

MMUSO WA BATHO BATHONG

“YOU BELONG, WE CARE”



EMFULENI LOCAL MUNICIPALITY

MULTI-YEAR BUDGET

2007/2008-2009/2010

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**ITEM A919
OPERATING AND CAPITAL BUDGET 2007-2008
AND MULTI YEAR BUDGET 2009-2010
2006-2011 MAYORAL TERM**

1. Introduction

In terms of the Municipal Finance Management Act 56 of 2003 (MFMA), a municipality may incur an expenditure, only in terms of the approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.

Section 16 and 24 of the Act sets out the conditions for the tabling and adoption of an Annual Budget. These Sections read in part:

“Annual Budget”

16. (1) The council of a municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.

“Approval of Annual Budgets”

24. (1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

2. Budget Process

The 2007-2008 Multi Year Budget was compiled in accordance with the “Draft Strategic Budget Policy” which will form part of the final budget documents (as part of the budget related policies). The Strategic Budget Policy focuses on a “zero-based budget” approach. This approach starts with the Operational Plan (that is based on objectives and deliverables from the high level business plan and the IDP), and estimates the expenditures necessary to execute the plan. All cost centers (in each cluster) submitted operational plans which were utilized to compile the 2007-2008 annual budget.

The tabling of this budget is a culmination of the budget process which started in July 2006 with the review of the 2005/06 budget process and tabling of the budget timetable before Council in August 2006. Many processes were undertaken both politically and administratively, amongst others, consultation with the communities, Strategic managers and cost center managers.

In terms of the MFMA, the Council of a municipality must for each financial year approve an annual budget 30 days before the start of that financial year. In order to comply with the abovementioned provision, the Mayor must table a draft annual budget at a council meeting 90 days before the start of the financial year. The draft budget was duly table and referred for public consultation by Council on the 31 March 2007.

A municipality is expected to table a balance and credible budget which is based on realistic estimates of revenue to be collected, taking into account both actual revenue collected in the past 2005/06 budget year and the revenue projection of the current 2006/07 budget year and must ensure that their IDP is revised to be consistent with the three year budget cycle. The final draft budget must be tabled and approved by council 30 days before the start of the financial year. The current budget is based on realistic estimates of revenue to be collected, in line with MFMA.

3. Budget Executive Summary

In total, the operating budget for the 2007/08 financial year amounts to R1 819 667 075 which represents an increase of R353 990 297 (24.15%) above the 2006/07 approved budget. The budgets for the two outer years, namely, 2008/09 and 2009/10 budgets amounts to R1 856 805 596 and R1 971 807 831 respectively, resulting in an average increase of 2% (2008/09) and an increase of 6% (2009/10) respectively. A total of R53 291 354 has been budgeted for in 2007/8 filling critical vacancies (institutional capacity building) and special project which are budgeted for at R85 980 292 in order to accelerate service delivery.

The 2007/8 has been aligned with the five local government KPI's with 52% of the budget allocated geared towards service delivery, 5% alleviation of poverty, 12% towards safety and security, 9% towards repairs and maintenance, 6% towards infrastructure development and 1% for financial viability and deepening democracy respectively. Emfuleni Local Municipality has budgeted revenue of R1 807 677 075 for the 2007/08 with 79% of the revenue generation from council operations and 21% from Government grant and subsidies.

3.1 Cross Subsidization

Cross subsidization across the services takes place by means of trading services surplus being utilized (mainly water and electricity) to subsidize other non income generating municipal services like roads, parks, libraries etc and to alleviate the pressure on the rates tariff increase.

Cross subsidization generated from trading services was as follows:

- Electricity R75 130 301
- Water & Sewer R57 591 609

3.2 Free Basic Services and Financial Implication

Emfuleni Local Municipality embarked on an extensive indigent's registration project in September 2006. A total of 36 000 household submitted application for registration and the capturing was completed in March 2007. The council in is the process to verify all application prior to approval. In terms of the indigent policy, the municipality provides the following free basic services to all indigent households:

- 6 kiloliter free water (all households)
- Additional 14kl of water (registered indigent households)
- 50 kWh electricity (registered indigent households)
- Free refuse removal (registered indigent households)
- Free Sewer (registered indigent households)
- Free rates and taxes (registered indigent households)

Once the verification is complete and all the 36 000 applications (households) are found to be genuine indigents, the municipality will require a total of approximately R 143 000 000 to be able to fully subsidize these households. A total amount of R77 000 000 has been provided for from equitable share to cover the indigent subsidization. The shortfall will be funded during the adjustment budget once the verification is complete and the actual amount quantified.

The following is an estimate of water and electricity subsidization:

- Water R 81 734 400
- Electricity R 13 584 000

3.3. Tariff Increases

Municipalities must ensure that the tariff increases rates are within inflation targets, and do not undermine the macro-economic objectives or negatively affect the investor confidence. Emfuleni in particular is cautious not to extend the rates and taxes in a manner that may impact negatively on residential, agricultural, mining and industrial sector. Municipalities are urged to ensure that national economic, tax and fiscal policy objectives are not undermined through excessive municipal rates.

With the above economic fundamentals in mind, the following tariff increases are proposed for implementation effective from 01 July 2007:

- Rates and Taxes 5.5%
- Water 5.5%
- Electricity 5.6%
- Sewer tariff 5.5% (and amendment of tariff structure)
- Cemeteries 7%
- Sundry Tariffs 5%

In this submission, the Draft Strategic Budget policy document will also be tabled for approval

4. Budget Related Resolutions

The Municipal Finance Management Act (MFMA) No 56 of 2003 requires the municipality to table and adopt budget resolutions. Council resolves that the draft annual budget of the Emfuleni Local Municipality for the financial year 2007/08 and the indicative two projected outer years 2008/09 and 2009/10 be approved as set out in the following schedules:

- Operating Budget by source reflected in **Table 1**
- Operating expenditure by category **Table 2**
- Capital Funding by source reflected in **Table 3**
- Capital appropriations and associated funding reflected on **Table 4 and 5**

Recommendations

It is recommended that:

- a) Council resolve that the proposed property rates and taxes tariffs with an average increase of 5.5% be approved for implementation effective from 01 July 2007.
- b) Council resolve that the proposed electricity tariff increase of 5.6% be approved for implementation effective from 01 July 2007.
- c) Council resolve that the proposed water tariff increase of 5.5% be approved for implementation effective from 01 July 2007.
- d) Council resolve that sundry tariff increase of 5% be approved for implementation effective from 01 July 2007.
- e) Council resolve that the proposed capital contribution charge (for bulk infrastructure) increase of 5.5% be approved for implementation effective from 01 July 2007
- f) Council resolve that Cemeteries increase of 7% be approved for implementation effective from 01 July 2007.
- g) Council resolve that the Strategic budget policy document as be approved as part of the budget related policies
- h) Council resolves to adopt and implement the Integrated Development Plan
- i) Council notes the SDBIP will be prepared in line with Section 69 of the MFMA for subsequent approval by the Mayor.

2. TARIFFS

Tariff Increases

The following is a table of the tariff increase that have been used in the establishment of the 2007/2008 budget preparation. The tariff reports will be submitted to Council at the same time as the submission for the approval.

Department	Percentage Increase
1. Financial Services	
1.1 Sundry Tariffs	5%
1.2 Refuse Removal	5,5%
1.3 Assessment Rates	5,5%
1.4 Rental Municipal Flats	5%
2. Engineering Services	
2.1 Electricity	5,6%
2.2 Building Plan and Building related fees	5%
2.3 Plan copy fees	5%
2.4 Sundry Tariffs [Refuse Removal and disposal]	5%
2.5 Water	5.5%
2.6 Cemeteries	7%
3. Corporate Services	
3.1 Determination of tariffs: Municipal Halls	5%
4. Development Planning & LED	
4.1 Advertising tariffs and Temporary advertising	5%
4.2 Determination of Town Planning Fees	5%
4.3 Approval of Tariffs: Property Section	5%
5. Public Safety and Security	
5.1 Hiring of Plants	5%
5.2 Mpho Sipiwe, Boipatong and Bophelong Community Halls	5%
5.3 Saul Tsotetsi Sport and Recreation	5%
5.4 Recreational Resort and Caravan Parks	5%
5.5 Public Swimming Pools	5%
5.6 Health and Social Development	5%
5.7 Fire brigade and Rescue Services	5%
5.8 Miscellaneous Tariffs: Traffic Division	5%
5.9 Library and Information Services.	5%

Electricity tariff

The electricity tariffs increases are regulated by the National Electricity Regulator (NER). The guideline set by the NER for the next financial year is 4,4%. The guideline also allows for an additional increase, which can be applied for, that will be used for the implementation of maintenance/refurbishment programs. Emfuleni is in the process of making an application for an additional increase of, 1,2% that will be used for such a program. The budget therefore reflects a rate increase of 5,6% for the 2007/08 budget year.

3. OPERATING BUDGET 2007/2008-2009/2010

EMFULENI LOCAL MUNICIPALITY 2007/2008 MULTI-YEAR OPERATING BUDGET SUMMARY

EXPENDITURE:

	Actual	Budget	Budget	Percentage	Forecast	Forecast
	2005/06	2006/07	2007/08	Change	2008/09	2009/10
5100 00 POLITICAL OFFICES	R 91,144,823	R 72,107,996	R 173,322,784	140.37%	R 36,533,618	R 38,036,755
5200 00 OFFICE OF THE MUNICIPAL MANAGER	R 4,023,687	R 13,242,955	R 18,554,678	40.11%	R 18,768,940	R 20,677,116
5300 00 CLUSTER FINANCIAL SERVICES	R 54,176,748	R 127,325,130	R 264,457,140	107.70%	R 187,189,227	R 187,119,125
5400 00 CLUSTER MANAGEMENT SUPPORT SERVICE	R 17,065,503	R 28,673,709	R 38,180,875	33.16%	R 40,205,261	R 42,397,526
5500 00 ENGINEERING SERVICES	R 539,667,987	R 669,810,355	R 690,860,698	3.14%	R 703,449,535	R 717,123,363
5520 00 METSI A LEKOA	R 266,594,070	R 384,842,148	R 412,258,685	7.12%	R 445,606,183	R 473,278,958
5600 00 DEVELOPMENT PLANNING	R 25,758,142	R 26,036,910	R 29,874,234	14.74%	R 31,858,271	R 34,539,270
5700 00 PUBLIC SAFETY & COMM. DEVELOPMENT	R 105,411,236	R 143,637,575	R 192,167,981	33.79%	R 205,066,718	R 217,724,492
GRAND TOTAL (EXPENDITURE)	R 1,103,842,196	R 1,465,676,778	R 1,819,677,075	24.15%	R 1,668,677,753	R 1,730,896,605

INCOME:

	Actual	Budget	Budget	Percentage	Forecast	Forecast
	2005/06	2006/07	2007/08	Change	2008/09	2009/10
5100 00 POLITICAL OFFICES	-R 240,143,632	-R 258,894,176	-R 282,017,782	8.93%	-R 292,986,516	-R 304,190,063
5200 00 OFFICE OF THE MUNICIPAL MANAGER	R 0	R 0	R 0	0.00%	R 0	R 0
5300 00 CLUSTER FINANCIAL SERVICES	-R 188,364,200	-R 223,557,420	-R 372,003,290	66.40%	-R 370,465,722	-R 445,226,184
5400 00 CLUSTER MANAGEMENT SUPPORT SERVICE	-R 134,350	-R 2,600,972	-R 2,112,000	-18.80%	-R 2,113,000	-R 2,114,000
5500 00 ENGINEERING SERVICES	-R 582,766,463	-R 619,795,900	-R 646,165,840	4.25%	-R 650,284,574	-R 654,552,876
5520 00 METSI A LEKOA	-R 360,867,136	-R 448,355,239	-R 470,461,914	4.93%	-R 493,971,631	-R 518,661,213
5600 00 DEVELOPMENT PLANNING	-R 5,119,517	-R 4,498,068	-R 5,579,947	24.05%	-R 5,607,051	-R 5,635,918
5700 00 PUBLIC SAFETY & COMM. DEVELOPMENT	-R 36,289,379	-R 35,498,671	-R 41,336,301	16.44%	-R 41,377,102	-R 41,427,577
GRAND TOTAL (INCOME)	-R 1,413,684,677	-R 1,593,200,446	-R 1,819,677,075	14.22%	-R 1,856,805,596	-R 1,971,807,831
(SURPLUS) / DEFICIT	-R 309,842,481	-R 127,523,668	R 0	-100.00%	-R 188,127,843	-R 240,911,225

EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
POLITICAL OFFICES
EXPENDITURE

	Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5100 00 OFFICE OF THE EXECUTIVE MAYOR							
5101	01 EXECUTIVE MAYOR ADMINISTRATION	R 5,479,685	R 8,922,953	R 10,009,010	12.17%	R 10,429,583	R 10,933,324
5102	01 SPEAKER ADMINISTRATION	R 2,952,403	R 2,882,006	R 7,239,574	151.20%	R 6,020,072	R 5,803,751
5103	01 MMC - SPORT ART AND CULTURE	R 462,688	R 517,003	R 704,937	36.35%	R 755,639	R 806,883
5103	02 MMC - HOUSING AND COMMUNITY DEVELOPMENT	R 399,406	R 480,222	R 469,700	-2.19%	R 504,502	R 539,753
5103	03 MMC - WATER SANITATION ELECTRICITY	R 552,353	R 425,606	R 639,668	50.30%	R 680,196	R 717,371
5103	04 MMC - HUMAN RESOURCES	R 402,516	R 781,715	R 433,129	-44.59%	R 461,231	R 489,782
5103	05 MMC - FINANCE AUDITING AND ADMINISTRATION	R 615,566	R 334,582	R 706,579	111.18%	R 751,654	R 797,486
5103	06 MMC - PUBLIC SAFETY AND SECURITY	R 437,540	R 478,065	R 499,800	4.55%	R 540,802	R 582,353
5103	07 MMC - HEALTH AND WELFARE	R 395,052	R 486,306	R 486,761	0.09%	R 524,563	R 563,814
5103	08 MMC - WASTE MANAGEMENT AND ENVIRONMENT	R 537,833	R 707,079	R 667,229	-5.64%	R 719,133	R 791,816
5103	09 MMC - LED URBAN DEVELOP & TOURISM	R 404,844	R 486,309	R 492,200	1.21%	R 533,502	R 575,253
5103	10 MMC - PUBLIC TRANS ROADS & PUBLIC WORKS	R 399,473	R 491,126	R 489,876	-0.25%	R 522,978	R 556,529
5103	11 CHIEF WHIP	R 160,399	R 599,428	R 1,161,893	93.83%	R 1,207,668	R 1,250,045
5104	01 COUNCILLORS	R 8,177,508	R 10,423,493	R 12,039,214	15.50%	R 12,772,880	R 13,519,379
5104	02 GENERAL EXPENDITURE COUNCIL	R 69,767,557	R 44,092,103	R 137,283,214	211.36%	R 109,215	R 109,216
TOTAL EXPENDITURE		R 91,144,823	R 72,107,996	R 173,322,784	140.37%	R 36,533,618	R 38,036,755

INCOME

	Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5100 00 OFFICE OF THE EXECUTIVE MAYOR							
5101	01 EXECUTIVE MAYOR ADMINISTRATION			R 0		R 0	R 0
5102	01 SPEAKER ADMINISTRATION			R 0		R 0	R 0
5103	01 MMC - SPORT ART AND CULTURE			R 0		R 0	R 0
5103	02 MMC - HOUSING AND COMMUNITY DEVELOPMENT			R 0		R 0	R 0
5103	03 MMC - WATER SANITATION ELECTRICITY			R 0		R 0	R 0
5103	04 MMC - HUMAN RESOURCES			R 0		R 0	R 0
5103	05 MMC - FINANCE AUDITING AND ADMINISTRATION			R 0		R 0	R 0
5103	06 MMC - PUBLIC SAFETY AND SECURITY			R 0		R 0	R 0
5103	07 MMC - HEALTH AND WELFARE			R 0		R 0	R 0
5103	08 MMC - WASTE MANAGEMENT AND ENVIRONMENT			R 0		R 0	R 0
5103	09 MMC - LED URBAN DEVELOP & TOURISM			R 0		R 0	R 0
5103	10 MMC - PUBLIC TRANS ROADS & PUBLIC WORKS			R 0		R 0	R 0
5103	11 CHIEF WHIP			R 0		R 0	R 0
5104	01 COUNCILLORS			R 0		R 0	R 0
5104	02 GENERAL EXPENDITURE COUNCIL	-R 240,143,632	-R 258,894,176	-R 282,017,782	8.93%	-R 292,986,516	-R 304,190,063
TOTAL INCOME		-R 240,143,632	-R 258,894,176	-R 282,017,782	8.93%	-R 292,986,516	-R 304,190,063

EMFULeni LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
EXPENDITURE

	Department	Actual	Budget	Budget	Percentage	Forecast	Forecast	
		2005/06	2006/07	2007/08	Change	2008/09	2009/10	
5200	00	OFFICE OF THE MUNICIPAL MANAGER						
5201	01	Municipal Manager Administration	R 443,150	R 5,190,403	R 9,513,770	83.30%	R 10,518,823	R 11,901,780
5201	02	Chief Operations Officer	R 357,622	R 150,785	R 64,417	-57.28%	R 67,158	R 70,179
5201	03	Internal Audit	R 1,045,026	R 3,900,000	R 1,798,568	-53.88%	R 1,898,969	R 2,002,043
5201	04	IDP Office	R 827,162	R 2,039,999	R 2,853,555	39.88%	R 3,083,355	R 3,314,328
5201	05	Intergovernmental Relations	R 656,609	R 30,768	R 60,121	95.40%	R 62,712	R 65,523
5201	06	Project Management Unit	R 694,118	R 1,917,000	R 4,220,647	120.17%	R 3,092,253	R 3,275,423
5201	07	Performance Management Unit	R 0	R 14,000	R 43,600	211.43%	R 45,670	R 47,840
TOTAL CLUSTER		R 4,023,687	R 13,242,955	R 18,554,678	40.11%	R 18,768,940	R 20,677,116	

