

## 1. INTRODUCTION

The draft budget for Mohokare Municipality for the MTREF period 2012/2013 to 2014/2015 needs to be tabled.

The council needs to note the tabling of the draft budget, and sketch the process that needs to follow.

## 2. BACKGROUND

The draft budget is tabled in the FOLLOWING Formats:

### Budget Schedule

- Table FinPerf 4 See Annexure A
- Table SA25 - Budgeted monthly revenue and expenditure. See Annexure B

The NT Annexures do not agree with the budget uploaded.

GRAP compliance results in that Maintenance expenditure and the Capital portion of loans repaid are not reflected in the template.

### “Line Item” format.

Managerial Area See Annexure C

## 3. APPLICABLE LEGISLATION AND POLICY

### MFMA

#### CHAPTER 4

#### MUNICIPAL BUDGETS

#### Appropriation of funds for expenditure

15. A municipality may, except where otherwise provided in this Act, incur expenditure only—

- (a) in terms of an approved budget; and
- (b) within the limits of the amounts appropriated for the different votes in an approved budget.

#### Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

(3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

## **MFMA Circular No. 58 Municipal Finance Management Act No. 55 of 2003**

### **Municipal Budget Circular for the 2012/13 MTREF**

#### **2 Headline inflation forecasts**

Municipalities must take the following inflation forecasts into consideration when preparing their 2012/13 budgets and MTREF. Again this information will be updated in a further Budget Circular to be issued after the tabling of the National Budget on 22 February 2012

Fiscal Year	2010	2011	2012	2013	2014
	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>		
Headline CPI Inflation	3.3%	5.0%	5.4%	5.6%	5.4%

*Source: Medium Term Budget Policy Statement 2011*

The period of the *Salary and Wage Collective Agreement 2009/10 to 2011/2012* has come to an end. In the absence of other information from the South African Local Government Bargaining Council, municipalities are advised to budget for a 5 per cent cost-of-living increase adjustment, to be implemented with effect from July 2012 (in-line with the increase proposed in the 2011 MTBPS).

#### **Revising rates, tariffs and other charges**

When municipalities and municipal entities revise their rates, tariffs and other charges for their 2012/13 budgets and MTREF, they need to take into account the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality or entity, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy. Municipalities should also take into account relevant policy developments in the different sectors (such as the *inclining block tariff* (IBT) proposals from the National Energy Regulator of South Africa (NERSA)).

Municipalities should continue to explore appropriate ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target.

#### **3.1 NERSA's process to approve electricity tariffs**

It is very important that municipalities and NERSA work together to ensure that the process of approving electricity tariffs does not disrupt the process of compiling municipal budgets or compromise community consultations on the budget. It is for this reason that section 43 of the MFMA reads:

- 43 (1) If a national or provincial organ of state in terms of a power contained in any national or provincial legislations determines the upper limits of a municipal tax or tariff, such determination takes effect for municipalities on a date specified in the determination.
- (2) Unless the Minister on good grounds approves otherwise, the date specified in a determination referred to in subsection (1) may-
  - (a) if the determination was promulgated on or before 15 March in a year, not be a date before 1 July in that year; or

- (b) if the determination was promulgated after 15 March in a year, not be a date before 1 July in the next year.

So if NERSA only concludes its final determination for a municipality after 15 March, the municipality is not obliged to implement NERSA's final determination with effect from 1 July of the current year, unless the Minister on good grounds approves otherwise.

It is proposed that the only 'good grounds' that the Minister of Finance will consider for requiring compliance with a final determination issued by NERSA after 15 March, is where NERSA can show that a municipality has failed to:

- i. submit its D-form either before 30 October 2011 or the extended deadline of 30 January 2012; or
- ii. submit a tariff application to NERSA containing all the required information by 30 January 2012; or
- iii. fails to participate in public hearings called and held by NERSA a reasonable period before 15 March 2012.

Where a municipality can demonstrate that it has complied with (i), (ii) and (iii) above, and that NERSA did not issue a final determination before 15 March 2012, the municipality will be entitled to use the tariffs for 2012/13 set out in its original application to NERSA that must have been submitted by 30 January 2012.

