



CITY OF CAPE TOWN
BUDGET
2009/10 – 2011/12



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

THIS CITY WORKS FOR YOU



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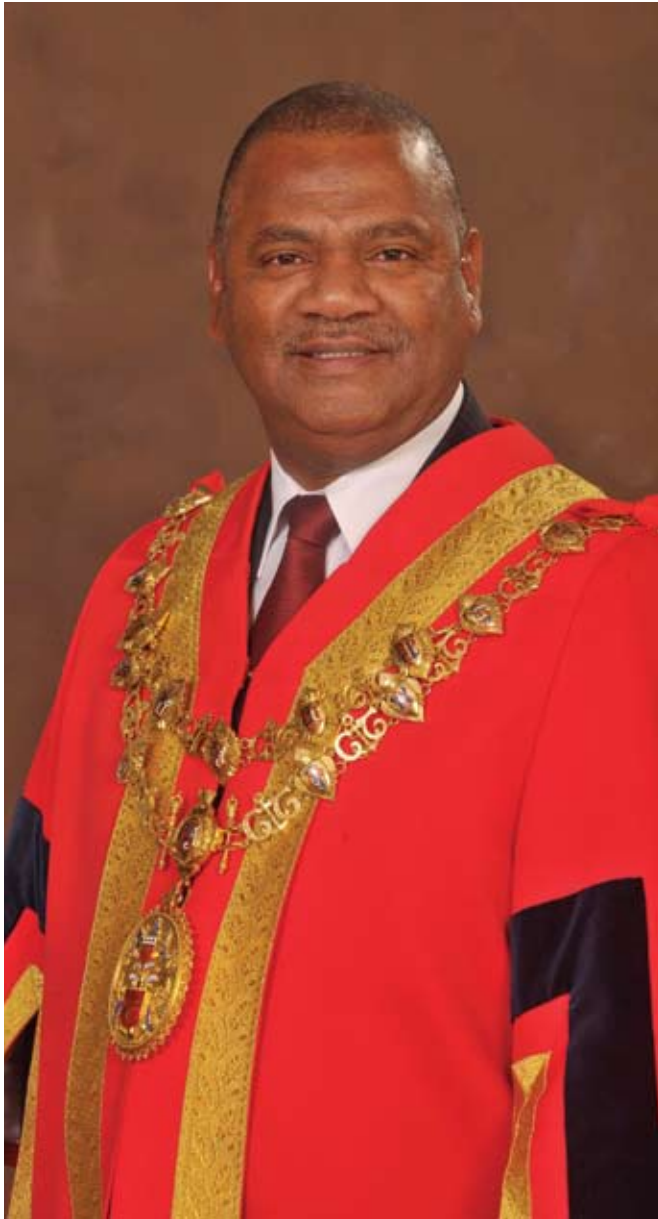
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Foreword by Executive Mayor Dan Plato



Mayco members, councillors, ladies and gentlemen, and members of the press

This year the City of Cape Town's budget stands at R22,7 billion rand. This money must be used to make the City work for all its citizens.

Throughout the long participatory process that the Budgetary Committee oversaw, every expenditure was scrutinised to make sure that taxpayers' money would be used to maximum effect. The City stands on the brink of enormous opportunity with the hosting of the 2010 FIFA World Cup™. Tremendous challenges have been met to create the massive infrastructure necessary to host this event.

The improvements to our roads, the building of the Green Point Stadium, and the development of the Integrated Rapid Transport System have been capital extensive. However, I believe that with the increased tourism that the tournament will bring to the City, this will be a rare opportunity to showcase the natural beauty and attractions of Cape Town, and will bear much fruit in the future.

This does not mean that we are not also in a vulnerable position, facing daunting challenges with the decline in the world economy, the desperate need to build houses, and to develop a climate in which jobs are created. It is only through regional economic growth that we will be able to build on what has been achieved in the budget over the past three years of this multiparty government.

With the influx of people to our city from other parts of the country, we also have to ensure that we build a solid platform of infrastructure and services. Cape Town's roads, public transport, electricity distribution, sewerage systems and water supply must be able to keep pace with economic growth.

In order to continue our business of urban renewal and economic growth we need sound administrative systems, urban regulation, accountable and efficient administrative systems, as well as

improved traffic and bylaw enforcement, so that an ordered environment is achieved and maintained. Urban regulation, administrative systems, traffic and by-law enforcement must be effective enough to establish an ordered environment.

The City needs to work with other stakeholders to ensure that business opportunities are not lost due to poor electricity supply, inadequate public transport, poverty, stifling red tape at municipal level, and high levels of crime. All of these factors need to be addressed urgently.

The roll-out of the Integrated Rapid Transport System which will take place over the next 10 years, is one area in which the City is putting its money where its mouth is. By keeping people moving efficiently, as the city grows and develops, we will make it a better place for both citizens and tourists.

We know tourism is vitally important to our growth. We need to take every opportunity to encourage investment, both local and foreign, in order to establish the City as a destination of choice.

At the same time, we need to be realistic. The City cannot raise people's expectations with false promises. Major tasks that lie ahead of us include increasing our rate of capital investments. Over the past year we have raised our capital investments from an average of R1 billion per year to nearly R4 billion in the current financial year. The benefit to the City has been the provision of electricity, sewerage and water systems.

We also have an obligation to address the acute shortage of adequate shelter in Cape Town, making the provision of housing one of our biggest challenges. We have made strides in this regard by increasing the rate of housing delivery from 3 000 per year to nearly 8 000 to date in this financial year.

Still more needs to be done in this regard with an estimated 300 000 to 400 000 families in Cape Town living without adequate access to services and shelter. Satisfying these needs

must be balanced against fairness to those who have been on waiting lists for houses, and building subsidised housing for the poor close to their places of work, to undo the urban segregation that still remains.

To address the housing crisis we will need to work with all tiers of Government. Along with the improvement of transport and infrastructure, we stand ready to work with all stakeholders in these vital areas.

It goes without saying that crime needs to be brought under control in the city, and that we have a responsibility to make sure that citizens feel safe here. We need to calm the dissent that has arisen from poor service delivery, and I am confident that this budget has made the most prudent use of its resources in order to begin this important work.

We work in partnership with the people of the city and it is my plea to the communities of Cape Town to assist in protecting the services we provide, and to respect the staff who provide them. We are here to serve, as best we can.

Indeed, with our finances in good shape, and with our staff structures in place, we are in a good position to deliver on all of our Integrated Development Plan goals.

Together we can make Cape Town a city that all can be proud to call home.



Dan Plato
Executive Mayor



Budget Speech by Alderman Ian Neilson

– Executive Deputy Mayor and Mayoral Committee Member: Finance



Mr Speaker

The multiparty government of this city is today tabling its third budget, for the three-year period from July 2009 to June 2012.

The conditions in which we do so are unlike those of the previous two years, as there has not only been a change in the external environment but also within our own business. A large number of the initiatives we have pursued over the last three years will come to fruition during the 2009/10 Financial Year.

The proposal for 2009/10 is for an operating budget of R18,3 billion and a capital budget of R5,5 billion.

Economic environment

The City's government is acutely aware of the harsh economic circumstances in which its citizens find themselves. The international economic collapse has impacted on us, even if, thankfully, it is not as intense as in some developed countries in the Northern Hemisphere. However, we know that many citizens are struggling to maintain standards of living and the ability of many to pay rates and service charges has diminished. We have seen a downward slide in payment levels during the last six months that is reversing some of the hard won payment gains of the last three years.

Our response must be twofold:

- We have to moderate our rates and service increases, especially for those who have small and fixed incomes, and
- We must pursue our development programmes as aggressively as possible to assist in the direct stimulation of the City economy and build the platform for economic growth beyond the recession. We do not have the luxury of a National Government that can entertain Keynesian budget deficits, but

we can make a meaningful contribution to economic stability and regeneration.

The key objectives of the multiparty government remain as elucidated in the Integrated Development Plan. In essence, we place a high emphasis on the delivery of basic services and the provision of infrastructure that underpins economic growth. Our mantra of infrastructure-led economic growth remains in the forefront of our budget proposals.

The critical needs of our city are jobs, jobs, and more jobs. Only stimulation of the private economy can achieve the growth in job numbers that will lead to a better standard of living for all.

The City's responsibility is to create the platform for that growth, using three key pillars:

- Infrastructure and services that meet the needs of all
- Streamlined regulation that enables and facilitates rather than controls, and
- Institutions that operate at high levels of governance, service and ethics.

The building of that platform does not only comprise growing the size of the services, but also requires that we bring about fundamental transformation in the way that the City operates, a transformation that looks to the future and the sustainability of our economy. We have to drive towards a smaller and more integrated footprint than the path City development has led us to until recently. We need not only a smaller physical footprint to enable affordable services and conservation of natural resources but we also need a smaller carbon footprint, because we are not disconnected from the responsibility to slow humanity's degradation of our atmosphere.

Internal environment

The strong pursuit of delivery these last three years is now bearing fruit in the form of new infrastructure, but this is impacting on our operating budget through interest and depreciation charges. Although this was planned, it reduces the net cash available for operations.

Staff salaries form some 31% of our total budget. In our pursuit of a stable, functioning organisation, we have paid considerable attention to staff matters the last three years. The salary budget has grown primarily through a significant effort to fill posts across the organisation as well as a drive to remove grievances through salary parity programmes. The cost of these initiatives has been more than previously anticipated. Trade union demands of a 26% salary increase, and other salary and benefit improvements, are simply unaffordable on top of the already generous growth of our salary budget over the last three years.

Our budget has further suffered by a cut of R100 million in Cape Town's allocation of equitable share from the national fiscus. Cities such as eThekweni have benefited significantly from the switch from Regional Services Council levies to a share of the fuel levy, but the disadvantage to Cape Town of the clearly skewed formula for the equitable share is not acceptable. No matter what arguments are made for relative levels of poverty, it is not acceptable that Cape Town only receives half of that of Johannesburg and 60% of that of eThekweni and Ekurhuleni. Cape Town taxpayers are entitled to a fair share of their VAT and income taxes, irrespective of redistribution needs.

Budget process

Mr Speaker, this year we pioneered a new process of budget development, through the establishment of a Budget Committee. We achieved all our goals in this first iteration of the process, and some useful understandings were achieved.

In former years, budget development took place behind the scenes, and was driven primarily by Council officials, with a draft budget appearing for the first time in February. This year directorates had to argue the case for their budgets publicly, much earlier in the process. Interesting displays of official attitudes came to light. A common thread was that directorates saw the budget process purely as a pitch for more funds and new areas of service provision. Most failed to show initiatives for business improvement or income enhancement. One directorate showed that its business model was simply to extend services, with the expectation that operating funding would simply materialise through the beating of political drums and the embarrassment of new facilities standing unused.

Given the approach of directorates to the budgeting process, which seemed predicated on increasing income magically materialising in a year of financial squeeze, the Budget Committee had little option but to recommend across-the-board adjustments, with some marginal adjustments for priority areas.

In the next round of Budget hearings later this year, directorates will need to fundamentally revise their approach. They will have to move from a zero-based point of departure, where they will need to demonstrate the value of their entire business to the citizens, and not simply seek new funding for more. They will need to produce a rationale for what they do, extrapolated further in detailed capital, operating, repairs and maintenance, staffing strategies and income generation plans. These plans will need to be clearly sustainable in the medium-term, ensuring that capital costs still provide adequate space for sustainable operation and maintenance into the future.

In particular in coming years, the City will have to ensure that capital spend does not come at the cost of repairs and maintenance, and the optimal mix of these aspects requires further detailed investigation.

Delivery achievements

The City's delivery achievements during the term of the multiparty government have been significant in financial terms. Most spectacular has been the growth in capital spend. From barely R1 billion in 2004/5 and R1,5 billion in 2005/6, it grew to R2 billion in 2006/7 and R3 billion in 2007/8. In the current 2008/9 financial year, we have a capital budget of R6 billion.

Repairs and maintenance spend has increased from R800 million to R1,3 billion over the last three years.

Finance achievements

The Auditor General has for the fifth consecutive year given the City an unqualified audit. This is a major achievement. It is of course much related to the improved controls in place and the high standard of ethics established across the organisation. However, I want to express particular appreciation of the role of the City Treasury, which is responsible for drafting the Annual Financial Statements. Their dedication to detail and absolute professionalism ensures that the statements are a true reflection of financial matters in the City. What is further noticeable about the Auditor General's reports is that there are fewer and fewer adverse comments each year, despite his approach of constantly raising the bar of expectation.

In addition, the Treasury successfully managed the launch of our first R1 billion bond issue last June and is currently managing the anticipated bond issue of R1,2 billion this June. These issues have lifted the City's capital loans to a new level.

Related to the Auditor General's unqualified report and our raising of loans, is the City's credit rating. Our latest credit rating shows that we have retained a double-A rating for the third year. Our ratings agency, Moody, says in its analysis: "The rating outlook is stable, reflecting Moody's expectation that Cape Town's key financial ratios will remain sound in the medium term, the municipality will maintain a solid budgetary position and a prudent and conservative financial policy and that its indebtedness will remain manageable in spite of the ambitious capital expenditure programme."

Moody continues:

"Cape Town remains largely self funded by generating 86% of its revenue from own sources with the remainder from higher

tier government. This high proportion of the City's discretionary revenue reflects its control over its revenue base and indicates the large measure of financial flexibility that the City has to handle fiscal pressures. Cape Town has a large measure of autonomy in setting the property rates and service tariffs that enhances the predictability and stability of its revenue base."

A remaining key concern in our financial statements is the seemingly unyielding debtors' book. Despite considerable effort over the past three years, where we have significantly increased payment levels, the historical level of debts which this Council inherited is such that the R1,5 billion write-off of very old debt has not been enough to satisfy either the Auditor General or our credit rating agency. We need to take further steps to clean up our balance sheet without compromising the interests of our majority ratepayers who have paid their dues loyally over many years.

Budget outcomes

The draft budget has been based on an estimate of an overall CPI increase of 8%. The latest data indicate CPI stands now at 8,6%.

Revenue

Total revenue for 2009/10 is projected at R16,82 billion, an increase of 8,6% over the current year.

Property tax rates

We propose to increase residential property tax rates by 8,5% and commercial property rates by 15,8%. The differential increase is a result of bringing the ratio between residential and property rates to a factor of 2. The higher commercial rate provides an additional income of R112 million per year, providing some relief from the lower income that resulted from the scrapping of RSC levies. As businesses in the city have benefited from the scrapping of RSC levies by over R1 billion per year, we believe that this modest increase in rates is fully justified.

The residential rate will increase to 0,535 c/R and the commercial rate to 1,07 c/R from 1 July 2009.

These rates remain competitive in both South African and international terms.

The multiparty government (MPG) is sensitive to the impact of rates increases on citizens with fixed incomes. Senior citizens who rely on interest income will have an additional burden with the lowering of interest rates. We have, since 2006, annually increased the upper limit on the qualifying income levels for our Senior Citizen and Disabled Persons rebate. We propose to

increase it further this year from R7 000 per month to R8 000 per month. It was R2 400 per month in 2006. We also propose to increase the limit at which 100% rebates are given, from R2 880 per month to R3 000 per month. This means that those senior citizens whose household income is R3 000 per month now receive a 100% rebate on their rates, compared to 2006 when they did not qualify for the rebate.

Tariff increases

Water and sanitation

Water tariffs are to be increased by 10% in order to enable improved operation and maintenance of the water system and in preparation for the construction of a new water treatment plant in the future. There will also be a contribution towards eliminating the cross-subsidisation between the sanitation and water services.

Sanitation tariffs are to be increased by an average of 7%. A downward adjustment is also applied to the domestic cluster tariff in order to bring it closer to that of the domestic full tariff.

Solid waste

Refuse collection and other solid waste tariffs are to be increased by 10%.

Electricity

I now come to the difficult matter of electricity tariffs. It is difficult because we know that we can expect a very high increase in our bulk electricity charges from Eskom, but do not yet know what these increases are to be. It seems that a great game of delay and confusion is being played to ensure that the Eskom increases are not made public before the national elections. I expect that we will be confronted with proposed Eskom increases of the order of 60% to 70%.

In the meantime, we have had to draft a provisional electricity budget based on assumptions. It is likely that we will have to completely redraft that part of our budget before the start of the new financial year, once we receive notification of NERSA's decision on Eskom tariffs.

The draft budget assumes that Eskom's base tariff will increase by 27,9% plus the energy tax of 2c/kWhr, leading to an effective increase of 35,9% in Eskom tariffs. In this scenario, the City will have to increase its tariffs by an average of 33,3%. We propose a differential increase, in order to limit the increase of the Lifeline tariff used by poorer consumers to only 9%.

Expenditure

Operating budget

The staff salary bill is the biggest single item on the City budget, at 31% of total expenditure. The City faces a difficulty in budgeting for this key number, as wage bargaining, which takes place at a national level, has not yet concluded. We have made an allowance for an 11,5% salary increase and a further 2% for notch increases. However, due to the unexpected high costs of the final phase of the salary parity exercise and to achieve a balanced budget, we have had to reduce the budget provision for staff vacancies. The staff budget increases by 11,2% to R5,3 billion.

The General Expenses provision has been increased by 8%.

The MPG has long recognised that the repairs and maintenance provision in the City budget is inadequate, and we have increased it significantly above the inflation rate each year. The Repairs and Maintenance budget increases to R1,6 billion for 2009/10, which is double the R800 million that it was when this MPG came into office.

Capital budget

The proposed capital budget for 2009/10 is R5,5 billion. This is lower than the current year's R6 billion, mainly due to the completion of the Green Point Stadium halfway through the financial year.

We continue to spend significantly on the provision of basic services. The total capital budget for the Utility Services – Electricity, Water and Sanitation and Solid Waste – is R2 billion for 2009/10. This is an increase of 167% over the budget inherited by this MPG, confirming our commitment to ensuring that the basic services required for quality of life and economic growth are strongly advanced.

The capital budget for Transport, Roads and Stormwater is R1,7 billion for 2009/10.

Further initiatives

This budget is of course only a step in an ongoing process of improvement. The City will be carrying out its second general valuation in terms of the Municipal Property Rates Act. Properties will be valued on 2 July 2009, three years after the previous general valuation. This will ensure that property owners pay rates appropriate to any changes in their property value. The new valuation will be implemented on 1 July 2010, i.e. in the next budget.

Tabling of the draft budget

In terms of Clause 16(2) of the Municipal Finance Management Act, and related delegations given to me by the Executive Mayor, I hereby table the draft City budget for the 2009/10 to 2011/12 financial years for public engagement and debate by the portfolio committees of Council.

The tabled document provides a budget overview with the Integrated Development Plan. Departmental budget amounts are provided in the schedules, as are details of proposed property tax rates, consumptive tariff and miscellaneous tariff amounts and policies, rebates, indigent relief policies, credit control and debt collection policies, grant-in-aid policy and proposed income performance indicators. There are, in addition, the budgets of the municipal entities and special rating area levies and budgets.

Thank you



Alderman Ian Neilson

Executive Deputy Mayor and
Mayoral Committee Member: Finance



1. Executive summary

Growth to the City's Medium-Term Revenue and Expenditure Framework (MTREF) is based on a combination of factors. These are (relatively low) generic growth to core tariff-based services, operational efficiencies, and revenue-related policies aimed at making the most of and sustaining all sources of income.

It takes into account the significant financial obligations relating to mega projects in the City such as the hosting of the 2010 FIFA World Cup™ and implementation of the Integrated Rapid Transport System. This comes at a time when primary revenue sources are under considerable pressure, due to the weakening of the economic climate and less money being allocated to the City from other tiers of Government.

The MTREF-based revenue and expenditure projections assumed inflation-linked annual adjustments of 8,0%, 5,7% and 5,8% respectively, for the three-year budget period of 2009/10, 2010/11, and 2011/12.

Further key parameters applied to the City's financial framework for the 2009/10 financial year include the following:

- Revenue/tariff increases

Rates	8,5%
Electricity	33,3%
Water	10%
Sanitation	7%
Solid waste	10%
- Salaries and wages adjustments 11,5%
- General expenses 8%
- Fuel 30%
- Repairs and maintenance 10,5%

Total revenue for the 2009/10 financial year amounts to R18,818 million, which represents an increase of R1,306 million (7,5%) over 2008/9.

Debt (EFF) financing of capital expenditure totals R2,908 million. This amount represents an increase in originally budgeted for amounts, and is earmarked to address specific infrastructural capital investment aligned to IDP focus areas.

Primary Operating Budget revenue-and-expenditure categories reflect the following year-on-year budget value increases:

- Property tax rates 12,6%

Revenue increases to consumptive, tariff-based services are:

- Electricity 48%
- Water 12,26%
- Sanitation 20,84%
- Solid waste 15%

Expenditure categories' growth:

- Staff costs 16,9%
- General expenses 15,2%
- Repairs and maintenance 15,3%

Successful alignment of the City's service delivery priorities, as embodied in the updated IDP, its objectives and perspectives, to that of national and provincial governments is seen as critical if the City is to meet its developmental goals.

Main strategic focus areas are:

- Shared economic growth and development
- Sustainable urban infrastructure
- Energy efficiency for a sustainable future
- Public transport systems
- Integrated human settlements
- Fostering of a safe and secure environment
- Health, social, and human capital development
- Good governance and regulatory reform



2. Annual budget tables

The budget schedules to be approved by resolution of Council:

Budget summary

Table 1: Budget summary									
Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Financial performance									
Property rates	2,370,146	2,475,508	3,258,745	3,381,612	3,381,612	3,381,612	3,804,865	4,232,084	4,685,696
Service charges	4,908,491	5,236,324	5,785,099	6,439,658	7,049,733	7,049,733	8,800,686	10,511,734	12,518,401
Investment revenue	241,838	306,581	367,925	308,804	308,804	308,804	316,935	316,935	316,935
Transfers recognised – operational	556,455	1,550,105	1,773,806	2,094,894	2,280,131	2,280,131	1,228,777	1,391,660	1,488,116
Other own revenue	1,919,659	1,089,677	1,031,640	918,419	964,552	964,552	2,372,143	2,568,215	2,708,716
Total revenue (excluding capital transfers and contributions)	9,996,589	10,658,194	12,217,215	13,143,388	13,984,832	13,984,832	16,523,407	19,020,628	21,717,864
Employee costs	2,947,267	3,285,175	3,780,345	4,753,765	4,636,975	4,636,975	5,431,986	6,314,494	6,927,991
Remuneration of councillors	51,801	65,938	70,934	75,608	79,279	79,279	86,260	92,065	98,326
Depreciation and asset impairment	921,762	723,305	809,719	953,929	1,152,300	1,152,300	993,691	1,049,181	1,110,034
Finance charges	349,325	283,630	274,801	380,236	380,236	380,236	540,448	635,958	774,432
Materials and bulk purchases	1,780,755	1,998,112	2,141,514	2,499,659	2,899,316	2,899,316	3,830,158	4,884,364	6,183,429
Transfers and grants	66,370	79,871	81,919	86,200	126,675	126,675	94,812	100,217	106,029
Other expenditure	4,227,828	3,601,944	4,904,978	4,783,458	5,072,978	5,072,978	5,787,642	6,084,971	6,630,321
Total expenditure	10,345,107	10,037,974	12,064,210	13,532,855	14,347,760	14,347,760	16,764,996	19,161,250	21,830,562
Surplus/(Deficit)	(348,518)	620,220	153,005	(389,467)	(362,927)	(362,927)	(241,589)	(140,621)	(112,698)
Transfers recognised – capital	502,119	498,953	1,275,655	1,825,416	3,049,904	3,049,904	2,294,860	1,571,005	1,588,284
Surplus/(Deficit) after capital transfers and contributions	153,601	1,119,172	1,428,660	1,435,949	2,686,977	2,686,977	2,053,270	1,430,384	1,475,586
Surplus/(Deficit) for the year	153,601	1,119,172	1,428,660	1,435,949	2,686,977	2,686,977	2,053,270	1,430,384	1,475,586
Capital expenditure and funds sources									
Capital expenditure	1,521,108	1,953,422	3,102,398	3,909,092	5,224,063	5,224,063	6,202,464	4,203,575	4,164,563
Transfers recognised – capital	469,583	459,580	1,227,256	1,779,716	2,984,775	2,984,775	2,232,419	1,513,957	1,530,084
Public contributions and donations	34,861	43,026	48,399	45,700	65,130	65,130	62,441	57,049	58,200
Borrowing	791,307	893,913	1,242,470	1,560,670	1,657,379	1,657,379	2,908,076	1,960,949	2,140,898
Internally generated funds	225,357	556,904	584,273	523,006	516,780	516,780	999,528	671,621	435,381
Total sources of capital funds	1,521,108	1,953,422	3,102,398	3,909,092	5,224,063	5,224,063	6,202,464	4,203,575	4,164,563
Financial position									
Total current assets	4,189,653	4,608,401	7,067,707	5,857,837	6,304,179	6,304,179	6,282,172	6,976,435	7,757,616
Total non-current assets	9,475,792	10,759,905	12,855,248	15,844,881	16,940,412	16,940,412	21,953,261	25,096,048	28,133,208
Total current liabilities	3,414,389	3,876,791	5,476,955	5,109,085	5,349,719	5,349,719	6,377,947	7,330,844	8,205,491
Total non-current liabilities	3,760,869	4,003,027	5,448,269	6,159,953	6,210,164	6,210,164	8,119,508	9,573,277	11,041,385
Community wealth/equity	6,490,187	7,488,488	8,997,731	10,433,680	11,684,708	11,684,708	13,737,978	15,168,362	16,643,948
Cash flows									
Net cash from (used) operating	1,977,054	2,525,655	3,492,394	1,457,523	3,202,507	3,202,507	3,928,943	2,961,555	2,851,879

Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Net cash from (used) investing	(3,277,861)	(2,302,955)	(4,002,178)	(3,911,427)	(5,205,645)	(5,205,645)	(5,958,067)	(4,143,563)	(4,098,858)
Net cash from (used) financing	(128,035)	(68,294)	1,231,255	743,571	845,708	845,708	1,535,974	1,249,395	1,313,392
Cash/cash equivalents at the year end	282,950	437,356	1,158,827	2,670,397	3,223,300	3,223,300	2,730,149	2,797,536	2,863,949
Cash backing/surplus reconciliation									
Cash and investments available	2,463,621	3,022,285	4,770,948	3,113,361	3,645,481	3,645,481	2,965,809	3,030,523	3,088,052
Application of cash and investments	1,640,617	2,916,658	4,349,354	2,949,265	3,101,776	3,101,776	2,743,422	2,394,416	2,569,576
Balance – surplus (shortfall)	823,004	105,627	421,594	164,096	543,705	543,705	222,387	636,107	518,476
Asset management									
Asset register summary (WDV)	13,527,618	21,142,316	18,503,815	–	–	–	–	–	–
Depreciation and asset impairment	921,762	723,305	809,719	953,929	1,152,300	1,152,300	993,691	1,049,181	1,110,034
Renewal of existing assets	–	–	–	1,315,222	1,359,466	1,359,466	1,906,394	1,259,376	1,244,702
Free services									
Cost of free basic services provided	455,814	589,243	621,988	729,259	729,259	729,259	810,296	438,525	514,183
Households below minimum service level									
Water	10,500	5,000	–	–	–	–	–	–	–
Sanitation/sewerage	52,617	48,190	39,357	35,707	35,707	35,707	29,358	23,009	17,257
Energy	94,102	75,174	62,742	97,600	97,600	97,600	90,589	83,578	76,567

Table 2: Budgeted financial performance (revenue and expenditure by standard classification)

Standard classification description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Revenue standard									
Governance and administration	3,996,729	4,307,406	5,292,732	5,519,241	5,592,492	5,592,492	6,210,885	6,863,448	7,491,920
Executive and council	4,135	2,201	5,728	7,142	8,890	8,890	2,043	2,160	2,285
Budget and treasury office	3,876,267	4,171,367	5,112,429	5,350,266	5,403,315	5,403,315	6,041,748	6,717,931	7,341,019
Corporate services	116,327	133,838	174,576	161,834	180,287	180,287	167,094	143,357	148,616
Community and public safety	855,904	916,948	1,672,773	2,017,031	2,995,230	2,995,230	1,885,636	1,459,307	1,465,787
Community and social services	23,662	26,078	42,475	56,757	78,104	78,104	82,699	75,089	84,918
Sport and recreation	45,686	171,160	877,183	1,059,471	1,946,736	1,946,736	671,893	73,036	39,020
Public safety	216,272	227,440	220,124	243,431	259,000	259,000	264,229	269,384	283,780
Housing	442,872	351,546	356,145	470,855	506,761	506,761	649,031	769,088	759,774
Health	127,412	140,725	176,847	186,518	204,629	204,629	217,783	272,711	298,295
Economic and environmental services	424,194	388,058	435,998	636,937	935,745	935,745	1,494,636	1,414,973	1,514,012
Planning and development	152,393	154,098	162,773	224,908	198,718	198,718	198,082	258,191	286,399
Road transport	266,370	230,333	260,682	391,042	703,623	703,623	1,260,876	1,121,713	1,190,511
Environmental protection	5,431	3,628	12,542	20,986	33,404	33,404	35,678	35,068	37,101
Trading services	5,221,882	5,544,735	6,091,367	6,795,595	7,511,269	7,511,269	9,227,109	10,853,906	12,834,430
Electricity	2,773,569	3,018,313	3,294,947	3,825,341	4,340,866	4,340,866	5,730,324	6,990,699	8,509,007

Standard classification description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Water	1,298,015	1,264,073	1,427,375	1,422,691	1,516,113	1,516,113	1,681,391	1,899,731	2,135,472
Waste water management	658,995	705,965	846,075	950,333	1,038,021	1,038,021	1,085,878	1,048,340	1,083,446
Waste management	488,237	556,112	521,916	592,147	611,047	611,047	724,428	909,757	1,100,813
Other	3,065	272	1,055	5,082	5,221	5,221	5,089	5,379	5,691
Total revenue – standard	10,498,708	11,157,147	13,492,870	14,968,804	17,034,737	17,034,737	18,818,267	20,591,634	23,306,148
Expenditure – standard									
Governance and administration	2,780,649	2,422,448	2,866,665	3,043,617	3,076,626	3,076,626	3,388,900	3,735,961	4,097,313
Executive and council	173,344	168,137	179,968	250,394	240,525	240,525	258,666	283,444	304,765
Budget and treasury office	1,447,833	1,100,828	1,213,275	1,340,759	1,327,788	1,327,788	1,505,683	1,677,882	1,881,689
Corporate services	1,159,473	1,153,483	1,473,423	1,452,464	1,508,313	1,508,313	1,624,550	1,774,635	1,910,860
Community and public safety	2,135,783	2,200,377	2,736,113	2,971,546	3,225,968	3,225,968	3,593,714	3,969,021	4,252,654
Community and social services	206,496	229,508	275,921	324,621	333,361	333,361	357,841	402,793	437,509
Sport and recreation	441,271	461,172	563,263	674,893	663,269	663,269	929,266	993,663	1,045,330
Public safety	760,090	835,667	1,010,576	1,085,127	1,096,529	1,096,529	1,234,134	1,398,764	1,523,216
Housing	466,092	388,745	562,621	518,541	755,165	755,165	645,007	693,605	725,842
Health	261,833	285,285	323,732	368,365	377,644	377,644	427,467	480,196	520,756
Economic and environmental services	861,448	905,770	1,114,035	1,341,855	1,435,972	1,435,972	1,602,056	1,764,202	1,907,007
Planning and development	241,698	258,412	292,711	413,021	387,668	387,668	425,101	462,805	500,126
Road transport	552,098	565,778	711,146	799,985	889,826	889,826	999,154	1,101,564	1,189,394
Environmental protection	67,652	81,581	110,178	128,848	158,478	158,478	177,801	199,833	217,487
Trading services	4,567,227	4,509,378	5,347,396	6,175,837	6,609,194	6,609,194	8,180,327	9,692,065	11,573,588
Electricity	2,295,548	2,470,703	2,759,604	3,256,230	3,689,810	3,689,810	4,826,247	5,891,010	7,354,523
Water	1,033,500	869,130	1,074,292	1,469,563	1,369,303	1,369,303	1,594,552	1,823,001	1,997,876
Waste water management	451,716	438,353	491,783	447,776	520,306	520,306	599,500	662,963	733,929
Waste management	728,175	691,375	977,740	949,128	976,297	976,297	1,103,278	1,254,431	1,422,786
Other	58,289	39,818	43,978	53,141	53,478	53,478	56,749	60,661	64,474
Total expenditure – standard	10,345,107	10,037,974	12,064,210	13,532,855	14,347,760	14,347,760	16,764,996	19,161,250	21,830,562
Surplus/(Deficit) for the year	153,601	1,119,172	1,428,660	1,435,949	2,686,977	2,686,977	2,053,270	1,430,384	1,475,586



Table 3: Budgeted financial performance (revenue and expenditure by municipal vote)

