

CITY OF CHOICE



**PIETERMARITZBURG
M S U N D U Z I**

**ANNUAL DRAFT BUDGET OF
MSUNDUZI LOCAL
MUNICIPALITY
KZN225**

**2013/14 TO 2015/16
MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	PMS	Performance Management System
ASGISA	Accelerated and Shared Growth Initiative	PPE	Property Plant and Equipment
BPC	Budget Planning Committee	PPP	Public Private Partnership
CBD	Central Business District	PTIS	Public Transport Infrastructure System
CFO	Chief Financial Officer	RG	Restructuring Grant
CM	City Manager	RSC	Regional Services Council
CPI	Consumer Price Index	SALGA	South African Local Government Association
CRRF	Capital Replacement Reserve Fund	SAPS	South African Police Service
DBSA	Development Bank of South Africa	SDBIP	Service Delivery Budget Implementation Plan
DoRA	Division of Revenue Act	SMME	Small Micro and Medium Enterprises
DWA	Department of Water Affairs		
EE	Employment Equity		
EEDSM	Energy Efficiency Demand Side Management		
EM	Executive Mayor		
FBS	Free basic services		
GAMAP	Generally Accepted Municipal Accounting Practice		
GDP	Gross domestic product		
GDS	Gauteng Growth and Development Strategy		
GFS	Government Financial Statistics		
GRAP	General Recognised Accounting Practice		
HR	Human Resources		
HSRC	Human Science Research Council		
IDP	Integrated Development Strategy		
IT	Information Technology		
kℓ	kilolitre		
km	kilometre		
KPA	Key Performance Area		
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		
MBRR	Municipal Budget & Reporting Regulations		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act Programme		
MIG	Municipal Infrastructure Grant		
MMC	Member of Mayoral Committee		
MPRA	Municipal Properties Rates Act		
MSA	Municipal Systems Act		
MTEF	Medium-term Expenditure Framework		
MTREF	Medium-term Revenue and Expenditure Framework		
NERSA	National Electricity Regulator South Africa		
NGO	Non-Governmental organisations		
NKPIs	National Key Performance Indicators		
OHS	Occupational Health and Safety		
OP	Operational Plan		
PBO	Public Benefit Organisations		
PHC	Provincial Health Care		

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Part 1 – Annual Budget

1.1 Council Resolutions

On 20 March 2013 the Council of Msunduzi Local Municipality met in the Council Chambers of Msunduzi City Hall to consider the draft annual budget for the financial year 2013/14 and the two outer years.

It was resolved

- a) That the Draft Budget 2013/14 to 2015/16 be approved.
- b) That the Municipal Manager be mandated to submit the Draft Budget to the National and Provincial Treasuries as well as the Provincial Department of Cooperative Governance and Traditional Affairs (COGTA).

1.2 Executive Summary

The application of sound financial management principles for the compilation of the City's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The City has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the City has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

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

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;

- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
 - The increased cost of bulk water and electricity (due to tariff increases from Umgeni Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
 - Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
 - Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2013/14 MTREF process. The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:
- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
 - Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
 - Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

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

Table 1 Consolidated Overview of the 2013/14 MTREF

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Revenue (excluding capital transfers and contributions)		2,575,836	2,901,981	2,887,564	2,987,790	3,138,032	3,138,032	3,138,031	3,540,414	3,722,549	4,053,498
Total Expenditure		2,807,100	2,807,200	2,653,096	2,982,646	3,129,239	3,129,239	3,129,239	3,473,828	3,657,992	4,003,497
Surplus/(Deficit)		(231,265)	94,780	234,468	5,144	8,792	8,792	8,792	66,586	64,557	50,000
Transfers recognised - capital		78,407	84,654		230,014	309,756	309,756	309,756	415,658	194,271	192,390
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(152,858)	179,434	234,468	235,158	318,548	318,548	318,548	482,244	258,828	242,390

KZN225 Msunduzi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2012/13		2013/14 Medium Term Revenue &		
	Original Budget	Adjusted Budget	Budget Year 2013/14	% increase	Budget Year +1 2014/15
R thousand					
Total Revenue (excluding capital transfers and contributions)	2,987,790	3,138,032	3,540,414	12.82	3,722,549
Total Expenditure	2,982,646	3,129,239	3,473,828	11.01	3,657,992
Surplus/(Deficit)	5,144	8,792	66,586		64,557
Capital Funding	230,014	309,756	475,658	53.56	254,271
Contributions recognised - capital	–	–	–		–
Contributed assets					
Surplus/(Deficit) after capital transfers & contributions	235,158	318,548	482,244		258,828

Included in the 2013/14 and 2014/15 surplus is an amount of R60 million for each financial year provided to fund capital projects.

Total operating revenue has grown by 12.82 per cent or R 402.4 million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by 18.6 percent (R 584.5) and 29.2 per cent (R 915.5) respectively, equating to a total revenue growth of R1,902.4 billion over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year has been appropriated at R3.5 billion and translates into a budgeted surplus of R66.6 million. When compared to the 2012/13 Adjustments Budget, operational expenditure has grown by 11.0 per cent in the 2013/14 budget and by 16.9 and 27.9 per cent for each of the respective outer years of the MTREF.

The capital budget of R 475.6 million (R 415.6 million grant funding plus R60 million internal funding) for 2013/14 is 53.6 per cent more when compared to the 2012/13 Adjustment Budget.

1.3 Operating Revenue Framework

In order for Msunduzi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed

available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

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

Table 2 Summary of revenue classified by main revenue source

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	420,030	448,257	505,310	576,402	576,402	576,402	576,402	608,104	641,549	676,835
Property rates - penalties & collection charges		20,285	26,358	31,244	33,812	47,501	47,501	47,501	37,363	38,857	40,800
Service charges - electricity revenue	2	816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue	2	213,633	270,107	288,345	317,354	339,545	339,545	339,545	373,500	410,850	451,935
Service charges - sanitation revenue	2	76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,421	147,089
Service charges - refuse revenue	2	53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,860	86,362
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		15,571	17,313	17,944	19,534	23,949	23,949	23,948	26,343	28,977	31,875
Interest earned - external investments		6,869	13,795	25,907	12,100	18,356	18,356	18,357	18,941	19,366	20,431
Interest earned - outstanding debtors		21,161	38,044	58,254	-	1,152	1,152	1,152	1,255	1,292	1,318
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		7,084	5,354	3,813	3,475	3,566	3,566	3,566	5,634	5,932	6,151
Licences and permits		72	89	78	74	44	44	44	48	50	53
Agency services		1,435	577	374	382	533	533	533	586	592	603
Transfers recognised - operational		355,033	385,496	500,669	365,204	422,369	422,369	422,369	652,059	589,871	655,040
Other revenue	2	568,994	516,980	65,368	49,785	88,689	88,689	88,689	48,011	49,222	48,825
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		2,575,836	2,901,981	2,887,564	2,987,790	3,138,032	3,138,032	3,138,031	3,540,414	3,722,549	4,053,498

Table 3 Percentage growth in revenue by main revenue source

Description	Ref			2013/14 Medium Term Revenue & Expenditure Framework					
			Adjusted Budget		Budget Year 2013/14		Budget Year +1 2014/15		Budget Year +2 2015/16
R thousand	1								
Revenue By Source									
Property rates	2		576,402	5.50%	608,104	5.50%	641,549	5.50%	676,835
Property rates - penalties & collection charges			47,501	-21.34%	37,363	4.00%	38,857	5.00%	40,800
Service charges - electricity revenue	2		1,417,115	10.00%	1,558,827	10.00%	1,714,709	10.00%	1,886,180
Service charges - water revenue	2		339,545	10.00%	373,500	10.00%	410,850	10.00%	451,935
Service charges - sanitation revenue	2		125,263	5.50%	132,153	5.50%	139,421	5.50%	147,089
Service charges - refuse revenue	2		73,547	5.50%	77,592	5.50%	81,860	5.50%	86,362
Service charges - other			-		-		-		-
Rental of facilities and equipment			23,949	10.00%	26,343	10.00%	28,977	10.00%	31,875
Interest earned - external investments			18,356	3.19%	18,941	2.24%	19,366	5.50%	20,431
Interest earned - outstanding debtors			1,152	8.96%	1,255	3.00%	1,292	2.00%	1,318
Dividends received			-		-		-		-
Fines			3,566	57.97%	5,634	5.30%	5,932	3.70%	6,151
Licences and permits			44	8.23%	48	4.17%	50	6.00%	53
Agency services			533	9.93%	586	1.02%	592	1.86%	603
Transfers recognised - operational			422,369	54.38%	652,059	-9.54%	589,871	11.05%	655,040
Other revenue	2		88,689	-45.87%	48,011	2.52%	49,222	-0.81%	48,825
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)			3,138,032		3,540,414		3,722,549		4,053,498

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2012/13 financial year, revenue from rates and services charges totalled R2.5 billion or 80.7 per cent. This increases to R2.8 billion, R3.0 billion and R3.2 billion for 2013/14, 2014/15 and 2015/16 respectively. A notable trend is the increase in the total percentage revenue generated from rates and services charges. This growth can be mainly attributed to the

increased in the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates is the second largest revenue source totaling 17 per cent or R608 million. Other revenue consists of various items such as fines, licences and permits, agency services, sale of produce, training recoveries, landing fees, passenger levy etc.

Operating grants and transfers totals R 359 million in the 2013/14 financial year and steadily increases to R 376 million by 2014/15, R396 million by 2015/2016. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Transfers and Grant Receipts

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		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										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		203,378	267,375	310,326	342,704	342,704	342,704	358,627	376,211	395,917
Local Government Equitable Share		199,824	267,211	304,835	338,903	338,903	338,903	354,313	373,677	393,300
Finance Management		750	165	1,979	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement		400		978	800	800	800	890	934	967
EPWP Incentive					1,501	1,501	1,501	1,874		
Electricity Demand Side Management		2,404		2,534				-	-	-
Water Services Operating Subsidy										
Other transfers/grants [insert description]										
Provincial Government:		10,548	33,467	4,074	22,500	22,500	22,500	47,573	48,099	-
Health subsidy		9,161		-						
Provincial Government:			20,979	1,207						
Health subsidy				-						
Expanded Public Works Grant				2,868						
Operating Grant - Property Rates		1,387								
Health			12,488		2,537	2,537	2,537			
Human Settlements					9,000	9,000	9,000	26,020	25,518	
Public Works										
Arts and Culture					10,963	10,963	10,963	21,553	22,581	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	213,926	300,842	314,400	365,204	365,204	365,204	406,200	424,310	395,917

Capital Transfers and Grants										
National Government:		125,649	73,225	138,340	208,599	160,485	160,485	403,158	194,271	192,390
Municipal Infrastructure Grant (MIG)		91,339	48,348	138,340	153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems		7,737	11,663		45,000	–	–	100,846	–	–
Neighbourhood Development Partnership					700	70	70			
Rural Households Infrastructure					4,500	–	–			
Dept of Mineral/Electricity			3,757			5,000	5,000	8,000	5,000	10,000
Intergrated National Electrification Programme					5,000	5,000	5,000	143,000	30,000	12,000
Other capital transfers/grants [insert description]		26,573	9,457			245	245			
Provincial Government:		–	11,429	11,836	21,415	56,234	56,234	12,500	–	–
Airport Development Project			11,429	11,836	19,315	16,760	16,760	–	–	
Sport and Recreation					2,100	2,100	2,100			
Corridor Development						37,289	37,289	12,500	–	–
KZNPA						85	85			
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	135	135	–	–	–
Carnegie						135	135			
Total Capital Transfers and Grants	5	125,649	84,654	150,176	230,014	216,854	216,854	415,658	194,271	192,390
TOTAL RECEIPTS OF TRANSFERS & GRANTS		339,575	385,496	464,576	595,218	582,058	582,058	821,858	618,581	588,307

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.

The percentage increase of Eskom bulk tariff is beyond the mentioned inflation target. Given that this tariff increase is determined by external agency, the impact it has on the municipality's electricity is largely outside the control of the City. Discounting the impact of this price increase in lower consumer tariffs will erode the City's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the City has undertaken the tariff setting process relating to service charges as follows.

Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. The regulations prescribing the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1 came into effect on 1 July 2009, whilst the rate ratio for Public Benefit Organizations came into effect on 1 July 2010. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a 5.5 per cent increase from 1 July 2013 is contained below:

Table 5 Comparison of proposed rates to levied for the 2013/14 financial year

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Rates					
VOTE	SUB	ITEM	2012/13		2013/2014
060	448	8208			
			Cents in the R	% Cng	Cents in the R
1. A GENERAL RATE , assessed in terms of the Local Government:					
Municipal Property Rates Act 6 of 2004			0.0202	5.50	0.021
(a) <u>Vacant Land</u> - no rebate granted (net)			0.0202	5.50	0.021311
(b) <u>Unauthorised use</u> plus surcharge			0.0243	5.50	0.0256365
2. REBATES:					
<u>Residential Property</u>					
(a) A rebate on the valuation of rateable property			0.0202	5.50	0.021311
Rate Randage – after rebate (net)			0.0202	5.50	0.021311
<u>Other Properties</u>					
(b) A rebate on the valuation of rateable property			0.0006	5.50	0.000633
Rate Randage – after rebate (net)			0.0196	5.50	0.020678
<u>Agricultural Property</u>					
(c) A rebate on the valuation of rateable property			0.0175	5.50	0.0184625
Rate Randage – after rebate (net)			0.0027	5.50	0.0028485
<u>Public Service Infrastructure</u>					
(d) A rebate on the valuation of rateable property			0.0175	5.50	0.0184625
Rate Randage – after rebate (net)			0.0027	5.50	0.0028485
<u>Rural Communal Property</u>					
(e) A rebate on the valuation of rateable property			0.0028	5.50	0.002954
Rate Randage – after rebate (net)			0.0174	5.50	0.018357
<u>Home Business and DSF properties</u>					
(f) A rebate on the valuation of rateable property			0.0061	5.50	0.0064355
Rate Randage – after rebate (net)			0.0141	5.50	0.0148755
<u>Sectional Title Garages - Separately Registered</u>					
(g) A rebate on the valuation of rateable property			0.0091	5.50	0.0096005
Rate Randage – after rebate (net)			0.0111	5.50	0.0117105

3. OTHER REBATES:

Impermissible and Free Value based rebates

- (j) No rates shall be levied on the market value of the first R15,000 of residential property, home business and DSF properties
A rebate of 100% will be granted on all residential property and home business property from a value of R15,001 to a value of R100,000.

Aged Persons and Disability Grantees Rebate

- (k) Aged Persons Occupier Owner Applicants:

2012/13		2013/2014
Cents in the R	% Cng	Cents in the R
all sources		
R 3,000	5.50	R 3,165.00
R 3,040	5.50	R 3,207.20
R 1.00	5.50	R 1.06
all sources		
R 2,400	5.50	R 2,532.00
R 2,440	5.50	R 2,574.20
R 100.00	5.50	R 105.50

FINANCIAL MANAGEMENT

Rates

				2012/13	2013/2014
VOTE	SUB	ITEM			
060	448	8208		Cents in the R	Cents in the R

Child Headed Households

- (l) Maximum monthly income of all occupants and owner R 2,400 5.50 R2,400
%tage Rebate – R 1.00 5.50 R1.00

Listed Buildings

- (m) Rates Rebate after primary rebate on Listed Building 40% Max 40%Max

Developers Rebate

- (n) Rates Rebate on VL only subject to Council Conditio 100%
Year 1 66%
Year 2 33%
Year 3

4. General Note

- No rebates on Listed Buildings and Developers properties will be granted to ratepayers where any arrears is outstanding on the property for rates & services. Rebate will only be granted to aged persons and child headed households where arrangements are made for arrears and where all arrangements are being maintained.
- Existing Newly Incorporated Properties have been phased in over three years and no further rebates will be granted in terms of the Municipal Property Rates Act.
- Rural Communal Properties will be phased in over four years and a rebate of 25% will be granted in this financial year.
- No rates will be levied on property owned and occupied by the Msunduzi Municipality.

1.2.1 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Council is working towards ensuring that water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umgeni Water has increased its bulk tariffs with 8.3 per cent from 1 July 2013.

Umgeni Water has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that Umgeni Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise R1.6 billion for infrastructure upgrades, hence the significant increase in the bulk cost of water.

A tariff increase of 10 per cent for all categories from 1 July 2013 for water is proposed. This is based on input cost assumptions of 8.3 per cent increase in the cost of bulk water (Umgeni Water).

Table 6 Comparison between current water charges and increases (Domestic)

Water Tariffs

			2012/13		2013/2014
VOTE	SUB	ITEM			
787	460	8595			
			Cents in the R	% Cng	Cents in the R
<u>Water Supply Tariffs</u>					
1	Scale 2 (1) – Domestic				
	Basic Charge		R 15.00	10.00	16.50
	0kl to 6kl		R 37.40	10.00	41.14
	2 (2) – Domestic				
	7kl to 30kl per kl		R 12.58	10.00	13.84
	2 (3) – Domestic				
	31kl to 60kl per kl		R 18.57	10.00	20.42
	2 (4) _Domestic				
	61kl and over per kl		R 21.67	10.00	23.84
	2 (5) _Domestic				
	Flat rate (unmetered households)		R 60.00	10.00	66.00
2	Scale 3A – Flats, Simplexes				
	Basic Charge		R 15.00	10.00	16.50
	Unit		R 11.86	10.00	13.05
3	Scale 3B – Flats (Non-Rateable)				
	Basic Charge		R 15.00	10.00	16.50
	Unit		R 16.32	10.00	17.95
4	Scale 4A (1) – Commercial				
	Basic Charge		R 25.00	10.00	27.50
	0 - 30 kl per kl		R 13.46	10.00	14.81
	4A (2) – Commercial				
	31kl to 60kl per kl		R 15.00	10.00	16.50
	4A (3) – Commercial				
	61kl to 100kl per kl		R 17.60	10.00	19.36
	4A (4) – Commercial				
	101kl and over per kl		R 13.46	10.00	14.81
5	Scale 4B – Commercial (Non-Rateable)				
	Basic Charge		R 25.00	10.00	27.50
	Unit		R 16.60	10.00	18.26
6	Scale 5 – Builders, Construction Sites				
	Basic Charge		R 25.00	10.00	27.50
	Unit		R 16.60	10.00	18.26

Indigent Benefit - Domestic Water supply only					
Properties valued at R100,000 and below will automatically receive the first 6kl of water free					
The applicable tariff will be billed from the 7th kl upwards					
Domestic households with a total household income within the limit set out in Rates page 3, Section 3. (j), may apply for this benefit, subject to additional qualifying criteria					

1.2.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 8 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Considering the Eskom increases, the consumer tariff had to be increased by 10 per cent to offset the additional bulk purchase cost from 1 July 2013.

Table 7 Comparison between current electricity charges and increases (Domestic)

City Electrical Engineers

DESCRIPTION	VOTE	SUB	ITEM
Domestic – Basic Charge	704	412	8401
Domestic – Amp Charge	704	412	8154
Domestic – Energy Charge	704	412	8157

2012/13

2013/2014

Cents in
the R

%
Cng

Cents in the
R

Scale A: Domestic

1 A.I Single-Phase up to 80A –

Basic Charge per month

R 17.50 10.00

19.25

Net Ampere Charge per amp per phase p.m.

R 6.953 10.00

7.64

Energy Charge per kWh (cents)

60.005 10.00

66.00

DESCRIPTION	VOTE	SUB	ITEM
Domestic – Basic Charge	704	412	8401
Domestic – Amp Charge	704	412	8154
Domestic – Energy Charge	704	412	8157

2 Scale A.3 Three Phase up to 100A

Basic Charge per month

R 29.16 10.00

32.07

Net Ampere Charge per amp per phase p.m.

R 5.348 10.00

5.88

Energy Charge per kWh (cents)

60.005 10.00

66.00

DESCRIPTION	VOTE	SUB	ITEM
Small Power Users Basic Charge	704	412	8402
Small Power Users Ampere charge	704	412	8376
Small Power Users Energy Charge	704	412	8289

Scale B: Small Power users (Maximum Load 65 kVA)

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INFRASTRUCTURE DEVELOPMENT, SERVICE DELIVERY AND MAINTENANCE MANAGEMENT

ELECTRICITY DISTRIBUTION MANAGEMENT

City Electrical Engineers

DESCRIPTION	VOTE	SUB	ITEM
Large Power Users Bulk Basic	704	412	8403
Large Power Users Bulk kVa	704	412	8049
Large Power Users Bulk kWh	704	412	8052

2012/13

2013/2014

Cents in the R

% Cng

Cents in the R

Scale C: Large Power users (Load greater than 65 kVA)

5 Scale C.1 Supply taken at 400V

Basic Charge per month

R 349.92 10.00

384.91

Demand charge per kVA per month

R 138.479 10.00

152.32

Energy charge per kWh (cents)

59.324 10.00

65.25

* The minimum charge per month payable by the consumer under Scale C shall be an amount calculated as aforesaid on the basis of 70% of the highest maximum demand in kVA notified to the City Electrical Engineer by the consumer or 70% of the previous twelve months highest maximum in kVA, whichever is the higher.

VOTE	SUB	ITEM
704	412	8289

Scale D.1: Block Tariff

This scale may be applied to any consumer at his election as an alternative to any other scale.

6 Energy Charge per kWh

R 2.842 10.00

3.12

* The minimum monthly charge payable by the consumer under this scale shall be an amount calculated as aforesaid on 50% of the highest monthly meter reading in the last twelve months.

VOTE	SUB	ITEM
704	412	8409

Indigent Benefit - Domestic supply only

Properties valued at R100,000 and below with a 20amp circuit breaker will automatically receive the first 50kWh of electricity free

Domestic households with a total household income within the limit set out in Rates page 3, Section

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INFRASTRUCTURE DEVELOPMENT, SERVICE DELIVERY AND MAINTENANCE MANAGEMENT

ELECTRICITY DISTRIBUTION MANAGEMENT

City Electrical Engineers

DESCRIPTION	VOTE	SUB	ITEM
Time of Use: Basic	704	412	8404
Time of Use: Demand kVa	704	412	8405
Time of Use: Access kVa	704	412	8406
Time of Use: kWh	704	412	8407

2012/13

2013/2014

Cents in
the R

%
Cng

Cents in the
R

Scale T: Time Of Use Tariff

9 Scale T.1 Supply taken at 6.6 or 11 kV

Basic Charge per month

R 1,749.60 10.00

1924.56

Demand charge per kVA per month

R 64.72 10.00

71.19

Access charge per kVA per month.

R 21.16 10.00

23.27

Based on highest of notified or previous 12 months highest demand.

