

BUFFALO CITY MUNICIPALITY

STAKEHOLDERS' BREAKFAST

6 JUNE 2003



Buffalo City Municipality



Our City's Vision

“A people centred place of opportunity where the basic needs of all are met in a safe, healthy and sustainable environment.”

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What are the City Strategies?

- Economic Development & Job Creation
- Primary Health & HIV/Aids
- Institutional Stabilisation & Transformation
- Revenue Management
- Focused on Sustainable Service Delivery

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What are the Factors Which will Impact on Our Vision & Strategies

1. Total Population
2. Physical Population Distribution
3. Estimated Gender Split
4. Income Distribution
5. Service Adequacy

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1. Total Population (880 000 Pop) :1999

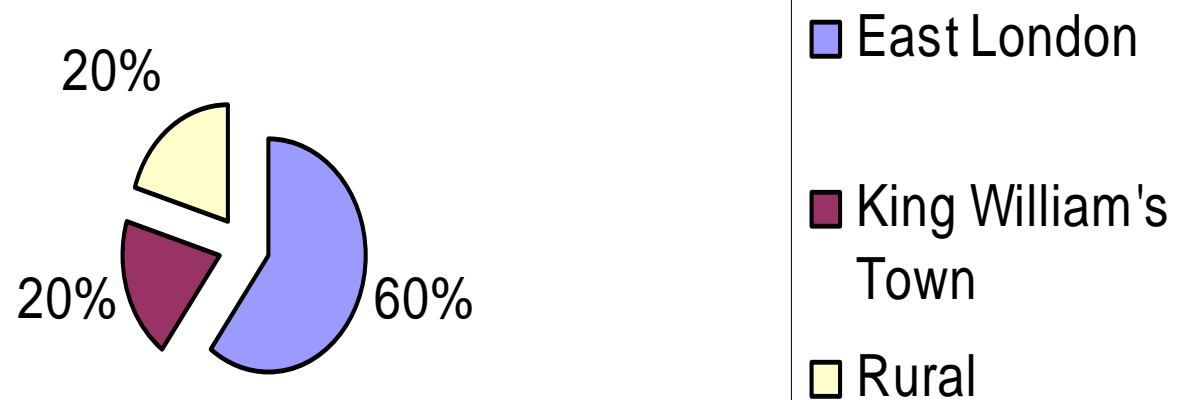
	EC125 Pop	EC125 hholds	%
Urban	443,794	105,408	65
Villages	220,060	49,482	32
Scattered	5,069	1,038	1
Farmland	13,136	3,887	2
TOTAL	682,059	159,815	100

(Source: Palmer Development Group)

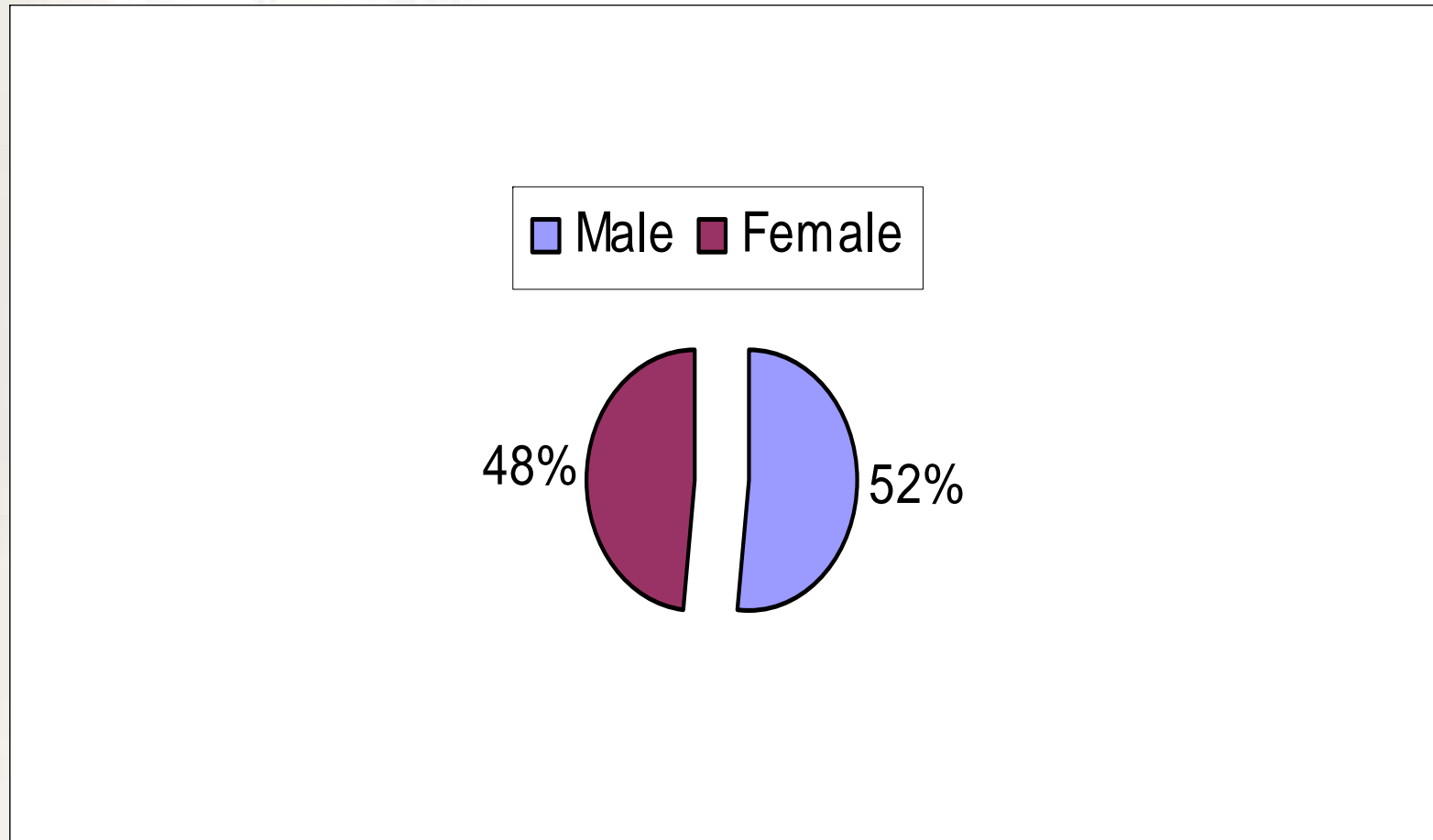
A large percentage (65%) of the people live in the urban areas of East London and KWT.

