



# Ngwathe Local Municipality

**Draft annual Budget for  
2011-12 Financial year**

# Revenue Budget Assumptions

## Property Rates

- The 4.8% CPIX was applied to increase the property rates

## Electricity

- First 50kw of electricity is provided for free to indigents households
- 15kw previously provided to non-indigents be discontinued in the 2011-12 financial year
- Replacement of faulty meters before the end of the current financial year

## Sale of Water, Sanitation and Refuse removal

- Tariffs have been reviewed above the proposed 4.8% CPIX due to the fact that the services have been provided at a loss in the previous years
- The first 6kl of water would still be provided to both the indigent and non-indigent households

## Mimosa Resort

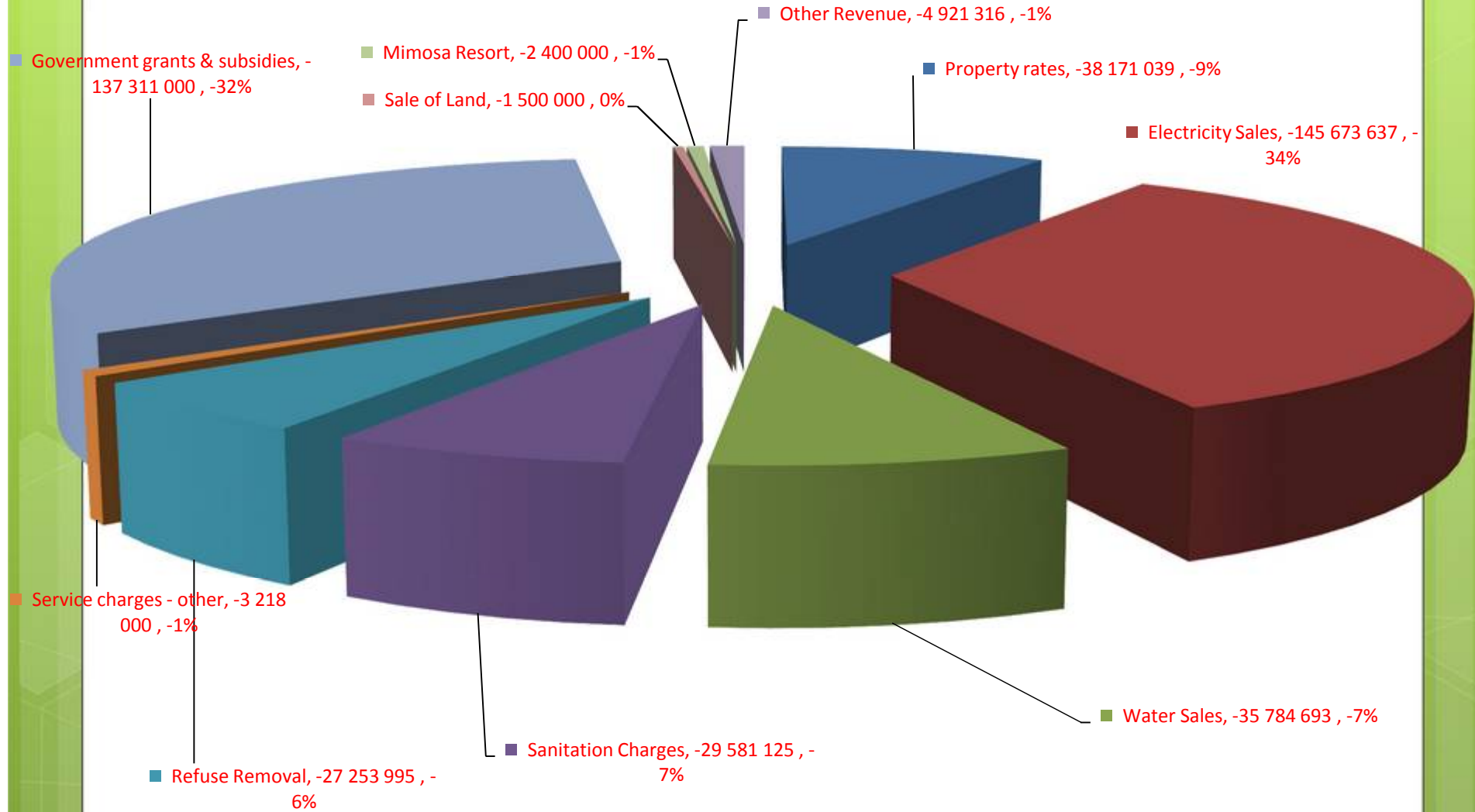
- Other facilities in the resort will be de-commissioned for safety reasons



