
- To facilitate the provision of social and housing services
- Provision of sites and municipal services

Theme 2 - Sustainable Growth and Improved Quality of Life

- To work with other spheres of Government to improve the quality of life by creating employment
- Encourage strategies and alliances to promote access to quality employment opportunities in Matjhabeng
- Develop labour intensive projects to create local employment
- To consider the health of our citizens as part of the planning process
- To improve and protect Matjhabeng natural environment and ensure it remains a healthy environment to live and work in.
- To protect rural land and promote the continued viability of agriculture in Matjhabeng
- Develop policies that give preferential treatment to local business
- Develop strategies and alliances that change the economic base of Matjhabeng
- Dynamic Marketing of the economic potential of the area worldwide
- To develop a land use management plan and spatial development framework
- Provision of training and support services to the community
-

Theme 3 - Accessible, Accountable and Responsible Municipality

- To raise public awareness and market the services available
- Optimal usage and selling of municipal services
- To optimally engage the community in the development of the Municipality Policies and Programs
- To continue to improve in technology to achieve efficiencies and the most effective delivery of programs and services to meet the growing demand for electronic and other new service delivery channels
- Enhance partnerships with the public and private sector organisations
- To allow for flexibility in the municipality's endeavour to adapt to the changing institutional changes
- To adhere to Batho Pele principles and other relevant statutory requirements.
- To aggressively combat corruption in an endeavour to eliminate it.
- To ensure accessibility to the municipal buildings for people with disability.
- To ensure that funds allocation are activity based in all operations
- To ensure proximity and accessibility of services to all communities.

Theme 4 - Resourceful and Developmental Municipality

- To ensure that Matjhabeng Municipality develops a broad and reliable tax base that is sustainable in the long term.
- To ensure that Matjhabeng Municipality becomes fiscally accountable by providing its citizens with transparent, accurate and timely information
- Continuously improve the quality of customer service
- Support, promote and recognize employee's role and involvement in developing a strong Local Government and capacity building for community members
- Create an organisational structure that will think and act in a manner that addresses the strategic values determined by the community through the Municipal Council

- To ensure that we have and maintain machinery and equipment that will enhance sustainable services

2012/13 PRIORITIES

Based on extensive input from the Community and Council the following have been determined as the highest priorities for the Budget year 2011/12.

While the following priorities were given priority for this financial year, there remains a commitment to address the other needs of the community as revenues, or the availability of other resources permits.

Financial sustainability (Theme 4 and 2)

This ability to collect more than it spends will remain a challenge for the Municipality for the foreseeable future. Certain factors such as labour agreements, high unemployment, collection rates, and legal concerns will continue to hamper Matjhabeng efforts in this area.

1. Aging infrastructure (Theme 1)

The municipal infrastructure is aging, resulting in numerous service delivery challenges. It is critical that resources are allocated to this deterioration and to modernize and update this key element of service delivery. Maintenance plans must be developed to replace worn out lines, create redundancies, provide new service lines for growing, as well as existing needs, and to ease the stress on the existing infrastructure. These plans must include more aggressive preventive maintenance. The plans should also take the opportunity to form part of an extended public service works program that will contribute to job creation and entrepreneurship.

2. Roads, maintenance and reconstruction (Theme 1 and 2)

Similarly, the roads and streets require repair, maintenance and upgrading. Aging and deferred maintenance contribute to the challenging road conditions that must be resolved. As part of the aging infrastructure, the same issues exist with respect to the pavement management system. This system must direct the replacement; maintenance and upgrading with adjunct goals of providing employments and creating a better municipal plant to attract new and expanding businesses to Matjhabeng, hence stimulate the local economy.

3. The transformation of the institution (Theme 3)

The process of transformation is a journey, not a destination. It is a permanent feature of a dynamic society that continuously has to sharpen its business competitiveness. The Municipality must develop a process to continue to challenge the way it operates, and delivers services. This constant review should assure that it never loses an opportunity to improve itself either by better delivering services, or delivering them more efficiently.

