nelson mandela bay
MUNICIPALITY
PORT ELIZABETH | UITENHAGE | DESPATCH

2013/14 – 2015/16 BUDGET

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PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE MAYOR'S REPORT

To be included in final budget to be tabled in Council on 23 May 2013.

1.2 COUNCIL RESOLUTIONS

(a) The Executive Mayor recommends that the Council resolves that:

1. The draft annual budget of the Nelson Mandela Bay Municipality for the financial year 2013/14 and the indicative allocations for the projected outer years 2014/15 and 2015/16; and the multi-year and single year capital appropriations be approved for the purpose of complying with section 16(2) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, as set-out in the following tables:

   1.1 Budgeted Financial Performance (revenue and expenditure by standard classification); [Page 25]
   1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote); [Page 27]
   1.3 Budgeted Financial Performance (revenue by source and expenditure by type); [Page 28]
   1.4 and Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Page 30]

2. The draft budgeted financial position, draft budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:

   2.1 Budgeted Financial Position; [Page 32]
   2.2 Budgeted Cash Flows; [Page 34]
   2.3 Cash backed reserves and accumulated surplus reconciliation; [Page 35]
   2.4 Asset management; [Page 36]
   2.5 Basic service delivery measurement. [Page 39]

3. The consolidated draft budget that includes the financial impact of the municipal entity (Mandela Bay Development Agency) be noted.

4. The revised Integrated Development Plan (IDP) be approved as reflected elsewhere in the agenda for the purposes of further consultation.

5. Tariffs be increased, in line with the Council approved multi-year budget strategy, as follows with effect from 1 July 2013:

Property rates	-	13%
Water	-	13%
Sanitation	-	13%
Refuse	-	13%
Electricity	-	7% (on average)

6. Draft indicative tariffs for 2014/15 and 2015/16 be increased as follows:

	2014/15	2015/16
Property rates	12%	11%
Water	12%	11%
Sanitation	12%	11%
Refuse	12%	11%
Electricity (on average)	7%	7%

7. The City Manager, in conjunction with the Acting CFO and the relevant Executive Directors report by 31 May 2013 on their respective project plans, including the capacity to implement the draft 2013/14 to 2015/16 Capital Budget and Programme, so as to ensure the achievement of a minimum spending level of 95%.

8. The City Manager, in conjunction with the Acting CFO, obtain written confirmation from the Provincial Government regarding the transfers to be allocated for housing, transportation and library services for the 2013/14 to 2015/16 financial years, and that the possibility of bilateral engagements with the Provincial Government in this regard be considered.

1.3 EXECUTIVE SUMMARY

The development of the Budget was informed by the key service delivery priorities, as reflected in the IDP, and the need to maintain the Municipality's financial sustainability.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are being implemented by the Municipality, such as the debt relief programme.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, and 67 were used to guide the compilation of the 2013/14 MTREF.

The Municipality faced the following significant challenges during the compilation of the 2013/14 MTREF:

- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the cash position into account;
- Maintaining revenue collection rates at the targeted levels;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on rates and tariff increases;
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on tariff increases to consumers. Continued high tariff increases may soon render municipal services financially unaffordable;
- Depleted Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources.

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The priorities and targets relating to the key strategic focus areas as determined in the IDP.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- An assessment of the relative human resources capacity to implement the Budget.
- No budget allocation has been made to programmes and projects, unless the respective programme and project plans have been submitted by the relevant Executive Directors.
- The need to enhance the municipality's revenue base.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.

- In accordance with Section 19 of the Municipal Finance Management Act, the affected Executive Directors to submit comprehensive reports in relation to new projects, inter alia, dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.

In view of the aforementioned, the following table represents a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Table 1 (Consolidated Overview of the 2013/14 MTREF)

R thousands	Adjustments Budget 2012/13	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Operating Revenue	7 321 465	7 298,496	7 881,470	8 519,399
Total Operating Expenditure	7 562 321	7 504,313	7 849,641	8 192,648
Surplus/(Deficit)	(240 856)	(205,817)	31,829	326,751
Total Capital Expenditure	1 413 976	1 079 406	1 313 424	1 431 472

Total operating revenue has decreased by 0.3% or R22.9 million for the 2013/14 financial year, compared to the 2012/13 Adjustments Budget. The decrease in operating revenue is due to housing top structures funding not being included in the 2013/14 Budget, pending written confirmation by the Provincial Government. For the two outer years, operational revenue increases by 8.0% and 8.1% respectively, resulting in a total revenue growth of R1.2 billion over the MTREF, when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year amounts to R7,5 billion, resulting in a budgeted deficit of R205.8 million. Compared to the 2012/13 Adjustments Budget, operational expenditure decreased by 0,08% in the 2013/14 budget; and increased by 4,6% and 4,4% for each of the respective outer years of the MTREF. The 2014/15 and 2015/16 budgets reflect operating surpluses of R31.8 million and R326.8 million respectively.

The major operating expenditure items for 2013/14 are employee costs (26,1%), bulk electricity and water purchases (32,0%), general expenses (6,3%), grants and subsidies paid (5,3%), repairs and maintenance (7,2%) and depreciation (11,8%).

Funding for the 2013/14 Operating Budget is obtained from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection and disposal (57,7%), property rates (16,6%), grants and subsidies received from National and Provincial Governments (12,4%).

In order to support the 2013/14 Operating Budget, the following increase in rates and service charges are being proposed, with effect from 1 July 2013:

Property rates	-	13%
Water	-	13%
Sanitation	-	13%
Refuse	-	13%
Electricity	-	7% (average increase in income)

The capital budget of R1,08 billion for 2013/14 is 23,7% less than the 2012/13 Adjustment Budget. The decrease is mainly attributable to no budget allocation being made by National Treasury for the Integrated Public Transport System (IPTS) in the 2013/14 Budget. The Capital Budget increases to

R1,31 billion and R1,43 billion, respectively in the 2014/15 and 2015/16 financial years. The Capital Budget over the MTREF will be mainly funded from government grants and subsidies, as the Municipality has reached its prudential borrowing limits, whilst limited internal funding is available.

1.4 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of services is largely dependent on the Municipality generating the required revenues. Efficient and effective revenue management is thus critical in ensuring the ongoing financial sustainability of the Municipality. It is worth noting that, in accordance with the MFMA, expenditure has to be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard;
- Growth in the revenue base;
- Efficient revenue management, targeting a 95% annual collection rate for property rates and service charges, after discounting the Assistance to the Poor (ATTP) subsidies;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Water bulk tariff increases as approved by the Department of Water Affairs (DWA);
- Ensuring fully cost reflective tariffs for trading services;
- The Property Rates Policy;
- The ATTP Policy and provision of free basic services;
- Tariff Policies;
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 (Summary of main revenue sources)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source									
Property rates	756,499	838,855	929,517	1,074,628	1,074,628	1,074,628	1,214,337	1,360,062	1,509,674
Property rates - penalties & collection charges									
Service charges - electricity revenue	1,807,751	2,185,993	2,751,735	3,028,384	2,980,884	2,980,884	3,189,545	3,412,814	3,651,711
Service charges - water revenue	407,918	568,439	343,361	455,547	441,033	441,033	498,414	563,208	636,425
Service charges - sanitation revenue	228,020	246,504	258,182	312,033	304,674	304,674	343,381	388,021	438,464
Service charges - refuse revenue	105,486	120,675	137,553	155,075	156,639	156,639	177,067	198,385	220,268
Service charges - other									
Rental of facilities and equipment	15,545	17,641	15,318	19,820	21,008	21,008	21,461	22,637	23,849
Interest earned - external investments	61,760	16,447	56,983	25,528	41,184	41,184	43,240	45,834	48,585
Interest earned - outstanding debtors	82,762	113,347	121,634	86,913	144,637	144,637	171,724	190,236	210,199

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Dividends received									
Fines	23,415	23,733	25,655	32,328	33,810	33,810	34,809	36,897	39,111
Licences and permits	8,242	8,153	9,019	9,014	9,806	9,806	10,394	11,018	11,679
Agency services	1,220	1,611	1,397	1,400	1,400	1,400	1,484	1,573	1,667
Transfers recognised - operational	1,454,743	973,690	1,218,300	1,361,248	1,438,253	1,438,253	901,760	914,954	951,691
Other revenue	265,161–	772,259	815,359	676,041	673,509	673,509	690,889	735,831	776,077
Gains on disposal of PPE		1,698							
Total Revenue (excluding capital transfers and contributions)	5,218,523	5,889,044	6,683,923	7,237,960	7,321,465	7,321,465	7,298,496	7,881,470	8,519,399

Table 3 (Mix of main revenue sources)

Description	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Revenue By Source								
Property rates	1,074,628	14.68%	1,214,337	16.64%	1,360,062	17.25%	1,509,674	17.72%
Service charges - electricity revenue	2,980,884	40.71%	3,189,545	43.70%	3,412,814	43.29%	3,651,711	42.86%
Service charges - water revenue	441,033	6.02%	498,414	6.83%	563,208	7.15%	636,425	7.47%
Service charges - sanitation revenue	304,674	4.16%	343,381	4.70%	388,021	4.92%	438,464	5.15%
Service charges - refuse revenue	156,639	2.14%	177,067	2.43%	198,385	2.52%	220,268	2.59%
Rental of facilities and equipment	21,008	0.29%	21,461	0.29%	22,637	0.29%	23,849	0.28%
Interest earned - external investments	41,184	0.56%	43,240	0.59%	45,834	0.58%	48,585	0.57%
Interest earned - outstanding debtors	144,637	1.98%	171,724	2.35%	190,236	2.45%	210,199	2.47%
Fines	33.81	0.00%	34,809	0.48%	36,897	0.47%	39,111	0.46%
Licences and permits	9,806	0.13%	10,394	0.14%	11,018	0.14%	11,679	0.14%
Agency services	1,400	0.02%	1,484	0.02%	1,573	0.02%	1,667	0.02%
Transfers recognised - operational	1,438,253	19.64%	901,760	12.36%	914,954	11.60%	951,691	11.17%
Other revenue	673,509	9.20%	690,889	9.47%	735,831	9.32%	776,077	9.10%
Total Revenue (excluding capital transfers and contributions)	7,321,465	100.00%	7,298,496	100.00%	7,881,470	100.00%	8,519,399	100.00%
Total Revenue from Rates and Service Charges	4,957,858	67.72%	5,422,744	74.30%	5,922,489	75.14%	6,456,541	75.79%

In the 2012/13 financial year, rates and service charges amounted to R4,9 billion or 67,7%. This increases to R5,4 billion, R5,9 billion and R6,4 billion in the 2013/14, 2014/15 and 2015/16 financial years, respectively. A significant trend is the increase in the total percentage of revenue generated from rates and service charges, which increases from 74,3% in 2013/14 to 75,8% in 2015/16. This growth is mainly attributable to increased electricity revenue, as a result of significant increases in the Eskom bulk electricity tariffs.

Operating grants and transfers (second largest revenue source) amounted to R901,8 million in the 2013/14 financial year and increases to R951,7 million in 2015/16. The year-on-year growth for the 2014/15 financial year amounts to 1,5% and increases by 4% in 2015/16.

Property rates represent the third largest revenue source, amounting to 16,6% or R1,2 billion in 2013/14 and increasing to 17.7% or R1,5 billion in 2015/16. The fourth largest revenue source is 'other revenue' which consists of items such as building plan fees and disconnection and re-connection fees. Directorates are required to review these charges on an annual basis to ensure that they are cost reflective and market related, where applicable.

The following table provides a breakdown of the various operating grants and subsidies allocated to the Municipality over the medium term:

Table 4 (Operating Transfers and Grant Receipts)

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:						
Operating Transfers and Grants						
National Government:	953,173	973,833	973,833	884,853	911,122	947,859
Local Government Equitable Share	729,226	729,226	729,226	743,325	761,940	772,901
EPWP Incentive	14,695	14,695	14,695	20,885		
Public Transport Network Operations Grant	198,702	198,702	198,702	100,000	130,000	150,000
Energy Efficiency and Demand Management				8,000	5,000	10,000
Integrated City Development Grant				3,193		
Infrastructure Skills Development Grant	5,300	2,300	2,300	8,200	12,932	13,708
Finance Management Grant	1,250	1,250	1,250	1,250	1,250	1,250
Other Grant including Training, Disaster Management ,etc	4,000	27,660	27,660			
Provincial Government:	403,752	434,608	434,608	3,752	3,752	3,752
Library Grant	3,752	3,752	3,752	3,752	3,752	3,752
Housing Top Structures Grant	400,000	414,275	414,275			
Health subsidy		9,195	9,195			
Water Leaks Grant		2,500	2,500			
Housing Accreditation		4,887	4,887			
District Municipality:	–	–	–	–	–	–
Other grant providers:	–	21,220	21,220	–	–	–
Marine and Coastal Development		210	210			
EU 3rd tranche		21,010	21,010			
Total Operating Transfers and Grants	1,356,925	1,429,661	1,429,661	888,605	914,874	951,611

The Municipality is faced with the significant challenge of providing services with its limited financial resources. Against this background, the Municipality has undertaken the tariff determination process relating to property rates and service charges as follows.

1.4.1 Property Rates

Property rates fund the costs associated with the provision of general services, such as recreational, library and roads and stormwater services.

The following provisions in the Draft Property Rates Policy are highlighted:

- The first R15,000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- 100% rebate will be granted to registered indigents in terms of the Indigent Policy.
- Pensioners, physically and mentally disabled property owners of rateable property may on submission of an application be granted a rebate. The rebate will be granted on a sliding scale basis with the income levels and corresponding percentage reductions being determined by Council in its annual budget. In this regard the following stipulations are relevant to the applicant:
  - (a) must be a natural person;
  - (b) be the owner of the property;
  - (c) occupy the property as his or her normal residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement;
  - (d) produce certified copy/ies of owner/s' bar-coded identity document;
  - (e) - *pensioners*: be at least 60 years of age on 1 July of the financial year concerned; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60;
    - *disabled*: be in receipt of disability grant / pension and submit proof and nature of disability e.g. letter from doctor with application.
  - (f) be in receipt of a total gross annual income (as defined in Part 2 of the policy), excluding medical aid contributions and child support/grant not exceeding a value as determined by Council in its annual budget; submit pension statements, previous 3 months (or the number of months determined necessary by the Chief Financial Officer) bank statements from all bank and investment accounts of owner and spouse, and proof of total gross annual income of any other persons living on the property (not just rental received). All documents provided must clearly state who it is for – documents which do not reflect person's name or ID No. will not be considered;
  - (g) not be in receipt of an indigent subsidy;
  - (h) provide a certified affidavit declaring any assistance from any other sources. Assistance received from family members not residing on property, will not however be included in the calculation of total household income;
  - (i) provide a certified affidavit to explain any once-off monies received e.g. gifts, donations, etc; and
  - (j) ensure that his/her accounts are not in arrears (or arrangements made to pay all outstanding amounts) before applying for the rebate and continue to pay the rates account in full until rebate is granted as no interest will be reversed;
  - (k) a usufructuary will be regarded as the owner;
  - (l) the criteria of a natural person may be waived at the sole discretion of the municipality to allow for a property owned by a trust where the total number of beneficiaries meets all of the other requirements of this policy; and provided further that the gross monthly income of all persons residing on that property be added to the gross monthly income of the beneficiaries staying on that property;
  - (m) owners qualify for only one rebate per year, if financial circumstances change they can only apply for future years;

- Sporting organisations, the sole purpose of which is to use the property owned/leased by them for sporting purposes, whether for gain or not, may qualify for a rebate, with amateur bodies being granted 100% and professional bodies 40%. Any profits earned must be invested in the betterment of the organisation and not be for private gain. Audited financial statement must be provided, if however the sporting body does not have audited financial statement reasons therefore must be provided on the clubs official letterhead.
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
- All accounts of the applicant must be up to date or arrangements must be made to pay any outstanding balances before any rebate will be granted. The applicant must continue to pay the rates account in full until the rebate is granted as no interest will be reversed.

A property rates increase of 13% is proposed as from 1 July 2013.

1.4.2 Sale of Water and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58 and 66, Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective water tariffs – tariffs should include the costs associated with the maintenance and renewal of purification plants, water networks and water reticulation expansion;
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has also urged municipalities to ensure that water tariffs are fully cost reflective by 2014. In this regard a phased-in approach has been proposed to ensure that tariffs are fully cost reflective by 2014.

A tariff increase of 13% is proposed as from 1 July 2013. The proposed tariff increase is mainly influenced by the following:

- The cost of bulk water purchases increased by 11,9%;
- Repairs and maintenance of water infrastructure increased by 7,0%;
- Costs of servicing existing external borrowing to fund water infrastructure; and
- Providing for debt impairment.

The water tariff structure is designed in such a manner that higher levels of consumption are progressively charged at a higher rate.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has determined that the Eskom bulk electricity tariff to municipalities would increase by 7,3% as from 1 July 2013. Considering the Eskom tariff increase, the Municipality's consumer tariffs will be increased by 7% on average to offset the additional electricity bulk purchase costs as from 1 July 2013, in line with the NERSA guidelines, relating to municipal electricity tariff increases.

The proposed tariff increases are mainly influenced by the following:

- The cost of bulk electricity purchases increased by 7%;
- Repairs and maintenance of electricity infrastructure increased by 15%;
- Costs of servicing existing external borrowing to fund electricity infrastructure;

- Providing for debt impairment.

The proposed electricity tariff increases must still be approved by NERSA.

1.4.4 Sanitation and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58 and 66, Municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion;
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has also urged municipalities to ensure that sanitation tariffs are fully cost reflective by 2014. In this regard a phased-in approach has been proposed to ensure that tariffs are fully cost reflective by 2014.

Sanitation charges are determined based on the volume of water consumed, which is appropriately reduced by the percentage of water discharged into the sewer system.

A tariff increase of 13% is proposed as from 1 July 2013. The proposed tariff increase is mainly influenced by the following:

- Repairs and maintenance of sanitation infrastructure increased by 12,8%;
- Costs of servicing existing external borrowing to fund sanitation infrastructure;
- Providing for debt impairment.

1.4.5 Refuse Collection and Disposal and Impact of Tariff Increases

The refuse collection and disposal service is currently operating on a break even basis. A tariff increase of 13% is proposed for the refuse collection and disposal service, as from 1 July 2013.

The proposed tariff increase is mainly influenced by the following:

- Costs of servicing existing external borrowing to fund refuse infrastructure;
- Providing for debt impairment.

National Treasury has also urged municipalities to ensure that refuse tariffs are fully cost reflective by 2015. The tariffs should take into account the need to maintain a cash-backed reserve to cover the future costs of rehabilitation of landfill sites.

1.4.6 Overall impact of tariff increases on households

The following table reflects the anticipated impact of the proposed tariff increases on a middle income and affordable range household, as well as an indigent household receiving free basic services.

It is to be noted that the overall impact of the proposed tariff increases on household bills has been maintained to between 9.9% and 10,2%, with indigent households increasing by 13,0%. The increase in household bills is largely influenced by the electricity tariff increase.

Table 5 (Table SA14 – Household bills)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates (Erf: 1000m2 ; 150m2 improvements)	487.76	541.38	603.64	682.11	682.11	682.11	13.0%	770.78	863.28	958.24
Electricity: Basic levy										
Electricity: Consumption(1000 Kwh)	613.44	748.40	913.05	1,108.07	1,108.07	1,108.07	7.0%	1,185.63	1,268.63	1,357.43
0 - 350				319.57	319.57	319.57	7.0%	341.94	365.88	391.49
351 – 600				272.50	272.50	272.50	7.0%	291.57	311.98	333.83
601 - 1000				516.00	516.00	516.00	7.0%	552.12	590.77	632.11
Water: Basic levy	16.77	18.78	20.94	23.66	23.66	23.66	13.0%	26.74	29.94	33.24
Water: Consumption (30 Kl)	158.55	177.58	198.00	223.74	223.74	223.74	13.0%	252.83	283.17	314.31
Sanitation	114.19	126.75	141.33	159.70	159.70	159.70	13.0%	180.46	202.12	224.35
Refuse removal	43.65	48.45	54.02	61.04	61.04	61.04	13.0%	68.98	77.25	85.75
Other										
Sub-total	1,434.36	1,661.34	1,930.98	2,258.33	2,258.33	2,258.33	10.1%	2,485.42	2,724.39	2,973.32
VAT on Services	132.52	156.79	185.83	220.67	220.67	220.67		240.05	260.56	282.11
Total large household bill:	1,566.88	1,818.13	2,116.81	2,479.00	2,479.00	2,479.00	9.9%	2725.47	2,984.95	3,255.43
% increase/-decrease		16.0%	16.4%	17.1%	17.1%	17.1%		9.9%	9.5%	9.1%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates rates (Erf: 300m2 ; 48m2 improvements)	126.37	140.27	156.40	176.73	176.73	176.73	13.0%	199.70	223.67	248.27
Electricity: Basic levy										
Electricity: Consumption (498 KwH)	305.49	372.70	454.69	480.89	480.89	480.89	7.0%	514.55	550.57	589.11
0 - 350				319.57	319.57	319.57	7.0%	341.94	365.88	391.49
351 -498				161.32	161.32	161.32	7.0%	172.61	184.69	197.62
Water: Basic levy	16.77	18.78	20.94	23.66	23.66	23.66	13.0%	26.74	29.94	33.24
Water: Consumption (25KL)	132.13	147.99	165.01	186.46	186.46	186.46	13.0%	210.70	235.98	261.94
Sanitation	95.16	105.63	117.78	133.09	133.09	133.09	13.0%	150.39	168.44	186.97
Refuse removal	43.65	48.45	54.02	61.04	61.04	61.04	13.0%	68.98	77.25	85.75
Other										
Sub-total	719.57	833.82	968.84	1061.88	1061.88	1061.88	10.3%	1,171.06	1,285.85	1,405.28
VAT on Services	83.05	97.10	113.74	123.92	123.92	123.92		135.99	148.71	161.98
Total small household bill:	802.62	930.92	1082.58	1185.80	1185.80	1185.80	10.2%	1,307.05	1,434.56	1,567.26
% increase/-decrease		16.0%	16.3%	9.5%	9.5%	9.5%		10.2%	9.8%	9.3%

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates rates (Erf: 300m2 ; 48m2 improvements)	11.10	12.32	13.74	15.53	15.53	15.53	13.0%	17.55	19.65	21.82
Electricity: Basic levy										
Electricity: Consumption (60Kwh)	46.01	56.13	65.11	0	0	0	0%	0	0	0
Water: Basic levy	0	0	20.94	23.66	23.66	23.66	13.0%	26.74	29.94	33.24
Water: Consumption (6KL)	42.32	47.40	52.85	59.72	59.72	59.72	13.0%	67.48	75.58	83.90
Sanitation	41.91	46.52	51.87	58.61	58.61	58.61	13.0%	66.23	74.18	82.34
Refuse removal	43.65	48.45	54.02	61.04	61.04	61.04	13.0%	68.98	77.25	85.75
Other										
Sub-total	184.99	210.82	258.53	218.56	218.56	218.56	13.0%	246.98	276.60	307.05
VAT on Services	24.34	27.79	34.27	28.42	28.42	28.42		32.12	35.97	39.93
Total small household bill:	209.33	238.61	292.80	246.98	246.98	246.98	-13.0%	279.10	312.57	346.98
% increase/-decrease		14.0%	22.7%	-15.6%	-15.6%	-15.6%		13.0%	12.0%	11.0%

The basis used for calculating the municipal accounts for the different categories of households is as follows:-

Description	Land (m²)	Improvements (m²)	Electricity (kwh)	Water (kl)
Household – Middle Income	1000m²	150m²	1000kwh	30kl
Household – Affordable Range	300m²	48m²	498kwh	25kl
Indigent Household receiving free services	300m²	48m²	75kwh	8kl

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA;
- A balanced budget approach by limiting operating expenditure to the operating revenue;
- The asset renewal strategy and the repairs and maintenance plan;
- Strict adherence to the principle of "*no budget allocations without a project implementation plan"*.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 6 (Summary of operating expenditure by standard classification item)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type									
Employee related costs	1,624,444	1,906,518	1,852,364	1,792,973	1,793,291	1,793,291	1,960,402	2,100,154	2,255,044
Remuneration of councillors	44,886	45,222	49,919	54,583	53,220	53,220	57,199	61,775	67,026
Debt impairment	419,467	522,477	298,890	251,274	247,897	247,897	271,283	296,284	323,002
Depreciation & asset impairment	546,468	560,343	869,081	736,107	893,824	893,824	885,807	792,455	611,157
Finance charges	113,315	177,630	212,924	203,137	204,033	204,033	190,534	179,034	169,303
Bulk purchases	1,237,381	1,567,047	1,972,513	2,250,539	2,233,939	2,233,939	2,400,413	2,579,509	2,772,143
Other materials	408,104	418,961	433,188	497,216	501,058	501,058	538,738	577,342	619,709
Contracted services	147,765	145,947	207,849	376,041	369,622	369,622	325,281	368,284	399,547
Transfers and grants	364,571	230,553	301,209	402,053	398,300	398,300	401,269	442,135	487,836
Other expenditure	808,139	754,230	820,672	800,389	867,137	867,137	473,386	452,669	487,881
Loss on disposal of PPE	6,906	5,057	17,431						
Total Expenditure	5,721,445	6,333,986	7,036,040	7,364,312	7,562,321	7,562,321	7,504,313	7,849,641	8,192,648

The total operating expenditure decreased by R58 million (0,08%) from R7,56 billion in 2012/13 to R7,50 billion in 2013/14. Below is a discussion of the main expenditure components.

Employee related costs

The 2013/14 draft budget provides for annual increments, where applicable, and a general increase of 7,5%, in line with the Salary and Wage Collective Agreement for the 2012/13 to 2014/15 financial years.

The total budget provision of R1,960 billion represents an increase of 9.3% over the 2012/13 Adjustments budget.

An amount of approximately R19 million has been provided to ensure the implementation of the new wage curve in the 2013/14 financial year, as agreed to by the South African Local Government Bargaining Council. This budget allocation covers the back pay, in accordance with the wage curves collective agreement. In order to curtail personnel costs, the rationalisation of the Municipality's organisational structure should be considered.

Council's target for 2013/14 is to restrict personnel costs to 34% of total expenditure. **Personnel costs in the 2013/14 Budget represent 26,1% of total expenditure.**

Remuneration of Councillors

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in preparing the budget. As the budget provides for a 7,5% increase, Councillors' remuneration should be limited to the budget allocated for this purpose.

Debt Impairment

The provision for debt impairment was determined based on a targeted annual collection rate of 95%, excluding ATTP subsidies. For the 2013/14 financial year this amounted to R271,3 million and increases to R323 million in 2015/16. While this expenditure represents a non-cash flow item, it is taken into account in determining the total costs associated with the rendering of municipal services and the realistically anticipated revenues.

Depreciation and Asset Impairment

The provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. The budget amounts to R885,8 million for the 2013/14 financial and equates to 11,8% of the total operating expenditure.

Finance Charges

Finance charges consist primarily of the repayment of interest on existing long-term borrowing (cost of capital). Finance charges constitute 2,5% (R190 million) of total operating expenditure for 2013/14 and reduces to R169 million in 2015/16. It is to be noted that no new borrowing will be raised.

Bulk Electricity Purchases

Purchase of Power has increased from R2,160 billion in 2012/13 to R2,318 billion in 2013/14, an increase of 7.3%.

NERSA has approved a 7.3% increase in the Eskom bulk tariff for the 2013/14 financial year. The 2013/14 budget accordingly allows for a 7.3% increase for bulk power purchases from Eskom. It has been estimated, however, that energy consumption levels will not reflect any growth, due to the following:

- Significant increases in electricity prices;
- Consumer awareness of the need to conserve energy; and
- The implementation of energy conservation measures.

Bulk Water Purchases

The bulk purchase of water increased by R8 762 680 (11,9%) from R73 488 950 in 2012/13 to R82 251 630 in 2013/14, as follows:

	2012/13	**2013/14**	**%**
DWA	69 994 880	78 338 270	11,9
Gamtoos Irrigation Board	1 841 250	2 062 200	12,0
Sundays River Irrigation Board	1 652 820	1 851 160	12,0
Total	**73 488 950**	**82 251 630**	**11,9**

The total budget provision of R82,3 million is influenced by the declining water consumption patterns, in addition to a water tariff increase of approximately 12%.

Other Materials

Other materials comprise, amongst others, the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan,

expenditure has been prioritised to improve sustainability of the Municipality's infrastructure. The budget for 2013/14 amounts to R538.7 million and increases by 7,2% and 7,3% for the two outer years.

Contracted Services

In the 2013/14 financial year, the budget provision amounts to R325,3 million. For the two outer years the increases amount to 13,2% and 8,5% respectively.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. This expenditure has been identified as an area in which cost savings and efficiencies can be achieved. The expenditure decreased by 45.4% for 2013/14 and then reduces by 4.4% for 2014/15. The reduction in expenditure is mainly attributable to the fact that the expenditure associated with Housing Top Structures has not been included in the budget pending written confirmation of the housing top structures funding by the Provincial Government. In the 2015/16 financial year the expenditure increases by 7,8%.

The graph below reflects the expenditure components of the budgeted statement of financial performance.