## 4. DISCUSSION – Preparation and other detail.

### Expected expenditure.

#### Salaries

The draft salary budget is as follows:

	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure			TOTALS	% of Expend
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15		
Salaries;	26 530 747	24 116 890	24 116 890	29 192 880	31 499 140	33 987 570	43 614 360	51%
Performance Bonus;	605 958	155 859	155 859	406 790	428 750	451 910		
Annual Bonus;	1 535 249	2 035 258	2 035 258	2 142 770	2 258 460	2 380 410		
Allowance - Telephone;	181 292	60 218	60 218	72 000	75 900	80 010		
Allowance Standby;	0	59 421	59 421	390 720	411 820	434 050		
Housing Subsidy ;	115 088	49 838	49 838	59 760	63 000	66 430		
Overtime;	1 716 885	1 734 818	1 734 818	1 469 160	1 548 490	1 632 110		
Allowance - Other;	160 505	114 317	114 317	474 320	499 930	526 930		
Temporary Workers;	294 187	90 014	90 014	0	0	0		
Allowance - Vehicle;	487 051	1 683 926	1 683 926	2 153 520	2 269 810	2 392 380		
Industrial Council Levy;	19 367	34 437	34 437	14 280	15 060	15 860		
Skills Development Levy;	287 836	292 795	292 795	571 680	602 550	635 100		
Compensation Commissioner;	568 835	0	0	531 720	560 440	590 710		
Medical Aid Fund;	1 489 994	1 371 406	1 371 406	1 540 800	1 624 010	1 711 690		
Pension Fund ;	5 445 903	4 095 671	4 095 671	4 197 000	4 423 650	4 662 530		
UIF;	265 970	299 060	299 060	396 960	418 410	441 000		
Medical - PJS Vorster;Admi	9 640	0	0	0	0	0		
Councillors - Allowance;	1 760 520	1 718 839	1 718 839	1 811 640	1 909 470	2 012 580	2 916 960	
Councillors - Telephone AI	140 796	174 768	174 768	603 840	636 450	670 820		
Councillors - Travel Allow	566 717	572 950	572 950	184 200	194 150	204 630		
Councillors - SDL;	21 399	24 666	24 666	26 040	27 450	28 930		
Councillors - Medical Aid;	21 803	34 371	34 371	0	0	0		
Councillors - Pension Fund	0	75 796	75 796	0	0	0		

At the start of the budget process there were 140 vacant posts. In an early draft all the posts were budgeted for, and this resulted in a deficit of R19.5 million.

A process was embarked upon to identify critical posts for the 2012-13 year, and to ensure that the posts not now budgeted for are reviewed in respect of all future budgets.

The following 29 posts were deemed critical in respect of the 2012-13 year.

FINANCE INTERN	0201
DEBTORS CLERK (S)	0201
CREDIT CONTROL/DEBT COLLECTION OFFICER	0201
EXPENDITURE OFFICER	0201
BUDGET & TREASURY OFFICER	0201
DEMAND & ACQUISITION CLERK	0201
HR OFFICER	0202
ASSET MANAGEMENT/TRANSPORT OFFICER	0203
SECRETARY - DIRECTOR CORPORATE	0205
COMMITTEE COORDINATOR	0205
MESSENGER	0205
ARTISAN / TECHNICIAN	0205
PMU MANAGER	0205
SECRETARY	0205
TECHNICAL MANAGER	0205
HANDYMAN ASSISTANT	0507
GENERAL LABOURER (Z)	1001
TRACTOR DRIVER ( R)	1001
SEWERAGE WORKS OPERATOR	1001
SEWERAGE WORKS OPERATOR (R)	1001
SEWERAGE WORKS OPERATOR (S)	1001
SUPERVISOR ( S)	1001
SUPERVISOR ( R)	1001
GENERAL LABOURER (Z)	1011
GENERAL LABOURER (Z)	1011
GENERAL LABOURER (Z)	1011
TAB OPERATOR (S )	1101
PLUMBER (S)	1201
PLUMBERS	1201

The ratio of salaries to operating income is still high, and stands at 51%.