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
EXPENDITURE**

	Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5300	00	CLUSTER FINANCIAL SERVICES					
5301	00	STRATEGIC MANAGER FINANCIAL SERVICES					
5301	01	R 3,360,855	R 5,726,844	R 6,956,971	21.48%	R 7,309,153	R 7,675,494
5301	02	R 1,436,123	R 5,473,945	R 9,239,183	68.78%	R 13,327,204	R 11,070,307
5301	03	R 1,005,017	R 1,930,036	R 53,158,019	2654.25%	R 3,351,485	R 3,548,384
	TOTAL DEPARTMENT	R 5,801,995	R 13,130,825	R 69,354,173	428.18%	R 23,987,842	R 22,294,185
5302	00	INCOME					
5302	01	R 6,115,345	R 9,609,185	R 14,250,766	48.30%	R 14,941,052	R 15,671,501
5302	02	R 4,098,068	R 5,563,254	R 16,915,860	204.06%	R 9,194,604	R 7,647,516
5302	03	R 1,981,678	R 1,276,335	R 708,654	-44.48%	R 750,557	R 793,028
5302	04	R 3,560,880	R 5,731,973	R 9,939,643	73.41%	R 10,468,540	R 11,020,538
	TOTAL DEPARTMENT	R 15,755,971	R 22,180,747	R 41,814,923	88.52%	R 35,354,753	R 35,132,583
5303	00	DEBT COLLECTION					
5303	01	R 5,506,370	R 8,111,906	R 13,331,285	64.34%	R 13,199,598	R 13,696,141
	TOTAL DEPARTMENT	R 5,506,370	R 8,111,906	R 13,331,285	64.34%	R 13,199,598	R 13,696,141
5304	00	EXPENDITURE					
5304	01	R 1,497,430	R 2,237,389	R 2,111,645	-5.62%	R 2,239,541	R 2,369,829
5304	02	R 1,276,585	R 2,008,589	R 1,377,322	-31.43%	R 1,408,018	R 1,489,594
5304	03	R 1,828,285	R 2,432,212	R 935,413	-61.54%	R 987,447	R 1,040,014
5304	04	R 754,647	R 2,517,300	R 2,704,480	7.44%	R 2,861,843	R 3,022,661
	TOTAL DEPARTMENT	R 5,356,947	R 9,195,490	R 7,128,860	-22.47%	R 7,496,849	R 7,922,098
5305	00	FINANCIAL CONTROL					
5305	01	R 6,683,932	R 10,119,110	R 9,167,752	-9.40%	R 9,640,544	R 10,136,767
	TOTAL DEPARTMENT	R 6,683,932	R 10,119,110	R 9,167,752	-9.40%	R 9,640,544	R 10,136,767

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
EXPENDITURE**

	Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5306	00 RISK MANAGEMENT AND GRANTS						
5306	01 Admin Grants, Funds, Provisions & GAMAP	R 14,747,918	R 60,067,057	R 119,036,247	98.17%	R 93,218,932	R 93,418,933
	TOTAL DEPARTMENT	R 14,747,918	R 60,067,057	R 119,036,247	98.17%	R 93,218,932	R 93,418,933
5307	00 SUPPLY CHAIN MANAGEMENT						
5307	01 Procurement	R 323,615	R 4,519,995	R 3,000,269	-33.62%	R 3,163,561	R 3,326,708
	TOTAL DEPARTMENT	R 323,615	R 4,519,995	R 3,000,269	-33.62%	R 3,163,561	R 3,326,708
5308	00 RISK MANAGEMENT						
5308	01 Risk Management	R 0	R 0	R 1,623,631	100.00%	R 1,127,148	R 1,191,710
	TOTAL DEPARTMENT	R 0	R 0	R 1,623,631	100.00%	R 1,127,148	R 1,191,710
	TOTAL CLUSTER	R 54,176,748	R 127,325,130	R 264,457,140	107.70%	R 187,189,227	R 187,119,125

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
EXPENDITURE**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
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5400 00 CLUSTER MANAGEMENT SUPPORT SERVICES

5401	01	Management Support Services Administration	R 214,815	R 1,126,495	R 2,611,469	131.82%	R 3,626,199	R 3,841,284
TOTAL DEPARTMENT			R 214,815	R 1,126,495	R 2,611,469	131.82%	R 3,626,199	R 3,841,284

5402 00 HUMAN RESOURCES

5402	01	Personnel Management	R 2,897,432	R 4,268,473	R 5,670,566	32.85%	R 6,295,160	R 6,792,529
5402	02	Organisation & Methods / Work Study	R 282,285	R 927,004	R 3,317,702	257.90%	R 1,837,447	R 1,207,895
5402	03	Training and Development	R 1,783,169	R 3,812,600	R 2,404,105	-36.94%	R 2,484,230	R 2,565,966
5402	04	Occupational Safety & Labour Relations	R 1,488,256	R 3,767,436	R 2,675,764	-28.98%	R 2,834,664	R 3,061,941
5402	05	Employee Assistance Program	R 0	R 0	R 862,000	100.00%	R 905,912	R 944,978
TOTAL DEPARTMENT			R 6,451,142	R 12,775,513	R 14,930,137	16.87%	R 14,357,413	R 14,573,309

5403 00 LEGAL SERVICES

5403	01	Legal Services Administration	R 3,015,488	R 3,024,907	R 5,149,200	70.23%	R 5,949,374	R 6,752,704
TOTAL DEPARTMENT			R 3,015,488	R 3,024,907	R 5,149,200	70.23%	R 5,949,374	R 6,752,704

5404 00 CORPORATE SERVICES

5404	01	Corporate Services Administration	R 1,200,358	R 2,175,755	R 2,530,586	16.31%	R 2,669,743	R 2,820,557
TOTAL DEPARTMENT			R 1,200,358	R 2,175,755	R 2,530,586	16.31%	R 2,669,743	R 2,820,557

5405 00 COMMITTEE SERVICES

5405	01	Committees	R 866,081	R 1,308,940	R 1,639,511	25.25%	R 1,740,203	R 1,841,236
5405	02	Typing and Printing	R 363,115	R 625,929	R 783,719	25.21%	R 802,382	R 822,975
5405	03	Community Liason / Information	R 48,231	R 23,000	R 1,758,680	7546.43%	R 1,863,816	R 1,973,943
TOTAL DEPARTMENT			R 1,277,427	R 1,957,869	R 4,181,910	113.59%	R 4,406,401	R 4,638,154

5406 00 AUXILIARY SERVICES

5406	01	Records	R 1,255,148	R 1,929,958	R 2,273,507	17.80%	R 2,426,623	R 2,582,769
5406	02	Telephone Exchanges	R 1,619,199	R 2,281,030	R 2,743,675	20.28%	R 2,877,027	R 3,111,042
5406	03	Call Centers	R 0	R 0	R 0	0.00%	R 0	R 0
5406	04	Facilities Caretakers (Mun. Buildings)	R 2,031,926	R 3,402,182	R 3,760,391	10.53%	R 3,892,481	R 4,077,707
TOTAL DEPARTMENT			R 4,906,273	R 7,613,170	R 8,777,573	15.29%	R 9,196,131	R 9,771,518

5407 00 EXECUTIVE MANAGER CORPORATE SERVICES

5407	01	Risk Management	R 0	R 0	R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT			R 0	R 0	R 0	0.00%	R 0	R 0

TOTAL CLUSTER			R 17,065,503	R 28,673,709	R 38,180,875	33.16%	R 40,205,261	R 42,397,526
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**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
EXPENDITURE**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
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5500	00	ENGINEERING SERVICES							
5501	00	STRATEGIC MANAGER							
5501	01	Engineering Admin.	R 1,554,704	R 1,201,047	R 20,030,307	1567.74%	R 21,174,278	R 22,327,593	
		TOTAL DEPARTMENT	R 1,554,704	R 1,201,047	R 20,030,307	1567.74%	R 21,174,278	R 22,327,593	
5503	00	SEWER NETWORKS							
5503	01	Main Sewer Networks			R 0		R 0	R 0	
		TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0	
5504	00	ELECTRICITY SERVICES							
5504	01	Electricity Admin	R 2,199,215	R 4,343,415	R 5,713,962	31.55%	R 3,387,122	R 3,528,873	
5504	02	Network Distribution	R 366,474,125	R 458,273,700	R 466,358,587	1.76%	R 467,014,791	R 467,647,819	
5504	03	Streetlights	R 8,868,732	R 8,718,078	R 8,240,638	-5.48%	R 8,403,104	R 8,578,264	
5504	04	Electrical Workshop	R 3,592,645	-R 34,375,780	R 3,034,649	-108.83%	R 3,580,800	R 4,136,516	
		TOTAL DEPARTMENT	R 381,134,717	R 436,959,413	R 483,347,836	10.62%	R 482,385,817	R 483,891,472	
5505	00	WASTE MANAGEMENT							
5505	01	Waste Management Admin	R 3,294,922	R 4,083,061	R 3,795,186	-7.05%	R 4,022,306	R 4,254,026	
5505	02	Refuse Removal	R 54,771,263	R 39,786,373	R 30,842,591	-22.48%	R 32,351,634	R 33,894,087	
5505	03	Mini Dumps	R 2,607,937	R 2,675,092	R 4,797,835	79.35%	R 4,919,482	R 5,044,966	
5505	04	Street Cleaning	R 8,814,233	R 8,767,303	R 9,344,843	6.59%	R 9,881,146	R 10,428,226	
		TOTAL DEPARTMENT	R 69,488,355	R 55,311,829	R 48,780,455	-11.81%	R 51,174,568	R 53,621,305	
5506	00	LANDFILL SITES							
5506	01	Zuurfontein	R 132,148	R 30,000	R 97,423	224.74%	R 102,296	R 107,406	
5506	02	Boitsepi	R 11,271,148	R 6,799,100	R 4,809,154	-29.27%	R 5,047,878	R 5,298,538	
5506	03	Palmsprings	R 1,371,024	R 1,300,000	R 1,365,021	5.00%	R 1,433,272	R 1,504,936	
5506	04	Waldrift	R 968,853	R 1,299,981	R 1,701,600	30.89%	R 1,785,995	R 1,874,610	
		TOTAL DEPARTMENT	R 13,743,173	R 9,429,081	R 7,973,198	-15.44%	R 8,369,441	R 8,785,490	
5507	00	ROADS AND STORMWATER							
5507	01	Roads	R 24,521,161	R 55,481,034	R 45,424,360	-18.13%	R 51,903,604	R 56,358,776	
5507	02	Roads Workshop	R 1,445,449	R 17,094,739	R 14,033,986	-17.90%	R 14,892,797	R 15,762,568	
5507	03	Road Marking Signs	R 2,414,563	R 2,754,572	R 4,289,533	55.72%	R 4,429,979	R 4,733,659	
5507	04	Curbing and Paving	R 8,547,475	R 10,409,803	R 15,291,028	46.89%	R 16,183,989	R 17,118,410	
5507	05	Stormwater / curbing / paving workshop			R 0	100.00%	R 0	R 0	
		TOTAL DEPARTMENT	R 36,928,648	R 85,740,148	R 79,038,907	-7.82%	R 87,410,369	R 93,973,413	
5508	00	TRANSPORT & MECHANICAL							
5508	01	Transport Admin	R 5,228,554	R 6,497,027	R 3,845,274	-40.81%	R 4,022,386	R 4,150,310	
5508	02	Mechanical Workshop	R 3,517,033	R 5,378,684	R 5,636,662	4.80%	R 5,974,859	R 6,315,288	
5508	03	Fleet Maintenance	R 5,693,412	R 53,306,604	R 28,589,818	-46.37%	R 28,777,680	R 29,040,303	
5508	04	Fleet Maintenance Admin	R 3,243	R 6,491	R 99,160	1427.65%	R 104,345	R 108,925	
5508	05	Airport	R 0	R 150,000	R 0	-100.00%	R 0	R 0	
		TOTAL DEPARTMENT	R 14,442,242	R 65,338,806	R 38,170,914	-41.58%	R 38,879,270	R 39,614,826	

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
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Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
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5509	00	BUILDINGS							
5509	01	Building Survey/Inspectors	R 4,921,757	R 5,506,743	R 5,466,784	-0.73%	R 5,798,730	R 6,140,208	
5509	02	Maintenance Workshop	R 2,145,901	R 3,684,230	R 3,935,933	6.83%	R 3,935,104	R 4,166,569	
5509	03	Municipal Offices	R 1,434,307	R 568,856	R 801,439	40.89%	R 877,306	R 956,482	
5509	04	Estates	R 1,190,574	R 202,227	R 384,665	90.21%	R 384,719	R 384,770	
5509	05	Community Services Building	R 6,845,621	R 103,558	R 128,803	24.38%	R 136,916	R 210,279	
5509	06	Duncanville Service Depot	R 636,150	R 71,936	R 79,469	10.47%	R 84,588	R 90,045	
5509	07	Rudi Klopper Building	R 104,303	R 16,095	R 17,000	5.62%	R 18,140	R 19,400	
5509	08	Showgrounds	R 78,821	R 0	R 0	0.00%	R 0	R 0	
5509	09	Vereeniging Offices	R 413,503	R 88,998	R 83,750	-5.90%	R 89,800	R 97,650	
5509	10	Rus-ter-Vaal City Hall	R 81,076	R 35,410	R 30,800	-13.02%	R 34,100	R 37,600	
5509	11	Roshnee City Hall	R 129,895	R 37,072	R 33,500	-9.64%	R 37,100	R 40,800	
5509	12	Sharpville City Hall	R 45,178	R 43,531	R 0	-100.00%	R 0	R 0	
5509	13	Evaton City Hall	R 43,580	R 11,520	R 0	-100.00%	R 0	R 0	
TOTAL DEPARTMENT			R 18,070,666	R 10,370,176	R 10,962,143	5.71%	R 11,396,503	R 12,143,803	
5510	00	CEMETERIES							
5510	01	Cemeteries admin.	R 61,854	R 0	R 675,951	100.00%	R 713,838	R 752,385	
5510	02	Parks/Open Spaces & Grass Cutting	R 4,243,628	R 1,370,654	R 0	-100.00%	R 0	R 0	
5510	10	Cemeteries	R 0	R 4,089,201	R 1,880,987	-54.00%	R 1,945,451	R 2,013,076	
TOTAL DEPARTMENT			R 4,305,482	R 5,459,855	R 2,556,938	-53.17%	R 2,659,289	R 2,765,461	
TOTAL CLUSTER			R 539,667,987	R 669,810,355	R 690,860,698	3.14%	R 703,449,535	R 717,123,363	

**EMFULENI LOCAL MUNICIPALITY
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EXPENDITURE**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5520 00 METSI A LEKOA						
5521 00 METSI OPERATIONS						
5521 01 Director Operations	R 1,006,043	R 660,920	R 4,172,781	531.36%	R 5,243,171	R 6,294,958
TOTAL DEPARTMENT	R 1,006,043	R 660,920	R 4,172,781	531.36%	R 5,243,171	R 6,294,958
5522 00 WATER SERVICES						
5522 01 Water Distribution	R 212,184,782	R 306,473,639	R 311,688,591	1.70%	R 339,258,079	R 361,181,460
5522 02 Water Connections	R 145,496	R 223,500	R 338,391	51.41%	R 359,153	R 381,580
5522 03 Water Workshop	R 4,054,822	R 14,407,875	R 15,826,562	9.85%	R 16,730,676	R 17,672,621
TOTAL DEPARTMENT	R 216,385,100	R 321,105,014	R 327,853,544	2.10%	R 356,347,908	R 379,235,661
5523 00 METSI SEWER SERVICES						
5523 01 Main Sewer Network	R 14,863,499	R 17,358,282	R 37,906,284	118.38%	R 38,831,310	R 39,796,887
5523 02 Sewer Pump Station	R 6,059,095	R 8,896,436	R 7,916,750	-11.01%	R 8,359,941	R 7,904,388
5523 03 Electrical & Mechanical Maintenance	R 2,114,202	R 3,477,886	R 3,474,288	-0.10%	R 3,680,932	R 4,628,822
5523 04 Rietspruit Works	R 2,868,886	R 3,409,323	R 3,397,988	-0.33%	R 3,602,995	R 3,807,696
5523 05 Sebokeng Works	R 6,105,546	R 8,791,010	R 10,100,861	14.90%	R 10,827,886	R 11,564,896
5523 06 Leeukuil	R 4,001,363	R 2,438,787	R 3,583,008	46.92%	R 3,783,443	R 3,988,762
5523 07 Laboratory	R 1,185,550	R 1,656,174	R 1,865,208	12.62%	R 1,934,547	R 2,004,724
TOTAL DEPARTMENT	R 37,198,141	R 46,027,898	R 68,244,387	48.27%	R 71,021,054	R 73,696,175
5530 00 METSI ADMIN						
5530 01 Chief Director	R 1,164,278	R 1,204,968	R 1,108,416	-8.01%	R 1,192,703	R 1,291,089
5530 02 Manager : Customer Care	R 3,990,727	R 7,575,066	R 3,610,386	-52.34%	R 3,924,066	R 4,240,485
5530 03 Director : Financial & Shared Services	R 4,805,574	R 5,539,534	R 4,103,136	-25.93%	R 4,552,811	R 5,034,027
5530 04 Manager : Planning & Projects	R 2,044,207	R 2,728,748	R 3,166,035	16.03%	R 3,324,470	R 3,486,563
TOTAL DEPARTMENT	R 12,004,786	R 17,048,316	R 11,987,973	-29.68%	R 12,994,050	R 14,052,164
TOTAL CLUSTER	R 266,594,070	R 384,842,148	R 412,258,685	7.12%	R 445,606,183	R 473,278,958

