



THE PROVINCE OF MPUMALANGA
DIE PROVINSIE MPUMALANGA

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No. 1461

We all have the power to prevent AIDS

AIDS
affects
us all



A
new
struggle

Prevention is the cure

**AIDS
HELPLINE**

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DEPARTMENT OF HEALTH



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PROVINCIAL NOTICE

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PROVINCIAL NOTICE

PROVINCIAL NOTICE 1 OF 2007

PROVINCIAL NOTICE

The following Provincial Notice is published for general information.

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HOOF VAN DIE DEPARTEMENT

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LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT 2003

THIRD QUARTER CONSOLIDATED PERFORMANCE REPORTS: 2006/07 LOCAL GOVERNMENT CAPITAL OPERATING BUDGETS

I, Mmathulare Coleman, Minister of Finance, acting in terms of section 71(7) of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003), hereby publish the consolidated statement on municipalities' budgets in the Mpumalanga Province. The consolidated statement reflects the financial performance by municipalities for the three quarters (1 July – 30 April 2007) of the year 2006/07 municipal financial year.

Honourable, Mrs. Mmathulare. E. Coleman

MEC for Finance



finance

DEPARTMENT: FINANCE
MPUMALANGA
PROVINCIAL GOVERNMENT

**MUNICIPAL FINANCE
MANAGEMENT ACT
56 OF 2003
SECTION 71
REPORTS
(FINANCIAL
PERFORMANCE
REPORTS)**

**THREE QUARTERS REPORT
JULY 2006 TO MARCH 2007**



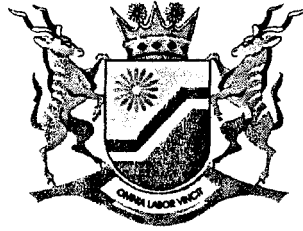
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DEPARTMENT: FINANCE
MPUMALANGA
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"Always Stretching Our Arm, to Accelerate Service Delivery"

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Kgoro ya Matlotlo

1. FOREWORD

Section 71 (7) of the MFMA 56 Of 2003, provides that the Provincial Treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and the municipal entity. To inform various role players, stakeholders and the public in general how the delegated municipalities and non delegated municipalities in Mpumalanga Province are performing in terms of spending and what the budgetary implications in terms of sources of finance are for the 2006/2007 budget year.

The monthly budget statements, which are submitted in the required reporting time frames to its administration, council, and provincial and national government agencies, are very useful as an early warning of actual or impending financial distress. These indicators must highlight whether or not the council is operating a continuous bank overdraft, creditor payments are made within 30 days, outstanding accounts are being collected, and capital expenditure is consistent with plans.

When any of these indicators show a negative variance, then the municipal manager must table corrective measures immediately for council consideration and approval. This may include a reduction in expenditures if revenue collections are less than projected.

This report can be used to provide support, and advice to municipalities who are likely to experience a financial distress as a result of poor planning. Councils will be in a position to reprioritize and ensure funds are spent more efficiently, effectively and economically.

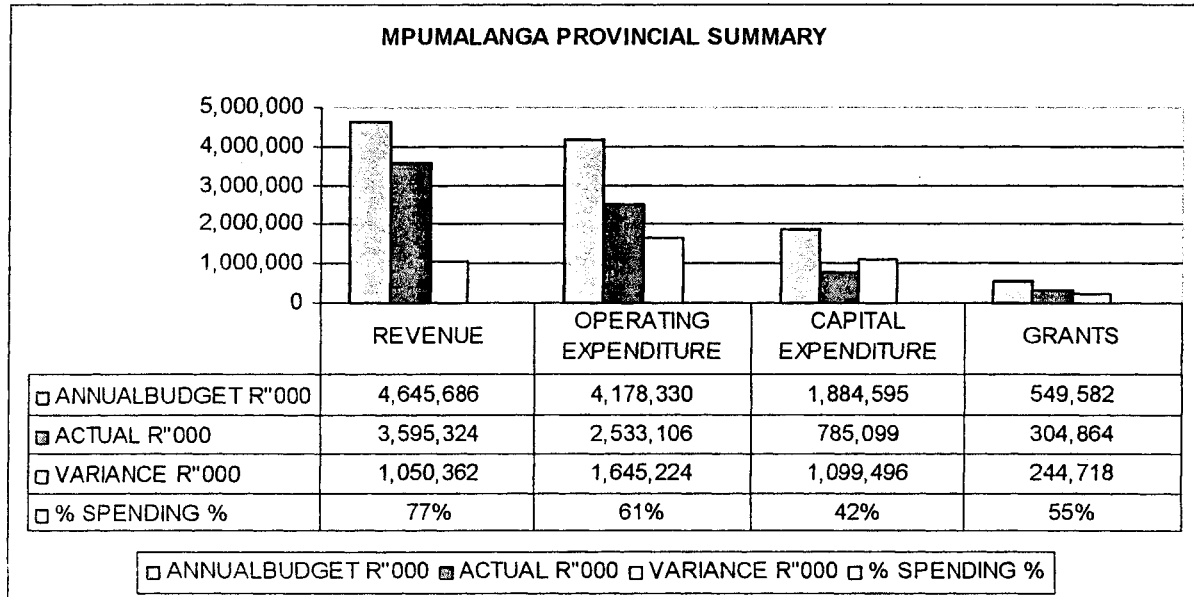
Furthermore it will promote transparency and openness to the communities who are directly affected by municipal services.

The report will also assist national government when formulating macro-economic policy.

"Always Stretching Our Arm, to Accelerate Service Delivery"

Table 1

MPUMALANGA PROVINCE AMALGAMATED MUNICIPAL INFORMATION AS AT 31 MARCH 2007				
PROVINCIAL SUMMARY	BUDGET	ACTUAL	VARIANCE	% SPENDING
REVENUE	4,645,686	3,595,324	1,050,362	77
OPEX	4,178,330	2,533,106	1,645,224	61
CAPEX	1,884,595	785,009	1,099,496	42
GRANTS	549,582	304,864	244,718	55



1.1 Operating Income

The total revenue budget for the municipalities in the province is R 4,645,686 billion, and the actual revenue collected for the third quarter is R 3,593,324 billion or 77 percent of the total budget. The level of collection is satisfactory though this is overshadowed by the old debtor's books which municipalities are currently having.

1.2 Operating Expenditure (Opex)

The total operating municipal budget for Mpumalanga for the 2006/2007 financial year is R 4,178,330 billion and the actual expenditure for the period under review is R 2,533,106 billion or 61 percent. The spending trend is satisfactory, and the target is likely to be reached at the end of the financial year.

1.3 Capital Expenditure (Capex)

The total municipal capital budget in the province is equal to R 1,884,595 billion and the actual expenditure to date is R785, 099 million or 42 percent. Capital expenditure is a concern in the province, as municipalities are not spending their budgets. This poses a serious challenge on service delivery as the province has a backlog in infrastructure, water, sanitation and housing.

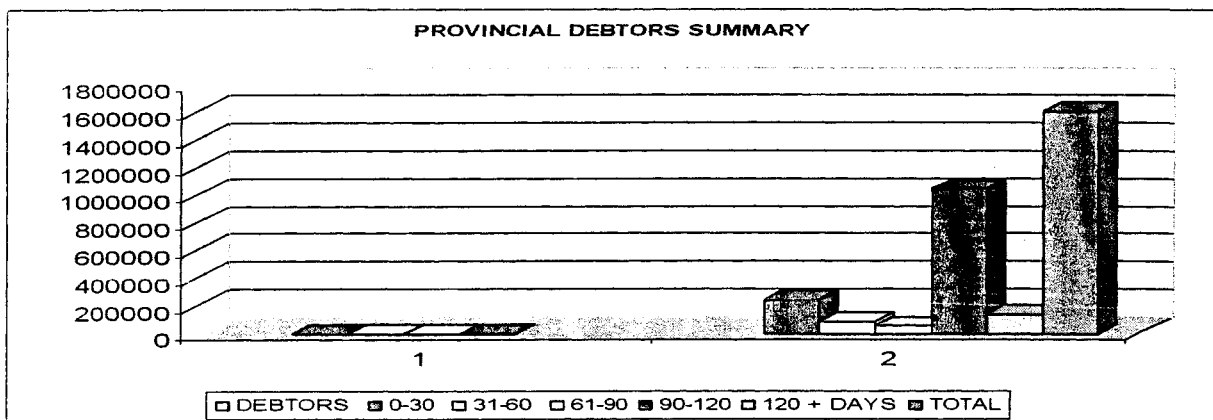
Municipalities should revisit their capital plans and accelerate spending. There is also currently under-spending on the Municipal Infrastructure Grant (MIG) and funds were withheld in terms of Section 18 (2) of the Division of Revenue Act.

1.4 Grants

The total budget for grants is R 549,582 million and the actual expenditure to date is R 304,864 million or 55 percent. Municipalities are under-spending on grants with specific reference to the Municipal Infrastructure Grant.

Table 2.

