

WHAT DO WE DO WITH YOUR MONEY?

During the last financial year we delivered, among others:

- Electricity downtime of less than 1%;
- 2 890 new water connections;
- Constructed 110km of new roads;
- 8 172 additional refuse collection service points added;
- 11 325 stands demarcated for new housing;
- More than 14 000 new indigents registered;
- 87.9% cure rate for TB;
- New drive-thru licensing facility; and
- Constructed one new library and one new clinic.

HOW DO WE help THE POOREST OF THE POOR?

The Metro has a social responsibility to accommodate the poor families in our area. This is done by means of the following grants:

Assessment rates	R150 000 of the property value is not taxed (if you are indigent you are exempted in full)
Water	First 6kl of water is free (if you are indigent a further 3kl of water is free)
Electricity	100kWh free to all Tariff A users
Refuse removal	The first step tariff is free if you are indigent

WHAT IS THE CAPITAL BUDGET

The Capital Budget is for the cost to procure assets for the Metro. Typical examples are:

- electricity network;
- water network;
- buildings such as clinics, sport stadiums and libraries;
- new tarred roads constructed; and
- parks and cemeteries.

The Capital Budget is largely based on the upgrading and improvement of the infrastructure and projects, as identified through the IDP process. It is funded from different funding sources namely:

- new loans;
- internal funding/surplus cash;
- government grants; and
- developers' contributions.

For 2011/12 the total Capital Budget is R2 374 billion. Allocations to the departments, with emphasis to the core service delivery departments in the multi-year Capital Budget are:

DEPARTMENTS	BUDGET 2011/12	BUDGET 2012/13
EMPD	50 074 100	35 870 000
ENERGY	385 254 190	298 674 760
HEALTH & SOCIAL DEVELOPMENT	113 893 500	146 458 400
HOUSING	26 800 000	41 110 000
ROADS & STORMWATER	327 556 000	364 914 000
SPORT, RECREATION, ART AND CULTURE	94 681 000	91 900 000
WASTE MANAGEMENT	137 264 000	125 600 000
WATER & SANITATION	603 659 945	578 236 000
OTHER DEPARTMENTS	635 602 750	617 182 250
GRAND TOTAL	2 374 785 485	2 299 855 410

**** The budget presented here can only be achieved if all residents in Ekurhuleni accept the responsibility to pay their monthly municipal bill.



TALKS to our community

Special Budget Issue June 2011

Executive Mayor of Ekurhuleni Metropolitan Municipality Clr Mondli Gungubele delivered his budget speech on 20 April, just a week after his State of the City Address at the Germiston Council Chambers.

In his address the first citizen said that the Integrated Development Plan and Budget for 2011/12 will help realise the three interlinked objectives of maintaining and improving on the standards of quality service delivery established in the past; further grow and develop Ekurhuleni to its full potential and to meet future challenges; and transform Ekurhuleni into an integrated and united society.

The key strategic thrusts in the coming financial year, from the perspective of energy provision, are, among others, to improve energy service reliability, implement new developments with the aim of saving electricity and increase access to energy services by all households.

Improving efficiencies in respect of water conservation and demand management to ensure continuous, consistent and reliable provision for years to come is another focus area explained Clr Gungubele.

Insofar as tariff increases are

concerned, he said that the Metro is trying to keep increases as low as possible whilst not compromising its financial viability.

"The range of facilities for which we have made financial provision will add to our efforts for sustainable delivery of quality services. As a result of our efforts, even more people will have access to electricity, water, sanitation and solid waste services.

"We will further reduce the backlogs and deficits in roads and stormwater, housing, access to sporting and other recreational facilities, clinics and other primary healthcare facilities, and an integrated public transport system that is accessible, reliable and safe," said the mayor.

"Our spatial development form will result in communities that work and play together. While we cannot guarantee that the end results will be harmonious race relations, this much we

can say: starting from July 2011, Ekurhuleni will be on a path of integration, where all parts of the City think and speak in one voice – a voice of a City whose form and content seeks to unite all.

