Metsimaholo Local Municipality

2017/2018 Medium Term Revenue and Expenditure Framework (MTREF)

Budget Document

May 2018

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Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Mayor’s Report

The Mayor will table her report as a separate document at the Council meeting of 30 May 2018.

1.2 Council Resolutions

The Council approved the annual budget of the municipality for the financial year 2018/19 and indicative budgets for the two projected outer years 2019/2020 and 2020/2021 as set out, subject to the following resolutions:

The Council, in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts the following resolutions:

1. **The annual budget of the municipality for the 2018/19 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 89
   1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 91;
   1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 94; 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 97

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 99;
   2.2 Budgeted Cash Flows as contained in Table 24 on page 101
   2.3 Reserves and accumulated surplus reconciliation as contained in Table 25 on page 102
   2.4 Asset management as contained in Table 26 on page 104; 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) approves the tariffs with effect (billing) from 1 July 2018**

   3.1 The tariffs for property rates – as set out on page 14
   3.2 The tariffs for electricity – as set out on page 18-20
   3.3 The tariffs for the supply of water – as set out on page 16-17
   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 24-25

4 **The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves with effect (billing) from 1 July 2018 the tariffs for other services, as set out on page 28 to 75 respectively**.

5. **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**

6. The proposed amendments to the Budget Related Policies as indicated on Pages 136 and 137 were reviewed, will be work shopped on 6 and 7 June 2018 and submitted to Council meeting in June 2018.
7. The option be investigate to take up a financial lease of R7million to finance the purchase of vehicles to improve service delivery
8. Council approves that the municipality raise an overdraft facility of R10 million with its primary bankers for utilisation in the 2018/19 financial year.

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 preparing and implementing a comprehensive Revenue Enhancement Strategy 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, 79, 85, 86,89 and 91 were used to guide the compilation of the 2018/19 MTREF.

The challenges in preparing the 2018/19 MTREF are as follows:

Infrastructure and capital items

- Ageing and poorly maintained water, electricity and roads infrastructure
- A lack of proper maintenance master plans
- Limited capital projects that can be funded from own funds
- The need to reprioritize projects and expenditure within the existing limited resources given the cash flow realities
- Plant hire on a regular basis is costly and alternatives need to be explored – purchasing of own equipment (subject to affordability)

Increased costs and decreasing margins on trading activities

- Increased prices of goods and services above the inflation rate
- 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,
- Declining profit margins on water and electricity
- Tariffs are not cost reflective
- Some private developments and industries receive services direct from Eskom and Rand water with no direct benefit to the municipality

Irregular expenditure

- Expired tenders need to be regularised to avoid recurring irregular expenditure

Staffing and personnel costs

- Wage increases above the inflation target (As per the Bargaining Council Agreement)
- Critical vacancies can only be phased in over 4-8 years based on the affordability – subject to the organizational review
- Organisational review – process has commenced and needs to be completed this impacts on the critical vacancies and unfilled posts
- Overtime cost in certain departments appear to be too high – requires a minimization strategy

Distribution losses

- Distribution losses - water and electricity require a minimization strategy that is practical and implementable
- Illegal connections to be addressed and eliminated altogether

Fleet management

- 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

Other matters

- Linking of each item to the IDP - the votes will reflect the link to IDP
- Tariff applications and approvals to be submitted timeously

The following budget principles and guidelines directly informed the compilation of the 2018/19MTREF:

- The 2018/19 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 has to be properly motivated.
- Projects identified and divided into different items such as

- Public programs into projects and items
- Repairs and maintenance into projects and items
- Linkages to the IDP

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 to be included without such approvals being obtained.
- Shifting of funds to be in line with the approved Virement Policy
- Own funding to be in line with anticipated cash flows and affordability
- Own funding of capital projects not to exceed the surplus on Operating Budget and cash backed accumulated surpluses
- *Implementation of Capital expenditure from the municipalities own funds will be subject to the actual cash flows and will have to be carefully managed to avoid making commitments that may not be affordable*
- 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 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2018/19 MTREF

	Adjustment Budget	Medium Term Revenue and Expenditure Framework		
	2017/2018	2018/2019	2019/2020	2020/2021
	R'000	R'000	R'000	R'000
Operating revenue	**1,167,822**	**1,202,080**	**1,262,449**	**1,351,549**
Operating expenditure	**1,014,153**	**1,092,830**	**1,151,284**	**1,207,091**
Capital expenditure	**170,746**	**777,868**	**1,173,037**	**898,573**

Total operating revenue (including the operating and capital grants)

- Revenue has increase by 2.93 per cent or R34.3 million for the 2018/19 financial year when compared to the 2017/18 Budget. There is a increase in capital grant revenue of R10 million

- For the two outer years, operational revenue will increase by 5 per cent and 7.1 per cent respectively, equating to a total revenue growth of R183.7million over the MTREF. Capital grant revenue decrease from R148 million to R108 million in 2018/2019
- Included in revenue are grants for operating expenditure and capital projects.

Total operating expenditure

- For the 2018/19 financial year the operating expenditure appropriation is R1.09 billion and translates into a budgeted surplus of R109.3million.
- Compared to the 2017/18 Budget, operational expenditure has increased by 7.8 per cent in the 2018/19 budget and
- For the two outer years of the MTREF, operational expenditure has grown by 5.4% and 4.9% respectively.
- The operating surplus for the two outer years is R111 million and to R144million.

The capital budget

- The capital budget for 2018/2019 is R777.9million.
  - The R28.1m (3.6%) is expected to be funded from internally generated funds, subject to availability of cash.
  - Government Grants total R108.3 million and comprises 13.9. % of the capital expenditure.
  - Capital projects financed from Human Settlements total R639 million and comprise 82.1% of the capital expenditure
- The capital programme increases to R1.173 billion in the 2019/20 financial year and further reduces to R938.6 million in 2020/21.
- The capital budget remains relatively flat over the medium-term due to constrains on internally funded capital projects due to cash flow considerations and the level of government grants that are approved for the municipality.

1.4 Operating Revenue Framework

For the Municipality to continue improving the quality of services provided to its citizens it needs to broaden 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, unemployment 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.
Cost cutting measures must also be implemented.

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 11% and 7% 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
- Formalising the informal settlements
- Reviewing the tax holiday incentives that were granted in the past

The following table is a summary of the 2018/19MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

FS204 Metsimaholo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source										
Property rates	2	111,299	114,445	128,980	129,932	143,267	143,267	140,001	148,063	156,570
Service charges - electricity revenue	2	195,341	208,626	243,228	272,566	272,433	272,433	290,603	306,640	323,709
Service charges - water revenue	2	249,416	258,842	230,445	410,412	321,278	321,278	370,663	391,826	413,842
Service charges - sanitation revenue	2	18,087	19,714	22,056	22,698	23,604	23,604	26,802	28,395	30,051
Service charges - refuse revenue	2	23,796	25,955	28,376	40,735	31,280	31,280	27,985	29,833	31,662
Service charges - other		–	–	–						
Rental of facilities and equipment		4,600	4,642	6,069	4,818	6,568	6,568	6,086	6,521	5,276
Interest earned - external investments		2,167	2,702	2,108	1,000	1,400	1,400	1,300	1,300	1,300
Interest earned - outstanding debtors		14,576	16,449	25,072	28,295	33,633	33,633	31,509	32,959	34,489
Dividends received		88	96	99	–	–	–	–	–	–
Fines, penalties and forfeits		22,876	17,675	17,272	16,762	16,762	16,762	16,920	17,086	17,160
Licences and permits		149	159	117	201	101	101	211	221	233
Agency services		–								
Transfers and subsidies		112,283	122,911	131,170	147,679	152,779	152,779	168,255	186,715	207,890
Other revenue	2	13,980	45,125	50,072	13,840	16,258	16,258	13,497	14,069	10,673
Gains on disposal of PPE		–	1,426	294	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**768,657**	**838,768**	**885,358**	**1,088,936**	**1,019,363**	**1,019,363**	**1,093,833**	**1,163,630**	**1,232,856**

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					
	2017/2018		2018/2019		2019/2020		2020/2021	
	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	143,267	**12.3**	140,001	**11.6**	148,063	**11.7**	156,570	11.6
Electricity	272,433	**23.3**	290,603	**24.2**	306,639	**24.3**	323,709	24.0
Sanitation	23,604	**2.0**	26,802	**2.2**	28,395	**2.2**	30,051	2.2
Water	321,278	**27.5**	370,663	**30.8**	391,827	**31.0**	413,842	30.6
Refuse removal	31,280	**2.7**	27,985	**2.3**	29,833	**2.4**	31,662	2.3
Govt grants – operating	152,779	**13.1**	168,255	**14.0**	186,715	**14.8**	207,890	15.4
Govt grants – capital transfer	148,459	**12.7**	108,247	**9.0**	98,819	**7.8**	118,693	8.8
Fines/Penalties	16,762	**1.4**	16,920	**1.4**	17,086	**1.4**	17,160	1.3
Interest Debtors	33,633	**2.9**	31,509	**2.6**	32,959	**2.6**	34,489	2.6
Interest	1,400	**0.1**	1,300	**0.1**	1,300	**0.1**	1,300	0.1
Licences and permits	101	**0.0**	211	**0.0**	221	**0.0**	233	0.0
Rental of facilities	6,568	**0.6**	6,086	**0.5**	6,521	**0.5**	5,276	0.4
Other	14,257	**1.2**	11,391	**0.9**	11,569	**0.9**	8,173	0.6
Profit on sale of Land	2,001	**0.2**	2,107	**0.2**	2,502	**0.2**	2,501	0.2
	1,167,822	**100.0**	**1,202,080**	**100.0**	**1,262,449**	**100.0**	**1,351,549**	100.0

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 2017/18 financial year, revenue from rates and services charges totalled R792 million or 67.8 per cent.

This increases to R856 million, R904 million and R956 million respectively for the MTREF. The percentage revenue generated from rates and services charges varies marginally from 71.2 per cent in 2018/19 to 70.7 per cent in 2020/21.

Operating grants and transfers totals R168.3 million in the 2018/19 financial year and increases to R207.9 million by 2020/21. Note that the year-on-year growth for the 2018/19 financial year 10.1 per cent and increases by 11and 11.3 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

	2017/2018	**2018/2019**	**2019/2020**	**2020/2021**	
	R'000	R'000	R'000	R'000	
Equitable Share	142 709	163 296	182 247	202 871	Allocated for Free Services
Financial Management Grant	1 700	1 770	2 235	2 667	Appointment of Interns and training
Municipal Infrastructure Grant	2 270	2 189	2 233	2 352	Salaries and operating expenditure at Project Management Unit
Extended Public Works Programme	1 000	1 000			Salaries for temporary staff
SASOL	5 100	0			Donation for Data Cleansing
Total	**147 679**	**168 255**	**186 715**	**207 890**	

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 5.3 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 (awaiting final outcome) 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* ***R8 000*** *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 2018/19 financial year based on a 5.2 per cent increase from 1 July 2018 is contained at table 5:

Table 5 Comparison of proposed rates to levy for the 2018/19 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 2017/2018	Proposed **2018/2019**
Heavy Industries	0.042327	0.044529
Light Industries	0.042327	0.044529
Businesses	0.016919	0.017799
State property	0.016919	0.017799
Domestic and other	0.00845	0.00889
Farmland:		
Residential	0.004226	0.004447
Businesses	0.008453	0.0088930
Industries	0.021194	0.022296
Private owned towns, Body Corporate, Sectional Titles	0.004226	0.004447
Mining	0.021205	0.022308
Agricultural	0.002119	0.0022296

Unregistered Erven	Municipal services charges equal to category of property	Municipal services charges equal to category of property

The rebate allocated to approve indigents for Assessment Rates is ***a maximum of*** R50.00 per month. **For budget purposes the assumption was made that there will be 11 000 approved indigents registered by the end of the 2018/19 financial year**.

Additional income at 5.2 % tariff increase of assessment rates represents R7 963 060 per annum.

The supplementary valuation roll will be implemented with effect from 1 July 2018.

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 2018/19 financial year.
- 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 has undertaken a critical assessment of its capital infrastructure requirements which **has led to Rand Water's increase of 12.2%, effective from 1 July 2018**. 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 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 housing complexes is a challenge. An example of 10 households per complex, the consumption will be recalculated to 1(consumption divided by 10).Consumption is then charged according to the tariff of the inclining blocks.

The consumption tariff increase for water is set at 0 per cent for first 6kl, 5.2 per cent up till 20 kl, 14 per cent above 20 kl and **12.2** per cent for schools, businesses and industries, where the tariff is a flat tariff, not based on an inclining block tariff.

Although the input cost from Rand Water is 12.2% the cost of other inputs increasing and a surplus generated on the water service, together with the need to save water, were considered in the tariff setting process.
Municipality over the years has failed to maintain its infrastructure which has led to dysfunctional of the affected sections.

A basic water service (availability charge) charge of R22.39 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 only be granted to approved/registered indigents. An approved indigent will receive 6kl of water free. The basic water charges to approved indigent households will fully be subsidised. A total of R10.2 million is allocated from the Equitable Share in respect of free basic water. The proposed increase represents R27 million per annum.

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

Table 6 Proposed Water Tariffs (excluding VAT)

Basic Charges	*2017/2018*	*2018/2019*
	R	R
Churches	34.92	36.74
Businesses	138.22	145.41
Light Industries	179.10	188.42
Heavy Industries		
Up to 20 000 kl	232.48	244.57
Up to 40 000 kl	1 168.11	1 228.85
Above 40 000 kl	2 917.20	3 068.90

Residential		
Vacant stands	69.06	72.65
All other residential stands	21.28	22.39
Oranjeville		
Co-operatives	1 389.83	1 462.10

Water consumption tariff (VAT exclusive)

	2017/2018	*2018/2019*
Domestic		
>0 up to and including 6 kl	R9.17/kl	R9.17/kl
>6 up to and including 12 kl	R18.34kl	R19.29kl
>12 up to and including 20 kl	R20.95/kl	R22.04/kl
>20 up to and including 30 kl	R26.90/kl	R30.66/kl
>30 up to and including 45 kl	R32.50/kl	R37.05/kl
>45 kl	R36.93/kl	R42.10/kl
Schools	R22.05/kl	*R24.74/kl*
State property		
(excl. residential properties)	R22.05/kl	*R24.74/kl*
Businesses	R22.05/kl	*R24.74/kl*
Light Industries	R23.04/kl	*R25.85/kl*
Heavy Industries	R23.44/kl	*R26.30/kl*

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

The tariff increase for consumption of 20kl results in an additional amount of R14.42 or 4.3% and for consumption of 45kl, R 120.27 or 11.04%.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. **A 7.32 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2018**.

The consumer tariff could only be increased by a 6.84% per guideline from 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 been introduced to all households with prepaid electricity meters from1 July 2016. Approved indigent households are fully subsidised. Basic charges for domestic consumers that have conventional meters were initiated by NERSA approval from 1 July 2015.

Approval must be obtained from NERSA for the increase of 6.84% in tariff.

The service reflects a deficit of R887k, however, change to a deficit of R12.5million when the conditional capital grant of R11.6 million that is allocated to the operating budget, is not taken into account.

Any additional increase in tariffs by ESKOM will influence tariffs.

Table 7 Proposed Electricity Tariffs

Basic Service charges for Electricity (VAT exclusive)

	2017/2018	*2018/2019*
Schools, Churches, Halls	R181.12	R193.51
Businesses, Offices, Hotels, clubs	R181.12	R193.51
Businesses Zamdela:		
Single phase	R181.12	R193.51
Three phase	R173.35	R185.20

Four meters	R351.31	R375.34
Bulk Supply >50Kva	R355.91	R380.24
Bulk Supply >50kW	R344.82	R368.41
Residential		
Vacant stands	R92.12	R98.42
Domestic only consumers that have conventional meters	R53.79	R57.47
Domestic only consumers that have prepaid meters	R20.38	R21.77

The current tariffs (2017/2018) approved by NERSA are as follows:

***Tariff* (VAT exclusive)**	***kWh***	***2017/2018***	*2018/2019*
Domestic Off peak(September to May)	>0 up to and including 50	R0.8754/kWh	R0.9352/kWh
	>50 up to and including 350	R1.0978/kWh	R1.1729/kWh
	> 350 up to and including 600	R1.5170/kWh	R1.6208kWh
	>600	R1.7494/kWh	R1.8690/kWh
Domestic Peak(June, July, August)	>0 up to and including 50	R0.9190/kWh	R0.9818/kWh
	>50 up to and including 350	R1.2075/kWh	R1.2901/kWh
	> 350 up to and including 600	R1.7859/kWh	R1.9081/kWh

	>600	R2.0117/kWh	R2.1493/kWh
Businesses		R1.6950/kWh	R1.8109/kWh
Three Phase		R1.5902/kWh	R1.6990kWh
Bulk		R0.8004/kWh	R0.8551/kW
		R0.8800/kWh	R0.9402/kWh
Per KVA		R159.23	R170.12
Per kW		R154.07	R164.61
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	98,66	105.41	6.75	6.84	Off Peak
	106,33	113,60	7,27	6,84	Peak
500	600,66	641,72	41,06	6,84	Off Peak
	676,10	722,34	46,24	6,84	Peak
1000	1 452,12	1 551,40	99,28	6,84	Off Peak
	1 659,41	1 772,87	113,46	6,84	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 2018 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 6 per cent for sanitation from 1 July 2018 is proposed. Sasol Chemical Industries operate the purification plant and 8% is the cost increase.

A detailed analysis of the cost of sanitation must be done.

A tariff increase of 6% for households and 6% for industries and business is proposed, in order to have uniform tariffs on water borne sewer. *However it must considered to increase the tariff for industries by 8%. The percentage variation is informed by the current non-compliance of influent discharged by industries to the network resulting in critical damages of infrastructure.* Since 2017 households pay the monthly charges (basic plus additional) for the suction tanks and no longer when they use the suction tank services. The charges will be levied monthly and reflect on the account.

The basic charges of sewer for approved indigent residents (households) will be fully subsidised by Council. An amount of R1.7 million is allocated from Equitable Share for this purpose. A further amount of R9.9 million is allocated from Equitable Share for additional sewer to all approved indigents.

Table 9 Proposed Sanitation Tariffs

Tariffs *(VAT exclusive)*

		2017/2018	***Proposed*** *2018/2019*
	Domestic - Basic based on Stand size	Increase 6.1%	Increase 6%
	Residential vacant stand	R12.00	R12.76
	Sasolburg		
	Basic charges Heavy Industries Businesses	Actual cost by SCI plus 40%	Actual cost by SCI plus 40%
	Additional		
(a)	Residential sewer	R97.74	R103.60
(b)	Business sewer	R104.38	R110.64
(c)	Flats	R7.30	R7.74
		R97.74	R103.60
(d)	2nd Dwelling	R97.74	R103.60
(e)	Industries sewer	R104.38	R110.64
(f)	Day schools and Crèches	R33.47	R35.48
(g)	Flats sewer	R97.74	R103.60
(h)	Add units flats	R57.52	R60.97

Suction tank per service	Same as consumer of water borne sewer R67.43	Same as consumer of water borne sewer R71.48
Oranjeville Business	R99.21	R105.16
Metsimaholo Businesses	R99.21	R105.16
Additional sewer		
Water borne sewer Oranjeville/Metsimaholo	R67.43	R71.48
Basic sewer		
Refengkgotso/Phomolong:		
Businesses	R99.21	R105.16
Water borne sewer	R67.43	R71.48
Refengkgotso/Phomolong		
Bucket services system	R29.56	R31.33
Rural areas: Suction Tank Services		
Areas that are not included in the disestablished towns		
(No Rates Payable)		
Normal working hours	R 1 665/service	R 1 898.10/service

After hours	R 3 330/service	R 3 796.20/service
Areas with discounted rates:		
Normal working hours	R 1 665/service	R 1 898.10/service
After hours	R 3 330/service	R 3 796.20service

Guest houses are levied at the same rates as business.

The total revenue expected to be generated from rendering this service amounts to R27.9 million for the 2018/19 financial year.
The service reflects a surplus of R51.9 million for the 2018/19 budget year but if the conditional grant of R75.3 million is taken off, the service reflect a deficit of R24million
The service reflects a deficit for the 2019/20 and for 2020/2021 budget year and the deficit increase when the capital grant that reflects as revenue, be taken off. Refer to Table 20 on page 92.

1.4.5 Waste Removal and Impact of Tariff Increases

An increase of 6 per cent on households and 6 per cent on businesses in the waste removal tariff is proposed from 1 July 2018. The tariff for the various categories is now uniform. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

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 2018:

Table10 Proposed Waste removal Tariffs (VAT exclusive)

	R 2017/2018	*R 2018/2019*
Dwellings/Single flats	118.06	125.14
Joint flats (one service point)	118.06	125.14
Private Hostels	118.06	125.14

Businesses per point	230.27	244.08
Schools per point	230.27	244.08
Churches	118.06	125.14
Dumping ground: All tariffs for dumping is per cubic meter or part of cubic meter		
Industries and Contractors and	146.83	156.23
Garden Services	146.83	156.23
Approved indigents	FREE	FREE

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

An amount of R16.5 million is allocated from equitable share for the refuse service to approved indigents (11 000)***.*** The tariff increase represents additional revenue of R2.5 million for the year. The service reflects a deficit of R8 million after the 6% 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 6.8 and 6.3 per cent, with the increase for indigent households to 6.1 per cent.

FS204 Metsimaholo - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent								% incr.			
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		439,73	466,11	503,38	535,60	535,60	535,60		563,45	594,44	627,14
Electricity: Basic levy				20,00	21,60	21,60	21,60		21,77	22,97	24,23
Electricity: Consumption		1 183,51	1 349,19	1 425,30	1 539,33	1 452,12	1 452,12		1 551,40	1 636,73	1 726,75
Water: Basic levy				20,00	21,28	21,28	21,28		22,39	23,62	24,92
Water: Consumption		402,00	442,20	494,80	601,66	601,66	601,66		653,68	689,63	727,56
Sanitation		78,76	85,06	91,86	109,78	109,78	109,78		116,37	122,77	129,52
Refuse removal		95,13	102,74	110,96	118,06	118,06	118,06		125,14	132,02	139,28
Other											
sub-total		**2 199,13**	**2 445,30**	**2 666,30**	**2 947,31**	**2 860,10**	**2 860,10**	**3,6%**	**3 054,20**	**3 222,18**	**3 399,40**
VAT on Services		219,84	277,09	302,81	337,64	325,43	348,68		373,61	394,16	415,84
Total large household bill:		**2 418,97**	**2 722,39**	**2 969,11**	**3 284,95**	**3 185,53**	**3 208,78**	**4,3%**	**3 427,81**	**3 616,34**	**3 815,24**
% increase/-decrease			**12,5%**	**9,1%**	**10,6%**	**(3,0%)**	**0,7%**		**6,8%**	**5,5%**	**5,5%**
_											
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		318,22	337,31	364,29	387,60	387,60	387,60		407,76	430,18	453,84
Electricity: Basic levy				20,00	21,60	21,60	21,60		21,77	22,97	24,23
Electricity: Consumption		486,04	566,60	589,56	636,72	600,66	600,66		641,72	677,01	714,25
Water: Basic levy				20,00	21,66	21,66	21,66		22,39	23,62	24,92
Water: Consumption		307,00	337,70	377,85	467,16	467,16	467,16		500,38	527,90	556,94
Sanitation		78,76	85,06	91,86	109,78	109,78	109,78		116,37	122,77	129,52

Refuse removal		95,13	102,74	110,96	118,06	118,06	118,06		125,14	132,02	139,28
Other											
sub-total		**1 285,15**	**1 429,41**	**1 574,52**	**1 762,58**	**1 726,52**	**1 726,52**	**4,1%**	**1 835,52**	**1 936,48**	**2 042,98**
VAT on Services		132,72	152,89	169,43	192,44	187,45	200,84		214,17	225,94	238,37
Total small household bill:		**1 417,87**	**1 582,30**	**1 743,95**	**1 955,02**	**1 913,97**	**1 927,36**	**4,8%**	**2 049,69**	**2 162,42**	**2 281,35**
% increase/-decrease			**11,6%**	**10,2%**	**12,1%**	**(2,1%)**	**0,7%**		**6,3%**	**5,5%**	**5,5%**
_				-0,12	0,18	-1,17	-1,33				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		282,67	317,13	323,25	349,11	329,34	329,34	0,8%	351,84	371,19	391,61
Water: Basic levy											
Water: Consumption		212,00	233,20	260,90	277,64	277,64	277,64	5,2%	292,06	308,12	325,07
Sanitation											
Refuse removal											
Other											
sub-total		**494,67**	**550,33**	**584,15**	**626,75**	**606,98**	**606,98**	**2,7%**	**643,90**	**679,31**	**716,68**
VAT on Services		69,26	77,05	81,78	87,75	84,98	91,05		96,59	101,90	107,50
Total small household bill:		**563,93**	**627,38**	**665,93**	**714,50**	**691,96**	**698,03**	**3,6%**	**740,49**	**781,21**	**824,18**
% increase/-decrease			**11,3%**	**6,1%**	**7,3%**	**(3,2%)**	**0,9%**		**6,1%**	**5,5%**	**5,5%**
_											

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 2018.

Financial Services	***2017/2018***	***2018/2019***
New Consumers who move into municipal area		
Connection fee per meter:		
- Water	R190.00	R195.00
- Electricity	R190.00	R195.00
Delivery of warning notices	R213.00	R224.00
Non-payment fees for defaulters		
- Normal reconnection fee	R393.00	R413.00
- After hours reconnection fee (additional)	R293.00	R308.00
- Reduce water supply	R393.00	R413.00
- Cut electric cable	R472.00	R497.00
- Remove electric cable	R786.00	R827.00
- Replace electric cable	R786.00	R827.00
- Final Notice Fee	R112.00	R118.00
- Dishonoured Cheques R/D (admin / bank fee)	R349.00	R367.00
- Dishonoured Credit cards(payment return by bank) ex. easy pay	R349.00	R367.00
-		
Illegal Connection(Bypass/tampering of meters		
Household (Water or Electricity)	R24 720.00	R26 005.00
Business	R 31 500.00/meter	R 33 138.00/meter

Illegal connection after disconnection(switch on of meter)	R5 050.00	R5 313.00
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		
Clearance certificates		
Normal collection	R236.00	R248.00
Registered mail	R270.00	R284.00
Valuation Roll per Town (Residential Area) or part thereof	R620.00	R652.00
Valuation Roll electronic format	R280.00	R295.00
Valuation Objection Fee (only for review and appeal)	R500.00	R526.00
Valuation Certificate	R180.00	R189.00
Address list per 500 pages or part thereof	R620.00	R652.00
Search Fees	R80.00	R84.00
Other Fees		
Testing of electricity meters	R562.00	R591.00
Replacement of padlock	R393.00	R413.00
Duplicate Accounts	R14.00	R15.00
Duplicate tenant’s Accounts sent to owners	R28.00	R29.80
Duplicate IRP 5	R30.00	R32.00
Fee for block/unblock of Prepaid electricity meters	R135.00	R142.00
Replacement of prepaid card	R70.00	R74.00

Selling of wood (= LDV load)	R159.00	R159.00
Cutting of trees (per tree)	R1 060.00	R1 060.00
Threshold for indigent	2 x state old age pension plus R1500	2 x state old age pension plus R1500
Parking for Officials		
Single Parking in basement of Civic Centre	R65.00	R65.00
Share Parking in basement of Civic Centre	R50.00	R50.00
Shelter Parking in outside parking area	R45.00	R45.00
Deposits		
Flats/Town houses		
Owners		
(without pre-paid meters)	R3 700.00	R3 700.00
Owners		
(with pre-paid meter)	R1 850.00	R1 850.00
Where body corporate pay other services	0	0
Houses		
with pre-paid meters	R2 650.00	R2 650.00
without pre-paid meters	R5 300.00	R5 300.00
Minimum Deposit charged when applying for clearance figures	R5 300.00	R5 300.00
Businesses		
With pre-paid meters	R 4 000.00	R 5 000.00

Without pre-paid meters based on twice monthly consumption based on the type of business	R 8 000.00	R 10 000.00
Light Industries	Twice monthly consumption	Twice monthly consumption
based on twice the monthly consumption based on the type of business		
Heavy Industries	Twice monthly consumption	Twice monthly consumption
Government	Same as businesses	Same as businesses

Water, Electricity and Sewer connection tariffs increases

Connections to be done	2017/2018	2018/2019
SEWER		
100mm diameter -3m length	R 4 847	R 5 089
All other longer than 100mm diameter or longer than 3m	To be calculated	To be calculated
Water		
15mm - 3m max	R 2 175	R 2 480
20mm - 3m max	R 2 557	R 2 914
80/20 COMBO meter	R 21 722	R 22 208
50/20 COMBO meter	R 5 763	R 6 570
40 mm	R 5 677	R 6 472
longer than 3m and domestic meters		Cost plus 10%
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 320	R 336
Water and Sewer - general		
Water and Sewer road crossings (gravel)		R 5 992
Water and Sewer road crossings	R 11 412	R 11 983
Relocating Water meters(labour only)	R 1206	R 1266
Stolen Water meter	Cost of Meter plus 20%	Cost of Meter plus 20%

Testing of water meters		
20mm to 50 mm size meters	R614	R645
All other to be calculated		Cost plus 20%
Electricity		
New single phase connection	R6 172.80	R6 790.08
Upgrading from 60 – 80 ampere	R5 784.24	R6 362.66
New three phase connection up to design load	R5 408.77	R7 333.00
New three phase connection larger than design load	Estimated cost plus network strengthening cost	Estimated cost plus network strengthening cost plus R1 144.55/kVA
Single phase prepaid meter	R1 172.80	R1 266.24
Three phase prepaid meter Moving of kWh meter from house to stand boundary	R2 508.77 R3 592.98	R2 709.47 R3 880.41
Moving of connection	R2 114.91	R2 284.10
New ready board and keypad	R2 277.19	R2 504.49
Replacement of cable	R1 843.85	R2 028.23
Repair of cable (damaged by owner)	R1 237.71	R1 442.83
Temporary connection if service is available: Single Phase (max 60 amp)	R1 231.57	R1 305.46
Three phase (town houses)	R2 855.26	R3 026.57
Testing of kWh meter	R584.21	R619.26

Testing of prepaid meter	R386.84	R410.50
Damaged keypad prepaid meter	R818.42	R900.26
Damaged single phase prepaid meter	R1 287.71	R1 416.48
Damaged three phase prepaid meter	R3 148.24	R3 463.06
Damage relay	R1 250.00	R1 250.00
Cost of prepaid meter and relay for town houses	R2 409.64	R2 554.21
Cost for second electrical installation test(1st free)	R386.84	R410.50
Replacement of broken or stolen ripple relay	Cost of relay and labour	Cost of relay and labour
Ripple relay	R869.29	R956.21
Ripple relay (damaged)		R1 375.00
Network strengthening	R1 021.92	R1 021.92

Capital Contributions (once off payment)

Water	**2017/2018**	**2018/2019**
Per kilolitre day usage-supply	R 6 240.00	R 6 552.00
Residential per added building or unit		
Low density	R 12 500.00	R 13 125.00
Middle density	R 9 360.00	R 9 828.00
High density	R 3 742.00	R 3 929.00
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	R 7 020.00	R 7 371.00
Residential per added building or unit		
Low density	R 8 421.00	R 8 842.00
Middle density	R 7 020.00	R 7 371.00
High density	R 3 510.00	R 3 686.00
Guest houses and hotels: treatment of sewer effluent. (normal household runoff norm 0.8kl/day)	R 8 938.00/kl (daily kl demand)	R 9 386.00/kl (daily kl demand)

Printing price list - Technical Services

	2017/2018	**2018/2019**
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
Durester		
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

Film		
A0	R100.44	R100.44
A1	R67.99	R67.99
A2	R35.09	R35.09
A3	R18.43	R18.43
A4	R9.22	R9.22
A4 Fax send/received(Private)	R10.53	R10.53

Social Services

a	**D P de Villiers Stadium**	**2017/2018**	**2018/2019**
	Rental of halls		
	Stadium Hall		
	Resident : meetings	R270.00 per hour	R280.00 per hour
	Non-Resident : meetings	R530.00 per hour	R560.00 per hour
	Functions	R720.00	R760.00
	Churches and schools	half price	half price
	Deposit	R660	R690
	Club complex Hall		
	Resident : meetings	R 95.00/ hour	R 100.00/ hour
	Non-Resident : meetings	R190.00/hour	R200.00/hour
	Functions	R400.00	R420.00
	Churches and schools	50% of R400.00	50% of R420.00
	Deposit	R660	R690

	Athletics		
	Schools sport meeting		
	Morning session 07:00 - 13:00	R1 210.00	R1 270.00
	Afternoon session 13:00 - 19:00	R1 210.00	R1 270.00
	Lights to switch on first 2 hours	R530.00	R560.00
	Then per half hour	R150.00	R160.00
	Deposit	R3 045	R3 200
	Non Residents (Invitational/Zones)		
	Morning session 07:00 - 13:00	R3 360.00	R3 530.00
	Afternoon session 13:00 - 19:00	R3 360.00	R3 530.00
	Lights to switch on first 2 hours	R530.00	*R560.00*
	Then per half hour	R 150.00	R 160.00
	Deposit	R3 045	R3 200
	Provincial Meetings		
	Morning session 07:00 - 13:00	R4 410.00	R4 630.00
	Afternoon session 13:00 - 19:00	R4 410.00	R4 630.00
	Lights to switch on first 2 hours	R530.00	R560.00
	Then per half hour	R150.00	R160.00
	Deposit	R2 800	R2 940

	Schools in Gauteng		
	Morning session 07:00 - 13:00	R4 410.00	R4 630.00
	Afternoon session 13:00 - 19:00	R4 410.00	R4 630.00
	Lights to switch on first 2 hours	R530.00	R560.00
	Then per half hour	R150.00	R160.00
	Deposit	R2 800	R2 940
	Provincial Meetings		
	Morning session 07:00 - 13:00	R2 800.00	R2 940.00
	Afternoon session 13:00 - 19:00	R2 800.00	R2 940.00
	Lights to switch on first 2 hours	R600.00	R630.00
	Then per half hour	R160.00	R170.00
	National Meetings		
	Morning session 07:00 - 13:00	R5 500.00	R5 780.00
	Afternoon session 13:00 - 19:00	R5 500.00	R5 780.00
	Lights to switch on first 2 hours	R420.00	R440.00
	Then per half hour	R140.00	R150.00
	Deposit	R3 045.00	R3 200.00
	Rental of Electronic Timing Equipment		
	Electronic Timing Equipment per	R1 210.00	R1 280.00

	session		
	Training sessions		
	Pre-determined practice periods 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)	R320.00p/a	R340 .00p/a
	Trainer (6 to 20 athletes)	R660.00 p/a	R700.00 p/a
	Trainer (21 and more athletes)	R1 100.00 p/a	R1 160.00 p/a
	School Rugby, School league all rugby fields as available.		
	Resident per session/season	R360.00	R380.00
	Non-resident per session/season	R530.00	R560.00
	Provincial Games	R1 790.00 per day	R1 880.00 per day
	Lights to switch on first 2 hours	R530.00	R560.00
	Then per half hour	R150.00	R160.00
	Deposit	R2 200.00	R2 310.00
	National and International Games	R3 900.00	R4 100.00
	Soccer meetings (outside stadium)		

