

Metsimaholo Local Municipality



2013/2014 Medium Term Revenue and Expenditure Framework (MTREF)

Draft Budget Document

March 2013

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Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Mayor's Report

1.2 Council Resolutions

1. The Council takes cognisance of the draft annual budget of the municipality for the financial year 2013/14 and the public be invited to comment and thereafter it will be resubmitted to Council for approval. The Council takes cognisance of the following resolutions:

1. The Council, in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 83
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 85;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 88; and
 - 1.1.4. 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 91
 - 1.2. 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:
 - 1.2.1. Budgeted Financial Position as contained in Table 23 on page 93;
 - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 95
 - 1.2.3. Reserves and accumulated surplus reconciliation as contained in Table 25 on page 96
 - 1.2.4. Asset management as contained in Table 26 on page 98; and
 - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 101.
2. The Council, in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered the tariffs with effect(billing) from 1 July 2013:
 - 2.1. the tariffs for property rates – as set out on page 12-15
 - 2.2. the tariffs for electricity – as set out on page 18-21
 - 2.3. the tariffs for the supply of water – as set out on page 15-18
 - 2.4. the tariffs for sanitation services – as set out on page 21-24
 - 2.5. the tariffs for solid waste services(cleansing) – as set out on page 24-26
3. The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered with effect from 1 July 2013 the tariffs for other services, as set out on page 28 to 68 respectively.
4. The capital projects/items to be financed from own funds (accumulated surplus) be implemented/purchased subject to the improvement of the cash flow position of the Municipality
5. The deficit of R71 427 million be financed from the Accumulated surplus and that operating/capital expenditure only be incurred if additional revenue is collected from debtors.

- 6 Owners of household stands with a valuation up to R84 000 automatically qualify as indigent, if the household income do not exceed R3 500 and will receive the subsidy benefits applicable; the indigent policy will be amended accordingly
- 7 The water step tariff be investigated and implemented from 1 July 2014
- 8 The new valuation roll will be implemented from 1 July 2013
- 9 The rebate threshold for pensioners be increase to R7 500 and the Property Rates Policy be amended accordingly
- 10 The Credit Control and Debt Collection Policy and by-laws on Property Rates Policy must be taken for public participation

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 noncore and 'nice to have' items.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality will undertake various customer care initiatives to ensure 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 and 67 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- Ageing and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Rand Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- The need to fill critical vacancies;
- The organisational structure is not affordable and must be reviewed
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2013/14 MTREF process; and
- Availability of affordable capital/borrowing.
 - Wage increases for municipal staff exceeding consumer inflation,
 - Restrictions on increases in rates and taxes and other Municipal services to fund/balance the Budget
 - Unconditional approvals for tax exemptions (Chem city , Naledi etc)
 - Budgeting for losses , Water and electricity, non payment rate
 - Previous approvals for the private developments along the Vaal River and dam, also Sasol firm. Procure directly from Rand water and Eskom.
 - Budgets submitted not balanced (Revenue vs. expenditure) ,
 - Inputs(amounts) submitted by Directorates not realistic nor justifiable (not zero based)
 - A lack of proper maintenance master plans
 - Unfunded Mandates (Libraries, EMS)

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2012/13 Adjustments Budget priorities and targets,
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, 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;

- 10% losses (electricity, water and non payment)

Operating Budget (OPEX)

- Zero based budgets , plus inflation in line with Treasury guidelines
- All increases more than the inflation to be properly motivated.
- Professional fees to be unpacked
- Proper motivations for items where under spending was incurred in the prior year
- The filling of vacancies should support challenges identified and key priorities as adopted at the strategy plan. Filling of vacancies must support service delivery
- Maintenance of current assets must be prioritised
- Income tariffs not to be lowered, especially Sundry Income.

Capital Budget (CAPEX)

- Commitment letters for external funding
- Outside funding not paid directly to the Municipality not to be reflected in the Budget
- Projects requiring external approvals not to be included without such.
- Shifting of funds to be restricted up to the Adjustment Budget
- Own funding to be in line with actual expenditure in the prior year.
- Projects funded internally to be supported by quotations where feasible
- Projects should support challenges identified and key priorities as adopted at the strategy plan.
- Feasibility study must be done between the use of Government Garage for vehicles and to purchase vehicles out right.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

	Adjustment Budget	Medium Term Revenue and Expenditure Framework		
	2012/2013	2013/2014	2014/2015	2015/2016
	R'000	R'000	R'000	R'000
Operating revenue	757 760	810 031	840 516	875 158
Operating expenditure	862 843	881 279	940 821	963 281
Capital expenditure	95 637	176 476	165 029	120 584

Total operating revenue has grown by 6.9 per cent or R52.2 million for the 2012/13 financial year when compared to the 2011/12 Adjustments Budget. For the two outer years, operational revenue will increase by 3.8 and 4.1 per cent respectively, equating to a total revenue growth of R117.4 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2012/13 financial year has been appropriated at R881.3 million and translates into a budgeted deficit of R71.2 million. The municipality is advised to reprioritise. Compared to the 2012/13 Adjustments Budget, operational expenditure has grown by 2.14 per cent in the 2013/14 budget and by 7.7 and 2.4 per cent for each of the respective outer years of the MTREF. The operating deficit for the two outer years steadily increases to R100.3 million and then decrease to R88.1 million.

The capital budget of R176 million for 2013/14 is 84.5 per cent more when compared to the 2012/13 Adjustment Budget. The capital programme decreases to R165 million in the 2014/15 financial year and then evens out in 2015/16 to R121 million. A substantial portion of the capital budget will be funded from approved loan from Development Bank of South Africa that was approved by Council. The balance will be funded from internally generated funds. Government Grants made 43.6 per cent of the capital expenditure. Note that the Municipality has reached its prudential borrowing limits and so there is very little scope to substantially increase these borrowing levels over the medium-term. Consequently, the capital budget remains relatively flat over the medium-term.

1.4 Operating Revenue Framework

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

The municipality's revenue strategy is built 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 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);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Implementation of new valuation roll;
- Increase ability to extend new services and recover costs;
- 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 municipal control
- Water and electricity loss 10%
- Non payment rate 10%
- **Collection Rate**

2005/06	87.7%
2006/07	84.4%
2007/08	83.5%
2008/09	75.2%
2009/10	84.4%
2010/2011	90.4%
2011/2012	90.2%
2012/2013	85% till February 2013

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

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

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 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 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	70 977	77 041	86 652	90 245	90 245	96 102	–	93 932	101 552	107 645
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	98 520	133 940	139 120	205 117	205 117	159 430	–	181 849	196 396	208 180
Service charges - water revenue	2	122 289	122 833	141 717	151 716	151 716	154 630	–	186 289	201 192	213 263
Service charges - sanitation revenue	2	13 623	17 970	18 996	32 518	32 518	19 355	–	31 937	34 493	36 562
Service charges - refuse revenue	2	16 163	23 629	25 259	37 112	37 112	26 023	–	43 145	46 597	49 393
Service charges - other		410	6 376	7 513	8 440	10 376	7 379	–	9 319	7 572	6 845
Rental of facilities and equipment		4 136	4 136	4 257	4 503	4 603	4 148	–	3 301	3 507	2 528
Interest earned - external investments		2 213	4 445	2 735	2 300	1 300	1 300	–	2 400	2 400	2 400
Interest earned - outstanding debtors		16 102	14 211	17 799	16 002	16 052	17 271	–	17 475	18 625	33 810
Dividends received		–	–	59	–	–	–	–	–	–	–
Fines		3 445	4 374	6 308	12 007	12 009	3 011	–	13 016	14 016	17
Licences and permits		52	73	66	163	163	93	–	171	181	–
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		66 192	83 228	93 616	107 206	104 489	104 489	–	110 587	115 458	120 991
Other revenue	2	9 401	2 729	2 366	20 695	20 580	14 322	–	24 055	23 271	7 868
Gains on disposal of PPE		695	2 530	516	9 000	9 000	9 000	–	5 000	5 200	5 300
Total Revenue (excluding capital transfers and contributions)		424 218	497 515	546 979	697 024	695 280	616 553	–	722 475	770 459	794 803

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					
	2012/2013		2013/2014		2014/2015		2015/2016	
	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	90 245	11.9	93 932	11.6	101 552	12.1	107 645	12.3
Electricity	205 117	27.1	181 849	22.5	196 396	23.4	208 180	23.8
Sanitation	32 518	4.3	31 937	3.9	34 493	4.1	36 562	4.2
Water	151 716	20.0	186 289	23.0	201 192	24.0	213 263	24.4
Refuse removal	37 112	4.9	43 145	5.3	46 597	5.5	49 393	5.6
Other service charges	10 376	1.4	9 319	1.2	7 572	0.9	6 845	0.8
Govt grants – operating	104 489	13.8	110 587	13.7	115 458	13.7	120 991	13.9
Govt grants – capital transfer	62 480	8.3	87 556	10.8	70 057	8.3	80 355	9.3
Fines/Penalties	12 009	1.6	13 016	1.6	14 016	1.7	17	0.01
Interest Debtors	16 052	2.1	17 475	2.2	18 625	2.2	33 810	3.9
Interest	1 300	0.2	2 400	0.3	2 400	0.3	2 400	0.3
Licences and permits	163	0.03	171	0.04	181	0.04	0	0
Rental of facilities	4 603	0.6	3 301	0.4	3 507	0.4	2 529	0.3
Other	5 580	0.7	6 225	0.9	7 209	0.86	7 207	0.8
Departmental charges	15 000	1.9	17 829	2.2	16 061	1.9	661	0.09
Profit on sale of Land	9 000	1.17	5 000	0.76	5 200	0.6	5 300	0.6
	757 760	100	810 031	100	840 516	100	875 158	

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise two thirds of the total revenue mix. In the 2012/13 financial year, revenue from rates and services charges

totalled R516.7 million or 68.2 per cent. This increases to R537.2 million, R580.2 million and R615 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges stay unchanged slightly from 66.3 per cent in 2013/14 to 70.3 per cent in 2014/15.

Property rates totalling 11.6 per cent or R93.9 million rand and increases to R101.6 million by 2014/15.

Operating grants and transfers totals R110.6 million in the 2013/14 financial year and steadily increases to R121 million by 2015/16. Note that the year-on-year growth for the 2013/14 financial year 5.8 per cent and then flattens out to 4.1 and 4.8 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 Receipts

	2012/2013	2013/2014	2014/2015	2015/2016	
	R'000	R'000	R'000	R'000	
Equitable Share	97 653	101 698	107 333	114 374	Allocated for Free Services
Financial Management Grant	1 500	1 550	1 600	1 650	Appointment of Interns and training
Water services Operating Grant	785	2 712	2 983	3 500	Salaries and materials at the purification works Deneysville
Municipal System Improvement Grant	800	890	934	967	Ward committee and Asset register expenditure
Municipal Infrastructure Grant	2 356	2 237	2 108	0	Salaries and operating expenditure at Project Management Unit
Extended Public Works Programme	1 395	1 000			Salaries for temporary staff

Refund Libraries		500	500	500	Payment of library function
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Departmental charges have no influence on tariffs as it is allocation of cost between the departments.

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 5.6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

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

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement 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 and prescribe the rate ratio for agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

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 will be 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 of R5 000 per month of the applicant and/or his/her spouse, if any, does not to exceed the*** amount. 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 a 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 new valuation roll will be implemented from 1 July 2013. The valuation date is determined as 1 July 2012 in terms of section 31(1) of the Property Rates Act (Act 6 of 2001).

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a 1 per cent increase from 1 July 2013 is contained at table 5: The valuation of property increase with the new valuation roll that will be implemented from 1 July 2013.

Table 5 Comparison of proposed rates to levy for the 2013/14 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.

Sasolburg/ Zamdela	2012/2013	Proposed 2013/2014
Heavy Industries	0.03246	0.03278
Light Industries	0.03246	0.03278
Businesses	0.01297	0.01310
State property	0.012970	0.01310
Churches	0	0
Domestic and other – Sasolburg	0.00649	0.00655
- Zamdela	0.00649	0.00655
Deneysville/Refengkgotso/ Phomolong		
Residential	0.00649	0.00655
Businesses	0.01297	0.01310
Churches	0	0
State Property	0.01297	0.01310
Refengkgotso	0.00649	0.00655
Oranjeville/Metsimaholo		
Residential	0.00649	0.00655
Businesses	0.01297	0.01310
Churches	0	0
Metsimaholo : Residential	0.00649	0.00655

<i>Metsimaholo: Businesses</i>		
State Property	0.01297	0.01310
	0.01297	0.01310
<u>Farmland:</u>		
Residential	0.00324	0.00327
Businesses	0.00649	0.00655
Industries	0.01622	0.01640
Private owned towns, Body Corporate, Sectional Titles	0.00324	0.00327
Mining	0.01622	0.01640
Agricultural	0.00162	0.00164
Unregistered Erven	Municipal services charges equal to category of property	Municipal services charges equal to category of property

The amount allocated to approve indigents for Assessment Rates is to a **maximum of R50.00** per month. **For budget purposes the assumption was made that there will be 19 000 approved indigents be registered.** Additional income at 1% tariff increase of assessment rates represents R4 976 902 per annum.

Rebate threshold for pensioners be R7 500. The Property Rates Policy be amended accordingly.

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:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;

- 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 increased its bulk tariffs 9.5 cent from 1 July 2013, which increase contributes to approximately 48 per cent of the Municipality's water input cost.

Rand Water has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that Rand Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise R705 million for infrastructure upgrades, hence the significant increase in the bulk cost of water.

A tariff increase between 7 and 15 per cent from 1 July 2013 for water is proposed. The consumption tariff for Oranjeville increase by 15 per cent in order to have a uniform tariff. It will be phased in over two years. The tariff will be increase more in the next two years in order to have a uniform tariff. This is based on input cost assumptions of 9.5 per cent increase in the cost of bulk water (Rand Water), the cost of other inputs increasing by 15 per cent and a surplus generated on the water service. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents. A further amount is allocated from equitable share to finance additional 4kl of water to approved indigents. An approved indigent will receive 10kl of water free. Total amount of R36.7 million is allocated from Equitable Share. Proposed increase represents R14.3 per annum.

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

Table 6 Proposed Water Tariffs

<i>Basic Charges</i>	<i>2012/2013</i>	<i>2013/2014</i>
	R	R
Sasolburg/Zamdela		
Churches	23.50	25.15
Businesses	93.06	99.57
Light Industries	120.57	129.01
Heavy Industries	6% on 2011/2012 Tariff	7% on 2012/2013 Tariff
Deneysville		
Businesses	93.06	99.57
Oranjeville		
Co-operatives	951.79	1 018.42
Businesses	93.06	99.57

Water consumption tariff (VAT exclusive)

	2012/2013	2013/2014
<i>Sasolburg/Zamdela/Deneysville/ Refengkgotso/Phomolong</i>		
Domestic	R12.53/kl	R13.41/kl
Schools	R12.53/kl	R13.41/kl
State property (excl. residential properties)	R12.53/kl	R13.41/kl
Businesses	R12.53/kl	R13.41/kl
Light Industries	R13.39/kl	R14.33/kl
Heavy Industries	R13.39/kl	R14.33/kl
<i>Oranjeville/Metsimaholo</i>		
	R10.27/kl	R11.81/kl
<i>Oranjeville Businesses</i>		
	R10.52/kl	R12.09/kl

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

The tariff structure of the 2012/13 financial year has not been changed.

A step tariff will not be implemented from 1 July 2013.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 8 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Considering the Eskom increases, the consumer tariff had to be increased by 6 per cent to offset the additional bulk purchase cost from 1 July 2013. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Residents will again be granted 50 kWh per month free of charge. Free basic electricity of 50kWh will be given to all residents (26 400 households). An amount of R10.8 million is allocated in order to make it possible. Eskom must be informed accordingly.

The proposed tariff is reflected in the tables below:

Approval must be obtained from NERSA for the increase between 6% in fees/tariff to finance the ring fencing of the service.

Table 7 Proposed Electricity Tariffs

Basic Service charges for Electricity (VAT exclusive)

	2012/2013	2013/2014
Sasolburg/Zamdela/Deneysville/ Oranjeville		
Schools, Churches, Halls, etc.	R130.69	R138.53
Businesses, Offices, Hotels, clubs, etc.	R130.69	R138.53
Businesses Zamdela:		
Single phase	R130.69	R138.53
Three phase	R130.69	R138.53
Four meters	R253.45	R268.65
Businesses: Deneysville/Refengkgotso Phomolong	R130.69	R138.53
Businesses : Oranjeville/Metsimaholo	R130.69	R130.69
Bulk Supply	R253.45	R253.45

The current tariffs can be implemented after approval from NERSA is as follows:

Tariff (VAT exclusive)	kWh	2012/2013	2013/2014
Domestic Off peak(September to May)	0-50	R0.6600/kWh	R0.6996/kWh
	51-350	R0.8200kWh	R0.8692kWh
	351-600	R1.07kWh	R1.1342kWh
	>600	R1.25kWh	R1.3250kWh
Domestic Peak(June, July, August)	0-50	R0.6600/kWh	R0.6996/kWh
	51-350	R0.8200kWh	R0.8692kWh
	351-600	R1.0900kWh	R1.1554kWh
	>600	R1.2900kWh	R1.3674kWh
Businesses		R1.1985/kWh	R1.2704/kWh
Bulk		R0.5596/kWh	R0.5932/kWh
KVA		R113.40	R120.20
kW		R122.90	R130.27

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	41.00	43.46	2.46	6	Off Peak
	41.00	43.46	2.46	6	Peak
500	406.50	430.89	24.39	6	Off Peak
	409.50	434.07	24.57	6	Peak
1000	1 013.50	1 074.31	60.81	6	Off Peak
	1 034.50	1 096.57	62.07	6	Peak

A stepped 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 to be upgraded in the near future due to load growth. This investigation must be done not later than 2013 in order to make provision for the necessary funding.

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

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation (bulk purchase) from 1 July 2013 is proposed. This is based on the input cost assumptions related to water. Due to industrial effluent Sasol Chemical Industries operate the purification plant.

A tariff increase of between 6 and 15% is proposed, in order to have uniform tariffs on water borne sewer.

The basic charges of sewer for residents (households) will be subsidised by Council. An amount of R2.2 million is allocated from Equitable Share for this purpose. A further amount of R7.1 million is allocated from Equitable Share for additional sewer to all approved indigents.

Table 9 Proposed Sanitation Tariffs

Tariffs (VAT exclusive)

	2012/2013	Proposed 2013/2014
Domestic - Basic	Free. (R8.49)	Free. (R8.99)
Sasolburg		
Basic charges		
Heavy Industries	Actual cost by	Actual cost by
Businesses	SCI plus 35%	SCI plus 35%
Additional		
(a) Sasolburg sewer	R68.80	R72.93
(b) Zamdela sewer	R68.80	R72.93
(c) Business sewer	R72.38	R76.72
(d) Flats	R5.13	R5.44
	R68.80	R72.93
(e) 2 nd Dwelling Sasolburg	R68.80+R68.80	R72.93+R72.93
(f) 2 nd Dwelling Vaalpark	R68.80+R68.80	R72.93+R72.93
(g) Industries sewer	R72.38	R76.72
(h) Day schools	R23.56	R24.97
(i) Crèches	R23.56	R24.97

(j)	Flats sewer	R68.80	R72.93
(k)	Add units flats	R40.49	R42.92
	Oranjeville/Metsimaholo		
	Suction tank per service	R312.72	R331.48
	Basic Charges		
	Oranjeville Business	R68.80	R72.93
	Metsimaholo Businesses	R68.80	R72.93
	<i>Additional sewer</i>		
	Water borne sewer Oranjeville	R43.74	R50.31
	Water borne sewer Metsimaholo	R20.79	R23.91
	Deneysville		
	Suction tank per service	R312.72	R331.48
	Basic sewer		
	Refengkgotso/Phomolong:		
	Businesses	R68.80	R72.93
	Water borne sewer Refengkgotso/Phomolong	R43.74	R50.31
	Bucket services system	R20.79	R22.04
	Rural areas: Suction Tank Services		
	Areas that is not included in		

the disestablished towns (No Rates Payable)		
Normal working hours	R1 285.00/Service	R1 362.00/Service
After hours	R2 570.00/Service	R2 724.00/Service
Areas with discounted rates:		
Normal working hours	R1 285.00/Service	R1 362.00/Service
After hours	R2 570.00/Service	R2 724.00/Service

Guest houses are levied at business tariffs.

The total revenue expected to be generated from rendering this service amounts to R34.5 million for the 2013/14 financial year.

1.4.5 Waste Removal and Impact of Tariff Increases

An increase between 7 and 12.5 per cent in the waste removal tariff is proposed from 1 July 2013. The tariff for the various categories is now uniform. Any increase higher than 10 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed tariffs payable from 1 July 2013:

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

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

Table10 Proposed Waste removal Tariffs

Sasolburg	<i>R</i> <i>2012/2013</i>	<i>R</i> <i>2013/2014</i>
Dwellings/Single flats	R82.32	R88.08
Joint flats (one service point)	R82.32	R88.08
Businesses per point	153.40	165.67
Schools per point	153.40	165.67
Churches	82.32	88.08
Dumping ground:		
Industries and Contractors and	79.50	89.44
Garden Services (Sasolburg + Vaalpark)	60.00	89.44
All tariffs for dumping is per cubic meter or part of cubic meter		
Zamdela		
<i>Formal areas:</i>		
Dwellings	82.32	88.08
Flats (Tswelopele)	82.32	88.08
Businesses and Schools per point	153.40	165.67
Churches	82.32	88.08
Private Hostels	82.32	88.08
<i>Informal areas:</i>		

Dwellings	82.32	88.08
Informal settlement	82.32	88.08
Deneysville/Refengkgotso/Phomolong		
<i>Domestic:</i>		
Deneysville	82.32	88.08
Refengkgotso	82.32	88.08
<i>Businesses and Schools per point</i>	153.40	165.67
<i>Churches</i>	82.32	88.08
<i>Dumping ground: Industries / contractors</i>		89.44
Oranjeville/Metsimaholo		
<i>Domestic:</i>		
Oranjeville	82.32	88.08
Metsimaholo	82.32	88.08
<i>Businesses and Schools per point</i>	153.40	165.67
<i>Churches</i>	82.32	88.08
All areas		
Approved indigents	FREE	FREE

Guest houses operate as businesses and are levied as businesses.

An amount of R20 million is allocated from equitable share for the refuse service to approved indigents(19 000). The tariff increase represents R2.8 million additional income for the year.

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 5.9 and 7.6 per cent, with the increase for indigent households closer to 7 per cent. The change in the valuations of property will influence the % increase in the household bill.

Table 12 MBRR Table SA14- Household bills

FS204 Metsimaholo - Supporting Table SA14 Household bills

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		286.20	316.98	324.98	378.58	378.58	378.58		414.84	448.03	474.92
Electricity: Basic levy											
Electricity: Consumption		579.88	756.68	953.87	1 033.19	1 033.19	1 012.50		1 074.31	1 160.26	1 229.88
Water: Basic levy											
Water: Consumption		229.20	247.68	265.20	300.72	300.72	300.72		324.78	376.56	399.16
Sanitation		56.16	60.66	64.91	68.80	68.80	68.80		72.93	78.77	83.50
Refuse removal		69.12	72.58	77.66	82.32	82.32	82.32		88.08	95.31	100.84
Other											
sub-total		1 220.56	1 454.58	1 686.62	1 863.61	1 863.61	1 842.92	6.0%	1 974.94	2 158.93	2 288.30
VAT on Services		130.81	159.26	190.63	207.90	207.90	205.01		218.42	239.53	253.88
Total large household bill:		1 351.37	1 613.84	1 877.25	2 071.51	2 071.51	2 047.93	5.9%	2 193.36	2 398.46	2 542.18
% increase/-decrease			19.4%	16.3%	10.3%	-	(1.1%)		7.1%	9.4%	6.0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		209.25	221.65	255.00	270.42	270.42	281.24	281.2%	300.21	324.23	343.69
Electricity: Basic levy											
Electricity: Consumption		273.46	358.13	394.44	409.22	409.22	406.50		430.89	465.37	493.30
Water: Basic levy											
Water: Consumption		181.45	196.08	209.95	234.65	234.65	234.65		254.79	275.18	291.69
Sanitation		56.16	60.66	64.91	68.80	68.80	68.80		72.93	78.77	83.50
Refuse removal		60.00	72.58	77.66	82.32	82.32	82.32		88.08	95.31	100.84
Other											
sub-total		780.32	909.10	1 001.96	1 065.41	1 065.41	1 073.51	7.6%	1 146.90	1 238.86	1 313.02
VAT on Services		79.95	96.24	104.57	111.30	111.30	110.92		118.54	128.05	135.71
Total small household bill:		860.27	1 005.34	1 106.53	1 176.71	1 176.71	1 184.43	7.5%	1 265.44	1 366.91	1 448.73

% increase/-decrease			16.9%	10.1%	6.3%	-	0.7%		6.8%	8.0%	6.0%
-				-0.40	-0.37	-1.00	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		-	-	-	-	-	-		-	-	-
Electricity: Basic levy											
Electricity: Consumption		198.96	238.95	249.69	246.00	246.00	246.00		260.67	281.62	298.52
Water: Basic levy											
Water: Consumption		95.50	103.20	154.70	172.90	172.90	172.90		187.74	202.76	214.93
Sanitation											
Refuse removal											
Other											
sub-total		294.46	342.15	404.39	418.90	418.90	418.90	7.0%	448.41	484.38	513.45
VAT on Services		41.22	47.90	56.61	58.65	58.65	58.65		62.78	67.82	71.89
Total small household bill:		335.68	390.05	461.00	477.55	477.55	477.55	7.0%	511.19	552.20	585.34
% increase/-decrease			16.2%	18.2%	3.6%	-	-		7.0%	8.0%	6.0%

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)

1.4.7 Sundry Tariffs

Table12 Proposed Sundry Tariffs

That the following miscellaneous tariffs (**VAT exclusive**) be implemented from 1 July 2013.