2. Physical Population Distribution

Buffalo Estimated Population 1999



3. Estimated Gender Split



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4. Income Distribution

	R0- R800	R801- R1500	R1501- R2500	R2501- R3500	R3500
Urban	36%	18%	12%	6%	21%
Village	48%	17%	8%	4%	17%
Scattered	71%	14%	4%	1%	5%
Farmland	37%	16%	9%	6%	26%
TOTAL	43%	19%	11%	6%	21%

(Source: Palmer Development Group)

Compared to the district average as well as the two category B's within DC12, households within this municipality are better off, with more than half earning more than R800 per month and a significant percentage earning more than R3 500 per month.

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5. Service Adequacy (Urban)

	<u>None/ Inadequate</u>	<u>Basic</u>	<u>Intermediat e</u>	<u>Full</u>
<u>Urban</u>				
Water	3%	22%	11%	64%
Sanitation	10%	5%	17%	68%
Roads	0%	30%	30%	40%
Solid Waste	10%	9%	0%	81%
Electricity	50%	0%	19%	31%

5. Service Adequacy (Villages)

	<u>None/ Inadequate</u>	<u>Basic</u>	<u>Intermediat e</u>	<u>Full</u>
<u>Villages</u>				
Water	19%	47%	14%	20%
Sanitation	55%	12%	33%	0%
Roads	40%	60%	0%	0%
Solid Waste	64%	3%	0%	34%
Electricity	86%	0%	11%	4%

5. Service Adequacy (Scattered)

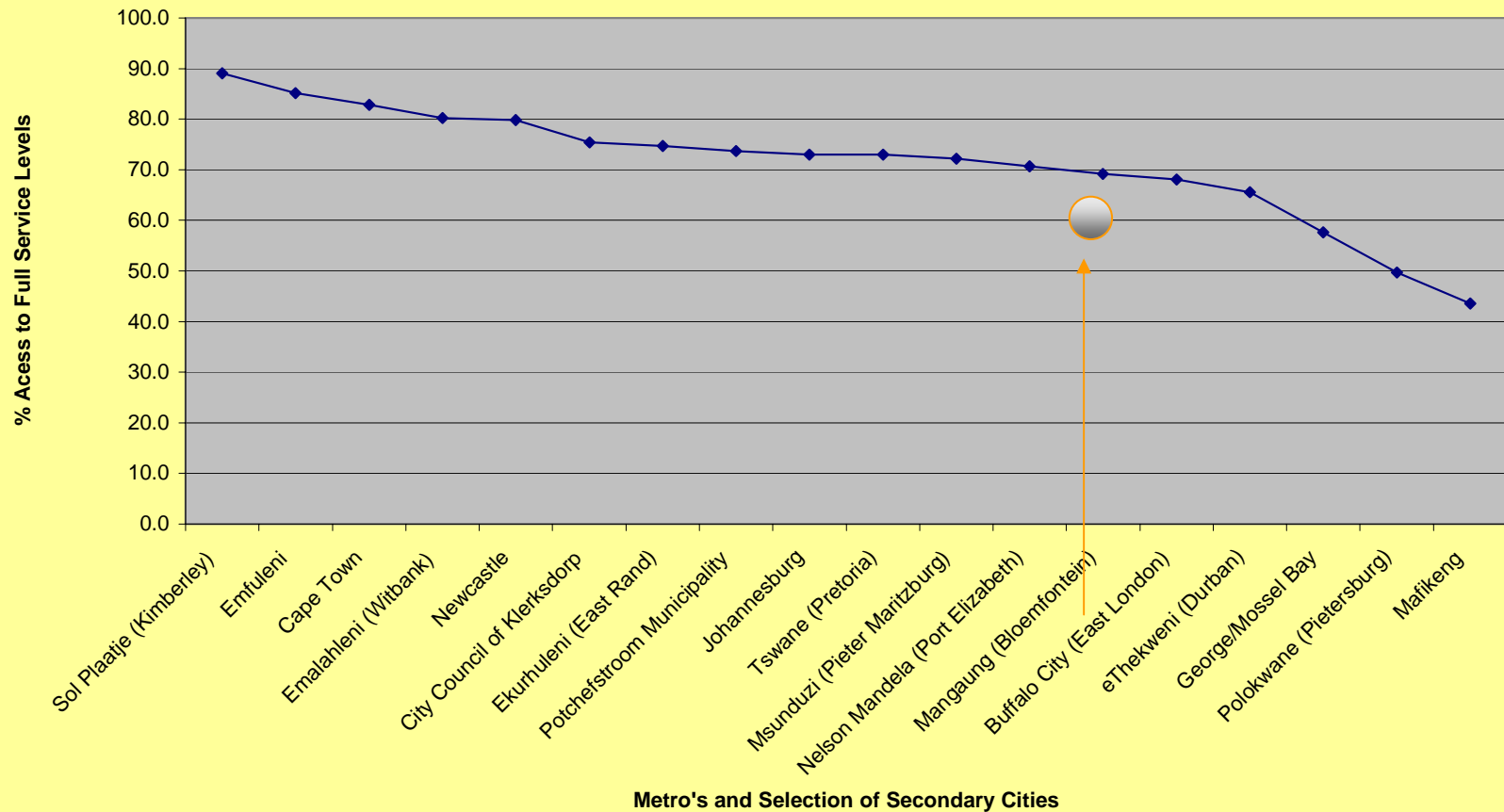
	<u>None/ Inadequate</u>	<u>Basic</u>	<u>Intermediat e</u>	<u>Full</u>
<u>Scattered</u>				
Water	79%	12%	5%	4%
Sanitation	76%	13%	10%	0%
Roads	50%	50%	0%	0%
Solid Waste	94%	4%	0%	2%
Electricity	97%	0%	2%	0%