**EMFULENI LOCAL MUNICIPALITY
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EXPENDITURE**

	Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10	
5600	00	DEVELOPMENT PLANNING						
5601	00	STRATEGIC MANAGER : DEVELOPMENT PLANNING						
5601	01	Development Planning Admin.	R 2,383,242	R 1,053,040	R 5,491,774	421.52%	R 6,553,610	R 7,615,543
		TOTAL DEPARTMENT	R 2,383,242	R 1,053,040	R 5,491,774	421.52%	R 6,553,610	R 7,615,543
5602	00	LED & TOURISM						
5602	01	LED & Tourism Admin	R 3,334,732	R 3,707,126	R 5,637,095	52.06%	R 5,831,010	R 6,379,244
		TOTAL DEPARTMENT	R 3,334,732	R 3,707,126	R 5,637,095	52.06%	R 5,831,010	R 6,379,244
5603	00	LAND USE MANAGEMENT						
5603	01	Land Use Management Admin	R 4,169,432	R 5,082,477	R 4,695,535	-7.61%	R 4,980,770	R 5,271,055
5603	02	Spatial Planning	R 26,953		R 77,298	100.00%	R 80,622	R 84,250
5603	03	Enviromental Services	R 21,563		R 0	100.00%	R 0	R 0
		TOTAL DEPARTMENT	R 4,217,948	R 5,082,477	R 4,772,833	-6.09%	R 5,061,392	R 5,355,305
5604	00	PROPERTIES						
5604	01	Properties Admin.	R 2,859,918	R 6,255,334	R 3,800,266	-39.25%	R 3,813,307	R 4,033,512
		TOTAL DEPARTMENT	R 2,859,918	R 6,255,334	R 3,800,266	-39.25%	R 3,813,307	R 4,033,512
5605	00	HOUSING						
5605	01	Housing Admin.	R 7,012,526	R 6,822,591	R 8,217,812	20.45%	R 8,678,178	R 9,148,939
5605	02	Sonhof Flats	R 334,877	R 602,800	R 536,090	-11.07%	R 541,811	R 566,169
5605	03	Mimmie Fourie Court	R 523,599	R 170,000	R 194,040	14.14%	R 228,923	R 239,223
5605	04	Roshnee Old Age Home	R 154,145	R 10,688	R 14,850	38.94%	R 15,429	R 16,123
5605	05	129 Houses Rus-ter-Vaal	R 36,896	R 56,423	R 42,000	-25.56%	R 48,000	R 54,090
5605	06	40 Houses Rus-ter-Vaal	R 144,241		R 0	0.00%	R 0	R 0
5605	07	Leeuhof Ext. 1	R 1,092,239	R 134,510	R 141,370	5.10%	R 147,447	R 154,076
5605	08	Hertzhof Flats	R 302,275	R 245,000	R 257,395	5.06%	R 268,461	R 277,600
5605	09	CW5 Low Cost Housing	R 587,375	R 321,178	R 326,021	1.51%	R 208,622	R 216,723
5605	10	Hostels	R 2,548,875	R 1,575,743	R 379,667	-75.91%	R 396,350	R 414,036
		TOTAL DEPARTMENT	R 12,737,048	R 9,938,933	R 10,109,245	1.71%	R 10,533,221	R 11,086,979
5606	00	INTEGRATED DEVELOPMENT PLAN						
5606	01	IDP Coordination (NOT IN USE)	R 29,460		R 0	0.00%	R 0	R 0
		TOTAL DEPARTMENT	R 29,460	R 0	R 0	0.00%	R 0	R 0
5607	00	GEOGRAPHIC INFO. SYSTEMS ADMIN.						
5607	01	Geographic Info. Systems Admin.	R 195,794		R 63,021	100.00%	R 65,731	R 68,687
		TOTAL DEPARTMENT	R 195,794	R 0	R 63,021	100.00%	R 65,731	R 68,687
		TOTAL CLUSTER	R 25,758,142	R 26,036,910	R 29,874,234	14.74%	R 31,858,271	R 34,539,270

**EMFULENI LOCAL MUNICIPALITY
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	Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10	
5700	00	PUBLIC SAFETY & COMM. DEVELOPMENT						
5701	00	STRATEGIC MANAGER						
5701	01	Administration	R 2,190,266	R 1,102,890	R 23,268,493	2009.77%	R 24,342,786	R 25,423,682
		TOTAL DEPARTMENT	R 2,190,266	R 1,102,890	R 23,268,493	2009.77%	R 24,342,786	R 25,423,682
5702	00	SPORTS AND RECREATION						
5702	01	Sports & Recreation Admin	R 1,588,147	R 1,734,787	R 1,789,406	3.15%	R 1,875,387	R 1,961,725
5702	02	Sports Facilities-Indoor & Outdoor	R 5,632,669	R 5,403,817	R 7,513,887	39.05%	R 7,957,978	R 8,412,719
5702	03	Swimming Pools	R 4,135,176	R 4,602,386	R 5,435,940	18.11%	R 5,770,928	R 6,090,621
5702	04	Recreational Facilities	R 3,381,127	R 3,244,159	R 4,104,183	26.51%	R 4,341,630	R 4,569,881
5702	05	Community Halls	R 737,281	R 765,884	R 1,124,875	46.87%	R 1,207,690	R 1,247,451
5702	06	Development Marketing & Programmes	R 890,161	R 1,590,695	R 1,278,458	-19.63%	R 1,330,584	R 1,382,819
5702	07	Arts and Culture	R 0	R 0	R 457,260	100.00%	R 170,500	R 184,500
		TOTAL DEPARTMENT	R 16,364,561	R 17,341,728	R 21,704,009	25.15%	R 22,654,697	R 23,849,716
5703	00	PARKS						
5703	01	Parks admin	R 1,967,334	R 4,054,810	R 2,196,050	-45.84%	R 2,329,417	R 2,465,219
5703	02	Parks/Open Spaces & Grass Cutting	R 14,888,256	R 14,055,335	R 17,381,072	23.66%	R 18,383,276	R 19,444,818
5703	10	Cemeteries	R 126,661	R 71,004	R 0	-100.00%	R 0	R 0
		TOTAL DEPARTMENT	R 16,982,251	R 18,181,149	R 19,577,122	7.68%	R 20,712,693	R 21,910,037
5704	00	LIBRARIES						
5704	01	Admin	R 1,730,231	R 3,087,159	R 2,022,383	-34.49%	R 2,144,973	R 2,269,553
5704	02	Vereeninging	R 1,945,826	R 2,293,008	R 2,501,507	9.09%	R 2,653,389	R 2,807,883
5704	03	Rus-ter-Vaal	R 544,209	R 691,365	R 597,368	-13.60%	R 637,890	R 679,018
5704	04	Roshnee	R 379,326	R 572,412	R 658,035	14.96%	R 705,858	R 759,269
5704	05	Sebokeng North	R 994,485	R 1,101,029	R 855,860	-22.27%	R 912,487	R 971,121
5704	06	Evaton	R 609,860	R 844,545	R 1,035,705	22.63%	R 1,098,953	R 1,174,079
5704	07	Sharpsville	R 706,771	R 1,355,122	R 933,556	-31.11%	R 960,417	R 1,030,950
5704	08	Vanderbijlpark	R 2,327,128	R 2,594,425	R 3,513,134	35.41%	R 3,750,495	R 3,976,272
5704	09	Tshepiso	R 591,521	R 792,710	R 787,379	-0.67%	R 831,693	R 874,043
5704	10	Sebokeng	R 707,924	R 1,239,137	R 971,758	-21.58%	R 1,039,121	R 1,102,691
5704	11	Boipatong	R 348,809	R 458,335	R 630,581	37.58%	R 662,924	R 696,383
5704	12	Bophelong	R 415,810	R 583,727	R 811,636	39.04%	R 857,121	R 903,511
5704	13	To be used later	R 0	R 0	R 0	100.00%	R 0	R 0
		TOTAL DEPARTMENT	R 11,301,900	R 15,612,974	R 15,318,902	-1.88%	R 16,255,321	R 17,244,773
5705	00	PUBLIC SAFETY						
5705	01	Traffic Services	R 22,604,722	R 21,798,725	R 30,878,195	41.65%	R 35,138,556	R 37,204,570
5705	05	Municipal Court	R 8,273	R 4,363,000	R 16,930,094	288.04%	R 17,422,228	R 17,904,508
5705	11	Parking	R 868,980	R 915,874	R 1,102,144	20.34%	R 1,221,659	R 1,294,340
5705	21	Security Services	R 2,132,487	R 7,252,836	R 4,608,476	-36.46%	R 5,019,719	R 5,385,453
5705	50	Fire Rescue Services	R 0	R 23,005,462	R 25,811,094	12.20%	R 27,408,526	R 30,636,998
5705	51	Fire Rescue Housing Units	R 0	R 300,000	R 160,000	-46.67%	R 165,907	R 170,006
		TOTAL DEPARTMENT	R 25,614,462	R 57,635,897	R 79,490,003	37.92%	R 86,376,595	R 92,595,875

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	Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5706 00	HEALTH AND SOCIAL WELFARE						
5706 01	Health Services Admin	R 2,615,463	R 4,703,336	R 3,835,625	-18.45%	R 4,056,376	R 4,281,198
5706 02	Environmental Health	R 3,403,341	R 4,721,743	R 4,042,334	-14.39%	R 4,280,773	R 4,524,906
5706 03	Welfare	R 299,801	R 893,206	R 274,701	-69.25%	R 290,719	R 307,192
5706 04	Biokenetic Clinic	R 643,879	R 711,654	R 729,840	2.56%	R 772,239	R 815,579
5706 05	Health Training	R 967,104	R 1,116,580	R 1,149,366	2.94%	R 1,218,677	R 1,289,338
5706 06	X Ray Unit	R 151,671	R 271,600	R 163,677	-39.74%	R 173,553	R 183,568
5706 07	Sharpville	R 2,072,076	R 2,276,724	R 2,605,700	14.45%	R 2,752,790	R 2,901,037
5706 08	Market Ave	R 1,932,185	R 2,183,821	R 2,046,824	-6.27%	R 2,168,193	R 2,290,491
5706 09	Bophelong	R 1,551,639	R 1,578,604	R 1,739,993	10.22%	R 1,843,730	R 1,949,984
5706 10	Bojipatong	R 1,241,491	R 1,286,510	R 1,439,795	11.91%	R 1,523,288	R 1,608,816
5706 11	Retswelapele	R 670,944	R 760,369	R 785,529	3.31%	R 831,387	R 878,263
5706 12	Driehoek	R 584,697	R 693,663	R 779,398	12.36%	R 820,545	R 872,651
5706 13	Tokisong	R 120,482	R 0	R 0	100.00%	R 0	R 0
5706 14	Zone 3	R 1,096,103	R 1,004,623	R 1,454,166	44.75%	R 1,539,816	R 1,627,216
5706 15	Rust-ter-Vaal	R 838,574	R 549,520	R 705,859	28.45%	R 743,829	R 782,287
5706 16	Roshnee	R 247,044	R 250	R 0	-100.00%	R 0	R 0
5706 17	Tshepiso	R 1,261,261	R 838,852	R 984,185	17.33%	R 1,042,560	R 1,102,554
5706 18	Evaton North	R 1,247,790	R 847,557	R 1,130,786	33.42%	R 1,195,444	R 1,261,648
5706 19	Evaton Main	R 1,654,771	R 1,314,983	R 1,183,671	-9.99%	R 1,251,885	R 1,321,516
5706 20	Beverly Hills	R 1,328,270	R 874,370	R 947,134	8.32%	R 1,002,447	R 1,058,907
5706 21	Clinic Zone 17	R 875,299	R 687,062	R 734,138	6.85%	R 778,356	R 826,400
5706 22	Clinic Zone 11	R 1,993,562	R 1,770,493	R 1,678,946	-5.17%	R 1,779,517	R 1,892,795
5706 23	Clinic Zone 12	R 914,272	R 592,147	R 522,210	-11.81%	R 552,580	R 583,680
5706 24	Clinic Zone 13	R 1,172,335	R 937,483	R 1,045,438	11.52%	R 1,107,963	R 1,171,717
5706 25	Clinic Zone 14	R 1,132,886	R 749,925	R 710,000	-5.32%	R 752,242	R 794,843
5706 26	Clinic Osizweni	R 970,757	R 706,660	R 677,791	-4.09%	R 717,306	R 757,674
5706 27	Thlokomekong	R 1,002,798	R 661,266	R 790,441	19.53%	R 837,196	R 884,864
5706 28	Mobile Clinics	R 531,966	R 733,340	R 331,196	-54.84%	R 351,085	R 371,368
5706 29	Laundry Services	R 435,335	R 296,596	R 320,709	8.13%	R 340,130	R 359,918
TOTAL DEPARTMENT		R 32,957,796	R 33,762,937	R 32,809,452	-2.82%	R 34,724,626	R 36,700,410
TOTAL CLUSTER		R 105,411,236	R 143,637,575	R 192,167,981	33.79%	R 205,066,718	R 217,724,492
TOTAL ALL CLUSTERS		R 1,103,842,196	R 1,465,676,778	R 1,819,677,075	24.15%	R 1,668,677,753	R 1,730,896,605

EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5200 00 OFFICE OF THE MUNICIPAL MANAGER						
5201 01 Municipal Manager Administration			R 0	0.00%	R 0	R 0
5201 02 Deputy Municipal Manager Administration			R 0	0.00%	R 0	R 0
5201 03 Internal Audit			R 0	0.00%	R 0	R 0
5201 04 IDP Co-Ordination			R 0	0.00%	R 0	R 0
5201 05 Transaction / Monitoring Office			R 0	0.00%	R 0	R 0
5201 06 Project Management Unit			R 0	0.00%	R 0	R 0
5201 07 Performance Management			R 0	0.00%	R 0	R 0
TOTAL CLUSTER	R 0	R 0	R 0	0.00%	R 0	R 0
5300 00 CLUSTER FINANCIAL SERVICES						
5301 00 STRATEGIC MANAGER FINANCIAL SERVICES						
5301 01 Financial Services Administration			R 0	0.00%	R 0	R 0
5301 02 Information Technology	-R 4,753	R 0	R 0	0.00%	R 0	R 0
5301 03 Budget Office			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 4,753	R 0	R 0	0.00%	R 0	R 0
5302 00 INCOME						
5302 01 Electricity and Water	-R 1,548,453	-R 1,300,000	R 0	-100.00%	R 0	R 0
5302 02 Rates and Taxes	-R 412,679	-R 94,680	R 0	-100.00%	R 0	R 0
5302 03 Sundry Debtors	-R 4,338,773	-R 1,743,100	R 0	-100.00%	R 0	R 0
5302 04 Pay Points	-R 4,139	R 0	R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 6,304,044	-R 3,137,780	R 0	-100.00%	R 0	R 0
5303 00 DEBT COLLECTION						
5303 01 Debt Collection Administration	R 0	-R 2,104,000	R 0	-100.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	-R 2,104,000	R 0	-100.00%	R 0	R 0
5304 00 EXPENDITURE						
5304 01 Pay Office	-R 505,957	-R 313,300	-R 435,974	39.16%	-R 454,722	-R 475,184
5304 02 Creditors	-R 108,424	-R 47,340	R 0	-100.00%	R 0	R 0
5304 03 General Store	-R 2,725,484	R 0	R 0	0.00%	R 0	R 0
5304 04 Electrical Store			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 3,339,865	-R 360,640	-R 435,974	20.89%	-R 454,722	-R 475,184

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5305 00 FINANCIAL CONTROL						
5305 01 Financial Control	R 0	R 0	R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5306 00 RISK MANAGEMENT AND GRANTS						
5306 01 Admin Risk Management and Grants	-R 178,715,538	-R 217,955,000	-R 371,567,316	70.48%	-R 370,011,000	-R 444,751,000
TOTAL DEPARTMENT	-R 178,715,538	-R 217,955,000	-R 371,567,316	70.48%	-R 370,011,000	-R 444,751,000
5307 00 SUPPLY CHAIN MANAGEMENT						
5307 01 Procurement			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5308 00 RISK MANAGEMENT						
5308 01 Risk Management			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
TOTAL CLUSTER	-R 188,364,200	-R 223,557,420	-R 372,003,290	66.40%	-R 370,465,722	-R 445,226,184

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5400 00 CLUSTER MANAGEMENT SUPPORT SERVICES						
5401 01 Management Support Services Administration			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5402 00 HUMAN RESOURCES						
5402 01 Personnel Management			R 0	0.00%	R 0	R 0
5402 02 Organisation & Methods / Work Study			R 0	0.00%	R 0	R 0
5402 03 Training and Development	R 0	-R 2,514,972	-R 2,000,000	-20.48%	-R 2,000,000	-R 2,000,000
5402 04 Occupational Safety & Labour Relations			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	-R 2,514,972	-R 2,000,000	-20.48%	-R 2,000,000	-R 2,000,000
5403 00 LEGAL SERVICES						
5403 01 Legal Services Administration			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5404 00 CORPORATE SERVICES						
5404 01 Corporate Services Administration			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5405 00 COMMITTEE SERVICES						
5405 01 Committees			R 0	0.00%	R 0	R 0
5405 02 Typing and Printing			R 0	0.00%	R 0	R 0
5405 03 Community Liason / Information			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5406 00 AUXILIARY SERVICES						
5406 01 Records			R 0	0.00%	R 0	R 0
5406 02 Telephone Exchanges	-R 134,350	-R 80,000	-R 100,000	25.00%	-R 100,000	-R 100,000
5406 03 Call Centers			R 0	0.00%	R 0	R 0
5406 04 Facilities Caretakers (Mun. Buildings)	R 0	-R 6,000	-R 12,000	100.00%	-R 13,000	-R 14,000
TOTAL DEPARTMENT	-R 134,350	-R 86,000	-R 112,000	30.23%	-R 113,000	-R 114,000
5407 00 EXECUTIVE MANAGER CORPORATE SERVICES						
5407 01 Executive Manager Corporate Services			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
TOTAL CLUSTER	-R 134,350	-R 2,600,972	-R 2,112,000	-18.80%	-R 2,113,000	-R 2,114,000

