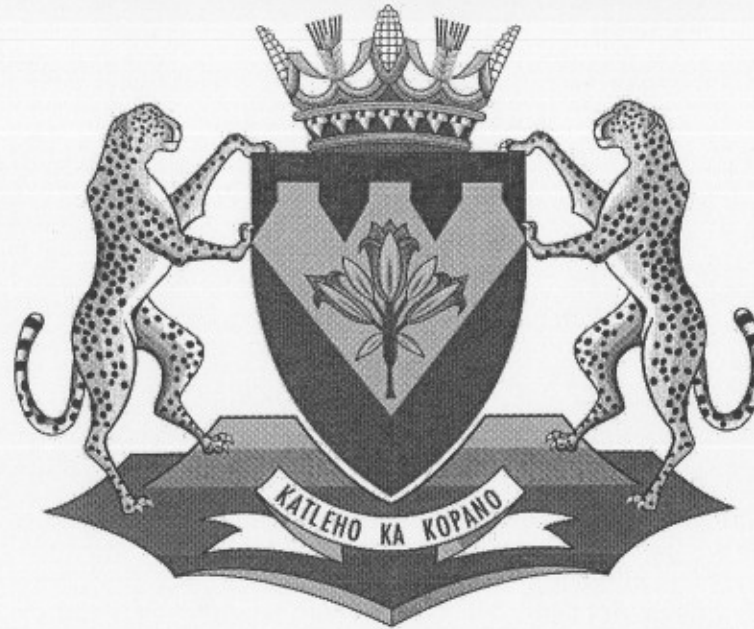


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PRESENTATION TO PARLIAMENT ON RATES & TAXES REPORT 12TH OCTOBER 2010



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EXPENDITURE FOR 2009/10

	2009/10
Allocation	140,144
Adjustment	44,960
Total Budget	185,104
Total expenditure	185095
Shortfall	63.064

