

# Submission to Council of the 2009/2010 IDP Annual Plan

28 May 2009

*Special Council Meeting on IDP and Budget – 28 May 2009*



# The Integrated Development Plan

“A single, inclusive & strategic plan for the development of the municipality...”

MSA, Section 25

*Special Council Meeting on IDP and Budget – 28 May 2009*



# The Integrated Development Plan

“The principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality”

MSA, Section 35

*Special Council Meeting on IDP and Budget – 28 May 2009*



# The Integrated Development Plan

Sets out what the Municipality aims to accomplish over a 5-year period and how it will do this.



*Special Council Meeting on IDP and Budget – 28 May 2009*



# Vision

We build sustainable partnerships  
with all our people

*Special Council Meeting on IDP and Budget – 28 May 2009*



# Mission

We ensure  
social and economic stability and growth  
through the  
sustainable delivery of all primary and secondary services  
to  
all our interest groups

*Special Council Meeting on IDP and Budget – 28 May 2009*



# The IDP process (1)

Approval of annual IDP/Budget time schedule

Strategy - vision and mission, future directions

Aug 08

Nov 08

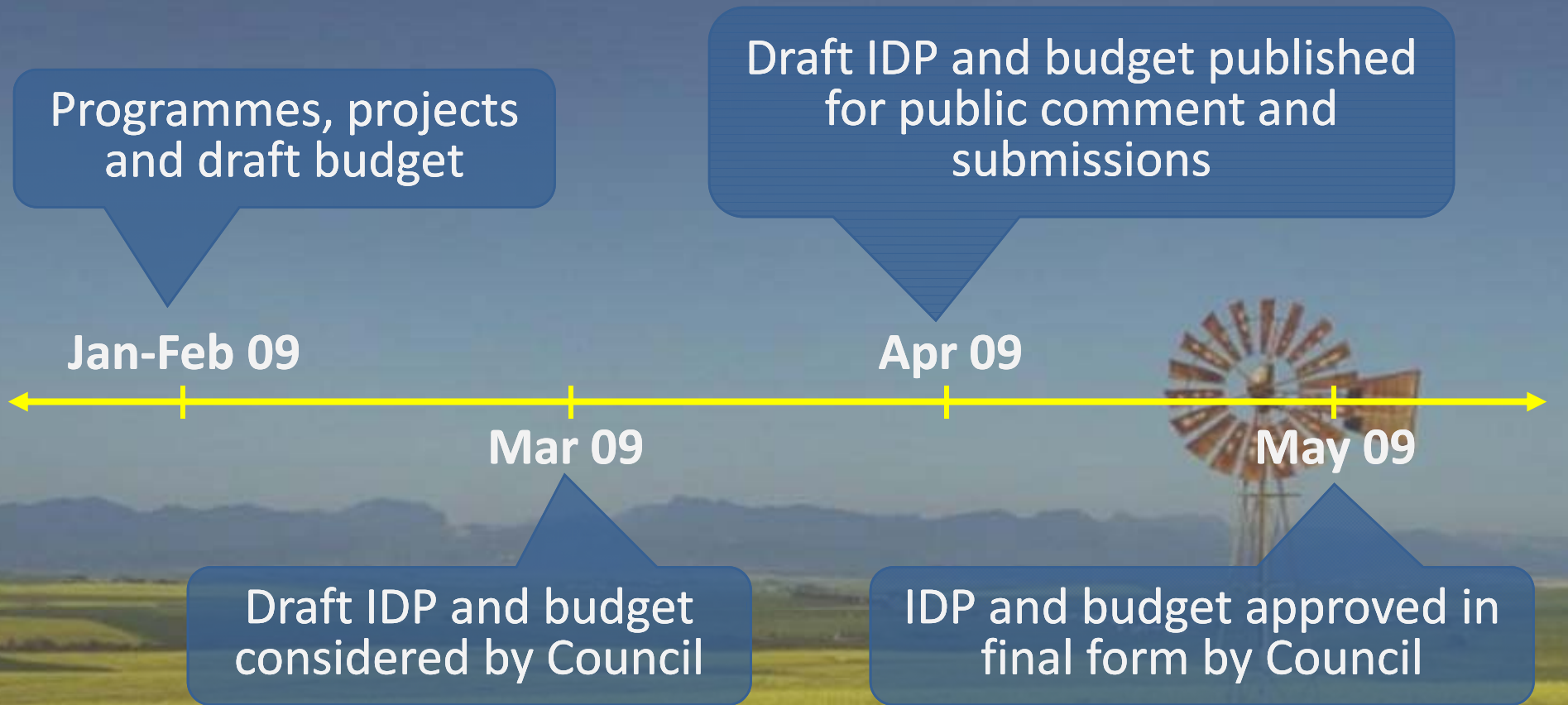
Sep-Oct 08

- Community input
- Performance analysis
- Financial analysis
- Organisational (gap) analysis

