

SECTION E

FINANCIAL PLAN

14. Capital & Operating Budget Estimates

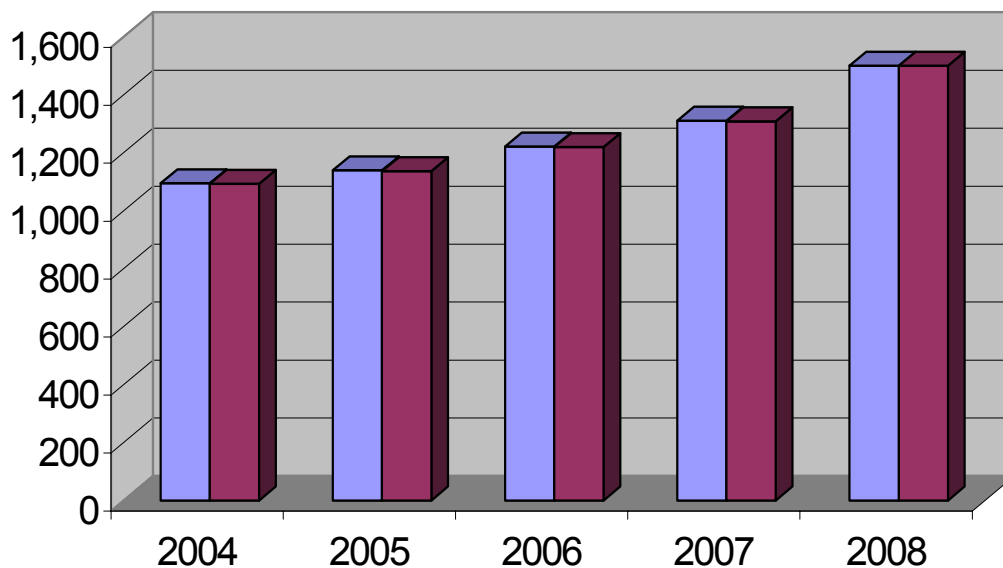
It has been suggested that the priority issue from a financial perspective is the financial viability and sustainability of the City. This goal can best be achieved through effective and efficient financial management. The plans and the strategies that have been formulated were prepared with this in mind.

The five-year financial plan includes an Operating Budget (Table E.1), the Capital Investment Programme/Capital Budget (Table E.2) and the Sources of Funding for the Capital Investment Programme (Table E.3) for the five years covered by this plan. The information contained in these tables is based on information available at the time of drafting this document and these estimates could therefore possibly change in the future.

TABLE E.1: Operating Budget, 1 July 2005 to 30 June 2009

	2005	2006	2007	2008	2009
	R millions	R millions	R millions	R millions	R millions
INCOME				5.00%	5.00%
Grants - Equitable share	165,431	147,123	164,375	172,594	181,224
Grants – Other	60,495	44,240	38,623	40,554	42,582
Assessment rates	250,778	273,699	294,528	309,254	324,717
Sale of electricity	386,154	413,558	442,906	465,051	488,304
Sale of water	139,545	149,438	160,033	168,035	176,437
Other service charges	295,420	312,978	333,829	350,521	368,047
Total income	1,334,882	1,376,434	1,469,692	1,543,177	1,620,336
EXPENDITURE					
Salaries	472,138	498,038	525,328	551,594	579,174
General expenses	356,265	335,861	364,725	382,961	402,109
Purchase of electricity	225,528	238,960	251,068	263,621	276,802
Purchase of water	64,886	73,970	84,326	88,543	92,970
Repairs and maintenance	56,405	57,890	59,543	62,520	65,646
Capital Charges	159,418	171,595	184,183	193,392	203,062
Total expenditure	1,334,640	1,376,315	1,469,173	1,542,631	1,619,763
SURPLUS / - DEFICIT	242	119	519	545	573

FIGURE E.1: 5-Year Operating Budget (Rm)