Here are the extracts from the budget of the various services

### **Water.**

The position to date is that ALL households receive the first 6 Kilolitres free. This has resulted in that this budget reflected a deficit of R5,96 Million. Should the free 6 kl fall away, and be replaced by a tariff of R5,45 per kilolitre, an additional amount of R 2.8 million could be raised. The deficit on water will then be decreased to R3.2 million. This still means that the water service is not viable. During the ensuing 3 years there need to be a tariff adjustment to rectify the problem.

### **Electricity**

This service has been outsourced. No surplus is expected from the service provider. The council does have an expenditure of R1.0 million which needs to be addressed.

Management need to make an application to NERSA regarding the applicable tariff for 2012-13. The aspect of giving all consumers the first 50 Kwh free per month will also need to be taken up with NERSA.

The problem areas are the following:

**1 Poor payment rate by the consumers.**

As a result of the poor payment rate experienced at present (30%), provision was made for R1.7 million bad debts.

**2 Provision for Indigent Support.**

The budget makes provision that the indigent benefits be increased to the actual demand. The number of indigents budgeted for is 2500 households.

**BUDGET SUBMITTED**

The budget tabled reflects a surplus of R1.9 million. This amount will be addressed during the consultative process to address any urgent matter not included in this budget.

**5. DISCUSSION – HIGH LEVEL REPORTING**

**Table 1: Assumptions municipality**

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Salaries Staff	7.9%	7.9%	7.9%
Salaries Man	5.4%	5.4%	5.4%
Salaries Councillors	5.4%	5.4%	5.4%
Med Aid	10.0%	10.0%	10.0%
Maintenance	10.0%	10.0%	10.0%
Fuel	12.0%	12.0%	12.0%
Electricity Purchases	20.0%	20.0%	20.0%
Other Expenditure	5.4%	5.4%	5.4%
Farmers Rates - Phase In	50.0%	25%	0%
Rates	10.0%	10.0%	10.0%
Housing	6.0%	6.0%	6.0%
Refuse	9.0%	9.0%	9.0%
Serwerage	9.0%	9.0%	9.0%
Water	9.0%	9.0%	9.0%
Electricity	20.0%	20.0%	20.0%

#### 4. Grants included in the Budget in Terms of the 2011 DORA Bill.

The following table reflects grants to be received in 2012/2013 to 2014/2015 in terms of the DORA report published after the 2012 National Budget speech delivered by the Minister of Finance.

		2012/13	2013/14	2014/15
	<b>TRANSFER RECOGNISED - OPERATIONAL</b>			
0201/8402/0008	NT Grant - FMG	1 500 000.00	1 500 000.00	1 750 000.00
0205/8404/0006	NT Grant - MSIG	800 000.00	870 000.00	950 000.00
1301/8454/0000	NT Grant - INEPG (Municipal)	2 051 000.00	429 000.00	21 000.00
1101/8453/0000	NT Grant - EPWP	1 000 000.00		
	<b>TOTAL TRANSFER RECOGNISED - OPERATIONAL</b>	5 351 000.00	2 799 000.00	2 721 000.00
	<b>TRANSFER RECOGNISED - CAPITAL</b>			
0205/8450/0004	NT Grant - MIG;	18 840 000.00	19 874 000.00	21 023 000.00
	Regional Bulk Infrastructure Grant	13 000 000.00	20 000 000.00	
	<b>TOTAL TRANSFER RECOGNISED - CAPITAL</b>	31 840 000.00	39 874 000.00	21 023 000.00
	<b>TOTAL REVENUE</b>	37 191 000.00	42 673 000.00	23 744 000.00

Table : 2012 to 2015 Grant Allocations in terms of 2012 DORA

## 6. Equitable Share Allocation

<b>EQUITABLE SHARE</b>	49 602 000.00	53 122 000.00	57 062 000.00
Equitable share - Remuneration of Councillors	1 400 000.00	1 771 000.00	2 080 000.00
<b>TOTAL</b>	51 002 000.00	54 893 000.00	59 142 000.00

## 7. Summary of the Proposed Tariff Increases

Considering the income needed to fund the budgeted expenditure, the increase in respect of all services and fees is as set out in the assumptions per Table 1 above.