*Special Council Meeting on IDP and Budget – 28 May 2009*



# The IDP process (2)



*Special Council Meeting on IDP and Budget – 28 May 2009*





# Content of IDP

Chapter 1: Introduction

Chapter 2: Institutional

Chapter 3: Analysis

Chapter 4: Profile of Swartland

Chapter 5: Strategy

Chapter 6: Objectives and performance indicators

*Special Council Meeting on IDP and Budget – 28 May 2009*



# In Conclusion

- Strong partnership approach
- Shared responsibility
- Visionary leadership
- Greater alignment, integration & responsiveness

*Special Council Meeting on IDP and Budget – 28 May 2009*



# Submission to Council of the 2009/2010 Annual Budget

28 May 2009

*Special Council Meeting on IDP and Budget – 28 May 2009*



# Equitable Shares - 2011/2012

AANTAL AANSOEKE	DORP/AREA	KRAG VOOR AFBETAAL	VULLIS	WATER	RIOOL	EIENDOMSBELASTING	TOTAAL
	SWARTLAND AREA	R 0.7312	R 75.82	R 6.35	R 117.95	R 75 500.00	WAARDASIE
GROEI	ESKOM AREA	R 0.9306		4		R 0.0067	
0%		50		KILOLITER			
6522		R 3 117 590	R 5 934 033	R 1 987 925	R 9 231 327	R 3 299 185	R 23 570 060
SUBSIDIE ELEKT SWARTLAND AREA		R 1 921 761					R 23 570 060
SUBSIDIE ELEKT ESKOM AREA		R 1 195 828				<b>SUBSIDY FROM GOVERNMENT</b>	<b>R 20 884 000</b>
		R 3 117 590				<b>ADMIN. COST</b>	<b>R 1 826 640.00</b>
						<b>SURPLUS / (DEFICIT)</b>	<b>-R 4 512 700.07</b>

Special Council Meeting on IDP and Budget – 28 May 2009



# Effect of tariff increase on an Equitable Share Household 2009/2010

TOTALE " Equitable Share " TOEKENNING				R 0.0052	R 0.0056	R 0.0061	
	Basis:		Monthly Account	Present	2010	2011	2012
	Stand - sq.m	250	Property Rates	R 32.75	R 32.68	R 35.46	R 38.29
	Buildings - sq.m	25	Electricity - Basic	R -	R -	R -	R -
	Elec. - Kwh/pm		Electricity - Units	R 28.05	R 32.85	R 37.92	R 39.62
	Water - Kl./pm	10	Water = 4 KL	R 21.52	R 23.67	R 25.33	R 26.98
	Valuation	30 000	Sewerage	R 72.54	R 83.38	R 95.89	R 117.95
	New Valuation	75 500	Refuse Removal	R 53.49	R 59.91	R 67.10	R 75.82
			Vat 14%	R 24.58	R 27.97	R 31.67	R 36.45
	Free Water	10 KL		R 232.93	R 260.47	R 293.36	R 335.11
	Free Elec.	50 Kwh	% Increase		-11.82%	-12.63%	-14.23%
				R -27.53	R -32.90	R -41.75	

Special Council Meeting on IDP and Budget – 28 May 2009



# Rates – Tariffs 2009 - 2011

	Tariffs				%Tariff Increase		
	Tariff per R1.00 Valuation				%Tariff Increase		
	2009	2010	2011	2012	2010	2011	2012
Grottobaai	R 0.0012	R 0.0013	R 0.0014	R 0.0015	6.00%	8.50%	8.00%
Jakkalsfontein	R 0.0012	R 0.0013	R 0.0014	R 0.0015	6.00%	8.50%	8.00%
Peri Urban Areas	R 0.0012	R 0.0013	R 0.0014	R 0.0015	6.00%	8.50%	8.00%
All Other	R 0.0049	R 0.0052	R 0.0056	R 0.0061	6.00%	8.50%	8.00%
Businesses in Peri Urban Areas	R 0.0049	R 0.0052	R 0.0056	R 0.0061	6.00%	8.50%	8.00%
Landelik Staat	R 0.0049	R 0.0052	R 0.0056	R 0.0061	6.00%	8.50%	8.00%
Pensioners @ 60%	R 0.0029	R 0.0031	R 0.0034	R 0.0037	6.00%	8.50%	8.00%

Special Council Meeting on IDP and Budget – 28 May 2009



# Electricity - Profit / Deficit 28 May 2009

EXPENDITURE	BUDGET				DEVIATION			
	2008/2009	2009/2010	2010/2011	2011/2012	2008/2009	2009/2010	2010/2011	2011/2012
PURCHASES	R 48 001 514	R 64 916 655	R 77 899 990	R 93 479 990	-41.91%	-35.24%	-20.00%	-20.00%
	R 61 453 975	R 82 336 694	R 97 740 903	R 114 956 889	-30.29%	-33.98%	-18.71%	-17.61%
				R -				
INCOME	R 80 174 327	R 101 342 036	R 124 198 102	R 143 499 014	-26.7%	-26.4%	-22.6%	-15.5%
PROFIT / DEFICIT (= -)	R 18 720 352	R 19 005 342	R 26 457 199	R 28 542 125	-16.1%	-1.5%	-39.2%	-7.9%
NET PROFIT %	23.35%	18.75%	21.30%	19.89%	8.3%	19.7%	-13.6%	6.6%
NET PROFIT % SUBSIDY EXCLUDED	23.35%	18.68%	18.03%	18.04%	8.3%	20.0%	3.5%	-0.1%
	156 959 459	LINE LOSSES						
	182 859 710	-16.50%			PROPOSED TARIFF INCREASE			
					25.00%	19.00%	17.10%	15.43%

