

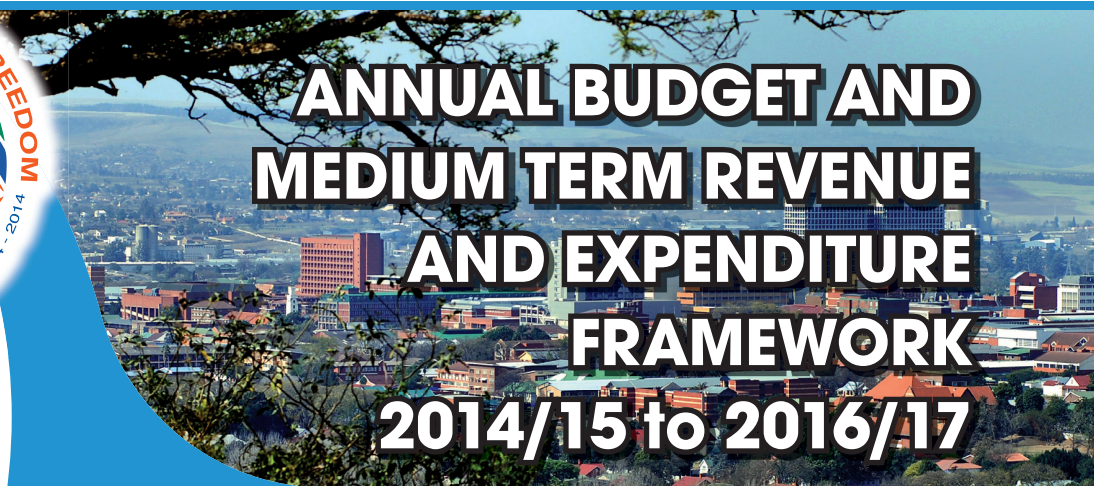
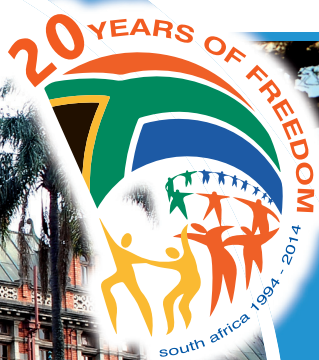


CITY OF CHOICE



PIETERMARITZBURG  
MSUNDUZI

*"City of Choice, Second to None"*



**ANNUAL BUDGET AND  
MEDIUM TERM REVENUE  
AND EXPENDITURE  
FRAMEWORK  
2014/15 to 2016/17**

# 2014/15 to 2016/17



## MAYORAL BUDGET SPEECH FOR THE FINANCIAL PERIOD 2014-2015 DELIVERED ON THE 30TH OF MAY 2014

Honourable Speaker;  
The Deputy Mayor, Cllr Zuma;  
Honorable Members of the Executive Committee;  
Chief Whip;  
The Chairperson of the MPAC;  
Fellow Councilors;  
Traditional Leaders;  
Religious Leaders;  
Leaders of Business and Representatives of Civil Society;  
Management and Staff;  
Members of the media;  
Distinguished Guests, Ladies and Gentlemen;  
All Protocol observed

### Greetings to you all.

Mr. Speaker, it is a great pleasure to stand here and present the State of Msunduzi Local Municipality and the 2014/2015 Budget proposals. Looking back over the past 20 years we can all agree that giant strides have been made towards the attainment of the vision of a better life for all and we indeed have a good story to tell.

Mr. Speaker first and foremost, we recently observed the pass over to the 2014 year with sadness, dismay and pain as the most celebrated leader of our time in South Africa and the world over, Tata Nelson Dalibhunga Rolihlahla Mandela passed away. We nevertheless, continue to be inspired by values and principles emanating from his vision and political insight that spanned over his lifetime and we all say: may his soul rest in peace. We want to assure him and all his other comrades and freedom fighters, on whose shoulders we stand, that South Africa is indeed in good hands.

Ladies and Gentleman , recently the mandate for the African National Congress to govern was endorsed and renewed by more than 17 million South Africans, both living here and abroad , undoubtedly affirming the noble notion that the will of the people is the basis of authority of government. This principle is universally acknowledged as sacred throughout the civilised world and constitutes the basis of freedom and justice. It is understandable why citizens, who have a vote as well as the right to direct representation in the countries governing structures, should be morally and legally bound by the laws of the country. The majority has spoken and may we let freedom reign.

Mr Speaker, the last 20 years have been an initiation and consolidation phase of our democratic transition, our people's dignity has been restored. Non-racial majority rule based on one-person, one-vote has brought about government, based on the will of the people. Today, South Africa is a far better place in which to live than it was in 1994. The lives of millions of our people have improved. Yet the challenges still facing our country are immense. Poverty, inequality and unemployment still affect the lives of many people.

Corruption continues to erode our social fabric and undermine our development efforts. Our economy continues to feel the effects of the global economic slowdown, making our goals all the harder to reach.

Mr Speaker let me quote the most moving statement by uTata Mandela when he said **“Overcoming poverty is not a task of charity, but it is an act of justice. Like slavery and apartheid, poverty is not natural but it is man-made and can be overcome and eradicated by actions of human beings”**.

Such responsibility falls on the generation of our life time, you and I included. As long as many of our people still live in utter poverty, as long as children still live under plastic covers, as long as many of our people are still without jobs, no South African should rest and be content in the joy of freedom. We should not allow South African politics





# MSUNDUZI ANNUAL BUDGET

to be relegated into socio-economic items chosen precisely because they salve the conscience of the rich and powerful, and conceal the plight of the poor and powerless.

Mr Speaker, we are facing the stark reality of children living and sleeping in the streets. Their daily challenges of being reduced to begging to make a living are the testimony of an unfinished job. Families who live in the shacks with no running water, sanitation and electricity are a reminder that the past continues to haunt the present. We must guard ourselves against the self-content and understand that political freedom and democracy cannot be sustained unless the basic material needs of the people, bread and butter issues are addressed as a matter of urgency. Time is not on our side and we need to move with speed.

Mr Speaker it is important that our financial plan and budget talk directly to the following key challenges as a municipality and these include:

- Creating decent work and economic growth;
- Broad Based Black Economic empowerment ;
- Economic empowerment of the youth , people with living disabilities and women ;
- Ensuring rural development ;
- SMME development;
- Fighting crime;
- Education ;
- Health;
- Nation building and good governance;
- Expand access to housing and services.

The municipalities are the first sphere of government that is directly entrusted with a mandate of service delivery and therefore we are directly accountable to the community that we serve. The hopes and faith of our community begin and die with us as local municipalities, therefore in practical terms; it is this sphere of government that is at the coal face in the struggle to realize a better life for all in our communities.

The backlogs in the service delivery in number of areas are still high and the expectations of our people are just as high. The people have been very patient up to now and no demonstrations against poor service delivery have occurred. This does not mean that the plight of the people can be ignored forever. The elected representatives of the people must ensure that services are taken to the people where they live. We must change their lives and provide a better life for all.

## LEGISLATIVE REQUIREMENTS

Mindful of the legislative requirements that the IDP and budgeting processes needs to go through, ours has been a joyful journey as we have undertaken this process with the intentions of fulfilling the wishes of the voters who gave us this renewed mandate through an overwhelming majority in the National and Provincial elections of 7 May 2014.

Mr Speaker, a democratic order is not based solely on the accepted principle of one man one vote, it must; in addition, recognise the constitutional right of the dissenting voices. It must also ensure that the power of the majority is constrained by constitutional means. Therefore as a ruling party we are committed to run this municipality in a manner that articulate the principles and objectives as spelled out in section 152 of the Constitution and these include:

- The provision of democratic and accountable government;
- The provision of services to communities in a sustainable manner;
- The provision of economic development;
- The provision of safe and healthy environment; and to
- Encourage the involvement of communities and community organisations in the matters of local government.



## TARIFF MODELING AND BUDGET PREPARATION ASSUMPTIONS

The 2013/14 Adjustments Budget priorities and targets, as well as the baseline allocations as contained in the Adjustments Budget were adopted for the new baselines for the 2014/15 annual budget;

Affordability was taken into consideration for tariff and property rate increases and was within inflation rate, except where there were price increases in the inputs of services that were beyond the control of the municipality, for instance the cost of bulk water from Umngeni Water as well as electricity from Eskom. In addition, tariffs need to remain or move towards being cost effective, and take into account the need to address infrastructure backlogs;

Inflation forecasts as per the MFMA Circular No. 70 and 72 were taken into consideration when preparing the 2014/15 budgets.

Mr Speaker, allow me to assure this Council that the preparation of our tariffs has been informed by national norms and standards and our utility prices for electricity and water are always dictated by NERSA and UMngeni Water Board respectively. Our tariff escalation for Electricity and Water for financial year 2014/15 is at cost, we implemented exact tariffs recommended by NERSA and uMngeni and the reason for not adding the municipal mark-up is to mitigate the negative impact in the lives of the poor and try and meet our community half-way.

I can therefore confidently state that in our budget preparation the plight of the poor has been our primary consideration. The issue of MCB charges continue to haunt us each time we engage the public either in public hearings or in our door to door engagement with our community. Mr Speaker, let me put the facts straight, with the hope that we will, this time around lay this matter to rest, we don't charge the MCB charges to our poor people provided they maintain the 20 Amp circuit breaker in their supply. This MCB charge is only applied to high demand customers.

Accordingly Mr Speaker, our tariffs are as follows:

### **Property Rates**

The rates for residential exemption limit has been maintained at R100 000 and an increase of 5.6% has been applied. We have just completed the budget calculation and the financial impact of the new general valuation roll. The new rate randage have decreased from 0.0213 to 0.0192. Various submissions were received during the public hearings to increase this limit to R150 000, however, doing that would have resulted in a revenue loss of R34.1 million which our municipality can ill-afford at this time; however, in our future increases, we will seriously consider this, on condition that it will be affordable.

### **Refuse Tariff modelling**

An increase of 5, 6%, which is in line with the inflation was factored in the current budget.

### **Water tariff modelling**

Mr Speaker, with the threats of global warming, water is becoming more and more a scarce resource. In addition, as a Water Services Authority, more pressure and statutory requirements are placed on us to maintain high quality of water for consumption by our communities. We are also expected to ensure that all consumers in our footprint area are in receipt of high quality piped water within their yards. This then puts pressure on us to ensure that we recover some if not all the costs incurred in buying bulk and reticulating water to the end users.

Mr Speaker, you will recall that last year, our proposed tariff was 10%. This was informed by the tariff increase of 8% imposed on us by the bulk supplier, uMngeni water and an additional 2% was to finance the demand for further capital outlay in areas where there is still no supply of portable water. Many of the inputs that we received indicated people were not happy with the proposed increase and we did listen.





# MSUNDUZI ANNUAL BUDGET

**THIS YEAR OUR INCREASE IS 8.7 % AND THIS IS EXACTLY WHAT THE BULK SUPPLIER OF WATER WILL CHARGE AND NO MUNICIPAL MARK-UP HAS BEEN ADDED THEREON.**

- The proposed 8.7% is based on uMngeni planned increase of 8.7% and we added no operational costs mark up on the municipal side for 2014/15 in solidarity with our community and more particular the poor and the working class;
- The household consumers will be subsidized by 6 kl through indigent program. This is an decrease of 1 kl (1000 litres) per month per indigent household given last year ;
- The reason for the decrease is the anticipation of increased number of applications since we are also taking over the Vulindlela area that was previously run by uMngeni Water, therefore limitations of financial resources means we can only do so much.

Accordingly we have increased a basic charge of R 15 by 5, 6% for residential and the basic of R 25 by 5, 6% for others.

## **Eskom bulk tariff increases**

Mr Speaker, it is my wish that we did not have any increase in electricity tariff in this budget proposal considering the level of unemployment, the petrol price and level of interest rate in our economy. As the municipality we have considered the tariff hike of 7.39 % and this tariff is exactly the same hike recommended by NERSA as a national guideline. This is exactly what Eskom will charge us in the next financial year as the municipality, we did this with a clear understanding that our community is going through a difficult time.

## **Revenue and billing Challenges**

Although we are seeing some progress, we remain extremely concerned about on-going billing challenges that impact on the quality of services that our customers are experiencing on a daily basis. Mr Speaker, it is not acceptable for people to wait for long periods of time to have their queries attended to. The Administration, led by the Municipal Managers need to understand and appreciate the gravity of their actions or non-actions and the implications thereof at a much broader level. It is against this background that my office will be working closely with that of the Accounting Officer to ensure that all our consumers receive the attention that they deserve and that all their queries are attended to within acceptable timelines. The notion that Customer is king shall apply to Msunduzi as well.

In this new term we commit to investing in interventions to ensure, amongst others,

- To sort out the billing challenges within acceptable timeframes;
- Improve revenue collection;
- Rollout the smart metering system;
- Over the short to medium term, our focus will be on ensuring that we become more responsive to our residents. This means that it cannot be business as usual.

## **Human Resource Management**

At the heart of our core business is our employees, who are our assets in the realisation of our vision 2030. To this end we have approved our macro-structure and currently we are in the process of finalising job evaluation process. Included in our budget for 2014/15 is R60 million which has been put aside to address the challenges of critical vacant positions. We are hoping that this will contribute immensely towards accelerating service delivery to those who need it most and need it urgently. In filling these vacant posts, we will not compromise on the issues of skill and capacity.



## Repairs and Maintenance

Mr Speaker over the past few years our budget allocation towards repairs and maintenance has been just under 1% of our total Property Plant and Equipment (PPE). However, repairs and maintenance are also high on our list of priorities in the new financial year. We will intensify our efforts to refurbish roads, fix potholes and ensure storm water maintenance. In addition we will also focus on the repairs and maintenance of social and sports facilities which were neglected for a very long time as we were trying to maintain our ageing electrical infrastructure.

Often municipalities under-spend or under-budget for maintenance and that can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services. In view of this assumption, the municipality has taken a prudent step to increase its repair and maintenance budget by 71% to ensure that the existing infrastructure is well maintained for sustainability of services especially those that assists in generating revenue. Mr Speaker, this has been well received, even by the National Treasury.

Mr Speaker, we have instructed senior management to ensure that over the next few months, the focus should be on addressing the basic service delivery problems. We have also advised them that this period should be utilised as an opportunity to raise standards of performance to a new level. We went a step further to inform management the next phase of performance contracts will be aligned to service delivery imperatives. We have stated Mr Speaker; in no uncertain terms that poor performance will no longer be tolerated. In short the honeymoon is over.

## Roads

Honourable Speaker it is common-cause that communities without a proper road infrastructure ordinarily find it hard to go about their lives especially when they need to access public transportation. Economic activity can also become slow when investors struggle to access such communities. It is in this regard that we have resolved to allocate more than R 75 Million towards upgrading of gravel roads and R25 million for rehabilitation. It also gives me pleasure that included in this budget is R 10 million for the construction of a fly-over bridge at Burger street. It is our considered view that the construction of this bridge will go a long way in addressing traffic congestion during the peak hours both to and from Imbali and Edendale. When this is complete, our city will never be the same.

## Electricity

Mr Speaker, the revenue from electricity remains the single major contributor to our fiscus. This is despite the fact that approximately R 120 million is lost each year due to electricity theft, illegal connections as well as technical losses due to the ageing infrastructure. I am saying this mindful of the fact that the consumers of electricity throughout the country have had to endure more than 150% increase over the past 5-6 years. It is against this background that whilst there is a huge demand to replace our ageing infrastructure, we have increased our tariff by the percentages as recommended by NERSA. We hope that this will ease the burden of our consumers.

In addition Mr Speaker, we are asking this council to allow us to approach the banks with a view of raising a R 250 million loan, spread over the next three years, solely for the replacement of our ageing electricity infrastructure. A separate report in this regard will be tabled to this council for its consideration in compliance with the MFMA.

Mr Speaker, cable theft and illegal connections are the biggest contributing factors to power outages. In the last couple of months we have witnessed power outages in various areas of Msunduzi. Whilst we have managed to stabilise the electricity supply, the outages we have experienced recently were as a result of illegal connections and cable theft. Fellow residents, in the cold months lying ahead, we will do everything in our power to ensure that electricity supply remains uninterrupted across the City.



## BUDGET RELATED POLICY REVIEW

Mr Speaker, the MFMA requires the municipality to review budget-related policies on an annual basis at the same time that it is preparing its budget. We have also done as such and would like to quickly take you through the policy changes that we have reviewed:

- (i) **Credit Control & Debt Collection Policy:** The changes to the Credit Control and Debt Collection policy basically entailed the movement of some clauses to the procedure manual.
- (ii) **Rates policy:** The changes to the Rates policy are in terms of the Municipal Property Rates Act and accommodate the introduction of a rebate for developers and child headed households as outlined in the tariff register. The new valuation roll is also included in terms of the rating and some clauses have been moved into procedure manual. We have also considered legal battles experienced by the Municipality during 2013/14 financial year.
- (iii) **Tariff Policy:** The changes to the tariff policy specify the change in terminology of the indigent tariff. The policy has been amended to apply the indigent tariffs as specified in the tariff register whereas previously this was referred to as a lifeline tariff.
- (iv) **Indigent Policy:** The changes to the Indigent Policy are in terms of National Treasury recommendations and major feature of the policy change is the move from automatic indigent into applied. The lifeline relief in terms of water 6kl is the acceptable level nationally and that declared indigent should have 20amps in terms of electricity supply. Other various changes entail the movement of certain clauses into procedure manual.
- (v) **Budget policy:** The changes to the Budget policy are mainly the removal of certain clauses to be included on the procedure manual. The overall budget policy is informed by chapter 4 of the MFMA to a large extent.
- (vi) **Cash management & Investment policy:** The changes to the cash management & investment policy are mainly the removal of certain clauses to be included on the procedure manual.
- (vii) **Funding & reserves policy:** This policy was introduced for the first time last year, basically this policy is meant to guide the use of reserves and other funding that may become available. This policy is necessary since R120 million of our capital budget will be funded from municipal own sources of income; a difference of R60 million from the previous year.
- (viii) **Virement policy:** The changes to the Virement policy are mainly to do with the removal of certain clauses to be included on the procedure manual.

## WORDS OF GRATITUDE

Mr Speaker, EXCO members and fellow Councillors, let me take this opportunity to convey a few words of gratitude on your behalf:

1. Firstly we want to convey our gratitude to the National Treasury which continues to be a beacon of light for us. We take their advice and guidance very seriously, but we take full ownership of this budget and if there are flaws, no blame should be directed to the National Treasury, instead it should come to us
2. We also want to thank the Office of the Premier for continuing to provide assistance and support that always prove valuable to us. We also thank them for the latest decision that they have taken and confirmed through the current year's provincial budget speech of moving to the construction phase of the parliamentary precinct. This will go a long way in entrenching our position as the Capital City of this wonderful province.





3. Another sincere word of gratitude goes to our immediate past FINANCE MEC, Mrs Ina Cronje and her HOD Mr Magagula for the unreserved assistance in amongst other things debt collection, technical support, airport development as well as the electrification of informal settlements. We look forward to their continued involvement with our municipality going forward.
4. We also want to thank the MEC for COGTA in KZN, Ms Dube-Ncube for her continued support to Msunduzi. We want to give her our assurance that as the second biggest city in the province, her support has not gone to waste and because of it, we have moved from the stabilisation phase to recovery phase. With that, we are indeed fast becoming a city of choice second to none.
5. We want to convey our gratitude to all other Members of the Provincial Executive Committee, who, in recognition of our Capital City status have made significant contributions to our programmes.
6. We want to convey our gratitude to all Cllrs, particularly the Budget Steering Committee, Rates, Tariffs and Charges Committee, the EXCO members and all Councillors who participated in the budget preparation process. We thank you for your contributions that have gone beyond the call of duty.
7. Our gratitude also goes out to the Deputy Minister for Energy, Ms. Barbara Thompson, for her unwavering support in our struggle to improve our electricity infrastructure.
8. Mr. Speaker, I also want to convey the Council's gratitude to the Technical Budget Steering Committee lead by the Accounting Officer and the Chief Financial Officer. We are mindful of the sleepless and stressful hours that you have spent at work away from your families since the submission of midterm budget review on the 30th of January 2014. We thank you for such sacrifices. As they say the test of the pudding is in the eating, it is now up to you, particularly the Accounting Officer, the Chief Financial Officer and all other Deputy Municipal managers, to ensure that this budget does not remain a paper budget but becomes a reality through the implementation of its programmes.

## CONCLUSION

Mr Speaker, as I make my closing remarks, let me quote the words of Tata Nelson Mandela (addressing the joint session of the House of Congress in Washington DC, USA on the 29th June 1990) when said **"It should never happen that the anger of the poor should be the finger of accusation pointed at all of us because we failed to respond to the cries of people for food, for shelter and for the dignity of individual. Will the future say of us we did succeeded to lay foundation for poverty eradication; will they say we succeeded in establishing a world order based on mutual respect, partnership and equity? "**

Mr Speaker for us to remain best stewards and the custodian of destiny for future generation in sense and purpose all depends on what we do now. With those few words, please allow me Mr. Speaker to present the revised IDP and what I refer to as the People's budget. This is neither a budget for the poor nor is it for the rich. It is the budget for all the people of Msunduzi. And I have no doubt in my mind that this budget will shift our focus from entitlement to hard work and from our previous cash flow anxieties to long term financial recovery.

With the IDP and Budget before you, Honourable Speaker, Deputy Mayor and fellow Councillors, I have no doubt in my mind that if every single item contained therein was to become a reality, and it would serve as a milestone of progress for future generation .



# MSUNDUZI ANNUAL BUDGET

It is against this background Mr Speaker, that I now so move that the Council:

## 1. MOVE FOR THE IDP ADOPTION

### IT IS RECOMMENDED THAT:

- 1.1 Council approves the Integrated Development Plan for 2014/15 to 2017/18.
- 1.2 The Municipal Manager is authorized to submit the approved Integrated Development Plan for assessment to COGTA within ten (10) days after approval by the council.

## 2. MOVE FOR THE ADOPTION OF THE BUDGET AND RELATED POLICIES

### IT IS RECOMMENDED THAT:

- 2.1 The annual budget of the municipality for the financial year 2014/15 and the multi year and single-year capital appropriations as set out in the following tables is approved:
  - 2.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2 ;
  - 2.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
  - 2.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
  - 2.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- 2.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
  - 2.2.1 Budgeted Financial Position as contained in Table A6 ;
  - 2.2.2 Budgeted Cash Flows as contained in Table A7 ;
  - 2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8 ;
  - 2.2.4 Asset management as contained in Table A9 ; and
  - 2.2.5 Basic service delivery measurement as contained in Table A10.
- 2.3 That the following reviewed financial policies be approved.
  - 2.3.1 Supply Chain Management Policy
  - 2.3.2 Asset Management Policy
  - 2.3.3 Cash and Investment Management Policy
  - 2.3.4 Budget Policy
  - 2.3.5 General Insurance Policy
  - 2.3.6 Indigent Policy
  - 2.3.7 Tariffs Policy
  - 2.3.8 Rates Policy
  - 2.3.9 Credit Control and Debt Management Policy
  - 2.3.10 Virement Policy
  - 2.3.11 Funding and Reserves Policy
- 2.4 That in terms of the requirements of S 75 of the Municipal Systems Act No 32 of 2000, the Tariffs Policy be promulgated as a bylaw.
- 2.5 That in terms of S 98 of the Municipal Systems Act the Credit Control and Debt Collection Policy and Indigent Policy be promulgated as a bylaw.
- 2.6 That in terms of S 6 of the Municipal Property Rates Act No 6 of 2004, the Rates Policy be promulgated as a bylaw.



- 2.7 That to give effect to the above, the legislative procedure as contained in Sections 12 and 13 of the Municipal Systems Act be followed in respect the Tariff policy, the Credit Control and Debt Collection Policy, the Indigent Policy and the Rates policy, viz
- 2.8 That the Tariff policy, the Credit Control and Debt Collection Policy, the Indigent Policy and the Rates policy, be published promptly in the Provincial Gazette, and where feasible, also in a local newspaper or in any other practical way to bring the content of the bylaw to the attention of the local community; the bylaw to take effect on the 1 July 2014.
- 2.9 That the rate randage for the following categories be approved:-
- |        |                                   |        |
|--------|-----------------------------------|--------|
| 2.9.1  | General                           | 0.0192 |
| 2.9.2  | Agricultural                      | 0.0026 |
| 2.9.3  | Public Benefit Organisations      | -      |
| 2.9.4  | Dwelling: Shops and Flats         | 0.0144 |
| 2.9.5  | Small Business – home             | 0.0144 |
| 2.9.6  | Unauthorised use                  | 0.0330 |
| 2.9.7  | Impermissible                     | -      |
| 2.9.8  | Other (Commercial and Industrial) | 0.0186 |
| 2.9.9  | Mining                            | 0.0186 |
| 2.9.10 | Rural Communal Land               | 0.0144 |
| 2.9.11 | Public Service Infrastructure     | 0.0026 |
| 2.9.12 | Residential                       | 0.0106 |
| 2.9.13 | Vacant Land                       | 0.0192 |
- 2.10 That the electricity tariff be increased by 7.39%
- 2.11 That the water tariff be increased by 8.7%
- 2.12 That the sanitation tariff be increased by 5.6%
- 2.13 That the refuse tariff be increased by 5.6%
- 2.14 That the other tariff and overall charges be increased by 5.6%
- 2.15 That the Capital Budget of R513.8 million is approved as follows:-
- R120 million Council funding
  - R100 million loan
  - R293.8 million grant funding
- 2.16 That the Rates and Tariffs Register for 2014/2015 be approved
- 2.17 That with regard to the above tariffs and rates, the Deputy Municipal Manager: Finance cause the notices referred to in Section 75(A) of the Municipal Systems Act to be published in a newspaper and displayed at the City Hall, Chief Albert Luthuli Street, 333 Church Street, the Edendale Office, and all other municipal offices determined by the Municipal Manager.





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2.8.1 To give proper effect to the municipality's annual budget, cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

**I thank you.**  
**Ngiyabonga**  
**Baie dankie**

**Presented by Cllr C.J. Ndlela**  
**Mayor: Msunduzi Municipality**  
**May 30, 2014**



## 1. Council Resolutions

That the Full Council approves the Annual Budget for 2014/15 financial year and two outer years.

- 1.1 Council of Msunduzi Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) adopts budget as follows:
  - 1.1.1 Consolidated Budget Summary contained in Table A1;
  - 1.1.2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification) contained in Table A2;
  - 1.1.3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote) contained in Table A3;
  - 1.1.4 Consolidated Budgeted Financial Performance (revenue and expenditure) contained in Table A4;
  - 1.1.5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding contained in Table A5;
  - 1.1.6 Consolidated Budgeted Financial Position contained in Table 6;
  - 1.1.7 Consolidated Budgeted Cash Flows contained in Table A7;
  - 1.1.8 Consolidated Cash backed reserves/accumulated surplus reconciliation contained in Table A8;
  - 1.1.9 Consolidated Asset Management contained in Table A9;
  - 1.1.10 Consolidated basic service delivery measurement contained in Table A10.

## 2. That Full Council approves the following tariffs, in terms of Municipal Systems Act (Act 32 of 2000) with effect from 1 July 2014:

- 2.1 the tariffs for property rates- as set out in 2014/15 Register of Tariffs and Charges Section
- 2.2 the tariffs for electricity- as set out in 2014/15 Register of Tariffs and Charges Section
- 2.3 the tariffs for water- as set out in 2014/15 Register of Tariffs and Charges Section
- 2.4 the tariffs for sanitation- as set out 2014/15 Register of Tariffs and Charges Section
- 2.5 the tariffs for solid waste- as set in 2014/15 Register of Tariffs and Charges Section
3. All the budget related policies are submitted in terms of S7 of Municipal Budget and Reporting Regulations

### 3.1 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 non-core and 'nice to have' items to ensure key objectives are achieved and well-performed programmes are supported. Over the next three years, the municipality as a whole will learn to do more with less.

The City has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. The City has further 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, 66, 67, 70, and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:



# MSUNDUZI ANNUAL BUDGET

- The ongoing difficulties in the national and local economy;
- Ageing and poorly maintained water, roads and electricity infrastructure;
- The need to re-prioritise projects and expenditure within the existing resource envelope given the cash flow realities;
- 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;
- Expanding public sector investment in infrastructure through ensuring the budgets and MTREF's acknowledge that capital programmes needs a balanced funding structure, addressing not only backlogs in services but also investment in new infrastructure as well as renewing existing infrastructure.
- To act as a catalyst for local economic development by appropriately structuring the capital programme to address backlog eradication, asset renewal and the development of new infrastructure; this will require carefully formulating the funding mix to include grants, borrowing and own funding (internally generated funding).

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted for the new baselines for the 2014/15 annual budget;
- Affordability was taken into consideration for tariff and property rate increases and were within the inflation rate, except where there were price increases in the inputs of services that were 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 effective, and take into account the need to address infrastructure backlogs;
- Inflation forecasts as per MFMA Circular No. 70 and 72 were taken into consideration when preparing the 2014/15 budgets.
- Section 18 of the Municipal Finance Management Act, 2003 which deals with the funding of expenditure through the realistic revenue to be collected was also taken into consideration. In this regard municipalities must ensure that:
  - The operating and capital expenditure is in line with the requirement of section 18 of the MFMA; and
  - The municipality is required to implement initiatives that would contribute to the sustainability of the municipality during the financial year and beyond. This requires the implementation of the budget as planned.

In terms of section 62(1) of the MFMA the accounting officer of the municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure:

- That the resources of the municipality are used effectively, efficiently and economically;
- That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- That the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control; and of internal audit operating in accordance with any prescribed norms and standards; and
- That unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented.



# 2014/15 to 2016/17



In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2014/15 MTREF**

KZN225 Msunduzi - Table A1 Consolidated Budget Summary

Description	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
	2010/11	2011/12	2012/13		Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>					
<b>Financial Performance</b>								
Property rates	474 615	536 555	625 458	644 671	644 671	698 283	736 415	775 470
Service charges	1 449 717	1 678 603	1 968 855	2 147 016	2 104 664	2 234 125	2 398 438	2 569 602
Investment revenue	12 823	25 951	34 328	27 029	27 029	32 247	33 968	35 824
Transfers recognised - operational	387 733	500 669	566 470	383 848	383 848	415 372	436 640	458 643
Other own revenue	135 598	137 063	172 668	88 920	88 920	190 549	201 859	212 903
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 460 486</b>	<b>2 878 840</b>	<b>3 367 779</b>	<b>3 249 133</b>	<b>3 249 133</b>	<b>3 570 575</b>	<b>3 807 340</b>	<b>4 052 442</b>
Employee costs	648 294	668 305	686 988	779 721	764 521	855 887	920 778	991 388
Remuneration of councillors	18 418	31 427	33 422	36 419	36 419	39 272	42 350	45 659
Depreciation & asset impairment	253 513	273 702	237 206	222 212	222 212	259 469	268 183	281 592
Finance charges	71 568	72 134	70 966	64 600	64 600	60 738	54 782	50 025
Materials and bulk purchases	994 366	1 219 818	1 373 241	1 517 751	1 515 751	1 504 720	1 603 894	1 739 633
Transfers and grants	195	196	216	5 027	5 027	5 408	5 678	5 962
Other expenditure	379 354	473 295	872 152	599 168	574 018	774 761	835 849	885 998
<b>Total Expenditure</b>	<b>2 365 707</b>	<b>2 738 877</b>	<b>3 274 191</b>	<b>3 182 549</b>	<b>3 182 549</b>	<b>3 500 255</b>	<b>3 731 515</b>	<b>4 000 256</b>
<b>Surplus/(Deficit)</b>	<b>94 778</b>	<b>139 964</b>	<b>93 589</b>	<b>66 586</b>	<b>66 584</b>	<b>70 320</b>	<b>75 826</b>	<b>52 185</b>

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

Description	Ref	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
		2010/11	2011/12	2012/13		Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>					
Total Revenue (excluding capital transfers and contributions)		2,460,486	2,878,840	3,367,779	3,291,485	3,249,133	3,249,133	3,570,575	4,052,442
Total Expenditure		2,365,707	2,738,877	3,274,191	3,224,899	3,182,549	3,182,549	3,500,255	4,000,256
Surplus/(Deficit)		94,778	139,964	93,589	66,586	66,584	70,320	75,826	52,185
Transfers recognised - capital		84,654			383,158	423,840	293,824	473,283	470,992
Surplus/(Deficit) after capital transfers & contributions		179,433	139,964	93,589	449,744	490,424	364,144	549,109	523,177



# MSUNDUZI ANNUAL BUDGET

Total operating revenue has increased by 12.6 per cent or R 408 million for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 18.5 percent R602 million and 23.6 per cent R766 million respectively, equating to a total revenue increase of R1.3 billion over the MTREF when compared to the 2013/14 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 R70.3 million. When compared to the 2013/14 Adjustments Budget, operational expenditure has increased by 12.7 per cent in the 2014/15 budget, in the 2015/16 by 18.6 percent and 24.5 per cent over the outer years respectively.

## 1.3 Operating Revenue Framework

For the 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.

In terms of section 64 of the MFMA on Revenue Management, the Municipal Manager with the institutional and technical support of the Chief Financial Officer and senior management is required to create and continuously enhance and strengthen the policy imperatives, procedures and processes to achieve the required minimum rate and standard on revenue collection and debt management.

National Treasury also continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities must justify in their budget documentation all increases in excess of the 6.2 per cent upper boundary of the South African Reserve Bank's inflation target in the budget narratives.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):



**Table 2 Summary of revenue classified by main revenue source**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	448,257	505,310	585,863	607,308	607,308	607,308	607,308	659,052	695,065	731,888
Property rates - penalties & collection charges		26,358	31,244	39,596	37,363	37,363	37,363	37,363	39,231	41,349	43,582
Service charges - electricity revenue	2	1,011,459	1,212,660	1,425,627	1,558,827	1,516,475	1,516,475	1,516,475	1,628,543	1,748,892	1,878,135
Service charges - water revenue	2	270,107	288,345	349,140	378,445	378,445	378,445	378,445	391,288	424,332	454,918
Service charges - sanitation revenue	2	102,592	107,507	120,089	132,153	132,153	132,153	132,153	126,582	133,938	141,417
Service charges - refuse revenue	2	65,559	70,091	73,999	77,592	77,592	77,592	77,592	87,712	91,276	95,132
Service charges - other		-		-	-				-	-	
Rental of facilities and equipment		17,313	17,944	20,896	20,255	20,255	20,255	20,255	35,024	38,329	40,292
Interest earned - external investments		12,823	25,951	34,328	27,029	27,029	27,029	27,029	32,247	33,988	35,824
Interest earned - outstanding debtors		47,480	58,254	82,051	1,255	1,255	1,255	1,255	1,325	1,399	1,478
Dividends received		-	-	-	-				-	-	
Fines		5,354	3,813	8,371	3,634	3,634	3,634	3,634	14,667	15,488	16,356
Licences and permits		89	78	59	48	48	48	48	83	87	92
Agency services		577	374	733	586	586	586	586	3,220	3,324	3,490
Transfers recognised - operational		387,733	500,669	566,470	383,848	383,848	383,848	383,848	415,372	436,640	458,643
Other revenue	2	64,786	56,600	60,558	48,011	48,011	48,011	48,011	136,230	143,231	151,195
Gains on disposal of PPE					15,131	15,131	15,131	15,131	-	-	



# MSUNDUZI ANNUAL BUDGET

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>										
Total Revenue (excluding capital transfers and contributions)		2,460,486	2,878,840	3,367,779	3,291,485	3,249,133	3,249,133	3,249,133	3,570,575	3,807,340	4,052,442

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

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the City. Rates and service charge revenue comprises more than two thirds of the total revenue generated by the municipality. In the 2013/14 financial year, revenue from rates and service charges totalled R2.7 billion or 83.5 per cent of total revenue. This increases to R0.3 million, R0.6 million and R0.8 million for 2014/15, 2015/16 and 2016/17 respectively. This growth can be mainly attributed to the increased sales that electricity contributes to the total revenue mix, which in turn is due to the 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 and equates to 18.5 per cent or R659 million of total revenue. Other revenue consists of various items such as rental of facilities, interest earned, fines, licenses and permits, agency services and other (includes sale of land, sale of produce, training recoveries, landing fees, passenger levy etc.

Operating grants and transfers totals R 415.4 million in the 2014/15 financial year and steadily increases to R 436.6 million by 2015/16 and 2016/17 to R458.6 million as per DORA. 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**

Description  R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>267,375</b>	<b>310,326</b>	<b>342,704</b>	<b>362,139</b>	<b>362,139</b>	<b>362,139</b>	<b>384,424</b>	<b>402,078</b>	<b>422,802</b>
Local Government Equitable Share	267,211	304,835	338,903	354,313	354,313	354,313	373,541	392,761	413,174
Finance Management	165	1,979	1,500	1,550	1,550	1,550	1,600	1,650	1,700
Municipal Systems Improvement		978	800	890	890	890	934	967	1,018
EPWP Incentive			1,501	1,874	1,874	1,874	2,782		
Energy Efficiency and Demand Management		2,534		–	–	–	–	–	
Operating costs-MIG							4,000	4,200	4,410
Water Services Operating Subsidy									
Neighbourhood Development Partnership Technical ass							1,567	2,500	2,500
Other transfers/ grants (insert description)				3,512	3,512	3,512			
<b>Provincial Government:</b>	<b>33,467</b>	<b>4,074</b>	<b>22,500</b>	<b>25,551</b>	<b>25,551</b>	<b>25,551</b>	<b>30,948</b>	<b>34,562</b>	<b>35,841</b>
Health subsidy	12,488		2,537						
Provincial Government:	20,979	1,207					–		
Operating Grant - Property Rates									
Public Works		2,868	10,963						
Arts and Culture				21,709	21,709	21,709	23,226	24,617	26,139
Human Settlements			9,000	3,842	3,842	3,842	7,722	9,945	9,702
<b>Total operating expenditure of Transfers and Grants:</b>	<b>300,842</b>	<b>314,400</b>	<b>365,204</b>	<b>387,690</b>	<b>387,690</b>	<b>387,690</b>	<b>415,372</b>	<b>436,640</b>	<b>458,643</b>



# MSUNDUZI ANNUAL BUDGET

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>73,225</b>	<b>138,340</b>	<b>208,599</b>	<b>386,670</b>	<b>389,761</b>	<b>389,761</b>	<b>283,897</b>	<b>464,283</b>	<b>470,992</b>
Municipal Infrastructure Grant (MIG)	48,348	138,340	153,399	154,824	151,312	151,312	159,158	166,213	173,983
Public Transport and Systems	11,663		45,000	100,846	100,846	100,846	100,000	220,000	250,000
Neighbourhood Development Partnership			700				10,350	10,737	11,288
Rural Households Infrastructure			4,500						
Other capital transfers/grants	9,457								
Dept of Mineral/Electricity	3,757			8,000	8,000	8,000			
Intergrated National Electrification Programme			5,000	123,000	123,000	123,000	3,000	9,000	9,000
MSIG					353	353			
MWIG					6,250	6,250			
Municipal Water Infrastructure Grant	9,457				6,250	6,250	11,389	58,333	26,721
<b>Provincial Government:</b>	<b>11,429</b>	<b>11,836</b>	<b>19,315</b>	<b>-</b>	<b>25,460</b>	<b>25,460</b>	<b>9,927</b>	<b>9,000</b>	<b>-</b>
Airport Development Project	11,429	11,836	19,315		16,200	16,200			
Sport and Recreation Corridor Development			2,100		8,660	8,660	150		
KZNPA					600	600			
Treasury							5,500		
COGTA							4,277	9,000	
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>2,427</b>	<b>2,427</b>	<b>-</b>	<b>-</b>	<b>-</b>
Carnegie Cemetery Trust			135		296	296			
					2,131	2,131			
<b>Total capital expenditure of Transfers and Grants</b>	<b>84,654</b>	<b>150,176</b>	<b>228,049</b>	<b>386,670</b>	<b>417,648</b>	<b>417,648</b>	<b>293,824</b>	<b>473,283</b>	<b>470,992</b>



Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>385,496</b>	<b>464,576</b>	<b>593,253</b>	<b>774,360</b>	<b>805,338</b>	<b>805,338</b>	<b>709,196</b>	<b>909,923</b>	<b>929,635</b>

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 tariff 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 utilised 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 2014/15 financial year based on a 5.6 per cent increase from 1 July 2014 is contained below:



# MSUNDUZI ANNUAL BUDGET

**Table 5 Comparison of proposed rates and tariffs to be levied for the 2014/15 financial year**

		2013/14	2014/15	
		Cents in the R	Cents in the R	% Incr





	2013/14	2014/15	% Incr
	Cents in the R	Cents in the R	

VOTE	SUB	ITEM
060	448	8208

## Mining

(h)	A rebate on the valuation of rateable property	0.0006	0.0006
	Rate Randage – after rebate (net)	0.0207	0.0186

## Public Benefit Organisations

(i)	A rebate on the valuation of rateable property	0.0184	0.0140
	Statutory Rebate	0.0029	0.0026
	Additional Rebate	100%	100%

## **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:		
	Female – 60 years and over		
	Male – 63 years and over		
	Total monthly income of all occupants and owners from all sources	R 3,200	R 3,500
	%'tage Rebate –	40% Max	40% Max

### Child Headed Households

(l)	Maximum monthly income of all occupants and owners from all sources	R 3,200	R 3,500
	%'tage Rebate –	40% Max	40% Max

### Listed Buildings

(m)	Rates Rebate after primary rebate on Listed Buildings	40% Max	40% Max
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### Developers Rebate

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



# MSUNDUZI ANNUAL BUDGET

2013/14 Cents in the R	2014/15 Cents in the R	% Incr
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## 4. GENERAL NOTE:

- (a) No rebates on Listed Buildings and Developers properties will be granted to ratepayers where any arrears is outstanding on the property for rates & services. Rebates will only be granted to aged persons and child headed households where arrangements are made for arrears and where all arrangements are being maintained.
- (b) 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.
- (c) No rates will be levied on property owned and occupied by the Msunduzi Municipality.

## 5. MISCELLANEOUS CHARGES:

VOTE 022	SUB 415	ITEM 8436	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
(a)		Revenue Clearance Certificate Application Fee	R 250	R 264	5.60
VOTE 022	SUB 415	ITEM 8150			
(b)		Deeds Registry Search per search	R 15	R 16	5.60
(c)		to search for an prepare any reconciliation, for each hour, or part of an hour, excluding the first half hour, reasonably required fir such search and preperation.	R 80.00	R 84	5.60
		<b>PLUS</b> Administration Fee (Excluding applications made in terms of the Promotion of Access to Information Act, No. 2 of 2000)	R 25	R 26	5.60

## 6. INTEREST RATE AND COLLECTION CHARGE RATE:

(a)	Interest rate per annum	9.5%	10.0%	5.3%
(b)	Collection Charge Rate per annum	10%	10%	0.0%

### 3.2.1 Sale of Water and Sanitation Tariff Increases

South Africa faces similar challenges with regard to water supply as it does with electricity, since demand and growth outstrips supply. Consequently, National Treasury is encouraging



all municipalities to carefully review the level and structure of their water tariffs to ensure that:

- 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 is proposing an 8.7 per cent increase on its bulk tariffs and on sanitation a 5.6% increase as per Circular No. 70 of the MFMA from 1 July 2014.

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

			<u>Water Tariffs</u>		
VOTE	SUB	ITEM	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
787	460	8595			
<b>Water Supply Tariffs</b>					
1	Scale 2 (1) – Domestic				
	Basic Charge ( Except IndigentS)		R 15.83	R 16.71	5.60%
	0kl to 6kl		R 41.14	R 44.72	8.70%
	2 (2) – Domestic				
	7kl to 30kl per kl		R 13.84	R 15.04	8.70%
	2 (3) – Domestic				
	31kl to 60kl per kl		R 20.42	R 22.20	8.70%
	2 (4) _Domestic				
	61kl and over per kl		R 23.84	R 25.91	8.70%
	2 (5) _Domestic				
	Flat rate (unmetered households)		R 63.30	R 66.84	5.60%
2	Scale 3A – Flats, Simplexes				
	Basic Charge		R 15.83	R 16.71	5.60%
	Unit		R 13.05	R 14.81	8.70%
3	Scale 3B – Flats (Non-Rateable)				



# MSUNDUZI ANNUAL BUDGET

## Water Tariffs

<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>	<b>2013/14 Excl. Vat</b>	<b>2014/15 Excl. Vat</b>	<b>% Incr</b>
<b>787</b>	<b>460</b>	<b>8595</b>			
		Basic Charge	R 15.83	R 16.71	5.60%
		Unit	R 17.95	R 19.51	8.70%
4	Scale 4A (1) – Commercial				
	Basic Charge		R 26.38	R 27.85	5.60%
	0 - 30 kl per kl		R 14.81	R 16.09	8.70%
	4A (2) – Commercial				
	31kl to 60kl per kl		R 16.50	R 17.94	8.70%
	4A (3) – Commercial				
	61kl to 100kl per kl		R 19.36	R 21.04	8.70%
	4A (4) – Commercial				
	101kl and over per kl		R 14.81	R 16.09	8.70%
5	Scale 4B – Commercial (Non-Rateable)				
	Basic Charge		R 26.38	R 27.85	5.60%
	Unit		R 18.26	R 19.85	8.70%
6	Scale 5 – Builders, Construction Sites				
	Basic Charge		R 26.38	R 27.85	5.60%
	Unit		R 18.26	R 19.85	8.70%
	Flat Rate - Unmetered Fire Mains		R 158.25	R 167.11	5.60%
7	Scale 6 – Religious Organisations				
	Basic Charge		R 26.38	R 27.85	5.60%
	Unit		R 14.48	R 15.74	8.70%
8	Scale 7 – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council.				
	Basic Charge		R 26.38	R 27.85	5.60%
	Unit		R 14.48	R 15.74	8.70%
10	Scale 8 – Municipal Departments				
	Unit		R 13.83	R 15.03	8.70%

### Indigent Benefit - Domestic Water supply only

Qualifying indigent customers will receive the first 6kl's of water free





## Water Tariffs

VOTE	SUB	ITEM
787	460	8595

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

## INTEREST RATE

1	Interest rate per annum	9.5%	10.0%	5.3%
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### 3.2.2. Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An 8.06 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

Comparison between current electricity charges and increases (Domestic)

## City Electrical Engineers

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

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

### Scale A: Domestic

1	A.I Single-Phase up to 80A –			
	Basic Charge per month(except Indigent)	R 18.38	R 19.73	7.37%
	Net Ampere Charge per amp per phase p.m.	R 7.30	R 7.30	0.00%
	Energy Charge per kWh (cents)	64.78	72.220	11.49%

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 30.62	R 32.88	7.39%
	Net Ampere Charge per amp per phase p.m.	R 5.38	R 5.38	0.00%
	Energy Charge per kWh (cents)	66.01	72.22	9.41



# MSUNDUZI ANNUAL BUDGET

## City Electrical Engineers

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

VOTE	SUB	ITEM
704	412	8409

### Scale S0: Domestic Indigent 20 Amp

Qualifying Indigent customers will receive the first 70kWh of electricity free  
Should be on Prepaid with 20 Amps Current limiting breaker

3	Energy Charge only (cents)	No Basic Charge	87.950	97.090	10.39%
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### Scale S1: Domestic Life Line Tariff 20 Amp

4	Energy Charge only (cents)	No Basic Charge	108.440	116.680	7.60%
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### Scale S2: Domestic Straight Line Tariff 60 Amps 1 phase

5	Energy Charge only (cents)		108.440	116.680	7.60%
	Basic Charge (Included in the monthly Municipal Bill)			R10.00	

### Scale TD1: Time of Use Domestic Single phase

Supply Metered by a Smart Meter

6	Scale TD.1 Time of Use Domestic Single Phase				
	Basic Charge per month			R 39.73	
	Capacity charge per kVA per month			R 7.30	

Energy charge c/kWh (periods as per shown in table below - public holidays treated as normal day)

High Demand: (June, July, August)

Peak	254.310
Standard	83.630
Off Peak	49.720

Low Demand: (Other months)

Peak	89.320
Standard	64.420
Off Peak	44.320

### Scale TD2: Time of Use Domestic Three phase

Supply Metered by a Smart Meter

7	Scale TD.2 Time of Use Domestic Three Phase				
	Basic Charge per month			R 62.88	



## City Electrical Engineers

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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Capacity charge per kVA per month	R 5.38	
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Energy charge c/kWh (periods as per shown in table below - public holidays treated as normal day)

High Demand: (June, July, August)

Peak	254.310
Standard	83.630
Off Peak	49.720

Low Demand: (Other months)

Peak	89.320
Standard	64.420
Off Peak	44.320

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 ≤ 65 kVA

#### 8 Scale B.1 Small Power Single-Phase ≤ 80A

Basic Charge per month	R 47.13	R 50.61	7.39%
Net Ampere Charge per amp per phase p.m.	R 15.36	R 15.36	0.03%
Energy Charge per kWh (cents)	67.85	79.28	16.85%

#### 9 Scale B.3 Small Power Three-Phase ≤ 100A

Basic Charge per month	R 84.51	R 90.75	7.39%
Net Ampere Charge per amp per phase p.m.	R 12.96	R 12.96	0.04%
Energy Charge per kWh (cents)	67.85	79.28	16.85%

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



# MSUNDUZI ANNUAL BUDGET

## City Electrical Engineers

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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### Scale C: Large Power users (Load greater than 65 kVA)

#### 10 Scale C.1 Large Power at LV

Basic Charge per month	R 369.17	R 396.45	7.39%
Demand charge per kVA per month	R 148.17	R 152.33	2.81%
Energy charge per kWh (cents)	63.477	72.590	14.36%

\* 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 TARIFF IS TO BE DISCONTINUED WITH EFFECT FROM 1 JULY 2015

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

#### 11 Energy Charge per kWh

R 3.040	R 3.36	10.53%
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\* The minimum monthly charge payable by the consumer under this scale shall be an amount calculated as aforesaid based on 50% of the highest monthly meter reading in the last twelve months.

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





## City Electrical Engineers

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

### Scale T1: Time Of Use Large customer - MV

#### 12 Scale T.1 Time of use large customer at MV

Basic Charge per month	R 1,845.83	R 1,982.23	7.39%
Demand charge per kVA (Peak and Standard periods only) per month	R 69.25	R 64.38	-7.03%
Access charge per kVA per month. Based on highest of notified or previous 12 months highest demand.	R 22.64	R 28.80	27.21%
Energy charge c/kWh (Periods as per shown in table below - public holidays treated as per table)			
High Demand: (June, July, August)			
Peak	241.260	242.680	0.59%
Standard	78.910	87.520	10.91%
Off Peak	52.370	56.700	8.27%
Low Demand: (Other Months)			
Peak	83.150	92.690	11.47%
Standard	59.410	70.060	17.93%
Off Peak	48.130	51.780	7.58%
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 standard periods only (c/kvarh)			
	6.037	6.210	2.87%

### Scale T2: Time Of Use Large customer at 400 V

#### 13 Scale T.2 Time of use large customer at LV

Basic Charge per month	R 369.17
Demand charge per kVA (Peak and Standard periods only) per month	R 70.82
Access charge per kVA per month. Based on highest of notified or previous 12 months highest demand.	R 63.68
Energy charge c/kWh (Periods as per shown in table below - public holidays treated as per table)	
High Demand: (June, July, August)	
Peak	254.820
Standard	91.900



# MSUNDUZI ANNUAL BUDGET

## City Electrical Engineers

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

Off Peak	59.530	
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Low Demand: (Other Months)

Peak	97.330	
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Standard	73.560	
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Off Peak	54.370	
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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 standard periods only (c/kvarh)	6.040	
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### 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
Sunday			00:00-24:00

**The table below indicates the treatment of public holidays for the Time of Use tariff**

Date	Day	Day of the Week	Day treated as
9 August 2014	National Women's Day	Saturday	Sunday
24 September 2014	Heritage Day	Wednesday	Sunday
16 December 2014	Day of Reconciliation	Tuesday	Sunday
25 December 2014	Christmas Day	Thursday	Sunday
26 December 2014	Day of Goodwill	Friday	Sunday
1 January 2015	New Years Day	Thursday	Sunday
21 March 2015	Human Rights Day	Saturday	Sunday
03 April 2015	Good Friday	Friday	Sunday
06 April 2015	Family Day	Monday	Sunday
27 April 2015	Freedom Day	Monday	Sunday
1 May 2015	Workers Day	Friday	Sunday
16 June 2015	Youth Day	Tuesday	Sunday



## City Electrical Engineers

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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VOTE	SUB	ITEM
703	463	8382

### 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 27.31	R 28.84	5.60%
	Energy charge per 100 Watt per month if not measured	R 21.265	R 22.75	7.00%
	Energy charge if measured (cents) per kWh	58.212	62.287	7.00%
L2	Lights: 24 hour (incl Maintenance)			
	Fixed-R /light/month	R 27.31	R 28.84	5.60%
	Energy charge per 100 Watt per month if not measured	R 76.467	R 81.82	7.00%
	Energy charge if measured (cents) per kWh	62.932	67.338	7.00%
L3	Lights: Whole Night High Mast (incl. Maintenance)			
	Fixed-R /light/month	R 546.29	R 576.88	5.60%
	Energy charge per 100 Watt per month if not measured	R 62.422	R 66.79	7.00%
	Energy charge if measured (cents) per kWh	58.212	67.338	7.00%
L4	Lights: 24 Hrs Traffic (Excl. Maintenance)			
	Maintenance charged at actual cost	Actual Cost	Actual Cost	
	Energy charge per 100 Watt per month if not measured	R 79.467	R 81.82	7.00%
	Energy charge if measured (cents) per kWh	62.932	67.338	7.00%

### INTEREST RATE

1	Interest rate per annum	9.5%	10.0%	5.3%
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## City Electrical Engineers

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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VOTE	SUB	ITEM
713	873	1000

### New Connection

1	Bylaw 27(12)(a)
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# MSUNDUZI ANNUAL BUDGET

## City Electrical Engineers

		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
(a)	Normal domestic business premises:			
	(single phase service connection with a maximum capacity of 80A with a credit meter):	R 3,016	R 3,185	5.60%
	Plus the cost of labour and material			
	(single phase service connection with a maximum capacity of 80A with a prepayment meter):	R 3,693	R 3,900	5.60%
	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 4,000	R 4,224	5.60%
	Second offence	R 5,500	R 5,808	5.60%
	Third or subsequent offence	R 7,000	R 7,392	5.60%
(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 20,000	R 21,120	5.60%
	Second offence	R 35,0,0	R 36,960	5.60%
	Third or subsequent offence	R 50,000	R 52,800	5.60%
(d)	Tampering with Electricity Meters or Metering Installations: Domestic & Business			
	Disconnection Fee	R 712	R 752	5.60%
	Back dated consumption (calculated based on estimated tampering period)			

### NOTE:

Sale of Property Transactions: The responsibility rests with both transacting parties to ensure that the Electrical Compliance Certificate is obtained in respect of an existing service supply.

VOTE	SUB	ITEM
713	873	1000



## City Electrical Engineers

		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
(e)	<b><u>Additional Charges: Illegal Connection and Reconnection</u></b>			
(i)	Copper Theft			
	Theft of Material	Immediate Arrest	Immediate Arrest	
	Buying of stolen material	Immediate Arrest	Immediate Arrest	
(ii)	Illegal service connection - Connector	Immediate Arrest	Immediate Arrest	
(iii)	Interference with other consumer's equipment	R 1,139	R 1,203	5.60%
(iv)	Failure to comply with any issued notice	R 228	R 241	5.60%
(v)	Improper use of Electricity	R 570	R 602	5.60%
(vi)	Property access to inspect equipment is denied	R 342	R 361	5.60%
(vii)	Refusing to provide information	R 228	R 228	5.60%
(viii)	Rendering false information	R 228	R 228	5.60%
(ix)	Refusal of admittance	R 228	R 228	5.60%
(x)	Restricted access to meter room	R 228	R 228	5.60%
(xi)	Resale of electricity without a license or approval	R 228	R 228	5.60%
(xii)	Selling or supplying electricity without authority	R 570	R 602	5.60%
(xiii)	Standby Equipment connected to network without authority	R 570	R 602	5.60%
(f)	Tampering with installed anti-tampering seals	R 2,279	R 2,406	5.60%
(g)	Use of Electricity supply without a signed consumer agreement with the Municipality	R 570	R 602	5.60%
(h)	Unkept substation equipment accommodation room	R 570	R 602	5.60%
(i)	Unkept meter rooms	R 570	R 602	5.60%
(j)	Unlocked meter rooms	R 570	R 602	5.60%

VOTE	SUB	ITEM
713	873	1000





# MSUNDUZI ANNUAL BUDGET

## City Electrical Engineers

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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### 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 (kVA)	Basic Charge (Rands)		Basic Charge if no substation provided (Rands)	
	2013/14	2014/15	2013/14	2014/15
0 - 25	3,883	4,093	0	0
26 - 50	7,281	7,674	0	0
51 - 65	9,261	9,761	0	0
66 - 100	13,941	14,694	0	0
101 - 130	17,917	18,885	0	0
131 - 200	27,338	28,814	0	0
201 - 315	68,899	72,620	22,185	23,383
316 - 500	81,369	85,763	48,369	50,981
501 - 800	100,832	106,277	88,394	93,167
801 - 1000	119,348	125,793	119,348	125,793
More than 1000 kva				101 *kva + 1620

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

### 2 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 208	R 220	5.60%
(b)	For a single phase service up to 60A	R 1,387	R 1,465	5.60%



## City Electrical Engineers

			2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
	<b>VOTE</b>	<b>SUB</b>			
	<b>704</b>	<b>415</b>			
		<b>ITEM</b>			
		<b>8506</b>			
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				
		business	R 712	R 752	5.60%
		domestic	R 317	R 334	5.60%
	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 948	R 1,001	5.60%
(c)	on the consumer's request for a temporary disconnection (low voltage supply)		R 589	R 621	5.60%
(d)	where a consumer's supply is disconnected at the supply mains		R 1,151	R 1,216	5.60%
2	Fee for attendance in connection with a failure of supply		R 147	R 155	5.60%
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 708	R 747	5.60%
		Subsequent visits/inspections	R 353	R 372	5.60%
(ii)	Any other installation		Actual Cost	Actual Cost	
(b)	fee for inspection of meter box upon certification by electrical contractor that a meter box is ready for inspection				
(i)	First inspection		No Charge	No Charge	
(ii)	Any subsequent inspection		R 249	R 263	5.60%



# MSUNDUZI ANNUAL BUDGET

## City Electrical Engineers

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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VOTE	SUB	ITEM
704	415	8506

4	Fee for testing accuracy of meter			
(a)	Single-phase	R 433	R 457	5.60%
(b)	Three-phase	R 645	R 681	5.60%
(c)	Maximum demand	Actual Cost	Actual Cost	
5	Fee for testing accuracy of tariff mcb			
(a)	Single-phase service	R 381	R 402	5.60%
(b)	Three-phase service	R 541	R 571	5.60%
6	Fee for change of tariff mcb			
(a)	Single-phase service	No Charge	No Charge	
(b)	Three-phase service	R 22	R 23	5.60%
7	Fee for checking meter reading	R 119	R 126	5.60%

VOTE	SUB	ITEM
704	415	8010

8	Accounting Charge	R 141	R 148	5.60%
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Funding has been allocated to the electricity infrastructure budget 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.

### **3.2.3 Landfill Site and Impact of Tariff Increases**

A tariff increase of 5.6 per cent for landfill site from 1 July 2014 is proposed. This proposal is in line with Circular No.70 of the MFMA taken into account inflation forecasts of 5.6 per cent into consideration.

# 2014/15 to 2016/17



			2013/14	2014/15	
			Excl. Vat	Excl. Vat	% Incr
VOTE	SUB	ITEM			
185	469	8556			
1		The tariff for the disposal of refuse at the New England Road Landfill Site –			
	(a)	general domestic refuse, inert trade refuse, per 250kg or part thereof	R 37.60	R 39.70	5.60%
	(b)	mixed refuse (garden, domestic, trade refuse, including builder's rubble) per 250kg or part thereof	R 37.60	R 39.70	5.60%
	(c)	industrial sludges, subject to agreement and approval by the Landfill Manager per 250kg or part thereof	R 162.11	R 171.19	5.60%
	(d)	builder's rubble and excavated material per 250kg or part thereof	R 12.27	R 12.95	5.60%
	(e)	bulk food waste and condemned food per 250kg or part thereof	R 85.08	R 89.84	5.60%
	(f)	garden refuse, per 250kg or part thereof	R 12.27	R 12.95	5.60%
	(g)	finely divided excavated material with the maximum stone content of 10% and maximum stone size of 100mm per 250kg or part thereof	R 5.65	R 5.96	5.60%
	(h)	Sawdust and woodwaste, per 250kg or part thereof	R 57.28	R 60.49	5.60%
	Provided that no charge shall be payable for the disposal of –				
	(i)	garden refuse by <u>bona fide</u> householders where such refuse is conveyed in motor cars, trailers with a nominal capacity not greater than 0,5 tonne and light delivery vehicles with a nominal capacity not greater than 1 tonne and deposited in the garden refuse containers.	Existing concession	Existing concession	
	(ii)	builder's rubble by <u>bona fide</u> householders and casual builders where such rubble is conveyed in vehicles with a nominal capacity not greater than 1 tonne and deposited in the demarcated area on the Landfill site.	1 Tonne – limit	1 Tonne – limit	
	(iii)	garden refuse by <u>bona fide</u> householders where such refuse is conveyed in vehicles with a nominal capacity not greater than 1 tonne and deposited in the demarcated area on the Landfill Site	1 Tonne –limit	1 Tonne –limit	
	(iv)	soil, ash and sand which the Landfill Site Manager has agreed in advance is suitable cover material, delivered in trucks of minimum 5 tonne capacity.	No change to existing concession	No change to existing concession	
2		Tariff for the voluntary weighing of vehicles (per vehicle)	R 31.04	R 32.78	5.60%
3		That parking of a vehicle, trailer or container be not more than 8 hours at the New England Road Site, or on the road reserve adjacent to the site			
		For each 8 hour period (per unit)	R 343.84	R 363.10	5.60%
4		Building Rubble: deposit payable when submitting a building plan for approval and refundable upon proof of disposal on the landfill site.	R 1,156.10	R 1,220.84	5.60%
5		Illegal Dumping: a collection and disposal fee per 1,75m³ container load for refuse or rubble dumped on a road verge in front of or next to a property.	R 1,141.21	R 1,205.12	5.60%
6		Florescent Tubes – complete tubes to be deposited in specialized containers located in the recycling area.			
		Per 250 kgs or part thereof	R 74.42	R 78.59	5.60%



# MSUNDUZI ANNUAL BUDGET

## 1.3.4 Refuse

A tariff increase of 5.6 per cent for refuse from 1 July 2014 is proposed.

### Refuse Removal Tariffs

VOTE	SUB	ITEM
182	469	8439

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

Standard charges for Domestic and Commercial Refuse Removal  
Based on relevant Electricity Scale

### Refuse Removal Tariffs

1	Domestic			
	Single phase up to 80A	R 74.47	R 78.64	5.60%
	Three phase up to 100A	R 74.47	R 78.64	5.60%
	Prepayment Meter	R 74.46	R 78.63	5.60%
2	Home Business			
	Single phase up to 80A	R 112.89	R 119.21	5.60%
	Three phase up to 100A	R 112.89	R 119.21	5.60%
	Prepayment Meter	R 112.89	R 119.21	5.60%
3	Small Power Users - Business/Commercial			
	Single phase up to 80A	R 213.34	R 225.29	5.60%
	Three phase up to 100A	R 213.34	R 225.29	5.60%
4	Large Power Users – Business/Commercial			
	Supply taken at 400V	R 213.34	R 225.29	5.60%
	Supply taken at 6.6 or 11kV	R 213.34	R 225.29	5.60%
5	Flats/Simplexes	R 63.10	R 66.64	5.60%
6	Indigent Tariff (Under Review)			
7	Previously PHB Housing and Informal Settlements (MASS HOUSING) - per household per month	R 15.00	R 15.84	5.60%





## Refuse Removal Tariffs

VOTE	SUB	ITEM
182	469	8439

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

- 8 Central Business District  
Main cbd bordered by East(Massukwane), Winston/Victoria, Bulwer, Boschoff, Alan Paton, Prince Alfred, Railway, Pine. Greytown Rd form East To Trichy, Balhambra Way from Greytown Road to Newholme Way, Khan Road from Greytown Road to Deccan Road, Mysore Road from Greytown Road to Bangalore Road, Alan Paton up till King Edward Ave.

R 283.71 R 283.71 5.5%

### Note: Home Business

Refers to a property previously rated as residential where an owner or lessee runs a small business from the premises 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.

### INTEREST RATE PER ANNUM

9.5% 9.5% 0.00%

## Refuse Removal Tariffs

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

VOTE	SUB	ITEM
182	469	8439

- 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.

2. (a) Removal of additional domestic refuse: **Excluding Central Business District**

Normal days per collection –

- |      |                                  |      |      |       |
|------|----------------------------------|------|------|-------|
| (i)  | 3 x 85l bins or part thereof     | R 23 | R 25 | 5.60% |
| (ii) | 240l wheeled bin or part thereof | R 23 | R 25 | 5.60% |

- (b) Other than normal removal days, per collection –

- |     |                              |       |       |       |
|-----|------------------------------|-------|-------|-------|
| (i) | 3 x 85l bins or part thereof | R 143 | R 151 | 5.60% |
|-----|------------------------------|-------|-------|-------|



# MSUNDUZI ANNUAL BUDGET

## Refuse Removal Tariffs

		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr						
(c)	Where Council refuse containers are used on high density residential developments (simplexes, duplexes, cluster homes etc). The charge for a 1,75m <sup>3</sup> container for approx. 10 units, one clearance per week, subject to agreement with the Waste Management Division.	R 234	R 247	5.60%						
3. (a)	Removal of additional domestic refuse: <b>Central Business District</b> Normal days per collection –									
(i)	3 x 85l bins or part thereof	R 24	R 25	5.60%						
(ii)	240l wheeled bin or part thereof	R 24	R 25	5.60%						
(b)	Other than normal removal days, per collection –									
(i)	3 x 85l bins or part thereof	R 146	R 154	5.60%						
(c)	Where Council refuse containers are used on high density residential developments (simplexes, duplexes, cluster homes etc).The charge for a 1,75m <sup>3</sup> container for approx. 10 units, one clearance per week, subject to agreement with the Waste Management Division.	R 238	R 251	5.60%						
4. (a)	Removal of trade refuse (Industrial/Commercial): Normal days, per collection –									
(i)	3 x 85l bins or part thereof	R 62	R 65	5.60%						
(ii)	210l drum or part thereof	R 62	R 65	5.60%						
(iii)	240l bin or part thereof	R 62	R 65	5.60%						
(iv)	Removal of additional refuse as per 3(a)(i)-(iii)	R 62	R 65	5.60%						
(b)	Other than normal removal days, per collection –									
(i)	3 x 85l bins or part thereof	R 137	R 144	5.60%						
(ii)	210l drum or part thereof	R 137	R 144	5.60%						
(iii)	240l bin or part thereof	R 137	R 144	5.60%						
<table><tr><td><b>VOTE</b></td><td><b>SUB</b></td><td><b>ITEM</b></td></tr><tr><td><b>183</b></td><td><b>469</b></td><td><b>8046</b></td></tr></table>					<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>	<b>183</b>	<b>469</b>	<b>8046</b>
<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>								
<b>183</b>	<b>469</b>	<b>8046</b>								
5	Removal of industrial refuse (Industrial/Commercial):									
(a) (i)	per load or part thereof loaded by the Executive Manager (maximum 15 m <sup>3</sup> ) removed as a once off clearance.	R 2,346	R 2,478	5.60%						
(ii)	bulk refuse containers (15 m <sup>3</sup> ) hire thereof, including a once off clearance.	R 1,766	R 1,865	5.60%						
(iii)	bulk refuse containers (maximum 15 m <sup>3</sup> ) hire thereof, including one clearance per week.	R 1,710	R 1,806	5.60%						
(iv)	second clearance	R 1,184	R 1,250	5.60%						
(v)	each additional clearance	R 1,063	R 1,122	5.60%						



## Refuse Removal Tariffs

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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VOTE	SUB	ITEM
182	469	8439

(b) small mobile refuse containers (approx. 0,24m<sup>3</sup>) available in Otto Bin serviced areas only:

(i)	hire thereof, including one clearance per week.	R 66	R 70	5.60%
(ii)	second clearance	R 49	R 52	5.60%
(iii)	each additional clearance	R 45	R 48	5.60%

(c) small mobile refuse containers (approx. 1 m<sup>3</sup>) available in Otto Bin services areas only:

(i)	hire thereof, including one clearance per week.	R 262	R 277	5.60%
(ii)	second clearance	R 193	R 204	5.60%
(iii)	each additional clearance	R 169	R 178	5.60%

(d) small mobile refuse containers (approx. 2 m<sup>3</sup>):

(i)	hire thereof as a once off clearance	R 426	R 450	5.60%
(ii)	hire per week, including one clearance	R 387	R 409	5.60%
(iii)	second clearance	R 201	R 212	5.60%
(iv)	each additional clearance	R 176	R 186	5.60%

VOTE	SUB	ITEM
182	469	8439

(e) 7 m<sup>3</sup> refuse skips available in south-west area only:

(i)	hire thereof, including one clearance per week.	R 856	R 904	5.60%
(ii)	second clearance	R 600	R 633	5.60%
(iii)	each additional clearance	R 510	R 539	5.60%

6 The tariff for the removal of refuse from properties owned by the State & Municipal Departments:

240l

(i)	hire thereof, including one clearance per week.	R 66	R 70	5.60%
(ii)	second clearance	R 49	R 52	5.60%
(iii)	each additional clearance	R 45	R 48	5.60%

1 100l

(i)	hire thereof, including one clearance per week.	R 251	R 265	5.60%
(ii)	second clearance	R 185	R 195	5.60%
(iii)	each additional clearance	R 157	R 166	5.60%



# MSUNDUZI ANNUAL BUDGET

## Refuse Removal Tariffs

**2013/14**   **2014/15**  
**Excl. Vat**   **Excl. Vat**   **% Incr**

1,75m<sup>3</sup>

(i)	hire thereof, including once off clearance	R 408	R 431	5.60%
(ii)	hire per week, including one clearance per week	R 371	R 391	5.60%
(iii)	second clearance	R 192	R 203	5.60%
(iv)	each additional clearance	R 169	R 178	5.60%

7m<sup>3</sup>

(i)	hire thereof, including one clearance per week	R 819	R 865	5.60%
(ii)	Second clearance	R 579	R 611	5.60%
(iii)	Each additional clearance	R 488	R 516	5.60%

VOTE	SUB	ITEM
<b>183</b>	<b>469</b>	<b>8046</b>

15m<sup>3</sup>

(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 2,346	R 2,478	5.60%
(ii)	hire thereof, including a once off clearance	R 1,766	R 1,865	5.60%
(iii)	hire thereof, including once clearance per week	R 1,710	R 1,806	5.60%
(iv)	second clearance	R 1,200	R 1,267	5.60%
(v)	each additional clearance	R 1,063	R 1,122	5.60%

20m<sup>3</sup>

(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 3,128	R 3,304	5.60%
(ii)	hire thereof, including a once off clearance	R 2,355	R 2,487	5.60%
(iii)	hire thereof, including once clearance per week	R 2,281	R 2,408	5.60%
(iv)	second clearance	R 1,600	R 1,689	5.60%
(v)	each additional clearance	R 1,417	R 1,496	5.60%

25m<sup>3</sup>

(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 3,911	R 4,130	5.60%
(ii)	hire thereof, including a once off clearance	R 2,944	R 3,109	5.60%
(iii)	hire thereof, including once clearance per week	R 2,851	R 3,010	5.60%
(iv)	second clearance	R 2,000	R 2,112	5.60%
(v)	each additional clearance	R 1,771	R 1,870	5.60%

DESCRIPTION	VOTE	SUB	ITEM
Domestic – Outside Refuse Removal Area	<b>182</b>	<b>469</b>	<b>8439</b>



## Refuse Removal Tariffs

	2013/14	2014/15	
	Excl. Vat	Excl. Vat	% Incr

Commercial – Outside Refuse Removal Area	183	469	8046
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7 Removal and clearances from properties outside the refuse removal area:

### Services provided by the Executive Manager

8 Dead animals (per carcass) during working hours –

(a) (i)	dog or cat	R 402	R 425	5.60%
(ii)	sheep, goat, calf or pig	R 603	R 637	5.60%
(iii)	ox, cow, bull, horse, mule or donkey	R 1,301	R 1,374	5.60%
(b) outside working hours –				
(i)	dog or cat	R 449	R 474	5.60%
(ii)	sheep, goat, calf or pig	R 1,140	R 1,204	5.60%
(iii)	ox, cow, bull, horse, mule or donkey	R 2,280	R 2,407	5.60%

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 134	R 142	5.60%
(ii)	after normal working hours	R 483	R 510	5.60%

(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.

### 1.3.5 Other Revenue

1.3.5.1 Primary/major source of other revenue include the following

- Revenue from the Airport
- Rental of facilities
- Markert
- Forestry

1.3.5.2 Revenue from the airport

The airport income reflects an increase of 30% in the 2014/2015 financial year. This increase is due to the higher passenger traffic as two new airlines started operating this year namely SA express and last year Federal Air. The airport terminal has been extended and this comes with increased trading spaces that will generate more rental income.





The two outer years should remain stable within the 10%, above inflation as the municipality is further anticipating an increase in its revenue relating to the airport with the proposed R 2 billion technology park that would target the aviation and manufacturing industries.

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### **1.3.5.3 Rental of facilities**

In the previous financial years, the municipality did not effectively manage the revenue relating to the rental of facilities. The municipality has however included this as part of its strategy to turn around the situation and to improve its credit management as a whole. This is expected to boost the revenue by at least 55% in the coming financial year. This has been based on the trend results since the implementation of the consolidated billing & vigorous disconnections by the municipality on these properties. The two outer years are anticipated to be at 9% and 5% respectively, based on current trends and the fact that the old debt relating to the properties will be settled within the 2014/2015 financial year

### **1.3.5.4 Forestry**

Forestry reflects a 100% increase which is above the 6% inflation rate, this is due to a significant portion of the forest estate being matured for harvesting during the 2014/15 financial year. It is envisaged that this will decrease significantly owing to a decrease in forestry to be harvested in the outer years.

## **1.4 Operating Expenditure Framework**

The City's expenditure framework for the 2014/15 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 were 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 plans no budget. If there is no business plan no funding allocation can be made.



The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>	<b>1</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>								
<b>Expenditure By Type</b>												
Employee related costs	2	648,294	668,305	686,988	779,721	764,521	764,521	764,521	855,887	920,778	991,388	
Remuneration of councillors		18,418	31,427	33,422	36,419	36,419	36,419	36,419	39,272	42,350	45,659	
Debt impairment	3	96,000	58,210	217,794	137,510	137,510	137,510	137,510	144,577	154,586	164,979	
Depreciation & asset impairment	2	253,513	273,702	237,206	222,212	222,212	222,212	222,212	259,469	268,183	281,592	
Finance charges		71,568	72,134	70,966	64,600	64,600	64,600	64,600	60,738	54,782	50,025	
Bulk purchases	2	994,366	1,219,818	1,373,241	1,493,890	1,491,890	1,491,890	1,491,890	1,479,522	1,577,336	1,711,641	
Other materials	8	-	-	-	23,861	23,861	23,861	23,861	25,198	26,558	27,992	
Contracted services		13,766	21,091	17,769	57,176	57,176	57,176	57,176	93,051	94,359	89,323	
Transfers and grants		195	196	216	5,027	5,027	5,027	5,027	5,408	5,678	5,962	
Other expenditure	4, 5	269,625	394,935	638,236	404,483	379,332	379,332	379,332	537,133	586,904	631,696	
Loss on disposal of PPE		(37)	(941)	(1,647)	-	-	-	-	-	-	-	
<b>Total Expenditure</b>		<b>2,365,707</b>	<b>2,738,877</b>	<b>3,274,191</b>	<b>3,224,899</b>	<b>3,182,549</b>	<b>3,182,549</b>	<b>3,182,549</b>	<b>3,500,255</b>	<b>3,731,515</b>	<b>4,000,256</b>	

Table 6 Summary of operating expenditure by standard classification item

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
					Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>	<b>1</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>								
<b>Expenditure - Standard</b>												
<i>Municipal governance and administration</i>		121,132	52,006	347,299	478,471	462,562	462,562	462,562	691,420	610,593	639,297	
Executive and council		-	21	(15,170)	63,134	61,146	61,146	61,146	384,298	401,445	413,415	



# MSUNDUZI ANNUAL BUDGET

Ref	Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17		
1	R thousand											
	Mayor and Council		-	(0)	22,116	21,443	21,443	343,048	355,617	367,143		
	Municipal Manager		21	(15,170)	41,019	39,704	39,704	41,250	45,828	46,272		
	Budget and treasury office	36,393	45,359	362,097	210,837	217,856	217,856	200,157	99,997	104,960		
	Corporate services	84,739	6,626	372	204,500	183,560	183,560	106,965	109,150	120,923		
	Human Resources	-	6,626	372	41,292	40,717	40,717	74,318	80,149	90,215		
	Information Technology	-	-	-	24,947	22,822	22,822	24,752	20,761	21,938		
	Property Services	46,723	-	-	63,070	60,920	60,920	-	-	-		
	Other Admin	38,017	0	0	75,191	59,102	59,102	7,895	8,241	8,770		
	Community and public safety	403,145	470,097	448,320	389,983	385,165	385,165	421,741	412,761	403,557		
	Community and social services	44,617	90,933	89,733	62,957	62,134	62,134	99,202	96,099	76,748		
	Libraries and Archives	31,877	30,153	32,759	48,831	48,124	48,124	48,666	48,482	27,612		
	Museums & Art Galleries etc	5,831	6,074	5,108	5,347	5,247	5,247	3,262	3,509	3,765		
	Community halls and Facilities	-	23,028	23,093	-	-	-	7,792	8,330	8,868		
	Cemeteries & Crematoriums	6,717	7,140	7,180	8,357	8,357	8,357	6,912	4,981	5,288		
	Child Care	-	-	-	-	-	-	-	-	-		
	Aged Care	172	-	-	185	170	170	-	-	-		
	Other Community	-	24,539	21,593	-	-	-	32,569	30,797	31,214		
	Other Social	20	-	-	237	237	237	-	-	-		
	Sport and recreation	94,720	104,373	104,649	75,535	73,933	73,933	81,358	80,968	81,978		
	Public safety	173,748	185,265	188,045	205,998	203,977	203,977	196,317	191,191	199,520		
	Police	98,591	115,401	113,432	103,558	103,024	103,024	121,460	121,481	128,800		
	Fire	58,125	62,824	66,134	62,940	62,720	62,720	65,810	62,150	63,075		
	Civil Defence	7,225	7,040	8,480	8,242	8,237	8,237	9,047	7,560	7,644		
	Street Lighting	9,806	-	-	19,522	18,322	18,322	-	-	-		
	Other	-	-	-	11,736	11,676	11,676	-	-	-		
	Housing	34,718	31,956	31,422	19,696	19,491	19,491	25,149	25,247	25,658		
	Health	55,342	57,570	34,470	25,797	25,631	25,631	19,716	19,256	19,653		
	Clinics	22,860	25,194	3,397	7,041	7,041	7,041	408	417	355		
	Ambulance	-	-	-	-	-	-	-	-	-		



Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
Other		32,483	32,376	31,073	18,756	18,591	18,591	19,308	18,839	19,298
<b>Economic and environmental services</b>		<b>217,368</b>	<b>359,601</b>	<b>351,985</b>	<b>112,985</b>	<b>101,991</b>	<b>101,991</b>	<b>462,751</b>	<b>464,630</b>	<b>556,317</b>
Planning and development		<b>38,536</b>	<b>62,855</b>	<b>56,981</b>	<b>72,382</b>	<b>71,199</b>	<b>71,199</b>	<b>128,290</b>	<b>126,201</b>	<b>94,451</b>
Economic Development/Planning		33,034	37,908	31,727	68,632	67,449	67,449	100,997	101,087	67,793
Town Planning/Building enforcement		-	19,399	18,664		-	-	22,216	19,695	21,147
Licensing & Regulation		5,502	5,548	6,590	3,750	3,750	3,750	5,077	5,420	5,511
Road transport		<b>178,832</b>	<b>296,745</b>	<b>295,004</b>	<b>40,603</b>	<b>30,792</b>	<b>30,792</b>	<b>334,461</b>	<b>338,428</b>	<b>461,867</b>
Roads		165,169	256,035	243,126	29,931	20,352	20,352	40,614	51,521	52,376
Public Buses		11,076	35,991	46,853	8,317	8,187	8,187	293,680	284,954	393,181
Parking Garages		764	-	-	645	545	545	-	-	-
Vehicle Licensing and Testing		-	-	-	-	-	-	-	-	-
Other		1,823	4,719	5,025	1,710	1,710	1,710	168	1,954	16,309
Environmental protection		-	-	-	-	-	-	-	-	-
Pollution Control										
Biodiversity & Landscape										
Other										
<b>Trading services</b>		<b>1,570,083</b>	<b>1,812,087</b>	<b>2,071,314</b>	<b>2,180,746</b>	<b>2,170,727</b>	<b>2,170,728</b>	<b>1,893,221</b>	<b>2,218,159</b>	<b>2,374,334</b>
Electricity		<b>936,217</b>	<b>1,151,810</b>	<b>1,386,135</b>	<b>1,482,680</b>	<b>1,477,494</b>	<b>1,477,494</b>	<b>1,374,093</b>	<b>1,508,952</b>	<b>1,613,629</b>
Electricity Distribution		936,217	1,151,810	1,386,135	1,482,680	1,477,494	1,477,494	1,374,093	1,508,952	1,613,629
Electricity Generation						-	-	-	-	-
Water		<b>416,245</b>	<b>436,901</b>	<b>447,367</b>	<b>573,488</b>	<b>572,648</b>	<b>572,648</b>	<b>406,791</b>	<b>471,900</b>	<b>508,264</b>
Water Distribution		416,245	436,901	447,367	573,488	572,648	572,648	406,791	471,900	508,264
Water Storage								-	-	-
Waste water management										
Sewerage		<b>126,757</b>	<b>116,055</b>	<b>130,627</b>	<b>23,555</b>	<b>20,941</b>	<b>20,941</b>	<b>9,621</b>	<b>121,422</b>	<b>129,864</b>
Storm Water Management		112,252	116,055	130,627	8,951	8,951	8,951	9,621	121,422	129,864
Public Toilets		6,818	-	-	14,605	11,990	11,990	-	-	-
Waste management		7,687	-	-	-	-	-	-	-	-
		<b>90,864</b>	<b>107,321</b>	<b>107,185</b>	<b>101,024</b>	<b>99,646</b>	<b>99,646</b>	<b>102,716</b>	<b>115,884</b>	<b>122,577</b>





# MSUNDUZI ANNUAL BUDGET

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>	<b>1</b>										
Solid Waste		90,864	107,321	107,185	101,024	99,646	99,646	102,716	115,884	122,577	
Other		53,980	45,086	55,274	62,713	62,104	62,104	31,122	25,372	26,751	
Air Transport		11,613	12,063	15,784	269	269	269	16,549	10,673	11,063	
Abattoirs		-	-	-					-		
Tourism		-	-	-					-		
Forestry		10,602	40	43			-	45	48	51	
Markets		31,765	32,983	39,447	62,444	61,836	61,836	14,528	14,651	15,637	
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>2,365,707</b>	<b>2,738,877</b>	<b>3,274,191</b>	<b>3,224,898</b>	<b>3,182,549</b>	<b>3,182,549</b>	<b>3,500,255</b>	<b>3,731,515</b>	<b>4,000,256</b>	
<b>Surplus/(Deficit) for the year</b>		<b>179,433</b>	<b>139,963</b>	<b>93,588</b>	<b>449,744</b>	<b>490,424</b>	<b>490,423</b>	<b>364,144</b>	<b>549,109</b>	<b>523,177</b>	

The budgeted allocation for employee related costs for the 2014/15 financial year totals to R855.9 million, which equates to 24 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 8 per cent for the 2014/15 financial year. An annual increase of 7 per cent has been included in the two outer years of the MTRF respectively. Included in this amount is a provision of R 60 million for vacant posts due to retirement, death etc. that became vacant during the financial year.

The average CPI for the period from February 2013 to 31 January 2014 is 5.79 per cent. In terms of MFMA Circular No.72 a provision of 6.79 per cent (5.79 percent plus 1 percent) should be provided. The Msunduzi Municipality has provided 8 per cent in the draft budget.

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). An increase of 8.0 per cent has been projected for councillor's 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 2014/15 financial year this amount equates to R145 million and for the two outer years remains at the 95% 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 R259 million for the 2014/15 financial and equates to 7.2 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 payment of interest on long-term borrowing (cost of capital). The decrease of interest payable is expected as a significant portion of debt exposure will be fully redeemed during the 2014/15 financial year. Finance charges represent 1.7 per cent (R61 million) of total operating expenditure.

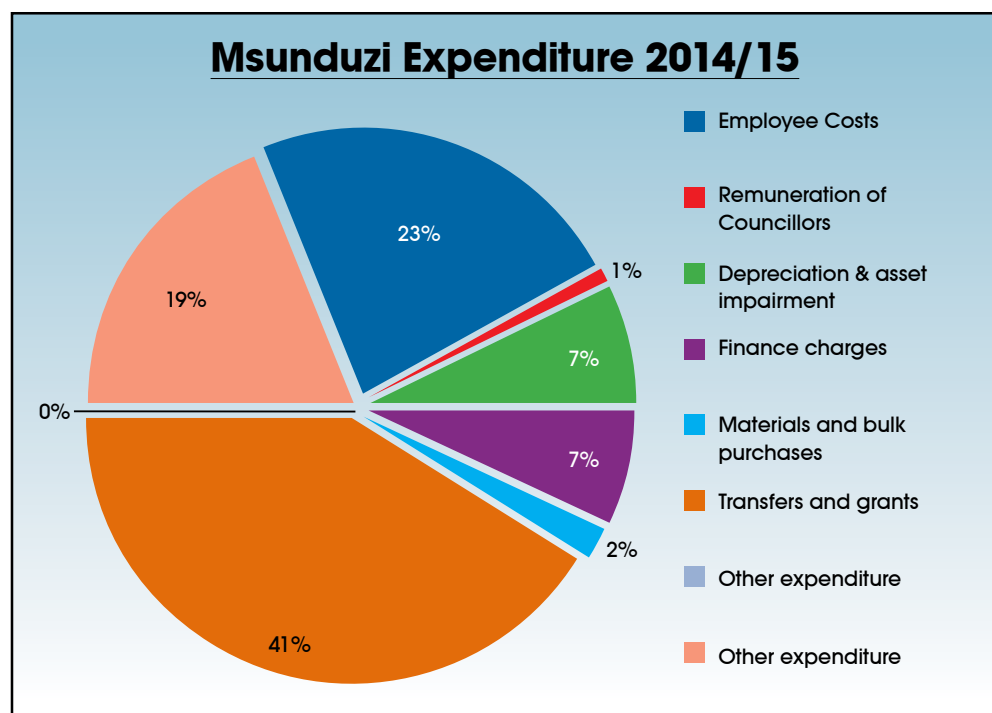
Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Umgeni Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure includes distribution losses. In terms of electricity bulk purchases a provision of 8.06 per cent and water 8.3 per cent has been made in the 2014/15 financial year as per NERSA's guideline and Umgeni Water pending approval by Minister of Water Affairs respectively.

Contracted services had been identified as a cost saving area for the City. As part of the compilation of the 2014/15 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2014/15 financial year, this group of expenditure totals to R93 million.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Included in Other expenditure is Insurance, which reflects a significant increase of 42% which is due to a review of insurable interest to include the broader items of infrastructure such as water pipelines and bulk electrical reticulation infrastructure but this is still provisional and the finality is subject to the risk appetite of the market. There was a huge increase under repairs and maintenance from R79 million to R291 million in the 2013/14 to 2014/15 financial year.

This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Cost containment measures must be implemented to eliminate waste, reprioritize spending and ensure savings on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering and events costs as well as costs for accommodation. In pursuing value for money and curtailing unnecessary costs municipalities are strongly urged to take cognizance of the cost containment measures as approved by Cabinet and align their budgeting policies to these guidelines to the maximum extent possible. Municipalities must pay special attention to cost containing measures and controlling unnecessary spending on nice-to-have items and non-essential activities.

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.



**Figure 1 Main operational expenditure categories for the 2014/15 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 2014/15 budget and MTREF provides for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and the 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. Asset management is a strategic imperative for any municipality and needs to be prioritized as a spending objective in the budget of municipalities.

## 1.5 Capital expenditure

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

**Table 7 2014/15 Medium-term capital budget per funding**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
R thousand	1, 2									
RECEIPTS:										
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>73,225</b>	<b>138,340</b>	<b>208,599</b>	<b>386,670</b>	<b>389,761</b>	<b>389,761</b>	<b>283,897</b>	<b>464,283</b>	<b>470,992</b>
Municipal Infrastructure Grant (MIG)		48,348	138,340	153,399	154,824	151,312	151,312	159,158	166,213	173,983
Public Transport and Systems		11,663		45,000	100,846	100,846	100,846	100,000	220,000	250,000
Neighbourhood Development Partnership				700				10,350	10,737	11,288
Rural Households Infrastructure				4,500						
Dept of Mineral/Electricity		3,757		5,000	8,000	8,000	8,000			
Integrated National Electrification Programme					123,000	123,000	123,000	3,000	9,000	9,000
Municipal Water Infrastructure Grant		9,457				353	353			
<b>Provincial Government:</b>		<b>11,429</b>	<b>11,836</b>	<b>19,315</b>	<b>-</b>	<b>25,460</b>	<b>25,460</b>	<b>9,927</b>	<b>58,333</b>	<b>26,721</b>
Airport Development Project		11,429	11,836	19,315		16,200	16,200	-	-	-
Sport and Recreation				2,100				150		



# MSUNDUZI ANNUAL BUDGET

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>	<b>1</b>									
Corridor Development										
KZNPA										
Treasury										
COGTA										
Other grant providers:										
Carnegie										
Cementry Trust										
<b>Total Capital Transfers and Grants</b>	<b>5</b>	<b>84,654</b>	<b>150,176</b>	<b>228,049</b>	<b>386,670</b>	<b>417,648</b>	<b>417,648</b>	<b>293,824</b>	<b>473,283</b>	<b>470,992</b>

Total capital expenditure for 2014/15 financial year amounts to R513.8 million and is made up of R293.8 million grant funding, R100 million loan and R120 million internal funded projects. Priority still needs to be given to the:

- Expediting spending on capital projects that are funded by conditional grants
- Ensuring that borrowed funds are invested in revenue generating assets as part of the capital programme
- Ensuring that the capital budget reflect consistent efforts to address the backlogs in basic services and the renewal of the infrastructure of existing network services existing

## 1.6 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 2014/15 budget and MTRF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

**Table 7 Capital Budget Summary by Funding source**

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>	<b>1</b>									
<b>Funded by:</b>										
National Government		73,020	123,449	189,180	383,158	391,760	391,760	283,897	464,283	470,992
Provincial Government		11,429	25,621	31,139	31,139	25,459	25,459	9,927	9,000	-





Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand	1											
District Municipality		–	–	–	–					–		
Other transfers and grants		205	–	–	–	2,427	2,427	2,427		–		
Transfers recognised - capital	4	84,654	149,070	220,319	383,158	419,646	419,646	419,646	293,824	473,283	470,992	
Public contributions & donations	5	–	–	–	–				–			
Borrowing	6	26,495	–	–	–	4,193	4,193	4,193	100,000			
Internally generated funds		–	74,889	–	60,000	99,294	99,294	99,294	203,930	319,316	194,988	
Total Capital Funding	7	111,149	223,959	220,319	443,159	523,133	523,133	523,133	597,754	792,599	665,980	

Table 8 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Financial Performance</b>											
Property rates	474,615	536,555	625,458	644,671	644,671	644,671	644,671	698,283	736,415	775,470	
Service charges	1,449,717	1,678,603	1,968,855	2,147,016	2,104,664	2,104,664	2,104,664	2,234,125	2,398,438	2,569,602	
Investment revenue	12,823	25,951	34,328	27,029	27,029	27,029	27,029	32,247	33,988	35,824	
Transfers recognised - operational	387,733	500,669	566,470	383,848	383,848	383,848	383,848	415,372	436,640	458,643	
Other own revenue	135,598	137,063	172,668	88,920	88,920	88,920	88,920	190,549	201,859	212,903	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,460,486</b>	<b>2,878,840</b>	<b>3,367,779</b>	<b>3,291,485</b>	<b>3,249,133</b>	<b>3,249,133</b>	<b>3,249,133</b>	<b>3,570,575</b>	<b>3,807,340</b>	<b>4,052,442</b>	
Employee costs	648,294	668,305	686,988	779,721	764,521	764,521	764,521	855,887	920,778	991,388	
Remuneration of councillors	18,418	31,427	33,422	36,419	36,419	36,419	36,419	39,272	42,350	45,659	
Depreciation & asset impairment	253,513	273,702	237,206	222,212	222,212	222,212	222,212	259,469	268,183	281,592	
Finance charges	71,568	72,134	70,966	64,600	64,600	64,600	64,600	60,738	54,782	50,025	





# MSUNDUZI ANNUAL BUDGET

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>										
Materials and bulk purchases	994,366	1,219,818	1,373,241	1,517,751	1,515,751	1,515,751	1,515,751	1,504,720	1,603,894	1,739,633
Transfers and grants	195	196	216	5,027	5,027	5,027	5,027	5,408	5,678	5,962
Other expenditure	379,354	473,295	872,152	599,168	574,018	574,018	574,018	774,761	835,849	885,998
<b>Total Expenditure</b>	<b>2,365,707</b>	<b>2,738,877</b>	<b>3,274,191</b>	<b>3,224,899</b>	<b>3,182,549</b>	<b>3,182,549</b>	<b>3,182,549</b>	<b>3,500,255</b>	<b>3,731,515</b>	<b>4,000,256</b>
<b>Surplus/(Deficit)</b>										
Transfers recognised - capital	94,778	139,964	93,589	66,586	66,584	66,584	66,584	70,320	75,826	52,185
Contributions recognised - capital & contributed assets	84,654	-	-	383,158	423,840	423,840	423,840	293,824	473,283	470,992
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>										
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus /(Deficit) for the year</b>	<b>179,433</b>	<b>139,964</b>	<b>93,589</b>	<b>449,744</b>	<b>490,424</b>	<b>490,424</b>	<b>490,424</b>	<b>364,144</b>	<b>549,109</b>	<b>523,177</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>										
Transfers recognised - capital	111,149	223,959	220,319	443,158	753,136	753,136	753,136	597,754	792,599	665,980
Public contributions & donations	84,654	149,070	220,319	383,158	419,646	419,646	419,646	293,824	473,283	470,992
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	26,495	-	-	-	4,193	4,193	4,193	100,000	-	-
Total sources of capital funds	-	74,889	-	60,000	99,294	99,294	99,294	203,930	319,316	194,988
<b>Financial position</b>										
Total current assets	111,149	223,959	220,319	443,159	523,133	523,133	523,133	597,754	792,599	665,980
Total non current	719,535	1,940,175	2,328,287	1,403,494	2,410,396	2,410,396	2,410,396	2,605,848	2,414,649	2,339,059
Total current liabilities	6,816,930	6,755,321	6,894,187	6,901,394	7,157,439	7,157,439	7,157,439	7,626,734	8,991,025	7,946,839
Total non current liabilities	600,934	760,999	852,682	730,078	866,279	866,279	866,279	1,082,432	1,053,569	1,117,103
Community wealth/Equity	750,943	886,085	1,077,967	573,000	1,099,769	1,099,769	1,099,769	868,990	1,427,946	2,030,349
<b>Cash flows</b>	<b>6,184,589</b>	<b>7,048,411</b>	<b>7,291,825</b>	<b>7,001,810</b>	<b>7,601,787</b>	<b>7,601,787</b>	<b>7,601,787</b>	<b>8,281,160</b>	<b>8,924,159</b>	<b>7,138,446</b>

# 2014/15 to 2016/17



Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>										
Net cash from (used) operating	482,264	479,237	499,295	395,062	852,545	852,545	852,545	576,871	802,412	832,667
Net cash from (used) investing	(304,268)	(214,914)	(375,050)	(285,819)	(381,882)	(381,882)	(381,882)	(364,442)	(425,955)	(447,442)
Net cash from (used) financing	(30,568)	63,596	(27,864)	(41,453)	(41,453)	(41,453)	(41,453)	57,309	(54,724)	(48,732)
<b>Cash/cash equivalents at the year end</b>	<b>294,829</b>	<b>622,748</b>	<b>719,129</b>	<b>786,919</b>	<b>1,259,972</b>	<b>1,259,972</b>	<b>1,259,972</b>	<b>1,168,290</b>	<b>1,490,023</b>	<b>1,826,516</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investment available	576,231	628,048	725,075	603,763	866,926	866,926	866,926	876,375	636,614	504,078
Application of cash and investments	908,680	519,391	264,052	499,764	355,553	355,553	(208,482)	183,870	(17,532)	(30,905)
<b>Balance - surplus (shortfall)</b>	<b>(332,448)</b>	<b>108,658</b>	<b>461,023</b>	<b>103,999</b>	<b>511,373</b>	<b>511,373</b>	<b>1,075,408</b>	<b>692,504</b>	<b>654,146</b>	<b>534,983</b>
<b>Asset management</b>										
Asset register summary (WDV)	6,810,307	6,611,455	6,814,247	6,953,432	6,892,940	6,892,940	7,245,696	7,245,696	7,667,035	7,934,130
Depreciation & asset impairment	253,513	273,702	237,206	222,212	222,212	222,212	259,469	259,469	268,183	281,592
Renewal of Existing Assets	88,822	116,459	119,912	268,858	324,255	324,255	324,255	289,444	358,876	279,186
Repairs and Maintenance	65,648	39,510	89,185	95,314	80,901	80,901	291,357	291,357	518,883	608,295
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	68,843	68,843	72,561	76,479
Revenue cost of free services provided	267,211	-	338,903	363,502	363,502	363,502	391,259	391,259	420,337	420,337
<b>Households below minimum service level</b>										
Water:	-	6	-	-	-	-	7	7	6	5
Sanitation/sewerage:	-	5	-	-	-	-	31	31	29	36
Energy:	-	-	-	-	-	-	3	3	3	3
Refuse:	54	-	74	54	54	54	61	61	50	53



# MSUNDUZI ANNUAL BUDGET

## 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. The 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. An amount of R250 million in the 2014/15 budget is anticipated for borrowing
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surplus form the previous years. 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.
4. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
5. 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.

**Table 9 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>		<b>672,397</b>	<b>671,438</b>	<b>837,544</b>	<b>1,246,734</b>	<b>1,287,416</b>	<b>1,287,416</b>	<b>1,152,828</b>	<b>1,337,551</b>	<b>1,340,781</b>
<b>Governance and administration</b>										
Executive and council		700	564	5,680	302	302	302	-	-	-
Budget and treasury office		649,068	664,518	823,417	1,229,772	1,270,453	1,270,453	1,149,665	1,334,177	1,337,303
Corporate services		22,629	6,356	8,446	16,660	16,660	16,660	3,162	3,374	3,478
<b>Community and public safety</b>		<b>31,697</b>	<b>40,340</b>	<b>44,759</b>	<b>32,854</b>	<b>32,854</b>	<b>32,854</b>	<b>13,361</b>	<b>14,264</b>	<b>14,210</b>
Community and social services		4,659	18,150	27,135	1,631	1,631	1,631	3,250	3,546	2,818
Sport and recreation		796	1,971	6,342	892	892	892	729	760	798

# 2014/15 to 2016/17



Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>	<b>1</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Full Year Forecast</b>	<b>Budget Year 2014/15</b>	<b>Budget Year +1 2015/16</b>	<b>Budget Year +2 2016/17</b>
Public safety		9,145	5,451	10,435	26,998	26,998	26,998	5,827	6,092	6,397
Housing		4,485	4,123	3,233	3,233	3,233	3,233	3,485	3,792	4,116
Health		12,612	10,645	(2,385)	101	101	101	70	73	81
<b>Economic and environmental services</b>		<b>34,364</b>	<b>107,704</b>	<b>148,898</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>171,598</b>	<b>219,003</b>	<b>268,280</b>
Planning and development		5,441	40,593	39,131	4,342	4,342	4,342	7,972	8,053	8,518
Road transport		28,923	67,110	109,767	1,008	1,008	1,008	163,627	210,950	259,761
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>1,762,619</b>	<b>2,030,390</b>	<b>2,306,449</b>	<b>2,263,174</b>	<b>2,220,822</b>	<b>2,220,822</b>	<b>2,437,047</b>	<b>2,620,117</b>	<b>2,713,826</b>
Electricity		1,069,468	1,261,723	1,473,884	1,640,105	1,597,754	1,597,754	1,700,095	1,839,444	1,901,890
Water		473,549	508,028	567,894	392,974	392,974	392,974	500,521	533,983	554,418
Waste water management		142,243	170,205	168,207	144,974	144,974	144,974	149,071	155,516	162,313
Waste management		77,360	90,434	96,463	85,120	85,120	85,120	87,359	91,174	95,205
<b>Other</b>	<b>4</b>	<b>44,062</b>	<b>28,968</b>	<b>30,130</b>	<b>126,531</b>	<b>126,531</b>	<b>126,531</b>	<b>89,565</b>	<b>89,688</b>	<b>186,337</b>
<b>Total Revenue - Standard</b>	<b>2</b>	<b>2,545,140</b>	<b>2,878,840</b>	<b>3,367,779</b>	<b>3,674,643</b>	<b>3,672,973</b>	<b>3,672,973</b>	<b>3,864,399</b>	<b>4,280,623</b>	<b>4,523,434</b>
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		<b>121,132</b>	<b>52,006</b>	<b>347,299</b>	<b>478,471</b>	<b>462,562</b>	<b>462,562</b>	<b>691,420</b>	<b>610,593</b>	<b>639,297</b>
Executive and council		-	21	(15,170)	63,134	61,146	61,146	384,298	401,445	413,415
Budget and treasury office		36,393	45,359	362,097	210,837	217,856	217,856	200,157	99,997	104,960
Corporate services		84,739	6,626	372	204,500	183,560	183,560	106,965	109,150	120,923
<b>Community and public safety</b>		<b>403,145</b>	<b>470,097</b>	<b>448,320</b>	<b>389,983</b>	<b>385,165</b>	<b>385,165</b>	<b>421,741</b>	<b>412,761</b>	<b>403,557</b>
Community and social services		44,617	90,933	89,733	62,957	62,134	62,134	99,202	96,099	76,748
Sport and recreation		94,720	104,373	104,649	75,535	73,933	73,933	81,358	80,968	81,978
Public safety		173,748	185,265	188,045	205,998	203,977	203,977	196,317	191,191	199,520
Housing		34,718	31,956	31,422	19,696	19,491	19,491	25,149	25,247	25,658
Health		55,342	57,570	34,470	25,797	25,631	25,631	19,716	19,256	19,653
<b>Economic and environmental services</b>		<b>217,368</b>	<b>359,601</b>	<b>351,985</b>	<b>112,985</b>	<b>101,991</b>	<b>101,991</b>	<b>462,751</b>	<b>464,630</b>	<b>556,317</b>





# MSUNDUZI ANNUAL BUDGET

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>	<b>1</b>									
Planning and development		38,536	62,855	56,981	72,382	71,199	71,199	128,290	126,201	94,451
Road transport		178,832	296,745	295,004	40,603	30,792	30,792	334,461	338,428	461,867
Environmental protection										
<b>Trading services</b>		<b>1,570,083</b>	<b>1,812,087</b>	<b>2,071,314</b>	<b>2,180,746</b>	<b>2,170,727</b>	<b>2,170,728</b>	<b>1,893,221</b>	<b>2,218,159</b>	<b>2,374,334</b>
Electricity		936,217	1,151,810	1,386,135	1,482,680	1,477,494	1,477,494	1,374,093	1,508,952	1,613,629
Water		416,245	436,901	447,367	573,488	572,648	572,648	406,791	471,900	508,264
Waste water management		126,757	116,055	130,627	23,555	20,941	20,941	9,621	121,422	129,864
Waste management		90,864	107,321	107,185	101,024	99,646	99,646	102,716	115,884	122,577
<b>Other</b>	<b>4</b>	<b>53,980</b>	<b>45,086</b>	<b>55,274</b>	<b>62,713</b>	<b>62,104</b>	<b>62,104</b>	<b>31,122</b>	<b>25,372</b>	<b>26,751</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>2,365,707</b>	<b>2,738,877</b>	<b>3,274,191</b>	<b>3,224,898</b>	<b>3,182,549</b>	<b>3,182,549</b>	<b>3,500,255</b>	<b>3,731,515</b>	<b>4,000,256</b>
<b>Surplus/(Deficit) for the year</b>		<b>179,433</b>	<b>139,963</b>	<b>93,588</b>	<b>449,744</b>	<b>490,424</b>	<b>490,423</b>	<b>364,144</b>	<b>549,109</b>	<b>523,177</b>

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 9 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.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for the Electricity, Water and Waste water management function, but not the Waste management function.

