

Theewaterskloof Municipality

Final Budget

2010/2011 to 2012/2013

25 May 2010

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1. Resolutions

1. That Council resolves that the Annual Operating and Capital Budgets of the municipality for the financial year 2010/2011 and indicative for the two projected Outer Years 2011/2012 and 2012/2013 be approved as set out below.(pages 8 - 17)
2. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2010/2011 financial year. (Page 14)
3. That Council resolves to adopt the Integrated Development Plan.
4. That Council resolves that the Tariff Charges are approved for the Budget Year 2010/2011.
5. That the Monthly Indigent Subsidy, which is credited on the account of the indigent household, i.r.o. 6kl Water, 50KwH Electricity, sewerage and refuse be approved.
6. That the Indigent Threshold be increased from R2, 020 per month (R1, 010 x 2) to R2, 160 (R1, 080 x 2) per month, based on twice the old age pension as per policy.
7. That the Monthly Free 6kl Water be given to all households with up to 8 occupants and an additional 1kl per month for each additional occupant.
8. That Basic Charge of R57.75 + Vat per month is levied to all Non-Indigent Households and Businesses and Industrial Consumers.
9. That it be noted that "Unfunded Functions" are fully budgeted for at present service levels and in respect of Libraries.
10. That note is taken that Internal Division of Costs is done according to expected budgeted time spent to cost, and that tariffs are determined accordingly.
11. That free installation of Prepaid Water Meters and Prepaid Electricity Meters is subjected to council's discretion.
12. That Old Age Homes be levied at Residential tariffs, provided that they are registered as Non-Profit Organisations.
13. That Council resolves that the following required amendments to the Credit Control & Debt Collection Policy be effected:
 - 13.1 The Council may install prepaid water and electricity meters at its discretion when debtors enter into agreement to pay off arrears.
 - 13.2 The Council may replace existing credit meters for water and electricity with prepaid meters at its discretion to prevent debtors already in arrears to accumulate further debts for the services of water and electricity.
 - 13.3 Remove sub paragraph 15.3 that states: "It must be noted that rates cannot be written off."
14. That Council resolves that the following required amendments to the Indigent Policy be effected:

- 14.1 Subject to funds being allocated and the relevant criteria being adhered to, indigent support is to be provided for the property rates.
- 14.2 That sub paragraph 5.1 that states: "Relief will be applied for a period up to the end of June as determined by the council." be replaced with "Relief will be applied for a period until the next annual review or as determined by the Council."
- 14.3 Application forms of indigents no longer require an account as proof of residence.
- 14.4 Prepaid electricity meters may be installed to replace conventional credit meters at approved Indigent Households.
15. That the Electricity Tariff Increase be reduced to 21% if the NERSA Hearing on tariff increase above 21% is unsuccessful.

RESOLUTION BY COUNCIL: 25 MAY 2010

After Councillors had discussed the item in depth, it was resolved as follows:

1. That Council resolves that the Annual Operating and Capital Budgets of the municipality for the financial year 2010/2011 and indicative for the two projected Outer Years 2011/2012 and 2012/2013 be approved as set out below.(pages 8 - 17)
2. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2010/2011 financial year. (Page 14)
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7. That the Monthly Free 6kl Water be given to all households with up to 8 occupants and an additional 1kl per month for each additional occupant.
8. That Basic Charge of R57.75 + Vat per month is levied to all Non-Indigent Households and Businesses and Industrial Consumers.
9. That it be noted that "Unfunded Functions" are fully budgeted for at present service levels and in respect of Libraries.
10. That note is taken that Internal Division of Costs is done according to expected budgeted time spent to cost, and that tariffs are determined accordingly.
11. That free installation of Prepaid Water Meters and Prepaid Electricity Meters is subjected to council's discretion.
12. That Old Age Homes be levied at Residential tariffs, provided that they are registered as Non-Profit Organisations.
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 - 13.3 Remove sub paragraph 15.3 that states: "It must be noted that rates cannot be written off."
14. That Council resolves that the following required amendments to the Indigent Policy be effected:
 - 14.1 Subject to funds being allocated and the relevant criteria being adhered to, indigent support is to be provided for the property rates.
 - 14.2 That sub paragraph 5.1 that states: "Relief will be applied for a period up to the end of June as determined by the council." be replaced with "Relief will be applied for a period until the next annual review or as determined by the Council."
 - 14.3 Application forms of indigents no longer require an account as proof of residence.
 - 14.4 Prepaid electricity meters may be installed to replace conventional credit meters at approved Indigent Households.
15. That the Electricity Tariff Increase be reduced to 21% if the NERSA Hearing on tariff increase above 21% is unsuccessful.

2. Executive summary

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

The MTREF-based revenue and expenditure projections assumed inflation-linked annual adjustments of 11.1%, 7.8% and 9.7% respectively for the 3-year budget period of 2010/11, 2011/12 and 2012/13. Further key parameters applied to the Theewaterskloof Municipality financial framework included the following for the 2010/11 financial year:

Tariff increases:

– Rates	8.9%
– Electricity	26.3%
– Water	5%
– Sanitation (Sewer)	8%
– Solid Waste (Refuse)	8.9%

Total expenditure for the 2010/11 financial year amounts to R277.1 million, which represents an increase of R27.7 million (11 %) over 2009/10. Capital expenditure totals R83 million which include estimated roll-overs of R17.13 million.

Expenditure categories' growth:

– Employee related costs	11.3%
– Remuneration of Councillors	7%
– Debt impairment	-26.4%
– Depreciation & asset impairment	2%
– Finance Charges	19.6%
– Bulk Purchases	24.1%
– Contracted services	16.1%
– Other Expenditure	10.7%

Revenue categories' growth:

– Property Rates	13.6%
– Service Charges	10.36%
– Interest earned	7.7%
– Fines	33.1%
– Transfers recognised (Grants)	26%
– Other Revenue	-2.9%

Successful alignment of Theewaterskloof Municipality's service delivery priorities, as embodied in the updated IDP and its focus areas, objectives and perspectives, to that of National and Provincial Governments is seen as critical if the Municipality is to achieve its developmental goals. Main strategic focus areas are:

- Financial Viability
- Expectation Management
- Improved Service Delivery
- LED
- Integrated human settlements
- Fostering of a safe and secure environment
- Good governance and regulatory reform

Budgeted Financial Performance (Revenue and Expenditure by standard classification)
(Table A2)

Standard Classification Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		72,139	81,672	100,944	116,791	114,011	114,011	129,192	139,173	151,736
Executive and council		11,429	13,717	14,001	14,753	14,914	14,914	10,295	11,192	11,625
Budget and treasury office		50,518	62,299	79,056	93,334	90,298	90,298	109,908	120,262	131,674
Corporate services		10,191	5,655	7,887	8,704	8,799	8,799	8,989	7,719	8,437
<i>Community and public safety</i>		12,338	10,053	9,599	12,843	4,851	4,851	6,688	7,246	7,159
Community and social services		3,103	3,572	4,119	4,979	836	836	1,114	1,182	515
Sport and recreation		152	148	199	169	149	149	122	134	148
Public safety		7,022	6,331	5,221	7,660	3,862	3,862	5,152	5,631	6,196
Housing		194	2	60	35	4	4	300	300	300
Health		1,867	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8,699	8,632	12,394	10,714	10,403	10,403	12,001	11,092	12,701
Planning and development		4,910	3,572	6,921	6,564	6,184	6,184	7,424	6,123	7,235
Road transport		3,789	5,061	5,473	4,150	4,219	4,219	4,577	4,969	5,466
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		67,703	76,043	93,944	109,039	110,344	110,344	119,216	131,294	145,623
Electricity		23,237	27,342	32,740	42,034	43,218	43,218	48,254	54,655	62,853
Water		20,958	21,810	30,164	33,977	34,460	34,460	35,552	38,396	41,468
Waste water management		10,659	11,789	14,497	16,360	15,818	15,818	17,195	18,571	20,056
Waste management		12,849	15,103	16,543	16,668	16,848	16,848	18,215	19,672	21,246
<i>Other</i>	4	30,796	62,231	24,484	44,435	55,620	55,620	47,270	55,553	58,715
Total Revenue - Standard	2	191,675	238,631	241,366	293,822	295,229	295,229	314,367	344,358	375,934
Expenditure - Standard										
<i>Governance and administration</i>		48,622	55,315	72,816	75,172	79,836	79,836	97,779	103,147	110,771
Executive and council		14,187	24,907	27,533	25,796	28,538	28,538	25,778	27,584	29,295
Budget and treasury office		23,396	17,613	24,497	29,948	30,357	30,357	41,603	44,586	47,873
Corporate services		11,039	12,795	20,785	19,428	20,941	20,941	30,398	30,978	33,603
<i>Community and public safety</i>		23,466	25,085	31,915	35,921	29,478	29,478	28,284	30,628	33,068
Community and social services		5,464	7,320	10,304	9,518	5,169	5,169	5,356	5,831	6,329
Sport and recreation		4,879	5,896	8,142	8,940	9,203	9,203	8,195	8,838	9,507
Public safety		9,458	8,870	9,755	13,166	10,431	10,431	9,510	10,313	11,146
Housing		2,120	2,999	3,713	4,297	4,676	4,676	5,223	5,645	6,086
Health		1,544	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		20,691	23,868	31,373	33,855	35,268	35,268	42,754	45,128	48,506
Planning and development		6,244	7,617	9,140	9,704	9,381	9,381	13,481	14,551	15,736
Road transport		14,408	16,250	22,187	24,048	25,803	25,803	29,083	30,370	32,546
Environmental protection		39	-	46	103	84	84	190	207	224
<i>Trading services</i>		59,190	65,826	94,955	98,978	104,594	104,594	107,929	119,068	134,698
Electricity		18,956	20,171	28,154	37,169	38,441	38,441	43,461	49,830	60,014
Water		18,234	20,480	28,747	29,493	29,820	29,820	28,474	30,705	33,097
Waste water management		9,336	10,916	18,923	16,021	18,723	18,723	19,570	20,704	22,284
Waste management		12,663	14,260	19,130	16,295	17,609	17,609	16,424	17,829	19,303
<i>Other</i>	4	31,225	62,231	185	250	266	266	372	401	432
Total Expenditure - Standard	3	183,194	232,324	231,244	244,175	249,443	249,443	277,118	298,372	327,475
Surplus/(Deficit) for the year		8,481	6,306	10,122	49,647	45,786	45,786	37,249	45,987	48,459

Budgeted Financial Performance (Revenue and Expenditure by municipal vote)
(Table A3)

Vote Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand										
Revenue by Vote	1									
Vote1 - Executive & Council		15,912	14,178	19,186	19,943	20,101	20,101	12,212	11,192	11,625
Vote2 - Finance & Admin		56,227	67,494	81,758	96,848	93,910	93,910	116,980	127,981	140,111
Vote3 - Planning & Development		4,910	3,572	6,921	6,564	6,184	6,184	7,424	6,123	7,235
Vote4 - Health		1,867	-	-	-	-	-	-	-	-
Vote5 - Community & Social Services		3,103	3,572	4,119	4,979	836	836	1,114	1,182	515
Vote6 - Housing		194	2	60	35	4	4	300	300	300
Vote7 - Public Safety		7,022	6,331	5,221	7,660	3,862	3,862	5,152	5,631	6,196
Vote8 - Sport & Recreation		152	148	199	169	149	149	122	134	148
Vote9 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote10 - Waste Management		12,849	15,103	16,543	16,668	16,848	16,848	18,215	19,672	21,246
Vote11 - Waste Water Management		10,659	11,789	14,497	16,360	15,818	15,818	17,195	18,571	20,056
Vote12 - Roads Transport		3,789	5,061	5,473	4,150	4,219	4,219	4,577	4,969	5,466
Vote13 - Water		20,958	21,810	30,164	33,977	34,460	34,460	35,552	38,396	41,468
Vote14 - Electricity		23,237	27,342	32,740	42,034	43,218	43,218	48,254	54,655	62,853
Vote15 - Other		30,796	62,231	24,484	44,435	55,620	55,620	47,270	55,553	58,715
Total Revenue by Vote	2	191,675	238,631	241,366	293,822	295,229	295,229	314,367	344,358	375,934
Expenditure by Vote to be appropriated	1									
Vote1 - Executive & Council		18,521	29,375	36,593	33,279	35,423	35,423	40,183	41,232	44,145
Vote2 - Finance & Admin		30,101	25,939	36,223	41,893	44,413	44,413	57,597	61,915	66,626
Vote3 - Planning & Development		6,244	7,617	9,140	9,704	9,381	9,381	13,481	14,551	15,736
Vote4 - Health		1,544	-	-	-	-	-	-	-	-
Vote5 - Community & Social Services		5,464	7,320	10,304	9,518	5,169	5,169	5,356	5,831	6,329
Vote6 - Housing		2,120	2,999	3,713	4,297	4,676	4,676	5,223	5,645	6,086
Vote7 - Public Safety		9,458	8,870	9,755	13,166	10,431	10,431	9,510	10,313	11,146
Vote8 - Sport & Recreation		4,879	5,896	8,142	8,940	9,203	9,203	8,195	8,838	9,507
Vote9 - Environmental Protection		39	-	46	103	84	84	190	207	224
Vote10 - Waste Management		12,663	14,260	19,130	16,295	17,609	17,609	16,424	17,829	19,303
Vote11 - Waste Water Management		9,336	10,916	18,923	16,021	18,723	18,723	19,570	20,704	22,284
Vote12 - Roads Transport		14,408	16,250	22,187	24,048	25,803	25,803	29,083	30,370	32,546
Vote13 - Water		18,234	20,480	28,747	29,493	29,820	29,820	28,474	30,705	33,097
Vote14 - Electricity		18,956	20,171	28,154	37,169	38,441	38,441	43,461	49,830	60,014
Vote15 - Other		31,225	62,231	185	250	266	266	372	401	432
Total Expenditure by Vote	2	183,194	232,324	231,244	244,175	249,443	249,443	277,118	298,372	327,475
Surplus/(Deficit) for the year	2	8,481	6,306	10,122	49,647	45,786	45,786	37,249	45,987	48,459