	Resident per session/season	R390.00	R410.00
	Non-resident per session/season	R580.00	R610.00
	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R970.00	R1020.00
	Afternoon session 13:00 - 19:00	R970.00	R1020.00
	Lights to switch on first 2 hours	R530.00	R560.00
	Then per half hour	R150.00	R160.00
	Cross Country		
	A Field	R710.00	R710.00
	Outside Field	R360.00	R380.00
	Stadium Hall	R980.00	***R1 300.00***
	Rental of stadium for Church service	R2 200.00 p/d	R2 310.00 p/d
	Deposit	R2 700.00	R2 840.00
	Rental of stadium for non-sports related events	R11 025 .00p/d	R11 580 .00p/d
	Deposit	R5 510.00	R5 790.00
	Dog show		
	Resident per session	R390.00	R410.00
	Non-resident per session	R570.00	R600.00
	Deposit	R6 300.00	R6 610.00

b	**Sasolburg show ground**		
	Cricket pitch (High Performance)		
c	**Sports facilities**		
	Penny Heyns :		
	Adults: Season tickets	R200.00	R210.00
	: Day tickets	R20.00	R25.00
	Children : Season tickets	R95.00	R100.00
	: Day tickets	R12.00	R15.00
	School Galas		
	Morning session 07:00 - 13:00	R480.00	R500.00
	Afternoon session 13:00 - 19:00	R480.00	R500.00
	Lights to switch on first 2 hours	R480.00	R500.00
	Then per half hour	R125.00	R130.00
	Clubs/ Social clubs		
	Occasion	R1 340.00 without touch pad	R1 400.00 without touch pad
	Training sessions		
	Pre-determined practice periods Clubs	Training at the swimming pool will only be allowed after payment of R450.00 per	Training at the swimming pool will only be allowed after payment of R470.00 per annum as well as

		annum as well as purchase of seasonal tickets per swimmers training	purchase of seasonal tickets per swimmers training
	Zamdela Swimming Pool		
	: Adults : Season tickets	R115.00	R120.00
	: Day tickets	R11.00	R12.00
	: Children : Season tickets	R66.00	R70.00
	: Day tickets	R9.00	R10.00
	School Galas		
	Morning session 07:00 - 13:00	R470.00	R490.00
	Afternoon session 13:00 - 19:00	R470.00	R490.00
	Lights to switch on first 2 hours	R360.00	R380.00
	Then per half hour	R140.00	R150.00
	Clubs/ Social clubs		
	Occasion	R1 320.00 without touch pad	R1 390.00 without touch pad
	Training sessions		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R420.00per annum as well as purchase	Training at the swimming pool will only be allowed after payment of R440.00per annum as well as purchase

		of seasonal tickets per swimmers training	of seasonal tickets per swimmers training
	Cemeteries		
	Zamdela : Adult : Resident	R470.00	R490.00
	:Non Resident	R1 890.00	R2 000.00
	Children : Resident	R360.00	R380.00
	: Non resident	R1 470.00	R1 540.00
	Deneysville/		
	Refengkgotso / Metsimaholo :		
	: Adults : Resident	R420.00	R440.00
	: Non Resident	R1 680.00	R1 770.00
	: Children :Resident	R310.00	R320.00
	:Non Resident	R1 290.00	R1 350.00
	Sasolburg:		
	: Adults : Resident	R1 210.00	R1 270.00
	: Non Resident	R4 700.00	R4 930.00
	: Children :Resident	R840.00	R880.00
	:Non Resident	R2 910.00	R3 050.00
	Oranjeville:		

	: Adults : Resident	R420.00	R440.00
	: Non Resident	R1 680.00	R1 780.00
	: Children :Resident	R310.00	R320.00
	:Non Resident	R1 290.00	R1 350.00
	Indigents		
	Approved as per Metsimaholo Local Municipality policy	Free	Free
	Urns in Walls of Remembrance		
	Residents	R460.00	R480.00
	Non Residents	R2 120.00	R2 230.00
	Placing of urn in existing grave:		
	Residents	R200.00	R210.00
	Non Residents	R210.00	R220.00
	Stack Burials:		
	Two coffins in one grave		
	Residents	One and half price (1.5)	One and half price (1.5)
		One and half price (1.5)	One and half price (1.5)
	Oversize Grave		Extra R50.00

e	**Halls**		
	Zamdela/Refengkgotso/		
	Metsimaholo		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R520.00	R540.00
	Afternoon session 13:00 - 19:00	R520.00	R540.00
	Extra hour	R190.00	R200.00
	Kitchen use	R190.00	R200.00
	Music/Jazz and others		
	Morning session 07:00 - 13:00	R970.00	R1 020.00
	Afternoon session 13:00 - 19:00	R970.00	R1 020.00
	Extra hour	R270.00	R280.00
	Kitchen use	R270.00	R280.00
	Funeral service and memorial service		
	Morning session 07:00 - 13:00	R450.00	R470.00
	Afternoon session 13:00 - 19:00	R450.00	R470.00
	Extra hour	R210.00	R220.00
	Kitchen use	R220.00	R230.00
	Political meetings		
	Morning session 07:00 - 13:00	R270.00	R280.00
	Afternoon session 13:00 - 19:00	R270.00	R280.00
	Extra hour	R80.00	R90.00

	Kitchen use	R80.00	R90.00
	Season 2 meetings per month	R530.00	R560.00
	Government structures		
	Morning session 07:00 - 13:00	R290.00	R300.00
	Afternoon session 13:00 - 19:00	R290.00	R300.00
	Extra hour	R76.00	R80.00
	Kitchen use	R76.00	R80.00
	Welfare	R550.00	R580.00
	Deposit		
	Music/Jazz and others	R2 120.00	R2 230.00
	All other	R420.00	R440.00

(f)	**Abrahamsrust recreation resort**	**2017/2018**	**2018/2019**
	Season tickets (only residents)	R420.00 per annum/motor vehicle/ motor cycle powerboat R100.00/ second motor vehicle/ motorcycle	R440.00 per annum/motor vehicle/ motor cycle powerboat R110.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R100.00 for 1 ticket per family	R110.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R 140.00 for 1 ticket per family	R 150.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R650.00/ annum per vehicle/ powerboat	R680.00/ 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	R55 per person per day	R60 per person per day
	Entrance fee per car	R55per car per day	R60 per car per day
	Entrance fee per boat	R170 per boat per day	R180 per boat per day
	Entrance fee 2-6 years(Families only) Groups(2-6years) Crèches, Churches etc.	Free per child 2-6 years per day R20 per child 7-14 years per day R 20 per child	Free per child 2-6 years per day R25 per child 7-14 years per day R 25 per child
	Entrance fee for group bookings of more than 50 people	Discount of tariffs approved by Director Social Services using his/her discretion (Prior arrangements)	Discount of tariffs approved by Director Social Services using his/her discretion (Prior arrangements))
	Local schools and churches	R35.00 per person	R40.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R150.00 per day with power(4 persons)	R160.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans)	R105.00 per day(4 persons)	R110.00 per day(4 persons)
	Non-season ticket holders	R140.00 per day(4 persons)	R200.00 per day(4 persons)
	Caravan and tent sites without power sockets/ not exceed 4	R140.00 per day without power	R150.00 per day without power

	people		
	Season ticket holders/ rallies (10-29 caravans)	R120.00/ caravan/ night	R150.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R95.00/ caravan/ night	R100.00/ caravan/ night
	Non-season ticket holders	R180.00/ caravan/ night	R190.00/ caravan/ night
	Chalets		
	Small type 2-bed	R480.00	R500.00
	Large type 4-bed	R630.00	R660.00
	Luxury chalets Chalet A	R800.00	R840.00
	Chalet B (With lapa)	R850.00	R890.00
	Monthly Rental Chalets four bed	R 4 800.00 p.m.	R 5 000.00 p.m.
	Park home 6 bed	R630.00	R660.00
	Monthly Rental Park home 6 bed	R3 800.00 p.m.	R4 000.00 p.m.
	Refundable key deposit	R300.00	R310.00
	Lapa		
	With shelter per function	R630.00 plus entrance fee	R660.00 plus entrance fee
	Without shelter per function	R420.00 plus entrance fee	R440.00 plus entrance fee
	Hall	R630.00	R660.00
	Rental of resort for event	R85 000 per event	R90 000 per event
	Deposit for event	R42 000 per event refundable	R44 000 per event refundable
	DAY VISIT ORANJEVILLE AND		

	DENEYSVILLE		
	Season tickets (only residents)	R126.00 per annum/motor vehicle/ motor cycle powerboat R105.00/ second motor vehicle/ motorcycle	R130.00 per annum/motor vehicle/ motor cycle powerboat R110.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R55.00 for 1 ticket per family	R60.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R75.00 for 1 ticket per family	R80.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R315.00/ annum per motor vehicle/motorcycle/ powerboat R260.00/second vehicle/motorcycle/ Powerboat	R330.00/ annum per motor vehicle/motorcycle/ powerboat R280.00/second vehicle/motorcycle/ 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	R25 per person per day	R30 per person per day
	Entrance fee per car	R25 per car per day	R30 per car per day
	Entrance fee per boat	R35 per boat per day	R40 per boat per day
	Entrance fee per 2-6 years (Families only) Groups (2-6 years)	Free per child 2-6 years per day R15.00 child 7-14 years per day R15.00 per child	Free child 2-6 years per day R20.00 per child 7-14 years per day
	Entrance fee for group bookings of	Discount of tariffs approved by Director	Discount on tariffs approved by Director

	more than 50 people	Social Services using his/her discretion(Prior arrangements)	Social Services using his/her discretion (prior arrangements)
	Local schools and churches	R15.00 per person	R20.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R35.00 per day with power(4 persons)	R40.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans)	R35.00 per day(4 persons)	R40.00 per day(4 persons)
	Non-season ticket holders	R45.00 per day(4 persons)	R50.00 per day(4 persons)
	Caravan and tent sites without power sockets/ not exceed 4 people	R170.00 per day without power	R180.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R25.00/ caravan/ night	R30.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R25.00/ caravan/ night	R30.00/ caravan/ night
	Non-season ticket holders	R25.00/ caravan/ night	R30.00/ caravan/ night
	Rental of resort for event	R63 000 per event	R70 000 per event
	Deposit for event	R35 000 per event	R40 000 per event

(g)	Moses Kotane Stadium		
	Rental of halls **Stadium Hall**		
	Resident: meetings	R330,00	R340,00
	Non-Resident: meetings	R650,00	R680,00

	Functions	R490,00	R510,00
	Churches and Schools	Half price	Half price
	Political Rally	R63 000.00	R63 000.00
	Athletics		
	In-house school sport		
	Morning	R360.00	R370.00
	Afternoon	R360.00	R370.00
	Lights to switch on first 2 hours	R290.00	R300.00
	Then per half hour	R120.00	R130.00
	Practice session	R110.00/ school/ season	R120.00/ school/ season
	Non Residents (Free State)		
	Morning	R710.00	R740.00
	Afternoon	R710.00	R740.00
	Lights to switch on first 2 hours	R290.00	R300.00
	Then per half hour	R120.00	R130.00
	Schools in Gauteng		
	Morning	R820.00	R860.00
	Afternoon	R820.00	R860.00
	Lights to switch on first 2 hours	R290.00	R300.00
	Then per half hour	R120.00	R130.00

	Provincial Meetings		
	Morning session 07:00 - 13:00	R2 270.00	R2 380.00
	Afternoon session 13:00 - 19:00	R2 270.00	R2 380.00
	Lights to switch on first 2 hours	R290.00	R300.00
	Then per half hour	R120.00	R130.00
	National Meetings		
	Morning session 07:00 - 13:00	R3 530.00	R3 700.00
	Afternoon session 13:00 - 19:00	R3 530.00	R3 700.00
	Lights to switch on first 2 hours	R490.00	R510.00
	Then per half hour	R120.00	R130.00
	Rental of Electronic Timing Equipment		
	Electronic Timing Equipment per session	R1 020.00	R1 070.00
	Soccer		
	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R290.00	R300.00
	Afternoon session 13:00 - 19:00	R290.00	R300.00

	Lights to switch on first 2 hours	R290.00	R300.00
	Then per half hour	R120.00	R130.00
	Rental of stadium for events	R15 000.00	R15 750.00
	Deposit	R7 000.00	R7 350.00
	Entrance income	15% of entrance fee minimum or R1 700.00	15% of entrance fee minimum or R1 780.00
	Refundable damage fee	R1 000.00	R1 050.00
	Schools	R2 800.00/ school/ season	R2900.00/ school/ season
	Other soccer games	15% of entrance fee minimum or R1 575.00	15% of entrance fee minimum or R1 650.00
	Morning	R340.00	R350.00
	Afternoon	R340.00	R350.00
	Evening	R340.00	R350.00
	Lights to switch on first 2 hours	R280.00	R290.00
	Then per half hour	R110.00	R120.00
	Practice inside stadium	R170.00/per hour	R180.00/per hour
	Coaching development and soccer clinics	R100.00 per occasion	R110.00 per occasion
	Practice outside fields	R170.00/ season twice weekly	R180.00/ season twice weekly
	Schools	R140.00/ season twice weekly	R150.00/ season twice weekly
	Social games	R170.00 per occasion	R180.00 per occasion
	Other facilities		

	Netball/Basketball and Tennis		
	Morning session	R100.00	R110.00
	Afternoon session	R100.00	R110.00
	Stadium Hall		
	Sports clubs and cultural groups (by pre-arrangement)	R170.00	R180.00
	Residents: Meetings	R120.00	R130.00
	Non-residents: Meetings	R620.00	R650.00
	Functions	R470.00	R490.00
	Churches and schools	Half price	Half price
	Non sporting events inside stadium		
	Rental of stadium for events(pre-approve by MM)	R70 000.00	R73 500.00
	Deposit for the events	R30 000.00	R31 500.00

(h)	**Multipurpose Sports Centre**		
	Hall		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R570.00	R600.00
	Afternoon session 13:00 - 19:00	R570.00	R600.00
	Extra hour	R85.00	R90.00
	Kitchen use	R230.00	R240.00
	Music/Jazz and others		
	Morning session 07:00 - 13:00	R1 000.00	R1050.00

	Afternoon session 13:00 - 19:00	R1 000.00	R1050.00
	Extra hour	R85.00	R90.00
	Kitchen use	R230.00	R290.00
	Funeral service and memorial service		
	Morning session 07:00 - 13:00	R470.00	R490.00
	Afternoon session 13:00 - 19:00	R470.00	R490.00
	Extra hour	R85.00	R90.00
	Kitchen use	R230.00	R240.00
	Political meetings		
	Morning session 07:00 - 13:00	R290.00	R300.00
	Afternoon session 13:00 - 19:00	R290.00	R300.00
	Extra hour	R85.00	R90.00
	Kitchen use	R230.00	R240.00
	Season 2 meetings per month	R540.00	R560.00
	Political Rally	R73 500.00	R77 170.00
	Deposit	R42 000.00	R42 000.00
	Government structures		
	Morning session 07:00 - 13:00	R290.00	R300.00
	Afternoon session 13:00 - 19:00	R290.00	R300.00
	Extra hour	R85.00	R90.00
	Kitchen use	R230.00	R240.00

	Welfare	R290.00	R30.00
	Deposit		
	Music/Jazz and others	R2 020.00	R2 120.00
	All other	R390.00	R410.00
	Sports Facility		
	Soccer/ Rugby and Cricket		
	Morning session 07:00 - 13:00	R170.00	R180.00
	Afternoon session 13:00 - 19:00	R170.00	R180.00
	Extra hour	R80.00	R90.00
	Kitchen	R220.00	R230.00
	Netball/ Basketball and Tennis		
	Morning session 07:00 - 13:00	R170.00	R190.00
	Afternoon session 13:00 - 19:00	R170.00	R190.00
	Extra hour	R80.00	R90.00
	Kitchen	R220.00	R230.00
	Schools		
	Morning session 07:00 - 13:00	R120.00	R130.00
	Afternoon session 13:00 - 19:00	R120.00	R130.00
	Extra hour	R60.00	R70.00
	Kitchen	R60.00	R70.00
	Indoor Games		
	Morning session 07:00 - 13:00	R220.00	R230.00

	Afternoon session 13:00 - 19:00	R220.00	R230.00
	Extra hour	R80.00	R90.00
	Kitchen use	R220.00	R230.00
	Coaching development and practice		
	Morning session 07:00 - 13:00	R120.00	R130.00
	Afternoon session 13:00 - 19:00	R120.00	R130.00
	Kitchen	R220.00	R230.00

(i)	**Fire and Rescue**	**2017/2018**	**2018/2019**
	Extinguishing of fires (excluding grass-bush and rubbish fires)		
(a)	**Call out fee**		
	Industrial fire (High risk)	R1301.00	R1371.00
	Industrial fire (Low risk)	R645.00	R680.00
	Residential	R360.00	R380.00
	Institutions	R360.00	R380.00
	Public assembly	R360.00	R380.00
	Commercial	R360.00	R380.00
	Storage	R360.00	R380.00
	Shack or Informal housing (Flat rate) all costs included	R70.00	***R150.00***
	Heavy motor vehicle fire	R360.00	R380.00
	Motor vehicle, Motor bike, trailer with content	R141.00	R149.00

	Lamp or Electrical Poles (Council property excluded)	R141.00	R149.00
	Transformers (Council property excluded)	R360.00	R380.00
(b)	**Personnel (tariff per hour)**		
	Per Senior Officer	R178.00	R188.00
	Per Officer	R154.00	R162.00
	Per Senior Fireman	R141.00	R149.00
	Per Fireman	R118.00	R124.00
	(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.	R472.00	R497.00
(d)	**Material used**		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
II	*Grass, bush and rubbish fires*		
(a)	Rubbish Fires	R360.00	R380.00
	Bales of feed or Hay stack (up to 50 cubic meters)	R706.00	R744.00
	Bales of feed or Hay stack (more than 50 cubic meters)	R1 412.00	R1 488.00

(b)	**Personnel(tariff per hour)**		
	Per Senior Officer	R178.00	R188.00
	Per officer	R154.00	R162.00
	Per Senior Fireman	R141.00	R149.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R118.00	R124.00
(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.	R472.00	R497.00
(d)	**Material used**		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
III	*Special services (Dangerous goods etc).*		
(a)	**Call out Fee**	R1 412.00	R1 488.00
(b)	**Personnel(tariff per hour)**		
	Per Senior Officer	R233.00	R380.00
	Per officer	R295.00	R351.00
	Per Senior Fireman	R256.00	R311.00
	Per Fireman	R211.00	R246.00

(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.	R944.00	R995.00
	Per kilometre (Travelled to and from the time of pump per hour)	R11.00	R12.00
	Per portable pump (Real working time of pump per hour)	R156.00	R162.00
	Per Fire Hose (per hour of part thereof)	R31.00	R33.00
	Per ladder used per call	R154.00	R162.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
IV	*Protection services (Standby Services)*		
	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 411.00	R1 487.00
(b)	**Personnel(tariff per hour)**		
	Per Senior Officer	R360.00	R380.00
	Per officer	R333.00	R351.00
	Per Senior Fireman	R295.00	R311.00

	Per Fireman	R233.00	R246.00
(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.	R944.00	R995.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R11.00	R12.00
	Per portable pump (Real working time of pump per hour)	R154.00	R162.00
	Per Fire Hose (per hour of part thereof)	R31.00	R33.00
	Per ladder used per call	R154.00	R162.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
V	*Filling of swimming pools and water tanks*		
	Hydrants must be within 90m from swimming or tank basic levy	R295.00	R311.00
	Per Fire Hose per hour period or part thereof	R31.00	R33.00
	Per Officer	R154.00	R162.00
	Per Senior Fireman	R141.00	R149.00
	Per Fireman	R118.00	R124.00
	Per kilometre (calculated to and from the	R11.00	R12.00

	address per utility vehicle)		
	If a fire truck is required per hour or part thereof	R472.00	R497.00
	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	*Other Services*		
(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.	R360.00	R380.00
	Per Officer**(tariff per hour)**	R333.00	R351.00
	Per Senior Fireman**(tariff per hour)**	R295.00	R311.00
	Per Fireman**(tariff per hour)**	R233.00	R246.00
(b)	**Pumping of water from property:**		
	Light pump with a capacity of up to 1125 1/min per hour or part thereof	R944.00	R995.00
	Medium pump with a capacity of up to 2250 1/min per hour or part thereof	R996.00	R1 050.00
	Heavy pump with a capacity of up to 4500 1/min per hour or part thereof	R1 050.00	R1 107.00

	Per Officer**(tariff per hour)**	R295.00	R311.00
	Per Senior Fireman**(tariff per hour)**	R273.00	R288.00
	Per Fireman**(tariff per hour)**	R154.00	R162.00
(c)	**Using Compressor per hour or part thereof**		
	Per Officer**(tariff per hour)**	R295.00	R311.00
	Per Senior Fireman**(tariff per hour)**	R273.00	R288.00
	Per Fireman**(tariff per hour)**	R154.00	R162.00
(d)	**Emergency Rescue unit per hour or part thereof**		
	Per Officer**(tariff per hour)**	R257.00	R271.00
	Per Senior Fireman**(tariff per hour)**	R273.00	R311.00
	Per Fireman**(tariff per hour)**	R233.00	R246.00
(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).	R944.00	R995.00
	Per kilometre (Travelled to and from the	R11.00	R12.00

	incident per utility vehicle)		
	Per Officer**(tariff per hour)**	R295.00	R311.00
	Per Senior Fireman**(tariff per hour)**	R267.00	R281.00
	Per Fireman**(tariff per hour)**	R234.00	R247.00
(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).	R645.00	R680.00
	Per Officer**(tariff per hour)**	R472.00	R497.00
	Per Senior Fireman**(tariff per hour)**	R295.00	R311.00
	Per Fireman**(tariff per hour)**	R233.00	R246.00
(g)	**Special Service**		
	Refilling of cylinders(SCBA)	R42.00 per cylinder	R44.00
	Issuing of Dangerous Goods Certificate	R337.00 per unit (yearly)	R355.00
	Issuing of Fire Certificate in business	R337.00 per business (yearly)	R355.00
	Basic Fire Fighter Training	R360.00 per person	R380.00
	Renting of Lecture Room	R411.00 per Morning session	R433.00

	Extra hour	R122.00	R129.00
	Kitchen use	R122.00	R129.00
	Traffic Services	**2017/2018**	**2018/2019**
	Abnormal loads escorts and excavations		
	Per Officer (Per hour or part thereof)	R140.00	R167.58
	Per Officer Overtime (Per hour or part thereof)	R294.00	R351.91
(a)	**Sport Meetings**		
	Per Officer (Per hour or part thereof)	R211.00	R252.56
	Per Officer Overtime (Per hour or part thereof)	R294.00	R351.16
(b)	**Impounded Vehicles**		
	Hitching of vehicles	R588.00	R704.55
	Towing of the vehicle	R410.00	R430.50
	Tracing of the owner	R943.00	R990.15
	Storage Fees(per day including first and last day)	R94.00	R113.40
(c)	Erection of posters DEPOSIT COST PER POSTER	R277.00 R16.00	R331.80 R19.95
(d)	Street Trading OUTSKIRTS	R111.00	R136.50

	CBD	R105.00	R120.00

DIRECTORATE	R 2017/18	R 2018/19
Economic Development		
Housing and Property Management Services *(& Economic Development)*		
Leases - General: - Rental arrangements as agreed per contract	**Contractual Arrangements *Status quo***	**Contractual Arrangements *Status quo***
Leases: Sec 112(1)(d)&(e) MFMA Act 56 of 2003 Incentives to *Entrepreneurs* in **Business Cubicles** of approximately 70 m²	**NEW**	*R2.00 m² / p.m. (VAT inclusive)*
Leases: Sec 112(1)(d)&(e) MFMA Act 56 of 2003 Incentives to Entrepreneurs on Serviced **Light Industrial Stands** *(Stand sizes differ – average approximately 350 m²)*	**R650.00 p.m.**	*R2.00 m² / p.m.*
Leases: Two Farm Houses (*Mooidraai*) Incentive R1`000 pm since 2008 – Approximately 220 m² Each *(Market Related Rent = R3`300.00 p.m.)*	**Incentive R1`600 p.m.**	**Incentive R1`680 p.m.**
Leases: Cell phone Communication Towers (Vodacom, etc) *Market Related Rent for a similar crèche = R1`300 pm*	**R2`200 p.m.**	**R2`315 p.m.**
Leases: Crèche *(Such as Erf 11711 Zamdela Ext 9)* *Market Related Rent for a similar crèche = R5`000 pm*	**Incentive R1`170 p.m.**	**Incentive R1`230 p.m.**
Leases: Temporary allocation of land not exceeding 21 days *(such Circuses / Churches for spiritual revivals / church outreaches)*	**R55.00 / day**	**R60.00 / day**

Leases: Initiation Schools not exceeding 50days	**R1100.00 (fixed)Water provision to be agreed with Civil Engineering**	**R1150.00 (fixed)Water provision to be agreed with Civil Engineering**
Temporary leases for parking purposes on open portions of land	**R27.00/per day per parking bay of 40 m²**	**R28.00/per day per parking bay of 40 m²**
Leases: Cattle owners Leases - grazing	**R350.00 p.m. per cattle owner**	**R360.00 p.m. per cattle owner**
Deposit Payments at Hostels / Thembalethu 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 ***Status quo***
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 the *deep down-market range* earning between R800.00 per month to R3,500.00 per month *Market related rent for a similar house = R3100 pm* *Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs* Erf 1499 Sasolburg Ext 1 (83 m²) Grobler 12 Sasolburg X 1 Erf 1500 Sasolburg Ext 1 (83 m²) Grobler 14 Sasolburg X 1	Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R585.00 per month *(excluding consumer services*) for qualifying beneficiaries	**Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R615.00 per month *(excluding consumer services*) for qualifying beneficiaries**

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		
Leases: Thembalethu Hostel (141 x 101,02 m² units) *Pre-paid meters to be installed in all rental stock units to recover electrical services cost*	**R 2017/18**	**R 2018/19**
Block A - 24 x units (shower & bath) *Market Related Rent for three bedroom units = R2`500 pm*	**Incentive R1`330.00 p.m.**	**Incentive R1`400.00 p.m.**
Block B - 18 x units (shower & bath) *Market Related Rent for three bedroom units = R2`500 pm*	**R1`330.00 p.m.**	**R1`400.00 p.m.**
Block C - 24 x units (shower) *Market Related Rent for two bedroom units = R2`000 pm*	**R1 220.00 p.m.**	**R1 280.00 p.m.**
Block D - 18 x units (shower) *Market Related Rent for two bedroom units = R2`000 pm*	**R1 220.00 p.m.**	**R1 280.00 p.m.**
Block E - 30 x units (shower) *Market Related Rent for two bedroom units = R2`000 pm*	**R1 220.00 p.m.**	**R1 280.00 p.m.**
Block F - 9 x units (shower) *Market Related Rent for two bedroom units = R2`000 pm*	**R1 220.00 p.m.**	**R1 280.00 p.m.**
Single Units - 18 x beds (6 x flats with 3 x bedrooms) *Market Related Rent for Bachelor Flats = R1`200 pm*	**R550.00 p.m.**	**R575.00 p.m.**
(Other)		
Tuck shop / Churches (62 m²)	**R105.00 p/day**	**R110.00 p/day**

Tuck shop / Milk depot (13 m²)	**R105.00 p.m.**	**R110.00 p.m.**
Tuck shop / F Shai (22 m²)	**R100.00 p.m.**	**R105.00 p.m.**
Tuck shop / M Kok (22 m²)	**R210.00 p.m.**	**R220.00 p.m.**
Tuck shop / L Tau (22 m²)	**R210.00 p.m.**	**R220.00 p.m.**
Tuck shop / Dry Cleaners (37 m²)	**R210.00 p.m.**	**R220.00 p.m.**
Tuck shop / Hair Saloon (41 m²)	**R210.00 p.m.**	**R220.00 p.m.**
Tuck shop / Upholsterer (46 m²)	**R210.00 p.m.**	**R220.00 p.m.**
Tuck shop / Dressmaking (80 m²)	**R210.00 p.m.**	**R220.00 p.m.**
Tuck shop / Crèche (197 m²)	**R95.00 p.m.**	**R100.00 p.m.**
Tuck shop / Video Shop (207 m²)	**R245.00 p.m.**	**R255.00 p.m.**
Former kitchen/Hall per activity	**R380.00 per activity**	***R400.00 p/day***
Recycling Business	**R1 300.00 p.m.**	***R1 365.00 p.m.***
Thembalethu Community Hall	**R325.00 p/day**	***R340.00 p.m.***
Thembalethu Lapa	**R110.00 p/day**	***R115.00 p.m.***
Thembalethu Community Job Establishment Office	**R110.00 p.m.**	***R115.00 p.m.***
HOSTELS *Market Related Rent for a similar Hostel Unit = R500.00 pm* **Hostel 1 = 317 units** **Hostel 2 = 330 units** **Hostel 3 = 389 units** Hostel 4 = 112 units *(In process of re-development to CRU`s - hereinafter)* **Phomolong = 14 units**		
Hostel at Refengkgotso (Erf 842 From date of subdivision)	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 *Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs*	**R185.00 pm While corrective measures are taken regarding maintenance and upgrading of services** **Then R330.00 pm** ***Divided by the number of people sharing)***	**R190.00 pm While corrective measures are taken regarding maintenance and upgrading of services** **Then R345.00 pm** ***Divided by the number of people sharing)***
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*	*Status Quo* <u>**Rent determined by MEC Human Settlement**</u> **AS REPLACEMENT OF RECOMMENDED TARIFFS**	*Status Quo* <u>**Rent determined by MEC Human Settlement**</u> **AS REPLACEMENT OF RECOMMENDED TARIFFS**
Bachelor	**R 540.00 pm**	**R 540.00 pm**
1 Bedroom self contained	**R 715.00 pm**	**R 715.00 pm**
1,5 bedroom	**R 895.00 pm**	**R 895.00 pm**
2 Bedroom interchangeable	**R 1 150.00 pm**	**R 1 150.00 pm**
2 Bedroom self contained	**R 1 150.00 pm**	**R 1 150.00 pm**

Tenants in excess of R15`000 monthly income to pay a market related rent and tenant in access of a threshold of R30`000 monthly income should NOT be considered for CRU`s and be accommodated conditional to vacate and be accommodated in facilities such as Thembalethu	Market Related Rent for two bedroom units = R2`500 pm	**R2`630 pm**
(And / Or as amended by Provincial Government / MEC Human Settlements		
ASSET MANAGEMENT INCENTIVES *(EXEMPTED ASSETS)*	***(Council 29 August 2013****)*	
Allocation of Stands to the Poor *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* *(4) Re-allocation of stands in Estate cases & identified vacant municipal erven declared as `abandoned / dead` property*		
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., NO payment 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"	R105.00	**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"	R315.00	**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)	R630.00	**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)	R1160.00	**R1160.00**
Exempted stands earmarked for housing delivery projects (RDP/BNG)for first time home owners and income categories not	R1000 per stand	**R1000 per stand**

exceeding a monthly income of R3`500 pm		
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**
INCENTIVE LAND PRICES		
Business Erven Up to R8`000 R8001 to R12`000 R12`001 to R15`000	*Status quo* **R16.00/m²** **R35.00/m²** **R47.00/m²**	*Status quo* **R17.00/m²** **R37.00/m²** **R49.00/m²**
Kiosk (CBD)	R1000.00 pm	**R1050.00 pm**
Community Facility (Church) Erven	**R8.00/m²**	**R8.50/m²**
Residential Erven Up to R2`500 R2`501 to R5`000 R5`001 to R7`500 R7`501toR10`000 R10`001toR12`500 R12`501toR15`000 Exceeding R15`001	**R3.00/m²** **R6.00/m²** **R14.00/m²** **R19.00/m²** **R29.00/m²** **R35.00/m²** **R46.00/m²**	**R3.10/m²** **R6.20/m²** **R14.70/m²** **R20.00/m²** **R30.50/m²** **R36.80/m²** **R48.40/m²**
Servitudes over municipal owned land in terms of Sections 60 and 116 of Act 32 of 2000	**R3 600.00/ servitude**	**R3 790.00/ Servitude**
Integrated Human Settlement Plan (IHSP)		
Hard Copies *(Per Chapter / Selection or in Whole)*	**R380.00**	**R400.00**
Electronic Format	**R110.00**	**R115.00**
Map Fragments*(Inquiries for available data)*		
Hard Copies *(A4 Format)*	**R220.00**	**R230.00**
Electronic Format	**R110.00**	**R115.00**

Application for identification of Corner Pegs / Erf Boundaries		
Informal Identification by means of General Plan Data	**R550.00**	**R580.00**
Formal Identification per SG Diagram	**As per Quotation of Service Provider** *(Land Surveyor)*	**As per Quotation of Service Provider** *(Land Surveyor)*
DEEDS OFFICE SEARCHES *(Public / Private request on Ownership)*	**R30.00 / search**	**R32.00 / search**
Attorneys, Notaries & Conveyancers *(Inquiries for a certificate on occupational status of land (Sec 52(4) Act 4 of 1984)*	**R30.00 / search**	**R32.00 / search**
LETTERS OF AUTHORITY *(Application i.t.o Sec 18(3) of Estates Act 66 of 1965 of occupational / ownership status)*	**Exempted**	**Exempted**
Confirmation of addresses by Housing	-	**R25.00 per inquiry**
High Value Assets	***Status Quo*** **In excess of R50 million**	***Status Quo*** **In excess of R50 million**

THE FOLLOWING RECOMMENDED AS SPLUMA GUIDELINE TARIFFS

Urban Planning	**R 2017/18**	**Amount Excl. VAT R 2018/19**
SPLUMA Act		
<u>Category 1: Application Type</u>		
Township Establishment 0 - 500	**R3 440.00**	***R3 646.40***
501 - 1000	**R4 730.00**	***R5 013.80***
1000 and more	**R5 590.00**	***R5 925.40***
Amendment of General Plan	**R1 290.00**	***R1 367.40***
Permanent closure of public open spaces (Street, Road Reserve, Open Space, Park)	**R4 945.00**	***R5 241.70***
Sasolburg Town Planning Scheme 1/1993 Amendments	**R4 945.00**	***R5 241.70***
Vaal River Guide Plan applications	**R2 150.00**	***R2 279.00***
Application for extension of boundaries of an approved township	**R3 225.00**	***R3 418.50***

Application for phasing of a Township	**R3 255.00**	*R3 450.30*
Preparation of a Town-planning Scheme on a township establishment application if prepared by Council	**R3 010.00**	*R3 190.60*
Category 2: Application Type		
Removal, amendment or suspension of restrictive title conditions	**R860.00**	*R911.60*
Rezoning/De-zoning	**R2 580.00**	*R2 734.80*
Special Consent Use	**R1290.00**	*R1367.40*
Subdivision	**R860.00**	*R911.60*
Per additional 5th	**R72.00**	*R76.32*
Consolidation	**R860.00**	*R911.60*
Per additional 5th	**R72.00**	*R76.32*
Additional Fees / Tariffs		
Zoning Certificates	**R132.00**	*R139.92*
The withdrawal of an approved application for subdivision/consolidation	**R516.00**	*R546.96*
The amendment of the conditions on which the subdivision/consolidation was approved	**R559.00**	*R592.54*
The amendment of an approved consolidation or subdivision plan	R559.00	*R592.54*
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)	**R516.00**	*R546.96*
Section 23 certificates (per certificate) for lodging of title deed with the Registrar of Deeds	**R301.00**	*R319.06*
Regulation Certificate: Subdivision / Consolidation (per subdivided portion)	**R301.00**	*R319.06*
Request for extension of time for township application	**R688.00**	*R729.28*
Appeal on decision	**R2 580.00**	*R2 734.80*
Building Line Relaxation	**R301.00**	*R319.06*
Consent application (Tuck shop)	**R258.00**	*R273.48*
Spatial Development Framework (SDF)		
Hard Copies	**R129.00**	*R136.74*
Electronic Format	**R64.50**	*R68.37*
Land Use Management- or Town Planning Scheme		
Hard Copies	**R258.00**	*R273.48*
Electronic Format	**R129.00**	*R136.74*

Building Plan Fees / Tariffs		
Building Plan: Approval Fee	**R340.00 / application** **R21.00 / 10m² for the first 1`000m²** **R20.00 / 10m² for the following 1`000m² – namely 1`001 to 2`000m²** **R16.00 / 10m²for the following 1`000m² – namely 2`001m² to 4000m²**	*R360.40 / application* *R22.26 / 10m² for the first 1`000m²* *R21.20/ 10m² for the following 1`000m² – namely 1`001 to 2`000m²* *R16.96 / 10m²for the following 1`000m² – namely 2`001m² to 4000m²*
Site Development Plans (SDP)	**R1 050,00**	*R1 113.06*
Internal alterations on building plans	**R340.00**	*R360.40*
Swimming pools	**R340.00**	*R360.40*
Shade nets	**R340.00**	*R360.40*
Boundary walls	**R340.00**	*R360.40*
Permits	**R340.00**	*R360.40*
Signage	**R340.00**	*R360.40*
Inspection fee (farms / plots)	**R520.00 / plan**	*R556.50 / plan*
Building clause certificates	**R340.00**	*R360.40*
Billboards (Contracts)	**R55.00 / m²**	*R58.30 / m²*

Economic Development	**R 2017/18**	**R 2018/19**
Containers at Zamdela Taxi Rank	**R150.00 p.m.**	**R155.00 p.m.**
LED Strategy		
Hard Copies *(Per Chapter / Selection or in Whole)*	**R400.00**	**R420.00 p.m.**
Electronic Format	**R110.00**	**R115.00 p.m.**
Application for SMME / Corporate Promotions	**R110.00**	**R115.00 p.m.**

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/19 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.
- mSCOA implemented from 1 July 2017

The following table is a high level summary of the 2018/19 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	2017/18	2018/19	2019/20	2020/21
	MTREF	MTREF	MTREF	MTREF
	R'000	R'000	R'000	R'000
Employee related costs	283,764	307,178	326,770	342,299
Remuneration of councillors	10,572	18,105	19,103	19,990
Impairment of debtors book	121,255	117,921	117,139	113,587
Other Materials	26,026	29,104	29,054	30,435
Bulk purchases-electricity	213,247	225,401	240,052	267,490
Bulk purchases-water	146,925	160,918	168,964	177,412
Contracted services	93,602	102,926	104,797	103,072
Finance charges	5,097	2,715	2,130	1,543
Grants and subsidies	1,235	1,041	1,042	1,044
General expenses	55,294	59,601	58,947	55,811
Depreciation	57,136	67,920	83,286	94,408
	1,014,153	**1,092,830**	**1,151,284**	**1,207,091**

Employee Related Cost:
The budgeted allocation for employee related costs for the 2018/19 financial year totals R307.2 million, which equates to 28.1 per cent of the total operating expenditure.
The three year collective SALGBC agreement has lapsed at 30 June 2018.
Salary increases as per collective agreement have been factored into this budget at a percentage increase of 6.3 per cent for the 2018/19 financial year.
An annual increase of 6.5 and 6.5 per cent has been included in the two outer years of the MTREF.

