

# **Metsimaholo Local Municipality**



## **2014/2015 Medium Term Revenue and Expenditure Framework (MTREF)**

### **Draft Budget Document**

**May 2014**

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## Abbreviations and Acronyms

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



## **Part 1 – Annual Budget**

### **1.1 Mayor's Report**

## 1.2 Council Resolutions

1. The Council approved the draft annual budget of the municipality for the financial year 2014/15 and indicative budgets for the two projected outer years 2015/2016 and 2016/2017 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:

- 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables:
  - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 85
  - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 87;
  - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 90; and
  - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 93
- 1.2. The financial position, cash flow budget, reserve/accumulated surplus, asset management and basic service delivery targets are noted as set out in the following tables:
  - 1.2.1. Budgeted Financial Position as contained in Table 23 on page 95;
  - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 97
  - 1.2.3. Reserves and accumulated surplus reconciliation as contained in Table 25 on page 97
  - 1.2.4. Asset management as contained in Table 26 on page 100; and
  - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 103.
2. The Council, in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered the tariffs with effect (billing) from 1 July 2014:
  - 2.1. the tariffs for property rates – as set out on page 13-14
  - 2.2. the tariffs for electricity – as set out on page 18-19
  - 2.3. the tariffs for the supply of water – as set out on page 16-17
  - 2.4. the tariffs for sanitation services – as set out on page 21-23 the tariffs for solid waste services (cleansing) – as set out on page 24
3. The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered with effect from 1 July 2014 the tariffs for other services, as set out on page 28 to 73 respectively.



### 1.3 Executive Summary

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

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

The Municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality will undertake various customer care initiatives to ensure 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 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- Ageing and poorly maintained water, electricity and roads infrastructure
- Prioritise projects and expenditure within existing resources
- Increased prices of goods and service above the inflation rate
- Private developments and industries receive services direct from Eskom and Rand water with no direct benefit to the municipality
- Affordability of capital projects
- Wage increases above inflation target
- Critical vacancies can only be phased in over 3-5 years based on the affordability
- Plant hire on regular basis is costly and alternatives need to be explored
- Expired tenders need to be regularised to avoid irregular expenditure and also try and control spiralling cost
- Distribution losses- water and electricity
- Illegal connections to be addressed and eliminated altogether
- Fleet management (Cost of repairs and fuel)- needs to be addressed
- Government garage costs to be evaluated against the Council owning its vehicles and reducing costs
- Overtime cost to be analysed and minimized
- Cleaning contract to be put out on tender
- Low /declining profit on water and electricity
- Tariffs are NOT cost reflective – studies to be done and strategy developed for alignment
- The need to reprioritize projects and expenditure within the existing limited resources envelope given the cash flow realities
- The increased cost of bulk water and electricity( due to tariff increases from Rand Water and Eskom),which places constant upward pressure on service tariffs to residents,
- A lack of proper maintenance master plans

- Unfunded Mandates (Libraries, EMS ) to be underpinned with appropriate service level agreements.

The following budget principles and guidelines directly informed the compilation of the 2014/15MTREF:

- The 2013/14 Adjustments Budget priorities and targets,
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- Water and electricity budgeted at 10% per annum respectively which includes technical and non-technical losses.

### **Operating Budget (OPEX)**

- Zero based budgeting and incremental budging based on historical trends, plus inflation in line with Treasury guidelines
- All increases more than the inflation rate to be properly motivated.
- Professional fees to be unpacked
- Critical vacancies to be phased in over time based on affordability
- Income tariffs not to be lowered, (especially sundry income)

### **Capital Budget (CAPEX)**

- Commitment letters for external funding
- Outside funding not paid directly to the Municipality not to be reflected in the Budget
- Projects requiring external approvals not to be included without such.
- Shifting of funds to be restricted up to the Adjustment Budget or in line with Virement Policy
- Own funding to be in line with actual expenditure in the prior year.
- Own funding be restricted to surplus on Operating Budget and cash backed accumulated surpluses
- Projects should support challenges identified and key priorities as adopted at the strategy planning workshop held in February 2014.
- Feasibility study must be done between the use of Government Garage for vehicles and to purchase vehicles out right.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2014/15 MTREF**

	<b>Adjustment Budget</b>	<b>Medium Term Revenue and Expenditure Framework</b>		
	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Operating revenue	<b>792 098</b>	<b>889 717</b>	<b>949 990</b>	<b>1 003 531</b>
Operating expenditure	<b>791 303</b>	<b>868 506</b>	<b>929 334</b>	<b>994 374</b>
Capital expenditure	<b>126 197</b>	<b>136 861</b>	<b>70 631</b>	<b>74 092</b>

Total operating revenue has grown by 12.3 per cent or R97.6 million for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 6.8 and 5.6 per cent respectively, equating to a total revenue growth of R113 814 million over the MTREF when compared to the 2013/14 financial year.

Total operating expenditure for the 2014/15 financial year has been appropriated at R889.7 million and translates into a budgeted surplus of R21.1 million. Compared to the 2013/14 Adjustments Budget, operational expenditure has increased by 9.8 per cent in the 2014/15 budget and grown by 7.7 and 7 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily decreases to R20.6 million and to R9.2 million.

The capital budget of R136.8 million for 2014/15 is 8.5 per cent more when compared to the 2013/14 Adjustment Budget. The capital programme decreases to R70 million in the 2015/16 financial year and then evens out in 2016/17 to R74 million. A portion of the capital budget will be funded by approved loans from Development Bank of South Africa that was approved by Council. The balance will be funded from internally generated funds. Government Grants make up 55.3 per cent of the capital expenditure. The capital budget remains relatively flat over the medium-term due to constraints on internally funded CAPEX due to cash flow considerations.

## 1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 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 municipal control
- Implementation of inclining block tariff (IBT) for water
- Water and electricity loss 10% (technical and non-technical)
- Historical debt collection rates taken into account in determining the collection rate.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

Description  R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre- audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	77 043	86 652	92 485	93 932	95 432	108 878	–	102 114	107 628	113 440
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	131 976	137 388	164 079	201 404	197 404	178 474	–	219 951	243 316	261 297
Service charges - water revenue	2	122 373	141 717	159 701	186 539	186 289	184 385	–	276 185	294 311	313 673
Service charges - sanitation revenue	2	17 761	18 996	19 990	31 937	25 937	21 735	–	22 837	24 071	25 370
Service charges - refuse revenue	2	23 112	25 259	27 526	44 491	35 491	28 612	–	39 978	42 137	44 412
Service charges - other		6 376	5 116	6 743	9 425	8 563	6 618		9 136	8 767	9 238
Rental of facilities and equipment		4 855	4 727	4 514	4 411	5 411	5 943		5 002	5 114	5 356
Interest earned - external investments		6 153	2 357	1 543	2 400	1 700	1 578		2 400	2 530	2 666
Interest earned - outstanding debtors		12 505	19 203	13 900	17 475	17 675	19 631		18 600	20 922	21 373
Dividends received		–	59	–	–	–	–		–	–	–
Fines		7 082	6 308	4 194	13 016	7 116	2 823		5 023	6 024	5 575
Licences and permits		73	66	120	171	171	0		172	181	191
Agency services		–	–	–	–	–	–		–	–	–
Transfers recognised - operational		83 228	91 482	97 822	107 887	107 887	107 887		118 259	124 053	129 021
Other revenue	2	2 656	4 379	4 779	3 326	4 326	2 904	–	4 328	4 556	4 697
Gains on disposal of PPE		2 670	728	4 132	5 000	5 000	127		5 000	5 000	1 000
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>497 861</b>	<b>544 438</b>	<b>601 528</b>	<b>721 413</b>	<b>698 402</b>	<b>669 593</b>	<b>–</b>	<b>828 986</b>	<b>888 609</b>	<b>937 309</b>

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							
	2013/2014		2014/2015		2015/2016		2016/2017	
	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	95 433	<b>12.0</b>	102 114	<b>11.48</b>	107 628	<b>11.33</b>	113 440	<b>11.30</b>
Electricity	197 404	<b>24.9</b>	219 951	<b>24.72</b>	243 315	<b>25.61</b>	261 297	<b>26.04</b>
Sanitation	25 937	<b>3.3</b>	22 837	<b>2.57</b>	24 071	<b>2.53</b>	25 370	<b>2.53</b>
Water	186 289	<b>23.5</b>	276 185	<b>31.04</b>	294 311	<b>30.98</b>	313 673	<b>31.26</b>
Refuse removal	35 491	<b>4.5</b>	39 978	<b>4.49</b>	42 137	<b>4.44</b>	44 412	<b>4.43</b>
Other service charges	8 563	<b>1.1</b>	9 136	<b>1.03</b>	8 767	<b>0.92</b>	9 238	<b>0.92</b>
Govt grants – operating	107 887	<b>13.6</b>	118 259	<b>13.29</b>	124 053	<b>13.06</b>	129 021	<b>12.86</b>
Govt grants –capital transfer	93 697	<b>11.8</b>	60 731	<b>6.83</b>	61 381	<b>6.46</b>	66 222	<b>6.60</b>
Fines/Penalties	7 115	<b>0.9</b>	5 023	<b>0.56</b>	6 024	<b>0.63</b>	5 575	<b>0.56</b>
Interest Debtors	17 675	<b>2.2</b>	18 600	<b>2.09</b>	20 922	<b>2.20</b>	21 373	<b>2.13</b>
Interest	1 700	<b>0.2</b>	2 400	<b>0.27</b>	2 529	<b>0.27</b>	2 666	<b>0.27</b>
Licences and permits	170	<b>0.0</b>	171	<b>0.02</b>	181	<b>0.02</b>	191	<b>0.02</b>
Rental of facilities	5 411	<b>0.7</b>	5 002	<b>0.56</b>	5 114	<b>0.54</b>	5 356	<b>0.53</b>
Other	4 326	<b>0.5</b>	4 330	<b>0.49</b>	4 557	<b>0.48</b>	4 697	<b>0.47</b>
Profit on sale of Land	5 000	<b>0.6</b>	5 000	<b>0.56</b>	5 000	<b>0.53</b>	1 000	<b>0.10</b>
	<b>792 098</b>	<b>100</b>	<b>889 717</b>	<b>100</b>	<b>949 990</b>	<b>100</b>	<b>1 003 531</b>	<b>100</b>

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 2013/14 financial year, revenue from rates and services charges totalled R540.5 million or 68.2 per cent. This increases to R661.1 million, R711.5 million and R758.2 million in the respective financial years of the MTREF. The trend is the

increase in the total percentage revenue generated from rates and services charges stay unchanged slightly from 74.3 per cent in 2014/15 to 74.9per cent in 2015/16.

The significant increase in the water services revenue is as a result of the implementation of the inclining block tariff (IBT) and adjustment to tariffs to more cost reflective.

Operating grants and transfers totals R118.3 million in the 2014/15 financial year and steadily increases to R129 million by 2016/17. Note that the year-on-year growth for the 2014/15 financial year 9.6 per cent and then increases by 4.9 and 4 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**

	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	
	R'000	R'000	R'000	R'000	
Equitable Share	101 698	107 542	115 040	123 386	Allocated for Free Services
Financial Management Grant	1 550	1 600	1 650	1 700	Appointment of Interns and training
Water services Operating Grant	1 200	3 300	3 500	0	Salaries and materials at the purification works Deneysville
Municipal System Improvement Grant	890	934	967	1 018	Ward committee and Asset register expenditure
Municipal Infrastructure Grant	2 237	2 108	2 229	2 250	Salaries and operating expenditure at Project Management Unit
Extended Public Works Programme	1 000	1 109	0	0	Salaries for temporary staff
Refund Libraries	500	1 666	667	667	Payment of library function
<b>Total</b>	<b>109 075</b>	<b>118 259</b>	<b>124 053</b>	<b>129 021</b>	

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

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

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement, etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### 1.4.1 Property Rates

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

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

The following stipulations in the Property Rates Policy are highlighted:

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



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

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a 6 per cent increase from 1 July 2014 is contained at table 5:

**Table 5 Comparison of proposed rates to levy for the 2014/15 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.

	2013/2014	Proposed 2014/2015
Heavy Industries	0.03278	0.03475
Light Industries	0.03278	0.03475
Businesses	0.01310	0.01389
State property	0.01310	0.01389
Churches	0	0
Domestic and other	0.00655	0.00694
<u>Farmland:</u>		
Residential	0.00327	0.00347
Businesses	0.00655	0.00694

Industries	0.01640	0.01738
Private owned towns, Body Corporate, Sectional Titles	0.00327	0.00347
Mining	0.01640	0.01738
Agricultural	0.00164	0.00174
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 13 000 approved indigents registered by the end of the 2014/15 financial year.** New proposal: additional income at 6 % tariff increase of assessment rates represents R6 371 490 per annum.

#### 1.4.2 Sale of Water and Impact of Tariff Increases

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

- Water tariffs 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 2014/15 financial year
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

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

Better maintenance of infrastructure, new reservoir construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Rand Water has increased its bulk tariffs by 8.1 per cent from 1 July 2014.

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

An inclining block tariff from 1 July 2014 for water is proposed. The consumption tariff for water increase between 4 and 45 per cent, depending on the consumption. The effect thereof will be that the higher the consumption, the higher the cost per kilolitre. The aim is to subsidise the lower consumption users (mostly the poor).

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

This is based on input cost assumptions of 8.1 per cent increase in the cost of bulk water (Rand Water), the cost of other inputs increasing and a surplus generated on the water service. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents. A further amount is allocated from equitable share to finance additional 4kl of water to approved indigents. An approved indigent will receive 10kl of water free. Total amount of R23.7million is allocated from Equitable Share. Proposed increase represents R40 per annum.

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

**Table 6 Proposed Water Tariffs**

<b>Basic Charges</b>	<b>2013/2014</b>	<b>2014/2015</b>
	<b>R</b>	<b>R</b>
Churches	25.15	26.66
Businesses	99.57	105.54
Light Industries	129.01	136.75
Heavy Industries		
20 000 kl	165.89370	177.5063
40 000 kl	833.552590	891.9013
Above	2 081.697820	2 227.4167
<b>Oranjeville</b>		
Co-operatives	1 018.42	1 079.53

**Water consumption tariff (VAT exclusive)**

	2013/2014	2014/2015
Domestic	R13.41/kl	
>0 ≤ 6 kl		R7.00
>6 ≤ 12 kl		R14.00
>12 ≤ 20 kl		R16.00
>20 ≤ 30 kl		R19.00
>30 ≤ 45 kl		R22.00
>45 kl		R25.00
Schools	R13.41/kl	R16.00/kl
State property (excl. residential properties)	R13.41/kl	R16.00/kl
Businesses	R13.41/kl	R16.00/kl
Light Industries	R14.33/kl	R17.00/kl
Heavy Industries	R14.33/kl	R17.00/kl

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

The tariff structure of the 2014/15 financial year has changed with the proposed implementation of the inclining block tariff (IBT) from 1 July 2014.

**1.4.3 Sale of Electricity and Impact of Tariff Increases**

NERSA has announced the revised bulk electricity pricing structure. An 8.09 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

The consumer tariff could only be increased by 7.39 per cent as per NERSA. Furthermore, it should be noted that the input costs are increasing at a higher rate than the rate of increases passed on to consumers. The declining margins will impact negatively on the budget of the municipality.

Free basic electricity to residents, other than registered indigents, is phased out over two years.

A detail analysis of the cost of electricity must be done in the 2014/15 financial year

The proposed tariff is reflected in the tables below:

Approval was obtained from NERSA for the increase of 7.39% in fees/tariff. The service reflects a deficit of R26 million

**Table 7 Proposed Electricity Tariffs**

***Basic Service charges for Electricity (VAT exclusive)***

	2013/2014	2014/2015
Schools, Churches, Halls, etc.	R139.84	R150.16
Businesses, Offices, Hotels, clubs, etc.	R139.83	R150.16
Businesses Zamdela:		
Single phase	R139.83	R150.16
Three phase	R139.83	R150.16
Four meters	R271.19	R291.23
Bulk Supply	R271.19	R291.23
<b>Residential</b>		
Vacant stands	R0	R75.00

The current tariffs approved by NERSA are as follows:

<b>Tariff (VAT exclusive)</b>	<b>kWh</b>	<b>2013/2014</b>	<b>2014/2015</b>
Domestic Off peak(September to May)	>0 ≤ 50	R0.7060/kWh	R0.7582/kWh
	>50 ≤ 350	R0.8774kWh	R0.9422kWh
	> 350 ≤ 600	R1.1449kWh	R1.2295kWh
	>600	R1.3375kWh	R1.4363kWh
Domestic Peak(June, July, August)	>0 ≤ 50	R0.7062/kWh	R0.7584/kWh
	>50 ≤ 350	R0.8774kWh	R0.9422kWh
	> 350 ≤ 600	R1.1663kWh	R1.2524kWh
	>600	R1.3803kWh	R1.4823kWh
Businesses		R1.2824/kWh	R1.3727/kWh
Bulk		R0.5988/kWh	R0.6431/kWh
KVA		R121.33	R130.27
kW		R131.50	R141.22

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	43.87	47.11	3.24	7.39	Off Peak
	43.87	47.11	3.24	7.39	Peak
500	434.96	467.09	32.13	7.39	Off Peak
	438.17	470.52	32.36	7.39	Peak
1000	1 084.45	1 164.56	80.11	7.39	Off Peak
	1 106.92	1 188.68	81.76	7.39	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 2014 in order to make provision for the necessary funding.

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



#### 1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation (bulk purchase) from 1 July 2014 is proposed. Sasol Chemical Industries operate the purification plant and 8% is the expected cost increase.

A detailed analysis of the cost of sanitation must be done in the 2014/15 financial year.

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

The basic charges of sewer for residents (households) will be subsidised by Council. An amount of R2.7million is allocated from Equitable Share for this purpose. A further amount of R6.1million is allocated from Equitable Share for additional sewer to all approved indigents.

**Table 9 Proposed Sanitation Tariffs**

**Tariffs (VAT exclusive)**

	<b>2013/2014</b>	<b>Proposed 2014/2015</b>
Domestic - Basic	Free. R8.99	Free. R9.70
Residential vacant stand		R9.70
<b>Sasolburg</b>	Actual cost by	Actual cost by
<b>Basic charges</b>	SCI plus 35%	SCI plus 35%
Heavy Industries		
Businesses		
<b>Additional</b>		
(a) Resident sewer	R72.93	R78.76
(b) Business sewer	R76.72	R82.86
(c) Flats	R5.44	R5.88
	R72.93	R78.76
(d) 2 <sup>nd</sup> Dwelling	R72.93+R72.93	R78.76+ R78.76

(e)	Industries sewer	R76.72	R82.86
(f)	Day schools and Crèches	R24.97	R26.97
(g)	Flats sewer	R72.93	R78.76
(h)	Add units flats	R42.92	R46.35
	Suction tank per service	R331.48	R400.00
	Oranjeville Business	R72.93	R78.76
	Metsimaholo Businesses	R72.93	R78.76
	<i>Additional sewer</i>		
	Water borne sewer Oranjeville/Metsimaholo	R50.31	R54.33
	Suction tank per service	R331.48	R400.00
	<b>Basic sewer</b>		
	Refengkgotso/Phomolong:		
	Businesses	R72.93	R78.76
	Water borne sewer Refengkgotso/Phomolong	R50.31	R54.33
	Bucket services system	R22.04	R23.81
	<b>Rural areas: Suction Tank Services</b>		
	<b>Areas that is not included in the disestablished towns</b>		
	<b>(No Rates Payable)</b>		

Normal working hours	R1 362.00/Service	R1 498.00/Service
After hours	R2 724.00/Service	R2 996.00/Service
<b>Areas with discounted rates:</b>		
Normal working hours	R1 362.00/Service	R1 498.00/Service
After hours	R2 724.00/Service	R2 996.00/Service

Guest houses are levied at business tariffs.

The total revenue expected to be generated from rendering this service amounts to R34.5million for the 2014/15 financial year. The service reflects a surplus of R4 million for the 2014/15 budget year but it is the result of the conditional capital grant of R27 million that is allocated to the operating budget. The service reflects a deficit for the 2015/16 and 2016/17 budget year. Refer to Table 20 on page 88.

#### 1.4.5 Waste Removal and Impact of Tariff Increases

An increase of 8 per cent in the waste removal tariff is proposed from 1 July 2014. The tariff for the various categories is now uniform. Any increase higher than 8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

A detail analysis of the cost of waste removal must be done in the 2014/15 financial year.

The following table compares current and proposed tariffs payable from 1 July 2014:

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.

**Table10 Proposed Waste removal Tariffs**

	<i>R</i> 2013/2014	<i>R</i> 2014/2015
Dwellings/Single flats	R88.08	95.13
Joint flats (one service point)	R88.08	95.13
Private Hostels	88.08	95.13
Businesses per point	165.67	178.92
Schools per point	165.67	178.92
Churches	88.08	95.13
Dumping ground: All tariffs for dumping is per cubic meter or part of cubic meter		
Industries and Contractors and	89.44	110.00
Garden Services	89.44	110.00
Approved indigents	FREE	FREE

Guest houses operate as businesses and are levied as businesses.

An amount of R14.8 million is allocated from equitable share for the refuse service to approved indigents (13 000). The tariff increase represents R4 million additional income for the year. The service still reflects a deficit after the 8% tariff increase.

#### **1.4.6 Overall impact of tariff increases on households**

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

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 9.7 and 10.1 per cent, with the increase for indigent households closer to 9 per cent. The implementation of inclining water tariff will influence the % increase in the household bill to large extent.

## FS204 Metsimaholo - Supporting Table SA14 Household bills

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		316.98	324.98	378.58	414.84	414.84	414.84	6.0%	439.73	466.11	494.07
Electricity: Basic levy		756.68	953.87	1 033.19	1 084.45	1 084.45	1 084.45	7.4%	1 183.51	1 291.33	1 386.76
Electricity: Consumption											
Water: Basic levy		247.68	265.20	300.72	324.78	324.78	321.84	25.2%	402.00	434.16	468.90
Water: Consumption		60.66	64.91	68.80	72.93	72.93	72.93	8.0%	78.76	85.06	91.87
Sanitation		72.58	77.66	82.32	88.08	88.08	88.08	8.0%	95.13	102.74	110.96
Refuse removal											
Other											
<b>sub-total</b>		<b>1 454.58</b>	<b>1 686.62</b>	<b>1 863.61</b>	<b>1 985.08</b>	<b>1 985.08</b>	<b>1 982.14</b>	<b>10.8%</b>	<b>2 199.13</b>	<b>2 379.40</b>	<b>2 552.56</b>
VAT on Services		159.26	190.63	207.90	219.84	219.84	219.42		243.07	262.17	282.08
<b>Total large household bill:</b>		<b>1 613.84</b>	<b>1 877.25</b>	<b>2 071.51</b>	<b>2 204.92</b>	<b>2 204.92</b>	<b>2 201.56</b>	<b>10.8%</b>	<b>2 442.20</b>	<b>2 641.57</b>	<b>2 834.64</b>
<b>% increase/-decrease</b>			<b>16.3%</b>	<b>10.3%</b>	<b>6.4%</b>	<b>-</b>	<b>(0.2%)</b>		<b>10.9%</b>	<b>8.2%</b>	<b>7.3%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		221.65	255.00	270.42	300.21	300.21	300.21	6.0%	318.22	337.31	357.54
Electricity: Basic levy		358.13	394.44	409.22	434.96	434.96	434.96	7.4%	486.04	542.31	582.39
Electricity: Consumption											
Water: Basic levy		196.08	209.95	234.65	254.79	254.79	254.79	20.5%	307.00	331.56	358.09
Water: Consumption		60.66	64.91	68.80	72.93	72.93	72.93	8.0%	78.76	85.06	91.87
Sanitation		72.58	77.66	82.32	88.08	88.08	88.08	8.0%	95.13	102.74	110.96
Refuse removal											
Other											
<b>sub-total</b>		<b>909.10</b>	<b>1 001.96</b>	<b>1 065.41</b>	<b>1 150.97</b>	<b>1 150.97</b>	<b>1 150.97</b>	<b>11.7%</b>	<b>1 285.15</b>	<b>1 398.98</b>	<b>1 500.85</b>
VAT on Services		96.24	104.57	111.30	119.11	119.11	119.11		132.72	142.94	154.09

<b>Total small household bill:</b>		<b>1 005.34</b>	<b>1 106.53</b>	<b>1 176.71</b>	<b>1 270.08</b>	<b>1 270.08</b>	<b>1 270.08</b>	<b>11.6%</b>	<b>1 417.87</b>	<b>1 541.92</b>	<b>1 654.94</b>
<b>% increase/-decrease</b>			<b>10.1%</b>	<b>6.3%</b>	<b>7.9%</b>	<b>-</b>	<b>-</b>		<b>11.6%</b>	<b>8.7%</b>	<b>7.3%</b>
				<b>-0.37</b>	<b>0.25</b>	<b>-1.00</b>	<b>-</b>				
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		-	-	-							
Electricity: Basic levy		238.95	249.69	246.00	263.22	263.22	263.22	7.4%	282.67	303.56	325.99
Electricity: Consumption											
Water: Basic levy		103.20	154.70	172.90	187.74	187.74	187.74	8.1%	212.00	228.96	247.28
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		<b>342.15</b>	<b>404.39</b>	<b>418.90</b>	<b>450.96</b>	<b>450.96</b>	<b>450.96</b>	<b>9.7%</b>	<b>494.67</b>	<b>532.52</b>	<b>573.27</b>
VAT on Services		47.90	56.61	58.65	63.14	63.14	63.14	#NAME?	69.26	74.56	80.26
<b>Total small household bill:</b>		<b>390.05</b>	<b>461.00</b>	<b>477.55</b>	<b>514.10</b>	<b>514.10</b>	<b>514.10</b>	<b>9.7%</b>	<b>563.93</b>	<b>607.08</b>	<b>653.53</b>
<b>% increase/-decrease</b>			<b>18.2%</b>	<b>3.6%</b>	<b>7.7%</b>	<b>-</b>	<b>-</b>		<b>9.7%</b>	<b>7.7%</b>	<b>7.7%</b>

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

### 1.4.7 Sundry Tariffs

**Table12 Proposed Sundry Tariffs**

That the following miscellaneous tariffs (**VAT exclusive**) be implemented from 1 July 2014.

<b>Financial Services</b>	<b>2013/2014</b>	<b>2014/2015</b>
<b>New Consumers who move into municipal area</b>		
Connection fee per meter:		
- Water	R140.00	R150.00
- Electricity	R140.00	R150.00
Delivery of warning notices	R160.00	R170.00
<b>Non-payment fees for defaulters</b>		
- Normal reconnection fee	R300.00	R320.00
- After hours reconnection fee	R220.00	R240.00
- (additional)		
- Reduce water supply	R300.00	R320.00
- Cut electric cable	R350.00	R380.00
- Remove electric cable	R600.00	R640.00
- Replace electric cable	R600.00	R640.00
- Final Notice Fee	R80.00	R90.00
- Dishonoured Cheques R/D (admin / bank fee)	R275.00	R290.00
- Dishonoured Credit cards(payment return by bank) ex. easy pay	R275.00	R290.00
-		
<b>Illegal Connection(Bypass/tampering of meters</b>		
Household (Water or Electricity)	R19 000.00	R20 000.00
Business	R25 000/meter	R26 500/meter



Illegal connection after disconnection (switch on of meter)	R4 000.00	R4 250.00
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
<b>Clearances and Valuation</b>		
<b><i>Clearance certificates</i></b>		
Normal collection	R190.00	R200.00
Registered mail	R190.00	R220.00
Valuation Roll per Town (Residential Area) or part thereof	R300.00	R500.00
Valuation electronic format	R200.00	R225.00
Valuation Objection Fee (only for review and appeal)	R350.00	R400.00
Valuation Certificate	R120.00	R150.00
Address list per 500 pages or part thereof	R500.00	R500.00
Search Fees	R60.00	R60.00
<b>Other Fees</b>		
Testing of water meters	R350.00	R400.00
Replacement of padlock	R250.00	R300.00
Duplicate Accounts	R8.00	R10.00
Duplicate tenant's Accounts send to owners	R20.00	R20.00
Duplicate IRP 5	R15.00	R20.00
Fee for block/unblock of Prepaid electricity meters	R80.00	R100.00
Replacement of prepaid card	R50.00	R50.00
Refuse bags	Cost + 10%	n/a

Selling of wood (= LDV load)	R100.00	R150.00
Cutting of trees (per tree)	R900.00	R1 000.00
<b>Threshold for indigent</b>	R3 000.00	2 x state old age pension plus R1000
<b>Parking for Officials</b>		
Single Parking in basement of Civic Centre	R40.00	R60.00
Share Parking in basement of Civic Centre	R30.00	R45.00
Shelter Parking in outside parking area	R30.00	R40.00
<b><u>Deposits</u></b>	<b>2013/2014</b>	<b>2014/2015</b>
<b>Flats/Town houses</b>		
Owners (without pre-paid meters)	R3 500.00	R3 500.00
Owners (with pre-paid meter)	R1 750.00	R1 750.00
Where body corporate pay other services	0	0
<b>Houses</b>		
with pre-paid meters	R2 500.00	R2 500.00
without pre-paid meters	R5 000.00	R5 000.00
Minimum Deposit charged when applying for clearance figures	R 2 500.00	R5 000.00
<b>Businesses</b>		
With pre-paid meters	R 3 000.00 min	R 3 000.00 min

Without pre-paid meters based on twice monthly consumption based on the type of business	R4 500.00 min	R5 000.00 min
<i>Light Industries</i>  based on twice monthly consumption based on the type of business	Twice monthly consumption	Twice monthly consumption
<i>Heavy Industries</i>  based on twice monthly consumption based on the type of business	Twice monthly consumption	Twice monthly consumption
Government	Same as businesses	Same as businesses

### **Water, Electricity and Sewer connection tariffs increases**

<b>Connections to be done</b>	<b>2013/2014</b>	<b>2014/2015</b>
<b>SEWER</b>		
100mm dia -3m length	R3 830.70	R4 060.53
All other longer than 100mm dia or longer than 3m	To be calculated	To be calculated
<b>Water</b>		
15mm - 3m max	R1 752.64	R1 857.90

20mm - 3m max	R2 060.53	R2 184.21
80/20 COMBO meter	R24 528.95	R19 500.00
50/20 COMBO meter	R19 118.42	R4 921.93
40 mm	R11 826.32	R4 848.25
longer than 3m and larger meters	to be calculated	Cost plus 10%
<b>Water and Sewer - general</b>		
Water and Sewer road crossings	R9 193.86	R9 745.62
Relocating Water meters(labour only)	R972.81	R1 029.83
Stolen Water meter	Cost of Meter	Cost of Meter plus 20%
<b>Testing of water meters</b>		
20mm to 50 mm size meters	R350	R500
All other to be calculated		
<b>Electricity</b>		
New single phase connection	R4 483.35	R4 707.52
Upgrading from 60 – 80 ampere	R4 783.08	R5 022.23
New three phase connection up to design load	R4 500	R4 725.00
New three phase connection larger than design load	Estimated cost plus network strengthening cost of R831.07\kVA	Estimated cost plus network strengthening cost
Single phase prepaid meter	R977.08	R1 025.93
Three phase prepaid meter	R2 087.69	R2 087.69

Moving of kWh meter from house to stand boundary	R2 598.00	R2 727.90
Moving of connection	R1 693.12	R1 777.78
New ready board and keypad	R1 895.71	R1 990.49
Replacement of cable	R1 482.58	R1 556.71
Repair of cable (damaged by owner)	R1 005.51	R1 055.79
Temporary connection if service is available:  Single Phase	  R980.54	  R1 029.57
Three phase (town houses)	R2 267.54	R2 380.92
Testing of kWh meter	R465.08	R488.33
Testing of prepaid meter	R309.54	R325.02
Damaged keypad prepaid meter	R660.00	R660.00
Damaged single phase prepaid meter	R951.23	R998.79
Damaged three phase prepaid meter	R2 170.08	R2 278.58
Damage relay	R0	R1 081.54
Cost of prepaid meter and relay for town houses	R1 845.05	R1 863.30
Cost for second electrical installation test(1 <sup>st</sup> free)	R280.00	R294.00
Replacement of broken or stolen ripple relay	Cost of relay and labour	Cost of relay and labour
Ripple relay	R898.00	R898.00
Network strengthening	R0	R872.62

**Capital Contributions (once off payment)**

Water	2013/2014	2014/2015
Per kilolitre day usage-supply	R4 840.00	R5 324.00

Residential per added building or unit		
Low density	R9 680.00	R10 648.00
Middle density	R7 260.00	R7 986.00
High density	R2 904.00	R3 195.00
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
<b>Sewer</b>		
Per kilolitre day usage- effluent	R5 445.00	R5 990.00
Residential per added building or unit		
Low density	R6 534.00	R7 187.00
Middle density	R5 445.00	R5 990.00
High density	R2 723.00	R2 995.00
Guest houses and hotels: treatment of sewer effluent. (normal household runoff norm 0.8kl/day)	R 6 930.00/kl (daily kl demand)	R7 623.00/kl (daily kl demand)

**Printing price list - Technical Services**

	2013/2014	2014/2015
<b>PAPER</b>		
A0	R41.23	R42.99
A1	R21.06	R21.93
A2	R13.16	R14.04
A3	R4.39	R4.39
A4	R2.64	R2.64

<b><u>Durester</u></b>		
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
<b><u>Film</u></b>		
A0	R100.44	R100.44
A1	R67.99	R67.99
A2	R35.09	R35.09
A3	R18.43	R18.43
A4	9.22	9.22
A4 Fax send/received(Private)	10.53	10.53

