

# Theewaterskloof Municipality



**Final Budget**

**2011/2012 to 2013/2014**

**05 May 2011**

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*English is original version*

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## 1. Council Resolutions

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1. That Council resolves that the Annual Operating Budget of the municipality for the financial year 2011/2012 and indicative for the two projected Outer Years 2012/2013 and 2013/2014 be approved as set out on Tables A1, A2, A3 and A4.(pages 5 - 8).
2. That Council resolves that the Annual Capital Budget of the municipality for the financial year 2011/2012 and indicative for the two projected Outer Years 2012/2013 and 2013/2014 be approved as set out on Tables A1, A5 and SA36, .(pages 5, 9, 55 and 56).
3. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2011/2012 financial year as set out on Tables A1, A7 and SA30. (Pages 5, 11 and 54).
4. That Council resolves to adopt the Integrated Development Plan (Annexure A).
5. That Council resolves that the Tariff Charges are approved for the Financial Year 2011/2012 and note that Electricity Tariff will be finalized as soon as NERSA announces the increase in tariffs for municipalities. (Annexure B).
6. That the Monthly Indigent Subsidy in respect of 6kl Water, 60Kwh Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) be approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
7. That the Indigents Subsidy on Electricity be increased from 50Kwh per month to 60Kwh per month.
8. That the Indigent Threshold be increased when the new/increased social grant amount is approved by government (based on twice the monthly old age pension grant as per policy).
9. That the Monthly Free 6kl Water be subsidised for all households with up to 8 occupants and an additional 1kl per month for each additional occupant in excess of 8.
10. That Basic Charge of R61.22 + Vat per month on water is levied to all Non-Indigent Households and Businesses and Industrial Consumers.
11. That it be noted that "Unfunded Functions" and "Underfunded Functions" are fully budgeted for at present service levels and in respect of Libraries and Housing.
12. That note is taken that Internal Division of Costs (Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.
13. That Sewer System Connections be done free of charge for consumers who are currently making use of Septic / Conservancy Tanks and wish to connect to the water-borne sewer system (where the infrastructure is available).
14. That Council resolves the following Amendments to the Policies:
  - 14.1. Tariff Policy  
That council adopt the amendments as indicated on page 27 – 29.
  - 14.2. Supply Chain Management Policy & Debt Collection Policies  
That council adopt the amendments as indicated on page 30.

- 14.3. Indigent Policy  
That council adopt the amendments as indicated on page 30 – 31.
  - 14.4. Property Rates Policy  
That the amendments be effected as per Item prepared by Corporate Services (Amendments & Comments received).
  - 14.5. Funding and Reserves Policy  
That council adopt the Funding and Reserves Policy as per Annexure E.
15. That Council takes cognizance of the comments received from various stakeholders and that the comments by Management are accordingly communicated to them.  
Comments/representation received on the 2011/2012 Draft budget (pages 283 – 404).
  16. That Council considered the late objections from Greyton (page 405) and Villiersdorp (page 406) in connection with irrigation water tariff.
    - 16.1. That the increase in irrigation water tariff will be phased in over two years.

## 2. Executive summary

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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 and other above-inflation increases (eg. Remuneration of Officials and Councillors, Fuel Prices, Bulk Purchases, etc) amount to 10.9%, 7.8% and 9.7%, respectively for the 3-year budget period of 2011/12, 2012/13 and 2013/14.

The following are further key parameters applied to the Theewaterskloof Municipality financial framework included the following for the 2011/12 financial year:

### Tariff increases:

- Assessment Rates 6.9%
- Electricity 20.38% (Subject to NERSA's final approval)
- Water 5.9%
- Sanitation (Sewer) 6%
- Solid Waste (Refuse) 6%

Total expenditure for the 2011/12 financial year amounts to R271.5 million, which represents an increase of R6.5 million over 2010/11. Capital expenditure totals R87.3 million.

### Expenditure categories' growth:

- Employee related costs 9.4%
- Remuneration of Councillors 9.0%
- Debt impairment -43.6%
- Depreciation & asset impairment 4.5%
- Finance Charges 31.8%
- Bulk Purchases 25.6%
- Contracted services 11.4%
- Other Expenditure -18.4%

### Revenue categories' growth:

- Property Rates -2.0%
- Service Charges 3.0%
- Interest earned -20.6%
- Fines 24.6%
- Transfers recognised (Grants) 4.0%
- Other Revenue -0.5%

The aggregate Budget income increase from 2010/2011 to 2011/2012 is 1.28% or 8.16% if the change in the Prescribed Budget Accounting provision is applied in the 2010/2011 financial year.

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 as contained in the IDP are:

- Service Delivery Improvement
- Infrastructure and Bulk Service Upgrades and Expansions
- IT and Human Resources Development
- Local Economic Development
- Financial Viability Improvement
- Good Governance

### 3. Annual budget tables

#### The Budget schedules to be approved by resolution of Council:

Budget Summary (Table A1)

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	30,594	34,400	38,729	44,400	41,000	41,000	40,183	43,069	46,608
Service charges	74,703	94,062	96,760	120,709	121,486	121,486	125,118	140,382	160,696
Investment revenue	838	3,715	2,758	2,606	1,700	1,700	1,700	1,836	1,983
Transfers recognised - operational	29,250	33,371	38,864	48,735	50,506	50,506	52,505	54,554	57,940
Other own revenue	41,713	51,333	43,996	50,648	54,960	54,960	53,603	58,046	63,026
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>177,098</b>	<b>216,881</b>	<b>221,107</b>	<b>267,097</b>	<b>269,652</b>	<b>269,652</b>	<b>273,109</b>	<b>297,888</b>	<b>330,252</b>
Employee costs	57,456	68,968	82,438	88,911	92,132	92,132	100,810	109,379	119,223
Remuneration of councillors	4,886	5,437	5,655	6,329	6,082	6,082	6,630	7,227	7,877
Depreciation & asset impairment	2,414	17,802	20,543	22,136	22,136	22,136	23,120	24,276	25,489
Finance charges	3,977	8,535	10,092	10,945	10,856	10,856	14,303	15,442	16,833
Materials and bulk purchases	17,014	22,526	25,913	35,476	34,129	34,129	42,873	52,245	63,878
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	134,240	93,653	102,368	94,493	99,689	99,689	83,744	87,465	93,984
<b>Total Expenditure</b>	<b>219,986</b>	<b>216,921</b>	<b>247,009</b>	<b>258,291</b>	<b>265,023</b>	<b>265,023</b>	<b>271,481</b>	<b>296,033</b>	<b>327,285</b>
<b>Surplus/(Deficit)</b>	<b>(42,888)</b>	<b>(40)</b>	<b>(25,902)</b>	<b>8,806</b>	<b>4,629</b>	<b>4,629</b>	<b>1,628</b>	<b>1,854</b>	<b>2,968</b>
Transfers recognised - capital	61,533	24,484	52,708	47,270	52,943	52,943	59,382	58,715	64,416
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>18,645</b>	<b>24,445</b>	<b>26,807</b>	<b>56,076</b>	<b>57,573</b>	<b>57,573</b>	<b>61,010</b>	<b>60,569</b>	<b>67,384</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>18,645</b>	<b>24,445</b>	<b>26,807</b>	<b>56,076</b>	<b>57,573</b>	<b>57,573</b>	<b>61,010</b>	<b>60,569</b>	<b>67,384</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>82,659</b>	<b>60,454</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>87,304</b>	<b>70,045</b>	<b>77,966</b>
Transfers recognised - capital	61,533	24,794	22,180	47,270	52,943	52,943	59,382	58,715	64,416
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	16,940	27,127	18,246	24,845	19,642	19,642	21,285	10,770	13,550
Internally generated funds	4,187	8,533	3,716	10,936	9,458	9,458	6,637	560	-
<b>Total sources of capital funds</b>	<b>82,659</b>	<b>60,454</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>87,304</b>	<b>70,045</b>	<b>77,966</b>
<b>Financial position</b>									
Total current assets	38,125	54,193	35,795	44,770	44,770	44,770	32,008	35,860	68,424
Total non current assets	245,267	290,699	315,154	403,776	403,776	403,776	438,941	521,871	586,630
Total current liabilities	35,392	48,912	48,645	52,115	52,115	52,115	52,723	56,882	62,720
Total non current liabilities	68,755	102,279	99,484	122,235	122,235	122,235	144,228	144,228	168,330
Community wealth/Equity	179,246	193,701	202,820	274,195	274,195	274,195	296,051	356,620	424,004
<b>Cash flows</b>									
Net cash from (used) operating	60,470	35,346	25,789	14,487	14,487	14,487	70,819	70,799	78,052
Net cash from (used) investing	(80,658)	(55,842)	(44,525)	(83,052)	(83,052)	(83,052)	(87,304)	(70,045)	(77,966)
Net cash from (used) financing	23,264	31,247	(4,973)	15,807	15,807	15,807	13,610	2,714	5,083
<b>Cash/cash equivalents at the year end</b>	<b>20,319</b>	<b>31,071</b>	<b>7,362</b>	<b>(45,397)</b>	<b>(45,397)</b>	<b>(45,397)</b>	<b>5,002</b>	<b>8,470</b>	<b>13,639</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	20,319	31,071	7,362	25,700	25,700	25,700	5,002	8,470	13,639
Application of cash and investments	8,074	18,730	4,388	28,034	28,055	28,055	5,975	7,712	(9,428)
<b>Balance - surplus (shortfall)</b>	<b>12,245</b>	<b>12,340</b>	<b>2,974</b>	<b>(2,334)</b>	<b>(2,355)</b>	<b>(2,355)</b>	<b>(973)</b>	<b>758</b>	<b>23,067</b>
<b>Asset management</b>									
Asset register summary (WDV)	245,128	290,607	315,110	403,731	403,731	403,731	438,927	521,863	586,626
Depreciation & asset impairment	2,414	17,802	20,543	22,136	22,136	22,136	23,120	24,276	25,489
Renewal of Existing Assets	-	-	-	-	-	-	30,520	27,523	30,056
Repairs and Maintenance	12,350	14,322	17,688	18,828	16,991	16,991	17,344	18,402	19,526
<b>Free services</b>									
Cost of Free Basic Services provided	7,224	8,100	11,118	15,561	15,561	15,561	14,883	24,903	27,205
Revenue cost of free services provided	16,613	20,279	23,116	32,418	32,418	32,418	38,080	41,167	44,607
<b>Households below minimum service level</b>									
Water:	354	365	365	365	365	365	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	6,340	9,382	9,382	9,382	9,382	9,382	9,382	9,382	9,382



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

Standard Classification Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue - Standard</b>									
<b>Governance and administration</b>	<b>143,902</b>	<b>125,429</b>	<b>155,651</b>	<b>176,462</b>	<b>181,575</b>	<b>181,575</b>	<b>180,427</b>	<b>186,163</b>	<b>201,604</b>
Executive and council	5,764	6,507	7,102	1,503	1,774	1,774	1,660	1,750	1,848
Budget and treasury office	124,530	103,540	130,330	157,910	163,788	163,788	158,974	165,093	178,819
Corporate services	13,608	15,381	18,219	17,049	16,013	16,013	19,793	19,320	20,937
<b>Community and public safety</b>	<b>10,053</b>	<b>9,599</b>	<b>4,595</b>	<b>6,688</b>	<b>5,666</b>	<b>5,666</b>	<b>6,886</b>	<b>6,666</b>	<b>7,200</b>
Community and social services	3,572	4,119	843	1,114	1,063	1,063	1,096	413	446
Sport and recreation	148	199	104	122	102	102	93	101	109
Public safety	6,331	5,221	3,646	5,152	4,201	4,201	5,396	5,828	6,294
Housing	2	60	2	300	300	300	300	324	350
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>8,632</b>	<b>12,394</b>	<b>8,044</b>	<b>12,001</b>	<b>14,049</b>	<b>14,049</b>	<b>6,670</b>	<b>6,609</b>	<b>7,138</b>
Planning and development	3,572	6,921	3,397	7,424	9,585	9,585	1,990	1,556	1,680
Road transport	5,061	5,473	4,647	4,577	4,464	4,464	4,679	5,054	5,458
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>76,043</b>	<b>93,944</b>	<b>105,525</b>	<b>119,216</b>	<b>121,305</b>	<b>121,305</b>	<b>138,509</b>	<b>157,164</b>	<b>178,727</b>
Electricity	27,342	32,740	38,464	48,254	49,529	49,529	58,561	70,812	85,631
Water	21,810	30,164	34,264	35,552	35,835	35,835	40,629	43,879	47,353
Waste water management	11,789	14,497	16,062	17,195	17,651	17,651	19,450	21,014	22,637
Waste management	15,103	16,543	16,736	18,215	18,290	18,290	19,869	21,460	23,106
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>238,631</b>	<b>241,366</b>	<b>273,815</b>	<b>314,367</b>	<b>322,595</b>	<b>322,595</b>	<b>332,491</b>	<b>356,603</b>	<b>394,668</b>
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>117,794</b>	<b>72,803</b>	<b>99,385</b>	<b>99,182</b>	<b>104,396</b>	<b>104,396</b>	<b>98,710</b>	<b>104,599</b>	<b>113,026</b>
Executive and council	12,658	9,063	8,911	15,807	16,007	16,007	23,163	24,943	26,902
Budget and treasury office	80,005	24,214	46,717	42,809	45,596	45,596	26,966	29,353	31,764
Corporate services	25,130	39,527	43,757	40,567	42,793	42,793	48,581	50,303	54,360
<b>Community and public safety</b>	<b>22,798</b>	<b>29,336</b>	<b>23,553</b>	<b>24,076</b>	<b>25,367</b>	<b>25,367</b>	<b>26,911</b>	<b>29,010</b>	<b>31,391</b>
Community and social services	7,005	9,979	4,493	4,606	4,450	4,450	4,660	5,049	5,493
Sport and recreation	4,519	6,527	6,301	5,863	6,230	6,230	6,210	6,706	7,270
Public safety	8,278	9,118	8,654	8,385	9,916	9,916	10,157	10,958	11,866
Housing	2,995	3,712	4,106	5,222	4,771	4,771	5,884	6,298	6,762
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>18,646</b>	<b>25,169</b>	<b>25,551</b>	<b>34,160</b>	<b>35,329</b>	<b>35,329</b>	<b>33,377</b>	<b>35,205</b>	<b>37,817</b>
Planning and development	6,454	7,693	6,745	10,560	12,579	12,579	9,027	9,138	9,878
Road transport	12,193	17,472	18,781	23,435	22,584	22,584	24,237	25,944	27,805
Environmental protection	-	4	25	165	165	165	114	123	133
<b>Trading services</b>	<b>60,749</b>	<b>89,612</b>	<b>98,520</b>	<b>100,872</b>	<b>99,931</b>	<b>99,931</b>	<b>112,483</b>	<b>127,220</b>	<b>145,050</b>
Electricity	19,585	27,145	34,215	41,488	40,388	40,388	46,790	56,864	68,844
Water	18,972	27,122	25,213	26,686	27,316	27,316	30,907	32,904	35,203
Waste water management	9,399	16,985	18,911	17,213	16,140	16,140	17,742	19,127	20,842
Waste management	12,792	18,360	20,180	15,485	16,086	16,086	17,044	18,325	20,161
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Standard</b>	<b>219,986</b>	<b>216,921</b>	<b>247,009</b>	<b>258,291</b>	<b>265,023</b>	<b>265,023</b>	<b>271,481</b>	<b>296,033</b>	<b>327,285</b>
<b>Surplus/(Deficit) for the year</b>	<b>18,645</b>	<b>24,445</b>	<b>26,807</b>	<b>56,076</b>	<b>57,573</b>	<b>57,573</b>	<b>61,010</b>	<b>60,569</b>	<b>67,384</b>

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

Vote Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	Forecast	2011/12	+1 2012/13	+2 2013/14
<b>R thousand</b>									
<b>Revenue by Vote</b>									
Vote1 - Executive & Council	14,178	19,186	21,257	12,212	11,622	11,622	10,825	9,547	10,256
Vote2 - Finance & Admin	67,494	81,758	81,907	116,980	116,987	116,987	110,220	117,901	126,932
Vote3 - Planning & Development	3,572	6,921	3,397	7,424	9,585	9,585	1,990	1,556	1,680
Vote4 - Community & Social Services	3,572	4,119	843	1,114	1,063	1,063	1,096	413	446
Vote5 - Housing	2	60	2	300	300	300	300	324	350
Vote6 - Public Safety	6,331	5,221	3,646	5,152	4,201	4,201	5,396	5,828	6,294
Vote7 - Sport & Recreation	148	199	104	122	102	102	93	101	109
Vote8 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote9 - Waste Management	15,103	16,543	16,736	18,215	18,290	18,290	19,869	21,460	23,106
Vote10 - Waste Water Management	11,789	14,497	16,062	17,195	17,651	17,651	19,450	21,014	22,637
Vote11 - Roads Transport	5,061	5,473	4,647	4,577	4,464	4,464	4,679	5,054	5,458
Vote12 - Water	21,810	30,164	34,264	35,552	35,835	35,835	40,629	43,879	47,353
Vote13 - Electricity	27,342	32,740	38,464	48,254	49,529	49,529	58,561	70,812	85,631
Vote14 - Other	62,231	24,484	52,486	47,270	52,967	52,967	59,382	58,715	64,416
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>238,631</b>	<b>241,366</b>	<b>273,815</b>	<b>314,367</b>	<b>322,595</b>	<b>322,595</b>	<b>332,491</b>	<b>356,603</b>	<b>394,668</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote1 - Executive & Council	29,267	36,430	37,725	40,100	40,627	40,627	51,689	53,571	57,799
Vote2 - Finance & Admin	25,132	34,910	31,329	55,979	60,963	60,963	43,019	46,726	50,587
Vote3 - Planning & Development	7,617	9,115	9,888	13,473	15,193	15,193	12,925	13,328	14,398
Vote4 - Community & Social Services	7,005	9,979	4,493	4,606	4,450	4,450	4,660	5,049	5,493
Vote5 - Housing	2,995	3,712	4,106	5,222	4,771	4,771	5,884	6,298	6,762
Vote6 - Public Safety	8,278	9,118	8,654	8,385	9,916	9,916	10,157	10,958	11,866
Vote7 - Sport & Recreation	4,519	6,527	6,301	5,863	6,230	6,230	6,210	6,706	7,270
Vote8 - Environmental Protection	-	4	25	165	165	165	114	123	133
Vote9 - Waste Management	12,792	18,360	20,180	15,485	16,086	16,086	17,044	18,325	20,161
Vote10 - Waste Water Management	9,399	16,985	18,911	17,213	16,140	16,140	17,742	19,127	20,842
Vote11 - Roads Transport	12,193	17,472	18,781	23,435	22,584	22,584	24,237	25,944	27,805
Vote12 - Water	18,972	27,122	25,213	26,686	27,316	27,316	30,907	32,904	35,203
Vote13 - Electricity	19,585	27,145	34,215	41,488	40,388	40,388	46,790	56,864	68,844
Vote14 - Other	62,231	42	27,188	192	194	194	103	111	121
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>219,986</b>	<b>216,921</b>	<b>247,009</b>	<b>258,291</b>	<b>265,023</b>	<b>265,023</b>	<b>271,481</b>	<b>296,033</b>	<b>327,285</b>
<b>Surplus/(Deficit) for the year</b>	<b>18,645</b>	<b>24,445</b>	<b>26,807</b>	<b>56,076</b>	<b>57,573</b>	<b>57,573</b>	<b>61,010</b>	<b>60,569</b>	<b>67,384</b>