Financial Services

	2012/2013	2013/2014
New Consumers who moved into municipal area		
Connection fee per meter:		
- Water	R130.00	R140.00
- Electricity	R130.00	R140.00
Delivery of warning notices	R160.00	R160.00
Non-payment fees for defaulters		
- Normal reconnection fee	R300.00	R300.00
- After hours reconnection fee	R200.00	R220.00
- (additional)		
- Reduce water supply	R300.00	R300.00
- Cut electric cable	R300.00	R350.00
- Remove electric cable	R600.00	R600.00
- Replace electric cable	R600.00	R600.00
- Final Notice Fee	R70.00	R80.00
- Dishonoured Cheques R/D (admin / bank fee)	R275.00	R275.00
- Dishonoured Credit cards(payment return by bank) ex. easy pay	R105.26	R275.00
-		
Illegal Connection(Bypass/tampering of meters		
Household (Water or Electricity)	R18 000.00	R19 000.00

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Business	R25 000/meter	R25 000/meter
Illegal connection after disconnection (switch on of meter)	R4 000.00	R4 000.00
Loss of units calculated for up to 1 year average plus tampering penalty	Number of units x tariff applicable	Number of units x tariff applicable
Clearances and Valuation		
<i>Clearance certificates</i>		
Normal collection	R180.00	R190.00
Registered mail	R180.00	R190.00
Valuation Roll per Town (Residential Area) or part thereof	R275.00	R300.00
Valuation electronic format	R180.00	R200.00
Valuation Objection Fee (only for review and appeal)	R300.00	R350.00
Valuation Certificate	R110.00	R120.00
Address list per 500 pages or part thereof	R500.00	R500.00
Search Fees	R55.00	R60.00
Other Fees		
Testing of water meters	R300.00	R350.00
Replacement of padlock	R200.00	R250.00
Duplicate Accounts	R8.00	R8.00
Duplicate tenant's Accounts send to owners	R20.00	R20.00
Duplicate IRP 5	R15.00	R15.00
Fee for block/unblock of Prepaid electricity meters	R80.00	R80.00
Replacement of prepaid card	R50.00	R50.00

Refuse bags	Cost + 10%	Cost + 10%
Selling of wood (= LDV load)	R100.00	R100.00
Cutting of trees (per tree)	R900.00	R900.00
Threshold for indigent	R2 750.00	R3 500.00
Parking for Officials		
Single Parking in basement of Civic Centre	R40.00	R40.00
Share Parking in basement of Civic Centre	R30.00	R30.00
Shelter Parking in outside parking area	R30.00	R30.00

<u>Deposits</u>	2012/2013	2013/2014
Flats/Town houses		
Owners/Tenants (without pre-paid meters)	R3 500.00	R3 500.00
Owners/Tenants (with pre-paid meter)	R1 750.00	R1 750.00
Where body corporate pay other services	0	0

Houses		
(with pre-paid meters) Owners	R2 500.00	R2 500.00
(with pre-paid meters) Tenants	R2 500.00	R2 500.00
Owners (without pre-paid meters)	R5 000.00	R5 000.00
Tenants (without pre-paid meters)	R5 000.00	R5 000.00
Businesses		
<i>Civic Centre</i>		
(with pre-paid meters) Owners	R 3 000.00	R 3 000.00 min
(without pre-paid meters) Tenants based on twice monthly consumption based on the type of business	R4 000.00 min	R4 500.00 min
<i>Light Industries</i>	Twice monthly consumption	Twice monthly consumption
based on twice monthly consumption based on the type of business		
<i>Heavy Industries</i>	Twice monthly consumption	Twice monthly consumption
based on twice monthly consumption based on the type of business		
Government	Same as businesses	Same as businesses

Water, Electricity and Sewer connection tariffs increases

Connections to be done	2012/2013	2013/2014
Water		
15mm - 3m max	R1 669.30	R1 752.64
20mm - 3m max	R1 962.29	R2 060.53
80/20 COMBO meter	R23 360.53	R24 528.95
50/20 COMBO meter	R18 207.90	R19 118.42
40 mm	R11 263.16	R11 826.32
All other to be calculated independently (longer than 3m and larger meters)		
Water and Sewer road crossings	R8 756.15	R9 193.86
Relocating Water meters(labour only)	R926.32	R972.81
Stolen Water meter	Cost of meter	Cost of Meter
Electricity		
New single phase connection	R4 483.35	R4 483.35
Upgrading from 60 – 80 ampere	R4 783.08	R4 783.08
New three phase connection up to design load	R4 500	R4 500
New three phase connection larger than design load	Estimated cost plus network strengthening cost of R831.07\kVA	Estimated cost plus network strengthening cost of R831.07\kVA
Single phase prepaid meter	R977.08	R977.08

Three phase prepaid meter	R2 087.69	R2 087.69
Moving of kWh meter from house to stand boundary	R2 598.00	R2 598.00
Moving of connection	R1 693.12	R1 693.12
New ready board and keypad	R1 895.71	R1 895.71
Replacement of cable	R1 482.58	R1 482.58
Repair of cable (damaged by owner)	R1 005.51	R1 005.51
Temporary connection if service is available:		
Single Phase	R980.54	R980.54
Three phase (town houses)	R2 267.54	R2 267.54
Testing of kWh meter	R465.08	R465.08
Testing of prepaid meter	R309.54	R309.54
Damaged keypad prepaid meter	R660.00	R660.00
Damaged single phase prepaid meter	R951.23	R951.23
Damaged three phase prepaid meter	R2 170.08	R2 170.08
Cost of prepaid meter and relay for town houses	R1 845.05	R1 845.05
Cost for second electrical installation test(1 st free)	R280.00	R280.00
Replacement of broken or stolen ripple relay	Cost of relay and labour	Cost of relay and labour
Ripple relay	R898.00	R898.00

Capital Contributions (once off payment)

Water	2012/2013	2013/2014
Per kiloliter (supply- no units specified)	R4 400.00	R4 840.00
Residential per added building or unit		
Low density	R8 800.00	R9 680.00
Middle density	R6 600.00	R7 260.00
High density	R2 640.00	R2 904.00
Guest houses and hotels: per room(existing developments consider in calculation)	0.03 kl per room per day x kiloliter rate	0.03 kl per room per day x kiloliter rate
Sewer		
Per kiloliter day usage- effluent	R4 950.00	R5 445.00
Residential per added building or unit		
Low density	R5 940.00	R6 534.00
Middle density	R4 950.00	R5 445.00
High density	R2 475.00	R2 723.00
Guest houses and hotels: treatment of sewer effluent deposit at treatment plant)	R 6 300.00/kl (daily kl demand)	R 6 930.00/kl (daily kl demand)

Printing price list - Technical Services

	2012/2013	2013/2014
PAPER		
A0	R38.60	R41.23
A1	R20.18	R21.06
A2	R12.29	R13.16

A3	R4.39	R4.39
A4	R2.64	R2.64
<u>Durester</u>		
A0	R138.16	R151.76
A1	R72.37	R79.83
A2	R38.60	R41.23
A3	R20.18	R21.06
A4	R12.29	R13.16
<u>Film</u>		
A0	R100.44	R100.44
A1	R67.99	R67.99
A2	R35.09	R35.09
A3	R18.43	R18.43
A4	9.22	9.22
A4 Fax send/received(Private)	10.53	10.53

Social Services

a	D P de Villiers Stadium	2012/2013	2013/2014
	Rental of halls		
	Stadium Hall		
	Resident : meetings	R227.00 per hour	R270.00 per hour
	Non-Resident : meetings	R455.00 per hour	R540.00 per hour
	Functions	R600.00	R710.00
	Churches and schools	half price	half price
	Club complex Hall		

Resident : meetings	R 75.00/ hour	R 90.00/ hour
Non-Resident : meetings	R150.00/hour	R180.00/hour
Functions	R300.00	R360.00
Churches and schools	half price	half price
Athletics		
Schools sport meeting		
Morning session 07:00 - 13:00	R990.00	R1 180.00
Afternoon session 13:00 - 19:00	R990.00	R1 180.00
Lights to switch on first 2 hours	R450.00	R530.00
Then per half hour	R118.00	R140.00
Non Residents (Free State)		
Morning session 07:00 - 13:00	R1 245.00	R1 490.00
Afternoon session 13:00 - 19:00	R1 245.00	R1 490.00
Lights to switch on first 2 hours	R450.00	R530.00
Then per half hour	R 118.00	R 140.00
Schools in Gauteng		
Morning session 07:00 - 13:00	R1 660.00	R1 970.00
Afternoon session 13:00 - 19:00	R1 660.00	R1 970.00
Lights to switch on first 2 hours	R450.00	R530.00
Then per half hour	R118.00	R140.00

	Provincial Meetings		
	Morning session 07:00 - 13:00	R2 135.00	R2 543.00
	Afternoon session 13:00 - 19:00	R2 135.00	R2 543.00
	Lights to switch on first 2 hours	R450.00	R530.00
	Then per half hour	R118.00	R140.00
	National Meetings		
	Morning session 07:00 - 13:00	R3 320.00	R3 950.00
	Afternoon session 13:00 - 19:00	R3 320.00	R3 950.00
	Lights to switch on first 2 hours	R450.00	R530.00
	Then per half hour	R118.00	R140.00
	Rental of Electronic Timing Equipment		
	Electronic Timing Equipment per session	R900.00	R1 070.00
	Training sessions		
	<u>Pre-determined practice periods</u> Training at the stadium will only be allowed after payment of R275,00 per annum as well as purchase of proxy card at R40,00 per athlete training. Cards will only be sold to contributing schools/clubs/instances. Purchase card at R40.00 for student and other person.		
	School Rugby, School league all		

	rugby fields as available.		
	Resident per session/season	R300.00	R360.00
	Non-resident per session/season	R450.00	R530.00
	Provincial Games	R1 500.00	R1 780.00
		per day	per day
	Lights to switch on first 2 hours	R450.00	R450.00
	Then per half hour	R120.00	R120.00
	National and International Games		R3 600,00
	Soccer meetings (outside stadium)		
	Resident per session/season	R300.00	R360.00
	Non-resident per session/season	R430.92	R530.00
	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R830.00	R990.00
	Afternoon session 13:00 - 19:00	R830.00	R990.00
	Lights to switch on first 2 hours	R450.00	R530.00
	Then per half hour	R120.00	R140.00
	Cross Country		
	A Field	R900.00	R1 070.00
	Outside Field	R300.00	R360.00
	Stadium Hall	R753.00	R900.00

	Dog show		
	Resident per session	R300.00	R360.00
	Non-resident per session	R450.00	R530.00
	Deposit	R20 000	R60 000
b	Sasolburg show ground		
c	Sports facilities		
	Penny Heyns :		
	Adults: Season tickets	R168.00	R200.00
	: Day tickets	R16.00	R19.00
	Children : Season tickets	R81.00	R96.00
	: Day tickets	R8.00	R9.00
	School Galas		
	Morning session 07:00 - 13:00	R377.00	R450.00
	Afternoon session 13:00 - 19:00	R377.00	R450.00
	Lights to switch on first 2 hours	R377.00	R450.00
	Then per half hour	R100.00	R120.00
	Clubs/ Social clubs		
	Occasion	R1 000.00 without touch pad	R1 200.00 without touch pad

	Training sessions		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R377.00 per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R377.00 per annum as well as purchase of seasonal tickets per swimmers training
	 <u>Zamdela Swimming Pool</u>		
	: Adults : Season tickets	R87.00	R100.00
	: Day tickets	R8.00	R9.00
	: Children : Season tickets	R50.00	R60.00
	: Day tickets	R6.00	R7.00
	 School Galas		
	Morning session 07:00 - 13:00	R377.00	R450.00
	Afternoon session 13:00 - 19:00	R377.00	R450.00
	Lights to switch on first 2 hours	R377.00	R375.00
	Then per half hour	R100.00	R120.00
	 Clubs/ Social clubs		
	Occasion	R1 000.00 without touch pad	R1 200.00 without touch pad

	Training sessions		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R377.00per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R377.00per annum as well as purchase of seasonal tickets per swimmers training
	Cemeteries		
	Zamdela : Adult : Resident	R340.00	R410.00
	:Non Resident	R1 380.00	R1 650.00
	Children : Resident	R263.00	R320.00
	: Non resident	R1 055.00	R1 265.00
	Deneysville/ Refengkgotso / Metsimaholo :		
	: Adults : Resident	R340.00	R410.00
	: Non Resident	R1 380.00	R1 650.00
	: Children :Resident	R263.00	R320.00
	:Non Resident	R1 055.00	R1 265.00

	Sasolburg:		
	: Adults : Resident	R990.00	R1 185.00
	: Non Resident	R3 920.00	R4 120.00
	: Children :Resident	R685.00	R820.00
	:Non Resident	R2 392.00	R2 860.00
	Oranjeville:		
	: Adults : Resident	R340.00	R410.00
	: Non Resident	R1 380.00	R1 650.00
	: Children :Resident	R263.00	R320.00
	:Non Resident	R1055.00	R1 265.00
	<u>Indigents</u>		
	Approved as per Metsimaholo Local Municipality policy	Free	Free
	<u>Urns in Walls of Remembrance</u>		
	Residents	R660.00	R460.00
	Non Residents	R2 730.00	R2 070.00
	Placing of urn in existing grave:		
	Residents	R170.00	R190.00
	Non Residents	R180.00	R210.00
	<u>Stack Burials:</u>		
	Two coffins in one grave		
	Residents	One and a Half	Double the price

		price (1.5)	of one
e	Halls		
	Zamdela/Refengkgotso/		
	Metsimaholo		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R450.00	R530.00
	Afternoon session 13:00 - 19:00	R450.00	R530.00
	Extra hour	R150.00	R180.00
	Kitchen use	R150.00	R180.00
	Music/Jazz and others		
	Morning session 07:00 - 13:00	R830.00	R990.00
	Afternoon session 13:00 - 19:00	R830.00	R990.00
	Extra hour	R225.00	R270.00
	Kitchen use	R225.00	R270.00
	Funeral service and memorial service		
	Morning session 07:00 - 13:00	R375.00	R450.00
	Afternoon session 13:00 - 19:00	R375.00	R450.00
	Extra hour	R225.00	R270.00
	Kitchen use	R225.00	R270.00

	Political meetings		
	Morning session 07:00 - 13:00	R225.00	R270.00
	Afternoon session 13:00 - 19:00	R225.00	R270.00
	Extra hour	R74.00	R74.00
	Kitchen use	R74.00	R74.00
	Season 2 meetings per month	R450.00	R530.00
	Government structures		
	Morning session 07:00 - 13:00	R250.00	R300.00
	Afternoon session 13:00 - 19:00	R250.00	R300.00
	Extra hour	R61.00	R72.00
	Kitchen use	R61.00	R72.00
	Welfare	R450.00	R530.00
	Deposit		
	Music/Jazz and others	R1 500.00	R1 800.00
	All other	R300.00	R360.00

(f)	Etienne Rousseau Theatre			
		2012/2013	2013/2014	Period Covered
	Promotion of the Arts			
	(use of theatre for music, dance or drama)			
	Hire of theatre by artist/ group for show	R1 060.00	R1 060.00	Per day (until 1 hour after show)

				ends)
	For matinee	R320.00	R320.00	Same day
	Hire of theatre by local educational institution or church or charity for presentation of the show.	R740.00	R740.00	Per day (until 1 hour after show ends)
	For additional matinee	R185.00	R185.00	
	Hire of theatre by educational institution or charity for an event such as prize giving or pageant	R850.00	R850.00	Per day (until 1 hour after show ends)
	Hire of foyer art exhibitions	R350.00	R350.00	Per day
	Hire stag only e.g. dance or drama workshops	R350.00	R350.00	Per day
	Hire foyer for function related to show / event presented in Auditorium	R290.00	R290.00	Per day
	Hire of theatre non arts related activities/ business			
	Hire of theatre for meetings	R1060.00	R1060.00	Per morning (8:00 – 13:00) afternoon (13:00 – 18:00) or evening (17:00 – 22:00)
	Hire of foyer only for meeting or function	R850.00	R850.00	Per morning (8:00 – 13:00) afternoon (13:00 – 18:00) or evening

				(17:00 – 22:00)
	Other tariffs			
	Commission on all ticket sales	10%	10%	Category 2.3
		12.5%	12.5%	Category 1
	Commission on the sale of articles exhibited	10%	10%	Category 2.3
		12.5%	12.5%	Category 1
	Rehearsals	R43.00	R43.00	Per hour between 8:30 and 16:00
		R635.00	R635.00	Per hour between 16:00 and 22:30 and Saturdays
	Preparation / dismantling of stage, sets, sound, lighting	R48.00	R48.00	Per hour
	Hire of piano, special curtains, special effects, theatre equipment	As per schedule	As per schedule	
	Other services:	Actual cost	Actual cost	
	Piano tuning			
	Special effects			
	Newspaper advertisements			
	Dresses / Hair stylists			
	Sundays	Double cost	Double cost	
	Cleaning of theatre and grounds	Discretionary	Discretionary	

(g)	Abrahamsrust recreation resort	2012/2013	2013/2014
	Season tickets (only residents)	R300.00 per annum/motor vehicle/ motor cycle powerboat R150.00/ second motor vehicle/ motorcycle	R360.00 per annum/motor vehicle/ motor cycle powerboat R180.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R80.00 for 1 ticket per family	R80.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R 120.00 for 1 ticket per family	R 120.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R500.00/ annum per vehicle/ powerboat	R590.00/ 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	R50 per person per day	R55 per person per day
	Entrance fee per car	R60 per car per day	R65 per car per day
	Entrance fee per boat	R150 per boat per day	R155 per boat per day
	Entrance fee 2-6 years	R10 per child 2-6 years per day	R10 per child 2-6 years per day
	Entrance fee for group bookings of more than 50 people	Reduce of tariffs approved by Social Director (Prior arrangements)	Reduce of tariffs approved by Social Director (Prior arrangements)
	Local schools and churches	R20.00 per person	R20.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R120.00 per day with power(4 persons)	R130.00 per day with power(4 persons)

	Pensioners/ Rallies (30 and more caravans)	R100.00 per day(4 persons)	R95.00 per day(4 persons)
	Non-season ticket holders	R140.00 per day(4 persons)	R150.00 per day(4 persons)
	Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people	R150.00 per day without power	R120.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R120.00/ caravan/ night	R120.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R80.00/ caravan/ night	R80.00/ caravan/ night
	Non-season ticket holders	R160.00/ caravan/ night	R160.00/ caravan/ night
	Chalets		
	Small type 2-bed	R350.00	R400.00
	Large type 4-bed	R500.00	R590.00
	Luxury chalets Chalet A	R650.00	R700.00
	Chalet B (With lapa)	R700.00	R750.00
	Monthly Rental Chalets four bed	R 4 000.00 p.m	R 4 500.00 p.m
	Park home 6 bed	R500.00	R550.00
	Monthly Rental Park home 6 bed	R3 000.00 p.m	R3 500.00 p.m
	Refundable key deposit	R300.00	R300.00
	Lapa		
	With shelter per function	R500.00 plus entrance fee	R550.00 plus entrance fee
	Without shelter per function	R300.00 plus entrance fee	R360.00 plus entrance fee
	Hall	R400.00	R550.00
	Rental of resort for event	R50 000 per event	R50 000 per event

	Deposit for event	R20 000 per event refundable	R20 000 per event refundable
	DAY VISIT ORANJEVILLE AND DENEYSVILLE		
	Season tickets (only residents)	R90.00 per annum/motor vehicle/ motor cycle powerboat R80.00/ second motor vehicle/ motorcycle	R100.00 per annum/motor vehicle/ motor cycle powerboat R80.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R50.00 for 1 ticket per family	R40.00 for 1 ticket per family
	Metsimaholo workers and Councilors with proof	R60.00 for 1 ticket per family	R60.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R250.00/ annum per motor vehicle/motorcycle/ powerboat R200.00/second vehicle/motorcycle/ Powerboat	R290.00/ annum per motor vehicle/motorcycle/ powerboat R240.00/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	R10 per person per day	R10 per person per day
	Entrance fee per car	R10 per car per day	R10 per car per day
	Entrance fee per boat	R25 per boat per day	R25 per boat per day
	Entrance fee 2-6 years kids	Free	Free
	Entrance fee for group bookings of more than 50 people	Reduce of tariffs approved by Social Director (Prior	Reduce of tariffs approved by Relavant Director (Prior

		arrangements)	arrangements)
	Local schools and churches	R5.00 per person	R5.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R20.00 per day with power(4 persons)	R20.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans)	R20.00 per day(4 persons)	R20.00 per day(4 persons)
	Non-season ticket holders	R30.00 per day(4 persons)	R30.00 per day(4 persons)
	Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people	R150.00 per day without power	R150.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R10.00/ caravan/ night	R10.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R10.00/ caravan/ night	R10.00/ caravan/ night
	Non-season ticket holders	R15.00/ caravan/ night	R15.00/ caravan/ night
	Rental of resort for event	R50 000 per event	R50 000 per event
	Deposit for event	R20 000 per event	R20 000 per event

(h)	Moses Kotane Stadium		
	Rental of halls		
	Stadium Hall		
	Resident: meetings		R360,00
	Non-Resident: meetings		R710,00
	Functions		R530,00

	Churches and Schools		Half price
	Athletics		
	In-house school sport		
	Morning	R330.00	R390.00
	Afternoon	R330.00	R390.00
	Lights to switch on first 2 hours	R263.00	R310.00
	Then per half hour	R105.00	R125.00
	Practice session	R110.00/ school/ season	R110.00/ school/ season
	Non Residents (Free State)		
	Morning	R660.00	R790.00
	Afternoon	R660.00	R790.00
	Lights to switch on first 2 hours	R263.00	R310.00
	Then per half hour	R105.00	R125.00
	Schools in Gauteng		
	Morning	R753.00	R900.00
	Afternoon	R753.00	R900.00
	Lights to switch on first 2 hours	R263.00	R310.00
	Then per half hour	R105.00	R125.00
	Provincial Meetings		
	Morning session 07:00 - 13:00	R2 135.00	R2 540.00

	Afternoon session 13:00 - 19:00	R2 135.00	R2 54000
	Lights to switch on first 2 hours	R450.00	R310.00
	Then per half hour	R105.00	R125.00
	National Meetings		
	Morning session 07:00 - 13:00	R3 320.00	R3 960.00
	Afternoon session 13:00 - 19:00	R3 320.00	R3 960.00
	Lights to switch on first 2 hours	R450.00	R530.00
	Then per half hour	R105.00	R125.00
	Rental of Electronic Timing Equipment		
	Electronic Timing Equipment per session	R900.00	R1 070.00
	Soccer		
	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R263.00	R310.00
	Afternoon session 13:00 - 19:00	R263.00	R310.00
	Lights to switch on first 2 hours	R263.00	R310.00
	Then per half hour	R105.00	R125.00
	Rental of stadium for events		R60 000

	Entrance income	15% of entrance fee minimum or R1 700.00	15% of entrance fee minimum or R1 700.00
	Refundable damage fee	R1 000.00	R1 000.00
	Schools	R260.00/ school/ season	R260.00/ school/ season
	Other soccer games	15% of entrance fee minimum or R1 575.00	15% of entrance fee minimum or R1 575.00
	Morning	R330.00	R330.00
	Afternoon	R330.00	R330.00
	Evening	R330.00	R330.00
	Lights to switch on first 2 hours	R260.00	R260.00
	Then per half hour	R110.00	R110.00
	Practice inside stadium	R165.00/per hour	R165.00/per hour
	Coaching development and soccer clinics	R90.00 per occasion	R90.00 per occasion
	Practice outside fields	R165.00/ season twice weekly	R165.00/ season twice weekly
	Schools	R130.00/ season twice weekly	R130.00/ season twice weekly
	Social games	R165.00 per occasion	R165.00 per occasion
	Other facilities		
	Netball/Basketball and Tennis		
	Morning session	R90.00	R90.00
	Afternoon session	R90.00	R90.00
	Stadium Hall		
	Sports clubs and cultural groups	R150.00	R150.00

	(by pre-arrangement)		
	Residents: Meetings	R110.00	R110.00
	Non-residents: Meetings	R600.00	R600.00
	Functions	R450.00	R450.00
	Churches and schools	Half price	Half price
	Non sporting events inside stadium		
	Rental of stadium for events(pre-approve by MM)	R50 000	R50 000
	Deposit for the events	R20 000	R20 000

(i)	Fire and Rescue	2012/2013	2013/2014
I	Extinguishing of fires (excluding grass-bush and rubbish fires)		
(a)	Call out fee		
	Industrial fire (High risk)	R1 170.00	R1 170.00
	Industrial fire (Low risk)	R580.00	R580.00
	Residential	R320.00	R320.00
	Institutions	R320.00	R320.00
	Public assembly	R320.00	R320.00
	Commercial	R320.00	R320.00
	Storage	R320.00	R320.00
	Shack or Informal housing (Flat rate) all costs included	R63.00	R63.00
	Heavy motor vehicle fire	R320.00	R320.00
	Motor vehicle, Motor bike, trailer with content	R127.00	R127.00

	Lamp or Electrical Poles (Council property excluded)	R127.00	R127.00
	Transformers (Council property excluded)	R320.00	R320.00
(b)	Personnel (tariff per hour)		
	Per Senior Officer	R160.00	R160.00
	Per Officer	R138.00	R138.00
	Per Senior Fireman	R127.00	R127.00
	Per Fireman	R106.00	R106.00
	(Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished).		
(c)	Vehicles		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R425.00
(d)	Material used		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
II	<u>Grass, bush and rubbish fires</u>		
(a)	Rubbish Fires	R320.00	R320.00
	Bales of feed or Hay stack (up to 50 cubic meters)	R636.00	R636.00
	Bales of feed or Hay stack (more than 50 cubic meters)	R1 272.00	R1 272.00

(b)	Personnel(tariff per hour)		
	Per Senior Officer	R160.00	R160.00
	Per officer	R138.00	R138.00
	Per Senior Fireman	R127.00	R127.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R106.00	R106.00
(c)	Vehicles		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R425.00
(d)	Material used		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
III	<u>Special services (Dangerous goods etc).</u>		
(a)	Call out Fee	R1272.00	R1272.00
(b)	Personnel(tariff per hour)		
	Per Senior Officer	R210.00	R210.00
	Per officer	R265.00	R265.00
	Per Senior Fireman	R230.00	R230.00
	Per Fireman	R190.00	R190.00

(c)	Vehicles		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R850.00	R850.00
	Per kilometer (Travelled to and from the time of pump per hour)	R9.00	R9.00
	Per portable pump (Real working time of pump per hour)	R140.00	R140.00
	Per Fire Hose (per hour of part thereof)	R27.00	R27.00
	Per ladder used per call	R138.00	R138.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
IV	<u>Protection services (Standby Services)</u>		
	Where the presence of the Fire Department is compulsory with Fire pump and crew, the company responsible for the situation will be liable for the account.		
(a)	Call out Fee	R1 270.00	R1 270.00
(b)	Personnel(tariff per hour)		
	Per Senior Officer	R320.00	R320.00
	Per officer	R300.00	R300.00
	Per Senior Fireman	R265.00	R265.00
	Per Fireman	R210.00	R210.00

(c)	Vehicles		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R850.00	R850.00
	Per kilometer (Travelled to and from the incident per utility vehicle)	R9.00	R9.00
	Per portable pump (Real working time of pump per hour)	R138.00	R138.00
	Per Fire Hose (per hour of part thereof)	R27.00	R27.00
	Per ladder used per call	R138.00	R138.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
V	<u>Filling of swimming pools and water tanks</u>		
	Hydrants must be within 90m from swimming or tank basic levy	R265.00	R265.00
	Per Fire Hose per hour period or part thereof	R27.00	R27.00
	Per Officer	R138.00	R138.00
	Per Senior Fireman	R127.00	R127.00
	Per Fireman	R106.00	R106.00
	Per kilometer (calculated to and from the address per utility vehicle)	R9.00	R9.00
	If a fire truck is required per hour or part thereof	R425.00	R425.00

	The cost of the water as per ruling levy on residences on Sundays and Public holidays.	(Double the normal tariffs)	(Double the normal tariffs)

VI	<u>Other Services</u>		
(a)	Attendance of Fireman in terms of section 14 of the standard by-laws relating to Fire Brigade Services:		
	Per entertainment, recreation meeting or other event provided that in the case of any variety entertainment or stage show conducted on schools premises or in a public hall in aid of school funds, no charges shall be charged for the attendance of a Fireman.	R320.00	R320.00
	Per Officer (tariff per hour)	R300.00	R300.00
	Per Senior Fireman (tariff per hour)	R265.00	R265.00
	Per Fireman (tariff per hour)	R210.00	R210.00
(b)	Pumping of water from property:		
	Light pump with a capacity of up to 1125 l/min per hour or part thereof	R850.00	R850.00
	Medium pump with a capacity of up to 2250 l/min per hour or part thereof	R850.00	R850.00
	Heavy pump with a capacity of up to 4500 l/min per hour or part thereof	R850.00	R850.00
	Per Officer (tariff per hour)	R265.00	R265.00
	Per Senior Fireman (tariff per hour)	R245.00	R245.00
	Per Fireman (tariff per hour)	R138.00	R138.00

(c)	Using Compressor per hour or part thereof	R65.00	R65.00
	Per Officer (tariff per hour)	R265.00	R265.00
	Per Senior Fireman (tariff per hour)	R220.00	R220.00
	Per Fireman (tariff per hour)	R210.00	R210.00
(d)	Emergency Rescue unit per hour or part thereof		
	Per Officer (tariff per hour)	R231.00	R231.00
	Per Senior Fireman (tariff per hour)	R245.00	R245.00
	Per Fireman (tariff per hour)	R210.00	R210.00
(e)	Any other duty not mentioned under item VI per hour or part thereto		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R850.00	R850.00
	Per kilometer (Travelled to and from the incident per utility vehicle)	R9.00	R9.00
	Per Officer (tariff per hour)	R265.00	R265.00
	Per Senior Fireman (tariff per hour)	R240.00	R240.00

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

	Traffic Services	2012/2013	2013/2014
	<u>Abnormal loads escorts and excavations</u>		
	Per Officer (Per hour or part thereof)	R127.00	R127.00
	Per Officer Overtime (Per hour or part thereof)	R265.00	R265.00
(a)	Sport Meetings		
	Per Officer (Per hour or part thereof)	R190.00	R190.00
	Per Officer Overtime (Per hour or part thereof)	R265.00	R265.00
(b)	Impounded Vehicles		
	Hitching of vehicles	R530.00	R530.00
	Towing of the vehicle	R370.00	R370.00
	Tracing of the owner	R850.00	R850.00
	Storage Fees(per day including first and last day)	R85.00	R85.00
(c)	Erection of posters DEPOSIT	R250.00	R250.00
	COST PER POSTER	R10.00	R10.00
(d)	Street Trading OUTSKIRTS	R100.00 pm	R100.00 pm
	CBD	R100.00 pm	R100.00 pm

DIVISION	R 2012/13	R 2013/14
Economic Development		
NO tariffs recommended		
Leases - General:		
- Rental arrangements as agreed per contract	Contractual	Contractual
Containers at Zamdela Taxi Rank	R130.00 p.m	R135.00 p.m
Housing and Property Management Services		
Leases - General:		
- Rental arrangements as agreed per contract	Contractual	Contractual
<u>Thembaletu Hostel (141 x 101.02 m² units)</u>		
Block A - 24 x units (shower & bath)	R1'100.00 p.m.	R1'100.00 p.m.
Block B - 18 x units (shower & bath)	R1'100.00 p.m.	R1'100.00 p.m.
Block C - 24 x units (shower)	R990.00 p.m.	R990.00 p.m.
Block D - 18 x units (shower)	R990.00 p.m.	R990.00 p.m.

