

Metsimaholo Local Municipality



2015/2016 Medium Term Revenue and Expenditure Framework (MTREF)

Draft Budget Document

March 2016

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Abbreviations and Acronyms

AMR	Automated Meter Reading	MEC	Member of the Executive Committee
ASGISA	Accelerated and Shared Growth Initiative	MFMA	Municipal Financial Management Act Programme
BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CBD	Central Business District	MM	Municipal Manager
CFO	Chief Financial Officer	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
IBT	Inclining Block Tariff	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		

Part 1 – Annual Budget

1.1 Mayor's Report

To be circulated under separate cover

With the tabling of the Budget at the Council in May 2016.

1.2 Council Resolutions

The Council takes cognisance of the draft annual budget of the municipality for the financial year 2016/17. The public must be invited to comment and thereafter it be resubmitted to Council for approval.

The Council takes cognisance of the following resolutions:

1. The annual budget of the municipality for the 2016/17 financial year and the multi-year and single-year capital appropriations as set out in the following tables:

- 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 92
- 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 94;
- 1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 97; and
- 1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 100

2. The financial position, cash flow budget, reserve/accumulated surplus, asset management and basic service delivery targets are noted as set out in the following tables:

- 2.1 Budgeted Financial Position as contained in Table 23 on page 102;
- 2.2 Budgeted Cash Flows as contained in Table 24 on page 104
- 2.3 Reserves and accumulated surplus reconciliation as contained in Table 25 on page 104
- 2.4 Asset management as contained in Table 26 on page 107; and
- 2.5 Basic service delivery measurement as contained in Table 27 on page 110.

3. The Council, in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered the tariffs with effect (billing) from 1 July 2016:

- | | |
|--|----------------------------|
| 3.1 The tariffs for property rates | – as set out on page 15 |
| 3.2 The tariffs for electricity | – as set out on page 19-20 |
| 3.3 The tariffs for the supply of water | – as set out on page 17-18 |
| 3.4 The tariffs for sanitation services | – as set out on page 22-24 |
| 3.5 The tariffs for solid waste services (cleansing) | – as set out on page 25 |

4 The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered with effect (billing) from 1 July 2016 the tariffs for other services, as set out on page 29 to 75 respectively.

5. Capital projects from own funds to be prioritised and not to exceed R30 million.

6. The capital projects to be financed from own funds (accumulated surplus) be implemented subject to the improvement of the cash flow position of the Municipality and subject to affordability

7. Council approve that the municipality raise an overdraft facility of R7 million with its primary bankers for utilisation in the 2016/17 financial year.
8. All budget related policies will be reviewed and if any proposed changes be submitted with approval of the budget
9. That the accounting Officer implemented cost cutting measures and restrictions on :
 - Catering
 - Travel and accommodation
10. That the Accounting officer undertakes a cost benefit analysis on the Government Garage costs.
11. That the tariff modelling exercise be finalised and a report be submitted to Council for consideration of tariffs in the next budget cycle.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items.

The Municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality will undertake various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 64, 66, 67, 70, 72, 74, 75, 78 and 79 were used to guide the compilation of the 2016/17 MTREF.

The challenges in preparing the 2016/17 MTREF are as follows:

- Ageing and poorly maintained water, electricity and roads infrastructure
- Increased prices of goods and service above the inflation rate
- Some private developments and industries receive services direct from Eskom and Rand water with no direct benefit to the municipality
- Limitation of capital projects from own funds
- Wage increases above the inflation target (Bargaining Council Agreement)
- Critical vacancies can only be phased in over 3-5 years based on the affordability
- Plant hire on a regular basis is costly and alternatives need to be explored
- Expired tenders need to be regularised to avoid recurring irregular expenditure
- Distribution losses- water and electricity require a minimisation strategy
- Illegal connections to be addressed and eliminated altogether
- Fleet management (Cost of repairs and fuel)- needs to be addressed
- Government garage costs to be evaluated against the Council owning its vehicles and reducing costs
- Overtime cost to be analysed and minimized
- Declining profit on water and electricity
- Tariffs are not cost reflective – studies in progress and strategy developed for alignment
- The need to reprioritize projects and expenditure within the existing limited resources envelope given the cash flow realities
- The increased cost of bulk water and electricity(due to tariff increases from Rand Water and Eskom),which places constant upward pressure on service tariffs to the community,
- A lack of proper maintenance master plans,
- Unfunded Mandates (Libraries, EMS) to be underpinned with appropriate service level agreements,
- Organisational review –process has commenced and needs to be speeded up.

The following budget principles and guidelines directly informed the compilation of the 2016/17MTREF:

- The 2015/16 Adjustments Budget priorities and targets,
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity;
- Tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The water and electricity budget made provision for reduced distribution losses (technical and non-technical losses).

Operating Budget (OPEX)

- Zero based budgeting and incremental budgeting was used, based on historical trends, plus inflation in line with Treasury guidelines
- All increases more than the inflation rate have to be properly motivated.
- Professional fees to be unpacked

Capital Budget (CAPEX)

- Commitment letters for external funding will be a pre requisite for budgeting
- Outside funding not paid directly to the Municipality will not be reflected in the Budget
- Projects requiring external approvals will not be included without such approvals being obtained.
- Shifting of funds to be restricted up to the Adjustment Budget or in line with the approved Virement Policy
- Own funding to be in line with anticipated cash flows and affordability
- Own funding not to exceed the surplus on Operating Budget and cash backed accumulated surpluses
- Projects should support challenges identified and key priorities as adopted at the strategy planning workshop
- Feasibility study must be done between the use of Government Garage for vehicles and the purchase vehicles out right.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2016/17 MTREF

	Adjustment Budget	Medium Term Revenue and Expenditure Framework		
	2015/2016	2016/2017	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
Operating revenue	945 089	1 038 076	1 112 131	1 189 424
Operating expenditure	915 072	1 005 043	1 075 071	1 137 017
Capital expenditure	151 718	122 932	132 227	110 995

Total operating revenue

- The operating revenue exceeds R1 billion for the first time
- Has grown by 9.8 per cent or R93 million for the 2016/17 financial year when compared to the 2015/16 Adjustments Budget.
- For the two outer years, operational revenue will increase by 7.0 and 6.9 per cent respectively, equating to a total revenue growth of R244 335 million over the MTREF.
- Included in revenue are grants for operating expenditure and capital projects.

Total operating expenditure

- The operating expenditure exceeds R1 billion for the first time.
- For the 2016/17 financial year the operating expenditure appropriation is R1 005 043 million and translates into a budgeted surplus of R33 million.
- Compared to the 2015/16 Adjustments Budget, operational expenditure has increased by 9.8 per cent in the 2016/17 budget and
- For the two outer years of the MTREF, operational expenditure has grown by 7.0% and 5.8% respectively.
- The operating surplus for the two outer years is R37.1 million and to R52.4 million.

The capital budget

- The capital budget for 2016/2017 is R122.9 million for 2016/17.
 - The R55.8m (45.4%) is expected to be funded from internally generated funds.
 - Government Grants make totalling R 59.6 million make up 54.6% of the capital expenditure.

- The capital programme increases to R132 million in the 2017/18 financial year and then reduces to R111 million in 2018/19.
- The capital budget remains relatively flat over the medium-term due to constraints on internally funded capital projects due to cash flow considerations

1.4 Operating Revenue Framework

The Municipality to continue improving the quality of services provided to its citizens it needs to enhance its revenue base. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is underpinned by around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 85-90 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.
- Tariffs to be aligned to inflation target, except where input cost for services are beyond the control of the municipality.
- Water and electricity losses of 15% and 8% respectively (technical and non-technical)
- Historical debt collection rates taken into account in determining the collection rate.
- Establishment of an in-house debt management department
- Implementation of strict credit control measures

The following table is a summary of the 2016/17MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	92 485	96 376	111 299	99 586	103 140	103 140	–	113 366	120 916	128 546
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	164 079	178 217	195 341	238 073	241 053	241 053		292 879	322 168	354 384
Service charges - water revenue	2	155 164	175 524	249 416	299 675	298 555	298 015		331 399	351 945	372 410
Service charges - sanitation revenue	2	14 677	16 150	18 087	19 175	19 894	19 894		21 545	22 880	24 230
Service charges - refuse revenue	2	16 081	17 390	23 796	23 289	26 678	26 678		27 807	29 531	31 274
Service charges - other		6 743	11 487	1 071	8 313	10 959	10 959		13 429	13 899	14 483
Rental of facilities and equipment		4 514	4 858	4 600	5 272	5 112	5 112		5 780	5 922	6 189
Interest earned - external investments		1 543	1 694	2 167	2 000	2 560	2 560		2 600	2 600	2 600
Interest earned - outstanding debtors		13 900	17 139	14 576	18 171	18 171	18 171		18 940	19 745	19 963
Dividends received		–	78	88	–	–	–		–	–	–
Fines		4 194	15 855	22 876	6 024	5 024	5 024		3 025	3 188	3 360
Licences and permits		120	146	149	181	181	181		191	201	212
Agency services		–	–		–	–	–		–	–	–
Transfers recognised - operational		97 822	104 642	112 034	125 831	125 831	125 831		131 694	152 642	162 217
Other revenue	2	4 779	2 947	18 661	6 375	6 075	6 075	–	7 329	7 820	8 154
Gains on disposal of PPE		4 132	7 589	2 314	5 000	5 001	5 001		1 001	200	2 584
Total Revenue (excluding capital transfers and contributions)		580 233	650 090	776 475	856 965	868 234	867 694		970 984	1 053 658	1 130 606

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement.

Table 3 Percentage growth in revenue by main revenue source

	Medium Term Revenue and Expenditure Framework							
	2015/2016		2016/2017		2017/2018		2018/2019	
	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	103 140	10,9	113 366	10,9	120 916	10,9	128 546	10,8
Electricity	241 053	25,5	292 879	28,2	322 168	29,0	354 384	29,8
Sanitation	19 894	2,1	21 545	2,1	22 880	2,1	24 230	2,0
Water	298 555	31,6	331 399	31,9	351 945	31,6	372 410	31,3
Refuse removal	26 678	2,8	27 807	2,7	29 531	2,7	31 274	2,6
Other service charges	10 959	1,2	13 429	1,3	13 899	1,2	14 483	1,2
Govt grants – operating	125 831	13,3	131 694	12,7	152 642	13,7	162 217	13,6
Govt grants –capital transfer	76 855	8,1	67 092	6,5	58 473	5,3	58 818	4,9
Fines/Penalties	5 024	0,5	3 025	0,3	3 188	0,3	3 360	0,3
Interest Debtors	18 171	1,9	18 940	1,8	19 745	1,8	19 963	1,7
Interest	2 560	0,3	2 600	0,3	2 600	0,2	2 600	0,2
Licences and permits	181	0,0	191	0,0	201	0,0	212	0,0
Rental of facilities	5 112	0,5	5 780	0,6	5 922	0,5	6 189	0,5
Other	6 075	0,6	7 328	0,7	7 821	0,7	8 154	0,7
Profit on sale of Land	5 001	0,5	1 001	0,1	200	0,0	2 584	0,2
	945 089	100	1 038 076	100	1 112 131	100	1 189 424	100

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise nearly three quarters of the total revenue mix. In the 2015/16 financial year, revenue from rates and services charges totalled R689 million or 72.9 per cent.

This increases to R787 million, R847 million and R911million respectively for the MTREF. The percentage revenue generated from rates and services charges varies marginally from 75.8 per cent in 2016/17 to 76.6per cent in 2018/19.

Operating grants and transfers totals R131.7 million in the 2016/17 financial year and steadily increases to R162.2 million by 2018/19. Note that the year-on-year growth for the 2016/17 financial year 4.7 per cent and increases by 15.9 and 6.3 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipt

	2015/2016	2016/2017	2017/2018	2018/2019	
	R'000	R'000	R'000	R'000	
Equitable Share	115,423	125,978	140,738	155,882	Allocated for Free Services
Financial Management Grant	1,600	625	1,700	1,955	Appointment of Interns and training
Water services Operating Grant	0	0	0	0	Salaries and materials at the purification works Deneysville
Municipal System Improvement Grant	930	0	0	0	Ward committee and Asset register expenditure
Municipal Infrastructure Grant	1,858	2,031	2,204	2,380	Salaries and operating expenditure at Project Management Unit
Extended Public Works Programme	1,020	1,060	0	0	Salaries for temporary staff
Energy efficiency and demand side management grant	3,000	0	6,000	0	Maintenance of electricity network
Refund Libraries	2,000	2,000	2,000	2,000	Payment of library function
Total	125,831	131,694	152,642	162,217	

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.7 per cent upper limit of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's expenditure and these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, etc.

The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009. The Property Rates Policy of the Municipality is in keeping with the Circular 51.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R20 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- Maximum of R50 subsidy is granted to registered indigents in terms of the Indigent Policy and free basic service as per Council resolution;
- For pensioners, physically and mentally disabled persons, *a maximum/total rebate of 30 per cent will be granted to owners of rate-able property if the total gross income does not exceed R7 500 per month of the applicant and/or his/her spouse, if any.* In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award up to 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2016/17 financial year based on a 8 per cent increase from 1 July 2016 is contained at table 5:

Table 5 Comparison of proposed rates to levy for the 2016/17 financial year

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

	Actual 2015/2016	Proposed 2016/2017
Heavy Industries	0.03684	0.03978
Light Industries	0.03684	0.03978
Businesses	0.01473	0.015901
State property	0.01473	0.015901
Domestic and other	0.00736	0.00794
<u>Farmland:</u>		
Residential	0.00368	0.00397
Businesses	0.00736	0.00794
Industries	0.01845	0.01993
Private owned towns, Body Corporate, Sectional Titles	0.00368	0.00397
Mining	0.01845	0.01992
Agricultural	0.00185	0.00199
Unregistered Erven	Municipal services charges equal to category of property	Municipal services charges equal to category of property

The rebate allocated to approved indigents for Assessment Rates is **a maximum of R50.00** per month. **For budget purposes the assumption was made that there will be 14 000 approved indigents registered by the end of the 2016/17 financial year.** Additional income at 8 % tariff increase of assessment rates represents R9 350 070 per annum. The supplementary valuation roll will be implemented with effect from 1 July 2016.

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure that:

- Water tariffs must be fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- A detail analysis of the cost of water must be done in the 2015/16 financial year. The process is not yet completed
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new reservoir construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Rand Water proposed an increased its bulk tariffs by 10 per cent from 1 July 2016. The outcome of the tariff discussions, with final approval from the Minister, is not yet known.

Rand Water has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that Rand Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise funding for infrastructure upgrades, hence the significant increase in the bulk cost of water.

An inclining block tariff from 1 July 2014 for water was implemented. The consumption tariff for water increase of 10 per cent is expected. The effect thereof will be that the higher the consumption, the higher the cost per kilolitre. The aim is to subsidise the lower consumption users (mostly the poor).

Water tariff at a housing complex is a challenge. An example of 10 households per complex, the consumption will be recalculated to 1 (consumption divided by 10). Consumption is then charge according to the tariff of the inclining blocks.

The consumption tariff increase for water is set at 6 per cent, although the input cost assumptions of 10-14 per cent increase in the cost of bulk water (Rand Water), the cost of other inputs increasing and a surplus generated on the water service. A basic water service charge of R20 per month will be levied to each household. In addition 6 kℓ water per 30-day period (73 kl free basic water per annum) will be granted to all residents. An approved indigent will receive 6kl of water free (previously 10kl). The basic water charges to approved indigent households will

fully be subsidised. A total of R20.4 million is allocated from Equitable Share in respect of free basic water. Proposed increase represents R29 million per annum. The increase in tariffs will be subject to the final increase in tariff of bulk purchase and WRC levy. 6kl free water to non-indigent will be phased out in 2017/2018.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

Basic Charges	2015/2016	2016/2017
	R	R
Churches	29.33	32.26
Businesses	116.09	127.70
Light Industries	150.43	165.47
Heavy Industries		
20 000 kl	195.26	206.97
40 000 kl	981.10	1039.96
Above	2 450.16	2597.16
Residential		
Vacant stands	58.00	61.48
All other residential stands	0	20.00
Oranjeville		
Co-operatives	1 187.48	1 258.72

Water consumption tariff (VAT exclusive)

	2015/2016	2016/2017
Domestic		
>0 up to and including 6 kl	R7.70	R8.16
>6 up to and including 12 kl	R15.40	R16.32
>12 up to and including 20 kl	R17.60	R18.66
>20 up to and including 30 kl	R20.90	R22.15
>30 up to and including 45 kl	R24.20	R25.65
>45 kl	R27.50	R29.15
Schools	R17.60/kl	R18.65/kl
State property (excl. residential properties)	R17.60/kl	R18.65/kl
Businesses	R17.60/kl	R18.65/kl
Light Industries	R18.70/kl	R19.82/kl
Heavy Industries	R18.70/kl	R19.82/kl

Guest houses are operated as businesses and are levied as businesses.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. **A 9.4 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2016.**

The consumer tariff could only be increased by 9.4 per cent as per NERSA. Furthermore, it should be noted that the input costs are increasing at a higher rate than the rate of increases passed on to consumers. The declining margins will impact negatively on the budget of the municipality.

Free basic electricity is only given to registered indigents. Basic services charges have also introduced to all households with prepaid electricity meters at R20.00 per month. Approved indigent households are fully subsidised. Basic charges for domestic consumers that have conventional meters were initiated by NERSA approval from 1 July 2015.

The detailed analysis of the cost of electricity is in process in the 2015/16 financial year and must still be finalised.

Approval must be obtained from NERSA for the increase of 9.4 % in tariff.

The service reflects a surplus of R45 million, however, this is partly as a result of the conditional capital grant of R18 million that is allocated to the operating budget.

Any additional increase in tariffs by ESKOM will influence tariffs.

Table 7 Proposed Electricity Tariffs

Basic Service charges for Electricity (VAT exclusive)

	2015/2016	2016/2017
Schools, Churches, Halls	R165.17	R180.70
Businesses, Offices, Hotels, clubs	R165.17	R180.70
Businesses Zamdela:		
Single phase	R165.17	R180.70
Three phase	R165.17	R180.70
Four meters	R320.35	R350.46
Bulk Supply	R320.35	R350.46
Residential		
Vacant stands	R84.00	R91.90
Domestic only consumers that have conventional meters	R50.00	R54.70
Domestic only consumers that have prepaid meters	R0	R20.00

The current tariffs approved by NERSA are as follows:

Tariff (VAT exclusive)	kWh	2015/2016	2016/2017
Domestic Off peak(September to May)	>0 up to and including 50	R0.8136/kWh	R0.8901/kWh
	>50 up to and including 350	R1.02041kWh	R1.1163kWh
	> 350 up to and including 600	R1.410kWh	R1.5425kWh
	>600	R1.6260kWh	R1.7788kWh
Domestic Peak(June, July, August)	>0 up to and including 50	R0.8542/kWh	R0.9345/kWh
	>50 up to and including 350	R1.1224kWh	R1.2279kWh
	> 350 up to and including 600	R1.660kWh	R1.8160kWh
	>600	R1.8699kWh	R2.0457kWh
Businesses		R1.5456/kWh	R1.6909/kWh
Three Phase		R1.4642/kWh	R1.6018/kWh
Bulk		R0.7204/kWh	R0.7881kWh
KVA		R143.32	R156.79
kW		R143.32	R156.79
Subject to NERSA approval			

The following table shows the impact of the proposed increases in electricity tariffs on the charges for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption kWh	Current Amount Payable R	Proposed amount payable R	Increase R	% Change	Peak/ Off Peak
100	91,70	100,32	8,62	9,40	Off Peak
	98,83	108,12	9,29	9,40	Peak
500	558,30	610,77	52,47	9,40	Off Peak
	628,43	687,50	59,07	9,40	Peak
1000	1 338,90	1 464,73	125,82	9,40	Off Peak
	1 531,90	1 675,89	144,00	9,40	Peak

An inclining block tariff structure was implemented from 1 July 2011. This was implemented and the effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The Municipality furthermore implemented of a “Peak” and “Off-peak” tariff as the Municipality is subjected to this type of tariff by Eskom during the period between June, July and Aug.

The Main Substation for the supply of electricity for the Sasolburg area must be addressed as a matter of urgency and is expected that the upgrading should be done in the near future due to load growth. This investigation must be done not later than 2016 in order to make provision for the necessary funding.

It is also a recommendation by NERSA that a certain percentage of the revenue collected from the sale of electricity be utilized for the maintenance of the electrical network to ensure that it is maintained to the correct standard.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation from 1 July 2016 is proposed. Sasol Chemical Industries operate the purification plant and 8% is the expected cost increase.

A detailed analysis of the cost of sanitation is in the process of being done and will be finalised in the 2016/17 financial year.

A tariff increase of 8 % is proposed, in order to have uniform tariffs on water borne sewer, except for the suction tanks which is in excess of 8% to make the tariff more cost reflective.

The basic charges of sewer for residents (households) will be subsidised by Council. An amount of R3.5 million is allocated from Equitable Share for this purpose. A further amount of R8.8 million is allocated from Equitable Share for additional sewer to all approved indigents.

Table 9 Proposed Sanitation Tariffs

Tariffs (VAT exclusive)

	2015/2016	Proposed 2016/2017
Domestic - Basic	Free. R10.48	R11.31
Residential vacant stand	R10.48	R11.31
Sasolburg	Actual cost by	Actual cost by
Basic charges	SCI plus 35%	SCI plus 40%
Heavy Industries		
Businesses		
Additional		
(a) Resident sewer	R85.06	R91.86
(b) Business sewer	R89.49	R96.65
(c) Flats	R6.35	R6.86
	R85.06	R91.86
(d) 2 nd Dwelling	R85.06+R85.06	R91.86+R91.86
(e) Industries sewer	R89.49	R96.65
(f) Day schools and Crèches	R29.13	R31.46
(g) Flats sewer	R85.06	R91.86
(h) Add units flats	R50.06	R54.06

Suction tank per service (if not available from municipality a private company must be utilised at the cost of the owner)	R550.00	R715.00
Oranjeville Business	R85.06	R91.86
Metsimaholo Businesses	R85.06	R91.86
<i>Additional sewer</i>		
Water borne sewer Oranjeville/Metsimaholo	R58.68	R63.37
Basic sewer		
Refengkgotso/Phomolong:		
Businesses	R85.06	R91.86
Water borne sewer Refengkgotso/Phomolong	R58.68	R63.37
Bucket services system	R25.72	R27.78
Rural areas: Suction Tank Services		
Areas that are not included in the disestablished towns		
(No Rates Payable)		
Normal working hours	R1 580.00/Service	R 1 665/service

After hours	R3 160.00/Service	R 3 330/service
Areas with discounted rates:		
Normal working hours	R1 580.00/Service	R 1 665/service
After hours	R3 160.00/Service	R 3 330/service

Guest houses are levied at the same rates as business.

The total revenue expected to be generated from rendering this service amounts to R34.9million for the 2016/17 financial year.

The service reflects a deficit of R16 million for the 2016/17 budget year.

The service reflects a deficit for the 2017/18 and a deficit for 2017/18 budget year due to capital grant that reflects as revenue. Refer to Table 20 on page 95.

1.4.5 Waste Removal and Impact of Tariff Increases

An increase of 8 per cent on households and 12 per cent on businesses in the waste removal tariff is proposed from 1 July 2016. The tariff for the various categories is now uniform. Any increase higher than 8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

A detail analysis of the cost of waste removal is in the process of being done in the 2015/16 financial year, but be finalised in the 2016/2017 financial year.

In order to economise the service the same tariff is charged where there is a service once a week.

All residents in all areas receive a service once a week. Therefore the tariff must be uniform.

The following table compares current and proposed tariffs payable from 1 July 2016:

Table10 Proposed Waste removal Tariffs

	<i>R</i> 2015/2016	<i>R</i> 2016/2017
Dwellings/Single flats	102.74	110.96
Joint flats (one service point)	102.74	110.96
Private Hostels	102.74	110.96
Businesses per point	193.23	216.42
Schools per point	193.23	216.42
Churches	102.74	110.96
Dumping ground: All tariffs for dumping is per cubic meter or part of cubic meter		
Industries and Contractors and	125.00	138.00
Garden Services	125.00	138.00
Approved indigents	FREE	FREE

Guest houses operate as businesses and are levied the same as businesses tariffs.

An amount of R18.6 million is allocated from equitable share for the refuse service to approved indigents (14 000). The tariff increase represents an amount of R3.6 million additional revenue for the year. The service still reflects a deficit of R7.8 m after the 8% tariff increase.

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 10.4 and 11.5 per cent, with the increase for indigent households to 7.5 per cent.

Supporting Table SA14 Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		378,58	414,84	439,73	466,11	466,11	466,11	8,0%	503,38	534,58	533,52
Electricity: Basic levy								100,0%	20,00	22,00	24,20
Electricity: Consumption		1 033,19	1 084,45	1 183,51	1 349,19	1 338,90	1 338,90	9,4%	1 464,73	1 611,20	1 772,32
Water: Basic levy								100,0%	20,00	22,00	24,20
Water: Consumption		300,72	324,78	402,00	442,20	442,20	442,20	7,8%	476,70	558,25	591,18
Sanitation		68,80	72,93	78,76	85,06	85,06	85,06	8,0%	91,86	97,55	103,30
Refuse removal		82,32	88,08	95,13	102,74	102,74	102,74	8,0%	110,96	117,83	124,78
Other											
sub-total		1 863,61	1 985,08	2 199,13	2 445,30	2 435,01	2 435,01	9,9%	2 687,63	2 963,41	3 173,50
VAT on Services		207,90	219,84	243,07	277,09	275,64	275,64	10,9%	305,79	340,03	369,59
Total large household bill:		2 071,51	2 204,92	2 442,20	2 722,39	2 710,65	2 710,65	10,0%	2 993,42	3 303,44	3 543,09
% increase/-decrease			6,4%	10,8%	11,5%	(0,4%)			10,4%	10,4%	7,3%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		270,42	300,21	318,22	337,31	337,31	337,31	8,0%	364,29	386,87	409,69
Electricity: Basic levy								100,0%	20,00	22,00	24,20
Electricity: Consumption		409,22	434,96	486,04	566,60	558,30	558,30	9,4%	610,77	671,84	739,02
Water: Basic levy								100,0%	20,00	22,00	24,20
Water: Consumption		234,65	254,79	307,00	337,70	337,70	337,70	8,4%	365,95	440,63	466,62
Sanitation		68,80	72,93	78,76	85,06	85,06	85,06	8,0%	91,86	97,55	103,30
Refuse removal		82,32	88,08	95,13	102,74	102,74	102,74	8,0%	110,96	117,83	124,78
Other											
sub-total		1 065,41	1 150,97	1 285,15	1 429,41	1 421,11	1 421,11	10,8%	1 583,83	1 758,72	1 891,81

March 2016

VAT on Services		111,30	119,11	132,72	152,89	152,89	152,89	11,7%	170,73	192,05	207,49
Total small household bill:		1 176,71	1 270,08	1 417,87	1 582,30	1 574,00	1 574,00	10,9%	1 754,56	1 950,77	2 099,30
% increase/-decrease			7,9%	11,6%	11,6%	(0,5%)	-		11,5%	11,2%	7,6%
—				0,47	-0,00	-1,05	-1,00				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		—									
Electricity: Basic levy											
Electricity: Consumption		246,00	263,22	282,67	317,13	306,12	317,13	9,4%	334,89	368,37	405,20
Water: Basic levy											
Water: Consumption		172,90	187,74	212,00	233,20	233,20	233,20	9,4%	255,20	271,02	284,57
Sanitation											
Refuse removal											
Other											
sub-total		418,90	450,96	494,67	550,33	539,32	550,33	7,2%	590,09	639,39	689,77
VAT on Services		58,65	63,14	69,26	77,05	75,50	75,50	9,4%	82,61	89,51	96,56
Total small household bill:		477,55	514,10	563,93	627,38	614,82	625,83	7,2%	672,70	728,90	786,33
% increase/-decrease			7,7%	9,7%	11,3%	(2,0%)	1,8%		7,5%	8,4%	7,9%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)
4. Note this is for a SINGLE household.

1.4.7 Sundry Tariffs

Table12 Proposed Sundry Tariffs

That the following miscellaneous tariffs (**VAT exclusive**) be implemented from 1 July 2016.

Financial Services	2015/2016	2016/2017
New Consumers who move into municipal area		
Connection fee per meter:		
- Water	R170.00	R180.00
- Electricity	R170.00	R180.00
Delivery of warning notices	R190.00	R201.00
Non-payment fees for defaulters		
- Normal reconnection fee	R350.00	R371.00
- After hours reconnection fee	R260.00	R276.00
- (additional)		
- Reduce water supply	R350.00	R371.00
- Cut electric cable	R420.00	R445.00
- Remove electric cable	R700.00	R742.00
- Replace electric cable	R700.00	R742.00
- Final Notice Fee	R100.00	R106.00
- Dishonoured Cheques R/D (admin / bank fee)	R310.00	R329.00
- Dishonoured Credit cards(payment return by bank) ex. easy pay	R310.00	R329.00
-		
Illegal Connection(Bypass/tampering of meters		
Household (Water or Electricity)	R22 000.00	R23 320.00
Business	R28 000/meter	R29 680.00/meter

Illegal connection after disconnection (switch on of meter)	R4 500.00	R4770.00
Loss of units calculated for up to 1 year average plus tampering penalty	Number of units x tariff applicable	Number of units x tariff applicable
Clearances and Valuation		
<i>Clearance certificates</i>		
Normal collection	R210.00	R223.00
Registered mail	R240.00	R255.00
Valuation Roll per Town (Residential Area) or part thereof	R550.00	R583.00
Valuation electronic format	R250.00	R265.00
Valuation Objection Fee (only for review and appeal)	R450.00	R477.00
Valuation Certificate	R160.00	R170.00
Address list per 500 pages or part thereof	R550.00	R583.00
Search Fees	R70.00	R74.00
Other Fees		
Testing of electricity meters	R500.00	R530.00
Replacement of padlock	R350.00	R371.00
Duplicate Accounts	R12.00	R13.00
Duplicate tenant's Accounts sent to owners	R25.00	R27.00
Duplicate IRP 5	R25.00	R27.00
Fee for block/unblock of Prepaid electricity meters	R120.00	R127.00
Replacement of prepaid card	R60.00	R64.00

Selling of wood (= LDV load)	R150.00	R159.00
Cutting of trees (per tree)	R1 000.00	R1 060.00
Threshold for indigent	2 x state old age pension plus R1000	2 x state old age pension plus R1000
Parking for Officials		
Single Parking in basement of Civic Centre	R60.00	R65.00
Share Parking in basement of Civic Centre	R45.00	R50.00
Shelter Parking in outside parking area	R40.00	R45.00
<u>Deposits</u>		
Flats/Town houses		
Owners (without pre-paid meters)	R3 500.00	R3700.00
Owners (with pre-paid meter)	R1 750.00	R1850.00
Where body corporate pay other services	0	0
Houses		
with pre-paid meters	R2 500.00	R2 650.00
without pre-paid meters	R5 000.00	R5 300.00
Minimum Deposit charged when applying for clearance figures	R5 000.00	R5 300.00
Businesses		
With pre-paid meters	R 3 500.00 min	R3 700.00

Without pre-paid meters based on twice monthly consumption based on the type of business	R6 000.00 min	R6 400.00
<i>Light Industries</i> based on twice monthly consumption based on the type of business	Twice monthly consumption	Twice monthly consumption
<i>Heavy Industries</i> based on twice monthly consumption based on the type of business	Twice monthly consumption	Twice monthly consumption
Government	Same as businesses	Same as businesses

Water, Electricity and Sewer connection tariffs increases

Connections to be done	2015/2016	2016/2017
SEWER		
100mm dia -3m length	R4 279.83	R 4 598.24
All other longer than 100mm dia or longer than 3m	To be calculated	To be calculated
Water		
15mm - 3m max	R1 958.78	R 2 064.04
20mm - 3m max	R2 301.76	R 2 426.32
80/20 COMBO meter	R19 552.65	R 20 608.78
50/20 COMBO meter	R5 187.72	R 5 467.55
40 mm	R5 110.53	R 5 385.97
longer than 3m and larger meters	Cost plus 10%	Cost plus 10%
Closing of network valves for water connections done by contractor at request of owner or when Council cannot execute work due to strikes or unavailability of meters		R 300
Water and Sewer - general		
Water and Sewer road crossings	R10 271.93	R 10 827.20
Relocating Water meters(labour only)	R1 085.09	R 1 143.86
Stolen Water meter	Cost of Meter plus 20%	Cost of Meter plus 20%
Testing of water meters		
20mm to 50 mm size meters	R530	R583

All other to be calculated		
Electricity		
New single phase connection	R5 393.46	R5 824
Upgrading from 60 – 80 ampere	R5 022.23	R5 423
New three phase connection up to design load	R4 725.00	R5 103
New three phase connection larger than design load	Estimated cost plus network strengthening cost	Estimated cost plus network strengthening cost
Single phase prepaid meter	R1 025.93	R1 107
Three phase prepaid meter	R2 192.07	R2 367
Moving of kWh meter from house to stand boundary	R3 139.97	R3 390
Moving of connection	R1 849.30	R1 996
New ready board and keypad	R1 990.49	R2 149
Replacement of cable	R1612.60	R1 740
Repair of cable (damaged by owner)	R1 082.36	R1 168
Temporary connection if service is available:		
Single Phase	R1 076.90	R1 162
Three phase (town houses)	R2 495.90	R2 694
Testing of kWh meter	R512.60	R552
Testing of prepaid meter	R339.90	R366
Damaged keypad prepaid meter	R716.10	R773
Damaged single phase prepaid meter	R1 126.33	R1 216
Damaged three phase prepaid meter	R2 751.18	R2 971

Damage relay	R1 093.68	R1 180
Cost of prepaid meter and relay for town houses	R2 106.71	R2 274
Cost for second electrical installation test(1 st free)	R339.90	R366
Replacement of broken or stolen ripple relay	Cost of relay and labour	Cost of relay and labour
Ripple relay	R761.25	R821
Network strengthening	R894.44	R965

Capital Contributions (once off payment)

Water	2015/2016	2016/2017
Per kilolitre day usage-supply	R5 620.00	R 5 920.00
Residential per added building or unit		
Low density	R11 250.00	R 11 860.00
Middle density	R8 420.00	R 8 880.00
High density	R3 370.00	R 3 550.00
Guest houses and hotels: per room(existing developments consider in calculation)(normal household norm 1kl/day)	0.03 kl per room per day x kilolitre rate	0.03 kl per room per day x kilolitre rate
Sewer		
Per kilolitre day usage- effluent	R6 320.00	R 6 660.00
Residential per added building or unit		
Low density	R7 580.00	R 7 990.00
Middle density	R6 320.00	R 6 660.00
High density	R3 160.00	R 3 330.00

Guest houses and hotels: treatment of sewer effluent. (normal household runoff norm 0.8kl/day)	R8 040.00/kl (daily kl demand)	R8 040.00/kl (daily kl demand)

Printing price list - Technical Services

	2015/2016	2016/2017
PAPER		
A0	R44.74	R44.74
A1	R22.81	R22.81
A2	R14.92	R14.92
A3	R4.39	R4.39
A4	R2.64	R2.64
<u>Durester</u>		
A0	R151.76	R151.76
A1	R79.83	R79.83
A2	R41.23	R41.23
A3	R21.06	R21.06
A4	R13.16	R13.16
<u>Film</u>		
A0	R100.44	R100.44
A1	R67.99	R67.99
A2	R35.09	R35.09
A3	R18.43	R18.43
A4	9.22	9.22
A4 Fax send/received(Private)	10.53	10.53

Social Services

a	D P de Villiers Stadium	2015/2016	2016/2017
	Rental of halls		
	Stadium Hall		
	Resident : meetings	R250.00 per hour	R260.00 per hour
	Non-Resident : meetings	R490.00 per hour	R510.00 per hour
	Functions	R660.00	R690.00
	Churches and schools	half price	half price
	Deposit	R600	R630
	Club complex Hall		
	Resident : meetings	R 85.00/ hour	R 90.00/ hour
	Non-Resident : meetings	R170.00/hour	R180.00/hour
	Functions	R360.00	R380.00
	Churches and schools	50% of R360	50% of R380.00
	Deposit	R600	R630
	Athletics		
	Schools sport meeting		
	Morning session 07:00 - 13:00	R1 100.00	R1 160.00
	Afternoon session 13:00 - 19:00	R1 100.00	R1 160.00
	Lights to switch on first 2 hours	R490.00	R510.00
	Then per half hour	R135.00	R140.00
	Deposit	R2 700	R2 900

	Non Residents (Invitational/Zones)		
	Morning session 07:00 - 13:00	R3 060.00	R3 200.00
	Afternoon session 13:00 - 19:00	R3 060.00	R3 200.00
	Lights to switch on first 2 hours	R490.00	R510.00
	Then per half hour	R 135.00	R 140.00
	Deposit	R2 700	R2 900
	Provincial Meetings		
	Morning session 07:00 - 13:00	R4 080.00	R4 200.00
	Afternoon session 13:00 - 19:00	R4 080.00	R4 200.00
	Lights to switch on first 2 hours	R490.00	R510.00
	Then per half hour	R135.00	R140.00
	Deposit	R2 550	R2 700
	Schools in Gauteng		
	Morning session 07:00 - 13:00	R4 080.00	R4 200.00
	Afternoon session 13:00 - 19:00	R4 080.00	R4 200.00
	Lights to switch on first 2 hours	R480.00	R510.00
	Then per half hour	R135.00	R140.00
	Deposit	R2 550	R2 700

Provincial Meetings			
Morning session 07:00 - 13:00	R2 600.00	R2 700.00	
Afternoon session 13:00 - 19:00	R2 600.00	R2 700.00	
Lights to switch on first 2 hours	R540.00	R580.00	
Then per half hour	R145.00	R150.00	
National Meetings			
Morning session 07:00 - 13:00	R5 100.00	R5 300.00	
Afternoon session 13:00 - 19:00	R5 100.00	R5 300.00	
Lights to switch on first 2 hours	R390.00	R400.00	
Then per half hour	R135.00	R140.00	
Deposit	R2 700.00	R2 900.00	
Rental of Electronic Timing Equipment			
Electronic Timing Equipment per session	R1 100.00	R1 160.00	
Training sessions			
<u>Pre-determined practice periods</u>			
Training at the stadium will only be allowed after payment of R275,00 per annum as well as purchase of proxy card at R40,00 per athlete training. Cards will only be sold to contributing schools/clubs/instances.			
Purchase card at R40.00 for student and other person.			