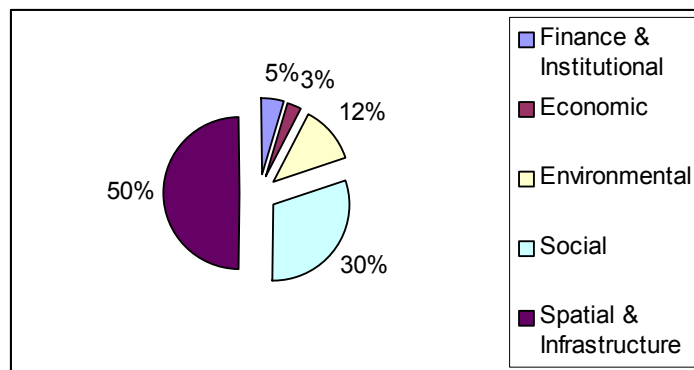
As reflected in the table and figure above, the City expects to break-even over the period under review. Selected key assumptions relating to this budget are as follows:

- Government grants for years 2004 – 2006 are as per the Division of Revenue Act, thereafter increases of 5.5% per annum have been assumed.
- The inflation rate has been assumed to be 7% per annum.
- Growth in the salary and wage bill has been provided for in the budget at 8% per annum, growth in the remaining expense items range from 7% - 10% per annum.
- Increases for the purchase of electricity and water have been assumed at 7% per annum.
- Provision has been made for tariff increases relating to rates and services at an average rate of 7% per annum.
- The amount for Contributions expense included in the budget relates largely to provision for bad debts.
- The budget is based on current service levels and does not make provision for major expansion of services into the rural areas.
- Equitable share capital portion reflected in the funding sources for capital investment programme may (Table E.2) also be allocated to revenue.

TABLE E.2: Capital Investment Programme : 1 July 2005 to 30 June 2009

	Allocation	2005 R millions	2006 R millions	2007 R millions	2008 R millions	2009 R millions
Own Funds						
Economic	3%	2	2	2	2	2
Environment	12%	19	15	14	15	15
Finance & Institutional	5%	5	3	3	3	3
Social	30%	11	9	10	10	10
Spatial & Infrastructure	50%	90	73	82	80	80
Total	100%	127	102	111	110	110
Specified Grant Funds						
Amatole District Municipality		11	11	11	11	11
BCMET		6	7	7	8	8
National Govt Infrastructure – CMIP		51	52			
Development Bank of South Africa		1	1	0	0	0
Land Restitution (DLA)		12	12	8	0	0
Duncan Village Presidential Projects		9	0	0	0	0
Department Water Affairs		2	0	0	0	0
East Cape Dept of Transport		0	0	0	2	2
Equitable Share		9	11	11	12	12
Finance Management Grant		1	1	0	0	0
IMEP		11	6	6	8	8
Local Govt Housing		48	44	25	40	45
National Dept of Transport		0	0	0	1	0
Municipal Infrastructure Grant		18	29	94	90	90
Other – Vuna Award		3	0	0	0	0
Restructuring Grant		15	25	20	0	0
Sector Education & Training Authority		0	0	0	2	2
Swedish International Development Cooperation Agency (SIDA)		3	0	0	0	0
Trust Funds		1	0	0	0	0
TOTAL		201	199	182	174	178

FIGURE E.2: Capital Investment Programme 2005 to 2009



As can be seen from the above table and figure, most of the capital expenditure over the period covered by this plan will be for Spatial and Infrastructure projects at 50% of total expenditure, followed by Social projects which account for 30% of the planned expenditure.

