

Metsimaholo Local Municipality



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

Budget Document

May 2017

Table of Contents

ANNEXURE	
PART 1 – ANNUAL BUDGET	2
1.1 MAYOR'S REPORT	2
1.2 COUNCIL RESOLUTIONS	3
1.3 EXECUTIVE SUMMARY	5
1.4 OPERATING REVENUE FRAMEWORK	9
1.5 OPERATING EXPENDITURE FRAMEWORK	77
1.6 CAPITAL EXPENDITURE	83
1.7 ANNUAL BUDGET TABLES	87
PART 2 – SUPPORTING DOCUMENTATION	114
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	114
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	120
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	129
2.4 OVERVIEW OF BUDGET RELATED-POLICIES	138
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	139
2.6 OVERVIEW OF BUDGET FUNDING	142
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	153
2.8 COUNCILLOR AND EMPLOYEE BENEFITS	156
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	159
2.10 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS	166
2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	173
2.12 CAPITAL EXPENDITURE DETAILS	173
2.13 LEGISLATION COMPLIANCE STATUS	185
2.14 OTHER SUPPORTING DOCUMENTS	186
2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATE	208

List of Tables

Table 1 Consolidated Overview of the 2017/18 MTREF	7
Table 2 Summary of revenue classified by main revenue source	10
Table 3 Percentage growth in revenue by main revenue source	11
Table 4 Operating Transfers and Grant Receipts	12
Table 5 Comparison of proposed rates to levied for the 2017/18 financial year	14
Table 6 Proposed Water Tariffs	16
Table 7 Proposed electricity tariff	18
Table 8 Comparison between current electricity charges and increases (Domestic)	20
Table 9 Proposed sanitation tariff	21
Table 10 Proposed waste removal	25
Table 11 MBRR Table SA14 – Household bills	26

Table 12 Sundry tariffs.....	29
Table 13 Summary of operating expenditure by standard classification item.....	77
Table 14 Operational repairs and maintenance	81
Table 15 Repairs and maintenance per asset class.....	82
Table 16 2011/12 Medium-term capital budget per vote	83
Table 17 MBRR Table A1 - Budget Summary	87
Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	90
Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	92
Table 20 Surplus/(Deficit) calculations for the trading services	93
Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	94
Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	98
Table 23 MBRR Table A6 - Budgeted Financial Position	100
Table 24 MBRR Table A7 - Budgeted Cash Flow Statement	102
Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	103
Table 26 MBRR Table A9 - Asset Management.....	105
Table 27 MBRR Table A10 - Basic Service Delivery Measurement	111
Table 28 IDP Strategic Objectives	122
Table 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	124
Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	124
Table 31 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	128
Table 32 MBRR Table SA7 - Measurable performance objectives.....	132
Table 33 MBRR Table SA8 - Performance indicators and benchmarks.....	134
Table 34 Breakdown of the operating revenue over the medium-term	142
Table 35 MBRR SA15 – Detail Investment Information	145
Table 36 MBRR SA16 – Investment particulars by maturity	145
Table 37 Sources of capital revenue over the MTREF	146
Table 38 MBRR SA10 – Funding compliance measurement.....	148
Table 39 MBRR SA19 - Expenditure on transfers and grant programmes	153
Table 40 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	154
Table 41 MBRR SA22 - Summary of councillor and staff benefits	156

Table 42 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	156
Table 43 MBRR SA24 – Summary of personnel numbers	157
Table 44 MBRR SA25 - Budgeted monthly revenue and expenditure	160
Table45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	162
Table46 MBRR SA30 - Budgeted monthly cash flow	163
Table 47 MBRR SA 34a - Capital expenditure on new assets by asset class	173
Table 48 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	177
Table49 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	177
Table50 MBRR Table SA1 - Supporting detail to budgeted financial performance.....	188
Table 51 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department).....	192
Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position	194
Table53 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	194
Table 54 Service Delivery Standard.....	203

List of Figures

Figure 1 Main operational expenditure categories for the 2017/18 financial year	80
Figure 2 Capital Infrastructure Programme	86
Figure 3 Expenditure by major type.....	97
Figure 4 Depreciation in relation to repairs and maintenance over the MTREF	110
Figure 5 Planning, budgeting and reporting cycle	130
Figure 6 Definition of performance information concepts.....	131
Figure 7 Breakdown of operating revenue over the 2017/18 MTREF	143
Figure 8 Sources of capital revenue for the 2017/18 financial year	147

Annexure

Annexure A Detailed Capital Budget per project.....	
Annexure B Policies.....	

Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Mayor's Report

The Mayor will table his report as a separate document at the Council meeting of 31 May 2017

1.2 Council Resolutions

The Council approved the annual budget of the municipality for the financial year 2017/18 and indicative budgets for the two projected outer years 2018/2019 and 2019/2020 as set out, subject to the following resolutions:

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

1. The annual budget of the municipality for the 2017/18 financial year and the multi-year and single-year capital appropriations as set out in the following tables:

- 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 90
- 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 92;
- 1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 95; and
- 1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 98

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

- 2.1 Budgeted Financial Position as contained in Table 23 on page 100;
- 2.2 Budgeted Cash Flows as contained in Table 24 on page 102
- 2.3 Reserves and accumulated surplus reconciliation as contained in Table 25 on page 103
- 2.4 Asset management as contained in Table 26 on page 105; and
- 2.5 Basic service delivery measurement as contained in Table 27 on page 111.

3. The Council, in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the tariffs with effect (billing) from 1 July 2017

- | | |
|--|----------------------------|
| 3.1 The tariffs for property rates | – as set out on page 14 |
| 3.2 The tariffs for electricity | – as set out on page 18-20 |
| 3.3 The tariffs for the supply of water | – as set out on page 16-17 |
| 3.4 The tariffs for sanitation services | – as set out on page 22-24 |
| 3.5 The tariffs for solid waste services (cleansing) | – as set out on page 25 |

4 The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves with effect (billing) from 1 July 2017 the tariffs for other services, as set out on page 29 to 76 respectively.

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

6. Each department draw up a plan to curb overtime
7. The Speaker together with the MMC of Finance draw up a plan to recover outstanding accounts of Councillors and communicate it to the Councillors concerned
8. The MMC for Corporate Services together with the Accounting Officer assists to recover arrear accounts of officials
9. The Accounting Officer undertakes a cost benefit analysis on the Government Garage costs and submits a report to Council
10. Council replace the fleet from the Government Garage with its own fleet when required and that it be done in phased in approach, subject to affordability
11. Bursary policy for bursaries from office of Executive Mayor be developed by the Director Organisational Development and Corporate Services
12. 6kl of free water be provided only to registered indigents
13. Free basic sewer be provided only to registered indigents
14. A report be tabled to Council to assess the feasibility of having the security service in-house
15. A report be tabled to Council on the viability of Abrahamsrust Holiday Resort
16. Reports be submitted on the progress with the organizational review, and that this process together with business process re-engineering be completed as a matter of urgency
17. Council approves that the municipality raise an overdraft facility of R10 million with its primary bankers for utilisation in the 2017/18 financial year.
18. Council approves that an Asset finance facility of R10m can be obtained for utilisation in the 2017/18 financial year
19. The proposed amendments to the Budget Related Policies as indicated on Pages 138 and 139 were reviewed and will be workshopped and approved in June 2017

1.3 Executive Summary

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

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

The Municipality will embark on preparing and implementing a comprehensive Revenue Enhancement Strategy. Furthermore, the Municipality will undertake various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 64, 66, 67, 70, 72, 74, 75, 78, 79, 85 and 86 were used to guide the compilation of the 2017/18 MTREF.

The challenges in preparing the 2017/18 MTREF are as follows:

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

- Unfunded Mandates (EMS) to be underpinned with appropriate service level agreements,
- Organisational review –process has commenced and needs Implementation of mSCOA
- Two systems running concurrent – current vote system and new mSCOA system
- Link each item to IDP - the votes will reflect the link to IDP
- Tariff applications and approvals coming through late in the process

The following budget principles and guidelines directly informed the compilation of the 2017/18MTREF:

- The 2016/17 Adjustments Budget priorities and targets,
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity;
- Tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The water and electricity budget made provision for reduced distribution losses (technical and non-technical losses).

Bilateral meetings with Provincial Treasury:

- Budget must not reflect operating deficit, as per submission of the draft budget
- According to calculations of Province the budget is not funded – However, the Schedule (Template) as per National Treasury indicates that budget is funded
- CAPEX financed from own funding must be reduced in order to be affordable
- The operating expenditure and capital expenditure financed from own funding was then reduced in order to comply with the above.

Operating Budget (OPEX)

- Zero based budgeting and incremental budgeting was used, based on historical trends, plus inflation in line with Treasury guidelines
- All increases more than the inflation rate have to be properly motivated.
- Professional fees to be unpacked. Each department must submit details of the budgeted amount.
- Link of current system votes to votes as per mSCOA classification such as
 - Unbundle of public programs into projects and items

- Conference and delegations, transport claims unbundled into different items
- Repairs and maintenance unbundled into projects and items
- Link to IDP

Capital Budget (CAPEX)

- Commitment letters for external funding will be a pre-requisite for budgeting
- Outside funding not paid directly to the Municipality will not be reflected in the Budget
- Projects requiring external approvals will not to be included without such approvals being obtained.
- Shifting of funds to be in line with the approved Virement Policy
- Own funding to be in line with anticipated cash flows and affordability
- Own funding of capital projects not to exceed the surplus on Operating Budget and cash backed accumulated surpluses
- Projects should support challenges identified and key priorities as adopted at the strategy planning workshop

Feasibility study must be done between the use of Government Garage for vehicles and the purchase vehicles out right

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2017/18 MTREF

	Adjustment Budget	Medium Term Revenue and Expenditure Framework		
	2016/2017	2017/2018	2018/2019	2019/2020
	R'000	R'000	R'000	R'000
Operating revenue	1 063 524	1 222 064	1 218 021	1 296 010
Operating expenditure	1 002 737	1 073 344	1 134 511	1 197 887
Capital expenditure	126 440	166 156	114 394	104 110

Total operating revenue (including the operating and capital grants)

- Revenue has grown by 14.9 per cent or R158.5 million for the 2017/18 financial year when compared to the 2016/17 Adjustments Budget. The main reason is capital grant revenue of R133 million
- For the two outer years, operational revenue will decrease by 0.01 per cent (2018/2019) and increase by 6.4 per cent respectively, equating to a total revenue growth of

R73.9million over the MTREF. Capital grant revenue increase from R133 million to R55 million in 2018/2019

- Included in revenue are grants for operating expenditure and capital projects.

Total operating expenditure

- For the 2017/18 financial year the operating expenditure appropriation is R1.07 billion and translates into a budgeted surplus of R148.7million.
- Compared to the 2016/17 Adjustments Budget, operational expenditure has increased by 7 per cent in the 2017/18 budget and
- For the two outer years of the MTREF, operational expenditure has grown by 5.7% and 5.6% respectively.
- The operating surplus for the two outer years is R83 million and to R98million.

The capital budget

- The capital budget for 2017/2018 is R166.2million.
 - The R29.9m (18%) is expected to be funded from internally generated funds.
 - Government Grants total R133.1 million and comprises 80.% of the capital expenditure.
- The capital programme decreases to R114.4 million in the 2018/19 financial year and further reduces to R104.1 million in 2019/20.
- The capital budget remains relatively flat over the medium-term due to constraints on internally funded capital projects due to cash flow considerations and the level of government grants that are approved for the municipality.

1.4 Operating Revenue Framework

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

Cost cutting measures must also be implemented.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 85-90 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.
- Tariffs to be aligned to inflation target, except where input cost for services are beyond the control of the municipality.
- Water and electricity losses of 15% and 10% respectively (technical and non-technical)
- Historical debt collection rates taken into account in determining the collection rate.
- Establishment of an in-house debt management department
- Implementation of strict credit control measures
- Formalising the informal settlements
- Reviewing the tax holiday incentives that were granted in the past

The following table is a summary of the 2017/18MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Revenue By Source											
Property rates	2	95 290	111 299	114 445	113 366	121 196	121 196	-	129 932	138 054	146 534
Service charges - electricity revenue	2	179 303	195 341	208 626	284 053	287 553	287 553	-	265 621	280 762	296 484
Service charges - water revenue	2	175 524	249 416	258 842	349 547	322 947	322 947	-	410 412	434 883	459 924
Service charges - sanitation revenue	2	16 150	18 087	19 714	21 545	25 545	25 545	-	22 656	24 000	25 398
Service charges - refuse revenue	2	17 390	23 796	25 955	27 807	35 807	35 807	-	39 603	42 165	44 720
Service charges - other		11 487	-	-	13 429	-	-	-	-	-	-
Rental of facilities and equipment		4 858	4 600	4 642	5 780	5 780	5 780	-	4 818	5 141	5 643
Interest earned - external investments		1 694	2 167	2 702	2 600	1 400	1 400	-	1 000	1 000	1 000
Interest earned - outstanding debtors		17 139	14 576	16 449	18 940	22 040	22 040	-	28 295	28 295	28 295
Dividends received		78	88	96	-	-	-	-	-	-	-
Fines, penalties and forfeits		15 855	22 876	18 507	3 025	3 025	3 025	-	16 162	16 333	16 533
Licences and permits		146	149	159	191	191	191	-	201	212	224
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		104 642	112 283	122 911	131 694	133 173	133 173	-	147 679	167 932	186 009
Other revenue	2	2 947	12 032	17 312	7 329	22 799	22 799	-	20 556	21 238	21 553
Gains on disposal of PPE		7 589	-	-	1 001	1 001	1 001	-	2 001	2 501	2 675
Total Revenue (excluding capital transfers and contributions)		650 090	766 710	810 358	980 307	982 457	982 457	-	1 088 936	1 162 514	1 234 992

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							
	2016/2017		2017/2018		2018/2019		2019/2020	
	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	121 196	11,4	129 932	10,6	138 054	11,3	146 534	11,3
Electricity	287 553	27,0	265 621	21,7	280 762	23,1	296 484	22,9
Sanitation	25 545	2,4	22 656	1,9	24 000	2,0	25 398	2,0
Water	322 947	30,4	410 412	33,6	434 883	35,7	459 924	35,5
Refuse removal	35 807	3,4	39 603	3,2	42 165	3,5	44 720	3,5
Govt grants – operating	133 173	12,5	147 679	12,1	167 932	13,8	186 009	14,4
Govt grants –capital transfer	81 067	7,6	133 128	10,9	55 507	4,6	61 018	4,7
Fines/Penalties	3 025	0,3	16 162	1,3	16 333	1,3	16 533	1,3
Interest Debtors	22 040	2,1	28 295	2,3	28 295	2,3	28 295	2,2
Interest	1 400	0,1	1 000	0,1	1 000	0,1	1 000	0,1
Licences and permits	191	0,0	201	0,0	212	0,0	224	0,0
Rental of facilities	5 780	0,5	4 818	0,4	5 141	0,4	5 643	0,4
Other	22 799	2,1	20 556	1,7	21 236	1,7	21 553	1,7
Profit on sale of Land	1 001	0,1	2 001	0,2	2 501	0,2	2 675	0,2
	1 063 524	100	1 222 064	100,0	1 218 021	100,0	1 296 010	100,0

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise nearly three

quarters of the total revenue mix. In the 2016/17 financial year, revenue from rates and services charges totalled R793 million or 74.5 per cent.

This increases to R868 million, R920million and R973million respectively for the MTREF. The percentage revenue generated from rates and services charges varies marginally from 71per cent in 2017/18 to 75.1 per cent in 2019/20.

Operating grants and transfers totals R147.7 million in the 2017/18 financial year and increases to R186 million by 2019/20. Note that the year-on-year growth for the 2017/18 financial year 10.8 per cent and increases by 13.7 and 10.8 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 Receipt

	2016/2017	2017/2018	2018/2019	2019/2020	
	R'000	R'000	R'000	R'000	
Equitable Share	125,978	142 709	163 582	181 267	Allocated for Free Services
Financial Management Grant	1,625	1 700	1 955	2 215	Appointment of Interns and training
Municipal Infrastructure Grant	2,031	2 270	2 395	2 527	Salaries and operating expenditure at Project Management Unit
Extended Public Works Programme	1,060	1 000			Salaries for temporary staff
Refund Libraries	2,000	0	0	0	Payment of library function
SASOL	479	0	0	0	Donation for Data Cleansing
Total	133,173	147 679	167 932	186 009	

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.4 per cent upper limit of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

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

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

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

1.4.1 Property Rates

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

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

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R20 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- Maximum of R50 subsidy is granted to registered indigents in terms of the Indigent Policy and free basic service as per Council resolution;
- For pensioners, physically and mentally disabled persons, *a maximum/total rebate of 30 per cent will be granted to owners of rate-able property if the total gross income does not exceed R8 000 per month of the applicant and/or his/her spouse, if any.* In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.

- The Municipality may award up to 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2017/18 financial year based on a 6.4 per cent increase from 1 July 2017 is contained at table 5:

Table 5 Comparison of proposed rates to levy for the 2017/18 financial year

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

	Actual 2016/2017	Proposed 2017/2018
Heavy Industries	0.03978	0.042327
Light Industries	0.03978	0.042327
Businesses	0.015901	0.016919
State property	0.015901	0.016919
Domestic and other	0.00794	0.00845
<u>Farmland:</u>		
Residential	0.00397	0.004226
Businesses	0.00794	0.008453
Industries	0.01992	0.021194
Private owned towns, Body Corporate, Sectional Titles	0.00397	0.004226
Mining	0.01992	0.021205

Agricultural	0.00199	0.002119
Unregistered Erven	Municipal services charges equal to category of property	Municipal services charges equal to category of property

The rebate allocated to approve indigents for Assessment Rates is **a maximum of R50.00** per month. **For budget purposes the assumption was made that there will be 15 000 approved indigents registered by the end of the 2016/17 financial year.** Additional income at 6.4 % tariff increase of assessment rates represents R9 121 560 per annum. The supplementary valuation roll will be implemented with effect from 1 July 2017.

1.4.2 Sale of Water and Impact of Tariff Increases

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

- Water tariffs must be fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- A detail analysis of the cost of water must be done in the 2016/17 financial year. The process is not yet completed
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

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

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

Rand Water proposed an increased its bulk tariffs by 10.2 per cent from 1 July 2017.

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

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

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

The consumption tariff increase for water is set at 6.4 per cent up till 20 kl, 15 per cent above 20 kl, 20 per cent above 30kl and 12 per cent for schools, businesses and industries, where the tariff is a flat tariff, not based on an inclining block tariff.

Although the input cost from Rand Water is 10.2% the cost of other inputs increasing and a surplus generated on the water service, together with the need to save water, were considered in the tariff setting process.

A basic water service (availability charge) charge of R21.28 per month will be levied to each household. In addition 6 kl water per 30-day period (73 kl free basic water per annum) will only be granted to approved/registered indigents. An approved indigent will receive 6kl of water free. The basic water charges to approved indigent households will fully be subsidised. A total of R13.7 million is allocated from the Equitable Share in respect of free basic water. The proposed increase represents R46 million per annum. The 6kl free water to non-indigent is phased out in 2017/2018.

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

Table 6 Proposed Water Tariffs (excluding VAT)

<i>Basic Charges</i>	<i>2016/2017</i>	<i>2017/2018</i>
	R	R
Churches	32.82	34.92
Businesses	129.90	138.22
Light Industries	168.33	179.10
Heavy Industries		
Up to 20 000 kl	218.50	232.48
Up to 40 000 kl	1 097.85	1 168.11
Above 40 000 kl	2 741.73	2 917.20

Residential		
Vacant stands	64.90	69.06
All other residential stands	20.00	21.28
Oranjeville		
Co-operatives	1 306.23	1 389.83

Water consumption tariff (VAT exclusive)

	2016/2017	2017/2018
Domestic		
>0 up to and including 6 kl	R8.62/kl	R9.17/kl
>6 up to and including 12 kl	R17.23/kl	R18.34kl
>12 up to and including 20 kl	R19.69/kl	R20.95/kl
>20 up to and including 30 kl	R23.39/kl	R26.90/kl
>30 up to and including 45 kl	R27.08/kl	R32.50/kl
>45 kl	R30.77/kl	R36.93/kl
Schools	R19.69/kl	R22.05/kl
State property (excl. residential properties)	R19.69/kl	R22.05/kl
Businesses	R19.69/kl	R22.05/kl
Light Industries	R20.57/kl	R23.04/kl
Heavy Industries	R20.93/kl	R23.44/kl

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

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. **A 0.31 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2017.**

The consumer tariff could only be increased by a 1.88% per guideline from NERSA. Furthermore, it should be noted that the input costs are increasing at a higher rate than the rate of increases passed on to consumers. The declining margins will impact negatively on the budget of the municipality.

Free basic electricity is only given to registered indigents. Basic services charges have also been introduced to all households with prepaid electricity meters from 1 July 2016. Approved indigent households are fully subsidised. Basic charges for domestic consumers that have conventional meters were initiated by NERSA approval from 1 July 2015.

Approval must be obtained from NERSA for the increase of 1.88% in tariff.

The service reflects a **deficit** of R1.8 million, however, and the deficit increase further by R14.5 m to R16.3 when the conditional capital grant of R14.5 million that is allocated to the operating budget, is taken into account.

Any additional increase in tariffs by ESKOM will influence tariffs.

Table 7 Proposed Electricity Tariffs

Basic Service charges for Electricity (VAT exclusive)

	2016/2017	2017/2018
Schools, Churches, Halls	R177.78	R181.12
Businesses, Offices, Hotels, clubs	R177.78	R181.12
Businesses Zamdela:		
Single phase	R177.78	R181.12
Three phase	R177.78	R181.12
Four meters	R349.34	R355.91
Bulk Supply >50Kva	R349.34	R355.91

May 2017

Bulk Supply >50kW	R355.81	R362.50
Residential		
Vacant stands	R90.42	R92.12
Domestic only consumers that have conventional meters	R52.80	R53.79
Domestic only consumers that have prepaid meters	R20.00	R20.38

The current tariffs (2016/2017) approved by NERSA are as follows:

Tariff (VAT exclusive)		kWh	2016/2017	2017/2018
Domestic Off peak(September to May)	>0 up to and including 50		R0.8592/kWh	R0.8754/kWh
	>50 up to and including 350		R1.0775kWh	R1.0978/kWh
	> 350 up to and including 600		R1.4890kWh	R1.5170/kWh
	>600		R1.7171kWh	R1.7494/kWh
Domestic Peak(June, July, August)	>0 up to and including 50		R0.9020/kWh	R0.9190/kWh
	>50 up to and including 350		R1.1853kWh	R1.2076/kWh
	> 350 up to and including 600		R1.7530kWh	R1.7860/kWh
	>600		R1.9746kWh	R2.0117/kWh
Businesses			R1.6637/kWh	R1.6950/kWh

May 2017

Three Phase		R1.5608/kWh	R1.5901/kWh
Bulk		R0.7856kWh	R0.8004/kWh
Per KVA		R143.32	R146.01
Per kW		R154.26	R157.16
Subject to NERSA approval			

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

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

Monthly Consumption kWh	Current Amount Payable R	Proposed amount payable R	Increase R	% Change	Peak/ Off Peak
100	96,84	98,66	1,83	1,88	Off Peak
	104,37	106,33	1,97	1,88	Peak
500	589,56	600,66	11,10	1,88	Off Peak
	663,64	676,13	12,49	1,88	Peak
1000	1 425,30	1 452,12	26,82	1,88	Off Peak
	1 628,78	1 659,41	30,63	1,88	Peak

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

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

The Main Substation for the supply of electricity for the Sasolburg area must be addressed as a matter of urgency and is expected that the upgrading should be done in the near future due to load growth. This investigation must be done not later than 2017 in order to make provision for the necessary funding.

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

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2017 is proposed. Sasol Chemical Industries operate the purification plant and 8% is the expected cost increase.

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

A tariff increase of 6.4 % for households and 8% for industries and business is proposed, in order to have uniform tariffs on water borne sewer. In future households will pay the monthly charges (basic plus additional) for the suction tanks and no longer when they use the suction tank services. The charges will be levied monthly and reflect on the account. The cost will be R1316.88 for the 2017/2018 financial year compared to the present cost of R715 per suction service.

The basic charges of sewer for approved indigent residents (households) will be fully subsidised by Council. An amount of R2.1million is allocated from Equitable Share for this purpose. A further amount of R9.4 million is allocated from Equitable Share for additional sewer to all approved indigents.

Table 9 Proposed Sanitation Tariffs**Tariffs (VAT exclusive)**

	2016/2017	Proposed 2017/2018
Domestic - Basic	R11.31	R12.00
Residential vacant stand	R11.31	R12.00
Sasolburg		
Basic charges	Actual cost by	Actual cost by
Heavy Industries	SCI plus 40%	SCI plus 40%
Businesses		
Additional		
(a) Residential sewer	R91.86	R97.74
(b) Business sewer	R96.65	R104.38
(c) Flats	R6.86	R7.30
	R91.86	R97.74
(d) 2 nd Dwelling	R91.86+R91.86	R97.74+R97.74
(e) Industries sewer	R96.65	R104.38
(f) Day schools and Crèches	R31.46	R33.47
(g) Flats sewer	R91.86	R97.74
(h) Add units flats	R54.06	R57.52
Suction tank per service	R550.00	R12.00 basic

(if not available from municipality a private company must be utilised at the cost of the owner)		plus R97.74
Oranjeville Business	R91.86	R99.21
Metsimaholo Businesses	R91.86	R99.21
<i>Additional sewer</i>		
Water borne sewer Oranjeville/Metsimaholo	R63.37	R67.43
Basic sewer		
Refengkgotso/Phomolong:		
Businesses	R91.86	R99.21
Water borne sewer	R63.37	R67.43
Refengkgotso/Phomolong Bucket services system	R27.78	R29.56
Rural areas: Suction Tank Services		
Areas that are not included in the disestablished towns (No Rates Payable)		
Normal working hours	R1 580.00/Service	R 1 665/service
After hours	R3 160.00/Service	R 3 330/service

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

Guest houses are levied at the same rates as business.

The total revenue expected to be generated from rendering this service amounts to R34.7million for the 2017/18 financial year.

The service reflects a surplus of R36.7 million for the 2017/18 budget year but if the conditional grant of R53.2 million is taken off, the service reflect a **deficit** of R16.5million

The service reflects a deficit for the 2018/19 and for 2018/19 budget year and the deficit increase when the capital grant that reflects as revenue, be taken off. Refer to Table 20 on page 93.

1.4.5 Waste Removal and Impact of Tariff Increases

An increase of 6.4 per cent on households and 6.4 per cent on businesses in the waste removal tariff is proposed from 1 July 2017. The tariff for the various categories is now uniform. Any increase higher than 8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

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

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

The following table compares current and proposed tariffs payable from 1 July 2017:

Table10 Proposed Waste removal Tariffs (VAT exclusive)

	<i>R</i> 2016/2017	<i>R</i> 2017/2018
Dwellings/Single flats	110.96	118.06
Joint flats (one service point)	110.96	118.06
Private Hostels	110.96	118.06
Businesses per point	216.42	230.27
Schools per point	216.42	230.27
Churches	110.96	118.06
Dumping ground: All tariffs for dumping is per cubic meter or part of cubic meter		
Industries and Contractors and	138.00	146.83
Garden Services	138.00	146.83
Approved indigents	FREE	FREE

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

An amount of R21.3million is allocated from equitable share for the refuse service to approved indigents (15 000). The tariff increase represents additional revenue of R3.7 million for the year. The service reflects a surplus of R3.6 million after the 6.4% tariff increase.

1.4.6 Overall impact of tariff increases on households

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

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 7.2 and 9.5 per cent, with the increase for indigent households to 3.9 per cent.

FS204 Metsimaholo - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		414.84	439.73	466.11	503.38	503.38	503.38	6.4%	535.60	566.13	597.83
Electricity: Basic levy				50.00	52.80	52.80	52.80	1.9%	53.79	56.86	60.04
Electricity: Consumption		1,084.45	1,183.51	1,349.19	1,452.82	1,425.30	1,425.30	1.9%	1,452.12	1,534.89	1,620.84
Water: Basic levy					20.00	20.00	20.00	6.4%	21.28	22.49	23.75
Water: Consumption		324.78	402.00	442.20	494.80	494.80	494.80	21.6%	601.66	635.95	671.57
Sanitation		72.93	78.76	85.06	91.86	91.86	91.86	19.5%	109.78	116.04	122.54
Refuse removal		88.08	95.13	102.74	110.96	110.96	110.96	6.4%	118.06	124.79	131.78
Other											
sub-total		1,985.08	2,199.13	2,495.30	2,726.62	2,699.10	2,699.10	6.1%	2,892.29	3,057.15	3,228.35
VAT on Services		207.90	219.84	284.09	311.25	307.40	307.40	7.3%	329.94	348.74	368.27
Total large household bill:		2,192.98	2,418.97	2,779.39	3,037.87	3,006.50	3,006.50	6.1%	3,222.23	3,405.89	3,596.62
% increase/-decrease			10.3%	13.8%	9.3%	(1.0%)	-		7.2%	5.7%	5.6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		300.21	318.22	337.31	364.29	364.29	364.29	6.4%	387.60	409.69	432.64
Electricity: Basic levy				50.00	52.80	52.80	52.80	1.9%	53.79	56.86	60.04
Electricity: Consumption		434.96	486.04	558.30	600.97	589.56	589.56	1.9%	600.66	634.90	670.45
Water: Basic levy					20.00	20.00	20.00	6.4%	21.28	22.49	23.75
Water: Consumption		254.79	307.00	337.70	377.85	377.85	377.85	23.6%	467.16	493.79	521.44
Sanitation		72.93	78.76	85.06	91.86	91.86	91.86	19.5%	109.78	116.04	122.54
Refuse removal		88.08	95.13	102.74	110.96	110.96	110.96	6.4%	118.06	124.79	131.78
Other											
sub-total		1,150.97	1,285.15	1,471.11	1,618.73	1,607.32	1,607.32	8.6%	1,758.33	1,858.55	1,962.63

May 2017

VAT on Services		119.11	132.72	158.73	175.62	174.02	174.02	10.3%	191.90	202.84	214.20
Total small household bill:		1,404.26	132.72	1,629.84	1,794.35	1,781.34	1,781.34	8.7%	1,950.23	2,061.40	2,176.83
% increase/-decrease		11.2%	(90.5%)	1,128.0%	10.1%	(0.7%)	-		9.5%	5.7%	5.6%
				-13.46	-0.99		-1.00				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		263.22	282.67	317.13	329.52	323.25	323.25	1.9%	329.34	348.11	367.61
Water: Basic levy										-	-
Water: Consumption		187.74	212.00	233.20	260.90	260.90	260.90	6.4%	277.64	293.47	309.90
Sanitation										-	-
Refuse removal										-	-
Other											
sub-total		450.96	494.67		590.42	584.15	584.15	2.8%	606.98	641.58	677.51
VAT on Services		63.14	69.26	77.05	82.66	81.78	81.78	3.9%	84.98	89.82	94.85
Total small household bill:		514.10	563.93		673.08	665.93	665.93	2.8%	691.96	731.40	772.36
% increase/-decrease		7.7%	9.7%		7.5%	(1.1%)	-		3.9%	5.7%	5.6%

References

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

1.4.7 Sundry Tariffs

Table12 Proposed Sundry Tariffs

That the following miscellaneous tariffs (*VAT exclusive*) be implemented from 1 July 2017.