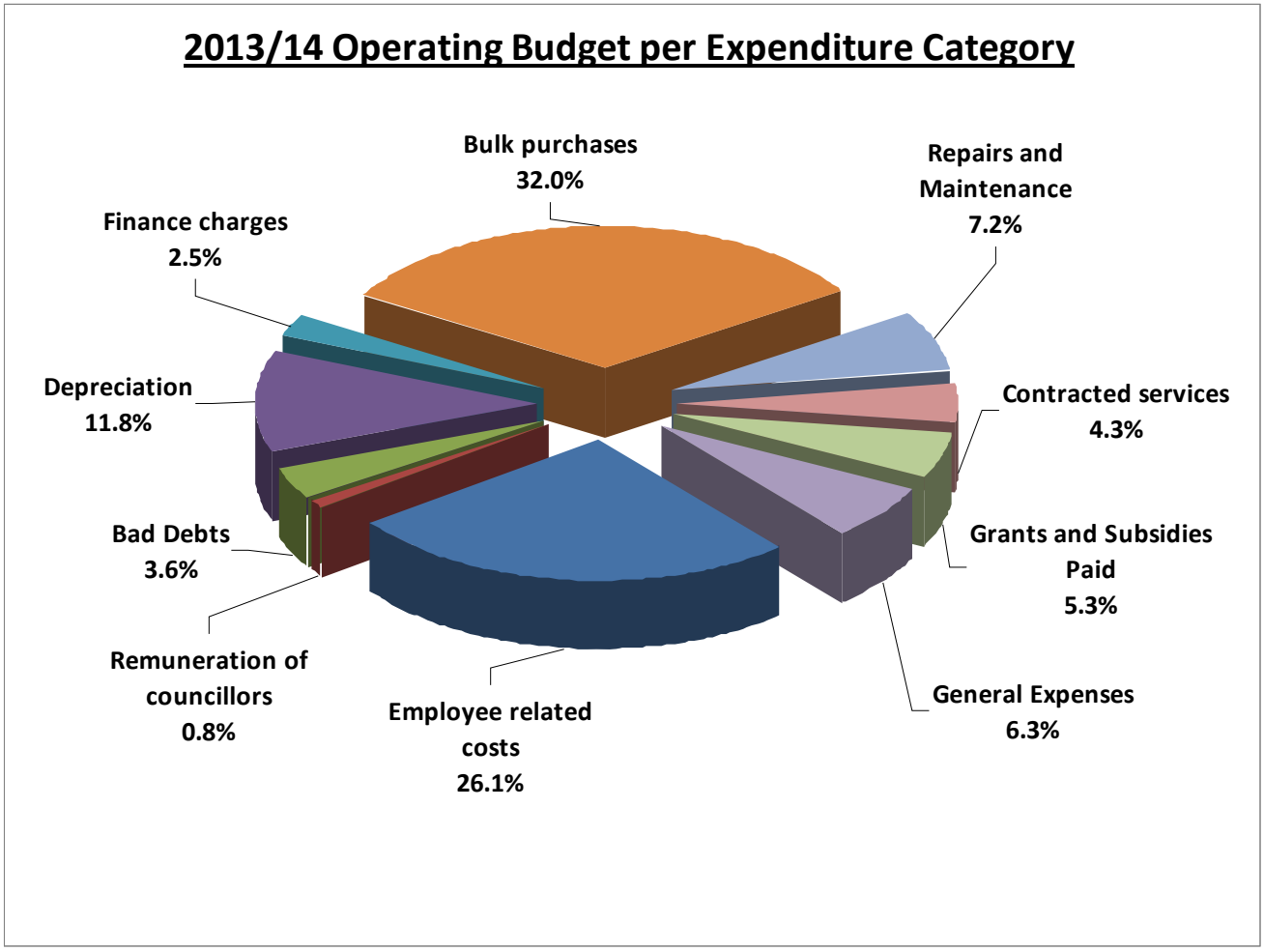


Figure 1 Main operational expenditure categories for the 2013/14 financial year

1.5.1 Priority relating to repairs and maintenance

In line with the Municipality's stated intention to preserve and maintain its existing infrastructure, the 2013/14 budget and MTREF provide for reasonable growth in the asset maintenance budget, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

During the compilation of the 2013/14 MTREF operational repairs and maintenance was identified as a strategic priority in view of the aging infrastructure and certain deferred maintenance. Repairs and maintenance was accordingly increased by 7.5% in the 2013/14 financial year, from R501,1 million to R538.7 million. The growth for the two outer years amount to 7,2% and 7,3%, respectively. In relation to the total operating expenditure, repairs and maintenance constitutes 7,2%, 7,4% and 7,6% for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 7 (Repairs and maintenance per asset class)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	324,392	335,745	347,503	*399,353*	*400,074*	*400,074*	*432,666*	*463,937*	*498,422*
Infrastructure - Road transport	66,113	73,310	89,009	90,672	96,201	96,201	96,474	102,263	108,383
Infrastructure - Electricity	34,912	28,585	38,818	42,006	41,966	41,966	48,246	52,166	56,455
Infrastructure - Water	117,915	119,415	107,332	131,853	127,815	127,815	136,762	146,799	158,625
Infrastructure - Sanitation	103,325	111,701	107,395	129,312	128,673	128,673	143,537	154,493	166,167
Infrastructure - Other	2,127	2,735	4,949	5,510	5,420	5,420	7,646	8,216	8,792
Community	29,167	33,515	33,931	35,387	42,999	42,999	43,399	46,543	49,961
Other assets	54,545	48,702	51,753	62,477	57,985	57,985	62,674	66,862	71,326
Total Repairs and Maintenance Expenditure	408,104	418,961	433,188	497,216	501,058	501,058	538,738	577,342	619,709

For the 2013/14 financial year an amount of R432,7 million (80,3%) of total repairs and maintenance, will be spent on infrastructure assets.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists indigent households that have limited financial ability to pay for municipal services. In order to qualify for free services the households are required to register in terms of the Municipality's Assistance to the Poor Policy. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share allocation, received in terms of the annual Division of Revenue Act.

1.6 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 8 (2013/14 Medium-term capital budget per vote)

Description	Current Year 2012/13		2012/13 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Capital expenditure - Municipal Vote								
Budget and Treasury	4,080	0.3%	10,300	1.0%	8,450	0.6%	9,260	0.6%
Public Health	29,880	2.1%	40,110	3.7%	47,105	3.6%	56,890	4.0%
Housing Land	137,868	9.8%	165,934	15.4%	183,473	14.0%	215,908	15.1%
Economic Development and Recreational Services	40,076	2.8%	23,583	2.2%	32,158	2.4%	29,158	2.0%
Corporate Administration	20,450	1.4%	39,000	3.6%	16,400	1.2%	16,400	1.1%
Rate and General Engineers	537,163	38.0%	132,098	12.2%	312,894	23.8%	398,161	27.8%
Water Service	258,602	18.3%	184,650	17.1%	207,150	15.8%	178,150	12.4%
Sanitation	206,800	14.6%	251,000	23.3%	307,450	23.4%	325,700	22.8%
Electricity and Energy	125,177	8.9%	179,680	16.6%	179,351	13.7%	181,365	12.7%
Executive and Council	12,100	0.9%	5,000	0.5%	5,500	0.4%	6,000	0.4%
Safety and Security	3,000	0.2%	13,000	1.2%	13,493	1.0%	14,480	1.0%
Strategic Programmes Directorate	38,780	2.7%	35,051	3.2%	0	0.0%	0	0.0%
Total Capital Expenditure	1,413,976	100	1,079,406	100	1,313,424	100%	1,431,472	100%

Of the total amount of R1,08 billion for 2013/14, an amount of R747 million has been appropriated for the development of infrastructure, which represents 69% of the total capital budget. In the outer years this amount totals R1,01 billion (77%) and R1,1 billion (76%) respectively for each of the financial years. Sanitation Services receives the highest allocation of R251 million in 2013/14, which equates to 23% followed by Water Services at R184,6 million (17%), Electricity and Energy at R179,6 million (16.6%), Human Settlements at R165,9 million (15%) and Rate and General Engineers at R132 million (12%).

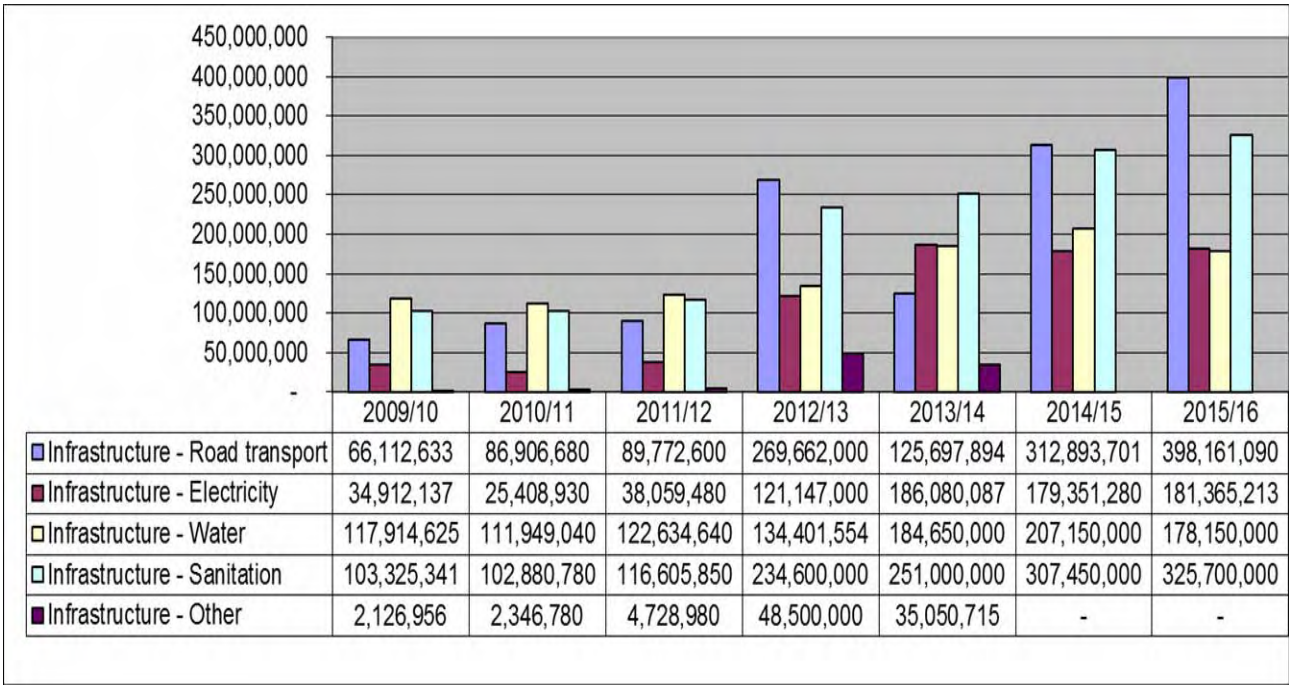
Total new assets represent 36,6% or R394,6 million of the total capital budget while asset renewal/ rehabilitation equates to 63,4% or R684,8 million. National Treasury has suggested that 40% of the capital budget should be allocated for asset renewal/rehabilitation. Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management). Some of the major projects to be undertaken over the medium-term includes, amongst others:

- Reticulation services for housing delivery – R550,7 million;
- Construction of new scientific services laboratory – R34 million;
- Replacement of fleet – R27,1 million;
- Tarring of gravel roads – R160 million;
- Stormwater Improvement – R74,5 million;
- Construction of Major Roads – R12,5 million;
- Informal Housing Electrification – R16 million;
- Provision of sidewalks – R17 million;
- Electricity infrastructure – R375.9 million;
- Integrated Public Transportation System – R368,4 million;
- Water treatment works – R180 million;

- Water Reticulation Network – R187 million;
- Bulk Sewers – R313 million;
- Waste Water Treatment Works – R401 million;
- Greening and beautification – R4,5 million;
- Refuse sites and recycling stations – R50,6 million;
- Urban renewal – R35 million; and
- Sports and Recreational facilities – R22 million.

Annexure "A" provides a summary of the capital projects included in the Capital budget.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Infrastructure - Road transport	66,112,633	86,906,680	89,772,600	269,662,000	125,697,894	312,893,701	398,161,090
Infrastructure - Electricity	34,912,137	25,408,930	38,059,480	121,147,000	186,080,087	179,351,280	181,365,213
Infrastructure - Water	117,914,625	111,949,040	122,634,640	134,401,554	184,650,000	207,150,000	178,150,000
Infrastructure - Sanitation	103,325,341	102,880,780	116,605,850	234,600,000	251,000,000	307,450,000	325,700,000
Infrastructure - Other	2,126,956	2,346,780	4,728,980	48,500,000	35,050,715	-	-

Figure 2 Capital Infrastructure Programme

1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2013/14 budget and MTREF to be considered for approval by Council. Each table is accompanied by *explanatory notes*.

Table 9 (Table A1 - Budget Summary)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance									
Property rates	756,499	838,855	929,517	1,074,628	1,074,628	1,074,628	1,214,337	1,360,062	1,509,674
Service charges	2,549,175	3,121,610	3,490,831	3,951,039	3,883,229	3,883,229	4,208,407	4,562,427	4,946,867
Investment revenue	61,760	16,447	56,893	25,528	41,184	41,184	43,240	45,834	48,585
Transfers recognised - operational	1,454,743	973,690	1,218,300	1,361,248	1,438,253	1,438,253	901,760	914,954	951,691
Other own revenue	396,346	938,442	988,382	825,517	884,170	884,170	930,752	998,192	1,062,583
Total Revenue (excluding capital transfers and contributions)	5,218,523	5,889,044	6,683,923	7,237,960	7,321,465	7,321,465	7,298,496	7,881,470	8,519,399
Employee costs	1,624,444	1,906,518	1,852,364	1,792,973	1,793,291	1,793,291	1,960,402	2,100,154	2,255,044
Remuneration of councillors	44,886	45,222	49,919	54,583	53,220	53,220	57,199	61,775	67,026
Depreciation & asset impairment	546,468	560,343	869,081	736,107	893,824	893,824	885,807	792,455	611,157
Finance charges	113,315	177,630	212,924	203,137	204,033	204,033	190,534	179,034	169,303
Materials and bulk purchases	1,645,485	1,986,009	2,405,701	2,747,755	2,734,997	2,734,997	2,939,151	3,156,851	3,391,852
Transfers and grants	364,571	230,553	301,209	402,053	398,300	398,300	401,269	442,135	487,836
Other expenditure	1,382,277	1,427,711	1,344,841	1,427,704	1,484,656	1,484,656	1,069,949	1,117,237	1,210,430
Total Expenditure	5,721,445	6,333,986	7,036,040	7,364,312	7,562,321	7,562,321	7,504,313	7,849,641	8,192,648
Surplus/(Deficit)	(502,922)	(444,942)	(352,117)	(126,352)	(240,856)	(240,856)	(205,817)	31,829	326,751
Transfers recognised - capital	993,724	500,978	915,672	774,932	1,073,632	1,073,632	678,935	917,424	1,031,705
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	490,802	56,036	563,555	648,580	832,776	832,776	473,119	949,253	1,358,457
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	490,802	56,036	563,555	648,580	832,776	832,776	473,119	949,253	1,358,457
Capital expenditure & funds sources									
Capital expenditure	2,273,293	1,517,496	1,096,993	1,039,459	1,413,976	1,413,976	1,079,406	1,313,424	1,431,472
Transfers recognised - capital	956,989	512,292	903,027	774,932	1,084,632	1,084,632	686,635	917,424	1,031,705
Public contributions & donations	94,452	15,537	10,157	23,000	27,234	27,234	41,201	37,000	37,000
Borrowing	745,200	470,000	–	–	–	–	–	–	–
Internally generated funds	476,652	519,667	183,809	241,527	302,110	302,110	351,570	359,000	362,767
Total sources of capital funds	2,273,293	1,517,496	1,096,993	1,039,459	1,413,976	1,413,976	1,079,406	1,313,424	1,431,472
Financial position									
Total current assets	1,980,743	1,414,993	2,107,868	2,161,892	2,000,542	2,000,542	1,964,708	2,338,604	2,826,369
Total non current assets	11,384,686	12,510,175	12,795,100	13,249,006	12,981,048	12,981,048	13,042,416	13,563,386	14,383,701

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total current liabilities	2,061,221	1,873,956	2,234,652	2,124,459	1,932,624	1,932,624	1,964,476	2,006,621	2,057,283
Total non current liabilities	2,466,494	3,131,237	3,184,785	3,040,479	3,068,705	3,068,705	3,052,419	3,051,515	3,067,533
Community wealth/Equity	8,837,715	8,919,976	9,483,531	10,245,961	9,980,262	9,980,262	9,990,230	10,843,855	12,085,254
Cash flows									
Net cash from (used) operating	1,015,850	1,056,497	1,996,619	1,364,440	1,358,772	1,358,772	1,179,118	1,711,776	1,954,892
Net cash from (used) investing	(2,379,512)	(1,639,749)	(1,191,205)	(1,048,473)	(1,387,061)	(1,387,061)	(1,119,591)	(1,268,321)	(1,403,765)
Net cash from (used) financing	1,113,172	381,141	(77,058)	(100,719)	(115,944)	(115,944)	(105,159)	(112,968)	(104,093)
Cash/cash equivalents at the year end	629,769	427,658	1,156,014	979,183	970,137	970,137	924,505	1,254,991	1,702,025
Cash backing/surplus reconciliation									
Cash and investments available	630,725	428,805	1,157,497	979,203	970,157	970,157	924,525	1,255,011	1,702,045
Application of cash and investments	1,024,880	1,074,833	1,106,878	867,579	826,429	826,429	835,143	844,681	865,988
Balance - surplus (shortfall)	(394,155)	(646,028)	50,619	111,624	143,728	143,728	89,382	410,330	836,057
Asset management									
Asset register summary (WDV)	11,304,137	12,297,050	12,753,395	13,183,987	12,797,112	12,797,112	13,015,301	13,404,627	14,090,110
Depreciation & asset impairment	546,468	560,343	869,081	736,107	893,824	893,824	885,807	792,455	611,157
Renewal of Existing Assets	1,994,760	1,043,023	369,706	628,949	574,605	574,605	684,783	754,860	757,720
Repairs and Maintenance	408,104	418,961	433,188	497,216	501,058	501,058	538,738	577,342	619,709
Free services									
Cost of Free Basic Services provided	216,810	187,997	206,401	231,118	231,118	231,118	275,358	318,904	370,049
Revenue cost of free services provided	265,171	265,134	252,770	323,048	323,048	323,048	334,567	385,811	445,653
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	22	23	22	22	22	22	22	22	22
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	12	16	–	1	0	0	0	0	0

Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs.

Table 10 (Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification))

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard									
Governance and administration	1,348,573	1,681,648	1,969,797	1,927,558	1,960,910	1,960,910	2,134,169	2,295,935	2,444,879
Executive and council	9,486	12,970	907	51	730	730	256	39	40
Budget and treasury office	1,324,763	1,655,163	1,956,117	1,911,578	1,938,894	1,938,894	2,123,259	2,284,635	2,432,936
Corporate services	14,324	13,515	12,773	15,929	21,286	21,286	10,654	11,261	11,904
Community and public safety	435,061	356,479	546,155	475,241	511,397	511,397	105,301	103,687	107,996
Community and social services	34,080	18,498	16,163	18,703	19,408	19,408	19,559	14,511	15,152
Sport and recreation	(109,180)	15,203	23,402	22,301	22,980	22,980	50,511	51,833	53,259
Public safety	35,219	25,228	34,574	33,714	33,970	33,970	34,567	36,640	38,839
Housing	384,179	247,114	345,271	400,425	425,679	425,679	450	477	506
Health	90,763	50,436	126,744	98	9,360	9,360	213	226	240
Economic and environmental services	398,754	312,513	150,035	391,356	421,581	421,581	287,903	291,907	326,501
Planning and development	366,691	228,490	99,245	167,545	390,298	390,298	260,271	263,146	296,015
Road transport	24,744	42,163	24,145	219,997	26,895	26,895	22,996	24,376	25,839
Environmental protection	7,318	41,859	26,645	3,814	4,389	4,389	4,636	4,385	4,648
Trading services	3,021,960	3,536,425	4,017,868	4,431,465	4,415,236	4,415,236	4,758,048	5,176,377	5,625,865
Electricity	1,905,570	2,298,203	2,873,257	3,120,937	3,108,000	3,108,000	3,347,457	3,589,005	3,842,584
Water	520,843	716,173	504,881	581,395	581,216	581,216	612,284	690,937	779,318
Waste water management	400,745	374,103	395,303	474,317	464,992	464,992	522,097	589,032	664,473
Waste management	194,802	147,946	244,427	254,816	261,029	261,029	276,210	307,402	339,491
Other	14,176	1,979	67	12,341	12,341	12,341	13,075	13,564	14,157
Total Revenue - Standard	5,218,523	5,889,044	6,683,923	7,237,960	7,321,465	7,321,465	7,298,496	7,881,470	8,519,399
Expenditure - Standard									
Governance and administration	1,154,137	1,170,693	1,153,076	1,106,730	1,080,663	1,080,663	1,121,293	1,153,186	1,109,223
Executive and council	146,234	133,343	139,726	172,395	151,594	151,594	189,904	199,559	212,895
Budget and treasury office	773,695	782,398	796,606	581,519	535,420	535,420	531,975	566,374	611,631
Corporate services	234,208	254,952	216,744	352,816	393,649	393,649	399,413	387,253	284,697
Community and public safety	930,495	1,234,383	1,379,443	1,209,028	1,280,912	1,280,912	905,583	949,458	1,008,109
Community and social services	90,677	94,454	123,749	138,968	145,718	145,718	154,737	152,398	159,257
Sport and recreation	90,438	156,907	114,127	152,041	152,908	152,908	157,972	166,313	175,388

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Public safety	264,390	367,156	377,128	348,237	353,252	353,252	380,932	406,801	435,692
Housing	331,834	348,805	443,586	432,052	476,337	476,337	54,404	56,059	58,254
Health	153,155	267,061	320,852	137,730	152,697	152,697	157,538	167,887	179,518
Economic and environmental services	724,010	523,693	836,499	1,017,932	1,157,738	1,157,738	1,066,458	1,060,654	1,077,173
Planning and development	459,003	243,160	399,613	590,142	645,317	645,317	544,834	559,359	597,863
Road transport	178,718	189,414	202,773	180,593	217,073	217,073	218,145	215,455	214,618
Environmental protection	86,290	91,118	234,114	247,196	295,349	295,349	303,479	285,841	264,691
Trading services	2,903,328	3,394,891	3,655,542	3,967,051	3,984,134	3,984,134	4,356,622	4,657,428	4,984,456
Electricity	1,488,084	2,039,736	2,526,270	2,782,901	2,760,196	2,760,196	3,031,282	3,233,052	3,451,628
Water	529,541	692,330	519,430	518,942	547,902	547,902	592,587	638,033	689,480
Waste water management	288,487	373,072	398,703	456,585	469,180	469,180	497,232	530,517	568,015
Waste management	597,217	289,754	211,139	208,622	206,856	206,856	235,522	255,825	275,333
Other	9,474	10,327	11,479	63,571	58,872	58,872	54,357	28,915	13,686
Total Expenditure - Standard	5,721,445	6,333,986	7,036,040	7,364,312	7,562,320	7,562,320	7,504,313	7,849,641	8,192,648
Surplus/(Deficit) for the year	(502,922)	(444,942)	(352,117)	(126,352)	(240,855)	(240,855)	(205,817)	31,829	326,751

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

The ‘standard classification’ refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities.

Table 11 (Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote))

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote									
Vote 1 - Budget and Treasury	1,324,803	1,655,188	1,953,289	1,911,592	1,938,907	1,938,907	2,123,274	2,284,650	2,432,952
Vote 2 - Public Health	293,540	262,975	381,804	261,472	277,049	277,049	282,496	313,536	345,993
Vote 3 - Human Settlements	401,935	263,368	345,271	421,369	444,860	444,860	24,553	22,641	24,000
Vote 4 - Economic Development and Recreational Services	151,124	142,470	91,189	133,555	154,744	154,744	145,839	144,982	153,127
Vote 5 - Corporate Services	11,829	10,668	9,479	8,828	14,657	14,657	4,033	4,043	4,284
Vote 6 - Rate and General Engineers	101,736	28,309	22,731	202,201	207,201	207,201	103,485	133,694	153,916
Vote 7 - Water Services	522,576	716,173	504,881	581,395	581,516	581,516	612,284	690,937	779,318
Vote 8 - Sanitation Services	350,803	374,015	395,304	474,317	464,992	464,992	522,097	589,032	664,473
Vote 9 - Electricity and Energy	1,905,681	2,298,283	2,873,343	3,120,937	3,108,000	3,108,000	3,347,457	3,585,005	3,842,584
Vote 10 - Executive and Council	10,887	5,537	1,633	658	1,432	1,432	560	561	562
Vote 11 - Safety and Security	52,139	43,231	45,138	53,796	55,608	55,608	57,504	60,954	64,611
Vote 12 - Nelson Mandela Bay Stadium	63,444	62,761	39,048	37,000	37,000	37,000	27,248	34,551	36,116
Vote 13 - Strategic Programmes Directorate	28,024	26,066	20,811	30,840	35,498	35,498	47,668	16,882	17,464
Total Revenue by Vote	5,218,523	5,889,044	6,683,923	7,237,960	7,321,465	7,321,465	7,298,496	7,881,470	8,519,399
Expenditure by Vote *to be appropriated*									
Vote 1 - Budget and Treasury	768,615	757,624	778,827	561,807	516,128	516,128	510,979	544,191	587,846
Vote 2 - Public Health	852,515	662,960	747,911	610,319	672,703	672,703	715,076	729,568	741,145
Vote 3 - Human Settlements	434,102	452,094	536,967	533,541	575,418	575,418	165,594	170,532	180,126
Vote 4 - Economic Development and Recreational Services	296,144	177,252	255,452	389,218	411,310	411,310	399,663	384,961	391,095
Vote 5 - Corporate Services	218,543	258,398	289,755	356,377	402,480	402,480	409,500	393,897	292,909
Vote 6 - Rate and General Engineers	274,859	244,276	295,016	500,086	539,553	539,553	453,023	483,962	504,874
Vote 7 - Water Services	529,530	695,886	533,706	519,466	547,902	547,902	592,587	638,033	689,480
Vote 8 - Sanitation Services	261,769	344,018	347,734	396,910	408,310	408,310	439,448	470,029	504,703
Vote 9 - Electricity and Energy	1,484,720	2,039,401	2,526,270	2,782,901	2,767,496	2,767,496	3,031,282	3,233,052	3,451,628
Vote 10 - Executive and Council	169,065	159,471	172,326	201,471	196,070	196,070	220,460	233,035	249,911
Vote 11 - Safety and Security	270,619	373,586	391,508	356,370	362,391	362,391	391,133	417,707	447,316
Vote 12 - Nelson Mandela Bay Stadium	131,203	131,644	140,335	123,523	123,807	123,807	129,487	130,217	130,621
Vote 13 - Strategic Programmes Directorate	29,762	37,376	20,232	32,321	38,754	38,754	46,082	20,456	20,995
Total Expenditure by Vote	5,721,445	6,333,986	7,036,040	7,364,312	7,562,321	7,562,321	7,504,313	7,849,641	8,192,648
Surplus/(Deficit) for the year	(502,922)	(444,942)	(352,117)	(126,352)	(240,856)	(240,856)	(205,817)	31,829	326,751

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. The purpose of the format in which the budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Executive Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table 12 (Table A4 - Budgeted Financial Performance (revenue and expenditure))

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source									
Property rates	756,499	838,855	929,517	1,074,628	1,074,628	1,074,628	1,214,337	1,360,062	1,509,674
Property rates - penalties & collection charges									
Service charges - electricity revenue	1,807,751	2,185,993	2,751,735	3,028,384	2,980,884	2,980,884	3,189,545	3,412,814	3,651,711
Service charges - water revenue	407,918	568,439	343,361	455,547	441,033	441,033	498,414	563,208	636,425
Service charges - sanitation revenue	228,020	246,504	258,182	312,033	304,674	304,674	343,381	388,021	438,464
Service charges - refuse revenue	105,486	120,675	137,553	155,075	156,639	156,639	177,067	198,385	220,268
Service charges - other									
Rental of facilities and equipment	15,545	17,641	15,318	19,820	21,008	21,008	21,461	22,637	23,849
Interest earned - external investments	61,760	16,447	56,893	25,528	41,184	41,184	43,240	45,834	48,585
Interest earned - outstanding debtors	82,762	113,347	121,634	86,913	144,637	144,637	171,724	190,236	210,199
Dividends received									
Fines	23,415	23,733	25,655	32,328	33,810	33,810	34,809	36,897	39,111
Licences and permits	8,242	8,153	9,019	9,014	9,806	9,806	10,394	11,018	11,679
Agency services	1,220	1,611	1,397	1,400	1,400	1,400	1,484	1,573	1,667
Transfers recognised - operational	1,454,743	973,690	1,218,300	1,361,248	1,438,253	1,438,253	901,760	914,954	951,691
Other revenue	265,161	772,259	815,359	676,041	673,509	673,509	690,880	735,831	776,077
Gains on disposal of PPE		1,698							
Total Revenue (excluding capital transfers and contributions)	5,218,523	5,889,044	6,683,923	7,237,960	7,321,465	7,321,465	7,298,496	7,881,470	8,519,399
Expenditure By Type									
Employee related costs	1,624,444	1,906,518	1,852,364	1,792,973	1,793,291	1,793,291	1,960,402	2,100,154	2,255,044
Remuneration of councillors	44,886	45,222	49,919	54,583	53,220	53,220	57,199	61,775	67,026
Debt impairment	419,467	522,477	298,890	251,274	247,897	247,897	271,283	296,284	323,002
Depreciation & asset impairment	546,468	560,343	869,081	736,107	893,824	893,824	885,807	792,455	611,157
Finance charges	113,315	177,630	212,924	203,137	204,033	204,033	190,534	179,034	169,303
Bulk purchases	1,237,381	1,567,047	1,972,513	2,250,539	2,233,939	2,233,939	2,400,413	2,579,509	2,772,143

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Other materials	408,104	418,961	433,188	497,216	501,058	501,058	538,738	577,342	619,709
Contracted services	147,765	145,947	207,849	376,041	369,622	369,622	325,281	368,284	399,547
Transfers and grants	364,571	230,553	301,209	402,053	398,300	398,300	401,269	442,135	487,836
Other expenditure	808,139	754,230	820,672	800,389	867,137	867,137	473,386	452,669	487,881
Loss on disposal of PPE	6,906	5,057	17,431						
Total Expenditure	5,721,445	6,333,986	7,036,040	7,364,312	7,562,321	7,562,321	7,504,313	7,849,641	8,192,648
Surplus/(Deficit)	(502,922)	(444,942)	(352,117)	(126,352)	(240,856)	(240,856)	(205,817)	31,829	326,751
Transfers recognised - capital	993,724	500,978	915,672	774,932	1,073,632	1,073,632	678,935	917,424	1,031,705
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	490,802	56,036	563,555	648,580	832,776	832,776	473,119	949,253	1,358,457
Taxation									
Surplus/(Deficit) after taxation	490,802	56,036	563,555	648,580	832,776	832,776	473,119	949,253	1,358,457
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	490,802	56,036	563,555	648,580	832,776	832,776	473,119	949,253	1,358,457
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	490,802	56,036	563,555	648,580	832,776	832,776	473,119	949,253	1,358,457

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Revenue

1. The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, so as to assess performance.

2. Total revenue amounts to R7,3 billion in 2013/14 and increases to R8,5 billion in 2015/16. This represents a year-on-year decrease of 0.3% for the 2013/14 financial year, and increases of 8.0% for the 2014/15 financial year and 8.1% for the 2015/16 financial year, respectively.

3. Revenue from property rates amounts to R1,2 billion in the 2013/14 financial year and increases to R1,5 billion in 2015/16, which amounts to 16,6% of the total operating revenue base of the Municipality. It remains relatively constant over the medium-term, whilst tariff increases of 13% have been provided for 2013/14 and 12% and 11% for the two outer years, respectively.

4. Services charges relating to electricity, water, sanitation and refuse collection and removal constitute the biggest component of the total revenue base, amounting to R4,2 billion for the 2013/14 financial year and increasing to R4,95 billion in 2015/16. For the 2013/14 financial

year services charges amount to 57,7% of the total revenue base and increases to 58,1% for 2015/16.