Energy charge c/kWh (Periods as per Eskom Megaflex)

High Demand: (June, July, August)

Peak

R 225.48 10.00

248.02

Standard

R 73.74 10.00

81.11

Off Peak

R 48.95 10.00

53.84

Low Demand: (Other Months)

Peak

R 77.71 10.00

85.48

Standard

R 55.52 10.00

61.08

Off Peak

R 44.98 10.00

49.08

Reactive energy charge.

A charge for all reactive energy which exceed 30% of the real energy

(kWh) per half hour period in the peak and stand

R 5.64 10.00

6.21

Time periods

Day	Peak	Standard	Off-Peak
Week Day			00:00-06:00
		06:00-07:00	
	07:00-10:00	10:00-18:00	
	18:00-20:00	20:00-22:00	22:00-24:00
Saturday			00:00-07:00
		07:00-12:00	12:00-18:00
		18:00-20:00	20:00-24:00

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INFRASTRUCTURE DEVELOPMENT, SERVICE DELIVERY AND MAINTENANCE MANAGEMENT						
ELECTRICITY DISTRIBUTION MANAGEMENT						
City Electrical Engineers						
VOTE	SUB	ITEM		2012/13	2013/2014	
703	463	8382				
				Cents in the R	% Cng	Cents in the R
CHARGES FOR PUBLIC LIGHTING SERVICES TO NON-MUNICIPAL CUSTOMERS						
CHARGES FOR PUBLIC LIGHTING SERVICES TO MUNICIPAL APPLICATIONS						
L1	Lights: Whole Night (incl Maintenance)					
	Fixed-R /light/month			R 25.89	10.00	28.48
	Energy charge per 100 Watt per month if not measured			R 19.331	10.00	21.28
	Energy charge if measured (cents) per kWh			52.920	10.00	58.22
L2	Lights: 24 hour (incl Maintenance)					
	Fixed-R /light/month			R 25.89	10.00	28.48
	Energy charge per 100 Watt per month if not measured			R 69.515	10.00	76.48
	Energy charge if measured (cents) per kWh			57.211	10.00	62.95
L3	Lights: Whole Night High Mast (incl. Maintenance)					
	Fixed-R /light/month			R 517.81	10.00	569.60
	Energy charge per 100 Watt per month if not measured			R 56.747	10.00	62.43
	Energy charge if measured (cents) per kWh			52.920	10.00	58.22
L4	Lights: 24 Hrs Traffic (Excl. Maintenance)					
	Maintenance charged at actual cost			Actual Cost		
	Energy charge per 100 Watt per month if not measured			R 69.515	10.00	76.48
	Energy charge if measured (cents) per kWh			57.211	10.00	62.95

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City Electrical Engineers

			2012/13		2013/2014
VOTE	SUB	ITEM			
713	873	1000			
			Cents in the R	% Cng	Cents in the R
New Connection					
1	Bylaw 27(12)(a)				
	(a) Normal domestic business premises:				
	(single phase service connection with a maximum capacity of 80A with a credit meter):		R 2,859	5.50	R 3,016.16
	Plus the cost of labour and material				
	(single phase service connection with a maximum capacity of 80A with a prepayment meter):		R 3,501	5.50	R 3,693.37
	Plus the cost of labour and material				
	Plus the cost of providing and laying or mounting the underground cable or overhead wiring, as the case may be, within the consumer's property boundary				
	Plus the cost of providing and laying or mounting the underground cable or overhead wiring, as the case may be, within the consumer's property boundary				
	(b) Surcharge raised for the reinstatement of single phase domestic services that have been removed for tampering (including illegal reconnection of disconnected service):				
	First offence		R 11,664	5.50	R 12,305.52
	Second offence		R 17,496	5.50	R 18,458.28
	Third or subsequent offence		R 29,160	5.50	R 30,763.80
	(c) Surcharge raised for the reinstatement of single phase domestic services that have been removed for tampering (including illegal reconnection of disconnected service):				
	First offence		R 291,600	5.50	R 307,638.00
	Second offence		R 349,920	5.50	R 369,165.60
	Third or subsequent offence		R 583,200	5.50	R 615,276.00
	(d) Tampering with Electricity Meters or Metering Installations: Domestic & Business				
	Disconnection Fee		R 675	5.50	R 712.49
	Back dated consumption (calculated based on estimated tampering period)				
	(e) Additional Charges: Illegal Connection and Reconnection				
	(i) Copper Theft				

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(vii)	Refusing to provide information				R 216	5.50	R 227.88
(viii)	Rendering false information				R 216	5.50	R 227.88
(ix)	Refusal of admittance				R 216	5.50	R 227.88
(x)	Restricted access to meter room				R 216	5.50	R 227.88
(xi)	Resale of electricity without a license or approval				R 216	5.50	R 227.88
(xii)	Selling or supplying electricity without authority				R 540	5.50	R 569.70
(xiii)	Standby Equipment connected to network without authority				R 540	5.50	R 569.70
(f)	Tampering with installed anti-tampering seals				R 2,160	5.50	R 2,278.80
(g)	Use of Electricity supply without a signed consumer agreement with the Municipality				R 540	5.50	R 569.70
(h)	Unkept substation equipment accommodation room				R 540	5.50	R 569.70
(i)	Unkept meter rooms				R 540	5.50	R 569.70
(j)	Unlocked meter rooms				R 540	5.50	R 569.70

INFRASTRUCTURE DEVELOPMENT, SERVICE DELIVERY AND MAINTENANCE MANAGEMENT

ELECTRICITY DISTRIBUTION MANAGEMENT

City Electrical Engineers

VOTE 713	SUB 873	ITEM 1000	2012/13	2013/2014
			Cents in the R	% Cng Cents in the R
2	Bylaw 27 (12)(b)			

In all other cases, the connection charges shall be calculated on the basis of maximum demand required in accordance with the following:

Maximum Demand	Basic Charge (Rands)		Basic Charge if no substation provided (Rands)	
(kVA)	2012/13	2013/14	2012/13	2013/14
0 – 25	3,681	3,902	0	0

Added to these charges will be the cost of providing and installing all cables and Council-owned equipment on the consumer's premises.

3	Bylaw 27 (13)(a)					
	Electrification projects (Low Cost Housing)					
	Fee for the installation and connection, for domestic or small power users, of service cable or line, electricity dispenser and, where necessary, power distribution unit:					
	(a) For a single phase service up 20A	R 197			R 208.06	
	(b) For a single phase service up to 60A	R 1,315	5.50		R 1,387.08	

VOTE	SUB	ITEM
704	415	8506

1	Fee for attendance at or disconnection of consumer's Installation per meter:					
	(a) where due to non-payment of charges or fees or due to failure to make any required deposit or furnish any required security by the consumer in terms of the bylaws or to the breach by the consumer of any of the bylaws or any condition of his agreement	R 675	5.50		R 712.49	
		R 300	5.50		R 316.50	
	Note: This charge is also applicable to water disconnections/restrictions ito 1(a)					
	(b) on the consumer's request for a temporary disconnection (11kV supply)	R 898	5.50		R 947.82	
	(c) on the consumer's request for a temporary disconnection (low voltage supply)	R 558	5.50		R 588.52	
	(d) where a consumer's supply is disconnected at the supply mains	R 1,091	5.50		R 1,151.12	
2	Fee for attendance in connection with a failure of supply	R 139	5.50		R 147.12	
3	Fee for testing					
	(a) fee for testing and inspection of an installation (other than bona fide shock or fault of a serious nature)					
	(i) Single dwelling unit					
	First visit inspection	R 671	5.50		R 707.53	
	Subsequent visits/inspections	R 334	5.50		R 352.63	
	(ii) Any other installation	Actual Cost				
	(b) fee for inspection of meter box upon certification by electrical contractor that a meter box is ready for inspection					

(b)	Three-phase service			R 513	5.50	R 540.93
STRUCTURE DEVELOPMENT, SERVICE DELIVERY AND MAINTENANCE MANAGEMENT						
ELECTRICITY DISTRIBUTION MANAGEMENT						
<u>City Electrical Engineers</u>						
	VOTE	SUB	ITEM	2012/13	2013/2014	
	704	415	8506			
				Cents in the R	% Cng	Cents in the R
6	Fee for change of tariff mcb					
(a)	Single-phase service			No Charge		
(b)	Three-phase			R 21	5.50	21.67
7	Fee for checking meter reading			R 113	5.50	119.15
	VOTE	SUB	ITEM			
	704	415	8010			
8	Accounting Charge			R 133	5.50	140.62

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the City. The upgrading of the City's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2013/14 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

1.2.3 Sanitation and Impact of Tariff Increases

A tariff increase of 5.5 per cent for sanitation from 1 July 2013 is proposed.

Table 8 Comparison between current sanitation charges and increases

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Sewerage Tariffs

Sewerage Tariffs						
VOTE 202	SUB 469	ITEM 8439	2012/13		2013/2014	
			Cents in the R	% Cng	Cents in the R	
Based on the relevant Water Scale Sewerage Tariffs						
1	Scale 2 – Domestic/House		R 109.13	5.50	115.14	
2	Home Business		R 123.05	5.50	129.82	
3	Scale 3A – Flats/Simplexes per kl		R 5.79	5.50	6.11	
4	Scale 4A – Business/Commercial per kl					
	0 - 400		R 5.92	5.50	6.24	
	401 - 1000		R 5.52	5.50	5.83	
	Greater than 1000		R 4.56	5.50	4.82	
	Subject to a maximum of		R 23,809.98	5.50	25119.53	
5	Vacant Land		R 109.13	5.50	115.14	
6	Scale 6 – Worship Places		R 208.20	5.50	219.66	
7	Scale 8M – Municipal Departments per kl		R 5.92	5.50	6.24	
8	Indigent Tariff		R 54.57	5.50	57.57	
VOTE 202	SUB 469	ITEM 8346				
9	Scale 3c, 4c, 7c – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council.					
	per kl		R 5.92	5.50	6.24	

1.3.5 Refuse

A tariff increase of 5.5 per cent for refuse from 1 July 2013 is proposed. .

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Refuse Tariffs				2012/13		2013/2014
VOTE 182	SUB 469	ITEM 8439		Cents in the R	% Cng	Cents in the R
Standard charges for Domestic and Commercial Refuse Removal Based on relevant Electricity Scale						
<u>Refuse Removal Tariffs</u>						
1	Domestic					
		Single phase up to 80A		R 70.58	5.50	74.47
		Three phase up to 100A		R 70.58	5.50	74.47
		Prepayment Meter		R 70.58	5.50	74.46
2	Home Business					
		Single phase up to 80A		R 107.00	5.50	112.89
		Three phase up to 100A		R 107.00	5.50	112.89
		Prepayment Meter		R 107.00	5.50	112.89
3	Small Power Users - Business/Commercial					
		Single phase up to 80A		R 202.22	5.50	213.34
		Three phase up to 100A		R 202.22	5.50	213.34
4	Large Power Users – Business/Commercial					
		Supply taken at 400V		R 202.22	5.50	213.34
		Supply taken at 6.6 or 11kV		R 202.22	5.50	213.34
5	Flats/Simplexes			R 59.81	5.50	63.10
6	Indigent Tariff			R 35.29	5.50	37.23
7	Central Business District			R 268.92	5.50	283.71
Main cbd bordered by East(Massukwane), Winston/Victoria, Bulwer, Boschoff, Alan Paton, Prince Alfred, Railw Greytown Rd form East To Tripty, Balhambra Way from Greytown Road to Newhelms Way, Khan Road from C						

Note: Home Business

Refers to a property previously rated as residential where an owner or lessee runs a small business from the property and which is still primarily used as a place of residence by that owner or lessee and where special consent has been obtained in terms of the Town Planning scheme to run this business on the premises.

Refuse Removal Tariffs

		2012/13	2013/2014							
		Cents in the R	% Cng	Cents in the R						
1	Standard charges for Domestic and Commercial Refuse Removal.									
Fees payable for the additional removal and clearance of refuse by arrangement from premises other than those applicable in item 1.										
<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>182</td><td>469</td><td>8439</td></tr></table>		VOTE	SUB	ITEM	182	469	8439			
VOTE	SUB	ITEM								
182	469	8439								
2. (a)	Removal of additional domestic refuse: Excluding Central Business District									
	Normal days per collection –									
(i)	3 x 85l bins or part thereof	R 22	5.50	23.24						
(ii)	240l wheeled bin or part thereof	R 22	5.50	23.24						
(b)	Other than normal removal days, per collection –									
(i)	3 x 85l bins or part thereof	R 135	5.50	142.87						
(c)	Where Council refuse containers are used on high density residential (simplexes, duplexes, cluster homes etc). The charge for a 1,75m³ container for approx. 10 units, one clearance per week, subject to agreement with the Waste Management Division.	R 221	5.50	233.55						
3. (a)	Removal of additional domestic refuse: Central Business District									
	Normal days per collection –									
(i)	3 x 85l bins or part thereof	R 22	5.50	23.69						
(ii)	240l wheeled bin or part thereof	R 22	5.50	23.69						
(b)	Other than normal removal days, per collection –									
(i)	3 x 85l bins or part thereof	R 138	5.50	145.53						
(c)	Where Council refuse containers are used on high density residential developments (simplexes, duplexes, cluster homes etc). The charge for a 1,75m³ container for approx. 10 units, one clearance per week, subject to agreement with the Waste Management									

4. (a)	Removal of trade refuse [Industrial/Commercial]:					
	Normal days, per collection –					
(i)	3 x 85l bins or part thereof		R 58	5.50	61.71	
(ii)	210l drum or part thereof		R 58	5.50	61.71	
(iii)	240l bin or part thereof		R 58	5.50	61.71	
(iv)	Removal of additional refuse as per 3(a)(i)-(iii)		R 58	5.50	61.71	
(b)	Other than normal removal days, per collection –					
(i)	3 x 85l bins or part thereof		R 130	5.50	136.64	
(ii)	210l drum or part thereof		R 130	5.50	136.64	
(iii)	240l bin or part thereof		R 130	5.50	136.64	
			2012/13		2013/2014	
			Cents in the R		% Cng	Cents in the R
5	Removal of industrial refuse [Industrial/Commercial]:					
(a) (i)	per load or part thereof loaded by the Executive M		R 2,224	5.50	2346.39	
	[maximum 15 m³] removed as a once off clearance.					
(ii)	bulk refuse containers [15 m³] hire thereof, including		R 1,674	5.50	1766.28	
	clearance.					
(iii)	bulk refuse containers [maximum 15 m³] hire thereof		R 1,621	5.50	1710.34	
	including one clearance per week.					
(iv)	second clearance		R 1,122	5.50	1184.02	
(v)	each additional clearance		R 1,007	5.50	1062.72	
			2012/13		2013/2014	
			Cents in the R		% Cng	Cents in the R
(b)	small mobile refuse containers [approx. 0,24m³]					
	available in Otto Bin serviced areas only:					
(i)	hire thereof, including one clearance per week.		R 62	5.50	65.93	
(ii)	second clearance		R 47	5.50	49.44	
(iii)	each additional clearance		R 43	5.50	45.22	
(c)	small mobile refuse containers [approx. 1 m³]					
	available in Otto Bin services areas only:					
(i)	hire thereof, including one clearance per week.		R 248	5.50	262.14	
(ii)	second clearance		R 183	5.50	193.40	

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Refuse Removal Tariffs

VOTE 182	SUB 469	ITEM 8439
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2012/13	2013/2014
Cents in the R	% Cng
Cents in the R	

1,75m³

(i)	hire thereof, including once off clearance	R 387	5.50	407.77
(ii)	hire per week, including one clearance per week	R 351	5.50	370.64
(iii)	second clearance	R 182	5.50	192.41
(iv)	each additional clearance	R 160	5.50	168.65

7m³

(i)	hire thereof, including one clearance per week	R 776	5.50	818.66
(ii)	Second clearance	R 549	5.50	578.89
(iii)	Each additional clearance	R 463	5.50	488.38

VOTE 183	SUB 469	ITEM 8046
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15m³

(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 2,224	5.50	2346.39
(ii)	hire thereof, including a once off clearance	R 1,674	5.50	1766.28
(iii)	hire thereof, including once clearance per week	R 1,621	5.50	1710.34
(iv)	second clearance	R 1,137	5.50	1199.94
(v)	each additional clearance	R 1,007	5.50	1062.64

20m³

(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 2,965	5.50	3128.35
(ii)	hire thereof, including a once off clearance	R 2,232	5.50	2354.82
(iii)	hire thereof, including once clearance per week	R 2,162	5.50	2280.64
(iv)	second clearance	R 1,516	5.50	1599.88
(v)	each additional clearance	R 1,343	5.50	1416.78

25m³

(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 3,707	5.50	3910.53
(ii)	hire thereof, including a once off clearance	R 2,790	5.50	2943.69
(iii)	hire thereof, including once clearance per week	R 2,702	5.50	2850.62
(iv)	second clearance	R 1,895	5.50	1999.70

Refuse Removal Tariffs				2012/13		2013/2014
				Cents in the R	% Cng	Cents in the R
<u>Services provided by the Executive Manager</u>						
8	Dead animals [per carcass] during working hours –					
(a)	(i)	dog or cat		R 381	5.50	402.32
	(ii)	sheep, goat, calf or pig		R 572	5.50	603.48
	(iii)	ox, cow, bull, horse, mule or donkey		R 1,233	5.50	1300.84
(b)	outside working hours –					
	(i)	dog or cat		R 426	5.50	449.26
	(ii)	sheep, goat, calf or pig		R 1,080	5.50	1139.91
	(iii)	ox, cow, bull, horse, mule or donkey		R 2,161	5.50	2279.83
The fees specified in this item shall be payable upon demand or otherwise may be arranged with the Council.						
9	Euthanased animals [per carcass]:					
(a)	Removal of dog and cat carcasses from the premises owned or occupied by registered veterinary practitioners –					
	(i)	during normal working hours		R 127	5.50	134.11
	(ii)	after normal working hours		R 458	5.50	482.79
(b)	removal of carcasses other than dogs and cats shall be charged at the fees prescribed in items 4 and 5 as the case may be.					

1.4 Operating Expenditure Framework

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

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- **Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.**

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

Table 9 Summary of operating expenditure by standard classification item

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type										
Employee related costs	629,032	636,373	666,198	713,415	731,928	731,928	731,928	770,620	819,228	861,560
Remuneration of councillors	19,386	18,418	31,427	34,000	34,000	34,000	34,000	36,419	38,422	40,535
Debt impairment	250,540	96,000	58,210	250,342	250,342	250,342	250,342	137,510	154,111	158,637
Depreciation & asset impairment	124,067	253,513	273,650	158,000	158,000	158,000	158,000	189,600	227,520	273,024
Finance charges	75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Bulk purchases	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,520,315	1,650,634	1,795,318
Other materials	-	-	-	14,154	19,046	19,046	19,046	-	-	-
Contracted services	-	-	67,803	56,948	65,754	65,754	65,754	16,792	17,678	18,556
Transfers and grants	1,711	195	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	899,914	699,782	263,137	290,862	388,334	388,334	388,334	732,946	685,871	795,825
Loss on disposal of PPE	2,199	36,986	(941)	-	-	-	-	-	-	-
Total Expenditure	2,807,100	2,807,200	2,653,096	2,982,646	3,129,239	3,129,239	3,129,239	3,473,828	3,657,992	4,003,497

The budgeted allocation for employee related costs for the 2013/14 financial year totals R771 million, which equals 22.2 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2013/14 financial year. An annual increase of 6.5 and 6.5 per cent has been included in the two outer years of the MTREF respectively. Included in this amount is a

provision of R 41 million for vacant posts due to retirement, death etc that became vacant during the financial year and a bottom notch salary was used to calculate. Vacant posts based on the organizational structure is not included in the Draft budget, the municipality is in the process of finalizing the structure. Therefore the final budget for the 2013/14 financial year will increase by this component.

The cost associated with 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). A 7.0 per cent increase has been factored in Councillors remuneration.

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the City. For the 2013/14 financial year this amount equates to R138 million and for the two outer years it decreases because of new strategies will be put in place to increase the collection levels. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R190 million for the 2013/14 financial and equates to 5.5 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.8 per cent (R65 million) of operating expenditure

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Umgeni Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Contracted services had been identified as a cost saving area for the City. As part of the compilation of the 2013/14 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2013/14 financial year, this group of expenditure totals R17 million.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2013/14 financial year.