5. Service Adequacy (Farmland)

	<u>None/ Inadequate</u>	<u>Basic</u>	<u>Intermediat e</u>	<u>Full</u>
<u>Farmland</u>				
Water	50%	8%	23%	19%
Sanitation	49%	5%	46%	0%
Roads	10%	90%	0%	0%
Solid Waste	72%	9%	0%	19%
Electricity	79%	0%	13%	8%

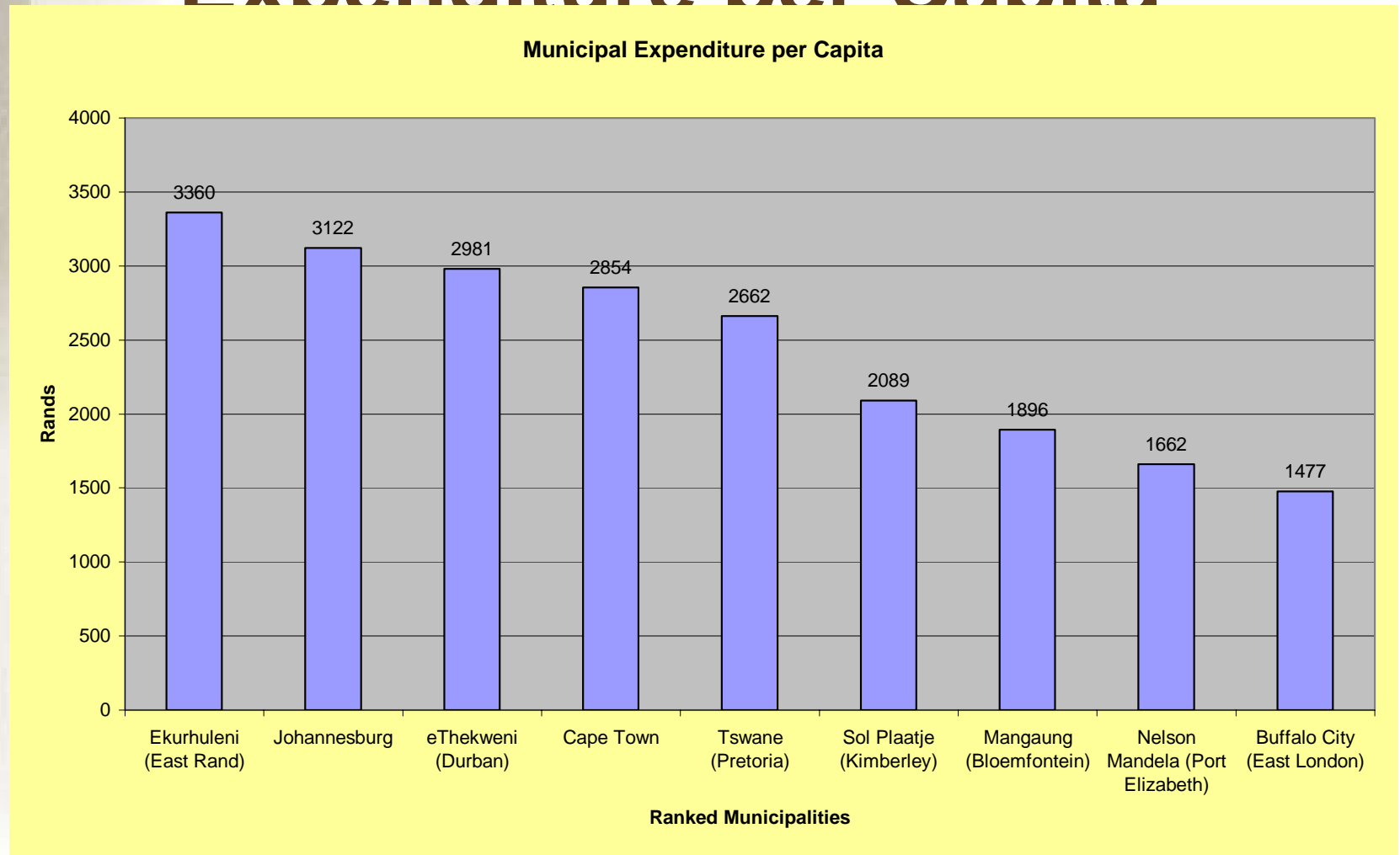
How does Buffalo City Compare Average Service Access