**Social Services**

a	<b>D P de Villiers Stadium</b>	2013/2014	2014/2015
	<b>Rental of halls</b>		
	<b>Stadium Hall</b>		
	Resident : meetings	R240.00 per hour	R250.00 per hour
	Non-Resident : meetings	R480.00 per hour	R490.00 per hour
	Functions	R650.00	R660.00
	Churches and schools	half price	half price
	Deposit	R500	R600
	<b>Club complex Hall</b>		

Resident : meetings	R 80.00/ hour	R 85.00/ hour
Non-Resident : meetings	R165.00/hour	R170.00/hour
Functions	R350.00	R360.00
Churches and schools	50% of R350	50% of R360
Deposit	R500	R600
<b>Athletics</b>		
<b>Schools sport meeting</b>		
Morning session 07:00 - 13:00	R1 050.00	R1 100.00
Afternoon session 13:00 - 19:00	R1 050.00	R1 100.00
Lights to switch on first 2 hours	R480.00	R490.00
Then per half hour	R130.00	R135.00
Deposit	R2 500	R2 700
<b>Non Residents (Invitational/Zones)</b>		
Morning session 07:00 - 13:00	R3 000.00	R3 060.00
Afternoon session 13:00 - 19:00	R3 000.00	R3 060.00
Lights to switch on first 2 hours	R480.00	R490.00
Then per half hour	R 130.00	R 135.00
Deposit	R2 500	R2 700
<b>Provincial Meetings</b>		
Morning session 07:00 - 13:00	R4 000	R4 080



Afternoon session 13:00 - 19:00	R4 000	R4 080
Lights to switch on first 2 hours	R480.00	R490.00
Then per half hour	R130.00	R135.00
Deposit	R2 500	R2 550
<b>Schools in Gauteng</b>		
Morning session 07:00 - 13:00	R4 000.00	R4 080.00
Afternoon session 13:00 - 19:00	R4 000.00	R4 080.00
Lights to switch on first 2 hours	R480.00	R480.00
Then per half hour	R130.00	R135.00
Deposit	R2 500	R2 550
<b>Provincial Meetings</b>		
Morning session 07:00 - 13:00	R2 543.00	R2 600.00
Afternoon session 13:00 - 19:00	R2 543.00	R2 600.00
Lights to switch on first 2 hours	R530.00	R540.00
Then per half hour	R140.00	R145.00
<b>National Meetings</b>		
Morning session 07:00 - 13:00	R5 000.00	R5 100.00
Afternoon session 13:00 - 19:00	R5 000.00	R5 100.00
Lights to switch on first 2 hours	R380.00	R390.00
Then per half hour	R130.00	R135.00
Deposit	R2 500	R2 700

	<b>Rental of Electronic Timing Equipment</b>		
	Electronic Timing Equipment per session	R1 000.00	R1 100.00
	<b>Training sessions</b>		
	<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.		
	<b>Pre –determined practice periods</b>		
	Trainer (5 and less athletes)	R300.00 p/a	R300.00 p/a
	Trainer (6 to 20 athletes)	R600.00 p/a	R600.00 p/a
	Trainer (21 and more athletes)	R1 000.00 p/a	R1 000.00 p/a
	<b>School Rugby, School league all rugby fields as available.</b>		
	Resident per session/season	R320.00	R330.00
	Non-resident per session/season	R470.00	R490.00
	<b>Provincial Games</b>	R1 600.00	R1 630.00
		per day	per day
	Lights to switch on first 2 hours	R480.00	R490.00
	Then per half hour	R130.00	R135.00

	Deposit	R2 000	R2 050
	<b>National and International Games</b>	R3 600,00	R3 670,00
	<b>Soccer meetings (outside stadium)</b>		
	Resident per session/season	R360.00	R370.00
	Non-resident per session/season	R530.00	R540.00
	<b>Soccer meetings (inside stadium)</b>		
	Morning session 07:00 - 13:00	R880.00	R890.00
	Afternoon session 13:00 - 19:00	R880.00	R890.00
	Lights to switch on first 2 hours	R480.00	R490.00
	Then per half hour	R130.00	R135.00
	<b>Cross Country</b>		
	A Field	R650.00	R650.00
	Outside Field	R330.00	R330.00
	Stadium Hall	R900.00	R900.00
	Rental of stadium for Church service	R2 000.00 p/d	R2 000.00 p/d
	Deposit	R2 500.00	R2 500.00
	Rental of stadium for non-sports related events	R10 000.00p/d	R10 000.00p/d
		R5 000.00	R5 000.00
	Deposit		
	<b>Dog show</b>		

	Resident per session	R360.00	R360.00
	Non-resident per session	R530.00	R530.00
	Deposit	R60 000	R60 000
b	<b>Sasolburg show ground</b>		
	Cricket pitch (High Performance)		
c	<b>Sports facilities</b>		
	<b>Penny Heyns :</b>		
	Adults: Season tickets	R180.00	R185.00
	: Day tickets	R17.00	R18.00
	Children : Season tickets	R85.00	R86.00
	: Day tickets	R9.00	R10.00
	<b>School Galas</b>		
	Morning session 07:00 - 13:00	R430.00	R440.00
	Afternoon session 13:00 - 19:00	R430.00	R440.00
	Lights to switch on first 2 hours	R430.00	R440.00
	Then per half hour	R110.00	R115.00
	<b>Clubs/ Social clubs</b>		
	Occasion	R1 200.00 without touch pad	R1 220.00 without touch pad
	<b>Training sessions</b>		

Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R400.00 per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R410.00 per annum as well as purchase of seasonal tickets per swimmers training
Clubs		
<b><u>Zamdela Swimming Pool</u></b>		
: Adults : Season tickets	R100.00	R100.00
: Day tickets	R9.00	R9.00
: Children : Season tickets	R60.00	R60.00
: Day tickets	R7.00	R7.00
<b>School Galas</b>		
Morning session 07:00 - 13:00	R430.00	R430.00
Afternoon session 13:00 - 19:00	R430.00	R430.00
Lights to switch on first 2 hours	R330.00	R330.00
Then per half hour	R120.00	R120.00
<b>Clubs/ Social clubs</b>		
Occasion	R1 200.00 without touch pad	R1 200.00 without touch pad
<b>Training sessions</b>		

	Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R400.00per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R400.00per annum as well as purchase of seasonal tickets per swimmers training
	<b>Cemeteries</b>		
	Zamdela : Adult : Resident	R410.00	R430.00
	:Non Resident	R1 650.00	R1 730.00
	Children : Resident	R320.00	R330.00
	: Non resident	R1 265.00	R1 330.00
	Deneysville/ Refengkgotso / Metsimaholo :		
	: Adults : Resident	R360.00	R380.00
	: Non Resident	R1 465.00	R1 540.00
	: Children :Resident	R280.00	R290.00
	:Non Resident	R1 120.00	R1 170.00
	Sasolburg:		
	: Adults : Resident	R1 050.00	R1 100.00
	: Non Resident	R4150.00	R4 350.00

	: Children :Resident	R730.00	R760.00
	:Non Resident	R2 530.00	R2 650.00
	Oranjeville:		
	: Adults : Resident	R360.00	R380.00
	: Non Resident	R1 460.00	R1 540.00
	: Children :Resident	R280.00	R290.00
	:Non Resident	R1120.00	R1170.00
	<b><u>Indigents</u></b>		
	Approved as per Metsimaholo Local Municipality policy	Free	Free
	<b><u>Urns in Walls of Remembrance</u></b>		
	Residents	R400.00	R420.00
	Non Residents	R1 830.00	R1 920.00
	Placing of urn in existing grave:		
	Residents	R170.00	R180.00
	Non Residents	R180.00	R190.00
	<b><u>Stack Burials:</u></b>		
	Two coffins in one grave		
	Residents	Normal prices	One and half price(1.5)

e	<b>Halls</b>		
	<b>Zamdela/Refengkgotso/ Metsimaholo</b>		
	<b>Church Service and meetings</b>		
	Morning session 07:00 - 13:00	R470.00	R480.00
	Afternoon session 13:00 - 19:00	R470.00	R480.00
	Extra hour	R160.00	R170.00
	Kitchen use	R160.00	R170.00
	<b>Music/Jazz and others</b>		
	Morning session 07:00 - 13:00	R880.00	R890.00
	Afternoon session 13:00 - 19:00	R880.00	R890.00
	Extra hour	R240.00	R250.00
	Kitchen use	R240.00	R250.00
	<b>Funeral service and memorial service</b>		
	Morning session 07:00 - 13:00	R400.00	R410.00
	Afternoon session 13:00 - 19:00	R400.00	R410.00
	Extra hour	R200.00	R205.00
	Kitchen use	R200.00	R205.00
	<b>Political meetings</b>		
	Morning session 07:00 - 13:00	R240.00	R250.00



	Afternoon session 13:00 - 19:00	R240.00	R250.00
	Extra hour	R74.00	R75.00
	Kitchen use	R74.00	R75.00
	Season 2 meetings per month	R480.00	R490.00
	<b>Government structures</b>		
	Morning session 07:00 - 13:00	R260.00	R270.00
	Afternoon session 13:00 - 19:00	R260.00	R270.00
	Extra hour	R65.00	R70.00
	Kitchen use	R65.00	R70.00
	<b>Welfare</b>	R480.00	R490.00
	<b>Deposit</b>		
	Music/Jazz and others	R1 800.00	R1 830.00
	All other	R360.00	R370.00

(f)	<b>Etienne Rousseau Theatre</b>			
		2013/2014	2014/2015	Period Covered
	<b>Promotion of the Arts</b>			
	(use of theatre for music, dance or drama)			
	Hire of theatre by artist/group for show	R1 060.00	R1 080.00	Per day (until 1 hour after show ends)
	For matinee	R320.00	R330.00	Same day

	Hire of theatre by local educational institution or church or charity for presentation of the show.	R740.00	R750.00	Per day (until 1 hour after show ends)
	For additional matinee	R185.00	R190.00	
	Hire of theatre by educational institution or charity for an event such as prize giving or pageant	R850.00	R860.00	Per day (until 1 hour after show ends)
	Hire of foyer art exhibitions	R350.00	R350.00	Per day
	Hire stag only e.g. dance or drama workshops	R350.00	R360.00	Per day
	Hire foyer for function related to show / event presented in Auditorium	R290.00	R300.00	Per day
	<b>Hire of theatre non arts related activities/ business</b>			
	Hire of theatre for meetings	R1060.00	R1080.00	Per morning (8:00 – 13:00) afternoon (13:00 – 18:00) or evening (17:00 – 22:00)
	Hire of foyer only for meeting or function	R850.00	R860.00	Per morning (8:00 – 13:00) afternoon (13:00 – 18:00) or evening (17:00 – 22:00)
	<b>Other tariffs</b>			

	Commission on all ticket sales	10%	10%	Category 2.3
		12.5%	12.5%	Category 1
	Commission on the sale of articles exhibited	10%	10%	Category 2.3
		12.5%	12.5%	Category 1
	Rehearsals	R43.00	R44.00	Per hour between 8:30 and 16:00
		R635.00	R650.00	Per hour between 16:00 and 22:30 and Saturdays
	Preparation / dismantling of stage, sets, sound, lighting	R48.00	R49.00	Per hour
	Hire of piano, special curtains, special effects, theatre equipment	As per schedule	As per schedule	
	<b>Other services:</b>	Actual cost	Actual cost	
	Piano tuning			
	Special effects			
	Newspaper advertisements			
	Dresses / Hair stylists			
	<b>Sundays</b>	Double cost	Double cost	
	Cleaning of theatre and grounds	Discretionary	Discretionary	

(g)	<b>Abrahamsrust recreation resort</b>	<b>2013/2014</b>	<b>2014/2015</b>
	Season tickets (only residents )	R360.00 per annum/motor vehicle/ motor cycle powerboat  R180.00/ second motor vehicle/ motorcycle	R360.00 per annum/motor vehicle/ motor cycle powerboat  R180.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R80.00 for 1 ticket per family	R80.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R 120.00 for 1 ticket per family	R 120.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R590.00/ annum per vehicle/ powerboat	R590.00/ annum per vehicle/ powerboat
	<b>Entrance fees (Day visitors)</b>		
	Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	Entrance fee per person	R55 per person per day	R35 per person per day
	Entrance fee per car	R65 per car per day	R45 per car plus driver per day
	Entrance fee per boat	R155 per boat per day	R155 per boat per day
	Entrance fee 2-6 years	R10 per child 2-6 years per day	Free- child 2-6 years per day  R10 per child 7-14 years per day
	Entrance fee for group bookings of more than 50 people	Reduce of tariffs approved by Social Director (Prior arrangements)	Reduce of tariffs approved by Social Director (Prior arrangements)
	Local schools and churches	R20.00 per person	R20.00 per person

	<b>Caravan and tent sites(Power)</b>		
	Season ticket holders/ rallies (10-29 caravans)	R130.00 per day with power(4 persons)	R130.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans )	R95.00 per day(4 persons)	R95.00 per day(4 persons)
	Non-season ticket holders	R150.00 per day(4 persons)	R150.00 per day(4 persons)
	<b>Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people</b>	R120.00 per day without power	R120.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R120.00/ caravan/ night	R120.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans )	R80.00/ caravan/ night	R80.00/ caravan/ night
	Non-season ticket holders	R160.00/ caravan/ night	R160.00/ caravan/ night
	<b>Chalets</b>		
	Small type 2-bed	R400.00	R400.00
	Large type 4-bed	R550.00	R550.00
	Luxury chalets Chalet A	R700.00	R700.00
	Chalet B (With lapa)	R750.00	R750.00
	Monthly Rental Chalets four bed	R 4 500.00 p.m.	R 4 500.00 p.m.
	Park home 6 bed	R550.00	R550.00
	Monthly Rental Park home 6 bed	R3 500.00 p.m.	R3 500.00 p.m.
	Refundable key deposit	R300.00	R300.00
	<b>Lapa</b>		
	With shelter per function	R550.00 plus entrance fee	R550.00 plus entrance fee
	Without shelter per function	R360.00 plus entrance	R360.00 plus entrance

		fee	fee
	Hall	R550.00	R550.00
	Rental of resort for event	R50 000 per event	R50 000 per event
	Deposit for event	R20 000 per event refundable	R20 000 per event refundable
	<b>DAY VISIT ORANJEVILLE AND DENEYSVILLE</b>		
	Season tickets (only residents)	R100.00 per annum/motor vehicle/ motor cycle powerboat  R80.00/ second motor vehicle/ motorcycle	R100.00 per annum/motor vehicle/ motor cycle powerboat  R80.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R40.00 for 1 ticket per family	R40.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R60.00 for 1 ticket per family	R60.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R290.00/ annum per motor vehicle/motorcycle/ powerboat  R240.00/second vehicle/motorcycle/  Powerboat	R290.00/ annum per motor vehicle/motorcycle/ powerboat  R240.00/second vehicle/motorcycle/  Powerboat
	Entrance fees (Day visit)  Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	<b>Entrance fees (Day visitors)</b>		
	Entrance fee per person	R10 per person per day	R10 per person per day
	Entrance fee per car	R10 per car per day	R10 per car per day
	Entrance fee per boat	R25 per boat per day	R25 per boat per day

	Entrance fee 2-6 years kids	Free	Free
	Entrance fee for group bookings of more than 50 people	Reduce of tariffs approved by Relevant Director (Prior arrangements)	Reduce of tariffs approved by Relevant Director (Prior arrangements)
	Local schools and churches	R5.00 per person	R5.00 per person
	<b>Caravan and tent sites(Power)</b>		
	Season ticket holders/ rallies (10-29 caravans)	R20.00 per day with power(4 persons)	R20.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans )	R20.00 per day(4 persons)	R20.00 per day(4 persons)
	Non-season ticket holders	R30.00 per day(4 persons)	R30.00 per day(4 persons)
	<b>Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people</b>	R150.00 per day without power	R150.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R10.00/ caravan/ night	R10.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans )	R10.00/ caravan/ night	R10.00/ caravan/ night
	Non-season ticket holders	R15.00/ caravan/ night	R15.00/ caravan/ night
	Rental of resort for event	R50 000 per event	R50 000 per event
	Deposit for event	R20 000 per event	R20 000 per event

(h)	Moses Kotane Stadium		
	<b>Rental of halls</b>		
	<b>Stadium Hall</b>		
	Resident: meetings	R320,00	R330,00
	Non-Resident: meetings	R640,00	R650,00
	Functions	R480,00	R490,00
	Churches and Schools	Half price	Half price
	<b>Athletics</b>		
	In-house school sport		
	Morning	R350.00	R360.00
	Afternoon	R350.00	R360.00
	Lights to switch on first 2 hours	R280.00	R290.00
	Then per half hour	R115.00	R120.00
	Practice session	R110.00/ school/ season	R115.00/ school/ season
	<b>Non Residents (Free State)</b>		
	Morning	R700.00	R710.00
	Afternoon	R700.00	R710.00
	Lights to switch on first 2 hours	R280.00	R290.00
	Then per half hour	R115.00	R120.00
	<b>Schools in Gauteng</b>		
	Morning	R800.00	R810.00
	Afternoon	R800.00	R810.00



	Lights to switch on first 2 hours	R280.00	R290.00
	Then per half hour	R115.00	R120.00
	<b>Provincial Meetings</b>		
	Morning session 07:00 - 13:00	R2 260.00	R2 300.00
	Afternoon session 13:00 - 19:00	R2 260.00	R2 300.00
	Lights to switch on first 2 hours	R280.00	R290.00
	Then per half hour	R115.00	R120.00
	<b>National Meetings</b>		
	Morning session 07:00 - 13:00	R3 520.00	R3 590.00
	Afternoon session 13:00 - 19:00	R3 520.00	R3 590.00
	Lights to switch on first 2 hours	R480.00	R490.00
	Then per half hour	R115.00	R120.00
	<b>Rental of Electronic Timing Equipment</b>		
	Electronic Timing Equipment per session	R1 000.00	R1 020.00
	Soccer		
	<b>Soccer meetings (inside</b>		

	<b>stadium)</b>		
	Morning session 07:00 - 13:00	R280.00	R290.00
	Afternoon session 13:00 - 19:00	R280.00	R290.00
	Lights to switch on first 2 hours	R280.00	R290.00
	Then per half hour	R115.00	R120.00
	Rental of stadium for events	R10 000	R10 200
	Deposit	R5 000.00	R5 100.00
	Entrance income	15% of entrance fee minimum or R1 700.00	15% of entrance fee minimum or R1 730.00
	Refundable damage fee	R1 000.00	R1 020.00
	Schools	R260.00/ school/ season	R270.00/ school/ season
	Other soccer games	15% of entrance fee minimum or R1 575.00	15% of entrance fee minimum or R1 600.00
	Morning	R330.00	R340.00
	Afternoon	R330.00	R340.00
	Evening	R330.00	R340.00
	Lights to switch on first 2 hours	R260.00	R270.00
	Then per half hour	R110.00	R115.00
	Practice inside stadium	R165.00/per hour	R170.00/per hour
	Coaching development and soccer clinics	R90.00 per occasion	R95.00 per occasion
	Practice outside fields	R165.00/ season twice weekly	R170.00/ season twice weekly
	Schools	R130.00/ season twice weekly	R135.00/ season twice weekly

	Social games	R165.00 per occasion	R170.00 per occasion
	<b>Other facilities</b>		
	Netball/Basketball and Tennis		
	Morning session	R90.00	R95.00
	Afternoon session	R90.00	R95.00
	<b>Stadium Hall</b>		
	Sports clubs and cultural groups (by pre-arrangement)	R150.00	R155.00
	Residents: Meetings	R110.00	R115.00
	Non-residents: Meetings	R600.00	R610.00
	Functions	R450.00	R460.00
	Churches and schools	Half price	Half price
	<b>Non sporting events inside stadium</b>		
	Rental of stadium for events(pre-approve by MM)	R50 000	R55 000
	Deposit for the events	R20 000	R25 000

(i)	<b>Multipurpose Sports Centre Hall</b> <b>Church Service and meetings</b> Morning session 07:00 - 13:00 Afternoon session 13:00 - 19:00 Extra hour Kitchen use		R480.00 R480.00 R70.00 R200.00
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<b>Music/Jazz and others</b>		
Morning session 07:00 - 13:00		R890.00
Afternoon session 13:00 - 19:00		R890.00
Extra hour		R70.00
Kitchen use		R200.00
<b>Funeral service and memorial service</b>		
Morning session 07:00 - 13:00		R410.00
Afternoon session 13:00 - 19:00		R410.00
Extra hour		R70.00
Kitchen use		R200.00
<b>Political meetings</b>		
Morning session 07:00 - 13:00		R250.00
Afternoon session 13:00 - 19:00		R250.00
Extra hour		R70.00
Kitchen use		R200.00
Season 2 meetings per month		R490.00
<b>Government structures</b>		
Morning session 07:00 - 13:00		R270.00
Afternoon session 13:00 - 19:00		R270.00
Extra hour		R70.00
Kitchen use		R200.00

<b>Welfare</b>	R480.00	R270.00
<b>Deposit</b>		
Music/Jazz and others	R1 800.00	R1 830.00
All other	R360.00	R370.00
<b>Sports Facility</b>		
<b>Soccer/ Rugby and Cricket</b>		
Morning session 07:00 - 13:00		R150.00
Afternoon session 13:00 - 19:00		R150.00
Extra hour		R70.00
Kitchen		R200.00
<b>Netball/ Basketball and Tennis</b>		
Morning session 07:00 - 13:00		R150.00
Afternoon session 13:00 - 19:00		R150.00
Extra hour		R70.00
Kitchen		R200.00
<b>Schools</b>		
Morning session 07:00 - 13:00		R100.00
Afternoon session 13:00 - 19:00		R100.00
Extra hour		R50.00
Kitchen		R50.00
<b>Indoor Games</b>		
Morning session 07:00 - 13:00		R200.00
Afternoon session 13:00 - 19:00		R200.00

Extra hour		R70.00
Kitchen use		R200.00
<b>Coaching development and practice</b>		
Morning session 07:00 - 13:00		R100.00
Afternoon session 13:00 - 19:00		R100.00
Kitchen		R200.00

(i)	Fire and Rescue	2013/2014	2014/2015
I	<b>Extinguishing of fires (excluding grass-bush and rubbish fires)</b>		
(a)	<b>Call out fee</b>		
	Industrial fire (High risk)	R1 170.00	R1 170.00
	Industrial fire (Low risk)	R580.00	R580.00
	Residential	R320.00	R320.00
	Institutions	R320.00	R320.00
	Public assembly	R320.00	R320.00
	Commercial	R320.00	R320.00
	Storage	R320.00	R320.00
	Shack or Informal housing (Flat rate) all costs included	R63.00	R63.00
	Heavy motor vehicle fire	R320.00	R320.00
	Motor vehicle, Motor bike, trailer with content	R127.00	R127.00
	Lamp or Electrical Poles (Council property excluded)	R127.00	R127.00
	Transformers (Council property excluded)	R320.00	R320.00

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

	Per Senior Fireman	R127.00	R127.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R106.00	R106.00
(c)	<b>Vehicles</b>		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R425.00
(d)	<b>Material used</b>		
	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)	<b>Call out Fee</b>	R1272.00	R1272.00
(b)	<b>Personnel(tariff per hour)</b>		
	Per Senior Officer	R210.00	R210.00
	Per officer	R265.00	R265.00
	Per Senior Fireman	R230.00	R230.00
	Per Fireman	R190.00	R190.00
(c)	<b>Vehicles</b>		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station	R850.00	R850.00



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

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

VI	<u>Other Services</u>		
(a)	<b>Attendance of Fireman in terms of section 14 of the standard by-laws relating to Fire Brigade Services:</b>		
	Per entertainment, recreation meeting or other event provided that in the case of any variety entertainment or stage show conducted on schools premises or in a public hall in aid of school funds, no charges shall be charged for the attendance of a Fireman.	R320.00	R320.00
	Per Officer( <b>tariff per hour</b> )	R300.00	R300.00
	Per Senior Fireman( <b>tariff per hour</b> )	R265.00	R265.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R210.00
(b)	<b>Pumping of water from property:</b>		
	Light pump with a capacity of up to 1125 l/min per hour or part thereof	R850.00	R850.00
	Medium pump with a capacity of up to 2250 l/min per hour or part thereof	R850.00	R850.00
	Heavy pump with a capacity of up to 4500 l/min per hour or part thereof	R850.00	R850.00
	Per Officer( <b>tariff per hour</b> )	R265.00	R265.00
	Per Senior Fireman( <b>tariff per hour</b> )	R245.00	R245.00
	Per Fireman( <b>tariff per hour</b> )	R138.00	R138.00
(c)	<b>Using Compressor per hour or part thereof</b>	R65.00	R65.00

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

(f)	<b>Firebreaks per hour or part thereof</b>		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R580.00	R580.00
	Per Officer( <b>tariff per hour</b> )	R425.00	R425.00
	Per Senior Fireman( <b>tariff per hour</b> )	R265.00	R265.00
	Per Fireman( <b>tariff per hour</b> )	R240.00	R240.00
(g)	<b>Special Service</b>		
	Refilling of cylinders(SCBA)	R38.00 per cylinder	R38.00 per cylinder
	Issuing of Dangerous Goods Certificate	R300.00 per unit (yearly)	R300.00 per unit (yearly)
	Issuing of Fire Certificate in business	R300.00 per business (yearly)	R300.00 per business (yearly)
	Basic Fire Fighter Training	R320.00 per person	R320.00 per person
	Renting of Lecture Room	R370.00 per Morning session	R370.00 per Morning session
	Renting of Lecture Room	R370.00 per Afternoon session	R370.00 per Afternoon session
	Extra hour	R110.00	R110.00
	Kitchen use	R110.00	R110.00
	<b>Traffic Services</b>	2013/2014	2014/2015
	<u>Abnormal loads escorts and excavations</u>		

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

DIVISION	R 2013/14	R 2014/15
<b>Economic Development</b>		
NO tariffs recommended		
Leases - General: - Rental arrangements as agreed per contract	Contractual	Contractual
Containers at Zamdela Taxi Rank	R135.00 p.m.	R135.00 p.m.
<b>Housing and Property Management Services</b>		
Leases - General: - Rental arrangements as agreed per contract	Contractual	Contractual
<b>Assisted Sub-Economic Rental Stock</b>		
Six (6) semi-detached - / row houses in Sasolburg Extension 1 one and (1) house in Sasolburg Extension 19 reserved as rental stock for the elderly, disabled and poor households restricted to households in the deep down-market range earning between R800.00 per month to R3,500.00 per month  <i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i>	Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R520.00 per month (excluding consumer	Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R520.00 per month (excluding consumer

	<i>services) for qualifying beneficiaries</i>	<i>services) for qualifying beneficiaries</i>
<u>Thembaletu Hostel (141 x 101,02 m<sup>2</sup> units)</u>  Pre-paid meters to be installed in all rental stock units to recover electrical services cost		
Block A - 24 x units (shower & bath)	R1`100.00 p.m.	R1`100.00 p.m.
Block B - 18 x units (shower & bath)	R1`100.00 p.m.	R1`100.00 p.m.
Block C - 24 x units (shower)	R990.00 p.m.	R990.00 p.m.
Block D - 18 x units (shower)	R990.00 p.m.	R990.00 p.m.
Block E - 30 x units (shower)	R990.00 p.m.	R990.00 p.m.
Block F - 9 x units (shower)	R990.00 p.m.	R990.00 p.m.
Single Units - 18 x beds (6 x flats with 3 x bedrooms)	R440.00 p.m.	R440.00 p.m.
<i>(Other)</i>		
Tuck shop / Churches (62 m <sup>2</sup> )	R80.00 p/day	R80.00 p/day
Tuck shop / Milk depot (13 m <sup>2</sup> )	R80.00 p.m.	R80.00 p.m.
Tuck shop / F Shai (22 m <sup>2</sup> )	R75.00 p.m.	R75.00 p.m.
Tuck shop / M Kok (22 m <sup>2</sup> )	R165.00 p.m.	R165.00 p.m.
Tuck shop / L Tau (22 m <sup>2</sup> )	R165.00 p.m.	R165.00 p.m.
Tuck shop / Dry Cleaners (37 m <sup>2</sup> )	R165.00 p.m.	R165.00 p.m.
Tuck shop / Hair Saloon (41 m <sup>2</sup> )	R165.00 p.m.	R165.00 p.m.



Tuck shop / Upholsterer (46 m²)	R165.00 p.m.	R165.00 p.m.
Tuck shop / Dressmaking (80 m²)	R160.00 p.m.	R160.00 p.m.
Tuck shop / Crèche (197 m²)	R70.00 p.m.	R70.00 p.m.
Tuck shop / Video Shop (207 m²)	R185.00 p.m.	R185.00 p.m.
Former kitchen/Hall per activity	R300.00 per activity	R300.00 per activity
Recycling Business	R1 000.00 p.m.	R1 000.00 p.m.
Thembaletu Community Hall	R250.00 p/day	R250.00 p/day

DIVISION	R 2013/14	R 2014/15 (VAT <u>Inclusive</u> ) RECOMMENDED
<b>Housing and Property Management Services &amp; Economic Development</b>		
<b>Hostel 1 = 317 units</b> <b>Hostel 2 = 330 units</b> <b>Hostel 3 = 389 units</b> <b>Hostel 4 = 112 units</b> <b>Phomolong = 40 units</b>	VAT Exempted	
<i>Hostel at Refengkgotso (Erf 842)</i>	<i>From date of transfer to municipality</i>	<i>From date of transfer to municipality</i>

<p>- Fixed Hostel Rent / Tariff</p> <p>- Fixed Hostel Rent / Tariff for purposes of <u>a maximum of 4 single persons sharing</u> a rental unit, that each single should contribute individually and that the rental amount of R80.00 pm. plus water consumption calculated @ 30.00 p.m. be divided by the number of persons sharing / occupying the unit</p> <p style="text-align: right;">R120.00</p> <p style="text-align: right;"><i>(Electricity recovery through pre-paid system</i></p> <p style="text-align: right;"><i>plus</i></p> <p style="text-align: right;"><i>R85.00 p.m.</i></p> <p style="text-align: right;"><i>plus</i></p> <p style="text-align: right;"><i>R135.00 p.m. water consumption –</i></p> <p style="text-align: right;"><i>Divided by the number of people sharing)</i></p> <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i></p>	<p style="text-align: center;"><b><u>R110.00 pm</u></b></p> <p style="text-align: center;"><b><u>While corrective measures are taken regarding maintenance and upgrading of services</u></b></p> <p style="text-align: center;"><b><u>Then</u></b></p> <p style="text-align: center;"><b><u>R135.00 pm</u></b></p> <p style="text-align: center;"><i>Divided by the number of people sharing)</i></p>
<p><b>CRU</b></p>	
<p style="text-align: right;">Rent</p> <p style="text-align: center;"><i>(Community Residential Units – Replacement of Hostel 4 Zamdela)</i></p> <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i></p>	<p style="text-align: center;">Rent</p> <p style="text-align: center;"><b><u>Beneficiary – Target Group</u></b></p> <p style="text-align: center;"><b><u>R800.00 to R7`500 pm &amp;</u></b></p> <p style="text-align: center;"><i>(Based on the high quality of the units and ± 20% of income</i></p>

<p><i>Tenants in access of R50`000 monthly income should NOT be considered for CRU's and be accommodated conditional</i></p>		<p>– R800 pm)</p> <p><b>Higher Income Groups</b></p> <p><b>To be accommodated</b></p> <p><i>(On demand and Supply &amp; Availability of Units)</i></p>
<p><b>BENEFICIARY TARGET GROUP</b></p> <p><i>R800 – (R3500) - R7500 PM (± 20% of Income)</i></p>		
<b>CRU Discounted Rent (R)</b>	<b>R200.00</b>	<b>R200.00</b>
R800.00 pm		
	<b>R210.00</b>	<b>R210.00</b>
R1000.00 pm		
R1500.00 pm	<b>R250.00</b>	<b>R250.00</b>
R2000.00 pm	<b>R310.00</b>	<b>R310.00</b>
R2500.00 pm	<b>R390.00</b>	<b>R390.00</b>
R3000.00 pm	<b>R470.00</b>	<b>R470.00</b>
National Policy R3500.00 pm	<b>R560.00</b>	<b>R560.00</b>
<b>CRU Discounted Rent (R)</b>	<b>R660.00</b>	<b>R660.00</b>
R4000.00 pm		
R4500.00 pm	<b>R760.00</b>	<b>R760.00</b>
R5000.00 pm	<b>R830.00</b>	<b>R830.00</b>
R5500.00 pm	<b>R900.00</b>	<b>R900.00</b>
R6000.00 pm	<b>R950.00</b>	<b>R950.00</b>

R6500.00 pm	<b>R1000.00</b>	<b>R1000.00</b>
R7000.00 pm	<b>R1100.00</b>	<b>R1100.00</b>
R7500.00 pm > ( <i>Higher</i> )	<b>R1200.00</b>	<b>R1200.00</b>
<b>BENEFICIARY TARGET GROUP</b>		
<b>R800 – R PM (<i>less R100.00</i>)</b>		
<b>CRU Discounted Rent (R)</b>	<b>R100.00</b>	<b>R100.00</b>
R800.00 pm		
	<b>R110.00</b>	<b>R110.00</b>
R1000.00 pm		
	<b>R150.00</b>	<b>R150.00</b>
R1500.00 pm		
	<b>R210.00</b>	<b>R210.00</b>
R2000.00 pm		
	<b>R290.00</b>	<b>R290.00</b>
R2500.00 pm		
	<b>R370.00</b>	<b>R370.00</b>
R3000.00 pm		
	<b>R460.00</b>	<b>R460.00</b>
R3500.00 pm		

<b><u>ALIENATION OF LAND (Open Spaces)</u></b>		
Temporary allocation of land not exceeding 21 days (such as Circuses / Churches for spiritual revivals / church outreaches)	R40.00 / day	R40.00 / day
Initiation Schools not exceeding 50days	R900.00(fixed) Water provision to be agreed with Civil Engineering	R900.00(fixed) Water provision to be agreed with Civil Engineering
Temporary leases for parking purposes on open portions of land	R15.00/per day per parking bay of 40 m <sup>2</sup>	R15.00/per day per parking bay of 40 m <sup>2</sup>
Cattle owners Leases - grazing	R260.00 p.m. per cattle owner	R260.00 p.m. per cattle owner

Urban Planning		
Rezoning	R350.00 / application	R350.00 / application
Subdivision	R350.00 / application	R350.00 / application
Consolidation	R350.00 / application	R350.00 / application
Consent uses	R2`500.00 / application	R2`500.00 / application
Zoning Certificates	R150.00 / application	R150.00 / application
Building Plan: Approval Fee	R300.00 / application  R19.00 / 10m <sup>2</sup> for the first 1`000 m <sup>2</sup>  R17.00 / 10m <sup>2</sup> for the following 1`000 m <sup>2</sup> – namely 1`001 to 2`000 m <sup>2</sup>  R14.00 / 10m <sup>2</sup> for the following 1`000 m <sup>2</sup> – namely 2`001 m <sup>2</sup> to 4 000 m <sup>2</sup>	R300.00 / application  R19.00 / 10m <sup>2</sup> for the first 1`000 m <sup>2</sup>  R17.00 / 10m <sup>2</sup> for the following 1`000 m <sup>2</sup> – namely 1`001 to 2`000 m <sup>2</sup>  R14.00 / 10m <sup>2</sup> for the following 1`000 m <sup>2</sup> – namely 2`001 m <sup>2</sup> to 4 000 m <sup>2</sup>

May 2014

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2014/15 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 base on historical information, , plus inflation in line with Treasury guidelines
- All increases more than the inflation to be properly motivated.
- Professional fees to be unpacked
- The filling of vacancies should support challenges identified and key priorities as adopted at the strategic workshop. The organisational structure is in the process to be revised.