Budgeted Financial Performance (Revenue and Expenditure) (Table A4)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue By Source											
Property rates	2	24,128	30,594	34,400	44,071	39,071	39,071	39,071	44,400	47,952	52,747
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	22,091	26,790	31,996	39,730	40,914	40,914	40,914	48,254	54,655	62,853
Service charges - water revenue	2	19,734	21,810	30,080	33,977	34,460	34,460	34,460	35,552	38,396	41,468
Service charges - sanitation revenue	2	10,659	11,789	14,497	16,360	15,818	15,818	15,818	17,195	18,571	20,056
Service charges - refuse revenue	2	11,470	12,591	14,949	16,656	16,844	16,844	16,844	18,215	19,672	21,246
Service charges - other		1,185	1,724	2,541	1,221	1,340	1,340	1,340	1,493	1,631	1,795
Rental of facilities and equipment		1,966	1,587	1,460	2,312	2,357	2,357	2,357	1,850	2,035	2,239
Interest earned - external investments		1,129	838	3,715	2,400	3,050	3,050	3,050	2,606	2,736	2,873
Interest earned - outstanding debtors		5,111	7,256	8,105	6,400	5,500	5,500	5,500	6,600	6,000	6,000
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		7,028	6,276	5,152	7,640	3,812	3,812	3,812	5,074	5,558	6,114
Licences and permits		0	55	76	14	60	60	60	75	83	91
Agency services		1,474	1,544	1,415	1,440	1,589	1,589	1,589	1,700	1,870	2,057
Transfers recognised - operational		32,440	29,250	33,371	42,297	38,677	38,677	38,677	48,735	52,694	56,815
Other revenue	2	26,669	24,996	35,126	34,869	36,117	36,117	36,117	35,348	36,953	40,866
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		165,083	177,098	216,881	249,387	239,609	239,609	239,609	267,097	288,805	317,219
Expenditure By Type											
Employee related costs	2	44,839	57,456	68,968	81,550	79,864	79,864	79,864	88,911	97,358	106,120
Remuneration of councillors		5,071	4,886	5,437	5,915	5,915	5,915	5,915	6,329	6,930	7,554
Debt impairment	3	13,195	11,190	24,526	11,906	7,724	7,724	7,724	5,688	6,292	6,966
Depreciation & asset impairment	2	2,603	2,414	17,802	6,530	21,702	21,702	21,702	22,136	22,579	23,030
Finance charges		2,998	3,977	8,535	10,546	9,150	9,150	9,150	10,945	9,623	9,623
Bulk purchases	2	15,765	17,014	22,526	28,578	28,578	28,578	28,578	35,476	42,873	52,528
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		11,555	8,349	8,538	13,441	11,527	11,527	11,527	13,519	13,447	14,615
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	87,169	127,039	74,912	85,710	84,982	84,982	84,982	94,113	99,269	107,038
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		183,194	232,324	231,244	244,175	249,443	249,443	249,443	277,118	298,372	327,475
Surplus/(Deficit)											
Transfers recognised - capital		26,592	61,533	24,484	44,435	55,620	55,620	55,620	47,270	55,553	58,715
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		8,481	6,306	10,122	49,647	45,786	45,786	45,786	37,249	45,987	48,459
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		8,481	6,306	10,122	49,647	45,786	45,786	45,786	37,249	45,987	48,459
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		8,481	6,306	10,122	49,647	45,786	45,786	45,786	37,249	45,987	48,459
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		8,481	6,306	10,122	49,647	45,786	45,786	45,786	37,249	45,987	48,459

Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)

Vote Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote1 - Executive & Council		476	941	1,759	1,300	3,457	3,457	3,457	-	250	2,260
Vote2 - Finance & Admin		268	248	2,286	1,331	1,944	1,944	1,944	1,843	-	-
Vote3 - Planning & Development		-	-	4,597	2,030	548	548	548	-	-	-
Vote4 - Health		-	-	-	-	-	-	-	-	-	-
Vote5 - Community & Social Services		-	-	-	-	-	-	-	-	800	-
Vote6 - Housing		16,216	33,592	12,637	24,668	24,673	24,673	24,673	29,330	33,977	32,480
Vote7 - Public Safety		-	-	-	-	-	-	-	10,132	3,000	300
Vote8 - Sport & Recreation		-	960	31	-	1,025	1,025	1,025	-	-	-
Vote9 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote10 - Waste Management		2,448	3,939	4,833	1,000	-	-	-	-	-	-
Vote11 - Waste Water Management		6,411	26,028	6,252	16,245	4,301	4,301	4,301	13,291	21,576	19,100
Vote12 - Roads Transport		2,320	3,542	2,193	15,272	18,309	18,309	18,309	5,887	-	5,500
Vote13 - Water		2,323	11,304	22,797	21,305	26,736	26,736	26,736	16,591	5,520	6,445
Vote14 - Electricity		3,471	2,104	3,069	5,952	5,392	5,392	5,392	5,978	21,430	24,690
Vote15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	33,931	82,659	60,454	89,103	86,384	86,384	86,384	83,052	86,553	90,775
Single-year expenditure to be appropriated	2										
Vote1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote2 - Finance & Admin		-	-	-	-	-	-	-	-	-	-
Vote3 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote4 - Health		-	-	-	-	-	-	-	-	-	-
Vote5 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote7 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote8 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-
Vote9 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote10 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote12 - Roads Transport		-	-	-	-	-	-	-	-	-	-
Vote13 - Water		-	-	-	-	-	-	-	-	-	-
Vote14 - Electricity		-	-	-	-	-	-	-	-	-	-
Vote15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		33,931	82,659	60,454	89,103	86,384	86,384	86,384	83,052	86,553	90,775
Capital Expenditure - Standard											
Governance and administration		744	1,189	4,045	2,631	5,402	5,402	5,402	1,843	250	2,260
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		268	248	2,286	1,331	1,944	1,944	1,944	1,843	-	-
Corporate services		476	941	1,759	1,300	3,457	3,457	3,457	-	250	2,260
Community and public safety		16,216	34,552	12,668	24,668	25,698	25,698	25,698	39,462	37,777	32,780
Community and social services		-	-	-	-	-	-	-	-	800	-
Sport and recreation		-	960	31	-	1,025	1,025	1,025	-	-	-
Public safety		-	-	-	-	-	-	-	10,132	3,000	300
Housing		16,216	33,592	12,637	24,668	24,673	24,673	24,673	29,330	33,977	32,480
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2,320	3,542	6,790	17,302	18,857	18,857	18,857	5,887	-	5,500
Planning and development		-	-	4,597	2,030	548	548	548	-	-	-
Road transport		2,320	3,542	2,193	15,272	18,309	18,309	18,309	5,887	-	5,500
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		14,652	43,376	36,952	44,502	36,428	36,428	36,428	35,860	48,526	50,235
Electricity		3,471	2,104	3,069	5,952	5,392	5,392	5,392	5,978	21,430	24,690
Water		2,323	11,304	22,797	21,305	26,736	26,736	26,736	16,591	5,520	6,445
Waste water management		6,411	26,028	6,252	16,245	4,301	4,301	4,301	13,291	21,576	19,100
Waste management		2,448	3,939	4,833	1,000	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	33,931	82,659	60,454	89,103	86,384	86,384	86,384	83,052	86,553	90,775
Funded by:											
National Government		9,876	27,940	11,848	19,767	29,949	29,949	29,949	17,940	21,576	26,235
Provincial Government		16,716	33,592	12,637	24,668	25,676	25,676	25,676	29,330	33,977	32,480
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	26,592	61,533	24,484	44,435	55,625	55,625	55,625	47,270	55,553	58,715
Public contributions & donations	5										
Borrowing	6	7,340	16,940	27,127	35,792	26,926	26,926	26,926	11,209	11,000	11,500
Internally generated funds		-	4,187	8,843	8,876	3,833	3,833	3,833	24,573	20,000	20,560
Total Capital Funding	7	33,931	82,659	60,454	89,103	86,384	86,384	86,384	83,052	86,553	90,775

Budgeted Financial Position (Table A6)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
ASSETS											
Current assets											
Cash		2,684	11,672	5,586		6,000	6,000	6,000	7,000	7,500	8,000
Call investment deposits	1	14,554	8,642	25,485	-	20,000	20,000	20,000	21,000	22,000	22,500
Consumer debtors	1	9,952	18,474	17,779	-	19,000	19,000	19,000	22,000	25,000	28,000
Other debtors		9,897	15,250	2,387		2,500	2,500	2,500	2,700	2,800	3,000
Current portion of long-term receivables		50	28	12		10	10	10	7	4	2
Inventory	2	-	-	86		90	90	90	94	99	104
Total current assets		37,136	54,066	51,334	-	47,600	47,600	47,600	52,801	57,403	61,606
Non current assets											
Long-term receivables		177	158	92		70	70	70	45	10	-
Investments		-	-	-		-	-	-	-	-	-
Investment property		-	-	26,020		24,000	24,000	24,000	20,000	18,000	15,000
Investment in Associate		-	-	-		-	-	-	-	-	-
Property, plant and equipment	3	40,713	52,467	260,395	-	344,002	344,002	344,002	406,602	538,781	641,211
Agricultural		-	-	-		-	-	-	-	-	-
Biological		-	-	-		-	-	-	-	-	-
Intangible		-	-	352		752	752	752	900	930	980
Other non-current assets		-	-	-		-	-	-	-	-	-
Total non current assets		40,890	52,624	286,858	-	368,824	368,824	368,824	427,547	557,721	657,191
TOTAL ASSETS		78,026	106,690	338,192	-	416,424	416,424	416,424	480,348	615,124	718,797
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-		-	-	-	-	-	-
Borrowing	4	3,435	4,085	4,985	-	21,702	21,702	21,702	22,136	22,579	23,030
Consumer deposits		2,265	2,395	2,697		2,966	2,966	2,966	3,263	3,589	3,948
Trade and other payables	4	15,276	22,782	38,364	-	38,929	38,929	38,929	41,221	43,843	46,829
Provisions		5,256	4,869	473		520	520	520	572	629	692
Total current liabilities		26,232	34,132	46,520	-	64,117	64,117	64,117	67,192	70,640	74,499
Non current liabilities											
Borrowing		30,188	52,706	83,128	-	15,466	15,466	15,466	11,406	11,216	11,738
Provisions		-	-	19,176	-	21,093	21,093	21,093	23,202	25,522	28,075
Total non current liabilities		30,188	52,706	102,305	-	36,559	36,559	36,559	34,608	36,738	39,813
TOTAL LIABILITIES		56,420	86,838	148,824	-	100,676	100,676	100,676	101,800	107,378	114,312
NET ASSETS	5	21,606	19,853	189,368	-	315,748	315,748	315,748	378,548	507,746	604,484
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		13,962	7,064	188,620	49,647	234,406	234,406	234,406	271,655	317,642	366,101
Reserves	4	7,644	12,789	747	-	2,035	2,035	2,035	2,540	3,045	3,550
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	21,606	19,853	189,368	49,647	236,441	236,441	236,441	274,195	320,687	369,651

Budgeted Cash Flows (Table A7)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		18,061	200,072	200,516	215,106	219,408	219,408	219,408	232,572	246,274	270,901
Government - operating	1										
Government - capital	1										
Interest		1,129	4,222	6,448	2,400	3,050	3,050	3,050	2,606	2,736	2,873
Dividends											
Payments											
Suppliers and employees		(446)	(139,725)	(165,525)	(173,205)	(173,205)	(173,205)	(173,205)	(180,329)	(195,302)	(205,183)
Finance charges		(2,998)	(4,098)	(6,031)	(10,546)	(9,150)	(9,150)	(9,150)	(10,945)	(9,623)	(9,623)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		15,746	60,470	35,408	33,754	40,103	40,103	40,103	43,903	44,085	58,968
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		374	1,803	5,188	4,890	4,890	4,890	4,890	4,390	5,000	6,000
Decrease (Increase) in non-current debtors											
Decrease (Increase) other non-current receivables											
Decrease (Increase) in non-current investments		(6,878)									
Payments											
Capital assets		(16,291)	(82,460)	(61,094)	(60,034)	(60,034)	(60,034)	(60,034)	(83,052)	(65,500)	(70,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(22,795)	(80,658)	(55,907)	(55,144)	(55,144)	(55,144)	(55,144)	(78,662)	(60,500)	(64,000)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		11,178	24,857	33,391	14,287	15,287	15,287	15,287	11,209	11,000	11,500
Increase (decrease) in consumer deposits			171	323	226	350	350	350	360	380	410
Payments											
Repayment of borrowing		(1,669)	(1,765)	(2,463)	(6,530)	(6,530)	(6,530)	(6,530)	(6,388)	(6,388)	(6,388)
NET CASH FROM/(USED) FINANCING ACTIVITIES		9,509	23,264	31,250	7,983	9,107	9,107	9,107	5,181	4,992	5,522
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	14,783	17,243	20,319	31,071	31,071	31,071	31,071	25,137	(4,440)	(15,863)
Cash/cash equivalents at the year end:	2	17,243	20,319	31,071	17,664	25,137	25,137	25,137	(4,440)	(15,863)	(15,373)

Cash Backed reserves/accumulated surplus reconciliation (Table A8)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Cash and investments available											
Cash/cash equivalents at the year end	1	17,243	20,319	31,071	17,664	25,137	25,137	25,137	(4,440)	(15,863)	(15,373)
Other current investments > 90 days		(5)	(5)	-	(17,664)	863	863	863	32,440	45,363	45,873
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		17,238	20,314	31,071	-	26,000	26,000	26,000	28,000	29,500	30,500
Application of cash and investments											
Unspent conditional transfers		6,286	3,727	8,428	-	6,000	6,000	6,000	5,000	4,000	3,000
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	4,029	(16,533)	16,626	-	14,906	14,906	14,906	16,647	14,325	14,050
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		10,314	(12,806)	25,054	-	20,906	20,906	20,906	21,647	18,325	17,050
Surplus(shortfall)		6,924	33,120	6,016	-	5,094	5,094	5,094	6,353	11,175	13,450

Asset Management (Table A9)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	16,291	82,251	60,512	89,103	86,384	-	83,052	86,553	90,775
Infrastructure - Road transport		1,526	2,917	2,193	15,272	18,309	-	5,887	-	5,500
Infrastructure - Electricity		2,841	2,415	3,921	5,952	5,392	-	5,978	21,430	24,690
Infrastructure - Water		2,323	10,947	22,722	21,305	26,736	-	16,591	5,520	6,445
Infrastructure - Sanitation		6,411	26,700	6,220	16,245	4,301	-	13,291	21,576	19,100
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		13,100	42,979	35,056	58,774	54,737	-	41,747	48,526	55,735
Community		-	960	31	-	1,025	-	-	800	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	32,371	-	24,668	24,673	-	29,330	33,977	32,480
Other assets	6	3,192	5,940	25,425	5,661	5,949	-	11,975	3,250	2,560
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	16,291	82,251	60,512	89,103	86,384	-	83,052	86,553	90,775
Infrastructure - Road transport		1,526	2,917	2,193	15,272	18,309	-	5,887	-	5,500
Infrastructure - Electricity		2,841	2,415	3,921	5,952	5,392	-	5,978	21,430	24,690
Infrastructure - Water		2,323	10,947	22,722	21,305	26,736	-	16,591	5,520	6,445
Infrastructure - Sanitation		6,411	26,700	6,220	16,245	4,301	-	13,291	21,576	19,100
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		13,100	42,979	35,056	58,774	54,737	-	41,747	48,526	55,735
Community		-	960	31	-	1,025	-	-	800	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	32,371	-	24,668	24,673	-	29,330	33,977	32,480
Other assets		3,192	5,940	25,425	5,661	5,949	-	11,975	3,250	2,560
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	16,291	82,251	60,512	89,103	86,384	-	83,052	86,553	90,775
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5									
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other		40,713	52,467	260,395	-	344,002	344,002	406,602	538,781	641,211
Infrastructure		40,713	52,467	260,395	-	344,002	344,002	406,602	538,781	641,211
Community										
Heritage assets										
Investment properties		-	-	26,020	-	24,000	24,000	20,000	18,000	15,000
Other assets										
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	352	-	752	752	900	930	980
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	40,713	52,467	286,766	-	368,754	368,754	427,502	557,711	657,191
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	2,603	2,414	17,802	6,530	21,702	21,702	22,136	22,579	23,030
Repairs and Maintenance by Asset Class		9,442	11,243	12,866	17,302	16,848	-	22,762	24,459	26,464
Infrastructure - Road transport		2,999	2,668	3,516	3,275	2,410	-	4,730	4,967	5,215
Infrastructure - Electricity		876	1,829	2,048	2,712	2,867	-	5,999	6,490	7,266
Infrastructure - Water		1,006	845	1,106	2,075	1,852	-	2,650	2,981	3,276
Infrastructure - Sanitation		315	525	738	1,010	1,397	-	980	1,029	1,080
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		5,196	5,867	7,407	9,073	8,527	-	14,359	15,466	16,837
Community		5	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	4,241	5,377	5,460	8,229	8,321	-	8,403	8,992	9,626
TOTAL EXPENDITURE OTHER ITEMS		12,045	13,657	30,668	23,831	38,550	21,702	44,898	47,037	49,494
% of capital exp on renewal of assets		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		23.2%	21.4%	4.9%	0.0%	4.9%	0.0%	5.6%	4.5%	4.1%
Renewal and R&M as a % of PPE		23.0%	21.0%	4.0%	0.0%	5.0%	0.0%	5.0%	4.0%	4.0%