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5500 00 ENGINEERING SERVICES						
5501 00 STRATEGIC MANAGER						
5501 01 Engineering Admin.			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5503 00 SEWER NETWORKS						
5503 01 Main Sewer Networks			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5504 00 ELECTRICITY SERVICES						
5504 01 Electricity Admin			R 0	0.00%	R 0	R 0
5504 02 Network Distribution	-R 504,711,835	-R 538,761,000	-R 564,320,553	4.74%	-R 564,320,553	-R 564,320,553
5504 03 Streetlights	R 0	R 0	R 0	0.00%	R 0	R 0
5504 04 Electrical Workshop			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 504,711,835	-R 538,761,000	-R 564,320,553	4.74%	-R 564,320,553	-R 564,320,553
5505 00 WASTE MANAGEMENT						
5505 01 Waste Management Admin	-R 31,578	R 0	R 0	0.00%	R 0	R 0
5505 02 Refuse Removal	-R 58,385,092	-R 65,043,800	-R 64,637,787	-0.62%	-R 67,869,771	-R 71,263,260
5505 03 Mini Dumps			R 0	0.00%	R 0	R 0
5505 04 Street Cleaning	-R 89,600	R 0	R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 58,506,270	-R 65,043,800	-R 64,637,787	-0.62%	-R 67,869,771	-R 71,263,260
5506 00 LANDFILL SITES						
5506 01 Zuurfontein			R 0	0.00%	R 0	R 0
5506 02 Boitsepi	-R 16,829,108	-R 14,500,000	-R 15,225,000	5.00%	-R 15,986,250	-R 16,785,563
5506 03 Palmsprings	-R 149,321	-R 2,600	R 0	-100.00%	R 0	R 0
5506 04 Waldrift			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 16,978,429	-R 14,502,600	-R 15,225,000	4.98%	-R 15,986,250	-R 16,785,563
5507 00 ROADS AND STORMWATER						
5507 01 Roads	-R 525,000	R 0	R 0	0.00%	R 0	R 0
5507 02 Roads Workshop	-R 1,750	R 0	R 0	0.00%	R 0	R 0
5507 03 Road Marking Signs			R 0	0.00%	R 0	R 0
5507 04 Stormwater, Curbing and Paving			R 0	0.00%	R 0	R 0
5507 05 Stormwater, Curbing and Paving Workshop			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 526,750	R 0	R 0	0	R 0	R 0
5508 00 TRANSPORT & MECHANICAL						
5508 01 Transport Admin			R 0	0.00%	R 0	R 0
5508 02 Mechanical Workshop			R 0	0.00%	R 0	R 0
5508 03 Fleet Maintenance	R 0	R 0	R 0	0.00%	R 0	R 0
5508 04 Fleet Maintenance Admin			R 0	0.00%	R 0	R 0
5508 05 Airport			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5509 00 BUILDINGS						
5509 01 Building Survey/Inspectors	-R 2,004,782	-R 1,483,500	-R 1,982,500	33.64%	-R 2,108,000	-R 2,183,500
5509 02 Maintenance Workshop			R 0	0.00%	R 0	R 0
5509 03 Municipal Offices			R 0	0.00%	R 0	R 0
5509 04 Estates			R 0	0.00%	R 0	R 0
5509 05 Community Services Building			R 0	0.00%	R 0	R 0
5509 06 Duncanville Service Depot			R 0	0.00%	R 0	R 0
5509 07 Rudi Klopper Building			R 0	0.00%	R 0	R 0
5509 08 Showgrounds			R 0	0.00%	R 0	R 0
5509 09 Vereeniging Offices			R 0	0.00%	R 0	R 0
5509 10 Rus-ter-Vaal City Hall	-R 15,220	R 0	R 0	0.00%	R 0	R 0
5509 11 Roshnee City Hall	-R 21,947	R 0	R 0	0.00%	R 0	R 0
5509 12 Sharpville City Hall			R 0	0.00%	R 0	R 0
5509 13 Evaton City Hall			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 2,041,949	-R 1,483,500	-R 1,982,500	33.64%	-R 2,108,000	-R 2,183,500
5510 00 CEMETERIES						
5510 01 Cemeteries admin.			R 0	0.00%	R 0	R 0
5510 02 Parks/Open Spaces & Grass Cutting	-R 1,230	-R 5,000	R 0	-100.00%	R 0	R 0
5510 10 Cemeteries			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 1,230	-R 5,000	R 0	-100.00%	R 0	R 0
TOTAL CLUSTER	-R 582,766,463	-R 619,795,900	-R 646,165,840	4.25%	-R 650,284,574	-R 654,552,876

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5520 00 METSI A LEKOA						
5521 00 METSI OPERATIONS						
5521 01 Director Operations			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5522 00 WATER SERVICES						
5522 01 Water Distribution	-R 276,749,034	-R 358,942,670	-R 314,646,259	-12.34%	-R 330,377,043	-R 346,895,895
5522 02 Water Connections	-R 376,193	-R 606,600	-R 570,000	-6.03%	-R 595,650	-R 625,433
5522 03 Water Workshop			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 277,125,227	-R 359,549,270	-R 315,216,259	-12.33%	-R 330,972,693	-R 347,521,328
5523 00 METSI SEWER SERVICES						
5523 01 Main Sewer Network	-R 82,812,550	-R 87,227,969	-R 153,408,755	75.87%	-R 161,079,193	-R 169,133,153
5523 02 Sewer Pump Station	R 0	R 0	R 0	0.00%	R 0	R 0
5523 03 Electrical & Mechanical Maintenance	-R 39	R 0	R 0	0.00%	R 0	R 0
5523 04 Rietspruit Works			R 0	0.00%	R 0	R 0
5523 05 Sebokeng Works	-R 929,320	R 0	R 0	0.00%	R 0	R 0
5523 06 Leeukuil			R 0	0.00%	R 0	R 0
5523 07 Laboratory	R 0	-R 1,578,000	-R 1,656,900	5.00%	-R 1,739,745	-R 1,826,732
TOTAL DEPARTMENT	-R 83,741,909	-R 88,805,969	-R 155,065,655	74.61%	-R 162,818,938	-R 170,959,885
5530 00 METSI ADMIN						
5530 01 Chief Director			-R 90,000	100.00%	-R 90,000	-R 90,000
5530 02 Manager : Customer Care			R 0	0.00%	R 0	R 0
5530 03 Director : Financial & Shared Services			-R 90,000	100.00%	-R 90,000	-R 90,000
5530 04 Manager : Planning & Projects			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	-R 180,000	100.00%	-R 180,000	-R 180,000
TOTAL CLUSTER	-R 360,867,136	-R 448,355,239	-R 470,461,914	4.93%	-R 493,971,631	-R 518,661,213

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5600 00 DEVELOPMENT PLANNING						
5601 00 STATÉGIC MANAGER : DEVELOPMENT PLANNING						
5601 01 Development Planning Admin.	-R 188	R 0	R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 188	R 0	R 0	0.00%	R 0	R 0
5602 00 LED & TOURISM						
5602 01 LED & Tourism Admin	-R 352,055	-R 184,700	-R 346,800	87.76%	-R 364,140	-R 382,348
TOTAL DEPARTMENT	-R 352,055	-R 184,700	-R 346,800	87.76%	-R 364,140	-R 382,348
5603 00 LAND USE MANAGEMENT						
5603 01 Land Use Management Admin	-R 163,023	-R 213,100	-R 227,120	6.58%	-R 236,884	-R 247,543
5603 02 Spatial Planning			R 0	0.00%	R 0	R 0
5603 03 Environmental Services			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 163,023	-R 213,100	-R 227,120	6.58%	-R 236,884	-R 247,543
5604 00 PROPERTIES						
5604 01 Properties Admin.	-R 228,672	-R 258,300	-R 308,000	19.24%	-R 308,000	-R 308,000
TOTAL DEPARTMENT	-R 228,672	-R 258,300	-R 308,000	19.24%	-R 308,000	-R 308,000
5605 00 HOUSING						
5605 01 Housing Admin.	R 0	R 0	R 0	0.00%	R 0	R 0
5605 02 Sonhof Flats	-R 218,471	-R 266,229	-R 285,000	7.05%	-R 285,000	-R 285,000
5605 03 Mimmie Fourie Court	-R 322,863	-R 267,008	-R 300,000	12.36%	-R 300,000	-R 300,000
5605 04 Roshnee Old Age Home	-R 49,372	-R 46,380	-R 20,500	-55.80%	-R 20,500	-R 20,500
5605 05 129 Houses Rus-ter-Vaal	-R 31,729	-R 26,684	-R 30,000	12.43%	-R 30,000	-R 30,000
5605 06 40 Houses Rus-ter-Vaal			R 0	0.00%	R 0	R 0
5605 07 Leeuhof Ext. 1	-R 787,042	-R 591,017	-R 900,561	52.37%	-R 900,561	-R 900,561
5605 08 Hertzhof Flats	-R 699,969	-R 579,572	-R 700,144	20.80%	-R 700,144	-R 700,144
5605 09 CW5 Low Cost Housing	-R 545,611	-R 613,766	-R 613,766	0.00%	-R 613,766	-R 613,766
5605 10 Hostels	-R 1,720,522	-R 1,451,312	-R 1,848,056	27.34%	-R 1,848,056	-R 1,848,056
TOTAL DEPARTMENT	-R 4,375,579	-R 3,841,968	-R 4,698,027	22.28%	-R 4,698,027	-R 4,698,027
5606 00 INTEGRATED DEVELOPMENT PLAN						
5606 01 IDP Coordination (NOT IN USE)			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5607 00 GEOGRAPHIC INFO. SYSTEMS ADMIN.						
5607 01 Geographic Info. Systems Admin.			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
TOTAL CLUSTER	-R 5,119,517	-R 4,498,068	-R 5,579,947	24.05%	-R 5,607,051	-R 5,635,918

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5700 00 PUBLIC SAFETY & COMM. DEVELOPMENT						
5701 00 STRATEGIC MANAGER						
5701 01 Administration			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	R 0	R 0	R 0	0.00%	R 0	R 0
5702 00 SPORTS AND RECREATION						
5702 01 Sports & Recreation Admin			R 0	0.00%	R 0	R 0
5702 02 Sports Facilities-Indoor & Outdoor	-R 1,070	-R 1,279	-R 1,300	1.64%	-R 1,300	-R 1,300
5702 03 Swimming Pools	-R 234,362	-R 203,392	-R 202,000	-0.68%	-R 200,000	-R 200,000
5702 04 Recreational Facilities	-R 697,584	-R 156,120	-R 268,000	71.66%	-R 279,900	-R 295,275
5702 05 Community Halls	-R 34,443	-R 15,140	-R 35,000	131.18%	-R 36,000	-R 39,000
5702 06 Development Marketing & Programmes			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 967,459	-R 375,931	-R 506,300	34.68%	-R 517,200	-R 535,575
5703 00 PARKS						
5703 01 Parks admin.			R 0	0.00%	R 0	R 0
5703 02 Parks/Open Spaces & Grass Cutting	-R 11,625	-R 5,300	-R 12,500	135.85%	-R 12,500	-R 12,500
5703 10 Cemeteries			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 11,625	-R 5,300	-R 12,500	135.85%	-R 12,500	-R 12,500
5704 00 LIBRARIES						
5704 01 Admin			R 0	0.00%	R 0	R 0
5704 02 Vereeniging	-R 65,753	-R 34,061	-R 32,827	-3.62%	-R 34,238	-R 35,779
5704 03 Rus-ter-Vaal	-R 7,959	-R 5,582	-R 3,235	-42.05%	-R 3,373	-R 3,524
5704 04 Roshnee	-R 21,455	-R 11,200	-R 3,530	-68.48%	-R 3,684	-R 3,850
5704 05 Sebokeng North	-R 25,527	-R 16,805	-R 13,145	-21.78%	-R 13,712	-R 14,329
5704 06 Evaton	-R 1,662	-R 1,157	-R 1,215	5.01%	-R 1,153	-R 1,205
5704 07 Sharpville	-R 23,027	-R 15,300	-R 12,688	-17.07%	-R 13,232	-R 13,826
5704 08 Vanderbijlpark	-R 112,080	-R 58,873	-R 53,565	-9.02%	-R 55,870	-R 58,384
5704 09 Tshepiso	-R 3,473	-R 3,900	-R 3,727	-4.44%	-R 3,886	-R 4,060
5704 10 Sebokeng	-R 13,441	-R 12,409	-R 13,040	5.09%	-R 13,602	-R 14,214
5704 11 Boipatong	-R 2,202	-R 2,600	-R 2,345	-9.81%	-R 2,445	-R 2,555
5704 12 Bophelong	-R 14,351	-R 13,337	-R 9,979	-25.18%	-R 10,408	-R 10,875
5704 13 To be used later			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 290,930	-R 175,224	-R 149,296	-14.80%	-R 155,603	-R 162,601
5705 00 PUBLIC SAFETY						
5705 01 Traffic Services	-R 7,740,624	-R 9,592,963	-R 93,000	-99.03%	-R 98,580	-R 104,494
5705 05 Municipal Court	R 0	R 0	-R 15,015,000	100.00%	-R 15,015,000	-R 15,015,000
5705 11 Parking	-R 175,735	-R 250,000	-R 250,000	0.00%	-R 265,000	-R 280,900
5705 21 Security Services			R 0	0.00%	R 0	R 0
5705 50 Fire Rescue Services	R 0	-R 50,000	-R 70,000	40.00%	-R 73,010	-R 76,294
5705 51 Fire Rescue Housing Units			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 7,916,359	-R 9,892,963	-R 15,428,000	55.95%	-R 15,451,590	-R 15,476,688

**EMFULENI LOCAL MUNICIPALITY
2007/2008 MULTI-YEAR OPERATING BUDGET
INCOME**

Department	Actual 2005/06	Budget 2006/07	Budget 2007/08	Percentage Change	Forecast 2008/09	Forecast 2009/10
5706 00 HEALTH AND SOCIAL WELFARE						
5706 01 Health Services Admin	-R 26,850,310	-R 24,817,380	-R 25,000,000	0.74%	-R 25,000,000	-R 25,000,000
5706 02 Environmental Health	-R 12,165	-R 5,200	-R 5,205	0.10%	-R 5,209	-R 5,213
5706 03 Welfare			R 0	0.00%	R 0	R 0
5706 04 Biokenetic Clinic	-R 240,531	-R 226,673	-R 235,000	3.67%	-R 235,000	-R 235,000
5706 05 Health Training			R 0	0.00%	R 0	R 0
5706 06 X Ray Unit			R 0	0.00%	R 0	R 0
5706 07 Sharpville			R 0	0.00%	R 0	R 0
5706 08 Market Ave			R 0	0.00%	R 0	R 0
5706 09 Bophelong			R 0	0.00%	R 0	R 0
5706 10 Boipatong			R 0	0.00%	R 0	R 0
5706 11 Retswelapele			R 0	0.00%	R 0	R 0
5706 12 Driehoek			R 0	0.00%	R 0	R 0
5706 13 Tokisong			R 0	0.00%	R 0	R 0
5706 14 Zone 3			R 0	0.00%	R 0	R 0
5706 15 Rust-ter-Vaal			R 0	0.00%	R 0	R 0
5706 16 Roshnee			R 0	0.00%	R 0	R 0
5706 17 Tshepiso			R 0	0.00%	R 0	R 0
5706 18 Evaton North			R 0	0.00%	R 0	R 0
5706 19 Evaton Main			R 0	0.00%	R 0	R 0
5706 20 Beverly Hills			R 0	0.00%	R 0	R 0
5706 21 Clinic Zone 17			R 0	0.00%	R 0	R 0
5706 22 Clinic Zone 11			R 0	0.00%	R 0	R 0
5706 23 Clinic Zone 12			R 0	0.00%	R 0	R 0
5706 24 Clinic Zone 13			R 0	0.00%	R 0	R 0
5706 25 Clinic Zone 14			R 0	0.00%	R 0	R 0
5706 26 Clinic Osizweni			R 0	0.00%	R 0	R 0
5706 27 Thlokomekong			R 0	0.00%	R 0	R 0
5706 28 Mobile Clinics			R 0	0.00%	R 0	R 0
5706 29 Laundry Services			R 0	0.00%	R 0	R 0
TOTAL DEPARTMENT	-R 27,103,006	-R 25,049,253	-R 25,240,205	0.76%	-R 25,240,209	-R 25,240,213
TOTAL CLUSTER	-R 36,289,379	-R 35,498,671	-R 41,336,301	16.44%	-R 41,377,102	-R 41,427,577
TOTAL ALL CLUSTERS	-R 1,413,684,677	-R 1,593,200,446	-R 1,819,677,075	14.22%	-R 1,856,805,596	-R 1,971,807,831