Table 10 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>										
<b>Revenue by Vote</b>	<b>1</b>									
<b>Vote 1 - Corporate Services</b>		<b>8,268</b>	<b>20,174</b>	<b>26,624</b>	<b>24,112</b>	<b>24,112</b>	<b>24,112</b>	<b>311,882</b>	<b>491,724</b>	<b>489,135</b>





Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>											
1.1 - Council and Committee Support		44	369	937	560	560	560	3	3	3	
1.2 - Enterprise Wide Risk Management & Audit and Compliance		5	-	-							
1.3 - Human Resources Management		1,075	3,148	5,093	3,089	3,089	3,089	3	3	3	
1.4 - Legislative Compliance		729	225	537	550	550	550	654	689	726	
1.5 - Local Economic Development Management		5,857	16,264	15,607	19,800	19,800	19,800	13,703	14,046	13,316	
1.6 - Management Information Services		14	9	10	8	8	8	3,697	3,700	4,095	
1.7 - Marketing and Public Relations Management		544	158	4,440	105	105	105	293,824	473,283	470,992	
<b>Vote 2 - Financial Management Area</b>		<b>649,872</b>	<b>664,595</b>	<b>821,029</b>	<b>1,331,296</b>	<b>1,371,977</b>	<b>1,371,977</b>	<b>1,077,719</b>	<b>1,145,893</b>	<b>1,303,906</b>	
2.1 - Budget & Treasury Management		20	3	1				2,246	3,454	3,787	
2.2 - Expenditure Management		630	601	699	312	312	312	-	-	-	
2.3 - Financial Control and Cash Management		506	2,325	2,353	1,829	1,829	1,829	2,230	2,440	2,680	
2.4 - Revenue Management		648,504	661,398	817,638	1,328,864	1,369,545	1,369,545	1,072,993	1,139,736	1,297,163	
2.5 - Supply Chain Management		212	268	339	291	291	291	250	263	276	
	2										



# MSUNDUZI ANNUAL BUDGET

Vote Description R thousand	Ref	2010/11 Audited Outcome	2011/12 Audited Outcome	2012/13 Audited Outcome	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b><u>Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management</u></b>		<b>1,810,650</b>	<b>2,119,905</b>	<b>2,441,007</b>	<b>2,260,701</b>	<b>2,218,350</b>	<b>2,218,350</b>	<b>2,436,060</b>	<b>2,603,497</b>	<b>2,684,875</b>
3.1 - Electricity Distribution Management	1	1,068,562	1,261,723	1,473,884	1,617,257	1,574,906	1,574,906	1,628,543	1,733,369	1,765,609
3.2 - Human Settlement Development Management		3,991	3,614	5,175	3,622	3,622	3,622			
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development Management		11,374	12,090	13,047	10,234	10,234	10,234	93,582	98,857	96,015
3.4 - Roads and Stormwater		33,596	73,812	116,337	66,306	66,306	66,306	108,395	120,386	122,451
3.5 - Waste Management		81,349	97,153	106,504	89,182	89,182	89,182	92,117	84,160	87,806
3.6 - Water Distribution and Sanitation Management		611,778	671,514	726,060	474,100	474,100	474,100	513,424	566,725	612,994
<b><u>Vote 4 - Sustainable Community Service Delivery Provision Management</u></b>		<b>76,349</b>	<b>74,167</b>	<b>79,118</b>	<b>58,533</b>	<b>58,533</b>	<b>58,533</b>	<b>38,737</b>	<b>39,509</b>	<b>45,518</b>
4.1 - Community Services Provision Management		36,439	37,676	48,688	20,235	20,235	20,235	5	5	5
4.2 - Public Safety, Enforcement and Disaster Management		7,818	5,999	10,794	6,095	6,095	6,095	6,827	7,092	9,397
4.3 - Regional Community Services Provision Management	2	32,093	30,492	19,636	32,202	32,202	32,202	31,905	32,412	36,116
<b>Total Revenue by Vote</b>		<b>2,545,140</b>	<b>2,878,840</b>	<b>3,367,779</b>	<b>3,674,643</b>	<b>3,672,973</b>	<b>3,672,973</b>	<b>3,864,399</b>	<b>4,280,623</b>	<b>4,523,434</b>
<b>Expenditure by Vote</b>										

# 2014/15 to 2016/17



Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>											
<b>Vote 1 - Corporate Services</b>		<b>11,009</b>	<b>17,599</b>	<b>84,249</b>	<b>285,544</b>	<b>263,300</b>	<b>263,300</b>	<b>263,785</b>	<b>330,411</b>	<b>324,259</b>	
1.1 - Council and Committee Support	131	2,631	145	9,008	67,201	65,193	65,193	76,139	82,286	90,331	
1.2 - Enterprise Wide Risk Management & Audit and Compliance		–			10,839	10,789	10,789	13,352	14,609	14,766	
1.3 - Human Resources Management			3,508	–	18,546	18,521	18,521	20,220	35,347	16,481	
1.4 - Legislative Compliance	934	447		11,193	76,711	60,103	60,103	70,743	108,188	124,236	
1.5 - Local Economic Development Management	7,019	7,730		18,183	36,196	35,516	35,516	43,965	44,700	33,087	
1.6 - Management Information Services		0		41,804	36,649	34,524	34,524	39,366	45,281	45,358	
1.7 - Marketing and Public Relations Management	2,924	3,283		3,916	39,401	38,654	38,654				
<b>Vote 2 - Financial Management Area</b>		<b>93,732</b>	<b>128,217</b>	<b>187,394</b>	<b>244,421</b>	<b>251,488</b>	<b>251,488</b>	<b>481,725</b>	<b>494,944</b>	<b>449,382</b>	
2.1 - Budget & Treasury Management			39	3,334	4,625	4,625	4,625	180,469	181,244	185,347	
2.2 - Expenditure Management	2,789	3,308		2,663	12,904	12,904	12,904	11,418	12,209	12,499	
2.3 - Financial Control and Cash Management	25	2,698		41,804	31,139	31,139	31,139	77,388	78,565	8,375	
2.4 - Revenue Management	90,919	91,149		98,813	164,980	172,053	172,053	174,199	175,346	185,411	
2.5 - Supply Chain Management	–	31,023		40,780	30,772	30,767	30,767	38,251	47,580	57,750	



# MSUNDUZI ANNUAL BUDGET

Vote Description R thousand	Ref	2010/11 Audited Outcome	2011/12 Audited Outcome	2012/13 Audited Outcome	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management</b>		<b>1,815,667</b>	<b>2,068,663</b>	<b>2,399,120</b>	<b>2,284,628</b>	<b>2,261,772</b>	<b>2,261,772</b>	<b>2,273,477</b>	<b>2,421,888</b>	<b>2,691,427</b>
3.1 - Electricity Distribution Management		946,336	1,151,810	1,388,622	1,124,281	1,117,895	1,117,895	1,214,518	1,312,408	1,455,262
3.2 - Human Settlement Development Management		9,323	9,725	10,461	9,030	8,880	8,880			
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development Management		72,167	46,161	46,453	102,906	101,319	101,319	103,559	104,461	108,837
3.4 - Roads and Stormwater		166,870	215,015	266,121	319,271	308,871	308,871	310,034	311,362	354,435
3.5 - Waste Management		165,721	179,144	188,443	155,854	152,376	152,376	151,981	152,208	228,338
3.6 - Water Distribution and Sanitation Management		455,249	466,807	499,020	573,286	572,431	572,431	493,386	541,449	544,555
<b>Vote 4 - Sustainable Community Service Delivery Provision Management</b>		<b>445,299</b>	<b>524,399</b>	<b>603,427</b>	<b>410,307</b>	<b>405,989</b>	<b>405,989</b>	<b>481,268</b>	<b>484,272</b>	<b>535,189</b>
4.1 - Community Services Provision Management		166,656	226,673	234,792	147,707	145,559	145,559	147,428	148,406	150,570
4.2 - Public Safety, Enforcement and Disaster Management		169,430	190,804	194,534	160,325	159,567	159,567	160,317	161,761	172,320
4.3 - Regional Community Services Provision Management		109,213	106,922	174,101	102,275	100,863	100,863	173,523	174,105	212,298
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>2,365,707</b>	<b>2,738,877</b>	<b>3,274,191</b>	<b>3,224,899</b>	<b>3,182,549</b>	<b>3,182,549</b>	<b>3,500,255</b>	<b>3,731,515</b>	<b>4,000,256</b>





Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Surplus/(Deficit) for the year	2	179,433	139,963	93,589	449,744	490,424	490,424	364,144	549,108	523,177

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 Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
					Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>												
<b>Revenue By Source</b>												
Property rates	2	448,257	505,310	585,863		607,308	607,308	607,308	607,308	659,052	695,065	731,888
Property rates - penalties & collection charges		26,358	31,244	39,596		37,363	37,363	37,363	37,363	39,231	41,349	43,582
Service charges - electricity revenue	2	1,011,459	1,212,660	1,425,627		1,558,827	1,516,475	1,516,475	1,516,475	1,628,543	1,748,892	1,878,135
Service charges - water revenue	2	270,107	288,345	349,140		378,445	378,445	378,445	378,445	391,288	424,332	454,918
Service charges - sanitation revenue	2	102,592	107,507	120,089		132,153	132,153	132,153	132,153	126,582	133,938	141,417
Service charges - refuse revenue	2	65,559	70,091	73,999		77,592	77,592	77,592	77,592	87,712	91,276	95,132
Service charges - other		-	-	-		-	-	-	-	-	-	-
Rental of facilities and equipment		17,313	17,944	20,896		20,255	20,255	20,255	20,255	35,024	38,329	40,292





# MSUNDUZI ANNUAL BUDGET

Interest earned - external investments	12,823	25,951	34,328	27,029	27,029	27,029	27,029	32,247	33,988	35,824
Interest earned - outstanding debtors	47,480	58,254	82,051	1,255	1,255	1,255	1,255	1,325	1,399	1,478
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	5,354	3,813	8,371	3,634	3,634	3,634	3,634	14,667	15,488	16,356
Licences and permits	89	78	59	48	48	48	48	83	87	92
Agency services	577	374	733	586	586	586	586	3,220	3,324	3,490
Transfers recognised - operational	387,733	500,669	566,470	383,848	383,848	383,848	383,848	415,372	436,640	458,643
Other revenue	2	64,786	60,558	48,011	48,011	48,011	48,011	136,230	143,231	151,195
Gains on disposal of PPE				15,131	15,131	15,131	15,131	-		
Total Revenue (excluding capital transfers and contributions)	2,460,486	2,878,840	3,367,779	3,291,485	3,249,133	3,249,133	3,249,133	3,570,575	3,807,340	4,052,442
<b>Expenditure By Type</b>										
Employee related costs	2	648,294	668,305	779,721	764,521	764,521	764,521	855,887	920,778	991,388
Remuneration of councillors			31,427	36,419	36,419	36,419	36,419	39,272	42,350	45,659
Debt impairment	3	96,000	58,210	137,510	137,510	137,510	137,510	144,577	154,586	164,979
Depreciation & asset impairment	2	253,513	273,702	222,212	222,212	222,212	222,212	259,469	268,183	281,592
Finance charges		71,568	72,134	64,600	64,600	64,600	64,600	60,738	54,782	50,025
Bulk purchases	2	994,366	1,219,818	1,373,241	1,493,890	1,491,890	1,491,890	1,479,522	1,577,336	1,711,641
Other materials	8	-	-	-	23,861	23,861	23,861	25,198	26,558	27,992
Contracted services		13,766	21,091	17,769	57,176	57,176	57,176	93,051	94,359	89,323
Transfers and grants		195	196	216	5,027	5,027	5,027	5,408	5,678	5,962
Other expenditure	4, 5	269,625	394,935	638,236	404,483	379,332	379,332	537,133	586,904	631,696
Loss on disposal of PPE		(37)	(941)	(1,647)	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>2,365,707</b>	<b>2,738,877</b>	<b>3,274,191</b>	<b>3,224,899</b>	<b>3,182,549</b>	<b>3,182,549</b>	<b>3,500,255</b>	<b>3,731,515</b>	<b>4,000,256</b>



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

1. Total revenue is R 3.6 billion in 2014/5 and escalates to R3.8 billion by 2015/16. This represents a year-on-year increase of 9.0 per cent for the 2014/15 financial year and 17.2 per cent for the 2015/16 financial year compared to the adjusted budget 2013/14.
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.
3. Revenue to be generated from property rates is R659.1 million in the 2014/15 financial year and increases to R695.1 million by 2015/16 which represents 18.5 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 5.6 per cent for each of the respective financial years of the MTREF.
4. Service charges relating to electricity, water, sanitation and refuse removal contributes to the revenue basket of the Municipality totalling R2.2 billion for the 2014/15 financial year and increasing to R2.4 billion by 2015/16. For the 2014/15 financial year service charges amounts to 662.6 per cent of the total revenue base.
5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing to around 8 per cent year on year basis.
6. Bulk purchases have significantly increased over the 2014/15 to 2015/16 period escalating from R1.5 billion to R1.6 billion. These increases can be attributed to the substantial increase in the cost of bulk supply of electricity and water from Eskom and Umgeni Water.
7. 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 reduce the impact of employee costs and bulk tariff increases in future years.



# MSUNDUZI ANNUAL BUDGET

**Table 12 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	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - Corporate Services		3 552	12 689	–	2 500	24 025	24 025	24 025	#REF!	#REF!	72 487
Vote 2 - Financial Management Area		152	35	–	–	–	–	–	#REF!	#REF!	–
Vote 3 - Infrastructure Development, Service Delivery and Maintenance		91 807	195 273	163 117	379 546	379 246	379 246	379 246	#REF!	#REF!	166 765
Vote 4 - Sustainable Community Service Delivery Provision		15 638	15 963	32 815	–	126	126	126	#REF!	#REF!	298 329
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	#REF!	#REF!	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	#REF!	#REF!	–
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>111 149</b>	<b>223 959</b>	<b>195 932</b>	<b>382 046</b>	<b>403 397</b>	<b>403 397</b>	<b>403 397</b>	<b>#REF!</b>	<b>#REF!</b>	<b>537 581</b>
<b>Single-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - Corporate Services		–	5 150	3 100	3 100	3 100	3 100	3 100	3 818	21 941	24 163
Vote 2 - Financial Management Area		–	–	7 000	7 012	7 012	7 012	7 012	10 479	–	–
Vote 3 - Infrastructure Development, Service Delivery and Maintenance		–	–	15 636	42 702	73 804	73 804	73 804	112 441	58 889	4 726
Vote 4 - Sustainable Community Service Delivery Provision		–	–	13 296	8 310	35 820	35 820	35 820	24 918	123 181	99 510
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>		<b>–</b>	<b>5 150</b>	<b>39 032</b>	<b>61 124</b>	<b>119 736</b>	<b>119 736</b>	<b>119 736</b>	<b>151 656</b>	<b>204 011</b>	<b>128 399</b>
<b>Total Capital Expenditure - Vote</b>		<b>111 149</b>	<b>229 109</b>	<b>234 964</b>	<b>443 170</b>	<b>523 133</b>	<b>523 133</b>	<b>523 133</b>	<b>#REF!</b>	<b>#REF!</b>	<b>665 980</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>7 557</b>	<b>12 723</b>	<b>3 713</b>	<b>30 760</b>	<b>49 425</b>	<b>49 425</b>	<b>49 425</b>	<b>23 899</b>	<b>46 413</b>	<b>32 450</b>
Executive and council		235	–	309	–	353	353	353	1 961	46 413	32 450
Budget and treasury office		7 323	35	3 404	30 760	49 072	49 072	49 072	21 938	–	–
Corporate services		–	12 689	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>612</b>	<b>12 838</b>	<b>18 084</b>	<b>4 500</b>	<b>9 437</b>	<b>9 437</b>	<b>9 437</b>	<b>10 656</b>	<b>11 417</b>	<b>12 682</b>
Community and social services		436	12 620	12 610	2 800	3 837	3 837	3 837	4 128	4 499	4 994
Sport and recreation		–	–	5 475	1 700	5 000	5 000	5 000	6 008	6 268	6 707
Public safety		165	218	–	–	600	600	600	520	649	981
Housing		11	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>46 382</b>	<b>84 650</b>	<b>66 580</b>	<b>163 976</b>	<b>414 348</b>	<b>414 348</b>	<b>414 348</b>	<b>350 836</b>	<b>505 906</b>	<b>403 691</b>
Planning and development		–	59	–	2 700	252 572	252 572	252 572	173 873	272 963	180 353
Road transport		46 382	84 591	66 580	161 276	161 776	161 776	161 776	176 963	232 943	223 338
Environmental protection		–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		<b>45 413</b>	<b>110 623</b>	<b>109 130</b>	<b>241 112</b>	<b>253 416</b>	<b>253 416</b>	<b>253 416</b>	<b>179 896</b>	<b>194 122</b>	<b>179 984</b>
Electricity		16 592	26 696	54 869	151 500	153 493	153 493	153 493	95 035	117 517	110 899
Water		12 860	63 324	35 317	34 425	41 835	41 835	41 835	59 191	49 141	39 386
Waste water management		15 491	396	16 892	47 097	47 097	47 097	47 097	14 129	15 577	16 979
Waste management		471	20 206	2 052	8 091	10 991	10 991	10 991	11 541	11 887	12 719
<b>Other</b>		<b>11 184</b>	<b>3 125</b>	<b>22 811</b>	<b>2 810</b>	<b>26 510</b>	<b>26 510</b>	<b>26 510</b>	<b>32 468</b>	<b>34 742</b>	<b>37 174</b>
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>111 149</b>	<b>223 959</b>	<b>220 319</b>	<b>443 158</b>	<b>753 136</b>	<b>753 136</b>	<b>753 136</b>	<b>597 754</b>	<b>792 599</b>	<b>665 980</b>
<b>Funded by:</b>											
National Government		73 020	123 449	189 180	383 158	391 760	391 760	391 760	283 897	464 283	470 992
Provincial Government		11 429	25 621	31 139	–	25 459	25 459	25 459	9 927	9 000	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		205	–	–	–	2 427	2 427	2 427	–	–	–
<b>Transfers recognised - capital</b>	<b>4</b>	<b>84 654</b>	<b>149 070</b>	<b>220 319</b>	<b>383 158</b>	<b>419 646</b>	<b>419 646</b>	<b>419 646</b>	<b>293 824</b>	<b>473 283</b>	<b>470 992</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowing</b>	<b>6</b>	<b>26 495</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4 193</b>	<b>4 193</b>	<b>4 193</b>	<b>100 000</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>		<b>–</b>	<b>74 889</b>	<b>–</b>	<b>60 000</b>	<b>99 294</b>	<b>99 294</b>	<b>99 294</b>	<b>203 930</b>	<b>319 316</b>	<b>194 988</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>111 149</b>	<b>223 959</b>	<b>220 319</b>	<b>443 159</b>	<b>523 133</b>	<b>523 133</b>	<b>523 133</b>	<b>597 754</b>	<b>792 599</b>	<b>665 980</b>



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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (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. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R597.7 million included in this amount is a provision of R83.9 million related to the anticipated unspent grant in the 2013/14 financial year and increases over the MTREF at levels of R792.6 million and then decreases to R665.9 million in 2015/16 and 2016/17 respectively.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as ageing infrastructure. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital grants and internally generated funding. For 2014/15 capital transfers totals R293.8 million ) and escalates to R473.2 million by 2015/16 .Internally generated funding totals R120.0 million in 2014/15 and escalates to R319.3 million in 2015/16.



# MSUNDUZI ANNUAL BUDGET

**Table 13 MBRR Table A6 - Budgeted Financial Position**

Description	Ref	2010/11		2011/12		2012/13		Current Year 2013/14		Pre-audit outcome	2014/15 Medium Term Revenue & Budget Year		
		Audited Outcome		Audited Outcome		Audited Outcome		Adjusted Budget	Full Year Forecast		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>ASSETS</b>													
<b>Current assets</b>													
Cash		293,827		622,793		719,174		3,421	3,421	3,421	320,733	53,193	(108,512)
Call investments	1	282,404		5,256		5,901		863,459	863,459	863,459	555,595	583,375	612,544
Consumer debtors	1	352,890		559,874		749,700		682,710	682,710	682,710	767,954	806,354	846,674
Other debtors		(267,508)		8		98,422		124,512	124,512	124,512	156,279	159,405	163,390
Current portion of long-term receivables				66		46					42,691	42,101	47,039
Inventory	2	57,922		752,178		755,045		736,294	736,294	736,294	762,595	770,221	777,924
<b>Total current assets</b>		<b>719,535</b>		<b>1,940,175</b>		<b>2,328,287</b>		<b>2,410,396</b>	<b>2,410,396</b>	<b>2,410,396</b>	<b>2,605,848</b>	<b>2,414,649</b>	<b>2,339,059</b>
<b>Non current assets</b>													
Long-term receivables								8,587	8,587	8,587	8,771	8,859	8,947
Investments								46	46	46	46	46	46
Investment property		405,306		325,807		320,520		320,520	320,520	320,520	320,520	320,520	320,520
Investment in Associates													
Property, plant and equipment	3	6,397,646		6,417,873		6,386,028		6,824,179	6,824,179	6,824,179	7,283,930	8,648,045	7,603,682
Agricultural													
Biological						176,969		648	648	648	648	648	648
Intangible		7,283		3,459		1,899		3,459	3,459	3,459	3,959	3,959	3,959
Other non-current assets		6,695		8,181		8,771					8,859	8,948	9,037
<b>Total non current assets</b>		<b>6,816,930</b>		<b>6,755,321</b>		<b>6,894,187</b>		<b>7,157,439</b>	<b>7,157,439</b>	<b>7,157,439</b>	<b>7,626,734</b>	<b>8,991,025</b>	<b>7,946,839</b>
<b>TOTAL ASSETS</b>		<b>7,536,465</b>		<b>8,695,496</b>		<b>9,222,474</b>		<b>9,567,835</b>	<b>9,567,835</b>	<b>9,567,835</b>	<b>10,232,582</b>	<b>11,405,674</b>	<b>10,285,898</b>





R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>LIABILITIES</b>											
Current liabilities											
Bank overdraft	1										
Borrowing	4	2,861	43,584	45,575	38,030				42,691	42,101	47,039
Consumer deposits		70,633	71,648	79,589	73,941	83,502	83,502	83,502	87,548	91,925	96,522
Trade and other payables	4	527,157	645,455	723,121	618,107	779,063	779,063	779,063	948,479	915,829	969,828
Provisions		282	312	4,397		3,714	3,714	3,714	3,714	3,714	3,714
<b>Total current liabilities</b>		<b>600,934</b>	<b>760,999</b>	<b>852,682</b>	<b>730,078</b>	<b>866,279</b>	<b>866,279</b>	<b>866,279</b>	<b>1,082,432</b>	<b>1,053,569</b>	<b>1,117,103</b>
Non current liabilities											
Borrowing		518,942	577,963	542,233	573,000	564,035	564,035	564,035	100,000	75,000	75,000
Provisions		232,001	308,123	535,734		535,734	535,734	535,734	768,990	1,352,946	1,955,349
<b>Total non current liabilities</b>		<b>750,943</b>	<b>886,085</b>	<b>1,077,967</b>	<b>573,000</b>	<b>1,099,769</b>	<b>1,099,769</b>	<b>1,099,769</b>	<b>868,990</b>	<b>1,427,946</b>	<b>2,030,349</b>
<b>TOTAL LIABILITIES</b>		<b>1,351,876</b>	<b>1,647,084</b>	<b>1,930,649</b>	<b>1,303,078</b>	<b>1,966,048</b>	<b>1,966,048</b>	<b>1,966,048</b>	<b>1,951,422</b>	<b>2,481,515</b>	<b>3,147,452</b>
<b>NET ASSETS</b>	5	<b>6,184,589</b>	<b>7,048,411</b>	<b>7,291,825</b>	<b>7,001,810</b>	<b>7,601,787</b>	<b>7,601,787</b>	<b>7,601,787</b>	<b>8,281,160</b>	<b>8,924,159</b>	<b>7,138,446</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		6,131,375	6,992,886	7,241,922	6,943,244	7,552,736	7,552,736	7,552,736	8,237,940	8,880,634	7,094,591
Reserves	4	53,214	55,526	49,903	58,565	49,051	49,051	49,051	43,220	43,525	43,855
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>6,184,589</b>	<b>7,048,411</b>	<b>7,291,825</b>	<b>7,001,810</b>	<b>7,601,787</b>	<b>7,601,787</b>	<b>7,601,787</b>	<b>8,281,160</b>	<b>8,924,159</b>	<b>7,138,446</b>



## 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. SA3 provides a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non current;
  - Changes in net assets; and
  - Reserves
4. 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.
5. 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 14 MBRR Table A7 - Budgeted Cash Flow Statement**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		2,312,753	2,736,576	3,033,638	2,466,204	2,840,654	2,840,654	2,840,654	3,015,567	3,140,688	3,392,901
Government-operating	1	0	0	0	383,848	383,848	383,848	383,848	415,372	436,640	458,643
Government-capital	1	0	0	0	383,158	423,840	423,840	423,840	293,824	473,283	470,992
Interest		51,796	84,161	116,335	27,029	27,029	27,029	27,029	32,247	33,988	35,824
Dividends		0	0	0	0	0	0	0	0	0	
Payments											
Suppliers and employees		(1,810,717)	(2,269,366)	(2,579,604)	(2,795,550)	(2,753,199)	(2,753,199)	(2,753,199)	(3,113,993)	(3,227,154)	(3,475,405)
Finance charges		(71,568)	(72,134)	(70,966)	(64,600)	(64,600)	(64,600)	(64,600)	(60,738)	(54,782)	(50,025)
Transfers and Grants	1	0	0	(108)	(5,027)	(5,027)	(5,027)	(5,027)	(5,408)	(251)	(263)
NET CASH FROM/(USED) OPERATING ACTIVITIES		482,264	479,237	499,295	395,062	852,545	852,545	852,545	576,871	802,412	832,667
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		11,072	1,471	17,824	0	0	0	0			
Decrease (increase) in non-current debtors		(3,928)	(65)	(570)	0	0	0	0			
Decrease (increase) other non-current receivables		(112,006)	(358,873)	(401,875)	(422)	(422)	(422)	(422)			
Decrease (increase) in non-current investments			(5,256)	(645)	(3)	(3)	(3)	(3)			
Payments											
Capital assets		(199,406)	147,809	10,216	(285,394)	(381,457)	(381,457)	(381,457)	(364,442)	(425,955)	(447,442)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(304,268)	(214,914)	(375,050)	(285,819)	(381,882)	(381,882)	(381,882)	(364,442)	(425,955)	(447,442)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short-term loans			0	0							
Borrowing long term/refinancing		(56,885)	112,361						100,000	0	
Increase (decrease) in consumer deposits		34,839	1,014	7,942	3,722	3,722	3,722	3,722		4,377	4,596
Payments											
Repayment of borrowing		(8,522)	(49,779)	(35,806)	(45,175)	(45,175)	(45,175)	(45,175)	(42,691)	(59,101)	(53,328)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(30,568)	63,596	(27,864)	(41,453)	(41,453)	(41,453)	(41,453)	57,309	(54,724)	(48,732)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	147,428	327,919	96,381	67,790	429,210	429,210	429,210	269,738	321,733	336,493
Cash/cash equivalents at the year end:	2	147,401	294,829	622,748	719,129	830,762	830,762	830,762	898,552	1,168,290	1,490,023
Cash/cash equivalents at the year end:	2	294,829	622,748	719,129	786,919	1,259,972	1,259,972	1,259,972	1,168,290	1,490,023	1,826,516

## 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.
3. It can be seen that the cash levels of the Municipality increased significantly over the 2010/11 to 2012/13 period owing directly to a net decrease in cash for the 2012/13 financial year of R96.4 million.
4. The Adjusted 2013/14 budget provides for a increase in cash of R429 million for the 2013/14 financial year resulting in an overall projected positive cash position of R1.3 billion at year end.

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 others' to be provided for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue. And the Separation of borrowing and loan repayments (no set-off), to assist with the MFMA compliance assessment regarding the use of long term borrowing (debt).



# MSUNDUZI ANNUAL BUDGET

**Table 15 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	294,829	622,748	719,129	786,919	1,259,972	1,259,972	1,259,972	1,168,290	1,490,023	1,826,516
Other current investments > 90 days		281,403	5,300	5,946	(183,225)	(393,092)	(393,092)	(393,092)	(291,961)	(853,455)	(1,322,484)
Non current assets - investments	1	0	0	0	69	46	46	46	46	46	46
<b>Cash and investments available:</b>		<b>576,231</b>	<b>628,048</b>	<b>725,075</b>	<b>603,763</b>	<b>866,926</b>	<b>866,926</b>	<b>866,926</b>	<b>876,375</b>	<b>636,614</b>	<b>504,078</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		121,164	149,448	170,460	97,764	318,015	318,015	318,015	83,930	0	0
Unspent borrowing		518,942	577,963	541,325	573,000	564,035	564,035		100,000	75,000	75,000
Statutory requirements	2										
Other working capital requirements	3	268,574	(208,019)	(447,734)	(171,000)	(526,497)	(526,497)	(526,497)	(115,373)	(92,532)	(105,905)
Other provisions											
Long term investments committed	4	0	0	0	0	0	0	0	0	0	0
Reserves to be backed by cash/investments	5								115,313		
<b>Total Application of cash and investments:</b>		<b>908,680</b>	<b>519,391</b>	<b>264,052</b>	<b>499,764</b>	<b>355,553</b>	<b>355,553</b>	<b>(208,482)</b>	<b>183,870</b>	<b>(17,532)</b>	<b>(30,905)</b>
<b>Surplus(shortfall)</b>		<b>(332,448)</b>	<b>108,658</b>	<b>461,023</b>	<b>103,999</b>	<b>511,373</b>	<b>511,373</b>	<b>1,075,408</b>	<b>692,504</b>	<b>654,146</b>	<b>534,983</b>

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

1. The cash backed reserves / accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. 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.
3. 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".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2010/11-12/13 the deficit improved from R332.0 million to a surplus of R461.0 million.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA.
7. As can be seen the budget has been modelled to progressively move from a surplus of R66.6 million in 2013/14 to a surplus of R70.3 million by 2014/15.



**Table 16 MBRR Table A9 - Asset Management**

R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	22,327	107,500	110,102	174,312	198,878	198,878	308,310	433,723	386,794
Infrastructure - Road transport		10,753	43,937	45,000	4,780	980	980	108,100	232,550	259,250
Infrastructure - Electricity		5,482	3,986	4,083	131,000	128,000	128,000	63,500	66,695	61,695
Infrastructure - Water		886	24,819	25,419	6,250	6,236	6,236	24,677	34,544	8,583
Infrastructure - Sanitation		1,055	0	0	2,000	2,000	2,000	0	0	0
Infrastructure - Other		0	14,646	15,000	0	0	0	46,890	46,779	27,358
Heritage assets		0	0	0	0	0	0	0	0	0
<b>Total Renewal of Existing Assets</b>	2	88,822	116,459	119,912	268,858	324,255	324,255	289,444	358,876	279,186
Infrastructure - Road transport		35,629	32,776	33,748	138,495	152,795	152,795	68,684	120,700	75,050
Infrastructure - Electricity		11,109	4,856	5,000	30,500	35,493	35,493	65,257	65,177	43,177
Infrastructure - Water		11,974	17,239	17,750	27,925	35,335	35,335	63,730	127,889	129,771
Infrastructure - Sanitation		14,436	25,446	26,200	44,797	44,797	44,797	31,938	0	0
Infrastructure - Other		471	1,994	2,053	8,091	8,091	8,091	6,171	500	0
Infrastructure		73,619	82,310	84,751	249,808	276,510	276,510	235,780	314,266	247,998
Community		420	10,003	10,300	4,500	7,614	7,614	52,615	44,185	30,687
Other assets	6	14,782	24,145	24,861	14,550	40,131	40,131	1,050	425	500
<b>Total Capital Expenditure</b>	4									
Infrastructure - Road transport		46,382	76,713	78,748	143,275	153,775	153,775	176,784	353,250	334,300
Infrastructure - Electricity		16,592	8,842	9,083	161,500	163,493	163,493	128,757	131,872	104,872
Infrastructure - Water		12,860	42,058	43,169	34,175	41,571	41,571	88,407	162,433	138,354
Infrastructure - Sanitation		15,491	25,446	26,200	46,797	46,797	46,797	31,938	0	0
Infrastructure - Other		471	16,639	17,053	8,091	8,091	8,091	53,061	47,279	27,358
Infrastructure		91,796	169,698	174,253	393,838	413,726	413,726	478,947	694,835	604,885
Community		500	30,117	30,900	4,500	8,837	8,837	93,972	80,447	43,757
Heritage assets		0	0	0	0	0	0	0	0	0
Investment properties		0	0	0	0	0	0	0	0	0
Other assets		18,853	24,145	24,861	44,832	100,570	100,570	24,835	17,318	17,338
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	111,149	223,959	230,014	443,170	523,133	523,133	597,754	792,599	665,980



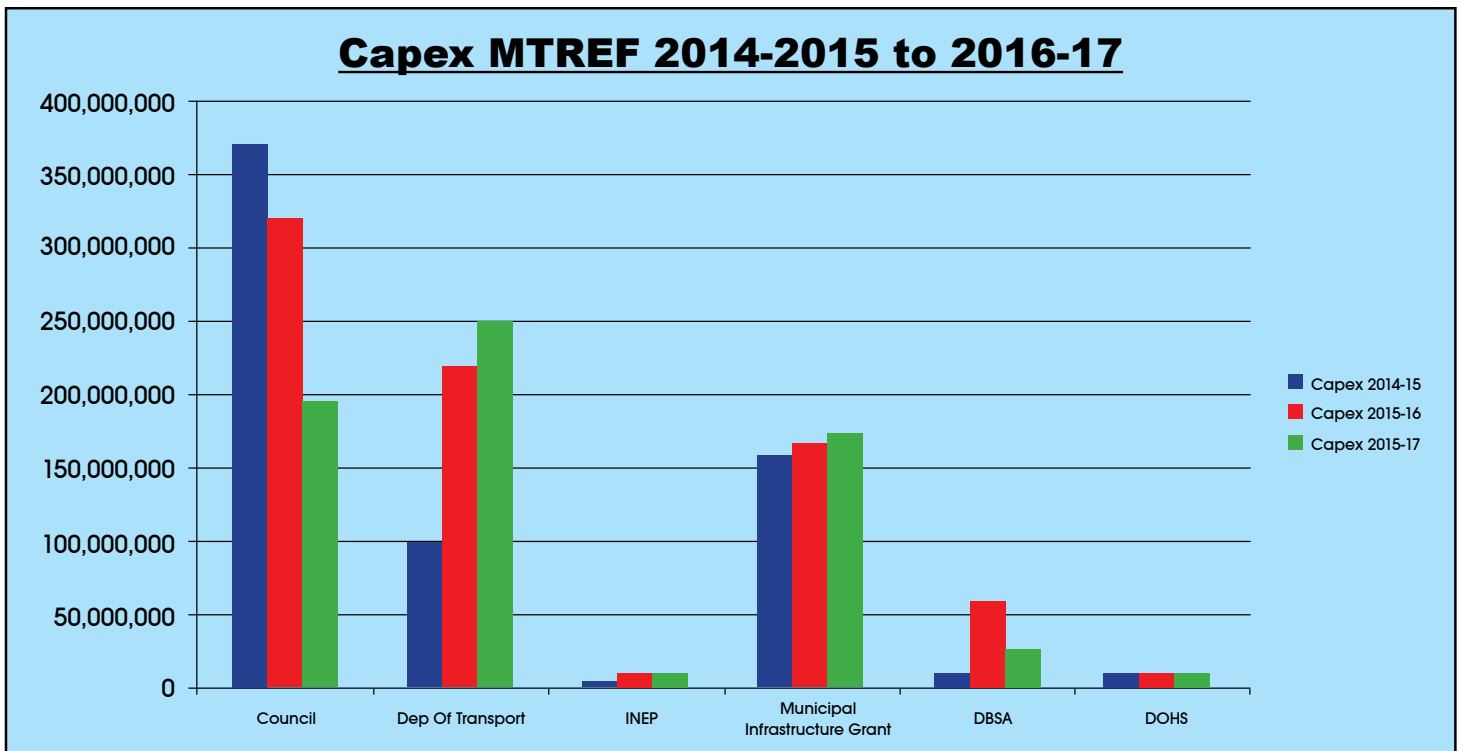


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<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>									
Infrastructure - Road transport		1,791,861	1,798,801	1,796,919	1,867,648	1,867,648	1,867,648	1,990,698	2,257,585	2,470,325
Infrastructure - Electricity		1,227,314	1,227,562	1,206,428	1,433,474	1,433,474	1,433,474	1,535,411	1,623,917	1,681,401
Infrastructure - Water		900,288	909,907	934,620	944,423	944,423	944,423	952,808	1,016,753	1,065,795
Infrastructure - Sanitation		545,536	571,449	599,074	619,164	619,164	619,164	650,936	676,199	722,788
Infrastructure - Other		516,457	501,919	505,268	507,204	507,204	507,204	506,999	506,795	506,570
<b>Infrastructure</b>		<b>4,981,456</b>	<b>5,009,639</b>	<b>5,042,308</b>	<b>5,371,913</b>	<b>5,371,913</b>	<b>5,371,913</b>	<b>5,636,853</b>	<b>6,081,248</b>	<b>6,446,879</b>
Community		498,059	449,884	449,884	475,835	415,343	415,343	459,694	448,883	418,209
Heritage assets		•	•	•	•	•	•	176,806	176,906	177,006
Investment properties		405,306	325,807	320,520	320,520	320,520	320,520	320,520	320,520	320,520
Other assets		918,203	822,666	822,666	781,057	781,057	781,057	647,216	634,871	566,909
Agricultural Assets		•	•	•	•	•	•	•	•	•
Biological assets		•	•	176,969	648	648	648	648	648	648
Intangibles		7,283	3,459	1,899	3,459	3,459	3,459	3,959	3,959	3,959
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>6,810,307</b>	<b>6,611,455</b>	<b>6,814,247</b>	<b>6,953,432</b>	<b>6,892,940</b>	<b>6,892,940</b>	<b>7,245,696</b>	<b>7,667,035</b>	<b>7,934,130</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		<b>253,513</b>	<b>273,702</b>	<b>237,206</b>	<b>222,212</b>	<b>222,212</b>	<b>222,212</b>	<b>259,469</b>	<b>268,183</b>	<b>281,592</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>65,648</b>	<b>39,510</b>	<b>89,185</b>	<b>95,314</b>	<b>80,901</b>	<b>80,901</b>	<b>291,357</b>	<b>518,883</b>	<b>608,295</b>
Infrastructure - Road transport		1,596	3,392	5,361	7,094	2,990	2,990	63,667	118,191	174,080
Infrastructure - Electricity		31,949	13,726	24,992	48,014	39,281	39,281	73,236	128,342	182,076
Infrastructure - Water		345	1,216	746	1,554	954	954	21,849	41,953	61,592
Infrastructure - Sanitation		8,254	•	•	502	502	502	6,591	12,986	19,064
Infrastructure - Other		405	6,862	86	•	•	•	•	•	•
<b>Infrastructure</b>		<b>42,549</b>	<b>25,196</b>	<b>31,185</b>	<b>57,165</b>	<b>43,727</b>	<b>43,727</b>	<b>165,342</b>	<b>301,471</b>	<b>436,812</b>
Community		3,218	9,015	2,074	•	•	•	•	•	•
Heritage assets		•	•	•	•	•	•	•	•	•
Investment properties		•	•	55,926	•	•	•	•	•	•
Other assets	<b>6,71</b>	<b>19,881</b>	<b>5,298</b>	<b>•</b>	<b>38,150</b>	<b>37,174</b>	<b>37,174</b>	<b>126,015</b>	<b>217,412</b>	<b>171,482</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>319,161</b>	<b>313,211</b>	<b>326,391</b>	<b>317,526</b>	<b>303,113</b>	<b>303,113</b>	<b>550,827</b>	<b>787,066</b>	<b>889,887</b>
<b>Renewal of Existing Assets as % of total capex</b>		<b>79.9%</b>	<b>52.0%</b>	<b>52.1%</b>	<b>60.7%</b>	<b>62.0%</b>	<b>62.0%</b>	<b>48.4%</b>	<b>45.3%</b>	<b>41.9%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>		<b>35.0%</b>	<b>42.5%</b>	<b>50.6%</b>	<b>121.0%</b>	<b>145.9%</b>	<b>145.9%</b>	<b>111.6%</b>	<b>133.8%</b>	<b>99.1%</b>
<b>R&amp;M as a % of PPE</b>		<b>1.0%</b>	<b>0.6%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>8.0%</b>
<b>Renewal and R&amp;M as a % of PPE</b>		<b>2.0%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>5.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>8.0%</b>	<b>11.0%</b>	<b>11.0%</b>

## Explanatory notes to Table A9 - Asset Management

- 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.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be at least 8 per cent of PPE.
- The following graph provides an analysis by funding for capital expenditure over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.



## Explanatory notes to Table 17 MBRR A10-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.



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**Table 17 MBRR A10-Funding compliance measurement**

Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Funding measures</b>												
Cash/cash equivalents at the yearend -R 000	18(1)b	1	294,829	622,748	719,129	786,919	1,259,972	1,259,972	1,259,972	1,168,290	1,490,023	1,826,516
Cash + investments at the yearend less applications -R 000	18(1)b	2	(332,448)	108,658	461,023	103,999	511,373	511,373	1,075,408	692,504	654,146	534,983
Cash yearend/m on only employee/supplier payments	18(1)b	3	1.8	3.4	3.3	3.5	5.7	5.7	5.7	4.9	5.9	6.7
Surplus/(Deficit) excluding depreciation offsets: R 000	18(1)	4	179,433	139,964	93,589	449,744	490,424	490,424	490,424	364,144	549,109	523,177
Service charge rev % change -macro CPK target exclusive	18(1)a,(2)	5	N.A.	9.1%	11.1%	1.6%	(7.5%)	(6.0%)	(6.0%)	0.7%	0.9%	0.7%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	112.3%	116.3%	109.6%	86.1%	100.6%	100.6%	100.6%	96.6%	94.1%	95.4%
Debt in payment expense as a % of total liability revenue	18(1)a,(2)	7	4.9%	2.6%	8.3%	4.9%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%
Capital payments % of capital expenditure	18(1)c,(19)	8	179.4%	(64.5%)	(4.3%)	64.4%	72.9%	72.9%	72.9%	61.0%	53.7%	67.2%
Borrowing receipts % of capital expenditure (excl transfers)	18(1)c	9	(214.7%)	140.4%	0.0%	0.0%	0.0%	0.0%	0.0%	32.9%	0.0%	0.0%
Grants % of Govt assigned/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change -incr(decr)	18(1)a	11	N.A.	555.8%	51.5%	(12.4%)	8.6%	0.0%	0.0%	19.8%	4.2%	4.9%
Long term receivables % change -incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	2.4%	0.0%	0.0%	2.1%	1.0%	1.0%
R&M % of Property Plant & Equipment	20(1)(v)	13	1.0%	0.6%	1.4%	1.5%	1.2%	1.2%	4.3%	4.0%	6.0%	8.0%
Asset renewal % of capital budget	20(1)(v)	14	79.9%	50.8%	51.0%	60.7%	62.0%	62.0%	0.0%	48.4%	45.3%	41.9%

## Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The Municipality continues to make good progress with the eradication of backlogs:
  - Electricity services – backlog has been reduced. The emphasis in the electricity sector is on addressing urgent network upgrades.
- The Msunduzi Municipality has changed the indigent policy, all residents are now required to make an application to ensure they qualify for the indigent rebate.



## 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.

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 2013) 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 28 August 2013. Key dates applicable to the process were:

#### IDP/ Budget Process Plan in Preparation for the 2014/ 2015 Financial Year

IDP-BUDGET-OPMS	Prepare 2013/2014 IDP / Budget / OPMS Process Plans	5 – 26 July 2013	MM/ IDP PMS BTO	Drafts Process Plan submitted to Strategic Management Committee (SMC)
IDP	Circulate the draft Process or framework plan internally for preliminary comments and inputs including EXCO	10 – 25 July 2013	MM/ IDP	Circulated draft
IDP	Submit Draft Framework/Process Plans to COGTA	31 July 2013	MM/ IDP	Letter of acknowledgement from COGTA
IDP	Final Process Plan submitted to COGTA	01 September (absolute deadline)	MM/ IDP	Letter of acknowledgement
OPMS	Signed S57 Manager's Performance Agreements – S53 MFMA and S57 MSA	31 July 2013	PMS Unit	Signed performance agreements and place on website within 14 days
IDP	MEC Panel assesses submitted 2013/ 2014 IDPs	30 August 2013	MEC Panel	Results of the assessment and response
IDP	Draft Process Plan comments	01 August 2013	MM/IDP DMIM's	Verified data
IDP-INCORPORATING BUDGET AND OPMS	Collect data to review Status Quo of the Municipality	01 August 2013	MM/IDP DMIM's	Updated table indicating status of reviewed strategies, sector plans and policies
OPMS	Assess the status of sector plans and policies	1 – 15 August 2013	MM/IDP DMIM's	Updated table indicating status of reviewed strategies, sector plans and policies
OPMS	2012 / 2013 Annual Performance Report submitted to Auditor General – S46 MSA	30 August 2013	MM / PMS Manager	Letter of acknowledgement
IDP-INCORPORATING BUDGET AND OPMS	Adoption of final Draft Process Plan to Full Council Committees	28 August 2013	MM/ IDP	Council Resolution





<b>IDP-BUDGET-OPMS</b>	<b>Prepare 2013/2014 IDP / Budget / OPMS Process Plans</b>	<b>5 – 26 July 2013</b>	<b>MM/ IDP PMS BTO</b>	<b>Drafts Process Plan submitted to Strategic Management Committee (SMC)</b>
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA and Reg 14 PPMR	Quarterly	MM / Internal Audit / PAC	Quarterly Internal Audit Reports on performance
IDP	Advertise Process Plans	02 – 23 September 2013	MM/ IDP	Copies of adverts
IDP	Status Quo Report to Exco /Council	25 September 2013	MM/ IDP	Council Resolution
IDP	Review municipal strategies	1 – 15 November 2013	MM/ IDP DMM's	Report on reviewed strategies submitted to SMC
IDP-OPMS-BUDGET	Develop the measurable objectives for the next financial year and include the required budget for achieving those objectives	06 November 2013	Internal Departments	Reports /inputs in required format
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA and Reg 14 PPMR	Quarterly	MM / Internal Audit / PAC	Quarterly Internal Audit Reports on performance
IDP	Zonal IDP/ Budget Izimbizo	02-30 November 2013	MM/ IDP BTO ABM	IDP/ Budget Izimbizo conducted in all 5 ABM zones
IDP	Strategies Report to Exco/Full Council	27 November 2013	MM/ IDP	Reviewed strategies report submitted to Council for approval
IDP	Sector –Municipal Alignment sessions under the auspices of COGTA-uMgungundlovu District	27 November 2013	COGTA, Municipal Representatives-all managers, Sector Departments and State-Owned Enterprises (SOEs)	Alignment of MTSFs, MTEFs, programmes and budgets
IDP	IDP Best Practice Conference	05 December 2013	All municipalities COGTA and stakeholders	Attendance and minutes/presentations



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IPD-BUDGET- OPMS	Prepare 2013/2014 IDP / Budget / OPMS Process Plans	5 – 26 July 2013	MM/ IDP PMS BTO	Drafts Process Plan submitted to Strategic Management Committee (SMC)
BUDGET	2014 /2015 Interdepartmental Budget Inputs	1-30 November 2014	DDMM's Council Internal Departments	Completed templates from BTO
IDP BUDGET	Advertise proposed rates and tariffs	30 November 2013	BTO	Proposed rates and tariffs advertised in local media
IDP	Prioritization of IDP projects	3– 11 December 2013	MM/ IDP DDMM's	Projects prioritization lists integrated into the IDP
OPMS BTO	Mid-year budget and performance assessment review – S72 MFMA	29 January 2014	MM / CFO / DDMM's / PMS Manager	Mid-year budget and performance report submitted to Council for approval
OPMS IDP BUDGET	Table 2012/ 13 Annual Report in Council	29 January 2014	MM	Annual Report tabled to the Council
IDP BUDGET	Conduct hearings on proposed rates and tariffs	20-24 January 2014	MM BTO	Hearings on proposed rates and tariffs held
OPMS	Schedule Performance Audit Committee meetings twice a year – Reg 14 PPMR	31 January and 31 July 2014	MM / Internal Audit / PAC	Minutes of Committee meetings
IDP-BUDGET- SDBIP	Alignment of IDP and Budget towards draft budget and SDBIP	18- 21 February 2014	MM/ IDP/ PMS/ BTO/ DDMM's	Completed templates aligned to Budget/ IDP/ SDBIP format
IDP BUDGET	Draft IDP/ Budget To Full Council	26 February 2014	MM/ IDP BTO	Present Draft IDP, Budget to Full Council, Council Resolution
IDP	Submit draft Reviewed 2014/15 IDPs to COGTA	28 March 2014 (absolute deadline)	MM/ IDP	Proof of submission of draft reviewed IDP
SDBIP	Municipalities submit draft Reviewed 2014/15 SDBIP to Treasury	28 March 2014	MM PMS	Proof of submission of draft reviewed SDBIP
IDP BUDGET opms	Submit Oversight Report to Council for approval	26 February 2013	MPAC	Council Resolution
IDP BUDGET	Advertise the draft IDP/Budget	01-21 March 2014	MM/ IDP BTO	Issue a public notice on the draft IDP and Budget within 21 days
IDP	Submission of Draft IDPs to COGTA	28 March 2014	MM/ IDP	Proof of submitting the draft IDP on time to CoGTA



<b>IDP-BUDGET- OPMS</b>	<b>Prepare 2013/2014 IDP / Budget / OPMS Process Plans</b>	<b>5 – 26 July 2013</b>	<b>MM/ IDP PMS BTO</b>	<b>Drafts Process Plan submitted to Strategic Management Committee (SMC)</b>
OPMS IDP	Review PMS Policy and prepare draft PMS scorecard for inclusion into draft IDP (Ensure draft scorecard indicators are aligned to IDP objectives)	31 March 2014	MM/ DMIM's / IDP Manager / PMS Manager	Reviewed PMS Policy and Organizational Scorecards
IDP & BUDGET	Incorporate public comments on Draft IDP and Budget	March - April 2014	All Municipalities	Incorporated comments
IDP & BUDGET	Leadership Strategic Planning	07 – 09 April 2014	SMC EXCO/ MPAC Chairperson/ Chief Whip/ Speaker LLF	Leadership strategic Planning Conducted
BUDGET IDP	Table Final 2014/ 2015 Budget & IDP for approval	30 April 2014	MM/ IDP BTO	Council Resolution
OPMS	Submit SDBIP to Mayor for approval 28 days after the approval of the budget – S53 MFMA	28 May 2014	Mayor /MM (PMS Manager)	Approved, signed SDBIP by the Mayor
OPMS	Performance Reports twice a year – Reg 13 PPMR	24 January and 25 July 2014	Mayor / MM / PMS Manager / S57	Reports
IDP-BUDGET	Submit and publish adopted IDP/ Budget to COGTA and Public	09 July 2014 (absolute deadline)	MM/ IDP BTO	Copies of adverts
OPMS	Complete Datasheet and submit to CoGTA – S47 MSA	29 August 2014	MM / CFO / S57 Managers / PMS Manager	Portfolio of evidence on submission
OPMS	2013 / 2014 Annual Performance Report – S46 MSA	29 August 2014	MM / PMS Manager	Report submitted to AG
OPMS	Prepare 2012 / 2013 Performance Working Paper File and submit to AG after necessary approvals	29 August 2014	MM / PMS Manager / International Audit	Report submitted to AG



# MSUNDUZI ANNUAL BUDGET

## 2.1.2 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2014/15 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 2014/15 MTREF:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom and Umgeni Water increases, household debt,)
- Performance trends
- The approved 2013/14 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, 67, 70 and 72 has been taken into consideration in the planning and prioritisation process.

## 2.1.3 Community Consultation

Consultation process regarding tariff increases was held with different stakeholders in January 2014 to get their views. The Draft 2014/15 MTREF budget was compiled after that process

## 2.1.4 Community Consultation

The draft 2013/14 MTREF will be tabled before Council on 31 March 2014 for community consultation and will be published on the municipality's website, hard copies will be made available at municipal offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be 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.

Izimbizos will be utilised to facilitate the community consultation process starting in April 2014. The dates of these meetings will be advertised in the local media. The following notice will be published in the local media:

## 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 6 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.

## IDP Strategic Objectives

The Msunduzi Municipality shall deliver on six strategic city-wide outcomes to achieve this vision as follows:

- A well-serviced city;
- An accessible, connected city;
- A clean, green city;
- A friendly, safe city; and
- An economically prosperous city.
- A financially viable and well-governed city.

In order to realise the Vision, the Municipality has prioritised thirteen objectives, clustered under each of these six broadly defined outcomes.





# MSUNDUZI ANNUAL BUDGET

**Table Summary of Strategic Priority Areas**

<b>STRATEGIC PRIORITY 1: WELL SERVICED CITY</b>		
<b>GOAL</b>	<b>VALUE STATEMENT</b>	<b>TARGET</b>
By 2030, Msunduzi is a city serviced with quality water and sanitation reticulation, uninterrupted, adequate energy supply, and regular waste removal - for ALL neighbourhoods, communities, and centres of business.	1.1 City-wide infrastructure and service delivery provides a reliable, high quality supply of water, sanitation, energy, and waste services - to all.	1.1.1 100% of all households have a municipal water connection to the yard level 1.1.2 70% of all households have water-borne sanitation. 1.1.3 30% of all households have the basic minimum of Ventilated Improved Pit-latrines VIPs. 1.1.4 To Reduce Non-Revenue Water and Real Water Losses to 20% and 15% respectively. 1.1.5 To reduce the amount of water service interruptions from 1684 per annum (2011/2012) by 80% to 336 bursts per annum and respond to 100% of service interruptions within 8 hours. 1.1.6 To reduce sanitation service interruptions from 2499(2011-2012) per annum by 80% to 500 per annum and respond to 100% of sanitation blockages within 8 hours.
	1.2 City-wide energy infrastructure and service delivery provides a reliable, high quality supply of energy. Energy supply meets the anticipated increased demand for electricity specifically, including peak periods.	1.2.1 Disruption to energy supply is minimised to 6 hours in 100% of incidents. 1.2.2 Electricity supply keeps pace with expected growth of 4% per annum. 1.2.3 100% of households have basic electricity supply.
	1.3 Energy prices are affordable for residents.	1.3.1 100% of municipal households are fitted with solar water heating geysers.
	1.4 Use of renewable sources of energy is widespread.	1.4.1 100% of street lights and 100% of traffic signals in the CBD are powered by renewable energy.
	1.5 Energy production, capacity, storage, management, and distribution rapidly adapts to changing patterns of demand.	1.5.1 Demand management provides a 10% reduction in peak demand.
	1.6 City-wide infrastructure and service delivery provides reduced electricity losses.	1.6.1 Reduces electricity losses to below 5% of bulk supply purchases.
	1.7 Municipal-wide waste collection and disposal services to domestic households are available to all Msunduzi residents.	1.7.1 100% of households are rendered a waste collection and disposal service once a week.
	1.8 Appropriate waste collection and disposal services are provided to support business and industry. Commercial activity derives production inputs from recovered waste material.	1.8.1 100% of businesses are rendered a waste collection and disposal service at least twice a week.
	1.9 Implementation of Advanced Waste Management Systems that reflect community values around waste minimisation.	1.9.1 50% recovery rate of recyclable materials through source separation at households and public sector offices, and treatment of organic waste.
	1.10 Implementation of annual infrastructure upgrade of the waste disposal site.	1.10.1 Construct waste containment berms, access roads, rehabilitation of perimeter roads, fencing of perimeter of site, construct wet-weather facility, install stone drainage layers on site, clay-cap side slopes of berms.
	1.11 Recovery, re-use and recycling of waste is maximised. The volume of waste disposed to landfill is minimised. Life spans of landfill sites are extended.	1.11.1 25% of household and business waste is sorted on-site.
<b>STRATEGIC PRIORITY 2: AN ACCESSIBLE AND CONNECTED CITY</b>		
<b>GOAL</b>	<b>VALUE STATEMENT</b>	<b>TARGET</b>



STRATEGIC PRIORITY 1: WELL SERVICED CITY		
GOAL	VALUE STATEMENT	TARGET
<p>By 2030, Msunduzi is a city with sufficient and well-maintained road, rail, and other physical infrastructure serving all residents, whether they use public or private transport modes. It has layers of diverse transport networks interconnecting at centres and internal urban hubs. Human settlement initiatives reduce housing backlogs and eliminate spatial separation by racial categories. Telecommunications and information technology is universally accessible and reliable. Social infrastructure, focussed on educational, health and recreational facilities meets all communities' needs.</p>	<p>2.1 A diversity of private (cars, bikes, walking) and public (trains, buses, taxis) transport options, using a range of adequate physical infrastructure (roads, rail, and bikeways/walkways) is readily available to all residents.</p>	<p>2.1.1 Road and rail infrastructure backlogs are reduced such that 90% of communities have access to road and rail services.</p> <p>2.1.2 100% compliant with Roads infrastructure management plan.</p> <p>2.1.3 90% of Msunduzi residents can get to work within 45 minutes.</p> <p>2.1.4 Reliable Public transport services are available 24 hours per day, with accessibility every 15 minutes to key activity nodes.</p> <p>2.1.5 90% of travel in morning peak periods comprise walking, cycling or energy efficient public transport.</p>
	<p>2.2 Housing backlogs are significantly reduced, with human settlement patterns reflecting inclusive demographics.</p>	<p>2.2.1 100% eradication of informal settlements.</p> <p>2.2.2 Rural Residential housing infrastructure backlogs are reduced such that less than 10% of households remain without access to formal housing.</p> <p>2.2.3 Zero tolerance for exclusions based on racial, ethnic, religious or other demographic characteristics, is reflected in 100% of new settlement patterns.</p> <p>2.2.4 20% of each new mixed-use development consists of rental stock.</p> <p>2.2.5 30% densification of urban space.</p> <p>2.2.6 Council Rental Stock maintained on a regular and consistent basis to eliminate unsafe structures and to prevent deterioration of Council's assets.</p> <p>2.2.7 Old Rental Stock to be reduced by transferring certain units to qualifying tenants.</p> <p>2.2.8 Allocations of new houses in subsidised housing projects to be 100% compliant with DOHS policies by installation of Housing Needs Register and capture of names.</p>
	<p>2.3 People connect virtually through high-speed information and communication technology. Reliable telecommunications networks provide access to learning and information opportunities in homes, schools, and workplaces. Business and industry embrace high-speed broadband networks to become more productive and innovative. Energy efficiency is promoted by telecommuting.</p>	<p>2.3.1 90% of households have access to telecommunications and high-speed broadband more cheaply and cost effectively.</p> <p>2.3.2 100% of indigent households have free access to telecommunications and high-speed broadband.</p> <p>2.3.3 100% of businesses, government departments, and schools have easy access to business-grade and bi-directional high-speed broadband.</p> <p>2.3.4 Telecommuting reduces conventional energy usage by 20%.</p>
	<p>2.4 Social infrastructure supports healthy lifestyles, learning opportunities, and community unity and social cohesion. Health infrastructure is readily available and meets community needs. Major recreational infrastructure (e.g. sports stadia, cultural facilities, etc.) contribute to the city's economy by allowing for world-class events and tourism. Social infrastructure is delivered with regard to minimising impacts on the environment.</p>	<p>2.4.1 90% of communities have adequate social infrastructure within a 30 minute walk or ride.</p> <p>2.4.2 100% of business centres are supported with appropriate community recreational and meeting facilities including health and educational facilities.</p> <p>2.4.3 100% of social infrastructure delivery complies with national standards regarding minimal environmental impact.</p>
STRATEGIC PRIORITY 3: A CLEAN, GREEN CITY		
GOAL	VALUE STATEMENT	TARGET



# MSUNDUZI ANNUAL BUDGET

STRATEGIC PRIORITY 1: WELL SERVICED CITY		
GOAL	VALUE STATEMENT	TARGET
<p>By 2030, Msunduzi is a city protecting our natural environment, our native plants and animal habitats, limiting pollution, greening the city, and using our natural resources, such as water, wisely. The clean, green city harnesses our renewable energy supply, public open space creation project, and urban renewal and greening programme to these ends.</p> <p>Msunduzi conserves its natural assets while still meeting the demand for more housing, more roads and more services to accommodate our increasing population.</p>	3.1 Msunduzi has widespread use for renewable energy supplies, including but not limited to: solar, wind, and hydro power. The city continually increases investment in delivering more sustainable energy technologies. Businesses use energy efficiently prioritising low carbon emission sources. Alternative energy sources are mainstreamed in new human settlement development for all communities and energy efficiency required in building plans.	<p>3.1.1 30% of Msunduzi's electricity demand is met by renewable sources.</p> <p>3.1.2 20% of liquid energy is derived from bio-fuel.</p> <p>3.1.3 50% of new commercial or industrial development incorporates some form of renewable energy technology usage in its design and construction.</p> <p>3.1.4 80% of new human settlement development incorporates some form of renewable energy technology usage in its design and construction.</p> <p>3.1.5 100% of building plans approved have due consideration for energy efficiency.</p>
	3.2 Communities benefit from a linked public open space network, providing for a range of sporting, cultural, and recreational uses.	3.2.1 100% of residents are within a 15 minute walking distance to facilities within the city's public, open, and green space network
	3.3 Urban renewal and greening is recognised by communities and the business fraternity as contributing to environmental and ecological sustainability, as well as supporting future residential, commercial, and industrial development.	<p>3.3.1 100% residential, commercial, and industrial precincts incorporate green spaces.</p> <p>3.3.2 100% of roads in former black townships and major arterial roads in rural areas are tarred.</p> <p>3.3.3 100% compliance with trading bylaws within the CBD.</p> <p>3.3.4 100% compliance with environmental bylaws within the city environs.</p>

STRATEGIC PRIORITY 4: A FRIENDLY, SAFE CITY		
GOAL	VALUE STATEMENT	TARGET
<p>By 2030, Msunduzi is a city with strong, welcoming, caring, and diverse communities, living in a variety of friendly, safe neighbourhoods.</p>	4.1 The separate development of the past will be forgotten, as the city proactively promotes and practically engineers social cohesion across all its objectives, geographic spread, racial groupings, class identities, religious formations, and political affiliations.	<p>4.1.1 Civic engagement increases so that 100% of residents, regardless of racial, class, religious, or political categories, can enjoy an active role in decisions that affect their city.</p> <p>4.1.2 To ensure the effective management of land uses within the Msunduzi Municipality.</p>
	4.2 People will enjoy working together and helping each other in local neighbourhoods and in the broader community. Msunduzi's friendly outdoor life is enlivened by an interesting range of local and regional celebrations.	
	4.3 Civil society organisations and community participation are critical elements of Msunduzi's safety and security strategies. Community policing forums are active in community safety centres established across the city.	<p>4.3.1 80% of community police forums are accessible and accommodated in safety centres within a 30 minute walk or ride for all residents.</p> <p>4.3.2 The entire Msunduzi Municipal area is monitored through CCTV camera system.</p> <p>4.3.3 100% of the city-wide area is monitored by law enforcement officials (traffic wardens, traffic officers, security officers, city police, peace officers, and inspectors).</p>

STRATEGIC PRIORITY 5: AN ECONOMICALLY PROSPEROUS CITY		
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GOAL	VALUE STATEMENT	TARGET
By 2030, Msunduzi is a city with a flourishing business environment, with people exercising their entrepreneurship across the full spectrum of commercial, public, scientific, educational, and charitable enterprises.	5.1 The city absorbs young people into a job creation social compact between the council, private businesses, and the non-profit sector – with the support of institutions of learning.	5.1.1 Unemployment in the city is reduced to 15%.
	5.2 By 2030, Msunduzi will have a strong, diversified, and resilient economy, using its competitive advantages to deliver prosperity, high employment, and quality jobs for all the city's residents.	5.2.1 The Municipality has competitive business incentive packages to attract new businesses and drive expansion. 5.2.2 The Municipality attracts annual investment in excess of R 1 billion per annum, reducing unemployment by 5% per annum. 5.2.3 Municipality has 100% of skills required for the local economy. 5.2.4 Reduce the percentage of economically inactive youth to 5%.
<b>STRATEGIC PRIORITY 6: A FINANCIALLY VIABLE AND WELL-GOVERNED CITY</b>		
GOAL	VALUE STATEMENT	TARGET
By 2030, the Msunduzi Municipality is a financially sound and well governed institution, delivering on its legislative mandates and offering residents of the Municipality value for their rates payments.	6.1 By 2030, Msunduzi will be financially sound through managing its finances efficiently, through effective and realistic budgeting to ensure synergy between the capital and operating budget, as well as through revenue enhancement.	6.1.1 Efficient Budget and Treasury. 6.1.2 Optimal Expenditure Management. 6.1.3 Improved Revenue Management. 6.1.4 Effective Supply Chain Management. 6.1.5 Optimal Financial Service. 6.1.6 Efficient collection of revenue through Municipal Property Rates.
	6.2 By 2030, Msunduzi will have a civil society that actively participates in, and contributes to, sound decision making, ensuring greater accountability of Councillors and Officials.	6.2.1 100% effective administration complying with its legal mandates. 6.2.2 Effective fleet management to ensure resource availability for service delivery. 6.2.3 To maximize the disaster resilience of Msunduzi through coordination of all pre-disaster risk reduction – as well as post disaster response activities within a framework of sustainable development.



# MSUNDUZI ANNUAL BUDGET

**Table 18 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

KZN225 Msunduzi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

ANNEX B: Supporting Table of 4 Reconstruction of 1st Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
Financial Viability and	An efficiently managed, financially			835 014	765 774	792 096	1 143 178	1 143 178	1 143 178	911 271	843 596	870 116
Management	viable and sustainable city											
Basic Service and Infrastructure	A city where everybody has			1 667 326	2 070 036	2 531 176	2 482 689	2 481 019	2 481 019	2 601 800	2 900 769	3 116 465
Development	access to habitable human											
	settlement-decent houses, clean											
	water and proper sanitation											
Local Economic Development	A vibrant economic centre,			8 233	7 549	7 808	9 382	9 382	9 382	10 573	11 579	12 109
	attracting investment, supporting											
	business development and											
	creation in the											
Good Governance and Public	A well-governed city underpinned			249	237	245	284	284	284	326	357	373
Participation	by meaningful public participation											
Institutional Development and	A well-governed city underpinned			330	339	351	376	376	376	448	491	513
Transformation	by meaningful public participation											
Environmental Planning and	An environmentally sustainable			33 988	34 903	36 103	38 733	38 733	38 733	46 157	50 549	52 865
Social Services	and healthy city											
Scheme as a part of Land Use	To develop strong welcoming,									-	-	-
Management System	caring & diverse communities											
	living in a variety of friendly											
To eradicate the housing backlog	Reduce housing backlogs and									-	-	-
	eliminate spatial separation by											
	racial categories											
To ensure proper	To promote & enhance e-											
regulations, control and	governance											
enforcement												
To develop social housing	To promote integrated											
	development											
Licensing of business &	to be financial sound & well											
enforcement of bylaws	governed institution delivering on											
	its legislative mandates											
To provide adequate staffing	To promote & enhance e-											
levels	governance											
To promote the involvement of	To promote integrated											
communities	development											
Environmentally sustainable	To promote integrated											
development	development											
To promote access to basic	To promote integrated											
services	development											
Scheme as a part of Land Use	To develop strong welcoming,											
Management System	caring & diverse communities											
	living in a variety of friendly											
To eradicate the housing backlog	Reduce housing backlogs and											
	eliminate spatial separation by											
	racial categories											
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)				1	2 545 140	2 878 839	3 367 779	3 674 642	3 672 972	3 672 972	3 570 575	3 807 340
											4 052 442	





**Table 19 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

**KZN225 Msunduzi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
To provide adequate staffing levels	To promote & enhance e-governance												
To promote the involvement of communities	To promote integrated development												
Environmentally sustainable development	To promote integrated development												
Financial Viability and Management	An efficiently managed,financially viable and sustainable city			807 735	703 614	790 732	936 989	936 989	936 989	1 036 740	1 104 589	1 140 427	
Basic Service and Infrastructure Development	A city where everybody has access to habitable human settlement-decent houses,clear water and prooper sanitation			1 516 571	1 995 727	2 439 028	2 239 884	2 197 533	2 197 533	2 405 194	2 562 967	2 693 887	
Local Economic Development	A vibrant economic centre, attracting investment,supporting business development and creatina iobs			7 964	6 936	7 795	9 238	9 238	9 238	11 521	12 731	38 196	
Good Governance and Public Participation	A well-governed city underpinned by meaningful public participation			241	218	245	279	279	279	1 621	2 187	27 552	
Institutional Development and Transformation	A well-governed city underpinned by meaningful public participation			319	311	350	370	370	370	1 721	2 295	27 661	
Environmental Planning and Social Services	An environmentally sustainable and healthy city			32 878	32 070	36 041	38 139	38 139	38 139	43 458	46 744	72 533	
To promote access to basic services	To promote integrated development												
Licensing of business & enforcement of bylaws	To be financial sound & well governed institution delivering on its legislative mandates												
Scheme as a part of Land Use Management System	To develop strong welcoming, caring & diverse communities living in a variety of friendly.												
To eradicate the housing backlog	Reduce housing backlogs and eliminate spatial separation by racial categories.												
Allocations to other priorities													
Total Expenditure				1	2 365 707	2 738 877	3 274 191	3 224 899	3 182 548	3 182 548	3 500 255	3 731 515	4 000 257

**References**

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)



# MSUNDUZI ANNUAL BUDGET

**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)

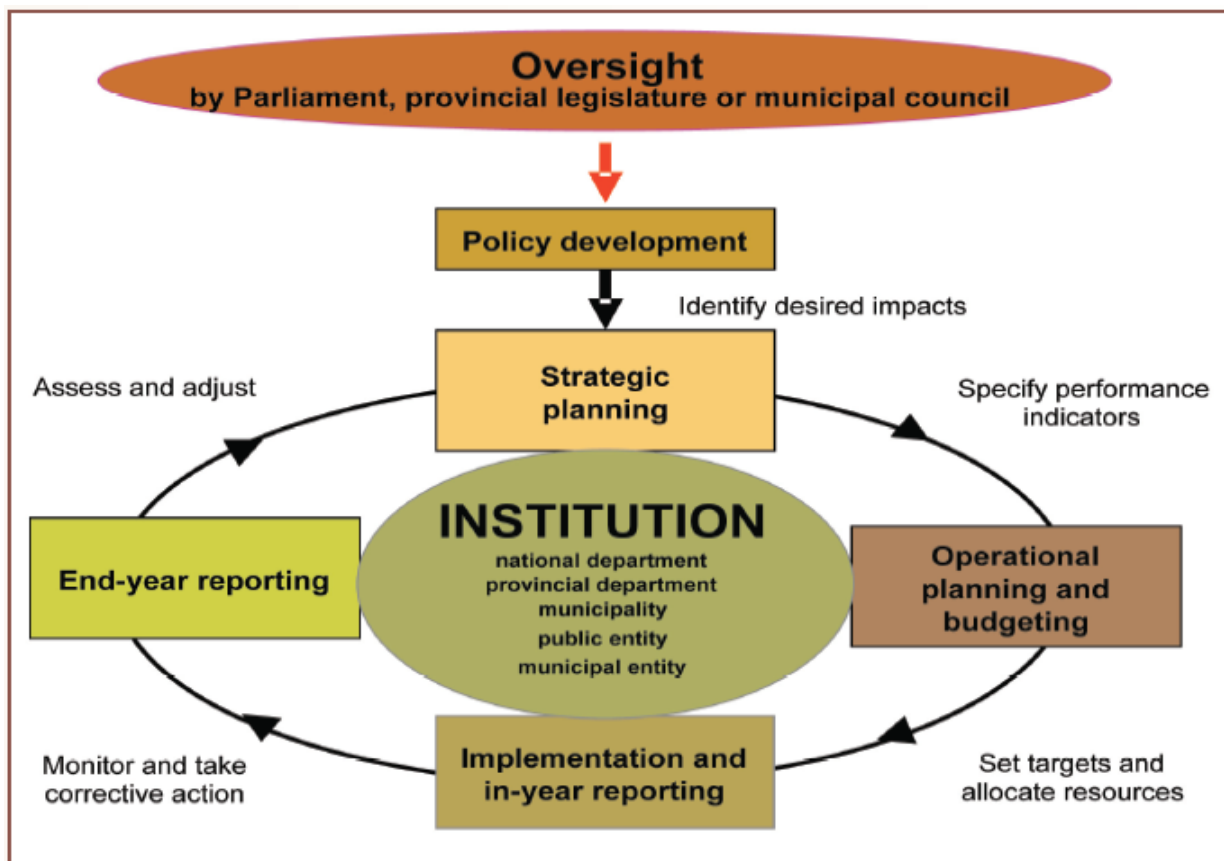
KENYA NATIONAL SUPPORTING TABLE ONE RECONCILIATION OF STRATEGIC OBJECTIVES AND BUDGET (CAPITAL EXPENDITURE)													
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
To promote social integration	Promote the city heritage & enhance sustainable tourism	G			5 377								
To provide sustainable & developmental finance through sound financial management	Use technology advancement to improve service delivery				120 970								
To ensure proper regulations, control and enforcement	To promote & enhance e-governance				4 453					5 580	6 687	5 680	
To develop social housing	To promote integrated development				17 036								
To provide adequate staffing levels	To promote & enhance e-governance				14 281								
To promote the involvement of communities	To promote integrated development				6 489								
Environmentally sustainable development	To promote integrated development				22 875								
To promote access to basic services	To promote integrated development				1 902					19 600	23 488	19 950	
Basic Service Delivery and Infrastructure Development	A city where everybody has access to habitable human settlements-decent houses, clean water and proper sanitation				1 673	234 964	370 040	390 431	390 431	90 201	108 092	91 812	
Financial Viability and Management	An efficiently managed, financially viable and sustainable City				11 104					22 969	27 525	23 379	
Basic Service Delivery and Infrastructure Development	A safe city, with low crime levels, and quality living areas	H			1 794					4 512	5 407	4 593	
Environmental Planning and Social Services	An environmental sustainable and healthy city	I			7 443		27 680	27 680	27 680				
Local Economic Development	A vibrant economic centre, attracting investment, supporting business development and creating jobs	J			11 322		22 725	22 725	22 725	10 350	12 403	10 535	
Basic Service Delivery and Infrastructure Development	A well planned, spatially integrated city	K			2 392		22 725	22 725	22 725				
		L		85 957						57 570	169 567	144 028	
Access to electricity	provides an adequate energy supply									173 429	275 107	233 673	
To provide access to Roads, Storm-water	well maintained roads, rail and other physical infrastructure serving all residents	M						59 572	59 572	74 980	98 853	76 721	
To provide access to water	serviced with quality of water									23 834	28 561	24 259	
Access to sanitation	serviced with sanitation reticulation									30 799	36 909	31 350	
Fleet management	Replacement of certain vehicles that are not roadworth												
To provide access to solid waste	Landfill upgrade												
To provide access to solid waste	regular waste removal for all neighborhoods												
To reduce non technical electricity losses	service with uninterrupted, adequate energy supply												
To provide access to electricity	To provide adequate energy supply to all communities & centres of business	N											
		O		12 070									
		P		11 906									
		O		1 216									
		P											
Allocations to other priorities				3									
Total Capital Expenditure				1	111 149	229 109	234 964	443 170	523 133	523 133	513 824	792 599	665 980



## 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



**Figure 2 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

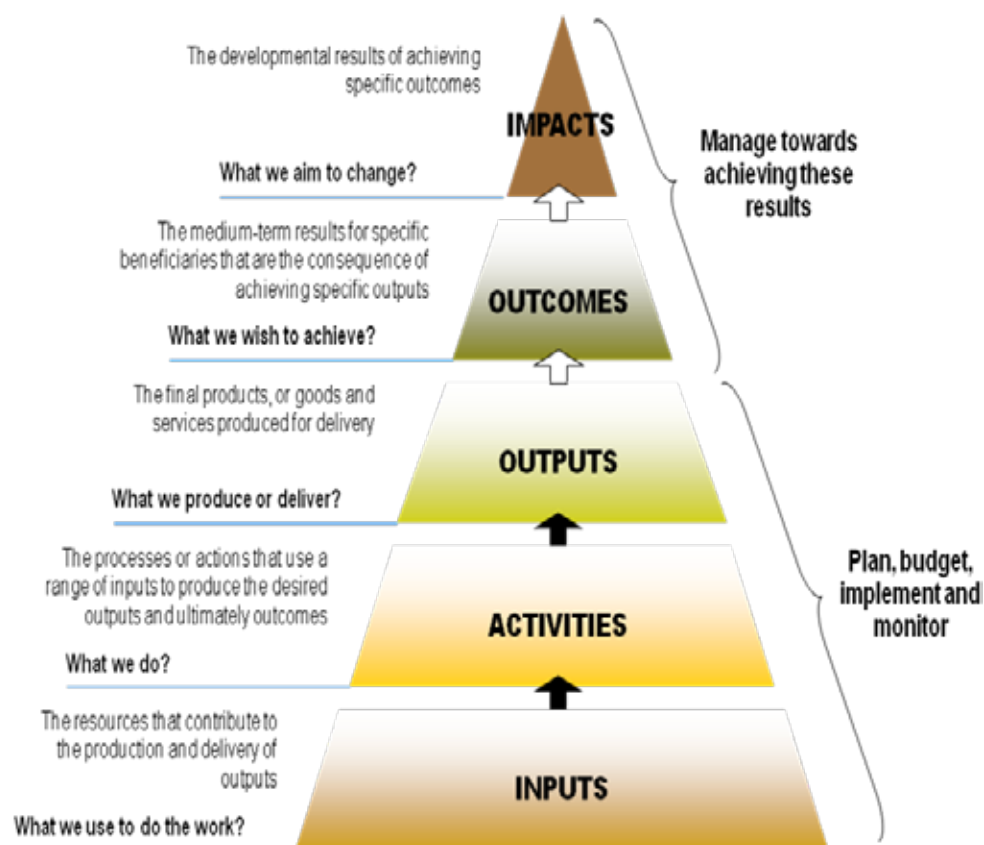
- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);



# MSUNDUZI ANNUAL BUDGET

- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the Framework of Managing Programme Performance Information issued by the National Treasury:



**Figure 3 Definition of performance information concepts**

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.



**Table 21 MBRR Table SA8 - Performance indicators and benchmarks**

KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.4%	4.5%	3.3%	3.4%	3.4%	3.4%	3.4%	3.0%	3.1%	2.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.9%	5.1%	3.8%	3.8%	3.8%	3.8%	3.8%	3.3%	3.4%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-214.7%	140.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	975.2%	1040.9%	1086.6%	978.4%	1149.9%	1149.9%	1149.9%	231.4%	172.3%	171.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.2	2.5	2.7	1.9	2.8	2.8	2.8	2.4	2.3	2.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	2.5	2.7	1.9	2.8	2.8	2.8	2.4	2.3	2.1
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	0.8	0.9	0.8	1.0	1.0	1.0	0.8	0.6	0.5
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		106.6%	101.1%	95.1%	86.1%	100.6%	100.6%	100.6%	96.6%	94.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		112.3%	116.3%	109.6%	86.1%	100.6%	100.6%	100.6%	96.6%	94.1%	95.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	3.5%	19.5%	25.2%	22.8%	25.1%	25.1%	25.1%	27.3%	26.7%	26.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		123.6%	71.2%	67.0%	55.5%	23.4%	23.4%	23.4%	67.2%	55.4%	47.4%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)		237739531	202469552	182222552	182222552	182222552	182222552	164000337	159080327	149678680
	Total Cost of Losses (Rand '000)		119 064	122 346	119 899	119 899	119 899	117 501	113 976	110 556	107 240
	% Volume (units purchased and generated less units sold)/units purchased and generated		13.58%	11.58%	11.00%	11.00%	11.00%	11.00%	10.45%	9.93%	9.43%
Water Distribution Losses (2)	Total Volume Losses (kℓ)				14	15	16	16	15	13	12
	Total Cost of Losses (Rand '000)				66 417 513	70 959 999	72 866 767	72 866 767	R 75 490 861	R 81 205 896	R 87 945 142
	% Volume (units purchased and generated less units sold)/units purchased and generated				22.20%	2330.00%	23.60%	23.60%	22.70%	20.62%	18.55%
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.3%	23.2%	20.4%	23.7%	23.5%	23.5%	23.5%	24.0%	24.2%	24.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25.8%	22.2%	22.3%	24.9%	25.2%	25.9%		26.1%	26.3%	26.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.7%	1.4%	2.6%	2.9%	2.5%	2.5%		8.2%	13.6%	15.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.2%	12.0%	9.2%	8.7%	8.8%	8.8%	8.8%	9.0%	8.5%	8.2%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	15.5	15.6	38.8	40.3	40.3	40.3	38.2	33.9	37.8	40.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	4.4%	25.1%	32.4%	26.4%	29.1%	29.1%	29.1%	32.6%	31.8%	31.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	3.4	3.3	3.5	5.7	5.7	5.7	4.9	5.9	6.7

## 2.3.1 Performance indicators and benchmarks

### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Msunduzi Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2014/15MTREF:

*Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily decreased from R578 million in 2011/12 to R541 million in 2012/13. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its





prudential borrowing limits.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

### 2.3.1.2 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

### 2.3.1.3 Creditors Management

The Municipality could not manage to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has not managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a negative impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to damage the Municipality in the form of more competitive pricing of tenders, as suppliers will not compete for the Municipality's business.

## 2.3.2 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The following budget-related policies have been approved by Council, are in line with National Guidelines and other legislation.

- Budget Policy
- Supply Chain Management Policy
- Rates Policy
- Tariff Policy
- Credit Control & Debt Collection Policy
- Asset Management Policy
- Cash and Investment Management Policy
- General Insurance Policy
- Virement Policy
- Funding and Reserves Policy

The promulgation of the Municipal Budget and Reporting Regulations in Government Gazette No. 32141 dated 17 April 2009 is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirement for insuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the MFMA.

In terms of section 7 of these regulations the Municipal Manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1) (b) of the Act.



## **BUDGET POLICY**

The budget policy is there to assist Mayors, Councillors, Accounting Officers and Senior Managers in dealing with the changes brought about by the Municipal Finance Management Act No 56 of 2003. This policy provides a framework within which Senior Management can compile, control and review budgets of their respective departments to ensure effective financial management

## **SUPPLY CHAIN MANAGEMENT POLICY**

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy. This policy is within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

A procurement system which is fair, equitable, transparent, competitive and cost-effective in terms of section 217 of the Constitution of South Africa No. 108 of 1996

As enshrined in Chapter 11 of the Municipal Finance Management Act and its regulations

Best practices in supply chain management

Uniformity in supply chain management systems between organs of state in all spheres

Broad Based Black Economic Empowerment

## **RATES POLICY**

Section 5(1) of the Municipal Property Rates Act, No. 6 of 2004 states that a municipal council must annually review, and if necessary, amend its rates policy. Any amendments must accompany the municipality's annual budget when it is tabled in the Council. The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners.

## **TARIFF POLICY**

The Municipal Systems Act, No 32 of 2000, requires a municipality to have a tariff determination policy. The challenge in setting tariffs lies in striking a balance between maintaining financial sustainability of the relevant departments (and so the sustainability of service provision) and ensuring affordability of those services by consumers. The municipality's tariff policy provides a broad framework where the Council can determine fair, transparent and affordable service charges that also promote sustainability of service provision. The policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of.

## **CREDIT CONTROL & DEBT COLLECTION POLICY**

The municipality's credit control and debt collection policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

## **VIREMENT POLICY**

This policy's objective is to allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

## **FUNDING AND RESERVES POLICY**

The funding and reserves policy is aimed at ensuring that the municipality procures sufficient and cost effective funding in order to achieve its capital expenditure objectives in an optimum manner. The policy is adhered to in the procurement of funding for the municipality having due regard to the assets and liability maturity profile of the municipality

## **CASH MANAGEMENT AND INVESTMENT POLICY**

Section 13(2) of the MFMA requires that a municipality have a policy dealing with cash management and investment. The municipality's cash management and investment policy is developed within the framework of the MFMA



# MSUNDUZI ANNUAL BUDGET

## 2.4 Overview of budget assumptions

### 2.4.1 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 intention for borrowing an amount of R100 million in the 2014/15 financial year.

### 2.4.2 Collection rate for revenue services

The base assumption is that tariff and rating increases will be within inflation rate except on electricity and water. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

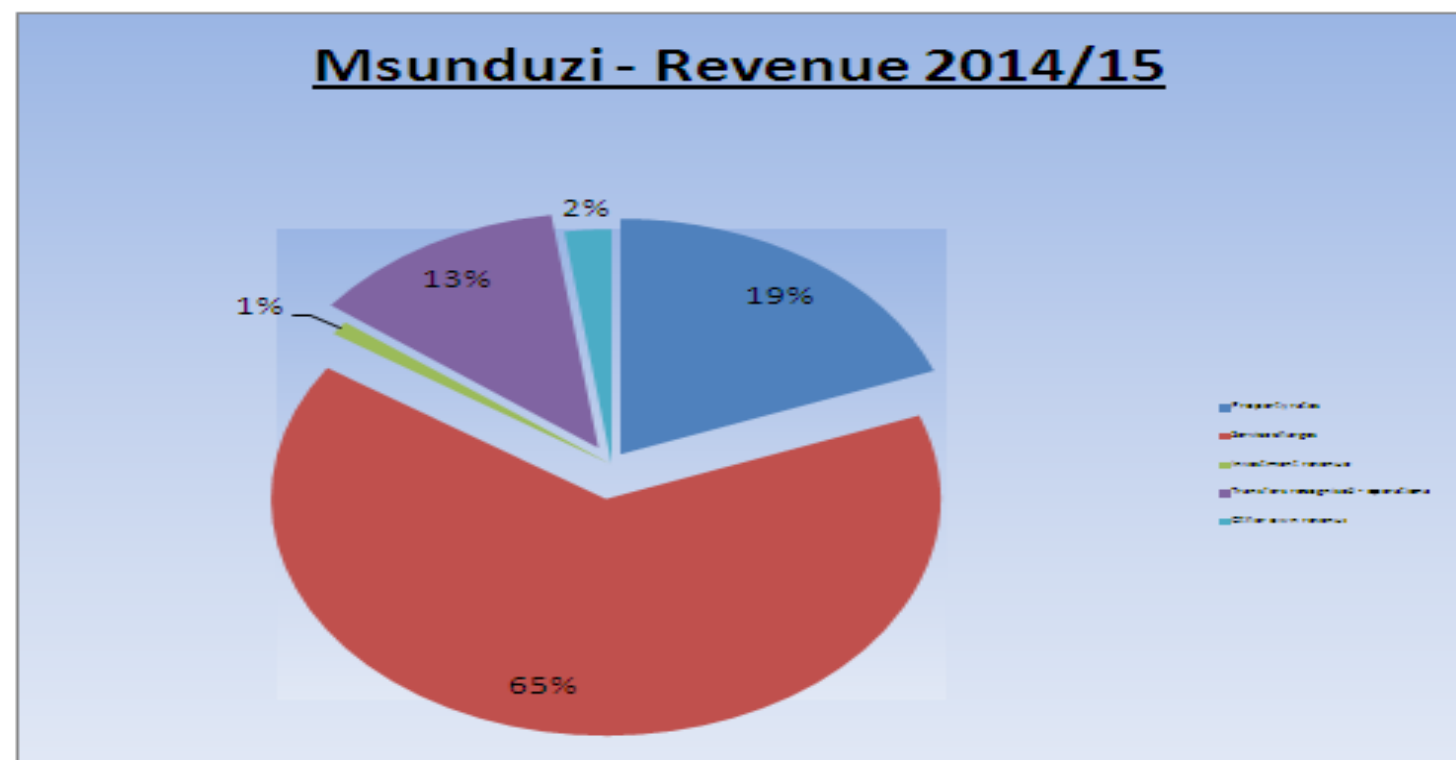
The rate of revenue collection is currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however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

### 2.4.3 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 2014/15 financial year.





## 2.4.4 External factors

The South African economy has averaged about 2.5 per cent growth a year since 2010. Against the background of the slowdown in the global economy, real GDP growth is likely to fall to about 2.1 per cent in 2013.

A recovery of up to 2.5 per cent and 3.0 per cent growth in 2014 and 2015 is expected, but these are modest rates of expansion relative to the social and developmental challenges we face and the opportunities that our mineral wealth and human capabilities offer.

There was a welcome recovery in job creation during 2011, but unemployment has not yet returned to its 2008 peak and the unemployment rate remains high at 25 per cent.

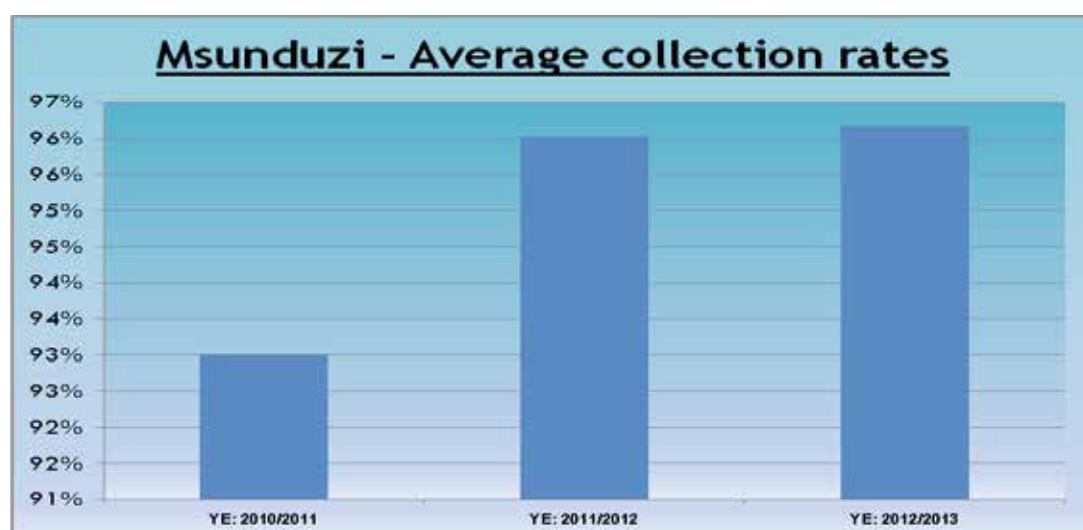
Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

## 2.4.5 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and

The increase in the cost of remuneration Employee related costs comprises less than 30% per cent of total operating expenditure in the 2014/15 MTREF.



### 2.4.5.1 Overview of budget funding

### 2.4.5.2 Medium-term outlook: operating revenue

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



# MSUNDUZI ANNUAL BUDGET

**Figure 4 Breakdown of operating revenue over the 2014/15 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) supplement revenue.

**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;
- Water tariff increases within the Umgeni Water 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), a
- 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 Breakdown of the operating revenue over the medium-term**

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	448 257	505 310	585 863	607 308	607 308	607 308	607 308	659 052	695 065	731 888
Property rates - penalties & collection charges		26 358	31 244	39 596	37 363	37 363	37 363	37 363	39 231	41 349	43 582
Service charges - electricity revenue	2	1 011 459	1 212 660	1 425 627	1 558 827	1 516 475	1 516 475	1 516 475	1 628 543	1 748 892	1 878 135
Service charges - water revenue	2	270 107	288 345	349 140	378 445	378 445	378 445	378 445	391 288	424 332	454 918
Service charges - sanitation revenue	2	102 592	107 507	120 089	132 153	132 153	132 153	132 153	126 582	133 938	141 417
Service charges - refuse revenue	2	65 559	70 091	73 999	77 592	77 592	77 592	77 592	87 712	91 276	95 132
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		17 313	17 944	20 896	20 255	20 255	20 255	20 255	35 024	38 329	40 292
Interest earned - external investments		12 823	25 951	34 328	27 029	27 029	27 029	27 029	32 247	33 988	35 824
Interest earned - outstanding debtors		47 480	58 254	82 051	1 255	1 255	1 255	1 255	1 325	1 399	1 478
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		5 354	3 813	8 371	3 634	3 634	3 634	3 634	14 667	15 488	16 356
Licences and permits		89	78	59	48	48	48	48	83	87	92
Agency services		577	374	733	586	586	586	586	3 220	3 324	3 490
Transfers recognised - operational		387 733	500 669	566 470	383 848	383 848	383 848	383 848	415 372	436 640	458 643
Other revenue	2	64 786	56 600	60 558	48 011	48 011	48 011	48 011	136 230	143 231	151 195
Gains on disposal of PPE		-	-	-	15 131	15 131	15 131	15 131	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2 460 486</b>	<b>2 878 840</b>	<b>3 367 779</b>	<b>3 291 485</b>	<b>3 249 133</b>	<b>3 249 133</b>	<b>3 249 133</b>	<b>3 570 575</b>	<b>3 807 340</b>	<b>4 052 442</b>

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





**Table 23 MBRR SA15 Detailed Investment Information**

KZN225 Msunduzi - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budaet	Adjusted Budaet	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		282 404	561 104	5 901	539 091	863 505	863 505	555 641	583 421	612 590
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	282 404	561 104	5 901	539 091	863 505	863 505	555 641	583 421	612 590
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:		282 404	561 104	5 901	539 091	863 505	863 505	555 641	583 421	612 590

**Table 24 MBRR SA16 Investment Particulars by Maturity**

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	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<b>Parent municipality</b>														
ABSA						4.55			Call	1 489	74			1 563
Rand Merchant Bank						4.7			Call	2 129	106			2 235
Rand Merchant Bank						4.7			Call	1 233	62			1 295
Rand Merchant Bank						4.7			Call	239 216	11 961			251 177
Rand Merchant Bank						4.7			Call	3 855	193			4 048
Rand Merchant Bank						4.7			Call	11 216	561			11 777
First National Bank						4.7			Call	150 000	7 500			157 500
Investec Bank						4.7			Call	120 000	6 000			126 000
						4.7								-
						4.7								-
						4.7								-
						4.7								-
						5.25								-
						5.25								-
<b>Municipality sub-total</b>										529 138		-	-	555 595
<b>Entities</b>														
														-
														-
														-
														-
<b>Entities sub-total</b>										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									529 138		-	-	555 595

References  
1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)  
2. List investments in expiry date order

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R70.3 million, R75.8 million and R52.2million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds although this is not at all sufficient.



# MSUNDUZI ANNUAL BUDGET

**Table 25 Sources of capital revenue over the MTREF**

<b>Funded by:</b>											
National Government		73 020	123 449	189 180	383 158	391 760	391 760	391 760	283 897	464 283	470 992
Provincial Government		11 429	25 621	31 139		25 459	25 459	25 459	9 927	9 000	–
District Municipality		–	–	–	–				–	–	
Other transfers and grants		205	–	–	–	2 427	2 427	2 427	–	–	
Transfers recognised - capital	4	84 654	149 070	220 319	383 158	419 646	419 646	419 646	293 824	473 283	470 992
Public contributions & donations	5	–	–	–	–				–		
Borrowing	6	26 495	–	–	–	4 193	4 193	4 193	100 000		
Internally generated funds		–	74 889	–	60 000	99 294	99 294	99 294	203 930	319 316	194 988
<b>Total Capital Funding</b>	<b>7</b>	<b>111 149</b>	<b>223 959</b>	<b>220 319</b>	<b>443 159</b>	<b>523 133</b>	<b>523 133</b>	<b>523 133</b>	<b>597 754</b>	<b>792 599</b>	<b>665 980</b>

Capital grants and receipts equates to 47.5 per cent of the total funding source which represents R293.8 million for the 2014/15 financial year and steadily increase to R473.3 million by 2015/16.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits and going forward borrowing limits will remain constant.

The following table is a detailed analysis of the Municipality's borrowing liability.



**Table 26 MBRR SA 17 Detailed Borrowings**

**KZN225 Msunduzi - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		518 942	577 963	542 233	573 000	564 035	564 035	100 000	75 000	75 000
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	518 942	577 963	542 233	573 000	564 035	564 035	100 000	75 000	75 000
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	518 942	577 963	542 233	573 000	564 035	564 035	100 000	75 000	75 000

<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		518 942	577 963	541 325	573 000	564 035	564 035	100 000	75 000	75 000
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	518 942	577 963	541 325	573 000	564 035	564 035	100 000	75 000	75 000
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	518 942	577 963	541 325	573 000	564 035	564 035	100 000	75 000	75 000

Internally generated funds consist of a surpluses generated on the operating statement of financial performance s. In determining the credibility of this funding source it becomes necessary to review the cash flow budget and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R120.0 in 2014/15, R319.3 in 2014/15 and R195 million in 2015/16.



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**Table 27 MBRR SA 18 Capital Transfers and Grant receipts**

**KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		267 375	310 326	342 704	362 139	362 139	362 139	384 424	402 078	422 802
Local Government Equitable Share		267 211	304 835	338 903	354 313	354 313	354 313	373 541	392 761	413 174
Finance Management		165	1 979	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement			978	800	890	890	890	934	967	1 018
EPWP Incentive				1 501	1 874	1 874	1 874	2 782		
Energy Efficiency and Demand Management			2 534		-	-	-	-	-	
Water Services Operating Subsidy										
Other transfers/grants [insert description]					3 512	3 512	3 512			
Operating costs-MIG								4 000	4 200	4 410
Neighbourhood Development Partnership Technical ass								1 567	2 500	2 500
<b>Provincial Government:</b>		33 467	4 074	22 500	21 709	21 709	21 709	30 948	34 562	35 841
Health subsidy			-							
Provincial Government:		20 979	1 207							
Health subsidy			-							
Expanded Public Works Grant			2 868							
Operating Grant - Property Rates										
Health		12 488		2 537				7 722	9 945	9 702
Human Settlements				9 000						
Public Works										
Arts and Culture				10 963	21 709	21 709	21 709	23 226	24 617	26 139
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	300 842	314 400	365 204	383 848	383 848	383 848	415 372	436 640	458 643
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		73 225	138 340	208 599	386 670	389 761	389 761	283 897	464 283	470 992
Municipal Infrastructure Grant (MIG)		48 348	138 340	153 399	154 824	151 312	151 312	159 158	166 213	173 983
Public Transport and Systems		11 663		45 000	100 846	100 846	100 846	100 000	220 000	250 000
Neighbourhood Development Partnership				700				10 350	10 737	11 288
Rural Households Infrastructure				4 500						
Dept of Mineral/Electricity		3 757			8 000	8 000	8 000			
Intergrated National Electrification Pogramme				5 000	123 000	123 000	123 000	3 000	9 000	9 000
						353	353			
Municipal Water Infrastructure Grant		9 457				6 250	6 250	11 389	58 333	26 721
<b>Provincial Government:</b>		11 429	11 836	19 315	-	25 460	25 460	9 927	9 000	-
Airport Development Project		11 429	11 836	19 315		16 200	16 200	-	-	
Sport and Recreation				2 100				150		
Corridor Development						8 660	8 660		-	-
KZNPA						600	600			
Treasury								5 500		
COGTA								4 277	9 000	
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	135	-	2 427	2 427	-	-	-
Carnegie				135		296	296			
Cementry Trust						2 131	2 131			
<b>Total Capital Transfers and Grants</b>	5	84 654	150 176	228 049	386 670	417 648	417 648	293 824	473 283	470 992
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		385 496	464 576	593 253	770 518	801 496	801 496	709 196	909 923	929 635



## 2.4.5.8 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 understandably 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 28 MBRR A7 Budget Cash-flow Statement**

KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 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 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other			2 312 753	2 736 576	3 033 638	2 466 204	2 840 654	2 840 654	2 840 654	3 015 567	3 140 688	3 392 901
Government - operating		1	—	—	—	383 848	383 848	383 848	383 848	415 372	436 640	458 643
Government - capital		1	—	—	—	383 158	423 840	423 840	423 840	293 824	473 283	470 992
Interest			51 796	84 161	116 335	27 029	27 029	27 029	27 029	32 247	33 988	35 824
Dividends			—	—	—	—	—	—	—	—	—	—
Payments												
Suppliers and employees			(1 810 717)	(2 269 366)	(2 579 604)	(2 795 550)	(2 753 199)	(2 753 199)	(2 753 199)	(3 113 993)	(3 227 154)	(3 475 405)
Finance charges			(71 568)	(72 134)	(70 966)	(64 600)	(64 600)	(64 600)	(64 600)	(60 738)	(54 782)	(50 025)
Transfers and Grants		1	—	—	(108)	(5 027)	(5 027)	(5 027)	(5 027)	(5 408)	(251)	(263)
NET CASH FROM/(USED) OPERATING ACTIVITIES			482 264	479 237	499 295	395 062	852 545	852 545	852 545	576 871	802 412	832 667
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			11 072	1 471	17 824	—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors			(3 928)	(65)	(570)	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables			(112 006)	(358 873)	(401 875)	(422)	(422)	(422)	(422)	—	—	—
Decrease (increase) in non-current investments			—	(5 256)	(645)	(3)	(3)	(3)	(3)	—	—	—
Payments												
Capital assets			(199 406)	147 809	10 216	(285 394)	(381 457)	(381 457)	(381 457)	(364 442)	(425 955)	(447 442)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(304 268)	(214 914)	(375 050)	(285 819)	(381 882)	(381 882)	(381 882)	(364 442)	(425 955)	(447 442)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			—	—	—	—	—	—	—	100 000	—	—
Borrowing long term/refinancing			(56 885)	112 361	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits			34 839	1 014	7 942	3 722	3 722	3 722	3 722	—	4 377	4 596
Payments												
Repayment of borrowing			(8 522)	(49 779)	(35 806)	(45 175)	(45 175)	(45 175)	(45 175)	(42 691)	(59 101)	(53 328)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(30 568)	63 596	(27 864)	(41 453)	(41 453)	(41 453)	(41 453)	57 309	(54 724)	(48 732)
NET INCREASE/ (DECREASE) IN CASH HELD			147 428	327 919	96 381	67 790	429 210	429 210	429 210	269 738	321 733	336 493
Cash/cash equivalents at the year begin:		2	147 401	294 829	622 748	719 129	830 762	830 762	830 762	898 552	1 168 290	1 490 023
Cash/cash equivalents at the year end:		2	294 829	622 748	719 129	786 919	1 259 972	1 259 972	1 259 972	1 168 290	1 490 023	1 826 516

The above table shows that cash and cash equivalents of the Municipality were R294.8 million for the 2010/11 financial year this moves up to R719.1 million in the 2012/13 financial year. The Municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality.

For the 2014/15MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to improve to R1.2 billion and increasing to R1.5 billion 2015/16.