Basic Service Delivery measurement (Table A10)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Household service targets (000)	1									
Water:										
Piped water inside dwelling		21	23	23	23	23	23	23	23	23
Piped water inside yard (but not in dwelling)			1	1	1	1	1	1	1	1
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		21	23	24	24	24	24	24	24	24
Using public tap (< min.service level)	3		0	0	0	0	0	0	0	0
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	0	0	0	0	0	0	0	0
Total number of households	5	21	24	24	24	24	24	24	24	24
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		14	21	22	22	22	22	22	22	22
Flush toilet (with septic tank)		6	2	3	3	3	3	3	3	3
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		20	23	24	24	24	24	24	24	24
Bucket toilet		1								
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		1	-	-	-	-	-	-	-	-
Total number of households	5	21	23	24	24	24	24	24	24	24
Energy:										
Electricity (at least min.service level)			3	3	3	3	3	3	3	3
Electricity - prepaid (min.service level)			3	3	3	3	3	3	3	4
<i>Minimum Service Level and Above sub-total</i>		-	6	6	6	6	6	6	6	6
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	6	6	6	6	6	6	6	6
Refuse:										
Removed at least once a week		18	19	19	19	19	19	19	19	19
<i>Minimum Service Level and Above sub-total</i>		18	19	19	19	19	19	19	19	19
Removed less frequently than once a week		1	1	1	1	1	1	1	1	1
Using communal refuse dump		1	1	1	1	1	1	1	1	1
Using own refuse dump		4	4	7	7	7	7	7	7	7
Other rubbish disposal										
No rubbish disposal		0	0	0	0	0	0	0	0	0
<i>Below Minimum Service Level sub-total</i>		6	6	9	9	9	9	9	9	9
Total number of households	5	25	26	29	29	29	29	29	29	29
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		5	6	6	6	6	6	8	8	8
Sanitation (free minimum level service)		5	6	6	6	6	6	8	8	8
Electricity/other energy (50kwh per household per month)		5	6	6	6	6	6	8	8	8
Refuse (removed at least once a week)		5	6	6	6	6	6	8	8	8
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		1,320	1,598	1,800	1,980	1,980	1,980	2,633	2,897	3,186
Sanitation (free sanitation service)		1,291	1,563	1,728	3,049	3,049	3,049	4,171	4,589	5,048
Electricity/other energy (50kwh per household per month)		1,553	1,880	2,160	2,331	2,331	2,331	3,572	3,930	4,322
Refuse (removed once a week)		1,804	2,183	2,412	3,758	3,758	3,758	5,184	5,703	6,273
Total cost of FBS provided (minimum social package)		5,968	7,224	8,100	11,118	11,118	11,118	15,561	17,118	18,829
Highest level of free service provided										
Property rates (R'000 value threshold)		15,000	15,000	15,000	50,000	50,000	50,000	50,000	50,000	50,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		31	33	36	71	71	71	77	85	93
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		52,749	63,846	72,000	23,850	23,850	23,850	110,200	121,220	133,342
Property rates (other exemptions, reductions and rebates)										
Water		1,505	1,822	2,070	2,277	2,277	2,277	3,028	3,331	3,664
Sanitation		1,472	1,781	1,987	3,507	3,507	3,507	4,797	5,277	5,805
Electricity/other energy		1,771	2,144	2,484	2,680	2,680	2,680	4,108	4,519	4,971
Refuse		2,056	2,489	2,774	4,322	4,322	4,322	5,962	6,558	7,214
Municipal Housing - rental rebates		604	732	828	932	932	932	1,298	1,428	1,570
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	60,158	72,813	82,143	37,567	37,567	37,567	129,394	142,333	156,566

4. Overview of Annual Budget Process

a. Planning process used to prepare the annual budget

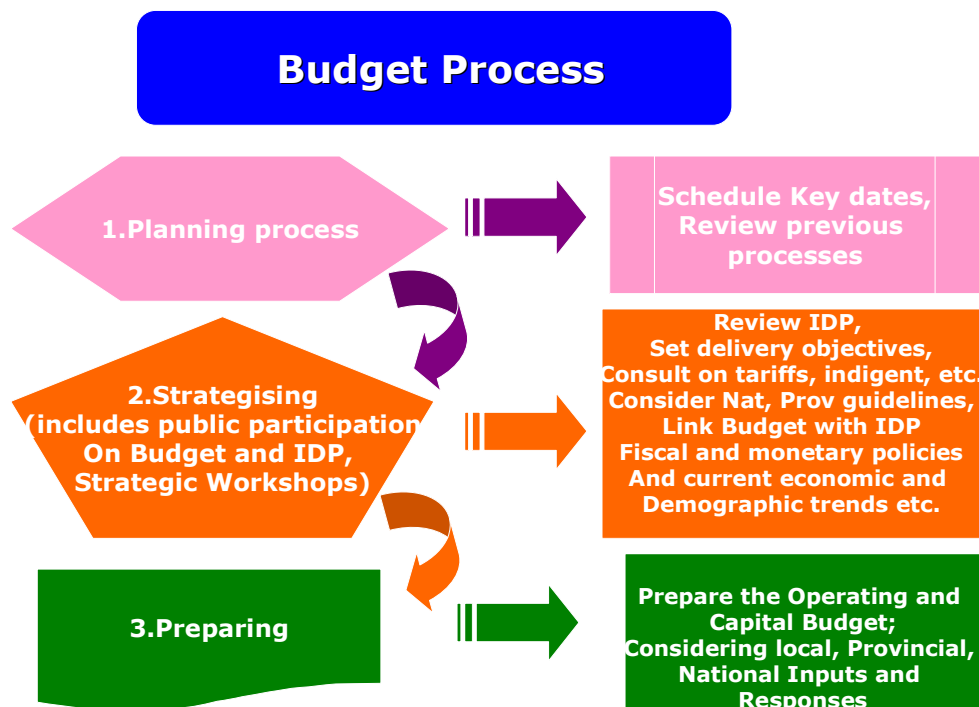
The MFMA requires the mayor of a municipality to provide political guidance over the budget Process and the priorities that must guide the preparation of a budget. A Budget Steering Committee must be established to assist in discharging the mayor's budget preparation responsibilities.

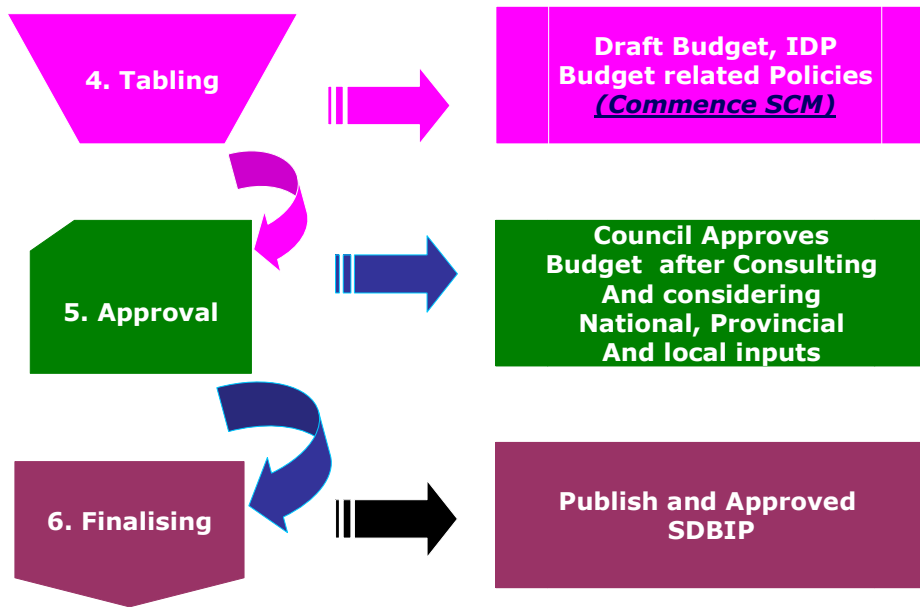
The First step in the Budget Process requires a Review of the pervious processes and the Schedule of Key dates was tabled by the mayor 10 months before the start of the Budget year. The Key dates outline the key deadlines for the preparation, tabling, and approval of the Annual Budget, the annual review of the IDP, Budget- related Policies, and subsequent tabling and adoptions of any amendments. The key deadlines outlined included the deadline for the consultative process as referred to in the Municipal Systems Act Chapter 4.

The next step in the Budget Process was Strategising. The Municipality has a functional IDP/Budget Steering Committee and the first meeting for the 2010/2011 Budget and IDP Review was held in June 2009. A Strategic Planning Workshop of Councillors and Senior Management were conducted on 31 August to 1st of September 2009 at Goudini to strategise and agree upon Strategic direction of the Council for the next five years and which inform the IDP. The Public Participation meetings were held during September to November 2009 in order to review the Integrated Development Plan.

After the Strategising Phase and Reviewing of the IDP a Draft Operating Budget and Capital Budget was prepared, informed by the IDP, after considering Local, Provincial and National Inputs. Fiscal and Monetary Policies and Guidelines, Current Economic and Demographic Trends, Electricity and Water Bulk Purchases were considered in preparing the Annual Budget.

The Draft Annual Budget will be tabled by the Mayor on the 25 March 2010.





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

The Integrated Development Plan is reviewed annually through appropriate processes, mechanisms, and procedures that allow the local community to participate and be consulted on its Development needs and priorities as prescribed by the Municipal Systems Act. Previous process was reviewed, public participations were held where the Public can provide input and assist with prioritisation in the Integrated Development Plan. These sessions was facilitated by officials. The Annual Budget was reconciled with the IDP and will reflect the Developmental Needs of the Community. During public participation sessions of the IDP, Budget as well as Ward Meetings we need to heed particular attention to informing TWK community of the needed service upgrading and or improvement needs which informed the council to take an informed decision when the annual budget was prioritized.

c. Process of Consultation with the Community and key Stakeholders

Strategising includes public participation on the Budget and IDP with the community and key stakeholders. Consultations held at various levels of civil society from the public via Ward Committees and Town Advisory meetings as required by the Municipal System Act. The ward committees and Town Advisory Forums serve as the representative forums of stakeholders and form the link between the Municipality and the residents. The purpose of the consultations was to agree with community stakeholders on setting uniform, realistic, reasonable, and affordable service levels for the delivery of basic services within the TWK Municipality.

Our consultation on the draft IDP review and budget were held during Sept-Nov 2009. Extensive advertising in local newspapers and website was use to make the public aware of the process in reviewing the IDP and to consult on the Budget.

Direct engagements occurred from Sept- Nov 2009 as follows:

OBJECTIVE	WARDS	PERFORMANCE STANDARD	PURPOSE
<i>IDP Review Process Phase 1</i>	<i>Priorisation</i>	<i>14 - 21 Sept</i>	Ward Committees identify and draft a IDP for their ward
<i>Phase 2</i>	<i>Town Advisory Meetings</i>	<i>21 - 22 Sept</i>	TAF's draft the Town IDP
<i>Phase 3</i>	<i>Community Participation</i>	<i>28 Sept -07 Oct 09</i>	PP with Communities Present Town and Corporate IDP's to Communities
<i>Phase 4</i>	<i>Ward Committee and TAF Meetings</i>	<i>16 - 19 Nov</i>	Ward Comms and TAFs revisit the draft IDP and Capital projects.TAFs review in accordance with the outcome of the Public Participation with communities

The attendance to these sessions totalled to approximately 1608 residents.

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

The IDP and Budget Time Schedule of the 20010/2011 budget cycle was approved by the Council on 25 June 2009, which is more than 10 months before the start of the budget year in compliance with legislative directives.

Activity	Responsible Person	Timeframe
Table Draft IDP and Capital and Operating Budgets at Council in terms of Section 16(2) of the MFMA	Executive Mayor	25-Mar-10
Advertise Draft IDP and Capital, Operating Budget and Tariffs.	Municipal Manager IDP Manager	01 April to 03 May 2010
Approval of IDP and Budget by Council and Tabling of an Adjustment Budget for the 2009/ 2010 financial year in Council for approval	Council	27-May-10
Advertise Approved budget, IDP and Tariffs.	Director Finance IDP Manager	04-Jun-10
The 1St Draft Service delivery and Budget Implementation Plan must be submitted to the Mayor by the Municipal Manager within 14 days of approval of the IDP and Budget.	Municipal Manager	10-Jun-10
Mayor Approves the Service Delivery and Budget implementation plan within 28 days of the approval of the IDP and Budget. Submit to the MEC of Local Government and makes it public within 14 days of approval.	Executive Mayor	24-Jun-10
Implementation of Budget/IDP.	All Directorates and Town Mangers	01-Jul-10

5. Overview of Alignment of Annual Budget with Integrated Development Plan

It is considered that a well-run budget process that incorporates the IDP review will facilitate community input, encourage discussion, promote a better understanding of community needs, provide an opportunity for feedback, and improve accountability, transparency, and responsiveness to the needs of the local communities.

Vision

To ensure and preserve the heritage and natural resources within the region, create and develop a safe, healthy, crime free, economically stable and viable environment for all.

The following key purposes were defined:

- Serve a longer term financial plan in addressing the needs and priorities of the stakeholders
- Needs to support strategies and interventions aimed at reducing the gap between stakeholders' expectations and perceptions and the optimum institutional capacity of TWK. ("Mind the Gap")
- Ensure legal compliance and Sound Corporate Governance
- Aimed at giving effect to Financial Viability Strategy and LED of the Municipality
- Improve Service Delivery

GOAL:

To provide, develop and promote equal opportunities for everyone to stay in a safe, healthy, crime free, economically sustainable and viable environment through transparent and effective governance, political stability, planning, services, and the efficient utilisation of resources.