TABLE 1**OPERATIONAL BUDGET 2007/2008: REVENUE BY SOURCE:**

Description	Budget 2006/07	Budget 2007/08	Forecast 2008/09	Forecast 2009/10
Rates and Taxes				
Assessment Rates	R 218,558,549	R 239,675,914	R 248,738,287	R 259,931,510
Electricity Basic & General	R 447,602,900	R 474,459,078	R 474,459,078	R 474,459,078
Refuse Removal General & Special	R 64,637,800	R 64,637,787	R 67,869,771	R 71,263,260
Sewer Basic & General	R 77,059,249	R 152,814,855	R 160,455,598	R 168,478,378
Water Basic & General	R 246,738,090	R 299,583,193	R 314,562,353	R 330,290,470
Rates and Taxes	R 1,054,596,588	R 1,231,170,827	R 1,266,085,087	R 1,304,422,696
Other Revenue				
Tariff Charges	R 25,216,600	R 23,264,900	R 24,132,345	R 25,042,443
Tariff Charges Other	R 70,583,368	R 74,206,850	R 74,360,257	R 74,470,489
Government Grants & Subsidies	R 314,372,380	R 384,567,316	R 383,011,000	R 457,751,000
Fines	R 9,521,749	R 15,012,905	R 15,013,458	R 15,014,062
Interest & Penalties	R 100,154,723	R 59,455,971	R 61,352,568	R 61,352,568
Rent Facilities & Equipment	R 4,511,123	R 5,006,827	R 5,018,727	R 5,034,102
Other Income	R 14,243,915	R 26,991,478	R 27,832,154	R 28,720,471
Total Other Revenue	R 538,603,858	R 588,506,247	R 590,720,509	R 667,385,135
Emfuleni Total Revenue	R 1,593,200,446	R 1,819,677,074	R 1,856,805,596	R 1,971,807,831

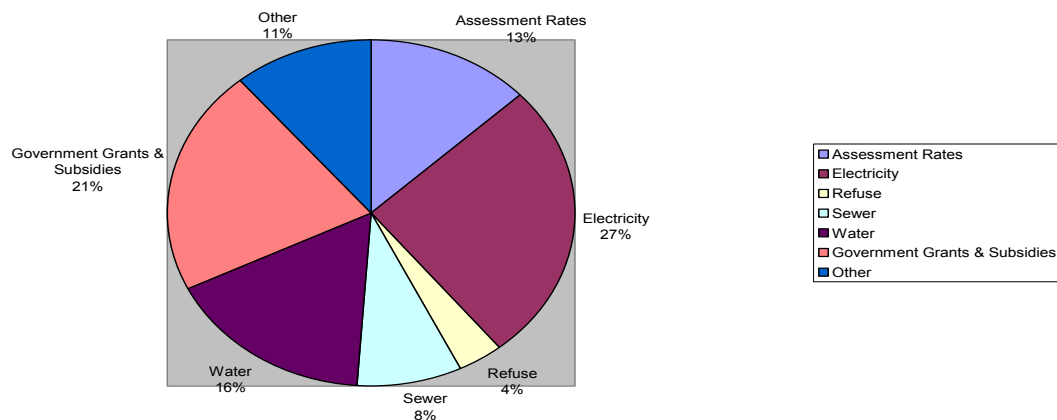
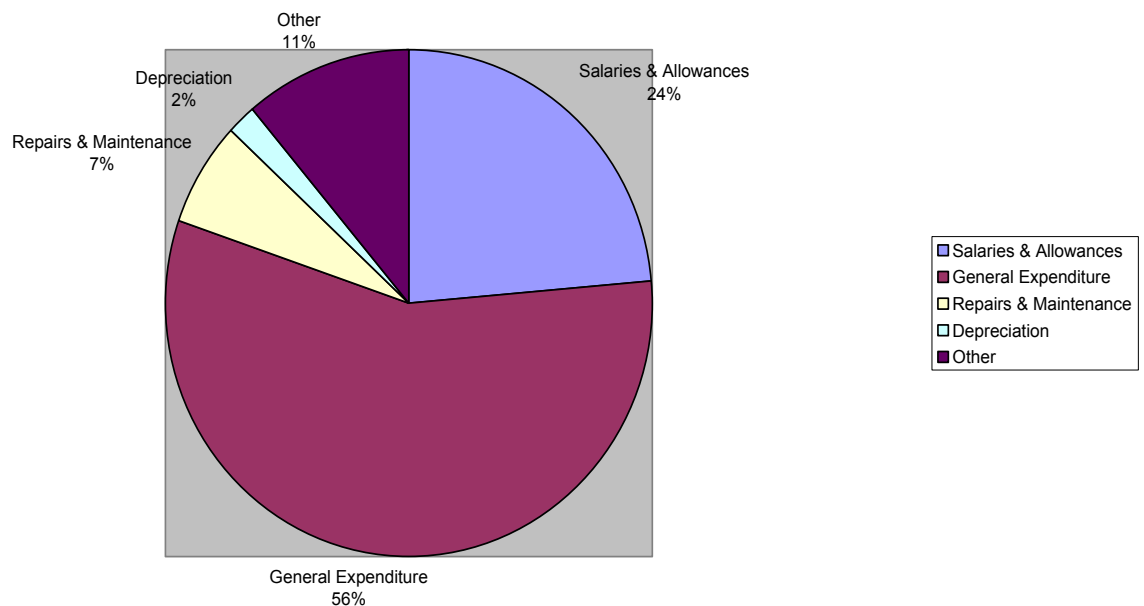


TABLE 2

OPERATIONAL BUDGET 2007/2008:EXPENDITURE BY CATEGORY:

Description	Budget 2006/07	Budget 2007/08	Forecast 2008/09	Forecast 2009/010
Salaries & Allowances	R 398,269,037	R 438,596,890	R 469,013,410	R 500,622,508
General Expenditure	R 797,832,520	R 1,053,981,695	R 982,735,147	R 994,302,808
Repairs & Maintenance	R 129,583,148	R 125,252,565	R 134,269,596	R 139,568,748
Depreciation	R 55,183,551	R 32,821,997	R 32,821,996	R 32,821,996
Other	R 134,199,472	R 207,291,093	R 90,875,608	R 105,881,112
Less: amounts charged out	-R 47,133,490	-R 38,267,165	R -41,038,004	R -42,300,567
Total	R 1,467,934,238	R 1,819,677,075	R 1,668,677,753	R 1,730,896,605

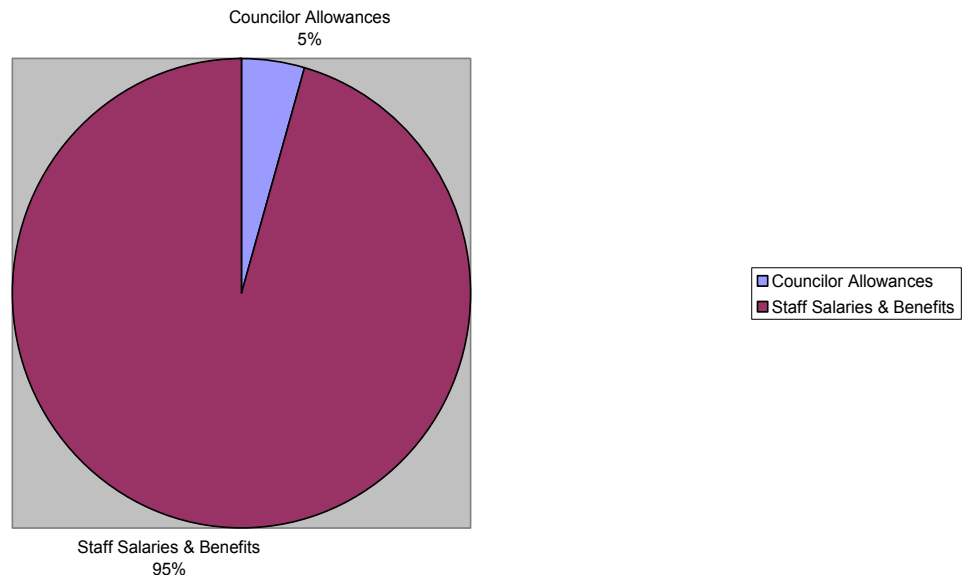
OPERATIONAL BUDGET 2007/2008: EXPENDITURE BY CATEGORY:



4. DISCLOSURE ON SALARIES

TABLE2.A

Description	Budget 2007/2008	Forecast 2008/2009	Forecast 2009/2010
Councilor Allowances	R20,024,880	R21,186,323	R22,457,502
Staff Salaries & Benefits	R418,572,010	R447,827,087	R478,165,006
TOTAL	R438,596,890	R469,013,410	R500,622,508



The above table is a comparison of councilor allowances and staff salaries/benefits for the mentioned financial years as per the budget for 2007/2008. These amounts include all critical vacancies that will be filled in 2007/2008

The staff salaries have been increased by 6.35% for the 2007/2008 year across the board. It should be noted that, at the time when the salary budget was compiled, the only available information as per the SALGA agreement was the SALGA CPIX of 4.6% plus a 1.75% increase.

The provision for salaries was calculated according to the staff payroll as at the end of February 2006.

5. CAPITAL BUDGET:

TABLE 3

A summary of the capital budget per source confirmed funding is set out below:

FUNDING SOURCE	BUDGET R
MIG SECURED	64,612,000
MIG COUNTERFUNDING BY COUNCIL	19,776,000
NER	4,286,000
RESTRUCTURING GRANT	25,000,000
CAPITAL FROM OPERATIONS	23,500,000
TOTAL	137,174,000

A summary of the roll over projects from the 2006/2007 capital budget:

ROLLOVERS FROM 2006/07	BUDGET R
MIG COUNTERFUNDING	7,490,076
MANAGEMENT SUPPORT SERVICES	4,655,363
FLEET MANAGEMENT	4,800,000
ELECTRICITY	7,215,132
TOTAL	24,160,571
GRAND TOTAL	161,334,571

Note: The roll over amounts might change due to minimal expenditure to realize in May and June. The balance as at 30 June 2007 will be rolled over.

The total capital budget for the 2007-2008 financial year amounts to R 161,334,571.

Attached hereto, a detailed list of the 2007/2008 MIG projects, roll over projects, and the projects funded by Council.

CAPITAL BUDGET 2007/2008

TABLE 4

MUNICIPAL INFRASTRUCTURE GRANT

IDP No	Project Name	MIG	Counterfunding	Total Project Cost	Source of Funding	
PMU						
PMU-01	GIS	R	300,000.00	R -	R 300,000.00	MIG & ELM
PMU-01	Upgrading of PMU Offices		500,000.00	R -	R 500,000.00	MIG & ELM
	Total	R	800,000.00	R -	R 800,000.00	
Roads and Stormwater						
R&S -24	Mpande Street in Zone 7		R 369,833.00	R 110,949.90	R 480,782.90	MIG & ELM
R&S-23	Street 1 in Zone 3		R 1,052,785.00	R 315,835.50	R 1,368,620.50	MIG & ELM
R&S-08	Installation of Stormwater pipe in Mamelodi Str in Boipatong		R 420,000.00	R 126,000.00	R 546,000.00	MIG & ELM
R&S-03	Stormwater Canal in Zone 16		R 1,652,000.00	R 495,600.00	R 2,147,600.00	MIG & ELM
R&S-10	Pipe installation Zone 12 Presbyterian Church		350,000.00	150,000.00	500,000.00	MIG & ELM
R&S-15	Sharpeville Stormwater reticulation Mareka Str		1,470,000.00	630,000.00	2,100,000.00	MIG & ELM
R&S-20	Gamdor Road side drains		525,000.00	225,000.00	750,000.00	MIG & ELM
	Total		R 5,839,618.00	R 2,053,385.40	R 7,893,003.40	
Water and Sanitation						
W&S-02 (06/07 IDP)	Rehabilitation of Sewer Mains	R	2,000,000.00	R 600,000.00	R 2,600,000.00	
W&S-03	Repair, Upgrade and Maintenance of WCW's	R	9,668,382.00	R 2,900,514.60	R 12,568,896.60	MIG & ELM
W&S-12	Bulk Services To Quaggastroom	R	25,025,166.23	R 7,507,549.87	R 32,532,716.10	MIG & ELM
W&S-02 (07/08 IDP)	Replace VIP Sanitation with full borne sanitation system	R	2,000,000.00	R 600,000.00	R 2,600,000.00	MIG & ELM
W&S -11	Long term sanitation project. Includes new WCW's for Emfuleni and Midvaal and elimination of weser pump station.(Sedibeng Regional Sanitation Scheme)	R	3,000,000.00	R 900,000.00	R 3,900,000.00	MIG & ELM
W&S-14	Water Supply To Ramolele School (Agricultural Holdings)	R	600,000.00	R 180,000.00	R 780,000.00	MIG & ELM
	Total	R	40,293,548.23	R 12,088,064.47	R 52,381,612.70	
Waste Management						
WM-05	Operate to closure & rehabilitate Boitshepi Landfill	R	850,000.00	R 255,000.00	R 1,105,000.00	MIG & ELM
WM-06	Development of Palm Springs Landfill Site	R	350,000.00	R 105,000.00	R 455,000.00	MIG & ELM
	Total	R	1,200,000.00	R 360,000.00	R 1,560,000.00	
Cemeteries						
CS-02	Identify land and establish new cemetry for burials	R	1,850,000.00	R 555,000.00	R 2,405,000.00	MIG & ELM
	Total	R	1,850,000.00	R 555,000.00	R 2,405,000.00	
Emergency Services						
F&R-05	Establishment of a new Fire Station (Multiyear 5,000,000)	R	5,000,000.00	R 1,500,000.00	R 6,500,000.00	MIG & ELM
	Total	R	5,000,000.00	R 1,500,000.00	R 6,500,000.00	
Sports & Recreation						
SA-18	Construction of Ramps at Facilities for Disabled Persons	R	500,000.00	R 150,000.00	R 650,000.00	MIG & ELM
	Upgrading of Dickenson Park	R	1,500,000.00	R 450,000.00	R 1,950,000.00	
	Total	R	2,000,000.00	R 600,000.00	R 2,600,000.00	
GRAND TOTAL		R	56,983,166.23	R 17,156,449.87	R 74,139,616.10	

SECTION A: ROLL OVER PROJECTS FROM 2006/2007

Vote Numbers	Project Name	MIG Allocation	Expenditure	Balance of MIG to be Rolled Over to 2007/2008	Counterfunding Allocation	Counter Funding Expenditure	Balance of Counter Funding to be Rolled Over to 2007/2008	Total to be rolled Over to 2007 MIG & Counterfunding
Water and Sanitation								
5523/01/4/05/0001	Basic Sanitation Supply To Informal Improvement To WCW's According to Licence Requirements	R 2,000,000.00	R 21,384.66	R 1,978,615.34	R 600,000.00	R -	R 600,000.00	R 2,578,615.34
5523/04/4/05/0001	Bulk Services To Quaggastroom	R 5,500,000.00	R 4,532,434.66	R 967,565.34	R 1,650,000.00	R -	R 1,650,000.00	R 2,617,565.34
5522/01/4/05/0001	Bulk Water To Sonder Water	R 10,659,461.54	R 10,659,461.54	R -	R 3,197,838.46	R 3,197,838.46	R -	R -
5522/01/4/05/0002	Bulk Water To Sonder Water	R 1,200,000.00	R 452,193.87	R 747,806.13	R 360,000.00	R -	R 360,000.00	R 1,107,806.13
Total		R 19,359,461.54	R 15,665,474.73	R 3,693,986.81	R 5,807,838.46	R 3,197,838.46	R 2,610,000.00	R 6,303,986.81
Masterplans								
5507/01/4/05/1008	Masterplans (Includes: W&S, R&S, WM)	R 1,000,000.00	R 822,048.65	R 177,951.35	R 300,000.00	R -	R 300,000.00	R 477,951.35
Total		R 1,000,000.00	R 822,048.65	R 177,951.35	R 300,000.00	R -	R 300,000.00	R 477,951.35
Roads and Stormwater								
5507/04/4/05/0002	Installation of Stormwater Pipe in Sebokeng Zone 11 (No 14407)	R 490,000.00	R 9,373.91	R 480,626.09	R 147,000.00	R -	R 147,000.00	R 627,626.09
5507/04/4/05/0003	Bophelong Extension 11 & 12 Stormwater	R 3,400,000.00	R 8,314.09	R 3,391,685.91	R 1,020,000.00	R -	R 1,020,000.00	R 4,411,685.91
5507/04/4/05/0004	Bophelong Extension 17 Stormwater	R 800,000.00	R 20.96	R 799,979.04	R 240,000.00	R -	R 240,000.00	R 1,039,979.04
5507/04/4/05/0005	Stormwater Canal in Jet Nteo School	R 350,000.00	R 2,395.11	R 347,604.89	R 105,000.00	R -	R 105,000.00	R 452,604.89
5507/01/4/05/0002	Kader Asmal Road in Bophelong	R 1,670,000.00	R 393,582.42	R 1,276,417.58	R 501,000.00	R -	R 501,000.00	R 1,777,417.58
5507/01/4/05/0003	Amatola Road in Boipatong	R 1,120,000.00	R 136,215.70	R 983,784.30	R 336,000.00	R -	R 336,000.00	R 1,319,784.30
5507/01/4/05/0001	Dr Nkomo Street, Delfos Link, Boipatong	R 1,240,000.00	R 242,155.90	R 997,844.10	R 372,000.00	R -	R 372,000.00	R 1,369,844.10
5507/01/4/05/0005	Qamata Road, Bophelong	R 3,000,000.00	R 999,633.48	R 2,000,366.52	R 900,000.00	R -	R 900,000.00	R 2,900,366.52
Total		R 12,070,000.00	R 1,791,691.57	R 10,278,308.43	R 3,621,000.00	R -	R 3,621,000.00	R 13,899,308.43
Electricity								
5504/02/4/05/1015	Evaton - Small Farms - High Masts	R 3,447,800.00	R 2,058,119.27	R 1,389,680.73	R -	R -	R -	R 1,389,680.73
5504/02/4/05/1014	Evaton West - High Masts	R 3,447,800.00	R 2,784,546.08	R 663,253.92	R -	R -	R -	R 663,253.92
5504/02/4/05/1017	Area Lighting Sharpville	R 3,447,800.00	R 2,069,016.79	R 1,378,783.21	R -	R -	R -	R 1,378,783.21
Total		R 10,343,400.00	R 6,911,682.14	R 3,431,717.86	R -	R -	R -	R 3,431,717.86
Waste Management								
5506/01/4/05/0001	Zuurfontein Landfill Site	R 2,776,200.00	R 909,927.67	R 1,866,272.33	R -	R -	R -	R 1,866,272.33
5506/03/4/05/0001	Investigate & Develop New General Landfill	R 895,000.00	R 189,021.01	R 705,978.99	R 268,500.00	R -	R 268,500.00	R 974,478.99
5506/04/4/05/0001	Obtain Operating Permit and Rehabilitate Phase 2 - Waldrift Landfill Site	R 2,301,923.08	R 363,148.51	R 1,938,774.57	R 690,576.92	R -	R 690,576.92	R 2,629,351.49
Total		R 5,973,123.08	R 1,462,097.19	R 4,511,025.89	R 959,076.92	R -	R 959,076.92	R 5,470,102.81
Parks								
Total		R -	R -	R -	R -	R -	R -	R -
GRAND TOTAL		R 48,745,984.62	R 26,652,994.28	R 22,092,990.34	R 10,687,915.39	R 3,197,838.46	R 7,490,076.92	R 29,583,067.26
				MIG Balance to be Rolled Over to 2007/2008			Counter Funding Balance to be Rolled Over to 2007/2008	Total Amount to be Rolled Over for MIG Projects from 2006/2007 - 2007/2007