DEBTORS AGE ANALYSIS						
DEBTORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120+ DAYS	TOTAL
	240,259	85,857	53,932	1,044,401	135,917	1,602,001



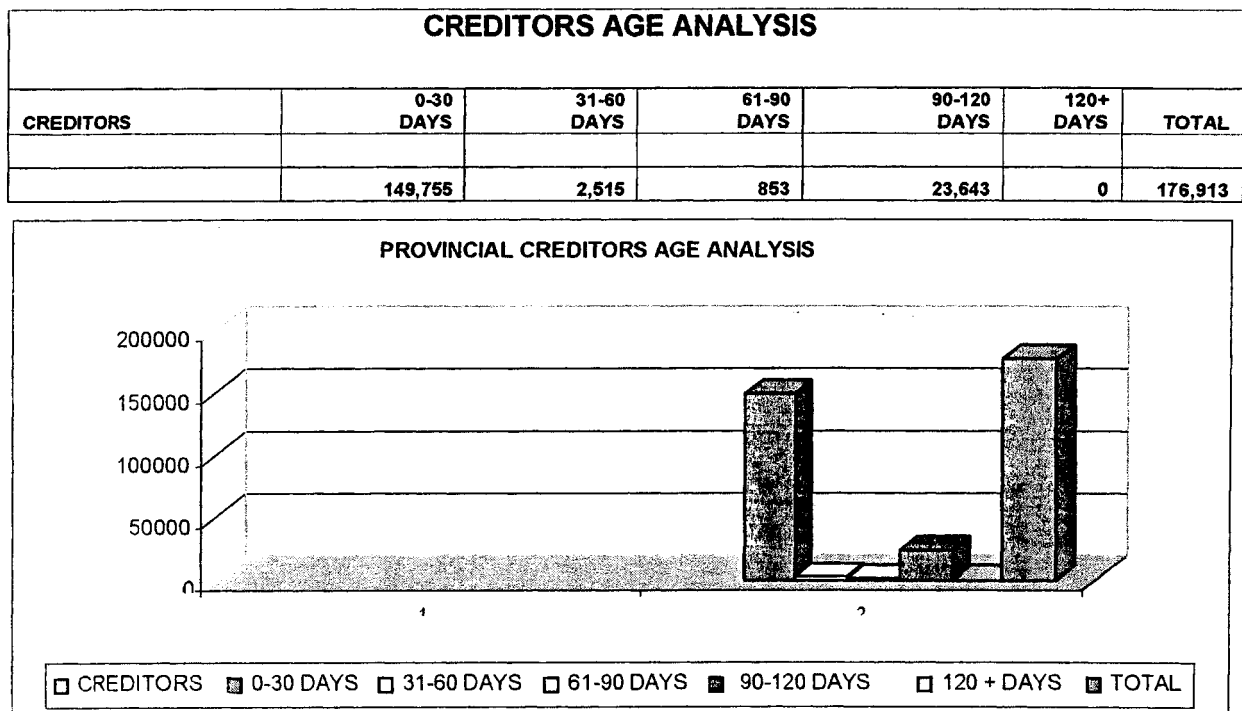
1.5 Debtors

The total outstanding debtors for the municipalities in the province are equal to R 1,602,001 billion. The debtors for over 61 -90 is R 53,932 million and over 120 days is equal to R 135,917 million.

This is a clear indication that the municipalities are not collecting outstanding debts adequately.

Tariff policies, debt management and credit control policies and indigent policies should be revised annually and updated and these policies should be aligned to the indigent policy, as most debts emanates from not adequately classifying indigents. Provincial departments should also pay outstanding debts to municipalities.

Table 3



The total outstanding creditors for the province are equal to R 176,913 million. R 2,515 million is due for 31-60 days, R 853 thousand for 61-90 days and R 23,643 million for over 90days.

The above indicates that municipalities are not adhering to the 30 day period for paying suppliers as prescribed in Section 65 (e) of the Municipal Finance Management Act 56 of 2003.

The following municipalities under Ehlanzeni district have been delegated to Mpumalanga Provincial Treasury with effect from 01 September 2005:

- Ehlanzeni district municipality –High capacity
- Umjindi local municipality –Medium capacity
- Nkomazi Local municipality-Medium capacity
- Thaba Chweu local municipality- Low capacity
- Bushbuckridge local municipality –Low capacity

2. Capital Budgets (Ehlanzeni District) (Delegated Municipalities)

Table 4 below indicates capital expenditure for the delegated municipalities:

Table 4.

CAPITAL EXPENDITURE				
NAME OF MUNICIPALITY	CAPITAL BUDGET	ACTUAL SPENT	ANNUAL VARIANCE	% SPENT
	R'000	R'000	R'000	%
UMJINDI	18,415	10,885	7,530	59
NKOMAZI	127,912	19,849	108,063	16
EHLANZENI	137,747	38,595	99,152	28
BUSHBUCKRIDGE	266,587	41,372	225,215	16
THABA CHWEU	-	-	-	-
TOTAL	560.661	110,701	439,960	20

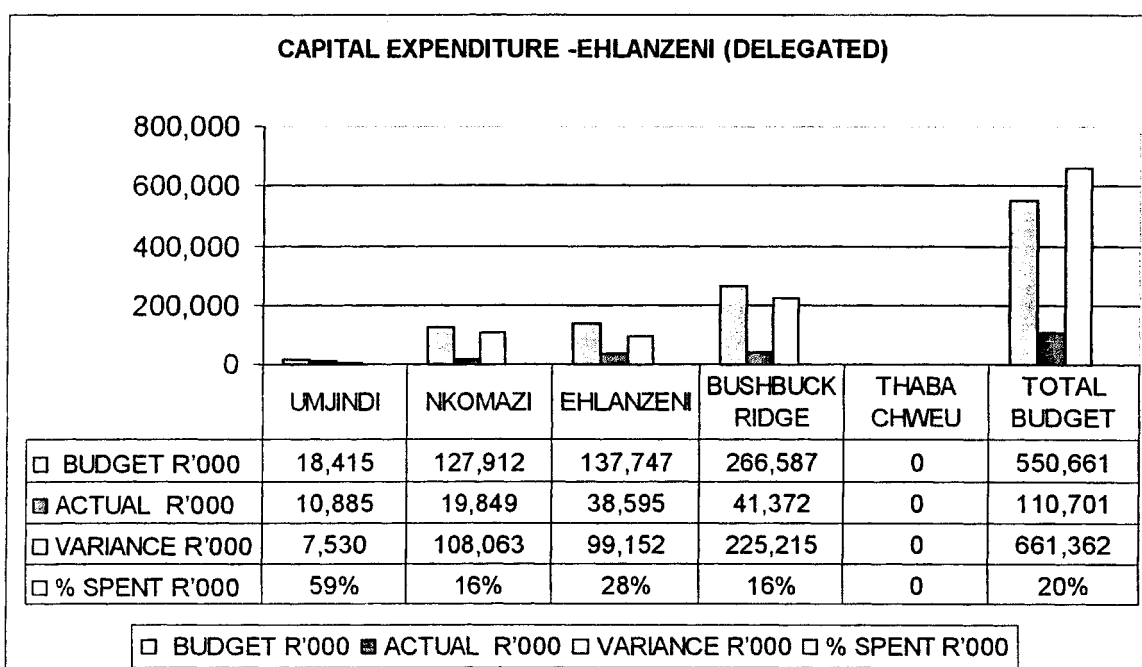


Table 4 indicates areas of expenditure for the 3rd quarter ending 31 March 2007, as well as expenditure per municipality. The capital budget for Ehlanzeni District municipalities amounts to R 560,661 million. The amount comprises of Umjindi R 18,415 million, Nkomazi R 127,912 million, Ehlanzeni R 137,747 million and Bushbuckridge R 266,587 million. The total expenditure for three quarters is R 110,701 million or 20 percent, which shows poor performance by the District and has a negative impact on service delivery.

Thaba Chweu local municipality, at the time of reporting could not produce the budget statements due to a financial system failure. However the municipality is working on the system and will start reporting during the 2007/2008 financial year.

Table 5

MBOMBELA LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R''000	R''000	R''000	%
Water	60,645	39,809	20,836	66
Electricity	18,700	380	18,320	2
Housing	0	0	0	0
Roads, Pavements, Bridge	16,936	12,322	4,614	73
Other	347,274	84,483	262,791	24
TOTAL EXPENDITURE	443,555	136,994	306,561	31

Mbombela Local municipality is currently delegated to National Treasury and the actual capital budget amounts to R 443,555 million. Actual capital expenditure for the 3rd quarter is R 136,994 million or 31 percent, which is of concern and has a negative impact on service delivery. The municipality should accelerate spending to ensure that service delivery is not compromised.

Source of Finance

Mbombela municipality's capital budget of R 443,555 million is primarily financed through external loans R 23,945 million, internal contributions R 50,030 million and Grants and Subsidies R 369,580 million.

Capital Expenditure per Municipality

Table 6

UMJINDI LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Executive council	600	59	541	10
Finance & administration	500	47	453	9
Planning & development	557	238	319	43
Health	0	0	0	0
Community & social services	200	119	81	60
Housing	0	0	0	0
Public safety	230	180	50	78
Sport & recreation	80	0	80	0
Waste management	0	0	0	0
Waste water	640	10	630	2
Road transport	3,975	27	3,948	1
Water	3,148	7,380	-4,232	234
Electricity	8,285	2,825	5,460	34
Other	200	0	200	0
TOTAL EXPENDITURE	18,415	10,885	7,530	59

The Municipality has a capital budget of R 18,415 million, expenditure to date is R 10,885 million or 59 percent and the municipality's performance is average and needs to improve to ensure that service delivery is accelerated.