Vote description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Revenue by vote									
Community services	67,559	65,974	104,169	134,426	197,209	197,209	144,072	120,135	123,716
Corporate services	35,727	43,440	61,983	48,527	60,319	60,319	48,405	26,627	28,049
Economic and social development	86,913	92,235	111,124	105,721	109,128	109,128	118,520	114,420	118,137
Finance services	1,388,700	587,105	538,490	456,889	463,633	463,633	475,462	475,139	480,176
Health	120,084	139,002	176,910	186,513	204,623	204,623	217,777	272,705	298,289
Housing	442,872	351,546	356,145	470,855	506,761	506,761	649,031	769,088	759,774
Internal audit	32	19	694	0	945	945	–	–	–
Office of the city manager	2,694	2,214	5,829	8,797	10,995	10,995	2,493	2,160	2,285
Rates and other	2,629,415	3,729,618	4,736,393	5,059,583	5,105,894	5,105,894	5,739,865	6,420,280	7,042,534
Safety and security	223,834	229,333	220,112	235,181	251,200	251,200	247,845	259,285	273,675
Service delivery integration	7,503	135,909	820,599	1,010,513	1,850,680	1,850,680	652,087	102,328	86,370
Strategy and planning	101,507	103,721	111,520	168,787	162,670	162,670	128,576	154,281	168,949
Transport, roads and stormwater	173,262	132,984	158,903	285,996	598,576	598,576	1,155,825	1,016,660	1,085,454
Utility services	5,218,606	5,544,048	6,089,999	6,797,017	7,512,102	7,512,102	9,238,310	10,858,526	12,838,739
Total revenue by vote	10,498,708	11,157,147	13,492,870	14,968,804	17,034,737	17,034,737	18,818,267	20,591,634	23,306,148
Expenditure by vote to be appropriated									
Community services	607,792	624,537	799,049	929,417	935,296	935,296	1,057,932	1,186,043	1,289,492
Corporate services	630,326	778,553	911,806	854,788	870,002	870,002	930,162	1,010,615	1,088,547
Economic and social development	169,492	178,730	204,352	251,275	253,290	253,290	268,657	293,925	315,422
Finance services	1,087,875	696,278	820,107	1,029,877	1,034,693	1,034,693	1,274,526	1,448,199	1,651,664
Health	284,642	317,278	370,593	418,958	432,276	432,276	492,056	554,877	602,542
Housing	466,092	388,745	562,621	518,541	755,165	755,165	645,007	693,605	725,842
Internal audit	21,834	15,421	18,084	27,025	28,119	28,119	29,406	33,723	36,819
Office of the city manager	186,580	167,700	190,030	262,363	261,793	261,793	275,602	302,798	325,868
Rates and other	514,129	469,009	569,817	467,708	459,628	459,628	429,989	447,166	463,239
Safety and security	729,055	782,940	941,827	1,002,544	1,011,409	1,011,409	1,155,374	1,310,943	1,427,469
Service delivery integration	357,016	337,282	388,206	482,105	475,043	475,043	671,988	682,698	700,315
Strategy and planning	184,145	205,627	229,580	304,498	325,665	325,665	346,414	391,686	426,446
Transport, roads and stormwater	590,435	613,156	782,614	790,116	879,721	879,721	991,648	1,092,398	1,179,275
Utility services	4,515,694	4,462,718	5,275,522	6,193,638	6,625,661	6,625,661	8,196,236	9,712,575	11,597,620
Total expenditure by vote	10,345,107	10,037,974	12,064,210	13,532,855	14,347,760	14,347,760	16,764,996	19,161,250	21,830,562
Surplus/(Deficit) for the year	153,601	1,119,172	1,428,660	1,435,949	2,686,977	2,686,977	2,053,270	1,430,384	1,475,586

Table 4: Budgeted financial performance (revenue and expenditure)

Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Revenue by source									
Property rates	2,265,011	2,406,886	3,182,895	3,321,612	3,321,612	3,321,612	3,739,165	4,160,733	4,609,494
Property rates – penalties and collection charges	105,135	68,622	75,850	60,000	60,000	60,000	65,700	71,350	76,202
Service charges – electricity revenue	2,439,072	2,669,057	2,922,573	3,430,848	3,947,000	3,947,000	5,270,275	6,407,977	7,823,447
Service charges – water revenue	1,051,787	1,017,645	1,231,444	1,277,664	1,337,758	1,337,758	1,507,653	1,727,710	1,960,897
Service charges – sanitation revenue	564,161	620,429	725,274	717,501	744,501	744,501	817,308	872,255	930,696
Service charges – refuse revenue	452,500	506,635	463,776	520,819	538,319	538,319	640,378	825,909	1,016,194
Service charges – other	400,971	422,558	442,033	492,825	482,154	482,154	565,072	677,884	787,167
Rental of facilities and equipment	212,923	220,469	249,697	247,590	247,590	247,590	268,298	281,713	295,798
Interest earned – external investments	241,838	306,581	367,925	308,804	308,804	308,804	316,935	316,935	316,935
Interest earned – outstanding debtors	181,639	187,365	167,747	148,485	174,485	174,485	176,160	176,160	176,160
Fines	174,977	180,753	159,224	170,998	170,998	170,998	185,458	211,707	223,986
Licences and permits	25,280	26,895	31,036	33,212	33,212	33,212	24,276	25,660	27,148
Agency services	104,263	104,960	112,654	115,993	115,993	115,993	115,993	115,993	115,993
Transfers recognised – operational	556,455	1,550,105	1,773,806	2,094,894	2,280,131	2,280,131	1,228,777	1,391,660	1,488,116
Other revenue	1,174,289	322,545	263,411	160,347	180,479	180,479	1,552,141	1,707,165	1,819,814
Gains on disposal of PPE	46,288	46,690	47,870	41,794	41,794	41,794	49,817	49,817	49,817
Total revenue (excluding capital transfers and contributions)	9,996,589	10,658,194	12,217,215	13,143,388	13,984,832	13,984,832	16,523,407	19,020,628	21,717,864
Expenditure by type									
Employee-related costs	2,947,267	3,285,175	3,780,345	4,753,765	4,636,975	4,636,975	5,431,986	6,314,494	6,927,991
Remuneration of councillors	51,801	65,938	70,934	75,608	79,279	79,279	86,260	92,065	98,326
Debt impairment	953,745	396,556	708,643	550,108	579,783	579,783	668,059	693,632	810,660
Depreciation and asset impairment	921,762	723,305	809,719	953,929	1,152,300	1,152,300	993,691	1,049,181	1,110,034
Finance charges	349,325	283,630	274,801	380,236	380,236	380,236	540,448	635,958	774,432
Bulk purchases	1,780,755	1,998,112	2,141,514	2,499,659	2,899,316	2,899,316	3,830,158	4,884,364	6,183,429
Contracted services	534,657	491,248	596,506	569,008	648,766	648,766	719,490	780,501	874,310
Transfers and grants	66,370	79,871	81,919	86,200	126,675	126,675	94,812	100,217	106,029
Other expenditure	2,736,106	2,713,297	3,598,215	3,664,342	3,844,400	3,844,400	4,400,092	4,610,838	4,945,351
Loss on disposal of PPE	3,321	844	1,613	–	30	30	–	–	–
Total expenditure	10,345,107	10,037,974	12,064,210	13,532,855	14,347,760	14,347,760	16,764,996	19,161,250	21,830,562
Surplus/(Deficit)	(348,518)	620,220	153,005	(389,467)	(362,927)	(362,927)	(241,589)	(140,621)	(112,698)
Transfers recognised – capital	502,119	498,953	1,275,655	1,825,416	3,049,904	3,049,904	2,294,860	1,571,005	1,588,284
Surplus/(Deficit) for the year	153,601	1,119,172	1,428,660	1,435,949	2,686,977	2,686,977	2,053,270	1,430,384	1,475,586

Table 5: Budgeted capital expenditure by vote, standard classification and funding									
Vote description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Capital expenditure – vote									
Multi-year expenditure to be appropriated									
Community services	136,896	137,943	158,513	181,469	255,299	255,299	196,483	126,273	124,600
Corporate services	51,488	75,302	63,575	39,283	58,202	58,202	68,235	30,525	30,660
Economic and social development	32,305	17,700	16,541	23,746	23,976	23,976	39,140	23,893	23,893
Finance services	5,193	11,993	14,317	11,690	14,883	14,883	26,222	13,523	13,589
Health	10,971	18,356	24,434	15,303	18,326	18,326	27,009	13,196	13,274
Housing	186,329	172,706	147,355	261,701	252,901	252,901	329,569	430,981	401,323
Internal audit	221	147	125	123	603	603	426	260	260
Office of the city manager	5,160	1,948	4,339	31,501	11,991	11,991	18,706	33,000	33,000
Safety and security	32,314	51,347	55,510	85,355	97,840	97,840	85,106	28,332	28,722
Service delivery integration	51,524	428,616	1,088,153	1,160,544	2,159,972	2,159,972	1,385,153	160,625	38,475
Strategy and planning	35,804	32,244	39,012	119,590	97,484	97,484	110,369	60,201	62,210
Transport, roads and stormwater	297,291	258,930	364,575	475,823	788,175	788,175	1,722,074	1,137,256	1,129,746
Utility services	675,612	746,191	1,125,949	1,502,965	1,444,412	1,444,412	2,193,972	2,145,509	2,264,811
Total capital expenditure – vote	1,521,108	1,953,422	3,102,398	3,909,092	5,224,063	5,224,063	6,202,464	4,203,575	4,164,563
Capital expenditure – standard									
Governance and administration	112,901	143,399	131,746	221,910	164,250	164,250	317,727	117,840	118,048
Executive and council	5,093	1,718	4,148	31,315	11,307	11,307	18,113	32,850	32,460
Budget and treasury office	4,772	10,274	8,238	3,986	9,740	9,740	7,282	5,672	5,839
Corporate services	103,037	131,407	119,360	186,610	143,203	143,203	292,332	79,318	79,750
Community and public safety	369,348	760,205	1,445,100	1,634,863	2,765,414	2,765,414	1,925,261	758,369	605,506
Community and social services	29,550	21,011	38,032	41,789	63,211	63,211	80,213	37,183	44,771
Sport and recreation	109,265	492,556	1,161,866	1,196,145	2,303,383	2,303,383	1,352,574	211,176	79,915
Public safety	34,156	56,405	73,709	120,924	128,393	128,393	136,296	66,832	67,222
Housing	186,322	172,706	147,355	261,701	252,901	252,901	329,569	430,981	401,323
Health	10,055	17,527	24,138	14,303	17,526	17,526	26,609	12,196	12,274
Economic and environmental services	359,609	303,745	398,948	580,847	874,281	874,281	1,787,633	1,196,307	1,208,999
Planning and development	61,318	39,565	40,941	95,224	76,359	76,359	81,830	73,209	75,054
Road transport	293,322	254,683	346,519	473,623	782,939	782,939	1,693,874	1,112,856	1,123,696
Environmental protection	4,968	9,497	11,488	12,001	14,983	14,983	11,929	10,242	10,249
Trading services	679,249	746,073	1,126,604	1,471,472	1,420,119	1,420,119	2,171,842	2,131,059	2,232,011
Electricity	270,940	327,090	537,568	539,801	517,825	517,825	831,740	748,682	829,172
Water	261,171	184,626	210,266	189,133	255,036	255,036	286,485	579,944	659,225
Wastewater management	106,298	142,324	267,326	477,627	479,846	479,846	596,361	452,456	392,825
Waste management	38,507	91,882	110,618	262,834	165,782	165,782	454,895	349,976	350,789
Other	2,333	150	826	2,077	1,631	1,631	2,360	–	–
Total capital expenditure – standard	1,521,108	1,953,422	3,102,398	3,909,092	5,224,063	5,224,063	6,202,464	4,203,575	4,164,563
Funded by									
National Government	252,564	309,680	1,071,282	1,314,402	2,471,250	2,471,250	1,818,393	1,066,740	1,191,586
Provincial Government	215,601	146,435	154,698	463,314	510,208	510,208	406,025	445,217	336,498
Other transfers and grants	1,417	3,465	1,276	2,000	3,317	3,317	8,000	2,000	2,000
Transfers recognised – capital	469,583	459,580	1,227,256	1,779,716	2,984,775	2,984,775	2,232,419	1,513,957	1,530,084
Public contributions and donations	34,861	43,026	48,399	45,700	65,130	65,130	62,441	57,049	58,200
Borrowing	791,307	893,913	1,242,470	1,560,670	1,657,379	1,657,379	2,908,076	1,960,949	2,140,898
Internally-generated funds	225,357	556,904	584,273	523,006	516,780	516,780	999,528	671,621	435,381
Total capital funding	1,521,108	1,953,422	3,102,398	3,909,092	5,224,063	5,224,063	6,202,464	4,203,575	4,164,563

Table 6: Budgeted financial position

Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
ASSETS									
Current assets									
Cash	2,054,467	163,712	188,692	–	–	–	–	–	–
Call investment deposits	–	2,367,307	4,192,038	2,670,397	3,223,300	3,223,300	2,730,149	2,797,536	2,863,949
Consumer debtors	1,818,946	1,752,553	2,124,457	2,571,235	2,464,674	2,464,674	2,886,900	3,460,601	4,117,545
Other debtors	162,352	145,585	329,231	362,154	362,154	362,154	398,370	438,206	482,027
Current portion of long-term receivables	22,287	19,773	16,949	26,894	26,894	26,894	28,238	29,650	31,133
Inventory	131,601	159,471	216,340	227,157	227,157	227,157	238,515	250,441	262,963
Total current assets	4,189,653	4,608,401	7,067,707	5,857,837	6,304,179	6,304,179	6,282,172	6,976,435	7,757,616
Non-current assets									
Long-term receivables	294,287	279,185	197,968	188,070	188,070	188,070	178,666	169,733	161,246
Investments	409,154	491,266	390,218	442,964	422,181	422,181	235,660	232,987	224,103
Investment property	103,844	99,468	95,076	–	–	–	–	–	–
Property, plant and equipment	8,495,809	9,790,463	12,142,997	15,213,848	16,330,162	16,330,162	21,538,935	24,693,329	27,747,858
Intangible	119,964	71,920	20,083	–	–	–	–	–	–
Other non-current assets	52,734	27,603	8,906	–	–	–	–	–	–
Total non-current assets	9,475,792	10,759,905	12,855,248	15,844,881	16,940,412	16,940,412	21,953,261	25,096,048	28,133,208
TOTAL ASSETS	13,665,445	15,368,306	19,922,955	21,702,718	23,244,591	23,244,591	28,235,433	32,072,483	35,890,824
LIABILITIES									
Current liabilities									
Borrowing	137,477	217,216	411,916	475,913	525,162	525,162	263,702	200,360	168,040
Consumer deposits	176,982	214,449	237,591	249,471	249,471	249,471	261,944	275,041	288,793
Trade and other payables	2,762,042	3,111,917	4,271,429	3,799,882	3,991,267	3,991,267	5,239,290	6,211,781	7,072,813
Provisions	337,888	333,209	556,019	583,820	583,820	583,820	613,011	643,661	675,845
Total current liabilities	3,414,389	3,876,791	5,476,955	5,109,085	5,349,719	5,349,719	6,377,947	7,330,844	8,205,491
Non-current liabilities									
Borrowing	2,217,222	2,038,052	3,047,812	3,715,506	3,765,717	3,765,717	5,550,677	6,850,317	8,182,277
Provisions	1,543,647	1,964,975	2,400,457	2,444,447	2,444,447	2,444,447	2,568,831	2,722,960	2,859,108
Total non-current liabilities	3,760,869	4,003,027	5,448,269	6,159,953	6,210,164	6,210,164	8,119,508	9,573,277	11,041,385
TOTAL LIABILITIES	7,175,258	7,879,818	10,925,224	11,269,038	11,559,883	11,559,883	14,516,621	16,424,223	19,132,734
NET ASSETS	6,490,187	7,488,488	8,997,731	10,433,680	11,684,708	11,684,708	13,737,978	15,168,362	16,643,948
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	871,553	1,224,439	1,535,008	1,628,470	1,684,142	1,684,142	2,196,735	2,473,352	2,474,836
Reserves	5,618,634	6,264,049	7,462,723	8,805,210	10,000,566	10,000,566	11,541,244	12,695,010	14,169,112
TOTAL COMMUNITY WEALTH/EQUITY	6,490,187	7,488,488	8,997,731	10,433,680	11,684,708	11,684,708	13,737,978	15,168,362	16,643,948

Table 7: Budgeted cash flows									
Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget Year 2009/10	Budget Year 2010/11	Budget Year 2011/12
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	8,247,276	9,073,652	10,563,748	9,991,566	10,230,593	10,230,593	14,325,512	16,527,518	19,026,071
Government – operating	556,455	1,550,105	1,773,806	2,094,894	2,280,131	2,280,131	1,228,777	1,391,660	1,488,116
Government – capital	502,119	498,953	1,275,655	1,825,416	3,049,904	3,049,904	2,294,860	1,571,005	1,588,284
Interest	203,121	224,942	261,317	457,289	483,289	483,289	493,095	493,095	493,095
Payments									
Suppliers and employees	(7,204,481)	(8,421,610)	(9,920,961)	(12,531,405)	(12,461,174)	(12,461,174)	(13,872,854)	(16,385,766)	(18,969,255)
Finance charges	(327,437)	(400,387)	(461,172)	(380,236)	(380,236)	(380,236)	(540,448)	(635,958)	(774,432)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,977,054	2,525,655	3,492,394	1,457,523	3,202,507	3,202,507	3,928,943	2,961,555	2,851,879
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	49,713	54,215	60,719	41,794	41,764	41,764	49,817	49,817	49,817
Decrease/(increase) in non-current debtors	39,197	17,616	84,041	8,618	8,618	8,618	8,059	7,521	7,004
Decrease/(increase) in non-current investments	(1,833,308)	(405,379)	(1,027,192)	(52,746)	(31,963)	(31,963)	186,521	2,673	8,884
Payments									
Capital assets	(1,533,463)	(1,969,407)	(3,119,746)	(3,909,092)	(5,224,063)	(5,224,063)	(6,202,464)	(4,203,575)	(4,164,563)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(3,277,861)	(2,302,955)	(4,002,178)	(3,911,427)	(5,205,645)	(5,205,645)	(5,958,067)	(4,143,563)	(4,098,858)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Borrowing long-term/refinancing	236,387	29,293	1,434,790	1,140,505	1,243,182	1,243,182	2,048,662	1,500,000	1,500,000
Increase/(decrease) in consumer deposits	15,296	37,467	23,142	11,880	11,880	11,880	12,474	13,097	13,752
Repayment of borrowing	(379,718)	(135,054)	(226,677)	(408,814)	(409,354)	(409,354)	(525,162)	(263,702)	(200,360)
Payments									
NET CASH FROM/(USED) FINANCING ACTIVITIES	(128,035)	(68,294)	1,231,255	743,571	845,708	845,708	1,535,974	1,249,395	1,313,392
NET INCREASE/(DECREASE) IN CASH HELD	(1,428,842)	154,406	721,471	(1,710,333)	(1,157,430)	(1,157,430)	(493,151)	67,387	66,413
Cash/cash equivalents at the year beginning	1,711,792	282,950	437,356	4,380,730	4,380,730	4,380,730	3,223,300	2,730,149	2,797,536
Cash/cash equivalents at the year end	282,950	437,356	1,158,827	2,670,397	3,223,300	3,223,300	2,730,149	2,797,536	2,863,949

Table 8: Cash backed reserves/accumulated surplus reconciliation

Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Cash and investments available									
Cash/cash equivalents at the year end	282,950	437,356	1,158,827	2,670,397	3,223,300	3,223,300	2,730,149	2,797,536	2,863,949
Other current investments > 90 days	1,771,517	2,093,663	3,221,903	–	–	–	–	–	–
Non-current assets – investments	409,154	491,266	390,218	442,964	422,181	422,181	235,660	232,987	224,103
Cash and investments available	2,463,621	3,022,285	4,770,948	3,113,361	3,645,481	3,645,481	2,965,809	3,030,523	3,088,052
Application of cash and investments									
Unspent conditional transfers	438,763	793,151	1,712,382	1,033,961	986,969	986,969	1,019,205	1,074,205	1,114,205
Statutory requirements	207,244	237,433	281,098	221,443	267,311	267,311	244,364	220,200	194,727
Other working capital requirements	–	549,454	816,236	925,563	925,563	925,563	882,436	601,537	795,000
Reserves to be backed by cash/investments	994,610	1,336,620	1,539,638	768,298	921,933	921,933	597,417	498,474	465,644
Total application of cash and investments	1,640,617	2,916,658	4,349,354	2,949,265	3,101,776	3,101,776	2,743,422	2,394,416	2,569,576
Surplus(shortfall)	823,004	105,627	421,594	164,096	543,705	543,705	222,387	636,107	518,476

Table 9: Asset management

Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Capital expenditure									
Total new assets	–	–	–	2,593,871	3,864,597	3,864,597	4,296,070	2,944,199	2,919,862
Infrastructure – road transport	–	–	–	288,240	487,734	487,734	1,202,229	977,360	1,101,222
Infrastructure – electricity	–	–	–	227,180	238,927	238,927	375,026	477,755	428,755
Infrastructure – water	–	–	–	170,104	168,276	168,276	216,174	547,006	625,618
Infrastructure – sanitation	–	–	–	317,164	293,640	293,640	390,419	302,722	266,675
Infrastructure – other	–	–	–	64,900	13,832	13,832	100,777	23,000	56,000
Infrastructure	–	–	–	1,067,588	1,202,409	1,202,409	2,284,625	2,327,843	2,478,270
Community	–	–	–	1,148,676	2,161,293	2,161,293	1,353,465	223,426	105,386
Heritage assets	–	–	–	20	560	560	1,060	–	–
Other assets	–	–	–	377,587	500,335	500,335	656,919	392,931	336,205
Total renewal of existing assets	–	–	–	1,315,222	1,359,466	1,359,466	1,906,394	1,259,376	1,244,702
Infrastructure – road transport	–	–	–	316,431	326,623	326,623	621,401	354,997	246,848
Infrastructure – electricity	–	–	–	235,290	186,762	186,762	303,590	139,718	310,671
Infrastructure – water	–	–	–	37,876	62,466	62,466	89,173	72,970	60,229
Infrastructure – sanitation	–	–	–	186,200	192,582	192,582	208,222	165,855	158,800
Infrastructure – other	–	–	–	111,096	99,957	99,957	279,904	302,800	289,900
Infrastructure	–	–	–	886,894	868,390	868,390	1,502,289	1,036,340	1,066,448
Community	–	–	–	202,180	248,046	248,046	160,488	117,047	90,204
Heritage assets	–	–	–	526	380	380	595	439	439
Other assets	–	–	–	225,622	242,649	242,649	243,023	105,550	87,612

Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Total capital expenditure									
Infrastructure – road transport	–	–	–	604,671	814,357	814,357	1,823,630	1,332,358	1,348,070
Infrastructure – electricity	–	–	–	462,471	425,689	425,689	678,615	617,472	739,426
Infrastructure – water	–	–	–	207,980	230,743	230,743	305,347	619,976	685,848
Infrastructure – sanitation	–	–	–	503,364	486,222	486,222	598,641	468,577	425,475
Infrastructure – other	–	–	–	175,996	113,788	113,788	380,681	325,800	345,900
Infrastructure	–	–	–	1,954,481	2,070,799	2,070,799	3,786,915	3,364,183	3,544,718
Community	–	–	–	1,350,856	2,409,339	2,409,339	1,513,953	340,473	195,590
Heritage assets	–	–	–	546	940	940	1,655	439	439
Other assets	–	–	–	603,208	742,985	742,985	899,942	498,480	423,817
Total capital expenditure – asset class	–	–	–	3,909,092	5,224,063	5,224,063	6,202,464	4,203,575	4,164,563
Asset register summary – PPE (WDV)									
Infrastructure – road transport	2,919,896	3,042,931	3,358,031						
Infrastructure – electricity	2,710,852	7,997,753	2,822,128						
Infrastructure – water	2,822,845	2,974,730	3,275,956						
Infrastructure – sanitation	895,175	930,109	1,127,720						
Infrastructure – other	595,407	1,223,075	1,712,247						
Infrastructure	9,944,175	16,168,598	12,296,082	–	–	–	–	–	–
Community	556,699	1,106,569	2,284,565						
Heritage assets	3,340	6,874	9,170						
Investment properties	103,844	99,468	95,076	–	–	–	–	–	–
Other assets	2,799,595	3,688,888	3,798,839						
Intangibles	119,964	71,920	20,083	–	–	–	–	–	–
Total asset register summary – PPE (WDV)	13,527,618	21,142,316	18,503,815	–	–	–	–	–	–
Expenditure other items									
Depreciation and asset impairment	921,762	723,305	809,719	953,929	1,152,300	1,152,300	993,691	1,049,181	1,110,034
Total expenditure other items	921,762	723,305	809,719	953,929	1,152,300	1,152,300	993,691	1,049,181	1,110,034
Percentage of capital expenditure on renewal of assets	0,0	0,0	0,0	50,7	35,2	35,2	44,4	42,8	42,6
Renewal of existing assets as percentage of depreciation	0,0	0,0	0,0	137,9	118,0	118,0	191,8	120,0	112,1



Table 10: Basic service delivery measurement

Description	2005/6	2006/7	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11
Household service targets								
Water								
Piped water inside dwelling	653	677	732	732	732	767	793	824
Using public tap (at least minimum service level)	84	96	115	115	115	117	110	118
Minimum service level and above sub-total	737	773	847	847	847	884	902	943
No water supply	11	5	–	–	–	–	–	–
Below minimum service level sub-total	11	5	–	–	–	–	–	–
Total number of households	748	778	847	847	847	884	902	943
Sanitation/sewerage								
Flush toilet (connected to sewerage)	662	692	754	754	754	792	811	852
Chemical toilet	5	6	13	13	13	14	16	17
Pit toilet (ventilated)	1	1	2	2	2	2	2	2
Other toilet provisions (> minimum service level)	27	30	42	42	42	46	50	54
Minimum service level and above sub-total	695	730	811	811	811	855	879	926
Bucket toilet	3	3	1	1	1	1	–	–
No toilet provisions	50	46	35	35	35	29	23	17
Below minimum service level sub-total	53	48	36	36	36	29	23	17
Total number of households	748	778	847	847	847	884	902	943
Energy								
Electricity (at least minimum service level)	753	772	793	793	793	800	807	814
Minimum service level and above sub-total	753	772	793	793	793	800	807	814
Electricity (< minimum service level)	94	75	98	98	98	91	84	77
Below minimum service level sub-total	94	75	98	98	98	91	84	77
Total number of households	847	847	891	891	891	891	891	891
Refuse								
Removed at least once a week	730	820	835	835	835	852	869	887
Minimum service level and above sub-total	730	820	835	835	835	852	869	887
Total number of households	730	820	835	835	835	852	869	887
Households receiving free basic services								
Water (six kilolitres per household per month)	737	773	847	847	847	884	902	943
Sanitation (free minimum level service)	695	730	811	811	811	855	879	926
Electricity/other energy (50 kilowatt-hour per household per month)	369	386	424	424	424	437	450	463
Refuse (removed at least once a week)	399	484	477	477	477	502	529	558
Cost of free basic services provided (R'000)								
Water (six kilolitres per household per month)	197,984	207,883	259,814	259,814	259,814	267,805	–	–
Sanitation (free sanitation service)	124,326	130,543	154,278	154,278	154,278	164,484	–	–
Electricity/other energy (50 kilowatt-hour per household per month)	–	110,068	135,834	135,834	135,834	160,377	208,490	271,037
Refuse (removed once a week)	133,503	140,748	179,333	179,333	179,333	217,630	230,035	243,147
Total cost of free basic service provided (minimum social package)	455,814	589,243	729,259	729,259	729,259	810,296	438,525	514,183
Highest level of free basic service provided								
Water (kilolitres per household per month)	6	6	6	6	6	6	6	0
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	0
Sanitation (rand per household per month)	20	20	30	30	30	30	30	0
Electricity (kilowatt-hour per household per month)	50	50	50	50	50	50	50	50
Refuse (average litres per week)	240l & 85l	240l & 85l	240l & 85l	240l & 85l	240l & 85l	240l & 85l	240l & 85l	240l & 85l

3. Overview of annual budget process

a. Planning process used to prepare the annual budget

The Municipal Finance Management Act (MFMA) requires the mayor of a municipality to provide general political guidance over the budget process and to guide the priorities of its preparation. The new National Treasury Budget Regulations give further effect to this by prescribing that the mayor of a municipality must establish a Budget Steering Committee to assist him or her in discharging these responsibilities.

Compilation of the City's annual budget began with the establishment of a Budget Committee, constituted with proportionate political representation largely reflective of the Council. The committee's terms of reference included the following:

- to provide guidance on budget principles
- to consider draft budget informants and parameters (operating and capital)
- to review directorates' budget input via budget hearings, and
- to review and advise on the outcome of Medium-Term Revenue and Expenditure Framework (MTREF) scenario models.

Following consideration of budget proposals from service departments and portfolio committees, among others, the Budget Committee submitted the draft MTREF model (forecasted three-year budget) to the Mayoral Committee (Mayco) for endorsement in November 2008.

Amidst global financial volatility and other unforeseen budget impacts, the forecasted MTREF model was subsequently updated and presented to the Budget Committee for consideration in March 2009.

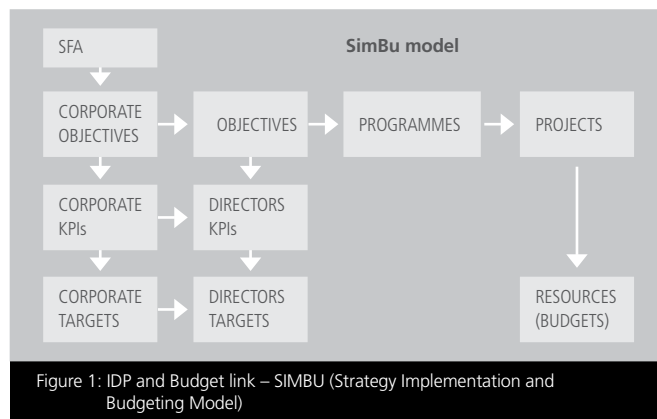
Final consideration of the draft budget and related policies by the Budget Committee took place during May 2009.

b. Process used to integrate the review of the IDP and preparation of the Budget

The figure below illustrates how the IDP strategic focus areas have been unpacked into strategic responses, objectives, and programmes for budgeting and operational implementation. This diagram explains how corporate strategy is cascaded towards the lower levels of the organisation by means of a variant of the Balanced Scorecard methodology, and how it influences and shapes the operating and capital budgets of the City's directorates and departments.

It shows how the City's visionary framework is unpacked into objectives, Key Performance Indicators (KPIs), and targets for implementation. These are then broken up into service

delivery and budget implementation plans (SDBIPs) that reflect the detailed projects, which are then allocated a budget. This concept also includes the City's performance management system, as the KPIs that are contained in the SDBIPs are monitored and reported on quarterly.



c. Process of consultation with the community and key stakeholders

The review of the Five-year-plan for the City of Cape Town commenced when Council adopted the Process Plan for the Integrated Development Plan (IDP) and Budget at its meeting in August 2008. This flowed from consultation sessions held across civil society, including inter alia comments from the public via subcouncil meetings as required by the Municipal Systems Act. The Process Plan set the framework for further engagements with various stakeholders to ensure adoption of the 2009/10 IDP and Budget by the end of May 2009.

The City's consultation process on its draft IDP review and Budget was held during the month of October 2008, where various community organisations and representatives came forward to give input on the strategic focus areas and challenges facing the City.

Public awareness of the process was attained with extensive advertising in the print media, regionally and locally, as well as on radio, and communities were invited to participate in the processes.

The first of such direct engagements occurred during October 2008.

Consultation at subcouncil level

- Capacity-building workshops were held during August and September to educate ward forum members on the IDP in preparation for the October 2008 engagement meetings with the public.
- 28 subcouncil meetings and five public hearings were held

during October 2008. These were mainly attended by ward forum members and representatives of organisations.

- Posters were used to inform communities of the IDP public participation process.
- Feedback forms and feedback boxes were placed in accessible places such as municipal libraries and subcouncil offices for communities to give input on the 2009/10 IDP review process.
- Copies of the simplified version of the City's Five Year Plan (IDP) were placed in all libraries, subcouncil, and administration buildings.

E-based consultation

- Notification was given to all the organisations on the City's database via e-mail.
- The opportunity to comment and give input was communicated on the website via electronic feedback forms.
- The City's Call Centre was engaged in collecting comments via telephone, e-mail, and fax.

Consulting with the business sector

- A presentation was made at the Small Business Week in August in preparation for the October engagement process, while direct engagement on the draft budget took place with the Cape Chamber of Commerce during April 2009.

Engagement with higher learning institutions

- Learners and academics at the University of Cape Town and the University of the Western Cape were briefed on the forthcoming IDP and Budget events during July 2008.
- Various partnerships with the City's Social Development department were created and are ongoing. Capacity is being built with community organisations to assist them in helping the organisations and citizens they work with in all IDP engagements. For example, at secondary schools learners are being briefed and encouraged to participate, while they in turn encourage their parents to participate.

The attendance at these events totalled approximately 2 000 people.

Sessions with the municipal entities, strategic business partners and neighbouring municipalities took place between January and March 2009.

The draft IDP process followed a similar route in April 2009 in seeking comment on the proposed drafts.

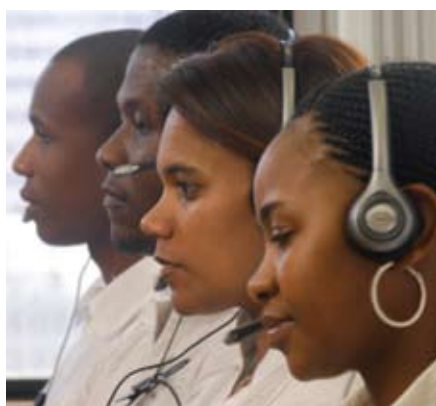
The tabled Budget was provided to National Treasury and Provincial Treasury for their assessment, in accordance with S23 of the MFMA, in April 2009.

d. Schedule of key deadlines relating to budget process [MFMA s 21(1)(b)]

The IDP and budget time schedule for the 2009/10 budget cycle was approved by Council on 27 August 2008, 10 months before the start of the budget year, in compliance with legislative directives.

