

# LETSEMENG LOCAL MUNICIPALITY



## MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

2012-13

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## PART 1

### 1.1. MAYOR'S REPORT

The Mayor's report (formerly Mayor's budget speech) will be presented by the Mayor to Council during the final budget.

### 1.2. RESOLUTIONS

1. Council hereby resolve that the tabled/draft annual budget of the municipality for the financial year 2012-13; and indicative budget for the two outer years 2013-14 and 2014-15 be approved as set-out in:
  - a) Table A1: Budgeted Summary
  - b) Table A2: Budget Financial Performance (revenue & expenditure by standard classification)
  - c) Table A3: Budget Financial Performance (revenue & expenditure by municipal vote)
  - d) Table A4: Budget Financial Performance (revenue & expenditure)
  - e) Table A5: Budgeted Capital Expenditure by vote, standard classification and funding
  - f) Table A6: Budget Financial Position
  - g) Table A7: Budget Cash Flow
  - h) Table A8: Cash backed reserves / accumulated surplus reconciliation
  - i) Table A9: Asset Management
  - j) Table A10: Basic Service Delivery Measurement
2. that property rates tariff and tariffs for other services charges as reflected in the formal tariff list be approved for consultation processes;
3. council hereby resolve that the community and the relevant stakeholders be consulted on the tabled budget; draft IDP; proposed tariff;
4. council hereby resolve the Accounting Officer advertise and make available copies of the draft IDP; tabled budget and draft policies and that they be submitted to the relevant stakeholders.

### 1.3. EXECUTIVE SUMMARY

This section provides an overview of the Letsemeng Local Municipality's 2012-13 to 2014-15 Medium Term Revenue and Expenditure Framework. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced by Letsemeng Local Municipality. The municipality alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources, both financial and non-financial as well as the achievement of their own policies.

Therefore the municipality's resources have been allocated taking into consideration the priorities as set out during the State of the Nation Address (SOPA), State of the Provincial Address as well as other guidelines as issued by other spheres of government. Despite this, the BTO experienced some challenges during the compilation of the 2012-13 MTREF which can be summarised as follows:

- (a) The ongoing difficulties in the national and local economy and limited economic activities within Letsemeng municipality;
- (b) Aging and poorly maintained infrastructure with no capital maintenance plans to appropriately allocate resources towards maintenance;
- (c) The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality due to low revenue collection rates;
- (d) The increased cost of bulk water and electricity (due to tariff increases from Oranje Reit / Kulkfontein Dam 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 to the majority of the residents of Letsemeng Municipality (thereby increasing the debtors book of the municipality);
- (e) The need to develop tariffs that are cost reflective of providing such services;
- (f) Wage increases (including long service bonuses) for municipal staff that continue to exceed consumer inflation as well as the need to fill critical vacancies;
- (g) The need to meet the community expectations in terms of service delivery with the limited financial resources at hand.

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The following budget principles and guidelines directly informed the compilation of the 2011/12 MTREF:

- (a) Budgeting for a funded and credible annual budget compared to a balanced budgeted;
- (b) The 2011-12 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2012-13 annual budget;
- (c) Tariffs on services and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity;
- (d) There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

Total operating revenue has grown by 10.75 per cent or R9.5 million for the 2012-13 financial year when compared to the 2011-12 Adjustments Budget.

Total operating expenditure for the 2012-13 financial year has been appropriated at R93.1 million and translates into a budgeted surplus of R5.4 million. When compared to 2011-12 Adjustment Budget, operational expenditure has grown by R5.2 in the 2012-13 budget and by R5.1 and R4.5 for each of the respective outer years of the MTREF.

The capital budget of R22.8 million for 2012-13 is 10.3 per cent less when compared to the 2011-12 Adjustment Budget. The reduction is due to various projects being finalised in the previous financial year as well as affordability constraints in the light of current economic circumstances. Furthermore, water project at Petrusburg to the value of R5 million which was funded by Department of Water Affairs has not been provided for during the 2012-13 MTREF.

#### **1.4. ANNUAL BUDGET TABLES**

Below are the annual tables as per the requirements of Municipal Budget and Reporting Regulations:

- a) Table A1: Budget summary
- b) Table A2: Budget: Financial Performance

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- c) Table A3: Budget Financial Performance (revenue and expenditure by municipal vote)
- d) Table A4: Budget Financial Performance (revenue and expenditure)
- e) Table A5: Budgeted Capital Expenditure by vote, standard, classification and funding
- f) Table A6: Budget Financial Position
- g) Table A7: Budget Cash flow
- h) Table A8: Cash backed reserves/accumulated surplus reconciliation
- i) Table A9: Asset Management
- k) Table A10: Basic service delivery measurement

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**FS161 Letsemeng - Table A1 Budget Summary**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	3 013	-	4 247	5 106	5 106	5 106	-	6 382	7 739	9 157
Service charges	20 157	28 111	32 065	34 055	34 055	34 055	-	36 786	38 846	40 944
Investment revenue	-	-	525	900	1 000	1 000	-	949	1 002	1 056
Transfers recognised - operational	24 894	32 576	41 019	48 235	48 235	48 235	-	53 833	56 760	61 301
Other own revenue	1 799	2 210	5 770	581	602	602	-	613	647	682
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>49 863</b>	<b>62 896</b>	<b>83 626</b>	<b>88 876</b>	<b>88 997</b>	<b>88 997</b>	<b>-</b>	<b>98 562</b>	<b>104 994</b>	<b>113 140</b>
Employee costs	4 426	18 020	19 198	23 693	26 475	26 475	-	32 943	35 413	38 246
Remuneration of councillors	330	1 846	2 096	2 795	3 228	3 228	-	3 600	3 700	3 800
Depreciation & asset impairment	-	6 683	21 355	1 670	886	886	-	1 228	1 354	1 469
Finance charges	155	48	1 233	62	63	63	-	66	70	73
Materials and bulk purchases	7 343	10 292	14 711	16 396	19 800	19 800	-	20 404	21 546	22 710
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	10 854	16 122	13 928	43 989	37 548	37 548	-	34 916	36 190	36 523
<b>Total Expenditure</b>	<b>23 108</b>	<b>53 011</b>	<b>72 522</b>	<b>88 604</b>	<b>88 000</b>	<b>88 000</b>	<b>-</b>	<b>93 156</b>	<b>98 273</b>	<b>102 821</b>
<b>Surplus/(Deficit)</b>	<b>26 755</b>	<b>9 885</b>	<b>11 105</b>	<b>272</b>	<b>998</b>	<b>998</b>	<b>-</b>	<b>5 406</b>	<b>6 720</b>	<b>10 319</b>
Transfers recognised - capital	-	-	-	18 804	18 804	18 804	-	22 090	23 302	24 649
Contributions recognised - capital & contributed a	316	-	-	696	1 788	1 788	-	792	837	882
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>27 071</b>	<b>9 885</b>	<b>11 105</b>	<b>19 772</b>	<b>21 590</b>	<b>21 590</b>	<b>-</b>	<b>28 287</b>	<b>30 859</b>	<b>35 850</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>27 071</b>	<b>9 885</b>	<b>11 105</b>	<b>19 772</b>	<b>21 590</b>	<b>21 590</b>	<b>-</b>	<b>28 287</b>	<b>30 859</b>	<b>35 850</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>316</b>	<b>-</b>	<b>-</b>	<b>19 500</b>	<b>25 592</b>	<b>25 592</b>	<b>-</b>	<b>22 882</b>	<b>23 971</b>	<b>25 531</b>
Transfers recognised - capital	-	-	-	18 804	23 804	23 804	-	22 090	23 302	24 649
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	696	1 788	1 788	-	792	669	882
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 500</b>	<b>25 592</b>	<b>25 592</b>	<b>-</b>	<b>22 882</b>	<b>23 971</b>	<b>25 531</b>
<b>Financial position</b>										
Total current assets	45 616	82 155	19 326	46 779	5 859	5 859	-	50 527	53 054	53 623
Total non current assets	177 677	196 978	176 468	237 742	5 762	5 762	-	254 419	267 140	280 497
Total current liabilities	2 065	3 466	643	701	-	-	-	736	773	811
Total non current liabilities	1 159	893	5 528	1 506	-	-	-	-	-	-
Community wealth/Equity	167 193	203 074	185 323	249 494	-	-	-	261 969	275 067	288 820
<b>Cash flows</b>										
Net cash from (used) operating	(45 263)	25 543	(32 940)	(8 519)	-	-	-	(16 126)	(17 276)	(20 026)
Net cash from (used) investing	-	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(45 263)</b>	<b>(19 720)</b>	<b>(52 660)</b>	<b>36 481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20 355</b>	<b>3 079</b>	<b>(16 947)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	42 005	76 587	9 628	45 028	7 695	7 695	-	53 479	56 153	56 876
Application of cash and investments	3 729	1 536	11 855	1 864	-	-	-	1 866	1 907	1 955
<b>Balance - surplus (shortfall)</b>	<b>38 276</b>	<b>75 051</b>	<b>(2 227)</b>	<b>43 164</b>	<b>7 695</b>	<b>7 695</b>	<b>-</b>	<b>51 613</b>	<b>54 246</b>	<b>54 921</b>
<b>Asset management</b>										
Asset register summary (WDV)	12 195	12 455	58 327	19 545	25 592	25 592	22 929	22 929	24 020	25 583
Depreciation & asset impairment	-	6 683	21 355	1 670	886	886	1 228	1 228	1 354	1 469
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	2 036	2 105	14 686	4 728	5 863	5 863	4 984	4 984	5 263	5 548
<b>Free services</b>										
Cost of Free Basic Services provided	9 371	8 967	8 967	9 416	9 416	9 416	9 742	9 742	10 084	10 443
Revenue cost of free services provided	10 950	10 956	10 957	11 420	11 520	11 570	13 220	13 220	13 280	13 285
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