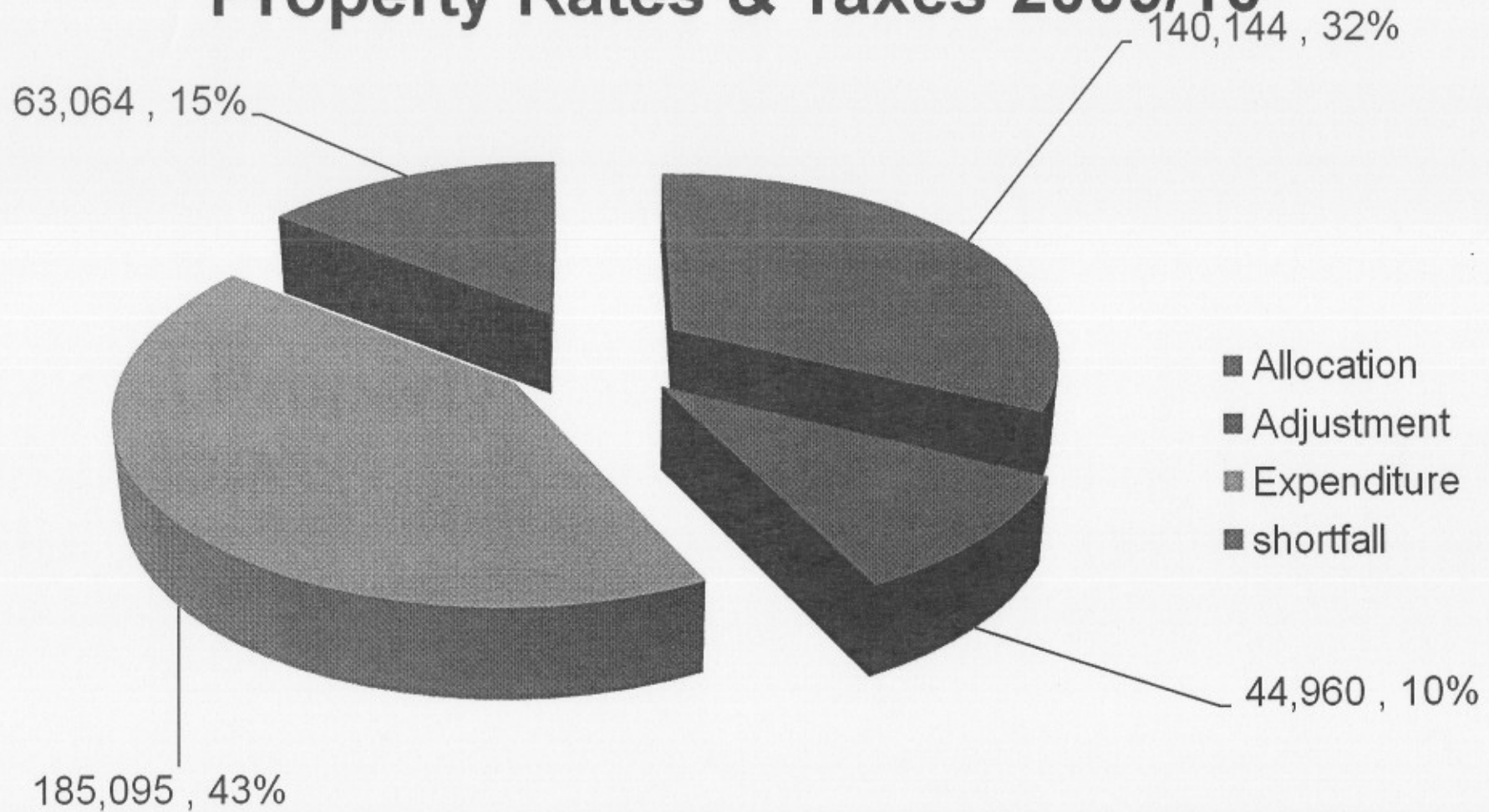


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Property Rates & Taxes 2009/10



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Devolution of Property - Numbers

	National Public Works List	Current List of Vested Properties
Number of Properties	1,112	2,617



PROJECTED EXPENDITURE FOR MTEF PERIOD

	2010/11	2011/12	2012/13
Allocation	154,158,000	163,408,000	171,578,000
Projected expenditure	341,041,038	227,181,363	249,899,500
Projected shortfall	186,883,038	63,773,363	78,321,500



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1. Rates & Taxes

- In the previous financial year (09/ 10) an amount of R185,094,556.99 was paid to municipalities (99.9% of the adjusted budget allocated (R185.1m)
- Refer to the last 2 slide for a break down of payment per municipality
- In the current financial year (10/11) an amount of R154,1m was received to process rates and taxes payments. Projected expenditure will be R341m. The shortfall has been reported to National Public Works as well as National Treasury. We await their decision.
- Until the end of September 2010, 77.78% of the budget was spent.
- A reconciliation process between the departmental asset register and municipal records has commenced.



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- This Department is committed to meeting its obligations to municipalities, and want to be an example to the Free State Community to pay their municipal accounts in time to improve local service delivery.
- Realizing the delay regarding issuing of rates & taxes invoices, this Department has assisted municipalities with spreadsheets of provincial government properties to create manual invoices, which invoices were to be submitted to us in advance to fast track the payments of rates & taxes.
- A task team / forum was established on the 22nd of September 2010 at the Municipal CFO's forum. Provincial treasury will chair the forums and will meet monthly per district to ensure that municipalities comply.



2. Challenges

- **Valuation rolls and tariff lists that differ with systems**
- Invoices not received as previously agreed or received late.
- Lack of response to our various requests from certain municipalities
- Sending invoices to wrong addresses despite our numerous communication of correct addresses for invoices, e.g. schools' water and electricity to the Department of Education and **ALL OTHER PROVINCIAL GOVT PROPERTIES** to PWRD
- Often change of officials responsible for revenue collection, impedes progress in our efforts of assisting municipalities to correct their invoicing / billing information
- Circular 51 of 2010, MFMA amendment, understanding and implementation thereof in the province.