Table 11: IDP and Budget Time Schedule

Date	Activity	Participants
27 August 2008	Process plan approved	Council
25 November 2008	MTREF and revenue projections considered and endorsed	Mayco
March 2009	Draft IDP, operating and capital budgets to be presented for consideration	Executive Management Team and Mayoral Committee
March 2009	First draft of the IDP, budgets and tariff structure to be presented for consideration and recommendation to Council	Mayco
30 March 2009	First draft of IDP, budgets and tariff structure to be presented for adoption	Council
April 2009	Public participation	Subcouncils and other stakeholders
27 May 2009	Final approval of IDP and Budget	Council



4. Overview of alignment of annual budget with IDP

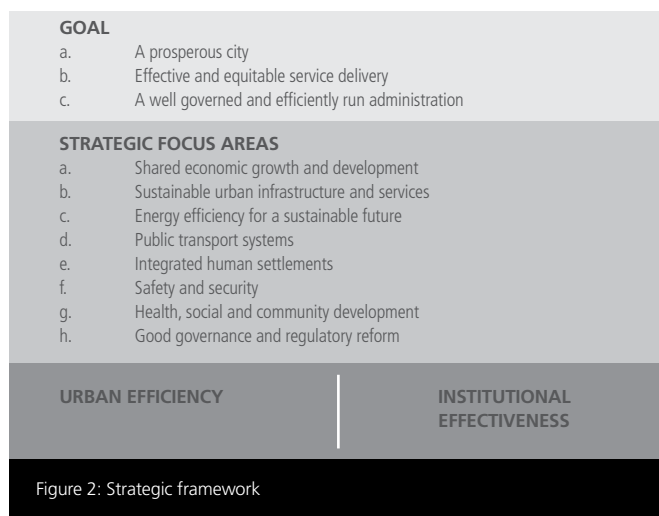
a. The vision of the City

The City's long-term vision:

- A prosperous city in which City government creates an enabling environment for shared growth and economic development
- A city known for its effective and equitable service delivery, and
- A city that distinguishes itself as a well governed and efficiently run administration

b. The five-year IDP and strategic focus areas

The following figure illustrates the City's IDP strategy. The shared growth and development Strategic Focus Area (SFA) is of primary importance, as it aims to contribute towards the achievement of national Gross Geographical Product (GGP) targets. This will be done by strengthening the pillars of urban efficiency, which necessitates establishing required infrastructure and resources, and improving institutional effectiveness.



c. Proposed amendments to the IDP

The State of the City incorporated the public perception survey results, which indicate that the creation of jobs, prevention of crime and eradication of corruption, housing, and primary health care are the key priorities for communities.

SFA 1 – Shared economic growth and development

A new economic development strategy was introduced, focusing on:

- Driving investment into Cape Town
- Developing and strengthening partnerships
- Growing and strengthening the City's tourism capability and destination marketing

- Promoting the use of local economic development (LED) tools to grow small, medium and micro-sized enterprises (SMMEs) and develop enterprise
- Prioritising skills development based on the needs of the local economy, and
- Developing the City's creativity and knowledge innovation industry.

SFA 2 – Sustainable urban infrastructure and services

This strategy remained more or less the same as last year:

- The introduction of an infrastructure development programme with bulk services to create the platform for economic growth
- Upgrading of and focused investment in new strategic infrastructure
- Improved maintenance of the City's assets, and
- Implementation of the project management system of the City.

SFA 3 – Energy efficiency for a sustainable future

This is a new SFA introducing an improved strategy for energy for a sustainable City. Throughout the Integrated Metropolitan Environmental Policy (IMEP) Review process a number of key issues emerged, including:

- The need for environmental accountability and commitment across City line functions
- The need for coordinated and integrated approaches to effect positive change in complex issues
- The need for an increased commitment to resource conservation and resource efficiencies, and
- The need for the City as an organisation to lead by example.

Four objectives were set:

- Reduction in energy consumption in the Cape Metropolitan Area to below projected unconstrained energy consumption
- Monitoring and review of the City energy and climate change strategy
- Energy security and lowering of the City's carbon footprint, and
- Communications and education.

SFA 4 – Public transport systems

The most important initiative for the City is the introduction of the road-based public transport programme, which will be implemented in four phases over the next five to 10 years (depending on funding) as well as the non-motorised transport system.

SFA 5 – Integrated human settlements

The integrated human settlement strategy was improved with the acceleration of the upgrade of an informal settlements programme for the City.

SFA 6 – Safety and security

Safety and security have improved their indicators and will focus on achieving the following:

- Increasing focus on combating minor crimes and by-law offences

- Continued development of the City's CCTV surveillance network
- Increasing efficiency of Traffic and Law Enforcement Departments and all specialised units
- Contributing effectively to the City's comprehensive alcohol and drug combating strategy
- Increasing the number of fire response facilities and their staffing levels to provide adequate protection to the ever-increasing and expanding risk profile of the City
- Developing proactive disaster risk reduction and response plans, and
- Expansion of the City Emergency Services Centre.

SFA 7 – Health, social and community development

This SFA's strategies remained more or less intact with mainly statistical and factual improvements.

SFA 8 – Good governance and regulatory reform

This SFA was rewritten to a large extent and the Human Resource section of the document was refined. There is an increased focus on business improvement and organisational efficiency. The focus of the transformation plan is to change the institutional arrangements, processes, managerial practices, and culture of the City in order to maximise service delivery. It aims:

- To shift the organisation to high performance based on best practice benchmarking and through the alignment of people strategies with business strategies
- To guide and drive the process of change to a high performance organisation through the key strategic programmes
- To measure the value gained by revised business systems and processes, investment in employees, the percentage alignment of people strategies with business strategies and the extent to which the organisation measures up to international and national best practice benchmarks
- To optimise the way in which information and communication technology is used to enable business change, and
- To identify and prioritise key levers that will have the greatest impact on improved service delivery.

The Organisational Development and Training Plan is based on the seven habits of high-performing organisations:

- Embedding of high performance quality management systems and practices
- Ongoing strategising that focuses on a challenging desired future through the IDP process

- Development of business partners (internal and external) required to achieve desired destiny
- Development of transformational leaders
- Aligning people strategies to business strategies
- Realising potential of people, and
- Broad-based change management initiatives.

d. Cape Town's planning aligned with Provincial and National Government

Cape Town's development plan needs to be aligned with National and Provincial initiatives to ensure optimal impact from the combined efforts of all tiers of Government. In this regard there are six critical elements: Accelerated and Shared Growth Initiative-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS), Provincial Spatial Development Framework (PSDF) and the Intergovernmental Development Agenda for Cape Town. All of these feed into, and influence, the City's IDP. The diagram below illustrates the way in which the different strategy and policy instruments are aligned.

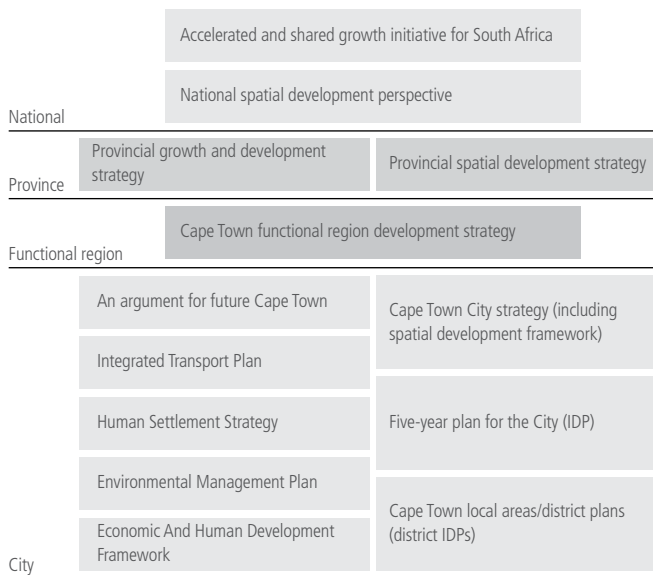


Figure 3: Alignment of government strategies

5. Measurable performance objectives and indicators

a. Key financial indicators and ratios

Table 12: Performance indicators										
Description of financial indicator	Basis of calculations	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Borrowing management										
Borrowing to asset ratio	Total long-term borrowing/total assets	16,2%	13,3%	15,3%	17,1%	16,2%	16,2%	19,7%	21,4%	22,8%
Credit rating		A+	Aa-	Aa2	Aa2	Aa2	Aa2	–	–	–
Capital charges to operating expenditure	Interest and principal paid/operating expenditure	7,0%	4,2%	4,2%	5,8%	5,5%	5,5%	6,4%	4,7%	4,5%
Borrowed funding of 'own' capital expenditure	Borrowing/capital expenditure excluding transfers and grants and contributions	23,3%	2,0%	78,5%	54,6%	57,2%	57,2%	52,4%	57,0%	58,2%
Safety of capital										
Debt to equity	Loans, creditors, overdraft and tax provision/funds and reserves	110,6%	105,2%	121,4%	108,0%	98,9%	98,9%	105,5%	111,4%	115,6%
Gearing	Long-term borrowing/funds and reserves	39,5%	32,5%	40,8%	42,2%	37,7%	37,7%	48,1%	54,0%	57,7%
Liquidity										
Current ratio	Current assets/current liabilities	1,2	1,2	1,3	1,1	1,2	1,2	1,0	1,0	0,9
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,2	1,2	1,3	1,1	1,2	1,2	1,0	1,0	0,9
Liquidity ratio	Monetary assets/current liabilities	0,6	0,7	0,8	0,5	0,6	0,6	0,4	0,4	0,3
Revenue management										
Annual debtors collection rate (payment level %)	Last 12 months receipts/last 12 months billing		92,4%	106,1%	108,0%	108,0%	108,0%	91,6%	97,2%	96,8%
Outstanding debtors to revenue	Total outstanding debtors to annual revenue	23,0%	20,6%	21,8%	24,0%	21,8%	21,8%	21,1%	21,5%	22,1%
Longstanding debtors recovered	Debtors > 12 months recovered/total debtors > 12 months old	-10,9%	70,3% (mass writeoff)	(-17,2%)	–	–	(-16,5%)	–	–	–
Creditors management										
Creditors system efficiency	% of creditors paid within terms (within MFMA's 65(e))	91,9%	90,3%	91,2%	–	–	–	–	–	–
Other indicators										
Electricity distribution losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	7,9%	8,9%	8,3%	9,3%	9,3%	9,3%	–	–	–
Employee costs	Employee costs/(total revenue – capital revenue)	29,5%	30,8%	30,9%	36,2%	33,2%	33,2%	32,9%	33,2%	31,9%

Description of financial indicator	Basis of calculations	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Remuneration	Total remuneration/(total revenue – capital revenue)	30,2%	31,6%	31,7%	37,0%	33,9%	33,9%	33,6%	33,8%	32,5%
Finance charges and depreciation (FC&D)	FC&D/(total revenue – capital revenue)	12,7%	9,4%	8,9%	10,2%	11,0%	11,0%	9,3%	8,9%	8,7%
IDP regulation financial viability indicators										
i. Debt coverage	(Total operating revenue – operating grants)/debt service payments due within financial year	26,2%	18,7	12,1	12,4	12,4	12,4	20,2	25,4	29,2
ii. Outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	26,7%	24,2%	26,6%	29,4%	26,7%	26,7%	25,7%	26,1%	26,5%
iii. Cost coverage	(Available cash and investments)/monthly fixed operational expenditure	0,5%	0,8	1,8	3,6	4,1	4,1	2,9	2,5	2,2

b. Measurable performance objectives and indicators

The City's visionary framework is unpacked into objectives, Key Performance Indicators (KPIs) and targets for implementation. These are then broken up into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects, which are then allocated a budget. This concept also includes the City's performance management system, as the KPIs that are contained in the SDBIPs are monitored and reported on quarterly.



Table 13: Measurable performance objectives and indicators

Description	Unit of measurement	2005/6		2006/7		2007/8		Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	14 395	Audited outcome	13 229	Audited outcome	10 177	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
1. Shared economic growth and development													
1A Create an enabling environment for the economy to grow and become globally competitive													
1A.1 Increase the number of direct job opportunities created (NKPI) (Output indicator)	Number	14 395	13 229	10 177	10 600	–	10 600	–	10 600	11 700	11 500	11 500	11 500
1A.2 Increase the rand value of direct investment (output indicator)	Rand	Approximately R2,8 bn	R1,16 bn	R1,67 bn	R1,5 bn	–	R1,5 bn	–	R1,5 bn	R1 bn	R1 bn	R1,5 bn	R1,5 bn
1A.3 Increase the percentage visitors to Cape Town (output indicator)	Percentage	–	New	1,763 630	5%	–	5%	–	5%	2%	2%	2,5%	2,5%
1A.4 Number of job opportunities created through the Expanded Public Works Programme (EPWP), to contribute to the reduction of poverty and unemployment	Number	–	6 204	12 501	12 000	–	12 000	–	12 000	18 000	24 000	30 000	30 000
1A.5 Percentage of development applications finalised within Statutory Timeframes Project: Land Use Management (output indicator)	Percentage	–	New	–	75%	–	75%	–	75%	80%	80%	80%	80%
1A.6 Percentage of development applications finalised within Statutory Timeframes Project: Building Development Management	Percentage	–	New	–	96%	–	96%	–	96%	96%	96%	96%	96%
1A.7 Percentage of the rand value of purchase orders allocated to SMME/HDI suppliers/service providers (Output indicator)	Percentage	BEE 20,5% SMME's 44,3%	New	46%	50%	–	50%	–	50%	54%	57%	62%	62%

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
1B Prepare for hosting the 2010 FIFA World Cup™ in accordance with FIFA's requirements and the City's development objectives										
1B.1 Adherence to the work stream objectives and programmes of the City's 2010 Business Plan (Outcome indicator)	Percentage and narrative	-	13% of Green Point Stadium completed measured in terms of actual construction	36%	75% of Green Point Stadium completed measured in terms of actual construction	-	75% of Green Point Stadium completed measured in terms of actual construction	Green Point Stadium completed by December 2009. 100% of Green Point Stadium completed measured in terms of actual construction	-	-
1B.1 Adherence to the work stream objectives and programmes of the City's 2010 business plan (outcome indicator)	Percentage and narrative	-	1% Electricity reinforcement completed.	61,33% Electricity reinforcement completed.	-	-	-	100% Electricity reinforcement completed	-	-
1B.1 Adherence to the work stream objectives and programmes of the City's 2010 business plan (outcome indicator)	Percentage and narrative	-	Appointment of consultant in procurement phase to do detailed 2010 transport operational plan.	20% completed	Detailed 2010 transport operational plan 75% complete	-	Detailed 2010 transport operational plan 75% complete	Detailed 2010 transport operational plan 100% complete	-	-
1B.1 Adherence to the work stream objectives and programmes of the City's 2010 business plan (outcome indicator)	Percentage and narrative	-	Conceptualise model for 2010 footprint i.e. fan parks, viewing sites and training venues, in terms of affordability and resources	New	Implement and prepare detailed operating plans for 2010 footprint: 75% complete	-	Implement and prepare detailed operating plans for 2010 footprint: 75% complete	Implement and prepare detailed operating plans for 2010 footprint: 100% complete	-	-
1b.2 Completion of process to award naming rights for Green Point Stadium and appointment of long-term operator to manage stadium (Input indicator)	Narrative	-	Request for proposal for operator advertised	Operator not appointed	Naming rights awarded and operator appointed	-	Naming rights awarded and operator appointed	Management contract in place	Long-term lease in place	Long-term lease in place

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Strategic focus area 2: sustainable urban infrastructure and services										
2A Provide universal access to basic services										
2A.1 Percentage of households with access to basic levels of sanitation (National Key Performance Indicator) (outcome indicator)	Percentage	95,4%	97,9%	97,1%	97,5%	–	97,5%	894 157 HHs	896 864 HHs	899 571 HHs
2A.2 Percentage of informal settlement households with access to basic levels of sanitation (NKPI) (output indicator)	Percentage	–	–	New	New	–	New	80,5%	89,3%	94,5%
2A.3 Service rate of toilets (input indicator)	Number	New	New	New	New	–	New	2.0	2.0	2.0
2A.4 Percentage of households with access to basic levels of water (NKPI) (outcome indicator)	Percentage	100%	100%	100%	100%	–	100%	902 278 HHs	902 278 HHs	902 278 HHs
2A.5 Percentage informal settlement households with access to basic levels of water (output indicator)	Percentage	–	100%	100%	100%	–	100%	100%	100%	100%
2A.6 Service rate of taps (input indicator)	Number	–	New	New	New	–	New	2,8	2,5	2,3
2A.7 Percentage of households with access to basic levels of electricity (NKPI) (outcome indicator)	Percentage	88,9%	91,12%	92,5%	90,83%	–	90,83%	771 435 HHs	778 446 HHs	785 457 HHs
2A.8 Percentage of informal households with access to basic levels of electricity (output indicator)	Percentage	–	66,64%	69,04%	60,87%	–	60,87%	62,43%	63,98%	65,53%
2A.9 Percentage of households with access to basic levels of solid waste removal (NKPI) (outcome indicator)	Percentage	99%	99%	99%	99%	–	99%	893 255 HHs	893 255 HHs	893 255 HHs

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
2A.10 Percentage of informal households receiving an integrated area cleaning and refuse collection service	Percentage	–	89,5%	99%	99%	–	99%	99%	99%	99%
2B. Conserve natural resources										
2B.1 Percentage reduction in unconstrained water demand	Percentage	27,7%	25,5%	26%	27,5%	–	27,5%	27%	27%	27%
2B.2 Percentage compliance with four critical Department of Water Affairs and Forestry (DWAFF) effluent standards (e-coli count, ammonia content, oxygen demanding substances, total suspended solids) (outcome indicator)	Percentage	74%	81,2%	81%	83%	–	83%	87%	91%	95%
2B.3 Percentage of recreational water sampling points (i.e. bathing beaches, vleis, lagoons, etc.) that comply with applicable standards (outcome indicator)	Percentage	–	87%	65%	78%	–	78%	80%	82%	85%
2B.4 Percentage cleanliness of the City (metropolitan cleanliness/ photographic index) (outcome indicator)	Percentage	–	61%	77% (65% – previous five year average)	70%	–	70%	70%	70%	70%
2B.5 Percentage of airspace saved in relation to the volume of waste disposed (outcome indicator)	Percentage	–	14,73%	16,55%	15%	–	15%	15,5%	16%	16,5%
2C. Effectively manage the City's infrastructure and resources										
2C.1 Increase funding applied corporately to repairs and maintenance (input indicator)	Rand	–	New	R808 m	R876 m	–	R876 m	R1,0 bn	R1,2 bn	R1,3 bn
2C.2 Reduce number of electricity outages experienced	Index	–	–	<1.3	<1.3	–	<1.3	<1.3	<1.3	<1.3

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
2C.3 Reduce volume of unaccounted for water losses as part of total water consumed (input indicator)	Percentage and volume	–	19,3% 59 670 ml	18,7% 59 004 ml	18,6% 59 204 ml	–	18,6% 59 204 ml	18,8% 62 040 ml	18,8% 63 826 ml	18,8% 65 593 ml
Strategic focus area 3: energy efficiency for a sustainable future										
3A Develop, adopt and implement a comprehensive response to Cape Town's energy and climate change challenges										
3A.1 Reduce energy consumption in the Cape Metropolitan Area to below projected unconstrained energy consumption (outcome indicator)	Percentage	New	New	New	Reduction of 10% in energy consumption below projected unconstrained energy consumption electricity target: 10,317 GWh	–	Reduction of 10% in energy consumption below projected unconstrained energy consumption electricity target: 10,317 GWh	Maintain reduction of 10% in energy consumption below projected unconstrained energy consumption	Maintain reduction of 10% in energy consumption below projected unconstrained energy consumption	Maintain reduction of 10% in energy consumption below projected unconstrained energy consumption
Strategic focus area 4: public transport systems										
4A Improve public transport system and services (e.g. the implementation of phase 1A of the integrated rapid transit programme)										
4A.1 Reduction of average commuter travel time on selected transport corridors (outcome indicator)	Minutes and percentage	–	45 minutes	Travel time along the N2 bus and minibus taxi (BMT) lane reduced by 20 minutes for public transport users and five minutes for other modes. (Metrowide travel time not available).	38 minutes	–	38 minutes	10% reduction in travel time along Phase 1A of the Atlantis corridor	10% reduction in travel time along Phase 1B of the Atlantis corridor	10% reduction in travel time along the full Atlantis corridor
4A.2 Increase in cumulative kilometres of critical routes with dedicated public transport lanes on selected transport corridors (output indicator)	Kilometres	–	45 km	53 km including baseline	12 km on previous year's actual	–	12 km on previous year's actual	44 km on previous year's actual	20 km on previous year's actual	35 km on previous year's actual

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework			
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12	
4A.3 Increase the percentage of commuters using public transport (outcome indicator)	Percentage	New	New	New	New	-	New	52%	52,2%	52,5%	Ratio: 0.525:1
Strategic focus area 5: Integrated Human Settlements											
5A Improve and develop Integrated Human Settlements											
5A.1 Percentage completion of the Spatial Development Framework (SDF) and District Spatial Development Plans (SDPs)	Percentage and narrative	-	15% Approvals to proceed with preparation of plans in place. City's intention to prepare the plans advertised to the public. First internal drafts of plans prepared	30% Draft of SDF underway. First round of public meetings on preparation of SDF completed. PEPCO endorsement of vision, principles, issues and strategic goals obtained. Draft one reviewed internally and prepared for public scrutiny	90% City SDF and District SDPs completed and submitted to Provincial Government of the Western Cape (PGWC) for approval	-	90% SDF and District SDPs completed and submitted to Provincial Government of the Western Cape (PGWC) for approval	Third round of advertisement of City SDF and District SDPs for comment completed (subject to timing of feedback from PGWC)	City SDF and eight District SDP/EMFs approved by PGWC	Implementation of the City SDF and eight District SDP/EMFs	
Phases 1-8 completed to prepare City SDF and District SDPs (input indicator)											
5B Deliver housing opportunities in accordance with the five-year housing plan (reviewed annually)											
5B.1 Number of housing opportunities provided per year including community residential units developed (CRU) (output indicator)	Number	5,995	7,519 (Was 7,182 @30.6.2007)	6,439	9,900	-	9,900	8,400	8,500	8,800	
5B.2 Implementation of Informal Settlements Upgrade Programme (ISUP) and Emergency Housing Programme (EHP) (output indicator)	Number and percentage	100% Framework developed	Framework plan approved (including essential services)	100% Compliance – 60 informal settlements were serviced	100% Compliance with plan specifications	-	100% Compliance with plan specifications	1,000 Incrementally serviced even	1,200 Incrementally serviced even	1,400 Incrementally serviced even	
5C Provision of equitable community facilities and services across the city											

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
5C.1 Number of community facilities meeting set standards: Number of community parks mowed and cleaned according to standard Total number = 3,058 (outcome indicator)	Number	-	New	New	New	-	New	3,058	3,058	3,058
5C.1 Number of community facilities meeting set standards: Number of libraries maintaining set open hours standards Total number = 98 (outcome indicator)	Number	-	New	55	66	-	66	63	63	63
5C.1 Number of community facilities meeting set standards: Number of fenced formal sports fields with complete grass cover Total number = 513 (outcome indicator)	Number	-	New	New	New	-	New	360	360	360
5C.1 Number of community facilities meeting set standards: Number of open, safe and clean halls (ablution/toilets, hall and kitchen) Total number = 202 (outcome indicator)	Number	-	New	New	New	-	New	121	121	121
Strategic focus area 6: Safety and security										
6A Foster a safe and secure environment										
6A.1 Percentage adherence to key objectives in the City's Security Plan (output indicator)	Scale	-	New	2.5	3	-	3	Achieving ≥3 on five-point Likert scale on community survey regarding positive perception on decrease in prevalence of anti-social behaviour	Achieving ≥3 on five-point Likert scale on community survey regarding positive perception on decrease in prevalence of anti-social behaviour	Achieving ≥3 on five-point Likert scale on community survey regarding positive perception on decrease in prevalence of anti-social behaviour

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
6A.1 Percentage adherence to key objectives in the City's Security Plan (output indicator)	Percentage and number	–	New	New	227	–	227	5% reduction in accident rate at high frequency locations	5% reduction in accident rate at high frequency locations	5% reduction in accident rate at high frequency locations
6A.1 Percentage adherence to key objectives in the City's Security Plan (output indicator)	Percentage	–	New	283 arrests by the City enforcement staff	10% increase in arrests in drug-related crimes (possession and dealing)	–	10% increase in arrests in drug-related crimes (possession and dealing)	10% increase in arrests in drug-related crimes (possession and dealing)	10% increase in arrests in drug-related crimes (possession and dealing)	10% increase in arrests in drug-related crimes (possession and dealing)
6A.2 Percentage adherence to the implementation of Disaster Plans according to legislative requirements (input indicator)	Percentage and narrative	100% – Council approved new plan in June 2006. Plans updated: Mitigation Flood Plan, Koeberg Nuclear Plan, Major Aircraft Disaster Plan	Disaster Management Plan completed as per statutory requirements and approved	1. Disaster Management Plan developed and approved. 2. 100% compliance with quarterly targets	100% Compliance with plan	–	100% Compliance with plan	1. Disaster Management Plan developed and approved. 2. 100% Reviewed with quarterly targets	1. Disaster Management Plan developed and approved. 2. 100% Reviewed with quarterly targets	1. Disaster Management Plan developed and approved. 2. 100% Reviewed with quarterly targets
Strategic focus area 7: Health, social and community development										
7A Facilitate the development of a healthy and socially inclusive society										
7A.1 Number of child care facilities upgraded/ provided in partnership with Government and NGOs to promote holistic childhood development (input indicator)	Number	–	New	0	3	–	3	3	3	3
7A.2 Number of targeted socio-economic development support programmes (input indicator)	Number	–	New	0	4	–	4	4	4	4
7A.3 Number of street people placed in rehabilitation and reintegration programmes (input indicator)	Number	–	280	449	300	–	300	300	300	300

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
7A.4 Number of strategic sporting partnerships and events created maintained and expanded on (input indicator)	Number	-	10	19	19	-	19	19	22	24
7A.5 Number of days when air pollution exceeds World Health Organisation guidelines (impact/output indicator)	Number	-	132	128	140	-	140	137	135	133
7A.6 Reduction of the infant mortality rate (number infant deaths per 1 000 live births) (outcome indicator)	Number	-	21,4	20,28	20	-	20	19,5	19,2	19
7A.7 Reduction in the rate of increase of TB per 100 000 of Cape Town population (outcome indicator)	Number	-	831	876	1,040	-	1,040	1,090	1,120	1,140
7A.8 Percentage reduction in the rate of increase of Cape Town's antenatal HIV/Aids prevalence (outcome indicator)	Percentage	-	15,2%	15,9%	19,0%	-	19,0%	19,3%	19,6%	19,8%
Strategic focus area 8: Good governance and regulatory reform										
8A Ensure enhanced service delivery with efficient institutional arrangements										
8A.1 Improved average turnaround time of tender procurement processes in accordance with procurement plan (Input indicator)	Weeks	-	7,2	6,5	8	-	8	7	7	6
8A.2 Retention of skills as measured by staff turnover (output indicator)	Percentage	-	-	-	New	-	New	5% to 8% overall turnover	5% to 8% overall turnover	5% to 8% overall turnover
8A.2 Retention of skills as measured by staff turnover (output indicator)	Percentage	-	-	-	New	-	New	8% to 12% within skilled categories	8% to 12% within skilled categories	8% to 12% within skilled categories

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
8A.3 Staff availability as measured by % absenteeism (output indicator)	Percentage	–	New	New	New	–	New	≤ 4% average for the period 1 July 2009 to 30 June 2010	≤ 4% average for the period 1 July 2010 to 30 June 2011	≤ 4% average for the period 1 July 2011 to 30 June 2012
8A.4 Percentage budget spent on implementation of WSP (NKPI) (input indicator)	Percentage	–	–	–	90%	–	90%	90%	90%	90%
8A.5 Percentage improvement in the positive employee climate as per annual Culture Climate Survey (outcome indicator)	Percentage	–	New	25%	28%	–	28%	31%	34%	37%
8A.6 Percentage of capital projects meeting original planned milestones (input indicator)	Percentage	–	New	New	80%	–	80%	85%	90%	90%
8A.7 Percentage improvement in the time taken to close notifications in terms of the Corporate Works Management process (input indicator)	Percentage	–	New	New	100% of C3 notification process implemented including geo-coding and correspondence functionality	–	100% of C3 notification process implemented including geo-coding and correspondence functionality	12% reduction in time taken to close notifications (measured against the baseline) 22 days	10% reduction in time taken to close notifications (measured against the baseline) 20 days	10% reduction in time taken to close notifications (measured against the baseline) 18 days
Previous indicator: Percentage of C3 notification process implemented including geo-coding and correspondence functionality										
8B Managed key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management										
8B.1 Net debtors to annual Income [ratio of outstanding service debtors to revenue actually received for services (NKPI)] (input indicator)	Percentage	21,27%	21,07%	21,77%	19,7%	–	19,7%	22,5%	22%	22%
8B.2 Debt coverage by own billed revenue (NKPI) (input indicator)	Ratio	4.31:1	4.51:1	3.21:1	4.50:1	–	4.50:1	2.5:1	2.4:1	2.2:1
8B.3 Percentage of City's capital budget spent (NKPI) (output indicator)	Percentage	82%	77%	78%	95%	–	95%	95%	95%	95%

Description	Unit of measurement	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
		Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
88.4 Percentage of City's operating budget spent (output indicator)	Percentage	99,61%	92%	90% (100% completion after completion of the financial statements as confirmed by the CFO)	98%	-	98%	95%	95%	95%
88.5 Ratio of cost coverage maintained (input indicator)	Ratio	2.6:1	3.01:1	4.67:1	3.1:1	-	3.1:1	3.2:1	3.3:1	3.5:1
88.6 Revenue collected as a percentage of billed amount (input indicator)	Percentage	95,2%	99,3%	94,71%	96%	-	96%	95%	95%	95%
88.7 Percentage audit findings resolved as per follow up audits (input indicator)	Percentage	-	New	48,57%	60%	-	60%	70%	80%	90%
88.8 Unqualified Audit from Auditor General (AG) (outcome indicator)	Narrative	Unqualified audit received from AG	Unqualified audit received from AG	Unqualified audit received from AG	Unqualified audit received from AG	-	Unqualified audit received from AG	Unqualified audit received from AG	Unqualified audit received from AG	Unqualified audit received from AG
88.9 Maintain City's credit rating (outcome indicator)	Credit rating	-	A1+ (short-term) AA- (long-term)	Maintained Aa2-za from Moody's Prime -1 (short-term)	P-1 (short-term) Aa2.za (long-term)	-	P-1 (short-term) Aa2.za (long-term)	P-1 (short-term) Aa2.za (long-term)	P-1 (short-term) Aa2.za (long-term)	P-1 (short-term) Aa2.za (long-term)
88.10 Percentage completion of annual asset verification process	Percentage	-	-	-	100% completed by 31 May	-	100% completed by 31 May	100% verification of the assets completed by 30 June	100% verification of the assets completed by 30 June	100% verification of the assets completed by 30 June
8C Establish effective community engagement channels										
8C.1 Community satisfaction score measured in terms of asymmetrical scale (1-5) (outcome indicator)	Scale	New	New	2,4	3	-	3	2,6	2,8	3

6. Overview of budget-related policies

Revenue framework

Section 18 of the Municipal Finance Management Act (MFMA) states that the Budget can only be funded by realistically anticipated revenue to be collected, and cash-backed accumulated funds from previous years, which was not committed for other purposes.

Furthermore, National Treasury Circular 42 stipulates that the Budget be managed in a full accrual manner reflecting a transparent budget and accounting system approach.

The MFMA further requires the municipality to adopt and implement a tariff policy. Council has approved policies for main services provided by the municipality, which are attached as annexures to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirements of the MFMA (Chapter 4, 17 (1) (a) and (3) (b)).

a. Revenue-related policies

General Tariff Policy

The Municipal System Act requires Council to adopt a tariff policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy.

Credit Control and Debt Collection Policy

This has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

b. Budget-related policies

The following budget-related policies have been approved by Council, or have been reviewed/amended and/or are currently being reviewed/amended, in line with National Guidelines and Legislation.

Supply Chain Management Policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a Supply Chain

Management Policy, which gives effect to the requirements of the Act. The City's Supply Chain Management Policy was adopted at Council on 27 March 2008.

Mayor's Special Fund

The Mayor receives regular requests for grants, donations and financial assistance. Most of these are dealt with through the normal Grant-in-Aid Policy, but some deserving requests fall outside its ambit. A Special Fund has been created by the City and subject to the guidelines as attached to this report, the Mayor is authorised to decide on its use for grants to such exceptional beneficiaries.

Rates Policy

In 2005, the Unicity initiated a process to prepare a General Valuation Roll of all property in terms of the Local Government: Municipal Property Rates Act 6 of 2004 (MPRA) as at 2 July 2006 and was implemented on 1 July 2007.

Grant-in-Aid Policy

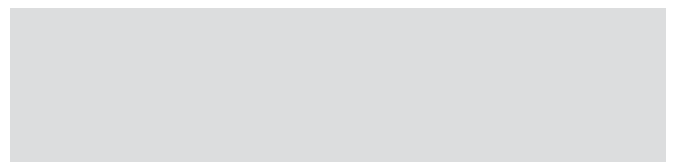
A Grant-in-Aid Policy was developed and approved by Council in May 2008. It has subsequently been reviewed and updated.

Cash Management and Investment Policy

The City Council, at its meeting on 30 August 2006, approved the City's Investment Policy that deals with the management of the City's surplus cash resources and the investment thereof. Subsequently, certain paragraphs in the policy required amendment due to investment operational changes over the past two years. These amendments were approved at the Council meeting on 30 March 2009.

Asset Control Policy

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to Property, Plant and Equipment (fixed assets).