**TABLE E.3: Funding Sources for Capital Investment Programme:
1 July 2005 to 30 June 2009**

Own Funding	2005	2006	2007	2008	2009
	R millions	R millions	R millions	R millions	R millions
Loan Funding DBSA	111	88	98	95	90
Internal Funding	16	14	13	15	20
Total	127	102	111	110	110

Specified Grant Funding	2005	2006	2007	2008	2009
	R millions	R millions	R millions	R millions	R millions
Amatole District Municipality	11	11	11	11	11
BCMET	6	7	7	8	8
National Govt Infrastructure – CMIP	51	52	0	0	0
Development Bank of South Africa	1	1	0	0	0
Land Restitution (DLA)	12	12	8	0	0
Duncan Village Presidential Projects	9	0	0	0	0
Department Water Affairs	2	0	0	0	0
East Cape Department of Transport	0	0	0	2	2
Equitable share	9	11	11	12	12
Finance Management Grant	1	1	0	0	0
IMEP	11	6	6	8	8
Local Govt Housing	48	44	25	40	45

**TABLE E.3: Funding Sources for Capital Investment Programme:
1 July 2005 to 30 June 2009 (continued)**

	2005	2006	2007	2008	2009
	R	R	R	R	R
	millions	millions	millions	millions	millions
National Dept of Transport	0	0	0	1	0
Municipal Infrastructure Grant	18	29	94	90	90
Other – Vuna Award	3	0	0	0	0
Restructuring Grant	15	25	20	0	0
Sector Education & Training Authority	0	0	0	2	2
Swedish International Development Cooperation Agency (SIDA)	3	0	0	0	0
Trust Funds	1	0	0	0	0
Total	201	199	182	174	178

The Capital Investment Programme will be subject to the availability of funding. It has been assumed that the City will take out further loans from DBSA amounting to approximately R100m (including R50m per year for West Bank Wastewater Scheme) per year for the first 3 years of the 2005 – 2009 M.T.E.F.

TABLE E.4: Debt Management Framework: 1 July 2004 to 30 June 2008*

	2004	2005	2006	2007	2008
	R millions	R millions	R millions	R millions	R millions
Opening balance	355	416	439	473	505
Additional loans - DBSA	73	50	50	50	50
Interest for the year	56	52	54	59	52
Less repayments for year	-68	-78	-70	-77	-70
Closing balance	416	439	473	505	537
Capital repayments	12	27	16	18	18

* Calculated on the assumption that from 2006 to 2008 we will receive an additional R50ml per annum all with 20 yr term at 15.00% pa annual repayment estimated at R8ml first year R1ml being capital amount increasing with additional proportion as another R50ml loan is added.

15. Financial Strategy

It must be noted that not all municipalities are the same and this should be kept in mind when assessing the financial health of, and the setting of benchmarks for a municipality. A municipality can be categorised into either:

- Developed – maintenance
- Developing – growing

Buffalo City can be categorised as a developing – growing municipality. Such municipalities require significant additional resources and funding to conduct the growth that is expected of them. In contrast, already developed – maintenance municipalities are mainly concerned with the need to maintain existing infrastructure.

With the demands for growth come risks that need to be managed. Wherever possible, the City will set benchmarks appropriate for a developing – growing municipality and strive to achieve these benchmarks within the medium-term.

As mentioned at the beginning of this chapter, the priority from the financial perspective is the financial viability and sustainability of the City. The financial plan and related strategies will need to address a number of key areas in order to achieve this goal. The areas, which have been identified, are detailed below.

15.1 The Financial Framework

15.1.1 Revenue Adequacy and Certainty

It is essential that the City has access to adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to source, amount and timing of revenue. The Division of Revenue Act has laid out the level of funding from National Government that will be received for the 2003 – 2005 financial years.

It is important to track the respective sources of revenue received by the City as they can be quite different and can vary substantially depending upon the phase that the municipality is in. Knowledge of the sources of funds will illustrate the City's position more accurately, its ability to secure loans relative to its income streams and its borrowing capacity.

i. Cash / Liquidity Position

Cash and cash management is vital for the short- and long-term survival and good management of any organisation. The appropriate benchmarks which can assist in assessing the financial health of the City are:

The current ratio, which expresses the current assets as a proportion to current liabilities. "Current" refers to those assets which could be converted into cash within 12 months and those liabilities which will be settled within 12 months. A current ratio

in excess of 2:1 is considered to be healthy. The City will aim to improve this ratio from the existing 1.23:1 to the desired level in the medium term.