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**FS161 Letsemeng - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>3 883</b>	<b>3 997</b>	<b>6 567</b>	<b>11 757</b>	<b>11 858</b>	<b>11 858</b>	<b>13 853</b>	<b>15 561</b>	<b>27 876</b>
Executive and council		630	587	1 021	1 548	1 548	1 548	1 830	2 095	12 344
Budget and treasury office		2 339	2 574	4 364	9 214	9 315	9 315	10 875	12 176	14 100
Corporate services		914	836	1 182	995	995	995	1 148	1 290	1 432
<b>Community and public safety</b>		<b>1 193</b>	<b>1 870</b>	<b>2 360</b>	<b>2 348</b>	<b>2 363</b>	<b>2 363</b>	<b>2 881</b>	<b>3 295</b>	<b>3 664</b>
Community and social services		764	1 005	1 094	796	798	798	974	1 113	1 237
Sport and recreation		-	330	550	749	762	762	925	1 061	1 182
Public safety		359	528	649	741	741	741	916	1 051	1 172
Housing		71	8	68	62	62	62	66	69	73
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>129</b>	<b>142</b>	<b>209</b>	<b>641</b>	<b>631</b>	<b>631</b>	<b>795</b>	<b>117</b>	<b>123</b>
Planning and development		-	-	115	536	536	536	685	-	-
Road transport		129	142	93	105	95	95	110	117	123
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>44 803</b>	<b>57 092</b>	<b>64 489</b>	<b>74 131</b>	<b>74 145</b>	<b>74 145</b>	<b>81 033</b>	<b>86 022</b>	<b>81 477</b>
Electricity		10 054	20 632	25 729	28 093	28 110	28 110	32 855	34 139	37 756
Water		12 917	13 837	16 959	17 727	17 725	17 725	18 218	19 178	20 278
Waste water management		10 932	11 381	13 836	14 428	14 428	14 428	15 749	16 633	17 021
Waste management		10 900	11 242	7 965	13 883	13 881	13 881	14 211	16 071	6 421
<b>Other</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>2</b>	<b>50 008</b>	<b>63 102</b>	<b>73 625</b>	<b>88 877</b>	<b>88 997</b>	<b>88 997</b>	<b>98 562</b>	<b>104 994</b>	<b>113 140</b>
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		<b>8 699</b>	<b>17 921</b>	<b>13 394</b>	<b>20 330</b>	<b>24 427</b>	<b>24 427</b>	<b>26 274</b>	<b>28 124</b>	<b>30 178</b>
Executive and council		2 274	2 612	3 775	7 948	8 772	8 772	7 499	8 017	8 595
Budget and treasury office		3 325	7 212	2 500	9 168	11 228	11 228	11 423	12 216	13 088
Corporate services		3 099	8 097	7 119	3 215	4 427	4 427	7 352	7 891	8 495
<b>Community and public safety</b>		<b>1 418</b>	<b>1 365</b>	<b>2 103</b>	<b>3 531</b>	<b>2 979</b>	<b>2 979</b>	<b>3 746</b>	<b>3 986</b>	<b>4 245</b>
Community and social services		999	1 105	1 909	2 260	2 253	2 253	2 406	2 571	2 754
Sport and recreation		168	37	81	547	363	363	576	608	641
Public safety		13	-	-	600	306	306	632	668	704
Housing		-	-	5	17	9	9	18	19	20
Health		238	223	109	107	47	47	113	120	126
<b>Economic and environmental services</b>		<b>3 189</b>	<b>6 667</b>	<b>9 482</b>	<b>9 458</b>	<b>10 400</b>	<b>10 400</b>	<b>10 093</b>	<b>10 739</b>	<b>11 438</b>
Planning and development		1 618	2 809	3 321	3 165	2 219	2 219	2 629	2 776	2 926
Road transport		1 571	3 857	6 161	6 293	8 181	8 181	7 465	7 963	8 512
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>9 802</b>	<b>20 375</b>	<b>26 187</b>	<b>55 284</b>	<b>50 195</b>	<b>50 195</b>	<b>57 044</b>	<b>60 424</b>	<b>63 960</b>
Electricity		2 880	12 093	16 202	25 794	25 612	25 612	27 341	28 913	30 534
Water		4 610	5 260	6 873	16 488	14 463	14 463	15 205	16 131	17 111
Waste water management		1 027	1 073	948	6 001	4 467	4 467	6 499	6 879	7 275
Waste management		1 286	1 949	2 163	7 002	5 653	5 653	7 998	8 501	9 040
<b>Other</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>23 108</b>	<b>46 328</b>	<b>51 166</b>	<b>88 604</b>	<b>88 001</b>	<b>88 001</b>	<b>97 157</b>	<b>103 273</b>	<b>109 821</b>
<b>Surplus/(Deficit) for the year</b>		<b>26 900</b>	<b>16 773</b>	<b>22 459</b>	<b>273</b>	<b>997</b>	<b>997</b>	<b>1 406</b>	<b>1 721</b>	<b>3 319</b>

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**FS161 Letsemeng - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue by Vote</b>	1									
Vote 1 - Budget and Treasury Office		2 339	2 574	4 364	9 214	9 315	9 315	10 875	12 176	14 100
Vote 2 - Corporate Services		914	836	1 182	995	995	995	1 148	1 290	1 432
Vote 3 - Council		630	587	1 021	774	774	774	914	1 043	11 172
Vote 4 - Technical Services		46 125	59 104	67 058	77 120	77 139	77 139	84 710	89 433	85 264
Vote 5 - Municipal Manager		-	-	-	774	774	774	916	1 051	1 172
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>	2	<b>50 008</b>	<b>63 102</b>	<b>73 625</b>	<b>88 877</b>	<b>88 997</b>	<b>88 997</b>	<b>98 562</b>	<b>104 994</b>	<b>113 140</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Budget and Treasury Office		3 325	7 212	2 500	9 168	11 228	11 228	11 423	12 216	13 088
Vote 2 - Corporate Services		3 099	8 097	7 119	3 215	4 427	4 427	7 352	7 891	8 495
Vote 3 - Council		2 274	2 612	3 775	4 849	5 436	5 436	4 604	4 924	5 282
Vote 4 - Technical Services		14 409	28 407	37 772	68 273	63 574	63 574	70 883	75 149	79 643
Vote 5 - Municipal Manager		-	-	-	3 099	3 335	3 335	2 895	3 093	3 312
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>	2	<b>23 108</b>	<b>46 328</b>	<b>51 166</b>	<b>88 604</b>	<b>88 001</b>	<b>88 001</b>	<b>97 157</b>	<b>103 273</b>	<b>109 821</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>26 900</b>	<b>16 773</b>	<b>22 459</b>	<b>273</b>	<b>997</b>	<b>997</b>	<b>1 406</b>	<b>1 721</b>	<b>3 319</b>

**LETSEMENG LOCAL MUNICIPALITY**  
**2012-13 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (MTREF)**

**FS161 Letsemeng - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>											
Property rates	2	3 013	-	4 247	5 106	5 106	5 106	-	6 382	7 739	9 157
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	8 123	11 189	13 432	15 123	15 123	15 123	-	16 832	17 775	18 735
Service charges - water revenue	2	4 462	6 382	7 191	7 500	7 500	7 500	-	7 905	8 348	8 798
Service charges - sanitation revenue	2	3 852	5 356	7 801	5 985	5 985	5 985	-	6 308	6 661	7 021
Service charges - refuse revenue	2	3 720	5 183	3 642	5 446	5 446	5 446	-	5 740	6 062	6 389
Service charges - other											
Rental of facilities and equipment		378	392	296	335	335	335		353	373	393
Interest earned - external investments		-	-	525	900	1 000	1 000		949	1 002	1 056
Interest earned - outstanding debtors		1 196	1 677	-							
Dividends received		13	11	-	8	8	8		9	9	10
Fines		123	124	77	79	77	77		83	88	93
Licences and permits		1	7	8	5	6	6		5	5	6
Agency services											
Transfers recognised - operational		24 894	32 576	41 019	48 235	48 235	48 235		53 833	56 760	61 301
Other revenue	2	87	-	5 388	154	176	176	-	162	171	181
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>49 863</b>	<b>62 896</b>	<b>83 626</b>	<b>88 876</b>	<b>88 997</b>	<b>88 997</b>	<b>-</b>	<b>98 562</b>	<b>104 994</b>	<b>113 140</b>
<b>Expenditure By Type</b>											
Employee related costs	2	4 426	18 020	19 198	23 693	26 475	26 475	-	32 943	35 413	38 246
Remuneration of councillors		330	1 846	2 096	2 795	3 228	3 228		3 600	3 700	3 800
Debt impairment	3	-	-	9 465	10 065	6 639	6 639		10 608	11 202	11 807
Depreciation & asset impairment	2	-	6 683	21 355	1 670	886	886	-	1 228	1 354	1 469
Finance charges		155	48	1 233	62	63	63		66	70	73
Bulk purchases	2	7 343	10 292	14 711	16 396	19 800	19 800	-	20 404	21 546	22 710
Other materials	8										
Contracted services		-	-	-	-	-	-		-	-	-
Transfers and grants		-	-	-	-	-	-		-	-	-
Other expenditure	4, 5	10 854	16 122	4 464	33 924	30 908	30 908	-	24 308	24 988	24 716
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>23 108</b>	<b>53 011</b>	<b>72 522</b>	<b>88 604</b>	<b>88 000</b>	<b>88 000</b>	<b>-</b>	<b>93 156</b>	<b>98 273</b>	<b>102 821</b>
<b>Surplus/(Deficit)</b>		<b>26 755</b>	<b>9 885</b>	<b>11 105</b>	<b>272</b>	<b>998</b>	<b>998</b>	<b>-</b>	<b>5 406</b>	<b>6 720</b>	<b>10 319</b>
Transfers recognised - capital					18 804	18 804	18 804		22 090	23 302	24 649
Contributions recognised - capital	6	-	-	-	-	-	-		-	-	-
Contributed assets		316	-		696	1 788	1 788		792	837	882
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>27 071</b>	<b>9 885</b>	<b>11 105</b>	<b>19 772</b>	<b>21 590</b>	<b>21 590</b>	<b>-</b>	<b>28 287</b>	<b>30 859</b>	<b>35 850</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>27 071</b>	<b>9 885</b>	<b>11 105</b>	<b>19 772</b>	<b>21 590</b>	<b>21 590</b>	<b>-</b>	<b>28 287</b>	<b>30 859</b>	<b>35 850</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>27 071</b>	<b>9 885</b>	<b>11 105</b>	<b>19 772</b>	<b>21 590</b>	<b>21 590</b>	<b>-</b>	<b>28 287</b>	<b>30 859</b>	<b>35 850</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>27 071</b>	<b>9 885</b>	<b>11 105</b>	<b>19 772</b>	<b>21 590</b>	<b>21 590</b>	<b>-</b>	<b>28 287</b>	<b>30 859</b>	<b>35 850</b>