7. Overview of budget assumptions

Municipalities' long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand – and sound financial management of its resources on the other hand – can be achieved. These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community at large (i.e. the potential influence on property tax rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programmes, projects, and sundry service delivery actions.

A municipality's Medium-Term Revenue and Expenditure Framework (MTREF) typically represents a three-to-five year financial plan and integrates the financial relationships of various revenue and expenditure streams of proposals considered for inclusion in the IDP. It provides guidance for the development of current budgets and assesses financial impacts on other years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans, and the consequential impact on rates, tariffs and other service charges.

The MTREF model aims to determine the future revenue and expenditure parameters within which the City should operate and to facilitate a balanced Budget that is affordable, sustainable, and ultimately identifies the consequential financial impact of planned capital projects on the municipality's operational budget.

The outcomes of the MTREF modelling incorporates the strategic focus areas of the current Draft IDP as well as core economic, financial, and technical data obtained at local and national level. The following paragraphs outline the assumptions made and modelled, supported by the Budget Committee.

The principles applied to the MTREF in determining the affordability envelope included:

- Inflation-linked revenue parameters, to the extent that it affects and supports Council's operational activities of relevant services
- Higher than inflation Repairs and Maintenance provisions to attain nationally benchmarked levels to ensure and enhance preservation of the City's infrastructure
- Higher increases to selected cost elements subjected to higher than average inflationary pressure, e.g. fuel provisions
- A 100% capital expenditure implementation rate assumed and factored to the model, and
- Credible collection rates based on collection achievements to date and incorporating improved success anticipated in selected revenue items.

CPIX

The nationally adopted and amended inflation target measure, i.e. headline CPI, which is expected to average 6% in 2009 and decline gradually over the next three years per the National 2008 Medium-Term Budget Policy Statement, was used to apply proper values to multi-year modelled projections. (The target band for headline CPI will remain unchanged at 3-6%.)

Based on the above and informed by projections of the Bureau for Economic Research, an inflation provision of 6% was modelled for 2009/10, with a further 2% added to accommodate the 2008/9 shortfall (6,5% provided). An 8% CPIX allowance was consequently provided for 2009/10, with 5,7% and 5,8% for the two outer years of 2010/11 and 2011/12 respectively.

Interest rates

Borrowing interest rates were factored at a prime rate of 10,5%. It was assumed that the average prime rate will stabilise at this level for the forecasted period. Investment interest rate was assumed at 10,7%.

Organic service growth

Water and Sewerage services' annual organic growth is projected at 2,7% and Refuse/Solid Waste at 2%, resulting from a combination of the City's population and user base growth.

A moderate 1% in organic Property Tax Rates revenue growth is projected for the 2009/10 financial year, resulting from the downturn in the activities of the formal development industry.

Electricity service growth is factored at 0%, as the implementation of an Energy Savings Plan factors organic growth to this base imprudent.

Collection rates

In accordance with relevant legislation and national directives, revenue recovery rates are based on realistic and sustainable trends. The City's collection rate is set at an average of 94,6% (excluding housing service with an average collection rate of 54%) and is based on a combination of actual rates achieved to date and estimated outcomes of the current financial period. Adequate provision is made for non-recovery. While collection rates will vary between different services – and be based on current trends – special provision was made to cater for the implementation affect of an improved indigent programme.

Major tariffs and charges: Rates and trading services

To ensure effective and efficient, well-run City services, tariff increases are inevitable in the current economic climate. Individual tariff increase proposals are considered in the context of the overall 'package of tariffs approach' adopted in compiling and evaluating the affordability of the component tariffs and charges that constitute the Total Municipal Account (TMA).

The following revenue parameter increases were factored in the MTREF model and determined the affordability levels for the compilation of the 2009/10 Operating Budget. (The primary determining factors for revenue parameter increases are headline inflation projections and additional revenue requirements to cover essential operational aspects.)

Tariff adjustments

An average Property Tax Rates tariff increase of 8,5% was modelled.

The electricity tariff adjustment is 33,3%, largely due to the anticipated 27% increase for Eskom bulk purchases. In the absence of the National Energy Regulator of South Africa's (NERSA) ruling on the 2009/10 tariff increase, this percentage is higher than the 25% level recommended in National Treasury's budget guidelines for the 2009/10 financial year. An additional provision was made to cater for the two cents Environmental Levy. (A two cents per kWh levy on the sale of all non-renewable generated electricity will be implemented on 1 July 2009.)

Water and Sewerage tariff adjustments are 10% and 7% respectively, while Refuse and Disposal charges are modelled to increase by 10%.

The abovementioned tariff amendments, plus organic service growth, are estimated to realise the following revenue increases:

Table 14: Affect of proposed tariff and rate increases

Revenue category	2008/9 budget	Proposed revenue parameter including organic growth	2009/10 budgeted revenue
	R thousand	%	R thousand
Property Tax Rates	3,715,832	9,5%	4,068,836
Refuse	489,800	12,0%	548,576
Electricity	4,121,546	33,3%	5,494,020
Water*	1,308,045	12,7%	1,514,150
Sanitation**	729,007	9,7%	819,721

*R40m added to the Water service 2008/9 base budget

**R20m added to the Sanitation service 2008/9 base budget

Salaries, wages and related staff cost expenses

In the absence of a South African Local Government Bargaining Council (SALGBC) agreement and based on the current CPIX rate, a higher than CPIX provision was modelled for 2009/10 staff costs. The parameters applied to project the staff budget were as follows: The parameter applied to councillors' remuneration was CPIX plus 1% for the MTREF period.

Table 15: Parameters applied to staff budget

	2009/10	2010/11	2011/12
Salary increase	11,5%	9,2%	7,7%
Increments	2,0%	2,0%	2,0%
Staff attrition	(5,0%)	-	-

General expenses

In reviewing the departmental spending performance and consideration of the inflationary affect on this expenditure category, a CPIX factor was applied.

Fuel

Oil prices peaked at US\$145 per barrel in July 2008. Based on a combination of high fuel prices, a volatile R/\$ exchange rate and high actual expenditure in the 2008/09 financial year, a 30% increase on fuel expenditure element was factored into the MTREF model.

Repairs and maintenance

Based on relevant National Treasury data publications, the average municipal spend on Repairs and Maintenance is 7,3%. The City's target in this regard is set between 10% and 15%, to address backlogs. The City's current allocations represent 7,6% of the Budget. This percentage should, however, be viewed in context of an overall budget quantum which increased substantially over the last two budget years as a result of added 2010 FIFA World Cup™ provisions.

In order to achieve the above targets, CPIX + 2,5% (2009/10) and CPIX + 3% (outer years) were factored into the MTREF.

In addition to the above, the Budget Committee voted additional requests for Repairs and Maintenance amounting to R53 million to address specific service areas. The Repairs and Maintenance to Budget ratio for the 2009/10 financial year was consequently modelled at 9%.

Capital expenditure (External Financing Fund (EFF) component)

The MTREF model incorporates proposed EFF-funded capital budget expenditure of future years and calculates its affordability and consequential impact on future operating budgets. The proposed EFF-quanta were set at R2,908 billion, R1,961 billion and R2,141 billion respectively for 2009/10, 2010/11 and 2011/12 financial years. The 2009/10 provision includes rollovers from the 2008/9 financial year approved via the mid-year review in March and May 2009.

Capital investment

No further additional or consequential operational costs flowing from Council's capital investment programme were provided for. It is assumed that these will be catered for via efficiency gains and the prioritisation of existing operational resources.

Depreciation

Depreciation on new capital expenditure is calculated at a varying rate ranging between nine and 20 years, depending on the nature of the asset. Actual depreciation was modelled on existing assets.

An annual capital expenditure implementation rate of 100% was factored to the model.

Regional Services Council (RSC) Replacement Grant

RSC levies were abolished on 1 July 2006. Since the abolishment, National Treasury has provided a Replacement Grant as an interim measure, while investigating replacement alternatives.

The 2009 Division of Revenue Act proposes the introduction of a new Replacement Grant, to be funded from a portion of the general fuel levy. The Replacement Grant calculation is based on a combination of the current RSC levy replacement grant allocation and a percentage of fuel sales for the six Metros. It is proposed that this be phased in over a three-year period. All Metros are guaranteed a minimum growth rate of 4% from the 2008/9 allocation for the 2009/10 financial year, should the fuel sales calculation be less than the RSC levy Replacement Grant share. In the event of fuel sales being higher than the RSC levy Replacement Grant used as a basis of calculation, additional funds will be provided as a top-up. For the 2010/11 financial year a 60% RSC levy replacement share and 40% fuel sales will be applied. A 25% RSC levy replacement share and 75% fuel sales will be applied in 2011/12. The phase-in will be completed and the grant calculation will be 100% based on fuel sales of the Metro area from the 2012/13 financial year.

In terms of the 2009 Division of Revenue Act (DORA), and based on the above Replacement Grant formula, the indicative annual allocations to the City are as follows:

- 2009/10 – R1,372 billion
- 2010/11 – R1,517 billion (provisional indicative amounts projected by National Treasury)
- 2011/12 – R1,619 billion (provisional indicative amounts projected by National Treasury)

Equitable Share Grant

The equitable share allocations supplement municipalities' own revenues for the provision of basic services to poor households. In terms of the 2009 DORA, the annual allocations to the City are as follows:

- 2009/10 – R609 million
- 2010/11 – R818 million
- 2011/12 – R911 million

SUMMARY – MAJOR PARAMETERS

The table below outlines the major parameters applied to the City's MTREF modelling and which informed detailed compilation of the 2009/10 to 2011/12 budgets:

Table 16: Summary of major parameters

	2009/10	2010/11	2011/12
	%	%	%
CPIX	8,00%	5,70	5,80
Collection rates			
Rates	96,89%	96,89%	96,89%
Electricity	97,50%	97,50%	97,50%
Water	92,00%	93,00%	94,00%
Sanitation	90,00%	92,00%	94,00%
Refuse	97,00%	97,00%	97,00%
Housing	54,00%	56,80%	56,80%
Parameters applied (including organic growth)			
Property Tax Rates	9,50%	6,70%	6,80%
Electricity	33,30%	21,60%	22,10%
Water	12,70%	14,60%	13,45%
Sanitation	9,70%	6,80%	6,70%
Refuse	12,00%	25,00%	21,80%
Salaries, wages and related costs	11,50%	9,20%	7,70%
General expenses	8,00%	5,70%	5,80%
Repairs and maintenance	10,50%	8,70%	8,80%
Fuel	30,00%	5,70%	5,80%
Capital expenditure			
(EFF component)	R2,908m	R1,961m	R2,141m

9. Overview of budget funding

Fiscal Overview

1. 2008/9 Budget and 2009/10 to 2010/12 projected financial performance

1.1. Operating budget

The Operating Budget increased from R17,5 billion in 2008/9 to R18,8 billion in 2009/10, R20,5 billion in 2010/11 and R23,3 billion in 2011/12 respectively. The growth is mainly attributable to:

- Repairs and maintenance of infrastructure
- Cost of bulk purchases (water and electricity)
- Employee related costs due to the financial impact of pay parity, and
- Impact of increased capital spending on the operating expenditure (e.g. 2010 FIFA World Cup™)

1.2. Capital budget

The capital budget totalled R3,972 billion in 2007/8. This was funded by National and Provincial Grants in the amounts of R1,286 billion and R296 million respectively. R2,328 billion was funded from the City of Cape Town's internal sources, whilst the balance of R59 million was funded from other external grants.

The 2008/9 Capital Budget totalled R6,015 billion.

2. Medium-term outlook: 2009/10 to 2011/12

Operating budget

Table 17 reflects the increases in the operating budget in the medium term:

	2009/10 Rm	2010/11 Rm	2011/12 Rm
Operating budget	18,818	20,588	23,308

Capital budget

Table 18 reflects the capital budget as well as the funding sources in the medium term:

Table 18: Medium-term capital budget and funding sources

	2009/10 Rm	2010/11 Rm	2011/12 Rm
Capital budget	6,202	4,204	4,165
Funded as follows			
National grant	1,818	1,067	1,192
Provincial grant	406	445	336
Other grant funding	70	59	60
City funding	3,908	2,633	2,576

The funding streams mainly encompass the following major projects on the capital budget:

National Grant Funded

- 2010 Related infrastructure projects such as the Green Point Stadium, Reconfiguration of the Green Point Common, road infrastructure around the Green Point Stadium, etc.
- Municipal infrastructure projects largely for the poor, and
- Integrated Rapid Transit Projects relating to Phase 1A.

Provincial Grant Funded

- Integrated housing and human settlement development projects

City funding

- Development and rehabilitation of landfill infrastructure
- Electricity system infrastructure, reinforcements and refurbishments as well as new facility requirements
- Replacement of water and sewer infrastructure, waste water treatment plants and water demand management projects, and
- Counter funding for the Integrated Rapid Transit Projects relating to Phase 1A

3. Sources of funding

Rates, tariffs and other charges Property Tax Rates

The proposed property tax rates are to be levied in accordance with existing Council policies unless otherwise indicated and both the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

A Draft Rates Policy was reviewed by the Budget Committee during February and March 2009. This Committee was established to, inter alia, oversee the Total Municipal Account Modelling process, whereby the impact of all Council charges on a household is assessed for affordability. The proposed rates

increase is 8,5% for residential properties and 15,8% for non-residential properties while the estimated total rates income is increased by a further 1% to take into account natural growth.

Property Tax Rates are based on values indicated in the new General Valuation Roll 2006 (GV). The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls. All values are as at the date of the GV, being July 2006.

Rebates and concessions are granted to certain categories of property usage and/or property owner.

Water and Sanitation

The proposed Water and Sanitation Tariffs for 2009/10 are consistent with National Policy on the extension of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent Relief measures, Rates and Tariff Policies and Equitable Service Framework.

The progressive nature of the existing domestic stepped tariff structure both for water and sanitation is pro-poor and allows for the needs of the indigent. It is also designed to discourage high water consumption levels, which have an impact on the size of both the water and sanitation portions of a consumer's bill. It enables all consumers to adjust their consumption levels to ensure affordability.

The City's Urban Agriculture Policy of 2007 is now being implemented and calls for a free 10 kℓ of water per month to each qualifying vulnerable subsistence farming group. It is proposed that the tariff step structure from the 2008/9 financial year be retained, with a proposed 10% increase in volumetric water tariffs generally, with the exception of the Bulk Water Tariff, on which there is no increase necessary this year, and a proposed 7% increase in sanitation tariffs generally, with

the exception of the Domestic Cluster Category, on which there is no increase this year. The reason for the different tariff levels on water versus sanitation is to better apportion the income in relation to the cost of the service portion and hence eliminate the existing cross-subsidy from sanitation to water. This is a legacy of the fact that prior to 2007/8, sanitation charges were not based solely on volume of water consumed but also on property value.

Because the volumetric sanitation tariffs are now solely dependent on water consumption, three sets of volumetric sanitation tariffs have also been set to cater for the uncertainty in water resource availability and demand. The volumetric tariff structure mirrors the water tariff structure.

The Miscellaneous Tariffs are levied by Water and Sanitation for the provision of various services by the Department. Some of these tariffs, which no longer accurately reflected the actual cost, have been evaluated to achieve alignment. It is envisaged that this initiative will be refined over the next few years until all the miscellaneous tariffs accurately reflect the actual cost per transaction.

The successful installation of flow-control devices that prevent water losses will continue to be rolled out to more households. For suburbs and households into which such devices are proactively installed by the City, no charge will be levied.

In total, the proposed Tariffs and Rates are cost-reflective and will provide the income to cover the costs of Water and Sanitation during the 2009/10 financial year.

Electricity

The proposed revisions to the tariffs have been formulated in accordance with the City of Cape Town Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).



Domestic consumers charged at the Domestic 2 (Low Consumption with FBE) Tariff and purchasing less than 400 kWh per month on average as well as the City's Eskom-supplied domestic consumers purchasing less than 400 kWh per month on average will continue to receive the free basic supply of 50 kWh per month. Note that national guidelines allow for the provision of the free basic supply of 50 kWh per month to be made available to consumers using less than 150 kWh per month.

Guidelines for the Municipal Electricity Tariff increase in July are normally published by NERSA in the previous December. In the absence of the guidelines, National Treasury has indicated that the City should prepare its budget using an assumed Eskom bulk increase. This increase, together with increases in expenditure on Salaries and Wages, Repairs and Maintenance, contributions to the Rate Account and the two cents per kWh environmental levy require the electricity tariffs to increase by an average of 33,5%. A further increase to the Eskom bulk tariff, which may need to be reflected in the City's tariffs, may be brought into effect by NERSA before July 2009.

Present electricity tariffs were approved by Council in May 2008 and implemented with effect from 1 July 2008. Very late approval of an additional Eskom tariff increase by NERSA resulted in the City's approved tariffs being higher than the NERSA-approved tariffs in three instances. It is proposed to apply the percentage tariff increase to be approved by the City for 2009/10 to the NERSA-approved 2008/9 tariffs.

It is anticipated that NERSA will again impose an inflation-linked increase on the tariff applicable to the smaller domestic consumers. It is, therefore, proposed to increase the NERSA approved Domestic 2 (Low Consumption with FBE) Tariff by 10%. The resulting shortfall in revenue from the sale of electricity to these consumers can be financed by increasing the average tariff increase for all other consumers from 33,5% to 36%.

Domestic 3 (Three Phase) Tariff will be discontinued due to the high number of complaints received and the difficulty of applying the tariff in an equitable manner across the City. It is proposed that new domestic consumers with an installed capacity of 100 Amperes or more will be treated as commercial customers. Consumers who are currently being charged at the Domestic 3 Tariff will be automatically transferred to the most appropriate Domestic High or Small Power User 1 Tariff.

The time-of-use tariff introduced in 2008 is increased by approximately 33% to encourage more of the larger consumers to make use of this tariff. It is further proposed that the peak energy period will no longer apply on Saturdays. It is anticipated that this tariff will continue to be altered over a period of years and eventually replace the Large and Very Large Power User Tariffs.

The Green Energy Tariff will be discontinued and replaced by Green Energy Certificates which appear in the Miscellaneous Electricity Tariff Schedule.

The consumption-based lighting tariffs have now been moved from the Street Lighting Schedule to the consumption-based tariff schedule where they belong.

The increases are in accordance with guidelines established in the Medium-Term Revenue and Expenditure Framework.

Solid Waste Management

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include collection fees, disposal fees, transfer station fees, compost sales, clearance of illegal dumping on private properties, weighbridge fees and other ad hoc services. It is proposed that the Collections Tariffs (Consumptive and Sundry) and Other Sundry Tariffs be increased by 10%.

In addition, the following new tariffs and amendments to existing tariffs are proposed:

- Definition of vacant land brought in line with the Property Rates Policy
- Definition of 240ℓ container extended to include: "The container would be replaced at no cost to the customer when damaged or stolen and negligence can not be proven. In the case of a stolen container a SAPS case number must be supplied"
- A new 100% Indigent Relief Rebate to be introduced in terms of Section 27 of the Credit Control and Debt Management Policy
- A single tariff has been introduced for waste disposal at transfer stations and landfill sites
- New tariffs have been introduced to render a collection service for special events over weekends
- The ad hoc collection of garden refuse must be requested five working days prior to the normal refuse collection day to coincide with such date, and
- Unsifted compost may be made available free of charge, at the discretion of the director or delegated authority, and the recipient may not sell such compost.

Tariffs and charges book

Council is permitted to levy rates, tariffs, fees, and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance Management Act, No. 56 of 2003, 17 (a)(ii).

The Tariffs and Charges Book contains all levies, rates and service charges determined for all functions or services performed by the municipality for which a charge is made.

All Levies, Rates and Service Charges are determined in compliance with:

- Local Government Municipal Property Rates Act 2004
- Municipal Finance Management Act 56 of 2003, and
- Local Government Municipal Systems Act 32 of 2000

4. Total Municipal Account (TMA)

The affect of the proposed tariff and rate increases on households' TMA is illustrated below:

Table 19: Total municipal account for households

1. BASE INFORMATION						
	1		2		3	
Land value (Rand)	60,000		494,000		3,784,000	
Electricity (kWh)	324		597		1,481	
Water (kℓ)	10		20		45	
Sanitation (kℓ)	7		14		31,5	
Waste Services (containers)	240ℓ, once a week		240ℓ, once a week		240ℓ, once a week	
2. AMOUNT PAYABLE						
	1		2		3	
	Current	Proposed	Current	Proposed	Current	Proposed
	30 June 2008	1 July 2009	30 June 2008	1 July 2009	30 June 2008	1 July 2009
	R	R	R	R	R	R
Assessment rates	–	–	166,80	181,01	1,518,44	1,647,80
Electricity	135,52	147,69	339,63	461,90	776,70	1,056,36
Water	13,32	14,64	76,78	84,44	352,13	387,29
Sanitation	11,23	12,01	64,55	69,09	229,26	245,28
Solid Waste	0,00	0,00	58,11	63,93	58,11	63,93
VAT	22,41	24,41	75,47	95,11	198,27	245,40
Indigent	(30,00)	(30,00)	–	–	–	–
Total	152,48	168,75	781,35	955,48	3,132,91	3,646,06
Increase/Decrease Rand	16,27		174,13		513,15	
%	10,67		22,29		16,38	

Table 20: Ensuring enhanced service delivery with efficient institutional arrangements

CORPORATE OBJECTIVE/ INDICATOR	BASELINE 30.6.2007	TARGET 30.6.2008	BASELINE 30.6.2008	TARGET 30.6.2009	TARGET 30.6.2010	TARGET 30.6.2011	TARGET 30.6.2012
1. Improved average turnaround time of tender procurement processes in accordance with procurement plan	7,2 weeks	8 weeks	6,5 weeks	8 weeks	7 weeks	7 weeks	6 weeks
2. Retention of skills as measured by staff turnover				5-8% overall turnover	5-8% overall turnover	5-8% overall turnover	5-8% overall turnover
				8-12% within skilled categories	8-12% within skilled categories	8-12% within skilled categories	8-12% within skilled categories
3. Staff availability as measured by percentage absenteeism	New	New	New	New	≤ 4% average for the period 1 July 2009 to 30 June 2010	≤ 4% average for the period 1 July 2010 to 30 June 2011	≤ 4% average for the period 1 July 2011 to 30 June 2012

CORPORATE OBJECTIVE/ INDICATOR	BASELINE 30.6.2007	TARGET 30.6.2008	BASELINE 30.6.2008	TARGET 30.6.2009	TARGET 30.6.2010	TARGET 30.6.2011	TARGET 30.6.2012
4. Percentage budget spent on implementation of WSP (NKPI)		100%		90%	90%	90%	90%
5. Percentage improvement in the positive employee climate as per annual Culture Climate Survey	New	25%	25%	28%	31%	34%	37%
6. Percentage of capital projects meeting original planned milestones	New	New	New	80%	85%	90%	90%
7. Percentage improvement in the time taken to close notifications in terms of the Corporate Works Management process	New	New	New	100% of C3 notification process implemented including geo-coding and correspondence functionality	12% reduction in time taken to close notifications (measured against the baseline) 22 days	10% reduction in time taken to close notifications (measured against the baseline) 20 days	10% reduction in time taken to close notifications (measured against the baseline) 18 days
	7,2 weeks	8 weeks	6,5 weeks	8 weeks	7 weeks	7 weeks	6 weeks

5. Investments

Monetary investments by type

Table 21: Monetary investments by type

Investment type	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Parent municipality									
Securities – National Government	20,909	26,024	31,650	31,532	31,532	31,532	36,900	36,900	36,900
Listed corporate bonds	1,474	1,512	–	–	–	–	–	–	–
Deposits – bank	2,245,257	2,771,460	4,486,414	3,781,980	3,223,000	3,223,000	2,730,149	2,797,536	2,863,949
Guaranteed endowment policies (sinking)	31,534	35,609	40,224	45,877	45,877	45,877	51,291	57,920	65,426
Municipality total	2,299,175	2,834,605	4,558,288	3,859,389	3,300,409	3,300,409	2,818,340	2,892,356	2,966,275



Table 22: Monetary investments by maturity date

Investments by maturity Name of investment and investment ID	Period on investment	Type of investment	Expiry date of investment	Monetary value	Interest to be realised
R thousand	Days			R thousand	
Parent municipality					
ABSA Bank	336	Fixed Deposit	5/15/09	30,000	3,694
ABSA Bank	318	Fixed Deposit	5/15/09	25,000	2,951
ABSA Bank	302	Fixed Deposit	5/15/09	15,000	1,620
ABSA Bank	101	Fixed Deposit	5/15/09	20,000	598
ABSA Bank	10	Fixed Deposit	5/15/09	20,000	45
ABSA Bank	336	Fixed Deposit	5/25/09	25,000	3,107
ABSA Bank	117	Fixed Deposit	5/27/09	10,000	345
ABSA Bank	118	Fixed Deposit	6/3/09	20,000	682
ABSA Bank	30	Fixed Deposit	6/3/09	20,000	135
ABSA Bank	120	Fixed Deposit	6/5/09	30,000	1,041
ABSA Bank	349	Fixed Deposit	6/15/09	25,000	3,275
ABSA Bank	335	Fixed Deposit	6/15/09	50,000	6,115
ABSA Bank	345	Fixed Deposit	6/25/09	10,000	1,264
ABSA Bank	345	Fixed Deposit	6/25/09	20,000	2,528
ABSA Bank	148	Fixed Deposit	7/3/09	30,000	1,265
ABSA Bank	104	Fixed Deposit	7/15/09	20,000	499
ABSA Bank	155	Fixed Deposit	7/15/09	20,000	817
ABSA Bank	149	Fixed Deposit	7/24/09	30,000	1,121
ABSA Bank	113	Fixed Deposit	7/24/09	40,000	1,084
ABSA Bank	150	Fixed Deposit	7/27/09	20,000	750
ABSA Bank	153	Fixed Deposit	8/3/09	30,000	1,151
ABSA Bank	190	Fixed Deposit	8/14/09	30,000	1,605
ABSA Bank	153	Fixed Deposit	8/25/09	20,000	704
ABSA Bank	153	Fixed Deposit	8/25/09	10,000	352
ABSA Bank	183	Fixed Deposit	8/27/09	25,000	1,097
ABSA Bank	178	Fixed Deposit	9/7/09	20,000	875
ABSA Bank	186	Fixed Deposit	9/15/09	20,000	915
ABSA Bank	183	Fixed Deposit	10/15/09	10,000	417
ABSA Bank	183	Fixed Deposit	10/15/09	10,000	417
ABSA Bank	213	Fixed Deposit	10/15/09	20,000	1,030
ABSA Bank	182	Fixed Deposit	10/15/09	15,000	621
ABSA Bank	219	Fixed Deposit	10/23/09	10,000	530
ABSA Bank	189	Fixed Deposit	10/23/09	10,000	430
ABSA Bank	218	Fixed Deposit	11/25/09	20,000	988
Calyon Credit Agricole CIB	118	Fixed Deposit	6/25/09	10,000	304
Firstrand	318	Fixed Deposit	5/15/09	20,000	2,361
Firstrand	101	Fixed Deposit	5/15/09	15,000	448

Investments by maturity Name of investment and investment ID	Period on investment	Type of investment	Expiry date of investment	Monetary value	Interest to be realised
R thousand	Days			R thousand	
Firststrand	10	Fixed Deposit	5/15/09	10,000	22
Firststrand	109	Fixed Deposit	5/25/09	30,000	954
Firststrand	25	Fixed Deposit	5/25/09	30,000	176
Firststrand	118	Fixed Deposit	5/27/09	15,000	526
Firststrand	30	Fixed Deposit	6/3/09	20,000	135
Firststrand	130	Fixed Deposit	6/15/09	30,000	1,127
Firststrand	94	Fixed Deposit	6/25/09	30,000	684
Firststrand	91	Fixed Deposit	6/30/09	10,000	224
Firststrand	91	Fixed Deposit	6/30/09	12,000	269
Firststrand	91	Fixed Deposit	6/30/09	9,000	202
Firststrand	91	Fixed Deposit	6/30/09	12,000	269
Firststrand	160	Fixed Deposit	7/15/09	30,000	1,371
Firststrand	104	Fixed Deposit	7/15/09	30,000	748
Firststrand	152	Fixed Deposit	7/27/09	10,000	382
Firststrand	122	Fixed Deposit	8/7/09	20,000	575
Firststrand	122	Fixed Deposit	8/7/09	15,000	431
Firststrand	178	Fixed Deposit	8/7/09	15,000	680
Firststrand	153	Fixed Deposit	8/25/09	10,000	354
Firststrand	149	Fixed Deposit	8/27/09	25,000	860
Firststrand	178	Fixed Deposit	9/7/09	15,000	657
Firststrand	212	Fixed Deposit	9/25/09	60,000	3,014
Firststrand	182	Fixed Deposit	10/15/09	15,000	621
Firststrand	189	Fixed Deposit	10/23/09	10,000	430
Firststrand	212	Fixed Deposit	11/13/09	20,000	958
Firststrand	212	Fixed Deposit	11/13/09	25,000	1,198
Firststrand	218	Fixed Deposit	11/25/09	20,000	988
Investec Bank Limited	7	Fixed Deposit	5/15/09	10,000	16
Investec Bank Limited	100	Fixed Deposit	5/15/09	10,000	296
Investec Bank Limited	10	Fixed Deposit	5/15/09	10,000	23
Investec Bank Limited	68	Fixed Deposit	5/25/09	10,000	184
Investec Bank Limited	25	Fixed Deposit	5/25/09	20,000	118
Investec Bank Limited	125	Fixed Deposit	6/15/09	15,000	511
Investec Bank Limited	42	Fixed Deposit	6/15/09	20,000	190
Investec Bank Limited	94	Fixed Deposit	6/25/09	10,000	232
Investec Bank Limited	104	Fixed Deposit	7/15/09	15,000	378
Investec Bank Limited	149	Fixed Deposit	7/24/09	10,000	378
Investec Bank Limited	147	Fixed Deposit	7/24/09	10,000	373
Investec Bank Limited	129	Fixed Deposit	8/14/09	20,000	615
Investec Bank Limited	163	Fixed Deposit	8/14/09	20,000	826
Investec Bank Limited	174	Fixed Deposit	9/3/09	30,000	1,294

Investments by maturity Name of investment and investment ID	Period on investment	Type of investment	Expiry date of investment	Monetary value	Interest to be realised
R thousand	Days			R thousand	
Investec Bank Limited	212	Fixed Deposit	9/25/09	10,000	505
Investec Bank Limited	213	Fixed Deposit	10/15/09	20,000	1,045
Investec Bank Limited	183	Fixed Deposit	10/15/09	20,000	842
Nedbank	336	Fixed Deposit	5/15/09	20,000	2,476
Nedbank	101	Fixed Deposit	5/15/09	15,000	450
Nedbank	99	Fixed Deposit	5/15/09	30,000	875
Nedbank	10	Fixed Deposit	5/15/09	10,000	23
Nedbank	9	Fixed Deposit	5/15/09	10,000	20
Nedbank	364	Fixed Deposit	5/22/09	20,000	2,673
Nedbank	364	Fixed Deposit	5/22/09	10,000	1,336
Nedbank	336	Fixed Deposit	5/25/09	50,000	6,260
Nedbank	198	Fixed Deposit	5/27/09	20,000	1,329
Nedbank	118	Fixed Deposit	5/27/09	10,000	356
Nedbank	117	Fixed Deposit	5/27/09	10,000	348
Nedbank	127	Fixed Deposit	6/12/09	30,000	1,112
Nedbank	94	Fixed Deposit	6/25/09	20,000	461
Nedbank	96	Fixed Deposit	7/7/09	20,000	466
Nedbank	160	Fixed Deposit	7/15/09	30,000	1,374
Nedbank	155	Fixed Deposit	7/15/09	15,000	615
Nedbank	106	Fixed Deposit	7/17/09	40,000	1,028
Nedbank	152	Fixed Deposit	7/27/09	20,000	768
Nedbank	156	Fixed Deposit	8/7/09	20,000	786
Nedbank	129	Fixed Deposit	8/14/09	20,000	615
Nedbank	185	Fixed Deposit	8/14/09	15,000	707
Nedbank	179	Fixed Deposit	8/25/09	20,000	863
Nedbank	183	Fixed Deposit	8/27/09	10,000	440
Nedbank	178	Fixed Deposit	9/7/09	15,000	662
Nedbank	186	Fixed Deposit	9/15/09	20,000	922
Nedbank	186	Fixed Deposit	9/15/09	20,000	922
Nedbank	215	Fixed Deposit	9/30/09	50,000	2,548
Nedbank	213	Fixed Deposit	10/15/09	40,000	2,077
Nedbank	183	Fixed Deposit	10/15/09	15,000	632
Nedbank	219	Fixed Deposit	10/23/09	30,000	1,602
Nedbank	189	Fixed Deposit	10/23/09	10,000	435
Nedbank	218	Fixed Deposit	11/25/09	25,000	1,239
Standard Bank of SA Ltd	100	Fixed Deposit	5/15/09	30,000	879
Standard Bank of SA Ltd	99	Fixed Deposit	5/15/09	30,000	867
Standard Bank of SA Ltd	336	Fixed Deposit	5/25/09	25,000	3,118
Standard Bank of SA Ltd	25	Fixed Deposit	5/25/09	10,000	58
Standard Bank of SA Ltd	25	Fixed Deposit	5/25/09	30,000	175

Investments by maturity Name of investment and investment ID	Period on investment	Type of investment	Expiry date of investment	Monetary value	Interest to be realised
R thousand	Days			R thousand	
Standard Bank of SA Ltd	118	Fixed Deposit	5/27/09	15,000	526
Standard Bank of SA Ltd	117	Fixed Deposit	5/27/09	10,000	345
Standard Bank of SA Ltd	61	Fixed Deposit	6/3/09	30,000	446
Standard Bank of SA Ltd	349	Fixed Deposit	6/15/09	30,000	3,930
Standard Bank of SA Ltd	130	Fixed Deposit	6/15/09	30,000	1,127
Standard Bank of SA Ltd	125	Fixed Deposit	6/15/09	20,000	675
Standard Bank of SA Ltd	99	Fixed Deposit	7/10/09	25,000	593
Standard Bank of SA Ltd	160	Fixed Deposit	7/15/09	30,000	1,368
Standard Bank of SA Ltd	181	Fixed Deposit	8/25/09	25,000	1,079
Standard Bank of SA Ltd	149	Fixed Deposit	8/27/09	25,000	862
Standard Bank of SA Ltd	181	Fixed Deposit	8/27/09	30,000	1,302
Standard Bank of SA Ltd	186	Fixed Deposit	9/15/09	10,000	456
Standard Bank of SA Ltd	186	Fixed Deposit	9/15/09	30,000	1,368
Standard Bank of SA Ltd	186	Fixed Deposit	9/15/09	30,000	1,368
Standard Bank of SA Ltd	210	Fixed Deposit	9/25/09	30,000	1,493
Standard Bank of SA Ltd	182	Fixed Deposit	10/15/09	20,000	828
Standard Bank of SA Ltd	189	Fixed Deposit	10/23/09	10,000	430
Standard Bank of SA Ltd	212	Fixed Deposit	11/13/09	30,000	1,438
Standard Bank of SA Ltd	218	Fixed Deposit	11/25/09	15,000	739
ABSA Bank		Current account		69,953	
ABSA Bank		Call deposit		70,000	
ABSA Bank		Call deposit – 2010		21,870	
Investec Bank Limited		Call deposit		20,000	
Stanlib		Call deposit		247,857	
Municipality sub-total				3,252,679	134,750
TOTAL INVESTMENTS AND INTEREST				3,252,679	134,750



Long-term investments and loans

The budget assumes the following new long-term borrowings:

June 2009	R1,200 million
December 2009	R500 million
June 2010	R1,500 million
June 2011	R1,500 million

The above loans will be raised by the issue of City of Cape Town municipal bonds, which is to be listed on the Bond Exchange of South Africa under a R7 billion Domestic Medium-Term Note Programme.