Source of Finance

The total capital budget for the municipality is R 18,415 million and is financed primarily through internal contributions R 4,003 million and grants and subsidies which is R 14,412 million.

Table 7

BUSHBUCKRIDGE LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Water	95,485	13,300	82,185	14
Electricity	1,740	1,649	91	95
Housing	40,125	1,406	38,719	4
Roads, Pavements, Bridge	35,250	5,821	29,429	17
Other	93,987	19,196	74,791	20
TOTAL EXPENDITURE	266,587	41,372	225,215	16

The total capital budget for the municipality is R 266,587 million, expenditure is R 41,372 million, or 16 percent, which indicates very poor performance on service delivery and the municipality won't be able to achieve the service and the budget implementation plan at the end of the fourth quarter.

Source of Finance

The municipality's capital budget is R 266,587 million and it is financed primarily from internal contributions R 55,851 million, and grants and subsidies R 147,161 million and other R 63,575 million.

Table 8

NKOMAZI LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Executive council	0	0	0	0
Finance & administration	8,858	513	8,345	6
Community & social services	121,365	19,008	102,357	16
Planning & development	2,390	328	2,062	14
TOTAL EXPENDITURE	127,912	19,849	108,063	16

The total capital budget for the municipality is R 127,912 million; expenditure is R 19,849 million or 16 percent. The municipality's performance is very poor and below average and the municipality will not meet the service delivery and budget implementation plans and its performance has already hampered service delivery to the communities.

Source of Finance

The municipality's capital budget of R 127,912 million was financed primarily through Finance and Admin R 8,847 million, Community and Social Services R 116,675 million and Planning and Development R 2,390 million.

Table 9

EHLANZENI DISTRICT MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
District provisions	9,683	3,744	5,939	39
Mayoral lead projects	7,650	1,035	6,615	14
Mbombela local municipality	3,790	82	3,708	2
Nkomazi local municipality	5,995	770	5,225	13
Thaba Chweu local municipality	10,372	2,861	7,511	28
Umjindi local municipality	3,990	619	3,371	16
Bushbuckridge local municipality	38,197	0	38,197	0
Capital Grants	58,070	29,484	28,586	51
TOTAL EXPENDITURE	137,747	38,595	99,152	28

The total capital budget for the municipality is R 137,747 million, expenditure is R 38,595 or 28 percent. The municipality's performance is very poor and below average, therefore the municipality should institute corrective measures to accelerate spending

Source of Finance

The total capital budget for the municipality is R 137,747 million and was financed primarily through District provisions R 9,683 million, Mayoral Lead Projects R 7,650 million, Transfers to Local Municipalities .i.e. Mbombela R 3,790 million, Nkomazi R 5,995 million, Thaba Chweu R 10,372 million, Umjindi R 3,990 and Bushbuckridge R 38,197 and Capital Grants R 58,070 million

3. Income Budgets (Ehlanzeni District) (Delegated Municipalities)

Table 10 below indicates income collected for the delegated municipalities:

Table 10

EHLANZENI DISTRICT MUNICIPALITIES				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
UMJINDI	97,584	77,225	20,359	79
NKOMAZI	173,067	160,560	12,507	93
EHLANZENI	126,971	73,603	53,368	58
BUSHBUCKRIDGE	388,931	230,265	158,666	59
THABA CHWEU	-	-	-	-
TOTAL	786,553	541,653	244,900	69

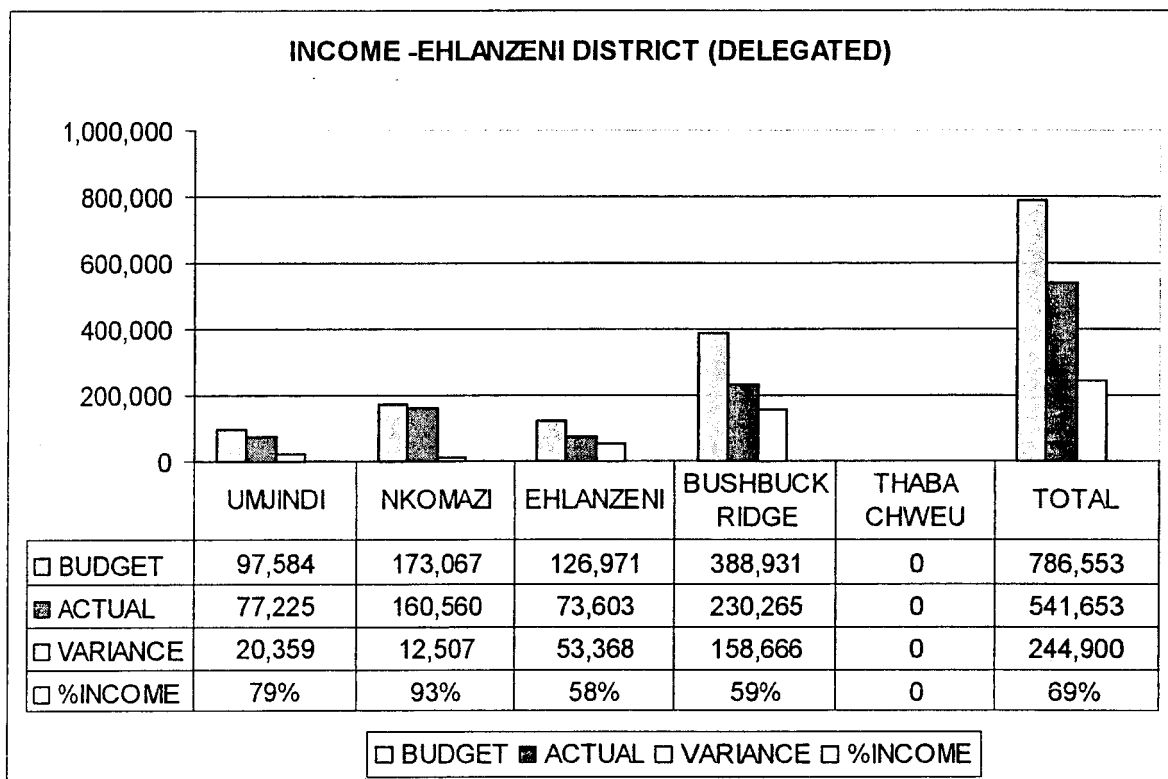


Table 10 indicates areas of income for the 3rd quarter ending 31 March 2007, as well as income per municipality, combined municipal operating income for Ehlanzeni District municipalities' amounts to R 786,553 million. The amount comprises of Umjindi R 97,584 million, Nkomazi R 173,067 million, Ehlanzeni R 126,971 million and Bushbuckridge R 388,931 million. The overall income collection of the District on operations was R 541,653 million which is equivalent to 69 percent, which shows a good financial management.

Table 11

MBOMBELA LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Property Rates	123,443	94,875	28,568	76
Service Charges	204,772	150,158	54,614	73
Other Revenue	252,122	187,759	64,363	74
TOTAL INCOME	580,338	432,792	147,546	75

Mbombela Local municipality is currently delegated to National Treasury and the operating revenue budget is R 580,338 million, actual collections R 432,792 million or 76 percent, which shows a good financial management.

Income per source

The Operating Revenue of the municipality is R 580,338 million which is financed primarily through Property Rates R123, 443 million, Service Charges R 204, 772 million and Other Revenue R 252,122 million.

Operating Income per Municipality

Table 12

UMJINDI LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Executive Council	24	75	-51	313
Finance & Administration	30,234	26,084	4,150	86
Planning & Development	476	879	-403	185
Health	982	721	261	73
Community & Social Services	561	315	246	56
Housing	236	158	78	67
Public Safety	563	208	355	37
Sport & Recreation	17	24	-7	141
Waste Management	5,252	3,972	1,280	76
Waste Water	3,919	2,988	931	76
Road Transport	2,858	1,130	1,728	40
Water	17,855	15,972	1,883	89
Electricity	34,607	24,699	9,908	71
TOTAL INCOME	97,584	77,225	20,359	79

The municipality has a revenue budget of R 97,584 million. Actual income collection is R 77,225 million or 79 percent, which shows that the municipality has a revenue collection strategy and a positive financial management.

Income per source

The Operating Revenue of the municipality is R 97,584, which is primarily financing the following: Executive & Council R 24 thousand, Finance and Admin R 30,234 million, Planning and Development R 476 thousand, Health R 982 thousand, Community Services R 561 thousand, Housing R 236 thousand, Public Safety R 563 thousand, Sport & Recreation R 17 thousand, Environmental Protection R 5, 252 million, Waste water R 3,919 million, Road and Transport R 2,858 million, Water R 17,855 million and Electricity R 34,607 million.

Table 13

NKOMAZI LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Executive council	0	0	0	0
Finance & administration	139,315	123,638	15,677	89
Community & social services	33,737	36,922	-3,185	109
Planning & development	15	0	15	0
TOTAL INCOME	173,067	160,560	12,507	93

The municipality has an operating revenue budget of R 173,067 million, actual collections R 160,560 million or 93 percent, which shows a good financial management.