The base line for the 2018/9 salary budget is figures of the pay roll at 28 February 2018. Provision for a salary increase of 6.3% has been catered for.

Based on the proposed amended structure critical vacancies need to be determined.
As a baseline, provision is made for vacancies of **R6 million** still to be filled in 2017/2018 (after February 2018) and in 2018/2019. 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.

Debt impairment (Impairment of the Debtors Book)
The provision of debt impairment was determined based on an annual collection rate of 83 per cent and the Debt collection and Credit Control Policy of the Municipality.
For the 2018/19 financial year this amount equates to R117.9 million and decreases to R113.6 million by 2020/21.

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 R57 million in 2017/2018. The budget appropriation totals R67.9 million for the 2018/19 financial and equates to 6.2 per cent of the total operating expenditure.

Finance charges:
Finance charges consist primarily of the repayment of interest on long-term finance leases (cost of capital) and use of the overdraft facility. Finance charges make up 0.2 per cent (R2.7 million) of operating expenditure (excluding annual redemption for 2018/19) and decreases to R1.5 million by 2020/21

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.
The final increase from ESKOM is not yet available.

Other Materials:
Other materials comprises of amongst others, materials for maintenance, cleaning materials and chemicals, stationery as well as fuel and oil for the fleet and equipment. For 2018/19 the appropriation against this group of expenditure has increased by 11.8 per cent (R3.1 million) further decrease by 0.2 and then growth at 4.8 per cent for the two outer years of which budget allocation is in excess of R30.4 million by 2020/21.

Contracted services:
In the 2018/19 financial year, contracted services are budgeted at R102.9 million and have increased by 10 per cent. For the two outer years growth has been limited to 1.8 and a negative growth of 1.6 per cent. Further details relating to contracted services can be seen in Table 50 MBRR SA1 (see page 191).

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 7.8 per cent for 2018/19 and curbed at a negative growth of 1.1 and 5.3 per cent for the two outer years. Further details relating to other expenditure can be seen in Table 50 MBRR SA1 (see page 191).

The following table gives a breakdown of the main expenditure categories for the 2018/19financial year.

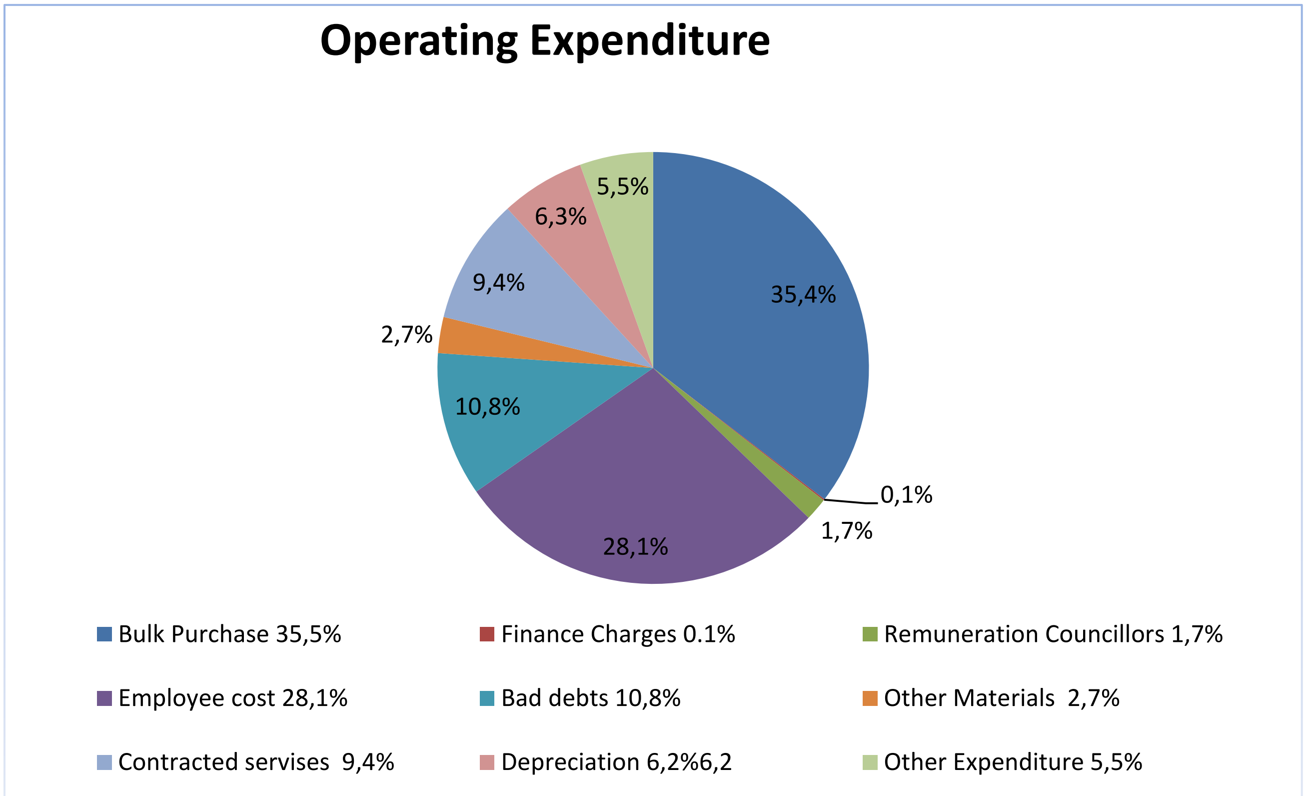

Figure 1 Main operational expenditure categories for the 2018/19financial year

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 2017/18 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

	2014/15	2015/16	2016/17	Current 2017/18			2018//2019MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2018/19	Budget 2019/209	Budget 2020/21
Employee related cost	33,431	53,996	58,978	67,239	67,238	61,238	67,717	72,050	73,375
Materials and contracted services	25,693	18,942	18,129	37,253	37,253	37,253	44,230	45,827	46,488
Total repairs and maintenance expenditure	**59,124**	**72,938**	**77,107**	**104,492**	**104,491**	**98,491**	**111,947**	**117,877**	**119,863**

During the compilation of the 2018/19MTREF 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 7.14 per cent in the 2018/19 financial year, from R104.4 million to R111.9 million.

As part of the 2018/19MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2087/19 equates to R111.9 million, an increase of 7.14 per cent in relation to the Budget and then continues to grow at 5.3 and 1.7 per cent over the MTREF.

Using 2015 as a baseline, the **repairs and maintenance budget** has grown by 8.75% in 2019 and by 2021 it will almost **be double the amount that it was in 2014.**

The table below further indicates that close onto 70% of the repairs and maintenance goes towards roads, electricity, water and sanitation infrastructure.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:
Table 15 Repairs and maintenance per asset class

	2014/15	2015/16	2016/17	Current 2017/18			2018/2019MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2018/19	Budget 2019/20	Budget 2020/21
Repair and maintenance per asset class									
Infrastructure Roads	11,735	17,548	15,565	25,556	24,196	22,196	21,304	21,936	21,959
Infrastructure Electricity	9,610	16,258	20,510	21,140	20,820	18,820	24,407	26,672	27,042
Infrastructure Water	12,632	14,866	13,304	17,438	17,399	16,399	16,783	17,916	18,229
Infrastructure Sanitation	16,818	12,059	14,153	13,230	13,269	12,269	16,688	17,706	18,729
Infrastructure Other	3,363	6,517	6,200	8,121	10,150	10,150	15,418	15,838	16,286
Community	244	20	103	377	585	585	677	747	155
Other assets	4,722	5,670	7,272	18,630	18,072	18,072	16,670	17,062	17,463
Total Operating expenditure	**59,124**	**72,938**	**77,107**	**104,492**	**104,491**	**98,491**	**111,947**	**117,877**	**119,863**

For the 2018/19 financial year, 84.5% or R94.6 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received 21.8% (R24.4 million), road infrastructure 19% (R21.3 million), water 15% (R16.8 million) and sanitation 15% (R16.7 million).

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 11 000 indigent households during the 2018/19 financial year. Details relating to free services, cost of free basic 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 that the household income does not exceed two times the state old age pension plus R1 500

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 2018/19 Medium-term capital budget per vote

Capital expenditure by vote	2017/18		2018/19		2019/20		2020/21	
	Adjusted Budget	%	MTREF	%	MTREF	%		%
	R'000		R'000		R'000		R'000	
Exec. & Council (MM, Executive Mayor, Council)	**3 183**	**1,86**	**2 950**	**0,38**	**1 715**	**0,15**	**1 270**	**0,14**
Corporate Services	**807**	**0,47**	**1 260**	**0,16**	**850**	**0,07**	**400**	**0,04**
Social Services	**54 342**	**31,83**	**14 967**	**1,92**	**43 561**	**3,71**	**21 941**	**2,34**
Waste Management	25	0,01	6 215	0,80	10 750	0,92	4 300	0,46
Public Safety	10 387	6,08	1 189	0,15	4 108	0,35	10 622	1,13
Sport and Recreation	43 595	25,53	3 600	0,46	2 206	0,19	2 146	0,23
Community Services	335	0,20	3 963	0,51	26 497	2,26	4 873	0,52
Technical Services	**111 713**	**65,43**	**116 221**	**14,94**	**112 411**	**9,58**	**144 561**	**15,40**
Streets and Storm water	16 229	9,50	17 603	2,26	2 935	0,25	44 482	4,74
Sewerage	75 710	44,34	64 491	8,29	65 486	5,58	43 500	4,63
Water supply	3 099	1,81	16 500	2,12	12 381	1,06	8 679	0,92
Electricity supply	16 020	9,38	17 270	2,22	30 509	2,60	47 750	5,09

Mechanical Workshop/Buildings	655	0,38	357	0,05	1 100	0,09	150	0,02
Administration	0	0,00	0	0,00	0	0,00	0	0,00
Financial Services	**0**	**0,00**	**560**	**0,07**	**0**	**0,00**	**0**	**0,00**
Economic Dev. and Planning	**700**	**0,41**	**641 910**	**82,52**	**1 014 500**	**86,48**	**770 400**	**82,08**
Housing & Urban Planning			639 160		986 100		767 500	
Economic Development	700	**0,41**	2 750	**0,35**	28 400	**2,42**	2 900	
	170 745	**100**	**777 868**	**100**	**1 173 037**	**100**	**938 572**	**100**

The biggest single portion of capital expenditure is allocated to Housing section due to work that will be done by Human Settlements. It amounts to **R639 million** in 2018/2019 increasing to **R767.5 million** in 2020/2021.

The next biggest single portion of capital expenditure is allocated to Technical Services which amounts to **R116.2 million** in 2018/2019 increasing to **R144.6million** in 2020/2021.

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 2018/2019 budget and IDP process.

Majority of the capital expenditure, excluding housing projects, is allocated to the following:
Sewer receives 8.29 per cent, R64.5million
Roads receive 2.26 per cent, R17.6 million
Electricity 2.22%, R17.2 million, and
Water 2.12%, R16.5 million
Sport and recreation receives 0.46%, R3.6m and
Community services 0.51%, R4m

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 104. 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 173 to 186).Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Conditional Grants

	2018/2019	2019/2020	2020/21
Refegkgotso new sport facility	**R1.5m**	**R2.0m**	**R2.1m**
Metsimaholo new sport facility	**R962k**		
Gortin sewer Phase 4	**R3.7m**		
Construction of roads & storm water Zamdela, Metsimaholo,Refengkgotso	**R14m**	**R1.4m**	**R31.4m**
Zamdela new cemetery		**R19.2m**	**R2.8m**
Zamdela upgrade of cemetery	**R1.5m**	**R4.5m**	
Themba Khubeka bulk electricity supply	**R11.6m**	**R6.4m**	**R32m**
High mast lights Amelia		**R4.8m**	
Rehabilitation of Refengkgotso/Oranjeville water treatment works	**R40m**	**R50m**	**R42m**
Gortin Sewer yard connections	**R20m**	**R6.1m**	**R598k**
Metsimaholo/ Refegkgotso mini fire station			**R9.3m**
Landfill sites		**R4.55m**	**R 450k**
Oranjeville water treatment plant upgrade and water tower construction	**R15m**		

Own funding

- Upgrading of electricity substation R500k
- Electricity Network strengthening - Gortin R500k
- Electricity Upgrading of network Oranjeville R500k
- Electricity bulk supply to Leitrim R1.0 million
- Grader for roads R3.5 million
- Office furniture R450k
- Water pumps: R1.5 million
- Electricity to new develop areas R1.0 million
- ICT Disaster recovery R1.0 million
- Fencing Refengkgotso cemetery R500k

Human Settlements

- Top housing Structures R129 million
- Wonderfontein catalytic project R500 million
- Purchase and planning of Land R10 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.

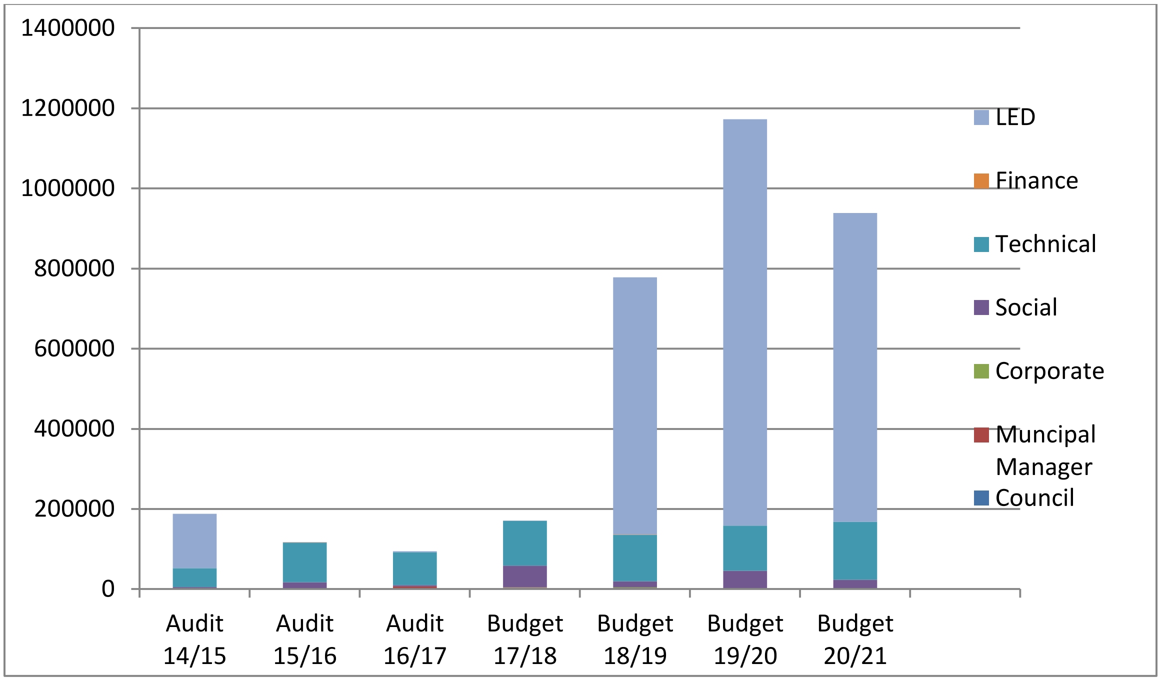

Figure 2 Capital Infrastructure Programme

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 twenty five 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 2018/19 budget and MTREF as approved by the Council.

Each table is accompanied by explanatory notes on the facing page.

Table 17 MBRR Table A1 - Budget Summary

FS204 Metsimaholo - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	**111,299**	114,445	128,980	129,932	143,267	143,267	114,099	140,001	148,063	156,570
Service charges	486,639	513,138	524,105	746,410	648,595	648,595	533,356	716,053	756,694	799,265
Investment revenue	2,167	2,702	2,108	1,000	1,400	1,400	1,630	1,300	1,300	1,300
Transfers recognised - operational	112,283	122,911	131,170	147,679	152,779	152,779	145,956	168,255	186,715	207,890
Other own revenue	56,269	85,572	98,995	63,916	73,322	73,322	43,057	68,224	70,857	67,831
Total Revenue (excluding capital transfers and contributions)	768,657	838,768	885,358	1,088,936	1,019,363	1,019,363	838,099	1,093,833	1,163,630	1,232,856
Employee costs	174,727	231,548	244,980	280,823	283,764	283,764	211,881	307,178	326,770	342,299
Remuneration of councillors	14,410	15,247	15,757	17,412	10,572	10,572	7,141	18,105	19,103	19,990
Depreciation & asset impairment	39,608	42,930	39,336	76,861	57,136	57,136	11,681	67,920	83,286	94,408
Finance charges	4,602	991	3,175	6,059	5,097	5,097	1,356	2,715	2,130	1,543
Materials and bulk purchases	304,167	338,289	342,991	420,551	380,798	380,798	288,761	415,423	438,070	475,337
Transfers and grants	–	–	–	535	1,235	1,235	9	1,041	1,042	1,044
Other expenditure	271,514	253,668	255,834	271,102	275,551	275,551	179,803	280,448	280,883	272,471
Total Expenditure	809,028	882,673	902,073	1,073,344	1,014,153	1,014,153	700,631	1,092,830	1,151,284	1,207,091
Surplus/(Deficit)	(40,371)	(43,905)	(16,715)	15,592	5,210	5,210	137,468	1,003	12,346	25,765
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	198,486	79,983	78,472	45,953	88,485	88,485	–	68,247	48,819	76,693
Contributions recognised - capital & contributed assets	–	–	–	87,175	59,974	59,974	38,522	40,000	50,000	42,000
Surplus/(Deficit) after capital transfers & contributions	158,115	36,078	61,757	148,720	153,669	153,669	175,990	109,250	111,165	144,458
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	158,115	36,078	61,757	148,720	153,669	153,669	175,990	109,250	111,165	144,458
Capital expenditure & funds sources										
Capital expenditure	**188,268**	99,268	85,974	166,156	170,746	170,746	45,797	777,868	1,173,037	938,573
Transfers recognised - capital	**184,086**	77,637	62,851	133,146	148,477	148,477	45,011	749,747	1,087,319	888,693
Public contributions & donations	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**–**	4,485	1,571	3,190	7,120	7,120	–	–	–	–
Internally generated funds	**4,182**	17,146	21,552	29,820	15,149	15,149	786	28,121	85,718	49,880
Total sources of capital funds	**188,268**	99,268	85,974	166,156	170,746	170,746	45,797	777,868	1,173,037	938,573
Financial position										
Total current assets	**229,135**	246,021	250,853	402,911	402,911	402,911	809,736	444,034	466,375	517,893
Total non-current assets	**1,164,976**	1,234,727	1,288,543	1,397,561	1,402,151	1,402,151	1,322,658	2,112,102	3,201,853	4,047,017

Total current liabilities	**207,983**	248,495	261,310	264,315	264,315	264,315	748,489	259,140	237,309	232,349
Total non-current liabilities	**92,204**	101,144	85,219	17,417	17,417	17,417	16,730	13,279	7,413	3,921
Community wealth/Equity	**1,093,924**	1,131,110	1,192,867	1,518,740	1,523,330	1,523,330	1,367,079	2,283,716	3,423,507	4,328,640
Cash flows										
Net cash from (used) operating	**44,754**	77,266	79,955	181,112	150,990	150,990	–	101,446	132,068	150,522
Net cash from (used) investing	**(43,619)**	(96,349)	(84,375)	(164,155)	(163,771)	(163,771)	–	(96,168)	(134,237)	(126,373)
Net cash from (used) financing	**(1,070)**	8,067	1,868	(3,824)	166	166	–	(5,511)	(5,924)	(4,243)
Cash/cash equivalents at the year end	**26,195**	15,179	12,627	25,760	12	12	–	12,395	4,302	24,208
Cash backing/surplus reconciliation										
Cash and investments available	**26,195**	15,179	12,627	2,913	2,913	2,913	61,197	15,395	7,603	26,628
Application of cash and investments	**129,492**	154,626	146,814	(121,002)	(119,135)	(119,135)	270,009	(64,671)	(112,845)	(144,925)
Balance - surplus (shortfall)	**(103,297)**	(139,447)	(134,187)	123,915	122,048	122,048	(208,811)	80,066	120,448	171,553
Asset management										
Asset register summary (WDV)	**1,164,977**	1,234,165	1,287,982	1,397,561	1,402,151	1,402,151		2,112,102	3,201,853	4,046,017
Depreciation	**39,608**	42,931	39,336	76,861	57,136	57,136		67,920	83,286	94,408
Renewal of Existing Assets	**–**	10,107	–	100,059	92,097	92,097		651,672	1,051,007	793,085
Repairs and Maintenance	**59,124**	18,129	18,942	37,911	41,703	41,703		44,230	45,827	46,488
Free services										
Cost of Free Basic Services provided	**25,668**	31,478	49,346	44,413	45,549	45,549	47,524	47,524	50,138	52,896
Revenue cost of free services provided	**52,910**	24,704	84,581	43,846	26,076	26,076	26,630	26,630	27,270	27,944
Households below minimum service level										
Water:	1	8	–	–	–	–	–	–	–	–
Sanitation/sewerage:	9	14	–	2	2	2	2	2	2	2
Energy:	9	36	38	–	–	–	39	39	40	41
Refuse:	20	20	20	–	–	–	20	20	20	20

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating revenue and expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. 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.
3. 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:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;

ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
iii. 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 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 functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Governance and administration		**327 001**	**248 755**	**263 066**	**96 075**	**118 163**	**118 163**	**125 898**	**143 300**	**159 909**
Executive and council		359	7 324	6 724	–	–	–	–	–	–
Finance and administration		326 642	241 431	256 342	96 075	118 163	118 163	125 898	143 300	159 909
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**30 764**	**29 280**	**27 408**	**188 027**	**210 256**	**210 256**	**163 721**	**194 136**	**188 371**
Community and social services		2 148	2 697	2 352	6 812	722	722	2 392	24 596	2 823
Sport and recreation		1 186	2 352	1 611	34 231	45 667	45 667	4 552	4 495	2 358
Public safety		23 372	19 179	17 941	316	5 037	5 037	326	335	9 646
Housing		4 058	5 052	5 504	146 669	158 831	158 831	156 452	164 711	173 544
Economic and environmental services		**35 239**	**14 803**	**42 308**	**48 617**	**37 022**	**37 022**	**34 242**	**21 842**	**50 727**
Planning and development		534	727	762	4 957	5 007	5 007	3 509	3 593	3 164
Road transport		34 705	14 076	41 546	43 660	32 015	32 015	30 733	18 249	47 563
Trading services		**574 139**	**625 913**	**631 048**	**889 245**	**802 281**	**802 281**	**878 113**	**903 060**	**952 425**
Energy sources		213 318	261 134	269 522	296 166	293 108	293 108	313 976	330 136	368 757
Water management		290 626	285 812	279 500	439 699	349 236	349 236	413 518	421 212	444 844
Waste water management		31 392	41 142	40 601	88 506	110 163	110 163	103 183	97 861	86 175
Waste management		38 803	37 825	41 425	64 875	49 774	49 774	47 436	53 850	52 650
Other	4	**–**	**–**	**–**	**100**	**100**	**100**	**105**	**111**	**117**
Total Revenue - Functional	2	**967 143**	**918 751**	**963 830**	**1 222 065**	**1 167 822**	**1 167 822**	**1 202 080**	**1 262 449**	**1 351 549**
Expenditure - Functional	-									
Governance and administration		**191 535**	**229 486**	**211 989**	**273 748**	**255 342**	**255 342**	**278 081**	**295 883**	**308 019**
Executive and council		66 781	77 439	90 083	56 222	39 025	39 025	52 584	55 013	56 222
Finance and administration		124 754	152 047	121 906	214 847	213 733	213 733	222 813	238 034	248 807
Internal audit		–	–	–	2 679	2 584	2 584	2 684	2 836	2 990
Community and public safety		**116 289**	**78 008**	**83 967**	**60 713**	**61 812**	**61 812**	**62 206**	**65 853**	**68 145**
Community and social services		7 260	9 431	8 830	4 789	3 594	3 594	4 110	4 357	4 100
Sport and recreation		15 785	28 019	28 059	35 115	34 215	34 215	34 031	35 842	36 463
Public safety		90 225	37 448	43 765	16 625	18 769	18 769	18 523	19 780	21 168
Housing		3 019	3 110	3 313	4 184	5 235	5 235	5 542	5 874	6 414
Economic and environmental services		**34 637**	**38 318**	**44 404**	**90 937**	**91 599**	**91 599**	**99 346**	**103 514**	**103 773**
Planning and development		7 344	7 504	6 483	15 514	16 500	16 500	19 989	21 004	22 014
Road transport		27 293	30 814	37 921	75 423	75 100	75 100	79 357	82 510	81 759
Trading services		**466 567**	**536 861**	**561 713**	**645 299**	**602 114**	**602 114**	**649 667**	**682 295**	**723 191**
Energy sources		212 562	243 981	258 828	271 411	270 462	270 462	287 951	304 455	332 741
Water management		183 969	211 434	218 965	271 071	230 019	230 019	259 742	268 774	276 566
Waste water management		40 971	37 002	40 527	46 806	44 069	44 069	49 013	52 661	54 535
Waste management		29 065	44 444	43 393	56 011	57 564	57 564	52 960	56 405	59 350
Other	4	**–**	**–**	**–**	**2 647**	**3 285**	**3 285**	**3 530**	**3 739**	**3 962**
Total Expenditure - Functional	3	**809 028**	**882 673**	**902 073**	**1 073 344**	**1 014 153**	**1 014 153**	**1 092 830**	**1 151 284**	**1 207 091**
Surplus/(Deficit) for the year		**158 115**	**36 078**	**61 757**	**148 720**	**153 669**	**153 669**	**109 250**	**111 165**	**144 458**

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 if 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 , Waste management and Waste water Management
4. 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 19MBRRTableA3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		2 672	7 042	11 512	2 870	2 870	2 870	2 789	2 833	2 352
Vote 03 - Corporate Services		970	1 269	792	1 775	1 275	1 275	1 867	1 886	–
Vote 04 - Social Services		74 408	62 716	64 054	122 713	117 589	117 589	71 390	100 144	85 037
Vote 05 - Technical Services		611 291	648 420	671 784	851 551	768 132	768 132	844 726	850 591	929 778
Vote 06 - Financial Services		139 026	186 271	206 941	235 428	268 178	268 178	273 645	298 696	325 697
Vote 07 - Local Economic Development And Planning		138 776	13 033	8 747	7 728	9 778	9 778	7 663	8 300	8 685
Total Revenue by Vote	2	**967 143**	**918 751**	**963 830**	**1 222 065**	**1 167 822**	**1 167 822**	**1 202 080**	**1 262 449**	**1 351 549**
Expenditure by Vote ***to be appropriated***	1									
Vote 01 - Executive & Council		33 535	37 861	28 949	41 761	28 327	28 327	41 441	43 402	44 091
Vote 02 - Municipal Manager		78 643	34 203	26 248	66 786	60 115	60 115	60 335	62 959	65 631
Vote 03 - Corporate Services		14 683	21 762	20 503	41 104	41 808	41 808	39 594	40 872	39 134
Vote 04 - Social Services		93 467	120 974	126 158	130 985	135 487	135 487	132 244	140 510	144 297
Vote 05 - Technical Services		508 157	590 924	640 163	667 575	619 110	619 110	675 868	707 319	744 819
Vote 06 - Financial Services		58 401	58 769	41 010	102 171	103 754	103 754	107 849	109 876	111 956
Vote 07 - Local Economic Development And Planning		22 141	18 180	19 043	22 963	25 551	25 551	35 499	46 347	57 162
Total Expenditure by Vote	2	**809 027**	**882 673**	**902 073**	**1 073 344**	**1 014 153**	**1 014 153**	**1 092 830**	**1 151 284**	**1 207 091**
Surplus/(Deficit) for the year	2	**158 115**	**36 078**	**61 757**	**148 720**	**153 669**	**153 669**	**109 250**	**111 165**	**144 458**

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	2014/2015	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
R Thousand	**Audit outcome**	**Audit outcome**	**Audit outcome**	**Original Budget**	***Adjusted* Budget**	**Full Year Forecast**	**MTREF**	**MTREF**	**MTREF**
Electricity									
Total Revenue	238 378	286 616	301 554	**302 219**	**299 161**	**299 161**	**326 143**	342 973	382 299
Total Expenditure	242 764	276 635	299 815	**303 957**	**303 008**	**303 008**	**327 030**	345 700	376 057
Surplus/(Deficit) for the year	-4 386	9 981	1 739	**-1 738**	**-3 847**	**-3 847**	**-887**	-2 727	6 242
Percentage Surplus	-1,84	3,48	0,58	**-0,58**	**-1,29**	-1,29	**-0,27**	-0,80	1,63
Water									
Total Revenue	302 549	293 373	287 935	**448 494**	**358 031**	**358 031**	**435 514**	444 418	469 327
Total Expenditure	228 721	257 997	263 393	**320 460**	**284 409**	**284 409**	**313 905**	326 021	336 733
Surplus/(Deficit) for the year	73 828	35 376	24 542	**128 034**	**73 622**	**73 622**	**121 609**	118 397	132 594
Percentage Surplus	24,40	12,06	8,52	**28,55**	**20,56**	20,56	**27,92**	26,64	28,25
Sanitation									
Total Revenue	35 659	54 354	40 746	**88 535**	**110 192**	**110 192**	**103 214**	97 894	86 209
Total Expenditure	50 702	43 141	47 813	**51 788**	**48 052**	**48 052**	**51 262**	55 239	57 227
Surplus/(Deficit) for the year	-15 043	11 213	-7 067	**36 747**	**62 140**	**62 140**	**51 952**	42 655	28 982
Percentage Surplus	-42,19	20,63	-17,34	**41,51**	56,39	56,39	**50,33**	43,57	33,62
Waste Removal									
Total Revenue	47 702	38 488	42 151	65 052	49 952	49 952	**48 246**	54 707	53 557
Total Expenditure	40 841	48 609	47 877	61 439	62 992	62 992	**56 295**	59 961	63 102
Surplus/(Deficit) for the year	6 861	-10 121	-5 726	3 613	-13 040	-13 040	**-8 049**	-5 254	-9 545
Percentage Surplus	14,38	-26,30	-13,58	5,55	-26,11	-26,11	**-16,68**	-9,60	-17,82

1. **Electricity** trading **surplus** increases over the 2018/19 MTREF from a deficit of 0.27 per cent or R887k in 2018/19 to a surplus of 1.63 per cent by 2020/21. The capital grants that are reflected as revenue are not stable over the medium term, R11.6milion in 2018/2019, R6.4million 2019/20 and R32m in 2020/2021.

2. **Water** trading surplus remains relatively constant over the MTREF translating into a surplus of 27.9 per cent, 26.6 per cent and 28.3 per cent for each of the respective financial years and is as a result of the implementation of the inclining block tariff. Capital grant of R15 million is reflected as revenue in 2018/2019 financial year.

3. **Sanitation** is reflecting a surplus over the 2018/19 MTREF from a surplus of 50.3 per cent or R51.9 million in 2018/19 to a surplus of 33.6 per cent by 2020/21. The capital grants that are reflected as revenue decreased in the last two periods. Capital grant reflects as revenue in 2018/2019 is R63.7 million, R56 million in 2019/2020 and R42 million in 2020/2021

4. **Waste Removal** deficit increases over the 2018/19 MTREF from a deficit of 16.7 per cent or R8 million in 2018/19 to 17.8 per cent by 2020/21.