Block E - 30 x units (shower)	R990.00 p.m.	R990.00 p.m.
Block F - 9 x units (shower)	R990.00 p.m.	R990.00 p.m.
Block F - 18 x units (shower)	R990.00 p.m.	R990.00 p.m.
Single Units - 18 x beds (6 x flats with 3 x bedrooms)	R440.00 p.m.	R440.00 p.m.
<i>(Other)</i>		
Tuck shop / Churches (62 m ²)	R80.00 p/day	R80.00 p/day
Tuck shop / Milk depot (13 m ²)	R80.00 p.m.	R80.00 p.m.
Tuck shop / F Shai (22 m ²)	R75.00 p.m.	R75.00 p.m.
Tuck shop / M Kok (22 m ²)	R165.00 p.m.	R165.00 p.m.
Tuck shop / L Tau (22 m ²)	R165.00 p.m.	R165.00 p.m.
Tuck shop / Dry Cleaners (37 m ²)	R165.00 p.m.	R165.00 p.m.
Tuck shop / Hair Saloon (41 m ²)	R165.00 p.m.	R165.00 p.m.
Tuck shop / Upholsterer (46 m ²)	R165.00 p.m.	R165.00 p.m.
Tuck shop / Dressmaking (80 m ²)	R160.00 p.m.	R160.00 p.m.
Tuck shop / Crèche (197 m ²)	R70.00 p.m.	R70.00 p.m.
Tuck shop / Video Shop (207 m ²)	R185.00 p.m.	R185.00 p.m.

Former kitchen/Hall per activity	R300.00 p.m	R300.00 p.m
Recycling Business	R1 000.00 p.m	R1 000.00 p.m
Thembaletu Community Hall	R250.00 p/day	R250.00 p/day
<u>HOSTELS</u>		
Hostel 1 = 377 units		
Hostel 2 = 330 units		
Hostel 3 = 389 units		
Hostel 4 = 112 units		
Phomolong = 40 units		
- Fixed Hostel Rent / Tariff	R110.00 pm	R120.00 pm
	<i>R80.00 p.m(flat rate) plus R30.00 p.m water consumption</i>	<i>R85.00 p.m(flat rate) plus R35.00 p.m water consumption</i>
After corrective action on hostels	<i>R135.00p.m (Rental) plus water consumption</i>	<i>R135.00p.m (Rental) plus water consumption</i>
- Fixed Hostel Rent / Tariff for purposes of a maximum of 4 single persons sharing a rental unit, that each single should contribute individually and that the rental amount of R155.00 pm. plus water consumption R165 be divided by the number of persons sharing / occupying the unit)	R110.00pm	R120.00pm
	<i>R80.00 p.m(flat rate) plus</i>	<i>R85.00 p.m(flat rate) plus</i>

After corrective action on hostels	<i>R30.00 p.m Water consumption</i>	<i>R35.00 p.m Water consumption</i>
	<i>Divided by number of people sharing</i>	<i>Divided by number of people sharing</i>
	<i>R135.00p.m (Rental) plus water consumption</i>	<i>R135.00p.m (Rental) plus water consumption</i>
CRU (Community Residential Units – To be implemented as Hostel 4 from completion of project) Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical service cost.	Discount rental	Discount rental
Bachelor	R357,00	R357,00
1 x Bedroom	R476,00	R476,00
1,5 x Bedroom	R595,00	R595,00
2 x Bedroom	R754,00	R754,00
3 x Bedroom	R1 012,00	R1 012,00
CRU <u>Registered as IGG</u>	Indigent < R160.00	Indigent < R160.00
Bachelor	R197,00	R197,00
1 x Bedroom	R316,00	R316,00
1,5 x Bedroom	R435,00	R435,00
2 x Bedroom	R593,00	R593,00
3 x Bedroom	R851,00	R851,00
CRU Tenants <u>above</u> CRU income categories	R3 500- R4 000 + 10%	R3 500- R4 000 + 10%

Bachelor	R464,00	R464,00
1 x Bedroom	R619,00	R619,00
1,5 x Bedroom	R774,00	R774,00
2 x Bedroom	R980,00	R980,00
3 x Bedroom	R1 315,00	R1 315,00
CRU Tenants <u>above</u> CRU income categories	R4 001- R5 000 + 13%	R4 001- R5 000 + 13%
Bachelor	R603,00	R603,00
1 x Bedroom	R805,00	R805,00
1,5 x Bedroom	R1 006,00	R1 006,00
2 x Bedroom	R1 274,00	R1 274,00
3 x Bedroom	R1 710,00	R1 710,00
CRU Tenants <u>above</u> CRU income categories	R5 001 and > + 15%	R5 001 and > + 15%
Bachelor	R785,00	R785,00
1 x Bedroom	R1 046,00	R1 046,00
1,5 x Bedroom	R1 308,00	R1 308,00
2 x Bedroom	R1 656,00	R1 656,00
3 x Bedroom	R2 223,00	R2 223,00

ALIENATION OF LAND (Open Spaces)

Temporary allocation of land not exceeding 21 days (such as Circuses / Churches for spiritual revivals / church outreaches)	R35.00 / day	R40.00 / day
Initiation Schools not exceeding 50days	R800.00(fixed)Water provision to be agreed	R900.00(fixed)Water provision to be agreed

	with Civil Engineering	with Civil Engineering
Temporary leases for parking purposes on open portions of land	R10.00/per day per parking bay of 40 m ²	R15.00/per day per parking bay of 40 m ²
Cattle owners Leases - grazing	R250.00 p.m per cattle owner	R260.00 p.m per cattle owner

Urban Planning		
Rezoning	R320.00 / application	R350.00 / application
Subdivision	R320.00 / application	R350.00 / application
Consolidation	R320.00 / application	R350.00 / application
Consent uses	R2`100.00 / application	R2`500.00 / application
Zoning Certificates	R110.00 / application	R150.00 / application
Building Plan: Approval Fee	R273.00 / application	R300.00 / application
	R17.00 / 10m ² for the first 1`000 m ²	R19.00 / 10m ² for the first 1`000 m ²
	R15.00 / 10m ² for the following 1`000 m ² – namely 1`001 to 2`000 m ²	R17.00 / 10m ² for the following 1`000 m ² – namely 1`001 to 2`000 m ²
	R13.00 /	R14.00 / 10m ²

	10m ² for the following 1`000 m ² – namely 2`001 m ² to 4 000 m ²	for the following 1`000 m ² – namely 2`001 m ² to 4 000 m ²
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Internal alterations on building plans	R273.00	R300.00
Swimming pools	R273.00	R300.00
Shade nets	R273.00	R300.00
Boundary walls	R273.00	R300.00
Permits	R273.00	R300.00
Signage	R273.00	R273.00
Inspection fee (farms / plots)	R441.00 / plan	R450.00 / plan
Building clause certificates	R260.00	R300.00
Billboards	R32.00 / m ²	R50.00 / m ²
Encroachments fees	<i>To be determined</i>	<i>To be determined</i>
Penalties	<i>To be determined</i>	<i>To be determined</i>
PAVEMENT DEPOSIT	<i>R500</i>	<i>R600</i>

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/14 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 , plus inflation in line with Treasury guidelines
- All increases more that the inflation to be properly motivated.
- Professional fees to be unpacked
- The filling of vacancies should support challenges identified and key priorities as adopted at the strategy plan.

The following table is a high level summary of the 2013/14 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	2012/13	2013/14	2014/15	2015/16
	Adjusted Budget	MTREF	MTREF	MTREF
	R'000	R'000	R'000	R'000
Employee related costs	184 123	198 345	216 049	236 251
Remuneration of councillors	12 863	13 174	13 963	14 863
Bad debts	45 000	52 000	55 000	56 000
Repairs and maintenance	52 752	60 424	63 599	63 366
Bulk purchases-electricity	153 639	189 118	207 297	227 224
Bulk purchases-water	98 518	109 062	114 515	120 241
Contracted services	19 892	22 079	24 719	17 815
Finance charges	4 318	8 142	6 877	5 901
General expenses	110 221	122 260	123 237	102 035
Transfers and grants	31 515	48 667	52 544	55 434
Depreciation	50 000	58 008	63 021	64 151
	762 841	881 279	940 821	963 281

Employee Related Cost: The budgeted allocation for employee related costs for the 2013/14 financial year totals R198.3 million, which equals 22.5 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2013/14 financial year. An annual increase of 7 per cent has been included in the two outer years of the MTREF. The increase covers also the increments and partially job evaluation. Based on the proposed amended structure critical vacancies need to be determined. As a baseline, provision is made for vacancies of R20 million in 2013/2014, R12 million in 2014/2015 and R10 million in 2015/2016. The vacancies based on the approved structure is R77 million for 2013/2014 and R107 million for the 3 years..

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

Bad Debts: The provision of debt impairment was determined based on an annual collection rate of 90 per cent and the Debt collection and Credit Control Policy of the Municipality. For the 2013/14 financial year this amount equates to R52 million and escalates to R56 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation: Provision for depreciation and asset impairment has been informed by the Accounting Standards. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard before off set depreciation against accumulated surplus fund is done, is R58 million. It should be note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges: Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.9 per cent (R8million) of operating expenditure excluding annual redemption for 2013/14 and decreases to R5.9million by 2015/16.

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 distribution losses.

Repair and maintenance: Repair and maintenance (Schedule A4 as other materials) comprises of amongst others the purchase, materials for maintenance, cleaning materials and chemicals, as well as contractors. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2012/13 the appropriation against this group of expenditure has grown by 15 per cent (R7.6 million) and continues to grow at 5.3 and 0 per cent for the two outer years of which budget allocation is in excess of R63million by 2015/16.

Contracted services: In the 2013/14 financial year, Contracted services totals R22 million and has escalated by 11 per cent, clearly demonstrating the application of cost in efficiencies. For

the two outer years growth has been limited to 12 and 0 per cent. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings measures will be implemented. Further details relating to contracted services can be seen in Table 50 MBRR SA1 (see page 168).

General expenses: Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 10.9 per cent for 2013/14 and curbed at 1 and 0 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to other expenditure can be seen in Table 50 MBRR SA1 (see page 168).

The following table gives a breakdown of the main expenditure categories for the 2013/14 financial year.

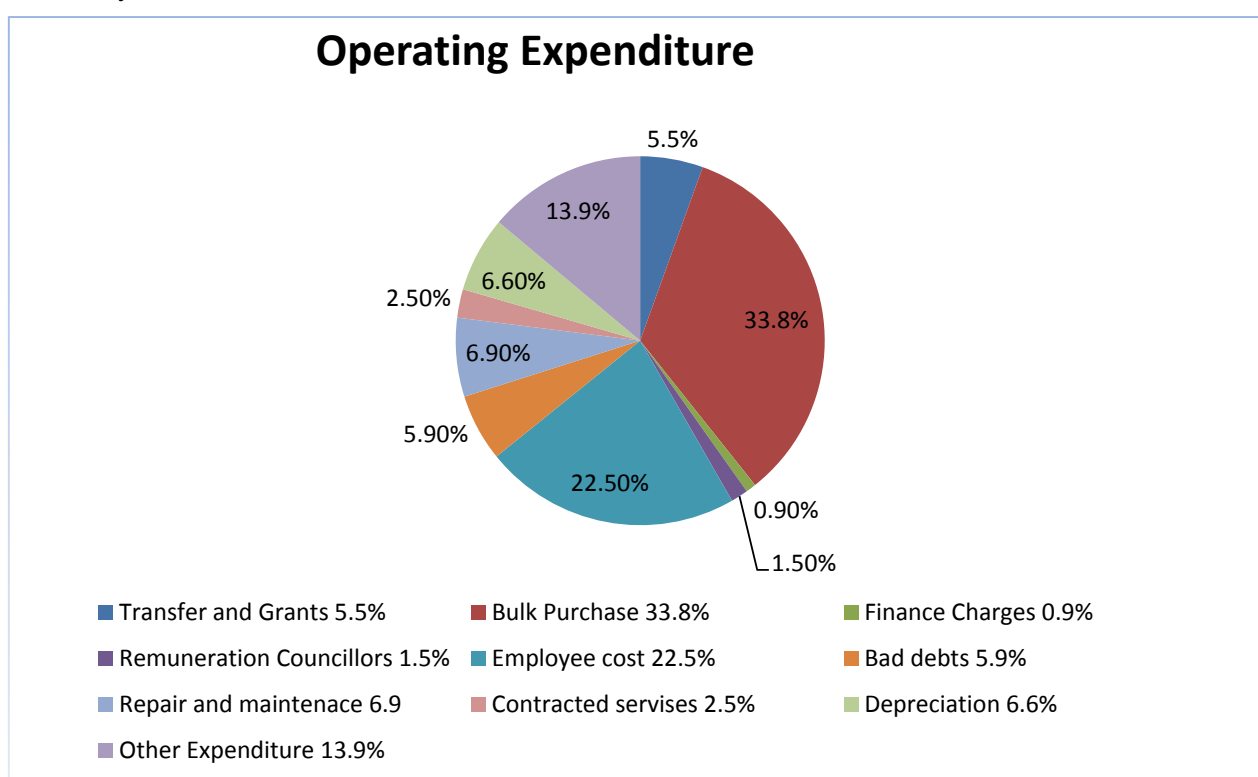


Figure 1 Main operational expenditure categories for the 2013/14 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2012/13 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

	2009/10	2010/11	2011/12	Current 2012/13			2013/2014MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2013/14	Budget 2014/15	Budget 2015/16
Employee related cost	29 055	33 482	36 434	38 533	39 992	40 410	41 089	43 407	45 540
Materials and contracted services	17 350	26 492	24 373	53 399	52 752	33 633	60 423	63 599	63 366
Total repairs and maintenance expenditure	46 405	59 974	60 807	91 932	92 744	74 043	101 512	107 006	108 906

During the compilation of the 2013/14 MTREF operational budget repairs and maintenance was identified as a strategic imperative owing to the ageing Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by 9.5 per cent in the 2013/14 financial year, from R 91.9 million to R102.5million. During the 2012/13 Adjustment Budget this allocation was adjusted slightly downwards to R R52.7 million owing to the cash flow challenges faced by the Municipality. Notwithstanding this reduction, as part of the 2013/14 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2013/14 equates to R101.5 million a growth of 9.5 per cent in relation to the Adjustment Budget and continues to grow at 5.4 and 1.8 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance (excluding remuneration of staff) comprises of 6.9, 6.8 and 6.6 per cent for the respective financial years of the MTREF.

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

Table 15 Repairs and maintenance per asset class

	2009/10	2010/11	2011/12	Current 2012/13			2013/2014MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2013/14	Budget 2014/15	Budget 2015/16
Repair and maintenance per asset class									
Infrastructure Roads	11 900	20 859	18 434	27 519	33 750	30 396	38 996	41 095	43 048
Infrastructure Electricity	8 484	8 830	11 747	21 155	16 095	11 381	16 785	17 463	15 223
Infrastructure Water	9 961	6 978	10 916	17 792	13 972	10 641	14 373	15 210	16 096
Infrastructure Sanitation	6 436	6 707	7 880	12 970	11 341	8 667	11 855	12 559	13 306
Infrastructure Other	0	629	4 981	812	6 170	3 926	6 185	6 512	6 188
Community	64	0	0	443	193	2	203	211	52
Other assets	9 560	15 971	6 5849	11 241	11 223	9 030	13 115	13 956	14 993
Total Operating expenditure	46 406	59 974	60 807	91 932	92 744	74 043	101 512	107 006	108 906

For the 2013/14 financial year, 87.1 per cent or R88.4million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 16.5 per cent (R16.8), road infrastructure at 38.4 per cent (R39 million), and water at 14.2 per cent (R14.4 million) and sanitation at 11.7per cent (R11.9 million). Community assets have been allocated R203 000 of total repairs and maintenance equating to 0.2 per cent.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 19 000 or more indigent households during the 2013/14 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 98.

The threshold to qualify as indigent increase from R2 750 to R3 500

Owners of stands with a valuation up to R84 000 will automatically qualified as indigent. However it if is found that this household's monthly income exceed R3 500(2013/14 and R2 750 in 2012/13), they will be de-register as indigent. If a household's monthly income is less than R3 500(2013/14 and R2 750 in 2012/13), and the valuation of property exceed R84 000, they can

apply for subsidy and be registered as indigent. All other cases to be considered for Council approval.

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 2013/14 Medium-term capital budget per vote

Capital expenditure by vote	2012/13		2013/14		2014/15		2015/16	
	Adjusted Budget	%	MTREF	%	MTREF	%		%
	R'000		R'000		R'000		R'000	
Exec. & Council (MM, Executive Mayor, Council)	1 006	1.1	1 985	1.1	1 427	0.9	6 742	5.5
Corporate Services	1 402	1.5	1 600	0.9	1 700	1.0	1 100	0.9
Social Services	9 141	9.6	32 611	18.4	40 960	24.8	9 982	8.3
Refuse Removal	1 404	1.4	9 658	5.4	12 300	7.4	5 200	4.4
Public Safety	260	0.3	5 717	3.2	3 567	2.1	4 017	3.4
Sport and Recreation	6 519	6.9	6 826	3.8	11 554	7.0	46	0.1
Community Services	958	1.0	10 410	5.8	13 539	8.3	719	0.4
Technical Services	83 108	87.4	138 759	78.6	90 442	54.9	101 760	84.5
Streets and Storm water	13 495	14.2	26 889	15.3	4 164	2.5	42 355	35.1
Sewerage	23 879	25.2	37 607	21.3	15 675	9.5	215	0.4
Water supply	18 930	19.9	16 322	9.2	7 537	4.6	2 400	2.0
Electricity supply	13 662	14.3	41 828	23.7	61 050	37.1	56 790	47.0
Mechanical Workshop/Buildings	9 242	9.7	313	1.7	0	0	0	0
Administration	3 900	4.1	15 800	8.9	2 016	1.2	0	0
Financial Services	330	0.4	17	0	0		0	
Economic Dev. and Planning	0	0	1 504	1.0	30 500	18.4	1 000	0.8
Housing & Urban Planning	0	0	1 500	0.9	30 500	18.4	1 000	0.8
Economic Development			4	0.1				
	94 987	100	176 476	100	165 029	100	120 584	100

The biggest single portion of capital expenditure is allocated to Technical Services which amounts to **R138.7** million in 2013/2014 decreasing to **R101.7 million** in 2015/2016

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 2013/2014 budget and IDP process. Roads receives R26.9 million in 2012/13 which equates to 15.2 per cent, electricity at 23.7 per cent, R41.8 million and sewer 21.3 per cent, R37.6 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 95. In addition to the MBRR Table A9, MBRR Tables 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 160,162 and 163). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Capital Program support economic development

- Brick and Paving Manufacturing Plant (Sasol Mining))
- Infrastructure Investment Plan 133 Stands Vaal park (financed by loan)

Conditional Grants

- Gortin sewer R23.4m(2013/14), R14.2m(2014/15)
- Amelia sewer network R5.9 m(2013/14)
- Construction of roads & storm water R1.5m (2013/14),R42.3m(2015/16)
- Augmentation of bulk water and purification works R5.1m(2013/14), R1.6m(2014/15)
- Amelia/Gortin& Mooidraai bulk electricity supply R34.5 (2013/14); R30m (2014/15); R38m (2015/16)

Own funding

- R2.5m for new and existing dumping site permits and a weigh bridge in Sasolburg
- Office accommodation R1.5m
- Water demand and conservation plan R2m
- Roads R10m (2013/2014)
- Renovation of building R1.7m(2013/2014)
- Vehicles R8 848 500 feasibility study to be done between purchase or lease of vehicles

Loan

- Water and Electrical metering R11m
- Roads and storm water R10.5m
- Water and sewer installation Vaal Park standa

Furthermore Annexure A on pages ___ to _ contains a detail 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.

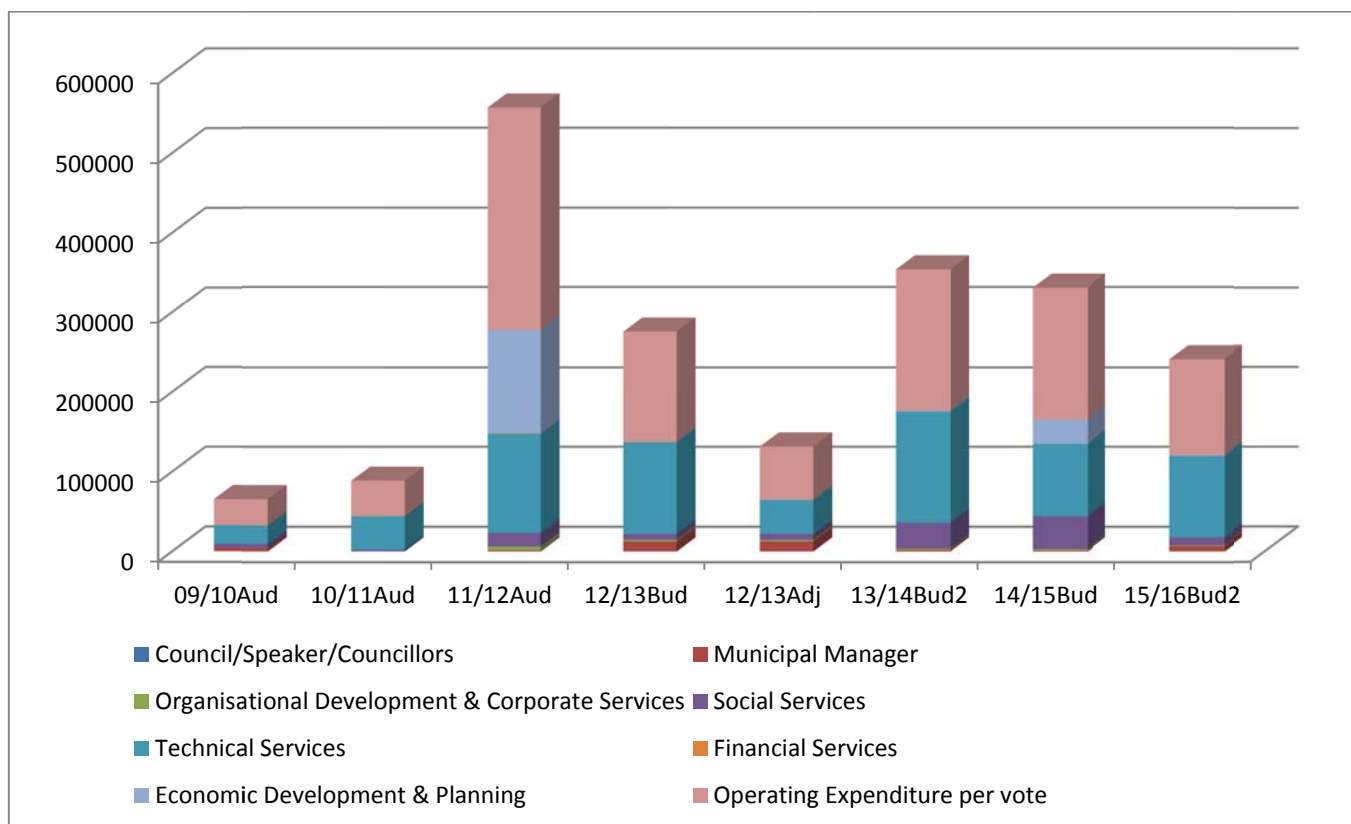


Figure 2 Capital Infrastructure Programme

1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 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 Consolidated
Budget Summary

Description R thousands	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	70 977	77 041	79 008	90 245	90 245	96 102	–	93 932	101 552	107 645
Service charges	251 005	304 748	373 192	434 903	436 839	366 817	–	452 539	486 250	514 243
Investment revenue	2 213	4 445	2 200	2 300	1 300	1 300	–	2 400	2 400	2 400
Transfers recognised - operational	66 192	83 228	95 398	107 206	104 489	104 489	–	110 587	115 458	120 991
Other own revenue	33 831	28 053	87 103	62 370	62 407	47 845	–	63 018	64 799	49 523
Total Revenue (excluding capital transfers and contributions)	424 218	497 515	636 901	697 024	695 280	616 553	–	722 475	770 459	794 803
Employee costs	121 595	142 166	177 843	182 964	184 123	167 878	–	198 345	216 049	236 251
Remuneration of councillors	9 283	9 737	12 402	12 863	12 863	12 268	–	13 174	13 963	14 863
Depreciation & asset impairment	25 677	67 359	45 037	50 000	50 000	50 000	–	58 008	63 021	64 151
Finance charges	4 753	4 645	18 703	21 076	4 318	4 318	–	8 142	6 877	5 901
Materials and bulk purchases	150 607	187 436	239 623	306 511	304 910	281 309	–	358 603	385 411	410 830
Transfers and grants	9 869	15 409	24 002	31 295	31 515	–	–	48 667	52 544	55 434
Other expenditure	128 020	86 538	153 883	172 789	175 112	140 855	–	196 339	202 956	175 849
Total Expenditure	449 804	513 291	671 493	777 498	762 841	656 627	–	881 279	940 821	963 281
Surplus/(Deficit)	(25 586)	(15 776)	(34 592)	(80 474)	(67 561)	(40 074)	–	(158 803)	(170 363)	(168 478)
Transfers recognised - capital	26 328	41 082	38 901	59 768	62 480	62 480	–	87 556	70 057	80 355
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	742	25 306	4 309	(20 706)	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	742	25 306	4 309	(20 706)	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)
Capital expenditure & funds sources										
Capital expenditure	32 688	44 214	278 227	137 902	95 636	–	0	176 475	165 029	120 583
Transfers recognised - capital	26 010	41 082	178 667	59 768	62 486	–	–	76 997	88 357	80 355
Public contributions & donations	–	912	15 500	–	–	–	–	–	–	–
Borrowing	–	–	47 000	43 000	11 200	–	–	32 000	3 800	5 000
Internally generated funds	6 678	2 220	37 060	35 134	21 951	–	–	67 478	72 872	35 229
Total sources of capital funds	32 688	44 214	278 227	137 902	95 637	–	–	176 476	165 029	120 584
Financial position										
Total current assets	93 649	223 902	70 698	198 179	197 396	243 935	–	205 189	204 212	184 230
Total non current assets	835 755	846 416	640 813	895 928	943 582	930 680	–	1 005 264	1 045 307	1 071 772
Total current liabilities	123 382	133 338	77 200	117 983	176 577	180 376	–	211 321	261 232	258 325
Total non current liabilities	66 859	59 820	85 400	101 935	53 735	52 079	–	85 378	84 265	85 280

Community wealth/Equity	276 101	877 162	548 911	874 189	910 666	942 160	–	913 754	904 022	912 397
Cash flows										
Net cash from (used) operating	61 951	87 192	171 194	68 460	76 263	76 263	–	43 601	38 048	57 466
Net cash from (used) investing	(29 638)	(44 285)	(250 727)	(97 909)	(67 186)	(53 500)	–	(127 615)	(97 888)	(80 339)
Net cash from (used) financing	3 910	(16 385)	30 138	21 312	(7 800)	12 400	–	16 459	(3 626)	(778)
Cash/cash equivalents at the year end	8 673	35 195	(14 200)	22 111	8 953	42 839	7 676	(24 716)	(88 181)	(111 832)
Cash backing/surplus reconciliation										
Cash and investments available	16 411	35 194	25 000	22 110	15 000	44 839	–	(20 716)	(83 181)	(103 832)
Application of cash and investments	(21 870)	(39 692)	(3 035)	364	27 435	(21 549)	–	8 524	(11 788)	(20 171)
Balance - surplus (shortfall)	38 281	74 886	28 035	21 746	(12 435)	66 388	–	(29 240)	(71 393)	(83 661)
Asset management										
Asset register summary (WDV)	32 698	87 977	280 026	181 625	79 260	79 369	79 346	79 346	79 322	79 299
Depreciation & asset impairment	25 677	67 359	45 037	50 000	50 000	50 000	58 008	58 008	63 021	64 151
Renewal of Existing Assets	–	–	12 316	1 723	–	–	–	–	–	–
Repairs and Maintenance	46 406	59 974	73 597	91 932	–	–	60 424	60 424	63 599	63 366
Free services										
Cost of Free Basic Services provided	35 540	38 987	41 498	45 080	–	–	90 017	90 017	95 211	98 235
Revenue cost of free services provided	40 516	38 960	52 674	55 160	67 940	–	86 969	86 969	93 821	99 451
Households below minimum service level										
Water:	2	2	2	2	–	–	–	–	–	–
Sanitation/sewerage:	2	2	2	2	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	10	20	30	20	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

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

improving it indicates that the necessary cash resources are available to fund the Capital Budget. Capital from own funding (accumulated surplus) will only be used based on the availability of cash.