Pre –determined practice periods		
Trainer (5 and less athletes)	R300.00 p/a	R310.00 p/a
Trainer (6 to 20 athletes)	R600.00 p/a	R630.00 p/a
Trainer (21 and more athletes)	R1 000.00 p/a	R1 050.00 p/a
School Rugby, School league all rugby fields as available.		
Resident per session/season	R330.00	R350.00
Non-resident per session/season	R490.00	R510.00
Provincial Games	R1 630.00	R1 710.00
	per day	per day
Lights to switch on first 2 hours	R490.00	R510.00
Then per half hour	R135.00	R140.00
Deposit	R2 050.00	R2 100.00
National and International Games	R3 670,00	R3 800,00
Soccer meetings (outside stadium)		
Resident per session/season	R370.00	R380.00
Non-resident per session/season	R540.00	R560.00
Soccer meetings (inside stadium)		
Morning session 07:00 - 13:00	R890.00	R930.00
Afternoon session 13:00 - 19:00	R890.00	R930.00
Lights to switch on first 2 hours	R490.00	R510.00

	Then per half hour	R135.00	R140.00
	Cross Country		
	A Field	R650.00	R680.00
	Outside Field	R330.00	R350.00
	Stadium Hall	R900.00	R940.00
	Rental of stadium for Church service	R2 000.00 p/d	R2 100.00 p/d
	Deposit	R2 500.00	R2 600.00
	Rental of stadium for non-sports related events	R10 000.00p/d	R10 500.00p/d
	Deposit	R5 000.00	R5 250.00
	Dog show		
	Resident per session	R360.00	R380.00
	Non-resident per session	R530.00	R550.00
	Deposit	R6 000.00	R6 000.00
b	Sasolburg show ground		
	Cricket pitch (High Performance)		
c	Sports facilities		
	Penny Heyns :		
	Adults: Season tickets	R185.00	R195.00

	: Day tickets	R18.00	R19.00
	Children : Season tickets	R86.00	R110.00
	: Day tickets	R10.00	R15.00
	School Galas		
	Morning session 07:00 - 13:00	R440.00	R460.00
	Afternoon session 13:00 - 19:00	R440.00	R460.00
	Lights to switch on first 2 hours	R440.00	R460.00
	Then per half hour	R115.00	R120.00
	Clubs/ Social clubs		
	Occasion	R1 220.00 without touch pad	R1 280.00 without touch pad
	Training sessions		
	Pre-determined practice periods		
	Clubs	Training at the swimming pool will only be allowed after payment of R410.00 per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R430.00 per annum as well as purchase of seasonal tickets per swimmers training
	<u>Zamdela Swimming Pool</u>		
	: Adults : Season tickets	R100.00	R110.00

	: Day tickets	R9.00	R10.00
	: Children : Season tickets	R60.00	R63.00
	: Day tickets	R7.00	R10.00
	School Galas		
	Morning session 07:00 - 13:00	R430.00	R450.00
	Afternoon session 13:00 - 19:00	R430.00	R450.00
	Lights to switch on first 2 hours	R330.00	R350.00
	Then per half hour	R120.00	R130.00
	Clubs/ Social clubs		
	Occasion	R1 200.00 without touch pad	R1 260.00 without touch pad
	Training sessions		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R400.00per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R420.00per annum as well as purchase of seasonal tickets per swimmers training
	Cemeteries		
	Zamdela : Adult : Resident	R430.00	R450.00

	:Non Resident	R1 730.00	R1 800.00
	Children : Resident	R330.00	R350.00
	: Non resident	R1 330.00	R1 400.00
	Deneysville/		
	Refengkgotso / Metsimaholo :		
	: Adults : Resident	R380.00	R400.00
	: Non Resident	R1 540.00	R1 600.00
	: Children :Resident	R290.00	R300.00
	:Non Resident	R1 170.00	R1 230.00
	Sasolburg:		
	: Adults : Resident	R1 100.00	R1 160.00
	: Non Resident	R4 350.00	R4 570.00
	: Children :Resident	R760.00	R800.00
	:Non Resident	R2 650.00	R2 780.00
	Oranjeville:		
	: Adults : Resident	R380.00	R400.00
	: Non Resident	R1 540.00	R1 600.00
	: Children :Resident	R290.00	R300.00
	:Non Resident	R1 170.00	R1 230.00
	<u>Indigents</u>		
	Approved as per Metsimaholo Local	Free	Free

e	Municipality policy		
	<u>Urns in Walls of Remembrance</u>		
	Residents	R420.00	R440.00
	Non Residents	R1 920.00	R2 020.00
	Placing of urn in existing grave:		
	Residents	R180.00	R190.00
	Non Residents	R190.00	R200.00
	<u>Stack Burials:</u>		
	Two coffins in one grave		
	Residents	One and half price(1.5)	One and half price (1.5)
			One and half price (1.5)
	Halls		
	Zamdela/Refengkgotso/ Metsimaholo		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R480.00	R500.00
	Afternoon session 13:00 - 19:00	R480.00	R500.00
	Extra hour	R170.00	R180.00
	Kitchen use	R170.00	R180.00

Music/Jazz and others			
	Morning session 07:00 - 13:00	R890.00	R930.00
	Afternoon session 13:00 - 19:00	R890.00	R930.00
	Extra hour	R250.00	R260.00
	Kitchen use	R250.00	R260.00
Funeral service and memorial service			
	Morning session 07:00 - 13:00	R410.00	R430.00
	Afternoon session 13:00 - 19:00	R410.00	R430.00
	Extra hour	R205.00	R210.00
	Kitchen use	R205.00	R210.00
Political meetings			
	Morning session 07:00 - 13:00	R250.00	R260.00
	Afternoon session 13:00 - 19:00	R250.00	R260.00
	Extra hour	R75.00	R78.00
	Kitchen use	R75.00	R78.00
	Season 2 meetings per month	R490.00	R510.00
Government structures			
	Morning session 07:00 - 13:00	R270.00	R280.00
	Afternoon session 13:00 - 19:00	R270.00	R280.00
	Extra hour	R70.00	R73.00
	Kitchen use	R70.00	R73.00

Welfare	R490.00	R510.00
Deposit		
Music/Jazz and others	R1 830.00	R1 920.00
All other	R370.00	R390.00

(f)	Abrahamsrust recreation resort	2015/2016	2016/2017
	Season tickets (only residents)	R360.00 per annum/motor vehicle/ motor cycle powerboat R180.00/ second motor vehicle/ motorcycle	R400.00 per annum/motor vehicle/ motor cycle powerboat R190.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R80.00 for 1 ticket per family	R90.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R 120.00 for 1 ticket per family	R 130.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R590.00/ annum per vehicle/ powerboat	R620.00/ annum per vehicle/ powerboat
	Entrance fees (Day visitors)		
	Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	Entrance fee per person	R35 per person per day	R50 per person per day
	Entrance fee per car	R45 per car plus driver per day	R50 per car per day
	Entrance fee per boat	R155 per boat per day	R160 per boat per day
	Entrance fee 2-6 years(Families only)	Free- child 2-6 years per day R10 per child 7-14 years per day	Free per child 2-6 years per day R15 per child 7-14 years per day

	Groups(2-6years)		R15 per child
	Entrance fee for group bookings of more than 50 people	Discount of tariffs approved by Director Social services(Prior arrangements)	Discount of tariffs approved by Director Social Services using his/her discretion (Prior arrangements)
	Local schools and churches	R20.00 per person	R30.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R130.00 per day with power(4 persons)	R140.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans)	R95.00 per day(4 persons)	R100.00 per day(4 persons)
	Non-season ticket holders	R150.00 per day(4 persons)	R180.00 per day(4 persons)
	Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people	R120.00 per day without power	R130.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R120.00/ caravan/ night	R130.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R80.00/ caravan/ night	R90.00/ caravan/ night
	Non-season ticket holders	R160.00/ caravan/ night	R170.00/ caravan/ night
	Chalets		
	Small type 2-bed	R400.00	R450.00
	Large type 4-bed	R550.00	R600.00
	Luxury chalets Chalet A	R700.00	R750.00
	Chalet B (With lapa)	R750.00	R800.00
	Monthly Rental Chalets four bed	R 4 500.00 p.m.	R 4 550.00 p.m.

	Park home 6 bed	R550.00	R600.00
	Monthly Rental Park home 6 bed	R3 500.00 p.m.	R3 550.00 p.m.
	Refundable key deposit	R300.00	R300.00
	Lapa		
	With shelter per function	R550.00 plus entrance fee	R600.00 plus entrance fee
	Without shelter per function	R360.00 plus entrance fee	R400.00 plus entrance fee
	Hall	R550.00	R600.00
	Rental of resort for event	R50 000 per event	R80 000 per event
	Deposit for event	R20 000 per event refundable	R40 000 per event refundable
	DAY VISIT ORANJEVILLE AND DENEYSVILLE		
	Season tickets (only residents)	R100.00 per annum/motor vehicle/ motor cycle powerboat R80.00/ second motor vehicle/ motorcycle	R120.00 per annum/motor vehicle/ motor cycle powerboat R100.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R40.00 for 1 ticket per family	R50.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R60.00 for 1 ticket per family	R70.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R290.00/ annum per motor vehicle/motorcycle/ powerboat R240.00/second vehicle/motorcycle/	R300.00/ annum per motor vehicle/motorcycle/ powerboat R250.00/second vehicle/motorcycle/

		Powerboat	Powerboat
	Entrance fees (Day visit) Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	Entrance fees (Day visitors)		
	Entrance fee per person	R10 per person per day	R20 per person per day
	Entrance fee per car	R10 per car per day	R20 per car per day
	Entrance fee per boat	R25 per boat per day	R30 per boat per day
	Entrance fee 2-6 years kids (per family)	Free	Free
	Entrance fee for group bookings of more than 50 people	Discount of tariffs approved by Relevant Director (Prior arrangements)	Discount of tariffs approved by Director Social Services using his/her discretion(Prior arrangements)
	Local schools and churches	R5.00 per person	R10.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R20.00 per day with power(4 persons)	R30.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans)	R20.00 per day(4 persons)	R30.00 per day(4 persons)
	Non-season ticket holders	R30.00 per day(4 persons)	R40.00 per day(4 persons)
	Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people	R150.00 per day without power	R160.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R10.00/ caravan/ night	R20.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R10.00/ caravan/ night	R20.00/ caravan/ night

	Non-season ticket holders	R15.00/ caravan/ night	R20.00/ caravan/ night
	Rental of resort for event	R50 000 per event	R60 000 per event
	Deposit for event	R20 000 per event	R30 000 per event

(g)	Moses Kotane Stadium		
	Rental of halls		
	Stadium Hall		
	Resident: meetings	R330,00	R330,00
	Non-Resident: meetings	R650,00	R650,00
	Functions	R490,00	R490,00
	Churches and Schools	Half price	Half price
	Political Rally		R60 000.00
	Athletics		
	In-house school sport		
	Morning	R360.00	R360.00
	Afternoon	R360.00	R360.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Practice session	R115.00/ school/ season	R110.00/ school/ season
	Non Residents (Free State)		
	Morning	R710.00	R710.00
	Afternoon	R710.00	R710.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00

	Schools in Gauteng		
	Morning	R810.00	R820.00
	Afternoon	R810.00	R820.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Provincial Meetings		
	Morning session 07:00 - 13:00	R2 300.00	R2 270.00
	Afternoon session 13:00 - 19:00	R2 300.00	R2 270.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	National Meetings		
	Morning session 07:00 - 13:00	R3 590.00	R3 530.00
	Afternoon session 13:00 - 19:00	R3 590.00	R3 530.00
	Lights to switch on first 2 hours	R490.00	R490.00
	Then per half hour	R120.00	R120.00
	Rental of Electronic Timing Equipment		
	Electronic Timing Equipment per session	R1 020.00	R1 020.00

	Soccer		
	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R290.00	R290.00
	Afternoon session 13:00 - 19:00	R290.00	R290.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Rental of stadium for events	R10 200.00	R15 000.00
	Deposit	R5 100.00	R7 000.00
	Entrance income	15% of entrance fee minimum or R1 730.00	15% of entrance fee minimum or R1 700.00
	Refundable damage fee	R1 020.00	R1 000.00
	Schools	R270.00/ school/ season	R2 800.00/ school/ season
	Other soccer games	15% of entrance fee minimum or R1 600.00	15% of entrance fee minimum or R1 575.00
	Morning	R340.00	R340.00
	Afternoon	R340.00	R340.00
	Evening	R340.00	R340.00
	Lights to switch on first 2 hours	R270.00	R280.00
	Then per half hour	R115.00	R110.00
	Practice inside stadium	R170.00/per hour	R170.00/per hour
	Coaching development and soccer clinics	R95.00 per occasion	R100.00 per occasion

	Practice outside fields	R170.00/ season twice weekly	R170.00/ season twice weekly
	Schools	R135.00/ season twice weekly	R140.00/ season twice weekly
	Social games	R170.00 per occasion	R170.00 per occasion
	Other facilities		
	Netball/Basketball and Tennis		
	Morning session	R95.00	R100.00
	Afternoon session	R95.00	R100.00
	Stadium Hall		
	Sports clubs and cultural groups (by pre-arrangement)	R155.00	R170.00
	Residents: Meetings	R115.00	R120.00
	Non-residents: Meetings	R610.00	R620.00
	Functions	R460.00	R470.00
	Churches and schools	Half price	Half price
	Non sporting events inside stadium		
	Rental of stadium for events(pre-approve by MM)	R55 000.00	R70 000.00
	Deposit for the events	R25 000.00	R30 000.00

(h)	Multipurpose Sports Centre Hall		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R480.00	R550.00
	Afternoon session 13:00 - 19:00	R480.00	R550.00

Extra hour	R70.00	R80.00
Kitchen use	R200.00	R220.00
Music/Jazz and others		
Morning session 07:00 - 13:00	R890.00	R950.00
Afternoon session 13:00 - 19:00	R890.00	R950.00
Extra hour	R70.00	R80.00
Kitchen use	R200.00	R220.00
Funeral service and memorial service		
Morning session 07:00 - 13:00	R410.00	R450.00
Afternoon session 13:00 - 19:00	R410.00	R450.00
Extra hour	R70.00	R80.00
Kitchen use	R200.00	R220.00
Political meetings		
Morning session 07:00 - 13:00	R250.00	R280.00
Afternoon session 13:00 - 19:00	R250.00	R280.00
Extra hour	R70.00	R80.00
Kitchen use	R200.00	R220.00
Season 2 meetings per month	R490.00	R520.00
Political Rally		R70 000.00
Deposit		R40 000.00

Government structures		
Morning session 07:00 - 13:00	R270.00	R280.00
Afternoon session 13:00 - 19:00	R270.00	R280.00
Extra hour	R70.00	R80.00
Kitchen use	R200.00	R210.00
Welfare	R270.00	R280.00
Deposit		
Music/Jazz and others	R1 830.00	R1 920.00
All other	R370.00	R370.00
Sports Facility		
Soccer/ Rugby and Cricket		
Morning session 07:00 - 13:00	R150.00	R160.00
Afternoon session 13:00 - 19:00	R150.00	R160.00
Extra hour	R70.00	R75.00
Kitchen	R200.00	R210.00
Netball/ Basketball and Tennis		
Morning session 07:00 - 13:00	R150.00	R160.00
Afternoon session 13:00 - 19:00	R150.00	R160.00
Extra hour	R70.00	R75.00
Kitchen	R200.00	R210.00
Schools		
Morning session 07:00 - 13:00	R100.00	R110.00
Afternoon session 13:00 - 19:00	R100.00	R110.00

	Extra hour	R50.00	R55.00
	Kitchen	R50.00	R55.00
	Indoor Games		
	Morning session 07:00 - 13:00	R200.00	R210.00
	Afternoon session 13:00 - 19:00	R200.00	R210.00
	Extra hour	R70.00	R75.00
	Kitchen use	R200.00	R210.00
	Coaching development and practice		
	Morning session 07:00 - 13:00	R100.00	R110.00
	Afternoon session 13:00 - 19:00	R100.00	R110.00
	Kitchen	R200.00	R210.00

(i)	Fire and Rescue	2015/2016	2016/2017
	Extinguishing of fires (excluding grass-bush and rubbish fires)		
(a)	Call out fee		
	Industrial fire (High risk)	R1 170.00	R1 234.00
	Industrial fire (Low risk)	R580.00	R612.00
	Residential	R320.00	R338.00
	Institutions	R320.00	R338.00
	Public assembly	R320.00	R338.00
	Commercial	R320.00	R338.00
	Storage	R320.00	R338.00
	Shack or Informal housing (Flat rate) all costs included	R63.00	R66.00

	Heavy motor vehicle fire	R320.00	R338.00
	Motor vehicle, Motor bike, trailer with content	R127.00	R134.00
	Lamp or Electrical Poles (Council property excluded)	R127.00	R134.00
	Transformers (Council property excluded)	R320.00	R338.00
(b)	Personnel (tariff per hour)		
	Per Senior Officer	R160.00	R169.00
	Per Officer	R138.00	R146.00
	Per Senior Fireman	R127.00	R134.00
	Per Fireman	R106.00	R112.00
	(Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished).		
(c)	Vehicles		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R448.00
(d)	Material used		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
II	<u>Grass, bush and rubbish fires</u>		
(a)	Rubbish Fires	R320.00	R338.00
	Bales of feed or Hay stack (up to 50 cubic meters)	R636.00	R670.00

	Bales of feed or Hay stack (more than 50 cubic meters)	R1 272.00	R1 340.00
(b)	Personnel(tariff per hour)		
	Per Senior Officer	R160.00	R169.00
	Per officer	R138.00	R146.00
	Per Senior Fireman	R127.00	R134.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R106.00	R112.00
(c)	Vehicles		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R448.00
(d)	Material used		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
III	<u>Special services (Dangerous goods etc).</u>		
(a)	Call out Fee	R1272.00	R1340.00
(b)	Personnel(tariff per hour)		
	Per Senior Officer	R210.00	R221.00
	Per officer	R265.00	R280.00

	Per Senior Fireman	R230.00	R243.00
	Per Fireman	R190.00	R200.00
(c)	Vehicles		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R850.00	R896.00
	Per kilometre (Travelled to and from the time of pump per hour)	R9.00	R10.00
	Per portable pump (Real working time of pump per hour)	R140.00	R148.00
	Per Fire Hose (per hour of part thereof)	R27.00	R29.00
	Per ladder used per call	R138.00	R146.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
IV	<u>Protection services (Standby Services)</u>		
	Where the presence of the Fire Department is compulsory with Fire pump and crew, the company responsible for the situation will be liable for the account.		
(a)	Call out Fee	R1 270.00	R1 339.00
(b)	Personnel(tariff per hour)		
	Per Senior Officer	R320.00	R338.00
	Per officer	R300.00	R316.00

	Per Senior Fireman	R265.00	R280.00
	Per Fireman	R210.00	R221.00
(c)	Vehicles		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R850.00	R896.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R9.00	R10.00
	Per portable pump (Real working time of pump per hour)	R138.00	R146.00
	Per Fire Hose (per hour of part thereof)	R27.00	R29.00
	Per ladder used per call	R138.00	R146.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
V	<u>Filling of swimming pools and water tanks</u>		
	Hydrants must be within 90m from swimming or tank basic levy	R265.00	R280.00
	Per Fire Hose per hour period or part thereof	R27.00	R29.00
	Per Officer	R138.00	R146.00
	Per Senior Fireman	R127.00	R134.00
	Per Fireman	R106.00	R112.00

	Per kilometre (calculated to and from the address per utility vehicle)	R9.00	R10.00
	If a fire truck is required per hour or part thereof	R425.00	R448.00
	The cost of the water as per ruling levy on residences on Sundays and Public holidays.	(Double the normal tariffs)	(Double the normal tariffs)

VI	<u>Other Services</u>		
(a)	Attendance of Fireman in terms of section 14 of the standard by-laws relating to Fire Brigade Services:		
	Per entertainment, recreation meeting or other event provided that in the case of any variety entertainment or stage show conducted on schools premises or in a public hall in aid of school funds, no charges shall be charged for the attendance of a Fireman.	R320.00	R338.00
	Per Officer(tariff per hour)	R300.00	R316.00
	Per Senior Fireman(tariff per hour)	R265.00	R280.00
	Per Fireman(tariff per hour)	R210.00	R221.00
(b)	Pumping of water from property:		
	Light pump with a capacity of up to 1125 l/min per hour or part thereof	R850.00	R896.00
	Medium pump with a capacity of up to 2250 l/min per hour or part thereof	R850.00	R945.00
	Heavy pump with a capacity of up to 4500 l/min per hour or part thereof	R850.00	R996.00

	Per Officer(tariff per hour)	R265.00	R280.00
	Per Senior Fireman(tariff per hour)	R245.00	R258.00
	Per Fireman(tariff per hour)	R138.00	R146.00
(c)	Using Compressor per hour or part thereof		
	Per Officer(tariff per hour)	R265.00	R280.00
	Per Senior Fireman(tariff per hour)	R220.00	R258.00
	Per Fireman(tariff per hour)	R210.00	R146.00
(d)	Emergency Rescue unit per hour or part thereof		
	Per Officer(tariff per hour)	R231.00	R244.00
	Per Senior Fireman(tariff per hour)	R245.00	R258.00
	Per Fireman(tariff per hour)	R210.00	R221.00
(e)	Any other duty not mentioned under item VI per hour or part thereto		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R850.00	R896.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R9.00	R10.00

	Per Officer(tariff per hour)	R265.00	R280.00
	Per Senior Fireman(tariff per hour)	R240.00	R253.00
	Per Fireman(tariff per hour)	R210.00	R222.00
(f)	Firebreaks per hour or part thereof		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R580.00	R612.00
	Per Officer(tariff per hour)	R425.00	R448.00
	Per Senior Fireman(tariff per hour)	R265.00	R280.00
	Per Fireman(tariff per hour)	R240.00	R221.00
(g)	Special Service		
	Refilling of cylinders(SCBA)	R38.00 per cylinder	R40.00 per cylinder
	Issuing of Dangerous Goods Certificate	R300.00 per unit (yearly)	R320.00 per unit (yearly)
	Issuing of Fire Certificate in business	R300.00 per business (yearly)	R320.00 per business (yearly)
	Basic Fire Fighter Training	R320.00 per person	R338.00 per person
	Renting of Lecture Room	R370.00 per Morning session	R390.00 per Morning session
	Extra hour	R110.00	R116.00

	Kitchen use	R110.00	R116.00
	Traffic Services	2015/2016	2016/2017
	<u>Abnormal loads escorts and excavations</u>		
	Per Officer (Per hour or part thereof)	R127.00	R133.00
	Per Officer Overtime (Per hour or part thereof)	R265.00	R279.00
(a)	Sport Meetings		
	Per Officer (Per hour or part thereof)	R190.00	R200.00
	Per Officer Overtime (Per hour or part thereof)	R265.00	R279.00
(b)	Impounded Vehicles		
	Hitching of vehicles	R530.00	R558.00
	Towing of the vehicle	R370.00	R389.00
	Tracing of the owner	R850.00	R895.00
	Storage Fees(per day including first and last day)	R85.00	R89.00
(c)	Erection of posters DEPOSIT	R250.00	R263.00
	COST PER POSTER	R10.00	R15.00
(d)	Street Trading OUTSKIRTS	R100.00 pm	R105.00 pm
	CBD	R100.00 pm	R100.00 pm

DIRECTORATE	R 2015/16	R 2016/17
Economic Development		RECOMMEN- DED +5%
Housing and Property Management Services <i>(& Economic Development)</i>		
Leases - General: - Rental arrangements as agreed <u>per contract</u>	Contractual	Contractual Arrangements Status quo
Leases: Business Buildings – Approximately 70 m ²	R0.00	R600.00 p.m.
Leases: Two Farm Houses (<i>Mooidraai</i>) Incentive R1`000 pm since 2008 – Approximately 220 m <sup>2</sup> Each ( <i>Market Related Rent = R3`300.00 p.m.</i>)	R0.00	Incentive R1`500 p.m.
Leases: Cell phone Communication Towers (Vodacom, etc) <i>Market Related Rent for a similar crèche = R1`300 pm</i>	R1`000 pm	R2`000 p.m.
Leases: Crèche (<i>Such as Erf 11711 Zamdela Ext 9</i>) <i>Market Related Rent for a similar crèche = R5`000 pm</i>	R1`000 pm	Incentive R1`100 p.m.
Leases: Temporary allocation of land not exceeding 21 days (<i>such Circuses / Churches for spiritual revivals / church outreaches</i>)	R45.00 / day	R50.00 / day
Leases: Initiation Schools not exceeding 50days	R1000.00 (fixed)Water provision to be agreed with Civil Engineering	R1050.00 (fixed)Water provision to be agreed with Civil Engineering
Temporary leases for parking purposes on open portions of land	R20.00/per day per parking bay of 40 m ²	R25.00/per day per parking bay of 40 m²
Leases: Cattle owners Leases - grazing	R290.00 p.m. per cattle owner	R300.00 p.m. per cattle owner

<u>Deposit Payments at Hostels / Thembaletu</u> The Council re-confirm that since September 1994 deposit payments was not a requirement and /or will not be a requirement for beneficiaries / tenants moving onto residential stands and / or into municipal dwelling / rental units , either: 1 A rental deposit and / or 2 Other deposit payments such as consumer services deposit payments	Not a requirement	Not a requirement <i>Status quo</i>
Leases: Assisted Sub-Economic Rental Stock		
Six (6) semi-detached - / row houses in Sasolburg Extension 1 one and (1) house in Sasolburg Extension 19 reserved / earmarked as rental stock for the elderly, disabled and poor households restricted to households in <u>the deep down-market range earning between R800.00 per month to R3,500.00 per month</u> <i>Market related rent for a similar house = R3100 pm</i> <i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i> Erf 1499 Sasolburg Ext 1 (83 m²) Grobler 12 Sasolburg X 1 Erf 1500 Sasolburg Ext 1 (83 m²) Grobler 14 Sasolburg X 1 Erf 1501 Sasolburg Ext 1 (83 m²) Grobler 16 Sasolburg X 1 Erf 1502 Sasolburg Ext 1 (83 m²) Philip Botha 2 Sasolburg X 1 Erf 1503 Sasolburg Ext 1 (98 m²) Philip Botha 4 Sasolburg X 1 Erf 1504 Sasolburg Ext 1 (98m²) Philip Botha 6 Sasolburg X 1 Erf 12884 Sasolburg Ext 1 (128 m²) Candlewood 6 Sasolburg X 19	Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R520.00 per month (<i>excluding consumer services</i>) for qualifying beneficiaries	Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R550.00 per month (<i>excluding consumer services</i>) for qualifying beneficiaries

	R 2015/16	R 2016/17
<u>Leases: Thembaletu Hostel (141 x 101,02 m² units)</u>		
<i>Pre-paid meters to be installed in all rental stock units to recover electrical services cost</i>		
Block A - 24 x units (shower & bath) <i>Market Related Rent for three bedroom units = R2`500 pm</i>	R1`200.00 p.m.	Incentive R1`250.00 p.m.
Block B - 18 x units (shower & bath) <i>Market Related Rent for three bedroom units = R2`500 pm</i>	R1`200.00 p.m.	R1`250.00 p.m.
Block C - 24 x units (shower) <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 100.00 p.m.	R1 150.00 p.m.
Block D - 18 x units (shower) <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 100.00 p.m.	R1 150.00 p.m.
Block E - 30 x units (shower) <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 100.00 p.m.	R1 150.00 p.m.
Block F - 9 x units (shower) <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 100.00 p.m.	R1 150.00 p.m.
Single Units - 18 x beds (6 x flats with 3 x bedrooms) <i>Market Related Rent for Bachelor Flats = R1`200 pm</i>	R490.00 p.m.	R515.00 p.m.
<i>(Other)</i>		
Tuck shop / Churches (62 m²)	R90.00 p/day	R95.00 p/day
Tuck shop / Milk depot (13 m²)	R90.00 p.m.	R95.00 p.m.
Tuck shop / F Shai (22 m²)	R85.00 p.m.	R90.00 p.m.
Tuck shop / M Kok (22 m²)	R180.00 p.m.	R190.00 p.m.
Tuck shop / L Tau (22 m²)	R180.00 p.m.	R190.00 p.m.
Tuck shop / Dry Cleaners (37 m²)	R180.00 p.m.	R190.00 p.m.
Tuck shop / Hair Saloon (41 m²)	R180.00 p.m.	R190.00 p.m.
Tuck shop / Upholsterer (46 m²)	R180.00 p.m.	R190.00 p.m.
Tuck shop / Dressmaking (80 m²)	R180.00 p.m.	R190.00 p.m.
Tuck shop / Crèche (197 m²)	R80.00 p.m.	R85.00 p.m.
Tuck shop / Video Shop (207 m²)	R210.00 p.m.	R220.00 p.m.