Financial Services	2016/2017	2017/2018
New Consumers who move into municipal area		
Connection fee per meter:		
- Water	R180.00	R190.00
- Electricity	R180.00	R190.00
Delivery of warning notices	R201.00	R213.00
Non-payment fees for defaulters		
- Normal reconnection fee	R371.00	R393.00
- After hours reconnection fee (additional)	R276.00	R293.00
- Reduce water supply	R371.00	R393.00
- Cut electric cable	R445.00	R472.00
- Remove electric cable	R742.00	R786.00
- Replace electric cable	R742.00	R786.00
- Final Notice Fee	R106.00	R112.00
- Dishonoured Cheques R/D (admin / bank fee)	R329.00	R349.00
- Dishonoured Credit cards(payment return by bank) ex. easy pay	R329.00	R349.00
-		
Illegal Connection(Bypass/tampering of meters		
Household (Water or Electricity)	R23 320.00	R24 720.00
Business	R29 680.00/meter	R 31 500.00/meter

Illegal connection after disconnection (switch on of meter)	R4770.00	R5 050.00
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	R223.00	R236.00
Registered mail	R255.00	R270.00
Valuation Roll per Town (Residential Area) or part thereof	R583.00	R620.00
Valuation Roll electronic format	R265.00	R280.00
Valuation Objection Fee (only for review and appeal)	R477.00	R500.00
Valuation Certificate	R170.00	R180.00
Address list per 500 pages or part thereof	R583.00	R620.00
Search Fees	R74.00	R80.00
Other Fees		
Testing of electricity meters	R530.00	R562.00
Replacement of padlock	R371.00	R393.00
Duplicate Accounts	R13.00	R14.00
Duplicate tenant's Accounts sent to owners	R27.00	R28.00
Duplicate IRP 5	R27.00	R30.00
Fee for block/unblock of Prepaid electricity meters	R127.00	R135.00
Replacement of prepaid card	R64.00	R70.00

Selling of wood (= LDV load)	R159.00	R159.00
Cutting of trees (per tree)	R1 060.00	R1 060.00
Threshold for indigent	2 x state old age pension plus R1000	2 x state old age pension plus R1500
Parking for Officials		
Single Parking in basement of Civic Centre	R65.00	R65.00
Share Parking in basement of Civic Centre	R50.00	R50.00
Shelter Parking in outside parking area	R45.00	R45.00
<u>Deposits</u>		
Flats/Town houses		
Owners (without pre-paid meters)	R3 700.00	R3 700.00
Owners (with pre-paid meter)	R1 850.00	R1 850.00
Where body corporate pay other services	0	0
Houses		
with pre-paid meters	R2 650.00	R2 650.00
without pre-paid meters	R5 300.00	R5 300.00
Minimum Deposit charged when applying for clearance figures	R5 300.00	R5 300.00
Businesses		
With pre-paid meters	R3 700.00	R 4 000.00

Without pre-paid meters based on twice monthly consumption based on the type of business <i>Light Industries</i> based on twice the monthly consumption based on the type of business <i>Heavy Industries</i> Government	R6 400.00 Twice monthly consumption Twice monthly consumption Same as businesses	R 8 000.00 Twice monthly consumption Twice monthly consumption Same as businesses
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Water, Electricity and Sewer connection tariffs increases

Connections to be done	2016/2017	2017/2018
SEWER		
100mm diameter -3m length	R 4 598.24	R 4 847
All other longer than 100mm diameter or longer than 3m	To be calculated	To be calculated
Water		
15mm - 3m max	R 2 064.04	R 2 175
20mm - 3m max	R 2 426.32	R 2 557
80/20 COMBO meter	R 20 608.78	R 21 722
50/20 COMBO meter	R 5 467.55	R 5 763
40 mm	R 5 385.97	R 5 677
longer than 3m and larger meters	Cost plus 10%	Cost plus 10%
Closing of network valves for water connections done by contractor at request of owner or when Council cannot execute work due to strikes or unavailability of meters	R 300	R 320
Water and Sewer - general		
Water and Sewer road crossings	R 10 827.20	R 11 412
Relocating Water meters(labour only)	R 1 143.86	R 1206
Stolen Water meter	Cost of Meter plus 20%	Cost of Meter plus 20%
Testing of water meters		

20mm to 50 mm size meters	R583	R614
All other to be calculated		
Electricity		
New single phase connection	R5 824	R6 172.80
Upgrading from 60 – 80 ampere	R5 423	R5 784.24
New three phase connection up to design load	R5 103	R5 408.77
New three phase connection larger than design load	Estimated cost plus network strengthening cost	Estimated cost plus network strengthening cost
Single phase prepaid meter	R1 107	R1 172.80
Three phase prepaid meter	R2 367	R2 508.77
Moving of kWh meter from house to stand boundary	R3 390	R3 592.98
Moving of connection	R1 996	R2 114.91
New ready board and keypad	R2 149	R2 277.19
Replacement of cable	R1 740	R1 843.85
Repair of cable (damaged by owner)	R1 168	R1 237.71
Temporary connection if service is available:		
Single Phase	R1 162	R1 231.57
Three phase (town houses)	R2 694	R2 855.26
Testing of kWh meter	R552	R584.21
Testing of prepaid meter	R366	R386.84
Damaged keypad prepaid meter	R773	R818.42

Damaged single phase prepaid meter	R1 216	R1 287.71
Damaged three phase prepaid meter	R2 971	R3 148.24
Damage relay	R1 180	R1 250.00
Cost of prepaid meter and relay for town houses	R2 274	R2 409.64
Cost for second electrical installation test(1 st free)	R366	R386.84
Replacement of broken or stolen ripple relay	Cost of relay and labour	Cost of relay and labour
Ripple relay	R821	R869.29
Network strengthening	R965	R1 021.92

Capital Contributions (once off payment)

Water	2016/2017	2017/2018
Per kilolitre day usage-supply	R 5 920.00	R 6 240.00
Residential per added building or unit		
Low density	R 11 860.00	R 12 500.00
Middle density	R 8 880.00	R 9 360.00
High density	R 3 550.00	R 3 742.00
Guest houses and hotels: per room(existing developments consider in calculation)(normal household norm 1kl/day)	0.03 kl per room per day x kilolitre rate	0.03 kl per room per day x kilolitre rate
Sewer		
Per kilolitre day usage- effluent	R 6 660.00	R 7 020.00
Residential per added building or unit		

Low density	R 7 990.00	R 8 421.00
Middle density	R 6 660.00	R 7 020.00
High density	R 3 330.00	R 3 510.00
Guest houses and hotels: treatment of sewer effluent. (normal household runoff norm 0.8kl/day)	R8 040.00/kl (daily kl demand)	R 8 938.00/kl (daily kl demand)

Printing price list - Technical Services

	2016/2017	2017/2018
PAPER		
A0	R44.74	R44.74
A1	R22.81	R22.81
A2	R14.92	R14.92
A3	R4.39	R4.39
A4	R2.64	R2.64
<u>Durester</u>		
A0	R151.76	R151.76
A1	R79.83	R79.83
A2	R41.23	R41.23
A3	R21.06	R21.06
A4	R13.16	R13.16
<u>Film</u>		
A0	R100.44	R100.44
A1	R67.99	R67.99
A2	R35.09	R35.09

A3	R18.43	R18.43
A4	9.22	R9.22
A4 Fax send/received(Private)	10.53	R10.53

Social Services

a	D P de Villiers Stadium	2016/2017	2017/2018
	Rental of halls		
	Stadium Hall		
	Resident : meetings	R260.00 per hour	R270.00 per hour
	Non-Resident : meetings	R510.00 per hour	R530.00 per hour
	Functions	R690.00	R720.00
	Churches and schools	half price	half price
	Deposit	R630	R660
	Club complex Hall		
	Resident : meetings	R 90.00/ hour	R 95.00/ hour
	Non-Resident : meetings	R180.00/hour	R190.00/hour
	Functions	R380.00	R400.00
	Churches and schools	50% of R380.00	50% of R400.00
	Deposit	R630	R660
	Athletics		
	Schools sport meeting		
	Morning session 07:00 - 13:00	R1 160.00	R1 210.00
	Afternoon session 13:00 - 19:00	R1 160.00	R1 210.00

Lights to switch on first 2 hours	R510.00	R530.00
Then per half hour	R140.00	R150.00
Deposit	R2 900	R3 045
Non Residents (Invitational/Zones)		
Morning session 07:00 - 13:00	R3 200.00	R3 360.00
Afternoon session 13:00 - 19:00	R3 200.00	R3 360.00
Lights to switch on first 2 hours	R510.00	R530.00
Then per half hour	R 140.00	R 150.00
Deposit	R2 900	R3 045
Provincial Meetings		
Morning session 07:00 - 13:00	R4 200.00	R4 410.00
Afternoon session 13:00 - 19:00	R4 200.00	R4 410.00
Lights to switch on first 2 hours	R510.00	R530.00
Then per half hour	R140.00	R150.00
Deposit	R2 700	R2 800
Schools in Gauteng		
Morning session 07:00 - 13:00	R4 200.00	R4 410.00
Afternoon session 13:00 - 19:00	R4 200.00	R4 410.00
Lights to switch on first 2 hours	R510.00	R530.00

Then per half hour	R140.00	R150.00
Deposit	R2 700	R2 800
Provincial Meetings		
Morning session 07:00 - 13:00	R2 700.00	R2 800.00
Afternoon session 13:00 - 19:00	R2 700.00	R2 800.00
Lights to switch on first 2 hours	R580.00	R600.00
Then per half hour	R150.00	R160.00
National Meetings		
Morning session 07:00 - 13:00	R5 300.00	R5 500.00
Afternoon session 13:00 - 19:00	R5 300.00	R5 500.00
Lights to switch on first 2 hours	R400.00	R420.00
Then per half hour	R140.00	R140.00
Deposit	R2 900.00	R3 045.00
Rental of Electronic Timing Equipment		
Electronic Timing Equipment per session	R1 160.00	R1 210.00
Training sessions		
<u>Pre-determined practice periods</u>		
Training at the stadium will only be allowed after payment of R275,00 per		

annum as well as purchase of proxy card at R40,00 per athlete training. Cards will only be sold to contributing schools/clubs/instances. Purchase card at R40.00 for student and other person.		
Pre –determined practice periods		
Trainer (5 and less athletes)	R310.00 p/a	R320.00p/a
Trainer (6 to 20 athletes)	R630.00 p/a	R660.00 p/a
Trainer (21 and more athletes)	R1 050.00 p/a	R1 100.00 p/a
School Rugby, School league all rugby fields as available.		
Resident per session/season	R350.00	R360.00
Non-resident per session/season	R510.00	R530.00
Provincial Games	R1 710.00	R1 790.00
	per day	per day
Lights to switch on first 2 hours	R510.00	R530.00
Then per half hour	R140.00	R150.00
Deposit	R2 100.00	R2 200.00
National and International Games	R3 800,00	R3 900.00
Soccer meetings (outside stadium)		
Resident per session/season	R380.00	R390.00
Non-resident per session/season	R560.00	R580.00

May 2017

	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R930.00	R970.00
	Afternoon session 13:00 - 19:00	R930.00	R970.00
	Lights to switch on first 2 hours	R510.00	R530.00
	Then per half hour	R140.00	R150.00
	Cross Country		
	A Field	R680.00	R710.00
	Outside Field	R350.00	R360.00
	Stadium Hall	R940.00	R980.00
	Rental of stadium for Church service	R2 100.00 p/d	R2 200.00 p/d
	Deposit	R2 600.00	R2 700.00
	Rental of stadium for non-sports related events	R10 500.00p/d	R11 025 .00p/d
	Deposit	R5 250.00	R5 510.00
	Dog show		
	Resident per session	R380.00	R390.00
	Non-resident per session	R550.00	R570.00
	Deposit	R6 000.00	R6 300.00
b	Sasolburg show ground		
	Cricket pitch (High Performance)		

c	Sports facilities		
	Penny Heyns :		
	Adults: Season tickets	R195.00	R200.00
	: Day tickets	R19.00	R20.00
	Children : Season tickets	R110.00	R95.00
	: Day tickets	R15.00	R12.00
	School Galas		
	Morning session 07:00 - 13:00	R460.00	R480.00
	Afternoon session 13:00 - 19:00	R460.00	R480.00
	Lights to switch on first 2 hours	R460.00	R480.00
	Then per half hour	R120.00	R125.00
	Clubs/ Social clubs		
	Occasion	R1 280.00 without touch pad	R1 340.00 without touch pad
	Training sessions		
Pre-determined practice periods Clubs	Training at the swimming pool will only be allowed after payment of R430.00 per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R450.00 per annum as well as purchase of seasonal tickets per swimmers training	

<u>Zamdela Swimming Pool</u>		
: Adults : Season tickets	R110.00	R115.00
: Day tickets	R10.00	R11.00
: Children : Season tickets	R63.00	R66.00
: Day tickets	R10.00	R9.00
School Galas		
Morning session 07:00 - 13:00	R450.00	R470.00
Afternoon session 13:00 - 19:00	R450.00	R470.00
Lights to switch on first 2 hours	R350.00	R360.00
Then per half hour	R130.00	R140.00
Clubs/ Social clubs		
Occasion	R1 260.00 without touch pad	R1 320.00 without touch pad
Training sessions		
Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R420.00per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R420.00per annum as well as purchase of seasonal tickets per swimmers training

Cemeteries			
Zamdela : Adult	: Resident	R450.00	R470.00
	: Non Resident	R1 800.00	R1 890.00
Children	: Resident	R350.00	R360.00
	: Non resident	R1 400.00	R1 470.00
Deneysville/			
Refengkgotso / Metsimaholo :			
	: Adults : Resident	R400.00	R420.00
	: Non Resident	R1 600.00	R1 680.00
	: Children :Resident	R300.00	R310.00
	:Non Resident	R1 230.00	R1 290.00
Sasolburg:			
	: Adults : Resident	R1 160.00	R1 210.00
	: Non Resident	R4 570.00	R4 700.00
	: Children :Resident	R800.00	R840.00
	:Non Resident	R2 780.00	R2 910.00
Oranjeville:			
	: Adults : Resident	R400.00	R420.00
	: Non Resident	R1 600.00	R1 680.00
	: Children :Resident	R300.00	R310.00

	:Non Resident	R1 230.00	R1 290.00
	<u>Indigents</u>		
	Approved as per Metsimaholo Local Municipality policy	Free	Free
	<u>Urns in Walls of Remembrance</u>		
	Residents	R440.00	R460.00
	Non Residents	R2 020.00	R2 120.00
	Placing of urn in existing grave:		
	Residents	R190.00	R200.00
	Non Residents	R200.00	R210.00
	<u>Stack Burials:</u>		
	Two coffins in one grave		
	Residents	One and half price (1.5)	One and half price (1.5)
		One and half price (1.5)	One and half price (1.5)
e	Halls		
	Zamdela/Refengkgotso/ Metsimaholo		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R500.00	R520.00
	Afternoon session 13:00 - 19:00	R500.00	R520.00
	Extra hour	R180.00	R190.00

May 2017

Kitchen use	R180.00	R190.00
Music/Jazz and others		
Morning session 07:00 - 13:00	R930.00	R970.00
Afternoon session 13:00 - 19:00	R930.00	R970.00
Extra hour	R260.00	R270.00
Kitchen use	R260.00	R270.00
Funeral service and memorial service		
Morning session 07:00 - 13:00	R430.00	R450.00
Afternoon session 13:00 - 19:00	R430.00	R450.00
Extra hour	R210.00	R210.00
Kitchen use	R210.00	R220.00
Political meetings		
Morning session 07:00 - 13:00	R260.00	R270.00
Afternoon session 13:00 - 19:00	R260.00	R270.00
Extra hour	R78.00	R80.00
Kitchen use	R78.00	R80.00
Season 2 meetings per month	R510.00	R530.00
Government structures		
Morning session 07:00 - 13:00	R280.00	R290.00
Afternoon session 13:00 - 19:00	R280.00	R290.00
Extra hour	R73.00	R76.00

May 2017

	Kitchen use	R73.00	R76.00
	Welfare	R510.00	R550.00
	Deposit		
	Music/Jazz and others	R1 920.00	R2 120.00
	All other	R390.00	R420.00

(f)	Abrahamsrust recreation resort	2016/2017	2017/2018
	Season tickets (only residents)	R400.00 per annum/motor vehicle/ motor cycle powerboat R190.00/ second motor vehicle/ motorcycle	R420.00 per annum/motor vehicle/ motor cycle powerboat R100.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R90.00 for 1 ticket per family	R100.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R 130.00 for 1 ticket per family	R 140.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R620.00/ annum per vehicle/ powerboat	R650.00/ 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	R50 per car per day	R55per car per day
	Entrance fee per boat	R160 per boat per day	R170 per boat per day
	Entrance fee 2-6 years(Families	Free per child 2-6 years	Free per child 2-6 years

only)	per day	per day
Groups(2-6years) Crèches, Churches etc.	R15 per child 7-14 years per day R15 per child	R20 per child 7-14 years per day R 20 per child
Entrance fee for group bookings of more than 50 people	Discount of tariffs approved by Director Social Services using his/her discretion (Prior arrangements)	Discount of tariffs approved by Director Social Services using his/her discretion (Prior arrangements)
Local schools and churches	R30.00 per person	R35.00 per person
Caravan and tent sites(Power)		
Season ticket holders/ rallies (10-29 caravans)	R140.00 per day with power(4 persons)	R150.00 per day with power(4 persons)
Pensioners/ Rallies (30 and more caravans)	R100.00 per day(4 persons)	R105.00 per day(4 persons)
Non-season ticket holders	R180.00 per day(4 persons)	R140.00 per day(4 persons)
Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people	R130.00 per day without power	R140.00 per day without power
Season ticket holders/ rallies (10-29 caravans)	R130.00/ caravan/ night	R120.00/ caravan/ night
Pensioners/ Rallies (30 and more caravans)	R90.00/ caravan/ night	R95.00/ caravan/ night
Non-season ticket holders	R170.00/ caravan/ night	R180.00/ caravan/ night
Chalets		
Small type 2-bed	R450.00	R480.00
Large type 4-bed	R600.00	R630.00

Luxury chalets	Chalet A	R750.00	R800.00
	Chalet B (With lapa)	R800.00	R850.00
Monthly Rental Chalets four bed		R 4 550.00 p.m.	R 4 800.00 p.m.
Park home 6 bed		R600.00	R630.00
Monthly Rental Park home 6 bed		R3 550.00 p.m.	R3 800.00 p.m.
Refundable key deposit		R300.00	R300.00
	Lapa		
With shelter per function		R600.00 plus entrance fee	R630.00 plus entrance fee
Without shelter per function		R400.00 plus entrance fee	R420.00 plus entrance fee
Hall		R600.00	R630.00
Rental of resort for event		R80 000 per event	R85 000 per event
Deposit for event		R40 000 per event refundable	R42 000 per event refundable
	DAY VISIT ORANJEVILLE AND DENEYSVILLE		
Season tickets (only residents)		R120.00 per annum/motor vehicle/ motor cycle powerboat R100.00/ second motor vehicle/ motorcycle	R126.00 per annum/motor vehicle/ motor cycle powerboat R105.00/ second motor vehicle/ motorcycle
Pensioners (age 60 years)		R50.00 for 1 ticket per family	R55.00 for 1 ticket per family
Metsimaholo workers and Councillors with proof		R70.00 for 1 ticket per family	R75.00 for 1 ticket per family

	Non-residents registered power boat/ caravan owners:	R300.00/ annum per motor vehicle/motorcycle/ powerboat R250.00/second vehicle/motorcycle/ Powerboat	R315.00/ annum per motor vehicle/motorcycle/ powerboat R260.00/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	R20 per person per day	R25 per person per day
	Entrance fee per car	R20 per car per day	R25 per car per day
	Entrance fee per boat	R30 per boat per day	R35 per boat per day
	Entrance fee per 2-6 years (Families only) Groups (2-6 years)	Free- child 2-6 years per day R10.00 per child 7-14 years per day	Free per child 2-6 years per day R15.00 child 7-14 years per day R15.00 per child
	Entrance fee for group bookings of more than 50 people	Discount of tariffs approved by Director Social Services using his/her discretion(Prior arrangements)	Discount of tariffs approved by Director Social Services using his/her discretion(Prior arrangements)
	Local schools and churches	R10.00 per person	R15.00 per person
	Caravan and tent sites(Power)		
	Season ticket holders/ rallies (10-29 caravans)	R30.00 per day with power(4 persons)	R35.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more	R30.00 per day(4	R35.00 per day(4

	caravans)	persons)	persons)
	Non-season ticket holders	R40.00 per day(4 persons)	R45.00 per day(4 persons)
	Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people	R160.00 per day without power	R170.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R20.00/ caravan/ night	R25.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans)	R20.00/ caravan/ night	R25.00/ caravan/ night
	Non-season ticket holders	R20.00/ caravan/ night	R25.00/ caravan/ night
	Rental of resort for event	R60 000 per event	R63 000 per event
	Deposit for event	R30 000 per event	R35 000 per event

(g)	Moses Kotane Stadium		
	Rental of halls		
	Stadium Hall		
	Resident: meetings	R330,00	R330,00
	Non-Resident: meetings	R650,00	R650,00
	Functions	R490,00	R490,00
	Churches and Schools	Half price	Half price
	Political Rally	R60 000.00	R63 000.00
	Athletics		
	In-house school sport		
	Morning	R360.00	R360.00
	Afternoon	R360.00	R360.00
	Lights to switch on first 2 hours	R290.00	R290.00

	Then per half hour	R120.00	R120.00
	Practice session	R110.00/ school/ season	R110.00/ school/ season
	Non Residents (Free State)		
	Morning	R710.00	R710.00
	Afternoon	R710.00	R710.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Schools in Gauteng		
	Morning	R820.00	R820.00
	Afternoon	R820.00	R820.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Provincial Meetings		
	Morning session 07:00 - 13:00	R2 270.00	R2 270.00
	Afternoon session 13:00 - 19:00	R2 270.00	R2 270.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	National Meetings		
	Morning session 07:00 - 13:00	R3 530.00	R3 530.00

	Afternoon session 13:00 - 19:00	R3 530.00	R3 530.00
	Lights to switch on first 2 hours	R490.00	R490.00
	Then per half hour	R120.00	R120.00
	Rental of Electronic Timing Equipment		
	Electronic Timing Equipment per session	R1 020.00	R1 020.00
	Soccer		
	Soccer meetings (inside stadium)		
	Morning session 07:00 - 13:00	R290.00	R290.00
	Afternoon session 13:00 - 19:00	R290.00	R290.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Rental of stadium for events	R15 000.00	R15 000.00
	Deposit	R7 000.00	R7 000.00
	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	R2 800.00/ school/ season	R2 800.00/ school/ season

	Other soccer games	15% of entrance fee minimum or R1 575.00	15% of entrance fee minimum or R1 575.00
	Morning	R340.00	R340.00
	Afternoon	R340.00	R340.00
	Evening	R340.00	R340.00
	Lights to switch on first 2 hours	R280.00	R280.00
	Then per half hour	R110.00	R110.00
	Practice inside stadium	R170.00/per hour	R170.00/per hour
	Coaching development and soccer clinics	R100.00 per occasion	R100.00 per occasion
	Practice outside fields	R170.00/ season twice weekly	R170.00/ season twice weekly
	Schools	R140.00/ season twice weekly	R140.00/ season twice weekly
	Social games	R170.00 per occasion	R170.00 per occasion
	Other facilities		
	Netball/Basketball and Tennis		
	Morning session	R100.00	R100.00
	Afternoon session	R100.00	R100.00
	Stadium Hall		
	Sports clubs and cultural groups (by pre-arrangement)	R170.00	R170.00
	Residents: Meetings	R120.00	R120.00
	Non-residents: Meetings	R620.00	R620.00
	Functions	R470.00	R470.00
	Churches and schools	Half price	Half price

	Non sporting events inside stadium		
	Rental of stadium for events(pre-approve by MM)	R70 000.00	R70 000.00
	Deposit for the events	R30 000.00	R30 000.00

(h)	Multipurpose Sports Centre Hall		
	Church Service and meetings		
	Morning session 07:00 - 13:00	R550.00	R570.00
	Afternoon session 13:00 - 19:00	R550.00	R570.00
	Extra hour	R80.00	R85.00
	Kitchen use	R220.00	R230.00
	Music/Jazz and others		
	Morning session 07:00 - 13:00	R950.00	R1 000.00
	Afternoon session 13:00 - 19:00	R950.00	R1 000.00
	Extra hour	R80.00	R85.00
	Kitchen use	R220.00	R230.00
	Funeral service and memorial service		
	Morning session 07:00 - 13:00	R450.00	R470.00
	Afternoon session 13:00 - 19:00	R450.00	R470.00
	Extra hour	R80.00	R85.00
	Kitchen use	R220.00	R230.00

Political meetings		
Morning session 07:00 - 13:00	R280.00	R290.00
Afternoon session 13:00 - 19:00	R280.00	R290.00
Extra hour	R80.00	R85.00
Kitchen use	R220.00	R230.00
Season 2 meetings per month	R520.00	R540.00
Political Rally	R70 000.00	R73 500.00
Deposit	R40 000.00	R42 000.00
Government structures		
Morning session 07:00 - 13:00	R280.00	R290.00
Afternoon session 13:00 - 19:00	R280.00	R290.00
Extra hour	R80.00	R85.00
Kitchen use	R210.00	R230.00
Welfare	R280.00	R290.00
Deposit		
Music/Jazz and others	R1 920.00	R2 020.00
All other	R370.00	R390.00
Sports Facility		
Soccer/ Rugby and Cricket		
Morning session 07:00 - 13:00	R160.00	R170.00

Afternoon session 13:00 - 19:00	R160.00	R170.00
Extra hour	R75.00	R80.00
Kitchen	R210.00	R220.00
Netball/ Basketball and Tennis		
Morning session 07:00 - 13:00	R160.00	R170.00
Afternoon session 13:00 - 19:00	R160.00	R170.00
Extra hour	R75.00	R80.00
Kitchen	R210.00	R220.00
Schools		
Morning session 07:00 - 13:00	R110.00	R120.00
Afternoon session 13:00 - 19:00	R110.00	R120.00
Extra hour	R55.00	R60.00
Kitchen	R55.00	R60.00
Indoor Games		
Morning session 07:00 - 13:00	R210.00	R220.00
Afternoon session 13:00 - 19:00	R210.00	R220.00
Extra hour	R75.00	R80.00
Kitchen use	R210.00	R220.00
Coaching development and practice		
Morning session 07:00 - 13:00	R110.00	R120.00
Afternoon session 13:00 - 19:00	R110.00	R120.00
Kitchen	R210.00	R220.00

(i)	Fire and Rescue	2016/2017	2017/2018
	Extinguishing of fires (excluding grass-bush and rubbish fires)		
(a)	Call out fee		
	Industrial fire (High risk)	R1 234.00	R1301.00
	Industrial fire (Low risk)	R612.00	R645.00
	Residential	R338.00	R360.00
	Institutions	R338.00	R360.00
	Public assembly	R338.00	R360.00
	Commercial	R338.00	R360.00
	Storage	R338.00	R360.00
	Shack or Informal housing (Flat rate) all costs included	R66.00	R70.00
	Heavy motor vehicle fire	R338.00	R360.00
	Motor vehicle, Motor bike, trailer with content	R134.00	R141.00
	Lamp or Electrical Poles (Council property excluded)	R134.00	R141.00
	Transformers (Council property excluded)	R338.00	R360.00
(b)	Personnel (tariff per hour)		
	Per Senior Officer	R169.00	R178.00
	Per Officer	R146.00	R154.00
	Per Senior Fireman	R134.00	R141.00
	Per Fireman	R112.00	R118.00
	(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.	R448.00	R472.00
(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	R338.00	R360.00
	Bales of feed or Hay stack (up to 50 cubic meters)	R670.00	R706.00
	Bales of feed or Hay stack (more than 50 cubic meters)	R1 340.00	R1 412.00
(b)	Personnel(tariff per hour)		
	Per Senior Officer	R169.00	R178.00
	Per officer	R146.00	R154.00
	Per Senior Fireman	R134.00	R141.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R112.00	R118.00
(c)	Vehicles		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that	R448.00	R472.00

	the vehicle has left the Station until the fire has been reported extinguished.		
(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	R1340.00	R1 412.00
(b)	Personnel(tariff per hour)		
	Per Senior Officer	R221.00	R233.00
	Per officer	R280.00	R295.00
	Per Senior Fireman	R243.00	R256.00
	Per Fireman	R200.00	R211.00
(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.	R896.00	R944.00
	Per kilometre (Travelled to and from the time of pump per hour)	R10.00	R11.00
	Per portable pump (Real working time of pump per hour)	R148.00	R156.00
	Per Fire Hose (per hour of part thereof)	R29.00	R31.00

	Per ladder used per call	R146.00	R154.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
IV	<i>Protection services (Standby Services)</i>		
	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 339.00	R1 411.00
(b)	Personnel(tariff per hour)		
	Per Senior Officer	R338.00	R360.00
	Per officer	R316.00	R333.00
	Per Senior Fireman	R280.00	R295.00
	Per Fireman	R221.00	R233.00
(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.	R896.00	R944.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R10.00	R11.00
	Per portable pump (Real working time of	R146.00	R154.00

	pump per hour)		
	Per Fire Hose (per hour of part thereof)	R29.00	R31.00
	Per ladder used per call	R146.00	R154.00
	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	R280.00	R295.00
	Per Fire Hose per hour period or part thereof	R29.00	R31.00
	Per Officer	R146.00	R154.00
	Per Senior Fireman	R134.00	R141.00
	Per Fireman	R112.00	R118.00
	Per kilometre (calculated to and from the address per utility vehicle)	R10.00	R11.00
	If a fire truck is required per hour or part thereof	R448.00	R472.00
	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.	R338.00	R360.00
	Per Officer(tariff per hour)	R316.00	R333.00
	Per Senior Fireman(tariff per hour)	R280.00	R295.00
	Per Fireman(tariff per hour)	R221.00	R233.00
(b)	Pumping of water from property:		
	Light pump with a capacity of up to 1125 1/min per hour or part thereof	R896.00	R944.00
	Medium pump with a capacity of up to 2250 1/min per hour or part thereof	R945.00	R996.00
	Heavy pump with a capacity of up to 4500 1/min per hour or part thereof	R996.00	R1 050.00
	Per Officer(tariff per hour)	R280.00	R295.00
	Per Senior Fireman(tariff per hour)	R258.00	R273.00
	Per Fireman(tariff per hour)	R146.00	R154.00
(c)	Using Compressor per hour or part thereof		
	Per Officer(tariff per hour)	R280.00	R295.00
	Per Senior Fireman(tariff per hour)	R258.00	R273.00
	Per Fireman(tariff per hour)	R146.00	R154.00

(d)	Emergency Rescue unit per hour or part thereof		
	Per Officer(tariff per hour)	R244.00	R257.00
	Per Senior Fireman(tariff per hour)	R258.00	R273.00
	Per Fireman(tariff per hour)	R221.00	R233.00
(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).	R896.00	R944.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R10.00	R11.00
	Per Officer(tariff per hour)	R280.00	R295.00
	Per Senior Fireman(tariff per hour)	R253.00	R267.00
	Per Fireman(tariff per hour)	R222.00	R234.00
(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).	R612.00	R645.00

	Per Officer(tariff per hour)	R448.00	R472.00
	Per Senior Fireman(tariff per hour)	R280.00	R295.00
	Per Fireman(tariff per hour)	R221.00	R233.00
(g)	Special Service		
	Refilling of cylinders(SCBA)	R40.00 per cylinder	R42.00
	Issuing of Dangerous Goods Certificate	R320.00 per unit (yearly)	R337.00
	Issuing of Fire Certificate in business	R320.00 per business (yearly)	R337.00
	Basic Fire Fighter Training	R338.00 per person	R360.00
	Renting of Lecture Room	R390.00 per Morning session	R411.00
	Extra hour	R116.00	R122.00
	Kitchen use	R116.00	R122.00
	Traffic Services	2016/2017	2017/2018
	<u>Abnormal loads escorts and excavations</u>		
	Per Officer (Per hour or part thereof)	R133.00	R140.00
	Per Officer Overtime (Per hour or part thereof)	R279.00	R294.00

(a)	Sport Meetings		
	Per Officer (Per hour or part thereof)	R200.00	R211.00
	Per Officer Overtime (Per hour or part thereof)	R279.00	R294.00
(b)	Impounded Vehicles		
	Hitching of vehicles	R558.00	R588.00
	Towing of the vehicle	R389.00	R410.00
	Tracing of the owner	R895.00	R943.00
	Storage Fees(per day including first and last day)	R89.00	R94.00
(c)	Erection of posters DEPOSIT	R263.00	R277.00
	COST PER POSTER	R15.00	R16.00
(d)	Street Trading		
	OUTSKIRTS	R105.00 pm	R111.00
	CBD	R100.00 pm	R105.00

DIRECTORATE	R 2016/17	R 2017/18
Economic Development		
Housing and Property Management Services (<i>& Economic Development</i>)		
Leases - General: - Rental arrangements as agreed <u>per contract</u>	Contractual Arrangements Status quo	Contractual Arrangements Status quo
Leases: Business Buildings – Approximately 70 m ²	R600.00 p.m.	R650.00 p.m.
Leases: Two Farm Houses (<i>Mooirdraai</i>) Incentive R1`000 pm since 2008 – Approximately 220 m ² Each (<i>Market Related Rent = R3`300.00 p.m.</i>)	Incentive R1`500 p.m.	Incentive R1`600 p.m.
Leases: Cell phone Communication Towers (Vodacom, etc) <i>Market Related Rent for a similar crèche = R1`300 pm</i>	R2`000 p.m.	R2`200 p.m.
Leases: Crèche (<i>Such as Erf 11711 Zamdela Ext 9</i>) <i>Market Related Rent for a similar crèche = R5`000 pm</i>	Incentive R1`100 p.m.	Incentive R1`170 p.m.
Leases: Temporary allocation of land not exceeding 21 days (<i>such Circuses / Churches for spiritual revivals / church outreaches</i>)	R50.00 / day	R55.00 / day
Leases: Initiation Schools not exceeding 50days	R1050.00 (fixed)Water provision to be agreed with Civil Engineering	R1100.00 (fixed)Water provision to be agreed with Civil Engineering
Temporary leases for parking purposes on open portions of land	R25.00/per day per parking bay of 40 m²	R27.00/per day per parking bay of 40 m²
Leases: Cattle owners Leases - grazing	R300.00 p.m. per cattle owner	R350.00 p.m. per cattle owner

<p><u>Deposit Payments at Hostels / Thembaletu</u></p> <p>The Council re-confirm that since September 1994 deposit payments was not a requirement and /or will not be a requirement for beneficiaries / tenants moving onto residential stands and / or into municipal dwelling / rental units , either:</p> <p>1 A rental deposit and / or 2 Other deposit payments such as consumer services deposit payments</p>	Not a requirement	<p>Not a requirement</p> <p>Status quo</p>
<p>Leases: Assisted Sub-Economic Rental Stock</p>		
<p>Six (6) semi-detached - / row houses in Sasolburg Extension 1 one and (1) house in Sasolburg Extension 19 reserved / earmarked as rental stock for the elderly, disabled and poor households restricted to households in <u>the deep down-market range earning between R800.00 per month to R3,500.00 per month</u></p> <p><i>Market related rent for a similar house = R3100 pm</i></p> <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i></p> <p>Erf 1499 Sasolburg Ext 1 (83 m²) Grobler 12 Sasolburg X 1 Erf 1500 Sasolburg Ext 1 (83 m²) Grobler 14 Sasolburg X 1 Erf 1501 Sasolburg Ext 1 (83 m²) Grobler 16 Sasolburg X 1 Erf 1502 Sasolburg Ext 1 (83 m²) Philip Botha 2 Sasolburg X 1 Erf 1503 Sasolburg Ext 1 (98 m²) Philip Botha 4 Sasolburg X 1 Erf 1504 Sasolburg Ext 1 (98m²) Philip Botha 6 Sasolburg X 1 Erf 12884 Sasolburg Ext 1 (128 m²) Candlewood 6 Sasolburg X 19</p>	<p>Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R550.00 per month (<i>excluding consumer services</i>) for qualifying beneficiaries</p>	<p>Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R585.00 per month (<i>excluding consumer services</i>) for qualifying beneficiaries</p>

	R 2016/17	R 2017/18
<u>Leases: Thembalethu Hostel (141 x 101,02 m² units)</u>		
<i>Pre-paid meters to be installed in all rental stock units to recover electrical services cost</i>		
Block A - 24 x units (shower & bath) <i>Market Related Rent for three bedroom units = R2`500 pm</i>	Incentive R1`250.00 p.m.	Incentive R1`330.00 p.m.
Block B - 18 x units (shower & bath) <i>Market Related Rent for three bedroom units = R2`500 pm</i>	R1`250.00 p.m.	R1`330.00 p.m.
Block C - 24 x units (shower) <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 150.00 p.m.	R1 220.00 p.m.
Block D - 18 x units (shower) <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 150.00 p.m.	R1 220.00 p.m.
Block E - 30 x units (shower) <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 150.00 p.m.	R1 220.00 p.m.
Block F - 9 x units (shower) <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 150.00 p.m.	R1 220.00 p.m.
Single Units - 18 x beds (6 x flats with 3 x bedrooms) <i>Market Related Rent for Bachelor Flats = R1`200 pm</i>	R515.00 p.m.	R550.00 p.m.
<i>(Other)</i>		
Tuck shop / Churches (62 m²)	R95.00 p/day	R105.00 p/day
Tuck shop / Milk depot (13 m²)	R95.00 p.m.	R105.00 p.m.
Tuck shop / F Shai (22 m²)	R90.00 p.m.	R100.00 p.m.
Tuck shop / M Kok (22 m²)	R190.00 p.m.	R210.00 p.m.
Tuck shop / L Tau (22 m²)	R190.00 p.m.	R210.00 p.m.
Tuck shop / Dry Cleaners (37 m²)	R190.00 p.m.	R210.00 p.m.
Tuck shop / Hair Saloon (41 m²)	R190.00 p.m.	R210.00 p.m.
Tuck shop / Upholsterer (46 m²)	R190.00 p.m.	R210.00 p.m.
Tuck shop / Dressmaking (80 m²)	R190.00 p.m.	R210.00 p.m.
Tuck shop / Crèche (197 m²)	R85.00 p.m.	R95.00 p.m.