Special Council Meeting on IDP and Budget – 28 May 2009



# Water - Profit / Deficit 28 May 2009

	ACTUAL	BUDGET			DEVIATION			
	2008/2009	2009/2010	2010/2011	2011/2012	2008/2009	2009/2010	2010/2011	2011/2012
<b>EXPENDITURE</b>	R 20 472 590	R 23 531 447	R 25 328 694	R 27 337 546	-6.59%	-14.94%	-7.64%	-7.93%
<b>INCOME</b>	R 21 240 912	R 25 067 793	R 27 579 598	R 30 186 459	-27.98%	-18.02%	-10.02%	-9.45%
<b>Profit / Deficit (= -) before subsidy</b>	R 765 322	R 1 536 346	R 2 250 904	R 2 848 913			-46.51%	-26.57%
<b>Profit / Deficit (= -)</b>	R 765 322	R 1 536 346	R 2 250 904	R 2 848 913	129.43%	-99.96%	-46.51%	-26.57%
<b>Net Profit/ Deficit % before subsidy</b>	3.62%	6.13%	8.16%	9.44%	123.00%	-69.43%	-33.17%	-15.64%
<b>Net Profit/ Deficit % after subsidy</b>	3.62%	6.13%	8.16%	9.44%				
	5 294 653	LINE LOSSES						
	4 381 769	17.24%			<b>PROPOSED TARIFF INCREASES</b>			
					9.85%	3.5%	7.0%	6.5%

Special Council Meeting on IDP and Budget – 28 May 2009





# Sewerage - Profit / Deficit 28 May 2009

EXPENDITURE	ACTUAL	BUDGET			AFWYKING			
	2008/2009	2009/2010	2010/2011	2011/2012	2008/2009	2009/2010	2010/2011	2011/2012
SALARIES	R 3 630 460	R 4 234 210	R 4 664 880	R 5 139 570	6.45%	-16.63%	-10.17%	-10.18%
GENERAL EXPENSES	R 2 217 874	R 2 520 110	R 2 699 250	R 2 917 070	<b>-32.34%</b>	-13.63%	-7.11%	-8.07%
ADMIN AND DEPT.	R 1 121 260	<b>R 2 291 620</b>	R 2 651 120	R 3 075 370	-2.00%	<b>-104.38%</b>	-15.69%	-16.00%
REPAIR AND MAINTENANCE	R 1 446 140	R 1 596 850	R 1 705 650	R 1 840 350	<b>-48.28%</b>	-10.42%	-6.81%	-7.90%
CAPITAL COSTS	R 5 818 211	R 6 512 136	R 6 752 304	R 9 709 370	10.37%	-11.93%	-3.69%	-43.79%
	<b>R 14 233 945</b>	<b>R 17 154 926</b>	<b>R 18 473 204</b>	<b>R 22 681 730</b>	<b>-0.79%</b>	<b>-20.52%</b>	<b>-7.68%</b>	<b>-22.78%</b>
<b>INCOME</b>								
FROM TARIFFS	R 14 693 451	R 17 272 150	R 19 862 972	R 24 431 456	<b>-4.95%</b>	<b>-17.55%</b>	<b>-15.00%</b>	<b>-23.00%</b>
OTHER	R 1 203 100	R 1 378 780	R 1 455 180	R 1 537 210	<b>-78.37%</b>	<b>-14.60%</b>	<b>-5.54%</b>	<b>-5.64%</b>
	<b>R 15 896 551</b>	<b>R 18 650 930</b>	<b>R 21 318 152</b>	<b>R 25 968 666</b>	<b>-8.32%</b>	<b>-17.33%</b>	<b>-14.30%</b>	<b>-21.81%</b>
<b>PROFIT / DEFICIT (= -)</b>	<b>R 1 662 606</b>	<b>R 1 496 004</b>	<b>R 2 844 948</b>	<b>R 3 286 936</b>	<b>-200.90%</b>	<b>10.02%</b>	<b>-90.17%</b>	<b>-15.54%</b>
<b>NET PROFIT %</b>	<b>10.46%</b>	<b>8.02%</b>	<b>13.35%</b>	<b>12.66%</b>				
<b>FIXED CAPITAL CONTRIBUTIONS EXCLUDED</b>					<b>PROPOSED TARIFF INCREASES</b>			
					<b>8.00%</b>	<b>14.95%</b>	<b>15.00%</b>	<b>23.00%</b>