Former kitchen/Hall per activity	R330.00 per activity	R350.00 per activity
Recycling Business	R1 100.00 p.m.	R1 200.00 p.m.
Themba lethu Community Hall	R280.00 p/day	R295.00 p/day
Themba lethu Lapa	R0.00	R100.00 p/day
Themba lethu Community Job Establishment Office	R0.00	R100.00 p.m.
HOSTELS <i>Market Related Rent for a similar Hostel Unit = R500.00 pm</i> Hostel 1 = 317 units Hostel 2 = 330 units Hostel 3 = 389 units <u>Hostel 4 = 112 units</u> (In process of re-development to CRU's - hereinafter) Phomolong = 14 units		
<i>Hostel at Refengkgotso (Erf 842 From date of subdivision)</i>	R0.00	As per Hostel Tariff
- Fixed Hostel Rent / Tariff - Fixed Hostel Rent / Tariff for purposes of <u>a maximum of 4 single persons sharing</u> a rental unit, that each single should contribute individually and that the rental amount of R80.00 pm. plus water consumption calculated @ 30.00 p.m. be divided by the number of persons sharing / occupying the unit <i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i>	R110.00 pm While corrective measures are taken regarding maintenance and upgrading of services Then R150.00 pm <i>Divided by the number of people sharing)</i>	R115.00 pm While corrective measures are taken regarding maintenance and upgrading of services Then R160.00 pm <i>Divided by the number of people sharing)</i>

CRU,s (Hostel 4 Zamdela) Phase 1 = 128 Units Phase 2 = 296 Units (Community Residential Units – Replacement of Hostel 4 Zamdela) Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs Tenants in excess of R50`000 monthly income should NOT be considered for CRU`s and be accommodated conditional		
		Rent <u>Beneficiary – Target Group</u> R800.00 to R7`500 pm & (Based on the high quality of the units and ± 20% of income – R800 pm) Status Quo Rent determined by MEC Human Settlement (1 March 2015) AS REPLACEMENT OF RECOMMENDED TARIFFS (For 2016 / 2017)
Bachelor	R 540.00	R 540.00 pm
1 Bedroom self contained	R 715.00	R 715.00 pm
1,5 bedroom	R 895.00	R 895.00 pm
2 Bedroom interchangeable	R 1 150.00	R 1 150.00 pm
2 Bedroom self contained	R 1 150.00	R 1 150.00 pm
(And / Or as amended by Provincial Government / MEC Human Settlements)		
ASSET MANAGEMENT INCENTIVES (EXEMPTED ASSETS) (Council 29 August 2013)		
<u>Allocation of Stands to the Poor</u> Allocation of municipal owned residential stands included the following: (1) First time allocation of vacant stands (2) Second allocation of abandoned stands (3) Third confirmation and allocation of stands occupied		

<i>(4) Re-allocation of stands in Estate cases&identified vacant municipal erven declared as `abandoned / dead` property</i>		
On date of application and submission of an approved IGG Registered Certificate - not older than 12 months – and for households within a threshold income not exceeding R3`000.00 p.m., <u>NO payment</u> will be required to a first time allocation of a residential stand	R0.00	R0.00
For income categories not exceeding a monthly income of R1`500.00 including the aged earning less than R3`500 pm an unrepeatable and one-time “allocation- / occupational land site fee”	R100.00	R105.00
For income categories exceeding R1501.00 not exceeding a monthly income of R3`500.00 an unrepeatable and one-time “allocation- / occupational land site fee”	R300.00	R315.00
For income categories from R3`501.00 not exceeding a monthly income of R7`000.00 an unrepeatable and one-time “allocation- / occupational land site fee” (FLISP)	R600.00	R630.00
For income categories from R7`001.00 not exceeding a monthly income of R15`000.00 threshold an unrepeatable and one-time “allocation- / occupational land site fee” (FLISP)	R1100.00	R1160.00
Exempted stands earmarked for housing delivery projects (RDP/BNG)for first time home owners and income categories not exceeding a monthly income of R3`500 pm	R1000 per stand	R1000 per stand
AUCTIONS: The Councils attorneys be given full power of attorney to act on behalf of the Council at the sale in execution of land / erven (public auction) of defaulters property and if stands are not bought to buy the properties on behalf of the Council	R10.00 / erf	R10.00 / erf
<u>INCENTIVE LAND PRICES</u>		
Business Erven Up to R8`000 R8001 to R12`000 R12`001 to R15`000	R15.00 /m ² R30.00/m ² R40.00/m ²	<i>Status quo</i> R15.00/m² R32.00/m² R42.00/m²
Community Facility (Church) Erven	R6.00/m ²	R7.00/m²
Residential Erven Up to R2`500 R2`501 to R5`000 R5`001 to R7`500 R7`501toR10`000 R10`001toR12`500	Up to R3.00/m ² R6.00/m ² R12.00/m ² R17.00/m ² R25.00/m ²	Up to R3.00/m² R6.00/m² R13.00/m² R18.00/m² R26.00/m²

R12`501toR15`000 Exceeding R15`001	R30.00/m ² R40.00/m ²	R32.00/m² R42.00/m²
Servitudes over municipal owned land in terms of Sections 60 and 116 of Act 32 of 2000	R3`000.00/servitude	R3300.00/servitude
Integrated Human Settlement Plan (IHSP)		
Hard Copies (Per Chapter / Selection or in Whole)	R0.00	R350.00
Electronic Format	R0.00	R100.00
Map Fragments (Inquiries for available data)		
Hard Copies (A4 Format)	R0.00	R200.00
Electronic Format	R0.00	R100.00
Application for identification of Corner Pegs / Erf Boundaries		
Informal Identification by means of General Plan Data	R0.00	R500.00
Formal Identification per SG Diagram	R0.00	As per Quotation of Service Provider (Land Surveyor)
DEEDS OFFICE SEARCHES (Public / Private request on Ownership)	R0.00	R25.00/search
Attorneys, Notaries & Conveyancers (Inquiries for a certificate on occupational status of land (Sec 52(4) Act 4 of 1984)	R0.00	R25.00/search
LETTERS OF AUTHORITY (Application i.t.o Sec 18(3) of Estates Act 66 of 1965 of occupational / ownership status)	Exempted	Exempted
High Value Assets	In excess of R50 million	<i>Status Quo</i> In excess of R50 million

THE FOLLOWING RECOMMENDED AS SPLUMA GUIDELINE TARIFFS

Urban Planning	R 2015/16	Amount Excl. VAT R 2016/2017
SPLUMA Act		
<u>Category 1: Application Type</u>		
Township Establishment 0 - 500	R4 000,00	R3 440.00
501 - 1000	R6 000,00	R4 730.00
1000 and more	R7 500,00	R5 590.00
Amendment of General Plan	R2 000,00	R1 290.00
Permanent closure of public open spaces (Street, Road Reserve, Open Space, Park)	R2 000,00	R4 945.00
Sasolburg Town Planning Scheme 1/1993 Amendments	R,00	R4 945.00
Vaal River Guide Plan applications	R0,00	R2 150.00
Application for extension of boundaries of an approved township	R0,00	R3 225.00
Application for phasing of a Township	R0,00	R3 255.00
Preparation of a Town-planning Scheme on a township establishment application if prepared by Council	R0,00	R3 010.00
<u>Category 2: Application Type</u>		
Removal, amendment or suspension of restrictive title conditions	R1 200,00	R860.00
Rezoning/De-zoning	R350.00 / application	R2 580.00
Special Consent Use	R2 500.00 / application	R1290.00
Subdivision	R350.00 / application	R860.00
Per additional 5 th	R100.00	R72.00
Consolidation	R350.00 / application	R860.00
Per additional 5 th	R100.00	R72.00
<u>Additional Fees / Tariffs</u>		
Zoning Certificates	R150.00 / application	R132.00
The withdrawal of an approved application for subdivision/consolidation	R0.00	R516.00
The amendment of the conditions on which the	R0.00	R559.00

subdivision/consolidation was approved		
The amendment of an approved consolidation or subdivision plan	R0.00	R559.00
Application for amendment of the conditions on which consent was given in terms of the Townships Ordinance and / or Act 4 of 1984 (Annexure F & Land Use Regulations)	R0.00	R516.00
Section 23 certificates (per certificate) for lodging of title deed with the Registrar of Deeds	R0.00	R301.00
Regulation Certificate: Subdivision / Consolidation (per subdivided portion)	R0.00	R301.00
Request for extension of time for township application	R0.00	R688.00
Appeal on decision	R0.00	R2 580.00
Building Line Relaxation	R0.00	R301.00
Consent application (Tuck shop)	R0.00	R258.00
Spatial Development Framework (SDF)		
Hard Copies	R0.00	R129.00
Electronic Format	R0.00	R64.50
Land Use Management- or Town Planning Scheme		
Hard Copies	R0.00	R258.00
Electronic Format	R0.00	R129.00
<u>Building Plan Fees / Tariffs</u>		
Building Plan: Approval Fee	R300.00 / application R19.00 / 10m ² for the first 1`000m <sup>2</sup> R17.00 / 10m <sup>2</sup> for the following 1`000m ² – namely 1`001 to 2`000m ² R14.00 / 10m ² for the following 1`000m <sup>2</sup> – namely 2`001m ² to 4000m ²	R320.00 / application R20.00 / 10m² for the first 1`000m<sup>2</sup></b>  <b>R18.00 / 10m<sup>2</sup> for the following 1`000m² – namely 1`001 to 2`000m² R15.00 / 10m²for the following 1`000m<sup>2</sup> – namely 2`001m² to 4000m²

Site Development Plans (SDP)	R0,00	R1000,00
Internal alterations on building plans	R300.00	R320.00
Swimming pools	R300.00	R320.00
Shade nets	R300.00	R320.00
Boundary walls	R300.00	R320.00
Permits	R300.00	R320.00
Signage	R273.00	R320.00
Inspection fee (farms / plots)	R450.00 / plan	R500.00 / plan
Building clause certificates	R300.00	R320.00
Billboards (Contracts)	R50.00 / m ²	R50.00 / m²

Economic Development	R 2015/16	R 2016/17
Containers at Zamdela Taxi Rank	R135.00 p.m.	R140.00 p.m.
<i>LED Strategy</i>		
Hard Copies (Per Chapter / Selection or in Whole)	R0.00	R350.00
Electronic Format	R0.00	R100.00
Application for SMME / Corporate Promotions	R0.00	R100.00

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2016/17 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Zero based budgets and incremental method based on historical information, plus inflation in line with Treasury guidelines
- All increases more than the inflation to be properly motivated.
- The filling of vacancies should support challenges identified and key priorities as adopted at the strategic workshop. The organisational structure is in the process of being revised.

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

Table 13 Summary of operating expenditure by standard classification item

Operating expenditure by main type	2015/16	2016/17	2017/18	2018/19
	Adjusted Budget	MTREF	MTREF	MTREF
	R'000	R'000	R'000	R'000
Employee related costs	226 193	249 435	267 675	287 111
Remuneration of councillors	15 520	16 343	17 453	18 711
Bad debts	97 146	89 001	77 100	69 782
Repairs and maintenance	33 790	38 199	39 978	45 591
Bulk purchases-electricity	191 491	216 662	245 911	270 503
Bulk purchases-water	133 392	152 555	167 551	184 027
Contracted services	33 347	36 532	38 200	34 864
Finance charges	1189	2 198	1 730	1 198
General expenses	112 920	129 456	138 645	140 668
Depreciation	70 084	74 662	80 828	84 562
	915 072	1 005 043	1 075 071	1 137 017

Employee Related Cost: The budgeted allocation for employee related costs for the 2016/17 financial year totals R249.4 million, which equates to 24.8 per cent of the total operating expenditure. The three year collective SALGBC agreement has lapsed at 30 June 2015. Salary increases as per collective agreement have been factored into this budget at a percentage increase of 7.6 per cent for the 2016/17 financial year. An annual increase of 7.2 and 6.9 per cent has been included in the two outer years of the MTREF. Provision is also made for the increments of R1 million that is included in line item Vacancies. Based on the proposed amended structure critical vacancies need to be determined. As a baseline, provision is made for vacancies of R5 million still to be filled in 2015/2016 and in 2016/2017. The vacancies based on the approved structure is R40 million. The organisational structure is currently in the process of being reviewed.

Remuneration of councillors: The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Bad Debts: The provision of debt impairment was determined based on an annual collection rate of 85 per cent and the Debt collection and Credit Control Policy of the Municipality. For the 2015/16 financial year this amount equates to R89 million and decreases to R69 million by 2018/19. While this expenditure is considered to be a non-cash flow item, it is the municipality's realistically anticipated revenues.

Depreciation: Provision for depreciation and asset impairment has been informed by the Accounting Standards. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard are R70 million in 2015/2016. The budget appropriation totals R74.6 million for the 2016/17 financial and equates to 7.4 per cent of the total operating expenditure.

Finance charges: Finance charges consist primarily of the repayment of interest on long-term finance lease (cost of capital) and use of bank overdraft facility. Finance charges make up 0.2 per cent (R2.1 million) of operating expenditure excluding annual redemption for 2016/17 and decreases to R1.2 million by 2018/19.

Bulk purchases Electricity and Water: Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include technical losses and distribution losses for water and electricity.

Repairs and maintenance: Repairs and maintenance (Schedule A4 as other materials) comprises of amongst others, materials for maintenance, cleaning materials and chemicals, as well as contractors. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2016/17 the appropriation against this group of expenditure has increased by 13 per cent (R4 million) and then continues to grow at 4.7 and 14 per cent for the two outer years of which budget allocation is in excess of R45.6 million by 2018/19.

Contracted services: In the 2016/17 financial year, contracted services totalled R36.5 million and has increased by 9.6 per cent. For the two outer years growth has been limited to 4.6 and a negative growth of 8.7 per cent. The outcome of this exercise will be factored into the next

budget cycle and it is envisaged that additional cost savings measures will be implemented. Further details relating to contracted services can be seen in Table 50 MBRR SA1 (see page 186).

General expenses: Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 13.8 per cent for 2016/17 and curbed at 14.6 per cent and increase by 7.1 and 1.5 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to other expenditure can be seen in Table 50 MBRR SA1 (see page 186).

Detail/allocation of certain expenditure

Expenditure	Department	Amount	Explanation
Legal Cost	Organisational Development and Corporate Services	R6 000 000	Court cases, investigations, labour cases, etc.
	Social Services: Traffic	R5 550	
	Financial services	R5 266 360	Lawyers' fees. There is also a revenue vote of the same amount as all the cost is recovered from the defaulters.
Professional fees	Office of Municipal Manager	R5 000 000	
	MM: Internal audit	R350 000	Payment of Audit Committee members
	MM: PMU	R40 240	
	Human Resources	R100 000	
	Cleansing Services	R1 585 000	Tender for Landfill site(SMEC)
	Financial Services	R3 591 000	Assistance with Assets, Review of AFS, Actuarial valuation on employee benefits and Data cleansing

	LED: Housing and Properties	R334 170	Review of 2013 Integrated Human Settlement Plan; De – registration and correction of title deeds; Legal opinion, instructions or identification of corner pegs, disposals and valuations
	Economic Development	R444 370	SMME Plan, Socio Economic survey; SMME Support Fund
	Tourism	R555 460	Heritage master plan, tourism master plan
	Urban planning	R1 051 680	Re-planning (subdivision and rezoning) of erven for eradicating housing backlog, amendment of general plan Zamdela Extension 15,SDF review completion, amendment of Vaal River guide plan, re-planning of business erven in Zamdela, re-planning of erven in Metsimaholo and Refengkgotso
Rental external equipment	Office of the Mayor	R10 540	
	MM: ICT	R144 420	
	Department Organisation Development and Corporate services – (Director)	R10 210	
	Department Organisation and Development	R900 000	Bins for rest rooms

	Corporate services – (Auxiliary)		
	Social Services	R100 000	
	Cleansing Services	R2 500 000	
	Public Safety	R10 540	
	Parks	R773 630	Include cemeteries and libraries
	Technical :Electricity	R1 502 220	
	Finance	R18 100	Tracking device on vehicle
	LED	R41 770	
Printing Services			All printing work (bulk), agendas, budget books, annual financial statements, documents for ward meetings, public meetings, application forms, tender documents etc. All paper for copiers in departments.
	Political Offices	R324 550	
	Municipal Manager department	R417 090	
	Department Organisation Development and Corporate services	R1 963 980	
	Social services	R227 610	
	Technical services	R47 390	
	Financial services	R1 503 330	Statements for consumers(billing)

	LED	R124 170	
Government Garage	Political Offices	R409 860	
	Municipal Manager department	R46 250	
	Department Organisation Development and Corporate services	R97 360	
	Social services	R2 319 320	
	Technical services	R1 920 250	
	Financial services	R46 250	
	LED	R166 340	

The following table gives a breakdown of the main expenditure categories for the 2016/17 financial year.

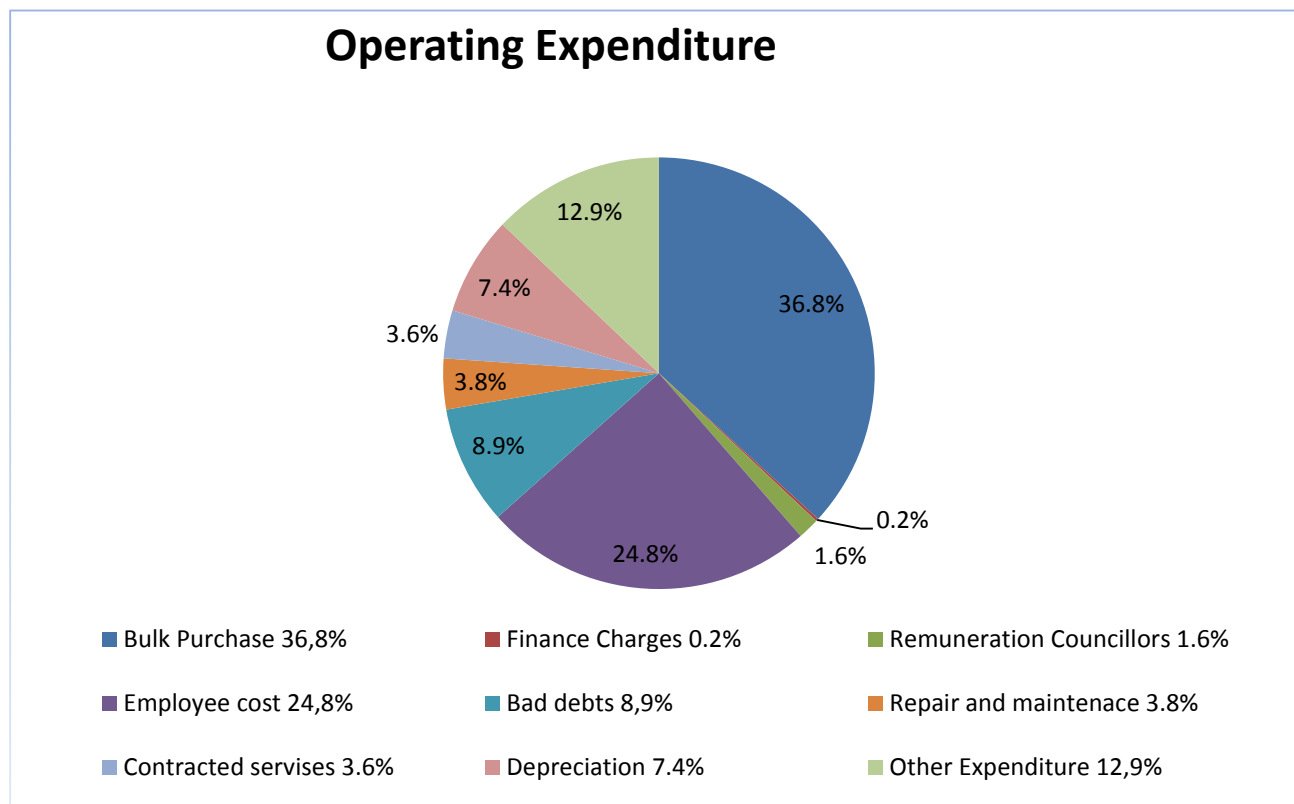


Figure 1 Main operational expenditure categories for the 2016/17 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2016/17 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Remuneration is still included in Employee cost but in the table the employees cost of Technical Services is added to reflect the repair and maintenance cost. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 14 Operational repairs and maintenance

	2012/13	2013/14	2014/15	Current 2015/16			2016//2017MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2016/17	Budget 2017/18	Budget 2018/19
Employee related cost	43 030	44 385	33 431	52 135	53 735	53 735	60 016	64 341	68 952
Materials and contracted services	23 608	15 227	25 693	33 537	33 791	33 791	38 199	39 978	45 591
Total repairs and maintenance expenditure	66 638	59 612	59 124	85 672	87 526	87 526	98 215	104 319	114 543

During the compilation of the 2016/17 MTREF operational budget repairs and maintenance was identified as a strategic imperative owing to the ageing infrastructure and historic deferred maintenance. To this end, repairs and maintenance increases by 14.6 per cent in the 2016/17 financial year, from R85.6 million to R98.2million. During the 2015/16 Adjustment Budget this allocation was adjusted slightly upwards to R87.5 million. As part of the 2016/17MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2016/17 equates to R98.2 million an increase of 12.2 per cent in relation to the Adjustment Budget and then continues to grow at 6.2 and 9.8per cent over the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 15 Repairs and maintenance per asset class

	2012/13	2013/14	2014/15	Current 2015/16			2016//2017MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2016/17	Budget 2017/18	Budget 2018/19
Repair and maintenance per asset class									
Infrastructure Roads	19 666	14 602	11 735	27 748	28 297	28 297	29 971	31 823	33 741
Infrastructure Electricity	14 553	13 318	9 610	16 698	17 254	17 254	17 770	18 960	19 919
Infrastructure Water	11 383	10 714	12 632	14 217	14 218	14 218	16 076	17 183	18 325
Infrastructure Sanitation	8 871	10 227	16 818	11 369	11 686	11 686	13 751	14 694	15 818
Infrastructure Other	4 873	4 948	3 363	5 695	5 695	5 695	8 701	9 248	9 775
Community	1 105	194	244	669	830	830	782	781	813
Other assets	6 187	5 609	4 722	9 276	9 546	9 546	11 164	11 630	16 152
Total Operating expenditure	66 638	59 612	59 124	85 672	87 526	87 526	98 215	104 319	114 543

For the 2016/17 financial year, 79 per cent or R77.6 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 18.1 per cent (R17.8 million), road infrastructure at 30.5 per cent (R29.9 million), water at 16.4 per cent (R16.1 million) and sanitation at 14.0 per cent (R13.8 million). Community assets have been allocated R782 000 of total repairs and maintenance equating to 0.8 per cent.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. It is anticipated that there would 14 000 indigent households during the 2016/17 financial year. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 110.

The threshold to qualify as indigent is two times the state old age pension plus R1 000 as the maximum income per household.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 16 2015/16 Medium-term capital budget per vote

Capital expenditure by vote	2015/16		2016/17		2017/18		2018/19	
	Adjusted Budget	%	MTREF	%	MTREF	%		%
	R'000		R'000		R'000		R'000	
Exec. & Council (MM, Executive Mayor, Council)	4 733	3,12	5 994	4,88	2 646	2,00	2 455	2,21
Corporate Services	1 000	0,66	3 186	2,59	0	0,00	167	0,15
Social Services	31 737	20,92	13 703	11,15	25 025	18,93	31 313	28,21
Refuse Removal	4 722	3,11	2 107	1,71	9 390	7,10	5 470	4,93
Public Safety	9 775	6,44	1 193	0,97	6 883	5,21	4 490	4,05
Sport and Recreation	9 843	6,49	8 686	7,07	1 424	1,08	19 519	17,59
Community Services	7 397	4,88	1 717	1,40	7 328	5,54	1 834	1,65
Technical Services	113 587	74,87	94 294	76,70	101 806	76,99	74 560	67,17
Streets and Storm water	28 436	18,74	53 902	43,85	28 220	21,34	21 631	19,49
Sewerage	35 283	23,26	2 386	1,94	19 666	14,87	25 099	22,61
Water supply	5 871	3,87	2 693	2,19	10 381	7,85	0	0,00
Electricity supply	38 042	25,07	31 203	25,38	41 509	31,39	27 640	24,90

Mechanical Workshop/Buildings	559	0,37	30	0,02	0	0,00		0,00
Administration	5 396	3,56	4 080	3,32	2 030	1,54	190	0,17
Financial Services	661	0,44	3 505	2,85	1 000	0,76	2 500	2,25
Economic Dev. and Planning			2 250	1,83	1 750	1,32		
Housing & Urban Planning								
Economic Development			2 250	1,83	1 750	1,32		
	151 718	100	122 932	100	132 227	100	110 995	100

The biggest single portion of capital expenditure is allocated to Technical Services which amounts to **R94** million in 2016/2017 decreasing to **R74.5 million** in 2018/2019.

It is projected that capital expenditure will decrease over the next three years. This mainly due to delays in confirmation of funding from external sources (province and district) inadequate planning by departments of their capital projects over the medium term. This issue is continuously being addressed as part of the municipality's budget reform programme. However, the two outer years will be populated with projects during the 2016/2017 budget and IDP process. Roads receive R53.9 million in 2016/17 which equates to 43.8 per cent, electricity at 25.4per cent, R31.2 million, water at 2.2per cent, R2.7 million and sewer 1.9 per cent, R2.4 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 107. In addition to the MBRR Table A9, MBRR Tables 47; 48 and 49 -SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 178 and 180).Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Conditional Grants

	2016/2017	2017/2018	2018/2019
Gortin sewer		R9.9m	
Construction of roads & storm water	R32.8m	R17m	R3.3m
Construction of sports complex Refengkgotso			R16.6m
Construction of sports complex Metsimaholo	R7.7m	R280 000	
Zamdela cemetery boundary fence	R5.5m	R452 750	
Amelia / Gortin & Mooidraai bulk electricity supply	R18m	R15m	R13m

Sewer Connections			R16.2m
Rehabilitation of Oranjeville water treatment works		R1.3m	R8.7m
Data centre mSCOA	R1m		
Land fill site		R4.7m	R270 000
Equipment PMU	R100 000	R80 000	R30 000
High mast lights Amelia		R4.5m	R250 000

Own funding

- Upgrading of electricity substation R1.5million
- Resealing of roads R12 million
- Office furniture R1million
- Rehabilitation of landfill site R2 million
- Water pumps: R1.5 million
- Sewer pumps: R1.5 million
- Electricity to non-electrified areas: R1.5 million
- ITC upgrading mSCOA R2m
- Vehicles and equipment R2.6m
- Call centre R1m
- Bulk electricity supply Gortin R6m
- Air conditioners R1.5m
- Fleer Management tracking devices R1.3m
- Fuel tanks R1.5m

Sasol Mining

- Roads R7.5 million

Furthermore Annexure A on pages ___ to ___ contains a detailed breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

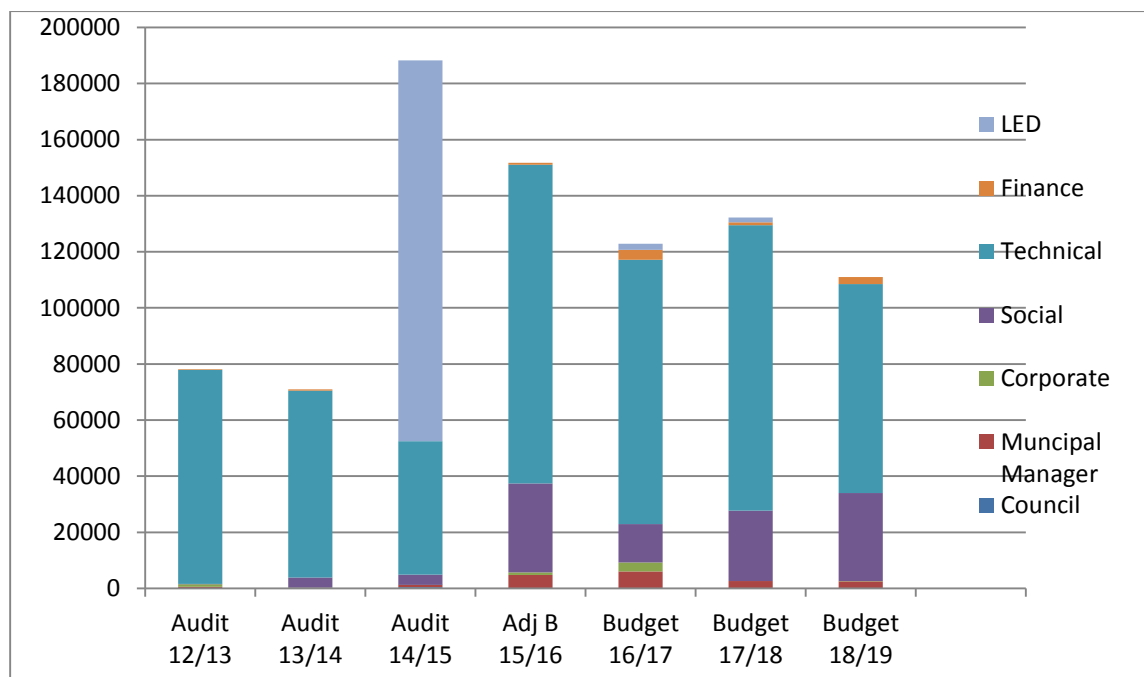


Figure 2 Capital Infrastructure Programme

The municipality is highly dependent on conditional grant funding for its capital expenditure. The cash flow of the municipality is under strain and there is a limited surplus on the operating budget which could be used for capital expenditure.

1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 17MBRRTable A1 - Budget Summary

FS204 Metsimaholo - Table A1 Budget Summary

Description R thousands	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Financial Performance										
Property rates	92 485	96 376	111 299	99 586	103 140	103 140	–	113 366	120 916	128 546
Service charges	356 743	398 767	487 710	588 526	597 139	597 139	–	687 059	740 424	796 780
Investment revenue	1 543	1 694	2 167	2 000	2 560	2 560	–	2 600	2 600	2 600
Transfers recognised - operational	97 822	104 642	112 034	125 831	125 831	125 831	–	131 694	152 642	162 217
Other own revenue	31 639	48 612	63 264	41 022	39 564	39 564	–	36 265	37 076	40 463
Total Revenue (excluding capital transfers and contributions)	580 233	650 090	776 474	856 965	868 234	868 234	–	970 984	1 053 658	1 130 606
Employee costs	170 173	188 398	175 080	222 960	226 193	226 193	–	249 435	267 675	287 111
Remuneration of councillors	12 102	13 173	14 410	15 519	15 520	15 520	–	16 343	17 453	18 711
Depreciation & asset impairment	43 309	32 238	38 692	70 084	70 084	70 084	–	74 662	80 828	84 562
Finance charges	1 174	2 282	4 602	2 331	1 189	1 189	–	2 198	1 730	1 198
Materials and bulk purchases	258 726	270 799	304 914	358 401	358 673	358 673	–	407 416	453 440	500 121
Transfers and grants	9 663	–	–	–	–	–	–	–	–	–
Other expenditure	151 501	179 230	277 239	224 733	243 414	243 414	–	254 988	253 945	245 313
Total Expenditure	646 647	686 120	814 937	894 027	915 072	915 072	–	1 005 043	1 075 071	1 137 017
Surplus/(Deficit)	(66 415)	(36 031)	(38 463)	(37 062)	(46 838)	(46 838)	–	(34 059)	(21 413)	(6 412)
Transfers recognised - capital	67 136	83 124	190 784	78 855	76 855	76 855	–	67 092	58 473	58 818
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	722	47 094	152 321	41 792	30 017	30 017	–	33 033	37 060	52 407
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	722	47 094	152 321	41 792	30 017	30 017	–	33 033	37 060	52 407
Capital expenditure & funds sources										
Capital expenditure	78 113	70 910	188 267	185 852	151 718	151 718	–	122 932	132 227	110 995
Transfers recognised - capital	64 639	67 809	184 086	96 355	77 707	77 707	–	67 092	58 473	58 818
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	9 000	–	–	31 880	18 000	18 000	–	–	–	–
Internally generated funds	4 475	3 101	4 181	57 617	56 011	56 011	–	55 841	73 754	52 177
Total sources of capital funds	78 113	70 910	188 267	185 852	151 718	151 718	–	122 932	132 227	110 995
Financial position										
Total current assets	155 493	180 873	229 204	199 685	278 466	278 307	–	309 514	311 732	360 089
Total non-current assets	944 986	1 013 352	1 167 232	1 157 053	1 248 866	1 248 866	–	1 297 136	1 348 536	1 374 969
Total current liabilities	170 611	187 544	214 671	158 199	160 267	162 267	–	176 863	182 240	187 928
Total non-current liabilities	85 130	87 214	95 302	109 424	116 247	116 247	–	118 541	123 791	129 069
Community wealth/Equity	844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659	–	1 311 247	1 354 237	1 418 062

Cash flows										
Net cash from (used) operating	68 124	103 698	33 567	113 162	104 305	104 305	–	110 577	122 484	146 167
Net cash from (used) investing	(75 524)	(2 344)	(61 072)	(166 852)	(145 865)	(145 865)	–	(114 431)	(132 027)	(108 411)
Net cash from (used) financing	11 324	(13 500)	1 376	29 680	16 097	16 097	–	(3 227)	(3 862)	(4 940)
Cash/cash equivalents at the year end	11 600	97 039	–	159	732	732	–	19 114	5 709	38 525
Cash backing/surplus reconciliation										
Cash and investments available	16 184	26 129	26 195	159	891	732	–	19 114	5 709	38 525
Application of cash and investments	112 168	147 721	144 507	80 320	599	599	–	11 214	7 996	7 562
Balance - surplus (shortfall)	(95 984)	(121 592)	(118 312)	(80 161)	292	133	–	7 900	(2 287)	30 963
Asset management										
Asset register summary (WDV)	943 311	1 013 352	1 167 232	1 157 053	1 248 866	1 248 866		1 297 136	1 348 536	1 374 969
Depreciation & asset impairment	43 309	32 238	38 692	70 084	70 084	70 084		74 662	80 828	84 562
Renewal of Existing Assets	–	–	–	2 020	–	–		21 071	25 563	37 042
Repairs and Maintenance	66 638	59 567	59 123	85 672	87 526	87 526		98 214	104 320	114 543
Free services										
Cost of Free Basic Services provided	37 355	39 099	25 668	36 747	30 664	30 664		46 717	49 833	53 035
Revenue cost of free services provided	48 152	63 167	52 910	48 324	50 614	50 614		52 273	54 473	56 695
Households below minimum service level										
Water:	2	3	1	8	8	8		–	–	–
Sanitation/sewerage:	2	12	9	14	14	14		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	30	69	72	72	52	52		53	54	55

Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
 - Capital expenditure is balanced by capital funding sources, of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. If the municipality's cash flow is positive, and is improving it indicates that the necessary cash resources are available to fund

the Capital Budget. Capital from own funding (accumulated surplus) will only be used based on the availability of cash.

4. Even though the Council is placing great emphasis on financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

FS204 Metsimaholo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		200 944	199 724	373 545	239 960	246 273	246 273	228 887	232 239	271 494
Executive and council		414	407	359	250	310	310	2 881	3 063	3 248
Budget and treasury office		198 261	197 686	236 546	232 499	238 572	238 572	222 472	225 486	264 024
Corporate services		2 268	1 630	136 640	7 211	7 391	7 391	3 533	3 691	4 222
<i>Community and public safety</i>		10 651	25 179	30 764	23 320	22 396	22 396	21 196	19 732	31 470
Community and social services		1 021	3 317	2 148	3 277	2 810	2 810	3 106	8 493	3 445
Sport and recreation		1 655	1 759	1 186	9 825	10 368	10 368	10 487	3 242	19 622
Public safety		4 503	16 282	23 372	6 519	5 518	5 518	3 602	3 796	4 001
Housing		3 472	3 820	4 058	3 700	3 700	3 700	4 001	4 201	4 401
<i>Economic and environmental services</i>		36 951	36 404	35 239	983	1 038	1 038	42 263	19 120	5 489
Planning and development		289	504	534	680	736	736	1 945	2 050	2 158
Road transport		36 662	35 900	34 705	302	302	302	40 318	17 070	3 331
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		398 823	471 907	527 710	671 557	675 382	675 382	745 731	841 039	880 971
Electricity		177 256	217 190	206 431	274 262	277 242	277 242	321 107	358 634	379 426
Water		184 309	195 031	266 230	317 362	314 242	314 242	344 674	365 964	386 652
Waste water management		15 641	27 961	24 533	53 392	53 967	53 967	31 245	59 964	59 964
Waste management		21 617	31 725	30 517	26 540	29 931	29 931	48 705	56 477	54 928
Total Revenue - Standard	2	647 369	733 214	967 258	935 819	945 089	945 089	1 038 076	1 112 131	1 189 424
Expenditure - Standard										
<i>Governance and administration</i>		92 759	96 337	191 651	147 469	154 887	154 887	158 935	152 509	163 197
Executive and council		44 196	42 799	66 781	67 616	61 233	61 233	72 547	77 949	85 377
Budget and treasury office		35 755	27 399	84 999	31 919	38 285	38 285	24 621	9 610	8 829
Corporate services		12 809	26 139	39 871	47 935	55 369	55 369	61 768	64 950	68 991
<i>Community and public safety</i>		61 758	72 022	116 289	92 315	91 832	91 832	106 537	114 440	124 339
Community and social services		6 626	7 362	7 260	11 006	9 199	9 199	12 868	13 467	14 263
Sport and recreation		21 326	28 538	15 785	33 515	34 547	34 547	41 331	44 162	47 447
Public safety		30 972	32 876	90 225	43 790	44 035	44 035	47 867	51 294	57 554
Housing		2 834	3 246	3 019	4 003	4 051	4 051	4 471	5 517	5 075
<i>Economic and environmental services</i>		45 674	34 446	40 429	59 551	59 746	59 746	68 774	72 835	75 571
Planning and development		3 169	4 710	7 344	7 062	7 503	7 503	9 194	9 900	9 812
Road transport		42 505	29 736	33 085	52 488	52 243	52 243	59 580	62 935	65 759
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		446 456	483 315	466 568	594 692	608 607	608 607	670 796	735 288	773 911
Electricity		207 570	200 041	212 562	255 178	257 637	257 637	281 679	318 437	333 486
Water		173 904	190 026	183 969	243 089	248 797	248 797	261 643	273 474	288 739
Waste water management		34 593	47 980	40 971	49 479	49 205	49 205	51 140	63 383	67 760
Waste management		30 389	45 269	29 066	46 946	52 968	52 968	76 333	79 995	83 925
Total Expenditure - Standard	3	646 647	686 120	814 937	894 027	915 072	915 072	1 005 043	1 075 071	1 137 017
Surplus/(Deficit) for the year		722	47 094	152 321	41 792	30 017	30 017	33 033	37 060	52 407

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4 before capital grants.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Water.
4. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
5. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Financial Services.