Debtors' collection measurements, which have a great impact on the liquidity of the City. Currently the City takes on average 107 days to recover its debtors, while the annual debtors collection rate is 88%. The City will attempt to reduce the days debtors outstanding to less than 60 days in the medium term and will strive to increase the annual debtors collection rate by 3% per annum, until it exceeds the desired level of at least 90%.

ii. Sustainability

The City needs to ensure that its budget is balanced (income covers expenditure). As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable, and that the full costs of service delivery are recovered. However, to ensure that households which are too poor to pay for even a proportion of service costs, at least have access to basic services, there is a need for subsidisation of these households.

iii. Effective and Efficient Use of Resources

In an environment of limited resources, it is essential that the City makes maximum use of the resources at its disposal by using them in a effective and efficient manner. Efficiency in operations and investment will increase poor people's access to basic services.

iv. Accountability, Transparency and Good Governance

The City is accountable to the people who provide the resources, for what they do with the resources. The budgeting process and other financial decisions should be open to public scrutiny and participation. In addition the accounting and financial reporting procedures must minimise opportunities for corruption. It is also essential that accurate financial information is produced within acceptable time-frames.

v. Equity and Redistribution

The City must treat people fairly and justly when it comes to the provision of services. In the same way, the City should be treated equitably by national and provincial government when it comes to inter-governmental transfers. The 'equitable share' from national government will be used primarily for targeted subsidies to poorer households. In addition, the City will continue to cross-subsidise between high- and low-income consumers within a specific service (e.g. electricity) or between services.

vi. Development and Investment

In order to deal effectively with backlogs in services, there is a need for the City to maximise its investment in municipal infrastructure (see Table 2). In restructuring the financial systems of the City, the underlying policies should encourage the maximum degree of private sector investment.

vii. Macro-economic Investment

As the City plays a significant role in the area, it is essential that it operates within the national macro-economic framework. The City's financial and developmental activities should therefore support national fiscal policy.

viii. Borrowing

The strong capital market in South Africa (banks and other lending institutions like DBSA, INCA etc.) provides an additional instrument to access financial resources. However, it is clear that the City cannot borrow to balance its budget and pay for overspending.

Safeguards need to be put in place to ensure that the City borrows in a responsible way. In order to have access to this market, the City will need to have accurate and appropriate financial accounting and reporting systems.

The manner in which the City manages debt or takes on new debt to finance activities will have a significant impact on the solvency and long-term viability of the council. The current "capital charges" as a percentage of income is 13,42%. The City aims at a desired level of 15% over the medium term.

15.2 Strategies And Programmes

With the above framework as a background, strategies and programmes have been identified and form part of the financial plan to achieve the desired objective – the financial viability and sustainability of the City. Time frames have been set for each of the projects that have been identified.

15.2.1 Revenue Raising Strategies and Programmes

The following are some of the more significant programmes that have been identified:

- **The development and implementation of a credit control policy**
This policy and the relevant procedures will detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.
- **The development and implementation of an indigent policy**
This policy will define the qualification criteria for an indigent, the level of free basic services that will be enjoyed by indigent households, penalties for abuse etc.
- **The development and implementation of a uniform tariff policy**
This policy will ensure that fair tariffs are charged in a uniform manner throughout the Buffalo City area.
- **The development and implementation of a property rates and valuation policy**
This will ensure that a fair rates policy is applied to the entire Buffalo City area and will aim to ensure that all properties are included in the City's records. Furthermore the policy will ensure that valuations are systematically carried out on a regular basis for all properties.