The following table is a high level summary of the 2014/15 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	2013/14	2014/15	2015/16	2016/17
	Adjusted Budget	MTREF	MTREF	MTREF
	R'000	R'000	R'000	R'000
Employee related costs	188 943	207 771	229 672	246 192
Remuneration of councillors	13 174	14 685	15 772	16 939
Bad debts	48 000	64 300	60 100	57 900
Repairs and maintenance	42 318	30 685	32 222	33 962
Bulk purchases-electricity	189 118	199 877	217 865	237 473
Bulk purchases-water	108 512	118 674	125 082	138 361
Contracted services	20 200	29 660	30 930	32 107
Finance charges	6 242	3 034	4 979	4 489
General expenses	80 917	96 791	101 169	104 925
Transfers and grants	47 192	40 389	45 265	47 288

Depreciation	46 687	62 640	66 278	74 738
	<b>791 303</b>	<b>868 506</b>	<b>929 334</b>	<b>994 374</b>

**Employee Related Cost:** The budgeted allocation for employee related costs for the 2014/15 financial year totals R207.7 million, which equals 23.56 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.8 per cent for the 2014/15 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF. Provision is also made for the increments. Based on the proposed amended structure critical vacancies need to be determined. As a baseline, provision is made for vacancies of R11 million in 2014/2015, R3 million in 2015/2016 and R3 million in 2016/2017. The vacancies based on the approved structure is R68 million.

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

**Bad Debts:** The provision of debt impairment was determined based on an annual collection rate of 90 per cent and the Debt collection and Credit Control Policy of the Municipality. For the 2014/15 financial year this amount equates to R64 million and decreases to R58 million by 2016/17. While this expenditure is considered to be a non-cash flow item, it is the municipality's realistically anticipated revenues.

**Depreciation:** Provision for depreciation and asset impairment has been informed by the Accounting Standards. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard are R62.6 million. The budget appropriation totals R62.6 million for the 2014/15 financial and equates to 7.1 per cent of the total operating expenditure. It should be noted that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

**Finance charges:** Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.35 per cent (R3 million) of operating expenditure excluding annual redemption for 2014/15 and increases to R4.49 million by 2016/17.

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

**Repairs and maintenance:** Repairs and maintenance (Schedule A4 as other materials) comprises of amongst others, materials for maintenance, cleaning materials and chemicals, as well as contractors. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2014/15 the appropriation against this group of expenditure has decrease by 27.5 per cent



(R11 million) and then continues to grow at 5.1 and 5.4 per cent for the two outer years of which budget allocation is in excess of R33.9 million by 2016/17.

**Contracted services:** In the 2014/15 financial year, Contracted services totals R29.6 million and has increased. For the two outer years growth has been limited to 4.3 and 3.8 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 173).

**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 18.6 per cent for 2014/15 and curbed at 4.5 and 3.6 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to other expenditure can be seen in Table 50 MBRR SA1 (see page 172).

The following table gives a breakdown of the main expenditure categories for the 2014/15 financial year.

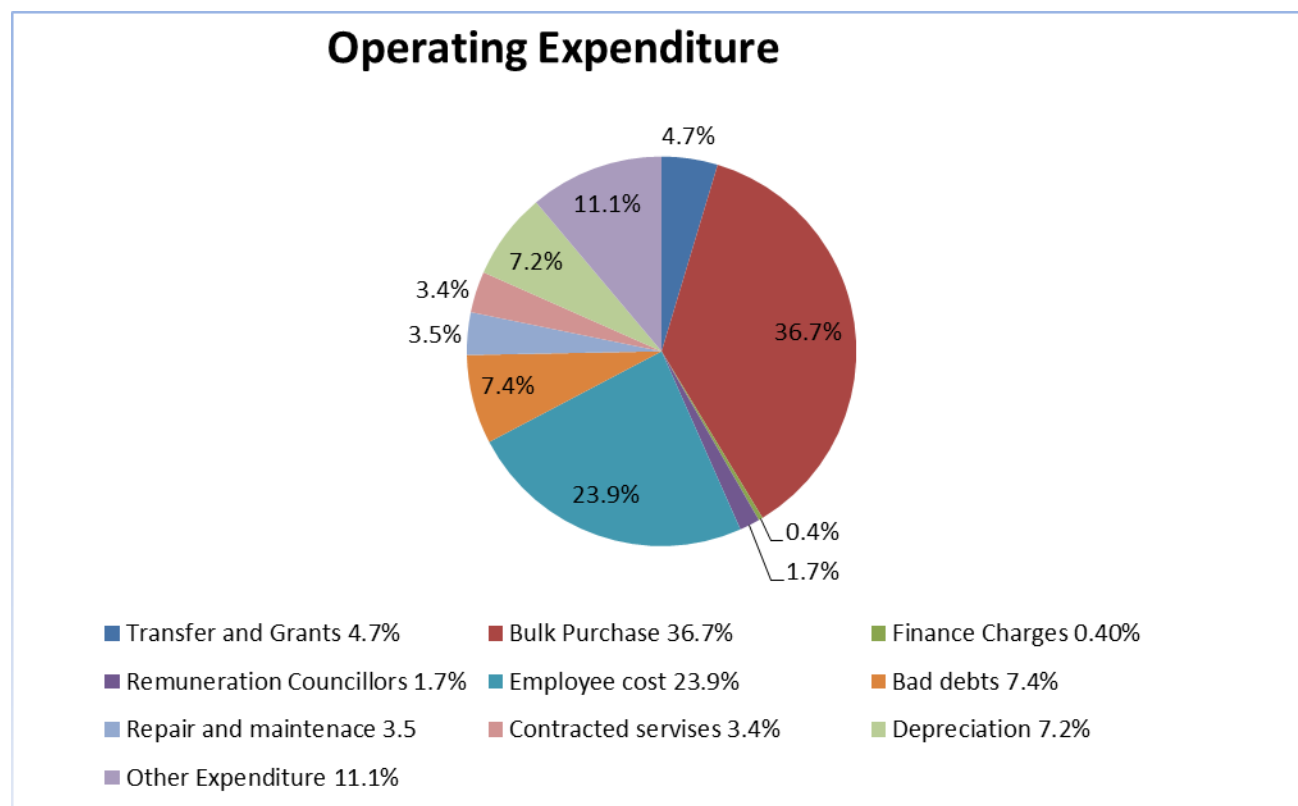


Figure 1 Main operational expenditure categories for the 2014/15 financial year

### 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 2014/15 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	2010/11	2011/12	2012/13	Current 2013/14			2014/2015 MTREF		
	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2014/15	Budget 2015/16	Budget 2016/17
Employee related cost	33 482	39 815	43 030	44 490	44 673	45 031	49 048	52 731	56 570
Materials and contracted services	26 492	33 782	23 608	53 978	42 318	17 895	30 685	32 222	33 962
<b>Total repairs and maintenance expenditure</b>	<b>59 974</b>	<b>73 597</b>	<b>66 638</b>	<b>98 468</b>	<b>86 991</b>	<b>62 926</b>	<b>79 733</b>	<b>84 953</b>	<b>90 532</b>

During the compilation of the 2014/15 MTREF operational budget repairs and maintenance was identified as a strategic imperative owing to the ageing infrastructure and historic deferred maintenance. To this end, repairs and maintenance decreases by 8.4 per cent in the 2014/15 financial year, from R87 million to R79.7 million. During the 2013/14 Adjustment Budget this allocation was adjusted slightly downwards to R87million owing to the cash flow challenges faced by the Municipality. Notwithstanding this reduction, as part of the 2014/15 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2014/15 equates to R79.7 million a decrease of 8.4 per cent in relation to the Adjustment Budget and then continues to grow at 6.6 and 6.6 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance (excluding remuneration of staff) comprises of 3.5, 3.5 and 3.4 per cent for the respective financial years of the MTREF.

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

Table 15 Repairs and maintenance per asset class

R thousand	2010/11	2011/12	2012/13	Current 2013/14			2014/2015 MTREF		
	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2014/15	Budget 2015/16	Budget 2016/17
<b>Repair and maintenance per asset class</b>									
Infrastructure Roads	20 859	18 434	19 666	33 496	27 696	20 378	23 909	25 428	26 928
Infrastructure Electricity	8 830	11 747	14 553	20 185	18 185	13 186	16 580	17 667	18 903
Infrastructure Water	6 978	10 916	11 383	14 734	12 373	9 256	12 616	13 500	14 446
Infrastructure Sanitation	6 707	7 880	8 871	11 495	11 989	9 766	12 394	13 269	14 182

Infrastructure	629	4 981	4 873	300	5 618	5 064	4 307	4 625	4 967
Other									
Community	0	0	1 105	641	1 297	161	533	654	690
Other assets	15 971	6 849	6 187	17 617	9 833	5 115	9 394	9 810	10 416
<b>Total Operating expenditure</b>	<b>59 974</b>	<b>60 807</b>	<b>66 638</b>	<b>98 468</b>	<b>86 991</b>	<b>62 926</b>	<b>79 733</b>	<b>100 752</b>	<b>84 953</b>

For the 2014/15 financial year, 87.6 per cent or R68.8 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 20.8 per cent (R16.5 million), road infrastructure at 30 per cent (R23.9 million), water at 15.8 per cent (R12.6 million) and sanitation at 15.5 per cent (R12.4 million). Community assets have been allocated R533 000 of total repairs and maintenance equating to 0.7 per cent.

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register a total 13 000 indigent households during the 2014/15 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 103.

The threshold to qualify as indigent increase from R3 000 to two times the state old age pension plus R1 000.

Owners of stands with a valuation up to R50 000 will no longer automatically qualify as indigent.

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 2014/15 Medium-term capital budget per vote**

Capital expenditure by vote	2013/14		2014/15		2015/16		2016/17	
	Adjusted Budget	%	MTREF	%	MTREF	%		%
	R'000		R'000		R'000		R'000	
<b>Exec. &amp; Council</b> (MM, Executive Mayor, Council)		0	1 300	1	700	1	700	1
<b>Corporate Services</b>	120	0	1 100	1	600	1	700	1

<b>Social Services</b>	<b>7 117</b>	<b>6</b>	<b>13 742</b>	<b>10</b>	<b>15 164</b>	<b>21</b>	<b>1 100</b>	<b>1</b>
Refuse Removal		0	1 050	1	1 050	1	1 050	1
Public Safety		0	0	0	0	0	0	0
Sport and Recreation	6 691	5	12 642	9	14 064	20	0	0
Community Services	426	0	50	0	50	0	50	0
<b>Technical Services</b>	<b>114 606</b>	<b>91</b>	<b>120 719</b>	<b>88</b>	<b>54 167</b>	<b>77</b>	<b>69 592</b>	<b>94</b>
Streets and Storm water	12 600	10	38 700	28	28 817	41	43 222	58
Sewerage	42 131	33	27 619	20	230	0	230	0
Water supply	14 375	11	14 900	11	1 200	2	1 200	2
Electricity supply	34 500	27	17 100	12	23 500	33	24 500	33
Mechanical Workshop/Buildings	0	0	6 000	4	0	0	0	0
Administration	11 000	9	16 400	12	420	1	440	1
<b>Financial Services</b>	<b>4 354</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Economic Dev. and Planning</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 000</b>	<b>3</b>
Housing & Urban Planning		0		0		0	2 000	3
Economic Development		0	200	0	200	0		0
	<b>126 197</b>	<b>100</b>	<b>136 861</b>	<b>100</b>	<b>70 631</b>	<b>100</b>	<b>74 092</b>	<b>100</b>

The biggest single portion of capital expenditure is allocated to Technical Services which amounts to **R120.7** million in 2014/2015 decreasing to **R69.6 million** in 2016/2017.

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 2014/2015 budget and IDP process. Roads receive R38.7 million in 2014/15 which equates to 28 per cent, electricity at 12 per cent, R17.1 million, water at 11 per cent, R14.9 million and sewer 20 per cent, R27.6 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 100. 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 166 and 167). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

#### **Conditional Grants R58 million**

- Gortin sewer R27.4m(2014/15)
- Themba Kubekha house connections R11m
- Construction of roads & storm water R27.3m (2015/16),R43.2m(2016/17)

- Construction of sports complex Refengkgotso: R2.5 m(2014/15), R14 m (2015/16)
- Construction of sports complex Metsimaholo: R10.1 m (2014/15)
- Amelia / Gortin & Mooidraai bulk electricity supply: R7 m (2014/15); R20m (2015/16); R21m (2016/17)

**Own funding**

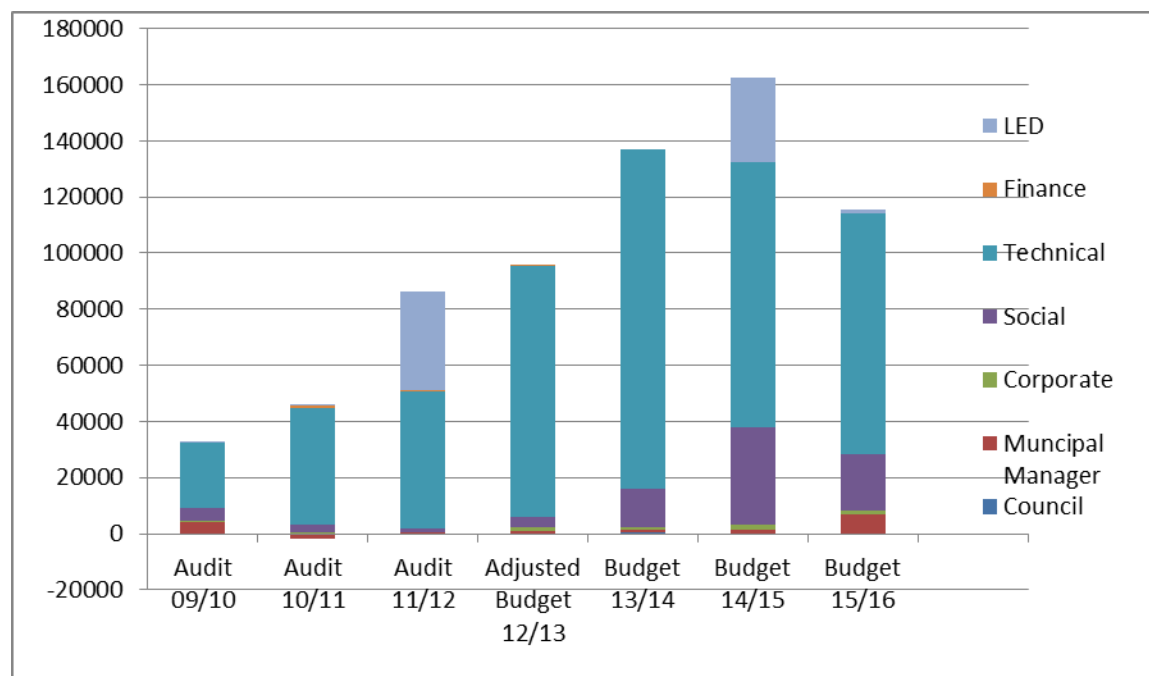
- Upgrading of electricity substation R3.3 million
- Resealing of roads R5.7 million
- Office furniture R1.1 million
- Rehabilitation of landfill site R1 million

**Loan**

- Roads (Sasolburg, Vaalpark and Zamdela) R20 million
- Roads paved in Refengkgotso R6 million
- Vehicles and heavy equipment R6 million
- Installation of prepaid electricity meters in hostels R4 million
- Replacement of electricity cables R2 million
- Above finance from DBSA loan that was approved in 2011/12 financial year but the re-allocation is subject to approval of DBSA.
- Roads (Scott street) Oranjeville R7 million

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

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



**Figure 2 Capital Infrastructure Programme**

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 no operating surplus on the budget which could be used for capital expenditure.

## 1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 17MBRRTable A1 - Budget Summary**

**FS204 Metsimaholo - Table A1 Budget Summary**

Description	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework
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R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Financial Performance</b>										
Property rates	77 043	86 652	92 485	93 932	95 432	108 878	–	102 114	107 628	113 440
Service charges	301 597	328 477	378 039	473 796	453 684	419 824	–	568 088	612 601	653 990
Investment revenue	6 153	2 357	1 543	2 400	1 700	1 578	–	2 400	2 530	2 666
Transfers recognised - operational	83 228	91 482	97 822	107 887	107 887	107 887	–	118 259	124 053	129 021
Other own revenue	29 840	35 470	31 639	43 399	39 699	31 427	–	38 124	41 797	38 191
<b>Total Revenue (excluding capital transfers and contributions)</b>	497 861	544 438	601 528	721 413	698 402	669 593	–	828 986	888 609	937 309
Employee costs	144 212	159 027	170 173	188 560	188 944	179 127	–	207 771	229 672	246 192
Remuneration of councillors	9 737	11 916	12 102	13 174	13 174	13 174	–	14 685	15 772	16 939
Depreciation & asset impairment	63 866	59 179	43 309	46 687	46 687	46 687	–	62 640	66 278	74 738
Finance charges	4 645	3 312	1 174	8 142	5 642	589	–	3 034	4 979	4 489
Materials and bulk purchases	187 340	228 521	258 726	351 708	339 948	273 550	–	349 236	375 169	409 796
Transfers and grants	15 409	17 690	30 958	47 192	47 192	33 698	–	40 389	45 265	47 288
Other expenditure	78 474	169 009	151 501	159 645	149 915	140 444	–	190 751	192 199	194 931
<b>Total Expenditure</b>	503 683	648 654	667 942	815 109	791 502	687 270	–	868 506	929 334	994 374
<b>Surplus/(Deficit)</b>	(5 822)	(104 216)	(66 414)	(93 696)	(93 100)	(17 676)	–	(39 520)	(40 725)	(57 065)
Transfers recognised - capital	41 082	40 873	67 136	93 697	93 697	93 697	–	60 731	61 381	66 222
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	35 260	(63 342)	722	1	597	76 021	–	21 211	20 656	9 157
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	35 260	(63 342)	722	1	597	76 021	–	21 211	20 656	9 157
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	44 214	86 427	78 113	163 587	126 197	36 849	–	136 861	70 631	74 092
Transfers recognised - capital	41 082	37 594	64 639	93 697	93 697	36 302	–	75 731	61 381	66 222
Public contributions & donations	912	–	–	–	–	–	–	–	–	–
Borrowing	–	–	9 000	27 500	27 500	–	–	45 400	–	–
Internally generated funds	2 220	48 833	4 475	42 390	5 000	548	–	15 730	9 250	7 870
<b>Total sources of capital funds</b>	44 214	86 427	78 113	163 587	126 197	36 849	–	136 861	70 631	74 092
<b>Financial position</b>										
Total current assets	210 776	151 686	155 493	179 497	194 910	241 562	–	217 942	217 355	204 268
Total non current assets	896 315	911 532	944 986	1 008 989	996 036	981 719	–	1 062 941	1 078 294	1 082 648
Total current liabilities	126 935	148 457	170 611	195 072	166 267	153 273	–	167 325	180 897	191 500
Total non current liabilities	43 985	70 747	85 130	77 274	102 013	93 044	–	122 736	129 343	127 419
Community wealth/Equity	936 172	844 014	844 738	916 140	922 666	976 964	–	990 822	985 409	967 997
<b>Cash flows</b>										
Net cash from (used) operating	87 192	66 724	65 708	102 436	72 419	51 419	–	124 538	105 880	102 190
Net cash from (used) investing	(44 285)	(78 612)	(75 524)	(131 304)	(93 697)	(90 000)	–	(131 861)	(65 631)	(73 092)
Net cash from (used) financing	(16 385)	(15 631)	11 324	11 959	(20 832)	(744)	–	39 381	(10 070)	(10 398)
<b>Cash/cash equivalents at the year end</b>	35 195	7 676	9 184	2 019	(32 926)	(30 141)	9 184	1 917	32 096	50 796
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	35 195	7 676	16 184	(2 019)	(6 019)	15 807	–	15 220	39 183	43 870
Application of cash and investments	(42 495)	17 553	42 447	57 842	34 852	(2 576)	–	(4 020)	29 655	50 489
<b>Balance - surplus (shortfall)</b>	77 690	(9 877)	(26 263)	(59 861)	(40 871)	18 383	–	19 240	9 528	(6 619)
<b>Asset management</b>										
Asset register summary (WDV)	883 684	910 028	943 311	1 008 989	996 036	981 719	1 062 941	1 062 941	1 078 294	1 082 648
Depreciation & asset impairment	63 866	59 179	43 309	46 687	46 687	46 687	62 640	62 640	66 278	74 738

Renewal of Existing Assets	–	12 316	1 723	45 440	4 354	–	–	21 860	9 810	5 250
Repairs and Maintenance	<b>59 974</b>	73 597	66 638	98 468	86 991	62 927	79 733	79 733	84 952	90 531
<b>Free services</b>										
Cost of Free Basic Services provided	<b>38 987</b>	41 498	45 080	90 017	90 017	49 764	70 705	70 705	63 614	67 049
Revenue cost of free services provided	<b>38 960</b>	52 674	55 160	86 969	86 969	65 098	67 465	67 465	67 247	70 878
<b>Households below minimum service level</b>										
Water:	2	2	2	3	3	3	1	1	1	1
Sanitation/sewerage:	2	2	2	12	12	12	9	9	5	5
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	20	30	20	69	69	69	72	72	75	75

### Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
  - Capital expenditure is balanced by capital funding sources, of which
    - Transfers recognised is reflected on the Financial Performance Budget;
    - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. If the municipality's cash flow is positive, and is improving it indicates that the necessary cash resources are available to fund the Capital Budget. Capital from own funding (accumulated surplus) will only be used based on the availability of cash.
- Even though the Council is placing great emphasis on financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.



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

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>131 646</b>	<b>147 057</b>	<b>142 958</b>	<b>144 269</b>	<b>146 114</b>	<b>187 830</b>	<b>177 876</b>	<b>193 048</b>	<b>202 905</b>
Executive and council		1 436	461	414	255	555	692	350	369	389
Budget and treasury office		129 504	145 140	140 276	136 432	137 977	185 436	170 073	185 091	196 994
Corporate services		706	1 457	2 268	7 582	7 582	1 703	7 453	7 587	5 522
<b>Community and public safety</b>		<b>14 048</b>	<b>12 238</b>	<b>10 651</b>	<b>28 115</b>	<b>23 215</b>	<b>11 603</b>	<b>26 547</b>	<b>27 706</b>	<b>13 523</b>
Community and social services		427	417	1 021	2 143	2 143	1 716	2 886	1 477	1 376
Sport and recreation		2 397	1 430	1 655	9 235	9 235	3 590	14 662	16 011	2 043
Public safety		4 669	6 541	4 503	13 537	7 637	3 197	5 499	6 519	6 104
Housing		6 555	3 849	3 472	3 200	4 200	3 101	3 500	3 700	4 000
<b>Economic and environmental services</b>		<b>21 853</b>	<b>19 948</b>	<b>36 952</b>	<b>7 665</b>	<b>7 665</b>	<b>552</b>	<b>646</b>	<b>27 997</b>	<b>43 939</b>
Planning and development		421	498	289	665	665	552	646	680	717
Road transport		21 432	19 450	36 662	7 000	7 000	-	-	27 317	43 222
<b>Trading services</b>		<b>371 396</b>	<b>407 113</b>	<b>479 086</b>	<b>635 061</b>	<b>615 104</b>	<b>487 652</b>	<b>684 647</b>	<b>701 239</b>	<b>743 163</b>
Electricity		154 841	160 965	190 370	250 693	245 893	193 932	240 627	273 782	293 265
Water		152 638	186 761	215 936	238 585	238 585	221 169	325 640	332 660	350 101
Waste water management		33 307	24 652	28 272	79 040	73 043	29 793	59 985	34 464	36 266
Waste management		30 611	34 735	44 507	66 743	57 583	42 758	58 396	60 332	63 532
<b>Total Revenue - Standard</b>	<b>2</b>	<b>538 943</b>	<b>586 356</b>	<b>669 647</b>	<b>815 110</b>	<b>792 098</b>	<b>687 636</b>	<b>889 716</b>	<b>949 990</b>	<b>1 003 531</b>
<b>Expenditure - Standard</b>	<b>-</b>									
<b>Governance and administration</b>		<b>86 692</b>	<b>125 819</b>	<b>93 742</b>	<b>140 397</b>	<b>134 550</b>	<b>145 104</b>	<b>144 143</b>	<b>152 836</b>	<b>167 031</b>
Executive and council		50 244	42 719	44 196	62 777	58 754	58 433	65 662	71 998	78 012
Budget and treasury office		24 607	41 608	36 738	36 399	35 412	52 766	35 245	35 011	39 300
Corporate services		11 841	41 493	12 809	41 220	40 384	33 906	43 237	45 827	49 719
<b>Community and public safety</b>		<b>66 689</b>	<b>62 374</b>	<b>61 758</b>	<b>69 623</b>	<b>67 463</b>	<b>71 993</b>	<b>84 541</b>	<b>94 413</b>	<b>98 762</b>
Community and social services		7 328	7 210	6 626	12 363	10 940	7 263	10 646	12 778	11 872
Sport and recreation		18 841	23 337	21 326	24 572	23 638	27 408	28 968	32 463	34 869
Public safety		25 045	28 751	30 972	29 887	29 370	34 112	40 849	44 812	47 677
Housing		15 475	3 075	2 834	2 802	3 515	3 210	4 078	4 362	4 344
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>49 919</b>	<b>46 366</b>	<b>45 674</b>	<b>62 830</b>	<b>54 828</b>	<b>36 845</b>	<b>58 271</b>	<b>64 414</b>	<b>70 762</b>
Planning and development		3 467	4 063	3 169	3 997	3 245	5 252	6 401	6 973	7 361
Road transport		46 452	42 303	42 505	58 833	51 583	31 594	51 870	57 440	63 401
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>300 383</b>	<b>415 138</b>	<b>467 751</b>	<b>542 259</b>	<b>534 461</b>	<b>357 674</b>	<b>581 551</b>	<b>617 671</b>	<b>657 820</b>
Electricity		137 227	177 612	207 570	248 490	244 405	165 214	266 768	291 092	311 355
Water		103 957	165 276	178 441	194 215	192 042	122 838	203 232	208 267	222 751
Waste water management		33 693	36 036	39 906	46 912	46 874	36 128	53 282	56 111	58 385
Waste management		25 506	36 214	41 834	52 643	51 140	33 494	58 269	62 201	65 328
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>503 683</b>	<b>649 698</b>	<b>668 925</b>	<b>815 109</b>	<b>791 302</b>	<b>611 615</b>	<b>868 506</b>	<b>929 334</b>	<b>994 374</b>
<b>Surplus/(Deficit) for the year</b>		<b>35 260</b>	<b>(63 342)</b>	<b>722</b>	<b>1</b>	<b>796</b>	<b>76 021</b>	<b>21 211</b>	<b>20 656</b>	<b>9 157</b>

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

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

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

Vote Description R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>	1									
Vote 1 - Council/Mayor, Speaker and Councillors		5	500	20	–	–	–	–	–	–
Vote 2 - Municipal Manager		1 431	24 262	1 560	2 237	2 237	1 887	2 108	2 229	2 250
Vote 3 - Organisational Development & Corporate Services		706	423	545	490	590	504	585	617	650
Vote 4 - Social Services		37 677	44 795	52 217	92 049	76 990	49 528	81 933	84 866	73 625
Vote 5 - Infrastructure Services		360 190	400 901	484 137	592 767	581 970	479 814	625 772	667 706	722 294
Vote 6 - Financial Services		131 958	129 883	140 276	136 432	137 977	185 437	170 073	185 091	196 994
Vote 7 - Local Economic Development		6 975	4 347	4 037	8 965	9 965	5 154	9 246	9 480	7 717
<b>Total Revenue by Vote</b>	2	<b>538 943</b>	<b>605 111</b>	<b>682 793</b>	<b>832 939</b>	<b>809 729</b>	<b>722 324</b>	<b>889 716</b>	<b>949 990</b>	<b>1 003 531</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Council/Mayor, Speaker and Councillors		21 144	23 643	27 907	36 908	33 944	27 508	35 143	37 239	36 972
Vote 2 - Municipal Manager		29 100	62 120	5 675	28 606	28 343	32 244	41 480	46 468	52 392
Vote 3 - Organisational Development & Corporate Services		11 841	22 077	13 413	19 762	19 880	25 477	20 087	20 990	20 912
Vote 4 - Social Services		77 621	96 382	92 277	110 338	105 543	93 123	125 352	138 136	144 680
Vote 5 - Infrastructure Services		319 353	417 240	494 157	583 758	569 978	401 734	589 842	628 408	676 253
Vote 6 - Financial Services		24 607	36 312	36 462	36 399	35 386	52 765	35 245	35 011	39 300
Vote 7 - Local Economic Development		20 016	10 679	12 180	17 168	16 058	13 452	21 356	23 082	23 865
<b>Total Expenditure by Vote</b>	2	<b>503 683</b>	<b>668 453</b>	<b>682 071</b>	<b>832 938</b>	<b>809 132</b>	<b>646 304</b>	<b>868 506</b>	<b>929 334</b>	<b>994 374</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>35 260</b>	<b>(63 342)</b>	<b>722</b>	<b>1</b>	<b>597</b>	<b>76 021</b>	<b>21 211</b>	<b>20 656</b>	<b>9 157</b>

**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	2010/11	2011/12	2012/2013	2013/14	2013/14	2013/14	2014/15	2015/16	2016/17
R Thousand	Audit outcome	Audit outcome	Audit outcome	Original Budget	Adjusted Budget	Full Year Forecast	MTREF	MTREF	MTREF
<b>Electricity</b>									
Total Revenue	309 629	172 876	201 889	263 769	258 969	222 501	258 727	293 004	314 020
Total Expenditure	243 374	189 524	219 353	264 293	260 043	228 759	284 912	310 341	332 118
Surplus/(Deficit) for the year	66 255	-16 648	-17 464	-524	-1 074	-6 258	-26 185	-17 337	-18 098
Percentage Surplus	21.40%	-9.63%	-8.65%	-0.20%	-0.41%	-2.81%	-10.12%	-5.92%	-5.76%
<b>Water</b>									
Total Revenue	152 826	187 217	217 129	242 797	242 797	227 337	331 271	338 096	355 673
Total Expenditure	104 093	165 877	179 635	200 990	198 818	139 005	208 865	213 703	228 323
Surplus/(Deficit) for the year	48 733	21 340	37 494	41 807	43 979	88 332	122 406	124 393	127 350
Percentage Surplus	31.89%	11.40%	17.27%	17.22%	18%	38.86%	36.95%	36.79%	35.81%
<b>Sanitation</b>									
Total Revenue	28 992	24 849	28 452	79 191	73 194	29 973	60 182	34 658	36 474
Total Expenditure	30 242	36 233	40 085	49 625	49 587	34 536	53 480	56 304	58 594
Surplus/(Deficit) for the year	-1 250	-11 384	-11 633	29 566	23 607	-4 563	6 702	-21 646	-22 120
Percentage	-4.31%	-45.81%	-40.89%	37.34%	32.25%	-15.22%	11.14%	-62.46%	-60.65%

Surplus									
<b>Waste Removal</b>									
Total Revenue	30 611	35 238	45 038	67 134	57 934	42 757	58 885	60 860	64 102
Total Expenditure	25 506	36 717	42 365	53 033	51 530	36 515	58 758	62 729	65 899
Surplus/(Deficit) for the year	5 105	-1 479	2 673	14 101	6 404	6 242	127	-1 869	-1 797
Percentage Surplus	16.68%	-4.20%	5.93%	21.00%	11.05%	14.60%	0.22%	-3.07%	-2.80%

2. The electricity trading deficit improves over the 2014/15 MTREF from a deficit of 10.12 per cent or R26 million in 2014/15 to a deficit of 5.76 per cent by 2016/17. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers. Problems are also experienced with NERSA regarding the approval of tariffs.
3. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 38.86 per cent, 36.79 per cent and 35.81 per cent for each of the respective financial years and is as a result of the implementation of the inclining tariff.
4. The sanitation surplus is deteriorating over the 2014/15 MTREF from a surplus of 11.14 per cent or R6.7 million in 2014/15 to a deficit of 60.65 per cent by 2016/17.
5. The waste removal deficit is deteriorating over the 2014/15 MTREF from a surplus of 0.22 per cent or R127 000 in 2014/15 to a deficit of 2.8 per cent by 2016/17.