**LETSEMENG LOCAL MUNICIPALITY**  
**2012-13 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (MTREF)**

**FS161 Letsemeng - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
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>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Budget and Treasury Office		185	-	-	73	73	73	-	76	81	85
Vote 2 - Corporate Services		5	-	-	685	701	701	-	1 152	1 048	1 251
Vote 3 - Council		-	-	-	79	47	47	-	84	88	93
Vote 4 - Technical Services		126	-	-	18 664	24 741	24 741	-	21 538	22 721	24 067
Vote 5 - Municipal Manager		-	-	-	-	30	30	-	32	33	35
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>316</b>	-	-	<b>19 500</b>	<b>25 592</b>	<b>25 592</b>	-	<b>22 882</b>	<b>23 971</b>	<b>25 531</b>
<b>Total Capital Expenditure - Vote</b>		<b>316</b>	-	-	<b>19 500</b>	<b>25 592</b>	<b>25 592</b>	-	<b>22 882</b>	<b>23 971</b>	<b>25 531</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>190</b>	-	-	<b>169</b>	<b>186</b>	<b>186</b>	-	<b>236</b>	<b>251</b>	<b>264</b>
Executive and council					79	77	77		115	122	128
Budget and treasury office		185			73	73	73		76	81	85
Corporate services		5			18	36	36		45	48	51
<b>Community and public safety</b>		<b>126</b>	-	-	<b>240</b>	<b>150</b>	<b>150</b>	-	<b>11 942</b>	<b>3 470</b>	<b>2 620</b>
Community and social services		126				30	30		11 689	3 203	2 338
Sport and recreation											
Public safety					240	120	120		253	267	282
Housing											
Health											
<b>Economic and environmental services</b>		-	-	-	<b>12 408</b>	<b>12 308</b>	<b>12 308</b>	-	<b>9 407</b>	<b>236</b>	<b>249</b>
Planning and development					12	12	12		13	13	14
Road transport					12 396	12 296	12 296		9 394	223	235
Environmental protection											
<b>Trading services</b>		-	-	-	<b>6 016</b>	<b>12 283</b>	<b>12 283</b>	-	<b>190</b>	<b>19 014</b>	<b>21 198</b>
Electricity					8	270	270		8	8	9
Water					605	6 512	6 512		95	9 758	14 022
Waste water management					438	438	438		78	33	35
Waste management					4 966	5 063	5 063		8	9 214	7 132
<b>Other</b>					<b>667</b>	<b>665</b>	<b>665</b>		<b>1 107</b>	<b>1 000</b>	<b>1 200</b>
<b>Total Capital Expenditure - Standard</b>	3	<b>316</b>	-	-	<b>19 500</b>	<b>25 592</b>	<b>25 592</b>	-	<b>22 882</b>	<b>23 971</b>	<b>25 531</b>
<b>Funded by:</b>											
National Government					18 804	18 804	18 804		22 090	23 302	24 649
Provincial Government						5 000	5 000				
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	4	-	-	-	<b>18 804</b>	<b>23 804</b>	<b>23 804</b>	-	<b>22 090</b>	<b>23 302</b>	<b>24 649</b>
<b>Public contributions &amp; donations</b>	5										
<b>Borrowing</b>	6										
<b>Internally generated funds</b>					696	1 788	1 788		792	669	882
<b>Total Capital Funding</b>	7	-	-	-	<b>19 500</b>	<b>25 592</b>	<b>25 592</b>	-	<b>22 882</b>	<b>23 971</b>	<b>25 531</b>

**LETSEMENG LOCAL MUNICIPALITY**  
**2012-13 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (MTREF)**

**FS161 Letsemeng - Table A6 Budgeted Financial Position**

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		1	1	1 933	658	1 933	1 933		2 100	2 205	232
Call investment deposits	1	43 559	79 340	1 933	43 170	-	-	-	45 329	47 595	49 975
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		2 056	2 814	12 804	2 951	1 270	1 270		3 099	3 254	3 417
Current portion of long-term receivables				2 656		2 656	2 656				
Inventory	2										
<b>Total current assets</b>		<b>45 616</b>	<b>82 155</b>	<b>19 326</b>	<b>46 779</b>	<b>5 859</b>	<b>5 859</b>	<b>-</b>	<b>50 527</b>	<b>53 054</b>	<b>53 623</b>
<b>Non current assets</b>											
Long-term receivables											
Investments		62	73	5 762	1 200	5 762	5 762		6 050	6 353	6 670
Investment property				9 855							
Investment in Associate											
Property, plant and equipment	3	177 582	196 897	160 793	236 497	-	-	-	248 322	260 738	273 775
Agricultural											
Biological											
Intangible		33	8	58	45				47	50	52
Other non-current assets											
<b>Total non current assets</b>		<b>177 677</b>	<b>196 978</b>	<b>176 468</b>	<b>237 742</b>	<b>5 762</b>	<b>5 762</b>	<b>-</b>	<b>254 419</b>	<b>267 140</b>	<b>280 497</b>
<b>TOTAL ASSETS</b>		<b>223 293</b>	<b>279 133</b>	<b>195 794</b>	<b>284 521</b>	<b>11 621</b>	<b>11 621</b>	<b>-</b>	<b>304 946</b>	<b>320 194</b>	<b>334 120</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	1 617	2 827								
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		437	631	643	701				736	773	811
Trade and other payables	4	-	-	-	-	-	-	-	-	-	-
Provisions		11	8								
<b>Total current liabilities</b>		<b>2 065</b>	<b>3 466</b>	<b>643</b>	<b>701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>736</b>	<b>773</b>	<b>811</b>
<b>Non current liabilities</b>											
Borrowing		-	2	-	-	-	-	-	-	-	-
Provisions		1 159	891	5 528	1 506	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>1 159</b>	<b>893</b>	<b>5 528</b>	<b>1 506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>3 224</b>	<b>4 359</b>	<b>6 171</b>	<b>2 207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>736</b>	<b>773</b>	<b>811</b>
<b>NET ASSETS</b>	5	<b>220 069</b>	<b>274 774</b>	<b>189 623</b>	<b>282 314</b>	<b>11 621</b>	<b>11 621</b>	<b>-</b>	<b>304 210</b>	<b>319 421</b>	<b>333 309</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		167 128	203 074	168 068	249 494				261 969	275 067	288 820
Reserves	4	65	-	17 255	-	-	-	-	-	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>167 193</b>	<b>203 074</b>	<b>185 323</b>	<b>249 494</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261 969</b>	<b>275 067</b>	<b>288 820</b>

FS161 Letsemeng - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		(45 263)	(16 545)	(38 963)	(25 101)				(26 356)	(27 674)	(29 058)
Government - operating	1			(59 068)	(47 452)				(53 833)	(56 760)	(61 301)
Government - capital	1				(18 210)				(22 089)	(23 302)	(24 649)
Interest			(1 970)		(900)				(945)	(992)	(1 042)
Dividends			(10)		(8)				(9)	(10)	(11)
<b>Payments</b>											
Suppliers and employees			44 068	64 015	82 958				87 106	91 461	96 034
Finance charges				1 076	194						
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(45 263)</b>	<b>25 543</b>	<b>(32 940)</b>	<b>(8 519)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 126)</b>	<b>(17 276)</b>	<b>(20 026)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
<b>Payments</b>											
Capital assets											
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
<b>Payments</b>											
Repayment of borrowing											
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(45 263)</b>	<b>25 543</b>	<b>(32 940)</b>	<b>(8 519)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 126)</b>	<b>(17 276)</b>	<b>(20 026)</b>
Cash/cash equivalents at the year begin:	2	(45 263)	(45 263)	(19 720)	45 000				36 481	20 355	3 079
Cash/cash equivalents at the year end:	2	(45 263)	(19 720)	(52 660)	36 481				20 355	3 079	(16 947)