Special Council Meeting on IDP and Budget – 28 May 2009



# Refuse Removal - Profit / Deficit 28 May 2009

	ACTUAL	BUDGET			DEVIATION			
	2008/2009	2009/2010	2010/2011	2010/2011	2008/2009	2009/2010	2010/2011	2011/2012
<b>EXPENDITURE</b>	R 9 715 500	R 13 081 018	R 14 690 636	R 16 427 006	-16.22%	-4.47%	-12.30%	-11.82%
<b>INCOME</b>	R 9 619 119	R 13 929 711	R 15 588 045	R 17 599 049	-15.94%	-12.3%	-11.9%	-12.9%
<b>PROFIT / DEFICIT (= -)</b>	R -96 381	R 848 693	R 897 409	R 1 172 043	-56.90%	841.8%	-5.7%	-30.6%
<b>Net Profit / Deficit %</b>	-1.00%	6.09%	5.76%	6.66%	-35.33%	760.6%	5.5%	-15.7%
					<b>PROPOSED TARIFF INCREASES</b>			
					14.95%	12.00%	12.00%	13.00%

Special Council Meeting on IDP and Budget – 28 May 2009



# Budget Summary after Tariff Increases

Total Budget	2 010	2 011	2 012
Tariff Income	R 209 488 452	R 239 413 201	R 273 533 451
Availability Fees	R 3 280 897	R 3 712 038	R 4 305 393
Other Income	R 40 787 318	R 42 649 462	R 45 667 877
<b>OPERATING INCOME</b>	<b>R 253 556 667</b>	<b>R 285 774 702</b>	<b>R 323 506 721</b>
Less: Expenditure	R 267 480 989	R 302 089 804	R 340 998 177
<b>OPERATING DEFICIT</b>	<b>R -13 924 322</b>	<b>R -16 315 102</b>	<b>R -17 491 456</b>
<b>SALE OF LAND</b>	<b>R 7 080 000</b>	<b>R 11 500 000</b>	<b>R 10 000 000</b>
<b>CAPITAL GRANTS</b>	<b>R 23 495 000</b>	<b>R 14 320 000</b>	<b>R 8 980 000</b>
<b>TOTAL INCOME BUDGET</b>	<b>R 284 131 667</b>	<b>R 311 594 702</b>	<b>R 342 486 721</b>
<b>NETT RESULT BUDGET</b>	<b>R 16 650 678</b>	<b>R 9 504 898</b>	<b>R 1 488 544</b>
Contribution Leave Gratuity	R -1 050 000	R -1 050 000	R -1 050 000
Long Service Bonusses	R -737 090	R -810 800	R -891 870
Post Employee Health Benefits	R -3 477 860	R -3 895 200	R -4 362 630
Contribution Leave Gratuity	R 210 000	R 210 000	R 210 000
Long Service Bonusses	R 147 418	R 162 160	R 178 374
Post Employee Health Benefits	R 173 893	R 194 760	R 218 132
Contribution Bad Debt	R -1 749 483	R -3 012 770	R -3 837 375
Deficit Housing	R -548 579	R -657 189	R -756 920
	R -7 031 701	R -8 859 039	R -10 292 289
<b>Total Expenditure Cash</b>	<b>R 260 449 288</b>	<b>R 293 230 765</b>	<b>R 330 705 888</b>
<b>Nett Cash Result</b>	<b>R -6 892 621</b>	<b>R -7 456 063</b>	<b>R -7 199 167</b>