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

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	30,594	34,400	38,729	44,400	41,000	41,000	40,183	43,069	46,608
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	26,790	31,996	37,931	48,254	48,204	48,204	57,054	68,988	83,424
Service charges - water revenue	21,810	30,080	31,259	35,552	35,835	35,835	37,690	40,159	43,409
Service charges - sanitation revenue	11,789	14,497	12,879	17,195	17,651	17,651	14,797	15,214	16,489
Service charges - refuse revenue	12,591	14,949	13,146	18,215	18,290	18,290	14,085	14,410	15,633
Service charges - other	1,724	2,541	1,546	1,493	1,506	1,506	1,493	1,612	1,741
Rental of facilities and equipment	1,587	1,460	2,004	1,850	1,780	1,780	1,534	1,657	1,789
Interest earned - external investments	838	3,715	2,758	2,606	1,700	1,700	1,700	1,836	1,983
Interest earned - outstanding debtors	7,256	8,105	6,352	6,600	8,000	8,000	6,000	6,480	6,998
Dividends received	-	-	-	-	-	-	-	-	-
Fines	6,276	5,152	3,592	5,074	4,073	4,073	5,074	5,479	5,918
Licences and permits	55	76	62	75	75	75	63	68	73
Agency services	1,544	1,415	1,974	1,700	1,730	1,730	1,815	1,961	2,118
Transfers recognised - operational	29,250	33,371	38,864	48,735	50,506	50,506	52,505	54,554	57,940
Other revenue	24,996	35,126	30,013	35,348	39,302	39,302	39,118	42,402	46,130
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>177,098</b>	<b>216,881</b>	<b>221,107</b>	<b>267,097</b>	<b>269,652</b>	<b>269,652</b>	<b>273,109</b>	<b>297,888</b>	<b>330,252</b>
<b>Expenditure By Type</b>									
Employee related costs	57,456	68,968	82,438	88,911	92,132	92,132	100,810	109,379	119,223
Remuneration of councillors	4,886	5,437	5,655	6,329	6,082	6,082	6,630	7,227	7,877
Debt impairment	11,190	24,526	18,277	5,688	7,158	7,158	4,034	4,356	4,705
Depreciation & asset impairment	2,414	17,802	20,543	22,136	22,136	22,136	23,120	24,276	25,489
Finance charges	3,977	8,535	10,092	10,945	10,856	10,856	14,303	15,442	16,833
Bulk purchases	17,014	22,526	25,913	35,476	34,129	34,129	42,873	52,245	63,878
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	8,349	8,538	8,653	13,519	14,006	14,006	15,601	16,660	17,792
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	114,701	60,589	75,438	75,285	78,524	78,524	64,110	66,449	71,487
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>219,986</b>	<b>216,921</b>	<b>247,009</b>	<b>258,291</b>	<b>265,023</b>	<b>265,023</b>	<b>271,481</b>	<b>296,033</b>	<b>327,285</b>
<b>Surplus/(Deficit)</b>	<b>(42,888)</b>	<b>(40)</b>	<b>(25,902)</b>	<b>8,806</b>	<b>4,629</b>	<b>4,629</b>	<b>1,628</b>	<b>1,854</b>	<b>2,968</b>
Transfers recognised - capital	61,533	24,484	52,708	47,270	52,943	52,943	59,382	58,715	64,416
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>18,645</b>	<b>24,445</b>	<b>26,807</b>	<b>56,076</b>	<b>57,573</b>	<b>57,573</b>	<b>61,010</b>	<b>60,569</b>	<b>67,384</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>18,645</b>	<b>24,445</b>	<b>26,807</b>	<b>56,076</b>	<b>57,573</b>	<b>57,573</b>	<b>61,010</b>	<b>60,569</b>	<b>67,384</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>18,645</b>	<b>24,445</b>	<b>26,807</b>	<b>56,076</b>	<b>57,573</b>	<b>57,573</b>	<b>61,010</b>	<b>60,569</b>	<b>67,384</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>18,645</b>	<b>24,445</b>	<b>26,807</b>	<b>56,076</b>	<b>57,573</b>	<b>57,573</b>	<b>61,010</b>	<b>60,569</b>	<b>67,384</b>

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

Vote Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote1 - Executive & Council	941	1,759	3,354	-	800	800	2,825	230	4,500
Vote2 - Finance & Admin	248	2,286	1,702	1,843	3,461	3,461	2,212	-	-
Vote3 - Planning & Development	-	4,597	277	-	-	-	2,150	-	2,500
Vote4 - Community & Social Services	-	-	-	-	-	-	-	-	50
Vote5 - Housing	33,592	12,637	-	29,330	29,344	29,344	33,977	32,480	34,238
Vote6 - Public Safety	-	-	-	-	-	-	1,693	300	-
Vote7 - Sport & Recreation	960	31	272	-	692	692	-	-	-
Vote8 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote9 - Waste Management	3,939	4,833	-	-	-	-	2,109	-	-
Vote10 - Waste Water Management	26,028	6,252	4,144	13,291	11,564	11,564	20,797	22,925	19,122
Vote11 - Roads Transport	3,542	2,193	9,505	16,019	13,602	13,602	2,392	6,894	10,556
Vote12 - Water	11,304	22,797	21,043	16,591	16,577	16,577	12,420	2,526	7,000
Vote13 - Electricity	2,104	3,069	3,845	5,978	6,002	6,002	6,730	4,690	-
Vote14 - Other	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>82,659</b>	<b>60,454</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>87,304</b>	<b>70,045</b>	<b>77,966</b>
<b>Single-year expenditure to be appropriated</b>									
Vote1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote2 - Finance & Admin	-	-	-	-	-	-	-	-	-
Vote3 - Planning & Development	-	-	-	-	-	-	-	-	-
Vote4 - Community & Social Services	-	-	-	-	-	-	-	-	-
Vote5 - Housing	-	-	-	-	-	-	-	-	-
Vote6 - Public Safety	-	-	-	-	-	-	-	-	-
Vote7 - Sport & Recreation	-	-	-	-	-	-	-	-	-
Vote8 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote9 - Waste Management	-	-	-	-	-	-	-	-	-
Vote10 - Waste Water Management	-	-	-	-	-	-	-	-	-
Vote11 - Roads Transport	-	-	-	-	-	-	-	-	-
Vote12 - Water	-	-	-	-	-	-	-	-	-
Vote13 - Electricity	-	-	-	-	-	-	-	-	-
Vote14 - Other	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>	<b>82,659</b>	<b>60,454</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>87,304</b>	<b>70,045</b>	<b>77,966</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>1,189</b>	<b>4,045</b>	<b>5,056</b>	<b>1,843</b>	<b>4,261</b>	<b>4,261</b>	<b>5,037</b>	<b>230</b>	<b>4,500</b>
Executive and council	-	-	-	-	-	-	975	-	-
Budget and treasury office	248	2,102	1,702	1,843	3,461	3,461	2,212	-	-
Corporate services	941	1,943	3,354	-	800	800	1,850	230	4,500
<b>Community and public safety</b>	<b>34,552</b>	<b>12,668</b>	<b>272</b>	<b>29,330</b>	<b>30,036</b>	<b>30,036</b>	<b>35,670</b>	<b>32,780</b>	<b>34,288</b>
Community and social services	-	-	-	-	-	-	-	-	50
Sport and recreation	960	31	272	-	692	692	-	-	-
Public safety	-	-	-	-	-	-	1,693	300	-
Housing	33,592	12,637	-	29,330	29,344	29,344	33,977	32,480	34,238
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>3,542</b>	<b>6,790</b>	<b>9,781</b>	<b>16,019</b>	<b>13,602</b>	<b>13,602</b>	<b>4,542</b>	<b>6,894</b>	<b>13,056</b>
Planning and development	-	4,597	277	-	-	-	2,150	-	2,500
Road transport	3,542	2,193	9,505	16,019	13,602	13,602	2,392	6,894	10,556
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>43,376</b>	<b>36,952</b>	<b>29,033</b>	<b>35,860</b>	<b>34,144</b>	<b>34,144</b>	<b>42,055</b>	<b>30,141</b>	<b>26,122</b>
Electricity	2,104	3,069	3,845	5,978	6,002	6,002	6,730	4,690	-
Water	11,304	22,797	21,043	16,591	16,577	16,577	12,420	2,526	7,000
Waste water management	26,028	6,252	4,144	13,291	11,564	11,564	20,797	22,925	19,122
Waste management	3,939	4,833	-	-	-	-	2,109	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>82,659</b>	<b>60,454</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>87,304</b>	<b>70,045</b>	<b>77,966</b>
<b>Funded by:</b>									
National Government	27,940	12,158	21,716	17,940	22,846	22,846	22,577	26,235	27,678
Provincial Government	33,592	12,637	272	29,330	30,036	30,036	36,805	32,480	36,738
District Municipality	-	-	192	-	62	62	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>61,533</b>	<b>24,794</b>	<b>22,180</b>	<b>47,270</b>	<b>52,943</b>	<b>52,943</b>	<b>59,382</b>	<b>58,715</b>	<b>64,416</b>
<b>Public contributions &amp; donations</b>									
<b>Borrowing</b>	16,940	27,127	18,246	24,845	19,642	19,642	21,285	10,770	13,550
<b>Internally generated funds</b>	4,187	8,533	3,716	10,936	9,458	9,458	6,637	560	-
<b>Total Capital Funding</b>	<b>82,659</b>	<b>60,454</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>87,304</b>	<b>70,045</b>	<b>77,966</b>

Budgeted Financial Position (Table A6)

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	11,677	5,586	2,375	4,700	4,700	4,700	1,002	1,470	1,639
Call investment deposits	8,642	25,485	4,987	21,000	21,000	21,000	4,000	7,000	12,000
Consumer debtors	17,693	19,259	23,257	16,269	16,269	16,269	21,195	21,230	48,257
Other debtors	2	3,765	5,073	2,700	2,700	2,700	5,700	6,042	6,405
Current portion of long-term receivables	28	12	6	7	7	7	2	1	1
Inventory	83	86	97	94	94	94	109	116	122
<b>Total current assets</b>	<b>38,125</b>	<b>54,193</b>	<b>35,795</b>	<b>44,770</b>	<b>44,770</b>	<b>44,770</b>	<b>32,008</b>	<b>35,860</b>	<b>68,424</b>
<b>Non current assets</b>									
Long-term receivables	139	92	44	45	45	45	14	8	5
Investments	-	-	-	-	-	-	-	-	-
Investment property	28,033	29,861	29,098	18,000	18,000	18,000	25,000	23,000	23,000
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	217,016	260,324	284,533	384,831	384,831	384,831	411,749	495,985	560,048
Agricultural	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-
Intangible	79	422	1,478	900	900	900	2,178	2,878	3,578
Other non-current assets	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>	<b>245,267</b>	<b>290,699</b>	<b>315,154</b>	<b>403,776</b>	<b>403,776</b>	<b>403,776</b>	<b>438,941</b>	<b>521,871</b>	<b>586,630</b>
<b>TOTAL ASSETS</b>	<b>283,392</b>	<b>344,892</b>	<b>350,949</b>	<b>448,546</b>	<b>448,546</b>	<b>448,546</b>	<b>470,949</b>	<b>557,730</b>	<b>655,054</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	4,268	4,985	4,711	6,000	6,000	6,000	7,904	8,308	8,744
Consumer deposits	2,395	2,697	2,942	3,263	3,263	3,263	3,560	3,916	4,307
Trade and other payables	27,850	34,641	31,355	41,221	41,221	41,221	29,598	31,830	35,560
Provisions	878	6,589	9,637	1,631	1,631	1,631	11,661	12,828	14,109
<b>Total current liabilities</b>	<b>35,392</b>	<b>48,912</b>	<b>48,645</b>	<b>52,115</b>	<b>52,115</b>	<b>52,115</b>	<b>52,723</b>	<b>56,882</b>	<b>62,720</b>
<b>Non current liabilities</b>									
Borrowing	52,918	83,103	78,105	99,033	99,033	99,033	96,307	115,774	137,030
Provisions	15,837	19,176	21,379	23,202	23,202	23,202	25,868	28,454	31,300
<b>Total non current liabilities</b>	<b>68,755</b>	<b>102,279</b>	<b>99,484</b>	<b>122,235</b>	<b>122,235</b>	<b>122,235</b>	<b>122,175</b>	<b>144,228</b>	<b>168,330</b>
<b>TOTAL LIABILITIES</b>	<b>104,147</b>	<b>151,191</b>	<b>148,129</b>	<b>174,351</b>	<b>174,351</b>	<b>174,351</b>	<b>174,898</b>	<b>201,110</b>	<b>231,050</b>
<b>NET ASSETS</b>	<b>179,246</b>	<b>193,701</b>	<b>202,820</b>	<b>274,195</b>	<b>274,195</b>	<b>274,195</b>	<b>296,051</b>	<b>356,620</b>	<b>424,004</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	174,832	192,954	202,789	271,655	271,655	271,655	296,020	356,590	423,973
Reserves	4,414	747	31	2,540	2,540	2,540	31	31	31
Minorities' interests	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>179,246</b>	<b>193,701</b>	<b>202,820</b>	<b>274,195</b>	<b>274,195</b>	<b>274,195</b>	<b>296,051</b>	<b>356,620</b>	<b>424,004</b>

Budgeted Cash Flows (Table A7)

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	200,072	189,726	223,553	209,156	209,156	209,156	212,904	235,018	263,331
Government - operating	-	-	-	48,735	48,735	48,735	52,505	54,554	57,940
Government - capital	-	-	-	47,270	47,270	47,270	59,382	58,715	64,416
Interest	4,222	11,693	9,109	9,206	9,206	9,206	7,700	8,316	8,981
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(139,725)	(158,837)	(198,571)	(288,935)	(288,935)	(288,935)	(247,369)	(270,362)	(299,784)
Finance charges	(4,098)	(7,235)	(8,302)	(10,945)	(10,945)	(10,945)	(14,303)	(15,442)	(16,833)
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>60,470</b>	<b>35,346</b>	<b>25,789</b>	<b>14,487</b>	<b>14,487</b>	<b>14,487</b>	<b>70,819</b>	<b>70,799</b>	<b>78,052</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	1,803	5,252	850	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(82,460)	(61,094)	(45,375)	(83,052)	(83,052)	(83,052)	(87,304)	(70,045)	(77,966)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(80,658)</b>	<b>(55,842)</b>	<b>(44,525)</b>	<b>(83,052)</b>	<b>(83,052)</b>	<b>(83,052)</b>	<b>(87,304)</b>	<b>(70,045)</b>	<b>(77,966)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	24,857	33,391	55	26,496	26,496	26,496	21,285	10,770	13,550
Increase (decrease) in consumer deposits	171	320	299	189	189	189	229	252	277
<b>Payments</b>									
Repayment of borrowing	(1,765)	(2,463)	(5,327)	(10,878)	(10,878)	(10,878)	(7,904)	(8,308)	(8,744)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>23,264</b>	<b>31,247</b>	<b>(4,973)</b>	<b>15,807</b>	<b>15,807</b>	<b>15,807</b>	<b>13,610</b>	<b>2,714</b>	<b>5,083</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>3,076</b>	<b>10,752</b>	<b>(23,709)</b>	<b>(52,758)</b>	<b>(52,758)</b>	<b>(52,758)</b>	<b>(2,875)</b>	<b>3,468</b>	<b>5,168</b>
Cash/cash equivalents at the year begin:	17,243	20,319	31,071	7,362	7,362	7,362	7,877	5,002	8,470
Cash/cash equivalents at the year end:	20,319	31,071	7,362	(45,397)	(45,397)	(45,397)	5,002	8,470	13,639

Cash Backed reserves/accumulated surplus reconciliation (Table A8)

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	20,319	31,071	7,362	(45,397)	(45,397)	(45,397)	5,002	8,470	13,639
Other current investments > 90 days	-	-	-	71,097	71,097	71,097	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>20,319</b>	<b>31,071</b>	<b>7,362</b>	<b>25,700</b>	<b>25,700</b>	<b>25,700</b>	<b>5,002</b>	<b>8,470</b>	<b>13,639</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	3,727	8,428	7,149	5,000	5,000	5,000	2,400	3,000	5,000
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	4,347	10,302	(2,761)	23,034	23,055	23,055	3,575	4,712	(14,428)
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>	<b>8,074</b>	<b>18,730</b>	<b>4,388</b>	<b>28,034</b>	<b>28,055</b>	<b>28,055</b>	<b>5,975</b>	<b>7,712</b>	<b>(9,428)</b>
<b>Surplus(shortfall)</b>	<b>12,245</b>	<b>12,340</b>	<b>2,974</b>	<b>(2,334)</b>	<b>(2,355)</b>	<b>(2,355)</b>	<b>(973)</b>	<b>758</b>	<b>23,067</b>

# Asset Management (Table A9)

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>82,251</b>	<b>60,512</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>56,784</b>	<b>42,522</b>	<b>47,910</b>
Infrastructure - Road transport	2,917	2,193	9,505	16,019	13,602	13,602	-	2,894	-
Infrastructure - Electricity	2,415	3,921	3,845	5,978	6,002	6,002	6,180	2,600	-
Infrastructure - Water	10,947	22,722	21,184	16,591	16,577	16,577	5,200	300	3,000
Infrastructure - Sanitation	26,700	6,220	4,144	13,291	11,564	11,564	4,606	4,248	6,122
Infrastructure - Other	-	-	-	-	-	-	2,109	-	-
Infrastructure	42,979	35,056	38,678	51,879	47,746	47,746	18,095	10,042	9,722
Community	960	31	272	-	692	692	33,977	32,480	34,238
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	32,371	-	-	29,330	29,344	29,344	-	-	-
Other assets	5,940	25,425	5,192	1,843	4,261	4,261	4,712	-	4,550
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,520</b>	<b>27,523</b>	<b>30,056</b>
Infrastructure - Road transport	-	-	-	-	-	-	4,085	4,300	10,556
Infrastructure - Electricity	-	-	-	-	-	-	550	2,090	-
Infrastructure - Water	-	-	-	-	-	-	7,220	2,226	4,000
Infrastructure - Sanitation	-	-	-	-	-	-	16,190	18,677	13,000
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	28,045	27,293	27,556
Community	-	-	-	-	-	-	-	-	50
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	2,475	230	2,450
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>82,251</b>	<b>60,512</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>87,304</b>	<b>70,045</b>	<b>77,966</b>
Infrastructure - Road transport	2,917	2,193	9,505	16,019	13,602	13,602	4,085	7,194	10,556
Infrastructure - Electricity	2,415	3,921	3,845	5,978	6,002	6,002	6,730	4,690	-
Infrastructure - Water	10,947	22,722	21,184	16,591	16,577	16,577	12,420	2,526	7,000
Infrastructure - Sanitation	26,700	6,220	4,144	13,291	11,564	11,564	20,797	22,925	19,122
Infrastructure - Other	-	-	-	-	-	-	2,109	-	-
Infrastructure	42,979	35,056	38,678	51,879	47,746	47,746	46,740	37,335	36,678
Community	960	31	272	-	692	692	33,977	32,480	34,288
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	32,371	-	-	29,330	29,344	29,344	-	-	-
Other assets	5,940	25,425	5,192	1,843	4,261	4,261	7,187	230	7,000
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>82,251</b>	<b>60,512</b>	<b>44,142</b>	<b>83,052</b>	<b>82,043</b>	<b>82,043</b>	<b>87,304</b>	<b>70,045</b>	<b>77,966</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport									
Infrastructure - Electricity									
Infrastructure - Water									
Infrastructure - Sanitation									
Infrastructure - Other	217,016	260,324	284,533	384,831	384,831	384,831	411,749	495,985	560,048
Infrastructure	217,016	260,324	284,533	384,831	384,831	384,831	411,749	495,985	560,048
Community	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	28,033	29,861	29,098	18,000	18,000	18,000	25,000	23,000	23,000
Other assets	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	79	422	1,478	900	900	900	2,178	2,878	3,578
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>245,128</b>	<b>290,607</b>	<b>315,110</b>	<b>403,731</b>	<b>403,731</b>	<b>403,731</b>	<b>438,927</b>	<b>521,863</b>	<b>586,626</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	2,414	17,802	20,543	22,136	22,136	22,136	23,120	24,276	25,489
<b>Repairs and Maintenance by Asset Class</b>	12,350	14,322	17,688	18,828	16,991	16,991	17,344	18,402	19,526
Infrastructure - Road transport	3,446	4,088	4,023	4,533	4,413	4,413	2,898	3,084	3,284
Infrastructure - Electricity	2,103	2,488	4,117	3,846	3,184	3,184	4,199	4,451	4,718
Infrastructure - Water	82	27	228	120	120	120	145	154	163
Infrastructure - Sanitation	442	586	422	870	795	795	755	800	848
Infrastructure - Other	776	1,000	1,498	1,480	1,180	1,180	1,050	1,113	1,180
Infrastructure	6,849	8,190	10,288	10,848	9,692	9,692	9,048	9,603	10,193
Community	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	5,501	6,133	7,400	7,979	7,299	7,299	8,296	8,799	9,333
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>14,764</b>	<b>32,124</b>	<b>38,231</b>	<b>40,963</b>	<b>39,127</b>	<b>39,127</b>	<b>40,463</b>	<b>42,677</b>	<b>45,015</b>
<b>% of capital exp on renewal of assets</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>53.7%</b>	<b>64.7%</b>	<b>62.7%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>132.0%</b>	<b>113.4%</b>	<b>117.9%</b>
<b>R&amp;M as a % of PPE</b>	<b>5.7%</b>	<b>5.5%</b>	<b>6.2%</b>	<b>4.9%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.2%</b>	<b>3.7%</b>	<b>3.5%</b>
<b>Renewal and R&amp;M as a % of PPE</b>	<b>5.0%</b>	<b>5.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>11.0%</b>	<b>9.0%</b>	<b>8.0%</b>



Basic Service Delivery measurement (Table A10)

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Household service targets (000)</b>									
<b>Water:</b>									
Piped water inside dwelling	23	23	23	23	23	23	23	23	23
Piped water inside yard (but not in dwelling)	1	1	1	1	1	1	1	1	1
Using public tap (at least min.service level)									
Other water supply (at least min.service level)									
<i>Minimum Service Level and Above sub-total</i>	23	24	24	24	24	24	24	24	24
Using public tap (< min.service level)	0	0	0	0	0	0			
Other water supply (< min.service level)									
No water supply									
<i>Below Minimum Service Level sub-total</i>	0	0	0	0	0	0	-	-	-
<b>Total number of households</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	21	22	22	22	22	22	22	22	22
Flush toilet (with septic tank)	2	3	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>	23	24	24	24	24	24	24	24	24
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Energy:</b>									
Electricity (at least min.service level)	3	3	3	3	3	3	2	1	0
Electricity - prepaid (min.service level)	3	3	3	3	3	3	4	5	6
<i>Minimum Service Level and Above sub-total</i>	6	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>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Refuse:</b>									
Removed at least once a week	19	19	19	19	19	19	19	19	19
<i>Minimum Service Level and Above sub-total</i>	19	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	7	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	9	9	9	9	9	9	9	9
<b>Total number of households</b>	<b>26</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	6	7	6	8	8	8	7	7	7
Sanitation (free minimum level service)	6	7	6	8	8	8	7	7	7
Electricity/other energy (50kw h per household per month)	6	7	6	8	8	8	7	7	7
Refuse (removed at least once a week)	6	7	6	8	8	8	7	7	7
<b>Cost of Free Basic Services provided (R'000)</b>									
Water (6 kilolitres per household per month)	1,598	1,800	1,980	2,633	2,633	2,633	2,939	5,451	5,778
Sanitation (free sanitation service)	1,563	1,728	3,049	4,171	4,171	4,171	4,653	6,848	7,259
Electricity/other energy (50kw h per household per month)	1,880	2,160	2,331	3,572	3,572	3,572	1,508	5,388	6,519
Refuse (removed once a week)	2,183	2,412	3,758	5,184	5,184	5,184	5,784	7,216	7,649
<b>Total cost of FBS provided (minimum social package)</b>	<b>7,224</b>	<b>8,100</b>	<b>11,118</b>	<b>15,561</b>	<b>15,561</b>	<b>15,561</b>	<b>14,883</b>	<b>24,903</b>	<b>27,205</b>
<b>Highest level of free service provided</b>									
Property rates (R value threshold)	15,000	15,000	50,000	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)	33	36	71	77	77	77	77	77	77
Electricity (kw h per household per month)	50	50	50	50	50	50	60	60	60
Refuse (average litres per week)									
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)	7,646	10,136	9,398	13,224	13,224	13,224	13,020	13,801	14,629
Property rates (other exemptions, reductions and rebates)									
Water	1,822	2,070	2,277	3,028	3,028	3,028	5,142	5,451	5,778
Sanitation	1,781	1,987	3,507	4,797	4,797	4,797	6,460	6,848	7,259
Electricity/other energy	2,144	2,484	2,680	4,108	4,108	4,108	5,343	6,466	7,823
Refuse	2,489	2,774	4,322	5,962	5,962	5,962	6,807	7,216	7,649
Municipal Housing - rental rebates	732	828	932	1,298	1,298	1,298	1,307	1,385	1,468
Housing - top structure subsidies									
Other									
<b>Total revenue cost of free services provided (total social package)</b>	<b>16,613</b>	<b>20,279</b>	<b>23,116</b>	<b>32,418</b>	<b>32,418</b>	<b>32,418</b>	<b>38,080</b>	<b>41,167</b>	<b>44,607</b>

## **4. Overview of Annual Budget Process**

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### **Planning Process used to Prepare the Annual Budget**

Section 21 of the Municipal Finance Management Act, 56 of 2003, requires the mayor of a municipality to co-ordinate the process for preparing the budget and to review the Integrated Development Plan (IDP) and Budget Related Policies. A Budget Steering Committee must be established to assist in discharging the Mayor's budget preparation responsibilities.