Tuck shop / Video Shop (207 m²)	R220.00 p.m.	R245.00 p.m.
Former kitchen/Hall per activity	R350.00 per activity	R380.00 per activity
Recycling Business	R1 200.00 p.m.	R1 300.00 p.m.
Themba lethu Community Hall	R295.00 p/day	R325.00 p/day
Themba lethu Lapa	R100.00 p/day	R110.00 p/day
Themba lethu Community Job Establishment Office	R100.00 p.m.	R110.00 p.m.
HOSTELS		
<i>Market Related Rent for a similar Hostel Unit = R500.00 pm</i>		
Hostel 1 = 317 units		
Hostel 2 = 330 units		
Hostel 3 = 389 units		
Hostel 4 = 112 units <i>(In process of re-development to CRU's - hereinafter)</i>		
Phomolong = 14 units		
<i>Hostel at Refengkgotso (Erf 842 From date of subdivision)</i>	R0.00	<i>As per Hostel Tariff</i>
<ul style="list-style-type: none"> - Fixed Hostel Rent / Tariff - Fixed Hostel Rent / Tariff for purposes of <u>a maximum of 4 single persons sharing</u> rental unit, that each single should contribute individually and that the rental amount of R80.00 pm. plus water consumption calculated @ 30.00 p.m. be divided by the number of persons sharing / occupying the unit <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i></p>	<p>R115.00 pm While corrective measures are taken regarding maintenance and upgrading of services</p> <p>Then R160.00 pm</p> <p><i>Divided by the number of people sharing)</i></p>	<p>R185.00 pm While corrective measures are taken regarding maintenance and upgrading of services</p> <p>Then R330.00 pm</p> <p><i>Divided by the number of people sharing)</i></p>

<p align="center">CRU,s (Hostel 4 Zamdela)</p> <p>Phase 1 = 128 Units Phase 2 = 296 Units</p> <p>(Community Residential Units – Replacement of Hostel 4 Zamdela)</p> <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i></p> <p><i>Tenants in excess of R50`000 monthly income should NOT be considered for CRU`s and be accommodated conditional</i></p>	<p align="center"><i>Status Quo</i></p> <p align="center"><u>Rent determined by</u></p> <p align="center"><u>MEC Human Settlement</u></p> <p align="center">AS REPLACEMENT OF RECOMMENDED TARIFFS</p>	<p align="center"><i>Status Quo</i></p> <p align="center"><u>Rent determined by</u></p> <p align="center"><u>MEC Human Settlement</u></p> <p align="center">AS REPLACEMENT OF RECOMMENDED TARIFFS</p>
Bachelor	R 540.00	R 540.00 pm
1 Bedroom self contained	R 715.00	R 715.00 pm
1,5 bedroom	R 895.00	R 895.00 pm
2 Bedroom interchangeable	R 1 150.00	R 1 150.00 pm
2 Bedroom self contained	R 1 150.00	R 1 150.00 pm
<i>(And / Or as amended by Provincial Government / MEC Human Settlements)</i>		
<p align="center">ASSET MANAGEMENT INCENTIVES (EXEMPTED ASSETS)</p>		
<p><u>Allocation of Stands to the Poor</u> <i>Allocation of municipal owned residential stands included the following:</i></p> <p>(1) First time allocation of vacant stands (2) Second allocation of abandoned stands (3) Third confirmation and allocation of stands occupied (4) Re-allocation of stands in Estate cases & identified vacant municipal erven declared as `abandoned / dead` property</p>		
On date of application and submission of an approved IGG Registered Certificate - not older than 12 months – and for households within a threshold income not exceeding R3`000.00 p.m., <u>NO payment</u> will be required to a first time allocation of a residential stand	R0.00	R0.00

For income categories not exceeding a monthly income of R1`500.00 including the aged earning less than R3`500 pm an unrepeatable and one-time "allocation- / occupational land site fee"	R105.00	R105.00
For income categories exceeding R1501.00 not exceeding a monthly income of R3`500.00 an unrepeatable and one-time "allocation- / occupational land site fee"	R315.00	R315.00
For income categories from R3`501.00 not exceeding a monthly income of R7`000.00 an unrepeatable and one-time "allocation- / occupational land site fee" (FLISP)	R630.00	R630.00
For income categories from R7`001.00 not exceeding a monthly income of R15`000.00 threshold an unrepeatable and one-time "allocation- / occupational land site fee" (FLISP)	R1160.00	R1160.00
Exempted stands earmarked for housing delivery projects (RDP/BNG)for first time home owners and income categories not exceeding a monthly income of R3`500 pm	R1000 per stand	R1000 per stand
AUCTIONS: The Councils attorneys be given full power of attorney to act on behalf of the Council at the sale in execution of land / erven (public auction) of defaulters property and if stands are not bought to buy the properties on behalf of the Council	R10.00 / erf	R10.00 / erf
INCENTIVE LAND PRICES		
Business Erven Up to R8`000 R8001 to R12`000 R12`001 to R15`000	<i>Status quo</i> R15.00/m² R32.00/m² R42.00/m²	<i>Status quo</i> R16.00/m² R35.00/m² R47.00/m²
Community Facility (Church) Erven	R7.00/m²	R8.00/m²
Residential Erven Up to R2`500 R2`501 to R5`000 R5`001 to R7`500 R7`501toR10`000 R10`001toR12`500 R12`501toR15`000 Exceeding R15`001	Up to R3.00/m² R6.00/m² R13.00/m² R18.00/m² R26.00/m² R32.00/m² R42.00/m²	R3.00/m² R6.00/m² R14.00/m² R19.00/m² R29.00/m² R35.00/m² R46.00/m²
Servitudes over municipal owned land in terms of Sections 60 and 116 of Act 32 of 2000	R3`300.00/servitude	R3 600.00/ servitude
Integrated Human Settlement Plan (IHSP)		

Hard Copies (Per Chapter / Selection or in Whole) Electronic Format	R350.00	R380.00
	R100.00	R110.00
Map Fragments (Inquiries for available data)		
Hard Copies (A4 Format) Electronic Format	R200.00	R220.00
	R100.00	R110.00
Application for identification of Corner Pegs / Erf Boundaries		
Informal Identification by means of General Plan Data	R500.00	R550.00
Formal Identification per SG Diagram	As per Quotation of Service Provider (Land Surveyor)	As per Quotation of Service Provider (Land Surveyor)
DEEDS OFFICE SEARCHES (Public / Private request on Ownership)	R25.00/search	R30.00 / search
Attorneys, Notaries & Conveyancers (Inquiries for a certificate on occupational status of land (Sec 52(4) Act 4 of 1984)	R25.00/search	R30.00 / search
LETTERS OF AUTHORITY (Application i.t.o Sec 18(3) of Estates Act 66 of 1965 of occupational / ownership status)	Exempted	Exempted
High Value Assets	<i>Status Quo</i> In excess of R50 million	<i>Status Quo</i> In excess of R50 million

THE FOLLOWING RECOMMENDED AS SPLUMA GUIDELINE TARIFFS

Urban Planning	R 2016/17	Amount Excl. VAT R 2017/18
SPLUMA Act		
<u>Category 1: Application Type</u>		
Township Establishment 0 - 500	R3 440.00	R3 440.00
501 - 1000	R4 730.00	R4 730.00
1000 and more	R5 590.00	R5 590.00
Amendment of General Plan	R1 290.00	R1 290.00
Permanent closure of public open spaces (Street, Road Reserve, Open Space, Park)	R4 945.00	R4 945.00
Sasolburg Town Planning Scheme 1/1993 Amendments	R4 945.00	R4 945.00
Vaal River Guide Plan applications	R2 150.00	R2 150.00
Application for extension of boundaries of an approved township	R3 225.00	R3 225.00
Application for phasing of a Township	R3 255.00	R3 255.00
Preparation of a Town-planning Scheme on a township establishment application if prepared by Council	R3 010.00	R3 010.00
<u>Category 2: Application Type</u>		
Removal, amendment or suspension of restrictive title conditions	R860.00	R860.00
Rezoning/De-zoning	R2 580.00	R2 580.00
Special Consent Use	R1290.00	R1290.00
Subdivision	R860.00	R860.00
Per additional 5 th	R72.00	R72.00
Consolidation	R860.00	R860.00
Per additional 5 th	R72.00	R72.00
<u>Additional Fees / Tariffs</u>		
Zoning Certificates	R132.00 / application	R132.00
The withdrawal of an approved application for subdivision/consolidation	R516.00	R516.00
The amendment of the conditions on which the subdivision/consolidation was approved	R559.00	R559.00
The amendment of an approved	R559.00	R559.00

May 2017

consolidation or subdivision plan		
Application for amendment of the conditions on which consent was given in terms of the Townships Ordinance and / or Act 4 of 1984 (Annexure F & Land Use Regulations)	R516.00	R516.00
Section 23 certificates (per certificate) for lodging of title deed with the Registrar of Deeds	R301.00	R301.00
Regulation Certificate: Subdivision / Consolidation (per subdivided portion)	R301.00	R301.00
Request for extension of time for township application	R688.00	R688.00
Appeal on decision	R2 580.00	R2 580.00
Building Line Relaxation	R301.00	R301.00
Consent application (Tuck shop)	R258.00	R258.00
Spatial Development Framework (SDF)		
Hard Copies	R129.00	R129.00
Electronic Format	R64.50	R64.50
Land Use Management- or Town Planning Scheme		
Hard Copies	R258.00	R258.00
Electronic Format	R129.00	R129.00
<u>Building Plan Fees / Tariffs</u>		
Building Plan: Approval Fee	R320.00 / application R20.00 / 10m² for the first 1`000m² R18.00 / 10m² for the following 1`000m² – namely 1`001 to 2`000m² R15.00 / 10m²for the following 1`000m² – namely 2`001m² to 4000m²	R340.00 / application R21.00 / 10m² for the first 1`000m² R20.00 / 10m² for the following 1`000m² – namely 1`001 to 2`000m² R16.00 / 10m²for the following 1`000m² – namely 2`001m² to 4000m²
Site Development Plans (SDP)	R1 000,00	R1 050,00
Internal alterations on building plans	R320.00	R340.00
Swimming pools	R320.00	R340.00
Shade nets	R320.00	R340.00

Boundary walls	R320.00	R340.00
Permits	R320.00	R340.00
Signage	R320.00	R340.00
Inspection fee (farms / plots)	R500.00 / plan	R520.00 / plan
Building clause certificates	R320.00	R340.00
Billboards (Contracts)	R50.00 / m²	R55.00 / m²

Economic Development	R 2016/17	R 2017/18
Containers at Zamdela Taxi Rank	R140.00 p.m.	R150.00 p.m.
<i>LED Strategy</i>		
Hard Copies <i>(Per Chapter / Selection or in Whole)</i>	R350.00	R400.00
Electronic Format	R100.00	R110.00
Application for SMME / Corporate Promotions	R100.00	R110.00

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Zero based budgets and incremental method based on historical information, plus inflation in line with Treasury guidelines
- All increases more than the inflation to be properly motivated.
- The filling of vacancies should support challenges identified and key priorities as adopted at the strategic workshop. The organisational structure is in the process of being revised.
- mSCOA to be implemented from 1 July 2017

The following table is a high level summary of the 2017/18 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	2016/17	2017/18	2018/19	2019/20
	Adjusted Budget	MTREF	MTREF	MTREF
	R'000	R'000	R'000	R'000
Employee related costs	254 118	271,131	292,673	314,411
Remuneration of councillors	16 343	17,213	18,401	19,451
Bad impairment	94 441	121,255	127,758	126,152
Repairs and maintenance	39 497	38,410	38,240	39,420
Bulk purchases-electricity	216 664	213,247	220,501	236,354
Bulk purchases-water	144 972	181,925	199,813	219,480
Contracted services	38 022	34,386	36,215	37,802
Finance charges	2836	6,059	5,349	4,573
General expenses	122 309	112,857	116,770	118,145
Depreciation	73 535	76,861	78,791	82,099
	1 002 737	1,073,344	1,134,511	1,197,887

Employee Related Cost:

The budgeted allocation for employee related costs for the 2017/18 financial year totals R271.1 million, which equates to 25.3 per cent of the total operating expenditure.

The three year collective SALGBC agreement has lapsed at 30 June 2015.

Salary increases as per collective agreement have been factored into this budget at a percentage increase of 6.4 per cent for the 2017/18 financial year.

An annual increase of 6.8 and 6.7 per cent has been included in the two outer years of the MTREF.

Employees employed at on the payroll as at 30 April 2017 (excluding resignations/retirements at 31/1/2017) were used as baseline.

Based on the proposed amended structure critical vacancies need to be determined.

As a baseline, provision is made for vacancies of R2.5 million still to be filled in 2016/2017 and in 2017/2018. The organisational structure is currently in the process of being reviewed. as well as re-engineering of business.

Remuneration of councillors:

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Debt impairment (Impairment of the Debtors Book)

The provision of debt impairment was determined based on an annual collection rate of 85 per cent and the Debt collection and Credit Control Policy of the Municipality.

For the 2017/18 financial year this amount equates to R121 million and increases to R126million by 2019/20.

.

Depreciation:

Provision for depreciation and asset impairment has been informed by the Accounting Standards. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

Budget appropriations in this regard are R73million in 2016/2017. The budget appropriation totals R76.9 million for the 2017/187 financial and equates to 7.2 per cent of the total operating expenditure.

Finance charges:

Finance charges consist primarily of the repayment of interest on long-term finance leases (cost of capital) and use of the overdraft facility. Finance charges make up 0.6 per cent (R6 million) of operating expenditure (excluding annual redemption for 2017/18) and decreases to R4.5 million by 2019/20

Bulk purchases Electricity and Water:

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

The expenditures include technical losses and distribution losses for water and electricity. The final increase from service providers will be available in May 2017.

Repairs and maintenance:

Repairs and maintenance (Schedule A4 as other materials) comprises of amongst others, materials for maintenance, cleaning materials and chemicals, as well as contractors. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2017/18 the appropriation against this group of expenditure has decreased by 2.7 per cent (R1.09 million) further decrease by .044 and then growth at 3.1 per cent for the two outer years of which budget allocation is in excess of R39.4million by 2019/20. The implementation of mSCOA will divided repair and maintenance into projects, as well as contractors and material use. **A re-classification will be done with the full implementation of mSCOA.**

Contracted services:

In the 2017/18 financial year, contracted services are budgeted at R34.4 million and has decreased by 9.6 per cent. For the two outer years growth has been limited to 5.3 and 4.4 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 188). The amount can increase when the implementation of mSCOA is completed. **A re-classification will be done with the full implementation of mSCOA**

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 a negative growth of 7.7 per cent for 2017/18 and curbed at 3.5 and 1.2 per cent for the two outer years, Computer services (licence fees) to the amount of R6million have been reclassified. Further details relating to other expenditure can be seen in Table 50 MBRR SA1 (see page 188).

Unpacking of Professional fees, Conference and delegations, transport claims in line with Municipal Standard Chart of Accounts (mSCOA) will result in changes of the classification of the items. **A re-classification will be done with the full implementation of mSCOA**

The following table gives a breakdown of the main expenditure categories for the 2017/18 financial year.

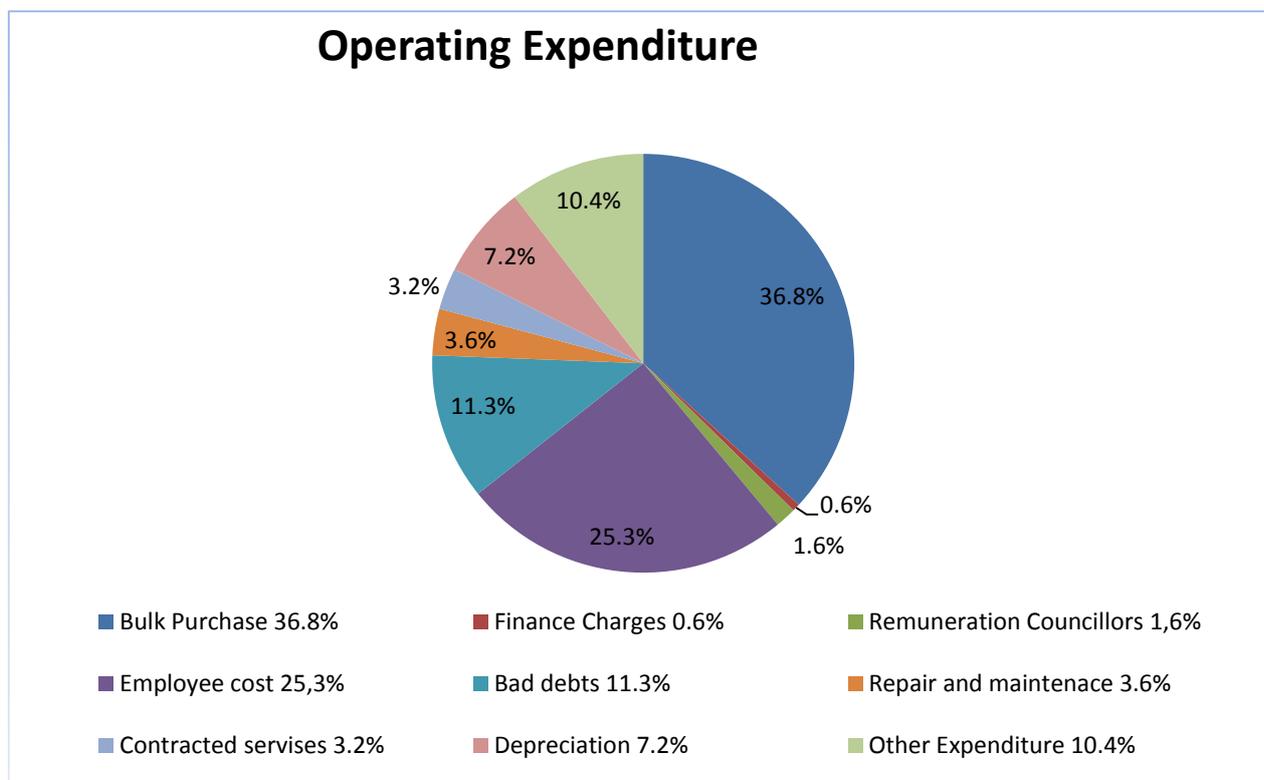


Figure 1 Main operational expenditure categories for the 2017/18 financial year

1.5.1 Priority given to repairs and maintenance

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

Table 14 Operational repairs and maintenance

R thousand	2013/14	2014/15	2015/16	Current 2016/17			2017//2018MTREF		
	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2017/18	Budget 2018/19	Budget 2019/20
Employee related cost	44,385	33,431	53,996	60,016	61,283	61,283	66,642	71,282	76,213
Materials and contracted services	15,227	25,693	18,942	38,199	39,497	39,497	38,410	38,240	39,420
Total repairs and maintenance expenditure	59,612	59,124	72,938	98,215	100,780	100,780	105,052	109,522	115,633

During the compilation of the 2017/18MTREF operational budget repairs and maintenance was identified as a strategic imperative owing to the ageing infrastructure and historic deferred maintenance.

To this end, repairs and maintenance increases by 6.9 per cent in the 2017/18 financial year, from R98.2 million to R105.1 million.

During the 2016/17 Adjustment Budget this allocation was adjusted slightly upwards to R100.8 million.

As part of the 2017/18MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2017/18 equates to R105.1 million, an increase of 4.2 per cent in relation to the Adjustment Budget and then continues to grow at 4.3 and 5.6 per cent over the MTREF.

Using 2014 as a baseline, the repairs and maintenance budget has grown by 75% in 2018 and by 2020 it will almost be double the amount that it was in 2014.

The table below further indicates that close onto 75% of the repairs and maintenance goes towards roads, electricity, water and sanitation infrastructure.

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

Table 15 Repairs and maintenance per asset class

	2013/14	2014/15	2015/16	Current 2016/17			2017/2018 MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2017/18	Budget 2018/19	Budget 2019/20
Repair and maintenance per asset class									
Infrastructure Roads	14,602	11,735	17,548	29,971	29,665	29,665	25,787	27,192	28,865
Infrastructure Electricity	13,318	9,610	16,258	17,770	20,718	20,718	20,162	21,44	23,208
Infrastructure Water	10,714	12,632	14,866	16,076	16,197	16,197	17,653	18,834	20,098
Infrastructure Sanitation	10,227	16,818	12,059	13,751	14,480	14,480	14,484	15,445	16,472
Infrastructure Other	4,948	3,363	6,517	8,701	8,306	8,306	9,475	10,029	10,225
Community	194	244	20	782	338	338	219	223	231
Other assets	5,609	4,722	5,670	11,164	11,076	11,076	17,272	16,055	16,534
Total Operating expenditure	59,612	59,124	72,938	98,215	100,780	100,780	105,052	109,522	115,633

For the 2017/18 financial year, 83% or R87.6 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received 19.% (R20.2 million), road infrastructure 25% (R25.8 million), water 17% (R17.7 million) and sanitation 14% (R14.5 million).

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. It is anticipated that there would 15 000 indigent households during the 2017/18 financial year. Details relating to free services, cost of

free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 111.

The threshold to qualify as indigent is that the household income does not exceed two times the state old age pension plus R1 500

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

1.6 Capital expenditure

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

Table 16 2017/8 Medium-term capital budget per vote

Capital expenditure by vote	2016/17		2017/18		2018/19		2019/20	
	Adjusted Budget	%	MTREF	%	MTREF	%		%
	R'000		R'000		R'000		R'000	
Exec. & Council (MM, Executive Mayor, Council)	9 501	7,51	3 590	2,16	2 442	2,13	2 345	2,25
Corporate Services	1 250	0,99	1 525	0,92	2 250	1,97	1 230	1,18
Social Services	15 381	12,16	45 390	27,32	19 841	17,34	35 777	34,36
Refuse Removal	3 663	2,90	1 080	0,65	12 083	10,56	27 066	26,00
Public Safety	6 442	5,09	586	0,35	3 834	3,35	3 647	3,50
Sport and Recreation	4 660	3,69	33 509	20,17	3 102	2,71	2 846	2,73
Community Services	616	0,49	10 215	6,15	822	0,72	2 218	2,13

Technical Services	97 593	77,19	114 501	68,91	89 360	78,12	64 758	62,20
Streets and Storm water	49 517	39,16	33 785	20,33	54 918	48,01	28 450	27,33
Sewerage	18 640	14,74	54 991	33,10	10 828	9,47	16 340	15,69
Water supply	2 503	1,98	3 099	1,87	3 270	2,86	2 608	2,51
Electricity supply	24 263	19,19	21 959	13,22	18 870	16,50	16 510	15,86
Mechanical Workshop/Buildings	1 070	0,85	667	0,40	1 474	1,29	850	0,82
Administration	1 600	1,27	0	0,00	0	0,00	0	0,00
Financial Services	465	0,37	0	0,00	0	0,00	0	0,00
Economic Dev. and Planning	2 250	1,78	1 150	0,69	500	0,44	0	
Housing & Urban Planning								
Economic Development	2 250	1,78	1 150	0,69	500	0,44		
TOTAL	126 440	100	166 156	100	114 393	100	104 110	100

The biggest single portion of capital expenditure is allocated to Technical Services which amounts to **R114.5million** in 2017/2018 decreasing to **R62.2million** in 2019/2020.

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 2017/2018 budget and IDP process.

Over 90% of the capital expenditure is allocated to the following:

Sewer receives 33.1 per cent, R55 million;

Roads receive 20.3 per cent, R33.8 million, Electricity 13.22%, R21.9 million, water 1.8%, R3.1 million.

Sport and recreation receives 20.2%, R33.5m and

Community services 6%, R10.2m

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 105. In addition to the MBRR Table A9, MBRR Tables 47; 48 and 49 -SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 181to 187).Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Conditional Grants

	2017/2018	2018/2019	2019/20
Moses Kotoane stadium upgrade	R30m		
Gortin sewer	R3.2m		
Construction of roads & storm water Zamdela	R27.2m	R28.6m	R10.5m
Construction of sports complex Refengkgotso		R1.5m	R2 m
Construction of sports complex Metsimaholo	R2.3m	R1 m	R630k
Zamdela cemetery upgrading	R5.9m	R60k	
Leitrim bulk electricity supply	R10m	R10m	
Themba Khubeka bulk electricity supply			R13m
High mast lights Amelia	R4.5m	R250k	
Rehabilitation of Refengkgotso water treatment works	R35m		
Rehabilitation of Oranjeville water treatment works		R6.9m	R14m
Leitrim pump station Sewer	R15m		
Land fill site		R7.3m	R20.9m

Own funding

- Upgrading of electricity substation R700k
- Network strengthening - Gortin R1.5 million
- Upgrading of network Oranjeville R1 million
- Resealing of roads R6 million
- Office furniture R800k
- Rehabilitation of landfill site R1 million
- Water pumps: R1.2 million
- Sewer pumps: R1 million
- Electricity to non-electrified areas: R1.2million
- Air conditioners R350k
- ICT Disaster recovery R1.8million
- Fencing Refengkgotso cemetery R1million

Borrowing

- Vehicles R3.1 million

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

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

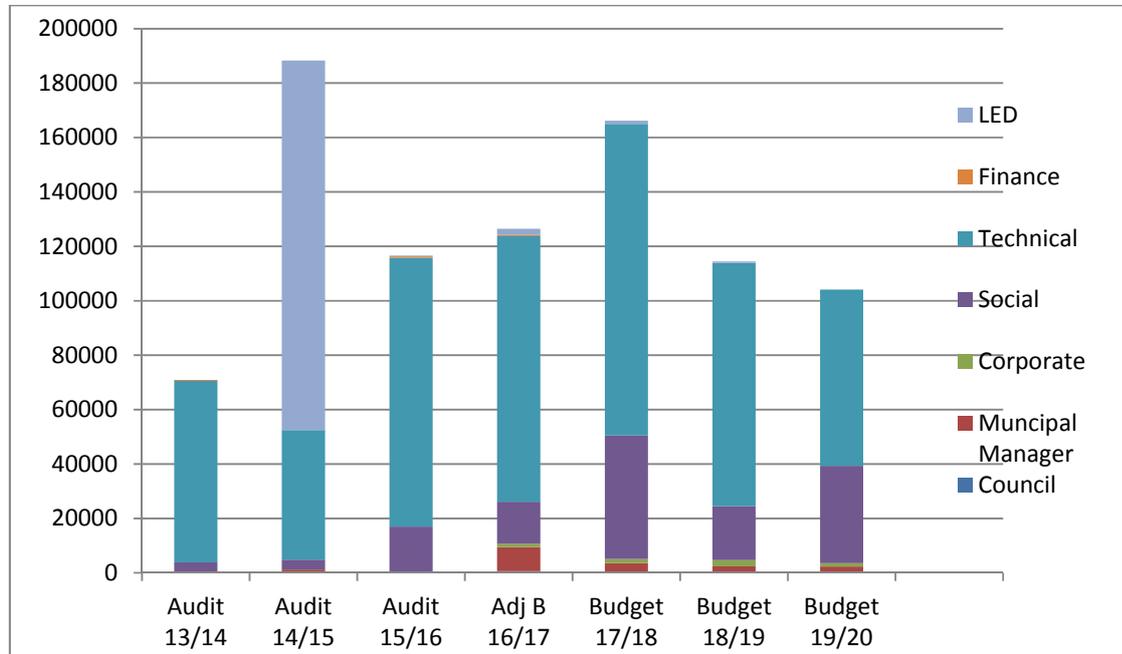


Figure 2 Capital Infrastructure Programme

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

1.7 Annual Budget Tables

The following twenty five pages present the ten main budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 2016/17 budget and MTREF as approved by the Council.

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

Table 17 MBRR Table A1 - Budget Summary

FS204 Metsimaholo - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	95,290	111,299	114,445	113,366	121,196	121,196	-	129,932	138,054	146,534
Service charges	399,853	486,639	513,136	696,381	671,852	671,852	-	738,292	781,809	826,526
Investment revenue	1,694	2,167	2,702	2,600	1,400	1,400	-	1,000	1,000	1,000
Transfers recognised - operational	104,642	112,283	122,911	131,694	133,173	133,173	-	147,679	167,932	186,009
Other own revenue	48,612	56,269	69,399	36,265	54,836	54,836	-	72,033	73,720	74,923
Total Revenue (excluding capital transfers and contributions)	650,090	768,657	822,593	980,307	982,457	982,457	-	1,088,936	1,162,514	1,234,992
Employee costs	188,398	174,728	230,382	249,435	254,118	254,118	-	271,131	292,673	314,411
Remuneration of councillors	13,173	14,410	15,247	16,343	16,343	16,343	-	17,213	18,401	19,451
Depreciation & asset impairment	32,238	39,608	42,930	73,535	73,535	73,535	-	76,861	78,791	82,099
Finance charges	2,282	4,602	991	2,241	2,836	2,836	-	6,059	5,349	4,573
Materials and bulk purchases	270,799	304,167	336,678	409,853	401,116	401,116	-	433,582	458,556	495,254
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	179,230	271,513	255,654	247,428	254,787	254,787	-	268,498	280,742	282,100
Total Expenditure	686,120	809,029	881,883	998,836	1,002,736	1,002,736	-	1,073,344	1,134,511	1,197,887
Surplus/(Deficit)	(36,030)	(40,371)	(59,290)	(18,530)	(20,279)	(20,279)	-	15,592	28,003	37,105
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	83,124	198,486	96,713	67,092	81,067	81,067	-	133,128	55,507	61,018
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	47,094	158,114	37,423	48,562	60,787	60,787	-	148,720	83,510	98,123
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	47,094	158,114	37,423	48,562	60,787	60,787	-	148,720	83,510	98,123
Capital expenditure & funds sources										
Capital expenditure	80,947	188,267	116,620	113,245	126,440	126,440	-	166,156	114,394	104,110
Transfers recognised - capital	67,898	184,086	84,689	67,092	68,592	68,592	-	133,128	55,507	61,018
Public contributions & donations	-	-	-	-	12,474	12,474	-	-	-	-
Borrowing	-	-	10,379	1,000	11,085	11,085	-	3,130	660	2,080
Internally generated funds	13,049	4,181	21,551	45,154	34,289	34,289	-	29,898	58,227	41,012
Total sources of capital funds	80,947	188,267	116,620	113,245	126,440	126,440	-	166,156	114,394	104,110
Financial position										
Total current assets	192,120	229,135	246,740	319,941	380,322	380,322	-	397,455	415,962	414,202
Total non-current assets	1,018,015	1,164,976	1,234,726	1,288,577	1,287,630	1,287,630	-	1,376,925	1,412,528	1,494,539
Total current liabilities	189,378	207,982	248,976	177,041	228,019	228,019	-	192,364	172,878	150,635

May 2017

Total non-current liabilities	87,214	92,205	101,144	119,184	117,048	117,048	–	125,319	126,184	129,424
Community wealth/Equity	933,543	1,093,924	1,131,347	1,312,294	1,322,885	1,322,885	–	1,456,697	1,529,428	1,628,682
Cash flows										
Net cash from (used) operating	97,635	44,755	75,488	125,402	90,320	90,320	–	181,112	133,452	166,114
Net cash from (used) investing	(67,190)	(43,619)	(97,185)	(104,744)	(112,963)	(112,963)	–	(164,155)	(111,892)	(101,435)
Net cash from (used) financing	(13,500)	(1,070)	9,848	(2,389)	8,762	8,762	–	(3,824)	(7,518)	(7,055)
Cash/cash equivalents at the year end	26,129	26,195	14,345	18,269	465	465	–	13,599	27,640	85,264
Cash backing/surplus reconciliation										
Cash and investments available	26,129	26,195	14,345	19,001	464	464	–	13,599	27,640	85,264
Application of cash and investments	137,320	134,414	137,972	(130)	(11,114)	(11,114)	–	(32,486)	(55,326)	(72,386)
Balance - surplus (shortfall)	(111,191)	(108,219)	(123,626)	19,131	11,578	11,578	–	46,085	82,966	157,650
Asset management										
Asset register summary (WDV)	1,017,454	1,164,976	1,234,726	1,288,577	1,287,630	1,287,630	1,376,925	1,376,925	1,412,528	1,434,539
Depreciation	32,238	39,608	42,930	73,536	73,536	73,536	76,862	76,862	78,791	82,098
Renewal of Existing Assets	–	–	2,282	17,476	15,140	15,140	15,140	12,350	15,720	16,800
Repairs and Maintenance	59,612	59,124	72,938	98,215	100,780	100,780	105,052	105,052	109,522	115,633
Free services										
Cost of Free Basic Services provided	39,099	25,668	22,660	52,187	27,912	27,912	58,144	58,144	61,458	64,900
Revenue cost of free services provided	63,167	52,910	24,704	73,671	81,582	81,582	30,114	30,114	30,940	31,774
Households below minimum service level										
Water:	3	1	8	–	–	–	–	–	–	–
Sanitation/sewerage:	12	9	14	–	–	–	2	2	2	2
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	20	20	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 revenue and expenditure, 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 positive over the MTREF
 - Capital expenditure is balanced by capital funding sources, of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous

years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. If the municipality's cash flow is positive, and is improving it indicates that the necessary cash resources are available to fund the Capital Budget. Capital from own funding (accumulated surplus) will only be used based on the availability of cash.