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

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**FS204 Metsimaholo - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
<i>Governance and administration</i>		141 924	178 370	207 145	149 426	148 564	–	145 726	154 554	161 746
Executive and council		10 798	15 972	40 793	282	138	–	287	292	–
Budget and treasury office		131 126	162 398	166 352	143 542	142 646	–	134 957	143 209	152 446
Corporate services		–	–	–	5 602	5 780	–	10 482	11 053	9 300
<i>Community and public safety</i>		10 340	13 621	43 868	28 770	29 326	–	36 402	44 891	3 234
Community and social services		1 146	427	3 141	2 197	2 303	–	2 033	2 094	677
Sport and recreation		1 047	1 970	2 647	1 650	2 100	–	18 631	25 925	157
Public safety		3 675	4 669	13 080	12 508	12 508	–	13 537	14 572	–
Housing		4 472	6 555	25 000	12 415	12 415	–	2 200	2 300	2 400
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		4 606	22 618	12 936	1 850	1 870	–	2 095	575	42 954
Planning and development		900	1 186	916	530	550	–	552	575	599
Road transport		3 706	21 432	12 020	1 320	1 320	–	1 543	–	42 355
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		328 959	369 232	464 355	561 746	563 000	–	607 980	624 481	666 564
Electricity		121 399	156 803	200 044	228 680	228 730	–	231 138	240 167	275 359
Water		158 319	152 826	199 458	208 352	208 352	–	238 585	253 656	268 094
Waste water management		27 440	28 992	28 448	73 022	73 026	–	71 660	59 902	48 228
Waste management		21 801	30 611	36 405	51 692	52 892	–	66 598	70 756	74 883
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	485 829	583 841	728 304	741 792	742 760	–	792 203	824 500	874 497
Expenditure - Standard	-									
<i>Governance and administration</i>		141 419	155 477	208 214	146 380	144 467	–	158 520	174 132	179 602
Executive and council		43 062	55 172	91 344	70 533	60 589	–	75 309	90 927	97 333
Budget and treasury office		98 357	100 305	116 870	32 391	29 012	–	37 951	37 968	39 388
Corporate services		–	–	–	43 456	54 866	–	45 259	45 237	42 881
<i>Community and public safety</i>		46 241	53 176	68 223	70 419	76 620	–	73 966	79 998	67 517
Community and social services		7 635	7 328	10 299	13 033	12 037	–	13 674	14 047	13 462
Sport and recreation		17 407	19 383	23 934	22 248	24 261	–	24 582	25 529	22 245
Public safety		18 549	23 266	30 498	31 883	37 030	–	32 133	35 356	26 495
Housing		2 650	3 199	3 492	3 255	3 292	–	3 577	5 066	5 315
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		24 623	50 760	33 874	31 744	66 141	–	70 905	73 575	77 640
Planning and development		4 849	4 308	6 638	5 291	5 414	–	4 229	4 498	4 715
Road transport		19 774	46 452	27 236	26 453	60 727	–	66 676	69 078	72 925
Environmental protection		–	–	–	–	–	–	–	–	–

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<i>Trading services</i>		272 767	299 121	417 993	460 556	486 179	–	560 059	597 100	637 859
Electricity		117 459	139 280	180 730	212 736	221 054	–	256 940	278 865	306 264
Water		103 483	104 093	161 360	167 634	175 778	–	199 227	208 542	217 922
Waste water management		31 500	30 242	41 400	40 403	45 419	–	49 675	52 338	53 642
Waste management		20 325	25 506	34 503	39 783	43 928	–	54 217	57 354	60 031
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	485 050	558 534	728 304	709 099	773 407	–	863 450	924 805	962 619
Surplus/(Deficit) for the year		779	25 307	–	32 693	(30 647)	–	(71 247)	(100 305)	(88 122)

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
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 Electricity, Water, Waste water functions and the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. 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.
5. Note the Total Expenditure on this table does not include repair and maintenance (Other materials) and so does not balance to the operating expenditure shown on Table A4.

Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

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

Vote Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - Council/Mayor, Speaker and Councillors		3	5	500	–	–	–	–	–	–
Vote 2 - Municipal Manager		733	1 431	24 262	2 361	2 361	–	2 237	2 108	–
Vote 3 - Organisational Development & Corporate Services		922	706	423	513	513	–	522	527	–
Vote 4 - Social Services		28 538	37 677	55 274	68 428	68 428	–	101 189	113 918	76 141
Vote 5 - Infrastructure Services		316 806	360 068	439 980	526 003	526 003	–	560 375	569 178	634 274
Vote 6 - Financial Services		108 329	131 958	129 883	143 542	143 542	–	134 957	143 209	152 446
Vote 7 - Local Economic Development		4 188	6 975	25 480	15 945	15 945	–	10 752	11 575	12 299
Total Revenue by Vote	2	459 519	538 821	675 802	756 792	756 792	–	810 032	840 515	875 159
Expenditure by Vote to be appropriated	1									
Vote 1 - Council/Mayor, Speaker and Councillors		17 280	20 400	23 641	35 592	35 592	–	40 223	41 103	39 975
Vote 2 - Municipal Manager		41 839	29 100	62 120	47 187	47 187	–	38 001	53 083	60 390
Vote 3 - Organisational Development & Corporate Services		11 487	11 841	22 077	20 778	20 778	–	22 086	21 087	19 075
Vote 4 - Social Services		61 967	77 621	94 128	104 273	104 273	–	114 193	122 417	111 644
Vote 5 - Infrastructure Services		280 025	330 661	422 328	518 973	518 973	–	607 834	641 521	668 114
Vote 6 - Financial Services		64 142	24 607	34 640	32 437	32 437	–	37 951	37 968	39 388
Vote 7 - Local Economic Development		9 183	19 284	16 868	18 258	18 258	–	20 992	23 643	24 694
Total Expenditure by Vote	2	485 923	513 515	675 802	777 497	777 497	–	881 281	940 823	963 280
Surplus/(Deficit) for the year	2	(26 404)	25 306	–	(20 705)	(20 705)	–	(71 249)	(100 307)	(88 121)

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.

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

Description	2009/10	2010/11	2011/12	2012/2013	2012/13	2012/13	2013/14	2014/15	2015/16
R Thousand	Audit outcome	Audit outcome	Audit outcome	Original Budget	Adjusted Budget	Full Year Forecast	MTREF	MTREF	MTREF
Electricity									
Total Revenue	285 639	309 629	172 876	239 270	239 320	193 852	244 214	251 353	275 370
Total Expenditure	220 941	243 374	189 524	229 990	231 645	178 916	270 016	290 051	306 275
Surplus/(Deficit) for the year	64 698	66 255	(16 648)	9 280	7 675	14 936	(25 802)	(38 968)	(30 905)
Percentage Surplus	29.3	27.2%	(9.6%)	3.9%	3.2%	7.7%	(10.6%)	(15.5%)	(11.2%)
Water									
Total Revenue	161 346	152 826	187 217	212 289	212 289	193 346	242 797	257 743	268 221
Total Expenditure	103 483	104 093	165 877	178 014	179 714	156 192	203 440	212 630	218 050
Surplus/(Deficit) for the year	57 863	48 733	21 340	34 275	32 575	37 154	39 357	45 113	50 171
Percentage Surplus	55.9%	46.8%	11.4%	16.2%	15.4%	19.2%	16.2%	17.5%	18.7%

- The electricity trading surplus is deteriorating over the 2013/14 MTREF from a deficit of 10.6 per cent or R25.8 million in 2013/14 to a deficit of 30.9 per cent by 2015/16. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers. Problems are also experienced with NERSA regarding the approval of tariffs.

3. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 16.2 per cent, 17.5 per cent and 18.7 per cent for each of the respective financial years.

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

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

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 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 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	70 977	77 041	79 008	90 245	90 245	96 102	–	93 932	101 552	107 645
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	98 520	133 940	173 593	205 117	205 117	159 430	–	181 849	196 396	208 180
Service charges - water revenue	2	122 289	122 833	146 016	151 716	151 716	154 630	–	186 289	201 192	213 263
Service charges - sanitation revenue	2	13 623	17 970	17 046	32 518	32 518	19 355	–	31 937	34 493	36 562
Service charges - refuse revenue	2	16 163	23 629	26 882	37 112	37 112	26 023	–	43 145	46 597	49 393
Service charges - other		410	6 376	9 655	8 440	10 376	7 379	–	9 319	7 572	6 845
Rental of facilities and equipment		4 136	4 136	9 764	4 503	4 603	4 148	–	3 301	3 507	2 528
Interest earned - external investments		2 213	4 445	2 200	2 300	1 300	1 300	–	2 400	2 400	2 400
Interest earned - outstanding debtors		16 102	14 211	10 875	16 002	16 052	17 271	–	17 475	18 625	33 810
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		3 445	4 374	12 708	12 007	12 009	3 011	–	13 016	14 016	17
Licences and permits		52	73	150	163	163	93	–	171	181	–
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		66 192	83 228	95 398	107 206	104 489	104 489	–	110 587	115 458	120 991
Other revenue	2	9 401	2 729	36 606	20 695	20 580	14 322	–	24 055	23 271	7 868
Gains on disposal of PPE		695	2 530	17 000	9 000	9 000	9 000	–	5 000	5 200	5 300
Total Revenue (excluding capital transfers and contributions)		424 218	497 515	636 901	697 024	695 280	616 553	–	722 475	770 459	794 803
Expenditure By Type											
Employee related costs	2	121 595	142 166	177 843	182 964	184 123	167 878	–	198 345	216 049	236 251
Remuneration of councillors		9 283	9 737	12 402	12 863	12 863	12 268	–	13 174	13 963	14 863
Debt impairment	3	73 033	10 231	42 000	45 000	45 000	45 000	–	52 000	55 000	56 000
Depreciation & asset impairment	2	25 677	67 359	45 037	50 000	50 000	50 000	–	58 008	63 021	64 151
Finance charges		4 753	4 645	18 703	21 076	4 318	4 318	–	8 142	6 877	5 901
Bulk purchases	2	133 257	160 944	205 841	253 112	252 157	247 646	–	298 180	321 812	347 465
Other materials	8	17 350	26 492	33 782	53 399	52 752	33 663	–	60 424	63 599	63 366
Contracted services		9 801	12 309	13 003	16 092	19 892	14 907	–	22 079	24 719	17 815
Transfers and grants		9 869	15 409	24 002	31 295	31 515	–	–	48 667	52 544	55 434
Other expenditure	4, 5	44 979	58 955	98 880	111 698	110 220	80 948	–	122 260	123 238	102 034
Loss on disposal of PPE		207	5 043	–	–	–	–	–	–	–	–
Total Expenditure		449 804	513 291	671 493	777 498	762 841	656 627	–	881 279	940 821	963 281

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Surplus/(Deficit)		(25 586)	(15 776)	(34 592)	(80 474)	(67 561)	(40 074)	–	(158 803)	(170 363)	(168 478)
Transfers recognised - capital		26 328	41 082	38 901	59 768	62 480	62 480		87 556	70 057	80 355
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		742	25 306	4 309	(20 706)	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)
Taxation											
Surplus/(Deficit) after taxation		742	25 306	4 309	(20 706)	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		742	25 306	4 309	(20 706)	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)
Share of surplus/(deficit) of associate	7										
Surplus/(Deficit) for the year		742	25 306	4 309	(20 706)	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)

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

1. Total revenue is R722 475 million in 2013/14 and escalates to R794 803 million by 2015/16. This represents a year-on-year increase of 6.6 per cent for the 2014/15 financial year and 3.2 per cent for the 2015/16 financial year.
2. Revenue to be generated from property rates is R93.9 million in the 2013/14 financial year and increases to R107 645 million by 2015/16 which represents 10 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 1 per cent, 8 per cent and 6 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R443.2 million for the 2013/14 financial year and increasing to R507.4 million by 2015/16. For the 2013/14 financial year services charges amount to 61.4 per cent of the total revenue base and stay unchanged per annum over the medium-term.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 4.4 per cent and 4.8 per cent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.

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

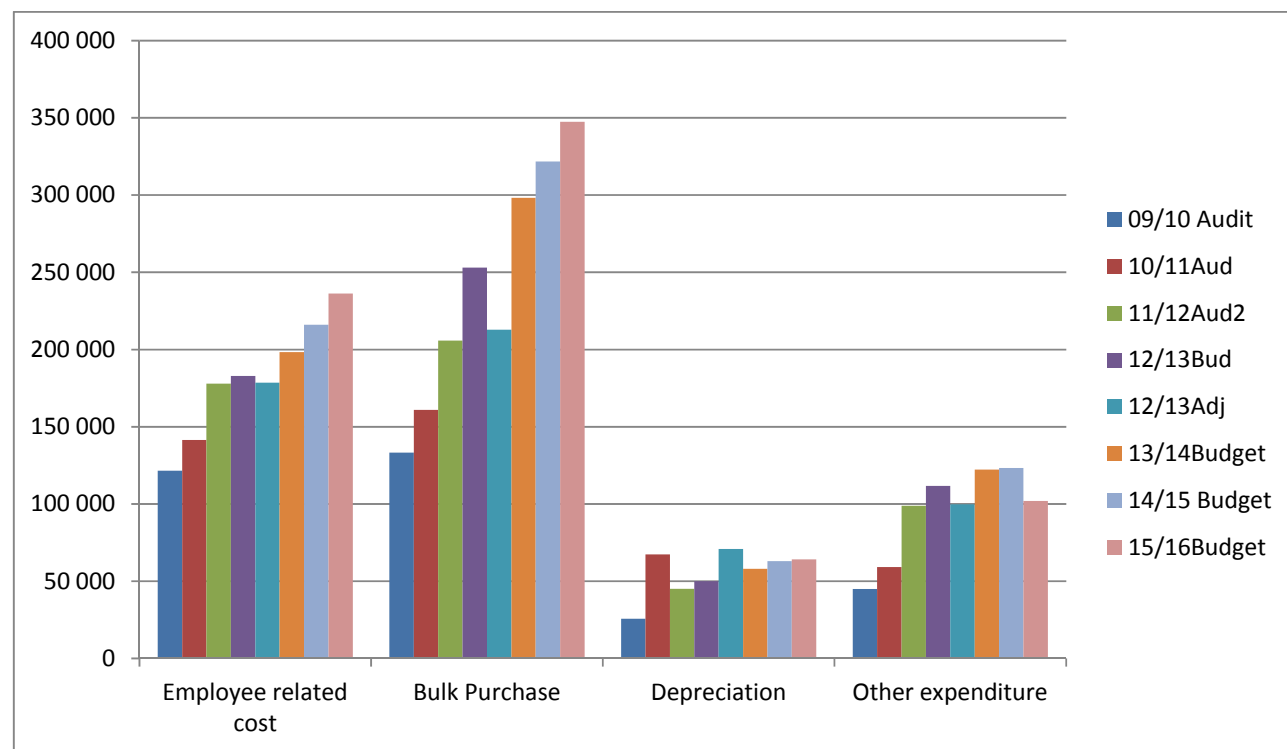


Figure 3 Expenditure by major type

6. Bulk purchases have significantly increased over the 2009/10 to 2015/16 period escalating from R133.2 million to R347.5 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Rand Water.
7. 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 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Single-year expenditure to be appropriated	2										
Vote 1 - Council/Mayor, Speaker and Councillors		–	–	–	106	106	–	–	–	–	–
Vote 2 - Municipal Manager		4 333	(1 726)	1 541	12 550	12 550	900	–	1 985	1 427	6 742
Vote 3 - Organisational Development & Corporate Services		236	410	4 628	2 110	2 110	–	–	1 600	1 700	1 100
Vote 4 - Social Services		4 817	2 632	17 151	7 138	7 138	3 369	–	32 611	40 960	9 982
Vote 5 - Infrastructure Services		23 191	41 709	123 876	42 555	42 555	–	–	138 759	90 442	101 760
Vote 6 - Financial Services		98	754	528	446	446	330	–	17	–	–
Vote 7 - Local Economic Development		13	435	130 503	750	750	–	–	1 504	30 500	1 000
Capital single-year expenditure sub-total		32 688	44 214	278 227	65 654	65 654	4 599	–	176 476	165 029	120 584
Total Capital Expenditure - Vote		32 688	44 214	278 227	65 654	65 654	4 599	–	176 476	165 029	120 584
Capital Expenditure - Standard											
<i>Governance and administration</i>		4 667	(562)	6 697	19 352	2 738	–	–	3 602	3 127	7 842
Executive and council		–	(1 726)	1 541	106	1 006			1 985	1 427	6 742
Budget and treasury office		98	754	528	16 678	330			17	–	–
Corporate services		4 569	410	4 628	2 568	1 402			1 600	1 700	1 100
<i>Community and public safety</i>		4 830	2 886	142 718	13 367	8 387	–	–	22 953	38 660	5 781
Community and social services		4 763	2 248	1 845	13 197	1 608			10 411	13 540	718
Sport and recreation		54	140	1 530	–	6 519			6 826	11 554	46
Public safety		–	244	10 343	170	260			5 717	3 567	4 017
Housing		13	254	129 000	–				–	10 000	1 000
Health		–	–	–	–						
<i>Economic and environmental services</i>		–	21 013	29 453	15 320	13 495	–	–	28 393	22 664	42 355
Planning and development		–	181	1 503	1 500				1 504	18 500	–
Road transport		–	20 832	27 950	13 820	13 495			26 889	4 164	42 355
Environmental protection		–	–	–	–						
<i>Trading services</i>		23 191	20 804	87 679	86 412	57 874	–	0	105 415	96 562	64 605
Electricity		6 683	8 982	20 609	18 200	13 662			41 828	61 050	56 790
Water		7 556	5 028	48 964	27 495	18 930			16 322	7 537	2 400
Waste water management		8 952	6 794	14 673	38 942	23 879		0	37 607	15 675	215
Waste management		–	–	3 433	1 775	1 404			9 658	12 300	5 200
<i>Other</i>		–	73	11 680	3 451	13 142			16 113	4 016	
Total Capital Expenditure - Standard	3	32 688	44 214	278 227	137 902	95 636	–	0	176 475	165 029	120 583
Funded by:											
National Government		25 997	41 082	41 901	59 768	62 486			76 997	70 057	80 355
Provincial Government		13	–	131 124	–	–			–	18 300	–

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District Municipality		-	-	5 642	-	-					
Other transfers and grants		-	-	-	-	-					
Transfers recognised - capital	4	26 010	41 082	178 667	59 768	62 486	-	-	76 997	88 357	80 355
Public contributions & donations	5	-	912	15 500	-	-			-	-	-
Borrowing	6	-	-	47 000	43 000	11 200			32 000	3 800	5 000
Internally generated funds		6 678	2 220	37 060	35 134	21 951			67 478	72 872	35 229
Total Capital Funding	7	32 688	44 214	278 227	137 902	95 637	-	-	176 476	165 029	120 584

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

1. Table A5 is a breakdown of the capital programme 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 R176.5 million for the 2013/14 financial year and flattens out over the MTREF at levels of R165 million and R121 million respectively for the two outer years.
4. 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.
5. The capital programs are funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2013/14, capital transfers (grants) totals R77 million (43.6 per cent) and escalates to R80.4 million by 2015/16 (66.6 per cent). Borrowing has been provided at R35.7 million over the MTREF with internally generated funding totaling R67.5 million, R72.9 million and R35.2 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 - Budgeted Financial Position

FS204 Metsimaholo - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		5	8 132	2 000	15 110	8 000	42 839				
Call investment deposits	1	13 976	27 062	15 000	7 000	7 000	2 000	–	4 000	5 000	8 000
Consumer debtors	1	67 350	97 207	30 098	92 388	136 774	163 474	–	165 189	168 212	143 230
Other debtors		10 127	15 940	22 000	14 000	16 622	16 622		14 000	10 000	10 000
Current portion of long-term receivables		130	14 634	–	3 681	10 000					
Inventory	2	2 061	60 927	1 600	66 000	19 000	19 000		22 000	21 000	23 000
Total current assets		93 649	223 902	70 698	198 179	197 396	243 935	–	205 189	204 212	184 230
Non current assets											
Long-term receivables		10	–	–	–						
Investments		7 738	–	8 000	–						
Investment property		–	43 724	–	43 724	79 260	79 260		79 260	79 260	79 260
Investment in Associate		–	–	–	–						
Property, plant and equipment	3	827 996	791 459	632 813	845 204	864 322	851 311	–	925 918	965 985	992 473
Agricultural											
Biological											
Intangible		11	39	–	–		109		86	62	39
Other non-current assets		–	11 194	–	7 000						
Total non current assets		835 755	846 416	640 813	895 928	943 582	930 680	–	1 005 264	1 045 307	1 071 772
TOTAL ASSETS		929 404	1 070 318	711 511	1 094 107	1 140 978	1 174 615	–	1 210 453	1 249 519	1 256 002
LIABILITIES											
Current liabilities											
Bank overdraft	1	5 308	–	–	–				24 716	88 181	111 832
Borrowing	4	17 604	15 626	16 000	2 937	1 200	2 921	–	4 205	5 751	6 493
Consumer deposits		8 341	9 558	9 200	10 000	11 000	11 000		12 000	12 300	15 000
Trade and other payables	4	92 129	107 388	52 000	105 046	164 377	166 455	–	170 400	155 000	125 000
Provisions		–	766	–	–						
Total current liabilities		123 382	133 338	77 200	117 983	176 577	180 376	–	211 321	261 232	258 325
Non current liabilities											
Borrowing		24 835	9 209	64 000	42 923	10 000	8 279	–	36 074	34 123	32 630
Provisions		42 024	50 610	21 400	59 012	43 735	43 800	–	49 304	50 142	52 650
Total non current liabilities		66 859	59 820	85 400	101 935	53 735	52 079	–	85 378	84 265	85 280
TOTAL LIABILITIES		190 241	193 157	162 600	219 918	230 312	232 455	–	296 699	345 497	343 605
NET ASSETS	5	739 163	877 161	548 911	874 189	910 666	942 160	–	913 754	904 022	912 397
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		276 101	877 162	548 911	874 189	910 666	942 160		913 754	904 022	912 397
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	276 101	877 162	548 911	874 189	910 666	942 160	–	913 754	904 022	912 397

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Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors 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 174) 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 24 MBRR Table A7 - Budgeted Cash Flow Statement

FS204 Metsimaholo - Table A7 Consolidated

Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		486 858	492 548	471 545	509 428	518 224	518 224		529 217	587 736	609 342
Government - operating	1	–	–	95 398	107 206	104 489	104 489		110 587	115 458	120 991
Government - capital	1	–	–	174 668	59 768	62 480	62 480		87 556	70 057	80 355
Interest		19 806	19 755	11 678	16 702	1 900	1 900		18 128	19 163	32 829
Dividends		–	–	–	–						
Payments											
Suppliers and employees		(439 960)	(420 681)	(533 231)	(572 053)	(575 217)	(575 217)		(645 077)	(694 945)	(724 400)
Finance charges		(4 753)	(4 430)	(24 860)	(21 076)	(4 318)	(4 318)		(8 142)	(6 877)	(5 901)
Transfers and Grants	1	–	–	(24 004)	(31 515)	(31 295)	(31 295)		(48 667)	(52 544)	(55 749)
NET CASH FROM/(USED) OPERATING ACTIVITIES		61 951	87 192	171 194	68 460	76 263	76 263	–	43 601	38 048	57 466
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		895	(44 214)	17 000	9 000	9 000	9 000		5 000	5 200	5 300
Decrease (Increase) in non-current debtors		(32 668)	(2 433)	–	–						
Decrease (increase) other non-current receivables		2 876	2 362	10 000	–						
Decrease (increase) in non-current investments		(741)	–	500	7 500	7 500	7 500				
Payments											
Capital assets		–	–	(278 227)	(114 409)	(83 686)	(70 000)		(132 615)	(103 088)	(85 639)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(29 638)	(44 285)	(250 727)	(97 909)	(67 186)	(53 500)	–	(127 615)	(97 888)	(80 339)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		9 680	–	–	–						
Borrowing long term/refinancing		(1 335)	–	47 000	32 000	11 200	11 200		32 000	3 800	
Increase (decrease) in consumer deposits		946	1 218	–	1 000		1 800		1 000	300	2 700
Payments											
Repayment of borrowing		(5 381)	(17 603)	(16 862)	(11 688)	(19 000)	(600)		(16 541)	(7 726)	(3 478)
NET CASH FROM/(USED) FINANCING ACTIVITIES		3 910	(16 385)	30 138	21 312	(7 800)	12 400	–	16 459	(3 626)	(778)
NET INCREASE/ (DECREASE) IN CASH HELD		36 223	26 522	(49 395)	(8 137)	1 277	35 163	–	(67 555)	(63 465)	(23 651)
Cash/cash equivalents at the year begin:	2	(27 550)	8 673	35 195	30 248	7 676	7 676	7 676	42 839	(24 716)	(88 181)
Cash/cash equivalents at the year end:	2	8 673	35 195	(14 200)	22 111	8 953	42 839	7 676	(24 716)	(88 181)	(111 832)

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

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

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	8 673	35 195	(14 200)	22 111	8 953	42 839	7 676	(24 716)	(88 181)	(111 832)
Other current investments > 90 days		–	(1)	31 200	(1)	6 047	2 000	(7 676)	4 000	5 000	8 000
Non current assets - Investments	1	7 738	–	8 000	–	–	–	–	–	–	–
Cash and investments available:		16 411	35 194	25 000	22 110	15 000	44 839	–	(20 716)	(83 181)	(103 832)
Application of cash and investments											
Unspent conditional transfers		15 567	11 760	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(37 437)	(51 452)	(3 035)	364	27 435	(21 549)	–	8 524	(11 788)	(20 171)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(21 870)	(39 692)	(3 035)	364	27 435	(21 549)	–	8 524	(11 788)	(20 171)
Surplus(shortfall)		38 281	74 886	28 035	21 746	(12 435)	66 388	–	(29 240)	(71 393)	(83 661)

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. It can be seen that the cash levels of the Municipality increased significantly over the 2009/10 to 2010/11 period. There was a change in cash flow and from 2010/11 the current portion of investments was included.
4. As part of the 2012/13 mid-year review and Adjustments Budget this unsustainable 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.
5. In addition the Municipality will undertake an extensive debt collection drive.
6. The 2013/14 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
7. Cash and cash equivalents totals R42.8 million as at the end of the 2012/13 financial year and decrease to cash and cash equivalents (overdraft) of R111.8 million by 2015/16. It is a direct result of the budget that is not funded.

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 2009/010to 2011/12 the surplus decrease from R38 million to R28 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2013/14 MTREF was funded owing to the significant deficit.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget has been modelled to progressively deteriorate from a deficit of R29.2 million in 2013/14 to a deficit of R83.7 million by 2015/16.
9. Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2010/11 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. For the 2011/12 financial year the unspent grant from Department of Energy of R7.1 million was deducted from the transfer of Equitable Share grant transfer in 2011/2012 and R3.5 million will be deducted in 2012/2013.