Average Service Access: (water, sanitation, electricity)



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How does Buffalo City Compare Expenditure per Capita



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Budget Process Cycle



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Budget Pressures

- 30% unemployment throughout BCM.
- 28% formal employment throughout BCM.
- 10% support households on pension income.
- 53.8% have incomes below R1500 pm.
- 35% households have incomes above R2500
- 65% households access to basic services.
- Additional responsibilities – Former ADM rural areas, predominantly indigent.



Budget Challenges

- Extending service delivery to coastal and rural areas .
- Improving current service levels
- Maintenance of infrastructure.
- Dealing with increasing staff costs.
- Increasing internal efficiency and improving customer care.
- Increasing the resource base.

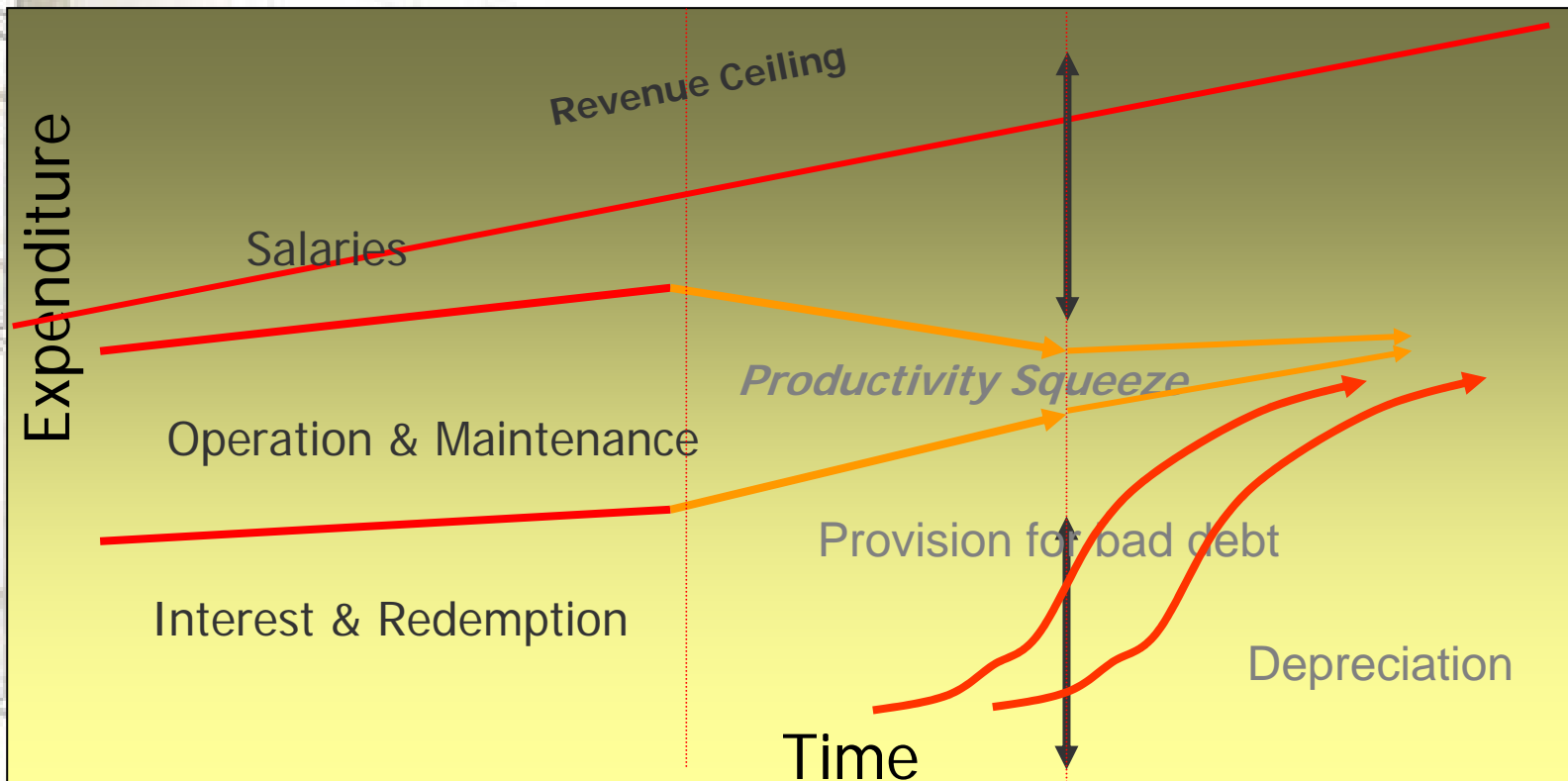
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Understanding the problem within the Budget