Income per source

The Operating Revenue of the municipality is R 173,067 million which is primarily financing the following: Finance and Admin R 139,315 million, Community and Social Services R 33,737 million and Planning and Development R 15 thousand.

Table 14

EHLANZENI DISTRICT MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Levies	28,010	14,946	13,064	53
Equitable share	94,772	55,210	39,562	58
Interest	4,120	2,549	1,571	62
Rental	0	3	-3	0
Other	69	895	-826	1297
TOTAL INCOME	126,971	73,603	53,368	58

The municipality has an operating revenue budget of R 126,971 million, actual collection is R 73,603 million or 58 percent, which is satisfactory. The municipality should ensure that it reaches its target at the end of the financial year.

Income per source

The Operating Revenue of the municipality is R 126,971 million which is financed by Equitable Share R 94,772 million, RSC Levies R 28,010 million, Interest R 4,120 million, Rental R 0 and Other Income R 69 thousand.

Table 15

BUSHBUCKRIDGE LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Property Rates	69,847	16,767	53,080	24
Service Charges	14,731	2,074	12,657	14
Other Revenue	304,353	211,424	92,929	69
TOTAL	388,931	230,265	158,666	59

The municipality has an operating revenue budget of R 388,931 million. Actual revenue collected is R 230,265 million or 59 percentage, which shows a good financial management.

Income per source

The Operating Revenue of the municipality is R 388,931 which is financed primarily through Property Rates R 69,847 million, Service Charges R 14,731 million and other revenue R 304,353 million.

4. Operating Expenditure

Table 16 below indicates operating expenditure for the delegated municipalities:

Table 16

EHLANZENI DISTRICT MUNICIPALITIES				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
UMJINDI	97,581	68,895	28,686	71
NKOMAZI	173,037	94,291	78,746	54
EHLANZENI	88,595	41,806	46,789	47
BUSHBUCKRIDGE	122,343	107,101	15,242	88
THABA CHWEU	0	0	0	0
TOTAL EXPENDITURE	481,556	312,093	169,463	65

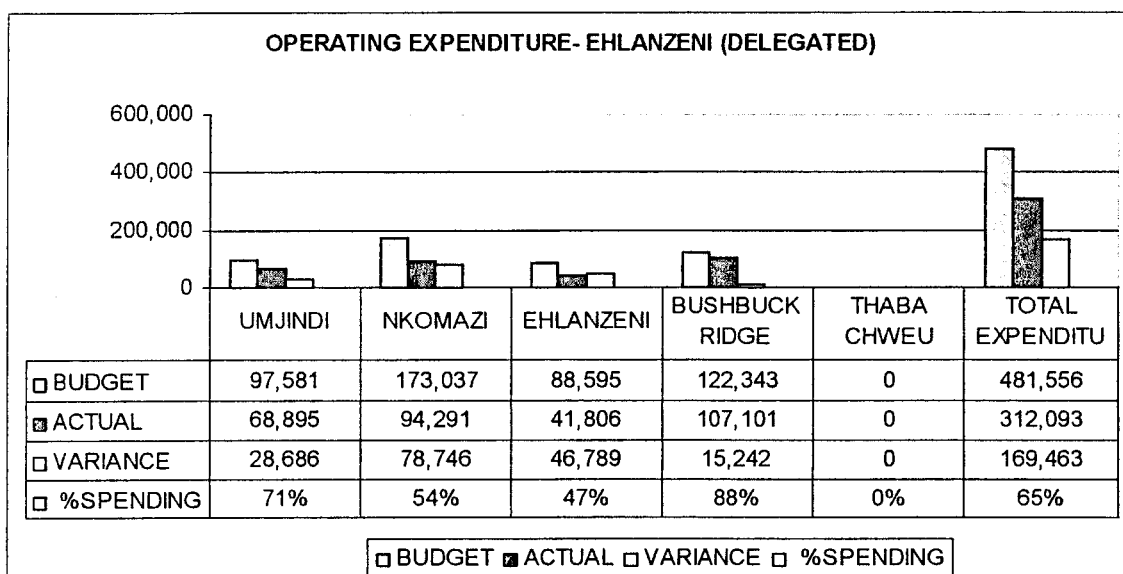


Table 16 indicates areas of expenditure for the 3rd quarter ending 31 March 2007, as well as expenditure per municipality. The combined municipal operating budget amount to R 481,556 million. The amount comprises of Umjindi R 97,581 million, Nkomazi R 173,037 million, Ehlanzeni R 88,595 million, Bushbuckridge R 122,343 million. The overall expenditure on capital is R 312,093 million, which is equivalent to 65 percent. This shows an average performance by the District and improved financial management.

Table 16

MBOMBELA LOCAL MUNICIPALITY				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Employee Related Costs	185,130	130,421	54,709	70
Provision for Working Capital	30,778	23,084	7,694	75
Repairs and Maintenance	58,323	37,869	20,454	65
Bulk Purchases	99,012	64,715	34,297	65
Other Expenses	211,509	135,573	75,936	64
Operating Expenditure	584,752	391,662	193,090	67

Mbombela Local municipality is currently delegated to National Treasury and the operating budget amounts to R 584,752 million, actual expenditure of R 391,662 or 67 percent.

Operating Expenditure

The operating expenditure of the municipality is R 584,752 million, which was primarily to finance the following: Employee Related Costs R 185,130 million, Provision for working capital R 30,778 million, Repairs and Maintenance R 58,323 million, Bulk Purchases R 99,012 million and Other Expenses R 211,509 million.

Table 17

UMJINDI LOCAL MUNICIPALITY				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Executive Council	7,259	5,196	2,063	72
Finance & Administration	18,222	15,235	2,987	84
Planning & Development	3,048	2,274	774	75
Health	1,681	1,156	525	69
Community & Social Services	2,975	2,173	802	73
Housing	46	37	9	80
Public Safety	2,303	1,956	347	85
Sport & Recreation	4,260	3,396	864	80
Waste Management	4,103	2,727	1,376	66
Waste Water	3,414	1,948	1,466	57
Road Transport	11,404	4,470	6,934	39
Water	11,740	13,475	-1,735	115
Electricity	26,922	14,818	12,104	55
Other	204	34	170	17
TOTAL EXPENDITURE	97,581	68,895	28,686	71

The municipality has an operating budget of R 97,581 million, actual expenditure is R68,895 million or 71 percent, which is slightly below the benchmark of 75 percent.

Operating Expenditure

The operating expenditure of the municipality is R 97,581 million, which was primarily to finance the following: Executive council R 7,259 million, Finance and admin R 18,222 million, Planning and Development R 3,048 million, Health R 1,681 million, Community and Social Services R 2,975 million, Housing R 46 thousand, Public Safety R 2,303 million, Sport and Recreation R 4,260 million, Waste Management R 4,103 million, Waste Water R 3,414 million, Road Transport R 11,404 million, Water R 11,740 million, Electricity R 26,922 million and Other R 204 thousand.

Table 18

NKOMAZI LOCAL MUNICIPALITY				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Executive Council	19,814	13,580	6,234	69
Finance & Administration	21,095	9,299	11,796	44
Community & Social Services	123,975	67,560	56,415	54
Planning & Development	8,153	3,852	4,301	47
TOTAL EXPENDITURE	173,037	94,291	78,746	54

The municipality has an operating budget of R 173,037 million. The actual operating expenditure is R 94,291 million or 54 percent. The municipality is not doing well in terms of their operating expenditure.

Operating Expenditure

The operating expenditure of the municipality is R 173,037 million, which was primarily to finance the following: Executive Council R 19,814 million, Finance and Administration R 21,095 million, Community and Social Services R 123,975 million and Planning and Development R 8,153 million.

Table 19

EHLANZENI DISTRICT MUNICIPALITY				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Office of the Executive Mayor	6,071	3,590	2,481	59
Office of the Speaker	3,323	1,053	2,270	32
Mayoral Committee	5,320	2,611	2,709	49
Office of the Municipal Manager	2,480	1,675	805	68
Finance and Procurement	8,868	6,709	2,159	76
Corporate Services and Municipal Relations	9,301	5,048	4,253	54
Municipal Works	5,497	2,627	2,870	48
Community Services & Rural Development	11,810	6,490	5,320	55
Office of the Chief Whip	892	176	716	20
Council General Expenses	27,619	9,342	18,277	34
Internal Audit Unit	621	311	310	50
Transversal issues	3,968	2,171	1,797	55
LED & Tourism	2,825	3	2,822	0
TOTAL EXPENDITURE	88,595	41,806	46,789	47

The municipality has an operating budget that amounts to R 88,595 million. Expenditure was R41, 806 which was equivalent to 47 percent. The municipality is under spending.

Operating Expenditure

The operating expenditure of the municipality is R 88,595 million, was primarily to finance the following: Office of the Exec Mayor R 6,071 million, Office of the Speaker R 3,323 million, Mayoral Committee R 5,320 million, Office of Municipal Manager R 2,480 million, Finance and Procurement R 8,868 million, Corporate Services R 9,301 million, Municipal Works R 5,497 million, Community Services R 11,810 million, Office of the Chief Whip R 892 thousand, Council R 27,619 million, Internal Audit R 621 thousand, Transversal R 3,968 million and LED R 2, 825 million.