See attached proposed Tariff Fees.

A new item on the tariff list will include municipal accommodation rented to municipal officials and the general public. A market related rental will be sourced and applied as from 1 July 2012.

## 8. Proposed Welfare Package

An amount of R7.8 million has been allocated from the 2012/13 equitable share to provide relief to the indigent consumers. The package has been designed to subsidise the indigent consumers by 100% on all services as well as a basic free electricity grant of 50kwh per month. The 100 % subsidy in respect of Rates is also included.

<b>Indigent Split</b>			-
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Water	1 569 600	1 710 864	1 864 842
Sewerage	1 906 410	2 077 987	2 265 006
Refuse	1 438 800	1 568 292	1 709 438
Electricity	1 800 000	2 160 000	2 592 000
Rates	1 061 775	1 167 953	1 284 748
<b>TOTAL</b>	<b>7 776 585</b>	<b>8 685 095</b>	<b>9 716 034</b>

## **RECOMMENDATION**

### **BUDGET**

1. Council notes the tabling of the 2012-13 to 2014-15 draft budgets Viz
  - a. Financial Performance A4-FinPerf RE and
  - b. Cash Flow per ITEM: SA25
2. Council approves the draft annual budget of the municipality for the financial year 2012/13 as well as the two projected outer years 2013/14 and 2014 /15.
  - a. Financial Performance A4-FinPerf RE and
  - b. Cash Flow per ITEM: SA25
3. Council approves the draft rate as reflected in the 2012-13 tariff schedules.
4. Council approves the draft schedule setting out the various other tariffs and charges reflected in 2012-13 tariff schedules.
5. Council notes that the draft measurable performance objectives for each revenue source will be submitted together with the final budget.
6. Council resolves that the draft measurable performance objectives for each vote reflected will be submitted together with the final budget.
7. Council notes that the draft capital budget for each revenue source will be submitted after the draft IDP has been adopted. The capital budget will be submitted together with the final operating budget.
8. Council resolves that the draft capital budget for each revenue source will be submitted after the draft IDP has been adopted. The capital budget will be submitted together with the final operating budget.

### **POLICIES**

9. That the council note and adopt the following draft policies to be effective 1 July 2012. These policies will be made available to all interested parties as from 6 April 2012.
  - a. Banking and Investment Policy
  - b. Assets Policy
  - c. Budget Policy
  - d. Credit Control Policy
  - a. Indigent Policy
  - b. Rates policy
  - c. Tariff Policy.

ANNEXURE "A"	Financial Performance A4-FinPerf RE
ANNEXURE "B"	Cash Flow per ITEM: SA25
ANNEXURE "C"	Budget per Managerial Area.
ANNEXURE "D"	Proposed Draft Tariffs for 2012-13 as attached
ANNEXURE "E"	Policies as attached

FS163 Mohokare - Table A4 Budgeted Financial Performance (revenue and expenditure)

ANNEXURE " A "