- **The establishment of Customer Service Centres**
This project aims to establish 10 'one stop' customer service centres in the rural areas to improve customer service and accessibility. It is envisaged that these 10 centres will be established over a period of 3 years.
- **The development and implementation of a customer incentive policy**
This policy will detail the incentives and prizes that will be made available to encourage customers to pay their accounts promptly.
- **Customer education projects**
These projects will educate the customer on the advantages to the community and the moral obligation that he/she has to promptly settle amounts due. The projects will also communicate incentives for prompt settlement and penalties for non-payment
- A study is to be undertaken in the area of **financing municipal services** and a draft **sustainable funding and rating policy** is to be developed

15.2.2 Asset Management Strategies and Programmes

The following are some of the more significant programmes that have been identified:

- **The implementation of a fixed asset register and asset control system as well as the maintenance thereof**
This programme will involve the formulation of policies regarding fixed assets, the purchase of a suitable system, the capture of all assets onto this system and the maintenance of this system in terms of GAMAP requirements.
- **The development and implementation of a disaster recovery plan**
This plan will detail the procedures to be followed with regard to the operations and administration of the City in the event of a disaster, to ensure that there is the least possible disruption and loss. The plan will detail alternative locations, IT arrangements, back-up/start-up procedures etc.
- **The establishment of a disaster recovery centre**
The building and/or equipping of an alternative site from which to manage the City's operations in the event of a disaster rendering the existing centres not usable.
- **The development and implementation of a repairs and maintenance policy**
Such a policy will set out the details with regard to repairs and maintenance of all asset categories eg roads, buildings, motor vehicles etc.
- **The development and implementation of a fleet management system**
This system will ensure that the City's fleet is managed in the most effective manner and that up-to-date and comprehensive information required for the fleet is readily available.

15.2.3 Financial Management Strategies and Programmes

The following are some of the more significant programmes that have been identified :

- **The development and implementation of an integrated information technology plan**
Such a plan will ensure that the City's IT needs are met in the most effective manner and that the IT resources are well-managed and secure and that users are well-trained.
- **Integration of all computerised systems and acquisition of hardware and software required**
The integration of computerised systems and acquisition of the required hardware and software within the Buffalo City area to ensure that information is accurate, relevant and prompt, which in turn will facilitate the smooth running and effective management of the City.
- **Upgrading and restructuring of the Budget Office** in line with the budget reform process initiated by National Treasury. This will result in better control of expenditure and improved reporting.

15.2.4 Capital Financing Strategies and Programmes

The following are some of the more significant programmes that have been identified:

- **The development and implementation of a debt capacity policy**
This policy will ensure that any borrowings taken by the City will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.
- **The development and implementation of a large scale economic policy**
This policy will set out ways in which the City can become more effective in attracting large-scale economic investment. It will be the framework to provide an environment that is investor-friendly, efficient (with quick decision-making ability) and will detail any incentives which may be given to attract large business.
- **The development and implementation of a policy for accessing donor finance**
This policy will create a framework for the accessing of funds from local and overseas donors. It will detail the type of projects for which funding will be sought, the procedures to be used, and donor conditions which are acceptable or unacceptable.

15.2.5 Operational Financing Strategies and Programmes

The following programme has been identified:

- **Investigation of service delivery options and public/private partnerships**
This refers to the ongoing investigation into how the City can service the community in the most efficient and effective manner, including an investigation of public/private partnerships for service delivery.

15.2.6 Strategies to Enhance Cost-effectiveness

The following are some of the more significant programmes that have been identified:

- **Establishment of benchmarks and performance indicators**
This will include
- **Training and development of financial (and other) staff**
The aim of this project will be to constantly ensure that Financial (and other) staff have the training they require to ensure a cost-effective and efficient service to the City.
- **Establishment of a centralised Civic Centre**
Establishing suitably located office accommodation for staff to ensure the most effective and efficient service provision and administration of the City. This arrangement will provide the environment for better and cheaper communication and minimum time wastage.
- **Enhanced budgetary controls and timeliness of financial data**
The improvement of the Budget Office with respect to producing financial information and monitoring/reporting on budget variances. Some of the more significant measures of acceptable performance in this area will be: Financial bottom line matched to forecasts to a 10% variance level Receipt of unqualified audit reports Monthly financial statements produced within 5 days of month-end etc.
- **A USAID-sponsored project that will assist in building the ability of the City to expand service delivery on a cost-effective basis**
This will include an analysis of the cost of services rendered in respect of water, electricity, sanitation, solid waste and housing. Appropriate benchmarks will be set for service provision and guidelines for appropriate costing methodologies will be developed.