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## 2.5 Expenditure on transfers and grant programmes

Table 29 MBRR SA19 - Expenditure on transfers and grant programmes

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		267 375	310 326	342 704	362 139	362 139	362 139	384 424	402 078	422 802
Local Government Equitable Share		267 211	304 835	338 903	354 313	354 313	354 313	373 541	392 761	413 174
Finance Management		165	1 979	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement			978	800	890	890	890	934	967	1 018
EPWP Incentive				1 501	1 874	1 874	1 874	2 782		
Energy Efficiency and Demand Management			2 534		-	-	-			
Operating costs-MIG								4 000	4 200	4 410
Water Services Operating Subsidy										
Neighbourhood Development Partnership Technical ass								1 567	2 500	2 500
Other transfers/grants [insert description]					3 512	3 512	3 512			
<b>Provincial Government:</b>		33 467	4 074	22 500	25 551	25 551	25 551	30 948	34 562	35 841
Health subsidy		12 488		2 537						
Provincial Government:		20 979	1 207					-		
Operating Grant - Property Rates										
Public Works			2 868	10 963						
Arts and Culture					21 709	21 709	21 709	23 226	24 617	26 139
Human Settlements				9 000	3 842	3 842	3 842	7 722	9 945	9 702
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		300 842	314 400	365 204	387 690	387 690	387 690	415 372	436 640	458 643
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		73 225	138 340	208 599	386 670	389 761	389 761	283 897	464 283	470 992
Municipal Infrastructure Grant (MIG)		48 348	138 340	153 399	154 824	151 312	151 312	159 158	166 213	173 983
Public Transport and Systems		11 663		45 000	100 846	100 846	100 846	100 000	220 000	250 000
Neighbourhood Development Partnership				700				10 350	10 737	11 288
Rural Households Infrastructure				4 500						
Other capital transfers/grants		9 457								
Dept of Mineral/Electricity		3 757			8 000	8 000	8 000			
Integrated National Electrification Programme				5 000	123 000	123 000	123 000	3 000	9 000	9 000
MSIG						353	353			
MWIG						6 250	6 250			
Municipal Water Infrastructure Grant		9 457				6 250	6 250	11 389	58 333	26 721
<b>Provincial Government:</b>		11 429	11 836	19 315	-	25 460	25 460	9 927	9 000	-
Airport Development Project		11 429	11 836	19 315		16 200	16 200			
Sport and Recreation				2 100		8 660	8 660	150		
Corridor Development						600	600			
KZNPA										
Treasury								5 500		
COGTA								4 277	9 000	
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	135	-	2 427	2 427	-	-	-
Carnegie				135		296	296			
Cemetery Trust						2 131	2 131			
<b>Total capital expenditure of Transfers and Grants</b>		84 654	150 176	228 049	386 670	417 648	417 648	293 824	473 283	470 992
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		385 496	464 576	593 253	774 360	805 338	805 338	709 196	909 923	929 635

### References

1. Expenditure must be separately listed for each transfer or grant received or recognised



Table 30 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	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		354 265	486 780	543 970	362 139	362 139	362 139	384 424	402 078	422 802
<b>Conditions met - transferred to revenue</b>		354 265	486 780	543 970	362 139	362 139	362 139	384 424	402 078	422 802
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		33 467	13 889	22 500	21 709	21 709	21 709	30 948	34 562	35 841
<b>Conditions met - transferred to revenue</b>		33 467	13 889	22 500	21 709	21 709	21 709	30 948	34 562	35 841
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		387 732	500 669	566 470	383 848	383 848	383 848	415 372	436 640	458 643
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		84 654	123 053	198 934	383 158	419 648	419 648	293 824	473 283	470 992
<b>Conditions met - transferred to revenue</b>		84 654	123 053	198 934	383 158	419 648	419 648	293 824	473 283	470 992
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts			26 017	21 415						
<b>Conditions met - transferred to revenue</b>		-	26 017	21 415	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		84 654	149 070	220 349	383 158	419 648	419 648	293 824	473 283	470 992
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		472 386	649 739	786 819	767 006	803 496	803 496	709 196	909 923	929 635
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-



# MSUNDUZI ANNUAL BUDGET

## 2.6 Councillor and employee benefits

Table 31 MBRR SA22 - Summary of councillor and staff benefits

KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		12 621	12 207	24 677	26 433	26 433	26 433	27 558	29 763	32 144
Pension and UIF Contributions		2 538	1 645	2 597	2 782	2 782	2 782	3 004	3 245	3 504
Medical Aid Contributions		411	333	325	349	349	349	376	407	439
Motor Vehicle Allowance		4 570	3 055	5 338	5 718	5 718	5 718	6 310	6 752	7 213
Cellphone Allowance		428	788	947	1 015	1 015	1 015	1 890	2 041	2 204
Housing Allowances			124	115	123	123	123	133	143	155
Other benefits and allowances										
<b>Sub Total - Councillors</b>		<b>20 569</b>	<b>18 152</b>	<b>34 000</b>	<b>36 419</b>	<b>36 419</b>	<b>36 419</b>	<b>39 272</b>	<b>42 350</b>	<b>45 659</b>
<b>% increase</b>	4		(11.7%)	87.3%	7.1%	-	-	7.8%	7.8%	7.8%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4 651	495	832	18 813	18 813	18 813	6 816	7 190	7 586
Pension and UIF Contributions		402	92	151	2 145	2 145	2 145	684	721	761
Medical Aid Contributions		49	17		836	836	836	20	21	23
Overtime		511			-	-	-	-	-	-
Performance Bonus			42		-	-	-	120	127	134
Motor Vehicle Allowance			151	180	4 304	4 304	4 304	567	598	631
Cellphone Allowance		-		18	287	287	287	91	96	101
Housing Allowances					84	84	84	64	67	71
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Senior Managers of Municipality</b>		<b>5 613</b>	<b>798</b>	<b>1 181</b>	<b>26 470</b>	<b>26 470</b>	<b>26 470</b>	<b>8 361</b>	<b>8 821</b>	<b>9 306</b>
<b>% increase</b>	4		(85.8%)	48.0%	2 140.7%	-	-	(68.4%)	5.5%	5.5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		427 608	418 916	519 526	520 122	520 122	520 122	602 808	649 232	698 131
Pension and UIF Contributions		80 872	85 741	91 114	141 579	141 579	141 579	155 222	167 640	181 051
Medical Aid Contributions		25 100	28 998	32 720	32 321	32 321	32 321	-	-	-
Overtime		8 404	25 061	19 375	20 925	20 925	20 925	30 222	30 446	32 877
Performance Bonus		6 948								
Motor Vehicle Allowance		33 538	10 859	14 009	7 529	7 529	7 529	37 095	40 055	43 251
Cellphone Allowance			800							
Housing Allowances		23 444	4 189	3 972	3 629	3 629	3 629	3 286	3 549	3 833
Other benefits and allowances			27 398	14 747	8 785	8 785	8 785	8 574	9 682	10 457
Payments in lieu of leave										
Long service awards			14 936	16 770	18 360	18 360	18 360	18 680	20 174	21 788
Post-retirement benefit obligations										
<b>Sub Total - Other Municipal Staff</b>		<b>605 915</b>	<b>616 899</b>	<b>712 234</b>	<b>753 251</b>	<b>753 251</b>	<b>753 251</b>	<b>855 887</b>	<b>920 778</b>	<b>991 388</b>
<b>% increase</b>	4		1.8%	15.5%	5.8%	-	-	13.6%	7.6%	7.7%
<b>Total Parent Municipality</b>		<b>632 097</b>	<b>635 849</b>	<b>747 415</b>	<b>816 140</b>	<b>816 140</b>	<b>816 140</b>	<b>903 520</b>	<b>971 950</b>	<b>1 046 354</b>
			0.6%	17.5%	9.2%	-	-	10.7%	7.6%	7.7%
<b>Board Members of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Board Members of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		2 267	2 179	2 905	2 451	2 451	25 243	27 137	29 172	31 360
Pension and UIF Contributions					200	200	209	225	242	260
Medical Aid Contributions					341	341	399	439	483	531
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Senior Managers of Entities</b>		<b>2 267</b>	<b>2 179</b>	<b>2 905</b>	<b>2 992</b>	<b>2 992</b>	<b>25 852</b>	<b>27 801</b>	<b>29 897</b>	<b>32 151</b>
<b>% increase</b>	4		(3.9%)	33.3%	3.0%	-	763.9%	7.5%	7.5%	7.5%
<b>Other Staff of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		<b>2 267</b>	<b>2 179</b>	<b>2 905</b>	<b>2 992</b>	<b>2 992</b>	<b>25 852</b>	<b>27 801</b>	<b>29 897</b>	<b>32 151</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>634 364</b>	<b>638 028</b>	<b>750 320</b>	<b>819 132</b>	<b>819 132</b>	<b>841 992</b>	<b>931 321</b>	<b>1 001 846</b>	<b>1 078 505</b>
<b>% increase</b>	4		0.6%	17.6%	9.2%	-	2.8%	10.6%	7.6%	7.7%
<b>TOTAL MANAGERS AND STAFF</b>	5.7	<b>613 795</b>	<b>619 876</b>	<b>716 320</b>	<b>782 713</b>	<b>782 713</b>	<b>805 573</b>	<b>892 049</b>	<b>959 496</b>	<b>1 032 845</b>

Table 32 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)**

<b>Disclosure of Salaries, Allowances &amp; Benefits 1.</b>	<b>Ref</b>	<b>No.</b>	<b>Salary</b>	<b>Contributions</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>In-kind benefits</b>	<b>Total Package</b>
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		854 523	113 138	15 485			983 146
Chief Whip			801 114	123 599	15 485			940 198
Executive Mayor			1 068 153	118 286	5 485			1 191 924
Deputy Executive Mayor			854 523	113 138	5 485			973 146
Executive Committee			801 114	751 201	117 651			1 669 966
Total for all other councillors			23 178 886	10 307 156	27 818			33 513 860
<b>Total Councillors</b>	8	-	<b>27 558 313</b>	<b>11 526 519</b>	<b>187 409</b>			<b>39 272 241</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 534 437					1 534 437
Chief Finance Officer			838 671	81 770	151 627	60 000		1 132 068
DMM- Infrastructure Services			790 205	107 863	174 000	60 000		1 132 068
DMM- Community Services			929 939	187 729	14 400			1 132 068
DMM- Corporate Services			893 340	87 101	151 627			1 132 068
DMM- Development Services			805 931	145 068	181 070			1 132 068
List of each official with packages >= senior manager								
Head IRPTN			1 023 038	94 631	14 400			- 1 132 068 - - - - - - -
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>6 815 561</b>	<b>704 162</b>	<b>687 125</b>	<b>120 000</b>		<b>8 326 848</b>
A Heading for Each Entity	6,7							
List each member of board by designation								- - - - - - - - - - - -
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	<b>34 373 874</b>	<b>12 230 681</b>	<b>874 534</b>	<b>120 000</b>		<b>47 599 089</b>



# MSUNDUZI ANNUAL BUDGET

Table 33 MBRR SA24 – Summary of personnel numbers

KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)			73	73		73	73		73	73	
Board Members of municipal entities		4									
<b>Municipal employees</b>											
Municipal Manager and Senior Managers		5									
Other Managers		3	5	30		5	5		5	4	1
Professionals		7	80			80	80		87	87	
Finance			2 777	2 584	–	2 777	2 777	–	2 480	2 480	1 576
Spatial/town planning			152	199		152	152		215	215	
Information Technology			14	13		14	14		16	16	
Roads			9	6		9	9		15	15	
Electricity			126	67		126	126		108	108	
Water			234	226		234	234		224	224	
Sanitation			23	169		23	23		137	137	
Refuse			75	68		75	75		143	143	
Other			376	369		376	376		346	346	
Technicians			1 768	1 467		1 768	1 768		1 276	1 276	1 576
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											
<b>TOTAL PERSONNEL NUMBERS</b>		9	2 935	2 687	–	2 935	2 935	–	2 645	2 644	1 577
<b>% increase</b>						–	9.2%	–	(9.9%)	(9.9%)	–
<b>Total municipal employees headcount</b>		6, 10									
Finance personnel headcount		8, 10									
Human Resources personnel headcount		8, 10									





Table 36 MBRR SA27 - Budgeted monthly revenue and expenditure (municipal votes)

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

Ref	Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
	<b>Revenue - Standard</b>																
	<b>Governance and administration</b>																
	Executive and council	96 069	73 309	73 309	73 309	73 309	73 309	73 309	73 309	73 309	73 309	73 309	323 672	1 152 828	1 337 551	1 340 781	
	Budget and treasury office	95 805	72 987	72 987	72 987	72 987	72 987	72 987	72 987	72 987	72 987	72 987	323 992	1 149 665	1 334 177	1 337 303	
	Corporate services	264	322	322	322	322	322	322	322	322	322	322	(320)	3 162	3 374	3 478	
	<b>Community and public safety</b>	1 113	3 338	3 338	3 338	3 338	3 338	3 338	3 338	3 338	3 338	3 338	(21 137)	13 361	14 264	14 210	
	Community and social services	271	2 079	2 079	2 079	2 079	2 079	2 079	2 079	2 079	2 079	2 079	(17 813)	3 250	3 546	2 818	
	Sport and recreation	61	61	61	61	61	61	61	61	61	61	61	61	729	760	798	
	Public safety	486	736	736	736	736	736	736	736	736	736	736	(2 014)	5 827	6 092	6 397	
	Housing	290 376 92	457	457	457	457	457	457	457	457	457	457	(1 376)	3 485	3 792	4 116	
	Health	5 803 57	6	6	6	6	6	6	6	6	6	6	6	70	73	81	
	<b>Economic and environmental services</b>	24 050	24 050	24 050	24 050	24 050	24 050	24 050	24 050	24 050	24 050	24 050	(92 951)	171 598	219 003	268 280	
	Planning and development	2 081	2 081	2 081	2 081	2 081	2 081	2 081	2 081	2 081	2 081	2 081	(14 919)	7 972	8 053	8 518	
	Road transport	21 969	21 969	21 969	21 969	21 969	21 969	21 969	21 969	21 969	21 969	21 969	(78 031)	163 627	210 950	259 761	
	Environmental protection																
	<b>Trading services</b>																
	Electricity	201 587	201 587	201 587	201 587	201 587	201 587	201 587	201 587	201 587	201 587	201 587	219 589	2 437 047	2 620 117	2 713 826	
	Water	140 175	140 175	140 175	140 175	140 175	140 175	140 175	140 175	140 175	140 175	140 175	158 175	1 700 095	1 839 444	1 901 890	
	Waste water management	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	500 521	533 983	554 418	
	Waste management	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	149 071	155 516	162 313	
	Waste management	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	91 174	95 205	95 205	
	<b>Other</b>	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	66 497	89 565	89 688	186 337	
	<b>Total Revenue - Standard</b>	324 916	304 381	304 381	304 381	304 381	304 381	304 381	304 381	304 381	304 381	304 381	495 671	3 864 399	4 280 623	4 523 434	
		<b>Expenditure - Standard</b>															
		<b>Governance and administration</b>															
Executive and council		74 260	74 260	74 260	74 260	74 260	74 260	74 260	74 260	74 260	74 260	74 260	(125 440)	691 420	610 593	639 297	
Budget and treasury office		32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	384 298	401 445	413 415	
Corporate services		24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	(74 712)	200 157	99 997	104 960	
<b>Community and public safety</b>		35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 144	421 741	412 761	403 557	
Community and social services		8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	99 029	96 099	76 748	
Sport and recreation		6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	81 358	80 968	81 978	
Public safety		16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	196 317	191 191	199 520	
Housing		2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 095	25 149	25 247	25 658	
Health		1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	19 716	19 256	19 653	
<b>Economic and environmental services</b>		47 955	47 955	30 955	35 955	47 955	40 955	35 955	37 955	39 955	40 005	40 455	17 257	462 751	464 630	556 317	
Planning and development		10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	128 290	126 201	94 451	
Road transport		37 264	37 264	20 264	25 264	37 264	30 264	24 704	27 264	29 264	29 314	29 764	6 566	334 461	338 428	461 867	
Environmental protection																	
<b>Trading services</b>																	
Electricity		166 602	166 602	166 602	166 602	166 602	166 602	166 602	166 602	166 602	166 602	166 602	60 602	1 893 221	2 218 159	2 374 334	
Water		114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	1 374 093	1 508 952	1 613 629	
Waste water management		33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	406 791	471 900	508 264	
Waste management		8 468	8 468	8 468	8 468	8 468	8 468	8 468	8 468	8 468	8 468	8 468	(83 532)	9 621	121 422	129 864	
Waste management		9 726	9 726	9 726	9 726	9 726	9 726	9 726	9 726	9 726	9 726	9 726	(4 274)	102 716	115 884	122 577	
<b>Other</b>		2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 593	31 122	25 372	26 751	
<b>Total Expenditure - Standard</b>		326 555	326 555	309 555	314 555	326 555	319 555	313 995	316 555	318 555	318 605	319 055	(9 843)	3 500 255	3 731 515	4 000 256	
<b>Surplus/(Deficit) before assoc.</b>		(1 639)	(22 174)	(5 174)	(10 174)	(22 174)	(15 174)	(9 614)	(12 174)	(14 174)	(14 224)	(14 674)	505 514	364 144	549 109	523 177	
1		Share of surplus/ (deficit) of associate															
	<b>Surplus/(Deficit)</b>	(1 639)	(22 174)	(5 174)	(10 174)	(22 174)	(15 174)	(9 614)	(12 174)	(14 174)	(14 224)	505 514	364 144	549 109	523 177		
	References																

References

# 2014/15 to 2016/17



**Table 37 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

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

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Corporate Services		100	125	225	275	325	250	125	225	325	275	175	23 029	25 454	65 822	72 487
Vote 2 - Financial Management Area		2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	24 417	-	-
Vote 3 - Infrastructure Development, Service Delivery and M		10 123	25 154	35 278	45 340	25 401	10 309	25 154	45 278	33 401	25 340	35 216	5 928	321 922	372 211	298 329
Vote 4 - Sustainable Community Service Delivery Provision		6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	74 305	150 555	166 765
Vote 5 - [NAME OF VOTE 5]													#REF!	#REF!	#REF!	-
Vote 6 - [NAME OF VOTE 6]													#REF!	#REF!	#REF!	-
Vote 7 - [NAME OF VOTE 7]													#REF!	#REF!	#REF!	-
Vote 8 - [NAME OF VOTE 8]													#REF!	#REF!	#REF!	-
Vote 9 - [NAME OF VOTE 9]													#REF!	#REF!	#REF!	-
Vote 10 - [NAME OF VOTE 10]													#REF!	#REF!	#REF!	-
Vote 11 - [NAME OF VOTE 11]													#REF!	#REF!	#REF!	-
Vote 12 - [NAME OF VOTE 12]													#REF!	#REF!	#REF!	-
Vote 13 - [NAME OF VOTE 13]													#REF!	#REF!	#REF!	-
Vote 14 - [NAME OF VOTE 14]													#REF!	#REF!	#REF!	-
Vote 15 - [NAME OF VOTE 15]													#REF!	#REF!	#REF!	-
<b>Capital multi-year expenditure sub-total</b>	2	18 450	33 506	43 730	53 841	33 953	18 785	33 506	53 730	41 953	33 841	43 618	#REF!	#REF!	#REF!	537 581
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Corporate Services		318	318	318	318	318	318	318	318	318	318	318	318	3 818	21 941	24 163
Vote 2 - Financial Management Area		873	873	873	873	873	873	873	873	873	873	873	873	10 479	-	-
Vote 3 - Infrastructure Development, Service Delivery and M		10 222	10 222	10 222	10 222	10 222	10 222	10 222	10 222	10 222	10 222	10 222	19 999	132 441	49 889	4 276
Vote 4 - Sustainable Community Service Delivery Provision		2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 214	24 918	123 181	99 510
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	13 477	13 477	13 477	13 477	13 477	13 477	13 477	13 477	13 477	13 477	13 477	23 404	171 656	195 011	127 949
<b>Total Capital Expenditure</b>	2	31 928	46 984	57 207	67 319	47 431	32 263	46 984	67 207	55 431	47 319	57 095	#REF!	#REF!	#REF!	665 529

**Table 38 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

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

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>																
<b>Capital Expenditure - Standard</b>	1															
<b>Governance and administration</b>		1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	23 899	46 413	32 450
Executive and council		163	163	163	163	163	163	163	163	163	163	163	163	1 961	46 413	32 450
Budget and treasury office		1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	21 938	-	-
Corporate services														-	-	-
<b>Community and public safety</b>		876	876	876	876	876	876	876	876	876	876	876	876	10 656	11 417	12 682
Community and social services		344	344	344	344	344	344	344	344	344	344	344	344	4 128	4 499	4 994
Sport and recreation		488	488	488	488	488	488	488	488	488	488	488	488	6 008	6 268	6 707
Public safety		43	43	43	43	43	43	43	43	43	43	43	43	520	649	981
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		34 486	34 486	34 486	34 486	34 486	34 486	26 986	31 486	24 486	27 486	27 986	5 488	350 836	505 906	403 691
Planning and development		15 722	15 722	15 722	15 722	15 722	15 722	15 722	15 722	15 722	15 722	15 722	933	173 873	272 963	180 353
Road transport		18 764	18 764	18 764	18 764	18 764	18 764	11 264	15 764	8 764	11 764	12 264	4 555	176 963	232 943	223 338
Environmental protection														-	-	-
<b>Trading services</b>		14 433	14 433	14 433	14 433	14 433	14 433	14 433	9 433	14 433	14 433	14 433	26 138	179 896	194 122	179 984
Electricity		8 981	8 981	8 981	8 981	8 981	8 981	8 981	3 981	8 981	8 981	8 981	1 239	95 035	117 517	110 899
Water		3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	22 760	59 191	49 141	39 386
Waste water management		1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	14 129	15 577	16 979
Waste management		962	962	962	962	962	962	962	962	962	962	962	961	11 541	11 887	12 719
<b>Other</b>		2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	32 468	34 742	37 174
<b>Total Capital Expenditure - Standard</b>	2	54 491	54 491	54 491	54 491	54 491	54 491	46 991	46 491	44 491	47 491	47 991	37 349	597 754	792 599	665 980
<b>Funded by:</b>																
National Government		23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	283 897	464 283	470 992
Provincial Government														9 927	9 000	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
<b>Transfers recognised - capital</b>		23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	33 585	293 824	473 283	470 992
<b>Public contributions &amp; donations</b>														-	-	-
<b>Borrowing</b>			50 833	20 833		28 333							0	100 000	-	-
<b>Internally generated funds</b>		10 000	10 000	10 000		10 000		10 000	10 000	10 000	10 000	10 000	93 930	203 930	319 316	194 988
<b>Total Capital Funding</b>		33 658	84 491	54 491	33 658	61 991	33 658	33 658	33 658	33 658	33 658	33 658	127 515	597 754	792 599	665 980

References

Table 39 MBRR SA30 - Budgeted monthly cash flow

## MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Receipts By Source</b>															
Property rates	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	67 619	626 099	660 312	695 293
Property rates - penalties & collection charges	1 962	3 315	3 315	3 315	3 923	2 746	3 923	3 727	3 531	2 746	2 746	3 981	39 231	41 349	43 582
Service charges - electricity revenue	165 471	164 971	161 971	110 000	110 000	110 000	110 000	110 000	110 000	110 000	120 775	164 428	1 547 116	1 661 448	1 784 229
Service charges - water revenue	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	14 807	371 724	403 116	432 172
Service charges - sanitation revenue	11 048	11 048	11 048	11 048	11 048	9 048	9 048	9 048	9 048	9 048	9 048	10 726	120 253	127 241	134 346
Service charges - refuse revenue	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	11 973	88 326	86 712	90 375
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 918	35 024	38 329	40 292
Interest earned - external investments	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	6 535	32 247	33 988	35 824
Interest earned - outstanding debtors	—	—	—	—	—	—	—	—	—	—	—	1 325	1 325	1 399	1 478
Dividends received	—	—	—	—	—	—	—	—	—	—	—	8 410	14 667	15 488	16 356
Fines	569	569	569	569	569	569	569	569	569	569	569	37	83	87	92
Licences and permits	4	4	4	4	4	4	4	4	4	4	4	269	3 220	3 324	3 490
Agency services	268	268	268	268	268	268	268	268	268	268	268	39 291	415 372	436 640	458 643
Transfer receipts - operational	19 904	43 788	43 788	43 788	39 807	19 904	39 807	37 817	35 826	27 865	23 789	20 024	173 500	101 882	151 195
Other revenue	20 024	20 024	20 024	20 024	20 024	20 024	20 024	276 417	274 231	265 485	271 684	285 556	3 463 186	3 611 316	3 887 367
<b>Cash Receipts by Source</b>	<b>314 210</b>	<b>338 948</b>	<b>335 948</b>	<b>283 977</b>	<b>280 604</b>	<b>257 523</b>	<b>278 604</b>	<b>276 417</b>	<b>274 231</b>	<b>265 485</b>	<b>271 684</b>	<b>285 556</b>	<b>3 463 186</b>	<b>3 611 316</b>	<b>3 887 367</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	33 585	293 824	473 283	470 992
Contributions recognised - capital & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	50 833	20 833	—	28 333	—	—	—	—	—	—	0	100 000	75 000	75 000
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Receipts by Source</b>	<b>337 868</b>	<b>413 439</b>	<b>380 439</b>	<b>307 635</b>	<b>332 595</b>	<b>281 182</b>	<b>302 262</b>	<b>300 075</b>	<b>297 889</b>	<b>289 143</b>	<b>295 342</b>	<b>319 141</b>	<b>3 857 010</b>	<b>4 159 599</b>	<b>4 433 359</b>
<b>Cash Payments by Type</b>															
Employee related costs	67 000	67 000	67 000	98 000	69 000	69 000	69 000	69 000	69 000	70 000	70 000	71 887	855 887	920 778	991 388
Remuneration of councillors	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	39 272	42 350	45 659
Finance charges	—	—	5 399	—	—	26 900	—	—	5 399	—	—	21 563	59 262	54 460	49 708
Bulk purchases - Electricity	130 347	130 174	85 100	85 100	85 100	85 100	85 100	85 100	85 100	85 100	132 245	140 952	1 214 518	1 312 408	1 418 188
Bulk purchases - Water & Sewer	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	397 602	430 603	466 343
Other materials	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services	—	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	17 678	18 556	19 483
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	270	595	595	595	541	270	541	514	487	379	—	622	5 408	5 678	5 962
Other expenditure	29 802	65 564	65 564	65 564	59 603	29 802	59 603	56 623	53 643	41 722	24 766	39 257	591 513	497 334	528 961
<b>Cash Payments by Type</b>	<b>263 825</b>	<b>301 345</b>	<b>261 671</b>	<b>287 272</b>	<b>252 257</b>	<b>249 086</b>	<b>252 257</b>	<b>249 250</b>	<b>251 642</b>	<b>235 214</b>	<b>265 024</b>	<b>312 295</b>	<b>3 181 140</b>	<b>3 282 187</b>	<b>3 525 693</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	—	14 270	22 832	28 539	31 393	11 416	17 124	34 247	34 247	22 832	25 846	121 697	364 442	425 955	447 442
Repayment of borrowing	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	1 281	42 691	59 101	53 328
Other Cash Flows/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Payments by Type</b>	<b>267 590</b>	<b>319 380</b>	<b>288 287</b>	<b>319 576</b>	<b>287 415</b>	<b>264 266</b>	<b>273 146</b>	<b>287 262</b>	<b>289 654</b>	<b>261 810</b>	<b>294 634</b>	<b>435 273</b>	<b>3 588 273</b>	<b>3 767 244</b>	<b>4 026 463</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>70 278</b>	<b>94 060</b>	<b>92 172</b>	<b>(11 941)</b>	<b>45 180</b>	<b>16 916</b>	<b>29 116</b>	<b>12 813</b>	<b>8 235</b>	<b>27 333</b>	<b>708</b>	<b>(116 132)</b>	<b>268 737</b>	<b>392 355</b>	<b>406 896</b>
Cash/cash equivalents at the month/year begin:	70 278	164 338	256 510	244 569	289 749	306 664	335 781	348 594	358 829	384 161	384 869	268 737	268 737	537 474	929 829
Cash/cash equivalents at the month/year end:	70 278	164 338	256 510	244 569	289 749	306 664	335 781	348 594	358 829	384 161	384 869	268 737	537 474	929 829	1 336 725





Table 40 MBRR SA 34a - Capital expenditure on new assets by asset class

<b>Community</b>		80	20 113	20 600	–	1 223	1 223	41 357	36 262	13 069
Parks & gardens								20 185	19 537	3 537
Sportsfields & stadia								545	–	–
Swimming pools			2 880	2 950		896	896	4 050	500	
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency								687	5 300	3 700
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries		80						650	100	100
Cemeteries			13 181	13 500		327	327	11 350	8 560	5 525
Social rental housing	8									
Other			4 052	4 150				3 890	2 265	207
<b>Heritage assets</b>		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Housing development										
Other										
<b>Other assets</b>		4 070	–	–	30 282	60 439	60 439	23 785	16 893	16 838
General vehicles					13 710	32 810	32 810	2 600	1 580	1 600
Specialised vehicles										
Plant & equipment	10	–	–	–	–	–	–	–	–	–
Computers - hardware/equipment		11		–	550	2 650	2 650	240	–	–
Furniture and other office equipment		235		–	11 000	12 027	12 027			
Abattoirs						221	221	10 020	4 440	3 695
Markets								575	500	255
Civic Land and Buildings		3 825			2 000	9 590	9 590			
Other Buildings					200	200	200			
Other Land										
Surplus Assets - (Investment or Inventory)										
Other					2 822	2 941	2 941	10 350	10 373	11 288
<b>Agricultural assets</b>		–	–	–	–	–	–	–	–	–
List sub-class										
<b>Biological assets</b>		–	–	–	–	–	–	–	–	–
List sub-class										
<b>Intangibles</b>		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on new assets</b>		1	22 327	107 500	110 102	174 312	198 878	308 310	433 723	386 794





# MSUNDUZI ANNUAL BUDGET

Table 41 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	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		73 619	82 310	84 751	249 808	276 510	276 510	235 780	314 266	247 998
Infrastructure - Road transport		35 629	32 776	33 748	138 495	152 795	152 795	68 684	120 700	75 050
Roads, Pavements & Bridges		35 629	32 776	33 748	138 495	152 795	152 795	68 684	120 700	75 050
Storm water										
Infrastructure - Electricity		11 109	4 856	5 000	30 500	35 493	35 493	65 257	65 177	43 177
Generation			4 856	5 000	30 500	35 493	35 493	65 257	65 177	43 177
Transmission & Reticulation		11 109								
Street Lighting										
Infrastructure - Water		11 974	17 239	17 750	27 925	35 335	35 335	63 730	127 889	129 771
Dams & Reservoirs					10 500	10 500	10 500	34 980	63 399	129 771
Water purification										
Reticulation		11 974	17 239	17 750	17 425	24 835	24 835	28 750	64 490	
Infrastructure - Sanitation		14 436	25 446	26 200	44 797	44 797	44 797	31 938	-	-
Reticulation		14 436	25 446	26 200	44 797	44 797	44 797	31 938		
Sewerage purification										
Infrastructure - Other		471	1 994	2 053	8 091	8 091	8 091	6 171	500	-
Waste Management		471	1 994	2 053	8 091	8 091	8 091			
Transportation										
Gas										
Other								6 171	500	-
<b>Community</b>		420	10 003	10 300	4 500	7 614	7 614	52 615	44 185	30 687
Parks & gardens			680	700				1 500	1 581	1 666
Sportsfields & stadia		65	6 896	7 100	1 700	1 700	1 700	14 350	14 500	4 000
Swimming pools								3 525	-	-
Community halls			2 428	2 500		3 300	3 300	7 721	7 921	3 421
Libraries		205								
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries								2 300	2 000	1 250
Cemeteries		150			2 800	2 614	2 614	12 500	4 000	2 800
Social rental housing										
Other								10 719	14 183	17 550
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		14 782	24 145	24 861	14 550	40 131	40 131	1 050	425	500
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment		317			2 500	2 500	2 500			
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings		3 282	1 016	1 046	8 050	31 350	31 350			
Other Buildings			18 759	19 315	4 000	6 281	6 281	1 050	425	500
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		11 184	4 370	4 500						
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing assets</b>	1	88 822	116 459	119 912	268 858	324 255	324 255	289 444	358 876	279 186



Table 42 MBRR SA34c - Repairs and maintenance expenditure by asset class

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

Supporting Table 6.10 Consolidated Repairs and Maintenance by Asset class											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand	1										
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	42 549	25 196	31 185	57 165	43 727	43 727	165 342	301 471	436 812	
Infrastructure - Road transport		1 596	3 392	5 361	7 094	2 990	2 990	63 667	118 191	174 080	
Roads, Pavements & Bridges		1 596	3 392	5 361	7 094	2 990	2 990	63 667	118 191	174 080	
Storm water											
Infrastructure - Electricity		31 949	13 726	24 992	48 014	39 281	39 281	73 236	128 342	182 076	
Generation											
Transmission & Reticulation		28 794	13 726	24 927	47 899	39 166	39 166	63 667	109 653	154 639	
Street Lighting		3 156		66	115	115	115	9 569	18 689	27 438	
Infrastructure - Water		345	1 216	746	1 554	954	954	21 849	41 953	61 592	
Dams & Reservoirs											
Water purification											
Reticulation		345	1 216	746	1 554	954	954	21 849	41 953	61 592	
Infrastructure - Sanitation		8 254	-	-	502	502	502	6 591	12 986	19 064	
Reticulation		8 254			502	502	502	6 591	12 986	19 064	
Sewerage purification											
Infrastructure - Other		405	6 862	86	-	-	-	-	-	-	
Waste Management		377	3 627	86							
Transportation			-								
Gas			-								
Other		28	3 235					-	-	-	
Community		3	3 218	9 015	2 074	-	-	-	-	-	
Parks & gardens		7							-	-	-
Sportsfields & stadia			1 313	2 661	616						
Swimming pools											
Community halls											
Libraries			693	713	532				-	-	-
Recreational facilities											
Fire, safety & emergency			509	907	397						
Security and policing					37						
Buses											
Clinics			203	323	290				-	-	-
Museums & Art Galleries			6	150	1				-	-	-
Cemeteries			470	670	201				-	-	-
Social rental housing	8										
Other		24	3 592					-	-	-	
Heritage assets	9	-	-	-	-	-	-	-	-		
Buildings											
Other											
Investment properties	10	-	-	55 926	-	-	-	-	-		
Housing development											
Other				55 926							
Other assets	10	19 881	5 298	-	38 150	37 174	37 174	126 015	217 412	171 482	
General vehicles		9 512	320		11 618	10 630	10 630	21 399	40 618	59 632	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment			147		22 449	21 898	21 898	32 395	56 382	83 169	
Computers - hardware/equipment		7 606						-	-	-	
Furniture and other office equipment								-	-	-	
Abattoirs								-	-	-	
Markets								-	-	-	
Civic Land and Buildings						3 474	3 362	3 362	70 314	116 678	23 199
Other Buildings			168					-	-	-	
Other Land								-	-	-	
Surplus Assets - (Investment or Inventory)								-	-	-	
Other		2 763	4 663		608	1 285	1 285	1 907	3 734	5 482	
Agricultural assets		-	-	-	-	-	-	-	-		
List sub-class											
Biological assets		-	-	-	-	-	-	-	-		
List sub-class											
Intangibles		-	-	-	-	-	-	-	-		
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	65 648	39 510	89 185	95 314	80 901	80 901	291 357	518 883	608 295	



# MSUNDUZI ANNUAL BUDGET

Table 43 MBRR SA35 - Future financial implications of the capital budget

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework		
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>				
<b>Capital expenditure</b>	1			
Vote 1 - Corporate Services		#REF!	#REF!	96 650
Vote 2 - Financial Management Area		#REF!	#REF!	-
Vote 3 - Infrastructure Development, Service Delivery and M		#REF!	#REF!	171 491
Vote 4 - Sustainable Community Service Delivery Provision I		#REF!	#REF!	397 839
Vote 5 - [NAME OF VOTE 5]		#REF!	#REF!	-
Vote 6 - [NAME OF VOTE 6]		#REF!	#REF!	-
Vote 7 - [NAME OF VOTE 7]		#REF!	#REF!	-
Vote 8 - [NAME OF VOTE 8]		#REF!	#REF!	-
Vote 9 - [NAME OF VOTE 9]		#REF!	#REF!	-
Vote 10 - [NAME OF VOTE 10]		#REF!	#REF!	-
Vote 11 - [NAME OF VOTE 11]		#REF!	#REF!	-
Vote 12 - [NAME OF VOTE 12]		#REF!	#REF!	-
Vote 13 - [NAME OF VOTE 13]		#REF!	#REF!	-
Vote 14 - [NAME OF VOTE 14]		#REF!	#REF!	-
Vote 15 - [NAME OF VOTE 15]		#REF!	#REF!	-
<i>List entity summary if applicable</i>				
<b>Total Capital Expenditure</b>		#REF!	#REF!	665 980

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## 2.8 Municipal manager's quality certificate

I **Mxolisi A. Nkosi**, 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 **Mxolisi Alexis Nkosi**  
Municipal manager of Municipality (KZN225)

Signature

Date **29/05/2014**



**KZN225 Msunduzi - Table A1 Consolidated Budget Summary**

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	474 615	536 555	625 458	644 671	644 671	644 671	644 671	698 283	736 415	775 470
Service charges	1 449 717	1 678 603	1 968 855	2 147 016	2 104 664	2 104 664	2 104 664	2 234 125	2 398 438	2 569 602
Investment revenue	12 823	25 951	34 328	27 029	27 029	27 029	27 029	32 247	33 988	35 824
Transfers recognised - operational	387 733	500 669	566 470	383 848	383 848	383 848	383 848	415 372	436 640	458 643
Other own revenue	135 598	137 063	172 668	88 920	88 920	88 920	88 920	190 549	201 859	212 903
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 460 486</b>	<b>2 878 840</b>	<b>3 367 779</b>	<b>3 291 485</b>	<b>3 249 133</b>	<b>3 249 133</b>	<b>3 249 133</b>	<b>3 570 575</b>	<b>3 807 340</b>	<b>4 052 442</b>
Employee costs	648 294	668 305	686 988	779 721	764 521	764 521	764 521	855 887	920 778	991 388
Remuneration of councillors	18 418	31 427	33 422	36 419	36 419	36 419	36 419	39 272	42 350	45 659
Depreciation & asset impairment	253 513	273 702	237 206	222 212	222 212	222 212	222 212	259 469	268 183	281 592
Finance charges	71 568	72 134	70 966	64 600	64 600	64 600	64 600	60 738	54 782	50 025
Materials and bulk purchases	994 366	1 219 818	1 373 241	1 517 751	1 515 751	1 515 751	1 515 751	1 504 720	1 603 894	1 739 633
Transfers and grants	195	196	216	5 027	5 027	5 027	5 027	5 408	5 678	5 962
Other expenditure	379 354	473 295	872 152	599 168	574 018	574 018	574 018	774 761	835 849	885 998
<b>Total Expenditure</b>	<b>2 365 707</b>	<b>2 738 877</b>	<b>3 274 191</b>	<b>3 224 899</b>	<b>3 182 549</b>	<b>3 182 549</b>	<b>3 182 549</b>	<b>3 500 255</b>	<b>3 731 515</b>	<b>4 000 256</b>
<b>Surplus/(Deficit)</b>	<b>94 778</b>	<b>139 964</b>	<b>93 589</b>	<b>66 586</b>	<b>66 584</b>	<b>66 584</b>	<b>66 584</b>	<b>70 320</b>	<b>75 826</b>	<b>52 185</b>
Transfers recognised - capital	84 654	—	—	383 158	423 840	423 840	423 840	293 824	473 283	470 992
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>179 433</b>	<b>139 964</b>	<b>93 589</b>	<b>449 744</b>	<b>490 424</b>	<b>490 424</b>	<b>490 424</b>	<b>364 144</b>	<b>549 109</b>	<b>523 177</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>179 433</b>	<b>139 964</b>	<b>93 589</b>	<b>449 744</b>	<b>490 424</b>	<b>490 424</b>	<b>490 424</b>	<b>364 144</b>	<b>549 109</b>	<b>523 177</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>111 149</b>	<b>223 959</b>	<b>220 319</b>	<b>443 158</b>	<b>753 136</b>	<b>753 136</b>	<b>753 136</b>	<b>597 754</b>	<b>792 599</b>	<b>665 980</b>
Transfers recognised - capital	84 654	149 070	220 319	383 158	419 646	419 646	419 646	293 824	473 283	470 992
Public contributions & donations	—	—	—	—	—	—	—	—	—	—
Borrowing	26 495	—	—	—	4 193	4 193	4 193	100 000	—	—
Internally generated funds	—	74 889	—	60 000	99 294	99 294	99 294	203 930	319 316	194 988
<b>Total sources of capital funds</b>	<b>111 149</b>	<b>223 959</b>	<b>220 319</b>	<b>443 159</b>	<b>523 133</b>	<b>523 133</b>	<b>523 133</b>	<b>597 754</b>	<b>792 599</b>	<b>665 980</b>
<b>Financial position</b>										
Total current assets	719 535	1 940 175	2 328 287	1 403 494	2 410 396	2 410 396	2 410 396	2 605 848	2 414 649	2 339 059
Total non current assets	6 816 930	6 755 321	6 894 187	6 901 394	7 157 439	7 157 439	7 157 439	7 626 734	8 991 025	7 946 839
Total current liabilities	600 934	760 999	852 682	730 078	866 279	866 279	866 279	1 082 432	1 053 569	1 117 103
Total non current liabilities	750 943	886 085	1 077 967	573 000	1 099 769	1 099 769	1 099 769	868 990	1 427 946	2 030 349
Community wealth/Equity	6 184 589	7 048 411	7 291 825	7 001 810	7 601 787	7 601 787	7 601 787	8 281 160	8 924 159	7 138 446
<b>Cash flows</b>										
Net cash from (used) operating	482 264	479 237	499 295	395 062	852 545	852 545	852 545	576 871	802 412	832 667
Net cash from (used) investing	(304 268)	(214 914)	(375 050)	(285 819)	(381 882)	(381 882)	(381 882)	(364 442)	(425 955)	(447 442)
Net cash from (used) financing	(30 568)	63 596	(27 864)	(41 453)	(41 453)	(41 453)	(41 453)	57 309	(54 724)	(48 732)
<b>Cash/cash equivalents at the year end</b>	<b>294 829</b>	<b>622 748</b>	<b>719 129</b>	<b>786 919</b>	<b>1 259 972</b>	<b>1 259 972</b>	<b>1 259 972</b>	<b>1 168 290</b>	<b>1 490 023</b>	<b>1 826 516</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	576 231	628 048	725 075	603 763	866 926	866 926	866 926	876 375	636 614	504 078
Application of cash and investments	908 680	519 391	264 052	499 764	355 553	355 553	(208 482)	183 870	(17 532)	(30 905)
<b>Balance - surplus (shortfall)</b>	<b>(332 448)</b>	<b>108 658</b>	<b>461 023</b>	<b>103 999</b>	<b>511 373</b>	<b>511 373</b>	<b>1 075 408</b>	<b>692 504</b>	<b>654 146</b>	<b>534 983</b>
<b>Asset management</b>										
Asset register summary (WDV)	6 810 307	6 611 455	6 814 247	6 953 432	6 892 940	6 892 940	7 245 696	7 245 696	7 667 035	7 934 130
Depreciation & asset impairment	253 513	273 702	237 206	222 212	222 212	222 212	259 469	259 469	268 183	281 592
Renewal of Existing Assets	88 822	116 459	119 912	268 858	324 255	324 255	324 255	289 444	358 876	279 186
Repairs and Maintenance	65 648	39 510	89 185	95 314	80 901	80 901	291 357	291 357	518 883	608 295
<b>Free services</b>										
Cost of Free Basic Services provided	—	—	—	—	—	—	68 843	68 843	72 561	76 479
Revenue cost of free services provided	267 211	—	338 903	363 502	363 502	363 502	391 259	391 259	420 337	420 337
<b>Households below minimum service level</b>										
Water:	—	6	—	—	—	—	7	7	6	5
Sanitation/sewerage:	—	5	—	—	—	—	31	31	29	36
Energy:	—	—	—	—	—	—	3	3	3	3
Refuse:	54	—	74	54	54	54	61	61	50	53



# MSUNDUZI ANNUAL BUDGET

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

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		672 397	671 438	837 544	1 246 734	1 287 416	1 287 416	1 152 828	1 337 551	1 340 781
Executive and council		700	564	5 680	302	302	302	—	—	—
Budget and treasury office		649 068	664 518	823 417	1 229 772	1 270 453	1 270 453	1 149 665	1 334 177	1 337 303
Corporate services		22 629	6 356	8 446	16 660	16 660	16 660	3 162	3 374	3 478
<b>Community and public safety</b>		31 697	40 340	44 759	32 854	32 854	32 854	13 361	14 264	14 210
Community and social services		4 659	18 150	27 135	1 631	1 631	1 631	3 250	3 546	2 818
Sport and recreation		796	1 971	6 342	892	892	892	729	760	798
Public safety		9 145	5 451	10 435	26 998	26 998	26 998	5 827	6 092	6 397
Housing		4 485	4 123	3 233	3 233	3 233	3 233	3 485	3 792	4 116
Health		12 612	10 645	(2 385)	101	101	101	70	73	81
<b>Economic and environmental services</b>		34 364	107 704	148 898	5 350	5 350	5 350	171 598	219 003	268 280
Planning and development		5 441	40 593	39 131	4 342	4 342	4 342	7 972	8 053	8 518
Road transport		28 923	67 110	109 767	1 008	1 008	1 008	163 627	210 950	259 761
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		1 762 619	2 030 390	2 306 449	2 263 174	2 220 822	2 220 822	2 437 047	2 620 117	2 713 826
Electricity		1 069 468	1 261 723	1 473 884	1 640 105	1 597 754	1 597 754	1 700 095	1 839 444	1 901 890
Water		473 549	508 028	567 894	392 974	392 974	392 974	500 521	533 983	554 418
Waste water management		142 243	170 205	168 207	144 974	144 974	144 974	149 071	155 516	162 313
Waste management		77 360	90 434	96 463	85 120	85 120	85 120	87 359	91 174	95 205
<b>Other</b>	4	44 062	28 968	30 130	126 531	126 531	126 531	89 565	89 688	186 337
<b>Total Revenue - Standard</b>	2	2 545 140	2 878 840	3 367 779	3 674 643	3 672 973	3 672 973	3 864 399	4 280 623	4 523 434
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		121 132	52 006	347 299	478 471	462 562	462 562	691 420	610 593	639 297
Executive and council		—	21	(15 170)	63 134	61 146	61 146	384 298	401 445	413 415
Budget and treasury office		36 393	45 359	362 097	210 837	217 856	217 856	200 157	99 997	104 960
Corporate services		84 739	6 626	372	204 500	183 560	183 560	106 965	109 150	120 923
<b>Community and public safety</b>		403 145	470 097	448 320	389 983	385 165	385 165	421 741	412 761	403 557
Community and social services		44 617	90 933	89 733	62 957	62 134	62 134	99 202	96 099	76 748
Sport and recreation		94 720	104 373	104 649	75 535	73 933	73 933	81 358	80 968	81 978
Public safety		173 748	185 265	188 045	205 998	203 977	203 977	196 317	191 191	199 520
Housing		34 718	31 956	31 422	19 696	19 491	19 491	25 149	25 247	25 658
Health		55 342	57 570	34 470	25 797	25 631	25 631	19 716	19 256	19 653
<b>Economic and environmental services</b>		217 368	359 601	351 985	112 985	101 991	101 991	462 751	464 630	556 317
Planning and development		38 536	62 855	56 981	72 382	71 199	71 199	128 290	126 201	94 451
Road transport		178 832	296 745	295 004	40 603	30 792	30 792	334 461	338 428	461 867
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		1 570 083	1 812 087	2 071 314	2 180 746	2 170 727	2 170 728	1 893 221	2 218 159	2 374 334
Electricity		936 217	1 151 810	1 386 135	1 482 680	1 477 494	1 477 494	1 374 093	1 508 952	1 613 629
Water		416 245	436 901	447 367	573 488	572 648	572 648	406 791	471 900	508 264
Waste water management		126 757	116 055	130 627	23 555	20 941	20 941	9 621	121 422	129 864
Waste management		90 864	107 321	107 185	101 024	99 646	99 646	102 716	115 884	122 577
<b>Other</b>	4	53 980	45 086	55 274	62 713	62 104	62 104	31 122	25 372	26 751
<b>Total Expenditure - Standard</b>	3	2 365 707	2 738 877	3 274 191	3 224 898	3 182 549	3 182 549	3 500 255	3 731 515	4 000 256
<b>Surplus/(Deficit) for the year</b>		179 433	139 963	93 588	449 744	490 424	490 423	364 144	549 109	523 177





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

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<b>Municipal governance and administration</b>		672 397	671 438	837 544	1 246 734	1 287 416	1 287 416	1 152 828	1 337 551	1 340 781
Executive and council		700	564	5 680	302	302	302	-	-	-
Mayor and Council		668	336	933	-	-	-	-	-	-
Municipal Manager		32	228	4 747	302	302	302	-	-	-
Budget and treasury office		649 068	664 518	823 417	1 229 772	1 270 453	1 270 453	1 149 665	1 334 177	1 337 303
Corporate services		22 629	6 356	8 446	16 660	16 660	16 660	3 162	3 374	3 478
Human Resources		112	3 307	5 291	2 911	2 911	2 911	3 159	3 371	3 474
Information Technology		13	9	10	12	12	12	3	3	4
Property Services		19 437	-	-	13 466	13 466	13 466	-	-	-
Other Admin		3 067	3 040	3 145	271	271	271	0	0	0
<b>Community and public safety</b>		31 697	40 340	44 759	32 854	32 854	32 854	13 361	14 264	14 210
Community and social services		4 659	18 150	27 135	1 631	1 631	1 631	3 250	3 546	2 818
Libraries and Archives		3 821	2 462	7 457	499	499	499	596	863	-
Museums & Art Galleries etc		80	696	23	-	-	-	-	-	-
Community halls and Facilities		-	2 452	5 074	-	-	-	1 375	1 434	1 506
Cemeteries & Crematoriums		758	3 854	8 598	1 132	1 132	1 132	1 193	1 245	1 307
Child Care		-	-	-	-	-	-	-	-	-
Aged Care		-	-	-	-	-	-	-	-	-
Other Community		-	6 714	5 982	-	-	-	87	5	5
Other Social		-	-	-	-	-	-	-	-	-
Sport and recreation		796	1 971	6 342	892	892	892	729	760	798
Public safety		9 145	5 451	10 435	26 998	26 998	26 998	5 827	6 092	6 397
Police		6 869	5 076	9 702	5 009	5 009	5 009	5 223	5 478	5 752
Fire		588	375	733	405	405	405	594	603	633
Civil Defence		0	-	-	-	-	-	10	11	12
Street Lighting		328	-	-	27	27	27	-	-	-
Other		1 361	-	-	21 557	21 557	21 557	-	-	-
Housing		4 485	4 123	3 233	3 233	3 233	3 233	3 485	3 792	4 116
Health		12 612	10 645	(2 385)	101	101	101	70	73	81
Clinics		12 488	3 271	-	6	6	6	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Other		124	7 375	(2 385)	95	95	95	70	73	81
<b>Economic and environmental services</b>		34 364	107 704	148 898	5 350	5 350	5 350	171 598	219 003	268 280
Planning and development		5 441	40 593	39 131	4 342	4 342	4 342	7 972	8 053	8 518
Economic Development/Planning		4 919	36 970	35 132	4 294	4 294	4 294	4 644	4 544	4 831
Town Planning/Building enforcement		-	2 921	3 480	-	-	-	2 833	2 989	3 138
Licensing & Regulation		522	703	518	48	48	48	494	521	549
Road transport		28 923	67 110	109 767	1 008	1 008	1 008	163 627	210 950	259 761
Roads		15 263	45 267	68 249	4	4	4	63 363	70 629	109 468
Public Buses		12 687	21 843	41 518	275	275	275	100 264	140 321	150 294
Parking Garages		786	-	-	588	588	588	-	-	-
Vehicle Licensing and Testing		-	-	-	-	-	-	-	-	-
Other		188	-	-	141	141	141	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Biodiversity & Landscape		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1 762 619	2 030 390	2 306 449	2 263 174	2 220 822	2 220 822	2 437 047	2 620 117	2 713 826
Electricity		1 069 468	1 261 723	1 473 884	1 640 105	1 597 754	1 597 754	1 700 095	1 839 444	1 901 890
Electricity Distribution		1 069 468	1 261 723	1 473 884	1 640 105	1 597 754	1 597 754	1 700 095	1 839 444	1 901 890
Electricity Generation		-	-	-	-	-	-	-	-	-
Water		473 549	508 028	567 894	392 974	392 974	392 974	500 521	533 983	554 418
Water Distribution		473 549	508 028	567 894	392 974	392 974	392 974	500 521	533 983	554 418
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		142 243	170 205	168 207	144 974	144 974	144 974	149 071	155 516	162 313
Sewerage		142 238	170 205	168 207	144 974	144 974	144 974	149 071	155 516	162 313
Storm Water Management		5	-	-	0	-	-	-	-	-
Public Toilets		-	-	-	-	-	-	-	-	-
Waste management		77 360	90 434	96 463	85 120	85 120	85 120	87 359	91 174	95 205
Solid Waste		77 360	90 434	96 463	85 120	85 120	85 120	87 359	91 174	95 205
<b>Other</b>		44 062	28 968	30 130	126 531	126 531	126 531	89 565	89 688	186 337
Air Transport		14 893	13 530	5 966	34 590	34 590	34 590	5 418	5 915	5 460
Abattoirs		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	64 400	63 700	160 800
Forestry		11 989	-	-	-	-	-	-	-	-
Markets		17 180	15 438	24 163	91 941	91 941	91 941	19 747	20 072	20 077
<b>Total Revenue - Standard</b>	<b>2</b>	<b>2 545 140</b>	<b>2 878 840</b>	<b>3 367 779</b>	<b>3 674 643</b>	<b>3 672 973</b>	<b>3 672 973</b>	<b>3 864 399</b>	<b>4 280 623</b>	<b>4 523 434</b>
<b>Expenditure - Standard</b>										
<b>Municipal governance and administration</b>		121 132	52 006	347 299	478 471	462 562	462 562	691 420	610 593	639 297



# MSUNDUZI ANNUAL BUDGET

Executive and council	-	21	(15 170)	63 134	61 146	61 146	384 298	401 445	413 415
Mayor and Council	-	-	(0)	22 116	21 443	21 443	343 048	355 617	367 143
Municipal Manager	-	21	(15 170)	41 019	39 704	39 704	41 250	45 828	46 272
Budget and treasury office	36 393	45 359	362 097	210 837	217 856	217 856	200 157	99 997	104 960
Corporate services	84 739	6 626	372	204 500	183 560	183 560	106 965	109 150	120 923
Human Resources	-	6 626	372	41 292	40 717	40 717	74 318	80 149	90 215
Information Technology	-	-	-	24 947	22 822	22 822	24 752	20 761	21 938
Property Services	46 723	-	-	63 070	60 920	60 920	-	-	-
Other Admin	38 017	0	0	75 191	59 102	59 102	7 895	8 241	8 770
<b>Community and public safety</b>	<b>403 145</b>	<b>470 097</b>	<b>448 320</b>	<b>389 983</b>	<b>385 165</b>	<b>385 165</b>	<b>421 741</b>	<b>412 761</b>	<b>403 557</b>
Community and social services	44 617	90 933	89 733	62 957	62 134	62 134	99 202	96 099	76 748
Libraries and Archives	31 877	30 153	32 759	48 831	48 124	48 124	48 666	48 482	27 612
Museums & Art Galleries etc	5 831	6 074	5 108	5 347	5 247	5 247	3 262	3 509	3 765
Community halls and Facilities	-	23 028	23 093	-	-	-	7 792	8 330	8 868
Cemeteries & Crematoriums	6 717	7 140	7 180	8 357	8 357	8 357	6 912	4 981	5 288
Child Care	-	-	-	-	-	-	-	-	-
Aged Care	172	-	-	185	170	170	-	-	-
Other Community	-	24 539	21 593	-	-	-	32 569	30 797	31 214
Other Social	20	-	-	237	237	237	-	-	-
Sport and recreation	94 720	104 373	104 649	75 535	73 933	73 933	81 358	80 968	81 978
Public safety	173 748	185 265	188 045	205 998	203 977	203 977	196 317	191 191	199 520
Police	98 591	115 401	113 432	103 558	103 024	103 024	121 460	121 481	128 800
Fire	58 125	62 824	66 134	62 940	62 720	62 720	65 810	62 150	63 075
Civil Defence	7 225	7 040	8 480	8 242	8 237	8 237	9 047	7 560	7 644
Street Lighting	9 806	-	-	19 522	18 322	18 322	-	-	-
Other	-	-	-	11 736	11 676	11 676	-	-	-
Housing	34 718	31 956	31 422	19 696	19 491	19 491	25 149	25 247	25 658
Health	55 342	57 570	34 470	25 797	25 631	25 631	19 716	19 256	19 653
Clinics	22 860	25 194	3 397	7 041	7 041	7 041	408	417	355
Ambulance	-	-	-	-	-	-	-	-	-
Other	32 483	32 376	31 073	18 756	18 591	18 591	19 308	18 839	19 298
<b>Economic and environmental services</b>	<b>217 368</b>	<b>359 601</b>	<b>351 985</b>	<b>112 985</b>	<b>101 991</b>	<b>101 991</b>	<b>462 751</b>	<b>464 630</b>	<b>556 317</b>
Planning and development	38 536	62 855	56 981	72 382	71 199	71 199	128 290	126 201	94 451
Economic Development/Planning	33 034	37 908	31 727	68 632	67 449	67 449	100 997	101 087	67 793
Town Planning/Building enforcement	-	19 399	18 664	-	-	-	22 216	19 695	21 147
Licensing & Regulation	5 502	5 548	6 590	3 750	3 750	3 750	5 077	5 420	5 511
Road transport	178 832	296 745	295 004	40 603	30 792	30 792	334 461	338 428	461 867
Roads	165 169	256 035	243 126	29 931	20 352	20 352	40 614	51 521	52 376
Public Buses	11 076	35 991	46 853	8 317	8 187	8 187	293 680	284 954	393 181
Parking Garages	764	-	-	645	545	545	-	-	-
Vehicle Licensing and Testing	-	-	-	-	-	-	-	-	-
Other	1 823	4 719	5 025	1 710	1 710	1 710	168	1 954	16 309
Environmental protection	-	-	-	-	-	-	-	-	-
Pollution Control	-	-	-	-	-	-	-	-	-
Biodiversity & Landscape	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>1 570 083</b>	<b>1 812 087</b>	<b>2 071 314</b>	<b>2 180 746</b>	<b>2 170 727</b>	<b>2 170 728</b>	<b>1 893 221</b>	<b>2 218 159</b>	<b>2 374 334</b>
Electricity	936 217	1 151 810	1 386 135	1 482 680	1 477 494	1 477 494	1 374 093	1 508 952	1 613 629
Electricity Distribution	936 217	1 151 810	1 386 135	1 482 680	1 477 494	1 477 494	1 374 093	1 508 952	1 613 629
Electricity Generation	-	-	-	-	-	-	-	-	-
Water	416 245	436 901	447 367	573 488	572 648	572 648	406 791	471 900	508 264
Water Distribution	416 245	436 901	447 367	573 488	572 648	572 648	406 791	471 900	508 264
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	126 757	116 055	130 627	23 555	20 941	20 941	9 621	121 422	129 864
Sewerage	112 252	116 055	130 627	8 951	8 951	8 951	9 621	121 422	129 864
Storm Water Management	6 818	-	-	14 605	11 990	11 990	-	-	-
Public Toilets	7 687	-	-	-	-	-	-	-	-
Waste management	90 864	107 321	107 185	101 024	99 646	99 646	102 716	115 884	122 577
Solid Waste	90 864	107 321	107 185	101 024	99 646	99 646	102 716	115 884	122 577
<b>Other</b>	<b>53 980</b>	<b>45 086</b>	<b>55 274</b>	<b>62 713</b>	<b>62 104</b>	<b>62 104</b>	<b>31 122</b>	<b>25 372</b>	<b>26 751</b>
Air Transport	11 613	12 063	15 784	269	269	269	16 549	10 673	11 063
Abattoirs	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Forestry	10 602	40	43	-	-	-	45	48	51
Markets	31 765	32 983	39 447	62 444	61 836	61 836	14 528	14 651	15 637
<b>Total Expenditure - Standard</b>	<b>2 365 707</b>	<b>2 738 877</b>	<b>3 274 191</b>	<b>3 224 898</b>	<b>3 182 549</b>	<b>3 182 549</b>	<b>3 500 255</b>	<b>3 731 515</b>	<b>4 000 256</b>
<b>Surplus/(Deficit) for the year</b>	<b>179 433</b>	<b>139 963</b>	<b>93 588</b>	<b>449 744</b>	<b>490 424</b>	<b>490 423</b>	<b>364 144</b>	<b>549 109</b>	<b>523 177</b>

References



**KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description		Ref	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	Revenue by Vote		1											
	Vote 1 - Corporate Services		8 268	20 174	26 624	24 112	24 112	24 112	311 882	491 724	489 135			
	Vote 2 - Financial Management Area		649 872	664 595	821 029	1 331 296	1 371 977	1 371 977	1 077 719	1 145 893	1 303 906			
	Vote 3 - Infrastructure Development, Service Delivery and Maintenance		1 810 650	2 119 905	2 441 007	2 260 701	2 218 350	2 218 350	2 436 060	2 603 497	2 684 875			
	Vote 4 - Sustainable Community Service Delivery Provision M		76 349	74 167	79 118	58 533	58 533	58 533	38 737	39 509	45 518			
	Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-			
	Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-			
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-			
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-			
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-			
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-			
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-			
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-			
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-			
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-			
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-			
Total Revenue by Vote		2	2 545 140	2 878 840	3 367 779	3 674 643	3 672 973	3 672 973	3 864 399	4 280 623	4 523 434			
Expenditure by Vote to be appropriated		1												
Vote 1 - Corporate Services		11 009	17 599	84 249	263 300	263 300	263 300	263 785	330 411	324 259				
Vote 2 - Financial Management Area		93 732	128 217	187 394	244 421	251 488	251 488	481 725	494 944	449 382				
Vote 3 - Infrastructure Development, Service Delivery and Maintenance		1 815 667	2 068 663	2 399 120	2 284 628	2 261 772	2 261 772	2 273 477	2 421 888	2 691 427				
Vote 4 - Sustainable Community Service Delivery Provision M		445 299	524 399	603 427	410 307	405 989	405 989	481 268	484 272	535 189				
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-				
Total Expenditure by Vote		2	2 365 707	2 738 877	3 274 191	3 224 899	3 182 549	3 182 549	3 500 255	3 731 515	4 000 256			
Surplus/(Deficit) for the year		2	179 433	139 963	93 589	449 744	490 424	490 424	364 144	549 108	523 177			

**References**

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
<b>Vote 1 - Corporate Services</b>		8 268	20 174	26 624	24 112	24 112	24 112	311 882	491 724	489 135
1.1 - Council and Committee Support		44	369	937	560	560	560	3	3	3
1.2 - Enterprise Wide Risk Management & Audit and Compliance		5	-	-						
1.3 - Human Resources Management		1 075	3 148	5 093	3 089	3 089	3 089	3	3	3
1.4 - Legislative Compliance		729	225	537	550	550	550	654	689	726
1.5 - Local Economic Development Management		5 857	16 264	15 607	19 800	19 800	19 800	13 703	14 046	13 316
1.6 - Management Information Services		14	9	10	8	8	8	3 697	3 700	4 095
1.7 - Marketing and Public Relations Management		544	158	4 440	105	105	105	293 824	473 283	470 992
<b>Vote 2 - Financial Management Area</b>		649 872	664 595	821 029	1 331 296	1 371 977	1 371 977	1 077 719	1 145 893	1 303 906
2.1 - Budget & Treasury Management		20	3	1				2 246	3 454	3 787
2.2 - Expenditure Management		630	601	699	312	312	312	-	-	-
2.3 - Financial Control and Cash Management		506	2 325	2 353	1 829	1 829	1 829	2 230	2 440	2 680
2.4 - Revenue Management		648 504	661 398	817 638	1 328 864	1 369 545	1 369 545	1 072 993	1 139 736	1 297 163
2.5 - Supply Chain Management		212	268	339	291	291	291	250	263	276
<b>Vote 3 - Infrastructure Development, Service Delivery and Support</b>		1 810 650	2 119 905	2 441 007	2 260 701	2 218 350	2 218 350	2 436 060	2 603 497	2 684 875
3.1 - Electricity Distribution Management		1 068 562	1 261 723	1 473 884	1 617 257	1 574 906	1 574 906	1 628 543	1 733 369	1 765 609
3.2 - Human Settlement Development Management		3 991	3 614	5 175	3 622	3 622	3 622			
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development		11 374	12 090	13 047	10 234	10 234	10 234	93 582	98 857	96 015
3.4 - Roads and Stormwater		33 596	73 812	116 337	66 306	66 306	66 306	108 395	120 386	122 451
3.5 - Waste Management		81 349	97 153	106 504	89 182	89 182	89 182	92 117	84 160	87 806
3.6 - Water Distribution and Sanitation Management		611 778	671 514	726 060	474 100	474 100	474 100	513 424	566 725	612 994
<b>Vote 4 - Sustainable Community Service Delivery Provision</b>		76 349	74 167	79 118	58 533	58 533	58 533	38 737	39 509	45 518
4.1 - Community Services Provision Management		36 439	37 676	48 688	20 235	20 235	20 235	5	5	5
4.2 - Public Safety, Enforcement and Disaster Management		7 818	5 999	10 794	6 095	6 095	6 095	6 827	7 092	9 397
4.3 - Regional Community Services Provision Management		32 093	30 492	19 636	32 202	32 202	32 202	31 905	32 412	36 116
<b>Total Revenue by Vote</b>	2	2 545 140	2 878 840	3 367 779	3 674 643	3 672 973	3 672 973	3 864 399	4 280 623	4 523 434
<b>Expenditure by Vote</b>	1									
<b>Vote 1 - Corporate Services</b>		11 009	17 599	84 249	285 544	263 300	263 300	263 785	330 411	324 259
1.1 - Council and Committee Support		131	2 631	145	67 201	65 193	65 193	76 139	82 286	90 331
1.2 - Enterprise Wide Risk Management & Audit and Compliance			-	9 008	10 839	10 789	10 789	13 352	14 609	14 766
1.3 - Human Resources Management			3 508	-	18 546	18 521	18 521	20 220	35 347	16 481
1.4 - Legislative Compliance		934	447	11 193	76 711	60 103	60 103	70 743	108 188	124 236
1.5 - Local Economic Development Management		7 019	7 730	18 183	36 196	35 516	35 516	43 965	44 700	33 087
1.6 - Management Information Services			0	41 804	36 649	34 524	34 524	39 366	45 281	45 358
1.7 - Marketing and Public Relations Management		2 924	3 283	3 916	39 401	38 654	38 654			
<b>Vote 2 - Financial Management Area</b>		93 732	128 217	187 394	244 421	251 488	251 488	481 725	494 944	449 382
2.1 - Budget & Treasury Management			39	3 334	4 625	4 625	4 625	180 469	181 244	185 347
2.2 - Expenditure Management		2 789	3 308	2 663	12 904	12 904	12 904	11 418	12 209	12 499
2.3 - Financial Control and Cash Management		25	2 698	41 804	31 139	31 139	31 139	77 388	78 565	8 375
2.4 - Revenue Management		90 919	91 149	98 813	164 980	172 053	172 053	174 199	175 346	185 411
2.5 - Supply Chain Management		-	31 023	40 780	30 772	30 767	30 767	38 251	47 580	57 750
<b>Vote 3 - Infrastructure Development, Service Delivery and Support</b>		1 815 667	2 068 663	2 399 120	2 284 628	2 261 772	2 261 772	2 273 477	2 421 888	2 691 427
3.1 - Electricity Distribution Management		946 336	1 151 810	1 388 622	1 124 281	1 117 895	1 117 895	1 214 518	1 312 408	1 455 262
3.2 - Human Settlement Development Management		9 323	9 725	10 461	9 030	8 880	8 880			
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development		72 167	46 161	46 453	102 906	101 319	101 319	103 559	104 461	108 837
3.4 - Roads and Stormwater		166 870	215 015	266 121	319 271	308 871	308 871	310 034	311 362	354 435
3.5 - Waste Management		165 721	179 144	188 443	155 854	152 376	152 376	151 981	152 208	228 338
3.6 - Water Distribution and Sanitation Management		455 249	466 807	499 020	573 286	572 431	572 431	493 386	541 449	544 555
<b>Vote 4 - Sustainable Community Service Delivery Provision</b>		445 299	524 399	603 427	410 307	405 989	405 989	481 268	484 272	535 189
4.1 - Community Services Provision Management		166 656	226 673	234 792	147 707	145 559	145 559	147 428	148 406	150 570
4.2 - Public Safety, Enforcement and Disaster Management		169 430	190 804	194 534	160 325	159 567	159 567	160 317	161 761	172 320
4.3 - Regional Community Services Provision Management		109 213	106 922	174 101	102 275	100 863	100 863	173 523	174 105	212 298
<b>Total Expenditure by Vote</b>	2	2 365 707	2 738 877	3 274 191	3 224 899	3 182 549	3 182 549	3 500 255	3 731 515	4 000 256
<b>Surplus/(Deficit) for the year</b>	2	179 433	139 963	93 589	449 744	490 424	490 424	364 144	549 108	523 177

## References

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote





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

REVENUE INCOME									EXPENDITURE			
Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 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 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source												
Property rates	2		448 257	505 310	585 863	607 308	607 308	607 308	607 308	659 052	695 065	731 888
Property rates - penalties & collection charges			26 358	31 244	39 596	37 363	37 363	37 363	37 363	39 231	41 349	43 582
Service charges - electricity revenue	2		1 011 459	1 212 660	1 425 627	1 558 827	1 516 475	1 516 475	1 516 475	1 628 543	1 748 892	1 878 135
Service charges - water revenue	2		270 107	288 345	349 140	378 445	378 445	378 445	378 445	391 288	424 332	454 918
Service charges - sanitation revenue	2		102 592	107 507	120 089	132 153	132 153	132 153	132 153	126 582	133 938	141 417
Service charges - refuse revenue	2		65 559	70 091	73 999	77 592	77 592	77 592	77 592	87 712	91 276	95 132
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			17 313	17 944	20 896	20 255	20 255	20 255	20 255	35 024	38 329	40 292
Interest earned - external investments			12 823	25 951	34 328	27 029	27 029	27 029	27 029	32 247	33 988	35 824
Interest earned - outstanding debtors			47 480	58 254	82 051	1 255	1 255	1 255	1 255	1 325	1 399	1 478
Dividends received			-	-	-	-	-	-	-	-	-	-
Fines			5 354	3 813	8 371	3 634	3 634	3 634	3 634	14 667	15 488	16 356
Licences and permits			89	78	59	48	48	48	48	83	87	92
Agency services			577	374	733	586	586	586	586	3 220	3 324	3 490
Transfers recognised - operational			387 733	500 669	566 470	383 848	383 848	383 848	383 848	415 372	436 640	458 643
Other revenue	2		64 786	56 600	60 558	48 011	48 011	48 011	48 011	136 230	143 231	151 195
Gains on disposal of PPE			-	-	-	15 131	15 131	15 131	15 131	-	-	-
Total Revenue (excluding capital transfers and contributions)			2 460 486	2 878 840	3 367 779	3 291 485	3 249 133	3 249 133	3 249 133	3 570 575	3 807 340	4 052 442
Expenditure By Type												
Employee related costs	2		648 294	668 305	686 988	779 721	764 521	764 521	764 521	855 887	920 778	991 388
Remuneration of councillors			18 418	31 427	33 422	36 419	36 419	36 419	36 419	39 272	42 350	45 659
Debt impairment	3		96 000	58 210	217 794	137 510	137 510	137 510	137 510	144 577	154 586	164 979
Depreciation & asset impairment	2		253 513	273 702	237 206	222 212	222 212	222 212	222 212	259 469	268 183	281 592
Finance charges			71 568	72 134	70 966	64 600	64 600	64 600	64 600	60 738	54 782	50 025
Bulk purchases	2		994 366	1 219 818	1 373 241	1 493 890	1 491 890	1 491 890	1 491 890	1 479 522	1 577 336	1 711 641
Other materials	8		-	-	-	23 861	23 861	23 861	23 861	25 198	26 558	27 992
Contracted services			13 766	21 091	17 769	57 176	57 176	57 176	57 176	93 051	94 359	89 323
Transfers and grants			195	196	216	5 027	5 027	5 027	5 027	5 408	5 678	5 962
Other expenditure	4, 5		269 625	394 935	638 236	404 483	379 332	379 332	379 332	537 133	586 904	631 696
Loss on disposal of PPE			(37)	(941)	(1 647)	-	-	-	-	-	-	-
Total Expenditure			2 365 707	2 738 877	3 274 191	3 224 899	3 182 549	3 182 549	3 182 549	3 500 255	3 731 515	4 000 256
Surplus/(Deficit)												
Transfers recognised - capital			94 778	139 964	93 589	66 586	66 584	66 584	66 584	70 320	75 826	52 185
Contributions recognised - capital			84 654	-	-	383 158	423 840	423 840	423 840	293 824	473 283	470 992
Contributed assets			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			179 433	139 964	93 589	449 744	490 424	490 424	490 424	364 144	549 109	523 177
Taxation			-	126	(18)	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			179 433	139 838	93 606	449 744	490 424	490 424	490 424	364 144	549 109	523 177
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			179 433	139 838	93 606	449 744	490 424	490 424	490 424	364 144	549 109	523 177
Share of surplus/ (deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			179 433	139 838	93 606	449 744	490 424	490 424	490 424	364 144	549 109	523 177





# MSUNDUZI ANNUAL BUDGET

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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
<b>Capital expenditure - Municipal Vote</b>											
<b>Multi-year expenditure appropriation</b>	2										
<b>Vote 1 - Corporate Services</b>		3 552	12 689	-	2 500	24 025	24 025	24 025	25 454	65 822	72 487
1.1 - Council and Committee Support		-	-	-	-	353	353	353	15 961	46 413	32 450
1.2 - Enterprise Wide Risk Management & Audit and Compliance		-	-	-	-	-	-	-	-	-	-
1.3 - Human Resources Management		-	-	-	-	-	-	-	825	13 009	19 037
1.4 - Legislative Compliance		-	13	-	-	-	-	-	185	-	-
1.5 - Local Economic Development Management		281	11 702	-	-	19 872	19 872	19 872	6 532	5 000	20 000
1.6 - Management Information Services		-	974	-	2 500	3 500	3 500	3 500	1 951	1 400	-
1.7 - Marketing and Public Relations Management		3 271	-	-	-	300	300	300	-	-	-
<b>Vote 2 - Financial Management Area</b>		152	35	-	-	-	-	-	24 417	-	-
2.1 - Budget & Treasury Management		-	35	-	-	-	-	-	21 398	-	-
2.2 - Expenditure Management		152	-	-	-	-	-	-	153	-	-
2.3 - Financial Control and Cash Management		-	-	-	-	-	-	-	30	-	-
2.4 - Revenue Management		-	-	-	-	-	-	-	2 687	-	-
2.5 - Supply Chain Management		-	-	-	-	-	-	-	150	-	-
<b>Vote 3 - Infrastructure Development, Service Delivery and</b>		91 807	195 273	163 117	379 546	379 246	379 246	379 246	321 922	150 555	166 765
3.1 - Electricity distribution Management		16 592	26 696	-	143 500	143 500	143 500	143 500	89 535	88 517	106 623
3.2 - Human Settlement Development Management		11	-	-	-	-	-	-	-	-	-
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development		-	59	-	-	-	-	-	35 460	1 514	333
3.4 - Roads and Stormwater		46 382	84 591	78 748	159 405	159 105	159 105	159 105	87 719	22 943	23 338
3.5 - Waste Management		471	20 602	-	8 091	8 091	8 091	8 091	25 224	50	900
3.6 - Water Distribution and Sanitation Management		28 351	63 324	84 369	68 550	68 550	68 550	68 550	60 551	37 531	35 571
<b>Vote 4 - Sustainable Community Service Delivery Provision</b>		15 638	15 963	32 815	-	126	126	126	74 305	372 211	298 329
4.1 - Community Services Provision Management		3 934	3 125	-	-	-	-	-	59 812	124 829	132 143
4.2 - Public Safety, Enforcement and Disaster Management		165	218	-	-	-	-	-	4 512	7 595	3 358
4.3 - Regional Community Services Provision Management		11 539	12 620	32 815	-	126	126	126	9 980	239 787	162 828
<b>Capital multi-year expenditure sub-total</b>		111 149	223 959	195 932	382 046	403 397	403 397	403 397	446 098	588 588	537 581
<b>Capital expenditure - Municipal Vote</b>											
<b>Single-year expenditure appropriation</b>	2										
<b>Vote 1 - Corporate Services</b>		-	5 150	3 100	3 100	3 100	3 100	3 100	3 818	21 941	24 163
1.1 - Council and Committee Support		-	4 150	3 100	3 100	3 100	3 100	3 100	3 818	21 941	24 163
1.2 - Enterprise Wide Risk Management & Audit and Compliance		-	-	-	-	-	-	-	-	-	-
1.3 - Human Resources Management		-	-	-	-	-	-	-	-	-	-
1.4 - Legislative Compliance		-	-	-	-	-	-	-	-	-	-
1.5 - Local Economic Development Management		-	1 000	-	-	-	-	-	-	-	-
1.6 - Management Information Services		-	-	-	-	-	-	-	-	-	-
1.7 - Marketing and Public Relations Management		-	-	-	-	-	-	-	-	-	-
<b>Vote 2 - Financial Management Area</b>		-	-	7 000	7 012	7 012	7 012	7 012	10 479	-	-
2.1 - Budget & Treasury Management		-	-	-	-	-	-	-	-	-	-
2.2 - Expenditure Management		-	-	-	-	-	-	-	-	-	-
2.3 - Financial Control and Cash Management		-	-	7 000	7 012	7 012	7 012	7 012	10 479	-	-
2.4 - Revenue Management		-	-	-	-	-	-	-	-	-	-
2.5 - Supply Chain Management		-	-	-	-	-	-	-	-	-	-
<b>Vote 3 - Infrastructure Development, Service Delivery and</b>		-	-	15 636	42 702	73 804	73 804	73 804	112 441	58 889	4 726
3.1 - Electricity distribution Management		-	-	9 083	8 000	9 993	9 993	9 993	20 500	5 000	870
3.2 - Human Settlement Development Management		-	-	4 500	-	-	-	-	-	-	-
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development Management		-	-	-	2 500	20 500	20 500	20 500	32 000	17 000	2 000
3.4 - Roads and Stormwater		-	-	-	19 230	20 030	20 030	20 030	36 000	11 000	-
3.5 - Waste Management		-	-	-	300	300	300	300	664	1 889	-
3.6 - Water Distribution and Sanitation Management		-	-	2 053	12 672	22 981	22 981	22 981	23 277	24 000	1 856
<b>Vote 4 - Sustainable Community Service Delivery Provision</b>		-	-	13 296	8 310	35 820	35 820	35 820	24 918	123 181	99 510
4.1 - Community Services Provision Management		-	-	12 250	2 700	10 200	10 200	10 200	8 150	37 090	31 960
4.2 - Public Safety, Enforcement and Disaster Management		-	-	-	-	600	600	600	762	980	1 000
4.3 - Regional Community Services Provision Management		-	-	1 046	5 610	25 020	25 020	25 020	16 006	85 111	66 550
<b>Capital single-year expenditure sub-total</b>		-	5 150	39 032	61 124	119 736	119 736	119 736	151 656	204 011	128 399
<b>Total Capital Expenditure</b>		111 149	229 109	234 964	443 170	523 133	523 133	523 133	597 754	792 599	665 980



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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Corporate Services		3 552	12 689	–	2 500	24 025	24 025	24 025	25 454	65 822	72 487
Vote 2 - Financial Management Area		152	35	–	–	–	–	–	24 417	–	–
Vote 3 - Infrastructure Development, Service Delivery and Maintenance		91 807	195 273	163 117	379 546	379 246	379 246	379 246	321 922	150 555	166 765
Vote 4 - Sustainable Community Service Delivery Provision		15 638	15 963	32 815	–	126	126	126	74 305	372 211	298 329
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>111 149</b>	<b>223 959</b>	<b>195 932</b>	<b>382 046</b>	<b>403 397</b>	<b>403 397</b>	<b>403 397</b>	<b>446 098</b>	<b>588 588</b>	<b>537 581</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Corporate Services		–	5 150	3 100	3 100	3 100	3 100	3 100	3 818	21 941	24 163
Vote 2 - Financial Management Area		–	–	7 000	7 012	7 012	7 012	7 012	10 479	–	–
Vote 3 - Infrastructure Development, Service Delivery and Maintenance		–	–	15 636	42 702	73 804	73 804	73 804	112 441	58 889	4 726
Vote 4 - Sustainable Community Service Delivery Provision		–	–	13 296	8 310	35 820	35 820	35 820	24 918	123 181	99 510
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>		<b>–</b>	<b>5 150</b>	<b>39 032</b>	<b>61 124</b>	<b>119 736</b>	<b>119 736</b>	<b>119 736</b>	<b>151 656</b>	<b>204 011</b>	<b>128 399</b>
<b>Total Capital Expenditure - Vote</b>		<b>111 149</b>	<b>229 109</b>	<b>234 964</b>	<b>443 170</b>	<b>523 133</b>	<b>523 133</b>	<b>523 133</b>	<b>597 754</b>	<b>792 599</b>	<b>665 980</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>7 557</b>	<b>12 723</b>	<b>3 713</b>	<b>30 760</b>	<b>49 425</b>	<b>49 425</b>	<b>49 425</b>	<b>23 899</b>	<b>46 413</b>	<b>32 450</b>
Executive and council		235	–	309	–	353	353	353	1 961	46 413	32 450
Budget and treasury office		7 323	35	3 404	30 760	49 072	49 072	49 072	21 938	–	–
Corporate services		–	12 689	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>612</b>	<b>12 838</b>	<b>18 084</b>	<b>4 500</b>	<b>9 437</b>	<b>9 437</b>	<b>9 437</b>	<b>10 656</b>	<b>11 417</b>	<b>12 682</b>
Community and social services		436	12 620	12 610	2 800	3 837	3 837	3 837	4 128	4 499	4 994
Sport and recreation		–	–	5 475	1 700	5 000	5 000	5 000	6 008	6 268	6 707
Public safety		165	218	–	–	600	600	600	520	649	981
Housing		11	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>46 382</b>	<b>84 650</b>	<b>66 580</b>	<b>163 976</b>	<b>414 348</b>	<b>414 348</b>	<b>414 348</b>	<b>350 836</b>	<b>505 906</b>	<b>403 691</b>
Planning and development		–	59	–	2 700	252 572	252 572	252 572	173 873	272 963	180 353
Road transport		46 382	84 591	66 580	161 276	161 776	161 776	161 776	176 963	232 943	223 338
Environmental protection		–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		<b>45 413</b>	<b>110 623</b>	<b>109 130</b>	<b>241 112</b>	<b>253 416</b>	<b>253 416</b>	<b>253 416</b>	<b>179 896</b>	<b>194 122</b>	<b>179 984</b>
Electricity		16 592	26 696	54 869	151 500	153 493	153 493	153 493	95 035	117 517	110 899
Water		12 860	63 324	35 317	34 425	41 835	41 835	41 835	59 191	49 141	39 386
Waste water management		15 491	396	16 892	47 097	47 097	47 097	47 097	14 129	15 577	16 979
Waste management		471	20 206	2 052	8 091	10 991	10 991	10 991	11 541	11 887	12 719
<b>Other</b>		<b>11 184</b>	<b>3 125</b>	<b>22 811</b>	<b>2 810</b>	<b>26 510</b>	<b>26 510</b>	<b>26 510</b>	<b>32 468</b>	<b>34 742</b>	<b>37 174</b>
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>111 149</b>	<b>223 959</b>	<b>220 319</b>	<b>443 158</b>	<b>753 136</b>	<b>753 136</b>	<b>753 136</b>	<b>597 754</b>	<b>792 599</b>	<b>665 980</b>
<b>Funded by:</b>											
National Government		73 020	123 449	189 180	383 158	391 760	391 760	391 760	283 897	464 283	470 992
Provincial Government		11 429	25 621	31 139	–	25 459	25 459	25 459	9 927	9 000	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		205	–	–	–	2 427	2 427	2 427	–	–	–
<b>Transfers recognised - capital</b>	<b>4</b>	<b>84 654</b>	<b>149 070</b>	<b>220 319</b>	<b>383 158</b>	<b>419 646</b>	<b>419 646</b>	<b>419 646</b>	<b>293 824</b>	<b>473 283</b>	<b>470 992</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowing</b>	<b>6</b>	<b>26 495</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4 193</b>	<b>4 193</b>	<b>4 193</b>	<b>100 000</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>		<b>–</b>	<b>74 889</b>	<b>–</b>	<b>60 000</b>	<b>99 294</b>	<b>99 294</b>	<b>99 294</b>	<b>203 930</b>	<b>319 316</b>	<b>194 988</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>111 149</b>	<b>223 959</b>	<b>220 319</b>	<b>443 159</b>	<b>523 133</b>	<b>523 133</b>	<b>523 133</b>	<b>597 754</b>	<b>792 599</b>	<b>665 980</b>

References



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A6 Consolidated Budgeted Financial Position

Description	Ref	Current Year 2013/14					2014/15 Medium Term Revenue & Expenditure Framework				
		2010/11	2011/12	2012/13	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Current assets											
Cash	1	293 827	622 793	719 174	64 672	3 421	3 421	3 421	320 733	53 193	(108 512)
Call investment deposits	1	282 404	5 256	5 901	539 022	863 459	863 459	863 459	555 595	583 375	612 544
Consumer debtors		352 890	559 874	749 700	690 704	682 710	682 710	682 710	767 954	806 354	846 674
Other debtors		(267 508)	8	98 422	7 354	124 512	124 512	124 512	156 279	159 405	163 390
Current portion of long-term receivables		–	66	46	45 175	–	–	–	42 691	42 101	47 039
Inventory	2	57 922	752 178	755 045	56 567	736 294	736 294	736 294	762 595	770 221	777 924
Total current assets		719 535	1 940 175	2 328 287	1 403 494	2 410 396	2 410 396	2 410 396	2 605 848	2 414 649	2 339 059
Non current assets											
Long-term receivables		–	–	–	8 385	8 587	8 587	8 587	8 771	8 859	8 947
Investments				–	69	46	46	46	46	46	46
Investment property		405 306	325 807	320 520	320 520	320 520	320 520	320 520	320 520	320 520	320 520
Investment in Associate											
Property, plant and equipment	3	6 397 646	6 417 873	6 386 028	6 568 313	6 824 179	6 824 179	6 824 179	7 283 930	8 648 045	7 603 682
Agricultural						–	–	–			
Biological		7 283	3 459	1 899	648	648	648	648	648	648	648
Intangible		6 695	8 181	8 771	3 459	3 459	3 459	3 459	3 959	3 959	3 959
Other non-current assets						–	–	–	8 859	8 948	9 037
Total non current assets		6 816 930	6 755 321	6 894 187	6 901 394	7 157 439	7 157 439	7 157 439	7 626 734	8 991 025	7 946 839
TOTAL ASSETS		7 536 465	8 695 496	9 222 474	8 304 888	9 567 835	9 567 835	9 567 835	10 232 582	11 405 674	10 285 898
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	2 861	43 584	45 575	38 030	–	–	–	42 691	42 101	47 039
Consumer deposits		70 633	71 648	79 589	73 941	83 502	83 502	83 502	87 548	91 925	96 522
Trade and other payables	4	527 157	645 455	723 121	618 107	779 063	779 063	779 063	948 479	915 829	969 828
Provisions		282	312	4 397		3 714	3 714	3 714	3 714	3 714	3 714
Total current liabilities		600 934	760 999	852 682	730 078	866 279	866 279	866 279	1 082 432	1 053 569	1 117 103
Non current liabilities											
Borrowing		518 942	577 963	542 233	573 000	564 035	564 035	564 035	100 000	75 000	75 000
Provisions		232 001	308 123	535 734	–	535 734	535 734	535 734	768 990	1 352 946	1 955 349
Total non current liabilities		750 943	886 085	1 077 967	573 000	1 099 769	1 099 769	1 099 769	868 990	1 427 946	2 030 349
TOTAL LIABILITIES		1 351 876	1 647 084	1 930 649	1 303 078	1 966 048	1 966 048	1 966 048	1 951 422	2 481 515	3 147 452
NET ASSETS	5	6 184 589	7 048 411	7 291 825	7 001 810	7 601 787	7 601 787	7 601 787	8 281 160	8 924 159	7 138 446
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		6 131 375	6 992 886	7 241 922	6 943 244	7 552 736	7 552 736	7 552 736	8 237 940	8 880 634	7 094 591
Reserves	4	53 214	55 526	49 903	58 565	49 051	49 051	49 051	43 220	43 525	43 855
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	6 184 589	7 048 411	7 291 825	7 001 810	7 601 787	7 601 787	7 601 787	8 281 160	8 924 159	7 138 446



KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		2 312 753	2 736 576	3 033 638	2 466 204	2 840 654	2 840 654	2 840 654	3 015 567	3 140 688	3 392 901
Government - operating	1	—	—	—	383 848	383 848	383 848	383 848	415 372	436 640	458 643
Government - capital	1	—	—	—	383 158	423 840	423 840	423 840	293 824	473 283	470 992
Interest		51 796	84 161	116 335	27 029	27 029	27 029	27 029	32 247	33 988	35 824
Dividends		—	—	—	—	—	—	—	—	—	—
Payments											
Suppliers and employees		(1 810 717)	(2 269 366)	(2 579 604)	(2 795 550)	(2 753 199)	(2 753 199)	(2 753 199)	(3 113 993)	(3 227 154)	(3 475 405)
Finance charges		(71 568)	(72 134)	(70 966)	(64 600)	(64 600)	(64 600)	(64 600)	(60 738)	(54 782)	(50 025)
Transfers and Grants	1	—	—	(108)	(5 027)	(5 027)	(5 027)	(5 027)	(5 408)	(251)	(263)
NET CASH FROM/(USED) OPERATING ACTIVITIES		482 264	479 237	499 295	395 062	852 545	852 545	852 545	576 871	802 412	832 667
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		11 072	1 471	17 824	—	—	—	—			
Decrease (Increase) in non-current debtors		(3 928)	(65)	(570)	—	—	—	—			
Decrease (increase) other non-current receivables		(112 006)	(358 873)	(401 875)	(422)	(422)	(422)	(422)			
Decrease (increase) in non-current investments			(5 256)	(645)	(3)	(3)	(3)	(3)			
Payments											
Capital assets		(199 406)	147 809	10 216	(285 394)	(381 457)	(381 457)	(381 457)	(364 442)	(425 955)	(447 442)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(304 268)	(214 914)	(375 050)	(285 819)	(381 882)	(381 882)	(381 882)	(364 442)	(425 955)	(447 442)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			—	—							
Borrowing long term/refinancing		(56 885)	112 361						100 000	—	
Increase (decrease) in consumer deposits		34 839	1 014	7 942	3 722	3 722	3 722	3 722		4 377	4 596
Payments											
Repayment of borrowing		(8 522)	(49 779)	(35 806)	(45 175)	(45 175)	(45 175)	(45 175)	(42 691)	(59 101)	(53 328)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(30 568)	63 596	(27 864)	(41 453)	(41 453)	(41 453)	(41 453)	57 309	(54 724)	(48 732)
NET INCREASE/(DECREASE) IN CASH HELD		147 428	327 919	96 381	67 790	429 210	429 210	429 210	269 738	321 733	336 493
Cash/cash equivalents at the year begin:	2	147 401	294 829	622 748	719 129	830 762	830 762	830 762	898 552	1 168 290	1 490 023
Cash/cash equivalents at the year end:	2	294 829	622 748	719 129	786 919	1 259 972	1 259 972	1 259 972	1 168 290	1 490 023	1 826 516

Transfers recognised - capital	84 654	–	–	383 158	423 840	423 840	423 840	293 824	473 283	470 992
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	179 433	139 964	93 589	449 744	490 424	490 424	490 424	364 144	549 109	523 177
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	179 433	139 964	93 589	449 744	490 424	490 424	490 424	364 144	549 109	523 177
<b><u>Capital expenditure &amp; funds sources</u></b>										
<b>Capital expenditure</b>	<b>111 149</b>	223 959	220 319	443 158	753 136	753 136	753 136	597 754	792 599	665 980
Transfers recognised - capital	<b>84 654</b>	149 070	220 319	383 158	419 646	419 646	419 646	293 824	473 283	470 992
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	<b>26 495</b>	–	–	–	4 193	4 193	4 193	100 000	–	–
Internally generated funds	–	74 889	–	60 000	99 294	99 294	99 294	203 930	319 316	194 988
<b>Total sources of capital funds</b>	<b>111 149</b>	223 959	220 319	443 159	523 133	523 133	523 133	597 754	792 599	665 980
<b><u>Financial position</u></b>										
Total current assets	<b>719 535</b>	1 940 175	2 328 287	1 403 494	2 410 396	2 410 396	2 410 396	2 605 848	2 414 649	2 339 059
Total non current assets	<b>6 816 930</b>	6 755 321	6 894 187	6 901 394	7 157 439	7 157 439	7 157 439	7 626 734	8 991 025	7 946 839
Total current liabilities	<b>600 934</b>	760 999	852 682	730 078	866 279	866 279	866 279	1 082 432	1 053 569	1 117 103
Total non current liabilities	<b>750 943</b>	886 085	1 077 967	573 000	1 099 769	1 099 769	1 099 769	868 990	1 427 946	2 030 349
Community wealth/Equity	<b>6 184 589</b>	7 048 411	7 291 825	7 001 810	7 601 787	7 601 787	7 601 787	8 281 160	8 924 159	7 138 446
<b><u>Assets</u></b>										

Cash flow





# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A9 Consolidated Asset Management

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE											
Total New Assets		1	22 327	107 500	110 102	174 312	198 878	198 878	308 310	433 723	386 794
Infrastructure - Road transport			10 753	43 937	45 000	4 780	980	980	108 100	232 550	259 250
Infrastructure - Electricity			5 482	3 986	4 083	131 000	128 000	128 000	63 500	66 695	61 695
Infrastructure - Water			886	24 819	25 419	6 250	6 236	6 236	24 677	34 544	8 583
Infrastructure - Sanitation			1 055	-	-	2 000	2 000	2 000	-	-	-
Infrastructure - Other			-	14 646	15 000	-	-	-	46 890	46 779	27 358
Infrastructure			18 176	87 387	89 502	144 030	137 216	137 216	243 167	380 569	356 887
Community			80	20 113	20 600	-	1 223	1 223	41 357	36 262	13 069
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	4 070	-	-	30 282	60 439	60 439	23 785	16 893	16 838
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	88 822	116 459	119 912	268 858	324 255	324 255	289 444	358 876	279 186
Infrastructure - Road transport			35 629	32 776	33 748	138 495	152 795	152 795	68 684	120 700	75 050
Infrastructure - Electricity			11 109	4 856	5 000	30 500	35 493	35 493	65 257	65 177	43 177
Infrastructure - Water			11 974	17 239	17 750	27 925	35 335	35 335	63 730	127 889	129 771
Infrastructure - Sanitation			14 436	25 446	26 200	44 797	44 797	44 797	31 938	-	-
Infrastructure - Other			471	1 994	2 053	8 091	8 091	8 091	6 171	500	-
Infrastructure			73 619	82 310	84 751	249 808	276 510	276 510	235 780	314 266	247 998
Community			420	10 003	10 300	4 500	7 614	7 614	52 615	44 185	30 687
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	14 782	24 145	24 861	14 550	40 131	40 131	1 050	425	500
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4	46 382	76 713	78 748	143 275	153 775	153 775	176 784	353 250	334 300
Infrastructure - Road transport			16 592	8 842	9 083	161 500	163 493	163 493	128 757	131 872	104 872
Infrastructure - Electricity			12 860	42 058	43 169	34 175	41 571	41 571	88 407	162 433	138 354
Infrastructure - Water			15 491	25 446	26 200	46 797	46 797	46 797	31 938	-	-
Infrastructure - Sanitation			471	16 639	17 053	8 091	8 091	8 091	53 061	47 279	27 358
Infrastructure - Other			91 796	169 698	174 253	393 838	413 726	413 726	478 947	694 835	604 885
Infrastructure			500	30 117	30 900	4 500	8 837	8 837	93 972	80 447	43 757
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			18 853	24 145	24 861	44 832	100 570	100 570	24 835	17 318	17 338
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		2	111 149	223 959	230 014	443 170	523 133	523 133	597 754	792 599	665 980
ASSET REGISTER SUMMARY - PPE (WDV)											
Infrastructure - Road transport		5	1 791 861	1 798 801	1 796 919	1 867 648	1 867 648	1 867 648	1 990 698	2 257 585	2 470 325
Infrastructure - Electricity			1 227 314	1 227 562	1 206 428	1 433 474	1 433 474	1 433 474	1 535 411	1 623 917	1 681 401
Infrastructure - Water			900 288	909 907	934 620	944 423	944 423	944 423	952 808	1 016 753	1 065 795
Infrastructure - Sanitation			545 536	571 449	599 074	619 164	619 164	619 164	650 936	676 199	722 788
Infrastructure - Other			516 457	501 919	505 268	507 204	507 204	507 204	506 999	506 795	506 570
Infrastructure			4 981 456	5 009 639	5 042 308	5 371 913	5 371 913	5 371 913	5 636 853	6 081 248	6 446 879
Community			498 059	449 884	449 884	475 835	415 343	415 343	459 694	448 883	418 209
Heritage assets			-	-	-	-	-	-	176 806	176 906	177 006
Investment properties			405 306	325 807	320 520	320 520	320 520	320 520	320 520	320 520	320 520
Other assets			918 203	822 666	822 666	781 057	781 057	781 057	647 216	634 871	566 909
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	176 969	648	648	648	648	648	648
Intangibles			7 283	3 459	1 899	3 459	3 459	3 459	3 959	3 959	3 959
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	6 810 307	6 611 455	6 814 247	6 953 432	6 892 940	6 892 940	7 245 696	7 667 035	7 934 130
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment		3	253 513	273 702	237 206	222 212	222 212	222 212	259 469	268 183	281 592
Repairs and Maintenance by Asset Class			65 648	39 510	89 185	95 314	80 901	80 901	291 357	518 883	608 295
Infrastructure - Road transport			1 596	3 392	5 361	7 094	2 990	2 990	63 667	118 191	174 080
Infrastructure - Electricity			31 949	13 726	24 992	48 014	39 281	39 281	73 236	128 342	182 076
Infrastructure - Water			345	1 216	746	1 554	954	954	21 849	41 953	61 592
Infrastructure - Sanitation			8 254	-	-	502	502	502	6 591	12 986	19 064
Infrastructure - Other			405	6 862	86	-	-	-	-	-	-
Infrastructure			42 549	25 196	31 185	57 165	43 727	43 727	165 342	301 471	436 812
Community			3 218	9 015	2 074	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	55 926	-	-	-	-	-	-
Other assets		6, 7	19 881	5 298	-	38 150	37 174	37 174	126 015	217 412	171 482
TOTAL EXPENDITURE OTHER ITEMS			319 161	313 211	326 391	317 526	303 113	303 113	550 827	787 066	889 887
Renewal of Existing Assets as % of total capex			79.9%	52.0%	52.1%	60.7%	62.0%	62.0%	48.4%	45.3%	41.9%
Renewal of Existing Assets as % of deprecn"			35.0%	42.5%	50.6%	121.0%	145.9%	145.9%	111.6%	133.8%	99.1%
R&M as a % of PPE			1.0%	0.6%	1.4%	1.5%	1.2%	1.2%	4.0%	6.0%	8.0%
Renewal and R&M as a % of PPE			2.0%	2.0%	3.0%	5.0%	6.0%	6.0%	8.0%	11.0%	11.0%





KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling			78 552	100	79	79	79	81 771	84 406	87 074
Piped water inside yard (but not in dwelling)			63 301	7	63	63	63	65 855	67 172	68 515
Using public tap (at least min.service level)	2		15 744	1	18	18	18	16 266	16 591	16 922
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		–	157 597	108	160 097	160 097	160 097	163 892	168 169	172 511
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply			6 396					6 659	5 792	4 927
Below Minimum Service Level sub-total		–	6 396	–	–	–	–	6 659	5 792	4 927
<b>Total number of households</b>	5	–	163 993	108	160 097	160 097	160 097	170 551	173 961	177 438
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)			84 675	55 228	84 975	84 975	84 975	85 125	85 275	85 425
Flush toilet (with septic tank)			8 540	4 979	8 560	8 560	8 560	8 570	8 580	8 590
Chemical toilet			5 489	315	3 000	3 000	3 000	3 000	2 500	2 500
Pit toilet (ventilated)			28 344	32 116	24 344	24 344	24 344	22 344	32 696	32 696
Other toilet provisions (> min.service level)			32 044	–	24 044	24 044	24 044	20 044	16 044	12 044
Minimum Service Level and Above sub-total		–	159 092	92 638	144 923	144 923	144 923	139 083	145 095	141 255
Bucket toilet			1 585							
Other toilet provisions (< min.service level)								31 468	28 866	36 183
No toilet provisions			3 316							
Below Minimum Service Level sub-total		–	4 901	–	–	–	–	31 468	28 866	36 183
<b>Total number of households</b>	5	–	163 993	92 638	144 923	144 923	144 923	170 551	173 961	177 438
<b>Energy:</b>										
Electricity (at least min.service level)				44 000	44 500	44 500	44 500	145 139	148 041	151 001
Electricity - prepaid (min.service level)				20 000	21 000	21 000	21 000	22 000	23 034	23 494
Minimum Service Level and Above sub-total		–	–	64 000	65 500	65 500	65 500	167 139	171 075	174 495
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)								3 412	2 886	2 943
Other energy sources										
Below Minimum Service Level sub-total		–	–	–	–	–	–	3 412	2 886	2 943
<b>Total number of households</b>	5	–	–	64 000	65 500	65 500	65 500	170 551	173 961	177 438
<b>Refuse:</b>										
Removed at least once a week		89 910	–	70 000	89 910	89 910	89 910	110 000	124 200	124 200
Minimum Service Level and Above sub-total		89 910	–	70 000	89 910	89 910	89 910	110 000	124 200	124 200
Removed less frequently than once a week		19 000		38 910	29 000	29 000	29 000		–	
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal								26 551	29 761	33 238
No rubbish disposal		35 090		35 090	25 090	25 090	25 090	34 000	20 000	20 000
Below Minimum Service Level sub-total		54 090	–	74 000	54 090	54 090	54 090	60 551	49 761	53 238
<b>Total number of households</b>	5	144 000	–	144 000	144 000	144 000	144 000	170 551	173 961	177 438
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)				20 119	21 125	21 125	21 125	21 760	22 630	22 630
Sanitation (free minimum level service)				20 119	21 125	21 125	21 125	21 760	22 630	22 630
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)				20 119	21 125	21 125	21 125	21 760	21 760	21 760
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)								50 880	53 628	56 524
Sanitation (free sanitation service)								8 087	8 524	8 984
Electricity/other energy (50kwh per household per month)								7 117	7 501	7 906
Refuse (removed once a week)								2 759	2 908	3 065
<b>Total cost of FBS provided (minimum social package)</b>		–	–	–	–	–	–	68 843	72 561	76 479
<b>Highest level of free service provided</b>										
Property rates (R value threshold)				150 000	150 000	150 000	150 000	100 000	100 000	100 000
Water (kilolitres per household per month)				6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)				–	–	–	–	–	–	–
Sanitation (Rand per household per month)				–	–	–	–	–	–	–
Electricity (kwh per household per month)				50	50	50	50	50	50	50
Refuse (average litres per week)				–	–	–	–	–	–	–
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		12 955		16 431	17 623	17 623	17 623	18 969	20 297	20 297
Property rates (other exemptions, reductions and rebates)										
Water		61 891		78 496	84 193	84 193	84 193	90 622	96 967	96 967
Sanitation		47 393		60 109	64 472	64 472	64 472	69 395	74 669	74 669
Electricity/other energy		97 757		123 984	132 984	132 984	132 984	143 138	154 016	154 016
Refuse		47 215		59 883	64 229	64 229	64 229	69 134	74 388	74 388
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>	6	267 211	–	338 903	363 502	363 502	363 502	391 259	420 337	420 337



