

Budget Assumptions

The selected key assumptions related to this budget are as follows:

- Matatiele Local Municipality will continue with its current powers and functions;
- The Budget is based on current service levels and does not make provision for major expansion of services into the rural areas;
- Government grants for the years 2010/2011 to 2014/2015 are as per the Division of Revenue Act;
- The inflation rate has been estimated at 6% per annum;
- Growth in staff related costs has been provided for in the budget at 8,3% per annum, growth in the remaining expense items range from 0% to 10%;
- Provision has been made for tariff increases relating to services at an average rate of 6% per annum;
- No provision was made in relation to the Provision for Leave as staff will be encouraged to redeem their leave.