Table 19MBRRTTableA3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**FS204 Metsimaholo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Vote 1 - Council/Mayor, Speaker and Councillors		20	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		1 560	7 408	2 672	1 958	1 978	1 978	3 731	2 884	3 010
Vote 3 - Organisational Development & Corporate Services		545	362	970	398	618	618	1 678	1 764	1 855
Vote 4 - Social Services		52 217	54 422	74 408	71 553	67 242	67 242	86 523	92 684	103 891
Vote 5 - Infrastructure Services		484 137	512 423	611 291	729 945	726 255	726 255	815 113	868 921	917 323
Vote 6 - Financial Services		140 276	193 455	194 444	192 454	203 863	203 863	209 145	229 351	249 285
Vote 7 - Local Economic Development		4 037	4 731	138 776	9 480	9 535	9 535	6 946	8 351	9 159
Total Revenue by Vote	2	682 793	772 802	1 022 561	1 005 789	1 009 491	1 009 491	1 123 136	1 203 954	1 284 523
Expenditure by Vote to be appropriated	1									
Vote 1 - Council/Mayor, Speaker and Councillors		27 907	30 354	33 535	39 800	40 423	40 423	38 464	41 122	43 780
Vote 2 - Municipal Manager		5 675	14 557	78 643	49 043	39 717	39 717	54 758	58 076	61 618
Vote 3 - Organisational Development & Corporate Services		13 413	11 637	14 683	16 192	25 024	25 024	30 634	32 017	33 727
Vote 4 - Social Services		92 277	103 502	93 467	129 996	132 804	132 804	158 657	168 142	181 246
Vote 5 - Infrastructure Services		494 157	515 874	565 523	667 168	673 064	673 064	722 715	781 703	825 003
Vote 6 - Financial Services		36 462	34 343	62 247	40 192	45 812	45 812	60 824	58 889	58 875
Vote 7 - Local Economic Development		12 180	15 439	22 141	22 320	22 630	22 630	24 051	26 944	27 868
Total Expenditure by Vote	2	682 071	725 707	870 238	964 712	979 474	979 474	1 090 103	1 166 894	1 232 116
Surplus/(Deficit) for the year	2	722	47 094	152 322	41 077	30 017	30 017	33 033	37 060	52 406

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote

The following table is an analysis of the surplus or deficit for the electricity and water trading services as well as sanitation and waste removal as economic services.

Table 20 Surplus/(Deficit) calculations for the trading services

Description	2012/2013	2013/2014	2014/2015	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
R Thousand	Audit outcome	Audit outcome	Audit outcome	Original Budget	Adjusted Budget	Full Year Forecast	MTREF	MTREF	MTREF
Electricity									
Total Revenue	201 889	257 536	238 378	308 850	307 590	307 590	356 498	396 440	419 724
Total Expenditure	219 353	225 154	242 764	284 615	284 955	284 955	311 269	349 862	366 764
Surplus/(Deficit) for the year	(17 464)	32 382	(4 386)	24 235	22 635	22 635	45 229	46 578	52 960
Percentage Surplus	(8.65%)	12,57%	(1,84%)	7,85%	7,36%	7,36%	12,69%	11,75%	12,62%
Water									
Total Revenue	217 129	230 279	302 549	354 055	352 055	352 055	374 547	397 679	420 239
Total Expenditure	179 635	196 538	228 721	257 986	263 694	263 694	271 114	283 522	299 380
Surplus/(Deficit) for the year	37 494	33 741	73 828	96 069	88 361	88 361	103 433	114 157	120 859
Percentage Surplus	17.27%	14,65%	24,40%	27,13%	25,10%	25,10%	27,62%	28,71%	28,76%
Sanitation									
Total Revenue	28 452	36 230	35 659	66 733	66 303	66 303	43 746	57 726	74 023
Total Expenditure	40 085	48 163	50 702	54 493	54 192	54 192	60 109	63 575	67 964
Surplus/(Deficit) for the year	(11 633)	(11 933)	(15 043)	12 240	12 111	12 111	(16 363)	(5 849)	6 059
Percentage Surplus	(40.89%)	(32,94%)	(42,19%)	18,34%	18,27%	18,27%	(37,40%)	(10,13%)	8,19%
Waste Removal									
Total Revenue	45 038	44 509	47 702	51 933	48 545	48 545	69 329	77 152	76 823
Total Expenditure	42 365	45 837	40 841	60 009	62 643	62 643	77 160	80 873	84 855
Surplus/(Deficit) for the year	2 673	(1 328)	6 861	(8 076)	(14 098)	(14 098)	(7 831)	(3 721)	(8 032)
Percentage Surplus	5.93%	(2,98%)	14,38	(15,55%)	(29,04%)	(29,04%)	(11,30%)	(4,82%)	(10,46%)

1. Electricity trading surplus stabilised over the 2016/17 MTREF from a surplus of 12.7 per cent or R45 million in 2016/17 to a surplus of 12.6 per cent by 2018/19. The capital grants that are reflected as revenue decreases over the delayed medium term.
2. Water surplus on the water account remains relatively constant over the MTREF translating into a surplus of 27.6 per cent, 28.7 per cent and 28.7 per cent for each of the respective financial years and is as a result of the implementation of the inclining tariff.
3. Sanitation deficit is decreasing over the 2016/17 MTREF from a deficit of 37.4 per cent or R16.3 million in 2016/17 to a surplus of 8.2 per cent by 2018/19. The capital grants that are reflected as revenue increased in the last period.
4. Waste Removal deficit is stable over the 2016/17 MTREF from a deficit of 11.3 per cent or R7.8 m in 2016/17 to a deficit of 10.5 per cent by 20178/19.
5. Tariff modelling is in progress and will assess whether tariffs are cost effective for all the trading services. The process will be finalised in the 2016/17 financial year.

Table 21MBRTable A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source										
Property rates	2	92 485	96 376	111 299	99 586	103 140	103 140	113 366	120 916	128 546
Service charges - electricity revenue	2	164 079	178 217	195 341	238 073	241 053	241 053	292 879	322 168	354 384
Service charges - water revenue	2	155 164	175 524	249 416	299 675	298 555	298 015	331 399	351 945	372 410
Service charges - sanitation revenue	2	14 677	16 150	18 087	19 175	19 894	19 894	21 545	22 880	24 230
Service charges - refuse revenue	2	16 081	17 390	23 796	23 289	26 678	26 678	27 807	29 531	31 274
Service charges - other		6 743	11 487	1 071	8 313	10 959	10 959	13 429	13 899	14 483
Rental of facilities and equipment		4 514	4 858	4 600	5 272	5 112	5 112	5 780	5 922	6 189
Interest earned - external investments		1 543	1 694	2 167	2 000	2 560	2 560	2 600	2 600	2 600
Interest earned - outstanding debtors		13 900	17 139	14 576	18 171	18 171	18 171	18 940	19 745	19 963
Dividends received		–	78	88	–	–	–	–	–	–
Fines		4 194	15 855	22 876	6 024	5 024	5 024	3 025	3 188	3 360
Licences and permits		120	146	149	181	181	181	191	201	212
Agency services		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		97 822	104 642	112 034	125 831	125 831	125 831	131 694	152 642	162 217
Other revenue	2	4 779	2 947	18 661	6 375	6 075	6 075	7 329	7 820	8 154
Gains on disposal of PPE		4 132	7 589	2 314	5 000	5 001	5 001	1 001	200	2 584
Total Revenue (excluding capital transfers and contributions)		580 233	650 090	776 475	856 965	868 234	867 694	970 984	1 053 658	1 130 606
Expenditure By Type										
Employee related costs	2	170 173	188 398	175 080	222 960	226 193	226 193	–	249 435	267 675
Remuneration of councillors		12 102	13 173	14 410	15 519	15 520	15 520	16 343	17 453	18 711
Debt impairment	3	62 594	84 993	114 846	84 279	97 146	97 146	89 001	77 100	69 782
Depreciation & asset impairment	2	43 309	32 238	38 692	70 084	70 084	70 084	–	74 662	80 828
Finance charges		1 174	2 282	4 602	2 331	1 189	1 189	2 198	1 730	1 198
Bulk purchases	2	235 118	255 573	279 220	324 864	324 883	324 883	–	369 217	413 462
Other materials	8	23 608	15 227	25 693	33 537	33 790	33 790	–	38 199	39 978
Contracted services		20 022	23 972	83 216	33 601	33 347	33 347	–	36 532	38 200
Transfers and grants		9 663	–	–	–	–	–	–	–	–
Other expenditure	4, 5	62 910	64 077	73 661	106 853	112 921	112 921	–	129 455	138 645
Loss on disposal of PPE		5 975	6 189	5 516	–	–	–	–	–	–
Total Expenditure		646 647	686 120	814 937	894 027	915 072	915 072	–	1 005 044	1 075 071
Surplus/(Deficit)		(66 415)	(36 030)	(38 462)	(37 062)	(46 838)	(47 378)	(34 059)	(21 413)	(6 412)
Transfers recognised - capital		67 136	83 124	190 784	78 855	76 855	76 855	67 092	58 473	58 818
Surplus/(Deficit) after capital transfers & contributions		722	47 094	152 322	41 792	30 017	29 477	33 033	37 060	52 407
Taxation										
Surplus/(Deficit) for the year		722	47 094	152 322	41 792	30 017	29 477	33 033	37 060	52 407

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**1. Total revenue**

Total revenue is R1. 038 billion in 2016/17 and escalates to R1. 189 billion by 2018/19. This represents a year-on-year increase of 7 per cent for the 2017/18 financial year and 6.9 per cent for the 2018/19 financial year.

2. Property Rates

Revenue to be generated from property rates is R113.4 million in the 2016/17 financial year and increases to R128.6 million by 2018/19 which represents 11 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 8 per cent, 6.2 per cent and 5.9 per cent for each of the respective financial years of the MTREF.

3. Service charges

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R673.6 million for the 2016/17 financial year and increasing to R782 million by 2018/19. For the 2016/17 financial year services charges amount to 64.9 per cent of the total revenue base and increase over the medium-term to 65.3per cent and 65.8 per cent.

4. Transfers –operational revenue

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 4.7 per cent and 15.9 per cent and 6.3 per cent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.

5. Budget surplus and Capital transfers

The budget reflects a **deficit** before transfer of capital grants of **R34** million, **R21** million and **R6** million for the years related to MTREF. Capital transfers are done in terms of GRAP and Circular 42. After accounting for capital transfers the budget reflects a surplus of R33m, R37m and R52m respectively.

6. The following graph illustrates the major expenditure items per type.

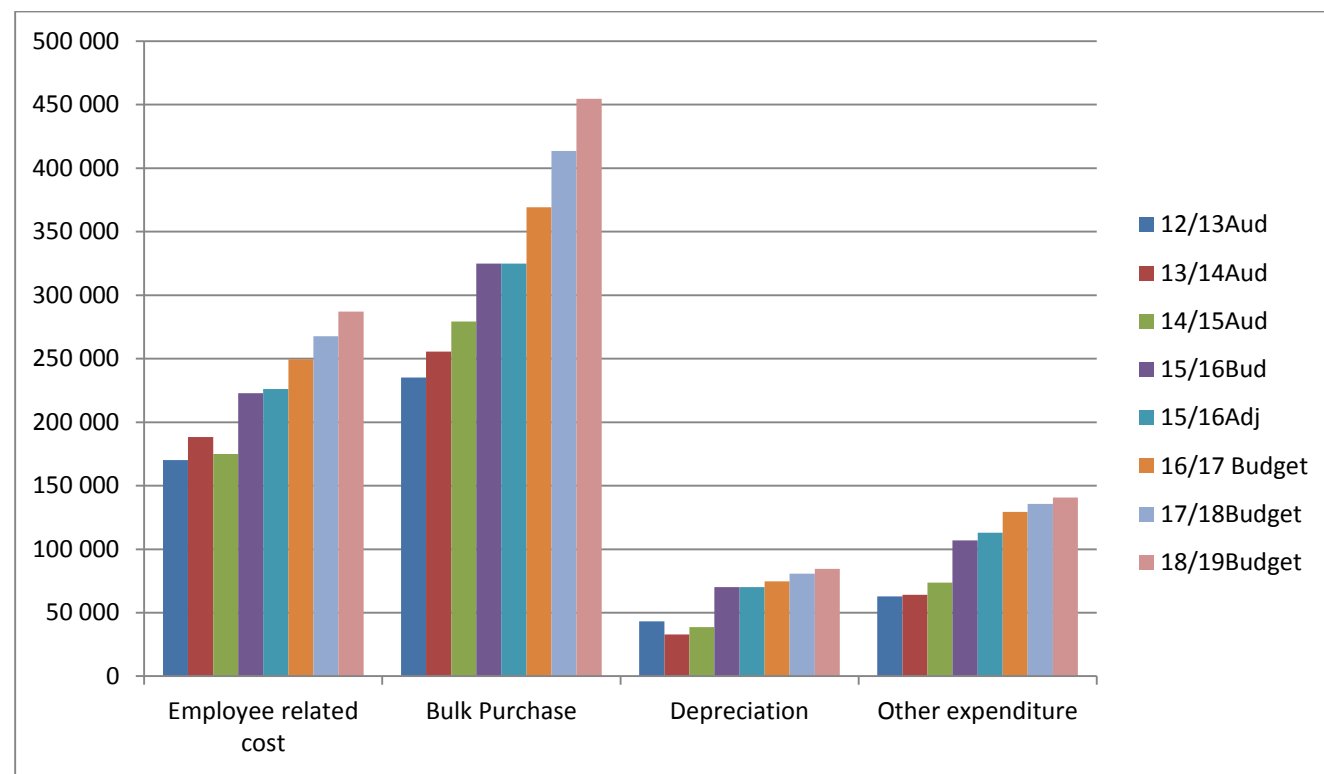


Figure 3 Expenditure by major type

7. Bulk purchases have significantly increased over the 2013/14 to 2018/19 period escalating from R235.1million to R454.5 million.

These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Rand Water.

8. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**FS204 Metsimaholo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote Multi-year expenditure to be appropriated Vote 1 - Council/Mayor, Speaker and Councillors Vote 2 - Municipal Manager Vote 3 - Organisational Development & Corporate Services Vote 4 - Social Services Vote 5 - Infrastructure Services Vote 6 - Financial Services Vote 7 - Local Economic Development	2	–	–	–	–	–	–	–	–	–	–
		–	–	737	5 035	5 035	5 035	–	5 994	2 646	2 455
		–	42	28	1 150	1 000	1 000	–	3 186	–	167
		–	3 644	3 657	40 358	31 737	31 737	–	13 703	25 025	31 313
		–	66 697	47 604	139 069	113 285	113 285	–	94 295	101 806	74 561
		–	375	–	–	–	–	–	3 505	1 000	2 500
		–	–	135 779	–	–	–	–	2 250	1 750	–
Capital multi-year expenditure sub-total	7	–	70 758	187 804	185 612	151 057	151 057	–	122 932	132 227	110 995
Single-year expenditure to be appropriated Vote 1 - Council/Mayor, Speaker and Councillors Vote 2 - Municipal Manager Vote 3 - Organisational Development & Corporate Services Vote 4 - Social Services Vote 5 - Infrastructure Services Vote 6 - Financial Services Vote 7 - Local Economic Development	2	23	152	463	–	–	–	–	–	–	–
		484	–	–	–	–	–	–	–	–	–
		1 002	–	–	–	–	–	–	–	–	–
		115	–	–	–	–	–	–	–	–	–
		76 291	–	–	–	–	–	–	–	–	–
		200	–	–	240	661	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		78 113	152	463	240	661	–	–	–	–	–
Total Capital Expenditure - Vote		78 113	70 910	188 267	185 852	151 718	151 057	–	122 932	132 227	110 995
Capital Expenditure - Standard Governance and administration Executive and council Budget and treasury office Corporate services		11 451	569	137 006	13 263	12 800	12 800	–	16 045	5 436	5 312
		1 024	152	470	1 802	1 802	1 802	–	4 100	80	197
		200	375	–	240	661	661	–	3 505	1 000	2 500
		10 227	42	136 536	11 221	10 337	10 337	–	8 440	4 356	2 615
Community and public safety Community and social services Sport and recreation Public safety Housing		215	3 644	46	35 108	27 765	27 765	–	12 156	15 494	25 843
		12	2 338	–	4 524	4 520	4 520	–	1 691	6 147	835
		100	1 306	46	12 874	12 720	12 720	–	8 522	2 224	20 518
		102	–	–	17 710	10 525	10 525	–	1 943	7 123	4 490
		–	–	–	–	–	–	–	–	–	–
Economic and environmental services Planning and development Road transport		10 042	1 408	2 461	37 560	28 436	28 436	–	53 903	28 220	21 631
		–	–	–	–	–	–	–	–	–	–
		10 042	1 408	2 461	37 560	28 436	28 436	–	53 903	28 220	21 631
Trading services Electricity Water Waste water management Waste management		56 405	65 288	48 753	99 921	82 717	82 717	–	38 579	81 325	58 209
		7 550	23 873	7 126	52 860	36 840	36 840	–	31 203	41 509	27 640
		20 712	6 873	5 254	5 825	5 872	5 872	–	2 883	10 760	–
		28 143	34 542	32 763	35 236	35 283	35 283	–	2 386	19 666	25 099
		–	–	3 610	6 000	4 722	4 722	–	2 107	9 390	5 470
Other		–	–	–	–	–	–	–	2 250	1 750	–
Total Capital Expenditure - Standard	3	78 113	70 910	188 267	185 852	151 718	151 718	–	122 932	132 227	110 995

Funded by:											
National Government		64 639	67 809	184 086	96 355	77 707	77 707		67 092	58 473	58 818
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	64 639	67 809	184 086	96 355	77 707	77 707	–	67 092	58 473	58 818
Public contributions & donations	5	–	–								
Borrowing	6	9 000	–		31 880	18 000	18 000		–	–	–
Internally generated funds		4 475	3 101	4 181	57 617	56 011	56 011		55 841	73 754	52 177
Total Capital Funding	7	78 113	70 910	188 267	185 852	151 718	151 718	–	122 932	132 227	110 995

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at zero for the 2016/17 financial year and flattens out over the MTREF at levels of zero respectively for the two outer years.
4. Multi-year capital expenditure has been appropriated at R122.9 million for the 2016/17 financial year and flattens out over the MTREF at levels of R132 million and R110.9million respectively for the two outer years.
5. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
6. The capital programs are funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2016/17, capital transfers (grants) totals R58.6million (44 per cent) and escalates to R58.8 million by 2018/19 (48.5 per cent). Internally generated funding totalling R55.8 million, R73.8 million and R52.2 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 -Budgeted Financial Position

FS204 Metsimaholo - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Current assets											
Cash		9 184	9 303	14 863	159	891	732		4 114	5 709	8 525
Call investment deposits	1	7 000	16 826	11 332	–	–	–	–	15 000	–	30 000
Consumer debtors	1	93 536	110 667	161 764	148 326	235 916	235 916	–	242 400	254 823	264 564
Other debtors		19 202	12 792	26 657	15 000	32 544	32 544		40 000	44 000	49 000
Current portion of long-term receivables		5 612	15 218	5 886	16 200	–	–				
Inventory	2	20 959	16 067	8 701	20 000	9 115	9 115		8 000	7 200	8 000
Total current assets		155 493	180 873	229 204	199 685	278 466	278 307	–	309 514	311 732	360 089
Non-current assets											
Long-term receivables		1 676									
Investments		–									
Investment property		77 881	87 339	86 415	87 313	86 415	86 415		86 415	86 415	86 415
Investment in Associate Property, plant and equipment	3	865 241	925 533	1 080 372	1 069 345	1 162 006	1 162 006	–	1 210 276	1 261 676	1 288 109
Agricultural		–									
Biological		–									
Intangible		189	480	445	395	445	445		445	445	445
Other non-current assets			–								
Total non-current assets		944 986	1 013 352	1 167 232	1 157 053	1 248 866	1 248 866	–	1 297 136	1 348 536	1 374 969
TOTAL ASSETS		1 100 479	1 194 225	1 396 436	1 356 738	1 527 332	1 527 173	–	1 606 650	1 660 268	1 735 058
LIABILITIES											
Current liabilities											
Bank overdraft	–										
Borrowing	1										
Consumer deposits	4	20 420	1 941	1 163	4 199	1 267	1 267	–	4 763	5 240	5 728
Trade and other payables	4	12 170	13 800	16 246	17 000	17 000	17 000		18 100	19 000	19 300
Provisions		138 021	171 803	197 262	137 000	142 000	144 000	–	154 000	158 000	162 900
Total current liabilities		170 611	187 544	214 671	158 199	160 267	162 267	–	176 863	182 240	187 928
Non-current liabilities											
Borrowing		8 017	6 947	5 784	18 498	21 333	21 333	–	13 075	7 358	1 141
Provisions		77 113	80 267	89 519	90 926	94 914	94 914	–	105 466	116 433	127 927
Total non-current liabilities		85 130	87 214	95 302	109 424	116 247	116 247	–	118 541	123 791	129 069
TOTAL LIABILITIES		255 741	274 758	309 973	267 623	276 514	278 514	–	295 403	306 031	316 997
NET ASSETS	5	844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659	–	1 311 247	1 354 237	1 418 062
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659		1 311 247	1 354 237	1 418 062
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659	–	1 311 247	1 354 237	1 418 062

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understanding ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 52 is supported by an extensive table of notes (SA3 which can be found on page 192) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24MBRTable A7 - Budgeted Cash Flow Statement

FS204 Metsimaholo - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		95 390	85 289	87 779	91 279	88 752	88 752		96 361	105 197	114 406
Service charges		312 969	334 247	377 851	547 103	532 791	532 791		611 090	668 966	732 877
Other revenue		20 676	33 573	13 581	16 055	25 310	25 310		15 349	16 184	17 013
Government - operating	1	97 822	105 275	112 034	125 831	125 831	125 831		131 694	152 642	162 217
Government - capital	1	67 136	83 124	57 046	78 855	76 855	76 855		59 592	58 473	58 818
Interest		2 416	10 210	12 968	17 446	17 097	17 097		18 699	19 778	22 563
Dividends		–	–	88	–	–	–		–	–	–
Payments											
Suppliers and employees		(527 112)	(513 179)	(599 650)	(723 331)	(729 480)	(729 480)		(819 709)	(896 709)	(960 194)
Finance charges		(1 174)	(2 648)	(4 602)	(2 331)	(1 189)	(1 189)		(2 498)	(2 047)	(1 532)
Transfers and Grants	1	–	(32 193)	(23 528)	(37 745)	(31 662)	(31 662)		–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		68 124	103 698	33 567	113 162	104 305	104 305	–	110 577	122 484	146 167
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(75 524)		475	5 000	5 000	5 000		1 001	200	2 584
Decrease (Increase) in non-current debtors		–	(2 344)		–				–	–	–
Decrease (increase) other non-current receivables		–		(9 059)	–				–	–	–
Decrease (increase) in non-current investments		–			–				–	–	–
Payments											
Capital assets				(52 488)	(171 852)	(150 865)	(150 865)		(115 432)	(132 227)	(110 995)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(75 524)	(2 344)	(61 072)	(166 852)	(145 865)	(145 865)	–	(114 431)	(132 027)	(108 411)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans					–				–	–	–
Borrowing long term/refinancing		–	(12 517)		31 880	18 000	18 000		–	–	–
Increase (decrease) in consumer deposits		–	–	2 446	2 000	200	200		1 100	900	300
Payments											
Repayment of borrowing		11 324	(983)	(1 070)	(4 200)	(2 103)	(2 103)		(4 327)	(4 762)	(5 240)
NET CASH FROM/(USED) FINANCING ACTIVITIES		11 324	(13 500)	1 376	29 680	16 097	16 097	–	(3 227)	(3 862)	(4 940)
NET INCREASE/ (DECREASE) IN CASH HELD		3 924	87 854	(26 129)	(24 010)	(25 463)	(25 463)	–	(7 081)	(13 405)	32 816
Cash/cash equivalents at the year begin:	2	7 676	9 184	26 129	24 169	26 195	26 195		26 195	19 114	5 709
Cash/cash equivalents at the year-end:	2	11 600	97 039	–	159	732	732	–	19 114	5 709	38 525

Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**FS204 Metsimaholo - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available											
Cash/cash equivalents at the year end	1	11 600	97 039	–	159	732	732	–	19 114	5 709	38 525
Other current investments > 90 days		4 584	(70 910)	26 195	–	159	–	–	0	0	0
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		16 184	26 129	26 195	159	891	732	–	19 114	5 709	38 525
Application of cash and investments											
Unspent conditional transfers		5 109	3 504	1 576	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	29 946	63 950	53 412	(10 606)	(94 315)	(94 315)	–	(94 252)	(108 437)	(120 365)
Other provisions		77 113	80 267	89 519	90 926	94 914	94 914	–	105 466	116 433	127 927
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		112 168	147 721	144 507	80 320	599	599	–	11 214	7 996	7 562
Surplus(shortfall)		(95 984)	(121 592)	(118 312)	(80 161)	292	133	–	7 900	(2 287)	30 963

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. As part of the 2015/16 mid-year review and Adjustments Budget the cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
4. In addition the Municipality will undertake an extensive debt collection drive.
5. The 2016/17 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents totals a project favourable R19 million as at the end of the 2015/16 financial year and increase to a favourable cash and cash equivalents of R38.5 million by 2018/19.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2012/13 to 2014/2015 the surplus (cash and cash equivalent) increase from R16.2 million to R26.1 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2016/17 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The budget is not funded for the 2017/18 financial year mainly to high capital expenditure from own funding.
8. As can be seen the budget has been modelled to progressively increase from a surplus of R19.1million in 2016/17 to a surplus of R38.5 million by 2018/19.
9. Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2010/11 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. For the 2011/12 financial year the unspent grant from Department of Energy of R7.1 million was deducted from the transfer of Equitable Share grant transfer in 2011/2012 and R3.5million was deducted in 2012/2013.

Table 26MBRRTable A9 - Asset Management

FS204 Metsimaholo - Table A9 Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	78 113	70 910	188 267	183 832	151 719	151 719	101 862	106 665	73 953
Infrastructure - Road transport		10 042	1 408	2 461	37 560	28 137	28 137	40 418	17 870	3 831
Infrastructure - Electricity		7 289	23 873	7 037	53 419	35 880	35 880	25 600	27 559	13 280
Infrastructure - Water		20 712	6 873	5 254	5 825	5 565	5 565	1 765	9 500	-
Infrastructure - Sanitation		27 544	34 542	32 763	35 236	34 849	34 849	1 500	19 086	24 899
Infrastructure - Other		-	-	89	2 000	2 000	2 000	3 200	6 180	430
Infrastructure		65 588	66 696	47 604	134 039	106 431	106 431	72 483	80 196	42 441
Community		100	3 343	-	18 148	9 457	9 457	7 674	280	16 585
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	12 425	870	140 663	31 645	35 831	35 831	21 705	26 189	14 928
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	2 020	-	-	21 071	25 563	37 042
Infrastructure - Road transport		-	-	-	-	-	-	12 000	10 000	18 000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	12 000	10 000	18 000
Community	-	-	-	-	-	-	-	630	942	2 822
Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	2 020	-	-	8 441	14 621	16 220
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4									
Infrastructure - Road transport		10 042	1 408	2 461	37 560	28 137	28 137	52 418	27 870	21 831
Infrastructure - Electricity		7 289	23 873	7 037	53 419	35 880	35 880	25 600	27 559	13 280
Infrastructure - Water		20 712	6 873	5 254	5 825	5 565	5 565	1 765	9 500	-
Infrastructure - Sanitation		27 544	34 542	32 763	35 236	34 849	34 849	1 500	19 086	24 899
Infrastructure - Other		-	-	89	2 000	2 000	2 000	3 200	6 180	430
Infrastructure		65 588	66 696	47 604	134 039	106 431	106 431	84 483	90 196	60 441
Community		100	3 343	-	18 148	9 457	9 457	8 304	1 222	19 407
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		12 425	870	140 663	33 665	35 831	35 831	30 146	40 809	31 148
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	78 113	70 910	188 267	185 852	151 719	151 719	122 932	132 227	110 995

ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Infrastructure - Road transport</i>		248 241	235 678	218 585	241 802	234 302	234 302	259 714	259 167	251 501
<i>Infrastructure - Electricity</i>		121 218	131 120	140 145	169 905	155 905	155 905	171 958	187 952	188 927
<i>Infrastructure - Water</i>		172 343	179 216	170 585	181 142	181 142	181 142	174 304	175 072	166 340
<i>Infrastructure - Sanitation</i>		133 095	161 098	194 476	221 099	221 099	221 099	216 117	228 065	244 989
<i>Infrastructure - Other</i>		3 673	3 673	3 619	5 081	5 081	5 081	7 390	12 210	11 006
Infrastructure		678 570	710 785	727 409	819 029	797 529	797 529	829 483	862 467	862 763
Community		–	2 233	–	15 171	5 171	5 171	7 977	2 755	14 872
Heritage assets		561	561	561	561	561	561	561	561	561
Investment properties		77 881	87 339	86 415	87 313	86 415	86 415	86 415	86 415	86 415
Other assets		186 110	211 954	352 402	234 584	358 745	358 745	372 256	395 893	409 913
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		189	480	445	395	445	445	445	445	445
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	943 311	1 013 352	1 167 232	1 157 053	1 248 866	1 248 866	1 297 136	1 348 536	1 374 969
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		43 309	32 238	38 692	70 084	70 084	70 084	74 662	80 828	84 562
<u>Repairs and Maintenance by Asset Class</u>	3	66 638	59 567	59 123	85 672	87 526	87 526	98 214	104 320	114 543
<i>Infrastructure - Road transport</i>		19 665	14 602	11 736	27 748	28 297	28 297	29 970	31 823	33 741
<i>Infrastructure - Electricity</i>		14 553	13 318	14 054	16 698	17 253	17 253	17 620	18 824	20 094
<i>Infrastructure - Water</i>		11 383	10 669	8 533	14 217	14 271	14 271	16 070	17 183	18 325
<i>Infrastructure - Sanitation</i>		8 871	10 227	16 455	11 369	11 634	11 634	13 250	14 168	15 263
<i>Infrastructure - Other</i>		4 873	4 948	2 991	5 695	5 546	5 546	6 062	6 499	6 947
Infrastructure		59 345	53 764	53 769	75 727	77 001	77 001	82 973	88 497	94 370
Community		1 105	194	83	669	384	384	782	781	813
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	6 187	5 609	5 271	9 276	10 141	10 141	14 459	15 041	19 360
TOTAL EXPENDITURE OTHER ITEMS		109 947	91 805	97 815	155 756	157 609	157 609	172 876	185 147	199 105
<i>Renewal of Existing Assets as % of total capex</i>		0,0%	0,0%	0,0%	1,1%	0,0%	0,0%	17,1%	19,3%	33,4%
<i>Renewal of Existing Assets as % of deprecn"</i>		0,0%	0,0%	0,0%	2,9%	0,0%	0,0%	28,2%	31,6%	43,8%
<i>R&M as a % of PPE</i>		7,7%	6,4%	5,5%	8,0%	7,5%	7,5%	8,1%	8,3%	8,9%
<i>Renewal and R&M as a % of PPE</i>		7,0%	6,0%	5,0%	8,0%	7,0%	7,0%	9,0%	10,0%	11,0%

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The requirements on repair and maintenance are met when the employee related cost is added to materials, 2016/17 8.1 per cent, 2017/18 8.3 per cent and 2018/19 8.9 per cent.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