STRATEGIC FOCUS AREAS

1. Basic Service Delivery and Infrastructure Development
2. Promotion of Tourism and Local Economic Development
3. Municipal Financial Viability and Management
4. Good Governance and Public Participation
5. Municipal transformation and organisational development
6. Human Development

Strategic Focus Area 1:

- To provide potable water treatment and distribution of class 1 drinking water to all residents
- To supply reliable, affordable and cost effective electricity to all services areas within the affordability of the community
- To ensure treatment of sewerage attains at least General Standards as requested by DWAF
- To achieve treatment to Special Standards where final effluent is discharged into sensitive areas
- To render an effective and quality Refuse removal service within the municipal area
- To provide a healthy and clean municipal area
- Stimulate and encourage re-use and recycling waste products
- Extensions and maintenance of existing Road infrastructure and tar roads where possible
- To effectively manage and maintain Disaster Management department according to Disaster Management Policy

- To provide a comprehensive Fleet Management services for Theewaterskloof Municipality
- Manage the narrowing of the gap between Stakeholder's Expectations and Institutional Capacity
- Improve the level of Services

Strategic Focus Area 2:

- Adopt sustainable and Integrated Practices throughout the Theewaterskloof area
- Research and Marketing of "green zones" within TWK
- To retain and renew existing Industries by applying appropriate measures
- Align SCM policy with LED objectives
- Create Partnerships with NGO's and local FET collages
- Influences the revisions of the SCM policy and adjudication points per tender
- Adoption of Tourism Strategy
- Establish of Tourism Council
- Development of Tourism Destinations
- Branding
- Develop TWK Routes

Strategic Focus Area 3:

"Financial Viability was identified as the immediate strategic focus and priority of the TWK which is likely to direct, dictate and influence the immediate and medium term thinking prioritization and action of the municipality for the 2010/2011 financial year."

- Develop 5 Year Financial Plan for Review and adoption by Council- Need to obtain more reliable and updated statistics required for planning and decision making to ensure more accurate and prudent planning
- Establish and provide Financial Management Support Service in accordance with needs and expectations established in consultation with Service Delivery Departments
- Enhancement of Reporting and Monitoring
- Develop and implement Standard Operating Procedures for the Town Offices- SOP's need to be drafted/ reviewed for roll
- Performance Manage Compliance with such and other corporate requirements- Audits will be conducted as prescribed
- Financial Reporting- Sustain the Unqualified Audit opinion on Financial Statements
- All Statutory Reports to be produced on time
- Timorously provide the Financial Statements and other financial information required for the Annual Reports
- Project Manage the successful implementation of the Risk Management Framework

Strategic Focus Area 4

- To ensure effective implementation of Performance Management for the Municipality
- To ensure adoption of the Annual Report in accordance with the requirements of s127 of MFMA
- To ensure the adoption and implementation of the IDP
- To ensure adoption of Oversight Report in terms of s129 of MFMA
- To ensure safe and healthy Human Development- Facilitate social initiatives, forming of partnerships

Strategic Focus Area 5

- Centralise Supply Chain Management Unit- Buying in bulk from one location can lead to better prices
- To assist Top Management with the organizational design based in the IDP strategic priorities and to maintain the organizational structure

- To recruit, select, appoint and place required personnel i.t.o. Council's policies and procedures
- To facilitate the compilation and compliance with the Municipality's Employment Equity Policy and Plan
- To develop and maintain a Personnel Administrative System
- To adhere and administer the Occupational Health and Safety System in consultation with management
- To ensure sound Labour Relation Practices in terms of human resources legislation, policies and procedures
- To facilitate the compilation of the Annual Skills Development Plan and ensure
- Compliance with the Skill Developments Act and the Skill Levies Act
- Stabilization, Upgrade, Development and Management of ICT Network and Communication Infrastructure
- To implement an Electronic Records Management System- additional modules

Strategic Focus Area 6

- To manage new Housing Developments
- To ensure successful administration of Informal Settlements
- To ensure effective Management of Housing Database (waiting list)
- To ensure Financial Viability through Revenue Generation

6. Measurable performance objectives and Indicators

a. Key financial indicators and ratios (table SA8)

Description of financial indicator	Basis of calculation	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<u>Borrowing Management</u>											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	38.7%	49.4%	24.6%	0.0%	3.7%	3.7%	3.7%	2.4%	1.8%	1.6%
Credit Rating		n/a	n/a	n/a	n/a	n/a	n/a	n/a			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.5%	2.5%	4.8%	7.0%	6.3%	6.3%	6.3%	6.3%	5.4%	4.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	152.3%	117.7%	92.8%	32.0%	49.7%	49.7%	49.7%	31.3%	35.5%	35.9%
<u>Safety of Capital</u>											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	261.1%	437.4%	78.6%	0.0%	42.6%	42.6%	42.6%	37.1%	33.5%	30.9%
Gearing	Long Term Borrowing/ Funds & Reserves	394.9%	412.1%	11122.8%	0.0%	760.0%	760.0%	760.0%	449.1%	368.3%	330.6%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.4	1.6	1.1	-	0.7	0.7	0.7	0.8	0.8	0.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.6	1.1	-	0.7	0.7	0.7	0.8	0.8	0.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	0.6	0.7	-	0.4	0.4	0.4	0.4	0.4	0.4
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		14.3%	143.2%	116.8%	116.8%	116.8%	116.8%	114.0%	111.2%	108.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.2%	19.1%	9.3%	0.0%	9.0%	9.0%	9.0%	9.3%	9.6%	9.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Funding of Provisions</u>											
Provisions not funded - %	Unfunded Provs./Total Provisions										
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	8.8%	8.7%	9.2%	10.8%	10.8%	10.8%	11.0%	10.0%	9.0%	9.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	11.3%	11.3%	0.0%	10.0%	10.0%	10.0%	10.0%	9.0%	9.0%	9.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.2%	32.4%	31.8%	32.7%	33.3%	33.3%	33.3%	33.3%	33.7%	33.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.2%	35.2%	34.3%	35.1%	35.8%	35.8%		35.7%	36.1%	35.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	3.4%	3.6%	12.1%	6.8%	12.9%	12.9%	12.9%	12.4%	11.1%	10.3%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	22.2	16.6	20.6	21.6	21.6	21.6	22.3	23.9	25.5	28.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.8%	31.6%	15.5%	0.0%	14.3%	14.3%	14.3%	14.8%	15.2%	15.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.2	2.4	2.7	1.4	2.1	2.1	2.1	(0.3)	(1.1)	(0.9)

Additional information

Salaries

Financial Year	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	2011/12 Budget	2011/12 Budget
Salaries (R,000)	R 44,839	R 57,456	R 71,983	R 81,550	R 88,911	R 97,358	R 106,120
% increase		28.14%	25.28%	13.29%	9.03%	9.50%	9.00%

- The salary budget increased by 9% from R81,550m in 2009/10 to R88,911m in 2010/11
- The salary budget is 32.% of the total operating budget of R277,118m
- Provision should be made for TASK
- The filling of vacancies should be motivated by a productivity study

Repairs & Maintenance

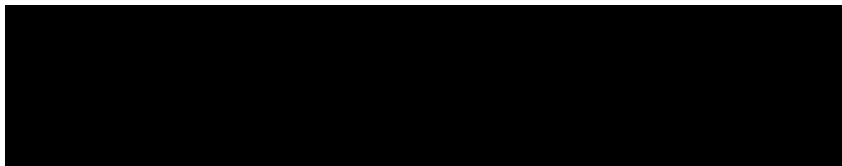
Financial Year	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	2011/12 Budget	2012/13 Budget
R'000	R 8,680	R 12,338	R 14,317	R 19,049	R 18,768	R 19,857	21,449

As already alluded to in the National Treasury Budget Guide Circular, serious repairs and maintenance and renewal backlogs exist in relation to municipal infrastructure, particularly in electricity, water reticulation, sewerage, storm water and roads systems. An assessment is required.

Risks: backlogs are impacting negatively on the Financial Sustainability and on the reliability and quality of municipal services, as well as municipalities' contribution to supporting economic growth. The following needs to be addressed:

- Details of Planned Repairs and Maintenance spending, and Renewal Projects
- Narrative Explanation that sets out what we have done to assess Repairs and Maintenance Backlog, Estimate of its Repairs and Maintenance.

Capital Charges (Loan Repayment)



7. Overview of Budget Related Policies

The following budget related policies have been approved by Council or have been reviewed and amended in line with National guidelines and legislation.

7.1 Tariff Policy

Purpose/Aim of this policy

The Theewaterskloof Municipality wishes to achieve the following by adopting this policy:

1. To comply with the provisions of Section 74 of the Local Government: Municipal Systems Act, 2000
2. To comply with Section 62(1) (f) of the MFMA which states that the Accounting Officer must ensure that a municipality has and implement a Tariff Policy
3. To prescribe procedures for calculating tariffs where the municipality wishes to implement service providers in terms of Section 76(b) of the Act
4. To give guidance to councillors responsible for finance regarding tariff proposals that must be submitted to council annually during the budget process.

This policy aims to give a holistic and comprehensive overview on all rates levied on municipal services provided by the Theewaterskloof Municipality

7.2 Credit Control and Debt Collection Policy

Purpose/Aim of this policy

This policy has been formulated and developed in order to comply with section 96 (b) and section 98 of the Local Government: Municipal Systems Act, 2000 which states:

A municipality—

- (a) must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and
- (b) for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of this Act.

This policy is also aimed at guiding officials in the legislative implementation of processes necessary to ensure optimal revenue generation and collection.

Increased revenue forms the base for effective service delivery, infrastructure development, and economic growth.

In line with the objective of creating a vibrant and growing Theewaterskloof Municipality, the Credit Control, and Debt Collection Policy is also aligned to the Batho-Pele Principles.

Amendments:

- 5.1 The following must be implemented in terms of section 96 of the Local Government Municipal Systems Act 2000
 - 5.1.1 An age analysis must be printed on a regular basis. Any amounts outstanding over 30 days must be followed up immediately. Consumers must settle the account on or before the 25th of every month.

- 5.1.2 When accounts are printed at the end of each month, the total of the accounts printed must agree to the age analysis. Any difference must be reconciled immediately and corrected.
- 5.1.3 Any amounts over 30 days must be reported to the Chief Financial Officer. The consumer must be notified that should the account not be paid in 24 hours the service(s) will be disconnected / restricted or prepaid water meter may be installed. It is the Finance Department's responsibility to notify the Engineering Department thereafter to the Town Manager of the relevant cut-offs (subject to compliance with Water & Service Electricity Acts).
- 5.1.4 The consumer will be held liable for all disconnection and reconnection charges.
- 5.1.5 A consumer's supply may not be reconnected until such time as the consumers account is settled in full or with appropriate in terms of Section 7 including any reconnection/disconnection charges and interest that may have been accrued.
- 5.1.6 Should a consumer fail to pay their account even once the service has been terminated, the credit control and debt collection policy must be implemented to recover the outstanding amount due.

ADD

- 5.1.7 The Council may install prepaid water and electricity meters at its discretion when debtors enter into agreement to pay off arrears.**
- 5.1.8 The Council may replace existing credit meters for water and electricity with prepaid meters at its discretion to prevent debtors already in arrears to accumulate further debts for the services of water and electricity.**

14. Writing off bad debts

- 15. Any debt written off must
 - 15.1 only be written off after all reasonable steps have been taken to recover the debt, in accordance with this policy, and the municipality is convinced that
 - 15.1.1 recovery of the debt would be uneconomical
 - 15.1.2 recovery would cause undue hardship to the debtor or his/her dependants; and
 - 15.1.3 it would be an advantage to the municipality to effect a settlement of its claim or to waive the claim
 - 15.2 be disclosed in the annual financial statements, indicating the policy in terms of which the debt was written off; and
 - 15.3 ~~it must be noted that rates cannot be written off~~ (REMOVE 15.3)**

7.3 Cash Management and Investment Policy

In terms Section 13 (2) of the Local Government: Municipal Finance Management Act. 2003, the municipality must establish an appropriate and effective Cash Management and Investment Policy

The objectives of the policy are to ensure optimal performance with the least possible risk, in managing and investing the cash resources of the Theewaterskloof Municipality and to ensure transparency, accountability, and appropriate lines of responsibility.

7.4 Grant in Aid Policy

A Grant in Aid Policy was developed and approved by council on 30 May 2007.

This policy deals with processes and procedure to be followed when the municipality allocates grants to other institutions. Should such allocations be considered provisions should be made in the draft budget and must be disclosed with the budget and other prescribed budget related documents for public and stakeholder comments.

The name of the institution, the amounts, and brief description should appear on the Grants Statement.

7.5 Asset Management Policy

This policy has been designed to assist management and officials of the Theewaterskloof Municipality with the description and management procedures for Property, Plant and Equipment, Intangible Assets, and Investment Property.

Objectives of This Policy

The first objective of this policy is to ensure that the assets of the municipality are properly accounted for.

The second objective is to ensure that assets are utilized and maintained in an economic, effective, and efficient manner.

7.6 Risk Management Policy

The MFMA, No. 56 of 2003 defines the Municipal Manager as the Accounting Officer of the Municipality. Section 62 of the MFMA requires the Accounting Officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of Financial and Risk Management, of internal control and of internal audit as well as the effective, efficient, and economical use of the resources of the municipality. The purpose of the Risk Management Policy is to enable the Theewaterskloof Municipality to comply with this legislation.

7.7 Virement Policy

Virement is process of transferring funds from one line item to another within one vote with the approval of the relevant Manager and CFO, to enable Budget Managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (c) (2) MFMA)

This policy was designed to establish financial controls over virement processes and procedures and to ensure accountability and improved Budgetary Control.

7.8 Indigent Policy

In terms of Section 74 of the Local Government Municipal Systems Act 2000, a municipal council must adopt and implement a tariff policy.

In terms of Section 74 (i) of the Act in adopting a Tariff Policy, the council should at least take into consideration the extent of subsidization of tariffs for poor households.

Arising from the above, the council needs to approve an Indigent Support Policy.

The Indigent Policy must provide procedures and guidelines for the subsidization of basic services and tariff charges to its indigent households.

Amendments:

2.1 Subject to funds being allocated and the relevant criteria being adhered to, indigent support is to be provided for the following services

2.1.1 sewerage

2.1.2 refuse

2.1.3 water;

2.1.4 electricity and

2.1.5 Property rates. (ADD)

- 5.1 amount in accordance to the indigent level as was determined by the council.
- 5.2 ~~Relief will be applied for a period up to the end of June as determined by the council.~~

(replace 5.2 with: Relief will be applied for a period until the next annual review or as determined by the Council)

- 6.1 Applications for relief must be made on the prescribed forms. The applicant must comply with all the necessary requirements.
- 6.2 The application form is to contain, inter alia, the following important information
 - 6.2.1 details of the account holder
 - 6.2.2 proof of total household income (income as defined by SARS as well as pension grant)
 - 6.2.3 ~~proof of residence~~ **(remove 6.2.3 as condition)**
 - 6.2.4 identification documents;
 - 6.2.5 certificate from bank may be requested; and
 - 6.2.6 number and names of dependants (proof may be requested).
- 7.1 Prepaid Water Meters or Flow Restrictors may be installed at approved Indigent Household to ensure that the monthly free 6kl water consumption is not exceeded.

Low Cost / RDP / Subsidised Houses may be fitted with Prepaid Water Meters.

ADD

- 7.2 Prepaid electricity meters may be installed to replace conventional credit meters at approved Indigent Households**

All the abovementioned Policies were approved by Council and are reviewed at least annually.

8. Overview of Budget Assumptions

The Challenge of the International, National and Local Economy is limited Resources versus unlimited needs. Theewaterskloof is not excluded from this challenge as the unlimited needs of the community as outlined in the IDP is far more than the limited revenue capacity of the municipality. This is largely the reason for adopting Financial Viability as one of our long-term themes defined as improved sustainable revenue capacity versus sound financial resource management.