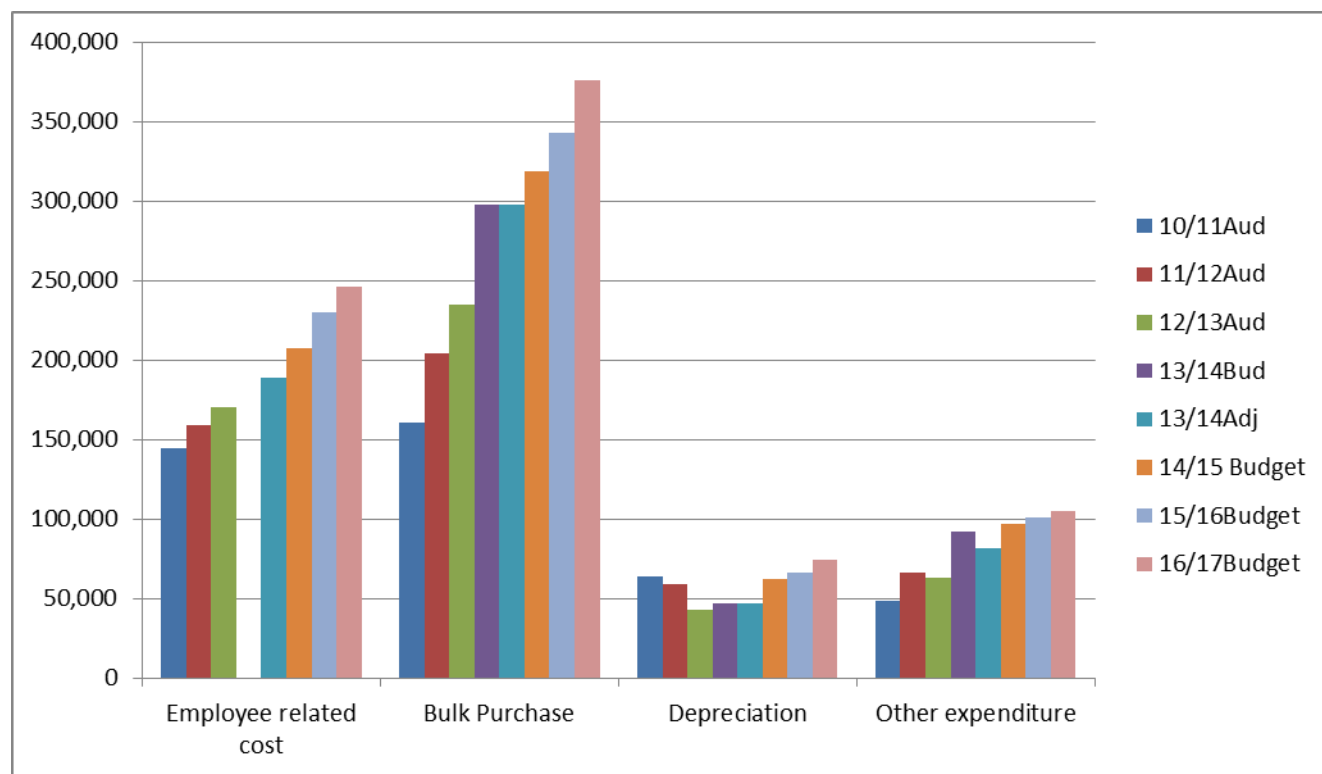
**Table 21MBRTable A4 - Budgeted Financial Performance (revenue and expenditure)****FS204 Metsimaholo - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description  R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>											
Property rates	2	77 043	86 652	92 485	93 932	95 432	108 878	–	102 114	107 628	113 440
Service charges - electricity revenue	2	131 976	137 388	164 079	201 404	197 404	178 474	–	219 951	243 316	261 297
Service charges - water revenue	2	122 373	141 717	159 701	186 539	186 289	184 385	–	276 185	294 311	313 673
Service charges - sanitation revenue	2	17 761	18 996	19 990	31 937	25 937	21 735	–	22 837	24 071	25 370
Service charges - refuse revenue	2	23 112	25 259	27 526	44 491	35 491	28 612	–	39 978	42 137	44 412
Service charges - other		6 376	5 116	6 743	9 425	8 563	6 618		9 136	8 767	9 238
Rental of facilities and equipment		4 855	4 727	4 514	4 411	5 411	5 943		5 002	5 114	5 356
Interest earned - external investments		6 153	2 357	1 543	2 400	1 700	1 578		2 400	2 530	2 666
Interest earned - outstanding debtors		12 505	19 203	13 900	17 475	17 675	19 631		18 600	20 922	21 373
Dividends received		–	59	–	–	–	–		–	–	–
Fines		7 082	6 308	4 194	13 016	7 116	2 823		5 023	6 024	5 575
Licences and permits		73	66	120	171	171	0		172	181	191
Agency services		–	–	–	–	–	–		–	–	–
Transfers recognised - operational		83 228	91 482	97 822	107 887	107 887	107 887		118 259	124 053	129 021
Other revenue	2	2 656	4 379	4 779	3 326	4 326	2 904	–	4 328	4 556	4 697
Gains on disposal of PPE		2 670	728	4 132	5 000	5 000	127		5 000	5 000	1 000
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>497 861</b>	<b>544 438</b>	<b>601 528</b>	<b>721 413</b>	<b>698 402</b>	<b>669 593</b>	<b>–</b>	<b>828 986</b>	<b>888 609</b>	<b>937 309</b>
<b>Expenditure By Type</b>											
Employee related costs	2	144 212	159 027	170 173	188 560	188 944	179 127	–	207 771	229 672	246 192
Remuneration of councillors		9 737	11 916	12 102	13 174	13 174	13 174		14 685	15 772	16 939
Debt impairment	3	10 231	79 875	62 594	48 000	48 000	48 000		64 300	60 100	57 900
Depreciation & asset impairment	2	63 866	59 179	43 309	46 687	46 687	46 687	–	62 640	66 278	74 738
Finance charges		4 645	3 312	1 174	8 142	5 642	589		3 034	4 979	4 489
Bulk purchases	2	160 854	204 194	235 118	297 730	297 630	255 655	–	318 550	342 948	375 835
Other materials	8	26 486	24 327	23 608	53 978	42 318	17 896		30 685	32 222	33 962
Contracted services		12 309	15 953	20 022	19 300	20 200	18 601	–	29 660	30 930	32 107
Transfers and grants		15 409	17 690	30 958	47 192	47 192	33 698	–	40 389	45 265	47 288
Other expenditure	4, 5	48 835	66 151	62 910	92 345	81 715	73 436	–	96 790	101 169	104 924
Loss on disposal of PPE		7 099	7 030	5 975	–	–	408		–	–	–
<b>Total Expenditure</b>		<b>503 683</b>	<b>648 654</b>	<b>667 942</b>	<b>815 109</b>	<b>791 502</b>	<b>687 270</b>	<b>–</b>	<b>868 506</b>	<b>929 334</b>	<b>994 374</b>
<b>Surplus/(Deficit)</b>		<b>(5 822)</b>	<b>(104 216)</b>	<b>(66 414)</b>	<b>(93 696)</b>	<b>(93 100)</b>	<b>(17 676)</b>	<b>–</b>	<b>(39 520)</b>	<b>(40 725)</b>	<b>(57 065)</b>
Transfers recognised - capital		41 082	40 873	67 136	93 697	93 697	93 697		60 731	61 381	66 222
Contributed assets											
<b>Surplus/(Deficit) for the year</b>		<b>35 260</b>	<b>(63 342)</b>	<b>722</b>	<b>1</b>	<b>597</b>	<b>76 021</b>	<b>–</b>	<b>21 211</b>	<b>20 656</b>	<b>9 157</b>

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

1. Total revenue is R889 717 million in 2014/15 and escalates to R1 003 531million by 2016/17. This represents a year-on-year increase of 6.8 per cent for the 2015/16 financial year and 5.6 per cent for the 2016/17 financial year.
2. Revenue to be generated from property rates is R102.1 million in the 2014/15 financial year and increases to R113.4 million by 2016/17 which represents 11 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent, 5.4 per cent and 5.4 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R558 952 million for the 2014/15 financial year and increasing to R644 752 million by 2016/17. For the 2014/15 financial year services charges amount to 62.8 per cent of the total revenue base and increase over the medium-term to 63.6 per cent and 64.3 per cent.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 9.6 per cent and 4.9 per cent 4.01 per cent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.

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



**Figure 3 Expenditure by major type**

6. Bulk purchases have significantly increased over the 2010/11 to 2016/17 period escalating from R160.8 million to R375.8 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Rand Water.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.



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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	700	700	700
Vote 3 - Organisational Development & Corporate Services		-	-	-	-	-	-	-	1 100	600	700
Vote 4 - Social Services		-	-	-	7 456	6 691	-	-	13 742	15 164	1 100
Vote 5 - Infrastructure Services		-	-	-	64 542	73 306	-	-	120 719	54 167	69 592
Vote 6 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	2 000
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71 997</b>	<b>79 997</b>	<b>-</b>	<b>-</b>	<b>136 261</b>	<b>70 631</b>	<b>74 092</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	23	-	-	-	-	600	-	-
Vote 2 - Municipal Manager		(1 726)	661	484	1 864	-	-	-	-	-	-
Vote 3 - Organisational Development & Corporate Services		410	-	1 002	1 200	120	228	-	-	-	-
Vote 4 - Social Services		2 632	1 200	115	9 543	425	171	-	-	-	-
Vote 5 - Infrastructure Services		41 709	48 931	76 291	78 214	41 301	36 450	-	-	-	-
Vote 6 - Financial Services		754	335	200	17	4 354	-	-	-	-	-
Vote 7 - Local Economic Development		435	35 300	-	752	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>44 214</b>	<b>86 427</b>	<b>78 113</b>	<b>91 590</b>	<b>46 200</b>	<b>36 849</b>	<b>-</b>	<b>600</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>		<b>44 214</b>	<b>86 427</b>	<b>78 113</b>	<b>163 587</b>	<b>126 197</b>	<b>36 849</b>	<b>-</b>	<b>136 861</b>	<b>70 631</b>	<b>74 092</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>(562)</b>	<b>996</b>	<b>11 466</b>	<b>3 081</b>	<b>4 093</b>	<b>1 115</b>	<b>-</b>	<b>24 400</b>	<b>1 300</b>	<b>3 400</b>
Executive and council		(1 726)	661	1 024	1 864	120	233	-	1 700	600	700
Budget and treasury office		754	335	215	17	2 773	23	-	-	-	-
Corporate services		410	-	10 227	1 200	1 200	860	-	22 700	700	2 700
<b>Community and public safety</b>		<b>2 886</b>	<b>36 500</b>	<b>215</b>	<b>14 487</b>	<b>12 997</b>	<b>796</b>	<b>-</b>	<b>12 692</b>	<b>14 114</b>	<b>50</b>
Community and social services		2 248	1 102	12	1 659	3 174	150	-	-	-	-
Sport and recreation		140	96	100	9 696	6 691	336	-	12 692	14 114	50
Public safety		244	2	102	2 382	2 382	306	-	-	-	-
Housing		254	35 300	-	750	750	3	-	-	-	-
<b>Economic and environmental services</b>		<b>21 013</b>	<b>9 827</b>	<b>10 042</b>	<b>21 543</b>	<b>7 102</b>	<b>3 796</b>	<b>-</b>	<b>38 700</b>	<b>28 817</b>	<b>43 222</b>
Planning and development		181	-	-	2	2	3	-	-	-	-
Roads		20 832	9 827	10 042	21 541	7 100	3 793	-	38 700	28 817	43 222
<b>Trading services</b>		<b>20 804</b>	<b>37 019</b>	<b>55 546</b>	<b>119 580</b>	<b>96 505</b>	<b>31 143</b>	<b>-</b>	<b>61 069</b>	<b>26 400</b>	<b>27 420</b>
Electricity		8 982	13 632	7 289	51 018	40 000	14 017	-	17 200	23 600	24 640
Water		5 028	14 539	20 712	21 577	14 375	6 096	-	15 200	1 520	1 500
Waste water management		6 794	8 848	27 544	43 727	42 130	9 923	-	27 619	230	230
Waste management		-	-	-	3 258	-	1 107	-	1 050	1 050	1 050
<b>Other</b>		<b>73</b>	<b>2 084</b>	<b>844</b>	<b>4 898</b>	<b>5 500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>44 214</b>	<b>86 427</b>	<b>78 113</b>	<b>163 587</b>	<b>126 197</b>	<b>36 849</b>	<b>-</b>	<b>136 861</b>	<b>70 631</b>	<b>74 092</b>

<b>Funded by:</b>											
National Government		41 082	37 594	64 639	93 697	93 697	36 302		75 731	61 381	66 222
Provincial Government		–	–	–	–	–	–		–	–	–
District Municipality		–	–	–	–	–	–		–	–	–
Other transfers and grants		–	–	–	–	–	–		–	–	–
<b>Transfers recognised - capital</b>	4	<b>41 082</b>	<b>37 594</b>	<b>64 639</b>	<b>93 697</b>	<b>93 697</b>	<b>36 302</b>	–	<b>75 731</b>	<b>61 381</b>	<b>66 222</b>
<b>Public contributions &amp; donations</b>	5	<b>912</b>	–	–	–	–	–		–	–	–
<b>Borrowing</b>	6	–	–	9 000	27 500	27 500	–		45 400	–	–
<b>Internally generated funds</b>		<b>2 220</b>	<b>48 833</b>	<b>4 475</b>	<b>42 390</b>	<b>5 000</b>	<b>548</b>		<b>15 730</b>	<b>9 250</b>	<b>7 870</b>
<b>Total Capital Funding</b>	7	<b>44 214</b>	<b>86 427</b>	<b>78 113</b>	<b>163 587</b>	<b>126 197</b>	<b>36 849</b>	–	<b>136 861</b>	<b>70 631</b>	<b>74 092</b>

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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R600 000 for the 2014/15 financial year and flattens out over the MTREF at levels of zero respectively for the two outer years.
4. Multi-year capital expenditure has been appropriated at R136.2 million for the 2014/15 financial year and flattens out over the MTREF at levels of R70.6 million and R74 million respectively for the two outer years.
5. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
6. The capital programs are funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2014/15, capital transfers (grants) totals R75.7 million (55 per cent) and escalates to R66.2 million by 2016/17 (89 per cent). Borrowing has been provided at R45 million over the MTREF with internally generated funding totalling R15.7 million, R9.2 million and R7.8 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	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		8 133	5 491	9 184	–	–	–			22 183	23 870
Call investment deposits	1	27 062	2 185	7 000	4 000	–	15 807	–	15 220	17 000	20 000
Consumer debtors	1	95 403	91 789	93 536	102 497	121 910	172 755	–	145 722	126 172	111 398
Other debtors		14 988	16 208	19 202	14 000	14 000	22 000		25 000	21 000	22 000
Current portion of long-term receivables		11 490	17 914	5 612	40 000	40 000	12 000		12 000	12 000	12 000
Inventory	2	53 699	18 099	20 959	19 000	19 000	19 000		20 000	19 000	15 000
<b>Total current assets</b>		<b>210 776</b>	<b>151 686</b>	<b>155 493</b>	<b>179 497</b>	<b>194 910</b>	<b>241 562</b>	<b>–</b>	<b>217 942</b>	<b>217 355</b>	<b>204 268</b>
<b>Non current assets</b>											
Long-term receivables		–	1 504	1 676		–					
Investments		–	–	–		–					
Investment property		43 985	79 260	77 881	79 260	79 260	79 260		79 260	79 260	79 260
Investment in Associate		–	–	–		–					
Property, plant and equipment	3	839 541	830 635	865 241	929 643	916 690	902 373	–	983 595	998 948	1 003 302
Agricultural				–		–					
Biological				–		–					
Intangible		159	134	189	86	86	86		86	86	86
Other non-current assets		12 631				–					
<b>Total non current assets</b>		<b>896 315</b>	<b>911 532</b>	<b>944 986</b>	<b>1 008 989</b>	<b>996 036</b>	<b>981 719</b>	<b>–</b>	<b>1 062 941</b>	<b>1 078 294</b>	<b>1 082 648</b>
<b>TOTAL ASSETS</b>		<b>1 107 092</b>	<b>1 063 218</b>	<b>1 100 479</b>	<b>1 188 486</b>	<b>1 190 946</b>	<b>1 223 281</b>	<b>–</b>	<b>1 280 883</b>	<b>1 295 649</b>	<b>1 286 916</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1			–	6 019	6 019					
Borrowing	4	15 631	9 599	20 420	4 205	11 800	3 080	–	2 325	3 697	5 000
Consumer deposits		9 558	10 648	12 170	13 448	13 448	13 448		14 000	14 200	14 500
Trade and other payables	4	101 746	128 211	138 021	171 400	135 000	136 745	–	151 000	163 000	172 000
Provisions											
<b>Total current liabilities</b>		<b>126 935</b>	<b>148 457</b>	<b>170 611</b>	<b>195 072</b>	<b>166 267</b>	<b>153 273</b>	<b>–</b>	<b>167 325</b>	<b>180 897</b>	<b>191 500</b>
<b>Non current liabilities</b>											
Borrowing		9 209	–	8 017	29 374	7 000	14 000	–	39 141	40 944	33 944
Provisions		34 776	70 747	77 113	47 900	95 013	79 044	–	83 595	88 399	93 475
<b>Total non current liabilities</b>		<b>43 985</b>	<b>70 747</b>	<b>85 130</b>	<b>77 274</b>	<b>102 013</b>	<b>93 044</b>	<b>–</b>	<b>122 736</b>	<b>129 343</b>	<b>127 419</b>
<b>TOTAL LIABILITIES</b>		<b>170 920</b>	<b>219 204</b>	<b>255 741</b>	<b>272 346</b>	<b>268 280</b>	<b>246 317</b>	<b>–</b>	<b>290 061</b>	<b>310 240</b>	<b>318 919</b>
<b>NET ASSETS</b>	5	<b>936 172</b>	<b>844 014</b>	<b>844 738</b>	<b>916 140</b>	<b>922 666</b>	<b>976 964</b>	<b>–</b>	<b>990 822</b>	<b>985 409</b>	<b>967 997</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		936 172	844 014	844 738	916 140	922 666	976 964		990 822	985 409	967 997
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>936 172</b>	<b>844 014</b>	<b>844 738</b>	<b>916 140</b>	<b>922 666</b>	<b>976 964</b>	<b>–</b>	<b>990 822</b>	<b>985 409</b>	<b>967 997</b>

**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 page175) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non- current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 24MBRTable A7 - Budgeted Cash Flow Statement****FS204 Metsimaholo - Table A7 Budgeted Cash Flows**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		492 548	454 562	416 024	559 617	421 605	400 605		634 518	680 756	726 893
Government - operating	1	–	95 398	95 390	107 887	107 887	107 887		118 259	124 053	129 021
Government - capital	1	–	–	67 136	93 697	93 697	93 697		60 731	61 381	66 222
Interest		19 755	2 416	15 443	18 128	2 638	2 638		19 140	21 359	21 902
Dividends		–	–	–	–	–	–				
<b>Payments</b>											
Suppliers and employees		(420 681)	(436 788)	(527 112)	(621 483)	(504 320)	(504 320)		(664 687)	(731 427)	(790 071)
Finance charges		(4 430)	(24 860)	(1 174)	(8 142)	(1 821)	(1 821)		(3 034)	(4 979)	(4 489)
Transfers and Grants	1	–	(24 004)	–	(47 267)	(47 267)	(47 267)		(40 389)	(45 265)	(47 288)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>87 192</b>	<b>66 724</b>	<b>65 708</b>	<b>102 436</b>	<b>72 419</b>	<b>51 419</b>	<b>–</b>	<b>124 538</b>	<b>105 880</b>	<b>102 190</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(44 214)	–	(75 524)	5 000	5 000			5 000	5 000	1 000
Decrease (Increase) in non-current debtors		(2 433)	7 725	–							
Decrease (increase) other non-current receivables		2 362	–	–							
Decrease (increase) in non-current investments		–	–	–							
<b>Payments</b>											
Capital assets		–	(86 337)		(136 304)	(98 697)	(90 000)		(136 861)	(70 631)	(74 092)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(44 285)</b>	<b>(78 612)</b>	<b>(75 524)</b>	<b>(131 304)</b>	<b>(93 697)</b>	<b>(90 000)</b>	<b>–</b>	<b>(131 861)</b>	<b>(65 631)</b>	<b>(73 092)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		–	–	–					400		
Borrowing long term/refinancing		–	–	–	27 500	–	–		45 000	–	
Increase (decrease) in consumer deposits		1 218	–	–	1 000	2 640	1 000				
<b>Payments</b>											
Repayment of borrowing		(17 603)	(15 631)	11 324	(16 541)	(23 472)	(1 744)		(6 019)	(10 070)	(10 398)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(16 385)</b>	<b>(15 631)</b>	<b>11 324</b>	<b>11 959</b>	<b>(20 832)</b>	<b>(744)</b>	<b>–</b>	<b>39 381</b>	<b>(10 070)</b>	<b>(10 398)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>26 522</b>	<b>(27 519)</b>	<b>1 508</b>	<b>(16 908)</b>	<b>(42 110)</b>	<b>(39 325)</b>	<b>–</b>	<b>32 058</b>	<b>30 179</b>	<b>18 699</b>
Cash/cash equivalents at the year begin:	2	<b>8 673</b>	<b>35 195</b>	<b>7 676</b>	<b>18 927</b>	<b>9 184</b>	<b>9 184</b>	<b>9 184</b>	<b>(30 141)</b>	<b>1 917</b>	<b>32 096</b>
Cash/cash equivalents at the year end:	2	<b>35 195</b>	<b>7 676</b>	<b>9 184</b>	<b>2 019</b>	<b>(32 926)</b>	<b>(30 141)</b>	<b>9 184</b>	<b>1 917</b>	<b>32 096</b>	<b>50 796</b>

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

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	35 195	7 676	9 184	2 019	(32 926)	(30 141)	9 184	1 917	32 096	50 796
Other current investments > 90 days		0	(0)	7 000	(4 038)	26 907	45 948	(9 184)	13 303	7 087	(6 926)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>35 195</b>	<b>7 676</b>	<b>16 184</b>	<b>(2 019)</b>	<b>(6 019)</b>	<b>15 807</b>	<b>–</b>	<b>15 220</b>	<b>39 183</b>	<b>43 870</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		11 760	8 040	5 109	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(54 255)	9 513	37 338	57 842	34 852	(2 576)	–	(4 020)	29 655	50 489
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(42 495)</b>	<b>17 553</b>	<b>42 447</b>	<b>57 842</b>	<b>34 852</b>	<b>(2 576)</b>	<b>–</b>	<b>(4 020)</b>	<b>29 655</b>	<b>50 489</b>
<b>Surplus(shortfall)</b>		<b>77 690</b>	<b>(9 877)</b>	<b>(26 263)</b>	<b>(59 861)</b>	<b>(40 871)</b>	<b>18 383</b>	<b>–</b>	<b>19 240</b>	<b>9 528</b>	<b>(6 619)</b>

### 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 2013/14 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
4. In addition the Municipality will undertake an extensive debt collection drive.

5. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents totals a project unfavourable R30.1 million as at the end of the 2013/14 financial year and improves to a favourable cash and cash equivalents of R50 million by 2016/17.

#### **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 2010/11 to 2012/13 the surplus (cash and cash equivalent) decrease from R35 million to R16 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2014/15 MTREF was funded owing to the significant deficit.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget has been modelled to progressively deteriorate from a surplus of R19.2 million in 2014/15 to a shortfall of R6.6 million by 2016/17.
9. Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2010/11 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. For the 2011/12 financial year the unspent grant from Department of Energy of R7.1 million was deducted from the transfer of Equitable Share grant transfer in 2011/2012 and R3.5million was deducted in 2012/2013.

**Table 26MBRRTable A9 - Asset Management****FS204 Metsimaholo - Table A9 Asset Management**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b><u>Total New Assets</u></b>	1	<b>44 214</b>	<b>74 111</b>	<b>78 113</b>	<b>118 147</b>	<b>121 844</b>	<b>36 622</b>	<b>187 046</b>	<b>155 376</b>	<b>128 567</b>
Infrastructure - Road transport		20 812	9 827	10 042	8 500	7 100	2 112	43 170	29 366	43 222
Infrastructure - Electricity		9 508	10 632	7 289	40 500	40 000	17 174	14 632	44 608	37 074
Infrastructure - Water		2 742	10 539	20 712	13 323	14 375	6 568	16 260	3 424	2 400
Infrastructure - Sanitation		5 751	7 070	27 544	42 419	42 131	10 596	46 899	1 041	1 015
Infrastructure - Other		—	—	—	500	500	—	1 525	38 260	22 003
Infrastructure		38 813	38 069	65 588	105 242	104 106	36 450	122 486	116 698	105 714
Community		4 073	35 302	100	11 406	10 641	172	30 055	21 904	1 818
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	1 328	740	12 425	1 500	7 097	—	34 505	16 774	21 035
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
<b><u>Total Renewal of Existing Assets</u></b>	2	<b>—</b>	<b>12 316</b>	<b>1 723</b>	<b>45 440</b>	<b>4 354</b>	<b>—</b>	<b>21 860</b>	<b>9 810</b>	<b>5 250</b>
Infrastructure - Road transport		—	11 000	—	12 500	—	—	—	—	—
Infrastructure - Electricity		—	—	—	2 050	—	—	—	—	—
Infrastructure - Water		—	—	—	1 065	—	—	—	—	—
Infrastructure - Sanitation		—	—	—	477	—	—	—	—	—
Infrastructure - Other		—	—	—	1 800	—	—	—	—	—
Infrastructure	-	—	11 000	—	17 892	—	—	—	—	—
Community	-	—	—	400	—	—	—	—	—	—
Heritage assets	-	—	—	—	—	—	—	—	—	—
Investment properties	-	—	—	—	—	—	—	—	—	—
Other assets	6	—	1 316	1 323	27 548	4 354	—	21 860	9 810	5 250
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
<b><u>Total Capital Expenditure</u></b>	4	<b>20 812</b>	<b>20 827</b>	<b>10 042</b>	<b>21 000</b>	<b>7 100</b>	<b>2 112</b>	<b>43 170</b>	<b>29 366</b>	<b>43 222</b>
Infrastructure - Road transport		9 508	10 632	7 289	42 550	40 000	17 174	14 632	44 608	37 074
Infrastructure - Electricity		2 742	10 539	20 712	14 388	14 375	6 568	16 260	3 424	2 400
Infrastructure - Sanitation		5 751	7 070	27 544	42 896	42 131	10 596	46 899	1 041	1 015
Infrastructure - Other		—	—	—	2 300	500	—	1 525	38 260	22 003
Infrastructure		38 813	49 069	65 588	123 134	104 106	36 450	122 486	116 698	105 714
Community		4 073	35 302	500	11 406	10 641	172	30 055	21 904	1 818
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		1 328	2 056	13 748	29 048	11 451	—	56 365	26 584	26 285
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	<b>44 214</b>	<b>86 427</b>	<b>79 836</b>	<b>163 587</b>	<b>126 198</b>	<b>36 622</b>	<b>208 906</b>	<b>165 186</b>	<b>133 817</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									

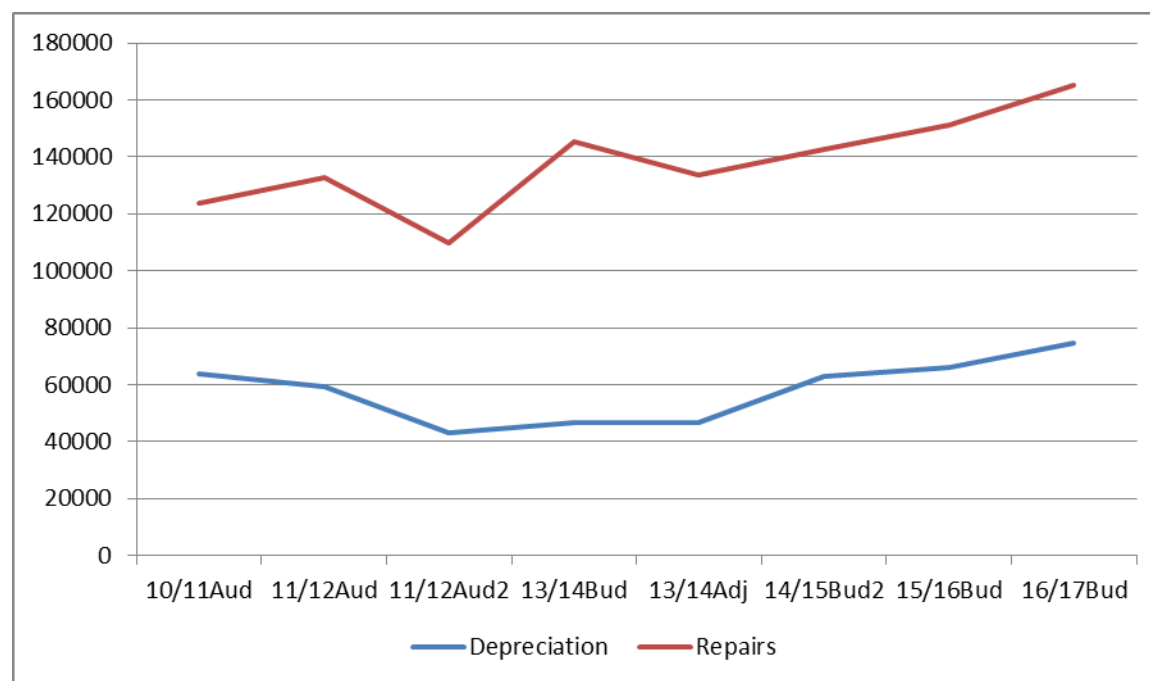


Infrastructure - Road transport		271 524	259 802	248 241	245 532	242 389	238 899	252 129	253 998	266 834
Infrastructure - Electricity		112 326	119 856	121 218	158 669	156 638	154 382	162 412	176 310	190 010
Infrastructure - Water		150 765	157 803	172 343	174 162	171 933	169 457	175 972	168 303	159 441
Infrastructure - Sanitation		102 578	108 492	133 095	161 679	159 610	157 311	178 264	171 441	163 718
Infrastructure - Other		23	19 901	3 673	20 826	20 559	20 263	21 160	22 048	23 068
Infrastructure		637 217	665 854	678 570	760 868	751 129	740 313	789 937	792 100	803 071
Community		–	6 422	–	10 970	10 830	10 674	20 542	21 677	28 358
Heritage assets		561	561	561	561	561	561	561	561	561
Investment properties		43 985	79 260	77 881	79 260	79 260	79 260	79 260	79 260	79 260
Other assets		201 763	157 798	186 110	157 244	154 171	150 826	172 555	184 610	171 312
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		159	134	189	86	86	86	86	86	86
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>883 684</b>	<b>910 028</b>	<b>943 311</b>	<b>1 008 989</b>	<b>996 036</b>	<b>981 719</b>	<b>1 062 941</b>	<b>1 078 294</b>	<b>1 082 648</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		63 866	59 179	43 309	46 687	46 687	46 687	62 640	66 278	74 738
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	59 974	73 597	66 638	98 468	86 991	62 927	79 733	84 952	90 531
Infrastructure - Road transport		20 859	16 648	19 665	33 496	27 696	20 378	23 909	25 428	26 928
Infrastructure - Electricity		8 830	13 184	14 181	20 185	18 585	13 186	16 579	17 667	18 903
Infrastructure - Water		6 978	14 008	11 425	14 734	12 734	9 257	12 616	13 500	14 446
Infrastructure - Sanitation		6 707	11 308	8 829	11 495	11 629	9 766	12 394	13 269	14 182
Infrastructure - Other		629	770	31	300	50	–	4 307	4 625	4 967
Infrastructure		44 003	55 918	54 131	80 210	70 694	52 587	69 806	74 489	79 426
Community		–	704	43	641	383	3 798	533	653	689
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	<b>6, 7</b>	15 971	16 975	12 464	17 617	15 914	6 542	9 395	9 810	10 417
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>123 840</b>	<b>132 776</b>	<b>109 947</b>	<b>145 155</b>	<b>133 678</b>	<b>109 614</b>	<b>142 373</b>	<b>151 230</b>	<b>165 270</b>
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	14.3%	2.2%	27.8%	3.5%	0.0%	10.5%	5.9%	3.9%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	20.8%	4.0%	97.3%	9.3%	0.0%	34.9%	14.8%	7.0%
<b>R&amp;M as a % of PPE</b>		7.1%	8.9%	7.7%	10.6%	9.5%	7.0%	8.1%	8.5%	9.0%
<b>Renewal and R&amp;M as a % of PPE</b>		7.0%	9.0%	7.0%	14.0%	9.0%	6.0%	10.0%	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 repair and maintenance are met when the employee related cost is added to materials, 2014/15 10.0 per cent, 2015/16 9 per cent and 2016/17 9 per cent.