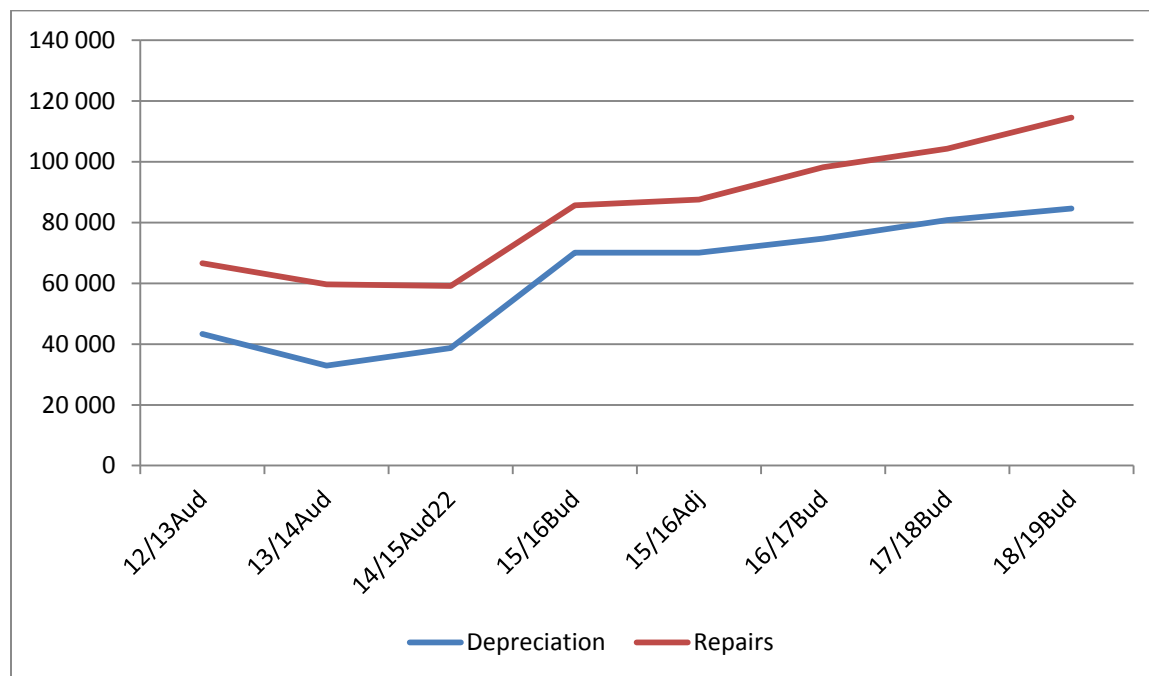


Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

FS204 Metsimaholo - Table A10

Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets										
<u>Water:</u>										
Piped water inside dwelling		25 000	25 000	27 000	27 000	27 000	27 000	37 096	41 046	50 546
Piped water inside yard (but not in dwelling)		2 000	2 000	27 000	–	–	–	–	–	–
Using public tap (at least min.service level)		–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		27 000	27 000	54 000	27 000	27 000	27 000	37 096	41 046	50 546
Using public tap (< min.service level)		2 000	3 424	887	7 670	8 000	8 000	–	–	–
Other water supply (< min.service level)		–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		2 000	3 424	887	7 670	8 000	8 000	–	–	–
Total number of households		29 000	30 424	54 887	34 670	35 000	35 000	37 096	41 046	50 546
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		19 000	19 000	19 000	19 368	19 368	19 368	33 368	37 318	46 818
Flush toilet (with septic tank)		1 000	1 000	1 000	1 000	1 000	1 000	3 617	3 617	3 617
Chemical toilet		6 000	6 000	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		26 000	26 000	20 000	20 368	20 368	20 368	36 985	40 935	50 435
Bucket toilet		2 000	2 383	2 025	1 657	1 657	1 657	–	–	–
Other toilet provisions (< min.service level)		–	9 769	6 512	12 645	12 645	12 645	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		2 000	12 152	8 537	14 302	14 302	14 302	–	–	–
Total number of households		28 000	38 152	28 537	34 670	34 670	34 670	36 985	40 935	50 435
<u>Energy:</u>										
Electricity (at least min.service level)		6 000	7 000	7 000	1 500	1 500	1 500	–	–	–
Electricity - prepaid (min.service level)		28 000	34 500	34 850	35 000	35 000	35 000	38 133	38 133	40 670
<i>Minimum Service Level and Above sub-total</i>		34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133	40 670
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households		34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133	40 670
<u>Refuse:</u>										
Removed at least once a week		45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
<i>Minimum Service Level and Above sub-total</i>		45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
Removed less frequently than once a week		10 000	10 000	10 000	10 000	–	–	–	–	–

Using communal refuse dump		10 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		10 000	10 000	10 000	10 000	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		30 000	69 000	72 000	72 000	52 000	52 000	53 000	54 000	55 000
Total number of households		75 000	118 000	124 000	124 000	104 000	104 000	106 000	108 000	110 000
<u>Households receiving Free Basic Service</u>										
Water (6 kilolitres per household per month)		11 734	11 576	7 246	10 000	10 000	10 000	14 000	14 000	14 000
Sanitation (free minimum level service)		8 125	7 939	7 246	10 000	10 000	10 000	14 000	14 000	14 000
Electricity/other energy (50kwh per household per month)		11 734	11 576	7 246	10 000	10 000	–	14 000	14 000	14 000
Refuse (removed at least once a week)		11 734	11 576	7 246	10 000	10 000	10 000	14 000	14 000	14 000
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>										
Water (6 kilolitres per indigent household per month)		15 123	15 560	8 510	12 936	12 936	12 936	11 585	12 304	13 029
Sanitation (free sanitation service to indigent households)		6 141	6 464	4 945	6 332	5 758	5 758	10 689	11 352	12 022
Electricity/other energy (50kwh per indigent household per month)		4 647	4 859	3 926	5 150	3 030	3 030	5 801	6 381	7 019
Refuse (removed once a week for indigent households)		11 445	12 217	8 286	12 329	8 940	8 940	18 641	19 797	20 965
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		37 355	39 099	25 668	36 747	30 664	30 664	46 717	49 833	53 035
<u>Highest level of free service provided per household</u>										
Property rates (R value threshold)		35 000	35 000	35 000	35 000	35 000	35 000	35 000	35 000	35 000
Water (kilolitres per household per month)		10	10	10	10	10	10	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		68	73	79	85	85	85	92	97	103
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		82	88	95	103	103	103	111	118	125
<u>Revenue cost of subsidised services provided (R'000)</u>										
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		8 448	8 991	9 638	11 071	11 657	11 657	12 513	13 289	14 073
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		8 448	18 998	15 329	18 871	19 457	19 457	20 913	21 689	22 473
Water (in excess of 6 kilolitres per indigent household per month)		11 967	13 176	15 886	8 860	9 979	9 979	8 817	9 364	9 916
Sanitation (in excess of free sanitation service to indigent households)		1 177	1 622	1 914	1 721	1 721	1 721	1 630	1 731	1 833
Electricity/other energy (in excess of 50 kwh per indigent household per month)		8 468	10 373	4 452	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other		9 644	10 007	5 691	7 800	7 800	7 800	8 400	8 400	8 400
Total revenue cost of subsidised services provided		48 152	63 167	52 910	48 324	50 614	50 614	52 273	54 473	56 695

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
 - a. Water services – in process to construct a water reservoir.
 - b. Sanitation services – backlog will be partially reduced in 2016/17
 - c. Electricity services – the municipality is in process to build a new substation and the backlog will be reduced after the completion of the substation.
3. Refuse services – additional refuse removal trucks will assist in delivering more efficient and extended services
4. The budget provides for a total 14 000 households to be registered as indigent in 2016/17, and therefore entitled to receive Free Basic Services. The number is set to increase given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
5. It is anticipated that Free Basic Services to indigent will cost the municipality R46.7 million in 2016/17 and it increases to R53 million in 2018/19. This is covered by the municipality's equitable share allocation from national government.
6. **The forgone income on Rates for valuation less than R35 000 that all households receives is R12 million.**

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 28 August 2015. Attached as Annexure B on page___ the time table for IDP and Budget process. Key dates applicable to the process were:

- **October and November 2015** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January and February 2016** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations ;
- **February 2016** –Multi-year budget proposals are submitted to the Portfolio Committee for endorsement;
- **January 2016** - Council considers the 2015/16 Mid-year Review and Adjustments Budget;
- **March 2016** - Recommendations are communicated to the respective departments.
- **19 March 2016**- Recommendations are communicated to Informal Council Meeting, and on to the respective departments. The draft 2015/16 MTREF is revised accordingly;
- **31 March 2016** - Tabling in Council of the draft 2016/17 IDP and 2016/17 MTREF for public consultation;
- **April 2016** – Public consultation
- **12 May 2016** - Closing date for written comments;
- **1 to 15 May 2016**– finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework;
- **19 May 2016**- Informal Council meeting, and
- **28 May 2016** - Tabling of the 2016/17 MTREF before Council for consideration and approval.

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Council of the Metsimaholo Local Municipality (MLM) adopted a five-year Integrated Development Plan (IDP) covering the period 2012/13 to 2016/17 in June 2012. The 2015/16 IDP therefore represents the third annual review of the adopted five-year IDP.

The principal legislation in so far as the development of IDP is concerned is the Municipal Systems Act 32 of 2000. Section 25 of the Act mandates each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality. As a strategic plan of the municipality, the IDP should therefore provide a clear road map for the municipality that would take it from the current situation to its desired state in five years. To this effect, the IDP must:

- Link, integrate and coordinate plans and take into account proposals for the development of the municipality.
- Align the resources and capacity of the municipality with the implementation for the plan.
- Form the policy framework and general basis on which annual budgets must be based.
- Be compatible with national and provincial development plans and planning requirements that are binding on the municipality in terms of legislation.

Integrated development planning and the product of this process, the IDP is a constitutional and legal process required of municipalities. Planning in general and the IDP in particular, is a critically important management tool to help transformation, growth and development at local government level. It is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development,

The contents of the first review have been aligned to the Revised IDP Framework for Municipalities outside Metros and Secondary Cities, issued by the Department of Cooperative Governance and Traditional Affairs (CoGTA) in June 2012. It further includes the data from Census 2011 and revised service delivery targets for 2014/15, where appropriate.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2016/17 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2015/16 adjustments budget and performance against the SDBIP

- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 51, 58, 64, 66, 67, 70, 72,74 ,75, 78 and 79 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2016/17 MTREF as tabled before Council on 31 March 2016 for community consultation will be published on the municipality's website, and hard copies were made available at municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

The following table provides a clear illustration of the types of consultations, stakeholders involved, dates on which the various consultations took place and the respective venues.



P O Box 60

SASOLBURG

1947

DRAFT BUDGET and IDP: PUBLIC MEETINGS

Notice is hereby given in terms of Section 16 read with Section 17 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and Section 22 and 23 of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003) that the Metsimaholo Local Municipality invites members of the public and stakeholders to participate in the Public meetings as indicated below for the 2016/2017Draft Budget and IDP.

The documents will be available for perusal and public comment from 1 April 2016 to 29 April 2016

And

Notice is hereby given in terms of Section 21 of the Municipal Systems Act, 32 of 2000 and Section 22(2) of the Municipal Finance Management Act, 56 of 2003 that the amended IDP for 2014– 2015 has been tabled and be available from 1 April 2016 to 29 April 2016.

Copies of the IDP documents and draft Budget are available for inspection on the municipality's web-site (www.metsimaholo.gov.za) and in all public libraries within Metsimaholo Local Municipality from 1 April 2016 to 29 April 2016. All comments and inputs on IDP as well as draft Budget and should be submitted in writing in the relevant comment boxes provided at the libraries or may be sent by e-mail to the following e-mail address sello.mokoena@metsimaholo.gov.za (IDP) or amanda.vorster@metsimaholo.gov.za.

Any person, who cannot write, may come during office hours to a place where a staff member of the municipality named in the invitation, will assist that person to transcribe that person's comments or representations.

Enquiries:

For IDP Comments must be made to Sello Mokoena (IDP Manager), (016) 973 8348

For Budget Comments must be made to Amanda Vorster (Budget Manager), 016 973 8377

Week 1	Ward	Date	Venue	Time
Zamdela	1 & 13	11 April 2016 (Monday)	Sakubutjha Secondary School	17h00
Sasolburg	15,16, & 17	12 April 2016 (Tuesday)	Council Foyer Civic Centre- Sasolburg	18h00
Vaal park	14 & 18	13 April 2016 (Wednesday)	Vaal park Primary School	18h00
Oranjeville	5	14 April 2016 (Thursday)	Oranjeville Primary School	18h00

Week 2	Ward	Date	Venue	Time
Deneysville	5,20	18 April 2016 (Monday)	Deneysville Primary School	18h00
Metsimaholo Township	5	19 April 2016 (Tuesday)	Metsimaholo Hall	17h00
Refengkgotso	3,4 & 20	20 April 2016 (Wednesday)	Refengkgotso Community Hall	17h00
Zamdela	8,9&10,	21 April 2016 (Thursday)	Iketsetseng High School	17h00
Week 3	Ward	Date	Venue	Time
Zamdela	1,2, & 7	3 May 2016 (Tuesday)	Lehutso Primary School	17h00
Zamdela	6,13,19 & 21	4 May 2016 (Wednesday)	Harry Gwala Multi-Purpose Centre	17h00
Zamdela	11 & 12	5 May 2016 (Thursday)	Zamdela Hall	17h00

S M Molala

MUNICIPAL MANAGER

April 2016

(Notice No.:)

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development

platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this IDP compilation process was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- National Development Plan (Vision 2030);
- The New Growth Path (2010);
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans, legislation and policy;
- National Key Performance Indicators (NKPIS);
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development,

economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

The municipality has through its strategic planning and public participation processes ensured that the Municipal Strategic Priorities were unpacked by developing key performance areas (KPAs), programmes, objectives, key performance indicators (KPIs) and targets for each of the KPAs and programmes.

The said objectives, indicators and targets have been aligned to the Provincial Priority Outputs, where possible and will form the basis for the development of the municipality's Service Delivery and Budget Implementation Plan (SDBIP) and Annual Performance Plans of Senior Management for the 2014/15 financial year.

The table below provides a summary of the strategic priorities, KPA and programmes.

Table 28: Municipal Strategic Priorities

Strategic Priority	Key Performance Area	Programmes
SP1: Build our local economy to create more employment, decent work and sustainable livelihoods	KPA2: Local Economic Development	P8-Local Economic Development P9-Job Creation P10-Sustainable livelihoods
SP2: Broaden access to and improve the quality of municipal services	KPA1: Service delivery and infrastructure development	P1-Water P2-Sanitation P3-Electricity P4-Roads and storm water P11-Waste management P12-Community facilities
SP3: Build united, non-racial, integrated and safer communities	KPA3: Community development and social cohesion KPA1: Service delivery and infrastructure	P13-Clean communities P14-Safe communities P15-Healthy communities P16-Arts and culture P17-Disaster management P5-Human settlements

Strategic Priority	Key Performance Area	Programmes
	development	P6-Spatial development P7-Public transport
SP4: Promote active community participation	KPA4: Public participation and Good governance	P18-Participatory governance
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government	KPA4: Public participation and Good governance KPA5: Financial management and viability KPA6: Institutional development and Transformation	P19-Corporate governance P20-Intergovernmental Relations P21-Customer care P22-Revenue and cash flow management P23-SCM and Expenditure management P24-Budgeting and reporting P25-Clean Audit P26-Asset management P27-Facilities management P28-Human capital P29-Institutional excellence

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five the strategic priorities mentioned above.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2016/17 MTREF has therefore been directly informed by the IDP compilation process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 29MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

FS204 Metsimaholo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Good governance and community participation	Corporate and democratic governance			–	–	–	–	–	–	–	–	–
Good governance and community participation	Institutional and capacity development			2 372	7 408	2 672	1 958	1 978	1 978	3 731	2 884	3 010
Financial viability and financial management	Financial liquidity and viability			34 118	132 889	195 368	121 968	139 461	139 461	124 084	137 528	154 186
Transformation and institutional development	Institutional and capacity development			513	362	970	398	618	618	1 678	1 764	1 855
Community development and social cohesion	Refuse removal			52 073	44 509	47 702	51 933	48 545	48 545	69 329	77 152	76 823
Community development and social cohesion	Safety and security			12 508	16 282	23 372	6 519	5 519	5 519	3 602	3 796	4 001
Community development and social cohesion	Sports, recreation and community facilities			3 429	4 120	1 190	11 230	10 569	10 569	10 899	3 476	19 866
Community development and social cohesion	Cemeteries			270	295	305	212	432	432	498	6 051	985
Community development and social cohesion	Education			148	661	1 839	2 181	2 182	2 182	2 202	2 212	2 223
Basic service delivery and infrastructure investment	Electricity provision			239 270	255 413	238 378	308 850	307 590	307 590	356 498	396 440	419 724
Basic service delivery and infrastructure investment	Road and storm water			1 320	36	–	302	302	302	40 318	17 070	3 331
Basic service delivery and infrastructure investment	Sanitation provision			73 114	36 230	29 162	66 733	66 303	66 303	43 746	57 726	74 023
Basic service delivery and infrastructure investment	Water provision			212 289	230 278	287 524	354 055	352 055	352 055	374 547	397 679	420 239
Basic service delivery and infrastructure investment	Housing			12 415	3 825	138 242	8 700	8 700	8 700	5 001	6 201	6 901
Basic service delivery and infrastructure investment	Land availability			530	404	534	680	735	735	745	785	825

Local economic development and poverty alleviation	Local economic development			3 000	502	–	100	100	100	1 200	1 365	1 433
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)				647 369	733 214	967 258	935 819	945 089	945 089	1 038 075	1 112 131	1 189 424

Table 30MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

FS204 Metsimaholo - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Good governance and community participation	Corporate and democratic governance			27 907	30 353	33 535	39 800	40 425	40 425	38 464	41 122	43 780
Good governance and community participation	Institutional and capacity development			5 675	26 448	78 643	49 043	39 717	39 717	54 758	58 076	61 618
Financial viability and financial management	Financial liquidity and viability			11 531	28 298	93 925	39 554	13 027	13 027	14 717	10 197	7 519
Transformation and institutional development	Institutional and capacity development			13 413	11 637	14 683	16 192	25 022	25 022	30 634	32 017	33 727
Community development and social cohesion	Refuse removal			42 790	45 837	40 841	60 009	62 643	62 643	77 160	80 873	84 855
Community development and social cohesion	Safety and security			21 340	20 894	20 569	24 621	24 928	24 928	27 284	29 616	34 643
Community development and social cohesion	Sports, recreation and community facilities			14 765	28 749	26 457	38 587	23 979	23 979	25 534	25 340	31 434
Community development and social cohesion	Cemeteries			1 659	1 649	372	724	702	702	1 939	2 039	2 163
Community development and social cohesion	Education			4 916	5 255	5 228	6 055	6 019	6 019	7 148	7 680	8 091

Basic service delivery and infrastructure investment	Electricity provision			207 570	225 155	244 597	284 615	288 308	288 308	314 966	353 713	370 981
Basic service delivery and infrastructure investment	Road and storm water			61 377	2 976	32 625	52 488	52 243	52 243	59 580	62 935	65 759
Basic service delivery and infrastructure investment	Sanitation provision			39 906	48 163	41 132	54 493	54 192	54 192	60 109	63 575	67 964
Basic service delivery and infrastructure investment	Water provision			178 441	196 538	162 159	205 525	263 694	263 694	271 114	283 522	299 380
Basic service delivery and infrastructure investment	Housing			9 834	9 569	14 185	13 118	10 868	10 868	11 199	12 581	12 428
Basic service delivery and infrastructure investment	Land availability			3 954	3 331	3 897	5 274	5 568	5 568	5 610	6 007	6 189
Local economic development and poverty alleviation	Local economic development			1 569	1 269	2 089	3 929	3 738	3 738	4 827	5 777	6 486
Allocations to other priorities												
Total Expenditure				646 647	686 121	814 937	894 027	915 072	915 072	1 005 043	1 075 071	1 137 017

Table 31MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

FS204 Metsimaholo - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Capital expenditure												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Good governance and community participation	Corporate and democratic governance	A		106	152	–	–	–	–	–	–	–
Good governance and community participation	Institutional and capacity development	B		1 024	3 000	737	5 035	5 035	5 035	5 994	2 646	2 455
Financial viability and financial management	Financial liquidity and viability	C		215	375	–	240	661	661	3 505	1 000	2 500
Transformation and institutional development	Institutional and capacity development	D		8 313	42	28	1 150	1 000	1 000	3 186	–	167

Community development and social cohesion	Refuse removal	E		1 904	–	3 610	6 000	4 722	4 722	2 107	9 390	5 470
Community development and social cohesion	Safety and security	F		102	–	–	16 960	9 775	9 775	1 193	6 883	4 490
Community development and social cohesion	Sports, recreation and community facilities	G		112	3 644	46	19 965	17 874	17 874	13 109	4 693	20 708
Community development and social cohesion	Cemeteries	H		–	–	–	4 402	4 402	4 402	1 332	5 861	825
Community development and social cohesion	Education	I		–	–	–	61	57	57	43	228	10
Basic service delivery and infrastructure investment	Electricity provision	J		7 289	23 874	7 126	53 419	38 601	38 601	31 233	41 509	27 640
Basic service delivery and infrastructure investment	Road and storm water	K		10 042	1 408	7 126	37 560	28 436	28 436	53 903	28 220	21 631
Basic service delivery and infrastructure investment	Sanitation provision	L		27 544	31 542	28 561	35 236	35 283	35 283	2 386	19 666	25 099
Basic service delivery and infrastructure investment	Water provision	M		20 712	6 873	5 254	5 824	5 871	5 871	2 693	10 380	–
Basic service delivery and infrastructure investment	Housing	N		–	–	–	–	–	–	–	–	–
Basic service delivery and infrastructure investment	Land availability	O		750	–	135 779	–	–	–	–	–	–
Local economic development and poverty alleviation	Local economic development	P		–	–	–	–	–	–	2 250	1 750	–
Allocations to other priorities												
Total Capital Expenditure				78 113	70 910	188 267	185 852	151 718	151 718	122 933	132 228	110 996

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance (*at this stage only for the municipal manager and managers reporting directly to the municipal manager*).

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

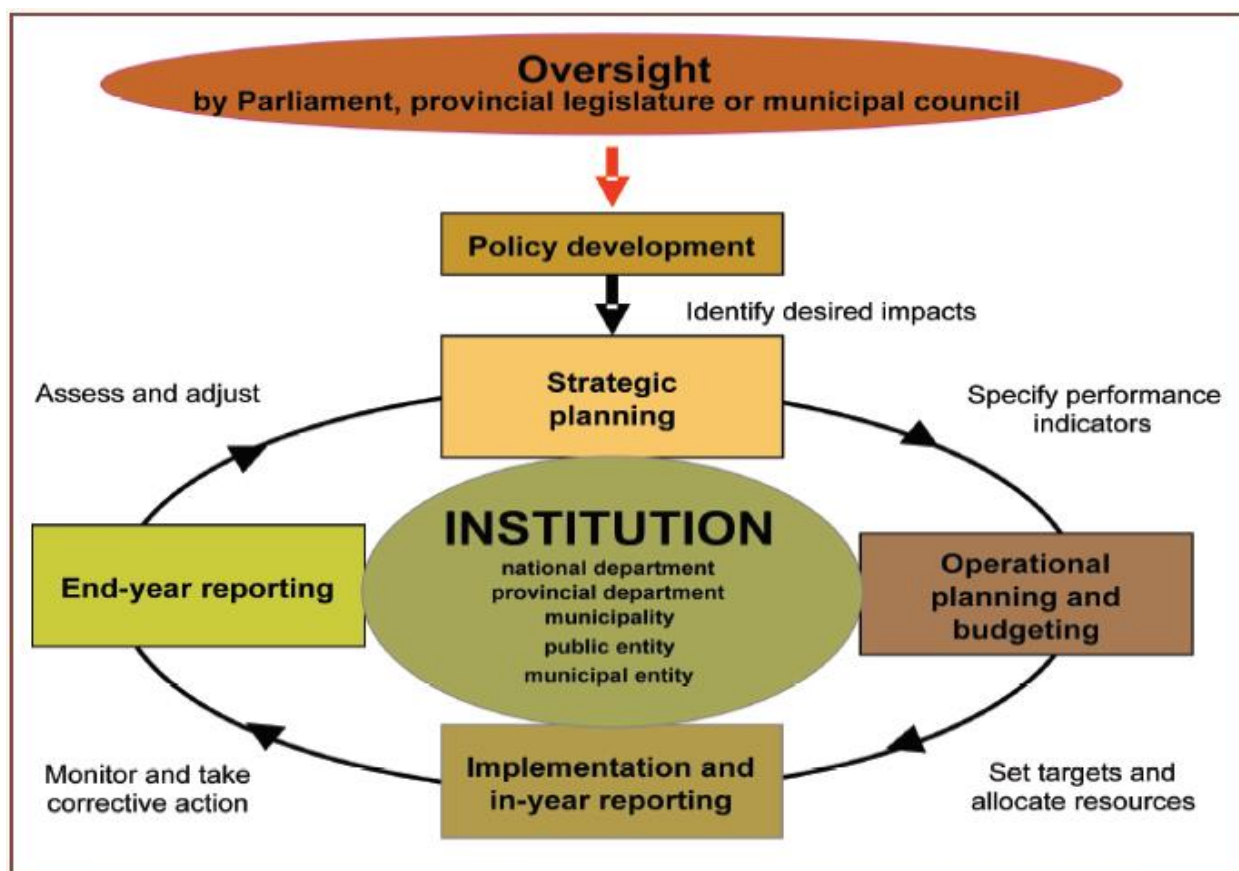


Figure 5 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting

stakeholder expectations. The municipality therefore has adopted one integrated performance management system (framework) which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

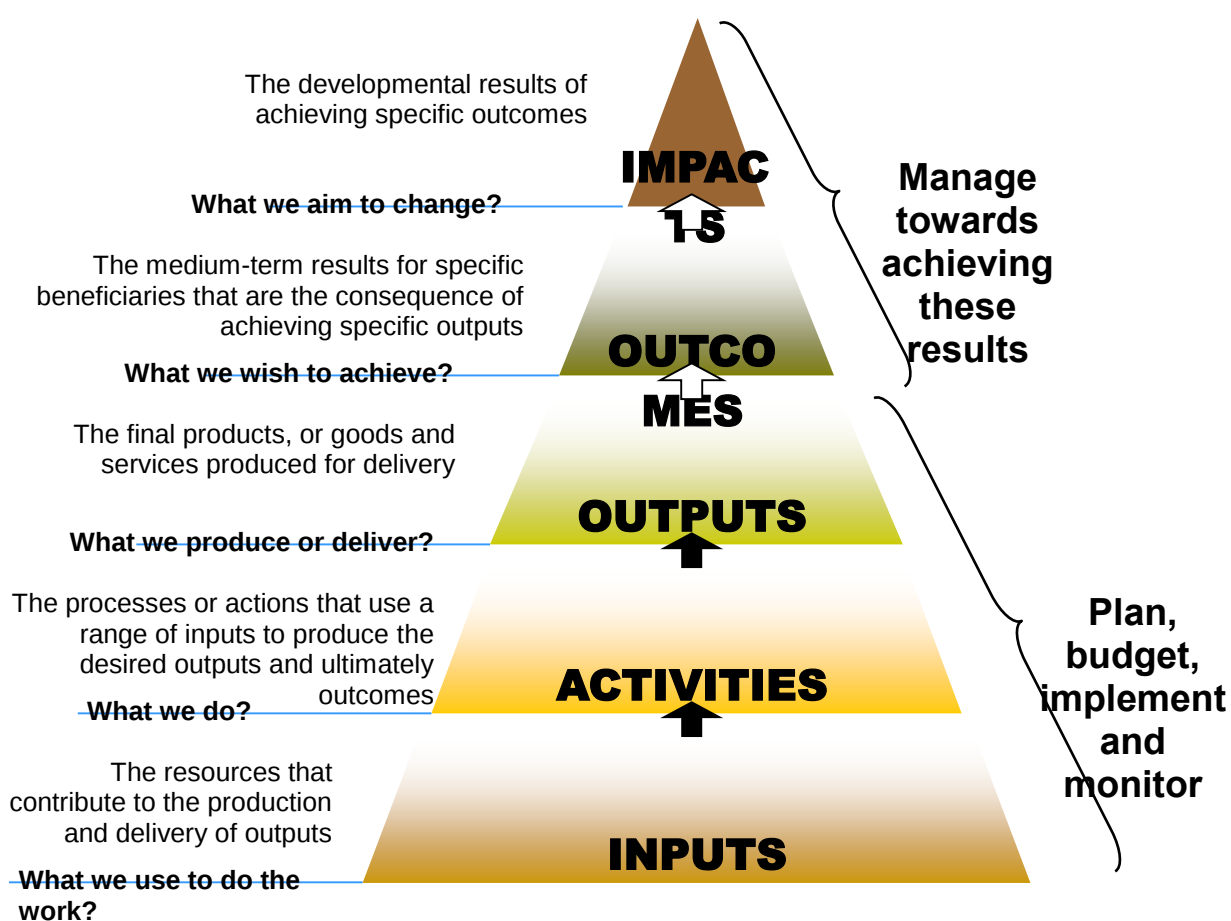


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve over the next five financial years

Table 32MBRR Table SA7 - Measurable performance objectives

(Table be updated after MTREF be approved)

FS204 Metsimaholo - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Basic Service delivery and infrastructure										
Technical Services										
Water provision										
<i>Access to potable water</i>	Bulk water supply baseline	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Reservoir	Bulk water supply baseline	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Water										
<i>Water household connections in yard</i>	Formal	94,0%	94,0%	94,0%	94,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Water household communal standpipe	Informal	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Water										
<i>Blue drop accreditation systems</i>	Compliance	89,0%	10,0%	89,0%	10,0%	30,0%	30,0%	30,0%	30,0%	30,0%
Water leaks	Number	96,0%	25,0%	96,0%	25,0%	35,0%	35,0%	35,0%	35,0%	35,0%
Technical Services										
Sanitation										
<i>Sewer network address backlog</i>	17 January 1912	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Water borne system(decent)	Number of new	86,0%	93,0%	86,0%	93,0%	95,0%	95,0%	95,0%	95,0%	95,0%
Sanitation										
<i>Maintenance</i>	Maintenance plan	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Blockages	% blockages attend in 24	91,0%	93,0%	91,0%	93,0%	95,0%	95,0%	95,0%	95,0%	95,0%
Roads										
<i>Roads and stormwater</i>	% roads maintenance plan	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Basic service delivery and infrastructure										
Technical Services										
Roads										
<i>Sufficient roads</i>	Number of km roads	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Stormwater										
<i>Sufficient storm water network</i>	Km of storm water erected	100,0%	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Roads and stormwater										
<i>Improving accessibility of roads</i>	Developed master plan	100,0%	0,0%	100,0%	0,0%	20,0%	20,0%	20,0%	20,0%	20,0%
Technical Services										
Electricity										
<i>Access to electricity to all communities</i>	No. of new connections	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%

Electricity										
<i>Access to electricity to all communities</i>	Develop master plan	100,0%	95,0%	100,0%	95,0%	95,0%	95,0%	95,0%	95,0%	95,0%
Electricity										
<i>Reduce distribution losses</i>	kwh units	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%
Basic Service delivery and infrastructure										
LED										
Housing										
<i>Housing allocations</i>	Nr beneficiaries	100,0%	0,0%	100,0%	0,0%	50,0%	50,0%	50,0%	50,0%	50,0%
Subsidy applications processed	2 months	100,0%	0,0%	100,0%	0,0%					
Urban Planning										
<i>Land availability</i>	Land secured per SDF	100,0%	0,0%	100,0%	0,0%	10,0%	10,0%	10,0%	10,0%	10,0%
Effective land utilisation	% rezoning, subdivision	100,0%		100,0%						
LED and poverty alleviation										
<i>Employment opportunities</i>	EPWP initiatives	70,0%		70,0%						
Employment opportunities	Other initiatives	100,0%		100,0%						
Social Services										
Refuse removal										
<i>Refuse removal</i>	Households	92,0%	92,0%	95,0%	98,0%	98,0%	98,0%	100,0%	100,0%	100,0%
Waste management plan	Compliance	50,0%	50,0%							
Refuse removal										
<i>New landfill site</i>	Legislation	30,0%	30,0%	35,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%
Sufficient and well manage landfill sites	Legislation	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%
Sub-function 3 - (name)										
<i>Promote clean and healthy environment</i>	Number awareness	80,0%								
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF.

Table 33MBRR Table SA8 - Performance indicators and benchmarks

FS204 Metsimaholo - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-1,6%	0,5%	0,7%	0,7%	0,4%	0,4%		0,6%	0,6%	0,6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	-2,1%	0,6%	0,9%	0,9%	0,4%	0,4%		0,8%	0,7%	0,7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	-403,7%	0,0%	35,6%	24,3%	24,5%		0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0,9	1,0	1,1	1,3	1,7	1,7	-	1,8	1,7	1,9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,9	1,0	1,1	1,3	1,7	1,7	-	1,8	1,7	1,9
Liquidity Ratio	Monetary Assets/Current Liabilities	0,1	0,1	0,1	0,0	0,0	0,0	-	0,1	0,0	0,2
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		90,9%	84,3%	76,2%	92,8%	88,8%		0,0%	88,4%	89,9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		90,9%	84,7%	77,7%	92,8%	88,8%	88,8%		88,4%	89,9%	91,6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	20,7%	21,3%	25,0%	20,9%	30,9%	30,9%		29,1%	28,4%	27,7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		1145,8%	173,4%	0,0%	86163,5%	19398,9%	19398,9%		784,8%	2706,4%	417,9%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)		25008230	17783229					22 783 542	22 783 542	22 783 542

	Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated			0					0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated		103	5 825					3 132	3 132	3 132
			0	0					0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	29,3%	29,0%	22,5%	26,0%	26,1%	26,1%		25,7%	25,4%	25,4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32,6%	30,5%	24,2%	27,8%	27,8%	27,8%		6,6%	6,5%	6,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11,5%	9,2%	7,6%	10,0%	10,1%	10,1%		10,1%	9,9%	10,1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7,7%	5,3%	5,6%	8,5%	8,2%	8,2%		7,9%	7,8%	7,6%
IDP regulation financial viability indicators	–										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	43,1	38,9	30,7	38,1	38,1	38,1		34,2	32,4	34,8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	26,1%	27,7%	32,2%	25,9%	38,1%	38,1%		35,0%	34,5%	33,7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,3	1,9	–	0,0	0,0	0,0		0,3	0,1	0,5

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Metsimaholo Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The Municipality has raised mainly amortising loans over the past five years, hence effectively 'front-loading' its debt service costs.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in

meeting the repayments of the debt service costs. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 1.7 and 1.8 in the 2016/17 financial year and 1.7 and 1.9 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2015/16 financial year the ratio was 0.0 and increase in to 0.1 in the 2016/17 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework will be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.4 Creditors Management

- The Municipality has managed to ensure that 90 per cent of creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure creditors can be paid.

2.3.1.5 Other Indicators

- The electricity distribution losses have changed to 8 per cent in the 2016/17 financial year the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have been changed from 18 per cent in 2015/16 to 15 per cent in 2016/17.
- Employee costs as a percentage of operating revenue stabilised over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also stabilising.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, electricity and basic sewer, only registered indigents qualify for the free basic services.

For the 2016/17 financial year 14 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, basic water and electricity charges, 50 kWh of electricity, sanitation and free waste removal once a week, as well as a discount and additional up to maximum of R50.00 per month.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 110.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the Municipality's bulk water needs are provided directly by Rand Water in the form of purified water. The remaining 29 per cent is generated from the Municipality's water treatment works in Deneysville and Oranjeville.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The Municipality were awarded 89.4% on the Blue Drop status, with the Municipality's drinking water quality being within the desired standards. The Metsimaholo Water Treatment Plant was awarded the best medium sized drinking water treatment works by the Department of Water Affairs. The municipality is awaiting the score of the latest assessment.

The 2 waste water treatment works will require renewals/upgrading to meet the minimum Green Drop certification standards. The Municipality received a 68.6% score on the 2013 audit and was amended for the vast improvement shown across all the systems. The municipality is awaiting the score of the latest assessment.