Table 20

BUSHBUCKRIDGE LOCAL MUNICIPALITY				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Employee Related Costs	75,942	50,206	25,736	66
Provision for Working Capital	1,812	0	1,812	0
Repairs and Maintenance	15,660	4,828	10,832	31
Bulk Purchases	3,500	5,702	-2,202	163
Other Expenses	25,429	46,365	-20,936	182
TOTAL EXPENDITURE	122,343	107,101	15,242	88

The municipality has an operating budget of R 122,343 million. The actual expenditure is R107,101 million or 88 percent. The municipality has a good financial management in terms of operating budget.

Operating Expenditure

The operating expenditure of the municipality is R 122,343 million, which was primarily to finance the following: Employee related costs R 75,942 million, Provision for working capital R1,812 million, Repairs and maintenance R15,660 million, Bulk purchases R3,500 million and Other Expenses R25,429 million.

5. Debtors age analysis Ehlanzeni District

Table 21

DEBTORS AGE ANALYSIS						
	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
DEBTORS	R"000	R"000	R"000	R"000	R"000	R"000
UMJINDI LOCAL	3,807	1,074	665	603	13,334	19,483
NKOMAZI LOCAL	5,890	-184	1,154	2,318	13,600	22,778
EHLANZENI DIST	0	0	0	0	0	4,582
BUSHBUCKRIDGE	7,438	1,634	3,772	76,994	0	89,838
TOTAL	47,379	5,388	16,282	240,277	26,934	136,681

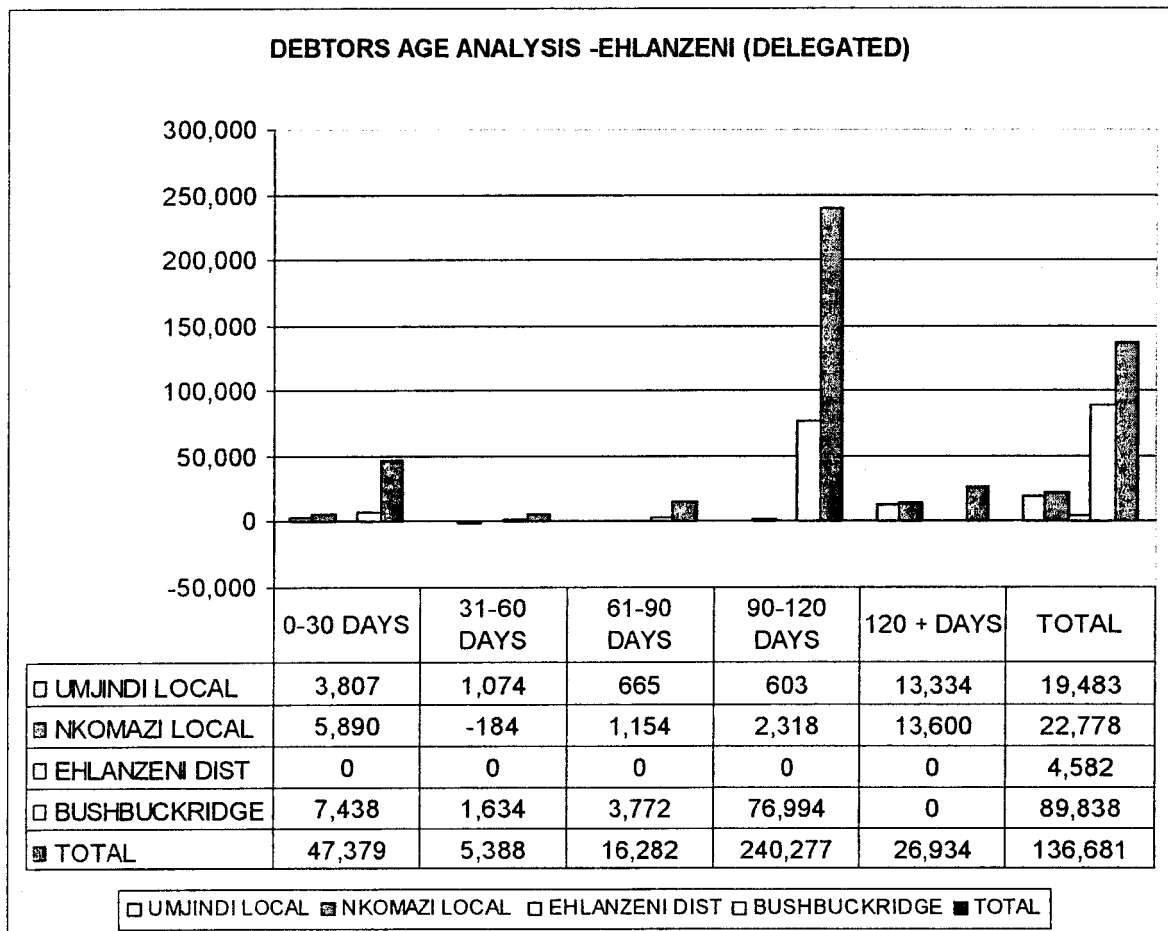


Table 21 indicates areas of debtor's balances for the 3rd quarter ending 31 March 2007, as well as debtors per municipality, combined municipal debtors balances amounts to R 136,681 million. The amount comprises of Umjindi R 19,483 million, Nkomazi R 22,778 million, Ehlanzeni R 4,582 million, and Bushbuckridge R 89,838 million.

Non-Delegated Municipality

Table 22

Mbombela Local Municipality						
DEBTORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	30,244	2,864	10,691	160,362	0	204,161

The municipality has debtors that amounts to R 204,161 million and which are 0-30 days R 30,244 million, 31-60 days R 2,864 million, 61-90 days 10,691 million and over 90 days R 160,362 million.

Debtors by Source

The municipality has debtors that amounts to R 204,161 million, which are Water R 31,290 million, Electricity R 21,349 million, Property Rates R 44,298 million and other R 106,594 million.

Table 23

Umjindi Local Municipality						
DEBTORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	3,807	1,074	665	603	13,334	19,483

The municipality has debtors that amounts to R 19,483 million which are 0-30 days R 3,807 million, 31-60 days R 1,074 million, 61-90 days R 665 thousand, 90-120 days R 603 thousand and over 120 days R 13,334 million.

Debtors by Source

The municipality has debtors that amounts to R 19,483 million are Rates R 2,286 million, Water R 2,305 million, Electricity R 1,091 million, Refuse R 1,845 million, Sewerage R 1,276 million and Sundry Accounts R 10,680 million.

Table 24

Nkomazi Local Municipality						
DEBTORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	5,890	-184	1,154	2,318	13,600	22,778

The municipality has debtors that amounts to R 22,778 million which are 0-30 days R 5,890 million, 31-60 days (R 184) thousand, 61-90 days R 1,154 million, 90-120 days R 2,318 million and over 120 days R 13,600 million.

Debtors by Source

The municipality has debtors that amounts to R 22,778 million are Levy Debtors R 22,778 million.

Table 25

Ehlanzeni District Municipality						
DEBTORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	
	0	0	0	0	4,582	4,582

The municipality has debtors that amounts to R 4,582 million which are Debtors that are over 120 days.

Debtors by Source

The municipality's total debtors that amount to R 4,582 million which is RSC Levies R 4,582 million.

Table 26

Bushbuckridge Local Municipality						
DEBTORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	7,438	1,634	3,772	76,994	0	89,838

The municipality has total debtors that amounts to R 89,838 million which are 0-30 days R 7,438 million, 31-60 days R 1,634 million, 61-90 days R 3,772 million and 90-120 days R 76,994 million

Debtors by Source

The municipality has debtors that amounts to R 89,838 million are Water R 14,866 million, Property Rates R 63,006 million and other R 11,966 million.

6. Creditors Age Analysis

Table 28

EHLANZENI DISTRICT MUNICIPALITIES						
CREDITORS ANALYSIS	AGE 0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
UMJINDI LOCAL	4,368	2,085	853	140	0	7,446
NKOMAZI LOCAL	19,636	0	0	0	0	19,636
EHLANZENI DIST	603	0	0	182	0	932
BUSHBUCKRIDGE	12,000	0	0	22,000	0	34,000
TOTAL	36,607	0	0	22,322	0	62,014