The process started with the approval of a Time Schedule of the key deadlines for the IDP and Budget which was approved by Council on 26 August 2010. The 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 Chapter 4 of the Municipal Systems Act.

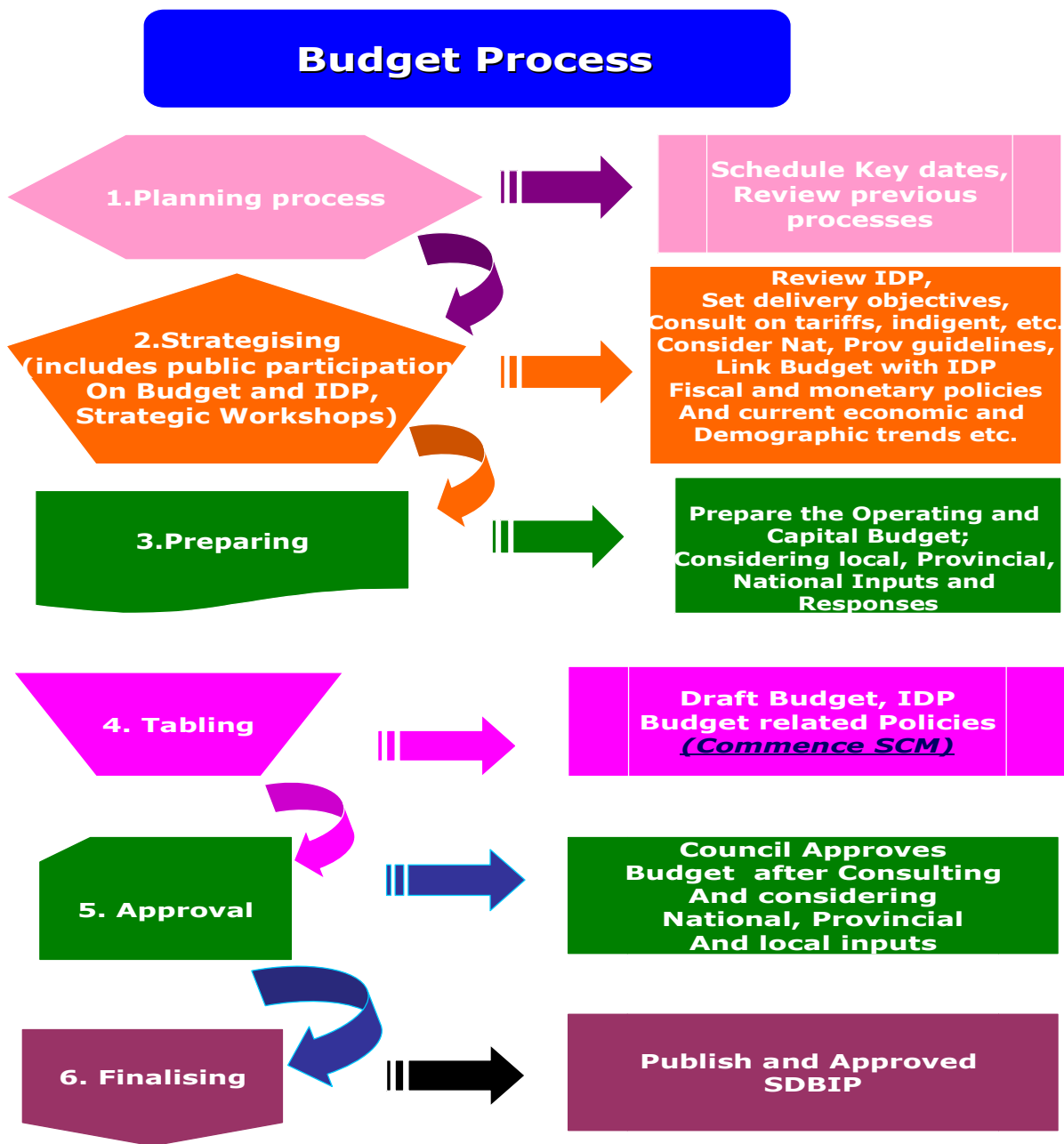
The next step in the Budget Process was Strategizing. A Strategic Planning Workshop of Councillors and Senior Management were conducted on 12<sup>th</sup> to 14<sup>th</sup> of September 2010 to strategize and agree upon Strategic direction of the Council which inform the IDP. The Public Participation meetings were held during October to November 2010 in order to include in the Integrated Development Plan.

After the Strategizing Phase and Compiling of the IDP a Draft Operating Budget and Capital Budget was prepared, informed by the IDP.

In preparing the budget the following were taken into account:

- The Integrated Development Plan (IDP)
- Revenue and Expenditure Projections for future financial years
- The (Draft) National and Provincial Strategic Objectives
- Division of Revenue Act (DORA) (The previous year's two outer years' indicative amounts)
- Realistically Anticipated Revenue
- Affordability and sustainability of Tariffs
- Level of Service and Cost-Recovery

The Draft Annual Budget was tabled by the Mayor on the 03 March 2011.



**Process followed to Integrate 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 provide input and assist with prioritisation in the Integrated Development Plan. These sessions were facilitated by TWK officials. The Annual Budget was informed and reconciled with the IDP and reflect the Developmental Needs of the Community. During public participation sessions of the IDP, Budget as well as Ward Meetings we heeded particular attention to informing the community of the needed service upgrading and or improvement which influenced and enabled the council to take informed decision when the Annual Budget was prioritized.

## **Process of Consultation with the Community and Key Stakeholders**

Strategizing include 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 community.

The purpose of the consultations was to engage and agree with community stakeholders on community needs, setting uniform, realistic, reasonable, and affordable service levels and appropriate tariffs for the delivery of municipal services to the communities.

Extensive advertising in local newspapers and the website was used to make the public aware of the IDP Process and to consult on the Budget. Approximately 1608 residents attended the meetings.

<b>Phase</b>	<b>Activity</b>	<b>Date</b>
<b>Planning</b>	Tabling of Draft IDP/Budget Process Plan for Council approval	26 August 2010
<b>Strategizing</b>	2030 Strategic Planning Workshop with Councillors (Council Chambers)	26 August 2010
	Strategic Workshop with Councillors and Management.	12-14September 2010
<b>Public Participation</b>	Ward and Town Advisory draft and prioritise Town and Ward IDP's incorporating strategic planning outcomes. .	04-08 October 2010
	Town Mangers and Ward Committees present outcomes of Draft IDP to the communities.	25 October - 11 November 2010
<b>Prioritisation</b>	Town Mangers and Ward committees reprioritize ward IDP's incorporating publics input.	22-25November 2010

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

The IDP and Budget Time Schedule of the 2011/2012 Budget Cycle were approved by Council on 26 August 2010, 10 months before the start of the financial year in compliance with legislative (MFMA) requirements.

**2011- 2012 Revised Process Plan – Approved on 02 February 2011**

<b>2011/2012 Amended Budget Process Plan</b>	
<b>Details</b>	<b>Deadline</b>
Council in Recess	10 December 2010 - 19 January 2010
Submit Budgets in line with the IDP as discussed on 30 November 2010 workshop with the Council - also see e-mail from Budget Office dated Dec. 13. 2010	20 December 2010
First Draft Budget	24 December 2010
Closing of Offices	27 December 2010 - 31 December 2010
Submit amendments in current Budget (Adjustment Budget - Guidelines are given in this Memo)	7 January 2011
Discussion of Adjustment Budget with Directors	10/11 January 2011
Submit Agenda Items for Meeting on 25 January 2011	13 January 2011
Submit Proposed Tariffs/ Tariff Structure amendments	14 January 2011
Discussion of 2011/2012 Draft Budget and finalisation of Tariffs with Directorates	17 January 2011 - 21 January 2011
Approval of Adjustment Budget and Tabling of Mid year Assessment	25 January 2011
Budget Workshop	2 February 2011
Finalisation of Draft Budget	14 February 2011
Submit Agenda Items for meeting on 3 March 2011	21 February 2011
Approval of 2011/2012 Draft budget	3 March 2011
Public Participation Process (TAF's)	7 tot 18 March 2011
Submit Agenda Items for meeting on 28 April 2011	18 April 2011
Approval of 2011/2012 Budget	28 April 2011

**5. Overview of Alignment of Annual Budget with IDP**

It is considered that a well-run budget process that incorporates the IDP 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 of Theewaterskloof Municipality**

*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.*

**Mission of Theewaterskloof Municipality**

*“To provide, develop and promote equal opportunities for everyone to stay in a safe, healthy, crime free, economically stable and viable environment through transparent and effective governance, politically stable, planning, services and the efficient and effective utilisation of resources”*

**GOAL:**

- Manage Expectations down to a realist, affordable and reasonable level
- Optimisation of management capacity
- Longer Term Planning
- Improve Service Levels
- Financial Viability
- LED

**STRATEGIC FOCUS AREAS**

The municipality opted to focus on five strategic areas which would result in it overcoming its challenges and achieving its vision.

	<b>The Five Strategic Areas from the Framework of the 5 Year IDP</b>	<b>KPA</b>
1	Ensure sustainable Financial Management and execute legislative requirements	Financial Viability and Management
2	Infrastructure and bulk service upgrades, replacements and expansions	Service Delivery and Human Settlement
3	Refine and improve the institutional capacity	Municipal Transformation and Organisational Development
4	Create an enabling environment for developing TWK economy	Local Economic Development
5	Improve administration in general	Good Governance

**5.1 KPA: SERVICE DELIVERY AND HUMAN SETTLEMENTS**

**STRATEGIC OBJECTIVE 1:**

To ensure effective infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs and make provision for development:

**Objective (SD 1.1)**

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To effect all spending of capital funds as per approved cashflow program  
Objective (SD 1.2)  
Improve complaints system for purposes of infrastructural repairs and maintenance

---

STRATEGIC OBJECTIVE 2:  
TO ADDRESS THE HOUSING BACKLOG IN THE THEEWATERSKLOOF AREA:

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Objective (SD 2.1)  
Increase the number of low cost housing  
Objective (SD 2.2)  
Role out of UISP as per plan adopted by development Portfolio committee

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STRATEGIC OBJECTIVE 3:  
ESTABLISH A HEALTHY "SOCIAL FABRIC"

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Objective (SD 3.1)  
Implementation of the Youth development strategy

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STRATEGIC OBJECTIVE 4:  
Achieve day to day service delivery standards in towns as per agreements with local communities and per corporate requirements

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Objective (SD 4.1)  
Achieve standards as prescribed in SLA's and SOP's  
Objective (SD 4.2)  
achieve at least silver status through Town grading processes in all towns  
Objective (SD 4.3)  
Improve Traffic and Law Enforcement  
Objective (SD 4.4)  
Improve Land Use Management

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## 5.2 *KPA: FINANCIAL VIABILITY AND MANAGEMENT*

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STRATEGIC OBJECTIVE 5:  
To ensure sustainable Financial Management of the Theewaterskloof Municipality and execute legislative requirements

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Objective (FV 1.1)  
Improve Debt Collection Rate  
Objective (FV 1.2)  
Expand the revenue base through effective data processing and management  
Objective (FV 1.3)  
Re-engineer the tariff structure as well as the budget and reporting model  
Objective (FV 1.4)  
Enable efficient business operations (i.e. promote good budget and fiscal management/expenditure reduction)

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## 5.3 *KPA: LOCAL ECONOMIC DEVELOPMENT*

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STRATEGIC OBJECTIVE 6:  
Create an enabling environment for a developing Theewaterskloof economy

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Objective (LED 1.1)  
SMME development in accordance with a market analyses and market creation intervention facilitated and managed by the TWK in terms of a formal strategy and action plan.  
Objective (LED 1.2)  
Implementation of Tourism strategy, special focus should be placed on the transformation of the tourism sector

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within the municipal area and to make specific provision for the creation of a sustainable informal tourism sector  
**Objective (LED 1.3)**  
special effort to be made for the optimum utilization of the Tourism potential the Koegelberg Biosphere may hold  
and to in the process enter into appropriate partnerships

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#### **5.4 KPA: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

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##### **STRATEGIC OBJECTIVE 7:**

Refine and improve the institutional capacity of the municipality

**Objective (MTOD 1.1)**

Develop and introduce a professional fleet management programme and strategy that will inter alia address matters like maintenance, incident management, replacement and fleet and driver performance monitoring

**Objective (MTOD 1.2)**

Re-engineer and refinement of critical processes as per project plan

**Objective (MTOD 1.3)**

Establish a level of human capital productivity and develop a remedial strategy

**Objective (MTOD 1.4)**

Upgrade and maintain council facilities

**Objective (MTOD 1.5)**

Optimum utilization of the PMS in order to ensure that the continuous performance improvement process of the TWK is diagnostically addressed and analyzed

**Objective (MTOD 1.6)**

Improve turn around time of Town planning applications

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#### **5.5 KPA: GOOD GOVERNANCE**

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##### **STRATEGIC OBJECTIVE 8:**

To improve administration in general, in towns and also between officials and councillors.

**Objective (GG1.1)**

Improve the Management of key financial and Governance areas

**Objective (GG1.2)**

Role out/implementation of Anti corruption strategy for councilors and officials

**Objective (GG1.3)**

Improve interdepartmental communication between headoffice and town offices.

**Objective (GG1.4)**

Improve council and committee monitoring and implementation of council resolutions

**Objective (GG1.5)**

Facilitate the establishment of Governance forums

**Objective (GG1.6)**

Plan and implement the restructuring, establishment, induction, training and institutionalization of council and ward committees

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##### **STRATEGIC OBJECTIVE 9:**

Foster a safe and secure environment.

**Objective (GG2.1)**

Establish a strategy into which law enforcement can be improved

**Objective (GG2.2)**

implementation of the GSID Programme

**Objective (GG2.3)**

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## Major Focus Areas with Linkages to IDP

FOCUS AREAS	Budget Allocation	Amount
Quick Wins	Service Delivery	R 1,500,000
Tourism Route & Bureau Support		315,000
LED (SMME directory, Marketing & Branding, Employment Intermediation)	LED	285,000
HIV / Aids & Crime & Substance Abuse	IDP	30,000
Special Projects: Junior Council, Town of the year, Community, Caledon, Botrivier and Greyton 200 year	All	495,000
Ward Committees: Stipends, Phone, Travel, Support, Training	Service Delivery / Corporate Govern.	220,000
Communication & Publications	Service Delivery / Corporate Govern.	231,900
Financial Viability	Financial Viability	350,000
Sustainable Livelihood	IDP	50,000
Grabouw Sustainable Plan	IDP	551,000
Updating of bylaws and reviewing of policies	All	230,000
Indigent Support	Financial Viability	18,549,269
Interest plus Redemption on Loans	Service Delivery	19,797,868
HAN/TWK Partnership	Service Delivery	150,000
Valuations and Property Management	Financial Viability	720,000
Refuse Dumping	Service Delivery	1,122,000
Computer Software/Licenses	Institutional Capacity	3,027,000
Audit Fees	Corporate Governance	1,650,000
Printing & Stationary	Institutional Capacity	776,975
Telephone	Institutional Capacity	1,527,200
Fees, Levies to SALGA and Other Institutions	Institutional Capacity	520,000
Service Charges	Institutional Capacity	5,828,578
Fuel & Oil	Service Delivery	2,773,600
Municipal Systems Improvement	Institutional Capacity/Corporate Governance/Financial Viability	1,200,000
Finance Management Reform & Financial Internship	Institutional Capacity/Corporate Governance	1,250,000
Community Development Workers Expenses	Service Delivery	156,000
Skills Levies, Staff Training, Health & Safety	Institutional Capacity/Corporate Governance	680,000
Protective Clothing	Institutional Capacity	1,062,500
Water Testing	Service Delivery	440,000
Insurance	Institutional Capacity/Corporate Governance	959,239
<b>Sub Total</b>		<b>R 66,448,129</b>
Repairs & Maintenance	Service Delivery	17,343,895
<b>Sub Total</b>		<b>R 83,792,024</b>
Contractor Services	Service Delivery	7,671,893
<b>Sub Total</b>		<b>R 91,463,917</b>
Salaries	Service Delivery / Corporate Govern.	100,810,424
Councillors Allowance	Service Delivery / Corporate Govern.	6,630,100
<b>Total</b>		<b>R 198,904,441</b>

## Quick Win Projects

VOTE NR	Project Name	Project Details	Town	Ward	Operating Amount	Capital Amount
10/10/90/90 Capital	Toilets Informal Settlements	To get more toilet facilities in informal settlement, create proper recreational area between Low Cost housing	Botrivier	7		100,000
10/10/10/13/7130/010	Beautification of town	Prepare open space for planting trees and grass for kids to play	Botrivier	7	25,000	
10/10/90/90 Capital	Sidewalks	Buy kerbs for preparations and prepare sidewalks for tarring	Caledon	3		20,000
10/10/90/90 Capital	Sidewalks	Tar sidewalks through main road in Bergsig to stabilize sidewalks	Caledon	3		80,000
10/10/90/90 Capital	Playpark	Preparation/Planting of grass on open space in Uitsig for schoolchildren to play	Caledon	3		25,000
10/10/90/90 Capital	Buy materials	To enhance the entrance as well as sidewalks in the main roads in Caledon	Caledon	4		85,000
10/10/90/90 Capital	Sidewalks	Put the establishment of sidewalks out on tender	Caledon	4		40,000
			<b>Sub Total</b>		<b>25,000</b>	<b>350,000</b>
10/10/90/90 Capital	Billboards	Buying 2 advertisement boards for the entrances from Worcester and Grabouw to Villiersdorp	Villiersdorp	5		20,000
10/10/90/90 Capital	Establishment of Hawkers	Upgrade of hawkers area at entrance from Grabouw to Villiersdorp	Villiersdorp	5		60,000
10/10/90/90 Capital	Sidewalks	Paving of sidewalks in main road	Villiersdorp	5		45,000
10/10/90/90 Capital	Toilet facilities	Identify land for toilet facilities, laying out water pipes to land identified, go out on tender to buy toilets for residents	Villiersdorp	6		125,000
			<b>Sub Total</b>		<b>-</b>	<b>250,000</b>
10/10/90/90 Capital	Land & Building Maintenance	Building walking Bridges , Virenda for white house	Grabouw	8		125,000
10/10/10/13/7130/020	Poverty Alleviation	Job Creation Projects	Grabouw	9	125,000	
10/10/10/13/7130/020	Community Gardens	Establishment of Community gardens	Grabouw	10	125,000	
10/10/10/13/7130/020	Beautification of town	Cleaning of Informal Settlements	Grabouw	11	125,000	
10/10/90/90 Capital	Sportfields	Establishment of Mini Soccer and Netball Fields	Grabouw	12		125,000
			<b>Sub Total</b>		<b>375,000</b>	<b>250,000</b>
10/10/90/90 Capital	Main Road	Beautification of Main Road	RSE	1	125,000	
			<b>Sub Total</b>		<b>125,000</b>	<b>-</b>
10/10/90/90 Capital	Playpark	Expansion of existing play parks established in 2010/2011	Greyton/ Genadendal	2		80,000
10/10/90/90 Capital	Playpark	New Play Park Greyton	Greyton/ Genadendal	2		45,000
			<b>Sub Total</b>		<b>-</b>	<b>125,000</b>
					<b>525,000</b>	<b>975,000</b>
	* Note: R125,000 per ward x 12 wards = R1,500,000				<b>Grand Total</b>	<b>1,500,000</b>