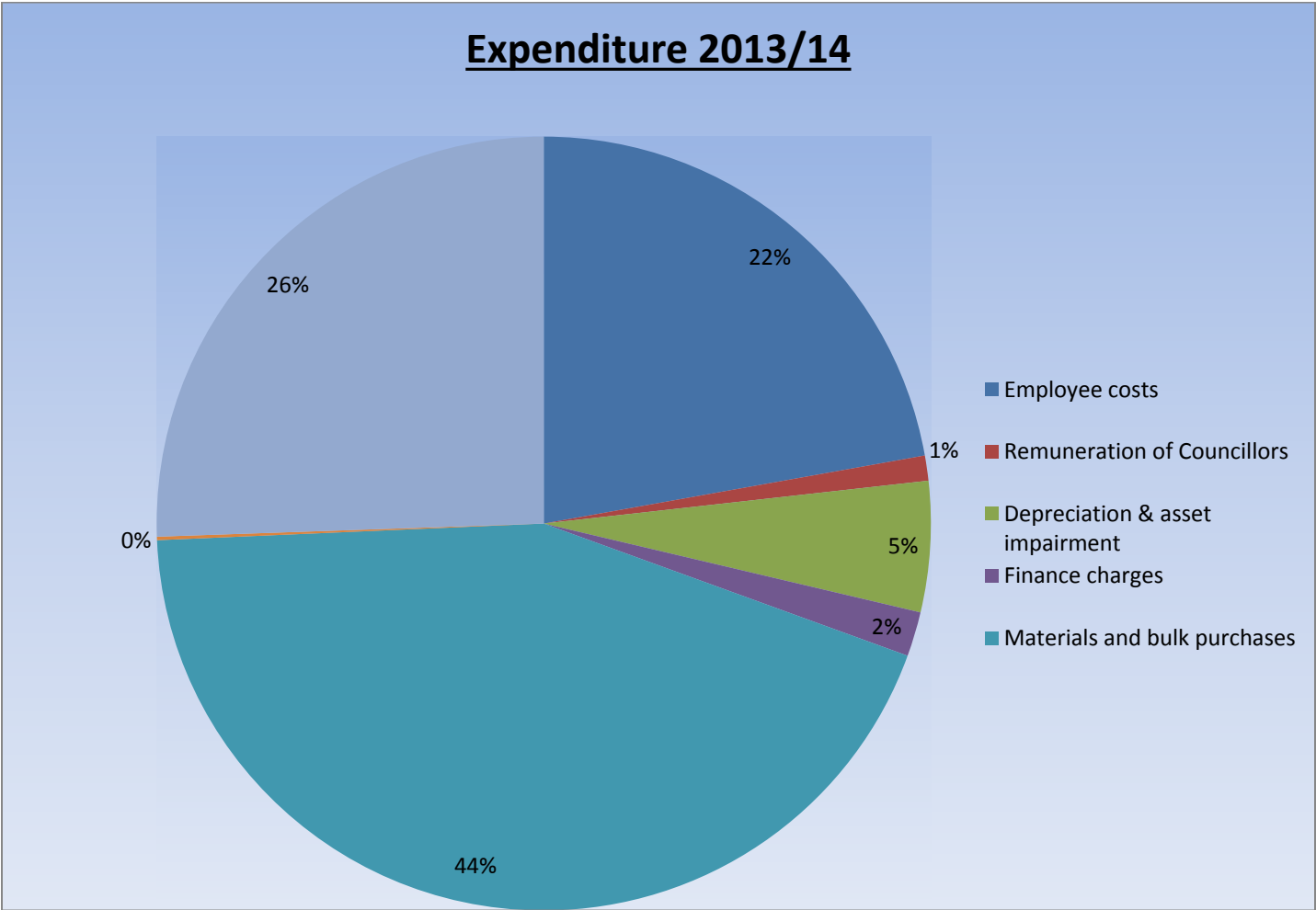


Figure 1 Main operational expenditure categories for the 2013/14 financial year

1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2013/14 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

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Capital expenditure

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

Table 10 2013/14 Medium-term capital budget per funding

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
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 Transfers and Grants									
National Government:	125,649	73,225	138,340	208,599	160,485	160,485	403,158	194,271	192,390
Municipal Infrastructure Grant (MIG)	91,339	48,348	138,340	153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems	7,737	11,663		45,000	–	–	100,846	–	–
Neighbourhood Development Partnership				700	70	70			
Rural Households Infrastructure				4,500	–	–			
Dept of Mineral/Electricity		3,757			5,000	5,000	8,000	5,000	10,000
Intergrated National Electrification Programme				5,000	5,000	5,000	143,000	30,000	12,000
Other capital transfers/grants [insert description]	26,573	9,457			245	245			
Provincial Government:	–	11,429	11,836	21,415	56,234	56,234	12,500	–	–
Airport Development Project		11,429	11,836	19,315	16,760	16,760	–	–	
Sport and Recreation				2,100	2,100	2,100			
Corridor Development KZNPA					37,289 85	37,289 85	12,500	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	–	–	–	–	135	135	–	–	–
Carnegie					135	135			
Total Capital Transfers and Grants	125,649	84,654	150,176	230,014	216,854	216,854	415,658	194,271	192,390

Total capital expenditure for 2013/14 financial year amounts to R 476 million and is made up of R 416 million granting funding projects and R 60 million internal funded projects.

Annual Budget Tables - Parent Municipality

The following pages present the nine of the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

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Table 11 MBRR Table A1 - Budget Summary

KZN225 Msunduzi - Table A1 Consolidated Budget Summary

Description R thousands	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Financial Performance</u>										
Property rates	440,315	474,615	536,555	610,214	623,903	623,903	623,903	645,467	680,406	717,635
Service charges	1,159,301	1,449,717	1,678,603	1,927,023	1,955,471	1,955,471	1,955,471	2,142,071	2,346,840	2,571,566
Investment revenue	6,869	13,795	25,907	12,100	18,356	18,356	18,357	18,941	19,366	20,431
Transfers recognised - operational	355,033	385,496	500,669	365,204	422,369	422,369	422,369	652,059	589,871	655,040
Other own revenue	614,318	578,357	145,830	73,250	117,934	117,934	117,933	81,877	86,066	88,825
Total Revenue (excluding capital transfers and contributions)	2,575,836	2,901,981	2,887,564	2,987,790	3,138,032	3,138,032	3,138,031	3,540,414	3,722,549	4,053,498
Employee costs	629,032	636,373	666,198	713,415	731,928	731,928	731,928	770,620	819,228	861,560
Remuneration of councillors	19,386	18,418	31,427	34,000	34,000	34,000	34,000	36,419	38,422	40,535
Depreciation & asset impairment	124,067	253,513	273,650	158,000	158,000	158,000	158,000	189,600	227,520	273,024
Finance charges	75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Materials and bulk purchases	804,979	994,366	1,217,335	1,397,078	1,425,550	1,425,550	1,425,550	1,520,315	1,650,634	1,795,318
Transfers and grants	1,711	195	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	1,152,652	832,768	388,209	598,153	704,431	704,431	704,431	887,248	857,660	973,018
Total Expenditure	2,807,100	2,807,200	2,653,096	2,982,646	3,129,239	3,129,239	3,129,239	3,473,828	3,657,992	4,003,497
Surplus/(Deficit)	(231,265)	94,780	234,468	5,144	8,792	8,792	8,792	66,586	64,557	50,000
Transfers recognised - capital	78,407	84,654	-	230,014	309,756	309,756	309,756	415,658	194,271	192,390
Surplus/(Deficit) after capital transfers & contributions	(152,858)	179,434	234,468	235,158	318,548	318,548	318,548	482,244	258,828	242,390
Surplus/(Deficit) for the year	(152,858)	179,434	234,468	235,158	318,548	318,548	318,548	482,244	258,828	242,390
<u>Capital expenditure & funds sources</u>										
Capital expenditure	176,033	111,149	223,563	230,014	309,756	309,756	309,756	475,658	254,271	242,390
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	415,658	194,271	192,390
Public contributions & donations	-	-	-	-	135	135	135	-	-	-
Borrowing	97,626	26,495	-	-	47,075	47,075	47,075	-	-	-
Internally generated funds	-	-	74,889	-	45,827	45,827	45,827	60,000	60,000	50,000
Total sources of capital funds	176,033	111,149	223,563	230,014	309,756	309,756	309,756	475,658	254,271	242,390

KZN225 Msunduzi - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
<u>Financial Performance</u>										
Property rates	440,315	474,615	536,555	610,214	623,903	623,903	623,903	645,467	680,406	717,635
Service charges	1,159,301	1,449,717	1,678,603	1,927,023	1,955,471	1,955,471	1,955,471	2,142,071	2,346,840	2,571,566
Investment revenue	6,869	13,795	25,907	12,100	18,356	18,356	18,357	18,941	19,366	20,431
Transfers recognised - operational	355,033	385,496	500,669	365,204	422,369	422,369	422,369	652,059	589,871	655,040
Other own revenue	614,318	578,357	145,830	73,250	117,934	117,934	117,933	81,877	86,066	88,825
	2,575,836	2,901,981	2,887,564	2,987,790	3,138,032	3,138,032	3,138,031	3,540,414	3,722,549	4,053,498
Total Revenue (excluding capital transfers and contributions)										
Employee costs	629,032	636,373	666,198	713,415	731,928	731,928	731,928	770,620	819,228	861,560
Remuneration of councillors	19,386	18,418	31,427	34,000	34,000	34,000	34,000	36,419	38,422	40,535
Depreciation & asset impairment	124,067	253,513	273,650	158,000	158,000	158,000	158,000	189,600	227,520	273,024
Finance charges	75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Materials and bulk purchases	804,979	994,366	1,217,335	1,397,078	1,425,550	1,425,550	1,425,550	1,520,315	1,650,634	1,795,318
Transfers and grants	1,711	195	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	1,152,652	832,768	388,209	598,153	704,431	704,431	704,431	887,248	857,660	973,018
Total Expenditure	2,807,100	2,807,200	2,653,096	2,982,646	3,129,239	3,129,239	3,129,239	3,473,828	3,657,992	4,003,497
Surplus/(Deficit)	(231,265)	94,780	234,468	5,144	8,792	8,792	8,792	66,586	64,557	50,000
Transfers recognised - capital	78,407	84,654	–	230,014	309,756	309,756	309,756	415,658	194,271	192,390
Surplus/(Deficit) after capital transfers & contributions	(152,858)	179,434	234,468	235,158	318,548	318,548	318,548	482,244	258,828	242,390
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(152,858)	179,434	234,468	235,158	318,548	318,548	318,548	482,244	258,828	242,390
<u>Capital expenditure & funds sources</u>										
Capital expenditure	176,033	111,149	223,563	230,014	309,756	309,756	309,756	475,658	254,271	242,390
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	415,658	194,271	192,390
Public contributions & donations	–	–	–	–	135	135	135	–	–	–
Borrowing	97,626	26,495	–	–	47,075	47,075	47,075	–	–	–
Internally generated funds	–	–	74,889	–	45,827	45,827	45,827	60,000	60,000	50,000
Total sources of capital funds	176,033	111,149	223,563	230,014	309,756	309,756	309,756	475,658	254,271	242,390

KZN225 Msunduzi - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
<u>Financial position</u>										
Total current assets	449,249	720,609	1,201,525	1,416,365	1,552,712	1,552,712	1,552,712	1,614,028	1,677,223	1,617,856
Total non current assets	6,766,630	6,817,002	6,754,296	7,129,994	7,129,994	7,129,994	7,129,994	7,505,275	7,870,559	7,743,062
Total current liabilities	573,874	601,261	771,956	377,021	377,021	377,021	377,021	395,665	409,341	930,643
Total non current liabilities	724,850	750,943	886,085	649,894	649,894	649,894	649,894	684,339	717,871	1,018,298
Community wealth/Equity	5,917,156	6,185,408	6,297,780	7,772,380	7,772,380	7,772,380	7,772,380	8,039,298	8,420,570	7,411,976
<u>Cash flows</u>										
Net cash from (used) operating	38,087	480,683	436,331	243,413	413,676	413,676	413,676	417,255	283,570	241,211
Net cash from (used) investing	(29,847)	(302,834)	(210,231)	(229,484)	(263,929)	(263,399)	(263,399)	(416,083)	(194,686)	(193,010)
Net cash from (used) financing	139,592	(22,046)	63,596	19,715	19,715	19,715	19,715	48,894	46,314	47,451
Cash/cash equivalents at the year end	465,436	621,238	910,934	511,892	647,710	648,240	648,240	698,306	833,503	929,155
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	413,520	421,215	583,745	573,374	709,722	709,722	709,722	603,763	633,347	1,062,840
Application of cash and investments	1,104,932	777,411	(4,207)	149,341	(7,861)	(7,861)	(655,172)	(742,195)	(653,779)	385,849
Balance - surplus (shortfall)	(691,412)	(356,196)	587,951	424,033	717,583	717,583	1,364,893	1,345,958	1,287,126	676,991
<u>Asset management</u>										
Asset register summary (WDV)	6,757,637	6,809,630	6,745,466	7,059,184	5,537,038	5,537,038	7,000,732	7,000,732	6,944,372	6,785,958
Depreciation & asset impairment	124,067	253,513	273,650	158,000	158,000	158,000	189,600	189,600	227,520	273,024
Renewal of Existing Assets	95,810	88,822	—	119,912	174,103	174,103	174,103	387,608	367,929	440,400
Repairs and Maintenance	118,194	65,648	39,510	89,185	89,288	89,288	95,314	95,314	99,643	130,802
<u>Free services</u>										
Cost of Free Basic Services provided	39,245	—	—	—	—	—	—	—	—	—
Water:	2	—	6	—	—	6	—	—	—	—
Sanitation/sewerage:	—	—	5	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	58	54	—	74	74	74	54	54	34	—

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. A financial management reform emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. No borrowing is anticipated
 - iii. Internally generated funds are financed from a combination of the current operating surplus. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		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	1									
Revenue - Standard										
Governance and administration		980,034	1,029,257	1,119,104	668,763	882,848	882,848	1,012,506	1,093,298	1,029,765
Executive and council		465	700	564	287	1,240	1,240	302	317	–
Budget and treasury office		960,908	1,005,928	1,112,184	642,450	853,288	853,288	995,543	1,074,422	1,025,696
Corporate services		18,662	22,629	6,356	26,026	28,320	28,320	16,660	18,559	4,069
Community and public safety		77,867	31,697	40,340	26,289	40,416	40,416	32,854	34,473	10,929
Community and social services		5,699	4,659	18,150	1,527	23,470	23,470	1,631	1,741	2,683
Sport and recreation		901	796	1,971	835	552	552	892	953	35
Public safety		9,564	9,145	5,451	6,631	7,166	7,166	26,998	28,412	8,133
Housing		50,924	4,485	4,123	14,664	4,121	4,121	3,233	3,260	77
Health		10,779	12,612	10,645	2,632	5,106	5,106	101	108	2
Economic and environmental services		25,601	34,364	107,704	5,721	73,573	73,573	5,350	6,445	15,521
Planning and development		10,811	5,441	40,593	4,788	18,098	18,098	4,342	5,354	15,026
Road transport		14,790	28,923	67,110	933	55,476	55,476	1,008	1,091	495
Trading services		1,462,672	1,762,600	1,591,448	2,268,708	2,122,114	2,122,114	2,263,173	2,507,785	2,903,199
Electricity		945,257	1,069,468	822,781	1,557,285	1,445,525	1,445,525	1,640,105	1,880,590	2,241,938
Water		307,001	473,549	508,028	398,569	452,682	452,682	392,974	383,327	411,586
Waste water management		144,855	142,223	170,205	174,132	138,097	138,097	144,974	148,808	151,784
Waste management		65,559	77,360	90,434	138,721	85,810	85,810	85,120	95,059	97,891
Other	4	29,662	44,062	28,968	18,309	19,080	19,080	226,531	80,548	94,083
Total Revenue - Standard	2	2,575,836	2,901,981	2,887,564	2,987,790	3,138,031	3,138,031	3,540,414	3,722,549	4,053,498

KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		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	1									
Expenditure - Standard										
Governance and administration		514,290	562,611	488,015	547,848	475,336	475,336	727,400	741,406	678,508
Executive and council		–	–	21	71,094	71,529	71,529	63,134	66,337	69,712
Budget and treasury office		448,665	477,872	487,363	206,566	128,906	128,906	459,766	505,157	414,645
Corporate services		65,625	84,739	631	270,188	274,900	274,900	204,500	169,912	194,151
Community and public safety		419,190	403,145	452,941	376,578	386,364	386,364	389,983	424,529	507,342
Community and social services		40,432	44,617	87,882	38,719	53,970	53,970	62,957	65,257	73,555
Sport and recreation		85,786	94,720	104,373	77,038	72,964	72,964	75,535	79,930	78,277
Public safety		169,146	173,748	171,160	177,669	203,610	203,610	205,998	231,587	305,851
Housing		69,528	34,718	31,956	36,554	20,804	20,804	19,696	20,386	21,120
Health		54,298	55,342	57,570	46,598	35,015	35,015	25,797	27,369	28,539
Economic and environmental services		217,935	217,368	317,415	161,452	303,924	303,924	112,986	115,416	96,416
Planning and development		45,815	38,536	54,896	65,668	92,240	92,240	72,383	76,054	78,639
Road transport		172,120	178,832	262,519	95,784	211,685	211,685	40,603	39,363	17,777
Trading services		1,615,770	1,570,098	1,349,640	1,855,665	1,923,119	1,923,119	2,180,746	2,344,110	2,620,053
Electricity		1,059,915	936,232	704,126	1,215,590	1,215,208	1,215,208	1,482,680	1,587,127	1,784,637
Water		336,009	416,245	425,843	476,068	514,614	514,614	573,488	525,292	456,072
Waste water management		118,086	126,757	116,054	95,019	115,952	115,952	23,555	127,056	268,617
Waste management		101,761	90,864	103,617	68,988	77,345	77,345	101,024	104,635	110,728
Other	4	39,914	53,980	45,086	41,102	40,495	40,495	62,713	32,531	101,177
Total Expenditure - Standard	3	2,807,100	2,807,201	2,653,096	2,982,646	3,129,238	3,129,238	3,473,828	3,657,992	4,003,497
Surplus/(Deficit) for the year		(231,264)	94,779	234,468	5,143	8,793	8,793	66,585	64,557	50,001

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

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)									
Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
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 - Corporate Services	15,487	8,268	20,175	2,920	24,847	24,847	24,112	24,459	23,050
Vote 2 - Financial Management Area	961,195	1,006,712	1,112,257	643,042	853,882	853,882	948,138	934,650	1,032,209
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	1,548,538	1,810,650	1,680,967	2,298,991	2,201,636	2,201,636	2,509,630	2,704,065	2,942,284
Vote 4 - Sustainable Community Service Delivery Provision Management	50,616	76,349	74,165	42,837	57,666	57,666	58,533	59,375	55,955
Total Revenue by Vote	2,575,836	2,901,980	2,887,564	2,987,791	3,138,031	3,138,031	3,540,414	3,722,549	4,053,498
Expenditure by Vote to be appropriated									
Vote 1 - Corporate Services	16,912	19,009	22,373	241,789	267,727	267,727	285,544	312,317	340,422
Vote 2 - Financial Management Area	470,475	493,683	507,856	243,368	164,160	164,160	244,421	120,177	271,645
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	1,928,258	1,849,211	1,659,882	2,088,990	2,279,080	2,279,080	2,533,557	2,776,361	2,781,093
Vote 4 - Sustainable Community Service Delivery Provision Management	391,455	445,299	462,986	408,500	418,272	418,272	410,306	449,137	610,337
Total Expenditure by Vote	2,807,100	2,807,201	2,653,096	2,982,646	3,129,238	3,129,238	3,473,828	3,657,992	4,003,497
Surplus/(Deficit) for the year	(231,264)	94,779	234,468	5,145	8,793	8,793	66,586	64,557	50,001

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

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the City. This means it is possible to present the operating surplus or deficit of a vote.

Table 14 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source										
Property rates	420,030	448,257	505,310	576,402	576,402	576,402	576,402	608,104	641,549	676,835
Property rates - penalties & collection charges	20,285	26,358	31,244	33,812	47,501	47,501	47,501	37,363	38,857	40,800
Service charges - electricity revenue	816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue	213,633	270,107	288,345	317,354	339,545	339,545	339,545	373,500	410,850	451,935
Service charges - sanitation revenue	76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,421	147,089
Service charges - refuse revenue	53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,860	86,362
Rental of facilities and equipment	15,571	17,313	17,944	19,534	23,949	23,949	23,948	26,343	28,977	31,875
Interest earned - external investments	6,869	13,795	25,907	12,100	18,356	18,356	18,357	18,941	19,366	20,431
Interest earned - outstanding debtors	21,161	38,044	58,254	–	1,152	1,152	1,152	1,255	1,292	1,318
Fines	7,084	5,354	3,813	3,475	3,566	3,566	3,566	5,634	5,932	6,151
Licences and permits	72	89	78	74	44	44	44	48	50	53
Agency services	1,435	577	374	382	533	533	533	586	592	603
Transfers recognised - operational	355,033	385,496	500,669	365,204	422,369	422,369	422,369	652,059	589,871	655,040
Other revenue	568,994	516,980	65,368	49,785	88,689	88,689	88,689	48,011	49,222	48,825
Total Revenue (excluding capital transfers and contributions)	2,575,836	2,901,981	2,887,564	2,987,790	3,138,032	3,138,032	3,138,031	3,540,414	3,722,549	4,053,498

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type										
Employee related costs	629,032	636,373	666,198	713,415	731,928	731,928	731,928	770,620	819,228	861,560
Remuneration of councillors	19,386	18,418	31,427	34,000	34,000	34,000	34,000	36,419	38,422	40,535
Debt impairment	250,540	96,000	58,210	250,342	250,342	250,342	250,342	137,510	154,111	158,637
Depreciation & asset impairment	124,067	253,513	273,650	158,000	158,000	158,000	158,000	189,600	227,520	273,024
Finance charges	75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Bulk purchases	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,520,315	1,650,634	1,795,318
Other materials	–	–	–	14,154	19,046	19,046	19,046	–	–	–
Contracted services	–	–	67,803	56,948	65,754	65,754	65,754	16,792	17,678	18,556
Transfers and grants	1,711	195	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Loss on disposal of PPE	2,199	36,986	(941)	–	–	–	–	–	–	–
Total Expenditure	2,807,100	2,807,200	2,653,096	2,982,646	3,129,239	3,129,239	3,129,239	3,473,828	3,657,992	4,003,497
Transfers recognised - capital	78,407	84,654		230,014	309,756	309,756	309,756	415,658	194,271	192,390
Contributed assets										
Taxation										
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	(152,858)	179,434	234,468	235,158	318,548	318,548	318,548	482,244	258,828	242,390
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	(152,858)	179,434	234,468	235,158	318,548	318,548	318,548	482,244	258,828	242,390

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

1. Total revenue is R 3.5 billion in 2013/4 and escalates to R3.7 billion by 2014/15. This represents a year-on-year increase of 12.82 per cent for the 2013/14 financial year and 18.63 per cent for the 2014/15 financial year compared to the adjusted budget 2012/13.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Corporate Services	7,373	3,552	12,689	–	–	–	–	2,500	5,000	2,800
Vote 2 - Financial Management Area	4,975	152	35	–	–	–	–	–	–	–
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	130,572	91,807	194,877	163,117	149,684	149,684	149,684	405,797	202,921	185,400
Vote 4 - Sustainable Community Service Delivery Provision Management	33,113	15,638	15,963	32,815	28,260	28,260	28,260	–	–	–
Capital multi-year expenditure sub-total	176,033	111,149	223,563	195,932	177,944	177,944	177,944	408,297	207,921	188,200
Single-year expenditure to be appropriated										
Vote 1 - Corporate Services	–	–	–	5,150	12,782	12,782	12,782	3,100	–	–
Vote 2 - Financial Management Area	–	–	–	–	3,424	3,424	3,424	7,000	12,000	13,000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	–	–	–	15,636	92,993	92,993	92,993	48,952	31,550	39,990
Vote 4 - Sustainable Community Service Delivery Provision Management	–	–	–	13,296	22,613	22,613	22,613	8,310	2,800	1,200
Capital single-year expenditure sub-total	–	–	–	34,082	131,812	131,812	131,812	67,362	46,350	54,190
Total Capital Expenditure - Vote	176,033	111,149	223,563	230,014	309,756	309,756	309,756	475,659	254,271	242,390

KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Capital Expenditure - Standard										
Governance and administration	15,401	7,557	12,723	10,300	14,369	14,369	14,369	30,760	27,000	25,840
Executive and council	41	235		4,150	4,395	4,395	4,395	-	-	
Budget and treasury office	15,360	7,323	35	6,150	9,574	9,574	9,574	30,760	27,000	25,840
Corporate services			12,689	-	400	400	400	-	-	-
Community and public safety	26,301	612	12,838	26,146	23,148	23,148	23,148	4,500	2,800	1,200
Community and social services	4,090	436	12,620	13,500	11,790	11,790	11,790	2,800	2,800	1,200
Sport and recreation	943	-		7,100	9,100	9,100	9,100	1,700	-	-
Public safety	18,103	165	218	-	1,212	1,212	1,212	-	-	-
Housing	2,370	11		4,500	-	-	-	-	-	-
Health	794	-		1,046	1,046	1,046	1,046	-	-	-
Planning and development	2,235	-	59	-	6,987	6,987	6,987	2,700	-	-
Road transport	32,581	46,382	84,591	78,748	57,315	57,315	57,315	180,026	64,120	28,400
Trading services	95,412	45,413	110,227	95,505	185,362	185,362	185,362	254,862	160,351	186,950
Electricity	21,459	16,592	26,696	9,083	96,940	96,940	96,940	171,500	59,372	42,210
Water	16,850	12,860	63,324	43,169	45,169	45,169	45,169	28,175	48,879	73,840
Waste water management	53,477	15,491		41,200	41,200	41,200	41,200	47,097	44,600	63,400
Waste management	3,626	471	20,206	2,053	2,053	2,053	2,053	8,091	7,500	7,500
Other	4,104	11,184	3,125	19,315	22,575	22,575	22,575	2,810	-	-
Total Capital Expenditure - Standard	176,033	111,149	223,563	230,014	309,756	309,756	309,756	475,658	254,271	242,390
National Government	77,037	73,020	123,053	208,599	160,485	160,485	160,485	403,158	194,271	192,390
Provincial Government	1,371	11,429	25,621	21,415	56,234	56,234	56,234	12,500	-	-
Other transfers and grants	-	205	-	-	-	-	-	-	-	-
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	415,658	194,271	192,390
Public contributions & donations	-	-	-	-	135	135	135	-	-	
Borrowing	97,626	26,495	-	-	47,075	47,075	47,075	-	-	
Internally generated funds	-	-	74,889	-	45,827	45,827	45,827	60,000	60,000	50,000
Total Capital Funding	176,033	111,149	223,563	230,014	309,756	309,756	309,756	475,658	254,271	242,390

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

- Table A5 is a breakdown of expenditure by funding (multi-year and single-year appropriations); 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. Table 16 MBRR Table A6 - Budgeted Financial Position

KZN225 Msunduzi - Table A6 Consolidated Budgeted Financial Position

Description	Ref	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		294,832	138,811	583,679	61,417	61,417	61,417	61,417	64,672	67,841	70,549
Call investment deposits	1	118,689	282,404	66	511,892	648,239	648,239	648,239	539,022	565,434	-
Consumer debtors	1	441,681	352,890	11,093	737,498	737,498	737,498	737,498	901,214	935,805	939,210
Other debtors		(468,031)	(111,418)	549,680	8,254	8,254	8,254	8,254	7,354	7,104	6,946
Current portion of long-term receivables		-	-	-	43,584	43,584	43,584	43,584	45,199	41,701	40,546
Inventory	2	62,079	57,922	57,008	53,720	53,720	53,720	53,720	56,567	59,339	61,572
Total current assets		449,249	720,609	1,201,525	1,416,365	1,552,712	1,552,712	1,552,712	1,614,028	1,677,223	1,118,823
Non current assets											
Long-term receivables		-	-	-	7,963	7,963	7,963	7,963	8,385	8,796	8,959
Investments					66	66	66	66	69	73	75
Investment property		534,167	405,306	381,012	405,306	405,306	405,306	405,306	426,787	447,700	457,800
Investment in Associate											
Property, plant and equipment	3	6,221,807	6,397,718	6,361,643	6,708,834	6,708,834	6,708,834	6,708,834	7,064,402	7,410,558	7,898,363
Agricultural											
Biological					543	543	543	543	543	543	543
Intangible		6,465	7,283	3,459	7,283	7,283	7,283	7,283	5,088	5,946	7,282
Other non-current assets		4,190	6,695	8,181							
Total non current assets		6,766,630	6,817,002	6,754,296	7,129,994	7,129,994	7,129,994	7,129,994	7,505,275	7,873,615	8,373,022
TOTAL ASSETS		7,215,878	7,537,611	7,955,820	8,546,359	8,682,706	8,682,706	8,682,706	9,119,302	9,550,838	9,491,845
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	3,443	2,861	45,832	43,584	43,584	43,584	43,584	45,199	41,701	43,644
Consumer deposits		35,794	70,633	71,648	70,829	70,829	70,829	70,829	73,941	77,564	94,523
Trade and other payables	4	533,876	527,354	654,164	262,607	262,607	262,607	262,607	276,526	290,075	326,296
Provisions		761	412	312							582
Total current liabilities		573,874	601,261	771,956	377,021	377,021	377,021	377,021	395,665	409,341	465,045
Non current liabilities											
Borrowing		570,129	518,942	22,371	647,309	647,309	647,309	647,309	681,617	715,016	724,468
Provisions		154,721	232,001	863,715	2,585	2,585	2,585	2,585	2,722	2,856	2,946
Total non current liabilities		724,850	750,943	886,085	649,894	649,894	649,894	649,894	684,339	717,871	727,414
TOTAL LIABILITIES		1,298,723	1,352,203	1,658,041	1,026,915	1,026,915	1,026,915	1,026,915	1,080,004	1,127,212	1,192,459
NET ASSETS	5	5,917,155	6,185,408	6,297,780	7,519,443	7,655,791	7,655,791	7,655,791	8,039,298	8,423,626	8,299,386
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		5,864,676	6,132,194	6,242,254	7,719,122	7,719,122	7,719,122	7,719,122	7,983,217	8,361,741	9,358,762
Reserves	4	52,480	53,214	55,526	53,258	53,258	53,258	53,258	56,081	58,829	113,214
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	5,917,156	6,185,408	6,297,780	7,772,380	7,772,380	7,772,380	7,772,380	8,039,298	8,420,570	9,471,976

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. 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 informed directly by forecasting the statement of financial position.

Table 17 MBRR Table A7 - Budgeted Cash Flow Statement

KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		1,969,438	2,356,073	2,737,654	2,360,144	3,001,215	3,001,215	3,001,215	3,068,460	2,941,311	3,124,741
Government - operating	1		–	–	365,204	422,170	422,170	422,170	406,200	424,310	395,917
Government - capital	1		–	–	230,014	263,929	263,929	263,929	415,658	194,271	192,390
Interest		27,918	51,796	91,701	12,100	18,357	18,357	18,357	18,941	–	–
Dividends			–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(1,885,516)	(1,855,618)	(2,320,890)	(2,642,049)	(3,216,664)	(3,216,664)	(3,216,664)	(3,422,377)	(3,211,793)	(3,411,794)
Finance charges		(73,754)	(71,568)	(72,134)	(77,500)	(70,831)	(70,831)	(70,831)	(64,600)	(59,255)	(54,480)
Transfers and Grants	1	–	–	–	(4,500)	(4,500)	(4,500)	(4,500)	(5,027)	(5,274)	(5,563)
NET CASH FROM/(USED) OPERATING ACTIVITIES		38,087	480,683	436,331	243,413	413,676	413,676	413,676	417,255	283,570	241,211
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1,937	11,072	1,684	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors					–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		503	(2,505)	(360,299)	(1,566)	–	(1,566)	(1,566)	(422)	(411)	(620)
Decrease (increase) in non-current investments		122,675			2,096	–	2,096	2,096	(3)	(4)	–
Payments											
Capital assets		(154,962)	(311,401)	148,383	(230,014)	(263,929)	(263,929)	(263,929)	(415,658)	(194,271)	(192,390)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(29,847)	(302,834)	(210,231)	(229,484)	(263,929)	(263,399)	(263,399)	(416,083)	(194,686)	(193,010)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(50,000)		–	–	–	–	–	–	–	–
Borrowing long term/refinancing		188,606	(56,885)	112,361	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		986	34,839	1,014	(14)	(14)	(14)	(14)	3,722	3,623	5,350
Payments											
Repayment of borrowing				(49,779)	19,729	19,729	19,729	19,729	45,172	42,691	42,101
NET CASH FROM/(USED) FINANCING ACTIVITIES		139,592	(22,046)	63,596	19,715	19,715	19,715	19,715	48,894	46,314	47,451
NET INCREASE/ (DECREASE) IN CASH HELD		147,832	155,803	289,696	33,644	169,462	169,992	169,992	50,066	135,198	95,652
Cash/cash equivalents at the year begin:	2	317,604	465,436	621,238	478,248	478,248	478,248	478,248	648,240	698,306	833,503
Cash/cash equivalents at the year end:	2	465,436	621,238	910,934	511,892	647,710	648,240	648,240	698,306	833,503	929,155

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 18 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN225 Msunduzi - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	465,436	621,238	910,934	511,892	647,710	648,240	648,240	698,306	833,503	929,155
Other current investments > 90 days		(51,915)	(200,023)	(327,190)	61,416	61,946	61,416	61,416	(94,612)	(200,229)	133,685
Non current assets - Investments	1	-	-	-	66	66	66	66	69	73	-
Cash and investments available:		413,520	421,215	583,745	573,374	709,722	709,722	709,722	603,763	633,347	1,062,840
Application of cash and investments											
Unspent conditional transfers		140,882	121,164	149,448	-	-	-	-	-	-	121,164
Unspent borrowing		570,129	518,942	44,526	647,309	-	647,309	-	45,175	42,691	42,101
Statutory requirements	2										
Other working capital requirements	3	393,921	137,305	(198,181)	(497,969)	(655,171)	(655,171)	(655,172)	(787,370)	(696,470)	222,584
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		1,104,932	777,411	(4,207)	149,341	(655,171)	(7,861)	(655,172)	(742,195)	(653,779)	385,849
Surplus(shortfall)		(691,412)	(356,196)	587,951	424,033	1,364,892	717,583	1,364,893	1,345,958	1,287,126	676,991

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

1. In essence the table evaluates 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.
2. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
3. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 19 MBRR Table A9 - Asset Management

KZN225 Msunduzi - Table A9 Consolidated Asset Management

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	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									
<u>Total New Assets</u>	176,033	22,327	–	110,102	135,653	135,653	188,050	66,342	51,990
Infrastructure - Road transport	32,581	10,753	–	45,000	–	–	4,780	3,250	1,200
Infrastructure - Electricity	21,459	5,482	–	4,083	53,096	53,096	151,000	38,392	21,000
Infrastructure - Water	16,850	886	–	25,419	27,419	27,419	–	–	–
Infrastructure - Sanitation	–	1,055	–	–	–	–	2,000	2,000	6,000
Infrastructure - Other	55,604	–	–	15,000	15,000	15,000	–	–	–
Infrastructure	126,494	18,176	–	89,502	95,515	95,515	157,780	43,642	28,200
Community	33,175	80	–	20,600	36,069	36,069	–	–	–
Heritage assets	5,711	–	–	–	–	–	–	–	–
Other assets	10,654	4,070	–	–	4,069	4,069	30,270	22,700	23,790
<u>Total Renewal of Existing Assets</u>	95,810	88,822	–	119,912	174,103	174,103	387,608	367,929	440,400
Infrastructure - Road transport	25,990	35,629	–	33,748	57,315	57,315	157,246	60,870	27,200
Infrastructure - Electricity	4,900	11,109	–	5,000	39,584	39,584	130,500	196,380	271,210
Infrastructure - Water	27,507	11,974	–	17,750	17,750	17,750	27,925	48,879	73,490
Infrastructure - Sanitation	37,413	14,436	–	26,200	26,200	26,200	44,797	42,200	57,000
Infrastructure - Other	–	471	–	2,053	2,053	2,053	8,091	7,500	7,500
Infrastructure	95,810	73,619	–	84,751	142,902	142,902	368,558	355,829	436,400
Community	–	420	–	10,300	8,300	8,300	4,500	2,800	1,200
Other assets	–	14,782	–	24,861	22,901	22,901	14,550	9,300	2,800
<u>Total Capital Expenditure</u>									
Infrastructure - Road transport	58,571	46,382	–	78,748	57,315	57,315	162,026	64,120	28,400
Infrastructure - Electricity	26,359	16,592	–	9,083	92,680	92,680	281,500	234,772	292,210
Infrastructure - Water	44,357	12,860	–	43,169	45,169	45,169	27,925	48,879	73,490
Infrastructure - Sanitation	37,413	15,491	–	26,200	26,200	26,200	46,797	44,200	63,000
Infrastructure - Other	55,604	471	–	17,053	17,053	17,053	8,091	7,500	7,500
Infrastructure	222,304	91,796	–	174,253	238,417	238,417	526,338	399,471	464,600
Community	33,175	500	–	30,900	44,369	44,369	4,500	2,800	1,200
Heritage assets	5,711	–	–	–	–	–	–	–	–
Other assets	10,654	18,853	–	24,861	26,970	26,970	44,820	32,000	26,590
TOTAL CAPITAL EXPENDITURE - Asset class	271,843	111,149	–	230,014	309,756	309,756	575,658	434,271	492,390

KZN225 Msunduzi - Table A9 Consolidated Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		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										
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		1,727,921	1,791,184	1,798,047	1,847,166	1,837,629	1,837,629	1,867,648	1,829,847	1,746,283
Infrastructure - Electricity		1,339,526	1,227,314	1,227,562	1,279,037	1,295,792	1,295,792	1,433,474	1,456,283	1,458,274
Infrastructure - Water		838,634	900,288	909,907	935,919	908,017	908,017	944,423	973,995	1,026,596
Infrastructure - Sanitation		488,307	545,536	571,449	610,703	581,743	581,743	619,164	648,548	695,211
Infrastructure - Other		470,758	516,457	501,919	484,991	500,724	500,724	507,204	506,999	506,795
Infrastructure		4,865,147	4,980,779	5,008,884	5,157,815	5,123,906	5,123,906	5,371,913	5,415,672	5,433,159
Community		528,327	498,059	468,970	573,751			415,343	372,106	321,765
Heritage assets		-	-	-						
Investment properties		534,167	405,306	381,012	405,306	405,306	405,306	426,787	447,700	405,306
Other assets		823,531	918,203	883,141	914,487			781,057	705,461	618,446
Biological assets		-	-	-	543	543	543	543	543	-
Intangibles		6,465	7,283	3,459	7,283	7,283	7,283	5,088	2,890	7,282
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	6,757,637	6,809,630	6,745,466	7,059,184	5,537,038	5,537,038	7,000,732	6,944,372	6,785,958
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		124,067	253,513	273,650	158,000	158,000	158,000	189,600	227,520	273,024
<u>Repairs and Maintenance by Asset Class</u>	3	118,194	65,648	39,510	89,185	89,288	89,288	95,314	99,643	130,802
Infrastructure - Road transport		32,919	1,596	3,392	5,361	5,361	5,361	3,714	2,682	4,018
Infrastructure - Electricity		23,195	31,949	13,726	24,992	26,526	26,526	20,320	21,330	22,420
Infrastructure - Water		19,258	345	1,216	746	746	746	-	-	-
Infrastructure - Sanitation		-	8,254	-	-	-	-	-	-	-
Infrastructure - Other		435	405	6,862	86	86	86	1,377	1,446	1,530
Infrastructure		75,807	42,549	25,196	31,185	32,719	32,719	25,411	25,458	27,968
Community		1,974	3,218	9,015	2,074	2,486	2,486	4,898	6,290	5,930
Other assets	6, 7	40,413	19,881	5,298	55,926	54,083	54,083	65,005	67,895	96,905
TOTAL EXPENDITURE OTHER ITEMS		242,260	319,161	313,160	247,185	247,288	247,288	284,914	327,163	403,826
<i>Renewal of Existing Assets as % of total capex</i>		35.2%	79.9%	0.0%	52.1%	56.2%	56.2%	67.3%	84.7%	89.4%
<i>Renewal of Existing Assets as % of deprecn"</i>		77.2%	35.0%	0.0%	75.9%	110.2%	110.2%	204.4%	161.7%	161.3%
<i>R&M as a % of PPE</i>		1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.3%	1.3%	1.8%
<i>Renewal and R&M as a % of PPE</i>		3.0%	2.0%	1.0%	3.0%	5.0%	5.0%	7.0%	7.0%	8.0%

Explanatory notes to Table A9 - Asset Management

- 1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

DRAFT

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 31 August 2012. Key dates applicable to the process were:

IDP (BUDGET/PMS/SDF/LED) PROCESS PLAN 2013/14

PROGRAMME OF ACTION FOR 2012/13 FINANCIAL YEAR IN PREPARATION FOR 2013/14

ITEM	IDP REVIEW PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
Phase 1	Submission of 2013/14 IDP Process Plan to Cogta					
1	Prepare 2013/14 IDP Process Plan in consultation with DMMS and different levels of management	Consult and discuss IDP activities and milestones with departments	Assured consultation on IDP critical activities and milestones	6 – 29 July 2012	IDP Office	
2	Submit draft Process Plan 2013/14 to COGTA	Finalise Draft Process Plan for submission to COGTA for comment and pre-approval	Pre-approved draft IDP Process Plan by COGTA before approval by relevant committees	31 July 2012	City Manager and IDP Office	

3	Adoption of the Process Plan 2013/14	Adoption of the IDP Process Plan 2013/14 for approval by Full Council	Approved IDP Process Plan including the Key Development Priorities according to the MFMA s 21, 23 MSA (s) 34 Ch 4 by Full Council and submission to COGTA	31 August 2012	City Manager and IDP office	N/A
4	Consultation on the Process Plan 2013/14	Advertise Process Plan	Advertised Process Plan 2013/14 within 21 days after the approval by Full Council	21 September 2012	City Manager and IDP office	6,000.00
Phase 2	Status Quo Report					
5	Incorporate the MEC assessment of the third generation IDP	MEC Panel assesses 2013/14 - 2016/17 IDP	Addressed IDP gaps for the next IDP review cycle	29 August 2012	MEC panel	

6	Prepare the Municipality status quo report	Collect data, baseline and backlogs through a review of various sector plans and policies to review the Status Quo of the Municipality	Established the Msunduzi Municipality status quo through relevant data, baseline, backlogs from Stats SA 2011 Survey Report, Global Insight and DSD and other sources	Mid October 2012	IDP Manager	
Phase 3	Review and formulate Strategies					
8	Review Strategies and making strategic choices	Review municipal strategies, sector plans and policies by business units (departmental revised projects submissions)	Revised municipal strategies, sector plans and policies	25 - 30 October 2012 (Departmental strategic reviews)	DMs in their respective business units and various levels of management including labor	
9		Corporate Strategic Planning to review municipal strategies, sector plans and policies	Revised and finalized municipal organizational scorecard (one year and five years	1 – 10 Nov 2012 (Corporate Strategic Planning sessions	MANCO, Exco and Councilors	90,000.00

10	Public participation	Consult various stakeholders (IDP Rep Forum) through Private Sector, Sector Departments, Parastatals, NGOs, ward committees etc. on strategies and priorities	Presentation of revised strategies, progress report on OPMS and discussed stakeholders priorities (a District joint stakeholders and public engagements)	16 – 30 November 2012	Internal stakeholders, ward committees, Amakhosi, NGOs, Sector depts. Business, CBOs etc	7,500.00
11	IDP Best Practice Conference	Setting up high benchmarks for the next IDP review	Consulted on best practices	6 December 2012	Representatives from National and Provincial depts. and municipal reps	
12	Prioritization of IDP projects	Prioritize IDP projects in line with the Long Term Financial Plan (Envelope - alignment of the IDP and Budget)	Prioritised priority projects	3 – 10 December 2012		
Phase 4	Adoption and submission of Draft IDP 2013/2014 to Cogta					
13	Final Draft IDP/ Operational and Capital Budget	To Full Council	Present Draft IDP, Budget SDBIP to Full Council	31 March 2013	City Mayor	

14	Advertise the draft IDP	Issue a public notice on the draft IDP and Budget within 21 days		5 April 2013	City Manager	6,000.00
15	Public Consultation	To present Draft IDP and Budget for public comments	Ensured public comments on Draft IDP and Budget	14 April 2013	City Mayor	7,500.00
Phase 5:	Assessment of Draft 2013/14 IDP					
16	IDP assessment	Analysis of draft IDP based on IDP Assessment Framework	Assessed IDPs	29 March 2013	National and Provincial Sector Representatives and Municipal Officials	
Phase 6	Adoption and Submission of the IDP 2013/14 – 2017/17 to COGTA					
17	Incorporate public	Incorporate public	Considered prioritized public	15 April - 07 May		

	comments	comments on Draft IDP	priorities	2013	IDP Office	
18	Incorporate MEC comments	Incorporate comments from the Assessment panel from D-COG	Revised the IDP in line with the MEC Comments	15 May 2013	IDP Office	
19	Incorporate AG comments and action plan	Address comments from the Auditor General on the Annual Report of the previous Financial Year	Addressed and incorporate the AG comments	15 April 2013	IDP Office	
20	Present final draft to relevant committees	Present Final Draft Report to relevant committees	Consultation of priority needs		City Manager and IDP Office	
21	Submission of a final IDP	Submit a final IDP to Full Council	Finalized IDP for approval by Full Council	30 May 2013	City Mayor	
22	Advertise a revised IDP	Advertise a revised IDP within 14 days after approval	Advised to public a revised IDP 2013/14 – 2017/18	14 June 2013	City Manager, IDP and ICT offices	6,000.00
23	Submission of a revised IDP	Submit a revised IDP to D-COG within 10 days	Submitted a revised IDP to D-COG	10 June 2012 2013	City Manager and IDP office	
						R123,000.00
ITEM	SDF REVIEW PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON	BUDGET

					RESPONSIBLE OR DEPARTMENT	
1.	Planning Work Program Approval for: <ul style="list-style-type: none"> a) Local Area Plans for: <ul style="list-style-type: none"> • South-Eastern District • Central Area and CBD Extension Node. b) Extension of Town Planning Scheme to include Greater Edendale and Sobantu 	Table Planning Prioritized Work Program	Exco Resolution	26 April 2012		
2.	Procurement Process:	Supply Chain processes for the procurement of service providers	Awarding of Contract	30 November 2012	AN Khoali	R25 000.00
3.	Commencement of Project:					
3.1	Local Area Plan: South-Eastern District	<i>Phase One:</i> <ul style="list-style-type: none"> <input type="checkbox"/> Inception Report <input type="checkbox"/> Communication 	Inception Report	28 February 2013	AN Khoali	R150 000.00

		and Participation Plan <input type="checkbox"/> Community Participation				
ITEM	SDF REVIEW PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
		Phase Two: <input type="checkbox"/> Situational Analysis <input type="checkbox"/> Contextual Report <input type="checkbox"/> Community Participation	Contextual Report	31 August 2013	AN Khoali	R450 000.00
		Phase Three: <input type="checkbox"/> Conceptual Report <input type="checkbox"/> Community Participation	Conceptual Report	31 December 2013	AN Khoali	R250 000.00
		Phase Four: <input type="checkbox"/> Development Framework <input type="checkbox"/> Community	Development Framework	31 June 2014	AN Khoali	R400 000.00