3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.



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

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

## FS204 Metsimaholo - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		22 000	25 000	25 000	25 000	25 000	25 000	27 000	29 537	29 537
Piped water inside yard (but not in dwelling)		1 000	2 000	2 000	2 000	2 000	2 000	2 537	3 887	3 887
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		23 000	27 000	27 000	27 000	27 000	27 000	29 537	33 424	33 424
Using public tap (< min.service level)	3	2 000	2 000	2 000	3 424	3 424	3 424	887	887	887
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		2 000	2 000	2 000	3 424	3 424	3 424	887	887	887
<b>Total number of households</b>	5	25 000	29 000	29 000	30 424	30 424	30 424	30 424	34 311	34 311
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		14 000	19 000	19 000	19 000	19 000	19 000			
Flush toilet (with septic tank)		1 000	1 000	1 000						
Chemical toilet		–	6 000	6 000						
Pit toilet (ventilated)										
<i>Minimum Service Level and Above sub-total</i>		15 000	26 000	26 000	19 000	19 000	19 000	–	–	–
Bucket toilet		2 000	2 000	2 000	2 383	2 383	2 383	2 025	2 025	2 025
Other toilet provisions (< min.service level)					9 769	9 769	9 769	6 512	3 000	3 000
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		2 000	2 000	2 000	12 152	12 152	12 152	8 537	5 025	5 025
<b>Total number of households</b>	5	17 000	28 000	28 000	31 152	31 152	31 152	8 537	5 025	5 025
<b>Energy:</b>										
Electricity (at least min.service level)		17 000	4 000	6 000						
Electricity - prepaid (min.service level)		15 000	27 000	28 000	34 500	34 500	34 500	34 850	34 850	34 850
<i>Minimum Service Level and Above sub-total</i>		32 000	31 000	34 000	34 500	34 500	34 500	34 850	34 850	34 850
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	32 000	31 000	34 000	34 500	34 500	34 500	34 850	34 850	34 850
<b>Refuse:</b>										
Removed at least once a week		40 000	40 000	45 000	49 000	49 000	49 000	52 000	55 000	60 000
<i>Minimum Service Level and Above sub-total</i>		40 000	40 000	45 000	49 000	49 000	49 000	52 000	55 000	60 000
Removed less frequently than once a week		10 000	15 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000
Using communal refuse dump					49 000	49 000	49 000	52 000	55 000	55 000
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal		10 000	15 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000
<i>Below Minimum Service Level sub-total</i>		20 000	30 000	20 000	69 000	69 000	69 000	72 000	75 000	75 000
<b>Total number of households</b>	5	60 000	70 000	65 000	118 000	118 000	118 000	124 000	130 000	135 000
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		62	66	75	80	80	80	42	46	48
Sanitation (free minimum level service)		68	73	77	91	91	91	88	93	99

Electricity/other energy (50kwh per household per month)		40	40	33	35	35	35	49	52	55
Refuse (removed at least once a week)		73	78	82	88	88	88	95	100	106
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		17 153	19 170	18 043	19 724	19 724	11 429	13 153	13 863	14 612
Sanitation (free sanitation service)		4 415	4 218	5 293	32 134	32 134	10 429	19 624	20 684	21 801
Electricity/other energy (50kwh per household per month)		11 785	11 470	10 160	21 859	21 859	16 393	27 120	17 676	18 630
Refuse (removed once a week)		5 634	6 640	11 584	16 300	16 300	11 513	10 807	11 391	12 006
<b>Total cost of FBS provided (minimum social package)</b>		<b>38 987</b>	<b>41 498</b>	<b>45 080</b>	<b>90 017</b>	<b>90 017</b>	<b>49 764</b>	<b>70 705</b>	<b>63 614</b>	<b>67 049</b>
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		35 000	35 000	35 000	35 000	35 000	35 000	35 000	35 000	35 000
Water (kilolitres per household per month)		10	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		60	64	68	73	73	73	73	73	73
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		72	77	82	88	88	88	88	88	88
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		–	9 529	9 214	10 504	10 504	9 889	10 449	11 013	11 608
Property rates (other exemptions, reductions and rebates)		–	–	–						
Water		17 153	19 170	22 498	36 299	36 299	25 118	23 789	25 074	26 428
Sanitation		4 415	5 865	1 704	9 264	9 264	7 043	8 809	9 285	9 786
Electricity/other energy		11 758	11 470	10 160	10 819	10 819	12 364	9 578	6 233	6 570
Refuse		5 634	6 640	11 584	20 083	20 083	10 684	14 840	15 641	16 486
<b>Total revenue cost of free services provided (total social package)</b>		<b>38 960</b>	<b>52 674</b>	<b>55 160</b>	<b>86 969</b>	<b>86 969</b>	<b>65 098</b>	<b>67 465</b>	<b>67 247</b>	<b>70 878</b>

### 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.
  - Sanitation services – backlog will be reduced by 4 000 households in 2014/15
  - Electricity services – the municipality is in process to build a new substation and the backlog will be reduced after the completion of the substation.
- Refuse services – additional refuse removal trucks will assist in delivering more efficient and extended services
- The budget provides for a total 13 000 households to be registered as indigent in 2014/15, 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.
- It is anticipated that Free Basic Services to indigent will cost the municipality R51.4 million in 2014/15 and it increases to R56.2million in 2016/17. This is covered by the municipality's equitable share allocation from national government.
- In addition to the Free Basic Services, the Municipality also 'gives' households R13.4million in free services in 2014/15, and it decreases to R10.8 million in 2016/17. The forgone income on Rates for valuation less than R35 000 that all households receives is R10.4 million.

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

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

#### 2.1.1 Budget Process Overview

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

The Mayor tabled in Council the required the IDP and budget time schedule on 31 July 2013. Attached as Annexure B on page\_\_\_\_ the time table for IDP and Budget process. Key dates applicable to the process were:

- **November 2013** – 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 2014** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **February 2014** –Multi-year budget proposals are submitted to the Portfolio Committee for endorsement;
- **January 2014** - Council considers the 2013/14 Mid-year Review and Adjustments Budget;
- **March 2014** - Recommendations are communicated to the respective departments.
- **19 March 2014**- Recommendations are communicated to Informal Council Meeting, and on to the respective departments. The draft 2014/15 MTREF is revised accordingly;
- **27 March 2014** - Tabling in Council of the draft 2014/15 IDP and 2014/15 MTREF for public consultation;
- **April 2014** – Public consultation –did take place *12 to 15 May 2014*;
- **9 May 2014** - Closing date for written comments;
- **1 to 20 May 2014**– finalisation of the 2014/15 IDP and 2014/15 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;
- **21 May 2014**(*20 May 2014* )- Informal Council meeting, and

- **30 May 2014** - Tabling of the 2014/15 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 2014/15 IDP therefore represents the second annual review of the adopted five-year IDP.

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

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

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

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

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2014/15 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 2014/15 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 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 51, 58.64, 66.67,70 and 72 has been taken into consideration in the planning and prioritisation process.

#### 2.1.4 Community Consultation

The draft 2014/15 MTREF as tabled before Council on 2 April 2014 for community consultation was 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 2014/2015 Draft Budget and IDP.

The documents will be available for perusal and public comment from 3 April 2014 to 6 May

---

May 2014

2014

And

Notice is hereby given in terms of Section 21 of the Municipal Systems Act, 32 of 2000 and Section 22(2) of the Municipal Finance Management Act, 56 of 2003 that the amended IDP for 2014– 2015 has been tabled and be available from 3 April 2014 to 6 May 2014.

Copies of the IDP documents and draft Budget are available for inspection on the municipality's web-site ([www.metsimaholo.gov.za](http://www.metsimaholo.gov.za)) and in all public libraries within Metsimaholo Local Municipality from 3 April 2014 to 6 May 2014. All comments and inputs on IDP, 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](mailto:sello.mokoena@metsimaholo.gov.za) (IDP) or [amanda.vorster@metsimaholo.gov.za](mailto: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

	Ward	Date	Venue	Time
Oranjeville Metsimaholo	5	12 May 2014	Metsimaholo Hall	18:00
Deneysville	5;20	13 May 2014	Deneysville Primary School	18:00
Refengkgotso	3;4;20	13 May 2014	Refengkgotso Community Hall	16:00

May 2014



Zamdela	1;2;7;8;9;10;11;12	14 May 2014	Zamdela Hall	17:00
Sasolburg	15;16;17	15 May 2014	Council Foyer Civic Centre Sasolburg	18:00
Vaalpark	14;18	15 May 2014	Vaal Park Primary School	18:00

*S M Molala*

**MUNICIPAL MANAGER**

8 April 2014

(Notice No.: )

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The documents were available for perusal and public comments from 3 April 2014 to 15 May 2014.

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

- Sports complex of Metsimaholo more expensive than Refengkgotso
- Water readings not accurate – effect on block tariff
- Paving of streets in Refengkgotso
- Roads in Deneysville, Zamdela , Sasolburg and Vaalpark to be repaired
- Water connection in Themba Khubheka
- Vehicle for Speaker
- Zamdela stadium and swimming pool to be renovated
- Opposition to taxi rank in Vaalpark
- Fence grave yard in Zamdela

- Houses in Zamdela(France)
- Electricity - Amelia
- Youth development
- Sewer project – Amelia
- Reseal of roads DBSA loan of R11 m that was allocated to Vaalpark with approval of loan
- Increase of tariffs exceed 6%
- Water block tariff for housing complex as only one water meter
- Repair of street lights
- Fixing pot holes – poor quality work
- Security expenditure high
- Service delivery issues lack of grass cutting, and lack of communication
- Notices to be published in the media
- Poor customer service from officials

## 2.2 Overview of alignment of annual budget with IDP

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

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

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

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

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

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

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

- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

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

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

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

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

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

**Table 28: Municipal Strategic Priorities**

Strategic Priority	Key Performance Area	Programmes
<b>SP1: Build our local economy to create more employment, decent work and sustainable livelihoods</b>	KPA2: Local Economic Development	P8-Local Economic Development P9-Job Creation P10-Sustainable livelihoods
<b>SP2: Broaden access to and improve the quality of municipal services</b>	KPA1: Service delivery and infrastructure development	P1-Water P2-Sanitation P3-Electricity P4-Roads and storm water P11-Waste management P12-Community facilities
<b>SP3: Build united, non-racial, integrated and safer communities</b>	KPA3: Community development and social cohesion	P13-Clean communities P14-Safe communities P15-Healthy communities P16-Arts and culture P17-Disaster management
	KPA1: Service delivery and infrastructure development	P5-Human settlements P6-Spatial development P7-Public transport
<b>SP4: Promote active</b>	KPA4: Public participation	P18-Participatory governance

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

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

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

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

The 2014/15 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)**

(revenue)

Strategic Objective	Goal			2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
Good governance and community participation	Corporate and democratic governance			5	–	–	–	–	–	–	–	–
Good governance and community participation	Institutional and capacity development			1 943	–	2 372	2 337	2 437	1 258	2 108	2 229	2 250
Financial viability and financial management	Financial liquidity and viability			131 883	111 150	55 413	135 441	137 977	185 346	170 073	185 091	196 994
Transformation and institutional development	Institutional and capacity development			706	–	513	490	590	336	585	617	650
Community development and social cohesion	Refuse removal			30 611	36 406	52 073	66 744	57 854	42 758	58 885	60 860	64 102
Community development and social cohesion	Safety and security			4 669	6 541	12 508	13 537	7 637	2 131	5 499	6 519	6 104
Community development and social cohesion	Sports, recreation and community facilities			2 083	1 428	3 429	10 423	10 423	15 275	15 502	16 442	2 335
Community development and social cohesion	Cemeteries			194	419	270	295	295	118	202	211	220
Community development and social cohesion	Education			120	–	148	661	660	784	1 844	855	864
Basic service delivery and infrastructure investment	Electricity provision			156 803	160 965	239 270	250 693	245 893	233 932	240 627	273 782	293 265
Basic service delivery and infrastructure investment	Road and storm water			21 432	–	1 320	7 000	7 010	7 010	10	27 327	43 233
Basic service delivery and infrastructure investment	Sanitation provision			28 992	78 837	73 114	79 041	73 043	29 737	60 182	34 658	36 474
Basic service delivery and infrastructure investment	Water provision			152 947	185 716	212 289	238 584	238 315	241 169	324 953	331 939	349 322
Basic service delivery and infrastructure investment	Housing			6 555	3 849	12 415	8 200	9 200	3 070	8 500	8 700	7 000
Basic service delivery and infrastructure investment	Land availability			–	–	530	665	665	366	100	100	–
Local economic development and poverty alleviation	Local economic development			–	–	3 000	1 000	100	–	646	660	717
Total Revenue (excluding capital transfers and contributions)			1	538 943	585 311	668 664	815 110	792 099	763 290	889 717	949 990	1 003 531

**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			2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>												
Good governance and community participation	Corporate and democratic governance			20 358	23 642	27 907	36 908	33 944	27 508	35 143	37 239	36 972
Good governance and community participation	Institutional and capacity development			34 460	48 257	5 675	37 484	19 881	37 802	41 480	46 468	52 392
Financial viability and financial management	Financial liquidity and viability			24 607	34 640	32 826	36 927	35 367	52 765	35 245	35 011	39 300
Transformation and institutional development	Institutional and capacity development			11 841	22 076	13 413	19 761	28 343	25 477	20 087	20 990	20 912
Community development and social cohesion	Refuse removal			25 506	34 504	42 790	53 033	53 653	36 515	58 758	62 729	65 899
Community development and social cohesion	Safety and security			19 119	24 804	21 340	20 280	18 491	21 505	26 164	29 285	30 999
Community development and social cohesion	Sports, recreation and community facilities			21 094	26 801	14 765	27 652	25 954	31 212	10 006	9 240	13 751
Community development and social cohesion	Cemeteries			713	1 738	1 659	1 649	1 617	442	1 206	2 159	1 481
Community development and social cohesion	Education			4 362	4 792	4 916	5 255	5 198	2 857	4 800	5 760	5 445
Basic service delivery and infrastructure investment	Electricity provision			141 929	180 730	207 570	248 490	244 405	192 413	290 198	314 906	341 450
Basic service delivery and infrastructure investment	Road and storm water			46 415	27 236	61 377	61 396	60 186	50 839	61 719	68 873	74 992

Basic service delivery and infrastructure investment	Sanitation provision			30 242	41 400	39 906	49 625	49 587	36 128	53 480	56 304	58 594
Basic service delivery and infrastructure investment	Water provision			104 130	161 360	178 441	200 990	198 818	162 838	208 865	217 288	228 323
Basic service delivery and infrastructure investment	Housing			15 638	10 887	9 834	11 416	12 567	6 053	12 672	13 744	13 942
Basic service delivery and infrastructure investment	Land availability			2 572	4 384	3 954	2 688	2 351	2 061	4 988	5 462	5 755
Local economic development and poverty alleviation	Local economic development			697	1 403	1 569	1 556	1 140	854	3 695	3 876	4 168
<b>Total Expenditure</b>			1	<b>503 683</b>	<b>648 654</b>	<b>667 942</b>	<b>815 109</b>	<b>791 502</b>	<b>687 269</b>	<b>868 505</b>	<b>929 334</b>	<b>994 373</b>

**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			2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
Good governance and community participation	Corporate and democratic governance			–	5 383	106	3 081	120		1 700	600	700
Good governance and community participation	Institutional and capacity development			426	1 541	1 024	8 932	1 200	233	–	–	–
Financial viability and financial management	Financial liquidity and viability			8	528	215	17	2 773	23	–	–	–
Transformation and institutional development	Institutional and capacity development			–	3 628	8 313	1 200	5 500	860	22 700	700	2 700
Community development and social cohesion	Refuse removal			178	3 433	1 904	3 258	–	1 107	1 050	1 050	1 050



Community development and social cohesion	Safety and security		34	8 343	102	2 382	2 382	306	-	-	-
Community development and social cohesion	Sports, recreation and community facilities		42	1 530	112	9 696	6 691	491	12 692	14 114	50
Community development and social cohesion	Cemeteries		1 972	1 845	-	1 659	3 174		-	-	-
Community development and social cohesion	Education		3	-	-	-	-		-	-	-
Basic service delivery and infrastructure investment	Electricity provision		9 533	10 609	7 289	51 018	40 000	14 017	17 200	23 600	24 640
Basic service delivery and infrastructure investment	Road and storm water		20 816	15 950	10 042	21 541	7 100	3 793	38 700	28 817	43 222
Basic service delivery and infrastructure investment	Sanitation provision		6 794	12 673	27 544	43 727	42 130	9 923	27 619	230	230
Basic service delivery and infrastructure investment	Water provision		4 408	20 964	20 712	17 071	14 375	6 096	15 200	1 520	1 500
Basic service delivery and infrastructure investment	Housing		-	-	-	2	750		-	-	-
Basic service delivery and infrastructure investment	Land availability		-	-	750	-	-		-	-	-
Local economic development and poverty alleviation	Local economic development		-	-	-	4	2		-	-	-
<b>Total Capital Expenditure</b>			<b>44 214</b>	<b>86 427</b>	<b>78 113</b>	<b>163 588</b>	<b>126 197</b>	<b>36 849</b>	<b>136 861</b>	<b>70 631</b>	<b>74 092</b>

## 2.3 Measurable performance objectives and indicators

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

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

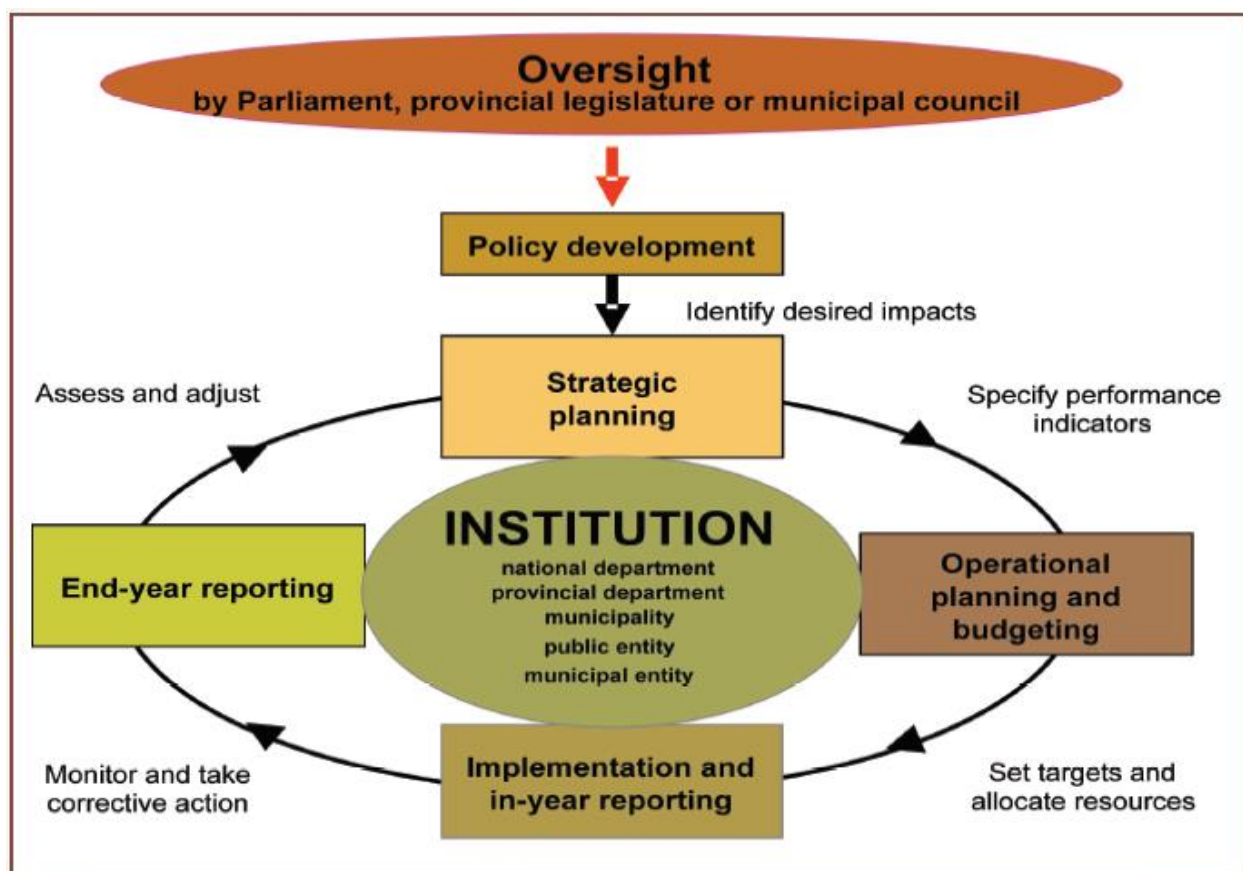


Figure 5 Planning, budgeting and reporting cycle

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

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

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

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

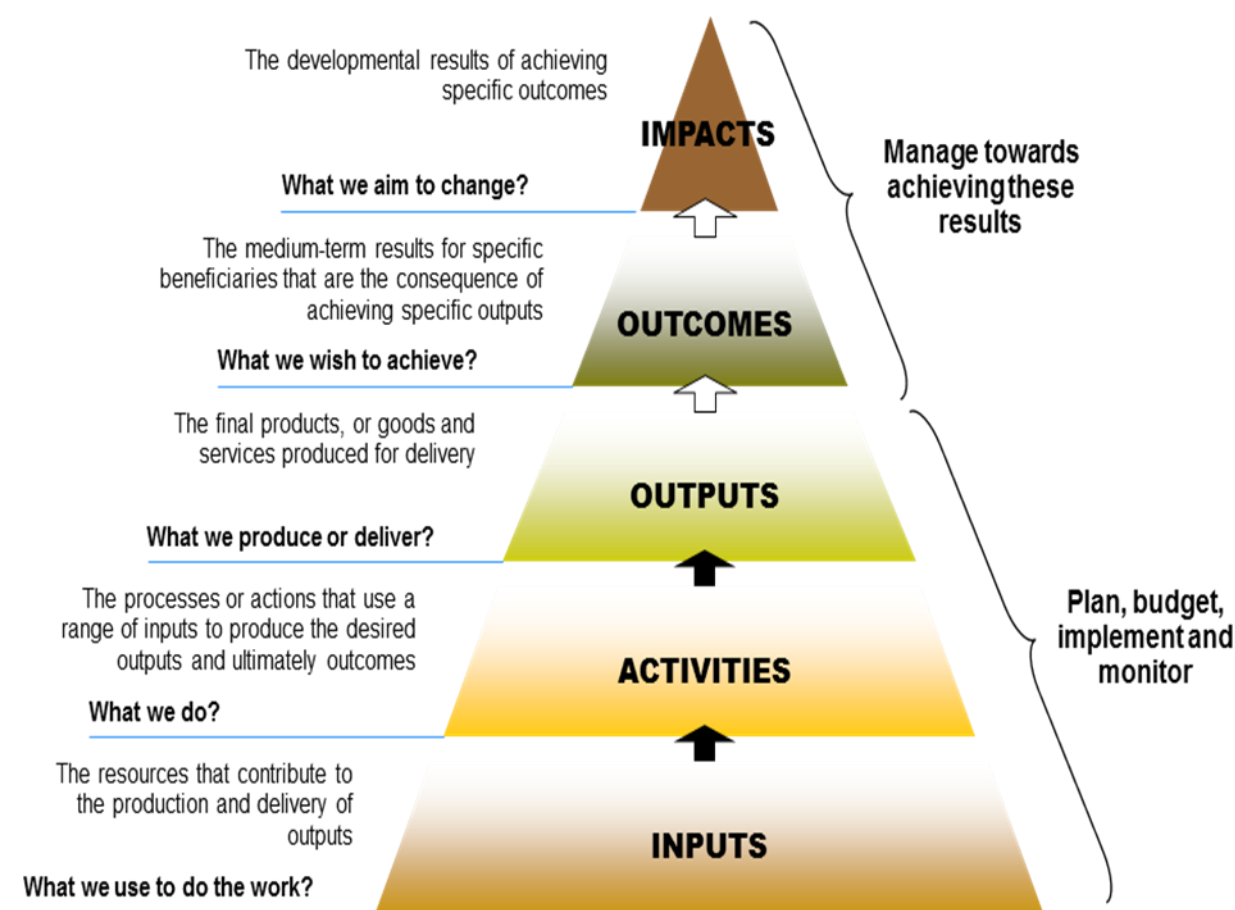


Figure 6 Definition of performance information concepts

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

**Table 32MBRR Table SA7 - Measurable performance objectives**

*(Table to be updated after MTREF be approved)*

**FS204 Metsimaholo - Supporting Table SA7 Measureable performance objectives**

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Basic Service delivery and infrastructure</b>	Bulk water supply baseline	60.0%	80.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Technical Services</b>										
<b>Water provision</b>										
<i>Access to potable water</i>										
<b>Reservoir</b>	Bulk water supply baseline	50.0%	75.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Water</b>	Formal	95.0%	97.0%	94.0%	94.0%	94.0%	94.0%	100.0%	100.0%	100.0%
<i>Water household connections in yard</i>										
<b>Water household communal standpipe</b>	Informal	60.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Water</b>	Compliance	48.7%	90.0%	89.0%	10.0%	5.0%	15.0%	30.0%	30.0%	30.0%
<i>Blue drop accreditation systems</i>										
<b>Water leaks</b>	Number	93.0%	95.0%	96.0%	25.0%	25.0%	25.0%	35.0%	35.0%	35.0%
<b>Technical Services</b>	4400	72.0%	22.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Sanitation</b>										
<i>Sewer network address backlog</i>										
<b>Water borne system(decent)</b>										
<b>Sanitation</b>	Maintenance plan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Maintenance</i>										
<b>Blockages</b>	% blockages attend in 24	80.0%	90.0%	91.0%	93.0%	94.0%	94.0%	95.0%	95.0%	95.0%
<b>Roads</b>	% roads maintenance plan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Roads and stormwater</i>										
<b>Basic service delivery and infrastructure</b>	Number of km roads	18.8%	57.1%	100.0%						
<b>Technical Services</b>										
<b>Roads</b>										
<i>Sufficient roads</i>										
<b>Stormwater</b>	kms of stormwater erected	0.0%	44.8%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Sufficient stormwater network</i>										
<b>Roads and stormwater</b>	Developed masterplan	0.0%	50.0%	100.0%	0.0%	0.0%	0.0%	20.0%	90.0%	100.0%
<i>Improving accessibility of roads</i>										
<b>Technical Services</b>										

<b>Electricity</b>										
<i>Access to electricity to all communities</i>	No. of new connections	100.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
<b>Electricity</b>										
<i>Access to electricity to all communities</i>	Develop masterplan	0.0%	50.0%	100.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
<b>Electricity</b>										
<i>Reduce distribution losses</i>	kwh units	10.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
<b>Basic Service delivery and infrastructure</b>										
<b>LED</b>										
<b>Housing</b>										
<i>Housing allocations</i>	Nr beneficiaries	100.0%	100.0%	100.0%	0.0%	0.0%	20.0%	50.0%	75.0%	100.0%
<b>Subsidy applications processed</b>	2 months	100.0%	100.0%	100.0%	0.0%	0.0%	20.0%			
<b>Urban Planning</b>										
<i>Land availability</i>	Land secured per SDF	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	10.0%	20.0%	30.0%
<b>Effective land utilisation</b>	% rezoning, subdivision	100.0%	100.0%	100.0%						
<b>LED and poverty alleviation</b>										
<i>Employment opportunities</i>	EPWP initiatives	0.0%	10.0%	70.0%						
<b>Employment opportunities</b>	Other initiatives	0.0%	50.0%	100.0%						
<b>Social Services</b>										
<b>Refuse removal</b>										
<i>Refuse removal</i>	Households	80.2%	90.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
<b>Waste management plan</b>	Compliance	0.0%	25.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
<b>Refuse removal</b>										
<i>New landfill site</i>	Legislation	10.0%	20.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
<b>Sufficient and well manage landfill sites</b>	Legislation	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
<b>Sub-function 3 - (name)</b>										
<i>Promote clean and healthy environment</i>	Number awareness	0.0%	0.0%	80.0%						
<b>And so on for the rest of the Votes</b>										

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF.

**Table 33MBRR Table SA8 - Performance indicators and benchmarks**

**FS204 Metsimaholo - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.4%	2.9%	-1.5%	3.0%	3.7%	0.3%	0.0%	1.0%	1.6%	1.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.4%	4.2%	-2.0%	4.0%	4.9%	0.4%	0.0%	1.3%	2.0%	1.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	39.3%	0.0%	0.0%	0.0%	74.3%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
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%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.7	1.0	0.9	0.9	1.2	1.6	–	1.3	1.2	1.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.0	0.9	0.9	1.2	1.6	–	1.3	1.2	1.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.1	0.1	0.0	–	0.1	–	0.1	0.2	0.2
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		121.4%	102.8%	83.5%	92.3%	72.2%	71.5%	0.0%	90.2%	89.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		121.4%	101.1%	83.5%	92.3%	72.2%	71.5%	0.0%	90.2%	89.9%	90.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	24.5%	23.4%	20.0%	21.7%	25.2%	30.9%	0.0%	22.0%	17.9%	15.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		226.5%	1565.5%	1447.2%	8191.7%	-403.9%	-453.7%	0.0%	7823.6%	504.7%	336.6%

<b>Other Indicators</b>											
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	8%	2.43%	5%					10	10	10
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		0	0					0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.0%	29.2%	28.3%	26.1%	27.1%	26.8%	0.0%	25.1%	25.8%	26.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.4%	34.8%	32.9%	29.1%	30.1%	20.1%		28.0%	28.8%	29.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	12.0%	13.5%	11.1%	13.6%	12.5%	9.4%		9.6%	9.6%	9.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.8%	11.5%	7.4%	7.6%	7.5%	7.1%	0.0%	7.9%	8.0%	8.5%
<b>IDP regulation financial viability indicators</b>	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	23.0	110.0	14.5	23.5	23.5	23.5	-	22.6	23.7	25.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	31.8%	30.0%	24.9%	27.4%	31.7%	38.7%	0.0%	27.1%	21.9%	18.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.1	0.2	0.2	0.0	(0.6)	(0.6)	-	0.0	0.5	0.7

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Borrowing Management

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

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

### 2.3.1.2 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2013/14 MTREF the current ratio is 1.6 and 1.3 in the 2014/15 financial year and 1.2 and 1.1 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 2013/14 financial year the ratio was 0.1 and stay unchanged as 0.1 in the 2014/15 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

### 2.3.1.3 Revenue Management

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

### 2.3.1.4 Creditors Management

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

### 2.3.1.5 Other Indicators

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



- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing.

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

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

For the 2014/15 financial year 13 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 10kl free water, 50 kWh of electricity, sanitation and free waste removal once a week, as well as a discount and additional up to maximum of R50.00 per month.

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 103.

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

### **2.3.3 Providing clean water and managing waste water**

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

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

The Municipality were awarded 48.1% on the Blue Drop status in 2010/11, with the Municipality's drinking water quality being within the desired standards. The Metsimaholo Water Treatment Plant was awarded the best medium sized drinking water treatment works by the Department of Water Affairs. The municipality is awaiting the score of the latest assessment .

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

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

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

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

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

## **2.4 Overview of budget related-policies**

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

### **2.4.1 Budget Policy**

### **2.4.2 Virement Policy**

### **2.4.3 Asset Policy**

### **2.4.4 Cash Management and Investment Policy**

### **2.4.5 Property Rates Policy**

### **2.4.6 Credit control and debt collection Policy**

### **2.4.7 Indigent Policy**

**All the above policies were workshop at a meeting with the Councillors on 22 May 2014.**

**2.4.8 Supply Chain Management Policy** – the policy will be revised and submitted to Council in July 2014

**2.4.9 Tariff Policy**

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

**2.4.10** Revenue Enhancement Strategy has been reviewed and a campaign has been considered. Operation Patala will start 1 July 2014.

**All the above policies are available on the Municipality's website.**

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1.8 per cent last year and about 470 000 people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2012 was 2.5 per cent (original 2.7 per cent) rising to 1.8 per cent (original 3.6 per cent) by 2013 and 2.7% projected (4.2%) in 2014 and projected 3.5% by 2016. .

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

The macro environment that influences the budget:

- Fuel increase exceeds 5.4% on a year basis
- Fuel cost exceeds R14 per litre
- Depreciation of the Rand above R10 to the US Dollar
- Highest unemployment rate in 10 years
- January 2014 loss of 35 000 jobs in manufacturing and construction industry
- Interest rate increased by 50 basis points in January 2014
- Further interest rate hikes expected
- Increase in fuel cost, food cost
- Growth forecast 2014 revised downward

### **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 2014/15 MTREF:

- (a) National Government macro-economic targets;
- (b) The general inflationary outlook and the impact on Municipality's residents and businesses;
- (c) The impact of municipal cost drivers;
- (d) The increase in prices for bulk electricity and water; and
- (e) The increase in the cost of remuneration. Employee related costs comprise 24 per cent of total operating expenditure in the 2014/15 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions on July 2012 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted.

### **2.5.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (90 per cent) of annual billings. Cash flow is assumed to be 90 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.4 Growth or decline in tax base of the municipality**

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

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

### **2.5.5 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2015.

### **2.5.6 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.

### **2.5.7 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of between 80 and 100 per cent is achieved on operating expenditure and 60 per cent on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget.