COUNCIL PROJECTS ROLL OVERS FROM 2006/2007

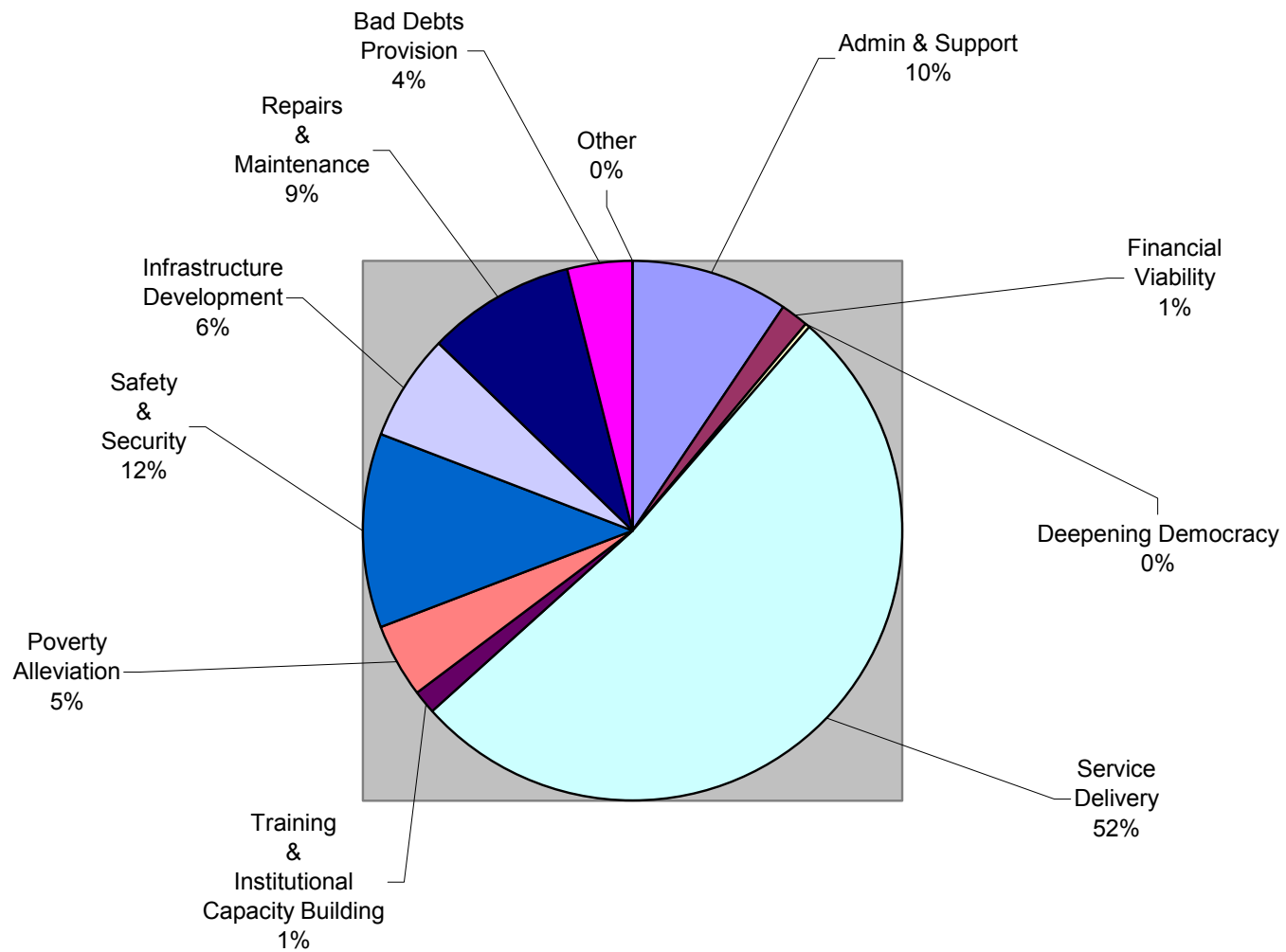
Vote Numbers	Project Name	Budgeted Amount	Expenditure	Total To Be Rolled Over To 2007/2008
	Management Support Services			
5401/01/4/03/1023	Upgrading HR Building	R 1,200,000.00	R 2,018.00	R 1,197,982.00
5402/02/4/03/1002	Clocking System	R 2,500,000.00	R 42,619.00	R 2,457,381.00
5402/04/4/03/1021	Renovations Mayors Parlour	R 1,000,000.00	R -	R 1,000,000.00
	Total	R 4,700,000.00	R 44,637.00	R 4,655,363.00
	Fleet Management			
5508/02/4/03/1037	Upgrading Mechanical Workshop Duncanville	R 4,800,000.00	ELM/Unsecured	4800000
	Total	R 4,800,000.00	R -	R 4,800,000.00
	Electricity			
5504/02/4/03/1007	Upgrade 11kV Rural Network in Vereeniging	R 377,300.00	R -	R 377,300.00
5504/03/6/03/2017	Public Lighting Debonairpark	R 138,905.00	R 49,100.00	R 89,805.00
5504/02/4/03/1001	Electricity SW 5	R 2,500,000.00	R 9,799.84	R 2,490,200.16
5504/02/4/03/1006	NER 1.2% (11KV Three Rivers)	R 1,096,200.00	R -	R 1,096,200.00
5504/02/6/03/2014	11kV Network Three Rivers	R 1,193,625.00	R 31,998.00	R 1,161,627.00
5504/02/4/03/1032	Upgrade 11 kV Three Rivers	R 2,000,000.00	R -	R 2,000,000.00
	Total	R 7,306,030.00	R 90,897.84	R 7,215,132.16
	GRAND TOTAL	R 12,006,030.00	R 135,534.84	R 16,670,495.16

TABLE 5**EMFULENI LOCAL MUNICIPALITY
CAPITAL PROJECTS (OWN FUNDING)
2007/08**

Project Name	Department	Budgeted Amount
Building of Council Chamber and Municipal Offices Project	Building and Maintenance	R 1,000,000
Industry Waste Exchange Office	Waste Management and Cemeteries	R 620,000
4 x Mini Transfer Stations &	Waste Management and Cemeteries	
Suikerbos River Embankment repair	Roads and Stormwater	R 450,000
Sullivan Str Stormwater @ stand 1279	Roads and Stormwater	R 950,000
Schoeman Str Stormwater System	Roads and Stormwater	R 650,000
Schoeman, Beethoven & Delius intersection Upgrade	Roads and Stormwater	R 575,000
New Connections & Unforeseen Network Improvements	Electricical Services	R 3,000,000
Installation : Bundle Conductor	Electricical Services	R 3,500,000
Vanderbijlpark CBD renewal	Local Economic Development	R 200,000
Reviving Existing Poverty Projects	Local Economic Development	R 600,000
Undefined		R 11,955,000
		R 23,500,000

TABLE 6

Objectives / Department	Administration & Support	Financial Viability	Deepening Democracy	Service Delivery	Training & Institutional Capacity Building	Poverty Alleviation	Safety & Security	Infrastructure Development	Repairs & Maintenance	Bad Debts Provision	Other
CAPEX											
PMU					R 800,000						
Roads and Stormwater								R 24,417,311	R 450,000		
Water and Sanitation				R 25,000,000				R 52,914,887	R 16,019,097		
Waste Management								R 7,650,103			
Cemeteries								R 2,405,000			
Emergency Services								R 6,500,000			
Sports and Recreation								R 2,600,000			
Masterplans								R 477,951			
Electricity				R 3,835,999				R 17,146,850			
Parks											
Management Support Services					R 4,655,363						
Fleet Management					R 4,800,000						
Local Economic Development						R 800,000					
Building and Maintenance									R 1,000,000		
Undefined											R 1,955,000
TOTAL	R 0	R 0	R 0	R 28,835,999	R 10,255,363	R 800,000	R 0	R 114,112,102	R 17,469,097		R 1,955,000
OPEX											
Mayor	R 24,856,896		R 5,866,834	R 2,283,534	R 1,023,000	R 2,492,200	R 969,500				
Municipal Manager	R 11,393,493	R 4,957,358	R 810,464					R 4,220,647			
Financial Services	R 78,593,273	R 22,379,910			R 9,703,842	R 76,669,768			R 27,110,347		
MSS	R 35,141,613				R 4,370,000				R 212,000		
Engineering Services				R 613,746,563	R 741,163	R 3,000,000			R 78,242,957	R 15,407,962	
Metsi a Lekoa				R 322,857,548	R 642,282				R 37,764,511	R 54,592,038	
Development Planning	R 28,122,024					R 2,100,000			R 1,846,234		
Public Safety						R 113,956	R 215,194,642		R 5,076,516		
TOTAL	R 178,107,299	R 27,337,268	R 6,677,298	R 938,887,645	R 16,480,287	R 84,375,924	R 216,164,142	R 4,220,647	R 150,252,565	R 70,000,000	R 0
GRAND TOTAL	R 178,107,299	R 27,337,268	R 6,677,298	R 967,723,644	R 26,735,650	R 85,175,924	R 216,164,142	R 118,332,749	R 167,721,662	R 70,000,000	R 1,955,000



**EMFULENI
LOCAL MUNICIPALITY**

**STRATEGIC BUDGET POLICY
(THIRD DRAFT)**

17 NOVEMBER 2006

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ANNEXURES

A – Municipal Finance Management Act, Chapter 4 – Municipal Budgets

B – National Treasury MFMA Circular No. 10 – Budget Process

C – Budget Process Flow Chart

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EMFULENI LOCAL MUNICIPALITY - DRAFT BUDGET POLICY & GUIDELINES

1. PURPOSE OF THE POLICY

The purpose of this Policy is to establish a strategy to be followed for the compilation of annual budgets. This strategy requires the approval of Council.

The strategy and process set out in this document will be complemented by annual Budget Circulars issued by the Budget Office. Annual Budget Circulars, being tactical and administrative in nature, are the responsibility of the Chief Financial Officer.

2. LEGISLATIVE ENVIRONMENT

This Policy has been informed by the Municipal Finance Management Act (MFMA) and the following National Treasury MFMA Circulars:

MFMA CIRCULAR	DATE ISSUED	DESCRIPTION
10	October 8, 2004	Budget Process 2005/2006
12	January 31, 2005	Definition of "Vote" in MFMA
13	January 31, 2005	Service Delivery and Budget Implementation
14	February 28, 2005	Division of Revenue Bill and Budgets
15	March 14, 2005	Budget Submission 2005/2006
19	August 15, 2005	Budget Preparation 2006/2007
28	December 12, 2005	Content and Format 2006/2007
31	March 10, 2006	Tabling and Adoption

Should this Policy be contrary to the above, or any other legislation, such legislation will override this Policy. It is the explicit responsibility of the Chief Financial Officer, after delegation from the Municipal Manager, to bring such conflicts immediately to the attention of the Council once he becomes aware of such conflicts and to propose amendments to this Policy to eliminate such conflicts.

National Treasury will continue to periodically issue MFMA Circulars. The Chief Financial Officer must review these Circulars and propose amendments to this Policy if required.

3. BACKGROUND

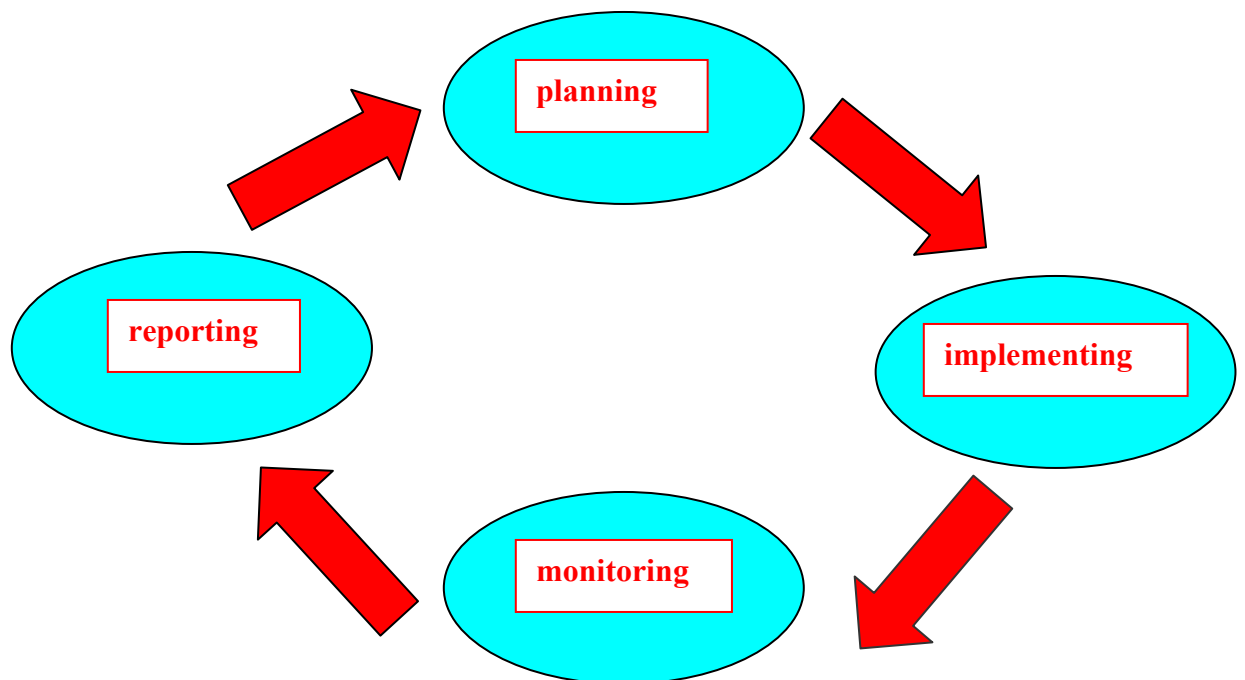
Budgeting is central to the process of prioritisation for service delivery and the management of functions within the Municipality. It is imperative that Council, in conjunction with management, determines strategic budget objectives.

The essential challenge facing all municipalities in South Africa, and perhaps especially Emfuleni Local Municipality, is to find the means to sustain the delivery of current services to the community whilst also improving and expanding the current level and quality of services to meet increasing needs. Important elements of any solutions to this challenge must include:

- ❖ Increasing productivity;
- ❖ Careful and thoughtful prioritisation of developmental projects and services; and
- ❖ Increasing revenue through innovative means of funding service.

Emfuleni Local Municipality must also maintain its assets to ensure viable and sustainable service delivery. Similarly, it must maintain its financial capacity and resources to enable the delivery of services and honouring of development obligations.

The budget process is a continuous cycle of planning, implementing, monitoring and reporting.



The budget process involves activities relating to at least five budget years simultaneously:

- Managing the closure of the previous financial year;
- Monitoring the current year's budget;
- Planning for the next three-year budget, linked to the IDP.

The MFMA requires the active involvement of Councillors in the budgeting and financial management processes. Specific Council responsibilities include:

- ❑ Continuous consultation with the community and other stakeholders in the planning of services and reviewing of performance;
- ❑ Ensuring that the budget allocates resources in line with the Council's policy objectives and priorities and the needs of the community;
- ❑ Ensuring that the budget is realistic and financially sound before approving the budget and any adjustments;
- ❑ Evaluating periodic reports on performance of the budget related to developmental and service delivery plans; and
- ❑ Formal reporting activities through the Annual Reports and Audited Financial Statements.

By focusing on these critical aspects, Councillors will be able to provide appropriate political leadership and direction to Emfuleni's operations, oversee the preparation of budgets and achievement of financial and non-financial objectives expressed in the budget and IDP.

Through the joint efforts of Councillors, Ward Committees, Officials, and (very importantly) citizens, budgets should reflect the needs of the community. An important goal is to empower managers with timeous financial information throughout the year and for Council to be in a position to take preventative action before a crisis arises.