		Participation				
		<i>Phase Five:</i> <input type="checkbox"/> Implementation Plan <input type="checkbox"/> Community Participation	Implementation Plan	31 August 2014	AN Khoali	R25 000.00
		EXCO Approval	Approved Local Area Plan for South East District Area	30 September 2014	AN Khoali	
			SDF Review – Incorporation of Project Proposals	31 October 2014	AN Khoali	
ITEM	SDF REVIEW PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
			SDF/IDP Alignment – Budget and Implementation Project	31 December 2014	AN Khoali	

3.2	Local Area Plan: Central Area and CBD Extension Node	<i>Phase One:</i> <input type="checkbox"/> Inception Report <input type="checkbox"/> Communication and Participation Plan <input type="checkbox"/> Community Participation	Inception Report	28 February 2013	AN Khoali	R150 000.00
		<i>Phase Two:</i> <input type="checkbox"/> Situational Analysis <input type="checkbox"/> Contextual Report <input type="checkbox"/> Community Participation	Contextual Report	31 August 2013	AN Khoali	R450 000.00
		<i>Phase Three:</i> <input type="checkbox"/> Conceptual Report <input type="checkbox"/> Community Participation	Conceptual Report	31 December 2013	AN Khoali	R250 000.00
		<i>Phase Four:</i> <input type="checkbox"/> Development Framework <input type="checkbox"/> Community	Development Framework	31 June 2014	AN Khoali	R400 000.00

		Participation				
ITEM	SDF REVIEW PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
		<i>Phase Five:</i> <input type="checkbox"/> Implementation Plan <input type="checkbox"/> Community Participation	Implementation Plan	31 August 2014	AN Khoali	R25 000.00
		EXCO Approval	Approved Local Area Plan for South East District Area	30 September 2014	AN Khoali	
			SDF Review – Incorporation of Project Proposals	31 October 2014	AN Khoali	
			SDF/IDP Alignment – Budget and Implementation Project	31 December 2014	AN Khoali	
3.3	Extension of Town Planning Scheme to	<u>Step 1:</u>	Inception Report	31 January 2013	AN Khoali	

	include Greater Edendale and Sobantu	Work plan		(1 Month)		
		Step 2: Data Collection and analysis	Comprehensive situational analysis	31 March 2013 (2 month)	AN Khoali	
		Step 3: Key Questions	Conceptual plan inclusive of all stakeholders' visions	30 April 2013 (1 Month)	AN Khoali	
ITEM	SDF REVIEW PROCESS IDP	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
		Step 4: Preparation of a Land use framework	Land use framework	31 May 2013 (1 Month)	AN Khoali	
		Step 5: Selection of zones and preparation of scheme	Draft coherent scheme map.	31 July 2013 (2 Months)	AN Khoali	

		map				
		<u>Step 6:</u> Scheme controls	Draft coherent scheme clauses	30 September 2013 (2 Months)	AN Khodali	
		<u>Step 7:</u> Draft General and Land use Definitions	Accurate definitions of all terminology contained in the scheme.	31 October 2013 (1 month)	AN Khodali	
		<u>Step 8:</u> Management overlays	Proper appendixes to the scheme.	29 November 2013 (1 Month)	AN Khodali	
		<u>Step 9:</u> Circulation to relevant authorities	Scheme circulated to all relevant authorities, and submits the amended version as per their comments.	28 February 2014 (3 Month)	AN Khodali	

ITEM	SDF REVIEW PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
		Step 10: Submission to Council for support of the scheme in principle	Progress report to Council for support with regard to way forward.	March 2014 (depending on the dates of the council meeting)	AN Khoali	
		Step 13: Public comments	Consultants to follow PDA process in adopting the draft scheme.	30 June 2014 (3 Months)	AN Khoali	
		Step 14: Revision based on public comments	Revise the document where necessary based on public comments	15 July 2014 (two Weeks)	AN Khoali	
		Step 15: Submit to Council for approval of scheme	Submit the final document to Council for adoption.	22 July 2014 (1 Week)	AN Khoali	
		Budget office develop MTREF and determines revenue projections	MFMA s 21, 22, 23	September 2012	Budget	

		and proposed rates and service charges and draft initial allocations to functions and dept's for the next financial year after taking into account strategic objectives				
ITEM	BUDGET PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
		Co-ordinate annual budget & IDP review	Co-ordination of annual budget and IDP review		Municipal Manager (Council)	
		Table IDP and Budget timetable	Tabled IDP and Budget	31 August 2012	Mayor (Council)	
		Circulate Budget Guidelines to Business Units (2013/14)	Budget guidelines circulated	12 October 2012	Budget & Treasury (Business Unit)	
		Formulate & develop 1 st Draft indicative allocations (MTREF Budget)	1 st draft in the indicative allocations	12 October 2012	Budget & Treasury (Business Unit)	
		Submit 1 st draft of the MTREF Budget	1 st draft of the MTERF	9 November 2012	Budget & Treasury	

					(Business Unit)	
		Submit 2 nd draft of the MTERF Budget	2 nd draft of the MTERF Budget	10 December 2012	Budget & Treasury (Business Unit)	
		Submit 3 rd draft of the MTERF Budget	3 rd draft of the MTERF Budget	8 January 2013	Budget & Treasury (Business Unit)	
		Table Mid-Year review/adjustment budget	Approval of the Mid-Year /Adjustment Budget	21 January 2013	Budget & Treasury (Business Unit)	
		Submit final draft of the MTERF Budget	Finalized draft of the MTERF Budget	8 January 2013	Budget & Treasury (Business Unit)	
		Submit final draft of the MTERF Budget	Finalized draft of the MTERF Budget	15 February 2013	Finalized draft of the MTERF Budget	
ITEM	BUDGET PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
		Submit final draft of the MTERF Budget	Finalized draft of the MTERF Budget	21February 2013	Budget & Treasury (Executive Committee)	

		Present final draft of the MTERF Budget	Final draft of mthe MTERF	31 March 2013	Mayor (Municipal Manager)	
		Advertise publication of annual budget	Publication of annual budget	5 April 2013	Budget & Treasury (Relevant stakeholders)	
		Present approved annual budget	Approved annual budget	31 May 2013 (at least 30 days before the start of the budget)	Mayor (Municipal Manager)	
		Display a copy of resolution	Displayed copy of resolution	1 June 2013	Budget & Treasury (Relevant stakeholders)	
		Information to be placed on website	Posted information on a website	7 June 2013 (No later than five days after a document tabled in Council)	Information Management (relevant stakeholders)	

ITEM	PMS PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
	Organizational Scorecard	Organizational Scorecard Review	The first Quarter review of the Organizational scorecard to track progress towards achieving the Organizational Objectives and targets	1 st week of September 2012	MM and PMS Manager	
	Departmental Scorecards	BU's scorecard reviews	Conduct first quarter review in order to track progress and detecting under performance and provide corrective measures	2 nd week of September 2012	Strategic Executive Managers and PMS Manager	

ITEM	PMS PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
	PMS 1 st Quarter	First Quarter Assessment	MM and SEM are assessed based on their first quarter performance	3 rd week of September 2012	Mayor, MM, SEM, PMS Manager	
		Identifying IDP Gaps and Sector Alignment and Council identify			Exco/ SMT and IDP Steering	

		strategic priorities for a five year term			Committee	
	1 st PMS Quarterly report	Finalize first PMS quarterly report	Ensure stakeholders consultation on the Municipal report	End of September 2012	PMS Manager	
	Organizational Scorecard	Organizational Scorecard Review	Midyear review to track progress towards achieving the Organizational Objectives and targets	1 st week of January 2013	MM and PMS Manager	
	Departmental Scorecards	SBU's scorecard reviews	Conduct 2nd quarter review in order to track progress and detecting under performance and provide corrective measures	2 nd week of January 2013	SEM and PMS Manager	
Item	PMS PROCESS	Activity	Output	Timeframe	Person Responsible Or Department	Budget

	Individual Performance Assessment	Midyear Assessment	MM and SEMs are assessed based on their 2 nd quarter performance	3 rd week of January 2013	MM, SEM and Evaluation panel	
	3 rd PMS Quarterly report	Finalize PMS quarterly report	Ensure stakeholders consultation on the PMS report	End of March 2013	PMS Manager	
	Draft IDP to COGTA	Submit Draft IDP to COGTA	Approved draft IDP	31 March 2013	IDP	
	Budget and IDP Approval	Submit Final Budget and IDP	Final draft Budget and IDP	31 May 2013 and 30 June 2013 respectively	Mayor	
	PMS and other policies	Review PMS and other Policies	Revised PMS and other policies	1 st week September 2012 to May 2013	Planning and Performance Monitoring Steering committee	
	SBU's Scorecards	Business units finalize their business plans or business units' scorecards (SDBIP's) on how they will contribute to achieving organisational strategy. This requires the setting of objectives, performance	SBU scorecards finalized	2 nd week of June 2013	SEM and PMS Practitioners	

		indicators and targets				
ITEM	PMS PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
	Annual Organizational Scorecard Review	Organizational Scorecard Review	Annual review to track progress towards achieving the Organizational Objectives and targets	1 st week of July 2013	MM, PMS Manager	
	Annual SBU's Scorecard Reviews	SBU's scorecard Reviews	Conduct annual review in order to track progress and detecting under performance and provide corrective measures	2 nd week of July 2013	SEMs, PMS Practitioners	
	Website updates	Post all information to website	MFMA, section 75	7 June 2013 for Budget a	Information Manager	

	Annual Performance Assessment	Annual Assessment	MM and SEM are assessed for the previous financial year	1st week of July 2013	MM. SEM, PMS Manager and Evaluation Panel	
	Internal Audit	Performance Audit	MFMA	2nd week of July 2013	Internal Audit	
	Draft report submitted	Draft Annual Performance Report		3rd week of July 2013	PMS Manager	
ITEM	LED STRATEGY REVIEW PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
1	Local Economic Strategy Review	Input into the strategic framework for local economic development	A strategic framework for local economic development in Msunduzi Municipality	31/08/2012	Sipho Zimu	KZN COGTA
2		Draft report on the recommendations of the framework report for	Approved LED strategy development plan / LED	31/10/2012	Sipho Zimu	

		EXCO approval	Governance			
3		Stakeholder Engagement Facilitation of participative learning, best opportunities, prioritize and mobilize champions for economic development/ gain commitment from role players	LED Board Of Governance Established	31/11/2012	Sipho Zimu	
4		Development of the terms of reference	Terms of reference for an LED strategy	15/01/2012	Sipho Zimu	
5		LED strategy Development Formalise strategies and programme plans Establishment of systems of sustained sector /node development Circulate draft for input	First Draft LED Strategy	31/03/2012	Sipho Zimu	

ITEM	LED STRATEGY REVIEW PROCESS	ACTIVITY	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE OR DEPARTMENT	BUDGET
6		Consolidation of inputs and approval of the final Draft LED strategy	Approved LED Strategy for the municipality	31/04/2012	Sipho Zimu	
7		Formalize strategies and programme plans / Sector development teams	Implementation Plan	31/06/2012	Sipho Zimu	

2.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2012/13 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- Long Term Financial Plan (LTFP)

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 59, 66 and 67 has been taken into consideration in the planning and prioritisation process.

2.1.3 Community Consultation

The draft 2013/14 MTREF as tabled before Council on 20 March 2013 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 14 to 22 April 2013. The applicable dates and venues were published in all the local newspapers. Additional initiatives will be launched during the consultation process, including the specific targeting of ratepayer associations, churches, non-governmental institutions and community-based organisations. Individual sessions are scheduled with organised business and imbizo's will be held to further ensure transparency and interaction.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

Table 20 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
			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											
To improve health care	To promote health,safety & caring of environment	A		4,226							
To upgrade, resurface roads including associated stormwater rainage,to improve the total road network	To improve & maintain infrastructure assets	B	191,192	95,083							
To upgrade,replace,rehabilitate sewer infrastructure	To improve & maintain infrastructure assets	C	2,000	3,500							

KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
			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											
To complete installation of renewal,provide access to basic water,elimination of standpipes,upgrade	To improve & maintain infrastructure assets	D	6,350	13,390							
To provide access to lighting,refurbish transmission lines,replace switchgear	To improve & maintain infrastructure assets	E	6,000	11,225							
To bring the landfill in coplaine with NEMA	To promote health,safety & caring of environment	F		5,100							
To promote social integration	Promote the city heritage & enhance sustainable tourism	G	836	17,980							
To provide sustainable & developmental finance through sound financial management	Use technology advancement to improve service delivery		2,700	1,495							
To ensure proper regulations,control and enforcement	To promote & enhance e-governance			1,315							
To develop social housing	To promote integrated development		10,000	4,680							
To provide adequate staffing levels	To promote & enhance e-governance		1,700	1,410							
To promote the involvement of communities	To promote integrated development		5,900	5,850							
Environmentally sustainable development	To promote integrated development		8,139	8,899							
To promote access to basic services	To promote integrated development		2,000	1,880							

KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
			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											
Basic Service Delivery and Infrastructure Development	A city where everybody has access to habitable human settlements-decent houses, clean water and proper sanitation	H			85,957	178,613	240,535	240,535			
Financial Viability and Management	An efficiently managed, financially viable and sustainable City										
Basic Service Delivery and Infrastructure Development	A safe city, with low crime levels, and quality living areas										
Environmental Planning and Social Services	An environmental sustainable and healthy city	I			12,070	24,626	33,164	33,164	8,091	4,325	4,123
Local Economic Development	A vibrant economic centre,attracting investment, supporting business development and creating jobs	J			11,906	24,293	32,715	32,715	22,400	11,974	11,415
Basic Service Delivery and Infrastructure Development	A well planned, spatially integrated city	K			1,216	2,481	3,341	3,341			
To provide conducive working environment and safe accommodation	Upgrade of municipal Buildings	L							10,550	5,640	5,376
To ensure accessibility to services by all residents and investors in a fair and equitable manner through facilitating economic development initiatives and provision of efficient and effective infrastructure services to enhance the financial sustainability of the municipality	Infrastructure Upgrade	M							60,797	32,500	30,981
To provide Access to Roads and Storm-water		N							109,675	60,125	57,316
To provide public sports and recreation facilities	Constructed/ upgraded halls and sports facilities	O							2,500	1,336	1,274
To provide burial space and cremation facilities	Installation of 6 Cremators	P							2,800	–	–
To ensure all communities have access to basic electricity	To provide 13280 households with access to basic electricity								143,000	76,443	72,871
To provide Safe, Reliable, Cost effective Public Transport	Design & commencement with construction of 18km of main corridor for the Integrated Rapid transportation network								100,846	53,909	51,390
To ensure compliance with the relevant legislation and to promote high standards of professionalism, economic and efficient use of resources as well as accountability and transparency in public service delivery	Annual Audit Plan prepared as per Internal Audit Charter.								15,000	8,018	7,644
Allocations to other priorities			236,817	176,033	111,149	230,014	309,756	309,756	475,658	254,271	242,390

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF.

Table 21 MBRR Table SA8 - Performance indicators and benchmarks

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KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks

[illegible]

KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks

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 Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid										
Creditors to Cash and Investments		79.6%	58.7%	49.6%	35.8%	28.3%	28.3%	28.3%	27.7%	24.3%	72.2%
<u>Other Indicators</u>											
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)	24.4%	21.9%	23.1%	23.9%	23.3%	23.3%	23.3%	21.8%	22.0%	21.3%
Remuneration	Total remuneration/(Total R&M/(Total Revenue excluding capital revenue)	21.0%	21.8%	22.0%	25.0%	1.7%	24.4%		22.7%	23.5%	22.8%
Repairs & Maintenance		4.6%	2.3%	1.4%	3.0%	2.8%	2.8%		2.7%	2.7%	3.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.7%	11.2%	12.0%	7.9%	7.3%	7.3%	7.3%	7.2%	7.7%	8.1%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	42.9	17.8	(312.9)	(1,911.0)	(1,911.0)	(1,911.0)	(103.5)	(67.7)	(74.4)	(80.7)
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	-1.6%	12.4%	25.1%	30.9%	30.3%	30.3%	30.3%	33.9%	32.2%	14.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.6	3.6	5.0	2.3	2.8	2.8	2.8	2.9	3.3	3.4

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2.4 Overview of budget assumptions

2.4.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the City's finances.

2.4.2 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City has no intention for borrowing in the 2013/14 financial year.

2.4.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.4 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

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

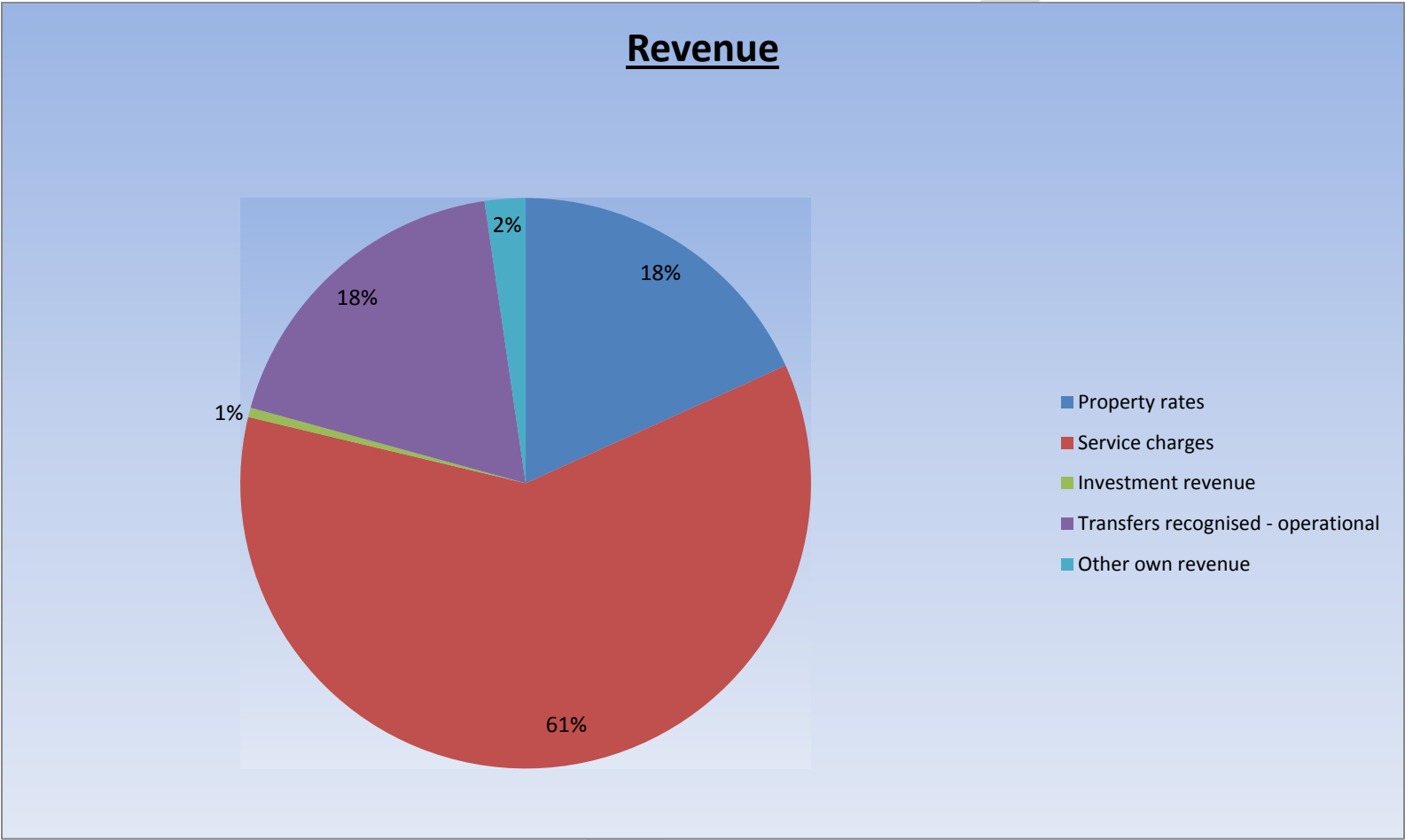


Figure 2 Breakdown of operating revenue over the 2013/14 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as property rates, water, electricity, sanitation and solid waste removal. Operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Table 22 MBRR SA15 – Detail Investment Information

KZN225 Msunduzi - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	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										
Securities - National Government					2,162	2,162	2,162	66	69	73
Listed Corporate Bonds										
Deposits - Bank		138,024	293,827	561,104	145,000	447,065	447,065	511,892	539,022	565,434
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	138,024	293,827	561,104	147,162	449,227	449,227	511,957	539,091	565,506
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		138,024	293,827	561,104	147,162	449,227	449,227	511,957	539,091	565,506

KZN225 Msunduzi - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID		Yrs/Months								Rand thousand	
Parent municipality											
Call - ABSA (Land Sales)			Call			5.05%				1,384	70
Call - RMB (Airport Dev Fund)			Call			5%				1,971	99
Call - RMB (Metro Trans Fund)			Call			5%				1,142	57
Call - RMB (Almond Bank Dev)			Call			5%				50,729	2,536
Call - RMB (MIG Grant)			Call			5%				126,068	6,303
Call - RMB (Unspent Conditional Grant)			Call			5%				360,040	18,002
Call - RMB (General Investments)			Call			5%				1,749	87
Call - RMB (Sale of Assets)			Call			5%				1,400	70
Call - RMB (Insurance Fund)			Call			5%				9,120	456
Call - RMB (Land sales)			Call			5%				1,686	84
Fixed - ABSA (WCA) - 12 Months			Fixed			6.40%				5,256	336
Municipality sub-total										560,544	28,101
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST										560,544	28,101

Table 23 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type R thousand	Ref	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
<u>Parent municipality</u>										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Unspent Borrowing - Categorised by type										
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)		570,129	518,942	44,526	647,309	647,309	647,309	45,175	42,691	42,101
Municipality sub-total	1	570,129	518,942	44,526	647,309	647,309	647,309	45,175	42,691	42,101
<u>Entities</u>										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	570,129	518,942	44,526	647,309	647,309	647,309	45,175	42,691	42,101