## 2.6 Overview of budget funding

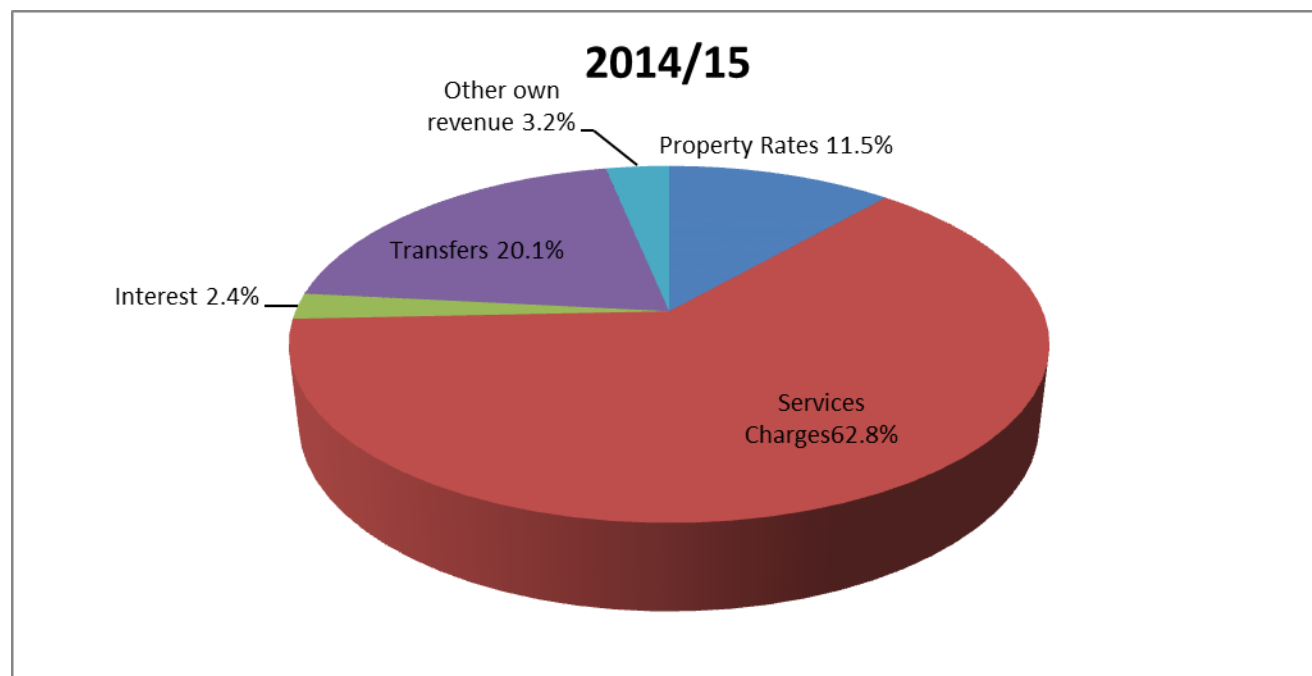
### 2.6.1 Medium-term outlook: operating revenue

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					
	2014/2015		2015/2016		2016/2017	
	R'000	%	R'000	%	R'000	%
Property rates	102 114	11.5	107 628	11.3	113 440	11.35
Electricity	219 951	24.7	243 315	25.6	261 297	26.0
Water	22 837	31	24 071	31.0	25 370	31.3
Sanitation	276 185	2.7	294 311	2.5	313 673	2.5
Refuse removal	39 978	4.5	42 137	4.4	44 412	4.4
Interest	21 000	2.4	23 451	2.5	24 039	2.4
Transfers and Grants	178 990	20.2	185 434	19.8	195 243	19.8
Other own revenue	28 662	3.2	29 643	3.2	26 057	2.6
<b>Total Operating revenue</b>	<b>889 717</b>	<b>100</b>	<b>949 990</b>	<b>100.0</b>	<b>1 003 531</b>	<b>100.0</b>
<b>Total Operating Expenditure</b>	<b>868 506</b>		<b>929 334</b>		<b>994 374</b>	
<b>Surplus/(Deficit)</b>	<b>21 211</b>		<b>20 656</b>		<b>9 157</b>	

The following graph is a breakdown of the operational revenue per main category for the 2014/15 financial year.



**Figure 7 Breakdown of operating revenue over the 2014/15 MTREF**

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

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

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 90 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA),

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

**Proposed tariff increases over the medium-term**

Revenue category	2014/15 proposed tariff increase	2015/16 proposed tariff increase	2016/17 proposed tariff increase
	%	%	%
Property rates	6	5.4	5.4
Sanitation	8	5.4	5.4
Solid Waste	8	5.4	5.4
Water	Inclining block tariff	6.4	6.5
Electricity	7.39	7.39	7.39

The Municipality is still in a process of further data verification and validation relating to the valuation roll. It is anticipated that the process will be concluded by the end of 2015. As the levying of property rates is considered a strategic revenue source the five year valuation of property started in the 4th quarter of the 2011/12 financial year. The new valuation roll was implemented on 1 July 2013.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R580 million for the 2014/15 financial year and increasing to R645 million by 2016/17. For the 2014/15 financial year services charges amount to 62.9 per cent of the total revenue base and increase by less than 1 per cent per annum over the medium-term.

Operational grants and subsidies amount to R118.3 million, R124.1 million and R129 million for each of the respective financial years of the MTREF.

Interest revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R21 million, R23.5 million and R24 million for the respective three financial years of the 2013/14 MTREF. Interest is mainly made up from outstanding debtors.



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

**Table 35MBRR SA15 – Detail Investment Information**

**FS204 Metsimaholo - Supporting Table SA15 Investment particulars by type**

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		27 062	2 185	7 000	4 000	–	15 807	15 220	17 000	20 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	27 062	2 185	7 000	4 000	–	15 807	15 220	17 000	20 000
<b>Consolidated total:</b>		27 062	2 185	7 000	4 000	–	15 807	15 220	17 000	20 000

**Table 36MBRR SA16 – Investment particulars by maturity**

**FS204 Metsimaholo - Supporting Table  
SA16 Investment particulars by maturity**

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Received	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												
Absa call			Call							133	190	(4 500)	5 000	–
RMB call										78	185	(2 000)	6 000	4 263
Nedbank call										48	220	(2 000)	4 000	2 268
Standard Bank call										174	240	(201)	4 000	4 213
32days											240		4 000	4 240
<b>Municipality sub-total</b>										433		(8 701)	23 000	15 807
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									433		(8 701)	23 000	15 807

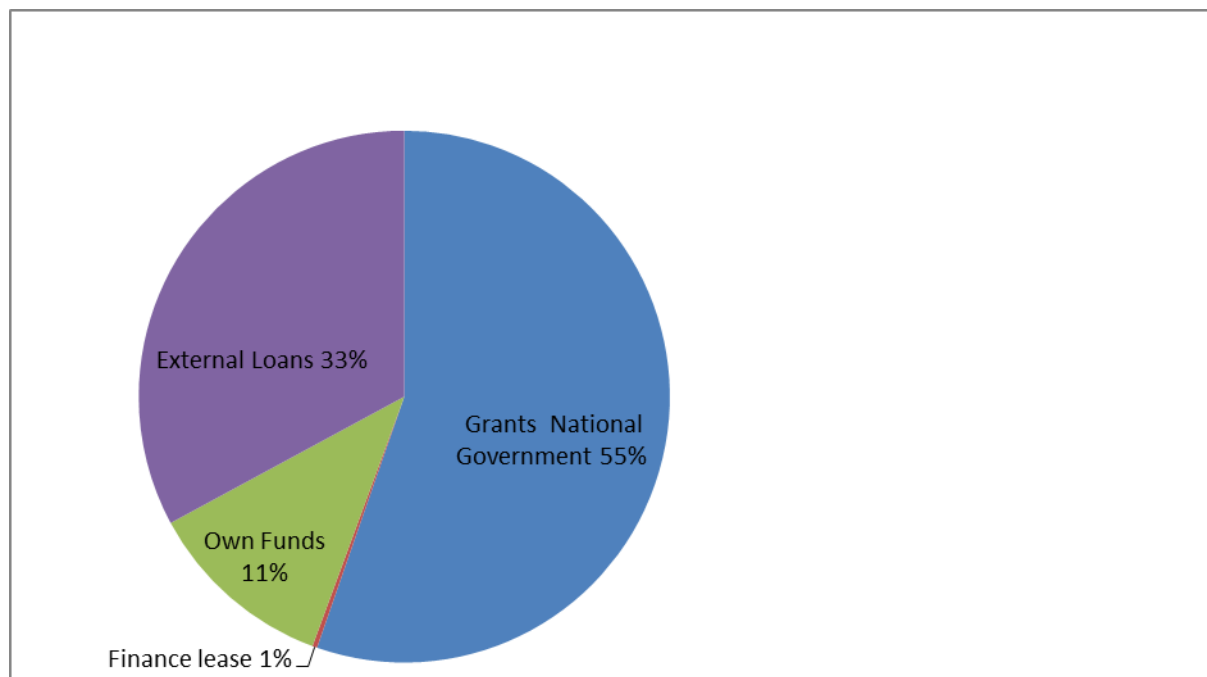
## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

**Table 37 Sources of capital revenue over the MTREF**

Capital funding per Source	13/14 Adjustment Budget	%	14/15 Budget	%	15/16 Budget	%	16/17 Budget	%
Budget Grants	R'000		R'000		R'000			
National Government Grants	93 697	74	75 731	55	61 381	87	66 222	89
Finance lease			400	1				
Own Funds	5 000	4	15 730	11	9 250	13	7 870	11
External Loans	27 500	22	45 000	33				
<b>Total Capital Funding by Source</b>	<b>126 197</b>	<b>100</b>	<b>136 861</b>	<b>100</b>	<b>70 631</b>	<b>100</b>	<b>74 092</b>	<b>100</b>

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



**Figure 8 Sources of capital revenue for the 2014/15 financial year**

Capital grants and receipts equates to 55 per cent of the total funding source which represents R75.7 million for the 2014/15 financial year and steadily decrease to R64.2 million or 89 per cent by 2016/2017, Grants received from MIG, COGTA, DoE and DWA.

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

Internally generated funds consist of R15.7million in 2014/15, R9.3 million in 2015/16 and R7.9 million in 2016/17.

### 2.6.3 Funding compliance measurement

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

**Table 38MBRR SA10 – Funding compliance measurement****FS204 Metsimaholo Supporting Table SA10 Funding measurement**

Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Funding measures</b>	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	35 195	7 676	9 184	2 019	(32 926)	(30 141)	9 184	1 917	32 096	50 796
Cash + investments at the yr end less applications - R'000	18(1)b	2	77 690	(9 877)	(26 263)	(59 861)	(40 871)	18 383	-	19 240	9 528	(6 619)
Cash year end/monthly employee/supplier payments	18(1)b	3	1.1	0.2	0.2	0.0	(0.6)	(0.6)	-	0.0	0.5	0.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	35 260	(63 342)	723	1	597	76 021	-	21 211	20 656	9 157
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	3.6%	7.3%	14.7%	(9.3%)	(9.7%)	(106.0%)	16.1%	1.5%	0.6%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	121.4%	101.1%	83.5%	92.3%	72.2%	71.5%	0.0%	90.2%	89.9%	90.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	2.7%	19.0%	13.2%	8.4%	8.7%	9.0%	0.0%	9.5%	8.3%	7.5%
Capital payments % of capital expenditure	18(1)c;1	8	0.0%	99.9%	0.0%	83.3%	78.2%	244.2%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	39.3%	0.0%	0.0%	0.0%	73.6%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	3.3%	(6.0%)	32.2%	12.4%	17.5%	(100.0%)	3.9%	(12.9%)	(8.7%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	11.4%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	7.1%	8.9%	7.7%	10.6%	9.5%	7.0%	0.0%	8.1%	8.5%	9.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	14.3%	2.2%	27.8%	3.5%	0.0%	0.0%	16.0%	13.9%	7.1%

## 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	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		81 918	91 149	101 095	107 850	107 838	81 521	114 485	121 157	126 104
Local Government Equitable Share		79 048	88 125	93 903	101 698	101 698	76 273	107 542	115 040	123 386
Finance Management		1 000	1 450	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement		750	790	800	890	890	890	934	967	1 018
Water Services Operating Subsidy		1 120	784	3 497	2 712	2 700	1 808	3 300	3 500	–
EPWP Incentive		–	–	1 395	1 000	1 000	1 000	1 109	–	–
<b>Provincial Government:</b>		–	–	–	500	500	667	1 666	667	667
Department of Sport		–	–	–	500	500	667	1 666	667	667
<b>District Municipality:</b>		97	–	–	–	–	–	–	–	–
IDP		97	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		1 213	1 942	2 361	2 237	2 237	996	2 108	2 229	2 250
MIG(National Government)		1 213	1 942	2 361	2 237	2 237	996	2 108	2 229	2 250
<b>Total operating expenditure of Transfers and Grants:</b>		83 228	93 091	103 456	110 587	110 575	83 184	118 259	124 053	129 021
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		38 333	39 901	49 670	42 497	42 497	20	42 731	41 381	43 222
Municipal Infrastructure Grant (MIG)		38 333	36 901	49 670	42 497	42 497	20	40 031	41 381	43 222
DWAF(Water Affairs)		–	3 000	–	–	–	–	2 700	–	–
<b>Provincial Government:</b>		–	131 124	2 354	–	–	–	11 000	–	2 000
COGTA		–	131 124	2 354	–	–	–	11 000	–	2 000
<b>District Municipality:</b>		–	5 643	–	–	–	–	–	–	–
Fire Services		–	5 643	–	–	–	–	–	–	–
<b>Other grant providers:</b>		3 000	17 500	10 575	34 500	34 500	3 811	7 000	20 000	21 000
DOE(National Grant)		3 000	2 000	10 575	34 500	34 500	3 811	7 000	20 000	21 000
Anglo Coal		–	15 500	–	–	–	–	–	–	–
<b>Total capital expenditure of Transfers and Grants</b>		41 333	194 168	62 599	76 997	76 997	3 831	60 731	61 381	66 222
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		124 561	287 259	166 056	187 584	187 572	87 015	178 990	185 434	195 243

**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	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		81 918	91 482	97 822	107 887	107 887	107 887	118 259	124 053	129 021
<b>Conditions met - transferred to revenue</b>		81 918	91 482	97 822	107 887	107 887	107 887	118 259	124 053	129 021
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts		97								
<b>Conditions met - transferred to revenue</b>		97	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts		1 213			-	-				
<b>Conditions met - transferred to revenue</b>		1 213	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		83 228	91 482	97 822	107 887	107 887	107 887	118 259	124 053	129 021
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		34 083	37 594	62 285	93 697	90 620	36 301	47 031	61 381	66 222
<b>Conditions met - transferred to revenue</b>		34 083	37 594	62 285	93 697	90 620	36 301	47 031	61 381	66 222
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts			5 431	5 431	-	3 077		11 000		
<b>Conditions met - transferred to revenue</b>		-	-	2 354	-	3 077	-	11 000	-	-
Conditions still to be met - transferred to liabilities			5 431	3 077						
<b>District Municipality:</b>										
Balance unspent at beginning of the year				-						
Current year receipts			-	-						
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										

Current year receipts		6 999	–	–	–	–	–	17 700		
Conditions met - transferred to revenue		6 999	–	–	–	–	–	17 700	–	–
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>41 082</b>	<b>37 594</b>	<b>64 639</b>	<b>93 697</b>	<b>93 697</b>	<b>36 301</b>	<b>75 731</b>	<b>61 381</b>	<b>66 222</b>
<b>Total capital transfers and grants - CTBM</b>	2	–	5 431	3 077	–	–	–	–	–	–
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>124 310</b>	<b>129 076</b>	<b>162 461</b>	<b>201 584</b>	<b>201 584</b>	<b>144 188</b>	<b>193 990</b>	<b>185 434</b>	<b>195 243</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		–	5 431	3 077	–	–	–	–	–	–

## 2.8 Councillor and employee benefits

**Table 41MBRR SA22 - Summary of councillor and staff benefits**

**FS204 Metsimaholo - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration  R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages		7 118	8 079	8 549	9 695	9 695	9 695	10 448	11 221	12 052
Pension and UIF Contributions		146	161	10	10	10	10	11	12	13
Medical Aid Contributions		101	107	13	57	57	57	–	–	–
Motor Vehicle Allowance		1 897	3 580	2 715	2 720	2 720	2 720	3 311	3 556	3 820
Cellphone Allowance		475	475	617	614	614	614	698	750	805
Housing Allowances				620	78	78	78	217	233	250
<b>Sub Total - Councillors</b>		<b>9 737</b>	<b>12 402</b>	<b>12 524</b>	<b>13 174</b>	<b>13 174</b>	<b>13 174</b>	<b>14 685</b>	<b>15 772</b>	<b>16 939</b>
<b>% increase</b>	4		<b>27.4%</b>	<b>1.0%</b>	<b>5.2%</b>	<b>–</b>	<b>–</b>	<b>11.5%</b>	<b>7.4%</b>	<b>7.4%</b>
<b><u>Senior Managers of the Municipality</u></b>	2									
Basic Salaries and Wages		3 395	4 377	6 263	6 576	6 576	6 576	7 226	7 688	8 180
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	26	26	26	26	36	39	41
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		766	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	852	1 157	1 720	1 720	1 720	1 720	1 773	1 886	2 007
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>5 013</b>	<b>5 534</b>	<b>8 010</b>	<b>8 323</b>	<b>8 323</b>	<b>8 323</b>	<b>9 035</b>	<b>9 613</b>	<b>10 228</b>
<b>% increase</b>	4		<b>10.4%</b>	<b>44.7%</b>	<b>3.9%</b>	<b>–</b>	<b>–</b>	<b>8.6%</b>	<b>6.4%</b>	<b>6.4%</b>
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages		88 288	120 631	109 177	108 226	108 828	108 828	120 013	130 605	139 021
Pension and UIF Contributions		13 823	15 993	18 766	18 484	18 484	18 484	20 184	21 966	23 283
Medical Aid Contributions		7 937	9 079	9 466	10 505	10 505	10 505	11 283	12 281	13 015
Overtime		12 530	10 446	18 838	13 176	13 810	13 810	18 411	19 905	21 237
Performance Bonus		–	–	–	52	52	52	–	–	–
Motor Vehicle Allowance	3	4 121	3 233	6 649	12 501	12 001	12 001	13 040	14 214	15 041
Cellphone Allowance	3	–	–	–	900	900	900	455	490	525
Housing Allowances	3	784	826	1 218	1 523	1 471	1 471	1 081	1 390	1 247
Other benefits and allowances	3	8 886	11 143	13 510	20 674	20 325	20 325	21 657	26 255	30 908
Payments in lieu of leave				–	2 518	2 518	2 518	2 647	3 629	3 047
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>		<b>136 369</b>	<b>171 351</b>	<b>177 624</b>	<b>188 559</b>	<b>188 894</b>	<b>188 894</b>	<b>208 771</b>	<b>230 736</b>	<b>247 324</b>
<b>% increase</b>	4		<b>25.7%</b>	<b>3.7%</b>	<b>6.2%</b>	<b>0.2%</b>	<b>–</b>	<b>10.5%</b>	<b>10.5%</b>	<b>7.2%</b>
<b>Total Parent Municipality</b>		<b>151 119</b>	<b>189 287</b>	<b>198 158</b>	<b>210 056</b>	<b>210 392</b>	<b>210 392</b>	<b>232 491</b>	<b>256 121</b>	<b>274 491</b>
			<b>25.3%</b>	<b>4.7%</b>	<b>6.0%</b>	<b>0.2%</b>	<b>–</b>	<b>10.5%</b>	<b>10.2%</b>	<b>7.2%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>151 119</b>	<b>189 287</b>	<b>198 158</b>	<b>210 056</b>	<b>210 392</b>	<b>210 392</b>	<b>232 491</b>	<b>256 121</b>	<b>274 491</b>
<b>% increase</b>	4		<b>25.3%</b>	<b>4.7%</b>	<b>6.0%</b>	<b>0.2%</b>	<b>–</b>	<b>10.5%</b>	<b>10.2%</b>	<b>7.2%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>141 382</b>	<b>176 885</b>	<b>185 634</b>	<b>196 882</b>	<b>197 217</b>	<b>197 217</b>	<b>217 806</b>	<b>240 349</b>	<b>257 552</b>



**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.
<b>Councillors</b>	3							
Speaker	4	1	374 960	–	248 300			623 260
Chief Whip		1	439 780	–	157 210			596 990
Executive Mayor		1	586 370	–	224 000			810 370
Deputy Executive Mayor			–	–	–			–
Executive Committee		9	3 803 460	–	1 549 740			5 353 200
Total for all other councillors		30	5 243 450	11 010	2 047 030			7 301 490
<b>Total Councillors</b>	8	42	10 448 020	11 010	4 226 280			14 685 310
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	1 474 320	33 980	240 000			1 748 300
Chief Finance Officer		1	1 584 680	–	54 000			1 638 680
								–
								–
								–
<i>List of each official with packages &gt;= senior manager</i>								
Director Social Services		1	1 052 070	–	340 000	–		1 392 070
Director Technical Services		1	999 560	2 430	468 750	–		1 470 740
Director Economic Development and Planning		1	987 270	–	400 000			1 387 270
Director Organisational Development and Corporate Services		1	1 127 670	–	270 000	–		1 397 670
								–
								–
								–
								–
								–
								–
								–
<b>Total Senior Managers of the Municipality</b>	8,10	6	7 225 570	36 410	1 772 750	–		9 034 730
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	48	17 673 590	47 420	5 999 030	–		23 720 040

**Table 43MBRR SA24–Summary of personnel numbers****FS204 Metsimaholo - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		42		42	42		42	42		42
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	6		6	6		6	6		6
Other Managers	7	44	35		49	46	3	49	46	5
Professionals		10	10	–	20	19	–	20	19	–
Finance					10	10		10	10	
Spatial/town planning		2	2		2	1		2	1	
Information Technology										
Roads		4	4		4	4		4	4	
Electricity		2	2		2	2		2	2	
Water		2	2		2	2		2	2	
Sanitation										
Refuse										
Other										
Technicians		132	132	–	136	136	–	136	134	–
Finance										
Spatial/town planning		4	4		4	4		4	4	
Information Technology										
Roads		35	35		35	35		35	34	
Electricity		65	65		65	65		65	64	
Water		27	27		31	31		31	31	
Sanitation										
Refuse		1	1		1	1		1	1	
Other										
Clerks (Clerical and administrative)		156	156		214	212	2	214	210	2
Service and sales workers		122	122		122	122		122	122	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		72	72		83	83		83	81	
Elementary Occupations		516	516		516	516		516	500	
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>1 100</b>	<b>1 043</b>	<b>48</b>	<b>1 188</b>	<b>1 134</b>	<b>53</b>	<b>1 188</b>	<b>1 112</b>	<b>55</b>
<b>% increase</b>					8.0%	8.7%	10.4%	–	(1.9%)	3.8%
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	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 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>	-															
Property rates		14 658	7 951	7 951	7 951	7 951	7 951	7 951	7 951	7 951	7 951	7 951	7 951	102 114	107 628	113 440
Property rates - penalties & collection charges													-	-	-	-
Service charges - electricity revenue		26 688	23 631	17 778	16 664	14 401	12 344	12 344	12 344	14 401	18 002	22 631	28 723	219 951	243 316	261 297
Service charges - water revenue		16 404	17 497	26 246	27 340	27 340	28 433	28 433	27 340	21 872	19 684	16 404	19 192	276 185	294 311	313 673
Service charges - sanitation revenue		1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	1 903	22 837	24 071	25 370
Service charges - refuse revenue		3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 332	3 331	39 978	42 137	44 412
Service charges - other		761	761	761	761	761	761	761	761	761	761	761	762	9 136	8 767	9 238
Rental of facilities and equipment		417	417	417	417	417	417	417	417	417	417	417	417	5 002	5 114	5 356
Interest earned - external investments		200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 530	2 666
Interest earned - outstanding debtors		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	18 600	20 922	21 373
Dividends received													-	-	-	-
Fines		419	419	419	419	419	419	419	419	419	419	419	418	5 023	6 024	5 575
Licences and permits		14	14	14	14	14	14	14	14	14	14	14	14	172	181	191
Agency services													-	-	-	-
Transfers recognised - operational		39 420				39 420				39 419			0	118 259	124 053	129 021
Other revenue		361	361	361	361	361	361	361	361	361	361	361	360	4 328	4 556	4 697
Gains on disposal of PPE						2 000			2 000				1 000	5 000	5 000	1 000
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>106 126</b>	<b>58 035</b>	<b>60 931</b>	<b>60 911</b>	<b>100 068</b>	<b>57 684</b>	<b>57 684</b>	<b>58 591</b>	<b>92 599</b>	<b>54 593</b>	<b>55 942</b>	<b>65 822</b>	<b>828 986</b>	<b>888 609</b>	<b>937 309</b>
<b>Expenditure By Type</b>	-															
Employee related costs		17 314	17 314	17 314	17 314	17 314	17 314	17 314	17 314	17 314	17 314	17 314	17 314	207 771	229 672	246 192
Remuneration of councillors		1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	14 685	15 772	16 939
Debt impairment		5 358	5 358	5 358	5 358	5 358	5 358	5 358	5 358	5 358	5 358	5 358	5 358	64 300	60 100	57 900
Depreciation & asset impairment		5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	62 640	66 278	74 738
Finance charges							2 544						491	3 034	4 979	4 489
Bulk purchases		26 546	26 546	26 546	26 546	26 546	26 546	26 546	26 546	26 546	26 546	26 546	26 544	318 550	342 948	375 835
Other materials		2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 557	2 558	30 685	32 222	33 962
Contracted services		2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	29 660	30 930	32 107
Transfers and grants		3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 363	40 389	45 265	47 288
Other expenditure		7 970	7 970	7 970	7 970	7 970	7 970	7 970	7 970	7 970	7 970	7 970	9 118	96 790	101 169	104 924
Loss on disposal of PPE													-	-	-	-

<b>Total Expenditure</b>		72 027	72 027	72 027	72 027	72 027	74 571	72 027	72 027	72 027	72 027	72 027	73 663	868 506	929 334	994 374
<b>Surplus/(Deficit)</b>		34 099	(13 992)	(11 096)	(11 116)	28 041	(16 887)	(14 343)	(13 436)	20 572	(17 434)	(16 085)	(7 842)	(39 520)	(40 725)	(57 065)
Transfers recognised - capital		20 244				20 244				20 243			(0)	60 731	61 381	66 222
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		54 343	(13 992)	(11 096)	(11 116)	48 285	(16 887)	(14 343)	(13 436)	40 815	(17 434)	(16 085)	(7 842)	21 211	20 656	9 157
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	1	54 343	(13 992)	(11 096)	(11 116)	48 285	(16 887)	(14 343)	(13 436)	40 815	(17 434)	(16 085)	(7 842)	21 211	20 656	9 157

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

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

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Multi-year expenditure to be appropriated</b>	1												-	-	-	-
Vote 1 - Council/Mayor, Speaker and Councillors																
Vote 2 - Municipal Manager		58	58	58	58	58	58	58	58	58	58	58	62	700	700	700
Vote 3 - Organisational Development & Corporate Services		92	92	92	92	92	92	92	92	92	92	92	88	1 100	600	700
Vote 4 - Social Services		1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 145	1 147	13 742	15 164	1 100
Vote 5 - Infrastructure Services		10 060	10 060	10 060	10 060	10 060	10 060	10 060	10 060	10 060	10 060	10 060	10 059	120 719	54 167	69 592
Vote 6 - Financial Services													-	-	-	-
Vote 7 - Local Economic Development													-	-	-	2 000
<b>Capital multi-year expenditure sub-total</b>	2	11 355	11 355	11 355	11 355	11 355	11 355	11 355	11 355	11 355	11 355	11 355	11 356	136 261	70 631	74 092
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Council/Mayor, Speaker and Councillors			600										-	600	-	-
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													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	-	600	-	-	-	-	-	-	-	-	-	-	600	-	-
<b>Total Capital Expenditure</b>	2	11 355	11 955	11 355	11 355	11 355	11 355	11 355	11 355	11 355	11 355	11 355	11 356	136 861	70 631	74 092

Table 46 MBRR SA30 - Budgeted monthly cash flow

FS204 Metsimaholo - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Receipts By Source</b>															
Property rates	14 840	7 187	7 187	7 187	7 187	7 187	7 187	7 187	7 187	7 187	7 187	7 192	93 902	97 903	103 730
Property rates - penalties & collection charges												-			
Service charges - electricity revenue	24 500	23 000	17 282	16 200	14 000	12 000	12 000	12 000	14 000	17 500	22 000	24 866	209 348	231 889	249 517
Service charges - water revenue	15 000	16 000	24 000	25 000	25 000	26 000	26 000	25 000	20 000	18 000	15 000	13 567	248 567	266 854	285 944
Service charges - sanitation revenue	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	22 553	22 284	23 586
Service charges - refuse revenue	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	37 980	38 633	40 914
Service charges - other	735	735	735	735	735	735	735	735	735	735	735	735	8 815	8 429	8 882
Rental of facilities and equipment	382	382	382	382	382	382	382	382	382	382	382	382	4 582	4 707	4 956
Interest earned - external investments	200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 530	2 666
Interest earned - outstanding debtors	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	1 395	16 740	18 830	19 235
Dividends received												-			
Fines	419	419	419	419	419	419	419	419	419	419	419	418	5 023	6 024	5 575
Licences and permits	13	13	13	13	13	13	13	13	13	13	13	13	154	164	173
Agency services												-			
Transfer receipts - operational	39 420				39 420				39 419			-	118 259	124 053	129 021
Other revenue	300	300	300	300	300	300	300	300	300	300	300	300	3 594	3 873	3 616
<b>Cash Receipts by Source</b>	<b>102 247</b>	<b>54 674</b>	<b>56 956</b>	<b>56 874</b>	<b>94 094</b>	<b>53 674</b>	<b>53 674</b>	<b>52 674</b>	<b>89 093</b>	<b>51 174</b>	<b>52 674</b>	<b>54 112</b>	<b>771 917</b>	<b>826 171</b>	<b>877 816</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	20 244	-	-	-	20 244	-	-	-	20 244	-	-	(0)	60 731	61 381	66 222
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-			

assets															
Proceeds on disposal of PPE	417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 000	1 000
Short term loans	500	500	500	500	500	500	500	500	500	500	500	(5 100)	400		
Borrowing long term/refinancing	1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	25 292	45 000	–	
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
<b>Total Cash Receipts by Source</b>	<b>125 199</b>	<b>57 382</b>	<b>59 664</b>	<b>59 582</b>	<b>117 046</b>	<b>56 382</b>	<b>56 382</b>	<b>55 382</b>	<b>112 045</b>	<b>53 882</b>	<b>55 382</b>	<b>74 720</b>	<b>883 048</b>	<b>892 552</b>	<b>945 038</b>
<b>Cash Payments by Type</b>															
Employee related costs	16 839	16 839	16 839	16 839	16 839	16 839	16 839	16 839	16 839	16 839	16 839	16 839	202 068	225 806	244 681
Remuneration of councillors	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	14 685	15 772	16 939
Finance charges						1 517						1 517	3 034	4 979	4 489
Bulk purchases - Electricity	26 000	24 000	18 000	16 600	15 500	11 000	12 000	11 000	11 100	12 000	20 000	22 677	199 877	217 865	237 473
Bulk purchases - Water & Sewer	8 000	9 000	10 000	10 000	11 000	9 000	12 000	12 000	10 000	9 500	9 000	9 174	118 674	125 082	138 361
Other materials	1 475	1 475	3 475	1 475	3 475	1 475	3 475	1 475	3 475	1 475	3 475	2 926	29 151	30 611	33 762
Contracted services	2 101	2 101	2 101	2 101	2 101	2 101	2 101	2 101	2 101	2 101	2 101	2 101	25 211	26 290	27 291
Transfers and grants - other municipalities	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	40 389	45 265	47 288
Transfers and grants - other												–			
Other expenditure	6 279	6 279	6 279	6 279	6 279	6 279	6 279	6 279	6 279	6 279	6 279	5 947	75 021	90 002	91 564
<b>Cash Payments by Type</b>	<b>65 284</b>	<b>64 284</b>	<b>61 284</b>	<b>57 884</b>	<b>59 784</b>	<b>52 801</b>	<b>57 284</b>	<b>54 284</b>	<b>54 384</b>	<b>52 784</b>	<b>62 284</b>	<b>65 771</b>	<b>708 110</b>	<b>781 672</b>	<b>841 848</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	11 405	11 405	11 405	11 405	11 405	11 405	11 405	11 405	11 405	11 405	11 405	11 406	136 861	70 631	74 092
Repayment of borrowing	20	20	20	20	20	2 910	20	20	20	20	20	2 910	6 019	10 070	10 398
Other Cash Flows/Payments												–			
<b>Total Cash Payments by Type</b>	<b>76 709</b>	<b>75 709</b>	<b>72 709</b>	<b>69 309</b>	<b>71 209</b>	<b>67 115</b>	<b>68 709</b>	<b>65 709</b>	<b>65 809</b>	<b>64 209</b>	<b>73 709</b>	<b>80 087</b>	<b>850 990</b>	<b>862 373</b>	<b>926 338</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>48 490</b>	<b>(18 327)</b>	<b>(13 045)</b>	<b>(9 727)</b>	<b>45 837</b>	<b>(10 733)</b>	<b>(12 327)</b>	<b>(10 327)</b>	<b>46 236</b>	<b>(10 327)</b>	<b>(18 327)</b>	<b>(5 366)</b>	<b>32 058</b>	<b>30 179</b>	<b>18 700</b>
Cash/cash equivalents at the month/year begin:	(30 141)	18 349	22	(13 023)	(22 749)	23 088	12 354	28	(10 299)	35 937	25 610	7 283	(30 141)	1 917	32 096
Cash/cash equivalents at the month/year end:	18 349	22	(13 023)	(22 749)	23 088	12 354	28	(10 299)	35 937	25 610	7 283	1 917	1 917	32 096	50 796