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

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

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

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional	1									
<i>Governance and administration</i>		157,641	327,001	236,243	201,203	224,827	224,827	242,178	269,135	292,444
Executive and council		407	359	7,324	2,981	2,881	2,881	3,140	3,275	3,417
Finance and administration		157,234	326,642	228,919	198,222	221,946	221,946	239,038	265,860	289,027
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		25,179	30,764	29,280	21,196	21,196	21,196	61,379	26,303	27,193
Community and social services		3,317	2,148	2,697	3,106	3,106	3,106	6,812	952	919
Sport and recreation		1,759	1,186	2,352	10,487	10,487	10,487	34,231	4,561	4,981
Public safety		16,282	23,372	19,179	3,602	3,602	3,602	16,796	17,003	17,243
Housing		3,820	4,058	5,052	4,001	4,001	4,001	3,541	3,787	4,050
<i>Economic and environmental services</i>		36,404	35,239	14,804	42,263	42,263	42,263	29,262	30,765	12,817
Planning and development		504	534	727	1,945	1,945	1,945	2,087	2,197	2,317
Road transport		35,900	34,705	14,076	40,318	40,318	40,318	27,175	28,568	10,500
<i>Trading services</i>		513,990	574,139	638,979	782,737	775,238	775,238	889,245	891,818	963,556
Energy sources		232,422	213,318	261,134	317,288	317,788	317,788	296,166	307,741	326,903
Water management		219,383	290,626	285,812	380,813	362,513	362,513	439,699	464,966	490,819
Waste water management		30,460	31,392	54,209	34,776	44,777	44,777	88,506	44,124	53,371
Waste management		31,725	38,803	37,825	49,860	50,161	50,161	64,875	74,987	92,463
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	733,214	967,143	919,306	1,047,399	1,063,523	1,063,523	1,222,064	1,218,021	1,296,010
Expenditure - Functional	-									
<i>Governance and administration</i>		118,523	191,535	228,696	181,879	193,635	193,635	183,098	192,339	199,453
Executive and council		42,820	66,781	77,439	70,383	69,587	69,587	68,200	74,257	80,642
Finance and administration		75,703	124,754	151,257	111,496	124,048	124,048	114,898	118,082	118,811
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		72,022	116,289	78,008	106,531	108,917	108,917	104,944	110,249	116,863
Community and social services		7,362	7,260	9,431	12,869	13,093	13,093	4,957	5,150	5,422
Sport and recreation		28,538	15,785	28,019	41,430	42,615	42,615	42,908	44,602	47,367
Public safety		32,876	90,225	37,448	47,760	48,754	48,754	52,807	55,934	59,212
Housing		3,246	3,019	3,110	4,471	4,454	4,454	4,272	4,563	4,862
<i>Economic and environmental services</i>		34,446	34,637	38,318	68,754	68,431	68,431	62,688	65,798	68,770
Planning and development		4,710	7,344	7,504	9,215	9,533	9,533	7,185	7,457	7,902
Road transport		29,736	27,293	30,814	59,539	58,898	58,898	55,503	58,341	60,868
<i>Trading services</i>		461,129	466,568	536,861	641,673	631,754	631,754	722,613	766,126	812,801
Energy sources		200,041	212,562	243,981	274,969	277,346	277,346	297,928	309,238	326,448
Water management		185,643	183,969	211,434	258,442	248,394	248,394	311,665	336,780	358,983
Waste water management		42,392	40,971	37,002	50,917	51,301	51,301	51,759	55,075	58,392
Waste management		33,053	29,066	44,443	57,345	54,713	54,713	61,261	65,033	68,978
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	686,120	809,029	881,883	998,836	1,002,736	1,002,736	1,073,344	1,134,511	1,197,887
Surplus/(Deficit) for the year		47,094	158,114	37,423	48,562	60,787	60,787	148,720	83,510	98,123

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

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

Table 19MBRRTableA3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

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

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		7 408	2 672	7 042	3 731	7 706	7 706	2 870	2 995	3 127
Vote 3 - Organisational Development & Corporate Services		362	970	1 269	1 678	1 678	1 678	1 775	1 867	1 886
Vote 4 - Social Services		54 422	74 408	62 716	67 882	68 182	68 182	122 891	97 692	115 806
Vote 5 - Infrastructure Services		512 423	611 291	648 420	812 442	804 643	804 643	866 428	861 160	898 267
Vote 6 - Financial Services		193 455	194 444	221 045	194 789	214 438	214 438	235 428	261 667	284 652
Vote 7 - Local Economic Development		4 731	138 776	13 033	6 946	6 946	6 946	7 728	8 584	9 141
Total Revenue by Vote	2	772 802	1 022 561	953 525	1 087 469	1 103 593	1 103 593	1 237 120	1 233 964	1 312 878
Expenditure by Vote to be appropriated	1									
Vote 1 - Council/Mayor, Speaker and Councillors		30 354	33 535	37 861	38 464	41 314	41 314	41 699	44 713	47 891
Vote 2 - Municipal Manager		14 557	78 643	34 203	52 727	51 324	51 324	44 425	48 162	51 972
Vote 3 - Organisational Development & Corporate Services		11 637	14 683	21 762	29 489	30 008	30 008	23 097	23 426	23 613
Vote 4 - Social Services		103 502	93 467	120 974	139 737	139 475	139 475	144 400	152 570	161 252
Vote 5 - Infrastructure Services		515 874	559 731	625 698	703 669	696 441	696 441	752 459	797 251	844 749
Vote 6 - Financial Services		34 343	62 247	57 424	50 749	60 198	60 198	59 266	60 023	59 507
Vote 7 - Local Economic Development		15 439	22 141	18 180	24 072	24 046	24 046	23 054	24 310	25 772
Total Expenditure by Vote	2	725 707	864 446	916 102	1 038 906	1 042 806	1 042 806	1 088 400	1 150 455	1 214 755
Surplus/(Deficit) for the year	2	47 094	158 114	37 423	48 562	60 787	60 787	148 720	83 510	98 123

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

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

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

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

Description	2013/2014	2014/2015	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
R Thousand	Audit outcome	Audit outcome	Audit outcome	Original Budget	Adjusted Budget	Full Year Forecast	MTREF	MTREF	MTREF
Electricity									
Total Revenue	257 536	238 378	286 616	346 857	347 378	347 378	302 219	314 151	333 685
Total Expenditure	225 154	242 764	276 635	304 559	306 963	306 963	304 042	315 699	333 267
Surplus/(Deficit) for the year	32 382	-4 386	9 981	42 298	40 415	40 415	-1 823	-1 548	418
Percentage Surplus	12,57	-1,84	3,48	12,19	11,63	11,63	-0,60	-0,49	0,13
Water									
Total Revenue	230 279	302 549	293 373	390 284	371 984	371 984	448 494	474 280	500 673
Total Expenditure	196 538	228 721	257 997	267 913	257 864	257 864	320 461	346 094	368 838
Surplus/(Deficit) for the year	33 741	73 828	35 376	122 371	114 120	114 120	128 033	128 186	131 835
Percentage Surplus	14,65	24,40	12,06	31,35	30,68	30,68	28,55	27,03	26,33
Sanitation									
Total Revenue	36 230	35 659	54 354	34 958	20 194	20 194	88 535	44 155	53 403
Total Expenditure	48 163	50 702	43 141	51 099	26 174	26 174	51 788	55 106	58 424
Surplus/(Deficit) for the year	-11 933	-15 043	11 213	-16 141	-5 980	-5 980	36 747	-10 951	-5 021
Percentage Surplus	-32,94	-42,19	20,63	-46,17	-29,61	-29,61	41,51	-24,80	-9,40

Waste Removal									
Total Revenue	44 509	47 702	38 488	50 687	50 987	50 987	65 052	75 176	92 663
Total Expenditure	45 837	40 841	48 609	58 172	55 539	55 539	61 439	65 221	69 177
Surplus/(Deficit) for the year	-1 328	6 861	-10 121	-7 485	-4 552	-4 552	3 613	9 955	23 486
Percentage Surplus	-2,98	14,38	-26,30	-14,77	-8,93	-8,93	5,55	13,24	25,35

1. Electricity trading **deficit** increases over the 2017/18 MTREF from a deficit of 0.6 per cent or R1.8million in 2017/178 to a deficit of 0.13 per cent by 2019/20. The capital grants that are reflected as revenue are stable over the medium term.
2. Water trading surplus remains relatively constant over the MTREF translating into a surplus of 28.6 per cent, 27.0 per cent and 26.3 per cent for each of the respective financial years and is as a result of the implementation of the inclining block tariff.
3. Sanitation is reflecting a surplus over the 2016/17 MTREF from a surplus of 41.5 per cent or R36.7 million in 2017/18 to a deficit of 9.4 per cent by 2019/20. The capital grants that are reflected as revenue decreased in the last two periods.
4. Waste Removal **surplus** increases over the 2017/18 MTREF from a surplus of 5.55 per cent or R3.6 m in 2017/18 to a surplus of 25.35 per cent by 2019/20. The capital grants that are reflected as revenue increased in the last period to R20.9 million.

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Revenue By Source											
Property rates	2	95 290	111 299	114 445	113 366	121 196	121 196	-	129 932	138 054	146 534
Service charges - electricity revenue	2	179 303	195 341	208 626	284 053	287 553	287 553	-	265 621	280 762	296 484
Service charges - water revenue	2	175 524	249 416	258 842	349 547	322 947	322 947	-	410 412	434 883	459 924
Service charges - sanitation revenue	2	16 150	18 087	19 714	21 545	25 545	25 545	-	22 656	24 000	25 398
Service charges - refuse revenue	2	17 390	23 796	25 955	27 807	35 807	35 807	-	39 603	42 165	44 720
Service charges - other		11 487	-	-	13 429	-	-		-	-	-
Rental of facilities and equipment		4 858	4 600	4 642	5 780	5 780	5 780		4 818	5 141	5 643
Interest earned - external investments		1 694	2 167	2 702	2 600	1 400	1 400		1 000	1 000	1 000
Interest earned - outstanding debtors		17 139	14 576	16 449	18 940	22 040	22 040		28 295	28 295	28 295
Dividends received		78	88	96	-	-	-	-	-	-	-
Fines, penalties and forfeits		15 855	22 876	18 507	3 025	3 025	3 025		16 162	16 333	16 533
Licences and permits		146	149	159	191	191	191		201	212	224
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		104 642	112 283	122 911	131 694	133 173	133 173		147 679	167 932	186 009
Other revenue	2	2 947	12 032	17 312	7 329	22 799	22 799	-	20 556	21 238	21 553
Gains on disposal of PPE		7 589	-	-	1 001	1 001	1 001		2 001	2 501	2 675
Total Revenue (excluding capital transfers and contributions)		650 090	766 710	810 358	980 307	982 457	982 457	-	1 088 936	1 162 514	1 234 992
Expenditure By Type											
Employee related costs	2	188 398	174 728	230 382	249 435	254 118	254 118	-	271 131	292 673	314 411
Remuneration of councillors		13 173	14 410	15 247	16 343	16 343	16 343		17 213	18 401	19 451
Debt impairment	3	84 993	114 846	127 716	84 441	94 441	94 441		121 255	127 758	126 152
Depreciation & asset impairment	2	32 238	39 608	42 930	73 535	73 535	73 535	-	76 861	78 791	82 099
Finance charges		2 282	4 602	991	2 241	2 836	2 836		6 059	5 349	4 573
Bulk purchases	2	255 573	279 220	317 737	371 654	361 634	361 634	-	395 172	420 316	455 834
Other materials	8	15 227	24 947	18 942	38 199	39 482	39 482		38 410	38 240	39 420
Contracted services		23 972	76 839	30 976	36 532	38 032	38 032	-	34 386	36 215	37 802
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	61 918	74 139	95 305	126 455	122 314	122 314	-	112 857	116 770	118 145
Loss on disposal of PPE		8 347	5 689	1 657	-	-	-		-	-	-
Total Expenditure		686 120	809 029	881 883	998 836	1 002 736	1 002 736	-	1 073 344	1 134 511	1 197 887
Surplus/(Deficit)		(36 030)	(42 319)	(71 525)	(18 530)	(20 279)	(20 279)	-	15 592	28 003	37 105
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		83 124	198 486	96 713	67 092	81 067	81 067		133 128	55 507	61 018

Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		47 094	156 167	25 188	48 562	60 787	60 787	-	148 720	83 510	98 123
Taxation											
Surplus/(Deficit) after taxation		47 094	156 167	25 188	48 562	60 787	60 787	-	148 720	83 510	98 123
Attributable to minorities			1 948	12 235							
Surplus/(Deficit) attributable to municipality		47 094	158 114	37 423	48 562	60 787	60 787	-	148 720	83 510	98 123
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		47 094	158 114	37 423	48 562	60 787	60 787	-	148 720	83 510	98 123

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

1. Total revenue (including capital transfers)

Total revenue is R1.222 billion in 2017/18 and remains fairly static at R1.296 billion by 2019/20. This represents a year-on-year increase of 0% for the 2018/19 financial year and 6.4% for the 2019/20 financial year.

2. Property Rates

Revenue to be generated from property rates is R129.9 million in the 2017/18 financial year and increases to R146.5 million by 2019/20 which represents 10.6% of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6.4% per cent, 5.7% and 5.6% for each of the respective financial years of the MTREF.

3. Service charges

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R738.3 million for the 2017/18 financial year and increasing to R826.5 million by 2019/20.

For the 2017/18 financial year services charges amount to 60.4% of the total revenue base and increases over the medium-term to 64.2% and 63.8%.

4. Transfers –operational revenue

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 12.1% and 13.8% and 14.4% for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.

5. Budget surplus and Capital transfers

The budget reflects a surplus before transfer of capital grants of R15.6 million, R28 million and R37.1 million for the years related to MTREF. Capital transfers are done in terms of GRAP and Circular 42. After accounting for capital transfers the budget reflects a surplus of R148.7m, R83.5m and R98.1m respectively.

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

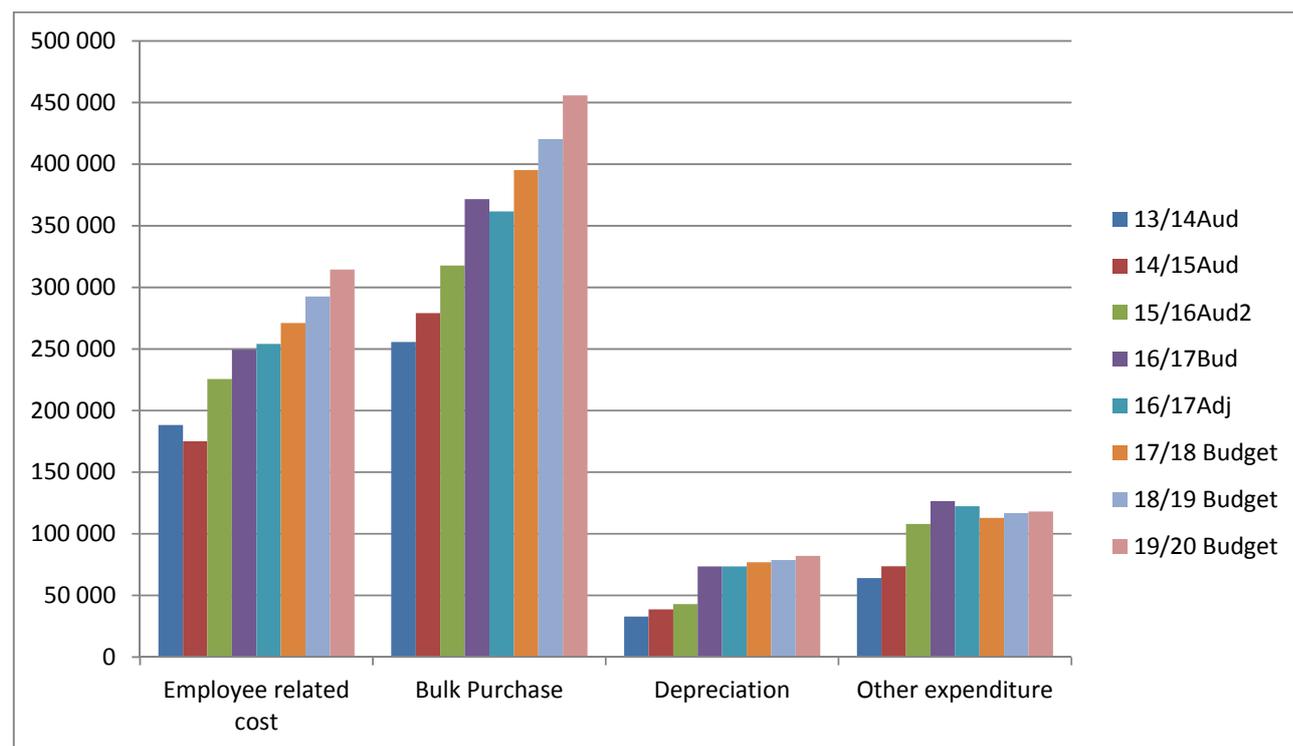


Figure 3 Expenditure by major type

7. Bulk purchases have significantly increased over the 2013/14 to 2019/20 period escalating from R255.6million to R455.8 million. This represents an increase of close to 80% from 2014 to 2020, an average of 13%per annum, which is in excess of the inflation rate in each of the years.

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

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

9. The **classification** can change with final mSCOA classification

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

FS204 Metsimaholo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	737	702	5 683	8 950	8 950	3 590	2 442	2 345
Vote 3 - Organisational Development & Corporate Services		507	28	4 040	1 250	1 250	1 250	1 525	2 250	1 230
Vote 4 - Social Services		3 733	3 657	14 080	12 053	15 381	15 381	45 391	19 841	35 777
Vote 5 - Infrastructure Services		66 697	47 604	97 798	91 345	97 493	97 493	114 501	89 360	64 758
Vote 6 - Financial Services		9 859	-	-	665	465	465	-	-	-
Vote 7 - Local Economic Development		-	135 779	-	2 250	2 250	2 250	-	-	-
Capital multi-year expenditure sub-total	7	80 795	187 804	116 620	113 245	125 790	125 790	165 006	113 894	104 110
Single-year expenditure to be appropriated	2									
Vote 1 - Council/Mayor, Speaker and Councillors		152	463	-	-	650	650	-	-	-
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		-	-	-	-	-	-	1 150	500	-
Capital single-year expenditure sub-total		152	463	-	-	650	650	1 150	500	-
Total Capital Expenditure - Vote		80 947	188 267	116 620	113 245	126 440	126 440	166 156	114 394	104 110
Capital Expenditure - Functional										
Governance and administration		10 518	137 006	4 742	12 518	13 885	13 885	6 290	5 917	3 575
Executive and council		152	470	195	1 650	2 493	2 493	1 525	2 250	1 230
Finance and administration		10 366	136 536	4 547	10 868	11 392	11 392	4 766	3 667	2 345
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		3 733	46	14 081	10 478	11 718	11 718	44 682	13 108	12 111
Community and social services		2 338	-	2 612	990	491	491	7 291	568	234
Sport and recreation		1 306	46	8 918	8 613	4 785	4 785	36 433	3 956	4 830
Public safety		89	-	2 551	875	6 442	6 442	957	8 584	7 047
Housing		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 408	2 461	22 797	53 713	49 517	49 517	34 175	55 318	28 450
Planning and development		-	-	-	-	-	-	1 000	-	-
Road transport		1 408	2 461	22 797	53 713	49 517	49 517	33 175	55 318	28 450
Trading services		65 288	48 753	75 000	36 537	49 070	49 070	81 009	40 051	59 974
Energy sources		23 873	7 126	44 600	30 263	24 263	24 263	21 839	19 970	17 160
Water management		6 873	5 254	3 380	2 503	2 503	2 503	3 099	3 270	2 608
Waste water management		34 542	32 763	24 548	2 196	18 641	18 641	54 991	8 978	16 340

Waste management <i>Other</i>			3 610	2 473	1 575	3 663	3 663		1 080	7 833	23 866
						2 250	2 250		-	-	-
Total Capital Expenditure - Functional	3	80 947	188 267	116 620	113 245	126 440	126 440	-	166 156	114 394	104 110
Funded by:											
National Government		67 809	184 086	84 689	67 092	68 592	68 592		133 128	55 507	61 018
Provincial Government											
District Municipality											
Other transfers and grants		89								-	-
Transfers recognised - capital	4	67 898	184 086	84 689	67 092	68 592	68 592	-	133 128	55 507	61 018
Public contributions & donations	5					12 474	12 474			-	-
Borrowing	6			10 379	1 000	11 085	11 085		3 130	660	2 080
Internally generated funds	6	13 049	4 181	21 551	45 154	34 289	34 289		29 898	58 227	41 012
Total Capital Funding	7	80 947	188 267	116 620	113 245	126 440	126 440	-	166 156	114 394	104 110

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

- Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The classification can change with the final mSCOA allocation.
- Single-year capital expenditure has been appropriated at R1.1 million for the 2017/18 financial year and flattens out over the MTREF at levels of R500k and zero respectively for the two outer years.
- Multi-year capital expenditure has been appropriated at R165 million for the 2017/18 financial year and flattens out over the MTREF at levels of R113.9 million and R104.1million respectively for the two outer years.
- 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.
- The capital programs are funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2017/18, capital transfers (grants) totals R113.1million (80 per cent) and decreases to R61 million by 2019/20 (58.6 per cent). Internally generated funding totalling R29.9 million, R58.2 million and R41 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 -Budgeted Financial Position

FS204 Metsimaholo - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS										
Current assets										
Cash		9 303	14 863	1 229	9 001	464	464	3 599	7 640	5 264
Call investment deposits	1	16 826	11 332	13 116	10 000	-	-	10 000	20 000	20 000
Consumer debtors	1	87 581	144 480	185 926	252 940	327 237	327 237	331 956	336 322	335 638
Other debtors		49 414	44 183	26 199	40 000	37 302	37 302	33 000	35 000	36 000
Current portion of long-term receivables		12 929	5 886	4 951				2 900	3 000	3 300
Inventory	2	16 067	8 391	15 318	8 000	15 319	15 319	16 000	14 000	14 000
Total current assets		192 120	229 135	246 740	319 941	380 322	380 322	397 455	415 962	414 202
Non-current assets										
Long-term receivables										
Investments										
Investment property		86 441	86 415	86 389	86 415	84 351	84 351	84 351	84 351	84 351
Investment in Associate Property, plant and equipment	3	930 533	1 078 115	1 148 019	1 201 717	1 202 962	1 202 962	1 292 257	1 327 860	1 349 871
Agricultural Biological Intangible		480	445	318	445	317	317	317	317	317
Other non-current assets		561	-							
Total non-current assets		1 018 015	1 164 976	1 234 726	1 288 577	1 287 630	1 287 630	1 376 925	1 412 528	1 494 539
TOTAL ASSETS		1 210 135	1 394 110	1 481 466	1 608 518	1 667 952	1 667 952	1 774 380	1 828 490	1 908 741
LIABILITIES										
Current liabilities										
Bank overdraft	-									
Borrowing	4	1 941	2 363	4 526	4 941	3 671	3 671	6 964	7 678	8 135
Consumer deposits		13 800	16 245	18 027	18 100	18 348	18 348	19 000	19 200	19 500
Trade and other payables	4	173 637	189 374	226 423	154 000	206 000	206 000	166 400	146 000	123 000
Provisions										
Total current liabilities		189 378	207 982	248 976	177 041	228 019	228 019	192 364	172 878	150 635
Non-current liabilities										
Borrowing		6 947	5 784	12 371	13 718	18 564	18 564	17 417	8 215	704
Provisions		80 267	86 421	88 773	105 466	98 484	98 484	107 902	117 969	128 720
Total non-current liabilities		87 214	92 205	101 144	119 184	117 048	117 048	125 319	126 184	129 424
TOTAL LIABILITIES		276 592	300 187	350 120	296 225	345 067	345 067	317 682	299 062	280 059
NET ASSETS	5	933 543	1 093 924	1 131 347	1 312 294	1 322 885	1 322 885	1 456 697	1 529 428	1 628 682
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		933 543	1 093 924	1 131 347	1 312 294	1 322 885	1 322 885	1 456 697	1 529 428	1 628 682
Reserves	4	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	933 543	1 093 924	1 131 347	1 312 294	1 322 885	1 322 885	1 456 697	1 529 428	1 628 682

May 2017

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 52 is supported by an extensive table of notes (SA3 which can be found on page 194) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non- current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24MBRRTable A7 - Budgeted Cash Flow StatementFS204 Metsimaholo - Table A7 Budgeted
Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		84 237	87 779	93 845	98 629	101 041	101 041	110 442	117 346	126 019	
Service charges		329 469	382 851	435 100	623 231	557 139	557 139	650 688	688 992	734 914	
Other revenue		33 573	11 472	17 421	15 429	37 835	37 835	13 702	27 190	28 179	
Government - operating	1	188 399	176 779	122 911	131 694	133 173	133 173	147 679	167 932	186 009	
Government - capital	1			79 983	59 592	68 592	68 592	133 128	56 007	62 018	
Interest		10 210	12 968	15 861	19 078	7 930	7 930	25 051	25 617	26 183	
Dividends		78	88	96	-	-	-	-	-	-	
Payments											
Suppliers and employees		(546 050)	(622 580)	(688 737)	(819 709)	(812 553)	(812 553)	(893 518)	(944 283)	(992 635)	
Finance charges		(2 282)	(4 602)	(991)	(2 541)	(2 836)	(2 836)	(6 059)	(5 349)	(4 573)	
Transfers and Grants	1			-	-	-	-	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES		97 635	44 755	75 488	125 402	90 320	90 320	-	181 112	133 452	166 114
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			475	1 426	1 001	1 001	1 001	2 001	2 501	2 675	
Decrease (Increase) in non-current debtors			8 394	657	-	-	-	-	-	-	
Decrease (increase) other non-current receivables		3 807									
Decrease (increase) in non-current investments											
Payments											
Capital assets		(70 997)	(52 488)	(99 267)	(105 745)	(113 964)	(113 964)	(166 156)	(114 394)	(104 110)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(67 190)	(43 619)	(97 185)	(104 744)	(112 963)	(112 963)	-	(164 155)	(111 892)	(101 435)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing				9 230	1 000	11 085	11 085	3 130	160	1 080	
Increase (decrease) in consumer deposits				1 781	1 100	1 348	1 348	-	-	-	
Payments											
Repayment of borrowing		(13 500)	(1 070)	(1 163)	(4 489)	(3 671)	(3 671)	(6 954)	(7 678)	(8 135)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		(13 500)	(1 070)	9 848	(2 389)	8 762	8 762	-	(3 824)	(7 518)	(7 055)
NET INCREASE/ (DECREASE) IN CASH HELD		16 945	66	(11 849)	18 269	(13 881)	(13 881)	-	13 134	14 041	57 624
Cash/cash equivalents at the year begin:	2	9 184	26 129	26 195		14 345	14 345	465	13 599	27 640	
Cash/cash equivalents at the year end:	2	26 129	26 195	14 345	18 269	465	465	13 599	27 640	85 264	

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Cash and investments available											
Cash/cash equivalents at the year end	1	26 129	26 195	14 345	18 269	465	465	-	13 599	27 640	85 264
Other current investments > 90 days		0	(0)	0	732	(1)	(1)	-	0	0	(60 000)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	60 000
Cash and investments available:		26 129	26 195	14 345	19 001	464	464	-	13 599	27 640	85 264
Application of cash and investments											
Unspent conditional transfers		3 504	1 327	833	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	53 549	43 154	45 394	(105 596)	(109 598)	(109 598)	-	(140 388)	(173 293)	(201 106)
Other provisions		80 267	89 519	88 773	105 466	98 484	98 484		107 902	117 967	128 720
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		137 320	133 999	135 000	(130)	(11 114)	(11 114)	-	(32 486)	(55 326)	(72 386)
Surplus(shortfall)		(111 191)	(107 804)	(120 654)	19 131	11 578	11 578	-	46 085	82 966	157 650

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

3. As part of the 2016/17 mid-year review and Adjustments Budget the cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
4. In addition the Municipality will undertake an extensive debt collection drive.
5. A Revenue Enhancement Strategy will be develop and implemented.
6. The 2017/18 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
7. Cash and cash equivalents totals a projected favourable R13.6 million as at the end of the 2017/18 financial year and decrease to a favourable cash and cash equivalents of R157 million by 2019/20.

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 2013/14 to 2015/2016 the surplus (cash and cash equivalent) decreased from R26.1 million to R14.3 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2017/18 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The budget is funded in all three financial years.
8. As can be seen the budget has been modelled to progressively increase from a surplus of R46million in 2017/18 to a surplus of R82 million by 2018/19 and R157million in 2019/20.
9. Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.

Table 26 MBRR Table A9 - Asset Management

FS204 Metsimaholo - Table
A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	80,947	188,267	114,338	95,770	111,299	111,299	123,806	98,674	87,310
<i>Roads Infrastructure</i>		1,408	2,461	22,586	32,818	30,060	30,060	27,375	44,028	12,300
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		23,873	7,037	43,283	25,600	19,374	19,374	17,709	17,100	16,000
<i>Water Supply Infrastructure</i>		6,873	5,254	3,667	1,765	1,765	1,765	3,045	2,412	2,102
<i>Sanitation Infrastructure</i>		34,542	32,763	26,318	1,500	17,944	17,944	53,238	6,856	16,022
<i>Solid Waste Infrastructure</i>		-	133,827	-	10,200	10,200	10,200	1,000	7,273	20,866
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		66,696	181,342	95,854	71,883	79,343	79,343	102,367	77,669	67,290
Community Facilities		2,250	-	2,595	-	-	-	600	540	1,200
Sport and Recreation Facilities		1,093	-	-	7,674	3,998	3,998	2,296	2,500	2,630
Community Assets		3,343	-	2,595	7,674	3,998	3,998	2,896	3,040	3,830
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		9,484	-	6,311	2,020	1,540	1,540	6,610	2,360	900
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		9,484	-	6,311	2,020	1,540	1,540	6,610	2,360	900
Operational Buildings		554	-	8,097	50	40	40	1,330	350	100
Housing		-	-	-	-	-	-	-	-	-
Other Assets		554	-	8,097	50	40	40	1,330	350	100
Biological or Cultivated Assets		152	3,572	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		375	20	18	-	-	-	-	-	-
Furniture and Office Equipment		343	2,870	332	2,372	3,566	3,566	1,430	682	243
Machinery and Equipment		-	-	1,130	10,376	12,527	12,527	5,958	12,054	11,410
Transport Assets		-	463	-	1,395	10,286	10,286	3,215	2,518	3,537
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	2,282	17,476	15,140	15,140	12,350	15,720	16,800
<i>Roads Infrastructure</i>		-	-	-	12,000	10,000	10,000	6,000	12,000	15,000
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	1,450	800	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	12,000	10,000	10,000	7,450	12,800	15,000

May 2017

Community Facilities	-	-	-	200	-	-	-	400	-
Sport and Recreation Facilities	-	-	-	430	300	300	-	-	-
Community Assets	-	-	-	630	300	300	-	400	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	1,570	370	300
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	1,570	370	300
Operational Buildings	-	-	-	3,630	3,630	3,630	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	3,630	3,630	3,630	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	14	14	14	80	300	-
Machinery and Equipment	-	-	2,282	1,042	1,036	1,036	3,250	1,500	1,500
Transport Assets	-	-	-	160	160	160	-	350	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	-	-	30,000	-	-
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	30,000	-	-
Community Assets	-	-	-	-	-	-	30,000	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-

Total Capital Expenditure	4									
<i>Roads Infrastructure</i>		1,408	2,461	22,586	44,818	40,060	40,060	33,375	56,028	27,300
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		23,873	7,037	43,283	25,600	19,374	19,374	19,159	17,900	16,000
<i>Water Supply Infrastructure</i>		6,873	5,254	3,667	1,765	1,765	1,765	3,045	2,412	2,102
<i>Sanitation Infrastructure</i>		34,542	32,763	26,318	1,500	17,944	17,944	53,238	6,856	16,022
<i>Solid Waste Infrastructure</i>		-	133,827	-	10,200	10,200	10,200	1,000	7,273	20,866
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and</i>		-	-	-	-	-	-	-	-	-
<i>Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		66,696	181,342	95,854	83,883	89,343	89,343	109,817	90,469	82,290
Community Facilities		2,250	-	2,595	200	-	-	600	940	1,200
Sport and Recreation Facilities		1,093	-	-	8,104	4,298	4,298	32,296	2,500	2,630
Community Assets		3,343	-	2,595	8,304	4,298	4,298	32,896	3,440	3,830
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		9,484	-	6,311	2,020	1,540	1,540	8,180	2,730	1,200
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		9,484	-	6,311	2,020	1,540	1,540	8,180	2,730	1,200
Operational Buildings		554	-	8,097	3,680	3,670	3,670	1,330	350	100
Housing		-	-	-	-	-	-	-	-	-
Other Assets		554	-	8,097	3,680	3,670	3,670	1,330	350	100
Biological or Cultivated Assets		152	3,572	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		375	20	18	-	-	-	-	-	-
Furniture and Office Equipment		343	2,870	332	2,386	3,580	3,580	1,510	982	243
Machinery and Equipment		-	-	3,413	11,418	13,563	13,563	9,208	13,554	12,910
Transport Assets		-	463	-	1,555	10,446	10,446	3,215	2,868	3,537
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		80,947	188,267	116,620	113,245	126,440	126,440	166,156	114,394	104,110
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Roads Infrastructure</i>		236,920	218,585	226,628	251,644	239,212	239,212	256,978	282,781	279,954
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		139,183	140,145	176,704	172,056	186,629	186,629	181,757	190,199	196,251
<i>Water Supply Infrastructure</i>		173,846	170,973	166,929	174,311	160,098	160,098	168,682	162,338	155,610
<i>Sanitation Infrastructure</i>		164,663	194,419	217,783	216,123	229,251	229,251	261,785	260,849	268,671
<i>Solid Waste Infrastructure</i>		3,710	3,708	3,059	14,417	12,395	12,395	14,726	21,816	40,816
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and</i>		-	-	-	-	-	-	-	-	-
<i>Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		718,322	727,829	791,102	828,551	827,585	827,585	883,928	917,984	941,302
Community Facilities		3,343	-	2,595	8,090	1,507	1,507	9,088	11,014	13,748
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		3,343	-	2,595	8,090	1,507	1,507	9,088	11,014	13,748
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		86,441	86,415	86,389	86,415	84,351	84,351	84,351	84,351	84,351
Investment properties		86,441	86,415	86,389	86,415	84,351	84,351	84,351	84,351	84,351

Operational Buildings										
Housing		208,868	350,286	354,322	365,076	373,870	373,870	399,240	398,861	394,821
Other Assets		208,868	350,286	354,322	365,076	373,870	373,870	399,240	398,861	394,821
Biological or Cultivated Assets										
Servitudes										
Licences and Rights		480	445	318	445	317	317	317	317	317
Intangible Assets		480	445	318	445	317	317	317	317	317
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,017,454	1,164,976	1,234,726	1,288,577	1,287,630	1,287,630	1,376,925	1,412,528	1,434,539
EXPENDITURE OTHER ITEMS										
<u>Depreciation</u>	7	32,238	39,608	42,930	73,536	73,536	73,536	76,862	78,791	82,098
<u>Repairs and Maintenance by Asset Class</u>	3	59,612	59,124	72,938	98,215	100,780	100,780	105,052	109,522	115,633
<i>Roads Infrastructure</i>		14,602	11,735	17,548	29,971	29,665	29,665	25,787	27,192	28,865
<i>Storm water Infrastructure</i>		-	-	-	2,777	2,777	2,777	-	-	-
<i>Electrical Infrastructure</i>		13,318	9,610	16,258	17,770	20,718	20,718	20,162	21,744	23,208
<i>Water Supply Infrastructure</i>		10,669	12,632	14,866	16,076	16,197	16,197	17,653	18,834	20,098
<i>Sanitation Infrastructure</i>		10,227	16,818	12,059	13,751	14,480	14,480	14,484	15,445	16,472
<i>Solid Waste Infrastructure</i>		4,948	3,363	6,517	8,701	8,306	8,306	9,475	10,029	10,225
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		53,764	54,158	67,248	89,046	92,143	92,143	87,561	93,244	98,868
Community Facilities		26	205	20	782	338	338	219	223	231
Sport and Recreation Facilities		168	39	-	-	-	-	-	-	-
Community Assets		194	244	20	782	338	338	219	223	231
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-								
Operational Buildings		2,628	2,212	4,294	814	1,323	1,323	5,289	3,401	3,426
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2,628	2,212	4,294	814	1,323	1,323	5,289	3,401	3,426
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		536	-	-	-	-	-	-	-	-
Furniture and Office Equipment		82	234	699	1,729	1,354	1,354	6,216	6,230	6,239
Machinery and Equipment		-	-	95	1,109	1,009	1,009	1,021	1,443	1,630
Transport Assets		1,003	2,276	582	4,735	4,613	4,613	4,746	4,981	5,238
Libraries		1,405	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		91,850	98,732	115,869	171,751	174,315	174,315	181,914	188,313	197,731