7. Cash backed accumulated surplus

Cash backed accumulated revenue surpluses are used to provide working capital and to temporarily fund capital expenditure in advance of external loan drawdowns. Operational cash flow deficits and surpluses are forecasted and managed on a daily basis within available cash resources and banking facilities.

All statutory funds and reserves, including unspent grants, are fully cash backed. Non-statutory reserves, including the General Insurance Fund and the Capital Replacement Reserve, are also fully cash backed. Long-term provisions are cash backed to the extent that actual expenditure is projected for the budget year.

Grant allocations

National allocations

Table 22 reflects the 2009 Division of Revenue Act grant allocations that have been included in the City's medium-term budget:

Provincial allocations

Table 23 below reflects the grants allocated in terms of the Provincial Gazette 6607 (dated 24 February 2009) that have been included in this medium-term budget:

Table 23: National allocations

Grant	2009/10 Rm	2010/11 Rm	2011/12 Rm
Equitable share formula	609,313	817,886	910,454
Financial Management Grant	750	1,000	1,250
2010 FIFA World Cup™ Host City Operating Grant	57,357	27,780	–
Public Transport Infrastructure and Systems Grant	332,500	647,270	800,000
Neighbourhood Development Partnership Grant	57,551	59,605	90,570
Municipal Infrastructure Grant	341,774	403,172	346,132
Electricity Demand Side Management Grant	4,000	20,000	20,000
Integrated National Electrification Programme Grant	10,000	41,824	50,000
World Cup Stadiums Development Grant	814,496	122,000	–
Expanded Public Works Programme Incentive Grant	5,134	–	–

Table 24: Provincial allocations

Grant	2009/10 Rm	2010/11 Rm	2011/12 Rm
Personal Primary Health Care Services	158,246	174,431	187,898
Integrated Nutrition	3,604	3,973	4,279
Global Fund	1,000	–	–
HIV and AIDS	26,813	34,808	38,289
Multi-purpose centre	–	1,000	1,000
Integrated Housing and Human Settlement Development Grant	663,499	764,449	901,690
Fire-fighting assistance	500	–	–
Cape Metropolitan Transport Fund	9,300	9,400	9,900
Mobility strategies	10,000	10,000	10,000
Library Services (conditional grant)	19,520	21,347	23,912

9. Expenditure on allocations and grant programmes

Table 25: Expenditure on allocations and grant programmes

Description	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	R thousand	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11
Expenditure						
Operating expenditure of transfers and grants						
National Government	1,768,037	1,917,195	1,917,195	757,298	929,462	999,111
Restructuring	56,855	85,855	85,855	19,964	–	–
Finance management	1,000	3,663	3,663	750	793	839
Department of Water Affairs	6,000	11,541	11,541	6,000	6,342	6,710
Municipal Infrastructure Grant	3,025	3,025	3,025	3,328	3,517	3,721
2010 FIFA World Cup™ Host City Operating Grant	–	–	–	57,357	27,780	–
Public Transport Infrastructure and Systems Grant	–	58,630	58,630	53,000	56,021	59,270
Department of Environmental Affairs and Tourism	7,100	22,100	22,100	16,200	17,123	18,117
Expanded Public Works Programme	–	–	–	9,128	–	–
Equitable share	448,410	486,733	486,733	591,572	817,886	910,454
RSC levies	1,245,648	1,245,648	1,245,648	–	–	–
Provincial Government	282,718	323,493	323,493	407,294	430,510	455,480
Local Government and Housing – Fire-fighting Assistance	1,500	1,500	1,500	425	449	475
Sundry – Water	–	48	48	–	–	–
Social Services	300	300	300	–	–	–
Cultural Affairs and Sport – Library Services	15,356	15,356	15,356	17,020	17,990	19,034
Local Government and Housing – Housing	104,325	134,325	134,325	204,357	216,006	228,534
Sustainable Transport	141	141	141	–	–	–
Other	5,258	5,365	5,365	1,567	1,656	1,752
Health – TB	8,120	8,120	8,120	11,432	12,084	12,784
Health – Global Fund	4,032	4,032	4,032	1,000	1,057	1,118
Health – ARV	20,266	26,969	26,969	20,110	21,256	22,489
Health – Nutrition	3,308	3,308	3,308	3,604	3,809	4,030
Health – Vaccines	7,400	11,316	11,316	21,676	22,912	24,240
Transport – 2010 FIFA World Cup™ Host City	–	–	–	3,000	3,171	3,355
Health – Comprehensive	112,712	112,712	112,712	123,103	130,120	137,667
Other grant providers	22,775	27,297	27,297	32,279	30,631	32,407
DBSA	1,655	1,655	1,655	–	–	–
Private	700	2,577	2,577	2,300	–	–
Tourism	5,000	5,000	5,000	5,000	5,285	5,592
Carnegie	400	2,937	2,937	6,158	6,509	6,887
Mamre Trust	300	300	300	–	–	–
CMTF	13,169	13,169	13,169	16,556	17,500	18,515
Other	1,483	1,483	1,483	1,265	1,337	1,415
World Health Organisation	68	68	68	–	–	–
CID	–	108	108	–	–	–
Gates	–	–	–	1,000	–	–
Total operating expenditure of transfers and grants:	2,073,531	2,267,985	2,267,985	1,196,871	1,390,603	1,486,998

Description	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	R thousand	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11
Capital expenditure of transfers and grants						
National Government	1,308,402	2,838,592	2,838,592	1,818,393	1,066,740	1,191,586
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	–	–	–	4,000	20,000	20,000
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	25,544	23,044	23,044	8,772	36,688	43,860
National Government: Other	250	6,179	6,179	2,412	250	100
National Government: Previous year's DORA allocations	200	257	257	–	6,000	–
National Treasury: Local Government Finance Management Grant	72	4,514	4,514	1,016	–	–
National Treasury: Local Government Restructuring Grant	39,943	64,020	64,020	31,396	–	–
National Treasury: Neighbourhood Development Partnership Grant	75,685	61,350	61,350	57,551	59,605	90,570
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	296,489	432,468	432,468	385,776	296,628	254,800
Sport and Recreation SA: 2010 FIFA World Cup™ Stadiums Development Grant	768,919	1,965,161	1,965,161	545,337	–	–
Transport: Public Transport Infrastructure and Systems Grant	101,300	281,599	281,599	782,134	647,569	782,256
Provincial Government	463,314	633,964	633,964	406,225	442,017	338,498
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	213,600	216,287	216,287	2,954	–	–
Cultural Affairs and Sport: Library Services	–	–	–	2,500	4,646	–
Health: Global Fund	1,600	9,495	9,495	2,804	–	–
Local Government and Housing: Integrated Housing and Human Settlement Development Grant	168,414	281,719	281,719	239,057	347,471	320,998
Local Government and Housing: Previous years' gazetted allocations	10,000	9,130	9,130	20,715	10,000	–
Provincial Government: Previous year's gazetted allocations	23,000	39,877	39,877	–	–	–
Social Development: Multi-purpose Centres	200	3,044	3,044	2,809	–	–
Transport and Public Works: Cape Metropolitan Transport Fund	46,500	74,412	74,412	135,387	79,900	17,500
Other grant providers	53,700	69,441	69,441	70,441	59,049	60,200
Other	53,700	69,441	69,441	70,441	59,049	60,200
Total capital expenditure of Transfers and Grants	1,825,416	3,541,996	3,541,996	2,295,060	1,567,805	1,590,284
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	3,898,947	5,809,982	5,809,982	3,491,931	2,958,409	3,077,282



10. Transfers and grants made by the municipality

Grants-in-Aid (GIA) refer to transfers of municipal funds to organisations or bodies assisting the City, in the exercise of its powers of function in terms of Section 17(3) (j) of the Municipal Finance Management Act (MFMA). These transfer payments must be processed and monitored in terms of Section 67 of the MFMA and do not constitute commercial or business contracts and transactions. Specific provision must be made in the City's annual Operating Budget for Grants-in-Aid in terms of the provisions contained in Section 17(3) (j) of the MFMA. These budget provisions may be made either by subcouncils, who may utilise

their Operating Ward Allocation Budget, or by Line Departments in their departmental Operating Budgets under cost element 457100 – Grants-in-Aid.

The power of the City to make Grants-in-Aid is regulated by Section 156 of the Constitution as read with Section 8 of the MSA. These provisions limit the power to make Grants-in-Aid to circumstances where it is reasonable and necessary for or incidental to the functions and exercise by the municipality of its powers.

Table 26: Transfers and grants made by the municipality

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Transfers to Entities/Other External Mechanisms								
Khayelitsha Community Trust	10,023	–	7,837	7,838	7,838	7,035	7,035	7,035
TOTAL TRANSFERS TO ENTITIES/EXTERNAL MECHANISMS	10,023	–	7,837	7,838	7,838	7,035	7,035	7,035
Transfers to other organs of state								
Northlink College	300	400	–	–	–	–	–	–
Adelaide Educare	–	10	–	–	–	–	–	–
Albertina Sisulu Educare Centre	–	10	–	–	–	–	–	–
College of Cape Town	–	30	–	–	–	–	–	–
GIA: Bosmansdam High School Bothasig	–	10	–	–	–	–	–	–
GIA: Bosmansdam Primary School Bothasig	–	10	–	–	–	–	–	–
GIA: Monte Vista Primary School	–	10	–	–	–	–	–	–
GIA: Panorama Primary School	–	10	–	–	–	–	–	–
GIA: Wolraad Woltemade Primary School	–	10	–	–	–	–	–	–
Tygerhof Primary School	–	12	–	–	–	–	–	–
TOTAL TRANSFERS TO OTHER ORGANS OF STATE	300	512	–	–	–	–	–	–
Grants to other organisations								
2010 FIFA World™ Cup Soccer - Reconfigure golf course	715	2,941	3,248	3,248	3,248			
Achieve It Training	–	30	–	–	–	–	–	–
ACVV Bothasig Creche	–	10	–	–	–	–	–	–
ACVV Bright Lights	–	–	200	200	200	–	–	–
ACVV Koeberg	–	–	49	49	49	–	–	–
ACVV Somerset West	–	–	7	7	7	–	–	–
Adderley Street Night Market	315	331	347	347	347	350	350	350
Adelaide Educare	–	10	–	–	–	–	–	–
Advance South Africa Fair	–	10	–	–	–	–	–	–
Africa Foundation	–	32	–	–	–	–	–	–
Airport Business Opportunities Project	150	–	–	–	–	–	–	–
Albertina Sisulu Educare Centre	–	10	–	–	–	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Allenby Dr Sport	–	60	–	–	–	–	–	–
Alliance for Refugees in SA	–	–	–	–	–	–	–	–
Amy Biehl Foundation	–	80	–	–	–	–	–	–
Animal Anti-Cruelty League (Bellville)	–	–	25	25	25	–	–	–
Animal Anti-Cruelty League (Epping)	–	–	25	25	25	–	–	–
Annual Carnival Project	–	–	994	994	994	–	–	–
Area 2.1 Roving team	–	(5)	–	–	–	–	–	–
Athlone Academy of Music	–	–	20	20	20	–	–	–
Athlone Youth and Family Development Centre	–	–	100	100	100	–	–	–
BABS	–	10	–	–	–	–	–	–
Bambanani Food Gardening – Phillipi	–	10	–	–	–	–	–	–
Baxter Theatre Centre	–	–	34	34	34	–	–	–
Beautiful Gate Ministry	–	21	–	–	–	–	–	–
Beauty for Ashes Ministry	–	39	–	–	–	–	–	–
Bicycling Environmental Network	–	15	–	–	–	–	–	–
Big News for Small Businesses	–	265	290	290	290	–	–	–
Bless Them gospel group	–	20	–	–	–	–	–	–
Bloekombos Men as Partners	–	10	–	–	–	–	–	–
Bonfire theatre company	–	18	–	–	–	–	–	–
Bread For Life	–	10	–	–	–	–	–	–
Build Adult Learning Co-operative (BALCO)	–	–	25	25	25	–	–	–
Business Venture Investments 1317 (Pty) Ltd, (Stade de France and SAIL Group) (for events bidding)	–	–	–	–	–	1,500	1,500	1,500
Calling the Cape	1,680	899	945	945	945	1,086	1,086	1,086
Calvyn Gemeenskaps Ontwikkelings Organisa	–	30	–	–	–	–	–	–
Cape Boat Show	–	75	–	–	–	79	79	79
Cape Afric Platform	–	40	–	–	–	–	–	–
Cape Craft and Design Institute (CCDI)	451	474	566	566	566	651	651	651
Cape Film Commission	625	2,500	4,143	4,143	4,143	4,764	4,764	4,764
Cape Flats YMCA	–	25	–	–	–	–	–	–
Cape Heritage	–	150	–	–	–	–	–	–
Cape IT Initiative – CITI	700	796	708	708	708	815	815	815
Cape Jazzathon – JCQ Productions	–	150	–	–	–	–	–	–
Cape of Good Hope SPCA	–	–	150	150	150	–	–	–
Cape Shark Spotters	–	–	683	683	683	–	–	–
Cape Ship Repair	200	–	250	250	250	–	–	–
Cape Town Boat Building and Technology Initiative (CTBBTI)	262	262	275	275	275	297	297	297
Cape Town Central City Partnership	2,100	5,500	6,000	6,000	6,000	7,500	7,500	7,500
Cape Town City Ballet	–	80	–	–	–	–	–	–
Cape Town Community Housing Company	456	2,550	2,500	2,500	2,500	–	–	–
Cape Town Drug Counselling Centre	–	50	–	–	–	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Cape Town Fashion Council	–	–	400	400	400	–	–	–
Cape Town Fashion Festival 2008	–	500	400	400	400	–	–	–
Cape Town Flats YMCA	–	40	–	–	–	–	–	–
Cape Town Multi-Service Centre	–	–	230	230	230	–	–	–
Cape Town Routes Unlimited	32,000	34,000	36,210	36,210	36,210	–	–	–
Cape Walk of Fame – Maximum Exposure	–	100	–	–	–	–	–	–
Cart Horse Protection Association	–	–	10	10	10	–	–	–
CASE	–	38	–	–	–	–	–	–
Casidra	500	750	750	750	750	–	–	–
Centre for Cities in Africa Initiative	–	350	–	–	–	–	–	–
Centre for Early Childhood Development (CECD)	–	30	80	80	80	–	–	–
Chaeli Campaign	–	20	–	–	–	–	–	–
Changing Hands Food for the Poor	–	4	–	–	–	–	–	–
Child Accident Prevention Foundation of South Africa (CAPFSA)	–	–	22	22	22	–	–	–
Child Welfare South Africa – Helderberg	–	–	30	30	30	–	–	–
Choirs and Bands – Lavender Hill – Ward 68	–	31	–	–	–	–	–	–
Chris Hani Educare Centre	–	8	–	–	–	–	–	–
Chris Hani Educare – Weltevreden Valley	–	10	–	–	–	–	–	–
City Emergency Services: Training, Education and Awareness Marketing (TEAM)	350	–	–	–	–	–	–	–
City Mission Educational Services	–	–	50	50	50	–	–	–
City Mission – Community Upliftment – Lavender Hill	–	8	–	–	–	–	–	–
Claremont Cricket Club (R30,000) and False Bay Rugby Football Club (R24,000)	54	–	24	24	24	–	–	–
College of Magic	–	20	–	–	–	–	–	–
Community Arts Association	–	18	–	–	–	–	–	–
Community Outreach Organisation KenFac	–	–	10	10	10	–	–	–
Community Upliftment – Vuka Mama	–	10	–	–	–	–	–	–
Community Women Action	–	15	34	34	34	–	–	–
Competitions	–	291	–	–	–	–	–	–
Constantia	–	54	–	–	–	–	–	–
CT Boatshow	75	75	79	79	79	–	–	–
Dalukhanyo Pre-school	–	9	–	–	–	–	–	–
De Heide Children's Special Care Unit	–	–	31	31	31	–	–	–
Deaf Community of Cape Town DCCT	–	19	21	21	21	–	–	–
Deaf Sizenzele Association – Mitchells Plain	–	–	60	60	60	–	–	–
Denver and Rene Andreas Youth Club (DRAYC)	–	20	37	37	37	–	–	–
Design Indaba – specific focus to be defined by Head – Sector, Trade and Investment	–	–	–	–	–	200	200	200
Destination Marketing and Visitor Services.	–	–	–	–	–	39,107	39,107	39,107
Director: Operations Support	–	(34)	–	–	–	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Disability Workshop Development Enterprise	–	–	30	30	30	–	–	–
Drug Education Agency (DEA)	–	–	73	73	73	–	–	–
Durbanville Cultural Society	–	62	–	–	–	–	–	–
Durbanville GIA – Quadraplegic Assn. of WC	–	50	–	–	–	–	–	–
Early Years Services (EYS)	–	27	42	42	42	–	–	–
Educompas	–	–	45	45	45	–	–	–
ELF/Montessori Teacher Training	–	–	40	40	40	–	–	–
ELRU	–	–	19	19	19	–	–	–
Empilweni	–	15	–	–	–	–	–	–
Eoan Group	–	40	–	–	–	–	–	–
Erasmus Sunshine Day Care	–	10	–	–	–	–	–	–
Etafeni Daycare Centre	–	20	–	–	–	–	–	–
Ethel's Place	–	–	124	124	124	–	–	–
Extra Mural Education Project	–	30	–	–	–	–	–	–
Fadelas Dancing Academy	–	10	–	–	–	–	–	–
Fashion Board Cape	–	500	–	–	–	–	–	–
Fish Hoek CID – Upgrade control room	–	20	–	–	–	–	–	–
Fish Hoek Life Saving Club	–	14	–	–	–	–	–	–
Fish Hoek Sportfield	–	38	–	–	–	–	–	–
Fish Hoek Sports Association R32,463,96 (R2,705,33 per month)	–	38	32	32	32	–	–	–
Food Garden – Seawinds/Sibanye Gardens	–	38	–	–	–	–	–	–
Foundation For Community Work (FCW)	–	20	76	76	76	–	–	–
Freewheelers Cycling Club	–	6	–	–	–	–	–	–
Friends of Bonteheuwel Library	–	8	–	–	–	–	–	–
Friends of Hope Organisation – street sweeping	–	5	–	–	–	–	–	–
Furniture industry – specific focus to be defined by Head– Sector, Trade and Investment	–	–	–	–	–	250	250	250
Gender Advocacy Programme	–	37	–	–	–	–	–	–
G-Force Arts & Culture Development Programme	–	10	–	–	–	–	–	–
GIA: 3rd Watch Neighbourhood Watch	–	8	–	–	–	–	–	–
GIA: African Mountain Biking	–	20	–	–	–	–	–	–
GIA: Choral and Gospel competition – W52	–	60	–	–	–	–	–	–
GIA: Equipment – Siyakha Community Project	–	10	–	–	–	–	–	–
GIA: Uniforms and equipment – Clean Green Project	–	20	–	–	–	–	–	–
GIA: Ward 46	–	185	–	–	–	–	–	–
GIA: Ward 47	–	194	–	–	–	–	–	–
GIA: Ward 48	–	170	–	–	–	–	–	–
GIA: Ward 49	–	166	–	–	–	–	–	–
GIA: Ward 52	–	60	–	–	–	–	–	–
GIA: Ward 60	–	10	–	–	–	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
GIA: Friends of Rondebosch Common	–	5	–	–	–	–	–	–
GIA Poverty: House of Healing	–	8	–	–	–	–	–	–
GIA Poverty: Littlewood Primary	–	20	–	–	–	–	–	–
GIA Poverty: Tama Goju Karate Club	–	7	–	–	–	–	–	–
GIA Poverty: Eastridge Sport Council	–	10	–	–	–	–	–	–
GIA Poverty: New Image Senior Club	–	7	–	–	–	–	–	–
GIA: Sensational Youth Development Band	–	5	–	–	–	–	–	–
GIA: Bothasig Library Friends	–	10	–	–	–	–	–	–
GIA: Alta du Toit	–	10	–	–	–	–	–	–
GIA: Bothasig Sport Facility Man Com	–	30	–	–	–	–	–	–
GIA: Conspirito Music Organisation	–	10	–	–	–	–	–	–
GIA: Edgemean Library Friends	–	10	–	–	–	–	–	–
GIA: Edgemean Sport Facility Man Com	–	30	–	–	–	–	–	–
GIA: Friends of Tygerberg Nature Reserve	–	5	–	–	–	–	–	–
GIA: Helping Hands Bothasig	–	5	–	–	–	–	–	–
GIA: Jubeleum Centre	–	10	–	–	–	–	–	–
GIA: Lions Intern De Grendel Club	–	5	–	–	–	–	–	–
GIA: Meritorius Organisations (S/C)	–	43	–	–	–	–	–	–
GIA: Panorama Palms Retirement Complex	–	10	–	–	–	–	–	–
GIA: Tygerberg Nature Reserve	–	10	–	–	–	–	–	–
GIA: Vink's Greenbelt Association and EKR	–	20	–	–	–	–	–	–
GIA: Family Abuse, NG Kerk Durbanville Bergsig	–	80	–	–	–	–	–	–
GIA: Grant in Aid and Senior Function 102	–	33	–	–	–	–	–	–
GIA: Ward 101	–	35	–	–	–	–	–	–
GIA: Ward 3	–	86	–	–	–	–	–	–
GIA: Ward 6	–	40	–	–	–	–	–	–
GIA: Ward 7	–	70	–	–	–	–	–	–
GIA: Ward 8	–	40	–	–	–	–	–	–
GIA: Imperial Primary	–	10	–	–	–	–	–	–
GIA: Krasivi Cleaning project Ward 8	–	51	–	–	–	–	–	–
GIA: Baxter Theatre Complex – Cultural Upliftment	–	10	–	–	–	–	–	–
GIA: Broadlands Park Soup Kitchen	–	10	–	–	–	–	–	–
GIA: Casablanca Kinders van die Koning	–	10	–	–	–	–	–	–
GIA: Community Bible School	–	5	–	–	–	–	–	–
GIA: Gustrow Soup Kitchen	–	10	–	–	–	–	–	–
GIA: Intsika Yethu Senior Club	–	5	–	–	–	–	–	–
GIA: Retreat Aquatic Lifesavers – Ward 68	–	5	–	–	–	–	–	–
GIA: Sinakho Project	–	5	–	–	–	–	–	–
Girls and Boys Town	–	–	121	121	121	–	–	–
Good Hope Play Centre	–	7	–	–	–	–	–	–
GIA: ICLEI Africa	–	1,500	–	–	–	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
GIA: Donations	–	20	–	–	–	–	–	–
GIA: Sports councils	–	1,149	–	–	–	–	–	–
GIA: ESP Afrika	–	1,988	–	–	–	–	–	–
GIA: Youth Activities	–	25	–	–	–	–	–	–
GIA: Arts and Culture	–	50	–	–	–	–	–	–
GIA: Ward 22	–	(5)	–	–	–	–	–	–
GIA	–	10	–	–	–	–	–	–
GIA: Music School	–	5	–	–	–	–	–	–
GIA: Arts and culture	–	40	–	–	–	–	–	–
GIA: Donation	–	165	–	–	–	–	–	–
GIA: Project Manager for the Nat	–	120	–	–	–	–	–	–
GIA: Safety and Security	–	15	–	–	–	–	–	–
GIA: Ward 12	–	70	–	–	–	–	–	–
GIA: Ward 95	–	95	–	–	–	–	–	–
GIA: Ward 96	–	95	–	–	–	–	–	–
Grants in Aid (Wards 2, 25, 26, 28)	–	147	–	–	–	–	–	–
GIA: Ward 13	–	60	–	–	–	–	–	–
GIA: Ward 20	–	50	–	–	–	–	–	–
GIA: Ward 89	–	35	–	–	–	–	–	–
GIA: Ward 98	–	120	–	–	–	–	–	–
GIA: Ward 99	–	100	–	–	–	–	–	–
GIA	–	344	–	–	–	–	–	–
Grants in support of developmental initiatives	–	–	–	–	–	–	–	–
Grants in support of events and film related City competitiveness initiatives	–	–	–	–	–	1,500	1,500	1,500
GIA to NGOs – Ward 84	–	30	–	–	–	–	–	–
GIA: Ward 100	–	20	–	–	–	–	–	–
GIA: Ward 83	–	37	–	–	–	–	–	–
GIA: Ward 85	–	100	–	–	–	–	–	–
GIA: Ward 86	–	143	–	–	–	–	–	–
GIA: Ward15	–	134	–	–	–	–	–	–
Grassroots	–	–	28	28	28	–	–	–
Grassroots Adult Education	–	30	–	–	–	–	–	–
Great Wines Capital Network	–	–	340	340	340	180	180	180
Green Park Brentwood Park Sikhumbule	–	20	–	–	–	–	–	–
Groenewald Road Sports Association R25,000 (R6,250 per quarter)	25	–	25	25	25	–	–	–
Groenewald Street	–	31	–	–	–	–	–	–
Hands to Aids SA	–	18	–	–	–	–	–	–
Hanover Women's Development Forum	–	25	–	–	–	–	–	–
Harlequin Foundatione c/o eMzantsi Carnival	–	40	40	40	40	–	–	–
Haven Night Shelter – District Six	–	–	54	54	54	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Haven Night Shelter – Haven Homes	–	–	25	25	25	–	–	–
Haven Night Shelter – Napier Street	–	–	18	18	18	–	–	–
Haven Night Shelter – Retreat	–	–	48	48	48	–	–	–
Haven Night Shelter – Wynberg	–	–	40	40	40	–	–	–
Haven of Strength – Lavender Hill	–	10	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–
Hearts of Men	–	–	58	58	58	–	–	–
Heaven of Hope Organisation – Community Upliftment	–	8	–	–	–	–	–	–
HEAVPRO	–	15	–	–	–	–	–	–
Hi Hopes Early Intervention Programme (WITS Centre for Deaf Studies)	–	–	190	190	190	–	–	–
High Spirited Skills	–	62	–	–	–	–	–	–
Home Street People's Ministry	–	–	20	20	20	–	–	–
Homeless People Sanctuary (HOPES)	–	–	117	117	117	–	–	–
Homestead	–	–	200	200	200	–	–	–
Hope Again Recovery Home	–	–	90	90	90	–	–	–
Hope House	–	20	–	–	–	–	–	–
Hout Bay Educare	–	10	–	–	–	–	–	–
IDP	–	–	350	350	350	–	–	–
iKapa Dance Theatre	–	–	40	40	40	–	–	–
Iliwa Laphakade Evangelical Ministries	–	25	–	–	–	–	–	–
Imizamayethu Educare Philippi East	–	10	–	–	–	–	–	–
In busa Community Upliftment	–	10	–	–	–	–	–	–
Inclusive Education Western Cape	–	10	–	–	–	–	–	–
Inzame Zethu Educare Centre	–	8	–	–	–	–	–	–
Isibane Sethu Educare	–	15	–	–	–	–	–	–
Islamic Relief	–	10	–	–	–	–	–	–
Iziko Lo Lwazi Craft Workers	–	30	–	–	–	–	–	–
Jazzart Dance Theatre	–	50	–	–	–	–	–	–
Jikeleza	–	40	–	–	–	–	–	–
Jireh Community Projects	–	–	7	7	7	–	–	–
Jongani Amasimi	–	–	20	20	20	–	–	–
Jubilee Community Development Centre	–	10	–	–	–	–	–	–
Jungle Theatre Company	–	–	35	35	35	–	–	–
Kamva Educare, Village 4, Phillipi	–	15	–	–	–	–	–	–
Karabo	–	10	–	–	–	–	–	–
Kensington/Factreton Health Committee	–	10	–	–	–	–	–	–
Khayelitsha Festival	–	400	–	–	–	–	–	–
Khumbulani Centre	–	–	18	18	18	–	–	–
Khumbulani Day Care Centre	–	2	–	–	–	–	–	–
Khumbulani Orphanage	–	15	–	–	–	–	–	–
Kommetjie Environmental Awareness Group	–	–	49	49	49	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11
Kukhanyile Educare	–	10	–	–	–	–	–	–
La Rosa Spanish Dance	–	50	–	–	–	–	–	–
Lavender Hill Outreach Programme	–	6	–	–	–	–	–	–
Lavender Hill Sports and Recreation	–	10	–	–	–	–	–	–
Lead International Ministry	–	10	–	–	–	–	–	–
Library Business Corners	300	300	300	300	300	–	–	–
Lifeline/Childline Western Cape	–	20	–	–	–	–	–	–
Living Grace	–	–	45	45	45	–	–	–
Living Hope Community Centre	–	–	45	45	45	–	–	–
Lucas Mbebe Educare	–	10	–	–	–	–	–	–
Lukhanyo Educare Centre	–	10	–	–	–	–	–	–
Lwandle Pre-school	–	5	–	–	–	–	–	–
MaAfrika Tikkun – Eastern Sub-district	–	–	274	274	274	–	–	–
Mandalay Educare Centre	–	10	–	–	–	–	–	–
Manenberg People Centre	–	50	–	–	–	–	–	–
Manyani Youth Group	–	10	–	–	–	–	–	–
Martha's Educare Centre	–	5	–	–	–	–	–	–
Masakh'ubuzwe Community Project	–	10	–	–	–	–	–	–
Masibambane Educare	–	10	–	–	–	–	–	–
Masibambane Senior Club	–	10	–	–	–	–	–	–
Masikhululeke Educare	–	7	–	–	–	–	–	–
Masinedane Educare – Phillipi East	–	10	–	–	–	–	–	–
Masiphumelele Educare Centre	–	10	–	–	–	–	–	–
Masiqumane Organisation – Community Upliftment	–	10	–	–	–	–	–	–
Masisebenzisane Educare Centre	–	10	–	–	–	–	–	–
Masizakhe Educare Centre	–	10	–	–	–	–	–	–
Mathabo Educare Centre	–	7	–	–	–	–	–	–
Mayfair Healing Centre	–	10	–	–	–	–	–	–
Mayor's Projects	–	2,361	–	–	–	–	–	–
Mdzananda Animal Clinic	–	–	10	10	10	–	–	–
Meadowridge Football Club (R4,500 per quarter)	18	18	18	18	18	–	–	–
Men on the Side of the Road	–	–	40	40	40	–	–	–
Mens Trust Southern Africa	–	20	–	–	–	–	–	–
Minstrels and Cape Town Festival	3,507	500	3,924	3,924	3,924	4,979	4,979	4,979
Mission Care	–	51	150	150	150	–	–	–
Moira Henderson House	–	–	13	13	13	–	–	–
Monkey Biz South Africa	–	30	–	–	–	–	–	–
Montessori Institute of Learning	–	–	21	21	21	–	–	–
Mosaic Training and Healing Service	–	45	–	–	–	–	–	–
Muizenberg Parks	–	34	–	–	–	–	–	–
Multi-Purpose Talent Group	–	–	10	10	10	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Music Industry – specific focus to be defined by Head – Sector, Trade and Investment	–	–	–	–	–	200	200	200
Music Therapy Community Clinic	–	40	–	–	–	–	–	–
Mzomomhle Educare	–	10	–	–	–	–	–	–
Nande Beading, Painting and Refreshment	–	30	–	–	–	–	–	–
Nar Conon Drug Education Cape Town	–	10	43	43	43	–	–	–
National Institute for Crime Prevention	–	20	–	–	–	–	–	–
New Africa Theatre Association	–	–	40	40	40	–	–	–
New Woman Movement – Phillipi	–	10	–	–	–	–	–	–
New World Foundation – Festive Season Programme	–	10	–	–	–	–	–	–
New World Foundation – Leadership Programme	–	15	–	–	–	–	–	–
New World Foundation – Women’s empowerment	–	5	–	–	–	–	–	–
No Limits	–	–	170	170	170	–	–	–
Nobantu Educare Centre	–	10	–	–	–	–	–	–
Nolongile Educare – Phillipi East	–	10	–	–	–	–	–	–
Nolufefe Educare – 374 2564 – Phillipi	–	10	–	–	–	–	–	–
Nolukhanyiso Educare	–	10	–	–	–	–	–	–
Noluvuyo Educare	–	3	–	–	–	–	–	–
Nomthandazo Educare Centre	–	10	–	–	–	–	–	–
Nomzamo Educare	–	15	–	–	–	–	–	–
Nomzamo Pre-school	–	3	–	–	–	–	–	–
Nonsiseko Educare Centre	–	10	–	–	–	–	–	–
Nontsebenziswano Educare – Phillipi	–	15	–	–	–	–	–	–
Nonzame Educare	–	10	–	–	–	–	–	–
Noordhoek District Civic Association	–	–	12	12	12	–	–	–
Noordhoek District Civic Association R12,000 per annum	7	–	12	12	12	–	–	–
Noordhoek District Civic Association R36,000 (R9,000 per quarter)	36	–	36	36	36	–	–	–
Noordhoek Sportfield	–	27	–	–	–	–	–	–
Noxolo Educare Centre	–	10	–	–	–	–	–	–
Oaks of Righteousness Foundation	–	8	28	28	28	–	–	–
Oasis	–	55	229	229	229	–	–	–
Obz Festival Out of the Box	–	250	–	–	–	–	–	–
Ocean View Atlantic Super Stars	–	10	–	–	–	–	–	–
Ons Plek	–	–	200	200	200	–	–	–
Open for Business	500	500	500	500	500	–	–	–
OWL Haven Shelter – Lansdowne	–	–	30	30	30	–	–	–
Palace of the Winds	–	–	30	30	30	–	–	–
PASCaP	–	15	30	30	30	–	–	–
People’s Dispensary for Sick Animals (SA)	–	–	115	115	115	–	–	–
Percy Bartlett House	–	–	100	100	100	–	–	–
Philani Child Health and Nutrition Project	–	–	274	274	274	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Philani Nutrition Project Klipfontein Sub-district	647	–	245	245	245	–	–	–
Philippi Community Education Project	–	–	49	49	49	–	–	–
Philippi East Development Initiative (PEDI)	150	150	150	150	150	–	–	–
Philippi Trust SA	–	20	–	–	–	–	–	–
Poverty alleviation – Ward 82	–	45	–	–	–	–	–	–
Qondisa Education and Training Organisation	–	–	45	45	45	–	–	–
Quaker Peace Centre	–	15	–	–	–	–	–	–
Rape Crisis Helderberg	–	30	–	–	–	–	–	–
Read and Write Literacy Programme	–	–	20	20	20	–	–	–
Retreat Sports Board of Control R80,000 (R20,000 per quarter)	80	–	80	80	80	–	–	–
Road March	–	449	–	–	–	–	–	–
SA Circle of Dance Academy	–	40	–	–	–	–	–	–
SA Education and Environment Project	–	15	–	–	–	–	–	–
SA International Ballet Competition	–	200	–	–	–	–	–	–
SA Labour Research Institute	–	375	–	–	–	–	–	–
SA Media and Gender Institute	–	10	–	–	–	–	–	–
SA Scriptwriters' Association	–	30	–	–	–	–	–	–
Salesians	–	10	100	100	100	–	–	–
Samila Gender Counselling and Support Care	–	15	–	–	–	–	–	–
Samora Educare – Weltevreden Valley	–	15	–	–	–	–	–	–
SANCA	–	57	–	–	–	–	–	–
SANParks Table Mountain Fund (Environmental Planning)	1,625	–	–	–	–	–	–	–
SANParks Table Mountain Fund (Nature Conservation)	1,645	–	–	–	–	–	–	–
Santa Western Cape	–	20	–	–	–	–	–	–
SC 6_Ward 9 – Equipment Winsley Drummies	–	10	–	–	–	–	–	–
SC 6_Ward 9 – GIA	–	40	–	–	–	–	–	–
SC 6_Ward 9 – Tables and chairs_Dart Club	–	10	–	–	–	–	–	–
SC6_Ward 10 – GIA	–	52	–	–	–	–	–	–
SC6_Ward 22 – GIA	–	80	–	–	–	–	–	–
SC6_Ward 9 – Uniforms Community Band Royal Crusaders	–	10	–	–	–	–	–	–
Sea Point Parks – Company's Garden Information Centre	–	–	30	30	30	–	–	–
SEDA	–	–	573	573	573	–	–	–
Selfhelp Manenberg	–	15	80	80	80	–	–	–
Selfhelp Manenberg	–	–	18	18	18	–	–	–
Senior Function: Ward 101	–	–	–	–	–	–	–	–
Senior Function: Ward 7	–	(9)	–	–	–	–	–	–
Senior Function: Ward 6	–	–	–	–	–	–	–	–
Sesona Sibane (HIV/Aids)	–	10	–	–	–	–	–	–
Sex Worker Education and Advocacy Taskforce (S.W.E.A.T)	–	20	65	65	65	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Shine Trust, Shine Centre	–	–	21	21	21	–	–	–
Shooting Star Events	–	10	–	–	–	–	–	–
Sibusiswe Community Care	–	30	–	–	–	–	–	–
Sikho-Sonke	–	–	17	17	17	–	–	–
Sinakho Project	–	10	–	–	–	–	–	–
Sinethemba Educare Centre	–	10	–	–	–	–	–	–
Sinethemba/Silulutho Community Group	–	15	–	–	–	–	–	–
Sinxolo Educare Centre	–	5	–	–	–	–	–	–
Siphamandla Educare	–	10	–	–	–	–	–	–
Sithengi	250	–	–	–	–	–	–	–
Sivukile Educare – Phillipi	–	10	–	–	–	–	–	–
Siyayohisa Youth	–	17	–	–	–	–	–	–
Siyazama Pre-school – Phillipi East	–	10	–	–	–	–	–	–
Sizwe Day Care	–	6	–	–	–	–	–	–
Skierieland Beheer Komitee ACVV	–	6	–	–	–	–	–	–
SMAC	–	35	–	–	–	–	–	–
Sobambisana Community Development Programme	–	–	13	13	13	–	–	–
Social development: External organisations to apply for grant in new financial year	6,341	–	3,232	3,232	3,232	–	–	–
Soil for Life – Seawinds and Sibanye	–	17	–	–	–	–	–	–
Soil for Life – Seawinds Food Garden	–	18	–	–	–	–	–	–
Solid waste: Applications through a formal RFP procedure to allocate grants to organisations who promote recycling and the useful application of waste.	137	–	–	–	–	–	–	–
Soup Kitchen – Hillview Upliftment Project	–	5	–	–	–	–	–	–
South African Labour Research Institute	375	375	–	–	–	–	–	–
South African Oil and Gas Alliance	262	–	275	275	275	297	297	297
Southern African Media and Gender Institute	–	27	–	–	–	–	–	–
Soyile Pre-school	–	10	–	–	–	–	–	–
Sport and recreation: Local sport and recreation councils or associations etc, to apply for grants in new financial year.	1,046	–	1,248	1,248	1,248	–	–	–
St Anne's Stroller Moms Project	–	41	–	–	–	–	–	–
St John – South Peninsula	–	5	–	–	–	–	–	–
St. Augustine's Cricket Club (R18 750 per quarter)	75	69	75	75	75	–	–	–
Steenberg	–	4	–	–	–	–	–	–
Steenberg Cultural Group	–	3	–	–	–	–	–	–
Steenberg Ladies Soup Kitchen	–	5	–	–	–	–	–	–
Straatwerk	–	–	100	100	100	–	–	–
Street People/Homeless Agency – Ward 12	–	10	–	–	–	–	–	–
Subsidy Homeowners Redemption	–	–	6,500	6,500	6,500	–	–	–
Surrey Estate HIV/Aids and Drug Counselling Centre (SADCOC/Haven)	–	–	12	12	12	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Table View Baseball Club	–	25	–	–	–	–	–	–
Teen Challenge SA	–	–	75	75	75	–	–	–
Tercia Kindo Arts Project	–	–	10	10	10	–	–	–
Thantaswa Educare Centre	–	10	–	–	–	–	–	–
The Animal Welfare Society of South Africa	–	–	90	90	90	–	–	–
The Ark	–	–	200	200	200	–	–	–
The Ark – City of Refuge	–	–	37	37	37	–	–	–
The Bell Valley HIV/Aids Initiative	–	20	–	–	–	–	–	–
The Big Issue – Cape Town	–	–	40	40	40	–	–	–
The Carpenters Shop	–	47	40	40	40	–	–	–
The Deaf Community of Cape Town	–	11	–	–	–	–	–	–
The Haven Night Shelter	–	36	–	–	–	–	–	–
The Haven Night Shelter – District 6	–	–	200	200	200	–	–	–
The Haven Night Shelter – Head Office	–	–	200	200	200	–	–	–
The Haven Night Shelter – Retreat	–	36	–	–	–	–	–	–
The Homestead	–	–	20	20	20	–	–	–
The Parent Centre	–	10	–	–	–	–	–	–
The Space Theatre Trust	–	–	60	60	60	–	–	–
Themba Work Centre by the Disabled	–	12	–	–	–	–	–	–
Three Cord Family Development Services	–	17	–	–	–	–	–	–
Thupelo Cape	–	35	–	–	–	–	–	–
TLC Outreach Projects	–	–	40	40	40	–	–	–
Tourism Development Management	–	219	–	–	–	–	–	–
Trinity Project International	–	10	–	–	–	–	–	–
Try Again Educare Centre – Phillipi	–	15	–	–	–	–	–	–
Tygerberg Association for Street People (TASP)	–	–	56	56	56	–	–	–
Ulwazi Educare Centre	–	10	–	–	–	–	–	–
Umthi Wesizwe Organisation – Phillipi	–	10	–	–	–	–	–	–
Umthombo Woluntu Development Excellence	–	20	–	–	–	–	–	–
United Youth Movement – Lavender Hill	–	4	–	–	–	–	–	–
Valencia United Football Club	–	10	–	–	–	–	–	–
Valley Development Project	–	37	–	–	–	–	–	–
Village Care Centre	–	–	158	158	158	–	–	–
Voice of the Cape Homecoming Festival	–	56	–	–	–	–	–	–
Vusisizwe Educare Centre	–	15	–	–	–	–	–	–
War on Aids	–	10	–	–	–	–	–	–
Ward Allocations – various allocations to subcouncils	4,821	814	3,398	3,398	3,398	–	–	–
Wesgro	7,050	7,800	8,190	8,190	8,190	8,845	8,845	8,845
Western Cape Primary Science Programme	–	150	–	–	–	–	–	–
Western Cape Street Soccer League	–	–	200	200	200	–	–	–
Western Cape Street Soccer League – Homeless World Cup	–	–	400	400	400	–	–	–