# Operating Revenue by Source

Operating Revenue	2010-11	2011-12	% Increase
Property rates	36 010 415	38 171 039	6%
Service charges - electricity revenue	103 265 399	145 673 637	41%
Service charges - water revenue	29 967 561	35 784 693	19%
Service charges - sanitation revenue	25 213 284	29 581 125	17%
Service charges - refuse revenue	23 129 485	27 253 995	18%
Service charges - other	4 198 180	3 218 000	-23%
Rental of facilities and equipment	4 086 895	1 129 273	-72%
Interest earned - external investments	21 353	0	-100%
Interest earned - outstanding debtors	797 890	2 292 043	187%
Fines	1 183 833	1 500 000	27%
Transfers recognised - operational	128 764 634	137 311 000	7%
Gains on disposal of PPE	74 000	1 500 000	1927%
Mimosa Resort	2 416 848	2 400 000	-1%
<b>TOTAL</b>	<b>359 129 777</b>	<b>425 814 805</b>	<b>19%</b>

# Revenue Budget



# Expenditure Budget Assumptions

## Employee Costs

- National Treasury's circular 55 guideline, proposed an increase of 6.08% on the over-all budget of employee related costs
- A total number of 242 critical posts have been identified and budget for to be filled in the 2011-12 financial year

## Purchase of Electricity

- NERSA's guideline was applied for municipal's tariff. An increase of 20.38% was used.

## Repairs and maintenance

- Acquired fleet, anticipated asset disposal and rental of heavy equipment will result in lower costs being incurred

## Insurance

- The purchase of new fleet and the compilation of the infrastructure fixed asset register will result in increased premiums

# Expenditure Budget Assumptions

## Telephone and Fax

- Line-managers cell-phones were not included in the 2010-11 budget.
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## Insurance