Table 26 MBRR Table A9 - Asset Management

FS204 Metsimaholo - Table A9 Consolidated Asset Management

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	32 687	44 215	280 010	136 179	-	-	169 519	128 695	114 869
Infrastructure - Road transport		-	20 813	13 420	13 820	-	-	15 493	2 200	42 355
Infrastructure - Electricity		6 673	9 508	18 280	18 200	-	-	43 800	57 550	54 100
Infrastructure - Water		7 556	2 742	48 696	27 495	-	-	12 688	5 513	400
Infrastructure - Sanitation		8 951	5 751	13 310	38 942	-	-	36 016	15 435	-
Infrastructure - Other		-	-	1 650	14 075	-	-	18 425	3 130	2 750
Infrastructure		23 180	38 814	95 356	112 532	-	-	126 422	83 828	99 605
Community		4 661	4 073	132 412	818	-	-	2 083	18 500	900
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	4 846	1 328	52 242	22 829	-	-	41 014	26 367	14 364
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	12 316	1 723	-	-	-	-	-
Infrastructure - Road transport		-	-	11 000	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	11 000	-	-	-	-	-	-
Community	-	-	-	-	400	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	1 316	1 323	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	20 813	24 420	13 820	-	-	15 493	2 200	42 355
Infrastructure - Electricity		6 673	9 508	18 280	18 200	-	-	43 800	57 550	54 100
Infrastructure - Water		7 556	2 742	48 696	27 495	-	-	12 688	5 513	400
Infrastructure - Sanitation		8 951	5 751	13 310	38 942	-	-	36 016	15 435	-
Infrastructure - Other		-	-	1 650	14 075	-	-	18 425	3 130	2 750
Infrastructure		23 180	38 814	106 356	112 532	-	-	126 422	83 828	99 605
Community		4 661	4 073	132 412	1 218	-	-	2 083	18 500	900
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		4 846	1 328	53 558	24 152	-	-	41 014	26 367	14 364
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	32 687	44 215	292 326	137 902	-	-	169 519	128 695	114 869

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ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Infrastructure - Road transport</i>		–	20 813	24 420	13 820					
<i>Infrastructure - Electricity</i>		6 673	9 508	18 280	18 200					
<i>Infrastructure - Water</i>		7 556	2 742	48 696	27 495					
<i>Infrastructure - Sanitation</i>		8 951	5 751	13 310	38 942					
<i>Infrastructure - Other</i>		–	–	1 650	14 075					
Infrastructure		23 180	38 814	106 356	112 532	–	–	–	–	–
Community		4 661	4 073	132 412	1 218					
Heritage assets		–	–	–	–					
Investment properties		–	43 724	–	43 724	79 260	79 260	79 260	79 260	79 260
Other assets		4 846	1 327	41 258	24 151					
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		11	39	–	–	–	109	86	62	39
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	32 698	87 977	280 026	181 625	79 260	79 369	79 346	79 322	79 299
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		25 677	67 359	45 037	50 000	50 000	50 000	58 008	63 021	64 151
<u>Repairs and Maintenance by Asset Class</u>	3	46 406	59 974	73 597	91 932	–	–	60 424	63 599	63 366
<i>Infrastructure - Road transport</i>		11 900	20 859	16 648	27 519	–	–	30 620	32 160	33 516
<i>Infrastructure - Electricity</i>		8 484	8 830	13 184	21 155	–	–	6 879	7 280	6 970
<i>Infrastructure - Water</i>		9 961	6 978	14 008	17 792	–	–	6 163	6 471	6 794
<i>Infrastructure - Sanitation</i>		6 436	6 707	11 308	12 970	–	–	3 555	3 733	3 919
<i>Infrastructure - Other</i>		–	629	770	812	–	–	300	300	300
Infrastructure		36 781	44 003	55 918	80 248	–	–	47 517	49 944	51 500
Community		64	–	704	443	–	–	641	633	53
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	9 561	15 971	16 975	11 241	–	–	12 266	13 022	11 813
TOTAL EXPENDITURE OTHER ITEMS		72 083	127 333	118 634	141 932	50 000	50 000	118 432	126 620	127 517
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	4.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	27.3%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		5.6%	7.6%	11.6%	10.9%	0.0%	0.0%	6.5%	6.6%	6.4%
<i>Renewal and R&M as a % of PPE</i>		142.0%	68.0%	31.0%	52.0%	0.0%	0.0%	76.0%	80.0%	80.0%

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, and allocations to repairs and maintenance should be 8 per cent of PPE. The requirements on repair and maintenance are met when the employee related cost is added to materials, 2013/14 11.5 per cent, 2014/15 11.4 per cent and 2015/16 11.3 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 Consolidated basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		22 000	22 000	25 000	25 000					
Piped water inside yard (but not in dwelling)		1 000	1 000	2 000	2 000					
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		23 000	23 000	27 000	27 000	-	-	-	-	-
Using public tap (< min.service level)	3	2 000	2 000	2 000	2 000					
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		2 000	2 000	2 000	2 000	-	-	-	-	-
Total number of households	5	25 000	25 000	29 000	29 000	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		14 000	14 000	19 000	19 000					
Flush toilet (with septic tank)		1 000	1 000	1 000	1 000					
Chemical toilet		-	-	6 000	6 000					
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		15 000	15 000	26 000	26 000	-	-	-	-	-
Bucket toilet		2 000	2 000	2 000	2 000					
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		2 000	2 000	2 000	2 000	-	-	-	-	-
Total number of households	5	17 000	17 000	28 000	28 000	-	-	-	-	-
<u>Energy:</u>										
Electricity (at least min.service level)		17 000	17 000	4 000	6 000					
Electricity - prepaid (min.service level)		15 000	15 000	27 000	28 000					
<i>Minimum Service Level and Above sub-total</i>		32 000	32 000	31 000	34 000	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min.service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	32 000	32 000	31 000	34 000	-	-	-	-	-
<u>Refuse:</u>										
Removed at least once a		38 000	40 000	40 000	45 000					

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week									
<i>Minimum Service Level and Above sub-total</i>		38 000	40 000	40 000	45 000	-	-	-	-
Removed less frequently than once a week		5 000	10 000	15 000	10 000				
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal		5 000	10 000	15 000	10 000				
<i>Below Minimum Service Level sub-total</i>		10 000	20 000	30 000	20 000	-	-	-	-
Total number of households	5	48 000	60 000	70 000	65 000	-	-	-	-
Households receiving Free Basic Service	7								
Water (6 kilolitres per household per month)		26 000	26 000	29 000	29 000	29 000		24 937	24 937
Sanitation (free minimum level service)		16 000	16 000	20 000	20 000	20 000		29 460	29 460
Electricity/other energy (50kwh per household per month)		32 000	32 000	31 000	34 000	34 000		26 400	26 400
Refuse (removed at least once a week)		6 000	6 000	12 000	12 000	12 000		11 940	11 940
Cost of Free Basic Services provided (R'000)	8								
Water (6 kilolitres per household per month)		17 560	17 153	19 170	18 043			19 724	20 615
Sanitation (free sanitation service)		3 976	4 415	4 218	5 293			32 134	33 865
Electricity/other energy (50kwh per household per month)		9 594	11 785	11 470	10 160			21 859	23 440
Refuse (removed once a week)		4 410	5 634	6 640	11 584			16 300	17 291
Total cost of FBS provided (minimum social package)		35 540	38 987	41 498	45 080	-	-	90 017	95 211
Highest level of free service provided									
Property rates (R value threshold)		35 000	35 000	35 000	35 000	35 000	35 000	35 000	35 000
Water (kilolitres per household per month)		10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)		56	60	64	68	68	68	73	79
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50
Refuse (average litres per week)		69	72	77	82	82	82	88	101
Revenue cost of free services provided (R'000)	9								
Property rates (R15 000 threshold rebate)		-	-	9 529	9 214	9 214		10 504	11 239
Property rates (other exemptions, reductions and rebates)		4 976	-	-	-				
Water		17 560	17 153	19 170	22 498	29 716		36 299	39 203
Sanitation		3 976	4 415	5 865	1 704	6 997		9 264	10 005
Electricity/other energy		9 594	11 758	11 470	10 160	10 160		10 819	11 685
Refuse		4 410	5 634	6 640	11 584	11 854		20 083	21 689
Municipal Housing - rental rebates									
Housing - top structure	6								

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subsidies										
Other										
Total revenue cost of free services provided (total social package)										
	40 516	38 960	52 674	55 160	67 940	–	86 969	93 821	99 451	

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 reduced by 3 600 households in 2012/13
 - 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 19 000 households to be registered as indigent in 2013/14, and therefore entitled to receiving 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 R66 million in 2013/14 and it increases to R76 million in 2015/16. This is covered by the municipality's equitable share allocation from national government.
6. In addition to the Free Basic Services, the Municipality also 'gives' households R18.8 million in free services in 2013/14, and it increases to R21.6 million in 2015/16. The forgone income on Rates for valuation less than R35 000 that all households receives is R10.5 million.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 July 2012. Attached as Annexure B on page___ the time table for IDP and Budget process. Key dates applicable to the process were:

- **November 2012** – 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 2013** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **February 2013** – Multi-year budget proposals are submitted to the Portfolio Committee for endorsement;
- **February 2013** - Council considers the 2012/13 Mid-year Review and Adjustments Budget;
- **March 2013** - Recommendations are communicated to the respective departments.
- **20 March 2013**- Recommendations are communicated to informal Council meeting, and on to the respective departments. The draft 2013/14 MTREF is revised accordingly;
- **27 March 2013** - Tabling in Council of the draft 2013/14 IDP and 2013/14 MTREF for public consultation;
- **April 2013** – Public consultation;
- **10 May 2013** - Closing date for written comments;
- **1 to 20 May 2013**– finalisation of the 2013/14 IDP and 2013/14 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;
- **22 May 2013** - Informal Council meeting, and
- **31 May 2013** - Tabling of the 2013/14MTREF 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

This is a new 5-year IDP which will cover the period 2012/13 to 2016/17 and was adopted by Council in May 2012. It started in September 2011 after the tabling of the IDP Process Plan and the Budget Time Schedule for the drafting and compilation of the 2013/14 IDP and MTREF.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into strategic priorities objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the compilation of the new 5-year plan included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/14 MTREF, based on the approved 2012/13 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2013/14MTREF, each directorate/department had to review the business planning process, including the setting of priorities and targets in line with the 2011 Local Government Election Manifesto (LGEM), Medium Term Strategic Framework (MTSF) priorities and the revised National Key Performance Indicators (NKPIs). Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 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 2013/14 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 2012/13 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 51,58.64,66 and 67 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2013/14 MTREF as tabled before Council on 27 March 2013 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.

2013/14 IDP& BUDGET TIME-SCHEDULE (ROADSHOW WARD-BASED MEETINGS)

Notice is hereby given in accordance with Municipal Systems Act, 32 of 2000 Chapter 5, Section 34 read together with Municipal Financial Management Act, 56 of 2003 Chapter 4, Section 21 which prescribe that Municipal Councils must coordinate the process of preparing the annual budget and for reviewing the Municipality's Integrated Development Plan (IDP) and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

In light of the above exposition, Metsimaholo Local Municipality will embark on Public consultation process (road shows) with intention to review and amend its IDP and Budget.

IDP and Budget Public Participation public consultation meetings (Time-schedule) are scheduled as follows:

<i>WARD</i>	<i>DATE</i>	<i>TIME</i>	<i>VENUE</i>	<i>RESPONSIBLE WARD COUNCILLOR</i>
Ward 1(Phase 1)	02/04/2013 Tuesday	17h00	Zakwe's House	Cllr M. A Tamane

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Ward 1 (Phase 4) Ward 2	03/04/2013 Wednesday	17h00	Lehutso Primary School	CIlrM.D Nthebe
Ward 3,4& Ward 20	04/04/2014 Thursday	17h00	Refengkgotso Community Hall	CIlr N. Mdola, CIlr D. Motlounge & CIlr P.S Poho
Ward 5	04/04/2014 Thursday	18h00	Deneysville Primary School	CIlr S. Moreki
Ward 5	08/04/2013 Monday	17h00	Metsimaholo Community Hall	CIlr S. Moreki
Ward 5	08/04/2013 Monday	18h00	Orangeville Primary School	CIlrS. Moreki
Ward 6	09/04/2013 Tuesday	17h00	Credo Primary School	CIlr N.M Sejake
Ward 7	10/04/2013 Wednesday	17h00	ThehaSetjhaba Primary School	CIlr T. E Mosia
Ward 8	11/04/2013 Thursday	17h00	Zamdela Arts & Culture Centre	CIlr L.S Semonyo
Ward 9	15/04/2013 Monday	17h00	Lerato Hall	CIlr S.Mofokeng
Ward 10	16/04/2013 Tuesday	17h00	Iketsetseng Secondary School	CIlr L.S Lempe
Ward 11	17/04/2013 Wednesday	17h00	Zamdela Hall	CIlr T. Mabasa
Ward 12	18/04/2013 Thursday	17h00	Boiketlong Hall	CIlr B.S Khunou
Ward 13	22/04/2013 Monday	17h00	Open Space	CIlr M.J Phepeng/ Lelahla
Ward14 & Ward 18	23/04/2013 Tuesday	18h00	Vaalpark Primary	CIlr I.D Viljoen CIlr D.M.M Oswald
Ward15, Ward16 & Ward 17	23/04/2013 Tuesday	18h00	Ettiene Rousseau Theatre	CIlr W. Grobblers CIlr H. Moolman

				Cllr M. Van der Walt
Ward 19	24/04/2013 Wednesday	17h00	Amelia Sports ground	Cllr K.A Mare
Ward 21	25/04/2013 Thursday	17h00	Sports ground: Next to Roman Catholic Church	Cllr L. Chebase
Business Sector	26/04/2013 Friday	07h30	Ettiene Rousseau Theatre	All Councillors
Farms	29/04/2013 Monday	07h30	Ettiene Rousseau Theatre	All Councillors

Please attend these very informative and interactive public sessions/meetings. For more information, contact Mr. Sello Mokoena: Manager IDP & PMS at (016) 973 8348/8356. E.mail: sello.mokoena@metsimaholo.gov.za

Mr S.M Molala

(Municipal Manager)

2.2 Overview of alignment of annual budget with IDP

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

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the

Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2011/12 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 following strategic priorities, key performance areas and programmes were confirmed by the municipality and form the basis for the development of the new 5-Year IDP of the municipality.

Table 28 IDP Strategic Priorities

	Strategic Priority	Key Performance Area	Programmes
1	Build our local economy to create more employment, decent work and sustainable livelihoods	Local Economic Development	Local Economic Development Sustainable livelihoods
2	Broaden access to and improve the quality of municipal services	Basic service delivery and infrastructure development	Water Sanitation Electricity Roads and storm water Waste management Community facilities
3	Build united, non-racial, integrated and safer communities	Community development and social cohesion	Clean communities Safe communities Healthy communities Arts and culture Disaster management
		Basic service delivery and infrastructure development	Human settlements Spatial development Public transport
4	Promote active community participation	Good governance and community participation	Local democratic governance
5	Ensure more effective, accountable and clean local government that works together with national and provincial government	Good governance and community participation	Corporate governance Intergovernmental Relations Customer care
		Financial management and viability	Revenue and cash flow management SCM and Expenditure management Budgeting and reporting Clean Audit Asset management Facilities management
		Municipal transformation and institutional development	Human capital Institutional excellence

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

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

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

The 2012/13 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 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

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

and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Good governance and community participation	Corporate and democratic governance			4	5	500	–	–		–	–	–
Good governance and community participation	Institutional and capacity development			753	1 943	24 272	2 372	2 364		2 337	2 108	–
Financial viability and financial management	Financial liquidity and viability			108 329	131 883	129 883	143 542	142 646		134 957	143 209	152 446
Transformation and institutional development	Institutional and capacity development			922	706	423	513	544		522	527	–
Community development and social cohesion	Refuse removal			22 670	30 611	36 406	52 073	53 273		66 988	71 328	75 307
Community development and social cohesion	Safety and security			3 675	4 669	13 080	12 508	12 508		13 537	14 572	–
Community development and social cohesion	Sports, recreation and community facilities			1 728	2 083	4 775	3 429	3 981		19 708	27 055	157
Community development and social cohesion	Cemetries			207	194	883	270	270		295	295	–
Community development and social cohesion	Education			257	120	131	148	152		661	669	677
Basic service delivery and infrastructure investment	Electricity provision			124 293	156 803	200 044	239 270	239 320		244 214	251 353	275 370
Basic service delivery and infrastructure investment	Road and storm water			3 706	21 432	12 020	1 320	1 320		1 543	–	42 355
Basic service delivery and infrastructure investment	Sanitation provision			27 440	28 992	28 448	73 114	73 118		71 811	60 072	48 328

Basic service delivery and infrastructure investment	Water provision			161 348	152 826	199 457	212 289	212 289		242 797	257 743	268 222
Basic service delivery and infrastructure investment	Housing			4 008	6 555	25 000	12 415	12 415		7 200	7 500	7 700
Basic service delivery and infrastructure investment	Land availability			180	–	480	530	550		552	575	599
Local economic development and poverty alleviation	Local economic development			–	–	–	3 000	3 000		3 000	3 500	4 000
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	459 520	538 822	675 802	756 793	757 751	–	810 122	840 506	875 158

Table 30 MBRR 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)

Expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Good governance and community participation	Corporate and democratic governance			17 280	20 358	23 642	35 592	33 932		36 652	41 103	39 975
Good governance and community participation	Institutional and capacity development			24 285	74 463	77 910	54 829	48 246		38 001	53 083	60 390
Financial viability and financial management	Financial liquidity and viability			58 598	24 607	34 640	32 825	29 012		37 951	37 968	39 388
Transformation and institutional development	Institutional and capacity development			11 487	11 841	22 076	20 778	20 870		22 086	21 087	19 075
Community development and social cohesion	Refuse removal			20 326	25 506	34 504	42 790	44 309		54 607	57 927	60 454
Community development and social cohesion	Safety and security			16 562	19 119	24 804	27 289	27 201		22 518	25 737	25 737
Community development and social cohesion	Sports, recreation and community facilities			19 223	21 094	26 801	26 816	27 076		27 691	28 811	24 956
Community development and social cohesion	Cemetries			691	713	1 738	1 659	1 614		1 649	1 758	1 659

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Community development and social cohesion	Education		3 931	4 362	4 792	4 916	4 922		5 255	5 597	5 641	
Basic service delivery and infrastructure investment	Electricity provision		117 459	141 929	180 730	223 037	531 636		274 717	294 943	310 989	
Basic service delivery and infrastructure investment	Road and storm water		19 774	46 415	27 236	61 377	60 727		66 676	69 078	72 925	
Basic service delivery and infrastructure investment	Sanitation provision		31 500	30 242	41 400	47 009	45 512		71 811	60 072	48 328	
Basic service delivery and infrastructure investment	Water provision		103 483	104 130	161 360	181 150	179 714		242 797	257 743	268 222	
Basic service delivery and infrastructure investment	Housing		5 224	15 638	8 382	11 908	11 969		12 304	14 208	14 891	
Basic service delivery and infrastructure investment	Land availability		2 807	2 572	4 384	3 954	4 009					
Local economic development and poverty alleviation	Local economic development		568	697	1 403	1 569	1 572		1 556	1 627	1 508	
Allocations to other priorities												
Total Expenditure			1	453 198	543 686	675 802	777 498	1 072 321	–	916 271	970 743	994 137

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

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

Capital expenditure												
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Good governance and community participation	Corporate and democratic governance	A		–	–	20	106	1 006		–	–	–

Good governance and community participation	Institutional and capacity development	B		4 828	426	1 521	2 110	2 110		1 985	1 427	6 742
Financial viability and financial management	Financial liquidity and viability	C		98	8	528	13 096	330		17	–	–
Transformation and institutional development	Institutional and capacity development	D		4 569	–	4 628	2 242	1 402		1 600	1 700	1 100
Community development and social cohesion	Refuse removal	E		–	178	9 633	1 904	1 404		9 658	12 300	5 200
Community development and social cohesion	Safety and security	F		–	34	10 343	450	260		5 717	3 567	4 017
Community development and social cohesion	Sports, recreation and community facilities	G		–	42	8 665	2 288	17 015		31 384	40 882	9 904
Community development and social cohesion	Cemeteries	H		–	1 972	65	2 496	2 496		1 227	78	78
Community development and social cohesion	Education	I		–	3	124	–	–		–	–	–
Basic service delivery and infrastructure investment	Electricity provision	J		6 683	9 533	20 609	20 225	13 662		42 141	61 050	56 790
Basic service delivery and infrastructure investment	Road and storm water	K		–	20 816	27 950	24 370	13 142		26 889	4 164	42 355
Basic service delivery and infrastructure investment	Sanitation provision	L		8 941	6 794	14 673	40 265	23 879		37 607	15 675	215
Basic service delivery and infrastructure investment	Water provision	M		7 556	2 758	48 964	27 600	18 930		16 322	7 537	2 400
Basic service delivery and infrastructure investment	Housing	N		13	–	129 000	–	–		–	10 000	1 000
Basic service delivery and infrastructure investment	Land availability	O		–	–	1 500	750	–		–	200	1 000

Local economic development and poverty alleviation	Local economic development	P		–	–	3	–	–		4	200	–
Allocations to other priorities			3									
Total Capital Expenditure			1	32 688	42 564	278 226	137 902	95 636	–	174 551	158 780	130 801

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:

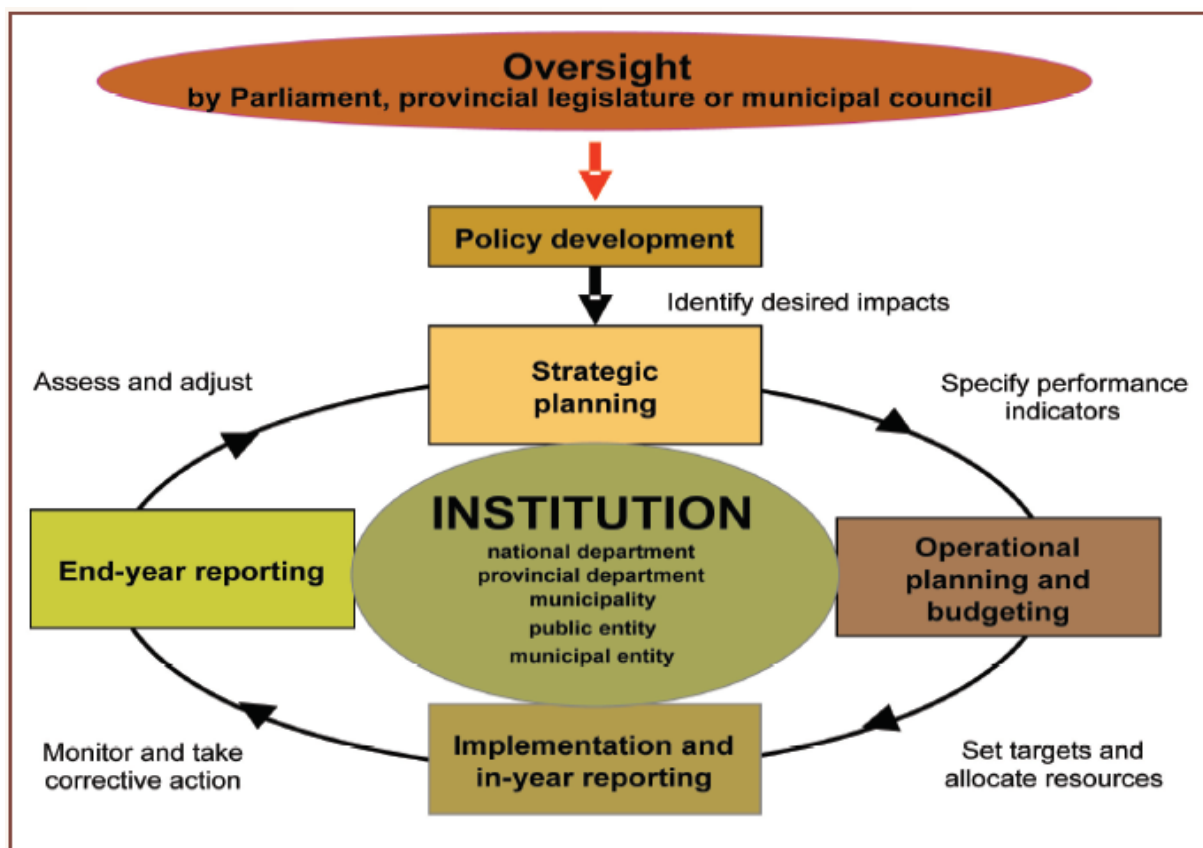


Figure 5 Planning, budgeting and reporting cycle

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:

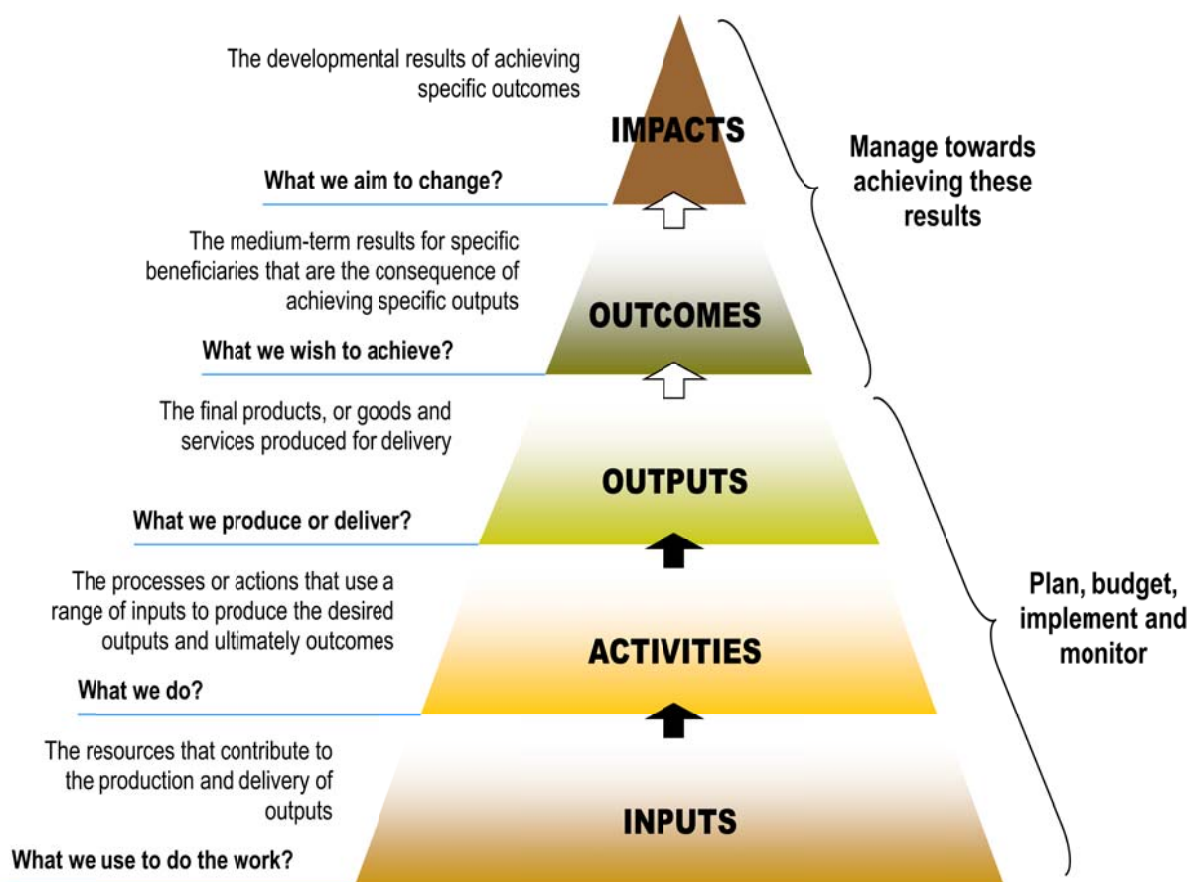


Figure 6 Definition of performance information concepts

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

(Table be updated after MTREF be tabled)

FS204 Metsimaholo - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Basic Service delivery and infrastructure	Bulk water supply baseline									
Technical Services										
Water provision										
Access to potable water			60.0%	80.0%	100.0%					
Reservoir			50.0%	75.0%	100.0%					
Water										

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Water household connections in yard	Formal		95.0%	97.0%	94.0%					
Water household communal standpipe	Informal		60.0%	100.0%	100.0%					
Water										
Blue drop accreditationsystems	Compliance		48.7%	90.0%	90.0%					
Water leaks	Number		93.0%	95.0%	96.0%					
Technical Services										
Sanitation										
Sewer network address backlog	4400			22.7%	100.0%					
Water borne system(decent)	Number of new		72.0%	75.0%	86.0%					
Sanitation										
Maintenance	Maintenance plan		100.0%	100.0%	100.0%					
Blockages	% blockages attend in 24		80.0%	90.0%	91.0%					
Roads										
Roads and stormwater	% roads maintenance plan		100.0%	100.0%	100.0%					
Basic service delivery and infrastructure										
Technical Services										
Roads										
Sufficient roads	Number of km roads		18.8%	57.1%	100.0%					
Stormwater										
Sufficient stormwater network	kms of stormwater erected		0.0%	44.8%	100.0%					
Roads and stormwater										
Improving accessibility of roads	Developed masterplan		0.0%	50.0%	100.0%					
Technical Services										
Electricity										
Access to electricity to all communities	No. of new connections		100.0%	90.0%	90.0%					
Electricity										
Access to electricity to all communities	Develop masterplan		0.0%	50.0%	100.0%					
Electricity										
Reduce distribution losses	kwh units		10.0%	8.0%	8.0%					
Basic Service delivery and infrastructure										
LED										
Housing										
Housing allocations	Nr beneficiaries		100.0%	100.0%	100.0%					
Subsidy applications processed	2 months		100.0%	100.0%	100.0%					
Urban Planning										
Land availability	Land secured per SDF		100.0%	100.0%	100.0%					
Effective land utilisation	% rezoning, subdivision		100.0%	100.0%	100.0%					

LED and poverty alleviation										
Employment opportunities	EPWP initiatives		0.0%	10.0%	70.0%					
Employment opportunities	Other initiatives		0.0%	50.0%	100.0%					
Social Services										
Refuse removal										
Refuse removal	Households		80.2%	90.0%	92.0%					
Waste management plan	Compliance		0.0%	25.0%	50.0%					
Refuse removal										
New landfill site	Legislation		10.0%	20.0%	30.0%					
Sufficient and well manage landfill sites	Legislation		50.0%	50.0%	550.0%					
Sub-function 3 - (name)										
Promote clean and healthy environment	Number awareness		0.0%	0.0%	80.0%					
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 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	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.3%	4.3%	5.3%	4.2%	3.1%	0.7%	0.0%	2.8%	1.6%	1.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.8%	5.4%	6.6%	5.6%	3.9%	1.0%	0.0%	4.0%	2.2%	1.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	125.0%	0.0%	55.9%	543.7%	353.5%	243.5%	0.0%	32.2%	5.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.8	1.7	0.9	1.7	1.1	1.4	-	1.0	0.8	0.7

Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.8	1.7	0.9	1.7	1.1	1.4	-	1.0	0.8	0.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.3	0.2	0.2	0.1	0.2	-	0.0	0.0	0.0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		128.7%	120.9%	92.2%	88.1%	89.3%	103.3%	0.0%	87.5%	90.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			137.1%	120.9%	90.3%	88.1%	89.3%	103.3%	0.0%	87.5%	90.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.3%	25.7%	8.2%	15.8%	23.5%	29.2%	0.0%	24.8%	23.1%	19.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		793.2%	242.6%	-309.9%	425.3%	1836.0%	383.9%	0.0%	-669.2%	-170.1%	-107.3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	18.60%	8%	10.00%	10%						
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ)	13.30%	18.00%	10%	10%						
	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.7%	28.6%	27.9%	26.2%	26.5%	27.2%	0.0%	27.5%	28.0%	29.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.9%	30.4%	29.7%	28.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.9%	12.1%	11.6%	13.2%	0.0%	0.0%	0.0%	8.4%	8.3%	8.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.2%	14.5%	10.0%	10.2%	7.8%	8.8%	0.0%	9.2%	9.1%	8.8%
IDP regulation financial viability indicators											
	-										

i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	9.6	14.5	19.1	28.2	28.2	28.2	–	22.8	18.0	18.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	23.8%	33.1%	11.3%	20.8%	30.7%	38.6%	0.0%	32.6%	30.1%	24.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.3	1.1	(0.3)	0.4	0.2	1.0	–	(0.4)	(1.4)	(1.7)

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

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

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2012/13 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 2012/13 MTREF the current ratio is 1.4 and 1.0 in the 2013/14 financial year and 0.8 and 0.7 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 2012/13 financial year the ratio was 0.2 and decrease to 0 in the 2013/14 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.3 Revenue Management

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

2.3.1.4 Creditors Management

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

2.3.1.5 Other Indicators

- The electricity distribution losses have stayed unchanged at 10 per cent in the 2013/14 financial year the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have been unchanged from 10. per cent in 2012/13 to 10 per cent in 2013/14. It is planned to further reduce distribution losses from 10 per cent in 2012/13 to 9 per cent by 2014/15.
- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing.