4. Service sites (Theme 1)

The provision of service sites remain a big challenge for the Municipality. There are residents who are patiently waiting for the opportunity to have their own sites so that they can start to build their own houses without queuing for the Reconstruction and Development Program.

5. Water and Sanitation (Theme 1)

The national programme of eradicating the bucket system and other systems that are not meeting the standards will have to be met in the next eight years. We are also bound by that developmental objectives and improvement of our people's livelihood.

6. Improved refuse removal (Theme 1)

The Municipality is making improvements in sanitation. However, the resolve in this area requires additional enhancements. The need to replace aging equipment, machinery and specialised vehicles still remains a challenge. Therefore, alternative mechanisms are required. Compliance with relevant legislation is important. Above all the enforcement of cleanliness is paramount, as is engaging the communities to work to maintain a clean and safe environment.

7. Develop labour intensive projects to create local employment (Theme 2)

The high unemployment rate in our city requires a deliberate programme that will ease the pressure on our indigent policy and thus threatening our fiscal sustainability. This will be a special programme that may target only those who are registered with the Municipality as indigent.

8. Develop policies and programs (Theme 2)

Develop policies and programs that give preferential treatment to previously disadvantaged and local business.

The following was also taking in to consideration with the compilation of the budget:

Priorities – 2006 Local Government Manifesto

1. Accelerate service delivery
2. All communities will have access to clean water and decent sanitation by 2010
3. All houses will have access to electricity by 2012
4. There is universal provision of free basic services

Priorities – 2009 Manifesto

The five priority areas for the next five years:

- Creation of decent work and sustainable livelihoods
- Education
- Health
- Rural development, food security and land reform
- The fight against crime and corruption

Provincial Alignment in Support of our Priorities

Provincial Clusters

- **Governance, Administration, Communications & International Relations**
 - Premier's Office
 - Co-operative Governance, Traditional Leadership & Human Settlement
 - Treasury
- **Social Security & Community Development**
 - Social Development
 - Education
 - Health
 - Public Works & Rural Development
 - Sport, Arts, Culture & Recreation
- **Economic & Infrastructure Development**
 - Economic Development, Tourism and the Environment
 - Agriculture
 - Police, Roads & Transport
- **Justice, Crime Prevention & Security**
 - Police
 - Correctional Services

- Justice, etc.
- Matjhabeng: Budget Theme 1
- **Theme 1 - Municipal Services to all Residents**
 - Ensure access to water services to every household
 - Ensure access to electricity to every household
 - Provide sanitation to every household
 - Provide refuse pick-up to every household
 - To respond to existing health issues to improve and protect the health of all residents and decrease the incidence of preventable illness with public education programs
 - Provide road access to property
 - Ensure safe and secure environment
 - Provide access to sports and recreation facilities
 - To render economic information to all residents of the municipality
 - To ensure maintenance of infrastructure, equipment and property
 - To facilitate the provision of social and housing services
 - Provision of sites and municipal services

- Matjhabeng: Budget Theme 2

Theme 2 - Sustainable Growth and Improved Quality of Life

- To work with other spheres of Government to improve the quality of life by creating employment
- Encourage strategies and alliances to promote access to quality employment opportunities in Matjhabeng
- Develop labour intensive projects to create local employment
- To consider the health of our citizens as part of the planning process
- To improve and protect Matjhabeng natural environment and ensure it remains a healthy environment to live and work in
- To protect rural land and promote the continued viability of agriculture in Matjhabeng
- Develop policies that give preferential treatment to local business
- Develop strategies and alliances that change the economic base of Matjhabeng
- Dynamic Marketing of the economic potential of the area worldwide
- To develop a land use management plan and spatial development framework
- Provision of training and support services to the community
- Matjhabeng: Budget Theme 3

Theme 3 - Accessible, Accountable and Responsible Municipality

- To raise public awareness and market the services available
- Optimal usage and selling of municipal services
- To optimally engage the community in the development of the Municipality Policies and Programs
- To continue to improve in technology to achieve efficiencies and the most effective delivery of programs and services to meet the growing demand for electronic and other new service delivery channels
- Enhance partnerships with the public and private sector organisations
- To allow for flexibility in the municipality's endeavour to adapt to the changing institutional changes