Normal

Instability

A Strategic Agenda



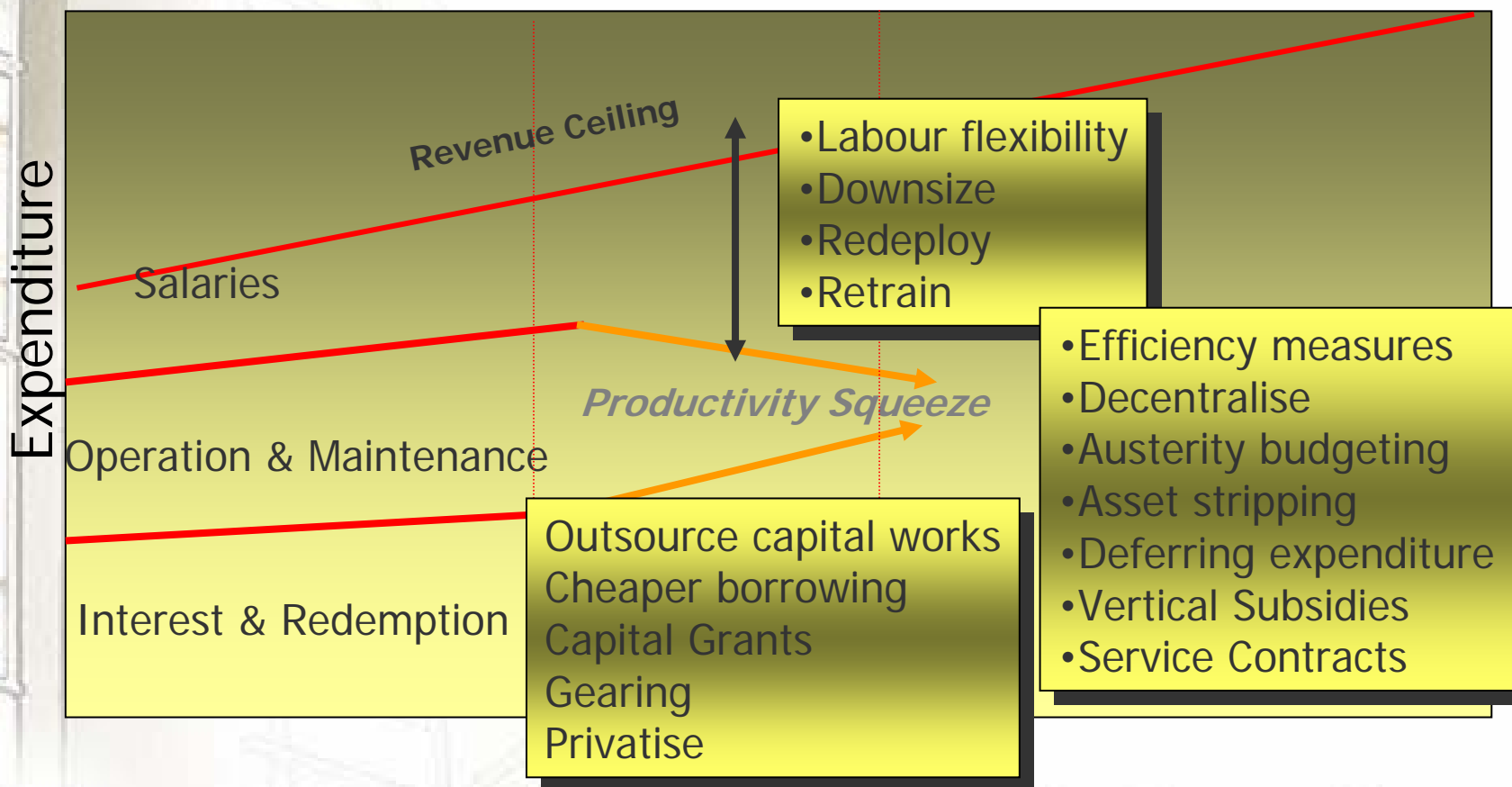
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Understanding the problem within the Budget: Strategic Agenda