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

FS204 Metsimaholo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	111 299	114 445	128 980	129 932	143 267	143 267	114 099	140 001	148 063	156 570
Service charges - electricity revenue	2	195 341	208 626	243 228	272 566	272 433	272 433	221 040	290 603	306 640	323 709
Service charges - water revenue	2	249 416	258 842	230 445	410 412	321 278	321 278	265 920	370 663	391 826	413 842
Service charges - sanitation revenue	2	18 087	19 714	22 056	22 698	23 604	23 604	21 890	26 802	28 395	30 051
Service charges - refuse revenue	2	23 796	25 955	28 376	40 735	31 280	31 280	24 506	27 985	29 833	31 662
Service charges - other		–	–	–							
Rental of facilities and equipment		4 600	4 642	6 069	4 818	6 568	6 568	5 023	6 086	6 521	5 276
Interest earned - external investments		2 167	2 702	2 108	1 000	1 400	1 400	1 630	1 300	1 300	1 300
Interest earned - outstanding debtors		14 576	16 449	25 072	28 295	33 633	33 633	27 401	31 509	32 959	34 489
Dividends received		88	96	99	–	–	–	107	–	–	–
Fines, penalties and forfeits		22 876	17 675	17 272	16 762	16 762	16 762	1 787	16 920	17 086	17 160
Licences and permits		149	159	117	201	101	101	–	211	221	233
Agency services		–									
Transfers and subsidies		112 283	122 911	131 170	147 679	152 779	152 779	145 956	168 255	186 715	207 890
Other revenue	2	13 980	45 125	50 072	13 840	16 258	16 258	8 739	13 497	14 069	10 673
Gains on disposal of PPE		–	1 426	294	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**768 657**	**838 768**	**885 358**	**1 088 936**	**1 019 363**	**1 019 363**	**838 099**	**1 093 833**	**1 163 630**	**1 232 856**
Expenditure By Type	-										
Employee related costs	2	174 727	231 548	244 980	280 823	283 764	283 764	211 881	307 178	326 770	342 299
Remuneration of councillors		14 410	15 247	15 757	17 412	10 572	10 572	7 141	18 105	19 103	19 990
Debt impairment	3	114 846	127 167	140 050	121 255	121 255	121 255	101 346	117 921	117 139	113 587
Depreciation & asset impairment	2	39 608	42 930	39 336	76 861	57 136	57 136	11 681	67 920	83 286	94 408
Finance charges		4 602	991	3 175	6 059	5 097	5 097	1 356	2 715	2 130	1 543
Bulk purchases	2	279 220	317 839	324 862	395 172	355 172	355 172	278 159	386 319	409 016	444 902
Other materials	8	24 947	20 450	18 129	25 379	25 626	25 626	10 602	29 104	29 054	30 435
Contracted services		76 839	30 976	31 384	91 335	98 602	98 602	50 586	102 926	104 797	103 072
Transfers and subsidies		–	–	–	535	1 235	1 235	9	1 041	1 042	1 044
Other expenditure	4, 5	74 140	93 867	82 522	58 513	55 695	55 695	27 871	59 600	58 947	55 813
Loss on disposal of PPE		5 689	1 658	1 878	–	–	–	–	–	–	–
Total Expenditure		**809 028**	**882 673**	**902 073**	**1 073 344**	**1 014 153**	**1 014 153**	**700 631**	**1 092 830**	**1 151 284**	**1 207 091**
Surplus/(Deficit)		**(40 371)**	**(43 905)**	**(16 715)**	**15 592**	**5 210**	**5 210**	**137 468**	**1 003**	**12 346**	**25 765**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		198 486	79 983	78 472	45 953	88 485	88 485	–	68 247	48 819	76 693

Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	87 175	59 974	59 974	38 522	40 000	50 000	42 000
Surplus/(Deficit) after capital transfers & contributions		158 115	36 078	61 757	148 720	153 669	153 669	175 990	109 250	111 165	144 458
Taxation											
Surplus/(Deficit) after taxation		158 115	36 078	61 757	148 720	153 669	153 669	175 990	109 250	111 165	144 458
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		158 115	36 078	61 757	148 720	153 669	153 669	175 990	109 250	111 165	144 458
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		158 115	36 078	61 757	148 720	153 669	153 669	175 990	109 250	111 165	144 458

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. **Total revenue (including capital transfers)**
Total revenue is R1.202 billion in 2018/19 and remains fairly static at R1.352 billion by 2020/21. This represents a year-on-year increase of 5% for the 2019/20 financial year and 7% for the 2020/21 financial year.

2. **Property Rates**
Revenue to be generated from property rates is R140 million in the 2018/19 financial year and increases to R156.5 million by 2020/21 which represents 11.6% 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 5.2% per cent, 5.5% and 5.5% for each of the respective financial years of the MTREF.

3. **Service charges – electricity, water, sanitation,refuse**
Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R716 million for the 2018/19 financial year and increasing to R799.3 million by 2020/21.
For the 2018/19 financial year services charges amount to 59.6% of the total revenue base and increases over the medium-term to 59.9% and 59.1%.

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 10.1% and 11.0% and 11.3% for the two outer years. The percentage share of this revenue source inclines due to the relative slow growth in service charge revenues.

5. Budget surplus and Capital transfers
The budget reflects a surplus before transfer of capital grants of R1 million, R12.3 million and R25.8 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 R109.3m, R111.2m and R144.5m respectively.

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

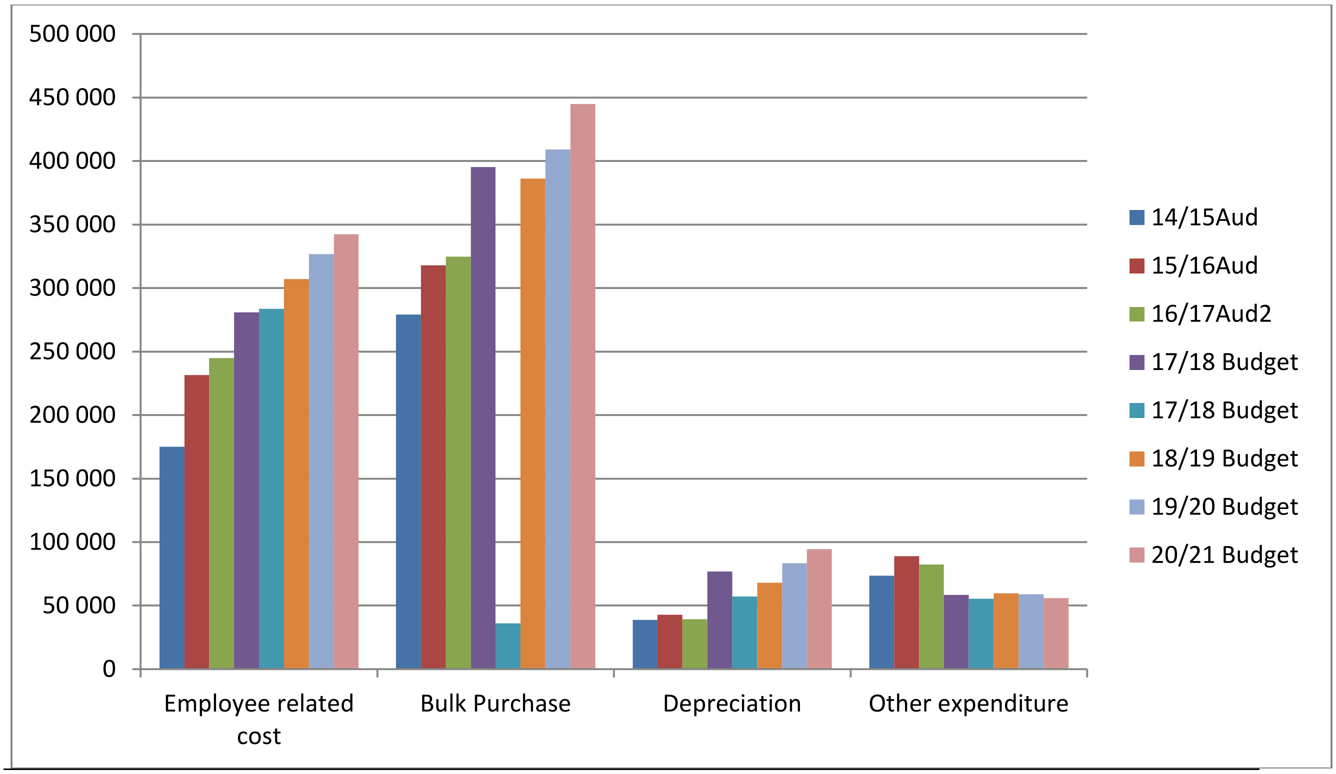

Figure 3 Expenditure by major type

7. **Bulk purchases** have significantly increased over the 2014/15 to 2020/21 period escalating from **R279.2million to R444.9 million**. This represents an increase of close to 59.3% from 2015 to 2021, an average of 8%per annum, which is in excess of the inflation rate in each of the years.
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, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		–	195	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		737	259	8 958	–	–	–	–	–	–	–
Vote 03 - Corporate Services		28	3 441	–	–	–	–	–	–	–	–
Vote 04 - Social Services		3 657	16 554	3 344	–	–	–	–	778	20 515	850
Vote 05 - Technical Services		47 605	77 942	73 672	32 179	34 660	34 660	5 073	87 018	83 333	98 894
Vote 06 - Financial Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Local Economic Development And Planning		135 779	371	–	–	–	–	–	641 500	1 014 100	770 000
Capital multi-year expenditure sub-total	7	**187 805**	**98 761**	**85 974**	**32 179**	**34 660**	**34 660**	**5 073**	**729 296**	**1 117 948**	**869 744**
Single-year expenditure *to be appropriated*	2										
Vote 01 - Executive & Council		463	–	–	–	596	596	–	–	–	–
Vote 02 - Municipal Manager		–	–	–	3 590	2 587	2 587	248	2 950	1 715	1 270
Vote 03 - Corporate Services		–	–	–	1 300	807	807	6	1 260	850	400
Vote 04 - Social Services		–	–	–	44 615	54 342	54 342	10 457	14 189	23 046	21 091
Vote 05 - Technical Services		–	–	–	82 322	77 054	77 054	30 012	29 203	29 078	45 668
Vote 06 - Financial Services		–	507	–	–	–	–	–	560	–	–
Vote 07 - Local Economic Development And Planning		–	–	–	2 150	700	700	–	410	400	400
Capital single-year expenditure sub-total		**463**	**507**	**–**	**133 977**	**136 086**	**136 086**	**40 723**	**48 572**	**55 089**	**68 829**
Total Capital Expenditure - Vote		**188 268**	**99 268**	**85 974**	**166 156**	**170 746**	**170 746**	**45 797**	**777 868**	**1 173 037**	**938 573**
Capital Expenditure - Functional											
Governance and administration		**137 007**	**8 959**	**915**	**5 781**	**4 645**	**4 645**	**254**	**644 277**	**989 765**	**769 320**
Executive and council		470	–	196	–	596	596	–	–	–	–
Finance and administration		136 537	8 959	719	5 781	4 048	4 048	254	644 277	989 765	769 320
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**46**	**1 231**	**7 985**	**44 270**	**54 312**	**54 312**	**10 457**	**8 380**	**31 625**	**16 724**
Community and social services		–	–	2 612	7 377	136	136	–	3 389	24 992	2 870
Sport and recreation		46	1 031	4 962	36 433	43 834	43 834	10 412	4 229	3 761	4 167
Public safety		–	200	411	459	10 342	10 342	45	762	2 872	9 688
Housing											
Health											
Economic and environmental services		**2 461**	**39 228**	**22 602**	**35 976**	**16 935**	**16 935**	**3 173**	**20 735**	**32 521**	**48 299**
Planning and development		–	–	–	2 150	700	700	–	2 760	28 400	2 900
Road transport		2 461	39 228	22 602	33 826	16 235	16 235	3 173	17 975	4 121	45 399
Environmental protection											
Trading services		**48 753**	**49 850**	**54 472**	**80 129**	**94 854**	**94 854**	**31 913**	**104 476**	**119 126**	**104 229**

Energy sources		7 126	30 008	27 256	21 959	16 020	16 020	1 815	17 270	30 509	47 750
Water management		5 254	8 508	3 070	3 099	3 099	3 099	29	16 500	12 381	8 679
Waste water management		32 763	9 221	24 082	54 991	75 710	75 710	30 068	64 491	65 486	43 500
Waste management		3 610	2 113	64	80	25	25	–	6 215	10 750	4 300
Other											
Total Capital Expenditure - Functional	3	**188 268**	**99 268**	**85 974**	**166 156**	**170 746**	**170 746**	**45 797**	**777 868**	**1 173 037**	**938 573**
Funded by:											
National Government		184 086	77 637	62 851	53 128	58 485	58 485	19 000	108 247	98 819	118 693
Provincial Government		–	–	–	50 000	55 000	55 000	26 010	639 000	986 000	767 500
District Municipality											
Other transfers and grants		–	–	–	30 018	34 992	34 992	–	2 500	2 500	2 500
Transfers recognised - capital	4	**184 086**	**77 637**	**62 851**	**133 146**	**148 477**	**148 477**	**45 011**	**749 747**	**1 087 319**	**888 693**
Public contributions & donations	5										
Borrowing	6	–	4 485	1 571	3 190	7 120	7 120	–	–	–	–
Internally generated funds		4 182	17 146	21 552	29 820	15 149	15 149	786	28 121	85 718	49 880
Total Capital Funding	7	**188 268**	**99 268**	**85 974**	**166 156**	**170 746**	**170 746**	**45 797**	**777 868**	**1 173 037**	**938 573**

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 R48.6 million for the 2018/19 financial year and increase over the MTREF at levels of R55 million and R68.8million respectively for the two outer years.
4. Multi-year capital expenditure has been appropriated at R729.3 million for the 2018/19 financial year and increase over the MTREF at levels of R1.1 billion and R869.7 million 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 2018/19, capital transfers (grants) totals R108million (13.9 per cent) and increases to R118.7 million by 2020/21 (13.2 per cent). Internally generated funding totalling R28.1 million, R85.7 million and R49.9 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	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Current assets											
Cash		14 863	1 229	5 251	13	13	13	(7 376)	12 395	4 303	13 208
Call investment deposits	1	11 332	13 950	7 376	2 900	2 900	2 900	68 574	3 000	3 300	13 420
Consumer debtors	1	125 621	147 924	142 215	320 877	320 877	320 877	218 140	339 686	357 828	378 227
Other debtors		63 042	63 483	77 931	63 121	63 121	63 121	514 010	74 953	86 944	98 863
Current portion of long-term receivables		5 886	4 117	3 019	–	–	–	–	–	–	–
Inventory	2	8 391	15 318	15 061	16 000	16 000	16 000	16 388	14 000	14 000	14 175
Total current assets		**229 135**	**246 021**	**250 853**	**402 911**	**402 911**	**402 911**	**809 736**	**444 034**	**466 375**	**517 893**
Non-current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		86 415	86 389	86 054	86 057	86 057	86 057	86 051	727 557	1 713 557	2 506 957
Investment in Associate											
Property, plant and equipment	3	1 077 555	1 147 459	1 197 507	1 305 922	1 310 512	1 310 512	1 231 625	1 378 962	1 482 713	1 534 478
Agricultural											
Biological											
Intangible		445	318	4 421	5 021	5 021	5 021	4 421	5 021	5 021	5 021
Other non-current assets		561	561	561	561	561	561	561	561	561	561
Total non-current assets		**1 164 976**	**1 234 727**	**1 288 543**	**1 397 561**	**1 402 151**	**1 402 151**	**1 322 658**	**2 112 102**	**3 201 853**	**4 047 017**
TOTAL ASSETS		**1 394 111**	**1 480 748**	**1 539 396**	**1 800 472**	**1 805 062**	**1 805 062**	**2 132 394**	**2 556 136**	**3 668 228**	**4 564 910**
LIABILITIES											
Current liabilities	-										
Bank overdraft	1										
Borrowing	4	2 363	4 526	6 447	6 964	6 964	6 964	(1 057)	4 289	4 243	3 492
Consumer deposits		16 246	18 027	19 459	19 000	19 000	19 000	22 355	19 200	19 500	19 700
Trade and other payables	4	189 374	225 942	235 404	195 437	195 437	195 437	690 703	187 737	160 377	150 402
Provisions		–	–	–	42 914	42 914	42 914	36 489	47 914	53 189	58 754
Total current liabilities		**207 983**	**248 495**	**261 310**	**264 315**	**264 315**	**264 315**	**748 489**	**259 140**	**237 309**	**232 349**
Non-current liabilities											
Borrowing		5 783	12 371	12 774	17 417	17 417	17 417	16 730	13 279	7 413	3 921
Provisions		86 421	88 773	72 445	–	–	–	–	–	–	–
Total non-current liabilities		**92 204**	**101 144**	**85 219**	**17 417**	**17 417**	**17 417**	**16 730**	**13 279**	**7 413**	**3 921**
TOTAL LIABILITIES		**300 187**	**349 639**	**346 529**	**281 732**	**281 732**	**281 732**	**765 218**	**272 419**	**244 721**	**236 270**
NET ASSETS	5	**1 093 924**	**1 131 110**	**1 192 867**	**1 518 740**	**1 523 330**	**1 523 330**	**1 367 176**	**2 283 716**	**3 423 507**	**4 328 640**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 093 924	1 131 110	1 192 867	1 518 740	1 523 330	1 523 330	1 367 079	2 283 716	3 423 507	4 328 640
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**1 093 924**	**1 131 110**	**1 192 867**	**1 518 740**	**1 523 330**	**1 523 330**	**1 367 079**	**2 283 716**	**3 423 507**	**4 328 640**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understand 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 196) 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 24MBRRTable A7 - Budgeted Cash Flow Statement

FS204 Metsimaholo - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		87,779	93,845	100,605	110,442	121,777	121,777	–	116,201	124,373	133,085
Service charges		389,175	435,100	422,581	650,688	568,126	568,126	–	626,800	667,215	710,649
Other revenue		11,472	9,942	26,664	13,702	18,857	18,857	–	19,487	22,181	18,061
Government - operating	1	176,779	202,893	214,343	147,679	152,780	152,780	–	168,541	186,715	207,890
Government - capital	1				133,128	143,485	143,485		68,247	48,819	76,693
Interest		12,968	15,861	27,179	25,051	28,306	28,306	–	26,507	28,326	39,926
Dividends		88	96	99	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(628,905)	(679,525)	(709,583)	(893,518)	(877,243)	(877,243)	–	(921,622)	(943,431)	(1,034,239)
Finance charges		(4,602)	(947)	(1,932)	(6,059)	(5,097)	(5,097)	–	(2,715)	(2,130)	(1,543)
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**44,754**	**77,266**	**79,955**	**181,112**	**150,990**	**150,990**	**–**	**101,446**	**132,068**	**150,522**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		475	1,426	294	2,001	2,001	2,001	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	200	300	200
Decrease (increase) other non-current receivables		8,394	1,493	1,304	–	–	–	–	–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(52,488)	(99,267)	(85,974)	(166,156)	(165,772)	(165,772)	–	(96,368)	(134,537)	(126,573)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(43,619)**	**(96,349)**	**(84,375)**	**(164,155)**	**(163,771)**	**(163,771)**	**–**	**(96,168)**	**(134,237)**	**(126,373)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		(1,070)	9,230	5,113	3,130	7,120	7,120	–	–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		–	(1,163)	(3,245)	(6,954)	(6,954)	(6,954)	–	(5,511)	(5,924)	(4,243)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(1,070)**	**8,067**	**1,868**	**(3,824)**	**166**	**166**	**–**	**(5,511)**	**(5,924)**	**(4,243)**
NET INCREASE/ (DECREASE) IN CASH HELD		**65**	**(11,016)**	**(2,552)**	**13,133**	**(12,615)**	**(12,615)**	**–**	**(233)**	**(8,093)**	**19,906**
Cash/cash equivalents at the year begin:	2	**26,129**	**26,195**	**15,179**	**12,627**	**12,627**	**12,627**		**12,628**	**12,395**	**4,302**
Cash/cash equivalents at the year end:	2	**26,195**	**15,179**	**12,627**	**25,760**	**12**	**12**	**–**	**12,395**	**4,302**	**24,208**

Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

FS204 Metsimaholo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	26 195	15 179	12 627	25 760	12	12	–	12 395	4 302	24 208
Other current investments > 90 days		0	0	(0)	(22 847)	2 900	2 900	61 197	3 000	3 301	2 420
Non-current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**26 195**	**15 179**	**12 627**	**2 913**	**2 913**	**2 913**	**61 197**	**15 395**	**7 603**	**26 628**
Application of cash and investments											
Unspent conditional transfers		1 326	–	–	–	–	–	6 469	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	41 745	65 853	74 370	(121 002)	(119 135)	(119 135)	263 540	(154 322)	(210 611)	(251 246)
Other provisions		86 421	88 773	72 444					89 651	97 766	106 321
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**129 492**	**154 626**	**146 814**	**(121 002)**	**(119 135)**	**(119 135)**	**270 009**	**(64 671)**	**(112 845)**	**(144 925)**
Surplus(shortfall)		**(103 297)**	**(139 447)**	**(134 187)**	**123 915**	**122 048**	**122 048**	**(208 811)**	**80 066**	**120 448**	**171 553**

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 2017/18 mid-year review and the 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. A Revenue Enhancement Strategy will be developed and implemented.
6. The 2018/19 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
7. Cash and cash equivalents totals a projected favourable R12.4 million as at the end of the 2018/19 financial year and increase to a favourable cash and cash equivalents of R24.2 million by 2020/21.

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 2014/15 to 2016/2017 the surplus (cash and cash equivalent) decreased from R26.1 million to R12.6 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2018/19 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2018/19 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 funded in all three financial years.
8. As can be seen the budget has been modelled to progressively increase from a surplus of R80 million in 2018/19 to a surplus of R120 million by 2019/20 and R17.6 million in 2020/21.
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.

Table 26 MBRR Table A9 - Asset Management

FS204 Metsimaholo - Table A9
Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
Total New Assets	1	**188,268**	**89,160**	**85,974**	**63,847**	**77,149**	**77,149**	**124,446**	**120,180**	**144,837**
Roads Infrastructure		2,461	37,527	22,518	33,444	16,419	16,419	14,443	6,104	36,902
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		7,037	14,964	25,316	12,880	12,830	12,830	14,450	22,510	45,600
Water Supply Infrastructure		5,254	8,114	3,070	–	–	–	15,000	–	–
Sanitation Infrastructure		32,763	7,581	23,835	3,238	19,303	19,303	64,691	56,079	42,000
Solid Waste Infrastructure		–	–	64	1,000	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	150	150	150	250	200	200
Infrastructure		***47,515***	***68,185***	***74,803***	***50,712***	***48,703***	***48,703***	***108,835***	***84,893***	***124,702***
Community Facilities		–	–	2,595	5,231	14,070	14,070	3,925	23,121	3,346
Sport and Recreation Facilities		–	877	4,854	198	33	33	172	17	15
Community Assets		**–**	***877***	***7,449***	***5,429***	***14,103***	***14,103***	***4,097***	***23,138***	***3,361***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	517	517	9,517
Housing		133,827	2,415	341	–	–	–	–	–	–
Other Assets		***133,827***	***2,415***	***341***	**–**	**–**	**–**	***517***	***517***	***9,517***
Biological or Cultivated Assets		**3,572**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	4,630	328	1,810	600	600	1,000	200	–
Intangible Assets		**–**	***4,630***	***328***	***1,810***	***600***	***600***	***1,000***	***200***	**–**
Computer Equipment		**–**	**–**	**–**	**360**	**707**	**707**	**850**	**565**	**570**
Furniture and Office Equipment		**106**	**810**	**298**	**1,010**	**741**	**741**	**1,296**	**630**	**382**
Machinery and Equipment		**1,221**	**6,533**	**1,682**	**1,296**	**1,000**	**1,000**	**1,142**	**4,290**	**1,775**
Transport Assets		**2,026**	**5,710**	**1,074**	**3,230**	**11,296**	**11,296**	**6,710**	**5,947**	**4,530**
Libraries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**–**	**10,107**	**–**	**100,059**	**92,097**	**92,097**	**651,672**	**1,051,007**	**793,085**
Roads Infrastructure		–	7,561	–	6,000	–	–	–	450	6,700
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	2,833	2,833	2,833	1,500	11,147	7,804
Sanitation Infrastructure		–	–	–	51,330	56,030	56,030	800	8,900	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–

Infrastructure		**–**	***7,561***	**–**	***60,163***	***58,863***	***58,863***	***2,300***	***20,497***	***14,504***
Community Facilities		–	–	–	36,940	30,612	30,612	643,695	1,021,102	773,023
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	***36,940***	***30,612***	***30,612***	***643,695***	***1,021,102***	***773,023***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	650	100	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	***650***	***100***	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	2,546	–	–	–	–	–	–	–
Intangible Assets		**–**	***2,546***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**900**	**900**	**900**	**250**	**200**	**200**
Furniture and Office Equipment		**–**	**–**	**–**	**950**	**350**	**350**	**110**	**50**	**50**
Machinery and Equipment		**–**	**–**	**–**	**1,085**	**755**	**755**	**550**	**1,350**	**1,200**
Transport Assets		**–**	**–**	**–**	**20**	**616**	**616**	**4,117**	**7,708**	**4,108**
Libraries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Upgrading of Existing Assets	6	**–**	**–**	**–**	**2,250**	**1,500**	**1,500**	**1,750**	**1,850**	**650**
Roads Infrastructure		–	–	–	–	–	–	200	300	350
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	1,500	1,500	1,500	500	1,000	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		**–**	**–**	**–**	***1,500***	***1,500***	***1,500***	***700***	***1,300***	***350***
Community Facilities		–	–	–	750	–	–	700	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	***750***	**–**	**–**	***700***	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	350	550	300
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	***350***	***550***	***300***
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Roads Infrastructure		2,461	45,088	22,518	39,444	16,419	16,419	14,643	6,854	43,952
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		7,037	14,964	25,316	14,380	14,330	14,330	14,950	23,510	45,600
Water Supply Infrastructure		5,254	8,114	3,070	2,833	2,833	2,833	16,500	11,147	7,804
Sanitation Infrastructure		32,763	7,581	23,835	54,568	75,333	75,333	65,491	64,979	42,000
Solid Waste Infrastructure		–	–	64	1,000	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	150	150	150	250	200	200
Infrastructure		***47,515***	***75,746***	***74,803***	***112,375***	***109,066***	***109,066***	***111,835***	***106,690***	***139,556***
Community Facilities		–	–	2,595	42,922	44,682	44,682	648,320	1,044,223	776,369
Sport and Recreation Facilities		–	877	4,854	198	33	33	172	17	15
Community Assets		–	***877***	***7,449***	***43,120***	***44,715***	***44,715***	***648,492***	***1,044,240***	***776,384***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	1,167	617	9,517
Housing		133,827	2,415	341	–	–	–	–	–	–
Other Assets		***133,827***	***2,415***	***341***	–	–	–	***1,167***	***617***	***9,517***
Biological or Cultivated Assets		**3,572**	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	7,176	328	1,810	600	600	1,350	750	300
Intangible Assets		–	***7,176***	***328***	***1,810***	***600***	***600***	***1,350***	***750***	***300***
Computer Equipment		–	–	–	**1,260**	**1,607**	**1,607**	**1,100**	**765**	**770**
Furniture and Office Equipment		**106**	**810**	**298**	**1,960**	**1,091**	**1,091**	**1,406**	**680**	**432**
Machinery and Equipment		**1,221**	**6,533**	**1,682**	**2,381**	**1,755**	**1,755**	**1,692**	**5,640**	**2,975**
Transport Assets		**2,026**	**5,710**	**1,074**	**3,250**	**11,912**	**11,912**	**10,827**	**13,655**	**8,638**
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		**188,268**	**99,267**	**85,974**	**166,156**	**170,746**	**170,746**	**777,868**	**1,173,037**	**938,573**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		218,585	249,131	214,465	268,532	245,507	245,507	232,389	228,852	244,311
Storm water Infrastructure					–	–	–	–	–	–
Electrical Infrastructure		140,145	148,385	177,128	194,668	194,668	194,668	201,995	214,182	244,114
Water Supply Infrastructure		170,973	171,375	162,470	436,651	441,651	441,651	455,364	485,300	536,949
Sanitation Infrastructure		194,419	199,046	238,609	4,568	20,333	20,333	64,491	64,979	42,000
Solid Waste Infrastructure		3,708	324,877	351,296	1,008	8	8	8	8	8
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		–	–	–	3,116	3,116	3,116	3,281	(152)	5,277
Infrastructure		***727,829***	***1,092,814***	***1,143,968***	***908,542***	***905,283***	***905,283***	***957,528***	***993,169***	***1,072,658***
Community Facilities		–	997	7,569						
Sport and Recreation		–	–	–	334,809	336,627	336,627	326,052	330,481	344,978

Facilities										
Community Assets		***–***	***997***	***7,569***	***334,809***	***336,627***	***336,627***	***326,052***	***330,481***	***344,978***
Heritage Assets					**561**	**561**	**561**	**561**	**561**	**561**
Revenue Generating		–	–	–	86,057	86,057	86,057	727,557	1,713,557	2,506,957
Non-revenue Generating		561	561	561						
Investment properties		***561***	***561***	***561***	***86,057***	***86,057***	***86,057***	***727,557***	***1,713,557***	***2,506,957***
Operational Buildings		86,415	86,389	86,054						
Housing		346,155	53,086	49,634	67	20	20	1,592	31,322	9,967
Other Assets		***432,570***	***139,475***	***135,688***	***67***	***20***	***20***	***1,592***	***31,322***	***9,967***
Biological or Cultivated Assets		**3,572**								
Servitudes		–	–	–						
Licences and Rights		445	318	196	5,021	5,021	5,021	5,021	5,021	5,021
Intangible Assets		***445***	***318***	***196***	***5,021***	***5,021***	***5,021***	***5,021***	***5,021***	***5,021***
Computer Equipment		**–**	**–**	**–**	**1,098**	**1,252**	**1,252**	**650**	**1,670**	**700**
Furniture and Office Equipment		**–**	**–**	**–**	**30,901**	**29,595**	**29,595**	**44,145**	**43,954**	**43,506**
Machinery and Equipment		**–**	**–**	**–**	**14,022**	**12,286**	**12,286**	**17,259**	**45,700**	**27,189**
Transport Assets		**–**	**–**	**–**	**16,482**	**25,449**	**25,449**	**31,737**	**36,417**	**34,480**
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**1,164,977**	**1,234,165**	**1,287,982**	**1,397,561**	**1,402,151**	**1,402,151**	**2,112,102**	**3,201,853**	**4,046,017**
EXPENDITURE OTHER ITEMS										
Depreciation	7	39,608	42,931	39,336	76,861	57,136	57,136	67,920	83,286	94,408
Repairs and Maintenance by Asset Class	3	**59,124**	**18,129**	**18,942**	**37,911**	**41,703**	**41,703**	**44,230**	**45,827**	**46,488**
Roads Infrastructure		11,735	3,353	6,396	3,400	8,970	8,970	5,270	5,421	4,472
Storm water Infrastructure		–	–	–	1,000	1,000	1,000	1,574	1,125	1,191
Electrical Infrastructure		9,610	5,865	2,960	2,722	4,329	4,329	7,908	9,111	10,322
Water Supply Infrastructure		12,632	217	2,643	2,327	2,327	2,327	1,485	1,670	1,754
Sanitation Infrastructure		16,818	4,493	2,921	2,473	2,453	2,453	5,606	5,887	6,181
Solid Waste Infrastructure		–	–	–	683	683	683	717	752	790
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***50,795***	***13,929***	***14,919***	***12,605***	***19,762***	***19,762***	***22,561***	***23,967***	***24,710***
Community Facilities		244	3	607	200	90	90	207	272	155
Sport and Recreation Facilities		–	–	3	465	145	145	470	476	–
Community Assets		***244***	***3***	***610***	***665***	***235***	***235***	***677***	***747***	***155***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		741	456	802	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		***741***	***456***	***802***	***–***	***–***	***–***	***–***	***–***	***–***
Operational Buildings		–	–	–	8,489	7,819	7,819	8,475	8,469	8,464
Housing		–	78	–	–	–	–	–	–	–
Other Assets		***–***	***78***	***–***	***8,489***	***7,819***	***7,819***	***8,475***	***8,469***	***8,464***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		5,493	–	–	–	–	–	–	–	–
Intangible Assets		***5,493***	***–***	***–***	***–***	***–***	***–***	***–***	***–***	***–***
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**1,301**	**545**	**699**	**8,111**	**6,311**	**6,311**	**3,412**	**3,339**	**3,331**

Machinery and Equipment		100	77	95	1,976	1,788	1,788	2,771	2,678	2,780
Transport Assets		450	3,042	1,817	6,064	5,787	5,787	6,334	6,626	7,049
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		**98,732**	**61,060**	**58,278**	**114,772**	**98,838**	**98,838**	**112,150**	**129,113**	**140,896**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*10.2%*	*0.0%*	*61.6%*	*54.8%*	*54.8%*	*84.0%*	*89.8%*	*84.6%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*23.5%*	*0.0%*	*133.1%*	*163.8%*	*163.8%*	*962.0%*	*1264.1%*	*840.7%*
R&M as a % of PPE		*5.5%*	*1.6%*	*1.6%*	*2.9%*	*3.2%*	*3.2%*	*3.2%*	*3.1%*	*3.0%*
Renewal and upgrading and R&M as a % of PPE		*5.0%*	*2.0%*	*1.0%*	*10.0%*	*10.0%*	*10.0%*	*33.0%*	*34.0%*	*21.0%*

Explanatory notes to Table A9 - Asset Management

1. 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. Allocations to repairs and maintenance should be 8 per cent of PPE.**

   The requirements on repairs and maintenance are met when the employee related cost is added to materials, 2018/19 8.1 per cent, 2019/20 8 per cent and 2020/21 7.8 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.**

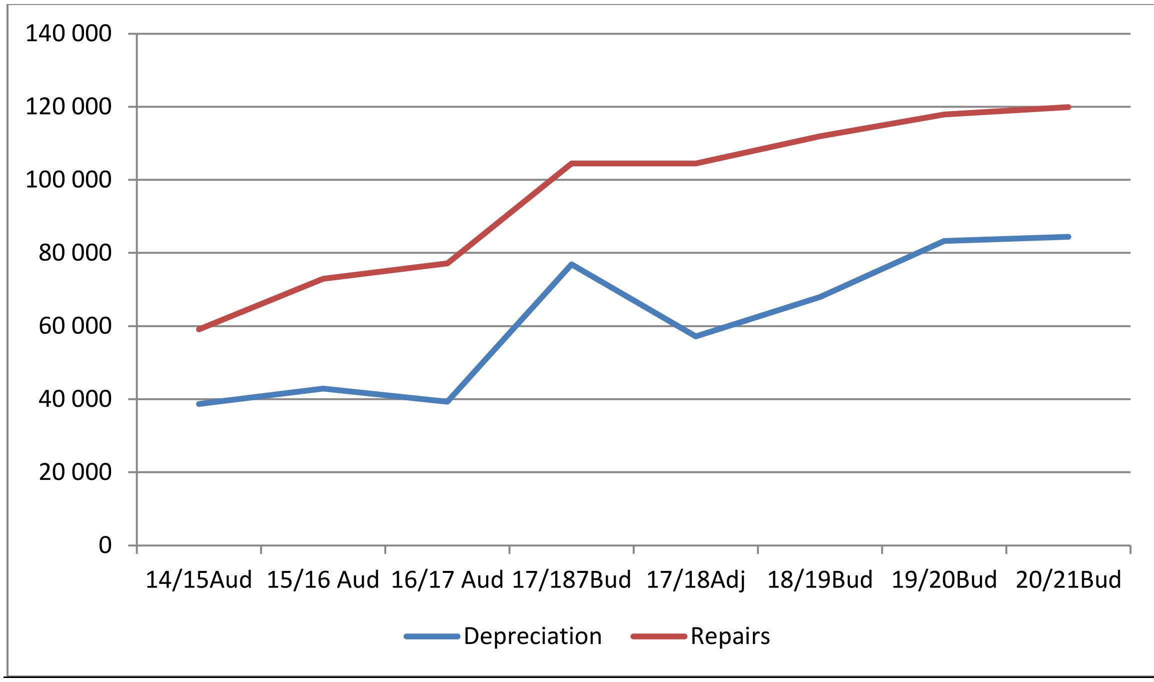

Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

FS204 Metsimaholo - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		27,000	27,000	37,096	13,945	13,945	13,945	13,945	13,945	15,945
Piped water inside yard (but not in dwelling)		27,000	–	–	30,955	30,955	30,955	30,955	30,955	34,433
Using public tap (at least min.service level)	2	–	–	–	2,500	2,500	2,500	2,500	2,500	2,000
Other water supply (at least min.service level)	4	–	–	–	10	10	10	10	10	10
Minimum Service Level and Above sub-total		54,000	27,000	37,096	47,410	47,410	47,410	47,410	47,410	52,388
Using public tap (< min.service level)	3	887	7,670	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		887	7,670	–	–	–	–	–	–	–
Total number of households	5	**54,887**	**34,670**	**37,096**	**47,410**	**47,410**	**47,410**	**47,410**	**47,410**	**52,388**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		19,000	19,000	33,368	33,591	33,591	33,591	33,591	33,591	37,591
Flush toilet (with septic tank)		1,000	1,000	3,617	1,200	1,200	1,200	1,200	1,200	1,500
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	1,200	1,200	1,200	1,200	1,200	1,500
Other toilet provisions (> min.service level)		–	–	–	9,387	9,387	9,387	9,387	9,387	10,287
Minimum Service Level and Above sub-total		20,000	20,000	36,985	45,378	45,378	45,378	45,378	45,378	50,878
Bucket toilet		2,025	1,657	–	2,000	2,000	2,000	2,000	2,000	1,500
Other toilet provisions (< min.service level)		6,512	12,645	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		8,537	14,302	–	2,000	2,000	2,000	2,000	2,000	1,500
Total number of households	5	**28,537**	**34,302**	**36,985**	**47,378**	**47,378**	**47,378**	**47,378**	**47,378**	**52,378**
Energy:										
Electricity (at least min.service level)		–	–	–	51,893	51,893	51,893	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	51,893	51,893	51,893	–	–	–
Electricity (< min.service level)		668	670	680	–	–	–	702	720	730
Electricity - prepaid (< min. service level)		8,740	35,745	37,660	–	–	–	38,259	39,239	40,280
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		9,408	36,415	38,340	–	–	–	38,961	39,959	41,010
Total number of households	5	**9,408**	**36,415**	**38,340**	**51,893**	**51,893**	**51,893**	**38,961**	**39,959**	**41,010**
Refuse:										
Removed at least once a week		49,000	52,000	52,000	54	54,000	54,000	54,000	55,000	56,000

Minimum Service Level and Above sub-total		49,000	52,000	52,000	54	54,000	54,000	54,000	55,000	56,000
Removed less frequently than once a week		10,000	10,000	10,000	–	–	–	10,000	10,000	10,000
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		10,000	10,000	10,000	–	–	–	10,000	10,000	10,000
Below Minimum Service Level sub-total		20,000	20,000	20,000	–	–	–	20,000	20,000	20,000
Total number of households	5	**69,000**	**72,000**	**72,000**	**54**	**54,000**	**54,000**	**74,000**	**75,000**	**76,000**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		7,246	8,992	14,000	15,000	11,000	11,000	11,000	11,000	11,000
Sanitation (free minimum level service)		7,246	5,479	–	14,000	15,000	11,000	11,000	11,000	11,000
Electricity/other energy (50kwh per household per month)		7,246	8,992	14,000	15,000	11,000	11,000	11,000	11,000	11,000
Refuse (removed at least once a week)		7,246	7,242	14,000	15,000	11,000	11,000	11,000	11,000	11,000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		8,510	10,824	25,350	–	10,644	10,644	10,250	10,813	11,408
Sanitation (free sanitation service to **indigent households**)		4,945	7,418	7,984	11,518	10,940	10,940	11,633	12,272	12,947
Electricity/other energy (50kwh per **indigent** household per month)		3,926	4,306	6,374	11,644	8,381	8,381	9,123	9,625	10,154
Refuse (removed once a week **for indigent households**)		8,286	8,931	9,638	21,251	15,584	15,584	16,519	17,428	18,386
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**25,668**	**31,478**	**49,346**	**44,413**	**45,549**	**45,549**	**47,524**	**50,138**	**52,896**
Highest level of free service provided per household										
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	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		79	104	92	110	110	110	118	124	131
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		95	103	111	118	118	118	125	132	139
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		9,638		33,426	8,400	8,400	8,400	8,400	8,400	8,400
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		15,329	15,886	19,113	21,714	17,676	17,676	18,230	18,870	19,544
Water **(in excess of 6 kilolitres per indigent household per month)**		15,886	5,838	20,111	13,732	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		1,914	2,980	3,531	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		4,452	–	–	–	–	–	–	–	–

Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other		5,691		8,400						
Total revenue cost of subsidised services provided		**52,910**	**24,704**	**84,581**	**43,846**	**26,076**	**26,076**	**26,630**	**27,270**	**27,944**

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 contrasted a water reservoir.
    b. Sanitation services – backlog will be partially reduced in 2018/19
    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 11 000 households to be registered as indigent in 2018/19, 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 R54.1 million in 2018/19 and it increases to R59.5 million in 2020/21. This is covered by the municipality's equitable share allocation from national government.