Special Council Meeting on IDP and Budget – 28 May 2009



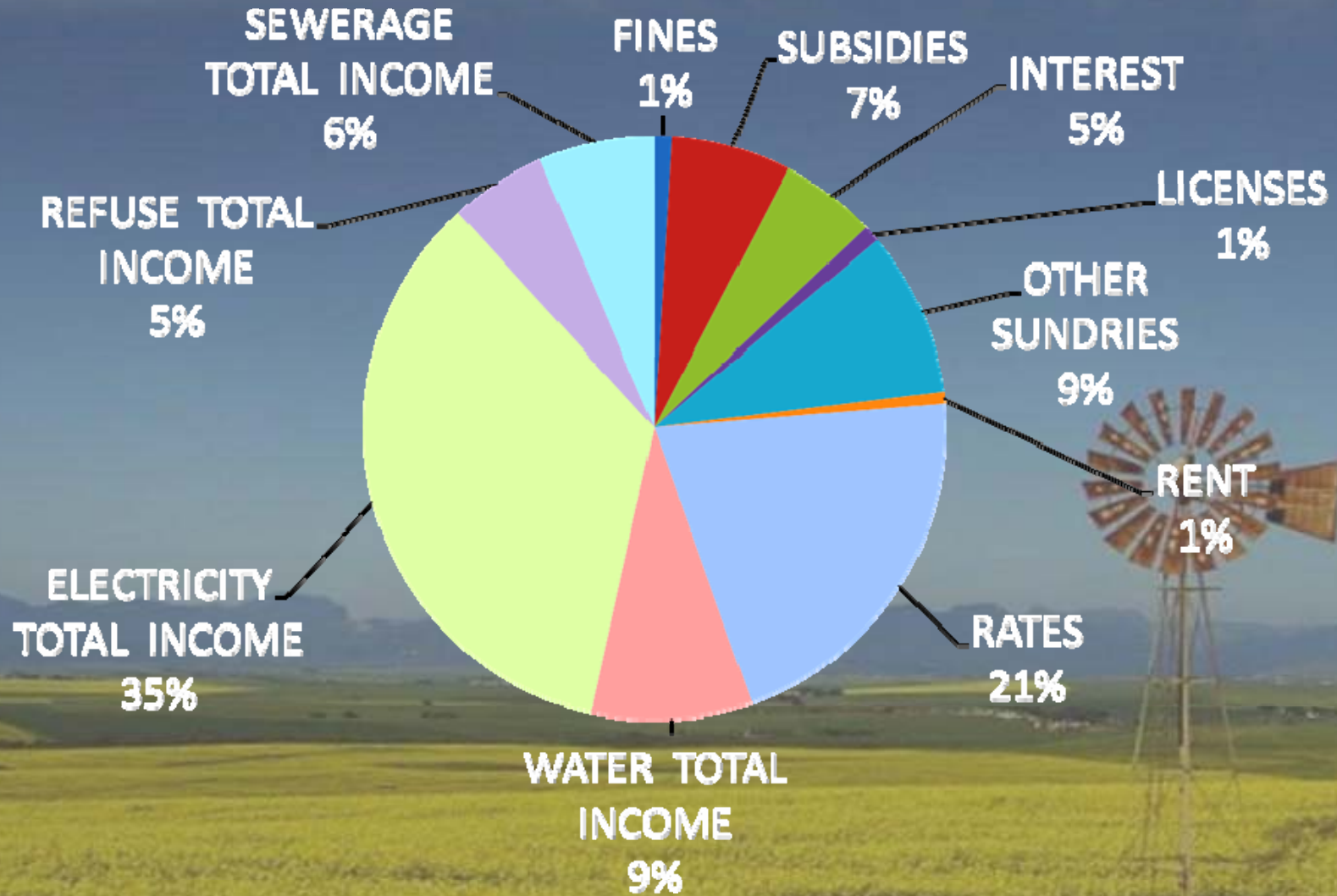
# Summary Income after Growth and Increases

With erf sales	2010 - 2012		
	2009/2010	2010/2011	2011/2012
<b>Total Income</b>			
Rates	R 56 772 984	R 61 598 687	R 66 526 582
Electricity	R 99 656 963	R 118 318 036	R 138 804 138
Water	R 23 412 151	R 25 814 652	R 28 310 281
Sewerage	R 15 930 323	R 18 319 871	R 22 533 441
Refuse Removal	R 13 716 031	R 15 361 955	R 17 359 009
Availability Fees	R 3 280 897	R 3 712 038	R 4 305 393
Other	<b>R 40 787 318</b>	<b>R 42 649 462</b>	<b>R 45 667 877</b>
<b>Total All Income</b>	<b>R 253 556 667</b>	<b>R 285 774 702</b>	<b>R 323 506 721</b>
	<b>MORE INCOME</b>	<b>R 32 218 035</b>	<b>R 69 950 055</b>
		<b>12.71%</b>	<b>13.20%</b>