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>											
Property rates	2	4 005	5 400	15 438	6 846	6 846	6 846	-	10 813	13 700	15 070
Property rates - penalties & collection charges		176	225	612	242	242	242	-	254	267	280
Service charges - electricity revenue	2	(679)	-	(719)	(362)	(362)	(362)	-	-	-	-
Service charges - water revenue	2	3 529	5 463	16 063	1 120	1 120	1 120	-	3 796	3 939	4 056
Service charges - sanitation revenue	2	3 471	4 703	-	1 833	4 184	4 184	-	7 160	7 805	8 507
Service charges - refuse revenue	2	3 015	3 127	9 172	695	695	695	-	4 886	5 325	5 805
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		422	398	1 273	525	525	525	-	551	578	607
Interest earned - external investments		76	95	5 952	0	15	15	-	16	17	17
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		3	5	14	8	8	8	-	8	8	9
Fines		1 034	576	(982)	1 210	50	50	-	53	55	58
Licences and permits		-	0	-	0	1	1	-	1	1	1
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		26 184	-	96 633	49 085	53 285	53 285	-	60 047	62 137	66 255
Other revenue	2	632	41 310	1 202	313	792	792	-	831	873	917
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>41 869</b>	<b>61 303</b>	<b>144 658</b>	<b>61 515</b>	<b>67 400</b>	<b>67 400</b>	<b>-</b>	<b>88 415</b>	<b>94 706</b>	<b>101 583</b>
<b>Expenditure By Type</b>											
Employee related costs	2	19 490	22 629	55 342	40 443	37 062	37 062	-	44 559	47 727	51 127
Remuneration of councillors		1 714	1 920	4 266	2 511	2 601	2 601	-	2 626	2 768	2 917
Debt impairment	3	5 764	-	-	1 595	1 595	1 595	-	1 743	1 904	2 079
Depreciation & asset impairment	2	-	-	-	-	-	-	-	-	-	-
Finance charges		477	1 516	6 335	2 060	161	161	-	165	170	175
Bulk purchases	2	438	352	59	-	2	2	-	40	42	44
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	81	494	875	875	-	922	972	1 025
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	20 383	27 077	30 453	21 120	27 972	27 972	-	26 952	25 912	27 489
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>48 266</b>	<b>53 492</b>	<b>96 536</b>	<b>68 224</b>	<b>70 269</b>	<b>70 269</b>	<b>-</b>	<b>77 006</b>	<b>79 494</b>	<b>84 856</b>
<b>Surplus/(Deficit)</b>		<b>(6 396)</b>	<b>7 811</b>	<b>48 123</b>	<b>(6 709)</b>	<b>(2 869)</b>	<b>(2 869)</b>	<b>-</b>	<b>11 409</b>	<b>15 212</b>	<b>16 726</b>
Transfers recognised - capital		95	-	-	25 648	23 626	23 626	-	31 840	39 874	21 023
Contributions recognised - capital	6	-	-	-	(37 130)	(23 626)	(23 626)	-	(31 840)	(39 874)	(21 023)
Contributed assets		(122)	-	(2 900)	(417)	(878)	(878)	-	(1 286)	(3 515)	(3 705)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(6 423)</b>	<b>7 811</b>	<b>45 222</b>	<b>(18 608)</b>	<b>(3 747)</b>	<b>(3 747)</b>	<b>-</b>	<b>10 124</b>	<b>11 697</b>	<b>13 021</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(6 423)</b>	<b>7 811</b>	<b>45 222</b>	<b>(18 608)</b>	<b>(3 747)</b>	<b>(3 747)</b>	<b>-</b>	<b>10 124</b>	<b>11 697</b>	<b>13 021</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(6 423)</b>	<b>7 811</b>	<b>45 222</b>	<b>(18 608)</b>	<b>(3 747)</b>	<b>(3 747)</b>	<b>-</b>	<b>10 124</b>	<b>11 697</b>	<b>13 021</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>(6 423)</b>	<b>7 811</b>	<b>45 222</b>	<b>(18 608)</b>	<b>(3 747)</b>	<b>(3 747)</b>	<b>-</b>	<b>10 124</b>	<b>11 697</b>	<b>13 021</b>