Description	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Westlake United Church	–	30	–	–	–	–	–	–
Where Rainbows Meet Training and Development Foundation	–	–	58	58	58	–	–	–
Whole World Women Association	–	10	–	–	–	–	–	–
Woodside Special Care Centre	–	30	–	–	–	–	–	–
Wynberg Parks – Ottery Sports Board	18	6	30	30	30	–	–	–
Xolani Day Care	–	10	–	–	–	–	–	–
YG Management	–	228	–	–	–	–	–	–
Youth for Christ	–	10	–	–	–	–	–	–
Youth with a Purpose	–	–	30	30	30	–	–	–
Zafira IT Foundation	–	–	20	20	20	–	–	–
Zama – Zama Educare Centre	–	10	–	–	–	–	–	–
Zama Zama Educare – Phillipi	–	10	–	–	–	–	–	–
Zanokhanyo Educare Centre	–	10	–	–	–	–	–	–
TOTAL GRANTS TO OTHER ORGANISATIONS	69,548	81,287	95,673	95,673	95,673	72,600	72,600	72,600
TOTAL TRANSFERS AND GRANTS	79,871	81,799	103,510	103,511	103,511	79,635	79,635	79,635

11. Councillor and board member allowances and employee benefits

Table 27: Councillor and board member allowances and employee benefits

Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Councillors (political office bearers plus other)									
Salary	35,241	46,068	42,747	47,102	50,773	50,773	54,903	58,598	62,582
Pension contributions	4,602	6,692	6,711	7,152	7,152	7,152	7,867	8,396	8,968
Medical aid contributions	1,087	245	–	–	–	–	–	–	–
Motor vehicle allowances	9,863	11,516	17,228	19,021	19,021	19,021	20,923	22,332	23,851
Cellphone allowances	–	–	2,102	2,333	2,333	2,333	2,567	2,739	2,925
Housing allowances	1,008	1,417	2,147	–	–	–	–	–	–
Sub-total – Councillors	51,801	65,938	70,935	75,608	79,279	79,279	86,260	92,065	98,326
Percentage increase	–	27,3%	7,6%	6,6%	4,9%	–	8,8%	6,7%	6,8%
Senior managers of the Municipality									
Salary	8,434	9,006	10,191	10,967	10,967	10,967	11,904	13,273	14,560
Pension contributions	556	1,143	1,392	1,225	1,225	1,225	1,665	1,935	2,122
Medical aid contributions	–	–	–	211	211	211	250	290	319
Motor vehicle allowances	660	735	847	792	792	792	799	799	799

Description	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework			
	R thousand	Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Cellphone allowance	–	–	–	–	12	12	12	129	129	129
Performance bonuses	930	942	801	1,726	1,726	1,726	1,734	2,050	2,189	
Other benefits or allowances	–	–	–	96	96	96	58	66	72	
Sub-total – Senior managers of the municipality	10,580	11,826	13,231	15,017	15,029	15,029	16,539	18,542	20,190	
Percentage increase	–	11,8%	11,9%	13,5%	0,1%	–	10,0%	12,1%	8,9%	
Other municipal staff										
Basic salaries and wages	2,051,293	2,167,572	2,284,730	3,499,841	3,373,809	3,373,809	3,738,120	4,344,076	4,765,512	
Pension contributions	291,192	318,575	374,654	386,750	388,564	388,564	664,614	772,426	847,351	
Medical aid contributions	190,123	196,006	220,000	264,937	264,957	264,957	327,399	380,439	417,340	
Motor vehicle allowances	121,645	130,114	150,770	150,423	152,242	152,242	164,574	191,364	210,004	
Cellphone allowances	–	–	–	–	2,336	2,336	10,600	12,338	13,547	
Housing allowances	44,325	43,025	50,580	48,392	48,390	48,390	56,657	65,835	72,221	
Overtime	117,136	146,108	193,460	162,794	167,763	167,763	190,664	221,551	243,042	
Performance bonuses	–	(21,607)	–	–	–	–	–	–	–	
Other benefits or allowances	139,233	309,831	511,802	251,550	249,824	249,824	286,878	333,353	365,690	
Sub-total – Other municipal staff	2,954,947	3,289,624	3,785,996	4,764,687	4,647,885	4,647,885	5,439,506	6,321,382	6,934,707	
Percentage increase	–	11,3%	15,1%	25,9%	(2,5%)	–	17,0%	16,2%	9,7%	
Total parent municipality	3,017,328	3,367,388	3,870,162	4,855,312	4,742,193	4,742,193	5,542,305	6,431,989	7,053,223	
	–	11,6%	14,9%	25,5%	(2,3%)	–	16,9%	16,1%	9,7%	
Board members of entities										
Board fees	–	103	329	340	355	355	362	312	330	
Sub-total – Board members of entities	–	103	329	340	355	355	362	312	330	
Percentage increase	–	–	219,9%	3,3%	4,4%	–	2,1%	(13,8%)	5,6%	
Senior managers of entities										
Salary	–	–	858	2,287	2,131	2,078	2,228	2,366	2,518	
Motor vehicle allowances	–	–	86	–	155	131	168	188	204	
Sub-total – Senior managers of entities	–	–	945	2,287	2,287	2,209	2,397	2,554	2,722	
Percentage increase	–	–	–	142,1%	–	(3,4%)	8,5%	6,6%	6,6%	
Other staff of entities										
Basic salaries and wages	–	–	40	134	134	136	115	125	135	
Motor vehicle allowances	–	–	10	–	–	–	30	32	35	
Sub-total – Other staff of entities	–	–	50	134	134	136	145	157	170	
Percentage increase	–	–	–	167,1%	–	1,5%	6,7%	8,3%	8,3%	
Total municipal entities	–	103	1,324	2,761	2,776	2,700	2,904	3,023	3,222	
TOTAL SALARY, ALLOWANCES AND BENEFITS	3,017,328	3,367,491	3,871,486	4,858,073	4,744,969	4,744,893	5,545,209	6,435,012	7,056,445	
Percentage increase	–	11,6%	15,0%	25,5%	(2,3%)	(0,0%)	16,9%	16,0%	9,7%	
TOTAL MANAGERS AND STAFF	2,965,527	3,301,450	3,800,222	4,782,125	4,665,335	4,665,259	5,458,587	6,342,635	6,957,789	

Table 28: Salaries, allowances and benefits (political office bearers, councillors and senior managers)

Disclosure of salaries, allowances and benefits	Salary	Contribution	Allowances	Performance bonuses	In-kind benefits	Total package
Councillors						
Speaker	566,451	–	206,399	–	–	772,850
Chief Whip	531,048	–	194,598	–	–	725,646
Executive Mayor	708,065	–	271,229	–	–	979,294
Deputy Executive Mayor	566,451	–	206,399	–	–	772,850
Mayoral Committee	5,664,512	–	1,591,952	–	–	7,256,464
Total for all other councillors	46,866,292	–	28,886,433	–	–	75,752,725
Total councillors	54,902,819	–	31,357,010	–	–	86,259,829
Senior managers of the Municipality						
Municipal Manager (MM)	1,154,218	203,895	68,000	177,506	–	1,603,619
Chief Finance Officer	847,729	169,131	130,863	144,103	–	1,291,826
Executive Director – Community Services	913,135	141,032	97,800	144,103	–	1,296,070
Executive Director – Economic and Social Development	842,266	143,902	85,800	133,936	–	1,205,904
Executive Director – Safety and Security	551,524	409,966	–	–	–	961,490
Executive Director – Health	754,297	159,762	138,999	133,426	–	1,186,484
Executive Director – Transport Roads and Stormwater	951,503	115,204	13,800	133,937	–	1,214,444
Executive Director – Service Delivery and Integration	992,889	148,995	61,800	150,073	–	1,353,757
Executive Director – Housing	936,222	153,295	43,800	141,036	–	1,274,353
Executive Director – Corporate Services	903,120	149,027	63,600	141,036	–	1,256,783
Executive Director – Strategy and Planning	1,069,172	–	48,506	141,037	–	1,258,715
Chief Audit Executive	980,370	–	80,070	133,129	–	1,193,569
Executive Director – Utility Services	1,007,924	174,609	99,072	160,401	–	1,442,006
Total senior managers of the municipality	11,904,369	1,968,818	932,110	1,733,723	–	16,539,020
Convenco	1,260,000	–	–	–	–	1,260,000
Khayelitsha Community Trust	446,305	–	155,375	–	–	601,680
Total for municipal entities	1,706,305	–	155,375	–	–	1,861,680
TOTAL COST OF COUNCILLOR, DIRECTOR AND EXECUTIVE REMUNERATION	68,513,493	1,968,818	32,444,495	1,733,723	–	104,660,529



12. Monthly targets for revenue, expenditure and cash flow

Table 29: Monthly targets for revenue and cash flow															
Monthly cash flow R thousand	Budget year 2009/10											2009/10 Medium-term revenue and expenditure framework			
	July	August	September	October	November	December	January	February	March	April	May	June	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Cash receipts by source															
Property rates	851,660	844,815	1,005,353	978,305	966,430	1,101,199	985,665	1,046,999	1,097,061	977,472	1,087,314	1,090,696	12,032,969	14,134,030	16,454,771
Rental of facilities and equipment	37,836	37,836	37,836	37,836	37,836	37,836	37,836	37,836	37,836	37,836	37,836	37,831	454,027	490,686	524,523
Interest earned – external investments	27,237	31,101	26,489	22,293	17,443	17,563	20,332	18,213	24,965	23,833	20,972	19,320	269,761	272,457	229,692
Agency services	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	1,740,000	1,844,400	1,955,064
Transfer receipts – operational	813,348	171,142	190,556	202,092	341,816	155,788	151,784	469,507	207,591	200,886	262,105	226,527	3,393,142	2,910,009	3,028,073
Other revenue	36,715	4,716	10,274	1,952	3,672	2,675	9,290	7,440	14,822	4,450	2,638	2,552	101,196	104,334	107,708
Cash receipts by source	1,911,796	1,234,610	1,415,508	1,387,478	1,512,197	1,460,061	1,349,907	1,724,995	1,527,275	1,389,477	1,555,865	1,521,926	17,991,095	19,755,915	22,299,831
Other cash flows by source															
Transfer receipts – capital	457,000	–	–	–	349,000	–	–	565,610	–	–	–	–	1,371,610	1,517,439	1,619,494
Borrowing long term/ refinancing	–	–	–	–	–	1,000,000	–	–	–	–	–	1,000,000	2,000,000	1,500,000	1,500,000
Total cash receipts by source	2,368,796	1,234,610	1,415,508	1,387,478	1,861,197	2,460,061	1,349,907	2,290,605	1,527,275	1,389,477	1,555,865	2,521,926	21,362,705	22,773,354	25,419,325
Cash payments by type															
Employee related costs	405,966	402,337	397,213	402,266	599,578	538,972	462,058	428,648	456,484	433,968	462,720	465,835	5,456,045	6,364,610	6,981,014
Bulk purchases – Electricity	351,263	459,088	431,924	268,899	259,639	250,964	238,513	248,320	245,495	239,838	259,077	247,295	3,500,315	4,476,829	5,719,086
Bulk purchases – Water and Sewer	–	24,131	24,131	24,131	24,131	24,131	24,131	24,131	24,131	24,131	24,131	48,269	289,579	370,676	431,147
Contracted services	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	1,740,000	1,844,400	1,955,064
General expenses	470,022	361,946	365,186	461,810	365,765	408,970	390,830	344,634	353,833	414,999	410,039	477,487	4,825,521	5,081,404	5,492,671
Cash payments by type	1,372,251	1,392,502	1,363,454	1,302,106	1,394,113	1,368,037	1,260,532	1,190,733	1,224,943	1,257,936	1,300,967	1,383,886	15,811,460	18,137,919	20,578,981
Other cash flows/payments by type															
Capital assets	522,286	400,555	536,280	672,665	452,593	427,563	339,762	282,181	416,118	477,988	454,803	498,231	5,481,025	3,941,422	3,713,247
Repayment of borrowing	6,298	–	23,905	–	–	329,068	6,298	–	23,360	–	–	397,135	786,064	645,793	580,931
Total cash payments by type	1,900,835	1,793,057	1,923,639	1,974,771	1,846,706	2,124,668	1,606,592	1,472,914	1,664,421	1,735,924	1,755,770	2,279,252	22,078,549	22,725,134	24,873,159
NET INCREASE/(DECREASE) IN CASH HELD	467,961	(558,447)	(508,131)	(587,293)	14,491	335,393	(256,685)	817,691	(137,146)	(346,447)	(199,905)	242,674	(715,844)	48,221	546,165
Cash/cash equivalents at the month/year begin:	–	467,961	(90,486)	(598,617)	(1,185,910)	(1,171,419)	(836,026)	(1,092,711)	(275,020)	(412,166)	(758,613)	(958,518)	–	(715,844)	(667,623)
Cash/cash equivalents at the month/year end:	467,961	(90,486)	(598,617)	(1,185,910)	(1,171,419)	(836,026)	(1,092,711)	(275,020)	(412,166)	(758,613)	(958,518)	(715,844)	(715,844)	(667,623)	(121,458)

13. Annual budgets and service delivery and budget implementation plans – internal departments

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing its delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Monthly projections of –
 - (i) Revenue to be collected, by source, and
 - (ii) Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The Executive Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the Budget. In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance

indicators as set out in the SDBIP are made public within 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the Budget of the municipality. It is an expression of the objectives of the City in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2009 to 30 June 2010 (the City's financial year). It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of financial and non-financial performance of the municipality, and allows the City Manager to monitor the performance of the Executive Directors, the Mayor/Council to monitor the performance of the City Manager, and the community to monitor the performance of the City government.

The SDBIP for the 2009/10 financial year will be approved by the Executive Mayor in June 2009 following approval of the Budget.

14. Annual budgets and service delivery agreements – municipal entities

a. Cape Town Convention Centre Company Pty (Ltd)

Table 30: Medium-term operating budget

Period of agreement	No period stipulated but subject to annual review in terms of S 93A of the Systems Act
Service provided	International conference centre
Expiry date of service delivery agreement	Not applicable
Monetary value	No current funding from the City Of Cape Town
Executive summary	
Ownership and control	Shares: City of Cape Town – 50,2%, Provincial Government of Western Cape – 25,1% SunWest International Pty Ltd – 24,7% The City of Cape Town has voting rights of 66%
Oversight processes	The Shareholding Management Department is a dedicated unit to monitor performance and ensure compliance
Mandate	To provide a world class international conference centre
Funding over medium-term	Capital contribution will be required for the expansion of the conference centre after 2010
Summary of SDA	Sets out the obligations of Conenco and the City in respect of compliance and performance issues
Link to IDP	Strategic Focus Area 1: Shared Economic Growth and Development
Past performance and future objectives	Has exceeded its targets in the past. Conenco is confident that it will maintain its present levels of bookings despite the world economic downturn, but numbers of delegates may decrease by up to 30%.

Besides the normal operating expenditure, maintenance and depreciation are major operating expenditure items on the Conenco budget. Being in the international service and hospitality business requires that the facilities are always up to international standards. The assets of the conference centre are a major investment, which attract substantial depreciation. There is also a policy for regular replacement of fixed assets to maintain the high standards, which results in high capital expenditure every year. The need was identified to expand the exhibition and conference space with the effect that expenditure on buildings is also substantial.

Operating revenue by source and operating expenditure by type

Table 31: Conenco – operating revenue by source and operating expenditure by type

Categories	Preceding year 2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	Pre audited actual R'000	Approved budget R'000	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Operating revenue by source							
Rental of facilities and equipment	(57,238)	(54,062)	(55,466)	(55,466)	(68,239)	(76,151)	(63,253)
Interest earned – external investments	(6,814)	(3,003)	(4,146)	(4,146)	(4,354)	(4,571)	(4,800)
Other income	(74,356)	(59,226)	(62,002)	(62,002)	(68,787)	(68,357)	(71,775)
Total operating revenue	(138,408)	(116,291)	(121,614)	(121,614)	(141,380)	(149,079)	(139,828)
Operating expenditure by type							
Employee related cost	29,264	25,311	28,535	28,535	29,962	25,572	26,851
Bad debts	68	211	212	212	223	234	245
Depreciation	6,794	27,051	26,306	26,306	27,622	29,002	30,453
Repairs and maintenance	23,234	26,972	27,447	27,447	28,819	30,260	31,773
General expenses	47,023	43,193	45,588	45,588	49,150	50,026	53,301
Total operating expenditure	106,383	122,738	128,088	128,088	135,776	135,094	142,623
(Surplus)/Deficit	(32,025)	6,447	6,474	6,474	(5,604)	(13,985)	2,795

Note: Depreciation charge of 2007/8 includes reversal of R17,421,985 impairment of assets

Table 32: Conenco – capital expenditure by type

Capital expenditure by category	Preceding year 2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	Pre audited actual R'000	Approved budget R'000	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Plant and equipment	3,664	8,500	6,711	6,711	9,000	10,500	11,000
Office equipment	1,662	9,079	2,775	2,775	2,200	3,000	3,500
Other land and buildings	19,094	7,000	11,941	11,941	7,000	8,000	9,000
TOTAL CAPITAL EXPENDITURE	24,420	24,579	21,427	21,427	18,200	21,500	23,500

b. Khayelitsha Community Trust

Table 33: Medium-term operating budget

Period of agreement	Renewable annually
Service provided	The facilitation of the development of the Khayelitsha Central Business District
Expiry date of service delivery agreement:	Not applicable
Monetary value	R6,574m for 2009/10, R4,793m for 2010/11, and R3,558m for 2011/12 depending on business plan and budget approvals
Executive summary	
Ownership and control	City of Cape Town (100%) as Trust founder
Oversight processes	Shareholding Management Department is a dedicated unit to monitor performance and ensure compliance
Mandate	To develop the Khayelitsha CBD
Funding over medium term	R6,574m for 2009/10, R4,793m for 2010/11, and R3,558m for 2011/12 depending on business plan and budget approvals
Summary of SDA	Sets out the obligations of KCT and the City in respect of compliance finance and performance issues
Link to IDP	Strategic Focus Area 1: Shared Economic Growth and Development
Past performance and future objectives	KCT has performed poorly in the past. The City has intervened and KCT will revisit its mandate to ensure future performance.

The Khayelitsha Community Trust does not have the staff complement to research, plan and execute all their projects and therefore contract the required skills of consultants. The cost of these consultants and the costs of the various projects form a substantial portion of the operating budget.

Table 34: Khayelitsha Community Trust – operating revenue by source and operating expenditure by type

Categories	Preceding year 2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	Pre audited actual R'000	Approved budget R'000	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Operating revenue by source							
Rental of facilities and equipment		(140)	(140)	(273)	(182)	(186)	(191)
Interest earned – external investments	(529)	(326)	(326)	(412)	(450)	(220)	(105)
Grants and subsidies (conditional)	(10,023)	(7,837)	(7,837)	(7,837)	(6,866)	(4,452)	(3,472)
Total operating revenue	(10,552)	(8,303)	(8,303)	(8,522)	(7,498)	(4,858)	(3,768)
Operating expenditure by type							
Employee related cost	984	1,461	1,461	1,383	1,539	1,590	1,718
Depreciation	10	–	–	30	40	50	64
Repairs and maintenance	8	12	12	6	12	24	12
Interest paid		142	142	39	24	32	39
Contracted services	3,812	5,765	5,765	5,353	8,483	1,702	395
General expenses	1,430	908	908	1,762	1,307	1,445	1,521
Total operating expenditure	6,244	8,288	8,288	8,573	11,405	4,843	3,749
(Surplus)/Deficit	(4,308)	(15)	(15)	51	3,907	(15)	(19)

Note: The surplus grant funding of 2007/8 was carried over to the 2008/9 and 2009/10 financial years, resulting in the deficit of 2009/10. (i.e. the Grant Funding required from the City for 2009/10 was reduced by that amount)

Table 35: Khayelitsha Community Trust – capital expenditure by type

Capital expenditure by category	Preceding year 2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
	Pre audited actual R'000	Approved budget R'000	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Office equipment	166	15	15	10	50	15	20
TOTAL CAPITAL EXPENDITURE	166	15	15	10	50	15	20

15. Contracts having future budgetary implications

Table 36: Contracts having future budgetary implications

Description	Preceding years	Current year	2009/10 Medium-term revenue and expenditure framework			Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Total contract value
			Budget 2009/10	Budget year 2010/11	Budget year 2011/12	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
Expenditure obligation by contract													
ABSA Bank (42S/2007/08)	678	2,754	2,918	3,094	3,280	3,477	–	–	–	–	–	–	16,201
Total operating expenditure implication	678	2,754	2,918	3,094	3,280	3,477	–	–	–	–	–	–	16,201
Capital expenditure obligation by contract													
Jeffares & Green (Pty)Ltd – (72C/2007/08)	2,078	789	–	–	–	–	–	–	–	–	–	–	2,868
Total capital expenditure implication	2,078	789	–	–	–	–	–	–	–	–	–	–	2,868
Total expenditure implication	2,756	3,543	2,918	3,094	3,280	3,477	–	–	–	–	–	–	19,068

16. Capital expenditure details

Table 37: Detailed capital budget. Projects over R50 million are reflected below.