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

KZN223 isunduzi - Supporting Table 0A1 Supporting detail to Budgeted Financial Performance											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>	6										
Total Property Rates		448 257	878 862	871 522	974 813	974 813	974 813	974 813	717 293	756 452	796 589
less Revenue Foregone		373 552	285 660	285 660	367 505	367 505	367 505	367 505	58 242	61 387	64 701
<b>Net Property Rates</b>		<b>448 257</b>	<b>505 310</b>	<b>585 863</b>	<b>607 308</b>	<b>607 308</b>	<b>607 308</b>	<b>607 308</b>	<b>659 052</b>	<b>695 065</b>	<b>731 888</b>
<b>Service charges - electricity revenue</b>	6										
Total Service charges - electricity revenue		1 011 459	1 216 308	1 425 627	1 565 566	1 523 214	1 523 214	1 523 214	1 628 586	1 748 939	1 878 186
less Revenue Foregone		3 648	6 739	6 739	6 739	6 739	6 739	6 739	43	46	50
<b>Net Service charges - electricity revenue</b>		<b>1 011 459</b>	<b>1 212 660</b>	<b>1 425 627</b>	<b>1 558 827</b>	<b>1 516 475</b>	<b>1 516 475</b>	<b>1 516 475</b>	<b>1 628 543</b>	<b>1 748 892</b>	<b>1 878 135</b>
<b>Service charges - water revenue</b>	6										
Total Service charges - water revenue		270 107	345 941	360 123	396 383	396 383	396 383	396 383	411 581	445 721	477 475
less Revenue Foregone		57 596	10 983	17 938	17 938	17 938	17 938	17 938	20 293	21 389	22 557
<b>Net Service charges - water revenue</b>		<b>270 107</b>	<b>288 345</b>	<b>349 140</b>	<b>378 445</b>	<b>378 445</b>	<b>378 445</b>	<b>378 445</b>	<b>391 288</b>	<b>424 332</b>	<b>454 918</b>
<b>Service charges - sanitation revenue</b>	6										
Total Service charges - sanitation revenue		102 592	110 386	136 656	139 811	139 811	139 811	139 811	130 351	137 918	145 612
less Revenue Foregone		2 879	16 567	7 658	7 658	7 658	7 658	7 658	3 769	3 980	4 195
<b>Net Service charges - sanitation revenue</b>		<b>102 592</b>	<b>107 507</b>	<b>120 089</b>	<b>132 153</b>	<b>132 153</b>	<b>132 153</b>	<b>132 153</b>	<b>126 582</b>	<b>133 938</b>	<b>141 417</b>
<b>Service charges - refuse revenue</b>	6										
Total refuse removal revenue		65 559	70 077	82 519	80 205	80 205	80 205	80 205	90 224	93 924	97 928
Total landfill revenue		—	(14)	8 520	2 613	2 613	2 613	2 613	2 512	2 648	2 796
less Revenue Foregone		—	(14)	8 520	2 613	2 613	2 613	2 613	2 512	2 648	2 796
<b>Net Service charges - refuse revenue</b>		<b>65 559</b>	<b>70 091</b>	<b>73 999</b>	<b>77 592</b>	<b>77 592</b>	<b>77 592</b>	<b>77 592</b>	<b>87 712</b>	<b>91 276</b>	<b>95 132</b>
<b>Other Revenue by source</b>											
Airport		2 646	3 461	4 426	3 387	3 387	3 387	3 387	4 415	4 857	5 342
Forestry		11 989	12 871	11 383	—	—	—	—	13 293	14 037	14 823
Market		16 804	17 175	17 503	17 982	17 982	17 982	17 982	18 625	18 892	19 836
Burials & Crematoriums		747	1 258	1 715	1 125	1 125	1 125	1 125	1 186	1 245	1 307
Buildings		2 160	1 953	1 658	1 606	1 606	1 606	1 606	1 694	1 788	1 877
Reconnections		14 128	12 602	5 946	11 061	11 061	11 061	11 061	11 578	12 215	12 826
Training Levy Recoveries		1 067	3 147	4 792	3 500	3 500	3 500	3 500	3 693	3 896	4 090
Hullet External Charges		—	—	—	—	—	—	—	—	—	—
Rates Certificates		—	—	—	—	—	—	—	—	—	—
Water Sundry		—	—	—	—	—	—	—	—	—	—
Other Revenue		373	477	320	1	1	1	1	74 521	78 694	83 101
Sundry Income	3	14 870	3 658	12 815	9 349	9 349	9 349	9 349	7 226	7 609	7 993
<b>Total 'Other' Revenue</b>	<b>1</b>	<b>64 786</b>	<b>56 600</b>	<b>60 558</b>	<b>48 011</b>	<b>48 011</b>	<b>48 011</b>	<b>48 011</b>	<b>136 230</b>	<b>143 231</b>	<b>151 195</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>	2										
Basic Salaries and Wages		451 132	461 616	466 727	543 622	528 527	528 527	528 527	602 808	649 232	698 131
Pension and UIF Contributions		7 667	7 833	8 304	143 724	143 724	143 724	143 724	155 222	167 640	181 051
Medical Aid Contributions		116 585	119 168	133 875	—	—	—	—	—	—	—
Overtime		24 922	27 337	25 660	27 529	27 377	27 377	27 377	30 222	30 446	32 877
Performance Bonus		—	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		28 543	32 352	32 387	33 988	34 035	34 035	34 035	37 095	40 055	43 251
Cellphone Allowance		—	—	—	—	—	—	—	—	—	—
Housing Allowances		3 648	3 754	3 219	3 713	3 713	3 713	3 713	3 286	3 549	3 833
Other benefits and allowances		—	—	—	8 785	8 785	8 785	8 785	8 574	9 682	10 457
Payments in lieu of leave		—	—	—	—	—	—	—	—	—	—
Long service awards		15 796	16 245	16 816	18 360	18 360	18 360	18 360	18 680	20 174	21 788
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—	—
<b>sub-total</b>	<b>4</b>	<b>648 294</b>	<b>668 305</b>	<b>686 988</b>	<b>779 721</b>	<b>764 521</b>	<b>764 521</b>	<b>764 521</b>	<b>855 887</b>	<b>920 778</b>	<b>991 388</b>
<b>Less: Employees costs capitalised to PPE</b>	<b>5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Employee related costs</b>	<b>1</b>	<b>648 294</b>	<b>668 305</b>	<b>686 988</b>	<b>779 721</b>	<b>764 521</b>	<b>764 521</b>	<b>764 521</b>	<b>855 887</b>	<b>920 778</b>	<b>991 31</b>

# 2014/15 to 2016/17



<b>Contributions recognised - capital</b>											
<i>List contributions by contract</i>											
<b>Total Contributions recognised - capital</b>		-	-	-	-	-	-	-	-	-	-
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		252 254	273 116	229 064	222 212	222 212	222 212	222 212	259 469	268 183	281 592
Lease amortisation		-	-	-	-	-	-	-	-	-	-
Capital asset impairment		1 260	586	8 142							
Depreciation resulting from revaluation of PPE											
<b>Total Depreciation &amp; asset impairment</b>		253 513	273 702	237 206	222 212	222 212	222 212	222 212	259 469	268 183	281 592
<b>Bulk purchases</b>											
Electricity Bulk Purchases		729 325	919 410	1 039 361	1 123 929	1 123 929	1 123 929	1 123 929	1 134 644	1 198 184	1 294 757
Water Bulk Purchases		265 041	300 408	333 880	369 961	367 961	367 961	367 961	344 878	379 152	416 883
<b>Total bulk purchases</b>		994 366	1 219 818	1 373 241	1 493 890	1 491 890	1 491 890	1 491 890	1 479 522	1 577 336	1 711 641
<b>Transfers and grants</b>											
Cash transfers and grants		195	196	216	5 027	5 027	5 027	5 027	5 408	5 678	5 962
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>		195	196	216	5 027	5 027	5 027	5 027	5 408	5 678	5 962
<b>Contracted services</b>											
Security Contract		13 766	21 091	17 769	16 792	16 792	16 792	16 792	17 678	18 556	19 483
External Cashiers					40 384	40 384	40 384	40 384	6 107	6 467	6 816
External Services									69 266	69 336	63 023
<b>sub-total</b>		13 766	21 091	17 769	57 176	57 176	57 176	57 176	93 051	94 359	89 323
<b>Allocations to organs of state:</b>											
Electricity											
Water											
Sanitation											
Other											
<b>Total contracted services</b>		13 766	21 091	17 769	57 176	57 176	57 176	57 176	93 051	94 359	89 323
<b>Other Expenditure By Type</b>											
Collection costs		1 664			3 102	3 102	3 102	3 102	21	22	23
Contributions to 'other' provisions											
Consultant fees					2 454	2 454	2 454	2 454	16 367	12 800	13 442
Audit fees					4 475	4 075	4 075	4 075	4 923	5 415	5 956
General expenses		208 630	311 998	524 317	128 636	291 599	291 599	291 599	161 191	197 517	221 236
Mayors Projects		160	2 698	3 498	6 185				6 485	6 801	7 141
Bad Debts - Provision											
Pension Payable		11 040	13 403	13 620	3 512				3 648	3 859	4 058
Interest Paid											
Government Grant Expenditure			32 919	55 629	29 535				41 831	43 879	45 469
Extra Ordinary Items		1 005	-		2 803				3 303	3 368	3 536
External Services		29 821	16 693	24 586	28 747						
Distribution Wages											
DownTime Leave/Sickpay											
Loss on Sale of Assets					1 585						
Operating Costs - Vulindlela					3 916						
Telephones		5 453	5 003	5 655	6 449				7 640	7 191	7 545
Eskom Payments					7 986						
Hire Charges					14 840				6 157	4 411	4 640
Petrol and Lubricants					22 365						
Distribution Plant Hire					19 968						
Poor Relief			-		18 791						
Repairs and Maintenance			-		95 314	78 102	78 102	78 102	271 357	286 010	301 455
Discount to Bulk Consumers					2 155						
Insurance General		11 852	12 221	10 931	1 666				14 211	15 632	17 195
<b>Total 'Other' Expenditure</b>		269 625	394 935	638 236	404 483	379 332	379 332	379 332	537 133	586 904	631 696
<b>by Expenditure Item</b>											
Employee related costs									94 848	101 213	109 310
Other materials									25 198	26 558	27 992
Contracted Services									19 012	20 038	21 120
Other Expenditure		58 214 303	39 510	89 185	95 314	80 901	80 901	80 901	152 300	371 073	449 871
<b>Total Repairs and Maintenance Expenditure</b>		58 214 303	39 510	89 185	95 314	80 901	80 901	80 901	291 357	518 883	608 295



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 1 - Corporate Services	Vote 2 - Financial Management Area	Vote 3 - Infrastructure Development, Service Delivery and	Vote 4 - Sustainable Community Service Delivery	Vote 5 - [NAME OF VOTE 5]	Vote 6 - [NAME OF VOTE 6]	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
<b>R thousand</b>	1																
<b>Revenue By Source</b>																	
Property rates		–	641 317	–	–	–	–	–	–	–	–	–	–	–	–	–	641 317
Property rates - penalties & collection charges		–	39 231	–	–	–	–	–	–	–	–	–	–	–	–	–	39 231
Service charges - electricity revenue		–	–	1 628 543	–	–	–	–	–	–	–	–	–	–	–	–	1 628 543
Service charges - water revenue		–	–	409 856	–	–	–	–	–	–	–	–	–	–	–	–	409 856
Service charges - sanitation revenue		–	–	139 553	–	–	–	–	–	–	–	–	–	–	–	–	139 553
Service charges - refuse revenue		–	–	81 937	–	–	–	–	–	–	–	–	–	–	–	–	81 937
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		–	35 024	–	–	–	–	–	–	–	–	–	–	–	–	–	35 024
Interest earned - external investments		–	28 050	–	–	–	–	–	–	–	–	–	–	–	–	–	28 050
Interest earned - outstanding debtors		–	1 292	–	–	–	–	–	–	–	–	–	–	–	–	–	1 292
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		–	6 826	–	–	–	–	–	–	–	–	–	–	–	–	–	6 826
Licences and permits		–	50	–	–	–	–	–	–	–	–	–	–	–	–	–	50
Agency services		–	3 220	–	–	–	–	–	–	–	–	–	–	–	–	–	3 220
Other revenue		–	240 286	–	–	–	–	–	–	–	–	–	–	–	–	–	240 286
Transfers recognised - operational		–	690 177	–	–	–	–	–	–	–	–	–	–	–	–	–	690 177
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contribution)</b>		–	<b>1 685 474</b>	<b>2 259 889</b>	–	–	–	–	–	–	–	–	–	–	–	–	<b>3 945 363</b>
<b>Expenditure By Type</b>																	
Employee related costs		–	855 887	–	–	–	–	–	–	–	–	–	–	–	–	–	855 887
Remuneration of councillors		–	–	–	39 272	–	–	–	–	–	–	–	–	–	–	–	39 272
Debt impairment		–	145 060	–	–	–	–	–	–	–	–	–	–	–	–	–	145 060
Depreciation & asset impairment		–	–	259 469	–	–	–	–	–	–	–	–	–	–	–	–	259 469
Finance charges		–	60 738	–	–	–	–	–	–	–	–	–	–	–	–	–	60 738
Bulk purchases		–	–	1 612 120	–	–	–	–	–	–	–	–	–	–	–	–	1 612 120
Other materials		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		17 678	–	–	–	–	–	–	–	–	–	–	–	–	–	–	17 678
Transfers and grants		–	5 408	–	–	–	–	–	–	–	–	–	–	–	–	–	5 408
Other expenditure		–	879 410	–	–	–	–	–	–	–	–	–	–	–	–	–	879 410
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>17 678</b>	<b>1 946 593</b>	<b>1 671 590</b>	<b>39 272</b>	–	–	–	–	–	–	–	–	–	–	–	<b>3 875 043</b>
<b>Surplus/(Deficit)</b>		<b>(17 678)</b>	<b>(261 030)</b>	<b>388 300</b>	<b>(39 272)</b>	–	–	–	–	–	–	–	–	–	–	–	<b>70 320</b>
Transfers recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(17 678)</b>	<b>(261 030)</b>	<b>388 300</b>	<b>(39 272)</b>	–	–	–	–	–	–	–	–	–	–	–	<b>70 320</b>

1. Departmental columns to be based on municipal organisation structure



KZN225 Msunduzi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		282 404	5 256	5 901	539 022	863 459	863 459	863 459	555 595	583 375	612 544
Other current investments > 90 days											
Total Call investment deposits	2	282 404	5 256	5 901	539 022	863 459	863 459	863 459	555 595	583 375	612 544
Consumer debtors											
Consumer debtors		878 881	559 874	1 551 536	828 214	820 220	820 220	820 220	1 600 000	1 680 000	1 764 000
Less: Provision for debt impairment		(525 990)		(801 836)	(137 510)	(137 510)	(137 510)	(137 510)	(832 046)	(873 646)	(917 326)
Total Consumer debtors	2	352 890	559 874	749 700	690 704	682 710	682 710	682 710	767 954	806 354	846 674
Debt impairment provision											
Balance at the beginning of the year		(430 578)	(525 990)	(686 907)	(1 052 407)	(1 052 407)	(1 052 407)	(1 052 407)	(801 836)	(832 000)	(873 600)
Contributions to the provision		(96 000)	(58 210)	(250 342)	(137 510)	(137 510)	(137 510)	(137 510)	(30 164)	(41 600)	(43 680)
Bad debts written off		588	(157)								
Balance at end of year		(525 990)	(584 357)	(937 250)	(1 189 917)	(1 189 917)	(1 189 917)	(1 189 917)	(832 000)	(873 600)	(917 280)
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		7 431 732	7 721 449	7 898 309	7 844 048	8 099 914	8 099 914	8 099 914	8 819 134	10 451 433	9 688 661
Leases recognised as PPE											
Less: Accumulated depreciation		1 034 085	1 303 576	1 512 281	1 275 735	1 275 735	1 275 735	1 275 735	1 535 204	1 803 387	2 084 979
Total Property, plant and equipment (PPE)	2	6 397 646	6 417 873	6 386 028	6 568 313	6 824 179	6 824 179	6 824 179	7 283 930	8 648 045	7 603 682
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)			-								
Current portion of long-term liabilities		2 861	43 584	45 575	38 030				42 691	42 101	47 039
Total Current liabilities - Borrowing		2 861	43 584	45 575	38 030	-	-	-	42 691	42 101	47 039
Trade and other payables											
Trade and other creditors		364 435	443 348	482 122	437 008	294 377	294 377	294 377	785 549	824 829	865 828
Unspent conditional transfers		121 164	149 448	170 460	97 764	318 015	318 015	318 015	83 930	-	-
VAT		41 559	52 660	70 539	83 336	166 671	166 671	166 671	79 000	91 000	104 000
Total Trade and other payables	2	527 157	645 455	723 121	618 107	779 063	779 063	779 063	948 479	915 829	969 828
Non current liabilities - Borrowing											
Borrowing	4	514 616	575 954	542 233	573 000	564 035	564 035	564 035	100 000	75 000	75 000
Finance leases (including PPP asset element)		4 326	2 008	-							
Total Non current liabilities - Borrowing		518 942	577 963	542 233	573 000	564 035	564 035	564 035	100 000	75 000	75 000
Provisions - non-current											
Retirement benefits		211 638	285 724	480 278	-	-	-	-	713 533	1 297 489	1 899 893
List other major provision items											
Refuse landfill site rehabilitation		20 362	22 399	55 456	-	-	-	-	55 456	55 456	55 456
Other		-	-	-	-	535 734	535 734	535 734			
Total Provisions - non-current		232 001	308 123	535 734	-	535 734	535 734	535 734	768 990	1 352 946	1 955 349
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		5 951 942	6 853 048	7 148 316	6 227 339	6 796 150	6 796 150	6 796 150	7 873 796	8 331 525	6 571 413
GRAP adjustments											
Restated balance		5 951 942	6 853 048	7 148 316	6 227 339	6 796 150	6 796 150	6 796 150	7 873 796	8 331 525	6 571 413
Surplus/(Deficit)		179 433	139 838	93 606	449 744	490 424	490 424	490 424	364 144	549 109	523 177
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	266 161	266 161	266 161	266 161			
Accumulated Surplus/(Deficit)	1	6 131 375	6 992 886	7 241 922	6 943 244	7 552 736	7 552 736	7 552 736	8 237 940	8 880 634	7 094 591
Reserves											
Housing Development Fund		53 214	55 526	49 903	57 323	43 130	43 130	43 130	37 000	37 000	37 000
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	1 242	5 921	5 921	5 921	6 220	6 525	6 855
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	53 214	55 526	49 903	58 565	49 051	49 051	49 051	43 220	43 525	43 855
TOTAL COMMUNITY WEALTH/EQUITY	2	6 184 589	7 048 411	7 291 825	7 001 810	7 601 787	7 601 787	7 601 787	8 281 160	8 924 159	7 138 446

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services											





# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Table 2: Medium-term Supporting Plan for Reconstruction of IDP Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
Financial Viability and Management	An efficiently managed, financially viable and sustainable city			835 014	765 774	792 096	1 143 178	1 143 178	1 143 178	911 271	843 596	870 116
Basic Service and Infrastructure Development	A city where everybody has access to habitable human settlement-decent houses, clean water and proper sanitation			1 667 326	2 070 036	2 531 176	2 482 689	2 481 019	2 481 019	2 601 800	2 900 769	3 116 465
Local Economic Development	A vibrant economic centre, attracting investment, supporting business development and creating jobs			8 233	7 549	7 808	9 382	9 382	9 382	10 573	11 579	12 109
Good Governance and Public Participation	A well-governed city underpinned by meaningful public participation			249	237	245	284	284	284	326	357	373
Institutional Development and Transformation	A well-governed city underpinned by meaningful public participation			330	339	351	376	376	376	448	491	513
Environmental Planning and Social Services	An environmentally sustainable and healthy city			33 988	34 903	36 103	38 733	38 733	38 733	46 157	50 549	52 865
Scheme as a part of Land Use Management System	To develop strong welcoming, caring & diverse communities living in a variety of friendly									-	-	-
To eradicate the housing backlog	Reduce housing backlogs and eliminate spatial separation by racial categories									-	-	-
To ensure proper regulations, control and enforcement	To promote & enhance e-governance											
To develop social housing	To promote integrated development											
Licensing of business & enforcement of bylaws	to be financial sound & well governed institution delivering on its legislative mandates											
To provide adequate staffing levels	To promote & enhance e-governance											
To promote the involvement of communities	To promote integrated development											
Environmentally sustainable development	To promote integrated development											
To promote access to basic services	To promote integrated development											
Scheme as a part of Land Use Management System	To develop strong welcoming, caring & diverse communities living in a variety of friendly											
To eradicate the housing backlog	Reduce housing backlogs and eliminate spatial separation by racial categories											
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)				1	2 545 140	2 878 839	3 367 779	3 674 642	3 672 972	3 672 972	3 570 575	3 807 340

## References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)



**KZN225 Msunduzi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
To provide adequate staffing levels	To promote & enhance e-governance												
To promote the involvement of communities	To promote integrated development												
Environmentally sustainable development	To promote integrated development												
Financial Viability and Management	An efficiently managed, financially viable and sustainable city			807 735	703 614	790 732	936 989	936 989	936 989	1 036 740	1 104 589	1 140 427	
Basic Service and Infrastructure Development	A city where everybody has access to habitable human settlement-decent houses, clean water and prooer sanitation			1 516 571	1 995 727	2 439 028	2 239 884	2 197 533	2 197 533	2 405 194	2 562 967	2 693 887	
Local Economic Development	A vibrant economic centre, attracting investment, supporting business development and creating jobs			7 964	6 936	7 795	9 238	9 238	9 238	11 521	12 731	38 196	
Good Governance and Public Participation	A well-governed city underpinned by meaningful public participation			241	218	245	279	279	279	1 621	2 187	27 552	
Institutional Development and Transformation	A well-governed city underpinned by meaningful public participation			319	311	350	370	370	370	1 721	2 295	27 661	
Environmental Planning and Social Services	An environmentally sustainable and healthy city			32 878	32 070	36 041	38 139	38 139	38 139	43 458	46 744	72 533	
To promote access to basic services	To promote integrated development												
Licensing of business & enforcement of bylaws	To be financial sound & well governed institution delivering on its legislative mandates												
Scheme as a part of Land Use Management System	To develop strong welcoming, caring & diverse communities living in a variety of friendly.												
To eradicate the housing backlog	Reduce housing backlogs and eliminate spatial separation by racial categories.												
Allocations to other priorities													
Total Expenditure				1	2 365 707	2 738 877	3 274 191	3 224 899	3 182 548	3 182 548	3 500 255	3 731 515	4 000 257

Deformation



# MSUNDUZI ANNUAL BUDGET

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

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
To promote social integration	Promote the city heritage & enhance sustainable tourism	G			5 377								
To provide sustainable & developmental finance through sound financial management	Use technology advancement to improve service delivery				120 970								
To ensure proper regulations, control and enforcement	To promote & enhance e-governance				4 453					5 580	6 687	5 680	
To develop social housing	To promote integrated development				17 036								
To provide adequate staffing levels	To promote & enhance e-governance				14 281								
To promote the involvement of communities	To promote integrated development				6 489								
Environmentally sustainable development	To promote integrated development				22 875								
To promote access to basic services	To promote integrated development				1 902					19 600	23 488	19 950	
Basic Service Delivery and Infrastructure Development	A city where everybody has access to habitable human settlements-decent houses, clean water and proper sanitation				1 673	234 964	370 040	390 431	390 431	90 201	108 092	91 812	
Financial Viability and Management	An efficiently managed, financially viable and sustainable City				11 104					22 969	27 525	23 379	
Basic Service Delivery and Infrastructure Development	A safe city, with low crime levels, and quality living areas	H			1 794					4 512	5 407	4 593	
Environmental Planning and Social Services	An environmental sustainable and healthy city	I			7 443		27 680	27 680	27 680				
Local Economic Development	A vibrant economic centre, attracting investment, supporting business development and creating jobs	J			11 322		22 725	22 725	22 725	10 350	12 403	10 535	
Basic Service Delivery and Infrastructure Development	A well planned, spatially integrated city	K			2 392		22 725	22 725	22 725				
		L		85 957						57 570	169 567	144 028	
Access to electricity	provides an adequate energy supply									173 429	275 107	233 673	
To provide access to Roads, Storm-water	well maintained roads, rail and other physical infrastructure serving all residents	M						59 572	59 572	74 980	98 853	76 721	
To provide access to water	serviced with quality of water									23 834	28 561	24 259	
Access to sanitation	serviced with sanitation reticulation									30 799	36 909	31 350	
Fleet management	Replacement of certain vehicles that are not roadworth												
To provide access to solid waste	Landfill upgrade												
To provide access to solid waste	regular waste removal for all neighborhoods												
To reduce non technical electricity losses	service with uninterrupted, adequate energy supply												
To provide access to electricity	To provide adequate energy supply to all communities & centres of business	N											
		O		12 070									
		P		11 906									
		O		1 216									
		P											
Allocations to other priorities				3									
Total Capital Expenditure				1	111 149	229 109	234 964	443 170	523 133	523 133	513 824	792 599	665 980



KZN225 Msunduzi - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Vote 3 - Infrastructure Services</b>										
<b>Function 1 - Water</b>										
<b>Sub-function 1 - Non-Revenue Water</b>										
Reduction of Non-Revenue Water	Percentage	n/a	20 783 000	15 000 000				R 20 000 000	R 20 000 000	R 25 000 000
<b>Sub-function 2 - New mains and reticulation</b>										
Edendale proper new mains and reticulation	No of meters of pipe laid	n/a	640 000	1 200 000				R 500 000	R 2 000 000	R 2 000 000
<b>Sub-function 3 - Water Supply</b>										
Basic Water Supply	No of meters of water pipe	n/a	962 000	2 000 000				R 4 000 000	R 4 000 000	R 5 000 000
<b>Sub-function 4 - Reservoirs</b>										
Copesville Reservoir	Percentage Complete	n/a	2 935 000	21 219 450				R 300 000	R 6 000 000	R 1 000 000
<b>Function 2 - Sanitation</b>										
<b>Sub-function 1 - Feasibility Study</b>										
Sanitation Infrastructure Feasibility study	No of km of pipe surveyed	n/a	3 254 000	500 000				R 2 000 000	R 6 000 000	R 3 000 000
<b>Sub-function 2 - Rehabilitation</b>										
Rehabilitation of Sanitation Infrastructure	No of km of pipe replaced	n/a	451 000	10 000 000				R 12 000 000	R 15 000 000	R 20 000 000
<b>Sub-function 3 - Pump Stations</b>										
Lincoln Meade sewer pump station	Percentage Complete	n/a	6 418 000	n/a				n/a	n/a	n/a
<b>Sub-function 4 - Installation of VIPs</b>										
Installation of VIPs in Vulindlela	Number of VIPs	n/a	18 731 000	n/a				n/a	n/a	n/a
<b>Function 3 - Electricity</b>										
<b>Sub-function 1 - Refurbishment</b>										
Refurbish of mini-sub & pole transformers	Number of mini-sub & pole	n/a	20 013 000	6 000 000	1500000.0	1500000.0	1500000.0	n/a	n/a	n/a
<b>Sub-function 1 - Refurbishment</b>										
Medium Voltage Electrical Equipment	Number of Medium Voltage	n/a	2 665 000	12 500 000	2475000.0	2475000.0	2475000.0	n/a	n/a	n/a
<b>Sub-function 1 - Refurbishment</b>										
Hilton Line	Km of new line	n/a	623 000	13 500 00	R100 000 000	R100 000 000	R100 000 000	n/a	n/a	n/a
<b>Function 4 - Roads</b>										
<b>Sub-function 1 - Refurbishment</b>										
CONSTRUCTION - KHOZA ROAD	No of km of Road upgraded	n/a	1 683 000	n/a				n/a	n/a	n/a
<b>Sub-function 2 - Refurbishment</b>										
CONSTRUCTION - HLATHINI ROAD	No of km of Road upgraded	n/a	5 238 000	n/a				n/a	n/a	n/a
<b>Sub-function 3 - Refurbishment</b>										
MACHIBISA DAMBUZA ROADS	No of km of Road upgraded	n/a	20 953 000	2 000 000	2 000 000	2 000 000		1 000 000	2 000 000	2 500 000
<b>Sub-function 4 - Refurbishment</b>										
UNIT P	No of km of Road upgraded	n/a	1 696 000	n/a	n/a	n/a		n/a	n/a	n/a
<b>Sub-function 5 - Refurbishment</b>										
REHAB OF GRAVEL ROAD D1128	No of km of Road upgraded	n/a	8 598 000	3 000 000	4 500 000	7 960 000		3 000 000	7 500 000	n/a
<b>Sub-function 6 - Refurbishment</b>										
REHAB OF WILLOWFOUNTAIN RD	No of km of Road upgraded	n/a	1 334 000	6 500 000	2 500 000	2 550 000		2 500 000	6 000 000	2 000 000
<b>Sub-function 7 - Refurbishment</b>										
REHAB OF ASHDOWN RD NETWORK	No of km of Road upgraded	n/a	1 470 000	2 500 000	1 500 000	1 700 000		2 500 000	2 500 000	2 500 000
<b>Sub-function 8 - Refurbishment</b>										
HORSE SHOE ACCESS ROAD IN IMBALI	No of km of Road upgraded	n/a	942 000	1 700 000	1 500 000	1 500 000		2 000 000	1 000 000	1 000 000
<b>Sub-function 9 - Refurbishment</b>										
CONSTRUCTION OF WATERFALL - EDN	No of km of Road upgraded	n/a	2 013 000	n/a	n/a	n/a		n/a	n/a	n/a
<b>Sub-function 10 - Refurbishment</b>										
MOSCOW ROAD	No of km of Road upgraded	n/a	241 000	4 000 000	2 500 000	2 500 000		3 200 000	4 000 000	1 500 000
<b>Sub-function 11 - Refurbishment</b>										
CONSTRUCTION OF STATION RD BRIDGE	No of km of Road upgraded	n/a	471 000	100 000	2 000 000	2 000 000		13 910 000	n/a	n/a
<b>Sub-function 12 - Refurbishment</b>										
CHOTA MOTALA / N3 INTERCHANGE	Construction of new bridge	n/a	20 000 000	16 790 000	n/a	n/a	n/a	7 121 832	n/a	n/a
<b>Vote 4 - Community Services</b>										
<b>Function 1 - Waste Management</b>										
<b>Sub-function 1 - Purchase of new plant</b>										
COMPACTORS	Number of new compactors	n/a	11 141 000	n/a	3439064.0	3439064.0	3439064.0	3439064.0	3439064.0	3439064.0
<b>Function 2 - Landfill Site</b>										
<b>Sub-function 1 - Upgrade</b>										
Upgrade to Lanfill Site	Percentage Upgrade to	n/a	5 647 000	2 053 000	8 090 850	5 301 800	5 301 800	6 328 294	6 644 709	6 976 944
<b>Vote 5 - Economic Development</b>										
<b>Function 1 - Local Economic Development</b>										
<b>Sub-function 1 - Freedom Square</b>										
Upgrade to Freedom Square	% Upgrade to Freedom	n/a	14 300 000	6 500 000	NA	NA	NA	NA	NA	NA



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.4%	4.5%	3.3%	3.4%	3.4%	3.4%	3.4%	3.0%	3.1%	2.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.9%	5.1%	3.8%	3.8%	3.8%	3.8%	3.8%	3.3%	3.4%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-214.7%	140.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	975.2%	1040.9%	1086.6%	978.4%	1149.9%	1149.9%	1149.9%	231.4%	172.3%	171.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.2	2.5	2.7	1.9	2.8	2.8	2.8	2.4	2.3	2.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.2	2.5	2.7	1.9	2.8	2.8	2.8	2.4	2.3	2.1
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	0.8	0.9	0.8	1.0	1.0	1.0	0.8	0.6	0.5
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		106.6%	101.1%	95.1%	86.1%	100.6%	100.6%	100.6%	96.6%	94.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		112.3%	116.3%	109.6%	86.1%	100.6%	100.6%	100.6%	96.6%	94.1%	95.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	3.5%	19.5%	25.2%	22.8%	25.1%	25.1%	25.1%	27.3%	26.7%	26.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		123.6%	71.2%	67.0%	55.5%	23.4%	23.4%	23.4%	67.2%	55.4%	47.4%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)		237739531	202469552	182222552	182222552	182222552	182222552	164000337	159080327	149678680
	% Volume (units purchased and generated less units sold)/units purchased and generated		119 064	122 346	119 899	119 899	119 899	117 501	113 976	110 556	107 240
Water Distribution Losses (2)			13.58%	11.58%	11.00%	11.00%	11.00%	11.00%	10.45%	9.93%	9.43%
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)				14	15	16	16	15	13	12
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.3%	23.2%	20.4%	23.7%	23.5%	23.5%	23.5%	24.0%	24.2%	24.5%
	Remuneration	25.8%	22.2%	22.3%	24.9%	25.2%	25.9%		26.1%	26.3%	26.6%
	Repairs & Maintenance	2.7%	1.4%	2.6%	2.9%	2.5%	2.5%		8.2%	13.6%	15.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.2%	12.0%	9.2%	8.7%	8.8%	8.8%	8.8%	9.0%	8.5%	8.2%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	15.5	15.6	38.8	40.3	40.3	40.3	38.2	33.9	37.8	40.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	4.4%	25.1%	32.4%	26.4%	29.1%	29.1%	29.1%	32.6%	31.8%	31.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	3.4	3.3	3.5	5.7	5.7	5.7	4.9	5.9	6.7





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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
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
<b>Monthly household income (no. of households)</b>	1, 12											
No income										119 039	119 039	119 039
R1 - R1 600										77 281	77 281	77 281
R1 601 - R3 200										28 922	28 922	28 922
R3 201 - R6 400										22 852	22 852	22 852
R6 401 - R12 800										5968	5968	5968
R12 801 - R25 600										3086	3086	3086
R25 601 - R51 200										461	461	461
R52 201 - R102 400										581	581	581
R102 401 - R204 800										No Data	No Data	No Data
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
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											
<b>Household demographics (000)</b>												
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		Statistics South Africa			134 390	134	134	134	134	No Data	No Data	No Data
Number of households in municipal area		Statistics South Africa								134	134	134
Number of poor households in municipal area		Statistics South Africa								No Data	No Data	No Data
Definition of poor household (R per month)		Statistics South Africa								No Data	No Data	No Data
<b>Housing statistics</b>												
Formal	3	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
<b>Total number of households</b>					78 268	78 268	78 268	78 268	78 268			
Dwellings provided by municipality	4	Statistics South Africa			134 390	134 390	134 390	134 390	134 390	134 390	No Data	No Data
Dwellings provided by provincials		Statistics South Africa			2 155 151	2 155 151	2 155 151	2 155 151	2 155 151	2 155 151	No Data	No Data
Dwellings provided by private sector	5											
<b>Total new housing dwellings</b>					2 289 541	2 289 541	2 289 541	2 289 541	2 289 541	2 289 541		
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6					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
Remuneration increases						8.5%		7.0%	7.0%	No Data	No Data	No Data
Consumption growth (electricity)								8.0%	8.0%	No Data	No Data	No Data
Consumption growth (water)								8.0%	8.0%	No Data	No Data	No Data
<b>Collection rates</b>	7											
Property tax/service charges									89.5%	No Data	No Data	No Data
Rental of facilities & equipment									5.0%	No Data	No Data	No Data
Interest - external investments						9.0%			89.5%	No Data	No Data	No Data
Interest - debtors						60.0%				No Data	No Data	No Data
Revenue from agency services										No Data	No Data	No Data



# MSUNDUZI ANNUAL BUDGET

## Detail on the provision of municipal services for A10

Total municipal services			Ref.		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
				<b>Household service targets (000)</b>									
				<b>Water:</b>									
				Piped water inside dwelling							81 771	84 406	87 074
				Piped water inside yard (but not in dwelling							65 855	67 172	68 515
			8	Using public tap (at least min.service level							16 266	16 591	16 922
			10	Other water supply (at least min.service leve									
				Minimum Service Level and Above sub-total							163 892	168 169	172 511
			9	Using public tap (< min.service level									
			10	Other water supply (< min.service level									
				No water supply							6 659	5 792	4 927
				Below Minimum Service Level sub-total							6 659	5 792	4 927
				Total number of households							170 551	173 961	177 438
				<b>Sanitation/sewerage:</b>									
				Flush toilet (connected to sewerage)							85 125	85 275	85 425
				Flush toilet (with septic tank							8 570	8 580	8 590
				Chemical toile							3 000	2 500	2 500
				Pit toilet (ventilator							22 344	32 696	32 696
				Other toilet provisions (> min.service leve							20 044	16 044	12 044
				Minimum Service Level and Above sub-total							139 083	145 095	141 255
				Bucket toile									
				Other toilet provisions (< min.service leve							31 468	28 866	36 183
				No toilet provisions									
				Below Minimum Service Level sub-total							31 468	28 866	36 183
				Total number of households							170 551	173 961	177 438
				<b>Energy:</b>									
				Electricity (at least min.service level							145 139	148 041	151 001
				Electricity - prepaid (min.service level							22 000	23 034	23 494
				Minimum Service Level and Above sub-total							167 139	171 075	174 495
				Electricity (< min.service leve									
				Electricity - prepaid (< min. service leve									
				Other energy sources							3 412	2 886	2 943
				Below Minimum Service Level sub-total							3 412	2 886	2 943
				Total number of households							170 551	173 961	177 438
				<b>Refuse:</b>									
				Removed at least once a week							110 000	124 200	124 200
				Minimum Service Level and Above sub-total							110 000	124 200	124 200
				Removed less frequently than once a week									
				Using communal refuse dump									
				Using own refuse dump									
				Other rubbish disposal							26 551	29 761	33 238
				No rubbish disposal							34 000	20 000	20 000
				Below Minimum Service Level sub-total							60 551	49 761	53 238
				Total number of households							170 551	173 961	177 438

Municipal in-house services			Ref.		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
				<b>Household service targets (000)</b>									
				<b>Water:</b>									
				Piped water inside dwelling							81 771	84 406	87 074
				Piped water inside yard (but not in dwelling							65 855	67 172	68 515
			8	Using public tap (at least min.service level							16 266	16 591	16 922
			10	Other water supply (at least min.service leve									
				Minimum Service Level and Above sub-total							163 892	168 169	172 511
			9	Using public tap (< min.service level									
			10	Other water supply (< min.service level									
				No water supply							6 659	5 792	4 927
				Below Minimum Service Level sub-total							6 659	5 792	4 927
				Total number of households							170 551	173 961	177 438
				<b>Sanitation/sewerage:</b>									
				Flush toilet (connected to sewerage)							85 125	85 275	85 425
				Flush toilet (with septic tank							8 570	8 580	8 590
				Chemical toile							3 000	2 500	2 500
				Pit toilet (ventilator							22 344	32 696	32 696
				Other toilet provisions (> min.service leve							20 044	16 044	12 044
				Minimum Service Level and Above sub-total							139 083	145 095	141 255
				Bucket toile									
				Other toilet provisions (< min.service leve							31 468	28 866	36 183
				No toilet provisions									
				Below Minimum Service Level sub-total							31 468	28 866	36 183
				Total number of households							170 551	173 961	177 438
				<b>Energy:</b>									
				Electricity (at least min.service level							145 139	148 041	151 001
				Electricity - prepaid (min.service level							22 000	23 034	23 494
				Minimum Service Level and Above sub-total							167 139	171 075	174 495
				Electricity (< min.service leve									
				Electricity - prepaid (< min. service leve									
				Other energy sources							3 412	2 886	2 943
				Below Minimum Service Level sub-total							3 412	2 886	2 943
				Total number of households							170 551	173 961	177 438
				<b>Refuse:</b>									
				Removed at least once a week	89 910	89 910	85 000				110 000	124 200	124 200
				Minimum Service Level and Above sub-total	89 910	89 910	85 000				110 000	124 200	124 200
				Removed less frequently than once a week	19 000	19 000	18 400						
				Using communal refuse dump									
				Using own refuse dump									
				Other rubbish disposal	35 090	35 090	34 490				26 551	29 761	33 238
				No rubbish disposal							34 000	20 000	20 000
				Below Minimum Service Level sub-total	54 090	54 090	52 890				60 551	49 761	53 238
				Total number of households	144 000	144 000	137 890				170 551	173 961	177 438



KZN225 Msunduzi Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2010/11		2011/12		2012/13		Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework						
			Audited	Outcome	Audited	Outcome	Audited	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17			
			Outcome	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome								
<b>Funding measures</b>																		
Cash/cash equivalents at the year end - R'00	18(1)b	1	294 829	622 748	719 129		786 919	1 259 972	1 259 972	1 259 972	1 259 972	1 259 972	1 168 290	1 490 023	1 826 516			
Cash + investments at the yr end less applications - R'00	18(1)b	2	(332 448)	108 658	461 023		103 999	511 373	511 373	511 373	1 075 408	692 504	654 146	534 983				
Cash year end/monthly employee/supplier payment	18(1)b	3	1.8	3.4	3.3		3.5	5.7	5.7	5.7	5.7	4.9	5.9	6.7				
Surplus/(Deficit) excluding depreciation offsets: R'00	18(1)	4	179 433	139 964	93 589		449 744	490 424	490 424	490 424	490 424	364 144	549 109	523 177				
Service charge rev % change - macro CPIX target exclusiv	18(1)a(2)	5	N.A.	9.1%	11.1%		1.6%	(7.5%)	(6.0%)	(6.0%)	(6.0%)	0.7%	0.9%	0.7%				
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	112.3%	116.3%	109.6%		86.1%	100.6%	100.6%	100.6%	100.6%	96.6%	94.1%	95.4%				
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	4.9%	2.6%	8.3%		4.9%	5.0%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%				
Capital payments % of capital expenditure	18(1)c:19	8	179.4%	(64.5%)	(4.3%)		64.4%	72.9%	72.9%	72.9%	72.9%	0.0%	0.0%	67.2%				
Borrowing receipts % of capital expenditure (excl. transfers	18(1)c	9	(214.7%)	140.4%	0.0%		0.0%	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.	555.8%	51.5%		(12.4%)	8.6%	0.0%	0.0%	0.0%	19.8%	4.2%	4.9%				
Long term receivables % change - incr/decr	18(1)a	12	N.A.	0.0%	0.0%		0.0%	2.4%	0.0%	0.0%	0.0%	2.1%	1.0%	1.0%				
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.0%	0.6%	1.4%		1.5%	1.2%	1.2%	1.2%	4.3%	4.0%	6.0%	8.0%				
Asset renewal % of capital budge	20(1)(vi)	14	79.9%	50.8%	51.0%		60.7%	62.0%	62.0%	62.0%	0.0%	0.0%	0.0%	41.9%				



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA11 Property rates summary

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Valuation:</b>	1									
Date of valuation:		2008/07/01	2008/07/01	2008/07/01	2012/2013	2012/2013	2012/2013	2012/2013	2012/2013	2012/2013
Financial year valuation used		2009/2010	2010/2011	2011/2012		2013/2014	2013/2014	2014/2015	2014/2015	2014/2015
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes	yes	yes		yes	yes
Municipal/assistant valuer appointed? (Y/N)					No					
Municipal partnership s38 used? (Y/N)					Nil					
No. of assistant valuers (FTE)	3	-	-	-	Nil					
No. of data collectors (FTE)	3	-	-	-		5				
No. of internal valuers (FTE)	3	4		4						
No. of external valuers (FTE)	3	-	-	-	Nil					
No. of additional valuers (FTE)	4	-	-	-	Yes					
Valuation appeal board established? (Y/N)		Yes	Yes	Yes						
Implementation time of new valuation roll (mths)					92 000					
No. of properties	5				10 200	87 776	87 776	87 776	87 776	87 776
No. of sectional title values	5				Nil	10 422	10 422	10 422	10 422	10 422
No. of unreasonably difficult properties s7(2)		-	-	-	2	-	-	-	-	-
No. of supplementary valuations	SV4	SV4	SV4	SV4	500	3	3	3	3	3
No. of valuation roll amendments		843	843	843	10	908	908	908	908	908
No. of objections by rate payers		10	10	10	Nil	unknown				
No. of appeals by rate payers		248	248	248	Unknown	unknown				
No. of successful objections	8					unknown				
No. of successful objections > 10%	8				SV7 + 8	2 023 276 000				
Supplementary valuation										
Public service infrastructure value (Rm)	5	297	297	297	2 198	unknown				
Municipality owned property value (Rm)		2 198	2 198	2 198		unknown				
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)		No	No	No	No					
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes					
Limit on annual rate increase (s20)? (Y/N)		No	No	No	No			No	No	
Special rating area used? (Y/N)		No	No	No	No					
Phasing-in properties s21 (number)		No	No	No	No			No	No	
Rates policy accompanying budget? (Y/N)		No	No	No	No					
Fixed amount minimum value (R'000)		60	60	60	150					
Non-residential prescribed ratio s19? (%)		No	No	No	No					
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6			1 719 649	538 820			565 761	594 049	
Rate revenue expected to collect (R'000)	6			1 539 086	457 997			486 554	516 823	
Expected cash collection rate (%)				89.5%	85.0%			86.0%	87.0%	
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		-	-	-	-	-	-	-	-	-



KZN225 Msunduzi - Supporting Table SA12a Property rates by category (current year)

Ref	Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settla.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
	<b>Current Year 2013/14</b>																
	<b>Valuation:</b>																
	No. of properties	70 062	5 403	—	271	—	9 789	2 888	—	—	3	—	—	4	—	81	3
	No. of sectional title property values	9 300	700	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	No. of unreasonably difficult properties s7(2)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	No. of supplementary valuations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Supplementary valuation (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	No. of valuation roll amendments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	No. of objections by rate-payers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	No. of appeals by rate-payers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	No. of appeals by rate-payers finalised	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	No. of successful objections	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	No. of successful objections > 10%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Estimated no. of properties not valued	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Years since last valuation ( <b>select</b> )	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Frequency of valuation ( <b>select</b> )	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Method of valuation used ( <b>select</b> )	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Base of valuation ( <b>select</b> )	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Phasing-in properties s21 (number)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Combination of rating types used? (Y/N)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Flat rate used? (Y/N)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Is balance rated by uniform rate/variable rate?	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	<b>Valuation reductions:</b>							28									
	Valuation reductions-public infrastructure (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Valuation reductions-nature reserves/park (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Valuation reductions-mineral rights (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Valuation reductions-R15,000 threshold (Rm)	1 022	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Valuation reductions-public worship (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Valuation reductions-other (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2	<b>Total valuation reductions:</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	<b>Total valuation reductions:</b>																
6	Total value used for rating (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Total land value (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Total value of improvements (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Total market value (Rm)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	<b>Rating:</b>																
3	Average rate	0.011100	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Rate revenue budget (R'000)	227 019	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Rate revenue expected to collect (R'000)	183 886	0.019600	275 064	0.002700	535	—	443	—	—	0.013000	339	—	—	—	—	0.019600
4	Expected cash collection rate (%)	81.0%	228 303	83.0%	482	90.0%	—	337	—	—	—	—	—	—	—	—	—
	Special rating areas (R'000)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Rebates, exemptions - indigent (R'000)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Rebates, exemptions - pensioners (R'000)	477	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Rebates, exemptions - bona fide farm (R'000)	1 796	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Rebates, exemptions - other (R'000)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Phase-in reductions/discounts (R'000)	3 618	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	<b>Total rebates, exemptions, discounts (R'000)</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—





# MSUNDUZI ANNUAL BUDGET

KZN25 Msunduzi - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect Areas	National Monum/ls	Public benefit organs.	Mining Props.
<b>Budget Year 2014/15</b>																	
<b>Valuation:</b>																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation ( <b>select</b> )																	
Frequency of valuation ( <b>select</b> )																	
Method of valuation used ( <b>select</b> )																	
Base of valuation ( <b>select</b> )																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Fiat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
<b>Total valuation reductions:</b>	2																
Total value used for rating (Rm)																	
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
<b>Rating:</b>																	
Average rate	3	0.011100		0.019600	0.002700			0.002700			0.013000						0.019600
Rate revenue budget (R'000)		227 019		275 064	535			443			339						
Rate revenue expected to collect (R'000)		183 886		228 303	482			337			-						
Expected cash collection rate (%)	4	81.0%		83.0%	90.0%			76.0%			0.0%						
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)		477															
Rebates, exemptions - bona fide farm. (R'000)		1 796															
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)		3 618															
<b>Total rebates,exemptns,eductns,discs (R'000)</b>																	



**KZN225 Msunduzi - Supporting Table SA13a Service Tariffs by category**

Description	Ref	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
							Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Property rates (rate in the Rand)</b>	1								
Residential properties			0.0096	0.0104	0.0111	0.0117	0.0124	0.0131	0.0138
Residential properties - vacant land			0.0165	0.0189	0.0202	0.0213	0.0225	0.0237	0.0250
Formal/informal settlements									
Small holdings									
Farm properties - used			0.0099	0.0026	0.0027	0.0029	0.0031	0.0033	0.0035
Farm properties - not used									
Industrial properties									
Business and commercial properties			0.0156	0.0161	0.0141	0.0207	0.0219	0.0231	0.0243
Communal land - residential			0.0000	0.0161	0.0141	0.0207	0.0219	0.0231	0.0243
Communal land - small holdings			0.0000	0.0161	0.0141	0.0207	0.0219	0.0231	0.0243
Communal land - farm property			0.0000	0.0161	0.0141	0.0207	0.0219	0.0231	0.0243
Communal land - business and commercial			0.0000	0.0161	0.0141	0.0207	0.0219	0.0231	0.0243
Communal land - other			0.0000	0.0161	0.0141	0.0207	0.0219	0.0231	0.0243
State-owned properties									
Municipal properties									
Public service infrastructure			0.0115	0.0026	0.2700	0.0029	0.0031	0.0033	0.0035
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			46%	45%	45%	45%	45%	45%	45%
Indigent rebate or exemption			135 000	135 000	85 000	85 000	85 000	85 000	85 000
Pensioners/social grants rebate or exemption			33%-40%	33%-40%	33%-40%	33%-40%	33%-40%	33%-40%	33%-40%
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
<b>Other rebates or exemptions</b>	2								
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/fix fee (Rands/month)					15	17	18	19	
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kd)									
Water usage - life line tariff									
Water usage - Block 1 (c/kd)				33	37	41	44	47	
Water usage - Block 2 (c/kd)				11	13	14	15	16	
Water usage - Block 3 (c/kd)				17	19	20	22	23	
Water usage - Block 4 (c/kd)				19	22	24	25	27	
<b>Other</b>	2								
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/fix fee (Rands/month)									
Service point - vacant land (Rands/month)				102	109	115	121	128	
Waste water - flat rate tariff (c/kd)									
Volumetric charge - Block 1 (c/kd)									
Volumetric charge - Block 2 (c/kd)				102	109	115	121	128	
Volumetric charge - Block 3 (c/kd)				5	6	6	6	7	
Volumetric charge - Block 4 (c/kd)				6	6	6	7	7	
<b>Other</b>	2								
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/fix fee (Rands/month)				16	18	19	21	22	
Service point - vacant land (Rands/month)									
FBE				71	82	90	99	105	
Life-line tariff - meter									
Life-line tariff - prepaid									
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)				51	59	64	69	75	
Meter - IBT Block 2 (c/kwh)				51	59	64	69	75	
Meter - IBT Block 3 (c/kwh)				53	62	68	73	79	
Meter - IBT Block 4 (c/kwh)				11	13	14	15	16	
Meter - IBT Block 5 (c/kwh)				51	59	65	70	76	
Prepaid - IBT Block 1 (c/kwh)				87	101	111	120	130	
Prepaid - IBT Block 2 (c/kwh)									
Prepaid - IBT Block 3 (c/kwh)									
Prepaid - IBT Block 4 (c/kwh)									
Prepaid - IBT Block 5 (c/kwh)									
<b>Other</b>	2								
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge									
Basic charge/fix fee									
80l bin - once a week									
250l bin - once a week									

# 2014/15 to 2016/17



KZN225 Msunduzi - Supporting Table SA14 Household bills

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		553.13	596.22	633.22	668.05	668.05	668.05	5.6%	620.00	655.00	690.00
Electricity: Basic levy		177.04	220.06	283.56	311.92	311.92	311.92	7.4%	331.69	349.65	368.51
Electricity: Consumption		346.23	430.35	456.78	502.46	502.46	502.46	7.4%	693.15	730.60	770.10
Water: Basic levy		27.88	35.25	32.21	35.44	35.44	35.44	8.7%	60.15	63.40	66.82
Water: Consumption		225.12	284.63	260.15	286.17	286.17	286.17	8.7%	350.64	369.60	389.52
Sanitation		87.44	117.71	101.04	106.60	106.60	106.60	5.6%	121.58	128.15	135.07
Refuse removal		56.56	69.58	65.36	68.96	68.96	68.96	5.6%	78.64	82.89	87.37
Other											
<b>sub-total</b>		<b>1 473.40</b>	<b>1 753.81</b>	<b>1 832.32</b>	<b>1 979.60</b>	<b>1 979.60</b>	<b>1 979.60</b>	<b>14.0%</b>	<b>2 255.85</b>	<b>2 379.29</b>	<b>2 507.39</b>
VAT on Services											
<b>Total large household bill:</b>		<b>1 473.40</b>	<b>1 753.81</b>	<b>1 832.32</b>	<b>1 979.60</b>	<b>1 979.60</b>	<b>1 979.60</b>	<b>14.0%</b>	<b>2 255.85</b>	<b>2 379.29</b>	<b>2 507.39</b>
<b>% increase/-decrease</b>			<b>19.0%</b>	<b>4.5%</b>	<b>8.0%</b>	<b>-</b>	<b>-</b>		<b>14.0%</b>	<b>5.5%</b>	<b>5.4%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		146.88	158.32	168.14	177.39	177.39	177.39	5.6%	413.33	436.67	460.00
Electricity: Basic levy		177.04	220.06	233.56	256.92	256.92	256.92	7.4%	331.69	349.65	368.51
Electricity: Consumption		172.42	218.00	227.47	250.22	250.22	250.22	7.4%	346.58	365.30	385.05
Water: Basic levy		27.88	35.25	32.21	35.44	35.44	35.44	8.7%	60.15	63.40	66.82
Water: Consumption		178.22	225.33	205.95	226.55	226.55	226.55	8.7%	277.59	292.60	308.37
Sanitation		87.44	117.71	101.04	106.60	106.60	106.60	5.6%	121.58	128.15	135.07
Refuse removal		56.56	69.58	65.36	68.96	68.96	68.96	5.6%	78.64	82.89	87.37
Other											
<b>sub-total</b>		<b>846.44</b>	<b>1 044.26</b>	<b>1 033.73</b>	<b>1 122.08</b>	<b>1 122.08</b>	<b>1 122.08</b>	<b>45.2%</b>	<b>1 629.56</b>	<b>1 718.66</b>	<b>1 811.19</b>
VAT on Services											
<b>Total small household bill:</b>		<b>846.44</b>	<b>1 044.26</b>	<b>1 033.73</b>	<b>1 122.08</b>	<b>1 122.08</b>	<b>1 122.08</b>	<b>45.2%</b>	<b>1 629.56</b>	<b>1 718.66</b>	<b>1 811.19</b>
<b>% increase/-decrease</b>			<b>23.4%</b>	<b>(1.0%)</b>	<b>8.5%</b>	<b>-</b>	<b>-</b>		<b>45.2%</b>	<b>5.5%</b>	<b>5.4%</b>
<b>Monthly Account for Household - 'Indigent'</b>	3										
<b>Household receiving free basic services</b>											
<b>Rates and services charges:</b>											
Property rates				1 560.00	1 645.80	195.00	195.00	5.6%	206.67	218.33	230.00
Electricity: Basic levy						-	-	7.4%	-	-	-
Electricity: Consumption	3.13			141.71	155.89	194.34	194.34	7.4%	207.95	219.18	231.03
Water: Basic levy						15.83	15.83	8.7%	16.71	17.61	18.56
Water: Consumption				32.52	35.78	193.76	193.76	8.7%	204.54	215.60	227.22
Sanitation				51.00	53.81	-	-	5.6%	-	-	-
Refuse removal				32.98	34.80	-	-	5.6%	-	-	-
Other											
<b>sub-total</b>		<b>3.13</b>	<b>-</b>	<b>1 818.21</b>	<b>1 926.08</b>	<b>598.93</b>	<b>598.93</b>	<b>(67.0%)</b>	<b>635.87</b>	<b>670.72</b>	<b>706.81</b>
VAT on Services											
<b>Total small household bill:</b>		<b>3.13</b>	<b>-</b>	<b>1 818.21</b>	<b>1 926.08</b>	<b>598.93</b>	<b>598.93</b>	<b>(67.0%)</b>	<b>635.87</b>	<b>670.72</b>	<b>706.81</b>
<b>% increase/-decrease</b>			<b>(100.0%)</b>	<b>-</b>	<b>5.9%</b>	<b>(68.9%)</b>	<b>-</b>		<b>6.2%</b>	<b>5.5%</b>	<b>5.4%</b>

## References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)



KZN225 Msunduzi - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budaet	Adjusted Budaet	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		282 404	561 104	5 901	539 091	863 505	863 505	555 641	583 421	612 590
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	282 404	561 104	5 901	539 091	863 505	863 505	555 641	583 421	612 590
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:		282 404	561 104	5 901	539 091	863 505	863 505	555 641	583 421	612 590

**References**

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

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	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
<b>Parent municipality</b>														
ABSA						4.55			Call	1 489	74			1 563
Rand Merchant Bank						4.7			Call	2 129	106			2 235
Rand Merchant Bank						4.7			Call	1 233	62			1 295
Rand Merchant Bank						4.7			Call	239 216	11 961			251 177
Rand Merchant Bank						4.7			Call	3 855	193			4 048
Rand Merchant Bank						4.7			Call	11 216	561			11 777
First National Bank						4.7			Call	150 000	7 500			157 500
Investec Bank						4.7			Call	120 000	6 000			126 000
						4.7								-
						4.7								-
						4.7								-
						5.25								-
						5.25								-
<b>Municipality sub-total</b>										529 138		-	-	555 595
<b>Entities</b>														-
														-
														-
														-
<b>Entities sub-total</b>										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									529 138		-	-	555 595

**References**

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)

2. List investments in expiry date order



# MSUNDUZI ANNUAL BUDGET

**KZN225 Msunduzi - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		518 942	577 963	542 233	573 000	564 035	564 035	100 000	75 000	75 000
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	518 942	577 963	542 233	573 000	564 035	564 035	100 000	75 000	75 000
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	518 942	577 963	542 233	573 000	564 035	564 035	100 000	75 000	75 000

<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		518 942	577 963	541 325	573 000	564 035	564 035	100 000	75 000	75 000
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	518 942	577 963	541 325	573 000	564 035	564 035	100 000	75 000	75 000
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	518 942	577 963	541 325	573 000	564 035	564 035	100 000	75 000	75 000

**References**

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)





KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		267 375	310 326	342 704	362 139	362 139	362 139	384 424	402 078	422 802
Local Government Equitable Share		267 211	304 835	338 903	354 313	354 313	354 313	373 541	392 761	413 174
Finance Management		165	1 979	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement			978	800	890	890	890	934	967	1 018
EPWP Incentive				1 501	1 874	1 874	1 874	2 782		
Energy Efficiency and Demand Management			2 534		-	-	-	-	-	
Water Services Operating Subsidy										
Other transfers/grants [insert description]					3 512	3 512	3 512			
Operating costs-MIG								4 000	4 200	4 410
Neighbourhood Development Partnership Technical assistance								1 567	2 500	2 500
Provincial Government:		33 467	4 074	22 500	21 709	21 709	21 709	30 948	34 562	35 841
Health subsidy			-							
Provincial Government:		20 979	1 207							
Health subsidy			-							
Expanded Public Works Grant			2 868							
Operating Grant - Property Rates										
Health		12 488		2 537				7 722	9 945	9 702
Human Settlements				9 000						
Public Works										
Arts and Culture				10 963	21 709	21 709	21 709	23 226	24 617	26 139
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	300 842	314 400	365 204	383 848	383 848	383 848	415 372	436 640	458 643
Capital Transfers and Grants										
National Government:		73 225	138 340	208 599	386 670	389 761	389 761	283 897	464 283	470 992
Municipal Infrastructure Grant (MIG)		48 348	138 340	153 399	154 824	151 312	151 312	159 158	166 213	173 983
Public Transport and Systems		11 663		45 000	100 846	100 846	100 846	100 000	220 000	250 000
Neighbourhood Development Partnership				700				10 350	10 737	11 288
Rural Households Infrastructure				4 500						
Dept of Mineral/Electricity		3 757			8 000	8 000	8 000			
Intergrated National Electrification Programme				5 000	123 000	123 000	123 000	3 000	9 000	9 000
						353	353			
Municipal Water Infrastructure Grant		9 457				6 250	6 250	11 389	58 333	26 721
Provincial Government:		11 429	11 836	19 315	-	25 460	25 460	9 927	9 000	-
Airport Development Project		11 429	11 836	19 315		16 200	16 200	-	-	
Sport and Recreation				2 100				150		
Corridor Development						8 660	8 660		-	-
KZNPA						600	600			
Treasury								5 500		
COGTA								4 277	9 000	
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	135	-	2 427	2 427	-	-	-
Carnegie				135		296	296			
Cementry Trust						2 131	2 131			
Total Capital Transfers and Grants	5	84 654	150 176	228 049	386 670	417 648	417 648	293 824	473 283	470 992
TOTAL RECEIPTS OF TRANSFERS & GRANTS		385 496	464 576	593 253	770 518	801 496	801 496	709 196	909 923	929 635



# MSUNDUZI ANNUAL BUDGET

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		267 375	310 326	342 704	362 139	362 139	362 139	384 424	402 078	422 802
Local Government Equitable Share		267 211	304 835	338 903	354 313	354 313	354 313	373 541	392 761	413 174
Finance Management		165	1 979	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement			978	800	890	890	890	934	967	1 018
EPWP Incentive				1 501	1 874	1 874	1 874	2 782		
Energy Efficiency and Demand Management			2 534		-	-	-	-	-	-
Operating costs-MIG								4 000	4 200	4 410
Water Services Operating Subsidy										
Neighbourhood Development Partnership Technical ass								1 567	2 500	2 500
Other transfers/grants [insert description]					3 512	3 512	3 512			
<b>Provincial Government:</b>		33 467	4 074	22 500	25 551	25 551	25 551	30 948	34 562	35 841
Health subsidy		12 488		2 537						
Provincial Government:		20 979	1 207					-		
Operating Grant - Property Rates										
Public Works			2 868	10 963						
Arts and Culture					21 709	21 709	21 709	23 226	24 617	26 139
Human Settlements				9 000	3 842	3 842	3 842	7 722	9 945	9 702
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		300 842	314 400	365 204	387 690	387 690	387 690	415 372	436 640	458 643
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		73 225	138 340	208 599	386 670	389 761	389 761	283 897	464 283	470 992
Municipal Infrastructure Grant (MIG)		48 348	138 340	153 399	154 824	151 312	151 312	159 158	166 213	173 983
Public Transport and Systems		11 663		45 000	100 846	100 846	100 846	100 000	220 000	250 000
Neighbourhood Development Partnership				700				10 350	10 737	11 288
Rural Households Infrastructure				4 500						
Other capital transfers/grants		9 457								
Dept of Mineral/Electricity		3 757			8 000	8 000	8 000			
Integrated National Electrification Programme				5 000	123 000	123 000	123 000	3 000	9 000	9 000
MSIG						353	353			
MWIG						6 250	6 250			
Municipal Water Infrastructure Grant		9 457				6 250	6 250	11 389	58 333	26 721
<b>Provincial Government:</b>		11 429	11 836	19 315	-	25 460	25 460	9 927	9 000	-
Airport Development Project		11 429	11 836	19 315		16 200	16 200			
Sport and Recreation				2 100		8 660	8 660	150		
Corridor Development						600	600			
KZNPA										
Treasury								5 500		
COGTA								4 277	9 000	
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	135	-	2 427	2 427	-	-	-
Carnegie				135		296	296			
Cemetery Trust						2 131	2 131			
<b>Total capital expenditure of Transfers and Grants</b>		84 654	150 176	228 049	386 670	417 648	417 648	293 824	473 283	470 992
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		385 496	464 576	593 253	774 360	805 338	805 338	709 196	909 923	929 635

## References

1. Expenditure must be separately listed for each transfer or grant received or recognised



**KZN225 Msunduzi - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		354 265	486 780	543 970	362 139	362 139	362 139	384 424	402 078	422 802
<b>Conditions met - transferred to revenue</b>		354 265	486 780	543 970	362 139	362 139	362 139	384 424	402 078	422 802
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		33 467	13 889	22 500	21 709	21 709	21 709	30 948	34 562	35 841
<b>Conditions met - transferred to revenue</b>		33 467	13 889	22 500	21 709	21 709	21 709	30 948	34 562	35 841
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		387 732	500 669	566 470	383 848	383 848	383 848	415 372	436 640	458 643
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		84 654	123 053	198 934	383 158	419 648	419 648	293 824	473 283	470 992
<b>Conditions met - transferred to revenue</b>		84 654	123 053	198 934	383 158	419 648	419 648	293 824	473 283	470 992
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts			26 017	21 415						
<b>Conditions met - transferred to revenue</b>		-	26 017	21 415	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		84 654	149 070	220 349	383 158	419 648	419 648	293 824	473 283	470 992
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		472 386	649 739	786 819	767 006	803 496	803 496	709 196	909 923	929 635
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Safe City</i>	2	3	-	216	4 800	4 800	4 800	4 800	5 169	5 427	5 698
<i>Community Bodies</i>		192	196		227	227	227	227	239	251	263
<i>Mayors Grant and Arts &amp; Culture</i>											
<b>Total Cash Transfers To Entities/Ems'</b>		195	196	216	5 027	5 027	5 027	5 027	5 408	5 678	5 962
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Insert description</i>	4										
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>											
<i>Insert description</i>	5										
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	195	196	216	5 027	5 027	5 027	5 027	5 408	5 678	5 962
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Insert description</i>	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Insert description</i>	5										
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	6	195	196	216	5 027	5 027	5 027	5 027	5 408	5 678	5 962

# 2014/15 to 2016/17



KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		12 621	12 207	24 677	26 433	26 433	26 433	27 558	29 763	32 144
Pension and UIF Contributions		2 538	1 645	2 597	2 782	2 782	2 782	3 004	3 245	3 504
Medical Aid Contributions		411	333	325	349	349	349	376	407	439
Motor Vehicle Allowance		4 570	3 055	5 338	5 718	5 718	5 718	6 310	6 752	7 213
Cellphone Allowance		428	788	947	1 015	1 015	1 015	1 890	2 041	2 204
Housing Allowances			124	115	123	123	123	133	143	155
Other benefits and allowances										
<b>Sub Total - Councillors</b>	1	20 569	18 152	34 000	36 419	36 419	36 419	39 272	42 350	45 659
<b>% increase</b>	4		(11.7%)	87.3%	7.1%	-	-	7.8%	7.8%	7.8%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4 651	495	832	18 813	18 813	18 813	6 816	7 190	7 586
Pension and UIF Contributions		402	92	151	2 145	2 145	2 145	684	721	761
Medical Aid Contributions		49	17		836	836	836	20	21	23
Overtime		511			-	-	-	-	-	-
Performance Bonus			42		-	-	-	120	127	134
Motor Vehicle Allowance			151	180	4 304	4 304	4 304	567	598	631
Cellphone Allowance		-		18	287	287	287	91	96	101
Housing Allowances					84	84	84	64	67	71
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Senior Managers of Municipality</b>	2	5 613	798	1 181	26 470	26 470	26 470	8 361	8 821	9 306
<b>% increase</b>	4		(85.8%)	48.0%	2 140.7%	-	-	(68.4%)	5.5%	5.5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		427 608	418 916	519 526	520 122	520 122	520 122	602 808	649 232	698 131
Pension and UIF Contributions		80 872	85 741	91 114	141 579	141 579	141 579	155 222	167 640	181 051
Medical Aid Contributions		25 100	28 998	32 720	32 321	32 321	32 321	-	-	-
Overtime		8 404	25 061	19 375	20 925	20 925	20 925	30 222	30 446	32 877
Performance Bonus		6 948								
Motor Vehicle Allowance		33 538	10 859	14 009	7 529	7 529	7 529	37 095	40 055	43 251
Cellphone Allowance			800							
Housing Allowances		23 444	4 189	3 972	3 629	3 629	3 629	3 286	3 549	3 833
Other benefits and allowances			27 398	14 747	8 785	8 785	8 785	8 574	9 682	10 457
Payments in lieu of leave										
Long service awards			14 936	16 770	18 360	18 360	18 360	18 680	20 174	21 788
Post-retirement benefit obligations										
<b>Sub Total - Other Municipal Staff</b>	3	605 915	616 899	712 234	753 251	753 251	753 251	855 887	920 778	991 388
<b>% increase</b>	4		1.8%	15.5%	5.8%	-	-	13.6%	7.6%	7.7%
<b>Total Parent Municipality</b>		632 097	635 849	747 415	816 140	816 140	816 140	903 520	971 950	1 046 354
			0.6%	17.5%	9.2%	-	-	10.7%	7.6%	7.7%
<b>Board Members of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Board Members of Entities</b>	3	-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		2 267	2 179	2 905	2 451	2 451	25 243	27 137	29 172	31 360
Pension and UIF Contributions					200	200	209	225	242	260
Medical Aid Contributions					341	341	399	439	483	531
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Senior Managers of Entities</b>	3	2 267	2 179	2 905	2 992	2 992	25 852	27 801	29 897	32 151
<b>% increase</b>	4		(3.9%)	33.3%	3.0%	-	763.9%	7.5%	7.5%	7.5%
<b>Other Staff of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Other Staff of Entities</b>	3	-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		2 267	2 179	2 905	2 992	2 992	25 852	27 801	29 897	32 151
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		634 364	638 028	750 320	819 132	819 132	841 992	931 321	1 001 846	1 078 505
<b>% increase</b>	4		0.6%	17.6%	9.2%	-	2.8%	10.6%	7.6%	7.7%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	613 795	619 876	716 320	782 713	782 713	805 573	892 049	959 496	1 032 845





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

<b>Disclosure of Salaries, Allowances &amp; Benefits 1.</b>	<b>Ref</b>	<b>No.</b>	<b>Salary</b>	<b>Contributions</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>In-kind benefits</b>	<b>Total Package</b>
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		854 523	113 138	15 485			983 146
Chief Whip			801 114	123 599	15 485			940 198
Executive Mayor			1 068 153	118 286	5 485			1 191 924
Deputy Executive Mayor			854 523	113 138	5 485			973 146
Executive Committee			801 114	751 201	117 651			1 669 966
Total for all other councillors			23 178 886	10 307 156	27 818			33 513 860
<b>Total Councillors</b>	8	-	<b>27 558 313</b>	<b>11 526 519</b>	<b>187 409</b>			<b>39 272 241</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 534 437					1 534 437
Chief Finance Officer			838 671	81 770	151 627	60 000		1 132 068
DMM- Infrastructure Services			790 205	107 863	174 000	60 000		1 132 068
DMM- Community Services			929 939	187 729	14 400			1 132 068
DMM- Corporate Services			893 340	87 101	151 627			1 132 068
DMM- Development Services			805 931	145 068	181 070			1 132 068
List of each official with packages >= senior manager								
Head IRPTN			1 023 038	94 631	14 400			- 1 132 068 - - - - - - -
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>6 815 561</b>	<b>704 162</b>	<b>687 125</b>	<b>120 000</b>		<b>8 326 848</b>
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								- - - - - - - - - - - - -
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	<b>34 373 874</b>	<b>12 230 681</b>	<b>874 534</b>	<b>120 000</b>		<b>47 599 089</b>



KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		73	73		73	73		73	73	
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	5	30		5	5		5	4	1
Other Managers	7	80			80	80		87	87	
Professionals		2 777	2 584	–	2 777	2 777	–	2 480	2 480	1 576
Finance		152	199		152	152		215	215	
Spatial/town planning		14	13		14	14		16	16	
Information Technology		9	6		9	9		15	15	
Roads		126	67		126	126		108	108	
Electricity		234	226		234	234		224	224	
Water		23	169		23	23		137	137	
Sanitation		75	68		75	75		143	143	
Refuse		376	369		376	376		346	346	
Other		1 768	1 467		1 768	1 768		1 276	1 276	1 576
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										
<b>TOTAL PERSONNEL NUMBERS</b>	9	2 935	2 687	–	2 935	2 935	–	2 645	2 644	1 577
<b>% increase</b>					–	9.2%	–	(9.9%)	(9.9%)	–
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R thousand</b>																	
<b>Revenue By Source</b>																	
Property rates		53 443	53 443	53 443	53 443	53 443	53 443	53 443	53 443	53 443	53 443	53 443	53 443	71 178	659 052	695 065	731 888
Property rates - penalties & collection charges		3 923	3 915	4 040	3 040	3 040	3 040	3 040	3 040	3 040	3 040	3 040	3 040	3 032	39 231	41 349	43 582
Service charges - electricity revenue		135 712	135 712	135 712	135 712	135 712	135 712	135 712	125 712	125 712	140 712	140 712	145 712	150 712	1 628 543	1 748 892	1 878 135
Service charges - water revenue		34 155	34 155	34 155	34 155	34 155	34 155	34 155	34 155	34 155	34 155	34 155	34 155	15 587	391 288	424 332	454 918
Service charges - sanitation revenue		10 549	10 549	10 549	10 549	10 549	10 549	10 549	10 549	10 549	10 549	10 549	10 549	10 549	126 582	133 938	141 417
Service charges - refuse revenue		6 828	6 828	6 828	6 828	6 828	6 828	6 828	6 828	6 828	6 828	6 828	6 828	12 603	87 712	91 276	95 132
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		2 509	2 760	2 760	2 760	2 760	2 760	2 760	2 829	2 909	2 909	3 209	3 209	3 648	35 024	38 329	40 292
Interest earned - external investments		2 005	2 103	2 105	2 205	2 205	2 205	2 205	2 505	2 505	2 505	2 505	2 505	6 894	32 247	33 988	35 824
Interest earned - outstanding debtors		89	92	106	106	106	110	110	110	110	111	114	114	162	1 325	1 399	1 478
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		596	575	568	568	568	568	568	568	568	568	558	558	8 434	14 667	15 488	16 356
Licences and permits		5	6	6	6	6	4	3	3	3	4	4	4	38	83	87	92
Agency services		302	302	302	302	324	231	231	231	231	231	231	231	302	3 220	3 324	3 490
Transfers recognised - operational		33 523	33 523	33 523	33 523	33 523	33 523	33 523	33 523	33 523	33 523	33 523	33 523	46 615	415 372	436 640	458 643
Other revenue		11 353	11 353	11 353	11 353	11 353	11 353	11 353	11 353	11 353	11 353	11 353	11 353	11 352	136 230	143 231	151 195
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>294 992</b>	<b>295 316</b>	<b>295 449</b>	<b>294 549</b>	<b>294 571</b>	<b>294 479</b>	<b>284 917</b>	<b>284 838</b>	<b>284 917</b>	<b>300 220</b>	<b>305 222</b>	<b>341 105</b>	<b>3 570 575</b>	<b>3 807 340</b>	<b>4 052 442</b>	
<b>Expenditure By Type</b>																	
Employee related costs		67 000	67 000	67 000	98 000	67 000	67 000	70 000	70 000	70 000	70 000	70 000	70 000	72 887	855 887	920 778	991 388
Remuneration of councillors		3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	39 272	42 350	45 659
Debt impairment		15 088	20 588	15 088	9 088	13 088	11 088	11 088	11 088	9 088	8 088	8 588	8 588	15 605	144 577	154 586	164 979
Depreciation & asset impairment		21 622	21 622	21 622	21 622	21 622	21 622	21 622	21 622	21 622	21 622	21 622	21 622	21 623	259 469	268 183	281 592
Finance charges		-	-	5 399	-	-	26 900	-	-	-	5 399	-	-	23 039	60 738	54 782	50 025
Bulk purchases		123 294	123 294	123 294	123 294	123 294	123 294	123 294	123 294	123 294	123 294	123 294	123 294	123 294	1 479 522	1 577 336	1 711 641
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	25 198	25 198	26 558	27 992
Contracted services		-	8 459	8 459	8 459	8 459	8 459	8 459	8 459	8 459	8 459	8 459	8 459	93 051	94 359	89 323	89 323
Transfers and grants		370	370	370	541	541	541	514	541	487	379	754	754	5 408	5 678	5 962	5 962
Other expenditure		44 596	44 596	44 596	34 596	44 596	34 596	44 596	44 596	44 596	54 596	64 596	64 596	36 578	537 133	586 904	631 696
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>275 243</b>	<b>289 202</b>	<b>289 102</b>	<b>298 873</b>	<b>281 873</b>	<b>296 773</b>	<b>280 846</b>	<b>282 873</b>	<b>285 218</b>	<b>289 711</b>	<b>299 832</b>	<b>330 710</b>	<b>3 500 255</b>	<b>3 731 515</b>	<b>4 000 256</b>	
<b>Surplus/(Deficit)</b>		<b>19 748</b>	<b>6 113</b>	<b>6 347</b>	<b>(4 324)</b>	<b>12 698</b>	<b>(2 294)</b>	<b>4 072</b>	<b>1 965</b>	<b>(301)</b>	<b>10 509</b>	<b>5 390</b>	<b>10 395</b>	<b>70 320</b>	<b>75 826</b>	<b>52 185</b>	
Transfers recognised - capital		-	15 360	-	12 000	19 800	3 726	-	-	26 755	52 346	-	88 445	293 824	473 283	470 992	
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>19 748</b>	<b>21 473</b>	<b>6 347</b>	<b>7 676</b>	<b>32 498</b>	<b>1 432</b>	<b>30 827</b>	<b>1 965</b>	<b>52 045</b>	<b>10 509</b>	<b>80 782</b>	<b>98 841</b>	<b>364 144</b>	<b>549 109</b>	<b>523 177</b>	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>19 748</b>	<b>21 473</b>	<b>6 347</b>	<b>7 676</b>	<b>32 498</b>	<b>1 432</b>	<b>30 827</b>	<b>1 965</b>	<b>52 045</b>	<b>10 509</b>	<b>80 782</b>	<b>98 841</b>	<b>364 144</b>	<b>549 109</b>	<b>523 177</b>	



KZN225 Msunduzi - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>																
Vote 1 - Corporate Services		1 146	1 201	1 691	1 935	1 669	1 446	1 446	1 334	1 468	1 957	1 193	295 398	311 882	491 724	489 135
Vote 2 - Financial Management Area		95 491	95 491	95 491	95 491	95 491	95 491	95 491	95 491	95 491	95 491	95 491	27 318	1 077 719	1 145 893	1 303 906
Vote 3 - Infrastructure Development, Service Delivery and Main		200 246	201 246	201 246	209 246	209 246	209 246	211 246	211 246	211 246	211 246	211 246	149 355	2 436 060	2 603 497	2 684 875
Vote 4 - Sustainable Community Service Delivery Provision Ma		2 938	3 044	3 531	3 425	3 906	3 938	2 938	2 581	2 581	2 581	2 534	4 741	38 737	39 509	45 518
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Total Revenue by Vote</b>		<b>299 820</b>	<b>300 982</b>	<b>301 959</b>	<b>310 097</b>	<b>310 312</b>	<b>310 120</b>	<b>311 120</b>	<b>310 652</b>	<b>310 786</b>	<b>311 275</b>	<b>310 463</b>	<b>476 812</b>	<b>3 864 399</b>	<b>4 280 623</b>	<b>4 523 434</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Corporate Services		22 482	22 482	22 482	22 482	22 482	22 482	22 482	22 482	22 482	22 482	22 482	16 482	263 785	330 411	324 259
Vote 2 - Financial Management Area		25 018	36 018	36 018	47 421	47 421	47 421	47 421	41 605	42 605	42 614	36 610	31 552	481 725	494 944	449 382
Vote 3 - Infrastructure Development, Service Delivery and Main		198 000	198 000	198 000	198 000	198 000	198 000	197 000	197 000	197 000	197 000	197 000	100 477	2 273 477	2 421 888	2 691 427
Vote 4 - Sustainable Community Service Delivery Provision Ma		41 106	41 106	41 106	41 106	41 106	41 106	40 106	40 106	40 106	40 106	40 106	34 106	481 268	484 272	535 189
Vote 5 - [NAME OF VOTE 5]													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Total Expenditure by Vote</b>		<b>286 605</b>	<b>297 605</b>	<b>297 605</b>	<b>309 009</b>	<b>309 009</b>	<b>309 009</b>	<b>307 009</b>	<b>301 193</b>	<b>302 193</b>	<b>302 202</b>	<b>296 198</b>	<b>182 617</b>	<b>3 500 255</b>	<b>3 731 515</b>	<b>4 000 256</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>13 215</b>	<b>3 377</b>	<b>4 353</b>	<b>1 088</b>	<b>1 303</b>	<b>1 111</b>	<b>4 111</b>	<b>9 459</b>	<b>8 593</b>	<b>9 073</b>	<b>14 265</b>	<b>294 194</b>	<b>364 144</b>	<b>549 108</b>	<b>523 177</b>
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>13 215</b>	<b>3 377</b>	<b>4 353</b>	<b>1 088</b>	<b>1 303</b>	<b>1 111</b>	<b>4 111</b>	<b>9 459</b>	<b>8 593</b>	<b>9 073</b>	<b>14 265</b>	<b>294 194</b>	<b>364 144</b>	<b>549 108</b>	<b>523 177</b>



# MSUNDUZI ANNUAL BUDGET

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

Ref	Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	<b>Revenue - Standard</b>															
	<b>Governance and administration</b>	96 069	73 309	73 309	73 309	73 309	73 309	73 309	73 309	73 309	73 309	73 309	323 672	1 152 828	1 337 551	1 340 781
	Executive and council															
	Budget and treasury office	95 805	72 987	72 987	72 987	72 987	72 987	72 987	72 987	72 987	72 987	72 987	323 992	1 149 665	1 334 177	1 337 303
	Corporate services	264	322	322	322	322	322	322	322	322	322	322	(320)	3 162	3 374	3 478
	<b>Community and public safety</b>	1 113	3 338	3 338	3 338	3 338	3 338	3 338	3 338	3 338	3 338	3 338	(21 137)	13 361	14 264	14 210
	Community and social services	271	2 079	2 079	2 079	2 079	2 079	2 079	2 079	2 079	2 079	2 079	(17 813)	3 250	3 546	2 818
	Sport and recreation	61	61	61	61	61	61	61	61	61	61	61	61	729	760	798
	Public safety	486	736	736	736	736	736	736	736	736	736	736	(2 014)	5 827	6 092	6 397
	Housing	290 376.92	457	457	457	457	457	457	457	457	457	457	(1 376)	3 485	3 792	4 116
	Health	5 803.57	6	6	6	6	6	6	6	6	6	6	6	70	73	81
	<b>Economic and environmental services</b>	24 050	24 050	24 050	24 050	24 050	24 050	24 050	24 050	24 050	24 050	24 050	(92 951)	171 598	219 003	268 280
	Planning and development	2 081	2 081	2 081	2 081	2 081	2 081	2 081	2 081	2 081	2 081	2 081	(14 919)	7 972	8 053	8 518
	Road transport	21 969	21 969	21 969	21 969	21 969	21 969	21 969	21 969	21 969	21 969	21 969	(78 031)	163 627	210 950	259 761
	Environmental protection															
	<b>Trading services</b>	201 587	201 587	201 587	201 587	201 587	201 587	201 587	201 587	201 587	201 587	201 587				
	Electricity	140 175	140 175	140 175	140 175	140 175	140 175	140 175	140 175	140 175	140 175	140 175	158 175	1 700 095	1 839 444	1 901 890
	Water	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	41 710	500 521	533 983	554 418	554 418
	Waste water management	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	12 423	149 071	155 516	162 313
	Waste management	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	7 280	87 359	91 174	95 205
	<b>Other</b>	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	2 097	66 497	89 565	89 688	186 337
	<b>Total Revenue - Standard</b>	324 916	304 381	304 381	304 381	304 381	304 381	304 381	304 381	304 381	304 381	304 381	495 671	3 564 399	4 280 623	4 523 434
	<b>Expenditure - Standard</b>															
	<b>Governance and administration</b>	74 260	74 260	74 260	74 260	74 260	74 260	74 260	74 260	74 260	74 260	74 260	(125 440)	691 420	610 593	639 297
	Executive and council	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	32 025	384 298	401 445	413 415
	Budget and treasury office	24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	(74 712)	200 157	99 997	104 960
	Corporate services	17 247	17 247	17 247	17 247	17 247	17 247	17 247	17 247	17 247	17 247	17 247	(82 753)	106 965	109 150	120 923
	<b>Community and public safety</b>	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	35 145	421 741	412 761	403 557
	Community and social services	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	99 202	96 099	76 748
	Sport and recreation	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	6 780	81 358	80 968	81 978
	Public safety	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	16 360	196 317	191 191	199 520
	Housing	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	2 096	25 149	25 247	25 658
	Health	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	1 643	19 716	19 256	19 653
	<b>Economic and environmental services</b>	47 955	47 955	47 955	47 955	47 955	47 955	47 955	47 955	47 955	47 955	47 955	17 257	462 751	464 630	556 317
	Planning and development	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	10 691	128 290	126 201	94 451
	Road transport	37 264	37 264	37 264	37 264	37 264	37 264	37 264	37 264	37 264	37 264	37 264	6 566	334 461	338 428	461 867
	Environmental protection															
	<b>Trading services</b>	166 602	166 602	166 602	166 602	166 602	166 602	166 602	166 602	166 602	166 602	166 602	60 802	1 893 221	2 218 159	2 374 334
	Electricity	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	114 508	1 374 093	1 508 952	1 613 629
	Water	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	33 899	406 791	471 900	508 264
	Waste water management	8 468	8 468	8 468	8 468	8 468	8 468	8 468	8 468	8 468	8 468	8 468	(83 532)	9 621	121 422	129 864
	Waste management	9 726	9 726	9 726	9 726	9 726	9 726	9 726	9 726	9 726	9 726	9 726	(4 274)	102 716	115 884	125 577
	<b>Other</b>	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	31 122	25 372	26 751
	<b>Total Expenditure - Standard</b>	326 555	326 555	326 555	326 555	326 555	326 555	326 555	326 555	326 555	326 555	326 555	9 543	3 500 255	3 731 515	4 000 256
	<b>Surplus/(Deficit) before assoc.</b>	(1 639)	(22 174)	(5 174)	(10 174)	(22 174)	(15 174)	(9 614)	(12 174)	(14 174)	(14 224)	(14 674)	505 514	364 144	549 109	523 177
	Share of surplus/(deficit) of associate															
	<b>Surplus/(Deficit)</b>	(1 639)	(22 174)	(5 174)	(10 174)	(22 174)	(15 174)	(9 614)	(12 174)	(14 174)	(14 224)	(14 674)	505 514	364 144	549 109	523 177

References





R thousand	Description	Ref	Budget Year 2014/15												Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
1	<b>Multi-year expenditure to be appropriated</b>																
	Vote 1 - Corporate Services		100	125	225	275	325	250	125	225	325	275	175	23 029	25 454	65 822	72 487
	Vote 2 - Financial Management Area		2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	2 035	24 417	-	-
	Vote 3 - Infrastructure Development, Service Delivery and M		10 123	25 154	35 278	45 340	25 401	10 309	25 154	45 278	33 401	25 340	35 216	5 928	321 922	372 211	298 329
	Vote 4 - Sustainable Community Service Delivery Provision		6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	74 305	150 555	166 765
	Vote 5 - [NAME OF VOTE 5]																
	Vote 6 - [NAME OF VOTE 6]																
	Vote 7 - [NAME OF VOTE 7]																
	Vote 8 - [NAME OF VOTE 8]																
	Vote 9 - [NAME OF VOTE 9]																
	Vote 10 - [NAME OF VOTE 10]																
	Vote 11 - [NAME OF VOTE 11]																
	Vote 12 - [NAME OF VOTE 12]																
	Vote 13 - [NAME OF VOTE 13]																
	Vote 14 - [NAME OF VOTE 14]																
	Vote 15 - [NAME OF VOTE 15]																
2	<b>Capital multi-year expenditure sub-total</b>		18 450	33 506	43 730	53 841	33 953	18 785	33 506	53 730	41 953	33 841	43 618	37 184	446 098	588 588	537 581
	<b>Single-year expenditure to be appropriated</b>																
	Vote 1 - Corporate Services		318	318	318	318	318	318	318	318	318	318	318	318	3 818	21 941	24 163
	Vote 2 - Financial Management Area		873	873	873	873	873	873	873	873	873	873	873	873	10 479	-	-
	Vote 3 - Infrastructure Development, Service Delivery and M		10 222	10 222	10 222	10 222	10 222	10 222	10 222	10 222	10 222	10 222	10 222	19 999	132 441	49 889	4 276
	Vote 4 - Sustainable Community Service Delivery Provision		2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 214	24 918	123 181	99 510
	Vote 5 - [NAME OF VOTE 5]																
	Vote 6 - [NAME OF VOTE 6]																
	Vote 7 - [NAME OF VOTE 7]																
	Vote 8 - [NAME OF VOTE 8]																
	Vote 9 - [NAME OF VOTE 9]																
	Vote 10 - [NAME OF VOTE 10]																
	Vote 11 - [NAME OF VOTE 11]																
	Vote 12 - [NAME OF VOTE 12]																
	Vote 13 - [NAME OF VOTE 13]																
	Vote 14 - [NAME OF VOTE 14]																
	Vote 15 - [NAME OF VOTE 15]																
2	<b>Capital single-year expenditure sub-total</b>		13 477	13 477	13 477	13 477	13 477	13 477	13 477	13 477	13 477	13 477	13 477	23 404	171 656	195 011	127 949
2	<b>Total Capital Expenditure</b>		31 928	46 984	57 207	67 319	47 431	32 263	46 984	67 207	55 431	47 319	57 095	60 588	617 754	783 599	665 529



# MSUNDUZI ANNUAL BUDGET

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

R thousand	Ref	Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital Expenditure - Standard</b>	1	<b>Governance and administration</b>	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	1 992	23 889	46 413	32 450
		Executive and council	163	163	163	163	163	163	163	163	163	163	163	163	1 961	46 413	32 450
		Budget and treasury office	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	1 828	21 938	—	—
		Corporate services	876	876	876	876	876	876	876	876	876	876	876	876	—	11 417	12 682
		<b>Community and public safety</b>	344	344	344	344	344	344	344	344	344	344	344	344	10 656	—	—
		Community and social services	488	488	488	488	488	488	488	488	488	488	488	488	6 008	6 268	4 994
		Sport and recreation	43	43	43	43	43	43	43	43	43	43	43	43	520	649	981
		Public safety	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		Housing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		<b>Economic and environmental services</b>	34 486	34 486	34 486	34 486	34 486	34 486	34 486	31 486	24 486	27 486	27 986	5 488	350 836	505 906	403 691
		Planning and development	15 722	15 722	15 722	15 722	15 722	15 722	15 722	15 722	15 722	15 722	15 722	933	173 873	272 963	180 353
		Road transport	18 764	18 764	18 764	18 764	18 764	18 764	18 764	15 764	8 764	11 764	12 264	4 555	176 963	232 943	223 338
		Environmental protection	14 433	14 433	14 433	14 433	14 433	14 433	14 433	9 433	14 433	14 433	14 433	26 138	179 896	194 122	179 984
<b>Trading services</b>		Electricity	8 981	8 981	8 981	8 981	8 981	8 981	8 981	3 981	8 981	8 981	8 981	1 239	95 035	117 517	110 899
		Water	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	3 312	22 760	59 191	49 141	39 386
		Waste water management	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	14 129	15 577	16 979
		Waste management	962	962	962	962	962	962	962	962	962	962	962	961	11 541	11 887	12 719
		<b>Other</b>	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	32 468	34 742	37 174
		<b>Total Capital Expenditure - Standard</b>	54 491	54 491	54 491	54 491	54 491	54 491	46 991	46 491	44 491	47 491	47 991	37 349	597 754	792 999	665 980
<b>Funded by:</b>		National Government	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	283 897	464 283	470 992
		Provincial Government	—	—	—	—	—	—	—	—	—	—	—	—	9 927	9 000	—
		District Municipality	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		Other transfers and grants	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		<b>Transfers recognised - capital</b>	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	33 565	293 824	473 283	470 992
		<b>Public contributions &amp; donations</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		<b>Borrowing</b>	10 000	50 833	20 833	10 000	28 333	10 000	10 000	10 000	10 000	10 000	10 000	0	100 000	—	—
		<b>Internally generated funds</b>	—	—	—	—	—	—	—	—	—	—	—	—	203 930	319 316	194 988
		<b>Total Capital Funding</b>	33 658	84 491	54 491	33 658	61 991	33 658	33 658	33 658	33 658	33 658	33 658	127 515	597 754	792 999	665 980
		<i>References</i>															



KZN225 Msunduzi - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS		Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Receipts By Source</b>																
Property rates	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	50 771	67 619	660 312	695 293
Property rates - penalties & collection charges	1 982	3 315	3 315	3 315	3 315	3 315	3 315	3 315	3 315	3 315	3 315	3 315	3 315	3 981	41 349	43 582
Service charges - electricity revenue	165 471	161 971	161 971	161 971	161 971	161 971	161 971	161 971	161 971	161 971	161 971	161 971	161 971	164 428	1 661 448	1 784 229
Service charges - water revenue	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	32 447	403 116	432 172
Service charges - sanitation revenue	11 048	11 048	11 048	11 048	11 048	11 048	11 048	11 048	11 048	11 048	11 048	11 048	11 048	10 726	127 241	134 346
Service charges - refuse revenue	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	6 487	11 973	86 712	90 375
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	2 919	35 024	38 329	40 292
Interest earned - external investments	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	2 338	32 247	33 988	35 824
Interest earned - outstanding debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	1 325	1 399	1 478
Dividends received	569	569	569	569	569	569	569	569	569	569	569	569	569	—	—	—
Fines	4	4	4	4	4	4	4	4	4	4	4	4	4	8 410	15 488	16 356
Licences and permits	268	268	268	268	268	268	268	268	268	268	268	268	268	37	83	92
Agency services	19 904	43 788	43 788	43 788	43 788	43 788	43 788	43 788	43 788	43 788	43 788	43 788	43 788	269	3 220	3 324
Transfer receipts - operational	20 024	20 024	20 024	20 024	20 024	20 024	20 024	20 024	20 024	20 024	20 024	20 024	20 024	39 291	436 640	458 643
Other revenue	314 210	339 948	335 948	283 977	280 604	257 523	274 231	278 604	276 417	274 231	265 485	271 684	285 556	173 500	101 882	151 195
<b>Cash Receipts by Source</b>														<b>3 463 186</b>	<b>3 611 316</b>	<b>3 887 367</b>
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	23 658	293 824	473 283	470 992
Contributions recognised - capital & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	50 833	50 833	20 833	—	28 333	—	—	—	—	—	—	—	—	100 000	75 000	75 000
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Receipts by Source</b>	<b>337 868</b>	<b>413 439</b>	<b>380 439</b>	<b>307 635</b>	<b>332 595</b>	<b>281 182</b>	<b>297 889</b>	<b>302 262</b>	<b>300 075</b>	<b>297 889</b>	<b>289 143</b>	<b>293 342</b>	<b>319 141</b>	<b>3 857 010</b>	<b>4 159 599</b>	<b>4 433 359</b>
<b>Cash Payments by Type</b>																
Employee related costs	67 000	67 000	67 000	98 000	69 000	69 000	69 000	69 000	69 000	69 000	70 000	70 000	71 887	855 887	920 778	991 388
Remuneration of councillors	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	39 272	42 350	45 659
Finance charges	—	—	5 399	—	—	—	—	—	—	5 399	—	—	21 563	59 262	54 480	49 708
Bulk purchases - Electricity	130 347	130 174	85 100	85 100	85 100	85 100	85 100	85 100	85 100	85 100	85 100	132 245	140 952	1 214 518	1 312 408	1 418 188
Bulk purchases - Water & Sewer	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	33 134	397 602	430 603	466 343
Other materials	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services	—	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	1 607	17 678	18 556	19 483
Transfers and grants - other municipalities	270	595	595	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	270	595	595	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure	29 802	65 564	65 564	65 564	59 603	59 603	59 603	59 603	56 623	53 643	41 722	24 766	622	5 408	5 678	5 962
<b>Cash Payments by Type</b>	<b>263 825</b>	<b>301 345</b>	<b>261 671</b>	<b>287 272</b>	<b>252 257</b>	<b>249 086</b>	<b>251 642</b>	<b>252 257</b>	<b>249 250</b>	<b>251 642</b>	<b>235 214</b>	<b>265 024</b>	<b>312 295</b>	<b>3 181 140</b>	<b>3 282 187</b>	<b>3 525 693</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	—	14 270	22 832	28 539	31 393	11 416	34 247	17 124	34 247	34 247	22 832	25 846	121 697	364 442	425 955	447 442
Repayment of borrowing	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	3 765	1 281	42 691	59 101	53 328
<b>Total Cash Payments by Type</b>	<b>267 590</b>	<b>319 380</b>	<b>288 267</b>	<b>319 576</b>	<b>287 415</b>	<b>264 266</b>	<b>289 654</b>	<b>273 146</b>	<b>287 262</b>	<b>289 654</b>	<b>261 810</b>	<b>294 634</b>	<b>435 273</b>	<b>3 588 273</b>	<b>3 767 244</b>	<b>4 026 463</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>70 278</b>	<b>94 060</b>	<b>92 172</b>	<b>(11 941)</b>	<b>45 180</b>	<b>16 916</b>	<b>29 116</b>	<b>12 813</b>	<b>8 235</b>	<b>27 333</b>	<b>7 008</b>	<b>(116 132)</b>	<b>268 737</b>	<b>392 355</b>	<b>406 896</b>
Cash/cash equivalents at the month/year begin:		70 278	164 338	256 510	244 569	244 569	289 749	306 664	335 781	348 594	356 829	384 161	384 869	268 737	537 474	929 829
Cash/cash equivalents at the month/year end:		70 278	164 338	256 510	244 569	289 749	306 664	335 781	348 594	356 829	384 161	384 869	268 737	537 474	929 829	1 336 725



# MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA31 Aggregated entity budget

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>R million</b>											
<b>Financial Performance</b>											
Property rates		3 777	3 989	4 086	4 164	4 211	4 211	4 394	4 635	4 890	
Service charges		43	44	45	46	39	44	48	51	51	
Investment revenue											
Transfers recognised - operational											
Other own revenue		65 393									
Contributions recognised - capital & contributed assets											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	
Employee costs		2 327	2 285	2 900	3 218	3 387	3 402	3 395	3 581	3 778	
Remuneration of Board Members											
Depreciation & asset impairment		58	49	41	33	48	48	35	36	38	
Finance charges		7	8	12	8	13	11	9	9	10	
Materials and bulk purchases		854	666	507	315	456	364	332	350	369	
Transfers and grants											
Other expenditure		675	551	624	649	848	715	685	723	763	
<b>Total Expenditure</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>	
<b>Surplus/(Deficit)</b>		<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(1)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>											
Transfers recognised - operational											
Public contributions & donations											
Borrowing											
Internally generated funds											
<b>Total sources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Financial position</b>											
Total current assets		1 074									
Total non current assets		72									
Total current liabilities		327									
Total non current liabilities											
Equity		1 146									
<b>Cash flows</b>											
Net cash from (used) operating		230									
Net cash from (used) investing		(12)									
Net cash from (used) financing											
<b>Cash/cash equivalents at the year end</b>		<b>1 004</b>									



KZN225 Msunduzi - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
				Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17								
<b>R thousand</b>	1,3	Total	Original Budget				Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Parent Municipality:</b>	2													
Revenue Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
Contract 1														
Contract 2														
Contract 3 etc														
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Entities:</b>														
Revenue Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
Contract 1														
Contract 2														
Contract 3 etc														
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-





# MSUNDUZI ANNUAL BUDGET

**KZN225 Msunduzi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class**

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Capital expenditure on new assets by Asset Class/Sub-class												
Infrastructure		2	18 176	87 387	89 502	144 030	137 216	137 216	243 167	380 569	356 887	
Infrastructure - Road transport			10 753	43 937	45 000	4 780	980	980	108 100	232 550	259 250	
Roads, Pavements & Bridges			10 753	43 937	45 000	4 780	980	980	108 100	232 550	259 250	
Storm water												
Infrastructure - Electricity			5 482	3 986	4 083	131 000	128 000	128 000	63 500	66 695	61 695	
Generation					-	131 000	128 000	128 000	63 500	66 695	61 695	
Transmission & Reticulation			4 255		-							
Street Lighting			1 227	3 986	4 083							
Infrastructure - Water			886	24 819	25 419	6 250	6 236	6 236	24 677	34 544	8 583	
Dams & Reservoirs			886									
Water purification												
Reticulation				24 819	25 419	6 250	6 236	6 236	24 677	34 544	8 583	
Infrastructure - Sanitation			1 055	-	-	2 000	2 000	2 000	-	-	-	
Reticulation			1 055			2 000	2 000	2 000				
Sewerage purification												
Infrastructure - Other			-	14 646	15 000	-	-	-	46 890	46 779	27 358	
Waste Management				14 646	15 000				13 690	14 429	11 208	
Transportation												
Gas												
Other									33 200	32 350	16 150	
Community				80	20 113	20 600	-	1 223	1 223	41 357	36 262	13 069
Parks & gardens										20 185	19 537	3 537
Sportsfields & stadia										545	-	-
Swimming pools					2 880	2 950		896	896	4 050	500	
Libraries						-						
Recreational facilities						-						
Fire, safety & emergency						-				687	5 300	3 700
Security and policing												
Buses												
Clinics												
Museums & Art Galleries				80						650	100	100
Cemeteries					13 181	13 500		327	327	11 350	8 560	5 525
Social rental housing					4 052	4 150				3 890	2 265	207
Other												
Heritage assets			-	-	-	-	-	-	-	-	-	
Buildings												
Other												
Investment properties			-	-	-	-	-	-	-	-	-	
Housing development												
Other												
Other assets			4 070	-	-	30 282	60 439	60 439	23 785	16 893	16 838	
General vehicles						13 710	32 810	32 810	2 600	1 580	1 600	
Specialised vehicles			-	-	-	-	-	-	-	-	-	
Plant & equipment						550	2 650	2 650	240	-	-	
Computers - hardware/equipment			11		-	11 000	12 027	12 027				
Furniture and other office equipment			235		-		221	221	10 020	4 440	3 695	
Abattoirs									575	500	255	
Markets												
Civic Land and Buildings			3 825			2 000	9 590	9 590				
Other Buildings						200	200	200				
Other Land												
Surplus Assets - (Investment or Inventory)												
Other						2 822	2 941	2 941	10 350	10 373	11 288	
Agricultural assets			-	-	-	-	-	-	-	-	-	
List sub-class												
Biological assets			-	-	-	-	-	-	-	-	-	
List sub-class												
Intangibles			-	-	-	-	-	-	-	-	-	
Computers - software & programming												
Other (list sub-class)												
Total Capital Expenditure on new assets		1	22 327	107 500	110 102	174 312	198 878	198 878	308 310	433 723	386 794	