A comprehensive discussion of the budget process can be found in Section 21, Chapter 4 of the MFMA, attached to this Policy as Annexure "A", and National Treasury MFMA Circular No 10 of 2004, attached to this Policy as Annexure "B". (Although issued for the budget year 2005-2006, MFMA Circular No 10 remains relevant for any budget year.)

A Flow Chart of the Budget Process is attached to this Policy as Annexure "C".

4. STRATEGIC FOCUS AREAS AND MUNICIPAL PRIORITY ISSUES

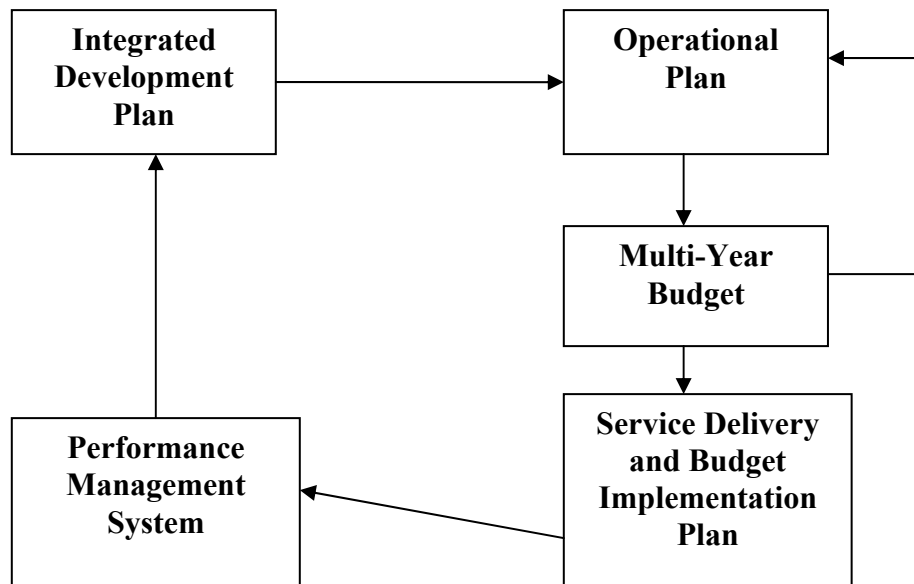
Municipal budgets must reflect policy priorities determined by Council. It is essential that the Municipality by means of Mayoral Strategic Planning Sessions and the IDP planning process identify the strategic focus areas and prioritize strategic issues.

Council should place emphasis on strategic focus areas and objectives through clear and measurable outputs and derived outcomes that will give clear guidelines to the administration on what has to be achieved. Budget allocations can then be based on these outputs and outcomes.

5. OPERATIONAL PLANS

Without detailed Operational Plans with measurable objectives and outputs, budgets become endless columns and rows of figures, almost impossible for non-financial officials and Councillors to interpret. Operational Plans must be aligned to strategic focus areas and identified outcomes and targets of Council, as reflected in the IDP.

Detailed Operational Plans translate the strategic objectives of the IDP into tactical plans for achieving those strategic objectives. The projects, programs, and activities detailed in Operational Plans are the basis for establishing the budget. In fact, the budget is nothing more than the “costing” of Operational Plans. Operational Plans and budgets must be adjusted back and forth until the Operational Plans match the resources available.



Operational Plans should also form part of the total Performance Management System.

A template for Operational Plans is attached to this Policy as Annexure “D”.

6. MULTI-YEAR BUDGETS

The annual budget approved by Council must at least contain the following:-

- ❑ A balanced operating budget containing expenditure details and **realistically anticipated revenue** (actual revenue collected matches actual expenditure incurred);
- ❑ A balanced budget for capital expenditure that is within realistic funding **already secured**, together with the projected **future financial implications, especially maintenance costs**, of such capital expenditure;
- ❑ Details of borrowing intentions and other liabilities that will increase the Municipality’s debt;
- ❑ Audited actual results for the previous year; and

- Projected budget outcomes for the current financial year, next year's budget and the outer two years.

Simply put, the budget of the Council consists of the Operational Budget (revenue and expenditure) and the Capital Budget. The budget must, within the available resources, reflect the Council's IDP and how it will be funded. National Treasury guidelines require that Councils provide at least a three-year Operating and Capital Budget.

Cognisance must be given to the Macro Economic Trends and Growth Rates used in the National Medium-Term Budget. This data is made available annually by National Treasury and will be published annually in the Emfuleni Budget Circular. Examples of this data are shown in the table below:

	2006/07	2007/08	2008/09
Economic Growth	4.4%	4.8%	
Inflation Forecast (CPIX)	4.8%	4.5%	
Current Account shortage as % of GDP	3.6%	4.1%	
Growth in household spending	4.1%	4.5%	
Growth in Government spending	4.4%	4.7%	
Growth in Fixed Investment activities	9.8%	9.6%	
Growth in GDP	4.7%	5.6%	

Important issues to consider when compiling the budget include:

- **Emfuleni Local Municipality must aim to ensure that revenue projections are accurate, realistic and collectable.**
- **The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purposes of expanding infrastructure and providing basic services to more households.**
- **Emfuleni Local Municipality must ensure that tariff increases remain within the national inflation band of between 3 and 6 percent. Any increases in municipal rates and tariffs above the guideline growth limits must be fully motivated and explained to the local and business communities.**
- **Emfuleni Local Municipality must ensure that their budget is balanced and all expenditure is fully funded.**
- **Emfuleni Local Municipality must ensure that the budget is fully linked to the revised IDP, for both operating and capital expenditures.**
- **To achieve national objectives, Emfuleni Local Municipality should also strive to alter the composition of its budget by spending more on capital (and maintenance of assets) and basic services and less on personnel and administration and improve the quality of spending. Emfuleni is expected to maintain a clear focus on expanding infrastructure investments to encourage economic growth potential, adding impetus to the national priorities for improved spending in this area.**

- ❑ **On the operating side, Emfuleni Local Municipality must strive to achieve efficiency and productivity gains whilst being mindful of the implication that rapid growth in salaries & allowances will mean for service delivery.**
- ❑ **When preparing the annual budget, the Executive Mayor must take into account the national budget, the relevant provincial budget, the national governments fiscal and macro economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum. This is in addition to consultation with the community and other stakeholders, including district and all local municipalities within the district.**

7. OPERATING BUDGET

The Operating Budget is the financial counterpart to the Operational Plan. It also serves as a comprehensive, detailed statement in which the municipality shows how much it intends to spend on the rendering of each service during a particular financial year.

In order to facilitate control over revenue and expenditure, the development of the budget will be undertaken using the following divisions:-

- ❑ Cost Centres, cascading up to Departments, cascading up to Clusters;
- ❑ Revenue and Expenditure categories; and
- ❑ Revenue and Expenditure line items.

Incremental budgeting, which is the process whereby a fixed percentage is applied to the previous year's budget or actual to arrive at a budget amount, is a widely used technique, but is to be discouraged. Incremental budgeting does not encourage a critical review of all expenditures to ensure they are still required; existing inefficiencies are perpetuated.

To as great an extent as possible, Emfuleni Local Municipality will adopt the “zero-based budget” approach. This approach starts with the Operational Plan, and estimates the expenditures necessary to execute that plan. It assumes that all expenditures must be justified and motivated.

It is also important that the level of spending always be limited by the availability of revenue. Therefore, when the expenditure budget is compiled, the ability of the consumers to pay must always be taken into consideration. New operations and expansion of operations on the operating budget should therefore be motivated to Council before inclusion in the operating budget. Such operations must be included in departmental operational plans.

7.1 Revenue Budget

The Council must determine what the total realistic revenue for the Municipality in the new financial year will be. Using actual levied revenue for the first six months of the current financial year and projecting these figures up to the end of the current financial year is one approach to determine such possible revenue. This calculation must further be adjusted to account for growth, collections levels, and realistic and affordable tariff increases.

It is policy of the Council to avoid major price increases for services as it has a negative impact on consumers' disposable income. However, to be able to provide existing services, and to expand and/or improve those services, tariff increases are often required.

The Council must therefore indicate the target level with which tariffs should increase. It is proposed that a general tariff increase equal to not more than the consumer price index be approved.

Employee remuneration and related employee cost forms a significant portion of the total operational expenditure budget. In this regard, it is of utmost importance that the South African Local Government Bargaining Council (SALGBC) agreement on salary increases and its impact on the remuneration budget at all times is taken into account before final tariff increases are determined.

The revenue of the Council is derived from several sources. For budgeting purposes the revenue from the various sources is set out below:

7.1.1 Grants and Subsidies

This item consists of operating subsidies for health and environmental services as well as inter-governmental contributions in the form of Equitable Share Grant, Finance Management Grant, Restructuring Grant, Municipal Systems Improvement Grant, Municipal Infrastructure Grant, and any others as may be available from time-to-time.

7.1.2 Assessment Rates

An assessment rate element is levied on the value of property in the municipal area, based on a predetermined percentage. The Property Rates Act has far reaching implications on the assessment rate tariff.

The full implementation of the Property Rates Act is a Council priority.

7.1.3 Consumer Revenue

Consumer revenue consists of income generated from the sale of electricity and water (trading services) and from amounts levied for sewerage and refuse removal (economical services). With reference to each of the services the following should be noted:-

- ❑ Water services, as a trading service, should be operated to generate a surplus of at least 10%. In doing so the pressure on tariffs for economical services could be alleviated.
- ❑ Refuse removal and sewerage, as economic services should be operated to at least a point of break even.
- ❑ The guideline of a 13% surplus on turnover by the National Electricity Regulator (NER) on electricity should be taken into account when the percentage increase in electricity tariffs is considered. It should be noted that electricity tariff increases need to be aligned with the NER published guidelines.

7.1.4 Other Revenue

Departments that provide services other than consumer services listed above must at least recover the costs and may generate a surplus. The services include building plan fees, use of council facilities, electricity connection fees, traffic fines, transport fees, dumping fees, etc.

7.2 Expenditure Budget

As mentioned above, the zero-based budgeting technique is the preferred method. This will ensure that an in-depth review of revenue, expenditure and the targets for each category is undertaken during the budget process, resulting in a credible three-year budget, not merely based on an incremental approach. The zero-based type of analysis where all activities are open to review at budget time also allows an opportunity to reallocate resources and avoid continuous growth in budgeted expenditure.

The following elements have a major impact on the formulation of the expenditure budget:-

- ❑ Employee remuneration and related employee cost projections;
- ❑ Governance costs, including Councillor allowances;
- ❑ Repairs and maintenance;
- ❑ Interest and redemption requirements to service borrowings;
- ❑ Contributions from the operating budget for capital expenditure; and
- ❑ Provision for long-term liabilities and other commitments.

A factor that must be included in the preparation of the Operational Plans is motivations in cases where ongoing commitments and planned work exist. The Council therefore requires that all activities be continuously justified in terms of their outcomes, whether they still meet the Council's strategic priority issues as well as past performance. In other words, **an activity that is not performing may be required to be reduced rather than to receive an increased allocation of funds.**

The expenditure budget sets out the operating expenses and cash outflows to both internal and external sources. The total expenditure should be reconciled with the cashflow budget. The expenditure budget consists of operating service delivery items and provides inter alia for the following:

7.2.1 Salaries and Wages – Employee Related Costs

Salaries and wages consist of all remuneration in cash and in kind to employees in return for work performed. This includes allowances and other benefits paid as part of conditions of employment, except social contributions. Social contributions are payments, actual or imputed, made to social insurance schemes to obtain entitlement to social benefits for employees. Employer contributions into a pension fund are an example of a social contribution. Another example is contributions to a medical aid scheme.

It does not include costs of training courses (shown under General Expenses) and costs of contractors. However, the costs relating to contractors who are engaged under the Municipality's basic conditions of service are included – these are essentially employees on fixed term contracts such as Section 56

appointments. The remuneration of Councillors, including full-time Councillors, is also not included in this category as they are not employees of the Municipality.

The amount to be budgeted in the capital budget for employee costs must also be reflected and deducted from salaries and wages. It is shown as a contra entry under salaries to avoid double counting operating expenses in Contribution from Operating – Capital Outlays. All capitalised expenditure will be included in the capital budget and therefore any operating expenses such as salaries and wages that are capitalised (thus being part of the capital budget) should be deducted from operating expenses in the operating statement.

All employee related costs should be budgeted within the framework provided by the latest organisational structure, with preference given to vacancies of a critical nature.

7.2.2 General Expenses

This section must include all expenses that will be necessary for Emfuleni to carry out operations or activities that are not classified under one of the other expenditure groups. Set out below are some of the common general expenditure items.

- ❑ Councillor Allowances: All the costs associated with the remuneration of Councillors, including their allowances and any other benefits paid, must be showed in this section as a separate expense.
- ❑ Bulk Purchases: The expenditure for the bulk purchase of electricity and water must be included under this heading.
- ❑ Working Capital Reserve: This is the value of uncollectable. Each year an estimate should be made of the expected write-off value to be included in this item of the budget. Actual debt written off is an expense to the municipality.

Working capital reserve relates to revenue, which is levied, but not paid and cannot be recovered through legal avenues or where costs of recovery might greatly exceed the revenue recoverable. The quantum of this item would relate directly to the revenue collection ratio. For example, if the municipality expects that it will only be able to collect 90 percent of all revenue billed it will include an amount under this item equal to 10 percent of the total revenue billed.

- ❑ Collection Costs: This item reflects all costs directly incurred in the recovery of revenue that will not be paid in accordance with an invoice or consumer account and in terms of Council Policies. These costs include commissions and fees charged by debt collection agencies, and all costs for legal actions taken to recover debts not debited to the customer. This item also includes discounts allowed or other incentives for prompt payment of accounts.
- ❑ Depreciation: The full implementation of GAMAP is dependent on the identification and recording of assets and their current values. In terms of GAMAP, depreciation will be charged as an expense on all fixed assets. As this is not a cash transaction, it has the effect of creating a

provision/reserve by reducing the amount in the surplus available for distribution. Accumulated depreciation indicates how much of the assets have been expensed.

- Contracted Services: This expenditure relates to payments for services provided by external entities. These services may also be referred to as “outsourced services”. Entities rendering these services are not Council-owned entities or municipal entities but are independent businesses. The two main types are set out below.
 - Services provided to external parties – where the Municipality contracts out the rendering of services such as refuse removal or electricity supply; and
 - Services provided for the internal functioning of the Council, i.e. corporate services such as internal audit or information technology.

The services may be wholly or partly provided by the external entity. An example of shared service providers could be where an in-house section collects household refuse while a contractor services residential and business customers. Another example could be where a refuse collection service involves an in-house administrative section with a contractor carrying out actual collections.

- Deficit on sale of assets: In terms of GAMAP, the sale of assets will generate either a surplus or a deficit. If the proceeds received on disposal of an asset are greater than the book value of the asset, then a surplus is realised. If the proceeds received are less than the book value, then a deficit will be realised:
 - A surplus on a sale will be recorded as income/revenue.
 - A deficit on a sale will be recorded as an expense.
- Fleet Expenses: This item should not be viewed as a global budget for all related expenses and should preferably be broken down in the following sub-categories:
 - Leasing Charges which refers to the rental of vehicles under the current Fleet Management Lease agreements;
 - Fleet (Fuel and Oil) which are exclusively reserved for fuel related expenses utilised in vehicles and equipment that resorts under the Fleet Management department.
 - Rental of vehicles on an ad-hoc basis, which are not provided for by the Fleet Management Department.
 - Fuel (General) refers to fuel expenses required for all equipment that do not resort under the Fleet Management Department, such as pump-stations, certain grass cutting equipment and equipment utilised in the construction of roads.
- Licensing and Software: This item refers to computer licences and software expenditure, which are payable as per the software licence agreements.
- Management Fees: This item refers to payments to third parties for management services provided for internal functions.
- Interest on External Borrowings: All interest payable relating to external borrowings are provided for under General Expenditure. Loan redemption

payments are recorded in the cashflow statements, and are not reflected under the operational expenditure section of the budget.

- Stocks and Materials: This item should only include expenses relating to cleaning materials and consumables.

7.2.3 Repairs and Maintenance

This item must include all labour and material costs for the repair and maintenance of the assets of the Municipality. It must include both contracted services and services performed by employees. The total cost of asset maintenance is disclosed in this item to enable an evaluation of asset performance.

Expenditure that maintains an asset in good working order, to ensure asset performance and the useful life originally expected, is not capital and must be shown under this item. "Total Asset Management" requires that a schedule of programmed maintenance should be developed for all assets of the municipality. This ensures that the asset maintains optimal performance and the municipality obtains maximum flow of economic benefits from employment of the asset over its optimum life.

The deferral of maintenance expenditure on assets has the effect of increasing future maintenance costs and also has potential for reducing the economic life of the asset and hence the flow of economic benefits. Deferrals should be indicated clearly in the Operational Plans.

In determining the estimates under this section, the following should be provided for:-

- New assets to be produced/acquired in the course of the budget year and which would require repairs.
- Capital assets to be sold or disposed of in the course of the year and which would not require further maintenance.

7.2.4 Contributions to Capital Outlay

This item shows the value of appropriations transferred out of the Operating Sections into the Capital Sections for use in capital expenditure. The details of the application of the funds will be in the capital budget and supporting documents. The Council's Asset Management Policy provides the directives for procurement of Capital Items from own funds.

The classification of expenditure as "capital" should be based on the definitions contained in guidelines on the budget process. Expenditure is only capitalised if it is for the purposes of acquiring a new or replacement asset, changes the nature of an asset, extends the life of an asset, or increases the performance potential of the asset. Expenditure that maintains the asset in good working order at the level of performance or useful life originally expected is not capital and is shown under the appropriate section for "Repairs and Maintenance".