## 2.10 Annual budgets and SDBIPs – internal departments

To be revised after tabling of MTREF

Information to be updated by IDP and PMS section

### EID Cluster

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services					
Key Performance Area (KPA 1): Service delivery and infrastructure development					
Programme 1: Water (Lead Dept: Technical Services)					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
To ensure access to potable water by 2014	1.1 % of total HHs with access to potable water in formalised areas (yard metered connection)	98.9%	100%	98.9% <sup>1</sup>	93.3% <sup>2</sup>
	1.2 No. of HHs provided with new metered yard connections	300	6 012 <sup>3</sup>	0	0
To ensure sufficient bulk supply of purified water	1.1 of purification works (WTW) in Refengkgotso augmented	80%	100%	99% <sup>4</sup>	100%
	1.4 % of 9ML reservoir completed	75%	100%	99%	100%
	1.5 % of bulk line completed for Mooiplaats area	0%	100%	0%	100%
	1.6 % of bulk line completed for Moodraai area	0%	100%	0%	0%
	1.7 % of maintenance plan developed and submitted for approval	100%	100%	100%	100%
To ensure the effective and efficient management of water resources	1.8 % of water distribution losses maintained	12%	10%	6%	14%
	1.9 % of reported water leaks repaired within an average of 48 hours	95%	99%	96%	97%
	1.10 % compliance with the blue drop water quality accreditation system <sup>5</sup>	89.4%	90%	90%	90%
	1.11 % of WSDP developed and approved	90% (Ph 2)	100%	0% (Ph 3&4)	75%
	1.12 % of water demand management plan developed and approved	60%	100%	100%	75%

<sup>1</sup>Total HHs = 45 755; Backlog of 500 HHs in Gortin

<sup>2</sup>Backlog of 3037 in Gortin (500) and newly proclaimed ThembaKubheka (2 537)

<sup>3</sup>Backlog = Gortin (500); ThembaKubheka (2 537); Moodraai (2 975)

<sup>4</sup>Practical completion of WTW achieved/Commissioning and handover & release of retention outstanding (1%)

<sup>5</sup>Note that blue drop assessment is done annually by DWA



<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development					
<b>Programme 2: Sanitation (Lead Dept: Technical Services)</b>					
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2011/12)</b>	<b>Five Year Target (2012/13-2016/17)</b>	<b>Current Year 2012/13</b>	<b>Annual Target 2013/14</b>
To provide decent sanitation to all households by 2014	2.1 % HHs with access to decent sanitation	75%	100%	80.3%	80.3%
	2.2 No. of households provided with new metered stand connections	1 000	9 012 <sup>6</sup>	0	0
To ensure sufficient bulk infrastructure	2.3 % WWTW capacity augmented in O/Ville and D/Ville	0%	100%	0%	0%
	2.4 No. of kms of outfall sewer line replaced	3km	8km	0km	0km
	2.5 % of maintenance plan developed and submitted for approval	100%	100%	100%	100%
To ensure the effective and efficient management of the sanitation system and network	2.6 % of reported sewer blockages attended to within an average of 48 hours	90%	95%	91%	92%
	2.7 % compliance with the green drop quality accreditation system <sup>7</sup>	65.5%	80%	70%	70%

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development					
<b>Programme 3: Electricity (Lead Dept: Technical Services)</b>					
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2011/12)</b>	<b>Five Year Target (2012/13-2016/17)</b>	<b>Current Year 2012/13</b>	<b>Annual Target 2013/14</b>
To ensure access to electricity by all communities	3.1 % of HHs with access to basic electricity in formal areas	80.4%	93.5% <sup>8</sup>	80.4%	83.2%
	3.2 No. of HHs provided with new metered stand connections in formal areas	0	6 037	0	0
	3.3 No. of new high mast lights installed	25	30	0	0
To ensure sufficient bulk supply of electricity	3.4 No. of new main/mini sub-stations erected (Amelia & ThembaKhubeka)	0	2	0	1
	3.5 % of maintenance plan developed and submitted for approval	100%	100%	100%	100%
To ensure the effective and efficient management of the	3.6 % of electricity master plan developed and approved	50%	100%	0%	75%
	3.7 % electricity distribution losses maintained	14%	10%	14%	13%
	3.8 Average response time maintained for reported outages for households	2hrs	2hrs	2hrs	2hrs

<sup>6</sup> Total no. of HHs is 45 755; Backlog = Gortin (500); Amelia (3 000); ThembaKhubeka (2 537); Mooidraai (2 975)

<sup>7</sup> Note that green drop assessment is done every 2 years; Assessment was done for current year (2012/13)

<sup>8</sup> Total HHs is 45 755; Target excludes Mooidraai HHs of 2 975

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development					
<b>Programme 3:</b> Electricity ( <i>Lead Dept: Technical Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
electricity network	3.9 Average response time maintained to reported outages by industrial consumers	24hrs	24hrs	24hrs	24hrs
	3.10 Average response time maintained for faulty street- and high mast lights	4 months	2 months	4 months	3 months

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development					
<b>Programme 4:</b> Roads and storm water ( <i>Lead Dept: Technical Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
To ensure sufficient roads and storm water networks to all communities	4.1 Total m <sup>2</sup> of roads upgraded to surfaced roads (tar/paved)	42,000 m <sup>2</sup>	70,000 m <sup>2</sup>	5,000m <sup>2</sup>	0m <sup>2</sup>
	4.2 Total m <sup>2</sup> of un-engineered roads (dirt roads) graded	250,000 m <sup>2</sup>	1,575,000 m <sup>2</sup>	315,000 m <sup>2</sup>	315,000 m <sup>2</sup>
	4.3 % of maintenance plan developed and submitted for approval	100%	100%	100%	100%
	4.4 Total kms of new storm water channels erected	6km	20kms	7.4kms	0km
	4.5 % of roads and storm water master plan developed and approved	50%	100%	0%	75%
	4.6 % of pavement management system developed and approved	0%	100%	0%	0%

<b>Strategic Priority (SP3):</b> Build united, non-racial, integrated and safer communities					
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development					
<b>Programme 5:</b> Human Settlements( <i>Lead Dept: Planning &amp; LED</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
To provide sustainable human settlements and improved quality of household life through accelerated delivery of	5.1 % of beneficiaries identified as per approved housing allocations	100%	100%	0%	100%
	5.2 % of subsidy applications received submitted to Province within 3 monthsof receipt of approved allocations	100%	100%	0%	100%
	5.3 % of housing sector plan developed and submitted to Council for approval	100%	100%	100%	100%
	5.4 % housing accreditation application submitted to Province (Level 1)	40%	100%	0%	0%

<b>Strategic Priority (SP3):</b> Build united, non-racial, integrated and safer communities					
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development					
<b>Programme 5:</b> Human Settlements( <i>Lead Dept: Planning &amp; LED</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
housing opportunities and access to basic services	5.5 No. of informal areas formalised (ThembaKhubeka&Moidraai)	0	2	1	1
To stimulate development through effective and efficient spatial planning and building control	5.6 % of spatial development framework (SDF) developed and approved	0%	100%	100%	100%
	5.7 % of integrated land use management scheme developed and submitted to for approval	0%	100%	0%	100%
	5.8 % of re-zonings, sub-divisions and consolidation applications evaluated and submitted to Province within 60 working days of receipt	30%	100%	70%	80%
	5.9 % of building plans approved within 30 days of receipt of fully completed applications	20%	100%	95%	100%
	5.10 % of approved building plan inspections conducted as per industry standards	50%	100%	70%	90%
<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods					
<b>Key Performance Area (KPA 2):</b> Local Economic Development					
<b>Programme 6:</b> Public transport					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
To ensure that an effective and efficient public transport system is developed and maintained	6.1 % of Integrated Transport Plan (ITP) developed and approved ( <i>Lead dept.: Social Services</i> )	0%	100%	0%	0%
	6.2 No. of new taxi ranks completed ( <i>Lead dept.: Technical Services</i> )	1	6	0	1
	6.3 No. of kms of pedestrian sidewalks and bicycle lanes erected ( <i>Lead dept.: Technical Services</i> )	0km	10kms	2km	0km

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods					
<b>Key Performance Area (KPA 2):</b> Local Economic Development					
<b>Programme 7:</b> Local Economic Development ( <i>Lead Dept: Planning &amp; LED</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
To ensure support (non-financial and financial) for	7.1 % of SMME development plan compiled and approved by Council	50%	100%	80%	50%
	7.2 Number of SMMEs supported (training)	4	20	4	4

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods					
<b>Key Performance Area (KPA 2):</b> Local Economic Development					
<b>Programme 7:</b> Local Economic Development ( <i>Lead Dept: Planning &amp; LED</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13- 2016/17)	Current Year 2012/13	Annual Target 2013/14
small enterprises, co-operatives and the informal sector	7.3 Number of cooperatives identified and assisted with registration	4	20	4	4
	7.4 % of marketing and tourism strategy and plan compiled and approved	50%	100%	100%	50%
	7.5 % of approved marketing and tourism plan implemented	0%	100%	0%	0%
	7.6 No. of social labour plan (SLP) projects completed <sup>9</sup>	1	5	1	1
	7.7 No. of local jobs summit organised and convened	0	4	0	1

<sup>9</sup> Note that SLP projects are implemented by the various companies and the municipality does not have direct control over the said projects

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods					
<b>Key Performance Area (KPA 2):</b> Local Economic Development					
<b>Programme 8:</b> Job Creation ( <i>Lead Dept: Planning &amp; LED</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
To make a meaningful and visible contribution to employment creation	8.1 Number of quarterly statistical reports compiled on employment opportunities created as part of LED (NKPI: 7)	0	20	4	4
	8.2 Number of quarterly statistical reports compiled on employment opportunities created through EPWP initiatives (NKPI: 7)	0	20	4	4
	8.3 Number of quarterly statistical reports compiled on employment opportunities created through CWP by 2014 (NKPI: 7)	0	20	4	4

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods					
<b>Key Performance Area (KPA 2):</b> Local Economic Development					
<b>Programme 9:</b> Sustainable Livelihoods ( <i>Lead dept.: Financial Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target (2012/13-2016/17)	Current Year 2012/13	Annual Target 2013/14
To ensure that poor households have access to free basic municipal services (NKPI: 5)	9.1 % of indigent register compiled and updated annually	47%	100%	100%	100%
	9.2 Number of households on indigent register captured	8 433	12 000	10 000	10 500
	9.3 % of registered indigents that have access to free basic water	100%	100%	100%	100%
	9.4 % of registered indigents that have access to free basic electricity	100%	100%	100%	100%
	9.5 % of registered indigents that have access to free basic sanitation	100%	100%	100%	100%
	9.6 % of registered indigents that have access to free basic refuse removal	100%	100%	100%	100%

## Social Protection and Community Development Cluster

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development					
<b>Programme 10:</b> Waste Management ( <i>Lead dept.: Social Services</i> )					
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2011/12)</b>	<b>Five Year Target 2016/17</b>	<b>Current Year 2012/13</b>	<b>Annual Target 2013/14</b>
To provide affordable, effective, efficient, economical and accessible waste management services to all communities.	10.1 No. of households having access to basic refuse removal services ( <i>removal at least once a week</i> )	45 000	50 000	46 000	47 000
	10.2 % of formal businesses receiving a daily refuse removal service	100%	100%	100%	100%
	10.3 % of IWMP submitted to Council for approval	0%	100%	0%	100%
	10.4 % of approved Integrated Waste Management Plan (IWMP) implemented	0%	100%	0%	25%
	10.5 % of functional waste management information system implemented ( <i>NKPI: 1</i> )	0%	100%	10%	25%
	10.6 % of existing landfill site closed and rehabilitated	0%	100%	0%	25% (EIA)
	10.7 % of new landfill site established	0%	50%	0%	25% (EIA)

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion					
<b>Programme 11:</b> Community Facilities ( <i>Lead dept.: Social Services</i> )					
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2011/12)</b>	<b>Five Year Target 2016/17</b>	<b>Current Year 2012/13</b>	<b>Annual Target 2013/14</b>
To promote access and utilisation of public and community amenities.	11.1 Number of new family parks established	2	10	2	2
	11.2 Number of new sports grounds established	0	20	4	4
	11.3 Number of new cemeteries established (Amelia & extension of O/Ville)	0	2	0	1
	11.4 Number of existing community halls maintained	4	7	6	7
	11.5 Number of existing swimming pools maintained	2	2	2	2
	11.6 Number of existing family parks maintained and upgraded	7	14	14	14
	11.7 Number of existing sports grounds maintained	10	20	20	20
	11.8 Number of stadiums maintained	2	2	2	2
	11.9 Number of High Performance Centres (HPCs) maintained	0	1	1	1
	11.10 Number of existing cemeteries maintained	8	8	8	8
	11.11 % of Abrahamsrust facility maintained and upgraded as per approved maintenance plan	50%	100%	25%	75%

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion					
<b>Programme 11:</b> Community Facilities ( <i>Lead dept.: Social Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
	11.12 % of Day Visit Facilities (OV/DV) maintained and upgraded as per approved maintenance plan	35%	100%	25%	70%

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion					
<b>Programme 12:</b> Clean Communities ( <i>Lead dept.: Social Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To develop and promote a clean and environmentally-friendly town & communities	12.1 Annual clean & green-ward competition organised <i>in all wards</i>	100%	100%	0%	5 wards
	12.2 Number of waste management education and awareness programmes implemented	0	20	4	4
	12.3 Number of illegal dumps removed	100	135	60	40

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion					
<b>Programme 13:</b> Safe Communities ( <i>Lead dept.: Social Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To support and strengthen the fight against crime in all communities	13.1 % participation of MLM in established CPFs	75%	100%	100%	100%
	13.2 % of By-Law enforcement unit established and functional	75%	100%	80%	90%
	13.3 Number of school road safety programmes implemented ( <i>in consultation with SGBs</i> )	15	75	15	15
	13.4 % support for provincial and national crime prevention initiatives	100%	100%	100%	100%
	13.5 % community access to fire-fighting services (wards?)	100%	100%	100%	100%
	13.6 Response time to fire-fighting emergencies	Within 30 mins	Within 10 mins	Within 30 mins	Within 20 mins
	13.7 Number of fire-safety programmes conducted	10 per quarter	200	10 per quarter	10 per quarter

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion					
<b>Programme 14: Healthy Communities</b> ( <i>Lead dept.: Social Services</i> )					
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2011/12)</b>	<b>Five Year Target 2016/17</b>	<b>Current Year 2012/13</b>	<b>Annual Target 2013/14</b>
To increase awareness and participation of communities in HIV/AIDS, TB, STIs, and other illnesses.	14.1 Number of community awareness programmes conducted on HIV/AIDS, TB and STIs	6	10	2	2
To increase access to community development services	14.2 Number of sport development programmes organised/offered	0	20	4	4
	14.3 Number of library development programmes organised/offered	800	4 600	850	900
	14.4 Number of new members to libraries	500	2 500	500	500
	14.5 Number of youth development programmes organised	4	10	2	2
	14.6 Number of programmes organised for women	4	10	2	2
	14.7 Number of programmes organised for children	4	10	2	2
	14.8 Number of programmes organised with the aged	2	10	2	2

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion					
<b>Programme 15: Arts and Culture</b> ( <i>Lead dept.: Social Services</i> )					
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2011/12)</b>	<b>Five Year Target 2016/17</b>	<b>Current Year 2012/13</b>	<b>Annual Target 2013/14</b>
To improve access and maximise utilization of arts and culture resources	15.1 Number of functional arts and culture forums established	1	1	1	
	15.2 % of Annual arts and culture festival organised/hosted	0%	100%	0%	100%
	15.3 Number of arts and culture programmes organised	50	48	0	12
	15.4 % increase in events/programmes held at theatre	20%	50%	10%	10%
	15.5 % increase in the number of local artists participating in theatre programmes	10%	100%	100%	100%
	15.6 % increase in the number of local schools participating in theatre programmes	50%	100%	100%	100%



<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services					
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion					
<b>Programme 16:</b> Disaster Management ( <i>Lead dept.: Social Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To increase awareness and participation of communities in disaster management.	16.1 Increased number of disaster awareness programmes conducted in partnership with District and local Industries	1 per quarter	20	4	4
	16.2 % of disaster management plan developed and implemented	100%	100%	100%	100%
	16.3 Number of volunteers trained on disaster management	60	150	30	30

## Governance and Administration Cluster

<b>Strategic Priority (SP4):</b> Promote active community participation					
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance					
<b>Programme 17:</b> Participatory Governance ( <i>Lead depts: Speaker's Office, Executive Mayor's Office &amp; MM's Office</i> )					
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2011/12)</b>	<b>Five Year Target 2016/17</b>	<b>Current Year 2012/13</b>	<b>Annual Target 2013/14</b>
To improve the level of functionality of public participation systems in the municipality ( <i>NKPI: 10</i> )	17.1 Number of Functional Ward Committees established	21	21	21	21
	17.2 Number of CDW's deployed in all 21 wards	21	21	17	21
	17.3 Number of ward committees trained on identified core skills areas	0	21	21	21
	17.4 Number of monthly community meetings held per ward	3 meetings per ward	4 per ward per annum	4 per ward	4 per ward
To actively support community-initiated social activities ( <i>2011 LGEM Local Priority 4</i> )	17.5 Number of skills programmes implemented for burial societies, stokvels, religious groups, etc.	Compile database of activities and needs analysis	4 per annum	2 per annum	3 per annum
To improve external and internal communication	17.6 Number of monthly updates of municipal website completed	12 updates	12 updates per annum	12 updates	12 updates
	17.7 Number of newsletters produced and published	3	6 per annum	2	6
	17.8 Number of interactions arranged with the print and electronic media	12	12 per annum	12	12
	17.9 Number of quarterly interactions held with relevant municipal and community stakeholders (business, religious, etc.)	4	4 per annum	4	4

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance					
<b>Programme 18:</b> Corporate Governance ( <i>Lead dept.: Office of the Municipal Manager</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To ensure that effective and efficient systems and processes of good governance are implemented and maintained (NKPI: 9)	18.1 % of credible 5-Year IDP compiled according to CoGTA guidelines	100%	100% (next 5-year IDP in 2016/17)	0%	0%
	18.2 % of annual review of approved 5-year IDP conducted in terms of MSA and MFMA ( <i>Annual Revised IDP must be adopted by Council by the end of May each year</i> )	100%	100%	100% (First Review)	100% (Second Review)
	18.3 % of compliant annual SDBIP approved within 28 days after the approval of the budget	90%	100%	100%	100%
	18.4 % of annual performance assessment of internal audit function by the audit committee	0%	100%	100%	100%
	18.5 % of annual internal audit plan approved by audit committee before end of June each year	70%	100%	100%	100%
	18.6 % execution of annual internal audit plan	100%	100%	100%	100%
	18.7 % developed three rolling coverage plan	100%	100%	100%	100%
	18.8 Number of audit committees held per annum	4	4 per annum	4	4
	18.9 % review of audit charters completed annually (reviewed charters must be approved by the Audit Committee)	100%	100%	100%	100%
	18.10 % review of risk management strategy & policy (approved by risk management committee)	50%	100%	100%	100%
	18.11 % of risk register compiled and updated quarterly	100%	100%	100%	100%
	18.12 Number of risk management committee meetings held	3	4 per annum	4	4
	18.13 % of approved fraud prevention and anti-corruption strategy annually reviewed	90%	100%	100%	100%
	18.14 % of approved fraud prevention and anti-corruption strategy annually implemented	0%	100%	25%	50%
To ensure that a functional and effective Organisational Performance Management System (PMS) is adopted and implemented (NKPI: 3)	18.15 % of approved organisational PMS policy implemented	0%	100%	20%	50%
	18.16 % of functional municipal performance audit committee established ( <i>part of terms of reference of audit committee</i> )	100%	100%	100%	100%
	18.17 % of compliant performance agreements for MM and s56 managers compiled and signed on time (NKPI: 2)	75%	100%	100%	100%
	18.18 % of Employee PM&D policy submitted to Council for approval	0%	100%	0%	100%
	18.19 % of PMS cascaded to all levels of employees in the municipality	0%	100%	0%	20%
	18.20 No. of quarterly institutional performance reports submitted to Council within 30 days after the end of each quarter	2	4 per annum	4	4
	18.21 % of MSA and MFMA compliant Annual Report tabled in Council by 31 January each year	75%	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance					
<b>Programme 18:</b> Corporate Governance ( <i>Lead dept.: Office of the Municipal Manager</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2010/11)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
	18.22 Oversight report submitted to Council within two months after tabling of Annual Report	End of May	End of March each year	End of March	End of March

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance					
<b>Programme 19:</b> Intergovernmental Relations (IGR) ( <i>Lead depts.: Executive Mayor's Office &amp; Office of the Municipal Manager</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To ensure effective participation by the municipality in all IGR forums and programmes ( <i>NKPI: 12</i> )	19.1 % of IGR meetings and forums at District, Provincial and National levels attended according to schedules (DCF, PCF, Provincial and National Forums)	100%	100%	100%	100%
	19.2 % of relevant IGR reports submitted to senior management (14 days after each meeting)	0%	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance					
<b>Programme 20:</b> Customer Care ( <i>Lead dept.: Corporate Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To ensure that an effective and efficient customer care function is established	20.1 % of customer care policy (model) compiled and adopted	100%	100%	0%	100%
	20.2 % of customer care model implemented (as per approved implementation plan)	0%	100%	0%	10%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability					
<b>Programme 21:</b> Revenue and Cash Flow Management ( <i>Lead dept.: Financial Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To ensure the effective and efficient management of municipal revenue and cash flow according to national norms and standards	21.1 Ratio of net current consumer debtors to annual property rates and service charge income	12.5%	10%	12.5%	12%
	21.2 Annual property rates and service charges more than 50% of total revenue	71%	80%	72%	74%
	21.3 % of consumer debtors revenue collected ( <i>actual total collections as a percentage of total levies/billings</i> )	85%	95%	90%	88%
	21.4 % reduction of consumer debtors older than 90-days ( <i>Balance as at 31 March 2013: Total-R418,7m incl. Indigents-R255,4</i> )	-10%	-50%	-10%	2%
	21.5 % actual revenue generated as a percentage of the approved/adjusted budget	98%	98%	98%	98%
	21.6 % of revenue management strategy reviewed and submitted to Council for approval	95%	100%	100%	100%
	21.7 % of revenue management strategy implemented	95%	100%	96%	97%
	21.8 % of cash management and investment policy framework compiled and submitted to Council for approval	90%	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability					
<b>Programme 22:</b> Expenditure Management and SCM ( <i>Lead dept.: Financial Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To implement an effective and efficient system of expenditure and supply chain management	22.1 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	40%	80%	60%	65%
	22.2 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget	91%	95%	92%	90%
	22.3 % actual expenditure on repairs and maintenance as a percentage of the approved/adjusted budget	5%	10%	5%	6%
	22.4 % of MSIG allocation spent	100%	100%	100%	100%
	22.5 % of creditors paid within 30 days of receipt of invoice ( <i>includes implementing and maintaining an effective system of internal control</i> )	No actuals available	100%	100%	100%
	22.6 Tender turnaround time maintained for bids between R30 000 and R100 000	No actual data	21 days	21 days	14 days
	Tender turnaround time maintained for bids between R100 000 and R200 00	No actual data	14 days	14 days	14 days
	22.7 Tender turnaround time maintained for bids above R200 000	No actual data	90 days	90 days	90 days

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability					
<b>Programme 22:</b> Expenditure Management and SCM ( <i>Lead dept.: Financial Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
	22.8 % compliance maintained with approved SCM policy and procedures ( <i>includes elimination of internal and external audit queries</i> )	100%	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability					
<b>Programme 23:</b> Budgeting and Reporting ( <i>Lead dept.: Financial Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	23.1 % of compliant annual budget (MTREF) compiled and approved by end of May each year	100%	100%	100%	100%
	23.2 % of budget-related policies developed, reviewed and approved as per National Treasury and MFMA requirements	100%	100%	100%	100%
	23.3 % of monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by no later than 10 working days after the end of each month	50%	100%	100%	100%
	23.4 % of monthly National Treasury returns submitted on time	100%	100%	100%	100%
	23.5 % of quarterly National Treasury returns submitted on time	100%	100%	100%	100%
	23.6 % of DoRA returns submitted on time (MIG, DoE, MSIG & DWA)	100%	100%	100%	100%
	23.7 % of mid-year budget assessment and budget adjustments report submitted to Mayor by 25 January each year (s72 of MFMA)	100%	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability					
<b>Programme 24:</b> Clean Audit ( <i>Lead dept.: Financial Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To ensure that the municipality received a Clean Audit	24.1 % of Annual Financial Statements submitted to the Auditor-General by the end of August each year	100%	100%	100%	100%
	24.2 Actual improvement in annual audit outcomes received from the Auditor-General	Qualified	Clean audit	Un-qualified	Clean audit

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability					
<b>Programme 24:</b> Clean Audit ( <i>Lead dept.: Financial Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
Report by 2014	24.3 % of the Action Plan on issues raised by the Auditor-General is compiled, approved and implemented annually	70%	100%	90%	100%
	24.4 % internal audit recommendations implemented within specified time frames	50%	100%	50%	100%
	24.5 % of PROPAC resolutions implemented annually	100%	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability					
<b>Programme 25:</b> Asset Management ( <i>Lead dept.: Financial Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To ensure the effective, efficient and economical management of municipal assets	25.1 % of Fixed Asset Register (FAR) compiled and updated annually in line with GRAP requirements	100%	100%	100%	100%
	25.2 % of asset maintenance and replacement plans developed and updated annually	100%	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability					
<b>Programme 26:</b> Facilities Management ( <i>Lead depts.: Corporate Services &amp; Office of the Municipal Manager</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To ensure the effective, efficient and economical management of municipal facilities	26.1 % of fleet management policy developed and submitted to Council for approval	0%	100%	0%	100%
	26.2 % of centralised fleet management unit established	95%	100%	0%	50%
	26.3 % of municipal buildings and corporate facilities managed effectively, efficiently and economically (includes council offices, equipment, furniture, etc.) as per allocated maintenance budget	20%	100%	60%	100%
	26.4 % of ICT policy compiled and submitted to Council for approval	100%	100%	100%	100%
	26.5 % of ICT Steering committee established	0%	100%	100%	100%
	26.7 Downtime of critical systems reduced to less than 5% of total uptime required	5%	5%	5%	5%
	26.8 % of workstations functional and on-line	90%	95%	91%	92%
	26.9 % of user complaints attended to within 24 hours of receipt	90%	95%	91%	92%



<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation					
<b>Programme 27:</b> Human Capital ( <i>Lead dept.: Corporate Services</i> )					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	27.1 % of funded critical posts filled by suitably qualified candidates	100%	100%	100%	100%
	27.2 Turnaround time maintained on recruitment: funded vacancies (from date of advertisement)	66 working days	60 working days	60 working days	60 working days
	27.3 % of organisational structure compiled and reviewed annually	90%	100%	100%	100%
	27.4 % of workplace skills plan (WSP) and annual training report (ATR) compiled and submitted annually to the LGSETA	100%	100%	100%	100%
	27.5 % of staff trained as per WSP targets on an annual basis	80%	100%	100%	100%
	27.6 % of employment equity (EE) plan and report compiled and submitted annually to the Department of Labour	100%	100%	100%	100%
	27.7 % implementation of EE plan as per approved targets and measures	95%	100%	100%	100%
	27.8 % of human resource-related policies compiled and reviewed annually	90%	100%	100%	100%
	27.9 Fully functional Local Labour Forum (LLF) established ( <i>no. of meetings held per annum</i> )	11 meetings per annum	11	11	11
	27.10 % of disputes and grievances (stage 1 to 3) handled in terms of the collective agreement ( <i>turnaround time is within 90 days</i> )	90%	100%	100%	100%
	27.11 % of service excellence awards finalised by end of November each year	95%	100%	0%	0%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation					
<b>Programme 28:</b> Institutional Excellence					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
To create a working environment that enables good staff morale, high performance	28.1 Number of organisation development interventions implemented annually	0	6	0	1
	28.2 % of annual council programme compiled and approved by end of June each year	100%	0%	0%	100%
	28.3 % of agendas for council, mayoral committee and portfolio committees delivered on time ( <i>Council - 5 days and Committees - 48 hours</i> )	90%	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government					
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation					
<b>Programme 28:</b> Institutional Excellence					
Objectives	Key Performance Indicator (KPI)	Baseline (2011/12)	Five Year Target 2016/17	Current Year 2012/13	Annual Target 2013/14
and effective functioning of council structures	28.4 Number of quarterly reports to Council on the monitoring implementation of council resolutions <i>(submitted at the end of each quarter - Sept, Dec, Mar &amp; Apr)</i>	0%	4 per annum	4	4

## 2.11 Contracts having future budgetary implications

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

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

## 2.12 Capital expenditure details

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

Annexure A on page\_\_\_\_ 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	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>- Infrastructure</b>		<b>38 813</b>	<b>38 069</b>	<b>65 588</b>	<b>105 242</b>	<b>104 106</b>	<b>36 450</b>	<b>122 486</b>	<b>116 698</b>	<b>105 714</b>
Infrastructure - Road transport		20 812	9 827	10 042	8 500	7 100	2 112	43 170	29 366	43 222
Roads, Pavements & Bridges		20 812	9 827	10 042	8 500	7 100	2 112	43 170	29 366	43 222
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		9 508	10 632	7 289	40 500	40 000	17 174	14 632	44 608	37 074
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		2 750	10 632	7 289	40 500	40 000	17 174	10 732	32 758	25 724
Street Lighting		6 758	-	-	-	-	-	3 900	11 850	11 350
Infrastructure - Water		2 742	10 539	20 712	13 323	14 375	6 568	16 260	3 424	2 400

Dams & Reservoirs		-	-	-	-	-			
Water purification		2 742	-	-	-	-			
Reticulation		-	10 539	20 712	13 323	14 375	6 568	16 260	3 424
Infrastructure - Sanitation		5 751	7 070	27 544	42 419	42 131	10 596	46 899	1 041
Reticulation		5 751	7 070	27 544	42 419	42 131	10 596	46 899	1 041
Sewerage purification									
Infrastructure - Other		-	-	-	500	500	-	1 525	38 260
Waste Management		-	-	-	500	500		1 525	38 260
<b>Community</b>		<b>4 073</b>	<b>35 302</b>	<b>100</b>	<b>11 406</b>	<b>10 641</b>	<b>172</b>	<b>30 055</b>	<b>21 904</b>
Parks & gardens		-	-	-	350	350	39	9 306	970
Sportsfields & stadia		-	-	-	7 456	6 691	-	12 787	19 197
Swimming pools		-	-	-	100	100		6 024	360
Community halls		-	-	-				50	-
Libraries		-	-	-				64	73
Recreational facilities		-	-	-	1 650	1 650	-	322	984
Fire, safety & emergency		-	-	-					
Security and policing		2 101	2	100	1 000	1 000		-	-
Buses	7	-	-	-					
Clinics		-	-	-					
Museums & Art Galleries		-	-	-					
Cemeteries		1 972	-	-	850	850	132	1 502	321
Social rental housing	8	-	35 300	-					
Other		-	-	-					
<b>Heritage assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings									
Other	9								
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development									
Other									
<b>Other assets</b>		<b>1 328</b>	<b>740</b>	<b>12 425</b>	<b>1 500</b>	<b>7 097</b>	<b>-</b>	<b>34 505</b>	<b>16 774</b>
General vehicles		174	-	9 698				-	-
Specialised vehicles		-	-	-	-	-	-	-	-
Plant & equipment		1 142	418	1 661				404	112
Computers - hardware/equipment		-	-						
Furniture and other office equipment		12	321	25				13 378	5 084
Abattoirs		-	-						
Markets		-	-						
Civic Land and Buildings		-	-	198					
Other Buildings		-	-						
Other Land		-	-					1 500	2 000
Surplus Assets - (Investment or Inventory)		-	-						
Other		-	-	844	1 500	7 097		19 224	11 578
<b>Intangibles</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming									
Other (list sub-class)									

Total Capital Expenditure on new assets	1	44 214	74 111	78 113	118 147	121 844	36 622	187 046	155 376	128 567
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<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

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

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

Description R thousand	Ref 1	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
-										
<b>Infrastructure</b>		-	11 000	-	17 892	-	-	-	-	-
Infrastructure - Road transport		-	11 000	-	12 500	-	-	-	-	-
Roads, Pavements & Bridges			11 000		12 500	-				
Storm water										
Infrastructure - Electricity		-	-	-	2 050	-	-	-	-	-
Generation					1 650	-				
Transmission & Reticulation										
Street Lighting					400	-				
Infrastructure - Water		-	-	-	1 065	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation					1 065	-				
Infrastructure - Sanitation		-	-	-	477	-	-	-	-	-
Reticulation										
Sewerage purification					477	-				
Infrastructure - Other		-	-	-	1 800	-	-	-	-	-
Waste Management					1 800	-				
Transportation										
<b>Community</b>	2	-	-	400	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing				400						
Museums & Art Galleries										