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 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Administrator approved the IDP and budget time schedule on 28 September 2017.Key dates to the time table for IDP and Budget process applicable to the process were:

- **October and November 2017 –**
  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 2018** –
  Review of the financial strategy and key economic and financial planning assumptions. This included financial forecasting and scenario considerations;
- **January 2018 –**
  Council considers the 2017/18 Mid-year Budget and Performance Review
- **February 2018 –**
  Council considers the 2017/18 Annual Budget;
- **February 2018 –**
  Multi-year budget proposals are submitted to the Portfolio Committee;
- **March 2018 –**
  Recommendations are communicated to the respective departments.
- **14 March 2018**-
  Recommendations are communicated to Informal Council Meeting, and on to the respective departments. The draft 2018/19 MTREF is revised accordingly;
- **29 March 2018 –**
  Tabling in Council of the draft 2018/19 IDP and 2018/19 MTREF for public consultation;
- **April 2018** –
- Public consultation
  7 May 2018 –
- Closing date for written comments;
  1 to 11 May 2018– finalisation of the 2018/19 IDP and 2018/19 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;

- **17 May 2018 -**
- Informal Council meeting,(change to 24 May 2018) and
- **31 May 2018** (change to 30 May 2018)–
- Tabling of the 2018/19 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 Free State Executive Council adopted a five-year Integrated Development Plan (IDP) covering the period 2017/18 to 2020/21 in July 2017. The current (2018/19) Draft IDP will mark the first Review of the Five Year IDP. This Draft 2018/19 IDP will be tabled at Council at 29 March 2018. Furthermore, this Draft IDP will be tabled together with the 2018/2019 MTREF.

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 2015/16, where appropriate.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 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 2018/19 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 2017/18 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
- Water and electricity losses be minimised
- Ownership versus of vehicles

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, 78,79,85,86,89 and 91 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2018/19 MTREF as tabled before Council 29 March 2018 for community consultation will be published on the municipality's website, and hard copies will be 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.

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 2018/2019 Draft Budget and IDP.

The documents will be available for perusal and public comment from 4 April 2018 to 30 April 2018

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 IDP for 2017–2018 has been tabled and be available from 4 April 2018 to 30 April 2018

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 4 April 2018 to 30 April 2018. All comments and inputs on IDP as well as draft Budget and should be submitted in writing in the relevant comment boxes.gov.za.

Any person, who cannot write, may come during office hours to a place where a staff member of the municipality named in 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 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

Public participation BUDGET and IDP 2018/2019				
Ward	**Date**	**Time**	**Venue**	**Councillor**
Week 1				
Ward 1 (Phase 3 & 4) MMC IDP & FINANCE	4 April 2018 Wednesday	17h00	Open Space between Zakwe's House & Clinic Primary	Cllr M P Mokoena
Ward 2 EXECUTIVE MAYOR	4 April 2018 Wednesday **Re-schedule 7 May 2018**	17h00	Lehutso Primary School	Cllr M Molawa
Ward 1(Phase 4 & 5) EXECUTIVE MAYOR	5 April 2018 Thursday	17h00	Kopanelang Thuto Primary School	Cllr M P Mokoena
Ward 3 & 4 MMC IDP & FINANCE	5 April 2018 Thursday	17h00	Refengkgotso Community Hall	Cllr M M Telane Cllr G B Mnune
Week2				

Ward 5 (Metsimaholo) MMC IDP & FINANCE	9 April 2018 Monday **Re- schedule 3 May 2018**	17h00	Metsimaholo Community Hall	Cllr S S Kobo
Ward 6 EXECUTIVE MAYOR	9 April 2018 Monday	17h00	Credo Primary School	Cllr M Nkheloane
Ward 5 (Oranjeville) EXECUTIVE MAYOR	10 April 2018 Tuesday **Re- schedule 3 May 2018**	18h00	Oranjeville Primary School	Cllr S S J Kobo
Ward 7 MMC IDP & FINANCE	10 April 2018 Tuesday	17h00	Sports Ground next to Tomato Shop “Ditamating”	Cllr P Mahlaela
Ward 8 MMC IDP & FINANCE	11 April 2018 Wednesday	17h00	Zamdela Arts & Culture Centre	Cllr S J Nteso
Ward 9 EXECUTIVE MAYOR	11 April 2018 Wednesday	17h00	Lerato Hall	Cllr N N Dywili
Ward 1 (Amelia) MMC IDP & FINANCE	12 April 2018 Thursday	17h00	Amelia-Pastor Morota’s Church	Cllr M P Mokoena
Ward	**Date**	**Time**	**Venue**	**Councillor**
Ward 10 EXECUTIVE MAYOR	12 April 2018 Thursday	17h00	Iketsetseng Secondary School	Cllr: N M Mtshali
		Week 3		
Ward 11 MMC IDP & FINANCE	16 April 2018 Monday	17h00	Zamdela Hall	Cllr T K Mabasa
Ward 12 EXECUTIVE MAYOR	16 April 2018 Monday	17h00	Boiketlong Hall	Cllr L A Makhefu
Ward 13 MMC IDP & FINANCE	17 April 2018 Tuesday	17h00	Sakubusha Secondary School	Cllr F D Mosokweni
Ward 14 & 18 EXECUTIVE MAYOR	17 April 2018 Tuesday **Re- schedule 25 April 2018**	18h00	Vaal Park Primary School	Cllr F J Van der Merwe & Cllr L Gaigher

Ward 19 MMC IDP & FINANCE	18 April 2018 Wednesday	17h00	Amelia-Ark of Church	Cllr K A Mare
Ward 15 EXECUTIVE MAYOR	18 April 2018 Wednesday	18h00	Council Foyer 2nd Floor Finance Building	Cllr J J Grobbelaar
Ward 20 (Themba Khubheka) EXECUTIVE MAYOR	19 April 2018 Thursday	17h00	Themba Khubheka Sports Ground	Cllr L Fisher
Ward 16 MMC IDP & FINANCE	19 April 2018 Thursday **Re- schedule 23 April 2018**	18h00	Council Foyer 2nd Floor Finance Building	Cllr JJ Barnard
Week 4				
Ward 17 MMC IDP & FINANCE	23 April 2018 Monday	18h00	Council Foyer 2nd Floor Finance Building	Cllr G Burger
Ward 21 EXECUTIVE MAYOR	23 April 2018 Monday 18 April 2018	17h00	Sports Ground next to Roman Catholic Church	Cllr N P Mokoena
Ward 20 (Deneysville) EXECUTIVE MAYOR	24 April 2018 Tuesday	18h00	Nomsa Secondary School	Cllr L Fisher

S M Molala

MUNICIPAL MANAGER

March 2018

(Notice No.)

Input from the communities

- Address youth unemployment
- Sewer, toilette (ward7); (Ward 13); maintenance of sewer network and unblock of drains
- High mast Lights: new and repair- Ward1, Ward 2, Ward 3&4, Ward 7; Ward 9; Ward 13 , Ward 19 and Ward 21
- Stands allocated for housing: Ward 1; Ward2; Ward 5, Ward 7; Ward 13
- Paving of roads
- Address illegal dumping

- No capital projects budgeted for Ward 2, Ward 5 (Oranjeville); Ward 12; Ward 14&18; Ward 16&17
- Overhead bridge on railway
- Information on IGG and Indigent Policy, officials attitude towards the applicants need to be addressed
- Water readings on accounts a problem, inaccurate readings. Explanation how water consumption on IBT is calculated, water meters not read regularly
- Repair of main roads and potholes –Ward 3 &4; Ward 7; Ward 5; Ward 9,Ward 13, Ward 15, Ward 14&18; Ward19, Ward 20
- Sports complex Ward 3 & 4
- Upgrade parks
- Address leakages of water meters, water leakages and burst pipes
- Storm water channels
- Billing of septic tanks – to be investigated - Ward 5 and ward 20
- Maintenance of streetlights
- Assistance at the revenue offices to be improved
- Tariffs charged on vacant stands – not acceptable
- Water supply - Ward 5
- Metsimaholo community hall not renovated but extended
- Construction of RDP houses in Ward 6, Ward 9, Ward 13
- Street names
- Water losses at hostels
- Thembalethu hostels renovated
- Fencing of old cemetery in Zamdela
- No roofs at houses Ward 11
- Speed humps in Ward 11
- Completion of sewer connections –Ward 13
- Replacement of faulty electricity prepaid meters Ward15
- Community Hall and Sports complex –Ward 15- Sasolburg community
- Cut of grass
- Electricity network in Vaalpark
- Information on collections at Abrahamsrust and Oranjeville resort
- Ward 16& 17- 30% of budgeted funds must be allocated to Sasolburg
- Ward 16& 17 do not approve CCTV cameras at Fire Station
- No basic electricity where electricity prepaid meters are installed.
- Sportsground Ward 20
- Running of sewer in streets to attend to Ward 20
- Prepaid electricity in Ward 20
- Upgrade electricity network Ward21
- Ward 5 – no fishing fees charged until resort upgraded
- Ward 5: Water tariff between lowest and highest is460% difference
- Ward 5: Suction tank service of R880 vs R129.22pm not affordable
- Ward 5: Re-look Indigent policy relating to suction rank services
- Ward 5: Tarring of Scott Street

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:

Sustainable Development Goals (SDGs)

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.

Batho Pele Principles

Back to Basics Intervention Strategy

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 2018/19 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 2018/19 Financial year.

The table below provides a summary of the strategic priorities, KPA and programmes, as draft 2018/2019 IDP

Table 28: Municipal Strategic Priorities

Strategic Objective	Key Performance Area	Programmes
1.1: Ensure Municipality broadly delivers services according to the strategic orientation based on Key Sector Plans	**KPA1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT**	**PROGRAMME :** INTEGRATED DEVELOPMENT PLANNING
4.5: To ensure development of legally compliant and credible IDP		
1.2: Ensure universal access to reliable and quality basic municipal services by all communities.		**PROGRAMME:** ROADS **PROGRAMME:** ELECTRICITY **PROGRAMME:** PORTABLE WATER **PROGRAMME:** SANITATION **PROGRAMME:** SOLID WASTE **PROGRAMME:** DISASTER MANAGEMENT
2.1 Create conducive environment for improving local economic development.	**KPA2:LOCAL ECONOMIC DEVELOPMENT**	**PROGRAMME**: LOCAL ECONOMIC DEVELOPMENT
2.2 Use the municipality's buying power to advance economic empowerment of SMMEs and Cooperatives.		
2.1 Create conducive environment for improving local economic development.		**PROGRAMME:**SPATIAL PLANNING
2.3 Maximise on the tourism		**PROGRAMME**:TOURISM

Strategic Objective	Key Performance Area	Programmes
potential of the municipality		
3.1 Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	**KPA 3 : FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT**	**PROGRAMME:** REVENUE MANAGEMENT **PROGRAMME:**INDIGENT MANAGEMENT **PROGRAMME:**FINANCIAL MANAGEMENT & CONTROLS **PROGRAMME:**ANTI-FRAUD & CORRUPTION
a. To capacitate and empower workforce.	**KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**	**PROGRAMME:** INSTITUTIONAL DEVELOPMENT **PROGRAMME:**HUMAN RESOURCE DEVELOPMENT
b. To ensure sound labour relations so as to minimise labour disputes and disruptions c. To improve the administrative capability of the municipality.		**PROGRAMME:**LABOUR RELATIONS
		PROGRAMME:HEALTH & SAFETY **PROGRAMME:** INFORMATION COMMUNICATION AND TECHNOLOGY **PROGRAMME:**PERFORMANCE MANAGEMENT
4.4 To build a risk conscious culture within the organisation.		

Strategic Objective	Key Performance Area	Programmes
5.1 Ensure transparency, accountability and regular engagements with communities and stakeholders 5.2 Ensure that ward committees are functional and interact with communities continuously. 5.3 Ensure that ordinary council meetings are held regularly to consider and endorse reports. 5.4 Ensure that all council committees (s 79 committees) sit regularly and process items for council decisions. 5.5 Ensure a functional governance structures. 5.7 Ensure that Councillors fulfill their duties and obligations towards	**KPA 5: GOOD GOVERNANCE AND COMMUNITY PARTICIPATION**	**PROGRAMME**:PUBLIC PARTICIPATION/STAKEHOLDER ENGAGEMENT **PROGRAMME**:GOOD GOVERNANCE
5.6 To promote Intergovernmental Relations amongst stakeholders.		**PROGRAMME:** INTERGOVERNMENTAL RELATIONS(IGR)
5.8 To ensure that there is a coherent approach in the municipality in dealing with HIV/AIDS and TB 5.9 To implement special programmes aimed at the needs of vulnerable groups and youth within the community.		**PROGRAMME**: SPECIAL PROGRAMMES

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 new five year 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 2018/19 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)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Good Governance And Community Participation	To encourage the involvement of communities and community organisations in the matters of local government	5		2 672	7 042	11 512	–	–	–	–	–	–
Municipal Transformation And Institutional Development	To provide democratic and accountable government for local communities	1		970	1 269	792	1 775	1 275	1 275	1 897	1 916	30
Financial Viability And Financial Management	To provide democratic and accountable government	1		196 392	233 557	251 070	368 556	416 637	416 637	381 861	397 485	444 360

	for local communities											
Local Economic Development	To promote social and economic development	3		138 776	13 033	8 747	7 728	9 778	9 778	7 663	8 300	8 685
Basic Service Delivery And Infrastructure Investment	To ensure the provision of services to communities in a sustainable manner	2		628 333	663 850	691 709	844 006	740 132	740 132	810 658	854 748	898 475
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**967 143**	**918 751**	**963 830**	**1 222 065**	**1 167 822**	**1 167 822**	**1 202 079**	**1 262 449**	**1 351 549**

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Good Governance And Community Participation	To encourage the involvement of communities and community organisations in the matters of local government	5		112 178	72 064	55 197	53 629	40 313	40 313	52 134	54 710	55 959
Municipal Transformation And Institutional Development	To provide democratic and accountable government for local communities	1		14 683	21 762	20 503	96 575	91 813	91 813	92 957	96 782	97 447
Financial Viability And Financial Management	To provide democratic and accountable government for local communities	1		58 402	71 281	60 696	97 666	97 981	97 981	99 902	101 487	103 142
Local Economic Development	To promote social and economic development	3		22 141	18 180	19 043	22 963	25 551	25 551	35 499	46 347	57 162

Basic Service Delivery And Infrastructure Investment	To ensure the provision of services to communities in a sustainable manner	2		601 624	699 386	746 634	802 512	758 495	758 495	812 338	851 959	893 382
Allocations to other priorities												
Total Expenditure			1	**809 028**	**882 673**	**902 073**	**1 073 344**	**1 014 153**	**1 014 153**	**1 092 830**	**1 151 284**	**1 207 091**

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)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Good Governance And Community Participation	To encourage the involvement of communities and community organisations in the matters of local government	5		–	195	–	–	1 077	1 077	–	–	–
Municipal Transformation And Institutional Development	To provide democratic and accountable government for local communities	1		28	3 441	–	4 890	2 913	2 913	4 210	2 565	1 670
Financial Viability And Financial Management	To provide democratic and accountable government for local communities	1		–	507	–	–	–	–	560	–	–
Local Economic Development	To promote social and economic development	3		135 780	372	–	2 150	700	700	641 910	1 014 500	770 400
Basic Service Delivery And Infrastructure Investment	To ensure the provision of services to communities in a sustainable manner	2		52 460	94 753	85 974	159 116	166 056	166 056	131 188	155 972	166 503
Allocations to other priorities			3									
Total Capital Expenditure			1	**188 268**	**99 268**	**85 974**	**166 156**	**170 746**	**170 746**	**777 868**	**1 173 037**	**938 573**

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:

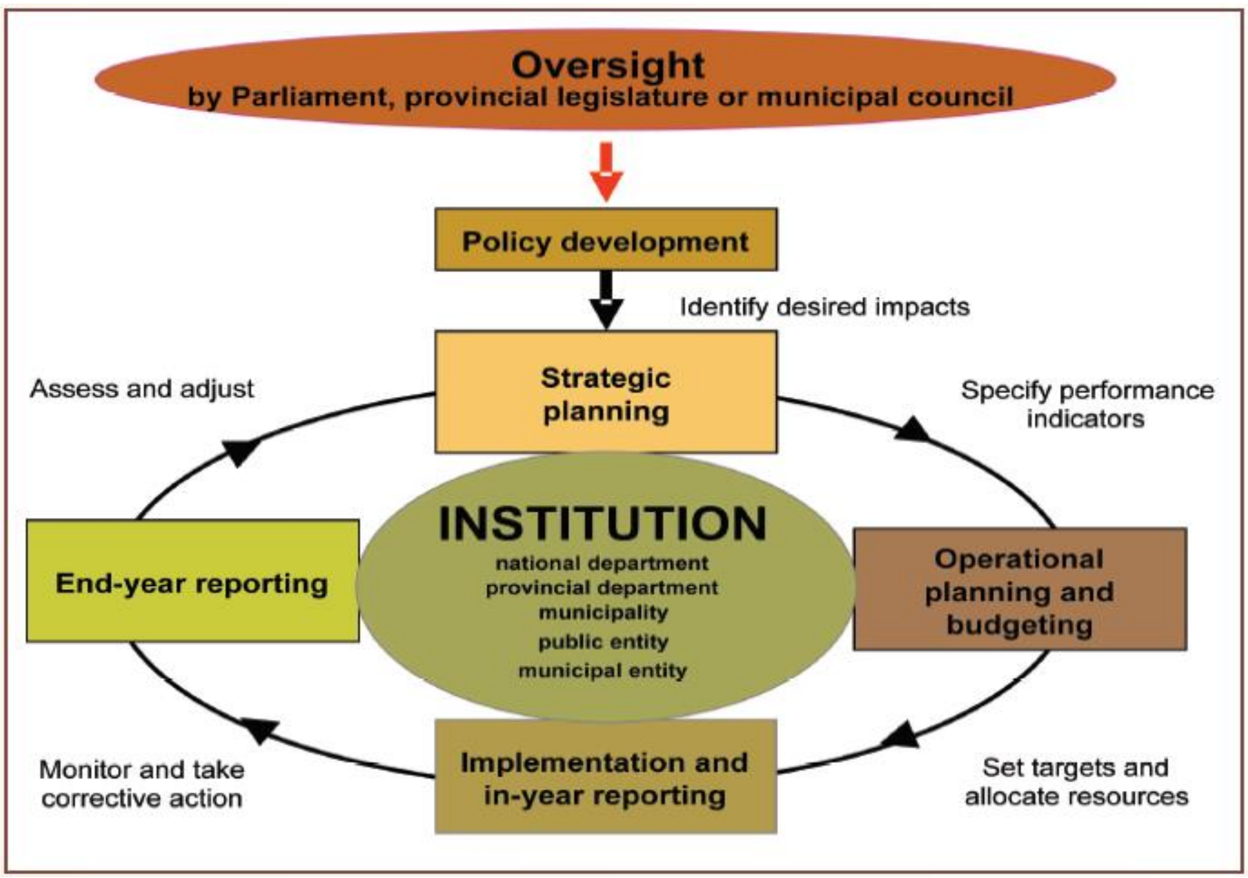

Figure 5 Planning, budgeting and reporting cycle

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:

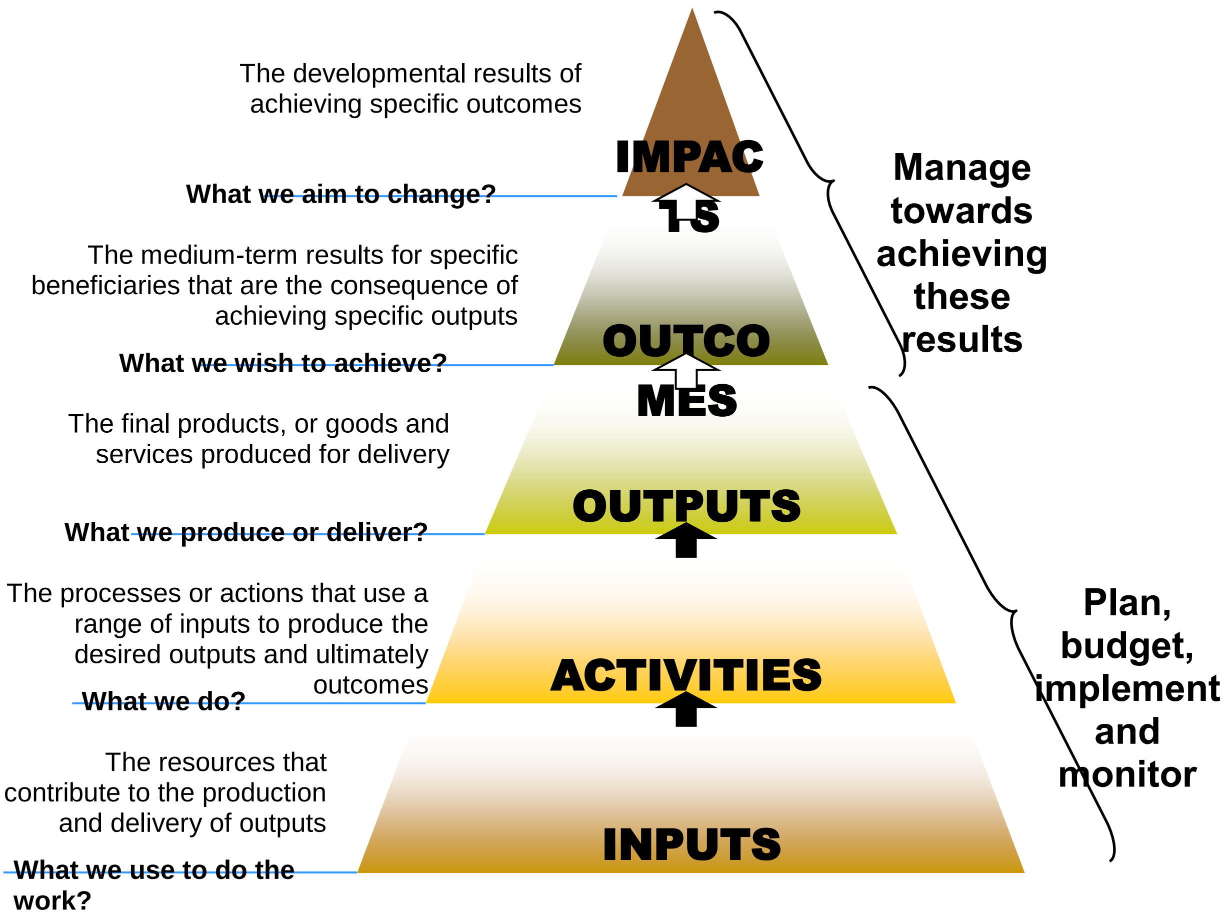

Figure 6 Definition of performance information concepts

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

Table 32 MBRR Table SA7 - Measurable performance objectives

FS204 Metsimaholo - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Basic Service delivery and infrastructure										
Technical Services										
Water provision										
Access to potable water	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										
Water household connections in yard	Formal	94,0%	94,0%	94,0%	100,0%	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										
Blue drop accrediationsystems	Compliance	10,0%	89,0%	89,0%	30,0%	99,0%	99,0%	99,0%	99,0%	99,0%
Water leaks	Number	25,0%	96,0%	96,0%	35,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Technical Services										
Sanitation										
Sewer network address backlog	4400	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	93,0%	86,0%	86,0%	95,0%	95,0%	95,0%	95,0%	95,0%	95,0%
Sanitation										
Maintenance	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	93,0%	91,0%	91,0%	95,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Roads										
Roads and stormwater	% 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										
Sufficient roads	Number of km roads	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Stormwater										
Sufficient stormwater network	kms of stormwater erected	0,0%	100,0%	100,0%	0,0%	0,0%		100,0%	100,0%	100,0%
Roads and stormwater										
Improving accessibility of roads	Developed masterplan	0,0%	100,0%	100,0%	20,0%	20,0%	20,0%	100,0%	100,0%	100,0%
Technical Services										
Electricity										

Access to electricity to all communities	No. of new connections	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
Electricity										
Access to electricity to all communities	Develop masterplan	95,0%	100,0%	100,0%	95,0%	95,0%	95,0%	50,0%	50,0%	70,0%
Electricity										
Reduce distribution losses	kwh units	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	10,0%	10,0%	10,0%
Basic Service delivery and infrastructure										
LED										
Housing										
Housing allocations	Nr beneficiaries	0,0%	100,0%	100,0%	50,0%	50,0%	50,0%	100,0%	100,0%	100,0%
Subsidy applications processed	2 months	0,0%	100,0%	100,0%						
Urban Planning										
Land availability	Land secured per SDF	0,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Effective land utilisation	% rezoning, subdivision		100,0%	100,0%				100,0%	100,0%	100,0%
LED and poverty alleviation										
Employment opportunities	EPWP initiatives		70,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Employment opportunities	Other initiatives		100,0%	100,0%				100,0%	100,0%	100,0%
Social Services										
Refuse removal										
Refuse removal	Households	92,0%	95,0%	95,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Waste management plan	Compliance	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%
Refuse removal										
New landfill site	Legislation	30,0%	35,0%	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%

The following table sets out the municipalities main performance objectives and benchmarks for the 2018/19 MTREF.

Table 33 MBRR Table SA8 - Performance indicators and benchmarks

FS204 Metsimaholo - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,6%	0,2%	0,7%	1,2%	1,2%	1,2%	0,2%	0,8%	0,7%	0,5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,7%	0,3%	0,9%	1,4%	1,4%	1,4%	0,2%	0,9%	0,8%	0,6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-25,6%	42,7%	22,1%	9,5%	32,0%	32,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	1,1	1,0	1,0	1,5	1,5	1,5	1,1	1,7	2,0	2,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,1	1,0	1,0	1,5	1,5	1,5	1,1	1,7	2,0	2,2
Liquidity Ratio	Monetary Assets/Current Liabilities	0,1	0,1	0,0	0,0	0,0	0,0	0,1	0,1	0,0	0,1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		81,2%	84,5%	80,3%	86,9%	87,1%	87,1 %	0,0%	86,8%	87,5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		79,8%	84,3%	80,1%	86,9%	87,1%	87,1%	0,0%	86,8%	87,5%	88,3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	25,3%	25,7%	25,2%	35,3%	37,7%	37,7%	87,4 %	37,9%	38,2%	38,7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%		90,0%	90,0%	90,0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										

Creditors to Cash and Investments		697,2%	1488,5%	1864,3%	758,7%	1584278,1%	1584278,1%	0,0%	1514,7%	3728,3%	621,3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	8%	3%	4%	10%	10%	10%		7%	7%	7%
	Total Cost of Losses (Rand '000)	10 360	5 598	6 742	21 325	21 325	21 325		12 063	12 727	13 427
	% Volume (units purchased and generated less units sold)/units purchased and generated	17 783	7 199	8 675	21 561	21 561	21 561		14 893	14 893	14 983
Water Distribution Losses (2)	Total Volume Losses (kℓ)	29,0%	16,0%	8 675	3 411	3 777	3 777		2 321	2 321	2 321
	Total Cost of Losses (Rand '000)	34655572	22 109	36578138	27288750	36385000	36385000		21831000	23031705	24298448
	% Volume (units purchased and generated less units sold)/units purchased and generated	5 825	3 271	27	15	20	20		11	11	11
Employee costs	Employee costs/(Total Revenue - capital revenue)	22,7%	27,6%	27,7%	25,8%	27,8%	27,8%	25,3%	28,1%	28,1%	27,8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	24,5%	29,3%	29,4%	27,4%	28,9%	28,9%		29,7%	29,7%	29,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7,7%	2,2%	2,1%	3,5%	4,1%	4,1%		4,0%	3,9%	3,8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5,8%	5,2%	4,8%	7,6%	6,1%	6,1%	1,6%	6,5%	7,3%	7,8%
IDP regulation financial viability indicators	–										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	38,6	23,5	23,6	26,7	26,7	26,7	21,6	27,0	22,1	23,2
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32,3%	34,1%	33,9%	43,6%	48,1%	48,1%	112,2%	48,1%	48,8%	49,6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,4	0,2	0,2	0,3	0,0	0,0	–	0,2	0,1	0,3

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.

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 2018/19 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 2017/18 MTREF the current ratio is 1.5 and 1.7 in the 2018/19 financial year and 2.0 and 2.0 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 2017/18 financial year the ratio was 0.0 and changed to 0.1 in the 2018/19 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, and 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.
- Payments to creditors as per invoice date: 70% paid within 30 days
- Payments to creditors as per date when the invoice is received by Finance department: 99% paid within 30 days.

2.3.1.5 Other Indicators

- The electricity distribution losses have changed tot 7 per cent in the 2018/19 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 changed to 11 per cent in 2018/19
- 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 2017/18 financial year 11 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kℓ fee 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 page110.

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 84.6% 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.

The following policies were reviewed at the Finance Portfolio Committee. The policies will be work shopped and submitted for approved in June 2018.

2.4.1 Budget Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.2 Property Rates Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.3 Credit control, debt collection and customer care Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.4 Indigent Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.5 Virement Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.6 Asset Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.7 Cash Management Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.8 Supply Chain Management Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

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 is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.10 Bad debt written off Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.11 Unauthorised expenditure, Irregular expenditure and Fruitless and waste full expenditure Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.12 Borrowing Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

2.4.13 Investment Policy

The policy is review and will be workshop on 6 and 7 June 2018 and submitted to the Council meeting in June 2018.

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, 1% projected in 2018 and 1.5% projected in 2019.
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:

- 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
- Growth forecasts have been reviewed downwards

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 2017/18MTREF:

(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 28 per cent of total operating expenditure in the 2018/19 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.

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**. A facility of R7 million to be taken up in 2018/2019 MTREF for financing of service delivery vehicles**.

2.5.4 Collection Rate for Revenue Services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that 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 (73.3 per cent) of annual billings. Cash flow is assumed to be 83 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 limits 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 6.3% 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 90 and 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2018/19 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					
	2018/2019		2019/2020		2020/2021	
	R'000	%	R'000	%	R'000	%
Property rates	140 001	11,65	148 063	11,73	156 570	11,58
Electricity	290 603	24,18	306 640	24,29	323 709	23,95
Water	370 663	30,84	391 826	31,04	413 842	30,62
Sanitation	26 802	2,23	28 395	2,25	30 051	2,22
Refuse removal	27 985	2,33	29 833	2,36	31 662	2,34
Interest	32 809	2,73	34 259	2,71	35 789	2,65
Transfers and Grants	276 788	23,03	285 534	22,62	326 583	24,16
Other own revenue	36 429	3,03	37 899	3,00	33 343	2,47
Total Operating revenue	**1 202 080**	**100**	**1 262 449**	**100**	**1 351 549**	**100**
Total Operating Expenditure	**1 092 830**		**1 151 284**		**1 207 091**	
Surplus/(Deficit)	**109 250**		**111 165**		**144 458**	

The surplus / (deficit) **included in transfers and grants the capital grants** of R108 million in 2018/2019, R98.8 million in 2019/2020 and R118.7 million in 2020/2021 financial years.

The following graph is a breakdown of the operational revenue per main category for the 2018/19 financial year.