Municipal vote/capital project	Programme/project description	Project number	Asset class 4.	Asset sub-class 4.	
R thousand					
Community Services	Various	Various	Various	Various	
Corporate Services	Radio trunking infrastructure	C0700621	Other assets	Plant and equipment	
	Various	Various	Various	Various	
Economic and Social Development	Various	Various	Various	Various	
Finance Services	Various	Various	Various	Various	
Health	Various	Various	Various	Various	
Housing	Pelican Park Phase 1 Housing Project	C0641511	Various	Various	
	Bardale/Fairdale: Development 4,000 units	C0641540	Various	Various	
	Land acquisition – Housing developments	C0915502	Various	Various	
	Land acquisition – Housing developments	C0915503	Various	Various	
	Enkanini In-situ upgrading – 9,500 units	C0915704	Various	Various	
	Land acquisition – Housing developments	C1015507	Various	Various	
	Various	Various	Various	Various	
Internal Audit	Various	Various	Various	Various	
Office of the City Manager	Various	Various	Various	Various	
Safety and Security	Various	Various	Various	Various	
Service Delivery Integration	2010 Green Point Stadium	C0716301	Community	Sportfields and stadia	
	2010 Reconfiguration of Common	C0716302	Community	Sportfields and stadia	
	Dark Fibre Broadband Infrastructure	C0800389	Other assets	Computers – hardware/equipment	
	Various	Various	Various	Various	
Strategy and Planning	Various	Various	Various	Various	
Transport, Roads and Stormwater (TR&S)	N2 Gateway: TR&S Services	C0500658	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	Transport Management Centre	C0700007	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	WC:N2:Hospital Bend:PsI: East bound	C0701053	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	Mitchells Plain Station TI	C0701059	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	2010: Klipfontein PT NMT Scheme	C0710501	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	Pelican Park: Strandfontein Road Upgrade	C0810325	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	Khayelitsha Rail Extension TI	C0810502	Other assets	Other	
	2010: Pedestrian improvements to Somerset Rd	C0810510	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	Integrated Bus Rapid Transit System	C0900313	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	WC: Green Point Precinct infrastructure related upgrade	C0900453	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	IRT: Klipfontein Corridor	C0900487	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	IRT: Property acquisition	C0900497	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	IRT: Vehicle acquisition	C0900498	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	IRT: Property acquisition	C1010320	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	IRT: West Coast Corridor	C1010327	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	IRT: West Coast Corridor	C1010337	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	IRT: Inner-city service	C1010350	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	IM: Reconstruct Roads Metro	C1010410	Infrastructure – Road Transport	Roads, Pavements, Bridges	
	Various	Various	Various	Various	
Utility Services	N2 Gateway project	C0500651	Infrastructure – Sanitation	Sewerage purification	
	Development of additional infrastructure	C0501268	Various	Various	

	Total project estimate	Prior year outcomes		2009/10 Medium-term revenue and expenditure framework			Project information	
		Audited outcome	Adjusted budget 2008/9	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12	Ward location	New or renewal
	572,211	21,034	75,011	196,483	126,273	124,600	Multi	Various
	50,557	18,357	1,200	–	2,000	2,000	Corporate Infrastructure	Renewal
	175,456	2,369	13,414	68,235	28,525	28,660	Multi	Various
	108,654	6,929	12,220	39,140	23,893	23,893	Multi	Various
	60,295	2,446	3,180	26,222	13,523	13,589	Multi	Various
	81,536	12,062	13,885	27,009	13,196	13,274	Multi	Various
	85,000	–	–	3,500	30,000	40,000	67	New
	190,828	1,849	16,300	20,000	60,000	52,000	18	New
	67,900	–	–	67,900	–	–	Multi	New
	73,526	–	–	–	73,526	–	Multi	New
	160,000	–	–	10,000	–	–	Multi	New
	74,542	–	–	–	–	74,542	Multi	New
	967,012	33,285	38,949	228,169	267,455	234,781	Multi	Various
	1,108	–	162	426	260	260	Multi	Various
	85,156	–	450	18,706	33,000	33,000	Multi	Various
	189,234	4,069	36,500	85,106	28,332	28,722	Multi	Various
	3,734,000	813,964	1,834,825	985,337	–	–	54	New
	353,000	393	57,150	200,457	95,000	–	54	New
	118,366	–	6,000	107,778	2,294	2,294	Corporate Infrastructure	New
	196,960	1,981	2,852	91,581	63,331	36,181	Multi	Various
	308,466	10,609	63,818	110,369	60,201	62,210	Multi	Various
	60,354	14,542	7,430	1,062	2,687	–	Multi	New
	80,900	–	26,000	54,900	–	–	Multi	New
	224,693	43,722	89,971	89,000	–	–	Multi	Renewal
	78,714	1,632	24,500	22,582	15,000	15,000	78	Renewal
	50,404	5,604	20,000	19,800	5,000	–	Multi	New
	126,483	1,483	7,000	40,687	37,313	40,000	66	Renewal
	65,495	4,612	21,483	20,800	6,600	12,000	95	Renewal
	71,000	937	6,500	43,563	20,000	–	54	Renewal
	782,056	–	–	48,500	201,000	532,556	Multi	New
	80,000	–	–	80,000	–	–	54	Renewal
	70,000	–	–	14,000	56,000	–	Multi	New
	75,010	–	–	75,010	–	–	Multi	New
	225,000	–	–	125,000	50,000	50,000	Multi	New
	184,700	–	–	50,000	85,000	49,700	Multi	New
	522,500	–	–	202,500	170,000	150,000	Multi	New
	125,000	–	–	115,000	10,000	–	Multi	New
	80,000	–	–	80,000	–	–	Multi	New
	69,530	–	–	–	68,530	–	Multi	Renewal
	1,658,269	72,950	156,404	639,670	410,126	280,489	Multi	Various
	229,979	19,050	3,945	335	–	–	Multi	Renewal
	2,114,378	387	2,000	38,937	351,500	409,000	Multi	New

Municipal vote/capital project	Program/project description	Project number	Asset class 4.	Asset sub-class 4.	
R thousand					
	Replace and upgrade sewerage pump stations	C0501348	Infrastructure – Sanitation	Reticulation	
	Fisantekraal main sewer	C0601489	Infrastructure – Sanitation	Sewerage purification	
	Fisantekraal main sewer	C0601501	Infrastructure – Sanitation	Sewerage purification	
	New specialised area cleaning vehicles	C0601607	Other assets	General vehicles	
	Melkbos Wastewater Treatment Works (WWTW)	C0630134	Infrastructure – Sanitation	Sewerage purification	
	Scottsdale WWTW – EFF	C0630138	Infrastructure – Sanitation	Sewerage purification	
	Bellville WWTW	C0630170	Infrastructure – Sanitation	Sewerage purification	
	Athlone WWTW	C0630201	Infrastructure – Sanitation	Sewerage purification	
	Bulk Water Infrastructure Replacement	C0630220	Various	Various	
	Potsdam WWTW – EFF	C0630328	Infrastructure – Sanitation	Sewerage purification	
	Fisantekraal WWTW	C0642094	Infrastructure – Sanitation	Sewerage Purification	
	Development of Landfill Infrastructure	C0642387	Various	Various	
	Northern area sewer – Thornton	C0700407	Infrastructure – Sanitation	Reticulation	
	Loch Road reinforcement	C0700617	Infrastructure – Electricity	Transmission and Reticulation	
	Roggebaai upgrade	C0741934	Infrastructure – Electricity	Transmission and Reticulation	
	De Grendel reservoir	C0800214	Infrastructure – Water	Dams and Reservoirs	
	Trappies sewerage system	C0811114	Infrastructure – Sanitation	Reticulation	
	SPS unit new generator transformer	C0884005	Infrastructure – Electricity	Transmission and Reticulation	
	Retreat reinforcement	C0884047	Infrastructure – Electricity	Transmission and Reticulation	
	2010: CBD electricity infrastructure reinforcement	C0884060	Infrastructure – Electricity	Transmission and Reticulation	
	Athlone treated effluent	C0886011	Infrastructure – Water	Reticulation	
	Contermans Kloof water mains	C0886024	Infrastructure – Water	Reticulation	
	Main Road upgrade Muizenberg to Clovelly Rehabilitation	C0886038	Infrastructure – Water	Reticulation	
	Oakdale – Boston Replace 66kv cable	C0984040	Infrastructure – Electricity	Transmission and Reticulation	
	New building complex – Bloemhof	C0984065	Other assets	Civic Land and Buildings	
	Cape Flats collector sewer	C0986001	Infrastructure – Sanitation	Reticulation	
	Tamboerskloof transformer replacement	C1084030	Infrastructure – Electricity	Transmission and Reticulation	
	Bofors upgrade	C1084031	Infrastructure – Electricity	Transmission and Reticulation	
	Oakdale upgrade	C1084044	Infrastructure – Electricity	Transmission and Reticulation	
	Koeberg Road Switching Station Phase 2	C1084050	Infrastructure – Electricity	Transmission and Reticulation	
	Infrastructure development	C1085022	Various	Various	
	Rehabilitation and closure of landfill sites	C1085024	Infrastructure – Other	Waste Management	
	Cape Flats WWTW – Refurbish structures	C1086014	Infrastructure – Sanitation	Sewerage Purification	
	Zandvliet WWTW – Extension	C1086033	Infrastructure – Sanitation	Sewerage Purification	
	Replace and upgrade water network	C1086071	Infrastructure – Water	Reticulation	
	Infrastructure Development	C1185022	Various	Various	
	Infrastructure Development	C1285022	Various	Various	
	Rehabilitation and closure of landfill sites	C1285024	Infrastructure – Other	Waste Management	
	Various	Various	Various	Various	
Total capital expenditure					

	Total project estimate	Prior year outcomes		2009/10 Medium-term revenue and expenditure framework			Project information	
		Audited outcome	Adjusted budget 2008/9	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12	Ward location	New or renewal
	81,866	1,935	20,600	3,000	–	–	Multi	Renewal
	57,998	27,983	8,000	36,000	–	–	Multi	New
	66,022	5,000	30,661	10,000	–	–	Multi	New
	98,235	21,933	42,785	6,537	–	–	Multi	Renewal
	184,596	287	1,111	5,000	53,000	75,000	23	Renewal
	71,123	5,737	33,531	27,500	–	–	6	Renewal
	297,217	6,620	31,000	74,000	100,000	85,000	9	New
	91,742	12,000	41,000	8,000	9,700	3,000	49	New
	346,133	11,886	18,583	10,241	17,015	25,000	Multi	Renewal
	171,707	47,034	25,000	3,500	–	–	4	Renewal
	183,186	3,000	48,000	115,000	15,000	–	105	New
	157,238	40,421	50,342	8,134	–	–	Multi	Renewal
	149,711	–	211	20,000	40,000	40,000	53	New
	141,858	–	–	39,990	76,737	13,577	63	New
	167,516	77,787	45,248	25,334	–	–	Multi	Renewal
	129,000	–	150	2,000	18,000	35,000	1	New
	97,936	–	5,837	–	5,000	5,000	100	New
	58,000	–	7,793	20,207	30,000	–	Multi	Renewal
	64,708	–	16,127	59,786	350	–	67	Renewal
	126,139	88,166	25,326	12,648	–	–	Multi	Renewal
	52,280	9,280	15,000	8,000	10,000	10,000	49	New
	63,984	484	18,500	20,000	10,000	15,000	105	New
	131,052	7,061	14,127	21,417	25,974	27,694	64	New
	63,500	–	–	–	14,715	48,786	Multi	Renewal
	77,296	–	7,296	35,000	35,000	–	3	New
	72,491	–	110	–	2,881	30,000	Multi	New
	75,000	–	–	–	–	47,832	Multi	Renewal
	75,000	–	–	–	–	47,000	Multi	Renewal
	55,862	–	–	33,985	21,145	732	Multi	New
	146,113	–	–	–	–	5,090	Multi	New
	269,900	–	–	269,900	–	–	Multi	Renewal
	75,000	–	–	75,000	–	–	Multi	New
	57,000	–	–	–	–	7,000	67	Renewal
	110,800	–	–	–	500	300	15	New
	50,054	–	–	50,054	–	–	Multi	Renewal
	300,000	–	–	–	300,000	–	Multi	Renewal
	282,000	–	–	–	–	282,000	Multi	Renewal
	53,000	–	–	–	–	53,000	Multi	New
	3,707,085	28,837	137,824	1,154,469	1,008,992	999,800	Multi	Various
				6,202,464	4,203,575	4,164,563		

17. Legislation compliance status

Compliance with the MFMA requirements have been substantially adhered to through the following activities:

- Budget and Treasury Office: These have been established in accordance with the MFMA
- Budgeting: The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA
- Financial reporting: 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial Government, and National Treasury
- Annual report: The annual report is prepared in accordance with the MFMA and National Treasury requirements

18. Other supporting documents

Table 38: Financial Performance Budget (revenue source/expenditure type & dept.)

Description R thousand	Community services	Corporate services	Economic and social development	Finance services	Health	Housing	
Revenue by source							
Property rates	–	–	–	0	–	–	
Property rates – penalties and collection charges	0	–	–	0	–	–	
Service charges – electricity revenue	0	–	0	–	–	–	
Service charges – water revenue	–	–	0	–	–	–	
Service charges – sanitation revenue	–	–	–	–	–	0	
Service charges – refuse revenue	4	–	–	–	–	–	
Service charges – other	14,379	841	2,103	6,378	183	11,110	
Rental of facilities and equipment	19,918	767	62,224	1	–	184,540	
Interest earned – external investments	–	–	10	283,287	–	33,600	
Interest earned – outstanding debtors	–	–	500	0	–	–	
Fines	2,512	–	2	–	16	–	
Licences and permits	356	0	165	0	31	–	
Agency services	0	–	–	105,000	–	–	
Other revenue	485	21,696	70	75,039	3,162	(33,683)	
Transfers recognised – operational	26,578	11,398	5,537	4,376	209,947	204,357	
Gains on disposal of PPE	–	2,000	40,817	–	–	2,000	
Total revenue (excluding capital transfers and contributions)	64,233	36,702	111,428	474,081	213,338	401,924	
Expenditure by type							
Employee-related costs	630,229	355,147	101,982	374,390	337,642	164,372	
Remuneration of councillors	–	–	–	–	–	–	
Debt impairment	–	–	7,560	1,934	–	115,816	
Depreciation and asset impairment	66,666	59,575	15,502	13,219	8,857	44,967	
Finance charges	–	–	–	540,448	–	–	
Bulk purchases	–	–	–	–	–	–	
Contracted services	18,843	13,219	3,494	7,623	5,182	2,821	
Transfers and grants	–	–	87,723	–	592	1,000	
Other expenditure	342,193	502,220	52,396	336,912	139,783	316,032	
Loss on disposal of PPE	–	–	–	–	–	–	
Total expenditure	1,057,932	930,162	268,657	1,274,526	492,056	645,007	
Surplus/(Deficit)	(993,699)	(893,460)	(157,229)	(800,445)	(278,718)	(243,083)	
Transfers recognised – capital	79,840	11,703	7,092	1,381	4,439	247,107	
Surplus/(Deficit) after capital transfers and contributions	(913,859)	(881,757)	(150,137)	(799,064)	(274,279)	4,024	

- Municipal entities: Four municipal entities were consolidated into the 2007/8 Annual Financial Statements. It must be noted that the Philippi East Trading Centre and RED1 were discontinued during the 2007/8 financial year, and
- Internship programme: The City of Cape Town is participating in the Municipal Finance Management Internship Programme,

and has employed a number of interns for training in various finance departments. Three of the interns completed their two-year training period at the end of March 2007 and have taken up permanent employment within the Finance Department. One intern is currently employed in the Treasury Department.

	Internal audit	Office of the City Manager	Rates and other	Safety and security	Service delivery integration	Strategic and planning	Transport roads and stormwater	Utility services	Total
	–	0	3,739,165	–	–	–	0	–	3,739,165
	–	–	65,700	–	–	–	–	0	65,700
	–	–	–	–	–	–	–	5,270,275	5,270,275
	–	–	–	–	–	–	–	1,507,653	1,507,653
	–	–	–	0	–	0	–	817,308	817,308
	–	–	–	143	–	–	–	640,231	640,378
	–	4	0	14,056	0	88,334	3,731	423,953	565,072
	–	0	–	159	–	104	315	271	268,298
	–	–	–	20	–	–	–	18	316,935
	–	–	–	660	–	–	–	175,000	176,160
	–	–	–	181,854	–	1,030	0	43	185,458
	–	–	–	22,731	–	893	100	–	24,276
	–	–	–	10,993	–	0	0	–	115,993
	0	2,039	1,371,610	39	169	613	40,558	70,345	1,552,141
	–	–	563,389	3,225	99,481	21,732	72,556	6,200	1,228,777
	–	–	–	–	–	–	–	5,000	49,817
	0	2,043	5,739,865	233,880	99,650	112,707	117,260	8,916,297	16,523,407
	25,152	100,750	13,498	881,528	161,060	263,951	356,023	1,666,263	5,431,986
	–	86,260	–	–	–	–	–	–	86,260
	–	–	79,809	–	–	–	–	462,940	668,059
	267	3,208	–	35,605	54,161	15,609	217,678	458,376	993,691
	–	–	–	–	–	–	–	–	540,448
	–	–	–	–	–	–	–	3,830,158	3,830,158
	1,443	3,523	–	4,141	75,167	11,272	23,722	549,039	719,490
	–	702	–	–	3,886	910	–	–	94,812
	2,543	81,158	336,682	234,101	377,714	54,673	394,225	1,229,460	4,400,092
									–
	29,406	275,602	429,989	1,155,374	671,988	346,414	991,648	8,196,236	16,764,996
	(29,406)	(273,558)	5,309,875	(921,494)	(572,338)	(233,708)	(874,388)	720,061	(241,589)
	–	450	–	13,965	552,437	15,869	1,038,565	322,012	2,294,860
	(29,406)	(273,108)	5,309,875	(907,529)	(19,901)	(217,839)	164,177	1,042,074	2,053,270

Budget related charts

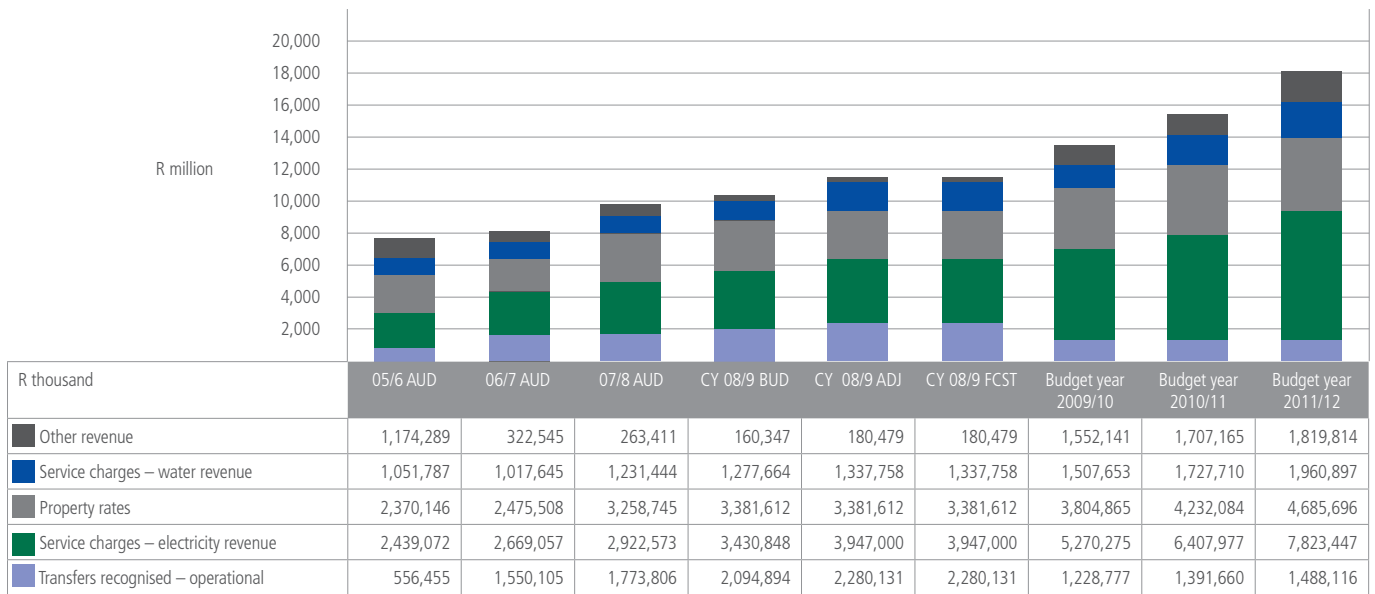


Figure 4: Revenue by major source (refer 'minor' source for 'Other Revenue' allocation)