The following is briefly the main challenges facing the Municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme and SETA programme, especially for operational personnel;
- The Electricity Division is to install dedicated power supply lines to the plants; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Budget Policy

No changes to the policy

2.4.2 Property Rates Policy

The policy will be reviewed before approval of the budget.

2.4.3 Credit control and debt collection Policy

The policy will be reviewed before approval of the budget

2.4.4 Indigent Policy

The policy will be reviewed before approval of the budget

2.4.5 Virement Policy

The policy will be reviewed before approval of the budget

2.4.6 Asset Policy

The policy will be reviewed before approval of the budget

2.4.7 Cash Management and Investment Policy

The policy will be reviewed before approval of the budget

2.4.8 Supply Chain Management Policy

The policy will be reviewed before approval of the budget

2.4.9 Tariff Policy

The Municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy has been reviewed and tariffs amended accordingly.

2.5 Overview of budget assumptions

2.5.1 External factors

The global economic outlook has weakened and South Africa's economic performance has deteriorated over the past several years. It is expected that recovery from this deterioration will be slow and uneven, and that growth form 3.6 per cent in 2011 will be down to 1.4 per cent in 2014 and 3% projected in 2017.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

The macro environment that influences the budget:

- Fuel increase exceeds 6% on a year-to year basis
- Depreciation of the Rand
- High unemployment rate
- Loss of jobs in manufacturing and construction industry
- Interest rate movement
- Increase in fuel cost leads to increases in all other input costs
- Growth forecast are below actual achieved

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2016/17MTREF:

- (a) National Government macro-economic targets;
- (b) The general inflationary outlook and the impact on Municipality's residents and businesses;
- (c) The impact of municipal cost drivers;
- (d) The increase in prices for bulk electricity and water; and
- (e) The increase in the cost of remuneration. Employee related costs comprise 24.8 per cent of total operating expenditure in the 2016/17 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the

expenditure budget. A new wage agreement must conclude between SALGBC and the municipal workers unions. The re-employment of previous dismissed staff is a factor that was taken into account.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions.

2.5.4 Collection Rate for Revenue Services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (81 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' should limit consumption to the level of free basic services.

2.5.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2015 and shall remain in force until 30 June 2018. Negotiations took place for collective agreement for the period commencing 1 July 2015. The provision for salary increases is 7.6% to be in line with the collective agreement reached.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of between 88 and 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2016/17 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 34 Breakdown of the operating revenue over the medium-term

	Medium Term Revenue and Expenditure Framework					
	2016/2017		2017/2018		2018/2019	
	R'000	%	R'000	%	R'000	%
Property rates	113 366	10,92	120 916	10,87	128 546	10,81
Electricity	292 879	28,21	322 168	28,97	354 384	29,79
Water	331 399	31,92	351 945	31,65	372 410	31,31
Sanitation	21 545	2,08	22 880	2,06	24 230	2,04
Refuse removal	27 807	2,68	29 531	2,66	31 274	2,63
Interest	21 540	2,07	22 345	2,01	22 564	1,90
Transfers and Grants	198 786	19,15	211 115	18,98	221 035	18,58
Other own revenue	30 754	2,96	31 231	2,81	34 981	2,94
Total Operating revenue	1 038 076	100	1 112 131	100	1 189 424	100
Total Operating Expenditure	1 005 043		1 075 071		1 137 017	
Surplus/(Deficit)	33 033		37 060		52 407	

The surplus / (deficit) included in transfers and grants the capital grants of R67.1 million in 2016/2017, R58.4 million in 2017/2018 and R58.8 million in 2018/2019 financial years.

The following graph is a breakdown of the operational revenue per main category for the 2016/17 financial year.

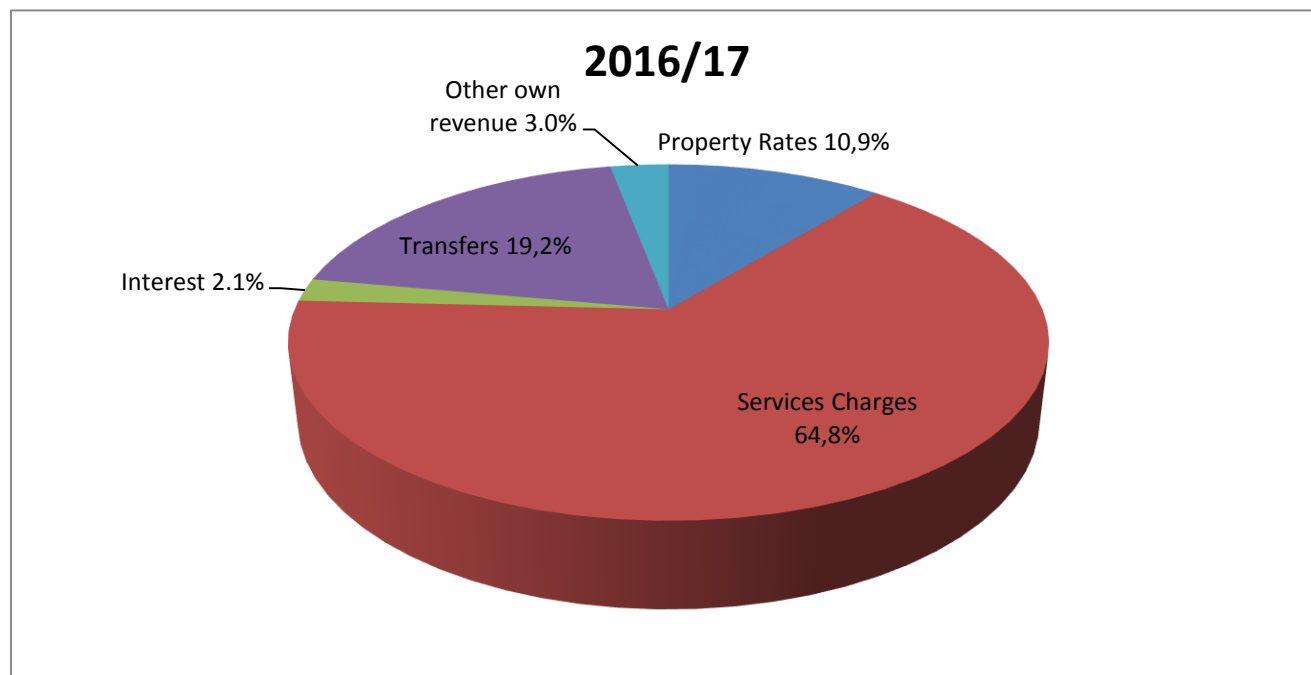


Figure 7 Breakdown of operating revenue over the 2016/17 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.) from the remainder of the operating revenue.

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 85 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA),

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Proposed tariff increases over the medium-term

Revenue category	2015/16 proposed tariff increase	2016/17 proposed tariff increase	2017/18 proposed tariff increase
	%	%	%
Property rates	8	6.2	5.9
Sanitation	8	6.2	5.9
Solid Waste	8	6.2	5.9
Water	6 *plus proposed water levy	6.2	5.9
Electricity	9.4 to NERSA approval and tariff increase by ESKOM	10.0	10.0

The Municipality is still in a process of further data verification and validation relating to the valuation roll. It is anticipated that the process will be concluded by the end of 2016. As the levying of property rates is considered a strategic revenue source the five year valuation of property started in the 4th quarter of the 2011/12 financial year. The new valuation roll was implemented on 1 July 2013.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R674 million for the 2016/17 financial year and increasing to R782 million by 2018/19. For the 2016/17 financial year services charges amount to 64.8 per cent of the total revenue base and increase by less than 1 per cent per annum over the medium-term.

Operational grants and subsidies amount to R131.7 million, R152.6 million and R162.2 million for each of the respective financial years of the MTREF.

Interest revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R21.5 million, R22.3million and R22.6 million for the respective three financial years of the 2016/17 MTREF. Interest is mainly made up from outstanding debtors.

The tables below provide detail investment information and investment particulars by maturity.

Table 35MBRR SA15 – Detail Investment Information

FS204 Metsimaholo - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<u>Parent municipality</u>										
Securities - National Government Listed Corporate Bonds		7 000	16 826	11 332				15 000	–	30 000
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Consolidated total:		7 000	16 826	11 332	–	–	–	15 000	–	30 000

Table 36MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID										
Parent municipality										
Absa call	call	y	variable		None	3 633	100	(12 052)	8 319	–
RMB call	call	y	variable		None	1 427	40	(7 967)	6 500	–
Necbank call	call	y	variable		None	5 773	150	(17 923)	12 000	–
Standard Bank call	call	y	variable		None	2 073	700	(57 773)	55 000	–
Investec	call	y	variable		None	–	120	(20 120)	20 000	–
Investec	32days	y	Fixed	7,00%	30 June 2016	–	150	(15 150)	15 000	–
TOTAL INVESTMENTS AND INTEREST						12 906		(130 985)	116 819	–

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Capital funding per Source	2015/2016 Adjustment Budget	%	2016/17 Budget	%	2017/18 Budget	%	18/19 Budget	%
	R'000		R'000		R'000			
Budget Grants National Government Grants	76 854	50.7	59 591	48.5	58 473	44.2	58 818	53.0
Other donations/ grants	853	0.6	7 500	6.1				
Own Funds	56 011	36.9	55 841	45.4	73 754	55.8	52 177	47.0
External Borrowing	18 000	11.9						
Total Capital Funding by Source	151 718	100	122 932	100	132 227	100	110 995	100

The above table is graphically represented as follows for the 2016/17 financial year.

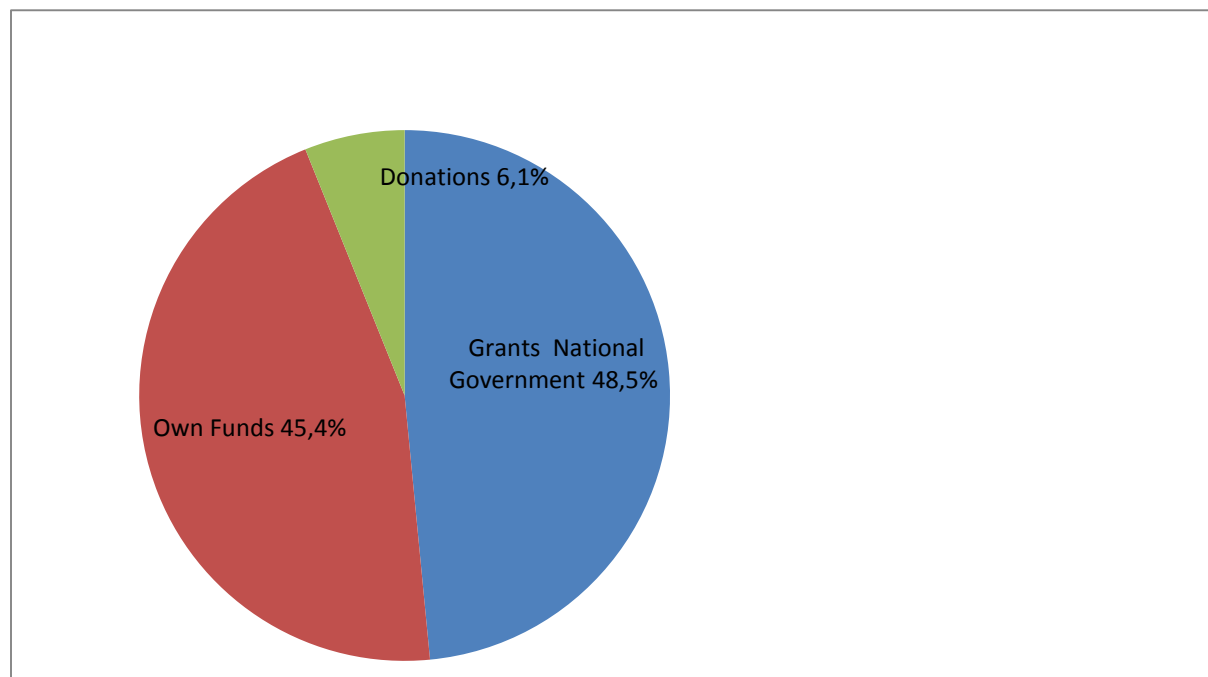


Figure 8 Sources of capital revenue for the 2016/17 financial year

Capital grants and receipts equates to 48.5per cent of the total funding source which represents R59.6 million for the 2016/17 financial year and steadily decrease to R58.8 million or 53 per cent by 2018/2019, Grants received from MIG and DoE .

Internally generated funds consist of R55.8 million in 2016/17, R73.8 million in 2017/18 and R52.2 million in 2018/19.

2.6.3 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

Table 38MBRR SA10 – Funding compliance measurement

FS204 Metsimaholo Supporting Table SA10
Funding measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures	–	–										
Cash/cash equivalents at the year end - R'000	18(1)b	1	11 600	97 039	–	159	732	732		19 114	5 709	38 525
Cash + investments at the yr end less applications - R'000	18(1)b	2	(95 984)	(121 592)	(118 312)	(80 161)	292	133		7 900	(2 287)	30 963
Cash year end/monthly employee/supplier payments	18(1)b	3	0,3	1,9	–	0,0	0,0	0,0		0,3	0,1	0,5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	722	47 094	152 321	41 792	30 017	30 017		33 033	37 060	52 407
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	4,2%	15,0%	8,9%	(4,2%)	(6,0%)		8,3%	1,6%	1,4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	90,0%	84,5%	72,6%	90,4%	88,0%	88,0%		86,5%	88,0%	89,7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	13,9%	17,2%	19,2%	12,2%	13,9%	13,9%		11,1%	9,0%	7,5%
Capital payments % of capital expenditure	18(1)c;19	8	0,0%	0,0%	27,9%	92,5%	99,4%	99,9%		93,9%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	(403,7%)	0,0%	35,6%	24,3%	24,5%		0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	17,2%	40,1%	(7,6%)	49,5%	0,0%		5,2%	5,8%	4,9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(100,0%)	0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	7,7%	6,4%	5,5%	8,0%	7,5%	7,5%		8,1%	8,3%	8,9%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	0,0%	1,1%	0,0%	0,0%		17,1%	19,3%	33,4%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets

revenue protection

14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Assets revenue protection												
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a	–	–	–	–	21,0%	14,9%	1,8%	0,0%	14,3%	7,6%	7,4%
% incr Property Tax	18(1)a				4,2%	15,5%	(10,5%)	3,6%	0,0%	9,9%	6,7%	6,3%
% incr Service charges - electricity revenue	18(1)a				8,6%	9,6%	21,9%	1,3%	0,0%	21,5%	10,0%	10,0%
% incr Service charges - water revenue	18(1)a				13,1%	42,1%	20,2%	(0,4%)	0,0%	11,0%	6,2%	5,8%
% incr Service charges - sanitation revenue	18(1)a				10,0%	12,0%	6,0%	3,7%	0,0%	8,3%	6,2%	5,9%
% incr Service charges - refuse revenue	18(1)a				8,1%	36,8%	(2,1%)	14,6%	0,0%	4,2%	6,2%	5,9%
% incr in Service charges - other	18(1)a				70,4%	(90,7%)	676,5%	31,8%	0,0%	22,5%	3,5%	4,2%
Total billable revenue	18(1)a		449 229	495 143	599 009	688 111	700 279	700 279		800 425	861 340	925 326
Service charges			449 229	495 143	599 009	688 111	700 279	700 279	–	800 425	861 340	925 326
Property rates			92 485	96 376	111 299	99 586	103 140	103 140	–	113 366	120 916	128 546
Service charges - electricity revenue			164 079	178 217	195 341	238 073	241 053	241 053	–	292 879	322 168	354 384
Service charges - water revenue			155 164	175 524	249 416	299 675	298 555	298 555	–	331 399	351 945	372 410
Service charges - sanitation revenue			14 677	16 150	18 087	19 175	19 894	19 894	–	21 545	22 880	24 230
Service charges - refuse removal			16 081	17 390	23 796	23 289	26 678	26 678	–	27 807	29 531	31 274
Service charges - other			6 743	11 487	1 071	8 313	10 959	10 959	–	13 429	13 899	14 483
Rental of facilities and equipment			4 514	4 858	4 600	5 272	5 112	5 112	–	5 780	5 922	6 189
Capital expenditure excluding capital grant funding			13 474	3 101	4 181	89 497	74 011	73 350	–	55 841	73 754	52 177
Cash receipts from ratepayers	18(1)a		429 035	453 109	479 211	654 437	646 853	646 853	–	722 800	790 347	864 295
Ratepayer & Other revenue	18(1)a		476 736	536 087	659 871	724 133	734 842	734 842	–	835 689	898 216	963 204
Change in consumer debtors (current and non-current)			66 471	18 651	55 631	(14 782)	74 152	74 152		102 874	16 423	14 741
Operating and Capital Grant Revenue	18(1)a		164 958	187 766	302 818	204 686	202 686	202 686		198 786	211 115	221 035
Capital expenditure - total	20(1)(vi)		78 113	70 910	188 267	185 852	151 718	151 057		122 932	132 227	110 995
Capital expenditure - renewal	20(1)(vi)		–	–	–	2 020	–	–		21 071	25 563	37 042
Supporting benchmarks												
Growth guideline maximum			6,0%	6,0%	6,0%	6,0%	6,0%	6,0%		6,0%	6,0%	6,0%
CPI guideline			4,3%	3,9%	4,6%	5,0%	5,0%	5,0%		5,4%	5,6%	5,4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)												
DoRA operating												
Equitable Share										125 978	140 738	155 882
Financial Management Grant										625	1 700	1 955
Energy Efficiency & demand											6 000	
EPWP										1 060		

										127 663	148 438	157 837
DoRA capital												
<i>Financial Management Grant</i>										1 000		
DoE										18 000	15 000	13 000
MIG Operating										2 031	2 204	2 380
MIG Capital										40 592	43 473	45 818
										61 623	60 677	61 198
Trend												
Change in consumer debtors (current and non-current)												
			66 471	18 651	55 631	(194 308)	102 874	16 423		-	-	-
Total Operating Revenue			580 233	650 090	776 474	856 965	868 234	868 234	-	970 984	1 053 658	1 130 606
Total Operating Expenditure			646 647	686 120	814 937	894 027	915 072	915 072	-	1 005 043	1 075 071	1 137 017
Operating Performance												
Surplus/(Deficit)			(66 415)	(36 031)	(38 463)	(37 062)	(46 838)	(46 838)	-	(34 059)	(21 413)	(6 412)
Cash and Cash Equivalents (30 June 2012)										19 114		
Revenue												
% Increase in Total Operating Revenue				12,0%	19,4%	10,4%	1,3%	0,0%		11,8%	8,5%	7,3%
% Increase in Property Rates Revenue				4,2%	15,5%	(10,5%)	3,6%	0,0%		9,9%	6,7%	6,3%
% Increase in Electricity Revenue				8,6%	9,6%	21,9%	1,3%	0,0%		21,5%	10,0%	10,0%
% Increase in Property Rates & Services Charges				10,2%	21,0%	14,9%	1,8%	0,0%		14,3%	7,6%	7,4%
Expenditure												
% Increase in Total Operating Expenditure				6,1%	18,8%	9,7%	2,4%	0,0%		9,8%	7,0%	5,8%
% Increase in Employee Costs				10,7%	(7,1%)	27,3%	1,5%	0,0%		10,3%	7,3%	7,3%
% Increase in Electricity Bulk Purchases				7,6%	7,1%	14,7%	0,3%	0,0%		13,1%	13,5%	10,0%
Average Cost Per Budgeted Employee Position (Remuneration)										0		
Average Cost Per Councillor (Remuneration)										0		
R&M % of PPE			7,7%	6,4%	5,5%	8,0%	7,5%	7,5%		8,1%	8,3%	8,9%
Asset Renewal and R&M as a % of PPE			7,0%	6,0%	5,0%	8,0%	7,0%	7,0%		9,0%	10,0%	11,0%
Debt Impairment % of Total Billable Revenue			13,9%	17,2%	19,2%	12,2%	13,9%	13,9%		11,1%	9,0%	7,5%
Capital Revenue												
Internally Funded & Other (R'000)			4 475	3 101	4 181	57 617	56 011	56 011		55 841	73 754	52 177
Borrowing (R'000)			9 000	-	-	31 880	18 000	18 000		-	-	-
Grant Funding and Other (R'000)			64 639	67 809	184 086	96 355	77 707	77 707		67 092	58 473	58 818
Internally Generated funds % of Non Grant Funding			33,2%	100,0%	100,0%	64,4%	75,7%	75,7%		100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding			66,8%	0,0%	0,0%	35,6%	24,3%	24,3%		0,0%	0,0%	0,0%
Grant Funding % of Total Funding			82,8%	95,6%	97,8%	51,8%	51,2%	51,2%		54,6%	44,2%	53,0%
Capital Expenditure												
Total Capital Programme (R'000)			78 113	70 910	188 267	185 852	151 718	151 718		122 932	132 227	110 995
Asset Renewal			-	-	-	2 020	-	-		21 071	25 563	37 042
Asset Renewal % of Total Capital Expenditure			0,0%	0,0%	0,0%	1,1%	0,0%	0,0%		17,1%	19,3%	33,4%
Cash												

Cash Receipts % of Rate Payer & Other			90,0%	84,5%	72,6%	90,4%	88,0%	88,0%		86,5%	88,0%	89,7%
Cash Coverage Ratio			0	0	–	0	0	0		0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			(1,6%)	0,5%	0,7%	0,7%	0,4%	0,4%		0,6%	0,6%	0,6%
Borrowing Receipts % of Capital Expenditure			0,0%	(403,7%)	0,0%	35,6%	24,3%	24,5%		0,0%	0,0%	0,0%
Reserves												
Surplus/(Deficit)			(95 984)	(121 592)	(118 312)	(80 161)	292	133		7 900	(2 287)	30 963
Free Services												
Free Basic Services as a % of Equitable Share			39,8%	38,4%	23,9%	31,8%	26,6%	26,6%		37,1%	35,4%	34,0%
Free Services as a % of Operating Revenue (excl operational transfers)			10,0%	11,6%	8,0%	6,6%	6,8%	6,8%		6,2%	6,0%	5,9%
High Level Outcome of Funding Compliance												
Total Operating Revenue			580 233	650 090	776 474	856 965	868 234	868 234		970 984	1 053 658	1 130 606
Total Operating Expenditure			646 647	686 120	814 937	894 027	915 072	915 072		1 005 043	1 075 071	1 137 017
Surplus/(Deficit) Budgeted												
Operating Statement			(66 415)	(36 031)	(38 463)	(37 062)	(46 838)	(46 838)		(34 059)	(21 413)	(6 412)
Surplus/(Deficit) Considering Reserves and Cash Backing			(95 984)	(121 592)	(118 312)	(80 161)	292	133		7 900	(2 287)	30 963
0		15	0	0	0	0	1	1		1	0	1
MTREF Funded ✓ / Unfunded ✗		15	✗	✗	✗	✗	✓	✓		✓	✗	✓

2.7 Expenditure on grants and reconciliations of unspent funds

Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

FS204 Metsimaholo - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
EXPENDITURE:	###									
Operating expenditure of Transfers and Grants										
National Government:		101 095	107 850	114 485	118 973	118 973	118 973	128 663	142 438	157 837
Local Government Equitable Share		93 903	101 698	107 542	115 423	115 423	115 423	125 978	140 738	155 882
Finance Management		1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700	1 955
Municipal Systems Improvement		800	890	934	930	930	930			
Water Services Operating Subsidy		3 497	2 712	3 300	–	–	–			
EPWP Incentive		1 395	1 000	1 109	1 020	1 020	1 020	1 060	–	–
Provincial Government:		–	500	1 666	4 600	4 600	4 600	2 000	8 000	2 000
Department of Sport			500	1 666	1 600	1 600	1 600	2 000	2 000	2 000
Energy efficient and demand side management grant					3 000	3 000	3 000	–	6 000	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		2 361	2 237	2 108	2 161	2 161	2 161	2 131	2 284	2 410
MIG(National Government)		2 361	2 237	2 108	2 161	2 161	2 161	2 131	2 284	2 410
Total operating expenditure of Transfers and Grants:		103 456	110 587	118 259	125 734	125 734	125 734	132 794	152 722	162 247
Capital expenditure of Transfers and Grants										
National Government:		49 670	42 497	42 731	44 552	44 552	44 552	40 492	43 393	45 788
Municipal Infrastructure Grant (MIG)		49 670	42 497	40 031	41 052	41 052	41 052	40 492	43 393	45 788
Municipal Infrastructure Grant (MIG)										
DWA(Water Affairs)				2 700	3 500	3 500	3 500			
Provincial Government:		2 354	–	11 000	–	–	–	–	–	–
Other capital transfers/grants [insert description]		2 354		11 000						
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		10 575	34 500	7 000	29 000	29 000	29 000	18 000	15 000	13 000
DOE(National Grant)		10 575	34 500	7 000	29 000	29 000	29 000	18 000	15 000	13 000
Total capital expenditure of Transfers and Grants		62 599	76 997	60 731	73 552	73 552	73 552	58 492	58 393	58 788
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		166 056	187 584	178 990	199 286	199 286	199 286	191 286	211 115	221 035

Table 40MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**FS204 Metsimaholo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		101 095	107 850	114 485	118 973	118 973	118 973	128 663	142 438	157 837
Conditions met - transferred to revenue		101 095	107 850	114 485	118 973	118 973	118 973	128 663	142 438	157 837
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts			500	1 666	4 600	4 600	4 600	2 000	8 000	2 000
Conditions met - transferred to revenue		-	500	1 666	4 600	4 600	4 600	2 000	8 000	2 000
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		2 361	2 237	2 108	2 161	2 161	2 161	2 131	2 284	2 410
Conditions met - transferred to revenue		2 361	2 237	2 108	2 161	2 161	2 161	2 131	2 284	2 410
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		103 456	110 587	118 259	125 734	125 734	125 734	132 794	152 722	162 247
Total operating transfers and grants - CTBM	###	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		49 670	42 497	42 731	44 552	44 552	44 552	40 492	43 393	45 788
Conditions met - transferred to revenue		49 670	42 497	42 731	44 552	44 552	44 552	40 492	43 393	45 788
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		2 354		11 000						
Conditions met - transferred to revenue		2 354	-	11 000	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										

Current year receipts		10 575	34 500	7 000	29 000	29 000	29 000	18 000	15 000	13 000
Conditions met - transferred to revenue		10 575	34 500	7 000	29 000	29 000	29 000	18 000	15 000	13 000
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		62 599	76 997	60 731	73 552	73 552	73 552	58 492	58 393	58 788
Total capital transfers and grants - CTBM	###	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		166 055	187 584	178 990	199 286	199 286	199 286	191 286	211 115	221 035
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.8 Councillor and employee benefits

Table 41MBRR SA22 - Summary of councillor and staff benefits

FS204 Metsimaholo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		8 079	8 549	10 013	10 980	10 980	10 980	11 092	11 862	12 742
Pension and UIF Contributions		161	10	10	10	10	10	11	11	11
Medical Aid Contributions		107	13	–	–	–	–	–	–	–
Motor Vehicle Allowance		3 580	2 715	3 272	3 514	3 514	3 514	3 946	4 222	4 518
Cell phone Allowance		475	617	908	916	916	916	938	1 004	1 074
Housing Allowances			620	207	99	99	99	357	354	367
Other benefits and allowances			–		–	–	–			
Sub Total - Councillors		12 402	12 524	14 410	15 519	15 519	15 519	16 343	17 453	18 711
% increase			1,0%	15,1%	7,7%	–	–	5,3%	6,8%	7,2%
<u>Senior Managers of the Municipality</u>										
Basic Salaries and Wages		4 377	6 263	7 176	7 606	7 606	7 606	8 215	8 790	9 406
Pension and UIF Contributions		–	–	–	–	–	–	11	11	12
Medical Aid Contributions		–	26	–	2	2	2	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	341	341	704	755	807
Motor Vehicle Allowance		1 157	1 720	1 253	1 773	1 773	1 773	1 253	1 341	1 435
Cell phone Allowance		–	–	60	–	–	–	186	199	213
Housing Allowances		–	–	340	–	–	–	340	364	389
Other benefits and allowances		–	–	154	–	–	–	–	–	–
Payments in lieu of leave										
Sub Total - Senior Managers of Municipality		5 534	8 010	8 983	9 381	9 722	9 722	10 710	11 461	12 263
% increase			44,7%	12,2%	4,4%	3,6%	–	10,2%	7,0%	7,0%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		120 631	109 177	105 147	126 186	134 151	134 151	140 565	150 692	161 091
Pension and UIF Contributions		15 993	18 766	16 843	22 576	23 929	23 929	26 177	28 062	30 025
Medical Aid Contributions		9 079	9 466	9 663	11 499	13 297	13 297	14 539	15 586	17 103
Overtime		10 446	18 838	10 635	13 109	13 462	13 462	16 590	17 785	19 012
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		3 233	6 649	13 274	13 635	14 596	14 596	17 381	18 635	19 919
Cell phone Allowance		–	–	–	983	983	983	857	919	982
Housing Allowances		826	1 218	592	925	1 217	1 217	1 162	1 177	1 401
Other benefits and allowances		11 143	13 510	7 249	21 125	11 294	11 294	17 668	19 301	20 978
Payments in lieu of leave			–	1 264	3 541	3 541	3 541	3 785	4 058	4 338
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Municipal Staff		171 351	177 624	164 669	213 579	216 470	216 470	238 725	256 214	274 848
% increase			3,7%	(7,3%)	29,7%	1,4%	–	10,3%	7,3%	7,3%
TOTAL SALARY, ALLOWANCES & BENEFITS		189 287	198 158	188 061	238 479	241 712	241 712	265 778	285 127	305 822
% increase			4,7%	(5,1%)	26,8%	1,4%	–	10,0%	7,3%	7,3%
TOTAL MANAGERS AND STAFF	5,7	176 885	185 634	173 652	222 960	226 193	226 193	249 435	267 675	287 111

Table 42MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

FS204 Metsimaholo - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>								
Speaker			419 960	–	276 100			696 060
Chief Whip			338 020	–	315 930			653 950
Executive Mayor			631 616	–	217 633			849 250
Deputy Executive Mayor			–	–	–			–
Executive Committee			4 085 620	–	1 622 110			5 707 730
Total for all other councillors			5 616 630	–	2 819 450			8 436 080
Total Councillors		–	11 091 846	–	5 251 223			16 343 070
<u>Senior Managers of the Municipality</u>								
Municipal Manager (MM)			1 690 440	1 790	276 000	138 560		2 106 790
Chief Finance Officer			1 798 170	1 790	54 000	130 510		1 984 470
Director Corporate Services			1 301 570	1 790	270 000	110 760		1 684 120
Director Social Services			1 217 450	1 790	340 000	109 770		1 669 010
Director Technical Services			1 059 050	1 790	439 290	105 600		1 605 730
Director Local Economic Development(LED)			1 148 750	1 790	400 000	109 150		1 659 690
Total Senior Managers of the Municipality		–	8 215 430	10 740	1 779 290	704 350		10 709 810
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		–	19 307 276	10 740	7 030 513	704 350		27 052 880

Table 43MBRR SA24–Summary of personnel numbers

FS204 Metsimaholo - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	R ef 1, 2	2014/15			Current Year 2015/16			Budget Year 2016/17		
Number		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council										
Councillors (Political Office Bearers plus Other Councillors)		42		42	42		42	42		42
Board Members of municipal entities										
Municipal employees										
Municipal Manager and Senior Managers		6		6	6		6	6		6
Other Managers		49	46	3	49	45	1	49	45	1
Professionals		18	18	–	24	24	–	24	24	–
<i>Finance</i>		5	5	–	7	7	–	7	7	–
<i>Spatial/town planning</i>		1	1	–	2	2	–	2	2	–
<i>Information Technology</i>		4	4	–	5	5	–	5	5	–
<i>Roads</i>		2	2	–	2	2	–	2	2	–
<i>Electricity</i>		5	5	–	5	5	–	5	5	–
<i>Water</i>		1	1	–	1	1	–	1	1	–
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>					2	2	–	2	2	–
Technicians		140	138	–	159	159	–	159	159	–
<i>Finance</i>										
<i>Spatial/town planning</i>		4	4	–	4	4	–	4	4	–
<i>Information Technology</i>					1	1	–	1	1	–
<i>Roads</i>		35	34	–	44	44	–	44	44	–
<i>Electricity</i>		65	64	–	69	69	–	69	69	–
<i>Water</i>		31	31	–	36	36	–	36	36	–
<i>Sanitation</i>										
<i>Refuse</i>		5	5	–	5	5	–	5	5	–
<i>Other</i>										
Clerks (Clerical and administrative)		214	210	2	244	218	26	244	218	26
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		83	81	–	140	115	25	140	115	25
Elementary Occupations		516	500	–	618	588	30	618	588	30
TOTAL PERSONNEL NUMBERS		1 068	993	53	1 282	1 149	130	1 282	1 149	130
% increase					20,0%	15,7%	145,3%	–	–	–
Total municipal employees headcount										
Finance personnel headcount										
Human Resources personnel headcount										

2.9 Monthly targets for revenue, expenditure and cash flow

Table 44MBRR SA25 - Budgeted monthly revenue and expenditure

FS204 Metsimaholo - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source	–															
Property rates		12 447	9 174	9 174	9 174	9 174	9 174	9 174	9 174	9 174	9 174	9 174	9 179	113 366	120 916	128 546
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		30 000	9 174	22 000	22 000	22 000	22 000	22 000	22 000	22 000	29 000	30 500	40 205	292 879	322 168	354 384
Service charges - water revenue		24 000	27 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	23 000	17 399	331 399	351 945	372 410
Service charges - sanitation revenue		1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 800	21 545	22 880	24 230
Service charges - refuse revenue		2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 320	27 807	29 531	31 274
Service charges - other		1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	13 429	13 899	14 483
Rental of facilities and equipment		482	482	482	482	482	482	482	482	482	482	482	482	5 780	5 922	6 189
Interest earned - external investments		217	217	217	217	217	217	217	217	217	217	217	217	2 600	2 600	2 600
Interest earned - outstanding debtors		1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 579	18 940	19 745	19 963
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		252	252	252	252	252	252	252	252	252	252	252	252	3 025	3 188	3 360
Licences and permits		16	16	16	16	16	16	16	16	16	16	16	15	191	201	212
Transfers recognised - operational		43 898				43 898				43 898			0	131 694	152 642	162 217
Other revenue		611	611	611	611	611	611	611	611	611	611	611	610	7 328	7 820	8 154
Gains on disposal of PPE		83	83	83	83	83	83	83	83	83	83	83	83	1 001	200	2 584
Total Revenue (excluding capital transfers and contributions)		118 815	53 818	69 644	69 644	113 542	69 644	69 644	69 644	113 542	76 644	71 144	75 260	970 984	1 053 658	1 130 606
Expenditure By Type																
Employee related costs		20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	249 435	267 675	287 111
Remuneration of councillors		1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	16 343	17 453	18 711
Debt impairment		7 417	7 417	7 417	7 417	7 417	7 417	7 417	7 417	7 417	7 417	7 417	7 417	89 001	77 100	69 782
Depreciation & asset impairment		6 222	6 222	6 222	6 222	6 222	6 222	6 222	6 222	6 222	6 222	6 222	6 222	74 662	80 828	84 562
Finance charges		183	183	183	183	183	183	183	183	183	183	183	184	2 198	1 730	1 198
Bulk purchases		30 768	30 768	30 768	30 768	30 768	30 768	30 768	30 768	30 768	30 768	30 768	30 768	369 217	413 462	454 530
Other materials		3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	38 199	39 978	45 591
Contracted services		3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	36 532	38 200	34 864
Transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		3 437	3 437	3 437	3 437	3 437	3 437	3 437	3 437	3 437	3 437	3 437	91 650	129 454	138 645	140 668
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		76 402	76 402	76 402	76 402	76 402	76 402	76 402	76 402	76 402	76 402	76 402	164 617	1 005 043	1 075 071	1 137 017