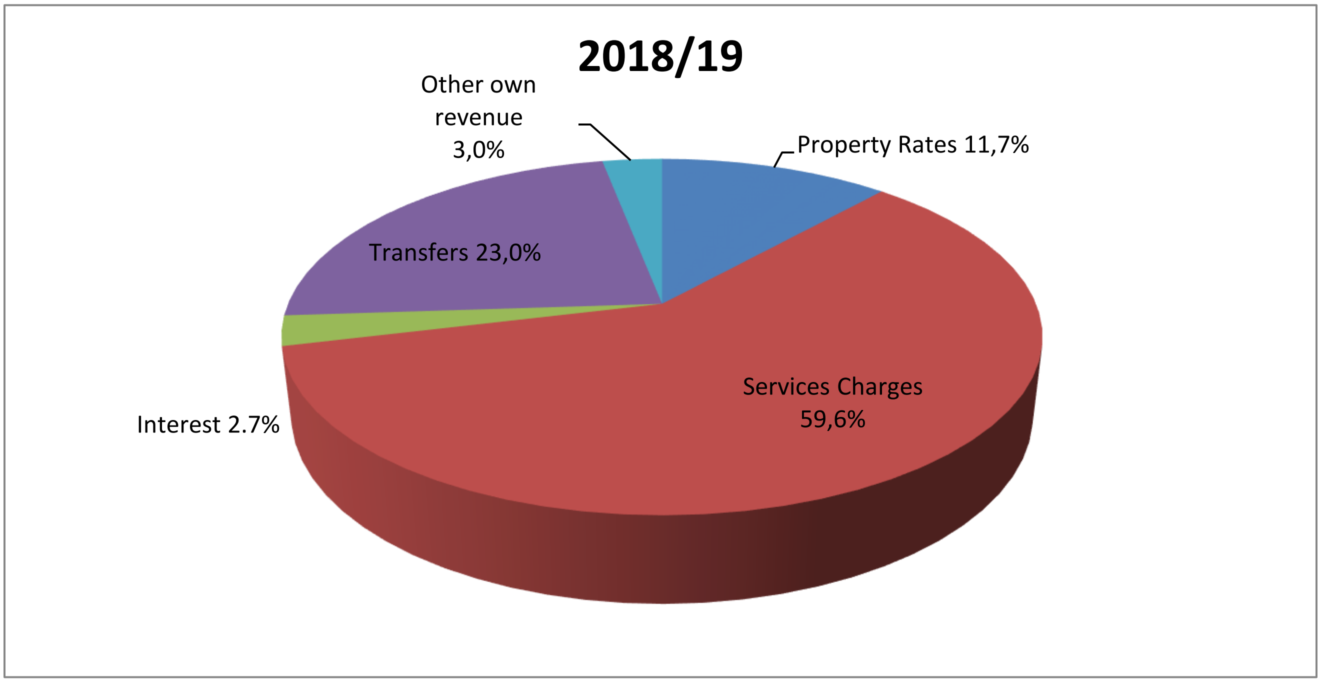

Figure 7 Breakdown of operating revenue over the 2017/18MTREF

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 83 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	2018/19 proposed tariff increase	2019/20 proposed tariff increase	2020/21 proposed tariff increase
	%	%	%
Property rates	5.2	5.5	5.5
Sanitation	6	5.5	5.5
Solid Waste	6	5.5	5.5
Water	0-14	5.5	5.5
Electricity	6.84	5.5	5.5

The Municipality is still in a process of further data verification and validation relating to the valuation roll. The compilation of the new valuation roll will commence on 1 July 2018.It is anticipated that the process will be concluded by the end of June 2019. 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 current 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 R716 million for the 2018/19 financial year and increasing to R799 million by 2020/21. For the 2018/19 financial year services charges amount to 59.6 per cent of the total revenue base and increase by less than 0.3 per cent per annum over the medium-term.

Operational grants and subsidies amount to R168.3 million, R186.7 million and R207.9 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 R32.8 million, R34.2 million and R35.8 million for the respective three financial years of the 2018/19 MTREF. Interest is mainly made up from outstanding debtors and external investments.

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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		11,332	13,950	7,376	–		–	–	–	10,000
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:		**11,332**	**13,950**	**7,376**	**–**	**–**	**–**	**–**	**–**	**10,000**

Table 36 MBRR SA16 – Investment particulars by maturity

FS204 Metsimaholo - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	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	1	Yrs/Months										
Parent municipality												
Absa call			call	y	call	variable	None	1,154	120	-21,000	19,726	–
RMB call			call	y	call	variable	None	30	1	-31	0	–
Nedbank call			call	y	call	variable	None	1,073	133	-12,000	10,794	–
Standard Bank call			calll	y	call	variable	None	432	102	-54,000	53,468	–
Investec			call	y	call	variable	None	4,687	380	-26,000	20,933	–
Investec		32days	32days	y	Fixed	7.2	30 June 2018	0	20	-15,000	14,980	–
												–
TOTAL INVESTMENTS AND INTEREST	1							**7,376**		**-128,031**	**119,901**	**–**

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2018/198 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Funding source	Audit 2016/17	Audit 2016/17	Budget 2017/18	Budget 2017/18	Budget 2018/19	Budget 2018/19	Budget 2019/20	Budget 2019/20	Budget 2020/21	Budget 2020/21
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Grants	68 972	**72,9**	143 485	**84,0**	108 247	**13,9**	98 819	**8,4**	118 693	**12,6**
Public donations	8 664	**9,2**	4 974	**2,9**	0	**0,0**				
Finance lease	4 485	**4,7**	7 120	**4,2**	0	**0,0**	0	**0,0**	0	**0,0**
Human Settlement					639 000	**82,1**	986 000	**84,1**	767 500	**81,8**
Social Labour Plan					2 500	**0,3**	2 500	**0,2**	2 500	**0,3**
Own Funding	12 517	**13,2**	15 167	**8,9**	28 121	**3,6**	85 718	**7,3**	49 880	**5,3**
Total	**94 638**	**100,0**	**170 746**	**100,0**	**777 868**	**100**	**1 173 037**	**100**	**938 573**	**100**

The above table is graphically represented as follows for the 2018/19 financial year.

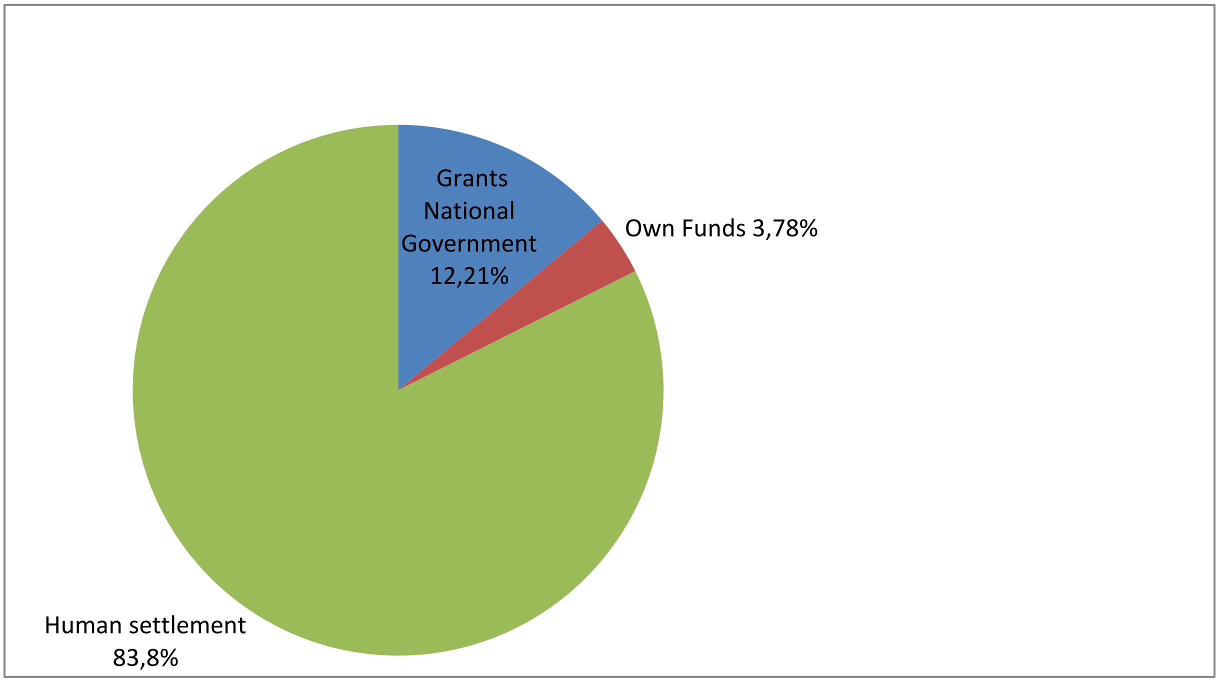

Figure 8 Sources of capital revenue for the 2017/18 financial year

Capital grants and receipts equates to 96 per cent of the total funding source which represents R747.2million for the 2018/19 financial year and steadily increase to R886million or 94.4 per cent by 2020/21, Grants received from MIG , DoE , DWS and Human Settlement .

Internally generated funds consist of R28.1 million in 2018/19, R85.7 million in 2019/20 and R49.9 million in 2020/21.

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 38 MBRR SA10 – Funding compliance measurement

FS204 Metsimaholo Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures	–	–										
Cash/cash equivalents at the year end - R'000	18(1)b	1	26 195	15 179	12 627	25 760	12	12	–	12 395	4 302	24 208
Cash + investments at the yr end less applications - R'000	18(1)b	2	(103 297)	(139 447)	(134 187)	123 915	122 048	122 048	(208 811)	80 066	120 448	171 553
Cash year end/monthly employee/supplier payments	18(1)b	3	0,4	0,2	0,2	0,3	0,0	0,0	–	0,2	0,1	0,3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	158 115	36 078	61 757	148 720	153 669	153 669	175 971	109 250	111 165	144 458
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1,0%)	(1,9%)	28,2%	(15,6%)	(6,0%)	(24,2%)	2,1%	(0,3%)	(0,4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	74,7%	75,7%	73,1%	82,4%	81,9%	81,9%	0,0%	82,5%	83,4%	84,2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	19,2%	20,3%	21,4%	13,8%	15,3%	15,3%	15,7%	13,8%	12,9%	11,9%
Capital payments % of capital expenditure	18(1)c;19	8	27,9%	100,0%	100,0%	100,0%	97,1%	97,1%	0,0%	12,4%	11,5%	13,5%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(25,6%)	42,7%	22,1%	9,5%	32,0%	32,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								25,8%	18,5%	26,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	10,8%	3,5%	72,1%	0,0%	0,0%	90,7%	8,0%	7,3%	7,3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	5,5%	1,6%	1,6%	2,9%	3,2%	3,2%	3,6%	3,2%	3,1%	3,0%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	10,2%	0,0%	60,2%	53,9%	53,9%	0,0%	83,8%	89,6%	84,5%

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

Supporting indicators	–	–	–	–								
% incr *total service charges (incl prop rates)*	18(1)a			5,0%	4,1%	34,2%	(9,6%)	0,0%	(18,2%)	8,1%	5,7%	5,6%
% incr Property Tax	18(1)a			2,8%	12,7%	0,7%	10,3%	0,0%	(20,4%)	(2,3%)	5,8%	5,7%
% incr Service charges - electricity revenue	18(1)a			6,8%	16,6%	12,1%	(0,0%)	0,0%	(18,9%)	6,7%	5,5%	5,6%
% incr Service charges - water revenue	18(1)a			3,8%	(11,0%)	78,1%	(21,7%)	0,0%	(17,2%)	15,4%	5,7%	5,6%
% incr Service charges - sanitation revenue	18(1)a			9,0%	11,9%	2,9%	4,0%	0,0%	(7,3%)	13,6%	5,9%	5,8%
% incr Service charges - refuse revenue	18(1)a			9,1%	9,3%	43,6%	(23,2%)	0,0%	(21,7%)	(10,5%)	6,6%	6,1%
% incr in Service charges - other	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a		597 938	627 583	653 085	876 342	791 862	791 862	647 456	856 054	904 758	955 835
Service charges			597 938	627 583	653 085	876 342	791 862	791 862	647 456	856 054	904 758	955 835
Property rates			111 299	114 445	128 980	129 932	143 267	143 267	114 099	140 001	148 063	156 570
Service charges - electricity revenue			195 341	208 626	243 228	272 566	272 433	272 433	221 040	290 603	306 640	323 709
Service charges - water revenue			249 416	258 842	230 445	410 412	321 278	321 278	265 920	370 663	391 826	413 842
Service charges - sanitation revenue			18 087	19 714	22 056	22 698	23 604	23 604	21 890	26 802	28 395	30 051
Service charges - refuse removal			23 796	25 955	28 376	40 735	31 280	31 280	24 506	27 985	29 833	31 662
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			4 600	4 642	6 069	4 818	6 568	6 568	5 023	6 086	6 521	5 276
Capital expenditure excluding capital grant funding			4 182	21 631	23 123	33 010	22 269	22 269	786	28 121	85 718	49 880
Cash receipts from ratepayers	18(1)a		488 426	538 887	549 850	774 832	708 760	708 760	–	762 488	813 769	861 795
Ratepayer & Other revenue	18(1)a		654 119	711 633	751 687	940 258	865 184	865 184	690 405	924 278	975 615	1 023 666
Change in consumer debtors (current and non-current)			(64 805)	20 975	7 641	160 833	160 833	160 833	508 986	30 641	30 133	32 318
Operating and Capital Grant Revenue	18(1)a		310 769	202 894	209 642	193 632	241 264	241 264	145 956	236 502	235 534	284 583
Capital expenditure - total	20(1)(vi)		188 268	99 268	85 974	166 156	170 746	170 746	45 797	777 868	1 173 037	938 573
Capital expenditure - renewal	20(1)(vi)		–	10 107	–	100 059	92 097	92 097		651 672	1 051 007	793 085
Supporting benchmarks												
Growth guideline maximum			6,0%	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%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY										168 255	186 715	207 890
DoRA capital grants total MFY										108 247	98 819	118 693
Provincial operating grants										–	–	–
Provincial capital grants										641 500	988 500	770 000

District Municipality grants								–	–	–
Total gazetted/advised national, provincial and district grants								918 002	1 274 034	1 096 583
Average annual collection rate (arrears inclusive)										
DoRA operating										
Equitable share								163 296	182 247	202 871
								163 296	**182 247**	**202 871**
Financial Management Grant								1 770	2 235	2 667
Other								3 189	4 468	5 019
								4 959	**6 703**	**7 686**
Trend										
Change in consumer debtors (current and non-current)	(64 805)	20 975	7 641	508 986	30 641	30 133	32 318	–	–	–
Total Operating Revenue	768 657	838 768	885 358	1 088 936	1 019 363	1 019 363	838 099	1 093 833	1 163 630	1 232 856
Total Operating Expenditure	809 028	882 673	902 073	1 073 344	1 014 153	1 014 153	700 631	1 092 830	1 151 284	1 207 091
Operating Performance Surplus/(Deficit)	(40 371)	(43 905)	(16 715)	15 592	5 210	5 210	137 468	1 003	12 346	25 765
Cash and Cash Equivalents (30 June 2012)								12 395		
Revenue										
% Increase in Total Operating Revenue		9,1%	5,6%	23,0%	(6,4%)	0,0%	(17,8%)	7,3%	6,4%	5,9%
% Increase in Property Rates Revenue		2,8%	12,7%	0,7%	10,3%	0,0%	(20,4%)	(2,3%)	5,8%	5,7%
% Increase in Electricity Revenue		6,8%	16,6%	12,1%	(0,0%)	0,0%	(18,9%)	6,7%	5,5%	5,6%
% Increase in Property Rates & Services Charges		5,0%	4,1%	34,2%	(9,6%)	0,0%	(18,2%)	8,1%	5,7%	5,6%
Expenditure										
% Increase in Total Operating Expenditure		9,1%	2,2%	19,0%	(5,5%)	0,0%	(30,9%)	7,8%	5,3%	4,8%
% Increase in Employee Costs		32,5%	5,8%	14,6%	1,0%	0,0%	(25,3%)	8,3%	6,4%	4,8%
% Increase in Electricity Bulk Purchases		12,9%	15,3%	(1,6%)	0,0%	0,0%	(21,2%)	5,7%	6,5%	11,4%
Average Cost Per Budgeted Employee Position (Remuneration)			202630,3226	222698,7074				243599,0722		
Average Cost Per Councillor (Remuneration)			375166,6667	414579,7619				431075,2381		
R&M % of PPE	5,5%	1,6%	1,6%	2,9%	3,2%	3,2%		3,2%	3,1%	3,0%
Asset Renewal and R&M as a % of PPE	5,0%	2,0%	1,0%	10,0%	10,0%	10,0%		33,0%	34,0%	21,0%
Debt Impairment % of Total Billable Revenue	19,2%	20,3%	21,4%	13,8%	15,3%	15,3%	15,7%	13,8%	12,9%	11,9%
Capital Revenue										
Internally Funded & Other (R'000)	4 182	17 146	21 552	29 820	15 149	15 149	786	28 121	85 718	49 880
Borrowing (R'000)	–	4 485	1 571	3 190	7 120	7 120	–	–	–	–

Grant Funding and Other (R'000)			184 086	77 637	62 851	133 146	148 477	148 477	45 011	749 747	1 087 319	888 693
Internally Generated funds % of Non Grant Funding			100,0%	79,3%	93,2%	90,3%	68,0%	68,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding			0,0%	20,7%	6,8%	9,7%	32,0%	32,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding			97,8%	78,2%	73,1%	80,1%	87,0%	87,0%	98,3%	96,4%	92,7%	94,7%
Capital Expenditure												
Total Capital Programme (R'000)			188 268	99 268	85 974	166 156	170 746	170 746	45 797	777 868	1 173 037	938 573
Asset Renewal			–	10 107	–	100 059	92 097	92 097	–	651 672	1 051 007	793 085
Asset Renewal % of Total Capital Expenditure			0,0%	10,2%	0,0%	60,2%	53,9%	53,9%	0,0%	83,8%	89,6%	84,5%
Cash												
Cash Receipts % of Rate Payer & Other			74,7%	75,7%	73,1%	82,4%	81,9%	81,9%	0,0%	82,5%	83,4%	84,2%
Cash Coverage Ratio			0	0	0	0	0	0	–	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0,6%	0,2%	0,7%	1,2%	1,2%	1,2%	0,2%	0,8%	0,7%	0,5%
Borrowing Receipts % of Capital Expenditure			(25,6%)	42,7%	22,1%	9,5%	32,0%	32,0%	0,0%	0,0%	0,0%	0,0%
Reserves												
Surplus/(Deficit)			(103 297)	(139 447)	(134 187)	123 915	122 048	122 048	(208 811)	80 066	120 448	171 553
Free Services												
Free Basic Services as a % of Equitable Share			23,9%	27,3%	39,2%	31,1%	31,9%	31,9%		29,1%	27,5%	26,1%
Free Services as a % of Operating Revenue (excl operational transfers)			8,1%	3,5%	11,2%	3,8%	2,0%	2,0%		2,0%	1,9%	1,9%
High Level Outcome of Funding Compliance												
Total Operating Revenue			768 657	838 768	885 358	1 088 936	1 019 363	1 019 363	838 099	1 093 833	1 163 630	1 232 856
Total Operating Expenditure			809 028	882 673	902 073	1 073 344	1 014 153	1 014 153	700 631	1 092 830	1 151 284	1 207 091
Surplus/(Deficit) Budgeted Operating Statement			(40 371)	(43 905)	(16 715)	15 592	5 210	5 210	137 468	1 003	12 346	25 765
Surplus/(Deficit) Considering Reserves and Cash Backing			(103 297)	(139 447)	(134 187)	123 915	122 048	122 048	(208 811)	80 066	120 448	171 553
MTREF Funded (1) / Unfunded (0)		15	0	0	0	1	1	1	0	1	1	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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**110 251**	**117 994**	**128 653**	**147 679**	**147 679**	**147 679**	**168 255**	**186 715**	**207 890**
Local Government Equitable Share										
Equitable Share		107 542	115 423	125 968	142 709	142 709	142 709	163 296	182 247	202 871
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 109	971	1 060	1 000	1 000	1 000	1 000	–	–
Local Government Financial Management Grant [Schedule 5B]		1 600	1 600	1 625	1 700	1 700	1 700	1 770	2 235	2 667
Municipal Infrastructure Grant		–	–	–	2 270	2 270	2 270	2 189	2 233	2 352
Provincial Government:		**–**	**3 000**	**–**	**30 000**	**–**	**–**	**–**	**–**	**–**
Department of Sports		–	3 000	–	30 000	–	–			
COGTA		–	–	2 000						
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**1 098**	**987**	**517**	**–**	**–**	**–**	**–**	**–**	**–**
SETA		1 098	987	517						
Total operating expenditure of Transfers and Grants:		**111 349**	**121 981**	**129 170**	**177 679**	**147 679**	**147 679**	**168 255**	**186 715**	**207 890**
Capital expenditure of Transfers and Grants										
National Government:		**48 031**	**72 213**	**69 222**	**68 128**	**68 128**	**68 128**	**68 247**	**48 819**	**76 693**
Integrated National Electrification Programme		8 000	29 000	16 956	10 000	10 000	10 000	11 650	6 400	32 000
Municipal Infrastructure Grant		40 031	43 213	52 266	43 128	43 128	43 128	41 597	42 419	44 693
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	–	15 000	15 000	15 000	15 000	–	–
Provincial Government:		**134 634**	**340**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing Development Agency		134 634	340	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**5 990**	**7 430**	**9 250**	**35 000**	**35 000**	**35 000**	**40 000**	**50 000**	**42 000**
Buildings and Construction		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		5 990	7 430	9 250	35 000	35 000	35 000	40 000	50 000	42 000
Total capital expenditure of Transfers and Grants		**188 654**	**79 983**	**78 472**	**103 128**	**103 128**	**103 128**	**108 247**	**98 819**	**118 693**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**300 003**	**201 963**	**207 642**	**280 807**	**250 807**	**250 807**	**276 502**	**285 534**	**326 583**

Table 40MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:	1									
–										
Operating expenditure of Transfers and Grants										
National Government:		**110 251**	**117 994**	**128 653**	**147 679**	**147 679**	**147 679**	**168 255**	**186 715**	**207 890**
Local Government Equitable Share										
Equitable Share		107 542	115 423	125 968	142 709	142 709	142 709	163 296	182 247	202 871
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 109	971	1 060	1 000	1 000	1 000	1 000	–	–
Local Government Financial Management Grant [Schedule 5B]		1 600	1 600	1 625	1 700	1 700	1 700	1 770	2 235	2 667
Municipal Infrastructure Grant		–	–	–	2 270	2 270	2 270	2 189	2 233	2 352
Provincial Government:		**–**	**3 000**	**–**	**30 000**	**–**	**–**	**–**	**–**	**–**
Department of Sports		–	3 000	–	30 000	–	–			
COGTA		–	–	2 000						
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**1 098**	**987**	**517**	**–**	**–**	**–**	**–**	**–**	**–**
SETA		1 098	987	517						
Total operating expenditure of Transfers and Grants:		**111 349**	**121 981**	**129 170**	**177 679**	**147 679**	**147 679**	**168 255**	**186 715**	**207 890**
Capital expenditure of Transfers and Grants										
National Government:		**48 031**	**72 213**	**69 222**	**68 128**	**68 128**	**68 128**	**68 247**	**48 819**	**76 693**
Integrated National Electrification Programme		8 000	29 000	16 956	10 000	10 000	10 000	11 650	6 400	32 000
Municipal Infrastructure Grant		40 031	43 213	52 266	43 128	43 128	43 128	41 597	42 419	44 693
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	–	15 000	15 000	15 000	15 000	–	–
Provincial Government:		**134 634**	**340**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing Development Agency		134 634	340	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**5 990**	**7 430**	**9 250**	**35 000**	**35 000**	**35 000**	**40 000**	**50 000**	**42 000**
Buildings and Construction		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		5 990	7 430	9 250	35 000	35 000	35 000	40 000	50 000	42 000
Total capital expenditure of Transfers and Grants		**188 654**	**79 983**	**78 472**	**103 128**	**103 128**	**103 128**	**108 247**	**98 819**	**118 693**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**300 003**	**201 963**	**207 642**	**280 807**	**250 807**	**250 807**	**276 502**	**285 534**	**326 583**

2.8 Councillor and employee benefits

Table 41 MBRR SA22 - Summary of councillor and staff benefits

FS204 Metsimaholo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		10 013	10 572	11 073	10 895	6 637	6 637	14 697	15 506	16 359
Pension and UIF Contributions		10	10	1	11	11	11	–	–	–
Medical Aid Contributions										
Motor Vehicle Allowance		3 272	3 582	3 686						
Cell phone Allowance		908	876	962	1 214	1 088	1 088	1 915	2 020	2 132
Housing Allowances		207	207	34	354	354	354	145	156	–
Other benefits and allowances		–	–		4 938	2 481	2 481	1 348	1 422	1 500
Sub Total - Councillors		**14 410**	**15 247**	**15 757**	**17 412**	**10 572**	**10 572**	**18 105**	**19 103**	**19 990**
% increase	4		**5,8%**	**3,3%**	**10,5%**	**(39,3%)**	**–**	**71,3%**	**5,5%**	**4,6%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		7 176	7 678	8 139	8 789	8 285	8 285	8 430	8 978	9 561
Pension and UIF Contributions		–	–	11	–	16	16	17	18	19
Medical Aid Contributions			–		–	–	–	–	–	–
Overtime		–	–		–	–	–	–	–	–
Performance Bonus		–	341		755	854	854	914	973	1 037
Motor Vehicle Allowance	3	1 253	1 253	1 253	1 351	1 211	1 211	1 313	1 398	1 489
Cell phone Allowance	3	60	186	186	251	212	212	199	212	226
Housing Allowances	3	340	341	340	403	332	332	337	359	382
Other benefits and allowances	3	154	61	90	70	283	283	364	387	561
Payments in lieu of leave		–	–		–	–	–	–	–	–
Long service awards		–	–		–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–		–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**8 983**	**9 860**	**10 019**	**11 619**	**11 194**	**11 194**	**11 573**	**12 324**	**13 275**
% increase	4		**9,8%**	**1,6%**	**16,0%**	**(3,7%)**	**–**	**3,4%**	**6,5%**	**7,7%**
Other Municipal Staff										
Basic Salaries and Wages		105 147	146 158	153 366	163 916	155 158	155 158	177 972	189 521	201 819
Pension and UIF Contributions		16 843	23 916	25 859	28 677	27 481	27 481	28 783	30 654	32 699
Medical Aid Contributions		9 663	13 856	16 028	16 016	16 697	16 697	18 454	19 654	20 932
Overtime		10 636	13 038	15 033	22	–	–	24	25	–
Performance Bonus		–	–		11 148	13 529	13 529	13 902	14 806	15 769
Motor Vehicle Allowance	3	13 275	16 021	15 041	14 408	17 629	17 629	18 299	19 411	20 756
Cell phone Allowance	3	–	–		805	1 144	1 144	1 215	1 294	1 379
Housing Allowances	3	592	974	1 095	1 076	1 226	1 226	2 183	2 325	2 476
Other benefits and allowances	3	7 249	3 249	1 314	21 510	28 116	28 116	25 039	26 529	22 443
Payments in lieu of leave		1 265	1 498	4 367	4 438	2 657	2 657	1 187	1 265	1 347
Long service awards			443	1 516						
Post-retirement benefit obligations	6	–	1 369	1 343	7 188	8 933	8 933	8 547	8 963	9 405
Sub Total - Other Municipal Staff		**164 669**	**220 522**	**234 962**	**269 204**	**272 571**	**272 571**	**295 606**	**314 447**	**329 024**
% increase	4		**33,9%**	**6,5%**	**14,6%**	**1,3%**	**–**	**8,5%**	**6,4%**	**4,6%**
Total Parent Municipality		**188 062**	**245 628**	**260 738**	**298 235**	**294 336**	**294 336**	**325 284**	**345 874**	**362 289**
			30,6%	**6,2%**	**14,4%**	**(1,3%)**	**–**	**10,5%**	**6,3%**	**4,7%**

TOTAL SALARY, ALLOWANCES & BENEFITS		188 062	245 628	260 738	298 235	294 336	294 336	325 284	345 874	362 289
% increase	4		30,6%	6,2%	14,4%	(1,3%)	–	10,5%	6,3%	4,7%
TOTAL MANAGERS AND STAFF	5,7	173 652	230 381	244 981	280 823	283 764	283 764	307 178	326 770	342 299

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. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		695,510	–	46,710			742,220
Chief Whip			652,040	–	191,900			843,940
Executive Mayor			869,390	–	46,710			916,100
Deputy Executive Mayor			–	–	–			–
Executive Committee			5,216,330	–	373,670			5,590,000
Total for all other councillors			8,611,640	–	1,401,260			10,012,900
Total Councillors	8	–	**16,044,910**	–	**2,060,250**			**18,105,160**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,496,110	–	295,320	158,930		1,950,360
Chief Finance Officer			2,046,350	3,510	57,780	149,710		2,257,350
Director- Corporate Services			989,270	3,510	233,400	127,060		1,353,240
Director- Social Services			1,385,470	2,710	363,800	231,840		1,983,820
Director- Technical Services			1,205,220	3,510	470,050	121,140		1,799,920
Dicrector- LED			1,307,300	3,510	428,000	125,210		1,864,020
Total Senior Managers of the Municipality	8,10	–	**4,531,730**	**7,020**	**586,500**	**435,700**		**11,208,710**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**20,576,640**	**7,020**	**2,646,750**	**435,700**		**29,313,870**

Table 43MBRR SA24–Summary of personnel numbers

FS204 Metsimaholo - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number	**1,2**	**Positions**	**Permanent employees**	**Contract employees**	**Positions**	**Permanent employees**	**Contract employees**	**Positions**	**Permanent employees**	**Contract employees**
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		42		42	42		42			42
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6		6	6		2	6		2
Other Managers	7	49	46	–	49	47	1	49	47	1
Professionals		*38*	*36*	–	*38*	*36*	–	*38*	*36*	–
Finance		*19*	*18*	–	*19*	*19*	–	*19*	*19*	–
Spatial/town planning		8	7	–	8	6	–	8	6	–
Information Technology		3	3	–	3	3	–	3	3	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		2	2	–	2	2	–	2	2	–
Water		5	5	–	5	5	–	5	5	–
Sanitation		1	1	–	1	1	–	1	1	–
Refuse										
Other										
Technicians										
Finance										
Spatial/town planning		4	4	–	4	4		4	4	
Information Technology		6	4	–	6	2	–	6	2	–
Roads		44	44	–	44	43	–	44	43	–
Electricity		69	69	–	69	69	–	69	69	–
Water		36	36	–	36	36	–	36	36	–
Sanitation										
Refuse		5	5	–	5	5	–	5	5	–
Other		2	–	2	2	2	–	2	2	–
Clerks (Clerical and administrative)		244	235	1	244	239	5	244	239	5
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		140	115	–	140	114	–	140	114	–
Elementary Occupations		618	606	–	618	606	12	618	606	12
TOTAL PERSONNEL NUMBERS	9	**1,303**	**1,200**	**51**	**1,303**	**1,203**	**62**	**1,261**	**1,203**	**62**
% increase					–	0.2%	21.6%	(3.2%)	–	–
Total municipal employees headcount	6, 10	**1,303**	**1,200**	**51**	**1,303**	**1,203**	**62**	**1,303**	**1,203**	**62**
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

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 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source	–															
Property rates		11 667	11 667	11 667	11 667	11 667	11 667	11 667	11 667	11 667	11 667	11 667	11 667	140 001	148 063	156 570
Service charges - electricity revenue		24 217	24 217	24 217	24 217	24 217	24 217	24 217	24 217	24 217	24 217	24 217	24 217	290 603	306 640	323 709
Service charges - water revenue		30 889	30 889	30 889	30 889	30 889	30 889	30 889	30 889	30 889	30 889	30 889	30 889	370 663	391 826	413 842
Service charges - sanitation revenue		2 234	2 234	2 234	2 234	2 234	2 234	2 234	2 234	2 234	2 234	2 234	2 234	26 802	28 395	30 051
Service charges - refuse revenue		2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	27 985	29 833	31 662
Service charges - other													–	–	–	–
Rental of facilities and equipment		507	507	507	507	507	507	507	507	507	507	507	507	6 086	6 521	5 276
Interest earned - external investments		108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 300	1 300
Interest earned - outstanding debtors		2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	7 322	31 509	32 959	34 489
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	16 920	17 086	17 160
Licences and permits		18	18	18	18	18	18	18	18	18	18	18	18	211	221	233
Agency services													–	–	–	–
Transfers and subsidies		14 021	14 021	14 021	14 021	14 021	14 021	14 021	14 021	14 021	14 021	14 021	14 021	168 255	186 715	207 890
Other revenue		1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	13 497	14 069	10 673
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**90 726**	**90 726**	**90 726**	**90 726**	**90 726**	**90 726**	**90 726**	**90 726**	**90 726**	**90 726**	**90 726**	**95 849**	**1 093 833**	**1 163 630**	**1 232 856**
Expenditure By Type	–															
Employee related costs		25 598	25 598	25 598	25 598	25 598	25 598	25 598	25 598	25 598	25 598	25 598	25 598	307 178	326 770	342 299
Remuneration of councillors		1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	18 105	19 103	19 990
Debt impairment		9 827	9 827	9 827	9 827	9 827	9 827	9 827	9 827	9 827	9 827	9 827	9 827	117 921	117 139	113 587
Depreciation & asset		832	832	832	832	832	832	832	832	832	832	832	58 768	67 920	83 286	94 408

impairment																
Finance charges		226	226	226	226	226	226	226	226	226	226	226	226	2 715	2 130	1 543
Bulk purchases		32 193	32 193	32 193	32 193	32 193	32 193	32 193	32 193	32 193	32 193	32 193	32 193	386 319	409 016	444 902
Other materials		2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	2 425	29 104	29 054	30 435
Contracted services		8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	102 926	104 797	103 072
Transfers and subsidies		87	87	87	87	87	87	87	87	87	87	87	87	1 041	1 042	1 044
Other expenditure		4 967	4 967	4 967	4 967	4 967	4 967	4 967	4 967	4 967	4 967	4 967	4 967	59 600	58 947	55 813
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**86 241**	**86 241**	**86 241**	**86 241**	**86 241**	**86 241**	**86 241**	**86 241**	**86 241**	**86 241**	**86 241**	**144 177**	**1 092 830**	**1 151 284**	**1 207 091**
Surplus/(Deficit)		**4 485**	**4 485**	**4 485**	**4 485**	**4 485**	**4 485**	**4 485**	**4 485**	**4 485**	**4 485**	**4 485**	**(48 328)**	**1 003**	**12 346**	**25 765**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		4 437	4 437	4 437	4 437	4 437	4 437	4 437	4 437	4 437	4 437	4 437	19 437	68 247	48 819	76 693
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)		3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333	40 000	50 000	42 000
Surplus/(Deficit) after capital transfers & contributions		**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**(25 557)**	**109 250**	**111 165**	**144 458**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**12 255**	**(25 557)**	**109 250**	**111 165**	**144 458**