Special Council Meeting on IDP and Budget – 28 May 2009



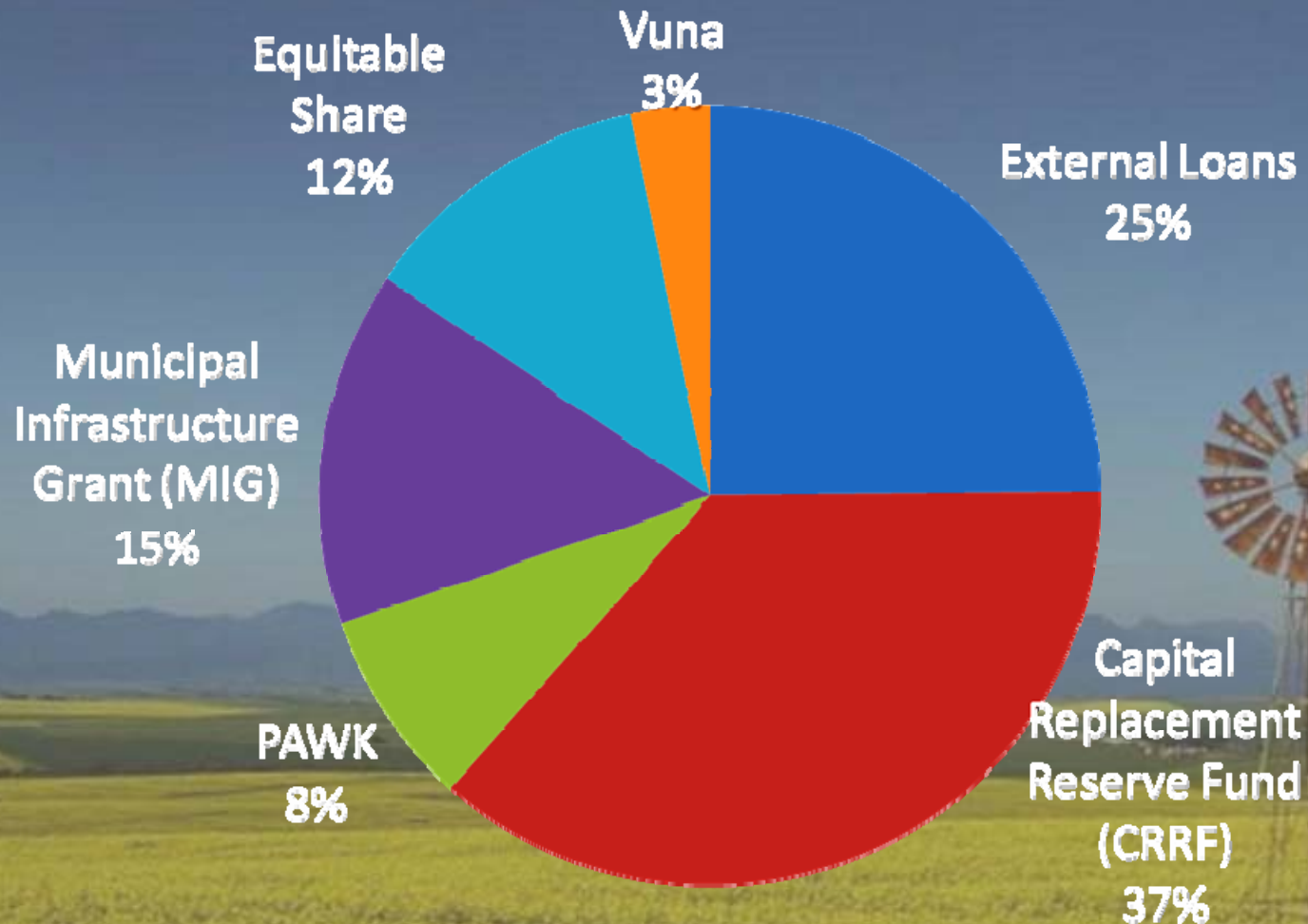
# Income 2009/2010



Special Council Meeting on IDP and Budget – 28 May 2009



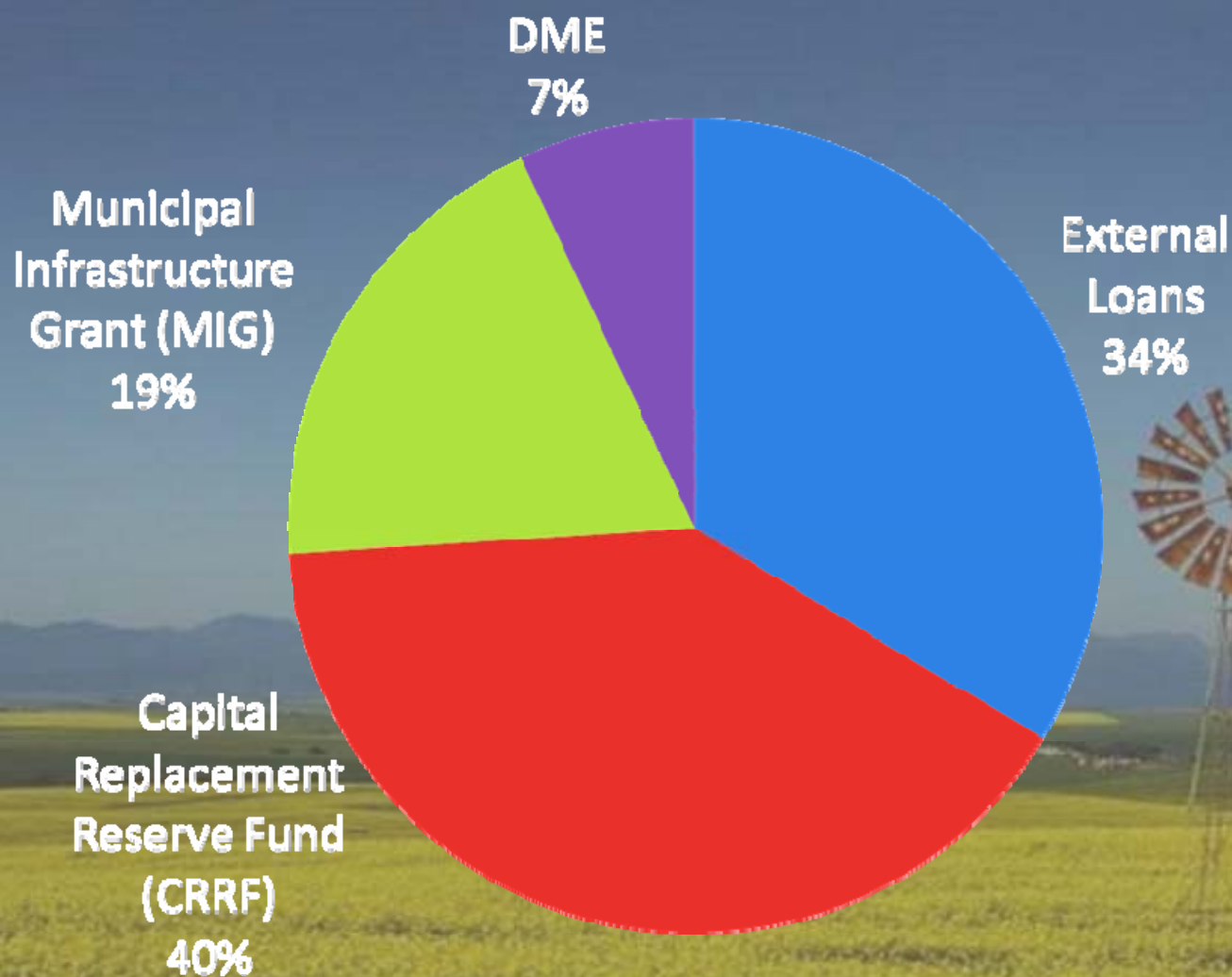
# Sources of Financing 2009/2010



Special Council Meeting on IDP and Budget – 28 May 2009



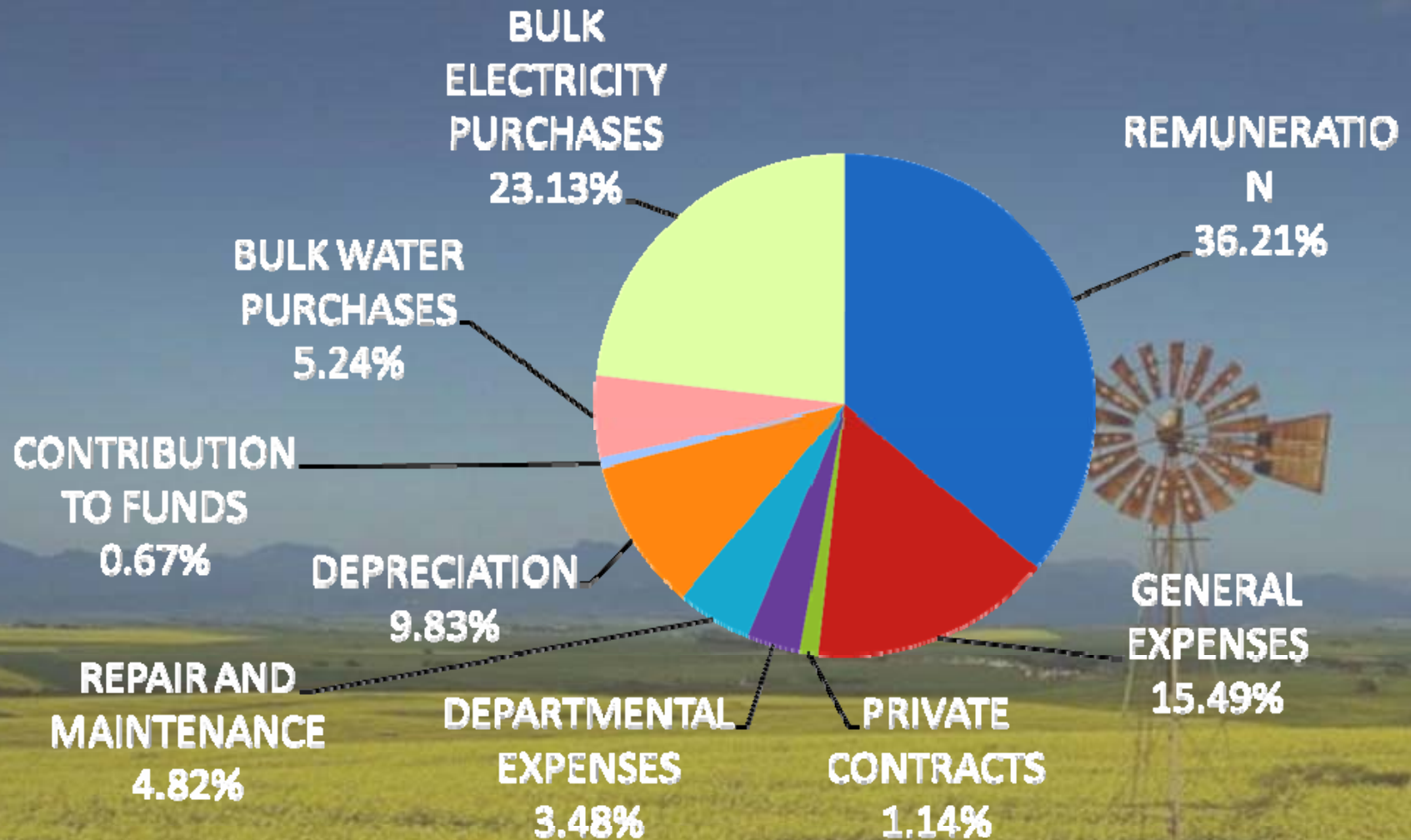
# Sources of Financing 2010/2011



*Special Council Meeting on IDP and Budget – 28 May 2009*



# Expenditure 2009/2010



Special Council Meeting on IDP and Budget – 28 May 2009





# Capital Expenditure 1 July 2002 - 30 June 2008

	2002	2003	2004	2005	2006	2007	2008	Total
Electricity	730 559	3 459 206	2 811 002	2 697 031	2 761 853	7 290 273	6 550 614	27 625 367
Municipal Property	231 535	74 761	1 764 215	5 550 976	3 294 995	3 822 780	1 208 896	16 232 304
Roads and Stormwater	2 332 082	2 492 652	7 752 026	9 152 780	14 118 869	18 499 463	24 823 056	85 465 701
Sewerage	2 527 430	1 360 605	3 706 654	5 612 500	11 700 603	12 229 071	15 966 459	54 435 424
Water	1 594 502	476 846	5 436 969	1 817 526	4 203 017	5 374 338	6 154 618	28 481 395
Other	1 123 595	2 057 981	4 226 339	5 732 357	5 788 440	7 269 062	9 171 249	37 083 973