<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	2.0%	15.4%	12.0%	12.0%	25.5%	13.7%	16.1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	5.3%	23.8%	20.6%	20.6%	55.1%	20.0%	20.5%
<i>R&M as a % of PPE</i>	6.4%	5.5%	6.4%	8.2%	8.4%	8.4%	8.1%	8.2%	8.6%
<i>Renewal and upgrading and R&M as a % of PPE</i>	6.0%	5.0%	6.0%	9.0%	9.0%	9.0%	11.0%	9.0%	9.0%

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 repairs and maintenance are met when the employee related cost is added to materials, 2017/18 8.1 per cent, 2018/19 8.2 per cent and 2019/20 8.6 per cent.**
3. The **classification** can change with the final mSCOA classification.
4. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

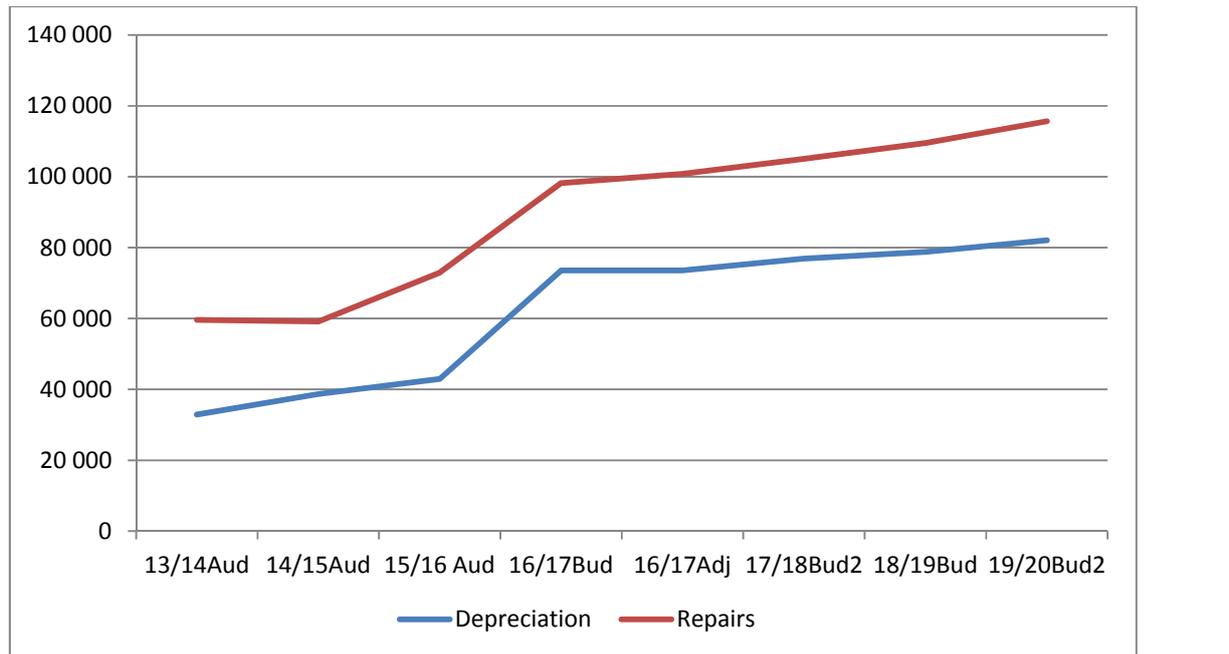


Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

FS204 Metsimaholo - Table A10
Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		25,000	27,000	27,000	37,096	37,096	37,096	13,945	13,945	15,945
Piped water inside yard (but not in dwelling)		2,000	27,000	-	-	-	-	30,955	30,955	34,433
Using public tap (at least min.service level)	2	-	-	-	-	-	-	2,500	2,500	2,000
Other water supply (at least min.service level)	4	-	-	-	-	-	-	10	10	10
<i>Minimum Service Level and Above sub-total</i>		27,000	54,000	27,000	37,096	37,096	37,096	47,410	47,410	52,388
Using public tap (< min.service level)	3	3,424	887	7,670	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		3,424	887	7,670	-	-	-	-	-	-
Total number of households	5	30,424	54,887	34,670	37,096	37,096	37,096	47,410	47,410	52,388
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		19,000	19,000	19,000	33,368	33,368	33,368	33,591	33,591	37,591
Flush toilet (with septic tank)		1,000	1,000	1,000	3,617	3,617	3,617	1,200	1,200	1,500
Chemical toilet		6,000	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	1,200	1,200	1,500
Other toilet provisions (> min.service level)		-	-	-	-	-	-	9,387	9,387	10,287
<i>Minimum Service Level and Above sub-total</i>		26,000	20,000	20,000	36,985	36,985	36,985	45,378	45,378	50,878
Bucket toilet		2,383	2,025	1,657	-	-	-	2,000	2,000	1,500
Other toilet provisions (< min.service level)		9,769	6,512	12,645	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		12,152	8,537	14,302	-	-	-	2,000	2,000	1,500
Total number of households	5	38,152	28,537	34,302	36,985	36,985	36,985	47,378	47,378	52,378
<u>Energy:</u>										
Electricity (at least min.service level)		7,000	7,000	1,500	51,893	-	-	51,893	51,893	52,593
Electricity - prepaid (min.service level)		34,500	34,850	35,000	38,133	38,133	38,133	-	-	-
<i>Minimum Service Level and Above sub-total</i>		41,500	41,850	36,500	90,026	38,133	38,133	51,893	51,893	52,593
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	41,500	41,850	36,500	90,026	38,133	38,133	51,893	51,893	52,593
<u>Refuse:</u>										
Removed at least once a week		49,000	52,000	52,000	53,000	53,000	53,000	54,000	55,000	56,000
<i>Minimum Service Level and Above sub-total</i>		49,000	52,000	52,000	53,000	53,000	53,000	54,000	55,000	56,000
Removed less frequently than once a week		10,000	10,000	10,000	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		10,000	10,000	10,000	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		20,000	20,000	20,000	-	-	-	-	-	-
Total number of households	5	69,000	72,000	72,000	53,000	53,000	53,000	54,000	55,000	56,000

Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		11,576	7,246	8,992	14,000	7,862	7,862	15,000	15,000	15,000
Sanitation (free minimum level service)		7,939	7,246	5,479	14,000	14,000	-	15,000	15,000	15,000
Electricity/other energy (50kwh per household per month)		11,576	7,246	8,992	14,000	14,000	14,000	15,000	15,000	15,000
Refuse (removed at least once a week)		11,576	7,246	7,242	14,000	14,000	14,000	15,000	15,000	15,000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		15,560	8,510	4,985	12,049	5,175	5,175	13,732	14,514	15,327
Sanitation (free sanitation service to indigent households)		6,464	4,945	4,438	10,689	4,788	4,788	11,518	12,174	12,856
Electricity/other energy (50kwh per indigent household per month)		4,859	3,926	4,306	10,808	7,308	7,308	11,644	12,308	12,997
Refuse (removed once a week for indigent households)		12,217	8,286	8,931	18,641	10,641	10,641	21,251	22,462	23,720
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		39,099	25,668	22,660	52,187	27,912	27,912	58,144	61,458	64,900
Highest level of free service provided per household										
Property rates (R value threshold)		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Water (kilolitres per household per month)		10	10	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		73	79	92	92	92	110	116	123	123
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		88	95	111	111	111	118	125	132	132
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		8,991	9,638	33,426	33,426	33,426	8,400	8,400	8,400	8,400
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		18,998	15,329	15,886	20,913	19,113	19,113	21,714	22,540	23,374
Water (in excess of 6 kilolitres per indigent household per month)		13,176	15,886	5,838	9,302	20,111	20,111	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		1,622	1,914	2,980	1,630	3,531	3,531	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		10,373	4,452	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6	10,007	5,691	8,400	5,400	5,400				
Total revenue cost of subsidised services provided		63,167	52,910	24,704	73,671	81,582	81,582	30,114	30,940	31,774

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The Municipality continues to make good progress with the eradication of backlogs:
 - Water services – in process to contrasted a water reservoir.

- b. Sanitation services – backlog will be partially reduced in 2017/18
 - c. Electricity services – the municipality is in process to build a new substation and the backlog will be reduced after the completion of the substation.
3. Refuse services – additional refuse removal trucks will assist in delivering more efficient and extended services
 4. The budget provides for a total 15 000 households to be registered as indigent in 2017/18, and therefore entitled to receive Free Basic Services. The number is set to increase given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
 5. It is anticipated that Free Basic Services to indigent will cost the municipality R58.8 million in 2017/18 and it increases to R65.7 million in 2019/20. This is covered by the municipality's equitable share allocation from national government.
 6. **The forgone income on Rates for valuation less than R35 000 that all households receives is R13.3 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 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 28 September 2016. Key dates to the time table for IDP and Budget process applicable to the process were:

- **October and November 2016 –**
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 2017 –**
Review of the financial strategy and key economic and financial planning assumptions. This included financial forecasting and scenario considerations;
- **January 2017 –**
Council considers the 2016/17 Mid-year Budget and Performance Review
- **February 2017 –**
Council considers the 2016/17 Adjustments Budget;
- **February 2017 –**
Multi-year budget proposals are submitted to the Portfolio Committee;
- **March 2016 –**
Recommendations are communicated to the respective departments.
- **17 March 2017-**
Recommendations are communicated to Informal Council Meeting, and on to the respective departments. The draft 2017/18 MTREF is revised accordingly;
- **31 March 2017 –**
Tabling in Council of the draft 2017/18 IDP and 2017/18 MTREF for public consultation;
- **April 2017 –**
Public consultation
- **12 May 2017 –**
Closing date for written comments;
- **1 to 15 May 2017–** finalisation of the 2017/18 IDP and 2017/18 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;

- **18 May 2017-**
Strategy Session;
- **29 May 2017 -**
Informal Council meeting, and
- **31 May 2017 –**
Tabling of the 2017/18 MTREF before Council for consideration and approval.

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

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Council of the Metsimaholo Local Municipality (MLM) adopted a five-year Integrated Development Plan (IDP) covering the period 2012/13 to 2016/17 in June 2012. The draft IDP for the next 5 years was tabled at Council at 31 March 2017. The draft IDP will be tabled together with the 2017/2018 MTREF.

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

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

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

The contents of the first review have been aligned to the Revised IDP Framework for Municipalities outside Metros and Secondary Cities, issued by the Department of Cooperative Governance and Traditional Affairs (CoGTA) in June 2012. It further includes the data from Census 2011 and revised service delivery targets for 2015/16, where appropriate.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2017/18 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 2017/18 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 2016/17 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
- Water and electricity losses be minimised
- Ownership versus of vehicles

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 51, 58, 64, 66, 67, 70, 72,74 ,75, 78,79,85 and 86 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2017/18 MTREF as tabled before Council on 31 March 2017 for community consultation will be published on the municipality's website, and hard copies were made available at municipal notice boards and various libraries.

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

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



P O Box 60

SASOLBURG

1947

DRAFT BUDGET and IDP: PUBLIC MEETINGS

Notice is hereby given in terms of Section 16 read with Section 17 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and Section 22 and 23 of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003) that the Metsimaholo Local Municipality invites members of the public and stakeholders to participate in the Public meetings as indicated below for the 2017/2018 Draft Budget and IDP.

The documents was available for perusal and public comment from 4 April 2017 to 28 April 2017

And

Notice is hereby given in terms of Section 21 of the Municipal Systems Act, 32 of 2000 and Section 22(2) of the Municipal Finance Management Act, 56 of 2003 that the IDP for 2017–2018 has been tabled and be available from 4 April 2016 to 28 April 2017

Copies of the IDP documents and draft Budget are available for inspection on the municipality's web-site (www.metsimaholo.gov.za) and in all public libraries within Metsimaholo Local Municipality from 4 April 2017 to 28 April 2017. All comments and inputs on IDP as well as draft Budget and should be submitted in writing in the relevant comment boxes provided at the libraries or may be sent by e-mail to the following e-mail address sello.mokoena@metsimaholo.gov.za (IDP) or amanda.vorster@metsimaholo.gov.za.

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

Enquiries:

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

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

Amended Schedule

WEEK 1	WARD	DATE	VENUE	TIME
Sasolburg	15,16, & 17	6 April 2017 (Thursday)	Council Foyer Civic Centre- Sasolburg	18h00
WEEK 2	WARD	DATE	VENUE	TIME
Vaal park	14 & 18	10 April 2017 (Monday)	Vaal park Primary School	18h00
Oranjeville	5	11 April 2017 (Tuesday)	Metsimaholo Community Hall	17h00
Deneysville	20	12 April 2017 (Wednesday)	Deneysville Primary School	17h00
WEEK 3	WARD	DATE	VENUE	TIME
Refengkgotso	3,4	18 April 2017 (Tuesday)	Refengkgotso Community Hall	17h00
Zamdela	8,9&10,	19 April 2017 (Wednesday)	Iketsetseng High School	17h00
Zamdela	2 & 7	20 April 2017 (Thursday)	Mpumelelo Secondary School	17h00
WEEK 4	WARD	DATE	VENUE	TIME
Zamdela	6,13 & 21	24 April 2017 (Monday)	Harry Gwala Multi-Purpose Centre	17h00
Zamdela	11 & 12	25 April 2017 (Tuesday)	Zamdela Hall	17h00
WEEK 5	WARD	DATE	VENUE	TIME
Zamdela	13 & 7	2 May 2017 (Tuesday)	Sakubutjha Secondary School	17h00

Zamdela	1	3 May 2017 (Wednesday)	Ha Zakhwe	17h00
Zamdela	1	4 May 2017 (Thursday)	Kopanelang Thuto School	17h00
Zamdela	19 & 1	8 May 2017 (Monday)	Bekezela School	17h00
Sasolburg	15,16, & 17	9 May 2017 (Tuesday)	Council Foyer Civic Centre- Sasolburg	18h00

S M Molala**MUNICIPAL MANAGER**

April 2017

The documents were available for perusal and public comments from 4 April 2017 to 28 April 2017.

The following are some of the issues and concerns raised as well as comments received during:

- People must pay for services, Operation Patala implemented
- Budget for youths –address unemployment
- Paving of internal streets – Refengkgotso
- Repair/maintenance of high mast light -Refengkgotso, Zamdela, Deneysville
- Bursaries to matriculates
- Prepaid water meters –Refengkgotso
- Dumping sites legalize - Refengkgotso
- Replacement of electricity boxes – Zamdela
- Upgrade electricity power stations –Zamdela
- Maintenance/replacement of old electricity infrastructure – Zamdela
- Park project - Ward 6
- Cable theft - municipality to prevent theft
- Consumer accounts not being received
- Poor assistance by staff to residents
- Long-time taken by municipality to fix water pipes – contribute to water losses
- Electricity substations not locked –dangerous
- Resealing/maintenance of roads- Deneysville, Vaalpark, Sasolburg
- Maintenance of roads/ paved roads – Zamdela Ward 1 and 19
- Monitoring/read of water meters –Deneysville, Vaalpark
- No progress on sanitation project in Themba Kubheka
- Prioritize sewer system –Ward 1 and 19
- Money for Sport stadium re-allocate to infrastructure project – Deneysville
- Solar geysers installed - Ward11 and 12, Zamdela
- Substation, Moidraai to be utilised
- Loud hailer for proper communication –Ward 2 and 7
- Storm water channel –Mpumelelo School, Zamdela

May 2017

- Basic electricity charges uniform to all consumers
- No levies to vacant stands - Deneysville
- Wi-Fi hotspots – Zamdela
- Tourism – Deneysville, Oranjeville
- Affordability of tariffs – Deneysville
- Tariff of suction tanks too high – no water borne sewer – Deneysville
- No basic water, sewer and electricity tariffs – Deneysville
- Abrahamsrust – does it generate income, outsourcing of facility
- Difference in increase in basic water and electricity tariff
- No operating deficit – Vaalpark
- Recycle project – Vaalpark
- Maintenance of Streetlights – Sasolburg
- High mast Lights - Ward 1 and 19
- Water infrastructure is collapsing – Sasolburg
- Illegal electricity connections – inspectors appointed
- Civic Centre (basement) – building must be upgraded Price increase on water too high if 6kl free water taken away - Sasolburg
- Refengkgotose sports complex transfer to Sasolburg
- Municipality must be run as a business
- Deposits must be revised
- Cost cutting measures implemented
- SCM –monitor that received value for money
- PMS system implemented. Increase in salary should be 1% less than inflation rate
- Each household must have a water and electricity meter
- Low productivity of staff must be addressed
- Reject proposal that free service only to indigent – everybody must receive 6kl water, basic sewer and 50kWh
- Houses –Metsimaholo
- Park established Oranjeville/Metsimaholo
- Upgrade of resorts –Oranjeville/ Metsimaholo
- ICT network in offices- Oranjeville/ Metsimaholo
- Road to cemetery repair - Oranjeville/ Metsimaholo
- Reject smart water meters -Ward 1 and 19

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.
- Batho Pele Principles

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 2017/18 MTREF and further planning refinements that have directly informed the compilation of the budget:

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

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

The said objectives, indicators and targets have been aligned to the Provincial Priority Outputs, where possible and will form the basis for the development of the municipality's Service Delivery and Budget Implementation Plan (SDBIP) and Annual Performance Plans of Senior Management for the 2017/18 financial year.

The table below provides a summary of the strategic priorities, KPA and programmes, **as draft 2017/2018 IDP**

Table 28: Municipal Strategic Priorities

Strategic Priority Not on 2017/2018 IDP	Key Performance Area	Programmes
SP1: Build our local economy to create more employment, decent work and sustainable livelihoods	KPA2: Local Economic Development	P8-Local Economic Development P9-Job Creation P10-Sustainable livelihoods
SP2: Broaden access to and improve the quality of municipal services	KPA1: Service delivery and infrastructure development	P1-Water P2-Sanitation P3-Electricity P4-Roads and storm water P11-Waste management P12-Community facilities
SP3: Build united, non-racial, integrated and safer communities	KPA1: Service delivery and infrastructure development	P13-Clean communities P14-Safe communities P15-Healthy communities P16-Arts and culture P17-Disaster management

Strategic Priority Not on 2017/2018 IDP	Key Performance Area	Programmes
		P5-Human settlements P6-Spatial development P7-Public transport
SP4: Promote active community participation	KPA5: Good Governance and Community Participation	P18-Participatory governance
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government	KPA5: Good Governance and Community Participation KPA4: Municipal Transformation and Institutional Development KPA3: : Financial Viability and Financial Management KPA4: Municipal	P19-Corporate governance P20-Intergovernmental Relations P21-Customer care P22-Revenue and cash flow management P23-SCM and Expenditure management P24-Budgeting and reporting P25-Clean Audit P26-Asset management P27-Facilities management P28-Human capital P29-Institutional excellence

Strategic Priority Not on 2017/2018 IDP	Key Performance Area	Programmes
	Transformation and Institutional Development	

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

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

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

The 2017/18 MTREF has therefore been directly informed by the IDP compilation process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

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

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Ensure transparency, accountability and regular engagements with communities and stakeholders	To encourage the involvement of communities and community organisations in the matters of local government	5	Council	-	-	-	-	-	-	-	-	-
Ensure transparency, accountability and regular engagements	To encourage the involvement of communities and community organisations in the	5	Municipal Manager	7 408	2 672	7 042	3 731	7 706	7 706	2 870	2 995	3 127

May 2017

with communities and stakeholders	matters of local government											
Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards	To provide democratic and accountable government for local communities	3	Financial Services	132 889	195 368	199 019	136 446	156 098	156 098	234 928	236 718	257 597
Ensure compliance with laws and regulation applicable to the municipality so as to improve administrative and financial capability of the municipality	Institutional and capacity development		Human Resources	362	970	1 269	1 678	1 678	1 678	1 775	1 867	1 886
Improve access to refuse removal service.	To ensure the provision of services to communities in a sustainable manner	2	Waste Management	44 509	47 702	39 605	50 687	50 987	50 987	65 053	75 176	92 663
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Public Safety	16 282	23 372	5 519	3 602	3 602	3 602	16 796	17 003	17 243
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Community Facilities	4 120	1 190	11 013	29 172	29 170	29 170	20 114	14 020	15 637
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Cemeteries	295	305	432	498	498	498	6 378	505	455
Education	Education		Libraries	661	1 839	2 182	2 202	2 202	2 202	-	-	-
Improve access to electricity service	To ensure the provision of services to communities in a sustainable manner	2	Electricity	255 413	238 378	286 616	346 878	347 378	347 378	302 219	314 151	333 685
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Roads and storm water	36	-	14 076	40 318	40 318	40 318	27 175	28 568	10 500
Improve access basic sanitation service	To ensure the provision of services to communities in a sustainable manner	2	Waste Water Management	36 230	29 162	54 354	34 958	44 958	44 958	88 535	44 155	53 403
Improve access portable water supply	To ensure the provision of services to communities in a sustainable manner	2	Water	230 278	285 461	272 911	390 284	371 984	371 984	448 494	474 280	500 673

Basic service delivery and infrastructure investment	To promote social and economic development	3	Housing	3 825	138 242	12 306	5 001	5 001	5 001	5 541	6 287	6 724
Basic service delivery and infrastructure investment	To promote social and economic development	3	Urban Planning	404	534	727	745	745	745	822	864	891
Local economic development and poverty alleviation	To promote social and economic development	3	LED	502	-	-	1 200	1 200	1 200	1 365	1 433	1 526
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)				733 214	965 195	907 071	1 047 399	1 063 524	1 063 524	1 222 064	1 218 022	1 296 009

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

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

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Ensure transparency, accountability and regular engagements with communities and stakeholders	To encourage the involvement of communities and community organisations in the matters of local government	5	Council	30 353	33 535	37 861	38 464	41 314	41 314	41 699	44 713	47 891
Ensure transparency, accountability and regular engagements with communities and stakeholders	To encourage the involvement of communities and community organisations in the matters of local government	5	Municipal Manager	26 448	78 643	34 203	52 727	51 324	51 324	44 425	48 162	51 972
Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards	To provide democratic and accountable government for local communities	3	Financial Services	28 298	93 925	57 424	50 749	60 199	60 199	59 266	60 023	59 507

Ensure compliance with laws and regulation applicable to the municipality so as to improve administrative and financial capability of the municipality	Institutional and capacity development		Human Resources	11 637	14 683	21 762	29 489	30 009	30 009	23 097	23 426	23 613
Improve access to refuse removal service.	To ensure the provision of services to communities in a sustainable manner	2	Waste Management	45 837	40 841	48 609	58 172	55 539	55 539	61 439	65 221	69 177
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Public Safety	20 894	20 569	24 003	27 252	28 223	28 223	32 733	35 150	36 869
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Community Facilities	28 749	20 549	22 508	22 019	25 959	25 959	51 787	53 882	57 006
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Cemeteries	1 649	372	626	1 940	1 860	1 860	2 102	2 167	2 292
Education	Education		Libraries	5 255	5 228	6 927	7 148	7 421	7 421	–	–	–
Improve access to electricity service	To ensure the provision of services to communities in a sustainable manner	2	Electricity	225 155	244 597	279 981	308 255	311 003	311 003	308 470	320 489	338 399
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Roads and storm water	2 976	32 625	30 814	59 539	58 899	58 899	55 503	58 341	60 868
Improve access basic sanitation service	To ensure the provision of services to communities in a sustainable manner	2	Waste Water Management	48 163	41 132	43 141	51 099	51 482	51 482	51 788	55 106	58 424
Improve access portable water supply	To ensure the provision of services to communities in a sustainable manner	2	Water	196 538	162 159	257 997	267 913	257 864	257 864	320 461	346 094	368 838
Basic service delivery and infrastructure investment	To promote social and economic development	3	Housing	9 569	14 185	9 551	13 614	11 178	11 178	11 466	12 052	12 704
Basic service delivery and infrastructure investment	To promote social and economic development	3	Urban Planning	3 331	3 897	4 449	5 630	5 645	5 645	5 650	5 902	6 278
Local economic development and poverty alleviation	To promote social and economic development	3	LED	1 269	2 089	2 025	4 827	4 817	4 817	3 458	3 785	4 050
Allocations to other priorities												
Total Expenditure			1	686 121	809 029	881 883	998 837	1 002 736	1 002 736	1 073 344	1 134 512	1 197 887

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

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

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Ensure transparency, accountability and regular engagements with communities and stakeholders	To encourage the involvement of communities and community organisations in the matters of local government	5	Council	152	-	-	-	650	650	-	-	-
Ensure transparency, accountability and regular engagements with communities and stakeholders	To encourage the involvement of communities and community organisations in the matters of local government	5	Municipal Manager	3 000	737	259	5 683	8 851	8 851	3 590	2 442	2 345
Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards	To provide democratic and accountable government for local communities	3	Financial Services	375	-	507	665	465	465	-	-	-
Ensure compliance with laws and regulation applicable to the municipality so as to improve administrative and financial capability of the municipality	Institutional and capacity development		Human Resources	42	28	195	1 250	1 250	1 250	1 525	2 250	1 230
Improve access to refuse removal service.	To ensure the provision of services to communities in a sustainable manner	2	Waste Management	-	3 610	2 473	1 575	3 663	3 663	1 080	12 083	27 066
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Public Safety	-	-	2 551	875	6 442	6 442	586	3 834	3 647
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Community Facilities	13 681	46	12 359	11 598	7 572	7 572	37 248	4 503	5 246
Ensure reliable provision of quality municipal services	To ensure the provision of services to communities in a sustainable manner	2	Cemeteries	-	-	2 595	632	332	332	7 013	96	18
Education	Education		Libraries	-	-	16	42	42	42	-	-	-
Improve access to electricity service	To ensure the provision of services to communities in a sustainable manner	2	Electricity	23 874	7 126	44 600	30 263	24 263	24 263	22 089	19 670	17 160
Ensure reliable provision of quality	To ensure the provision of services	2	Roads and storm water	1 408	7 126	22 797	53 713	49 517	49 517	33 785	54 918	28 450

May 2017

municipal services	to communities in a sustainable manner											
Improve access basic sanitation service	To ensure the provision of services to communities in a sustainable manner	2	Waste Water Management	31 542	28 561	24 548	2 196	18 641	18 641	54 991	10 828	16 340
Improve access portable water supply	To ensure the provision of services to communities in a sustainable manner	2	Water	6 873	5 254	3 380	2 503	2 503	2 503	3 099	3 270	2 608
Basic service delivery and infrastructure investment	To promote social and economic development	3	Housing	-	-	341	-	-	-	-	-	-
Basic service delivery and infrastructure investment	To promote social and economic development	3	Urban Planning	-	135 779	-	-	-	-	-	-	-
Local economic development and poverty alleviation	To promote social and economic development	3	LED	-	-	-	2 250	2 250	2 250	1 150	500	-
Total Capital Expenditure				80 947	188 267	116 620	113 245	126 440	126 440	166 156	114 394	104 110

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:

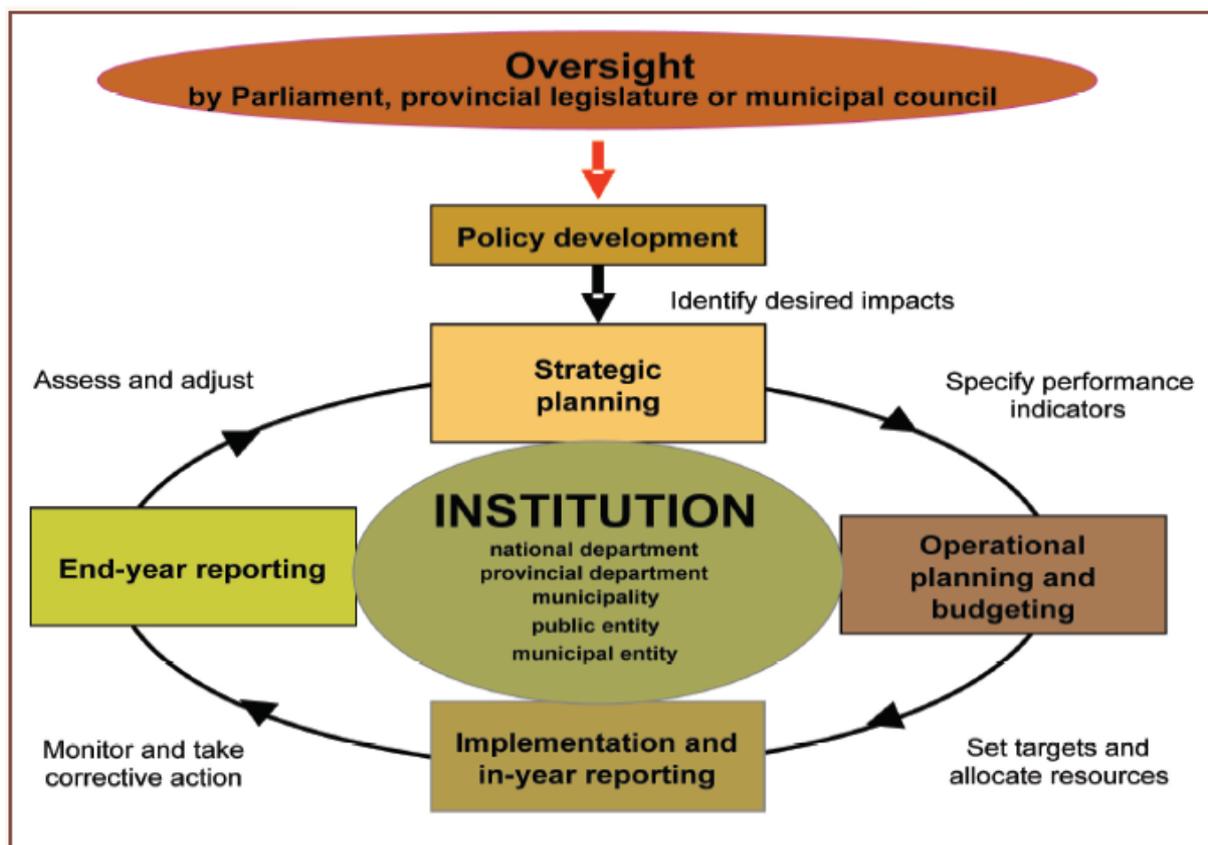


Figure 5 Planning, budgeting and reporting cycle

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:

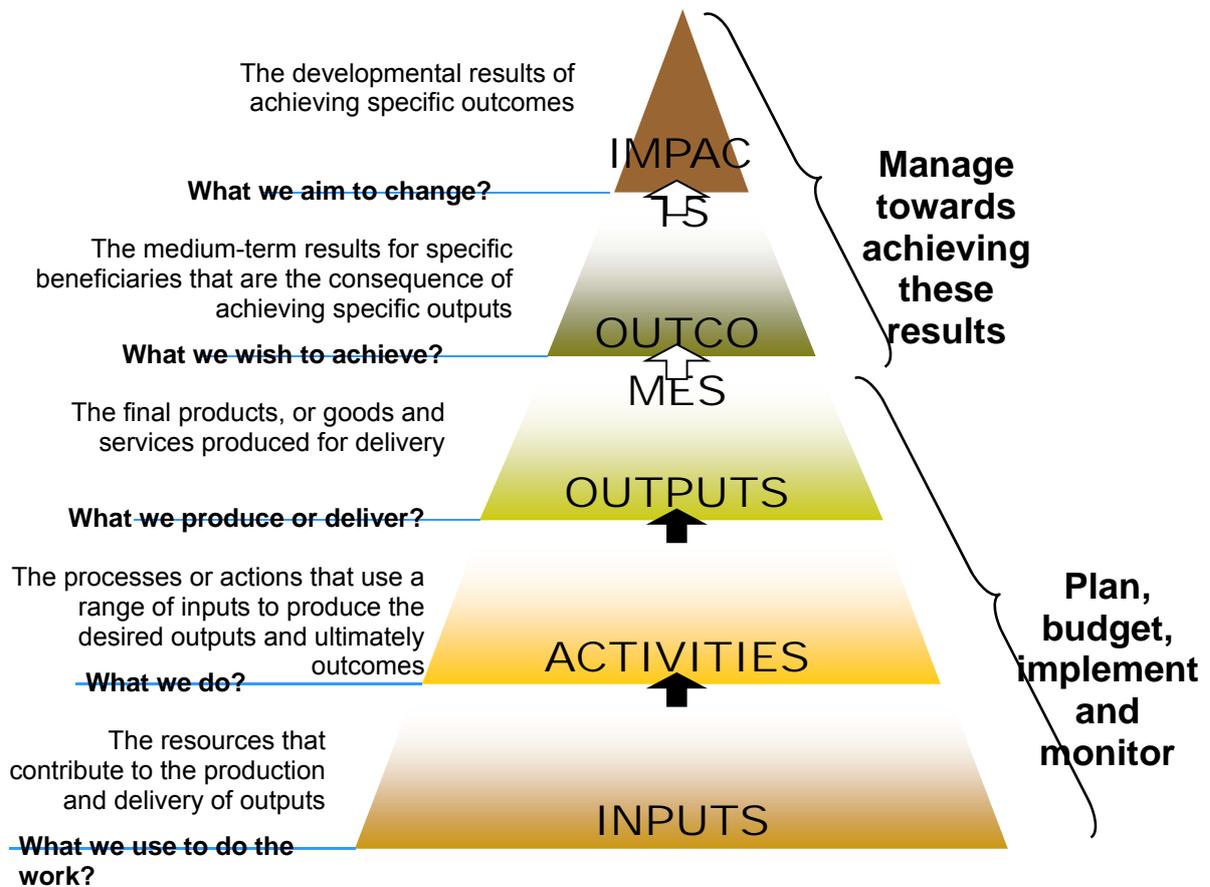


Figure 6 Definition of performance information concepts

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 to be updated after IDP and MTREF be approved and SDBIP is finalised)

FS204 Metsimaholo - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Basic Service delivery and infrastructure										
Technical Services										
Water provision										
<i>Access to potable water</i>	Bulk water supply baseline	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Reservoir	Bulk water supply baseline	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Water										
<i>Water household connections in yard</i>	Formal	94.0%	94.0%	94.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Water household communal standpipe	Informal	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Water										
<i>Blue drop accreditation systems</i>	Compliance	10.0%	89.0%	89.0%	30.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Water leaks	Number	25.0%	96.0%	96.0%	35.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Technical Services										
Sanitation										
<i>Sewer network address backlog</i>	4400	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Water borne system(decent)	Number of new	93.0%	86.0%	86.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Sanitation										
<i>Maintenance</i>	Maintenance plan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Blockages	% blockages attend in 24	93.0%	91.0%	91.0%	95.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Roads										
<i>Roads and stormwater</i>	% roads maintenance plan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Basic service delivery and infrastructure										
Technical Services										
Roads										
<i>Sufficient roads</i>	Number of km roads	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Storm water										
<i>Sufficient storm water network</i>	kms of storm water erected	0.0%	100.0%	100.0%	0.0%	0.0%		100.0%	100.0%	100.0%
Roads and storm water										
<i>Improving accessibility of roads</i>	Developed masterplan	0.0%	100.0%	100.0%	20.0%	20.0%	20.0%	100.0%	100.0%	100.0%

May 2017

Technical Services										
Electricity										
<i>Access to electricity to all communities</i>	No. of new connections	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Electricity										
<i>Access to electricity to all communities</i>	Develop masterplan	95.0%	100.0%	100.0%	95.0%	95.0%	95.0%	50.0%	50.0%	70.0%
Electricity										
<i>Reduce distribution losses</i>	kwh units	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	10.0%	10.0%	10.0%
Basic Service delivery and infrastructure										
LED										
Housing										
<i>Housing allocations</i>	Nr beneficiaries	0.0%	100.0%	100.0%	50.0%	50.0%	50.0%	100.0%	100.0%	100.0%
Subsidy applications processed	2 months	0.0%	100.0%	100.0%						
Urban Planning										
<i>Land availability</i>	Land secured per SDF	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Effective land utilisation	% rezoning, subdivision		100.0%	100.0%				100.0%	100.0%	100.0%
LED and poverty alleviation										
<i>Employment opportunities</i>	EPWP initiatives		70.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Employment opportunities	Other initiatives		100.0%	100.0%				100.0%	100.0%	100.0%
Social Services										
Refuse removal										
<i>Refuse removal</i>	Households	92.0%	95.0%	95.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Waste management plan	Compliance	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Refuse removal										
<i>New landfill site</i>	Legislation	30.0%	35.0%	35.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Sufficient and well manage landfill sites	Legislation	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Sub-function 3 - (name)										
<i>Promote clean and healthy environment</i>	Number awareness									

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 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	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.3%	0.7%	0.2%	0.7%	0.6%	0.6%	0.0%	1.2%	1.1%	1.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.9%	0.9%	0.3%	0.8%	0.8%	0.8%	0.0%	1.4%	1.3%	1.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	28.9%	2.2%	24.4%	24.4%	0.0%	9.5%	0.3%	2.5%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.0	1.1	1.0	1.8	1.7	1.7	-	2.1	2.4	2.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	1.1	1.0	1.8	1.7	1.7	-	2.1	2.4	2.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.1	0.1	0.1	0.0	0.0	-	0.1	0.2	0.2
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		84.3%	80.1%	84.4%	89.1%	83.0%	83.0%	0.0%	87.7%	87.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		83.6%	78.7%	84.3%	89.1%	83.0%	83.0%	0.0%	87.7%	87.7%	88.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.1%	25.3%	26.4%	29.9%	37.1%	37.1%	0.0%	33.8%	32.2%	30.4%
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))	99.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Creditors to Cash and		642.4%	697.1%	1496.5%	821.1%	40875.9%	40875.9%	0.0%	1183.9%	502.9%	134.9%

May 2017

Investments											
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated	11%	8%	3%	8%	8%	8%		10%	10%	10%
		–		5,598			10,784		21,561	22,790	24,066
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated	15%	26%	16%	15%	14%	14%		15%	15%	15%
				22,109			16161016		27288750	28844208	30459484
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.0%	22.7%	28.0%	25.4%	25.9%	25.9%	0.0%	24.9%	25.2%	25.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.5%	24.5%	29.9%	27.1%	27.5%	27.5%		26.5%	26.8%	27.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.2%	7.7%	8.9%	10.0%	10.3%	10.3%		9.6%	9.4%	9.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.3%	5.8%	5.3%	7.7%	7.8%	7.8%	0.0%	7.6%	7.2%	7.0%
IDP regulation financial viability indicators	–										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	38.9	38.6	29.7	73.2	73.2	73.2	–	28.3	29.0	30.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	30.0%	32.3%	34.3%	35.9%	45.6%	45.6%	0.0%	42.1%	40.5%	38.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.5	0.4	0.2	0.3	0.0	0.0	–	0.2	0.3	1.0

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.