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

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

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure to be appropriated	1															
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 03 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Social Services		–	–	–	–	–	–	–	–	–	–	–	778	778	20 515	850
Vote 05 - Technical Services		3 265	3 265	3 265	3 265	3 265	3 265	3 265	3 265	3 265	3 265	3 265	51 106	87 018	83 333	98 894
Vote 06 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 07 - Local Economic Development And Planning		–	–	–	–	–	–	–	–	–	–	–	641 500	641 500	1 014 100	770 000
Capital multi-year expenditure sub-total	2	**3 265**	**3 265**	**3 265**	**3 265**	**3 265**	**3 265**	**3 265**	**3 265**	**3 265**	**3 265**	**3 265**	**693 384**	**729 296**	**1 117 948**	**869 744**
Single-year expenditure to be appropriated																
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		246	246	246	246	246	246	246	246	246	246	246	246	2 950	1 715	1 270
Vote 03 - Corporate Services		104	104	104	104	104	104	104	104	104	104	104	114	1 260	850	400
Vote 04 - Social Services		1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 732	14 189	23 046	21 091
Vote 05 - Technical Services		1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	17 100	29 203	29 078	45 668
Vote 06 - Financial Services		5	5	5	5	5	5	5	5	5	5	5	505	560	–	–
Vote 07 - Local Economic Development And Planning		21	21	21	21	21	21	21	21	21	21	21	181	410	400	400
Capital single-year expenditure sub-total	2	**2 609**	**2 609**	**2 609**	**2 609**	**2 609**	**2 609**	**2 609**	**2 609**	**2 609**	**2 609**	**2 609**	**19 879**	**48 572**	**55 089**	**68 829**
Total Capital Expenditure	2	**5 873**	**5 873**	**5 873**	**5 873**	**5 873**	**5 873**	**5 873**	**5 873**	**5 873**	**5 873**	**5 873**	**713 263**	**777 868**	**1 173 037**	**938 573**

Table 46 MBRR SA30 - Budgeted monthly cash flow

FS204 Metsimaholo - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													1		
Property rates	15 683	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 138	116 201	124 373	133 085
Service charges - electricity revenue	27 806	23 806	22 000	22 000	22 000	22 000	22 000	22 000	22 000	22 000	22 000	24 064	273 676	289 169	306 427
Service charges - water revenue	23 000	25 000	28 000	27 405	26 405	26 858	26 800	26 858	26 500	24 500	23 000	23 324	307 650	329 134	351 766
Service charges - sanitation revenue	1 853	1 853	1 853	1 853	1 853	1 853	1 853	1 853	1 853	1 853	1 853	1 863	22 246	23 852	25 543
Service charges - refuse revenue	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 932	23 228	25 060	26 913
Service charges - other												–			
Rental of facilities and equipment	299	299	299	299	300	303	301	299	299	301	299	897	4 195	4 552	3 576
Interest earned - external investments	91	91	91	93	91	91	94	91	94	94	94	285	1 300	1 300	1 300
Interest earned - outstanding debtors	2 100	2 100	2 100	2 100	2 100	2 100	2 101	2 101	2 101	2 101	2 101	2 102	25 207	27 026	38 626
Dividends received												–	–	–	–
Fines, penalties and forfeits	340	323	325	326	324	325	326	325	325	326	326	329	3 920	4 086	4 160
Licences and permits	14	14	14	14	14	14	14	14	14	14	14	15	169	177	186
Agency services												–			
Transfer receipts - operational	84 373				56 249				27 919			–	168 541	186 715	207 890
Other revenue	925	925	925	925	925	925	925	925	925	925	925	1 028	11 203	13 366	10 139
Cash Receipts by Source	**158 420**	**65 485**	**66 681**	**66 089**	**121 335**	**65 543**	**65 488**	**65 540**	**93 104**	**63 188**	**61 686**	**64 977**	**957 536**	**1 028 810**	**1 109 611**
Other Cash Flows by Source															
Transfer receipts - capital	22 680				22 680				22 887			–	68 247	48 819	76 693
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)												–			

Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors	16	16	20	16	16	17	16	16	18	16	16	17	200	300	200
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**181 116**	**65 501**	**66 701**	**66 105**	**144 031**	**65 560**	**65 504**	**65 556**	**116 009**	**63 204**	**61 702**	**64 994**	**1 025 983**	**1 077 929**	**1 186 504**
Cash Payments by Type															
Employee related costs	25 000	25 000	25 000	25 000	25 052	25 052	25 052	25 052	25 052	25 052	25 052	31 814	307 178	326 770	342 299
Remuneration of councillors	1 508	1 508	1 508	1 508	1 508	1 508	1 509	1 509	1 509	1 509	1 509	1 512	18 105	19 103	19 990
Finance charges	226	226	226	226	226	226	226	226	226	226	226	229	2 715	2 130	1 543
Bulk purchases - Electricity	26 000	25 000	22 000	16 175	16 175	16 175	16 175	16 175	16 175	16 175	16 175	23 001	225 401	240 052	267 490
Bulk purchases - Water & Sewer	14 000	15 000	16 000	17 000	18 000	18 000	19 000	19 000	11 000	11 000	11 000	11 195	180 195	189 783	199 273
Other materials	2 376	2 376	2 376	2 376	2 376	2 376	2 376	2 376	2 376	2 376	2 376	2 386	28 522	28 182	29 522
Contracted services	8 355	8 355	8 355	8 355	8 355	8 355	8 355	8 355	8 355	8 355	8 355	9 992	101 897	102 701	103 072
Transfers and grants - other municipalities												–			
Transfers and grants - other												–			
Other expenditure	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 373	3 221	40 324	35 840	32 593
Cash Payments by Type	**80 838**	**80 838**	**78 838**	**74 013**	**75 065**	**75 065**	**76 066**	**76 066**	**68 066**	**68 066**	**68 066**	**83 350**	**904 337**	**944 561**	**995 782**
Other Cash Flows/Payments by Type															
Capital assets	–	5 000	6 000	8 000	8 000	3 000	7 000	14 000	12 000	10 000	5 000	18 368	96 368	134 537	126 573
Repayment of borrowing	459	459	459	459	459	459	459	459	459	459	459	462	5 511	5 924	4 243
Other Cash Flows/Payments	20 000											–	20 000	1 000	40 000
Total Cash Payments by Type	**101 297**	**86 297**	**85 297**	**82 472**	**83 524**	**78 524**	**83 525**	**90 525**	**80 525**	**78 525**	**73 525**	**102 180**	**1 026 216**	**1 086 022**	**1 166 598**
NET INCREASE/(DECREASE) IN CASH HELD	**79 819**	**(20 796)**	**(18 596)**	**(16 367)**	**60 507**	**(12 964)**	**(18 021)**	**(24 969)**	**35 484**	**(15 321)**	**(11 823)**	**(37 186)**	**(233)**	**(8 093)**	**19 906**
Cash/cash equivalents at the month/year begin:	12 628	92 447	71 651	53 055	36 688	97 195	84 231	66 210	41 241	76 725	61 404	49 581	12 628	12 395	4 302
Cash/cash equivalents at the month/year end:	92 447	71 651	53 055	36 688	97 195	84 231	66 210	41 241	76 725	61 404	49 581	12 395	12 395	4 302	24 208

2.10 Annual budgets and SDBIPs – internal departments

These below strategic objectives clearly indicates what the municipality intends doing (or producing) to achieve its strategic outcomes oriented goals. Each strategic objective is aligned with goals that are stated as performance statements that are SMART and allows for setting of performance targets the municipality can achieve by the end of the period of the IDP. These strategic objectives span for a period of five years commencing on maximising the tourism potential of the municipality, while the performance targets set in relation to those strategic objectives in the SDBIP must cover the present budget year.

These strategic objectives are related to and discussed within the context of the approved budget and are aligned to the Strategic Oriented Goals above as well as various Outputs of Outcome 9 Delivery Agreement. In order to ensure further alignment with annual implementation plans (SDBIP), the priority needs / programmes and projects are packaged according to the 5 KPA's of Local Government as follows:

KPA1: Basic Service Delivery and Infrastructure Investment;

KPA2: Local Economic Development;

KPA3: Financial Viability and Financial Management;

KPA4: Municipal Transformation and Institutional Development;

KPA5: Good Governance and Community Participation

KPA1: Basic Service Delivery and Infrastructure Investment

PRIORITY AREA / PROGRAMME: INTEGRATED DEVELOPMENT PLANNING				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.1	Ensure that the municipality broadly delivers service according to the strategic orientation based on key sector plans	To ensure integration and timely planning and delivery of infrastructure and amenities, maintenance and upkeep, including appropriation of budgets through a structured strategic integrated development plan and framework.	1.1.1 Five (5) Sector Plans developed by in compliance with CoGTA and National Treasury guidelines and annually reviewed and approved by council.	Develop the WSDP, IP, ITP, CIP, and IEP in compliance with CoGTA and National Treasury guidelines and ensure annual review thereof and approval by council.
4.5	To ensure development of legally compliant and credible IDP.	To ensure coordinated approach to planning, implementation, monitoring, review and reporting.	4.5.1 Improved assessment ratings of the municipality's IDP year on year expressed as a % of number of areas rated and compliance achieved over the total number of rated areas.	100% improvement in annual assessment ratings of the IDP by CoGTA.
PRIORITY AREA / PROGRAMME: ROADS				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure reach of basic service by communities and ensuring rapid response to any service failures.	1.2.1 Repaired and maintained identified internal roads	Reseal and repair potholes on tarred internal roads to the extent of a minimum of 25 km.
PRIORITY AREA / PROGRAMME: ELECTRICITY				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure reach of basic service by communities and ensuring rapid response to any service failures.	1.2.2 New electricity connections installed in all the newly established formal settlement areas within Metsimaholo LM	100% completion of new electricity required connections in all the newly established formal settlement areas within Metsimaholo LM expressed as a total number of new connections completed over a total number of new connections approved for each financial year.
PRIORITY AREA / PROGRAMME: PORTABLE WATER				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic	To ensure reach of basic service by communities and ensuring	1.2.3 Conventional water meters replaced with prepaid	100% completion of water meters conversions approved

	municipal services by all communities.	rapid response to any service failures.	meters in all the identified areas	expressed as a total number of conversions completed over a total number of conversion approved for each financial year
			1.2.4 Obsoleted / Old asbestos water pipes replaced.	Replace 25km (5 km each year) of obsolete / old asbestos water pipes.
PRIORITY AREA / PROGRAMME: SANITATION				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure reach of basic service by communities and ensuring rapid response to any service failures.	1.2.5 Sanitary services extended to identified areas within Metsimaholo LM.	100% provision of sanitary service to identified areas expressed as a total number of new sanitary connections completed over the total number of new connections approved for each financial year.
PRIORITY AREA / PROGRAMME: SOLID WASTE MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To extent reach of refuse removal services to ensure access to new areas in the municipality.	1.2.6 Refuse removal service extended to all new formal settlements as per township register within Metsimaholo LM.	Extend weekly refuse removal service to all additional 7 500 households as per new township register
PRIORITY AREA / PROGRAMME: PUBLIC SAFETY				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To ensure that the traffic police are able to cover a wide area during daily rounds in the field.	1.2.7 Improved number of traffic police officers in the field on an average day.	Improve number of traffic police officers in the field on an average day from 16 to 32
PRIORITY AREA / PROGRAMME: DISASTER MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
1.2	Ensure universal access to reliable and quality basic municipal services by all communities.	To improve fire and disaster preparedness for extreme climate events and prioritise prompt response.	1.2.8 Improved level of preparedness and response to fire and disaster incidents within the municipality.	100% of fire and disaster incidents within the municipality attended to as and when they occur.

KPA2: Local Economic Development

PRIORITY AREA / PROGRAMME: LOCAL ECONOMIC DEVELOPMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
2.1	Create conducive environment for improving local economic development.	To enable the municipality to put measures in place to create an enabling environment for local economic development to stimulate competitive, inclusive and sustainable economies and integrating and densifying communities so as to improve sustainability and thereby positioning the municipality as the economic hub of the province.	2.1.1 Annually reviewed LED strategy and submitted for council approval	Review the LED strategy annually and submit for council approval
			2.1.5 Established and annually reviewed / assessed LED stakeholder forums	Establish and annually review / assess LED stakeholder forums
2.2	Use the municipality's buying power to advance economic empowerment of SMMEs and Cooperatives.	To ensure support to SMMEs and Cooperatives sectors so as to continue to preserve and create more jobs and job opportunities.	2.2.1 Ongoing support provided to willing local SMMEs through training initiatives	Provide 2 dedicated SMME training sessions per financial year as part of ongoing support to willing local SMMEs.
			2.2.2 Minimum 80% of the municipality's procurement of goods and services sourced from local SMMEs.	Source 80% of the municipality's procurement of goods and services from local SMMEs, expressed as a % of number of local SMMEs procured from over total number of local SMMEs on the internal database of suppliers for each financial year.
			2.2.3 Identified and implemented LED Capital projects.	Identify and implement 2 LED Capital projects per financial year
PRIORITY AREA / PROGRAMME: SPATIAL PLANNING				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
2.1	Create conducive environment for improving local economic development.	To enable the municipality to put measures in place to create an enabling environment for local economic development to stimulate competitive, inclusive and sustainable economies and integrating and densifying communities so as to improve sustainability and thereby positioning the municipality as	2.1.2 Annually reviewed Spatial Development Framework (SDF) submitted to council for approval	Annually review the SDF and submit it for council approval
			2.1.3 Developed and annually SPLUMA implementation plan submitted to council for approval together with a report on monitoring of	Develop SPLUMA implementation plan, annually review the plan and submitted for council approval together with a report on monitoring of tribunals.

		the economic hub of the province.	tribunals	
			2.1.4 Annually reviewed Human Settlement Plan and submitted to council for approval	Annually review the Human Settlement Plan and submit it for council approval
PRIORITY AREA / PROGRAMME: TOURISM				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
2.3	Maximise on the tourism potential of the municipality.	To maximise on the tourism potential of the municipality as another means to boost the local economy.	2.3.1 Directional signs installed for local tourism facilities throughout Metsimaholo LM.	100% Installation of new directional signs for local tourism facilities throughout Metsimaholo LM expressed as a % of the number of directional signs installed over the total number of signs identified and approved for installation each financial year.
2.3	Maximise on the tourism potential of the municipality.	To maximise on the tourism potential of the municipality as another means to boost the local economy.	2.3.2 Identified and established new tourism enhancement events in the municipality.	Identify and establish 2 new tourism events per financial year in the municipality.

KPA3: Financial Viability & Financial Management

PRIORITY AREA / PROGRAMME: REVENUE MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure implementation of sound financial management practices and functional financial management systems which include rigorous internal controls**.**	3.1.1 Revenue enhancement strategy developed, annually reviewed and submitted for council approval	Develop Revenue Enhancement Strategy, annually review the strategy and submit it for council approval.
			3.1.3 Improved annual consumer debtors' revenue collection rate.	Improve consumer debtors' collection rate to 85% in 2017/18 and 95% in 2022 expressed as a steady annual cumulative increase.
PRIORITY AREA / PROGRAMME: INDIGENT MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
3.1	Ensure financial management	To ensure implementation of	3.1.2 Developed and	Develop, annually reviewed

	practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	sound financial management practices and functional financial management systems which include rigorous internal controls.	annually reviewed Indigent Management Strategy and updated indigent register.	Indigent Management Strategy and submit it for council approval and update indigent register.
PRIORITY AREA / PROGRAMME: FINANCIAL MANAGEMENT & CONTROLS				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure accurate recording and reporting of revenue.	3.1.4 Actual Revenue generated as a percentage of the annual / adjusted budget	Actual revenue generated from billing equals to 100% of the annual /adjusted budgeted revenue from billing approved for each financial year.
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure accurate recording and reporting of revenue, and explorations of new ways to accumulate revenue by the municipality.	3.1.5 Generation of surplus in municipal financials over 5 years through the active mitigation to declining payment levels, management of water loss, ensuring accurate water, installation of SMART metering meter reading solutions and the automation municipal accounts	Year on year audited financial results that indicated operating surplus over 5 years.
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure accurate reports of debtors and proper mechanisms and policies relating to collection of debts.	3.1.6 Established dedicated Debt Management unit, cleaned-up historical debt and annually reviewed performance of the unit.	Establish dedicated Debt Management unit and, cleaned-up 100% of historical debt up to 30 June 2017 and annually review performance of the unit.
		To ensure that required reporting is completed within the required timelines.	3.1.7 Improved compliance on the overall operations of financial management in line with section 71, 72 and 121 of MFMA.	60 Section 71(MFMA) reports, 5 (five) section 72 (MFMA) report and 5 sets of Audited Annual Report compliant with section 121(MFMA)
		To ensure that internal audit department assess the financial management controls.	3.1.9 Internally Audited financial management controls.	20 quarterly reviews and updating of financial management related internal controls based on the quarterly Internal Audit reports
		To ensure that both internal and external audit recommendations	3.1.10 Post Audit Action Plan matters relating to	100% of Post Audit Action Plan matters relating to financial

		are implemented by management.	financial matters fully addressed.	matters addressed.
PRIORITY AREA / PROGRAMME: ANTI-FRAUD AND CORRUPTION				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	To ensure an active fraud and corruption reporting.	3.1.8 All instances of fraud and corruption formally reported to the SAPS for investigation and Council, Executive Mayor & Speaker for noting as and when they occur.	Report 100% of instances of fraud and corruption to the SAPS, Council, and Executive Mayor & Speaker as and when they occur, expressed as number of cases reported over the total number of instances identified / reported by whistle blowers.

KPA 4: Municipal Transformation and Institutional Development

PRIORITY AREA / PROGRAMME: INSTITUTIONAL DEVELOPMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.1	To capacitate and empower workforce.	To ensure capacitation of officials and Councillors so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed.	4.1.1 Finalised organisational structure review in line with the White Paper on Transforming Public Service and correctly placed officials by area of expertise and qualification	Finalise organisational structure review and correctly place misplaced officials by area of expertise and qualification.
			4.1.4 Enhance Change Management efforts in the municipality	Develop, Implement and report on the organisational Change management plan / strategy.
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.3 Ensure compliance to Code of Conduct by employees and Councillors	20 Quarterly reports on compliance with the Code of Conduct by Councillors and employees.
			4.3.10 Fifteen (15) prescribed minimum business processes implemented within the systems and integrated transaction processing environment of the	Fully implement fifteen (15) prescribed minimum business processes within the systems and integrated transaction processing environment of the municipality.

			municipality.	
PRIORITY AREA / PROGRAMME: HUMAN RESOURCE DEVELOPMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.1	To capacitate and empower workforce.	To ensure capacitation of officials and Councillors so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed.	4.1.2 Alignment of the developmental programmes to the current needs and gaps in the municipality and annual review of WPSP.	Annually conduct skills development / training needs assessment, link and align the outcomes to appropriate development programmes and accordingly review the WPSP
			4.1.3 Increased internal funding towards Human Resource development.	Ensure that all identified skills development / training needs in the WPSP are sufficiently budgeted for and fully funded.
PRIORITY AREA / PROGRAMME: LABOUR RELATIONS				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.2	To ensure sound labour relations so as to minimise labour disputes and disruptions	To ensure that there are sustained platforms to engage organised labour to minimise disputes and disruptions.	4.2.1 Reduction in number of labour disputes and disruptions.	Review the Organisational Structure to align with the White Paper in Transforming Public Service and implement all review recommendations.
PRIORITY AREA / PROGRAMME: HEALTH & SAFETY				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.1 Decentralized and capacitated Occupational Health and Safety function in the municipality	Improve Occupational Health and Safety in the municipality by developing OHS systems and regular training of OHS reps and committee.
PRIORITY AREA / PROGRAMME: INFORMATION COMMUNICATION TECHNOLOGY				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.2 Fully functional Business Continuity and Disaster Recovery facility	Develop and maintain a fully functional off-site Business Continuity and Disaster Recovery Facility.
PRIORITY AREA / PROGRAMME: PERFORMANCE MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws	4.3.4 Performance of the Municipal Manager and all Senior managers reviewed on a quarterly basis.	20 Quarterly performance assessment reviews of the Municipal Manager and 5 senior managers.

		and regulations.		
			4.3.5 Internally Audited performance of all Senior Manager's and the Municipal Manager's as part of monitoring of their performance agreements.	20 quarterly Internal Audit Reports and related Management Action Plans with specific focus on Performance Management
			4.3.6 Internally Audited quarterly performance reports and draft annual reports submitted to the Audit Committee & MPAC	20 Internally Audited quarterly performance reports and 5 draft annual reports submitted to the Audit Committee & MPAC
4.3	To improve the administrative capability of the municipality.	To ensure that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	4.3.7 Monthly Senior Management meetings convened for inclusive and continuous strategic alignment of organisational goals and performance.	Convene 12 monthly Senior Management meetings held for inclusive and continuous strategic alignment of organisational goals and performance.
			4.3.8 Tenders / bids evaluated and Adjudicated within the set time frames from the date of advertisement / re-advertisement.	Evaluate and Adjudicate all tenders / bids as follows from the date of advertisement / re-advertisement: • 15 days for tenders / bids up to R 30 000 (VAT incl.) • 25 days for tenders / bids from R 30 001 up to R 200 000 (VAT incl). • 60 days for tenders / bids from R 200 001 and above (VAT incl).
			4.3.9 Appointment letters for adjudicated bids / tenders issued within the set time frames from the date of date of adjudication report.	Issue appointment letters to successful bidders for all categories of tenders / bids within 10 days after receiving the report of the Adjudication Committee / Report of the SCM Manager.
PRIORITY AREA / PROGRAMME: PEFROMANCE MANAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**

4.4	To build a risk conscious culture within the organisation.	To ensure that the municipality is proactively aware and recognizes the risks that it is faced with so as to proactively plan for mitigation of such risks.	4.4.1 Enhance Risk Management processes as evidenced by internal risk management reports.	Develop and annually review a Compliance Risk Management plan for each regulatory requirement as per the annual Regulatory Universe and ensure that the Risk Management Committee is established and functional.
PRIORITY AREA / PROGRAMME: PUBLIC PARTICIPATION / STAKEHOLDER ENGAGEMENT				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
5.1	Ensure transparency, accountability and regular engagements with communities and stakeholders	To ensure that social distance between public representatives and communities and stakeholders is eliminated.	5.1.1 Number of report back meetings to communities and stakeholders held by the Executive Mayor and/or Mayoral/Committee to communicate policies, plans and progress of council	20 Quarterly report back meetings to communities and stakeholders by the Executive Mayor and/or Mayoral/Committee held to communicate policies, plans and progress of council.
			5.1.2 Number of awareness campaigns and special programmes dedicated towards community upliftment held	20 awareness campaigns and special programmes dedicated towards community upliftment held
5.2	Ensure that ward committees are functional and interact with communities continuously.	To ensure implementation of community engagement plans through ward committees targeting hotspots and potential hotspots areas.	5.1.3 Number of visits to hotspots / areas where there are breakdowns in community services and what was subsequently done	Visits all hotspots / areas where there are breakdowns in community services and subsequently submit a report to Council on what done in each such instances.
			5.2.1 Ward development plans developed and approved by council.	Develop and approve ward-based plans for 21 wards within the municipality and ensure that Ward Committees are assessed quarterly against their approved plans.
PRIORITY AREA / PROGRAMME: GOOD GOVERNANCE				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
5.1	Ensure transparency, accountability and regular engagements with communities and stakeholders	To ensure that social distance between public representatives and communities and stakeholders is eliminated.	5.1.4 Number of reports on monitoring and oversight over Councillors' fulfilment of their duties and obligations towards communities on a continuous basis.	20 Quarterly of reports consolidating reports of Councillors on fulfilment of their duties and obligations towards communities on a continuous basis.

5.3	Ensure that ordinary council meetings are held regularly to consider and endorse reports.	To ensure that the council remains fully functional and focused on performing oversight over administration for the benefit of the community.	5.3.1 Convene ordinary council meetings at least each quarter to consider and endorse reports.	20 Ordinary Council meetings held over the period
5.4	Ensure that all council committees (s 79 committees) sit regularly and process items for council decisions.		5.4.1 Convene section 79 committees meetings at least each month to consider and endorse reports for further processing by council.	60 Section 79 committees meetings held by each committee of the committees over the period
5.5	Ensure a functional governance structures.	To ensure that the regulatory governance structures of the council are functional and focused on performing oversight to support and inform council decisions on various governance matters at the administrative level.	5.5.1 Internal Audit Charter and annual audit plans approved by Audit Committee and implemented.	Develop Internal Audit Charter and risk based annual audit plan and regularly report on the execution of the plan as approved.
			5.5.2 Audit Committee Charter developed and approved and (4) Audit Committee meetings are held each year.	Develop the Audit Committee Charter and ensure four (4) Audit Committee meetings are held each year.
5.7	Ensure that Councillors fulfill their duties and obligations towards communities on a continuous basis.	To ensure that Councillors are report on their activities to the Speaker on a monthly basis.	5.7.1 Monthly reports received from Councillors detailing number of meetings and number of people at community level they have served.	60 Consolidated monthly reports detailing number of meetings and number of people at community level Ward Councillors have served.
PRIORITY AREA / PROGRAMME: INTERGOVERNMENTAL RELATIONS (IGR)				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
5.6	To promote Intergovernmental Relations amongst stakeholders.	To ensure that the municipality actively plays a role in advancing and participating intergovernmental relations endeavors at various levels.	5.6.1 Implementation and review of cooperation agreements with provincial departments	10 Cooperation Agreements signed by the municipality with various provincial departments
PRIORITY AREA / PROGRAMME: SPECIAL PROGRAMMES				
ID	**Strategic Objective**	**Development Strategies**	**Key Performance Indicator**	**5 Year Target**
5.8	To ensure that there is a coherent approach in the municipality in dealing with HIV/AIDS and TB	To ensure cohesive processes and structures to help co-ordinate programmes to tackle HIV/AIDS and TB and the provision of support to those most affected.	HIV/AIDS day commemorated and dedicated public awareness programs on HIV/AIDS, TB, Cancer, etc held together with the community.	5 (five) HIV/AIDS day commemorations held in December and 10 dedicated public awareness programs on HIV/AIDS, TB, Cancer, etc held together with the

				community.
5.9	To implement special programmes aimed at the needs of vulnerable groups and youth within the community.	To ensure support for vulnerable groups, youth and children to restore and rebuild their lives through improved access to information, services, etc.	Monthly public and special outreach programmes aimed empowering vulnerable groups within the community conducted.	60 Monthly public and special outreach programmes aimed empowering vulnerable groups within the community conducted.

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), with exception of the contract for the valuation roll. However extension was granted by COGTA. 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. Some of the contracts for capital works are also multi-year contracts.

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	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**47 515**	**68 185**	**74 803**	**50 712**	**48 703**	**48 703**	**108 835**	**84 893**	**124 702**
Roads Infrastructure		2 461	37 527	22 518	33 444	16 419	16 419	14 443	6 104	36 902
Roads		2 461	37 527	22 518	27 175	15 619	15 619	14 043	925	36 502
Road Structures		–	–	–	300	300	300	–	–	–
Road Furniture		–	–	–	5 969	500	500	400	5 179	400
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		7 037	14 964	25 316	12 880	12 830	12 830	14 450	22 510	45 600
Power Plants										
HV Substations		7 037	14 964	25 316	700	700	700	500	10 000	10 000
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks		–	–	–	–	–	–	1 050	4 500	2 150
LV Networks		–	–	–	11 730	11 730	11 730	11 650	6 400	32 000
Capital Spares		–	–	–	450	400	400	1 250	1 610	1 450
Water Supply Infrastructure		5 254	8 114	3 070	–	–	–	15 000	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works		5 254	8 114	3 070	–	–	–	15 000	–	–
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		32 763	7 581	23 835	3 238	19 303	19 303	64 691	56 079	42 000

Pump Station										
Reticulation		–	–	–	3 238	19 303	19 303	15 850	821	–
Waste Water Treatment Works		32 763	7 581	23 835	–	–	–	40 000	50 000	42 000
Outfall Sewers										
Toilet Facilities		–	–	–	–	–	–	8 842	5 258	–
Capital Spares										
Solid Waste Infrastructure		–	–	64	1 000	–	–	–	–	–
Landfill Sites		–	–	–	1 000	–	–	–	–	–
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points				64						
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	150	150	150	250	200	200
Data Centres										
Core Layers										
Distribution Layers		–	–	–	150	150	150	250	200	200
Capital Spares										
Community Assets		**–**	**877**	**7 449**	**5 429**	**14 103**	**14 103**	**4 097**	**23 138**	**3 361**
Community Facilities		–	–	2 595	5 231	14 070	14 070	3 925	23 121	3 346
Halls		–	–	–	–	–	–	–	–	–
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		–	–	–	300	45	45	250	84	229
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria		–	–	–	1 063	63	63	996	20 195	–

Police				2 595						
Parks										
Public Open Space		–	–	–	2 868	13 562	13 562	2 679	2 841	3 117
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls		–	–	–	1 000	400	400	–	–	–
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	877	4 854	198	33	33	172	17	15
Indoor Facilities										
Outdoor Facilities			877	4 854	198	33	33	172	17	15
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		**133 827**	**2 415**	**341**	**–**	**–**	**–**	**517**	**517**	**9 517**
Operational Buildings		–	–	–	–	–	–	517	517	9 517
Municipal Offices		–	–	–	–	–	–	517	517	9 517
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		133 827	2 415	341	–	–	–	–	–	–
Staff Housing										
Social Housing		133 827	2 188	341						
Capital Spares			228							
Biological or Cultivated Assets		3 572	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		3 572								

Intangible Assets		–	4 630	328	1 810	600	600	1 000	200	–
Servitudes										
Licences and Rights		–	4 630	328	1 810	600	600	1 000	200	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		–	–	–	1 810	600	600	1 000	200	–
Load Settlement Software Applications										
Unspecified			4 630	328						
Computer Equipment		–	–	–	360	707	707	850	565	570
Computer Equipment					360	707	707	850	565	570
Furniture and Office Equipment		106	810	298	1 010	741	741	1 296	630	382
Furniture and Office Equipment		106	810	298	1 010	741	741	1 296	630	382
Machinery and Equipment		1 221	6 533	1 682	1 296	1 000	1 000	1 142	4 290	1 775
Machinery and Equipment		1 221	6 533	1 682	1 296	1 000	1 000	1 142	4 290	1 775
Transport Assets		2 026	5 710	1 074	3 230	11 296	11 296	6 710	5 947	4 530
Transport Assets		2 026	5 710	1 074	3 230	11 296	11 296	6 710	5 947	4 530
Libraries		–	–	–	–	–	–	–	–	–
Libraries										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	**188 268**	**89 160**	**85 974**	**63 847**	**77 149**	**77 149**	**124 446**	**120 180**	**144 837**

Table 48 MBRR 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	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
–										
Infrastructure		**–**	**7 561**	**–**	**60 163**	**58 863**	**58 863**	**2 300**	**20 497**	**14 504**
Roads Infrastructure		–	7 561	–	6 000	–	–	–	450	6 700
Roads		–	7 561	–	6 000	–	–	–	450	6 700
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–

Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	2 833	2 833	2 833	1 500	11 147	7 804
Dams and Weirs										
Boreholes										
Reservoirs		–	–	–	–	–	–	–	127	–
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares		–	–	–	2 833	2 833	2 833	1 500	11 020	7 804
Sanitation Infrastructure		–	–	–	51 330	56 030	56 030	800	8 900	–
Pump Station		–	–	–	300	–	–	–	8 900	–
Reticulation										
Waste Water Treatment Works		–	–	–	50 000	55 000	55 000	–	–	–
Outfall Sewers										
Toilet Facilities										
Capital Spares		–	–	–	1 030	1 030	1 030	800	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										

Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		**–**	**–**	**–**	**36 940**	**30 612**	**30 612**	**643 695**	**1 021 102**	**773 023**
Community Facilities		–	–	–	36 940	30 612	30 612	643 695	1 021 102	773 023
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		–	–	–	150	–	–	195	2 502	–
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria		–	–	–	5 940	–	–	1 500	4 500	2 823
Police										
Parks										
Public Open Space		–	–	–	30 350	30 112	30 112	642 000	1 014 100	770 200
Nature Reserves										
Public Ablution Facilities		–	–	–	500	500	500	–	–	–
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										

Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		**–**	**–**	**–**	**–**	**–**	**–**	**650**	**100**	**–**
Operational Buildings		–	–	–	–	–	–	650	100	–
Municipal Offices		–	–	–	–	–	–	650	100	–
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	2 546	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	2 546	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified			2 546							
Computer Equipment		–	–	–	900	900	900	250	200	200
Computer Equipment		–	–	–	900	900	900	250	200	200
Furniture and Office Equipment		–	–	–	950	350	350	110	50	50
Furniture and Office Equipment		–	–	–	950	350	350	110	50	50
Machinery and Equipment		–	–	–	1 085	755	755	550	1 350	1 200
Machinery and Equipment		–	–	–	1 085	755	755	550	1 350	1 200
Transport Assets		–	–	–	20	616	616	4 117	7 708	4 108
Transport Assets		–	–	–	20	616	616	4 117	7 708	4 108
Libraries		–	–	–	–	–	–	–	–	–
Libraries										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										

Total Capital Expenditure on renewal of existing assets	1	**–**	**10 107**	**–**	**100 059**	**92 097**	**92 097**	**651 672**	**1 051 007**	**793 085**
Renewal of Existing Assets as % of total capex		*0,0%*	*10,2%*	*0,0%*	*60,2%*	*53,9%*	*53,9%*	*83,8%*	*89,6%*	*84,5%*
Renewal of Existing Assets as % of deprecn"		*0,0%*	*23,5%*	*0,0%*	*130,2%*	*161,2%*	*161,2%*	*959,5%*	*1261,9%*	*840,1%*

FS204 Metsimaholo - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	**1**	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2018/19**	**Budget Year +1 2019/20**	**Budget Year +2 2020/21**
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
–										
Infrastructure		**–**	**–**	**–**	**1 500**	**1 500**	**1 500**	**700**	**1 300**	**350**
Roads Infrastructure		–	–	–	–	–	–	200	300	350
Roads										
Road Structures										
Road Furniture		–	–	–	–	–	–	200	300	350
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	1 500	1 500	1 500	500	1 000	–
Power Plants										
HV Substations		–	–	–	1 500	1 500	1 500	500	1 000	–
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										

Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		**–**	**–**	**–**	**750**	**–**	**–**	**700**	**–**	**–**
Community Facilities		–	–	–	750	–	–	700	–	–
Halls		–	–	–	–	–	–	400	–	–
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space		–	–	–	150	–	–	300	–	–
Nature Reserves		–	–	–	600	–	–	–	–	–

Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	350	550	300
Servitudes										
Licences and Rights		–	–	–	–	–	–	350	550	300

Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		–	–	–	–	–	–	350	550	300
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Libraries		–	–	–	–	–	–	–	–	–
Libraries										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on upgrading of existing assets	1	**–**	**–**	**–**	**2 250**	**1 500**	**1 500**	**1 750**	**1 850**	**650**
Upgrading of Existing Assets as % of total capex		*0,0%*	*0,0%*	*0,0%*	*1,4%*	*0,9%*	*0,9%*	*0,2%*	*0,2%*	*0,1%*
Upgrading of Existing Assets as % of deprecn"		*0,0%*	*0,0%*	*0,0%*	*2,9%*	*2,6%*	*2,6%*	*2,6%*	*2,2%*	*0,7%*

Table 49MBRR SA34c - Repairs and maintenance expenditure by asset class

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class										
–										
Infrastructure		**50 795**	**13 929**	**14 919**	**12 605**	**19 762**	**19 762**	**22 561**	**23 967**	**24 710**
Roads Infrastructure		11 735	3 353	6 396	3 400	8 970	8 970	5 270	5 421	4 472
Roads		11 735	3 353	6 396						
Road Structures		–	–	–	3 200	8 900	8 900	5 060	5 200	4 240
Road Furniture		–	–	–	200	70	70	210	221	232
Capital Spares										
Storm water Infrastructure		–	–	–	1 000	1 000	1 000	1 574	1 125	1 191
Drainage Collection										
Storm water Conveyance		–	–	–	1 000	1 000	1 000	1 574	1 125	1 191
Attenuation										
Electrical Infrastructure		9 610	5 865	2 960	2 722	4 329	4 329	7 908	9 111	10 322
Power Plants		–	–	–	2 180	2 180	2 180	5 681	6 682	7 691
HV Substations		–	–	–	226	633	633	527	579	631
HV Switching Station										
HV Transmission Conductors		9 610	5 503	2 791						
MV Substations										
MV Switching Stations										
MV Networks		–	362	169	–	1 200	1 200	–	–	–
LV Networks		–	–	–	316	316	316	1 700	1 850	2 000
Capital Spares										
Water Supply Infrastructure		12 632	217	2 643	2 327	2 327	2 327	1 485	1 670	1 754
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works		12 632	217	2 643						
Bulk Mains										
Distribution		–	–	–	2 327	2 327	2 327	1 485	1 670	1 754
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		16 818	4 493	2 921	2 473	2 453	2 453	5 606	5 887	6 181
Pump Station		–	–	–	59	1 239	1 239	4 062	4 265	4 478
Reticulation		–	–	–	2 414	1 214	1 214	1 545	1 622	1 703
Waste Water Treatment Works		16 818	4 493	2 921						
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	683	683	683	717	752	790
Landfill Sites		–	–	–	683	683	683	717	752	790

Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		**244**	**3**	**610**	**665**	**235**	**235**	**677**	**747**	**155**
Community Facilities		244	3	607	200	90	90	207	272	155
Halls		1		1	58	48	48	58	59	–
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries				12						
Cemeteries/Crematoria		–	–	–	8	8	8	8	66	–
Police										
Parks		1		13						
Public Open Space		–	–	–	2	2	2	2	2	2
Nature Reserves										
Public Ablution Facilities		100		579						
Markets										
Stalls										
Abattoirs										

Airports										
Taxi Ranks/Bus Terminals		–	–	–	132	32	32	139	146	153
Capital Spares		142	3	2						
Sport and Recreation Facilities		–	–	3	465	145	145	470	476	–
Indoor Facilities		–	–	–	76	76	76	78	80	–
Outdoor Facilities		–	–	3	389	69	69	392	395	–
Capital Spares		1	1	1	1	1	1	1	1	1
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		**741**	**456**	**802**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		741	456	802	–	–	–	–	–	–
Improved Property		741	456	802						
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		**–**	**78**	**–**	**8 489**	**7 819**	**7 819**	**8 475**	**8 469**	**8 464**
Operational Buildings		–	–	–	8 489	7 819	7 819	8 475	8 469	8 464
Municipal Offices		–	–	–	8 197	7 527	7 527	8 167	8 146	8 124
Pay/Enquiry Points										
Building Plan Offices										
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	292	292	292	307	324	341
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	78	–	–	–	–	–	–	–
Staff Housing										
Social Housing		–	78	–	–	–	–	–	–	–
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		5 493	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		5 493	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										

Load Settlement Software Applications										
Unspecified		5 493								
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		1 301	545	699	8 111	6 311	6 311	3 412	3 339	3 331
Furniture and Office Equipment		1 301	545	699	8 111	6 311	6 311	3 412	3 339	3 331
Machinery and Equipment		100	77	95	1 976	1 788	1 788	2 771	2 678	2 780
Machinery and Equipment		100	77	95	1 976	1 788	1 788	2 771	2 678	2 780
Transport Assets		450	3 042	1 817	6 064	5 787	5 787	6 334	6 626	7 049
Transport Assets		450	3 042	1 817	6 064	5 787	5 787	6 334	6 626	7 049
Libraries		–	–	–	–	–	–	–	–	–
Libraries										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	**59 124**	**18 129**	**18 942**	**37 911**	**41 703**	**41 703**	**44 230**	**45 827**	**46 488**
R&M as a % of PPE		*5,5%*	*1,6%*	*1,6%*	*2,9%*	*3,2%*	*3,2%*	*3,6%*	*3,3%*	*3,1%*
R&M as % Operating Expenditure		*7,3%*	*2,1%*	*2,1%*	*3,5%*	*4,1%*	*4,1%*	*6,3%*	*4,2%*	*4,0%*

Formulas of National Treasury wrong

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 in terms of Section 166 of Municipal Finance Management Act No. 56 of 2003 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 2018/19 MTREF in May 2018 directly aligned and informed by the 2018/19 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 December 2015. 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 2018//2019 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 2017
- 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 2018. The detail of water losses need to be investigated to see if these stock levels needs 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. Compliance Policy

A draft Compliance policy has been developed. The draft policy is envisaged to be approved before the end of the 2017/18 Financial Year.