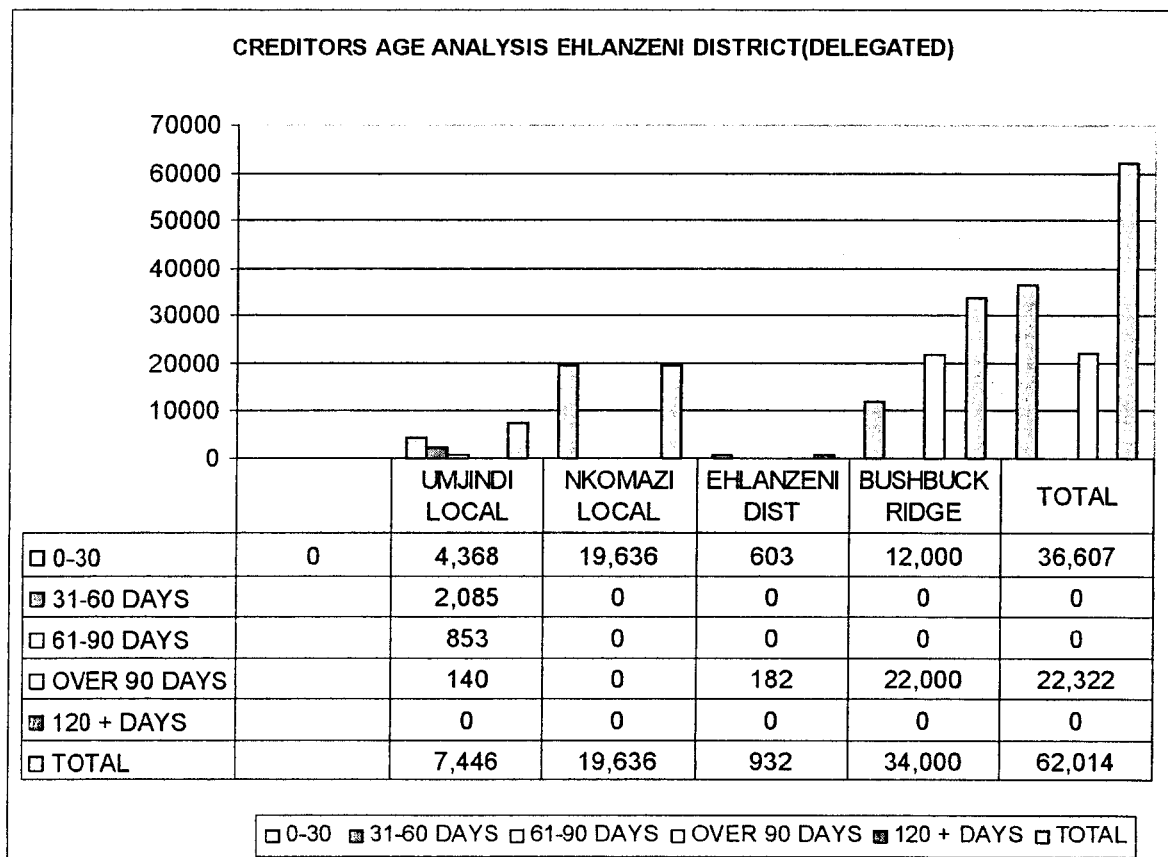


Table 28 indicates creditors' balances for the 3rd quarter ending 31 March 2007, per municipality, combined creditors balances amounts to R 62,014 million. The amount comprises of Umjindi R 7,446 million, Nkomazi R 19,636 million, Ehlanzeni R 932 thousand, and Bushbuckridge R 34,000 million

Non-Delegated Municipality

Table 29

Mbombela Local Municipality						
CREDITORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90 -120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	22,767	430	-	-	-	23,197

The municipality has creditors that amounts to R 23,197 million and classified as the following 0-30 days R 22,767 million and 31-60 days R 430 thousand.

Creditors per Municipality

Table 30

Umjindi Local Municipality						
CREDITORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	4,368	2,085	853	140	0	7,446

The municipality has creditors that amounts to R 7,446 million which are 0-30 days R 4,368 million, 31-60 days R 2,085 million, 61-90 days R 853 thousand and over 90 days R 140 thousand.

Table 31

Nkomazi Local Municipality						
CREDITORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	19,636	0	0	0	0	19,636

The municipality has creditors that amount to R 19,636 million for creditors which are 0-30 days R 19,636 million.

Table 32

Ehlanzeni District Municipality						
CREDITORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	603	135	12	182	0	932

The municipality has creditors that amount to R 932 thousand which are 0-30 days R 603 thousand and over 90 days R 182 thousand.

Table 33

Bushbuckridge Local Municipality						
CREDITORS	0-30 DAYS	31-60 DAYS	61-90 DAYS	90-120 DAYS	120 + DAYS	TOTAL
	R"000	R"000	R"000	R"000	R"000	R"000
	12,000	0	0	22,000	0	34,000

The municipality has creditors that amounts to R 34,000 million which are 0-30 day R 12,000 million and over 90 days R 22,000 million.

7. Capital Budgets-Gert Sibande District Municipalities

Table 34

GERT SIBANDE DISTRICT MUNICIPALITIES				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
MUNICIPALITY	R"000	R"000	R"000	%
LEKWA	35,968	12,289	23,679	34
ALBERT LUTHULI	56,936	18,362	38,574	32
MSUKALIGWA	28,010	19,161	8,849	68
MKHONDO	55,907	6,059	49,848	11
DIPALESENG	14,907	3,260	11,647	22
PIXLEY KA SEME	30,130	15,427	14,703	51
GERT SIBANDE	2,200	2,443	243	111
TOTAL EXPENDITURE	224,058	77,001	147,057	34

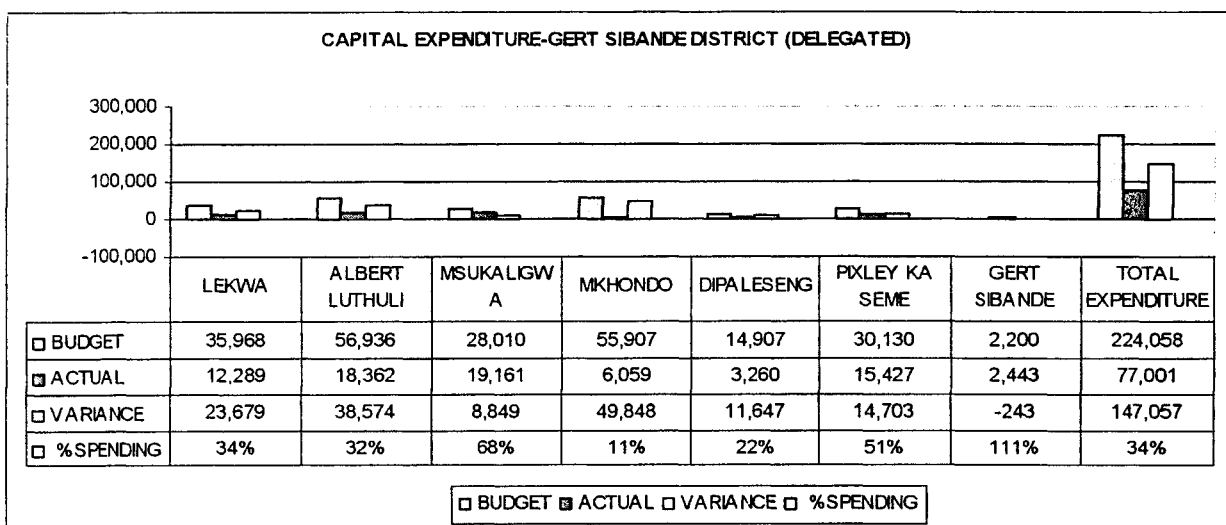


Table 34 indicates areas of Capital Expenditure for the 3rd Quarter ending 31 March 2007 as well as expenditure per municipality. Combined municipal capital budget for Gert Sibande District Municipalities amounts to R 224,058 million. The amount comprised of Lekwa R 35,968 million, Albert Luthuli R 56,936 million, Msukaligwa R 28,010 million, Mkhondo R 55,907 million, Dipaleseng R 14,907 million, Pixley Ka Seme R 30,130 million and Gert Sibande District R 2,200 million. The total expenditure for three quarters is R 77,001 million or 34% of which is a poor performance by the district and has a negative impact on service delivery.

Non Delegated Municipality

Table 35

GOVAN MBEKI LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Water	26,798	28,637	-1,839	107
Electricity	5,005	101	4,904	2
Housing	8,000	0	8,000	0
Roads, Pavements, Bridge	13,985	5,320	8,665	38
Other	16,868	6,752	10,116	40
TOTAL EXPENDITURE	70,656	40,810	29,846	58

Govan Mbeki Local Municipality is currently delegated to National Treasury and the actual capital budget amounts to R 70,656 million. Actual expenditure for the 3rd quarter is R 40,810 million or 58% of the total expenditure on capital. The municipality's performance is average and should accelerate capital spending as this comprises service delivery.

Source of Finance

The capital budget of the municipality is R 70,656 million, which is primarily financed by the following: Grants and Subsidies R 61,357 million and Internal contribution to capital expenditure was R 10,224 million.

Capital Expenditure per Municipality

Table 36

LEKWA LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Water	6,460	0	6,460	0
Electricity	9,386	2204	7,182	23
Housing	0	0	0	0
Roads, Pavements, Bridge	10,842	5103	5,739	47
Other	9,280	4,982	4,298	54
TOTAL EXPENDITURE	35,968	12,289	23,679	34

The capital budget of the municipality is R 35,968 million. The actual expenditure of the municipality is R 12,289 million or 34 percent. The municipality's expenditure is lower and impacts negatively on service delivery.

Source of Finance

The municipality's capital budget of R 35,968 million was financed primarily through the following: Grants and Subsidies R 33,518 million. The municipality's internal contribution to capital expenditure was R 2,450 million.