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# Expenditure by Type

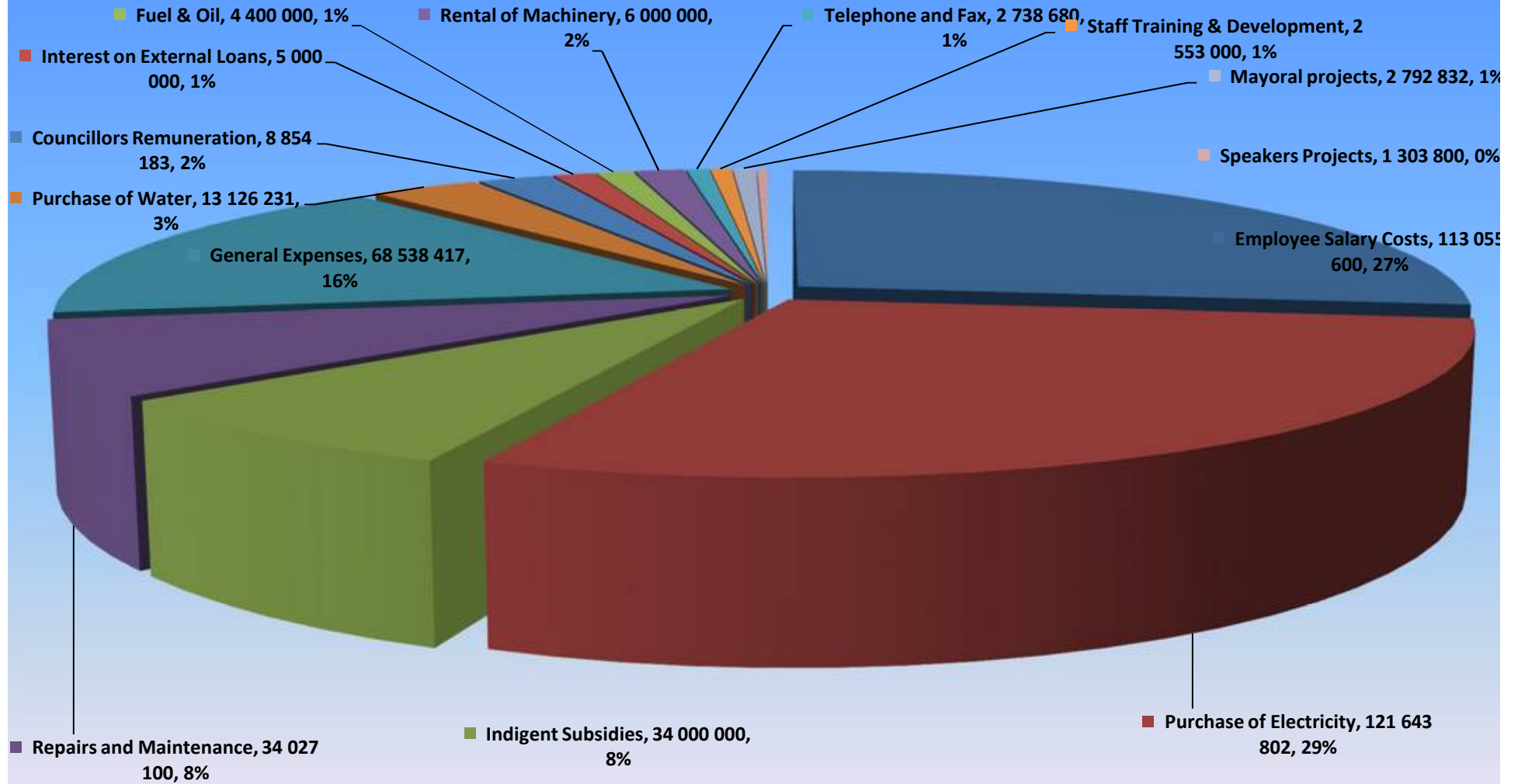
Operating Expenditure	2010-11	2011-12	% Increase
Employee Salary Costs	110 520 234	113 055 600	2%
Purchase of Electricity	84 291 256	121 643 802	44%
Indigent Subsidies	32 038 483	34 000 000	6%
Provision for Bad Debts	11 536 643	13 823 224	0%
Repairs & Maintenance of Assets	31 484 622	34 027 100	8%
General Expenses	32 130 461	35 366 469	14%
Purchase of Water	10 018 316	13 126 231	31%
Councillors Remuneration	8 365 640	8 854 183	6%
Interest on External Loans	4 500 000	5 000 000	11%
Fuel & Oil	4 443 891	4 400 000	-1%

## Expenditure by Type cont...

Operating Expenditure	2010-11	2011-12	% Increase
Rental - Machinery & Vehicles	3 376 248	6 000 000	78%
Chemicals	3 442 058	4 500 000	31%
Insurance	2 557 834	3 744 000	46%
Rental - Office Equipment	1 426 123	800 000	-44%
Poverty Alleviation	249 363	264 324	6%
Valuation expenses	350 000	350 000	0%
External Audit fees	2 500 000	3 000 000	20%
Mayoral Projects	2 634 747	2 792 832	6%
Telephone & Fax	795 096	2 738 680	244%
Printing & Stationery	1 307 514	1 350 000	3%
Speakers Projects	1 230 000	1 303 800	6%
Staff Training & Development	1 859 001	2 553 000	37%
Subsistence & Travelling	1 281 450	1 240 400	-3%
Meter reading fees	1 700 000	1 700 000	0%
Meter Auditing Fees	-	1 200 000	0%
	<b>354 038 979</b>	<b>416 833 645</b>	<b>18%</b>