## 6. Measurable performance objectives and Indicators

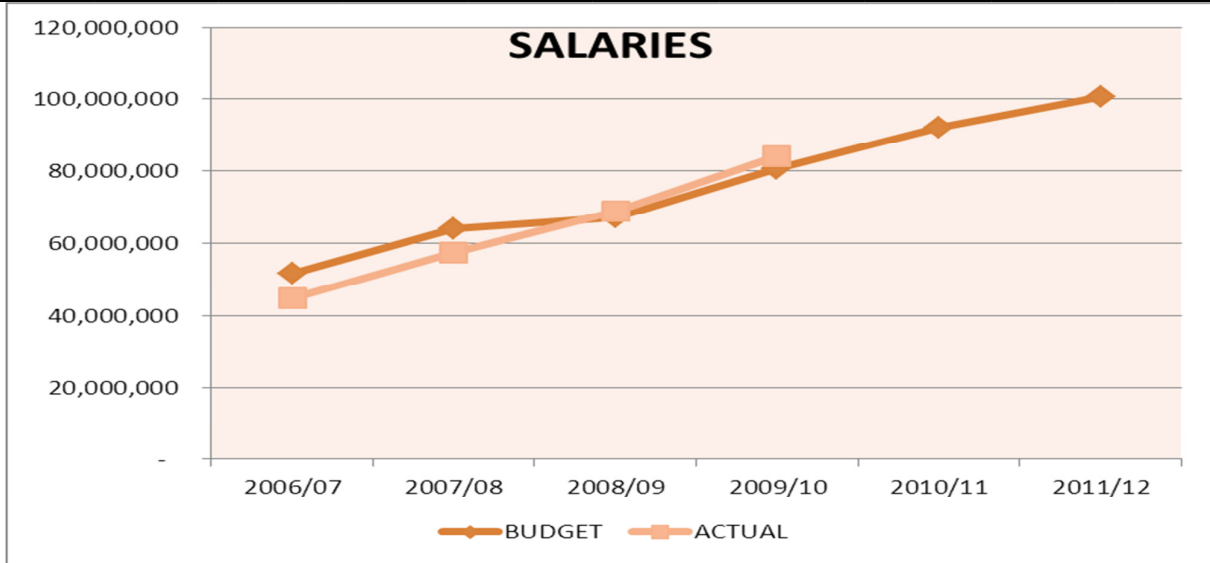
### Key financial indicators and ratios (table SA8)

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Borrowing Management</b>										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	18.7%	24.1%	22.3%	22.1%	22.1%	22.1%	20.4%	20.8%	20.9%
Credit Rating					B	B	B			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.6%	5.1%	6.2%	8.4%	8.2%	8.2%	8.2%	8.0%	7.8%
Borrowed funding of 'ow n' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	117.7%	93.6%	0.3%	74.0%	91.1%	91.1%	76.2%	95.1%	100.0%
<b>Safety of Capital</b>										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	58.1%	78.1%	73.0%	63.6%	63.6%	63.6%	59.1%	56.4%	54.5%
Gearing	Long Term Borrowing/ Funds & Reserves	1198.9%	11119.4%	254828.5%	3899.0%	3899.0%	3899.0%	314215.3%	377729.2%	447079.9%
<b>Liquidity</b>										
Current Ratio	Current assets/current liabilities	1.1	1.1	0.7	0.9	0.9	0.9	0.6	0.6	1.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.1	1.1	0.7	0.9	0.9	0.9	0.6	0.6	1.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	0.2	0.5	0.5	0.5	0.1	0.1	0.2
<b>Revenue Management</b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		143.2%	110.5%	129.1%	129.1%	129.1%	99.9%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.1%	10.7%	12.8%	7.1%	7.1%	7.1%	9.9%	9.2%	16.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<b>Creditors Management</b>										
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%
<b>Funding of Provisions</b>										
Provisions not funded - %	Unfunded Provs./Total Provisions									
<b>Other Indicators</b>										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	8.7%	9.5%	8.2%	10.0%	10.0%	10.0%	8.0%	8.0%	8.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	11.3%	16.6%	15.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.4%	31.8%	37.3%	33.3%	34.2%	34.2%	36.9%	36.7%	36.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.2%	34.3%	39.8%	35.7%	36.4%	36.4%	39.3%	39.1%	38.5%
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)	3.6%	12.1%	13.9%	12.4%	12.2%	12.2%	13.7%	13.3%	12.8%
<b>IDP regulation financial viability indicators</b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	10.4	12.7	9.1	10.9	10.9	10.9	13.3	13.7	15.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.6%	17.7%	20.6%	11.4%	11.6%	11.6%	16.1%	14.7%	26.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.4	2.1	0.4	(2.6)	(2.5)	(2.5)	0.3	0.4	0.6

## Additional information

### Salaries

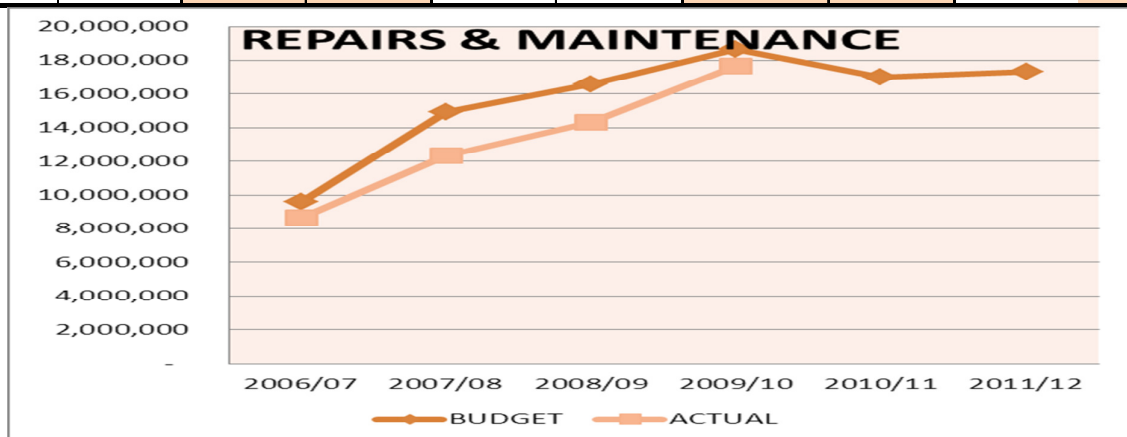
2006/07		2007/08		2008/09		2009/10		2010/11	2011/12
BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
51,578	44,839	63,917	57,456	67,164	68,968	80,554	83,936	92,132	100,810



- The Salary Budget has increased with 11.5% (CPI average of 5% + 1.5% according to the SALGBC + 2% Notch Increase + 2% for implementation of TASK).

### Repairs & Maintenance

2006/07		2007/08		2008/09		2009/10		2010/11	2011/12
BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
9,607	8,680	14,953	12,350	16,573	14,322	18,678	17,688	16,991	17,344



As alluded to in the National Treasury's 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.

### Loans

The following is an illustration of the Loans taken up for the past years.

2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
BUDGET R'000	BUDGET R'000	BUDGET R'000	BUDGET R'000	BUDGET R'000	BUDGET R'000
12,946	10,107	33,178	15,287	11,209	21,285

### Data Cleansing Project

The first Debtors Data Cleansing was conducted in Botrivier during July and August 2010 focussing on businesses and the tariffs charged. Many lessons were learned from this initiative. A Project Plan and Data Cleansing Steering Committee were established with representatives of all directorates.

The project aims to correcting debtors' data, ensuring the problems do not re-occur, increasing the Revenue inflow and focussing on enhancing inter-departmental co-operation and communication. We also look diagnostically at problems detected and address the causes and processes.

The first Data Cleansing Steering Committee Meeting was held on the 16<sup>th</sup> of September 2010 and two meetings thereafter on the 29<sup>th</sup> of September 2010 & 13 October 2010. The Project Goals and Objectives were presented to Management on the 11<sup>th</sup> of October 2010 and to the Mayoral Committee on 25<sup>th</sup> of October 2010. The project was supported and well accepted.

Riviersonderend has been completed in January 2011 and will be used as the Pilot although the Businesses in Botrivier were already corrected. Officials visited Riviersonderend in order to identify all the various errors with the Debtor Data which was captured and corrected. Such corrections are communicated to the consumers (general notice to all consumers and specific letters to those affected).

### Roll-out Plan / Milestones:

<u>Town</u>	<u>From (Est.)</u>	<u>To (Est.)</u>
Greyton	06/02/2011	23/02/2011
Genadendal	23/02/2011	11/03/2011
Caledon	14/03/2011	08/04/2011
Botrivier	11/04/2011	21/04/2011
Villiersdorp	26/04/2011	20/05/2011
Grabouw	23/05/2011	31/07/2011

## 7. Overview of Budget Related Policies

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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

The 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 (MSA): the municipality must adopt and implement a Tariff Policy on the levying of fees for municipal services provided by municipality
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 and Principles (as defined in Section 74 (2) of the MSA for calculating tariffs where the municipality wishes to implement service providers in terms of Section 76(b) of the Act.
4. To give guidance regarding tariff proposals and calculations

The policy ensures a holistic and comprehensive overview on all the revenues / charges levied.

### Amendments

Under section 7.2 Calculation of Minor Tariffs the following additions:

Traffic Escort Services to be added to the list under the section: "The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned."

Parking Fees to be added to the list under the section: "The following tariffs and charges shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget".

### ELEKTRISITEIT

#### PRYSBELEID

#### Die raad bepaal dat elektrisiteits tariewe op die volgende basis bepaal sal word:

- Die pryse sal bepaal word in lyn met die Nasionaal goedgekeurde Elektrisiteitsprysbeleid.
- Die vlak van tariewe sal so bepaal word dat die totale elektrisiteitsinkomste die totale koste van elektrisiteitsvoorsiening sal dek insluitend die volgende:
  - Die aankoopkoste plus enige eie opwekkings kostes.
  - Die onderhoudskoste van die netwerk.
  - Die kliente dienste en administrasie betrokke by die lewer van elektrisiteitsdienste.
  - Die nodige voorsienings soos slegte skulde, opgehoopte verloop, ens.
  - Voorsiening vir kapitaal vir die uitbreiding van die netwerk en opgradering van die huidige verouderde bates.
  - Alle dienste wat deur buite partye of enige ander departement van die Munisipaliteit aan elektrisiteit gelewer word.
  - Minus enige dienste aan ander partye gelewer.
  - Plus 'n toeslag (surplus) op elektrisiteit as bydra tot munisipale belastingverligting.

- Die individuele tariewe sal as volg bepaal word:
  - Tariewe moet in individuele vlak en struktuur so ver moontlik die struktuur en vlak van koste van voorsiening dek:
    - Basiese heffings om die vaste maandelikse kostes te dek.
    - Kapasiteits of maksimum aanvraag heffings moet netwerk kostes te dek plus gedeelte surplus.
    - Energie heffings om energie kostes per tyd van gebruik te dek plus gedeelte surplus.
  - Tariefkatagorieë moet volgens die verskillende kliente tipe gehef word wat primer deur koste van voorsiening en meterings oorwegings bepaal moet word.
  - Voorsiening vir die subsidieering van armes moet as volg gemaak word:
    - Kliente wat bereid is om hul kapasiteit te laat beperk to 15 Ampere en wat met 'n voorafbetaal meter voorsien is.
    - Die tarief sal slegs een energie heffing hê sonder enige basiese heffing of kapasiteits heffing.
    - Die energiekostes sal hoër wees as die gewone koste reflektiewe tariewe ten einde gelyk te breek met die relevante koste reflektiewe tarief by 'n teiken van 400 kWh/m. Hierdie gelykbreekpunt mag na gelang van omstandighede verander.
  - Die raad sal voortgaan om 'n lys vir armlastiges in stand te hou. Die kliente sal aan die kondisies vir die gesubsidieerde tarief moet voldoen en sal dan 50 kWh/m (of soos van tyd tot tyd bepaal) gratis ontvangs wat deur die "Equitable Share" gedek moet word.
  - Kliente kan met voorafbetaalde meters voorsien word volgens die beleid soos van tyd tot tyd bepaal word en die tarief sal onafhanklik wees van die meter tipe.
  - Die finansieele impak (verlies) van die subsidieering van die armes sal deur alle elektrisiteitskliente as a gelyke c/kWh toeslag gedra word.
- Die tariewe sal voorgelê word aan NERSA vir goedkeuring. Indien NERSA se goedkeuring nie in lyn is met Nasionale en Raads beleid nie sal die Raad teen die besluite appelleer.

## TARIEWE

Die Raad maak die volgende tariewe beskikbaar:

TARIEF	KOMPONENTE MEETEENHEDE			
	Basiese heffing R/Verbruiker/ Maand	Energie heffing (c/kWh)	Tyd van gebruikte energie heffings	Maksimum aanvraag/ kapasiteits heffings (R/kVA/maand)
Eenledige Tarief (Slegs energiekoste)		X		
Tweeledige Tarief (Basiese & energie)	X	X		
Drieledige Tarief	X	X		X
Volledige Tyd van gebruik Tarief	X		7	2

## **EENLEDIGE TARIEF (SLEGS ENERGIEKOSTE)**

Tarief is geskik vir huishoudings met 'n lae verbruik (<400kWh per maand). Die tarief word gesubsidieer. Die kruissubsidie word minder namate die verbruik styg en word ten volle uitgefaseer op 'n maandelikse verbruik van 400kWh, waarna dit meer voordelig moet wees om oor te skakel na die tweeledige tarief.

## **TWEELEDIGE TARIEF**

Die tarief is geskik vir huishoudelike verbruikers met 'n hoë verbruik (> 400kWh/m) of kapasiteit groter as 15 Ampere en vir kleiner besigheidskliente.

- Die basiese heffing moet die beraamde vaste kliente koste dek.
- Daar moet na 'n drie ledige tarief beweeg word in tyd waar die network kostes deur 'n kapasiteits heffing gedek word.
- Vir nou moet die network, energie en surplus deur die energie heffing gedek word.

## **DRIELEDIGE TARIEF**

Die tarief is geskik vir die groter besighede en industriële verbruikers. Alle verbruikers met 'n aanvraag van meer as 50 kVA moet op hierdie tarief of die tyd van gebruik tarief wees.

- Die basiese heffing moet die beraamde vaste kliente koste dek.
- Die maksimum aanvraagheffing verhaal die network kostes plus gedeeltelike surplus
- en die energie heffings dek die aankoopkoste en res van die surplus. .

## **VOLLEDIGE TYD VAN GEBRUIK TARIEF**

Die tarief is geskik vir groter kliente. Dit is net die mees koste reflektiewe tarief nie maar bied die geleentheid aan kliente om last te verskuif na goedkoper tye en daardeur hul rekenings te verlaag. Die doel is om alles kliente > 50 kVA so gou moontlik na die tarief te skuif.

- Die basiese heffing moet die beraamde vaste kliente koste dek.
- Die kapasiteitsheffing dek die beraamde ondeelbare gedeelte van die network kostes. Die heffing word bereken op die grootste van die Aangemelde aanvraag of die aangetekende maksimum aanvraag.
- Die maksimum aanvraagheffing verhaal die gemeenskaplike gedeelte van network kostes plus gedeeltelike surplus en word bereken op die hoogste aanvraag aangeteken elke maand.
- Die energie heffings dek die aankoopkoste en res van die surplus. Die energie heffings word bepaal op Eskom se aankoopkoste per tyd van gebruik periode plus dieselfde c/kWh toeslag vir al die tydperke.
- Die reaktiewe energie heffing word bepaal om die Eskom reaktiewe energie heffing te dek asook om 'n pryssein vir die raad se kliente te stuur om hul arbeidsfaktor goed te hou.

## **7.2. Credit Control and Debt Collection Policy**

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



In terms of Section 96 of the MSA 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 the MSA.

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 basis for effective service delivery, infrastructure development, and economic growth.

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

### **Amendments**

1. An account should be opened in the name of the Tenant, provided that the Owner gives Written Consent that the Tenant is the occupant, the amount of Monthly Rental Payable and a further undertaking that the Owner must inform Council in writing when the Tenant vacates the house in order to terminate the subsidy. If not terminated, the owner will be held liable for any undue subsidies granted to him (owner) or a new Tenant. (A separate Group Code must be opened for "Tenants Indigents".)
2. That the Requirement that Municipal Debt should not be in arrears will be waved as a requirement for SMME's and that it be agreed that debt payments must be deducted from payments due to appointed tenderers who owes the municipality. (This section should also be included in the Supply Chain Management Policy.)

### **7.3. 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 (2) (c) and (i) of the MSA in adopting a Tariff Policy, the council should ensure that poor households have access to basic services and at least take into consideration the extent of subsidization of tariffs for poor households.

The Indigent Policy provides the procedures and guidelines in the application, criteria and adjudication of applications for subsidizing of basic services and tariff charges to indigent households.

### **Amendments**

1. That Chapter 2, paragraph 1.6 of the compassionate policy be amended as follows:  
  
"Owners or Lessees of property who reside on the premises. (Lessees must submit a lease contract)"
2. That, if a prepaid meter is installed at low-cost housing schemes, no deposit or connection fees for Water are payable.

3. The “Spouse Support/Care Grant” or “Child Support Grant” should not be added to the Indigents Qualifying Income Threshold.
4. In cases where the owner/s of the house (eg. mother and father) has passed away and the occupant children are indigent, they should qualify for the subsidy, provided that an Affidavit is provided that they are the children/relatives and legitimate occupants of the house along with certified copies of the Death Certificate/s.
5. Chapter 2 Point 1 must read as follows:

To qualify applicants should meet all of the following criteria.

6. Change the following paragraphs under chapter 2 point 1:

Insert: 1.6 Beneficiaries of an immovable property and where the property is not yet transfer into the beneficiaries’ name and who lives on the property.

1.7 ~~1.6~~ Property owners who live on the premises.

1.8 ~~1.7~~ Secondary households on a premises where water and refuse amounts are rendered may apply separately for Indigent Subsidy.

7. Chapter 2 (Section 5.6 of the Indigent Policy) which states:

~~“The household must apply for continuation of the relief depending on his/her circumstances. (Existing indigents will be reviewed annually by the end of February).”~~

This section should be amended to exclude Old Age Pensioners and Permanent Disabled Pensioners who are Indigent.

#### **7.4. Cash Management and Investment Policy**

In terms Section 13 (2) of the 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 municipality and to ensure transparency, accountability, and appropriate lines of responsibility.

#### **7.5. Grant in Aid Policy**

A Grant in Aid Policy was develop and approved by council in 28 October 2010 in terms of Section 67 of the MFMA.

It deals with processes and procedure to be followed when the municipality allocates grants to other institutions in an equitable and transparent manner and in line with IDP Objectives.

Provisions and disclosure must be made for Allocations under consideration in the draft budget and other prescribed budget related documents for public comments.

Applications are made in line with Section 67 of the MFMA and the policy on a prescribed application form. The name of the institution, grant amount and description should be disclosed on the Grant Statement.

#### **7.6. 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.

It further aims to ensure that the assets of the municipality are properly accounted for, marked and to ensure that assets are utilized and maintained in an economic, effective, and efficient manner to ensure optimal utilization, value for money and sustainable service delivery.

#### **7.7. Risk Management Policy**

Section 62 (1) of the MFMA requires that the Accounting Officer takes 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 municipality not only to comply with legislation but also to manage risks by reducing/eliminating the likelihood and impact of risks in a pro-active, responsible and structured manner.

#### **7.8. Virement Policy**

Virement is process of transferring funds from one line item to another within one vote with the approval of the relevant Senior Manager and CFO, to enable Budget Manager to transfer funds from one vote line-item with anticipated savings to another.

The aim is to improve financial controls over the processes and procedures of transferring funds and to ensure accountability and improved Budgetary Control.

#### **7.9. Anti-Corruption Policy**

To ensure that the Municipality is in compliance with the Municipal Systems Act, Act No 32 of 2000 which requires the Municipality, amongst other things to develop and adopt appropriate systems and procedures that contribute to effective and efficient management of the municipality and its resources.

#### **7.10. Funds and Reserves Policy**

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), 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. and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced with if the funding sources have been considered, are available and have not been committed for other purposes.

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines in ensuring financial viability over both the short- and long term and includes funding- as well as reserves requirements.

All the above-mentioned Policies were approved by Council and are reviewed at least annually.

## 8. Overview of Budget Assumptions

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**The Challenge** of the International, National and Local Economy is limited Resources versus unlimited needs. Theewaterskloof Municipality is no exception as the unlimited needs of the community as outlined in the IDP are far more than the limited revenue and resource 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.

The Ministerial Advisory Committee defines **Financial Viability** as “the ability of a local authority to fulfil its constitutional and legislative responsibilities. Resources to fulfil these obligations are derived from both the Equitable Share received and distributed nationally, as well as the revenue a municipality can raise locally”.