Cemeteries	8									
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings	9									
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>	10	-	1 316	1 323	27 548	4 354	-	21 860	9 810	5 250
General vehicles					1 000	-		21 860	9 810	5 250
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment				1 323	24 184	-				
Computers - hardware/equipment					1 364	-				
Furniture and other office equipment					1 000	4 354				
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			1 316							
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing assets</b>	1	-	12 316	1 723	45 440	4 354	-	21 860	9 810	5 250
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	14.3%	2.2%	27.8%	3.5%	0.0%	10.5%	5.9%	3.9%
<b>Renewal of Existing Assets as % of deprechn"</b>		0.0%	20.8%	4.0%	97.3%	9.3%	0.0%	34.9%	14.8%	7.0%

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

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>44 003</b>	<b>55 918</b>	<b>54 131</b>	<b>80 210</b>	<b>70 694</b>	<b>52 587</b>	<b>69 806</b>	<b>74 489</b>	<b>79 426</b>
Infrastructure - Road transport		20 859	16 648	19 665	33 496	27 696	20 378	23 909	25 428	26 928
Roads, Pavements & Bridges		19 009	14 648	19 665	33 496	27 696	20 378	21 409	22 793	24 151
Storm water		1 850	2 000	–				2 500	2 635	2 777
Infrastructure - Electricity		8 830	13 184	14 181	20 185	18 585	13 186	16 579	17 667	18 903
Generation		–	364	–	785	–		307	323	341
Transmission & Reticulation		8 536	12 508	14 052	19 000	18 185	13 186	16 113	17 175	18 385
Street Lighting		294	312	129	400	400		160	169	178
Infrastructure - Water		6 978	14 008	11 425	14 734	12 734	9 257	12 616	13 500	14 446
Dams & Reservoirs				–						
Water purification				–						
Reticulation		6 978	14 008	11 425	14 734	12 734	9 257	12 616	13 500	14 446
Infrastructure - Sanitation		6 707	11 308	8 829	11 495	11 629	9 766	12 394	13 269	14 182
Reticulation		6 707	11 308	8 829	11 495	11 629	9 766	12 394	13 269	14 182
Sewerage purification										
Infrastructure - Other		629	770	31	300	50	–	4 307	4 625	4 967
Waste Management		629	770	31	300	50		4 307	4 625	4 967
Transportation										
<b>Community</b>		<b>–</b>	<b>704</b>	<b>43</b>	<b>641</b>	<b>383</b>	<b>3 798</b>	<b>533</b>	<b>653</b>	<b>689</b>
Parks & gardens		–	29	–	34	34		178	234	247
Sportsfields & stadia		–	113	4	220	150	3 798	112	119	125
Swimming pools		–	66	–	–	–		41	43	46
Community halls		–	84	0	170	92		48	51	53
Libraries		–	7	2	9	9		19	20	21
Recreational facilities		–	–	33	171	61		115	167	176
Fire, safety & emergency		–	215	–						
Security and policing		–	190	–						
Museums & Art Galleries				–						
Cemeteries				–				20	21	22
Social rental housing				–	3	3				

Other				3	34	34				
<b>Heritage assets</b>										
Buildings										
Other										
<b>Investment properties</b>										
Housing development										
Other										
<b>Other assets</b>										
General vehicles		15 971	16 975	12 464	17 617	15 914	6 542	9 395	9 810	10 417
Specialised vehicles		5 472	2 618	3 772	5 558	7 889	2 408	3 900	4 040	4 333
Plant & equipment		–	–	1 751	2 788	2 788	–	–	–	–
Computers - hardware/equipment		211	389	212	420	219		220	232	245
Furniture and other office equipment		–	1 400	–						
Abattoirs		2 330	2 442	1 105	2 055	1 720		1 550	1 598	1 647
Markets				–						
Civic Land and Buildings				–						
Other Buildings				5 624	3 812	3 298	4 134	970	987	1 028
Other Land				–	2 984	–		304	320	338
Surplus Assets - (Investment or Inventory)				–						
Other		7 958	10 126	–				2 451	2 632	2 827
<b>Intangibles</b>										
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	1	59 974	73 597	66 638	98 468	86 991	62 927	79 733	84 952	90 531
<b>Specialised vehicles</b>										
Refuse		–	–	1 751	2 788	2 788	–	–	–	–
Fire				1 429	2 515	2 515				
Conservancy				322	273	273				
Ambulances										
<b>R&amp;M as a % of PPE</b>		7.1%	8.9%	7.7%	10.6%	9.5%	7.0%	8.1%	8.5%	9.0%
<b>R&amp;M as % Operating Expenditure</b>		11.9%	11.3%	10.0%	12.1%	11.0%	9.2%	9.2%	9.1%	9.1%

## 2.13 Legislation compliance status

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

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting (Schedule C) to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, Budget and Treasury Office.  
The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee  
An Audit Committee has been established and is fully functional.
4. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in May 2014 directly aligned and informed by the 2013/14MTREF.
5. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
6. Risk management  
The municipality 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.
8. Effectiveness of audit steering committees  
The audit steering committees is an ad-hoc committee established during the planning and execution of the annual audit. The committee usually comprise of officials of the municipality and the Auditor-General team performing the audit.
9. Reduction of short-term debt  
This regulation is not applicable to the municipality as overdraft facilities are managed within the context of section 45 of the MFMA relating to short-term debt.
10. Delegations  
All delegations are in place and council approved the generic financial delegations in November 2006.



#### 11. Performance agreements

The new performance agreements for 2014/2015 will be finalised after the SDBIP has been approved.

#### 12. Implementation of GRAP

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

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

#### 13. Development of accounting policies

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

#### 14. Inventories - unsold water

The inventories of unsold water are available from the Technical Section responsible. The water in "stock" is ± 45 mega litre and recorded daily. The reservoirs and pipes will be subject to stock taking on 30 June 2014. The detail of water losses need to be investigated to see if these stock levels needs to be impaired for the resale value of the water. The information is in the process to be updated.

#### 15. Asset register

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

## 2.14 Other supporting documents

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

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

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b><u>Property rates</u></b>	6										
Total Property Rates		86 299	95 318	100 933	104 436	105 936	118 767		112 563	118 641	125 048
<i>less Revenue Foregone</i>		9 257	8 666	8 448	10 504	10 504	9 889		10 449	11 013	11 608
<b>Net Property Rates</b>		<b>77 043</b>	<b>86 652</b>	<b>92 485</b>	<b>93 932</b>	<b>95 432</b>	<b>108 878</b>	–	<b>102 114</b>	<b>107 628</b>	<b>113 440</b>
<b><u>Service charges - electricity revenue</u></b>	6										
Total Service charges - electricity revenue		143 734	150 817	164 079	212 223	208 223	190 838		226 572	243 316	261 297
<i>less Revenue Foregone</i>		11 758	13 429	10 819	10 819	10 819	12 364		6 621		
<b>Net Service charges - electricity revenue</b>		<b>131 976</b>	<b>137 388</b>	<b>164 079</b>	<b>201 404</b>	<b>197 404</b>	<b>178 474</b>	–	<b>219 951</b>	<b>243 316</b>	<b>261 297</b>
<b><u>Service charges - water revenue</u></b>	6										
Total Service charges - water revenue		137 600	161 824	159 701	210 611	210 361	205 445		291 239	310 177	330 396
<i>less Revenue Foregone</i>		15 227	20 107	24 072	24 072	24 072	21 061		15 053	15 866	16 723
<b>Net Service charges - water revenue</b>		<b>122 373</b>	<b>141 717</b>	<b>159 701</b>	<b>186 539</b>	<b>186 289</b>	<b>184 385</b>	–	<b>276 185</b>	<b>294 311</b>	<b>313 673</b>
<b><u>Service charges - sanitation revenue</u></b>	6										
Total Service charges - sanitation revenue		19 444	20 421	19 990	34 119	28 119	23 888		25 591	26 973	28 429
<i>less Revenue Foregone</i>		1 683	1 425	2 182	2 182	2 182	2 153		2 754	2 902	3 059
<b>Net Service charges - sanitation revenue</b>		<b>17 761</b>	<b>18 996</b>	<b>19 990</b>	<b>31 937</b>	<b>25 937</b>	<b>21 735</b>	–	<b>22 837</b>	<b>24 071</b>	<b>25 370</b>
<b><u>Service charges - refuse revenue</u></b>	6										
Total refuse removal revenue		23 112	25 259	27 526	44 491	35 491	28 612		39 978	42 137	44 412
Total landfill revenue		–									
<i>less Revenue Foregone</i>		–									
<b>Net Service charges - refuse revenue</b>		<b>23 112</b>	<b>25 259</b>	<b>27 526</b>	<b>44 491</b>	<b>35 491</b>	<b>28 612</b>	–	<b>39 978</b>	<b>42 137</b>	<b>44 412</b>

<b>Other Revenue by source</b>											
Fundraising				20	100	100	–		100	100	–
Legal cost		1 334	1 924	2 210	2 500	3 500	2 274		3 500	3 689	3 888
Departmental Income		–	–	–	–	–	–		–	–	–
Training		344	98	224	235	235	206		235	248	261
Other Revenue	3	977	2 357	2 325	491	491	424		493	520	548
<b>Total 'Other' Revenue</b>	1	<b>2 656</b>	<b>4 379</b>	<b>4 779</b>	<b>3 326</b>	<b>4 326</b>	<b>2 904</b>	<b>–</b>	<b>4 328</b>	<b>4 556</b>	<b>4 697</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	88 146	94 347	106 949	108 828	108 828	108 828		120 013	130 605	139 021
Pension and UIF Contributions		14 408	17 417	16 909	18 484	18 484	18 595		20 184	21 966	23 283
Medical Aid Contributions		7 937	8 844	8 862	10 505	10 505	10 677		11 283	12 281	13 015
Overtime		12 530	12 535	17 371	12 976	13 810	16 507		18 411	19 905	21 237
Performance Bonus		766	–	–	52	52	–		–	–	–
Motor Vehicle Allowance		4 118	5 933	6 747	12 501	12 001	13 467		13 040	14 214	15 041
Cellphone Allowance		–	–	41	900	900	–		455	490	525
Housing Allowances		714	844	966	1 471	1 471	1 221		1 081	1 390	1 247
Other benefits and allowances		11 098	13 737	10 242	20 325	20 325	9 289		20 657	25 191	29 776
Payments in lieu of leave		471	897	261	2 518	2 568	543		2 647	3 629	3 047
Long service awards		1 125	4 472	388							
Post-retirement benefit obligations	4	2 899		1 436							
<b>sub-total</b>	5	<b>144 212</b>	<b>159 027</b>	<b>170 173</b>	<b>188 560</b>	<b>188 944</b>	<b>179 127</b>	<b>–</b>	<b>207 771</b>	<b>229 672</b>	<b>246 192</b>
<u>Less: Employees costs capitalised to PPE</u>											
<b>Total Employee related costs</b>	1	<b>144 212</b>	<b>159 027</b>	<b>170 173</b>	<b>188 560</b>	<b>188 944</b>	<b>179 127</b>	<b>–</b>	<b>207 771</b>	<b>229 672</b>	<b>246 192</b>
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		63 866	59 179	43 309	58 008	58 008	46 687		62 640	66 278	74 738
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10				11 321	11 321	–				
<b>Total Depreciation &amp; asset impairment</b>	1	<b>63 866</b>	<b>59 179</b>	<b>43 309</b>	<b>46 687</b>	<b>46 687</b>	<b>46 687</b>	<b>–</b>	<b>62 640</b>	<b>66 278</b>	<b>74 738</b>
<b>Bulk purchases</b>											
Electricity Bulk Purchases		96 124	125 554	144 367	189 118	189 118	159 581		199 877	217 865	237 473
Water Bulk Purchases		64 730	78 640	90 751	108 612	108 512	96 074		118 674	125 082	138 361
<b>Total bulk purchases</b>	1	<b>160 854</b>	<b>204 194</b>	<b>235 118</b>	<b>297 730</b>	<b>297 630</b>	<b>255 655</b>	<b>–</b>	<b>318 550</b>	<b>342 948</b>	<b>375 835</b>

<b>Transfers and grants</b>											
Cash transfers and grants		15 409	17 690	30 958	47 192	47 192	33 698	–	40 389	45 265	47 288
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
<b>Total transfers and grants</b>	1	<b>15 409</b>	<b>17 690</b>	<b>30 958</b>	<b>47 192</b>	<b>47 192</b>	<b>33 698</b>	<b>–</b>	<b>40 389</b>	<b>45 265</b>	<b>47 288</b>
<b>Contracted services</b>											
Security services		4 957	7 254	9 821	10 000	12 000	12 478		15 000	15 810	16 600
Printing Services		1 491	1 180	1 327	2 780	2 880	2 029		2 960	3 120	3 286
Cash Security Services		367	365	284	450	250	105		400	422	444
Cleansing Services		1 292	1 452	1 738	1 870	1 870	1 917		2 500	2 635	2 777
Other		4 202	5 702	6 852	4 200	3 200	2 073		8 800	8 943	9 000
<b>Total contracted services</b>		<b>12 309</b>	<b>15 953</b>	<b>20 022</b>	<b>19 300</b>	<b>20 200</b>	<b>18 601</b>	<b>–</b>	<b>29 660</b>	<b>30 930</b>	<b>32 107</b>
<b>Other Expenditure By Type</b>											
Consultant fees		8 108	10 434	7 284							
Audit fees		3 337	2 977	3 724	3 998	3 998	3 998		4 256	4 596	5 464
General expenses	3	741	9 072	5 612	16 638	19 145	30 061		22 249	22 931	22 793
Advertising		602	1 041	1 177	1 431	1 227	573		2 731	2 842	3 180
Bursaries		434	866	1 676	2 600	2 400	345		2 647	2 682	719
Computer Systems		417	1 128	369	1 400	1 200	284		2 400	2 400	2 400
Conferences and delegations		626	980	1 027	1 677	1 782	1 068		1 590	1 667	1 702
Connection charges		555	366	414	2 095	1 095	1 065		1 096	1 101	1 217
Fuel and oil vehicles		3 837	5 314	6 862	6 375	4 318	5 082		6 297	6 584	7 017
Legal Expenses		2 902	3 780	4 868	5 290	6 040	4 542		6 505	6 856	7 226
Membership fees		807	1 110	1 589	2 231	2 226	2 730		2 320	2 444	2 575
Postage		1 140	1 216	1 433	1 845	1 545	1 170		1 825	1 856	1 959
Printing and Stationary		1 159	1 085	1 537	1 253	1 003	573		1 319	1 421	1 513
Professional fees		–	–	–	8 743	5 968	4 139		11 325	11 844	12 492
Public programs		4 700	3 573	2 044	6 550	2 960	1 224		2 850	3 004	3 165
Rental External Equipment		803	1 190	1 143	1 535	1 135	365		3 727	3 580	3 822
Sewer Treatment		10 971	11 395	12 560	13 644	13 644	11 640		14 479	15 260	16 888
Stocks and materials		1 090	1 124	1 009	2 785	1 598	608		1 692	1 927	1 865
Telephone		3 118	2 541	2 243	3 885	2 762	1 691		2 200	2 205	2 400
Uniforms		479	1 356	978	1 658	1 277	764		2 171	2 180	2 409
Valuation costs		272	2 002	2 276	1 500	1 500	17		1 000	1 054	1 000
Bank charges		1 274	1 555	1 378	2 000	1 000	488		430	470	510
Insurance		1 464	2 046	1 708	3 013	2 392	1 013		1 482	2 060	2 127
Renumeration contingent liability		–	–	–	200	1 500	–		200	206	479
<b>Total 'Other' Expenditure</b>	1	<b>48 835</b>	<b>66 151</b>	<b>62 910</b>	<b>92 345</b>	<b>81 715</b>	<b>73 436</b>	<b>–</b>	<b>96 790</b>	<b>101 169</b>	<b>104 924</b>

<b>Repairs and Maintenance by Expenditure Item</b>	8									
Employee related costs		33 482	39 815	43 031	44 490	44 673	45 031		49 048	56 570
Other materials		26 492	33 782	23 608	53 978	42 318	17 895		30 685	33 962
Contracted Services										
Other Expenditure										
<b>Total Repairs and Maintenance Expenditure</b>	9	59 974	73 597	66 639	98 468	86 991	62 926	–	79 733	90 532

**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
<b>R thousand</b>	1								
<b>Revenue By Source</b>									
Property rates							102 114		102 114
Property rates - penalties & collection charges									–
Service charges - electricity revenue						219 951			219 951
Service charges - water revenue						276 185			276 185
Service charges - sanitation revenue						22 837			22 837
Service charges - refuse revenue					39 978				39 978
Service charges - other				350	2 739	2 923	2 499	626	9 136
Rental of facilities and equipment					1 502			3 500	5 002
Interest earned - external investments							2 400		2 400
Interest earned - outstanding debtors					1 300	10 800	6 500		18 600
Dividends received									–
Fines					5 023				5 023
Licences and permits					172				172
Agency services									–
Other revenue				235	474		3 500	120	4 329
Transfers recognised - operational			2 108		17 616	45 476	53 060		118 260
Gains on disposal of PPE								5 000	5 000
<b>Total Revenue (excluding capital transfers and contributions)</b>		–	2 108	585	68 803	578 172	170 073	9 246	828 987

<b>Expenditure By Type</b>	-								
Employee related costs		10 810	26 206	14 647	65 177	54 496	23 445	12 991	207 771
Remuneration of councillors		14 685							14 685
Debt impairment					4 887	45 396	14 017	-	64 300
Depreciation & asset impairment		52	3 987	1 907	7 300	45 970	563	2 861	62 640
Finance charges		44			486	2 504			3 034
Bulk purchases				-		318 550			318 550
Other materials		5	1 433	350	3 243	25 308	83	264	30 685
Contracted services		186	15 647	4 230	2 552	5 043	1 903	100	29 660
Transfers and grants					14 840	17 749	7 800		40 388
Other expenditure		9 316	(5 792)	(1 048)	26 380	75 362	(12 565)	5 140	96 793
Loss on disposal of PPE									-
<b>Total Expenditure</b>		<b>35 099</b>	<b>41 480</b>	<b>20 086</b>	<b>124 864</b>	<b>590 377</b>	<b>35 245</b>	<b>21 356</b>	<b>868 507</b>
<b>Surplus/(Deficit)</b>		<b>(35 099)</b>	<b>(39 372)</b>	<b>(19 501)</b>	<b>(56 061)</b>	<b>(12 204)</b>	<b>134 828</b>	<b>(12 110)</b>	<b>(39 520)</b>
Transfers recognised - capital					12 642	48 089			60 731
Contributions recognised - capital									-
Contributed assets									-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(35 099)</b>	<b>(39 372)</b>	<b>(19 501)</b>	<b>(43 420)</b>	<b>35 885</b>	<b>134 828</b>	<b>(12 110)</b>	<b>21 211</b>

**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	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>ASSETS</b>											
<u><b>Call investment deposits</b></u>											
Call deposits < 90 days		27 062	2 185	7 000	4 000	–	15 807	–	15 220	17 000	20 000
Other current investments > 90 days											
<b>Total Call investment deposits</b>	2	27 062	2 185	7 000	4 000	–	15 807	–	15 220	17 000	20 000
<u><b>Consumer debtors</b></u>											
Consumer debtors		356 300	407 168	441 432	503 837	609 548	594 631		631 898	672 448	715 574
Less: Provision for debt impairment		(260 896)	(315 379)	(347 896)	(401 340)	(487 638)	(421 876)		(486 176)	(546 276)	(604 176)
<b>Total Consumer debtors</b>	2	95 403	91 789	93 536	102 497	121 910	172 755	–	145 722	126 172	111 398
<u><b>Debt impairment provision</b></u>											
Balance at the beginning of the year		271 383	260 896	312 126	353 340	369 250	379 483		421 876	486 176	546 276
Contributions to the provision		7 319	80 582	45 000	48 000	118 388	48 000		64 300	60 100	57 900
Bad debts written off		(17 806)	(26 100)	–	–	–	(5 608)				
<b>Balance at end of year</b>		260 896	315 379	357 126	401 340	487 638	421 876	–	486 176	546 276	604 176
<u><b>Property, plant and equipment (PPE)</b></u>											
PPE at cost/valuation (excl. finance leases)		1 715 057	1 766 390	1 956 324	1 980 766	1 942 065	1 931 062		2 067 923	2 138 554	2 212 646
Leases recognised as PPE		51 617	51 617	33 880	51 617	51 617	51 617		51 617	57 617	57 617
Less: Accumulated depreciation		927 133	987 372	1 124 963	1 102 740	1 076 992	1 080 305		1 135 945	1 197 223	1 266 961
<b>Total Property, plant and equipment (PPE)</b>	2	839 541	830 635	865 241	929 643	916 690	902 373	–	983 595	998 948	1 003 302
<b>LIABILITIES</b>											
<u><b>Current liabilities - Borrowing</b></u>											
Short term loans (other than bank overdraft)		–	389	–		800					
Current portion of long-term liabilities		15 631	9 209	20 420	4 205	11 000	3 080		2 325	3 697	5 000
<b>Total Current liabilities - Borrowing</b>		15 631	9 599	20 420	4 205	11 800	3 080	–	2 325	3 697	5 000

<b>Trade and other payables</b>											
Trade and other creditors		79 731	120 171	132 912	165 400	133 000	136 745		150 000	162 000	171 000
Unspent conditional transfers		11 760	8 040	5 109		–	–		–	–	–
VAT		10 254	–	–	6 000	2 000	–		1 000	1 000	1 000
<b>Total Trade and other payables</b>	2	<b>101 746</b>	<b>128 211</b>	<b>138 021</b>	<b>171 400</b>	<b>135 000</b>	<b>136 745</b>	<b>–</b>	<b>151 000</b>	<b>163 000</b>	<b>172 000</b>
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	–	–	8 017	29 374	7 000	14 000		33 141	36 944	31 944
Finance leases (including PPP asset element)		9 209	–	–		–			6 000	4 000	2 000
<b>Total Non current liabilities - Borrowing</b>		<b>9 209</b>	<b>–</b>	<b>8 017</b>	<b>29 374</b>	<b>7 000</b>	<b>14 000</b>	<b>–</b>	<b>39 141</b>	<b>40 944</b>	<b>33 944</b>
<b>Provisions - non-current</b>											
Retirement benefits		22 999	28 488	30 414	32 000	47 513	32 345		34 434	36 640	38 971
<i>List other major provision items</i>											
Refuse landfill site rehabilitation			29 812	31 600		31 600	31 600		33 492	35 486	37 588
Other		11 777	12 447	15 099	15 900	15 900	15 099		15 669	16 273	16 916
<b>Total Provisions - non-current</b>		<b>34 776</b>	<b>70 747</b>	<b>77 113</b>	<b>47 900</b>	<b>95 013</b>	<b>79 044</b>	<b>–</b>	<b>83 595</b>	<b>88 399</b>	<b>93 475</b>
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		851 856	936 172	857 939	884 365	845 533	844 738		976 964	990 822	985 409
GRAP adjustments		–	–								
Restated balance		851 856	936 172	857 939	884 365	845 533	844 738	–	976 964	990 822	985 409
Surplus/(Deficit)		35 260	(63 342)	722	1	597	76 021	–	21 211	20 656	9 157
Appropriations to Reserves		–	–								
Transfers from Reserves		–	–								
Depreciation offsets		–	–	0							
Other adjustments		49 055	(28 815)	(13 923)	31 774	76 536	56 205		(7 353)	(26 069)	(26 569)
<b>Accumulated Surplus/(Deficit)</b>	1	<b>936 172</b>	<b>844 014</b>	<b>844 738</b>	<b>916 140</b>	<b>922 666</b>	<b>976 964</b>	<b>–</b>	<b>990 822</b>	<b>985 409</b>	<b>967 997</b>
<b>Reserves</b>	-										
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
<b>Total Reserves</b>	2	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>936 172</b>	<b>844 014</b>	<b>844 738</b>	<b>916 140</b>	<b>922 666</b>	<b>976 964</b>	<b>–</b>	<b>990 822</b>	<b>985 409</b>	<b>967 997</b>



**Table 53MBRR Table SA9 – Social, economic and demographic statistics and assumptions****FS204 Metsimaholo - Supporting Table SA9 Social, economic and demographic statistics and assumptions**

Description of economic indicator	R e f .	Basis of calculation	2001 Censu s	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population		STATS SA	116	131	145	149	153	158				
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34			57	63	69	71	72	74				
Males aged 15 - 34								84				
Unemployment			59	68	76	78	81					
<b>Monthly household income (no. of households)</b>	1 1 2											
No income												
R1 - R1 600		45757 Households (2013)						22 148				
R1 601 - R3 200								5 028				
R3 201 - R6 400								8 664				
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600								9 917				
R409 601 - R819 200												
> R819 200												
<b>Poverty profiles (no. of households)</b>												

< R2 060 per household per month	1							27176.00				
Insert description	2	45757 Households (2013)										
<b>Household/demographics (000)</b>												
Number of people in municipal area		45757 Households (2013)						158				
Number of poor people in municipal area								108				
Number of households in municipal area								46				
Number of poor households in municipal area								36				
Definition of poor household (R per month)		include 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										
<b>Housing statistics</b>	3											
Formal								31 843				
Informal								13 914				
<b>Total number of households</b>					-			45 757	-	-	-	-
Dwellings provided by municipality	4							1 370				
Dwellings provided by province/s								200				
Dwellings provided by private sector	5							30 273				
<b>Total new housing dwellings</b>					-			31 843	-	-	-	-
<b>Economic</b>	6											
Inflation/inflation outlook (CPIX)												
Interest rate -												

borrowing										
Interest rate - investment		-	-	-						
Remuneration increases										
Consumption growth (electricity)										
Consumption growth (water)										
<b>Collection rates</b>	7									
Property tax/service charges										
Rental of facilities & equipment										
Interest - external investments										
Interest - debtors										
Revenue from agency services										

## Detail on the provision of municipal services for A10

Total municipal services	R e f .		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
		<b>Household service targets (000)</b>									
		<b>Water:</b>									
		Piped water inside dwelling	22 000	25 000	25 000	25 000	25 000	25 000	27 000	29 537	29 537
		Piped water inside yard (but not in dwelling)	1 000	2 000	2 000	2 000	2 000	2 000	2 537	3 887	3 887
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	23 000	27 000	27 000	27 000	27 000	27 000	29 537	33 424	33 424
		Using public tap (< min.service level)	2 000	2 000	2 000	3 424	3 424	3 424	887	887	887
		Other water supply (< min.service level)									
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	2 000	2 000	2 000	3 424	3 424	3 424	887	887	887
		<b>Total number of households</b>	<b>25 000</b>	<b>29 000</b>	<b>29 000</b>	<b>30 424</b>	<b>30 424</b>	<b>30 424</b>	<b>30 424</b>	<b>34 311</b>	<b>34 311</b>
		<b>Sanitation/sewerage:</b>									
		Flush toilet (connected to sewerage)	14 000	19 000	19 000	19 000	19 000	19 000			

		Flush toilet (with septic tank)	1 000	1 000	1 000					
		Chemical toilet		6 000	6 000					
		Pit toilet (ventilated)								
		Other toilet provisions (> min.service level)								
		<i>Minimum Service Level and Above sub-total</i>	15 000	26 000	26 000	19 000	19 000	19 000	–	–
		Bucket toilet	2 000	2 000	2 000	2 383	2 383	2 383	2 025	2 025
		Other toilet provisions (< min.service level)				9 769	9 769	9 769	6 512	3 000
		No toilet provisions								
		<i>Below Minimum Service Level sub-total</i>	2 000	2 000	2 000	12 152	12 152	12 152	8 537	5 025
		<b>Total number of households</b>	<b>17 000</b>	<b>28 000</b>	<b>28 000</b>	<b>31 152</b>	<b>31 152</b>	<b>31 152</b>	<b>8 537</b>	<b>5 025</b>
		<b><u>Energy:</u></b>								
		Electricity (at least min.service level)	17 000	4 000	6 000					
		Electricity - prepaid (min.service level)	15 000	27 000	28 000	34 500	34 500	34 500	34 850	34 850
		<i>Minimum Service Level and Above sub-total</i>	32 000	31 000	34 000	34 500	34 500	34 500	34 850	34 850
		Electricity (< min.service level)								
		Electricity - prepaid (< min. service level)								
		Other energy sources								
		<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–
		<b>Total number of households</b>	<b>32 000</b>	<b>31 000</b>	<b>34 000</b>	<b>34 500</b>	<b>34 500</b>	<b>34 500</b>	<b>34 850</b>	<b>34 850</b>
		<b><u>Refuse:</u></b>								
		Removed at least once a week	40 000	40 000	45 000	49 000	49 000	49 000	52 000	60 000
		<i>Minimum Service Level and Above sub-total</i>	40 000	40 000	45 000	49 000	49 000	49 000	52 000	60 000
		Removed less frequently than once a week	10 000	15 000	10 000	10 000	10 000	10 000	10 000	10 000
		Using communal refuse dump				49 000	49 000	49 000	52 000	55 000
		Using own refuse dump								
		Other rubbish disposal								
		No rubbish disposal	10 000	15 000	10 000	10 000	10 000	10 000	10 000	10 000
		<i>Below Minimum Service Level sub-total</i>	20 000	30 000	20 000	69 000	69 000	69 000	72 000	75 000
		<b>Total number of households</b>	<b>60 000</b>	<b>70 000</b>	<b>65 000</b>	<b>118 000</b>	<b>118 000</b>	<b>118 000</b>	<b>124 000</b>	<b>130 000</b>
Municipal in-house services	R e f .		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework	
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16
		<b><u>Household service targets (000)</u></b>								
		<b><u>Water:</u></b>								
		Piped water inside dwelling	22 000	25 000	25 000	25 000	25 000	25 000	27 000	29 537
		Piped water inside yard (but not in dwelling)	1 000	2 000	2 000	2 000	2 000	2 000	2 537	3 887
	8	Using public tap (at least min.service level)								

10	Other water supply (at least min.service level)									
	Minimum Service Level and Above sub-total	23 000	27 000	27 000	27 000	27 000	27 000	29 537	33 424	33 424
9	Using public tap (< min.service level)	2 000	2 000	2 000	3 424	3 424	3 424	887	887	887
10	Other water supply (< min.service level)									
	No water supply									
	Below Minimum Service Level sub-total	2 000	2 000	2 000	3 424	3 424	3 424	887	887	887
	Total number of households	25 000	29 000	29 000	30 424	30 424	30 424	30 424	34 311	34 311
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)	14 000	19 000	19 000	19 000	19 000	19 000			
	Flush toilet (with septic tank)	1 000	1 000	1 000						
	Chemical toilet			6 000						
	Pit toilet (ventilated)		6 000							
	Other toilet provisions (> min.service level)									
	Minimum Service Level and Above sub-total	15 000	26 000	26 000	19 000	19 000	19 000	–	–	–
	Bucket toilet	2 000	2 000	2 000	2 383	2 383	2 383	2 025	2 025	2 025
	Other toilet provisions (< min.service level)				9 769	9 769	9 769	6 512	3 000	3 000
	No toilet provisions									
	Below Minimum Service Level sub-total	2 000	2 000	2 000	12 152	12 152	12 152	8 537	5 025	5 025
	Total number of households	17 000	28 000	28 000	31 152	31 152	31 152	8 537	5 025	5 025
	Energy:									
	Electricity (at least min.service level)	17 000	4 000	6 000						
	Electricity - prepaid (min.service level)	15 000	27 000	28 000	34 500	34 500	34 500	34 850	34 850	34 850
	Minimum Service Level and Above sub-total	32 000	31 000	34 000	34 500	34 500	34 500	34 850	34 850	34 850
	Electricity (< min.service level)									
	Electricity - prepaid (< min. service level)									
	Other energy sources									
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
	Total number of households	32 000	31 000	34 000	34 500	34 500	34 500	34 850	34 850	34 850
	Refuse:									
	Removed at least once a week	40 000	40 000	45 000	49 000	49 000	49 000	52 000	55 000	60 000
	Minimum Service Level and Above sub-total	40 000	40 000	45 000	49 000	49 000	49 000	52 000	55 000	60 000
	Removed less frequently than once a week	10 000	15 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000
	Using communal refuse dump				49 000	49 000	49 000	52 000	55 000	55 000
	Using own refuse dump									
	Other rubbish disposal									
	No rubbish disposal	10 000	15 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000
	Below Minimum Service Level sub-total	20 000	30 000	20 000	69 000	69 000	69 000	72 000	75 000	75 000
	Total number of households	60 000	70 000	65 000	118 000	118 000	118 000	124 000	130 000	135 000

Municipal entity services	R e f .		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Name of municipal entity	810	<b>Household service targets (000)</b>									
		<b>Water:</b>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
Name of municipal entity	910	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
		<b>Sanitation/sewerage:</b>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Bucket toilet									
Eskom		Other toilet provisions (< min.service level)									
		No toilet provisions									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
		<b>Energy:</b>									
		Electricity (at least min.service level)	3 800	3 800	-						
		Electricity - prepaid (min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	3 800	3 800	-	-	-	-	-	-	-
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	3 800	3 800	-	-	-	-	-	-	-

Name of municipal entity									
	<b><u>Refuse:</u></b>								
	Removed at least once a week								
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
	Removed less frequently than once a week								
	Using communal refuse dump								
	Using own refuse dump								
	Other rubbish disposal								
	No rubbish disposal								
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-

## 2.15 Municipal manager's quality certificate

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

Print Name     Steve M Molala

Municipal manager of Metsimaholo Municipality (FS 204)

Signature       \_\_\_\_\_

Date                \_\_\_\_\_23/05/2014\_\_\_\_\_