Financial Viability is built on 5 pillars namely:

- Improved Credit Control and Debt Collection by reaching our target of 95% for 2010/11 with assistance of the Debt pack system
- Improved Revenue Management by maximizing our income generation through improved system management.
- Improve Expenditure Management by making use of Activity Based Costing. ABC will assist TWK to better value for money, improve efficiency, effectiveness and productivity and measure, and manage expenses.
- Improved Asset Management by optimally utilizing resources of the municipality. We are in the progress of implementing a Fixed Asset Maintenance Plan.
- Improved Budget Methodology by ensuring that we achieve the outcomes and output with our Limited Resources

“Mind the Gap” is another challenge of Theewaterskloof and has adopted it as one of our long term focus areas. We want to “Mind the Gap” between the expectations of the departments, the wider community of TWK and the financial capacity of the municipality. This includes managing and reducing high stakeholders/ community expectations and increasing capacity/ resources/ efficiency and effectiveness. We will firstly determine/ assess the Status Quo on financial health and potential (where we are). Secondly match available resources and potential resources (including financial) against Service Delivery, Infrastructure and Capital Needs for the next 5 years.

Local Economic Development (LED) is another focus area as we need to broaden our Revenue Capacity by developing in the area. TWK identified a “Vintage Rail Tourism Project” to promote Tourism in the area. The Project is one of many aimed at stimulating the local economy.

The Project will essentially consist of a scenic trip on a vintage locomotive along the railway line and train stations in the TWK area.

Service Delivery remains a challenge for South African municipalities. We are in the process of filling vacancies to ensure that we have the capacity to deliver services. The South African Government highlighted targets to accelerate Service Delivery in SA and TWK acknowledges it.

The following table illustrates the Service Delivery Targets set by the South African Government

Sector	Minimum standard 2014 target
Water	All households to have access to have at least clean piped water 200m from household.
Sanitation	All households to have access to at least ventilated pit latrine on site.
Electricity	All households to be connected to the national grid.
Refuse Removal	All households to have access to at least once a week refuse removal services.
Housing	All existing informal settlements to be formalised with land use plans for economic and social facilities and with provision of permanent basic services.
Other (education, health, roads, transport, sports and recreation, street trading, parks, community halls etc.)	Standard for access for all other social, government, and economic services must be clearly defined, planned, and where possible, implemented by each sector together with municipalities.

The following are various Economic and Demographic Factors/ Principles that impacts the budget:

- CPIX
- Interest Rates
- Fuel Price
- Economic Growth
- Economic Recession/ Job Losses
- Councilors' and Officials' Remuneration
- Debt Collection Rate
- Tariff Adjustment
- Indigent Increase
- Squatter Control
- Migration/ Population Increase
- Equitable Share
- Bulk Purchase Tariff Increase

CPIX

The CPIX averaged at 7.1% in 2009. The Minister Finance: Pravin Gordhan announced in the Budget Speech (2010/2011) "the CPIX is expected to remain around 6%." For the 2 outer years CPIX is expected to be 6.2% and 5.9 % for 2011/12 and 2012/13 respectively. The expected decrease in inflation is due to the expected turnaround in the global economic recession.

Economic Recession/ Job Losses

Statistics show that 1 in 4 adults are unemployed and are seeking employment and almost half our young people have not found work in South Africa. Nationally, about 900 000 people lost their jobs, but most recent statistics show an increase of 89 000 jobs between September and December 2009.

According to Statistics, almost 40% of the total population in TWK is unemployed or not economically active. These people are unable to pay for their infrastructure and municipal services which is challenging the municipal budget.

This is the current situation in TWK's Informal Settlements and Farming areas; the survey was conducted by Land Mapping Solution (LMS) Consultants.

Based on this survey unemployment figures is alarming as illustrated below: 60 % of people living in informal settlement in Grabouw are unemployed, 4.9 % of people living in informal settlement in Villiersdorp are unemployment and more that 70% of people living in Informal Settlement in Botrivier are unemployed.

Grabouw			
Employment Status	% Shacks	% in Backyards	% in Main Dwelling
Employed	24	61.5	47.1
Unemployed	72	33.3	48.2
Self- Employed	4	5.2	4.7
Villiersdorp			
Employment Status	% Shacks	% in Backyards	% in Main Dwelling
Employed	59.6	59.4	39.2
Unemployed	34.9	34.4	56.5
Self- Employed	5.5	6.2	4.3
Botrivier			
Employment Status	% Shacks	% in Backyards	% in Main Dwelling
Employed	24	61.5	47.1
Unemployed	72	33.3	48.2
Self- Employed	4	5.2	4.7

Councillors and Officials Remuneration

The increase of Officials Remuneration is 10%. The percentage increase is calculated by the Bargaining Council and Unions; this is beyond the control of the Municipality.

Councillors Remuneration is expected to increase by 7% and is also beyond the control of the municipality as the National Government in terms of Remuneration of Public Office Bearers Act determines council increases.

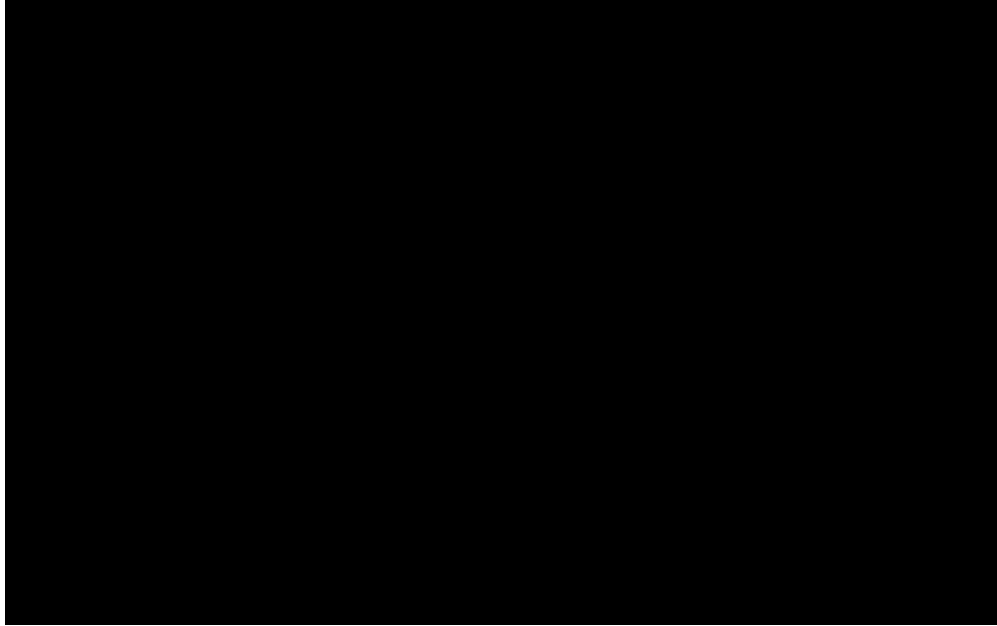
Debt Collection Rate

The target for Debt Collection Rate for 2010/11 is 95%; this rate is determined in accordance with the relevant legislation and based on the realistically anticipated collection trends.

The Credit Control and Debt Collection Unit have been established and almost all staff appointments have been filled. A new system namely Debtpack was purchased to assist with/ improve collection of outstanding debt.

We have upgraded our Prepaid Electricity Meters to Conlog and introduced new Prepaid Water Meters (Kent) to households. This will improve collection of outstanding debt. The services of indigents are subsidized and improve the collection of outstanding debt.

The Collection Rate from July 2009 to January 2010 is as follows:



Tariff Adjustment

Factors impacting on Tariff Increases

The proposed tariff increases must consider the following:

- Affordability
- Economic recession, job losses
- Councillors remuneration
- Personnel cost
- Fuel
- Economic Indicators (CPIX, interest rates)
- Bulk purchases
- Increasing indigents
- Electricity increases (Eskom)
- Repairs and maintenance

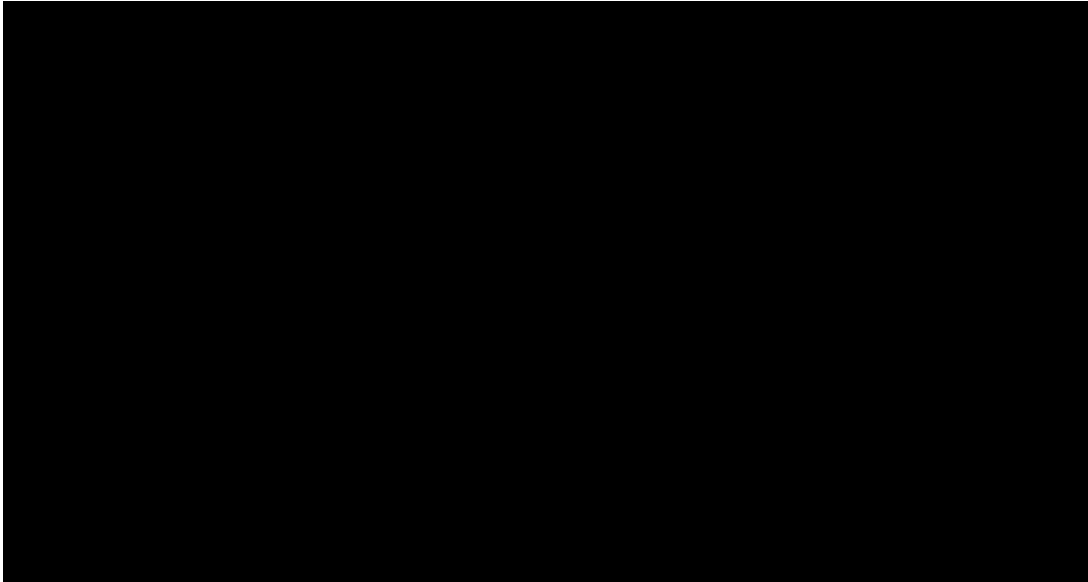
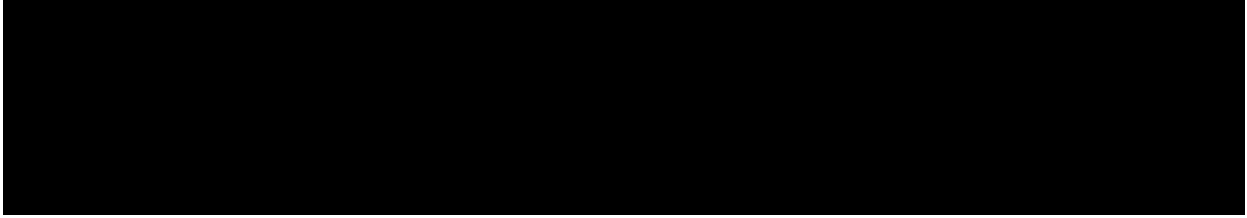
The Following illustrate the difference between the 2009/10 and 2010/11 tariff increase:

Particulars	2009/10	2010/11
Rates	Varies	8.9%
Electricity	26%	26.3%
Refuse	9.88%	8.9%
Sewerage	9.98%	8%
Water	10.30%	5%

Indigent Increase

The number of indigents is projected to increase from ±6000 to ±8000 households. This anticipated increase is mainly caused by high level of unemployment in the Theewaterskloof region. Employment is mainly of a seasonal nature which implies that after the season more households will apply for the indigent subsidy. This trend will impact significantly on the Equitable Share Grant Allocation received from National Government.

Most recent indigent statistics below:



The Indigent Schedule below summarizes the services given by the municipality to indigent households, the cost to the municipality for providing these services and the number of households receiving the services.

There is a differentiation between the Formal (Indigent Households/ mostly RDP houses) and Informal (mostly in Squatter Camps) as the Informal Indigent make use of Shared Services.

Formal			
Particulars	Amount 2009/2010	Amount 2010/11	% Variance
Water Basic	R 55.00	R 57.75	5%
Electricity	R 32.37	R 40.88	26%
Refuse	R 70.20	R 76.45	9%
Sewer	R 71.20	R 76.90	8%
Total Individual Subsidy p.m.	R 228.77	R 251.98	10%
Projected No. of Households	3000	3800	27%
Grand Total p.m.	686,310.00	957,513.02	40%
No. of months	12	12	0.0
Annual subsidy	R 8,235,720	R 11,490,156	40%
Admin Fee	R 1,235,358	R 1,723,523	40%
Grand Total	R 9,471,078	R 13,213,680	40%

Informal			
Particulars	Amount 2009/2010	Amount 2010/11	% Variance
Electricity	R 32.37	R 40.88	26%
Refuse (Shared services)	R 34.20	R 37.24	9%
Sewer (Shared services)	R 13.50	R 14.58	8%
Plot Rental (Shared services)	R 22.50	R 24.75	10%
Total Individual Subsidy p.m.	R 102.57	R 117.46	15%
Projected No. of Households	3000	3800	27%
Grand Total p.m.	307710	446337	45%
No. of months	12	12	0.0
Annual subsidy	R 3,692,520	R 5,356,044	45%
Admin Fee	R 553,878	R 803,407	45%
Grand Total	R 4,246,398	R 6,159,451	45%

Summary	2009/2010	2010/2011
Indigent Monthly Total + Admin	789,256.50	1,101,139.97
Informal Monthly Total + Admin	353,866.50	513,287.57
Total pm	1,143,123.00	1,614,427.54
Total pa	13,717,476.00	19,373,130.50
Increase	35%	41%

The Indigent Schedule also gives an indication of how the Indigent Subsidy Expense had grown from 2008/09 to 2009/10 (35%) and 2009/10 to 2010/11 (41%).

Squatter Control

Based on a recent survey conducted by Land Mapping Solutions (LMS) on population growth for Theewaterskloof Municipality, it was found that the number of informal settlement and backyard dwellings is increasing at a rapid pace.

Grabouw one of the largest towns in the area has an estimated total population of 6137 households in low income housing areas. About 46.1% of the total households are shacks as identified in the survey. Another 18.9% of the estimate total population has been identified as backyard dwellings. Other towns identified in survey are Villiersdorp and Botriver with increasing informal settlements and backyard dwellings. **Villiersdorp** has an estimated total of 2727 households. About 50% of the total households are shacks, 36.7% are main dwellings, and 13.3% are backyards. **Botriver** has an estimated total population of 1005 households in informal areas and about 41% of the total households are shacks.

Based on the survey conducted by LMS it is evident that squatter control is becoming an unavoidable issue which needs to be managed more effectively.

Migration/ Population Increase

Increase in population remains a challenge in the Theewaterskloof area. Currently our population growth average at 1.26%, that bring our estimate population to 107 009 for 2010.

The rapid population growth is especially in the Grabouw and Villiersdorp Farms is due to the agriculture sector being one of the major economic activities in TWK. The agriculture sector, more intensively in the Fruit production is labour intensive and seasonal. These farm workers are only economically active for a certain period of the year and can contribute to revenue (municipal service) only during that period.

The result of the increase in the population is that there is an increase pressure on our public services such as Clinics, Law Enforcement, and our infrastructure and land availability for houses.

Equitable Share

The Equitable Share increased with R8, 323m (24%) from 2009/10 to 2010/11.