LETSEMENG LOCAL MUNICIPALITY  
2012-13 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (MTREF)

**FS161 Letsemeng - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(45 263)	(19 720)	(52 660)	36 481	-	-	-	20 355	3 079	(16 947)
Other current investments > 90 days		87 206	96 234	56 526	7 347	1 933	1 933	-	27 074	46 721	67 153
Non current assets - Investments	1	62	73	5 762	1 200	5 762	5 762	-	6 050	6 353	6 670
<b>Cash and investments available:</b>		<b>42 005</b>	<b>76 587</b>	<b>9 628</b>	<b>45 028</b>	<b>7 695</b>	<b>7 695</b>	<b>-</b>	<b>53 479</b>	<b>56 153</b>	<b>56 876</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	3 729	1 536	11 855	1 864	-	-	-	1 866	1 907	1 955
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>3 729</b>	<b>1 536</b>	<b>11 855</b>	<b>1 864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 866</b>	<b>1 907</b>	<b>1 955</b>
<b>Surplus(shortfall)</b>		<b>38 276</b>	<b>75 051</b>	<b>(2 227)</b>	<b>43 164</b>	<b>7 695</b>	<b>7 695</b>	<b>-</b>	<b>51 613</b>	<b>54 246</b>	<b>54 921</b>

FS161 Letsemeng - Table A9 Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	12 162	12 447	48 414	19 500	25 592	25 592	22 882	23 971	25 531
Infrastructure - Road transport		4 800	-	5 984	12 396	12 296	12 296	9 394	223	235
Infrastructure - Electricity		-	-	3 428	8	270	270	8	8	9
Infrastructure - Water		7 362	4 126	13 237	605	6 512	6 512	95	9 758	14 022
Infrastructure - Sanitation		-	8 321	25 765	438	438	438	78	33	35
Infrastructure - Other		-	-	-	6 054	6 076	6 076	13 306	13 948	11 230
Infrastructure		12 162	12 447	48 414	19 500	25 592	25 592	22 882	23 971	25 531
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	12 162	12 447	48 414	19 500	25 592	25 592	22 882	23 971	25 531
Infrastructure - Road transport		4 800	-	5 984	12 396	12 296	12 296	9 394	223	235
Infrastructure - Electricity		-	-	3 428	8	270	270	8	8	9
Infrastructure - Water		7 362	4 126	13 237	605	6 512	6 512	95	9 758	14 022
Infrastructure - Sanitation		-	8 321	25 765	438	438	438	78	33	35
Infrastructure - Other		-	-	-	6 054	6 076	6 076	13 306	13 948	11 230
Infrastructure		12 162	12 447	48 414	19 500	25 592	25 592	22 882	23 971	25 531
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	12 162	12 447	48 414	19 500	25 592	25 592	22 882	23 971	25 531
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		4 800	-	5 984	12 396	12 296	12 296	9 394	223	235
Infrastructure - Electricity		-	-	3 428	8	270	270	8	8	9
Infrastructure - Water		7 362	4 126	13 237	605	6 512	6 512	95	9 758	14 022
Infrastructure - Sanitation		-	8 321	25 765	438	438	438	78	33	35
Infrastructure - Other		-	-	-	6 054	6 076	6 076	13 307	13 948	11 230
Infrastructure		12 162	12 447	48 414	19 500	25 592	25 592	22 882	23 970	25 531
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	9 855	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		33	8	58	45	-	-	47	50	52
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	12 195	12 455	58 327	19 545	25 592	25 592	22 929	24 020	25 583
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		-	6 683	21 355	1 670	886	886	1 228	1 354	1 469
<b>Repairs and Maintenance by Asset Class</b>	3	2 036	2 105	14 686	4 728	5 863	5 863	4 984	5 263	5 548
Infrastructure - Road transport		748	736	1 620	1 590	2 707	2 707	1 675	1 769	1 865
Infrastructure - Electricity		128	447	838	761	959	959	802	847	893
Infrastructure - Water		306	185	431	468	826	826	493	521	549
Infrastructure - Sanitation		278	299	132	824	219	219	869	917	967
Infrastructure - Other		428	68	138	168	251	251	178	187	198
Infrastructure		1 888	1 734	3 158	3 811	4 962	4 962	4 017	4 242	4 471
Community		71	84	255	400	426	426	421	445	469
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	76	287	11 272	518	475	475	546	577	608
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		2 036	8 788	36 041	6 398	6 749	6 749	6 212	6 617	7 017
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn*</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>		1.1%	1.1%	9.1%	2.0%	0.0%	0.0%	2.0%	2.0%	2.0%
<b>Renewal and R&amp;M as a % of PPE</b>		17.0%	17.0%	25.0%	24.0%	23.0%	23.0%	22.0%	22.0%	22.0%



**LETSEMENG LOCAL MUNICIPALITY**  
**2012-13 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (MTREF)**

**FS161 Letsemeng - Table A10 Basic service delivery measurement**

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		10	10	10	10	10	10	10	10	10
Piped water inside yard (but not in dwelling)	2									
Using public tap (at least min.service level)	4									
Other water supply (at least min.service level)										
<i>Minimum Service Level and Above sub-total</i>		10	10	10	10	10	10	10	10	10
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	10	10	10	10	10	10	10	10	10
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		10	10	10	10	10	10	10	10	10
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (v entillated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		10	10	10	10	10	10	10	10	10
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	10	10	10	10	10	10	10	10	10
<b>Energy:</b>										
Electricity (at least min.service level)		8	10	10	10	10	10	10	10	10
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		8	10	10	10	10	10	10	10	10
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	8	10	10	10	10	10	10	10	10
<b>Refuse:</b>										
Removed at least once a week		10	10	10	10	10	10	10	10	10
<i>Minimum Service Level and Above sub-total</i>		10	10	10	10	10	10	10	10	10
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	10	10	10	10	10	10	10	10	10
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		10	10	10	10	10	10	10	10	10
Sanitation (free minimum level service)	5	6	6	6	6	6	6	6	6	6
Electricity/other energy (50kwh per household per month)		10	10	10	10	10	10	10	10	10
Refuse (removed at least once a week)		10	10	10	10	10	10	10	10	10
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		3 159	2 754	2 754	2 892	2 892	2 892	2 892	2 892	2 892
Sanitation (free sanitation service)		3 105	3 105	3 105	3 260	3 260	3 260	3 423	3 594	3 774
Electricity/other energy (50kwh per household per month)		2 161	2 754	2 892	3 036	3 036	3 036	3 187	3 187	3 187
Refuse (removed once a week)		3 105	3 105	3 105	3 260	3 260	3 260	3 423	3 594	3 774
<b>Total cost of FBS provided (minimum social package)</b>		<b>9 371</b>	<b>8 967</b>	<b>8 967</b>	<b>9 416</b>	<b>9 416</b>	<b>9 416</b>	<b>9 742</b>	<b>10 084</b>	<b>10 443</b>
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		55	55	55	60	60	60	80	80	80
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		30	30	30	30	30	30	30	30	30
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		550	556	557	570	570	570	600	600	600
Property rates (other exemptions, reductions and rebates)										
Water		5 000	5 000	5 000	5 500	5 500	5 500	6 000	6 000	6 000
Sanitation		2 900	2 900	2 900	3 000	3 000	3 000	4 000	4 000	4 000
Electricity/other energy		1 500	1 500	1 500	1 550	1 600	1 650	1 700	1 750	1 750
Refuse		1 000	1 000	1 000	800	850	850	920	930	935
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>	6	<b>10 950</b>	<b>10 956</b>	<b>10 957</b>	<b>11 420</b>	<b>11 520</b>	<b>11 570</b>	<b>13 220</b>	<b>13 280</b>	<b>13 285</b>

## **PART 2**

### **2.1. 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.

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) a time schedule that sets out the process to revise the IDP and prepare the annual budget.

The Mayor tabled the required IDP process plan and budget time schedule in line with the applicable legislation. However, adherence to these plans was not achieved as the processes were not undertaken exactly at the dates that were indicated in the plans.

The community and other stakeholders were consulted during the review of Integrated Development Plan which informed this annual budget. Further consultation will take place immediately after the annual budget and revised Integrated Development Plan have been tabled to Council. These consultations are expected to take place between April 2012 and May 2012. Despite major deviations from the schedules, plans are in place for Council to consider approval of the IDP and annual budget at least by 31 May 2012 as required by the Municipal Finance Management Act.

### **2.2. Alignment of the annual budget with the integrated development plan**

The municipality has experienced challenges in terms of aligning its integrated development plan; annual budget and service delivery & budget implementation plan. This was also an audit query raised by the office of the Auditor General during the 2010-11 audit, that there is no alignment between the integrated development plan; annual budget and service delivery & budget implementation plan.

During the assessment it became evident that the IDP review process plan as well as the annual budget process, are not running concurrently as required. Furthermore, the consultation process is artificial as stakeholders are informed about the plans and objectives of the municipality rather than the stakeholders influencing these plans as they are directly affecting them.

Therefore, management must pay special attention to aligning the above mentioned processes and ensuring genuine consultation of the stakeholders during the review of the IDP and annual budget compilation. Furthermore, the performance

management framework must be fully functional and effective to ensure that a credible SDBIP is compiled which is fully linked to both the IDP and MTREF.