# Expenditure Budget



# Capital Budget

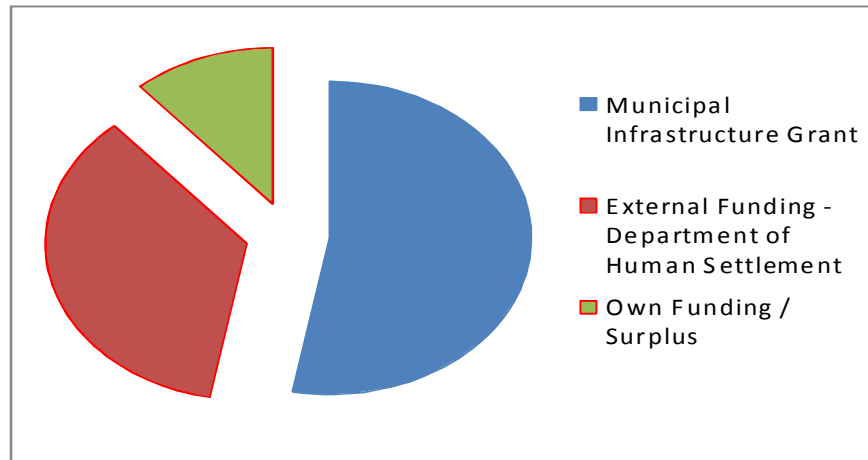
PROJECT DESCRIPTION	2011-12 BUDGET	SOURCE OF FUNDING
PROJECT MANAGEMENT UNIT	R 2 075 000	MIG
PARYS WATER PURIFICATION PH.3	R 9 792 138	MIG
HEILBRON SANITATION PROJECT	R 9 800 000	MIG
HEILBRON SEWER PLANT	R 13 677 561	MIG
COMMUNITY PROJECTS (15% MIG)	R 6 237 300	MIG
PURCHASE & INSTALLATION OF BULK WATER METERS	R 1 500 000	OWN
REPLACEMENT OF BULK CONSUMER METERS - WATER	R 150 000	OWN
PURCHASE & INSTALLATION OF BULK ELECTRICITY METERS	R 200 000	OWN

# Capital Budget cont...

PROJECT DESCRIPTION	2011-12 BUDGET	SOURCE OF FUNDING
REPLACEMENT OF BULK CONSUMER METERS - ELECTRICITY	R 100 000	OWN
UPGRADING OF PUMP STATION AT RESERVOIR NO 2 : PARYS	R 500 000	OWN
UPGRADING OF MBEKI PUMP STATION - PARYS	R 1 500 000	OWN
BUCKET ERADICATION - TUMAHOLE	R 1 000 000	OWN
UPGRADE WATER BOOSTER PUMP STATION - VREDEFORT	R 1 000 000	OWN
KOPPIES BUCKET ERADICATION(11 CONNECTIONS)	R 91 634	OWN
REPAIR OF LEAKING RESERVOIR - HEILBRON	R 300 000	OWN
ELECTRICITY INFRASTRUCTURE	R 2 639 525	OWN
BUILDING OF COMMUNIT HALL - PARYS	R 10 000 000	DHS
NEW SEWER AND WATER CONNECTIONS - PARYS - EXT6	R 17 286 360	DHS
PURCHASE OF SITE NO:1015 KOPJES SETTLEMENT AT KOPPIES - NEW TOWNSHIPS.	R 695 000	DHS
<b>TOTAL CAPITAL</b>	<b>78 544 519</b>	

# Capital Budget Source of Funding

Municipal Infrastructure Grant	41 582 000
External Funding - Department of Human Settlement	27 981 360
Own Funding / Surplus	8 981 159
<b>Total</b>	<b><u>78 544 519</u></b>



# Tariff List

SERVICE	DETAILS	2010-2011	2011-2012	INCREASE
Grave	Adult - Town	R 722.92	R 772.80	R 49.88
Grave	Child - Town	R 502.44	R 537.11	R 34.67
Grave	Adult - Township	R 268.18	R 286.68	R 18.50
Grave	Child - Township	R 166.42	R 177.90	R 11.48
Fines	Tampering with Water meters	R 1,516.86	R 3,000.00	R 1,483.14
	Tampering with Electricity	R 1,516.86	R 3,000.00	R 1,483.14
	Building without approved Plan	R 755.78	R 807.93	R 52.15

# Sample account - Church

SERVICE	DETAILS	2010-2011	2011-2012	INCREASE
Electricity basic		R 187.20	R 192.61	R 5.41
Electricity Consumption	400	R 356.00	R 428.55	R 72.55
Water basic	30kl	R 29.93	R 32.00	R 2.07
	0 - 6kl	R -	R -	R -
	7 - 20kl	R 47.03	R 71.06	R 24.03
	21 - 30kl	R 40.97	R 45.06	R 4.10
	31 >	R 19.56	R 21.51	R 1.96
Consumption				
Refuse		R 56.12	R 64.26	R 8.14
				R -
Sewerage		R 61.24	R 67.70	R 6.46
Rates	Market Value - R 500 000	R -	R -	R -
<b>TOTAL</b>		<b>R 798.04</b>	<b>R 922.76</b>	<b>R 124.72</b>