Years	Equitable Share	Indigent Subsidy	Subsidy as a % of Equitable Share
2007/2008	R20,720m		
2008/2009	R25,680m	R10,143m	39.50%
2009/2010	R34,242m	R13,714m	40.10%
2010/2011	R43,655m	R19,486m	44.60%

9. Overview of Budget Funding

According to Section 18 of the Municipal Finance Management Act, an Annual Budget may only be funded from:

- Realistically anticipated revenues to be collected
- Cash backed accumulated funds from previous years surpluses not committed for other purposes
- Borrowed funds, but only for the capital budget

The budget recognizes compliance to the following:

- Credible, consistent and responsive to the municipality's IDP
- Funded and achievable in terms of service delivery
- Institutional Needs Analyses and takes into consideration Risk Analyses, Internal, and External Factors impacting on service delivery.
- Contains Revenue and Expenditure Projections that are consistent with current and past year performances.
- The municipality has overcome all the major obstacles which had an impact on its capacity to spend its budget and render services. These include blockages in the form of staff, policies, procedures, and processes. Ageing Fleet is still being addressed.
- Does not jeopardize the Financial Viability of the municipality.

1. 2009/2010 Budget and 2010/2011 to 2012/13 projected financial performance

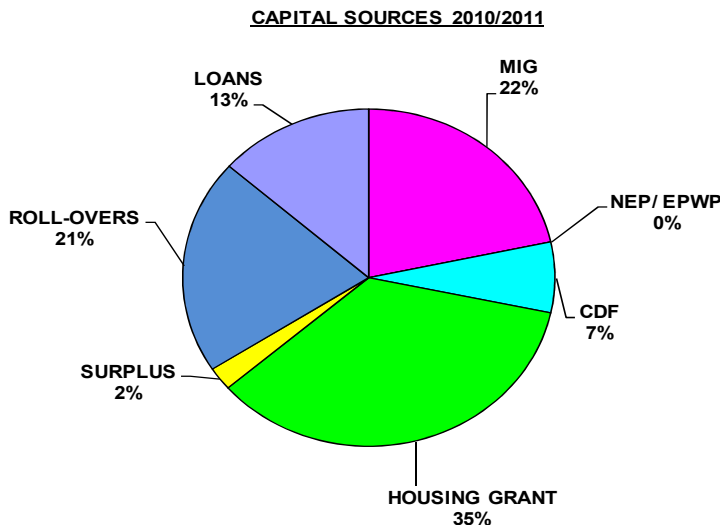
1.1 Operating Budget

The operating budget increased from R295, 229 in 2009/10 to R314.367 in 2010/11, R344, 358 in 2011/12 and R375, 934 in 2012/13.

EXPENDITURE SUMMARY	Budget 2009/2010	%	Adjusted Budget 2009/10	%	Budget 2010/2011	%	Budget 2011/2012	%	Budget 2012/2013	%
Employee related costs	81,550,000	32.9	79,864,000	32.0	88,911,273	32.1	97,358,000	32.6	106,120,000	32.4
Councillors' Allowances	5,915,000	2.4	5,915,000	2.4	6,329,798	2.3	6,930,000	2.3	7,554,000	2.3
General Expenses	66,630,496	26.9	88,018,000	35.3	97,430,282	35.2	101,992,000	34.2	108,619,000	33.2
Provision for Working Capital	11,905,503	4.8	7,724,000	3.1	5,688,499	2.1	6,292,000	2.1	6,966,000	2.1
Bulk Purchases	28,577,898	11.5	28,578,000	11.5	35,476,225	12.8	42,873,000	14.4	52,528,000	16.0
Repairs & Maintenance	19,048,622	7.7	18,611,000	7.5	18,768,000	6.8	19,857,000	6.7	21,449,000	6.5
Contractor Services	13,440,500	5.3	11,582,000	4.6	13,569,000	4.9	13,447,000	4.5	14,615,000	4.5
Capital Charges	17,075,800	6.9	9,150,000	3.7	10,945,214	3.9	9,623,000	3.2	9,623,000	2.9
Contributions: Special Funds	3,912,000	1.6				0.0	-	0.0	-	0.0
SUB TOTAL	248,055,819	100	249,442,000	100	277,118,290	100	298,372,000	100	327,474,000	100
Capital Out of Revenue	44,435,000		55,620,000		47,270,000		55,553,000		58,715,000	
Net Expenditure	292,490,819		305,062,000		324,388,290		353,925,000		374,806,575	
REVENUE SUMMARY	Budget 2009/2010	%	Adjusted Budget 2009/10	%	Budget 2010/2011	%	Budget 2011/2012	%	Budget 2012/2013	%
Assessment Rates	44,071,000	41	39,071,000	36.2	44,400,000		47,952,000		52,747,000	
SERVICES				0.0						
Electricity	39,730,020	37.2	40,914,000	37.9	48,253,691	40	54,655,000	41.6	62,853,000	43.2
Water Sales	33,977,000	31.8	34,460,000	31.9	35,552,000	30	38,396,000	29.2	41,468,000	28.5
Refuse Removal	16,656,000	15.6	16,844,000	15.6	18,215,000	15	19,672,000	15.0	21,246,000	14.6
Sewerage	16,360,000	15.3	15,818,000	14.6	17,195,000	14	18,571,000	14.1	20,056,000	13.8
Sub Total	106,723,020	100	108,036,000	100	119,215,691	100	131,294,000	100	145,623,000	100
Traffic Fines	7,628,000	7.7	3,812,000	4.1	5,058,300	4.9	5,558,000	5.1	6,114,000	5.1
Investment Interest / Penalties	8,800,000	8.9	8,550,000	9.2	9,205,701	8.9	8,736,000	8.0	8,873,000	7.5
Licences & Permits	14,000	0.0	60,000	0.1	75,000	0.1	83,000	0.1	91,000	0.1
Rentals	2,312,000	2.3	2,357,000	2.5	1,850,000	1.8	2,035,000	1.9	2,239,000	1.9
Sundry/ Other Income	42,563,799	43.2	39,046,000	42.2	38,557,317	37.3	40,454,000	36.9	44,718,000	37.6
Grand in Aid				0.0						
Grants - Equitable Share	34,242,000	34.7		0.0	43,655,000	42.2	49,296,000	45.0	54,272,000	45.7
Grants - Other Operating Purposes	3,033,000	3.1	38,677,000	41.8	5,080,000	4.9	3,398,000	3.1	2,543,000	2.1
Sub Total	98,592,799	100	92,502,000	100	103,481,318	100	109,560,000	100	118,850,000	100
Net Operating Revenue										
Grants - Capital Income	44,435,000		55,620,000		47,270,000		55,553,000		58,715,000	
Gross Revenue	293,821,819		295,229,000		314,367,009		344,359,000		375,935,000	

2. Sources of Capital

CAPITAL SOURCES			
	2010/2011	2011/2012	2012/2013
MIG	17,940,000	21,576,000	26,235,000
NEP/ EPWP	-	-	-
CDF	5,600,000	20,000,000	20,560,000
HOUSING GRANT	29,330,000	33,977,000	32,480,000
SURPLUS	1,842,700	-	-
ROLL-OVERS	17,130,140	-	-
LOANS	11,209,060	11,000,000	11,500,000
	83,051,900	86,553,000	90,775,000



Particulars of investments

Monetary investments by type (Table SA15)

Investment type	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		14,554	8,642	25,485	44,090	20,000	20,000	21,000	22,000	22,500
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	14,554	8,642	25,485	44,090	20,000	20,000	21,000	22,000	22,500
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		14,554	8,642	25,485	44,090	20,000	20,000	21,000	22,000	22,500

Monetary investments by maturity date (Table SA16)

Investments by Maturity	Ref	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised	
		Yrs/Months					
Name of institution & investment ID	1					Rand thousand	
Parent municipality							
Nedbank			Call deposit		128	5	
Interneuron Capital Ltd.			Call deposit		435	13	
Absa Bank			Call deposit		18,822	779	
Absa Bank			Delgings Fonds		1,615	73	
Municipality sub-total					21,000	870	
Entities							
Entities sub-total					-	-	
TOTAL INVESTMENTS AND INTEREST	1				21,000	870	

GRANT ALLOCATIONS 2010/2011

- National Allocations**

The table below reflects the 2010 Division of Revenue Act (4 of 2010) Grant Allocations

GRANT	2010/11 <i>(R'000)</i>	2011/12 <i>(R'000)</i>	2012/13 <i>(R'000)</i>
Equitable Share	43 655	49 297	54 272
Financial Management Grant (FMG)	1 000	1 250	1 500
Municipal Systems Improvement Grant (MSIG)	1 200	1 200	800
Municipal Infrastructure Grant (MIG)	17 940	21 576	26 235
Expanded Public Works Programme (EPWP)	1 667	-	-
TOTAL	65 462	73 323	82 807

- Provincial Allocations**

The table below reflects the 2010 Provincial Grant Allocations

GRANT	2010/11 <i>(R'000)</i>	2011/12 <i>(R'000)</i>	2012/13 <i>(R'000)</i>
Integrated Housing & Human Settlement Development Grant	29 330	33 977	32 480
Library Services (Conditional Grant)	678	713	-
Community Development Worker Operational Support Grant	225	235	243
Maintenance of Proclaimed Roads	60	-	-
TOTAL	30 293	34 925	32 723

Debtor Collection Levels

It would also be prudent not to budget for higher **Debt Collection Rate** without considering the economic crises and affordability of tariffs. We have made provision for **95% Debt Collection Rate** on the current Draft Budget.

10. Expenditure on allocations and grant programmes

Expenditure on allocations and grant programmes (Table SA19)

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		19,217	23,066	28,107	36,292	37,482	37,482	47,522	51,747	56,572
Equitable share		17,618	20,720	26,554	34,242	34,884	34,884	43,655	49,297	54,272
Finance Management		865	1,008	589	750	1,298	1,298	1,000	1,250	1,500
Municipal Systems Improvement		734	1,338	964	1,300	1,300	1,300	1,200	1,200	800
Other transfers/grants [insert description]								1,667	-	-
Provincial Government:		13,224	6,184	5,264	983	1,195	1,195	1,213	947	243
Library/CDW/Proclaimed Main Roads etc.		13,224	6,184	5,264	983	1,195	1,195	1,213	947	243
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		32,440	29,250	33,371	37,275	38,677	38,677	48,735	52,694	56,815
Capital expenditure of Transfers and Grants										
National Government:		9,876	27,940	11,848	19,767	29,949	29,949	17,940	21,576	26,235
Municipal Infrastructure (MIG)		6,821	27,940	11,848	16,104	26,286	26,286	17,940	21,576	26,235
Public Works					1,326	1,326	1,326	-	-	-
National Electrification Programme		3,055	-	-	2,337	2,337	2,337			
Provincial Government:		16,716	33,592	12,637	24,668	25,670	25,670	29,330	33,977	32,480
Housing and Recreational Facilities		16,716	33,592	12,637	24,668	25,670	25,670	29,330	33,977	32,480
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		26,592	61,533	24,484	44,435	55,620	55,620	47,270	55,553	58,715
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		59,032	90,782	57,855	81,710	94,297	94,297	96,005	108,247	115,530

11. Councillors allowances and employee benefits

Councillor allowances and employee benefits (Table SA22)

Summary of Employee and Councillor remuneration	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Salary		4,848	4,648	4,507	4,219	4,219	4,219	4,514	4,943	5,388
Pension Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor vehicle allowance		-	-	410	1,406	1,406	1,406	1,505	1,648	1,796
Cell phone allowance		222	238	520	290	290	290	310	339	369
Housing allowance		-	-	-	-	-	-	-	-	-
Other benefits or allowances		-	-	-	-	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		5,071	4,886	5,437	5,915	5,915	5,915	6,329	6,930	7,554
% increase	4		(3.6%)	11.3%	8.8%	-	-	7.0%	9.5%	9.0%
Senior Managers of the Municipality	2									
Salary		1,535	2,181	2,671	3,029	3,029	3,029	3,272	3,583	3,905
Pension Contributions		126	216	177	200	200	200	216	237	258
Medical Aid Contributions		56	71	51	52	52	52	56	62	67
Motor vehicle allowance		386	492	526	546	546	546	589	645	703
Cell phone allowance		37	35	52	53	53	53	58	63	69
Housing allowance		109	139	84	84	84	84	91	99	108
Performance Bonus		25	320	-	-	-	-	-	-	-
Other benefits or allowances		50	66	56	57	57	57	61	67	73
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,324	3,519	3,616	4,021	4,021	4,021	4,343	4,756	5,184
% increase	4		51.5%	2.8%	11.2%	-	-	8.0%	9.5%	9.0%
Other Municipal Staff										
Basic Salaries and Wages		27,863	34,511	41,003	51,383	49,232	49,232	56,491	61,858	67,425
Pension Contributions		4,589	5,890	7,015	9,012	8,253	8,253	9,941	10,886	11,865
Medical Aid Contributions		1,069	1,530	2,115	2,759	2,418	2,418	2,595	2,841	3,097
Motor vehicle allowance		2,160	2,833	3,763	4,433	4,207	4,207	4,594	5,030	5,483
Cell phone allowance		-	-	-	-	-	-	-	-	-
Housing allowance		339	481	633	831	613	613	613	672	732
Overtime		2,214	2,310	2,555	2,214	2,893	2,893	2,246	2,460	2,681
Performance Bonus		-	-	-	-	-	-	-	-	-
Other benefits or allowances		4,282	6,380	8,267	6,897	8,226	8,226	8,087	8,855	9,652
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		42,516	53,937	65,352	77,529	75,843	75,843	84,567	92,601	100,936
% increase	4		26.9%	21.2%	18.6%	(2.2%)	-	11.5%	9.5%	9.0%
Total Parent Municipality		49,910	62,342	74,405	87,465	85,779	85,779	95,239	104,287	113,673
			24.9%	19.4%	17.6%	(1.9%)	-	11.0%	9.5%	9.0%
Board Members of Entities										
Salary		-	-	-	-	-	-	-	-	-
Pension Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor vehicle allowance		-	-	-	-	-	-	-	-	-
Cell phone allowances		-	-	-	-	-	-	-	-	-
Housing allowance		-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Salary		-	-	-	-	-	-	-	-	-
Pension Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor vehicle allowance		-	-	-	-	-	-	-	-	-
Cell phone allowances		-	-	-	-	-	-	-	-	-
Housing allowance		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Other benefits or allowances		-	-	-	-	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor vehicle allowance		-	-	-	-	-	-	-	-	-
Cell phone allowances		-	-	-	-	-	-	-	-	-
Housing allowance		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Other benefits or allowances		-	-	-	-	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		49,910	62,342	74,405	87,465	85,779	85,779	95,239	104,287	113,673
% increase	4		24.9%	19.4%	17.6%	(1.9%)	-	11.0%	9.5%	9.0%
TOTAL MANAGERS AND STAFF	5	44,839	57,456	68,968	81,550	79,864	79,864	88,911	97,357	106,119