### **2.3. Measurable performance objectives**

Performance Management is a system intended to manage and monitor service delivery progress against the predetermined 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 a performance management system (in the process of implementation) of which system is constantly refined as the integrated planning process unfolds. The measurable performance objectives will be included in the service delivery and budget implementation plan when it is submitted to the Mayor for approval.

### **2.4. Overview of the budget-related policies**

The Municipal Budget and Reporting Regulations promulgated under the Municipal Finance Management Act, prescribe the budget-related policies that must be approved together with the budget. Although the municipality has complied in terms of compiling such policies and have them approved by Council, there has been major challenges (both internal and external) when it comes to implementation and adherence to such policies. Below is the overview of the policies that will be reviewed:

#### **2.4.1 Credit control and debt collection policy**

The current credit control and debt collection policy was approved by Council on the 13 May 2011, and the policy will once again undergo a review process. While the adopted policy is credible and there is value for money, there has been a great challenge in terms of its effective implementation. The absence of approved credit control procedures also led to audit queries being raised by Auditor General.

There was no annual updating and purification of the indigent register for the past year. However, there is improvement in terms of the registration process during the beginning of the 2011-12. A report is submitted, together with the quarterly report required in terms of the MFMA, where council is informed about the number of indigents that were registered at specific point in time.

#### **2.4.2. Review of the asset management policy**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

The Technical Department is in the process of developing maintenance plan for all the municipal assets. This will ensure the municipal assets are properly maintained and thereby operating at their optimum level. Furthermore, the municipality has appointed a service provider to assist with unbundling and componentisation of infrastructure assets. One of the assertions thereon is the valuation and condition assessment. This process will not only improve the municipality's audit opinion (given that the municipality received a disclaimer opinion from AGSA based on assets) but also improve the allocation of resources and service delivery.

#### **2.4.3 Budget and virement policies**

Council in its sitting of the 13 May 2011 approved both the budget policy and virement policy distinct from each other. These policies are aimed at guiding the municipality in terms of compiling a credible and funded budget as required by the MFMA and also guide the municipality in terms of shifting of funds during the financial year. In addition to these policies, the mid-year budget assessment is used to guide and inform the mid-year review and adjustment budget process.

#### **2.4.4 Supply chain management policy**

The Supply Chain Management Policy was adopted by Council in September 2007. The policy was drafted in such manner that it was difficult for the municipality to adhere to the policy. Therefore, there was an exorbitant amount that had to be disclosed as irregular expenditure due to non-adherence to the policy given the staff complement that is in place.

The policy was then reviewed and adopted by Council on the 13 May 2011. The policy was subjected to further reviews in October 2011 (to give the Accounting Officer the authority to appoint consultants through a roster system). The last amendment was done during December 2011 subsequent to promulgation of the Preferential Procurement Regulations, 2011. However, such amendments have not yet been approved by Council (policy expected to be approved by Council by the end of March 2012), but the adherence to the regulations was observed.

#### **2.4.5 Cash management and investment policy**

The cash management and investment policy was amended by Council in May 2011. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

#### **2.4.6 Tariff policies**

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a

consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years. The challenge still remains of ensuring that all proposed tariffs reflect the cost of providing such services.

#### **2.4.7. Indigent support policy**

The indigent support policy was last reviewed during May 2011 and this policy prescribes the threshold for indigent consumers as well as the free basic service component. The municipality has been experiencing problems where indigent consumers have been utilising services above the threshold thereby being unable to pay for the services.

#### **2.5. Overview of the budget assumptions**

Budgets are prepared in an environment of uncertainty and assumptions need to be made about internal and external factors that could impact on the budget during the course of the financial year. In compiling the 2012-13 MTREF, the following pivotal issues and assumptions were taken into consideration and modelled into the budget planning process:

- (a) Economic climate and poverty levels within the municipality will remain the same / constant for major part of the financial year given the limited economic activities with the vicinity;
- (b) That the revenue collection will not increase / improve by more than 15% from the 2011-12 financial year;
- (c) Cash flow projections will be strictly maintained to ensure the municipality's ability to meet its financial obligations;
- (d) No allocations as per the 2012 annual Division of Revenue Act will be withheld / offset / paid back to the NRF.
- (e) Operational costs will be maintained at current levels or reduced as cost containment measures and where there is material decrease in revenue collection rate, expenditure will have to be reduced at the same proportion;
- (f) Filling of vacant posts will be prioritised taking into account the cash flow projections of the municipality.

#### **2.6. Overview of the budget funding**

The operating budget will be funded from operational grants as well as revenue to be collected from service charges and property rates. Government grants and subsidies make 55% of the budget while 45% will be funding from own sources.

The funding for capital budget will be from Municipal Infrastructure Grant as well as internally generated funds. Municipal Infrastructure Grant will fund 97% of the capital budget while 3% will be from internally generated funds.

## **2.7. Expenditure on allocations and grant programmes**

It is the intention of the municipality to spend all of its grant allocations within the current year according to the conditions of such allocations. Performance will be done during the mid-year budget assessment and where it is foreseeable that there will be under-spending, the necessary procedure will be followed to request for roll-over. Project registration has already taken place for major capital projects and this on its own will improve the spending on conditional grants. The municipality has been able to spend all its capital grants despite inappropriate planning.

## **2.8. Allocations and grants made by the municipality**

There are no allocations and grants that the municipality intend to make during the 2012-13 medium term revenue and expenditure framework.

## **2.9. Councillor and board members allowances and employee benefits**

The Municipal System Act, section 66(1) requires the Municipal Manager to approve a staff establishment for the municipality within a policy framework determined by the municipal council and subject to any applicable legislation. The act further requires the Municipal Manager to provide a job description for each post on the staff establishment and to attach to those posts the remuneration and other conditions of service as may be determined in accordance with any applicable labour legislation.

The Senior Managers, in consultation and with concurrence of the Municipal Manager have reviewed the structure of their respective departments. Critical posts have been identified which other will be filled during the current financial year and other during the 2012-13 financial year.

This review of the organogram has led to increase in employee related costs and benefits. The overall Councillor's allowances and employee benefits increases are as follows:

- (a) Employee costs will increase from R26.4 million (2011-12 adjustment budget) to R32.9 million;
- (b) Councillor allowances will increase from R3.2 million (2011-12 adjustment budget) to R3.6 million;

This means that the salaries as a percentage of operating expenditure increased from 26% during the 2011-12, to 30% during the 2011-12 adjustment budget and will now increase to 35% for the 2012-13 financial year.

This shows that salaries have increased with R9.3 million since July 2011. Of a concern is the fact the revenue did not increase with the same rate which brings a serious threat in terms of the financial sustainability of the municipality. Auditor General of South Africa, has already raised a concern in terms of the going concern of the municipality.

Therefore, this means that as much as the municipality wants to fill critical vacant posts, such post must be prioritised. Expenditure thereon must be in the same proportion as the additional revenue.

### **2.10. Monthly targets of revenue, expenditure and cash flow**

The municipality has over the years been in a position to bill all its budgeted revenue. However, the challenges have been on revenue collection due to a number of factors both internal and external.

This meant that the municipality had to prioritise its spending as the spending is informed by availability of cash. Therefore, the spending on operational expenditure has been marginally less than anticipated due to cash flow constraints. Nevertheless, the municipality has been able to meet its financial obligations as they become due, during the course of the 2011-12.

Although the municipality has been operating with a positive cash flow balance for over three financial years, the revenue base of the municipality has decreased drastically. This meant that the municipality had very little to contribute towards capital expenditure. To date, the municipality contributes less than 5% towards capital budget and depend heavily on grants and subsidies from both national and provincial government, for its operational budget.

### **2.11. Annual budgets and service delivery and budget implementation plan: internal departments**

The departmental service delivery implementation plan are at a draft stage and will be completed after adoption of the annual budget in order to form the high level of the municipal service delivery and budget implementation plan to be approved by the mayor, 28 days after the annual budget has been approved.

### **2.12. Annual budgets and service delivery agreements: municipal entities and other external mechanisms**

The municipality does not have an entity and there are no services that are provided by through external mechanism.

### **2.13. Contracts having future budgetary implications**

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The municipality does not intend to enter into contracts that have future budgetary implications. In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the BTO.

#### **2.14. Capital expenditure details**

The total capital expenditure budget of the municipality is R22.8 million. The details of the capital expenditure budget are as follows:

Petrusburg: Upgrading of waste water treatment works	R 46 510
Luckhoff: Construction of street and stormwater	R 700 000
Jacobsdal: Upgrading of landfill site	R 8 483 395
Koffiefontein: Multi-purpose community centre	R11 740 905
Petrusburg: 500KI Storage Tank	R 64 088

The other balance on the MIG will be funding the PMU related costs. The other funding is from internal funds as indicated in Table A5.

#### **2.15. Legislation compliance**

Due to capacity constraints, the municipality has been experiencing challenges in terms of compliance to MFMA. However, there has been substantial improvement in terms of compliance. Reporting to National Treasury in electronic format (Appendix B returns) was fully complied with on a monthly basis where there have been challenges of compliance, such challenges were reported to Provincial Treasury.

##### **2.15.1. In year reporting**

Section 71 reporting to the Mayor will be submitted in Schedule C of the MBRR and plans are in place to update the website and published financial performance on the municipality's website. It is the intention of the municipality (Councillors and Management) to move beyond compliance but rather focus on the quality of reports that are required in terms of various legislations.

##### **2.15.2. Internship programme**

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Office. Due to inappropriate training, their contracts were extended with additional 12 months till September 2012. This was to ensure proper training and mentoring, subsequent to the appointment of the CFO in January 2011 and also to ensure that they finish their external training which is running till April 2012.