5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It is to be noted that the grants increased by 1,5% for 2014/15 and by 4% for 2015/16.

Expenditure

6. Bulk purchases have increased significantly over the 2009/10 to 2013/14 period, increasing from R1,2 billion to R2,4 billion. These increases are mainly attributable to the substantial increases in the cost of bulk electricity from Eskom.

Table 13 (Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote									
Multi-year expenditure *to be appropriated*									
Vote 1 - Budget and Treasury	51,396	55,769	24,405	7,480	4,080	4,080	10,300	8,450	9,260
Vote 2 - Public Health	81,242	108,310	39,614	17,500	29,880	29,880	40,110	47,105	56,890
Vote 3 - Human Settlements	79,531	–	75,968	165,868	137,868	137,868	165,934	183,473	215,908
Vote 4 - Economic Development and Recreational Services	214,808	193,547	33,140	10,400	40,076	40,076	23,583	32,158	29,158
Vote 5 - Corporate Services	46,471	88,482	35,704	18,200	20,450	20,450	39,000	16,400	16,400
Vote 6 - Rate and General Engineers	976,761	587,299	276,623	269,662	537,163	537,163	132,098	312,894	398,161
Vote 7 - Water Services	215,412	145,187	374,708	134,402	258,602	258,602	184,650	207,150	178,150
Vote 8 - Sanitation Services	131,950	125,357	103,202	234,600	206,800	206,800	251,000	307,450	325,700
Vote 9 - Electricity and Energy	217,874	170,849	91,489	121,147	125,177	125,177	179,680	179,351	181,365
Vote 10 - Executive and Council	6,199	7,541	11,449	11,200	12,100	12,100	5,000	5,500	6,000
Vote 11 - Safety and Security	88,929	16,998	4,792	3,000	3,000	3,000	13,000	13,493	14,480
Vote 12 - Nelson Mandela Bay Stadium	141,600	–	–	–	–	–	–	–	–
Vote 13 - Strategic Programmes Directorate	21,119	18,157	25,897	46,000	38,780	38,780	35,051	–	–
Capital multi-year expenditure sub-total	2,273,293	1,517,496	1,096,993	1,039,459	1,413,976	1,413,976	1,079,406	1,313,424	1,431,472
Single-year expenditure *to be appropriated*									
Vote 1 - Budget and Treasury	–	–	–	–	–	–	–	–	–
Vote 2 - Public Health	–	–	–	–	–	–	–	–	–
Vote 3 - Human Settlements	–	–	–	–	–	–	–	–	–
Vote 4 - Economic Development and Recreational Services	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services	–	–	–	–	–	–	–	–	–
Vote 6 - Rate and General Engineers	–	–	–	–	–	–	–	–	–

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 7 - Water Services	–	–	–	–	–	–	–	–	–
Vote 8 - Sanitation Services	–	–	–	–	–	–	–	–	–
Vote 9 - Electricity and Energy	–	–	–	–	–	–	–	–	–
Vote 10 - Executive and Council	–	–	–	–	–	–	–	–	–
Vote 11 - Safety and Security	–	–	–	–	–	–	–	–	–
Vote 12 - Nelson Mandela Bay Stadium	–	–	–	–	–	–	–	–	–
Vote 13 - Strategic Programmes Directorate	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	2,273,293	1,517,496	1,096,993	1,039,459	1,413,976	1,413,976	1,079,406	1,313,424	1,431,472
Capital Expenditure - Standard									
Governance and administration	282,017	151,792	71,558	36,880	36,630	36,630	54,300	30,350	31,660
Executive and council	6,199	7,541	11,449	11,200	12,100	12,100	5,000	5,500	6,000
Budget and treasury office	112,710	55,769	24,405	7,480	4,080	4,080	10,300	8,450	9,260
Corporate services	163,109	88,482	35,704	18,200	20,450	20,450	39,000	16,400	16,400
Community and public safety	440,575	221,070	102,234	179,768	149,253	149,253	194,034	217,641	247,888
Community and social services	35,465	42,170	2,261	3,000	3,000	3,000	8,000	10,000	2,500
Sport and recreation	376,238	151,209	14,781	7,400	4,885	4,885	6,000	9,000	13,500
Public safety	2,670	16,998	4,792	3,000	3,000	3,000	13,000	13,493	14,480
Housing	–	–	75,968	165,868	137,868	137,868	165,934	183,473	215,908
Health	26,203	10,694	4,431	500	500	500	1,100	1,675	1,500
Economic and environmental services	902,107	610,376	330,812	328,162	623,337	623,337	202,042	351,782	449,509
Planning and development	45,397	18,157	41,995	46,000	70,971	70,971	44,634	13,158	13,158
Road transport	856,710	587,299	276,623	269,662	537,163	537,163	132,098	312,894	398,161
Environmental protection	–	4,920	12,194	12,500	15,203	15,203	25,310	25,730	38,190
Trading services	648,593	534,091	592,389	494,649	604,756	604,756	629,030	713,651	702,415
Electricity	333,489	170,849	91,489	121,147	125,177	125,177	179,680	179,351	181,365
Water	197,870	145,187	374,708	134,402	258,602	258,602	184,650	207,150	178,150
Waste water management	117,234	125,357	103,202	234,600	206,800	206,800	251,000	307,450	325,700
Waste management	–	92,697	22,989	4,500	14,177	14,177	13,700	19,700	17,200
Other		168							
Total Capital Expenditure - Standard	2,273,293	1,517,496	1,096,993	1,039,459	1,413,976	1,413,976	1,079,406	1,313,424	1,431,472
Funded by:									
National Government	956,989	481,969	903,027	771,932	1,070,632	1,070,632	678,935	917,424	1,031,705

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Provincial Government		8,304							
District Municipality									
Other transfers and grants		22,019		3,000	14,000	14,000	7,700	–	–
Transfers recognised - capital	956,989	512,292	903,027	774,932	1,084,632	1,084,632	686,635	917,424	1,031,705
Public contributions & donations	94,452	15,537	10,157	23,000	27,234	27,234	41,201	37,000	37,000
Borrowing	745,200	470,000							
Internally generated funds	476,652	519,667	183,809	241,527	302,110	302,110	351,570	359,000	362,767
Total Capital Funding	2,273,293	1,517,496	1,096,993	1,039,459	1,413,976	1,413,976	1,079,406	1,313,424	1,431,472

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, and internally generated funds. For 2013/14, capital transfers totals R686,6 million (63,6%) and amounts to R1,0 billion for 2015/16 (72,1%). Internally generated funding amounts to R351,6 million, R359,0 million and R362,8 million for each of the respective financial years of the MTREF. The source of the internally generated funding mainly comprises the fuel levy and the equitable share allocation. These funding sources are further discussed in detail in Section 2.6 (Overview of Budget Funding).

Table 14 (Table A6 - Budgeted Financial Position)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS									
Current assets									
Cash	124,361	130,665	168,795	200,000	200,000	200,000	200,000	200,000	200,000
Call investment deposits	506,343	298,120	988,682	779,183	770,137	770,137	724,505	1,054,991	1,502,025
Consumer debtors	599,488	480,073	484,365	580,516	520,833	520,833	520,833	546,875	574,218
Other debtors	615,753	398,146	357,967	480,573	387,967	387,967	402,365	417,734	429,120
Current portion of long-term receivables	34	13	5	20	5	5	5	5	5
Inventory	134,764	107,976	108,054	121,600	121,600	121,600	117,000	119,000	121,000
Total current assets	1,980,743	1,414,993	2,107,868	2,161,892	2,000,542	2,000,542	1,964,708	2,338,604	2,826,369
Non current assets									

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Long-term receivables	80,529	61,454	41,685	65,000	51,685	51,685	51,685	51,685	51,685
Investments	20	20	20	20	20	20	20	20	20
Investment property	70,763	71,754	180,026	71,231	180,026	180,026	138,893	132,517	126,142
Investment in Associate									
Property, plant and equipment	10,821,866	11,939,746	12,299,379	12,681,356	12,475,326	12,475,326	12,541,207	13,171,608	13,987,450
Agricultural									
Biological									
Intangible	411,509	437,202	273,990	431,399	273,990	273,990	310,612	207,556	218,404
Other non-current assets									
Total non current assets	11,384,686	12,510,175	12,795,100	13,249,006	12,981,048	12,981,048	13,042,416	13,563,386	14,383,701
TOTAL ASSETS	13,365,430	13,925,169	14,902,968	15,410,899	14,981,590	14,981,590	15,007,125	15,901,991	17,210,070
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	92,458	92,055	97,283	105,159	105,159	105,159	112,968	104,093	93,920
Consumer deposits	79,850	111,125	85,224	113,500	90,224	90,224	90,224	90,224	90,224
Trade and other payables	1,840,534	1,565,620	1,939,342	1,820,800	1,624,438	1,624,438	1,643,284	1,687,304	1,741,139
Provisions	48,380	105,156	112,803	85,000	112,803	112,803	118,000	125,000	132,000
Total current liabilities	2,061,221	1,873,956	2,234,652	2,124,459	1,932,624	1,932,624	1,964,476	2,006,621	2,057,283
Non current liabilities									
Borrowing	1,459,787	1,841,851	1,745,094	1,629,013	1,629,013	1,629,013	1,516,045	1,411,952	1,318,032
Provisions	1,006,706	1,289,386	1,439,692	1,411,466	1,439,692	1,439,692	1,536,374	1,639,562	1,749,500
Total non current liabilities	2,466,494	3,131,237	3,184,785	3,040,479	3,068,705	3,068,705	3,052,419	3,051,515	3,067,533
TOTAL LIABILITIES	4,527,715	5,005,193	5,419,437	5,164,938	5,001,328	5,001,328	5,016,895	5,058,135	5,124,815
NET ASSETS	8,837,715	8,919,976	9,483,531	10,245,961	9,980,262	9,980,262	9,990,230	10,843,855	12,085,254
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	3,243,190	3,706,332	3,793,809	3,963,987	4,027,500	4,027,500	3,821,397	3,850,828	4,175,663
Reserves	5,594,525	5,213,644	5,689,722	6,281,974	5,952,762	5,952,762	6,168,833	6,993,027	7,909,591
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	8,837,715	8,919,976	9,483,531	10,245,961	9,980,262	9,980,262	9,990,230	10,843,855	12,085,254

Explanatory notes to Table A6 - Budgeted Financial Position

1. The table presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

2. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is directly informed by forecasting the statement of financial position.

Table 15 (Table A7 - Budget cash flow statement)

Description	2009/10	20010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	3,604,700	5,650,232	5,380,877	5,197,167	5,139,659	5,139,659	5,601,137	6,087,371	6,602,793
Government - operating	976,686	980,838	1,251,609	1,356,926	1,429,590	1,429,590	888,605	914,874	951,611
Government - capital	625,252	682,220	1,196,014	771,932	782,932	782,932	773,986	1,045,863	1,176,144
Interest	144,522	16,447	56,892	25,528	41,184	41,184	43,240	45,834	48,585
Dividends									
Payments									
Suppliers and employees	(4,122,714)	(6,130,712)	(5,646,580)	(5,702,869)	(5,737,233)	(5,737,233)	(5,850,979)	(6,112,951)	(6,559,296)
Finance charges	(112,726)	(177,110)	(201,297)	(205,239)	(214,552)	(214,552)	(190,534)	(179,034)	(169,303)
Transfers and Grants	(99,870)	34,581	(40,896)	(79,005)	(82,809)	(82,809)	(86,337)	(90,181)	(95,642)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,015,850	1,056,497	1,996,619	1,364,440	1,358,772	1,358,772	1,179,118	1,711,776	1,954,892
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		2,250			–	–			
Decrease (Increase) in non-current debtors					–	–			
Decrease (increase) other non-current receivables	14,057				13,315	13,315	–	–	–
Decrease (increase) in non-current investments	–				–	–			
Payments									
Capital assets	(2,393,569)	(1,641,999)	(1,191,205)	(1,048,473)	(1,400,376)	(1,400,376)	(1,119,591)	(1,268,321)	(1,403,765)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,379,512)	(1,639,749)	(1,191,205)	(1,048,473)	(1,387,061)	(1,387,061)	(1,119,591)	(1,268,321)	(1,403,765)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans					–	–			
Borrowing long term/refinancing	1,165,000	470,000	–		–	–			
Increase (decrease) in consumer deposits				(3,275)	(3,500)	(3,500)			
Payments									

Description	2009/10	20010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repayment of borrowing	(51,828)	(88,859)	(77,058)	(97,444)	(112,444)	(112,444)	(105,159)	(112,968)	(104,093)
NET CASH FROM/(USED) FINANCING ACTIVITIES	1,113,172	381,141	(77,058)	(100,719)	(115,944)	(115,944)	(105,159)	(112,968)	(104,093)
NET INCREASE/ (DECREASE) IN CASH HELD	(250,490)	(202,111)	728,356	215,248	(144,233)	(144,233)	(45,632)	330,486	447,034
Cash/cash equivalents at the year begin:	880,260	629,769	427,658	763,935	1,114,369	1,114,369	970,137	924,505	1,254,991
Cash/cash equivalents at the year end:	629,769	427,658	1,156,014	979,183	970,137	970,137	924,505	1,254,991	1,702,025

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

2. It reflects the expected cash in-flows versus cash out-flows that is likely to result from the implementation of the budget.

3. The cash position of the Municipality increased significantly over the 2009/10 to 2011/12 period, from R629.8 million to R1,2 billion.

4. The 2013/14 MTREF has been informed by the planning principle of striving to ensure adequate cash reserves over the medium-term.

5. Cash and cash equivalents amounts to R924.5 million as at the end of the 2013/14 financial year and increases to R1.7 billion in 2015/16. The 2013/14 cash balance is significantly influenced by the unspent grants of approximately R150 million relating to the previous year.

Table 16 (Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available									
Cash/cash equivalents at the year end	629,769	427,658	1,156,014	979,183	970,137	970,137	924,505	1,254,991	1,702,025
Other current investments > 90 days	935	1,127	1,463	0	0	0	0	0	(0)
Non current assets - Investments	20	20	20	20	20	20	20	20	20
Cash and investments available:	630,725	428,805	1,157,497	979,203	970,157	970,157	924,525	1,255,011	1,702,045
Application of cash and investments									
Unspent conditional transfers	206,196	284,073	509,428	580,800	194,524	194,524	23,284	23,204	23,204
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	372,632	197,385	550,450	239,779	584,905	584,905	760,559	770,177	791,484
Other provisions									

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Long term investments committed	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	446,052	593,375	47,000	47,000	47,000	47,000	51,300	51,300	51,300
Total Application of cash and investments:	1,024,880	1,074,833	1,106,878	867,579	826,429	826,429	835,143	844,681	865,988
Surplus(shortfall)	(394,155)	(646,028)	50,619	111,624	143,728	143,728	89,382	410,330	836,057

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF, the end objective of the medium-term framework was to ensure the budget is funded as required in accordance with section 18 of the MFMA.

4. It is to be noted that the budget progressively moves from a funding surplus of R89.4 million in 2013/14 to a surplus of R836,1 million in 2015/16.

Table 17 (Table A9 - Asset Management)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE									
Total New Assets	241,358	254,350	727,287	410,510	839,371	839,371	394,623	558,564	673,752
Infrastructure - Road transport	80,448	–	172,516	118,112	484,786	484,786	86,168	233,504	310,706
Infrastructure - Electricity	10,802	10,965	29,087	26,500	25,030	25,030	23,535	22,412	42,833
Infrastructure - Water	63,802	43,052	324,215	16,000	129,200	129,200	30,000	40,000	–
Infrastructure - Sanitation	51,325	33,218	36,739	7,500	–	–	–	–	–
Infrastructure - Other	–	59,084	141,831	148,668	137,674	137,674	179,934	205,923	259,213
Infrastructure	*206,377*	*146,319*	*704,389*	*316,780*	*776,690*	*776,690*	*319,637*	*501,839*	*612,752*
Community	10,843	68,837	11,437	58,000	47,873	47,873	50,051	9,000	8,500
Heritage assets	–	21,920	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	24,138	17,274	12	23,530	2,708	2,708	18,565	40,855	45,140
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	11,449	12,200	12,100	12,100	6,370	6,870	7,360

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Renewal of Existing Assets	1,994,760	1,043,023	369,706	628,949	574,605	574,605	684,783	754,860	757,720
Infrastructure - Road transport	794,839	381,159	105,449	148,550	50,376	50,376	43,130	55,290	47,000
Infrastructure - Electricity	313,885	159,885	62,402	94,647	98,647	98,647	153,645	154,939	138,532
Infrastructure - Water	151,610	102,135	50,529	116,402	127,402	127,402	152,946	163,150	174,150
Infrastructure - Sanitation	87,150	92,140	66,464	225,100	203,600	203,600	245,000	299,450	321,700
Infrastructure - Other	–	32,304	–	–	9,285	9,285	6,350	8,500	4,500
Infrastructure	*1,347,484*	*767,622*	*284,843*	*584,699*	*489,310*	*489,310*	*601,071*	*681,329*	*685,882*
Community	425,850	142,164	28,512	11,300	41,430	41,430	26,660	36,188	32,928
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	186,974	133,237	40,445	23,450	38,293	38,293	45,052	24,243	24,150
Agricultural Assets	–	–		–	–	–	–	–	–
Biological assets	–	–		–	–	–	–	–	–
Intangibles	34,452	–	15,906	9,500	5,572	5,572	12,000	13,100	14,760
Total Capital Expenditure									
Infrastructure - Road transport	875,287	381,159	277,965	266,662	535,163	535,163	129,298	288,794	357,706
Infrastructure - Electricity	324,687	170,849	91,489	121,147	123,677	123,677	177,180	177,351	181,365
Infrastructure - Water	215,412	145,187	374,744	132,402	256,602	256,602	182,946	203,150	174,150
Infrastructure - Sanitation	138,475	125,357	103,202	232,600	203,600	203,600	245,000	299,450	321,700
Infrastructure - Other	–	91,388	141,831	148,668	146,959	146,959	186,284	214,423	263,713
Infrastructure	*1,553,861*	*913,941*	*989,232*	*901,479*	*1,266,000*	*1,266,000*	*920,708*	*1,183,168*	*1,298,634*
Community	436,693	211,001	39,949	69,300	89,303	89,303	76,711	45,188	41,428
Heritage assets	–	21,920		–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	211,112	150,512	40,458	46,980	41,001	41,001	63,617	65,098	69,290
Agricultural Assets	–	–		–	–	–	–	–	–
Biological assets	–	–		–	–	–	–	–	–
Intangibles	34,452	–	27,355	21,700	17,672	17,672	18,370	19,970	22,120
TOTAL CAPITAL EXPENDITURE - Asset class	2,236,118	1,297,374	1,096,993	1,039,459	1,413,976	1,413,976	1,079,406	1,313,424	1,431,472
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	4,193,173	2,849,752	2,993,112	3,560,061	3,594,343	3,594,343	3,437,147	3,454,518	3,569,970
Infrastructure - Electricity	1,306,508	1,437,655	1,466,296	1,478,616	1,401,426	1,401,426	1,490,973	1,584,621	1,686,844
Infrastructure - Water	1,153,966	941,776	1,243,818	1,646,091	1,836,047	1,836,047	1,917,525	2,021,777	2,103,662
Infrastructure - Sanitation	683,428	771,160	826,153	1,089,231	1,252,892	1,252,892	1,404,492	1,605,268	1,826,079
Infrastructure - Other	83,424	2,268,138	2,208,947	1,585,096	1,030,538	1,030,538	1,146,619	1,287,259	1,481,584

Description	2009/10	2010/11		Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Infrastructure	*7,420,499*	*8,268,480*	*8,738,326*	*9,359,094*	*9,115,247*	*9,115,247*	*9,396,756*	*9,953,444*	*10,668,139*
Community	2,726,258	2,810,627	2,822,415	2,908,307	2,833,094	2,833,094	2,790,797	2,719,987	2,648,168
Heritage assets	111,083	126,474	167,778	126,474	126,474	126,474	126,474	126,474	126,474
Investment properties	70,763	71,754	180,026	71,231	180,026	180,026	138,893	132,517	126,142
Other assets	564,026	582,513	570,860	287,481	268,281	268,281	251,770	264,650	302,784
Agricultural Assets	–	–		–	–	–	–	–	–
Biological assets	–	–		–	–	–	–	–	–
Intangibles	411,509	437,202	273,990	431,399	273,990	273,990	310,612	207,556	218,404
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	11,304,137	12,297,050	12,753,395	13,183,987	12,797,112	12,797,112	13,015,301	13,404,627	14,090,110
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	546,468	560,343	869,081	736,107	893,824	893,824	885,807	792,455	611,157
Repairs and Maintenance by Asset Class	408,104	418,961	433,188	497,216	501,058	501,058	538,738	573,964	616,070
Infrastructure - Road transport	66,113	73,310	89,009	90,672	96,201	96,201	96,474	102,263	108,383
Infrastructure - Electricity	34,912	28,585	38,818	42,006	41,966	41,966	48,246	52,166	56,455
Infrastructure - Water	117,915	119,415	107,332	131,853	127,815	127,815	136,762	146,799	158,625
Infrastructure - Sanitation	103,325	111,701	107,395	129,312	128,673	128,673	143,537	154,493	166,167
Infrastructure - Other	2,127	2,735	4,949	5,510	5,420	5,420	7,646	8,216	8,792
Infrastructure	*324,392*	*335,745*	*347,503*	*399,353*	*400,074*	*400,074*	*432,666*	*463,937*	*498,422*
Community	29,167	33,515	33,931	35,387	42,999	42,999	43,399	46,543	49,961
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	54,545	49,702	51,753	62,477	57,985	57,985	62,674	66,862	71,326
TOTAL EXPENDITURE OTHER ITEMS	954,572	979,305	1,302,269	1,233,323	1,394,882	1,394,882	1,424,546	1,369,797	1,230,866
Renewal of Existing Assets as % of total capex	*89.2%*	*80.4%*	*33.7%*	*60.5%*	*40.6%*	*40.6%*	*63.4%*	*57.5%*	*52.9%*
Renewal of Existing Assets as % of deprecn"	*365.0%*	*186.1%*	*42.5%*	*85.4%*	*64.3%*	*64.3%*	*77.3%*	*95.3%*	*124.0%*
R&M as a % of PPE	*3.8%*	*3.5%*	*3.5%*	*3.9%*	*4.0%*	*4.0%*	*4.3%*	*4.4%*	*4.4%*
Renewal and R&M as a % of PPE	*21.0%*	*12.0%*	*6.0%*	*9.0%*	*8.0%*	*8.0%*	*9.0%*	*10.0%*	*10.0%*

Explanatory notes to Table A9 - Asset Management

1. The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and also reflects the relevant asset categories. The associated repairs and maintenance and depreciation is also reflected.

   It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

2. National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE. In this regard the expenditure relating to the renewal/rehabilitation of existing assets amounts to 63,4% of the capital budget, whilst repairs and maintenance constitute 4,3% of PPE.

Table 18 (Table A10 - Basic Service Delivery Measurement)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets									
Water:									
Piped water inside dwelling	265,000	205,877	214,216	297,670	297,670	297,670	220,642	227,262	234,080
Piped water inside yard (but not in dwelling)	7,000			8,409	8,409	8,409			
Using public tap (at least min.service level)	65,000		1,000	78,090	78,090	78,090	1,030	1,061	1,093
Other water supply (at least min.service level)		–							
Minimum Service Level and Above subtotal	337,000	205,877	215,216	384,169	384,169	384,169	221,672	228,323	235,173
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	337,000	205,877	215,216	384,169	384,169	384,169	221,672	228,323	235,173
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	256,000		214,216	307,556	307,556	307,556	220,642	227,262	234,080
Flush toilet (with septic tank)	3,000		2,121	3,069	3,069	3,069	2,185	2,250	2,318
Chemical toilet									
Pit toilet (ventilated)									
Other toilet provisions (> min.service level)									
Minimum Service Level and Above sub-total	259,000	–	216,337	310,625	310,625	310,625	222,827	229,512	236,398
Bucket toilet	22,000	22,500	21,859	21,859	21,859	21,859	21,859	21,859	21,859
Other toilet provisions (< min.service level)									
No toilet provisions									
Below Minimum Service Level sub-total	22,000	22,500	21,859	21,859	21,859	21,859	21,859	21,859	21,859
Total number of households	281,000	22,500	238,196	332,484	332,484	332,484	244,686	251,371	258,257
Energy:									
Electricity (at least min.service level)	36,000	32,010		27,500	27,500	27,500	28,683	29,916	31,202
Electricity - prepaid (min.service level)	232,000	361,740		277,000	277,000	277,000	288,911	301,334	314,292
Minimum Service Level and Above sub-total	268,000	393,750	–	304,500	304,500	304,500	317,594	331,250	345,494
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	268,000	393,750	–	304,500	304,500	304,500	317,594	331,250	345,494

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Refuse:									
Removed at least once a week	172,000	137,561		297,090	288,608	288,608	288,608	288,608	288,608
Minimum Service Level and Above sub-total	172,000	137,561	–	297,090	288,608	288,608	288,608	288,608	288,608
Removed less frequently than once a week	9,000	13,428							
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal	3,000	2,371		1,096	392	392	392	392	392
Below Minimum Service Level sub-total	12,000	15,799	–	1,096	392	392	392	392	392
Total number of households	184,000	153,360	–	298,185	289,000	289,000	289,000	289,000	289,000
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	115,000	79,035	72,400	74,867	71,548	71,548	73,124	73,855	74,594
Sanitation (free minimum level service)	115,000	79,035	72,400	74,867	71,764	71,764	73,124	73,855	74,594
Electricity/other energy (50kwh per household per month)	105,000	79,035	64,833	67,158	67,158	67,158	65,481	66,136	66,798
Refuse (removed at least once a week)	83,000	79,035	66,819	68,485	65,502	65,502	67,487	68,162	68,844
Cost of Free Basic Services provided (R'000)	45,483	45,313	58,877	50,703	50,703	50,703	75,180	84,954	95,998
Water (6 kilolitres per household per month)	61,998	63,862	54,545	88,171	88,171	88,171	69,648	78,703	88,934
Sanitation (free sanitation service)	66,313	34,058	41,333	32,067	32,067	32,067	64,583	80,729	100,911
Electricity/other energy (50kwh per household per month)	43,016	44,765	51,645	60,177	60,177	60,177	65,946	74,519	84,207
Refuse (removed once a week)									
Total cost of FBS provided (minimum social package)	216,810	187,997	206,401	231,118	231,118	231,118	275,358	318,904	370,049
Highest level of free service provided									
Property rates (R value threshold)	42,700	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)	45,483	8	8	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	115	11	11	11	11	11	11	11	11
Sanitation (Rand per household per month)	61,998	77	87	98	98	98	111	124	137
Electricity (kwh per household per month)	75	75	75	75	75	75	75	75	75
Refuse (average litres per week)	85	240	240	240	240	240	240	240	240
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	16,454	18,264	20,455	23,112	23,112	23,112	26,116	29,250	32,468
Property rates (other exemptions, reductions and rebates)	26,246	26,740	25,914	35,884	35,884	35,884	33,093	37,656	43,137
Water	45,483	60,418	58,877	67,604	67,604	67,604	75,180	84,954	95,998
Sanitation	61,998	63,862	54,545	88,171	88,171	88,171	69,648	78,703	88,934

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Electricity/other energy	66,313	51,086	41,333	48,100	48,100	48,100	64,583	80,729	100,911
Refuse	48,677	44,765	51,645	60,177	60,177	60,177	65,946	74,519	84,207
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	265,171	265,134	252,770	323,048	323,048	323,048	334,567	385,811	445,653

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

1.8 Consolidated Budget Tables

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's and the Entity's 2013/14 budget and MTREF to be noted by Council.