16. Financial Management Policies

16.1 General Financial Philosophy

The financial policy of the Buffalo City Municipality is to provide a sufficient financial base and the resources necessary to sustain a high level of municipal services for the citizens of Buffalo City Municipality.

It is the goal of the City to achieve a strong financial condition with the ability to: -

- Withstand local and regional economic impacts;
- Adjust efficiently to the community's changing service requirements;
- Effectively maintain, improve and expand the City's infrastructure;
- Manage the City's budget and cash flow to the maximum benefit of the community;
- Prudently plan, coordinate and implement responsible community development and growth;
- Provide a high level of fire and other protective services to assure public health and safety.

Buffalo City Municipality's financial policies shall address the following fiscal goals: -

- Keep the City in a fiscally sound position in both the long and short term;
- Maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- Apply credit control policies that maximize collection while providing relief per for indigent;
- Credit control policies that recognize the basic policy of customer care and convenience;
- Operate utilities in a responsive and fiscally sound manner;
- Maintain existing infrastructure and capital assets;
- Provide a framework for the prudent use of debt financing;
- Direct the City's financial resources toward meeting the goals of the City's Integrated Development Plan.

16.2 Operating Budget Policies

The annual budget is the central financial planning document that embodies all operating revenue and expenditure decisions. It establishes the level of services to be provided by each department.

The City Manager shall incorporate the Buffalo City Municipality's priorities in the formulation of the preliminary and final budget proposal.

The budget will be subject to monthly control and be reported to Council with recommendation of action to be taken to achieve the budget's goal. The budget will be subject to a mid-term review, which will result in, a Revised Budget.

Adequate maintenance and replacement of the City's capital plant and equipment will be provided for in the annual budget.

The budget shall balance recurring operating expenses to recurring operating revenues.

The budget will have Revenue plans based on realistically expected income and expenditure figures. Plans will be included to achieve maximum revenue collection percentages.

The City shall adopt a balanced budget annually.

16.3 Capital Infrastructure Investment Policies

The City will establish and implement a comprehensive five-year Capital Investment Plan (CIP). This plan will be updated annually.

An annual Capital Investment Budget will be developed and adopted by the Buffalo City Municipality as part of the annual budget. The City will make all capital improvements in accordance with the CIP.

Unexpended capital project budgets shall not be carried forward to future fiscal years unless the Project Expenditure is committed or funded from grant funding.

Routine capital needs will be financed from current revenues as opposed to the issuance of long-term debt.

The City will maintain all assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

16.4 Revenue Policies

The City will estimate annual revenues by a conservative, objective and analytical process based on a realistically expected income.

The City will consider market rates and charges levied by other public and private organizations for similar services in establishing rates, fees and charges.

The City will periodically review the cost of activities supported by user fees to determine the impact of inflation and other cost increases. Fees will be adjusted where appropriate to reflect these increases.

The City will set fees and user charges at a level that fully supports the total direct and indirect costs of operations. Tariffs will be set to reflect the Development and Social Policies of the City.

The City will continue to identify and pursue grants and appropriations from Province, Central Government and other agencies that are consistent with the City's goals and strategic plan.

The City will follow an aggressive policy of collecting revenues.

16.5 Investment Policies

Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The portfolio shall remain sufficiently liquid to enable the City to meet daily cash flow demands and conform to all state and local requirements governing the investment of public funds.

The City will continue the current cash management and investment practices, which are designed to emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third.

The City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than two (2) years from the date of issue.

The City's financial information system will provide adequate information concerning cash position and investment performance.

16.6 Debt Management Policies

The City shall issue debt only when necessary to meet a public need and when funding for such projects is not available from current revenues, reserves or other sources.