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 2017/18 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 2016/17 MTREF the current ratio is 1.7 and 2.1 in the 2017/18 financial year and 2.4 and 2.7 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 2016/17 financial year the ratio was 0.0 and changed to 0.1 in the 2017/18 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.3 Revenue Management

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

2.3.1.4 Creditors Management

- The Municipality has managed to ensure that 90 per cent of creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure creditors can be paid.
- Payments to creditors as per invoice date: 68% paid within 30 days
- Payments to creditors as per date when the invoice is received by Finance department: 86% paid within 30 days.

2.3.1.5 Other Indicators

- The electricity distribution losses have stayed unchanged at 10 per cent in the 2017/18 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 stay unchanged at 15 per cent in 2017/18

- Employee costs as a percentage of operating revenue stabilised over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also stabilising.

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

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

For the 2017/18 financial year 15 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, basic water and electricity charges, 50 kWh of electricity, sanitation and free waste removal once a week, as well as a discount and additional up to maximum of R50.00 per month.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 111.

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

2.3.3 Providing clean water and managing waste water

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

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

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

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

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

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

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

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

2.4 Overview of budget related-policies

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

The following policies were reviewed at the Finance Portfolio Committee. The policies will be workshopped and approved in June 2017. Policies attached as Annexure B.

2.4.1 Budget Policy

The policy is review and attached to the report

2.4.2 Property Rates Policy

The policy is review and attached to the report.

2.4.3 Credit control, debt collection and customer care Policy

The policy is review and attached to the report.

2.4.4 Indigent Policy

The policy is review and attached to the report.

2.4.5 Virement Policy

The policy is review and attached to the report

2.4.6 Asset Policy

The policy is review and attached to the report

2.4.7 Cash Management Policy

The policy is review and attached to the report

2.4.8 Supply Chain Management Policy

The policy is review and attached to the report

2.4.9 Tariff Policy

The Municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy is review and attached to the report

2.4.10 Bad debt written off Policy

The policy is review and attached to the report

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

The policy is review and attached to the report

2.4.12 Borrowing Policy

The policy is review and attached to the report

2.4.13 Investment Policy

The policy is review and attached to the report

2.5 Overview of budget assumptions**2.5.1 External factors**

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

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

The macro environment that influences the budget:

- Depreciation of the Rand
- High unemployment rate
- Loss of jobs in manufacturing and construction industry
- Interest rate movement
- Increase in fuel cost leads to increases in all other input costs
- Growth forecast are below actual achieved
- Growth forecasts have been reviewed downwards

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2017/18MTREF:

- (a) National Government macro-economic targets;
- (b) The general inflationary outlook and the impact on Municipality's residents and businesses;
- (c) The impact of municipal cost drivers;
- (d) The increase in prices for bulk electricity and water; and
- (e) The increase in the cost of remuneration. Employee related costs comprise 25 per cent of total operating expenditure in the 2017/18 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. A new wage agreement must conclude between SALGBC and the municipal workers unions. The re-employment of previous dismissed staff is a factor that was taken into account.

2.5.3 Interest rates for borrowing and investment of funds

The following policies were reviewed at the Finance Portfolio Committee and presented to the Informal Council in May 2017 at which the reviewed policies were tabled/discussed and approved by the formal council sitting in May 2017

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 (68.9 per cent) of annual billings. Cash flow is assumed to be 87 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

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

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

2.5.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2015 and shall remain in force until 30 June 2018. Negotiations took place for collective agreement for the period commencing 1 July 2015. The provision for salary increases is 7.4% to be in line with the collective agreement reached.

2.5.7 Impact of national, provincial and local policies

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

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

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

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

It is estimated that a spending rate of between 88 and 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2017/18 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					
	2017/2018		2018/2019		2019/2020	
	R'000	%	R'000	%	R'000	%
Property rates	129 932	10,63	138 054	11,33	146 534	11,31
Electricity	265 621	21,74	280 762	23,05	296 484	22,88
Water	410 412	33,58	434 883	35,70	459 924	35,49
Sanitation	22 656	1,85	24 000	1,97	25 398	1,96
Refuse removal	39 603	3,24	42 165	3,46	44 720	3,45
Interest	29 295	2,40	29 295	2,41	29 295	2,26
Transfers and Grants	280 807	22,98	223 439	18,34	247 027	19,06
Other own revenue	43 738	3,58	45 423	3,73	46 628	3,60
Total Operating revenue	1 222 064	100,00	1 218 021	100	1 296 010	100
Total Operating Expenditure	1 073 344		1 134 511		1 197 857	
Surplus/(Deficit)	148 720		83 510		98 153	

The surplus / (deficit) included in transfers and grants the capital grants of R133.1 million in 2017/2018, R55.5 million in 2018/2019 and R61 million in 2019/2020 financial years.

The following graph is a breakdown of the operational revenue per main category for the 2017/18 financial year.

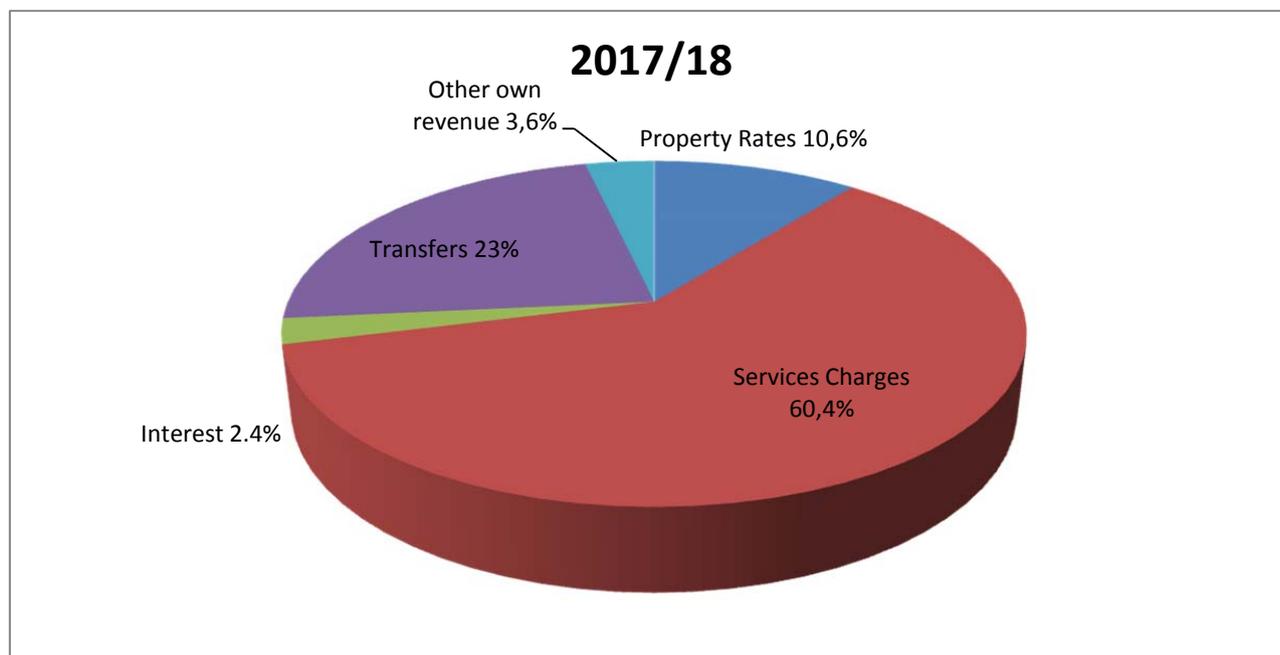


Figure 7 Breakdown of operating revenue over the 2017/18MTREF

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

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

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

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

Proposed tariff increases over the medium-term

Revenue category	2017/18 proposed tariff increase	2018/19 proposed tariff increase	2019/20 proposed tariff increase
	%	%	%
Property rates	6.4	5.7	5.6
Sanitation	6.4	5.7	5.6
Solid Waste	6.4	5.7	5.6
Water	6.4-20	5.7	5.6
Electricity	1.88	5.7	5.6

The Municipality is still in a process of further data verification and validation relating to the valuation roll. The compilation of the new valuation roll will commence on 1 July 2017. It is anticipated that the process will be concluded by the end of June 2018. As the levying of property rates is considered a strategic revenue source the five year valuation of property started in the 4th quarter of the 2011/12 financial year. The current valuation roll was implemented on 1 July 2013.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R738 million for the 2017/18 financial year and increasing to R827 million by 2019/20. For the 2017/18 financial year services charges amount to 60.4 per cent of the total revenue base and increase by less than 4 per cent per annum over the medium-term.

Operational grants and subsidies amount to R147.7 million, R167.9 million and R186 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 R29.3 million for the respective three financial years of the 2017/18 MTREF. Interest is mainly made up from outstanding debtors.

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

Table 35MBRR SA15 – Detail Investment Information

FS204 Metsimaholo - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government Listed Corporate Bonds		16 826	11 332	13 116	10 000	-	-	10 000	20 000	80 000
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	16 826	11 332	13 116	10 000	-	-	10 000	20 000	80 000
Consolidated total:		16 826	11 332	13 116	10 000	-	-	10 000	20 000	80 000

Table 36 MBRR SA16 – Investment particulars by maturity

FS204 Metsimaholo - Supporting Table SA16

Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^a	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months										
Parent municipality												
Absa call			call	y	variable		None	1,915	200	(24,000)	21,885	-
RMB call			call	y	variable		None	28	10	(38)	-	-
Necbank call			call	y	variable		None	73	100	(6,000)	5,827	-
Standard Bank call			call	y	variable		None	5,704	800	(150,000)	143,496	-
Investec			call	y	variable		None	6,230	180	(13,000)	6,590	-
Investec		32days	32days	y	Fixed	7%	30 June 2017		150	(5,150)	5,000	-
TOTAL INVESTMENTS AND INTEREST	1							13,950		(198,188)	182,798	-

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Funding source	Audit 2014/15	Audit 2015/16	Adjust Budget 2016/17	Adjust Budget 2016/17	Budget 2017/18	Budget 2017/18	Budget 2018/19	Budget 2018/19	Budget 2019/20	Budget 2019/20
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Grants	69 962	60,0	68 591	54,2	133 128	80,1	55 507	48,5	61 018	58,6
Rejuvenation	14 728	12,6	12 475	9,9	0	0,0				
Ext funding		0,0	0	0,0	0	0,0	500	0,4	1 000	1,0
Finance lease	10 379	8,9	11 085	8,8	3 130	1,9	160	0,1	1 080	1,0
Own Funding	21 551	18,5	34 289	27,1	29 898	18,0	58 227	50,9	41 012	39,4
Total	116 620	100	126 440	100	166 156	100	114 394	100	104 110	100

The above table is graphically represented as follows for the 2017/18 financial year.

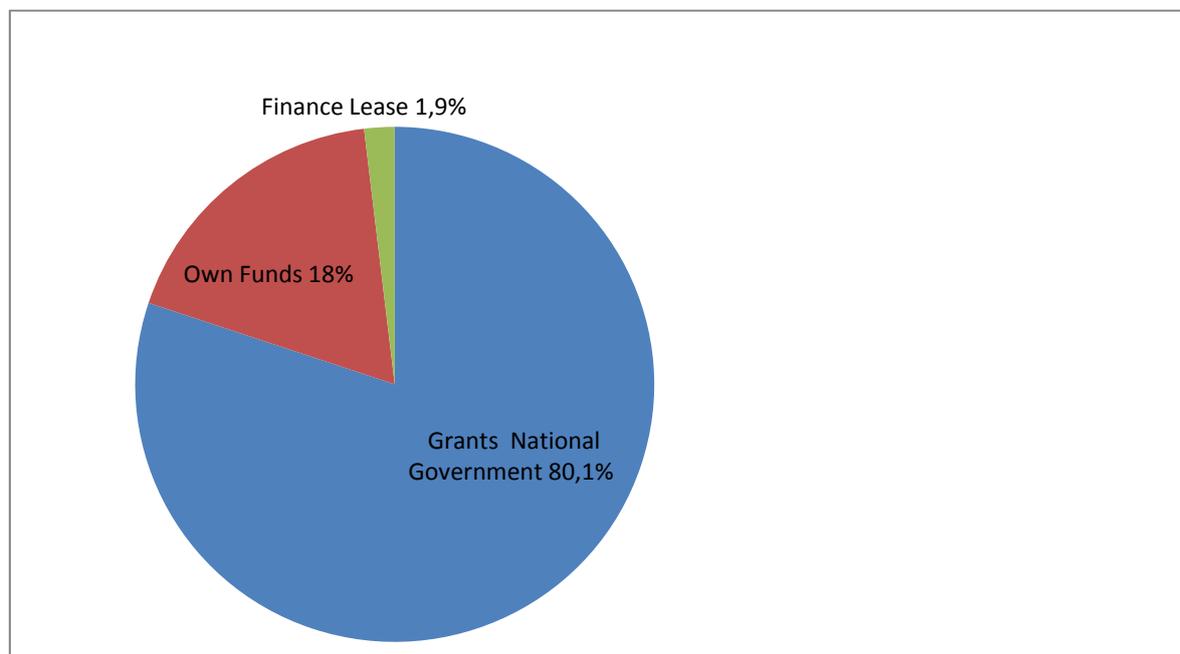


Figure 8 Sources of capital revenue for the 2017/18 financial year

Capital grants and receipts equates to 63.1 per cent of the total funding source which represents R133.1million for the 2017/18 financial year and steadily decrease to R61million or 58.6 per cent by 2019/20, Grants received from MIG , DoE , DWS and Department of Sport – Free State .

Internally generated funds consist of R29.9 million in 2017/18, R58.2 million in 2018/19 and R41 million in 2019/20.

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	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures	–	–										
Cash/cash equivalents at the year end - R'000	18(1)b	1	26,129	26,195	14,345	18,269	465	465	–	13,599	27,640	85,264
Cash + investments at the yr end less applications - R'000	18(1)b	2	(111,191)	(108,219)	(123,626)	19,131	11,578	11,578	–	46,085	82,966	157,650
Cash year end/monthly employee/supplier payments	18(1)b	3	0.5	0.4	0.2	0.3	0.0	0.0	–	0.2	0.3	1.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	47,094	158,114	37,423	48,562	60,787	60,787	–	148,720	83,510	98,123
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	14.8%	(1.0%)	23.0%	(8.1%)	(6.0%)	(106.0%)	3.5%	(0.1%)	(0.2%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	83.4%	73.7%	78.4%	87.3%	82.2%	82.2%	0.0%	82.6%	84.1%	85.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	17.2%	19.2%	20.4%	10.4%	11.9%	11.9%	0.0%	14.0%	13.9%	13.0%
Capital payments % of capital expenditure	18(1)c;19	8	87.7%	27.9%	85.1%	93.4%	90.1%	90.1%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	28.9%	2.2%	19.2%	19.2%	0.0%	9.5%	0.3%	2.5%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	29.8%	11.6%	34.9%	24.4%	0.0%	(100.0%)	0.9%	1.8%	0.2%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	6.4%	5.5%	6.4%	8.2%	8.4%	8.4%	0.0%	8.1%	8.2%	8.6%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	2.0%	15.4%	12.0%	12.0%	0.0%	7.4%	13.7%	16.1%
References												
1. Positive cash balances indicative of minimum compliance - subject to 2												
2. Deduct cash and investment applications (defined) from cash balances												
3. Indicative of sufficient liquidity to meet average monthly operating payments												
4. Indicative of funded operational requirements												
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
6. Realistic average cash collection forecasts as % of annual billed revenue												
7. Realistic average increase in debt impairment (doubtful debt) provision												
8. Indicative of planned capital expenditure level & cash payment timing												
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing												
10. Substantiation of National/Province allocations included in budget												
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												

12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection

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

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a	-	-	20.8%	5.0%	29.0%	(2.1%)	0.0%	(100.0%)	9.5%	5.9%	5.8%
% incr Property Tax	18(1)a			16.8%	2.8%	(0.9%)	6.9%	0.0%	(100.0%)	7.2%	6.3%	6.1%
% incr Service charges - electricity revenue	18(1)a			8.9%	6.8%	36.2%	1.2%	0.0%	(100.0%)	(7.6%)	5.7%	5.6%
% incr Service charges - water revenue	18(1)a			42.1%	3.8%	35.0%	(7.6%)	0.0%	(100.0%)	27.1%	6.0%	5.8%
% incr Service charges - sanitation revenue	18(1)a			12.0%	9.0%	9.3%	18.6%	0.0%	(100.0%)	(11.3%)	5.9%	5.8%
% incr Service charges - refuse revenue	18(1)a			36.8%	9.1%	7.1%	28.8%	0.0%	(100.0%)	10.6%	6.5%	6.1%
% incr in Service charges - other	18(1)a			(100.0%)	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		495,143	597,938	627,582	809,747	793,048	793,048	-	868,224	919,863	973,059
Service charges			495,143	597,938	627,582	809,747	793,048	793,048	-	868,224	919,863	973,059
Property rates			95,290	111,299	114,445	113,366	121,196	121,196	-	129,932	138,054	146,534
Service charges - electricity revenue			179,303	195,341	208,626	284,053	287,553	287,553	-	265,621	280,762	296,484
Service charges - water revenue			175,524	249,416	258,842	349,547	322,947	322,947	-	410,412	434,883	459,924
Service charges - sanitation revenue			16,150	18,087	19,714	21,545	25,545	25,545	-	22,656	24,000	25,398
Service charges - refuse removal			17,390	23,796	25,955	27,807	35,807	35,807	-	39,603	42,165	44,720
Service charges - other			11,487	-	-	13,429	-	-	-	-	-	-
Rental of facilities and equipment			4,858	4,600	4,642	5,780	5,780	5,780	-	4,818	5,141	5,643
Capital expenditure excluding capital grant funding			13,049	4,181	31,931	46,154	57,848	57,848	-	33,028	58,887	43,092
Cash receipts from ratepayers	18(1)a		447,279	482,102	546,366	737,289	696,015	696,015	-	774,832	833,527	889,113
Ratepayer & Other revenue	18(1)a		536,087	654,119	696,885	845,012	846,883	846,883	-	938,256	991,081	1,045,308
Change in consumer debtors (current and non-current)			80,876	44,625	22,527	75,865	147,463	147,463	(217,076)	74,915	6,467	615
Operating and Capital Grant Revenue	18(1)a		187,766	310,768	219,623	198,786	214,240	214,240	-	280,807	223,439	247,027
Capital expenditure - total	20(1)(vi)		80,947	188,267	116,620	113,245	126,440	126,440	-	166,156	114,394	104,110
Capital expenditure - renewal	20(1)(vi)		-	-	2,282	17,476	15,140	15,140		12,350	15,720	16,800
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												

May 2017

District Municipality grants												
Total gazetted/advised national, provincial and district grants										-	-	-
Average annual collection rate (arrears inclusive)												
DoRA operating												
<i>Equitable Share</i>										142,709	163,582	181,267
Financial Management Grant										1,700	1,955	2,215
EPWP Incentives										1,000	-	-
MSIG Grant										-	-	1,000
										145,409	165,537	184,482
DoRA capital												
<i>Municipal Infrastructure Grant</i>										45,398	47,902	50,545
Department of Water Affairs										15,000	-	-
Department of Energy										10,000	10,000	13,000
Regional Bulk Infrastructure Grant										35,000	3,000	-
										105,398	60,902	63,545
Trend												
Change in consumer debtors (current and non-current)			80,876	44,625	22,527	(217,076)	74,915	6,467	615	-	-	-
Total Operating Revenue			650,090	768,657	822,593	980,307	982,457	982,457	-	1,088,936	1,162,514	1,234,992
Total Operating Expenditure			686,120	809,029	881,883	998,836	1,002,736	1,002,736	-	1,073,344	1,134,511	1,197,887
Operating Performance Surplus/(Deficit)			(36,030)	(40,371)	(59,290)	(18,530)	(20,279)	(20,279)	-	15,592	28,003	37,105
Cash and Cash Equivalents (30 June 2012)										13,599		
Revenue												
% Increase in Total Operating Revenue				18.2%	7.0%	19.2%	0.2%	0.0%	(100.0%)	10.8%	6.8%	6.2%
% Increase in Property Rates Revenue				16.8%	2.8%	(0.9%)	6.9%	0.0%	(100.0%)	7.2%	6.3%	6.1%
% Increase in Electricity Revenue				8.9%	6.8%	36.2%	1.2%	0.0%	(100.0%)	(7.6%)	5.7%	5.6%
% Increase in Property Rates & Services Charges				20.8%	5.0%	29.0%	(2.1%)	0.0%	(100.0%)	9.5%	5.9%	5.8%
Expenditure												
% Increase in Total Operating Expenditure				17.9%	9.0%	13.3%	0.4%	0.0%	(100.0%)	7.0%	5.7%	5.6%
% Increase in Employee Costs				(7.3%)	31.9%	8.3%	1.9%	0.0%	(100.0%)	6.7%	7.9%	7.4%
% Increase in Electricity Bulk Purchases				7.1%	12.8%	15.4%	0.0%	0.0%	(100.0%)	(1.6%)	3.4%	7.2%
Average Cost Per Budgeted Employee Position (Remuneration)					186242.536	200833.5105				218302.1659		

May 2017

Average Cost Per Councillor (Remuneration)				363022.2143	389120.7143				409822.381		
R&M % of PPE		6.4%	5.5%	6.4%	8.2%	8.4%	8.4%		8.1%	8.2%	8.6%
Asset Renewal and R&M as a % of PPE		6.0%	5.0%	6.0%	9.0%	9.0%	9.0%		11.0%	9.0%	9.0%
Debt Impairment % of Total Billable Revenue		17.2%	19.2%	20.4%	10.4%	11.9%	11.9%	0.0%	14.0%	13.9%	13.0%
Capital Revenue											
Internally Funded & Other (R'000)		13,049	4,181	21,551	45,154	46,763	46,763	-	29,898	58,227	41,012
Borrowing (R'000)		-	-	10,379	1,000	11,085	11,085	-	3,130	660	2,080
Grant Funding and Other (R'000)		67,898	184,086	84,689	67,092	68,592	68,592	-	133,128	55,507	61,018
Internally Generated funds % of Non Grant Funding		100.0%	100.0%	67.5%	97.8%	80.8%	80.8%	0.0%	90.5%	98.9%	95.2%
Borrowing % of Non Grant Funding		0.0%	0.0%	32.5%	2.2%	19.2%	19.2%	0.0%	9.5%	1.1%	4.8%
Grant Funding % of Total Funding		83.9%	97.8%	72.6%	59.2%	54.2%	54.2%	0.0%	80.1%	48.5%	58.6%
Capital Expenditure											
Total Capital Programme (R'000)		80,947	188,267	116,620	113,245	126,440	126,440	-	166,156	114,394	104,110
Asset Renewal		-	-	2,282	17,476	15,140	15,140	15,140	12,350	15,720	16,800
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	2.0%	15.4%	12.0%	12.0%	0.0%	7.4%	13.7%	16.1%
Cash											
Cash Receipts % of Rate Payer & Other		83.4%	73.7%	78.4%	87.3%	82.2%	82.2%	0.0%	82.6%	84.1%	85.1%
Cash Coverage Ratio		0	0	0	0	0	0	-	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		2.3%	0.7%	0.2%	0.7%	0.6%	0.6%	0.0%	1.2%	1.1%	1.1%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	28.9%	2.2%	19.2%	19.2%	0.0%	9.5%	0.3%	2.5%
Reserves											
Surplus/(Deficit)		(111,191)	(108,219)	(123,626)	19,131	11,578	11,578	-	46,085	82,966	157,650
Free Services											
Free Basic Services as a % of Equitable Share		38.4%	23.9%	19.6%	41.4%	22.2%	22.2%		40.7%	37.6%	35.8%
Free Services as a % of Operating Revenue (excl operational transfers)		11.6%	8.1%	3.5%	8.7%	9.6%	9.6%		3.2%	3.1%	3.0%
High Level Outcome of Funding Compliance											
Total Operating Revenue		650,090	768,657	822,593	980,307	982,457	982,457	-	1,088,936	1,162,514	1,234,992
Total Operating Expenditure		686,120	809,029	881,883	998,836	1,002,736	1,002,736	-	1,073,344	1,134,511	1,197,887

Surplus/(Deficit) Budgeted Operating Statement		(36,030)	(40,371)	(59,290)	(18,530)	(20,279)	(20,279)	-	15,592	28,003	37,105
Surplus/(Deficit) Considering Reserves and Cash Backing		(111,191)	(108,219)	(123,626)	19,131	11,578	11,578	-	46,085	82,966	157,650
MTREF Funded (1) / Unfunded (0)	15	0	0	0	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✗	✗	✗	✓	✓	✓	✓	✓	✓	✓

2.7 Expenditure on grants and reconciliations of unspent funds

Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		106,741	113,293	117,994	127,663	128,663	128,663	147,679	167,932	186,009
Local Government Equitable Share		101,698	107,542	115,423	125,978	125,978	125,978	142,709	163,582	181,267
Finance Management		1,550	1,600	1,600	625	1,625	1,625	1,700	1,955	2,215
Municipal Systems Improvement		890	934					-	-	-
Water Services Operating Subsidy		-	-					-	-	-
EPWP Incentive		366	1,109	971	1,060	1,060	1,060	1,000	-	-
MIG(National Government)		2,237	2,108					2,270	2,395	2,527
Provincial Government:		500	1,666	3,000	2,000	2,000	2,000	30,000	-	-
Department of Sport DWA		500	1,666	3,000	2,000	2,000	2,000	30,000	-	-
District Municipality:		-	-	-	2,031	2,031	2,031	-	-	-
<i>[insert description]</i>					2,031	2,031	2,031			
Other grant providers:		137	849	987	1,428	479	479	-	-	-
<i>SETA</i>		137	849	987	1,428	479	479			
Total operating expenditure of Transfers and Grants:		107,378	115,808	121,981	133,122	133,173	133,173	177,679	167,932	186,009
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		44,911	46,021	50,643	41,592	50,592	50,592	58,128	45,507	48,018
Municipal Infrastructure Grant (MIG)		42,199	40,031	43,213	40,592	40,592	40,592	43,128	45,507	48,018
Financial Management Grant					1,000					
Water services infrastructure grant		2,712	5,990	7,430	-	10,000	10,000	15,000	-	-
Provincial Government:		1,476	134,634	340	-	-	-	-	-	-
Housing Agency		1,476	134,634	340						
District Municipality:		-	22	-	-	-	-	-	-	-
<i>[insert description]</i>			22							

Other grant providers:		34,500	8,000	29,000	25,500	30,475	30,475	10,000	10,000	13,000
<i>DOE</i>		34,500	8,000	29,000	18,000	18,000	18,000	10,000	10,000	13,000
<i>SASOL</i>					7,500	12,475	12,475			
Total capital expenditure of Transfers and Grants		80,887	188,676	79,983	67,092	81,067	81,067	68,128	55,507	61,018
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		188,266	304,484	201,963	200,214	214,240	214,240	245,807	223,439	247,027

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		106,741	116,593	118,924	127,663	130,694	130,694	147,679	167,932	186,009
Conditions met - transferred to revenue		106,741	116,593	118,924	127,663	130,694	130,694	147,679	167,932	186,009
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		500	1,666	3,000	2,000	2,000	2,000	30,000	-	-
Conditions met - transferred to revenue		500	1,666	3,000	2,000	2,000	2,000	30,000	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		137		987	3,459	479	479			
Conditions met - transferred to revenue		137	-	987	3,459	479	479	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		107,378	118,259	122,911	133,122	133,173	133,173	177,679	167,932	186,009
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-

May 2017

Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		44,911	42,731	50,643	41,592	50,592	50,592	58,128	45,507	48,018
Conditions met - transferred to revenue		44,911	42,731	50,643	41,592	50,592	50,592	58,128	45,507	48,018
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		1,476	134,634	340						
Conditions met - transferred to revenue		1,476	134,634	340	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts			22							
Conditions met - transferred to revenue		-	22	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		34,500	8,000	29,000	25,500	30,475	30,475	10,000	10,000	13,000
Conditions met - transferred to revenue		34,500	8,000	29,000	25,500	30,475	30,475	10,000	10,000	13,000
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		80,887	185,387	79,983	67,092	81,067	81,067	68,128	55,507	61,018
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		188,265	303,646	202,894	200,214	214,240	214,240	245,807	223,439	247,027
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.8 Councillor and employee benefits

Table 41 MBRR SA22 - Summary of councillor and staff benefits

FS204 Metsimaholo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		8 549	10 013	10 572	11 092	11 092	11 092	11 875	12 694	13 415
Pension and UIF Contributions		10	10	10	11	11	11	11	12	13
Medical Aid Contributions		13	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2 715	3 272	3 582	3 946	3 946	3 946	3 958	4 231	4 472
Cell phone Allowance		617	908	876	938	938	938	1 014	1 084	1 146
Housing Allowances		620	207	207	357	357	357	354	379	406
Sub Total - Councillors		12 524	14 410	15 247	16 343	16 343	16 343	17 213	18 401	19 451
% increase	4		15,1%	5,8%	7,2%	-	-	5,3%	6,9%	5,7%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		6 263	7 176	7 678	8 215	8 215	8 215	9 157	9 682	10 073
Pension and UIF Contributions		-	-	-	11	11	11	-	-	-
Medical Aid Contributions		26	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	341	704	704	704	755	808	865
Motor Vehicle Allowance	3	1 720	1 253	1 253	1 253	1 253	1 253	1 253	1 341	1 436
Cell phone Allowance	3	-	60	186	186	186	186	186	199	213
Housing Allowances	3	-	340	340	340	340	340	367	393	421
Other benefits and allowances	3	-	154	61	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8 010	8 983	9 860	10 710	10 710	10 710	11 718	12 423	13 008
% increase	4		12,2%	9,8%	8,6%	-	-	9,4%	6,0%	4,7%
Other Municipal Staff										
Basic Salaries and Wages		109 177	105 147	146 158	140 565	144 882	144 882	164 136	175 735	188 501
Pension and UIF Contributions		18 766	16 843	23 916	26 177	27 212	27 212	25 481	27 754	29 201
Medical Aid Contributions		9 466	9 663	13 856	14 539	16 765	16 765	15 863	17 457	18 179
Overtime		18 838	10 635	13 038	16 590	16 190	16 190	15 189	16 207	17 115
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	6 649	13 274	16 021	17 381	17 484	17 484	17 402	18 601	19 882
Cell phone Allowance	3	-	-	-	857	1 115	1 115	1 204	1 052	1 188
Housing Allowances	3	1 218	592	974	1 162	1 162	1 162	1 085	1 193	1 244
Other benefits and allowances	3	13 510	7 249	3 249	17 668	13 798	13 798	15 090	17 981	21 539
Payments in lieu of leave		-	1 264	1 498	3 785	4 800	4 800	3 963	4 270	4 554
Long service awards		-	-	443	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	1 369	-	-	-	-	-	-
Sub Total - Other Municipal Staff		177 624	164 669	220 522	238 725	243 408	243 408	259 412	280 251	301 403
% increase	4		(7,3%)	33,9%	8,3%	2,0%	-	6,6%	8,0%	7,5%
Total Parent Municipality		198 158	188 061	245 629	265 778	270 461	270 461	288 343	311 074	333 863
			(5,1%)	30,6%	8,2%	1,8%	-	6,6%	7,9%	7,3%