Table 19 (Table A1 –Consolidated Budget Summary)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance									
Property rates	756,499	838,855	929,517	1,074,628	1,074,628	1,074,628	1,214,337	1,360,062	1,509,674
Service charges	2,549,065	3,121,530	3,490,744	3,951,039	3,883,229	3,883,229	4,208,407	4,562,427	4,946,867
Investment revenue	65,323	19,252	59,060	27,328	43,584	43,584	45,740	48,334	51,085
Transfers recognised - operational	1,402,219	908,509	1,218,769	1,361,248	1,440,853	1,440,853	901,760	914,954	951,691
Other own revenue	397,335	943,901	993,174	832,509	891,162	891,162	931,002	998,462	1,062,933
Total Revenue (excluding capital transfers and contributions)	5,170,441	5,832,046	6,691,265	7,246,752	7,333,457	7,333,457	7,301,246	7,884,240	8,522,249
Employee costs	1,629,721	1,912,238	1,858,809	1,800,625	1,801,951	1,801,951	1,969,583	2,109,884	2,265,359
Remuneration of councillors	44,886	45,222	49,919	54,583	53,220	53,220	57,199	61,775	67,026
Depreciation & asset impairment	546,632	560,516	869,243	736,327	894,004	894,004	885,807	792,455	611,157
Finance charges	113,367	177,630	213,160	203,317	204,213	204,213	190,534	179,034	169,303
Materials and bulk purchases	1,645,500	1,986,063	2,405,741	2,747,755	2,734,997	2,734,997	2,939,151	3,156,851	3,391,852
Transfers and grants	283,059	219,228	285,916	345,775	338,848	338,848	340,520	377,740	419,578
Other expenditure	1,393,259	1,443,760	1,360,746	1,427,714	1,491,564	1,491,564	1,069,949	1,117,237	1,210,430
Total Expenditure	5,656,424	6,344,657	7,043,534	7,316,096	7,518,797	7,518,797	7,452,745	7,794,976	8,134,705

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Surplus/(Deficit)	(485,983)	(512,611)	(352,269)	(69,344)	(185,341)	(185,341)	(151,498)	89,263	387,544
Transfers recognised - capital	993,724	500,978	915,672	774,932	1,070,632	1,070,632	678,935	917,424	1,031,705
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	507,742	(11,633)	563,403	705,588	885,291	885,291	527,437	1,006,687	1,419,250
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	507,742	(11,633)	563,403	705,588	885,291	885,291	527,437	1,006,687	1,419,250
Capital expenditure & funds sources									
Capital expenditure	2,351,853	1,567,776	1,118,277	1,079,076	1,500,404	1,500,404	1,121,400	1,357,965	1,478,686
Transfers recognised - capital	956,989	512,292	903,027	774,932	1,087,032	1,087,032	686,635	917,424	1,031,705
Public contributions & donations	94,452	15,537	10,157	23,000	27,234	27,234	41,201	37,000	37,000
Borrowing	745,200	470,000	–	–	–	–	–	–	–
Internally generated funds	555,212	569,947	205,093	281,144	386,138	386,138	393,564	403,541	409,981
Total sources of capital funds	2,351,853	1,567,776	1,118,277	1,079,076	1,500,404	1,500,404	1,121,400	1,357,965	1,478,686
Financial position									
Total current assets	2,024,194	1,429,710	2,111,715	2,194,699	2,033,639	2,033,639	2,005,640	2,375,522	2,857,282
Total non current assets	11,385,478	12,510,857	12,795,629	13,407,513	13,140,090	13,140,090	13,043,396	13,565,346	14,386,661
Total current liabilities	2,035,885	1,887,635	2,238,383	2,157,536	1,985,531	1,985,531	2,005,471	2,043,681	2,088,388
Total non current liabilities	2,467,722	3,132,275	3,184,901	3,040,479	3,068,705	3,068,705	3,052,419	3,051,515	3,067,533
Community wealth/Equity	8,906,065	8,920,657	9,484,060	10,404,197	10,119,493	10,119,493	9,991,147	10,845,673	12,088,022
Cash flows									
Net cash from (used) operating	1,012,482	1,073,239	1,994,939	1,410,632	1,403,650	1,403,650	1,218,432	1,752,835	1,995,815
Net cash from (used) investing	(2,379,759)	(1,640,160)	(1,191,807)	(1,115,084)	(1,443,672)	(1,443,672)	(1,162,415)	(1,313,380)	(1,450,688)
Net cash from (used) financing	1,112,788	381,141	(77,058)	(100,719)	(115,944)	(115,944)	(105,159)	(112,968)	(104,093)
Cash/cash equivalents at the year end	671,812	486,032	1,212,106	1,011,895	1,014,504	1,014,504	965,362	1,291,849	1,732,883
Cash backing/surplus reconciliation									
Cash and investments available	672,816	487,071	1,213,273	1,011,915	1,014,524	1,014,524	965,382	1,291,869	1,732,903
Application of cash and investments	1,012,412	1,138,246	1,159,674	901,304	869,868	869,868	874,311	879,966	895,787
Balance - surplus (shortfall)	(339,596)	(651,175)	53,599	110,611	144,656	144,656	91,071	411,903	837,116
Asset management									
Asset register summary (WDV)	11,382,791	12,347,398	12,774,715	13,342,494	13,188,386	13,188,386	12,991,691	13,513,641	14,334,956
Depreciation & asset impairment	546,632	560,516	869,243	736,327	894,004	894,004	885,807	792,455	611,157
Renewal of Existing Assets	2,073,178	1,090,817	390,756	668,091	677,034	677,034	726,273	798,840	804,338

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and Maintenance	408,104	418,961	433,188	497,216	501,058	501,058	538,738	577,342	619,709
Free services									
Cost of Free Basic Services provided	216,810	187,997	206,401	231,118	231,118	231,118	275,358	318,904	370,049
Revenue cost of free services provided	265,171	265,134	252,770	323,048	323,048	323,048	334,567	385,811	445,653
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	22	23	22	22	22	22	22	22	22
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	12	16	–	1	0	0	0	0	0

Table 20 (Table A2 –Consolidated Budget Financial Performance)

Standard Classification Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard									
Governance and administration	1,348,573	1,681,648	1,969,797	1,927,558	1,960,910	1,960,910	2,134,168	2,295,935	2,444,880
Executive and council	9,486	12,970	907	51	730	730	255	39	40
Budget and treasury office	1,324,763	1,655,163	1,956,117	1,911,578	1,938,894	1,938,894	2,123,259	2,284,635	2,432,936
Corporate services	14,324	13,515	12,773	15,929	21,286	21,286	10,654	11,261	11,904
Community and public safety	435,061	356,479	546,155	475,241	511,397	511,397	105,301	103,687	107,996
Community and social services	34,080	18,498	16,163	18,703	19,408	19,408	19,559	14,511	15,152
Sport and recreation	(109,180)	15,203	23,402	22,301	22,980	22,980	50,511	51,833	53,259
Public safety	35,219	25,228	34,574	33,714	33,970	33,970	34,567	36,640	38,839
Housing	384,179	247,114	345,271	400,425	425,679	425,679	450	477	506
Health	90,763	50,436	126,744	98	9,360	9,360	213	226	240
Economic and environmental services	350,672	255,515	157,377	400,148	433,573	433,573	290,653	294,678	329,351
Planning and development	318,609	171,492	106,587	176,337	402,290	402,290	263,021	265,917	298,864
Road transport	24,744	42,163	24,145	219,997	26,895	26,895	22,996	24,376	25,839
Environmental protection	7,318	41,859	26,645	3,814	4,389	4,389	4,636	4,385	4,648
Trading services	3,021,960	3,536,425	4,017,868	4,431,465	4,415,236	4,415,236	4,758,048	5,176,376	5,625,866
Electricity	1,905,570	2,298,203	2,873,257	3,120,937	3,108,000	3,108,000	3,347,457	3,589,005	3,842,584
Water	520,843	716,173	504,881	581,395	581,216	581,216	612,284	690,937	779,318
Waste water management	400,745	374,103	395,303	474,317	464,992	464,992	522,097	589,032	664,473
Waste management	194,802	147,946	244,427	254,816	261,029	261,029	276,210	307,402	339,491
Other	14,176	1,979	67	12,341	12,341	12,341	13,075	13,564	14,157
Total Revenue - Standard	5,170,441	5,832,046	6,691,265	7,246,752	7,333,457	7,333,457	7,301,246	7,884,240	8,522,249

Standard Classification Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure - Standard									
Governance and administration	1,154,137	1,170,693	1,153,076	1,106,730	1,080,663	1,080,663	1,121,293	1,153,186	1,109,223
Executive and council	146,234	133,343	139,726	172,395	151,594	151,594	189,905	199,559	212,895
Budget and treasury office	773,695	782,398	796,606	581,519	535,420	535,420	531,975	566,374	611,631
Corporate services	234,208	254,952	216,744	352,816	393,649	393,649	399,413	387,253	284,697
Community and public safety	930,495	1,234,383	1,379,443	1,209,028	1,280,912	1,280,912	905,583	949,458	1,008,109
Community and social services	90,677	94,454	123,749	138,968	145,718	145,718	154,737	152,398	159,257
Sport and recreation	90,438	156,907	114,127	152,041	152,908	152,908	157,972	166,313	175,388
Public safety	264,390	367,156	377,128	348,237	353,252	353,252	380,932	406,801	435,692
Housing	331,834	348,805	443,586	432,052	476,337	476,337	54,404	56,059	58,254
Health	153,155	267,061	320,852	137,730	152,697	152,697	157,538	167,887	179,518
Economic and environmental services	658,989	534,364	843,993	969,716	1,114,216	1,114,216	1,014,889	1,005,990	1,019,231
Planning and development	393,982	253,831	407,107	541,927	601,794	601,794	493,266	504,695	539,922
Road transport	178,718	189,414	202,773	180,593	217,073	217,073	218,145	215,455	214,618
Environmental protection	86,290	91,118	234,114	247,196	295,349	295,349	303,479	285,841	264,691
Trading services	2,903,328	3,394,891	3,655,542	3,967,051	3,984,134	3,984,134	4,356,622	4,657,428	4,984,456
Electricity	1,488,084	2,039,736	2,526,270	2,782,901	2,760,196	2,760,196	3,031,282	3,233,052	3,451,628
Water	529,541	692,330	519,430	518,942	547,902	547,902	592,587	638,033	689,480
Waste water management	288,487	373,072	398,703	456,585	469,180	469,180	497,232	530,517	568,015
Waste management	597,217	289,754	211,139	208,622	206,856	206,856	235,522	255,825	275,333
Other	9,474	10,327	11,479	63,571	58,872	58,872	54,357	28,915	13,686
Total Expenditure - Standard	5,656,424	6,344,657	7,043,534	7,316,096	7,518,797	7,518,797	7,452,745	7,794,976	8,134,705
Surplus/(Deficit) for the year	(485,983)	(512,611)	(352,269)	(69,344)	(185,341)	(185,341)	(151,498)	89,264	387,544

Table 21 (Table A3 –Consolidated Budget Financial Performance by Vote)

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote									
Vote 1 - Budget and Treasury	1,324,803	1,655,188	1,953,289	1,911,592	1,938,907	1,938,907	2,123,274	2,284,650	2,432,952
Vote 2 - Public Health	293,540	262,975	381,804	261,472	277,049	277,049	282,496	313,536	345,993
Vote 3 - Human Settlements	401,935	263,368	345,271	421,369	444,860	444,860	24,553	22,641	24,000
Vote 4 - Economic Development and Recreational Services	103,042	85,472	98,531	142,347	166,736	166,736	148,588	147,753	155,977
Vote 5 - Corporate Services	11,829	10,668	9,479	8,828	14,657	14,657	4,033	4,043	4,284
Vote 6 - Rate and General Engineers	101,736	28,309	22,731	202,201	207,201	207,201	103,485	133,694	153,916
Vote 7 - Water Services	522,576	716,173	504,881	581,395	581,516	581,516	612,284	690,937	779,318
Vote 8 - Sanitation Services	350,803	374,015	395,304	474,317	464,992	464,992	522,097	589,032	664,473
Vote 9 - Electricity and Energy	1,905,681	2,298,283	2,873,343	3,120,937	3,108,000	3,108,000	3,347,457	3,585,005	3,842,584
Vote 10 - Executive and Council	10,887	5,537	1,633	658	1,432	1,432	560	561	562
Vote 11 - Safety and Security	52,139	43,231	45,138	53,796	55,608	55,608	57,504	60,953	64,611
Vote 12 - Nelson Mandela Bay Stadium	63,444	62,761	39,048	37,000	37,000	37,000	27,248	34,551	36,116
Vote 13 - Strategic Programmes Directorate	28,024	26,066	20,811	30,840	35,498	35,498	47,668	16,882	17,464
Total Revenue by Vote	5,170,441	5,832,046	6,691,265	7,246,752	7,333,456	7,333,456	7,301,246	7,884,240	8,522,249
Expenditure by Vote *to be appropriated*									
Vote 1 - Budget and Treasury	768,615	757,624	778,827	561,807	516,128	516,128	510,979	544,191	587,846
Vote 2 - Public Health	852,515	662,960	747,911	610,319	672,703	672,703	715,076	729,568	741,145
Vote 3 - Human Settlements	434,102	452,094	536,967	533,541	575,418	575,418	165,594	170,532	180,126
Vote 4 - Economic Development and Recreational Services	231,123	187,923	262,946	341,002	367,787	367,787	348,094	330,296	333,152
Vote 5 - Corporate Services	218,543	258,398	289,755	356,377	402,480	402,480	409,500	393,897	292,909
Vote 6 - Rate and General Engineers	274,859	244,276	295,016	500,086	539,553	539,553	453,023	483,962	504,874
Vote 7 - Water Services	529,530	695,886	533,706	519,466	547,902	547,902	592,587	638,033	689,480
Vote 8 - Sanitation Services	261,769	344,018	347,734	396,910	408,310	408,310	439,448	470,029	504,703
Vote 9 - Electricity and Energy	1,484,720	2,039,401	2,526,270	2,782,901	2,767,496	2,767,496	3,031,282	3,233,052	3,451,628
Vote 10 - Executive and Council	169,065	159,471	172,326	201,471	196,070	196,070	220,460	233,035	249,911
Vote 11 - Safety and Security	270,619	373,586	391,508	356,370	362,391	362,391	391,133	417,707	447,316
Vote 12 - Nelson Mandela Bay Stadium	131,203	131,644	140,335	123,523	123,807	123,807	129,487	130,217	130,621
Vote 13 - Strategic Programmes Directorate	29,762	37,376	20,232	32,321	38,754	38,754	46,082	20,456	20,995
Total Expenditure by Vote	5,656,424	6,344,657	7,043,534	7,316,096	7,518,798	7,518,798	7,452,745	7,794,976	8,134,705
Surplus/(Deficit) for the year	(485,983)	(512,611)	(352,269)	(69,344)	(185,342)	(185,342)	(151,498)	89,263	387,544

Table 22 (Table A4 –Consolidated Budget Financial Performance Revenue and Expenditure)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source									
Property rates	756,499	838,855	929,517	1,074,628	1,074,628	1,074,628	1,214,337	1,360,062	1,509,674
Property rates - penalties & collection charges									
Service charges - electricity revenue	1,807,641	2,185,913	2,751,648	3,028,384	2,980,884	2,980,884	3,189,545	3,412,814	3,651,711
Service charges - water revenue	407,918	568,439	343,361	455,547	441,033	441,033	498,414	563,208	636,425
Service charges - sanitation revenue	228,020	246,504	258,182	312,033	304,674	304,674	343,381	388,021	438,464
Service charges - refuse revenue	105,486	120,675	137,553	155,075	156,639	156,639	177,067	198,385	220,268
Service charges - other									
Rental of facilities and equipment	15,545	17,641	15,318	19,820	21,008	21,008	21,461	22,637	23,849
Interest earned - external investments	65,323	19,252	59,060	27,328	43,584	43,584	45,740	48,334	51,085
Interest earned - outstanding debtors	82,762	113,347	121,634	86,913	144,637	144,637	171,724	190,236	210,199
Dividends received									
Fines	23,415	23,733	25,655	32,328	33,810	33,810	34,809	36,897	39,111
Licences and permits	8,242	8,153	9,019	9,014	9,806	9,806	10,394	11,018	11,679
Agency services	1,220	1,611	1,397	1,400	1,400	1,400	1,484	1,573	1,667
Transfers recognised - operational	1,402,219	908,509	1,218,769	1,361,248	1,440,853	1,440,853	901,760	914,954	951,691
Other revenue	266,150	777,718	820,152	683,033	680,501	680,501	691,130	736,101	776,427
Gains on disposal of PPE		1,698							
Total Revenue (excluding capital transfers and contributions)	5,170,441	5,832,046	6,691,265	7,246,752	7,333,457	7,333,457	7,301,246	7,884,240	8,522,249
Expenditure By Type									
Employee related costs	1,629,721	1,912,238	1,858,809	1,800,625	1,801,951	1,801,951	1,969,583	2,109,884	2,265,359
Remuneration of councillors	44,886	45,222	49,919	54,583	53,220	53,220	57,199	61,775	67,026
Debt impairment	419,467	522,487	298,900	251,284	247,907	247,907	271,283	296,284	323,002
Depreciation & asset impairment	546,632	560,516	869,243	736,327	894,004	894,004	885,807	792,455	611,157
Finance charges	113,367	177,630	213,160	203,317	204,213	204,213	190,534	179,034	169,303
Bulk purchases	1,237,381	1,567,047	1,972,513	2,250,539	2,233,939	2,233,939	2,400,413	2,579,509	2,772,143
Other materials	408,118	419,015	433,228	497,216	501,058	501,058	538,738	577,342	619,709
Contracted services	147,765	145,947	207,849	376,041	369,622	369,622	325,281	368,284	399,547
Transfers and grants	283,059	219,228	285,916	345,775	338,848	338,848	340,520	377,740	419,578
Other expenditure	818,396	770,112	836,359	800,389	874,035	874,035	473,386	452,669	487,881
Loss on disposal of PPE	7,632	5,215	17,638						
Total Expenditure	5,656,424	6,344,657	7,043,534	7,316,096	7,518,797	7,518,797	7,452,745	7,794,976	8,134,705

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Surplus/(Deficit)	(485,983)	(512,611)	(352,269)	(69,344)	(185,341)	(185,341)	(151,498)	89,263	387,544
Transfers recognised - capital	993,724	500,978	915,672	774,932	1,070,632	1,070,632	678,935	917,424	1,031,705
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	507,742	(11,633)	563,403	705,588	885,291	885,291	527,437	1,006,687	1,419,250
Taxation									
Surplus/(Deficit) after taxation	507,742	(11,633)	563,403	705,588	885,291	885,291	527,437	1,006,687	1,419,250
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	507,742	(11,633)	563,403	705,588	885,291	885,291	527,437	1,006,687	1,419,250
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	507,742	(11,633)	563,403	705,588	885,291	885,291	527,437	1,006,687	1,419,250

Table 23 (Table A5 –Consolidated Budget Capital Expenditure – Standard Classification)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote									
Multi-year expenditure *to be appropriated*									
Vote 1 - Budget and Treasury	51,396	55,769	24,405	7,480	4,080	4,080	10,300	8,450	9,260
Vote 2 - Public Health	81,242	108,310	39,614	17,500	29,880	29,880	40,110	47,105	56,890
Vote 3 - Human Settlements	79,531	–	75,968	165,868	137,868	137,868	165,934	183,473	215,908
Vote 4 - Economic Development and Recreational Services	293,368	243,827	54,424	50,017	126,504	126,504	65,577	76,699	76,372
Vote 5 - Corporate Services	46,471	88,482	35,704	18,200	20,450	20,450	39,000	16,400	16,400
Vote 6 - Rate and General Engineers	976,761	587,299	276,623	269,662	537,163	537,163	132,098	312,894	398,161
Vote 7 - Water Services	215,412	145,187	374,708	134,402	258,602	258,602	184,650	207,150	178,150
Vote 8 - Sanitation Services	131,950	125,357	103,202	234,600	206,800	206,800	251,000	307,450	325,700
Vote 9 - Electricity and Energy	217,874	170,849	91,489	121,147	125,177	125,177	179,680	179,351	181,365
Vote 10 - Executive and Council	6,199	7,541	11,449	11,200	12,100	12,100	5,000	5,500	6,000
Vote 11 - Safety and Security	88,929	16,998	4,792	3,000	3,000	3,000	13,000	13,493	14,480
Vote 12 - Nelson Mandela Bay Stadium	141,600	–	–	–	–	–	–	–	–
Vote 13 - Strategic Programmes Directorate	21,119	18,157	25,897	46,000	38,780	38,780	35,051	–	–
Total Capital Expenditure - Vote	2,351,853	1,567,776	1,118,277	1,079,076	1,500,404	1,500,404	1,121,400	1,357,965	1,478,686
Capital Expenditure - Standard									
Governance and administration	282,017	151,792	71,558	36,880	36,630	36,630	54,300	30,350	31,660

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Executive and council	6,199	7,541	11,449	11,200	12,100	12,100	5,000	5,500	6,000
Budget and treasury office	112,710	55,769	24,405	7,480	4,080	4,080	10,300	8,450	9,260
Corporate services	163,109	88,482	35,704	18,200	20,450	20,450	39,000	16,400	16,400
Community and public safety	440,575	221,070	102,234	179,768	149,253	149,253	194,034	217,641	247,888
Community and social services	35,465	42,170	2,261	3,000	3,000	3,000	8,000	10,000	2,500
Sport and recreation	376,238	151,209	14,781	7,400	4,885	4,885	6,000	9,000	13,500
Public safety	2,670	16,998	4,792	3,000	3,000	3,000	13,000	13,493	14,480
Housing	–	–	75,968	165,868	137,868	137,868	165,934	183,473	215,908
Health	26,203	10,694	4,431	500	500	500	1,100	1,675	1,500
Economic and environmental services	980,667	660,656	352,096	367,779	709,765	709,765	244,036	396,323	496,723
Planning and development	123,957	68,437	63,279	85,617	157,399	157,399	86,628	57,699	60,372
Road transport	856,710	587,299	276,623	269,662	537,163	537,163	132,098	312,894	398,161
Environmental protection	–	4,920	12,194	12,500	15,203	15,203	25,310	25,730	38,190
Trading services	648,593	534,091	592,389	494,649	604,756	604,756	629,030	713,651	702,415
Electricity	333,489	170,849	91,489	121,147	125,177	125,177	179,680	179,351	181,365
Water	197,870	145,187	374,708	134,402	258,602	258,602	184,650	207,150	178,150
Waste water management	117,234	125,357	103,202	234,600	206,800	206,800	251,000	307,450	325,700
Waste management	–	92,697	22,989	4,500	14,177	14,177	13,700	19,700	17,200
Other		168							
Total Capital Expenditure - Standard	2,351,853	1,567,776	1,118,277	1,079,076	1,500,404	1,500,404	1,121,400	1,357,965	1,478,686
Funded by:									
National Government	956,989	481,969	903,027	771,932	1,070,632	1,070,632	678,935	917,424	1,031,705
Provincial Government		8,304							
District Municipality									
Other transfers and grants		22,019		3,000	16,400	16,400	7,700	–	–
Transfers recognised - capital	956,989	512,292	903,027	774,932	1,087,032	1,087,032	686,635	917,424	1,031,705
Public contributions & donations	94,452	15,537	10,157	23,000	27,234	27,234	41,201	37,000	37,000
Borrowing	745,200	470,000							
Internally generated funds	555,212	569,947	205,093	281,144	386,138	386,138	393,564	403,541	409,981
Total Capital Funding	2,351,853	1,567,776	1,118,277	1,079,076	1,500,404	1,500,404	1,121,400	1,357,965	1,478,686

Table 24 (Table A6 –Consolidated Budget Financial Position)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS									
Current assets									
Cash	166,404	189,039	224,886	200,712	200,712	200,712	200,120	200,120	200,120
Call investment deposits	506,343	298,120	988,682	811,183	813,792	813,792	765,242	1,091,729	1,532,763
Consumer debtors	599,488	480,073	484,365	580,516	520,833	520,833	520,833	546,875	574,218
Other debtors	616,938	354,409	305,675	480,648	376,677	376,677	402,440	417,794	429,175
Current portion of long-term receivables	34	13	5	20	5	5	5	5	5
Inventory	134,987	108,056	108,101	121,620	121,620	121,620	117,000	119,000	121,000
Total current assets	2,024,194	1,429,710	2,111,715	2,194,699	2,033,639	2,033,639	2,005,640	2,375,522	2,857,282
Non current assets									
Long-term receivables	80,529	61,454	41,685	65,000	51,685	51,685	51,685	51,685	51,685
Investments	69	(89)	(296)	20	20	20	20	20	20
Investment property	70,763	71,754	180,026	71,231	180,026	180,026	138,893	132,517	126,142
Investment in Associate									
Property, plant and equipment	10,822,514	11,940,467	12,300,184	12,839,763	12,634,203	12,634,203	12,542,107	13,173,478	13,990,320
Agricultural									
Biological									
Intangible	411,602	437,270	274,030	431,499	274,155	274,155	310,692	207,646	218,494
Other non-current assets									
Total non current assets	11,385,478	12,510,857	12,795,629	13,407,513	13,140,090	13,140,090	13,043,396	13,565,346	14,386,661
TOTAL ASSETS	13,409,672	13,940,566	14,907,344	15,602,212	15,173,729	15,173,729	15,049,037	15,940,869	17,243,943
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	92,824	93,116	98,898	105,159	105,159	105,159	112,968	104,093	93,920
Consumer deposits	79,850	111,125	85,224	113,500	110,000	110,000	90,224	90,224	90,224
Trade and other payables	1,814,484	1,577,949	1,941,070	1,853,397	1,657,035	1,657,035	1,683,799	1,723,864	1,771,724
Provisions	48,727	105,445	113,192	85,480	113,337	113,337	118,480	125,500	132,520
Total current liabilities	2,035,885	1,887,635	2,238,383	2,157,536	1,985,531	1,985,531	2,005,471	2,043,681	2,088,388
Non current liabilities									
Borrowing	1,461,016	1,842,888	1,745,210	1,629,013	1,629,013	1,629,013	1,516,045	1,411,952	1,318,032
Provisions	1,006,706	1,289,386	1,439,692	1,411,466	1,439,692	1,439,692	1,536,374	1,639,562	1,749,500
Total non current liabilities	2,467,722	3,132,275	3,184,901	3,040,479	3,068,705	3,068,705	3,052,419	3,051,515	3,067,533
TOTAL LIABILITIES	4,503,607	5,019,909	5,423,284	5,198,015	5,054,236	5,054,236	5,057,890	5,095,195	5,155,920

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
NET ASSETS	8,906,065	8,920,657	9,484,060	10,404,197	10,119,493	10,119,493	9,991,147	10,845,673	12,088,022
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	3,311,540	3,707,013	3,794,338	3,917,080	3,419,331	3,419,331	3,821,576	3,851,908	4,177,693
Reserves	5,594,525	5,213,644	5,689,722	6,487,118	6,700,163	6,700,163	6,169,571	6,993,765	7,910,329
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	8,906,065	8,920,657	9,484,060	10,404,197	10,119,493	10,119,493	9,991,147	10,845,673	12,088,022

Table 25 (Table A7 –Consolidated Budgeted Cash Flows)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	3,563,484	5,653,036	5,391,766	5,197,167	5,140,204	5,140,204	5,609,702	6,095,936	6,608,358
Government - operating	976,686	980,838	1,251,609	1,356,926	1,433,227	1,433,227	888,605	914,874	951,611
Government - capital	625,252	682,220	1,196,014	771,932	782,932	782,932	773,986	1,045,863	1,176,144
Interest	148,086	16,447	56,892	27,328	43,584	43,584	45,240	47,934	50,685
Dividends									
Payments									
Suppliers and employees	(4,088,377)	(6,116,772)	(5,659,149)	(5,714,573)	(5,758,937)	(5,758,937)	(5,882,979)	(6,146,951)	(6,594,296)
Finance charges	(112,779)	(177,110)	(201,297)	(205,419)	(214,732)	(214,732)	(190,534)	(179,034)	(169,303)
Transfers and Grants	(99,870)	34,581	(40,896)	(22,728)	(22,629)	(22,629)	(25,587)	(25,787)	(27,384)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,012,482	1,073,239	1,994,939	1,410,632	1,403,650	1,403,650	1,218,432	1,752,835	1,995,815
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		2,250			–	–			
Decrease (Increase) in non-current debtors					–	–			
Decrease (increase) other non-current receivables	14,057	(191)	(367)		13,315	13,315	–	–	–
Decrease (increase) in non-current investments	–				–	–			
Payments									
Capital assets	(2,393,816)	(1,642,220)	(1,191,440)	(1,115,084)	(1,456,987)	(1,456,987)	(1,162,415)	(1,313,380)	(1,450,688)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,379,759)	(1,640,160)	(1,191,807)	(1,115,084)	(1,443,672)	(1,443,672)	(1,162,415)	(1,313,380)	(1,450,688)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Short term loans					–	–			
Borrowing long term/refinancing	1,164,616	470,000	–		–	–			
Increase (decrease) in consumer deposits				(3,275)	(3,500)	(3,500)			
Payments									
Repayment of borrowing	(51,828)	(88,859)	(77,058)	(97,444)	(112,444)	(112,444)	(105,159)	(112,968)	(104,093)
NET CASH FROM/(USED) FINANCING ACTIVITIES	1,112,788	381,141	(77,058)	(100,719)	(115,944)	(115,944)	(105,159)	(112,968)	(104,093)
NET INCREASE/ (DECREASE) IN CASH HELD	(254,489)	(185,780)	726,074	194,830	(155,966)	(155,966)	(49,142)	326,486	441,034
Cash/cash equivalents at the year begin:	926,301	671,812	486,032	817,065	1,170,470	1,170,470	1,014,504	965,362	1,291,849
Cash/cash equivalents at the year end:	671,812	486,032	1,212,106	1,011,895	1,014,504	1,014,504	965,362	1,291,849	1,732,883

Table 26 (Table A8 –Consolidated Cash backed Reserves)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available									
Cash/cash equivalents at the year end	671,812	486,032	1,212,106	1,011,895	1,014,504	1,014,504	965,362	1,291,849	1,732,883
Other current investments > 90 days	935	1,128	1,463	0	0	0	(0)	0	0
Non current assets - Investments	69	(89)	(296)	20	20	20	20	20	20
Cash and investments available:	672,816	487,071	1,213,273	1,011,915	1,014,524	1,014,524	965,382	1,291,869	1,732,903
Application of cash and investments									
Unspent conditional transfers	218,352	291,575	511,921	580,800	194,524	194,524	23,284	23,204	23,204
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	348,008	253,295	600,752	273,504	628,344	628,344	799,727	805,462	821,283
Other provisions									
Long term investments committed	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	446,052	593,375	47,000	47,000	47,000	47,000	51,300	51,300	51,300
Total Application of cash and investments:	1,012,412	1,138,246	1,159,674	901,304	869,868	869,868	874,311	879,966	895,787
Surplus(shortfall)	(339,596)	(651,175)	53,599	110,611	144,656	144,656	91,071	411,903	837,116

Table 27 (Table A9 –Consolidated Asset Management)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE									
Total New Assets	241,499	256,836	727,479	410,985	823,371	823,371	395,127	559,126	674,347
Infrastructure - Road transport	80,448	–	172,516	118,112	385,815	385,815	86,168	233,504	310,706
Infrastructure - Electricity	10,802	10,965	29,087	26,500	25,030	25,030	23,535	22,412	42,833
Infrastructure - Water	63,802	43,052	324,215	16,000	144,200	144,200	30,000	40,000	–
Infrastructure - Sanitation	51,325	33,218	36,739	7,500	7,500	7,500	–	–	–
Infrastructure - Other	–	59,084	141,831	148,668	136,868	136,868	179,934	205,923	259,213
Infrastructure	*206,377*	*146,319*	*704,389*	*316,780*	*699,413*	*699,413*	*319,637*	*501,839*	*612,752*
Community	10,843	68,837	11,437	58,000	97,526	97,526	50,051	9,000	8,500
Heritage assets	–	24,185	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	24,279	17,495	200	23,905	14,232	14,232	18,969	41,311	45,623
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	11,453	12,300	12,200	12,200	6,470	6,976	7,472
Total Renewal of Existing Assets	2,073,178	1,090,817	390,756	668,091	677,034	677,034	726,273	798,840	804,338
Infrastructure - Road transport	873,257	428,953	106,186	177,692	178,490	178,490	61,130	70,290	57,000
Infrastructure - Electricity	313,885	159,885	62,402	94,647	100,147	100,147	153,645	154,939	138,532
Infrastructure - Water	151,610	102,135	50,529	116,402	112,402	112,402	152,946	163,150	174,150
Infrastructure - Sanitation	87,150	92,140	66,464	225,100	197,300	197,300	245,000	299,450	321,700
Infrastructure - Other	–	32,304	–	–	7,510	7,510	22,840	22,480	16,118
Infrastructure	*1,425,902*	*815,416*	*285,580*	*613,841*	*595,849*	*595,849*	*635,561*	*710,309*	*707,500*
Community	425,850	142,164	42,412	11,300	35,550	35,550	26,660	36,188	32,928
Heritage assets	–	–	6,413	–	–	–	2,000	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	186,974	133,237	40,445	33,450	40,063	40,063	50,052	39,243	49,150
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	34,452	–	15,906	9,500	5,572	5,572	12,000	13,100	14,760
Total Capital Expenditure									
Infrastructure - Road transport	953,705	428,953	278,702	295,804	564,306	564,306	147,298	303,794	367,706
Infrastructure - Electricity	324,687	170,849	91,489	121,147	125,177	125,177	177,180	177,351	181,365
Infrastructure - Water	215,412	145,187	374,744	132,402	256,602	256,602	182,946	203,150	174,150
Infrastructure - Sanitation	138,475	125,357	103,202	232,600	204,800	204,800	245,000	299,450	321,700
Infrastructure - Other	–	91,388	141,831	148,668	144,378	144,378	202,774	228,403	275,331
Infrastructure	*1,632,279*	*961,735*	*989,969*	*930,621*	*1,295,262*	*1,295,262*	*955,198*	*1,212,148*	*1,320,252*
Community	436,693	211,001	53,849	69,300	133,076	133,076	76,711	45,188	41,428
Heritage assets	–	24,185	6,413	–	–	–	2,000	–	–