KZN225 Msunduzi - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			73 619	82 310	84 751	249 808	276 510	276 510	235 780	314 266	247 998
Infrastructure - Road transport			35 629	32 776	33 748	138 495	152 795	152 795	68 684	120 700	75 050
Roads, Pavements & Bridges			35 629	32 776	33 748	138 495	152 795	152 795	68 684	120 700	75 050
Storm water											
Infrastructure - Electricity			11 109	4 856	5 000	30 500	35 493	35 493	65 257	65 177	43 177
Generation				4 856	5 000	30 500	35 493	35 493	65 257	65 177	43 177
Transmission & Reticulation			11 109								
Street Lighting											
Infrastructure - Water			11 974	17 239	17 750	27 925	35 335	35 335	63 730	127 889	129 771
Dams & Reservoirs						10 500	10 500	10 500	34 980	63 399	129 771
Water purification											
Reticulation			11 974	17 239	17 750	17 425	24 835	24 835	28 750	64 490	
Infrastructure - Sanitation			14 436	25 446	26 200	44 797	44 797	44 797	31 938	-	-
Reticulation			14 436	25 446	26 200	44 797	44 797	44 797	31 938		
Sewerage purification											
Infrastructure - Other			471	1 994	2 053	8 091	8 091	8 091	6 171	500	-
Waste Management			471	1 994	2 053	8 091	8 091	8 091			
Transportation											
Gas											
Other									6 171	500	-
Community			420	10 003	10 300	4 500	7 614	7 614	52 615	44 185	30 687
Parks & gardens				680	700				1 500	1 581	1 666
Sportsfields & stadia			65	6 896	7 100	1 700	1 700	1 700	14 350	14 500	4 000
Swimming pools									3 525	-	-
Community halls				2 428	2 500		3 300	3 300	7 721	7 921	3 421
Libraries			205								
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries									2 300	2 000	1 250
Cemeteries			150			2 800	2 614	2 614	12 500	4 000	2 800
Social rental housing											
Other									10 719	14 183	17 550
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			14 782	24 145	24 861	14 550	40 131	40 131	1 050	425	500
General vehicles											
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment											
Computers - hardware/equipment			317			2 500	2 500	2 500			
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings			3 282	1 016	1 046	8 050	31 350	31 350			
Other Buildings				18 759	19 315	4 000	6 281	6 281	1 050	425	500
Other Land											
Surplus Assets - (Investment or Inventory)											
Other			11 184	4 370	4 500						
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on renewal of existing assets		1	88 822	116 459	119 912	268 858	324 255	324 255	289 444	358 876	279 186
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											
Renewal of Existing Assets as % of total capex			79.9%	52.0%	52.1%	60.7%	62.0%	62.0%	48.4%	45.3%	41.9%
Renewal of Existing Assets as % of deprecn			35.0%	42.5%	50.6%	121.0%	145.9%	145.9%	111.6%	133.8%	99.1%



# MSUNDUZI ANNUAL BUDGET

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

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			42 549	25 196	31 185	57 165	43 727	43 727	165 342	301 471	436 812
Infrastructure - Road transport			1 596	3 392	5 361	7 094	2 990	2 990	63 667	118 191	174 080
Roads, Pavements & Bridges			1 596	3 392	5 361	7 094	2 990	2 990	63 667	118 191	174 080
Storm water											
Infrastructure - Electricity			31 949	13 726	24 992	48 014	39 281	39 281	73 236	128 342	182 076
Generation											
Transmission & Reticulation			28 794	13 726	24 927	47 899	39 166	39 166	63 667	109 653	154 639
Street Lighting			3 156		66	115	115	115	9 569	18 689	27 438
Infrastructure - Water			345	1 216	746	1 554	954	954	21 849	41 953	61 592
Dams & Reservoirs											
Water purification											
Reticulation			345	1 216	746	1 554	954	954	21 849	41 953	61 592
Infrastructure - Sanitation			8 254	-	-	502	502	502	6 591	12 986	19 064
Reticulation			8 254			502	502	502	6 591	12 986	19 064
Sewerage purification											
Infrastructure - Other			405	6 862	86	-	-	-	-	-	-
Waste Management			377	3 627	86						
Transportation	2			-							
Gas				-							
Other	3		28	3 235					-	-	-
Community			3 218	9 015	2 074	-	-	-	-	-	-
Parks & gardens									-	-	-
Sportsfields & stadia			1 313	2 661	616						
Swimming pools											
Community halls											
Libraries			693	713	532				-	-	-
Recreational facilities											
Fire, safety & emergency			509	907	397						
Security and policing					37						
Buses	7										
Clinics			203	323	290				-	-	-
Museums & Art Galleries			6	150	1				-	-	-
Cemeteries			470	670	201				-	-	-
Social rental housing	8										
Other			24	3 592					-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other	9										
Investment properties			-	-	55 926	-	-	-	-	-	-
Housing development											
Other					55 926						
Other assets			19 881	5 298	-	38 150	37 174	37 174	126 015	217 412	171 482
General vehicles			9 512	320		11 618	10 630	10 630	21 399	40 618	59 632
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment				147		22 449	21 898	21 898	32 395	56 382	83 169
Computers - hardware/equipment									-	-	-
Furniture and other office equipment			7 606						-	-	-
Abattoirs									-	-	-
Markets									-	-	-
Civic Land and Buildings						3 474	3 362	3 362	70 314	116 678	23 199
Other Buildings				168					-	-	-
Other Land									-	-	-
Surplus Assets - (Investment or Inventory)									-	-	-
Other			2 763	4 663		608	1 285	1 285	1 907	3 734	5 482
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1		65 648	39 510	89 185	95 314	80 901	80 901	291 357	518 883	608 295
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											
R&M as a % of PPE			1.0%	0.6%	1.4%	1.5%	1.2%	1.2%	4.0%	6.0%	8.0%
R&M as % Operating Expenditure			2.8%	1.4%	2.7%	3.0%	2.5%	2.5%	8.3%	13.9%	15.2%



KZN225 Msunduzi - Supporting Table SA34d Consolidated Depreciation by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		21 798	105 653	23 027	96 064	96 064	96 064	118 948	131 125	138 291
Infrastructure - Road transport		10 225	78 156	10 729	70 514	70 514	70 514	90 562	99 664	105 086
Roads, Pavements & Bridges		7 835	64 941	8 340	56 416	56 416	56 416	74 899	82 752	86 995
Storm water		2 390	13 215	2 390	14 098	14 098	14 098	15 663	16 912	18 091
Infrastructure - Electricity		1 197	3 551	1 359	3 821	3 821	3 821	4 245	4 855	5 223
Generation										
Transmission & Reticulation		955	2 746	1 106	3 214	3 214	3 214	3 571	4 083	4 443
Street Lighting		242	804	252	607	607	607	675	771	779
Infrastructure - Water		3 704	8 309	3 759	8 120	8 120	8 120	9 021	10 316	10 419
Dams & Reservoirs		326	101	355	65	65	65	72	82	83
Water purification										
Reticulation		3 378	8 208	3 404	8 055	8 055	8 055	8 949	10 234	10 336
Infrastructure - Sanitation		2 941	11 765	3 435	10 780	10 780	10 780	11 976	12 695	13 832
Reticulation		2 941	11 765	3 435	10 780	10 780	10 780	11 976	12 695	13 832
Sewerage purification										
Infrastructure - Other		3 731	3 872	3 745	2 829	2 829	2 829	3 143	3 595	3 731
Waste Management		6	-	19	-	-	-	-	-	-
Transportation	2	1 457	1 280	1 457	1 290	1 290	1 290	1 433	1 639	1 755
Gas			-							
Other	3	2 268	2 592	2 268	1 540	1 540	1 540	1 710	1 956	1 975
<b>Community</b>		33 925	37 540	33 992	40 050	40 050	40 050	44 496	29 661	30 362
Parks & gardens		515	450	515	487	487	487	541	619	625
Sportsfields & stadia		5 421	4 134	5 423	4 470	4 470	4 470	4 967	568	574
Swimming pools		1 042	1 045	1 042	1 130	1 130	1 130	1 256	1 436	1 155
Community halls		13 131	13 201	13 142	14 090	14 090	14 090	15 654	1 790	1 808
Libraries		5 426	5 456	5 426	5 717	5 717	5 717	6 352	7 264	7 537
Recreational facilities		457	-	469	-	-	-	-	-	-
Fire, safety & emergency		1 218	1 308	1 218	1 414	1 414	1 414	1 571	1 796	1 814
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics	7	1 854	1 862	1 860	2 013	2 013	2 013	2 236	2 557	2 983
Museums & Art Galleries		1 134	1 137	1 134	1 229	1 229	1 229	1 365	1 561	1 677
Cemeteries		36	112	69	121	121	121	135	154	156
Social rental housing	8		5 134		5 378	5 378	5 378	5 975	6 832	6 901
Other		3 691	3 700	3 694	4 001	4 001	4 001	4 445	5 083	5 134
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		193 426	126 799	96 617	85 452	85 452	85 452	95 309	106 576	112 110
General vehicles		10 737	20 419	10 880	23 975	23 975	23 975	26 636	30 490	30 795
Specialised vehicles	10	1 849	3 193	1 974	1 424	1 424	1 424	1 566	1 809	1 827
Plant & equipment		4 907	7 360	4 962	5 460	5 460	5 460	6 066	6 936	7 006
Computers - hardware/equipment		3 567	5 983	3 582	3 046	3 046	3 046	3 384	3 870	3 909
Furniture and other office equipment		5 075	8 517	5 075	6 984	6 984	6 984	7 759	8 873	9 410
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		15 278	15 318	15 278	16 561	16 561	16 561	18 399	21 041	21 251
Civic Land and Buildings		18 575	18 692	18 575	20 208	20 208	20 208	22 838	23 675	27 931
Other Buildings		10 677	6 906	10 751	7 467	7 467	7 467	8 296	9 466	9 561
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		122 761	40 409	25 539	328	328	328	364	417	421
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		4 365	3 659	4 365	646	646	646	717	820	829
Computers - software & programming		4 365	3 659	4 365	646	646	646	717	820	829
Other (list sub-class)		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	<b>1</b>	<b>253 513</b>	<b>273 651</b>	<b>158 000</b>	<b>222 212</b>	<b>222 212</b>	<b>222 212</b>	<b>259 470</b>	<b>268 183</b>	<b>281 592</b>
<b>Specialised vehicles</b>		1 849	3 193	1 974	1 424	1 424	1 424	1 566	1 809	1 827
Refuse		384	1 719	509						
Fire		1 464	1 475	1 464	1 424	1 424	1 424	1 566	1 809	1 827
Conservancy										
Ambulances										



# MSUNDUZI ANNUAL BUDGET

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Corporate Services		29 272	87 763	96 650				
Vote 2 - Financial Management Area		34 896	-	-				
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		434 363	209 444	171 491				
Vote 4 - Sustainable Community Service Delivery Provision Management		99 223	495 392	397 839				
Vote 5 - [NAME OF VOTE 5]		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
<b>Total Capital Expenditure</b>		<b>597 754</b>	<b>792 599</b>	<b>665 980</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Corporate Services								
Vote 2 - Financial Management Area								
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management								
Vote 4 - Sustainable Community Service Delivery Provision Management								
Vote 5 - [NAME OF VOTE 5]								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		<b>597 754</b>	<b>792 599</b>	<b>665 980</b>	-	-	-	-





KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
					Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
R thousand	4										
<b>Parent municipality:</b>											
<i>List all capital projects grouped by Municipal Vote</i>											
Finance/IS services		CNL - Debtor Management Soft Ware					500	•	•		Renewal
Finance/IS services		CNL - Calls Centre Management System					200	•	•		Renewal
Finance/IS services		CNL - 8 x new filing system					•	80	•		New
Finance/IS services		CNL - 4 x Chairs					•	10	•		New
Finance/IS services		CNL - 4 x Adding machines/calculators					•	12	•		Renewal
Finance/IS services		CNL - 2 x Tidy Files Systems and Inserts					•	•	20		New
Finance/IS services		CNL - 4 x Chairs					•	•	10		New
Finance/IS services		CNL - 4 x Adding machines/calculators					•	•	12		New
Finance/IS services		CNL - Installation Cameras in all Cashiers Offices					150	•	•		New
Finance/IS services		CNL - Improvement of burglar guards and fence around Stores					•	250	300		Renewal
Infrastructure		CNL - REPLACEMENT OF LIFTS PROFESSOR A S CHETTY BUILDING					500	•	•		New
Infrastructure		CNL - LIGHTING UPGRADE 4TH, 2ND, 1ST FLOORS AS CHETTY BUILDING					•	175	200		New
Infrastructure		CNL - A S CHETTY BUILDING - WATERPROOFING ROOF SLAB					250	•	•		New
Infrastructure		CNL - AIRCONDITIONING UPGRADE 4TH, 2ND, 1ST FLOORS AS CHETTY BUILDING					2 000	500	•		New
Infrastructure		CNL - BURGER ST EXTENSION					10 000	10 000	1 500		New
Infrastructure		MIG - UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3)					3 000	7 500	•		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROADS					5 000	6 000	2 000		Renewal
Infrastructure		MIG - HORSE SHOE ACCESS RD AND PASSAGES IN IMBALI STAGE 1 & 2					1 000	1 000	1 000		Renewal
Infrastructure		MIG - UPGRADE OF GRAVEL RDS - EDN - WARD 12 - MOSCOW AREA RDS					4 500	4 000	1 500		New
Infrastructure		MIG - UPGRADE OF ROADS IN EDENDALE - KWANYAMAZANE ROADS					2 700	2 500	2 500		New
Infrastructure		MIG - UPGRADE OF ROADS IN EDENDALE - Route 7b					300	2 000	4 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - EDENDALE - WARD 16					2 500	2 500	2 500		New
Infrastructure		MIG - UPGRADE OF INTERNAL ROADS - HANVILLE					1 500	2 500	2 500		New
Infrastructure		MIG - UPGRADE GRAVEL ROADS IN EDENDALE IN ESGODINI					5 000	3 500	3 000		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - EDENDALE - STATION RD					13 000	2 500	•		New
Infrastructure		MIG - REHABILITATION OF ROADS IN ASHDOWN					2 500	2 500	2 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - EDENDALE - Roads in Unit 14/Unit P - Design					450	2 500	2 000		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - EDENDALE - MACHIBISA / DAMBUZA RDS					400	2 000	2 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - GREATER EDENDALE - WARD 17 Roads					1 000	1 500	1 500		New
Infrastructure		CNL - UPGRADE OF ROADS IN ASHBURTON - Design					800	5 000	5 000		New
Infrastructure		MIG - UPGRADE OF ROADS IN PEACE VALLEY - (Plan & Design in 2014/15) - 10km					250	3 500	2 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - GREATER EDENDALE - WARD 17 Roads (Phase 3, Unit 13)					1 500	1 500	150		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - EDENDALE - DAMBUZA MAIN ROAD Major SWD Upgrade					300	1 500	1 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - GREATER EDENDALE - GEORGETOWN & SURROUNDING AREA					800	2 000	1 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - D2089 (MTHALANE RD) - Phase2					5 000	8 000	9 000		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - GREATER EDENDALE - CALUZA ROADS					2 500	1 500	1 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - GREATER EDENDALE - Ward 10 Roads - Stormwater upgrade					1 000	2 000	2 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - GREATER EDENDALE - Snatching Rds - 5.0km - (Wububu Rd - 0.3km, Gudlinitaba Rd - 0.4km, Gudlinitaba Rd - 0.6km, Kl)					800	1 000	1 500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - WARD 3 ROADS					1 000	•	•		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - GREATER EDENDALE - HAREWOOD AREA					400	3 500	4 000		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - WARD 1 ROADS					2 000	2 500	•		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - WARD 4 ROADS					350	•	•		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - WARD 5 ROADS - incl. Henley Dam Area					350	•	•		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - WARD 6 ROADS					350	•	•		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - WARD 7 ROADS					350	•	•		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - WARD 8 ROADS - Masoyi Rd, etc					350	•	•		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - VULINDLELA - WARD 9 ROADS					12 047	•	•		New
Infrastructure		CNL - ROAD REHABILITATION - PWS					350	25 000	10 000		New
Infrastructure		CNL - CONNOR - OTTO'S BLUFF ROADS - LINK					2 000	13 000	1 600		New
Infrastructure		CNL - LESTER BROWN LINK ROAD					5 000	10 000	500		New
Infrastructure		MIG - UPGRADE OF GRAVEL ROADS - EDENDALE - WARD 22 - 8.4km roads - Storm-water drainage provision					300	•	•		New
Infrastructure		NEW FOOTPATHS, PASSAGES, KERBING & CHANNELING - SOBANTU					300	150	200		New
Infrastructure		ASHDOWN BANK PROTECTION AGAINST COLLAPSING OF ADJACENT HOUSES - P15					800	•	•		Renewal
Infrastructure		CNL - CANALIZATION OF A STREAM IN NORTHDALE (Revised design)					•	6 000	800		Renewal
Infrastructure		CNL - Upgrade SWD system in the Imbali Roads - Lower Sinkwazi Rd flooding, etc					300	2 500	1 500		New
Infrastructure		CNL - Upgrade SWD system in the CBD Roads - Chapel Street floods, etc					350	1 700	2 000		New



# MSUNDUZI ANNUAL BUDGET

Infrastructure	MG - UPGRADE SWD IN GREATER EDENDALE - FLOODING HOUSES IN SIYAMU	300	200	♦	Neu
Infrastructure	MG - UPGRADE OF BRIDGES - Pedestrian Bridge Over River - Smero/Esigodini	300	2 800	♦	Neu
Infrastructure	CNL - GRIMTHORPE ROAD BRIDGE ( DESIGN AND EIA)	♦	6 000	3 000	Neu
Infrastructure	MG - WOODHOUSE PEDESTRIAN BRIDGE	2 700	♦	♦	Neu
Infrastructure	CNL - TRAFFIC CALMING MEASURES	1 500	1 500	1 500	Neu
Infrastructure	DOT - PUBLIC TRANSPORT INFRASTRUCTURE	100 000	220 000	250 000	Neu
Infrastructure	CNL - NON MOTORISED TRANSPORT INFRASTRUCTURE DESIGN	500	3 000	3 000	Neu
Infrastructure	MG - BUS STOP SHELTERS	1 000	1 000	1 500	Neu
Infrastructure	CNL - CHOTA MOTALA INTERCHANGE	7 122	♦	♦	Neu
Infrastructure	CNL - BROOKSIDE TAXI HOLDING AREA	4 500	♦	♦	Neu
Infrastructure	CNL - TRAFFIC LIGHT SPARES, EQUIPMENT & TOOLS	♦	100	100	Neu
Infrastructure	CNL - INSTALLATION OF TRAFFIC SIGNALS	1 000	800	♦	Renewal
Infrastructure	MG - REHABILITATION OF PUBLIC ABLUTIONS	500	500	♦	Renewal
Infrastructure	CNL- REPLACEMENT EDENDALE ROAD DEPOT ROOF - DAMAGED BY WHITE ANTS	400	♦	♦	Neu
Infrastructure	CNL - REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT	♦	31 200	15 450	Renewal
Infrastructure	CNL - Purchase of Blowers	♦	84	89	Neu
Infrastructure	CNL - Supply of 15m3 Refuse containers to businesses	200	738	778	Renewal
Infrastructure	CNL- Supply of 1.75m3 Bins for paying customers	♦	632	667	Renewal
Infrastructure	3 X replacement compactors	♦	3 784	3 989	Renewal
Infrastructure	240Lt refuse containers to main CBD customers	♦	253	287	Renewal
Infrastructure	Develop new Edn garden site/recycling centre	500	2 108	1 222	Renewal
Infrastructure	Revamping of Ritchie, Link & Prestbury G/Sites	1 000	1 581	1 666	Renewal
Community	MG - LANDFILL UPGRADE	8 164	9 213	14 000	Renewal
Infrastructure	Purchase of 12 x LDVs	♦	1 581	1 666	Renewal
Infrastructure	Furniture	♦	53	56	Neu
Infrastructure	Purchase of 2 x Clam Grab Trucks	1 000	2 108	1 222	Neu
Infrastructure	Purchase of 4 x Fiat bed vehicles	2 000	3 162	1 333	Neu
Infrastructure	MG - SANITATION INFRASTRUCTURE FEASIBILITY STUDY	12 000	6 000	3 000	Neu
Infrastructure	MG - REHABILITATION OF SANITATION INFRASTRUCTURE	9 168	5 000	20 000	Neu
Infrastructure	MG - SEWER PIPES UNIT H	7 850	6 000	8 000	Renewal
Infrastructure	MG - SEWER PIPES AZALEA - PHASE 2	8 970	9 000	14 000	Neu
Infrastructure	MG - ELIMINATION OF CONSERVANCY TANKS - (SEWER)	1 000	6 000	10 000	Neu
Infrastructure	CNL - SERVICE MIDDLEBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALL (SEWER)	8 000	10 000	10 000	Neu
Infrastructure	CNL - TELEMETRY / INSTRUMENTATION EQUIPMENT	400	400	500	Neu
Infrastructure	CNL- REPLACEMENT OF LIFTS PROFESSOR NYEMBEZI BUILDING	300	♦	♦	Neu
Infrastructure	CNL- REPAIRS TO BRICKWORK PROFESSOR NYEMBEZI BUILDING	500	500	♦	Neu
Infrastructure	CNL- PROFESSOR NYEMBEZI BLDG - - REPLACEMENT OF AIRCON CONSOLE UNITS	600	500	500	Renewal
Community	Master plan-Renovations of Halls	4 821	4 921	2 421	Neu
Infrastructure	CNL- NEW PLANT AND EQUIPMENT	♦	150	200	Neu
Community	Office Furniture	♦	53	56	Neu
Community	Equipment	♦	53	56	Neu
Community	Fleet Replacement	♦	2 500	2 500	Renewal
Community	Development of Disaster Management Plan	500	♦	♦	Renewal
Community	Upgrade of Communication Centre	1 000	500	♦	Neu
Community	Two way radio	♦	500	♦	Renewal
Community	Multi-Gym For Fire Stations	♦	100	♦	Renewal
Community	New Training Facility	♦	1 500	♦	Renewal
Community	Critical Fire Fighting Equipment	350	150	150	Neu
Community	New Vulindlela Fire Station	♦	3 500	♦	Renewal
Community	New Northdale Fire Station	♦	♦	3 500	Renewal
Community	Upgrade to Parking Facility	♦	800	♦	Renewal
Community	Breathing Apparatus	♦	50	50	Neu
Community	new heavy duty printer	♦	25	25	Neu
Community	New mobile and portable radios	♦	100	100	Neu
Community	Weapons - 9mm Pistols	♦	250	25	Neu
Community	Alarm system on council property	♦	♦	25	Renewal
Community	Chain saw	♦	♦	95	Neu
Community	Sound level meter	♦	35	35	Renewal
Community	Computers	♦	10	♦	Renewal
Community	Fridge	♦	900	♦	Renewal
Community	Vehicles (2 Cars + 2 LDVs)	♦	9	♦	Neu
Community	Furniture - Chairs (2 high back and 8 office)	200	♦	300	Neu
Community	Air Pollution Monitoring Station	750	500	600	Neu
Community	Analysers for Air Pollution Station	♦	500	500	Neu
Community	Parks Offices-Renovate, Paint	♦	500	500	Neu
Community	Parks Offices-Resurface driveway and parking	500	1 000	1 000	Neu



Comm unity	Outdoor gyms x 3 for all Districts	150	150	150	Neu
Comm unity	Alex Park revitalisation master plan implementation	500	3 000	2 000	Neu
Comm unity	Brushcutters x 90	540	•	•	Neu
Comm unity	Replace Slasher Mowers x 16	250	250	250	Neu
Comm unity	Replace ride-on mowers x 5	•	50	25	Neu
Comm unity	Replace Hydro mower x 3	320	160	•	Neu
Comm unity	Pro-cut mower x 5	•	•	50	Neu
Comm unity	Goal Posts, Basket ball frames, Rugby posts	•	50	50	Neu
Comm unity	Tractors x 15	•	2 500	1 000	Neu
Comm unity	Trucks 5 ton x 3	•	1 000	1 000	Neu
Comm unity	LDV 1 ton x 10	•	1 000	1 000	Neu
Comm unity	LDV 1 ton 4x4 x 2	•	350	•	Neu
Comm unity	Renovate and paint offices & cottages-all Cemeteries	7 000	•	300	Neu
Comm unity	Hollingswood Cemetery	100	•	•	Neu
Comm unity	Cemeteries & Crematoria Sector plan-App of Consultant-Investigate & Identify land for new Cemeteries	300	2 000	1 000	Neu
Comm unity	Survey-Perimeter Fencing & gates all cemeteries	1 800	•	•	Neu
Comm unity	Installing New Cremator at Crem One	1 500	1 500	1 000	Neu
Comm unity	Fencing of Parks Lotus park	•	50	50	Neu
Comm unity	Copseville Park-Phase 3	•	120	•	Neu
Comm unity	Collapsible Fencing Ground no 1 Northdale stadium	•	75	8	Renew al
Comm unity	Play ground Equipment Jans, Kingston and fairbreeze	•	2 000	•	Renew al
Comm unity	Master plan-Establishment of 2 Parks in Edendale	10 200	10 000	4 000	Neu
Comm unity	Msunduzi Regional Athletics Track-Alexandra Park	•	5 537	3 537	Neu
Comm unity	Master plan for maintenance of sport facilities	250	•	•	Neu
Comm unity	Master plan-Grading and Categorization of venues	1 000	•	•	Neu
Comm unity	Build new pool in Edendale Valley	200	•	•	Neu
Comm unity	Upgrade Electronic timing system Alexandra pool	2 000	•	•	Neu
Comm unity	Refurbish plant room and bulding Berg St pool	5 000	•	•	Neu
Comm unity	Relocate parking and entrance Olympic pool	1 000	•	•	Renew al
Comm unity	Sustainability plan-Harry Gwala Stadium	2 000	4 500	•	Neu
Comm unity	Training Facility-MUFC-Toilets, changeroom, fencing	11 203	14 000	•	Neu
Comm unity	CNL - COMPLETION OF MOSES MABHIDA MULTI-PURPOSE BUILDING	•	•	•	Neu
Comm unity	AMG - REGIONAL ATHLETIC TRACK SPORT COMPLEX	250	•	•	Neu
Comm unity	CCTV Surveillance cameras	300	•	•	Neu
Comm unity	Storage for Permanent Art Collection	300	•	•	Renew al
Comm unity	Refurbishment of Airconditioning Plant	•	100	100	Renew al
Comm unity	Purchase of Artworks	250	250	•	Neu
Comm unity	Roof Refurbishment	750	750	250	Neu
Comm unity	Parking and Tatham Gallery Grounds	1 000	1 000	1 000	Neu
Comm unity	Refurbishment of Tatham Gallery & Old Presbyterian Church Facade and Exterior of Bldg	250	2 500	1 000	Neu
Good Governance	CNL - REFURBISHMENT OF CITY HALL BUILDING - (Door, Windows, Gutters, Down Pipe, Moldings, Toilets Etc) Appt AMAFA Consultant for application and costing	200	•	•	Neu
Good Governance	Document management System	1 000	•	•	Neu
Good Governance	Lithographic colour printing Machine	200	•	•	Neu
Good Governance	Numbering and perforating Machine	10 350	10 737	11 288	Neu
Good Governance	NDPG - NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP	•	•	•	Neu
Good Governance	Time and attendance system	300	•	•	Neu
Good Governance	Connectivity and Cabling	750	•	•	Neu
Good Governance	Disaster Recovery Planning	1 300	1 000	1 000	Neu
Good Governance	Operation Sukuma Sakhe	1 000	1 000	1 000	Neu
Good Governance	Furniture and Equipment	•	1 580	1 600	Neu
Good Governance	Computers	3 000	3 147	3 147	Neu
Good Governance	Vehicles	6 000	11 539	11 539	Neu
Infrastructure	CNL - SUBSTATION BATTERY CHARGERS	10 000	20 980	9 980	Neu
Infrastructure	CNL - SYSTEM REINFORCEMENT	•	26 225	15 225	Neu
Infrastructure	CNL - NETWORK REFURBISHMENT	3 000	9 000	9 000	Neu
Infrastructure	CNL - CROSSWAYS CABLES	20 000	9 020	•	Neu
Infrastructure	INEP - ELECTRIFICATION	1 500	1 574	1 574	Neu
Infrastructure	CNL - NETWORK 132kV REHABILITATION PLAN	1 000	1 049	1 049	Neu
Infrastructure	CNL - LV PROTECTION RETROFIT	5 000	6 399	6 399	Neu
Infrastructure	CNL - QOS SYSTEMS	50 000	15 735	15 735	Renew al
Infrastructure	CNL - RE-ROUTING OF OHL IN CLARIDGE	6 000	8 382	8 382	Renew al
Infrastructure	CNL - SMART METERS	10 000	10 000	10 000	Renew al
Infrastructure	CNL - STREETLIGHTING	11 203	10 000	12 833	Neu
Infrastructure	AMG - HIGH MAST LIGHTS IN VULINDLELA & GREATER EDEDALE	•	•	•	Neu
Infrastructure	CNL - UPGRADE OF TRANSFORMER	•	•	•	Neu
Infrastructure	AMG - REDUCTION OF NON REVENUE WATER	•	•	•	Neu



1. Must reconcile with Budgeted Capital Expenditure

1. Must reconcile with Budgeted Capital Expenditure

2. As per Table SA6

2. As per Table SA6  
2. As per Table SA24

3. As per Table SA34

4. Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by programme by Vote



KZN225 Msunduzi - Supporting Table SA37 Consolidated projects delayed from previous financial year/s

R thousand	Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	2014/15 Medium Term Revenue & Expenditure Framework		
									Original Budget	Full Year Forecast	Budget Year 2014/15
	Parent municipality: List all capital projects grouped by Municipal Vote										
	Infrastructure		Vulindlela Streetlighting Phase 3		Examples	Examples		3116596	3 117	3 117	
	Entities: List all capital projects grouped by Municipal Entity										
	Entity Name Project name										

References





## VIREMENT POLICY

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1. Introduction
2. Definition
3. Types of Virement
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5. General



## 1. Introduction

In compliance with the Municipal Finance Management Act, the policy seeks to give flexibility in terms of undertaking Virement in an event of changes that may take place in line with service delivery and budget implementation plan (SDBIP) of the municipality.

## 2. Definition

Virement is the process of transferring funds from one line item of a budget to another. The term is derived from a French word meaning a commercial transfer.

## 3. Types of Virements

### 3.1 Line item Virement

Line item virement is the process of funds re-allocation between line items within a vote (department).

### 3.2 Vote Virement

Vote Virement is the process of funds re-allocation between the votes (department), undertaken during the mid-year budget process.

To the extent that it is practical to do so, transfers within the first five(5) months and the last two(2) months of the financial year should be avoided.

## 4. Provision for Virement outside the adjustment budget process

Unforeseen and unavoidable expenditure will be dealt with in terms of the Municipal Finance Management Act (MFMA).

Exceptional circumstances

The Virement will only take place subject to conditions of authorization as contained in the Virement procedure manual.

## 5. General

The Municipal Manager shall be responsible for the implementation and administration of this Policy.

The policy *as amended* will be effective as from **1 July 2014**.



## CASH MANAGEMENT AND INVESTMENT POLICY

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1. Introduction
2. Objectives of the policy
3. Cash management
4. Cash management principles
5. Investment principles
6. Commencement



## 1. Introduction

This policy applies to The Msunduzi Municipality, its municipal entities and its investment managers acting on behalf of or assisting it or a municipal entity in making or managing investments (S 2: GN 308: 2005)

## 2. Objectives of the policy

This investment policy is therefore aimed at gaining the highest possible return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

## 3. Cash Management

- 3.1 To collect all monies as soon as possible after they become payable and deposit them into a bank account
- 3.2 Effective control over expenditure and proper planning of payments.
- 3.3 Administer effectively and control available cash through the proper management of one or more bank accounts.

## 4. Cash Management Principles

The Chief Financial Officer shall monitor cash flows on a daily basis to ensure that Council is able to meet its financial commitments and that the operating bank account does not carry unduly high balances. Any surplus funds shall be transferred on a daily basis to a call account attracting the highest possible interest provided that those funds can be retrieved at short notice.

## 5. Investment Principles

### 5.1 Standard of Care

Investments made by The Msunduzi Municipality and its municipal entities must be made with such judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs and in accordance with the standard of care set out in regulation 5; GN 308:2005 to ensure that it placed its investments with credit-worthy institutions.

All investments must be genuine investments that are, not made for speculation.

Investments must in the first instance be made with the primary regard being to the probable safety of the investments. In the second instance, to the liquidity needs of the municipality and lastly to the probable income derived from the investment.

A municipality or municipal entity must regularly monitor its investment portfolio; and when appropriate, liquidate an investment that no longer has the minimum acceptable credit rating as specified in this policy,



A municipality or municipal entity may make an investment only if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the rand against any foreign currency.

## **5.2 Limiting Exposure**

The municipality must take all reasonable and prudent steps, consistent with its Investment Policy and according to the standard of care in section mentioned in 5.1 above:-

In terms of GN 308; 2005 S 4 (c) (ii) (bb) the policy must have due regard for the need for investment diversification. In terms regulation 10 (GN 308:2005) this investment may include the placing of investment portfolio across institutions, types of investments and investment maturities in order to limit the risk exposure of the municipality.

The municipality shall further ensure that investments are spread across more than one investment category or type, for example call, money market and fixed deposits and that the investment maturities are not all the same.

## **5.3 Risk and Return**

Subject to section 4 (c) (ii) of the Municipal Cash Management and Investment Regulations, the Chief Financial Officer in making investments on behalf of the municipality shall always strive to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved.

## **6. Commencement**

This policy and amendments shall be affective as from **1 July 2014**.





# ASSET MANAGEMENT POLICY

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# MSUNDUZI ANNUAL BUDGET

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# MSUNDUZI ANNUAL BUDGET

## DEFINITIONS AND ABBREVIATIONS

ITEM	DESCRIPTION
Carrying Amount	The amount at which an asset is included in the statement or financial position after deducting any accumulated depreciation and any impairment losses thereon
Cost	The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction
Depreciation	This is the systematic allocation of the depreciable amount of an asset over its useful life
Depreciable amount	The cost of an asset, or other amount substituted for cost in the financial statements, less its residual value
Disposal Committee	A committee established in accordance with the provisions of section 4 of Msunduzi Municipality's Supply Chain Management Policy.
Fair Value	The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction
AMS/FAR	Assets Management System/Fixed Assets Register
IIR	Insignificant Items Register
GRAP	Standards of Generally Recognised Accounting Practice
IAS	International Accounting Standards
PPE	Property, Plant & Equipment – These are tangible assets that: are held by an entity for use in the production or supply of goods or services, for rental to others or for administrative purposes are expected to be used during more than one reporting period
Recoverable amount	The amount that the entity expects to recover from the future use of an asset, including residual value on disposal
Residual Value	The net amount which the entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal
SCM	Supply Chain Management
DMM	Deputy Municipal Manager
MM	Municipal Manager
CFO	Chief Financial Officer
Useful Life	Useful life is either: <ul style="list-style-type: none"> <li>• the period of time over which an asset is expected to be used by the entity, or</li> <li>• the number of production or similar units expected to be obtained from the asset by the entity</li> </ul>



## SECTION I

### OBJECTIVE OF THE ASSET MANAGEMENT POLICIES AND PROCEDURES

The Asset Management Policy provides direction for the management, accounting and control of Fixed Assets owned or controlled by The Msunduzi Municipality.

## SECTION 2

### ROLE OF THE MUNICIPAL MANAGER

As accounting officer of the city, the Municipal Manager shall be the principal custodian of all the city's fixed assets, and shall be responsible for ensuring that the Asset Management Policy is scrupulously applied and adhered to.

The Municipal Manager or his duly delegated representative is responsible to ensure implementation of the approved Asset Management Policy as required in terms of section 63 of the Municipal Finance Management Act (MFMA).

## SECTION 3

### ROLE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer shall be the custodian of the assets management system of the City, and shall ensure that a complete, accurate and up-to-date computerised assets management system is maintained. No amendments, deletions or additions to the assets management system shall be made other than by the Chief Financial Officer or by an official acting under the written instruction of the Chief Financial Officer.

#### **3.1 The Asset Management Unit**

1. Shall ensure that complete records of asset items are kept, verified and balanced regularly.
2. Shall ensure that all movable assets are properly tagged and accounted for (see also 23.1)
3. Shall ensure that a verification report is compiled after every movable asset verification. The report shall –
  - a) Reflect a complete list of all assets found during the verification;
  - b) Reflect whether appropriate records have been maintained indicating what articles should have been found during verification;
  - c) Reflect any discrepancies between the articles found during verification and the record referred to above;
4. Shall ensure that the assets management system is balanced monthly with the general ledger and the financial statements in conjunction with the CFO.
5. Shall ensure adequate bar codes to exercise the function relating to asset control are available at all times.





6. Provide the Auditor-General or his personnel, on request, with the financial records relating to assets belonging to Council as recorded in the assets management system.
7. Ensure that all audit queries are resolved in a timely manner.
8. Shall ensure that the relevant information relating to the calculation of depreciation is obtained from the Strategic Business Units and provided to the Strategic Business Unit Finance in the prescribed format.
9. Shall ensure that asset acquisitions are allocated to the correct asset code.
10. Shall ensure that, before accepting an obsolete or damaged asset or asset inventory item, a completed asset disposal form, countersigned by the Asset Management Unit, is presented.
11. Shall ensure that a verifiable record is kept of all obsolete, damaged and unused asset or asset inventory items received from Strategic Business Units.
12. Shall compile a list of the items to be auctioned in accordance with their guidelines in the Supply Chain Management (SCM) Policy.
13. Shall compile and circulate a list of unused movable assets to enable other Strategic Business Units to obtain items that are of use to them.
14. Shall ensure that the Supply Chain Management is notified of any auctioning or disposing of written-off asset or asset inventory items.

### 3.2 Supply Chain Management

1. Shall dispose of assets in accordance with the provisions in the Supply Chain Management (SCM) Policy, MFMA and Municipal Asset Transfer Regulations.
2. The Bid Adjudication / Bid Specification Committee must comply with and be constituted in accordance with the procurement SCM policy.

## SECTION 4

### ROLE OF OTHER STRATEGIC BUSINESS UNITS

#### 4.1 Human Resources Departments of Business Units

The Human Resources Departments:

1. Shall ensure that no monies are paid out on termination of service without receiving the relevant asset resignation form signed off by the relevant Strategic Business Unit. (See also 23.6)
2. Shall ensure that every asset resignation form is counter signed by the Asset Management Unit before processing the termination of service.

#### 4.2 All Strategic Business Units

1. Shall ensure that employees in their Strategic Business Units adhere to the approved Asset Management Policies.
2. Shall ensure that an employee with delegated authority has been nominated to implement and maintain physical control over assets in his / her Strategic Business Unit. The Asset Management Unit must be notified of who the responsible person is. Although authority has been delegated the responsibility to ensure adequate physical control over each asset remains with the DMM.
3. Shall ensure that assets are properly maintained in accordance with their respective asset maintenance policy.
4. Shall ensure that the assets and / or inventory items of the City are not used for private gain.



5. Shall ensure that all their movable assets as reflected on the Fixed Asset Register are bar-coded.
6. Shall ensure that the Asset Management Unit is notified of any changes in the status of the assets under the Strategic Business Unit's control.  
This must be done on the prescribed form and include the following:
  - a. Movements/Disposals which relate to the transfer of assets (inter departmental transfers)
  - b. Changes in the estimated useful lives of assets for depreciation purposes.
  - c. The identification of impairment losses on assets by following the procedures as outlined in Section 18 of this policy document.
7. Shall certify in writing that they have assessed and identified impairment losses on all assets as outlined in Section 18 of this policy document .
8. Shall ensure that all obsolete and damaged asset items, accompanied by the relevant asset form and attached disposal forms, are handed in to the Asset Management Unit without delay.
9. Shall be responsible for maintaining and managing their own Strategic Business Unit Inventory Listing (DIL) for items that will not be recorded in the Fixed Asset Register or Insignificant Items Register. These inventory assets are acquired via the operational budget. The information to be recorded in the DIL must include the description, quantity and location of the items.
10. Shall ensure that the correct cost element and description are being used before authorising any requisitions.
11. Shall not procure any asset until the asset number is obtained, asset number allocated and will ensure that assets are bar-coded by the Asset Management Unit and insured by Finance (Insurance Department).
12. The detailed projects as created must be categorized and clearly identified as follows:
  - a. Immovable Assets:
    - i. Infrastructure assets
    - ii. Buildings
    - iii. Land
    - iv. Community Assets
    - v. Recreational Facilities
    - vi. Asset under construction (Only an asset after completion)
    - vii. Town Development
    - viii. Investment Properties
    - ix. Intangible assets
    - x. Agricultural assets
  - b. Movable Assets:
    - i. Office Equipment
    - ii. Furniture and Fittings
    - iii. Bins and Containers
    - iv. Emergency Equipment
    - v. Motor Vehicles
    - vi. Watercraft
    - vii. Plant and Equipment



## SECTION 5 DEFINITION OF AN ASSET

### 5.1 Definition of an Asset

A fixed asset is an asset, either movable or immovable, owned by or under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year, which cost or fair value can be measured reliably.

**Fixed assets will include Property, Plant and Equipment (as defined in GRAP 17), Intangible Assets (as defined in GRAP 102), Investment Property (as defined in GRAP 16), Heritage Assets (as defined in GRAP 103), as well as Assets held under a finance lease, in accordance with the principles contained in GRAP 13.**

### 5.2 Role of Assets

The role of assets is to support the delivery of a service to the public. Assets should exist to **support programme delivery.**

## SECTION 6 FORMAT OF THE FIXED ASSET REGISTER

### 6.1 Format

The fixed asset register shall be maintained in the format determined by the CFO, which format shall comply with the requirements of generally recognised accounting practice (GRAP) and any other accounting requirements which may be prescribed.

Without in any way detracting from the compliance criteria mentioned in the preceding paragraph, the fixed asset register shall reflect at least the following information:

- a. a brief but identifiable description of each asset;
- b. the date on which the asset was acquired or commissioned;
- c. the location of the asset;
- d. the departments or cost centre within which the assets will be utilised;
- e. the title deed number, in the case of fixed property;
- f. the stand number and physical address, in the case of fixed property;
- g. where applicable, the identification number, as determined in compliance with 7.2 below;
- h. the original cost or fair value if no costs are available;
- i. the (last) revaluation date of the fixed assets subject to revaluation;
- j. the re-valued value of such fixed assets;
- k. accumulated depreciation to date;
- l. the carrying value of the asset;
- m. the method and rate of depreciation;
- n. impairment losses;
- o. impairment recovery;
- p. the source of financing;
- q. the current insurance arrangements;
- r. the date on which the asset is disposed of;
- s. the disposal price; and
- t. the date on which the asset is retired from use, if not disposed of.

All DMM's of Strategic Business Units under whose control any fixed asset falls shall promptly provide the Chief Financial Officer in writing of any information required to compile the fixed asset register, and shall promptly advise the Chief Financial Officer in writing of any material change which may occur in respect of such information.



A fixed asset shall be capitalised, that is, recorded in the fixed asset register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, whereafter it shall be appropriately capitalised as a fixed asset.

A fixed asset shall remain in the fixed asset register for as long as it is in physical existence. The fact that a fixed asset has been fully depreciated shall not in itself be a reason for writing-off such an asset.

## 6.2 Different categories of registers

The following is an outline of the requirements relating to the various types of asset registers that the City will maintain:

- a. The Chief Financial Officer is responsible for ensuring that complete records of asset items are kept, verified and balanced regularly.
- b. The Fixed Asset Register (FAR) for the City will contain the following types of assets categorized as immovable or movable assets:

### **Immovable Assets:**

- a. Infrastructure assets:
  - i. Electricity assets
  - ii. Water networks and related assets
  - iii. Waste water networks and related assets
  - iv. Roads and Stormwater
- b. Land and Buildings
- c. Investment properties
- d. Community assets
- e. Heritage assets
- f. Intangible assets
- g. Agricultural assets
- h. Other assets

### **Movable Assets:**

- a. Office Equipment
- b. Furniture and Fittings
- c. Bins and Containers
- d. Emergency Equipment
- e. Motor Vehicles
- f. Aircraft
- g. Watercraft
- h. Plant & Equipment

1. The FAR will consist of all the asset master records of assets capitalised each inclusive of non-claimable VAT. These assets, except for group assets must be numbered with the approved barcode labels.

2. **Immovable assets** on the FAR will not be physically numbered with barcode labels but will have a unique asset master record number.

3. **Capital work-in-progress.** Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use.



## SECTION 7

### CLASSIFICATION AND IDENTIFICATION OF FIXED ASSETS

#### 7.1 Classification

In compliance with the requirements of GRAP, the Chief Financial Officer shall ensure that all fixed assets are classified under the following headings, and Heads of Departments shall in writing provide the Chief Financial Officer with such information or assistance as is required to compile a proper classification:

- a. land (not held as investment assets)
- b. infrastructure assets (assets which are part of a network of similar assets)
- c. community assets (resources contributing to the general well-being of the community)
- d. heritage assets (culturally significant resources)
- e. other assets (ordinary operational resources)
- f. housing (rental stock or housing stock not held for capital gain)
- g. investment properties (resources held for capital or operational gain).

The Chief Financial Officer shall adhere to the classifications indicated in the annexure on fixed asset lives (as per Assets Procedure Manual), and in the case of a fixed asset not appearing in the annexure shall use the classification applicable to the asset most closely comparable to the asset in question.

#### PROPERTY, PLANT AND EQUIPMENT

1. **Land** (not held as investment assets);
2. **Buildings** excluding buildings classified as investment assets, buildings classified as Heritage assets and buildings utilised in contributing to the community's well-being (Clinics, libraries etc)
3. **Infrastructure assets** are defined as any asset that is part of a network of similar assets. These assets usually display some or all of the following characteristics:
  - a. They are part of a system or network;
  - b. They are specialised in nature and do not have alternative uses,
  - c. They are immovable; and
  - d. They may be subject to constraints on disposal.

Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks. Infrastructure can be considered as a single asset or more usefully as a collection of different assets. Each individual asset shall be measured at its own cost and own lifespan, which will influence the depreciation of such an asset.

1. **Community Assets** are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.
2. **Heritage assets** are defined as culturally significant resources. Examples are works of art, historical buildings and statues.
3. **Capital Finance Lease** assets are defined as assets financed by a Capital Lease if it transfers substantially all the risks and rewards incident to ownership of the asset from the lessor to the city, in return for a payment or series of payments by the city to the lessor.
4. **Other assets** are defined as assets utilised in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

#### **ASSETS HELD FOR SALE**

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the





intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as Non-current Assets held for Sale, and not included in either property, plant or equipment or investment property in the municipality's balance sheet, at a value equal to the lower of cost and net realisable value, in accordance with GRAP 100. The CFO will do a comparison on balance sheet data, and adjustments to the previous year's recorded value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

Such Non-current assets shall be recorded in the assets management system in the same manner as other fixed assets, but a separate section of the assets management system shall be maintained for this purpose.

Land that was purchased for explicit township development will initially be accounted for in terms of Grap 100 as Non Current Assets held for Sale and as Work in Progress and when the township development has been completed inclusive of all infrastructure then it will be disclosed and accounted of GRAP 12 as Inventory.

## INVESTMENT PROPERTY

**Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of financial position.**

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the assets management system in the same manner as other fixed assets, but a separate section of the assets management system shall be maintained for this purpose.

Investment assets shall be not depreciated, but shall be annually valued on balance sheet date to determine their fair value as prescribed in GRAP 16. Investment assets shall be recorded in the balance sheet at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned, where it cannot be accounted for against the Revaluation reserve.

A professional valuer shall be engaged by the municipality to undertake the valuations .

If the Council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – where after it shall be reclassified as an investment asset.

### **7.2 Identification**

The Municipal Manager shall ensure that the city maintains a fixed asset identification system which shall be operated in conjunction with its computerised fixed asset register.

The identification system shall be determined by the Municipal Manager, acting in consultation with the Chief Financial Officer and other DMM's of Strategic Business Units, and shall comply with any legal prescriptions, as well as any requirements of the Auditor-General, and shall be decided upon within the context of the city's budget.

Every DMM of a Strategic Business Unit shall ensure that the asset identification system approved for the city is scrupulously applied in respect of all fixed and movable assets controlled or used by the Strategic Business Unit in question.



## 7.3 **Verification**

Every Head of Department shall undertake a comprehensive verification of all movable assets controlled or used by the department concerned. A yearly complete electronic verification of all movable assets must be done in the first half of the financial year thereafter within the second half of the same financial year written confirmation must be submitted to the Asset Control Unit that the inventory lists remain unchanged as per the inventory lists produced during the electronic verification. Should the inventory need to be altered these amendments must be reported to the Asset Control Unit immediately as soon as the activity that resulted in the inventory change in order to update the Fixed Asset Register.

Activities which will result in changes to inventory:

1. Movements
2. Disposals
3. Theft or Losses
4. Impairments

The verification must be done in compliance with the relevant written directives issued by the Chief Financial Officer, The directives issued by the Chief Financial Officer shall stipulate the date(s) when such verification shall be undertaken.

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer in the format determined by the Chief Financial Officer, all relevant results of such movable asset verification, and the resultant report shall be submitted to the Chief Financial Officer not later than stipulated date.

## 7.4 **Safekeeping**

Section 63 of the Municipal Financial Management Act (Act no. 56 of 2003) determines that the accounting officer of a municipality is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of these assets.

Section 78 of the Municipal Financial Management Act (Act no. 56 of 2003) determines each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary. A senior manager or such official must perform the functions subject to the directions of the accounting officer of the municipality.

Every DMM of a Strategic Business Unit shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the Strategic Business Unit in question.

In exercising this responsibility, every DMM of a Strategic Business Unit shall adhere to any written directives issued by the Municipal Manager to the Strategic Business Unit in question, or generally to all Strategic Business Units in regard to the control of or safekeeping of the city's fixed assets.



## SECTION 8 HERITAGE ASSETS

### 8.1 Definition

Heritage assets are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

### 8.2 Disclosure of Heritage Assets

Heritage assets shall be carried at its cost less any accumulated impairment losses after recognition as an asset, in accordance with GRAP 103.

If no original costs or reasonable values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a reasonable value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the assets management system without an indication of the costs or reasonable value concerned.

For balance sheet purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note, with reasons why the value of such heritage assets or class of heritage assets, if any, could not be measured reliably.

### 8.3 Recognition

A heritage asset shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- (b) the cost or fair value of the asset can be measured reliably
- (c) only if the portion not Heritage Asset is insignificant

## SECTION 9 DONATED ASSETS

Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the assets management system at such reasonable value as the Chief Financial Officer assigns to the asset in question, and the CFO will be authorised to utilise the services of valuers, if deemed necessary.



## SECTION IO BIOLOGICAL ASSETS

Accounting for biological assets shall take place in accordance with the requirements of GRAP 101.

The Chief Financial Officer, in consultation with the head(s) of department concerned, shall ensure that all biological assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated point-of-sales costs. Such valuation shall be undertaken by a recognised valuer in the line of the biological assets concerned. Any losses on such valuation shall be debited to the department or vote concerned as an operating expense, and any increase in the valuation shall be credited to the department or vote concerned as operating revenue.

If any biological asset is lost, stolen or destroyed, the matter – if material – shall be reported in writing by the Head of Department concerned in exactly the same manner as though the asset were an ordinary fixed asset.

Records of the details of biological assets shall be kept in a separate section of the fixed assets register or in a separate accounting record, and such details shall reflect the information which the Chief Financial Officer, in consultation with the Head of Department concerned and the internal auditor, deems necessary for accounting and control purposes.

The Chief Financial Officer shall annually insure the municipality's biological assets, in consultation with the head(s) of department concerned, provided the Council of the municipality considers such insurance desirable and affordable.

## SECTION II CAPITALISATION CRITERIA

### 11.1 **Capitalisation**

All fixed assets that comply with the definition of an asset and role of asset of this policy must be capitalised in the Fixed Asset Register inclusive of non – claimable vat.

#### **Definition of an Asset**

A fixed asset is an asset, either movable or immovable, owned by or under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year, which cost or fair value can be measured reliably.

**Fixed assets will include Property, Plant and Equipment (as defined in GRAP 17), Intangible Assets (as defined in GRAP 102), Investment Property (as defined in GRAP 16), Heritage Assets (as defined in GRAP 103), as well as Assets held under a finance lease, in accordance with the principles contained in GRAP 13.**

#### **Role of Assets**

The role of assets is to support the delivery of a service to the public. Assets should exist to **support programme delivery**.

#### **Group Assets**

Meters (Water and electricity) and chairs for halls will be classed as a group asset. All group asset purchases inclusive of non-claimable VAT, must be capitalised in the Fixed Asset Register and provided for on the capital budget.



## **Providing for asset expenditure in the budget:**

It is essential that actual costs are expensed on the correct capital vote in accordance to the asset classification. Below is a guideline on the item code to be used as per asset classification when creating a vote(account) for the acquisition of an asset E.g. dept **655** vote = computers

### **Item**

- 601 - Road Construction
- 602 - Storm water Drainage
- 608 - Sewers
- 619 - Water loss Programme
- 605 - Mains and services
- 606 - Distribution
- 621 - Major overhead lines
- 623 - Substations
- 630 - Buildings
- 637 - Purchase of land
- 654 - Plant and equipment
- 655 - Computers
- 656 - Furniture and fittings
- 658 - Vehicles
- 686 - internal insurance funded assets

## **11.2 Intangible Assets**

Items belonging to the category “**intangible**” do not have a physical form and meets the identification criterion in the definition of an intangible asset when it:

- a. is separate, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract asset or liability; or
- b. arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations;

and can be further classified as:

- a. Intangible assets with a finite useful life; and
- b. Intangible assets with an infinite useful life.

An intangible asset shall be regarded by the entity as having an indefinite useful life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

Examples of intangible items are:

- 1. Mineral exploration rights
- 2. Computer software (not operational software)
- 3. Valuation Roll
- 4. Licensing rights
- 5. Servitudes

Intangible items are treated in accordance with the provisions of GRAP 102 **and in applying the cost model** are initially recorded at their cost price. After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.





## **Retirements and disposals**

An intangible asset shall be de-recognised:

- a. on disposal; or
- b. when no future economic benefits are expected from its use or disposal.

## **Review of useful life assessment**

The useful life of an intangible asset that is not being amortised shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

## **SECTION 12**

### **CALCULATION OF CAPITALISATION COST OF ASSETS**

#### **12.1 Initial Cost**

The initial recording of an asset is dealt with as follows in GRAP 17:

An item of property, plant and equipment that qualifies for recognition as an asset should initially be measured at its cost. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Examples of directly attributable costs are:

- a. The cost of site preparation,
- b. Initial delivery and handling costs,
- c. Installation costs, and
- d. Professional fees such as for architects and engineers;
- e. The estimated cost of dismantling the asset and restoring the site, to the extent that it is recognised as a provision.
- f. Administrative and other general overhead costs are only a component of cost if it can be directly attributed to the acquisition or construction of the asset without which the asset could not have been brought to working condition.

#### **12.2 Costs incurred on existing PPE subsequent to the initial recording of the cost price**

Assets are often modified during their life. There are two main types of modification:

##### **Enhancement / Rehabilitation:**

This is where work is carried out on the asset that increases its service potential. Enhancements normally increase the service potential of the asset, and or may extend an asset's useful life and result in an increase in value.

These expenses are not part of the life cycle of the asset. These costs normally become necessary during the life of an asset due to a change in use of the asset or technological advances.

Disbursements of this nature relating to an asset, which has already been recognised in the financial statements, should be added to the carrying amount of that asset. The value of the asset is thus increased when it is probable that future economic benefits or service potential will flow to the entity over the remaining life of the asset.



**To be classified as capital spending, the expenditure must lead to at least one of the following economic effects:**

- a. Modification of an item or plant to extend its useful life, including an increase in its capacity;
- b. Upgrading machine parts to achieve a substantial improvement in the quality of output;
- c. Adoption of new production enabling a substantial reduction in previously assessed operating costs;
- d. Extensions or modifications to improve functionality such as installing computer cabling or increasing the speed of a lift;
- e. Improve the performance of the asset;
- f. Increase the capacity of the asset;
- g. Prolong the expected working life of the asset;
- h. Increase the size of the asset; or
- i. Change the shape of the asset.

### **Maintenance / Refurbishment:**

Expenditure related to repairs or maintenance of property plant and equipment are made to restore or maintain the future economic benefits or service potential that an entity can expect from the asset.

Refurbishment of works does not extend functionality or the life of the asset, but are necessary for the planned life to be achieved. In such cases, the value of the asset is not affected, and the costs of the refurbishment are regarded as operating expense in the statement of financial performance.

**Thus if the improved performance or extended life of an asset is not beyond what has originally been estimated for the asset and the expenditure is only to bring performance back to the level that is normally expected for the asset, the expenditure will be considered an operating expense.**



## SECTION 13 DEPRECIATION OF ASSETS

### 13.1 Definition

Depreciation may be defined as the monetary quantification of the extent to which a fixed asset is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed, from the date that the asset is brought into use.

Each Head of Department, acting in consultation with the Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

### 13.2 Which assets must be depreciated

All fixed assets, except Land, Investment property, Non-current assets held for sale, and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Although typically disclosed together, land and buildings are separable assets and because land normally has unlimited life it is not depreciated whilst building are. Heritage assets such as works of art, historical buildings and statues are also not normally depreciated. The reason is that these assets have cultural significance and as such are likely to be preserved for the benefit of future generations. It should therefore be impossible to determine their useful lives.

### 13.3 Determining useful lives of assets

The Chief Financial Officer shall assign a useful operating life to each depreciable asset recorded on the city's Fixed Asset Register. In determining such a useful life, the Chief Financial Officer shall adhere to the useful lives set out in the annexure to this document (refer **Annexure A**) or to the recommendation of the head of the department involved.

In the case of a fixed asset which is not listed in this annexure, the Chief Financial Officer shall determine a useful operating life, if necessary in consultation with the DMM of the Strategic Business Unit who shall control or use the fixed asset in question, and shall be guided in determining such useful life either by the useful lives assigned in the annexure to the fixed asset most closely comparable to the asset in question or by the likely pattern in which the asset's economic benefits or service potential will be consumed.

The residual value and the useful life of an asset shall be reviewed at least at each reporting date.

The amortisation period of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life, and reviewed at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the amortisation period shall be amended accordingly.

### 13.4 Depreciation Calculation

#### 13.4.1 Tangible assets

The city uses the straight-line depreciation method whereby items of property, plant and equipment are depreciated on a constant or uniform amount over their estimated useful life. For example, if a vehicle is purchased and has an estimated useful life of 5 years, each month  $1/60^{\text{th}}$  of the vehicle will be depreciated.



Depreciation is an expense both calculated and debited on a monthly basis against the appropriate line item in the Strategic Business Unit or vote in which the item of property, plant and equipment is used or consumed and should be recognised as such.

Depreciation shall be charged from the calendar month following the month in which an item of property, plant and equipment is brought into commission and will continue until the accumulated depreciation equals the cost or valuation amount of the respective item of property, plant and equipment or the item is disposed or written off.

When depreciation is calculated, a corresponding accumulated depreciation account is created. The accumulated depreciation account is a statement of financial position item (it is an asset provision). This account balance reflects the depreciation charge that has been expensed or capitalised since the asset was brought into commission. The balance on the accumulated depreciation account can never exceed the cost or valuation of the specific item of property, plant and equipment to which it relates.

## 13.4.2 Intangible assets

### **Amortisation period and amortisation method**

#### **a. Finite useful life**

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation shall cease at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognised. The amortisation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight-line method shall be used. The amortisation charge for each period shall be recognised in profit or loss unless this or another Standard permits or requires it to be included in the carrying amount of another asset.

#### **b. Infinite useful life**

No amortisation will take place

The amortisation period and the amortisation method for an intangible asset with a finite useful life shall be reviewed at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the amortisation method shall be changed to reflect the changed pattern.

## **13.5 Amendment Of Asset Lives And Diminution In The Value Of Fixed Assets**

Only the Chief Financial Officer may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs the Chief Financial Officer shall inform the Council of the municipality of such amendment.

The Chief Financial Officer shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, based on the reports submitted from departmental heads.

If the value of a fixed asset has been diminished to such an extent that it has no or a negligible further useful operating life or value such fixed asset shall be fully depreciated in the financial year in which such diminution in value occurs.

Similarly, if a fixed asset has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the



financial year in which such event occurs, and if the fixed asset has physically ceased to exist, it shall be written off the assets management system.

In all the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question.

If any of the foregoing event arises in the case of a normally non-depreciable fixed asset, and such fixed asset has been capitalised at a value other than a purely nominal value, such fixed asset shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable asset, and the department or vote controlling or using the fixed asset in question shall bear the full depreciation expenses concerned.

### **13.6 Alternative Methods Of Depreciation In Specific Instances**

The Chief Financial Officer may employ the sum-of-units method of depreciation in the case of fixed assets which are physically wasted in providing economic benefits or delivering services.

The Chief Financial Officer shall only employ this method of depreciation if the Head of Department controlling or using the fixed asset in question gives a written undertaking to the Municipal Manager to provide:

- a. estimates of statistical information required by the Chief Financial Officer to prepare estimates of depreciation expenses for each financial year; and
- b. actual statistical information, for each financial year.

The Head of Department concerned shall moreover undertake to provide such statistical information at the specific times stipulated by the Chief Financial Officer.

Where the Chief Financial Officer decides to employ the sum-of-units method of depreciation, and the requirements set out in the preceding paragraph have been adhered to, the Chief Financial Officer shall inform the Council of the municipality of the decision in question.

### **13.7 Offset Depreciation**

#### **13.7.1 Assets financed by Government Grants or Public Contributions**

The principle of government grant and public contribution funded assets is that there should be no capital cost included in tariffs from using this source of financing.

Funding from Government grants and Public Contributions, equal to the amount used to finance the asset are directly transferred to the operating account as revenue. This transfer will reflect in the accumulated surplus as offset of depreciation against future depreciation charges on these assets.

### **13.8 Disclosure Requirements**

According to GRAP 17 the following information relating to depreciation should be disclosed in the financial statements:

#### **1. In the Accounting Policy Notes**

- a. the depreciation methods used and the depreciation rates or useful lives.

#### **2. On the Statement of Financial Position**

- a. The depreciation is part of the Net Property, Plant and Equipment amount.

#### **3. On the Statement of Financial Performance**

- a. The depreciation charged in arriving at the net surplus or deficit disclosed in the income statement.





#### 4. In the notes to the Statements

The gross carrying amount and the accumulated depreciation at the beginning and end of the period in respect of each class of property, plant and equipment, together with all the other movements on the asset accounts.

#### 5. In Annexure B and C to the Financial Statements

a. These Annexures disclose a more detailed analysis of the various classes of assets (Annexure B) as well as a detailed analysis on the allocation of assets (Annexure B) as well as a detailed analysis on the allocation of assets to the various departments and functions (Annexure C). These Annexures must show a reconciliation of the carrying amount at the beginning and end of the period showing:

- i. Additions
- ii. Disposals
- iii. Acquisitions through business combinations
- iv. Increases or decreases resulting from revaluations
- v. Reductions in carrying amount (impairment losses)
- vi. Depreciation
- vii. Other movements

When property, plant and equipment is disposed of whether by selling or destroyed, the asset values must be offset against the proceeds, if any, resulting in a profit or loss on the particular item of property, plant and equipment. If this item was previously financed from a Government Grant and there is still a balance left regarding this item on the Deferred Income Account: Government Grant, this balance must then be transferred to the Accumulated Surplus / Deficit account.



## SECTION 14 REVALUATION OF FIXED ASSETS

### 14.1 **Revaluation Process**

All land and buildings utilized for service delivery, recorded in the municipality's assets management system as Property, Plant and Equipment, shall be revalued with the adoption by the municipality of each new valuation roll (or, if the land and buildings concerned fall within the boundary of another municipality, with the adoption by such municipality of each new valuation roll). The Chief Financial Officer shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the fixed asset as recorded in the valuation roll.

In accordance with GRAP 17, after recognition as an asset, an item of property, plant and equipment whose fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

### 14.2 **Revaluation Reserve**

The Chief Financial Officer shall also, where applicable, create a revaluation reserve for fixed assets equal to the difference between the value as recorded in the valuation roll and the carrying value of the fixed asset before the adjustment in question.

### 14.3 **Depreciation of re-valued property**

- a. The fixed asset concerned shall, in the case of buildings, thereafter be depreciated on the basis of its re-valued amount, over its remaining useful operating life, and such increased depreciation expenses shall be budgeted for and debited against the appropriate line item in the Strategic Business Unit's vote controlling or using the fixed asset in question.
- b. The CFO shall ensure that an amount equal to the difference between the new (enhanced) monthly depreciation expense and the depreciation expenses determined in respect of such fixed asset before the revaluation in question is transferred each month from the revaluation reserve to the operating account. An adjustment of the aggregate transfer shall be made at the end of each financial year, if necessary.
- c. If the amount recorded on the valuation roll is less than the carrying value of the fixed asset recorded in the fixed asset register, the Chief Financial Officer shall adjust the carrying value of such asset by increasing the accumulated depreciation of the fixed assets in question by an amount sufficient to adjust the carrying value to the value as recorded in the valuation roll. Such additional depreciation expenses shall form an immediate additional charge against the department or vote controlling or using the asset in question.

### 14.4 **Investment Property**

Investment properties will be revalued on an annual basis, and any increases or decreases will be recorded against the Revaluation Reserve. Any gains or losses on the disposal shall be accounted for as below, and the carrying value will be written off against the Revaluation Reserve.

The CFO can also utilize the services of a valuer to determine the values of Non-current assets held for sale, where it is expected that the Net Realisable Value, as calculated from the values reflected in the Valuation roll, differ materially from what can be expected, due to changes in market conditions since the fixed date used for the determination of market values in the valuation roll. Any adjustments made in this regard will be accounted for as gains or losses in the municipality's operating account.



## SECTION 15 DISPOSAL OF ASSETS

### 15.1 **Disposal**

In compliance with the principles and prescriptions of the Municipal Financial Management Act (Annexure B) and Municipal Asset Transfer Regulations, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the city's supply chain management policy.

Every Head of Department shall report in writing to the Chief Financial Officer on a quarterly basis on all fixed assets controlled or used by the department concerned which such Head of Department wishes to dispose by public auction or public tender. The Chief Financial Officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the Council or the Municipal Manager of the municipality, as the case may be, recommending the process of disposal to be adopted.

Any items declared obsolete or damaged will be handed in to the Asset Management Unit for safekeeping. No items will be received by the Asset Management Unit without a completed asset disposal form countersigned by the Asset Management Unit, describing the status of the item and the reason for writing-off the item.

Each Strategic Business Unit must take the necessary steps to ensure that all their obsolete or damaged assets are disposed of in the correct and approved manner. It is the responsibility of each Strategic Business Unit to ensure that all such assets to be disposed of are delivered to and received at the Asset Management Unit.

The Council shall ensure that the disposal of any fixed asset takes place in compliance with Section 14 of Municipal Financial Management Act of 2004 and the Supply Chain Management Policy.

Every DMM of a Strategic Business Unit shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the Strategic Business Unit in question is promptly reported in writing to the Insurance Section as well as the Asset Management Unit by using the asset disposal form to the internal auditor, and, in cases of suspected theft or malicious damage, also to the South African Police Services. Once the fixed assets are disposed, the Chief Financial Officer shall remove the relevant records from the fixed asset register.

The Council shall delegate to the Municipal Manager the authority to approve the alienation of any fixed asset with a carrying value less than R50 000.00 (Fifty Thousand Rand).

### 15.2 **Asset Disposal committee**

The Asset disposal committee will deliberate on recommendations from Business Units for the disposal and transfer of all movable and immovable assets including land and leases.

The committee will report to the Accounting Officer their recommendations regarding the disposal and transfer of municipal assets. Thereafter the Accounting Officer shall submit considerations and recommendations of the disposal and transfers to the appropriate portfolio committee for their recommendations and final approval.

The Committee comprises of the following officials:

Process Manager: Asset Management

Process Manager: Fleet

Manager Real Estates and Valuations

Legal Advisor



Process Manger Area Based Management  
Process Manager ICT

## 15.3 **Other write-offs**

A fixed asset, even though fully depreciated, shall be written-off only on the recommendation of the DMM of a Strategic Business Unit controlling or using the concerned, and with the final approval of Council.

Every DMM of a Strategic Business Unit shall report to the Chief Financial Officer on any fixed assets which such DMM of the Strategic Business Unit wishes to have written off, stating in full the reason for such recommendation. The Chief Financial Officer shall consolidate all such reports and shall promptly submit a recommendation to the Council on the fixed assets to be written off.

The only reasons for writing off fixed assets, other than the disposal of such fixed assets, shall be the loss, theft, destruction, incorrect capitalisations or material impairment of the fixed asset in question.

## 15.4 **Proceeds / Loss on Disposal of Assets**

When assets are disposed of whether by disposal or written off the asset values needs to be readjusted and offset against the proceeds. If the proceeds of the disposal are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss in the cost centre of the Strategic Business Unit concerned.

If this asset has an outstanding balance on the government Grants Reserve account or the Revaluation Reserve, this balance must be transferred to the Accumulated Surplus.

All proceeds realised on the disposal of assets shall be appropriated annually to the city's Capital Replacement Reserve and all losses on the disposal of assets shall remain as expenses on the cost centre of the department concerned. If, however, both gains and losses arise in any one financial year in respect of the disposal of assets of any department, only the net gain (if any) on the disposal of such assets shall be appropriated.

## 15.4 **Disclosure of Assets Disposed of**

The carrying value of the asset disposed of is removed from the records and will not reflect on the **Statement of Financial Position** as part of the balance on Property, Plant and Equipment under **Non-Current** assets.

The gain or loss will be reflected in the **Statement of Financial Performance** as a gain under Revenue or as a loss under Expenditure.



## SECTION 16: RECOGNITION OF ASSETS IN THE FINANCIAL STATEMENTS

Recognition is the process of incorporating in the Statement of Financial Position or Statement of Financial Performance, an item that meets the definition and satisfies the criteria for recognition.

Assets are classified into categories as set out in section 7 (Classification of Assets) and the information for each category summarised in a table format is disclosed as:

1. A note to the Financial Statements;
2. With a detailed disclosure as an annexure reflecting the movements for the financial year by category and subcategory;
3. Movements are also reflected on an annexure per Strategic Business Unit;
4. The net value (carrying value at year-end), for all categories is added together and reflected as a single line item in the statement of financial position.

The failure to recognise such items is **not** rectified by disclosure of the accounting policies used, or by notes or explanatory material.

To be able to assess **the utilisation of assets** all assets should be listed once the recognition criteria are met.

An Asset item should be recognised in the Financial Statements if it meets the:

1. Probability criteria (it is probably that any future economic benefits or service potential associated with the asset will flow to the entity);
2. Measurement criteria (the asset has a cost or value that can be measured with reliability).

In many cases, cost or value must be estimated; the use of reasonable estimates is an essential part of the preparation of Financial Statements and does not undermine their reliability. When, however, a reasonable estimate cannot be made, the item is not recognised in the **Statement of Financial Position** or **Statement of Financial Performance**.

An item that possesses the essential characteristics of an asset but fails to meet the criteria for recognition may nonetheless warrant disclosure in the notes, explanatory material or in supplementary schedules. This is appropriate when knowledge of the item is considered to be relevant to the evaluation of the financial position, performance and changes in financial position of the city by the users of Financial Statements.

No asset is recognised in the **Statement of Financial Position** for expenditure incurred where it is improbable that economic benefit or service potential will flow to the city beyond the current financial year. Where the probability is low, such a transaction will result in the recognition of an expense in the **Statement of Financial Performance**.

Where the expenditure has been incurred in connection with an asset already recognised, consideration should be given to the probability that the expense will result in an extension of the asset's estimated useful life. If the probability is high the expense will be added to the value of the asset in the **Statement of Financial Position** and written off by way of depreciation over the remaining life of the asset.

Expenditure incurred on an existing asset that **will not** extend the useful life or the functionality of the asset, will be reflected in the Statement of Financial Performance as an expense (maintenance).

Assets may be acquired for safety or environmental reasons. The acquisition of such assets, while not directly increasing the future economic benefits or service potential of any particular existing asset, may be necessary in order of the city to obtain the future economic benefits or service potential from its other assets. When this is the case, such acquisitions of assets qualify for recognition as assets, in that they enable future economic benefits or service potential from related assets to be derived by the city in excess of what it could derive if they had not been acquired. However, such assets are only recognised to the extent that the resulting carrying amount of **such an asset and related assets does not exceed the total economic benefits or service potential that the entity expects to recover from their continued use and ultimate disposal**.





## SECTION 17 FUNDING SOURCES

The main sources of finance utilised to acquire assets are:

1. External Loans
2. Grants, Subsidies and Public Contributions
3. Revenue Contributions
4. Revaluation Reserve

The sources of finance that may be utilised to finance assets are utilised in accordance with the provisions of Section 19 of the Municipal Finance Management Act.

There will be a departure from GRAP 1.144 regarding Capital Reserves, in accordance with GRAP 1.22 and .23, read with GRAP 3.07, as the inclusion of capital receipts applied for the purchase of Property, Plant and Equipment in the Accumulated surplus will lead to a misinterpretation by users, particularly Council and Ratepayers/Consumers. These Reserves will be disclosed in accordance with GRAP 1.86.

### 17.2 **External Loans**

Major expenditure on PPE, especially Infrastructure and major items of Plant, can be financed from external financing sources, if the municipality complies to the requirements of the MFMA in this regard. Costing of this source of finance must include finance costs and depreciation against the Statement of Financial Performance over the period of financing. The period of financing should ideally be aligned to the estimated lifespan of the assets thus financed, but should never exceed such.

### 17.3 **Grants, Subsidies and Public Contributions**

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Grants Reserve equal to the Grant recorded as revenue in the Statement of Financial Performance. When such items of property, plant and equipment are depreciated, a transfer is made from the Reserve to the accumulated surplus/(deficit). The purpose of this procedure is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Grants.

Unspent conditional grants are reflected on the Statement of Financial Position under current liabilities as Unspent Conditional Grants. These funds always have to be backed by cash. The following conditions are set for the creation and utilisation of these funds:

- a. The cash which backs up the grant is invested until it is utilised.
- b. Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If the conditions are silent on investment interest it is recognised as interest earned in the Statement of Financial Performance and might be allocated, in part or fully, to the unspent portion of the grant if it is so stated in the accounting policy.
- c. Whenever an asset is acquired from a conditional government grant an amount equal to the cost of the asset is transferred from the Unspent grant creditor to the Statement of Financial Performance as revenue. Thereafter an equal amount is transferred to the Grant Reserve. This account must have equal book value of assets purchased from conditional government grants and is utilised to offset depreciation charged on assets purchased out of conditional government grants.  
When an asset, previously financed by a conditional government grant, is disposed off with a balance left on the Grants Reserve account such a balance must be transferred to the Accumulated Surplus account.



## 1.4 Revaluation Reserve

The surplus arising from the revaluation of assets is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the Revaluation reserve to the accumulated surplus/(deficit). On disposal the net Revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

## SECTION 18 IMPAIRMENT LOSSES

### 18.1 Impairment

The carrying amount (book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

All impairments must be done in compliance to :

- a. Impairment of cash-generating assets (Grap 26)
  - i. **Cash-generating asset:** asset held with primary objective of generating commercial return
- b. Impairment of non cash-generating assets (Grap 21)
  - ii. Non-cash generating assets are primarily held for service delivery purpose, no commercial return)

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Recoverable amount is the amount that the city expects to recover from the future of an asset, including its residual value on disposal.

When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately, unless it reverses a previous revaluation on properties in which case it should be charged to the Revaluation Reserve

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amounts of the smallest grouping of assets for which it is possible to make an assessment of recoverable amounts.

The following may be indicators that an asset has become impaired:

- a. The item has been damaged,
- b. The item has become technologically obsolete.
- c. The item remains idle for a considerable period of either prior to it being put into use or during its useful life.
- d. Land is purchased at market value and is to be utilised for subsidized housing developments, where the subsidy is less than the purchase price.

### **Example:**

An example of where the City has suffered an impairment loss is the purchase of land for an amount of R 5,000,000. The land will be utilised for new subsidised housing developments. If at year-end the expectation is that the City will receive only R 1,000,000 by way of subsidies, an impairment loss of R 4,000,000 needs to be recognised. The recoverable amount (R 1,000,000) is calculated as being the larger of:



1. **Net Selling Price** of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
2. **Value in use** of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

## 18.3 **Disclosure of Impairment Losses**

All impairment losses must reflect on the **Statement of Financial Performance**.

The Financial Statements should also disclose, in the **reconciliation of the carrying amount at the beginning and end of the period for each class of property, plant and equipment** recognised in the Financial Statements any impairment losses recognise in the statement of financial performance during the period and impairment losses reversed in the statement of financial performance during the period.

Material impairment losses need to be disclosed in the notes to the income statement as a separately disclosable item.

## **1.4 Reversal of an Impairment Loss**

- a. The same procedures as for the identification of impaired assets are followed as to whether there is an indication that impairment may have decreased. If so, the recoverable amount must be added to the carrying value of the asset.
- b. The life cycle must be adjusted.
- c. The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognised.
- d. Reversal of an impairment loss is recognised as income in the income statement.
- e. Depreciation must be adjusted for the remaining life cycle.



## SECTION 19 INVESTMENT PROPERTY

**Investment Property shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of financial position.**

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the assets management system in the same manner as other fixed assets, but a separate section of the assets management system shall be maintained for this purpose.

Investment assets shall be not depreciated, but shall be annually valued on balance sheet date to determine their fair value as prescribed in GRAP 16. Investment assets shall be recorded in the balance sheet at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned, where it can not be accounted for against the Revaluation reserve.

A professional valuer shall be engaged by the municipality to undertake such valuations.

If the Council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – whereafter it shall be reclassified as an investment property.

### 19.1 Definition of Investment Property

Investment Property is defined as:

- a. Property (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation or both, rather than for:
  - i. Use in the production or supply of goods or services or for administrative purposes; or
  - ii. Sale in the ordinary course of operations.
- b. Investment Property generates cash flows largely independently of the other assets of the city.

**Investment Property is held to earn rentals or for capital appreciation of both**

**The following are examples of Investment Property**

- a. Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations;
- b. Land held for a currently undetermined future use. (If the city has not determined that it will use the land for short-term sale in the ordinary course of operations, the land is considered to be held for capital appreciation);
- c. A building owned by the city (or held by the city under a finance lease) and leased out under one or more operating leases on a commercial basis; and
- d. A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

**The following are examples of items that are not investment property:**

- a. Property held for sale in the ordinary course of operations or in the process of construction or development for such sale;
- b. Property being constructed or developed on behalf of third parties;
- c. Own-occupied property, including (among other things) property held for future use as own-occupied



property, property held for future development and subsequent use as own-occupied property, property occupied by employees such as housing (whether or not the employees pay rent at market rates) and own-occupied property awaiting disposal;

- d. Property that is being constructed or developed for future use as investment property. GRAP 17 applies to such property until construction or development is complete, at which time the property becomes investment property. However, existing investment property that is being redeveloped for continued future use as investment property remains investment property;
- e. Property held to provide a social service and which also generates cash inflows. For example, a housing department may hold a large housing stock used to provide housing to low income families at below market rental. In this situation, the property is held to provide housing services rather than for rentals or capital appreciation and rental revenue generated is incidental to the purposes for which the property is held. Such property is not considered an "Investment Property" and would be accounted for in accordance with GRAP 17; and
- f. Property held for strategic purpose which would be accounted for in accordance with GRAP 17.
- g. Where a property is utilised partly in the ordinary course of operations and partly to generate rentals or for capital appreciation it will only be classified as investment property if a significant portion is utilised to generate investment income.

## 19.2 Initial measurement of Investment Property

- a. Investment property is measured initially at its cost (including transaction costs). Where an investment property is acquired at no cost (for example donated assets), or for a nominal cost, its cost is its fair value as at the date of acquisition.
- b. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure, such as, professional fees for legal services, property transfer taxes and other transaction costs.
- c. The cost of a self-constructed investment property is its cost at the date when the construction or development is complete. Until that date, the city applies the GRAP standard on accounting for PPE. At the completion date, the property becomes investment property and the Standard on Investment Property applies.
- d. Investment Property is only recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity and the cost or fair value of the investment property can be measured reliably.

## 19.3 Measurement of Investment Property subsequent to Initial Measurement

- a. Subsequent expenditure relating to an investment property that has already been recognised should be added to the carrying amount of the investment property when it is probable that future economic benefits or service potential over the total life of the investment property, in excess of the most recently assessed standard of performance of the existing investment property, will flow to the entity. All other subsequent expenditure should be recognised as an expense in the period in which it is incurred.

**For example:** If a city purchases a building as an investment property and will incur renovation costs, the renovation cost may be capitalised if it improves the condition of the asset over its most recently assessed standard of performance. Assume that before the renovation the building can earn R 5,000 per month rental income. In this case the renovation cost will be added to the carrying amount of the investment property.

- b. After initial recognition of the investment property the city may choose to reflect the investment property at fair value or at cost less accumulated depreciation.
- c. The fair value of investment property is usually its market value. Fair value is measured as the most probable price reasonably obtainable in the market at the reporting date in keeping with the fair value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. After initial recognition, an entity that chooses the fair value





model should measure all of its investment property at its fair value at each Statement of Financial Position date. A gain or loss arising from a change in the fair value of investment property should be included in net surplus/deficit for the period in which it arises. No depreciation will be calculated on this property.

**For example:** The city purchases four houses at a cost of R 200,000 each for purposes of leasing them out to senior manager of the city at market related rates. The legal fees and transport duties relating to the transaction amount to R 16,000. At the end of the financial year the fair value of the houses is determined to be R 900,000. This means that the city will recognise a fair value gain in the Statement of Financial Performance for the year of R 84,000. (R 900,000 – R 816,000).

- d. If, after initial recognition, the city chooses the cost model it should measure all of its investment property using the guidelines for normal assets that is, at cost less any accumulated depreciation and accumulated depreciation and accumulated impairment losses.

## 19.4 Transfers and Disposals of Investment Properties

### 19.4.1 Transfers

- a. Transfers to, or from, investment property should be made when, and only when, there is a change in use, evidenced by:
  - i. Commencement of own-occupation, for a transfer from investment property to own-occupied property;
  - ii. Commencement of development with a view to sale, for a transfer from investment property to inventories;
  - iii. End of own-occupation, for a transfer from other classified property to investment property;
  - iv. Commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property; or
  - v. End of construction or development, for a transfer from property in the course of construction or development to investment property.
- b. For a transfer from investment property carried at fair value to own-occupied property or inventories, the property's cost for subsequent accounting under the relevant GRAP Standards on PPE or inventories should be its fair value at the date of change in use.
- c. If an own-occupied property becomes an investment property that will be carried at fair value, an entity should apply the relevant GRAP standard on PPE up to the date of change in use. The city should treat any difference at that date between the carrying amount of the property and its fair value in the same way as a revaluation under the relevant GRAP Standard on PPE by crediting a reserve.
- d. For a transfer from inventory to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount should be recognised in net surplus/deficit for the period.
- e. When the city completes the construction or development of a self-constructed investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount should be recognised in net surplus/deficit for the period.



## 19.4.2 Disposals

On disposal or permanent withdrawal from use of investment property:

- a. An investment property should be eliminated from the Statement of Financial Position;
- b. Gains or losses arising from the retirement or disposal of investment property should be determined as the difference between the net disposal proceeds and the carrying amount of the asset. For the purposes of display in the Financial Statement, the gain or loss should be included in the Statement of Financial Performance as an item of revenue or expense.

## 19.5 Budget Implications relating to Investment Property

The following amounts will have to be budgeted for in the operating budget relating to investment properties:

- a. Gains on the disposal of investment properties that are intended to be sold during the next financial year.
- b. Fair value gains that are expected to be obtained on investment properties that will be held during the next financial year.
- c. Depreciation on investment properties that are intended to be transferred to own-occupied properties during the next financial year.
- d. The effect of reduced depreciation on own-occupied properties that are intended to be transferred to investment properties during the next financial year.
- e. Revenue through operating lease income; and
- f. Fair values gains where the intention to sell a building (inventory) is changed and the inventory is held as an investment property on which rental income and capital appreciation will be earned by the city in the next financial year.

## 19.6 Disclosure

The disclosure requirements adhered disclosing information on investment property **reflected at fair value:**

- a. The criteria developed by the city to distinguish investment property from own-occupied property and from property held for sale in the ordinary course of operations;
- b. The methods and significant assumptions applied in determining the fair value was supported by market evidence or was more heavily based on other factors (which the entity should disclose) because of the nature of the property and lack of comparable market data;
- c. The extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and who has recent experience in the location and category of the investment property being valued. If there has been no such valuation, that fact should be disclosed;
- d. The amounts included in the Statement of Financial Performance for:
  - i. Rental revenue from investment property;
  - ii. Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental revenue during the period; and



- e. Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental revenue during the period;
- f. The existence and amounts of restrictions on the reliability of investment property or the remittance of revenue and proceeds of disposal;
- g. Material contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements;
- h. A reconciliation of the carrying amount of investment property at the beginning and end of the period showing the following:
  - i. Additions, disclosing separately those additions resulting from acquisitions and those resulting from capitalised subsequent expenditure;
  - ii. Additions resulting from acquisitions through entity combinations;
  - iii. Disposals;
  - iv. Net gains or losses from fair value adjustments;
  - v. The net exchange differences arising on the translation of the financials statements of a foreign entity;
  - vi. Transfers to and from inventories and owner-occupied property; and
  - vii. Other movements.
- i. The fair value of the investment property. In the exceptional cases, when the city cannot determine the fair value of the investment property reliably, the entity should disclose:
  - i. A description of the investment property;
  - ii. An explanation of why fair value cannot be determined reliably; and
  - iii. If possible the range of estimates within which fair value is highly likely to lie.



## SECTION 20 REPLACEMENT STRATEGY

The Municipal Manager, in consultation with the Chief Financial Officer and other DMM's of Strategic Business Units shall formulate strategies and standards for the replacement of all operational property, plant and equipment. Such strategies and standards shall be incorporated in a formal policy, which shall be submitted to the Council for approval. This policy shall cover the replacement of infrastructure and operational movable vehicles and equipment.

This strategy should take into consideration:

- a. The nature of the asset
- b. The usage of the asset
- c. Priorities
- d. Available funding
- e. Operational and maintenance costs
- f. Operational skills
- g. Future expected developments
- h. Technology
- i. Outsourcing
- j. Private sector partnerships



## SECTION 21 ASSET RISK MANAGEMENT

### 21.1 **Insurance**

Strategic Business Units are responsible for managing the risks associated with their activities.

The Municipal Manager shall ensure that all movable fixed assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

If the municipality operates a self-insurance reserve, the Chief Financial Officer shall annually determine the premiums payable by the departments or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the heads of departments concerned.

The Municipal Manager shall recommend to the Council of the municipality, after consulting with the Chief Financial Officer, the basis of the insurance to be applied to each type of fixed asset; either the carrying value or the replacement value of the fixed assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the municipality.

The Chief Financial Officer shall annually submit a report to the Council of the municipality on any reinsurance cover which is deemed necessary to procure for the municipality's self-insurance reserve.

### 21.2 **Other risk reducing methods**

Departmental regulations or "operating policies" can also reduce risks. Departments should investigate their operations and set operating policies as to how personnel should operate and use property, plant and equipment to minimize risk. Examples are as follows:

- a. Only authorised personnel should be allowed in areas where expensive equipment is kept;
- b. Only authorised personnel should be allowed to operate plant or vehicles;
- c. The keys for office vehicles should be controlled in a central office during the day, and employees should sign when they take the keys;
- d. Ensure that drivers or operators have the necessary qualifications and licences;
- e. It should be part of service conditions that employees incur personal liability if they drive while under the influence of alcohol, drugs, medication, and so forth; or if they leave the vehicle unattended and unlocked;
- f. Physical access to buildings, or areas within buildings, should be restricted, especially after hours.





## SECTION 22 MAINTENANCE OF ASSETS

### 22.1 **Maintenance Plans**

Regular maintenance can prevent unplanned and expensive breakdowns. Maintenance plans must therefore be drawn up to ensure minimum maintenance standards and execution to achieve the optimum use of assets as planned.

Every Head of Department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000.00 (One Hundred Thousand Rand) or more is promptly prepared and submitted to the Council of the municipality for approval.

If so directed by the Municipal Manager, the maintenance plan shall be submitted to Council prior to any approval being granted for the acquisition or construction of new infrastructural assets.

The DMM of Strategic Business Units controlling or using the infrastructure asset in question, shall budget for the executing of the approved plan and will annually report to Council, not later than 31 March, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance and/or budgetary constraints may have on the useful operating life of the asset concerned.

### 22.2 **Deferred Maintenance**

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructural asset, the Chief Financial Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the financial statements. Such note shall also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the DMM of a Strategic Business Unit controlling or using such asset shall re-determine the useful operating life of the fixed asset in question, if necessary consultation with the Asset Management Unit, and the Asset Management Unit shall recalculate the annual depreciation expenses accordingly.

### 22.3 **General Maintenance**

Every DMM of a Strategic Business Unit shall be directly responsible for ensuring that all assets that are in his/her care are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.



## SECTION 23 GENERAL REQUIREMENTS

### 23.1 **Tagging**

Tagging means to place a control number on a piece of equipment or property.

All movable assets must be tagged.

The primary purpose of tagging is to maintain a positive identification of assets.

Tagging is important to:

- a. Provide an accurate method of identifying individual assets
- b. Aid in the annual physical inventory
- c. Control the location of all physical assets
- d. Aid in maintenance of fixed assets

Fixed property and plant is not tagged; such as:

- a. Buildings (record legal description in asset record),
- b. Land (record legal description in asset record),
- c. Infrastructural assets.

Consistently place asset tags in the same location on each similar type asset. If possible, the tags shall be accessible for viewing. Place the tag where the number can be seen easily and identified without disturbing the operation of the item, which will aid in taking inventory.

### 23.2 **Physical Inventory of all Movable Assets**

A physical inventory of movable assets is taken to verify assets recorded in the Asset register. Inventories are taken twice a year and shall be completed prior to the financial reporting due date.

The Asset Management Unit in liaison with all Strategic Business Unit will conduct a physical inventory of movable assets twice a year. They will require the co-operation of departmental personnel in accomplishing the physical inventory task and will attempt to minimize the time demanded of them.

The designated officials in the different Strategic Business Units within the City must execute the functions listed below:

- a. Ensure that the bar code number and location number are reflected on the asset movement form by the relevant official on the receipt of the asset. Where applicable, the serial number or registration number should be included.
- b. Complete the asset movement form when transfers occur and forward the completed original form to Asset Management Unit.
- c. Ensure that a completed asset disposal form is submitted when an asset item is disposed of after the necessary approval has been obtained.
- d. Asset Management Unit must be notified by the relevant Strategic Business Unit within 14 days of any of the following possible movements:
  - i. Donations



- ii. Additions / Improvements
- iii. Departmentally manufactured items
- iv. Loss or damage
- v. Transfers
- vi. Terminations
- vii. Land Sales

## 23.3 **Acquisition**

Acquisition – In making the decision to acquire an asset the following fundamental principles should be carefully considered:

- a. The purpose for which the fixed asset is required is in keeping with the objectives of the city and will provide significant, direct and tangible benefit to it.
- b. The fixed asset has been budgeted for.
- c. The purchase is absolutely necessary as there is no alternative city asset that could be upgraded or adapted.
- d. The fixed asset is appropriate to the task or requirement and is cost effective over the life of the asset.
- e. The fixed asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources.
- f. Space and other necessary facilities to accommodate the asset are in place.
- g. The most suitable and appropriate type, brand, and model etc. has been selected.

## 23.4 **Asset Management Responsibilities**

- a. Utilisation – All assets should be used for the purposes they were acquired.
- b. Asset performance should be regularly reviewed to identify under-utilised and under-performing assets. The reasons for this should be critically examined and appropriate action taken.
- c. Disciplinary action must be taken against individuals if there is misuse of Council's assets.

## 23.5 **Additions / Improvements**

Depending upon the type of addition or improvement to a specific asset the responsible official in the Strategic Business Unit must notify Asset Management Unit of the change in status. The asset master record will be amended on receipt of the required asset acquisition form from the responsible Strategic Business Unit.

When capital expenditure is incurred for any enhancement / improvement of an asset, the Strategic Business Unit shall complete the necessary asset acquisition form and forward it to the Asset Management Unit.

When any changes to vacant land or land and buildings are effected such as subdivision, transfer to another Strategic Business Unit, extent or holders title, the current owner must complete the relevant asset movement form and forward it to the Asset Management Unit.

## 23.6 **Termination of Employee's Service**

At the termination of an employee's service, the applicable Strategic Business Unit representative must complete the asset resignation form and forward the original to the Asset Management Unit. This form is a statement that the inventory and assets entrusted to the employee to execute his/her daily duties are in good order and handed in where necessary. A copy of this form is forwarded to the HR Business Unit concerned or its relevant Strategic Business Unit for further investigation in the case of missing assets.

## 23.7 **Transfer of Assets**

When a Strategic Business Unit transfers an asset or inventory item within the Strategic Business Unit, the asset movement form must be completed and forwarded to the Asset Management Unit. The copy of this form must be forwarded to the party receiving the asset or inventory item.

When a Strategic Business Unit transfers an asset or inventory item to another Strategic Business Unit, the



transferring Strategic Business Unit must approve the transfer. After approval has been granted the asset movement form must be completed and forwarded to the Asset Management Unit.

## 23.8 **Sale of Land and Buildings**

The Manager Real Estates and Valuation must submit the properly completed asset disposal forms together with copies of all relevant approvals, in terms of the Land Disposal policy, for the sale of land and buildings to the Asset Management Unit.



## ANNEXURE A: FIXED ASSET LIVES

### INFRASTRUCTURE ASSETS

The following is the list of infrastructure assets, with the estimated useful life in years indicated in the corresponding column in each case.

#### 1. Electricity

High Voltage Overhead lines	50
High voltage substations	10-50
High voltage underground cables	50
Low voltage street lighting	50
Medium voltage ground mounted transformers	50
Medium voltage mini substations	50
Medium voltage overhead line	50
Medium voltage substations	10
Medium voltage underground cables	50
Medium voltage pole mounted transformer	50
Medium voltage ring main unit	45

#### 2. Roads

Overhead Gantry	100
Concrete Roads	30-80
Flexible roads	15-60
Unpaved roads	5-25
Structures	50-100
Signalised intersections	15
Airport runway	40
Other roads	15-40

#### 3. Stormwater

Major culverts	50
Minor culverts	50-120
Kerb inlets	25
Manholes	25
Open channels	50
Reticulation	50
Head and wingwalls	25

#### 4. Water

Water supply – bulk water pipes	30-100
Water supply – pressure reduce valves	15
Pump stations	15-100
Reservoirs	10-100
Water reticulation	30-100
Water meters	15





## 5. Sewerage

Pump stations	10-50
Sewerage treatment works	10-100
Bulk sewer	30-80
Sewer Reticulation	30-80

## 6. Security

Access control systems	5
Security systems	5
Security fencing	10
Security lighting	10

## COMMUNITY ASSETS

The following is a list of community assets, showing again the assigned or estimated useful lives in years in brackets:

## 7. Buildings and Other Assets

Cemeteries	5-50
Civic Theatres	5-50
Clinics and hospitals	5-50
Community centres	5-50
Fire Stations	5-50
Game Reserves and Rest Camps	5-50
Indoor Sports	5-50
Libraries	5-50
Museums and art galleries	5-50
Parks	5-50
Public Conveniences and Bath houses	5-50
Recreation centres	5-50
Sports and related stadiums	5-50
Zoos	5-50

## 8. Recreational Facilities

Bowling Greens	5-50
Tennis Courts	5-50
Swimming pools	5-50
Golf Courses	5-50
Outdoor sports facilities	5-50
Organs (that is, pipe organs that are fixtures in a municipal hall or other centre)	20
Fountains	5-50
Floodlighting	10



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## **HERITAGE ASSETS**

The following is a list of at least some typical heritage assets encountered in the municipal environment (no asset lives are given, of course, as no ordinary depreciation will be charged against such assets):

- a. Museum Exhibits
- b. Works of Art (which will include paintings and sculptures)
- c. Public statues
- d. Historical sites (for example, an Iron Age kiln, historical battle site or site of a historical settlement)

## **INVESTMENT ASSETS**

It is not possible to provide an exhaustive list of investment assets, as the actual list will depend very much on the local circumstances of each city. However, the following will be among the most frequently encountered:

Office parks (which have been developed by the city itself or jointly between the city and one or more other parties)	5-50
Shopping centres (again developed along similar lines)	5-50
Housing developments (that is, developments financed and managed by the city itself, with the sole purpose of selling or letting such houses for profit)	5-50

## **OTHER ASSETS**

The following is a list of other assets, again showing the estimated useful life in years:

### **1. Buildings**

Housing Schemes	5-50
Kilns	5-50
Fresh produce and other markets	5-50
Nurseries	5-50
Office buildings	5-50
Old Age homes	5-50
Tip sites	5-50
Training centres	5-50
Transport facilities	5-50
Workshops and depots	5-50

### **2. Office equipment**

Computer hardware	3-5
Computer software	3-5
Office machines	3-5
Air conditioners	3-5

### **3. Furniture and Fittings**

Chairs	7-10
Tables and desks	7-10
General	7-10
Cabinets and cupboards	7-10



## 4. Bins and containers

Household refuse bins	5
Bulk refuse containers	10

## 5. Emergency Equipment

Fire hoses	5
Other fire-fighting equipment	15
Emergency lights	5

## 6. Motor Vehicles

Ambulances	5-10
Fire engines	20
Tankers	20
Mobile Libraries	15
Buses	15
Trucks and light delivery vehicles	5-7
Ordinary motor vehicles	5-7
Motor cycles	3

## 7. Plant and Equipment

Chlorination Equipment	5
Compactors	5
Electronic Equipment	5
Fire Hoses	5
General	5
Generators	5
Graders	10-15
Horticultural Equipment	5
Mobile Pumps	5
Other Fire Fighting Equipment	5
Pumps	5
Tractors	10-15
Trailers	5
Mechanical horses	10-15
Farm Equipment	5
Lawn mowers	5
Compressors	5
Laboratory equipment	5
Radio Equipment	5
Firearms	5
Telecommunication equipment	5
Irrigation systems	15
Cremators	15
Lathes	15
Conveyors	15



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Feeders	15
Tippers	15
Workshop Equipment	5
Pulverising mills	15

## 8. **Airports**

Aprons	20
Runways	20
Taxiways	20
Airports / Radio beacons	20



## ANNEXURE B PARAPHRASE OF SECTION 14 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 2004

A city may not dispose of any capital asset required to provide a minimum level of basic municipal services.

A city may dispose of any other capital asset, provided that:

- The Council, in a meeting open to the public, has first determined that the asset is not required to provide a minimum level of basic municipal services; and
- The Council has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.





## RATES POLICY

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## DEFINITIONS:

In this document and in addition to the definitions in the act, and unless the context indicates otherwise -

- 1.1 **“agricultural property”** means a property that is used for gain for the purpose of the cultivation of soils for purposes of planting and gathering of crops, forestry in the context of the planting or growing of trees in a managed and structured fashion the rearing of livestock and game or the propagation and harvesting of fish, but excludes the use of a property for the purpose of eco-tourism or for the (trading in or hunting of game) accommodation of members of the public for gain, and in respect of property on which game is reared , traded or hunted, it excludes any portion that is used for the accommodation of visitors for gain
- 1.2 **“business” or “commercial property”** means – property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity or property on which the administration of the business of private or public entities takes place
- 1.3 **“category”** –
  - 1.3.1 in relation to property, means a category of properties determined in terms of section 8 of the Act; and
  - 1.3.2 In relation to owners of properties, means a category of owners determined in terms of section 15(2) of the Act;
- 1.4 **“child headed household”** means a household where both parents are deceased and where all occupants of the property are children of the deceased and are all under the legal age to contract for services and are considered as minors in law by the state;
- 1.5 **“developer”** means an owner who purchases raw land and installs the necessary infrastructure for development of the land for residential, industrial or commercial purposes;
- 1.6 **“dwelling, shops, flats” (DSF)** means any property where a commercial component exists together with a block of residential units provided that two thirds or more of the floor area is used for residential purposes;
- 1.7 **“effective date”**-
  - 1.7.1 in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1) of the Act; or
  - 1.7.2 in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78(2)(b) of the Act;
- 1.8 **“financial year”** means the period starting from 1 July in a year to 30 June the next year;
- 1.9 **“impermissible rates category”** means all properties in the valuation roll that are not permitted to be rated in terms of Section 17 of the MPRA, comprising places of worship, land beneficiaries and protected areas as declared by the Department of Environmental Affairs;
- 1.10 **“industrial property”** means property used for a branch of trade or manufacturing, production, assembly or processing of finished products from raw materials or fabricated parts in respect of which capital and labour are involved, and includes any office or other accommodation on the same property, the use of which is



incidental to such activity

1.11 **“land reform beneficiary”**, in relation to a property, means a person who-

1.11.1. acquired the property through-

1.11.1.1 The Provision of Land and Assistance Act, 1993 (Act NO.126 of 1993); or

1.11.1.2 The Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)

1.11.2 Holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or

1.11.3 Holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

1.12 **“market value”** in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

1.13 **“mining”** means property used for mining purposes or purposes incidental to mining operations.

1.14 **“Minister”** means the Cabinet member responsible for local government;

1.15 **“multiple purposes”** means a property used for more than one purpose.

1.16 **“municipal property”** means property of which the Municipality is the owner but excludes registered leases and for the purposes of rating those properties occupied by persons other than the municipality;

1.17 **“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding-

1.17.1 A property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and

1.17. A property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

1.18 **“mining property”** means a property used for mining operations as defined in the Minerals and Petroleum Resources Development Act, 2002 ( Act No. 28 of 2002)

1.19 **“occupier”** means any person who occupies any property or part thereof, without regard to the title under which he/she occupies the property.

1.20 **“other property”** means all properties that are not allocated as yet to the rates property categories in respect of section 14.1 – 14.15 of the Msunduzi Municipality Rates Policy

1.21 **“owner”**-

1.21.1 in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;

1.21.2 in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;

1.21.3 in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or



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1.21.4 in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

1.21.4.1 A trustee, in the case of a property in a trust excluding state trust land;

1.21.4.2 an executor or administrator, in the case of a property in a deceased estate;

1.21.4.3 a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

1.21.4.4 a judicial manager, in the case of a property in the estate of a person under judicial management;

1.21.4.5 a curator, in the case of a property in the estate of a person under curatorship;

1.21.4.6 a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

1.21.4.7 a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or

1.21.4.8 a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

1.22 **“pending ratepayer”** means a purchaser of a property whose conveyancer has applied for a revenue clearance certificate, and who will become the registered owner of the property as per 1.21 above within 60 days of the issue of that certificate;

1.23 **“permitted use”** in relation to a property, means the limited purposes for which the property may be used in terms of –

1.23.1 Any restrictions imposed by-

1.23.1.1 A condition of title;

1.23.1.2 A provision of a town planning or land use scheme; or

1.23.1.3 Any legislation applicable to any specific property or properties; or

1.23.2 Any alleviation of any such restrictions; “person” includes an organ of state;

1.24 **“places of worship”** means a property registered in the name of and used primarily as a place of public worship by a religious community, including one official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship,

1.25 **“property”** means-

1.25.1 immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;

1.25.2 a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;





- 1.25.3 a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- 1.25.4 public service infrastructure;
- 1.26 **“protected area”** means an area that is or has to be listed in the register referred to in 10 of the National Environmental Management; Protected Areas Act, 2003.
- 1.27 **“public benefit organization property”** means any property owned by a public benefit organization and used for any specified public benefit activity listed in part 1 of the ninth Schedule to the Income Tax Act excluding Item 3 and 5 being land and housing, places of worship already where rebates, reductions and exemptions have already been considered under impermissible rates. Ratios published by the minister for items 1, 2 and 4 of the schedule must not exceed those published by the minister from time to time.
- 1.28 **“public service infrastructure”** means publicly controlled infrastructure of the following kinds:
- 1.28.1 national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- 1.28.2 water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- 1.28.3 power stations, power substations or power lines forming part of an electricity scheme serving the public;
- 1.28.4 gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- 1.28.5 railway lines forming part of a national railway system;
- 1.28.6 communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- 1.28.7 runways or aprons at national or provincial airports;
- 1.28.8 any other publicly controlled infrastructure as may be prescribed; or
- 1.28.9 a right registered against immovable property in connection with infrastructure mentioned in paragraphs 1.22.1 to 1.22.8;
- 1.29 **“rate randage”** means the cents in the rand that is set as the tariff for each category for the levying of rates
- 1.30 **“residential property”** means a property included in the valuation roll as residential
- 1.31 **“rural communal property”** means agricultural or township property where there is a single cadastral holding developed predominantly for residential purposes and/or traditional rural homesteads, and which may also have a variety of non-residential structures which collectively constitute the minority in terms of measured building area, including property belonging to the Ingonyama Trust Board and property belonging to a land reform beneficiary, where the dominant use is residential rather than commercial agricultural.
- 1.32 **“sectional title garages”** means any garage within a residential sectional title scheme that has been registered as a separate sectional title unit.