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 2013/14 financial year 19 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 10 kℓ fee water, 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 if valuation of property exceed R84000, on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with

the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 98.

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 48.1% on the Blue Drop status in 2010/11, 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.

Of the 8 waste water treatment works, two were awarded Green Drop status in 2010/11, indicating that these two plants consistently meet waste water treatment standards of exceptional quality. The remaining 6 plants will require renewals/upgrading to meet the minimum Green Drop certification standards. This has been prioritised as part of the 2011/12 medium term capital budget. The municipality was the best performer within the Free State, having 61.8% compliance.

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

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

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

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

- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Credit Control Policy as approved by Council in October 2004 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The Credit Control and Debt Collection Policy must go for public participation.

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 90 per cent on current billings.

2.4.2 Supply Chain Management Policy

The revised Supply Chain Management Policy was adopted by Council in February 2012.

2.4.3 Budget and Virement Policy

A Budget and Virement Policy that aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget policy is in place and draft Virement Policy is developed..

2.4.4 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy are outdated and must be revised. The draft Cash Management and Investment Policy is available.

2.4.5 Tariff Policy

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

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- **Property Rates Policy**
The new valuation roll will be implemented from 1 July 2013. The valuation date is determined as 1 July 2012 in terms of section 31(1) of the Property Rates Act (Act 6 of 2001). The policy be amended with the threshold to qualify for the rebate of pensioners to in R7 500
- Indigent Policy. The policy must be revised.
- Revenue Enhancement Strategy in process to be reviewed

2.5 Overview of budget assumptions

2.5.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1.8 per cent last year and about 470 000 people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2012 will be 2.7 per cent rising to 3.6 per cent by 2013 and 4.2% in 2014.

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.

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 2013/14 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 22.5 per cent of total operating expenditure in the 2013/14 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2009 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted.

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. The Municipality engages in a financing arrangement with the Development Bank of South Africa.

2.5.4 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (90 per cent) of annual billings. Cash flow is assumed to be 90 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' 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 2009 and shall remain in force until 30 June 2012.

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 80 and 100 per cent is achieved on operating expenditure and 60 per cent on the capital programme for the 2013/14 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					
	2013/2014		2014/2015		2015/2016	
	R'000	%	R'000	%	R'000	%
Property rates	93 932	11	101 552	12	107 645	12
Electricity	181 849	22	196 396	23	208 180	24
Water	186 289	24	201 192	24	213 263	24
Sanitation	31 937	4	34 493	4	36 562	4
Refuse removal	43 145	5	46 597	6	49 393	6
Interest	19 875	2	21 025	3	36 210	4
Transfers and Grants	198 143	25	185 515	22	201 346	23
Other own revenue	54 861	7	53 746	6	22 559	3
Total Operating revenue	810 031	100	840 516	100	875 158	100
Total Operating Expenditure	(881 279)		(940 821)		(963 281)	
Surplus/(Deficit)	(71 248)		(100 305)		(88 123)	

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.

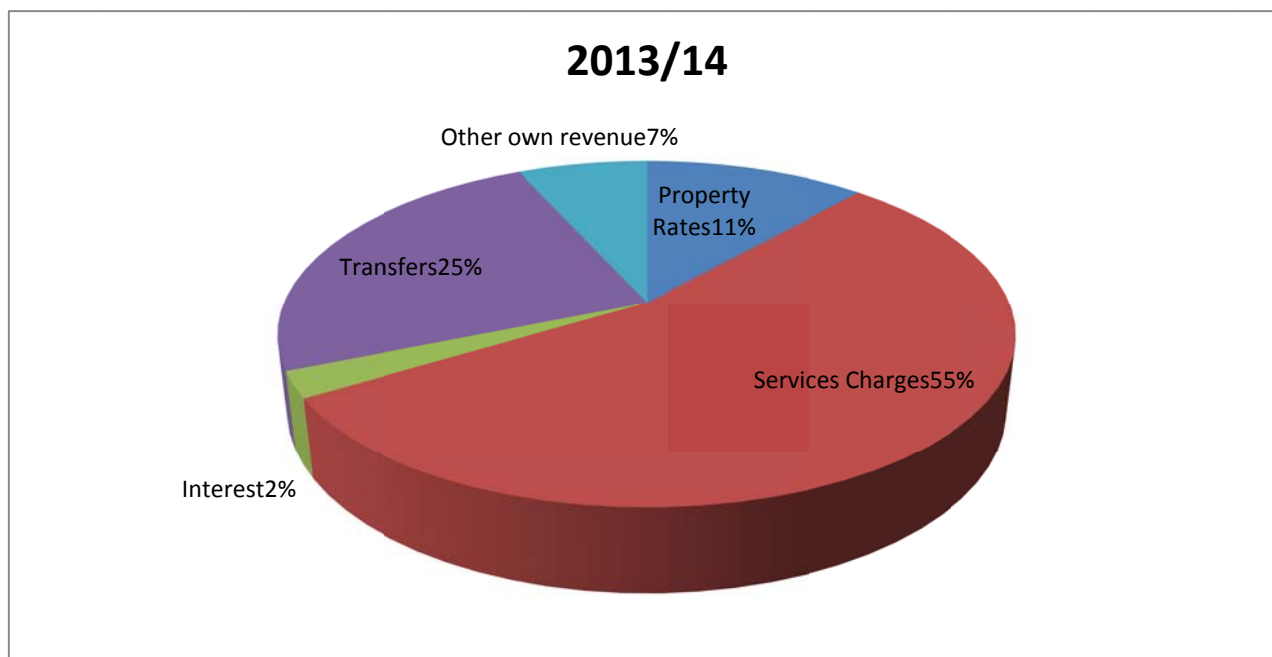


Figure 7 Breakdown of operating revenue over the 2012/13 MTREF

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

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 90 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	2013/14 proposed tariff increase	2014/15 proposed tariff increase	2015/16 proposed tariff increase
	%	%	%
Property rates	1	8	6
Sanitation	6-15	8	6
Solid Waste	7-12.5	8	6
Water	7-15	8	6
Electricity	6	8	6

The Municipality is still in a process of further data verification and validation relating to the valuation roll. It is anticipated that the process will be concluded by the end of 2013. As the levying of property rates is considered a strategic revenue source the five year valuation of property starts in 4th quarter of the 2011/12 financial year. The new valuation roll will be implemented on 1 July 2013. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R443 million for the 2013/14 financial year and increasing to R507 million by 2015/16. For the 2013/14 financial year services charges amount to 55 per cent of the total revenue base and increase by less than 3 per cent per annum over the medium-term.

Operational grants and subsidies amount to R110.5 million, R115.5 million and R121 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 R19.9 million, R21 million and R36 million for the respective three financial years of the 2013/14 MTREF. Interest is mainly made up from outstanding debtors

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

Table 35 MBRR SA15 – Detail Investment Information

FS204 Metsimaholo - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		29 499	38 015	8 000	7 000	2 000		4 000	5 000	8 000
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										
Municipality sub-total	1	29 499	38 015	8 000	7 000	2 000	-	4 000	5 000	8 000
Consolidated total:		29 499	38 015	8 000	7 000	2 000	-	4 000	5 000	8 000

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)	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months				Rand thousand	
Parent municipality							
Banks			Call/32 days		5 000	2 300	
Sanlam		10 years		01-Jan-13		-	-
Municipality sub-total						5 000	2 300
TOTAL INVESTMENTS AND INTEREST	1					5 000	2 300

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2012/13 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Capital funding per Source	12/13 Adjustment Budget	%	13/14 Budget	%	14/15 Budget	%	15/16 Budget	%
	R'000		R'000		R'000			
Budget Grants								
National Government Grants	62 486	65.4	76 997	43.7	88 357	53.5	80 355	66.6
Finance lease							5 000	4.2
Own Funds	21 951	22.9	67 479	38.2	72 872	44.2	35 229	29.2
External Loans	11 200	11.7	32 000	18.1	3 800	2.3	0	
Total Capital Funding by Source	95 637	100	176 476	100	165 029	100	120 584	100

The above table is graphically represented as follows for the 2013/14 financial year.

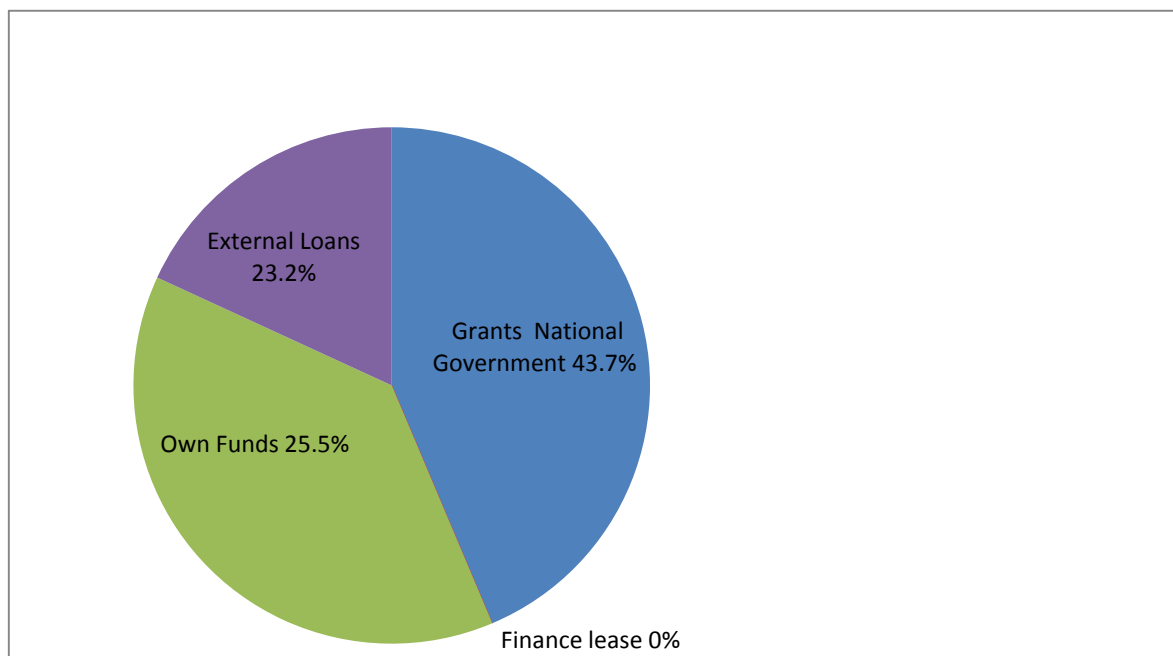


Figure 8 Sources of capital revenue for the 2013/14 financial year

Capital grants and receipts equates to 43.7 per cent of the total funding source which represents R76.9 million for the 2013/14 financial year and steadily increase to R80.4 million or 66.6 per cent by 2015/2016, Grants received from MIG, COGTA and DoE.

Loan from Development Bank of South Africa is taken up over 3 financial years.

Internally generated funds consist of R67 million in 2013/14, R73million in 2014/15 and R35million in 2015/16.

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	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	8 673	35 195	(14 200)	22 111	8 953	42 839	7 676	(24 716)	(88 181)	(111 832)
Cash + investments at the yr end less applications - R'000	18(1)b	2	38 281	74 886	28 035	21 746	(12 435)	66 388	-	(29 240)	(71 393)	(83 661)
Cash year end/monthly employee/supplier payments Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)b	3	0.3	1.1	(0.3)	0.4	0.2	1.0	-	(0.4)	(1.4)	(1.7)
Service charge rev % change - macro CPIX target exclusive	18(1)	4	742	25 306	4 309	(20 706)	(5 081)	22 406	-	(71 247)	306	(88 123)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	5	N.A.	12.6%	12.4%	10.1%	(5.6%)	(18.2%)	(106.0%)	(2.3%)	1.6%	(0.2%)
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	6	137.1%	120.9%	90.3%	88.1%	89.3%	103.3%	0.0%	87.5%	90.8%	91.5%
Capital payments % of capital expenditure	18(1)a,(2)	7	22.4%	2.7%	9.1%	8.5%	8.5%	9.6%	0.0%	9.5%	9.3%	9.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c;19	8	0.0%	0.0%	100.0%	174.3%	127.5%	1522.1%	0.0%	75.1%	62.5%	71.0%
Grants % of Govt. legislated/gazetted allocations	18(1)c	9	(20.0%)	0.0%	47.2%	543.7%	353.5%	243.5%	0.0%	32.2%	5.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	10								0.0%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	11	N.A.	64.7%	(59.2%)	111.3%	48.4%	10.2%	(100.0%)	9.7%	(0.5%)	(14.0%)
R&M % of Property Plant & Equipment	18(1)a	12	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	13	5.6%	7.6%	11.6%	10.9%	0.0%	0.0%	0.0%	6.5%	6.6%	6.4%
	20(1)(vi)	14	0.0%	0.0%	4.4%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.7 Expenditure on grants and reconciliations of unspent funds

T able 39 MBRR SA19 - Expenditure on transfers and grant programmes

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

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		65 497	81 917	91 149	104 845	104 845	–	107 850	112 850	120 491
Local Government										
Equitable Share		62 785	79 048	88 125	97 653	97 653		101 698	107 333	114 374
Finance Management		750	999	1 450	1 500	1 500		1 550	1 600	1 650
Municipal Systems										
Improvement		735	750	790	800	800		890	934	967
Water Services Operating										
Subsidy		1 227	1 120	784	3 497	3 497		2 712	2 983	3 500
EPWP Incentive					1 395	1 395		1 000	–	–
Provincial Government:		148	–	–	–	–	–	500	500	500
Library		148						500	500	500
District Municipality:		–	97	–	–	–	–	–	–	–
IDP			97							
Other grant providers:		547	1 213	1 942	2 361	2 361	–	2 237	2 108	–
MIG(National Treasury)		547	1 213	1 942	2 361	2 361		2 237	2 108	–
Total operating expenditure of Transfers and Grants:		66 192	83 228	93 091	107 206	107 206	–	110 587	115 458	120 991
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		22 406	38 333	39 901	44 757	44 757	–	42 497	40 057	42 355
Municipal Infrastructure Grant (MIG)		22 406	38 333	36 901	44 757	44 757		42 497	40 057	42 355
Water Affairs		–	–	3 000						
Provincial Government:		–	–	131 124	5 011	5 011	–	–	18 300	–
COGTA				131 124	5 011	5 011		–	18 300	–
District Municipality:		–	–	1 643	–	–	–	–	–	–
Fire Services				1 643						
Other grant providers:		3 591	2 750	17 500	10 000	10 000	–	34 500	30 000	38 000
DoE(National Grant)		3 591	2 750	2 000	10 000	10 000		34 500	30 000	38 000
Anglo Coal & private contributions				15 500						
Total capital expenditure of Transfers and Grants		25 997	41 082	190 168	59 768	59 768	–	76 997	88 357	80 355

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TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		92 189	124 310	283 259	166 974	166 974	–	187 584	203 815	201 346
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Table 40 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

FS204 Metsimaholo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		66 044	83	911 490	104 845	104 845		107 850	112 850	120 491
Conditions met - transferred to revenue		–	1	–	–	104 845	–	107 850	112 850	120 491
Conditions still to be met - transferred to liabilities		66 044	82	911 490	104 845					
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		148						500	500	500
Conditions met - transferred to revenue		148	–	–	–	–	–	500	500	500
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts			97					–	–	–
Conditions met - transferred to revenue		–	97	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts				1 942	2 361			2 237	2 108	–
Conditions met - transferred to revenue		–	–	1 942	2 361	–	–	2 237	2 108	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		148	98	1 942	2 361	104 845	–	110 587	115 458	120 991
Total operating transfers and grants - CTBM	2	66 044	82	911 490	104 845	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		5 143	14 323					42 497	40 057	42 355
Current year receipts		35 176	34 083	39 901	44 757					
Conditions met - transferred to revenue		25 997	37 453	39 901	44 757	–	–	42 497	40 057	42 355
Conditions still to be met - transferred to liabilities		14 322	10 953							
Provincial Government:										
Balance unspent at beginning of the year										

Current year receipts				131 124	5 011			–	18 300	–
Conditions met - transferred to revenue		–	–	131 124	5 011	–	–	–	18 300	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		67								
Current year receipts			97	1 643				–	–	–
Conditions met - transferred to revenue		67	97	1 643	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		43								
Current year receipts				17 500	10 000			34 500	30 000	38 000
Conditions met - transferred to revenue		43	–	17 500	10 000	–	–	34 500	30 000	38 000
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		26 107	37 550	190 168	59 768	–	–	76 997	88 357	80 355
Total capital transfers and grants - CTBM	2	14 322	10 953	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		26 255	37 648	192 110	62 129	104 845	–	187 584	203 815	201 346
TOTAL TRANSFERS AND GRANTS - CTBM		80 366	11 035	911 490	104 845	–	–	–	–	–

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 R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		6 569	7 118	8 079	9 343	9 343		9 695	10 240	10 880
Pension and UIF										
Contributions		246	146	161	10	10		10	11	12
Medical Aid Contributions		60	101	107	20	20		57	61	66
Motor Vehicle Allowance		1 965	1 897	3 580	2 801	2 801		2 720	2 910	3 114
Cellphone Allowance		457	475	475	617	617		614	657	703
Housing Allowances					72	72		78	84	90
Other benefits and allowances		13						-	-	-
Sub Total - Councillors		9 310	9 737	12 402	12 863	12 863	-	13 174	13 963	14 863
% increase	4		4.6%	27.4%	3.7%	-	(100.0%)	-	6.0%	6.4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2 961	3 395	4 377	4 227	4 227				
Pension and UIF										
Contributions		84	-	-	-	-		-	-	-
Medical Aid Contributions		-	-	-	-	-		-	-	-
Overtime		-	-	-	-	-		-	-	-
Performance Bonus		-	766	-	-	-		-	-	-
Motor Vehicle Allowance	3	934	852	1 157	1 112	1 112				
Cellphone Allowance	3	-	-	-	-	-		-	-	-
Housing Allowances	3	-	-	-	-	-		-	-	-
Other benefits and allowances	3	647	-	-	-	-		-	-	-
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		4 626	5 013	5 534	5 339	5 339	-	-	-	-
% increase	4		8.4%	10.4%	(3.5%)	-	(100.0%)	-	-	-
Other Municipal Staff										
Basic Salaries and Wages		74 595	88 288	120 631	109 177	109 177		108 226	115 772	123 447
Pension and UIF										
Contributions		11 789	13 823	15 993	18 766	18 766		18 484	20 806	21 164
Medical Aid Contributions		6 870	7 937	9 079	9 466	9 466		10 505	11 240	12 027
Overtime		11 292	12 530	10 446	18 838	18 838		13 176	13 562	12 035
Performance Bonus		-	-	-	-	-		52	56	60
Motor Vehicle Allowance	3	3 353	4 121	3 233	6 649	6 649		12 501	19 216	9 939
Cellphone Allowance	3							900	907	975
Housing Allowances	3	899	784	826	1 218	1 218		1 523	1 630	1 745
Other benefits and allowances	3	8 157	8 886	11 143	13 510	13 510		32 977	43 888	54 859
Payments in lieu of leave										

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Long service awards Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff	4	116 955	136 369 16.6%	171 351 25.7%	177 624 3.7%	177 624 -	- (100.0%)	198 345 -	227 077 14.5%	236 251 4.0%
% increase										
Total Parent Municipality		130 891	151 119	189 287	195 826	195 826	-	211 519	241 040	251 114
TOTAL SALARY, ALLOWANCES & BENEFITS		130 891	151 119	189 287	195 826	195 826	-	211 519	241 040	251 114
% increase	4		15.5%	25.3%	3.5%	-	(100.0%)	-	14.0%	4.2%
TOTAL MANAGERS AND STAFF	5,7	121 581	141 382	176 885	182 963	182 963	-	198 345	227 077	236 251

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		347 490	28 780	132 360			508 630
Chief Whip			477 270					477 270
Executive Mayor			477 990		178 320			656 310
Deputy Executive Mayor								-
Executive Committee			2 437 800	137 150	968 020			3 542 970
Total for all other councillors			5 602 770	102 290	1 972 760			7 677 820
Total Councillors	8	-	9 343 320	268 220	3 251 460			12 863 000
Senior Managers of the Municipality	5							
Municipal Manager (MM)			880 530		227 610			1 108 140
Chief Finance Officer			706 450		227 610			934 060
								-
<i>List of each official with packages >= senior manager</i>								
Director Social Services			644 640		143 190			787 830
Director Technical Services			644 640		143 190			787 830
Director Economic Development and Planning			644 640		143 190			787 830
Director Organisational Development and Corporate Services			706 450		227 610			934 060
								-
								-
Total Senior Managers of the Municipality	8,10	-	4 227 350	-	1 112 400	-		5 339 750
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	13 570 670	268 220	4 363 860	-		18 202 750

Table 43 MBRR SA24 – Summary of personnel numbers

FS204 Metsimaholo - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
		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		3	6		6			
Other Managers	7	44	29		44	35				
Professionals		18	18	–	10	10	–	–	–	–
Finance		8	8							
Spatial/town planning		2	2		2	2				
Information Technology										
Roads		4	4		4	4				
Electricity		2	2		2	2				
Water		2	2		2	2				
Sanitation										
Refuse										
Other										
Technicians		135	135	–	132	132	–	–	–	–
Finance										
Spatial/town planning		3	3		4	4				
Information Technology		4	4							
Roads		35	35		35	35				
Electricity		65	65		65	65				
Water		27	27		27	27				
Sanitation										
Refuse		1	1		1	1				
Other										
Clerks (Clerical and administrative)		156	156		156	156				
Service and sales workers		122	122		122	122				
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		72	72		72	72				
Elementary Occupations		516	516		516	516				
TOTAL PERSONNEL NUMBERS	9	1 111	1 090	45	1 100	1 043	48	–	–	–
% increase					(1.0%)	(4.3%)	6.7%	(100.0%)	(100.0%)	(100.0%)
Total municipal employees headcount	6, 10		787			787				
Finance personnel headcount	8, 10		94			94				
Human Resources personnel headcount	8, 10		9			9				

2.9 Monthly targets for revenue, expenditure and cash flow

Table 44 MBRR SA25 - Budgeted monthly revenue and expenditure

FS204 Metsimaholo - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source	-															
Property rates		13 828	7 282	7 282	7 282	7 282	7 282	7 282	7 282	7 282	7 282	7 282	7 282	93 932	101 552	107 645
Property rates - penalties & collection charges													-	-	-	-
Service charges - electricity revenue		17 354	17 154	16 154	15 154	14 554	14 154	13 154	13 154	14 554	15 154	15 154	16 154	181 849	196 396	208 180
Service charges - water revenue		14 524	15 024	15 524	15 524	15 524	16 524	16 524	16 024	16 024	15 524	15 024	14 524	186 289	201 192	213 263
Service charges - sanitation revenue		2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	31 937	34 493	36 562
Service charges - refuse revenue		3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	3 595	43 145	46 597	49 393
Service charges - other		777	777	777	777	777	777	777	777	777	777	777	777	9 319	7 572	6 845
Rental of facilities and equipment		275	275	275	275	275	275	275	275	275	275	275	275	3 301	3 507	2 528
Interest earned - external investments		200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 400	2 400
Interest earned - outstanding debtors		1 456	1 456	1 456	1 456	1 456	1 456	1 456	1 456	1 456	1 456	1 456	1 456	17 475	18 625	33 810
Dividends received													-	-	-	-
Fines		1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	13 016	14 016	17
Licences and permits		14	14	14	14	14	14	14	14	14	14	14	14	171	181	-
Agency services													-	-	-	-
Transfers recognised - operational		36 862				36 862				36 862			(0)	110 587	115 458	120 991
Other revenue		2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	24 055	23 271	7 868
Gains on disposal of PPE		417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 200	5 300
Total Revenue (excluding capital transfers and contributions)		95 053	51 945	51 445	50 445	86 708	50 445	49 445	48 945	87 208	50 445	49 945	50 445	722 475	770 459	794 803
Expenditure By Type	-															
Employee related costs		16 529	16 529	16 529	16 529	16 529	16 529	16 529	16 529	16 529	16 529	16 529	16 529	198 345	216 049	236 251
Remuneration of councillors		1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	1 098	13 174	13 963	14 863
Debt impairment		4 333	4 333	4 333	4 333	4 333	4 333	4 333	4 333	4 333	4 333	4 333	4 333	52 000	55 000	56 000

Depreciation & asset impairment		4 834	4 834	4 834	4 834	4 834	4 834	4 834	4 834	4 834	4 834	4 834	4 834	58 008	63 021	64 151
Finance charges		679	679	679	679	679	679	679	679	679	679	679	678	8 142	6 877	5 901
Bulk purchases		25 848	25 548	25 048	24 548	23 848	24 848	24 848	24 848	24 848	24 848	24 548	24 548	298 180	321 812	347 465
Other materials		5 035	5 035	5 035	5 035	5 035	5 035	5 035	5 035	5 035	5 035	5 035	5 035	60 424	63 599	63 366
Contracted services		1 840	1 840	1 840	1 840	1 840	1 840	1 840	1 840	1 840	1 840	1 840	1 840	22 079	24 719	17 815
Transfers and grants		4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	48 667	52 544	55 434
Other expenditure		10 188	10 188	10 188	10 188	10 188	10 188	10 188	10 188	10 188	10 188	10 188	10 188	122 260	123 238	102 034
Loss on disposal of PPE													–	–	–	–
Total Expenditure		74 440	74 140	73 640	73 140	72 440	73 440	73 440	73 440	73 440	73 440	73 140	73 140	881 279	940 821	963 281
Surplus/(Deficit)		20 613	(22 195)	(22 195)	(22 695)	14 268	(22 995)	(23 995)	(24 495)	13 768	(22 995)	(23 195)	(22 695)	(158 803)	(170 363)	(168 478)
Transfers recognised - capital		10 945	10 945	10 945	10 945	10 945		10 945	10 945	10 945			0	87 556	70 057	80 355
Contributions recognised - capital													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		31 558	(11 250)	(11 250)	(11 750)	25 212	(22 995)	(13 050)	(13 550)	24 712	(22 995)	(23 195)	(22 695)	(71 247)	(100 306)	(88 123)
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	31 558	(11 250)	(11 250)	(11 750)	25 212	(22 995)	(13 050)	(13 550)	24 712	(22 995)	(23 195)	(22 695)	(71 247)	(100 306)	(88 123)