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	211,253	150,733	40,646	57,355	54,295	54,295	69,021	80,554	94,773
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	34,452	–	27,359	21,800	17,772	17,772	18,470	20,076	22,232
TOTAL CAPITAL EXPENDITURE - Asset class	2,314,677	1,347,654	1,118,235	1,079,076	1,500,405	1,500,405	1,121,400	1,357,966	1,478,685
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	4,271,591	2,897,546	2,993,849	3,560,061	3,694,343	3,694,343	3,437,147	3,454,518	3,569,970
Infrastructure - Electricity	1,306,508	1,437,655	1,466,296	1,478,616	1,401,426	1,401,426	1,490,973	1,584,621	1,686,844
Infrastructure - Water	1,153,966	941,776	1,243,818	1,646,091	1,836,047	1,836,047	1,917,525	2,021,777	2,103,662
Infrastructure - Sanitation	683,428	771,160	826,153	1,089,231	1,252,892	1,252,892	1,404,492	1,605,268	1,826,079
Infrastructure - Other	83,424	2,268,138	2,208,947	1,585,096	1,030,538	1,030,538	1,146,619	1,287,259	1,481,584
Infrastructure	*7,498,917*	*8,316,274*	*8,739,063*	*9,359,094*	*9,215,247*	*9,215,247*	*9,396,756*	*9,953,444*	*10,668,139*
Community	2,726,258	2,810,627	2,836,315	2,908,307	2,833,094	2,833,094	2,790,797	2,719,987	2,648,168
Heritage assets	111,083	128,739	174,233	126,474	126,474	126,474	126,474	126,474	126,474
Investment properties	70,763	71,754	180,026	71,231	180,026	180,026	138,893	132,517	126,142
Other assets	564,168	582,733	571,048	445,888	559,390	559,390	228,080	373,574	547,540
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	411,602	437,270	274,030	431,499	274,155	274,155	310,692	207,646	218,494
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	11,382,791	12,347,398	12,774,715	13,342,494	13,188,386	13,188,386	12,991,691	13,513,641	14,334,956
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	546,632	560,516	869,243	736,327	894,004	894,004	885,807	792,455	611,157
Repairs and Maintenance by Asset Class	408,104	418,961	433,188	497,216	501,058	501,058	538,738	577,342	619,709
Infrastructure - Road transport	66,113	73,310	89,009	90,672	96,201	96,201	96,474	102,263	108,383
Infrastructure - Electricity	34,912	28,585	38,818	42,006	41,966	41,966	48,246	52,166	56,455
Infrastructure - Water	117,915	119,415	107,332	131,853	127,815	127,815	136,762	146,799	158,625
Infrastructure - Sanitation	103,325	111,701	107,395	129,312	128,673	128,673	143,537	154,493	166,167
Infrastructure - Other	2,127	2,735	4,949	5,510	5,420	5,420	7,646	8,216	8,792
Infrastructure	*324,392*	*335,745*	*347,503*	*399,353*	*400,074*	*400,074*	*432,666*	*463,937*	*498,422*
Community	29,167	33,515	33,931	35,387	42,999	42,999	43,399	46,543	49,961
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	54,545	49,702	51,753	62,477	57,985	57,985	62,674	66,862	71,326
TOTAL EXPENDITURE OTHER ITEMS	954,735	979,477	1,302,430	1,233,543	1,395,062	1,395,062	1,424,546	1,369,797	1,230,866
Renewal of Existing Assets as % of total capex	*89.6%*	*80.9%*	*34.9%*	*61.9%*	*45.1%*	*45.1%*	*64.8%*	*58.8%*	*54.4%*

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Renewal of Existing Assets as % of deprecn"	*379.3%*	*194.6%*	*45.0%*	*90.7%*	*75.7%*	*75.7%*	*82.0%*	*100.8%*	*131.6%*
R&M as a % of PPE	*3.8%*	*3.5%*	*3.5%*	*3.9%*	*4.0%*	*4.0%*	*4.3%*	*4.4%*	*4.4%*
Renewal and R&M as a % of PPE	*22.0%*	*12.0%*	*6.0%*	*9.0%*	*9.0%*	*9.0%*	*10.0%*	*10.0%*	*10.0%*

Table 28 (Table A10 –Consolidated Basic Service Delivery Measurement)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets									
Water:									
Piped water inside dwelling	265,000	205,877	214,216	297,670	297,670	297,670	220,642	227,262	234,080
Piped water inside yard (but not in dwelling)	7,000			8,409	8,409	8,409			
Using public tap (at least min.service level)	65,000		1,000	78,090	78,090	78,090	1,030	1,061	1,093
Other water supply (at least min.service level)		–							
Minimum Service Level and Above sub-total	337,000	205,877	215,216	384,169	384,169	384,169	221,672	228,323	235,173
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	337,000	205,877	215,216	384,169	384,169	384,169	221,672	228,323	235,173
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	256,000		214,216	307,556	307,556	307,556	220,642	227,262	234,080
Flush toilet (with septic tank)	3,000		2,121	3,069	3,069	3,069	2,185	2,250	2,318
Chemical toilet									
Pit toilet (ventilated)									
Other toilet provisions (> min.service level)									
Minimum Service Level and Above sub-total	259,000	–	216,337	310,625	310,625	310,625	222,827	229,512	236,398
Bucket toilet	22,000	22,500	21,859	21,859	21,859	21,859	21,859	21,859	21,859
Other toilet provisions (< min.service level)									
No toilet provisions									
Below Minimum Service Level sub-total	22,000	22,500	21,859	21,859	21,859	21,859	21,859	21,859	21,859
Total number of households	281,000	22,500	238,196	332,484	332,484	332,484	244,686	251,371	258,257
Energy:									
Electricity (at least min.service level)	36,000	32,010		27,500	27,500	27,500	28,683	29,916	31,202
Electricity - prepaid (min.service level)	232,000	361,740		277,000	277,000	277,000	288,911	301,334	314,292
Minimum Service Level and Above sub-total	268,000	393,750	–	304,500	304,500	304,500	317,594	331,250	345,494
Electricity (< min.service level)									

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Electricity - prepaid (< min. service level)									
Other energy sources									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	268,000	393,750	–	304,500	304,500	304,500	317,594	331,250	345,494
Refuse:									
Removed at least once a week	172,000	137,561		297,090	288,608	288,608	288,608	288,608	288,608
Minimum Service Level and Above sub-total	172,000	137,561	–	297,090	288,608	288,608	288,608	288,608	288,608
Removed less frequently than once a week	9,000	13,428							
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal	3,000	2,371		1,096	392	392	392	392	392
Below Minimum Service Level sub-total	12,000	15,799	–	1,096	392	392	392	392	392
Total number of households	184,000	153,360	–	298,185	289,000	289,000	289,000	289,000	289,000
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	115,000	79,035	72,400	74,867	71,548	71,548	73,124	73,855	74,594
Sanitation (free minimum level service)	115,000	79,035	72,400	74,867	71,764	71,764	73,124	73,855	74,594
Electricity/other energy (50kwh per household per month)	105,000	79,035	64,833	67,158	67,158	67,158	65,481	66,136	66,798
Refuse (removed at least once a week)	83,000	79,035	66,819	68,485	65,502	65,502	67,487	68,162	68,844
Cost of Free Basic Services provided (R'000)	45,483	45,313	58,877	50,703	50,703	50,703	75,180	84,954	95,998
Water (6 kilolitres per household per month)	61,998	63,862	54,545	88,171	88,171	88,171	69,648	78,703	88,934
Sanitation (free sanitation service)	66,313	34,058	41,333	32,067	32,067	32,067	64,583	80,729	100,911
Electricity/other energy (50kwh per household per month)	43,016	44,765	51,645	60,177	60,177	60,177	65,946	74,519	84,207
Refuse (removed once a week)									
Total cost of FBS provided (minimum social package)	216,810	187,997	206,401	231,118	231,118	231,118	275,358	318,904	370,049
Highest level of free service provided									
Property rates (R value threshold)	42,700	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)	45,483	8	8	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	115	11	11	11	11	11	11	11	11
Sanitation (Rand per household per month)	61,998	77	87	98	98	98	111	124	137
Electricity (kwh per household per month)	75	75	75	75	75	75	75	75	75
Refuse (average litres per week)	85	240	240	240	240	240	240	240	240
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	16,454	18,264	20,455	23,112	23,112	23,112	26,116	29,250	32,468

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Property rates (other exemptions, reductions and rebates)	26,246	26,740	25,914	35,884	35,884	35,884	33,093	37,656	43,137
Water	45,483	60,418	58,877	67,604	67,604	67,604	75,180	84,954	95,998
Sanitation	61,998	63,862	54,545	88,171	88,171	88,171	69,648	78,703	88,934
Electricity/other energy	66,313	51,086	41,333	48,100	48,100	48,100	64,583	80,729	100,911
Refuse	48,677	44,765	51,645	60,177	60,177	60,177	65,946	74,519	84,207
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	265,171	265,134	252,770	323,048	323,048	323,048	334,567	385,811	445,653

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

The Budget process started in September 2012 after the approval of a timetable and strategy to guide the preparation of the 2013/14 to 2015/16 Operating and Capital Budgets.

The timetable provides broad timeframes for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments, business and labour, during April 2013. The main aims of the timetable are to ensure that a revised IDP and a balanced Budget are tabled in March 2013. The Budget was tabled by the Executive Mayor at a Council meeting held on 28 March 2013, following which it will be submitted to National Treasury as well as being subjected to a consultation process with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments.

The consultation will take the form of a series of public meetings in the various wards under the direction and leadership of the Executive Mayor and his Mayoral Committee. Taking the inputs of the aforementioned consultations into account, the Executive Mayor will table the IDP and Budget for consideration and approval at a Council meeting scheduled for 23 May 2013.

The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget is aligned.

The Budget requires consideration by the Budget Task Team. The Task Team consists of Councilllors of the Budget and Treasury Committee, whilst being chaired by the Portfolio Councillor. The main objective of the Budget Task Team is to ensure that the budget is maintained within the affordability levels, taking the IDP deliverables into account. The capacity to spend the Budget by the relevant Directorates, efficient and effective utilisation of budget allocations and the need to adequately maintain the Municipality's infrastructure and facilities represent key challenges, in addition to the ongoing financial sustainability of the Budget.

The deliberations of the Budget Task Team will have to be considered by the IDP and Budget Steering Committee under the direction of the Executive Mayor. The IDP and Budget Steering Committee consists of the Executive Mayor, the Chairperson of the Budget and Treasury Standing Committee, the City Manager and senior officials. The primary aims of the Committee are to ensure that:

- The budget compilation process complies with legislation;
- There is proper alignment between the service delivery priorities as set out in the Municipality's IDP and the budget, taking into account the need to maintain the financial sustainability of the Municipality;
- The Municipality's revenue and tariff determination strategies generate sufficient cash resources to deliver services; and
- The various spending priorities of the different municipal directorates are properly evaluated and prioritized in the allocation of resources.

2.1.1 IDP & Budget Timetable 2013/14 to 2015/16

The preparation of the 2013/14 to 2015/16 IDP and Budget was guided by the following schedule of key deadlines as approved by Council on 30 August 2012.

Activity	Date
IDP/Budget Schedule approved by Council	30 August 2012
Budget Strategy and Assumptions approved by Council	22 August 2012
Tabling of draft IDP and Budget in Council	28 March 2013
Public Participation	April/May 2013
Final adoption of IDP and Budget by Council	23 May 2013
Approval of SDBIP by Executive Mayor	20 June 2013

2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP in terms of the Municipal Systems Act was guided and informed by the following principles:

- Achievement of the five strategic priorities of NMBM.
- Focus on service delivery of backlogs and the maintenance of infrastructure.
- Address community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2013/14 to 2015/16 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- Municipal transformation and development
- Service delivery and infrastructure development
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The abovementioned strategic focus areas informed the preparation of the Budget.

After the tabling of the budget, a series of meetings will be held throughout the municipal area to consult with the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings will be referred to the relevant Directorates for their attention.

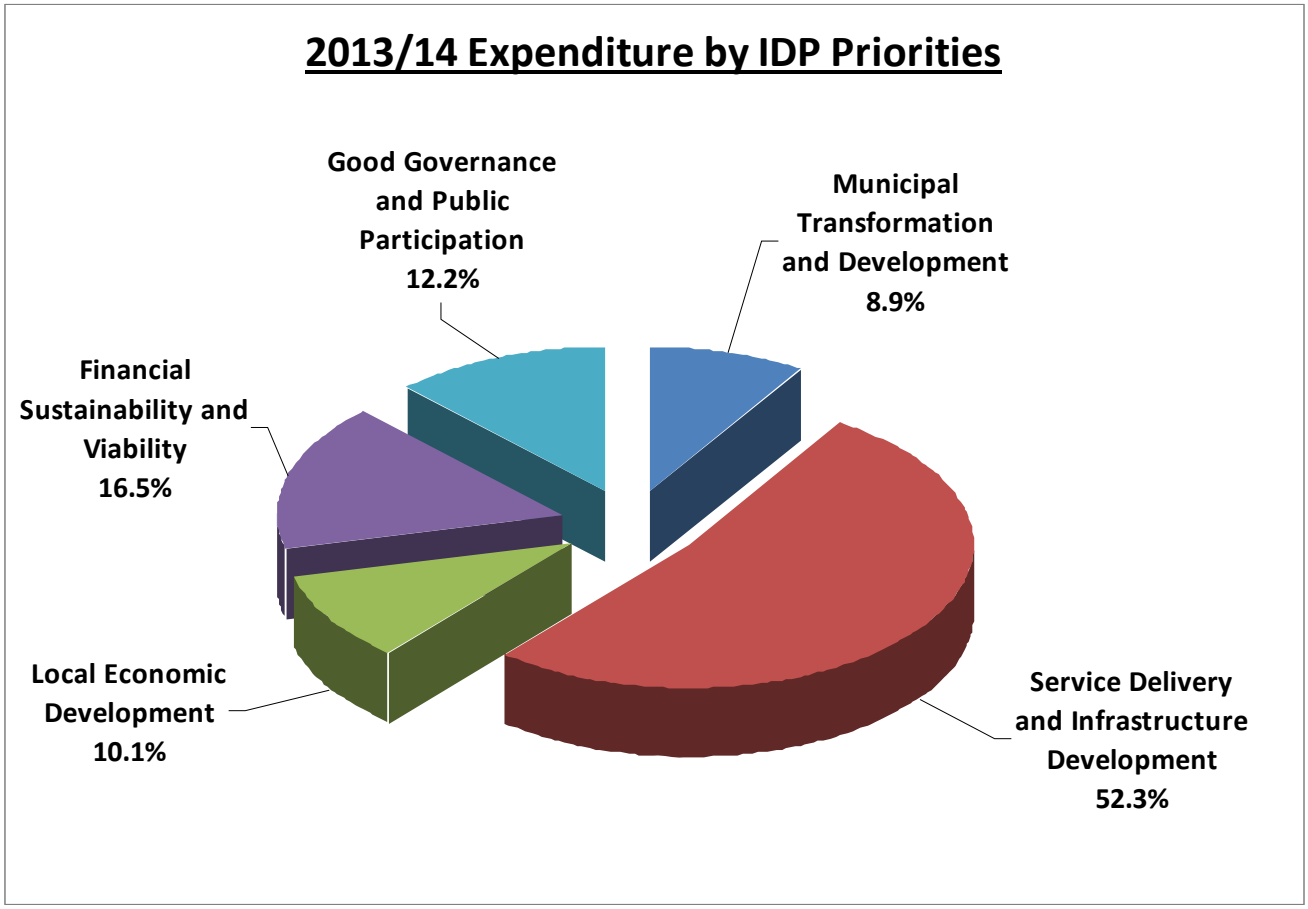
The linking of capital projects to the IDP priorities has been relatively simple, whilst the difficulty in the past has been to link the Operating budget to the IDP. This is now facilitated through the SDBIP.

Below is a table, which illustrates the link between the Budget and the IDP.

BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES

	Municipal Transformation and Development	Service Delivery and Infrastructure Development	Local Economic Development	Financial Sustainability and Viability	Good Governance and Public Participation	Total
	R '000	R '000	R '000	R '000	R '000	R '000
2013/14 Budget						
Capital Expenditure	15,100	1,006,814	47,642	4,000	5,850	**1,079,406**
Operating Expenditure	745,275	3,479,830	819,802	1,416,022	1,043,384	**7,504,313**
Total	**760,375**	**4,486,644**	**867,444**	**1,420,022**	**1,049,234**	**8,583,719**
2014/15 Budget						
Capital Expenditure	20,750	1,268,895	13,029	4,400	6,350	**1,313,424**
Operating Expenditure	779,498	3,640,354	857,447	1,481,045	1,091,297	**7,849,641**
Total	**800,248**	**4,909,249**	**870,476**	**1,485,445**	**1,097,647**	**9,163,065**
2015/16 Budget						
Capital Expenditure	18,325	1,391,533	13,909	1,200	6,505	**1,431,472**
Operating Expenditure	813,471	3,799,906	894,818	1,545,594	1,138,859	**8,192,648**
Total	**831,796**	**5,191,439**	**908,727**	**1,546,794**	**1,145,364**	**9,624,120**

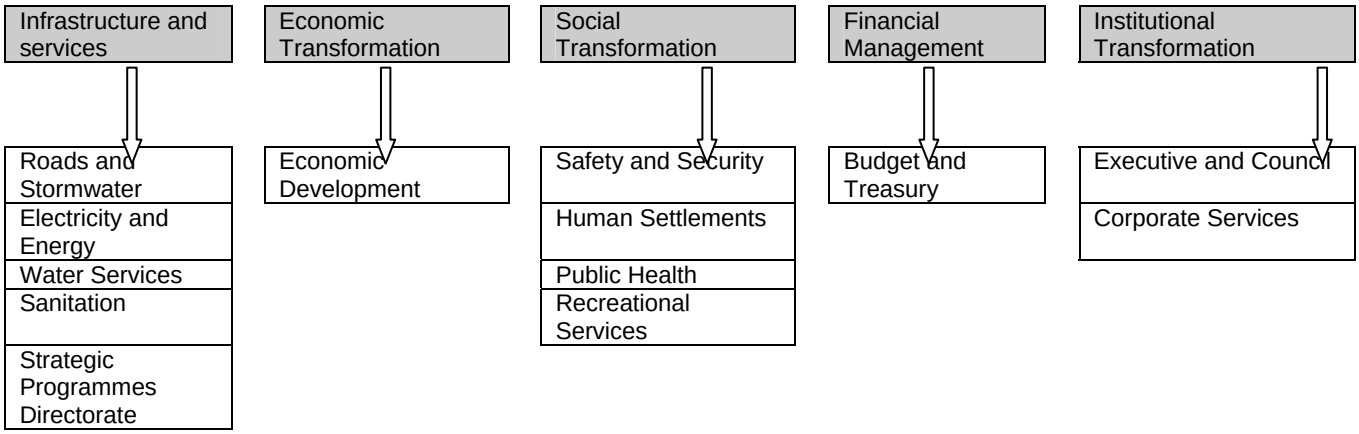
Figure 3 – 2013/14 Expenditure by IDP Priorities



2.2.1 Alignment with National and Provincial Priorities

The Municipality's priorities are aligned to those of the National and Provincial Governments.

The matrix below shows the alignment with National and Provincial Government priorities:



The above is an indication of NMBM's alignment to the National and Provincial Key Performance Areas and how Directorates are aligned thereto. It should, however, be noted that in terms of implementation all Directorates are focusing on the five areas. In order to monitor and evaluate service delivery and financial performance, key performance indicators are included in all Executive Directors' performance agreements.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

This section contains the key performance indicators.

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome %	Audited Outcome %	Audited Outcome %	Original Budget %	Adjusted Budget %	Full Year Fore-cast %	Budget Year 2013/14 %	Budget Year +1 2014/15 %	Budget Year +2 2015/16 %
Borrowing Management										
Credit Rating		Aa3.za	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.9	4.2	4.1	4.1	4.2	4.2	3.9	3.7	3.3
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.4	5.4	5.3	5.1	5.4	5.4	4.6	4.2	3.6
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	95.3	47.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	26.1	35.3	30.7	25.9	27.4	27.4	24.6	20.2	16.7
Liquidity										
Current Ratio	Current assets/current liabilities	1.0	0.8	0.9	1.0	1.0	1.0	1.0	1.2	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	0.8	0.9	1.0	1.0	1.0	1.0	1.2	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.2	0.5	0.5	0.5	0.5	0.5	0.6	0.8

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome %	Audited Outcome %	Audited Outcome %	Original Budget %	Adjust-ed Budget %	Full Year Fore-cast %	Budget Year 2013/14 %	Budget Year +1 2014/15 %	Budget Year +2 2015/16 %
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		97.8	115.4	99.5	88.8	88.2	88.2	88.2	88.0
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			97.4	115.4	99.5	88.8	88.0	88.0	88.2	88.0
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	24.8	16.0	13.2	15.6	13.1	13.1	13.4	12.9	12.4
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))									
Creditors to Cash and Investments		259.5	299.7	123.7	126.6	147.4	147.4	175.2	132.6	100.9
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)									
	Total Cost of Losses (Rand '000)									
Water Distribution Losses (2)	Total Volume Losses (kℓ)									
	Total Cost of Losses (Rand '000)									
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.1	32.4	27.7	24.8	24.5	24.5	26.9	26.6	26.5
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.0	33.1	28.5	25.5	25.2	25.2	27.6	27.4	27.3
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.8	7.1	6.5	6.9	6.8	6.8	7.4	7.3	7.3
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.6	12.5	16.2	13.0	15.0	15.0	14.7	12.3	9.2
IDP regulation financial viability indicators	-									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	35.7	36.7	44.4	38.3	38.3	38.3	40.3	45.6	49.6
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	36.6	22.1	19.0	21.0	18.3	18.3	17.0	16.2	15.5
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	1.1	2.7	2.2	2.1	2.1	2.0	2.5	3.2

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure may be funded from capital grants, internal sources and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependant on its creditworthiness and financial position. The following financial performance indicators formed part of the compilation of the 2013/14 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing, compared to the total operating expenditure. The cost of borrowing is decreasing from 3,9% in 2013/14 to 3,3% in 2015/16. The decrease is attributable to no further borrowing being planned over the MTREF period.

2.3.1.2 Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. Between 2007/08 and 2010/11 the gearing ratio peaked at 35,5%. This was mainly as a result of increased borrowing levels. Over the 2013/14 MTREF, the ratio decreases from 24,6% in 2013/14 to 16,7% in 2015/16.

2.3.1.3 Liquidity

- The c*urrent ratio* is a measure of the current assets divided by the current liabilities. The Municipality has set a benchmark limit of 1. For the 2013/14 MTREF the current ratio increases from 1.0 in 2013/14 to 1,4 in 2015/16.

- *The liquidity ratio* is a measure of the municipality's ability to utilise cash and cash equivalents to meets its current liabilities. A liquidity ratio of 1 should be maintained. Over the MTREF, the ratio increases from 0,5 in 2013/14 to 0,8 in 2015/16. This represents a pertinent risk for the Municipality, as any under collection of revenue will result in serious financial challenges for the Municipality. As part of the medium term financial planning objectives, this ratio must be maintained at a minimum of 1.

2.3.1.4 Revenue Management

- As part of the Financial Recovery Plan, an aggressive revenue management framework is being implemented to increase cash inflows from current billings, as well as from debtors that are in arrears in excess of 90 days.

2.3.2 Drinking Water Quality and Waste Water Management

The Municipality performs the dual roles of a Water Service Authority and a Water Service Provider, in managing the provision of drinking water and the treatment of wastewater.

The Municipality achieved a scoring of 90.11% in relation to its Blue Drop status for the supply of water, compared to the scoring of 95.08% achieved in the previous assessment. The decline is attributable to a lack of an annual process audit. In order to enhance its Blue Drop status in the next assessment cycle, the Municipality will have to focus specifically on the monitoring and recordkeeping of analyses results.

An average Green Drop Score of 80.8% was achieved for the seven Waste Water Treatment Systems managed by the Municipality, compared to the scoring of 70% achieved in the previous assessment.

The assessment revealed the following: -

- Training of process controllers not yet adequate, even though there is a significant improvement since the previous assessment.

- Special attention should be given to process optimisation (especially disinfection, to ensure compliance with authorisation limits.

Despite the areas requiring attention to improve the Green Drop rating of the Municipality, it achieved the second highest average score for the Eastern Cape Province.

It is furthermore, the Municipality's intention to address the areas requiring attention in the forthcoming financial year.

2.3.3 Basic social services package for indigent households

The Constitution stipulates that a municipality must structure and manage its administration, budgeting and planning so as to give priority to the basic needs of the community and to promote their social and economic development. The basic social package is an affirmation of the Municipality's commitment to push back the frontiers of poverty by providing social welfare to those residents who cannot afford to pay, as a result of adverse social and economic conditions.

The initiatives carried out by the Municipality in this regard are detailed below.

Service	Social Package	Approximate Cost R'000	Est. No. of Housholds
Assessment Rates	All residential property owners are exempted from paying rates on the first R15 000 of their property values. Full credit for property rates for indigent consumers	20 598 61 241	254 007 56 195
Water	The first 8kl of water per month provided free to indigent consumers	61 907	71 458
Electricity	The first 75kwh of electricity provided free to indigent consumers	54 593	62 776
Refuse removal	Full credit for the monthly charge.	54 528	65 699
Sewerage	Full credit for monthly charge of sewerage to indigent consumers (For waterborne sewerage removal the maximum credit is based on 11kl per month)	91 918	71 458
MURP Allocation	Developmental Nodal Areas	16 310	
Indigent control admin costs	Costs to administer and monitor indigent customers	17 445	
Water maintenance	Maintenance provided in Wards where the majority are indigent consumers	10 400	
Sewerage Maintenance	Maintenance provided in Wards where the majority are indigent consumers	6 000	
Refuse co-ops	Co-ops to clean indigent and informal residential areas	11 934	
Total Operating Costs		**406 874**	

In addition to the aforementioned operating costs, the Equitable Share allocation is fully utilised towards capital projects linked to the Wards where the majority of the indigent consumers reside.

The Municipality thus fully utilises the Equitable Share allocation towards assisting the poor. It is however clear that the Equitable Share allocation is not sufficient to assist in addressing all the needs

of the communities and the pressure on this vital funding source is ever increasing due to the high increases in specifically the electricity tariffs.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

2.4.1 Financial Management Policies

The policies were adopted by the Council in May 2010. The policies govern the financial management functions of the Municipality, such as budgeting, virements, financial statements, etc.

2.4.2 Review of credit control and debt collection policies

The Collection Policy was reviewed and approved by Council in March 2011. A review of certain components of the policy was considered necessary to achieve a higher collection rate.

The 2013/14 MTREF has been prepared on the basis of achieving an average revenue collection rate of 95% on current billings, excluding ATTP subsidies. In addition, the collection of debt in excess of 90 days has been prioritised as a specific strategy, in order to improve the Municipality's cash position.

2.4.3 Budget Adjustment Policy (part of Financial Management Policies)

The adjustments budget process is regulated by the MFMA and is aimed at entrenching increased levels of discipline, responsibility and accountability in the financial management practices of the Municipality. In order to ensure that the Municipality continues to deliver on its core service delivery mandate, the mid-year review and adjustments budget processes are utilised to ensure that underperforming functional areas are identified and funds redirected to performing functional areas.

2.4.4 Supply Chain Management Policy

A revised Supply Chain Management Policy was adopted by Council in December 2011. The policy is currently being reviewed.

2.4.5 Cash Management and Investments Policy

The Cash Management and Investments Policy was amended by Council in December 2005. The aim of the policy is to ensure that surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

2.4.6 Tariff Policies

The different tariff policies provide a broad framework for the determination of tariffs. The different policies were approved on various dates, whilst a consolidated tariff by-law is in the process of being finalised.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Asset Management Policy;
- Property Rates Policy;

- Funding and Reserves Policy;
- Borrowing Policy;
- Basic Social Services Package (Assistance to the Poor Policy);
- Financial Management Policies, which includes virement policy.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets.

The municipal fiscal environment is influenced by a variety of macro economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases and the Department of Water Affairs (DWA) regulates bulk water tariff increases. The Municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets relating to the key strategic focus areas as determined in the IDP.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
- An assessment of the relative human resources capacity to implement the Budget.
- No budget allocation has been made to programmes and projects, unless the respective programme and project plans have been submitted by the relevant Executive Directors.
- The need to enhance the municipality's revenue base.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.
- No growth in revenue sources has been provided for in view of current consumption trends in municipal services.
- No growth in property rates income has been provided for, in view of the depressed property market.

The Municipality faced the following significant challenges in preparing the 2013/14 – 2015/16 Budget:

- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the cash position into account;
- Maintaining revenue collection rates at the targeted levels;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on rates and tariff increases;
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on tariff increases to consumers. Continued high tariff increases may soon render municipal services financially unaffordable;
- Depleted Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources.

The multi-year budget is therefore underpinned by the following assumptions:

	Assumptions	2013/14 Budget	2014/15 Budget	2015/16 Budget
Income	%	%	%	%
Tariff increases for water	13	13	12	11
Tariff increases for sanitation & refuse	13	13	12	11
Property rates increase	13	13	12	11
Electricity (average increase in income)	13,5	7	7	7
Revenue collection rates (excluding ATTP subsidies)	93.75	95	95	95
Total expenditure increase allowed (excluding repairs and maintenance)	6	(1.35)	4,4	4,1
Salary increase	7,5	9.3	7.1	7,4
Increase in repairs and maintenance	8	7.5	7,2	7,3
Increase in bulk purchase of power costs	16	7.3	7.3	7.3

No growth in revenue sources has been provided for, in view of current consumption trends relating to municipal services. Furthermore, no growth in property rates has been provided for, in view of the depressed property market.

It is to be noted that the Budget has been prepared, based on Generally Recognised Accounting Practice (GRAP).