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- 1.33 **“small home business”** – means a property previous rated as residential where an owner or lessee runs a small business from the premises and which is still primarily used as a place of residence by that owner or lessee and where special (remove) any (add) consent has been obtained in terms of the Town Planning scheme to run this business on the premises. All conditions in respect of the Special Consent will apply.
- 1.34 **“the Act”** means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004).
- 1.35 **“unauthorized use”**– means any property used for any purpose other than its permitted zoned use or that has not been granted special consent by the municipality in terms of its Town Planning Scheme; and that has any unauthorized structures on the property that are not part of the approved plan; that cannot therefore be placed into any of the existing current permitted use categories approved by Council in the Rates Policy.
- 1.36 **“vacant land”** means any undeveloped property as listed in the valuation roll



## INTRODUCTION

### PART I: RATES POLICY

#### 2. ADOPTION AND CONTENTS OF RATES POLICY

2.1 The Municipality shall adopt a rates policy in terms of which all rateable properties within its area of jurisdiction are rated.

2.2 The rates policy shall take effect on the effective date of the first valuation roll prepared by the Municipality under the Act, and shall accompany the Municipality's budget for the financial year concerned when the budget is tabled in terms of section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

#### 3. COMMUNITY PARTICIPATION

Before the Municipality adopts or amends its rates policy it shall follow a process of community participation in accordance with Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and section 4 and 5 of the Act."

### PART 2: LEVYING OF RATES

#### 4. LEVYING OF RATES

4.1 The Municipality shall levy rates on all rateable property within its area, provided that it may, by resolution, grant exemptions from, rebates on or reductions in, rates levied in terms of this policy or in terms of a national framework prescribed under the Act.

4.2 In levying rates on property the Municipality is not obliged to levy rates on properties of which it is the owner, or public service infrastructure, or on properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices.

#### 5. DIFFERENTIAL RATES

The Municipality may, by resolution, and in terms of criteria set out in this policy, levy different rates for different categories of rateable property, which may include categories determined according to the use of the property, the permitted use of the property or the geographical area in which the property is situated.

#### 6. IMPERMISSIBLE DIFFERENTIATION

The Municipality may not levy -

6.1 different rates on residential properties, except as provided for in sections 11(2) (uniform fixed amount for rates), 21 (phasing in of rates) and 89 (use of existing valuation roll/supplementary roll) of the Act;

6.2 a rate on a category of non-residential properties that exceeds a prescribed ratio to the rate on residential properties determined in terms of section 11 (1 )(a) (on the market value of the property) of the Act: Provided that different ratios may be set in respect of different categories of non-residential properties;

6.3 rates which unreasonably discriminate between categories of non-residential properties;

6.4 additional rates except as provided for in section 22 (special rating areas) of the Act.



## 7. PROPERTIES USED FOR MULTIPLE PURPOSES

A property used for multiple purposes and where there is not a separate rating category shall, for rates purposes, be assigned to a category determined by the Municipality for the primary use of the property.

## 8. LEVYING OF PROPERTY RATES ON SECTIONAL TITLE SCHEMES

8.1 A rate on property which is subject to a sectional title scheme shall be levied on the individual sectional title units in the scheme and not on the property as a whole.

8.2 This will be applicable only after the first valuation roll of the Municipality has been prepared in terms of the Act. In the interim, the body corporate remains liable for payment of rates on sectional title schemes. Once the valuation roll has been prepared, the body corporate will only be liable for payment of rates in those cases where it is the owner of any specific sectional title unit.

## 9. AMOUNT DUE FOR RATES

9.1 The rate levied by the Municipality shall be an amount in the Rand on the market value of the property.

9.2 Furthermore, in the interest of accelerating the provision of basic services to communities, and enhancing the international competitiveness of the South African economy and mobilization of foreign investments and job creation, the Municipality may consider exempting from rating all components of public service infrastructure as defined in the Act.

9.3 The Municipality acknowledges that the Minister may from time to time increase the monetary threshold referred to in section 21, to reflect inflation.

## 10. PERIOD FOR WHICH RATES MAY BE LEVIED

10.1 The Municipality shall levy rates for one financial year at a time. At the end of each financial year the rate levied for that financial year shall lapse.

10.2 The Municipality shall, annually, at the time of its budget, set the amount in the Rand for rates.

10.3 The levying of rates shall form part of the Municipality's annual budget process as set out in Chapter 4 of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003).

## 11. COMMENCEMENT OF RATES

Rates levied by the Municipality shall become due and payable as from the start of the financial year.

## 12. PROMULGATION OF RESOLUTIONS LEVYING RATES

12.1 A rate levied by the Municipality shall be adopted by resolution supported by a majority of the members of the Council.

12.2 The Municipality shall publish the resolution in the Provincial Gazette.

12.3 The Municipal Manager shall, without delay, conspicuously display the resolution for a period of at least 30 days at the Municipality's head office and satellite offices and libraries and, if applicable, on a website available to it.

12.4 In addition, the Municipal Manager shall, without delay, advertise in the media a notice stating that a resolution levying a rate on property has been passed by the Council and that the resolution is available for inspection at the Municipality's head office and satellite offices and libraries during office hours and on the



Municipality's website, if applicable.

## **13. EXEMPTIONS. REDUCTIONS AND REBATES**

13.1 The Municipality shall not grant relief in respect of the payment of rates other than by way of exemption, rebate or reduction, nor shall it grant such relief to the owner of a property on an individual basis.

13.2 The Municipal Manager shall annually table in the Council of the Municipality a list of all exemptions, rebates and reductions granted by the Municipality during the previous financial year together with a statement reflecting the income foregone by the Municipality by way of exemptions, rebates, reductions, exclusions and the phasing-in discount granted in terms of section 21 of the Act.

13.3 The Council shall identify, and provide reasons for, exemptions, rebates and reductions when the annual budget is tabled in terms of section 16(2) of the Local Government: Municipal Finance Management Act, 2003.

## **14. CATEGORIES OF PROPERTIES**

The Council may, by resolution, grant exemptions, reductions and rebates on the following categories of properties –

- 14.1 agricultural properties;
- 14.2 commercial properties
- 14.3 DSF properties
- 14.4 impermissible rates property;
- 14.5 industrial properties
- 14.6 mining;
- 14.7 public benefit organisation property;
- 14.8 public service infrastructure;
- 14.9 residential property;
- 14.10 rural communal property;
- 14.11 sectional title garages (separately registered)
- 14.12 small home business;
- 14.13 unauthorized use property;
- 14.14 vacant land;
- 14.15 other property





## PART 3: LIMITATIONS OF LEVYING OF RATES

### 15. CONSTITUTIONALLY IMPERMISSIBLE RATES

The Municipality acknowledges that it may not levy rates on property in a way that would materially and unreasonably prejudice national economic policies, economic activities across its boundary or the national mobility of goods, services, capital or labour as provided for in section 229(2)(a) of the Constitution.

### 16. OTHER IMPERMISSIBLE RATES

16.1.1 The Municipality shall not levy a rate on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes.

16.1.2 In respect of subsection (a), the exclusion from rates shall lapse if the declaration of that property as a special nature reserve, national park, nature reserve or national botanical garden, or as part of such reserve, park, or botanical garden, is withdrawn in terms of the applicable Act.

16.1.3 The Municipality may levy a rate on those portions of a protected area and/or national botanical garden that are developed or used for business, commercial, agricultural or residential purposes.

16.1.4 In order to determine whether the exclusion from rates lapses in respect of the properties mentioned in subsection (16.1.1), the Municipality shall refer to the register to be provided by the Department of Environmental Affairs entitled "Register of Protected Area", containing a list of all protected areas, the name of the Municipality where the protected area is located, cadastral boundaries, the kind of protected area in each case, the date of declaration and withdrawal. The register will be updated annually and forwarded to Municipalities.

16.2.1 The Municipality shall not levy a rate on a property registered in the name of and used primarily as a place of public worship by a religious organisation, including an official residence registered in the name of that organisation which is occupied by an office-bearer of that organisation who officiates at services at that place of public worship.

16.2.2 In respect of the exclusion from rates on a property registered in the name of, and used primarily as a place of public worship by, a religious organisation, the Municipality regards the religious organisation as a non-profit making entity regarding the use of the property. Therefore, any deviation from this principle shall automatically disqualify the religious organisation from enjoying the benefits conferred by the Act.

16.2.3 The principle stated in subsection (16.2.2) shall also apply where a property in the ownership of one religious organisation is used by another religious organisation. In that case, if any money changes hands between the two religious organisations, such money should be limited to settlements of municipal financial obligations such as payments for user service charges, e.g., on water, electricity, refuse removal and the like.

16.2.4 In the case of a property owned by a non-religious entity or organisation, but made available to a religious organisation for use as a place of public worship, such non-religious entity or organisation shall be liable for payment of rates on such property.

16.2.5 Where a religious organisation enjoys the benefit afforded by the Act and the property is disposed of by the religious organisation owning it, the benefit shall lapse and rates on such property shall become payable.

16.2.6 Similarly, where the property is no longer used primarily as a place of public worship or, in the case of



an official residence registered in the name of that organisation, where such residence is no longer used as a residence by the office-bearer who officiates at services at that place of worship, the exclusion from rates in respect of those properties shall lapse.

16.3. The Municipality shall not levy a rate on mineral rights within the meaning of paragraph (b) of the definition of “property” in section 1.

16.4 The Municipality shall not levy a rate on a property belonging to a land reform beneficiary or his or heirs, provided that this exclusion shall lapse ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds.

16.5 In respect of properties assigned in the valuation roll to a category determined by the municipality for residential purposes, the rates levied shall be calculated on the market value of the property less an amount of R 15 000; plus any additional amount as resolved by Council at the time of the annual budget.

16.6 The Municipality shall not levy a rate on the first 30% of the market value of public service infrastructure.

## **17. PRIMARY REBATES PER CATEGORY OF PROPERTY**

The Municipality may by resolution grant a rebate on the rate payable on the following categories of rateable properties -

- 17.1 agricultural property;
- 17.2 commercial property
- 17.3 DSF properties
- 17.4 industrial property
- 17.5 mining;
- 17.6 public benefit organisation property;
- 17.7 public service infrastructure;
- 17.8 residential property;
- 17.9 rural communal property;
- 17.10 sectional title garages (separately registered)
- 17.11 small home business;
- 17.12 other property

The Municipality shall in each financial year determine the amount of the rebate to be granted to each of the categories specified in subsection (1).

## **18. REBATES PER CATEGORY OF OWNER**

18.1 The Municipality may grant a rebate on a property owned and occupied by the Msunduzi Municipality.

18.2 The Municipality may grant a rebate on a property whose owner is a receipt of an old age pension or disability grant, provided that the applicant satisfies all the criteria for such rebate. The rebate will lapse on the death of any applicant.

18.3 The Municipality may grant a rebate to a minor(s) who owns property or is the sole heir of a property where all owners and occupants are under the age of 18 and where all other criteria for the rebate are met.

18.4 The Municipality may grant a rebate on a rateable property which has been listed under the Municipality’s Town Planning Scheme, provided that the owner of such property qualifies in terms of the criteria for this rebate.

18.5 The Municipality may grant a rebate to developers who own property and install the necessary infra-



structure for the development of the vacant land and which results in an enhanced market value of the land, provided that the owner of such property satisfies the criteria for such rebate as may be determined by the Municipality.

18.6 A rebate granted on the rate payable on any property referred to in sections 18.2 – 18.5, inclusive, is conditional upon there being no outstanding rates or service charges owing and payable on such property except to an owner who is in receipt of an old age pension, disability grant or child headed household, provided that an arrangement in terms of the credit control policy for any arrears is in place, and is being maintained.

18.7 No rebate will be granted to any developer as envisaged in 18.5 above, who has previously received a business concession or development incentive from Council for any part of the development.

## PART 4 : ADDITIONAL RATES

### 19. ADDITIONAL RATES FOR SPECIAL RATING AREAS

19.1 The Municipal Council may by resolution of its council –

19.1.1 determine an area within the Municipality as a special rating area;

19.1.2 levy an additional rate on the property in that area for the purpose of raising funds for improving or upgrading that area; and

19.1.3 Differentiate between categories of properties when levying an additional rate referred to in paragraph 20.1.2

### 19.2 Before determining a special rating area the Municipality must -

19.2.1 Consult the affected community on the proposed boundaries on the following matters

19.2.1.1 The proposed boundaries of the area; and

19.2.1.2 The proposed improvement or upgrading of the area; and

19.2.2 Obtain the consent of the majority of the members of the affected community in the proposed special rating area who will be liable for paying the additional rate.

### 19.3 When a municipality determines a special rating area, the Municipality –

19.3.1 must determine the boundaries of the area;

19.3.2 must indicate how the area is to be improved or upgraded by funds derived from the additional rate;

19.3.3 must establish separate accounting and other record-keeping systems regarding –

19.3.3.1 the revenue generated by the additional rate; and

19.3.3.2 the improvement and upgrading of the area; and



19.3.4 may establish a committee composed of persons representing the community in the area to act as consultative and advisory forum for the municipality on the improvement and upgrading of the area, provided representivity, including gender representivity, is taken into account when such a committee is established. Such a committee must be a subcommittee of the ward committee or committees in the area, if the municipality has a ward committee or committees in the area.

- 19.4 This section may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special rating area must be consistent with the objectives of the municipality's integrated development plan
- 19.5 This section must be read with section 85 of the Municipal Systems Act if this section is applied to provide funding for an internal municipal services district established in terms of that section of the Municipal Systems Act.
- 19.6 The municipality may enact By-Laws to further regulate special rating areas.

## PART 5: LIABILITY FOR RATES

### 20 PROPERTY RATES PAYABLE BY OWNERS

- 20.1 A rate levied on a property shall be paid by the owner of that property.

20.2 Where a property is owned jointly the owners shall be jointly and severally liable for the payment of the rates on such property.

20.3 In respect of agricultural property that is owned by more than one owner in undivided shares where the holding of such undivided shares was allowed before the commencement of the Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970), the Municipality shall hold owners jointly and severally liable for all rates levied in respect of the property concerned

- 20.4.1 Council buildings and land let to individual tenants, involving separately registered subdivisions, shall be shown separately in the valuation roll and shall be valued at market value.

- 20.4.2 In respect of a Council building where multiple tenancies occur, the entire building shall be valued at market value, based on a pro rata portion of the market value, calculated by lettable area.

### 21. PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

21.1 A rate levied by the Municipality on a sectional title unit is payable by the owner of the unit and not by the body corporate controlling the sectional title scheme; provided that this will be applicable only after the first valuation roll of the Municipality has been prepared in terms of the Act.

21.2 Where a sectional title scheme is in the course of development, the undeveloped portion of the property shall be valued and separately rated and the rates on such undeveloped portion shall be paid by the body corporate.

- 21.3 The common property in a sectional title scheme shall not be valued or rated.



## 22. METHOD AND TIME OF PAYMENT

22.1 The Municipality shall recover rates on a monthly basis.

22.2 Rates shall be paid in each month on or before a date determined by the Municipality.

22.3. The final date for the payment of rates, as determined by the Municipality in terms of subsection (2) above, shall not be affected by reason of any objection in terms of section 52, or an appeal in terms of section 55, of the Act.

22.3.2 if the result of any objection or appeal is that the valuation is –

22.3.2.1 unchanged, the Municipality may collect any penalty that may have accrued to it in terms of section 26

22.3.2.2 adjusted downwards, the Municipality shall only collect such penalty on the rates due on such reduced valuation and any over-payment that may have been made shall be refunded;

22.3.2.3 adjusted upwards, the Municipality shall, in addition to collecting such penalty on the rates due on the valuation before the objection or appeal, also collect such penalty charges on the additional amount of rates due in consequence of such upward adjustment, which remains unpaid after the date specified for payment thereof in a notice served by the Municipal Manager, or his authorized representative, on the person liable for the payment of the rates.

## 23. ACCOUNTS TO BE FURNISHED

23.1 The Municipality shall furnish each person liable for payment of a rate with a written account which shall contain the following information –

23.1.1 the amount due for rates payable;

23.1.2 the date on or before which the amount is payable;

23.1.3 how the amount was calculated;

23.1.4 the market value of the property;

23.1.5 if the property is subject to any compulsory phasing-in discount in terms of section 21 of the Act, the amount of the discount;

23.1.6 if the property is subject to any additional rate in terms of section 22 of the Act, the amount due for additional rates.

23.2 Any person liable for the payment of a rate in respect of rateable property shall notify the municipality of any address within the Republic to which notices in respect of such property shall be sent.

23.3 Any notice which the municipality is required to give in terms of section 23.1 of this policy shall be deemed to have been properly given -

23.3.1 if it has been sent by pre-paid post -

23.3.1.1 to an address notified in terms of subsection 23.2 of this policy;

23.3.1.2 if subparagraph 24.3.1.1 does not apply and the property is not vacant land, to the address of the property shown in the valuation roll; or

23.3.1.3 to an address which appears to be the residential or business address of the person liable for the





payment of the rate, according to the records of the municipality, which method of posting shall be utilized if subparagraphs 23.3.1.1 and 23.3.1.2 of this policy do not apply or if any notice posted in terms of the said subparagraphs has been returned as undelivered;

23.3.2 if it has in fact come to the notice of the person to whom it is required to be given;

23.3.3 if paragraphs 23.3.1 and 23.3.2 of this policy do not apply, by affixing on the notice board of the municipality for a period of at least thirty days, a schedule containing the name of the person who is liable for the payment of the rate as shown in the valuation roll and the particulars required by section 28(1) of the Act;

23.4 Where a property in respect of which a rate is payable, is owned by more than one person and either or both of whom are liable for the payment of a rate on such property, the notices required to be given in terms of this section shall be deemed to have been properly given if posted or delivered to the address of one of such persons; provided that such persons may agree amongst themselves to which address such notices shall be posted or delivered and may notify the municipality accordingly, in the manner provided for in subsection 23.3.

23.5 Any person who is liable for payment of a rate but who has not received an account shall not be absolved from paying the amount owing by due date and any amount outstanding after such date shall attract penalty charges as provided for in section 25 of this policy;

23.5.2 If any person who is liable for payment of a rate does not receive an account, such person shall obtain a copy of such account from the offices of the Municipality, before the due date for payment of the account.

23.5.3 If any person who is liable for the payment of a rate shall notify the Municipality of any change of address including any e-mail address or other contact details;

23.5.4 A change of address referred to in 23.5.3 above shall take effect on receipt thereof by the Municipality;

23.5.5 If any person who is liable for the payment of a rate does not receive an account as a result of such person's failure to notify the municipality of a change of address, such person shall nevertheless be required to pay the amount owing by due date.

## 24. RECOVERY OF ARREAR RATES

24.1 In terms of the Municipal Finance Management Act the municipality shall take all necessary measures to recover all rates due and payable to the municipality.

24.2 A letter of demand shall be sent to the owner if the account is 60 days or more in arrears.

24.3 The municipality shall terminate the services to the property if the owner fails to respond to the letter of demand, regardless of whether the owner is the occupier on the property.

24.4 The municipality may publish a list of all rates defaulters, who have failed to pay within 60 days after the final instalment of the rates assessment, calling on the ratepayer to settle the arrears within a specified time frame, failing which, Council's credit control and debt collection procedures will be followed and an application will be made to a court of competent jurisdiction for an order for the sale of the property by public auction.



24.5 If the rates remain unpaid in terms of 24.4 above, the municipality shall make application to a court of competent jurisdiction showing the amount of rates, penalties and surcharges then in arrear, and that all notices have been given and requesting the court to order any such rateable property be sold by public auction and the proceeds thereof to be paid in to court, and to direct payment to the Municipality of all rates and penalties accrued in respect of the date of such sale together with the costs of obtaining the said order.

24.6 If before the sale of any rateable property in terms of an order made under subsection 24.5 there is produced to the Deputy Sheriff or other person charged with the sale thereof, a certificate by the Municipality that all amounts owing in terms of outstanding and arrear rates and penalty charges have been paid, the said property shall be withdrawn from the sale.

24.7 Notwithstanding that all outstanding and arrear rates penalty charges may have been paid before the said sale, the Municipality shall not be liable to any person for any loss or damage suffered by such person by reason of the sale of any such property in respect of which no such certificate has been produced to the said Deputy Sheriff or other person.

## 25. INTEREST AND COLLECTION CHARGES

25.1 Interest will be charged on all rates arrears in terms of the Municipal Finance Management Act and the Municipal Systems Act.

25.2 In addition to interest charged in respect of any property, collection charges shall accrue as follows:

25.2.1 As from the last working day referred to in section 24.4 of this policy, an amount representing ten per cent (10%) of the capital amount of the rates then in arrear in terms of Section 75 (1) A of the Municipal Systems Act;

25.2.2 On the grant of a court order in terms of section 24.5 of this policy, a further amount representing ten per cent (10%) of the capital amount of the rates then in arrear in terms of Section 75 (1) A of the Municipal Systems Act.

25.3 The said charges shall be payable to the Municipality and the said amounts or such of them as may be applicable may be recovered by it in any proceedings for the recovery of rates.

## 26. RESTRAINT ON THE TRANSFER OF PROPERTY AND REVENUE CLEARANCE CERTIFICATES

26.1 Section 118 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) provides as follows:

"118(1)A registrar of deeds may not register the transfer of property except on production of a prescribed certificate –

(a) issued by the municipality or municipalities in which that property is situated; and

(b) which certifies that all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.

1A) A prescribed certificate issued by a municipality in terms of subsection (1) is valid for a period of 60 days from the date it has been issued.

(2) In the case of the transfer of property by a trustee of an insolvent estate, the provisions of this section are subject to section 89 of the Insolvency Act, 1936 (Act No. 24 of 1936).



(3) An amount due for municipal services, surcharges on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.

(4) Subsection (1) does not apply to –

(a) a transfer from the national government, a provincial government or a municipality of a residential property which was financed with funds or loans made available by the national government, a provincial government or a municipality; and

(b) the vesting of ownership as a result of a conversion of land tenure rights into ownership in terms of Chapter 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991);

Provided that nothing in this subsection precludes the subsequent collection by a municipality of any amounts owed to it in respect of such a property at the time of such transfer or conversion.

(5) Subsection (3) does not apply to any amount referred to in that subsection that became due before a transfer of a residential property or a conversion of land tenure rights into ownership contemplated in subsection (4) took place.”

26.2 The provisions of section 118 of the Systems Act shall be strictly adhered to at all times.

26.3 Only applications completed in full on the prescribed form, received from a bona fide conveyance, State Department or Municipal Department and accompanied by the prescribed fee as recorded in the tariff register will be processed.

26.4 In accordance with section 118 (i) of the Systems Act, where the amount due on a property exceeds two years and a clearance certificate is issued, all amounts in excess of the 2 year requirement will be endorsed on the clearance certificate and the conveyancer shall notify the purchaser of the property in writing that he/she may be liable for the outstanding account(s) on transfer. A copy of the notification must be sent to the municipality on transfer.

26.5 Section 118(1A) (b) shall not apply where the owner or occupant of the property has signed a waiver of this section for the purposes of payments arrangements in terms of the Msunduzi Municipality Debt Collection and Credit Control Policy and the full arrears relating to the property shall be paid.

26.6 Where the monthly consumption of services to a property has been averaged for a period of more than 60 days, the owner, in consultation with the Municipality, shall make arrangements for the reading of the meter in respect of the relevant services in order that the requirements of section 118 of the Systems Act are complied with.

26.7 Where a conveyancer is able to demonstrate that exceptional circumstances exist, the Chief Financial Officer or the delegated authority may accept a letter of undertaking, or a guarantee, for the payment of the full amounts required, provided that the full amounts are paid on the date of registration of transfer of the property.

26.8 Where any amendments to the value or use have been found whether authorized or not, the rates on the amended value or use must be paid and the current rates will be charged at the enhanced value and/or category amendment.



## 27. DATE OF VALUATION

27.1 For the purposes of a general valuation, the Municipality shall, by resolution, determine a date that may not be more than 12 months before the start of the financial year in which the valuation roll is to be first implemented.

27.2 The general valuation roll shall reflect the market value of properties determined in accordance with market conditions, which applied as at the date of valuation.

## 28 SUPPLEMENTARY VALUATIONS AND INTERIM RATES ADJUSTMENTS

28.1 In terms of Section 78 of the Act

(1) A municipality must, whenever necessary, cause a supplementary valuation to be made in respect of any rateable property-

(a) incorrectly omitted from the valuation roll;

(b) included in a municipality after the last general valuation; 20

(c) subdivided or consolidated after the last general valuation;

(d) of which the market value has substantially increased or decreased for any

(e) substantially incorrectly valued during the last general valuation; or

(f) that must be revalued for any other exceptional reason. 25

reason after the last general valuation;

(4) Rates on a property based on the valuation of that property in a supplementary 40 valuation roll become payable with effect from -

(a) the effective date of the supplementary roll, in the case of a property referred to in subsection (1) (a), (e) or (f)

(b) the date on which the property was included in the municipality, in the case of a property referred to in subsection (1) (b); 45

(c) the date on which the subdivision or consolidation of the property was registered in the Deeds Office, in the case of a property referred to in subsection (1) (c); or

(d) the date on which the event referred to in subsection (1) (d) has occurred."

28.2 Notwithstanding the above any adjustment made in Terms of Section 78 shall be limited to the current plus three additional years, and shall be paid within 90 days of the billing thereof where after normal interest rates shall apply.

## 29 BY-LAWS TO BE ADOPTED

29.1 By-laws shall be adopted to give effect to the Council's Rates Policy.

29.2 By laws in terms of 29.1 above may differentiate between

29.2.1 different categories of properties; and

29.2.2 different categories of owners of properties liable for the payment of rates.

29.3 The by-laws are to comply with the requirements of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Municipal Property Rates Act (Act No. 6 of 2004) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).



### 30 ENFORCEMENT OF OTHER LEGISLATION

- 30.1 In addition to the provisions contained in this policy and the published by-laws relating hereto, the Council may enforce any other rights or exercise any power conferred upon it by the Municipal Systems Act, 2000 (No. 32 of 2000), the Property Rates Act, 2004 (Act No. 6 of 2004) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and any other applicable legislation.
- 30.2 In the event of an inconsistency between the provisions of this Policy and any other Policy, the provisions of this Policy shall prevail to the extent that the consistency can be established.
- 30.3 This Policy must be read in parallel with the Municipal Property Rates Act, The Municipal Finance Management Act and any other relevant legislation.

#### EFFECTIVE DATE

The effective date of this policy shall be.....





## GENERAL INSURANCE POLICY

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## PREAMBLE

Subject to the terms, exceptions, conditions (precedent or otherwise) and in consideration of and conditional upon the prior payment of the premium by or on behalf of the Insured and receipt thereof by or on behalf of the Insurers.

The Insurer agrees to indemnify or compensate the Insured by payment or, at the option of the Insurer, by replacement, reinstatement or repair, in respect of the Insured Events occurring during the period of insurance up to the sums insured, limits of indemnity, compensation and other amounts specified.

Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.



## DEFINITIONS

For the purpose of this policy unless the context otherwise requires:

1. **“Insurer”** means the General Insurance Fund of the Msunduzi Municipality, which is administered by the Chief Financial Officer’s Department. Established by the Msunduzi Municipality in order to implement its scheme of self insurance as adopted by it on 4 June 1962 and as subsequently amended, under the powers conferred on it by Section 63 of the Local Government Municipal Finance Management Act No. 56 of 2003, by providing cover in respect of the Msunduzi Municipality’s several insurable interests and risks and in respect of certain other parties for whom the Msunduzi Municipality may legally provide insurance cover, the administration of which Insurer is controlled by the Strategic Chief Financial Officer or his/her successor in title in terms of the authority conferred on him/her by the aforesaid resolution as amended from time to time.
2. **“Insured”** means The Msunduzi Municipality and any party (various departments) who is insured under any section of this policy.
3. **“Premium”** means the amount as determined by the Chief Financial Officer or his/her successor in title which is payable to the Insurer by any Service of the Msunduzi Municipality or by or on behalf of any Other Insured, for insurance cover under any Section of this policy in respect of each year of insurance.
4. The phrases and terminology that have been adapted in this document to fall in line with the generally accepted phrases in the short term insurance industry.



## GENERAL EXCEPTIONS, CONDITIONS, PROVISOS AND EXTENSIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY

(Except where otherwise stated in each Section)

### A : GENERAL EXCEPTIONS

#### 1. War, riot and terrorism

(A) This policy does not cover loss of or damage to property related to or caused by:

- (i) Civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
- (ii) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
- (iii) (a) Mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;  
  
(b) Insurrection, rebellion or revolution;
- (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
- (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;
- (vi) Any attempt to perform any act referred to in clause (iv) or (v) above;
- (vii) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (A) (i), (ii), (iii), (iv), (v) or (vi) above.

If the Insurer alleges that, by reason of clause (A) (i), (ii), (iii), (iv), (v), (vi), or (vii) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (no. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.



For the purpose of this General exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organization or government or any person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

If the Insurer alleges that, by reason of clause 1(C) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

## 1. Nuclear

Except as regards the Fidelity, Stated Benefits and Group Personal Accident sections

### (i) This policy does not cover

- (a) Loss or destruction of or damage to any property whatsoever or any loss or expense

whatsoever resulting or arising there from or any consequential loss

- (b) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.

- (ii) the indemnity provided by this policy shall not apply to nor include any loss destruction, damage or legal liability directly or indirectly, caused by, or contributed to by, or arising from nuclear weapons material.

## 2. Computer losses

General exception applicable to all sections of this policy insuring damage to property or the consequences of damage to property or any liability.

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein, which would otherwise override a general exception, this policy does not cover:





- (a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising there from;
- (b) any legal liability of whatsoever nature;
- (c) any consequential loss;

Directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer, correctly or at all

- (i) To treat any date as the correct date or true calendar date or correctly or appropriately to recognise, manipulate, interpret, process, store, receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date, or
- (ii) To capture, save, retain or to process any information or code as a result of the operation of any command which causes the loss of data or the inability to capture, save, retain or correctly to process such data in regard to or in connection with any such date, or
- (iii) To capture, save retain or to process any information or code due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programmes, or
- (iv) To capture, save, retain or to process any data as a result of the action of any computer virus, or other corrupting, harmful or otherwise unauthorised code or instruction including any trojan horse, time or logic bomb or worm or any other destructive or disruptive code, media or program or interference.

A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device in computer or non-computer equipment or any computer software, tools, operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above, whether the property of the Insured or not.

Special extension to General exception 3



# MSUNDUZI ANNUAL BUDGET

- (A) Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by special perils referred to below or indemnified by the Glass, Employer's Liability, Stated Benefits, Group Personal Accident or Motor section is not excluded by this General exception.

The special perils that are not excluded for the purpose of this special extension are damage caused by: Storm, wind, water, hail, snow excluding damage to property arising from its undergoing any process necessarily involving the use or application of water; caused by tidal wave originating from earthquake or volcanic eruption; in the underground workings of any mine; in the open (other than buildings, structures and plant designed to )

Unless so exist or operate in the open);

) described and

or in any structure not completely ) specifically

roofed; ) insured as a

being retaining walls; ) separate item

aircraft and other aerial devices or articles dropped there from;

impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

These special perils do not cover wear and tear or gradual deterioration.

- (B) General exception 3 also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special extension A above.

- (C) This Special extension will not insure any loss, destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Losses General exception and this Special extension.

- (D) This Special extension shall not apply to any Public Liability indemnity.

## **B : GENERAL CONDITIONS**

### **1. MISREPRESENTATION, MISDESCRIPTION AND NON-DISCLOSURE**

Misrepresentation, misdescription, or non-disclosure of any material particulars shall render voidable the particular item or section of the policy, as the case may be, affected by such misrepresentation, misdescription or non-disclosure.

### **2. OTHER INSURANCE, WARRANTIES & GUARANTEES**

If at the time of any event giving rise to a claim under this policy any insurance, warranties and guarantees exists, negotiated by or on behalf of the Insured, covering any event insured under this policy, the Insurers shall only be liable to pay or contribute a rateable proportion of the amount payable to the Insured in respect of such event. If any such other insurance, warranties and guarantees are subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.

### **3. CANCELLATION**

This insurance may be cancelled at any time by the Insurers giving 30 days' notice in writing or by the Insured giving immediate notice. On cancellation the Insured shall be entitled to claim a pro rata portion of the premium for the remainder of the period of insurance from the date of cancellation.



Cancellation will only be effective if there is sufficient proof of alternate insurance cover or proof of disposal.

In the event of this insurance being cancelled by the Insurers any annual aggregate deductible shall be reduced to an amount in the proportion that the actual period of insurance bears to an annual period of insurance. If the deductibles borne by the Insured in respect of losses occurring during the actual period of insurance exceed the proportionate aggregate deductible for the same period, then the difference shall be payable by the Insurers to the Insured.

#### **4. PREMIUM ADJUSTMENT**

Where the premium or any section or item of this policy has been calculated on estimated figures, the Insured shall, after the expiry of each period of insurance, furnish such particulars and information as the Insurers may require for the purpose of recalculating the premium for that period. Any difference shall be paid by or to the Insured, as the case may be.

#### **5. PREVENTION OF LOSS**

The Insured shall take all reasonable steps and precautions to prevent accidents or losses.

#### **6. CLAIMS**

The Insured shall on the happening of any event that may give rise to a claim under this policy, at his own expense -

- (i) Inform the Insurers thereof within 30 days and furnish particulars of any other insurance covering such events as are insured hereunder;
- (ii) within 24 hours after the event notify the police of any claim involving theft or (if required by the Insurers) loss of property and take all practicable steps to discover the guilty party and to recover the property stolen or lost;
- (iii) within 30 days after the event, submit to the Insurers in writing full details of any claim;
- (iv) furnish the Insurers with such proofs, information and sworn declarations as the Insurers may require, and immediately deliver to the Insurers any notice of claim or communication whatsoever, writ, summons or other legal process issued or commenced against the Insured in connection with the event giving rise to the claim.

This General Condition shall be deemed to have been complied with if the information required in terms thereof is given within the time required to a loss adjuster appointed by or on behalf of the Insurers.

No claim (other than a claim under the Fidelity Sections or the Personal Accident Assault extension to the Money Section) shall be payable after the expiry of 24 months (or such further period as the Insurers may allow) after the happening of the event unless such claim is the subject of pending legal action or is a claim in respect of the Insured's legal liability to a third party.

If after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located the Insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the Insurers provided that the Insured's reasonable expenses in rendering such assistance shall be reimbursed by the Insurers. Should the Insured fail to render assistance in terms of this condition when called on to do so the Insured shall immediately become liable to repay to the Insurers all amounts paid in respect of the claim.



## 7. INSURERS' RIGHTS AFTER AN EVENT

(a) On the happening of any event in respect of which a claim is or may be made under this policy the Insurers and every person authorised by them may without thereby incurring any liability and without diminishing the right of the Insurers to rely upon any conditions of this policy

(i) take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the Insured to the Insurers to do so. The Insured shall not be entitled to abandon any property to the Insurers whether taken possession of by the Insurers or not;

(ii) take over and conduct in the name of the Insured the defence or settlement of any claim and prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the Insured without the written consent of the Insurers.

(b) The Insured, shall, at the expense of the Insurers, do and permit to be done all such things as may be necessary or reasonably required by the Insurers for the purpose of enforcing any rights to which the Insurers shall be or would become subrogated upon indemnification of the Insured whether such things shall be required before or after such indemnification.

(c) In respect of any section of this policy under which an indemnity is provided for liability to third parties the Insurers may in the case of any event pay to the Insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the Insurers shall thereafter not be under further liability in respect of such event.

## 8. FRAUD

If any claim under this policy be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on their behalf or with his knowledge or consent to obtain any benefit under this policy or if any event be occasioned by the wilful act or with the connivance of the Insured, the benefit afforded under this policy in respect of such claim shall be forfeited.

## 9. BREACH OF CONDITIONS

The condition of this policy and sections thereof shall apply individually to each of the risks insured and not collectively to them so that any breach shall void the section only in respect of the risk to which the breach applies.

### GENERAL BURDEN OF PROOF

If the Insurer alleges that a loss or damage is not covered by the policy, the burden of proving to the contrary shall rest on the Insured.

## C: GENERAL PROVISOS

### 1. CLAIMS PREPARATION COSTS

The insurance by each section of this policy is extended to include costs reasonably incurred by the Insured in producing and certifying any particulars or details required by Insurers in terms of General Condition 6 or to substantiate the amount of any claim, provided that the liability of the Insurers for such costs in respect of any one claim shall not exceed the amount stated in the specification.



## **REASONABLE PRECAUTION COSTS**

The insurance by sections of this policy where stated is extended to include all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under that section, provided that the Insurers' liability shall not exceed the amount stated in the Specification.

## **3. RECOVERY OF LOSS**

In the case of recovery on account of any loss covered under this policy the amount recovered, after deducting the actual cost of obtaining or making such recovery but excluding the Insured's own labour and/or establishment costs, shall be applied in the following order.

To reimburse the Insured in full for the part, if any, of such loss which exceeds the amount of coverage provided by this policy (disregarding the amount of any first amount payable/deductible applicable.

The balance, or the entire net recovery if no part of such loss exceeds the sums insured provided by this policy, or if payment shall have been made, to the reimbursement of the Insurers.

Finally to that part of such loss sustained by the Insured by reason of any deductible clause as specified in the specification and/or to that part of such loss covered by any policy(ies) of insurance of which this policy is excess.

## **4. FIRST AMOUNT PAYABLE / DEDUCTIBLE**

In respect of each and every occurrence giving rise to a claim under any section of this policy, the Insured shall be responsible for the first amounts payable (deductible) stated in the Specification of each section of any expenditure (or any less expenditure which may be incurred) for which provision is made under such section (including any payment in respect of costs, expenses and fees) and of any expenditure by the Insurers in the exercise of such discretion it may have under any such section. If the expenditure incurred by the Insurers shall include any first amount payable (deductible) for which the Insured is responsible, such amount shall be paid by the Insurers forthwith.

## **5. NEGLIGENCE/ACCOUNTABILITY**

On the happening of any event in respect of which a claim is or may be made under this policy, the Insurer has the right to recover, in terms of the Msunduzi Municipality's Disciplinary Code, from any employee that is in contravention of the Code. The Deputy Municipal Manager: Corporate Services shall conduct the Disciplinary Inquiry in terms of the Disciplinary Code.

## **6. VALUE ADDED TAX**

Sums insured, first loss amounts, indemnity limits or insured values, by whatever name such are referred to in this policy (henceforth "policy limits") are expressed on a VAT inclusive basis.





# MSUNDUZI ANNUAL BUDGET

## LIMIT OF INDEMNITY

The sections of the policy are subject to the following limits of indemnity:-

Sections	Limits of Indemnity Sum Insured
Combined	R5 000 000
Business Interruption	R6 000 000
Office Contents	R5 000 000
Business All Risks	R2 000 000
Theft	R5 000 000
Glass	R100 000
Money	R1 000 000
Fidelity Guarantee	R1 000 000
Motor Own Damage	R2 000 000
Transit	R2 000 000
Electronic Equipment	R500 000

## DEDUCTABLE EXCESS PER CLAIM

Sections	Amount R
Combined	R5 000
Business Interruption	R1 000
Office Contents	R2 500
Business All Risks	R1 500
Theft	R2 000
Glass	Nil
Money	R1 000
Fidelity Guarantee	Nil
Motor Own Damage	R3 000
Transit	R1 000
Electronic Equipment	R500

## COMBINED SECTION

## CONTINGENCIES

DESTRUCTION, LOSS OR DAMAGE (hereinafter referred to in this Section as *damage*) TO PROPERTY INSURED, DESCRIBED IN THE SPECIFICATION BY OR THROUGH ANY OF THE PERILS DESCRIBED IN CONTINGENCIES A, B OR C OR THE CONSEQUENCES THEREOF DESCRIBED IN CONTINGENCY D.



## **A. INSURED PERILS**

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Malicious Damage as per Extension 10.
3. Storm, wind, hail, snow, water, excluding destruction or damage by subsidence and landslip.
4. Earthquake, excluding destruction or damage to property in the underground workings of any mine.
5. Aircraft and other aerial devices or articles dropped therefrom.
6. Bursting or overflowing of or leakage from tanks, apparatus or pipes of water, oil, chemicals, fluids and/or fumes including loss or damage caused thereto insofar as not otherwise insured.
7. Impact by any vehicle or animal or by falling trees or by boulders, stones, aerials and satellite dishes.
8. Theft or any attempt thereof of buildings, structures and erections including land-lords' fixtures and fittings following forcible and violent entry into or exit therefrom.

## **B. ACCIDENTAL DAMAGE TO PUBLIC SUPPLY OR MAINS CONNECTIONS**

Accidental damage to water, sewerage, gas, electricity, data, and communication connections, the property of the Insured or for which he is legally responsible, between the property insured and the public supply or mains.

## **C. SANITARY WARE**

Accidental damage to fixed washbasins, pedestals, sinks, lavatory pans, splash backs and cisterns (but excluding chipping, scratching and disfiguration) forming part of the building(s) mentioned in the Specification.

## **D. RENT**

Loss of rent in respect of the buildings mentioned in the Specification if so damaged by any peril as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding 25% of the value of the affected building. The basis of calculation will be the annual rental payable immediately preceding the damage or its equivalent in rental value.

## **SPECIAL CONDITION**

(Applicable only to the perils specified in Contingencies A.1 to 5 and 7)

### **AVERAGE**

If the property insured is at the commencement of any damage to such property by any peril insured against collectively of greater value than the sum insured thereon, the Insured shall be considered as being his own Insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

### **ADDITIONAL CONTINGENCIES AND COVER**

(OPTIONAL : Applicable only if stated in the Specification to be included)



## 1. SUBSIDENCE AND LANDSLIP

Damage caused by subsidence or landslip

provided that the Insured shall bear the first portion of each and every claim as stated in the Specification.  
This extension does not cover

1. Damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured.
2. Damage caused by or attributable to
  - (a) faulty design or construction of or the removal or weakening of support to any building situated at the Insured premises;
  - (b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the Insured premises;
  - (c) excavation on or under land other than excavation in the course of mining operations.
3. Consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

In any action suit or other proceeding where the Insurers allege that by reason of the provisions of these exceptions any damage is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

## 2. MOTOR VEHICLES WHILST PARKED

This insurance covers the difference between the new replacement value and the market value of motor vehicles which are damaged as a result of contingencies A.1. to A.6. whilst parked at any premises occupied by the Insured.

Provided that the cover granted by this extension shall apply only where ten or more vehicles are damaged by a single contingency. The limitation of a minimum of ten vehicles shall not apply to special type vehicles (as defined).

Provided further that the Insurers liability in connection with any one source or original cause shall not exceed the limit stated in the Specification.

### Definition

Special vehicles shall mean:

Fire Engines  
Ambulances  
Road - Making and Construction vehicles/machinery  
Refuse Removal vehicles  
Emergency vehicles/buses

## CLAUSES AND EXTENSIONS

(Insofar as they may be applicable)

### 1. DESIGNATION OF PROPERTY

For the purpose of determining where necessary the item under which any property is insured, the Insurers agree to accept the designation under which such property has been entered in the Insured's books.



## **2. ARCHITECTS' AND OTHER PROFESSIONAL FEES**

The insurance under this section includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the Insured property arising from damage by or through any peril hereby insured against, but in no case exceeding 15% of the amount payable in respect of such damage. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the Insured's claim.

## **3. CAPITAL ADDITIONS (only applicable if Day One Average omitted)**

The insurance under this section shall cover additions, alterations and improvements to the property (other than stock) for an amount not exceeding 15% of the sum insured in respect thereof, it being understood that the Insured undertakes to advise the Insurers each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

## **4. CLEARANCE COSTS**

The insurance under this section includes costs necessarily incurred by the Insured in respect of the demolition of buildings and machinery and/or the removal of debris and in providing, erecting and maintaining any hoarding required during demolition, site clearing and/or building operations following damage to the property by any peril hereby insured against, provided that the total amount recoverable shall not exceed the sum insured in respect of the property affected.

## **5. FIRE BRIGADE CHARGES**

Where any Organisation is empowered to charge a fee for fire extinguishing, water or other services rendered in connection with any peril being the subject of indemnity under this section, the said expenses shall be considered as constituting a claim under this policy and shall be payable in addition to any other payment for which the Insurers may be liable in terms of this section.

## **6. TEMPORARY REMOVAL**

Except insofar as otherwise insured, the property insured (other than motor vehicles and motor parts) is covered whilst temporarily removed elsewhere on the same premises as stated in the Specification or to any other premises and in transit thereto and therefrom anywhere in South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi provided that: the amount recoverable under this clause shall not exceed the amount which would have been recoverable had the damage occurred on that part of the premises from which the property has been removed.

## **7. TENANTS**

The Insurers' liability to the Insured shall not be affected by any act or omission on the part of any tenant (other than the Insured) without the Insured's knowledge. The Insured shall, however, inform the Insurers as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Insurers.

## **8. PIPELINE AND STORAGE SUBROGATION**

It is hereby declared and agreed that notwithstanding anything to the contrary contained in this policy, the insurance under this section shall not be invalidated because of the fact that the Insured has granted an undertaking of indemnity to any supplier of fuel or pipeline authority.



## 9. LIMITATIONS (MONEY, STAMPS AND DOCUMENTS)

The Insurers' liability in respect of property described in the Specification shall be limited in respect of:

- (a) money, stamps and securities to a maximum amount of R5 000;
- (b) documents, manuscripts, business books, plans, computer systems, records and media, designs, patterns, models, moulds and castings to the value of materials and sums expended in labour.

## 10. MALICIOUS DAMAGE

Subject otherwise to the terms, conditions and exclusions, exceptions and warranties contained herein this insurance is extended to cover loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage but excluding loss or damage to property insured which is :

- i) stolen
- ii) damaged in an attempt to remove it from any premises owned or occupied by the Insured
- iii) damaged by thieves whilst breaking into or out of or attempting to break into or out of any property

Provided that this extension does not cover :

- (a) loss or damage related to or caused by fire or explosion;
- (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any occurrence referred to in Standard SAIA

Exceptions 1 (A) (i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Insurers allege that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this insurance, the burden of proving the contrary shall rest on the Insured.

## 11. ALL OTHER CONTENTS

The expression "All Contents" referred to in the description of property in the Specification shall include but is not restricted to personal effects (excluding money in any form whatsoever), tools and pedal cycles, being the property of the Insured or Msunduzi Municipality's or employees of the Insured insofar as such property is not otherwise insured.

## 12. REPLACEMENT (OR REINSTATEMENT) VALUE CONDITIONS

In the event of damage to the property the basis upon which the amount payable is to be calculated, shall be the cost of replacement or reinstating on the same site property of the same kind or type but not superior to or more extensive than the property when new.





**provided that:**

(i) the work of replacing or reinstatement (which may be carried out on another site and in any manner suitable to the requirements of the Insured, subject to the liability of the Insurers not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount which would have been payable if these replacement (or reinstatement) value conditions had not been incorporated herein, shall be made;

(ii) until expenditure has been incurred by the Insured with regard to replacing or reinstating the property, the Insurers shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein;

(iii) if at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement, if the whole of the property insured had been damaged, exceeds the sum insured thereon at the commencement of the damage to such property by any peril insured against, then the Insured shall be considered as being his own Insurer for the difference and he shall bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply, shall be separately subject to this provision;

(iv) these conditions shall be of no force or effect if:

(a) the Insured fails to intimate to the Insurers within six months from the date of damage, or such further time as the Insurers may in writing allow, his intention to replace or reinstate the property damaged;

the Insured is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

### **13. LOAD ON VEHICLE CLAUSE**

Damage to any load, being the property of the Insured or for which they are responsible, shall be covered while the same is on any railway or road vehicle in, at or on any premises at which damage shall have been caused by any peril insured against.

### **14. ALTERATIONS AND MISDESCRIPTION CLAUSE**

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the transfer of processes or machinery or by virtue of acquisition of additional premises, structural alterations or repairs to buildings, machinery or plant, provided that notice is given to the Insurers as soon as practicable after such event and the Insured agree to pay additional premium if required.

### **15. DISPOSAL OF SALVAGE**

Without diminishing the rights of the Insurers to rely on the provisions of the general conditions in the event of a loss the Insurers agrees that it will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the consent of the Insured provided that the Insured can establish to the satisfaction of the Insurers that to do so will prejudice their interests in which event the Insurers agrees to give the Insured first option to repurchase such property at its fair intrinsic value or market value whichever is the greater.

The Insured will not be entitled under the provisions of this clause to abandon any property whether taken possession of by the Insurers or not.

### **15. INACTIVE BUILDINGS**

Loss and/or damage as a result of theft of or malicious damage to inactive buildings are excluded, unless otherwise stated in the Specification.



## OFFICE CONTENTS SECTION

### CONTINGENCIES

- A. Loss of or damage to the property insured described in the Specification by or through any of the perils described in Sub-Section A.
- B. Loss of rent as referred to in Sub-Section B.
- C. Loss of or damage to documents as referred to in Sub-Section C.
- D. Legal liability relative to documents as referred to in Sub-Section D.
- E. Increase in cost of working as referred to in Sub-Section E.

### SUB-SECTION A : INSURED PERILS

- 1. Fire, lightning, thunderbolt, subterranean fire, explosion.
- 2. Malicious damage as per Extension 8.
- 3. Storm, wind, water, hail, snow, flood.
- 4. Earthquake.
- 5. Aircraft and other aerial devices or articles dropped therefrom.
- 6. Bursting or overflowing of or leakage from tanks, apparatus, or pipes, (including loss or damage thereto) of water, oil, chemicals, fluids and/or fumes.
- 7. Impact by vehicles or animals or by falling trees, boulders/stones.
- 8. Theft or any attempt thereat other than by any Msunduzi Municipality or Employee of the Insured.
- 9. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.

### SPECIAL CONDITIONS APPLICABLE TO SUB-SECTION A

#### **AVERAGE** (Applicable to paragraphs A.1 to 7 only)

If the total value of the property insured is at the time of the happening of any loss, destruction or damage by any peril insured against, collectively of greater value insured thereon, the Insured shall be considered as being their own Insurer for the difference and shall bear a rateable share of the loss or damage. Each item of the Specification covering such property shall be separately subject to this condition.



## **SPECIAL EXCEPTION APPLICABLE TO SUB-SECTION A**

This section does not cover debentures, moneys, cheques, securities for money, stamps, medals, coins, jewellery, precious stones, bicycles, motor vehicles and accessories thereon, livestock, stock in trade, samples and property otherwise insured.

## **SUB-SECTION B : RENT**

Loss of rent actually incurred by the Insured in consequence of the office premises or portion thereof being so damaged by any of the perils specified in Sub-Section A as to be rendered untenable but only in respect of the period necessary for reinstatement. The indemnity under this Sub-Section shall not exceed 25% of the sum insured or value (whichever is lower) of all contents of the office premises affected).

For the purpose of this Sub-Section the term “office premises” shall be deemed to extend to any premises or portion thereof in the vicinity of the office premises, damage to which prevents or limits access to the office premises.

## **SUB-SECTION C : LOSS OF DOCUMENTS**

Costs, charges and expenses incurred by the Insured in replacing or restoring any documents arising from loss or damage

### **provided that**

- (a) the Insured shall properly look or cause to be looked for them;
- (b) this sub-section does not cover loss, destruction or damage caused by the dishonesty of any official or director who is also an employee of the Insured and whom the Insured have the right at all times to govern, control and direct in the performance of his work in the service of the Insured.

## **DEFINITION**

The term *document* shall mean

films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written printed or otherwise inscribed papers and documents used by the Insured in the business owned by them or for which they are responsible excluding money, current postage or revenue stamps, cancelled and uncanceled coupons, securities, bearer bonds and cheques.

## **SUB SECTION D : LEGAL LIABILITY (DOCUMENTS)**

Legal liability as a direct consequence of loss of or damage to documents as defined in Sub-Section C and in respect of which payment, reinstatement or repair has been made or liability therefor admitted by the Insurers under Sub-Section C unless such payment reinstatement repair or liability has not been made or admitted solely because the insured is required to bear the first portion of the loss.

## **SUB-SECTION E : INCREASE IN COST OF WORKING**

Any additional expenditure not otherwise provided for in this section reasonably incurred by the Insured for the purposes of maintaining the normal operation of the business in consequence of loss or damage in respect of which payment, reinstatement or repair has been made or liability therefor admitted by the Insurers under Sub-Sections A or C.

The indemnity under this Sub-Section shall not exceed 25% of the sum insured on all contents of the office premises affected.



## ADDITIONAL CONTINGENCIES AND COVER

(OPTIONAL: Applicable only if stated in the Specification to be included)

### SUBSIDENCE AND LANDSLIP

Damage caused by subsidence or landslip

provided that the Insured shall bear the first portion of each and every claim as stated in the Specification.

This extension does not cover

1. Damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured.
2. Damage caused by or attributable to
  - (a) faulty design or construction of or the removal or weakening of support to any building situated at the Insured premises;
  - (b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the Insured premises;
  - (c) excavation on or under land other than excavation in the course of mining operations.
3. Consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

In any action suit or other proceeding where the Insurers allege that by reason of the provisions of these exceptions any damage is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

### CLAUSES AND EXTENSIONS

#### 1. TEMPORARY REMOVAL

Except insofar as otherwise insured, the property insured (other than property of any Msunduzi Municipality or employee of the Insured) is covered whilst temporarily removed elsewhere on the same premises as stated in the Specification or to any other premises and in transit thereto and therefrom anywhere within South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

#### 2. CAPITAL ADDITIONS

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 15% of the sum insured thereon it being understood that the Insured undertakes to advise the Insurers each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

#### 3. FIRE BRIGADE CHARGES

If any public authority empowered to do so shall charge the Insured with any costs relating to the extinguishing or fighting of fire, such costs shall be deemed to be damage to the Insured property and shall be payable in addition to any other payment for which the Insurers may be liable in terms of this section.



#### 4. REMOVAL OF DEBRIS

The insurance under this section is extended to include such reasonable costs and expenses as may be necessarily incurred by the Insured in respect of the removal of debris following loss of or damage to the Insured property by any peril hereby insured against, provided that the liability of the Insurers for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the Specification to be insured on the property affected.

#### 5. TENANTS

The Insurers' liability to the Insured shall not be affected by any act or omission on the part of any tenant or owner of a building (other than the Insured) without the Insured's knowledge. The Insured shall, however, inform the Insurers as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this policy comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Insurers.

#### 6. REPLACEMENT VALUE CONDITIONS

The basis upon which the amount payable for a claim in respect of contents is calculated shall be either the replacement of the contents by similar property in a condition equal to but not better or more extensive than its condition when new

or

the repair of the contents to a condition substantially the same as but not better than its condition when new

provided that if at the time of replacement or repair, the sum representing the cost which would have been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then the Insured shall be considered as being their own Insurers for the difference and shall bear a rateable proportion of the loss accordingly.

#### 7. MALICIOUS DAMAGE

Subject otherwise to the terms, conditions and exclusions, exceptions and warranties contained herein this insurance is extended to cover loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage but excluding loss or damage to property insured which is :

- i) stolen
- ii) damaged in an attempt to remove it from any premises owned or occupied by the Insured
- iii) damaged by thieves whilst breaking into or out of or attempting to break into or out of any property

Provided that this extension does not cover :

- (a) loss or damage related to or caused by fire or explosion;
- (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any occurrence referred to in Standard SAIA Exceptions 1 (A) (i) , (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.





If the Insurers allege that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this insurance, the burden of proving the contrary shall rest on the Insured.

## 8. LOCKS AND KEYS

In addition to the limit of indemnity, the Insurers will indemnify the Insured in respect of the cost of replacing locks and keys to any office premises following upon the disappearance of any key to such premises or following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key

### provided that

- (i) the Insurers' liability shall not exceed the amount stated in the Specification.
- (ii) the Insurers shall not be liable for the first amount stated in the Specification.

## 9. NEW AND ADDITIONAL PREMISES

If the Insured shall occupy offices or consulting rooms other than those situated as stated in the Specification in South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi, the insurance by this section shall apply as though such offices or consulting rooms were office premises within the meaning of this section

### provided that

- (i) the Insured shall within a reasonable time of taking occupation advise the Insurers thereof and pay additional premium calculated pro rata from the time of taking occupation until the end of the then current period of insurance.
- (ii) this clause shall not apply to any loss if and so far as the same is otherwise insured.

## 10. ALTERATIONS AND MISDESCRIPTION CLAUSE

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the transfer of processes or machinery or by virtue of structural alterations, repairs to buildings, machinery or plant, provided that notice is given to the Insurers as soon as practicable after such event and the Insured agree to pay additional premium if required.



## BUSINESS ALL RISKS SECTION

### CONTINGENCIES

Loss of or damage to the property insured described in the Specification from any cause whatsoever not otherwise excluded.

### SPECIFIC EXCEPTIONS

The Insurers shall not be liable for:

1. Loss or damage resulting from or caused by
  - (a) its undergoing a process of cleaning, repairing, dyeing, bleaching, altering or restoring any article;
  - (b) detention, confiscation or requisition by customs or other officials or authorities; inherent vice or defect, rust, damp, mildew, vermin or insects; the dishonesty of any Msunduzi Municipality or employee of the Insured whether acting alone or in collusion with others.
2. Wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded.
3. Mechanical or electrical breakdown, cracking, scratching, denting, failure or breakage or derangement unless caused by an accident or misfortune not otherwise excluded.
4. Loss or damage to insured property occasioned by theft and/or attempted theft unless accompanied by forcible and violent entry into or exit from any building, structure or any portion thereof.
5. Loss or damage to insured property occasioned by theft and/or attempted theft from a motor vehicle must be accompanied by forcible and violent entry into the motor vehicle.
6. Any loss or damage or disappearance of any of the property from an unattended motor vehicle unless the property is contained in a completely closed and securely locked vehicle or portion of the vehicle and such loss damage or disappearance is caused by violent and forcible entry into the vehicle or portion of the vehicle.
7. Loss or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind.
8. Loss or damage to goods consigned under a bill of lading.
9. Over-winding denting or internal damage to clocks.

### CLAUSES AND EXTENSIONS

#### 1. AUTOMATIC ADDITIONS

This section extends to include any additional items of similar nature to those specified in the Specification provided that the Insured notifies the Insurers within 90 days of such additions and agrees to pay such additional premium as required.

#### 2. KEYS AND LOCKS

The Insurers shall pay to the Insured the cost of replacement or alteration of keys and/or locks in the event of



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a loss of or damage to keys. Provided always that the Insurers' liability in respect hereof shall be limited to the amount stated in the Specification.

### 3. **INCREASE IN COST OF WORKING** (If stated in the Specification to be included)

The insurance under this extension is limited to expenditure not otherwise recoverable under this section, necessarily and reasonably incurred as a result of loss of or damage to property for which payment is made or liability therefor is admitted under this section, for the purpose of maintaining the normal operation of the business provided always that the Insurers' liability in respect hereof shall be limited to the amount stated in the Specification.

### 4. **REPLACEMENT VALUE CONDITIONS**

The basis upon which the amount payable for a claim in respect of property is calculated shall be either the replacement of the property by similar property in a condition equal to but not better or more extensive than its condition when new

**Or**

the repair of the property to a condition substantially the same as but not better than its condition when new provided that if at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the Insured property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then the Insured shall be considered as being their own Insurer for the difference and shall bear a rateable proportion of the loss accordingly.

## **MEMORANDUM ONE - EMPLOYEES TOOLS AND IMPLEMENTS**

Cover is restricted to theft and fire damage only.

No compensation will be paid if the loss is not reported in writing within three days to the immediate Supervisor from the date Of the discovery of the loss.

When not in use tools must be kept in a locked toolbox or locker provided by the Municipality.

Employee must take advantage of nearby Municipal premises such as but not restricted to sub-stations, official dwellings to ensure additional security.

The employee shall, immediately upon discovery of any loss or damage, giving rise to a claim shall:

- 5.1 Within three days give notice in writing to the Municipality; and
- 5.2 Submit a detailed statement giving full description of the loss.

- 6. The amount of the compensation is limited to 75% of the replacement value and not more than the amount stated in the specification.

## **MEMORANDUM TWO - PROPERTY DAMAGE**

Property damage shall mean underground and overhead service lines; street light-poles; robots and robot controllers including cabling other than on or within 50 meters from the robot; road railings; signposts; manhole and drain covers; central distribution units being the property of the Municipality.

This item also includes the cost to clearing debris following spillage in road accidents;

This item does not cover parking meters.



## MEMORANDUM THREE - WORKS OF ART AT TATHAM ART GALLERY

The Works of Art being the property of the Municipality or for which they are responsible whilst contained at the Tatham Art Gallery.

The cover is restricted to accidental damage and theft consequent upon non-forcible entry and or exit from the premises.

### THEFT SECTION

#### CONTINGENCIES

Loss of or damage to the property insured described in the Specification as a result of theft accompanied by forcible and violent entry into or exit from any building, structure or any portion thereof or any attempt thereat or as a result of theft or attempt thereat following violence or threat of violence.

#### ADDITIONAL CONTINGENCIES AND COVER

(OPTIONAL : Applicable only if stated in the Specification to be included)

**1. FULL THEFT COVER** (Only applicable if stated in Specification as being included)

It is hereby stated and agreed that the words "accompanied by forcible and violent entry into or exit from any building, structure or any portion thereof" as they appear under the heading *CONTINGENCIES* of this section are cancelled.

**2. PROPERTY IN THE OPEN**

Cover provided by this section is extended to include loss of or damage to property in the open within a fenced-off area as a result of theft accompanied by forcible and violent entry into or exit from such fenced-off area provided that Insurers' liability in respect of each and every loss shall be limited to the amount stated in the Specification.

#### SPECIAL EXCEPTIONS

The Insurers shall not be liable for:

1. Loss or damage which can be insured under a fire policy except in the case of explosion caused in an attempt to gain entry or malicious damage by thieves.
2. Damage insurable under a glass insurance policy.
3. Property more specifically insured or unless specified in the Specification, cash, bank or currency notes, cheques, postal orders, money orders, current negotiable stamps and documents or certificates of a negotiable nature.
4. Loss or damage where any member of the Insured's employees is concerned as principal or accessory.

#### CLAUSES AND EXTENSIONS

1. The insurance under this section extends to cover loss of or damage to the property insured

(a) caused or accompanied by

(i) a thief or thieves being concealed upon the Insured premises before close of business;

(ii) entry to and/or exit from the premises being effected by use of a skeleton or other key provided that the Insured shall establish to the satisfaction of Insurers that a skeleton or other key has been used;

(b) in any place where the Insured may from time to time have an interest provided that

(i) such new premises are advised to the Insurers within 30 days from the time the risk attached to the



Insurers;

(ii) an additional premium, if any, is paid.

2. In addition to the limit of indemnity stated in the Specification (except in the case of explosion)
  - (i) the insurance under this section extends to include damage to the premises (including landlord's fixtures and fittings) in the course of theft or any attempt thereat;
  - (ii) the Insurers will indemnify the Insured in respect of the cost of replacing locks and keys to any insured premises following upon the disappearance of any key to such premises or following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key provided that the Insurers' liability shall not exceed the amount stated in the Specification;

3. Subject to the specific exceptions and conditions, the following Contingency is added:

"Damage to buildings at the premises described in the Specification (including landlord's fixtures and fittings) and all contents (whilst in such buildings), the property of the Insured or for which they are responsible caused by the deliberate or wilful or wanton act of any person during the course of any theft or attempted theft accompanied by forcible and violent entry into or exit from such buildings."

The liability of the Insurers under this extension for any one event shall not exceed the amount shown in the Specification for this extension.

17. The term "All Contents" includes personal effects, tools and pedal cycles, the property of the Insured or any Msunduzi Municipality or employee of the Insured insofar as such property is not otherwise insured up to the amount stated in the Specification.
5. The basis upon which the amount payable for a claim in respect of property is calculated shall be either the replacement of the property by similar property in a condition equal to but not better or more extensive than its condition when new or the repair of the property to a condition substantially the same as but not better than its condition when new.





## GLASS SECTION

### CONTINGENCIES

Loss of or damage to the property insured at the premises all as described in the Specification.

Following loss of or damage to glass the Insurers will also indemnify the Insured for

1. the cost of such boarding up as may be reasonably necessary;
2. damage to skirting, shop fronts, frames, window displays (including fixtures and fittings), burglar alarm strips, wires and vibrators as a direct result of such loss or damage;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;
4. the cost of employment of a watchman service prior to replacement of glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance arranged by the Insured; provided that the liability of the Insurers shall not exceed
  - (i) for the replacement of glass, signwriting and treatment - the sum insured applicable to the premises at which breakage occurs;
  - (ii) for all other costs and expenses provided for by this section and resulting from one occurrence or series of occurrences attributable to one source or original cause - in the aggregate the sum of R2 000.

### SPECIFIC EXCEPTIONS

The Insurers shall not be liable for:

1. loss or damage which is insured by or would but for the existence of this section be insured by any fire insurance except in respect of any excess beyond the amount which would have been payable under such fire insurance had the insurance under this section not been effected but this Specific Exception shall not apply to loss or damage for which the Insured is responsible as tenant and not as owner;
2. glass forming part of stock in trade;
3. glass which at inception of this insurance is cracked or broken unless cover has been agreed by the Insurers.

### CLAUSES AND EXTENSIONS

#### SPECIAL REINSTATEMENT

If following loss or damage insured hereunder, the Insured is obliged in terms of the National Building Regulations or similar legislation to replace the damaged glass with glass of a superior quality, then the Insurers shall be liable for the increased cost of such replacement including (but not limited to) frames therefor, provided that if the cost of so replacing the whole of the Insured property (inclusive of other items insured) is greater than the sum insured thereon at the time of the loss or damage, then the Insured shall be considered as being their own Insurer for the difference and shall bear a rateable proportion of the loss accordingly.



## MONEY SECTION

### CONTINGENCIES

Loss of or damage to the property insured described in the Specification occurring in South Africa except as otherwise stated in the Specification.

### SPECIFIC EXCEPTIONS

The Insurers shall not be liable for loss or damage arising from:

1. dishonesty of any Msunduzi Municipality, person or persons in the employ of the Insured not discovered within 14 working days of the occurrence thereof;
2. shortage due to error or omission;
3. in an unlocked safe or strongroom whilst the portion of the premises containing such safe or strongroom is unattended;
4. not contained in a locked safe or strongroom whilst the portion of the premises containing such money is unattended;

Specific exceptions (3) and (4) do not apply up to the amount stated in the Specification.

### MEMORANDA

1. Loss of or damage to money arising from dishonesty of any Msunduzi Municipality or employee of the Insured as insured under this section shall be subject to the compulsory first amount payable as stated in the Specification.  
This amount shall be borne in full by the Insured.
2. The Insurers shall not be liable under this section of the policy in respect of loss or damage arising from any event in respect of which a claim is payable or would be payable but for any first amount payable or Co-Insurance clause under the Fidelity Section of the policy or any other fidelity insurance.



## DEFINITIONS

### MONEY

Shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage revenue and holiday stamps, franking machine cards, cell phone sim cards, public phone cards, credit card vouchers and documents, tickets, certificates or other instruments of a negotiable nature the property of the Insured or for which they hold themselves responsible.

### RECEPTACLE

Shall mean any safe, strongroom, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

### CLOTHING

Shall mean clothing and personal effects not otherwise insured belonging to the Insured or to any Msunduzi Municipality or employee of the Insured.

Working hours - Shall include such periods as authorised employees, Msunduzi Municipalitys/directors, principals handle or keep money outside the normal working or office hours, on the premises of the Insured.

## CLAUSES AND EXTENSIONS

1. In addition to any payment in respect of a contingency the Insurers will indemnify the Insured in respect of  
1.1 receptacles and clothing (as defined) and firearms (not the property of the Insured) lost or damaged as a result of theft of money or any attempt thereat;

the cost of replacing locks and keys to any receptacle at any of the Insured's premises following upon the disappearance of any key to such receptacle at any of the Insured's premises following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key.

Provided that the Insurer's liability in respect of 1.1 and 1.2 above does not exceed the limits stated in the schedule.



## FIDELITY SECTION

### CONTINGENCIES

1. Loss of money and/or other property, belonging to the Insured or for which they are responsible, stolen by an employee during the currency of this section;
2. Direct financial loss sustained by the Insured as a result of fraud or dishonesty of an insured employee, all of which occurs during the currency of this section, which results in dishonest personal financial gain for the employee concerned;

#### **provided that**

1. (a) the Insurers are not liable for all losses which occurred more than twenty four months prior to discovery;
- (b) all losses are discovered not later than twelve months after the termination of:
  - (i) this section, or
  - (ii) this section in respect of any employee concerned in a loss or
  - (iii) the employment of the employee or the last of the Insured employees concerned in a loss

whichever occurs first.

2. (a) (Where the Blanket Basis of cover applies per the Specification)

the liability of the Insurers for all losses shall not exceed the sum insured stated in the Specification whether involving any one employee or any number of employees acting in collusion or independently of each other;

- (b) (Where the Named/Position Basis of cover applies as per the Specification)

the liability of the Insurers for all losses involving any employee, shall not exceed the sum insured set opposite his name in the Specification or, if he is unnamed in the Specification, the sum insured set opposite the position held by him in the business as stated in the Specification;

3. renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the Insurers beyond the sum insured stated in the Specification, if the period of insurance is less than twelve months the Insurers' liability is limited to the sum stated in the Specification during any twelve month period of insurance calculated from inception or renewal.

4. the "term" dishonest personal financial gain shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.



## DEFINITION

### EMPLOYEE

Shall mean

- (a) any person while employed under a contract of employment with or apprenticeship to the Insured;
- (b) any person while hired or seconded from any other party into the service of the Insured;

who the Insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the Insured and who if this section is on a Named and/or Position basis is described in the Specification by name and/or position held by him in the business.

### SPECIFIC EXCEPTIONS

1. The Insurers shall not be liable for
  - (a) loss resulting from or contributed to by any defined event specified in the Contingencies by
    - (i) any partner in or of the Insured or any director or member of the Insured unless such director or member is also an employee;
    - (ii) any employee from the time the Insured shall become aware that such employee has committed any fraud or dishonesty;
  - (b) any consequential losses of any kind following losses referred to under Contingencies.
2. This section does not cover any company or other legal entity acquired during the period of insurance.
3. The Insurers shall not be liable for any defined event if it results from the dishonest
  - (i) manipulation of
  - (ii) input into
  - (iii) suppression of input to
  - (iv) destruction of
  - (v) alteration of

any computer programme, system data or software by any insured employee who is employed in the Insured's electronic data processing department or area.

This exception does not apply to insured employees who are employed in the electronic data processing department/area of any non-networked micro/personal computer.





## SPECIFIC CONDITIONS

1. The Insured shall institute and/or maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting their business as has been represented to the Insurers by the Insured but the Insured may:
  - (a) change the remuneration and conditions of service of any employee;
  - (b) in respect of any employee who is described in the Specification by name, change his duties and position;
  - (c) in respect of any employee who is described in the Specification only by the position held by him, remove such employee and place in his position any other person who falls within the definition of employee;
  - (d) make such other changes as are approved beforehand in writing by the Insured's auditors.
2. If the Insured shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the Insurers or for the amount of any deductible) by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the Insurers.

## ADDITIONAL CONTINGENCIES AND COVER

(OPTIONAL : Applicable only if stated in the Specification to be included)

### 4. COSTS OF RECOVERY

If the Insured shall sustain any loss to which this section applies which exceeds the sum insured hereunder, the Insurers will, in addition to the sum insured, pay to the Insured costs and expenses not exceeding the amount stated in the Specification necessarily incurred with the consent of the Insurers (which consent shall not be unreasonably withheld) for the recovery or attempted recovery from the employee(s) in regard to whom the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the Insured in excess of the said part of the loss shall be for the benefit of the Insurers.

## CLAUSES AND EXTENSIONS

### ACCOUNTANTS

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurers under this section for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

### EXTENDED COVER FOR PAST EMPLOYEES

Any person who ceases to be an employee shall for the purposes of this section be considered as being an employee for a period of 30 days after he in fact ceased to be an employee.



## OTHER INSURANCES

It is a condition of this section that other than

- (a) a money policy;
- (b) that declared to Insurers;
- (c) this policy;

no other policy is in force or will be effected during the currency of this policy to insure against the risks insured hereunder.

## ENDORSEMENTS, ADDITIONAL TERMS AND CONDITIONS

### 1. **COMPULSORY FIRST AMOUNT PAYABLE**

The amount payable under this section in respect of any event specified in the Contingencies involving one employee or any number of employees acting in collusion shall be reduced by the amounts stated in the Specification.

This amount shall be borne in full by the Insured and remain uninsured.

### 2. **VOLUNTARY FIRST AMOUNT PAYABLE**

In addition to the amount payable by the Insured under the Compulsory First Amount Payable Clause, the Insured shall be responsible for the difference between such amount and the amount stated in the Specification as the voluntary first amount payable provided such voluntary amount exceeds the compulsory amount. This amount will remain uninsured.



## MOTOR : OWN DAMAGE SECTION

### SUB-SECTION A : LOSS OR DAMAGE

#### CONTINGENCIES

Loss of or damage to any vehicle described in the Specification and its accessories and spare parts while thereon. In addition, if such vehicle is disabled by reason of any loss or damage insured hereby the Insurers will pay the reasonable cost of protection and removal to the nearest repairers and the Insured may give instructions for repairs to be executed without the previous consent of the Insurers to the extent of but not exceeding R2 000, provided that a detailed estimate is first obtained and immediately forwarded to the Insurers. The Insurers will also pay the reasonable cost of delivery to the Insured after repair of such loss or damage not exceeding the reasonable cost of transport to the permanent address of the Insured in South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

#### Provided that

1. The limit of indemnity stated for each type of vehicle in the Specification shall be the maximum amount payable by the Insurers in respect of such loss or damage but shall not exceed the reasonable market value of the vehicle and its accessories and spare parts at the time of such loss or damage;
2. The Insurers may at their own option repair, reinstate or replace such vehicle or any part thereof and/or its accessories and spare parts or may pay in cash the amount of the loss or damage not exceeding the reasonable market value of such vehicle and/or its accessories and/or spare parts at the time of such loss or damage;
3. If any vehicle insured under this Sub-Section is irreparably damaged or stolen (and not recovered within a reasonable period) and the reasonable market value on the date of such damage or theft is less than the amount owing by the Insured under a valid suspensive sale or similar agreement, the Insurers will, subject to the Limit of Indemnity stated in the Specification not being exceeded, make good the difference to the Insured, less
  - (a) any payments and/or any interest in arrears on the date of the damage or theft and
  - (b) any discount in respect of finance charges and/or interest for the unexpired term of such suspensive sale or similar agreement on a date not exceeding 30 days after the day of the damage or theft and
  - (c) any payment which on the date of the damage or theft has not been made solely because such payment in terms of the conditions of the particular agreement has not actually become due;
4. If to the knowledge of the Insurers the vehicle is the subject of a suspensive sale or similar agreement such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to the Insurers in respect of such loss or damage;



5. In respect of each and every occurrence giving rise to a claim (except a claim resulting from fire, lightning, or explosion) under this Sub-Section, the Insured shall be responsible for the first amounts payable stated in the Specification (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this Sub-Section (including any payment in respect of costs, expenses and fees) and of any expenditure by the Insurers in the exercise of any discretion it may have under this insurance it being understood that should two or more of the Insured vehicles be involved in the same occurrence only one first amount shall be payable. If the expenditure incurred by the Insurers shall include the first amount payable for which the Insured is responsible, such amount shall be paid by the Insured to the Insurers forthwith.

## EXCEPTIONS TO SUB-SECTION A

The Insurers shall not be liable to pay for

- (a) consequential loss as a result of any cause whatsoever, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages;
- (b) damage to tyres by application of brakes or by road punctures, cuts or bursts;
- (c) damage to springs due to inequalities of the road or other surface or to the impact with such inequalities.

## DEFINITIONS

### OCCURRENCE

Shall mean an occurrence or series of occurrences arising from any one cause in connection with any one vehicle (which shall be deemed to include any attached trailer) in respect of which indemnity is provided by this insurance.

### VEHICLE

Shall mean

- (a) private type motor cars (including station wagons, safari vans, estate cars and the like or similar vehicles designed to seat not more than 16 persons including the driver);
- (b) commercial vehicles;
- (c) agricultural type tractors;
- (d) motor cycles (including motor scooters and 3-wheeled vehicles);
- (e) buses (including any vehicle used for business purposes and designed to seat more than 16 persons, including the driver);
- (f) trailers and semi-trailers i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto;
- (g) special types i.e. road-making and construction machinery/vehicles, refuse removal vehicles, street sweepers, etc.

any such vehicle being owned, hired, leased or used by the Insured but excluding vehicles more specifically insured.



## SUB-SECTION B: LIABILITY TO THIRD PARTIES

Refer to separate Liabilities Policy.

## SUB-SECTION C: MEDICAL EXPENSES

If any occupant of any private type motor car or the carrying compartment of a commercial vehicle with a carry capacity not exceeding 1 500 kg insured hereunder shall in direct connection with such motor car sustain bodily injury by violent, accidental, external and visible means, the Insurers will pay to the Insured the medical expenses in connection with such injury up to the sum as stated in the Specification in respect of each person injured after deduction of any amount recoverable in terms of the Workmen's Compensation Act. The term *Medical Expenses* is deemed to include any costs incurred in connection with such occupant being freed from such vehicle and/or brought to a place where medical treatment can be given.

## ADDITIONAL CONTINGENCIES AND COVER

(OPTIONAL: Applicable only if stated in the Specification to be included)

### 1. CONVEYANCE OF EXPLOSIVES

Notwithstanding anything contained to the contrary in Memorandum 3 (Description of Use clause), the Insurers will indemnify the Insured in terms of Sub-Sections A, and C in respect of the conveyance of explosives in any vehicle described in the Specification up to but not exceeding the limit stated in the Specification to apply to this extension.

### 2. LOSS OF KEYS

The Insurers will indemnify the Insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system of any insured vehicle following upon the disappearance of any key or alarm controller of such vehicle or following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller, provided that

- (i) the Insurers' liability shall not exceed, in respect of any one event, the amount stated in the Specification;
- (ii) such amount shall be reduced by the first amount payable stated in the Specification.

## SPECIFIC EXCEPTIONS

1. The Insurers shall not be liable for any accident, injury, loss, damage or liability
  - (a) while the vehicle is being used otherwise than in accordance with the Description of Use clause;
  - (b) incurred outside South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi, but the Insurers will indemnify the Insured against loss of or damage to any vehicle while in transit by sea between any ports in these territories including loading and unloading incidental to such transit;
  - (c) incurred while any vehicle is being driven by
    - (i) the Insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or while not licensed to drive such vehicle;





- (ii) any other person with the general consent of the Insured who to the Insured's knowledge is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or is not licensed to drive such vehicle;

provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with the licensing laws relating to any of the territories referred to under Specific Exception (b) or if non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic renewal or if a licence is not required by law or while such driver is learning to drive and is complying with the laws relating to learners.

## **SPECIFIC CONDITIONS**

1. If during the currency of this section any driver's licence in favour of the Insured or their authorised driver is endorsed, suspended or cancelled or if he or they shall be charged or convicted of neglect, reckless or improper driving, notification shall be sent in writing to the Insurers immediately the Insured have knowledge of such fact.
2. Nothing contained herein shall give any rights against the Insurers to any person other than the Insured. The extension of the Insurers' liability in respect of any person other than the Insured shall give no right of claim hereunder to such person, the intention being that the Insured shall in all cases claim for and on behalf of such person and the receipt of the Insured in any case shall absolutely discharge the Insurers' liability hereunder.

## **CLAUSES AND EXTENSIONS**

### **1. WINDSCREEN**

The provision of this policy relating to first amount payable shall not apply to any payment for damage to windscreen glass, side or rear glass and front lights forming part of any vehicle.

### **2. VEHICLES IN THE INSURED'S CUSTODY**

The indemnity under Sub-section A extends to indemnify the Insured in respect of an accident caused by or through or in connection with any vehicle, not owned, hired or leased by the Insured, whilst:

being driven, towed or transported by or otherwise in the care, custody or control of any partner, director, Msunduzi Municipality, office bearer, official or employee of the Insured for the purpose of examination, licensing, testing, removing, impounding or similar purposes in the course of the Business of the Insured and/or

parked at any vehicle pound, parking or storage facilities provided or used by the Insured

the intention being that Damage to the Vehicle (and its contents, accessories and load) in the care, custody or control of the Insured is also insured in terms of this Specific Extension.

### **3. WAIVER OF SUBROGATION RIGHTS**

For the purposes of this section, the Insurers waive all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies and each such person shall observe, fulfil and be subject to the terms, exceptions and conditions (both General and Specific) of this section of the policy insofar as they can apply.



## MEMORANDA

### 2. DESCRIPTION OF USE

Use for social, domestic and pleasure purposes and use for the business or occupation of the Insured

#### Excluding

hiring, carriage of passengers for hire or carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which the vehicle is constituted or licensed to carry or use for any purpose in connection with the motor trade, the indemnity to the Insured in connection with any vehicle shall operate while such vehicle is in the custody or control of a member of the motor trade, or any vehicle maintenance unit of the Insured, for the purpose of its mechanical upkeep or repair.

## TRANSIT SECTION

### CONTINGENCIES

Loss of or damage to the whole or part of the property described in the Specification, owned by the Insured or for which they are responsible, in the course of transit by the means of conveyance or other means incidental thereto and caused by any accident or misfortune not otherwise excluded

#### provided that:

- (i) the Insured shall be responsible for the first amount payable stated in the Specification in respect of each and every event other than a claim arising from fire, lightning or explosion;
- (ii) the liability of the Insurers for all loss or damage arising from any one event shall not exceed the limit of indemnity stated in the Specification.

## MEMORANDA

1. Transit shall be deemed to commence from the time of moving the property described in the Specification at the consignor's premises (including carrying to any conveyance and loading thereon), continue with transportation to the consignee (including temporary storage not exceeding 96 hours in the course of the journey) and end when off-loaded and delivered at any building at the consignee's premises.
2. If any consignee shall refuse to accept property consigned by the Insured, then transit shall be deemed to continue and the insurance in respect of such property shall continue in force until the property is delivered at the premises of the Insured by any means of conveyance, provided that the Insured shall take all reasonable steps to ensure that the property is returned as soon as is reasonably possible.
3. Where the means of conveyance is by specified vehicle(s), the insurance under this section shall apply to property on any vehicle temporarily used in place thereof while a specified vehicle is undergoing repair or servicing, which replacement vehicle is not the property of the Insured or leased or hired by them under a lease or hire purchase agreement.
4. In the event of a breakdown of the means of conveyance during transit or if for any reason beyond the Insured's control the property is endangered, nothing contained herein shall debar the utilisation of any other form of transport to assist completion of the transit and the insurance afforded shall not be affected thereby.



## **SPECIFIC EXCEPTIONS**

The Insurers shall not be liable for:

1. loss or damage resulting from or caused by
  - (a) theft from any unattended vehicle in the custody or control of the Insured or any Msunduzi Municipality or employee of the Insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building;
  - (b) wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
  - (c) inherent vice or defect, rust, damp, mildew, vermin or insects;
  - (d) the dishonesty of any Msunduzi Municipality or employee of the Insured whether acting alone or in collusion with others;
  - (e) detention, confiscation or requisition by customs or other officials or authorities;
  - (f) or arising whilst in transit by sea or inland transit incidental thereto;
  - (g) breakdown of refrigeration equipment.
2. mechanical or electrical breakdown, failure or breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
3. loss of or damage to
  - (a) cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
  - (b) property consigned to or from any place outside South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi;
  - (c) property otherwise insured or which would, but for the existence of this insurance be insured by any other insurance except in respect of any excess beyond the amount which would otherwise have been payable under such other insurance;
4. consequential loss of any kind, delay, loss of market or depreciation.



## CLAUSES AND EXTENSIONS

### DEBRIS REMOVAL

The insurance under this section includes costs, necessarily incurred by the Insured in respect of the clearing up and removal of debris following damage to the means of conveyance or the property thereon, subject to the limit stated in the Specification, in respect of any one event.

### RESTRICTED COVER

(OPTIONAL: Applicable only if stated in the Specification to be included)

Fire, explosion, collision and overturning limitation.

The insurance under this section is limited to loss or damage resulting from fire or explosion or collision or the overturning of the means of conveyance described in the Specification.



## ELECTRONIC EQUIPMENT SECTION

### MATERIAL DAMAGE

#### THE INDEMNITY CLAUSE

The Insurers will indemnify the Insured in respect of physical loss of or damage to the property insured described in the Specification from any cause whilst:-

- (a) in transit including loading and unloading or whilst temporarily stored at any premises en route.
- (b) situated at the Insured's premises.
- (c) temporarily removed from the Insured's premises to any other location within the territorial limits.

#### EXCEPTIONS

The Insurers shall not be liable to indemnify the Insured irrespective of the original cause in respect of:-

1. the amount specified in the Specification as the excess in respect of each and every occurrence.
2. wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration development of poor contacts scratching of painted or polished surfaces, unless caused by an Insured Event but resultant damage is not hereby excluded.
3. parts having a short life such as (but not limited to) X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of an accident as provided for by the section the Insurers shall indemnify the Insured for the residual value of such parts.
4. the cost of reproducing data whether stored or recorded on cards, tapes, discs or otherwise unless specifically provided herein.
5. the cost of alterations, additions, improvements and overhauls carried out at the time of repair.
6. consequential loss of any description.
7. loss by theft or disappearance of the insured equipment unless accompanied by forcible and violent entry or exit to or from that part of the building occupied by the Insured at the premises.
8. theft from any unattended vehicle unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to such locked vehicle or building is accompanied by forcible and violent entry or exit.
9. loss of use of the property insured or other consequential loss damage or liability of any nature whatsoever other than losses specifically provided for herein.
10. goods held in trust or on commission, money securities, stamps, documents, manuscripts, business books, records, pattern models, moulds, plans or designs unless expressly stated in this section.





## **BASIS OF INDEMNIFICATION**

The Insurers reserve the option to repair, replace, reinstate any loss or damage indemnifiable by this section or pay cash in lieu thereof.

The indemnity by this section subject always to the limits of indemnity defined in the Specification or any specific limit of liability contained in the specification shall be the:-

### **1. Repair, replacement or reinstatement costs**

- (a) In cases where the damage can be repaired:-

cost of restoring the property insured to working order.

- (b) In cases where the property insured or part thereof is totally lost or destroyed:-

The amount payable shall be the cost of reinstatement of property insured or destroyed to its condition when new provided that

- (i) reinstatement shall mean replacement of any item lost, destroyed or damaged beyond repair by new property of equal performance and/or capacity or if such be impossible its replacement by new property having the nearest higher performance and/or capacity to the item lost or damaged including any freight and erection costs, dues and customs duties and the cost of removing (if applicable) the destroyed equipment less the value of any salvage.
- (ii) reinstatement shall be carried out without delay and in the most economical manner.
- (iii) where any property insured is damaged or lost in part only the Insurers' liability shall not exceed the cost of reinstatement had it been wholly lost.
- (iv) no payment shall be made until reinstatement has been carried out.
- (v) the sum insured shall be the installed new replacement value of the property insured.
- (vi) if reinstatement is not carried out the amount payable shall be the cost of indemnifying the Insured provided such cost does not exceed the cost of reinstatement.

- (c) Dismantling, re-erection and transportation costs including importation duties and general sales tax if incurred.  
all necessarily and reasonably incurred.

### **2. Average provision**

If at the time of indemnifiable loss or damage the sum representing the installed new replacement value of the property insured exceeds the sum insured by the policy then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.



### 3. Escalation during the period of reinstatement

In the event of the installed new replacement value of the property insured during any period of reinstatement of indemnifiable loss or damage exceeding the policy sum insured (being the installed new replacement value at the time of the loss or damage) the said sum insured shall be deemed to be increased by an amount not exceeding 15 percent of the sum insured subject always to the Insured paying the appropriate additional premium.

### 4. Additional costs

Subject always to the limit of indemnity in respect of the property insured which has been the subject of the claim:-

#### (a) Demolition and removal of debris costs

Cost incurred by the Insured in respect of dismantling, demolition clearance or removal of debris or wreck of the property insured and the providing erecting and maintaining hoarding and other similar structures.

#### (b)Expediting costs

Cost of express delivery (including airfreight charges), overtime work, night work or work on public holidays subject always to a limit of 50% (fifty percent) of the amount which the repair, replacement or reinstatement would have cost had such additional expenses not been incurred;

#### (c) Fire fighting costs

Fire brigade charges and the cost of restoring fire extinguishing equipment incurred as a direct result of extinguishing or fighting of fire in respect of the property insured;

#### (d)Professional fees

Engineers and other professional consultants fees incurred for the reinstatement of loss or damage but excluding fees incurred in the preparation of any claim;

#### (e)Plans scrutiny fees

The indemnity by this policy shall include plans scrutiny fees as may be levied by the responsible public authority incurred directly in the repair, replacement or reinstatement of the property insured; all necessary and reasonably incurred.

### 5. Partial losses

Where the loss or damage is restricted to a part or parts of the property insured the Insurers shall in no event be liable for an amount greater than the value of such part or parts.

### 6. Additions, alterations, improvements

Costs of additions, alterations, improvements and overhauls carried out on the occasion of a repair are payable by the Insured.

### 7. Temporary repairs

If a temporary repair is carried out without the consent of the Insurers the cost thereof and all consequences arising therefrom are to be borne by the Insured unless such temporary repairs constitute a part of the final repairs to be carried out and do not increase the total repair cost.



## MEMORANDA

### Memo 1 - Capital additions and currency fluctuations

The indemnity by this policy shall include:-

- (i) Additional property of a like nature to that specified in the Specification as the property insured installed at the Insured's premises, provided always that cover in respect of additional property installed shall not attach until commissioning of such property has been satisfactorily completed at the Insured's premises.
- (ii) Provision for devaluation or revaluation of the South African currency against the currency of the country of origin of the property insured and other inflationary trends which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured.

### Memo 2 - Tenants clause

The indemnity provided by this section shall not be invalidated by any act or negligence on the part of the tenant (where the Insured owns the premises) or another tenant or the owner of the premises (where the Insured is a tenant) provided the Insured shall notify the Insurers as soon as such act or neglect shall come to the Insured's knowledge.

### Memo 3 - Hire purchase and other suspensive sale agreements - Financial Houses

The interest of hire purchase and/or other financial houses are automatically noted in terms of this Section.

### Memo 4 - Manuals and Dongles

The indemnity provided by this section extends to include the purchase price of software packages where such purchases are obligatory due to the loss or destruction of manuals and/or dongles from an indemnifiable event.

## CONSEQUENTIAL LOSS

### THE INDEMNITY CLAUSE

The indemnity by this section shall include:-

#### Item I - Increased cost of working

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the Insured during the indemnity period in consequence of the an indemnifiable event as defined in the Material Damage sub-section of this section for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the Insured less any sum saved during the indemnity period in respect of such of the charges and expenses of the business as may cease or be reduced in consequence of the accident.

**The indemnity by this item shall not apply directly or indirectly to: -**

- (a) The cover provided for in Item II or III of this section of the policy.
- (b) The intrinsic value (including reinstatement value) of the property insured by the Material Damage sub-section of this section.

#### Item II - Reconstitution of data

All costs and expenses which the Insured shall necessarily and reasonably incur in the reconstitution or recompilation of data and/or programmes recorded on or stored in data carrying media which is lost as a direct result of an indemnifiable event as defined in the Material Damage sub-section of this section.



provided always that:-

- (a) the indemnity shall not extend to nor include such costs incurred due to programme errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programmes (this exception shall not apply to nor include any deliberate or wilful or wanton act of any person with the intention of causing the cancellation or corruption of data and/or programmes. If the Insured alleges any such act the burden of proving such act rests upon the Insured).
- (b) in respect of each and every occurrence or series of occurrence arising out of or in connection with any one event indemnifiable by this item the Insured shall bear the amount detailed in the Specification as the deductible.

### **Item III - Claims preparation costs and expenses**

All costs and expenses which the Insured shall incur in producing and certifying any particulars and details required by the Insurers under the terms and conditions of this policy.

### **Definitions**

#### **Indemnity period**

The period during which the results of the business shall be affected in consequence of the accident beginning the number of hours/days detailed in the Specification as the time exclusion after the occurrence of the accident and ending not later than the expiry of the period detailed in the Specification as the indemnity period after such occurrence.

#### **Accident**

Physical loss or damage to the property insured or other equipment described in the Specification from any cause as provided under The Material Damage sub-section of this section liability under which section shall except for the provisions of exceptions 1 to 10 of the Material Damage sub-section be a condition precedent to liability hereunder.

#### **The limit of liability**

the liability of the Insurers shall not exceed the amounts specified in the Specification in respect of any one accident or series of accidents arising out of or in connection with any one event.

In the event of the payment by the Insurers of any sum or sums in discharge of the Insurers liability in terms of this policy the sums insured shall automatically be reinstated for the remainder of the current period of insurance.

The Insured shall pay to the Insurers the additional premium required by the Insurers calculated pro rata from the day of the accident to the end of the period of insurance.

### **EXTENSIONS**

Prevention of access (if stated in the Specification to be included)

If during the indemnity period the business at the premises be interrupted or interfered with in consequence of the Insured being prevented from having access to the Insured property situated at the premises caused by damage to premises near or adjacent to those occupied by the Insured as described in the Specification by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake, impact by vehicles the Insurers shall indemnify the Insured for loss resulting from such interruption or interference in accordance with the provisions contained herein.



## **Provided always that**

- (i) The Insured is not entitled to indemnity as provided for in this extension under any other policy or section.
- (ii) This section shall not be brought into contribution with any other policy or section bearing a like extension.

## **Telkom access lines (if stated in the Specification to be included)**

Subject to the limits specified in the Specification consequential loss as provided for item 1 and item II arising from accidental failure of the Telkom land and radio access lines is included provided always that the insurance under this extension shall be subject to the special conditions below:

## **Failure of electricity supply (if stated in the Specification to be included)**

Subject to the limits specified in the Specification consequential loss as provided for under item I and item II arising from accidental failure of the public supply of electricity at the terminal ends of the supply authorities service feeders at the premises is included provided always that the insurance under this extension shall be subject to the special conditions below:

## **Special conditions applicable to Telkom access lines and Failure of electricity supply**

The liability of the Insurers shall not exceed the sum insured by this sub-section.

The indemnity period shall commence 24 hours after the failure and end not later than 14 days after such failure.

(c) The insurance provided in Telkom access lines and Failure of electricity supply does not cover

(i) a) In the case of Telkom access lines loss occasioned by the deliberate act of any Telkom authority nor by the exercise of such Telkom authority of its power to withhold or restrict access to its lines

b) in the case of Failure of electricity supply loss occasioned by the deliberate act of any electrical supply authority nor by the exercise of any electrical supply authority of its power to restrict supply.

(ii) in the case of Failure of electricity supply loss occasioned by drought or shortage of fuel at any power station.

(iii) in any event described in general exceptions 1 and 2

loss occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.





## MACHINERY BREAKDOWN SECTION

### CONTINGENCIES

This insurance covers

Unforeseen and sudden physical damage to the machinery described in the Specification from any cause

- a) whilst it is at work or at rest
- b) whilst being dismantled for the purpose of cleaning inspection and overhaul or removal to other position or in course of these operations themselves or subsequent re-erection .

(Hereinafter called "Damage") anywhere within the Territorial Limits including whilst in transit.

### Transit shall mean

Conveyance other than by sea or international flight within the territorial limits including loading and unloading and stoppage or deviations en route.

### BASIS OF INDEMNIFICATION

1. The reasonable cost of repair, reinstatement or replacement of the damaged Insured Property, the amount payable as indemnity being calculated as follows:
  - 1.1 where such cost falls below 75% of the New Replacement Value of the affected item(s), the actual costs of repairs as may be required to restore the Insured Property to its former working order including the installation of new parts of similar kind and quality.
  - 1.2 in the case of Insured Property being 5 years or less of age where such cost equals or exceeds 75% of the new replacement value of the affected item(s), the actual cost of replacement of the Insured Property by property of similar kind, quality and capacity - as new, but not in quality superior to or more extensive than the Insured Property itself.
  - 1.3 in the case of Insured Property of older than 5 years the market value of the affected item subject to a minimum of 20% of the current new replacement value.
2. In addition to (1) above, the indemnity extends to include all costs necessarily and reasonably incurred following damage to Insured Property in respect of:
  - 2.1 the additional cost of express delivery (including airfreight), customs dues and charges, overtime work, night work or work on public holidays incurred subject to the limits as stated in the Specification (to a maximum of 50% of the total repair or replacement costs).
  - 2.2 Dismantling and re-erection costs, sales tax and customs dues if any.
3. **SPECIAL PROVISIONS APPLICABLE TO BASIS OF INDEMNIFICATION 1 ABOVE**
  - 3.1 The work of repair or replacement must be commenced and carried out with reasonable despatch failing which, the following basis of indemnification in replacement of 1 above will apply:

"At the option of the Insurers, the reasonable cost of repair, reinstatement or replacement of the damaged Insured Property the amount payable as indemnity being calculated as follows:

    - 3.1.1 Where such cost falls below the market value of the Insured Property, the actual cost of repairs as may be required to restore, the Insured Property to its former working order, including, where applicable, the installation of new parts of similar kind and quality.

Where such cost equals or exceeds the market value of the Insured Property, the indemnity hereunder shall be such market value, immediately prior to the occurrence of the damage."



## DEFINITION OF MARKET VALUE

The current day purchase price of a second-hand/used item of alike nature and identical in every respect to the item of Insured Property damaged and substantially of similar condition, where no similar item is available Market Values shall be calculated by deducting reasonable equitable depreciation from the current installed new replacement value of the item of Insured Property.

3.2 Until expenditure has been incurred by the Insured in repairing or replacing the lost or damaged Insured Property the Insurers shall not be liable for any payment in excess of the amount which would have been payable under that basis of indemnification in Special Provision 3.1 above.

3.3 This basis of indemnification contained in Special Provision 3.1 above shall apply where:

- i) The Insured fails to advise Insurers within 6 months from the date of damage (or such further time as Insurers may allow) of his intention to repair or replace the affected Insured Property.
- ii) The Insured is unable or unwilling to repair or replace the damaged Insured Property.

4. Costs of alterations, additions, improvements and overhauls carried out on the occasion of a repair or replacement are payable by the Insured.
5. If a temporary repair is carried out without the consent of the Insurers the cost thereof and all consequences arising therefrom are to be borne by the Insured unless such repairs constitute part of the final repairs to be carried out and do not increase the total repair cost such action minimises any indemnifiable damage under this Policy.

## EXCEPTIONS

The Insurers shall not be liable to indemnify the Insured irrespective of the original cause in respect of

1. the amount specified in Specification as the Deductible in respect of each and every occurrence
2. Damage due to
  - a) Fire extinguishing of a fire direct lightning strikes explosion
  - b) Theft collapse of buildings impact by animals or vehicles aircraft other aerial devices or objects dropped therefrom sonic shock waves.
  - c) Water, which escapes from water-containing apparatus including leakage or discharge from any sprinkler or drenching system
  - d) Subsidence landslip storm flood inundation hail snow earthquake volcanic eruption or other convulsion of nature or any subsequent dismantling
3. damage resulting from experiments or overloads or tests requiring the imposition of abnormal conditions; damage due to misapplication of tools.
4. Wastage of material or the like or wearing away out of any part of the machinery caused by or naturally resulting from ordinary usage or working or other gradual deterioration, but this exclusion shall not apply to **gradual deterioration** due to a Defined Event and resultant damage is not hereby excluded.
5. Refractories, expendable parts and tools such as (but not limited to) bits cutters knives saw blades dies patterns on rollers sieves chains belts ropes conveyor bands jointing and packing material. If such parts or tools are damaged as a result of an accident as provided for by the policy to parts of the machinery insured the Insurer shall indemnify the Insured for the residual value of such parts or tools
6. Additions, alterations or improvements undertaken on the occasion of repair or damage.
7. Faults, defects existing and known to the Insured and not disclosed to Insurers.
8. Consequential loss due to delay or interruption to the business or liability of any nature whatsoever other than as specifically provided for in this section.



## MEMORANDUM

### 1. **Average**

- a) The sum insured for each item of machinery specified in Specification must be equal to the installed new replacement value at all times
- b) If at the time of the damage the sum insured be lower than the amount fixed as above indemnity shall only be provided by the Insurer in the proportion which the sum insured bears to the installed new replacement value.

## EXTENSIONS TO THE POLICY IF SO STATED IN THE SPECIFICATION OR BY ENDORSEMENT

### 1. **Damage to surrounding property**

This section is extended to indemnify the Insured against accidental damage to surrounding property owned by or in the care custody or control of the Insured directly arising from an indemnifiable occurrence to the Plant and Machinery described in the Specification but not exceeding the limit of liability specified in the Specification.

### 2. **Automatic Additions**

This section is extended to provide indemnity at the Insured's premises for newly purchased plant and machinery of a similar nature to that specified in the Specification provided that:

- a) Successful installation commissioning and normally accepting operating standards have been achieved
  - b) The total sum insured of such plant machinery does not exceed 25% of the total sum insured on the Specification.
- subject otherwise to all terms, exclusions and conditions of the section.

### 3. **Explosion of boilers or pressure vessels**

The section extends to indemnify the Insured against accidental damage to the boilers and/or pressure vessels specified in the Plant Inventory directly caused by explosion which shall mean the sudden and violent rending thereof by force or internal pressure or ignited flue gasses causing violent bodily displacement of any part together with forcible ejection of the contents of the insured item.

The Limit of Liability under this extension shall not exceed the amount stated in the Plant Inventory (less the excess set against each item included hereby).



## CLAUSES AND EXTENSIONS

### REFRIGERANT

The sum insured on refrigeration plant includes provision for the renewal of refrigerant necessitated by an Insured Event.

### TRANSFORMER / SWITCHGEAR OIL

The sum insured on transformers and/or switchgear includes provision for the renewal of oil necessitated by an Insured Event.

### TEMPORARY REMOVAL

The insurance by this Section is extended to cover the insured machinery whilst temporarily removed from the Insured's premises for the purpose of cleaning overhaul repair or other similar purposes to any other premises in the Republic of South Africa and in transit by road or rail including loading and off-loading thereof.

### PLANTATION SECTION

### CONTINGENCIES

Loss of or damage to property insured in the specification by or through any of the periods described in sub section A.

### SUB SECTION A: INSURED PERILS

Fire  
Lightning  
Explosion

### SPECIAL EXCEPTIONS

For the purpose of this section only General Exception I includes the following additional sub-sections:

Earthquake whether arising from mining operations or otherwise volcanic eruption or other convulsion of nature.  
The act lawfully constituted authority.