- To adhere to Batho Pele principles and other relevant statutory requirements
- To aggressively combat corruption in an endeavour to eliminate it
- To ensure accessibility to the municipal buildings for people with disability
- To ensure that funds allocation are activity based in all operations
- To ensure proximity and accessibility of services to all communities
- Matjhabeng: Budget Theme 4

Theme 4 - Resourceful and Developmental Municipality

- To ensure that Matjhabeng Municipality develops a broad and reliable tax base that is sustainable in the long term
- To ensure that Matjhabeng Municipality becomes fiscally accountable by providing its citizens with transparent, accurate and timely information
- Continuously improve the quality of customer service
- Support, promote and recognize employee's role and involvement in developing a strong Local Government and capacity building for community members
- Create an organisational structure that will think and act in a manner that addresses the strategic values determined by the community through the Municipal Council
- To ensure that we have and maintain machinery and equipment that will enhance sustainable services
-

Action Plans

1. Expanding tax base

This strategy is inclusive of a number of strategic and functional strategies to ensure that more revenue is realized without creating more burdens to already impoverished communities. We are expected by the constitution within the legislative framework to research other income methods. Examples include the new Property Rates Act includes previously untaxed properties and raises taxes for historically under taxed operations.

2. Diversification of the economy

The Matjhabeng economic structure for over fifty years has been dominated by a single industry, mining. Taking into consideration the fact that the industry cannot continue indefinitely, it is critical that multiple economies are developed and attracted to the region. The existing industries must be assisted to diversify their operations so that continued vibrancy of the region is linked to one currently struggling industry.

3. Flexible workforce and organisation

The demand on local government is to develop administrative capacity and service delivery that is able to address multiple concerns of the community. For instance, it is an improvement to have cashiers who are not only able to receive cash, but also have capability to respond to housing subsidy enquiries.

4. Municipal service partnerships

Cooperative governance and partnerships are an innovation to address the historical backlog of development. Therefore it is understood that we have to manage all these challenges in a very responsible manner so that this strategy will be followed to better our city and its people.

5. Transformation

Successful businesses have made their business to continuously go for improvement in addressing business challenges and position their organisation in such a way that is able to meet its objective without any fail so this strategy will continue to be applied so that the developmental objectives are realized.

These are strategies that will direct the organisation to municipal excellence.

TARIFFS - 2012/13

Assessment Rates	
1. Increase in Assessment rates are based on the fact that the new valuation roll will be implemented	
From 2012/13 - Rates will be applicable on land & buildings	
The proposed tariffs:	
° Residential	0.00829 - (After R 75 000 rebate)
° Business	0.039
° Agricultural	0.00829 75% discount for 2012/2013)
° Educational & State owned	1% less 75% = 0.025
° Mines	0.045

} Can apply for rebate

Sewerage	Tariff 2011/12	Tariff 2012/13	% Increase
SEWER RESIDENTIAL	79.465152	79.465152	5.50%
SEWER VACANT STANDS	43.415424	43.415424	5.50%
SEWER BUSINESS VIRGINIA	145.431936	145.431936	5.50%
SEWER BUSINESS	556.234432	556.234432	5.50%
SEWER/CORRECT - 7 /VB	305.422208	305.422208	5.50%
SEWER HOTEL/TOWNHALL	32.448	32.448	5.50%
SEWER VILLAGE & HGM	4.672512	4.672512	5.50%
SEWER HARMONY GM SOUTH	15.931968	15.931968	5.50%
SEWER MINE HOSTEL/PERSON	1041.916096	1041.916096	5.50%
SEWER PPORT/CALTEX	510.125824	510.125824	5.50%
SEWER - GARAGE & RHOUSE	853.079552	853.079552	5.50%
SEWER H CENTRE/VBUR	1606.305792	1606.305792	5.50%
SEWER SCHOOL/VBURG	52.414336	52.414336	5.50%
SEWER MINE/WELKOM	603.727488	603.727488	5.50%