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

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

Description R thousand	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Single-year expenditure to be appropriated</u>																
Vote 1 - Council/Mayor, Speaker and Councillors													–	–	–	–
Vote 2 - Municipal Manager		165	165	165	165	165	165	165	165	165	165	165	165	1 985	1 427	6 742
Vote 3 - Organisational Development & Corporate Services		133	133	133	133	133	133	133	133	133	133	133	133	1 600	1 700	1 100
Vote 4 - Social Services		2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	2 718	32 611	40 960	9 982
Vote 5 - Infrastructure Services		11 563	11 563	11 563	11 563	11 563	11 563	11 563	11 563	11 563	11 563	11 563	11 563	138 759	90 442	101 760
Vote 6 - Financial Services		1	1	1	1	1	1	1	1	1	1	1	1	17	–	–
Vote 7 - Local Economic Development		125	125	125	125	125	125	125	125	125	125	125	125	1 504	30 500	1 000
Capital single-year expenditure sub-total	2	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	176 476	165 029	120 584
Total Capital Expenditure	2	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	14 706	176 476	165 029	120 584

Table 46 MBRR SA30 - Budgeted monthly cash flow

FS204 Metsimaholo - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source													1		
Property rates	7 045	7 045	7 045	7 045	7 045	7 045	7 045	7 045	7 045	7 045	7 045	7 045	84 539	91 397	96 881
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	13 639	13 639	13 639	13 639	13 639	13 639	13 639	13 639	13 639	13 639	13 639	13 639	163 664	194 846	207 362
Service charges - water revenue	13 972	13 972	13 972	13 972	13 972	13 972	13 972	13 972	13 972	13 972	13 972	13 972	167 660	181 073	201 937
Service charges - sanitation revenue	2 395	2 395	2 395	2 395	2 395	2 395	2 395	2 395	2 395	2 395	2 395	2 395	28 743	31 044	32 906
Service charges - refuse revenue	3 236	3 236	3 236	3 236	3 236	3 236	3 236	3 236	3 236	3 236	3 236	3 236	38 831	41 937	44 454
Service charges - other	699	699	699	699	699	699	699	699	699	699	699	699	8 387	6 815	6 161
Rental of facilities and equipment	248	248	248	248	248	248	248	248	248	248	248	248	2 971	3 156	2 275
Interest earned - external investments	200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 400	2 400
Interest earned - outstanding debtors	1 311	1 311	1 311	1 311	1 311	1 311	1 311	1 311	1 311	1 311	1 311	1 311	15 728	16 763	30 429
Dividends received												–			
Fines	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	13 016	14 016	17
Licences and permits	14	14	14	14	14	14	14	14	14	14	14	14	171	181	–
Agency services												–			
Transfer receipts - operational	9 216	9 216	9 216	9 216	9 216	9 216	9 216	9 216	9 216	9 216	9 216	9 216	110 587	115 458	120 991
Other revenue	2 005	2 005	2 005	2 005	2 005	2 005	2 005	2 005	500	2 005	1 000	1 693	21 235	23 271	17 351
Cash Receipts by Source	55 063	55 063	55 063	55 063	55 063	55 063	55 063	55 063	53 558	55 063	54 058	54 751	657 932	722 356	763 164
Other Cash Flows by Source															
Transfer receipts - capital												87 556	87 556	70 057	80 355
Contributions recognised - capital & Contributed assets												–			
Proceeds on disposal of PPE	417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 200	5 300
Short term loans												–			
Borrowing long term/refinancing			2 000		5 000			7 000		10 000		8 000	32 000	3 800	
Increase (decrease) in consumer deposits	10	20	20	10	5	350	20	250	90	50	100	75	1 000	300	2 700
Decrease (Increase) in non-current debtors												–			

Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	55 489	55 499	57 499	55 489	60 484	55 829	55 499	62 729	54 065	65 530	54 575	150 799	783 488	801 713	851 519
Cash Payments by Type															
Employee related costs	15 206	15 206	15 206	15 206	15 206	15 206	15 206	15 206	15 206	15 206	15 206	15 207	182 477	198 765	217 351
Remuneration of councillors	1 010	1 010	1 010	1 010	1 010	1 010	1 010	1 010	1 010	1 010	1 010	1 010	12 120	12 846	13 674
Finance charges	679	679	679	679	679	679	679	679	679	679	679	679	8 142	6 877	5 901
Bulk purchases - Electricity	25 759	20 759	15 759	15 759	10 759	10 759	10 759	10 759	12 759	13 759	18 000	23 528	189 118	207 297	227 224
Bulk purchases - Water & Sewer	7 088	7 088	9 000	10 000	9 088	10 088	11 088	12 088	9 088	9 000	8 000	7 446	109 062	114 515	120 241
Other materials	4 532	4 532	4 532	4 532	4 532	4 532	4 532	4 532	4 532	4 532	4 532	4 532	54 382	57 239	57 029
Contracted services	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	1 564	18 767	21 011	15 143
Transfers and grants - other municipalities												-			
Transfers and grants - other	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	48 667	52 544	55 434
Other expenditure	5 000	7 151	8 151	8 151	8 151	8 151	1 000	5 700	8 151	2 100	8 151	9 294	79 151	83 270	74 054
Cash Payments by Type	64 893	62 044	59 956	60 956	55 044	56 044	49 893	55 593	57 044	51 905	61 197	67 315	701 887	754 364	786 051
Other Cash Flows/Payments by Type															
Capital assets	5 000	3 000	16 051	11 500	16 051	13 500	2 500	11 051	18 000	8 000	9 520	18 442	132 615	103 088	85 639
Repayment of borrowing						8 270						8 271	16 541	7 726	3 478
Other Cash Flows/Payments												-			
Total Cash Payments by Type	69 893	65 044	76 007	72 456	71 095	77 814	52 393	66 644	75 044	59 905	70 717	94 028	851 043	865 178	875 168
NET INCREASE/(DECREASE) IN CASH HELD	(14 404)	(9 545)	(18 508)	(16 967)	(10 611)	(21 985)	3 106	(3 915)	(20 980)	5 624	(16 143)	56 771	(67 555)	(63 465)	(23 649)
Cash/cash equivalents at the month/year begin:	42 839	28 435	18 890	382	(16 585)	(27 196)	(49 181)	(46 074)	(49 989)	(70 969)	(65 344)	(81 487)	42 839	(24 716)	(88 181)
Cash/cash equivalents at the month/year end:	28 435	18 890	382	(16 585)	(27 196)	(49 181)	(46 074)	(49 989)	(70 969)	(65 344)	(81 487)	(24 716)	(24 716)	(88 181)	(111 830)

2.10 Annual budgets and SDBIPs – internal departments

To be updated

EID Cluster

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
SP2: Broaden access to and improve the quality of municipal services (2011 LGEM: Local Priority No. 2)	KPA2: Basic service delivery and infrastructure investment	Water	To ensure access to potable water by 2014	% of total HHs with access to potable water in formalised areas (yard metered connection)	95%	97%	94%
				% of HHs with access to potable water in informal areas (communal standpipe)	60% (16)	100% (26)	
				No. of HHs provided with new metered yard connections	0%	300	0
			To ensure sufficient bulk supply of purified water	% of purification works (WTW) in Refengkgotso augmented	60%	80%	100%
				% of 9ML reservoir completed	50%	75%	100%
				% of bulk line completed for Mooiplaats area	30%	0%	0%
				% of bulk line completed for Mooidraai area	0%	0%	0%
				% of bulk water infrastructure maintained as per approved maintenance plan and budget	100%	100%	100%
			To ensure the effective and efficient management of water resources	% reduction in water distribution losses	8%	6%	6%
				% of reported water leaks repaired within 48 hours	93%	95%	96%
				% compliance with the blue drop water quality accreditation system	48.7%	90%	90%
				% of WSDP developed and approved	40% (Phase 1)	90% (Ph 2)	100% (Ph 3&4)
				% of water demand management plan developed and approved (including annual reviews)	20%	60%	100%
		Sanitation	To provide decent sanitation to all households by 2014	% HHs with access to decent sanitation	72%	75%	86%
				No. of households provided with new metered stand connections		1 000	4 400
			To ensure sufficient bulk infrastructure	% WWTW capacity augmented in O/Ville and D/Ville	0%	0%	0%
				No. of kms of outfall sewer line replaced	1km	3km	3km
				% of bulk sewer infrastructure maintained as per approved maintenance plan and budget	100%	100%	100%
			To ensure the effective and efficient management of the sanitation system and network	% of reported sewer blockages attended to within 48 hours	80%	90%	91%
				% compliance with the green drop quality accreditation system	65.5%	85%	90%
SP2: Broaden access to and improve	KPA2: Basic service delivery and infrastructure investment	Electricity	To ensure access to electricity by all communities	% of HHs with access to basic electricity in formal areas	100%	90%	90%
				No. of HHs provided with new metered stand connections in formal areas	100%	90%	90%
				No. of new streetlights installed	0%	0%	0%

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
the quality of municipal services (2011 LGEM: Local Priority No. 2)				No. of new high mast lights installed	30	30	0
			To ensure sufficient bulk supply of electricity	No. of sub-stations upgraded/erected	1	1	1
				No. of kms of bulk supply line constructed	7	0	0
				% of bulk sewer infrastructure maintained as per approved maintenance plan and budget	100%	100%	100%
			To ensure the effective and efficient management of the electricity network	% of electricity master plan developed and approved	0%	50%	100%
				% reduction in electricity distribution losses	10%	8%	8%
				Electricity outages minimise by 10% annually	50%	10%	10%
				Reduced response time to reported outages for households	24hrs	2hrs	2hrs
				Reduced response time to reported outages for other consumers	48hrs	24hrs	24hrs
				% of high masts lights maintained	90%	90%	90%
				% of street lights maintained	90%	90%	90%
		Roads and storm water	To ensure sufficient roads and storm water networks to all communities	Total kms of roads upgraded to surfaced roads (tar/paved)	3km	7km	1km
				Total kms of un-engineered roads (dirt roads) graded	25km	50km	63kms
				% of roads and storm water infrastructure maintained as per approved maintenance plan and budget	100%	100%	100%
				Total kms of new storm water channels erected	0km	6km	7.4kms
				Total kms of existing storm water channels upgraded	2km	6km	10km
				% of roads and storm water master plan developed and approved	0%	50%	100%
				% of pavement management system developed and approved (including annual reviews)	0%	0%	20%

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
SP3: Build united, non-racial, integrated and safer communities (2011 LGEM: Local Priority No. 3)	KPA2: Basic service delivery and infrastructure investment	Human settlements	To provide sustainable human settlements and improved quality of household life through accelerated delivery of housing opportunities and access to basic services	% of beneficiaries identified as per approved housing allocations	100%	100%	100%
				% of subsidy applications received processed within 2 months	100%	100%	100%
				% of housing sector plan developed and approved	80%	100%	100%
				% housing accreditation status obtained	0%	40%	70%
				No. of informal areas formalised	0	0	1
				No. of hectares of land released for low cost housing	0	0	25
		Spatial development	To stimulate development through effective and efficient spatial planning and building control	% of spatial development framework (SDF) developed and approved (including annual reviews)	0%	0%	100%
				% of integrated land use management scheme developed and approved (including annual reviews)	0%	0%	100%
				% of re-zonings, sub-divisions and consolidation applications evaluated and submitted to Province within 60 days of receipt	30%	30%	70%
				% of building plans approved within 30 days of receipt of fully completed applications	20%	20%	75%
				% of approved building plan inspections conducted as per industry standards	50%	50%	70%

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
SP1: Build our local economy to create more employment, decent work and sustainable livelihoods (2011 LGEM: Local Priority No. 1)	KPA1: Local Economic Development	Public transport	To ensure that an effective and efficient public transport system is developed and maintained	% of Integrated Transport Plan (ITP) developed and approved	0%	0%	0%
				No. of new taxi ranks completed	0	1	1
				No. of kms of pedestrian sidewalks and bicycle lanes erected	2km	0km	2km
		Local Economic Development	To ensure support (non-financial and financial) for small enterprises, co-operatives and the informal sector	% of SMME development plan compiled and approved	0%	50%	80%
				Number of self-sufficient and sustainable SMMEs supported			
				Number of cooperatives identified and registered	0	6	10
				% of marketing and tourism strategy and plan compiled and approved	0%	50%	100%
				% of approved marketing and tourism plan implemented	0%	0%	80%
				No. of social labour plan (SLP) projects completed			
				% of local jobs summit organised and convened	0%	0%	100%
		Job creation	To make a meaningful and visible contribution to employment creation	Number of employment opportunities created as part of LED (NKPI: 7)	0%	50%	100%
				Number of employment opportunities created through EPWP initiatives (NKPI: 7)	0%	10%	70%
				Number of employment opportunities created through other initiatives (NKPI: 7)	0%	50%	100%
		Sustainable livelihoods	To ensure that poor households have access to free basic municipal services (NKPI: 5)	% of indigent register compiled and updated annually	30%	40%	100%
				Number of households on indigent register	5329	5587	12 000
				% of registered indigents that have access to free basic water	100%	100%	100%
				% of registered indigents that have access to free basic electricity	100%	100%	100%
				% of registered indigents that have access to free basic sanitation	100%	100%	100%
				% of registered indigents that have access to free basic refuse removal	100%	100%	100%

Social Protection and Community Development Cluster

Strategic Priority	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
SP2: Broaden access to and improve quality of municipal services (2011 LGEM: Priority No.2; MTSF: Outcome 9 - Output 2)	KPA2: Basic service delivery and infrastructure investment	Waste management	To provide affordable, effective, efficient, economical and accessible waste management services to all communities.	Number of households, ± 50 000, having access to basic refuse removal services (<i>removal at least once a week</i>) <i>NKPI: 1</i>	40 120	45 000	46 000
				Number of business premises receiving refuse removal services	1500	1500	1600
				% of approved Integrated Waste Management Plan (IWMP) implemented	0%	25%	50%
				% of functional waste management information system implemented (<i>NKPI: 1</i>)	0%	0%	10%
				Number of waste management education and awareness programmes implemented	0	0	4
				% establishment of new landfill site	10%	20%	30%
				% effective management of landfill sites (existing & new) according to applicable legislation	50%	50%	55%
SP2: Broaden access to and improve quality of municipal services (2011 LGEM: Priority No.2; MTSF: Outcome 9 - Output 2)	KPA2: Basic service delivery and infrastructure investment	Community facilities	To promote access and utilisation of public and community amenities.	Number of new community halls or MPCs established	3	1	2
				Number of new swimming pools established	2	0	0
				Number of new family parks established	5	2	2
				Number of new sports grounds established	10	0	4
				Number of new stadiums & MPSC established	3	0	0
				Number of new cemeteries established	6	0	1
				Number of new libraries established	5	0	
				Number of existing community halls maintained and upgraded	3	4	1
				Number of existing swimming pools maintained and upgraded	3	4	4
				Number of existing family parks maintained and upgraded	5	7	4
				Number of existing sports grounds maintained and upgraded	10	10	4
				Number of stadiums maintained	2	2	2
				% of HPC maintained	100%	100%	100%
				Number of existing cemeteries maintained and upgraded	4	8	19
				% review of Abrahamsrust management & operational systems	10%	20%	100%
				% improvement in management & operational systems at Abrahamsrust	10%	20%	50%
				% of Abrahamsrust facility maintained and upgraded as per approved maintenance plan	45%	50%	55%
				No. of increase in visitors to Abrahamsrust	20 000	22 000	50 000
				% of Day Visit Facilities (OV/DV) maintained and upgraded	20%	35%	55%
				Number (increase)of visitors to Day Visit Facilities	25 000	30 000	40 000
				% review of management and operational systems at Day Visit Facilities	10%	20%	100%

Strategic Priority	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
				% improvement in management & operational systems at Day Visit Facilities	10%	20%	50%
SP3: Build united, non-racial, integrated and safer communities (2011 LGEM: Priority No.3)	KPA3: Community development and social cohesion	Clean communities	To develop and promote a clean and environmentally-friendly town & communities	Annual clean & green-ward competition organised (<i>all 21 wards participating</i>)	30%	100%	100%
				% participation in provincial clean town competition	0%	0%	100%
				Number of illegal dumps removed	80	100	60
				% of By-Law on illegal dumping enforced (<i>finest and penalties</i>)	10%	50%	75%
		Safe communities	To support and strengthen the fight against crime in all communities	% of Community Safety Forum (CSF) established and functional	0%	75%	100%
				Number of street committees(sector policing) established and functional	0	0	21
				% of By-Law enforcement unit established and functional	50%	75%	80%
				Number of school road safety programmes implemented (<i>in consultation with SGBs</i>)	10	15	15
				% support for provincial and national crime prevention initiatives	100%	100%	100%
				% community access to fire-fighting services (wards?)	100%	100%	100%
				Response time to fire-fighting emergencies	Within 30 mins	Within 30 mins	Within 30 mins
				Number of fire-safety programmes conducted	10 per quarter	10per quarter	10per quarter
		Healthy communities	To improve access to PHC services and increase awareness and participation of communities in HIV/AIDS, TB, STIs, and other illnesses.	% of households with access to primary health care (PHC) services within a radius of 5km	50%	75%	100%
				Number of community awareness programmes conducted on HIV/AIDS, TB and STIs	3	6	6
			To increase access to community development services	Number of sport development programmes organised/offered	0	0	4
				Number of library development programmes organised/offered	782	800	850
				Number of new members to libraries	11 902	500	500
				Number of youth development programmes organised	2	4	4
				Number of programmes organised for women	4	4	4
				Number of programmes organised for children	4	4	8
				Number of programmes organised with the aged	2	2	2

Strategic Priority	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
SP3: Build united, non-racial, integrated and safer communities (2011 LGEM: Priority No.3)	KPA3: Community development and social cohesion	Arts and culture	To improve access and maximise utilization of arts and culture resources	Number of functional arts and culture forums established	2	1	3
				% of Annual arts and culture festival organised/hosted	100%(1)	0%	100%
				Number of arts and culture programmes organised	48	50	55
				% increase in events/programmes held at theatre	20%	20%	10%
				% increase in the number of local artists participating in theatre programmes	5%	10%	100%
				% increase in the number of local schools participating in theatre programmes	40%	50%	100%
		Disaster management	To increase awareness and participation of communities in disaster management.	Increased number of disaster awareness programmes conducted in partnership with District and local Industries	1 per quarter	1 per quarter	4
				% of disaster management plan developed and implemented	100%	100%	100%
				Number of volunteers trained on disaster management	0	60	120
		Sustainable communities	To ensure that poor households have access to basic municipal services	Number of households on the indigent register	5 329	5 587	12 000
				% of registered indigent households that have access to free basic services	90%	95%	100%

Governance and Administration Cluster

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
SP4: Promote active community participation (2011 LGEM: Local Priority No. 4)	KPA4: Good governance and community participation	Participatory governance	To improve the level of functionality of public participation systems in the municipality (NKPI: 10)	Number of Functional Ward Committees established	18	21	21
				Number of CDW's deployed in all 21 wards	18	21	21
				Number of ward committees trained on identified core skills areas	0	0	21
				Number of monthly community meetings held per ward	2 meetings per ward	3 meetings per ward	4 per ward
			To actively support community-initiated social activities (2011 LGEM Local Priority 4)	Number of skills programmes implemented for burial societies, stokvels, religious groups, etc.	0 per annum	Compile database of activities and needs analysis	2 per annum
			To improve external and internal communication	Number of monthly updates of municipal website completed	6 updates	12 updates	12 updates
				Number of newsletters produced and published	0	3	6
				Number of interactions arranged with the print and electronic media	12	12	12
				Number of quarterly interactions held with relevant municipal and community stakeholders (business, religious, etc.)	2	4	4
			SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government (LGEM: Local Priority No. 5; MTSF: Outcome 9)	KPA4: Good governance and community participation	Corporate governance	To ensure that effective and efficient systems and processes of good governance are implemented and maintained (NKPI: 9)	% of credible 5-Year IDP compiled according to CoGTA guidelines
% of annual review of approved 5-year IDP conducted in terms of MSA and MFMA (Annual Revised IDP must be adopted by Council by the end of May each year)	100%	0% (No annual review taking place)					100% (First Review)
% of compliant annual SDBIP approved within 28 days after the approval of the budget	90%	90%					100%
% of approved posts filled in internal audit unit (10 posts)	33.3%	33.3%					70%
% of annual performance assessment of internal audit function by the audit committee	0%	0%					100%
% of annual internal audit plan approved by audit committee before end of June each year	70%	100%					100%
% execution of annual internal audit plan	100%	100%					100%
% developed three rolling coverage plan	100%	100%					100%
Number of audit committees held per annum	4	4					4
% review of audit charters completed annually (reviewed charters must be approved by the Audit Committee)	100%	100%					100%
% of approved funded posts filled in risk management unit (5 posts)	1	1					1

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
				% review of risk management strategy & policy (approved by risk management committee)	50%	100%	100%
				% of risk register compiled and updated quarterly	100%	100%	100%
				Number of risk management committee meetings held	3	2	4
				% of approved fraud prevention and anti-corruption strategy annually reviewed	90%	100%	100%
				% of approved fraud prevention and anti-corruption strategy annually implemented	0%	0%	25%
				Fully functional Local Labour Forum (LLF) established (<i>no. of meetings held per annum</i>)	3	6	11
				% implementation of LLF resolutions taken (including monitoring of SALGBC collective agreements)	85%	85%	100%
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government (LGEM: Local Priority No. 5; MTSF: Outcome 9)	KPA4: Good governance and community participation	Corporate governance	To ensure that a functional and effective Organisational Performance Management System (PMS) is adopted and implemented (NKPI: 3)	% of organisational PMS policy aligned to IDP approved and implemented	90%	100%	100%
				% of functional municipal performance audit committee established (<i>part of terms of reference of audit committee</i>)	0%	100%	100%
				% of compliant performance agreements for MM and managers directly accountable compiled and signed on time (NKPI: 2)	75%	75%	100%
				% of Employee PM&D policy approved and annually reviewed	0%	100%	100%
				% of PMS cascaded to all levels of employees in the municipality	0%	0%	20%
				% of quarterly institutional performance reviews conducted and reports submitted to Council within 30 days after the end of each quarter	0%	50% (2)	100% (4)
				% of MSA and MFMA compliant Annual Report tabled in Council by 31 January each year	75%	75%	100%
				Oversight report submitted to Council within two months after tabling of Annual Report	End of May	End of May	End of March
		Inter-governmental relations (IGR)	To ensure effective participation by the municipality in all IGR forums and programmes (NKPI: 12)	% of IGR meetings and forums at District, Provincial and National levels attended (DCF, PCF, District, Provincial and National Forums)	100%	100%	100%
				% of relevant IGR programmes and resolutions implemented	30%	30%	100%
		Customer care	To ensure that an effective and efficient customer care function is established	% of customer care policy compiled and adopted	50%	100%	100%
				% of municipal employees (frontline staff) who received customer care training	0%	0%	100%
				% of municipal customer care system and centre established	0%	0%	50%

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government (LGEM: Local Priority No. 5; MTSF: Outcome 9)	KPA5: Financial management and viability	Revenue and cash flow management	To ensure the effective and efficient management of municipal revenue and cash flow according to national norms and standards	Ratio of net current consumer debtors to annual property rates and service charge income	25.9%	60%	75%
				Annual property rates and service charges more than 50% of total revenue	74.5%	75%	76%
				% of consumer debtors revenue collected (<i>actual total collections as a percentage of total levies/billings</i>)	80%	85%	90%
				% reduction of consumer debtors older than 90-days (<i>Balance as at 30 June 2010: R229m</i>)	0%	10%	10%
				% actual revenue generated as a percentage of the approved/adjusted budget	98.3%	98%	98%
				% of revenue management strategy compiled and implemented	90%	95%	96%
				% of cash management and investment policy framework compiled and approved	0%	90%	100%
		Expenditure management and SCM	To implement an effective and efficient system of expenditure and supply chain management	% actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	38.5%	40%	60%
				% actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget	93.1%	94%	94%
				% actual expenditure on repairs and maintenance as a percentage of the approved/adjusted budget	3.8%	10%	5%
				% of MSIG allocation spent	100%	100%	100%
				% of creditors paid within 30 days of receipt of invoice (<i>includes implementing and maintaining an effective system of internal control</i>)	100%	100%	100%
				% of aligned SCM policy adopted and implemented (<i>includes establishment of fully functional unit and appropriate systems & procedures</i>)	50%	100%	100%
				Tender turnaround time maintained for bids between R30 000 and R100 000	21 days	21 days	21 days
				Tender turnaround time maintained for bids between R100 000 and R200 00	14 days	14 days	14 days
				Tender turnaround time maintained for bids above R200 000	90 days	90 days	90 days
				% compliance maintained with approved SCM policy and procedures (<i>includes elimination of internal and external audit queries</i>)	0%	100%	100%

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government (LGEM: Local Priority No. 5; MTSF: Outcome 9)	KPA5: Financial management and viability	Budgeting and reporting	To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	% of compliant annual budget (MTREF) compiled and approved by end of May each year	95%	100%	100%
				% of budget-related policies developed, reviewed and approved as per National Treasury and MFMA requirements	100%	100%	100%
				% of monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by no later than 10 working days after the end of each month	100%	100%	100%
				% of monthly National Treasury returns submitted on time	100%	100%	100%
				% of quarterly National Treasury returns submitted on time	100%	100%	100%
				% of monthly DoRA returns submitted on time (MIG, DoE, MSIG & DWA)	100%	100%	100%
				% of mid-year budget assessment and budget adjustments report submitted by 25 January each year (s72 of MFMA)	100%	100%	100%
		Clean Audit	To ensure that the municipality received a Clean Audit Report by 2014	% of Clean Audit action plan compiled, approved and implemented	50%	60%	80%
				% of Annual Financial Statement submitted to the Auditor-General by the end of August each year	100%	100%	100%
				Actual improvement in annual audit outcomes received from the Auditor-General	Disclaimer	Qualified	Un-qualified
				% of the Action Plan on issues raised by the Auditor-General is compiled, approved and implemented annually	50%	70%	90%
				% internal audit recommendations implemented within specified time frames	50%	50%	100%
				% of PROPAC resolutions implemented annually	20%	100%	100%
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government (LGEM: Local Priority No. 5; MTSF: Outcome 9)	KPA5: Financial management and viability	Asset management	To ensure the effective, efficient and economical management of municipal assets	% of Fixed Asset Register (FAR) compiled and updated annually in line with GRAP requirements	98%	100%	100%
				% of asset maintenance and replacement plans developed and updated annually	0%	100%	100%
		Facilities management	To ensure the effective, efficient and economical management of municipal facilities	% of municipal fleet managed effectively, efficiently and economically	0%	0%	100%
				% availability of fleet to meet service delivery requirements	80%	95%	100%
				% of municipal buildings and corporate facilities managed effectively, efficiently and economically (includes council offices, equipment, furniture, etc.) as per allocated maintenance budget	0%	20%	100%
				% of ICT policy compiled, approved and reviewed annually if required	90%	100%	100%
				% of ICT Steering committee established (Terms of reference and meeting schedule finalised)	0%	0%	100%
				Downtime of critical systems reduced to less than 5% of total uptime required	10%	5%	5%
				% of workstations functional and on-line	80%	90%	91%

Strategic Priority (SP)	Key Performance Area (KPA)	Programmes	Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Previous Year Target (2011/12)	Annual Target 2012/13
				% of user complaints attended to within 24 hours of receipt	85%	90%	91%
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government (LGEM: Local Priority No. 5; MTSF: Outcome 9)	KPA6: Municipal transformation and institutional development	Human capital	To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	% of critical posts filled by suitably qualified individuals (<i>appointees meeting 80-100% of job requirements</i>) subject to approved budget (NKPI: 1)	60%	100%	100%
				Turnaround time maintained on recruitment: funded vacancies		66 working days	60 working days
				% of organisational structure compiled and reviewed annually if required	70%	90%	100%
				% of workplace skills plan (WSP) and annual training report (ATR) compiled and submitted annually to the LGSETA on time	100%	100%	100%
				% of councillors and categories of staff trained as per WSP targets on an annual basis	55%	80%	100%
				% of employment equity (EE) plan and report compiled and submitted annually to the Department of Labour on time	60%	100%	100%
				% implementation of EE plan as per approved targets and measures	60%	95%	100%
				% of human resource-related policies compiled and reviewed annually if required	50%	90%	90%
				% of disputes and grievances (stage 1 to 3) handled in terms of the collective agreement (<i>turnaround time within 90 days</i>)	60%	90%	100%
				% of service excellence awards finalised by end of November each year	70%	95%	100%
		Institutional excellence	To create a working environment that enables good staff morale, high performance and effective functioning of council structures	Number of organisation development interventions implemented annually	0	0	2
				% of annual council programme compiled and approved by end of June each year	100%	100%	100%
				% of agendas for council, mayoral committee and portfolio committees delivered on time (<i>Council - 7 days and Committees - 48 hours</i>)	80%	90%	100%
				Number of quarterly reports to Council on the tracking of council resolutions (<i>submitted at the end of each quarter - Sept, Dec, Mar & Apr</i>)	0%	0%	4