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following table provides a breakdown of operating revenue over the medium-term:

Table 29 (Breakdown of the operating revenue over the medium-term)

Description	2013/14Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Revenue By Source						
Property rates	1,214,337	16.6	1,360,062	17.3	1,509,674	17.7
Service charges	4,208,407	57.7	4,562,427	57.9	4,946,867	58.1
Investment Revenue	43,240	0.5	45,834	0.5	48,585	0.5
Transfers recognised - operational	901,760	12.4	914,954	11.6	951,691	11.2
Other revenue	930,752	12.8	998,193	12.7	1,062,582	12.5
Total Revenue (excluding capital transfers and contributions)	7,298,496	100.0	7,881,470	100.0	8,519,399	100.0
Total Expenditure	7,504,313		7,849,641		8,192,648	
Surplus/(Deficit) for the year	(205,817)		31,829		326,751	

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.

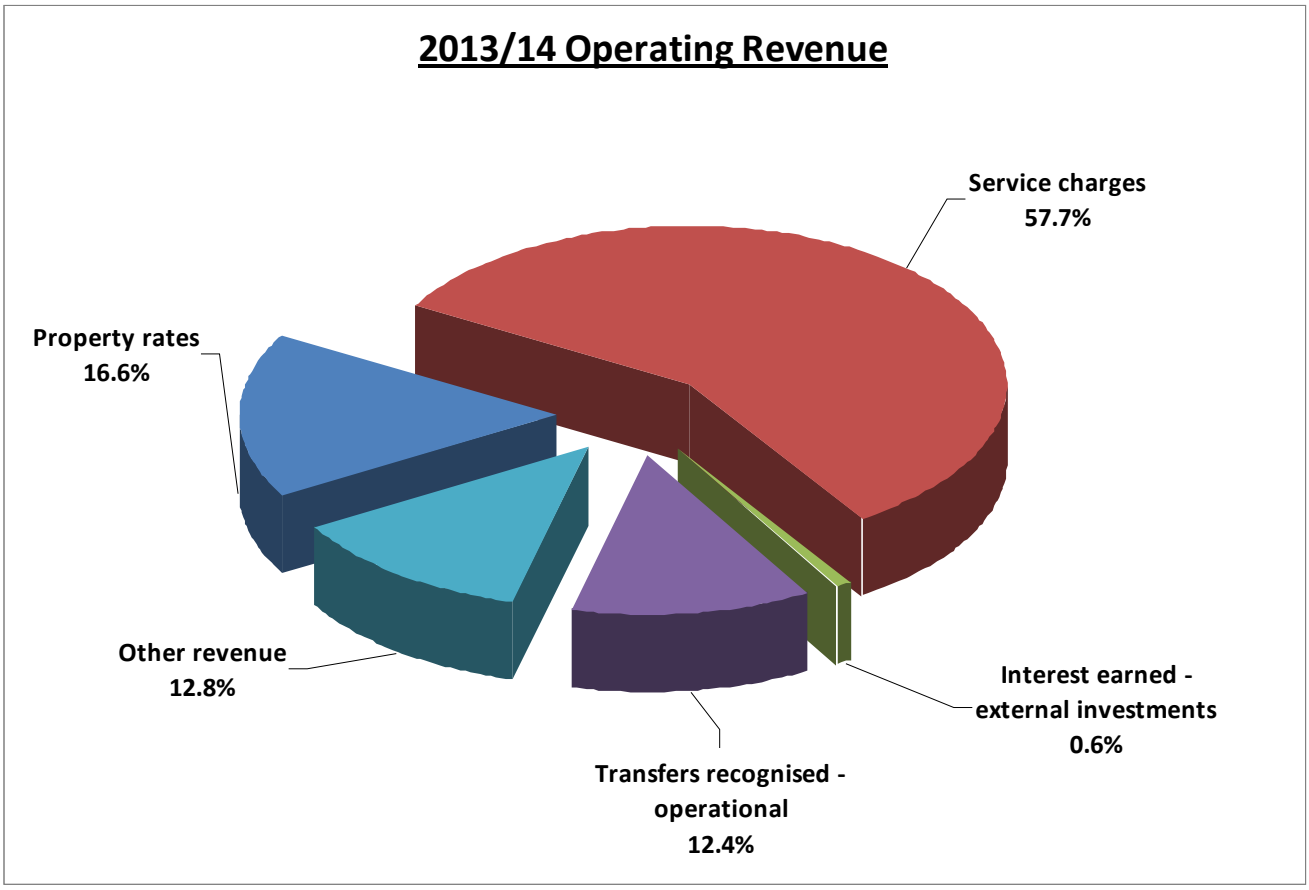


Figure 4 Breakdown of operating revenue over the 2013/14 MTREF

Tariff determination plays a vital role in ensuring the appropriate levels of revenue, so as to achieve a credible and funded budget. Operating revenue is mainly derived from service charges, such as water, electricity, sanitation and refuse collection and disposal, property rates and operating grants.

The revenue management strategy includes the following key components:

- Growth in the revenue base;
- Targeting a 95% annual collection rate for property rates and service charges, after discounting ATTP subsidies;
- National Treasury guidelines;
- Electricity bulk tariff increases as approved by NERSA;
- Water bulk tariff increases as approved by DWA;
- Ensuring fully cost reflective tariffs;
- The level of property rates and tariff increases must ensure financially sustainable service delivery;
- The Property Rates Policy, and
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services.

The above principles guide the annual increases in property rates and tariffs, charged to the consumers.

Property rates amount to R1,2 billion in the 2013/14 financial year and increases to R1,5 billion in 2015/16, representing 16,6% of the total operating revenue for the 2013/14 budget. It increases from 16.6% to 17.7% over the MTREF.

Services charges relating to electricity, water, sanitation and refuse collection and disposal constitute the largest component of the revenue base, amounting to R4,2 billion in the 2013/14 financial year and increasing to R4,9 billion in 2015/16. For the 2013/14 financial year, services charges amount to 57,7% of the total revenue base and increases to 58,1% for 2015/16.

Operational grants and subsidies amount to R901,8 million, R914,9 million and R951,7 million for each of the respective financial years of the MTREF, or 12,4%, 11,6% and 11,2% of total operating revenue.

The tables below provide investment information and investment particulars by maturity.

Table 30 (SA15 – Detail Investment Information)

Investment type	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
Parent municipality									
Deposits - Bank	506,363	298,140	988,702	779,203	770,157	770,157	724,525	1,055,011	1,502,045
Total	506,363	298,140	988,702	779,203	770,157	770,157	724,525	1,055,011	1,502,045

As a result of the Municipality's cashflow forecasting, cashflow management and monitoring functions, investments are anticipated to increase from R724.5 million in 2013/14 to R1.5 billion in 2015/16. However, this amount includes funding in respect of unspent conditional grants in the amount of approximately R150 million.

Table 31 (SA16 – Investment particulars by maturity)

Investments by Maturity	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	Yrs/Months			Rand millions	
Investec	1-3 months	Call account / money market	Variable	147,800	8,860
Stanlib	1-3 months	Call account / money market	Variable	147,800	8,860
Nedbank	1-3 months	Call account / money market	Variable	147,800	8,860
Standard Bank	1 year	Short term deposit	Variable	147,800	8,860
First National Bank	1-3 months	Call account / money market	Variable	133,325	7,800
TOTAL INVESTMENTS AND INTEREST				724,525	43,240

2.6.2 Medium-term outlook: capital revenue

The following table provides a breakdown of the funding components of the 2013/14 medium-term capital programme:

Table 32 (Sources of capital revenue over the MTREF)

Description	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Capital Transfers and Grants								
National Government:	1,070,632	75.7	678,935	62.9	917,424	69.8	1,031,705	72.1
Provincial Government:	0	0.0	0	0.0	0	0.0	0	0.0
Other grant providers:	14,000	1.0	7,700	0.7	0	0.0	0	0.0
Transfers recognised - capital	1,084,632	76.7	686,635	63.6	917,424	69.8	1,031,705	72.1
Public contributions and donations	27,234	1.9	41,201	3.8	37,000	2.8	37,000	2.6
Internally generated funds	302,110	21.4	351,570	32.6	359,000	27.3	362,767	25.3
Total Capital Transfers and Grants	1,413,976	100.0	1,079,406	100.0	1,313,424	100	1,431,472	100

The above table is graphically represented as follows for the 2013/14 financial year.

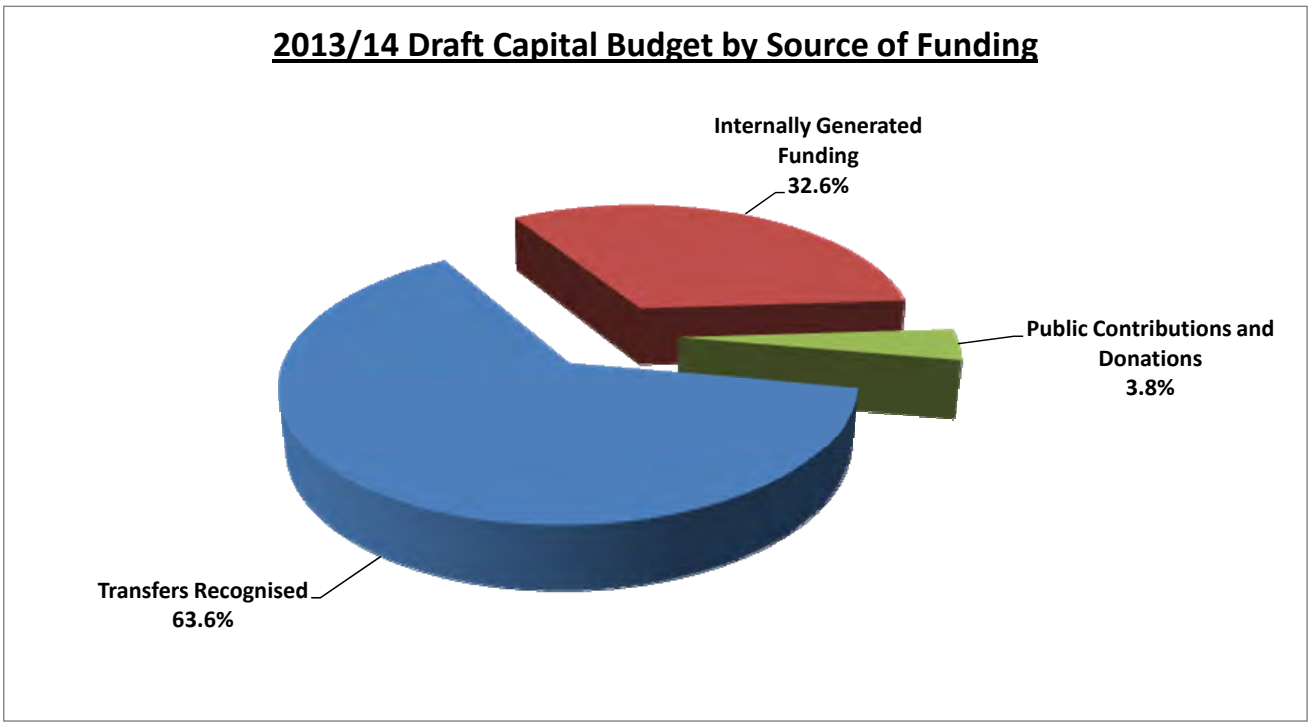


Figure 5 Sources of Capital Revenue for the 2013/14 financial year

Capital Grants constitute 63,6% of the total funding sources, amounting to R686,6 million for the 2013/14 financial year and amounting to R1.0 billion or 72,1% in the 2015/16 financial year.
It is to be noted that no borrowing is planned for the 2013/14 MTREF, in view of financial affordability considerations.

The following table provides a detailed analysis of the Municipality's borrowings.

Table 33 (Table SA 17 - Detail of borrowings)

Borrowing - Categorised by type	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality									
Long-Term Loans (annuity/reducing balance)	1,459,787	1,841,851	1,745,094	1,629,013	1,629,013	1,629,013	1,516,045	1,411,952	1,318,032
Total Borrowing	1,459,787	1,841,851	1,745,094	1,629,013	1,629,013	1,629,013	1,516,045	1,411,952	1,318,032

The following graph illustrates the outstanding borrowing for the 2007/08 to 2015/16 period:

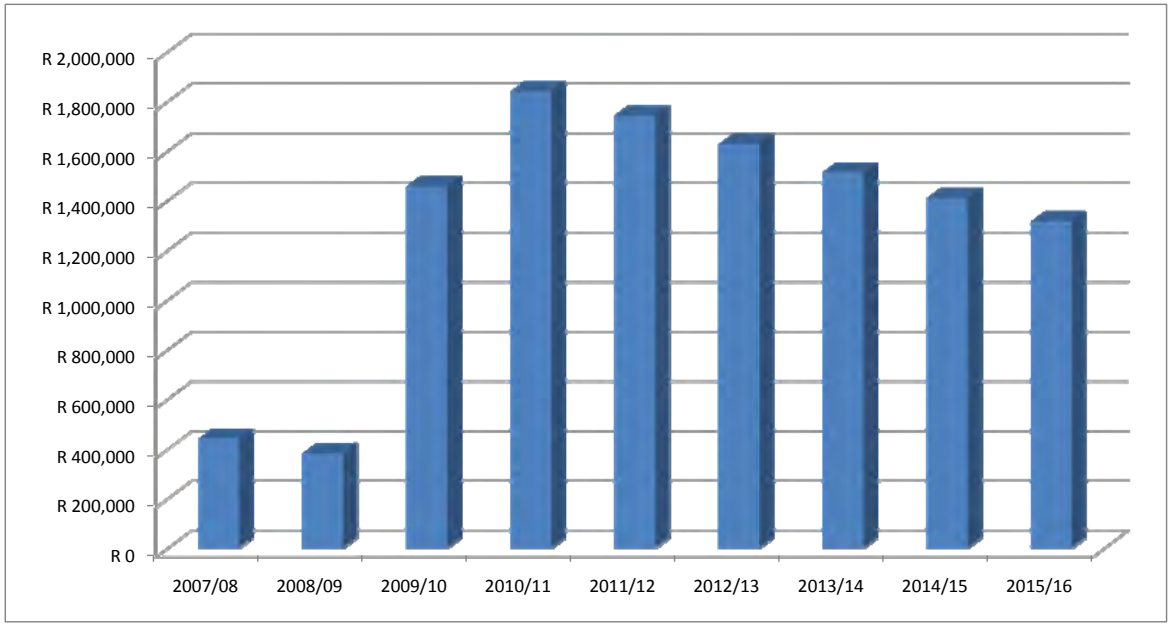


Figure 6 Growth in outstanding borrowing (long-term liabilities)

The following table indicates the capital transfers and grant receipts:

Table 34 (Table SA 18 - Capital transfers and grant receipts)

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:						
-						
Operating Transfers and Grants						
National Government:	953,173	973,833	973,833	884,853	911,122	947,859
Local Government Equitable Share	729,226	729,226	729,226	743,325	761,940	772,901
EPWP Incentive	14,695	14,695	14,695	20,885		
Public Transport Network Operations Grant	198,702	198,702	198,702	100,000	130,000	150,000
Energy Efficiency and Demand Management				8,000	5,000	10,000
Integrated City Development Grant				3,193		

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Infrastructure Skills Development Grant	5,300	2,300	2,300	8,200	12,932	13,708
Finance Management Grant	1,250	1,250	1,250	1,250	1,250	1,250
Other Grant including Training, Disaster Management ,etc	4,000	27,660	27,660			
Provincial Government:	403,752	434,608	434,608	3,752	3,752	3,752
Library Grant	3,752	3,752	3,752	3,752	3,752	3,752
Housing Top Structures Grant	400,000	414,275	414,275			
Health subsidy		9,195	9,195			
Water Leaks Grant		2,500	2,500			
Housing Accreditation		4,887	4,887			
District Municipality:	–	–	–	–	–	–
[insert description]						
Other grant providers:	–	21,220	21,220	–	–	–
Marine and Coastal Development		210	210			
EU 3rd tranche		21,010	21,010			
Total Operating Transfers and Grants	1,356,925	1,429,661	1,429,661	888,605	914,874	951,611
Capital Transfers and Grants						
National Government:	771,932	771,932	771,932	773,986	1,045,863	1,176,144
Urban Settlements Development Grant	592,870	592,870	592,870	727,986	828,863	858,144
Integrated National Electrification Programme Grant	15,000	15,000	15,000	16,000	17,000	38,000
Neighbourhood Development Partnership	64,062	64,062	64,062	30,000	30,000	30,000
Public Transport Infrastructure grant	100,000	100,000	100,000	–	170,000	250,000
	–	–	–	–	–	–
Other capital transfers/grants [insert desc]						
Provincial Government:	–	–	–	–	–	–
Other capital transfers/grants [insert description]						
District Municipality:	–	–	–	–	–	–
Other grant providers:	–	11,000	11,000	–	–	–
European Union	–	11,000	11,000	–	–	–
Mendi Grant				–	–	–
Total Capital Transfers and Grants	771,932	782,932	782,932	773,986	1,045,863	1,176,144
TOTAL RECEIPTS OF TRANSFERS & GRANTS	2,128,857	2,212,593	2,212,593	1,662,591	1,960,737	2,127,755

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining whether the budget is funded over the medium-term. The table includes some specific features:

- Clear separation of receipts and payments within each cash flow category;

- Clear separation of capital and operating receipts from government; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 35 (Table A7 - Budget cash flow statement)

Description	2009/10	20010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	3,604,700	5,650,232	5,380,877	5,197,167	5,139,659	5,139,659	5,601,137	6,087,371	6,602,793
Government - operating	976,686	980,838	1,251,609	1,356,926	1,429,590	1,429,590	888,605	914,874	951,611
Government - capital	625,252	682,220	1,196,014	771,932	782,932	782,932	773,986	1,045,863	1,176,144
Interest	144,522	16,447	56,892	25,528	41,184	41,184	43,240	45,834	48,585
Dividends									
Payments									
Suppliers and employees	(4,122,714)	(6,130,712)	(5,646,580)	(5,702,869)	(5,737,233)	(5,737,233)	(5,850,979)	(6,112,951)	(6,559,296)
Finance charges	(112,726)	(177,110)	(201,297)	(205,239)	(214,552)	(214,552)	(190,534)	(179,034)	(169,303)
Transfers and Grants	(99,870)	34,581	(40,896)	(79,005)	(82,809)	(82,809)	(86,337)	(90,181)	(95,642)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,015,850	1,056,497	1,996,619	1,364,440	1,358,772	1,358,772	1,179,118	1,711,776	1,954,892
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		2,250			–	–			
Decrease (Increase) in non-current debtors					–	–			
Decrease (increase) other non-current receivables	14,057				13,315	13,315	–	–	–
Decrease (increase) in non-current investments	–				–	–			
Payments									
Capital assets	(2,393,569)	(1,641,999)	(1,191,205)	(1,048,473)	(1,400,376)	(1,400,376)	(1,119,591)	(1,268,321)	(1,403,765)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,379,512)	(1,639,749)	(1,191,205)	(1,048,473)	(1,387,061)	(1,387,061)	(1,119,591)	(1,268,321)	(1,403,765)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans					–	–			
Borrowing long term/refinancing	1,165,000	470,000	–		–	–			
Increase (decrease) in consumer deposits				(3,275)	(3,500)	(3,500)			
Payments									
Repayment of borrowing	(51,828)	(88,859)	(77,058)	(97,444)	(112,444)	(112,444)	(105,159)	(112,968)	(104,093)
NET CASH FROM/(USED) FINANCING ACTIVITIES	1,113,172	381,141	(77,058)	(100,719)	(115,944)	(115,944)	(105,159)	(112,968)	(104,093)
NET INCREASE/ (DECREASE) IN CASH HELD	(250,490)	(202,111)	728,356	215,248	(144,233)	(144,233)	(45,632)	330,486	447,034
Cash/cash equivalents at the year begin:	880,260	629,769	427,658	763,935	1,114,369	1,114,369	970,137	924,505	1,254,991
Cash/cash equivalents at the year end:	629,769	427,658	1,156,014	979,183	970,137	970,137	924,505	1,254,991	1,702,025

For the 2013/14 MTREF, the cash and cash equivalents over the medium-term is anticipated to increase from R924.5 million to R1,7 billion in 2015/16. The 2013/14 cash balance is significantly influenced by the unspent grants of approximately R150 million relating to the previous year.

Table 36 (Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation)

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available									
Cash/cash equivalents at the year end	629,769	427,658	1,156,014	979,183	970,137	970,137	924,505	1,254,991	1,702,025
Other current investments > 90 days	935	1,127	1,463	0	0	0	0	0	(0)
Non current assets - Investments	20	20	20	20	20	20	20	20	20
Cash and investments available:	630,725	428,805	1,157,497	979,203	970,157	970,157	924,525	1,255,011	1,702,045
Application of cash and investments									
Unspent conditional transfers	206,196	284,073	509,428	580,800	194,524	194,524	23,284	23,204	23,204
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	372,632	197,385	550,450	239,779	584,905	584,905	760,559	770,177	791,484
Other provisions									
Long term investments committed	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	446,052	593,375	47,000	47,000	47,000	47,000	51,300	51,300	51,300
Total Application of cash and investments:	1,024,880	1,074,833	1,106,878	867,579	826,429	826,429	835,143	844,681	865,988
Surplus(shortfall)	(394,155)	(646,028)	50,619	111,624	143,728	143,728	89,382	410,330	836,057

The underlying purpose of Table A8 is to reflect the predicted cash and investments that are available at the end of a particular budget year and how these funds were used. A surplus would indicate that sufficient cash and investments were available to meet commitments, whilst a shortfall would indicate inadequate cash and investments were available to meet commitments.

The available cash and investments amount to R924.5 million in the 2013/14 financial year and increases to R1,7 billion in 2015/16. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) – unspent grant funding is anticipated over the 2013/14 MTREF.

- There is no unspent borrowing from previous financial years.

- The main purpose of the other working capital requirements is to ensure that sufficient funds are available to meet commitments as and when they fall due. A key challenge is often the mismatch between the timing of receipts from debtors and payments due to employees and creditors. High levels of non-payment by debtors will result in a greater requirement for working capital, ultimately causing cash flow challenges.

For the purposes of the cash backed reserves and accumulated surplus reconciliation, a provision equivalent to one month's operational expenditure has been provided for. The desired cash levels are, however, two months' operational expenditure in order to ensure the continued liquidity of the Municipality. Any underperformance in relation to debtor collections could place upward pressure on the Municipality's ability to meet its commitments.

- Reserves must be cash backed in order to support the budget. The reserves requiring cash backing, includes the Self Insurance Fund and COID.

It is concluded that the Municipality's cash backed and accumulated surpluses reconciliation reflects surpluses of R89.4 million, R410.3 million and R836.1 million for the 2013/14, 2014/15 and 2015/16 financial years, respectively.

It is to be noted that the 2013/14 MTREF is funded, when considering the funding requirements of section 18 and 19 of the MFMA. The cost coverage ratio is, however, not at the required level.

2.6.5 Funding Compliance Measurement

National Treasury requires the Municipality to assess its financial sustainability against the different measures outlined below.

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures									
Cash/cash equivalents at the year end - R'000	629,769	427,658	1,156,014	979,183	970,137	970,137	924,505	1,254,991	1,702,025
Cash + investments at the yr end less applications - R'000	(690,454)	(690,466)	450,665	111,624	143,728	143,728	89,382	410,330	836,057
Cash year end/monthly employee/supplier payments	1.8	1.1	2.7	2.2	2.1	2.1	2.0	2.5	3.2
Surplus/(Deficit) excluding depreciation offsets: R'000	855,369	56,036	563,555	1,282,848	1,618,398	1,618,398	1,251,956	1,643,461	1,884,378
Service charge rev % change - macro CPIX target exclusive	N.A.	13.8%	5.6%	7.7%	(7.3%)	(6.0%)	3.4%	3.2%	3.0%
Cash receipts % of Ratepayer & Other revenue	74.5%	110.6%	144.7%	88.8%	88.0%	88.0%	88.2%	88.0%	87.6%
Debt impairment expense as a % of total billable revenue	12.6%	13.1%	6.7%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Capital payments % of capital expenditure	105.3%	108.2%	108.6%	100.9%	99.0%	99.0%	103.7%	96.6%	98.1%
Borrowing receipts % of capital expenditure (excl. transfers)	88.5%	46.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	N.A.	(27.7%)	(4.1%)	26.0%	(14.4%)	(14.4%)	1.6%	4.5%	4.0%
Long term receivables % change - incr(decr)	N.A.	(23.7%)	(32.2%)	55.9%	(20.5%)	(20.5%)	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	3.8%	3.5%	3.5%	3.9%	4.0%	4.0%	4.3%	4.4%	4.4%
Asset renewal % of capital budget	87.7%	68.7%	0.0%	60.5%	40.6%	40.6%	63.4%	57.5%	52.9%

Below is a discussion of the different measures.

2.6.5.1 Cash/cash equivalent position

The forecasted cash and cash equivalents for the 2013/14 MTREF amounts to R924.5 million, R1.3 billion and R1,7 billion for the respective financial years.

2.6.5.2 Cash plus investments less application of funds

For the 2013/14, 2014/15 and 2015/16 budgets, the available cash and investments exceed the application of funds by an amount of R89.4 million, R410.3 million and R836.1 million respectively.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

As part of the 2013/14 MTREF, the cash position causes the ratio to move from 2.0 to 3.2.

2.6.5.4 Surplus/deficit excluding depreciation offsets

For the 2013/14 MTREF the indicative outcome is a surplus of R1,25 billion, R1,64 billion and R1,88 billion. The surplus is made up as follows:

	2013/14	**2014/15**	**2015/16**
	R	**R**	**R**
Operating Budget Surplus (Deficit)	(205,817)	31,829	326,751
Capital Grants (Transfers)	678 935	917 424	1 031 705
Depreciation Offsets	778 838	694 209	525 921
Total	**1 251 956**	**1 643 462**	**1 884 377**

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective, and therefore the first two measures in the table are critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

This is calculated by deducting the maximum macro-economic inflation target (which is currently 3 - 6 %), so as to determine the real increase in revenue. The percentage growth totals 3.4%, 3.2% and 3.0% for the respective financial years of the 2013/14 MTREF. The real increases in revenue are more or less in line with the inflation target figures.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

The outcome is approximately 88% for each of the respective financial years.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

The provision has been set at 5% over the MTREF, in line with the revenue collection trends.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into account in forecasting the cash position.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

No borrowing has been planned for the 2013/14 MTREF.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. All transfers are included in the budget.

2.6.5.11 Repairs and maintenance expenditure level

The expenditure constitutes 4,3% of Property, Plant and Equipment, whilst National Treasury has suggested an 8% level.

2.6.5.12 Asset renewal/rehabilitation expenditure level

The expenditure constitutes 63,4% of the capital budget, whilst National Treasury has suggested a 40% level.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

GRANTS RECEIVED

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:						
Operating Transfers and Grants						
National Government:	953,173	973,833	973,833	884,853	911,122	947,859
Local Government Equitable Share	729,226	729,226	729,226	743,325	761,940	772,901
EPWP Incentive	14,695	14,695	14,695	20,885		
Public Transport Network Operations Grant	198,702	198,702	198,702	100,000	130,000	150,000
Energy Efficiency and Demand Management				8,000	5,000	10,000
Integrated City Development Grant				3,193		
Infrastructure Skills Development Grant	5,300	2,300	2,300	8,200	12,932	13,708
Finance Management Grant	1,250	1,250	1,250	1,250	1,250	1,250
Other Grant including Training, Disaster Management ,etc	4,000	27,660	27,660			
Provincial Government:	403,752	434,608	434,608	3,752	3,752	3,752
Library Grant	3,752	3,752	3,752	3,752	3,752	3,752
Housing Top Structure Grant	400,000	414,275	414,275			
Health subsidy		9,195	9,195			
Water Leaks Grant		2,500	2,500			
Housing Accreditation		4,887	4,887			
District Municipality:	–	–	–	–	–	–
[insert description]						
Other grant providers:	–	21,220	21,220	–	–	–
Marine and Coastal Development		210	210			
EU 3rd tranche		21,010	21,010			
Total Operating Transfers and Grants	1,356,925	1,429,661	1,429,661	888,605	914,874	951,611

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Transfers and Grants						
National Government:	771,932	771,932	771,932	773,986	1,045,863	1,176,144
Urban Settlements Development Grant	592,870	592,870	592,870	727,986	828,863	858,144
Integrated National Electrification Programme Grant	15,000	15,000	15,000	16,000	17,000	38,000
Neighbourhood Development Partnership	64,062	64,062	64,062	30,000	30,000	30,000
Public Transport Infrastructure Grant	100,000	100,000	100,000	–	170,000	250,000
Other capital transfers/grants [insert desc]	–	–	–	–	–	–
Provincial Government:	–	–	–	–	–	–
Other capital transfers/grants [insert description]						
District Municipality:	–	–	–	–	–	–
Other grant providers:	–	11,000	11,000	–	–	–
European Union	–	11,000	11,000	–	–	–
Total Capital Transfers and Grants	771,932	782,932	782,932	773,986	1,045,863	1,176,144
TOTAL RECEIPTS OF TRANSFERS & GRANTS	2,128,857	2,212,593	2,212,593	1,662,591	1,960,737	2,127,755

GRANTS EXPENDITURE

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:						
Operating expenditure of Transfers and Grants						
National Government:	953,173	986,322	986,322	885,071	911,122	947,859
Local Government Equitable Share	729,226	729,226	729,226	743,325	761,940	772,901
EPWP Incentive	14,695	14,695	14,695	20,885		
Public Transport Network Operations Grant	198,702	198,702	198,702	100,000	130,000	150,000
Energy Efficiency and Demand Management	5,300	2,300	2,300	8,000	5,000	10,000
Integrated City Development Grant				3,193		
Infrastructure Skills Development Grant				8,200	12,932	13,708
Finance Management Grant	1,250	1,250	1,250	1,250	1,250	1,250
Other Grant including Training, Disaster Management ,etc	4,000	40,149	40,149	218		
Provincial Government:	403,752	440,734	440,734	3,752	3,752	3,752
Library Grant	3,752	3,752	3,752	3,752	3,752	3,752
Housing Top Structure Grant	400,000	414,275	414,275			
Health subsidy		10,320	10,320			
Water Leaks Grant		2,500	2,500			

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Housing Accreditation		9,887	9,887			
District Municipality:	–	–	–	–	–	–
[insert description]						
Other grant providers:	4,322	12,592	12,592	10,345	80	80
Marine and Coastal Development				10,345	80	80
Other grants	4,322	12,592	12,592			
Total operating expenditure of Transfers and Grants:	1,361,247	1,439,648	1,439,648	899,167	914,954	951,691
Capital expenditure of Transfers and Grants						
National Government:	771,932	1,070,594	1,070,594	773,986	1,045,863	1,176,144
Urban Settlements Development Grant	592,870	592,870	592,870	727,986	828,863	858,144
	15,000	15,000	15,000	16,000	17,000	38,000
Neighbourhood Development Partnership	64,062	64,062	64,062	30,000	30,000	30,000
Public Transport Infrastructure Grant	100,000	340,000	340,000	–	170,000	250,000
Drought Relief Grant	–	58,662	58,662	–	–	–
Other capital transfers/grants [insert desc]						
Provincial Government:	–	–	–	–	–	–
Other capital transfers/grants [insert description]						
District Municipality:	–	–	–	–	–	–
Other grant providers:	3,000	11,000	11,000	7,700	–	–
European Union	–	11,000	11,000	7,700	–	–
Mendi Grant	3,000			–	–	–
Total capital expenditure of Transfers and Grants	774,932	1,081,594	1,081,594	781,686	1,045,863	1,176,144
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	2,136,179	2,521,243	2,521,243	1,680,853	1,960,817	2,127,835

GRANTS RECONCILIATION

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Operating transfers and grants:						
National Government:						
Balance unspent at beginning of the year	233,963	59,269	59,269	218	–	–
Current year receipts	953,174	973,834	973,834	884,853	911,122	947,859
Conditions met - transferred to revenue	953,174	986,323	986,323	885,071	911,122	947,859
Conditions still to be met - transferred to liabilities	233,963	46,780	46,780	–		
Provincial Government:						

Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Balance unspent at beginning of the year	11,360	20,128	20,128	8,630	8,630	8,630
Current year receipts	403,752	434,536	434,536	3,752	3,752	3,752
Conditions met - transferred to revenue	403,752	440,734	440,734	3,752	3,752	3,752
Conditions still to be met - transferred to liabilities	11,360	13,930	13,930	8,630	8,630	8,630
District Municipality:						
Balance unspent at beginning of the year						
Current year receipts						
Conditions met - transferred to revenue	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities						
Other grant providers:						
Balance unspent at beginning of the year	14,900	9,996	9,996	14,278	3,934	3,854
Current year receipts		21,220	21,220			
Conditions met - transferred to revenue	4,322	12,592	12,592	10,345	80	80
Conditions still to be met - transferred to liabilities	10,578	18,624	18,624	3,934	3,854	3,774
Total operating transfers and grants revenue	1,361,248	1,439,649	1,439,649	899,167	914,954	951,691
Total operating transfers and grants - CTBM	255,901	79,334	79,334	12,563	12,483	12,403
Capital transfers and grants:						
National Government:						
Balance unspent at beginning of the year	240,331	402,715	402,715	–	–	–
Current year receipts	771,932	771,932	771,932	773,986	1,045,863	1,176,144
Conditions met - transferred to revenue	771,932	1,070,594	1,070,594	773,986	1,045,863	1,176,144
Conditions still to be met - transferred to liabilities	240,331	104,053	104,053	–	–	–
Provincial Government:						
Balance unspent at beginning of the year						
Current year receipts						
Conditions met - transferred to revenue	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities						
District Municipality:						
Balance unspent at beginning of the year						
Current year receipts						
Conditions met - transferred to revenue	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities						
Other grant providers:						
Balance unspent at beginning of the year	19,445	11,137	11,137	18,421	10,721	10,721
Current year receipts		11,000	11,000			
Conditions met - transferred to revenue	3,000	11,000	11,000	7,700	–	–
Conditions still to be met - transferred to liabilities	16,445	11,137	11,137	10,721	10,721	10,721
Total capital transfers and grants revenue	774,932	1,081,594	1,081,594	781,686	1,045,863	1,176,144
Total capital transfers and grants - CTBM	256,776	115,190	115,190	10,721	10,721	10,721
TOTAL TRANSFERS AND GRANTS REVENUE	2,136,180	2,521,243	2,521,243	1,680,853	1,960,817	2,127,835
TOTAL TRANSFERS AND GRANTS - CTBM	512,677	194,524	194,524	23,284	23,204	23,124

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The table below reflects the grants and allocations made by the Municipality. It includes grants-in-aid made in accordance with the Municipality's grants-in-aid policy and transfers to entities and other organisations to primarily support their operational expenditure.

ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Transfers to Entities/Other External Mechanisms									
MBDA	76,885	(57,064)	19,015	56,278	59,452	59,452	60,749	64,394	68,258
Centenary Hall Promotions Former Entity									
Feather Market Promotions - Former Entity									
Total Cash Transfers To Entities/Ems'	76,885	(57,064)	19,015	56,278	59,452	59,452	60,749	64,394	68,258
Cash Transfers to Organisations									
Grants in Aid	6,314	7,117	5,647	7,618	7,518	7,518	8,272	8,810	9,389
Grants to Other Organisations	16,671	15,366	16,234	15,109	15,109	15,109	16,016	16,977	17,995
Total Cash Transfers To Organisations	22,985	22,483	21,881	22,728	22,628	22,628	24,287	25,787	27,384
TOTAL CASH TRANSFERS AND GRANTS	99,870	(34,581)	40,896	79,005	82,079	82,079	85,037	90,181	95,642
Groups of Individuals									
Indigent	264,701	265,134	260,313	323,048	316,220	316,220	314,933	351,953	392,195
Total Non-Cash Grants To Groups Of Individuals:	264,701	265,134	260,313	323,048	316,220	316,220	314,933	351,953	392,195
TOTAL NON-CASH TRANSFERS AND GRANTS	264,701	265,134	260,313	323,048	316,220	316,220	314,933	351,953	392,195
TOTAL TRANSFERS AND GRANTS	364,571	230,553	301,209	402,053	398,300	398,300	399,969	442,135	487,836

2.9 COUNCILLORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

COUNCILLORS & BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Summary of Employee and Councillor remuneration	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	43,509	43,840	48,406	52,917	51,176	51,176	55,002	59,402	64,451
Pension and UIF Contributions					–	–			
Medical Aid Contributions					–	–			
Motor Vehicle Allowance					–	–			
Cellphone Allowance	1,376	1,382	1,513	1,665	1,612	1,612	1,733	1,872	2,031
Housing Allowances					–	–			
Other benefits and allowances					432	432	464	502	544
Sub Total - Councillors	44,886	45,222	49,919	54,583	53,220	53,220	57,199	61,775	67,026
% increase		0.7%	10.4%	9.3%	(2.5%)	–	7.5%	8.0%	8.5%
Senior Managers of the Municipality									
Basic Salaries and Wages	11,404	11,845	9,150	17,924	13,046	13,046	29,729	32,014	34,636
Pension and UIF Contributions					–	–			
Medical Aid Contributions					–	–			
Overtime					–	–			
Performance Bonus	1,546	162	740	2,256	2,068	2,068	4,190	4,525	4,908
Motor Vehicle Allowance					–	–			
Cellphone Allowance					–	–			
Housing Allowances					–	–			
Other benefits and allowances					–	–			
Payments in lieu of leave					–	–			
Long service awards					–	–			
Post-retirement benefit obligations					–	–			
Sub Total - Senior Managers of Municipality	12,950	12,006	9,890	20,180	15,114	15,114	33,920	36,539	39,544
% increase		(7.3%)	(17.6%)	104.0%	(25.1%)	–	124.4%	7.7%	8.2%
Other Municipal Staff									
Basic Salaries and Wages	992,483	1,104,197	1,138,731	1,231,667	1,199,401	1,199,401	1,321,121	1,420,670	1,529,067
Pension and UIF Contributions	146,594	167,446	182,738	189,387	178,223	178,223	190,552	205,156	221,807
Medical Aid Contributions	78,130	92,186	101,949	97,369	101,535	101,535	111,013	123,227	136,744

Summary of Employee and Councillor remuneration	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Overtime	87,600	72,264	74,038	56,884	73,769	73,769	77,768	83,439	89,926
Performance Bonus	13,537	16,417	18,916	13,353	19,702	19,702	21,187	22,882	24,826
Motor Vehicle Allowance	43,768	46,307	52,877	47,370	53,937	53,937	53,733	53,675	53,861
Cellphone Allowance					–	–			
Housing Allowances	9,875	8,266	8,046	7,447	7,281	7,281	7,263	7,259	7,262
Other benefits and allowances	54,085	83,824	129,070	56,848	76,273	76,273	83,867	83,638	85,826
Payments in lieu of leave					–	–			
Long service awards	23,926	26,592	384	30,241	25,829	25,829	30,679	31,851	31,236
Post-retirement benefit obligations	161,496	277,012	135,726	42,227	42,227	42,227	45,086	48,576	52,705
Sub Total - Other Municipal Staff	1,611,494	1,894,511	1,842,474	1,772,793	1,778,177	1,778,177	1,929,548	2,066,927	2,219,051
% increase		17.6%	(2.7%)	(3.8%)	0.3%	–	8.5%	7.1%	7.4%
Total Parent Municipality	1,669,329	1,951,740	1,902,284	1,847,556	1,846,511	1,846,511	2,017,601	2,161,979	2,322,070
		16.9%	(2.5%)	(2.9%)	(0.1%)	–	9.3%	7.2%	7.4%
TOTAL SALARY, ALLOWANCES & BENEFITS	1,669,329	1,951,740	1,902,284	1,847,556	1,846,511	1,846,511	2,017,601	2,161,979	2,322,070
% increase		16.9%	(2.5%)	(2.9%)	(0.1%)	–	9.3%	7.2%	7.4%
TOTAL MANAGERS AND STAFF	1,624,444	1,906,518	1,852,364	1,792,973	1,793,291	1,793,291	1,960,402	2,100,154	2,255,044

DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS

Disclosure of Salaries, Allowances & Benefits	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
Councillors						
Speaker	918,612		25,232			943,844
Chief Whip	861,198		25,232			886,430
Executive Mayor	1,148,264		46,685			1,194,949
Deputy Executive Mayor	918,612		25,232			943,844
Executive Committee	8,554,563		252,324			8,806,887
Total for all other councillors	42,600,549		1,822,744			44,423,293
Total Councillors	55,001,798	–	2,197,449			57,199,247
Senior Managers of the Municipality						
City Manager (CM)	2,472,500			346,150		2,818,650

Disclosure of Salaries, Allowances & Benefits	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
Chief Finance Officer	1,978,000			276,920		2,254,920
Human Settlements	1,978,000			276,920		2,254,920
Strategic Advisor to Deputy Mayor	1,186,077			360,530		1,546,607
Infrastructure and Engineering	2,016,760			276,920		2,293,680
Electricity and Energy	1,978,000			276,920		2,254,920
List of each offical with packages >= senior manager						
Deputy City Manager	2,225,250			311,530		2,536,780
Deputy City Manager	2,225,250			311,530		2,536,780
Public Health	1,978,000			276,920		2,254,920
Safety and Security	1,978,000			276,920		2,254,920
Corporate Services	1,978,000			276,920		2,254,920
Chief Operating Officer	1,389,085			191,590		1,580,675
Senior Manager at City Manager's Office	1,978,000			276,920		2,254,920
Economic Development, Recreation and Culture	1,978,000			276,920		2,254,920
Strategic Advisor to the Executive Mayor	1,263,170			176,850		1,440,020
Special Projects and Programmes	1,127,040					1,127,040
Total Senior Managers of the Municipality	29,729,132	–	–	4,190,460		33,919,592
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	84,730,930	–	2,197,449	4,190,460		91,118,839

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Novembe r	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source													1		
Property rates	95,864	98,163	79,647	103,001	86,305	97,715	81,177	91,026	86,346	90,869	90,571	89,817	1,090,501	1,221,959	1,356,922
Property rates - penalties & collection charges												–			
Service charges - electricity revenue	236,103	266,845	310,621	295,477	252,737	248,042	229,379	228,781	227,836	229,824	235,050	231,242	2,991,937	3,201,067	3,424,807
Service charges - water revenue	32,712	37,096	44,101	41,033	35,242	34,422	31,760	32,247	31,759	31,823	31,759	30,727	414,681	468,590	529,507
Service charges - sanitation revenue	18,780	21,304	25,528	23,702	20,232	19,761	18,233	18,485	18,233	18,233	18,233	18,166	238,890	269,946	305,038
Service charges - refuse revenue	8,914	10,112	11,731	11,144	9,604	9,380	8,655	8,469	10,067	8,673	9,689	9,974	116,412	130,448	144,856
Service charges - other												–			
Rental of facilities and equipment	182	297	261	323	280	148	549	316	1,688	1,688	1,688	13,397	20,817	21,958	23,134
Interest earned - external investments	3,965	5,529	4,923	3,761	3,729	3,064	3,557	3,057	2,757	3,000	3,000	2,898	43,240	45,834	48,585
Interest earned - outstanding debtors												–			
Dividends received												–			
Fines	1,834	2,109	1,957	2,187	2,008	2,042	1,625	1,511	2,587	2,656	2,622	11,671	34,809	36,897	39,111
Licences and permits	1,082	879	746	838	782	795	1,054	938	806	832	793	849	10,394	11,018	11,679
Agency services	124	124	124	124	124	124	124	124	124	124	124	120	1,484	1,573	1,667
Transfer receipts - operational	228,121	10,560	18,248	18,429	208,016	27,105	97,698	11,976	134,659	20,719	20,719	92,355	888,605	914,874	951,611
Other revenue	10,128	152,846	3,518	4,115	3,738	156,389	6,777	6,526	167,021	19,607	19,607	130,940	681,212	723,915	766,072
Cash Receipts by Source	637,809	605,864	501,405	504,134	622,797	598,987	480,588	403,456	683,883	428,048	433,855	632,156	6,532,982	7,048,079	7,602,989
Other Cash Flows by Source															
Transfer receipts - capital	265,064	9,886	45,474		231,189	10,874		175,829	35,650			20	773,986	1,045,863	1,176,144
Contributions recognised - capital & Contributed assets												–			
Proceeds on disposal of PPE												–			
Short term loans												–			
Borrowing long term/refinancing												–			

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Novembe r	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	902,873	615,750	546,879	504,134	853,986	609,861	480,588	579,285	719,533	428,048	433,855	632,176	7,306,968	8,093,942	8,779,133
Cash Payments by Type															
Employee related costs	149,253	167,574	157,680	160,533	209,047	159,792	152,305	159,643	158,927	158,867	158,810	166,752	1,959,183	2,098,850	2,253,649
Remuneration of councillors	4,448	4,895	4,145	4,448	4,448	4,454	6,155	5,006	4,736	4,736	4,736	4,992	57,199	61,775	67,026
Finance charges	45,140			25,599	21,020		44,456		24,715			29,604	190,534	179,034	169,303
Bulk purchases - Electricity	259,090	300,519	296,689	159,462	167,355	159,797	138,950	158,037	164,370	166,638	164,854	163,648	2,299,409	2,467,266	2,647,377
Bulk purchases - Water & Sewer	4,839	442	396	14,849	8,232	6,399	4,764		13,436	8,071	9,273	9,968	80,669	91,234	102,182
Other materials	20,771	30,142	31,702	44,326	41,861	31,225	32,454	32,481	59,287	68,790	55,440	92,099	540,578	575,529	617,719
Contracted services	25,631	25,913	25,146	15,553	16,066	15,223	15,265	21,316	27,525	26,559	25,593	95,042	334,832	359,998	393,567
Transfers and grants - other municipalities			–									–	–		
Transfers and grants - other	668	4,659	144	17,191	2	2,385	2,678	15,634	18,593	1,967		22,416	86,337	90,181	95,642
Other expenditure	84,944	43,089	49,088	57,274	44,496	48,688	43,062	37,082	38,114	37,415	39,447	56,408	579,107	458,299	477,777
Cash Payments by Type	594,784	577,233	564,990	499,235	512,527	427,963	440,089	429,199	509,703	473,043	458,153	640,931	6,127,850	6,382,167	6,824,241
Other Cash Flows/Payments by Type															
Capital assets	192,904	65,871	54,524	84,352	106,871	104,843	78,100	76,200	94,214	93,614	93,092	75,005	1,119,591	1,268,321	1,403,765
Repayment of borrowing	27,073			16,738	4,109		27,073		17,733		4,448	7,985	105,159	112,968	104,093
Other Cash Flows/Payments												–			
Total Cash Payments by Type	814,761	643,104	619,514	600,325	623,507	532,806	545,262	505,399	621,650	566,657	555,693	723,921	7,352,600	7,763,456	8,332,099
NET INCREASE/(DECREASE) IN CASH HELD	88,112	(27,354)	(72,635)	(96,191)	230,479	77,055	(64,674)	73,886	97,883	(138,609)	(121,838)	(91,745)	(45,632)	330,486	447,034
Cash/cash equivalents at the month/year begin:	970,137	1,058,249	1,030,895	958,260	862,069	1,092,547	1,169,603	1,104,929	1,178,815	1,276,697	1,138,088	1,016,250	970,137	924,505	1,254,991
Cash/cash equivalents at the month/year end:	1,058,249	1,030,895	958,260	862,069	1,092,547	1,169,603	1,104,929	1,178,815	1,276,697	1,138,088	1,016,250	924,505	924,505	1,254,991	1,702,025

2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS –DIRECTORATES

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

(a) Monthly projections of

- Revenue to be collected, by source; and
- Operational and capital expenditure, by vote.

(b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Executive Mayor is required to approve the SDBIP within 28 days after the approval of the budget. Furthermore, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Executive Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the City Manager to monitor the performance of the Executive Directors, the Executive Mayor/Council to monitor the performance of the City Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2013/14 financial year will be approved by the Executive Mayor during June 2013, following the approval of the Budget.

2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Below the schedule of contracts impacting on future budgets:

Contracts impacting on the Municipality's revenue

	Description of lease	Start of lease contract	End of lease contract	Escal-ation %	Period	2011/12	2012/13	2013/14	2014/15	2015/16
1	Isimilo Investments (PTY) LTD (Beachview, Maitland 487/35 & Maitland Beach)	01-10-04	30-09-44	0	40	240,000	240,000	240,000	240,000	240,000
2	Buhlebendalo Properties (PTY) LTD (Van Staden Resorts)	05-08-04	04-08-44	0	40	240,000	240,000	240,000	240,000	240,000
3	Logistics Park Lease	01-04-08	31-05-58	0	50	1	1	1	1	1
						480,001	**480,001**	**480,001**	**480,001**	**480,001**

Contracts Impacting on the Municipality's Expenditure

No contracts exceeding the R5 million limit in respect of MFMA section 33 expenditure.

	Description of lease	Start of contract	End of contract	Escal -ation %	Period	2011/12	2012/13	2013/14	2014/15	2015/16
1	ABSA Bank Ltd – Primary Bank account	01-07-12	30-06-17		5 years					

2.13 LEGISLATION COMPLIANCE STATUS

Below a discussion of the Municipality's progress relating to the implementation of the MFMA:

Implementation of the MFMA

The municipality has been implementing the provisions of the MFMA in accordance with a documented Implementation Plan. The municipality monitors its implementation status on an ongoing basis through reporting via its Committees, including the following:

- The City Manager's Management Team includes all Executive Directors, which meets fortnightly and attends to MFMA issues requiring attention.
- The Budget and Treasury Committee – a standing committee of the Council, which meets every six weeks. The committee considers specific MFMA implementation issues and reports via the Mayoral Committee to Council.
- Meetings between the City Manager, Acting COO and Acting CFO to discuss MFMA implementation issues, as and when necessary. Issues requiring attention are monitored so that actions are taken to ensure compliance.

The following reflects the status of implementation of some of the key MFMA areas:

IDP

A draft revised 2013/14 IDP has been developed, which will be further considered at a Council meeting scheduled for 25 April 2013. The IDP includes specific deliverables that forms the basis for the Budget and SDBIP.

Budget

The annual budget document has been developed taking the MFMA and National Treasury (NT) requirements into account. Budgets are being tabled and approved within the required legislated timeframes.

Annual Report

The Annual Report has been developed taking the MFMA and NT requirements into account. The 2011/12 Annual Report was tabled in January 2013.

Oversight Report

The Municipal Public Accounts Committee has considered the 2011/12 annual report. Its Oversight Report was considered and adopted at a Council meeting held on 28 March 2013.

In-Year Reporting

The municipality submits the various reports required to the Executive Mayor, Council, and NT on an ongoing basis, in accordance with the MFMA.

Supply Chain Management Policy (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

All the required committee structures are in place. Whilst the municipality is working at making these new processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of an Acting CFO and municipal officials reporting to the Acting CFO.

Audit Committee

An Audit Committee has been established and meets on a quarterly basis.

Internal Audit Function

The Municipality has an Internal Audit sub-directorate reporting to the Chief Operating Officer and operating in accordance with an audit plan.

In relation to the 2012/13 financial year and beyond, the municipality plans to focus on the following high priority areas:

- Addressing the qualified audit opinion expressed by the Auditor–General (AG) in relation to the 2011/12 Financial Statements. An action plan has been developed to address any shortcomings. Implementation of the plan is monitored by the City Manager in the first instance.

- Further strengthening of the integration and linkages between the IDP, Budget, SDBIP and Annual Report.

Internship Programme

The Municipality currently has five Interns on the Municipal Financial Management Internship programme, as approved by National Treasury. All but two of the Municipality's previous Interns, have been appointed in permanent positions within the Municipality. The Interns undergo training in various sections of the Budget and Treasury Directorate and monthly meetings are held to assess their progress and to discuss their future assignments. All Interns have completed the National Treasury MFMA Learnership programme and are currently busy with the National Treasury minimum competency programme.

2.14 CAPITAL EXPENDITURE DETAILS

A summary of the budgeted capital expenditure is reflected in **Annexure "A".**

2.15 CITY MANAGER'S QUALITY CERTIFICATION

Quality Certificate

I, Lindiwe Msengana-Ndlela, City Manager of Nelson Mandela Bay Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: **Dr Lindiwe Msengana-Ndlela**

City Manager of Nelson Mandela Bay Municipality (EC000)

Signature _____

Date _____

2.14 CAPITAL EXPENDITURE DETAILS

A summary of the budgeted capital expenditure is reflected in **Annexure "A".**

2.15 CITY MANAGER'S QUALITY CERTIFICATION

Quality Certificate

I, Lindiwe Msengana-Ndlela, City Manager of Nelson Mandela Bay Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: **Dr Lindiwe Msengana-Ndlela**

City Manager of Nelson Mandela Bay Municipality (EC000)

Signature _____

Date 18/4/2013

			ANNEXURE "A"
DRAFT CAPITAL BUDGET BY PROJECT PROGRAMMES FOR 2013/14 - 2015/16			
Human Settlements (1191)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Investment Property (10036)	**4,617,837**	**5,000,000**	**5,000,000**
Land Aquisition (20070267)	4,617,837	5,000,000	5,000,000
Programme: Services for Housing Delivery (10074)	**161,316,373**	**178,472,807**	**210,907,895**
Khayamnandi Extension (20110091)	36,999,146	36,999,146	36,999,146
Missionvale Garden Lots (20110092)	15,220,625		
Motherwell NU 29 - Stage 3 (20110093)	19,581,813		
Motherwell NU 30 (20120055)	15,018,000	14,871,921	14,825,106
Motherwell NU 12 (20130019)	7,020,915	7,020,915	-
Walmer G West - Phase 1 (20120054)	6,758,100	6,758,100	-
Kwanobuhle Area 11 (20120030)	7,509,000	7,509,000	7,509,000
MK Silver 2 Qaqawuli (20120053)	5,068,575	5,068,575	-
Ekuphumleni - Kwazakhele (20120031)	5,631,750	5,631,750	-
Walmer Q - Phase 3 (20120052)	-	6,758,100	6,758,100
Jagvlagte (Chatty 11-14) (20120033)	-	33,790,500	33,790,500
Malabar Ext 6 Phase 2 (20120059)	9,010,800	9,010,800	-
Rocklands Phase 2 (20120058)	-	4,505,400	4,505,400
Masakhana Village (20120060)	2,951,037	-	-
Motherwell NU 31 (20120061)	22,527,000	22,527,000	22,527,000
Kuyga Phase 3 (20120062)	-	9,010,800	9,010,800
Witteklip	5,766,912	-	-
ERF 8228	2,252,700	-	-
Aloes	-	-	630,756
Dikisa Street	-	-	540,648
Hlalani Qeqe	-	-	1,351,620
Joe Modise	-	-	2,207,646
Kalipa	-	-	585,702
Kleinskool Kliprand	-	-	7,956,900
Kwanobuhle Area 7 Phase 4	-	-	8,726,067
Kwanobuhle Area 8 (First Avenue)	-	-	585,702
Kwanobuhle Area 8 Phase 4	-	-	9,821,772
Mandelaville	-	-	3,379,050
Middle Street Ext	-	-	810,972
Ramaphosa West	-	-	11,263,500
Raymond Mhlaba (Buyambo)	-	-	1,058,769
Singapi Street	-	-	157,689
Tynira Ndlovini	-	-	6,758,100
Uitenhage Allenridge West	-	-	5,631,750
Wells Estate Phase 3 - Ext 6	-	9,010,800	9,010,800
Bethelsdorp Ext 32, 34 & 36	-	-	4,505,400
Total	**165,934,210**	**183,472,807**	**215,907,895**
Infrastructure & Engineering Unit - Rate and General (0384)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Resurfacing of Minor Roads (10002)	**4,500,000**	**4,000,000**	**4,000,000**
Resurfacing Tar roads (non-subsidy) (19930026)	4,500,000	4,000,000	4,000,000
Programme: Resurfacing of Major Roads (10018)	**2,000,000**	**4,000,000**	**4,000,000**
Resurfacing of Subsidised Roads (19930002)	2,000,000	4,000,000	4,000,000
Programme: Rehabilitation of Minor Tar Roads (10019)	**2,000,000**	**8,000,000**	**5,000,000**
Rehabilitation of roads (20070137)	2,000,000	8,000,000	5,000,000
Programme: Rehabilitation of Minor Concrete Roads (10020)	**-**	**-**	**500,000**
Rehabilitate Concrete Roads - Northern Areas (19980218)	-	-	500,000
Programme: Rehabilitation of Minor Concrete Roads (10021)	**1,000,000**	**1,000,000**	**1,500,000**
Peri-urban: Rehabilitation of Gravel Roads (20030084)	1,000,000	1,000,000	1,500,000
Programme: Buildings, Depots Upgrading & Additions (10009)	**500,000**	**16,000,000**	**22,500,000**
Upgrading Depots and Offices (20042767)	500,000	1,000,000	1,500,000
Construction of Laboratory (20080062)	-	14,000,000	20,000,000
Laboratory Equipment - Scientific services (20070201)	-	1,000,000	1,000,000
Programme: Vehicles & Plant (10010)	**2,000,000**	**2,000,000**	**2,000,000**
Replacement Vehicles Fleet (19940289)	2,000,000	2,000,000	2,000,000
Programme: Tarring of Gravel Roads (10023)	**50,000,000**	**50,000,000**	**60,000,000**
Tarring of Gravel Roads (20050286)	50,000,000	50,000,000	60,000,000
Programme: Construction of Stormwater Infrastructure (10025)	**-**	**8,000,000**	**5,000,000**
Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure (20030379)	-	8,000,000	5,000,000

Infrastructure & Engineering Unit - Rate and General (0384)			
Programme: Stormwater Improvements (10026)	**25,250,000**	**26,250,000**	**35,854,950**
Flood Risk Improvements: Chatty River (20030453)	-	200,000	2,000,000
Storwater Drainage Syatem : Ph2: Mondile Str, KwaNobuhle (20030603)	3,500,000	-	-
Flood Risk and Improvements (Swartkops & Chatty) (20030609)	250,000	250,000	1,000,000
Rehabilitation of Infrastructure Salt Pans (20030670)	100,000	100,000	-
Miscellaneous Investigations & Designs - Roads and Stormwater (20043188)	3,000,000	1,200,000	1,500,000
Blue Horizon Bay Bulk Stormwater (20060241)	1,000,000	1,000,000	2,000,000
Groundwater Problem Elimination Northern Areas (20060286)	1,000,000	1,000,000	1,000,000
Summerstrand Blk Sstormwater (20070234)	200,000	6,000,000	14,854,950
Cannonville/ Colchester: Sstormwater Improvements (20080080)	200,000	1,500,000	2,000,000
Greenbushes: Sstormwater Improvemements (20080081)	-	1,000,000	1,500,000
Paapenkuils Canal Rehabilitation (20030017)	-	1,000,000	2,000,000
Zwide Bulk Stormwater (20060237)	2,000,000	3,000,000	2,000,000
Stormwater Improvements: Ikamvelihle (20090038)	5,000,000	1,000,000	-
Wells Estate: Stormwater Improvements (20080079)	1,500,000	-	-
New Brighton/Kwazakhele: Bulk Stormwater (20030475)	1,000,000	2,000,000	2,000,000
Stormwater Improvements (20020149)	4,000,000	2,000,000	2,000,000
Chatty: Stormwater Improvement (20080078)	-	1,000,000	2,000,000
Lorraine Stormwater Control (19980323)	1,500,000	3,000,000	-
Motherwelll Cana Wetlands (19940233)	1,000,000	1,000,000	-
Programme: Traffic and Signage Improvements (10031)	**9,185,000**	**10,423,000**	**2,250,000**
New Traffc Signals (20070132)	750,000	850,000	750,000
Seyisi Square and Daku Square (20100082)	500,000	-	-
Glen Hurd Drive Upgrading (20010023)	5,600,000	8,000,000	-
Development Area Traffic Improvements - Walmer (19980255)	-	100,000	-
TM24 Guidance Signs (19940195)	150,000	233,000	-
Traffic Control Equipment (Subsidy) (19940376)	185,000	240,000	-
Traffic Calming Measures (19980220)	2,000,000	1,000,000	1,500,000
Programme: Construction of Major Roads (10027)	**7,000,000**	**3,500,000**	**2,000,000**
John Tallent Road (Grahamstown to Seyisi) (20050050	-	1,000,000	-
Planning and Design of Main Roads (20070235)	1,000,000	1,000,000	1,000,000
Fairview/ Lorraine Arterial: Montmedy to Overbaakens (20020073)	-	-	1,000,000
Ring Road (Between Baird and Cuyler Street) (20010260)	-	500,000	-
H45 Redhouse - Chelsea Arterial: Walker Drive to N2 (19940201)	6,000,000	1,000,000	-
Programme: Rehabilitation of Major Roads (10028)	**-**	**3,000,000**	**7,000,000**
Baird Street Reconstruction (Mitchell to Mel Brooks) (20030195)	-	500,000	-
Magennis Street Reconstruction (20010257)	-	1,000,000	3,000,000
Upgrade Main Road through Swartkops (19980319)	-	500,000	4,000,000
Rehabilitation of William Moffett Expressway (19990144)	-	1,000,000	-
Programme: Improvements to Minor Roads (10022)	**2,000,000**	**4,300,000**	**3,000,000**
Provision of Rudimentary Services - Roads and Stormwater (20043187)	1,000,000	2,000,000	2,000,000
Rehabilitation of Verges and Sidewalks -Northern Areas (19930030)	1,000,000	2,000,000	1,000,000
Construction/ Surfacing of Verges and Parking Areas (19930021)	-	300,000	-
Programme: Improvements to Major Roads (10029)	**11,082,894**	**14,157,894**	**15,157,894**
Minor Intersection Improvements (19980253)	1,000,000	1,000,000	1,000,000
Njoli Square Redevelopment (19990168)	9,582,894	13,157,894	13,157,894
Soweto Square Development (20120092)	500,000	-	1,000,000
Programme: Management Systems (10024)	**3,080,000**	**1,540,000**	**-**
Road Management System (20030386)	1,580,000	40,000	-
Development of Stormwater Management System (20050041)	500,000	500,000	-
Laborotory Information System (20080061)	1,000,000	1,000,000	-
Programme: Rehabilitation of Bridge Structures (10030)	**1,000,000**	**2,500,000**	**2,000,000**
Rehabilitation of Bridge Structures (20070246)	1,000,000	2,000,000	1,000,000
Construction of Footbridges (20090079)	-	500,000	1,000,000
Programme: Non-Motorised Transport Facilities (10032)	**5,100,000**	**5,100,000**	**7,100,000**
Facilities for the Disabled (20050042)	100,000	100,000	100,000
Provision of Sidewalks and Cycle Tracks (20060020)	5,000,000	5,000,000	7,000,000
Programme: 2010 World Cup Work Packages (10034)	**-**	**149,122,807**	**219,298,246**
IPTS Package: Bus Rapid Transit (20070244)	-	149,122,807	219,298,246
Total	**125,697,894**	**312,893,701**	**398,161,090**