Compliance Monitoring

Compliance is monitored and results are reported to Management and the Audit Committee.

Compliance alerts

Compliance alerts are communicated to Departments which are informed about upcoming compliance activities as per the legislated due dates**.**

Compliance Risk Management Plans

A Compliance Risk Management Plan based on the MFMA has been developed and is to be implemented in the 2017/18 financial year.

2.14 Other supporting documents

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

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		126 628	130 331	148 093	151 646	160 943	160 943	129 323	158 230	166 933	176 114
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		15 329	15 886	19 113	21 714	17 676	17 676	15 224	18 230	18 870	19 544
Net Property Rates		**111 299**	**114 445**	**128 980**	**129 932**	**143 267**	**143 267**	**114 099**	**140 001**	**148 063**	**156 570**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		203 719	212 932	249 602	284 210	280 814	280 814	224 376	299 726	316 265	333 863
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		4 452									
less Cost of Free Basis Services (50 kwh per indigent household per month)		3 926	4 306	6 374	11 644	8 381	8 381	3 337	9 123	9 625	10 154
Net Service charges - electricity revenue		**195 341**	**208 626**	**243 228**	**272 566**	**272 433**	**272 433**	**221 040**	**290 603**	**306 640**	**323 709**
Service charges - water revenue	6										
Total Service charges - water revenue		**273 812**	**275 504**	**275 906**	**424 143**	**331 922**	**331 922**	**274 174**	**380 913**	**402 639**	**425 250**
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***		**15 886**	**5 838**	**20 111**	**13 732**						
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		8 510	10 824	25 350	–	10 644	10 644	8 254	10 250	10 813	11 408
Net Service charges - water revenue		**249 416**	**258 842**	**230 445**	**410 412**	**321 278**	**321 278**	**265 920**	**370 663**	**391 826**	**413 842**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		**24 946**	**30 112**	**33 571**	**34 215**	**34 544**	**34 544**	**25 955**	**38 435**	**40 668**	**42 999**

less Revenue Foregone ***(in excess of free sanitation service to indigent households)***		**1 914**	**2 980**	**3 531**							
less Cost of Free Basis Services (free sanitation service to indigent households)		4 945	7 418	7 984	11 518	10 940	10 940	4 065	11 633	12 272	12 947
Net Service charges - sanitation revenue		**18 087**	**19 714**	**22 056**	**22 698**	**23 604**	**23 604**	**21 890**	**26 802**	**28 395**	**30 051**
Service charges - refuse revenue	6										
Total refuse removal revenue		32 082	34 886	38 014	61 986	46 864	46 864	26 555	44 504	47 261	50 049
Total landfill revenue											
less Revenue Foregone ***(in excess of one removal a week to indigent households)***											
less Cost of Free Basis Services (removed once a week to indigent households)		8 286	8 931	9 638	21 251	15 584	15 584	2 048	16 519	17 428	18 386
Net Service charges - refuse revenue		**23 796**	**25 955**	**28 376**	**40 735**	**31 280**	**31 280**	**24 506**	**27 985**	**29 833**	**31 662**
Other Revenue by source											
Fuel Levy											
Sale Of Goods & Services		–	–	–	13 495	15 913	15 913	8 697	13 131	13 687	10 525
Other Revenue		13 980	45 125	50 072	345	345	345	42	367	382	148
Total 'Other' Revenue	1	**13 980**	**45 125**	**50 072**	**13 840**	**16 258**	**16 258**	**8 739**	**13 497**	**14 069**	**10 673**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	112 323	144 044	153 097	172 705	163 444	163 444	125 451	186 402	198 499	211 381
Pension and UIF Contributions		16 843	23 916	27 223	28 677	27 497	27 497	21 472	28 800	30 672	32 718
Medical Aid Contributions		9 663	13 856	16 765	16 016	16 697	16 697	13 196	18 454	19 654	20 932
Overtime		10 635	13 038	16 190	22	–	–	–	24	25	–
Performance Bonus		–	341	704	11 903	14 384	14 384	10 345	14 816	15 779	16 805
Motor Vehicle Allowance		14 556	17 292	18 737	15 759	18 840	18 840	14 172	19 612	20 809	22 245
Cellphone Allowance		–	–	1 301	1 056	1 356	1 356	1 010	1 414	1 506	1 604
Housing Allowances		932	1 314	1 502	1 478	1 558	1 558	4 013	2 519	2 683	2 858
Other benefits and allowances		7 693	2 789	4 660	21 580	28 399	28 399	19 512	25 403	26 916	23 004
Payments in lieu of leave		2 082	14 958	4 801	4 438	2 657	2 657	1 294	1 187	1 265	1 347
Long service awards		–	–		–	–	–	–	–	–	–
Post-retirement benefit obligations	4	–	–		7 188	8 933	8 933	1 415	8 547	8 963	9 405
sub-total	5	**174 727**	**231 548**	**244 980**	**280 823**	**283 764**	**283 764**	**211 881**	**307 178**	**326 770**	**342 299**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	**174 727**	**231 548**	**244 980**	**280 823**	**283 764**	**283 764**	**211 881**	**307 178**	**326 770**	**342 299**
Contributions recognised - capital											

Total Contributions recognised - capital		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		39 608	42 930	39 336	76 861	57 136	57 136	11 681	67 920	83 286	94 408
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	**39 608**	**42 930**	**39 336**	**76 861**	**57 136**	**57 136**	**11 681**	**67 920**	**83 286**	**94 408**
Bulk purchases											
Electricity Bulk Purchases		166 459	187 908	216 662	213 247	213 247	213 247	168 081	225 401	240 052	267 490
Water Bulk Purchases		112 761	129 931	108 200	181 925	141 925	141 925	110 078	160 918	168 964	177 412
Total bulk purchases	1	**279 220**	**317 839**	**324 862**	**395 172**	**355 172**	**355 172**	**278 159**	**386 319**	**409 016**	**444 902**
Transfers and grants											
Cash transfers and grants		–	–	–	25	25	25	9	30	31	32
Non-cash transfers and grants		–	–	–	510	1 210	1 210	–	1 011	1 011	1 012
Total transfers and grants	1	**–**	**–**	**–**	**535**	**1 235**	**1 235**	**9**	**1 041**	**1 042**	**1 044**
Contracted services											
Contractors		4 885	6 172	7 239	56 716	62 418	62 418	32 314	63 952	68 110	71 851
Outsourced Services		69 404	14 628	20 408	6 089	10 515	10 515	4 375	10 746	11 151	10 636
Consultants & Professionals		2 550	10 176	3 737	28 530	25 669	25 669	13 897	28 229	25 536	20 586
sub-total	1	**76 839**	**30 976**	**31 384**	**91 335**	**98 602**	**98 602**	**50 586**	**102 926**	**104 797**	**103 072**
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		**76 839**	**30 976**	**31 384**	**91 335**	**98 602**	**98 602**	**50 586**	**102 926**	**104 797**	**103 072**
Other Expenditure By Type	-										
Collection costs		–	–	–							
Contributions to 'other' provisions		–	–	–							
Consultant fees		–	–	–							
Audit fees		5 608	–	–							
General expenses	3	68 532	93 867	82 522	58 513	55 695	55 695	27 871	59 600	58 947	55 813
Total 'Other' Expenditure	1	**74 140**	**93 867**	**82 522**	**58 513**	**55 695**	**55 695**	**27 871**	**59 600**	**58 947**	**55 813**

Repairs and Maintenance by Expenditure Item	8										
Employee related costs		33 431	53 996	58 978	67 239	67 239	61 238	61 238	67 717	72 050	73 375
Other materials		25 693	18 942	18 129	15 723	14 315	14 315	5 014	17 518	17 018	18 219
Contracted Services		–	–	–	18 938	24 138	24 138	6 130	24 342	26 312	25 771
Other Expenditure		–	–	–	3 250	3 250	3 250	1 754	2 370	2 497	2 497
Total Repairs and Maintenance Expenditure	9	59 124	72 938	77 107	105 150	108 942	102 941	74 135	111 947	117 877	119 863

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 R thousand	Ref 1	Vote 01 - Executive & Council	Vote 02 - Municipal Manager	Vote 03 - Corporate Services	Vote 04 - Social Services	Vote 05 - Technical Services	Vote 06 - Financial Services	Vote 07 - Local Economic Development And Planning	Total
Revenue By Source									
Property rates		–	–	–	–	–	140 001	–	**140 001**
Service charges - electricity revenue		–	–	–	–	290 603	1	–	**290 603**
Service charges - water revenue		–	–	–	–	370 663	–	–	**370 663**
Service charges - sanitation revenue		–	–	–	–	26 802	–	–	**26 802**
Service charges - refuse revenue		–	–	–	27 985	–	–	–	**27 985**
Service charges - other		–	–	–	–	–	–	–	**–**
Rental of facilities and equipment		–	–	–	1 355	–	–	4 731	**6 086**
Interest earned - external investments		–	–	–	–	–	1 300	–	**1 300**
Interest earned - outstanding debtors		–	–	–	1 933	21 262	8 314	–	**31 509**
Dividends received		–	–	–	–	–	–	–	**–**
Fines, penalties and forfeits		–	600	–	16 320	–	–	–	**16 920**
Licences and permits		–	–	–	211	–	–	–	**211**
Agency services		–	–	–	–	–	–	–	**–**
Other revenue		–	–	1 867	2 205	6	6 488	2 932	**13 497**
Transfers and subsidies		–	2 189	–	17 519	31 005	117 542	–	**168 255**
Gains on disposal of PPE		–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributions)		**–**	**2 789**	**1 867**	**67 528**	**740 341**	**273 645**	**7 663**	**1 093 833**

Expenditure By Type	-								
Employee related costs		15 275	21 986	21 414	94 189	76 439	56 470	21 405	**307 178**
Remuneration of councillors		18 105	–	–	–	–	–	–	**18 105**
Debt impairment		–	–	–	6 903	86 927	24 091	–	**117 921**
Depreciation & asset impairment		207	6 615	817	5 303	45 895	1 092	7 991	**67 920**
Finance charges		98	71	–	1 101	419	1 026	–	**2 715**
Bulk purchases		–	–	–	–	386 319	–	–	**386 319**
Other materials		348	791	831	5 448	21 316	279	91	**29 104**
Contracted services		3 086	26 130	8 716	7 602	37 854	15 672	3 867	**102 926**
Transfers and subsidies		1 000	–	–	41	–	–	–	**1 041**
Other expenditure		3 322	4 742	7 816	11 658	20 699	9 219	2 144	**59 600**
Loss on disposal of PPE		–	–	–	–	–	–	–	**–**
Total Expenditure		**41 441**	**60 335**	**39 594**	**132 244**	**675 868**	**107 849**	**35 499**	**1 092 830**
Surplus/(Deficit)		**(41 441)**	**(57 545)**	**(37 728)**	**(64 716)**	**64 473**	**165 796**	**(27 835)**	**1 003**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)					**3 862**	**64 385**			**68 247**
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)									**–**
Transfers and subsidies - capital (in-kind - all)					**–**	**40 000**			**40 000**
Surplus/(Deficit) after capital transfers & contributions		**(41 441)**	**(57 545)**	**(37 728)**	**(60 854)**	**168 857**	**165 796**	**(27 835)**	**109 250**

Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position

FS204 Metsimaholo - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Call investment deposits											
Call deposits											
Other current investments		11 332	13 950	7 376	2 900	2 900	2 900	68 574	3 000	3 300	13 420
Total Call investment deposits	2	**11 332**	**13 950**	**7 376**	**2 900**	**2 900**	**2 900**	**68 574**	**3 000**	**3 300**	**13 420**
Consumer debtors											
Consumer debtors		621 757	670 351	784 030	1 150 496	1 150 496	1 150 496	1 027 347	1 261 135	1 370 085	1 478 881
Less: Provision for debt impairment		(496 136)	(522 427)	(641 816)	(829 619)	(829 619)	(829 619)	(809 207)	(921 450)	(1 012 257)	(1 100 654)
Total Consumer debtors	2	**125 621**	**147 924**	**142 215**	**320 877**	**320 877**	**320 877**	**218 140**	**339 686**	**357 828**	**378 227**
Debt impairment provision											
Balance at the beginning of the year		385 796	430 761	(522 427)	(707 897)	(707 897)	(707 897)	(707 897)	(829 619)	(921 450)	(1 012 257)
Contributions to the provision		94 653	91 917	(119 384)	(121 722)	(121 722)	(121 722)	(101 029)	(91 831)	(90 807)	(88 397)
Bad debts written off		(3 172)	(250)	(4)	–	–	–	(281)	–	–	–
Balance at end of year		**477 277**	**522 427**	**(641 816)**	**(829 619)**	**(829 619)**	**(829 619)**	**(809 207)**	**(921 450)**	**(1 012 257)**	**(1 100 654)**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		2 171 808	2 277 493	2 363 515	2 525 030	2 532 740	2 532 740	2 398 271	2 669 271	2 856 309	3 002 481
Leases recognised as PPE	3	–	–		3 280	160	160	10 379	–	–	–
Less: Accumulated depreciation		1 094 253	1 130 034	1 166 009	1 222 388	1 222 388	1 222 388	1 177 025	1 290 309	1 373 595	1 468 003
Total Property, plant and equipment (PPE)	2	**1 077 555**	**1 147 459**	**1 197 507**	**1 305 922**	**1 310 512**	**1 310 512**	**1 231 625**	**1 378 962**	**1 482 713**	**1 534 478**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		2 363	4 526	6 447	6 964	6 964	6 964	(1 057)	4 289	4 243	3 492
Total Current liabilities - Borrowing		**2 363**	**4 526**	**6 447**	**6 964**	**6 964**	**6 964**	**(1 057)**	**4 289**	**4 243**	**3 492**
Trade and other payables											
Trade and other creditors		182 618	225 942	235 404	195 437	195 437	195 437	263 540	187 737	160 377	150 402
Unspent conditional transfers		1 326	–	–	–	–	–	6 469	–	–	–

VAT		5 430	–	–	–	–	–	420 694	–	–	–
Total Trade and other payables	2	**189 374**	**225 942**	**235 404**	**195 437**	**195 437**	**195 437**	**690 703**	**187 737**	**160 377**	**150 402**
Non current liabilities - Borrowing											
Borrowing	4	5 783	12 371	12 774	17 417	17 417	17 417	16 730	13 279	7 413	3 921
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		**5 783**	**12 371**	**12 774**	**17 417**	**17 417**	**17 417**	**16 730**	**13 279**	**7 413**	**3 921**
Provisions - non-current											
Retirement benefits		41 527	39 154	40 594							
List other major provision items											
Refuse landfill site rehabilitation		44 894	49 619	31 851							
Total Provisions - non-current		**86 421**	**88 773**	**72 445**	–	–	–	–	–	–	–
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		933 543	1 093 924	1 131 110	1 192 867	1 192 867	1 192 867	1 192 867	1 523 330	2 283 716	3 423 507
GRAP adjustments											
Restated balance		933 543	1 093 924	1 131 110	1 192 867	1 192 867	1 192 867	1 192 867	1 523 330	2 283 716	3 423 507
Surplus/(Deficit)		158 114	36 078	61 757	148 720	153 669	153 669	175 990	109 250	111 165	144 458
Appropriations to Reserves											
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	(19)	–	–	–
Other adjustments		2 266	1 108	(1)	177 153	176 794	176 794	(1 758)	651 136	1 028 626	760 675
Accumulated Surplus/(Deficit)	1	**1 093 923**	**1 131 110**	**1 192 866**	**1 518 740**	**1 523 330**	**1 523 330**	**1 367 079**	**2 283 716**	**3 423 507**	**4 328 640**
Reserves	-										
Housing Development Fund											
Capital replacement											
Self-insurance											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 093 923**	**1 131 110**	**1 192 866**	**1 518 740**	**1 523 330**	**1 523 330**	**1 367 079**	**2 283 716**	**3 423 507**	**4 328 640**

Table 53 MBRR 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	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 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	116	131	149	154	159	164	169	174	174	174
Females aged 5 - 14		Young (0-14)	32		39	40	41	43	40	46	46	46
Males aged 5 - 14		Working Age (15-64)	80		103	106	109	113	122	129	129	129
Females aged 15 - 34		Elderly (65+)	4		7		7	7	7	7	7	7
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12	– –										
No income							12,020	12,366	12,366	12,366	12,366	12,366
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600							13,972	14,374	14,374	14,374	14,374	14,374
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800							13,738	14,134	14,134	14,134	14,134	14,134
R204 801 - R409 600												
R409 601 - R819 200							16,105	16,570	16,570	16,570	16,570	16,570
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13								27`510	27`510	27`510	27`510
Insert description	2								Low Income	Low Income	Low Income	Low Income
Household/demographics (000)												

Number of people in municipal area		Erf and occupational data (3 / per household)	115,955	131,025	149,108	154	159	164	169	174	174	174
Number of poor people in municipal area		Estimated to 55% of population (< R3500 pm)	63,775	72,063	82,009	89	91		96	96	96	96
Number of households in municipal area		Erf and occupational data (3 / per household)	32,260	39,000	45,757	55	55		58	58	58	58
Number of poor households in municipal area		Estimated to 62% of population (< R3500 pm)	19,929	22,519	25,627	28	29		30	30	30	30
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	3											
Formal			20,517		40,757		43,358		46,125	47,551	47,551	47,551
Informal			3,000		5,000		5,000		5,128	5,287	5,287	5,287
Total number of households			23,517	-	45,757	-	48,358	-	51,253	52,838	52,838	52,838
Dwellings provided by municipality	4		-	-	-	-	-					
Dwellings provided by province/s			302	887	524	96	30		-	500	500	500
Dwellings provided by private sector	5		-	-	-	-	-		9,062	9,062	9,062	9,062
Total new housing dwellings			302	887	524	96	30	-	9,062	9,562	9,562	9,562
Economic	6											
Inflation/inflation outlook (CPIX)							5.6%	4.6%	6.4%	6.4%	5.7%	5.6%
Interest rate - borrowing								10.1%	10.1%	10.1%	10.1%	10.1%
Interest rate - investment												
Remuneration increases						5.0%	6.8%	7.0%	6.0%	7.4%	6.7%	6.6%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											

Property tax/service charges						79.0%	78.0%	76.8%	68.9%	85.0%	85.0%	86.0%
Rental of facilities & equipment						79.0%	78.0%	76.8%	68.9%	85.0%	85.0%	86.0%
Interest - external investments												
Interest - debtors						79.0%	78.0%	76.8%	68.9%	85.0%	85.0%	86.0%
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	27,000	27,000	37,096	13,945	13,945	13,945	13,945	13,945	15,945
		Piped water inside yard (but not in dwelling)	27,000	–	–	30,955	30,955	30,955	30,955	30,955	34,433
	8	Using public tap (at least min.service level)	–	–	–	2,500	2,500	2,500	2,500	2,500	2,000
	10	Other water supply (at least min.service level)	–	–	–	10	10	10	10	10	10
		Minimum Service Level and Above sub-total	54,000	27,000	37,096	47,410	47,410	47,410	47,410	47,410	52,388
	9	Using public tap (< min.service level)	887	7,670	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	887	7,670	–	–	–	–	–	–	–
		Total number of households	**54,887**	**34,670**	**37,096**	**47,410**	**47,410**	**47,410**	**47,410**	**47,410**	**52,388**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	19,000	19,000	33,368	33,591	33,591	33,591	33,591	33,591	37,591
		Flush toilet (with septic tank)	1,000	1,000	3,617	1,200	1,200	1,200	1,200	1,200	1,500
		Chemical toilet	–	–	–	–	–	–	–	–	–
		Pit toilet (ventilated)	–	–	–	1,200	1,200	1,200	1,200	1,200	1,500
		Other toilet provisions (> min.service level)	–	–	–	9,387	9,387	9,387	9,387	9,387	10,287
		Minimum Service Level and Above sub-total	20,000	20,000	36,985	45,378	45,378	45,378	45,378	45,378	50,878
		Bucket toilet	2,025	1,657	–	2,000	2,000	2,000	2,000	2,000	1,500
		Other toilet provisions (< min.service level)	6,512	12,645	–	–	–	–	–	–	–

		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	8,537	14,302	–	2,000	2,000	2,000	2,000	2,000	1,500
		Total number of households	**28,537**	**34,302**	**36,985**	**47,378**	**47,378**	**47,378**	**47,378**	**47,378**	**52,378**
		Energy:									
		Electricity (at least min.service level)	–	–	–	51,893	51,893	51,893	–	–	–
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	51,893	51,893	51,893	–	–	–
		Electricity (< min.service level)	668	670	680	–	–	–	702	720	730
		Electricity - prepaid (< min. service level)	8,740	35,745	37,660	–	–	–	38,259	39,239	40,280
		Other energy sources	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	9,408	36,415	38,340	–	–	–	38,961	39,959	41,010
		Total number of households	**9,408**	**36,415**	**38,340**	**51,893**	**51,893**	**51,893**	**38,961**	**39,959**	**41,010**
		Refuse:									
		Removed at least once a week	49,000	52,000	52,000	54,000	54,000	54,000	54,000	55,000	56,000
		Minimum Service Level and Above sub-total	49,000	52,000	52,000	54,000	54,000	54,000	54,000	55,000	56,000
		Removed less frequently than once a week	10,000	10,000	10,000	–	–	–	10,000	10,000	10,000
		Using communal refuse dump	–	–	–	–	–	–	–	–	–
		Using own refuse dump	–	–	–	–	–	–	–	–	–
		Other rubbish disposal	–	–	–	–	–	–	–	–	–
		No rubbish disposal	10,000	10,000	10,000	–	–	–	10,000	10,000	10,000
		Below Minimum Service Level sub-total	20,000	20,000	20,000	–	–	–	20,000	20,000	20,000
		Total number of households	**69,000**	**72,000**	**72,000**	**54,000**	**54,000**	**54,000**	**74,000**	**75,000**	**76,000**
Municipal in-house services	Ref.		**2014/15**	**2015/16**	**2016/17**	**Current Year 2017/18**			**2018/19 Medium Term Revenue & Expenditure Framework**		
			Outcome	**Outcome**	**Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2018/19**	**Budget Year +1 2019/20**	**Budget Year +2 2020/21**
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	27,000	27,000	37,096	13,945	13,945	13,945	13,945	13,945	15,945
		Piped water inside yard (but not in dwelling)	27,000			30,955	30,955	30,955	30,955	30,955	34,433

8	Using public tap (at least min.service level)				2,500	2,500	2,500	2,500	2,500	2,000
10	Other water supply (at least min.service level)				10	10	10	10	10	10
	Minimum Service Level and Above sub-total	54,000	27,000	37,096	47,410	47,410	47,410	47,410	47,410	52,388
9	Using public tap (< min.service level)	887	7,670							
10	Other water supply (< min.service level)									
	No water supply									
	Below Minimum Service Level sub-total	887	7,670	–	–	–	–	–	–	–
	Total number of households	**54,887**	**34,670**	**37,096**	**47,410**	**47,410**	**47,410**	**47,410**	**47,410**	**52,388**
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)	19,000	19,000	33,368	33,591	33,591	33,591	33,591	33,591	37,591
	Flush toilet (with septic tank)	1,000	1,000	3,617	1,200	1,200	1,200	1,200	1,200	1,500
	Chemical toilet	–								
	Pit toilet (ventilated)				1,200	1,200	1,200	1,200	1,200	1,500
	Other toilet provisions (> min.service level)				9,387	9,387	9,387	9,387	9,387	10,287
	Minimum Service Level and Above sub-total	20,000	20,000	36,985	45,378	45,378	45,378	45,378	45,378	50,878
	Bucket toilet	2,025	1,657	–	2,000	2,000	2,000	2,000	2,000	1,500
	Other toilet provisions (< min.service level)	6,512	12,645							
	No toilet provisions									
	Below Minimum Service Level sub-total	8,537	14,302	–	2,000	2,000	2,000	2,000	2,000	1,500
	Total number of households	**28,537**	**34,302**	**36,985**	**47,378**	**47,378**	**47,378**	**47,378**	**47,378**	**52,378**
	Energy:									
	Electricity (at least min.service level)				51,893	51,893	51,893			
	Electricity - prepaid (min.service level)									
	Minimum Service Level and Above sub-total	–	–	–	51,893	51,893	51,893	–	–	–
	Electricity (< min.service level)	668	670	680	–	–	–	702	720	730
	Electricity - prepaid (< min. service level)	8,740	35,745	37,660	–	–	–	38,259	39,239	40,280
	Other energy sources									
	Below Minimum Service Level sub-total	9,408	36,415	38,340	–	–	–	38,961	39,959	41,010
	Total number of households	**9,408**	**36,415**	**38,340**	**51,893**	**51,893**	**51,893**	**38,961**	**39,959**	**41,010**
	Refuse:									

		Removed at least once a week	49,000	52,000	52,000	54,000	54,000	54,000	54,000	55,000	56,000
		Minimum Service Level and Above sub-total	49,000	52,000	52,000	54,000	54,000	54,000	54,000	55,000	56,000
		Removed less frequently than once a week	10,000	10,000	10,000	–	–	–	10,000	10,000	10,000
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal	10,000	10,000	10,000	–	–	–	10,000	10,000	10,000
		Below Minimum Service Level sub-total	20,000	20,000	20,000	–	–	–	20,000	20,000	20,000
		Total number of households	**69,000**	**72,000**	**72,000**	**54,000**	**54,000**	**54,000**	**74,000**	**75,000**	**76,000**
Detail of Free Basic Services (FBS) provided			**2014/15**	**2015/16**	**2016/17**	**Current Year 2017/18**			**2018/19 Medium Term Revenue & Expenditure Framework**		
			Outcome	**Outcome**	**Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2018/19**	**Budget Year +1 2019/20**	**Budget Year +2 2020/21**
Electricity	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (50 kwh per indigent household per month Rands)**	3,926,415	4,305,657	10,808,150	11,643,970					
		Number of HH receiving this type of FBS	7,246	8,992	14,000	15,000	11,000	11,000	11,000	11,000	11,000
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Electricity for informal settlements	–	–	–	–	–	–	–	–	–
Water	Ref.	***Location of households for each type of FBS***									

List type of FBS service		**Formal settlements - (6 kilolitre per indigent household per month Rands)**	8,509,517	4,985,164	12,048,960	13,731,570					
		Number of HH receiving this type of FBS	7,246	8,992	14,000	15,000	11,000	11,000	11,000	11,000	11,000
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Water for informal settlements	–	–	–	–	–	–	–	–	–
Sanitation	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (free sanitation service to indigent households)**	4,945,163	4,438,006	10,689,190	11,517,820					
		Number of HH receiving this type of FBS	7,246	5,479	14,000	15,000	11,000	11,000	11,000	11,000	11,000
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Sanitation for informal settlements	–	–	–	–	–	–	–	–	–
Refuse Removal	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (removed once a week to indigent households)**	8,286,489	8,930,777	18,641,150	21,250,910					
		Number of HH receiving this	7,246	7,242	14,000	15,000	11,000	11,000	11,000	11,000	11,000

	type of FBS **Informal settlements (Rands)** *Number of HH receiving this type of FBS* **Informal settlements targeted for upgrading (Rands)** *Number of HH receiving this type of FBS* **Living in informal backyard rental agreement (Rands)** *Number of HH receiving this type of FBS* **Other (Rands)** *Number of HH receiving this type of FBS*									
	Total cost of FBS - Refuse Removal for informal settlements	–	–	–	–	–	–	–	–	–

Table 54: Service Delivery Standard

Province: Municipality(FS204 - Schedule of Service Delivery Standards Table XX

Description	
Standard	**Service Level**
Solid Waste Removal	
Premise based removal (Residential Frequency)	**1 X 1 per week**
Premise based removal (Business Frequency)	**1 X 6 days**
Bulk Removal (Frequency)	**1 X 1 monthly**
Removal Bags provided(Yes/No)	**No**
Garden refuse removal Included (Yes/No)	**Yes**
Street Cleaning Frequency in CBD	**1 X 6 days**
Street Cleaning Frequency in areas excluding CBD	**1 X 6 days**
How soon are public areas cleaned after events (24hours/48hours/longer)	**Longer**
Clearing of illegal dumping (24hours/48hours/longer)	**Monthly**
Recycling or environmentally friendly practices(Yes/No)	**Yes**
Licenced landfill site(Yes/No)	**No**
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	Blue drop
Is free water available to all? (All/only to the indigent consumers)	only to the Indigent customers
Frequency of meter reading? (per month, per year)	per month
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Longer period
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	more than 3 months
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	30 minutes
Up to 5 service connection affected (number of hours)	hour
Up to 20 service connection affected (number of hours)	2hours

Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	12.6 m3/h
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes,Water Conservation and Demand managent project
How long does it take to replace faulty water meters? (days)	30 minutes
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	Yes
Electricity Service	
What is your electricity availability percentage on average per month?	99%
Do your municipality have a ripple control in place that is operational? (Yes/No)	Yes
How much do you estimate is the cost saving in utilizing the ripple control system?	Seventeen percent
What is the frequency of meters being read? (per month, per year)	Per month
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	Longer period
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	more than 3 months
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Two day
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty meters? (days)	2 days
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
How effective is the action plan in curbing line losses? (Good/Bad)	Bad
How soon does the municipality provide a quotation to a customer upon a written request? (days)	7 days
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	2 days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	2 days
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	7 days
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	No, the plant not authorised and designed for that
To what extend do you subsidize your indigent consumers?	100% Subsidy

How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	Day depending on the extend of the breakage
Sewer blocked pipes: Large pipes? (Hours)	1-2 hours
Sewer blocked pipes: Small pipes? (Hours)	30 minutes
Spillage clean-up? (hours)	Day depending on the availability of necessary equipment and materials
Replacement of manhole covers? (Hours)	30 minutes depending on availability of material
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	2-4 hours depending on availability of staff
Time taken to repair a single pothole on a minor road? (Hours)	1-5 days
Time taken to repair a road following an open trench service crossing? (Hours)	1-5 days
Time taken to repair walkways? (Hours)	1-5 days
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	one month
Do you have any special rating properties? (Yes/No)	No
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Stable, depend on impairmnet for unauthorised and cashflow for fruitless expenditure(interst paid on arrear accounts
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balance?	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?	86% paid within 30days from invoice received by Finance

Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	No
Administration	
Reaction time on enquiries and requests?	
Time to respond to a verbal customer enquiry or request? (working days)	1 day
Time to respond to a written customer enquiry or request? (working days)	within 5 days
Time to resolve a customer enquiry or request? (working days)	within 5 days
What percentage of calls are not answered? (5%,10% or more)	
How long does it take to respond to voice mails? (hours)	No voice mails
Does the municipality have control over locked enquiries? (Yes/No)	
Is there a reduction in the number of complaints or not? (Yes/No)	
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	n/a
How long does it take to renew a vehicle license? (minutes)	n/a
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	n/a
How long does it take to de-register a vehicle? (minutes)	n/a
How long does it take to renew a drivers license? (minutes)	n/a
What is the average reaction time of the fire service to an incident? (minutes)	10min
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Not our competency
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Not our competency
Economic development	
How many economic development projects does the municipality drive?	
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	
What percentage of the projects have created sustainable job security?	

Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	No
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

2.15 Municipal manager's quality certificate

I, S 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.

S M Molala

Municipal Manager of Metsimaholo Local Municipality (FS 204)

Signature ______________________________

Date 21/05/2018