Surplus/(Deficit)		42 413	(22 584)	(6 758)	(6 758)	37 140	(6 758)	(6 758)	(6 758)	37 140	242	(5 258)	(89 357)	(34 059)	(21 413)	(6 412)
Transfers recognised - capital		16 773			16 773			16 773		16 773			(0)	67 092	58 473	58 818
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		59 186	(22 584)	(6 758)	10 015	37 140	(6 758)	10 015	(6 758)	53 913	242	(5 258)	(89 357)	33 033	37 060	52 407
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	###	59 186	(22 584)	(6 758)	10 015	37 140	(6 758)	10 015	(6 758)	53 913	242	(5 258)	(89 357)	33 033	37 060	52 407

Table 45MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

FS204 Metsimaholo - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Multi-year expenditure to be appropriated	###															
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		500	500	500	500	500	500	500	500	500	500	500	500	5 994	2 646	2 455
Vote 3 - Organisational Development & Corporate Services		266	266	266	266	266	266	266	266	266	266	266	266	3 186	-	167
Vote 4 - Social Services		1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	13 703	25 025	31 313
Vote 5 - Infrastructure Services		7 858	7 858	7 858	7 858	7 858	7 858	7 858	7 858	7 858	7 858	7 858	7 857	94 295	101 806	74 561
Vote 6 - Financial Services		292	292	292	292	292	292	292	292	292	292	292	292	3 505	1 000	2 500
Vote 7 - Local Economic Development		188	188	188	188	188	188	188	188	188	188	188	188	2 250	1 750	-
Capital multi-year expenditure sub-total	###	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	122 932	132 227	110 995
Single-year expenditure to be appropriated																
Vote 1 - Council/Mayor, Speaker and Councillors													-	-	-	-
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Organisational Development & Corporate Services													-	-	-	-
Vote 4 - Social Services													-	-	-	-

Vote 5 - Infrastructure Services													-	-	-	-
Vote 6 - Financial Services													-	-	-	-
Vote 7 - Local Economic Development													-	-	-	-
Capital single-year expenditure sub-total	###	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	###	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	10 244	122 932	132 227	110 995

Table 46 MBRR SA30 - Budgeted monthly cash flow
FS204 Metsimaholo - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source															
Property rates	7 848	7 848	7 848	10 030	7 848	7 848	7 848	7 848	7 848	7 848	7 848	7 851	96 361	105 197	114 406
Property rates - penalties & collection charges												-			
Service charges - electricity revenue	28 000	28 000	25 000	22 000	22 000	18 000	18 000	19 000	20 000	21 000	25 000	28 532	274 532	304 677	338 104
Service charges - water revenue	17 000	20 000	27 000	27 000	28 000	28 000	26 000	26 000	23 000	20 000	19 000	20 689	281 689	306 192	331 445
Service charges - sanitation revenue	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 527	18 313	19 906	21 565
Service charges - refuse revenue	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 977	23 636	24 822	27 833
Service charges - other	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 084	12 920	13 368	13 929
Rental of facilities and equipment	431	431	431	431	431	431	431	431	431	431	431	439	5 180	5 376	5 705
Interest earned - external investments	216	216	216	216	216	216	216	216	216	216	216	224	2 600	2 600	2 600
Interest earned - outstanding debtors	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 348	16 099	17 178	19 963
Dividends received												-			
Fines	252	252	252	252	252	252	252	252	252	252	252	253	3 025	3 188	3 360
Licences and permits	15	15	15	15	15	15	15	15	15	15	15	16	181	191	201
Transfer receipts - operational	43 898				43 898				43 898			0	131 694	152 642	162 217

Other revenue	532	532	532	532	532	532	532	532	532	532	532	1 111	6 963	7 429	7 746
Cash Receipts by Source	104 104	63 206	67 206	66 388	109 104	61 206	59 206	60 206	102 104	56 206	59 206	65 051	873 193	962 767	1 049 075
Other Cash Flows by Source															
Transfer receipts - capital	16 773			16 773			9 273		16 773			(0)	59 592	58 473	58 818
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE					500							501	1 001	200	2 584
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	91	91	91	91	91	91	91	91	91	91	91	99	1 100	900	300
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	120 968	63 297	67 297	83 252	109 695	61 297	68 570	60 297	118 968	56 297	59 297	65 651	934 886	1 022 340	1 110 777
Cash Payments by Type															
Employee related costs	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 789	249 435	267 675	287 111
Remuneration of councillors	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 372	16 343	17 453	18 711
Finance charges	208	208	208	208	208	208	208	208	208	208	208	210	2 498	2 047	1 532
Bulk purchases - Electricity	25 000	24 000	24 000	20 000	16 000	14 000	14 000	14 000	15 000	15 000	15 000	20 662	216 662	245 911	270 503
Bulk purchases - Water & Sewer	12 000	12 000	12 000	15 000	16 000	16 000	16 000	16 000	14 000	14 000	14 000	13 535	170 535	186 982	205 027
Other materials	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 096	37 053	38 779	44 223
Contracted services	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 989	35 802	37 437	34 167
Transfers and grants - other municipalities												-			
Transfers and grants - other												-			
Other expenditure	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 827	93 880	102 473	100 452
Cash Payments by Type	73 248	72 248	72 248	71 248	68 248	66 248	66 248	66 248	65 248	65 248	65 248	70 480	822 208	898 756	961 726

Other Cash Flows/Payments by Type															
Capital assets	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	49 432	115 432	132 227	110 995
Repayment of borrowing	36	36	36	36	36	36	36	36	36	36	36	3 931	4 327	4 762	5 240
Other Cash Flows/Payments												–			
Total Cash Payments by Type	79 284	78 284	78 284	77 284	74 284	72 284	72 284	72 284	71 284	71 284	71 284	123 843	941 967	1 035 745	1 077 961
NET INCREASE/(DECREASE) IN CASH HELD	41 684	(14 987)	(10 987)	5 968	35 411	(10 987)	(3 714)	(11 987)	47 684	(14 987)	(11 987)	(58 192)	(7 081)	(13 405)	32 816
Cash/cash equivalents at the month/year begin:	26 195	67 879	52 892	41 905	47 873	83 284	72 297	68 583	56 596	104 280	89 293	77 306	26 195	19 114	5 709
Cash/cash equivalents at the month/year end:	67 879	52 892	41 905	47 873	83 284	72 297	68 583	56 596	104 280	89 293	77 306	19 114	19 114	5 709	38 525

2.10 Annual budgets and SDBIPs – internal departments

To be revised after tabling of MTREF

Information to be updated by IDP and PMS section

EID Cluster

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 1: Water (Lead Dept: Technical Services)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure access to potable water by 2014	1.1 No of total HHs with access to potable water in formalised areas (yard metered connection)	46 255	51 893	48 792
	1.2 No. of HHs provided with new metered yard connections	500	6 138 ¹	2 537
To ensure the effective and efficient management of water resources	1.7 % of maintenance plan developed and submitted for approval	100%	100%	100%
	1.8 % of water distribution loss maintained	14%	14%	14%
	1.9 % of reported water leaks repaired within an average of 48 hours	95%	100%	100%
	1.10 % compliance with the blue drop water quality accreditation system ²	97%	99%	98%
	1.11 % of WSDP developed and approved	90%	90%	90%
	1.12 % of water demand management plan developed and approved	75%	100%	100%

¹Backlog = Themba Kubheka (2 537); Moodraai (3 101)

¹ Practical completion of WTW achieved/Commissioning and handover & release of retention outstanding (1%)

2014/15: Themba Kubheka house connections, 2 537

2015/16: Moodraai 1 500 stands

2016/17: Moodraai 1 601 stands

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 2: Sanitation (Lead Dept: Technical Services)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To provide decent sanitation to all households by 2014	2.1 No HHs with access to decent sanitation	43 055	51 893	46 055
	2.2 No. of households provided with sewer house connections	3 187	11 888	3 000
To ensure sufficient bulk infrastructure	2.3 % WWTW capacity augmented in O/Ville and D/Ville	0%	100%	40%
	2.4 No. of kms of outfall sewer line replaced	0km	8km	2km
	2.5 % of maintenance plan developed and submitted for approval	100%	100%	100%
To ensure the effective and efficient management of the sanitation system and network	2.6 % of reported sewer blockages attended to within an average of 48 hours	92%	95%	93%
	2.7 % compliance with the green drop quality accreditation system ³	70%	80%	80%

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 3: Electricity (Lead Dept.: Technical Services)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure access to electricity by all communities	3.1 % of HHs with access to basic electricity in formal areas	43 175	51 893	(Amelia & Gortin) 46 675
	3.2 No. of HHs provided with new metered stand connections in formal areas	1 453	6 037	3 500
	3.5 % of maintenance plan developed and submitted for approval	100%	100%	100%
To ensure the effective and efficient management of the electricity network	3.6 % of electricity master plan developed and approved	75%	100%	100%
	3.7 % electricity distribution losses maintained	13%	10%	12%
	3.8 Average response time maintained for reported outages for households	2hrs	2hrs	2hrs
	3.9 Average response time maintained to reported outages by industrial consumers	24hrs	24hrs	24 hrs
	3.10 Average response time maintained for faulty street- and high mast lights	3 months	2 months	2 months

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 4: Roads and storm water (Lead Dept.: Technical Services)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure sufficient roads and storm water networks to all communities	4.1 Total kms of roads upgraded to surfaced roads (tar/paved)	10km	60km	10 km
	4.2 Total kms of un-engineered roads (dirt roads) graded	10km	50 km	10km
	4.3 % of maintenance plan developed and submitted for approval	100%	100%	100%
	4.5 % of roads and storm water master plan developed and approved	75%	100%	100%
To ensure sufficient roads and storm water networks to all communities	4.7 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	100%
	4.8 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
	4.9 % of Auditor General queries resolved by end of April	50%	10%	100%
	4.10 % of report submitted on performance assessment of the service providers	0%	100%	100%

Strategic Priority (SP3): Build united, non-racial, integrated and safer communities				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 5: Human Settlements(Lead Dept.: Planning & LED)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To provide sustainable human settlements and improved quality of household life through accelerated delivery of housing opportunities and access to basic services	5.1 All beneficiaries identified as per approved housing allocations(as per MEC announcement)	100%	100%	100%
	5.2 % of subsidy applications received submitted to Province within 3 months of receipt of approved allocations	100%	100%	100%
	5.3 Housing sector plan reviewed and submitted to Council for approval	100%	100%	100%
	5.4 Housing accreditation application submitted to Province (Level 1& 2)	0%	100%	50%
	5.5 No. of informal areas formalised (Themba Khubeka & Moodraai)	0	2	1
To stimulate development through effective and efficient spatial	5.6 Spatial development framework (SDF) reviewed and submitted to Council for approval	100%	100%	100%
	5.8 No. of re-zonings, sub-divisions and consolidation applications evaluated and submitted to Province within 60 working days of receipt	100%	100%	100%

Strategic Priority (SP3): Build united, non-racial, integrated and safer communities				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 5: Human Settlements(<i>Lead Dept.: Planning & LED</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
planning and building control	5.9 No. of building plans approved within 30 days of receipt of fully completed applications	100%	100%	100%
	5.10 No. of building plan inspections conducted upon request within 30 days as per industry standard	90%	100%	100%
Strategic Priority (SP1): Build our local economy to create more employment, decent work and sustainable livelihoods				
Key Performance Area (KPA 2): Local Economic Development				
Programme 6: Public transport				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure that an effective and efficient public transport system is developed and maintained	6.1 % of Integrated Transport Plan (ITP) developed and approved	0%	100%	50%
	6.2 No. of new taxi ranks completed	1	6	1

Strategic Priority (SP1): Build our local economy to create more employment, decent work and sustainable livelihoods				
Key Performance Area (KPA 2): Local Economic Development				
Programme 7: Local Economic Development (<i>Lead Dept.: Planning & LED</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure support (non-financial and financial) for small enterprises, co-operatives and the informal sector	7.1 LED Strategy developed and approved by Council	0%	100%	100%
	7.2 No of LED platforms convened	0	6	2
	7.3 Incentive policy developed and approved by Council	0	100%	50%
	7.4 Development of tourism brochure	0	100%	50%
	7.6 No of tourism events organised	0	6	2

Strategic Priority (SP1): Build our local economy to create more employment, decent work and sustainable livelihoods				
Key Performance Area (KPA 2): Local Economic Development				
Programme 7: Local Economic Development (<i>Lead Dept.: Planning & LED</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
	7.7 No. of social labour plan (SLP) projects completed ⁴	1	5	1
	7.8 No. of local jobs summit organised and convened	1	4	1

Strategic Priority (SP1): Build our local economy to create more employment, decent work and sustainable livelihoods				
Key Performance Area (KPA 2): Local Economic Development				
Programme 8: Job Creation (<i>Lead Dept: Planning & LED</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure support (non-financial and financial) for small enterprises, co-operatives and the informal sector	8.1 Number of quarterly statistical reports compiled on employment opportunities created as part of LED (<i>NKPI: 7</i>)	4	20	4
	8.2 Number of quarterly statistical reports compiled on employment opportunities created through EPWP initiatives (<i>NKPI: 7</i>)	4	20	4
	8.3 Number of quarterly statistical reports compiled on employment opportunities created through CWP by 2014(<i>NKPI: 7</i>)	4	20	4
	8.4 % of actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	100%
	8.5 % Of actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
	8.6 % of Auditor General queries resolved by end of April	50%	100%	100%
	8.7 % of report submitted on performance assessment of the service providers	0%	100%	100%

Strategic Priority (SP1): Build our local economy to create more employment, decent work and sustainable livelihoods				
Key Performance Area (KPA 2): Local Economic Development				
Programme 9: Sustainable Livelihoods (<i>Lead dept.: Financial Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure that poor households have access to free basic municipal services (NKPI: 5)	9.1 Place an advert annually in the newspaper calling for IGG registrations	0	3	1
	9.2 Captured all new IGG applications on Indigent register within two months	47%	100%	100%
	9.3 Number of households on indigent register captured	8 433	12 000	11 000

Social Protection and Community Development Cluster

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 10: Waste Management (<i>Lead dept.: Social Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To provide affordable, effective, efficient, economical and accessible waste management services to all communities.	10.1 No. of households having access to basic refuse removal services (<i>removal at least once a week</i>)	47 000	50 000	48 000
	10.2 No of formal businesses receiving a daily refuse removal service	100%	100%	100%
	10.3 IWMP reviewed annually and submitted to Council for approval	100%	100%	100%
	10.4 % of Approved Integrated Waste Management Plan (IWMP) implemented	25%	100%	50%
	10.5 Functional waste management information system reported (NKPI: 1)monthly	12	12	12
	10.6 Existing landfill site closed	25%	100%	100%
	10.8 % of new landfill site established	25%	50%	25%

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 3): Community Development and Social Cohesion				
Programme 11: Community Facilities (<i>Lead dept.: Social Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To promote access and utilisation of public and community amenities.	11.1 Number of new family parks established	2	10	2
	11.2 Number of new sports grounds established	4	18	2
	11.3 Number of new cemeteries established (Amelia & extension of O/Ville	1	2	1
	11.4 Number of existing community halls maintained	7	7	7
	11.5 Number of existing swimming pools maintained	2	2	2
	11.6 Number of existing family parks maintained	14	14	14
	11.7 Number of existing sports grounds maintained	20	20	20
	11.8 Number of stadiums maintained	2	2	2
	11.9 High Performance Centres (HPCs) maintained	1	1	1
	11.10 MPC maintained	1	1	1
	11.11 Number of existing cemeteries maintained	8	8	8
	11.12 Abrahamsrust facility maintained as per approved maintenance plan	50%	100%	100%
	11.13 Day Visit Facilities (OV/DV) maintained and as per approved maintenance plan	70%	100%	100%

Strategic Priority (SP3): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 3): Community Development and Social Cohesion				
Programme 12: Clean Communities (<i>Lead dept.: Social Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To develop and promote a clean and environmentally-friendly town & communities	12.1 Annual clean & green-ward competition organised in identified wards	5 wards	100%	6 wards
	12.2 Number of waste management education and awareness programmes implemented	4	20	4
	12.3 Number of illegal dumps removed	40	135	20

Strategic Priority (SP3): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 3): Community Development and Social Cohesion				
Programme 13: Safe Communities (<i>Lead dept.: Social Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To support and strengthen the fight against crime in all communities	13.1 Participation of MLM in established Security Cluster	100%	100%	100%
	13.2 By-Law enforcement unit established and functional	90%	100%	100%
	13.3 Number of school road safety programmes implemented (<i>in consultation with Principals</i>)	15	75	15
	13.4 % support for local, provincial and national crime prevention initiatives	100%	100%	100%
	13.5 % community access to fire-fighting services (wards?)	100%	100%	100%
	13.6 Response time to fire-fighting emergencies	Within 20 mins	Within 10 mins	Within 20 mins
	13.7 Number of fire-safety programmes conducted	10per quarter	200	10per quarter
	13.8 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	100%
	13.9 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
	13.10 % of Auditor General queries resolved by end of April	50%	100%	100%
	13.11 % of report submitted on performance assessment of the service providers	0%	100%	100%
Strategic Priority (SP3): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 3): Community Development and Social Cohesion				
Programme 14: Healthy Communities (<i>Lead dept.: Social Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To increase awareness and participation of communities in HIV/AIDS, TB, STIs, and other illnesses.	14.1 Number of community awareness programmes conducted on HIV/AIDS, TB and STIs	2	10	2
To increase access to community development services	14.2 Number of sport development programmes organised/offered	4	20	4
	14.3 Number of library development programmes organised/offered	900	4 600	900
	14.4 Number of new members to libraries	500	2500	500
	14.5 Number of youth development programmes organised	2	10	2
	14.6 Number of programmes organised for women	2	10	2
	14.7 Number of programmes organised for children	2	10	2
	14.8 Number of programmes organised with the aged	2	10	2

Strategic Priority (SP3): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 3): Community Development and Social Cohesion				
Programme 15: Arts and Culture (<i>Lead dept.: Social Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To improve access and maximise utilization of arts and culture resources	15.1 Annual arts and culture festival organised/hosted	0	3	1
	15.2 Number of arts and culture programmes organised	12	48	12
	15.3 Number of events/programmes held at theatre	4	20	4
	15.4 Number of local artists participating in theatre programmes	4	20	4

Strategic Priority (SP3): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 3): Community Development and Social Cohesion				
Programme 16: Disaster Management (<i>Lead dept.: Social Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To increase awareness and participation of communities in disaster management.	16.1 Increased number of disaster awareness programmes conducted in partnership with District and local Industries	4	20	4
	16.2 % of disaster management plan developed and implemented	100%	100%	100%
	16.3 Number of volunteers trained on disaster management	30	150	30

Governance and Administration Cluster

Strategic Priority (SP4): Promote active community participation				
Key Performance Area (KPA 4): Public Participation and Good Governance				
Programme 17: Participatory Governance (<i>Lead depts: Speaker's Office, Executive Mayor's Office & MM's Office</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To improve the level of functionality of public participation systems in the municipality (NKPI: 10)	17.1 Number of Functional Ward Committees established	21	21	21
	17.2 Number of CDW's deployed in all 21 wards	17	21	21
	17.3 Number of ward committees trained on identified core skills areas	0	21	21
	17.4 Number of monthly community meetings held per ward	4 per ward	4 per ward Per annum	4 per ward
To actively support community-initiated social activities (2011 LGEM Local Priority 4)	17.5 Number of skills programmes implemented for burial societies, stokvels, religious groups, etc.	3 per annum	4 per annum	4 per annum
To improve external and internal communication	17.6 Number of monthly updates of municipal website completed	12 updates	12updates Per annum	12 updates
	17.7 Number of newsletters produced and published	6per annum	6	6

17.8 Number of interactions arranged with the print and electronic media	12 per annum	12	12
17.9 Number of quarterly interactions held with relevant municipal and community stakeholders (business, religious, etc.)	4	4	4
17.10 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	100%
17.11 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
17.12 % of Auditor General queries resolved by end of April	50%	100%	100%
17.13 % of report submitted on performance assessment of the service providers	0%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 4): Public Participation and Good Governance

Programme 18: Corporate Governance (*Lead dept.: Office of the Municipal Manager*)

Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure that effective and efficient systems and processes of good governance are implemented and maintained (NKPI: 9)	18.2 % of annual review of approved 5-year IDP conducted in terms of MSA and MFMA (<i>Annual Revised IDP must be adopted by Council by the end of May each year</i>)	100% (Second Review)	100%	100% (Third Review)
	18.3 % of compliant annual SDBIP approved within 28 days after the approval of the budget	100%	100%	100%
	18.4 % Security management strategy compiled and approved (reviewed annually)	0%	100%	100%
	18.5 % Security management policy and plan compiled and approved (reviewed annually)	0%	100%	100%
	18.6 % report on Security incidents submitted to senior management (monthly) and council (quarterly)	0%	100%	100%
	18.7 % of annual internal audit plan approved by audit committee before end of June each year	70%	100%	100%
	18.8 % execution of annual internal audit plan	100%	100%	100%
	18.9 % developed three rolling coverage plan	100%	100%	60%
	18.10 Number of audit committees held per annum	4	4 per annum	4
	18.11 % review of audit charters completed annually (reviewed charters must be approved by the Audit Committee)	100%	100%	100%
	18.12 % of risk register compiled and updated quarterly	100%	100%	100%
	18.13 % review of risk management strategy & policy (approved by risk management committee)	100%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 4): Public Participation and Good Governance				
Programme 18: Corporate Governance (<i>Lead dept.: Office of the Municipal Manager</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	18.14 Number of risk management committee meetings held	4	4	4
	18.15 % of approved fraud prevention and anti-corruption strategy annually reviewed	100%	100%	100%
To ensure that a functional and effective Organisational Performance Management System (PMS) is adopted and implemented (NKPI: 3)	18.16 % of approved fraud prevention and anti-corruption strategy annually implemented	50%	100%	75%
	18.17 % of compliant performance agreements for MM and s56 managers compiled and signed on time (NKPI: 2)	100%	100%	100%
	18.18 % of Employee PM & D policy submitted to Council for approval	0%	100%	100%
	18.19 % of PMS cascaded to all levels of employees in the municipality	0%	100%	60%
	18.20 No. of quarterly institutional performance reports submitted to Council within 30 days after the end of each quarter	4	4	4
	18.21 % of MSA and MFMA compliant Annual Report tabled in Council by 31 January each year	100%	100%	100%
	18.22 Oversight report submitted to Council within two months after tabling of Annual Report	End of March	End of March each year	End of March
	18.23 % of monthly report submitted to senior management regarding D/ville & O/ville units	0%	100%	100%
	18.24 % of actual revenue collected against budget from day visit areas (D/ville & O/ville)	0%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 4): Public Participation and Good Governance				
Programme 19: Intergovernmental Relations (IGR) (<i>Lead depts.: Executive Mayor's Office & Office of the Municipal Manager</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure effective participation by the municipality in all IGR forums and programmes (NKPI: 12)	19.1 % of IGR meetings and forums at District, Provincial and National levels attended according to schedules (DCF, PCF, Provincial and National Forums)	100%	100%	100%
	19.2 % of relevant IGR reports submitted to senior management (14 days after each meeting)	100%	100%	100%
	19.3 % actual capital expenditure (CAPEX) as a percentage of the	60%	100%	100%

	approved/adjusted budget			
	19.4 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
	19.5 % of Auditor General queries resolved by end of April	50%	100%	100%
	19.6 % of report submitted on performance assessment of the service providers	0%	100%	100%
	19.7 % of Communication strategy developed and approved (reviewed annually)	0%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 4): Public Participation and Good Governance

Programme 20: Customer Care (*Lead dept.: Corporate Services*)

Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure that an effective and efficient customer care function is established	20.1 % of customer care policy and implementation plan compiled and approval	0%	100%	50%
	20.2 % of customer care model implemented (as per approved implementation plan)	0%	100%	50%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 5): Financial Management and Viability

Programme 21: Revenue and Cash Flow Management (*Lead dept.: Financial Services*)

Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure the effective and efficient management of municipal revenue and cash flow according to national norms and standards	21.2 % of consumer debtors revenue collected (<i>actual total collections as a percentage of total levies/billings</i>)	88%	95%	85%
	21.3 % actual revenue generated as a percentage of the approved/adjusted budget	98%	98%	98%
	21.4 Billing done monthly no later than month end	0	100%	100%
	21.5 All meter readings to be completed by no later than 25 th of every month	0	100%	100%
	21.6 Warning letters issued no later than 20 th of the month	0	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 5): Financial Management and Viability				
Programme 21: Revenue and Cash Flow Management (<i>Lead dept.: Financial Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	21.7 Ensure that all cut offs have been effected by the service provider by no later than 25 th of each month	0	100%	100%
	21.8 Implement data purification project	0	100%	100%
	21.9 Implementation of operations Patala	0	100%	100%
	21.10 Daily cash flow submitted to the Executive Mayor	100%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 5): Financial Management and Viability				
Programme 22: Expenditure Management and SCM (<i>Lead dept.: Financial Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To implement an effective and efficient system of expenditure and supply chain management	22.1 Creditors paid within 30 days of receipt of invoice(MFMA)	100%	100%	100%
	22.2 Bank recons done monthly	100%	100%	100%
	22.3 Salaries paid on time	27th of every month	27th of every month	27th of every month
	22.4 Salary deductions paid on time	7th of every month	7th of every month	7th of every month
	22.5 % of creditors paid within 30 days of receipt of invoice (<i>includes implementing and maintaining an effective system of internal control</i>)	100%	100%	100%
	22.6 Insurance premium paid on time	100%	100%	100%
	22.7 Insurance claims received from depts. Submitted to insurer within 7 days	100%	100%	100%
	22.8 Annual review of insurance premiums	100%	100%	100%
	22.9 Awarding quotations between R30000 and R200000within 21 days of receipt of the request	21 days	14 days	21 days
	22.10 Adjudication of tender for bids above R200 000within 90 days of the closing date of advert	90 days	90 days	90 days
	22.11 Compliance with approved SCM policy, procedures and SCM legislation	100%	100%	100%

22.12 Annual update of database	100%	100%	100%
22.13 Quarterly reporting to Council on tenders awarded	100%	100%	100%
22.14 Quarterly reporting to Council on deviations	0	100 %	100 %
22.15 Quarterly reporting to Council on procurement from 30k – 200k	0	100 %	100 %
22.16 Reporting to Council on stock counts done bi- annually	0	100%	100%
22.17 Stock losses not to exceed 10% of physical stock	0	5%	10%
22.20 % compliance maintained with approved SCM policy and procedures <i>(includes elimination of internal and external audit queries)</i>	100%	All Depts.	100%
22.7 Tender turnaround time maintained for bids above R200 000	No actual data	90 days	90 days
22.8 % compliance maintained with approved SCM policy and procedures <i>(includes elimination of internal and external audit queries)</i>	100%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government

Key Performance Area (KPA 5): Financial Management and Viability

Programme 23: Budgeting and Reporting (*Lead dept.: Financial Services*)

Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	23.1 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget for finance	90%	90%	90%
	23.2 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget for finance	90%	92%	90%
	23.3 % of MSIG allocation spent	100%	100%	100%
	23.4 Draft Budget compiled and tabled by no later than 31 March	100%	100%	100%
	23.5 Adjustment Budget tabled by no later than end February	100%	100%	100%
	23.6 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	65%	80%	70%
	23.7 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget	90%	95%	91%
	23.8 % actual expenditure on repairs and maintenance as a percentage of the approved/adjusted budget	6%	10%	7%
	23.9 % of MIG allocation spent	100%	100%	100%
	23.10 Annual Budget (MTREF) compiled and approved by end of May each year	100%	100%	100%
	23.11 Monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by no later than 10 working days after the end of each month	100%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 5): Financial Management and Viability				
Programme 23: Budgeting and Reporting (<i>Lead dept.: Financial Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	23.12 Monthly National Treasury returns submitted on time	100%	100%	100%
	23.13 Quarterly National Treasury returns submitted on time	100%	100%	100%
	23.14 DoRA returns submitted on time (FMG & DWA) monthly	100%	100%	100%
	23.15 Mid-year budget assessment and budget adjustments report submitted to Mayor by 25 January each year (s72 of MFMA)	100%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 5): Financial Management and Viability				
Programme 24: Clean Audit (<i>Lead dept.: Financial Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2012/13)	Five Year Target 2016/17	Annual Target 2014/15
To ensure that the municipality received a Clean Audit Report by 2014	24.1 Annual Financial Statements submitted to the Auditor-General by the end of August	100%	100%	100%
	24.2 Actual improvement in annual audit outcomes received from the Auditor-General	Un-qualified	Clean audit	Unqualified
	24.3 PROPAC resolutions implemented annually affecting finance	100%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 5): Financial Management and Viability				
Programme 25: Asset Management (<i>Lead dept.: Financial Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure the effective, efficient and economical management of municipal assets	25.1 % of Fixed Asset Register (FAR) compiled and updated annually in line with GRAP requirements	100%	100%	100%
	25.2 Physical verification of assets done annually	100%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 5): Financial Management and Viability				
Programme 26: Facilities Management (<i>Lead depts.: Corporate Services & Office of the Municipal Manager</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure the effective, efficient and economical management of municipal facilities	26.1 % of fleet management policy developed and submitted to Council for approval	0%	100%	100%
	26.2 % of centralised fleet management unit established	0%	100%	100%
	26.3 % of municipal buildings and corporate facilities managed effectively, efficiently and economically (<i>includes council offices, equipment, furniture, etc.</i>)	20%	100%	100%
	26.4 % of ICT policy compiled and submitted to Council for approval	100%	100%	100%
	26.5 % of ICT Steering committee established	100%	100%	100%
	26.6 Downtime of critical systems reduced to less than 5% of total uptime required	5%	5%	5%
	26.7 % of workstations functional and on-line	90%	95%	93%
	26.8 % of user complaints attended to within 24 hours of receipt	90%	95%	93%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 6): Institutional Development and Transformation				
Programme 27: Human Capital (<i>Lead dept.: Corporate Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	27.1 % of funded critical posts filled by suitably qualified candidates	50%	100%	80%
	27.2 Turnaround time maintained on recruitment: funded vacancies (from date of advertisement)	90 working days	90 working days	90 working days
	27.3 % of organisational structure reviewed as when the need arises	100%	100%	100%
	27.4 % of job grading and evaluation completed (reviewed annually if required)		100%	100%
	27.5 % of workplace skills plan (WSP) and annual training report (ATR) compiled and submitted annually to the LGSETA	100%	100%	100%
	27.6 % of staff trained as per WSP targets on an annual basis	100%	100%	100%
	27.8 % implementation of EE plan as per approved targets and measures	0%	100%	100%
	27.9 % of human resource-related policies compiled and/or reviewed as when needed	100%	100%	100%
	27.10 Fully functional Local Labour Forum (LLF) established (<i>no. of meetings held per annum</i>)	11	10	10

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 6): Institutional Development and Transformation				
Programme 27: Human Capital (<i>Lead dept.: Corporate Services</i>)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	27.11 % of disputes and grievances (stage 1 to 3) handled in terms of the collective agreement (<i>turnaround time is within 90 days</i>)	100%	100%	100%
	27.11 % of service excellence awards finalised by end of November each year	95%	100%	0%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 6): Institutional Development and Transformation				
Programme 28: Institutional Excellence				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To create a working environment that enables good staff morale, high performance and effective functioning of council structures	28.1 Number of organisation development interventions implemented annually	0	6	1
	28.2 % of approved Council Schedule by end of June each year	100%	100%	100%
	28.3 % of agendas for council, mayoral committee and portfolio committees delivered within 48 hours	100%	100%	100%
	28.4 Number of quarterly reports to Council on the monitoring and implementation of council resolutions.	4	4 per annum	4
	28.5 % of Auditor General queries resolved by end of April	0	100%	100%
	28.6 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	0	100%	100%
	28.7% actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	0	100%	100%
	28.8% of All leave applications to be captured on PayDay system within 30 days of submission	0	100%	100%
	28.9 % of Approval of all By-laws(Reviewed annually)	0	100%	100%
	28.10 % of Development and updating of contract register quarterly (Legal)	0	100%	100%
	28.11 Conducting of awareness campaigns on Collective Agreements (LR) (Annually)	0	1	1

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 6): Institutional Development and Transformation				
Programme 28: Institutional Excellence				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	28.12 % of disciplinary cases Conducted and finalized within 90 days	0	100%	100%
	28.13 % of legal opinions provided on legal matters (Legal)	0%	100%	100%
	28.14 % of civil Matters/cases defended against or initiated in favor of the municipality(Legal)	0	100%	100%
	28.15 Control and management of the usage of telephone systems (monthly deductions of private calls from salary)	0%	100%	100%
	28.16 % of Telephone policy developed and approved (Reviewed annually)	0%	100%	100%
	28.17 % of Data Card policy developed and approved (Reviewed annually)	0	100%	100%
	28.18 % of updated Declaration of Interest and Gift Register maintained	0	100%	100%
	28.19 Number of Occupational Health and Safety Risk Assessment conducted (annually)	0	3	1
	28.20 No of Occupational Health and Safety Awareness Workshops conducted (Annually)	0	12	4
	28.21 % of Injuries reported and processed incident within 7 working days to the commissioner	0	100%	100%
	28.22 % of Evacuation Plan developed and implemented (Annually)	0	100%	100%
	28.23 Number of Employee Wellness Programmes provided to employees (e.g. alcohol and drug abuse, family violence etc.) as an when requested	0	3	1
	28.24 Employee Wellness Day arranged annually	0	3	1
	28.25 % of Review of Records Management policy (Annually)	0	100%	100%
	28.26 % of Development and approval of Records Management Strategy	0	100%	100%

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

The Municipality enter into agreements for the rendering of printing services, office cleansing services and security services.