Salaries, allowances & benefits (political office bearers, councillors/senior managers)
(Table SA23)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No. 10	Salary	Contrib. 1.	Allowances	Performance Bonuses	In-kind benefits 2.	Total Package 3.
Rand per annum								
Councillors	4							
Speaker	5	1	475,085		18,297			493,382
Chief Whip								-
Executive Mayor		1	593,859		18,297			612,156
Deputy Executive Mayor		1	475,085		18,297			493,382
Executive Committee		4	1,336,179		54,891			1,391,070
Total for all other councillors		16	3,028,652		194,055			3,222,707
Total Councillors	9	23	5,908,860	-	303,837			6,212,697
Senior Managers of the Municipality	6							
Municipal Manager (MM)		1	1,007,848	9,862				1,017,710
Chief Finance Officer		1	810,939	9,966	84,000			904,905
Deputy City Manager - Governance		1	788,723	7,660	21,600			817,983
Deputy City Manager - Procurement & Infrastructure		1	864,537	9,566				874,103
Deputy City Manager - Health, Safety & Social Issues		1	860,950	7,633				868,583
Deputy City Manager - Corporate & Human Resources		1	871,445	8,097				879,542
<i>List of each official with packages >= senior manager</i>								
Head: Internal Audit & Performance Management		1	427,661	4,856		22,215		454,732
Head: Geographical Information & Policy								-
Head Office of Intergovernmental & Governance Relations		1	446,417	4,943	6,408	22,215		479,983
Total Senior Managers of the Municipality	9	8	6,078,520	62,583	112,008	44,430	-	6,297,541
A Heading for Each Entity	7, 8							
List each member of board by designation								
Chief Executive Officer (CEO)								-
Total for municipal entities	9	-	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		31	11,987,380	62,583	415,845	44,430	-	12,510,238

12. Monthly targets for revenue, expenditure and cash flow

Budgeted monthly cash flow (Table SA30)

MONTHLY CASH FLOWS	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand													1		
Cash Receipts By Source															
Property rates	17,760	2,220	2,220	3,108	2,220	2,664	2,220	2,220	2,220	3,552	2,220	1,776	44,400	47,952	52,747
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	5,790	3,378	3,860	2,413	2,413	2,413	3,378	7,238	5,308	3,378	6,273	2,413	48,254	54,655	62,853
Service charges - water revenue	2,844	8,177	1,778	2,489	1,778	2,133	2,844	1,778	2,489	2,844	4,622	1,778	35,552	38,396	41,468
Service charges - sanitation revenue	1,032	1,376	860	860	2,579	688	860	3,783	1,548	1,032	1,204	1,376	17,195	18,571	20,056
Service charges - refuse revenue	2,368	1,457	729	1,822	1,093	1,639	1,275	1,822	1,457	1,457	1,457	1,639	18,215	19,672	21,246
Service charges - other	179	224	119	194	60	164	119	105	75	119	60	75	1,493	1,631	1,795
Rental of facilities and equipment	130	167	167	148	148	130	130	167	259	130	148	130	1,850	2,035	2,239
Interest earned - external investments	104	104	156	261	104	261	156	130	469	417	208	235	2,606	2,736	2,873
Interest earned - outstanding debtors	594	528	594	594	660	726	726	792	660	132	66	528	6,600	6,000	6,000
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	457	406	406	457	406	406	355	558	355	507	457	304	5,074	5,558	6,114
Licences and permits	6	4	3	5	10	13	8	6	8	6	3	3	75	83	91
Agency services	170	136	119	170	85	170	187	102	136	136	170	119	1,700	1,870	2,057
Transfer receipts - operational	19,007	-	244	-	9,747	4,874	487	13,158	-	975	-	244	48,735	52,694	56,815
Other revenue	2,828	1,414	5,302	1,767	1,060	707	707	1,414	3,181	6,716	6,363	3,888	35,348	36,953	40,866
Cash Receipts by Source	53,268	19,590	16,556	14,287	22,363	16,986	13,453	33,272	18,165	21,401	23,250	14,506	267,097	288,805	317,219
Other Cash Flows by Source															
Transfer receipts - capital	18,435	-	236	-	9,454	4,727	473	12,763	-	945	-	236	47,270	55,553	58,715
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	71,704	19,590	16,793	14,287	31,817	21,713	13,925	46,035	18,165	22,346	23,250	14,743	314,367	344,358	375,934
Cash Payments by Type															
Employee related costs	7,380	7,380	7,380	7,380	7,380	7,380	7,380	7,380	7,380	7,380	7,380	7,735	88,911	97,358	106,120
Remuneration of councillors	506	506	506	506	506	506	544	544	544	544	544	570	6,329	6,930	7,554
Collection costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	1,751	-	-	3,174	-	-	2,846	-	-	3,174	10,945	9,623	9,623
Bulk purchases - Electricity	290	4,064	4,064	2,032	2,613	2,322	1,742	2,322	2,613	3,774	2,613	581	29,031	35,784	44,730
Bulk purchases - Water & Sewer	64	902	902	451	580	516	387	516	580	838	580	129	6,445	7,090	7,798
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	406	676	1,352	811	1,217	946	1,082	1,217	2,433	1,082	1,758	541	13,519	13,447	14,615
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	6,083	9,848	8,907	9,848	11,730	8,907	8,907	8,907	10,789	10,789	14,553	12,671	121,937	128,140	137,034
Cash Payments by Type	14,729	23,376	24,862	21,028	24,026	23,751	20,041	20,885	27,185	24,406	27,428	25,400	277,118	298,372	327,475
Other Cash Flows/Payments by Type															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	14,729	23,376	24,862	21,028	24,026	23,751	20,041	20,885	27,185	24,406	27,428	25,400	277,118	298,372	327,475
NET INCREASE/(DECREASE) IN CASH HELD	56,974	(3,786)	(8,070)	(6,742)	7,791	(2,038)	(6,115)	25,149	(9,020)	(2,060)	(4,178)	(10,658)	37,249	45,987	48,459
Cash/cash equivalents at the month/year begin:	56,974	53,188	53,188	45,118	38,376	46,167	44,130	38,015	63,164	54,144	52,084	47,907	-	37,249	83,235
Cash/cash equivalents at the month/year end:	56,974	53,188	45,118	38,376	46,167	44,130	38,015	63,164	54,144	52,084	47,907	37,249	37,249	83,235	131,695

13. Annual Budgets and Service delivery and Budget Implementation plans- Internal Departments

a. A detailed departmental SDBIP will be available on the website of TWK Municipality.

b. Corporate Service:

- To have an ICT infrastructure to provide a level of service expected by directorates and departments
- To ensure information security
- To establish and maintain proper backup procedures and systems
- To increase productivity through the provision of standardised equipment
- To facilitate and administer the integration of information systems
- To refine communication and collaborate effectively
- To provide quick access to resources

Development Services:

- Maximum benefit for the community,
- Increase rates and tax base,
- Work smarter with current staff (changing the current work methods to suit Council's operations, but stay legal),
- Retain staff,
- Identify the shortcomings of each section,
- Integration of efforts (not only within Directorate, but with other Directorates, Council, Community forums, Provincial and National Government departments),
- Identify the right stakeholder(s) for each project,
- Stretching the allocated budget amounts,
- Seeking new investment / funding sources,
- Above all, do not promise what cannot be delivered upon (less promises, deliver more).

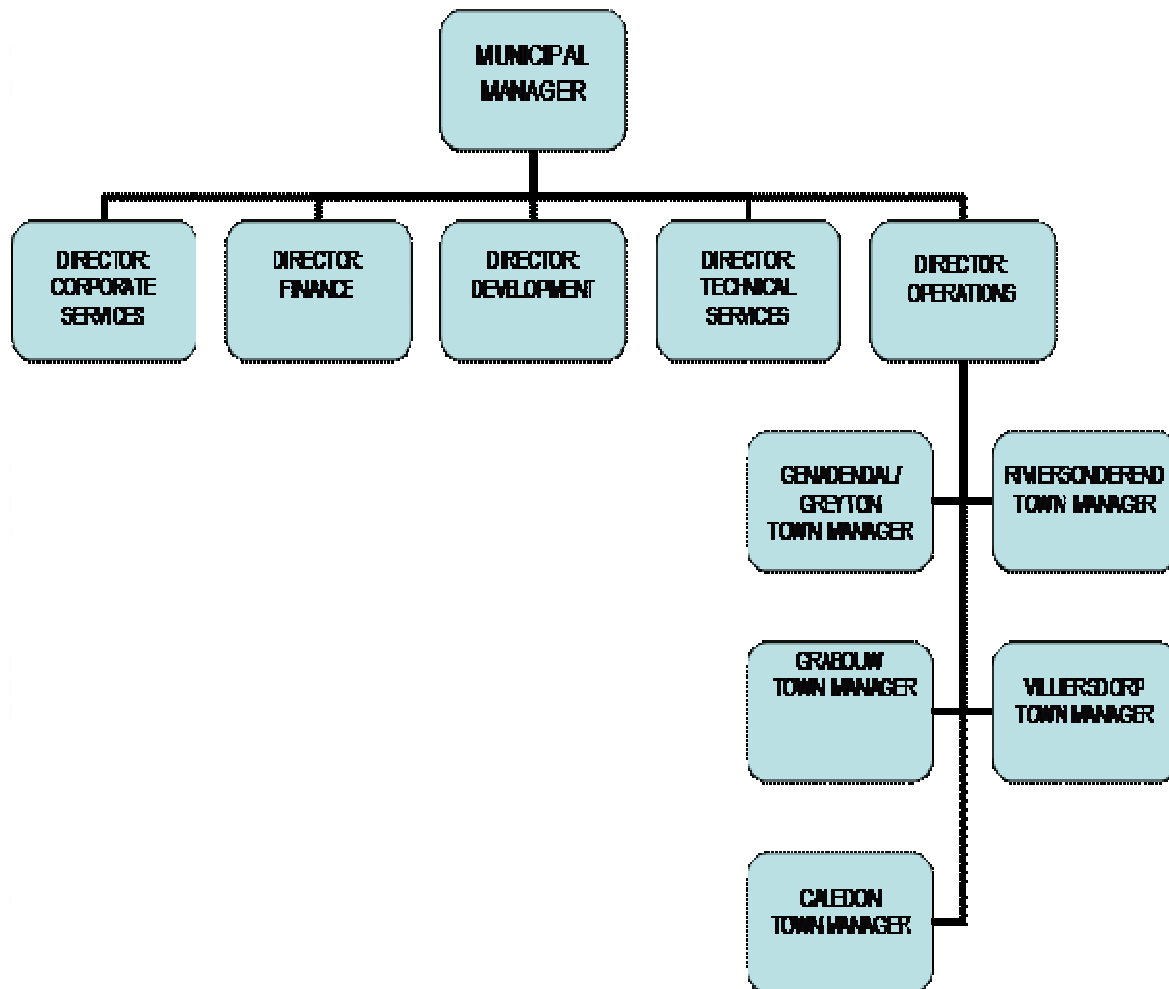
Financial Services:

- Providing a Support and Advisory Service to the Accounting Officer, Senior Managers and Council on Financial
- Matters, MFMA compliance, and Financial Reforms.
- Improved Accounting and Financial Management Services.
- To Create an Enabling Environment for effective, efficient and economic service delivery.
- Ensuring that the municipality maintains Financial Viability and a healthy cash flow
- Financial Management and Budgetary Control.
- Implementation of Activity-based Costing to improve affordability and sustainability of services.
- Ensure good Customer Service.
- Ensure Financial Risk Management to safeguard council's financial resources.
- Regular, accurate, relevant add meaningful reporting to foster Accountability, Transparency and the use of financial reports to assist in decision-making.
- Setting and maintaining high standards in financial management and Best Practices.
- Capacity Building for Finance and Non-financial Officials, Councillors and Ward Committees.
- Improved Internal Control
- Improve Revenue capacity against Expenditure Management

Technical Service:

- To provide sufficient maintenance capacity to maintain all infrastructure in good operational condition.
- To provide a Storm Water Management System in built-up areas.
- Provide adequate Street Lighting for urban areas.
- Maintain/Repair of faulty street Lights.
- Upgrade of existing services as well as new developments
- To evaluate all restraints placed on this sub-function and to develop strategies to ensure that the minimum service
- Delivery standards are maintained.
- To ensure a safe, effective, economical and continued supply of Electricity within the TWK municipal area
- The Eradication of the Bucket System and the provision of an effective and acceptable service to all residents.
- To provide access to a Water borne Sewer system, vacuum tanker system to those residents with septic or
- Conservancy Tanks and the Removal of Buckets where the system is still in use.
- To operate the Wastewater Treatment Plants in compliance with permit requirements
- To provide a sufficient waste removal service to all residents within the municipal boundaries.
- To keep the municipal Road Reserves and public places clean and tidy.
- To manage the Dumping Site in such a manner to prevent any pollution of underground water, air pollution and any
- Groundwater pollution.

c. Senior management Capability and Structure



14. Capital expenditure details

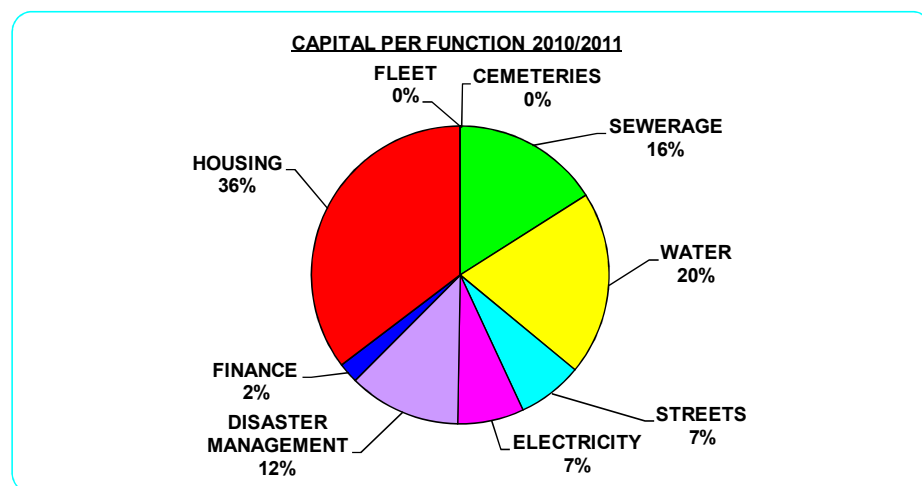
Capital expenditure details (Table SA36)

Municipal Vote/Capital project	Ref	Program/Project description	2010/11 Medium Term Revenue & Expenditure Framework			Project information	
			Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	Ward location	New or renewal
R thousand	5						
Parent municipality:							
<i>List all capital projects grouped by Municipal Vote</i>							
Technical Administration		Fleet		250	2,260	TWK	New
Financial Services		Inventaris Items	1,843	–		TWK	New
		New cemetery site identification & Development	–	800	–	Grabouw	New
Admin. Housing & Informal Settlement		Housing	29,330	33,977	32,480	TWK	New
Disaster Management		Genadendal flood protection/damage(Voorstekraal Drift)	–	–	300	Genadendal	New
		Scholtz River Storm Water Management	5,953	3,000	–	Greyton	New
		Flood protection/damage projects (Turnkey)	4,179	–	–	Genadendal	New
Sewerage		(Installation of sewer reticulation)	1,200	–	–	Tesselaarsdal	New
		(Installation of sewer reticulation)	–	–	2,524	Botrivier	New
		Upgrading of Pineview PS to 100l/s and	–	–	300	Greyton	New
		Upgrading of WWTP	5,329	–	–	Grabouw	New
		Toilets for Slangpark informal settlement	6,162	17,700	6,292	Grabouw	New
		Upgrading of WWTP	100	–	–	Grabouw	New
		Toilets for informal settlement areas	300	300	8,000	Villiersdorp	New
		Greyton-Genadendal Link Sewer	200	–	–	Villiersdorp	New
		purchase of two aerators & Gormann	–	3,576	1,424	Greyton	New
Roads		Upgrading of streets & storm water	–	–	560	Caledon	New
		Rooidakke stormwater	5,887	–	4,000	TWK	New
			–	–	1,500	Grabouw	New
Water distribution		Bulk Water Infrastructure Upgrading(3 ML Reservoir & Pump Station,100m Pumpline to new Reservoir & 150m new 315dia line to connect to existing res)	5,842	192	–	Botrivier	New
		Water Reticulation Replacement	–	–	3,207	TWK	New
		Voorstekraal 150kl Reservoir	150	–	750	Genadendal	New
		Upgrading of Water Treatment Plant	–	–	100	Greyton	New
Electricity distribution		Bulk Water Capacity Upgrading (Phase 3) New 550 to 500 mm dia pipeline between Eikenhof Dam and Worcester Street Pump station & Collinskop Booster PS	8,135	5,328	2,088	Grabouw	New
		2 ML reservoir at Ham Street	–	–	300	Villiersdorp	New
		Water Demand Management	2,463	–	–	TWK	New
		Upgrade Electricity supply capacity for Blue Crane Dev (new 66/11kV and new Casino Substations)	500	20,000	20,000	Caledon	New
		Upgrading of Hoopvol St network	310	–	–	Caledon	New
		Upgrading of Basil Newmark St network	–	550	–	Caledon	New
		Bergsig Substation	–	–	2,600	Caledon	New
		Upgrading of Berg / Barnard St	371	–	–	Villiersdorp	New
		Upgrading of Caledon & Unielaan	–	–	420	Villiersdorp	New
		Upgrading of Graaf St	–	–	330	Villiersdorp	New
		Supply from Eskom sub	–	880	–	Greyton	New
		Replace part of 11kV line behind Cemetery (Phase 1)	–	–	600	Greyton	New
		Upgrading of Electricity network Bego / Van Deur Str	300	–	–	Riviersonderend	New
		Upgrading of Buitekant St network	–	–	320	Riviersonderend	New
		Upgrading of Voortrekker St network	–	–	420	Riviersonderend	New
		Electricity pre paid Meters	3,000	–	–	TWK	New
		Load Control System	400	–	–	TWK	New
		Network EB Steam	700	–	–	Caledon	New
		Upgrading Electricity (housing)	397	–	–	Villiersdorp	New
Total Capital expenditure	1		83,052	86,553	90,775		

The Capital Budget increased from R89, 103, 090 in 2009/10 to R83,051,900 in 2010/11, R86,553,000 in 2011/12 and R90,775,000 in 2012/2013.