The Strategy is based on a Commitment to:

- provide the necessary services and infrastructure to our communities;
- create a sustainable local economic development programme conducive for communities to thrive;
- possess requisite institutional capacity necessary to perform municipal functions and exercise powers and functions
- budget adequately,
- manage the financial resources prudently
- grow the revenue base;
- create a productive public participation in initializing, planning and executing municipal projects

The following problem areas are key to factors to be addressed in the next 5 years to ensure that the municipality is financial viable:

- ***Productivity and Cost Cutting Measures***
- ***Backlogs in Infrastructure***
- ***Uncontrolled Influx of Indigent People***
- ***Narrow Revenue Base of the municipality***
- ***Lack of Accurate Data Required for Longer term Financial Planning***
- ***Unfunded Mandates***

“**Mind the Gap**” has been identified in the previous financial year. It remains relevant as it is crucial to narrow the gap between the expectations of the departments, the wider community of TWK and the financial and other resource capacity of the municipality. This includes managing and reducing high stakeholders/ community expectations and increasing capacity/ resources/ efficiency and effectiveness. First, it is important to determine / assess the financial health and potential (where we are). Then 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 a very important focus area as we need to broaden our Revenue Capacity by developing in the area. The Successful implementation of the Local Economic Development Strategy is a very important to enhance the Financial Viability of the municipality as LED have a definite impact on job creation, development, etc.

The Primary Focus of LED is:

- Social and Economic Development and Tourism.
- Tourism promotion and destination marketing
- SMME Development and Support
- Launching of the Cape Country Meander Tourism Route

**Service Delivery** remains a challenge for South African municipalities. Since 2006/2007 the municipality has embarked on a process of filling vacancies to ensure that we have the capacity to deliver services (payroll has almost doubled since 2006/2007). 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

<b>Sector</b>	<b>Minimum standard 2014 target</b>
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, community halls, parks, 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.

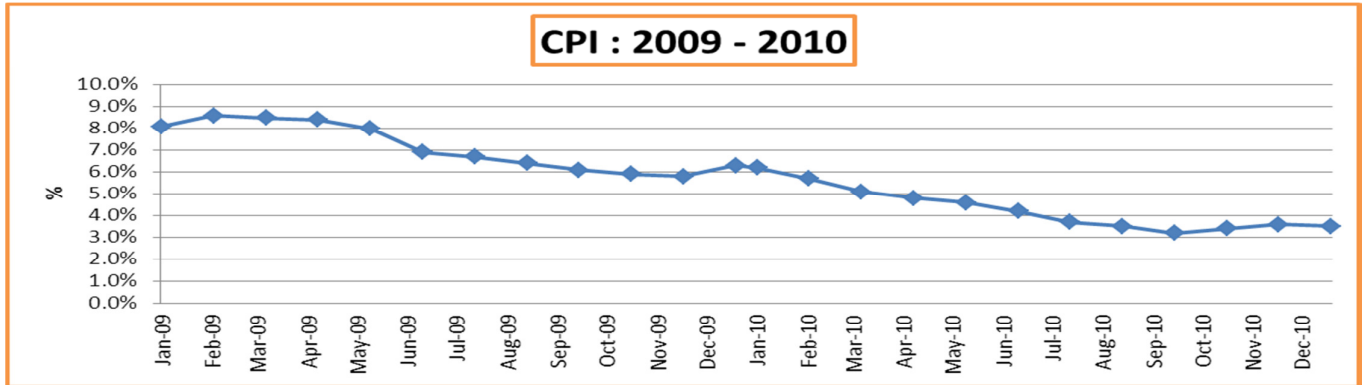
The following Demographic, Socio-Economic and Financial Factors and Principles impact on the budget:

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

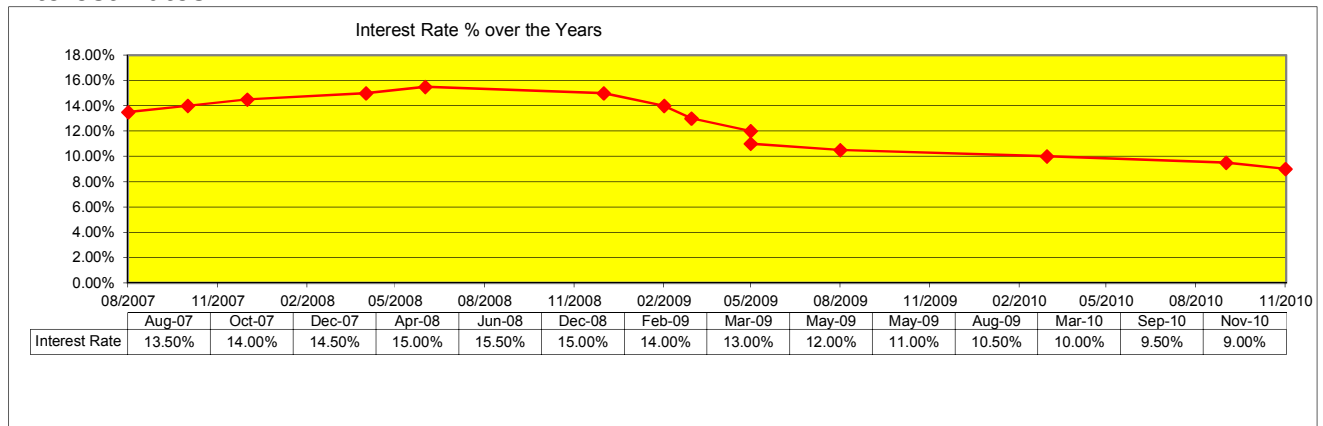
### **Consumer Price Index (CPI)**

The CPI averaged at 11.5% in 2008, 7.1% in 2009 and 4.3% in 2010. The current CPI inflation rate is 3.5% (based in CPI for December 2010). Minister Pravin Gordhan (Minister of Finance) announced in his 2010/2011 Budget Speech, that the CPI is expected to remain around the 6% upper boundary of the South African Reserve Bank's inflation target and that CPI is expected to vary between 6.2% and 5.9% for the two outer years, 2011/12 and 2012/13.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2010	6.20	5.70	5.10	4.80	4.60	4.20	3.70	3.50	3.20	3.40	3.60	3.50	4.3
2009	8.10	8.60	8.50	8.40	8.00	6.90	6.70	6.40	6.10	5.90	5.80	6.30	7.1
2008	9.20	9.80	10.60	11.10	11.70	12.20	13.50	13.70	13.10	12.10	11.70	9.50	11.5



### Interest Rates



The Prime Interest Rate has declined since December 2008 from 15% to 9% currently.

### Fuel Price

We are only 2 months into 2011 and already the fuel price has increased by 26c in January and will increase again on 02 March 2011. The fuel price has a major impact on service delivery, especially refuse removal and sewerage to some extent. The increase in fuel prices adds to the pressure on municipalities budgets.

### Economic Growth

We live in uncertain and rapidly changing times, as evidenced by the recent uprisings in North Africa and the Middle East (specifically in Egypt, Tunisia, Algeria, Libya and Bahrain).

The prevailing political uncertainty and government debt crisis especially in Europe, will no doubt impact on the global economic outlook, as can be seen by the oil price breaching the \$100p/b level.

Gill Markus, President of the South African Reserve Bank, mentioned the following statements in her speech on the 4<sup>th</sup> of February 2011.

*“The past couple of years have been a difficult time for the global economy, but there are signs of a recovery. The South African recovery has been relatively hesitant, and while we are an emerging economy, some of the characteristics of our recovery have been more in line with those of the established world economies. However recent indicators are more positive and suggest that the recovery will be sustained and we can look forward to more vibrant growth in the coming years. But significant challenges remain. For instance, TWK’s main economic activity is agriculture and is reliant on exports. The strong Rand can present challenges from an exchange perspectives.*

*The South African economy began to recover from the crisis in the second half of 2009, after three consecutive quarters of contraction. Growth in 2010 is estimated to have been in the order of 2,7%, but more favourable outcomes are expected in 2011 and 2012. The current Reserve Bank forecasts, which are somewhat below the market consensus, are for growth to average 3,4% in 2011 and 3,6% the following year, suggesting the persistence of the negative output gap. While these levels of growth are an improvement on the recent past, they are significantly below the levels achieved in the period before the global crisis, when growth averaged in excess of 5% from 2004.”*

### **Economic Recession/Job Losses**

The current growth rates are also insufficient to make significant inroads into the unemployment rate which increased from 21,9 % in the fourth quarter of 2008 to 25,3% by the third quarter of 2010. This underlines the need to generate higher levels of growth. However, as much of South Africa’s unemployment problem is structural in nature, it needs to be addressed through structural microeconomic interventions, and the new growth path, as outlined by government, goes some way in this direction.

TWK has supported this initiative by utilizing the Expended Public Works Program (EPWP). There are also plans to levy Parking Fee in all the major towns of TWK, which will also be a new stream of revenue for TWK as well as creating a few jobs in the area.

### **Councillors and Officials Remuneration**

The approved annual increase of Official’s Remuneration is CPI + 1.5% (ie 6% + 1.5% = 7.5%) and we made a provision for Notch Increases and TASK at 2% each. The percentage increase is negotiated and agreed by the SA Local Government Bargaining Council this is beyond the control of the Municipality.

Councillors Remuneration is expected to increase by 10% 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 2011/2012 is 95% and is determined in accordance with the realistically anticipated collection trends.

We have upgraded our Prepaid Electricity Vending System and a tender Elec was awarded on 21 January 2011 for the replacement of all household conventional electricity meters with Prepaid electricity Meters. This project, will be completed approximately by the end of 2011 or beginning of 2012.

The installation of Prepaid Water Meters to households is also being rolled out at a rapid pace and along with the Electricity Prepaid Meters installation these are extremely important



interventions which will improve credit control and reduce outstanding debt because consumers will pay in advance and cannot consume above affordability levels. This is a pro-active and strategic approach. It is expected that 4,000 will have been installed by the end of June 2011.

The impact of 4,000 Prepaid Water Meters in households will result in a Water Debt Reduction of  $\pm$  R3.3m per annum (10kl p.m. = R62.73 x 13) and  $\pm$  R2.7m for Electricity Debts which represents  $\pm$  6.4% of Annual Water and Electricity Revenue.

### **Statistics of Pre-paid Water Meters Installed**

Town	Installation			
	How many already installed	How many to be installed	When	Vendors
Caledon	400	599	Current	2
Grabouw				
Grabouw	857	1 183	current	2
Villiersdorp	10	471	"2011/12	1
Riviersonderend	4	415	11-Feb	1
Greyton	148	136	90%+	2
Genadendal	502	496	90%+	2
Botrivier	207	219	90%+	1
Tesselaarsdal	8	102		
<b>Total</b>	<b>2 136</b>	<b>3 621</b>		

### **Tariff Adjustment**

Problem Statement on Historical Tariff calculations:

- Tariffs calculations have for many years been neglected by just adding a certain percentage increases annually.
- There were no (adequate) cost calculations for the delivery of basic services either in respect of their current delivery costs or return on investment for replacement. It can therefore be a challenge to sustain the service in the long term.
- There is no easy way of understanding how the tariff policy was converted into Financial Strategies.
- Numbers and Departments were never actively participating in revision of the Budget-Related Policies and more specifically the Tariff Policy.
- Tariff calculations were not easily understandable and hindered transparent community participation.
- Using Budgeting and Accounting Systems which neglect the Principles of Cost Accounting

The establishment of the Costing Unit, we have commenced with Tariff Modelling with the P3 Partnership and Tariff Re-engineering, a "zero-base" approach to improve on tariff setting, ensuring that the principles of benefit-received, cost of service and cost-recovery, affordability and sustainability is really taken into consideration.

Along with the Debtors' Data Cleansing Project and closer liaison between all directorates, this has already yielded significant positive results.

For the first time in many years there have been separate discussions and workshops on Tariffs and Revenue generation.

We embarked on a vigorous process of Tariff Re-engineering for the 2011/2012 Budget and this will continue.

A Briefing- Session was conducted by CFO on 08 November 2010 and a full day One-on-One Sessions were held with Directors Operations, Development and Technical Services and Town Managers on 11 November 2010.

These engagements were dedicated to tariffs and the process of rationalization of services, identification of various categories of consumers, the level of services rendered/demanded and the levying of appropriate cost-recovery tariffs.

Costing of Service has started where deficits were registered e.g. Garden Refuse Services, Lei Water and Sewer Tanker Services.

Additional income sources were identified e.g. Penalty Charges for illegal inflows of Water in Sewer System and Escorting Services, Parking Fees etc.

Tariff Re-engineering runs parallel with Debtors Data Cleansing which objective it is to ensure that all consumers and fixed property owners are levied all the appropriate Municipal Services and Assessment Rates charges.

Two towns have been completed and significant losses/under-recovered revenue was detected.

#### **Pillars of Tariff Re-engineering**

- Each Directorate was tasked to describe the services rendered, the level and frequency of such services rendered per customer type and identify the tariffs of all services for which they are responsible. Appropriate cost-recovery tariffs were calculated. Not all charges for services rendered reflect full cost recovery.
- Services rendered by the Departments vary and the functions and some activities were not necessarily correctly set out/described in the Tariff Policy and Tariffs.
- Tariffs for which departments are responsible must be kept “clean” and current / updated. The type, pricing and standard of services must be stipulated unambiguously in the Tariff Policy.
- There are several services for which no Tariff and/or Policy exists.
- Revision of Tariffs has been neglected for many years and must take place annually as this can be influenced by Service Level Agreements and the Financial Viability Strategy. Tariffs should also provide a return on investment s, sufficient to allow for expansion or replacements.
- Rationalization of services was also considered as it is expected to lead to cost-savings and free up resources which would allow the Municipality to focus on other critical services.
- Special cases require unique charges and had to be identified. The Tariff Policy must clearly define the service and stipulate the tariffs and should not be subjected to different interpretations.

#### **Factors impacting on Tariff Increases**

The proposed tariff increases must consider the following:

- Affordability
- Economic Recession, Job Losses
- Councillors Remuneration
- Personnel Cost
- Escalating Fuel Prices
- Economic Indicators (CPI, Interest Rates)
- Escalating Bulk Purchases Prices (Water and Electricity)
- Increasing Indigents

- Electricity Bulk Price Increases (Eskom)
- Repairs and Maintenance
- Willingness and Ability to Pay
  - ✓ The Level/Standard of Service: the higher the level and standard, the higher the tariffs.
  - ✓ Benefit Received
  - ✓ Affordability
  - ✓ Reputation: Good Governance
  - ✓ Good Service Delivery also ensures improved willingness to pay
  - ✓ Recover of Capital and Usage Costs

#### Deliverables

- The possibilities of Rationalisation of Tariffs (number reduced)
- Tariffs and Tariff Policy simplified for easy understanding and enhanced transparency.
- Service Delivery Cost fully calculated and tariffs should reflect full cost.
- Tariff Setting ensures the Sustainability of Services.
- Tariff Policy must reflect the Financial Strategies.

The Following illustrate the difference between the 2010/11 and 2011/12 tariff increase:

Particulars	2010/11	2011/12
Rates	8.9 %	6.9%
Electricity	21 %	20.38%
Refuse	8.9 %	6%
Sewerage	8 %	6%
Water	5 %	5.9%

#### Equitable Share

The Equitable Share increased with R3,280m (7.5%) from 2010/11 to 2011/12.

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%
2011/2012	R46,935m	R18,549m	39.52%

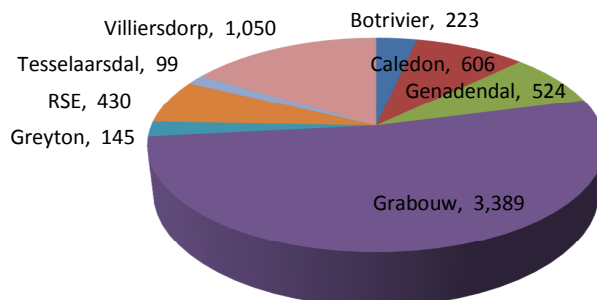
#### Indigents Subsidy

The number of indigent Households is projected to increase from ±6,000 to ±8,000. This anticipated increase is mainly caused by high levels of unemployment in the Theewaterskloof region, Agricultural Seasonal Employment and Influx of Indigent people seeking greener pastures. This trend will have a significant impact on the Equitable Share Grant Allocation.

The most recent Indigent statistics is reflected below:

Towns	Botrivier	Caledon	Genadendal	Grabouw	Greyton	RSE	Tesselaarsdal	Villiersdorp
Indigent Households	223	606	524	3 389	145	430	99	1 050

## Indigent Households



### Cost of Indigents Subsidy:

There is a differentiation between the Formal Indigent Households (mostly RDP Houses) and Informal (mostly in Informal Settlements).

The Indigent table below reflects the Free Basic Services Provided and the Cost of such services.

Formal					
Particulars	Amount 2011/2012	Per Diens	Amount 2010/11	Amount 2009/2010	Amount 2008/09
Water Basic	61.22	R 2,938,560.00	R 65.84	R 55.00	R 50.00
Electricity		R 816,359.47	R 45.60	R 32.37	R 30.00
Refuse	81.04	R 3,889,920.00	R 87.15	R 70.20	R 36.00
Sewer	81.53	R 3,913,440.00	R 87.67	R 71.20	R 36.00
<b>Total Individual Subsidy p.m.</b>	<b>223.79</b>		<b>R 286.26</b>	<b>R 228.77</b>	<b>R 152.00</b>
Projected No. of Households	4,000.00		3800	3000	3000
<b>Grand Total p.m.</b>	<b>895,160.00</b>		<b>1,087,788.00</b>	<b>686,310.00</b>	<b>456,000.00</b>
No. of months	12		12	12	12
Electricity 1026 X 1.1051 X 60kwh	68,029.96				
	12				
	816,359.47				
	<b>11,558,279.47</b>	<b>R 11,558,279.47</b>	<b>R 11,637,471</b>	<b>R 8,235,720</b>	<b>R 5,472,000</b>
Admin Fee	1,733,741.92	1,733,741.92	R 1,745,621	R 1,235,358	R 820,800
<b>Grand Total</b>	<b>13,292,021.39</b>	<b>13,292,021.39</b>	<b>R 13,383,092</b>	<b>R 9,471,078</b>	<b>R 6,292,800</b>
Informal					
Particulars	Amount 2011/2012	Per Diens	Amount 2010/11	Amount 2009/2010	Amount 2008/09
Electricity		691,200.00	R 39.17	R 32.37	R 30.00
Refuse	39.47	1,894,560.00	R 37.62	R 34.20	R 31.00
Sewer	15.40	739,200.00	R 14.85	R 13.50	R 12.00
Plot Rental	25.97	1,246,560.00	R 24.75	R 22.50	R 20.00
<b>Total Individual Subsidy p.m.</b>	<b>80.84</b>		<b>R 116.39</b>	<b>R 102.57</b>	<b>R 93.00</b>
Projected No. of Households	4,000.00		3800	3000	3000
<b>Grand Total p.m.</b>	<b>323,360.00</b>		<b>442273</b>	<b>307710</b>	<b>279000</b>
No. of months	12		12	12	12
	3,880,320.00				
Electricity Eskom	57,600.00				
	12				
	691,200.00				
	<b>4,571,520.00</b>	<b>4,571,520.00</b>	<b>R 5,307,279</b>	<b>R 3,692,520</b>	<b>R 3,348,000</b>
Admin Fee	685,728.00	685,728.00	R 796,092	R 553,878	R 502,200
<b>Grand Total</b>	<b>5,257,248.00</b>	<b>5,257,248.00</b>	<b>R 6,103,371</b>	<b>R 4,246,398</b>	<b>R 3,850,200</b>
Summary					
<b>Indigent Monthly Total + Admin</b>	<b>13,292,021.39</b>		<b>R 13,383,092</b>	<b>R 9,471,078</b>	<b>R 6,292,800</b>
<b>Informal Monthly Total + Admin</b>	<b>5,257,248.00</b>		<b>R 6,103,371</b>	<b>R 4,246,398</b>	<b>R 3,850,200</b>
<b>Total pa</b>	<b>18,549,269.39</b>		<b>19,486,462.78</b>	<b>13,717,476.00</b>	<b>10,143,000.00</b>
<b>Total pm</b>	<b>1,545,772.45</b>		<b>1,623,871.90</b>	<b>1,143,123.00</b>	<b>845,250.00</b>
<b>Budget Amount:</b>	<b>18,549,269.39</b>				

The difference between indigent calculation mentioned above and table A10 is Plot Rental and Admin Fee that amounts to R3,666,030.

### **Informal Settlement Control**

Based on a 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 6,137 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 Botrivier with increasing informal settlements and backyard dwellings.

**Villiersdorp** has an estimated total of 2,727 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 1,005 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 pro-effectively.

### **Migration/ Population Increase**

Increase in population remains a challenge in the Theewaterskloof area. Currently our population growth average at 1.26%, that brings our estimated population to 110, 000 for 2011.

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.

*[Source: 2009/2010 Annual Report]*

## **9. Overview of Budget and Funding**

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In terms of 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 (Fixed assets, Infrastructure, Property, Plant and Equipment)

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. 2010/2011 Budget and 2011/2012 to 2013/14 projected financial performance**

#### **1.1 Operating Budget**

The operating budget increased from R269,652 in 2010/11 to R273, 109 in 2011/12, R297,888 in 2012/13 and R330,252 in 2013/14.