TOTAL SALARY, ALLOWANCES & BENEFITS		198 158	188 061	245 629	265 778	270 461	270 461	288 343	311 074	333 863
% increase	4		(5,1%)	30,6%	8,2%	1,8%	-	6,6%	7,9%	7,3%
TOTAL MANAGERS AND STAFF	5,7	185 634	173 652	230 382	249 435	254 118	254 118	271 131	292 674	314 411

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		505,770	-	283,830			789,600
Chief Whip			474,160	-	318,170			792,330
Executive Mayor			632,210	-	241,590			873,800
Deputy Executive Mayor				-				-
Executive Committee			3,793,250	-	1,593,960			5,387,210
Total for all other councillors			6,469,590	-	2,900,010			9,369,600
Total Councillors	8	-	11,874,980	-	5,337,560			17,212,540
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,808,610	-	276,000	148,530		2,233,140
Chief Finance Officer			1,923,670	-	54,000	139,910		2,117,580
Director Corporate Services			1,522,150	-	279,600	118,740		1,920,490
Director Social Services			1,432,150	-	349,600	117,670		1,899,420
Director Technical Services			1,133,060	-	439,290	113,210		1,685,560
Director Local Economic Development(LED)			1,337,050	-	408,000	117,010		1,862,060
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	21,031,670	-	7,144,050	755,070		28,930,790

Table 43MBRR SA24–Summary of personnel numbers

FS204 Metsimaholo - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref 1,2	2015/16			Current Year 2016/17			Budget Year 2017/18		
		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		42
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6		6	6		6	6		6
Other Managers	7	49	45	1	49	46	–	49	46	1
Professionals		22	22	–	19	18	–	19	18	–
<i>Finance</i>		7	7	–	8	7	–	8	7	–
<i>Spatial/town planning</i>		2	2	–	3	3	–	3	3	–
<i>Information Technology</i>		5	5	–	–	–	–	–	–	–
<i>Roads</i>		2	2	–	2	2	–	2	2	–
<i>Electricity</i>		5	5	–	5	5	–	5	5	–
<i>Water</i>		1	1	–	1	1	–	1	1	–
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Technicians		161	161	–	166	162	2	166	159	2
<i>Finance</i>										
<i>Spatial/town planning</i>		4	4	–	4	4	–	4	3	
<i>Information Technology</i>		1	1	–	6	4	–	6	3	–
<i>Roads</i>		44	44	–	44	44	–	44	44	–
<i>Electricity</i>		69	69	–	69	69	–	69	69	–
<i>Water</i>		36	36	–	36	36	–	36	36	–
<i>Sanitation</i>										
<i>Refuse</i>		5	5	–	5	5	–	5	4	–
<i>Other</i>		2	2	–	2	–	2	2	–	2
Clerks (Clerical and administrative)		244	218	26	244	235	1	244	236	3
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		140	115	25	140	115	–	140	115	1
Elementary Occupations		618	588	30	618	606	–	618	601	1
TOTAL PERSONNEL NUMBERS	9	1,282	1,149	130	1,284	1,182	51	1,284	1,175	56
% increase					0.2%	2.9%	(60.8%)	–	(0.6%)	9.8%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

2.9 Monthly targets for revenue, expenditure and cash flow

Table 44MBRR SA25 - Budgeted monthly revenue and expenditure

FS204 Metsimaholo - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source	-															
Property rates		10 828	10 828	10 828	10 828	10 828	10 828	10 828	10 828	10 828	10 828	10 828	10 828	129 932	138 054	146 534
Service charges - electricity revenue		22 135	22 135	22 135	22 135	22 135	22 135	22 135	22 135	22 135	22 135	22 135	22 135	265 621	280 762	296 484
Service charges - water revenue		34 201	34 201	34 201	34 201	34 201	34 201	34 201	34 201	34 201	34 201	34 201	34 201	410 412	434 883	459 924
Service charges - sanitation revenue		1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	22 656	24 000	25 398
Service charges - refuse revenue		3 300	3 300	3 300	3 300	3 300	3 300	3 300	3 300	3 300	3 300	3 300	3 300	39 603	42 165	44 720
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		402	402	402	402	402	402	402	402	402	402	402	402	4 818	5 141	5 643
Interest earned - external investments		83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 000	1 000
Interest earned - outstanding debtors		2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	28 295	28 295	28 295
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 347	1 347	1 347	1 347	1 347	1 347	1 347	1 347	1 347	1 347	1 347	1 347	16 162	16 333	16 533
Licences and permits		17	17	17	17	17	17	17	17	17	17	17	17	201	212	224
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		12 307	12 307	12 307	12 307	12 307	12 307	12 307	12 307	12 307	12 307	12 307	12 307	147 679	167 932	186 009
Other revenue		1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	1 713	20 556	21 238	21 553
Gains on disposal of PPE		167	167	167	167	167	167	167	167	167	167	167	167	2 001	2 501	2 675
Total Revenue (excluding capital transfers and contributions)		90 745	90 745	90 745	90 745	90 745	90 745	90 745	90 745	90 745	90 745	90 745	90 745	1 088 936	1 162 514	1 234 992
Expenditure By Type	-															
Employee related costs		22 594	22 594	22 594	22 594	22 594	22 594	22 594	22 594	22 594	22 594	22 594	22 595	271 131	292 673	314 411
Remuneration of councillors		1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	17 213	18 401	19 451
Debt impairment		10 105	10 105	10 105	10 105	10 105	10 105	10 105	10 105	10 105	10 105	10 105	10 104	121 255	127 758	126 152
Depreciation & asset impairment		6 405	6 405	6 405	6 405	6 405	6 405	6 405	6 405	6 405	6 405	6 405	6 405	76 861	78 791	82 099
Finance charges		505	505	505	505	505	505	505	505	505	505	505	505	6 059	5 349	4 573
Bulk purchases		32 931	32 931	32 931	32 931	32 931	32 931	32 931	32 931	32 931	32 931	32 931	32 931	395 172	420 316	455 834
Other materials		3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	3 201	38 410	38 240	39 420
Contracted services		2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	2 866	34 386	36 215	37 802
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		9 405	9 405	9 405	9 405	9 405	9 405	9 405	9 405	9 405	9 405	9 405	9 405	112 857	116 770	118 145
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total Expenditure		89 445	89 445	89 445	89 445	89 445	89 445	89 445	89 445	89 445	89 445	89 445	89 445	1 073 344	1 134 511	1 197 887
Surplus/(Deficit)		1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 300	15 592	28 003	37 105
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		44 376				44 376				44 376			0	133 128	55 507	61 018
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													-	-	-	-
Transfers and subsidies - capital (in-kind - all)													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		45 675	1 299	1 299	1 299	45 675	1 299	1 299	1 299	45 675	1 299	1 299	1 300	148 720	83 510	98 123
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	45 675	1 299	1 299	1 299	45 675	1 299	1 299	1 299	45 675	1 299	1 299	1 300	148 720	83 510	98 123

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

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

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure to be appropriated																
Vote 1 - Council/Mayor, Speaker and Councillors	1												-	-	-	-
Vote 2 - Municipal Manager		299	299	299	299	299	299	299	299	299	299	299	299	3 590	2 442	2 345
Vote 3 - Organisational Development & Corporate Services		127	127	127	127	127	127	127	127	127	127	127	127	1 525	2 250	1 230
Vote 4 - Social Services		3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 782	45 391	19 841	35 777
Vote 5 - Infrastructure Services		9 542	9 542	9 542	9 542	9 542	9 542	9 542	9 542	9 542	9 542	9 542	9 541	114 501	89 360	64 758
Vote 6 - Financial Services													-	-	-	-
Vote 7 - Local Economic Development													-	-	-	-
Capital multi-year expenditure sub-total	2	13 751	13 751	13 751	13 751	13 751	13 751	13 751	13 751	13 751	13 751	13 751	13 750	165 006	113 894	104 110
Single-year expenditure to be appropriated																
Vote 1 - Council/Mayor, Speaker and Councillors													-	-	-	-
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Organisational Development & Corporate Services													-	-	-	-
Vote 4 - Social Services													-	-	-	-
Vote 5 - Infrastructure Services													-	-	-	-
Vote 6 - Financial Services													-	-	-	-
Vote 7 - Local Economic Development		96	96	96	96	96	96	96	96	96	96	96	96	1 150	500	-
Capital single-year expenditure sub-total	2	96	96	96	96	96	96	96	96	96	96	96	96	1 150	500	-
Total Capital Expenditure	2	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	13 846	166 156	114 394	104 110

Table 46 MBRR SA30 - Budgeted monthly cash flow

FS204 Metsimaholo - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source														1		
Property rates	16 991	8 495	8 495	8 495	8 495	8 495	8 495	8 495	8 495	8 495	8 495	8 501	110 442	117 346	126 019	
Service charges - electricity revenue	27 669	29 569	25 000	21 569	15 483	15 483	15 483	15 483	15 483	21 569	21 569	24 557	248 918	263 102	279 079	
Service charges - water revenue	25 175	25 176	28 175	29 175	30 175	34 175	34 175	31 175	29 175	28 175	28 175	25 924	348 850	369 651	395 534	
Service charges - sanitation revenue	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 604	1 614	19 258	20 400	21 842	
Service charges - refuse revenue	2 805	2 805	2 805	2 805	2 805	2 805	2 805	2 805	2 805	2 805	2 805	2 807	33 662	35 840	38 459	
Service charges - other												-	-	-	-	
Rental of facilities and equipment	208	208	208	208	208	214	208	208	208	208	208	208	2 502	4 501	5 066	
Interest earned - external investments	50	50	50	50	50	50	50	100	100	100	100	250	1 000	1 000	1 000	
Interest earned - outstanding debtors	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	24 051	24 617	25 183	
Dividends received												-	-	-	-	
Fines, penalties and forfeits	264	264	264	264	264	264	264	264	264	264	264	264	3 162	3 333	3 533	
Licences and permits	15	15	15	15	15	15	15	15	15	15	15	16	181	201	213	
Agency services												-	-	-	-	
Transfer receipts - operational	73 846					49 231			24 602			(0)	147 679	167 932	186 009	
Other revenue	654	654	654	654	654	654	654	654	654	654	654	662	7 856	19 155	19 367	
Cash Receipts by Source	151 285	70 844	69 274	66 843	110 988	65 763	65 757	62 807	85 409	65 893	65 893	66 808	947 562	1 027 076	1 101 305	
Other Cash Flows by Source																
Transfer receipts - capital	32 704				32 704				32 706		30 000	5 014	133 128	56 007	62 018	

Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)												-			
Proceeds on disposal of PPE			1 000									1 001	2 001	2 501	2 675
Short term loans												-			
Borrowing long term/refinancing				3 130								-	3 130	160	1 080
Increase (decrease) in consumer deposits												-			
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	183 989	70 844	70 274	69 973	143 692	65 763	65 757	62 807	118 115	65 893	95 893	72 823	1 085 821	1 085 744	1 167 078
Cash Payments by Type															
Employee related costs	22 426	22 426	22 426	22 426	22 426	22 426	22 426	22 426	22 426	22 426	22 426	24 445	271 131	292 673	314 411
Remuneration of councillors	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	17 213	18 401	19 451
Finance charges	400	420	460	480	500	510	515	520	535	550	560	609	6 059	5 349	4 573
Bulk purchases - Electricity	26 000	25 000	23 000	22 000	14 759	14 759	14 759	14 759	14 759	14 759	20 000	8 693	213 247	220 501	236 354
Bulk purchases - Water & Sewer	15 000	15 797	15 797	15 795	20 000	20 000	20 000	15 795	15 795	15 795	15 000	15 000	199 774	219 092	240 299
Other materials	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 210	38 410	38 240	39 420
Contracted services	3 160	3 160	3 160	3 160	3 160	3 160	3 160	3 160	3 160	3 160	3 160	3 543	38 299	38 337	38 809
Transfers and grants - other municipalities												-	-	-	-
Transfers and grants - other												-	-	-	-
Other expenditure	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	81 444	83 038	81 890
Cash Payments by Type	78 407	78 224	76 264	75 282	72 266	72 276	72 281	68 081	68 096	68 111	72 567	63 722	865 578	915 632	975 208
Other Cash Flows/Payments by Type															
Capital assets	32 670	5 000	6 000	2 680	32 670	2 000	2 000	5 000	32 670	7 000	7 000	31 466	166 156	114 394	104 110

Repayment of borrowing Other Cash Flows/Payments	450	460	470	480	530	990	530	530	530	530	530	924	6 954	7 678	8 135
Total Cash Payments by Type	2 000	2 000	5 000	2 000	4 000	2 000	2 000	2 000	4 000	2 000	2 000	5 000	34 000	34 000	22 000
NET INCREASE/(DECREASE) IN CASH HELD	70 462	(14 840)	(17 460)	(10 469)	34 226	(11 503)	(11 054)	(12 804)	12 819	(11 748)	13 796	(28 289)	13 134	14 041	57 624
Cash/cash equivalents at the month/year begin:	465	70 927	56 086	38 626	28 157	62 383	50 879	39 825	27 021	39 840	28 092	41 887	465	13 599	27 640
Cash/cash equivalents at the month/year end:	70 927	56 086	38 626	28 157	62 383	50 879	39 825	27 021	39 840	28 092	41 887	13 599	13 599	27 640	85 264

2.10 Annual budgets and SDBIPs – internal departments

KPA1: Basic Service Delivery and Infrastructure Investment

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
1.1	Develop and annually review the municipality's Comprehensive Infrastructure Plan (CIP).	Ensure planning, implementation and maintenance of basic infrastructure for sustaining basic standards of living and economic activity in the municipality.		This objective is to ensure integration and timely planning and delivery of infrastructure and amenities, maintenance and upkeep, including appropriation of budgets to do these.	2	Output 2: Improving Access to Basic Services.
1.2	Ensure reliable provision of quality municipal services.	Ensure consistent delivery of municipal services of the right quality and standard.		This objective is to ensure no failures in service delivery and where there are, restoration is done with urgency.	2	Output 2: Improving Access to Basic Services.
1.3	Improve access to electricity service.	Ensure that new electricity connections application received paid for, installations are done and completed as requested.		This objective is about extending reach of electricity service by communities.	2	Output 2: Improving Access to Basic Services.
1.4	Improve access portable water supply	Ensure that new water connections application received paid for, installations are done and completed as requested.		This objective is about extending reach of portable, yard-connection water supply by communities.	2	Output 2: Improving Access to Basic Services.
1.5	Improve access basic sanitation service	Ensure that all formalized settlement		This objective is about extending	2	Output 2: Improving Access to Basic

KPA1: Basic Service Delivery and Infrastructure Investment

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
		areas within the municipality receive water borne sanitary services.		reach of water-borne sanitation service by communities within formal settlements.		Services.
1.6	Improve access to refuse removal service.	Ensure that 100% of all formalized areas within the municipality receive refuse removal service at least once a week.		This objective is about extending reach of refuse removal service at least once a week by communities within established formal settlement areas.	2	Output 2: Improving Access to Basic Services.

KPA2: Local Economic Development

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
2.1	Create conducive environment for improving local economic development.	Ensure a LED strategy that is aligned with national and provincial goals so as to ensure a coherent policy framework that serves as the basis for identification and implementation of key LED initiatives so as		This objective enables putting measure in place to create an enabling environment for local economic development to stimulate competitive, inclusive and	3	Output 3: Implementation of the Community Work Programme & cooperatives supported

KPA2: Local Economic Development

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
		to unlock the economic potential of the municipality and attract direct investment into the locality.		sustainable economies and integrating and densifying communities so as to improve sustainability and thereby positioning the municipality as the economic hub of the province.		
2.2	Use the municipality's buying power to advance economic empowerment of SMMEs and Cooperatives.	Through procurement planning and within prescribed policies and directives, use the municipality's procurement power to empower SMMEs and Cooperatives.		This objective will ensure support of SMMEs and Cooperatives sectors so as to continue to preserve and create more jobs and job opportunities.	3	Output 3: Implementation of the Community Work Programme & cooperatives supported
2.3	Maximise on the tourism potential of the municipality.	Identify and pursue tourism related initiatives as an important platform to inject into the local economy		This objective is about maximising on the tourism potential of the municipality as another means to boost the local economy.	3	Output 3: Implementation of the Community Work Programme & cooperatives supported

KPA3: Financial Management & Viability

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
3.1	Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards.	Plan, implement, monitor and report on financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards.		This objective will ensure implementation of sound financial management practices and functional financial management systems which include rigorous internal controls.	1	Output 6: Improve Municipal Financial and Administrative capability

KPA4: Municipal Transformation and Institutional Development

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
4.1	To capacitate and empower workforce.	Ensure skills development, training and capacity building for councillors and municipal officials.		This objective is to ensure capacitation of officials and councillors so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed.	1	Output 6: Improve Municipal Financial and Administrative capability
4.2	To ensure sound labour relations so as to minimise labour disputes and disruptions	To ensure that municipal management to conduct regular engagements with		This objective is to ensure that there are sustained platforms to engage organised labour to	1	Output 6: Improve Municipal Financial and Administrative capability

KPA4: Municipal Transformation and Institutional Development

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
		labour and ensure compliance with Collective Agreements, Basic Conditions of Employment Act, Labour Relations and & institutional policies pertaining to labour relations.		minimise disputes and disruptions.		
4.3	Ensure compliance with laws and regulation applicable to the municipality so as to improve administrative and financial capability of the municipality.	To ensure building capable institutions and administration.		This objective is about ensuring that the municipality is governed well and conduct its business responsibly and within the framework of prescribed laws and regulations.	1	Output 6: Improve Municipal Financial and Administrative capability
4.4	To build a risk conscious culture within the organisation.	Ensure effective risk mitigation for all known, assessed and registered risks.		This objective is to ensure that the municipality is proactively aware and recognizes the risks that it is faced with so as to proactively plan for mitigation of such risks.	1	Output 6: Improve Municipal Financial and Administrative capability
4.5	To ensure development of legally compliant and credible IDP.	Ensure that the municipality's IDPs incorporate communities and stakeholders views		This objective will ensure coordinated approach to planning, implementation,	1	Output 7: Single Window of Coordination

KPA4: Municipal Transformation and Institutional Development

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
		and inputs and that they are prepared in accordance with the prescribed framework.		monitoring, review and reporting.		

KPA5: Good Governance and Community Participation

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
5.1	Ensure transparency, accountability and regular engagements with communities.	Councillors must meet and report back to their constituencies quarterly.		This objective will ensure that social distance between public representatives and communities is eliminated	1	Output 6: Improve Municipal Financial and Administrative capability
5.2	Ensure that ward committees are functional and meet regularly	Utilise the CDWs, Ward Committees and Ward Councillors to communicate projects earmarked for implementation.		This objective ensures implementation of community engagement plans through ward committees targeting hotspots and potential hotspots areas.	1	Output 5: Deepen Democracy through a refined Ward Committee Model
5.3	Ensure that ordinary council meetings sit at least quarterly.	Ensure that the council stick to its programme and sit at least once quarterly		This objective will ensure that the council and its committees remain	1	Output 6: Administrative and financial capability

KPA5: Good Governance and Community Participation

STRATEGIC OBJECTIVES IDENTIFIED TO ACHIEVE STRATEGIC ORIENTED OUTCOME GOALS					LINKS	
ID	Strategic Objective	Objective Statement	Baseline as at 2016/17	Justification	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
		and processing items for decision making.		fully functional and focused on		
5.4	Ensure that all council committees sit regularly and process items for council decisions.	Ensure that all council committees sit at least once monthly and processing items for council decisions.		performing oversight over administration for the benefit of the community.	1	Output 6: Improve Municipal Financial and Administrative capability
5.5	Ensure a functional governance structures.	Ensure that the Internal Audit Unit as well as the Risk Management Unit prepares their annual plans for approval by the council prior to the commencement of the financial year and ensure that related reports are compiled and submitted to the Audit Committee and Risk Committee quarterly.			1	
5.6	To promote Intergovernmental Relations amongst stakeholders in the district.	Comply with the principles of co-operative government and intergovernmental relations in the district.		This objective will enable the municipality to actively play a role in advancing and participating intergovernmental relations endeavours at various levels.	1	Output 7: Single Window of Coordination

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. Some of the contracts for capital works are also multi-year contracts.

2.12 Capital expenditure details

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

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

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
-										
Infrastructure		66,696	181,342	95,854	71,883	79,343	79,343	102,367	77,669	67,290
Roads Infrastructure		1,408	2,461	22,586	32,818	30,060	30,060	27,375	44,028	12,300
Roads		1,408	2,461	22,586	32,818	30,060	30,060	27,175	43,018	12,200
Road Structures										
Road Furniture										
Capital Spares								200	1,010	100
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		23,873	7,037	43,283	25,600	19,374	19,374	17,709	17,100	16,000
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors		23,873	7,037	43,283	25,600	19,374	19,374	17,709	17,100	16,000
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										

Water Supply Infrastructure	6,873	5,254	3,667	1,765	1,765	1,765	3,045	2,412	2,102
<i>Dams and Weirs</i>									
<i>Boreholes</i>									
<i>Reservoirs</i>	6,873	5,254	3,667	1,765	1,765	1,765	3,045	2,412	2,102
<i>Pump Stations</i>									
<i>Water Treatment Works</i>									
<i>Bulk Mains</i>									
<i>Distribution</i>									
<i>Distribution Points</i>									
<i>PRV Stations</i>									
<i>Capital Spares</i>									
Sanitation Infrastructure	34,542	32,763	26,318	1,500	17,944	17,944	53,238	6,856	16,022
<i>Pump Station</i>									
<i>Reticulation</i>	34,542	32,763	26,318	1,500	17,944	17,944	53,238	6,856	16,022
<i>Waste Water Treatment Works</i>									
<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	-	133,827	-	10,200	10,200	10,200	1,000	7,273	20,866
<i>Landfill Sites</i>		133,827	-	1,500	1,500	1,500	1,000	7,273	20,866
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>				8,700	8,700	8,700			
Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	3,343	-	2,595	7,674	3,998	3,998	2,896	3,040	3,830

Community Facilities	2,250	–	2,595	–	–	–	600	540	1,200
<i>Halls</i>	2,250						–	40	200
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance Stations</i>									
<i>Testing Stations</i>									
<i>Museums</i>									
<i>Galleries</i>									
<i>Theatres</i>									
<i>Libraries</i>									
<i>Cemeteries/Crematoria</i>			2,595						
<i>Police</i>									
<i>Purfs</i>									
<i>Public Open Space</i>							600	500	1,000
<i>Nature Reserves</i>									
<i>Public Ablution Facilities</i>									
<i>Markets</i>									
<i>Stalls</i>									
<i>Abattoirs</i>									
<i>Airports</i>									
<i>Taxi Ranks/Bus Terminals</i>									
<i>Capital Spares</i>									
Sport and Recreation Facilities	1,093	–	–	7,674	3,998	3,998	2,296	2,500	2,630
<i>Indoor Facilities</i>									
<i>Outdoor Facilities</i>	1,093		–	7,674	3,998	3,998	2,296	2,500	2,630
<i>Capital Spares</i>									
Heritage assets	–	–	–	–	–	–	–	–	–
<i>Monuments</i>									
<i>Historic Buildings</i>									
<i>Works of Art</i>									
<i>Conservation Areas</i>									
<i>Other Heritage</i>									
Investment properties	9,484	–	6,311	2,020	1,540	1,540	6,610	2,360	900
Revenue Generating	9,484	–	6,311	2,020	1,540	1,540	6,610	2,360	900
<i>Improved Property</i>	9,484		6,311	2,020	1,540	1,540	6,610	2,360	900
<i>Unimproved Property</i>									
Non-revenue Generating	–	–	–	–	–	–	–	–	–
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Other assets	554	–	8,097	50	40	40	1,330	350	100
Operational Buildings	554	–	8,097	50	40	40	1,330	350	100
<i>Municipal Offices</i>	554						1,330	350	100
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									
<i>Yards</i>									

<i>Stores</i>										
<i>Laboratories</i>										
<i>Training Centres</i>										
<i>Manufacturing Plant</i>										
<i>Depots</i>										
<i>Capital Spares</i>			8,097	50	40	40				
Housing	-	-	-	-	-	-	-	-	-	
<i>Staff Housing</i>										
<i>Social Housing</i>										
<i>Capital Spares</i>										
Biological or Cultivated Assets	152	3,572	-	-	-	-	-	-	-	
Biological or Cultivated Assets	152	3,572								
Intangible Assets	-	-	-	-	-	-	-	-	-	
<i>Servitudes</i>										
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-	
<i>Water Rights</i>										
<i>Effluent Licences</i>										
<i>Solid Waste Licences</i>										
<i>Computer Software and Applications</i>										
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
Computer Equipment	375	20	18	-	-	-	-	-	-	
Computer Equipment	375	20	18							
Furniture and Office Equipment	343	2,870	332	2,372	3,566	3,566	1,430	682	243	
Furniture and Office Equipment	343	2,870	332	2,372	3,566	3,566	1,430	682	243	
Machinery and Equipment	-	-	1,130	10,376	12,527	12,527	5,958	12,054	11,410	
Machinery and Equipment			1,130	10,376	12,527	12,527	5,958	12,054	11,410	
Transport Assets	-	463	-	1,395	10,286	10,286	3,215	2,518	3,537	
Transport Assets		463	-	1,395	10,286	10,286	3,215	2,518	3,537	
Libraries	-	-	-	-	-	-	-	-	-	
Libraries										
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	80,947	188,267	114,338	95,770	111,299	111,299	123,806	98,674	87,310

Classifications can change after final mSCOA classification

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework	Budget Year +1 2018/19	Budget Year +2 2019/20
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18		
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
- Infrastructure		-	-	-	12,000	10,000	10,000	7,450	12,800	15,000
Roads Infrastructure		-	-	-	12,000	10,000	10,000	6,000	12,000	15,000
<i>Roads</i>					12,000	10,000	10,000	6,000	12,000	15,000
<i>Road Structures</i>										
<i>Road Furniture</i>										
<i>Capital Spares</i>										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
Electrical Infrastructure		-	-	-	-	-	-	1,450	800	-
<i>Power Plants</i>										
<i>HV Substations</i>										
<i>HV Switching Station</i>										
<i>HV Transmission Conductors</i>										
<i>MV Substations</i>										
<i>MV Switching Stations</i>										
<i>MV Networks</i>										
<i>LV Networks</i>										
<i>Capital Spares</i>								1,450	800	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
<i>Dams and Weirs</i>										
<i>Boreholes</i>										
<i>Reservoirs</i>										
<i>Pump Stations</i>										
<i>Water Treatment Works</i>										
<i>Bulk Mains</i>										
<i>Distribution</i>										
<i>Distribution Points</i>										
<i>PRV Stations</i>										
<i>Capital Spares</i>										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
<i>Pump Station</i>										
<i>Reticulation</i>										
<i>Waste Water Treatment Works</i>										

<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>									
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	-	-	-	630	300	300	-	400	-
Community Facilities	-	-	-	200	-	-	-	400	-
<i>Halls</i>				200				400	
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance Stations</i>									
<i>Testing Stations</i>									
<i>Museums</i>									
<i>Galleries</i>									
<i>Theatres</i>									
<i>Libraries</i>									
<i>Cemeteries/Crematoria</i>									
<i>Police</i>									
<i>Purls</i>									
<i>Public Open Space</i>									
<i>Nature Reserves</i>									

<i>Public Ablution Facilities</i>									
<i>Markets</i>									
<i>Stalls</i>									
<i>Abattoirs</i>									
<i>Airports</i>									
<i>Taxi Ranks/Bus Terminals</i>									
<i>Capital Spares</i>									
Sport and Recreation Facilities	-	-	-	430	300	300	-	-	-
<i>Indoor Facilities</i>									
<i>Outdoor Facilities</i>				430	300	300			
<i>Capital Spares</i>									
Heritage assets	-	-	-	-	-	-	-	-	-
<i>Monuments</i>									
<i>Historic Buildings</i>									
<i>Works of Art</i>									
<i>Conservation Areas</i>									
<i>Other Heritage</i>									
Investment properties	-	-	-	-	-	-	1,570	370	300
Revenue Generating	-	-	-	-	-	-	1,570	370	300
<i>Improved Property</i>							1,570	370	300
<i>Unimproved Property</i>									-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Other assets	-	-	-	3,630	3,630	3,630	-	-	-
Operational Buildings	-	-	-	3,630	3,630	3,630	-	-	-
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									
<i>Yards</i>									
<i>Stores</i>									
<i>Laboratories</i>									
<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									
<i>Capital Spares</i>				3,630	3,630	3,630			
Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>									
<i>Social Housing</i>									
<i>Capital Spares</i>									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>									
Intangible Assets	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>									
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-

<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>										
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment				14	14	14	80	300		
				14	14	14	80	300		
Machinery and Equipment										
Machinery and Equipment			2,282	1,042	1,036	1,036	3,250	1,500	1,500	
			2,282	1,042	1,036	1,036	3,250	1,500	1,500	
Transport Assets										
Transport Assets				160	160	160		350		
				160	160	160		350		
Libraries										
Libraries										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing assets	1			2,282	17,476	15,140	15,140	12,350	15,720	16,800
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	2.0%	15.4%	12.0%	12.0%	7.4%	13.7%	16.1%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	5.3%	23.8%	20.6%	20.6%	16.1%	20.0%	20.5%

Classifications can change after final mSCOA classification

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class										
–										
Infrastructure		53,764	54,158	67,248	89,046	92,143	92,143	87,561	93,244	98,868
Roads Infrastructure		14,602	11,735	17,548	29,971	29,665	29,665	25,787	27,192	28,865
<i>Roads</i>		14,602	11,735	17,548	29,971	29,665	29,665	25,787	27,192	28,865
<i>Road Structures</i>										
<i>Road Furniture</i>										
<i>Capital Spares</i>										
Storm water Infrastructure		–	–	–	2,777	2,777	2,777	–	–	–
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>					2,777	2,777	2,777			
<i>Attenuation</i>										
Electrical Infrastructure		13,318	9,610	16,258	17,770	20,718	20,718	20,162	21,744	23,208
<i>Power Plants</i>										
<i>HV Substations</i>										
<i>HV Switching Station</i>										
<i>HV Transmission Conductors</i>		13,235	8,454	13,467	17,770	15,092	15,092	19,846	21,411	22,853
<i>MV Substations</i>					–					
<i>MV Switching Stations</i>		83	1,156	2,791		5,626	5,626	316	333	355
<i>MV Networks</i>										
<i>LV Networks</i>										
<i>Capital Spares</i>										
Water Supply Infrastructure		10,669	12,632	14,866	16,076	16,197	16,197	17,653	18,834	20,098
<i>Dams and Weirs</i>										
<i>Boreholes</i>										
<i>Reservoirs</i>										
<i>Pump Stations</i>										
<i>Water Treatment Works</i>										
<i>Bulk Mains</i>										
<i>Distribution</i>		10,669	12,632	14,866	16,076	16,197	16,197	17,653	18,834	20,098
<i>Distribution Points</i>										
<i>PRV Stations</i>										
<i>Capital Spares</i>										
Sanitation Infrastructure		10,227	16,818	12,059	13,751	14,480	14,480	14,484	15,445	16,472
<i>Pump Station</i>										
<i>Reticulation</i>										
<i>Waste Water Treatment Works</i>		10,227	16,818	12,059	13,751	14,480	14,480	14,484	15,445	16,472
<i>Outfall Sewers</i>										
<i>Toilet Facilities</i>										
<i>Capital Spares</i>										
Solid Waste Infrastructure		4,948	3,363	6,517	8,701	8,306	8,306	9,475	10,029	10,225

<i>Landfill Sites</i>	4,948	3,363	6,517	8,701	8,306	8,306	9,475	10,029	10,225
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	194	244	20	782	338	338	219	223	231
Community Facilities	26	205	20	782	338	338	219	223	231
<i>Halls</i>				131	54	54			
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance Stations</i>									
<i>Testing Stations</i>									
<i>Museums</i>									
<i>Galleries</i>									
<i>Theatres</i>									
<i>Libraries</i>	2			38	10	10			
<i>Cemeteries/Crematoria</i>									
<i>Police</i>									
<i>Parks</i>									
<i>Public Open Space</i>	24	58	20	252			219	223	231
<i>Nature Reserves</i>									
<i>Public Ablution Facilities</i>				174	108	108			
<i>Markets</i>									
<i>Stalls</i>									

<i>Abattoirs</i>									
<i>Airports</i>									
<i>Taxi Ranks/Bus Terminals</i>									
<i>Capital Spares</i>		147		188	166	166			
Sport and Recreation Facilities	168	39	-	-	-	-	-	-	-
<i>Indoor Facilities</i>									
<i>Outdoor Facilities</i>	20								
<i>Capital Spares</i>	148	39							
	1	1	1	1	1	1	1	1	1
Heritage assets	-	-	-	-	-	-	-	-	-
<i>Monuments</i>									
<i>Historic Buildings</i>									
<i>Works of Art</i>									
<i>Conservation Areas</i>									
<i>Other Heritage</i>									
Investment properties	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Other assets	2,628	2,212	4,294	814	1,323	1,323	5,289	3,401	3,426
Operational Buildings	2,628	2,212	4,294	814	1,323	1,323	5,289	3,401	3,426
<i>Municipal Offices</i>	1,793	1,232					5,289	3,401	3,426
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									
<i>Yards</i>									
<i>Stores</i>									
<i>Laboratories</i>									
<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									
<i>Capital Spares</i>	835	980	4,294	814	1,323	1,323			
Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>									
<i>Social Housing</i>									
<i>Capital Spares</i>									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>									
Intangible Assets	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>									
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>									
<i>Effluent Licenses</i>									
<i>Solid Waste Licenses</i>									

<i>Computer Software and Applications</i>										
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
Computer Equipment		536	-	-	-	-	-	-	-	-
Computer Equipment		536								
Furniture and Office Equipment		82	234	699	1,729	1,354	1,354	6,216	6,230	6,239
Furniture and Office Equipment		82	234	699	1,729	1,354	1,354	6,216	6,230	6,239
Machinery and Equipment		-	-	95	1,109	1,009	1,009	1,021	1,443	1,630
Machinery and Equipment				95	1,109	1,009	1,009	1,021	1,443	1,630
Transport Assets		1,003	2,276	582	4,735	4,613	4,613	4,746	4,981	5,238
Transport Assets		1,003	2,276	582	4,735	4,613	4,613	4,746	4,981	5,238
Libraries		1,405	-	-	-	-	-	-	-	-
Libraries		1,405								
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	59,612	59,124	72,938	98,215	100,780	100,780	105,052	109,522	115,633
<i>R&M as a % of PPE</i>		6.4%	5.5%	6.4%	8.2%	8.4%	8.4%	0.0%	8.5%	8.7%
<i>R&M as % Operating Expenditure</i>		8.7%	7.3%	8.3%	9.8%	10.1%	10.1%	0.0%	10.2%	10.2%

Formulas of National Treasury wrong

Classifications can change after final mSCOA classification

2.13 Legislation compliance status

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting (Schedule C) to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, Budget and Treasury Office.
The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee
An Audit Committee has been established and is fully functional.
4. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2017/18 MTREF in May 2017 directly aligned and informed by the 2017/18 MTREF.
5. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
6. Risk management
The municipality has an updated risk management strategy and plan in place.
7. Implementation of SCM
The reviewed supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in February 2012. All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers. The SCM policy is reviewed and updated.
8. Effectiveness of audit steering committees
The audit steering committees is an ad-hoc committee established during the planning and execution of the annual audit. The committee usually comprise of officials of the municipality and the Auditor-General team performing the audit.
9. Reduction of short-term debt
This regulation is not applicable to the municipality as overdraft facilities are managed within the context of section 45 of the MFMA relating to short-term debt.
10. Delegations
All delegations are in place and council approved the generic financial delegations in November 2006. The delegations are process to be reviewed.