2.11 Contracts having future budgetary implications

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

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

2.12 Capital expenditure details

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

Annexure A on page___ reflect the detail Capital Budget

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

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

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class										
- Infrastructure		23 180	38 814	95 356	112 532	-	-	126 422	83 828	99 605
Infrastructure - Road transport		-	20 813	13 420	13 820	-	-	15 493	2 200	42 355
Roads, Pavements & Bridges		-	20 813	7 420	13 820			15 493	2 200	42 355
Storm water		-	-	6 000	-					
Infrastructure - Electricity		6 673	9 508	18 280	18 200	-	-	43 800	57 550	54 100
Generation		-	-	-	-					
Transmission & Reticulation		4 260	2 750	18 030	18 200			43 800	57 550	54 100
Street Lighting		2 413	6 758	250	-					
Infrastructure - Water		7 556	2 742	48 696	27 495	-	-	12 688	5 513	400
Dams & Reservoirs		-	-	-	-					
Water purification		-	2 742	-	-					
Reticulation		7 556	-	48 696	27 495			12 688	5 513	400
Infrastructure - Sanitation		8 951	5 751	13 310	38 942	-	-	36 016	15 435	-
Reticulation		8 951	5 751	13 310	38 942			36 016	15 435	-
Sewerage purification										
Infrastructure - Other		-	-	1 650	14 075	-	-	18 425	3 130	2 750
Waste Management		-	-	1 650	1 775			5 345	730	2 700
Transportation	2	-	-	-	800					
Other	3	-	-	-	11 500			13 080	2 400	50

Community		4 661	4 073	132 412	818	–	–	2 083	18 500	900
Parks & gardens		–	–	1 530	–					
Sportsfields & stadia		–	–	55	–					
Swimming pools		–	–	56	–					
Community halls		1 100	–	316	–					
Libraries		–	–	124	–					
Recreational facilities		–	–	619	–			650		
Fire, safety & emergency		–	–	–	–					
Security and policing		–	2 101	712	818			1 433	200	900
Buses	7	–	–	–	–					
Clinics		–	–	–	–					
Museums & Art Galleries		–	–	–	–					
Cemeteries		3 561	1 972	–	–					
Social rental housing	8	–	–	129 000	–				18 300	
Other		–	–	–	–					
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		4 846	1 328	52 242	22 829	–	–	41 014	26 367	14 364
General vehicles		33	174	12 360	750			8 849	2 765	655
Specialised vehicles		–	–	12 300	–	–	–	–	–	–
Plant & equipment		4 160	1 142	9 970	8 054			19 601	11 571	13 480
Computers - hardware/equipment		150	–	–	–					
Furniture and other office equipment		–	12	7 103	11 925			573	222	29
Abattoirs		–	–	–	–					
Markets		–	–	–	–					
Civic Land and Buildings		–	–	–	2 100			11 991	11 809	200
Other Buildings		–	–	2 976	–					
Other Land		–	–	–	–					
Surplus Assets - (Investment or Inventory)		–	–	–	–					
Other		503	–	7 533	–					
Agricultural assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Total Capital Expenditure on new assets	1	32 687	44 215	280 010	136 179	–	–	169 519	128 695	114 869
Specialised vehicles		–	–	12 300	–	–	–	–	–	–
Refuse				8 000						
Fire				4 300						
Ambulances										

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

FS204 Metsimaholo - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
-				11 000	-	-	-	-	-	-
<u>Infrastructure</u>				11 000	-	-	-	-	-	-
Infrastructure - Road transport				11 000	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>				11 000						
<i>Storm water</i>										
Infrastructure - Electricity										
<i>Generation</i>										
<i>Transmission & Reticulation</i>										
<i>Street Lighting</i>										
Infrastructure - Water										
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation										
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other										
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>	3									
<i>Other</i>										
<u>Community</u>					400	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing					400					
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<u>Heritage assets</u>										

Buildings	9								
Other									
<u>Investment properties</u>		-	-	-	-	-	-	-	-
Housing development									
Other									
<u>Other assets</u>		-	-	316 ¹	323 ¹	-	-	-	-
General vehicles									
Specialised vehicles	10	-	-	-	-	-	-	-	-
Plant & equipment					323 ¹				
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings				316 ¹					
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-
List sub-class									
<u>Biological assets</u>		-	-	-	-	-	-	-	-
List sub-class									
<u>Intangibles</u>		-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on renewal of existing assets	1	-	-	316 ¹²	723 ¹	-	-	-	-
<u>Specialised vehicles</u>		-	-	-	-	-	-	-	-
Refuse									
Fire									
Conservancy									
Ambulances									

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

FS204 Metsimaholo - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
Infrastructure		36 781	44 003	55 918	80 248	–	–	47 517	49 944	51 500
Infrastructure - Road transport		11 900	20 859	16 648	27 519	–	–	30 620	32 160	33 516
Roads, Pavements & Bridges		11 900	19 009	14 648	24 519			30 620	32 160	33 516
Storm water		–	1 850	2 000	3 000					
Infrastructure - Electricity		8 484	8 830	13 184	21 155	–	–	6 879	7 280	6 970
Generation		251	–	364	750					
Transmission & Reticulation		7 945	8 536	12 508	20 075			6 479	6 840	6 480
Street Lighting		288	294	312	330			400	440	490
Infrastructure - Water		9 961	6 978	14 008	17 792	–	–	6 163	6 471	6 794
Dams & Reservoirs										
Water purification										
Reticulation		9 961	6 978	14 008	17 792			6 163	6 471	6 794
Infrastructure - Sanitation		6 436	6 707	11 308	12 970	–	–	3 555	3 733	3 919
Reticulation		6 436	6 707	11 308	12 970			3 555	3 733	3 919
Sewerage purification										
Infrastructure - Other		–	629	770	812	–	–	300	300	300
Waste Management		–	629	770	812			300	300	300
Transportation										
Gas										
Other										
Community		64	–	704	443	–	–	641	633	53
Parks & gardens		1	–	29	6			34	5	37
Sportsfields & stadia		61	–	113	24			220	228	
Swimming pools		2	–	66	3					
Community halls		–	–	84	115			170	172	
Libraries		–	–	7	–			9	9	10
Recreational facilities		–	–	–	95			171	179	
Fire, safety & emergency		–	–	215	200					
Security and policing		–	–	190	–					
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing								3	3	3
Other								34	36	3
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other										

Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		9 561	15 971	16 975	11 241	-	-	12 266	13 022	11 813
General vehicles		1 794	5 472	2 618	5 524			2 635	2 684	2 471
Specialised vehicles	10	-	-	-	-	-	-	2 788	2 882	2 800
Plant & equipment		153	211	389	447			420	441	249
Computers - hardware/equipment		-	-	1 400	-					
Furniture and other office equipment		576	2 330	2 442	3 199			3 611	4 046	3 538
Abattoirs										
Markets										
Civic Land and Buildings								2 812	2 970	2 756
Other Buildings					2 071					
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		7 038	7 958	10 126	-					
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	46 406	59 974	73 597	91 932	-	-	60 424	63 599	63 366
Specialised vehicles		-	-	-	-	-	-	2 788	2 882	2 800
Refuse								2 515	2 595	2 800
Fire								273	287	
Conservancy										
Ambulances										

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 to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Budget and Treasury Office.
The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee
An Audit Committee has been established and is fully functional.
4. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 MTREF in May 2013 directly aligned and informed by the 2013/14MTREF.
5. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
6. Risk management
The municipality have an updated risk management strategy and plan in place.
7. Implementation of SCM
The reviewed supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in February 2012. All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers.
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.

11. Performance agreements

The new performance agreements for 2013/2014 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 2013
- 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 2013. 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.

2.14 Other supporting documents

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

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

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		77 589	86 298	88 537	99 459	99 459	104 668		104 436	112 791	119 558
<i>less Revenue Foregone</i>		6 612	9 257	9 529	9 214	9 214	8 565		10 504	11 239	11 913
Net Property Rates		70 977	77 041	79 008	90 245	90 245	96 102	–	93 932	101 552	107 645
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		108 114	145 697	185 063	215 277	215 277	170 894		192 668	208 081	220 566
<i>less Revenue Foregone</i>		9 594	11 758	11 470	10 160	10 160	11 464		10 819	11 685	12 386
Net Service charges - electricity revenue		98 520	133 940	173 593	205 117	205 117	159 430	–	181 849	196 396	208 180
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		123 539	138 061	165 186	174 215	174 215	174 416		210 361	227 190	240 821
<i>less Revenue Foregone</i>		1 250	15 227	19 170	22 498	22 498	19 785		24 072	25 998	27 558
Net Service charges - water revenue		122 289	122 833	146 016	151 716	151 716	154 630	–	186 289	201 192	213 263
<u>Service charges - sanitation revenue</u>	6										
Total Service charges - sanitation revenue		15 014	19 653	18 693	34 222	34 222	21 109		34 119	36 849	39 060
<i>less Revenue Foregone</i>		1 391	1 683	1 647	1 704	1 704	1 754		2 182	2 356	2 498
Net Service charges - sanitation revenue		13 623	17 970	17 046	32 518	32 518	19 355	–	31 937	34 493	36 562
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		16 163	23 629	26 882	37 112	37 112	26 023		43 145	46 597	49 393
Total landfill revenue			–								
<i>less Revenue Foregone</i>			–								
Net Service charges - refuse revenue		16 163	23 629	26 882	37 112	37 112	26 023	–	43 145	46 597	49 393

Other Revenue by source											
<i>Fundraising</i>					–						
<i>legal cost</i>		957	1 334	1 200	2 000	1 700	1 609		3 000	3 500	4 000
Departmental Income		2 881		13 670	15 000	15 000	11 827		2 500	3 000	3 000
Training		665	344	231	231	414	526		235	235	–
Other Revenue	3	4 897	1 050	21 505	464	466	339		491	520	207
Total 'Other' Revenue	1	9 401	2 729	36 606	20 695	20 580	14 322	–	24 055	23 271	7 868
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	83 272	88 203	133 578	124 644	113 404	113 932		128 840	146 456	164 612
Pension and UIF Contributions		19 690	13 823	26 492	18 765	18 958	16 924		18 484	19 779	21 164
Medical Aid Contributions		–	7 937	–	9 466	9 466	9 555		10 505	11 240	12 027
Overtime		11 292	12 530	10 446	18 838	20 029	17 281		13 176	13 562	12 035
Performance Bonus			766	–	–	–			52	56	60
Motor Vehicle Allowance		5 506	7 149	4 390	7 761	7 761	6 008		12 501	9 216	9 939
Cellphone Allowance		–	–	–	–	190	190		900	907	975
Housing Allowances		899	784	826	1 218	1 218	878		1 471	1 574	1 684
Other benefits and allowances		–	7 495	–	–	13 097	3 110		12 415	13 260	13 755
Payments in lieu of leave		936	–	2 111	2 272	–					
Long service awards			1 125								
Post-retirement benefit obligations		–	2 356								
<i>sub-total</i>	4										
	5	121 595	142 166	177 843	182 964	184 123	167 878	–	198 345	216 049	236 251
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	121 595	142 166	177 843	182 964	184 123	167 878	–	198 345	216 049	236 251
Contributions recognised - capital											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		25 677	67 359	45 037	75 567	50 000	50 000		58 008	63 021	64 151
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE					25 567						
Total Depreciation & asset impairment	10	25 677	67 359	45 037	50 000	50 000	50 000	–	58 008	63 021	64 151
Bulk purchases											
Electricity Bulk Purchases		77 751	96 214	119 211	154 594	153 639	157 721		189 118	207 297	227 224
Water Bulk Purchases		55 506	64 730	86 630	98 518	98 518	89 925		109 062	114 515	120 241

Total bulk purchases	1	133 257	160 944	205 841	253 112	252 157	247 646	–	298 180	321 812	347 465
<u>Transfers and grants</u>											
Cash transfers and grants		9 869	15 409	24 002	31 295	31 515	–	–	48 667	52 544	55 434
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	9 869	15 409	24 002	31 295	31 515	–	–	48 667	52 544	55 434
<u>Contracted services</u>											
Security services		3 220	4 957	5 500	6 000	10 000	9 061		10 000	10 000	10 000
Printing Services		1 339	1 369	1 873	2 657	2 678	2 176		2 869	3 049	2 800
Cash Security Services		330	367	450	495	450	284		540	600	650
Cleansing Services		1 156	1 292	1 680	1 764	1 764	1 673		1 870	1 870	1 965
Other		3 756	4 324	3 500	5 175	5 000	1 713		6 800	9 200	2 400
sub-total	1	9 801	12 309	13 003	16 092	19 892	14 907	–	22 079	24 719	17 815
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		9 801	12 309	13 003	16 092	19 892	14 907	–	22 079	24 719	17 815
<u>Other Expenditure By Type</u>											
Collection costs											
Contributions to 'other' provisions				2 989	2 989						
Consultant fees		3 173	–	10 749	–						
Audit fees		2 776	3 337	3 500	3 635	3 635	3 635		3 998	4 398	4 737
General expenses	3	13 253	21 668	11 765	31 916	29 550	25 890		33 726	32 744	11 798
Advertising		283	602	710	1 160	1 157	727		2 237	2 334	2 481
Bursaries		132	396	1 030	1 562	2 562	2 385		2 600	2 647	2 673
Computer Systems		437	491	1 200	1 200	1 200	663		1 900	1 900	2 100
Conferences and delegations		577	625	970	2 138	2 129	1 106		3 181	3 309	2 355
Connection charges		600	555	2 309	2 378	1 838	60		2 421	2 658	2 919
Fuel and oil vehicles		3 490	3 666	6 607	6 780	6 967	5 418		6 375	6 314	6 522
Legal Expenses		1 392	2 902	3 780	4 585	4 285	4 156		5 590	5 845	6 300
Membership fees		671	807	1 110	1 105	2 155	2 155		2 231	2 374	2 391
Postage		1 137	1 140	1 725	1 811	1 810	1 301		1 845	1 862	1 914
Printing and Stationary		876	1 088	1 311	1 480	1 459	678		1 452	1 517	1 291
Professional fees		3 173	4 523	10 749	11 165	10 199	3 909		11 709	11 733	11 372
Public programs		2 393	4 700	4 000	6 000	4 000	2 443		6 550	5 705	5 110
Rental External Equipment		(225)	803	1 190	1 702	9 221	4 234		8 216	9 237	9 484
Sewer Treatment		1 482	3 618	12 214	12 902	12 402	10 996		13 644	14 326	15 042

<i>Stocks and materials</i>		2 183	1 092	1 549	1 747	1 683	677		1 871	1 971	1 560
<i>Telephone</i>		2 895	3 133	3 550	3 731	2 763	2 127		3 885	3 890	4 027
Uniforms		640	687	1 394	1 610	1 620	1 017		1 658	1 800	723
Valuation costs		1 098	272	2 500	4 000	4 000	4 000		2 000	1 000	1 000
Bank charges		1 266	1 274	2 160	2 592	2 592	1 378		2 280	2 520	2 760
Insurance		1 277	1 578	1 660	2 510	1 994	1 994		2 392	2 652	2 970
Interest on external loans		–	–	6 159	–						
Renumeration contingent liability		–	–	2 000	1 000	1 000	–		500	500	506
Total 'Other' Expenditure	1	44 979	58 955	98 880	111 698	110 220	80 948	–	122 260	123 238	102 034

Repairs and Maintenance by Expenditure Item	8										
Employee related costs		29 055	33 482	39 815	38 533	39 992	4 041		41 089	43 407	45 540
Other materials		17 350	26 492	33 782	53 399	52 752	33 633		60 424	63 599	63 366
Contracted Services											
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	46 405	59 974	73 597	91 932	92 744	37 674	–	101 513	107 006	108 906

Table 51 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Ref	Vote 1 - Council/Mayor, Speaker and Councillors	Vote 2 - Municipal Manager	Vote 3 - Organisational Development & Corporate Services	Vote 4 - Social Services	Vote 5 - Infrastructure Services	Vote 6 - Financial Services	Vote 7 - Local Economic Development	Total
R thousand	1								
Revenue By Source									
Property rates							93 932		93 932
Property rates - penalties & collection charges									-
Service charges - electricity revenue						181 849			181 849
Service charges - water revenue						186 289			186 289
Service charges - sanitation revenue						31 937			31 937
Service charges - refuse revenue					43 145				43 145
Service charges - other				287	3 294	2 787	2 452	500	9 319
Rental of facilities and equipment					1 101			2 200	3 301
Interest earned - external investments									-
Interest earned - outstanding debtors					1 200	10 275	8 400		19 875
Dividends received									-
Fines					13 016				13 016
Licences and permits					171				171
Agency services									-
Other revenue				235	829	17 439	2 500	3 052	24 055
Transfers recognised - operational			2 237	-	38 434	129 799	27 673		198 143
Gains on disposal of PPE								5 000	5 000
Total Revenue (excluding capital transfers and contributions)		-	2 237	522	101 189	560 374	134 957	10 752	810 031
Expenditure By Type	-								
Employee related costs		11 125	31 708	12 690	56 976	51 231	21 572	13 042	198 345
Remuneration of councillors		13 174							13 174
Debt impairment					2 080	38 480	14 645	12	55 217
Depreciation & asset impairment		1 555	1 003	1 049	2 778	49 154	1 447	2 423	59 408
Finance charges			1 500						1 500
Bulk purchases						298 180			298 180
Other materials		49	3 056	628	5 860	50 626	109	96	60 424
Contracted services				3 500	4 542	837	1 813	52	10 744
Transfers and grants		25	250		20 083	19 309	9 000		48 667

Other expenditure		14 295	484	4 219	21 873	100 017	(10 635)	5 367	135 620
Loss on disposal of PPE									-
Total Expenditure		40 223	38 001	22 085	114 192	607 834	37 952	20 992	881 279
Surplus/(Deficit)		(40 223)	(35 765)	(21 563)	(13 003)	(47 460)	97 005	(10 240)	(71 248)
Transfers recognised - capital									-
Contributions recognised - capital									-
Contributed assets									-
Surplus/(Deficit) after capital transfers & contributions		(40 223)	(35 765)	(21 563)	(13 003)	(47 460)	97 005	(10 240)	(71 248)

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

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

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days		13 976	27 062	15 000	7 000	7 000	2 000		4 000	5 000	8 000
Other current investments > 90 days											
Total Call investment deposits	2	13 976	27 062	15 000	7 000	7 000	2 000	–	4 000	5 000	8 000
<u>Consumer debtors</u>											
Consumer debtors		338 733	358 103	370 504	440 284	136 774	502 000		555 715	613 738	644 490
Less: Provision for debt impairment		(271 383)	(260 896)	(340 406)	(347 896)		(338 526)		(390 526)	(445 526)	(501 260)
Total Consumer debtors	2	67 350	97 207	30 098	92 388	136 774	163 474	–	165 189	168 212	143 230
<u>Debt impairment provision</u>											
Balance at the beginning of the year		237 843	279 332	313 406	312 126		315 378		338 526	390 526	445 526
Contributions to the provision		51 384	8 600	42 000	45 000		45 000		52 000	55 000	56 000
Bad debts written off		(15 980)	(17 806)	(15 000)			(21 852)				
Balance at end of year		273 247	270 126	340 406	357 126	–	338 526	–	390 526	445 526	501 526
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		1 697 777	1 715 319	871 192	1 936 287	864 322	1 837 065		1 969 680	2 072 768	2 158 407
Leases recognised as PPE		52 214	52 214	22 000	33 880		51 617		51 617	51 617	56 617
Less: Accumulated depreciation		921 995	976 074	260 379	1 124 963		1 037 371		1 095 379	1 158 400	1 222 551
Total Property, plant and equipment (PPE)	2	827 996	791 459	632 813	845 204	864 322	851 311	–	925 918	965 985	992 473
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		16 374	15 626	16 000	–	1 200					
Current portion of long-term liabilities		1 230	–		2 937		2 921		4 205	5 751	6 493
Total Current liabilities - Borrowing		17 604	15 626	16 000	2 937	1 200	2 921	–	4 205	5 751	6 493

<u>Trade and other payables</u>											
Trade and other creditors		68 796	85 373	44 000	94 046	164 377	164 455		165 400	150 000	120 000
Unspent conditional transfers		15 567	11 760	–	–						
VAT		7 766	10 254	8 000	11 000		2 000		5 000	5 000	5 000
Total Trade and other payables	2	92 129	107 388	52 000	105 046	164 377	166 455	–	170 400	155 000	125 000
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	24 835	9 209	42 000	35 127	10 000	8 279		36 074	34 123	27 630
Finance leases (including PPP asset element)		–		22 000	7 796						5 000
Total Non current liabilities - Borrowing		24 835	9 209	64 000	42 923	10 000	8 279	–	36 074	34 123	32 630
<u>Provisions - non-current</u>											
Retirement benefits		42 024	50 610	21 400	59 012	43 735	43 800		49 304	50 142	52 650
List other major provision items											
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		42 024	50 610	21 400	59 012	43 735	43 800	–	49 304	50 142	52 650
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		276 742	249 236	293 139	857 939						
GRAP adjustments		(18 099)	602 620	–							
Restated balance		258 643	851 856	293 139	857 939	–	–	–	–	–	–
Surplus/(Deficit)		742	25 306	4 309	(20 706)	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)
Appropriations to Reserves		6 639	–	–							
Transfers from Reserves		–	–	8 000							
Depreciation offsets		–	–	–	0						
Other adjustments		10 040	–	247 772	36 956						
Accumulated Surplus/(Deficit)	1	276 064	877 162	553 220	874 189	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)
<u>Reserves</u>											
Housing Development Fund											
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	276 064	877 162	553 220	874 189	(5 081)	22 406	–	(71 247)	(100 306)	(88 123)

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services											

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	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			104130	115955	130897		149108		213`486			
Females aged 5 - 14		We do not keep track / record of this data										
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12	-										
No income		We do not keep track / record of this data										
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13	We do not keep track / record of this data										
Insert description	2	Experience confirmed that 62% qualify for RDP's										

Household/demographics (000)												
Number of people in municipal area		household sizes 3,4 per household (<R3500)	104 130	115 955	130 897				213'486			
Number of poor people in municipal area			64'560	71'892	81'156				132'361			
Number of households in municipal area			30'626	34'104	38'499				62'790			
Number of poor households in municipal area			18'988	21'145	23'869				38'930			
Definition of poor household (R per month)		Persons earning less than R3 500pm										
Housing statistics	3											
Formal									34'943			
Informal									6'984			
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4								1 343			
Dwellings provided by province/s									16'311			
Dwellings provided by private sector	5								17'289			
Total new housing dwellings			-	-	-	-	-	-	1 343	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16

		Household service targets (000)							
		<u>Water:</u>							
		Piped water inside dwelling	22 000	22 000	25 000				
		Piped water inside yard (but not in dwelling)	1 000	1 000	2 000				
8		Using public tap (at least min.service level)							
10		Other water supply (at least min.service level)							
		<i>Minimum Service Level and Above sub-total</i>	23 000	23 000	27 000	-	-	-	-
9		Using public tap (< min.service level)	2 000	2 000	2 000				
10		Other water supply (< min.service level)							
		No water supply							
		<i>Below Minimum Service Level sub-total</i>	2 000	2 000	2 000	-	-	-	-
		Total number of households	25 000	25 000	29 000	-	-	-	-
		<u>Sanitation/sewerage:</u>							
		Flush toilet (connected to sewerage)	14 000	14 000	19 000				
		Flush toilet (with septic tank)	1 000	1 000	1 000				
		Chemical toilet							
		Pit toilet (ventilated)			6 000				
		Other toilet provisions (> min.service level)							
		<i>Minimum Service Level and Above sub-total</i>	15 000	15 000	26 000	-	-	-	-
		Bucket toilet	2 000	2 000	2 000				
		Other toilet provisions (< min.service level)							
		No toilet provisions							
		<i>Below Minimum Service Level sub-total</i>	2 000	2 000	2 000	-	-	-	-
		Total number of households	17 000	17 000	28 000	-	-	-	-
		<u>Energy:</u>							
		Electricity (at least min.service level)	17 000	17 000	4 000				
		Electricity - prepaid (min.service level)	15 000	15 000	27 000				
		<i>Minimum Service Level and Above sub-total</i>	32 000	32 000	31 000	-	-	-	-

		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
		Total number of households	32 000	32 000	31 000	–	–	–	–	–	–
		<u>Refuse:</u>									
		Removed at least once a week	38 000	40 000	40 000						
		<i>Minimum Service Level and Above sub-total</i>	38 000	40 000	40 000	–	–	–	–	–	–
		Removed less frequently than once a week	5 000	10 000	15 000						
Using communal refuse dump											
Using own refuse dump											
Other rubbish disposal											
No rubbish disposal	5 000	10 000	15 000								
<i>Below Minimum Service Level sub-total</i>	10 000	20 000	30 000	–	–	–	–	–	–	–	
Total number of households	48 000	60 000	70 000	–	–	–	–	–	–	–	
Municipal in-house services	Ref.		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	8 10	<u>Household service targets (000)</u>									
		<u>Water:</u>									
		Piped water inside dwelling	22 000	22 000	25 000						
		Piped water inside yard (but not in dwelling)	1 000	1 000	2 000						
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	23 000	23 000	27 000	–	–	–	–	–	–
	9	Using public tap (< min.service level)	2 000	2 000	2 000						
	10	Other water supply (< min.service level)									

	No water supply									
	<i>Below Minimum Service Level sub-total</i>	2 000	2 000	2 000	-	-	-	-	-	-
	Total number of households	25 000	25 000	29 000	-	-	-	-	-	-
	<u>Sanitation/sewerage:</u>									
	Flush toilet (connected to sewerage)	14 000	14 000	19 000						
	Flush toilet (with septic tank)	1 000	1 000	1 000						
	Chemical toilet									
	Pit toilet (ventilated)			6 000						
	Other toilet provisions (> min.service level)									
	<i>Minimum Service Level and Above sub-total</i>	15 000	15 000	26 000	-	-	-	-	-	-
	Bucket toilet	2 000	2 000	2 000						
	Other toilet provisions (< min.service level)									
	No toilet provisions									
	<i>Below Minimum Service Level sub-total</i>	2 000	2 000	2 000	-	-	-	-	-	-
	Total number of households	17 000	17 000	28 000	-	-	-	-	-	-
	<u>Energy:</u>									
	Electricity (at least min.service level)	17 000	17 000	4 000						
	Electricity - prepaid (min.service level)	15 000	15 000	27 000						
	<i>Minimum Service Level and Above sub-total</i>	32 000	32 000	31 000	-	-	-	-	-	-
	Electricity (< min.service level)									
	Electricity - prepaid (< min. service level)									
	Other energy sources									
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	32 000	32 000	31 000	-	-	-	-	-	-
	<u>Refuse:</u>									
	Removed at least once a week	38 000	40 000	40 000						
	<i>Minimum Service Level and Above sub-total</i>	38 000	40 000	40 000	-	-	-	-	-	-
	Removed less frequently than once a week	5 000	10 000	15 000						
	Using communal refuse									

		dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal	5 000	10 000	15 000						
		<i>Below Minimum Service Level sub-total</i>	10 000	20 000	30 000	–	–	–	–	–	–
		Total number of households	48 000	60 000	70 000	–	–	–	–	–	–
Municipal entity services	Ref.		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Name of municipal entity	8 10	Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	–	–	–	–	–
		Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
Name of municipal entity	9 10	<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	–	–	–	–	–

Name of municipal entity		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)									
Name of municipal entity		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		<u>Refuse:</u>									
		Removed at least once a week									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
Services provided by 'external mechanisms'	Ref.		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Names of service providers		Household service targets									

	(000)							
	<u>Water:</u>							
	Piped water inside dwelling							
	Piped water inside yard (but not in dwelling)							
8	Using public tap (at least min.service level)							
10	Other water supply (at least min.service level)							
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-
9	Using public tap (< min.service level)							
10	Other water supply (< min.service level)							
	No water supply							
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-
Names of service providers	<u>Sanitation/sewerage:</u>							
	Flush toilet (connected to sewerage)							
	Flush toilet (with septic tank)							
	Chemical toilet							
	Pit toilet (ventilated)							
	Other toilet provisions (> min.service level)							
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-
	Bucket toilet							
	Other toilet provisions (< min.service level)							
	No toilet provisions							
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-
Eskom	<u>Energy:</u>							
	Electricity (at least min.service level)	3 800	3 800	3 800				
	Electricity - prepaid (min.service level)							
	<i>Minimum Service Level and Above sub-total</i>	3 800	3 800	3 800	-	-	-	-
	Electricity (< min.service							

	level)								
	Electricity - prepaid (< min. service level)								
	Other energy sources								
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
	Total number of households	3 800	3 800	3 800	-	-	-	-	-
Names of service providers	<u>Refuse:</u>								
	Removed at least once a week								
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
	Removed less frequently than once a week								
	Using communal refuse dump								
	Using own refuse dump								
	Other rubbish disposal								
	No rubbish disposal								
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-

2.15 Municipal manager's quality certificate

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

Print Name Steve M Molala

Municipal manager of Metsimaholo Municipality (FS 204)

Signature _____

Date _____