Table 24 MBRR Table SA 18 - Capital transfers and grant

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Framework Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:									
<u>Operating Transfers and Grants</u>									
National Government:	203,378	267,375	310,326	342,704	342,704	342,704	358,627	376,211	395,917
Local Government Equitable Share	199,824	267,211	304,835	338,903	338,903	338,903	354,313	373,677	393,300
Finance Management	750	165	1,979	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement	400		978	800	800	800	890	934	967
EPWP Incentive				1,501	1,501	1,501	1,874		
Electricity Demand Side Management	2,404		2,534				-	-	-
Provincial Government:	10,548	33,467	4,074	22,500	22,500	22,500	47,573	48,099	-
Health subsidy	9,161		-						
Provincial Government:		20,979	1,207						
Expanded Public Works Grant			2,868						
Operating Grant - Property Rates	1,387								
Health		12,488		2,537	2,537	2,537			
Human Settlements				9,000	9,000	9,000	26,020	25,518	
Public Works									
Arts and Culture				10,963	10,963	10,963	21,553	22,581	-
Total Operating Transfers and Grants	213,926	300,842	314,400	365,204	365,204	365,204	406,200	424,310	395,917

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	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 Transfers and Grants									
National Government:	125,649	73,225	138,340	208,599	160,485	160,485	403,158	194,271	192,390
Municipal Infrastructure Grant (MIG)	91,339	48,348	138,340	153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems	7,737	11,663		45,000	–	–	100,846	–	–
Neighbourhood Development Partnership				700	70	70			
Rural Households Infrastructure				4,500	–	–			
Dept of Mineral/Electricity		3,757			5,000	5,000	8,000	5,000	10,000
Intergrated National Electrification Programme				5,000	5,000	5,000	143,000	30,000	12,000
Other capital transfers/grants [insert description]	26,573	9,457			245	245			
Provincial Government:	–	11,429	11,836	21,415	56,234	56,234	12,500	–	–
Airport Development Project		11,429	11,836	19,315	16,760	16,760	–	–	
Sport and Recreation				2,100	2,100	2,100			
Corridor Development					37,289	37,289	12,500	–	–
KZNPA					85	85			
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	–	–	–	–	135	135	–	–	–
<i>Carnegie</i>					135	135			
Total Capital Transfers and Grants	125,649	84,654	150,176	230,014	216,854	216,854	415,658	194,271	192,390
TOTAL RECEIPTS OF TRANSFERS & GRANTS	339,575	385,496	464,576	595,218	582,058	582,058	821,858	618,581	588,307

2.4.5 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., 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 25 MBRR Table A7 - Budget cash flow statement

KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows

Description		Ref	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		1	1,969,438	2,356,073	2,737,654	2,360,144	3,001,215	3,001,215	3,001,215	3,068,460	2,941,311	3,124,741
Government - operating				—	—	365,204	422,170	422,170	422,170	406,200	424,310	395,917
Government - capital		1				230,014	263,929	263,929	263,929	415,658	194,271	192,390
Interest			27,918	51,796	91,701	12,100	18,357	18,357	18,357	18,941	—	—
Dividends				—	—	—	—	—	—	—	—	—
Payments												
Suppliers and employees			(1,885,516)	(1,855,618)	(2,320,890)	(2,642,049)	(3,216,664)	(3,216,664)	(3,216,664)	(3,422,377)	(3,211,793)	(3,411,794)
Finance charges			(73,754)	(71,568)	(72,134)	(77,500)	(70,831)	(70,831)	(70,831)	(64,600)	(59,255)	(54,480)
Transfers and Grants		1	—	—	—	(4,500)	(4,500)	(4,500)	(4,500)	(5,027)	(5,274)	(5,563)
NET CASH FROM/(USED) OPERATING ACTIVITIES			38,087	480,683	436,331	243,413	413,676	413,676	413,676	417,255	283,570	241,211
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			1,937	11,072	1,684	—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors												
Decrease (increase) other non-current receivables			503	(2,505)	(360,299)	(1,566)	—	(1,566)	(1,566)	(422)	(411)	(620)
Decrease (increase) in non-current investments			122,675			2,096	—	2,096	2,096	(3)	(4)	—
Payments												
Capital assets			(154,962)	(311,401)	148,383	(230,014)	(263,929)	(263,929)	(263,929)	(415,658)	(194,271)	(192,390)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(29,847)	(302,834)	(210,231)	(229,484)	(263,929)	(263,399)	(263,399)	(416,083)	(194,686)	(193,010)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			(50,000)		—	—	—	—	—	—	—	—
Borrowing long term/refinancing			188,606	(56,885)	112,361	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits			986	34,839	1,014	(14)	(14)	(14)	(14)	3,722	3,623	5,350
Payments												
Repay ment of borrowing					(49,779)	19,729	19,729	19,729	19,729	45,172	42,691	42,101
NET CASH FROM/(USED) FINANCING ACTIVITIES			139,592	(22,046)	63,596	19,715	19,715	19,715	19,715	48,894	46,314	47,451
NET INCREASE/ (DECREASE) IN CASH HELD			147,832	155,803	289,696	33,644	169,462	169,992	169,992	50,066	135,198	95,652
Cash/cash equivalents at the year begin:		2	317,604	465,436	621,238	478,248	478,248	478,248	478,248	648,240	698,306	833,503
Cash/cash equivalents at the year end:		2	465,436	621,238	910,934	511,892	647,710	648,240	648,240	698,306	833,503	929,155

2.4.6 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 26 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN225 Msunduzi - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	465,436	621,238	910,934	511,892	647,710	648,240	648,240	698,306	833,503	929,155
Other current investments > 90 days		(51,915)	(200,023)	(327,190)	61,416	61,946	61,416	61,416	(94,612)	(200,229)	133,685
Non current assets - Investments	1	-	-	-	66	66	66	66	69	73	-
Cash and investments available:		413,520	421,215	583,745	573,374	709,722	709,722	709,722	603,763	633,347	1,062,840
Application of cash and investments											
Unspent conditional transfers		140,882	121,164	149,448	-	-	-	-	-	-	121,164
Unspent borrowing		570,129	518,942	44,526	647,309	647,309	647,309		45,175	42,691	42,101
Statutory requirements	2										
Other working capital requirements	3	393,921	137,305	(198,181)	(497,969)	(655,171)	(655,171)	(655,172)	(787,370)	(696,470)	222,584
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		1,104,932	777,411	(4,207)	149,341	(7,861)	(7,861)	(655,172)	(742,195)	(653,779)	385,849
Surplus(shortfall)		(691,412)	(356,196)	587,951	424,033	717,583	717,583	1,364,893	1,345,958	1,287,126	676,991

2.4.7 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 27 MBRR SA10 – Funding compliance measurement

KZN225 Msunduzi Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	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	Pre-audit outcome	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	18(1)b	1	465,436	621,238	910,934	511,892	647,710	648,240	648,240	698,306	833,503	929,155
Cash + investments at the yr end less applications - R'000	18(1)b	2	(691,412)	(356,196)	587,951	424,033	717,583	717,583	1,364,893	1,345,958	1,287,126	676,991
Cash year end/monthly employee/supplier payments	18(1)b	3	2.6	3.6	5.0	2.3	2.8	2.8	2.8	2.9	3.3	3.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(152,858)	179,434	234,468	235,158	318,548	318,548	318,548	482,244	258,828	242,390
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	14.3%	9.1%	8.5%	(4.3%)	(6.0%)	(6.0%)	2.1%	2.6%	2.7%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	89.0%	94.1%	116.0%	90.4%	111.3%	111.3%	111.3%	106.9%	94.5%	92.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	15.5%	4.9%	2.6%	9.8%	9.6%	9.6%	9.6%	4.9%	5.0%	4.8%
Capital payments % of capital expenditure	18(1)c:19	8	88.0%	280.2%	(66.4%)	100.0%	85.2%	85.2%	85.2%	87.4%	76.4%	79.4%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	193.2%	(214.7%)	150.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(1016.4%)	132.2%	40.8%	0.0%	0.0%	0.0%	20.8%	3.2%	(51.5%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.3%	4.9%	1.9%
R&M % of Property Plant & Equipment	20(1)(v)i	13	1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.4%	1.3%	1.3%	1.8%
Asset renewal % of capital budget	20(1)(v)i	14	54.4%	79.9%	0.0%	52.1%	56.2%	56.2%	0.0%	81.5%	144.7%	181.7%

2.5 Expenditure on grants and reconciliations of unspent funds

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Table 28 MBRR SA19 - Expenditure on transfers and grant programmes

KZN225 Msunduzi - Supporting Table SA19 Expenditure on transfers and grant programme

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	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:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	202,978	267,375	310,326	342,704	342,704	342,704	358,627	376,211	395,917
Local Government Equitable Share	199,824	267,211	304,835	338,903	338,903	338,903	354,313	373,677	393,300
Finance Management	750	165	1,979	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement			978	800	800	800	890	934	967
EPWP Incentive				1,501	1,501	1,501	1,874		
Electricity Demand Side Management	2,404		2,534				-	-	
Provincial Government:	-	-	4,074	22,500	22,500	22,500	47,573	48,099	-
Health subsidy				2,537	2,537	2,537			
Provincial Government:			1,207				26,020	25,518	
Public Works			2,868	10,963	10,963	10,963	21,553	22,581	
Human Settlements				9,000	9,000	9,000			
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	202,978	267,375	314,400	365,204	365,204	365,204	406,200	424,310	395,917

KZN225 Msunduzi - Supporting Table SA19 Expenditure on transfers and grant programme

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	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 of Transfers and Grants									
National Government:	-	-	-	208,599	160,485	160,485	403,158	194,271	192,390
Municipal Infrastructure Grant (MIG)				153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems				45,000	-	-	100,846	-	-
Neighbourhood Development Partnership				700	70	70			
Rural Households Infrastructure				4,500	-	-			
Intergrated National Electrification Programme				5,000	5,000	5,000	143,000	30,000	12,000
Other capital transfers/grants [insert description]					245	245		-	-
Provincial Government:	-	-	-	21,415	56,234	56,234	12,500	-	-
Airport Development Project				19,315	16,760	16,760			
Sport and Recreation				2,100	2,100	2,100			
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	135	135	-	-	-
Carnegie					135	135			
Total capital expenditure of Transfers and Grants	-	-	-	230,014	216,854	216,854	415,658	194,271	192,390
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	202,978	267,375	314,400	595,218	582,058	582,058	821,858	618,581	588,307

Table 29 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN225 Msunduzi - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	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										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		66,011								
Current year receipts		203,378	267,375		342,704	342,704	342,704	366,152	393,959	–
Conditions met - transferred to revenue		266,861	267,375	–	342,704	342,704	342,704	366,152	393,959	–
Conditions still to be met - transferred to liabilities		2,528								
Provincial Government:										
Balance unspent at beginning of the year		4,647								
Current year receipts		10,548	33,467		22,500	22,500	22,500	47,573	48,099	
Conditions met - transferred to revenue		15,195	33,467	–	22,500	22,500	22,500	47,573	48,099	–
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		3,483								
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		3,483								
Total operating transfers and grants revenue		282,056	300,842	–	365,204	365,204	365,204	413,725	442,058	–
Total operating transfers and grants - CTBM	2	6,011	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		5,606								
Current year receipts		78,141	84,654		208,599	160,485	160,485	403,158	194,271	192,390
Conditions met - transferred to revenue		78,408	84,654	–	208,599	160,485	160,485	403,158	194,271	192,390
Conditions still to be met - transferred to liabilities		5,339								
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts					21,415	56,234	56,234	12,500	–	
Conditions met - transferred to revenue		–	–	–	21,415	56,234	56,234	12,500	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts						135	135			
Conditions met - transferred to revenue		–	–	–	–	135	135	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		78,408	84,654	–	230,014	216,854	216,854	415,658	194,271	192,390
Total capital transfers and grants - CTBM	2	5,339	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		360,464	385,496	–	595,218	582,058	582,058	829,383	636,329	192,390
TOTAL TRANSFERS AND GRANTS - CTBM		11,351	–	–	–	–	–	–	–	–

2.6 Councillor and employee benefits

Table 30 MBRR SA22 - Summary of councillor and staff benefits

KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	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
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		13,843	12,621	12,207	24,677	24,677	24,677	24,694	25,721	27,135
Pension and UIF Contributions		1,621	2,538	1,645	2,597	2,597	2,597	2,597	2,897	3,056
Medical Aid Contributions		519	411	333	325	325	325	325	375	395
Motor Vehicle Allowance		2,152	4,570	3,055	5,338	5,338	5,338	5,338	5,588	5,895
Cellphone Allowance		382	428	788	947	947	947	947	977	1,030
Housing Allowances				124	115	115	115	115	125	131
Other benefits and allowances										
Sub Total - Councillors		18,517	20,569	18,152	34,000	34,000	34,000	34,017	35,684	37,642
% increase	4		11.1%	(11.7%)	87.3%	-	-	0.0%	4.9%	5.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5,173	4,651	495	832	17,037	17,869	890	952	1,004
Pension and UIF Contributions			402	92	151	2,037	2,037	162	173	182
Medical Aid Contributions			49	17		794	794	-	-	-
Overtime		705	511					-	-	-
Performance Bonus				42				-	-	-
Motor Vehicle Allowance	3			151	180	4,088	4,088	193	206	217
Cellphone Allowance	3	438	-		18	255	273	19	21	22
Housing Allowances	3					80	80			
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		6,316	5,613	798	1,181	24,291	25,141	1,264	1,353	1,425
% increase	4		(11.1%)	(85.8%)	48.0%	1,956.2%	3.5%	(95.0%)	7.0%	5.4%
Other Municipal Staff										
Basic Salaries and Wages		352,380	427,608	418,916	519,526	(30,109)	489,417	562,258	612,879	646,587
Pension and UIF Contributions		64,457	80,872	85,741	91,114	7,914	99,028	97,678	106,472	112,327
Medical Aid Contributions		23,683	25,100	28,998	32,720	(649)	32,071	38,394	41,850	44,151
Overtime		4,206	8,404	25,061	19,375	7,295	26,670	20,925	22,809	24,063
Performance Bonus		4,770	6,948							
Motor Vehicle Allowance	3	33,538	33,538	10,859	14,009	7,016	21,025	11,641	12,692	13,390
Cellphone Allowance	3			800			-			
Housing Allowances	3	32,771	23,444	4,189	3,972	(485)	3,487	4,290	4,676	4,933
Other benefits and allowances	3			27,398	14,747	2,794	17,541	15,927	17,361	18,315
Payments in lieu of leave										
Long service awards				14,936	16,770	446	17,216	18,111	19,741	20,826
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		515,804	605,915	616,899	712,234	(5,778)	706,456	769,225	838,480	884,592
% increase	4		17.5%	1.8%	15.5%	(100.8%)	(12,326.7%)	8.9%	9.0%	5.5%
Total Parent Municipality		540,637	632,097	635,849	747,415	52,513	765,597	804,506	875,516	923,659

Table 31 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

KZN225 Msunduzi - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker		55,027	4,789	11,393			71,209
Chief Whip		52,247	7,837	6,676			66,760
Executive Mayor		77,402	1,610				79,012
Deputy Executive Mayor		52,014	7,802	11,393			71,209
Executive Committee		332,942	41,697	92,677			467,316
Total for all other councillors		1,296,173	341,023	394,474			2,031,670
Total Councillors	-	1,865,805	404,758	516,613			2,787,176
Senior Managers of the Municipality							
Municipal Manager (MM)		72,794	9,463	30,077			112,334
Chief Finance Officer		65,123	6,350	15,703			87,176
Infra Structure		60,744	12,997	13,000			86,742
Economic Dev				87,716			87,716
<i>List of each official with packages >= senior manager</i>							
Total Senior Managers of the Municipality	-	198,661	28,810	146,496	-		373,968
A Heading for Each Entity							
List each member of board by designation							
Total for municipal entities	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	-	2,064,466	433,569	663,109	-		3,161,144

Table 32 MBRR SA24 – Summary of personnel numbers

KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers											
Summary of Personnel Numbers		Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			73	73		73	73		73	73	
Board Members of municipal entities	4										
Municipal employees											
Municipal Manager and Senior Managers	5										
Other Managers	3		6	1	4	5	30		5	5	
Professionals	7		114	114		80			80	80	
			3,030	3,030	–	2,777	2,584	–	2,777	2,777	–
Finance			170	170		152	199		152	152	
Spatial/town planning						14	13		14	14	
Information Technology			11	11		9	6		9	9	
Roads			285	285		126	67		126	126	
Electricity			276	276		234	226		234	234	
Water			173	173		23	169		23	23	
Sanitation			93	93		75	68		75	75	
Refuse			330	330		376	369		376	376	
Other			1,692	1,692		1,768	1,467		1,768	1,768	
Technicians			–	–	–	–	–	–	–	–	–
Finance											
Spatial/town planning											
Information Technology											
Roads											
Electricity											
Water											
Sanitation											
Refuse											
Other											
Clerks (Clerical and administrative)											
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations											
TOTAL PERSONNEL NUMBERS		9	3,223	3,218	4	2,935	2,687	–	2,935	2,935	

Table 33 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN225 Msunduzi - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue By Source																
Property rates		60,810	66,891	30,405	32,077	33,842	30,405	30,405	30,405	30,405	30,405	30,405	201,646	608,104	641,549	676,835
Property rates - penalties & collection charges		3,736	4,110	1,868	1,943	2,040	1,868	1,868	1,868	1,868	1,868	1,868	12,457	37,363	38,857	40,800
Service charges - electricity revenue		155,883	171,471	77,941	85,735	94,309	77,941	77,941	77,941	77,941	77,941	77,941	505,839	1,558,827	1,714,709	1,886,180
Service charges - water revenue		37,350	41,085	18,675	20,542	22,597	18,675	18,675	18,675	18,675	18,675	18,675	121,201	373,500	410,850	451,935
Service charges - sanitation revenue		13,215	14,537	6,608	6,971	7,354	6,608	6,608	6,608	6,608	6,608	6,608	43,822	132,153	139,421	147,089
Service charges - refuse revenue		7,759	8,535	3,880	4,093	4,318	3,880	3,880	3,880	3,880	3,880	3,880	25,729	77,592	81,860	86,362
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		2,634	2,898	1,317	1,449	1,594	1,317	1,317	1,317	1,317	1,317	1,317	8,548	26,343	28,977	31,875
Interest earned - external investments		1,894	2,084	947	968	1,022	947	947	947	947	947	947	6,344	18,941	19,366	20,431
Interest earned - outstanding debtors		125	138	63	65	66	63	63	63	63	63	63	422	1,255	1,292	1,318
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		563	620	282	297	308	282	282	282	282	282	282	1,875	5,634	5,932	6,151
Licences and permits		5	5	2	3	3	2	2	2	2	2	2	16	48	50	53
Agency services		59	64	29	30	30	29	29	29	29	29	29	198	586	592	603
Transfers recognised - operational		65,206	71,726	32,603	29,494	32,752	32,603	32,603	32,603	32,603	32,603	32,603	224,660	652,059	589,871	655,040
Other revenue		4,801	5,281	2,401	2,461	2,441	2,401	2,401	2,401	2,401	2,401	2,401	16,223	48,011	49,222	48,825
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		354,041	389,446	177,021	186,127	202,675	177,021	177,021	177,021	177,021	177,021	177,021	1,168,980	3,540,414	3,722,549	4,053,498
Expenditure By Type																
Employee related costs		58,867	54,497	54,497	108,994	54,497	54,497	54,497	54,497	54,497	54,497	54,497	112,286	770,620	819,228	861,560
Remuneration of councillors		3,035	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	5,051	36,419	38,422	40,535
Debt impairment		6,875	11,001	12,376	13,751	15,126	6,875	11,001	13,751	13,751	19,251	6,875	6,875	137,510	154,111	158,637
Depreciation & asset impairment		9,480	15,168	17,064	18,960	20,856	9,480	15,168	18,960	18,960	26,544	9,480	9,480	189,600	227,520	273,024
Finance charges		3,230	5,168	5,814	6,460	7,106	3,230	5,168	6,460	6,460	9,044	3,230	3,230	64,600	59,255	54,480
Bulk purchases		76,016	121,625	136,828	152,032	167,235	76,016	121,625	152,032	152,032	212,844	76,016	76,016	1,520,315	1,650,634	1,795,318
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		840	1,343	1,511	1,679	1,847	840	1,343	1,679	1,679	2,351	840	840	16,792	17,678	18,556
Transfers and grants		251	402	452	503	553	251	402	503	503	704	251	251	5,027	5,274	5,563
Other expenditure		36,647	58,636	65,965	73,295	80,624	36,647	58,636	73,295	73,295	102,612	36,647	36,647	732,946	685,871	795,825
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		195,241	270,674	297,341	378,506	350,677	190,670	270,674	324,009	324,009	430,681	190,670	250,676	3,473,828	3,657,992	4,003,497
Surplus/(Deficit)																
Transfers recognised - capital		-	15,360	-	2,000	9,800	3,726	-	26,755	12,346	-	145,392	200,279	415,658	194,271	192,390
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	158,800	134,132	(120,321)	(190,379)	(138,202)	(9,923)	(93,653)	(120,234)	(134,643)	(253,660)	131,743	1,118,583	482,244	258,828	242,390
References																

Table 34 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN225 Msunduzi - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)															
Description	Budget Year 2013/14												Medium Term Revenue and		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2
Revenue by Vote															
Vote 1 - Corporate Services	2,411	2,170	2,652	2,893	3,617	2,411	2,411	723	1,447	1,929	93	1,354	24,112	24,459	23,050
Vote 2 - Financial Management Area	94,814	85,332	104,295	113,777	142,221	94,814	94,814	28,444	56,888	75,851	20,395	36,494	948,138	934,650	1,032,209
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	250,963	225,867	276,059	301,156	376,445	250,963	250,963	75,289	150,578	200,770	77,204	73,374	2,509,630	2,704,065	2,942,284
Vote 4 - Sustainable Community Service Delivery Provision Management	5,853	5,268	6,439	7,024	8,780	5,853	5,853	1,756	3,512	4,683	1,534	1,978	58,533	59,375	55,955
Total Revenue by Vote	354,041	318,637	389,445	424,850	531,062	354,041	354,041	106,212	212,425	283,233	99,224	113,201	3,540,414	3,722,549	4,053,498
Expenditure by Vote to be appropriated															
Vote 1 - Corporate Services	28,554	25,699	31,410	34,265	42,832	28,554	28,554	8,566	17,133	22,844	7,387	9,746	285,544	312,317	340,422
Vote 2 - Financial Management Area	24,442	21,998	26,886	29,330	36,663	24,442	24,442	7,333	14,665	19,554	6,610	8,055	244,421	120,177	271,645
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	253,356	228,020	278,691	304,027	380,034	253,356	253,356	76,007	152,013	202,685	70,309	81,705	2,533,557	2,776,361	2,781,093
Vote 4 - Sustainable Community Service Delivery Provision Management	41,031	36,928	45,134	49,237	61,546	41,031	41,031	12,309	24,618	32,824	13,391	11,228	410,306	449,137	610,337
Total Expenditure by Vote	347,383	312,644	382,121	416,859	521,074	347,383	347,383	104,215	208,430	277,906	97,696	110,734	3,473,828	3,657,992	4,003,497
Surplus/(Deficit) before assoc.	6,659	5,993	7,324	7,990	9,988	6,659	6,659	1,998	3,995	5,327	1,529	2,467	66,586	64,557	50,001
Taxation												-	-	-	-
Attributable to minorities												-	-	-	-
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	6,659	5,993	7,324	7,990	9,988	6,659	6,659	1,998	3,995	5,327	1,529	2,467	66,586	64,557	50,001