Of the five interns one has resigned during the course of the 2011-12 financial year. The remaining four will finish their external training with the DBSA Vulindlela Academy during April 2012 and their contracts will subsequently expire by the end of September 2012. The municipality will advertise and recruit five interns, which are expected to start their internship program with the municipality by October 2012.

### **2.15.3. Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

### **2.15.4. Audit Committee**

An Audit Committee has been established, which is a shared service with the district municipality. The committee is fully functional and has been having their meetings as required by law and submitting reports to Council.

### **2.15.5. Service Delivery and Implementation Plan**

The detailed SDBIP document is at a draft stage and will be finalised after approval of the 2012-13 MTREF in May 2012. Much still needs to be done from now till then to ensure direct aligned between the IDP and 2012-13 MTREF.

### **2.15.6. Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements. The report has been tabled to Council in line with the requirements of the MFMA.

### **2.15.7. MFMA Training and Competency Regulations**

Only the CFO has completed the MFMA Learning modules in electronic format and the other officials within the BTO (including the Interns) are yet to complete the training.

There are four Senior Managers including the CFO and Municipal Manager which are affected by the MFMA Competency regulations. Only the CFO has partially completed the training, awaiting results on certain unit standards. The Municipal Manager is almost at the completion of the program as well. The CFO has enrolled with the University of Pretoria while the Municipal Manager has enrolled with Wits Business School.

The Manager Corporate Services and Technical Manager are yet to be registered for this training as they were only appointed to their respective positions at the municipality during January 2012. However, they might not complete the training on time before the regulations are applicable (i.e. January 2013).

### **2.15.8. Policies and bylaws**

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The municipality has compiled the various policies as required by various legislations as well as the Municipal Budget and Reporting regulations. The challenge has been on implementation and adherence to such policies subsequent to their approval by Council. Bylaws are yet to be promulgated, currently at draft / compilation stage.

**2.16. Other supporting documents**

The documents mentioned below are attached as annexures to the annual budget:

- (a) Tariff list
- (b) The integrated development plan

**2.17. Municipal Manager's quality certificate**

The Municipal Manager's quality certificate as required by the Municipal Budget and Reporting Regulations is attached in the next page.

**LETSEMENG LOCAL MUNICIPALITY**  
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LETSEMENG LOCAL MUNICIPALITY  
2012-13 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (MTREF)

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**LETSEMENG LOCAL MUNICIPALITY**

Privaatsak / Private Bag X3  
KOFFIEFONTEIN  
9986



FOON / PHONE  
(053) 205 9200  
FAKS / FAX  
(053) 205 0144

**OFFICE OF THE MUNICIPAL MANAGER**

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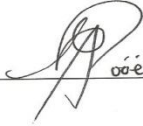
To whom it may concern

RE: Quality Certificate for 2012-12 MTREF

I, Itumeleng Edward Poëe, the Municipal Manager of Letsemeng Local Municipality (FS161), hereby certify that the annual budget for the 2012-13 financial year has 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.

Name: Itumeleng Edward Poëe

Municipality: Letsemeng Local Municipality (FS161)

Signature:  Poëe

Date: 28/03/2012

## TARIFF LIST

**LETSEMENG LOCAL MUNICIPALITY**  
**2012-13 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (MTREF)**

<b>LETSEMENG LOCAL MUNICIPALITY</b>					
<b>TARIFFS 2012/2013</b>					
	<b>Description</b>	<b>2011/2012</b>		<b>% Inc</b>	<b>2012/2013</b>
		<b>R</b>			<b>R</b>
<b>1.0</b>	<b>Property Tax</b>				
	<b>Category</b>	<b>2011/2012</b>	<b>Rebate</b>		<b>2012/2013</b>
	Residential	0.009681	2%	12.5%	0.108910
	Business, Industrial	0.010080	0%	12.5%	0.015309
	Government	0.010500	0%	12.5%	0.011813
	Vacant Stands	0.010080	0%	12.5%	0.015309
	Churches	0.010080	100%	0%	0.000000
	NGO, Creche, PBO structured and registered	0.010080	100%	0%	0.000000
	Municipality	0.000000	100%	0%	0.000000
	Small Holdings	0.005040	0%	12.5%	0.005746
	Farms	0.001162	75%	0.0%	0.001280
	Phase in rebate : (2009/10 = 75%) (2010/11 = 50%) (2011/12 = 52%) <b>(2012/13 = 53%)</b>				
	PSI	0.010080	100%	0%	0.000000
	State owned	0.010500	0%	12.5%	0.011813
	The above tariffs must be read in conjunction with the municipality's comprehensive Property Tax Policy				
	Property Tax is calculated on the total improvement value (Land & Improvements)				
	The first R 15 000 of the total improvement value of residential properties is exempted from property tax.				
	The first R 45 000 of the total improvement , value of residential property of indigent owners is exempted from property tax.				
	Property tax is payable monthly and if not paid interest at a rate as determined from time to time will be levied on all arrear amounts.				
<b>2.0</b>	<b>Administration</b>				
<b>2.1</b>	<b>Photocopies</b>				
	Photocopies: Including Rent, Paper & Labour	1.31		10%	1.44

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<b>2.2</b>	<b>Tax Certificates</b>				
	Per Certificate	56.52		10%	62.17
<b>2.3</b>	<b>Valuation Certificate</b>				
	Per Certificate	32.30		10%	35.53
<b>2.4</b>	<b>Building Plan Fees</b>				
	Per Application	85.58		10%	94.14
<b>2.5</b>	<b>Posters in municipal open spaces or against posts</b>				
	Deposit: per poster for consumers or political parties	8.46		10%	9.31
	If the personnel of the municipality must remove the posters after 7 days has lapsed since the gathering or meeting had taken place, the above deposit is forfeited.				
<b>2.6</b>	<b>Facsimiles</b>				
	Receiving of facsimiles	3.39		10%	3.73
	Sending of facsimiles	4.24		10%	4.66
<b>2.7</b>	<b>Voters Lists</b>				
	Per list or part thereof	42.36		10%	46.60
<b>2.8</b>	<b>Budget</b>				
	Per budget or part thereof	42.36		10%	46.60
<b>3.0</b>	<b>Cemeteries, Parks &amp; Sport Grounds</b>				
<b>3.1</b>	<b>Cemetery Fees</b>				
	Site Fee (Digging of grave included)	386.61		10%	425.27
	Site Fee (Digging of grave excluded)	44.98		10%	49.48
	The above exclude funerals over week ends				
	<b>Pauper burials</b>				
	Must qualify as an indigent according to the indigent policy				
	Must be an approved indigent				
	Must already receive a financial subsidy				
	Must be a permanent resident at the address as approved for indigent subsidy				
	The deceased must be on the application form of the approved application form for indigent subsidy				
	Pauper funerals will be subsidised as follows:				
	Adults	1 088.10		10%	1 196.91
	Children	725.40		10%	797.94
	No funerals will be allowed to take place over week ends except where the applicants will cover the grave themselves. If not then over time rates will be charged, over and above the normal tariffs				
	If a funeral is to take place on a Monday then arrangements must be made with the office before 10:00 on the previous Friday				

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<b>3.2</b>	<b>Sport Grounds</b>				
	That all sport clubs received the following subsidies on the condition that the Municipal Manager can discuss any problems that he/she experiences regarding the usage of the subsidy by a sport club directly with the relevant sport club on behalf of the Council				
	The usage of water, sewerage and refuse removal on condition that they maintain the club and grounds				
	R 525.00 per month which amount includes the maintenance of the facilities and free municipal services				
	<b>Yachting Club</b>				
	Free municipal services				
	<b>Tennis Club</b>				
	Free municipal services				
	<b>Badminton Club</b>				
	A subsidy of R 315.00 per annum for the renting of the hall				
	<b>K.O.F.S</b>				
	A subsidy of R 840.00 per month for the maintenance of the facilities				
	<b>Sport Committees</b>				
	A subsidy of R 1 500.00 per month for the maintenance of sport facilities as per contract				
<b>3.3</b>	<b>Caravan Park Fees</b>				
	Camping Fees per day	121.00		10%	133.00
<b>4.0</b>	<b>Properties</b>				
	Pound Master: Works Foreman in each Town				
	<b>Tariffs within the municipal area</b>				
<b>4.1</b>	<b>Driving of livestock within the municipal area</b>				
4.1.1	In the case of livestock (excluding tame ostriches) whether one or more to be driven to the pound: per kilometer	3.39		10%	3.73
	with the understanding that if,				
4.1.1.1	A herd consists of more than 50 small livestock or 20 large livestock: per kilometer	3.39		10%	3.73
4.1.1.2	Small livestock, donkeys, horses and mules: the total amount payable will not exceeds the amount calculated per kilometer	3.39		10%	3.73
4.1.1.3	Tamed ostriches: Per ostrich per kilometer	3.39		10%	3.73
4.1.1.4	Pigs: per pig per kilometer	3.39		10%	3.73