<b>TOTAL</b>	<b>8 539 703</b>	<b>9 922 051</b>	<b>25 697 205</b>	<b>30 563 170</b>	<b>41 867 777</b>	<b>54 484 987</b>	<b>63 874 892</b>	<b>249 324 164</b>

*Special Council Meeting on IDP and Budget – 28 May 2009*



# Effect on Households

			R 0.0049	R 0.0052	R 0.00564	R 0.00609
			R.c.Exc Vat	R.c.Exc Vat	R.c.Exc Vat	R.c.Exc Vat
				R -182.05	R -171.20	R -189.27
<b>Basis:Werklik/Real</b>						
Stand - sq.m	681	Monthly Account	Present	2010	2011	2012
Buildings - sq.m	194	Property Rates	612.30	649.03	704.20	760.54
Elec. - Kwh/pm	1000	Electricity - Basic	53.26	66.58	77.96	89.99
Water - Kl./pm	60	Electricity - Units	481.80	602.25	705.23	814.05
		Electricity Levy	-	-	-	-
Valuation		Water	351.42	386.56	413.62	440.51
New Valuation	1 499 500	Sewerage	72.54	83.38	95.89	117.95
<b>Free Water</b>	6	Refuse Removal	53.49	59.91	67.10	75.82
<b>Free Elec.</b>			<b>1 624.81</b>	<b>1 847.71</b>	<b>2 064.01</b>	<b>2 298.85</b>
		<b>% Increase</b>		<b>13.72%</b>	<b>11.71%</b>	<b>11.38%</b>

Special Council Meeting on IDP and Budget – 28 May 2009



# % Tariff Increases 2009/2010

<b>Rates</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Peri Urban Areas @ 25% of Standard rate	6.00%	8.50%	8.00%