2.12 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Annexure A on page ___ to _____ reflect the detail Capital Budget

Table 47MBRR SA 34a - Capital expenditure on new assets by asset class

FS204 Metsimaholo - Supporting Table SA34a Capital expenditure on new assets by asset class

Description R thousand	R ef	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on new assets by Asset Class/Sub-class										
– Infrastructure		65 588	66 696	47 604	134 039	106 431	106 431	72 483	80 196	42 441
Infrastructure - Road transport		10 042	1 408	2 461	37 560	28 137	28 137	40 418	17 870	3 831
Roads, Pavements & Bridges		10 042	1 408	2 461	37 560	28 137	28 137	40 418	17 870	3 831
Storm water										
Infrastructure - Electricity		7 289	23 873	7 037	53 419	35 880	35 880	25 600	27 559	13 280
Generation										
Transmission & Reticulation		7 289	23 873	7 037	53 419	35 880	35 880	25 600	23 080	13 030
Street Lighting								–	4 479	250
Infrastructure - Water		20 712	6 873	5 254	5 825	5 565	5 565	1 765	9 500	–
Dams & Reservoirs		–								
Water purification		–								
Reticulation		20 712	6 873	5 254	5 825	5 565	5 565	1 765	9 500	–
Infrastructure - Sanitation		27 544	34 542	32 763	35 236	34 849	34 849	1 500	19 086	24 899
Reticulation		27 544	34 542	32 763	35 236	34 849	34 849	1 500	19 086	24 899
Sewerage purification										
Infrastructure - Other		–	–	89	2 000	2 000	2 000	3 200	6 180	430
Waste Management				89	2 000	2 000	2 000	2 000	4 730	270
Transportation										
Other								1 200	1 450	160

Community		100	3 343	-	18 148	9 457	9 457	7 674	280	16 585
Parks & gardens		-	-	-	2 081	-	-	-	-	-
Sports fields & stadia		-	1 093	-	7 704	7 704	7 704	7 674	280	16 585
Swimming pools		-	-	-	74	-	-	-	-	-
Community halls		-	2 250	-	61	-	-	-	-	-
Libraries		-	-	-	61	-	-	-	-	-
Recreational facilities		-	-	-	3 015	1 353	1 353	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		100	-	-	750	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	4 402	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	400	400	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		12 425	870	140 663	31 645	35 830	35 830	21 705	26 189	14 928
General vehicles		9 698	-	463	4 255	6 707	6 707	3 495	3 148	1 587
Specialised vehicles		-	-	-	9 000	10 308	10 308	-	-	-
Plant & equipment		1 661	343	2 870	150	7 454	7 454	11 457	10 293	10 366
Computers - hardware/equipment					-					
Furniture and other office equipment		25	375	20	1 000	1 850	1 850	2 853	1 861	217
Abattoirs					-	302	302			
Markets					-	-	-			
Civic Land and Buildings		198	152	3 572	830	1 460	1 460	3 050	500	105
Other Buildings					-	-	-			
Other Land				133 738	-	-	-	-	5 547	453
Surplus Assets - (Investment or Inventory)					-	-	-			
Other		844	-		16 410	7 749	7 749	850	4 840	2 200
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets		78 113	70 910	188 267	183 832	151 718	151 718	101 862	106 665	73 953
Specialised vehicles		-	-	-	9 000	10 308	10 308	-	-	-
Refuse					4 000	2 722	2 722			
Fire					5 000	7 586	7 586			
Conservancy										
Ambulances										

Table 48MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**FS204 Metsimaholo - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
-										
Infrastructure		-	-	-	-	-	-	12 000	10 000	18 000
Infrastructure - Road transport		-	-	-	-	-	-	12 000	10 000	18 000
Roads, Pavements & Bridges								12 000	10 000	18 000
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Other										
Community		-	-	-	-	-	-	630	942	2 822
Parks & gardens										
Sports fields & stadia										
Swimming pools										
Community halls								200	-	-
Libraries										
Recreational facilities								430	942	2 822
Fire, safety & emergency										
Security and policing										
Cemeteries										
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										

Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	2 020	-	-	8 441	14 621	16 220
General vehicles					2 020	-		200	150	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment								1 792	1 407	2 850
Computers - hardware/equipment								2 819	33	10
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land								3 630	13 030	13 360
Surplus Assets - (Investment or Inventory)										
Other										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of existing assets		-	-	-	2 020	-	-	21 071	25 563	37 042

Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

Renewal of Existing Assets as % of total capex		0,0%	0,0%	0,0%	1,1%	0,0%	0,0%	17,1%	19,3%	33,4%
Renewal of Existing Assets as % of deprecn"		0,0%	0,0%	0,0%	2,9%	0,0%	0,0%	28,2%	31,6%	43,8%

Table 49MBRR SA34c - Repairs and maintenance expenditure by asset class**FS204 Metsimaholo - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	## #									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		59 345	53 764	53 769	75 727	77 001	77 001	82 973	88 497	94 370
Infrastructure - Road transport		19 665	14 602	11 736	27 748	28 297	28 297	29 970	31 823	33 741
Roads, Pavements & Bridges		19 665	14 602	10 973	25 113	28 297	28 297	27 193	28 896	30 656
Storm water		–	–	763	2 635			2 777	2 927	3 085
Infrastructure - Electricity		14 553	13 318	14 054	16 698	17 253	17 253	17 620	18 824	20 094
Generation		1 235	–	–	–					
Transmission & Reticulation		13 189	13 235	13 860	16 398	16 953	16 953	17 320	18 508	19 760
Street Lighting		129	83	195	300	300	300	300	316	333
Infrastructure - Water		11 383	10 669	8 533	14 217	14 271	14 271	16 070	17 183	18 325
Dams & Reservoirs				–						
Water purification				–						
Reticulation		11 383	10 669	8 533	14 217	14 271	14 271	16 070	17 183	18 325
Infrastructure - Sanitation		8 871	10 227	16 455	11 369	11 634	11 634	13 250	14 168	15 263
Reticulation										
Sewerage purification		8 871	10 227	16 455	11 369	11 634	11 634	13 250	14 168	15 263
Infrastructure - Other		4 873	4 948	2 991	5 695	5 546	5 546	6 062	6 499	6 947
Waste Management		4 873	4 948	–	5 695	582	582	–	–	–
Transportation										
Other				2 991		4 964	4 964	6 062	6 499	6 947
<u>Community</u>		1 105	194	83	669	384	384	782	781	813
Parks & gardens		–	24	58	2	2	2	252	264	275
Sports fields & stadia		4	–	–	46	25	25	121	128	134
Swimming pools		–	–	–	–	–	–			
Community halls		0	–	–	25	209	209	131	96	99
Libraries		2	2	–	10	10	10	38	40	42
Recreational facilities		33	20	–	102	120	120	174	183	191
Fire, safety & emergency		–	–	–						
Security and policing		–	–	–						
Buses		–	–	–						
Clinics		–	–	–						
Museums & Art Galleries		–	–	–						
Cemeteries		–	–	–				21	23	23
Social rental housing		–	–	–						
Other		1 065	148	25	484	18	18	45	48	50
<u>Heritage assets</u>		–	–	–	–	–	–	–	–	–
Buildings										
Other										

Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		6 187	5 609	5 271	9 276	10 141	10 141	14 459	15 041	19 360
General vehicles		3 772	1 003	2 276	1 579	3 951	3 951	7 512	7 937	11 724
Specialised vehicles		1 751	1 748	1 070	2 792	2 766	2 766	-	-	-
Plant & equipment		212	82	234	271	439	439	1 109	1 096	1 523
Computers - hardware/equipment		-	536							
Furniture and other office equipment		452		1 301	2 301	1 789	1 789	2 387	2 396	2 382
Abattoirs		-		-						
Markets		-		-						
Civic Land and Buildings		-	1 405	390	1 180	1 196	1 196	2 639	2 749	2 828
Other Buildings		-		-				308	304	303
Other Land		-		-						
Surplus Assets - (Investment or Inventory)		-		-						
Other		1	835	-	1 154			505	560	600
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure		66 638	59 567	59 123	85 672	87 526	87 526	98 214	104 320	114 543
Specialised vehicles		1 751	1 748	1 070	2 792	2 766	2 766	-	-	-
Refuse		1 429	1 538	975	2 486	2 460	2 460			
Fire		322	210	95	306	306	306			
Conservancy				-						
Ambulances				-						
R&M as a % of PPE		7,7%	6,4%	5,5%	8,0%	7,5%	7,5%	8,1%	8,3%	8,9%
R&M as % Operating Expenditure		10,3%	8,7%	7,3%	9,6%	9,6%	9,6%	9,8%	9,7%	10,1%

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting (Schedule C) to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, Budget and Treasury Office.
The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee
An Audit Committee has been established and is fully functional.
4. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/17 MTREF in May 2016 directly aligned and informed by the 2016/17 MTREF.
5. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
6. Risk management
The municipality has an updated risk management strategy and plan in place.
7. Implementation of SCM
The reviewed supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in February 2012. All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers. The SCM policy is reviewed and updated..
8. Effectiveness of audit steering committees
The audit steering committees is an ad-hoc committee established during the planning and execution of the annual audit. The committee usually comprise of officials of the municipality and the Auditor-General team performing the audit.
9. Reduction of short-term debt
This regulation is not applicable to the municipality as overdraft facilities are managed within the context of section 45 of the MFMA relating to short-term debt.
10. Delegations
All delegations are in place and council approved the generic financial delegations in November 2006. The delegations are process to be reviewed.

11. Performance agreements

The new performance agreements for 2016//2017 will be finalised after the SDBIP has been approved.

12. Implementation of GRAP

The key challenges for implementation of GRAP requirements are the following:

- Asset Register. Full compliance GRAP achieved, 30 June 2011.
- Investment property guidelines implemented - 30 June 2011
- Employee benefits fully captured. 30 June 2011
- Unbundling of PPE as per guidelines 30 June 2011.
- Not all stands are transferred in terms of housing scheme - 30 June 2015
- Lease : Government Garage treated as operating lease
- Debtors impaired.
- Billing information to be updated to accurate information for statements.

13. Development of accounting policies

Several accounting policies have been developed to ensure the requirements of Circular 36 are complied with. The further development of accounting policies will be guided with exemptions as agreed with National Treasury on an annual basis.

14. Inventories - unsold water

The inventories of unsold water are available from the Technical Section responsible. The water in "stock" is ± 45 mega litre and recorded daily. The reservoirs and pipes will be subject to stock taking on 30 June 2015. The detail of water losses need to be investigated to see if these stock levels need to be impaired for the resale value of the water. The information is in the process to be updated.

15. Asset register

The physical asset count will be performed and communicated by the external service provider. The unbundling of PPE as well as impairment and investment property guidelines were addressed in 2010/2011. A service provider was appointed. The project to be GRAP 17 compliant was completed at 30 June 2011. The asset register is GRAP compliant.

16. mSCOA

Council received on regular basis reports on mSCOA.

The mSCOA Steering committee and Project Implementation plan Committee are established.

Attached as Annexure C and D are the Self-assessment and Project Plan.

2.14 Other supporting documents

Table 50 MBRR Table SA1-Supporting detail to budgeted financial performance

FS204 Metsimaholo - Supporting Table SA1 Supporting- detail to 'Budgeted Financial Performance'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>											
Total Property Rates		100 933	115 374	126 628	118 457	122 597	122 597		134 280	142 605	151 019
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		8 448	18 998	15 329	18 871	19 457	19 457		20 913	21 689	22 473
Net Property Rates		92 485	96 376	111 299	99 586	103 140	103 140	–	113 366	120 916	128 546
<u>Service charges - electricity revenue</u>											
Total Service charges - electricity revenue		177 193	193 449	203 719	243 223	244 083	244 083		298 680	328 549	361 403
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		8 468	10 373	4 452							
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		4 647	4 859	3 926	5 150	3 030	3 030		5 801	6 381	7 019
Net Service charges - electricity revenue		164 079	178 217	195 341	238 073	241 053	241 053	–	292 879	322 168	354 384
<u>Service charges - water revenue</u>											
Total Service charges - water revenue		182 254	204 259	273 812	321 470	321 470	321 470		351 801	373 612	395 356
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>		11 967	13 176	15 886	8 860	9 979	9 979		8 817	9 364	9 916
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		15 123	15 560	8 510	12 936	12 936	12 936		11 585	12 304	13 029
Net Service charges - water revenue		155 164	175 524	249 416	299 675	298 555	298 555	–	331 399	351 945	372 410

Service charges - sanitation revenue										
Total Service charges - sanitation revenue	21 995	24 235	24 946	27 228	27 372	27 372		33 864	35 963	38 085
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>	1 177	1 622	1 914	1 721	1 721	1 721		1 630	1 731	1 833
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	6 141	6 464	4 945	6 332	5 758	5 758		10 689	11 352	12 022
Net Service charges - sanitation revenue	14 677	16 150	18 087	19 175	19 894	19 894	-	21 545	22 880	24 230
Service charges - refuse revenue										
Total refuse removal revenue	27 526	29 606	32 083	35 618	35 618	35 618		46 448	49 328	52 239
Total landfill revenue										
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>								-	-	-
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	11 445	12 217	8 286	12 329	8 940	8 940		18 641	19 797	20 965
Net Service charges - refuse revenue	16 081	17 390	23 796	23 289	26 678	26 678	-	27 807	29 531	31 274
Other Revenue by source										
Fundraising	20	-	-	100	100	100		-	100	100
Legal cost	2 210	-	4 254	4 997	4 997	4 997		5 266	5 551	5 850
Departmental Income	-	-	-	-	-	-		-	-	-
Training	224	-	849	248	428	428		1 428	1 505	1 587
Other Revenue	2 325	2 947	13 558	515	551	551		633	664	617
Total 'Other' Revenue	4 779	2 947	18 661	6 375	6 075	6 075	-	7 328	7 820	8 154
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	106 949	116 084	112 323	133 771	141 757	141 757		148 780	159 482	170 497
Pension and UIF Contributions	16 909	18 687	16 843	22 576	23 929	23 929		26 177	28 062	30 025
Medical Aid Contributions	8 862	10 964	9 663	11 501	13 299	13 299		14 539	15 586	17 103
Overtime	17 371	16 393	10 635	13 109	13 462	13 462		16 590	17 785	19 012
Performance Bonus	-	-	-	-	341	341		704	755	807
Motor Vehicle Allowance	6 747	12 396	14 556	15 408	16 369	16 369		18 634	19 976	21 354
Cell phone Allowance	41		-	983	983	983		1 043	1 118	1 195
Housing Allowances	966	630	932	925	1 217	1 217		1 502	1 541	1 790

Other benefits and allowances	10 242	10 712	8 045	21 146	11 294	11 294		17 680	19 313	20 991
Payments in lieu of leave	261	485	2 082	3 541	3 541	3 541		3 785	4 058	4 338
Long service awards	388	380	–							
Post-retirement benefit obligations	1 436	1 667	–							
sub-total	170 173	188 398	175 080	222 960	226 193	226 193	–	249 435	267 675	287 111
<u>Less: Employees costs capitalised to PPE</u>										
Total Employee related costs	170 173	188 398	175 080	222 960	226 193	226 193	–	249 435	267 675	287 111
Contributions recognised - capital										
<i>List contributions by contract</i>										
Total Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	43 309	32 238	38 692	70 084	70 084	70 084		74 662	80 828	84 562
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment	43 309	32 238	38 692	70 084	70 084	70 084	–	74 662	80 828	84 562
Bulk purchases										
Electricity Bulk Purchases	144 367	155 375	166 459	190 891	191 491	191 491		216 662	245 911	270 503
Water Bulk Purchases	90 751	100 198	112 761	133 972	133 392	133 392		152 555	167 551	184 027
Total bulk purchases	235 118	255 573	279 220	324 864	324 883	324 883	–	369 217	413 462	454 530
Transfers and grants										
Cash transfers and grants	9 663	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–	–
Total transfers and grants	9 663	–	–	–	–	–	–	–	–	–
Contracted services										
Security services	9 821	12 200	69 404	18 000	18 000	18 000		20 000	21 080	22 218
Printing Services	1 327	2 066	3 212	4 032	4 319	4 319		4 608	4 823	5 048
Cash Security Services	284	70	–	422	380	380		444	468	470
Cleansing Services	1 738	1 725	1 673	2 635	2 135	2 135		2 777	2 927	3 085
Other	6 852	7 912	8 927	8 512	8 513	8 513		8 702	8 902	4 042
sub-total	20 022	23 972	83 216	33 601	33 347	33 347	–	36 532	38 200	34 864
Allocations to organs of state:										
Electricity										

Water										
Sanitation										
Other										
Total contracted services	20 022	23 972	83 216	33 601	33 347	33 347	-	36 532	38 200	34 864
Other Expenditure By Type										
Collection costs										
Contributions to 'other' provisions										
Consultant fees	7 284	8 085	-							
Audit fees	3 724	4 366	5 608	5 280	4 780	4 780		5 722	6 243	6 392
General expenses	5 612	15 866	22 765	30 031	23 262	23 262		33 987	33 099	36 433
Advertising	1 177	848	1 384	1 653	1 417	1 417		1 982	2 226	2 437
Bursaries	1 676	1 133	1 941	2 682	2 400	2 400		2 500	2 523	2 546
Computer Systems	369	1 170	2 812	2 400	3 950	3 950		3 900	3 900	3 900
Conferences and delegations	1 027	891	806	1 822	1 887	1 887		1 268	1 326	3 378
Connection charges	414	496	631	1 056	666	666		1 059	1 116	1 176
Fuel and oil vehicles	6 862	7 498	4 371	7 808	7 175	7 175		8 069	8 499	8 416
Legal Expenses	4 868	-	6 165	5 002	11 092	11 092		11 272	11 557	12 157
Membership fees	1 589	1 838	2 120	2 567	2 559	2 559		2 751	2 912	3 071
Postage	1 433	1 389	1 447	1 644	1 944	1 944		1 733	1 826	1 925
Printing and Stationary	1 537	849	724	1 202	1 030	1 030		1 240	1 371	1 457
Public programs	2 044	-	1 611	3 004	4 828	4 828		2 921	3 323	3 494
Rental External Equipment	1 143	1 306	1 481	2 264	5 112	5 112		5 558	5 827	6 128
Sewer Treatment	12 560	-	14 278	17 607	17 607	17 607		17 980	19 431	21 000
Stocks and materials	1 009	13 517	770	4 753	5 190	5 190		2 774	8 734	3 007
Telephone	2 243	815	1 943	2 000	2 000	2 000		2 108	2 222	2 342
Uniforms	978	1 516	597	2 126	2 494	2 494		2 373	2 467	2 905
Valuation costs	2 276	870	641	1 054	354	354		4 000	3 000	2 000
Bank charges	1 378	433	422	490	390	390		390	400	420
Insurance	1 708	452	1 144	1 334	1 746	1 746		2 816	2 956	3 238
Professional Fees	-	741		9 075	11 039	11 039		13 052	13 688	12 846
	-	-								
Total 'Other' Expenditure	62 910	64 077	73 661	106 853	112 921	112 921	-	129 454	138 645	140 668
Repairs and Maintenance by Expenditure Item										
Employee related costs	43 030	44 385	33 431	52 135	53 735	53 735		60 016	64 341	68 952
Other materials	23 608	15 182	25 693	33 537	33 791	33 791		38 198	39 979	45 591
Contracted Services										
Other Expenditure										
Total Repairs and Maintenance Expenditure	66 638	59 567	59 124	85 672	87 526	87 526	-	98 214	104 320	114 543

Table 51MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**FS204 Metsimaholo - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Council/Mayor, Speaker and Councillors	Vote 2 - Municipal Manager	Vote 3 - Organisational Development & Corporate Services	Vote 4 - Social Services	Vote 5 - Infrastructure Services	Vote 6 - Financial Services	Vote 7 - Local Economic Development	Total
R thousand									
Revenue By Source									
Property rates							121 766		121 766
Property rates - penalties & collection charges									-
Service charges - electricity revenue						298 680			298 680
Service charges - water revenue						334 759			334 759
Service charges - sanitation revenue						30 332			30 332
Service charges - refuse revenue					46 448				46 448
Service charges - other			600	250	3 051	3 283	4 350	1 895	13 429
Rental of facilities and equipment					1 780			4 000	5 780
Interest earned - external investments							2 600		2 600
Interest earned - outstanding debtors					1 241	11 976	5 723		18 940
Dividends received									-
Fines					3 025				3 025
Licences and permits					191				191
Agency services									-
Other revenue				1 428	585		5 266	50	7 329
Transfers recognised - operational			2 031		21 701	38 522	69 440		131 694
Gains on disposal of PPE								1 001	1 001
Total Revenue (excluding capital transfers and contributions)		-	2 631	1 678	78 022	717 552	209 145	6 946	1 015 975
Expenditure By Type	-								
Employee related costs		12 575	26 638	17 611	78 985	67 551	31 085	14 991	249 435
Remuneration of councillors		16 343	-	-	-	-	-	-	16 343
Debt impairment		-	-	-	6 246	64 980	17 776	-	89 001
Depreciation & asset impairment		161	8 575	1 434	6 070	54 196	2 015	2 211	74 662
Finance charges		-	-	-					-
Bulk purchases		-	-	-		369 217			369 217
Other materials		21	3 079	743	5 814	28 148	102	293	38 199
Contracted services		325	20 417	4 741	2 336	5 047	3 542	124	36 532
Transfers and grants		-	-						-
Other expenditure		9 039	(3 950)	9 291	58 380	94 333	6 304	6 432	179 830
Loss on disposal of PPE									-

Total Expenditure		38 464	54 758	33 821	157 830	683 472	60 824	24 051	1 053 220
Surplus/(Deficit)		(38 464)	(52 127)	(32 142)	(79 808)	34 080	148 321	(17 105)	(37 245)
Transfers recognised - capital			1 100	3 186	7 674	58 318	–	–	70 278
Contributions recognised - capital									–
Contributed assets									–
Surplus/(Deficit) after capital transfers & contributions		(38 464)	(51 027)	(28 956)	(72 134)	92 398	148 321	(17 105)	33 033

Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position**FS204 Metsimaholo - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days		7 000	16 826	11 332					15 000	–	30 000
Other current investments > 90 days											
Total Call investment deposits		7 000	16 826	11 332	–	–	–	–	15 000	–	30 000
<u>Consumer debtors</u>											
Consumer debtors		441 432	549 914	639 041	754 454	810 086	810 086		905 571	995 094	1 074 617
Less: Provision for debt impairment		(347 896)	(439 247)	(477 277)	(606 128)	(574 170)	(574 170)		(663 171)	(740 271)	(810 053)
Total Consumer debtors		93 536	110 667	161 764	148 326	235 916	235 916	–	242 400	254 823	264 564
<u>Debt impairment provision</u>											
Balance at the beginning of the year		260 896	315 379	385 796	521 849	477 277	477 277		574 170	663 171	740 271
Contributions to the provision		80 582	131 262	94 653	84 279	97 146	97 146		89 001	77 100	69 782
Bad debts written off		(26 100)	(7 394)	(3 172)		(253)	(253)				
Balance at end of year		315 379	439 247	477 277	606 128	574 170	574 170	–	663 171	740 271	810 053
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		1 956 324	1 986 482	2 174 065	2 291 350	2 307 783	2 307 783		2 448 715	2 580 943	2 691 938
Leases recognised as PPE		33 880				18 000	18 000				
Less: Accumulated depreciation		1 124 963	1 060 949	1 093 693	1 222 005	1 163 777	1 163 777		1 238 439	1 319 267	1 403 829
Total Property, plant and equipment (PPE)		865 241	925 533	1 080 372	1 069 345	1 162 006	1 162 006	–	1 210 276	1 261 676	1 288 109
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		–									
Current portion of long-term liabilities		20 420	1 941	1 163	4 199	1 267	1 267		4 763	5 240	5 728
Total Current liabilities - Borrowing		20 420	1 941	1 163	4 199	1 267	1 267	–	4 763	5 240	5 728
<u>Trade and other payables</u>											
Trade and other creditors		132 912	168 299	190 247	137 000	142 000	142 000		150 000	154 500	161 000

Unspent conditional transfers		5 109	3 504	1 576						
VAT		–		5 438			2 000		4 000	1 900
Total Trade and other payables		138 021	171 803	197 262	137 000	142 000	144 000	–	154 000	162 900
<u>Non current liabilities - Borrowing</u>										
Borrowing		8 017	6 947	5 784	18 498	4 517	4 517		13 075	1 141
Finance leases (including PPP asset element)						16 816	16 816			
Total Non current liabilities - Borrowing		8 017	6 947	5 784	18 498	21 333	21 333	–	13 075	1 141
<u>Provisions - non-current</u>										
Retirement benefits		30 414	80 267	44 625	49 905	46 846	46 846		50 401	58 162
List other major provision items										
Refuse landfill site rehabilitation		31 600		44 894	41 021	48 068	48 068		55 065	69 765
Other		15 099								
Total Provisions - non-current		77 113	80 267	89 519	90 926	94 914	94 914	–	105 466	127 927
CHANGES IN NET ASSETS										
<u>Accumulated Surplus/(Deficit)</u>										
Accumulated Surplus/(Deficit) - opening balance		857 939	844 738	933 543	1 056 575	1 086 464	1 086 464		1 248 659	1 354 237
GRAP adjustments										
Restated balance		857 939	844 738	933 543	1 056 575	1 086 464	1 086 464	–	1 248 659	1 354 237
Surplus/(Deficit)		722	47 094	152 321	41 792	30 017	30 017	–	33 033	52 407
Appropriations to Reserves										
Transfers from Reserves						133 738	133 738			
Depreciation offsets		1								
Other adjustments		(13 923)	27 635	599	(9 252)	599	(1 560)		29 555	11 418
Accumulated Surplus/(Deficit)		844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659	–	1 311 247	1 418 062
<u>Reserves</u>										
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves		–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659	–	1 311 247	1 418 062

Table 53MBRR Table SA9 – Social, economic and demographic statistics and assumptions

FS204 Metsimaholo - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Stats SA, Erf and occupational data plus growth 3%pa	115955	131025	149108	158409	162	165777	169077			
		Young (0-14)	32119		39215				44467			
		Working Age (15-64)	80356		103331				116663			
		Elderly (65+)	4290		6560				6763			
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12	–										
No income					10 698							
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600					12 435							
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800					12 227							
R204 801 - R409 600												
R409 601 - R819 200					14 334							
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month												
Insert description												

Household/demographics (000)												
Number of people in municipal area	Erf and occupational data (3 / per household)	115955	131025	149108	158409	163	165777	169077				
Number of poor people in municipal area	Estimated to 55% of population (< R3500 pm)	63 775	72 063	82 009	87	89	91	93				
Number of households in municipal area	Erf and occupational data (3 / per household)	32260	39000	45757	52769	55	55259	56359				
Number of poor households in municipal area	Estimated to 62% of population (< R3500 pm)	19 929	22 519	25 627	27	28	29	29				
Definition of poor household (R per month)	An informal settlement, a poor person or an indigent, meaning a person lacking adequate money or means to live comfortably, residing on un-developed or developed municipal erven or open spaces, identifiable as the most needy of households, eligible for housing and the very poorest in the local community and that policies are aimed at providing as much assistance as possible or to provide in the urgent need for land on which to settle in a less formal manner											
Housing statistics												
Formal		20 517		33 424			35 643	37 309				
Informal		3 000		5 000			7 679	8 881				
Total number of households		23 517	-	38 424	-	-	43 322	46 190	-	-	-	-
Dwellings provided by municipality		-	-	-	-	-	-	-				
Dwellings provided by province/s		302	887	524	1 100	96	30	149				
Dwellings provided by private sector		-	-	-	-	-	-	-				
Total new housing dwellings		302	887	524	1 100	96	30	149	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												

Collection rates												
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	25 000	25 000	27 000	27 000	27 000	27 000	37 096	41 046	50 546
		Piped water inside yard (but not in dwelling)	2 000	2 000	27 000	-	-	-	-	-	-
		Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
		Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	27 000	27 000	54 000	27 000	27 000	27 000	37 096	41 046	50 546
		Using public tap (< min.service level)	2 000	3 424	887	7 670	8 000	8 000	-	-	-
		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	2 000	3 424	887	7 670	8 000	8 000	-	-	-
		Total number of households	29 000	30 424	54 887	34 670	35 000	35 000	37 096	41 046	50 546
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	19 000	19 000	19 000	19 368	19 368	19 368	33 368	37 318	46 818
		Flush toilet (with septic tank)	1 000	1 000	1 000	1 000	1 000	1 000	3 617	3 617	3 617
		Chemical toilet	6 000	6 000	-	-	-	-	-	-	-
		Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
		Other toilet provisions (>	-	-	-	-	-	-	-	-	-

min.service level)									
<i>Minimum Service Level and Above sub-total</i>	26 000	26 000	20 000	20 368	20 368	20 368	36 985	40 935	50 435
Bucket toilet	2 000	2 383	2 025	1 657	1 657	1 657	-	-	-
Other toilet provisions (< min.service level)	-	9 769	6 512	12 645	12 645	12 645	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	2 000	12 152	8 537	14 302	14 302	14 302	-	-	-
Total number of households	28 000	38 152	28 537	34 670	34 670	34 670	36 985	40 935	50 435
<u>Energy:</u>									
Electricity (at least min.service level)	6 000	7 000	7 000	1 500	1 500	1 500	-	-	-
Electricity - prepaid (min.service level)	28 000	34 500	34 850	35 000	35 000	35 000	38 133	38 133	40 670
<i>Minimum Service Level and Above sub-total</i>	34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133	40 670
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133	40 670
<u>Refuse:</u>									
Removed at least once a week	45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
<i>Minimum Service Level and Above sub-total</i>	45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
Removed less frequently than once a week	10 000	10 000	10 000	10 000	-	-	-	-	-
Using communal refuse dump	10 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	10 000	10 000	10 000	10 000	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	30 000	69 000	72 000	72 000	52 000	52 000	53 000	54 000	55 000
Total number of households	75 000	118 000	124 000	124 000	104 000	104 000	106 000	108 000	110 000

Municipal in-house services	Ref		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	25 000	25 000	27 000	27 000	27 000	27 000	37 096	41 046	50 546
		Piped water inside yard (but not in dwelling)	2 000	2 000	27 000	–					
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	27 000	27 000	54 000	27 000	27 000	27 000	37 096	41 046	50 546
		Using public tap (< min.service level)	2 000	3 424	887	7 670	8 000	8 000	–	–	–
		Other water supply (< min.service level)									
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	2 000	3 424	887	7 670	8 000	8 000	–	–	–
		Total number of households	29 000	30 424	54 887	34 670	35 000	35 000	37 096	41 046	50 546
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	19 000	19 000	19 000	19 368	19 368	19 368	33 368	37 318	46 818
		Flush toilet (with septic tank)	1 000	1 000	1 000	1 000	1 000	1 000	3 617	3 617	3 617
		Chemical toilet	6 000	6 000	–	–					
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	26 000	26 000	20 000	20 368	20 368	20 368	36 985	40 935	50 435
		Bucket toilet	2 000	2 383	2 025	1 657	1 657	1 657			
		Other toilet provisions (< min.service level)		9 769	6 512	12 645	12 645	12 645			
		No toilet provisions									
		<i>Below Minimum Service Level sub-total</i>	2 000	12 152	8 537	14 302	14 302	14 302	–	–	–
		Total number of households	28 000	38 152	28 537	34 670	34 670	34 670	36 985	40 935	50 435
		Energy:									
		Electricity (at least min.service level)	6 000	7 000	7 000	1 500	1 500	1 500	–	–	–
		Electricity - prepaid	28 000	34 500	34 850	35 000	35 000	35 000	38 133	38 133	40 670

		(min.service level)									
		Minimum Service Level and Above sub-total	34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133	40 670
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133	40 670
		<u>Refuse:</u>									
		Removed at least once a week	45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
		Minimum Service Level and Above sub-total	45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
		Removed less frequently than once a week	10 000	10 000	10 000	10 000	–	–	–	–	–
		Using communal refuse dump	10 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
Using own refuse dump											
Other rubbish disposal											
No rubbish disposal	10 000	10 000	10 000	10 000	–	–	–	–	–		
		Below Minimum Service Level sub-total	30 000	69 000	72 000	72 000	52 000	52 000	53 000	54 000	55 000
		Total number of households	75 000	118 000	124 000	124 000	104 000	104 000	106 000	108 000	110 000
Detail of Free Basic Services (FBS) provided			2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Electricity	Ref	<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (50 kwh per indigent household per month R'000)	4 646 664	4 859 141	3 926 415	5 149 950	3 030 000	3 030 000	5 800 940	6 381 030	7 019 130
		Number of HH receiving this type of FBS	11 734	11 576	7 246	10 000	10 000	10 000	14 000	14 000	14 000
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									

		Number of HH receiving this type of FBS Living in informal backyard rental agreement (R'000) Number of HH receiving this type of FBS Other (R'000) Number of HH receiving this type of FBS									
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water	Ref	<u>Location of households for each type of FBS</u> Formal settlements - (6 kilolitre per indigent household per month R'000) Number of HH receiving this type of FBS Informal settlements (R'000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R'000) Number of HH receiving this type of FBS Living in informal backyard rental agreement (R'000) Number of HH receiving this type of FBS Other (R'000) Number of HH receiving this type of FBS									
List type of FBS service			15 122 808 11 734	15 559 585 11 576	8 509 517 7 246	12 936 000 10 000	12 936 000 10 000	12 936 000 10 000	11 585 280 14 000	12 303 570 14 000	13 029 480 14 000
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-
Sanitation	Ref	<u>Location of households for each type of FBS</u> Formal settlements - (free sanitation service to indigent households) Number of HH receiving this type of FBS Informal settlements (R'000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R'000) Number of HH receiving this type of FBS									
List type of FBS service			6 140 569 8 125	6 463 704 7 939	4 945 163 7 246	6 332 170 10 000	5 757 600 10 000	5 757 600 10 000	10 689 190 14 000	11 351 910 14 000	12 021 670 14 000

		Living in informal backyard rental agreement (R'000) Number of HH receiving this type of FBS								
		Other (R'000) Number of HH receiving this type of FBS								
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-
Refuse Removal	Ref	<u>Location of households for each type of FBS</u>								
		Formal settlements - (removed once a week to indigent households)								
List type of FBS service		Number of HH receiving this type of FBS	11 445 278	12 216 696	8 286 489	12 328 850	8 940 000	8 940 000	18 641 150	20 964 910
		Number of HH receiving this type of FBS	11 734	11 576	7 246	10 000	10 000	10 000	14 000	14 000
		Informal settlements (R'000)								
		Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (R'000)								
		Number of HH receiving this type of FBS								
		Living in informal backyard rental agreement (R'000)								
		Number of HH receiving this type of FBS								
		Other (R'000)								
		Number of HH receiving this type of FBS								
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-

2.15 Municipal manager's quality certificate

I, Steve M Molala, Municipal Manager of Metsimaholo Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Steve M Molala

Municipal Manager of Metsimaholo Local Municipality (FS 204)

Signature _____

Date 23/03/2016