7.3 Capital Budget

The driving force behind the implementation of the Council's strategies is the IDP. In terms of the Local Government: Municipal Systems Amendment Act, 2003, Act No. 44 of 2003, the IDP process has to inform the municipal budget and the preparation of the capital budget is based on the capital development priorities approved in the IDP.

The capital budget consists of the non-operational needs of the community. The procurement of assets, with a life span of more than one year can be classified as capital expenditure.

7.3.1 Categories

Council should divide the capital budget between contractually committed projects, continually compelled projects and new projects.

□ Contractually Committed (Type A Projects)

Contractually committed projects are those for which formal arrangements already exist.

□ Continually Compelled (Type B Projects)

The main focus areas of the continually compelled projects are the strengthening and expansion of networks and the replacement or reconstruction of existing infrastructure.

The Engineering Cluster will identify type B projects and the main focus is on the protection of the Municipality's assets.

Examples of Type B projects are the replacement of worn out water and sewer networks and the replacement of dangerous electricity networks. Any expenditure that simply ensures that the asset remains in good working order, retain its original characteristics of performance and useful life will be expensed in the operating budget. Type B projects represent projects that are necessary and executed to extend the life span of assets.

□ New Projects (Type C Projects)

This category consists of new projects of a capital nature for which the need has been identified through the IDP process.

8. FINANCIAL STRATEGY

The purpose of the financial strategy is to identify and recognise the financial resources (revenue envelope) available for capital and operational expenditure and includes revenue strategies, operational expenditure strategies and capital financing strategies.

8.1 Revenue Strategies

The needs of the community, the ability of the community to pay for the services provided to them and the growth rate allowed by National Treasury should be taken

into account when Council considers the annual increase in tariffs and the average effect thereof on consumer accounts.

The annual Emfuleni Budget Circular will establish the proposed increase in consumer tariffs, but in general the increase in tariffs should not be more than the inflation rate on average. However, when budgeting for the two outer years, the following must be considered:

- ❑ The estimated actual income for the current financial year (based on the July to November income figures).
- ❑ An estimated natural growth rate of 1% in services (electricity and waste removal) and a growth rate of 2% on assessment rates on the estimated actual income for the 2007/2008 financial year.
- ❑ An increase of 5% on average in tariffs.

Cross subsidisation and profit guidelines will be contained in the Tariff Policy. It should be noted that these surpluses are used to subsidise assessment rates. Affordable accounts will go a long way in assisting that debt does not escalate further. Special attention should therefore be paid to indigents.

The revenue estimates should be realistic because the operating expenditure budget will be based on the total revenue budget. To be able to provide services and fulfil its responsibilities, the Municipality will have to obtain additional revenue from tariff increases on the various services provided as well as assessment rates.

8.1.1 Assessment Rates

The Local Government Property Rates Act will have certain implications on the future assessment rate tariff and budgeted income. Care should be taken to keep the increase on assessment rates as low as possible. However, should the percentage surplus on turnover with regard to other services be reduced, the loss will have to be funded through assessment rates.

Determination of Assessment Rates Tariffs should be considered taking into account the guidelines from National Treasury MFMA Circular 14, set out below.

- ❑ The new property rates legislation should not be seen as an opportunity to significantly increase the rates-burden on ratepayers. Municipalities should adjust their rates lower to take account of higher property values.
- ❑ Municipalities should be mindful of the overall tax burden and are cautioned against extending property taxes in a manner that may impact negatively on residential, business, agricultural, mining and industrial sectors.
- ❑ An assessment of the impact of the new property rates legislation on public infrastructure and state-owned properties, particularly those offering local services such as schools, police stations, magistrate's courts and public medical facilities will be undertaken. Municipalities are encouraged to be mindful of the broader implications when imposing taxes on public infrastructure, as such action may lead to perverse outcomes that may prove to be more detrimental to the long-term interests of the municipality.

8.1.2 Electricity

The guideline of a 13% surplus on turnover by the National Electricity Regulator (NER) on electricity should always be taken into account when the percentage increase in electricity tariffs is considered. It should be noted that electricity tariff increases needs to be aligned with the NER published guidelines.

8.1.3 Waste Removal

Waste removal is an economic service and should therefore break even. As a first step towards a balanced account, the level of tariffs needs to be investigated continuously.

8.1.4 Framework for the Revenue Budget

The framework for the Draft Revenue Budgets for the 2007/2008 to 2009/2010 financial years, based on the above-mentioned increases and growth rates, will be as follow:-

REVENUE BY SOURCE	2006/07	2007/08	2008/09	2009/10
	Full Year Forecast R'000	Budget Framework R'000	Budget Framework R'000	Budget Framework R'000
<u>Operating Revenue by Source</u>				
Property rates	218,559			
Service charges - electricity revenue from tariff billings	559,146			
Service charges - water revenue from tariff billings	245,438			
Service charges - sanitation revenue from tariff billings	77,059			
Service charges - refuse removal from tariff billings	61,890			
Service charges - other	30,249			
Rental of facilities and equipment	3,940			
Interest earned - external investments	2,400			
Interest earned - outstanding debtors	95,447			
Fines	8,519			
Licenses and permits				
Government grants & subsidies	314,362			
Gain on disposal of property plant and equipment	-			
Total Revenue By Source	1,617,010			

OPERATING EXPENDITURE BY GFS	2006/07	2007/08	2008/09	2009/10
	Full Year Forecast	Budget Framework	Budget Framework	Budget Framework
	R'000	R'000	R'000	R'000
Executive & Council	123,573			
Finance & Admin	195,286			
Planning & Development	15,110			
Health	33,348			
Community & Social Services	16,784			
Housing	15,241			
Public Safety	47,938			
Sport and Recreation	37,059			
Waste Management	57,710			
Waste Water Management	70,480			
Road Transport	61,628			
Water	349,956			
Electricity	467,617			
Operating Expenditure by Vote	1,491,731			

8.2 Expenditure Strategies

The Municipality should adopt an expenditure strategy that sets out how it intends to apply revenue collected/received. To ensure that the Municipality spends revenue efficiently, effectively and within the Municipality's priorities, the Chief Financial Officer should always determine targets for the six expenditure categories (Remuneration, General Expenses, Repairs & Maintenance, Capital Charges, Contribution towards Capital and Contribution towards Funds).

The current budget structure should be evaluated and a strategy compiled to address current shortcomings in the form of a budget framework and guidelines for the medium-term. This framework should serve as a baseline for future budget processes. Based on the approved operating budget for 2006/2007 a proposed framework is set out below:

EXPENDITURE PER CATEGORY	% of Total Expenditure 2006/2007	Projected % of Total Expenditure 2007/2008
<u>Operating Expenditure by Type</u>		
Employee related costs	25.90%	27.00%
Bad debts	15.11%	14.20%
Contribution towards Capital	1.94%	2.12%
Repairs and maintenance	7.97%	8.02%
Bulk purchases	37.66%	37.65%
General Expenditure	11.43%	11.00%
Total Expenditure per Category	100.00%	100.00%

The operating budget must always be balanced, to ensure that operating expenditure does not exceed realistically anticipated revenue. To avoid a shortfall Council should ensure the following:-

- Remuneration already constitutes a substantial percentage of the total operating budget (25.9% for the approved 2006/2007 budget) and based on the critical vacancies highlighted by the organogram, the total funds required to fulfil in the Council's salary requirements are likely to increase. It should be noted that any further increase may have an adverse impact on service delivery and consequential affordability for the residents of Emfuleni Local Municipality.

The National Treasury circular dated 12 April 2002 cautioned, ***“that the creation of new organisational structures, filling of vacant posts and councillor allowances increases should only be undertaken with due consideration of budget constraints, affordability to its citizens and impact on the local economy”***.

The full financial implications of the restructuring, which still have to be determined, may have implications on future budgets. However, it is recommended that the Municipality's Human Resources Strategy should be informed by and takes into consideration the above circular in terms of managing remuneration expenditure.

- General expenses should be managed downwards from the current 11.43% of the total operational budget to not more than 11% in the 2007/2008-draft budget.
- Departments should indicate their needs to maintain the assets of the Municipality in the repairs and maintenance master plans. Departments must also indicate in their Operational Plans their annual requirements and the deferred maintenance needs. The 7.97% allocation for Repairs and Maintenance in the 2006/07 approved budget should be seen as the first step in addressing the backlog that exists on infrastructure maintenance and this level of spending should, at minimum, be maintained for the 2007/08-draft budget.
- A significant attempt should be made to provide adequately for uncollectable accounts and working capital. An extract from section 18 of the MFMA reads as follows:

“(1)An annual budget may only be funded from-

- (a) realistically anticipated revenue to be collected;***
- (b) cash-backed accumulated funds from previous year's surpluses not committed for other purposes; and***
- (c) borrowed funds, but only for the capital budget referred to in section 17(2).***

(2) Revenue projections in the budget must be realistic, taking into account-

- (a) projected revenue for the current year based on collection levels to date; and***
- (b) actual revenue collected in previous financial years.”***

It is therefore of utmost importance that credit control be enforced vigorously to avoid potential cashflow problems. The current provision for working capital should be made on the basis of the payment levels for the first four months of the current financial year.

With renewed efforts to address the arrear debtors and the issue of non payment, Emfuleni Local Municipality should strive to reduce the level of bad debts to such an extent that the total provision in the 2006/07 budget of R230 million should be sufficient to address bad debts in the 2007/08 financial year.

- **The identification of non-core functions and the possibility of phasing them out should be considered on a continuous basis.**

9. CAPITAL EXPENDITURE AND FUNDING STRATEGY

Due to the current financial position, Council is largely dependent on external funding for capital projects. During the 2006/07 budget, provision has been made for the renewal of a large portion of the Council's vehicles through a fleet management system. This project is rolled out over a three year time frame and it's of the utmost importance that phase two of this project is provided for in the 2007/08 draft budget.

The current allocations from the Municipal Infrastructure Grant are set out below.

Approved Budget 2006/7	Draft Budget 2007/8	Draft Budget 2008/9
R	R	R
58 778 000	65 920 000	54 006 000

The 2006/07 budget provides for counter funding to the value of R16.7 million, and the provision for the required counter funding in the 2007/08-draft budget should be prioritised.

10. POLICY REVIEW AND AMENDMENTS

This Policy should be reviewed annually by the Chief Financial Officer, in consultation with the Municipal Manager. Proposed amendments must be recommended to the Council, and confirmed by Council Resolution.

Annual budget guidelines will be communicated by means of a Budget Circular, and will not require changes to this Policy.

7. CONTRIBUTION COSTINGS

ADDENDUM TO BUDGET 2007/2008 ENGINEERING SERVICES CONTRIBUTIONS CHARGES FOR BULK INFRASTRUCTURE

RECOMMENDED:

1. That the following Services Contribution Charge (excluding VAT) plus 5.5% for the different engineering disciplines be approved for implementation as from 1 July 2007;

1.2 Charge for water and sanitation be payable for each new additional residential unit:

-	Water	-	R1 930
-	Sanitation	-	R2 316

1.3 that water and sanitation Services Contribution Charges for business and commercial units be two times residential tariffs;

1.4 that the following Roads & Streets Services Contribution Charge be payable:

Land Use	Trip Generation Peak	Contribution per unit/m ² etc
Residential 1 (>=1 000m ² erf size)	1.50 vehicle trips/peak hour/unit	R3 987/unit
Residential 1 (300 - 999m ²)	1.10 vehicle trips/peak hour/unit	R1 944/unit
Residential 1 (<=299m ²)	1.10 vehicle trips/peak hour/unit	R1 172/unit
Residential 1(2 nd Granny Flat)	1.10 vehicle trips/peak hour/unit	R1 166/unit
Residential 2, 3 & 4	1.50 vehicle trips/peak hour/unit	R2 650/unit
Office CBD	4.2 vehicle trips/peak hour/100m ² FA	R197/ m ²
Office Sub-urban	2.3 vehicle trips/peak hour/100m ² FA	R130/ m ²
Office CBD Medical	10.1 vehicle trips/peak hour/100m ² FA	R241/ m ²
Office Sub-urban Medical	21.8 vehicle trips/peak hour/100m ² FA	R707/ m ²
Business 1, 2 , 3 & 4	4 vehicle trips/peak hour/100m ² FA	R202/ m ²
Industrial 1,2 & 3	1,1 vehicle trips/peak hour/100m ² FA	R99/ m ²

Land Use	Trip Generation Peak	Contribution per unit/m ² etc
Retail		
Local Shopping Centre <2500m ²	18,50 vehicle trips/peak hour/100m ² FA	R246/ m ²
Neighborhood Shopping Centre <15 000m ²	10,20 vehicle trips/peak hour/100m ² FA	R220/ m ²
Community Shopping Centre <30 000m ²	7,30 vehicle trips/peak hour/100m ² FA	R189/ m ²
Regional Shopping Centre > 30 000m ²	5,00 vehicle trips/peak hour/100m ² FA	R188/ m ²
Church	0.8 vehicle trips/peak hour/100m ² FA	R31/ m ²
Community Facility (Library etc)	5.1 vehicle trips/peak hour/100m ² FA	R141/ m ²
Crèche /Day Care Centre/After School	15.95 vehicle trips/peak hour/100m ² FA	R279/ m ²
Recreation (cinema,etc.)	0.30 vehicle trips/peak hour/100m ² FA	R9/ m ²
Municipal / Provinsial Government	2.10 vehicle trips/peak hour/100m ² FA	R37/ m ²
Medical / Hospital	2.1 vehicle trips/peak hour/100m ² FA	R6 930/bed
Clinic	0.60 vehicle trips/peak hour/100m ² FA	R44/ m ²
Educational(Primary & Secondary)	0.60 vehicle trips/peak hour/100m ² FA	R1 537/pupil
Educational(University & Technikon)	0.60 vehicle trips/peak hour/100m ² FA	R567/pupil
Public Open Space	0.00 vehicle trips/peak hour/100m ² FA	R0/ m ²
Fitness Centre / Gymnasium	20.9 vehicle trips/peak hour/100m ² FA	R331/ m ²
Golf Course	/ha	R8 382 / ha
Sport Stadium	/seat	R485 / seat
Tennis Courts	/court	R7 503 / court
Filling Station	/station	R344 300 / station
Garage / New & Used Car Sales / Vehicle Spares & Tyres	2.7 vehicle trips/peak hour/100m ² FA	R67/ m ²

Where developments on agricultural holdings take place the capital contribution and the cost to establish the service will be charged.

1.5 That the following Stormwater Services Contribution Charge be payable:

Land Use (erf size)	Impermeable factor	Contribution Per 100m ² impermeable area
Residential 1 (>=4 000m ²)	30% / m ² area	R699
Residential 1 (3 999 – 2 000m ²)	40% / m ² area	R699

Land Use (erf size)	Impermeable factor	Contribution Per 100m ² impermeable area
Residential 1(1 000 – 1 750m ²)	45% / m ² area	R699
Residential 1 (300 - 999m ²)	50% / m ² area	R699
Residential 1 (<=299m ²)	50% / m ² area	R699
Residential 1(2 nd dwelling)	50% / m ² area	R699
Residential 2, 3 & 4	80% / m ² area	R699
Office CBD	90% / m ² area	R699
Office Sub-urban	70% / m ² area	R699
Business 1,2, 3 & 4	80% / m ² area	R699
Industrial 1, 2 & 3	90% / m ² area	R699
Retail (Shopping Centres)	80% / m ² area	R699
Local Shopping Centre <2500	80% / m ² area	R699
Church	80% / m ² area	R699
Community Facility (Library, etc)	70% / m ² area	R699
Crèche /Day Care Centre/After School	50% / m ² area	R699
Recreation (Cinema, etc.)	90% / m ² area	R699
Municipal / Provinsial Government	60% / m ² area	R699
Medical / Hospital	70% / m ² area	R699
Clinic	70% / m ² area	R699
Educational	50% / m ² area	R699
Public Garage	80% / m ² area	R699
Public Open Space	25% / m ² area	R699
Fitness Centre / Gymnasium	80% / m ² area	R699
Golf Course	25% / m ² area	R699
Sport Stadium	25% / m ² area	R699
Tennis Courts	25% / m ² area	R699
Filling Station	80% / m ² area	R699
Garage / New & Used Car Sales / Vehicle Spares & Tyres	80% / m ² area	R699

Where development on agricultural holdings takes place the capital contribution and the cost to establish the service will be charged.

- 1.6 That Services Contribution Charge be implemented as follows with respect to the Electricity Department:

NETWORK NUMBER	VOLTAGE NODAL	DESCRIPTIONS	R / KVA
N0	88kV	Lines zone	R 26.00
N1	88/11kV	Substation zone	R 118.00
N2	11Kv	Cable zone	R 194.00
N3	400/220V	Substation zone	R 307.00

2. that Services Contribution Charges generated be debit to the Asset Fund of Council credited to the various capital contribution funds related to each service (like water, sanitation, roads, storm water or

electricity), and utilized for capital projects with regard to provision of services to new developments, densification and increase of existing services;

3. that the Services Contribution Charge be revised once master plans has been compiled with a new report to Council;
4. that these contributions are payable for all development applications (township establishments, Rezoning, consent uses, subdivisions, consolidations and removal of restrictions);
5. that the funds above is capital by nature and are rolled over at the end of each financial year;
6. that the funds above can only be used in the area and service for which it was contributed for;
7. that the relevant managers must ensure that a register is kept of the contribution made;
8. that the budget office create the appropriate votes for above and inform the relevant Strategic Managers, Managers and Departments of the detail;
9. that, where Council decides to waive Capital Contributions, the Council must not later than the next financial year, pay the Capital Contribution amount into the applicable Asset Fund Services Vote applicable and