SEWER BUS & RES	2585.337664	2585.337664	5.50%
SEWER BUSINESS & RES WKM 01/21	121.496128	121.496128	5.50%
SEWER BUSINESS	61.32672	61.32672	5.50%
SEWER - PRISON & HOSTELS	21.7074	21.7074	5.50%
SEWER MUNISIPAL	26.044928	26.044928	5.50%
SEWER OTHER	79.465152	79.465152	5.50%
SEWER MELODING PAILS	79.465152	79.465152	5.50%
SEWER - PAILS	32.448	32.448	5.50%
SEWER VACANT STANDS	50.391744	50.391744	5.50%
SEWER FLATS VIRGINIA	79.465152	79.465152	5.50%
SEWER BASIC KUTLWANONG	43.415424	43.415424	5.50%
SEWER HOSTELS/MILL/PAIL	50.391744	50.391744	5.50%
SEWER PAILS	145.431936	145.431936	5.50%
SEWER ADDITIONAL - HOUSEHOLDS PER L/U	52.414336	52.414336	5.50%
SEWERAGE ADDITIONAL	26.044928	26.044928	5.50%
SEWERAGE ADDITIONAL - UTILITIES	45.80576	45.80576	5.50%
SEWERAGE ADDITIONAL - BUSINESS	132.203968	132.203968	5.50%
SEWERAGE ADDITIONAL MINES WELKOM	47.64448	47.64448	5.50%
SEWERAGE ADDITIONAL OTHER	23.676224	23.676224	5.50%
SEWERAGE FLATS VIRGINIA	72.240064	72.240064	5.50%

Electricity	Basic	Unit costs	KVA
ELEC AVAILABLE RESIDENTIAL	R 110.51	N/A	0%
ELEC AVAILABLE BUSINESS	R 204.74	N/A	0%
ELEC AVAILABLE LARGE BUSINESS	R 578.46	N/A	N/A
ELEC RESIDENTIAL PHASE 1 OWNER	R 110.51	0.85	20%
ELEC RES PHASE 3 OWNER	R 138.28	1.00	20%

ELEC RES PHASE 1/CHURCH ALLAN	R 110.51	1.00	20%
ELEC RES PHASE 1/DOM & SPORTCL	R 110.51	1.00	20%
ELEC RES PHASE 1/OLD AGE HOME	R 110.51	1.00	20%
ELEC SMALL USER GEN PHASE 1	R 204.74	1.07	20%
ELEC SM USER GEN PH3	R 204.74	1.07	20%
ELEC SMALL USER GEN PHASE 3	R 272.98	1.07	20%
ELEC LARGE LV KWH/VENBURG	R 578.46	0.41	20%
ELEC LARGE LV KVA/MUN	N/A	N/A	R 90.68
ELEC LARGE LV KVA	N/A	N/A	R 90.68
ELEC LARGE OTHER LV/KVA	N/A	N/A	R 90.68
ELEC LARGE LV KVA	N/A	N/A	R 90.68
ELEC LARGE LV KVA/DEPT WKM	N/A	N/A	R 90.68
ELEC LARGE LV KVA/VENBURG	N/A	N/A	R 90.68
ELEC LARGE LV KVA	N/A	N/A	R 90.68
ELEC LARGE LV KVA	N/A	N/A	R 90.68
ELEC LARGE LV/KVA TIGER MILL	N/A	N/A	R 90.68
ELEC LARGE MV KVA/VIRGINIA	N/A	N/A	R 90.68
ELEC LARGE MV KVA	N/A	N/A	R 90.68
ELEC LARGE MV KWH	R 1,156.89	0.37	N/A
ELECTRICITY KVA C50 TENANT	R -	10.68	N/A
ELEC TOU LV HIGH DEM/KVA	R 1,014.81	N/A	R 41.54
ELECTRICITY KVA C50 OWNER	R 221.73	0.91	N/A
ELEC NOT IN USE	N/A	N/A	N/A
ELEC TOU MV/KVA	R 2,313.81	R -	R 44.44
ELEC TOU MV LOW DEM OFFPEA/KWH	N/A	0.42	R 44.44
ELEC TOU MV HIGH DEM OFFPEA/KWH	N/A	0.00	N/A
ELEC TOU LOW DEM STD/KWH	N/A	0.05	R 44.44
ELEC TOU MV HIGH DEM STD/KWH	N/A	0.61	N/A
ELEC TOU MV LOW DEM PEAK/KWH	N/A	0.61	R 44.44
ELEC TOU MV HIGH DEM PEAK/KWH	N/A	1.75	N/A
ELEC TOU LV LOW DEM OFPEA/KWH	N/A	0.46	N/A
ELEC TOU LV HIGH DEM OFPEA/KWH	N/A	0.48	N/A
ELEC TOU LOW DEM STD/KWH	N/A	0.54	N/A
ELEC TOU LV HIGH DEM STD/KWH	N/A	0.70	N/A
ELEC TOU LV LOW DEM PEAK/KWH	N/A	0.71	N/A
ELEC TOU LV HIGH DEM PEAK/KWH	N/A	1.96	N/A
ELEC SMALL USER GEN PH 1/TIKWE	R 381.89	0.73	N/A
ELEC AFTER PEAK HOUR/TIKWE	N/A	0.89	N/A