### SPECIAL CONDITIONS

#### 1. CLAIMS PROCEDURES

Subject otherwise to the Claims Procedure set out in General Condition 6 the Insured shall within 72 hours after any destruction or damage advise the Insurer thereof and within 15 days thereafter or such further time as the Insurer in writing allow submit to the Insurer full particulars in writing of any such destruction or damage.

#### 2. MORTGAGE

This insurance as to the interest of any Mortgage shall not be invalidated by any act or negligence of the Mortgagor or owner of the property Insured, nor by any misrepresentation or non-disclosure by such Mortgagor or owner nor by the alienation of the property in, or by the occupation thereof or purposes more hazardous than any permitted by this Policy.

Provided that such act neglect misrepresentation non-disclosure alienation or occupation shall have been effected without the knowledge of the Mortgagee and that the Mortgagee shall notify the Insurer of the happening or existence of such act neglect misrepresentation non-disclosure alienation or occupation as soon as the same shall come to the Mortgagee's knowledge and the Insured shall pay any additional premium due.



### **3. REINSTATEMENT {Applicable to First Loss policies only}**

It is hereby agreed to reinstate the sum insured following a loss up to the First Loss percentage of the remaining total value (calculated on the same basis as the annual premium) from the time of the occurrence of such loss until expiry of this policy at a pro rata additional premium on the amount of such reinstatement. Only one reinstatement will be permitted automatically during anyone period of insurance.

### **4. FIRE FIGHTING COS'IS AND EXPENSES**

The insurance by this policy shall extend to include fire fighting costs and expenses directly incurred by the Insured in fighting any fire in the plantations insured hereunder for an amount not exceeding R1, 000 in any one period of insurance.

Provided that:

All exceptions and conditions of the policy shall apply as if they had been incorporated herein;

The Insurers shall not be liable under this insurance for any destruction damage loss costs or expenses insurable under any other policy of insurance and this insurance shall not be brought into contribution with any such policy;

This insurance shall not cover mechanical or electrical breakdown, wear and tear of vehicles or equipment used to fight any fire.

### **SPECIAL WARRANTIES**

It is warranted that:

All timber is clear by not less than 90 metres from any railway lines;

The plantation(s) be under the direct supervision of either the Insured or an overseer.

The plantation(s) shall on all sides be kept free and clear from any grassland trash or undergrowth by firebreaks of not less than 9 metres in width. For the purpose of this warranty evergreen natural bush shall be regarded as a firebreak.

All firebreaks be thoroughly cleaned and maintained during the dry season but no burning of firebreaks grasslands or waste of any kind shall be carried out:

During the months from October to April in the Winter Rainfall Area.

During any "dry" period in the Constant Rainfall Area.

From the 31<sup>st</sup> July until the end of October or the close of the declared fire season.

That at all times burning shall be done only when the Insured or the overseer is in attendance and there must be at least two approved hand pumps or other equivalent approved hand operated pumps with water at the site of the burn.

No operation other than felling and cross cutting of trees and hand stripping of bark shall be carried on within the confines of the said plantation(s) and that all ground shall be kept clear of undergrowth and trees for a distance of 30 metres from any permanent mill or building in which timber is sawn on or adjoining the plantation(s).

The Insured in the event of a fire or claim arising shall produce reasonable proof as to the condition and value of the insured plantation(s).

Where at the commencement of the insurance approved fire-fighting equipment has been installed the said equipment shall be efficiently maintained and in the event of it being dispensed with immediate notice must be given to the Insurer.





## GROWING TIMBER WARRANTY

It is warranted that:

During the currency of this insurance a Watch Tower on “World’s View” is fitted with a telephone and it is manned day and night during the dry season.

All Fire Fighting Pumps shall be maintained in good order for the purpose of fire fighting in the prescribed plantation.

The Municipal Fire Brigade vehicles are fitted with 2-wave radio telephones.

All areas re-established after the commencement of the insurance shall be divided into blocks by firebreaks on the following scale:

MAXIMUM AREAR OF BLOCK	MINIMUM WIDTH OF OPEN FIRE BREAKS
40 Hectares	9 metres
80 Hectares	15 metres
200 Hectares	30 metres
400 Hectares	45 metres

Internal gum belts may be used in Pine Plantations where blocks are 200 hectares or more, subject to the following:

That a minimum of 6 rows of gum 2,5 metres apart be planted on either sides of an open break of minimum width of 9 metres. Gum breaks and opens breaks to be cleaned at the commencement of the dry season.

All gum in such breaks must be left standing until pine blocks are felled.

When pine blocks are felled and re-established, gum breaks must be simultaneously re-established.

That all new areas be divided into blocks by firebreaks or not less than 9 metres in width, no such block exceeds 40 hectares.



## BUDGET POLICY

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1. Introduction
2. Objective
3. Legislative framework
4. Budgeting principles
5. Commencement

#### 1. Introduction

In terms of the Municipal Finance Management Act, No.56 of 2003, Chapter 4 on Municipal Budgets, Subsection (16)(1), states that the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.

This policy must be read, analyzed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realize diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualization and the operationalisation of the budget must be located within the national government's policy framework.

#### 2. Objective

The objective of the budget policy is to set out:

- 2.1 The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- 2.2 The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget.
- 2.3 To establish and maintain procedures to ensure adherence to The Msunduzi Municipality's Integrated Development Plan review and budget processes.

To ensure effective budget monitoring. To ensure compliance with the MFMA Budget and Reporting Regulations.

#### 3. Legislative Framework

The policy should comply with budget guidelines, Municipal Finance Management Act, 2003 and other applicable legislation issued by National Treasury.

#### 4. Budgeting Principles

- 4.1. The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account historical and current levels.
- 4.2. Expenses may only be incurred in terms of the approved annual budget (or adjustment budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- 4.3. The Msunduzi Municipality shall prepare three-year budget (medium term revenue and expenditure framework (MTREF) and that be reviewed annually and approved by Council.
- 4.4. The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan.
- 4.5. Except in so far as capital projects represent a contractual commitment to the municipality extending over



# MSUNDUZI ANNUAL BUDGET

more than one financial year, the annual capital budget shall be prepared from a zero base.

- 4.6. The capital budget component of the annual or adjustments budget shall only be approved by the Council if it has been properly balanced, that is, if the sources of finance which are realistically envisaged to fund the budget equal the proposed capital expenses.
- 4.7. Before approving the capital budget component of the annual or adjustments budget, the Council shall consider the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets, and any other ordinary operational expenses associated with any item on such capital budget. In addition, the Council shall consider the likely impact of such operation expenses – net of any revenues expected to be generated by such item – on future property rates and service tariffs.
- 4.8. The Council shall establish a Capital Replacement Reserve for the purpose of financing capital projects and the acquisition of capital assets and or the replacement of assets. Such reserve shall be established from the following sources of revenue:
  - 4.8.1. Inappropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
  - 4.8.2. Further amounts appropriated as contributions in each annual or adjustments budget.
- 4.9. Each annual and adjustments budget shall reflect a realistic surplus, of current revenues over expenses.
- 4.10. Any un-appropriated surplus from previous financial years, even if fully cash- backed, shall not be used to balance any annual or adjustments budget, but shall be appropriated, as far as it is not required to finance the payment of operating creditors or for other operational purposes, to the municipality'
- 4.11. An impending operating deficit shall be made good in an adjustments budget, but if an operating deficit arises at the end of a financial year, notwithstanding the precautionary measures adopted by the Council, such deficit shall immediately be made good in the annual or adjustments budget for the ensuing financial year, and shall not be offset against any un-appropriated surplus carried forward from preceding financial years.
- 4.12. The municipality shall establish and maintain a provision for accrued leave up to maximum of 48 days of the accrued leave entitlement of officials as at 30 June of each financial year, and shall budget appropriately for contributions to such provision in each annual and adjustments budget.
- 4.13. The municipality shall establish and maintain a provision for bad debts in accordance with its rates and tariffs policies, and shall budget appropriately for contributions to such provision in each annual and adjustments budget.
- 4.14. All expenses, excluding all non cash items expenses, shall be cash-funded.
- 4.15. All capital repayments of external loans shall be paid from the municipality bank account and must have sufficient provision in the calculation of tariffs to recover such expenses.
- 4.16. The municipality shall adequately provide in each annual and adjustments budget for the maintenance of its fixed assets in accordance with its fixed asset management policy and the accounting policy. At least 7% of the operating budget component of each annual and adjustments budget shall be set aside for such maintenance.

## 5. Commencement

The budget policy is applicable to the Msunduzi Municipality.

The policy and amendments shall be effective as from 1 July 2014.



## FUNDING AND RESERVES POLICY

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1. INTRODUCTION
2. OBJECTIVE OF THE POLICY
3. APPLICATION AND SCOPE

#### 1. Introduction

This policy deals with funding the budget, realising surplus in the operations and building reserves in order for the municipality to expand the capital programs as prioritised on the Integrated Development Plan (IDP).

#### 2. Objective of the policy

- 2.1. To have a funded Budget
- 2.2. To realise surpluses
- 2.3. To create and grow the reserves.

#### 3. Application and Scope

The Funding and Reserves Policy is applicable to the Msunduzi Municipality.  
The policy as amended will be effective as from 1 July 2014.



## TARIFF POLICY

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### 1. DEFINITIONS

- 1.1 **“Municipal area”** means the area in respect of which the municipality has executive and legislative authority as determined by the constitution and the National legislation and demarcated in terms of the Demarcation Act (Act 27 of 1998);
- 1.2 **“Council”** refers The Msunduzi Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to this policy;
- 1.3 **“Tariff policy”** means a policy on, the levying of fees, rates or taxes for the municipal services provided by the municipality itself, which complies with the Municipal Systems Act, 2000.

### 2. INTRODUCTION

Rates and Tariffs represent the charges levied by Council on owners and consumers for the utilisation of services provided by the Municipality and are raised in order to fund these services. Tariffs are calculated dependent upon the nature of the service being provided. They may be set in such a manner so as to recover the full cost of the service being provided or recover a part of those costs, or to bring about a surplus that can be utilised to subsidise other non-economical services.

### 3. OBJECTIVES

The objective of the tariff policy is to ensure that:

- 3.1 The rates and tariffs of the Municipality comply with the legislation prevailing at the time of implementation;
- 3.2 Municipal services are financially sustainable, affordable and equitable;
- 3.3 There is consistency in how the rates and tariffs are applied throughout the municipality;
- 3.4 The needs of the indigent are taken into account; and
- 3.5 The policy is in line with the principles outlined in Municipal Systems Act, 2000 (Act No. 32 of 2000).





## 4. PRINCIPLES OF THE TARIFF POLICY

The underlying principles, which should at least be taken into account when formulating a tariff policy, are contained in Section 74 (2) of the Municipal Systems Act, 2000 (Act No. 32 of 2000). The following have been taken into account in the development of this policy:

- 4.1 Service tariffs levied by the municipality shall be viewed as user charges and the users of municipal services should be treated equitably when applying these tariffs.
- 4.2 Consumers should pay in proportion to the amount of services consumed, as far as practically possible.
- 4.3 The tariffs for the four major services rendered by the municipality, namely electricity, water, refuse removal and sewerage, are to recover in full or partially, the expenses reasonably associated with the providing of each service concerned, including capital, operating, maintenance, administration, replacement and interest charges.
- 4.4 Tariffs must be set at a level to facilitate financial sustainability of the service, taking into account subsidization from sources other than the service concerned.
- 4.5 The municipality is to ensure that the tariffs levied with regard to the above mentioned services generate an operating surplus where possible having regard to 5.4 above. The surplus is to be applied in relief of property rates and for the financing of a portion of general services or for the future capital expansion of the service concerned, or both.
- 4.6 Provision may be made for the promotion of local economic development through a special rate or tariff for certain or all categories of commercial and industrial users.
- 4.7 The municipality shall develop, implement and at least annually review an indigent support policy for the municipal area. The extent of subsidization of the indigents is to be fully disclosed in terms of the municipality's indigent policy.
- 4.8 The municipality may differentiate between different categories of users and consumers in regard to the tariffs that it levies. Such differentiation shall, however, at all times be reasonable and shall not result in unfair discrimination, and shall be fully disclosed in each annual budget.
- 4.9 The municipality is to ensure that its tariffs shall be easily explainable, and translated into languages which all consumers and users affected by the tariff policy concerned can understand.
- 4.10 The consumption of measurable services, such as electricity and water, shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service that they consume.
- 4.11 A monthly availability charge for a service may be levied by the municipality where the service is available to a consumer and where the consumer does not make use of such service, and these charges shall be fixed for each type of property. For example, consumers of electricity could therefore pay two charges: one which is unrelated to the volume of consumption and is levied because of the availability of the service concerned (i.e. a demand charge); and another which is directly related to the consumption of the service in question.
- 4.12 By adopting this tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which future expansion, variable demand cycles and other fluctuations will make on service delivery.



- 4.13 In determining the tariffs for services such as electricity and water, the municipality shall take into account the high capital cost of establishing and expanding such services and the fixed and operating costs of maintaining these services.
- 4.14 In order to comply with legislation and the principles of generally accepted accounting practice, Council has adopted the policy of reflecting all income foregone and rebates as expenditure with the corresponding amount being reflected as revenue. Accordingly in cases where this applies, from a billing perspective the full tariff will be raised and then rebated to reflect the reduced charge.

## 5. CALCULATION OF TARIFFS FOR MAJOR SERVICES

In terms of Section 75(A) of the Municipal Systems Act Amendment Act 51/2002, a municipality may,

- Levy and recover fees, charges or tariffs in respect of any function or service of the municipality,
- That such fees, charges or tariffs levied by a resolution passed by the municipal council with a supporting vote of a majority of its members.
- The proposed fees, charges or tariffs will be presented to the community during Council's consultations.

In order to determine the tariffs that must be charged for the supply of the four major services, the municipality shall take into account all the costs of operation of the services, including the following:

- Cost of bulk purchases in the case of electricity and water.
- Distribution costs.
- Distribution losses in the case of electricity and water.
- Depreciation expenses.
- Maintenance of infrastructure and other fixed assets.
- Administration and service costs, including:
  - service charges levied by other departments such as finance, human resources and legal services;
  - reasonable general overheads;
  - adequate contributions to the provisions for bad debts and obsolescence of stock;
- All other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area.
- The intended surplus to be generated for the financial year, such surplus to be applied:
  - As an appropriation to capital reserves; and/or generally in relief of rates and general services.
  - The cost of approved indigent relief measures.

With regard to pre-paid meters, the tariff shall be determined based on the cost of provision of the service, as no availability charge is levied on properties where pre-paid meters have been installed.



## 6. LEVYING OF RATES

The Municipality shall levy rates on all rateable property within its area, provided that it may, by resolution, grant exemptions from, rebates on or reductions in, rates levied in terms of this policy or in terms of a national framework prescribed under the Act.

## 7. DIFFERENTIAL RATES

The Municipality may, by resolution, and in terms of criteria set out in this policy, levy different rates for different categories of rateable property, which may include categories determined according to the use of the property, the permitted use of the property or the geographical area in which the property is situated.

### 7.1 IMPERMISSIBLE DIFFERENTIATION

The Municipality may not levy -

- Different rates on residential properties, except as provided for in sections 11(2) (uniform fixed amount for rates), 21 (phasing in of rates) and 89 (use of existing valuation roll/supplementary roll) of the Act;
- A rate on a category of non-residential properties that exceeds a prescribed ratio to the rate on residential properties determined in terms of section 11 (1 )(a) (on the market value of the property) of the Act: Provided that different ratios may be set in respect of different categories of non-residential properties.
- Rates which unreasonably discriminate between categories of non-residential properties;
- Additional rates except as provided for in section 22 (special rating areas) of the Act.

### 7.2 PROPERTIES USED FOR MULTIPLE PURPOSES

A property used for multiple purposes where there is not a separate category shall, for rates purposes, be assigned to a category determined by the Municipality for properties used for a purpose corresponding to the dominant use of the property.

### 7.3 LEVYING OF PROPERTY RATES ON SECTIONAL TITLE SCHEMES

A rate on property which is subject to a sectional title scheme shall be levied on the individual sectional title units in the scheme and not on the property as a whole.

### 7.4 AMOUNT DUE FOR RATES

*The rate levied by the Municipality shall be an amount in the Rand on the market value of the property.* Furthermore, in the interest of accelerating the provision of basic services to communities, and enhancing the international competitiveness of the South African economy and mobilization of foreign investments and job creation, the Municipality may consider exempting from rating all components of public service infrastructure as defined in the Act.

The Municipality acknowledges that the Minister may from time to time increase the monetary threshold referred to in section 21, to reflect inflation.

## 8. PERIOD FOR WHICH RATES MAY BE LEVIED

- 8.1 The Municipality shall levy rates for one financial year at a time. At the end of each financial year the rate levied for that financial year shall lapse.
- 8.2 The Municipality shall, annually, at the time of its budget, set the amount in the Rand for rates.
- 8.3 The levying of rates shall form part of the Municipality's annual budget process as set out in Chapter 4 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).



## 9. COMMENCEMENT OF RATES

Rates levied by the Municipality shall become due and payable as from the start of the financial year.

## 10. PROMULGATION OF RESOLUTIONS LEVYING RATES

- 10.1 A rate levied by the Municipality shall be adopted by resolution supported by a majority of the members of the Council.
- 10.2 The Municipality shall publish the resolution in the Provincial Gazette.
- 10.3 The Municipal Manager shall, without delay, conspicuously display the resolution for a period of at least 30 days at the Municipality's head office and satellite offices and libraries and, if applicable, on a website available to it.
- 10.4 In addition, the Municipal Manager shall, without delay, advertise in the media a notice stating that a resolution levying a rate on property has been passed by the Council and that the resolution is available for inspection at the Municipality's head office and satellite offices and libraries during office hours and on the Municipality's website, if applicable.

## 11. EXEMPTIONS, REDUCTIONS AND REBATES

- 11.1 The Municipality shall not grant relief in respect of the payment of rates other than by way of exemption, rebate or reduction, nor shall it grant such relief to the owner of a property on an individual basis.
- 11.2 The Municipal Manager shall annually table in the Council of the Municipality a list of all exemptions, rebates and reductions granted by the Municipality during the previous financial year together with a statement reflecting the income foregone by the Municipality by way of exemptions, rebates, reductions, exclusions and the phasing-in discount granted in terms of section 21 of the Act.
- 11.3 The Council shall identify, and provide reasons for, exemptions, rebates and reductions when the annual budget is tabled in terms of section 16(2) of the Local Government: Municipal Finance Management Act, 2003.

### CATEGORIES OF PROPERTIES FOR EXEMPTIONS, REDUCTIONS AND REBATES

The Council may, by resolution, grant exemptions, reductions and rebates on the following categories of properties –

- Residential property;
- Home business property;
- Vacant land;
- Agricultural property;
- Public service infrastructure;
- Rural communal property;
- Impermissible rates property;
- DSF property;
- Mining property;
- Sectional title garages (separately registered);
- Unauthorised use property
- Other property



## 12. ELECTRICITY TARIFFS

12.1 Adjustments to tariffs shall be effective from 1 July each year or as soon as possible thereafter.

12.2 Categories of consumption and charges shall be as follows:

- All electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- Indigent consumers who qualify in terms of the Indigent Policy will receive the benefits as set out in the Indigent Policy.
- All domestic electricity consumers, with the exception of consumers using prepaid meters, shall additionally be billed a basic availability charge per meter installed per month.
- All commercial, industrial and other non-domestic properties shall additionally be billed a demand charge per meter installed appropriate to their respective levels of consumption.
- The municipality's consumption of electricity shall be charged at the normal tariff rates applicable or alternatively at a special tariff as determined by Council.

## 13. WATER TARIFFS

Adjustments to tariffs shall be effective from 1 July each year or as soon as possible thereafter. Categories of consumption and charges shall be:

- 13.1 All domestic consumers shall be charged for actual water consumption at a tariff per kilolitre as determined by the Council from time to time.
- 13.2 Indigent consumers who qualify in terms of the Indigent Policy will receive the benefits as set out in the Indigent Policy.
- 13.3 All other consumers, including businesses, industries and institutional consumers shall be charged the relevant applicable tariff per kilolitre, based on the volume of water consumed.
- 13.4 The municipality's consumption of water shall be charged at the relevant tariff as determined by Council.

## 14. REFUSE REMOVAL TARIFFS

- 14.1 Adjustments to tariffs shall be effective from 1 July each year or as soon as possible thereafter.
- 14.2 Refuse removal charges shall be charged monthly to the consumer according to the category applicable, based on the frequency of the service rendered.
- 14.3 Indigent consumers who qualify in terms of the Indigent Policy will receive the benefits as set out in the Indigent Policy.
- 14.4 The municipality's use of the refuse removal service shall be charged at the relevant tariff applicable to business consumers.

## 15. SEWERAGE TARIFFS

- 15.1 Adjustments in tariffs are effective from 1 July each year or as soon as possible thereafter.





## 15.2 Categories of usage and charges shall be:

- A fixed monthly charge shall be levied for sewerage for domestic users.
- Indigent consumers who qualify in terms of the Indigent Policy will receive the benefits as set out in the Indigent Policy.
- A charge based on water consumption shall be levied for sewerage to all flats, businesses, industries and institutional users.
- A charge based on water consumption at the relevant tariff applicable to business consumers shall be charged to the municipality for the use of such services.

15.3 Where special purification measures have to be utilized to purify wastewater emanating from factories and other industrial users, an effluent fee is further payable by these users.

## 16. OTHER TARIFFS

- 16.1 All other tariffs are to be approved by the Council in each annual budget. These tariffs may be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service.
- 16.2 Subsidised services are services for which tariffs are fixed in such a way that at least a portion (as approved by Council) of the cost of providing the service can be recovered. The consumption of these services can be measured and can be apportioned to individual consumers, but, if based on actual cost, would prove to be excessive and unaffordable to the consumer. A user charge is therefore payable for using the service, but the tariff is much lower than the real cost of providing the service.
- 16.3 Community services are those services for which the municipality is unable to accurately determine the consumption or usage and hence apportion to individual consumers e.g. municipal parks and open spaces. Tariffs shall, therefore, not be levied for their use as the cost of providing these services is funded from general rate income.
- 16.4 Economic services are services for which tariffs reflect the full cost of providing the service and the costs are recovered without incurring a surplus or deficit. The consumption can be accurately determined and apportioned to an individual consumer.
- 16.5 Certain other charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget.
- 16.6 With regard to the leasing of municipal properties to the public, market-related rentals shall be levied unless special circumstances apply.

## EFFECTIVE DATE

The effective date of this policy shall be.....



## Supply Chain Management Policy

Adopted in terms of section 111 of the Municipal Finance Management Act, No.56 of 2003 and the Municipal Supply Chain Management Regulations

5<sup>th</sup> Review November 2013

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Date of adoption:

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the Msunduzi Municipality.



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## Definitions

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

**“competitive bidding process”** means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

**“competitive bid”** means a bid in terms of a competitive bidding process;

**“Emergency”** referred to in subparagraph 36(1) (a) (i) of this policy means a deviation that is based on it being an emergency case that is reasonable/justifiable based on evidence that:

- Immediate action is necessary in order to avoid a dangerous or risky situation or misery;
- The time available would make it impossible/ impractical to go through a bidding process;
- The deviation is not as a result of the need for procurement being identified/agreed upon/budgeted planned in the past but not attended to timeously and
- The deviation is not as a result of improper planning

**“final award”**, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

**“formal written price quotation”** means quotations referred to in paragraph 12 (1) (c) of this Policy;

**“GCC”** means General Conditions of Contract

**“in the service of the state”** means to be –

- (a) member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

**“JBCC”** means a principal building agreement issued by the Joint Building Contracts Committee

**“long term contract”** means a contract with a duration period exceeding one year;

**“list of accredited prospective providers”** means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this policy;

**“other applicable legislation”** means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);





**“Single provider”** referred to in subparagraph 36(1) (a) (ii) of this policy means a deviation that is based on it being an sole supplier/provider case that is reasonable/justifiable based on evidence that:

- A thorough analysis of the market was done and
- Where required, a transparent and equitable pre-selection process.

**“Treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

**“the Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**“the Regulations”** means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 34350 of 2011;

**“Urgency”** referred to in subparagraph 22(1)(b)(2) of this policy means a deviation that is based on it being an urgency case that is reasonable/justifiable based on evidence that:

- The early delivery of the goods/services is of critical importance;
- The time available would make it impossible/ impractical to go through a bidding process;
- The deviation is not as a result of the need for procurement being identified/agreed upon/budgeted/ planned in the past but not attended to timeously and
- The deviation is not as a result of improper planning

**“written or verbal quotations”** means quotations referred to in paragraph 12(1)(b) of this Policy.



## CHAPTER I

### IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

#### Supply chain management policy

2. (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –
  - (a) gives effect to –
    - (i) section 217 of the Constitution; and
    - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
  - (b) is fair, equitable, transparent, competitive and cost effective;
  - (c) complies with –
    - (i) the Regulations; and
    - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - (d) is consistent with other applicable legislation;
  - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
  - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the Msunduzi Municipality–

  - (a) procures goods or services;
  - (b) disposes goods no longer needed;
  - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies,
  - (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

  - (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
  - (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

#### Amendment of the supply chain management policy

3. (1) The accounting officer must –
  - (a) at least annually review the implementation of this Policy; and
  - (b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the council

(2) If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –

  - (a) ensure that such proposed amendments comply with the Regulations; and
  - (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

(4) In cases where council adopt special programs to achieve set policy objectives and where the special programs impacts on the mechanism of supply chain the accounting officer must:

  - (a) Prepare a report setting out the arrangements for the project
  - (b) Show the impact on supply chain management



## Delegation of supply chain management powers and duties

4. (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
  - (i) Chapter 8 or 10 of the Act; and
  - (ii) this Policy;
  - (b) to maximise administrative and operational efficiency in the implementation of this Policy;
  - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
  - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).
- (3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of the Msunduzi Municipality or to a committee which is not exclusively composed of officials of the Msunduzi Municipality
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

## Sub delegations

5. (1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award –
- (a) above R10 million (VAT included) may not be sub delegated by the accounting officer;
  - (b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –
  - (i) the chief financial officer;
  - (ii) a senior manager; or
  - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member;
  - (c) not exceeding R2 million (VAT included) may be sub delegated but only to –
  - (i) the chief financial officer;
  - (ii) a senior manager;
  - (iii) a manager directly accountable to the chief financial officer or a senior manager; or
  - (iv) a bid adjudication committee.
- (3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–
- (a) the amount of the award;
  - (b) the name of the person to whom the award was made; and
  - (c) the reason why the award was made to that person.
- (4) A written report referred to in subparagraph (3) must be submitted –
- (a) to the accounting officer, in the case of an award by –
  - (i) the chief financial officer;
  - (ii) a senior manager; or
  - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
  - (b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –



- (i) a manager referred to in subparagraph (2)(c)(iii); or
  - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

## Oversight role of council

- 6. (1) The council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must-
- (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
- (ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council.
- (3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

## Supply chain management unit

- 7. (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

## Training of supply chain management officials

- 8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.



## CHAPTER 2

### SUPPLY CHAIN MANAGEMENT SYSTEM

#### Format of supply chain management system

9. This Policy provides systems for –
- (i) demand management;
  - (ii) acquisition management;
  - (iii) logistics management;
  - (iv) disposal management;
  - (v) risk management; and
  - (vi) performance management.

#### Part 1: Demand management

#### System of demand management

10. (1) The accounting officer must establish and implement an appropriate demand management. System in order to ensure that the resources required by the Msunduzi Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan
- (2) The demand management system must –
- (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
  - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature,
  - (c) provide for the compilation of the required specifications to ensure that its needs are met; and
  - (d) take into account an analysis of the past spending.
- (e) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.





## Part 2: Acquisition management

### System of acquisition management

11. (1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –
  - (a) that goods and services are procured by the Msunduzi Municipality in accordance with authorised processes only;
  - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
  - (c) that the threshold values for the different procurement processes are complied with;
  - (d) that the approval of the thresholds for supply chain officials are set and reviewed annually;
  - (e) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
  - (f) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including –
  - (a) the kind of goods or services; and
  - (b) the name of the supplier.

### Range of procurement processes

12. (1) Goods and services may only be procured by way of –
  - (a) petty cash purchases, up to a transaction value of R2 000 (VAT included);
  - (b) written or verbal quotations for procurements of a transaction value over R2 000 up to R10 000 (VAT included);
  - (c) formal written price quotations for procurements of a transaction value over R10 000 up to R200 000 (VAT included); and
  - (d) a competitive bidding process for–
- (i) procurements above a transaction value of R200 000 (VAT included); and
- (ii) the procurement of long term contracts.
- (2) The accounting officer may, in writing–
  - (a) lower, but not increase, the different threshold values specified in subparagraph (1); or
  - (b) direct that –
- (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000; p r o -
- (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or p r o -
- (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.



## General preconditions for consideration of written quotations or bids

- 13.** A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –
- (a) has furnished that provider's –
    - (i) full name;
    - (ii) identification number or company or other registration number; and
    - (iii) tax reference number and VAT registration number, if any;
  - (b) has authorised the municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
  - (c) has indicated –
    - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
    - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
    - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

## Lists of accredited prospective providers

- 14.** (1) The accounting officer must –
- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
  - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - (c) the listing criteria for accredited prospective providers are
    - I. Name of supplier/ service provider;
    - II. Street address;
    - III. Postal address;
    - IV. Contact Person;
    - V. Telephone number;
    - VI. Fax number;
    - VII. Cellular number
    - VIII. Email address
    - IX. Vat registration Yes/No
    - X. Vat registration number
    - XI. Bank details
    - XII. Type of industry
    - XIII. Valid certification for specialized industry
    - XIV. Valid tax clearance certificate
    - XV. CIDB registration if applicable
    - XVI. Valid certification in terms of Exempted Micro Enterprises or B-BBEE status level of contributor
  - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.



# MSUNDUZI ANNUAL BUDGET

## Petty cash purchases

15. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –
- (a) verbal quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Msunduzi Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1) (c) of this policy;
  - (b) If it is not possible to obtain at least three verbal quotations the reason must be recorded and reported quarterly to the Head of Supply Chain Management or another official designated by the accounting officer;
  - (c) the names of and prices quoted by the potential suppliers must be recorded and the order must only be placed against a written confirmation from the selected supplier
  - (d) the Chief Financial officer must set the maximum number of petty cash purchases or the maximum amounts per month for each manager and these numbers or amounts must be reviewed each month by the accounting officer;
  - (e) the manager reporting directly to the Chief Financial Officer may delegate responsibility for the petty cash in writing to an official reporting directly to him; and
  - (f) a monthly petty cash reconciliation report from each manager must be provided to the chief financial officer, including –
    - (i) the total amount of petty cash purchases for that month; and
    - (ii) receipts and appropriate documents for each purchase.
  - (e) the accounting officer must review the monthly petty cash reconciliation regularly

## Written or verbal quotations

16. The conditions for the procurement of goods or services through written or verbal quotations, are as follows:
- (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1) (c) of this Policy;
  - (b) to the extent feasible, providers must be requested to submit such quotations in writing;
  - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported to the Head Supply Chain Management or another official designated by the accounting officer;
  - (d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
  - (e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.
  - (f) a schedule of the accredited prospective providers of the municipality from whom the quotations were requested and the date of request must be kept and reviewed regularly by the Accounting officer against the overall list of the accredited prospective providers on the database to ensure that rotation of prospective suppliers is being done.

## Formal written price quotations

17. (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:
- (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;
  - (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1) (c) of this Policy;
  - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Head: Supply Chain Management or an official designated by the chief financial officer, and



(d) a schedule of the accredited prospective providers of the municipality from whom the quotations were requested and the date of request must be kept and reviewed regularly by the Accounting officer against the overall list of the accredited prospective providers on the database to ensure that rotation of prospective suppliers is being done

Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

18. The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows:
- (a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
  - (b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the municipality;
  - (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
  - (d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
  - (e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
  - (f) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;
  - (g) all contracts awarded by the Msunduzi Municipality must be recorded in a contracts register of the municipality detailing at least (i) the name of the selected provider (ii) the date of the award (iii) the duration of the contract (iv) retention percentage if applicable (v) Surety and or penalty amount

## Competitive bids

19. (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

## Process for competitive bidding

20. The procedures for the following stages of a competitive bidding process are as follows:
- (a) Compilation of bidding documentation as detailed in paragraph 21;
  - (b) Public invitation of bids as detailed in paragraph 22;
  - (c) Site meetings or briefing sessions as detailed in paragraph 22;
  - (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
  - (e) Evaluation of bids as detailed in paragraph 28;
  - (f) Award of contracts as detailed in paragraph 29;
  - (g) Administration of contracts
  - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
  - (h) Proper record keeping
  - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.





# MSUNDUZI ANNUAL BUDGET

## Bid documentation for competitive bids

21. The criteria to which bid documentation for a competitive bidding process must comply, must –
- (a) take into account –
    - (i) the general conditions of contract and any special conditions of contract, if specified;
    - (ii) any Treasury guidelines on bid documentation; and
    - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
  - (b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
  - (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
  - (d) if the value of the transaction is expected to exceed R10 million (VAT included) may only be awarded to the preferred bidder after the Chief Financial Officer has verified in writing that the budgetary provision exists for the acquisition of the goods, infrastructure projects and or services and that is consistent with the integrated Development Plan, the bidders are required to furnish–
    - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
      - (aa) for the past three years; or
      - (bb) since their establishment if established during the past three years;
    - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
    - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract; a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
    - (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
    - (f) all bids must be submitted in writing on the prescribed bid documentation in a sealed marked envelope and must be deposited by the bidders themselves or their appointed representatives into the designated bid box by no later than the date and time stipulated in the bid documentation.
    - (g) The Msunduzi Municipality may disqualify any offer or bid submitted for the following reasons:
      - (i) the bidder failed to comply with all submission requirements as stated in the tender document;
      - (ii) the entity or one of its directors are listed on National Treasury's database as a person prohibited from doing business with the public sector;
      - (iii) there are outstanding municipal rates and taxes or service charges from any municipality by the entity or any of its directors that are in arrears for longer than 3 months unless credit arrangements have been made in terms of council policies;
      - (iv) the entity has failed to perform satisfactory on previous contracts with any municipality or other organ of the state, after that entity was given written notice that performance was unsatisfactory;
      - (v) any of the directors committed a corrupt or fraudulent act in competing for a particular contract or in the execution of a contract;
      - (vi) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of a contract that benefited the entity or any of its directors;
      - (vii) the entity or any its directors abused the supply chain management system or committed any improper conduct in relation to such system;
      - (viii) any director has been convicted for fraud or corruption during the last 5 years;
      - (ix) the entity or any of its directors has willfully neglected, reneged on or failed to comply with any government municipal or other public sector contract during the last 5 years;
      - (x) the entity or any of its directors has misrepresented facts or information in the tender document submitted;





- (xi) the entity or any of its directors has submitted two tender documents (from the same company) unless the other tender document is an alternative offer;
- (xii) any persons whose tax matters have not been declared as being in order by the South African Revenue Services for awards in excess of R30 000 incl Vat;
- (xiii) the entity or any of its directors has failed to submit with the bid documentation, an original, valid tax clearance certificate
- (xiv) the accounting officer or designated committee must ensure that the municipal rates and taxes or municipal charges owed by the preferred bidder or any of its directors to the municipality or municipal entity are not in arrears for more than three months.
- (h) The Msunduzi Municipality may give preference to local suppliers and/or service providers
- (i) The Msunduzi Municipality may reject all bids if and when deemed necessary i.e. when there is a lack of effective competition or bids are not substantially responsive.

## Public invitation for competitive bids

- 22. (1) The procedure for the invitation of competitive bids, is as follows:
  - (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
  - (b) the information contained in a public advertisement, must include –
- (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;
- (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
- (iii) date, time and venue of any proposed site meetings or briefing sessions.
- (2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- (3) Bids submitted must be sealed.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

## Procedure for handling, opening and recording of bids

- 23. The procedures for the handling, opening and recording of bids, are as follows:
  - (a) Bids–
  - (i) must be opened only in public
  - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
  - (iii) received after the closing time should not be considered and returned unopened immediately.
- (a) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
- (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (d) The accounting officer must –
- (i) record in a register all bids received in time;
- (ii) make the register available for public inspection; and
- (iii) publish the entries in the register and the bid results on the website in terms of section 75 of the MFMA, the reference number of the bid, the description of the goods, services or infrastructure projects, names of all bidders, the B-BBEE status level of contribution of all bidders, the aforementioned information should be published in 10 working days after closure of the bid.

## Negotiations with preferred bidders



24. (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
- (a) does not allow any preferred bidder a second or unfair opportunity;
  - (b) is not to the detriment of any other bidder; and
  - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

## Two-stage bidding process

25. (1) A two-stage bidding process is allowed for –
- (a) large complex projects;
  - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - (c) long term projects with a duration period exceeding three years;
  - (d) projects where evaluation of bids is based on functionality as a criterion
  - (e) projects where evaluation of bids is based on a stipulated minimum threshold for local production and content
- (2) In the first stage:
- (a) projects referred to in subparagraphs (1)(a) to (c), technical proposals or bids on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments;
  - (b) projects referred to in subparagraphs (1) (d), proposals or bids must be invited and evaluated in terms of the functionality evaluation criteria embodied in the bid documents
  - (c) projects referred to in subparagraphs (1) (e), proposals or bids must be evaluated in terms of the stipulated minimum threshold for local production and content.
- (2) In the second stage:
- (a) Projects referred to in subparagraphs (1) (a) to (c), final technical proposals and priced bids should be invited.
  - (a) Projects referred to in subparagraphs (1) (d) to (e), only proposals or bids that achieve the minimum qualifying score/percentage for functionality and minimum stipulated threshold for local production and content respectively must be evaluated further in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations 5 and 6.

## Committee system for competitive bids

26. (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:
- (a) a bid specification committee;
  - (b) a bid evaluation committee; and
  - (c) a bid adjudication committee;
- (2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and
- (3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with –
- (a) paragraph 27, 28 and 29 of this Policy; and
  - (b) any other applicable legislation.
- (5) The accounting officer may apply the committee system to formal written price quotations.

## Bid specification committees

27. (1) A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.



## (2) Specifications –

- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
  - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
  - (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
  - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
  - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
  - (f) must stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of bids in terms of the points system set out in the Preferential Procurement Regulations 2011; and
  - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.
- (3) A bid specification committee must be composed of one or more officials of the municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.
- (4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

## Bid evaluation committees

### 28. (1) A bid evaluation committee must –

#### (a) evaluate bids in accordance with –

- (i) the specifications for a specific procurement; and
- (ii) the points system set out in terms of paragraph 27(2)(f).

#### (b) evaluate each bidder's ability to execute the contract;

#### (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;

#### (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

### (2) A bid evaluation committee must as far as possible be composed of-

#### (a) officials from departments requiring the goods or services; and

#### (b) at least one supply chain management practitioner of the municipality.



## Bid adjudication committees

29. (1) A bid adjudication committee must –
- (a) consider the report and recommendations of the bid evaluation committee; and
  - (b) either –
- (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
  - (ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
- (2) A bid adjudication committee must consist of at least four senior managers of the municipality which must include –
- (a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
  - (b) at least one senior supply chain management practitioner who is an official of the municipality; and
  - (c) a technical expert in the relevant field who is an official, if such an expert exists.
- (3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (5)(a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –
- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
  - (ii) notify the accounting officer.
- (b) The accounting officer may –
- (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
  - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- (6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (7) The accounting officer must comply with section 114 of the Act within 10 working days

## Procurement of banking services

30. (1) A contract for banking services –
- (a) must be procured through competitive bids;
  - (b) must be consistent with section 7 or 85 of the Act; and
  - (c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).





## Procurement of IT related goods or services

31. (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if –
- (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
- (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

## Procurement of goods and services under contracts secured by other organs of state

32. (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
- (b) there is no reason to believe that such contract was not validly procured;
- (c) there are demonstrable discounts or benefits to do so; and
- (d) that other organ of state and the provider have consented to such procurement in writing.
- (2) Subparagraphs (1)(c) and (d) do not apply if –
- (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
- (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

## Procurement of goods necessitating special safety arrangements

33. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

## Proudly SA Campaign

34. The Msunduzi Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:
- Firstly - suppliers and businesses within the municipality or district;
  - Secondly - suppliers and businesses within the relevant province;
  - Thirdly - suppliers and businesses within the Republic.

## Appointment of consultants

35. (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if
- (a) the value of the contract exceeds R200 000 (VAT included); or
- (b) the duration period of the contract exceeds one year.





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(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

- (a) all consultancy services provided to an organ of state in the last five years; and
- (b) any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

## Deviation from, and ratification of minor breaches of, procurement processes

36. (1) The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (i) in an emergency;
- (ii) if such goods or services are produced or available from a single provider only;
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) acquisition of animals for zoos and/or nature and game reserves; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

## Unsolicited bids

37. (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- (c) the person who made the bid is the sole provider of the product or service; and
- (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

- (a) reasons as to why the bid should not be open to other competitors;
- (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account –



- (a) any comments submitted by the public; and
- (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

## Combating of abuse of supply chain management system

38. (1) The accounting officer must–
- (a) take all reasonable steps to prevent abuse of the supply chain management system;
  - (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
    - (i) take appropriate steps against such official or other role player; or
    - (ii) report any alleged criminal conduct to the South African Police Service;
  - (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
  - (d) reject any bid from a bidder–
    - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
    - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
  - (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
  - (f) cancel a contract awarded to a person if –
    - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
    - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
  - (g) reject the bid of any bidder if that bidder or any of its directors –
    - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
    - (ii) has been convicted for fraud or corruption during the past five years;
    - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
    - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.



## Part 3: Logistics, Disposal, Risk and Performance Management

### Logistics management

39. The accounting officer must establish and implement an effective system of logistics management, which must include -
- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
  - (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
  - (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
  - (d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
  - (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
  - (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
  - (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

### Disposal management

40. (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows:
- (i) the accounting officer must establish and implement an appropriate disposal management system in order to ensure that the disposal or letting of assets, including unserviceable, redundant or obsolete assets is in terms of the MFMA;
  - (ii) the disposal management system must include the disposal plan, market assessment, disposal method, how to execute the disposal and the updating of the procurement plan and asset register.
- (2) Assets may be disposed of by
- (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of asset;
  - (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
  - (iii) selling the asset; or
  - (iv) destroying the asset.
- (3) The accounting officer must ensure that -
- (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
  - (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
  - (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
  - (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
  - (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
  - (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
  - (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.



## Risk management

41. (1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:
- (a) the Chief Financial Officer must;
- assess the nature and extent of the risks associated with the municipality's operation
  - decide the degree of tolerance or an acceptable level of loss or degree of failure
  - decide how to manage or minimize the risks identified
  - monitor, report and from time to time reassess the level and implication of the risk exposure
  - maintain a risk register that identifies and assesses all known risks and the action taken to manage those risks
- (b) the risk register must be regularly updated and the outcome reported to the Executive committee
- (2) Risk management must include –
- the identification of risks on a case-by-case basis;
  - the allocation of risks to the party best suited to manage such risks;
  - acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
  - the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
  - the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
- (f) the Senior Managers: Finance must effect all insurance cover and maintain a record of all policy details for noted financial risks
- (g) the Strategic Executive Managers are responsible for implementing the risk management policy, including financial risks within their business units
- (h) projects sureties must be determined according to affordability and risk for different categories of contracts as follows:

Project Type	JBCC	GCC	Project Value
Micro	0%	0%	Not Exceeding R60 000
Small	0%	0%	Not Exceeding R100 000
Medium	5%	5%	Not Exceeding R500 000
Major	JBCC	GCC	Exceeding R500 000

- (i) the minimum for retention monies held from a contractor during the construction period must be determined according to affordability and risk for different categories of contracts as follows:

Project Type	JBCC	GCC	Project Value
Micro	2.5%	2.5%	Not Exceeding R60 000
Small	3.5%	3.5%	Not Exceeding R100 000
Medium	5%	5%	Not Exceeding R500 000
Major	JBCC	GCC	Exceeding R500 000

- (j) payments for small and micro projects must be made within 14 days after submission of a valid tax invoice which has been approved by the Msunduzi Municipality's Representative or as specified in the municipality's Special Conditions of Contracts
- (k) the municipality shall at its discretion, accept signed cessions by Small Medium Enterprises to suppliers so that payments are made directly to suppliers for the supply of materials as a form of assisting Small Medium Enterprises. All cessions shall be in terms of the conditions of the GCC or JBCC, whichever is appropriate
- (l) the service provider may not cede or assign a contract or any monies due or that may become due to it,





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without the prior written consent of the Head: Supply Chain Management or in terms of the conditions of the contract.

(m) penalties on late completion of work shall be as per the GCC or JBCC or as specified in the tender documents

(n) the senior managers: Finance with the assistance from relevant Senior managers shall carry out all negotiations with insurers, in respect of insurance claims, where necessary.

(o) the value and the responsibility for specific insurances required by contractors and service providers shall be specified in the tender documents

(p)(i) in some instances it may be in the best interest of the municipality to allow price adjustments due to escalation.

(ii) a careful analysis of escalation clauses and formulas should be taken into account to ensure that the best interests of the municipality are served.

(iii) if the accounting officer resolves to allow escalation, this must be specified in the bid documents, including the formula and the time frames at which intervals such price adjustments will be considered.

(q)(i) exchange rate fluctuations must be considered when items are imported or have imported component.

(ii) the future fluctuations of the rand are particularly important if the contract period is over a specific period or if delivery is due at a date some time in the future.

(iii) the accounting officer must make a decision as whether or not the municipality will take risk or whether suppliers will be allocated the risk.

(iv) The standard approach is that the bidder must arrange for forward cover.

(v) An award made during tender validity period expiring, the price will remain fixed and firm

(r)(i) extra works or variations and extensions to a contract shall be authorized in writing by the appropriate Senior manager or duly authorized official

(ii) any variation and extension of contract which would produce an increase in the amount of an accepted tender or approved budget shall be reported to the adjudication committee and will require the approval of the Adjudication Committee and/or Accounting Officer before any payment is made.

(iii) contracts may be extended, varied or expanded by not more than 20% (including all applicable taxes) for construction related goods, works and/or services and 15% (including all applicable taxes) for all other goods, works and/or services of the original value of the contract.

(iv) Furthermore, anything beyond the abovementioned thresholds must be reported to Council, any expansion, extension or variation in excess of these thresholds must be dealt with in terms of the provisions of the section 116(3) of the MFMA which will be regarded as an amendment to the contract.

(s) The Msunduzi Municipality may, prior to the award of the bid, cancel the bid if:

(i) due to changed circumstances there is no longer a need the goods or services for which the bid were solicited;

(ii) funds are no longer available to cover the total envisaged expenditure; or

(iii) no acceptable bids were received

(t) The Msunduzi Municipality may reject all bids if and when deemed necessary.

## Performance management

42. (1) The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

(2) In the monitoring of supply chain management performance, the accounting officer together with the Chief Financial Officer, must set goals and performance criteria for SCM officials against which performance can be measured,

(3) Issues that need to be included in the relevant reviews include:

(a) achievement of goals





- (b) compliance to norms and standards
- (c) savings generated
- (d) Stores efficiency
- (e) cost variances per item and across business units
- (f) contract management
- (g) cost efficiency of the procurement process
- (h) supply chain management objectives in line with the provisions of the CIDB Act and regulations
- (i) principles of co-operative governance as expounded in the Constitution are observed
- (j) regional economic disparities are being addressed and promoted.

## Part 4: Other matters

### Prohibition on awards to persons whose tax matters are not in order

43. (1) No award above **R30 000** may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

### Prohibition on awards to persons in the service of the state

44. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy -
- (a) who is in the service of the state;
  - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
  - (c) a person who is an advisor or consultant contracted with the municipality.

### Awards to close family members of persons in the service of the state

45. The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -
- (a) the name of that person;
  - (b) the capacity in which that person is in the service of the state; and
  - (c) the amount of the award.

### Ethical standards

46. (1) A code of ethical standards as set out in the National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management is hereby established for officials and other role players in the supply chain management system of the municipality in order to promote -
- (a) mutual trust and respect; and
  - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) General Principles
- (a) the municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.
  - (b) Officials and other role players involved in SCM should ensure that they perform their duties efficiently, ef-



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fectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

(c) Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

## (3) Conflict of interest

An official or other role player involved with supply chain management –

(a) must treat all providers and potential providers equitably;

(b) may not use his or her position for private gain or to improperly benefit another person;

(c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

(d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality;

(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;

(h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and

(i) should not take improper advantage of their previous office after leaving their official position.

## (4) Accountability

(a) Practitioners are accountable for their decisions and actions to the public.

(b) Practitioners should use public property scrupulously.

(c) Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.

(d) All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

(e) Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.

(f) Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including

(i) any alleged fraud, corruption, favouritism or unfair conduct;

(ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and

(iii) any alleged breach of this code of conduct.

(g) Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

## (5) Openness

(a) Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

## (6) Confidentiality

(a) Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.

(b) Matters of confidential nature in the possession of officials and other role players involved in SCM should



be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

## (7) Bid Specification / Evaluation / Adjudication Committees

(a) Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

(b) Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

(c) All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

(d) No person should-

- (i) interfere with the supply chain management system of the municipality; or
- (ii) amend or tamper with any price quotation / bid after its submission.

## (8) Combative Practices

(a) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- (i) Suggestions to fictitious lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in price quotations / bids;
- (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

(9) A breach of the code of ethics must be dealt with as follows -

(a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

(b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

(c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

## Inducements, rewards, gifts and favours to municipalities, officials and other role players

47. (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -

(a) any inducement or reward to the municipality for or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to -

(i) any official; or

(ii) any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gifts less than R350 in value.

## Sponsorships

48. The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is -

(a) a provider or prospective provider of goods or services; or

(b) a recipient or prospective recipient of goods disposed or to be disposed.



## Objections and complaints

49. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system may, within 14 days of the decision or action –
- (a) if the objection or complaint is against the procurement process, submit a written objection or complaint against the decision or action to the accounting officer of the municipality who shall, in turn, within 24 hours refer the written objection or complaint to the independent and impartial person referred to in paragraph 50 for resolution; or
  - (b) if such complaint or objection is against the award of a bid, lodge a written appeal with the Municipal Bid Appeals Tribunal in accordance with the provisions of paragraph 50A.

## Resolution of disputes, objections, complaints and queries

50. (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes to assist in the resolution of objections and complaints between the municipality and any other person regarding –
- (a) the implementation of the procurement process in terms of the supply chain management system; or
  - (b) any matter arising from the implementation of the procurement process in terms of the supply chain management system.
- (2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
- (a) strive to resolve promptly all objections or complaints received; and
  - (b) submit monthly reports to the accounting officer on all such objections and complaints received, attended to or resolved.
- (4) If the independent and impartial person referred to in paragraph 50.1, is of the view that a matter which should be dealt with in terms of paragraph 50A, he or she shall forthwith refer the matter to the Municipal Bid Appeals Tribunal and that Tribunal shall then hear and determine the matter in accordance with the provisions of paragraph 50A.
- (5) An objection or complaint may be referred to the KwaZulu-Natal Provincial Treasury if:
- (a) the objection or complaint is not resolved within 60 days; or
  - (b) no response is forthcoming within 60 days.
- (6) If the Provincial Treasury does not or cannot resolve the matter, the objection or complaint may be referred to the National Treasury for resolution.

## **50A. MUNICIPAL BID APPEALS TRIBUNAL**

- (1) The council shall establish a Municipal Bid Appeals Tribunal for its area of jurisdiction to hear and determine an appeal against the award of a bid.
- (2) The accounting officer of the municipality, in consultation with the Provincial Treasury, shall appoint the Chairperson, Deputy Chairperson and Members of the Municipal Bid Appeals Tribunal.
- (3) The powers, duties and functions of the Municipal Bid Appeals Tribunal, and matters incidental thereto, are set out in the Rules which are appended to this Supply Chain Management Policy and marked Appendix A.
- (4) The administrative and secretarial work involved in the performance of the duties and functions of the Municipal Bid Appeals Tribunal shall be performed by officers of the Provincial Treasury as set out in the Rules referred to in paragraph 50A.3.
- (5) There shall be no further appeal against a decision of the Municipal Bid Appeals Tribunal.”.





## Contracts providing for compensation based on turnover

51. If a service provider acts on behalf of Msunduzi Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate:
- (a) a cap on the compensation payable to the service provider; and
  - (b) that such compensation must be performance based.

## CALCULATION OF THE PREFERENT POINTS SYSTEM

52. the 80/20 or 90/10 Preference point system
- Preference point system**
- (a) the 80/20 preference point system is applicable to bids with a rand value equal to, or above R30 000 and up to a rand value of R1 million( all applicable taxes included).
  - (b) The 90/10 preference point system is applicable to bids with a Rand value above R1 million (all applicable taxes included)

### Calculation of points for price

The PPPFA prescribes that the lowest acceptable bid will score 80 or 90 ponits for price. Bidders that quoted higher prices will score lower points for price on a pro-rata basis.

The formulae to be utilized in calculating points scored for price are as follows: 80/20 Preference point system (for acquisition of services, works or goods up to a Rand value of R1 million) (all applicable taxes included)

$$P_s = \frac{80(1 - \frac{P_t - P_{min}}{P_{min}})}{P_{min}}$$

Where

$P_s$  = Points scored for comparative price of bid or offer under consideration

$P_t$  = Comparative price of bid or offer under consideration

$P_{min}$  = Comparative price of lowest acceptable bid or offer.

*Preference point system (for acquisition of services, works or goods with a Rand value above R1million) (all applicable taxes included)*

$$P_s = \frac{90(1 - \frac{P_t - P_{min}}{P_{min}})}{P_{min}}$$

Where

$P_s$  = Points scored for comparative price of bid or offer under consideration

$P_t$  = Comparative price of bid or offer under consideration

$P_{min}$  = Comparative price of lowest acceptable bid or offer.

Points scored must be rounded off to the nearest 2 decimal places.





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## Calculation of points for B- BBEE status level contributor

Points must be awarded to a bidder for attaining the B- BBEE status level of contribution in accordance with the below:

B- BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

or, in respect of Exempted Micro Enterprises (EMEs)

Black Ownership of EME	Deemed B-BBEE Status Level of Contributor	Number of Points for Preference
>50%	3	8
≥50%	4	5

A bid must not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B- BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score zero (0) out of the maximum 10 or 20 points respectively for B- BBEE.

## Calculation of total points scored for the price and B-BBEE status level of contribution

The points scored for the price must be added to the points scored for the B- BBEE status level of contribution to obtain the bidder's total points scored out of 100.

### C. B-BBEE Status Level Certificates

In order to qualify for preference points in terms of clauses 416 and 421 above, Exempted Micro Enterprises must have submitted, to Msunduzi Municipality, a certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act No. 69 of 1984)) or an accredited verification agency, confirming their status as such.

Bidders other than Exempted Micro Enterprises must submit, to Msunduzi Municipality, their original and valid B-BBEE status level verification certificate, or a certified copy thereof, substantiating their B-BBEE status level of contributor.

The submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the overnment Gazette.



Bidders who fail to submit the required certificates, or certified copies thereof, will be deemed to be non-compliant contributors.

Where specific sector charters have been gazetted in terms of the B-BBEE Act, bid documentation for procurement from within such sectors, must specify that only persons verified in terms of the particular sector charter (or Code of Good Practice), or Exempted Micro Enterprises, will qualify for a preference. A status level of contributor in respect of generic Codes of Good Practice will not, in such circumstances, qualify for any preference.

Where no specific sector charter has been gazetted, persons other than Exempted Micro Enterprises must be verified in terms of the gazetted generic Codes of Good Practice in order to qualify for a preference.

For the purposes of transparency, bidders shall, in respect of all competitive bids (over R200 000), be required to claim, in their bid submission, a preference in accordance with their B-BBEE status.

Notwithstanding what is contained in the bid submission, preference points will be allocated during the bid evaluation process in accordance with the verified B-BBEE status level (or deemed status level) of contributor.

## D. Evaluation of bids that scored equal points

In the event that two or more bids have scored equal total points, the successful bid must be the one that scored the highest points for B- BBEE.

If two or more bids have equal points, including equal preference points for BBBEE, the successful bid must be the one scoring the highest score for functionality, if functionality is part of the evaluation process.

In the event that two or more bids are equal in all respects, the award must be decided by the drawing of lots.

## Conditions Relating to the Granting of Preferences

Bidders must, in the manner stipulated in the bid documentation, declare that:

- i. the information provided is true and correct;
- ii. the signatory to the bid document is duly authorised; and
- iii. documentary proof regarding any bidding issue will, when required, be submitted to the satisfaction of the City.

Only bidders who have completed and signed the necessary declarations may be considered.

The Bid Evaluation Committee must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.

A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is effected.

A trust or joint venture will qualify for preference points for their B-BBEE status level as a legal entity, provided that the entity has submitted its verified B-BBEE status level certificate (or certified copy thereof) to the City.

A trust or joint venture will qualify for preference points for their B-BBEE status level as an unincorporated entity, provided that the entity has submitted its consolidated B-BBEE scorecard as if it is a group structure



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and that such a consolidated B-BBEE scorecard is prepared for every separate bid. The consolidated B-BBEE scorecard must be submitted in the form of a certificate issued by an accredited verification agency (or a certified copy thereof).

A bidder may not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that the bidder qualifies for, unless the intended subcontractor is an Exempted Micro Enterprise that has the capability and ability to execute the sub-contract.

A bidder that has been awarded a contract may not sub-contract more than 25% of the value of the contract to enterprises that do not have an equal or higher B-BBEE status level than the bidder concerned, unless the subcontractors are Exempted Micro Enterprises that have the capability and ability to execute the sub-contract. Compliance with this particular requirement must be monitored by the Responsible Agent during the execution of the contract.

If a service is required that can only be provided by tertiary institutions, such services must be procured through a bidding process from the identified tertiary institutions.

The tertiary institutions referred to in clause 440 above, must submit their B-BEE status in terms of the specialized scorecard contained in the BBEE Codes of Good Practice.

If a service is required that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a service provider/contractor must be done by means of a competitive bidding process.

Public entities must submit their B-BBEE status in terms of the specialized scorecard contained in the gazetted B-BBEE Codes of Good Practice.

## Local Production and Content

The National Department of Trade and Industry is empowered to designate industry sectors, in line with national development and industrial policies for local production, where only locally produced goods, services or construction works, or locally manufactured goods that meet a stipulated minimum threshold for local production and content, may be used.

In the case of designated sectors, where in the award of bids, local production and content is of critical importance, such bids must be advertised with a specific condition of bidding, that only locally produced goods, services or construction works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

Any instructions, circulars and guidelines issued by National Treasury in the above regard must be complied with.

Where there is no designated sector, bids may include, as a specific condition of bidding, that only locally produced goods, services or construction works, or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.

Every bid issued in terms of clauses .... to .... must be measurable and audited.

Where necessary, for bids referred to in clauses ..... to ....., a two-stage bidding process may be followed, where the first stage involves functionality and minimum threshold for local production and content, and the second stage price and B-BBEE level of contribution, with the possibility of price negotiations only with the



short listed bidder/s.

A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

## Other Specific Goals

### Unbundling Strategies

In order to encourage increased participation and the sustainable growth of the small business sector, the unbundling of larger projects into smaller, more manageable, contracts is encouraged.

Unbundling must however be considered in the context of:

- economies of scale being lost;
- abortive work becoming necessary;
- additional demands (not only financial) being placed on the City's resources; and
- the risk of later phases not being completed as a result of budget cuts becoming necessary in the future.

Unbundling, and all of its associated implications, must therefore be carefully considered at the planning stage of any project and the budgets for, and design thereof, should be structured accordingly.

It is important to note that while it is the City's policy to procure goods, services or construction works in the smallest practicable quantities, the practice of parcelling such procurement in order to avoid complying with the requirements of the different range of procurement processes described in this policy is not permitted.

### Increasing Employment Opportunities

One of the City's key socio-economic objectives is to facilitate the creation of employment for the people of Pietermaritzburg.

Increasing employment opportunities through procurement may be achieved by specifying labour intensive technologies and/or methods of construction in the bid documents.

It is up to Responsible Agents to thoroughly investigate the options available in the above regard, to evaluate the positive versus negative impact of any proposals, and to specify labour intensive technologies and/or methods where appropriate.

All labour earning less than a threshold wage, determined in accordance with National Guidelines, that is employed for the provision of services or construction works for the City, shall be reported in the prescribed format, on a monthly basis, to Project Management Unit.

### Targeted Labour and/or Targeted Enterprises

The targeting of labour and/or enterprises from specific areas within the boundaries of the Msunduzi Municipal area may be achieved, where appropriate, by specifying in the bid documents, a minimum level of participation (a contract participation goal) that must be achieved in respect of targeted labour and/or targeted enterprises in the performance of the contract.

Specified contract participation goals must be measurable and achievable, and the performance in respect of which must be monitored by the Responsible Agents during the execution of the contract.

Where a minimum contract participation goal has been specified in respect of targeted labour and/or enterprises, the contractor is obliged to meet that goal, and must be penalised if he or she does not.



Contract participation goals in respect of targeted labour and/or enterprises may not be introduced into the preference point system used for the evaluation of bids.

## E. Cancellation and re-invitation of bids

(a) In the application of the 80/20 preference point system, if all bids received exceed R1 000 000, the bid must be cancelled. If one or more of the acceptable bid(s) received are within the R1 000 000 threshold, all bids received must be evaluated on the 80/20 preference point system.

(b) In the application of the 90/10 preference point system, if all bids received are equal to or below R1 000 000, the bid must be cancelled. If one or more of the acceptable bid(s) received are above R1 000 000 threshold, all bids received must be evaluated on the 90/10 preference point system.

(c) If a bid was cancelled in terms of paragraph (a) or (b), the correct preference point system must be stipulated in the bid documents of the re-invited bid

An AO may, prior to the award of a bid, cancel the bid if:

(a) Due to changed circumstances, there is no longer a need for the services, works or goods requested. (AOs / AAs must ensure that only goods, services or works that are required to fulfill the needs of the institution are procured); or

(b) Funds are no longer available to cover the total envisaged expenditure. (AO has to ensure that the budgetary provisions exist); or

(c) No acceptable bids were received. (If all bids received are rejected, the institution must review the reasons justifying the rejection and consider making revisions to the specific conditions of the contract, design and specifications, scope of contract, or a combination of these, before inviting new bids).

## F. Award of contracts

A contract must be awarded to the bidder who scored the highest total number of points in terms of the preference point systems.

In exceptional circumstances a contract may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points. The reasons for such a decision must be approved and recorded for audit purposes and must be defensible in the court of law.

## 53 COMMENCEMENT

This Policy takes effect on ( / / )







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## i. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

<b>“authorised representative”</b>	The person or instance legally appointed by the Council to act or to fulfill a duty on its behalf.
<b>Life Line Service</b>	The amount or level of any municipal service that is necessary to ensure human dignity and a reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this Policy are restricted to electricity, refuse, sewerage and water services. It is also to be understood that the national norms will be used as guidelines for the determination of the amount/level of the services.
<b>“Chief Financial Officer”</b>	refers to the person so designated in terms of Section 80 (2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) or any person duly authorized to act on behalf of such person;
<b>“Council” or “municipal council”</b>	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Msunduzi
<b>“customer”</b>	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
<b>“defaulter”</b>	A person who owes money to in respect of a municipal account after the due date for payment has expired.
<b>“Child Headed Household”</b>	This includes all persons who are jointly living on a stand or site on a permanent basis and who receive water and/or electricity from one meter. A household where both parents are deceased and where all occupants of property are children of the deceased and are all under the legal age to contract for service and are considered as minors in law by the State. Child headed households are automatically considered indigent unless proven otherwise.
<b>“Indigent”</b>	Lacking the necessities of life such as sufficient water, basic sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing. This is a household which, due to a number of factors as set out in par. 4, is not financially capable of paying for the delivery of Basic Services – including poor households.
<b>“interest”</b>	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.
<b>“municipal account” or “billing”</b>	The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to.
<b>“Municipality”</b>	The institution that is responsible for the collection of funds and the provision of services to the customers of the council.
<b>“the Act”</b>	The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time.



## I. INTRODUCTION

Council receives Equitable Share to subsidize those who cannot afford to pay for the minimum needs in life. The objective in calculating the amount to be subsidized, must be to prevent an increasing balance on the account of an indigent as it will be difficult to recover the debt in a humanly way. According to the Municipal Systems Act 2000, Section 74(3) and 75(2) stipulates, "A tariff policy may differentiate between different categories of users/debtors."

## 2. Criteria for the approval as Indigent are as follows:

1. That the gross household income for qualification as a registered Indigent be determined each year by Council in terms of the tariff register.
2. That the prescribed application forms be completed annually.

## 3. OBJECTIVES OF POLICY

The objectives of this Policy are to:-

1. The objective of this policy is to close the gap between indigent and non-indigent citizens of Msunduzi Municipality, through the targeted assistance with free allocations of electricity, water and other services, together with broader based access to housing, community services, employment initiatives and basic health-care.
2. Provide a framework within which the Municipality to implement a lifeline service to indigent households in respect of their municipal account;
3. Determine the criteria for qualification of indigent households;
4. Ensure that the criteria is applied correctly and fairly to all applicants;
5. Allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household;
6. Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

## 4. QUALIFYING CRITERIA

### 4.1 CRITERIA FOR APPLIED INDIGENT STATUS

To qualify for "Applied Indigent status", a household must comply with all the following criteria:-

- 4.1.1 The total household income must not exceed the amount approved by council from time to time
- 4.1.2 In order to qualify for Indigent subsidy the applicant must have maximum of 20 amperage; In an event that your supply is in excess of 20 amps Council shall down grade the amperage to the maximum of 20 amps.
- 4.1.3 Must be a South African citizen;
- 4.1.4 The applicant must not be the registered owner of more than one property.
- 4.1.5 The householder must be a resident of, and have a registered account with the Municipality, except that the requirement of being registered as an account holder does not apply to households in informal settlements where no accounts are rendered, nor in rural areas where no accounts are rendered.
- 4.1.6 Recognised refugees must be South African citizens (with ID card) or have recognised refugee status (proof of status needed).
- 4.1.7 A tenant or occupier as described in Council Credit Control Policy can apply for the benefits in respect of the charges is billed for while the landlord remains liable for all ownership related charges such as rates.



## 5. SUBSIDY

The subsidies below will be funded from the “equitable share” contribution received from National Treasury, plus an amount from the Municipality’s own income as budgeted for in the financial year in question. The subsidies will only be granted to qualifying households to the extent that the above mentioned funds are available for allocation.

Where the municipal account exist, the subsidy amount allocated will be calculated and rounded off to the nearest lower R1, and will be credited into the consumer’s municipal account every month and be indicated as such on the account.

### Service levels:

- 5.1 100% of the basic charge and MCB Charge for electricity for one service point per month;
- 5.2 100% of the basic charge for water one service point per month ;
- 5.3 100% of Scale 2 domestic charge for sewerage per month for one service point;
- 5.4 100% of the domestic refuse removal tariff for one service point per month;
- 5.5 60 kWh of electricity;
- 5.6 6kl of free water to all registered indigent households.

## 6. Property rates

Each registered indigent household shall be subsidized for property rates as provided for in the annual budget as approved by Council and in line with property rates policy.

## 7. Indigent households in retirement centres / Orphanages/ Disability centres

Indigent consumers living in retirement centres / orphanages / and disability centers shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:

The onus will be upon the board of trustees / managing agent / chairperson of the retirement centre to apply to the municipality for indigent status to be granted in respect of water consumption on behalf of the owners of those units who meet the criteria and conditions for qualification.

The onus will be upon the unit owner to apply to the municipality for indigent status to be granted in respect of property rates and service charges. The representative of the retirement centre will submit applications to the Municipality.

## 8. PROCESS MANAGEMENT

### 8.1 Validity period

The validity period for assistance will be for a maximum period of 12 months.

### 8.2 Death of registered applicant

In the event that the approved applicant passes away, the heirs of the property must re-apply for indigent support provided that the stipulated criteria are met.





## 8.3. Termination of indigent support

Indigent support will be terminated under the following circumstances:

8.3.1 Death of the account holder.

8.3.2 Upon change of ownership of the property in respect of which support is granted.

8.3.3 When circumstances in the indigent household have improved in terms of gross income threshold as prescribed by Council.

8.3.4 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:

8.3.5 All arrears will become payable immediately

8.3.6 Credit control measures will apply and

8.3.7 The applicant will not be eligible to apply for indigent support for a period of two years.

## 9. Appeals

Any aggrieved person who was not successful in the application to be regarded as an indigent, may lodge an appeal to the Municipality within a period of 14 days from the date on which the aforesaid decision was communicated to the applicant.

## 10. ASSISTANCE PROCEDURES APPLICABLE TO THIS POLICY

### 10.1. Communication

The municipality will develop a communications strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy.

### 10.2 Communities

Members of the community should monitor responsible use and prevent misuse, e.g. illegal connections and help to distribute information to their neighbours.

### 10.3 Application / Registration

A person applying for assistance must complete a formal indigent support application form approved by the Municipality and must meet the qualification criteria as stipulated in this policy.

### 10.4 Approved applications

All applications that meet the prescribed qualification criteria are then processed on the financial system. A copy of the approved application is sent to the credit control section for the applicant to be flagged as Indigent in the prepayment system. This ensures that the applicant gets his/her monthly free issue and receive indigent benefits the total monthly subsidy applicable on service charges will be reflected on the monthly statement of account after approval.



## II. PUBLICATION OF NAMES OF QUALIFYING APPLICANTS

The applicant must grant permission for the Municipality to publish his/her name and address on a list of account holders receiving subsidies in terms of this policy and be submitted to credit authorities

Any person may inspect or scrutinize the list at a Customer Care Office and inform/notify the Municipality of any person who, according to their true circumstances, should not be in receipt of a subsidy as envisaged in this policy.

## 12. CURRENT AMOUNTS IN ARREARS

Applicants, whose municipal accounts show arrear amounts at the time of the application for a subsidy will be treated in terms of the provisions of credit and debt collection policy of the council regarding their status as indigent,

## 13. REGISTER

The Municipality shall keep a register of approved indigent households.



## 2014/15 REGISTER OF TARIFFS AND CHARGES

# 2014/15 to 2016/17



## CITY FINANCE

### Rates

VOTE	SUB	ITEM
060	448	8208

2013/14 Cents in the R	2014/15 Cents in the R	% Incr
---------------------------	---------------------------	--------

#### 1. A GENERAL RATE, assessed in terms of the Local Government: Municipal Property Rates Act 6 of 2004

0.0213	0.0192	-9.86%
--------	--------	--------

- (a) Vacant Land - no rebate granted (net)  
(b) Unauthorised use plus surcharge

0.0213	0.0192	-9.86%
0.0264	0.0330	25.00%

#### 2. REBATES:

##### Residential Property

- (a) A rebate on the valuation of rateable property  
Rate Randage – after rebate (net)

0.0096	0.0086
<u>0.0117</u>	<u>0.0106</u>

##### Other Properties

- (b) A rebate on the valuation of rateable property  
Rate Randage – after rebate (net)

0.0006	0.0006
<u>0.0207</u>	<u>0.0186</u>

##### Agricultural Property

- (c) A rebate on the valuation of rateable property  
Rate Randage – after rebate (net)

0.0184	0.0166
<u>0.0029</u>	<u>0.0026</u>

##### Public Service Infrastructure

- (d) A rebate on the valuation of rateable property  
Rate Randage – after rebate (net)

0.0184	0.0166
<u>0.0029</u>	<u>0.0026</u>

##### Rural Communal Property

- (e) A rebate on the valuation of rateable property  
Rate Randage – after rebate (net)

0.0006	0.0048
<u>0.0207</u>	<u>0.0144</u>

##### Home Business and DSF properties

- (f) A rebate on the valuation of rateable property  
Rate Randage – after rebate (net)

0.0065	0.0048
<u>0.0148</u>	<u>0.0144</u>

##### Sectional Title Garages - Separately Registered

- (g) A rebate on the valuation of rateable property  
Rate Randage – after rebate (net)

0.0096	0.0086
<u>0.0117</u>	<u>0.0106</u>

##### Mining

- (h) A rebate on the valuation of rateable property  
Rate Randage – after rebate (net)

0.0006	0.0006
<u>0.0207</u>	<u>0.0186</u>

##### Public Benefit Organisations

- (i) A rebate on the valuation of rateable property  
Statutory Rebate  
Additional Rebate

0.0184	0.0140
<u>0.0029</u>	<u>0.0026</u>
<u>100%</u>	<u>100%</u>

#### 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, Small Home Business and DSF properties.  
A rebate of 100% will be granted on all Residential property, Small Home Business and DSF properties from a value of R15,001 to a value of R100,000.

##### Aged Persons and Disability Grantees Rebate

- (k) Aged Persons Occupier Owner Applicants:  
Female – 60 years and over  
Male – 63 years and over  
Total monthly income of all occupants and owners from all sources  
%tage Rebate –

R 3 200	<b>R 3 500</b>
40% max	40% max

##### Child Headed Households

- (l) Maximum monthly income of all occupants and owners from all sources  
%tage Rebate –

R 3 200	<b>R 3 500</b>
40% max	40% max



# MSUNDUZI ANNUAL BUDGET

## CITY FINANCE

### Rates

VOTE	SUB	ITEM
060	448	8208

2013/14 Cents in the R	2014/15 Cents in the R	% Incr
---------------------------	---------------------------	--------

#### Listed Buildings

(m) Rates Rebate after primary rebate on Listed Buildings

40% Max 40% Max

#### Developers Rebate

(n) Rates Rebate on VL only subject to Council Conditions

Year 1

Year 2

Year 3

100% 100%  
66% 66%  
33% 33%

#### 4. GENERAL NOTE:

(a) No rebates on Listed Buildings and Developers properties will be granted to ratepayers where any arrears are outstanding on the property for rates & services. Rebates will only be granted to aged persons and child headed households where arrangements are made for arrears and where all arrangements are being maintained.

(b) No rates will be levied on property owned and occupied by the Msunduzi Municipality.

#### 5. MISCELLANEOUS CHARGES:

VOTE	SUB	ITEM
022	415	8436

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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(a) Revenue Clearance Certificate Application Fee

R 250 R 264 5.60%

VOTE	SUB	ITEM
022	415	8150

(b) Deeds Registry Search per search

R 15 R 16 5.60%

VOTE	SUB	ITEM
022	415	8466

(c) To search for and prepare any reconciliation, for each hour, or part of an hour, excluding the first half hour, reasonably required for such search and preparation.

**PLUS** Administration Fee

(Excluding applications made in terms of the Promotion of Access to Information Act, No. 2 of 2000)

R 80.00 R 84 5.60%  
R 25 R 26 5.60%

#### 6. INTEREST RATE AND COLLECTION CHARGE RATE:

(a) Interest rate per annum

9.5% 10.0% 5.3%

(b) Collection Charge Rate per annum

10% 10% 0.0%





**CITY FINANCE  
SUPPLY CHAIN MANAGEMENT**  
Tender Documents Deposits

VOTE	SUB	ITEM
012	415	8507

The tender documentation deposit is charged on pick up of a tender document by a tenderer.

Non-refundable deposit for projects

Contract Values between

R 30 000.00 to R 200 000.00

R 200 001.00 to R1 000 000.00

R1 000 001.00 to R5 000 000.00

R5 000 001.00 and over

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
R 111	R 117	5.60%
R 133	R 141	5.60%
R 334	R 352	5.60%
R 556	R 587	5.60%



# MSUNDUZI ANNUAL BUDGET

## INFRASTRUCTURE SERVICES AND FACILITIES ELECTRICITY DISTRIBUTION MANAGEMENT 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

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

### Scale A: Domestic

- 1 A.I Single-Phase up to 80A –  
Basic Charge per month  
Net Ampere Charge per amp per phase p.m.  
Energy Charge per kWh (cents)

R 18.38	R 19.73	7.37%
R 7.30	R 7.30	0.00%
64.78	72.220	11.49%

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  
Net Ampere Charge per amp per phase p.m.  
Energy Charge per kWh (cents)

R 30.62	R 32.88	7.39%
R 5.38	R 5.38	0.00%
66.01	72.22	9.41%

VOTE	SUB	ITEM
704	412	8409

### Scale S0: Domestic Indigent 20 Amp

Qualifying Indigent consumers will receive the first 70kWh of electricity free.  
Should be on Prepaid with 20 Amps Current limiting breakers

- 3 Energy Charge only (cents) No Basic Charge

87.950	97.090	10.39%
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### Scale S1: Domestic Life Line Tariff 20 Amp

- 4 Energy Charge only (cents)  
No Basic Charge

108.440	116.680	7.60%
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### Scale S2: Domestic Straight Line Tariff - 60 Amps 1 phase

- 5 Energy Charge only (cents)  
Basic Charge (Included in the monthly Municipal Bill)

108.440	116.680	7.60%
	R 10.00	

### Scale TD1: Time Of Use Domestic Single Phase

- Supply Metered by a Smart Meter  
6 Scale TD.1 Time Of Use Domestic Single Phase  
Basic Charge per month  
Capacity charge per kVA per month  
  
Energy charge c/kWh (Periods as per shown in table below - public holidays treated as normal day)  
High Demand: (June, July, August)  
Peak  
Standard  
Off Peak  
  
Low Demand: (Other Months)  
Peak  
Standard  
Off Peak

R 39.73
R 7.30
254.310
83.630
49.720
89.320
64.420
44.320

### Scale TD2: Time Of Use Domestic Three Phase

- Supply Metered by a Smart Meter  
7 Scale TD.2 Time Of Use Domestic Three Phase  
Basic Charge per month  
Capacity charge per kVA per month  
  
Energy charge c/kWh (Periods as per shown in table below - public holidays treated as normal day)  
High Demand: (June, July, August)  
Peak  
Standard  
Off Peak  
  
Low Demand: (Other Months)  
Peak  
Standard  
Off Peak

R 62.88
R 5.38
254.310
83.630
49.720
89.320
64.420
44.320



**INFRASTRUCTURE SERVICES AND FACILITIES  
ELECTRICITY DISTRIBUTION MANAGEMENT  
City Electrical Engineers**

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

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

**Scale B: Small Power users ≤ 65 kVA**

8	Scale B.1 Small Power Single-Phase≤80A			
	Basic Charge per month	R 47.13	R 50.61	7.39%
	Net Ampere Charge per amp per phase p.m.	R 15.36	R 15.36	0.03%
	Energy Charge per kWh (cents)	67.85	79.28	16.85%
9	Scale B.3 Small Power Three-Phase≤100A			
	Basic Charge per month	R 84.51	R 90.75	7.39%
	Net Ampere Charge per amp per phase p.m.	R 12.96	R 12.96	0.04%
	Energy Charge per kWh (cents)	67.85	79.28	16.85%

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

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

10	Scale C.1 Large Power at LV			
	Basic Charge per month	R 369.17	R 396.45	7.39%
	Demand charge per kVA per month	R 148.17	R 152.33	2.81%
	Energy charge per kWh (cents)	63.477	72.590	14.36%

\* The minimum demand 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 TARIFF IS TO BE DISCONTINUED WITH EFFECT FROM 1 JULY 2015**

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

11	Energy Charge per kWh	R 3.040	R 3.36	10.53%
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\* The minimum monthly charge payable by the consumer under this scale shall be an amount calculated as aforesaid based on 50% of the highest monthly meter reading in the last twelve months.

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

**Scale T1: Time Of Use Large customer - MV**

12	Scale T1: Time of use large customer at MV			
	Basic Charge per month	R 1 845.83	R 1 982.23	7.39%
	Demand charge per kVA (Peak and Standard periods only) per month.	R 69.25	R 64.38	-7.03%
	Access charge per kVA per month.	R 22.64	R 28.80	27.21%
	Based on highest of notified or previous 12 months highest demand.			
	Energy charge c/kWh (Periods as per shown in table below - public holidays treated as per table)			
	High Demand: (June, July, August)			
	Peak	241.260	242.680	0.59%
	Standard	78.910	87.520	10.91%
	Off Peak	52.370	56.700	8.27%
	Low Demand: (Other Months)			
	Peak	83.150	92.690	11.47%
	Standard	59.410	70.060	17.93%
	Off Peak	48.130	51.780	7.58%
	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 standard periods only (c/kvarh)	6.037	6.210	2.87%



# MSUNDUZI ANNUAL BUDGET

## INFRASTRUCTURE SERVICES AND FACILITIES ELECTRICITY DISTRIBUTION MANAGEMENT City Electrical Engineers

### Scale T2: Time Of Use Large customer at 400 V

#### 13 Scale T2: Time Of Use Large customer at LV

Basic Charge per month  
Demand charge per kVA (Peak and Standard periods only) per month.  
Access charge per kVA per month.  
Based on highest of notified or previous 12 months highest demand.

Energy charge c/kWh (Periods as per shown in table below - public holidays treated as normal day)  
High Demand: (June, July, August)

Peak	R 369.17
Standard	R 70.82
Off Peak	R 31.68

Low Demand: (Other Months)

Peak	254.820
Standard	91.900
Off Peak	59.530

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 standard periods only (c/kvarh)

97.330  
73.560  
54.370  
6.040

#### 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
Sunday			00:00-24:00

#### THE TABLE BELOW INDICATES THE TREATMENT OF PUBLIC HOLIDAYS FOR THE TIME OF USE TARIFF

Date	Day	Actual Day of the week	Day treated as
09-Aug-14	NATIONAL WOMENS DAY	SATURDAY	SUNDAY
24-Sep-14	HERITAGE DAY	WEDNESDAY	SUNDAY
16-Dec-14	DAY OF RECONCILIATION	TUESDAY	SUNDAY
25-Dec-14	CHRISTMAS DAY	THURSDAY	SUNDAY
26-Dec-14	DAY OF GOODWILL	FRIDAY	SUNDAY



**INFRASTRUCTURE SERVICES AND FACILITIES  
ELECTRICITY DISTRIBUTION MANAGEMENT**  
City Electrical Engineers

VOTE	SUB	ITEM
703	463	8382

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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**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 27.31	R 28.84	5.60%
	Energy charge per 100 Watt per month if not measured	R 21.265	R 22.75	7.00%
	Energy charge if measured (cents) per kWh	58.212	62.287	7.00%
L2	Lights: 24 hour (incl Maintenance)			
	Fixed-R /light/month	R 27.31	R 28.84	5.60%
	Energy charge per 100 Watt per month if not measured	R 76.467	R 81.82	7.00%
	Energy charge if measured (cents) per kWh	62.932	67.338	7.00%
L3	Lights: Whole Night High Mast (incl. Maintenance)			
	Fixed-R /light/month	R 546.29	R 576.88	5.60%
	Energy charge per 100 Watt per month if not measured	R 62.422	R 66.79	7.00%
	Energy charge if measured (cents) per kWh	58.212	62.287	7.00%
L4	Lights: 24 Hrs Traffic (Excl. Maintenance)			
	Maintenance charged at actual cost	Actual Cost	Actual Cost	
	Energy charge per 100 Watt per month if not measured	R 76.467	R 81.82	7.00%
	Energy charge if measured (cents) per kWh	62.932	67.338	7.00%

**INTEREST RATE**

1	Interest rate per annum	9.5%	10.0%	5.3%
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# MSUNDUZI ANNUAL BUDGET

## INFRASTRUCTURE SERVICES AND FACILITIES ELECTRICITY DISTRIBUTION MANAGEMENT City Electrical Engineers

VOTE 713	SUB 873	ITEM 1000	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
<b>New Connection</b>					
1	Bylaw 27(12)(a)				
	(a) Normal domestic business premises:				
	(single phase service connection with a maximum capacity of 80A with a credit meter):				
	<b>Plus the cost of labour and material</b>				
	(single phase service connection with a maximum capacity of 80A with a prepayment meter):				
	<b>Plus the cost of labour and material</b>				
	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				
	Second offence				
	Third or subsequent offence				
	(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				
	Second offence				
	Third or subsequent offence				
	(d) Tampering with Electricity Meters or Metering Installations: Domestic & Business				
	Disconnection Fee				
	Back dated consumption (calculated based on estimated tampering period)				
	(e) <u>Additional Charges: Illegal Connection and Reconnection</u>				
	(i) Copper Theft				
	Theft of Material				
	Buying of stolen material				
	(ii) Illegal service connection - Connector				
	(iii) Interference with other consumer's equipment				
	(iv) Failure to comply with any issued notice				
	(v) Improper use of Electricity				
	(vi) Property access to inspect equipment is denied				
	(vii) Refusing to provide information				
	(viii) Rendering false information				
	(ix) Refusal of admittance				
	(x) Restricted access to meter room				
	(xi) Resale of electricity without a license or approval				
	(xii) Selling or supplying electricity without authorit				
	(xiii) Standby Equipment connected to network without authority				
	(f) Tampering with installed anti-tampering seals				
	(g) Use of Electricity supply without a signed consumer agreement with the Municipality				
	(h) Unkept substation equipment accommodation room				
	(i) Unkept meter rooms				
	(j) Unlocked meter rooms				



**INFRASTRUCTURE SERVICES AND FACILITIES  
ELECTRICITY DISTRIBUTION MANAGEMENT**  
City Electrical Engineers

VOTE 713	SUB 873	ITEM 1000
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2013/14  
Excl. Vat

2014/15  
Excl. Vat

% Incr

- 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 (kVA)	Basic Charge (Rands)		Basic Charge if no substation provided (Rands)	
	2013/14	2014/15	2013/14	2014/15
0 – 25	3 883	4 093	0	0
26 – 50	7 281	7 674	0	0
51 – 65	9 261	9 761	0	0
66 – 100	13 941	14 694	0	0
101 – 130	17 917	18 885	0	0
131 – 200	27 338	28 814	0	0
201 – 315	68 899	72 620	22 185	23 383
316 – 500	81 369	85 763	48 369	50 981
501 – 800	100 832	106 277	88 394	93 167
801 – 1 000	119 348	125 793	119 348	125 793
More than 1000 kva				101*kva +1620

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 to 20A  
(b) For a single phase service up to 60A

R 208  
R 1 387

R 220  
R 1 465

5.60%  
5.60%

VOTE 704	SUB 415	ITEM 8506
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- 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

business  
domestic

R 712  
R 317

R 752  
R 334

5.60%  
5.60%

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)  
(c) on the consumer's request for a temporary disconnection (low voltage supply)  
(d) where a consumer's supply is disconnected at the supply mains

R 948  
R 589  
R 1 151

R 1 001  
R 621  
R 1 216

5.60%  
5.60%  
5.60%

- 2 Fee for attendance in connection with a failure of supply

R 147  
R 155

5.60%

- 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  
Subsequent visits/inspections

R 708  
R 353

R 747  
R 372

5.60%  
5.60%

- (ii) Any other installation

Actual Cost  
Actual Cost

- (b) fee for inspection of meter box upon certification by electrical contractor that a meter box is ready for inspection

- (i) First inspection

No Charge  
No Charge

- (ii) Any subsequent inspection

R 249  
R 263

5.60%

- 4 Fee for testing accuracy of meter

- (a) Single-phase

R 433  
R 457

5.60%

- (b) Three-phase

R 645  
R 681

5.60%

- (c) Maximum demand

Actual Cost  
Actual Cost

- 5 Fee for testing accuracy of tariff mcb

- (a) Single-phase service

R 381  
R 402

5.60%

- (b) Three-phase service

R 541  
R 571

5.60%



# MSUNDUZI ANNUAL BUDGET

## INFRASTRUCTURE SERVICES AND FACILITIES ELECTRICITY DISTRIBUTION MANAGEMENT City Electrical Engineers

	<b>VOTE 704</b>	<b>SUB 415</b>	<b>ITEM 8506</b>	<b>2013/14 Excl. Vat</b>	<b>2014/15 Excl. Vat</b>	<b>% Incr</b>
6	Fee for change of tariff mcb					
(a)	Single-phase service			No Charge	No Charge	
(b)	Three-phase			R 22	R 23	5.60%
7	Fee for checking meter reading			R 119	R 126	5.60%
	<b>VOTE 704</b>	<b>SUB 415</b>	<b>ITEM 8010</b>			
8	Accounting Charge			R 141	R 148	5.60%



## INFRASTRUCTURE SERVICES AND FACILITIES WATER DISTRIBUTION AND SANITATION MANAGEMENT

### Water Tariffs

<table><tr><th>VOTE 787</th><th>SUB 460</th><th>ITEM 8595</th></tr></table>			VOTE 787	SUB 460	ITEM 8595	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
VOTE 787	SUB 460	ITEM 8595						
<u>Water Supply Tariffs</u>								
1	Scale 2 (1) – Domestic							
	Basic Charge		R 15.83	R 16.71	5.60%			
	0kl to 6kl		R 41.14	R 44.72	8.70%			
	2 (2) – Domestic							
	7kl to 30kl per kl		R 13.84	R 15.04	8.70%			
	2 (3) – Domestic							
	31kl to 60kl per kl		R 20.42	R 22.20	8.70%			
	2 (4) _Domestic							
	61kl and over per kl		R 23.84	R 25.91	8.70%			
	2 (5) _Domestic							
	Flat rate (unmetered households)		R 63.30	R 66.84	5.60%			
2	Scale 3A – Flats, Simplexes							
	Basic Charge		R 15.83	R 16.71	5.60%			
	Unit		R 13.05	R 14.18	8.70%			
3	Scale 3B – Flats (Non-Rateable)							
	Basic Charge		R 15.83	R 16.71	5.60%			
	Unit		R 17.95	R 19.51	8.70%			
4	Scale 4A (1) – Commercial							
	Basic Charge		R 26.38	R 27.85	5.60%			
	0 - 30 kl per kl		R 14.81	R 16.09	8.70%			
	4A (2) – Commercial							
	31kl to 60kl per kl		R 16.50	R 17.94	8.70%			
	4A (3) – Commercial							
	61kl to 100kl per kl		R 19.36	R 21.04	8.70%			
	4A (4) – Commercial							
	101kl and over per kl		R 14.81	R 16.09	8.70%			
5	Scale 4B – Commercial (Non-Rateable)							
	Basic Charge		R 26.38	R 27.85	5.60%			
	Unit		R 18.26	R 19.85	8.70%			
6	Scale 5 – Builders, Construction Sites							
	Basic Charge		R 26.38	R 27.85	5.60%			
	Unit		R 18.26	R 19.85	8.70%			
	Flat Rate - Unmetered Fire Mains		R 158.25	R 167.11	5.60%			
7	Scale 6 – Religious Organisations							
	Basic Charge		R 26.38	R 27.85	5.60%			
	Unit		R 14.48	R 15.74	8.70%			
8	Scale 7 – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council.							
	Basic Charge		R 26.38	R 27.85	5.60%			
	Unit		R 14.48	R 15.74	8.70%			
10	Scale 8 – Municipal Departments							
	Unit		R 13.83	R 15.03	8.70%			

### Indigent Benefit - Domestic Water supply only

Qualifying indigent consumers will receive the first 6kl's of water free

### INTEREST RATE

1	Interest rate per annum	9.5%	10.0%	5.3%
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# MSUNDUZI ANNUAL BUDGET

## INFRASTRUCTURE SERVICES AND FACILITIES WATER DISTRIBUTION AND SANITATION MANAGEMENT

### Sewerage Tariffs

VOTE 202	SUB 469	ITEM 8439
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2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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Based on the relevant Water Scale

#### Sewerage Tariffs

1	Scale 2 – Domestic/House	R 115.14	R 121.58	5.60%
2	Home Business	R 129.82	R 137.09	5.60%
3	Scale 3A – Flats/Simplexes per kl	R 6.11	R 6.45	5.60%
4	Scale 4A – Business/Commercial per kl			
	0 - 400	R 6.24	R 6.59	5.60%
	401 - 1000	R 5.83	R 6.15	5.60%
	Greater than 1000	R 4.82	R 5.09	5.60%
	Subject to a maximum of	R 25 119.53	R 26 526.23	5.60%
5	Vacant Land	R 115.14	R 121.58	5.60%
6	Scale 6 – Worship Places	R 219.66	R 231.96	5.60%
7	Scale 8M – Municipal Departments per kl	R 6.24	R 6.59	5.60%
8	Qualifying indigent consumers will receive 100% rebate in respect of the applicable charge.			

VOTE 202	SUB 469	ITEM 8346
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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 6.24	R 6.59	5.60%
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#### Note: Home Business

Refers to a property previously rated as residential where an owner or lessee runs a small business from the premises 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.

#### INTEREST RATE

1	Interest rate per annum	9.5%	10.0%	5.3%
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## INFRASTRUCTURE SERVICES AND FACILITIES WATER DISTRIBUTION AND SANITATION MANAGEMENT

### Water Services Bylaw Tariffs

VOTE	SUB	ITEM
159	896	0516

#### Sewer Connections

In all cases the connection into the Corporate Sewer shall be undertaken by the Executive Manager at the expense of the owner of the premises to be connected or his authorised agent. The Executive Manager shall decide the type and diameter of the pipe to be used for the connection.

Except where otherwise authorised, the work shall be charged at the following tariffs:

1 Connection fees payable in terms of bylaw 23(3)b:

(a) 100mm pipes

(b) 150mm pipes minimum charge [cost plus 10%]

(c) 200mm pipes minimum charge [cost plus 10%]

The tariffs payable ito. this item are subject to the provision that –

(i) where it is necessary to include such items as manholes, or other means of access to the connection, special pipes or any other works which may be peculiar to the connection, such additional work shall be to the expense of the owner of the premises to be connected or to his authorized agent, and such additional work shall be charged at full cost plus 10% administration charges, and

(ii) where a connection is required for a property within the central area other than a single residential dwelling, such connection shall be charged at full cost plus 10% administration charges with a minimum charge equal to the relevant tariff set out in this item.

2 Miscellaneous Fees

The following miscellaneous fees shall be payable to the Council in accordance with the provisions of these bylaws:

(a) Clearing of internal drain and sewer blockages during normal working hours.

(b) (i) Clearing of septic tanks within the Council's area of jurisdiction

(ii) Clearing of septic tanks outside Council's area of jurisdiction  
(Minimum deposit R1000.00)

(c) Clearing of conservancy tanks during normal working hours for non-residential property (per load)

(d) Clearing of conservancy tanks during normal working hours for residential property (per load)

(e) Clearing of pit latrines

(f) Clearing of pit latrines monthly tariff

2013/14  
Excl. Vat

2014/15  
Excl. Vat

% Incr

R 2 788

R 2 945

5.60%

R 5 103

R 5 389

5.60%

R 5 888

R 6 218

5.60%

Cost Plus 10%  
Admin. Charge

Cost Plus 10%  
Admin. Charge

Cost Plus 10%  
Admin. Charge

Cost Plus 10%  
Admin. Charge

R 758

R 800

5.60%

R 1 543

R 1 630

5.60%

Cost plus 10%

Cost plus 10%

R 487

R 515

5.60%

R 244

R 257

5.60%

R 244

R 257

5.60%

R 38

R 40

5.60%



# MSUNDUZI ANNUAL BUDGET

## INFRASTRUCTURE SERVICES AND FACILITIES WATER DISTRIBUTION AND SANITATION MANAGEMENT

### Water Services Bylaw Tariffs

VOTE 159	SUB 896	ITEM 0516	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
3		The charge to be levied by the Council iro. conveyance and treatment of trade effluent discharged into its sewers from manufacturing premises shall be assessed in accordance with the following formula:			
		(i) Cost [c/k] = <b>0.726</b> [Ave COD – 350]	0.672	0.726	8.00%
		(ii) The volume of effluent discharged being a fixed percentage of their monthly water consumption, such percentage being mutually agreed upon by the industry concerned and Umgeni Water.			
		(iii) The average COD value used shall be determined from the average of previous six months COD results taken by Umgeni Water.			
		(iv) Where an industry's monthly effluent sample is found to exceed the limits set out in the Water Services By-Laws, a charge will be levied for a re-inspection of the premises and re-sampling of the effluent within a two week prescribed period.	R 954	R 1 030.64	8.00%

## INFRASTRUCTURE SERVICES AND FACILITIES WATER DISTRIBUTION AND SANITATION MANAGEMENT

### Water Supply Bylaw Tariffs

VOTE 159	SUB 896	ITEM 0519	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
1		When an owner or a consumer desires the services of the Council for the closing down or turning on of the water from a Council Control valve to a fire supply consequent upon alterations, repairs or otherwise to the system, application shall be made for such service to the Council and the applicant shall pay in advance to the Council a fee of <b>R469</b> for both the closing down and turning on of water by the Council. Fees payable iro Bylaw 30.	R 444	R 469	5.60%
		<b>NOTE</b> When it is necessary iro the repairs of any consumer's pipes or fittings that the water should be turned off at the mains, the consumer's plumber shall inform the Engineer who will give him notice of the day and hour that the water will be turned off, and upon the water being turned off, the plumber shall carry out the necessary repairs forthwith and complete same as expeditiously as possible.			
2		The Council is empowered summarily to cut off the water supply of any consumer whose account for water is overdue or who has contravened any of these Bylaws, without prejudice to any penalties which may be recoverable under the Bylaws, and the Council may recover the fee provided in Subsection (b) of this Bylaw and any further sum or sums due by the consumer.			
		(a) When the water supply to any consumer has been cut off under this Bylaw, or is turned off at the owner's or consumer's request for the purposes other than repairs by an authorized plumber, a disconnection fee of <b>R801</b> will be charged when the property is situated inside the Council's area and a disconnecting fee of <b>R801</b> will be charged when the property is situated outside the area of the Council, which fees will be payable by the owner or consumer, as the case may be, upon demand. Fees payable iro Bylaw 32.	R 759	R 801	5.60%
		(b) When the water supply to any consumer has been cut off under this Bylaw, the Council may, at its discretion, on payment in full of the overdue account and the disconnecting fee and a further fee for reconnection of <b>R801</b> the property is situated within the area of Council or <b>R801</b> if the property is situated outside the area of the Council, reconnect the supply to such premises. Fees payable iro Bylaw 32	R 759	R 801	5.60%
		(c) Water Restriction Washer			
		Installation	R 262	R 277	5.60%
		Removal	R 279	R 295	5.60%
		(d) Surcharge raised for the reinstatement of domestic services that have been removed for tampering (including where a meter has been removed and/or bypassed by an occupier/owner):			
		First offence	R 12 419	R 13 115	5.60%
		Second offence	R 18 629	R 19 672	5.60%
		Third or subsequent offence	R 31 049	R 32 787	5.60%
		(e) Surcharge raised for the reinstatement of Business services that have been removed for tampering (including where a meter has been removed and/or bypassed by an occupier/owner):			
		First offence	R 310 487	R 327 874	5.60%
		Second offence	R 372 584	R 393 448	5.60%
		Third or subsequent offence	R 620 973	R 655 747	5.60%
		(f) Tampering with Water Meters or Metering Installations: Domestic & Business			
		Disconnection Fee	R 759	R 801	5.60%
		Back dated consumption (calculated based on estimated tampering period)			



## INFRASTRUCTURE SERVICES AND FACILITIES WATER DISTRIBUTION AND SANITATION MANAGEMENT

### Water Supply Bylaw Tariffs

VOTE 159	SUB 896	ITEM 0519	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
3 (a) Except where other competent arrangements have been agreed upon, the tariff for connection to the water main shall be as follows[fees payable to Bylaw96]:					
(i) In Council's area of jurisdiction – Diameter of supply pipe					
15mm (Vulindlela)			R 680	R 816	20.00%
15mm			R 2 220	R 2 344	5.60%
20mm			R 5 082	R 5 183.68	2.00%
25mm			R 6 530	R 6 896	5.60%
50mm			R 10 014	R 10 814.92	8.00%
80mm			R 18 136	R 19 586.36	8.00%
100mm			R 25 547	R 27 590.58	8.00%
150mm			R 29 030	R 31 352.93	8.00%
(ii) Outside Council's area of jurisdiction – In all cases – cost of labour and materials plus 10% supervision on total cost					
(iii) Where an application is made for more than one connection for the same property a discount of 25% be given on the smaller connections, subject to the following –					
(a) the application be made at the same time.					
(b) the positions of the connections be adjacent to one another.					
(c) the applicant be ready for the connections to be done at the same time.					
(iv) <b>Removal of Connections</b>					
Moving of connection from one position to another shall be charged at actual cost.					
Where a meter has been temporarily removed at the request of the owner, the cost of replacing the meter at a later date will be			R 805	R 850	5.60%
(v) <b>Removal or By-passing meters</b>					
Where a meter has been removed and/or bypassed by an occupier/owner, a fee shall be charged for the replacement of the meter.			R 1 391	R 1 469	5.60%
(vi) Fee for attendance at the applicant's site at time notified by applicant where it is not possible to make the connection due to the applicants pipe-work not being ready for connection.			R 444	R 469	5.60%
4 The following shall be the charges for the testing of meters and testing and stamping of taps and fittings in accordance with these Bylaws:					
(a) <b>Testing Meters</b>					
(i) for testing meters from 15mm up to and including 25mm supplied by the Council <b>R613</b> , provided that where the meter shows an error of more than 3% fast a refund of <b>R613</b> will be made to the consumer concerned.			R 581	R 613	5.60%
(b) <b>Hydrant/Flow Pressure Tests</b>					
The charge for a flow pressure test on a hydrant shall be <b>R483</b> for a test and a further <b>R483</b> for each and every subsequent test requested.			R 458	R 483	5.60%



# MSUNDUZI ANNUAL BUDGET

## INFRASTRUCTURE SERVICES AND FACILITIES WASTE MANAGEMENT

### Landfill Site Tariffs

VOTE 185	SUB 469	ITEM 8556	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
1		The tariff for the disposal of refuse at the New England Road Landfill Site –			
		(a) general domestic refuse, inert trade refuse, per 250kg or part thereof	R 37.60	R 39.70	5.60%
		(b) mixed refuse (garden, domestic, trade refuse, including builder's rubble) per 250kg or part thereof	R 37.60	R 39.70	5.60%
		(c) industrial sludges, subject to agreement and approval by the Landfill Manager per 250kg or part thereof	R 162.11	R 171.19	5.60%
		(d) builder's rubble and excavated material per 250kg or part thereof	R 12.27	R 12.95	5.60%
		(e) bulk food waste and condemned food per 250kg or part thereof	R 85.08	R 89.84	5.60%
		(f) garden refuse, per 250kg or part thereof	R 12.27	R 12.95	5.60%
		(g) finely divided excavated material with the maximum stone content of 10% and maximum stone size of 100mm per 250kg or part thereof	R 5.65	R 5.96	5.60%
		(h) Sawdust and woodwaste, per 250kg or part thereof	R 57.28	R 60.49	5.60%
		Provided that no charge shall be payable for the disposal of –			
		(i) garden refuse by <u>bona fide</u> householders where such refuse is conveyed in motor cars, trailers with a nominal capacity not greater than 0,5 tonne and light delivery vehicles with a nominal capacity not greater than 1 tonne and deposited in the garden refuse containers.	Existing concession	Existing concession	
		(ii) builder's rubble by <u>bona fide</u> householders and casual builders where such rubble is conveyed in vehicles with a nominal capacity not greater than 1 tonne and deposited in the demarcated area on the Landfill site.	1 Tonne – limit	1 Tonne – limit	
		(iii) garden refuse by <u>bona fide</u> householders where such refuse is conveyed in vehicles with a nominal capacity not greater than 1 tonne and deposited in the demarcated area on the Landfill Site	1 Tonne –limit	1 Tonne –limit	
		(iv) soil, ash and sand which the Landfill Site Manager has agreed in advance is suitable cover material, delivered in trucks of minimum 5 tonne capacity.	No change to existing concession	No change to existing concession	
2		Tariff for the voluntary weighing of vehicles (per vehicle)	R 31.04	R 32.78	5.60%
3		That parking of a vehicle, trailer or container be not more than 8 hours at the New England Road Site, or on the road reserve adjacent to the site For each 8 hour period (per unit)	R 343.84	R 363.10	5.60%
4		Building Rubble: deposit payable when submitting a building plan for approval and refundable upon proof of disposal on the landfill site.	R 1 156.10	R 1 220.84	5.60%
5		Illegal Dumping: a collection and disposal fee per 1,75m³ container load for refuse or rubble dumped on a road verge in front of or next to a property.	R 1 141.21	R 1 205.12	5.60%
6		Florescent Tubes – complete tubes to be deposited in specialized containers located in the recycling area. Per 250 kgs or part thereof	R 74.42	R 78.59	5.60%



## DEVELOPMENT SERVICES

### TOWN PLANNING

#### Town Planning Applications

VOTE	SUB	ITEM
548	415	8550

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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#### 1. Town Planning General

(a) Burning Town Planning Scheme to CD	R 185	R 195	5.60%
(b) Copy of Town Planning Scheme	R 369	R 390	5.60%
(c) Copy of clauses, per page	R 5	R 6	5.60%
(d) Zoning Certificate	R 53	R 56	5.60%
(e) Home activity (metered Tax)	R 211	R 223	5.60%
(f) Home activity (crèche for 12 and below)	R 897	R 947	5.60%
(g) Objection Fee	R 264	R 279	5.60%

#### 2. Fees payable in terms of the Planning and Development Act, (Act No. 6 of 2008) within or outside the scheme

(a) Application for relaxation of building lines in terms of the scheme	R 1 013	R 1 070	5.60%
(b) Add new area to scheme	R 1 794	R 1 894	5.60%
(c) Under 0.5 hectare	R 2 216	R 2 340	5.60%
(d) 0.5 ha and over, but less than 1 ha	R 2 216	R 2 340	5.60%
	R 292	R 309	5.60%
Plus R309 per 1000 m <sup>2</sup> or part thereof in excess of 0.5 ha			
(e) 1 hectare and over but less than 5 hectares	R 4 220	R 4 456	5.60%
(f) 5 hectares and over but less than 10 hectares	R 6 330	R 6 684	5.60%
(g) 10 hectares and over	R 8 440	R 8 913	5.60%
Plus R617 for every ha or part thereof, in excess of 10 ha	R 584	R 617	5.60%

#### 3. Fees payable in terms of Council Consent

(a) Tuck Shop	R 897	R 947	5.60%
(b) Social halls, institutions, dwellings, houses, places of public worship, places of instruction, agricultural buildings, taverns, bed and breakfast (B&B), Boarding House, Home Business or any other building or use not specified in paragraph 3. (c)	R 1 583	R 1 671	5.60%
(c) Places of public entertainment, residential buildings, parking garages, taxi business, public garages, petrol filling stations, light industrial, industrial and noxious industrial buildings, shops, business premises, professional offices and special buildings not covered by paragraph 3. (b)	R 2 005	R 2 117	5.60%
(d) Crèche (per number of children)			
12 - 20	R 1 583	R 1 671	5.60%
21 - 30	R 2 110	R 2 228	5.60%
31 and more	R 3 165	R 3 342	5.60%
(e) Medium density housing (Basic)	R 1 583	R 1 671	5.60%
Plus R557 per every fourth unit and above in PMB Scheme and also for every sixth and above in Ashburton Scheme	R 528	R 557	5.60%

#### 4. Development outside a scheme area as per the Planning and Development Act, (Act No. 6 of 2008)

(a) Tuckshop	R 897	R 947	5.60%
(b) Social halls, institutions, dwellings, houses, places of public worship, places of instruction, agricultural buildings, taverns, home business or any other building or use not specified in paragraph 4. (c)	R 1 583	R 1 671	5.60%
(c) Places of public entertainment, residential buildings, parking garages, taxi business, public garages, petrol filling stations, light industrial, industrial and noxious industrial buildings, shops, business premises, professional offices and special buildings not covered by paragraph 4. (b)	R 2 005	R 2 117	5.60%
(d) Medium density housing (Basic)	R 1 583	R 1 671	5.60%
Plus R557 per unit	R 528	R 557	5.60%
(e) Crèche (per number of children)			
12 - 20	R 1 583	R 1 671	5.60%
21 - 30	R 2 110	R 2 228	5.60%
31 and more	R 3 165	R 3 342	5.60%
(f) Title Deeds			
Alterations, suspension and Removal of restrictive Title Conditions	R 2 216	R 2 340	5.60%

#### 5. Closure of Roads/Open Spaces in terms of the Planning and Development Act, (Act No. 6 of 2008)

(a) Closure of Roads/Open Space	R 2 216	R 2 340	5.60%
(b) Amend phasing or cancellation of layout			
Phasing of approved layouts	R 2 216	R 2 340	5.60%
Cancellation or phasing of layouts	R 2 216	R 2 340	5.60%
(c) Application for a subdivision (Rem = A Subdivision)			
Basic fee	R 2 216	As per land survey tariff	
Additional fee for each subdivision	As per land survey tariff	As per land survey tariff	
Amendment of existing subdivision	As per land survey tariff	As per land survey tariff	
Consolidation	As per land survey tariff	As per land survey tariff	
(d) Fines/Penalties			
Section 89 civil penalties ito PDA	As per court order	As per court order	
Fines as per Section 78 & 89 of the PDA	As per court order	As per court order	
Additional penalties in accordance with Section 76	As per court order	As per court order	
Appeal fee in term of Sec 62 of the Systems Act - per appeal lodge	R 9 561	R 10 097	5.60%

#### Note:

The approved tariffs in respect of Geographic Information Systems are also applicable to Town Planning.