Sanitation - Metro (1411)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Buildings, Depots Upgrading & Additions (10009)	**2,000,000**	**2,000,000**	**2,000,000**
Regionalisation: Sanitation (20042918)	2,000,000	2,000,000	2,000,000
Programme: Bucket Eradication (10043)	**17,000,000**	**1,500,000**	**2,500,000**
Rudimentary Services: Sanitation (20050247)	1,000,000	1,000,000	2,000,000
Bucket Eradication Programme (20050248)	9,000,000	500,000	500,000
Elimination of Digester Tanks (20080132)	7,000,000	-	-
Programme: Reticulation Sewers - Rehabiliation & Refurbishment (10044)	**19,350,000**	**19,100,000**	**25,100,000**
Sewers: Maintenance Backlog (20030672)	5,000,000	5,000,000	5,000,000
Florida Collector Sewer (20080134)	250,000	-	-
Sewer Replacement and Relining (19930112)	10,000,000	10,000,000	20,000,000
Upgrade and Rehabilitation of the Korsten Dry Lake Area (20130045)	4,000,000	4,000,000	-
Colchester - Sewer Reticulation (20060101)	100,000	100,000	100,000
Programme: Reticulation Sewers - New, Augmentation & Upgrade (10045)	**12,100,000**	**11,800,000**	**11,600,000**
Improvements to Sewerage System (19940098)	10,000,000	10,000,000	10,000,000
Kwanobuhle: Upgrade of sewer reticulation (20080138)	1,000,000	1,000,000	1,000,000
Reclaimed Wastewater (20080137)	250,000	200,000	200,000
TEI: Sampling Stations (20080136)	600,000	600,000	400,000
Bellmoral Collector Sewer (20080133)	250,000	-	-
Programme: Bulk Sewers - Rehabiliation & Refurbishment (10046)	**4,500,000**	**10,000,000**	**12,000,000**
Rehabilitation of Kwazakhele Collector Sewer (20070143)	2,500,000	5,000,000	10,000,000
Markman - Replace 600mm Sewer (20030034)	2,000,000	5,000,000	2,000,000
Programme: Bulk Sewers - New, Augmentation & Upgrade (10047)	**58,000,000**	**119,500,000**	**109,000,000**
Motherwell North Bulk Sewerage (20060106)	1,000,000	5,000,000	5,000,000
Paapenkuils Main Sewers Augmentation (19980348)	11,000,000	2,000,000	5,000,000
Lorraine - Bulk Sewerage Augmentation (20030030)	4,000,000	12,000,000	17,000,000
Colchester - Bulk Sewerage Infrastructure & WWTW (20060102)	-	500,000	500,000
Sewer Protection works for collector sewers (20050105)	1,000,000	1,000,000	2,500,000
Jagtvlakte Bulk Sewerage (20060103)	2,000,000	10,000,000	10,000,000
Main Sewer Augmentation (Chatty Ext 3 & 4)(Nodes 31-32) (19980353)	2,000,000	-	-
Augment Collector Sewer for Walmer Heights and Mt Pleasant (20050064)	2,000,000	6,000,000	15,000,000
Chatty Valley Collector Sewer Stage 1 (nodes 20 -24) (19960525)	10,000,000	1,000,000	1,000,000
Uitenhage Allenridge West Phase 2 - Bulk Sewer (20110053)	1,000,000	4,000,000	3,000,000
Tynira / Endlovini - Sewerage (20110054)	1,000,000	4,000,000	3,000,000
Raymond Mhlaba (Buyambo) - Bulk Sewer (20110056)	1,000,000	4,000,000	3,000,000
Nkatha / Seyisi - Bulk Sewer (20110057)	1,000,000	4,000,000	3,000,000
Mavuso (Day Hospital Site - Rholihlahla) - Bulk Sewer (20110058)	1,000,000	4,000,000	3,000,000
Mandela Village (Kwazakhele) - Bulk Sewer (20110059)	1,000,000	4,000,000	3,000,000
Kwaontshinga / Meka - Bulk Sewer (20110060)	1,000,000	4,000,000	3,000,000
Driftsands Collector Sewer - Augmentation (20060177)	9,000,000	20,000,000	5,000,000
Kalipa - Bulk Sewer (20110061)	1,000,000	4,000,000	3,000,000
Hlalani (Qeqe) - Bulk Sewer (20110062)	1,000,000	4,000,000	3,000,000
Ekuphumleni - Bulk Sewer (20110063)	1,000,000	4,000,000	3,000,000
Ramaphosa West - Bulk Sewer (20110064)	1,000,000	5,000,000	4,000,000
Mandelaville - Bulk Sewer (20110065)	1,000,000	4,000,000	3,000,000
Joe Slovo (Uitenhage) - Bulk Sewer (20110066)	1,000,000	4,000,000	3,000,000
Industrial Site (Airport Valley) - Bulk Sewer (20110067)	1,000,000	4,000,000	3,000,000
KwaNobuhle Area 11 - Link Sewer (20110068)	1,000,000	5,000,000	5,000,000
Missionvale Bulk Sewerage Reticulation (19980370)	1,000,000	-	-
Programme: Sewerage Pump Stations - Rehabiliation & Refurbishment (10048)	**8,000,000**	**10,000,000**	**10,000,000**
Sewerage Pump Station : Maintenance Backlog (20060178)	8,000,000	10,000,000	10,000,000
Programme: Sewerage Pump Stations - New, Augmentation & Upgrade (10049)	**-**	**-**	**5,000,000**
Rocklands PHB Housing project WWTW (20030167)	-	-	5,000,000
Programme: Waste Water Treatment Works - Rehabiliation & Refurbishment (10050)	**19,600,000**	**27,600,000**	**37,200,000**
WWTW: Building Repairs and Concrete Rehab. (20000072)	5,000,000	5,000,000	5,000,000
Kelvin Jones WWTW: Upgrade (20070147)	9,000,000	15,000,000	25,000,000
WWTW: Improve access roads (20050088)	2,000,000	2,000,000	2,000,000
Telemetry - Pump Stations (19990130)	600,000	600,000	200,000
Brickfields: Upgrade (20070153)	3,000,000	5,000,000	5,000,000

Sanitation - Metro (1411)			
Programme: Waste Water Treatment Works - New, Augmentation & Upgrade (10051)	**108,000,000**	**101,500,000**	**107,050,000**
Driftsands WWTW Phase 3 extension (20050250)	4,000,000	2,000,000	2,000,000
Fishwater Flats WWTW Upgrade (20070156)	82,000,000	80,000,000	80,000,000
Kwanobuhle WWTW : Upgrading (20070144)	10,000,000	5,000,000	5,000,000
Cape Receife WWTW : Upgrade (20060075)	1,000,000	5,000,000	13,000,000
Upgrade Despatch Reclamation Works (20030182)	4,000,000	2,000,000	-
WWTW : SCADA / Telemetry links (20050068)	1,000,000	500,000	50,000
Witteklip Bulk Sewerage (20030405)	3,000,000	4,000,000	4,000,000
WWTW - Sludge Treatment and disposal facilities (20000066)	3,000,000	3,000,000	3,000,000
Programme: Vehicles (10009)	**2,000,000**	**4,000,000**	**4,000,000**
Replacement of Sewage Vehicles (19980344)	2,000,000	4,000,000	4,000,000
Programme: Management Systems (10024)	**450,000**	**450,000**	**250,000**
Sewerage Master Plan Updating (20042912)	450,000	450,000	250,000
Total	**251,000,000**	**307,450,000**	**325,700,000**

Metro Water Service (1412)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Vehicles and Plant (10010)	**2,000,000**	**4,000,000**	**4,000,000**
Purchase New Vehicles (20070160)	2,000,000	4,000,000	4,000,000
Programme: Dams - Drought Relief Projects	**30,000,000**	**40,000,000**	**-**
Nooitgedagt/Coega Low Level System (20050097)	30,000,000	40,000,000	-
Programme: Dams - Rehabilitation & Refurbishment (10061)	**3,500,000**	**1,500,000**	**2,000,000**
Water Service Maintenace Backlog: Dams (20080094)	1,500,000	1,500,000	2,000,000
Groendal Dam: Rock Stabilisation and Improved Outlet (20070140)	2,000,000	-	-
Programme: Water Treatment Works - New, Augmentation & Upgrade (10063)	**38,300,000**	**34,300,000**	**37,500,000**
Loerie Treatment Works: Rehabilitation (20000037)	9,000,000	5,000,000	5,000,000
Upgrading of Churchill Water Treatment Works (20060080)	20,000,000	20,000,000	20,000,000
Upgrading Groendal Treatment Works (20010307)	3,000,000	4,000,000	2,000,000
Upgrading Springs Water Treatment Works (20060082)	1,000,000	-	-
Desalination Augmentation (20070162)	5,000,000	5,000,000	10,000,000
Linton: Additional Treatment Facility (20042889)	300,000	300,000	500,000
Programme: Water Treatment Works - Rehabilitation & Refurbishment (10064)	**30,000,000**	**20,000,000**	**20,000,000**
Elandsjagt - Upgrade to Restore Capacity (19960156)	30,000,000	20,000,000	20,000,000
Programme: Water Pump Stations - Rehabilitation & Refurbishment (10065)	**5,000,000**	**5,000,000**	**5,000,000**
Seaview Pump Station: Upgrade (20050106)	5,000,000	5,000,000	5,000,000
Programme: Supply Pipe Lines - New, Augmentation & Upgrade (10067)	**7,500,000**	**18,000,000**	**22,000,000**
Seaview Bulk Water (20030511)	4,000,000	10,000,000	10,000,000
St Albans Bulk Water (20030512)	500,000	3,000,000	5,000,000
Jagtvlakte: Bulk Water Supply Pipeline (20080048)	1,000,000	3,000,000	5,000,000
Govan Mbeki Midblock Mains (20080090)	1,000,000	1,000,000	1,000,000
Kwanobuhle: Upgrading of water reticulation (20080144)	1,000,000	1,000,000	1,000,000
Programme: Supply Pipe Lines - Rehabilitation & Refurbishment (10068)	**10,000,000**	**12,000,000**	**15,000,000**
Water Services Maintenance Backlog: Pipelines (20030630)	10,000,000	10,000,000	10,000,000
Older Dams Pipelines Augmentation (20042883)	-	2,000,000	5,000,000
Programme: Reservoirs - Rehabilitation & Refurbishment (10069)	**5,400,000**	**13,400,000**	**13,400,000**
Rehabilitation of Reservoirs (19990185)	5,000,000	8,000,000	8,000,000
Reservoir Fencing (19990184)	400,000	400,000	400,000
Kwanobuhle Resevoir Link Watermain (20120085)	-	5,000,000	5,000,000
Programme: Reservoirs - New, Augmentation & Upgrade (10070)	**5,000,000**	**9,000,000**	**9,000,000**
Balmoral Reservoir and Bulk Pipeline (20100034)	-	2,000,000	2,000,000
Construction of Amanzi Resevoir and Pipeline (20030295)	-	2,000,000	2,000,000
Construction of a 1,0 Ml reclaimed effluent reservoir: Uitenhage (20030601)	5,000,000	5,000,000	5,000,000
Programme: Buildings, Depots Upgrading & Additions (10009)	**5,000,000**	**9,000,000**	**9,000,000**
Regionalisation: New Water Depot (20042881)	3,000,000	7,000,000	7,000,000
Access Roads: Upgrade (20070152)	2,000,000	2,000,000	2,000,000

Metro Water Service (1412)			
Programme: Management Systems (10024)	**7,250,000**	**7,250,000**	**8,000,000**
Metro Water: Master Plan (20042885)	2,000,000	2,000,000	2,000,000
Telemetry Systems Upgrade (20070157)	250,000	250,000	1,000,000
Groundwater Investigation (20070161)	5,000,000	5,000,000	5,000,000
Programme: Distribution Pipe Lines - New, Augmentation & Upgrade (10071)	**2,500,000**	**2,500,000**	**3,000,000**
Rudimentary Service: Water (20060083)	500,000	500,000	1,000,000
Bulk Water Metering and Control (20080088)	2,000,000	2,000,000	2,000,000
Programme: Distribution Pipe Lines - Rehabilitation & Refurbishment (10072)	**33,200,000**	**31,200,000**	**30,250,000**
Improvements to System - General (19930320)	10,000,000	10,000,000	10,000,000
Water Service Maintenance Backlog: Pump Stations (20080093)	5,000,000	5,000,000	5,000,000
Purchase of Water Meters - Metro (20000052)	10,000,000	10,000,000	10,000,000
Installation of Zone Water meters (20000051)	5,000,000	2,000,000	1,000,000
Rehabilitation of Pipe Bidges (20080087)	2,000,000	2,000,000	2,000,000
Helenvale Urban Renewal Programme (20080091)	1,000,000	2,000,000	2,000,000
Cathodic Protection of Steel Pipelines (19950866)	200,000	200,000	250,000
Total	**184,650,000**	**207,150,000**	**178,150,000**

Electricity & Energy (1477)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Customer Requirements (10003)	**30,000,000**	**30,421,700**	**28,644,350**
Private Township Development (19930259)	10,000,000	10,000,000	10,000,000
Miscellaneous Mains and Substations (19930255)	14,000,000	13,022,900	12,666,650
Meters and Current Transformers (19940149)	2,500,000	2,353,000	1,644,400
Peri-Urban Network (19930256)	1,500,000	2,045,800	1,333,300
Relocation of existing electrical service connections (20130022)			
Non Electrification Areas - Service Connections (19930233)	2,000,000	3,000,000	3,000,000
Programme: Network Reinforcements (10005)	**51,305,000**	**51,427,850**	**45,643,830**
HV Network Reinforcement - Overhead Cabling (20042993)	5,400,000	10,235,800	7,110,900
HV Network Reinforcement - New Substations (20100122)	6,240,000	3,409,650	11,644,100
Coega Reinforcement (19990104)	12,000,000	12,000,000	12,000,000
Western Reinforcement (20042992)	4,324,000	5,272,700	3,135,450
Hunters Retreat Reinforcement (20030472)	2,090,000	702,400	1,297,050
Despatch Reinforcement (20030470)	1,063,000	915,150	268,880
Mount Road Reinforcement (20030074)	797,000	347,800	226,650
Uitenhage Reinforcement (20010119)	1,730,000	3,054,000	1,433,200
Ibhayi Reinforcement (20010118)	2,500,000	2,337,650	622,200
Swartkops Reinforcement (20000175)	10,000	6,800	4,500
Korsten Reinforcement (20000172)	1,975,000	1,851,450	1,206,600
Bethelsdorp 11kV Reinforcement (19970063)	1,736,000	1,183,800	771,500
Wells Estate Reinforcement (19960193)	1,500,000	2,045,800	1,333,300
Newton Park Reinforcement (19970061)	2,500,000	341,000	888,900
Walmer Lorraine Reinforcement (20030471)	3,000,000	3,380,000	1,314,000
Redhouse Reinforcement (19960190)	200,000	136,350	88,900
Summerstrand Reinforcement (19960195)	1,500,000	1,568,450	1,022,200
Malabar/ Helenvale Reinforcement (19980402)	1,000,000	681,950	444,450
Low Voltage Reticulation Improvement (19930254)	700,000	579,650	377,750
Motherwell Electrification - Bulk Supply (19930329)	1,020,000	695,550	453,300
San Souci (20120084)	20,000	681,900	-
Programme: Radio Communication Systems (10006)	**25,000**	**27,300**	**22,000**
Radio & Test Equipment (19930232)	25,000	27,300	22,000
Programme: Technical Control Systems (10007)	**11,465,000**	**11,910,400**	**9,166,600**
Substation Fibre Optic Backbone (20070209)	2,150,000	1,022,900	700,000
Substation Security Alarm Upgrade (19990109)	4,215,000	4,681,950	4,666,650
Supervisory Additional Substations (20042985)	100,000	272,750	177,800
Supervisory Control Systems Upgrade (19940414)	1,500,000	1,159,300	888,900
Control Room Upgrade (20060174)	2,500,000	2,727,700	1,333,300
Automation of Substations (New)	1,000,000	2,045,800	1,399,950
Programme: Data & Communication Systems (10008)	**10,100,000**	**7,986,750**	**7,155,520**
Uitenhage / Despatch SCADA (20010099)	6,100,000	5,940,950	5,822,220
Computer Systems Upgrade (20030467)	4,000,000	2,045,800	1,333,300
Programme: Buildings, Depots Upgrading & Additions (10009)	**5,500,000**	**2,045,800**	**-**
Bridgemead Depot Improvement (20120082)	-	681,950	-
Motherwell Depot (20120083)	3,000,000	-	-
Electricity Buildings - Additional Furniture and Fittings (19930234)	2,500,000	1,363,850	-
Programme: Vehicles and Plant (10010)	**3,000,000**	**2,045,800**	**1,333,300**
New/Replacement of Plant and Motor Vehicle (20020093)	3,000,000	2,045,800	1,333,300
Programme: Cables & Distribution Kiosks (10013)	**4,000,000**	**3,954,700**	**3,666,670**
Distribution Kiosk Replacement (19980174)	1,500,000	1,613,750	1,444,450
Cable Replacement 6.6kV (19970064)	2,500,000	2,340,950	2,222,220

Electricity & Energy (1477)			
Programme: Transformers & Switchgear (10014)	**32,150,000**	**33,003,050**	**32,733,250**
MV and HV Switchgear replacement (20042989)	10,500,000	11,363,900	10,888,900
Replacement of MV Switchgear (19970068)	16,900,000	16,786,750	17,288,800
Relay Replacement (19970070)	4,500,000	4,681,900	4,444,450
Replace Switchgear in Mini susbs - KwaNobuhle (20050189)	250,000	170,500	111,100
Programme: Line Refurbishment (10015)	**16,500,000**	**16,501,250**	**15,444,310**
Overhead Lines Refurbishement (20042988)	6,000,000	6,045,800	5,555,510
HV Line Refurbishment (66 & 132kV) (20050187)	7,000,000	7,045,800	7,666,600
Fairview Refurbishment (20090039)	1,500,000	1,363,850	888,900
Gas Turbine Refurbishment (20060217)	2,000,000	2,045,800	1,333,300
Programme: Informal Housing Electrification (10012)	**17,035,087**	**16,958,080**	**34,666,633**
Informal Housing Electrification (19930264)	17,035,087	16,958,080	34,666,633
Programme: Street Lighting (10017)	**5,000,000**	**3,068,600**	**2,888,750**
Area Lighting (19980397)	2,500,000	1,704,800	1,777,700
Street Lighting Residential (19930283)	1,000,000	681,900	444,400
Lighting - New Main Road (19980398)	1,500,000	681,900	666,650
Total	**186,080,087**	**179,351,280**	**181,365,213**

Public Health (1193)	Draft 2013/14 Capital Budget	Draft 2014/15 Capital Budget	Draft 2015/16 Capital Budget
Programme: Vehicles and Plant (10010)	**660,000**	**1,655,000**	**1,690,000**
Supply trailers for dog control (New)	60,000	80,000	90,000
Commercial Pump around Gqebera (New)	-	400,000	-
Specialised vehicles for Tree Unit Crane Truck (New)	600,000	-	600,000
Specialised vehicles for cemeteries - Bob Cat (New)	-	400,000	400,000
Water Tanker for Uitenhage (New)	-	600,000	600,000
Purchase of 1400cc Vehicle for Occupational Health (New)	-	175,000	-
Programme: 2010 World Cup Work Packages (10034)	**500,000**	**500,000**	**500,000**
Upgrade Entrances & Gateways (20070242)	500,000	500,000	500,000
Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	**1,700,000**	**2,050,000**	**1,550,000**
Secure Municipal Parks Facilities (19980266)	-	750,000	750,000
Upgrade of Uitenhage Dog Pound (20090053)	500,000	1,000,000	500,000
Upgrade Infrastructure: Metro Integration (20030658)	300,000	300,000	300,000
Improvements to the Occupational Health and Wellness Center (20070191)	900,000	-	-
Programme: Medical Equipment (10041)	**700,000**	**1,750,000**	**1,750,000**
Specialized Equipment (20000141)	500,000	250,000	250,000
Occupational Health Rehabilitation Medical Equipment (20100099)	200,000	1,500,000	1,500,000
Programme: Upgrade and Rehabilitation of Beaches (10052)	**2,500,000**	**3,500,000**	**13,000,000**
Upgrade Beachfront (20010064)	1,500,000	1,500,000	1,000,000
Reinstate of Embankment - Tygerbay (20010059)	1,000,000	2,000,000	2,000,000
Multi-purpose Reefs (20100088)	-	-	10,000,000
Programme: Greening and Development of Gateways and Public Open Spaces (10053)	**12,850,000**	**6,000,000**	**5,000,000**
Upgrade and Development of Public Open Spaces (20010362)	1,500,000	1,500,000	1,500,000
Implementation - Van Der Kemp's Kloof (20000203)	8,000,000	2,000,000	2,000,000
New Playground Equipment (20100100)	1,500,000	500,000	-
Develop Floodplains (20030420)	1,000,000	1,000,000	1,000,000
Upgrade of St Georges Park (New)	350,000	500,000	-
Greenhouse Upgrade - Peter Gibbs Nursery (New)	500,000	500,000	500,000
Programme: Cemetery Development and Upgrading (10054)	**4,500,000**	**11,950,000**	**16,200,000**
Cemeteries (20030421)	1,000,000	1,000,000	1,000,000
Fencing of Matanzima and Bloemendal Cemeteries (20120045)	-	4,200,000	4,200,000
Cemetery office for Kabah (New)	-	250,000	-
Upgrade of Cemetery Roads (New)	-	2,000,000	3,000,000
Water drainage and roads at Motherwell and Matanzima Cemetery (New)	3,500,000	4,000,000	4,500,000
Land Acquisition for future cemeteries (New)	-	-	3,000,000
Upgrade of Mqolomba Park,Uitenhage (New)	-	500,000	500,000
Programme: Rehabilitation of Bridge Structures (10030)	**3,000,000**	**-**	**-**
Brookshill Promenade Rehabilitation (20120044)	3,000,000	-	-
Programme: Refuse, Tip Sites, Recycle Stations and Equipment (10055)	**13,700,000**	**19,700,000**	**17,200,000**
Development of Waste Disposal Facilities (20030177)	3,200,000	3,200,000	3,200,000
Replacement of Refuse Compactors (19940138)	6,000,000	10,000,000	7,000,000
Urban Refuse Transfer/Recycling Station (20000106)	2,500,000	3,500,000	4,000,000
Waste Management Containers (20010391)	2,000,000	3,000,000	3,000,000
IWMP Projects (20060117)			
Total	**40,110,000**	**47,105,000**	**56,890,000**

Safety & Security (1195)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	**5,877,000**	**5,930,000**	**6,507,000**
Replacement of engine bay doors (20090019)	477,000	530,000	530,000
Security upgrade - Kwanobuhle Fire Station (20100057)	-	-	577,000
New Fire Station - Despatch (New)	-	-	5,000,000
New Fire Station - Motherwell (New)	5,000,000	5,000,000	-
Repairs to facility for Mobile Surveillance Vehicle (New)	400,000	400,000	400,000
Programme: Vehicles and Plant (10010)	**175,000**	**175,000**	**173,250**
Replacement of Vehicles at Investigation Unit (New)	175,000	175,000	173,250
Programme: Specialised Vehicles (1011)	**2,282,000**	**2,200,000**	**2,440,000**
Replacement of Off-Road Appliance (20060221)	1,600,000	2,000,000	2,240,000
Replacement of 4*4 bushfire (20043109)	477,000	-	-
Surveillance Vehicle (New)	205,000	200,000	200,000
Programme: Management Systems (10024)	**2,370,000**	**2,370,000**	**2,360,000**
EFMS Additional Software and Hardware Applications (20120050)	370,000	370,000	360,000
Early Warning System (20070187)	2,000,000	2,000,000	2,000,000
Programme: Safety and Security Equipment (10057)	**2,096,000**	**2,500,000**	**3,000,000**
Safety Equipment for Fire Fighters (20060208)	96,000	-	-
Replacement of radios (20100059)	500,000	500,000	500,000
EFMS & CCTV Equipment & Infrastructure (New)	1,500,000	2,000,000	2,500,000
Programme: Furniture and Equipment (10073)	**200,000**	**318,000**	**-**
Replacement of standby generator (20090017)	200,000	318,000	-
Total	**13,000,000**	**13,493,000**	**14,480,250**

Corporate Services (1197)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Upgrading of Computer Systems and Software Enhancement (10037)	**16,000,000**	**11,500,000**	**13,000,000**
Application Software (19980182)	6,000,000	6,500,000	7,000,000
Computer Enhancements - Corporate (19930187)	10,000,000	5,000,000	6,000,000
Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	**23,000,000**	**4,900,000**	**3,400,000**
Lillian Diedericks (Brister House) Building - Upgrading and Rehabilitation (20060149)	1,500,000	500,000	500,000
Upgrade of Community Halls (20043125)	1,000,000	1,000,000	1,000,000
Office Renovation (20050222)	1,000,000	-	-
Air Conditioning of Buildings (20060065)	1,500,000	500,000	500,000
Repair Structural Damage - Campanile (20100072)	5,000,000	500,000	100,000
Rehabilitation of Noninzi Luzipho (Pleinhuis) Building (20080041)	4,000,000	500,000	500,000
KwaNobuhle Municipal Aerodome - Upgrade of Perimeter Fencing (20100077)	1,700,000	-	-
Mfanasekhaya Gqobose (Eric Tindale Building) - Upgrade and	1,000,000	1,000,000	500,000
Upgrading of Walmer Training Centre - Phase 2 (20080098)	800,000	400,000	-
Buildings Electrical COC (20120075)	1,500,000	-	-
Woolboard Conference Centre - Rehabilitation (20120076)	3,000,000	500,000	300,000
Algoa House Upgrade - Lift Replacement (New)	1,000,000	-	-
Total	**39,000,000**	**16,400,000**	**16,400,000**

Budget & Treasury (1198)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Buildings, Depots Upgrading & Additions (10009)	**1,000,000**	**-**	**-**
ETB 1st Floor Renovations (20060254)	1,000,000	-	-
Programme: Management Systems (10024)	**6,000,000**	**7,100,000**	**7,760,000**
Financial Accounting Control and Systems Development (20043111)	6,000,000	6,600,000	7,260,000
Replacement of Revenue Sub Directorate Computer Equipment (20050130)	-	500,000	500,000
Programme: Upgrading of Computer Systems and Software Enhancements (10037)	**1,000,000**	**-**	**-**
Financial Asset Management Integration: Computer Hardware (20080162)	1,000,000	-	-
Programme: Furniture and Equipment (10073)	**2,300,000**	**1,350,000**	**1,500,000**
Replacement of Vending POS Equipment (20120080)	500,000	500,000	600,000
Creditors Filing Equipment (20120040)	1,000,000	-	-
Replacement Handheld Devices - Meter Reading (20120079)	800,000	850,000	900,000
Total	**10,300,000**	**8,450,000**	**9,260,000**

Chief Operating Officer (1656)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Upgrading of Computer Systems and Software Enhancement (10037)	**5,000,000**	**5,500,000**	**6,000,000**
Development of Corporate GIS Application (20080063)	5,000,000	5,500,000	6,000,000
Total	**5,000,000**	**5,500,000**	**6,000,000**
Special Projects and Programmes (1666)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Upgrade/New Libraries	**5,000,000**	**-**	**-**
Upgrading Helenvale Resource Centre - Multipurpose Centre (20090015)	5,000,000	-	-
Total	**5,000,000**	**-**	**-**
Motherwell Urban Renewal Programme (1474)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: Upgrading of Computer Systems and Software Enhancement (10037)	**2,500,000**	**-**	**-**
IT Infrastructure	2,500,000	-	-
Programme: Buildings, Depots Upgrading & Additions (10009)	**27,550,715**	**-**	**-**
Motherwell Thusong Service Center (20090018)	5,200,000	-	-
SMME Hive (20080126)	22,350,715	-	-
Total	**30,050,715**	**-**	**-**
Economic Development & Recreational Services (1673)			
	Draft 2013/14 Capital Budget	**Draft 2014/15 Capital Budget**	**Draft 2015/16 Capital Budget**
Programme: 2010 World Cup Work Packages (10034)	**1,000,000**	**-**	**5,000,000**
Maintain/Rehabilitate Sports Facility Infrastructure - PE (20000149)	1,000,000	-	5,000,000
Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	**8,000,000**	**10,000,000**	**2,500,000**
Mendi Bottle Store (20100104)	8,000,000	10,000,000	2,000,000
Secure Recreational Buildings / Facilities (20030427)	-	-	500,000
Programme: Upgrading and Development of Sport and RecreationFacilities (10058)	**5,000,000**	**9,000,000**	**5,000,000**
Upgrade Existing Sports Facilities (19980285)	3,000,000	5,000,000	5,000,000
Upgrade Beaches, Tourism - 2 (20030795)	2,000,000	4,000,000	-
Programme: Upgrading of Computer Systems and Software Enhancement (10037)	**-**	**-**	**500,000**
Upgrading Computer Systems	-	-	500,000
Programme: Upgrade and Development of Swimming Pools (10059)	**-**	**-**	**3,000,000**
Maintain and Rehabilitate Swimming Pools	-	-	3,000,000
Programme: Urban Renewal (10076)	**9,582,895**	**13,157,895**	**13,157,895**
Fountain Road Redevelopment (20080163)	9,582,895	13,157,895	13,157,895
Total	**23,582,895**	**32,157,895**	**29,157,895**
Total	**1,079,405,801**	**1,313,423,683**	**1,431,472,343**