Table 37

ALBERT LUTHULI LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Executive Council	1,039	454	585	44
Finance & Admin	2,899	1,415	1,484	49
Community & Social services	3,106	377	2,729	12
Planning and development	49,892	16,116	33,776	32
TOTAL EXPENDITURE	56,936	18,362	38,574	32

The capital budget of the municipality is R 56,936 million. The actual expenditure of the municipality is R 18,362 million or 32 percent. The municipality's performance is below average and of great concern as service delivery is hampered.

Source of Finance

The Capital budget of the municipality of R 56,936 million was financed primarily through the following: Executive & Council R 1,039 million Finance and Admin R 2,899 million, Community & Social Services R 3,106 million and Planning and Development R 49,893 million.

Table 38

MSUKALIGWA LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
TOTAL EXPENDITURE	28,010	19,161	8,849	68

The capital budget of the municipality is R 28,010 million. The actual expenditure is R 19,161 million or 68 percent. The municipality's performance is above average and the total budget will be well spent on the fourth quarter taking into consideration the expenditure pattern on the third quarter.

Source of Finance

The capital budget of the municipality of R 28,010 million was financed primarily through the following: MIG R 11,982 million, DME R 1,000 million, Province R 1,165 million, GSDM R 11,698 million and Internal contributions R 455 thousands.

Table 39

MKHONDO LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Water	17,526	1467	16,059	8
Electricity	4,024	197	3,827	5
Housing	0	0	0	0
Roads, Pavements, Bridge	3,127	0	3,127	0
Other	31,229	4395	26,834	14
TOTAL EXPENDITURE	55,907	6,059	49,848	11

The capital budget of the municipality is R 55,907 million. The actual expenditure is R 6,059 million or 11 percent. The municipality's service delivery is very poor and it is not going to meet the targets set on service and delivery budget implementation plan. The municipality should institute corrective measures as consistent under-spending may necessitate an intervention and withholding of grants by National Treasury.

Source of Finance

The capital budget of the municipality of R 55,907 million was financed primarily through the following: External Loans R 1,565 million, Grants and Subsidies R 33,639 million and the municipality had a provision from Internal Contribution R 24,000 million

Table 40

DIPALESENG LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Water	0	0	0	0
Electricity	2,560	0	0	0
Housing	0	0	0	0
Roads, Pavements, Bridge	1,257	0	1,257	0
Other	11,190	3,260	7,930	29
TOTAL EXPENDITURE	15,008	3,260	11,747	22

The capital budget of the municipality is R 15,008 million. The actual expenditure is R 3,260 million or 22 percent. The municipality's performance is very poor and hampers service delivery.

Source of Finance

The capital budget of the municipality of R 15,008 million was financed through the following: Grants and Subsidies R 15,008 million. The municipality did not have a provision from Internal Contribution but relied more on Grants and Subsidies.

Table 41

PIXLEY KA SEME LOCAL MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Transfer Project	7,980	2,666	5,314	33
Exec, Finance & Community	7,591	290	7,301	4
Planning & Development	14,559	12,471	2,088	86
TOTAL EXPENDITURE	30,130	15,427	14,703	51

The capital budget of the municipality is R 30,130 million. The actual expenditure is R 15,427 million or 51 percent. The municipality's performance is average and needs to revisit their budget and implementation plans.

Source of Finance

The capital budget of the municipality of R 30, 130 million was financed through the following: Finance and Admin R 202 thousand, Community and Social Services R 884 thousand, Planning and Development R 21,064 million and Transferred Projects R 7,980 million.

Table 42

GERT SIBANDE DISTRICT MUNICIPALITY				
CAPITAL EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
TOTAL EXPENDITURE	2,200	2,443	-243	111

The capital budget of the municipality is R 2,200 million. The actual expenditure is R 2,443 million or 111 percent. The municipality has achieved its service delivery and budget implementation plans and the allocated amount from internal funds will be adjusted.

Source of Finance

The capital expenditure of the municipality of R 2,200 million was financed through internal contributions of R 2,200 million.

8. Operating Income

Table 43

GERT SIBANDE DISTRICT MUNICIPALITIES				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
LEKWA	148,445	120,887	27,558	81
ALBERT LUTHULI	98,090	77,458	20,632	79
MSUKALIGWA	184,830	153,902	30,928	83
MKHONDO	116,867	90,725	26,142	78
DIPALESENG	58,711	48,768	9,943	83
PIXLEY KA SEME	94,030	59,678	34,352	63
GERT SIBANDE	181,583	180,065	1,518	99
TOTAL	882,556	731,483	151,073	83

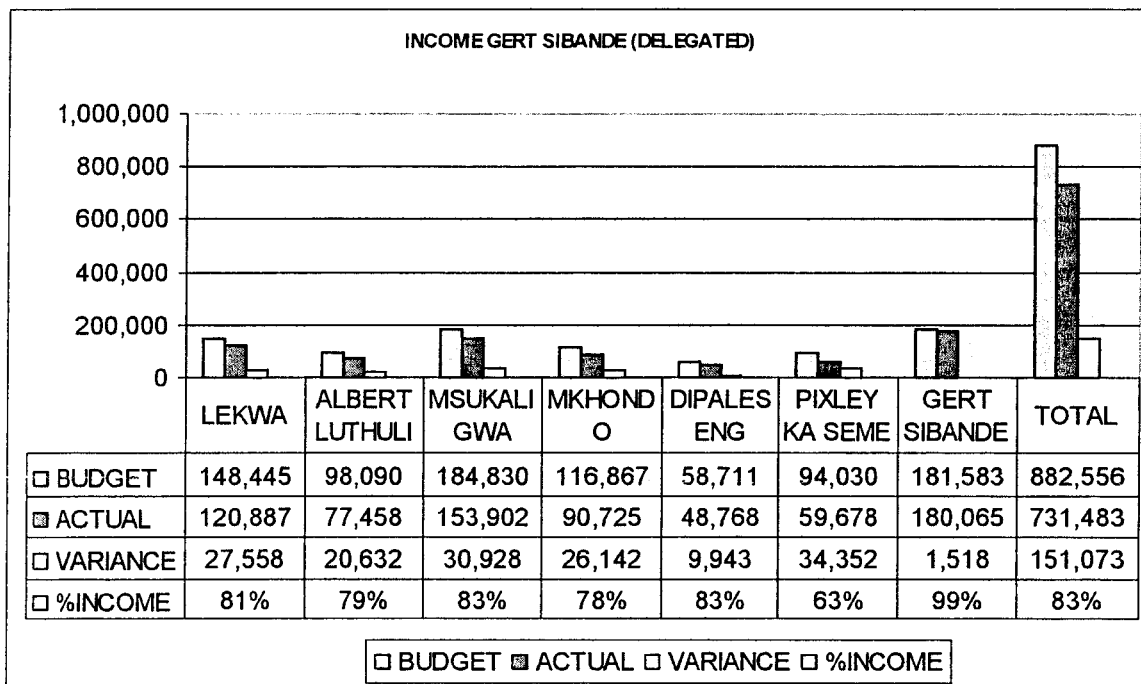


Table 43 indicates areas of income for the 3rd quarter ending 31 March 2007, as well as income per municipality, combined municipal operating income for Gert Sibande District municipalities' amounts to R 882,556 million. The amount comprises of Lekwa R 148,445 million, Albert Luthuli R 98,090 million, Msukaligwa R 184,830 million, Mkhondo R 116,867 million, Dipaleseng R 58,711 million, Pixley Ka Seme R 94,030 million and Gert Sibande District R 181,583 million. The overall income collection of the District on operations was R 731,483 million or 83 percent which shows a good financial management.

Non Delegated Municipality

Table 44

GOVAN MBEKI LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Property Rates	109,591	82,533	27,058	75
Service Charges	298,661	218,788	79,873	73
Other Revenue	124,239	114,607	9,632	92
TOTAL INCOME	532,490	415,928	116,562	78

Govan Mbeki local municipality is currently delegated to National Treasury and the operating revenue budget is R 532,490 million, Actual collections R 415,928 million or 78 percent which shows a good financial management on the third quarter.

Source of Finance

The Operating Revenue of the municipality of R 532,490 was primarily financing the following: Property Rates R 109,591 million, Service Charges R 298,661 million and Other Revenue R 124,239 million.

Operating Income per Municipality

Table 45

LEKWA LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Property Rates	19,751	16,787	2,964	85
Service Charges	89,123	69,957	19,166	78
Other Revenue	39,571	34,143	5,428	86
TOTAL INCOME	148,445	120,887	27,558	81

The Operating Revenue of the municipality is R 148,445 million, actual collections R 120,887 million or 81 percent which shows a good financial management.

Income per source

The Operating Revenue of the municipality is R 148,445 million which is primarily financing the following: Property Rates R 19,751 million, Service Charges R 89,123 million and Other Revenue R 39,571 million.

Table 47

ALBERT LUTHULI LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Executive Council	0	73	-73	0
Finance & Admin	85,367	71,736	13,631	84
Community & Social services	6,134	2,669	3,465	44
Planning and development	26,892	2,980	23,912	11
Income foregone	-20,303	0	-20,303	0
TOTAL INCOME	98,090	77,458	20,632	79

The Operating Revenue of the municipality is R 98,090. The actual revenue collected is R 77,458 million or 79 percent. The municipality has shown a good financial management.