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<b>4.2</b>	<b>Pound Fees</b>				
4.2.1	Pound fees per animal that is impounded within the municipal area per day.				
	Large Livestock	84.81	10%	93.29	
	Small Livestock	50.91	10%	56.00	
	Horses, Mules and Donkeys	84.81	10%	93.29	
	Pigs	50.91	10%	56.00	
<b>4.3</b>	<b>Trespassing Fees</b>				
	Large Livestock (each)	6.77	10%	7.45	
	Small Livestock (each)	3.39	10%	3.73	
<b>4.4</b>	<b>Grazing Fees / Caring Fees</b>				
	Large Livestock (each per month)	20.37	10%	22.41	
	Small Livestock (each per month)	5.07	10%	5.58	
<b>4.5</b>	<b>Definitions</b>				
	Large livestock is horses, donkeys, mules, cattle, pigs and ostriches				
	Small livestock is sheep and goats				
<b>4.6</b>	<b>Advertisements: Pounds</b>				
	Advertising cost is cost occurred for the advertisement of the selling of stock impounded and which is collected before it is sold.				
	The advertisement period for the selling of stock is 21 days for all stock except donkeys, pigs and mules which is as soon as possible				
<b>4.7</b>	<b>Commonage fees per Ha, per year</b>	13.53	10%	14.88	
<b>5.0</b>	<b>Licenses</b>				
<b>5.1</b>	<b>Dog Licenses</b>				
<b>5.1.1</b>	<b>Wolfhonde &amp; Windhonde</b>				
5.1.1.1	For the first dog (Sterilised or not)	25.44	10%	27.98	
5.1.1.2	For each additional dog	33.90	10%	37.29	
<b>5.1.2</b>	<b>Other dogs</b>				
5.1.2.1	Sterilised	16.92	10%	18.61	
	Not Sterilised (Male)	24.22	10%	26.64	
5.1.2.2	Not Sterilised (Bitch)	25.44	10%	27.98	
5.1.2.3	For each additional dog	33.90	10%	37.29	
<b>5.1.3</b>	<b>Fines</b>				
	On each full month since license fee became due: 2.5%				



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<b>5.2</b>	<b>Business Licenses</b>				
	Application Fee	42.45	10%	46.70	
	Businesses: Food	127.18	10%	139.90	
	Hawkers per day at the approved sites (Works Foreman will collect the fees)	17.41	10%	19.15	
	Hawkers from other municipal areas per day	76.90	10%	84.59	
	Flats for the aged	150.00	10.00%	165.00	
<b>6.0</b>	<b>Public Works</b>				
	<b>Sundry Tariffs</b>				
<b>6.1</b>	<b>Services Rendered</b>				
6.1.1	Post level 5: Artisan - calculated from the time he/she left his/her works place until such time he/she returns the his/her works place. <b>(per hour)</b>	160.24	10%	176.26	
	An additional allowance per day is payable if he/she must work outside the municipal area	33.90	10%	37.29	
6.1.2	Post Level 11 16: Laborers - per day per employee	233.75	10%	257.13	
	An additional allowance per day is payable if he/she must work outside the municipal area	13.53	10%	14.88	
6.1.3	Compressor: Per actual hours worked as per hour meter (including labour & petrol)	143.78	10%	158.16	
6.1.4	Vacuum Tank and Tractor				
	Per hour and	89.80	10%	98.78	
	Per kilometer	3.62	10%	3.98	
	Labour supplied by municipality and is Vacuum Tanker				
	Per hour and	89.80	10%	98.78	
	Per kilometer	35.52	10%	39.07	
6.1.5	Light Vehicles: per kilometer	2.68	10%	2.95	
6.1.6	Graders				
	Per actual hour worked (diesel included)	323.57	10%	355.93	
	Petra Diamonds Mine: Petrol and labour				
6.1.7	Excavator				
	Per actual hour worked (diesel included)	288.07	10%	316.88	
6.1.8	After Hour Calls: per call if less then 30	44.94	10%	49.43	
6.1.9	Bulldozer				
	Per actual hour worked (diesel included)	449.36	10%	494.30	
6.1.10	Tipper Trucks				
	Per hour and	98.78	10%	108.66	
	Per kilometer	8.99	10%	9.89	
6.1.11	Flat Base Trucks per kilometer	11.69	10%	12.86	
6.1.12	Tractors per hour	53.91	10%	59.30	
	Deposit on tractor	403.68	10%	444.05	
6.1.13	Traveling cost of equipment to be paid by				
6.1.14	TLB (Back Hoe)				
	Per actual hour worked (diesel included)	288.07	10%	316.88	
6.1.15	Small trailer per day	121.00	10%	133.10	
6.1.16	Rental of Bo-Mac per day or part thereof	484.00	10%	532.40	
6.2	Road closures per day or part thereof	36.30	10%	39.93	

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<b>7.0</b>	<b>Refuse Removal</b>				
<b>7.1</b>	<b>Refuse Removal Fees</b>				
	<b>Per Month</b>				
	Households	63.16	11.11%	70.18	
	Flats/Town Houses	63.16	11.11%	70.18	
	Businesses / Offices	124.03	10.00%	136.43	
	Abattoir	523.52	10%	575.87	
	Wine Cellar	186.98	10%	205.68	
	Schools and Boarding Schools	127.14	10%	139.85	
	Spoornet	168.28	10%	185.11	
	Crèches	63.16	11.11%	70.18	
	Churches	37.39	10%	41.13	
	Households - Combined with Business	84.70	10%	84.70	
	Other	112.18	10%	123.40	
	Empty Erven - Availability	37.39	10%	41.13	
	Refuse bags	2.88	10%	3.17	
7.1.1	An approved refuse drum is one which has two handles and the drums must be supplied by the consumer at own cost.				
7.1.2	If one drum is not sufficient the consumer must supply more drums.				
7.1.3	The Health Inspector of the municipality will determine whether a drum is according to the specifications				
7.1.4	The consumer has the choice to remove his/her garden refuse to an approved dumping site or he/she can place it with their normal refuse on a weekly basis. No additional fees are payable.				
7.1.5	Bulk refuse and/or building rubble will be removed per load. (Load - 4m3)	134.40	10%	147.84	
7.1.6	Refuse Removals will be done as per newsletter				
<b>7.2</b>	<b>Cleaning of empty sites</b>				
	Sites smaller than 600m2	420.01	10%	462.01	
	Sites larger than 600m2 but smaller than 1 500m2	655.20	10%	720.72	

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<b>7.3</b>	<b>Sewerage Tariffs</b>				
	<b>Per Month</b>				
	Households	63.16		11.11%	70.18
	Flats/Town Houses	63.16		11.11%	70.18
	Businesses / Offices	112.18		10%	123.40
	Abattoir	4 524.77		10%	4 977.25
	Wine Cellar	925.13		10%	1 017.64
	Schools and Boarding Schools	441.32		10%	485.45
	Petra Diamonds Security Area	4 487.38		10%	4 936.12
	Spoornet	168.28		10%	185.11
	Department of Justice	841.39		10%	925.53
	Crèches	63.85		8.65%	69.37
	Churches	37.39		10%	41.13
	Households - Combined with Business	72.60		10%	72.60
	Sucking Points - each	112.18		10%	123.40
	Old Age Flats	58.38		8.65%	63.43
	Garages	140.24		10%	154.26
	Others	112.18		10%	123.40
	Empty Erven - Availability	37.39		10%	41.13
	Buckets	-		10%	-
	<b>Note: Sewer blockages at abattoirs-each</b>	839.96		10%	923.96
	<b>Residential sewer blockages</b>				
	Per household sharing manhole	48.40	-	10%	48.40
	Per household not sharing manhole	193.60	-	10%	193.60
	Rental of suction pump per hour (including petrol)	121.00		10%	133.10
	Sewerage connection	726.00		10%	798.60

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<b>7.5</b>	<b>Town Halls and Offices</b>				
	Town Halls: Jacobsdal, Koffiefontein, Luckhoff & Petrusburg - rent and deposits				
7.5.1	Weddings, Receptions and Banquets (excluding dancing)				
	Residents	217.62	10%	239.38	
	Non- Residents	362.70	10%	398.97	
7.5.2	As above and include dancing				
	Residents: rent	290.16	10%	319.18	
	Residents: deposit	725.40	10%	797.94	
	Non- Residents: rent	580.32	10%	638.35	
	Non- Residents: deposit	1 015.55	10%	1 117.11	
7.5.3	Dances	-		-	
	Residents: rent	362.70	10%	398.97	
	Residents: deposit	725.40	10%	797.94	
	Non- Residents: rent	725.40	10%	797.94	
	Non- Residents: deposit	1 015.55	10%	1 117.11	
7.5.4	Bioscope: Rent-Residents	108.81	10%	119.69	
	Non Residents	217.62	10%	239.38	
7.5.5	Charity: Rent	-		-	
7.5.6	Churches	-		-	
	Residents: rent	87.04	10%	95.74	
	Non- Residents: rent	217.62	10%	239.38	
	Deposit	290.16	10%	319.18	
<b>7.6</b>	<b>Concerts and Theater</b>				
7.6.1	Local Amateurs				
	Residents: rent	101.55	10%	111.71	
	Residents: deposit	725.40	10%	797.94	
	Non- Residents: rent	217.62	10%	239.38	
	Non- Residents: deposit	1 015.55	10%	1 117.11	
7.6.2	School Concert				
	Residents: rent	50.79	10%	55.87	
	Non- Residents: rent	290.16	10%	319.18	
	Deposit	725.40	10%	797.94	
7.6.3	Traveling Theater				
	Non- Residents: rent	290.16	10%	319.18	
	Non- Residents: deposit	1 015.55	10%	1 117.11	