Standard Rate	6.00%	8.50%	8.00%
Businesses in Peri Urban Areas 100% - 2009	6.00%	8.50%	8.00%
<b>Electricity</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Households and Farming Consumers Basic	25.00%	17.10%	15.43%
Households and Farming Consumers per kWh	25.00%	17.10%	15.43%
Prepaid - Indigent ready bord	12.00%	12.00%	12.00%
Prepaid - Households	25.00%	17.10%	15.43%
<b>Water</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Huishoud. Gratis 6 kl	0.00%	0.00%	0.00%
Huishoud. 7 tot 30 Kl.	10.00%	7.00%	6.50%
Huishoud. 31 tot 60 Kl.	10.00%	7.00%	6.50%
Huishoud. 61 en meer	10.00%	7.00%	6.50%
Huishoud Gratis 10 kl -6klRaad+4 EQS	0.00%	0.00%	0.00%
Besighede	10.00%	7.00%	6.50%
Basies Yzerfontein - Nie permanente inwoners	10.00%	7.00%	6.50%
<b>Refuse Removal</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
All Other	12.00%	12.00%	13.00%
<b>Sewerage</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Swartland 2 nd point	14.95%	15.00%	23.00%
Swartland 1 st point	14.95%	15.00%	23.00%
Sewerage Domestic pumpings 1 st 2 p.m.	14.94%	15.00%	23.01%
Sewerage Domestic pumpings 3 rd per pumping	25.53%	15.00%	23.00%

*Special Council Meeting on IDP and Budget – 28 May 2009*