REVENUE SUMMARY	2011/2012	2012/2013	2013/2014
	Budget	Budget	Budget
Assessment Rates	-40,182,504	-43,068,898	-46,607,574
<b>Services:</b>			
Electricity	-57,053,791	-68,987,592	-83,423,691
Water Sales	-37,689,995	-40,159,142	-43,409,071
Refuse Removal	-14,084,557	-14,409,554	-15,632,809
Sewerage	-14,797,360	-15,214,030	-16,489,072
<b>Sub Total</b>	<b>-123,625,703</b>	<b>-138,770,318</b>	<b>-158,954,643</b>
Traffic Fines	-5,058,300	-5,462,964	-5,900,001
Investment Interest / Penalties	-7,700,000	-8,316,000	-8,981,280
Licences & Permits	-62,760	-67,780	-73,203
Rentals	-1,533,910	-1,656,623	-1,789,153
Sundry/ Other Income	-42,441,091	-45,991,197	-50,006,445
<b>Grand in Aid:</b>			
Grants - Equitable Share	-46,935,000	-51,892,000	-55,272,000
Grants - Other Operating Purposes	-5,570,000	-2,662,000	-2,668,000
<b>Sub Total</b>	<b>-52,505,000</b>	<b>-54,554,000</b>	<b>-57,940,000</b>
<b>Net Operating Revenue</b>	<b>-273,109,269</b>	<b>-297,887,780</b>	<b>-330,252,299</b>
<b>Gross Revenue</b>	<b>-273,109,269</b>	<b>-297,887,780</b>	<b>-330,252,299</b>

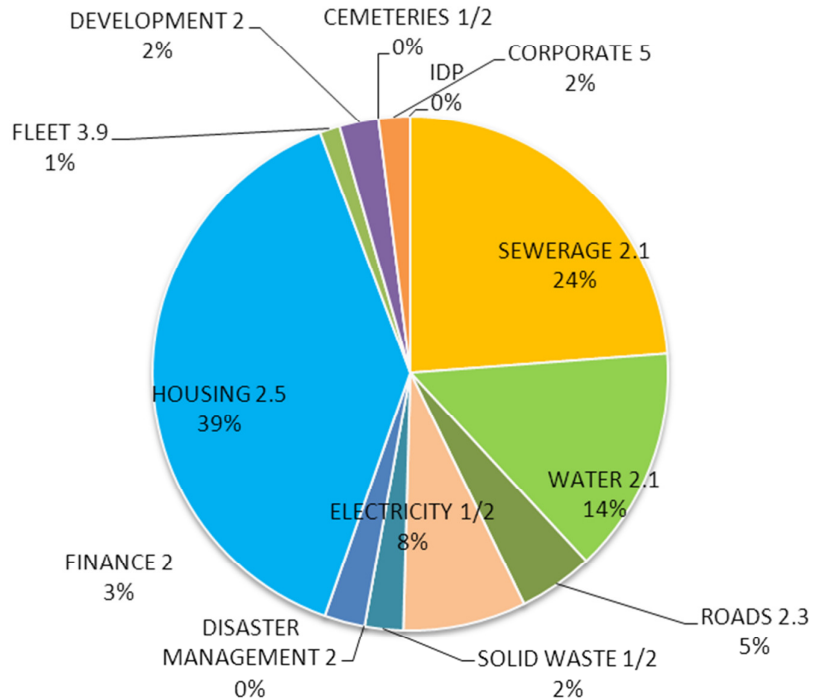
EXPENDITURE SUMMARY	2011/2012	2012/2013	2013/2014
	Budget	Budget	Budget
Employee related costs	100,810,424	109,379,311	119,223,447
Councillors' Allowances	6,630,100	7,226,809	7,877,222
<b>General Expenses:</b>			
Other: General Expenditure	75,896,281	78,662,553	84,137,353
Fuel & Oil	2,773,600	2,912,280	3,057,928
Municipal Services & Assessment Rates	7,032,650	7,518,085	8,037,089
Telephone	1,527,200	1,631,854	1,744,089
<b>Sub Total</b>	<b>87,229,731</b>	<b>90,724,772</b>	<b>96,976,459</b>
Provision for Working Capital	4,033,606	4,356,294	4,704,798
Bulk Purchases	42,873,388	52,244,730	63,878,087
<b>1. Repair &amp; Maintenance:</b>			
Other: Repairs & Maintenance	5,179,465	5,638,673	5,992,445
Grounds & Buildings	5,148,650	5,462,069	5,794,608
Networks	4,199,160	4,315,430	4,574,355
Repair: Vehicles	2,816,620	2,985,617	3,164,754
<b>Sub Total</b>	<b>17,343,895</b>	<b>18,401,788</b>	<b>19,526,163</b>
Contractor Services	15,600,653	16,659,900	17,791,558
Capital Charges	14,303,253	15,441,653	16,833,093
<b>Net Operating Expenditure</b>	<b>288,825,050</b>	<b>314,435,258</b>	<b>346,810,827</b>
2. Capital Out of Revenue	3,186,772	-	-
<b>Net Expenditure</b>	<b>292,011,822</b>	<b>314,435,258</b>	<b>346,810,827</b>
1. Repair & Maintenance:	17,343,895	18,401,788	19,526,163
2. Capital Out of Revenue	3,186,772	-	-
<b>Total of tabs A1 &amp; A4</b>	<b>271,481,155</b>	<b>296,033,469</b>	<b>327,284,664</b>

## 1.2 Capital Budget

The Capital Budget increased from R82,043 in 2010/11 to R87,304m in 2011/12, R70,045m in 2012/13 and R77,966m in 2013/2014.

CAPITAL PER FUNCTION			
	2011/2012	2012/2013	2013/2014
SEWERAGE 2.1	20,796,509	22,925,085	19,121,831
WATER 2.1	12,419,612	2,526,000	7,000,000
ROADS 2.3	4,085,000	6,893,915	10,556,169
ELECTRICITY 1/2	6,730,000	4,690,000	-
SOLID WASTE 1/2	2,109,000	-	-
DISASTER MANAGEMENT 2	-	300,000	-
FINANCE 2	2,211,772	-	-
HOUSING 2.5	33,977,000	32,480,000	34,238,000
FLEET 3.9	1,100,000	-	4,500,000
DEVELOPMENT 2	2,150,000	-	-
CEMETERIES 1/2	-	-	50,000
CORPORATE 5	1,725,000	230,000	-
IDP	-	-	2,500,000
	<b>87,303,893</b>	<b>70,045,000</b>	<b>77,966,000</b>

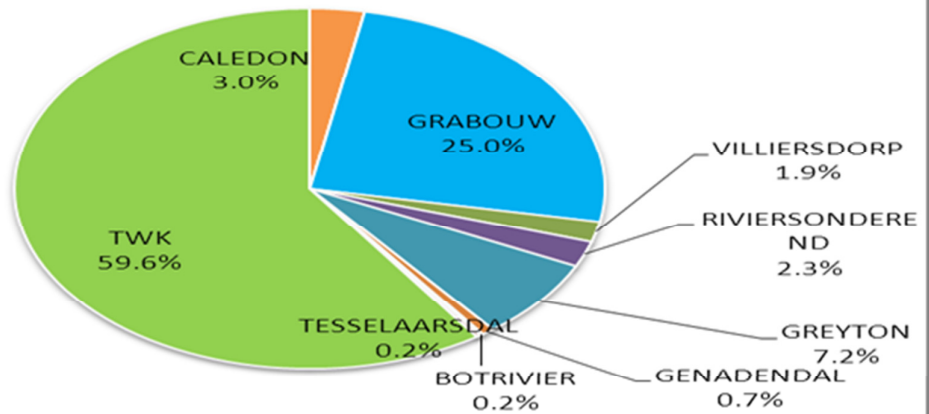
### CAPITAL PER FUNCTION 2011/2012





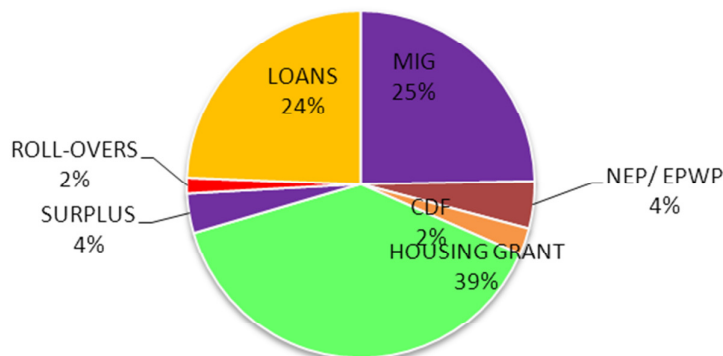
CAPITAL PER TOWN			
	2011/2012	2012/2013	2013/2014
CALEDON	2,600,000	3,160,000	-
GRABOUW	21,816,799	11,544,651	-
VILLIERSDORP	1,630,000	12,604,360	16,000,000
RIVIERSONDEREND	1,993,000	740,000	50,000
GREYTON	6,315,322	2,424,000	4,000,000
GENADENDAL	600,000	300,000	-
BOTRIVIER	150,000	2,524,000	3,121,831
TESSELAARSDAL	200,000	-	-
TWK	51,998,772	36,747,989	54,794,169
	<b>87,303,893</b>	<b>70,045,000</b>	<b>77,966,000</b>

### CAPITAL PER TOWN 2011/2012



CAPITAL SOURCES			
	2011/2012	2012/2013	2013/2014
MIG	21,577,000	26,235,000	27,678,000
NEP/ EPWP	3,828,000	-	2,500,000
CDF	2,150,000	560,000	-
HOUSING GRANT	33,977,000	32,480,000	34,238,000
SURPLUS	3,186,772	-	-
ROLL-OVERS	1,300,000	-	-
LOANS	21,285,121	10,770,000	13,550,000
	<b>87,303,893</b>	<b>70,045,000</b>	<b>77,966,000</b>

### CAPITAL SOURCES 2011/2012



## 2011/2012 Capital per Project

TOWN / WARD	PROJECT	FUNCTION / STAT FOCUS AREAS	MIG 11/12	Other Grants NEP BIG 11/12	CAPITAL DEVELOPMENT FUND	Housing Grant	SURPLUS CASH	LOANS 11/12	ROLL OVERS 2010/2011	2011/2012 TOTAL
Caledon	Upgrading of Basil Newmark St network	Electricity 1/2						550,000		550,000
Grabouw	Upgrading of WWTP	Sewerage 2.1	15,890,187							15,890,187
Villiersdorp	Upgrading of WWTP	Sewerage 2.1	300,000							300,000
Greyton	Greyton-Genadendal Link Sewer	Sewerage 2.1	2,917,827					408,495		3,326,322
Grabouw	Bulk Water Capacity Upgrading (Phase 3 ) New 550 to 500 mm dia pipeline between Eikenhof Dam and Worcester Street Pump station & Collinskop Booster PS	Water 2.1	618,986					4,907,626		5,526,612
Riviersonderend	Upgrading of bulk water supply	Water 2.1						1,693,000		1,693,000
Genadendal	Environmental Impact Study for Sewerage Network in Bereaaville	Sewerage 2.1						600,000		600,000
TWK	Fleet	Fleet 3.9						1,100,000		1,100,000
Greyton	Greyton Genadendal solid waste transfer station	Solid Waste 1/2	1,850,000					259,000		2,109,000
Tesselaarsdal	Waste water treatment package plant Turnkey	Sewerage 2.1						200,000		200,000
TWK	Proclaimed Main Roads	Roads 2.3		2,828,000				707,000		3,535,000
TWK	Environmental Impact Studies Development Port Erf 595, Greyton Lan to be developed for Light industrial purposes Caledon	Development 2			250,000					250,000
Grabouw	Servicing of 4 industrial erven 2766, 2767, 2770 and 2771, Grabouw	Development 2			400,000					400,000
Caledon	Extention 12( Land Surveyor, Town Planner, Civil Eng Planning)	Development 2			1,500,000					1,500,000
TWK	Pre-paid Water Meters/ Water Demand Management	Water 2.1						5,200,000		5,200,000
TWK	Housing	Housing 2.5				33,977,000				33,977,000
TWK	Electricity prepaid meters	Electricity 1/2						3,000,000	1,300,000	4,300,000
Villiersdorp	Toilet facilities for Central Bussiness area	Sewerage 2.1						180,000		180,000
Villiersdorp	Toilet facilities for informal residential area	Sewerage 2.1						150,000		150,000
Riviersonderend	Building of Municipal Storehouse	Corporate 5						300,000		300,000
Caledon	Upgrading of Donkinplein	Roads 2.3						450,000		450,000
Caledon	Repair Vlei Street Bridge to Myddleton	Roads 2.3						100,000		100,000
Botrivier	New France- Toilet Facilities and water.	Sewerage 2.1						150,000		150,000
Villiersdorp	Bulk infrastruktuur in Villiersdorp by Goniwe Park.	Electricity 1/2		1,000,000						1,000,000
TWK	Opgradering van Raadsaal - Hoofkantoor, Caledon	Corporate 5						250,000		250,000
TWK	Installering van 'n hysbak by Caledon Stadsaal	Corporate 5						200,000		200,000
TWK	Quick wins	Corporate 5					975,000			975,000
TWK	Inventaris Items	Finance 2					2,211,772			2,211,772
	<b>Total</b>		<b>21,577,000</b>	<b>3,828,000</b>	<b>2,150,000</b>	<b>33,977,000</b>	<b>3,186,772</b>	<b>21,285,121</b>	<b>1,300,000</b>	<b>87,303,893</b>

## 2012/2013 Capital per Project

TOWN / WARD	PROJECT	FUNCTION/ STAT FOCUS AREAS	MIG 12/13	CAPITAL DEVELOP- MENT FUND	Housing Gran	LOANS 12/13	2012/2013 TOTAL
Botrivier	Eradication of Septic tank system (Installation of sewer reticulation)	Sewerage 2.1	2,524,000				2,524,000
Greyton	Eradication of Septic tank system (Installation of sewer reticulation)	Sewerage 2.1				300,000	300,000
Caledon	Bergsig Substation	Electricity 1/2				2,600,000	2,600,000
Grabouw	Upgrading of WWTP	Sewerage 2.1	6,562,725				6,562,725
Greyton	Upgrading of Water Treatment Plant	Water 2.1				100,000	100,000
Villiersdorp	Upgrading of Caledon & Unielaan	Electricity 1/2				420,000	420,000
Villiersdorp	Upgrading of Graaf St	Electricity 1/2				330,000	330,000
Villiersdorp	Upgrading of WWTP	Sewerage 2.1	10,554,360			1,000,000	11,554,360
Grabouw	Rooidakke stormwater	Roads 2.3	2,593,915			300,000	2,893,915
Greyton	Greyton-Genadendal Link Sewer	Sewerage 2.1				1,424,000	1,424,000
Caledon	Upgrading of Caledon WWTP sub station & purchase of two aerators & Gormann Rupp pump	Sewerage 2.1		560,000			560,000
Genadendal	Flood protection/damage projects	Disaster Management 2				300,000	300,000
Grabouw	Bulk Water Capacity Upgrading (Phase 3 ) New 550 to 500 mm dia pipeline between Eikenhof Dam and Worcester Street Pump station & Collinskop Booster PS	Water 2.1				2,088,011	2,088,011
Greyton	Replace part of 11kV line behind Cemetery (Phase 1)	Electricity 1/2				600,000	600,000
Riviersonderend	Upgrading of Buitekant St network	Electricity 1/2				320,000	320,000
Riviersonderend	Upgrading of Voortrekker St network	Electricity 1/2				420,000	420,000
TWK	Upgrading of streets & Storm water	Roads 2.3	4,000,000				4,000,000
Villiersdorp	2 ML reservoir at Ham Street	Water 2.1				300,000	300,000
TWK	Water Reticulation Replacement	Water 2.1				37,989	37,989
TWK	Housing	Housing 2.5			32,480,000		32,480,000
TWK	Opgradering van bestaande Sekuriteitstelsel: Hoofkantoor, Caledon	Corporate 5				230,000	230,000
	<b>Total</b>		<b>26,235,000</b>	<b>560,000</b>	<b>32,480,000</b>	<b>10,770,000</b>	<b>70,045,000</b>

**2013/2014 Capital per Project**

TOWN / WARD	PROJECT	FUNCTION/ STAT FOCUS AREAS	MIG 13/14	Other Grants INEP BIG 13/14	Housing Gra	LOANS 13/14	2013/2014 TOTAL
Botrivier	Eradication of Septic tank system (Installation of sewer reticulation)	Sewerage 2.1	3,121,831				3,121,831
Greyton	Eradication of Septic tank system (Installation of sewer reticulation)	Sewerage 2.1				3,000,000	3,000,000
Greyton	Upgrading of Water Treatment Plant	Water 2.1				1,000,000	1,000,000
Villiersdorp	Upgrading of WWTP	Sewerage 2.1	11,000,000			2,000,000	13,000,000
Riviersonderend	Expansion of existing cemetery and Povision of toilet facility	Cemeteries 1/2				50,000	50,000
TWK	Upgrading of streets & Storm water	Roads 2.3	10,556,169				10,556,169
TWK	Fleet	Fleet 3.9				4,500,000	4,500,000
Villiersdorp	2 ML reservoir at Ham Street	Water 2.1	3,000,000				3,000,000
TWK	Water Reticulation Replacement	Water 2.1				3,000,000	3,000,000
TWK	Housing	Housing 2.5			34,238,000		34,238,000
TWK	Community Centre	IDP		2,500,000			2,500,000
	<b>Total</b>		<b>27,678,000</b>	<b>2,500,000</b>	<b>34,238,000</b>	<b>13,550,000</b>	<b>77,966,000</b>

### 1.3. Particulars of Investments

#### Monetary investments by type (Table SA15)

Investment type	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	8,642	25,485	4,987	21,000	21,000	21,000	4,000	7,000	12,000
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									
<b>Municipality sub-total</b>	<b>8,642</b>	<b>25,485</b>	<b>4,987</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>4,000</b>	<b>7,000</b>	<b>12,000</b>
<b>Entities</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>	<b>8,642</b>	<b>25,485</b>	<b>4,987</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>4,000</b>	<b>7,000</b>	<b>12,000</b>

#### Monetary investments by maturity date (Table SA16)

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
	Yrs/Months			Rand thousand	
<b>Parent municipality</b>					
ABSA Bank		Call deposit		4,000	
<b>Municipality sub-total</b>				<b>4,000</b>	<b>-</b>
<b>Entities</b>					
<b>Entities sub-total</b>				<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>4,000</b>	<b>-</b>

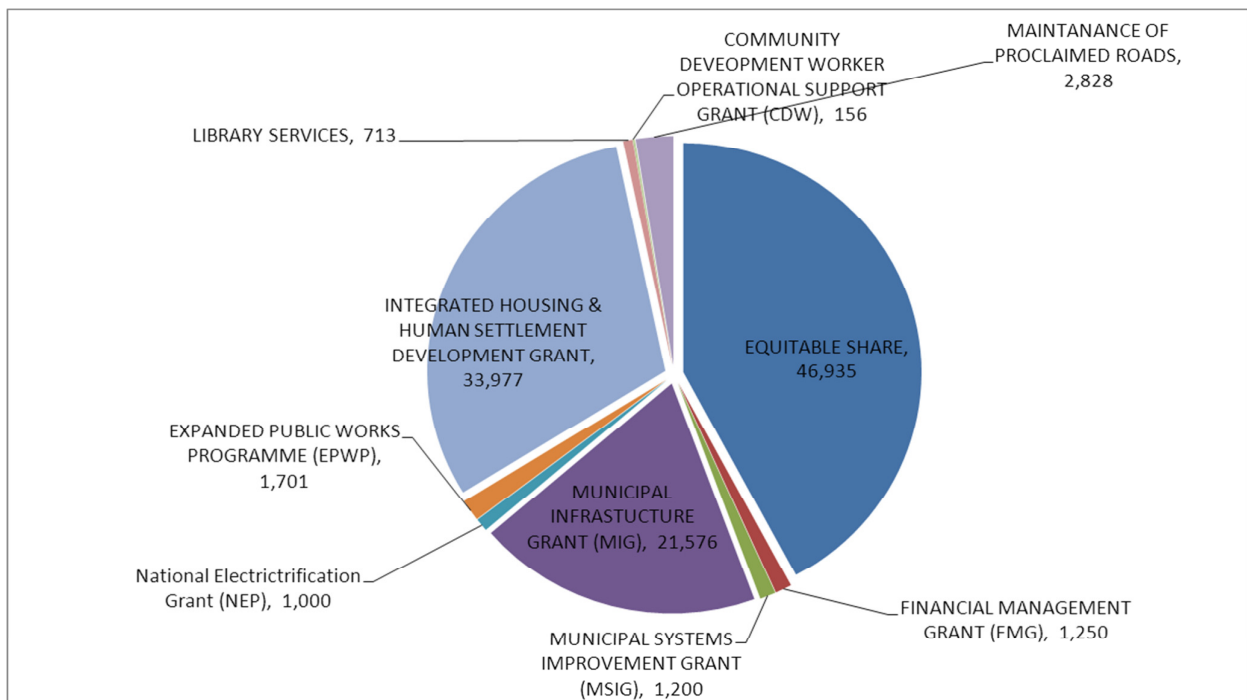
## 1.4 GRANT ALLOCATIONS 2011/2012

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

NATIONAL ALLOCATIONS				
GRANT		2011/12	2012/13	2013/14
		BUDGET	BUDGET	BUDGET
		R'000	R'000	R'000
EQUITABLE SHARE	OPEX	46,935	51,892	55,272
FINANCIAL MANAGEMENT GRANT (FMG)	OPEX	1,250	1,500	1,500
MUNICIPAL SYSTEMS IMPROVEMENT GRANT (MSIG)	OPEX	1,200	1,000	1,000
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	CAPEX	21,577	26,235	27,678
National Electrification Grant (NEP)	CAPEX	1,000	-	-
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	OPEX	1,701	-	-
<b>TOTAL NATIONAL GRANTS</b>		<b>73,663</b>	<b>80,627</b>	<b>85,450</b>
PROVINCIAL ALLOCATIONS				
INTEGRATED HOUSING & HUMAN SETTLEMENT DEVELOPMENT GRANT	CAPEX	33,977	32,480	34,238
LIBRARY SERVICES	OPEX	713	-	-
COMMUNITY DEVELOPMENT WORKER OPERATIONAL SUPPORT GRANT (CDW)	OPEX	156	162	168
MAINTANANCE OF PROCLAIMED ROADS	CAPEX	2,828	-	-
<b>TOTAL PROVINCIAL GRANTS</b>		<b>37,674</b>	<b>32,642</b>	<b>34,406</b>
<b>GRAND TOTAL</b>		<b>111,337</b>	<b>113,269</b>	<b>119,856</b>