FS163 Mohokare - Supporting Table SA25 Budgeted monthly revenue and expenditure													ANNEXURE "B"			
Description	Ref	Budget Year 2012/13											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>																
Property rates		757	757	757	2 487	757	757	757	757	757	757	757	757	10 813	13 700	15 070
Property rates - penalties & collection charges		21	21	21	21	21	21	21	21	21	21	21	21	254	267	280
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		316	316	316	316	316	316	316	316	316	316	316	316	3 796	3 939	4 056
Service charges - sanitation revenue		597	597	597	597	597	597	597	597	597	597	597	597	7 160	7 805	8 507
Service charges - refuse revenue		407	407	407	407	407	407	407	407	407	407	407	407	4 886	5 325	5 805
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		46	46	46	46	46	46	46	46	46	46	46	46	551	578	607
Interest earned - external investments		-	-	3	-	3	-	3	-	3	-	3	-	16	17	17
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Fines		4	4	4	4	4	4	4	4	4	4	4	4	53	55	58
Licences and permits		0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		-	-	6 005	6 005	6 005	6 005	6 005	6 005	6 005	6 005	6 005	6 005	60 047	62 137	66 255
Other revenue		69	69	69	69	69	69	69	69	69	69	69	69	831	873	917
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>2 219</b>	<b>2 219</b>	<b>8 226</b>	<b>9 953</b>	<b>8 226</b>	<b>8 223</b>	<b>8 226</b>	<b>8 223</b>	<b>8 226</b>	<b>8 223</b>	<b>8 226</b>	<b>8 223</b>	<b>88 415</b>	<b>94 706</b>	<b>101 583</b>
<b>Expenditure By Type</b>																
Employee related costs		3 713	3 713	3 713	3 713	3 713	3 713	3 713	3 713	3 713	3 713	3 713	3 713	44 559	47 727	51 127
Remuneration of councillors		219	219	219	219	219	219	219	219	219	219	219	219	2 626	2 768	2 917
Debt impairment		-	-	436	-	-	436	-	-	436	-	-	436	1 743	1 904	2 079
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges		14	14	14	14	14	14	14	14	14	14	14	14	165	170	175
Bulk purchases		3	3	3	3	3	3	3	3	3	3	3	3	40	42	44
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		77	77	77	77	77	77	77	77	77	77	77	77	922	972	1 025
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	26 952	25 912	27 489
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>6 272</b>	<b>6 272</b>	<b>6 708</b>	<b>6 272</b>	<b>6 272</b>	<b>6 708</b>	<b>6 272</b>	<b>6 272</b>	<b>6 708</b>	<b>6 272</b>	<b>6 272</b>	<b>6 708</b>	<b>77 006</b>	<b>79 494</b>	<b>84 856</b>
<b>Surplus/(Deficit)</b>																
		(4 053)	(4 053)	1 519	3 681	1 954	1 516	1 954	1 951	1 519	1 951	1 954	1 516	11 409	15 212	16 726
Transfers recognised - capital		-	-	6 368	-	6 368	-	6 368	-	6 368	-	6 368	-	31 840	39 874	21 023
Contributions recognised - capital		-	-	(6 368)	-	(6 368)	-	(6 368)	-	(6 368)	-	(6 368)	-	(31 840)	(39 874)	(21 023)
Contributed assets		-	-	(257)	-	(257)	-	(257)	-	(257)	-	(257)	-	(1 286)	(3 515)	(3 705)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(4 053)</b>	<b>(4 053)</b>	<b>1 262</b>	<b>3 681</b>	<b>1 697</b>	<b>1 516</b>	<b>1 697</b>	<b>1 951</b>	<b>1 262</b>	<b>1 951</b>	<b>1 697</b>	<b>1 516</b>	<b>10 124</b>	<b>11 697</b>	<b>13 021</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(4 053)</b>	<b>(4 053)</b>	<b>1 262</b>	<b>3 681</b>	<b>1 697</b>	<b>1 516</b>	<b>1 697</b>	<b>1 951</b>	<b>1 262</b>	<b>1 951</b>	<b>1 697</b>	<b>1 516</b>	<b>10 124</b>	<b>11 697</b>	<b>13 021</b>