Normal

Instability

A Strategic Agenda



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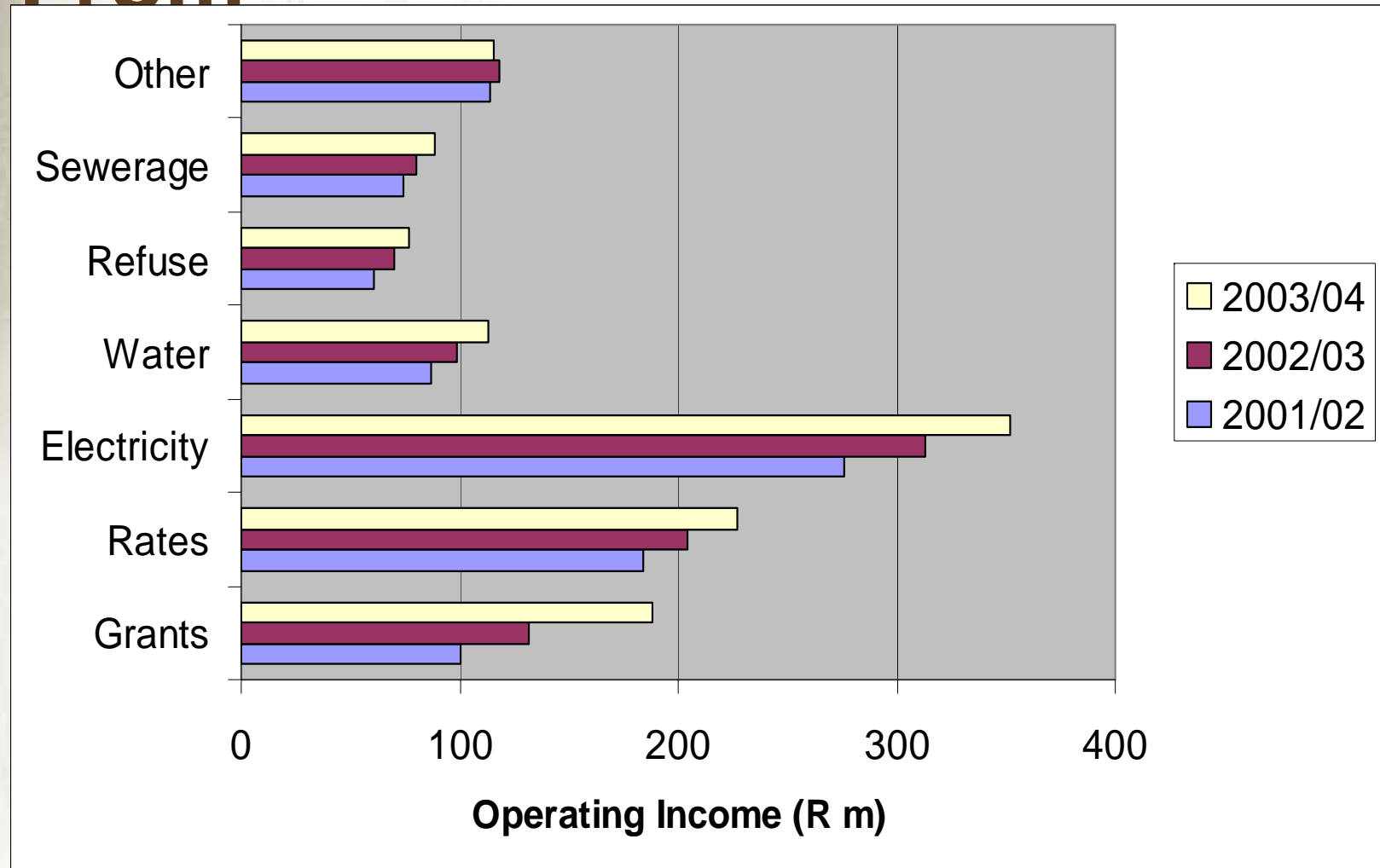
Operating Budget

R1,1 Billion

**To be spent in keeping the
City's wheels turning.**

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Where does the Money Come From



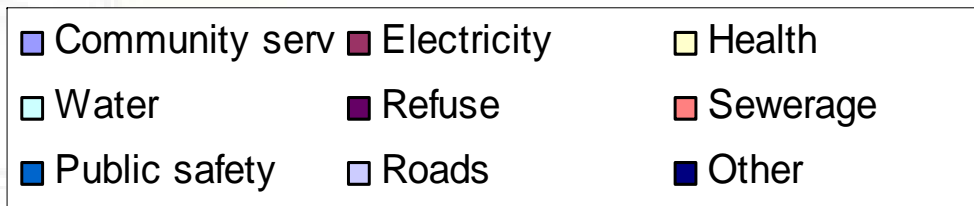
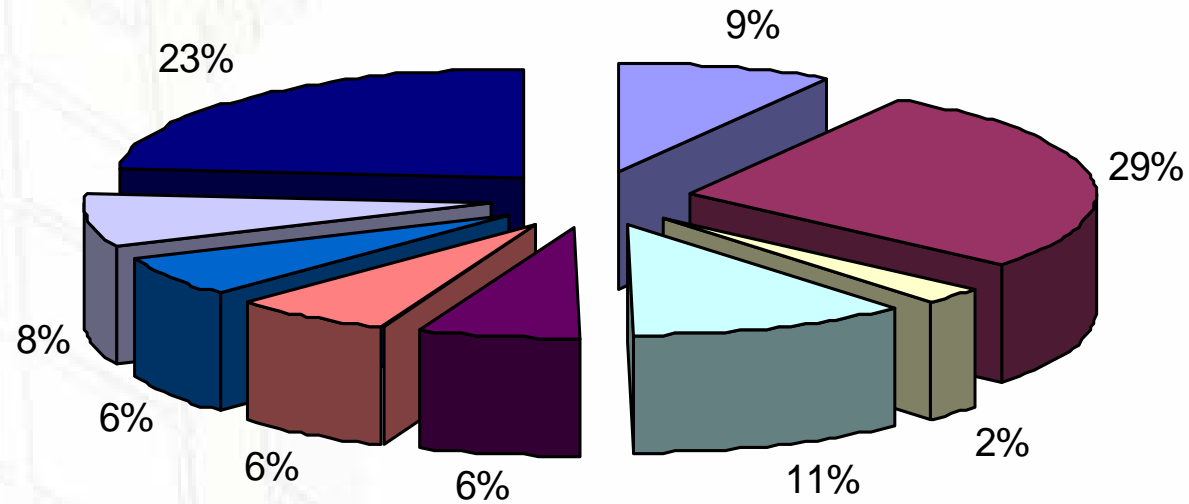
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Where does the Money Come From