## Sample – Consumer account: Indigent

SERVICE	DETAILS	2010-2011	2011-2012	INCREASE
Electricity basic	75 kw	R -	R -	R -
Elec Consumption	0 - 50 Free	R -	R -	
Elec Consumption	25	R 17.50	R 21.07	R 3.57
Water basic	8 kl	R 29.93	R 32.00	R 2.07
	0 - 6kl Free	R -	R -	
Excess Water Consumption	2kl	R 8.55	R 12.92	R 4.37
Refuse		R 56.12	R 64.26	R 8.14
				R -
Sewerage		R 61.24	R 67.70	R 6.46
				R -
Rates	Market Value - R 42 000	R -	R -	R -
	R0 - 42000	R -	R -	R -
<b>TOTAL</b>		<b>R 173.34</b>	<b>R 197.95</b>	<b>R 24.61</b>

## Sample account : Non-indigent

SERVICE	DETAILS	2010-2011	2011-2012	INCREASE
Electricity basic	400kwh	R -	R -	R -
Elec Consumption	0 - 15	R -	R -	
	16 - 400			
	385	R 342.65	R 412.48	R 69.83
Water basic	30 kl	R 28.24	R 32.00	R 3.76
	0 - 6kl	R -	R -	
	7 - 20kl	R 47.03	R 71.06	R 24.03
	21 - 30kl	R 40.97	R 45.06	R 4.10
Consumption	31 >	R 19.56	R 21.51	R 1.96
Refuse		R 52.94	R 64.26	R 11.32
				R -
Sewerage		R 57.77	R 67.70	R 9.93
				R -
Rates	Market Value - R 500 000	R -	R -	R -
	R0 - 42000	R -	R -	R -
	R 458,000	R 323.65	R 343.07	R 19.42
<b>TOTAL</b>		<b>R 912.80</b>	<b>R 1 057.14</b>	<b>R 144.34</b>



# Sample account - Business

SERVICE	DETAILS	2010-2011	2011-2012	INCREASE
Electricity basic	6 890 kwh	R 304.95	R 415.31	R 110.36
Consumption		R 6,175.29	R 6,220.64	R 45.35
Water basic		R 96.14	R 102.78	R 6.64
Consumption	115	R 456.22	R 742.90	R 286.68
Refuse		R 81.40	R 92.79	R 11.39
				R -
Sewerage		R 159.29	R 219.41	R 60.12
Rates	R 890 000	R 1,179.25	R 1,250.01	R 70.76
<b>TOTAL</b>		<b>R 8,452.54</b>	<b>R 9,043.84</b>	<b>R 591.29</b>

# Sample account: School

SERVICE	DETAILS	2010-2011	2011-2012	INCREASE
Electricity basic		R 304.95	R 421.33	R 116.38
Consumption	300	R 1,281.15	R 1,938.00	R 656.85
Water basic		R 96.14	R 102.78	R 6.64
Consumption	144	R 613.96	R 930.24	R 316.28
Refuse		R 183.25	R 212.58	R 29.33
Sewerage	36 Points	R 2,982.94	R 4,109.00	R 1,126.06
<b>TOTAL</b>		<b>R 5,462.39</b>	<b>R 7,713.93</b>	<b>R 2,251.54</b>

# Sample account: Agriculture

SERVICE	DETAILS	2010-2011	2011-2012	INCREASE
Electricity basic		R 304.95	R 421.33	R 116.38
Consumption	300	R 1,281.15	R 1,938.00	R 656.85
Water basic		R 96.14	R 102.78	R 6.64
Consumption	144	R 613.96	R 930.24	R 316.28
Refuse		R 183.25	R 212.58	R 29.33
Sewerage	36 Points	R 2,982.94	R 4,109.00	R 1,126.06
<b>TOTAL</b>		<b>R 5,462.39</b>	<b>R 7,713.93</b>	<b>R 2,251.54</b>



***The Home of Harmony,  
Prosperity and Growth***

**Thank You!**