<b>ANNEXURE " C "</b>							
	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Municipal Manager							
OFFICE OF THE MAYOR/SPEAKER	7 771 843	41 986	2	2	1 582 709	1 356 496	1 188 258
MUNICIPAL MANAGER	464 831	0	-	-	258 510	263 274	262 545
PLANNING & DEVELOPMENT	981 009	0	10 285	10 285	1 471 512	1 562 012	1 653 319
	<b>9 217 683</b>	<b>41 987</b>	<b>10 287</b>	<b>10 287</b>	<b>3 312 731</b>	<b>3 181 782</b>	<b>3 104 122</b>
Chief Finance Officer							
C F O	1 405 374	(0)	46 910	46 910	(13 576)	(18 821)	(28 440)
Finance	(95 926 675)	6 766 382	10 186 306	10 186 306	(1 703 661)	(1 306 116)	(1 209 615)
Rates	(10 532 173)	(4 460 894)	(5 123 978)	(5 123 978)	(7 838 445)	(10 406 473)	(11 423 022)
	<b>(105 053 474)</b>	<b>2 305 488</b>	<b>5 109 238</b>	<b>5 109 238</b>	<b>(9 555 682)</b>	<b>(11 731 410)</b>	<b>(12 661 077)</b>
Corporate Services							
HUMAN RESOURCE	691 819	0	-	-	131 026	138 435	140 898
INFORMATION TECHNOLOGY	296 011	(2 565 369)	2	2	(99 031)	(109 234)	(123 511)
PROPERTY SERVICE	1 112 280	0	-	-	(60 845)	(13 179)	37 610
OTHER ADMINISTRATION	7 703 655	3 385 648	1 670 717	1 670 717	4 581 490	5 230 504	5 514 174
	<b>9 803 765</b>	<b>820 279</b>	<b>1 670 719</b>	<b>1 670 719</b>	<b>4 552 640</b>	<b>5 246 526</b>	<b>5 569 171</b>
Community services							
LIBRARIES & ARCHIVES	197 811	12 416	-	-	(127 432)	(135 207)	(147 147)
COMMUNITY HALLS & FACILITIES	547 943	(0)	(1)	(1)	(283 492)	(2 423)	(7 447)
CEMETERIES & CREMATORIUMS	(97 653)	(0)	-	-	(1 140)	2 431	6 366
OTHER COMMUNITY SERVICES	504 139	330 880	131 080	131 080	1 366 984	1 485 460	1 593 625
HOUSING	478 932	0	1	1	(261 567)	(274 216)	(289 021)
POLICE, TRAFFIC & STREET PARKING	10 888 347	0	(1)	(1)	(45 031)	(47 663)	(54 468)
FIRE FIGHTING & PROTECTION	-	-	-	-	-	-	-
PUBLIC SAFETY - CONTROL OF ANIMALS	365 643	0	1	1	(179 764)	(191 306)	(204 275)
SPORTS & RECREATION	1 662 570	0	6	6	(1 274 717)	(1 002 506)	(1 083 631)
ENVIRONMENTAL PROTECTION	58 634	-	-	-	-	-	-
WASTE MANAGEMENT	(1 118 561)	389 410	1	1	(2 988 369)	(3 278 961)	(3 596 838)
	<b>13 487 805</b>	<b>732 706</b>	<b>131 087</b>	<b>131 087</b>	<b>(3 794 528)</b>	<b>(3 444 391)</b>	<b>(3 782 836)</b>
Technical Manager							
WASTE WATER MANAGEMENT	14 524 987	11 078 384	(1)	(1)	1 575 314	10 063 194	10 938 414
ROADS TRANSPORT	14 212 739	2 054 624	(4)	(4)	(3 899 583)	(13 776 305)	(14 741 915)
WATER DISTRIBUTION	(1 486 018)	1 500 000	2	2	3 189 289	4 606 585	4 740 237
ELECTRICITY DISTRIBUTION	3 015 530	1 528 291	1	1	2 674 390	3 079 680	3 536 210
	<b>30 267 238</b>	<b>16 161 299</b>	<b>(2)</b>	<b>(2)</b>	<b>3 539 410</b>	<b>3 973 154</b>	<b>4 472 946</b>
	<b>(42 276 983)</b>	<b>20 061 757</b>	<b>6 921 329</b>	<b>6 921 329</b>	<b>(1 945 429)</b>	<b>(2 774 339)</b>	<b>(3 297 674)</b>