<b>NOTE: Allocations for Conditional Grants are only made for one year and the amounts published for the outer years in the schedules of the Division of Revenue Act (DORA) are published for indicative purposes only and are not guaranteed.</b>	<b>OPEX</b>	51,955	54,554	57,940
	<b>CAPEX</b>	59,382	58,715	61,916
	<b>TOTAL</b>	<b>111,337</b>	<b>113,269</b>	<b>119,856</b>



## 10. Expenditure on allocations and grant programmes

Expenditure on allocations and grant programmes (Table SA19)

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	21,570	25,145	35,485	47,522	46,829	46,829	51,086	54,392	57,772
Local Government Equitable Share	20,720	23,593	33,167	43,655	43,655	43,655	46,935	51,892	55,272
Finance Management	621	589	1,018	1,000	1,280	1,280	1,250	1,500	1,500
Municipal Systems Improvement	229	964	1,300	1,200	1,200	1,200	1,200	1,000	1,000
Expanded Public Works Programme			-	1,667	695	695	1,701		
<b>Provincial Government:</b>	1,413	2,855	1,434	1,213	1,584	1,584	869	162	168
Community Development Worker Grant									
Library Services Grant									
Proclaimed Main Roads									
IMQS Grant	1,413	2,855	1,434	1,213	1,584	1,584	869	162	168
<b>District Municipality:</b> <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>			1,945		2,093	2,093	550	-	-
DBSA			1,945		2,093	2,093	550		
<b>Total operating expenditure of Transfers and Grants</b>	<b>22,983</b>	<b>28,001</b>	<b>38,864</b>	<b>48,735</b>	<b>50,506</b>	<b>50,506</b>	<b>52,505</b>	<b>54,554</b>	<b>57,940</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	29,240	12,158	25,029	17,940	22,846	22,846	22,577	26,235	27,678
Municipal Infrastructure Grant (MIG)	28,492	11,848	22,692	17,940	22,846	22,846	21,577	26,235	27,678
Integrated National Electrification Programme									
	747	310	2,337				1,000		
<b>Provincial Government:</b>	34,064	12,637	311	29,330	30,036	30,036	36,805	32,480	36,738
	34,064	12,637	311	29,330	30,036	30,036	36,805	32,480	36,738
<b>District Municipality:</b> <i>Multi-purpose bus</i>	-	-	219	-	62	62	-	-	-
			219		62	62			
<b>Other grant providers:</b>			-		-	-	-	-	-
DBSA			-		-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>63,304</b>	<b>24,794</b>	<b>25,558</b>	<b>47,270</b>	<b>52,943</b>	<b>52,943</b>	<b>59,382</b>	<b>58,715</b>	<b>64,416</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>86,287</b>	<b>52,795</b>	<b>64,422</b>	<b>96,005</b>	<b>103,450</b>	<b>103,450</b>	<b>111,887</b>	<b>113,269</b>	<b>122,356</b>

## 11. Councillors allowances and employee benefits

Councillor allowances and employee benefits (Table SA22)

Summary of Employee and Councillor remuneration	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Salary	4,648	4,507	4,728	4,514	4,990	4,990	5,439	5,929	6,462
Pension Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	410	648	1,505	795	795	867	945	1,030
Cell phone allowance	238	520	278	310	297	297	324	353	385
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits or allowances	-	-	-	-	-	-	-	-	-
In-kind benefits	-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>	<b>4,886</b>	<b>5,437</b>	<b>5,655</b>	<b>6,329</b>	<b>6,082</b>	<b>6,082</b>	<b>6,630</b>	<b>7,227</b>	<b>7,877</b>
<b>% increase</b>		<b>11.3%</b>	<b>4.0%</b>	<b>11.9%</b>	<b>(3.9%)</b>	<b>-</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.0%</b>
<b>Senior Managers of the Municipality</b>									
Salary	2,181	2,671	3,790	4,245	4,245	4,245	4,687	5,249	5,879
Pension Contributions	216	177	304	340	340	340	376	422	472
Medical Aid Contributions	71	51	72	81	81	81	74	83	93
Motor vehicle allowance	492	526	575	644	644	644	578	647	725
Cell phone allowance	35	52	53	60	60	60	53	60	67
Housing allowance	139	84	104	116	116	116	106	118	132
Performance Bonus	320	-	392	439	439	439	-	-	-
Other benefits or allowances	66	56	94	105	105	105	128	144	161
In-kind benefits	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>3,519</b>	<b>3,616</b>	<b>5,384</b>	<b>6,030</b>	<b>6,030</b>	<b>6,030</b>	<b>6,003</b>	<b>6,723</b>	<b>7,530</b>
<b>% increase</b>		<b>2.8%</b>	<b>48.9%</b>	<b>12.0%</b>	<b>-</b>	<b>-</b>	<b>(0.4%)</b>	<b>12.0%</b>	<b>12.0%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	34,511	41,003	48,750	55,519	55,899	55,899	62,836	68,013	73,976
Pension Contributions	5,890	7,015	8,855	9,817	9,601	9,601	11,032	11,956	13,020
Medical Aid Contributions	1,530	2,115	2,551	2,570	2,596	2,596	2,729	2,958	3,222
Motor vehicle allowance	2,833	3,763	4,151	4,539	3,941	3,941	3,880	4,190	4,548
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	481	633	576	588	552	552	568	612	664
Overtime	2,310	2,555	2,907	2,246	2,948	2,948	2,574	2,793	3,044
Performance Bonus	-	-	-	-	-	-	-	-	-
Other benefits or allowances	6,380	8,267	9,263	7,602	10,565	10,565	11,189	12,133	13,219
In-kind benefits	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	<b>53,937</b>	<b>65,352</b>	<b>77,054</b>	<b>82,881</b>	<b>86,102</b>	<b>86,102</b>	<b>94,808</b>	<b>102,656</b>	<b>111,693</b>
<b>% increase</b>		<b>21.2%</b>	<b>17.9%</b>	<b>7.6%</b>	<b>3.9%</b>	<b>-</b>	<b>10.1%</b>	<b>8.3%</b>	<b>8.8%</b>
<b>Total Parent Municipality</b>	<b>62,342</b>	<b>74,405</b>	<b>88,092</b>	<b>95,240</b>	<b>98,214</b>	<b>98,214</b>	<b>107,441</b>	<b>116,606</b>	<b>127,101</b>
		<b>19.4%</b>	<b>18.4%</b>	<b>8.1%</b>	<b>3.1%</b>	<b>-</b>	<b>9.4%</b>	<b>8.5%</b>	<b>9.0%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>62,342</b>	<b>74,405</b>	<b>88,092</b>	<b>95,240</b>	<b>98,214</b>	<b>98,214</b>	<b>107,441</b>	<b>116,606</b>	<b>127,101</b>
<b>% increase</b>		<b>19.4%</b>	<b>18.4%</b>	<b>8.1%</b>	<b>3.1%</b>	<b>-</b>	<b>9.4%</b>	<b>8.5%</b>	<b>9.0%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>57,456</b>	<b>68,968</b>	<b>82,438</b>	<b>88,911</b>	<b>92,132</b>	<b>92,132</b>	<b>100,810</b>	<b>109,379</b>	<b>119,223</b>



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

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contrib.	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum	10		1.			2.	3.
<b>Councillors</b>							
Speaker	1	398,067		109,243			507,310
Chief Whip							-
Executive Mayor	1	515,971		113,442			629,413
Deputy Executive Mayor	1	415,387		91,923			507,310
Executive Committee	3	1,199,685		230,670			1,430,355
Total for all other councillors	19	2,543,744		1,011,968			3,555,712
<b>Total Councillors</b>	<b>25</b>	<b>5,072,854</b>	<b>-</b>	<b>1,557,246</b>			<b>6,630,100</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	1,135,076	11,349				1,146,425
Chief Finance Officer	1	924,492	11,282	84,000			1,019,774
Director - Operational Services	1	854,358	8,263	21,600			884,221
Director - Technical Services	1	975,521	8,759				984,280
Director - Development Services	1	968,267	10,894				979,161
Director - Corporate Services	1	979,966	9,061				989,027
<i>List of each official with packages &gt;= senior manager</i>							-
<b>Total Senior Managers of the Municipality</b>	<b>6</b>	<b>5,837,680</b>	<b>59,608</b>	<b>105,600</b>	<b>-</b>	<b>-</b>	<b>6,002,888</b>
<b>A Heading for Each Entity</b>							
List each member of board by designation							-
<b>Total for municipal entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>31</b>	<b>10,910,534</b>	<b>59,608</b>	<b>1,662,846</b>	<b>-</b>	<b>-</b>	<b>12,632,988</b>

## 12. Monthly targets for revenue, expenditure and cash flow

Budgeted monthly cash flow (Table SA30)

R thousand	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	MONTHLY CASH FLOWS												Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash Receipts By Source</b>															
Property rates - penalties & collection charges	16,073	2,009	2,009	2,813	2,009	2,411	2,009	2,009	2,009	3,215	2,009	1,607	40,183	43,069	46,608
Service charges - electricity revenue	6,846	3,994	4,564	2,853	2,853	2,853	3,994	8,558	8,558	3,994	8,558	2,853	57,054	68,988	83,424
Service charges - water revenue	3,015	1,884	1,884	2,638	1,884	2,638	3,015	3,255	3,255	3,015	3,255	1,884	37,680	40,159	43,409
Service charges - sanitation revenue	888	1,184	1,184	740	845	1,268	986	1,408	1,408	1,127	1,268	1,184	14,797	15,214	16,489
Service charges - refuse revenue	1,831	1,127	563	1,408	845	1,268	986	1,408	1,408	1,127	1,268	1,184	14,085	14,410	15,633
Service charges - other	179	224	119	194	60	164	119	104	104	75	119	75	1,493	1,612	1,741
Rental of facilities and equipment	107	138	138	123	123	107	107	138	138	107	138	107	1,534	1,657	1,789
Interest earned - external investments	68	68	102	170	68	170	102	170	170	306	272	153	1,700	1,836	1,983
Interest earned - outstanding debtors	540	480	540	540	600	660	660	660	660	600	660	480	6,000	6,480	6,998
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines	457	406	406	457	406	406	355	558	558	355	558	304	5,074	5,479	5,918
Licences and permits	5	3	3	4	8	11	11	7	5	7	5	3	63	68	73
Agency services	182	145	127	182	91	182	200	109	145	145	182	127	1,815	1,961	2,118
Transfer receipts - operational	20,477	—	263	—	10,501	5,251	5,251	14,176	—	1,050	263	—	52,505	54,554	57,940
Other revenue	3,129	1,565	5,868	1,956	1,174	782	782	1,565	3,521	7,432	7,041	4,303	39,118	42,402	46,130
<b>Cash Receipts by Source</b>	<b>53,798</b>	<b>20,011</b>	<b>17,326</b>	<b>14,077</b>	<b>22,841</b>	<b>17,117</b>	<b>13,602</b>	<b>34,576</b>	<b>18,605</b>	<b>21,997</b>	<b>24,549</b>	<b>14,610</b>	<b>273,109</b>	<b>297,888</b>	<b>330,252</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	23,159	—	297	—	11,876	5,938	594	16,033	—	1,188	—	297	59,382	58,715	64,416
Contributions recognised - capital & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	19,058	19,058	19,058	19,058	19,058	19,058	19,058	21,285	19,058	19,058	19,058	19	21,285	10,770	13,550
Decrease (increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Receipts by Source</b>	<b>76,976</b>	<b>20,030</b>	<b>17,642</b>	<b>14,086</b>	<b>34,736</b>	<b>23,074</b>	<b>14,215</b>	<b>71,914</b>	<b>18,824</b>	<b>23,204</b>	<b>24,568</b>	<b>14,926</b>	<b>354,005</b>	<b>367,624</b>	<b>408,495</b>
<b>Cash Payments by Type</b>															
Employee related costs	8,367	8,367	8,367	8,367	8,367	8,367	8,367	8,367	8,367	8,367	8,367	8,771	100,810	109,379	119,223
Remuneration of councillors	530	530	530	530	530	530	530	530	530	570	570	597	6,630	7,227	7,877
Collection costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest paid	—	—	2,289	—	—	4,148	—	—	—	—	—	4,148	14,303	15,442	16,833
Bulk purchases - Electricity	358	5,010	5,010	2,505	3,221	2,863	2,147	2,863	3,221	4,652	3,221	716	35,784	44,730	55,912
Bulk purchases - Water & Sewer	71	993	993	496	638	567	425	567	638	922	638	142	7,090	7,515	7,966
Other materials	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services	468	780	1,560	936	1,404	1,092	1,248	1,404	2,808	1,248	2,028	624	15,601	16,660	17,792
Grants and subsidies paid - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grants and subsidies paid - other	2,564	5,129	4,488	5,129	6,411	4,488	4,488	4,488	5,770	5,770	8,334	7,052	64,110	66,449	71,487
General expenses	12,359	20,809	23,236	17,964	20,571	22,055	17,246	18,259	25,093	21,529	23,158	22,049	244,328	267,402	297,091
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	1,669	2,503	4,172	4,172	4,172	834	1,669	4,172	8,344	9,178	12,516	33,902	87,304	70,045	77,966
Repayment of borrowing	—	—	1,976	—	—	1,976	—	—	1,976	—	—	—	1,976	7,308	8,744
Other Cash Flows/Payments	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	17,344	18,402	19,526
<b>Total Cash Payments by Type</b>	<b>15,473</b>	<b>24,757</b>	<b>30,830</b>	<b>23,581</b>	<b>26,189</b>	<b>26,311</b>	<b>20,360</b>	<b>23,876</b>	<b>36,858</b>	<b>32,153</b>	<b>37,120</b>	<b>59,372</b>	<b>356,880</b>	<b>364,156</b>	<b>403,327</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>61,503</b>	<b>(4,727)</b>	<b>(13,187)</b>	<b>(9,485)</b>	<b>8,548</b>	<b>(3,237)</b>	<b>(6,145)</b>	<b>48,037</b>	<b>(18,234)</b>	<b>(8,949)</b>	<b>(12,552)</b>	<b>(44,446)</b>	<b>(2,875)</b>	<b>3,468</b>	<b>5,168</b>
Cash/cash equivalents at the month/year begin:	7,877	69,380	64,653	51,465	41,981	50,528	47,291	41,146	41,146	49,248	62,001	49,248	70,949	5,002	8,470
Cash/cash equivalents at the month/year end:	69,380	64,653	51,465	41,981	50,528	47,291	41,146	41,146	41,146	49,248	62,001	49,248	70,949	5,002	8,470

### 13. Capital expenditure details

Capital expenditure details (Table SA36)

Municipal Vote/Capital project  R thousand	Program/Project description	Project number	IDP Goal code 3.	2011/12 Medium Term Revenue & Expenditure Framework			Project information	
				Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
<b>Parent municipality:</b>								
<i>List all capital projects grouped by Municipal Vote</i>								
Vote1 - Executive & Council	Building of Municipal Storehouse		A	300	-		Riviersonderend	New
	Upgrading of existing Security: main Building, Caledon		A	-	230		TWK	Renewal
	Upgrading of Council Chambers - Main Building, Caledon		A	250	-		TWK	Renewal
	Installation of lift at Caledon hall		A	200	-		TWK	Renewal
	Quick wins		A	975			TWK	New
	Fleet		D	1,100	-	4,500	TWK	New
Vote2 - Finance & Admin	Inventaris Items		B	2,212	-		TWK	New
Vote3 - Planning & Development	Environmental Impact Studies							
	Development Port Erf 595, Greyton							
	Land to be developed for Light industrial purposes Caledon		C	250			TWK	New
	Servicing of 4 industrial erven 2766, 2767, 2770 and 2771, Grabouw		C	400			Grabouw	New
Vote4 - Community & Social Services	Extention 12( Land Surveyor, Town Planner, Civil Eng Planning)		C	1,500			Caledon	New
	Multi Purpose Centre					2,500	TWK	New
	Expansion of existing cemetery and Povision of toilet facility		E			50	Riviersonderend	Renewal
Vote5 - Housing	Housing		E	33,977	32,480	34,238	TWK	New
Vote9 - Waste Management	Greyton Genadendal solid waste transfer station		E	2,109	-		Greyton	New
Vote10 - Waste Water Management	Eradication of Septic tank system (Installation of sewer reticulation)		E	-	2,524	3,122	Botrivier	New
	Eradication of Septic tank system (Installation of sewer reticulation)		E	-	300	3,000	Greyton	New
	Upgrading of WWTP		E	15,890	6,563		Grabouw	Renewal
	Upgrading of WWTP		E	300	11,554	13,000	Villiersdorp	Renewal
	Greyton-Genadendal Link Sewer		E	3,326	1,424		Greyton	New
	Upgrading of Caledon WWTP sub station & purchase of two aerators & Gormann Rupp pump		E	-	560		Caledon	Renewal
	Environmental Impact Study for Sewerage Network in Bereaville		E	600	-	-	Genadendal	New
	Waste water treatment package plant Turnkey		E	200	-		Tesselaarsdal	New
	Toilet facilities for Central Bussiness area		E	180	-		Villiersdorp	New
	Toilet facilities for informal residential area		E	150	-		Villiersdorp	New
New France - Toilet Facilities and water.		E	150	-		Botrivier	New	

Continue next page.