Income per source

The Operating Revenue of the Municipality is R 98,090 million which is primarily financing the following: Finance and Admin R 85, 367 million, Community and Social Services R 6,134 million and Planning and Development R 26,892 million less income foregone to the value of (R 20,303 million).

Table 48

MSUKALIGWA LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
TOTAL INCOME	184,830	153,902	30,928	83

The Operating Revenue of the municipality is R 184,830 million, actual collection R 153,902 million or 83 percent. This indicates that the municipality is collecting revenue as realistically anticipated, and will reach its target at the end of the financial year.

Income per source

The Operating Revenue of the municipality is R 184,830 which is primarily financing the following: Levied/Service Charges R 110,834 million, Grants and Subsidies R 42,397 million and Other Income R 31,361 million.

Table 49

MKHONDO LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Property Rates	14,565	8,122	6,443	56
Service Charges	39,743	25,263	14,480	64
Other Revenue	62,559	57,340	5,219	92
TOTAL INCOME	116,867	90,725	26,142	78

The Operating Revenue of the municipality is R 116,867 million, actual collection is R 90,725 million or 78 percent. The collection rate is good and shows a good financial management.

Income per source

The Operating Revenue of the municipality is R 116,867 which is primarily financing the following: Property Rates R 14,565 million, Service Charges R 39,743 million and other Revenue R 62,559 million.

Table 50

DIPALESENG LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
Property Rates	4,619	3,305	1,314	72
Service Charges	25,664	21,492	4,172	84
Other Revenue	28,428	23,971	4,457	84
TOTAL INCOME	58,711	48,768	9,943	83

The Operating Revenue of the Municipality is R 58,711 million; actual collection is R 48,768 million or 83 percent. The municipality has shown a good financial management.

Income per source

The Operating Revenue of the municipality is R 58,711 million which is primarily financing the following: Property Rates R 4,619 million, Service Charges R 25,664 million and Other Revenue R 28,428 million.

Table 51

PIXLEY KA SEME LOCAL MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
TOTAL INCOME	94,030	59,678	34,352	63

The Operating Revenue of the municipality is R 94,030 million; actual collection is R 59,678 or 63 percent. The municipality's collection is fair and revenue collection should be emphasized in to ensure that targets are achieved.

Income per source

The Operating Revenue of the municipality is R 94,030 which is primarily financing the following: Executive & Council R 114 thousand, Finance and Admin R 4,468 million, Interest R 1,565 million, Assessment Rates R 8,660 million, Electricity R 13,576 million, Refuse Removal R 3,803 million, Sewerage R 6,035 million, Water R 7,064 million, Equitable Share R 27,188 million, Community and Services R 1,553 million and Planning and Development R 19,464 million.

Table 52

GERT SIBANDE DISTRICT MUNICIPALITY				
INCOME	BUDGET	ACTUAL	VARIANCE	INCOME
	R"000	R"000	R"000	%
TOTAL INCOME	181,583	180,065	1,518	99

The Operating Revenue of the municipality is R 181,853 million, actual collection is R 180,065 million or 99 percent. The district has shown a good financial management.

Income per source

The Operating Revenue of the municipality is R 181,853 million which is primarily financing the following: Budget and Treasury Income R 169,106 million, MSIG R 1,001 million, MIG R 10,000 million and Other Income R 1,746 million

9. Operating Expenditure

Table 53

GERT SIBANDE DISTRICT MUNICIPALITIES				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
MUNICIPALITY	R"000	R"000	R"000	%
LEKWA	148,445	113,348	35,097	76
ALBERT LUTHULI	91,554	46,079	45,475	50
MSUKALIGWA	184,095	127,902	56,193	69
MKHONDO	116,867	87,040	29,827	74
DIPALESANG	58,677	24,580	34,097	42
PIXLEY KA SEME	94,015	39,699	54,316	42
GERT SIBANDE	226,931	108,328	118,603	48
TOTAL EXPENDITURE	920,584	546,976	373,608	59

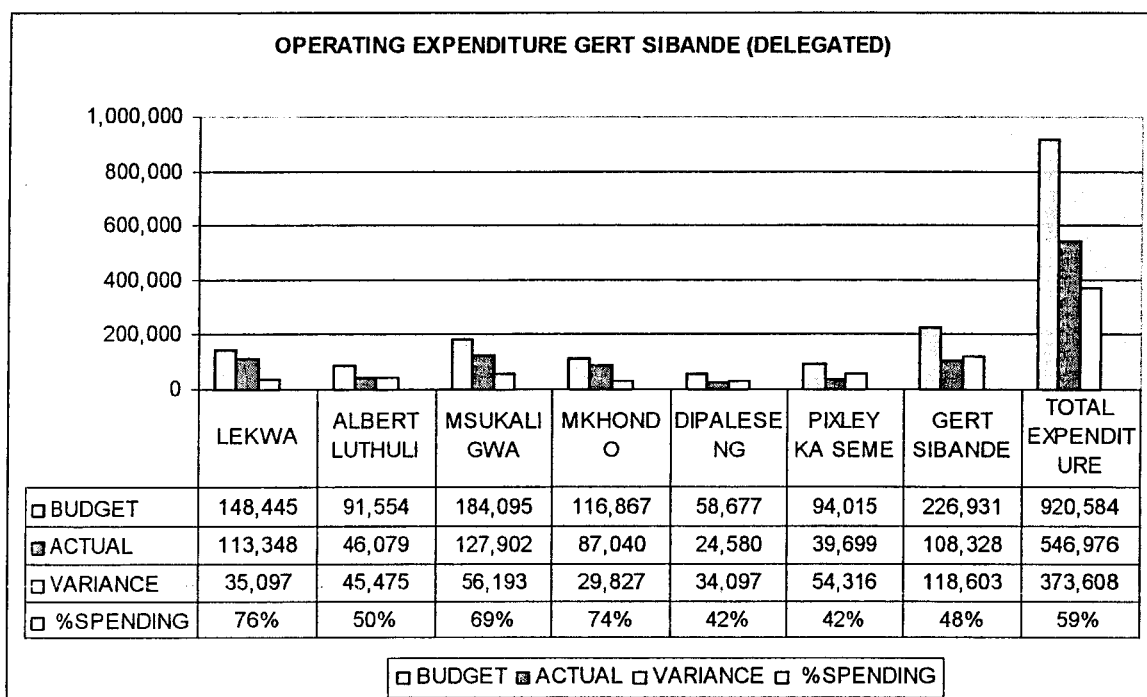


Table 53 indicates areas of expenditure for the 3rd quarter ending 31 March 2007, as well as expenditure per municipality, combined municipal operating expenditure for Gert Sibande District Municipalities amounts to R 920,584 million. The amount is comprised of Lekwa R 148,445 million, Albert Luthuli R 91,554 million, Msukali Gwa R 184,095 million, Mkhondo R 116,867 million, Dipaleseng R 58,677 million, Pixley Ka Seme R 94,015 million and Gert Sibande District R 226,931 million. The overall expenditure of the District is R 546,976 million or 59 percent.

Table 54

GOVAN MBEKI LOCAL MUNICIPALITY				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Employee Related Costs	180,956	132,762	6,234	73
Provision for Working Capital	60,464	45,370	11,796	75
Repairs and Maintenance	31,040	13,788	56,415	44
Bulk Purchases	131,583	103,318	4,301	79
Other Expenses	101,845	63,182	78,746	62
TOTAL EXPENDITURE	505,887	358,420	147,467	71

Govan Mbeki Local Municipality is currently delegated to National Treasury and the operating expenditure budget of R 505,887 million, Actual Expenditure R 358,420 million or 71 percent which shows a good financial management.

Operating Expenditure

The Operating Expenditure of the municipality is R 505,887 which is primarily financing the following: Employee Related Costs R 180,956 million, Provision for Working Capital R 60,484 million, Repairs and Maintenance R 31,040 million, Bulk Purchases R 131,583 million and Other Expenses R 101,845 million.

Operating Expenditure per Municipality

Table55

LEKWA LOCAL MUNICIPALITY				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Employee Related Costs	65,148	46,267	18,881	71
Provision for Working Capital	3,529	2,647	882	75
Repairs and Maintenance	4,363	3,152	1,211	72
Bulk Purchases	38,694	33,285	5,409	86
Other Expenses	36,711	27,997	8,714	76
TOTAL EXPENDITURE	148,445	113,348	35,097	76

The Operating Expenditure of the Municipality is R 148,445 million, actual expenditure is R 113,348 million or 76 percent which shows a good financial management.

Operating Expenditure

The Operating Expenditure of the municipality is R 148,445 million which is primarily financing the following: Employee Related Costs R 65,148 million, Provision for Working Capital R 3,529 million, Repairs and Maintenance R 4,363 million, Bulk Purchases R 38,694 million and Other Expenses R 36,711 million.

Table 56

ALBERT LUTHULI LOCAL MUNICIPALITY				
OPERATING EXPENDITURE	BUDGET	ACTUAL	VARIANCE	SPENDING
	R"000	R"000	R"000	%
Executive Council	18,115	11,201	6,914	62
Finance & Admin	18,050	20,136	-2,086	112
Community & Social Services	17,045	7,792	9,253	46
Planning and Development	38,344	6,950	31,394	18
Total	91,554	46,079	45,475	50