11. Performance agreements

The new performance agreements for 2017//2018 will be finalised after the SDBIP has been approved.

12. Implementation of GRAP

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

- Asset Register. Full compliance GRAP achieved, 30 June 2011.
- Investment property guidelines implemented - 30 June 2011
- Employee benefits fully captured. 30 June 2011
- Unbundling of PPE as per guidelines 30 June 2011.
- Not all stands are transferred in terms of housing scheme - 30 June 2017
- Lease : Government Garage treated as operating lease
- Debtors impaired.
- Billing information to be updated to accurate information for statements.

13. Development of accounting policies

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

14. Inventories - unsold water

The inventories of unsold water are available from the Technical Section responsible. The water in "stock" is ± 45 mega litre and recorded daily. The reservoirs and pipes will be subject to stock taking on 30 June 2017. The detail of water losses need to be investigated to see if these stock levels needs to be impaired for the resale value of the water. The information is in the process to be updated.

15. Asset register

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

16. **mSCOA**

Council received on regular basis reports on mSCOA circulars.

The mSCOA Project Steering Committee and Project Implementation Committee were established.

mSCOA and linkages to IDP

- IDP not yet finalised
- Every line item must link to IDP
- Every project must link to IDP

Votes unbundled into seven segments.

The system for mSCOA compliance is not fully functional as yet.

17. Compliance Policy

A draft Compliance policy has been developed. The draft policy is envisaged to be approved before the end of the 2016/17 Financial Year.

Compliance Monitoring

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

Compliance alerts

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

Compliance Risk Management Plans

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

2.14 Other supporting documents

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

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		114,288	126,628	130,331	134,280	140,309	140,309		151,646	160,593	169,908
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		18,998	15,329	15,886	20,913	19,113	19,113		21,714	22,540	23,374
Net Property Rates		95,290	111,299	114,445	113,366	121,196	121,196	-	129,932	138,054	146,534
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		194,535	203,719	212,931	294,861	294,861	294,861		277,265	293,069	309,481
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		10,373	4,452								
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		4,859	3,926	4,306	10,808	7,308	7,308		11,644	12,308	12,997
Net Service charges - electricity revenue		179,303	195,341	208,626	284,053	287,553	287,553	-	265,621	280,762	296,484
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		204,259	273,812	269,665	370,898	348,234	348,234		424,143	449,397	475,251
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>		13,176	15,886	5,838	9,302	20,111	20,111				
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		15,560	8,510	4,985	12,049	5,175	5,175		13,732	14,514	15,327
Net Service charges - water revenue		175,524	249,416	258,842	349,547	322,947	322,947	-	410,412	434,883	459,924
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		24,235	24,946	27,132	33,864	33,864	33,864		34,174	36,174	38,254

<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>		1,622	1,914	2,980	1,630	3,531	3,531				
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		6,464	4,945	4,438	10,689	4,788	4,788		11,518	12,174	12,856
Net Service charges - sanitation revenue		16,150	18,087	19,714	21,545	25,545	25,545	-	22,656	24,000	25,398
Service charges - refuse revenue	6										
Total refuse removal revenue		29,606	32,083	34,885	46,448	46,448	46,448		60,854	64,627	68,440
Total landfill revenue						-	-				
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>						-	-				
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		12,217	8,286	8,931	18,641	10,641	10,641		21,251	22,462	23,720
Net Service charges - refuse revenue		17,390	23,796	25,955	27,807	35,807	35,807	-	39,603	42,165	44,720
Other Revenue by source											
Fundraising		-	-	-	-	5,266	5,266		100	100	100
Legal cost		-	-	-	5,266	-	-		5,551	5,850	5,850
Departmental Income		-	-	-	-	-	-		-	-	-
Training		-	1,488	1,892	1,428	1,428	1,428		1,505	1,587	1,596
Attributes		-	1,948	12,235	-	-	-		-	-	-
Other Revenue		2,947	10,544	15,420	634	16,104	16,104		13,400	13,701	14,007
Total 'Other' Revenue	3	2,947	13,980	29,547	7,329	22,799	22,799	-	20,556	21,238	21,553
	1										
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	116,084	112,323	144,044	148,780	153,097	153,097		173,292	185,418	198,574
Pension and UIF Contributions		18,687	16,843	23,916	26,177	27,223	27,223		25,730	27,548	29,268
Medical Aid Contributions		10,964	9,663	13,856	14,539	16,765	16,765		16,016	17,621	18,354
Overtime		16,393	10,635	13,038	16,590	16,190	16,190		15,492	16,480	17,361
Performance Bonus		-	-	341	704	704	704		755	808	865
Motor Vehicle Allowance		12,396	14,556	17,292	18,634	18,737	18,737		18,655	19,943	21,319
Cell phone Allowance				-	1,043	1,301	1,301		1,390	1,251	1,402
Housing Allowances		630	932	1,314	1,502	1,502	1,502		1,453	1,586	1,665
Other benefits and allowances		10,712	7,693	15,083	17,680	13,798	13,798		14,485	17,849	21,262
Payments in lieu of leave		485	2,082	1,498	3,785	4,801	4,801		3,863	4,170	4,342
Long service awards		380		-					-	-	-
Post-retirement benefit obligations	4	1,667		-					-	-	-

	<i>sub-total</i>	5	188,398	174,728	230,382	249,435	254,118	254,118	-	271,131	292,673	314,411
<u>Less: Employees costs capitalised to PPE</u>												
Total Employee related costs		1	188,398	174,728	230,382	249,435	254,118	254,118	-	271,131	292,673	314,411
<u>Contributions recognised - capital</u>												
<i>List contributions by contract</i>												
Total Contributions recognised - capital			-	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>												
Depreciation of Property, Plant & Equipment			32,238	39,608	42,930	73,535	73,535	73,535		76,861	78,791	82,099
Lease amortisation												
Capital asset impairment												
Depreciation resulting from revaluation of PPE		10										
Total Depreciation & asset impairment		1	32,238	39,608	42,930	73,535	73,535	73,535	-	76,861	78,791	82,099
<u>Bulk purchases</u>												
Electricity Bulk Purchases			155,375	166,459	187,805	216,662	216,662	216,662		213,247	220,501	236,354
Water Bulk Purchases			100,198	112,761	129,932	154,993	144,972	144,972		181,925	199,815	219,480
Total bulk purchases		1	255,573	279,220	317,737	371,654	361,634	361,634	-	395,172	420,316	455,834
<u>Transfers and grants</u>												
Cash transfers and grants			-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants			-	-	-	-	-	-	-	-	-	-
Total transfers and grants		1	-	-	-	-	-	-	-	-	-	-
<u>Contracted services</u>												
Security services			12,200	69,404	14,291	20,000	20,000	20,000		18,500	19,500	20,500
Printing Services			2,066	3,212	3,974	4,608	4,462	4,462		3,670	4,119	4,487
Cash Security Services			70	-	337	444	408	408		468	470	480
Cleansing Services			1,725	1,673	2,198	2,777	2,777	2,777		2,927	3,085	3,085
Other			7,912	2,550	10,175	8,702	10,384	10,384		8,820	9,040	9,250
<i>sub-total</i>		1	23,972	76,839	30,976	36,532	38,032	38,032	-	34,386	36,215	37,802
Allocations to organs of state:												
Electricity												
Water												
Sanitation												
Other												
Total contracted services			23,972	76,839	30,976	36,532	38,032	38,032	-	34,386	36,215	37,802

Other Expenditure By Type	-										
Collection costs											
Contributions to 'other' provisions											
Consultant fees		8,085	-								
Audit fees		4,366	5,608	-	5,722	5,722	5,722				
General expenses	3	13,707	23,243	30,054	33,987	30,672	30,672	36,253	37,567	39,451	
<i>Advertising</i>		848	1,384	896	1,982	1,981	1,981	1,564	1,594	1,624	
<i>Bursaries</i>		1,133	1,941	2,704	2,500	2,500	2,500	1,023	1,646	2,254	
<i>Computer Systems</i>		1,170	2,812	6,626	3,900	6,900	6,900	500	500	500	
<i>Conferences and delegations</i>		891	806	1,158	1,268	1,506	1,506	1,172	1,051	978	
<i>Connection charges</i>		496	631	92	1,059	259	259	280	280	280	
<i>Fuel and oil vehicles</i>		7,498	4,371	5,634	8,069	7,260	7,260	6,101	6,527	6,965	
<i>Legal Expenses</i>		-	6,165	10,067	10,272	10,277	10,277	9,557	9,357	8,857	
<i>Membership fees</i>		1,838	2,120	2,326	2,751	2,751	2,751	2,902	3,074	3,216	
<i>Postage</i>		1,389	1,447	1,709	1,733	1,926	1,926	1,625	1,625	1,625	
<i>Printing and Stationary</i>		849	724	673	1,240	1,198	1,198	911	866	914	
<i>Public programs</i>		-	1,611	3,868	2,921	2,771	2,771	2,150	2,250	2,350	
<i>Rental External Equipment</i>		1,306	1,481	5,257	5,558	6,223	6,223	4,059	5,517	3,980	
<i>Sewer Treatment</i>		-	14,278	14,964	17,980	17,980	17,980	18,086	19,526	21,086	
<i>Stocks and materials</i>		13,517	770	3,958	2,774	2,588	2,588	1,918	1,942	1,999	
<i>Telephone</i>		815	1,943	2,113	2,108	2,108	2,108	1,800	1,900	2,000	
Uniforms		1,516	597	922	2,373	2,634	2,634	2,587	2,717	2,859	
Valuation costs		870	641	250	4,000	500	500	4,000	2,500	1,500	
Bank charges		433	422	339	390	690	690	550	550	550	
Insurance		452	1,144	1,696	2,816	2,816	2,816	2,930	3,188	3,524	
Professional Fees		741			11,052	11,052	11,052	12,889	12,593	11,633	
Total 'Other' Expenditure	1	61,918	74,139	95,305	126,455	122,314	122,314	-	112,857	116,770	118,145
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		44,385	33,431	53,996	60,016	61,283	61,283	66,642	71,282	76,213	
Other materials		15,227	25,693	18,942	38,199	39,497	39,497	38,410	38,240	39,420	
Contracted Services											
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	59,612	59,124	72,938	98,215	100,780	100,780	-	105,052	109,522	115,633

Classification can change with final mSCOA classification

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

FS204 Metsimaholo - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Council/Mayor, Speaker and Councillors	Vote 2 - Municipal Manager	Vote 3 - Organisational Development & Corporate Services	Vote 4 - Social Services	Vote 5 - Infrastructure Services	Vote 6 - Financial Services	Vote 7 - Local Economic Development	Total
R thousand	1								
Revenue By Source									
Property rates							129 932		129 932
Service charges - electricity revenue						265 621			265 621
Service charges - water revenue						410 412			410 412
Service charges - sanitation revenue						39 603			39 603
Service charges - refuse revenue					22 656				22 656
Service charges - other									-
Rental of facilities and equipment					1 279			3 540	4 818
Interest earned - external investments							1 000		1 000
Interest earned - outstanding debtors					1 910	18 786	7 600		28 295
Dividends received							-		-
Fines, penalties and forfeits					16 162				16 162
Licences and permits					201				201
Agency services									-
Other revenue		600	1 775	3 072	2 290	2 290	10 631	2 187	20 556
Transfers and subsidies		2 270			22 251	36 893	86 265		147 679
Gains on disposal of PPE								2 001	2 001
Total Revenue (excluding capital transfers and contributions)		-	2 870	1 775	67 530	773 606	235 428	7 728	1 088 936
Expenditure By Type									
Employee related costs		17 860	23 344	21 134	84 630	74 062	34 759	15 342	271 131
Remuneration of councillors		17 213							17 213
Debt impairment		-			8 490	81 107	31 657		121 255
Depreciation & asset impairment		161	8 742	1 327	6 996	56 120	1 249	2 265	76 861
Finance charges		62	100		1 738	613	3 546	-	6 059
Bulk purchases						395 172			395 172
Other materials		41	7 041	680	5 255	25 015	69	309	38 410
Contracted services		312	18 785	4 506	1 985	5 046	3 540	213	34 386
Transfers and subsidies									-
Other expenditure		6 051	8 773	14 306	35 127	16 228	27 447	4 925	112 857
Loss on disposal of PPE									-
Total Expenditure		41 698	66 786	41 953	144 222	653 364	102 267	23 054	1 073 344

Surplus/(Deficit)	(41 698)	(63 916)	(40 178)	(76 692)	120 242	133 160	(15 326)	15 592
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)				38 236	94 892			133 128
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-
Transfers and subsidies - capital (in-kind - all)								-
Surplus/(Deficit) after capital transfers & contributions	(41 698)	(63 916)	(40 178)	(38 456)	215 134	133 160	(15 326)	148 720

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	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits		16 826	11 332	13 116	10 000				10 000	20 000	20 000
Other current investments									-	-	-
Total Call investment deposits	2	16 826	11 332	13 116	10 000	-	-	-	10 000	20 000	20 000
<u>Consumer debtors</u>											
Consumer debtors		526 828	621 757	761 610	909 011	1 069 251	1 069 251		1 180 225	1 297 349	1 407 817
Less: Provision for debt impairment		(439 247)	(477 277)	(575 684)	(656 071)	(742 014)	(742 014)		(848 269)	(961 027)	(1 072 179)
Total Consumer debtors	2	87 581	144 480	185 926	252 940	327 237	327 237	-	331 956	336 322	335 638
<u>Debt impairment provision</u>											
Balance at the beginning of the year		315 379	385 796	477 277	574 170	647 573	647 573		742 014	848 269	961 027
Contributions to the provision		131 262	94 653	98 656	81 901	94 441	94 441		106 255	112 758	111 152
Bad debts written off		(7 394)	(3 172)	(250)							
Balance at end of year		439 247	477 277	575 684	656 071	742 014	742 014	-	848 269	961 027	1 072 179
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		1 991 482	2 171 809	2 269 958	2 438 029	2 385 303	2 385 303		2 548 329	2 662 563	2 765 593
Leases recognised as PPE				8 097	1 000	19 191	19 191		22 321	22 481	23 561
Less: Accumulated depreciation		1 060 949	1 093 693	1 130 035	1 237 312	1 201 532	1 201 532		1 278 393	1 357 184	1 439 283
Total Property, plant and equipment (PPE)	2	930 533	1 078 115	1 148 019	1 201 717	1 202 962	1 202 962	-	1 292 257	1 327 860	1 349 871
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		1 941	2 363	4 526	4 941	3 671	3 671		6 964	7 678	8 135
Total Current liabilities - Borrowing		1 941	2 363	4 526	4 941	3 671	3 671	-	6 964	7 678	8 135
<u>Trade and other payables</u>											

Trade and other creditors		167 849	182 618	214 674	150 000	190 000	190 000		161 000	139 000	115 000
Unspent conditional transfers		3 504	1 327	833		-	-				
VAT		2 284	5 430	10 916	4 000	16 000	16 000		5 400	7 000	8 000
Total Trade and other payables	2	173 637	189 374	226 423	154 000	206 000	206 000	-	166 400	146 000	123 000
Non current liabilities - Borrowing											
Borrowing	4	6 947	5 784	7 855	13 718	2 349	2 349		969	-	-
Finance leases (including PPP asset element)		-	-	4 517		16 215	16 215		16 448	8 215	704
Total Non current liabilities - Borrowing		6 947	5 784	12 371	13 718	18 564	18 564	-	17 417	8 215	704
Provisions - non-current											
Retirement benefits		42 419	41 527	39 154	50 401	42 866	42 866		45 857	49 055	52 470
<i>List other major provision items</i>											
Refuse landfill site rehabilitation		37 847	44 894	49 619	55 065	55 619	55 619		62 045	68 914	76 251
Other											
Total Provisions - non-current		80 267	86 421	88 773	105 466	98 484	98 484	-	107 902	117 969	128 720
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		858 814	933 543	1 093 923	1 131 347	1 312 293	1 312 293		1 322 885	1 456 697	1 529 428
GRAP adjustments											
Restated balance		858 814	933 543	1 093 923	1 131 347	1 312 293	1 312 293	-	1 322 885	1 456 697	1 529 428
Surplus/(Deficit)		47 094	158 114	37 423	48 562	60 787	60 787	-	148 720	83 510	98 123
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments		27 635	2 266	1	132 384	(50 195)	(50 195)		(14 908)	(10 779)	1 131
Accumulated Surplus/(Deficit)	1	933 543	1 093 923	1 131 347	1 312 293	1 322 885	1 322 885	-	1 456 697	1 529 428	1 628 682
Reserves											
Housing Development Fund	-										
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	933 543	1 093 923	1 131 347	1 312 293	1 322 885	1 322 885	-	1 456 697	1 529 428	1 628 682

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

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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Stats SA, Erf and occupational data plus growth 3% pa	116	131	149	162	166	169	174	174	174	174
Females aged 5 - 14		Young (0-14)	32		39			44	46	46	46	46
Males aged 5 - 14		Working Age (15-64)	80		103			117	120	120	120	120
Females aged 15 - 34		Elderly (65+)	4		7			7	7	7	7	7
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12	–										
No income								12 020	12 366	12 366	12 366	12 366
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600								13 972	14 374	14 374	14 374	14 374
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800								13 738	14 134	14 134	14 134	14 134
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200								16 105	16 570	16 570	16 570	16 570
Poverty profiles (no. of households)												
< R2 060 per household per month	13								27 510	27 510	27 510	27 510
Insert description	2								Low Income	Low Income	Low Income	Low Income
Household/demographics (000)												
Number of people in municipal area		Erf and occupational data (3 / per household)	115 955	131 025	149 108	163	166		174	174	174	174
Number of poor people in municipal		Estimated to 55% of population (<	63 775	72 063	82 009	89	91		96	96	96	96

area		R3500 pm)										
Number of households in municipal area		Erf and occupational data (3 / per household)	32 260	39 000	45 757	55	55		58	58	58	58
Number of poor households in municipal area		Estimated to 62% of population (< R3500 pm)	19 929	22 519	25 627	28	29		30	30	30	30
Definition of poor household (R per month)		An informal settlement, a poor person or an indigent, meaning a person lacking adequate money or means to live comfortably, residing on un-developed or developed municipal erven or open spaces, identifiable as the most needy of households, eligible for housing and the very poorest in the local community and that policies are aimed at providing as much assistance as possible or to provide in the urgent need for land on which to settle in a less formal manner										
- Housing statistics	3											
Formal			20 517		33 424		35 643		38 383	38 383	38 383	38 383
Informal			3 000		5 000		7 679		9 062	9 062	9 062	9 062
Total number of households			23 517	-	38 424	-	43 322	-	47 445	47 445	47 445	47 445
Dwellings provided by municipality	4		-	-	-	-	-					
Dwellings provided by province/s			302	887	524	96	30		38 383	38 383	38 383	38 383
Dwellings provided by private sector	5		-	-	-	-	-		9 062	9 062	9 062	9 062
Total new housing dwellings			302	887	524	96	30	-	47 445	47 445	47 445	47 445
Economic	6											
Inflation/inflation outlook (CPIX)							5,6%	4,6%	6,4%	6,4%	5,7%	5,6%
Interest rate - borrowing								10,1%	10,1%	10,1%	10,1%	10,1%
Interest rate - investment												
Remuneration increases						5,0%	6,8%	7,0%	6,0%	7,4%	6,7%	6,6%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges						79,0%	78,0%	76,8%	68,9%	85,0%	85,0%	86,0%
Rental of facilities & equipment						79,0%	78,0%	76,8%	68,9%	85,0%	85,0%	86,0%
Interest - external investments												
Interest - debtors						79,0%	78,0%	76,8%	68,9%	85,0%	85,0%	86,0%
Revenue from agency services												

Detail on the provision of municipal services for A10											
Total municipal services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling	25 000	27 000	27 000	37 096	37 096	37 096	13 945	13 945	15 945
		Piped water inside yard (but not in dwelling)	2 000	27 000	-	-	-	-	30 955	30 955	34 433
	8	Using public tap (at least min.service level)	-	-	-	-	-	-	2 500	2 500	2 000
	10	Other water supply (at least min.service level)	-	-	-	-	-	-	10	10	10
		<i>Minimum Service Level and Above sub-total</i>	27 000	54 000	27 000	37 096	37 096	37 096	47 410	47 410	52 388
	9	Using public tap (< min.service level)	3 424	887	7 670	-	-	-	-	-	-
	10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	3 424	887	7 670	-	-	-	-	-	-
		Total number of households	30 424	54 887	34 670	37 096	37 096	37 096	47 410	47 410	52 388
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)	19 000	19 000	19 000	33 368	33 368	33 368	33 591	33 591	37 591
		Flush toilet (with septic tank)	1 000	1 000	1 000	3 617	3 617	3 617	1 200	1 200	1 500
		Chemical toilet	6 000	-	-	-	-	-	-	-	-
		Pit toilet (ventilated)	-	-	-	-	-	-	1 200	1 200	1 500
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	9 387	9 387	10 287
		<i>Minimum Service Level and Above sub-total</i>	26 000	20 000	20 000	36 985	36 985	36 985	45 378	45 378	50 878
		Bucket toilet	2 383	2 025	1 657	-	-	-	2 000	2 000	1 500
		Other toilet provisions (< min.service level)	9 769	6 512	12 645	-	-	-	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	12 152	8 537	14 302	-	-	-	2 000	2 000	1 500
		Total number of households	38 152	28 537	34 302	36 985	36 985	36 985	47 378	47 378	52 378
		<u>Energy:</u>									
		Electricity (at least min.service level)	7 000	7 000	1 500	51 893	-	-	51 893	51 893	52 593

		Electricity - prepaid (min.service level)	34 500	34 850	35 000	38 133	38 133	38 133	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	41 500	41 850	36 500	90 026	38 133	38 133	51 893	51 893	52 593
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	41 500	41 850	36 500	90 026	38 133	38 133	51 893	51 893	52 593
		<u>Refuse:</u>									
		Removed at least once a week	49 000	52 000	52 000	53 000	53 000	53 000	54 000	55 000	56 000
		<i>Minimum Service Level and Above sub-total</i>	49 000	52 000	52 000	53 000	53 000	53 000	54 000	55 000	56 000
		Removed less frequently than once a week	10 000	10 000	10 000	-	-	-	-	-	-
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	10 000	10 000	10 000	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	20 000	20 000	20 000	-	-	-	-	-	-
		Total number of households	69 000	72 000	72 000	53 000	53 000	53 000	54 000	55 000	56 000
Municipal in-house services			2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		<u>Household service targets (000)</u>									
		<u>Water:</u>									
		Piped water inside dwelling	25 000	27 000	27 000	37 096	37 096	37 096	13 945	13 945	15 945
		Piped water inside yard (but not in dwelling)	2 000	27 000					30 955	30 955	34 433
	8	Using public tap (at least min.service level)							2 500	2 500	2 000
	10	Other water supply (at least min.service level)							10	10	10
		<i>Minimum Service Level and Above sub-total</i>	27 000	54 000	27 000	37 096	37 096	37 096	47 410	47 410	52 388
	9	Using public tap (< min.service level)	3 424	887	7 670						
	10	Other water supply (< min.service level)									
		No water supply									

	<i>Below Minimum Service Level sub-total</i>	3 424	887	7 670	-	-	-	-	-	-
	Total number of households	30 424	54 887	34 670	37 096	37 096	37 096	47 410	47 410	52 388
	<u>Sanitation/sewerage:</u>									
	Flush toilet (connected to sewerage)	19 000	19 000	19 000	33 368	33 368	33 368	33 591	33 591	37 591
	Flush toilet (with septic tank)	1 000	1 000	1 000	3 617	3 617	3 617	1 200	1 200	1 500
	Chemical toilet	6 000	-							
	Pit toilet (ventilated)							1 200	1 200	1 500
	Other toilet provisions (> min.service level)							9 387	9 387	10 287
	<i>Minimum Service Level and Above sub-total</i>	26 000	20 000	20 000	36 985	36 985	36 985	45 378	45 378	50 878
	Bucket toilet	2 383	2 025	1 657	-			2 000	2 000	1 500
	Other toilet provisions (< min.service level)	9 769	6 512	12 645						
	No toilet provisions									
	<i>Below Minimum Service Level sub-total</i>	12 152	8 537	14 302	-	-	-	2 000	2 000	1 500
	Total number of households	38 152	28 537	34 302	36 985	36 985	36 985	47 378	47 378	52 378
	<u>Energy:</u>									
	Electricity (at least min.service level)	7 000	7 000	1 500	51 893			51 893	51 893	52 593
	Electricity - prepaid (min.service level)	34 500	34 850	35 000	38 133	38 133	38 133			
	<i>Minimum Service Level and Above sub-total</i>	41 500	41 850	36 500	90 026	38 133	38 133	51 893	51 893	52 593
	Electricity (< min.service level)									
	Electricity - prepaid (< min.service level)									
	Other energy sources									
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	41 500	41 850	36 500	90 026	38 133	38 133	51 893	51 893	52 593
	<u>Refuse:</u>									
	Removed at least once a week	49 000	52 000	52 000	53 000	53 000	53 000	54 000	55 000	56 000
	<i>Minimum Service Level and Above sub-total</i>	49 000	52 000	52 000	53 000	53 000	53 000	54 000	55 000	56 000
	Removed less frequently than once a week	10 000	10 000	10 000	-	-	-	-	-	-
	Using communal refuse dump									
	Using own refuse dump									
	Other rubbish disposal									
	No rubbish disposal	10 000	10 000	10 000						
	<i>Below Minimum Service Level sub-total</i>	20 000	20 000	20 000	-	-	-	-	-	-

		Total number of households	69 000	72 000	72 000	53 000	53 000	53 000	54 000	55 000	56 000
Detail of Free Basic Services (FBS) provided			2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Electricity	Ref.	<u>Location of households for each type of FBS</u> Formal settlements - (50 kwh per indigent household per month R'000) Number of HH receiving this type of FBS Informal settlements (R'000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R'000) Number of HH receiving this type of FBS Living in informal backyard rental agreement (R'000) Number of HH receiving this type of FBS Other (R'000) Number of HH receiving this type of FBS									
List type of FBS service			4 859 141	3 926 415	4 305 657	10 808 150	7 308 150	7 308 150	11 643 970	12 307 680	12 996 910
			11 576	7 246	8 992	14 000	14 000	14 000	15 000	15 000	15 000
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water	Ref.	<u>Location of households for each type of FBS</u> Formal settlements - (6 kilolitre per indigent household per month R'000) Number of HH receiving this type of FBS Informal settlements (R'000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R'000) Number of HH receiving this type of FBS									
List type of FBS service			15 559 585	8 509 517	4 985 164	12 048 960	5 175 471	5 175 471	13 731 570	14 514 270	15 327 070
			11 576	7 246	8 992	14 000	7 862	7 862	15 000	15 000	15 000

		Living in informal backyard rental agreement (R'000) <i>Number of HH receiving this type of FBS</i>									
		Other (R'000) <i>Number of HH receiving this type of FBS</i>									
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-
Sanitation	Ref.	<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (free sanitation service to indigent households) <i>Number of HH receiving this type of FBS</i>	6 463 704	4 945 163	4 438 006	10 689 190	4 787 700	4 787 700	11 517 820	12 174 330	12 856 100
		Informal settlements (R'000) <i>Number of HH receiving this type of FBS</i>	7 939	7 246	5 479	14 000	14 000		15 000	15 000	15 000
		Informal settlements targeted for upgrading (R'000) <i>Number of HH receiving this type of FBS</i>									
		Living in informal backyard rental agreement (R'000) <i>Number of HH receiving this type of FBS</i>									
		Other (R'000) <i>Number of HH receiving this type of FBS</i>									
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-	-
Refuse Removal	Ref.	<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (removed once a week to indigent households) <i>Number of HH receiving this type of FBS</i>	12 216 696	8 286 489	8 930 777	18 641 150	10 641 150	10 641 150	21 250 910	22 462 100	23 720 090
		Informal settlements (R'000) <i>Number of HH receiving this type of FBS</i>	11 576	7 246	7 242	14 000	14 000	14 000	15 000	15 000	15 000
		Informal settlements targeted for upgrading (R'000) <i>Number of HH receiving this type of FBS</i>									
		Living in informal backyard rental agreement (R'000)									

	<i>Number of HH receiving this type of FBS</i>									
	Other (R'000) <i>Number of HH receiving this type of FBS</i>									
	Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-

Table 54: Service Delivery Standard**Province: Municipality(FS204 - Schedule of Service Delivery Standards Table XX**

Description	Service Level
Standard	Service Level
Solid Waste Removal	
Premise based removal (Residential Frequency)	1 X 1 per week
Premise based removal (Business Frequency)	1 X 6 days
Bulk Removal (Frequency)	1 X 1 monthly
Removal Bags provided(Yes/No)	No
Garden refuse removal Included (Yes/No)	Yes
Street Cleaning Frequency in CBD	1 X 6 days
Street Cleaning Frequency in areas excluding CBD	1 X 6 days
How soon are public areas cleaned after events (24hours/48hours/longer)	Longer
Clearing of illegal dumping (24hours/48hours/longer)	Monthly
Recycling or environmentally friendly practices(Yes/No)	Yes
Licensed landfill site(Yes/No)	No
Water Service	
Water Quality rating (Blue/Green/Brown/NO drop)	Blue drop
Is free water available to all? (All/only to the indigent consumers)	only to the Indigent

	customers
Frequency of meter reading? (per month, per year)	per month
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Longer period
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	more than 3 months
<i>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</i>	
One service connection affected (number of hours)	30 minutes
Up to 5 service connection affected (number of hours)	hour
Up to 20 service connection affected (number of hours)	2hours
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	12.6 m3/h
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes, Water Conservation and Demand management project
How long does it take to replace faulty water meters? (days)	30 minutes
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	Yes
Electricity Service	
What is your electricity availability percentage on average per month?	99%
Do your municipality have a ripple control in place that is operational? (Yes/No)	Yes
How much do you estimate is the cost saving in utilizing the ripple control system?	Seventeen percent
What is the frequency of meters being read? (per month, per year)	Per month
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	Longer period
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	more than 3 months
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Two day
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty meters? (days)	2 days
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
How effective is the action plan in curbing line losses? (Good/Bad)	Bad
How soon does the municipality provide a quotation to a customer upon a written request? (days)	7 days

How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	2 days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	2 days
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	7 days
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	No, the plant not authorised and designed for that
To what extend do you subsidize your indigent consumers?	100% Subsidy
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	Day depending on the extend of the breakage
Sewer blocked pipes: Large pipes? (Hours)	1-2 hours
Sewer blocked pipes: Small pipes? (Hours)	30 minutes
Spillage clean-up? (hours)	Day depending on the availability of necessary equipment and materials
Replacement of manhole covers? (Hours)	30 minutes depending on availability of material
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	2-4 hours depending on availability of staff
Time taken to repair a single pothole on a minor road? (Hours)	1-5 days
Time taken to repair a road following an open trench service crossing? (Hours)	1-5 days
Time taken to repair walkways? (Hours)	1-5 days
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	one month
Do you have any special rating properties? (Yes/No)	No

Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Stable, depend on impairment for unauthorised and cashflow for fruitless expenditure(interst paid on arrear accounts)
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balance?	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?	86% paid within 30days from invoice received by Finance
Is there advance planning from SCM unit linking all departmental plans quaterly and annually including for the next two to three years procurement plans?	No
Administration	
Reaction time on enquiries and requests?	
Time to respond to a verbal customer enquiry or request? (working days)	1 day
Time to respond to a written customer enquiry or request? (working days)	within 5 days
Time to resolve a customer enquiry or request? (working days)	within 5 days
What percentage of calls are not answered? (5%,10% or more)	
How long does it take to respond to voice mails? (hours)	No voice mails
Does the municipality have control over locked enquiries? (Yes/No)	
Is there a reduction in the number of complaints or not? (Yes/No)	
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	n/a
How long does it take to renew a vehicle license? (minutes)	n/a
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	n/a
How long does it take to de-register a vehicle? (minutes)	n/a

How long does it take to renew a drivers license? (minutes)	n/a
What is the average reaction time of the fire service to an incident? (minutes)	10min
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Not our competency
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Not our competency
Economic development	
How many economic development projects does the municipality drive?	
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	
What percentage of the projects have created sustainable job security?	
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	No
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

2.15 Municipal manager's quality certificate

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

Print Name Steve M Molala

Municipal Manager of Metsimaholo Local Municipality (FS 204)

Signature _____

Date 24/05/2017