ELEC LARGE LV KVA/TIKWE	N/A	N/A	R 67.59
ELEC LARGE LV KWH/TIKWE	R 628.66	0.29	N/A
ELEC TIKWE RESORT/MTR2	R 458.26	0.73	N/A
ELEC STREET LIGHTS	R 31.68	0.82	N/A
CORRECT WRITE OFF	N/A	N/A	N/A

REFUSE	Tariff 2011/12	Tariff 2012/13	% Increase
Refuse households	52.81	53.34	5.50%
Refuse businesses	97.80	98.78	5.50%
Refuse/bulk x1	181.82	183.64	5.50%
Refuse/schools	193.63	195.57	5.50%
Refuse - mines	264.41	267.05	5.50%
Refuse/business 240l	342.62	346.05	5.50%
Refuse/business more as 104	411.86	415.98	5.50%
Refuse/special bulk x1	606.06	612.12	5.50%
Refuse/spec bulk x2 pw	652.81	659.34	5.50%
Refuse/spec bulk x3	750.61	758.12	5.50%
Refuse business wkm 10/16	848.39	856.87	5.50%
Refuse/omb 3 xp/w busin	1,101.38	112.39	5.50%
Refuse/bulk cont	1,365.21	1,378.86	5.50%
Refuse/spec bulk 6m3x1	3,290.37	3,323.27	5.50%
Refuse/spec bulk 6m3x2	3,017.55	3,047.73	5.50%
Refuse/spec bulk 6m3x3	4,181.69	4,223.50	5.50%
Refuse Business/Industrial 240L Max 104	200.62	202.63	5.50%
Refuse - mines	14,472.72	14,617.45	5.50%
Refuse vacant stand	30.68	31.00	5.50%
Refuse/wkm/schools	291.42	294.33	5.50%

Refuse business/ind 240l more than 104	248.24	250.72	5.50%
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Water	Tariff 2011/12	Tariff 2012/13	% Increase
0 - 6 KL	0	0	(Free to Indigents)
0 - 6 KL	8.9888	8.9888	0.00%
7 - 44 KL	10.8862	10.8862	0.00%
45 - 50 KL	14.416	14.416	0.00%
51 - 55 KL	14.416	14.416	0.00%
> 56 KL	14.416	14.416	0.00%
Vacant land basic charge	36.04	36.04	0.00%
Empty premises basic charge	36.04	36.04	0.00%

No interest will be levied on those arrears for which the consumer made formal arrangements. Interest will only be levied on those arrears for which no formal arrangement exist and/or arrear as a result of not complying with the said arrangements.