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<b>7.7</b>	<b>Meetings, Exhibitions and Tables</b>				
7.7.1	Political Meetings				
	Residents: rent	43.53	10%	47.88	
	Non- Residents: rent	43.53	10%	47.88	
7.7.2	Political Committee Meetings				
	Residents: rent	43.53	10%	47.88	
	Non- Residents: rent	43.53	10%	47.88	
7.7.3	Meetings/Gatherings				
	Residents: rent	87.04	10%	95.74	
	Non- Residents: rent	217.62	10%	239.38	
7.7.4	Educational. Schools, VLU and OVV				
	Residents: rent	-		-	
	Non- Residents: rent	72.55	10%	79.81	
7.7.5	Exhibitions between 20:00 and 09:00				
	Residents: rent	290.16	10%	319.18	
	Non- Residents: rent	870.47	10%	957.52	
7.7.6	Tables and chairs are free of charge on condition that it can only be used within municipal properties	-		-	
7.7.7	Application for parties, church services and other function not mentioned above will be submitted to an ad-hoc committee existing out of the Mayor or Chairperson of the Finance Committee, a Councilor and the Municipal Manager for consideration and if approved the applicable fee				
<b>8</b>	<b>Library Halls</b>				
8.1	Deposit	145.08	10%	159.59	
<b>8.2</b>	<b>Rent per occasion</b>				
8.2.1	Farewell parties, Song Competitions & Film Shows	72.55	10%	79.81	
8.2.2	Theater Dance	72.55	10%	79.81	
8.2.3	Meetings	72.55	10%	79.81	
8.2.4	Charity	-		-	
8.2.5	School Functions (With supervision from school)	-		-	
8.2.6	Any other purpose	101.55	10%	111.71	

LETSEMENG LOCAL MUNICIPALITY  
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<b>9.0</b>	<b>Electricity</b>				
<b>9.1</b>	<b>Electricity Service</b>				
	<b>Tariff 1</b>				
<b>9.1.1</b>	<b>Households, Flats and Houses (Conventional Meters)</b>				
9.1.1.1	A fixed service levy per consumption month or part thereof plus	123.66	11.03%	137.30	
9.1.1.2	Consumption per kW.h 0 - 50 kWh			0.63	
	51 - 350 kWh			0.79	
	351 - 600 kWh			1.04	
	> 600 kWh			1.25	
9.1.2	Temporary User Tariff per kW.h	1.79	11.03%	1.99	
	Minimum Fee	5.77	11.03%	6.41	
9.1.3	Pre-paid User Tariff: Residential per kW.h			-	
	Consumption per kW.h 0 - 50 kWh			0.65	
	51 - 350 kWh			0.80	
	351 - 600 kWh			1.05	
	> 600 kWh			1.25	
	<b>Tariff 2</b>				
<b>9.2</b>	<b>Spoornet</b>				
9.2.1	A fixed service levy per consumption month or part thereof plus	248.15	11.03%	275.52	
9.2.2	Consumption per kW.h	1.19	11.03%	1.32	
	<b>Tariff 3</b>				
9.3.1	<b>All other users not mentioned above, businesses and offices (conventional meters)</b>				
9.3.1.1	A fixed service levy per consumption month or part thereof plus	248.15	11.03%	275.52	
9.3.1.2	Consumption per kW.h	1.19	11.03%	1.32	
9.3.1.3	Pre-paid User Tariff: per kW.h	1.20	11.03%	1.33	

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	<b>Tariff 4</b>				
<b>9.4</b>	<b>Bulk Users</b>				
	This tariff is applicable on all users whose maximum demand is over 35 KVA in any 30 minute period in a consumption month.				
9.4.1	A minimum of 35 KVA @ R57.25/KVA = R3 003.75 per month or part thereof plus,				
	Per KVA	130.03	11.03%	144.37	
	Minmium	4 309.21	11.03%	4 784.52	
9.4.2	Per KVA above 35 KVA, plus	130.03	11.03%	144.37	
9.4.3	kW.h consumption per consumption month or part thereof	0.44	11.03%	0.49	
	<b>Tariff 5</b>				
<b>9.5</b>	<b>Bulk Users – that use less than 10 000 kW.h per month,</b>				
	This tariff is applicable on all consumers whose maximum demand is over 50KVA for any period of 30 minutes in a consumption month.				
9.5.1	A fixed service levy per month; plus	2 928.07	11.03%	3 251.04	
9.5.2	kW.h consumption per consumption month or part thereof	0.91	48.00%	1.35	
	<b>Tariff 6</b>				
	<b>Provision to areas outside the municipal area</b>				
	The provision of electricity to user's whose premises are not within the municipal area, will be handled under the same conditions and tariffs as those of the same category user within the municipal area on the condition that a levy of maximum 25% be added to the monthly account.				
	<b>Tariff 7</b>				
	<b>Municipal Consumption</b>				
	Consumption per kW.h	0.98	18.00%	1.16	
	<b>Tariff 8</b>				
	<b>Increases by ESKOM</b>				
	If ESKOM increases the purchase price of electricity, the municipality can increase its tariffs after a council resolution has been obtained by the same percentage increase as that of ESKOM and shall not be more than 30% at any given time. The increase can also not be earlier than the implementation date of ESKOM.				

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	<b>Tariff 9</b>				
	<b>Empty erven and erven where the electricity supply where taken out.</b>				
		37.54		10%	41.29
	An amount of R41.29 per month is payable for each erf (except if the erf is part of land belonging to the Government) which is not connected to the electricity network of the municipality and is adjacent to a street or part of a street in which the electricity supply is available. This tariff is also applicable where the owner has requested that the electricity supply must be removed				
	<b>Tariff 10</b>				
<b>10.1</b>	<b>Electricity Connections</b>				
10.1.1	Residential Connections per connection	3 024.40		10%	3 326.84
10.1.2	Other connections per connection	5 040.65		10%	5 544.72
10.1.3	The installation of a 3 phase meter (pre-paid or conventional). Additional cost per connection	4 032.52		10%	4 435.77
10.1.4	The change to or installation of a single phase pre-paid meter per connection (additional cost)	907.32		10%	998.05
10.1.5	The connection fees of indigents and poor households are subsidised out of the Equitable Share at 100% and 50% respectively				
<b>10.2</b>	<b>Deposits</b>				
	Deposits for all residential and other users are payable according to the Council's Credit Control Policy				
	Increases of deposits will be done within the electricity provision regulations and the credit control policy				
	Indigents will not pay any deposits				
	Poor households will only pay 50% of the relevant deposit				



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<b>10.3</b>	<b>Reconnections and special meter</b>				
	Per application and in cases of late payments	60.49	10%	66.54	
<b>10.4</b>	<b>Installation Tests</b>				
	First Test	50.44	10%	55.48	
	Per test thereafter	60.49	10%	66.54	
<b>10.5</b>	<b>Telephonic Reminders per call</b>	10.11	10%	11.12	
<b>10.6</b>	<b>Call outs:</b>				
	The costs will be added to the monthly consumer account if it can not be paid during the call out				
10.6.1	During Working Hours:				
	Per Call	50.44	10%	55.48	
	Labour per hour	110.91	10%	122.00	
	Material for the cost of the consumer				
10.6.2	After Hours:				
	Per Call	76.09	10%	83.70	
	Labour per hour	193.15	10%	212.47	
	Material for the cost of the consumer				
10.6.3	Sundays and Public Holidays				
	Per Call	93.64	10%	103.00	
	Labour per hour	257.52	10%	283.27	
	Material for the cost of the consumer				
10.6.4	Call outs after hours are only applicable if there is no electricity				
10.6.5	Petra Diamonds Mine personnel or owners of houses	-		-	
	Only requests from home owners will receive attention but personnel from Petra Diamonds Mine can through the mines security office request help in the case of an emergency				

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<b>11.0</b>	<b>Water Tariffs</b>				
<b>11.1</b>	<b>Residential</b>				
	0 - 6KL	-	10%	-	
	7-30 KL	5.00	8%	5.40	
	31-50 KL	7.29	5%	7.65	
	>50 KL	8.41	0%	8.41	
	Fixed Levy	37.74	10%	41.51	
<b>11.2</b>	<b>Flats for the Old Age</b>				
	Fixed Levy: per month	37.74	10%	41.51	
<b>11.3</b>	<b>Industries (In Industrial Area)</b>				
	Fixed Levy	471.89	10%	519.08	
	Per Kiloliter	5.51	15%	6.34	
<b>11.4</b>	<b>Users not Mentioned</b>				
	Fixed Levy: per month	113.26	10%	124.59	
	Per Kiloliter	5.60	15%	6.44	
<b>11.7</b>	<b>Petra Diamonds Mine: Purified Water</b>				
	Fixed Levy: per month	471.89	10%	519.08	
	Per Kiloliter	5.51	15%	6.34	
<b>11.8</b>	<b>Schools, Chreches and Boarding Schools</b>				
	Fixed Levy: per month	107.03	10%	117.73	
	Per Kiloliter	5.51	15%	6.34	
<b>11.9</b>	<b>Municipal Usages</b>				
	Per Kiloliter	5.09	10%	5.60	
<b>11.10</b>	<b>Empty Erven (excluding Government Land)</b>				
	Fixed Levy: per month	33.91	10%	37.30	
<b>11.11</b>	<b>Chanal Water ( Jacobsdal)</b>				
	Levy per hour	182.99	10%	201.29	
<b>11.5</b>	<b>Pre-paid System</b>				
	Non-residential	4.66	10%	5.13	
<b>11.6</b>	<b>Pre-paid System</b>				
	Residential (0-6KI Free)	7.63	10%	8.39	
<b>11.7</b>	<b>Water connection</b>	726.00	10%	798.60	
	<b>All the above tariffs excludes VAT</b>				

**Draft Integrated Development Programme**