	2002/03 Rm	2003/04 Rm	%
OPERATING INCOME			
Grants Received	132	188	16
Assessment Rates	204	227	20
Electricity	313	352	30
Water	99	113	10
Refuse	70	77	7
Sewerage	80	89	8
Other Income	118	116	10
TOTAL INCOME	1,016	1,162	100

How is the Money Spent

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How is the Money Spent

	2002/03 R m	2003/04 R m	%
OPERATING EXPENDITURE			
Community Services	88	103	9
Electricity	280	306	26
Health	24	30	3
Water	113	135	12
Refuse	66	82	7
Sewerage	64	78	6
Public Safety	61	68	6
Roads	83	88	8
Other	237	272	23
TOTAL EXPENDITURE	1,016	1,162	



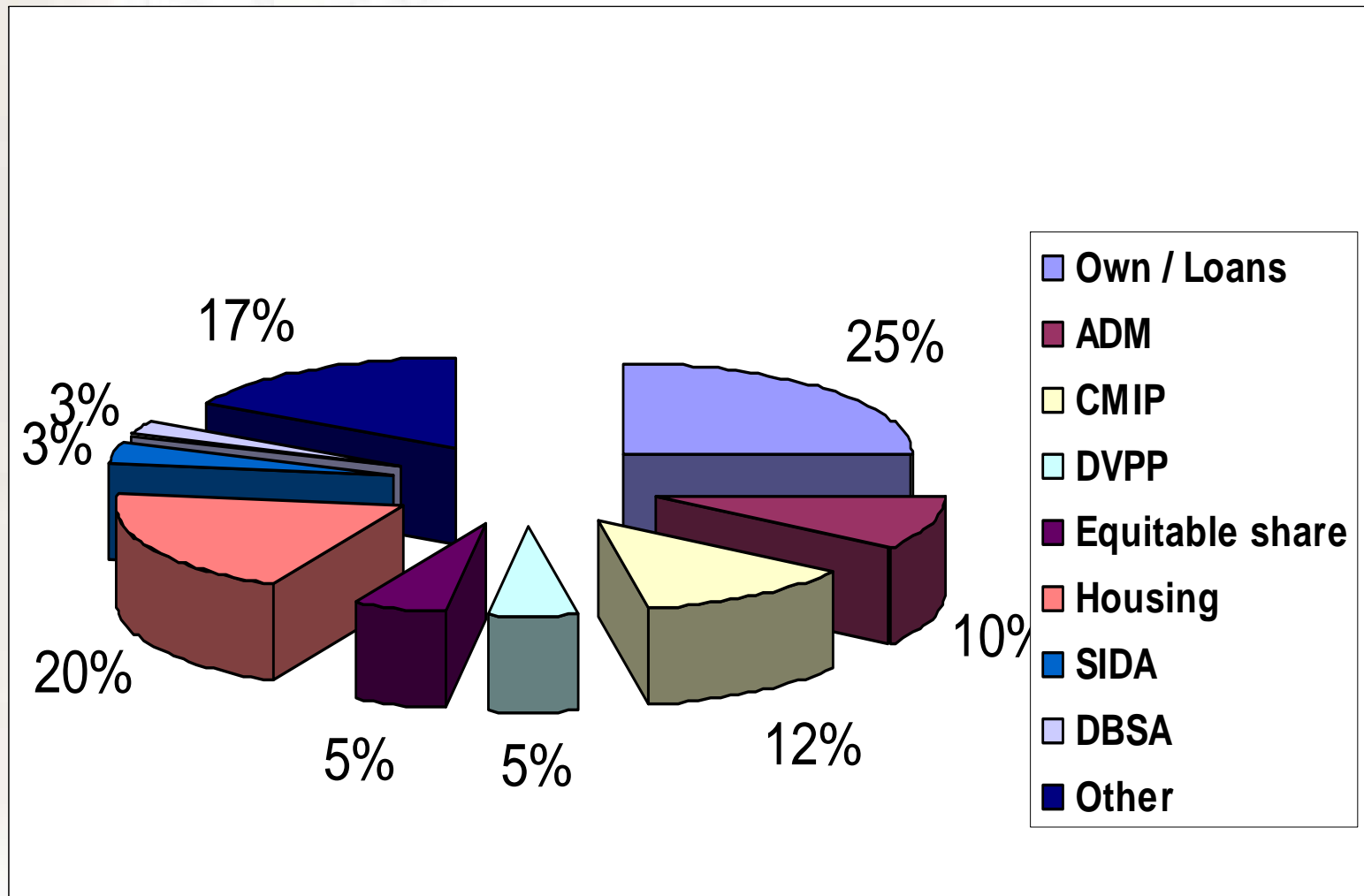
Capital Budget

R351 Million

For Infrastructure and Upgrading of Services.