# MSUNDUZI ANNUAL BUDGET

## DEVELOPMENT SERVICES LAND SURVEY

### Copies and Subdivision of Land Tariffs

VOTE 101	SUB 415	ITEM 8515	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
1	(i)	Search Fee (Excluding Locality Sketches & Site Plans)	R 17.81	R 19	5.60%
	(ii)	Copies of documents (per copy)			
	(aa)	A4	R 2.81	R 4	42.35%
	(bb)	A3	R 3.24	R 6	85.19%
	(cc)	A1	R 53.16	R 56	5.60%
	(dd)	A0	R 76.84	R 81	5.60%
2		Subdivisions and Consolidation of Land: Application and Approval in terms of the KZN Planning and Development Act No. 6 of 2008			
	a	Up to 10 pieces of land:			
		Basic fee	R 472.46	R 499	5.60%
		Plus, per subdivision + Remainder	R 220.79	R 233	5.60%
	b	Over 10 pieces of land:			
		Basic fee	R 1 312.28	R 1 386	5.60%
		Plus, per subdivision + Remainder	R 110.44	R 117	5.60%
		Provided that in respect of subdivisions for Government-subsidised Townships for low-income Housing Projects			
		Basic fee	R 206.84	R 218	5.60%
		Plus, per subdivision + Remainder	R 21.05	R 22	5.60%
	c	Additional trips to site to inspect compliance with conditions imposed, over and above initial trips, based on radial distance from City Hall:			
		Radius up to 5km	R 118.86	R 126	5.60%
		Radius up to 10km	R 191.49	R 202	5.60%
		Radius up to 15km	R 258.60	R 273	5.60%
		Radius up to 20km	R 310.35	R 328	5.60%
		Radius up to 25km	R 420.70	R 444	5.60%
		Radius over 25km	R 479.39	R 506	5.60%
	d	Consolidations			
		Basic fee	R 239.30	R 253	5.60%
		Plus, per component	R 59.82	R 63	5.60%
3		Certification of Copies of Documents			
		Basic Fee	R 81.05	R 86	5.60%



## DEVELOPMENT SERVICES LAND SURVEY

### Copies and Subdivision of Land Tariffs

	VOTE 101	SUB 415	ITEM 8515	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
6			Applications for relaxation of municipal omnibus servitudes Basic Fee	R 239.30	R 252.70	5.60%
7			Applications for Removal of Title Deed Restrictions Basic Fee	R 717.81	R 758.01	5.60%

#### Note:

- The approved tariffs in respect of Geographic Information Systems are as reflected in item 2. (ii) – Supply of Digital Data, and are similarly applicable.
- Advertisement of Applications for road closures and PDA applications where necessary**  
Advertisement costs shall be borne by the applicant. Upon confirmation of the application being complete and the 14 day acknowledgement period having lapsed, the Development Services Unit shall, within a period of fourteen (14) working days, supply the applicant with a text of the notice to be advertised in the two official languages of the region, which the applicant shall place in the Local Newspaper at their cost, and serve copies thereof on affected property owners as directed by the Manager: Development Services.

## DEVELOPMENT SERVICES INFORMATION MANAGEMENT

### Geographical Information Systems

	VOTE 101	SUB 415	ITEM 8515	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
1			Plotting of Digital Data: <u>Paper Size</u>	Market Average <u>Line/Vector</u>		
			A4	R 28	R 29	5.60%
			A3	R 33	R 35	5.60%
			A2	R 44	R 47	5.60%
			A1	R 56	R 59	5.60%
			A0	R 72	R 76	5.60%
			<u>Paper Size</u>	<u>Vector Fill/Raster</u>		
			A4	R 33	R 35	5.60%
			A3	R 44	R 47	5.60%
			A2	R 72	R 76	5.60%
			A1	R 133	R 141	5.60%
			A0	R 256	R 270	5.60%
2			Supply of Digital Data:			
			(i) Digital Orthophotos			
			per 1:10 000 Cut into 8 blocks of the original	R 28	R 29	5.60%
			per 1:5 000 sheets	R 111	R 117	5.60%
			per 1:10 000	R 222	R 235	5.60%
			(ii) Other digital data (zipped file)			
			Minimum Search fee	R 58	R 61	5.60%
			Per half hour thereafter	R 29	R 31	5.60%
			Complete data set	R 1 168	R 1 233	5.60%
			(iii) Cost of Digital Medium (CD)	R 6	R 6	5.60%



**DEVELOPMENT SERVICES  
HOUSING AND HUMAN SETTLEMENT DEVELOPMENT MANAGEMENT**

Valuations

**Miscellaneous Charges**

	<b>VOTE</b> <b>242</b>	<b>SUB</b> <b>460</b>	<b>ITEM</b> <b>8586</b>	<b>2013/14</b> <b>Excl. Vat</b>	<b>2014/15</b> <b>Excl. Vat</b>	<b>% Incr</b>
1	Valuation CD			R 580	R 613	5.60%
	<b>VOTE</b> <b>242</b>	<b>SUB</b> <b>415</b>	<b>ITEM</b> <b>8583</b>			
2	Valuation Certificate			R 32	R 33	5.60%
3	Deed search fee			R 32	R 33	5.60%
	<b>VOTE</b> <b>060</b>	<b>SUB</b> <b>885</b>	<b>ITEM</b> <b>208</b>			
4	Request its Section 53 of the Municipal Properties Rates Act for reasons for the decision of the Municipal Valuer in respect of objections			R 74	R 78	5.60%

**DEVELOPMENT SERVICES  
HOUSING ADMINISTRATION BUSINESS UNIT**

Market Rents at Housing Schemes

**Vote Numbers per Scheme**

<b>DESCRIPTION</b>	<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>
Eastwood No.1 (Econo)	568	454	8253
Eastwood No. 1 (Sub-E)	571	454	8253
Glenwood	586	454	8253
The Grange No. 1	589	454	8253
Northdale No. 8 (Sub-E)	607	454	8253
Northdale No. 10 (Sub-E)	610	454	8253
Northdale 7 (Econo)	625	454	8253
Northdale 9 (Econo)	628	454	8253
Northdale 12	631	454	8253
Riverbend No. 1	634	454	8253
Woodlands No. 3	670	454	8253
Woodlands No. 4	673	454	8253
Woodlands No. 8	682	454	8253
Sobantu - Housing	695	454	8253
Properties Outside Schemes	246	454	8094
Properties Outside Schemes	246	454	8097

Rents for the above areas will be calculated at the prevailing market rental for a similar property in the relevant area at the time the property is allocated.



**DEVELOPMENT SERVICES  
HOUSING ADMINISTRATION BUSINESS UNIT  
Market Rents at Council Flats**

**Market Related Rentals for Council and State Funded Houses**

The rental for tenants of State-funded and Council-funded housing escalates at a rate of 15% per annum as per Council Resolution, until "break even" market rentals are reached, in terms of National Housing Legislation.

DESCRIPTION	VOTE	SUB	ITEM
Willow Gardens Flats	649	454	8253
Willow Gardens Flats	652	454	8253
Willow Gardens Flats	655	454	8253
Willow Gardens Flats	658	454	8253

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

**Willow Gardens**

Batchelor Flat rental  
1 Bedroom Flat rental  
2 Bedroom Flat rental  
3 Bedroom Flat rental

R 1 098	R 1 262.86	15.00%
R 1 376	R 1 582.09	15.00%
R 1 637	R 1 882.33	15.00%
R 1 820	R 2 092.98	15.00%

DESCRIPTION	VOTE	SUB	ITEM
Rudling Rd. Flats	637	454	8253

**Erica and Nerina Flats**

2 Bedroom Flat rental  
3 Bedroom Flat rental

R 2 324	R 2 672.21	15.00%
R 2 711	R 3 117.62	15.00%

**Gross minimum income to afford accommodation at market related rentals are as follows:-**  
not more than 20% of income

**Willow Gardens – per month**

Batchelor Flat  
1 Bedroom Flat  
2 Bedroom Flat  
3 Bedroom Flat

R 5 491	R 6 314.29	15.00%
R 6 879	R 7 910.44	15.00%
R 8 184	R 9 411.64	15.00%
R 9 100	R 10 464.91	15.00%

**Erica and Nerina Flats – per month**

2 Bedroom Flat  
3 Bedroom Flat

R 11 618	R 13 361.07	15.00%
R 13 555	R 15 588.08	15.00%

**Notes:**

- Offers of accommodation are made to applicants only where the required rental does not constitute more than 20% of the applicant's gross income in terms of Council Resolution and based on national legislation.
- The gross minimum income to qualify to be registered on Council's waiting list is **R3500.00** which is in accordance with the Housing Act of 1997.

**INTEREST RATE**

1	Interest rate per annum	9.5%	10.0%	5.3%
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# MSUNDUZI ANNUAL BUDGET

## DEVELOPMENT SERVICES BUILDING CONTROL & SIGNAGE Building Survey Tariffs

The following amended tariffs are for the Msunduzi Municipality excluding Less Formal Townships and any other area declared by the Msunduzi Municipality

	VOTE 547	SUB 415	ITEM 8043	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
1. Building plans submission fees						
(a) Preliminary building plans submitted for scrutiny and comment, 25% of the normal plan approval fee as detailed below.						
(b) Plans for new buildings or additions to buildings submitted						
i) For the first 20m <sup>2</sup>				R 355	R 375	5.60%
ii) Each additional 10m <sup>2</sup> exceeding 20 m <sup>2</sup> up to and including 5000 m <sup>2</sup>				R 89	R 93	5.60%
iii) For each additional 10m <sup>2</sup> over 5000 m <sup>2</sup> up to and including 15000 m <sup>2</sup>				R 37	R 39	5.60%
iv) For each additional 10m <sup>2</sup> over 15 000 m <sup>2</sup>				R 25	R 27	5.60%
v) Minimum charge				R 355	R 375	5.60%
(c) Minor Building Work				R 185	R 195	5.60%
(d) Approval-in-Principle (non-refundable)				25% of Building Plan Fee	25% of Building Plan Fee	
(e) Alterations ½% of estimated cost (0,005 x estimated cost) - minimum charge				R 355	R 375	5.60%
(f) Swimming Pools - minimum charge				R 185	R 195	5.60%
(g) Drainage - minimum charge only				R 355	R 375	5.60%
(h) Petrol, Diesel & Gas Installations - minimum charge only				R 355	R 375	5.60%
(i) Temporary Buildings & Structures For every 50m <sup>2</sup> (or part thereof)				R 149	R 158	5.60%
(j) Pre-Cast Concrete Boundary Fences Precast concrete boundary walls not adjacent to a road boundary and not exceeding 1,8 metres in height shall be exempt from the need for the submission of sketch plans or the payment of a fee				Exempt	Exempt	
Precast concrete boundary walls not adjacent to a road boundary but exceeding 1,8 metres in height shall require the submission of an application with sketch plan and the payment of fee of				R 185	R 195	5.60%
Precast concrete boundary walls adjacent to a road and not exceeding 1,5 metres in height shall be exempt from the need for the submission of plans or the payment of a fee				Exempt	Exempt	
Precast concrete boundary walls adjacent to a road and which exceed 1,5 metres in height shall be subject to the submission of application forms, building plans and payment of a fee calculated at half a percent of the value of the fence with a minimum fee of				R 97	R 102	5.60%
(k) Application fee for processing of Demolition application:				R 162	R 172	5.60%
(l) Application fee for the substitution of a plan during the approval process				R 149	R 158	5.60%





## DEVELOPMENT SERVICES BUILDING CONTROL AND SIGNAGE

### Building Survey Tariffs

	<table><tr><td>VOTE 547</td><td>SUB 415</td><td>ITEM 8247</td></tr></table>	VOTE 547	SUB 415	ITEM 8247		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
VOTE 547	SUB 415	ITEM 8247						
2	Hoarding							
	Deposit - Per frontage of 10m (or part thereof)			R 3 441	R 3 634	5.60%		
	Rental - Per frontage of 10m (or part thereof) per week			R 162	R 172	5.60%		
	<table><tr><td>VOTE 547</td><td>SUB 415</td><td>ITEM 8178</td></tr></table>	VOTE 547	SUB 415	ITEM 8178				
VOTE 547	SUB 415	ITEM 8178						
3.	Tariff for the purposes of Bylaw 209 (encroachments)							
	(a) Balconies							
	i) For any balcony which is not used for living or business purposes, the charge shall be <b>R106</b> per 10m <sup>2</sup> or part thereof per year			R 100	R 106	5.60%		
	ii) For any balcony which is not more than 75% enclosed and attached to business premises but not used for business purposes, the charge shall be <b>R197</b> per 10m <sup>2</sup> or part thereof per year.			R 186	R 197	5.60%		
	iii) For any balcony used for the purpose of a licensed business the charge shall be <b>R507</b> per 10m <sup>2</sup> or part thereof per year			R 480	R 507	5.60%		
	(b) Verandahs							
	i) For any verandah per year			R 100	R 106	5.60%		
	ii) Where any structure is both a verandah and a balcony within the meaning of these bylaws the owner shall in respect of such structure pay the charges in terms of these bylaws for a verandah and a balcony.							
	(c) Other Projections (per year)							
	i) Posts or columns at street level			R 100	R 106	5.60%		
	ii) Bay windows per 0,1m <sup>2</sup> of such projection on plan			R 100	R 106	5.60%		
	iii) Pavement lights or openings per 0,5m <sup>2</sup> or part thereof			R 100	R 106	5.60%		
	iv) Showcases per 0,1m <sup>2</sup> on plan			R 100	R 106	5.60%		
	v) Sunblinds each			R 100	R 106	5.60%		
	vi) Cellars under pavements per 0,5m <sup>2</sup>			R 100	R 106	5.60%		
	vii) Any other projection			R 100	R 106	5.60%		
	<table><tr><td>VOTE 547</td><td>SUB 415</td><td>ITEM 8506</td></tr></table>	VOTE 547	SUB 415	ITEM 8506				
VOTE 547	SUB 415	ITEM 8506						
4	Building plans							
	(a) Search fees			R 18	R 20	5.60%		
	(b) Copies of documents (per copy)							
	i) A4			R 3	R 4	21.12%		
	ii) A3			R 3	R 6	81.68%		
	(c) Copies of building plans (per copy)							
	i) A4			R 13	R 13	5.60%		
	ii A3			R 23	R 25	5.60%		
	iii) A2			R 44	R 47	5.60%		
	iv A1			R 54	R 57	5.60%		
	v) AO			R 77	R 81	5.60%		
	vi) Copied to memory stick			R 23	R 25	5.60%		
	vii) Copied to CD			R 44	R 47	5.60%		
	viii) To search for and prepare a record for disclosure, for each hour or part thereof excluding the first half hour.			R 26	R 28	5.60%		



# MSUNDUZI ANNUAL BUDGET

## DEVELOPMENT SERVICES BUILDING CONTROL AND SIGNAGE Building Survey Tariffs

PLAN SUBMISSION FEES FOR MASS HOUSING TOWNSHIPS AND ANY  
OTHER AREA DECLARED BY THE MSUNDUZI MUNICIPALITY

<table><tr><th>VOTE 547</th><th>SUB 415</th><th>ITEM 8043</th></tr></table>			VOTE 547	SUB 415	ITEM 8043	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
VOTE 547	SUB 415	ITEM 8043						
1	Building Plans							
	(a) Preliminary plans submitted for scrutiny and comment			R 75	R 79	5.60%		
	(b) 20 m² - 30 m²			R 75	R 79	5.60%		
	(c) 30 m² - 40 m²			R 97	R 102	5.60%		
	(d) 40 m² - 50 m²			R 114	R 120	5.60%		
	(e) 50 m² - 60 m²			R 133	R 141	5.60%		
	(f) 60 m² - 70 m²			R 185	R 195	5.60%		
	(g) 70 m² - 80 m²			R 251	R 265	5.60%		
	(h) for the alteration of any building which does not increase the floor area thereof			R 75	R 79	5.60%		
	(i) application fee for the erection of a minor building work as defined in the National Building Regulations			R 75	R 79	5.60%		
	(j) permission for the erection of temporary buildings may be granted upon payment of a charge of <b>R79 for each 50 m²</b> or part thereof. Such permission shall be valid for twelve months, but may be renewed for further periods of twelve months upon payment of charges at the same rate.			R 75	R 79	5.60%		
2	Precast concrete boundary walls							
	(a) precast concrete boundary walls not adjacent to a road boundary but exceeding 1,8 metres in height shall require the submission of an application with sketch plan but exempt from the payment of a fee			Exempt	Exempt			
	(b) precast concrete boundary walls adjacent to a road boundary and not exceeding 1,5 metres in height shall be exempt from the need for the sub-mission of sketch plans or the payment of a fee.			Exempt	Exempt			
	(c) precast concrete boundary walls adjacent to a road and which exceed 1,5 metres in height shall be subject to the submission of application forms, building plans and payment of a fee calculated at half a per cent of the value of the fence with a minimum fee of			R 75	R 79	5.60%		
3	Building plan search fee			R 18	R 20	5.60%		



**DEVELOPMENT SERVICES  
BUILDING CONTROL AND SIGNAGE  
Advertising Signage Tariffs**

VOTE	SUB	ITEM
546	415	8478

## A. Application Fees and Deposits for a License/Permit for Outdoor Advertising

Every person who applies to Council for its approval or permission shall on making application pay to the Council the charge determined therefore and no application shall be considered until such charge has been paid;  
The charges are set out below:

- 1 A non-refundable application fee must be tendered with each application (whether on privately-owned or Council-owned property).

Application fees per sign shall be levied for sign types A (Billboards), B (Ground Signs), C (Wall Signs), D (Roof Signs), and E (Verandah, Balcony, Canopy and Under-Awning Signs) as follows:

NB! Application fees for billboards and ground signs will be per sign face.

	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
(a) Council-owned Property			
<b><u>Area of Sign</u></b>			
<b><u>Non Illuminated</u></b>			
Application fee per sign for sign area up to 2m <sup>2</sup>	R 100	R 106	5.60%
Application fee per sign for sign area over 2m <sup>2</sup> up to 35m <sup>2</sup>	R 1 000	R 1 056	5.60%
Application fee per sign for sign area over 35m <sup>2</sup>	R 2 000	R 2 112	5.60%
<b><u>Area of Sign</u></b>			
<b><u>Illuminated</u></b>			
Application fee per sign for sign area up to 2m <sup>2</sup>	R 110	R 116	5.60%
Application fee per sign for sign area over 2m <sup>2</sup> up to 35m <sup>2</sup>	R 1 100	R 1 162	5.60%
Application fee per sign for sign area over 35m <sup>2</sup>	R 2 200	R 2 323	5.60%
(b) Privately-owned Property (excluding National/Provincial Government)			
Application fee per sign for sign area up to 2m <sup>2</sup>	R 1 000	R 1 056	5.60%
Application fee per sign for sign area over 2m <sup>2</sup> up to 35m <sup>2</sup>	R 5 000	R 5 280	5.60%
Application fee per sign for sign area over 35m <sup>2</sup>	R 8 000	R 8 448	5.60%
2 Any minor amendment to an application, considered by the duly authorized official of Council to be a minor amendment, may be submitted at a reduced application fee of <b>R105</b> each	R 99	R 105	5.60%
3 An application fee must be tendered with each application for advertisements for sign types F (Posters, Banners and Flags excluding Election Advertisements) as follows:			
3.1 Per 25 posters or part thereof	R 200	R 211	5.60%
3.2 Per 50 posters or part thereof	R 320	R 338	5.60%
3.3 Per 100 posters or part thereof for events taking place within the Msunduzi Municipal area	R 630	R 665	5.60%
3.4 Per 100 posters or part thereof for events not taking place within the Msunduzi Municipal area	R 1 555	R 1 642	5.60%
3.5 Failure to remove posters after the event (deadline of 3 days) per poster	R 100	R 106	5.60%



# MSUNDUZI ANNUAL BUDGET

## DEVELOPMENT SERVICES BUILDING CONTROL AND SIGNAGE Advertising Signage Tariffs

VOTE 546	SUB 415	ITEM 8478	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
4		Banners- <del>R 222</del> per week or part thereof per banner plus any costs incurred by the Council in the erection thereof (Charitable and non-profit organizations will be exempt from the above tariff, but must still tender an application.)	R 210	R 222	5.60%
4.1		Advertising on Comrades Gantry (per week)	R 1 037	R 1 095	5.60%
5		A non-refundable application fee or part thereof must be tendered with the annual application for Estate Agents Boards.			
		Per annum			
5.1		1 to 5 Agents	R 963	R 1 017	5.60%
5.2		6 to 10 Agents	R 1 864	R 1 968	5.60%
5.3		11 to 20 Agents	R 3 774	R 3 986	5.60%
5.4		21 to 30 Agents	R 5 625	R 5 940	5.60%
5.5		31 to 50 Agents	R 7 400	R 7 815	5.60%
5.6		51 Plus Agents	R 9 473	R 10 004	5.60%
		Plus per week or part thereof, per site advertised	R 80	R 84	5.60%
6		A non-refundable application fee must be tendered with the annual application for Portable Boards (Sandwich Boards) or any other collapsible structure – per annum	R 503	R 531	5.60%
7		A non-refundable application fee must be tendered with each application for Aerial Advertisements; (except where to be mounted on an aircraft). Adequate public liability insurance for the duration of display will also need to be furnished to Council's satisfaction – per annum	R 503	R 531	5.60%
8		Transit Advertising: A non-refundable application fee Including a weekly rental as follows; must be tendered with each application for transit vehicles. A certified copy of the current vehicle registration certificate must accompany each application:			
8.1		Annual Application Fee – per annum	R 799	R 844	5.60%
8.2		Per Trailer per Site – per week	R 148	R 156	5.60%
8.3		Release of impounded vehicles - Items 1, 2 and 3 of the Traffic and Security Tariffs as contained in this document shall apply.			
9		An encroachment fee per m² per annum or part thereof to be paid for each sign type that encroaches over Council property.		R 106	
10		Newspaper Headline Posters: A non-refundable application fee per annum or part thereof must be tendered with the annual application fee (from each company):	R 1 480	R 1 563	5.60%
		A Rental fee based on the total number of display frames to be used shall be paid monthly in advance, per display frame:	R 3	R 3	5.60%
<b>B. Rentals for Individual Outdoor Advertising Signs on Council Property</b>					
Rental shall be charged in respect of all individual outdoor advertising signage on Council property in terms of the current Policy and Bylaws on Outdoor Advertising Signs, excluding any bulk signage erected as part of an approved project for a particular type of signage at various locations in the City. The minimum being as follows:					
		1 Monthly Rental per Sq m per face	R 150	R 158	5.60%
		2 Monthly Rental per Sq m per face - Electronic Advertising Signs, whether on Council or Private property	R 490	R 517	5.60%



DEVELOPMENT SERVICES INFRASTRUCTURE PLANNING AND SURVEY <u>Wayleaves Tariffs</u>		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
<b>1 Processing Fees</b>				
a. Processing of a Wayleave Application:				
- Basic (up to 1km service installation)			R 400.00	
- Additional (per extra km or part thereof)			R 400.00	
- Processing of application to close a road for construction purposes			R 450.00	
<b>2 Rentals</b>				
a. Lane rental during construction:				
- Between intersections/excluding intersection (per 2 weeks or part thereof)			R 1 000.00	
- In intersection (per day or part thereof)			R 2 000.00	
b. Perpetual rental (of Council space after installation) (per metre per service) per month			R 5.00	
<b>3 Tariffs for extension of time not approved by general conditions of contract</b> (without prejudice to Council's other rights)				
a. Lane rental (between intersections/excluding intersection) per day or part thereof			R 500.00	
b. Lane rental (in intersection per day or part thereof)			R 4 000.00	
<b>4 Penalties</b>				
Upon inspection, any deviation from Wayleave conditions (per occasion, payable immediately)			R 5 000.00	
<b>5 Security Deposit</b>				
(At the end of the guarantee period of 12 months, the security deposit shall be refunded, or the balance remaining if it has been drawn on to repair poor quality workmanship or damages to other services, shall be refunded):			10% of the Project Value	
Proof of project value to be submitted				
<b>6 Exclusion for tariff but not for extension of time:</b>				
All Msunduzi Departments				
All National Departments				
All Provincial Departments				
<b>7 Parking meter bays: dis-established</b>			As determined by Municipal Traffic Department	
<b>Note:</b>				
All days/weeks are calendar days/weeks				





# MSUNDUZI ANNUAL BUDGET

## DEVELOPMENT SERVICES COMMUNITY SAFETY AND SECURITY

### Licensing

			2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
	<b>VOTE</b>	<b>SUB</b>			
	<b>515</b>	<b>418</b>			
	<b>ITEM</b>	<b>8193</b>			
1	Bails & Fines (Admission of Guilt)				
(a)	Dogs:				
	Failure to license		R 125	R 0	
	Failure to control		R 125	R 132	5.60%
	<b>VOTE</b>	<b>SUB</b>			
	<b>515</b>	<b>439</b>			
	<b>ITEM</b>	<b>8151</b>			
2	Fees				
(a)	Dog Licenses				
	First two dogs - each		R 11	R 0	
	Any dog in excess of two		R 60	R 0	
	<b>VOTE</b>	<b>SUB</b>			
	<b>515</b>	<b>439</b>			
	<b>ITEM</b>	<b>8553</b>			
(b)	Trade Licenses Application Fee				
	Business conducted from fixed premises		R 394	R 416	5.60%
	Item 1 & 2 License				
	Informal Trade License Application Fee		R 36	R 38	5.60%
	Item 3 License				
	Informal Trade				
	(i) Telephone Operator		R 79	R 84	5.60%
	(ii) Hair Dressers		R 33	R 35	5.60%
	(iii) General Traders		R 20	R 21	5.60%
	Duplicate License Fee		R 25	R 27	5.60%
	Impoundment of Goods		R 66	R 70	5.60%
	Release of goods fee		R 33	R 35	5.60%
	<b>VOTE</b>	<b>SUB</b>			
	<b>515</b>	<b>439</b>			
	<b>ITEM</b>	<b>8151</b>			
3	Tariff of Charges:				
(a)	General By-Laws				
	Dog Control				
	Seizure of Dog		R 42	R 44	5.60%
	Conveyance to Pound		R 84	R 89	5.60%
	<b>VOTE</b>	<b>SUB</b>			
	<b>515</b>	<b>415</b>			
	<b>ITEM</b>	<b>8512</b>			
4	Bandstand		R 84	R 89	5.60%



**DEVELOPMENT SERVICES  
REGIONAL COMMUNITY SERVICES PROVISION**  
Pietermaritzburg Airport

VOTE	SUB	ITEM
508	415	8394

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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**1 Passenger levy fee**

departing passengers on all scheduled flights  
departing passengers on all non-schedule/charter flights  
departing passengers on general aviation flights  
check-in passenger levy on all schedule flights

R 63.16	R 66.70	5.60%
R 63.16	R 66.70	5.60%
R 37.98	R 40.11	5.60%
	R 400.00	

VOTE	SUB	ITEM
508	415	8295

**2 Domestic Landings: Fixed Wing Aircraft**

Maximum certified mass in kg of aircraft up to and including

0 - 500	R 42.02	R 44.37	5.60%
501 - 1000	R 62.02	R 65.49	5.60%
1001 - 1500	R 79.47	R 83.92	5.60%
1501 - 2000	R 105.26	R 111.15	5.60%
2001 - 2500	R 113.16	R 119.50	5.60%
2501 - 3000	R 130.26	R 137.55	5.60%
3001 - 4000	R 181.75	R 191.93	5.60%
4001 - 5000	R 232.19	R 245.19	5.60%
5001 - 6000	R 282.63	R 298.46	5.60%
6001 - 7000	R 335.09	R 353.86	5.60%
7001 - 8000	R 383.51	R 404.99	5.60%
8001 - 9000	R 433.60	R 457.88	5.60%
9001 - 10000	R 494.56	R 522.26	5.60%
10001 - 12000	R 560.44	R 591.82	5.60%
12001 - 14000	R 634.12	R 669.63	5.60%
14001 - 16000	R 707.81	R 747.45	5.60%
16001 - 18000	R 781.40	R 825.16	5.60%
18001 - 20000	R 855.09	R 902.98	5.60%
20001 - 22000	R 928.68	R 980.69	5.60%

**3 Parking Fee: Fixed Wing Aircraft**

Maximum certified mass in kg of aircraft up to and including

0 - 2000	R 27.02	R 28.53	5.60%
2001 - 3000	R 55.26	R 58.35	5.60%
3001 - 4000	R 78.51	R 82.91	5.60%
4001 - 5000	R 107.98	R 114.03	5.60%
5001 - 10000	R 158.77	R 167.66	5.60%
10001 - 15000	R 208.60	R 220.28	5.60%
15001 - 20000	R 262.98	R 277.71	5.60%
20001 - 25000	R 313.95	R 331.53	5.60%



# MSUNDUZI ANNUAL BUDGET

## DEVELOPMENT SERVICES REGIONAL COMMUNITY SERVICES PROVISION Pietermaritzburg Airport

	VOTE 508	SUB 415	ITEM 8295	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
4	<b>Domestic Landings: Helicopters</b>					
	Maximum certified mass in kg of aircraft up to and including					
	0 - 500			R 8.51	R 8.99	5.60%
	501 - 1000			R 12.46	R 13.16	5.60%
	1001 - 1500			R 16.05	R 16.95	5.60%
	1501 - 2000			R 19.30	R 20.38	5.60%
	2001 - 2500			R 22.72	R 23.99	5.60%
	2501 - 3000			R 26.05	R 27.51	5.60%
	3001 - 4000			R 36.40	R 38.44	5.60%
	4001 - 5000			R 46.58	R 49.19	5.60%
	5001 - 6000			R 56.58	R 59.75	5.60%
	6001 - 7000			R 67.02	R 70.77	5.60%
	7001 - 8000			R 77.19	R 81.51	5.60%
	8001 - 9000			R 86.84	R 91.70	5.60%
	9001 - 10000			R 97.46	R 102.92	5.60%
	10001 - 12000			R 112.19	R 118.47	5.60%
	12001 - 14000			R 126.93	R 134.04	5.60%
	14001 - 16000			R 141.67	R 149.60	5.60%
	16001 - 18000			R 156.32	R 165.07	5.60%
	18001 - 20000			R 171.05	R 180.63	5.60%
5	<b>Parking Fee: Helicopter</b>					
	Maximum certified mass in kg of aircraft up to and including					
	0 - 2000			R 5.44	R 5.74	5.60%
	2001 - 3000			R 11.23	R 11.86	5.60%
	3001 - 4000			R 15.79	R 16.67	5.60%
	4001 - 5000			R 21.67	R 22.88	5.60%
	5001 - 10000			R 31.84	R 33.62	5.60%
	10001 - 15000			R 41.84	R 44.18	5.60%
	15001 - 20000			R 52.63	R 55.58	5.60%
	20001 - 25000			R 62.98	R 66.51	5.60%
6	<b>Landing Fee: Experimental Aircraft</b>					
	Aircraft certified mass unlimited					
	0 - Unlimited			R 55.35	R 58.45	5.60%

### MISCELLANEOUS CHARGES

	VOTE 508	SUB 415	ITEM 8395			
7	<b>Access Control Permits</b>					
	Personal permanent access permit			R 56.40	R 59.56	5.60%
	Penalty for 1 <sup>st</sup> lost/stolen permit			R 56.44	R 59.60	5.60%
	Penalty for 2 <sup>nd</sup> lost/stolen permit			R 112.80	R 119.12	5.60%
	Adhoc personal access permit			R 28.22	R 29.80	5.60%
	Penalty for 1 <sup>st</sup> lost/stolen permit			R 28.22	R 29.80	5.60%
	Penalty for 2 <sup>nd</sup> lost/stolen permit			R 56.44	R 59.60	5.60%
	Permanent vehicle access permit			R 33.86	R 35.76	5.60%
	Penalty for 1 <sup>st</sup> lost/stolen permit			R 33.86	R 35.76	5.60%
	Penalty for 2 <sup>nd</sup> lost/stolen permit			R 67.72	R 71.51	5.60%
	Adhoc vehicle permit			R 11.29	R 11.92	5.60%
	Penalty for 1 <sup>st</sup> lost/stolen permit			R 11.29	R 11.92	5.60%
	Penalty for 2 <sup>nd</sup> lost/stolen permit			R 22.58	R 23.84	5.60%



## DEVELOPMENT SERVICES ECONOMIC DEVELOPMENT

Municipal Market

VOTE 745	SUB 415	ITEM 8241
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2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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### Hiring, Storage and Ripening

- 1 Use of Handling Equipment
- Hiring of light trolley (small) per day or part thereof
  - Hiring of heavy trolley (large) per day or part thereof

1.322	1.322	0.00%
3.950	3.950	0.00%

VOTE 745	SUB 415	ITEM 8112
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### Cold Storage of Fresh Produce or Other Articles

- 2.a. Storage tariffs of fresh produce or other articles (excluding bananas) in cold storage rooms per day or part thereof are indicated hereunder provided that the tariff shall not be less than **R5.093** per pallet per day

4.823	5.093	5.60%
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- 2.b. Packed into containers (other than large bags or pockets), the size of which shall be calculated per cubic centimeter and such calculation shall be based on the outer dimensions of the container.

i) Per container not exceeding 10 000 cm<sup>3</sup> (2 kg grape tray, S/L box)

0.026	0.028	5.60%
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ii) Per container exceeding 10 000 cm<sup>3</sup> but not exceeding 20 000 cm<sup>3</sup> (½ bushel, WB box, double layer, tomato box, lemon box, etc)

0.053	0.056	5.60%
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iii) Per container exceeding 20 000 cm<sup>3</sup> but not exceeding 30 000 cm<sup>3</sup> (jumble pack, multi-layer, pear box, and economy pack)

0.078	0.082	5.60%
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iv) Per container exceeding 30 000 cm<sup>3</sup> but not exceeding 40 000 cm<sup>3</sup> (economy pack)

0.105	0.110	5.60%
-------	-------	-------

v) Per container exceeding 40 000 cm<sup>3</sup> but not exceeding 50 000 cm<sup>3</sup> (apple carton [counts], thrift pack, banana box)

0.131	0.139	5.60%
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vi) Per container exceeding 50 000 cm<sup>3</sup> but not exceeding 60 000 cm<sup>3</sup> (large cardboard box, timber crate – lettuce)

0.156	0.165	5.60%
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vii) Per container exceeding 60 000 cm<sup>3</sup> but not exceeding 70 000 cm<sup>3</sup>

0.181	0.191	5.60%
-------	-------	-------

viii) Tariff for containers exceeding 70 000 cm<sup>3</sup>, per 10 000 cm<sup>3</sup>

0.026	0.028	5.60%
-------	-------	-------

- 2.c. Packed into bags or pockets or similar containers:

Per bag with net mass not exceeding 7 kg (½ pocket)

0.044	0.046	5.60%
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Per bag with net mass exceeding 7 kg but not exceeding 15 kg (Orange, Potato Pocket)

0.088	0.093	5.60%
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Per bag with net mass exceeding 15 kg but not exceeding 35 kg (Sugar pocket)

0.218	0.230	5.60%
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- 2.d. Unpacked bunched fresh produce or other articles:

Per five bunches

0.053	0.056	5.60%
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- 2.e. Unpacked loose units of fresh produce or other articles:

Per watermelon or pumpkin

0.053	0.056	5.60%
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Per unit of any other fresh produce or other articles.

0.053	0.056	5.60%
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## DEVELOPMENT SERVICES ECONOMIC DEVELOPMENT

Municipal Market

		<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>745</td><td>415</td><td>8112</td></tr></table>	VOTE	SUB	ITEM	745	415	8112	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
VOTE	SUB	ITEM									
745	415	8112									
2.f.	Double the tariffs fixed in 2(b), (c), (d) and (e) shall be payable in respect of cold storage of fresh produce or other articles not purchased on the market or sold through the market.										
	<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>745</td><td>415</td><td>8035</td></tr></table>	VOTE	SUB	ITEM	745	415	8035				
VOTE	SUB	ITEM									
745	415	8035									
3	Tariffs for Bananas										
3.a.	Ripening										
	Per standard 20 kg banana box										
		per week	1.908	2.015	5.60%						
		per day	0.271	0.286	5.60%						
	Per 10 kg banana box										
		per week	0.951	1.004	5.60%						
		per day	0.137	0.145	5.60%						
	<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>745</td><td>415</td><td>8036</td></tr></table>	VOTE	SUB	ITEM	745	415	8036				
VOTE	SUB	ITEM									
745	415	8036									
3.b.	Storage										
	Per banana box per day		0.131	0.139	5.60%						
4	Tariff for Storage										
	Fresh produce sold and not removed from the market hall by 1 p.m on the day of purchase, shall be subjected to a fee of <u>0.912</u> cents per unit per day or part thereof.		0.864	0.912	5.60%						
	<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>745</td><td>415</td><td>8022</td></tr></table>	VOTE	SUB	ITEM	745	415	8022				
VOTE	SUB	ITEM									
745	415	8022									
5	Salesmen's Permits										
	Salesmen's Permits monthly fee		R 4.829	R 5.10	5.60%						
	<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>745</td><td>454</td><td>8304</td></tr></table>	VOTE	SUB	ITEM	745	454	8304				
VOTE	SUB	ITEM									
745	454	8304									
6	a. Loading Bays – per annum										
			R 363	R 383	5.60%						
	b. Reserved Open Parking Bays for Agents – per annum										
			R 363	R 383	5.60%						
	<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>745</td><td>415</td><td>8506</td></tr></table>	VOTE	SUB	ITEM	745	415	8506				
VOTE	SUB	ITEM									
745	415	8506									
7	Cage Hire – per month										
			R 190	R 201	5.60%						
8	Digital Prints – Condemned Produce (Cost to Agent) – per print										
			R 9	R 10	5.60%						
9	Transaction Charge										
			0.264	0.279	5.60%						





**COMMUNITY SERVICES AND SOCIAL EQUITY**  
**WASTE MANAGEMENT**  
Refuse Removal Tariffs

VOTE	SUB	ITEM
182	469	8439

2013/14  
Excl. Vat

2014/15  
Excl. Vat

% Incr

Standard charges for Domestic and Commercial Refuse Removal  
Based on relevant Electricity Scale

Refuse Removal Tariffs

1	Domestic				
		Single phase up to 80A	R 74.47	R 78.64	5.60%
		Three phase up to 100A	R 74.47	R 78.64	5.60%
		Prepayment Meter	R 74.46	R 78.63	5.60%
2	Home Business				
		Single phase up to 80A	R 112.89	R 119.21	5.60%
		Three phase up to 100A	R 112.89	R 119.21	5.60%
		Prepayment Meter	R 112.89	R 119.21	5.60%
3	Small Power Users - Business/Commercial				
		Single phase up to 80A	R 213.34	R 225.29	5.60%
		Three phase up to 100A	R 213.34	R 225.29	5.60%
4	Large Power Users – Business/Commercial				
		Supply taken at 400V	R 213.34	R 225.29	5.60%
		Supply taken at 6.6 or 11kV	R 213.34	R 225.29	5.60%
5	Flats/Simplexes		R 63.10	R 66.64	5.60%
6	Qualifying indigent consumers will receive 100% rebate in respect of the applicable charge.				
7	Previously PHB Housing and Informal Settlements (MASS HOUSING) - per household per month		R 15.00	R 15.84	5.60%
8	Central Business District Main cbd bordered by East(Massukwane), Winston/Victoria, Bulwer, Boschoff, Alan Paton, Prince Alfred, Railway, Pine. Greytown Rd form East To Trichy, Balhambra Way from Greytown Road to Newholme Way, Khan Roadfrom Greytown Road to Deccan Road, Mysore Road from Greytown Road to Bangalore Road, Alan Paton up till King Edward Ave.		R 283.71	R 299.60	5.60%

**Note: Home Business**

Refers to a property previously rated as residential where an owner or lessee runs a small business from the premises 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.

**INTEREST RATE PER ANNUM** 9.5% 10.0% 5.3%



# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY WASTE MANAGEMENT Refuse Removal Tariffs

		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr		
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 border="1"><tr><td>VOTE 182</td><td>SUB 469</td><td>ITEM 8439</td></tr></table>	VOTE 182	SUB 469	ITEM 8439		
VOTE 182	SUB 469	ITEM 8439				
2. (a)	Removal of additional domestic refuse: <b>Excluding Central Business District</b> Normal days per collection –					
	(i) 3 x 85l bins or part thereof	R 23	R 25	5.60%		
	(ii) 240l wheeled bin or part thereof	R 23	R 25	5.60%		
(b)	Other than normal removal days, per collection –					
	(i) 3 x 85l bins or part thereof	R 143	R 151	5.60%		
(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 Division.	R 234	R 247	5.60%		
3. (a)	Removal of additional domestic refuse: <b>Central Business District</b> Normal days per collection –					
	(i) 3 x 85l bins or part thereof	R 24	R 25	5.60%		
	(ii) 240l wheeled bin or part thereof	R 24	R 25	5.60%		
(b)	Other than normal removal days, per collection –					
	(i) 3 x 85l bins or part thereof	R 146	R 154	5.60%		
(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 Division.	R 238	R 251	5.60%		
4. (a)	Removal of trade refuse [Industrial/Commercial]: Normal days, per collection –					
	(i) 3 x 85l bins or part thereof	R 62	R 65	5.60%		
	(ii) 210l drum or part thereof	R 62	R 65	5.60%		
	(iii) 240l bin or part thereof	R 62	R 65	5.60%		
	(iv) Removal of additional refuse as per 3(a)(i)-(iii)	R 62	R 65	5.60%		
(b)	Other than normal removal days, per collection –					
	(i) 3 x 85l bins or part thereof	R 137	R 144	5.60%		
	(ii) 210l drum or part thereof	R 137	R 144	5.60%		
	(iii) 240l bin or part thereof	R 137	R 144	5.60%		



**COMMUNITY SERVICES AND SOCIAL EQUITY  
WASTE MANAGEMENT  
Refuse Removal Tariffs**

			2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
	<b>VOTE 183</b>	<b>SUB 469</b>			
		<b>ITEM 8046</b>			
5	Removal of industrial refuse [Industrial/Commercial]:				
(a)	(i)	per load or part thereof loaded by the Executive Manager [maximum 15 m³] removed as a once off clearance.	R 2 346	R 2 478	5.60%
	(ii)	bulk refuse containers [15 m³] hire thereof, including a once off clearance.	R 1 766	R 1 865	5.60%
	(iii)	bulk refuse containers [maximum 15 m³] hire thereof, including one clearance per week.	R 1 710	R 1 806	5.60%
	(iv)	second clearance	R 1 184	R 1 250	5.60%
	(v)	each additional clearance	R 1 063	R 1 122	5.60%
	<b>VOTE 182</b>	<b>SUB 469</b>			
		<b>ITEM 8439</b>			
	(b) small mobile refuse containers [approx. 0,24m³] available in Otto Bin serviced areas only:				
	(i)	hire thereof, including one clearance per week.	R 66	R 70	5.60%
	(ii)	second clearance	R 49	R 52	5.60%
	(iii)	each additional clearance	R 45	R 48	5.60%
	(c) small mobile refuse containers [approx. 1 m³] available in Otto Bin services areas only:				
	(i)	hire thereof, including one clearance per week.	R 262	R 277	5.60%
	(ii)	second clearance	R 193	R 204	5.60%
	(iii)	each additional clearance	R 169	R 178	5.60%
	<b>VOTE 182</b>	<b>SUB 469</b>			
		<b>ITEM 8439</b>			
	(d) small mobile refuse containers [approx. 2 m³]:				
	(i)	hire thereof as a once off clearance	R 426	R 450	5.60%
	(ii)	hire per week, including one clearance	R 387	R 409	5.60%
	(iii)	second clearance	R 201	R 212	5.60%
	(iv)	each additional clearance	R 176	R 186	5.60%
	(e) 7 m³ refuse skips available in south-west area only:				
	(i)	hire thereof, including one clearance per week.	R 856	R 904	5.60%
	(ii)	second clearance	R 600	R 633	5.60%
	(iii)	each additional clearance	R 510	R 539	5.60%
6	The tariff for the removal of refuse from properties owned by the State & Municipal Departments:				
	240l				
	(i)	hire thereof, including one clearance per week.	R 66	R 70	5.60%
	(ii)	second clearance	R 49	R 52	5.60%
	(iii)	each additional clearance	R 45	R 48	5.60%
	1 100l				
	(i)	hire thereof, including one clearance per week.	R 251	R 265	5.60%
	(ii)	second clearance	R 185	R 195	5.60%
	(iii)	each additional clearance	R 157	R 166	5.60%



# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY WASTE MANAGEMENT

### Refuse Removal Tariffs

VOTE 182	SUB 469	ITEM 8439
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1,75m³

- (i) hire thereof, including once off clearance
- (ii) hire per week, including one clearance per week
- (iii) second clearance
- (iv) each additional clearance

2013/14  
Excl. Vat

2014/15  
Excl. Vat

% Incr

R 408 R 431 5.60%  
R 371 R 391 5.60%  
R 192 R 203 5.60%  
R 169 R 178 5.60%

7m³

- (i) hire thereof, including one clearance per week
- (ii) Second clearance
- (iii) Each additional clearance

R 819 R 865 5.60%  
R 579 R 611 5.60%  
R 488 R 516 5.60%

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
- (ii) hire thereof, including a once off clearance
- (iii) hire thereof, including once clearance per week
- (iv) second clearance
- (v) each additional clearance

R 2 346 R 2 478 5.60%  
R 1 766 R 1 865 5.60%  
R 1 710 R 1 806 5.60%  
R 1 200 R 1 267 5.60%  
R 1 063 R 1 122 5.60%

20m³

- (i) per load or part thereof loaded by the Executive Manager. Removed as a once off clearance
- (ii) hire thereof, including a once off clearance
- (iii) hire thereof, including once clearance per week
- (iv) second clearance
- (v) each additional clearance

R 3 128 R 3 304 5.60%  
R 2 355 R 2 487 5.60%  
R 2 281 R 2 408 5.60%  
R 1 600 R 1 689 5.60%  
R 1 417 R 1 496 5.60%

25m³

- (i) per load or part thereof loaded by the Executive Manager. Removed as a once off clearance
- (ii) hire thereof, including a once off clearance
- (iii) hire thereof, including once clearance per week
- (iv) second clearance
- (v) each additional clearance

R 3 911 R 4 130 5.60%  
R 2 944 R 3 109 5.60%  
R 2 851 R 3 010 5.60%  
R 2 000 R 2 112 5.60%  
R 1 771 R 1 870 5.60%

DESCRIPTION	VOTE	SUB	ITEM
Domestic – Outside Refuse Removal Area	182	469	8439
Commercial – Outside Refuse Removal Area	183	469	8046

7 Removal and clearances from properties outside the refuse removal area:



**COMMUNITY SERVICES AND SOCIAL EQUITY**  
**WASTE MANAGEMENT**  
Refuse Removal Tariffs

		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
<u>Services provided by the Executive Manager</u>				
8	Dead animals [per carcass] during working hours –			
(a)	(i) dog or cat	R 402	R 425	5.60%
	(ii) sheep, goat, calf or pig	R 603	R 637	5.60%
	(iii) ox, cow, bull, horse, mule or donkey	R 1 301	R 1 374	5.60%
(b)	outside working hours –			
(i)	dog or cat	R 449	R 474	5.60%
(ii)	sheep, goat, calf or pig	R 1 140	R 1 204	5.60%
(iii)	ox, cow, bull, horse, mule or donkey	R 2 280	R 2 407	5.60%
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 134	R 142	5.60%
(ii)	after normal working hours	R 483	R 510	5.60%
(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.			





# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

### Municipal Halls

#### Scale A

DESCRIPTION	VOTE	SUB	ITEM
Ashdown Hall	243	454	8417
Unit "S" Hall	243	454	8422
Imbali	243	454	8425
Unit "J"	243	454	8420
Unit "N"	243	454	8426
Plessislaer	243	454	8419
Georgetown	243	454	8423

2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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#### 1. PRIVATE FUNCTIONS

##### 1.1 Profit-making functions, banquets, theatre and the like,

Charge per 12 hours	R 1 266	R 1 337	5.60%
Additional time per hour	R 264	R 279	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

##### 1.2 Fund-raising functions by sporting, religious, social & cultural institutions recognized by the Council.

Charge per 12 hours	R 844	R 891	5.60%
Additional time per hour	R 158	R 167	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

##### 1.3 Weddings, receptions, parties, choir performances and the like,

Charge per 12 hours	R 1 161	R 1 225	5.60%
Additional time per hour	R 264	R 279	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

#### 2. COMMUNITY ACTIVITIES

##### 2.1.1 Institutional activities of political, educational, cultural or sporting bodies recognized by the Council.

Charge per hour: Monday to Thursday	R 211	R 223	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.1.2 Religious Activities (Church Services): Charge per hour

Monday to Thursday	R 211	R 223	5.60%
Deposit	R 1 055	R 1 114	5.60%
Sundays - minimum 3hrs Hire			

##### 2.2 Activities of the Community Awareness Project and of groups, clubs etc., affiliated with the Project or sponsored by it.

Per uninterrupted period not exceeding 3 hours: Monday to Thursday	R 317	R 334	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.3 Rehearsals:

Rehearsals per hour: Monday to Thursday	R 190	R 201	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.4 Pre-Schools

Per uninterrupted period not exceeding 6 hours	R 106	R 111	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.5 Overtime charges per hour on weekends & public holidays

R 148	R 156	5.60%
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## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

### Municipal Halls

#### Scale B

VOTE 243	SUB 454	ITEM 8574
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2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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Truro  
Main Hall

#### 1. PRIVATE FUNCTIONS

##### 1.1 Profit-making functions, banquets, theatre and the like,

Charge per 12 hours	R 2 954	R 3 119	5.60%
Additional time per hour	R 264	R 279	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

##### 1.2 Fund-raising functions by sporting, religious, social & cultural institutions recognized by the Council.

Charge per 12 hours	R 2 427	R 2 562	5.60%
Additional time per hour	R 211	R 223	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

##### 1.3 Weddings, receptions, parties, choir performances and the like,

Charge per 12 hours (Hall+Sec 1)	R 2 954	R 3 119	5.60%
Additional time per hour	R 264	R 279	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

#### 2. COMMUNITY ACTIVITIES

##### 2.1.1 Institutional activities of political, educational, cultural or sporting bodies recognized by the Council.

Charge per hour: Monday to Thursday	R 317	R 334	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.1.2 Religious Activities (Church Services): Charge per hour

Monday to Thursday	R 317	R 334	5.60%
Deposit	R 1 055	R 1 114	5.60%
Sundays - minimum 3hrs Hire			

##### 2.2 Activities of the Community Awareness Project and of groups, clubs etc., affiliated with the Project or sponsored by it.

Per uninterrupted period not exceeding 3 hours: Monday to Thursday	R 317	R 334	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.3 Rehearsals:

Rehearsals per hour: Monday to Thursday	R 264	R 279	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.4 Overtime charges per hour on weekends & public holidays

	R 148	R 156	5.60%
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# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

Municipal Halls

Scale C

DESCRIPTION	VOTE	SUB	ITEM
Bombay Road Hall Plus Annex. 1 & 2	243	454	8352
AF Wood Hall & Annex.	243	454	8031
Grange Hall plus Annex.	243	454	8610

Bombay Road Hall plus Annexure I or Annexure II  
AF Wood Hall and Annexe  
Grange Hall plus Annexe

### 1. PRIVATE FUNCTIONS

1.1 Profit-making functions, banquets, theatre and the like, Charge per 12 hours (Hall+Annex1) Additional time per hour Deposit Overtime charges per hour on weekends & public holidays	R 2 321 R 264 R 2 110 R 148	R 2 451 R 279 R 2 228 R 156	5.60% 5.60% 5.60% 5.60%
1.2 Fund-raising functions by sporting, religious, social & cultural institutions recognized by the Council. Charge per 12 hours (Hall+Annex1) Additional time per hour Deposit Overtime charges per hour on weekends & public holidays	R 1 899 R 158 R 2 110 R 148	R 2 005 R 167 R 2 228 R 156	5.60% 5.60% 5.60% 5.60%
1.3 Weddings, receptions, parties, choir performances and the like, Charge per 12 hours (Hall+Annex1) Additional time per hour Deposit Overtime charges per hour on weekends & public holidays	R 2 110 R 264 R 2 110 R 148	R 2 228 R 279 R 2 228 R 156	5.60% 5.60% 5.60% 5.60%

### 2. COMMUNITY ACTIVITIES

2.1.1 Institutional activities of political, educational, cultural or sporting bodies recognized by the Council. Charge per hour: Monday to Thursday Deposit	R 211 R 1 055	R 223 R 1 114	5.60% 5.60%
2.1.2 Religious Activities (Church Services): Charge per hour Monday to Thursday Deposit Sundays - minimum 3hrs Hire	R 211 R 1 055	R 223 R 1 114	5.60% 5.60%
2.2 Activities of the Community Awareness Project and of groups, clubs etc., affiliated with the Project or sponsored by it. Per uninterrupted period not exceeding 3 hours: Monday to Thursday Deposit	R 317 R 1 055	R 334 R 1 114	5.60% 5.60%
2.3 Rehearsals: Rehearsals per hour: Monday to Thursday Deposit	R 190 R 1 055	R 201 R 1 114	5.60% 5.60%
2.4 Pre-Schools Per uninterrupted period not exceeding 6 hours Deposit	R 106 R 1 055	R 111 R 1 114	5.60% 5.60%
2.5 Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%



## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

### Municipal Halls

#### Scale D

DESCRIPTION	VOTE	SUB	ITEM
Truro Center – Secondary Hall II	243	454	8574
Bombay Road Hall	243	454	8352
Eastwood Theater	243	454	8163
Eastwood Hall	243	454	8163
AF Wood Hall	243	454	8031
Woodlands Hall	243	454	8613
Grange Hall	243	454	8610
Sobantu	243	454	8415

2013/14	2014/15	
Excl. Vat	Excl. Vat	% Incr

#### 1. PRIVATE FUNCTIONS

##### 1.1 Profit-making functions, banquets, theatre and the like,

Charge per 12 hours	R 1 688	R 1 783	5.60%
Additional time per hour	R 264	R 279	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

##### 1.2 Fund-raising functions by sporting, religious, social & cultural institutions recognized by the Council.

Charge per 12 hours	R 1 266	R 1 337	5.60%
Additional time per hour	R 158	R 167	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

##### 1.3 Weddings, receptions, parties, choir performances and the like,

Charge per 12 hours	R 1 583	R 1 671	5.60%
Additional time per hour	R 264	R 279	5.60%
Deposit	R 2 110	R 2 228	5.60%
Overtime charges per hour on weekends & public holidays	R 148	R 156	5.60%

#### 2. COMMUNITY ACTIVITIES

##### 2.1.1 Institutional activities of political, educational, cultural or sporting bodies recognized by the Council.

Charge per hour: Monday to Thursday	R 211	R 223	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.1.2 Religious Activities (Church Services): Charge per hour

Monday to Thursday	R 211	R 223	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.2 Activities of the Community Awareness Project and of groups, clubs etc., affiliated with the Project or sponsored by it.

Per uninterrupted period not exceeding 3 hours: Monday to Thursday	R 317	R 334	5.60%
Deposit	R 1 055	R 1 114	5.60%
Sundays - minimum 3hrs Hire			

##### 2.3 Rehearsals:

Rehearsals per hour: Monday to Thursday	R 190	R 201	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.4 Pre-Schools

Per uninterrupted period not exceeding 6 hours	R 106	R 111	5.60%
Deposit	R 1 055	R 1 114	5.60%

##### 2.5 Overtime charges per hour on weekends & public holidays

R 148	R 156	5.60%
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# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

Municipal Halls

Scale E

DESCRIPTION	VOTE	SUB	ITEM
Truro Center – Secondary Hall I	243	454	8574
Truro Social Center I	243	454	8574
Truro Social Center II	243	454	8574
Bombay Rd - Annexe I or II	243	454	8352
Eastwood Social Center	243	454	8163
AF Wood Annexe	243	454	8031
Grange Annexe	243	454	8610
Glenwood Hall	243	454	8163

2013/14

2014/15

Excl. Vat

Excl. Vat

% Incr

### 1. PRIVATE FUNCTIONS

#### 1.1 Profit-making functions, banquets, theatre and the like,

Charge per 12 hours

Additional time per hour

Deposit

Overtime charges per hour on weekends & public holidays

R 1 055

R 264

R 1 899

R 148

R 1 114

R 279

R 2 005

R 156

5.60%

5.60%

5.60%

5.60%

#### 1.2 Fund-raising functions by sporting, religious, social & cultural institutions recognized by the Council.

Charge per 12 hours

Additional time per hour

Deposit

Overtime charges per hour on weekends & public holidays

R 950

R 158

R 1 899

R 148

R 1 003

R 167

R 2 005

R 156

5.60%

5.60%

5.60%

5.60%

#### 1.3 Weddings, receptions, parties, choir performances and the like,

Charge per 12 hours

Additional time per hour

Deposit

Overtime charges per hour on weekends & public holidays

R 1 055

R 264

R 1 899

R 148

R 1 114

R 279

R 2 005

R 156

5.60%

5.60%

5.60%

5.60%

### 2. COMMUNITY ACTIVITIES

#### 2.1.1 Institutional activities of political, educational, cultural or sporting bodies recognized by the Council.

Charge per hour: Monday to Thursday

Deposit

R 211

R 1 055

R 223

R 1 114

5.60%

5.60%

#### 2.1.2 Religious Activities (Church Services): Charge per hour

Monday to Thursday

Deposit

R 211

R 1 055

R 223

R 1 114

5.60%

5.60%

#### 2.2 Activities of the Community Awareness Project and of groups, clubs etc., affiliated with the Project or sponsored by it.

Per uninterrupted period not exceeding 3 hours: Monday to Thursday

Deposit

Sundays - minimum 3hrs Hire

R 317

R 1 055

R 334

R 1 114

5.60%

5.60%

#### 2.3 Rehearsals:

Rehearsals per hour: Monday to Thursday

Deposit

R 190

R 1 055

R 201

R 1 114

5.60%

5.60%

#### 2.4 Pre-Schools

Per uninterrupted period not exceeding 6 hours

Deposit

R 106

R 1 055

R 111

R 1 114

5.60%

5.60%

#### 2.5 Overtime charges per hour on weekends & public holidays

R 148

R 156

5.60%





**COMMUNITY SERVICES AND SOCIAL EQUITY  
REGIONAL COMMUNITY SERVICES PROVISION**

Winston Churchill Theatre

VOTE 234	SUB 454	ITEM 8614	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
Full Theatre					
Per day			R 2 638	R 2 785	5.60%
Rehearsals (per hour): Monday to Thursday			R 317	R 334	5.60%
Lascelles Room – Per Performance			R 1 583	R 1 671	5.60%
Lascelles Room – Rehearsal (per hour): Monday to Thursday			R 211	R 223	5.60%
Deposit			R 2 638	R 2 785	5.60%
Deposits for Live Shows at the Winston Churchill Theatre			R 3 482	R 3 676	5.60%
Overtime labour charges per hour on weekends & public holidays			R 148	R 156	5.60%

\*\* Confirmation of Hire subject to obtaining a permit from the Environmental Health Division of the Msunduzi Municipality.

MISCELLANEOUS CHARGES

1	Excessive cleaning after functions (per hour)	R 317	R 334	5.60%
2	Cooking facilities (Including gas, pot, spoons)	R 369	R 390	5.60%
3	Extra time after midnight	Double hourly rate	Double hourly rate	
4	SAMRO Performing Rights – per function	R 53	R 56	5.60%

GENERAL COMMENTS

For tariff rates on Community based activities/functions on weekends and public holidays, refer to section 1.2 on the tariff schedule.

Daily pre-school hire is restricted to Annexe and Secondary Halls.



# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

### Cemetery

VOTE 392	SUB 415	ITEM 8055
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2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
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### Mountain Rise Cemetery Cemetery and Crematoria Tariffs

#### A. Cemetery Tariffs for Residents

1	Private Graves			
	Reserved Site (including maintenance levy)	R 3 798	R 4 011	5.60%
	Unreserved Site – Adult (including maintenance levy)	R 3 165	R 3 342	5.60%
	Child under 12 years of age (including maintenance levy)	R 1 667	R 1 760	5.60%
	Child under 1 year or stillborn (including maintenance levy)	R 1 066	R 1 125	5.60%
	Ashes	R 148	R 156	5.60%
	Second Internment –			
	Adult	R 580	R 613	5.60%
	Child	R 264	R 279	5.60%
2	Public Grave			
	Adult	R 791	R 836	5.60%
	Child under 12 years of age	R 369	R 390	5.60%
	Child under 1 year or stillborn	R 169	R 178	5.60%
The charge for the burial of newly born child and mother in the same coffin shall be the same as for a single adult.				
3	Miscellaneous			
	Exhumation of body	R 1 667	R 1 760	5.60%
	Permit to erect memorial per grave site	R 317	R 334	5.60%
	Permit to erect kerbs only – (No inscription) per grave site	R 158	R 167	5.60%
	Permit to add inscription	R 158	R 167	5.60%
	Transfer of Grave Site	R 158	R 167	5.60%
	Rental of Storage Material Bins (payable annually in advance) per annum	R 121	R 128	5.60%
	Overtime labour charge additional to normal burial fees for funeral commenced or concluded after 16H00 per funeral, per hour or part thereof	R 169	R 178	5.60%
	Lengthening or widening of Graves	R 464	R 490	5.60%
	Overtime labour charge in addition to the normal burial fee, for burials On Saturday	R 232	R 245	5.60%
	On Sundays an public holidays per burial	R 317	R 334	5.60%
	Late arrival of body for burial (for each quarter of an hour or part thereof)	R 158	R 167	5.60%



## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

### Crematoria

#### B. Crematorium Tariffs for Residents

B. Crematorium Tariffs for Residents

			2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr						
	<table><tr><th>VOTE</th><th>SUB</th><th>ITEM</th></tr><tr><td>394</td><td>415</td><td>8133</td></tr></table>	VOTE	SUB	ITEM	394	415	8133				
VOTE	SUB	ITEM									
394	415	8133									
1	Cremation Fees:										
	Person over 12 years of age		R 1 266	R 1 337	5.60%						
	Child 12 years of age and under		R 317	R 334	5.60%						
	Person certified as indigent		R 295	R 312	5.60%						
	Overtime labour charge additional to normal Cremation fees for cremations on Saturdays		R 232	R 245	5.60%						
	Cremation fees for cremations on Sundays and public holidays per cremation		R 311	R 329	5.60%						
	<table><tr><th>VOTE</th><th>SUB</th><th>ITEM</th></tr><tr><td>394</td><td>415</td><td>8532</td></tr></table>	VOTE	SUB	ITEM	394	415	8532				
VOTE	SUB	ITEM									
394	415	8532									
2	Space for Tablet at Memorial Wall										
	<b>Note:</b> Space for tablet may not be purchased except for immediate use, and shall be allocated in sequence upon application to the Registrar. The tablets shall be of white marble 30mm thick and of such a length and breadth as to fit into a recess 22.5 mm wide by 175 mm high. The finished face of the tablet shall be recessed 6mm from the face of the brick surround.										
	Space for inscribed tablet		R 364	R 384	5.60%						
	Each subsequent inscription thereon		R 148	R 156	5.60%						
	<table><tr><th>VOTE</th><th>SUB</th><th>ITEM</th></tr><tr><td>394</td><td>415</td><td>8506</td></tr></table>	VOTE	SUB	ITEM	394	415	8506				
VOTE	SUB	ITEM									
394	415	8506									
3	Niche is columbarium and deposit therein of ashes										
	<b>Note:</b> Niches may not be purchased except for the immediate deposit of ashes and shall be allocated in sequence upon application to the Registrar. The niche must be sealed by a white marble tablet 25 mm thick and of such a length and breadth as to fit an opening 260 mm wide by 195 mm high. The finished face of the tablet shall be recessed 6 mm from the face of the brick surround.										
	Purchase of Niche		R 1 002	R 1 058	5.60%						
	Each subsequent deposit of ashes in the same niche		R 264	R 279	5.60%						
4	Safekeeping of ashes for a period exceeding 14 days from day of cremation, per week or part thereof		R 106	R 111	5.60%						
	<b>Note:</b> If the ashes are removed or scattered in the Garden of Remembrance by a representative of the deceased within 14 days of the cremation, this charge will not be made.										
5	Purchase of grave 60 cm x 38 cm and interment of urn or casket containing ashes		R 185	R 195	5.60%						
	Each subsequent deposit of ashes in the same grave		R 121	R 128	5.60%						
	<b>Note:</b> Graves may not be purchased except for immediate use and shall be allocated in sequence upon application to the Registrar.										



# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

### Crematoria

	VOTE 394	SUB 415	ITEM 8506	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
6			Late arrival of body at Crematorium (For each quarter or part thereof)	R 137	R 145	5.60%
7			Permit to erect memorial	R 111	R 117	5.60%
8			Use of Chapel	R 0.00	R 0.00	

### C. Tariffs for Non-Residents

The scale of charges for non-residents shall be **double** the scale of residents, except in respect of charges for additional or overtime labour.

VOTE 392	SUB 415	ITEM 8055
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### Azalea Cemetery Fee

1	Grave Sites – Residents					
	Family Grave			R 137	R 145	5.60%
	Single Grave			R 106	R 111	5.60%
	Child's Grave (12yrs and younger)			R 100	R 106	5.60%
	Grave for stillborn Child			R 84	R 89	5.60%
	Exhumation			R 1 187	R 1 253	5.60%
	Reburial			R 121	R 128	5.60%
	Enlargement of Grave			R 106	R 111	5.60%
	Sundays and Public Holidays			R 317	R 334	5.60%
2	Grave Sites – Non-Residents					
	Family Grave			R 274	R 290	5.60%
	Single Grave			R 211	R 223	5.60%
	Child's Grave (12yrs and younger)			R 197	R 208	5.60%
	Grave for stillborn Child			R 169	R 178	5.60%
	Exhumation			R 1 187	R 1 253	5.60%
	Reburial			R 243	R 256	5.60%
	Enlargement of Grave			R 622	R 657	5.60%

Once the Azalea Cemetery is closed, the Mountain Rise Cemetery will be effective as a one tariff structure for cemeteries.



**COMMUNITY SERVICES AND SOCIAL EQUITY  
COMMUNITY SERVICE DELIVERY: PROVISION AND MANAGEMENT**

Production and Display

VOTE 398		SUB 415	ITEM 8458	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
1	Loan and Hire of Plants and other Decorative Features					
	Non profit organizations will be afforded the loan of palms for the decoration of functions that are to the benefit of the community and the upliftment of the City.					
	Profit making organizations – Hire of Palms per unit per function For functions that are to the benefit of the community and the upliftment of the City.			R 79	R 84	5.60%
	Damages incurred to plants and decorative features while on loan/hire are for the account of the organization.					
2	City Hall – Main Hall					
	Wings of Stage			R 702	R 741	5.60%
	Full Stage			R 7 042	R 7 436	5.60%
	Reception Point			R 696	R 735	5.60%
	Organ Steps			R 1 398	R 1 476	5.60%
	Base of Stage			R 1 757	R 1 855	5.60%
	Foliage Division			R 1 757	R 1 855	5.60%
	Palms around the Hall			R 1 234	R 1 303	5.60%
3	City Hall – Other Decorations					
	Water Feature (5m diam)			R 6 330	R 6 684	5.60%
	Fountain (1-1.5m diam)			R 876	R 925	5.60%
	Two meter diameter Decoration			R 702	R 741	5.60%
4	Sale of Plants					
	4.1 Trees, Shrubs and Ground cover					
	Nursery Bag Size 1 (3l)					
	Wholesale			R 16	R 17	5.60%
	Retail			R 21	R 22	5.60%
	Nursery Bag (5l)					
	Wholesale			R 37	R 39	5.60%
	Retail			R 53	R 56	5.60%
	Nursery Bag Size 4 (8l)					
	Wholesale			R 53	R 56	5.60%
	Retail			R 79	R 84	5.60%
	Nursery Bag Size 6 (20l)					
	Wholesale			R 74	R 78	5.60%
	Retail			R 137	R 145	5.60%
	Nursery Bag (50l)					
	Wholesale			R 253	R 267	5.60%
	Retail			R 528	R 557	5.60%
	Nursery Bag (100l)					
	Wholesale			R 338	R 357	5.60%
	Retail			R 686	R 724	5.60%





# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY COMMUNITY SERVICE DELIVERY: PROVISION AND MANAGEMENT

### Production and Display

VOTE 398	SUB 415	ITEM 8458	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
4.2	Seedlings				
	Per Seedling				
		Wholesale	R 5	R 6	5.60%
		Retail	R 5	R 6	5.60%
4.3	Cuttings				
	Depending on size and species, contract grown in trays of 80 or loose:				
		Wholesale	R 5	R 6	5.60%
		Retail	R 11	R 11	5.60%
5	Hire of Park Facilities				
	Alexandra Park , Camps Drift and Percy Mayor Rockery				
	Functions: Weddings, Wedding receptions, end of the year parties – Hirers have exclusive use of an area of the park for a set duration (per day or part thereof)		R 1 757	R 1 855	5.60%
	Use per 15 amp Plug Point		R 63	R 67	5.60%
6	Hire of Demo Gardens (Alexandra Park)				
	Functions: Weddings, Wedding receptions, end of the year parties etc. (per day or part thereof)		R 1 757	R 1 855	5.60%
	Use for photo sessions (per day or part thereof)		R 79	R 84	5.60%

The Executive Manager and Manager: Parks, Sport and Recreation be granted delegated authority to waive charges in respect of item 1,5 and 6 for institutional activities of political, educational, cultural or sporting bodies recognized by the Council.



**COMMUNITY SERVICES AND SOCIAL EQUITY  
COMMUNITY SERVICE DELIVERY: PROVISION AND MANAGEMENT  
Swimming Pool Tariffs**

**Summer**

DESCRIPTION	VOTE	SUB	ITEM
Buchanan St. Pool	437	442	8400
Berg St. Pool	434	442	8400
Pilditch Pool	435	442	8400
Olympic Pool	436	442	8400
Alexandra Pool	432	442	8400
Eastwood Pool	438	442	8400
Sobantu Pool	443	442	8400

**Winter**

DESCRIPTION	VOTE	SUB	ITEM
Buchanan St. Pool	437	442	8400

		2013/14	2014/15	
		Excl. Vat	Excl. Vat	% Incr
1	Daily Adults			
	Summer	R 9	R 9	5.60%
	Winter	R 12	R 12	5.60%
	Junior (U-16 and Scholars)			
	Summer	R 5	R 6	5.60%
	Winter	R 8	R 9	5.60%
	Scholars accompanied by teacher in official groups			
	Summer	R 2	R 2	5.60%
	Winter	R 4	R 4	5.60%
	Minimum Charge			
	Summer	R 16	R 17	5.60%
	Winter	R 23	R 25	5.60%
2	Monthly Adults			
	Summer	R 74	R 78	5.60%
	Winter	R 85	R 90	5.60%
	Junior (U-16 and Scholars)			
	Summer	R 52	R 55	5.60%
	Winter	R 62	R 66	5.60%
	Season Tickets Adults			
	Summer	R 273	R 289	5.60%
	Winter	R 273	R 289	5.60%
	Juniors			
	Summer	R 148	R 156	5.60%
	Winter	R 166	R 175	5.60%



### Swimming Pool Tariffs

DESCRIPTION	VOTE	SUB	ITEM
Buchanan St. Pool	437	442	8400
Berg St. Pool	434	442	8400
Pilditch Pool	435	442	8400
Olympic Pool	436	442	8400
Alexandra Pool	432	442	8400
Eastwood Pool	438	442	8400
Sobantu Pool	443	442	8400

DESCRIPTION	VOTE	SUB	ITEM
Buchanan St. Pool	437	442	8400



**COMMUNITY SERVICES AND SOCIAL EQUITY  
COMMUNITY SERVICE DELIVERY: PROVISION AND MANAGEMENT**

Sport and Recreation Facilities

VOTE	SUB	ITEM	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
431	415	8487			
<u>Sport and Recreation Facilities</u>					
1		Fleamarkets: Per day or part thereof			
		Maritzburg Oval Arts and Crafts Market Site (Alexandra Park)	R 1 651	R 1 744	5.60%
		Upmarket Site (Next to Kershaw Park Tennis Courts)	R 1 321	R 1 395	5.60%
		Public Open spaces or sport facility sites	R 462	R 488	5.60%
		Electricity per 15 amp plug per day	R 68	R 71	5.60%
2		Fee for the hire of grounds excluding floodlight, material and special preparation and cleaning:			
		Oval per day or part thereof	R 859	R 907	5.60%
		Training session – three hours	R 81	R 85	5.60%
		Fee for the hire of Harry Gwala Stadium			
		Excluding floodlights, material, marking and special preparation and cleaning			
		Per day or part thereof	R 5 702	R 6 022	5.60%
		Refundable Deposit	R 5 702	R 6 022	5.60%
		Use of functions room			
		Per day or part thereof	R 2 284	R 2 412	5.60%
		Use of field for training purposes			
		Per hour	R 291	R 307	5.60%
		Northdale/Imbali Stadium/s			
		Between 07:00-12:00	R 381	R 402	5.60%
		Between 18:00-24:00	R 344	R 364	5.60%
		All other soccer/rugby/grass hockey/polocrosse and cricket fields			
		Between 07:00-12:00	R 92	R 98	5.60%
		Between 12:00-18:00	R 92	R 98	5.60%
		Between 18:00-24:00	R 92	R 98	5.60%
		Full Day	R 159	R 167	5.60%
		Seasonal Lease by associations, clubs, federations per season	R 1 055	R 1 114	5.60%
		Astro Hockey Field			
		Between 07:00-12:00	R 290	R 306	5.60%
		Between 12:00-17:00	R 290	R 306	5.60%
		Between 17:00-24:00	R 290	R 306	5.60%
		Wadley Stadium			
		Between 07:00-12:00	R 290	R 306	5.60%
		Between 12:00-17:00	R 290	R 306	5.60%
		Tennis/netball/volleyball/combi court			
		with lights per hour	R 34	R 36	5.60%
		without lights per hour	R 28	R 30	5.60%
		Squash Courts per hour	R 28	R 30	5.60%
3		All Sport Halls			
		For use by schools or sport associations per hour	R 57	R 60	5.60%
		Non sport associations per six hours or part thereof	R 357	R 377	5.60%
		Deposit (Refundable)	R 343	R 362	5.60%



# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY COMMUNITY SERVICE DELIVERY: PROVISION AND MANAGEMENT Sport and Recreation Facilities

VOTE 430			SUB 415	ITEM 8487	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
4	Floodlight fees per hour						
	Oval – Level 1				R 381	R 402	5.60%
	- Level 2				R 600	R 634	5.60%
	- Level 3				R 883	R 932	5.60%
	Harry Gwala				R 1 430	R 1 510	5.60%
	Northdale Stadium				R 350	R 369	5.60%
	Protea Center – Ground Number 1				R 106	R 112	5.60%
	Protea Center – Ground Number 2				R 80	R 85	5.60%
	Dales Park Soccer				R 80	R 85	5.60%
	Dales Park Rugby				R 80	R 85	5.60%
	Dare Osborne				R 80	R 85	5.60%
	Qokololo				R 80	R 85	5.60%
	Ashdown				R 80	R 85	5.60%
	Sobantu				R 80	R 85	5.60%
	Wadley Stadium				R 80	R 85	5.60%
	AB Jackson Hockey Field				R 461	R 487	5.60%
	All other fields with Lights				R 80	R 85	5.60%
5	Three phase power – all facilities				R 1 714	R 1 810	5.60%
6	Equipment Hire Charge						
	Refundable Deposit				R 528	R 557	5.60%
	Daily Hire Charge				R 80	R 85	5.60%
VOTE 400			SUB 415	ITEM 8050			
7	Hire of Bisley Valley and Ferncliffe Nature Reserves Resource Centres						
	Per Day or part thereof				R 442	R 467	5.60%
	Refundable Deposit				R 297	R 314	5.60%
8	The <b>DMM Community Services and Manager Sports and Recreation</b> be granted delegated authority to waive the above charges in special circumstances for schools or organized groups such as street children, orphanages etc. that makes use of the facilities						





## COMMUNITY SERVICES AND SOCIAL EQUITY REGIONAL COMMUNITY SERVICES PROVISION

### Municipal Libraries

DESCRIPTION	VOTE	SUB	ITEM
The Msunduzi Municipal Library	513	415	8506

		2013/14	2014/15	
		Excl. Vat	Excl. Vat	% Incr
1	Over due materials			
(a)	Fines for overdue books, audio-visual material and other media (Excluding videos and DVD's)			
	<u>Adults</u>			
	10 days grace			
	per book or item per week for 8 weeks	R 1.00	R 1	5.60%
	maximum fine per book or item	R 5.00	R 5	5.60%
	maximum fine per adult member	R 50.00	R 53	5.60%
	<u>Children &amp; Young Adults</u>			
	10 days grace			
	per book or item per week for 5 weeks	R 1.00	R 1	5.60%
	maximum fine per book or item	R 5.00	R 5	5.60%
	maximum fine per juvenile or young adult member	R 50.00	R 53	5.60%
(b)	Fines for overdue videos and DVD's			
	<u>Adults, children and young adults</u>			
	No grace period			
	per item per day for 8 days	R 1.00	R 1	5.60%
	maximum fine per item	R 5.00	R 5	5.60%
2	Damaged Books			
	Torn pages – per page	R 4.00	R 4	5.60%
	Torn or lost book barcode – per barcode	R 12.00	R 13	5.60%
	Torn book pockets	R 6.00	R 6	5.60%
	Damage to book spine	R 8.00	R 8	5.60%
	Damage to book – to be assessed on return to librarian			
3	Lost Books			
	Original purchase price			
4	Membership Fees			
	Membership	R 0.00	R 0.00	
	Replacement barcode	R 10.00	R 11	5.60%
	Replacement pockets - each	R 3.00	R 3	5.60%
5	Photocopy Charges			
	For every photocopy of an A4 size page or part thereof	R 0.50	R 1	5.60%
	For every photocopy of an A3 size page or part thereof	R 1.00	R 1	5.60%
<b>Note:</b> These photocopy charges apply to the Library only. The photocopy charges reflected elsewhere in this document apply to the business units specified.				
6	Laser Printing			
	Colour	R 10.00	R 11	5.60%
	Black & White	R 2.00	R 2	5.60%
7	Hire Charges (bookings only within library hours)			
	Non-Government Organisations (NGO's)	R 0.00	R 0.00	
	per hour or part thereof			
	Auditorium	R 100.00	R 106	5.60%
	Boardroom	R 100.00	R 106	5.60%



# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY COMMUNITY SAFETY AND SECURITY

### Fire and Rescue Services

VOTE 302	SUB 415	ITEM 8506
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2013/14 Incl. Vat	2014/15 Incl. Vat	% Incr
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Except as is specifically otherwise provided, these tariffs determine the fees payable by a Controlling Authority, Governing Body or any other person in terms of Section 10 (1) of the Fire Brigade Services Act 99 of 1987 on whose behalf the Fire and Rescue Services of the Msunduzi Council is applied outside or inside the area of jurisdiction of the Council:

- (a) For the attendance of services
- (b) For the use of the services and any equipment, or
- (c) For any material consumed

Any person who feels aggrieved by an assessment of the charges raised may within 14 days after receipt of that assessment object in writing against that assessment as such, or the amount thereof, to the Municipal Manager of the Msunduzi Council, whereby the Council may confirm, alter or revoke the assessment.

#### Tariff of Charges for Services Rendered at Fire and Special Service Incidents

- 1 For Services Rendered at Incidents Classified as Fire and Rescue:  
per hour or part thereof

1.1 Structural	R 1 510	R 1 594	5.60%
1.2 Transport	R 1 203	R 1 270	5.60%
1.3 Fire – Vegetation, Grass, Bush, Rubbish or Plantation	R 982	R 1 036	5.60%
1.4 Fire – Hazmat	R 1 510	R 1 594	5.60%
1.5 Fire – Other	R 939	R 992	5.60%
1.6 Special Service – Transport	R 753	R 795	5.60%
1.7 Special Service – Structural	R 753	R 795	5.60%
1.8 Special Service – Hazmat	R 1 510	R 1 594	5.60%
1.9 Special Service – Water	R 753	R 795	5.60%
1.10 Special Service – Other	R 753	R 795	5.60%
1.11 Out of Area			
<b>Applicable rate as per incident plus 50% of applicable category plus charge</b>			
1.12 For consumables used at any incident			
<b>Cost of consumables used plus 15%</b>			

- 2 Tariff of Charges in respect of the attendance & employment of Special Appliances and Plant to Fire & Rescue incidents

For the attendance and employment (per hour or part thereof) of a:

2.1 High Rise Fire fighting Appliance	R 753	R 795	5.60%
2.2 Water Foam Carrier	R 753	R 795	5.60%
2.3 Foam Tanker and / or Foam Service Vehicle	R 753	R 795	5.60%
2.4 Mobile Lighting Unit	R 753	R 795	5.60%

- 3 Tariff of Charges in respect of the employment of Outside Agencies at any incident

For costs incurred as a result of the employment of an outside agency in:  
the mitigation of any incident

- 3.1 **Cost incurred plus 15% of applicable charge**

- 4 Tariff of Charges in respect of Fire Prevention Services

4.1 For the attendance of staff at stage/theatre performances standby duty and the like, per staff member			
First Hour	R 151	R 159	5.60%
Per Hour thereafter	R 81	R 85	5.60%
4.2 For scheduled inspections, consultations, inspections of safety exits & appliances in public buildings			
First Hour	R 151	R 159	5.60%
Per Hour thereafter	R 74	R 78	5.60%
4.3 For the monitoring of direct alarm links – per alarm p.m.	R 114	R 120	5.60%
4.4 For a certified copy of a fire report - per copy	R 151	R 159	5.60%
4.5 For issuing a certificate of Registration - per certificate	R 36	R 38	5.60%
4.6 For issuing a certificate of Competence – per certificate	R 376	R 398	5.60%
4.7 For a copy of a Fire Investigation Report - per copy	R 560	R 591	5.60%
4.8 For the monitoring of non-emergency telephone lines (after hours complaints etc) – per line per annum	R 23 562	R 24 881	5.60%



## COMMUNITY SERVICES AND SOCIAL EQUITY COMMUNITY SAFETY AND SECURITY

### Fire and Rescue Services

VOTE 302		SUB 415	ITEM 8506	2013/14 Incl. Vat	2014/15 Incl. Vat	% Incr
5	Tariff of Charges in respect of Professional Fire Fighting and Rescue Training Course  (Per Candidate excluding course materials, accommodation etc.)					
5.1	Fire Fighter One			R 8 003	R 8 451	5.60%
5.2	Fire Fighter Two			R 2 662	R 2 811	5.60%
5.3	Hazmat 1 <sup>st</sup> Responder (Awareness)			R 1 240	R 1 310	5.60%
5.4	Hazmat 2 <sup>nd</sup> Responder (Operations)			R 3 556	R 3 755	5.60%
5.5	Fire Officer One			R 3 324	R 3 510	5.60%
5.6	Handling of Chlorine Emergencies			R 528	R 558	5.60%
5.7	Elementary Breathing Apparatus			R 528	R 558	5.60%
5.8	Aerial Appliance (HPP)			R 1 066	R 1 126	5.60%
5.9	Vehicle Rescue & Extrication			R 1 778	R 1 878	5.60%
5.10	Elementary Fire fighting, Fire prevention (Disaster Management)			R 174	R 184	5.60%
5.11	Pump Operator/Driver – Basic Course			R 1 068	R 1 127	5.60%
5.12	Pump Operator/Driver – IFSAC Course			R 2 135	R 2 254	5.60%
5.13	Re-Issue of Certificates - per certificate			R 87	R 92	5.60%
6	Tariff of Charges for the Certification for Fire Fighting 1 & 2 (Challenging) at 10% of Course Fee (Per Candidate)					
6.1	Fire Fighter One			R 798	R 843	5.60%
6.2	Fire Fighter Two			R 264	R 279	5.60%
6.3	Hazmat (Awareness)			R 123	R 130	5.60%
6.4	Hazmat (Operations)			R 354	R 374	5.60%
6.5	Fire Officer One			R 354	R 374	5.60%
6.6	Instructor One			R 354	R 374	5.60%
7	Tariff of Charges for the Use of Training Staff and Facilities					
7.1	For the use of Lecture rooms and facilities for the purposes of seminars and symposia per lecture room per day			R 560	R 591	5.60%
7.2	For the attendance of training personnel on training courses out of the area of jurisdiction. per lecture per day			R 376	R 398	5.60%
7.3	For the attendance of training personnel at accreditation for emergency service courses/challenges held in terms of regulations framed under IFSAC – (International Fire Services Accreditation Committee) per module per candidate			R 186	R 197	5.60%
7.4	Re-Issue of Certificates <b>Cost plus 15% of applicable IFSAC tariff</b>					
8	Tariff of Charges in respect of Hose Charges					
8.1	Testing, scrubbing and drying of hose per length			R 147	R 155	5.60%
8.2	Testing, scrubbing and drying of Hazmat contaminated hose - per length <b>plus cost of any consumables used in decontamination plus 15% of cost of consumables</b>			R 295	R 311	5.60%
8.3	Seizing of Couplings to hose – per coupling			R 147	R 155	5.60%
8.4	Repairing of Hose – per length <b>plus materials at cost plus 15%</b>			R 147	R 155	5.60%
9	Tariff of Charges in respect of the attendance & employment of Special Appliances and Plant to standby at sports & special events For attendance and employment (per hour or part thereof)					
9.1	High Rise fire fighting appliance			R 389	R 411	5.60%
9.2	Water Carrier			R 195	R 205	5.60%
9.3	Mobile lighting unit			R 195	R 205	5.60%
9.4	Major pumper			R 389	R 411	5.60%
9.5	Light pumper			R 195	R 205	5.60%



# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY COMMUNITY SAFETY AND SECURITY

### Fire and Rescue Services

VOTE 302	SUB 415	ITEM 8506	2013/14 Incl. Vat	2014/15 Incl. Vat	% Incr
10		Tariff of Charges in respect of Various Miscellaneous Services and Hire Charges per hour or part thereof in respect of 10.1 – 10.4			
		10.1 Hire of Portable Pump and related equipment	R 280	R 296	5.60%
		10.2 Hire of Extension Ladder	R 280	R 296	5.60%
		10.3 Gaining Access/Lock-Outs	R 280	R 296	5.60%
		10.4 Miscellaneous Service – per service	R 280	R 296	5.60%
		10.5 In addition to the above applicable charge, mileages for out of area call- outs are as follows - per km			
		Heavy duty vehicles	R 7	R 7	5.60%
		Light duty vehicles	R 4	R 4	5.60%

### All tariffs reflected above are inclusive of VAT

- 11 **General Comments:**
- 11.1 Any Fire, Rescue or other emergency incident involving property or activities of the Msunduzi Municipality shall not attract charges.
- 11.2 Any incident of a humanitarian nature or request for assistance of a humanitarian nature shall not attract charges.
- 11.3 Services performed in the assistance of Community projects or departmental public relations exercises and displays shall not attract charges.
- 11.4 The applicable attendance rate charge shall be calculated from the time that the first arriving appliance is in attendance at an incident until the last departing appliance leaves the scene at the conclusion of the incident, due allowances being made for breakdown or mishap or time occupied by relief personnel.
- 11.5 When the time used to calculate the applicable attendance rate charge is less than 30 minutes no charge shall be raised.
- 11.6 Explanation of Terminology:
- i) **Hazmat** stands for Hazardous Material and refers to incidents that involve materials and chemicals that **require an extraordinary response and the use of specialist equipment in order to resolve the incident.**
  - ii) **Out of Area** means a response to any physical location that is outside of the recognised area of jurisdiction of the Msunduzi Municipality.
  - iii) **Structural** means any building regardless of construction type or occupancy.
  - iv) **Transport** means mechanical transportation of any means.
- 11.7 Whenever the Chief Fire Officer deems it necessary in the interests of public safety and in order to preserve life and property and as often as he thinks fit, arrangements shall be made for an inspection and/or attendance service to be provided in respect of premises used as public buildings or sports and recreational events.
- 11.8 The following persons shall be join this section:
- 11.8.1 The owner/s of all property damaged or destroyed or under threat of damage or destruction by fire, accident or other mishap in respect of which the service is rendered or the materials are supplied.
  - 11.8.2 The person or owner or the owner's spouse, child, employee or agent whose wrongful act or omission was the direct cause of the circumstances which make the rendering of the service necessary in the opinion of the Chief Fire Officer or any other officer acting with his authority.
  - 11.8.3 The person responsible or whose alarm system was responsible for the summoning of the service where, in the opinion of the Chief Fire Officer, such summoning was unwarranted, or was no reasonable justification thereof



## COMMUNITY SERVICES AND SOCIAL EQUITY COMMUNITY SAFETY AND SECURITY

### Traffic and Security

		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr						
1	The Removal of Light Motor Vehicles from Public Roads and Public Spaces	Contracted Out	Contracted Out							
	<table><tr><td><b>VOTE</b></td><td><b>SUB</b></td><td><b>ITEM</b></td></tr><tr><td><b>327</b></td><td><b>415</b></td><td><b>8274</b></td></tr></table>	<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>	<b>327</b>	<b>415</b>	<b>8274</b>			
<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>								
<b>327</b>	<b>415</b>	<b>8274</b>								
2	Release of Impounded Vehicles	R 580	R 613	5.60%						
3	Impounding Fees per day	R 63	R 67	5.60%						
	<table><tr><td><b>VOTE</b></td><td><b>SUB</b></td><td><b>ITEM</b></td></tr><tr><td><b>327</b></td><td><b>415</b></td><td><b>8506</b></td></tr></table>	<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>	<b>327</b>	<b>415</b>	<b>8506</b>			
<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>								
<b>327</b>	<b>415</b>	<b>8506</b>								
4	Escort Fee (per officer per hour)	R 338	R 357	5.60%						
5	Traffic Officer for By-Law 23A (Council Resolution)	No Charge	No Charge							
6	Service of Summons:									
	Personal	R 42	R 45	5.60%						
	Non-Personal	R 32	R 33	5.60%						
7	Events (per officer per hour)	R 148	R 156	5.60%						
	<table><tr><td><b>VOTE</b></td><td><b>SUB</b></td><td><b>ITEM</b></td></tr><tr><td><b>327</b></td><td><b>415</b></td><td><b>8535</b></td></tr></table>	<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>	<b>327</b>	<b>415</b>	<b>8535</b>			
<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>								
<b>327</b>	<b>415</b>	<b>8535</b>								
8	Taxi Stand Permits	R 211	R 223	5.60%						
9	Permit Application	R 69	R 72	5.60%						
10	Late Applications for the Renewal of Taxi Stand Permits	R 69	R 72	5.60%						
	<table><tr><td><b>VOTE</b></td><td><b>SUB</b></td><td><b>ITEM</b></td></tr><tr><td><b>327</b></td><td><b>415</b></td><td><b>8535</b></td></tr></table>	<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>	<b>327</b>	<b>415</b>	<b>8535</b>			
<b>VOTE</b>	<b>SUB</b>	<b>ITEM</b>								
<b>327</b>	<b>415</b>	<b>8535</b>								
11	Junior Traffic Centre	R 264	R 279	5.60%						





# MSUNDUZI ANNUAL BUDGET

## COMMUNITY SERVICES AND SOCIAL EQUITY HEALTH AND SOCIAL SERVICES

### Health

		<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>347</td><td>418</td><td>8232</td></tr></table>	VOTE	SUB	ITEM	347	418	8232	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
VOTE	SUB	ITEM									
347	418	8232									
1	Food Inspection										
	For Voluntary surrender of foodstuffs for destruction		R 90	R 95	5.60%						
		<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>347</td><td>418</td><td>8233</td></tr></table>	VOTE	SUB	ITEM	347	418	8233			
VOTE	SUB	ITEM									
347	418	8233									
2	Animal & Bee keeping permits (per permit)		R 41	R 43	5.60%						
		<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>347</td><td>418</td><td>8234</td></tr></table>	VOTE	SUB	ITEM	347	418	8234			
VOTE	SUB	ITEM									
347	418	8234									
3	Fines										
	For contravention of health legislation										
			Refer to the Master file at Room 336 of the Health Department								
Tariffs relating to Dairymen and Milk Dealers											
		<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>347</td><td>418</td><td>8236</td></tr></table>	VOTE	SUB	ITEM	347	418	8236			
VOTE	SUB	ITEM									
347	418	8236									
4	Fees payable in respect of certificates of registration:										
	(a) application for a certificate of registration		R 394	R 416	5.60%						
	(b) annual renewal thereof		R 192	R 203	5.60%						
		<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>347</td><td>418</td><td>8237</td></tr></table>	VOTE	SUB	ITEM	347	418	8237			
VOTE	SUB	ITEM									
347	418	8237									
5	Fees payable for the testing of milk samples:										
	(a) during consideration of an application for a certificate of registration		R 317	R 334	5.60%						
	(b) upon request		R 317	R 334	5.60%						
	( c) fee payable for water sampling		R 211	R 223	5.60%						
		<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>347</td><td>418</td><td>8239</td></tr></table>	VOTE	SUB	ITEM	347	418	8239			
VOTE	SUB	ITEM									
347	418	8239									
6	Clearing of Vacant Land		Cost of clearing plus any applic. fee	Cost of clearing plus any applic. fee							



## CORPORATE BUSINESS UNIT

### City Hall

VOTE	SUB	ITEM
504	415	8238

### City Hall and Musical Instruments

		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
1	Main Hall			
	Hire of Main Hall (inclusive of fire protection)	R 3 002	R 3 170	5.60%
	After Midnight per hour or part thereof	R 481	R 508	5.60%
	Per hour of Preparations/Rehearsals	R 203	R 215	5.60%
	Deposit Refundable - damage/breakage etc. and overtime for caretakers and cleaners	R 4 362	R 4 607	5.60%
2	Hire of Musical Instruments			
	Grand Piano (August Forster) Per performance	R 408	R 431	5.60%
	Per hour of Rehearsals	R 63	R 67	5.60%
	Grand Piano (Steinway) Per Performance	R 679	R 717	5.60%
	Per Hour of Rehearsals	R 63	R 67	5.60%
	Organ per Performance	R 679	R 717	5.60%
	Per Hour of Rehearsals	R 63	R 67	5.60%

## MISCELLANEOUS CHARGES ALL DEPARTMENTS

		2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
1	Duplicate Statement Fee			
	First two statements per request			
	More than two statements per request per statement	R 3.00	R 3	5.60%
2	For every photocopy of an A4 size page or part thereof	R 4.00	R 4	5.60%
	For every photocopy of an A3 size page or part thereof	R 6.00	R 6	5.60%
3	Laminations - A4 size page or part thereof	R 4.00	R 4	5.60%
	<b>PLUS</b> prevailing Cost of the Lamination Sheet/s			
	Laminations - A3 size page or part thereof	R 6.00	R 6	5.60%
	<b>PLUS</b> prevailing Cost of the Lamination Sheet/s			
4	Fax Charges – A4 size page or part thereof	R 4.00	R 4	5.60%
	<b>PLUS</b> costs relating to the transmission of the facsimile			
5	To search for and prepare any reconciliation, for each hour, or part of an hour, excluding the first half hour, reasonably required for such search and preparation.	R 80.00	R 84	5.60%
	<b>PLUS</b> Administration Fee	R 25	R 26	5.60%
	(Excluding applications made in terms of the Promotion of Access to Information Act, No. 2 of 2000)			
6	Consumer's Dishonored Cheques - Penalty	Charged at the prevailing bank fee	Charged at the prevailing bank fee	
	<b>PLUS</b> Administration Fee	R 20	R 21	5.60%
7	Commission Charged in respect of Easy Pay cheque payments which have dishonored, will be payable by the consumer plus <b>R21</b> administration fee.	Commission Charged plus <b>R20</b> Admin. Fee	Commission Charged plus <b>R21</b> Admin. Fee	5.6%

## SURCHARGES ALL DEPARTMENTS

1	Interest rate per annum	9.5%	10.0%	5.3%
2	Collection Charge Rate per annum	10%	R 10.00	0%



# MSUNDUZI ANNUAL BUDGET

## PROMOTION OF ACCESS TO INFORMATION ACT

Applications made in terms of the Promotion of Access to Information Act, No. 2 of 2000

### Schedule of Charges

Public and private bodies registered under the Value-Added Tax Act, No. 89 of 1994, as vendors may add value-added tax to all fees prescribed in this section.

	2013/14 Excl. Vat	2014/15 Excl. Vat	% Incr
<u>Fees in Respect of Guide</u>			
1 The fee for a copy of the guide as contemplated in regulation 2(3)(b) and 3(4)(9c) for every photocopy of an A4-size page or part thereof is	R 0.60	R 0.60	0%
<u>Fees in Respect of Public Bodies</u>			
1. The fee for a copy of the manual as contemplated in regulation 5(c) for every photocopy of an A4-size page or part thereof is	R 0.60	R 0.60	0%
2. The fees for reproduction referred to in regulation 7(1) are as follows:			
(a) For every photocopy of an A4-size page or part thereof	R 0.60	R 0.60	0%
(b) For every printed copy of an A4-size page or part thereof held on a computer or in electronic or machine-readable form	R 0.40	R 0.40	0%
(c) For a copy in a computer-readable form on-			
(i) stiffer disc	R 5	R 5	0%
(ii) compact disc	R 40	R 40	0%
(d) (i) For a transcription of visual images, for an A4-size page or part thereof	R 22	R 22	0%
(ii) For a copy of visual images	R 60	R 60	0%
(e) (i) For a transcription of an audio record, for an A4-size page or part thereof	R 12	R 12	0%
(ii) For a copy of an audio record	R 17	R 17	0%
3. The request fee payable by every requester, other than a personal requester, referred to in regulation 7(2) is	R 35	R 35	0%
4. The access fees payable by a requester referred to in regulation 7(3) are as follows:			
(1) (a) For every photocopy of an A4-size page or part thereof	R 0.60	R 0.60	0%
(b) For every printed copy of an A4-size page or part thereof held on a computer or Electronic or machine –readable form	R 0.40	R 0.40	0%
(c) For a copy in a computer-readable form on-			
(i) stiffer disc	R 5	R 5	0%
(ii) compact disc	R 40	R 40	0%
(d) (i) For a transcription of visual images, for an A4-size page or part thereof	R 22	R 22	0%
(ii) For a copy of visual images	R 60	R 60	0%
(e) (i) For a transcription of an audio record, for an A4-size page or part thereof	R 12	R 12	0%
(ii) For a copy of an audio record	R 17	R 17	0%
(f) To search for and prepare the record for disclosure, for each hour or part of an hour, excluding the first hour, reasonably required for such search and preparation	R 15	R 15	0%
(2) For purposes of section 22(2) of the Act, the following applies			
(a) Six hours as the hours to be exceeded before a deposit is payable; and			
(b) one third of the access fee is payable as a deposit by the requester.			
(3) The actual postage is payable when a copy of a record must be posted to a requester.			

**2014/15 to 2016/17**





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