Long-term borrowing will be used to finance capital improvements as approved in the City's Capital Improvement Plan.

Capital projects financed through the issuance of debt shall be financed for a period not to exceed the expected useful life of the project.

The City will not incur debt to finance current operations.

Lease-purchase obligations, capital outlay notes or other debt instruments may be used as a medium-term method of borrowing for the financing of vehicles, computers, other specialized types of equipment, or other capital improvements.

16.7 Reserve Fund Policies

Adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength. Reserve funds provide the City with the resources to manage cash flow and deal with unanticipated emergencies and changes in economic conditions. In addition, reserve funds enable the City to take advantage of matching funds and other beneficial (but limited) opportunities.

16.8 Ratio Analysis/Benchmarks

Table E.5 below, gives details of commonly used financial ratios/benchmarks. The information in the Table is the actual position for the 2000/01 financial year, the projected situation for the 2001/02 financial year and the targeted position by the end of the 2006/07 financial year.

Table E.5 : Ratio Analysis / Financial Benchmarks for the 2000/01 and 2001/02 Financial Years and the Targeted Position for the 2006/07 Financial Year.

Financial Benchmarks	Basis of Calculation	2000/01	2001/02	Target 2006/07
<u>Borrowing Management</u>				
Debt to asset ratio	Total debt / Total assets	68%	62,5%	57%
Debt to revenue	Total debt / Annual income	41%	53%	65%
Interest bearing debt to rev	Int. bearing debt / Annual income	47%	46%	45%
Ave. interest paid on debt	Interest paid / Total interest bearing debt	13%	11,5%	10%
Capital charges to operating expenditure	Interest and principal paid / Operating expenditure	14%	16%	18%
Interest as a % of operating expenditure	Interest paid / Operating expenditure	5,5%	5,3%	5%
<u>Safety of Capital</u>				
Debt to Equity	Total debt / funds & reserves	1,25	1,13	1,00
Gearing	Funds & reserves / long term debt	0,98	1,24	1,50
Liquidity				
Current Ratio	Current assets / Current liabilities	1,72	1,86	2,00
Liquid Ratio	Cash assets / Current liabilities	0,61	0,81	1,00
<u>Revenue Management</u>				
Annual debtors collection rate (payment level %)	Last 12 months receipts / Last 12 months billing	90,9%	93%	95%
Outstanding debtors to revenue	Outstanding debtors (net) / Annual revenue (total income)	32%	38,5%	45%
Days debtors outstanding	Outstanding debtors (net) / Annual rev (total income) x 365	116	88	60
<u>Efficiency</u>				
Personnel costs to operating income	Personnel costs / Operating expenditure	35,3%	34,7%	34%
Creditors management				
Creditors system efficiency	% of creditors paid within terms	100%	100%	100%
<u>Other Indicators</u>				
Electricity distribution Losses percentage value	(Total units purchased less total units sold) / Total units purchased	12,8%	8,9%	5%
Water distribution losses percentage value	(Total units purchased less total units sold) / Total units purchased	42%	31%	20%
Asset maintenance rate	Repairs expenditure / Total value of fixed assets	7,3%	10,1%	13%

16.9 Asset Management Information

To ensure that assets are adequately maintained, a programme for the planned maintenance and replacement of all fixed and moveable assets is essential.

The magnitude of deferred maintenance due to past and present lack of funding can be judged by the following estimated amounts.

Electricity:	195,000,000
Water:	
Pipeline Replacement	175,000,000
Bulk Equipment (pumps, meters etc.)	25,000,000
Treatment Works	16,000,000
Wastewater (Sewerage):	
Pump Stations	20,000,000
Reticulation	160,000,000
Treatment Works	100,000,000
Vacuum Tanker	49,000,000
Roads:	
Entire Network	230,000,000
Buildings:	
Office Accommodation	12,000,000
Depots	12,000,000
City Hall	16,000,000
Vehicles:	
Replacement	25,000,000
	TOTAL: R1,035,000,000