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Local Municipality		District Municipality	Actual Expenditure			Projected Expenditure
			2008-2009	2009-2010	2010-2011 to date	2010-2011
Allocated Grant			125,066,000.00	140,144,000.00	154,158,000.00	154,158,000.00
Roll over received				44,960,000.00		
Total Budget			125,066,000.00	185,104,000.00	154,158,000.00	154,158,000.00
Private Service Providers and other			(11,551,547.79)	(471,199.27)		
LETSEMENG	FS161	XHARIEP (Dc16)	(355,634.79)	(562,393.65)	(147,746.94)	(334,133.39)
KOPANONG	FS162	XHARIEP (Dc16)	(561,271.86)	(986,359.02)	(177,615.20)	(1,195,618.04)
MOHOKARE	FS163	XHARIEP (Dc16)	(162,650.43)	(1,507,491.57)	(457,899.35)	(2,260,808.72)
NALEDI	FS171	MOTHEO (Dc17)	0.00	(1,294,551.63)	(355,586.13)	(1,258,223.63)
MANGAUNG	FS172	MOTHEO (Dc17)	(14,776,873.55)	(24,147,804.27)	(6,407,402.14)	(40,587,074.78)
MANTSOPA	FS173	MOTHEO (Dc17)	(370,180.15)	(290,702.10)	(258,217.95)	(521,520.92)
MASILONYANA	FS181	LEJWELEPUTSWA (Dc 18)	(1,188,336.15)	(3,694,916.58)	(733,067.60)	(7,259,903.04)
TOKOLOGO	FS182	LEJWELEPUTSWA (Dc 18)	(113,693.40)	(176,149.05)	0.00	(1,198,581.55)
TSWELOPELE	FS183	LEJWELEPUTSWA (Dc 18)	(262,214.47)	(537,152.86)	(131,930.28)	(1,317,852.67)
MATJHABENG	FS184	LEJWELEPUTSWA (Dc 18)	(2,662,030.82)	(12,474,248.88)	(1,511,526.32)	(15,161,424.39)
NALA	FS185	LEJWELEPUTSWA (Dc 18)	(285,943.83)	(371,596.80)	(1,604,715.88)	(2,968,299.06)



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SETSOTO	FS191	THABO MOFUTSANYANA (Dc 19)	(2,119,140.79)	(5,304,974.97)	(8,230,392.35)	(15,557,725.03)
DIHLABENG	FS192	THABO MOFUTSANYANA (Dc 19)	(3,495,643.84)	(5,319,974.52)	(923,279.96)	(7,041,066.18)
NKETOANA	FS193	THABO MOFUTSANYANA (Dc 19)	(1,397,743.58)	(2,114,317.80)	(436,667.50)	(3,935,895.33)
MALUTI A PHOFUNG	FS194	THABO MOFUTSANYANA (Dc 19)	(24,724,715.59)	(109,481,734.36)	(89,855,470.21)	(205,280,992.24)
PHUMELELA	FS195	THABO MOFUTSANYANA (Dc 19)	(150,735.79)	(215,449.23)	(36,648.30)	(286,381.58)
MOQHAHA	FS201	FEZILE DABI (Dc 20)	(1,278,215.89)	(5,474,571.56)	(998,269.72)	(4,492,559.33)
NGWATHE	FS203	FEZILE DABI (Dc 20)	(4,031,087.70)	(4,994,961.08)	(2,550,578.54)	(18,884,347.74)
METSIMAHOLO	FS204	FEZILE DABI (Dc 20)	(512,660.07)	(3,624,462.57)	(3,648,799.86)	(7,174,927.51)
MAFUBE	FS205	FEZILE DABI (Dc 20)	(198,293.52)	(2,049,545.22)	(1,434,548.60)	(4,329,722.06)
Total Expenditure			(70,198,614.01)	(185,094,556.99)	(119,900,362.83)	(341,047,057.19)
Under / Over spending			54,867,385.99	9,443.01	34,257,637.17	(186,889,057.19)



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