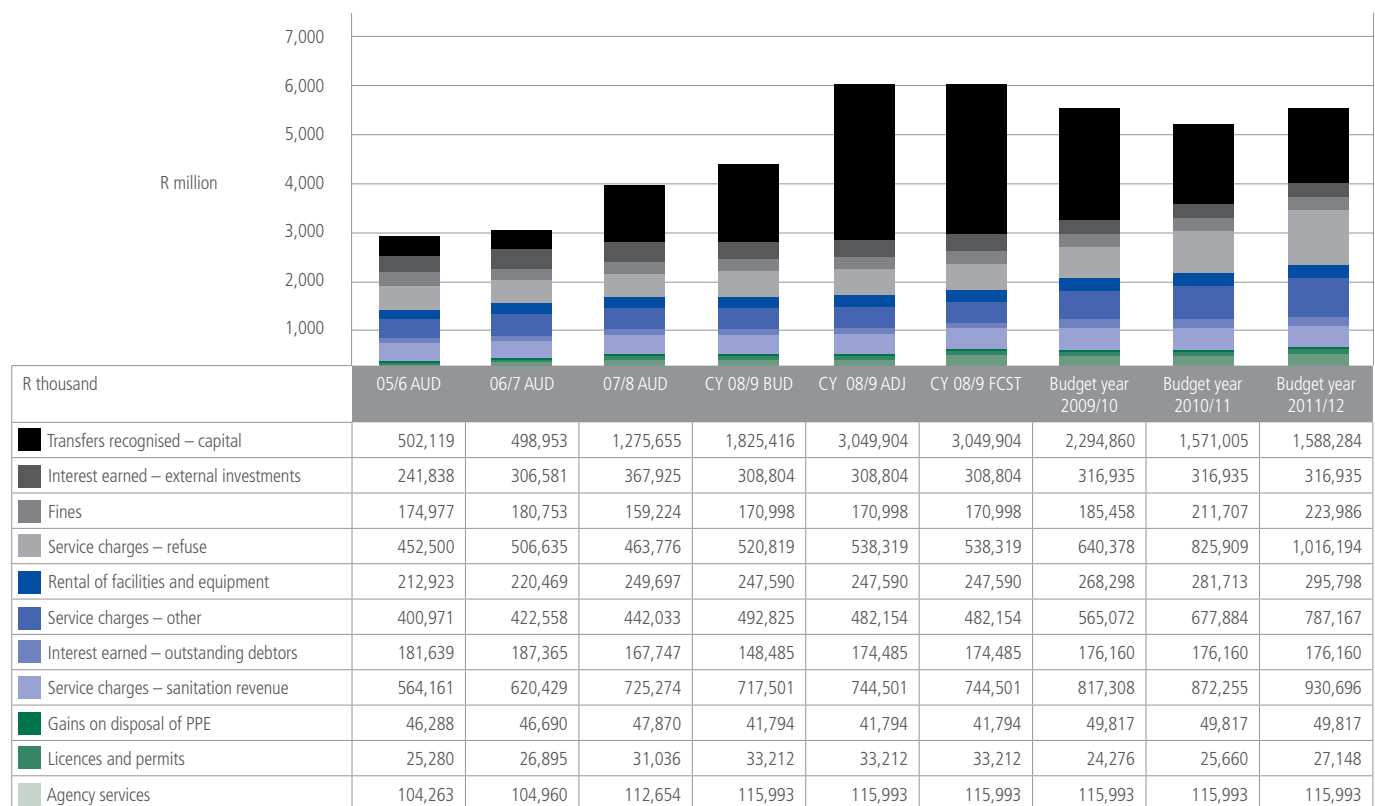


Figure 5: Revenue by minor source

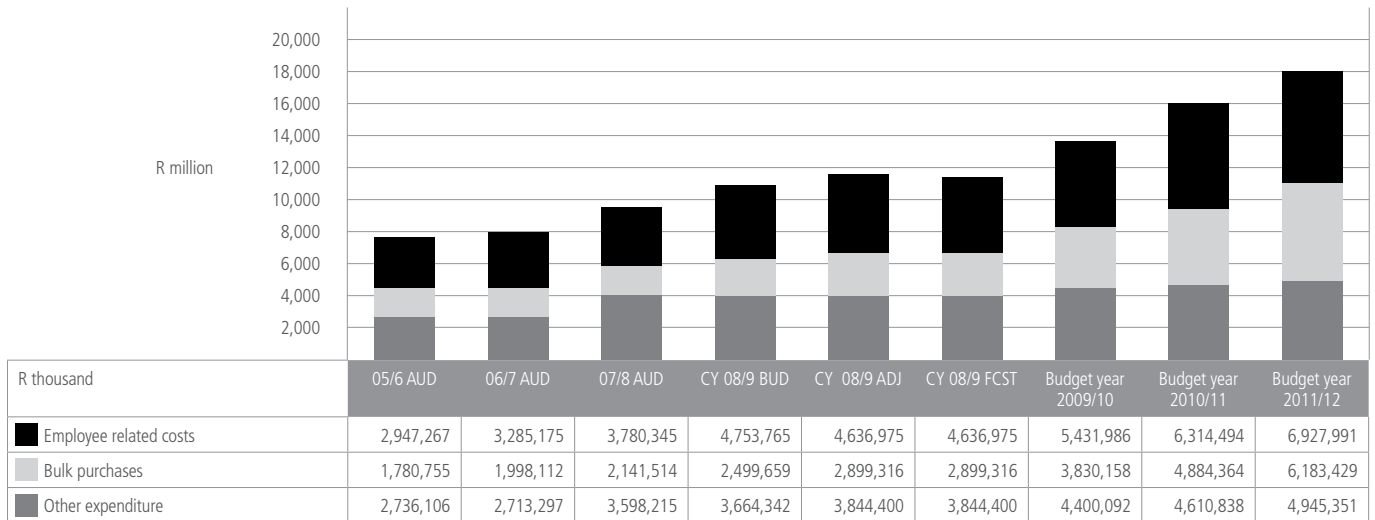


Figure 6: Operating expenditure by major type

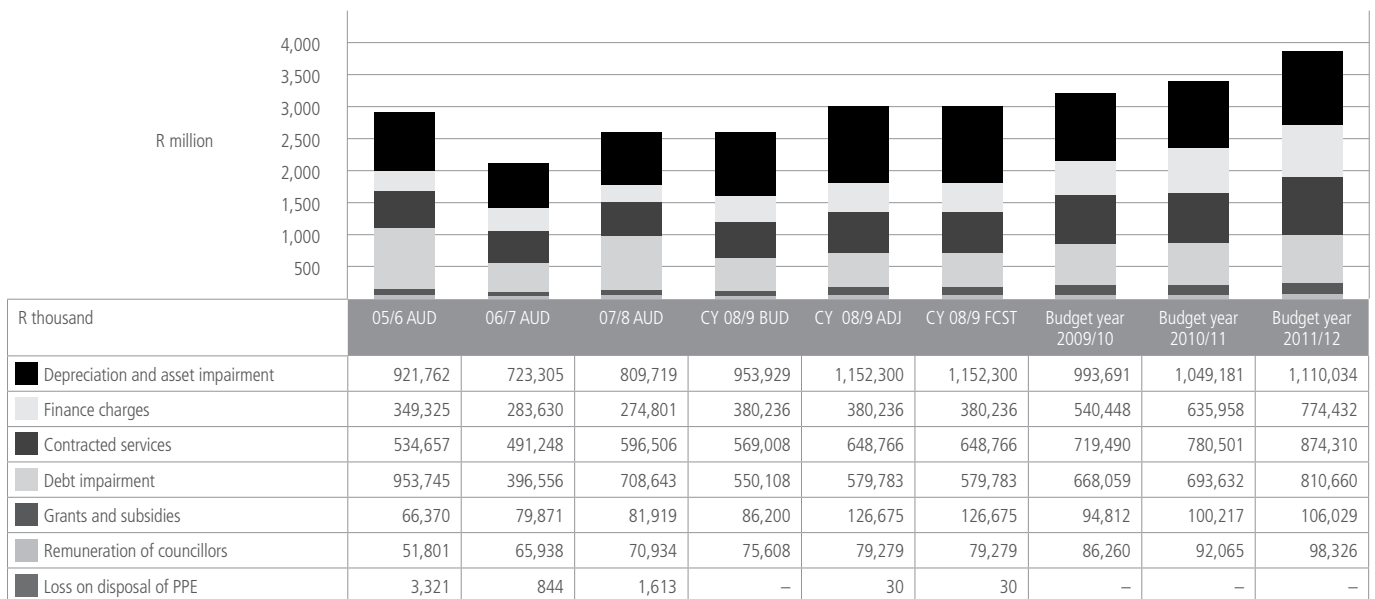


Figure 7: Operating expenditure by minor type

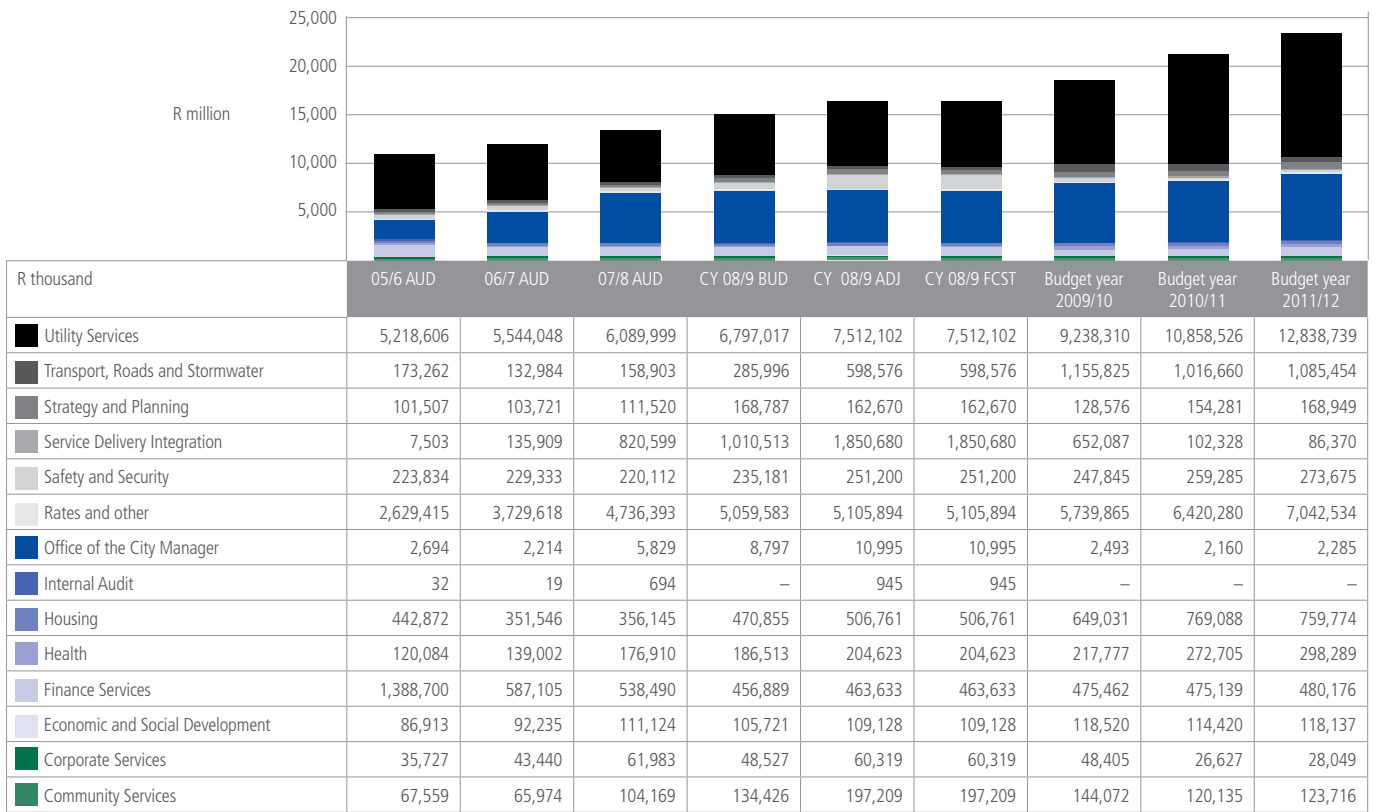


Figure 8: Revenue by municipal vote classification

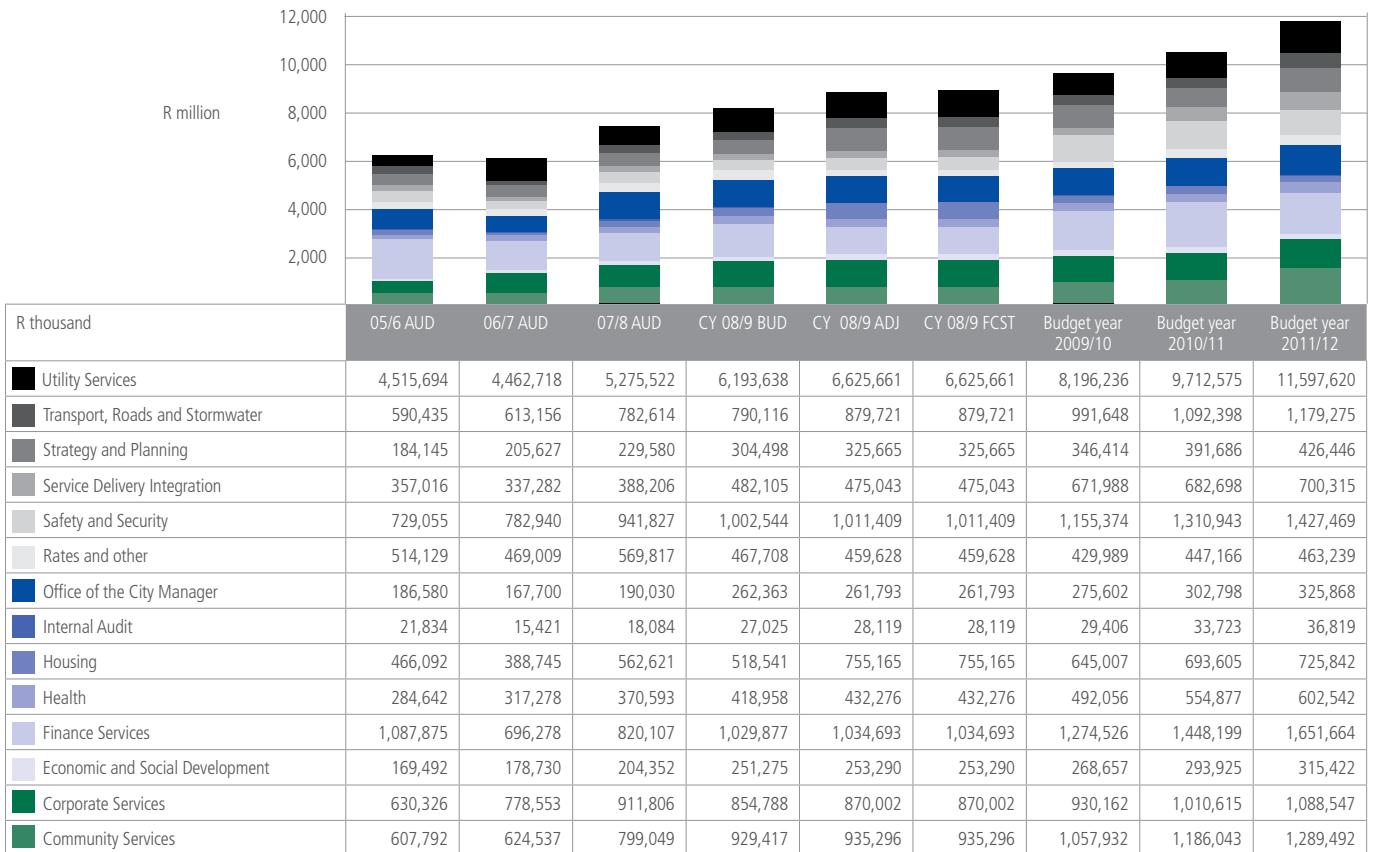


Figure 9: Expenditure by municipal vote classification

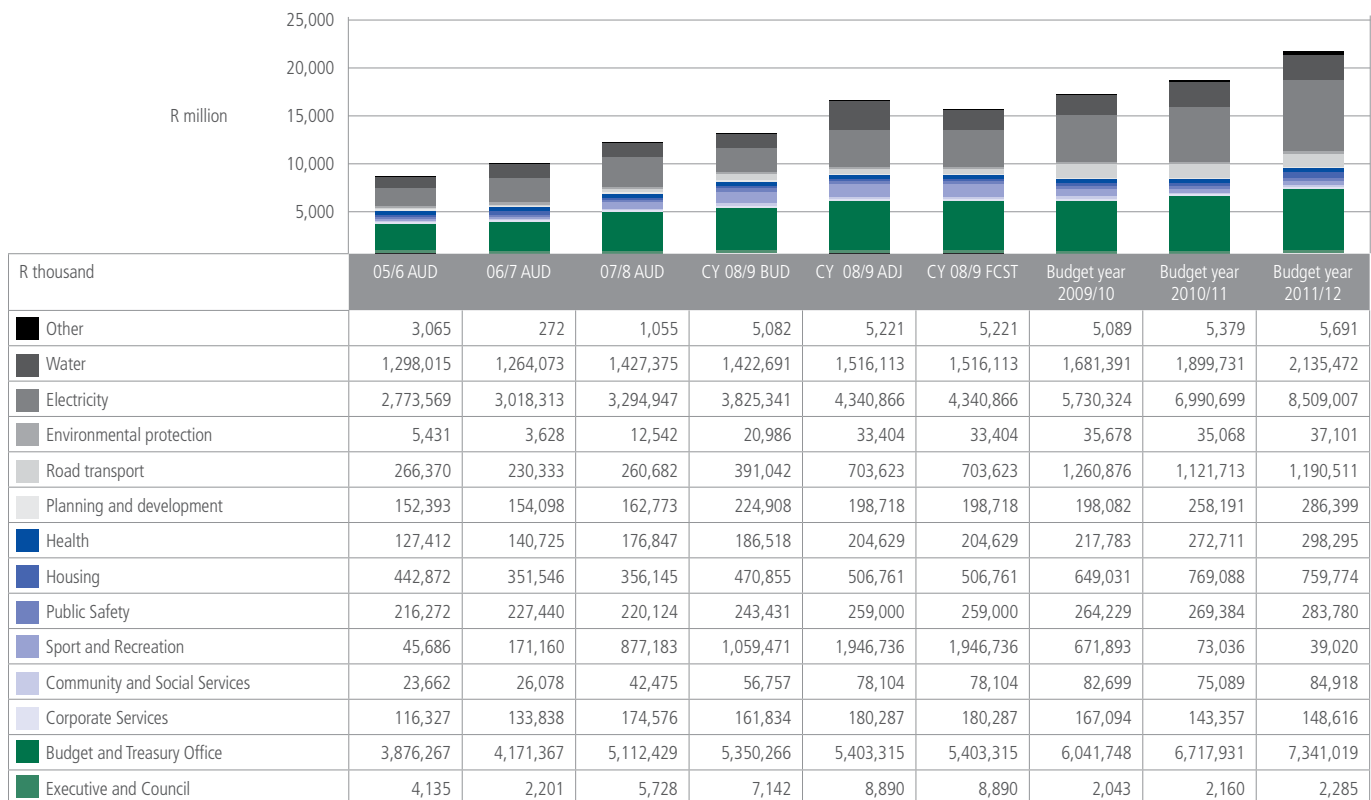


Figure 10: Revenue by standard classification

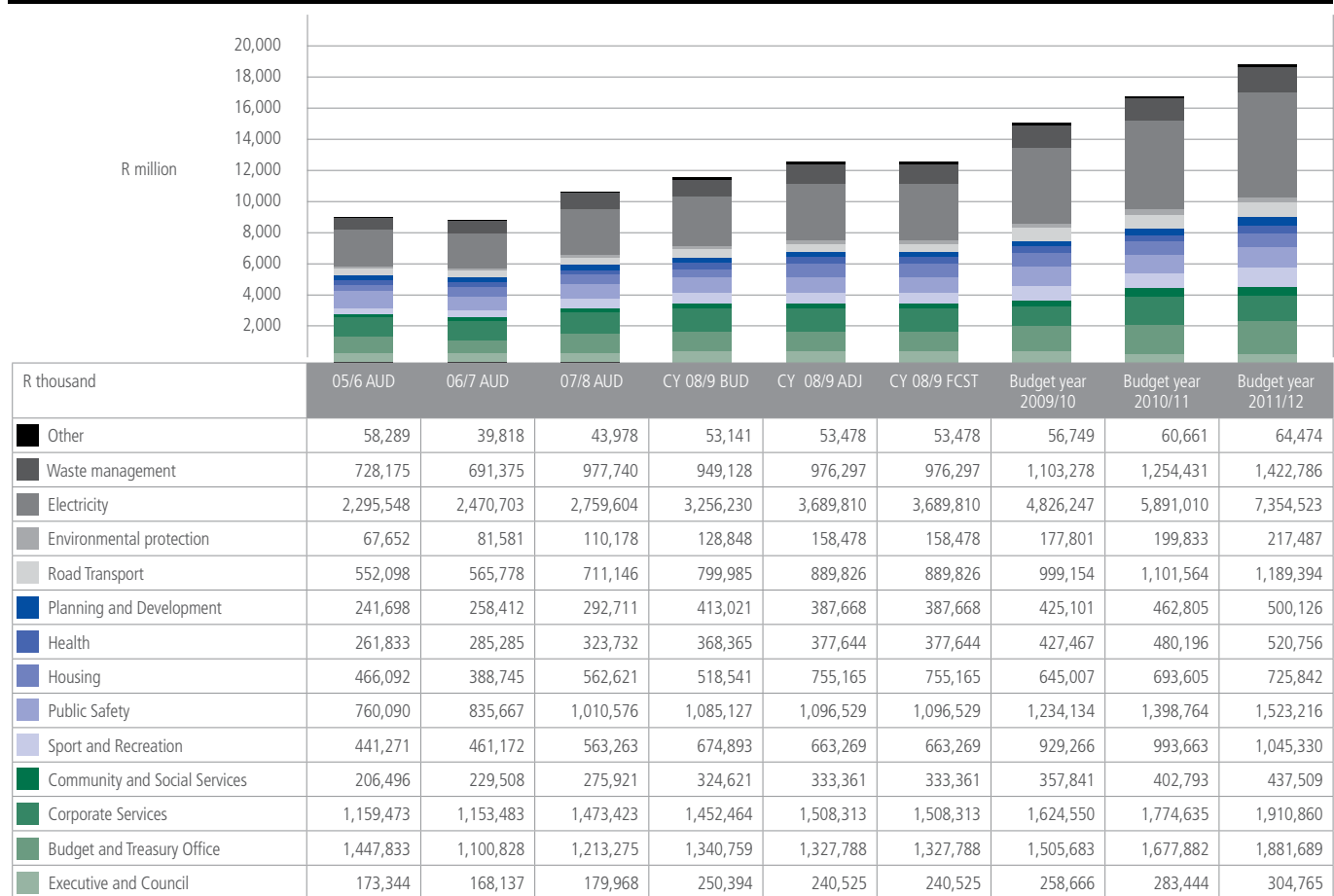


Figure 11: Expenditure by standard classification

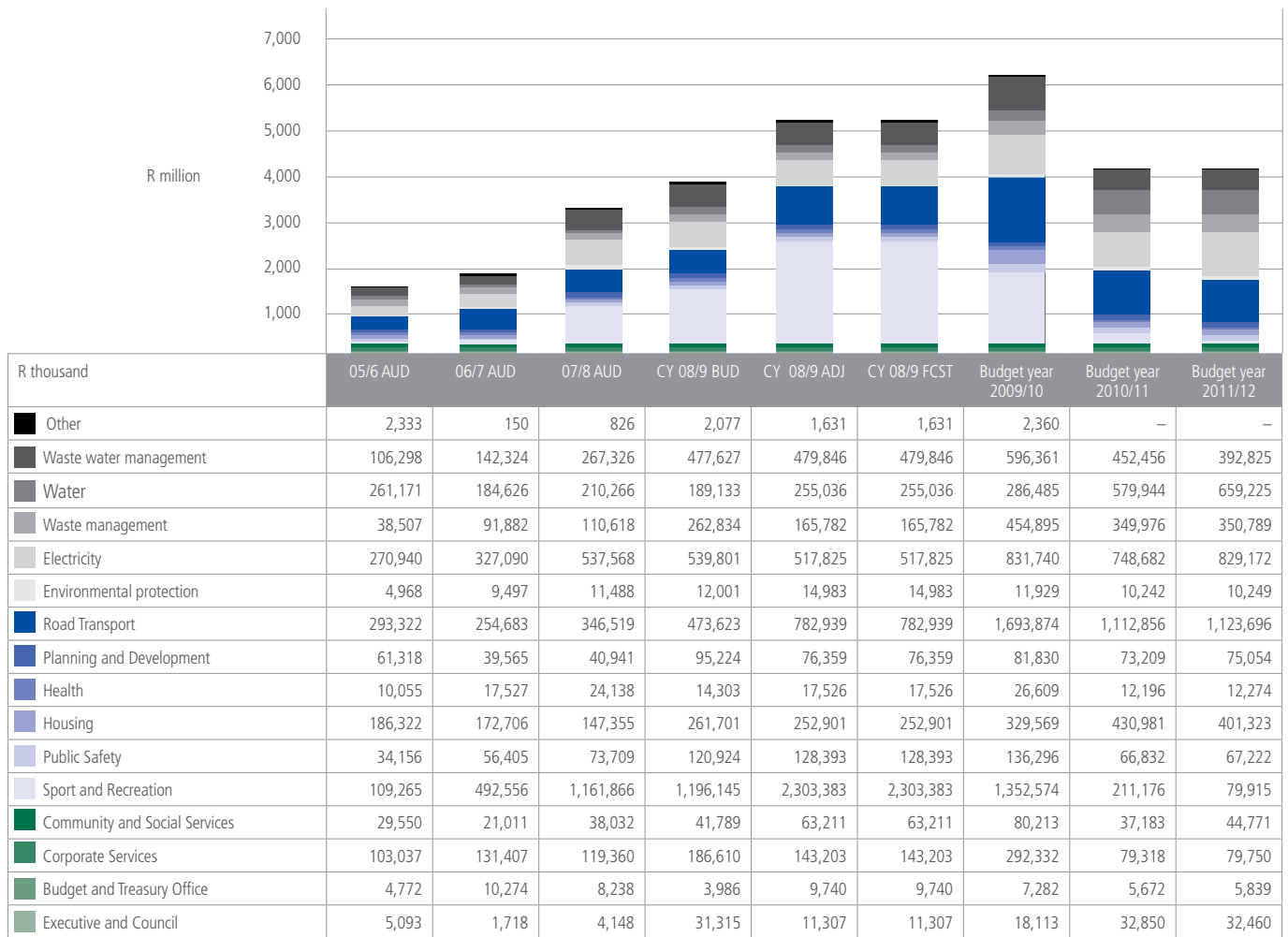


Figure 12: Capital expenditure by standard classification

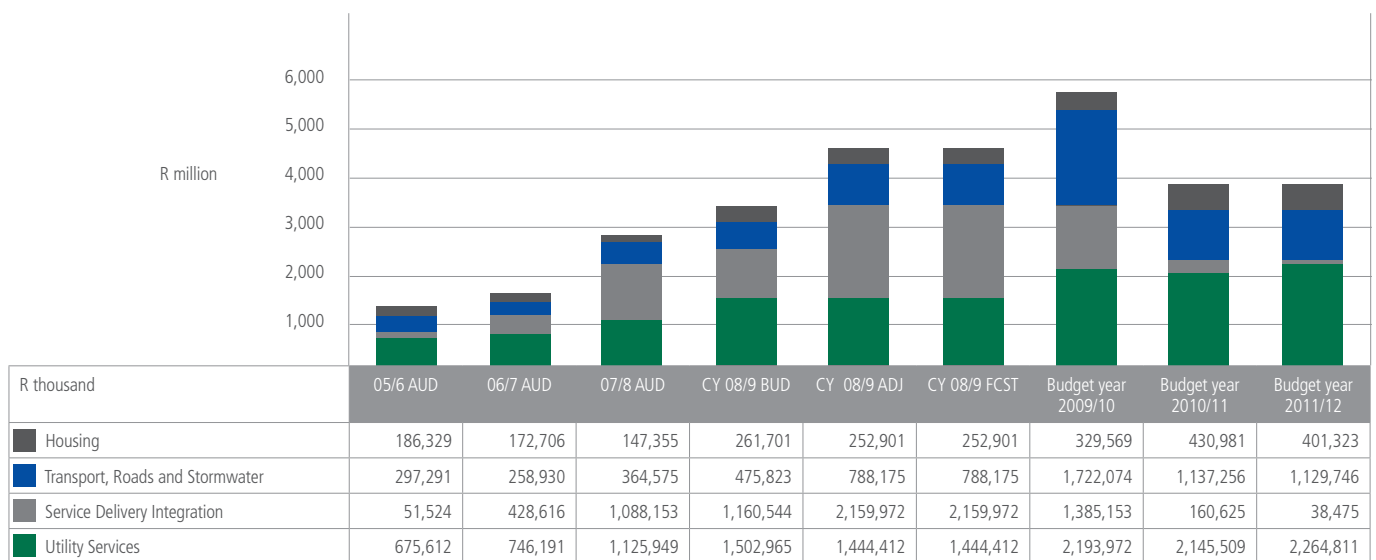
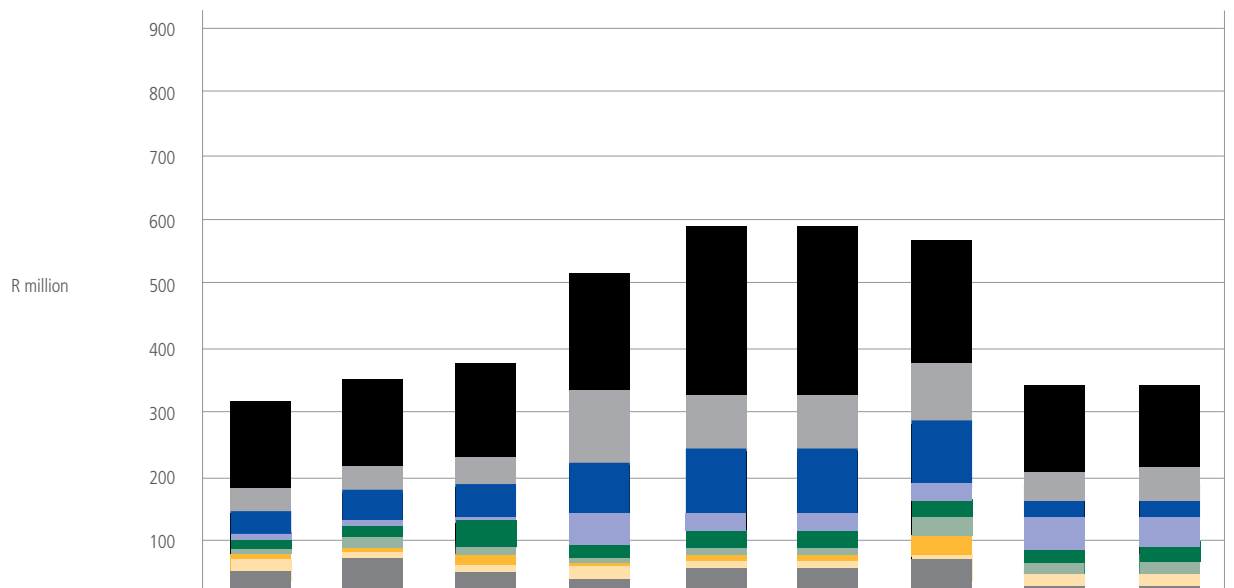


Figure 13: Capital expenditure by municipal vote – major



R thousand	05/6 AUD	06/7 AUD	07/8 AUD	CY 08/9 BUD	CY 08/9 ADJ	CY 08/9 FCST	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
Corporate Services	51,488	75,302	63,575	39,283	58,202	58,202	68,235	30,525	30,660
Strategy and Planning	35,804	32,244	39,012	119,590	97,484	97,484	110,369	60,201	62,210
Safety and Security	32,314	51,347	55,510	85,355	97,840	97,840	85,106	28,332	28,722
Office of the City Manager	5,160	1,948	4,339	31,501	11,991	11,991	18,706	33,000	33,000
Internal Audit	221	147	125	123	603	603	426	260	260
Health	10,971	18,356	24,434	15,303	18,326	18,326	27,009	13,196	13,274
Finance Services	5,193	11,993	14,317	11,690	14,883	14,883	26,222	13,523	13,589
Economic and Social Development	32,305	17,700	16,541	23,746	23,976	23,976	39,140	23,893	23,893
Corporate Services	51,488	75,302	63,575	39,283	58,202	58,202	68,235	30,525	30,660

Figure 14: Capital expenditure by municipal vote – minor

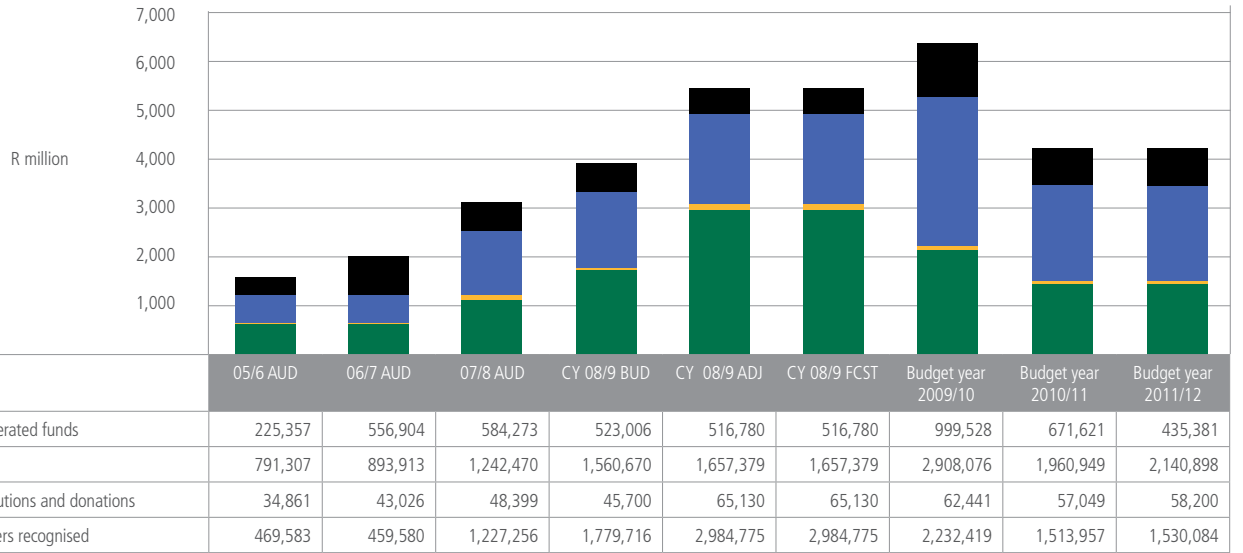


Figure 15: Capital funding by source

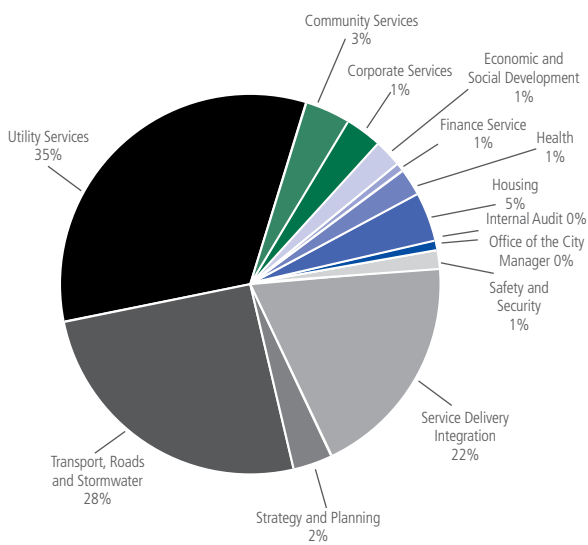


Figure 16: 2009/10 Budget year – Capital expenditure programme per vote

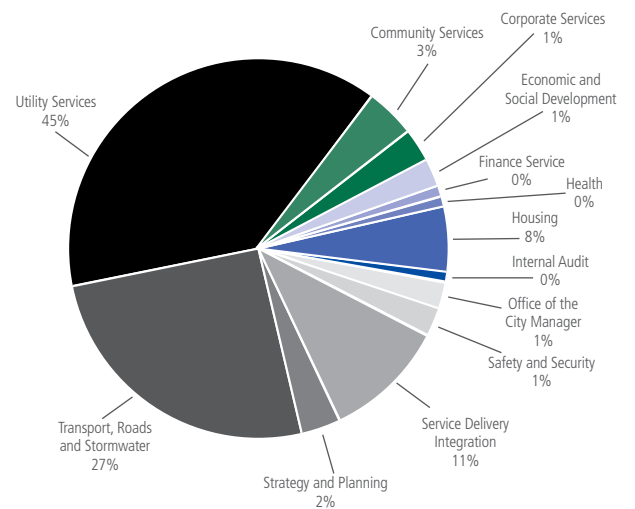


Figure 17: 2009/10 MTREF (3 year total) – Capital expenditure programme per vote

Reconciliation of IDP strategic objectives and budget (capital expenditure)

Table 39: Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic objective	Goal	Goal code	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework			
			Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12	
R thousand												
Creating integrated human settlements		A	282,818	-	-	-	-	-	-	-	-	-
Economic growth and job creation		B	109,689	-	-	-	-	-	-	-	-	-
Building strong communities		C	94,981	-	-	-	-	-	-	-	-	-
Access and mobility		D	161,561	-	-	-	-	-	-	-	-	-
Equitable services		E	509,121	-	-	-	-	-	-	-	-	-
Enabling institutional framework		F	141,262	-	-	-	-	-	-	-	-	-
Financial sustainability		G	221,675	-	-	-	-	-	-	-	-	-
Economic development and job creation		H	-	274,094	-	-	-	-	-	-	-	-
Integrated access and mobility		I	-	399,758	-	-	-	-	-	-	-	-
Building integrated human settlements		J	-	111,231	-	-	-	-	-	-	-	-
Building strong communities		K	-	187,156	-	-	-	-	-	-	-	-
Equitable and effective service delivery		L	-	651,279	-	-	-	-	-	-	-	-
Enabling institutional framework		M	-	201,168	-	-	-	-	-	-	-	-
Financial sustainability		N	-	128,737	-	-	-	-	-	-	-	-
Shared economic growth and development		O	-	-	1,192,331	1,383,817	-	-	-	-	-	-
Sustainable urban infrastructure and services		P	-	-	1,240,447	1,691,831	-	-	-	-	-	-
Public transport systems		Q	-	-	70,263	55,341	-	-	-	-	-	-
Integrated human settlements		R	-	-	193,553	404,224	-	-	-	-	-	-
Safety and security		S	-	-	113,443	118,317	-	-	-	-	-	-
Health, social and community development		T	-	-	95,452	17,648	-	-	-	-	-	-
Good governance and regulatory reform		U	-	-	196,908	237,913	-	-	-	-	-	-
Shared economic growth and development	1.1 – Drive development facilitation to proactively assist investors and those wanting to set up/expand businesses in Cape Town	-	-	-	-	10,629	8,116	5,009	8,868	-	-	-

Strategic objective	Goal	Goal code	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
			Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
R thousand	1.2 – Develop new, and strengthen existing, partnerships	–	–	–	–	–	60	60	–	–	23,893
	1.3 – Grow and strengthen the City's tourism capability	–	–	–	–	–	24,517	24,517	25,104	16,729	6,000
	1.4 – Develop and grow LED and particularly SMME opportunities	–	–	–	–	–	11,473	11,473	12,890	–	–
	1.5 – Prioritise skills development based on the needs of the local economy	–	–	–	–	–	748	748	10,635	23,893	–
	1.6 – Improve the processing of building plans and land use applications to well within the statutory time frames	–	–	–	–	–	–	–	380	–	–
	1.7 – Develop the City's creativity and knowledge and innovation base industry	–	–	–	–	–	130	130	–	–	–
	1.8 – Prepare for hosting of the 2010 FIFA World Cup™ in the City of Cape Town in accordance with FIFA's requirements and the City's developmental objectives	–	–	–	–	–	2,439,248	2,439,248	1,617,970	233,118	3,000
	Sustainable urban infrastructure and services	–	–	–	–	–	–	–	–	–	–
	2.1 – Reduce backlogs in line with national objectives for basic services	–	–	–	–	–	309,231	309,231	325,855	276,033	242,727
	2.2 – Conserve biodiversity and improve quality living environments through greening, education and access	–	–	–	–	–	11,163	11,163	14,562	10,274	8,669
	2.3 – Develop demand management programmes for water, electricity, waste and transport, and reduce attendant pollutants	–	–	–	–	–	31,407	31,407	75,644	254,150	41,150
	2.4 – Reduce impact of flooding on community livelihoods and regional economies	–	–	–	–	–	30,199	30,199	45,627	45,000	57,000

Strategic objective	Goal	Goal code	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
			Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
R thousand	2.5 – Safeguard human health, protect natural aquatic environments, and improve and maintain recreational water quality	–	–	–	–	–	105	105	1,368	–	–
	2.6 – Manage and maintain the City's beach nodes	–	–	–	–	310	310	1,700	–	3,500	
	2.7 – Large or bulk infrastructure programmes, which are essential, must receive priority	–	–	–	–	1,282,584	1,282,584	1,282,584	2,106,260	1,890,292	2,175,510
	2.8 – Develop an integrated programme approach to infrastructure and service planning, and budgeting	–	–	–	–	11,122	11,122	11,122	16,058	6,904	4,919
	4.2 – Improve public transport services and secure new investment in transport infrastructure	–	–	–	–	308,391	308,391	308,391	911,361	655,859	851,326
	4.5 – Promote non-motorised transport (NMT)	–	–	–	–	13,342	13,342	13,342	81,014	40,500	11,000
Integrated human settlements	5.1 – Transform dormitory suburbs into areas that support a greater mix of land uses, offer a range of amenities and are socially integrated facilities	–	–	–	–	27,176	27,176	27,176	26,984	27,196	33,148
	5.2 – Establish policy and spatial planning frameworks that will facilitate the development of integrated human settlements	–	–	–	–	–	–	–	–	–	2,632
	5.3 – Development and implementation of an incremental housing programme	–	–	–	–	72,790	72,790	72,790	237,673	332,246	302,863
	5.4 – Development of new housing opportunities	–	–	–	–	155,832	155,832	155,832	70,500	74,676	76,042
	5.5 – Increase rental stock through social housing partnerships	–	–	–	–	–	–	–	–	2,632	–
	5.6 – Redress land ownership inequalities by providing housing based on restitution claim settlements	–	–	–	–	350	350	350	2,000	5,890	10,500

Strategic objective	Goal	Goal code	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
			Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
R thousand	5.7 – Facilitate gap housing programmes through partnerships with banks and private sector developers	–	–	–	–	–	–	–	2,632	2,632	2,632
	5.9 – Improve service delivery standards towards comparable international standards	–	–	–	–	1,093	1,093	–	–	–	–
Safety and security	6.1 – Community and youth development programmes directed at personal, traffic and pedestrian safety	–	–	–	–	–	–	1,090	–	–	–
	6.2 – Improve urban design to reduce crime and emergencies	–	–	–	–	8,456	8,456	49,964	39,703	40,698	40,698
	6.3 – Ongoing development of the CCTV network to ensure adequate covering of key economic and transport locations as well as crime hot spots	–	–	–	–	9,466	9,466	7,252	6,000	6,000	6,000
	6.4 – Improve law enforcement (traffic policing, licensing services and general law enforcement) through more visible actions	–	–	–	–	21,638	21,638	13,957	9,250	13,260	13,260
	6.5 – Fast, efficient and equitable emergency responses to safeguard and protect life, property, livelihoods and the environment from fires and other related emergencies	–	–	–	–	85,137	85,137	63,696	23,629	16,558	16,558
	6.6 – Development of Disaster Risk Assessment and proactive disaster prevention and response plans	–	–	–	–	5,900	5,900	10,347	5,340	8,306	8,306
Health, social and community development	7.1 – Establishment of Early Childhood Development (ECD) facilities and partnerships	–	–	–	–	1,777	1,777	6,860	–	–	–
	7.2 – Provide developmental programmes and events that impact positively on the social fabric of communities and visitors in the City	–	–	–	–	24	24	200	–	–	–

Strategic objective	Goal	Goal code	2005/6	2006/7	2007/8	Current year 2008/9			2009/10 Medium-term revenue and expenditure framework		
			Audited outcome	Audited outcome	Audited outcome	Original budget	Adjusted budget	Full year forecast	Budget year 2009/10	Budget year 2010/11	Budget year 2011/12
R thousand	7.3 – Promotion of sustainable communities and healthy lifestyles through the promotion of community-based sport, recreation and library services, programmes and initiatives	–	–	–	–	–	63,073	63,073	71,629	53,995	60,262
	7.4 – Implementation of programmes to address the plight of street people	–	–	–	–	–	2,072	2,072	970	–	–
	7.5 – Provision of effective primary health care services in close collaboration with Provincial Health Services, special emphasis on maternal and child health care, HIV/Aids/STI and TB with a focus on Aids orphans	–	–	–	–	–	17,412	17,412	26,519	12,196	11,274
	7.7 – Provision of effective environmental health services including air quality management and pollution control programmes (including noise pollution)	–	–	–	–	–	1,140	1,140	505	1,000	2,000
	8.1 – Optimise the staff structure, strategies and policies and promote skills development	–	–	–	–	–	2,087	2,087	820	439	–
	8.2 – Enhance service delivery through alternative service delivery mechanisms	–	–	–	–	–	97,224	97,224	213,562	68,034	69,038
	8.3 – Improve the service culture and workplace ethics	–	–	–	–	–	8,627	8,627	26,183	3,226	1,880
8.4 – Improve the organisational and regulatory environment	–	–	–	–	–	24,253	24,253	30,887	–	100	
8.5 – Management of key financial areas and governance such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	–	–	–	–	–	54,577	54,577	53,396	38,381	35,307	
8.6 – Establish representative Ward Participatory Mechanisms	–	–	–	–	–	200	200	–	–	–	
8.7 – Improvement of community satisfaction	–	–	–	–	–	79,102	79,102	32,928	39,350	34,500	
			1,521,108	1,953,422	3,102,398	3,909,092	5,224,063	6,202,464	4,203,575	4,164,563	

Glossary

Adjustments budgets – Prescribed in Section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its Budget during a financial year

Allocations – Money received from Provincial and National Treasury

Budget – The financial plan of a municipality

Budget related policy – Policy of a municipality affecting or affected by the Budget. Examples include tariff policy, rates policy and credit control and debt policy

Capital expenditure – Spending on municipal assets such as land, buildings, and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet

Cash flow statement – a statement showing when actual cash will be received and spent by the Municipality, and the month-end balances of cash and short-term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period

CPI – Consumer Price Index

CPIX – Consumer Price Index Excluding Mortgage Costs

DORA – Division of Revenue Act, the annual legislation that shows the allocations from national to local government

DORB – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from National to Local Government

Equitable share – A general grant paid to municipalities. It is predominantly aimed at assisting municipalities with the costs of free basic services

GDFI – Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities

IDP – Integrated Development Plan. The main strategic planning document of a municipality

KPI – Key Performance Indicators. Measures of service output and/or outcome

MAYCO – Mayoral committee

MFMA – Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management

MTREF – Medium-Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level thereof. It effectively represents a municipality's medium-term financial plan

Operating expenditure – Spending on the day-to-day expenses of a municipality such as general expenses, salaries and wages and repairs and maintenance

Rates – Local Government tax based on assessed valuation of a property

TMA – Total Municipal Account

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly Budget estimates

Strategic objectives – The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these strategic objectives

Vote – One of the main segments into which a budget is divided, usually at directorate level

Budget team



Front row from left to right:
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Madenia Safodien,
Ganief Elloker

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Naïmah Ishmail
(Manager: Performance Budgeting),
Karen Fourie
(Manager: Capital Budget),
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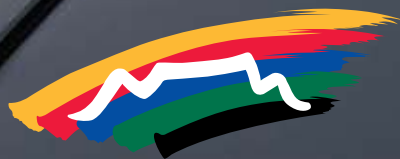
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