"We have made sufficient provision for the capacitation of our institution to meet the rigours of the plans we have outlined. We are determined to equip our officials and office bearers with the necessary skills and expertise to realise the goals we have set for ourselves. We will stop at nothing to recruit into our employ the best that South Africa and the world have to offer to help us become the best we can be as a globally competitive city in all aspects of our work," said the mayor.

Listed below is a breakdown of the budget for 2011/12, which kicks in on 1 July 2011.



Tariff Increases 2011/12

Electricity	<ul style="list-style-type: none"> Tariff A IBT (using less than 700kwh) = Varies between -30% and 9.2%, depending on the level of consumption Tariff B residential = 17% Business tariff = 21.3%
Water	12.9%
Waste Removal	15%
Refuse Removal	15%
Assessment Rates	6.50%

Assessment RATES

Assessment rates will increase by 6.5%. The first R150 000 of the value of residential properties remains excluded from the value for rating purposes. To further assist the vulnerable sectors of society, additional rebates are granted.

Indigent households, including child-headed households will receive a full rebate on their assessment rates bill. Various other organisations, including churches, cultural organisations, and other nongovernmental organisations qualify for additional rebates. Pensioners are assisted with rebates based on the income of the pensioner.

A total amount of R2.7 billion will be generated by assessment rates whilst R528m worth of social support is provided to our communities.

ELECTRICITY

Eskom announced an increase of 26.7% which came into effect on 1 April, while Ekurhuleni will increase its tariffs as from 1 July. The Metro will continue with the partial introduction of inclining block tariffs, as required by the National Electricity Regulator of South Africa. Tariff increases for the coming year are lower than the Eskom increases for all categories of electricity consumers.

All **Tariff A** residents will continue to receive 100kWh per month free of charge. The increase to electricity charges for indigents will reduce by up to 30% if they remain inside the first step of the inclining block tariff. Residents using **no more than 700 kWh** per month, who use the second step of the inclining block tariff, will pay between -17% and 9.2% more. The electricity charge for residential consumers using **more than**

700 kWh per month (Tariff B) will increase by 17%.

For **business tariffs** there is an average of 21.3% increase. To further assist our communities, the winter/summer tariff principle has been abolished for residential customers. As from 1 July 2011, only business and large residential complexes will have a separate winter tariff.

The free basic services provided to indigents will cost the Metro R32 million, and the provision of free basic electricity to other Tariff A consumers a further R155 million. In addition, an amount of R60 million will be paid over to Eskom for the free basic electricity provided to indigents in the Eskom electricity supply area.



WATER

The increase of 12.9% for water costs by Rand Water will also apply to Ekurhuleni's consumers. All residential consumers will continue to receive 6kl of free basic water per month, and indigent households will receive 9kl of free basic water. The cost of the provision of free basic water to residential households will amount to R273 million and the additional water provided to indigent households will cost the Metro a further R15 million.

WASTE WATER

There is a significant increase in the cost of the purification of wastewater. The East Rand Water Care Company (ERWAT), an entity of Council, is performing this function on behalf of Council. Their input cost, which is mainly driven by the cost of energy as well as interest charges on their external loans, has necessitated an increase of 19.53% to the Metro.

The subsequent increase in sanitation charges to both residential and business consumers is 15%. As with water, residential consumers will continue to receive 6kl of free basic sanitation per month and indigent households will receive 9kl of free basic sanitation. The cost of free basic sanitation amounts to R209 million for the 2011/2012 financial year and a further R12m for the additional sanitation provided to indigent households.

REFUSE REMOVAL

Refuse removal services' costs are driven by the cost of labour, fuel as well as contracts to maintain the refuse sites. A 15% increase will apply from 1 July. Indigent households will still get the first step free of charge, costing Council R43 million. The tariff increase includes the cost of litter picking, street cleaning, illegal dumping and waste disposal.