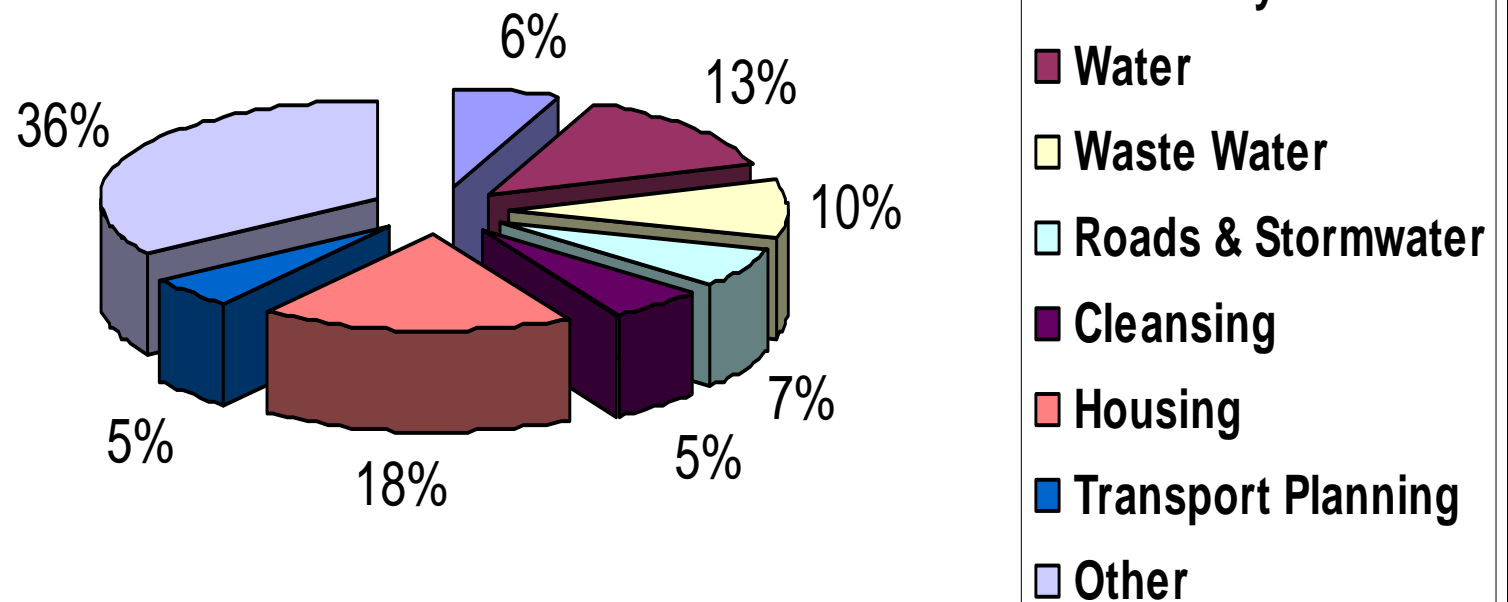
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Where does the Money Come From



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How is the Money Spent



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Some of the Major Plans for the Coming Year.

- LED Programmes R16,2m
- SA Games R3m
- Housing Programmes R64m
- Financial Management Programmes R13,6m
- Human Resource Programmes R18m
- Social Services Programmes R43m
- Service Infrastructure R134m

Rates & Service Charge

Increases

	2001/02	2002/03	2003/04
Electricity	8,00%	6,50%	10%
Water	24,00%	10,00 – 20,00%	10%
Sewerage	15,00%	15,00%	10%
Refuse	15,00%	15,00%	10%
Rates	10,00%	10,00%	10%
Average	+/- 9%	+/- 11%	+/- 10%
CPIX	6,4%	9,2%	+/- 8,2%

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How does the Budget Impact on Your Pocket

	Average Monthly Increase	%
Bunkers Hill	90,50	10
Beacon Bay	75,12	10
King William's Town	68,47	10
Bisho	48,44	10
Mdantsane	13,41	5
Ginsberg	13,88	5
Gompo	11,96	5
Kaysers Beach	44,81	10

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Basic Municipal Welfare

House Value – R220 000

Package

	Total Monthly Package
• Rates & Services – R110 p.m.	R110,00
• Free Basic Water – 6kl	R23,26
• Free Basic Electricity – 50khw	R19,11
• 40 % Rebate on Rates for pensioners and disabled	R14,89
* For the year - R2007,12	R167,26
* 40 000 Households = 200 000 people	



IDZ – Package of Incentives

- Rates rebate on land & buildings
– 65% - 10% over 7 years.
- 15% Rebate on bulk water tariff.
- Discount on electricity tariff: 3B + 4
(large power users).



Thank You!

See you on the 13 June
2003.

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