Table 35 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN225 Msunduzi - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2
Revenue - Standard															
Governance and administration	101,251	91,126	111,376	121,501	151,876	101,251	101,251	30,375	60,750	81,000	20,876	39,875	1,012,506	1,093,298	1,029,765
Executive and council	30	27	33	36	45	30	30	9	18	24	9	9	302	317	-
Budget and treasury office	99,554	89,599	109,510	119,465	149,331	99,554	99,554	29,866	59,733	79,643	20,371	39,362	995,543	1,074,422	1,025,696
Corporate services	1,666	1,499	1,833	1,999	2,499	1,666	1,666	500	1,000	1,333	496	504	16,660	18,559	4,069
Community and public safety	3,285	2,957	3,614	3,942	4,928	3,285	3,285	986	1,971	2,628	1,859	112	32,854	34,473	10,929
Community and social services	163	147	179	196	245	163	163	49	98	130	49	49	1,631	1,741	2,683
Sport and recreation	89	80	98	107	134	89	89	27	54	71	27	27	892	953	35
Public safety	2,700	2,430	2,970	3,240	4,050	2,700	2,700	810	1,620	2,160	810	810	26,998	28,412	8,133
Housing	323	291	356	388	485	323	323	97	194	259	970	(776)	3,233	3,260	77
Health	10	9	11	12	15	10	10	3	6	8	3	3	101	108	2
Economic and environmental services	535	481	588	642	802	535	535	160	321	428	182	139	5,350	6,445	15,521
Planning and development	434	391	478	521	651	434	434	130	261	347	152	109	4,342	5,354	15,026
Road transport	101	91	111	121	151	101	101	30	60	81	30	30	1,008	1,091	495
Trading services	226,317	203,686	248,949	271,581	339,476	226,317	226,317	67,895	135,790	181,054	75,692	60,098	2,263,173	2,507,785	2,903,199
Electricity	164,010	147,609	180,412	196,813	246,016	164,010	164,010	49,203	98,406	131,208	52,090	46,317	1,640,105	1,880,590	2,241,938
Water	39,297	35,368	43,227	47,157	58,946	39,297	39,297	11,789	23,578	31,438	13,561	10,018	392,974	383,327	411,586
Waste water management	14,497	13,048	15,947	17,397	21,746	14,497	14,497	4,349	8,698	11,598	5,595	3,104	144,974	148,808	151,784
Waste management	8,512	7,661	9,363	10,214	12,768	8,512	8,512	2,554	5,107	6,810	4,448	660	85,120	95,059	97,891
Other	22,653	20,388	24,918	27,184	33,980	22,653	22,653	6,796	13,592	18,122	581	13,011	226,531	80,548	94,083
Total Revenue - Standard	354,041	318,637	389,446	424,850	531,062	354,041	354,041	106,212	212,425	283,233	99,189	113,236	3,540,414	3,722,549	4,053,498
		466,811	570,547	622,415	778,019	518,679	518,679	155,604	311,208	414,943	151,489				

KZN225 Msunduzi - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure - Standard															
Governance and administration	72,740	65,466	80,014	87,288	109,110	72,740	72,740	21,822	43,644	58,192	16,378	27,267	727,400	741,406	678,508
Executive and council	6,313	5,682	6,945	7,576	9,470	6,313	6,313	1,894	3,788	5,051	1,828	1,961	63,134	66,337	69,712
Budget and treasury office	45,977	41,379	50,574	55,172	68,965	45,977	45,977	13,793	27,586	36,781	5,434	22,152	459,766	505,157	414,645
Corporate services	20,450	18,405	22,495	24,540	30,675	20,450	20,450	6,135	12,270	16,360	9,116	3,154	204,500	169,912	194,151
Community and public safety	38,998	35,098	42,898	46,798	58,497	38,998	38,998	11,699	23,399	31,199	12,544	10,855	389,983	424,529	507,342
Community and social services	6,296	5,666	6,925	7,555	9,444	6,296	6,296	1,889	3,777	5,037	1,260	2,517	62,957	65,257	73,555
Sport and recreation	7,553	6,798	8,309	9,064	11,330	7,553	7,553	2,266	4,532	6,043	2,501	2,032	75,535	79,930	78,277
Public safety	20,600	18,540	22,660	24,720	30,900	20,600	20,600	6,180	12,360	16,480	5,675	6,685	205,998	231,587	305,851
Housing	1,970	1,773	2,167	2,364	2,954	1,970	1,970	591	1,182	1,576	1,682	(500)	19,696	20,386	21,120
Health	2,580	2,322	2,838	3,096	3,870	2,580	2,580	774	1,548	2,064	1,427	121	25,797	27,369	28,539
Planning and development	7,238	6,514	7,962	8,686	10,857	7,238	7,238	2,171	4,343	5,791	2,129	2,214	72,383	76,054	78,639
Road transport	4,060	3,654	4,466	4,872	6,090	4,060	4,060	1,218	2,436	3,248	3,242	(806)	40,603	39,363	17,777
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	218,075	196,267	239,882	261,690	327,112	218,075	218,075	65,422	130,845	174,460	62,072	68,773	2,180,746	2,344,110	2,620,053
Electricity	148,268	133,441	163,095	177,922	222,402	148,268	148,268	44,480	88,961	118,614	44,056	44,905	1,482,680	1,587,127	1,784,637
Water	57,349	51,614	63,084	68,819	86,023	57,349	57,349	17,205	34,409	45,879	12,730	21,680	573,488	525,292	456,072
Waste water management	2,356	2,120	2,591	2,827	3,533	2,356	2,356	707	1,413	1,884	3,048	(1,635)	23,555	127,056	268,617
Other	6,271	5,644	6,898	7,526	9,407	6,271	6,271	1,881	3,763	5,017	1,337	2,426	62,713	32,531	101,177
Surplus/(Deficit) before assoc.	6,659	5,993	7,324	7,990	9,988	6,659	6,659	1,998	3,995	5,327	1,489	2,507	66,585	64,557	50,001
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	6,659	5,993	7,324	7,990	9,988	6,659	6,659	1,998	3,995	5,327	1,489	2,507	66,585	64,557	50,001

Table 36 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN225 Msunduzi - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Multi-year expenditure to be appropriated	1															
Vote 1 - Corporate Services		100	125	225	275	325	250	125	225	325	275	175	75	2,500	5,000	2,800
Vote 2 - Financial Management Area		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		20,123	25,154	45,278	55,340	65,401	50,309	25,154	45,278	65,401	55,340	35,216	(82,197)	405,797	202,921	185,400
Vote 4 - Sustainable Community Service Delivery Provision Management														-	-	-
Capital multi-year expenditure sub-total	2	20,223	25,279	45,503	55,615	65,726	50,559	25,279	45,503	65,726	55,615	35,391	(82,122)	408,297	207,921	188,200
Single-year expenditure to be appropriated																
Vote 1 - Corporate Services		124	155	279	341	403	310	155	279	403	341	217	93	3,100	-	-
Vote 2 - Financial Management Area		100	350	630	770	910	700	350	630	910	770	490	390	7,000	12,000	13,000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		100	2,448	4,406	5,385	6,364	4,895	2,448	4,406	6,364	5,385	3,427	3,327	48,952	31,550	39,990
Vote 4 - Sustainable Community Service Delivery Provision Management		100	416	748	914	1,080	831	416	748	1,080	914	582	482	8,310	2,800	1,200
Capital single-year expenditure sub-total	2	424	3,368	6,063	7,410	8,757	6,736	3,368	6,063	8,757	7,410	4,715	4,291	67,362	46,350	54,190
Total Capital Expenditure	2	20,647	28,647	51,565	63,024	74,483	57,295	28,647	51,565	74,483	63,024	40,106	(77,831)	475,659	254,271	242,390

Table 37 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN225 Msunduzi - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		1,390	1,738	3,128	3,824	4,519	3,476	1,738	3,128	4,519	3,824	2,433	(2,957)	30,760	27,000	25,840
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		1,390	1,738	3,128	3,824	4,519	3,476	1,738	3,128	4,519	3,824	2,433	(2,957)	30,760	27,000	25,840
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		180	225	405	495	585	450	225	405	585	495	315	135	4,500	2,800	1,200
Community and social services		112	140	252	308	364	280	140	252	364	308	196	84	2,800	2,800	1,200
Sport and recreation		68	85	153	187	221	170	85	153	221	187	119	51	1,700	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8,301	8,301	13,282	16,603	-	332	24,904	-	33,205	33,205	17,269	27,324	182,726	64,120	28,400
Planning and development		-	-	-	-	-	-	-	-	-	-	-	2,700	2,700	-	-
Road transport		8,301	8,301	13,282	16,603	-	332	24,904	-	33,205	33,205	17,269	24,624	180,026	64,120	28,400
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	254,862	254,862	160,351	186,950
Electricity		-	-	-	-	-	-	-	-	-	-	-	171,500	171,500	59,372	42,210
Water		-	-	-	-	-	-	-	-	-	-	-	28,175	28,175	48,879	73,840
Waste water management		-	-	-	-	-	-	-	-	-	-	-	47,097	47,097	44,600	63,400
Waste management		-	-	-	-	-	-	-	-	-	-	-	8,091	8,091	7,500	7,500
<i>Other</i>		141	141	225	281	-	6	422	-	562	562	336	136	2,810	-	-
Total Capital Expenditure - Standard	2	10,012	10,405	17,040	21,202	5,104	4,264	27,288	3,533	38,871	38,086	20,353	279,500	475,658	254,271	242,390

Table 38 MBRR SA30 - Budgeted monthly cash flow

KZN225 Msunduzi - Supporting Table SA30 Consolidated budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year 2014/15	Budget Year 2015/16
Cash Receipts By Source													1		
Property rates	30,405	66,891	66,891	66,891	60,810	30,405	60,810	57,770	54,729	42,567	35,755	34,177	608,104	641,549	676,835
Property rates - penalties	1,868	4,110	4,110	4,110	3,736	1,868	3,736	3,549	3,363	2,615	2,047	2,250	37,363	38,857	40,800
Service charges - electric	171,471	170,971	161,971	77,941	77,941	77,941	77,941	77,941	77,941	181,275	182,275	223,218	1,558,827	1,714,709	1,886,180
Service charges - water	41,085	40,585	38,085	18,675	18,675	18,675	18,675	18,675	18,675	26,145	56,025	59,525	373,500	410,850	451,935
Other revenue	2,401	5,281	5,281	5,281	4,801	2,401	4,801	4,561	4,321	3,361	3,015	2,507	48,011	49,222	48,825
Cash Receipts by Source	292,960	388,446	376,946	273,506	257,425	177,020	257,425	249,384	241,344	319,986	316,244	389,729	3,540,416	3,722,548	4,053,497
Other Cash Flows by Source															
Transfer receipts - capital		13,388	21,421	26,776	29,454	10,710	16,066	32,131	32,131	21,421	25,846	38,417	267,760	172,571	184,590
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE												-			
Finance charges	3,230	7,106	7,106	7,106	6,460	3,230	6,460	6,137	5,814	4,522	4,315	3,115	64,600	59,255	54,480
Bulk purchases - Electric	165,838	82,919	82,919	72,100	72,100	72,100	72,100	72,100	72,100	72,100	162,245	162,245	1,160,866	1,262,429	1,376,057
Bulk purchases - Water &	51,350	25,675	25,675	15,024	15,024	15,024	15,024	15,024	15,024	15,024	75,789	75,790	359,449	388,205	419,261
Other materials	-	-	-	-	-	-	-	-	-	-	918	(918)	-	-	-
Contracted services	840	1,847	1,847	1,847	1,679	840	1,679	1,595	1,511	1,175	3,427	(1,496)	16,792	17,678	18,556
Transfers and grants - oth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - oth	251	553	553	553	503	251	503	478	452	352	273	306	5,027	5,274	5,563
Other expenditure	53,003	116,606	116,606	116,606	106,006	53,003	106,006	100,705	95,405	74,204	24,766	97,140	1,060,056	1,067,502	1,227,486
Cash Payments by Type	341,765	301,959	301,959	280,490	269,025	211,701	269,025	263,293	257,560	234,631	338,985	403,436	3,473,829	3,657,993	4,003,498
Other Cash Flows/Payments by Type															
Capital assets		20,783	33,253	41,566	45,722	16,626	24,939	49,879	49,879	33,253	25,846	73,912	415,658	194,271	192,390
Repayment of borrowing												-			
Other Cash Flow s/Payments												-			
Total Cash Payments by	341,765	322,742	335,212	322,056	314,747	228,328	293,965	313,172	307,439	267,883	364,830	477,348	3,889,487	3,852,264	4,195,888
NET INCREASE/(DECREASE) IN CASH HELD	(48,804)	79,091	63,155	(21,774)	(27,869)	(40,597)	(20,474)	(31,656)	(33,964)	73,524	(22,741)	(49,202)	(81,311)	42,855	42,199
Cash/cash equivalents at the month/year	(48,804)	(48,804)	30,287	93,442	71,668	43,799	3,202	(17,272)	(48,928)	(82,892)	(9,368)	(32,109)	-	(81,311)	(38,456)
Cash/cash equivalents at the	(48,804)	30,287	93,442	71,668	43,799	3,202	(17,272)	(48,928)	(82,892)	(9,368)	(32,109)	(81,311)	(81,311)	(38,456)	3,743

2.8 Capital expenditure details

The following three tables present details of the City's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 39 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN225 Msunduzi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class									
Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
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 on new assets by Asset Class/Sub-class									
<i>Reticulation</i>	16,850			25,419	27,419	27,419			
Infrastructure - Sanitation	-	1,055	-	-	-	-	2,000	2,000	6,000
<i>Reticulation</i>		1,055					2,000	2,000	6,000
Infrastructure - Other	55,604	-	-	15,000	15,000	15,000	-	-	-
<i>Waste Management</i>	53,158			15,000	15,000	15,000			
<i>Transportation</i>									
<i>Gas</i>									
Community	33,175	80	-	20,600	36,069	36,069	-	-	-
Parks & gardens									
Sportsfields & stadia	943								
Libraries	975			-	220	220			
Recreational facilities				-	2,000	2,000			
Fire, safety & emergency	17,892			-	1,212	1,212			
Security and policing	211								
Clinics	794								
Museums & Art Galleries	596	80							
Cemeteries	2,520			13,500	13,570	13,570			
Social rental housing									
Other	4,849			4,150	16,117	16,117			
Heritage assets	5,711	-	-	-	-	-	-	-	-
Buildings	5,711								
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	2,418	3,825					2,000		
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	239						2,810		
Total Capital Expenditure on new assets	176,033	22,327	-	110,102	135,653	135,653	188,050	66,342	51,990

Table 40 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN225 Msunduzi - Supporting Table SA34b Consolidated capital expenditure on existing assets by 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
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	95,810	73,619	–	84,751	142,902	142,902	368,558	355,829	436,400
Infrastructure - Road transport	25,990	35,629	–	33,748	57,315	57,315	157,246	60,870	27,200
Roads, Pavements & Bridges	22,300	35,629		33,748	57,315	57,315	157,246	60,870	27,200
Sewerage purification									
Infrastructure - Other	–	471	–	2,053	2,053	2,053	8,091	7,500	7,500
Cemeteries		150					2,800	2,800	1,200
Other assets	–	14,782	–	24,861	22,901	22,901	14,550	9,300	2,800
Computers - hardware/equipment		317					2,500	5,000	2,800
Markets									
Civic Land and Buildings		3,282		1,046	1,046	1,046	8,050		
Other Buildings				19,315	17,355	17,355	4,000	4,300	
Surplus Assets - (Investment or Inventory)									
Other		11,184		4,500	4,500	4,500			
Renewal of Existing Assets as % o	35.2%	79.9%	0.0%	52.1%	56.2%	56.2%	67.3%	84.7%	89.4%
Renewal of Existing Assets as % o	77.2%	35.0%	0.0%	75.9%	110.2%	110.2%	204.4%	161.7%	161.3%

Table 41 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN225 Msunduzi - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	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	75,807	42,549	25,196	31,185	32,719	32,719	25,411	25,458	27,968
Infrastructure - Road transport	32,919	1,596	3,392	5,361	5,361	5,361	3,714	2,682	4,018
Roads, Pavements & Bridges	23,230	1,596	3,392	5,361	5,361	5,361	3,714	2,682	4,018
Storm water	9,689								
Infrastructure - Electricity	23,195	31,949	13,726	24,992	26,526	26,526	20,320	21,330	22,420
Transmission & Reticulation	22,629	28,794	13,726	24,927	26,446	26,446	20,253	21,261	22,346
Street Lighting	566	3,156		66	80	80	66	70	74
Infrastructure - Water	19,258	345	1,216	746	746	746	-	-	-
Reticulation	19,258	345	1,216	746	746	746			
Infrastructure - Sanitation	-	8,254	-	-	-	-	-	-	-
Reticulation		8,254							
Infrastructure - Other	435	405	6,862	86	86	86	1,377	1,446	1,530
Waste Management	53	377	3,627	86	86	86			
Other	382	28	3,235				1,377	1,446	1,530
Community	1,974	3,218	9,015	2,074	2,486	2,486	4,898	6,290	5,930
Parks & gardens	293				340	340	2,765	2,863	2,542
Sportsfields & stadia	193	1,313	2,661	616	681	681			
Swimming pools	21								
Community halls	197								
Libraries	485	693	713	532	604	604	280	166	88
Recreational facilities	-								
Fire, safety & emergency	349	509	907	397	395	395			
Security and policing	2			37	37	37			
Clinics	129	203	323	290	228	228	36	38	40
Museums & Art Galleries	4	6	150	1	1	1	300	315	331
Cemeteries	1	470	670	201	200	200	28	29	-
Social rental housing	300								
Other		24	3,592				1,490	2,879	2,929
Other assets	40,413	19,881	5,298	55,926	54,083	54,083	65,005	67,895	96,905
General vehicles	8,786	9,512	320	13,842	15,296	15,296	15,335	16,080	16,535
Specialised vehicles	4,349	-	-	-	-	-	-	-	-
Plant & equipment	11,429		147	30,240	27,110	27,110	25,893	28,180	28,054
Computers - hardware/equipment				8,370	7,790	7,790			
Furniture and other office equipment		7,606							
Markets	602								
Civic Land and Buildings	3,459			2,769	3,309	3,309	21,977	21,746	50,335
Other Buildings			168						
Other	11,789	2,763	4,663	705	579	579	1,800	1,890	1,981
Total Repairs and Maintenance Expenditure	118,194	65,648	39,510	89,185	89,288	89,288	95,314	99,643	130,802
Specialised vehicles	4,349	-	-	-	-	-	-	-	-
Fire	4,349								
R&M as a % of PPE	1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.3%	1.3%	1.8%
R&M as % Operating Expenditure	4.2%	2.3%	1.5%	3.0%	2.9%	2.9%	2.7%	2.7%	3.3%

Table 42 MBRR SA35 - Future financial implications of the capital budget

KZN225 Msunduzi - Supporting Table SA35 Consolidated future financial implications of the capital budget								
Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
Capital expenditure	1							
Vote 1 - Corporate Services		5,600	5,000	2,800				
Vote 2 - Financial Management		7,000	12,000	13,000				
Vote 3 - Infrastructure Development		454,749	234,471	225,390				
Vote 4 - Sustainable Communities		8,310	2,800	1,200				
Total Capital Expenditure		475,659	254,271	242,390	-	-	-	-

Table 43 MBRR SA36 - Detailed capital budget per municipal vote

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KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital	Ref	2013/14 Medium Term Revenue & Expenditure		
R thousand	4	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality:				
List all capital projects grouped by Municipal Vote				
Infrastructure	LESTER BROWN LINK ROAD	4,000	4,000	–
	BURGER ST EXTENSION (PH 1 - Services, fill earthworks, SW structure etc and Ph 2 - Road layer works, surfacing, KI & kerbs, Sign & markings etc)	9,000	10,000	–
Infrastructure	REHABILITATION OF PUBLIC ABLUTIONS	1,500	1,500	1,500
Community	UNIT 18 COMMUNITY HALL	1,000	–	–
Community	CALUZA SPORTS HALL	1,500	–	–
Community	MOUNTAIN RISE CREMATORS	2,800	2,800	1,200
	FIRE ALARM SYSTEM PROFESSOR NYEMBEZI BUILDING	650	–	–
Infrastructure	DEBRIS NET PROFESSOR NYEMBEZI BUILDING	500	–	–
	REPLACEMENT OF LIFTS PROFESSOR NYEMBEZI BUILDING	2,500	–	–
Infrastructure	REPLACEMENT OF LIFTS PROFESSOR A S CHETTY BUILDING	2,500	–	–
Good Governance	REPLACEMENT OF LIFT CITY HALL	1,000	–	–
	AIRCONDITIONING INSTALLATION CITY HALL LOUNGE & MEETING ROOM	750	–	–
Good Governance	UPGRADE OF FIRE DETECTION SYSTEM CITY HALL	400	–	–
	VISUAL CONFERENCE SYSTEM COMPLETION CITY HALL	350	–	–
Good Governance				
Infrastructure	SANITATION INFRASTRUCTURE FEASIBILITY STUDY	2,000	2,000	6,000
	REHABILITATION OF SANITATION INFRASTRUCTURE	10,000	12,000	15,000
Infrastructure	SEWER PIPES AZALEA - PHASE 2	8,000	12,000	5,000
	ELIMINATION OF CONSERVANCY TANKS - (SEWER)	3,050	600	12,000
Infrastructure	SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER)	5,872	600	10,000

KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital R thousand	Ref 4	2013/14 Medium Term Revenue & Expenditure		
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Infrastructure	TELEMETRY / INSTRUMENTATION EQUIPMENT	300	400	400
Infrastructure	REDUCTION OF NON REVENUE WATER	15,000	29,279	58,690
Infrastructure	ELIMINATION OF CONSERVANCY TANKS - (WATER)	125	–	300
Infrastructure	SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER)	300	–	500
Infrastructure	MASONS RESERVOIR & PIPELINE	500	15,000	3,000
Infrastructure	COPEVILLE RESERVOIR	10,000	300	6,000
Infrastructure	LEAK DETECTION EQUIPMENT	250	300	350
Infrastructure	EDENDALE PROPER NEW MAINS & RETICULATION	1,000	–	–
Infrastructure	LANDFILL UPGRADE	8,091	7,500	7,500
Infrastructure	UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3)	4,500	5,000	6,000
Infrastructure	UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROAD - Main Road, Phipha Road, Premier's Road	2,500	2,500	3,000
Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - MBANJWA RD - 2,0 km	2,000	–	–
Infrastructure	UPGRADING OF GRAVEL/GRAVSEAL ROADS - EDENDALE - TAFULENI ROAD - 1.2 km	2,500	–	–
Infrastructure	HORSE SHOE ACCESS RD AND PASSAGES IN IMBALI STAGE 1 & 2	1,500	1,500	–
Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 22 - 8,4km Natshi Rd, Hadebe Rd, Dipini Rd, Thula Rd, Hlengwa Rd, Bhula Rd, Mthethomusha Rd, Mavimbela Rd, Thusi Rd, Budi Rd and Geris Road	2,000	2,000	–

KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project	Ref	2013/14 Medium Term Revenue & Expenditure Framework		
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	4			
Infrastructure	UPGRADING OF GRAVEL RDS - EDN - WARD 12 - MOSCOW - 4,0 km - Zabazomuzi Rd, Mngoma Rd, Zwane Rd - MOSCOW AREA RDS	2,500	3,000	–
Infrastructure	UPGRADING OF ROADS IN EDENDALE - KWANYAMAZANE ROADS	2,500	3,000	
Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 16 - 8,0km - Senti Rd, Sbhomo Rd, Khawula Rd - Dambuza Area - Thulani Rd - Unit J	1,000	–	–
Infrastructure	BACKLOG TO NEW RDS & S/W & UPGRADE OF EXISTING SUBSTANDARD LOW-COST HOUSING - HANIVILLE	1,700	–	–
Infrastructure	UPGRADE GRAVEL ROADS IN EDENDALE: Hlubi Rd, Nkosi Rd, Ntombela Rd, D. Shezi Rd, Ntshingila Rd and Mpungose Rd in Esigodini	3,500	2,000	
Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - STATION RD [next to Georgetown High School] (Raise & Widen the bridge with associated roadworks)	2,000	6,000	2,500
Infrastructure	REHABILITATION OF ROADS IN ASHDOWN	1,500	–	–
Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - MACHIBISA / DAMBUSA RDS - Phase 2	2,000	–	–
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - IMBALI BB - PHASE 2: New road next to Zondi store, Kancane Rd, Sibukosizwe Rd	1,500	–	–
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Shembe Rd and Joe Ngidi rd	2,500	–	–
Infrastructure	UPGRADING OF GRAVEL ROADS - VULINDLELA - D2069 (Mthalane Rd)	4,000	–	–
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Caluza Roads	1,700	2,000	–
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Smeroe roads & SW	–	2,500	–

Municipal Vote/Capital project	Ref	2013/14 Medium Term Revenue & Expenditure Framework		
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	4			
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Snathing Rds - 5.0km - (Mvubu Rd - 0.3km, Gudlintaba Rd - 0.4km, Gudlintaba 2 Rd - 0.4km, Mpompini Rd - 0.6km, Khoza Rd - 0.8km, Magaba Rd - 0.8km and Hlathini Ext Rd - 2.0km)	–	2,500	3,000
Infrastructure	ROAD REHABILITATION - PMS	5,000	10,570	7,000
Infrastructure	CONNOR - OTTO'S BLUFF ROADS - LINK	300	4,000	3,000
Infrastructure	UPGRADE SWD IN GREATER EDENDALE - Flooding Houses in Smeroe	300	300	200
Infrastructure	GRIMTHORPE ROAD BRIDGE (Design and EIA)	400	–	1,000
Infrastructure	PUBLIC TRANSPORT INFRASTRUCTURE	100,846		
Infrastructure	INSTALLATION OF TRAFFIC SIGNALS	1,000	150	600
Infrastructure	TRAFFIC CALMING MEASURES	1,000	1,500	500
Infrastructure	NEW TRAFFIC SIGNALS CONTROLLER	780		
Infrastructure	TRAFFIC LIGHT SPARES, EQUIPMENT & TOOLS	500	100	100
Infrastructure	REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT	13,710	10,000	10,040
Infrastructure	ELECTRIFICATION	143,000	30,000	12,000
Infrastructure	HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE	8,000	8,392	9,000
Infrastructure	NETWORK REFURBISHMENT	10,000	15,980	11,210
Infrastructure	ENERGY EFFECIENCY AND DEMAND SIDE MANAGEMENT	8,000	5,000	10,000
Infrastructure	CORRIDOR DEVELOPMENT	12,500	–	–
Community	AIRPORT PROJECTS	2,810	–	–
Financial Management Services	FINANCIAL SYSTEM	11,000	12,000	13,000
Community	HHARRY GWALA STADIUM UPGRADE PHASE 2	200		
Entity Capital expenditure		475,658	254,271	242,390

2.7 Other supporting documents

Table 44 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
REVENUE ITEMS:										
<u>Property rates</u>										
Total Property Rates	472,320	744,542	810,439	881,343	893,082	893,082	893,082	576,402	621,822	665,349
less Revenue Foregone	100,957	324,512	362,182	392,986	392,986	392,986	392,986			
Net Property Rates	371,363	420,030	448,257	488,358	500,096	500,096	500,096	576,402	621,822	665,349
<u>Service charges - electricity revenue</u>										
Total Service charges - electricity revenue	705,595	905,832	1,016,991	1,187,927	1,230,261	1,230,261	1,230,261	1,416,917	1,588,948	1,793,251
less Revenue Foregone	121,480	89,569	2,401	2,410	2,410	2,410	2,410			
Net Service charges - electricity revenue	584,115	816,263	1,014,590	1,185,517	1,227,850	1,227,850	1,227,850	1,416,917	1,588,948	1,793,251
<u>Service charges - water revenue</u>										
Total Service charges - water revenue	205,241	219,881	343,758	369,434	352,844	352,844	352,844	317,354	364,957	426,999
less Revenue Foregone	5,587	6,228	73,651	67,527	67,527	67,527	67,527			
Net Service charges - water revenue	199,654	213,653	270,107	301,906	285,317	285,317	285,317	317,354	364,957	426,999
<u>Service charges - sanitation revenue</u>										
Total Service charges - sanitation revenue	71,927	84,784	105,968	119,118	112,791	112,791	112,791	114,000	121,980	131,129
less Revenue Foregone	7,144	8,577	3,376	5,358	5,359	5,359	5,359			
Net Service charges - sanitation revenue	64,783	76,207	102,592	113,760	107,432	107,432	107,432	114,000	121,980	131,129
<u>Service charges - refuse revenue</u>										
Total refuse removal revenue	48,490	56,933	65,577	68,624	69,874	69,874	69,874	78,752	83,937	90,480
Total landfill revenue	-									
less Revenue Foregone	2,247	3,648	18	21	21	21	21			
Net Service charges - refuse revenue	46,242	53,285	65,559	68,603	69,853	69,853	69,853	78,752	83,937	90,480
<u>Other Revenue by source</u>										
Reconnections								13,149	13,845	14,524
Sale of Produce								11,594	12,208	12,807
Training Levies Recoveries								2,762	2,908	3,051
Landing								1,294	1,383	1,430
Passenger Levy								1,788	1,883	1,975
Building Plans								2,071	2,180	2,287
Hulet External Charges								1,638	1,725	1,809
Rates Certificates								903	951	997
Water Sundry								2,686	2,829	2,967
Other Revenue	301,758	599,521	590,343	784,890	50,534	50,534	50,534	11,901	12,531	13,145
Total 'Other' Revenue	301,758	599,521	590,343	784,890	50,534	50,534	50,534	48,785	52,423	54,992

Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	356,707	425,521	449,181	462,068	470,852	470,852	470,852	520,376	563,167	613,852
Pension and UIF Contributions		88,140	135,519	85,679	94,494	92,580	92,580	92,580	91,266	97,840	106,646
Medical Aid Contributions				30,717	33,877	33,191	33,191	33,191	32,720	36,364	41,850
Overtime		33,538	50,108	24,922	15,000	22,014	22,014	22,014	19,375	20,925	22,809
Performance Bonus											
Motor Vehicle Allowance		27,076	29,784	24,162	30,826	20,758	20,758	20,758	14,189	11,833	12,898
Housing Allowances		4,770	5,171	3,648	3,833	3,833	3,833	3,833	3,972	4,290	4,676
Other benefits and allowances									14,747	15,927	17,361
Long service awards		11,044	13,984	15,796	16,976	16,976	16,976	16,976	16,770	18,111	19,741
Postretirement benefit obligations	4										
sub-total	5	521,275	680,087	634,106	657,096	660,205	660,205	660,205	713,415	770,489	839,833
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	521,275	680,087	634,106	657,096	660,205	660,205	660,205	713,415	770,489	839,833
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		50,736	123,646	96,000	124,712	124,712	124,712	124,712	158,000	173,800	182,490
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	50,736	123,646	96,000	124,712	124,712	124,712	124,712	158,000	173,800	182,490
Bulk purchases											
Electricity Bulk Purchases		381,236	568,236	729,325	945,974	945,974	945,974	945,974	1,073,681	1,223,996	1,419,836
Water Bulk Purchases		217,463	236,743	265,041	297,526	307,207	307,207	307,207	309,243	329,343	352,367
Total bulk purchases	1	598,699	804,979	994,366	1,243,500	1,253,181	1,253,181	1,253,181	1,382,923	1,553,340	1,772,233
Transfers and grants											
Cash transfers and grants		-	2,632	3,775	4,500	4,500	4,500	4,500	4,500	4,739	4,971
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	2,632	3,775	4,500	4,500	4,500	4,500	4,500	4,739	4,971
Contracted services											
Security Contract		10,889	14,690	13,766	16,050	16,050	16,050	16,050	16,997	17,005	17,839
External Cashiers									5,820	6,128	6,429
External Services									34,631	36,467	38,254
sub-total	1	10,889	14,690	13,766	16,050	16,050	16,050	16,050	57,448	59,600	62,521
Allocations to organs of state:											
Total contracted services		10,889	14,690	13,766	16,050	16,050	16,050	16,050	57,448	59,600	62,521
Other Expenditure By Type											
Collection costs						1,719	1,719	1,719			
Contributions to other provisions						-	-	-			
Consultant fees						4,023	4,023	4,023	1,113	1,172	1,230
Audit fees						3,785	3,785	3,785	4,018	4,231	4,439
General expenses	3	334,010	329,293	257,789	770,631	274,909	274,909	274,909	187,166	302,341	317,003
Remuneration Of Councillors		18,605	19,384	18,418	20,954						
Bad Debts - Provision		10,000	250,540	252,225	160,917						
Collection Costs		950	2,461	1,664	4,007						
Interest Paid		66,563	73,754	70,510	57,747						
Grants & Subsidies Paid		4,442	4,342								
Impairment Of Inventory		-	-								
Cost Of Income Forgone		-	-								
External Services		54,652	48,804	51,714	39,373						
Distribution Wages		52,152	41,485	48,294							
DownTime Leave/Sickpay		19,265	17,485	23,646							
Operating Grant Expenditure									26,301	50,223	50,799
Operating Costs - Vulindlela									14,628	15,403	16,158
Local Area Plan/Ext TP Sobantu/Edendale									1,000	1,053	1,105
Eskom Payments									7,711	8,119	8,517
Hire Charges									16,629	15,404	16,159
Petrol and Lubricants									22,000	23,177	24,312
Distribution Plant Hire									8,797	9,588	10,547
Total 'Other' Expenditure	1	580,640	787,548	724,281	1,053,630	284,435	284,435	284,435	289,383	430,712	450,288

Table 45 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN225 Msunduzi - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditu						
Description	Ref	Vote 1 -	Vote 2 -	Vote 3 -	Vote 4 -	Total
R thousand	1	Corporate	Financial	Infrastructur	Sustainable	
Revenue By Source						
Property rates			576,402			576,402
Property rates - penalties & collection charges			33,812			33,812
Service charges - electricity revenue				1,416,918		1,416,918
Service charges - water revenue				317,354		317,354
Service charges - sanitation revenue				114,000		114,000
Service charges - refuse revenue				78,752		78,752
Service charges - other						–
Rental of facilities and equipment			167	16,148	3,219	19,534
Interest earned - external investments			12,100			12,100
Interest earned - outstanding debtors						–
Dividends received						–
Fines					3,475	3,475
Licences and permits					74	74
Agency services					382	382
Other revenue		2,920	1,830	24,347	20,687	49,784
Transfers recognised - operational			18,731	331,472	15,001	365,204
Gains on disposal of PPE						–
Total Revenue (excluding capital transfers and cont		2,920	643,042	2,298,990	42,837	2,987,790

Description	Ref	Vote 1 - Corporate	Vote 2 - Financial	Vote 3 - Infrastructur	Vote 4 - Sustainable	Total
R thousand	1					
Expenditure By Type						
Employee related costs		126,023	72,724	260,343	254,324	713,415
Remuneration of councillors		34,000			–	34,000
Debt impairment			73,119	177,223	–	250,342
Depreciation & asset impairment		4,704	5,038	61,392	86,866	158,000
Finance charges		2,202	21,455	45,279	8,565	77,500
Bulk purchases				1,382,923	–	1,382,923
Other materials		80	16	11,544	3,514	15,154
Contracted services		1,300	21,705	12,255	22,188	57,448
Transfers and grants					4,500	4,500
Other expenditure		63,680	50,811	132,010	42,862	289,363
Loss on disposal of PPE						–
Total Expenditure		231,989	244,868	2,082,969	422,820	2,982,646
Surplus/(Deficit)		(229,069)	398,174	216,021	(379,983)	5,144
Transfers recognised - capital		5,150		178,753	46,111	230,014
Contributions recognised - capital						–
Contributed assets						–
Surplus/(Deficit) after capital transfers & contributions		(223,919)	398,174	394,774	(333,872)	235,158

Table 46 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN225 Msunduzi - Supporting Table S A3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		112,887	138,024	293,827	145,000	447,065	447,065	447,065	511,892	539,022	565,434
Other current investments > 90 days											
Total Call investment deposits	2	112,887	138,024	293,827	145,000	447,065	447,065	447,065	511,892	539,022	565,434
Consumer debtors											
Consumer debtors		502,559	413,196	352,890	924,193	1,025,386	1,025,386	1,025,386	987,841	1,040,196	1,091,166
Less: Provision for debt impairment		(182,249)	(198,392)	(96,000)	(160,917)	(686,907)	(686,907)	(686,907)	(633,102)	(666,636)	(699,322)
Total Consumer debtors	2	320,310	214,803	256,890	763,276	338,479	338,479	338,479	354,739	373,560	391,843
Debt impairment provision											
Balance at the beginning of the year		(178,592)	(182,000)	(430,578)	(759,198)	(525,990)	(525,990)	(525,990)	(686,907)	(1,052,407)	(1,417,907)
Contributions to the provision		(10,000)	(250,540)	(96,000)	(160,917)	(160,917)	(160,917)	(160,917)	(365,500)	(365,500)	(365,500)
Bad debts written off		6,592	1,982	588							
Balance at end of year		(182,000)	(430,578)	(525,990)	(920,115)	(686,907)	(686,907)	(686,907)	(1,052,407)	(1,417,907)	(1,783,407)
Property, plant and equipment (PPE)											
PPE at cost valuation (excl. finance leases)		2,510,304	7,330,562	6,397,646	7,965,336	6,022,337	6,022,337	6,022,337	7,920,358	8,340,137	8,748,804
Leases recognised as PPE											
Less: Accumulated depreciation		1,054,617	1,108,843	1,048,939	1,409,145	1,287,562	1,287,562	1,287,562	1,211,524	1,275,735	1,338,246
Total Property, plant and equipment (PPE)	2	1,455,687	6,221,719	5,348,707	6,556,191	4,734,775	4,734,775	4,734,775	6,708,834	7,064,402	7,410,558
LIABILITIES											
Current liabilities - Borrowing											
Short-term loans (other than bank overdraft)											
Current portion of long-term liabilities		85,434	47,969	39,691	41,734	39,409	39,409	39,409	70,219	73,941	77,564
Total Current liabilities - Borrowing		85,434	47,969	39,691	41,734	39,409	39,409	39,409	70,219	73,941	77,564
Trade and other payables											
Trade and other creditors		309,787	325,924	325,026	245,450	203,294	203,294	203,294	183,466	193,190	202,656
Unspent conditional transfers		102,271	140,882	121,164					201,444	212,120	222,514
VAT		27,723	22,513	41,559	24,000	20,959	20,959	20,959	79,141	83,336	87,419
Total Trade and other payables	2	439,781	489,319	487,748	269,450	224,253	224,253	224,253	464,051	488,646	512,590
Non-current liabilities - Borrowing											
Borrowing		339,781	562,979	514,616	474,581	658,390	658,390	658,390	647,309	681,617	715,018
Finance leases (including PPP asset element)			7,150	4,326							
Total Non-current liabilities - Borrowing		339,781	570,129	518,942	474,581	658,390	658,390	658,390	647,309	681,617	715,018
Provisions - non-current											
Retirement benefits		48,090	53,007	211,638	53,007	53,007	53,007	53,007			
List other major provision items											
Refuse landfill site rehabilitation			3,624	20,362	13,779	20,362	20,362	20,362			
Other		866,110							2,585	2,722	2,856
Total Provisions - non-current		914,200	56,631	232,001	66,787	73,370	73,370	73,370	2,585	2,722	2,856
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		319,531	5,245,543	5,253,164					6,565,328	6,913,291	7,252,042
GRAP adjustments											
Restated balance		319,531	5,245,543	5,253,164					6,565,328	6,913,291	7,252,042
Surplus/(Deficit)		101,798	(154,875)	179,468	411,403	215,760	215,760	215,760	235,158	266,161	252,327
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets					96,420	96,420	96,420	96,420			
Other adjustments			6,915		5,435,254	6,253,148	6,253,148	6,253,148			
Accumulated Surplus/(Deficit)	1	421,329	5,097,684	5,432,632	5,943,078	6,565,328	6,565,328	6,565,328	6,800,486	7,179,452	7,504,369
Reserves											
Housing Development Fund		89,587	56,968	53,214	59,108	55,112	55,112	55,112	54,438	57,323	60,132
Capital replacement		56,219	12,636	12,636							
Self-insurance		33,753	43,045	50,335					(1,180)	(1,242)	(1,303)
Other reserves			554,977	538,916							
Revaluation											
Total Reserves	2	179,558	607,626	655,101	59,108	55,112	55,112	55,112	53,258	56,081	58,829
TOTAL COMMUNITY WEALTH/EQUITY	2	600,886	5,765,310	6,087,733	6,002,186	6,620,440	6,620,440	6,620,440	6,853,744	7,235,533	7,563,198

KZN225 Msunduzi - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Annex 2: Medium-term Revenue and Expenditure Framework: Economic and demographic statistics and assumptions										
Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics										
Population	Census Count/Estimate	552 837	617	616,730	616,730	616,730	616,730	616,730	616,730	616,730
Females aged 5 - 14	Census Count/Estimate		60	60,191	60,191	60,191	60,191	166,517	166,517	166,517
Males aged 5 - 14	Census Count/Estimate		62	62,027	62,027	62,027	62,027	197,354	197,354	197,354
Females aged 15 - 34	Census Count/Estimate		122	121,878	121,878	121,878	121,878	228,190	228,190	228,190
Males aged 15 - 34	Census Count/Estimate		123	122,889	122,889	122,889	122,889	240,525	240,525	240,525
Unemployment	Census Count/Estimate		98	97,816	97,816	97,816	97,816	97,816	97,816	97,816
Monthly household income (no. of households)										
R1 - R1 600								119,039	119,039	119,039
R1 601 - R3 200								77,281	77,281	77,281
R3 201 - R6 400								28,922	28,922	28,922
R6 401 - R12 800								22,852	22,852	22,852
R12 801 - R25 600								5968	5968	5968
R25 601 - R51 200								3086	3086	3086
R52 201 - R102 400								461	461	461
R102 401 - R204 800								581	581	581
R204 801 - R409 600								No Data	No Data	No Data
R409 601 - R819 200								No Data	No Data	No Data
> R819 200								No Data	No Data	No Data
Poverty profiles (no. of households)										

KZN225 Msunduzi - Supporting Table SA9 Social, economic and demographic statistics and assumptions

KZN25 Inshushuza - Supporting Table SA3 Social, economic and demographic statistics and assumptions										
Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Household/demographics (000)										
Number of people in municipal area	Statistics South Africa		616,730	617	617	617	617	617	617	617
Number of poor people in municipal area								No Data	No Data	No Data
Number of poor households in municipal area								No Data	No Data	No Data
Definition of poor household (R per month)								No Data	No Data	No Data
Housing statistics										
Formal	Statistics South Africa		67,899	67,899	67,899	67,899	67,899		No Data	No Data
Informal	Statistics South Africa		10,369	10,369	10,369	10,369	10,369		No Data	No Data
Dwellings provided by municipality	Statistics South Africa		134,390	134,390	134,390	134,390	134,390	134,390	No Data	No Data
Total new housing dwellings		-	2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	-	-
Economic										
Inflation/inflation outlook (CPIX)				10.4%		4.0%	4.0%	No Data	No Data	No Data
Interest rate - borrowing				14.0%		9.0%	9.0%	No Data	No Data	No Data
Interest rate - investment				6.3%		5.0%	5.0%	No Data	No Data	No Data
Consumption growth (electricity)							8.0%	No Data	No Data	No Data
Consumption growth (water)							8.0%	No Data	No Data	No Data
Collection rates										
Property tax/service charges							89.5%	No Data	No Data	No Data
Rental of facilities & equipment								No Data	No Data	No Data
Interest - external investments				9.0%			5.0%	No Data	No Data	No Data
Interest - debtors				60.0%			89.5%	No Data	No Data	No Data
Revenue from agency services								No Data	No Data	No Data

2.8 Municipal manager's quality certificate

I, municipal manager of Msunduzi Local 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 _____

Municipal manager of Municipality (KZN225)

Signature _____

Date _____

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