Vote11 - Roads Transport	Rooidakke stormwater	E	-	2,894		Grabouw	New
	Flood protection/damage projects	E	-	300		Genadendal	Renewal
	Upgrading of streets & Storm water	E	-	4,000	10,556	TWK	Renewal
	Upgrading of Donkinplein	E	450	-		Caledon	Renewal
	Repair Vlei Street Bridge to Middleton	E	100	-		Caledon	Renewal
	Upgrading of Proclaimed Main Roads	E	3,535	-	-	TWK	Renewal
Vote12 - Water	Upgrading of Water Treatment Plant	E	-	100	1,000	Greyton	Renewal
	Bulk Water Capacity Upgrading (Phase 3 ) New 550 to 500 mm dia pipeline between Eikenhof Dam and Worcester Street Pump station & Collinskop Booster PS	E	5,527	2,088		Grabouw	Renewal
	2 ML reservoir at Ham Street	E	-	300	3,000	Villiersdorp	New
	Water Reticulation Replacement	E	-	38	3,000	TWK	New
	Upgrading of bulk water supply	E	1,693	-		Riversoenderend	New
	Pre-paid Water Meters/ Water Demand Management	E	5,200	-	-	TWK	New
Vote13 - Electricity	Upgrading of Basil Newmark St network	E	550	-		Caledon	Renewal
	Bergsig Substation	E	-	2,600		Caledon	New
	Upgrading of Caledon & Unielaan	E	-	420		Villiersdorp	Renewal
	Upgrading of Graaf St	E	-	330		Villiersdorp	Renewal
	Supply from Eskom sub	E	880	-		Greyton	New
	Replace part of 11kV line behind Cemetery (Phase 1)	E	-	600		Greyton	Renewal
	Upgrading of Buitekant St network	E	-	320		Riversoenderend	Renewal
	Upgrading of Voortrekker St network	E	-	420		Riversoenderend	Renewal
	Electricity prepaid meters	E	4,300	-		TWK	New
	Bulk infrastruktuur in Villiersdorp by Goniwe Park.	E	1,000	-		Villiersdorp	New
<b>Total Capital expenditure</b>			<b>87,304</b>	<b>70,045</b>	<b>77,966</b>		

## **14. Annual Budgets and Service delivery and Budget Implementation plans- Internal Departments**

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The Functional performance of the municipality provides comprehensive information on the implementation of the SDBIP and the relevant Functional Area reporting schedule:

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

The functional breakdown per Directorate is as follows:

### **Corporate Service:**

#### **LEGAL ADVISORY**

- Both the Director and deputy Director Corporate Services are the Legal Officers for the organisation and provide legal support to all Directorates

#### **ADMINISTRATION**

- Give administrative support to the Council and its political structures
- Corporate support for other Directorates and Town offices
- Provision of secretariat services to all directorates
- The management of the municipality's incoming and outgoing mail including the distribution and dispatch of correspondence to and from the public
- The management of access to records
- The management of Security and Cleaning Services

#### **HUMAN RESOURCES**

- Ensuring a skilled workforce through training and selection
- Ensuring sound HR administration
- Ensuring an informed labour force by practicing sound labour relations
- Ensuring a sound organisational structure

#### **INFORMATION TECHNOLOGY**

- The Information Technology department serves as support function for the whole of the organization:
- Maintaining the IT and communication Infrastructure
- Facilitate the integration of information systems
- Establishing and maintaining proper backup procedures and systems
- Ensuring information security

### **Development Services:**

#### **INTEGRATED DEVELOPMENT PLANNING**

This department provides a unique support service to all departments, community and council. It is responsible for the coordination and management of the IDP process, Organisational Performance Management, Annual Reporting, Service Delivery and Budget Implementation Plan, and Social Development

#### **LOCAL ECONOMIC DEVELOPMENT (LED) AND TOURISM.**

- Create an enabling environment for economic development
- Increase economic opportunities for people
- Promote intergovernmental collaboration

- Build local Capacity
- Encourage PPP in Local economic Development
- Monitor and evaluate LED strategy.
- Capacitate SMME's

#### **HOUSING AND INTEGRATED HUMAN SETTLEMENT**

- The function of this department is to facilitate, manage and maintain low cost housing development within the Theewaterskloof Municipality

#### **PROPERTY MANAGEMENT**

- The Property Management section has to ensure that Municipal owned immovable assets are managed efficiently, effectively and economically and are dealt with in a manner which will ensure the maximum benefit to the municipality and the community

### **Financial Services:**

#### **EXPENDITUE AND SUPPLY CHAIN MANAGEMENT**

- Salaries: Implementation of approved payroll, paying of salaries, allowances and accounting for payroll implementation
- Creditors: Payment and recording of creditors' payments and reconciliations
- Supply Chain Management: Responsible for the Administration and Management of Procurement of goods and services (i.e. Acquisition Management in particular)
- Bank Reconciliation
- Administration and Management of Investments
- Administration and Management of Loans
- Maintain Professionalism, Honesty, Integrity and Internal Controls

#### **REVENUE OFFICE**

- Facilitation and application for Municipal Services
- Debtors Billing Administration and Management
- Meter Reading
- Administration of Clearance Certificates
- Rendering of Monthly Consumer / Rates Debtors Accounts
- Debtors Customer Care and Query Administration
- Receipting and bank revenue management
- Credit Control, Debt Collection and Indigents Management
- Maintain Professionalism, Honesty, Integrity and Internal Controls

#### **BUDGET OFFICE**

- Budget
- In-year Reporting
- Annual Financial Statements,
- Budgetary Management and Control
- Asset Management
- Insurance Management
- Costing Services (commencing in September 2009)
- Financial Viability
- Co-ordinate Financial Policy Formulation
- Financial Management Workshops under leadership of CFO

- Maintain Professionalism, Honesty, Integrity and Internal Controls

## **Technical Service:**

### **WATER DISTRIBUTION AND TREATMENT**

- (Supply potable water in accordance with (SABS 241) to the residents within its jurisdiction. In terms of Schedule 4B of the Constitution: “Water and Sanitation Services limited to potable water supply systems”)

### **ROADS**

- The Theewaterskloof Municipality is responsible for the roads and storm water reticulation within the towns of the WC031 established municipal area. The Roads and Stormwater Division functions as a division on its own headed by the Assistant manager of each town. This unit has 85 trained technical, artisans and other operational staff

### **ELECTRICITY DISTRIBUTION**

The electricity purchase and distribution functions of the municipality are administered as follows and include:

- The effective and efficient distribution and reticulation of energy in the following towns (Caledon, Villiersdorp, Greyton and Rivieronderend. Grabouw, Genadendal, Tesselaarsdal, Botrivier and Middleton reside within Eskom jurisdiction)
- Distribute electricity subject to the license conditions set by NERSA

### **ELECTRICITY/STREET LIGHTING**

- Provide adequate street lighting for urban areas
- Maintain/Repair of faulty street lights
- Upgrade of existing services as well as new developments
- These services extend to include Theewaterskloof (Caledon, Greyton, Rivieronderend and Villiersdorp, but do not take account rural areas such as Tesselaarsdal, Botrivier, Grabouw, Genadendal which resides within the jurisdiction of provincial Government

### **WASTE WATER MANAGEMENT (SEWERAGE)**

- Theewaterskloof Municipality provides sewerage collection systems, comprising water borne sewer networks, bucket removal system and vacuum tanker service where necessary, and treats the collected effluent at 7 sewage treatment plants. Further services include the provision and maintenance of communal toilets in informal areas

### **SOLID WASTE MANAGEMENT**

- Theewaterskloof municipality is responsible for the day to day operations in every town and for the removal and collection of the waste, cleaning of road reserves and most public open places. There are three Transfer-stations in the Municipal jurisdiction, one in Grabouw, Villiersdorp and the other in Botriver. Caledon has a licensed waste site but Genadendal, Greyton and Rivieronderend is not permitted yet

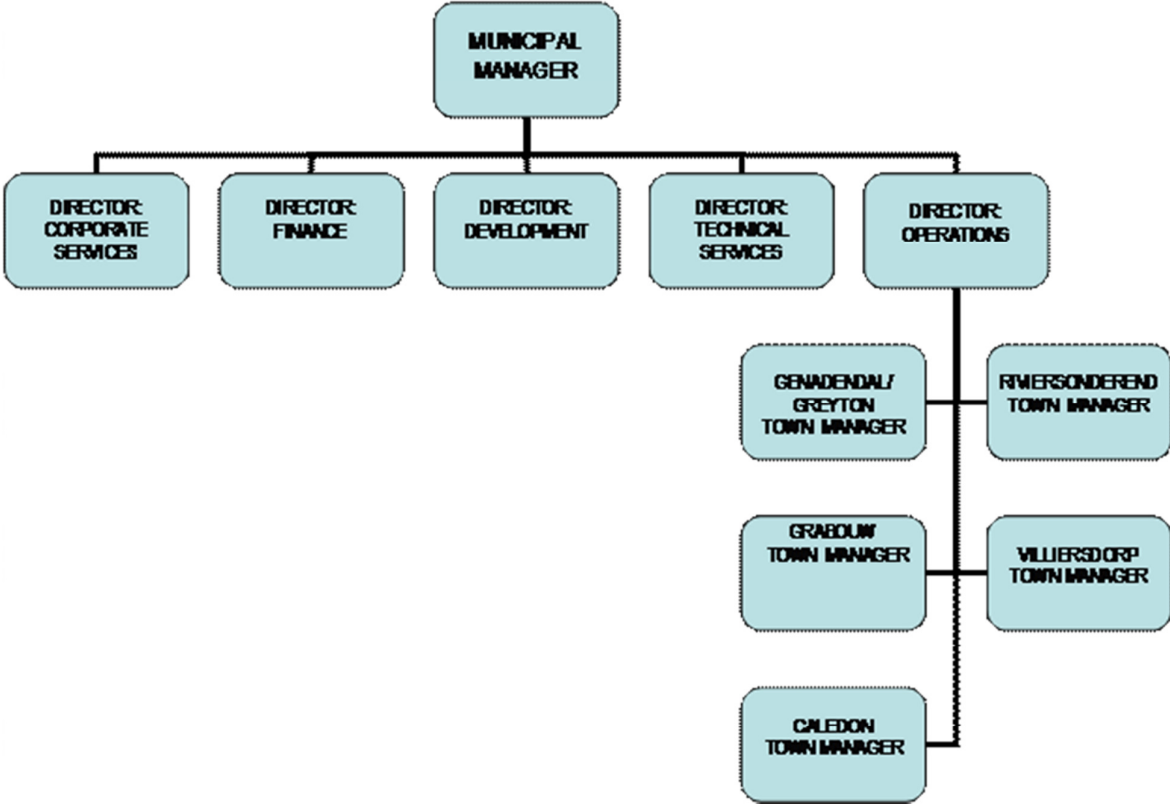
### **FLEET MANAGEMENT**

- To manage and maintain all fleet of the municipality
- To provide sufficient municipal services to all residence within the municipal boundary

## **OPERATIONS**

- Responsible for the day-to-day to service delivery within all Theewaterskloof Towns

**Senior Management Capability and Structure**





## 15. Legislation Compliance Status

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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 all vacancies are filled and the office is fully functional.
- **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 and the department is fully functional.
- **Internal Audit:** The department is fully functional with a Deputy Director, Internal Auditor and a Clerk Internal Audit 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. A risk register is compile which identify the top ten risks and is reviewed and monitor regularly.
- **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. Five Interns are employed and are undergoing various training in all sections of the Finance Department.

## 16. Other supporting documents

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### a. Tariff list

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

### b. Report on Providing Clean Water and Managing Waste Water

There are seven towns each with its own water and waste water treatment facility that falls under the management of the Theewaterskloof Municipality Authority except, for Caledon. The latter receives water from a service provider, Overberg Water.

The **Blue & Green Drop Assessment 2010** score were as follows

Genadendal WTW	35.94%
Greyton WTW	35.94%
Voorstekraal WTW	30.94%
Bereaville WTW	30.94%
Boschmanskloof WTW	30.94%

Caledon, Grabouw; Villierdorp; Riviersonderend; Botrivier and Tesslaarsdal achieved scores more than 50%

The **Green Drop Assessment** generated an overall score of 30%

#### **Assessment outcome**

The assessments highlighted the areas that needed urgent intervention. Problems that attributed to the low such scores was

- No qualified process controllers on site
- Compliance with SANS 241
- Failure response management: They do respond but is not properly documented
- Efficacy of Asset Manager: Asset register in place but lacked information

#### **Management**

The remedial plan is to educate the process controller to ensure improvement on process control and ensure compliance against Regulation 2834.  
Equip the process controllers to improve on operational & compliance monitoring.  
Finalise the Water Safety Plan to educate the higher management on the importance of proper documented failure response management.

## Total Municipal Account

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

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12 % incr.	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Large'</b>	1										
<b>Household</b>											
<b>Rates and services charges:</b>											
Property rates		244.23	268.65	296.86	323.28	323.28	323.28	6.9%	345.58	366.31	388.29
Electricity: Basic levy		12.00	16.00	21.00	26.52	26.52	26.52	25.1%	33.17	32.09	38.83
Electricity: Consumption		406.80	539.40	679.60	858.33	858.33	858.33	20.6%	1,035.10	1,038.59	1,038.59
Water: Basic levy		-	50.00	55.00	57.75	57.75	57.75	5.9%	61.22	64.89	68.79
Water: Consumption		145.20	143.55	158.49	166.41	166.41	166.41	5.9%	181.26	192.14	203.66
Sanitation		59.94	64.74	71.20	76.90	76.90	76.90	6.0%	76.91	81.52	86.42
Refuse removal		59.21	63.89	70.20	76.45	76.45	76.45	6.0%	81.04	85.90	91.06
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>927.38</b>	<b>1,146.23</b>	<b>1,352.35</b>	<b>1,585.65</b>	<b>1,585.65</b>	<b>1,585.65</b>	<b>14.4%</b>	<b>1,814.28</b>	<b>1,861.44</b>	<b>1,915.63</b>
VAT on Services		95.64	110.78	147.77	176.73	176.73	176.73		205.62	209.32	213.83
<b>Total large household bill:</b>		<b>1,023.02</b>	<b>1,257.01</b>	<b>1,500.12</b>	<b>1,762.38</b>	<b>1,762.38</b>	<b>1,762.38</b>	<b>14.6%</b>	<b>2,019.89</b>	<b>2,070.76</b>	<b>2,129.46</b>
<b>% increase/-decrease</b>			<b>22.9%</b>	<b>19.3%</b>	<b>17.5%</b>	<b>-</b>	<b>-</b>	<b>14.6%</b>	<b>2.5%</b>	<b>2.8%</b>	
<b>Monthly Account for Household - 'Small'</b>	2										
<b>Household</b>											
<b>Rates and services charges:</b>											
Property rates		20.56	22.62	25.00	27.23	27.23	27.23	6.9%	29.11	30.85	32.71
Electricity: Basic levy		12.00	16.00	21.00	26.52	26.52	26.52	25.1%	33.17	32.09	38.83
Electricity: Consumption		202.59	268.62	338.44	427.45	427.45	427.45	20.6%	515.48	517.21	625.83
Water: Basic levy		-	50.00	55.00	57.75	57.75	57.75	5.9%	61.22	64.89	68.79
Water: Consumption		115.20	110.55	122.04	128.14	128.14	128.14	5.9%	137.66	145.92	154.67
Sanitation		59.94	64.74	71.20	76.90	76.90	76.90	6.0%	76.91	81.52	86.42
Refuse removal		59.21	63.89	70.20	76.45	76.45	76.45	6.0%	81.04	85.90	91.06
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>469.50</b>	<b>596.42</b>	<b>702.88</b>	<b>820.43</b>	<b>820.43</b>	<b>820.43</b>	<b>13.9%</b>	<b>934.59</b>	<b>958.40</b>	<b>1,098.30</b>
VAT on Services		62.85	74.14	94.90	111.05	111.05	111.05		126.77	129.86	149.18
<b>Total small household bill:</b>		<b>532.35</b>	<b>670.56</b>	<b>797.78</b>	<b>931.48</b>	<b>931.48</b>	<b>931.48</b>	<b>13.9%</b>	<b>1,061.35</b>	<b>1,088.26</b>	<b>1,247.48</b>
<b>% increase/-decrease</b>			<b>26.0%</b>	<b>19.0%</b>	<b>16.8%</b>	<b>-</b>	<b>-</b>	<b>13.9%</b>	<b>2.5%</b>	<b>14.6%</b>	
<b>Monthly Account for Household - 'Small'</b>	3										
<b>Household receiving free basic services</b>											
<b>Rates and services charges:</b>											
Property rates		5.13	5.64	-	-	-	-		-	-	-
Electricity: Basic levy		-	-	-	-	-	-		-	-	-
Electricity: Consumption		-	-	7.26	9.17	9.17	9.17		-	-	-
Water: Basic levy		-	-	-	-	-	-		-	-	-
Water: Consumption		-	-	-	-	-	-		-	-	-
Sanitation		25.94	28.32	-	-	-	-		-	-	-
Refuse removal		25.21	27.47	-	-	-	-		-	-	-
Other		-	-	-	-	-	-		-	-	-
<b>sub-total</b>		<b>56.28</b>	<b>61.43</b>	<b>7.26</b>	<b>9.17</b>	<b>9.17</b>	<b>9.17</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
VAT on Services		16.68	18.01	19.80	1.28	1.28	1.28		-	-	-
<b>Total small household bill:</b>		<b>72.96</b>	<b>79.44</b>	<b>27.06</b>	<b>10.45</b>	<b>10.45</b>	<b>10.45</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase/-decrease</b>			<b>8.9%</b>	<b>(65.9%)</b>	<b>(61.4%)</b>	<b>-</b>	<b>-</b>	<b>(100.0%)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### References

- 1 Use as basis 1 000m<sup>2</sup> erf, 150m<sup>2</sup> improvements, 1 000 units electricity and 30kl water.
- 2 Use as basis 300m<sup>2</sup> erf, 48m<sup>2</sup> improvements, 498 units electricity and 25kl water.
- 3 Use as basis 300m<sup>2</sup> erf, 48m<sup>2</sup> improvements, 60kw electricity and 6kl water (TO BE CONFIRMED).

## **Benchmarking Households based on 2010/2011 tariffs**

Only the Property rates amount differ from table SA14 due to the property valuation that was used for comparison purposes. See assumptions that were used below each account.

<b>MONTHLY ACCOUNT FOR HOUSEHOLD - Large Household</b>				
	TWK	Overstrand	Stellenbosch	Swartland
Rates and services charges	R	R	R	R
- Property rates	312.96	167.27	263.34	276.04
- Electricity: Basic levy	27.50	142.11	78.19	81.23
Consumption	858.30	694.90	885.40	746.30
- Water: Basic levy	57.75	87.85	33.75	0.00
Consumption	166.32	155.52	124.92	157.44
Sanitation	76.90	227.50	116.50	95.85
Refuse removal	76.45	76.75	73.78	67.11
Other				
VAT on Services	176.85	193.85	183.78	160.71
<b>TOTAL</b>	<b>1753.03</b>	<b>1745.75</b>	<b>1759.64</b>	<b>1584.68</b>
<b>INCREASE PER MONTH (RAND)</b>				
<a href="#">Use as basis valuation of R662 500, 1 000 units electricity and 30kl water.</a>				
<b>MONTHLY ACCOUNT FOR HOUSEHOLD - Small Household</b>				
	TWK	Overstrand	Stellenbosch	Swartland
Rates and services charges	R	R	R	R
- Property rates	42.78	22.86	41.14	48.30
- Electricity: Basic levy	27.50	142.11	78.19	81.23
Consumption	427.43	346.08	440.93	371.66
- Water: Basic levy	57.75	87.85	33.75	0.00
Consumption	128.07	123.12	103.02	124.64
Sanitation	76.90	201.25	71.69	95.85
Refuse removal	76.45	76.75	73.78	67.11
Other				
VAT on Services	111.17	136.80	112.19	103.67
<b>TOTAL</b>	<b>948.05</b>	<b>1136.80</b>	<b>954.69</b>	<b>892.46</b>
<b>INCREASE PER MONTH (RAND)</b>				
<a href="#">Use as basis valuation of R103 500, 498 units electricity and 25kl water.</a>				
<b>MONTHLY ACCOUNT FOR HOUSEHOLD - Indigent Household</b>				
	TWK	Overstrand	Stellenbosch	Swartland
Rates and services charges	R	R	R	R
- Property rates	4.42	8.14	0.00	28.00
- Electricity: Basic levy	27.50	142.11	0.00	81.23
Consumption	51.50	41.89	53.12	44.78
- Water: Basic levy	57.75	87.85	0.00	0.00
Consumption	0.00	0.00	19.80	0.00
Sanitation	76.90	78.87	55.88	95.85
Refuse removal	76.45	76.75	73.78	67.11
Other				
<b>Subsidy</b>	<b>-287.29</b>	<b>-437.99</b>	<b>-193.73</b>	<b>-316.48</b>
VAT on Services	40.61	59.82	28.36	40.48
<b>TOTAL</b>	<b>47.84</b>	<b>57.24</b>	<b>37.22</b>	<b>40.96</b>
<b>INCREASE PER MONTH (RAND)</b>				
<a href="#">Use as basis valuation of R60 000 and 6kl water, 60 units electricity</a>				

## Benchmarking Business based on 2010/2011 tariffs

<b>MONTHLY ACCOUNT FOR BUSINESS - Large Consumer</b>				
	<b>TWK</b>	<b>Overstrand</b>	<b>Stellenbosch</b>	<b>Swartland</b>
<b>Rates and services charges</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
- Property rates	5,079.17	1,943.33	4,213.94	2,473.33
- Electricity: Basic levy (290 KVA)	650.00	3,625.25	738.17	606.42
Consumption	230,775.17	248,499.50	283,556.67	214,661.67
- Water: Basic levy	57.75	87.35	36.29	-
Consumption	5,144.90	9,428.40	4,255.00	3,620.20
Sanitation	1,922.50	3,105.00	2,530.08	512.87
Refuse removal	299.48	336.84	261.79	4,830.72
Other				
VAT on Services	33,438.97	37,111.53	40,792.92	31,392.46
<b>TOTAL</b>	<b>277,367.93</b>	<b>304,137.20</b>	<b>336,384.85</b>	<b>258,097.67</b>
<b>INCREASE PER MONTH (RAND)</b>				
<u>Use as basis valuation of R5,300,000 5776782 units electricity , 460kl water, 12 removals, 20 sewerage pans and 10 urinals</u>				
<b>MONTHLY ACCOUNT FOR BUSINESS - Medium Cosumer</b>				
	<b>TWK</b>	<b>Overstrand</b>	<b>Stellenbosch</b>	<b>Swartland</b>
<b>Rates and services charges</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
- Property rates	3066.67	1173.33	2,544.27	1493.33
- Electricity: Basic levy	270.00	432.52	139.18	542.00
Consumption	1532.80	1389.80	1806.60	1493.80
- Water: Basic levy	57.75	87.35	36.29	0.00
Consumption	778.70	1652.40	925.00	787.00
Sanitation	384.50	675.00	1582.14	479.25
Refuse removal	299.48	336.84	261.79	201.33
Other				
VAT on Services	465.25	640.35	665.14	490.47
<b>TOTAL</b>	<b>6,855.15</b>	<b>6,387.59</b>	<b>7,960.41</b>	<b>5,487.19</b>
<b>INCREASE PER MONTH (RAND)</b>				
<u>Use as basis valuation of R3,,200,000 2000 units electricity (26-50KvA), 100kl water and 3 removals</u>				
<b>MONTHLY ACCOUNT FOR BUSINESS - Small Consumer</b>				
	<b>TWK</b>	<b>Overstrand</b>	<b>Stellenbosch</b>	<b>Swartland</b>
<b>Rates and services charges</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
- Property rates	1054.17	403.33	874.59	513.33
- Electricity: Basic levy	170.00	432.52	139.18	296.94
Consumption	1149.60	1042.35	1354.95	1120.35
- Water: Basic levy	57.75	87.35	36.29	0.00
Consumption	438.10	572.40	462.50	393.50
Sanitation	230.70	337.50	575.57	287.55
Refuse removal	199.65	224.56	174.53	134.22
Other				
VAT on Services	314.41	377.54	384.02	312.56
<b>TOTAL</b>	<b>3,614.38</b>	<b>3,477.55</b>	<b>4,001.63</b>	<b>3,058.45</b>
<b>INCREASE PER MONTH (RAND)</b>				
<u>Use as basis valuation of R1,,100,000 1500 units electricity (0-25KvA), 50kl water and 2 removals</u>				