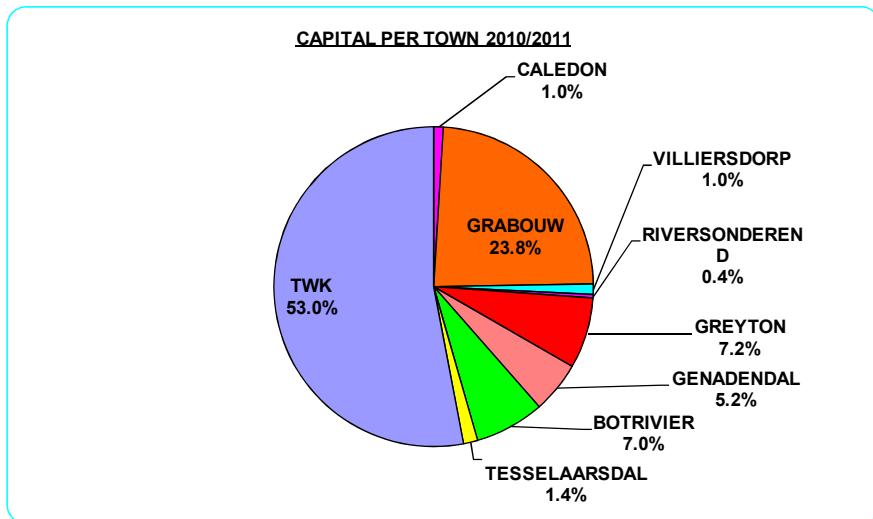
- **Capital per Function**

CAPITAL PER FUNCTION			
	2010/2011	2011/2012	2012/2013
SEWERAGE	13,290,623	21,576,000	19,100,326
WATER	16,590,960	5,520,000	6,444,674
STREETS	5,887,332	-	5,500,000
ELECTRICITY	5,978,185	21,430,000	24,690,000
DISASTER MANAGEMENT	10,132,100	3,000,000	300,000
FINANCE	1,842,700	-	-
HOUSING	29,330,000	33,977,000	32,480,000
FLEET	-	250,000	2,260,000
CEMETERIES	-	800,000	-
	83,051,900	86,553,000	90,775,000



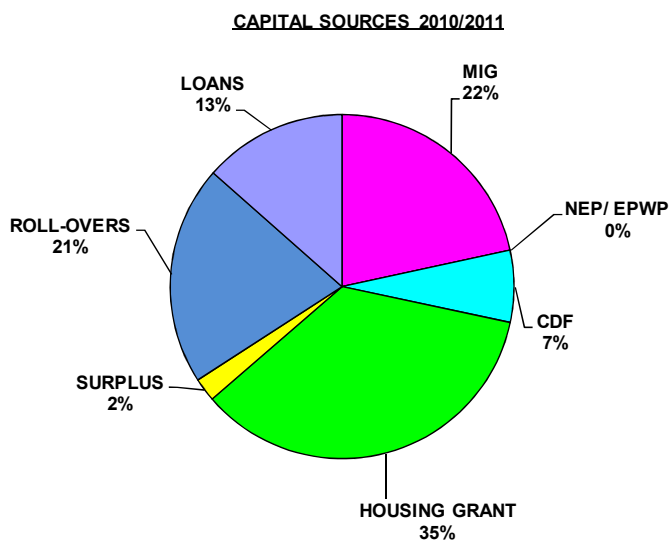
- **Capital per Town**

CAPITAL PER TOWN			
	2010/2011	2011/2012	2012/2013
CALEDON	810,000	20,550,000	23,160,000
GRABOUW	19,726,038	23,827,626	9,880,337
VILLIERSDORP	871,412	300,000	9,050,000
RIVERSONDEREND	300,000	-	740,000
GREYTON	5,952,620	7,456,000	2,424,000
GENADENDAL	4,329,480	-	1,050,000
BOTRIVIER	5,842,365	192,374	2,524,000
TESSELAARSDAL	1,200,000	-	-
TWK	44,019,985	34,227,000	41,946,663
	83,051,900	86,553,000	90,775,000



• Capital per Source

CAPITAL SOURCES			
	2010/2011	2011/2012	2012/2013
MIG	17,940,000	21,576,000	26,235,000
NEP/ EPWP	-	-	-
CDF	5,600,000	20,000,000	20,560,000
HOUSING GRANT	29,330,000	33,977,000	32,480,000
SURPLUS	1,842,700	-	-
ROLL-OVERS	17,130,140	-	-
LOANS	11,209,060	11,000,000	11,500,000
	83,051,900	86,553,000	90,775,000



Legislation Compliance Status

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

- **Budget and Treasury Office:** A Budget and Treasury Office has been established in accordance with the MFMA. In order to comply with legislation the following vacancies was filled in 2009: Manager Budget Office and Assets was appointed in September, Chief Costing appointed in August, Costing Accountant in June, Budget Office Accountant in June, Senior Clerk Budget in July, Asset Accountant in July and Assets Clerk in June.
- **Budgeting:** The annual budget is prepared in accordance with the requirements prescribed by the MFMA and National Treasury.
- **Financial Reporting:** 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- **Annual Report:** The Annual Report is prepared in accordance with the MFMA and National Treasury.
- **Debt Collection:** A Debt Collection unit has been established in accordance with the relative legislation. The staff appointments in the Debt Collection Department have almost completed.
- **Internal Audit:** A Deputy Director: Internal Auditor has been appointed in August and a Clerk Internal Audit has been appointed in November in order to comply with the MFMA and obtain value for money.
- **Supply Chain Management:** A Functional Supply Chain Management Unit in accordance with the MFMA. The Municipality is in the process of centralizing the SCM Unit.
- **Risk Management:** Theewaterskloof Municipality has adopted a Risk Management Policy August 2009 and official has undergone training.
- **Asset Management:** The Fixed Asset Register is fully GRAP compliant and the Asset Maintenance Plan is in progress in order to comply with legislation.
- **Internship Programme:** Theewaterskloof Municipality is participating in the Municipal Finance Management Internship Programme. 3 Interns were employed and are undergoing various training in all sections of the Finance department. The 3 previous Interns completed their two year training and had taken up permanent employment within the Budget and Treasury Office.

15. Other supporting documents

15.1 Tariff list

Refer to Annexure A for a draft list of tariffs to be approved.

15.2 Report on Providing Clean Water and Managing Waste Water

1. *Name of the Water Service Authority in the area and name of the Water Service Provider, and who actually manages the provision of drinking water and waste water management (if outsourced)*

Theewaterskloof Municipality is the Water Service Authority as well as a Water Service Provider.

The Operational Department, within Theewaterskloof Municipality, is responsible for the provision of water

2. *The Blue Drop and Green Drop performance ratings (as determined by the Department of Water Affairs) applicable to all water and waste water services within the municipality, highlighting areas that require attention*

2009 Assessment: Green Drop results has not been released yet
Blue Drop Results of Water Supply Systems were as follows

Caledon	- 95%
Riviersonderend	- 79%
Tesslaardal	- 77.8%
Grabouw	- 77.75%
Botrivier	- 75.8%
Voorstekraal & Bereaville	- 53.8%
Greyton	- 49.5%
Genadendal	- 49.5%
Villiersdorp	- 45.8%

The process controlling of all systems required drastic improvement while drinking water quality compliance figures of Genadendal, Voorstekraal, Greyton and Villiersdorp required urgent attention to ensure the required enhancement.

2010 Assessment: Only drinking water was assessed and results will be made available in April 2010

3. *The current status of the municipality's Water Safety Plan and measures to be taken in 2010/11 and over the MTREF to implement it*

The water safety plan is still under revision.

4. *A brief outline of problems that the municipality is experiencing with regards to the management of drinking water and sewerage*

The assessment highlighted the challenges that we are currently facing at our Water and Wastewater Treatment Plants, the process controllers and technical personnel lack the skills to properly manage these plants. Their lack of understating the principals behind the operation of the works results in improper data capturing.

Data captured by previous employers were not up to date or not easily accessible.

5. *An outline of the steps the municipality needs to take to address the problems noted and*

We need to enrich the knowledge of these personnel to ensure proper operation and management of these works in order to improve service delivery.

The town manager and his team must work in close contact with our Technical Department. The town managers must make sure those proposals that are made by the technical department and AL Abbott (lab analysis), must be implemented at all times. Data captured must be done in an orderly, proposed manner. Critical points as seen in the Monitoring programs, which have been compiled for Water & Waste Treatment Works, must be monitored on a frequent basis.

6. *The 2010/11 budget and MTREF allocations proposed/made to fund the above measures.*

The skills of process controllers and technical personnel will be upgraded from funds obtained from our Skill/Training Funds.

15.3 Total Municipal Account

The effect of the proposed tariff and rate increases on households is illustrated below:

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11 % incr.	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Rand/cent											
Monthly Account for Household - 'Large' Household	1										
Rates and services charges:											
Property rates		230.41	244.23	268.65	296.86	296.86	296.86	8.9%	323.28	355.61	391.17
Electricity: Basic levy		11.00	12.00	16.00	21.00	21.00	21.00	26.3%	26.52	26.42	33.26
Electricity: Consumption		385.20	406.80	539.40	679.60	679.60	679.60	26.3%	858.33	1,079.79	1,359.45
Water: Basic levy		-	-	50.00	55.00	55.00	55.00	5.0%	57.75	63.53	69.88
Water: Consumption		125.85	145.20	143.55	158.49	158.49	158.49	5.0%	166.41	183.06	201.36
Sanitation		56.55	59.94	64.74	71.20	71.20	71.20	8.0%	76.90	84.59	93.04
Refuse removal		55.86	59.21	63.89	70.20	70.20	70.20	8.9%	76.45	84.09	92.50
Other		-	-	-	-	-	-	-	-	-	-
sub-total		864.87	927.38	1,146.23	1,352.35	1,352.35	1,352.35	17.3%	1,585.65	1,877.07	2,240.66
VAT on Services		88.82	95.64	110.78	147.77	147.77	147.77		176.73	213.00	258.93
Total large household bill:		953.69	1,023.02	1,257.01	1,500.12	1,500.12	1,500.12	17.5%	1,762.38	2,090.08	2,499.59
% increase/-decrease			7.3%	22.9%	19.3%	-	-		17.5%	18.6%	19.6%
Monthly Account for Household - 'Small' Household	2										
Rates and services charges:											
Property rates		19.40	20.56	22.62	25.00	25.00	25.00	8.9%	27.23	29.95	32.94
Electricity: Basic levy		11.00	12.00	16.00	21.00	21.00	21.00	26.3%	26.52	26.42	33.26
Electricity: Consumption		191.83	202.59	268.62	338.44	338.44	338.44	26.3%	427.45	425.76	536.03
Water: Basic levy		-	-	50.00	55.00	55.00	55.00	5.0%	57.75	63.53	69.88
Water: Consumption		97.10	115.20	110.55	122.04	122.04	122.04	5.0%	128.14	140.96	155.05
Sanitation		56.55	59.94	64.74	71.20	71.20	71.20	8.0%	76.90	84.59	93.04
Refuse removal		55.86	59.21	63.89	70.20	70.20	70.20	8.9%	76.45	84.09	92.50
Other		-	-	-	-	-	-	-	-	-	-
sub-total		431.74	469.50	596.42	702.88	702.88	702.88	16.7%	820.43	855.28	1,012.71
VAT on Services		57.73	62.85	74.14	94.90	94.90	94.90		111.05	115.55	137.17
Total small household bill:		489.47	532.35	670.56	797.78	797.78	797.78	16.8%	931.48	970.83	1,149.87
% increase/-decrease			8.8%	26.0%	19.0%	-	-		16.8%	4.2%	18.4%
				1.96	-0.27	-1.00	-				
Monthly Account for Household - 'Small' Household receiving free basic services	3										
Rates and services charges:											
Property rates		4.84	5.13	5.64	-	-	-	8.9%	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	26.3%	-	-	-
Electricity: Consumption		-	-	-	7.26	7.26	7.26	26.3%	9.17	11.54	14.52
Water: Basic levy		-	-	-	-	-	-	5.0%	-	-	-
Water: Consumption		-	-	-	-	-	-	5.0%	-	-	-
Sanitation		24.05	25.94	28.32	-	-	-	8.0%	-	-	-
Refuse removal		23.36	25.21	27.47	-	-	-	8.9%	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		52.25	56.28	61.43	7.26	7.26	7.26	26.3%	9.17	11.54	14.52
VAT on Services		15.74	16.68	18.01	19.80	19.80	19.80		1.28	1.62	2.03
Total small household bill:		67.99	72.96	79.44	27.06	27.06	27.06	(61.4%)	10.45	13.15	16.56
% increase/-decrease			7.3%	8.9%	(65.9%)	-	-		(61.4%)	25.8%	25.9%

References

1 Use as basis 1 000m² erf, 150m² improvements, 1 000 units electricity and 30kl water.

2 Use as basis 300m² erf, 48m² improvements, 498 units electricity and 25kl water.

3 Use as basis 300m² erf, 48m² improvements, 60kw electricity and 6kl water (TO BE CONFIRMED).