

DRAFT MTERF FOR 2015/16-17/18



MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF
MATATIELELOCAL
MUNICIPALITY

2015/16 TO 2017/18
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor’s Report

MAYORAL BUDGET SPEECH FOR THE COUNCIL BUDGET YEAR 2015/2016 DELIVERED AT THE TOWN HALL ON THE 30th MARCH 2015

The Honourable Madam Speaker of this Council, Councillor Bosman-Magangana;

The Chief Whip for the ruling party, Councillor Mohale;

The Executive Committee Members;

All Fellow Councillors present here today;

The Chiefs present here today;

Management team ;

Council Support Staff;

The media present;

The Community Members that are sitting on the Public Gallery;

Ladies and Gentleman;

Good Morning, Molweni, Dumelang, Goeiemore!

PURPOSE

To table 2015-2018 draft medium term revenue expenditure frame work for council consideration.

To present recommendation on the budget process for public participation and final approval of the tabled 2015/16-2018 mterf for council considerations.

To present recommendations on proposed tariff of charges and its implementation for financial year 2015/2016 for council considerations.

To present the proposals on the budget related policies for consideration by council on review of policies.

LEGAL / STATUTORY REQUIREMENTS

- Constitution of the Republic of South Africa, 1996.
- Municipal Finance Management Act 56 of 2003, Chapter 4.
- Municipal System Act 32 of 2000.
- National Treasury Regulations and Guidelines.
- Municipal Budget and Reporting Regulations (reg21, 22, 23, 24, 25, 26 and 27).

BACKGROUND

As required by the Local Government legislations and Constitution of the Republic, the municipality is expected to prepare and approve for implementation of its plans the budget for one financial year and projections for two outer years and this should happen prior to the start of the new affected financial year.

METHOD OF PREPARATION

The Budget was prepared according to the Zero Based Method. In terms of the method all votes and line items were reduced to zero and every amount allocated had to be motivated. General Managers were requested to hand their requests to the Chief Financial Officer for inclusion on the budget. The information was requested to reach the Chief Financial Officer by the 31 January 2015.

In terms of Section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), hereafter called the MFMA, the Mayor must table the Annual Budget at least 90 days before the start of the budget year, that is 31 March. Council must therefore consider any views of the community on the tabled budget (Section 22 of the MFMA) and approve the budget before the start of the financial year which is 1 July (Section 16(1) of the MFMA).

OPERATING BUDGET

In terms of GRAP format Capital Grants receivable are included in the Operating Budget. Capital Expenditure is not included in the Operating Budget.

Operating expenditure is the day to day management items of the Municipality, i.e.:

Salaries and Wages, Repairs and Maintenance, Debt Servicing, Depreciation on Assets, Insurance, Electricity, Telephone, Subsistence and Travelling Allowances, Fuel etc. . General

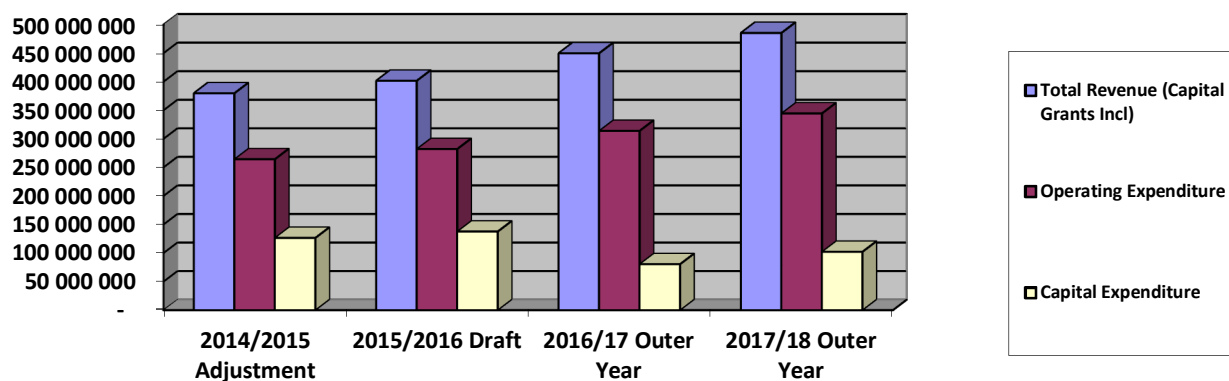
Managers must manage their own budgets consulting with the Chairpersons of the Standing Committees and the Standing Committees where necessary.

The total revenue budget amounts to R401 633 097. Table 1 hereunder summarizes the total operating and capital Budget 2015/16.

Allocations per line item are done by the departments themselves, as long as they don't exceed the amounts allocated per Table 1. Table 1 which is Consolidated Overview of the 2015/16 Medium Term Revenue Expenditure Forecast.

TABLE 1 – Total Budget

DESCRIPTION	ADJUSTED BUDGET 2014/15	DRAFT BUDGET 2015/16	BUDGET YEAR +2016/17	BUDGET YEAR +2017/18
Total Revenue(inclusive of capital Grants)	-379 729 031	-401 633 097	-449 719 948	-485 374 819
Operating Expenditure	264 249 943	282 115 425	313 923 378	344 421 922
Operating Surplus/(Deficit)	-115 479 088	-119 517 672	-135 796 570	-140 952 896
Total Capital Expenditure	126 565 812	137 671 401	80 575 934	102 194 005



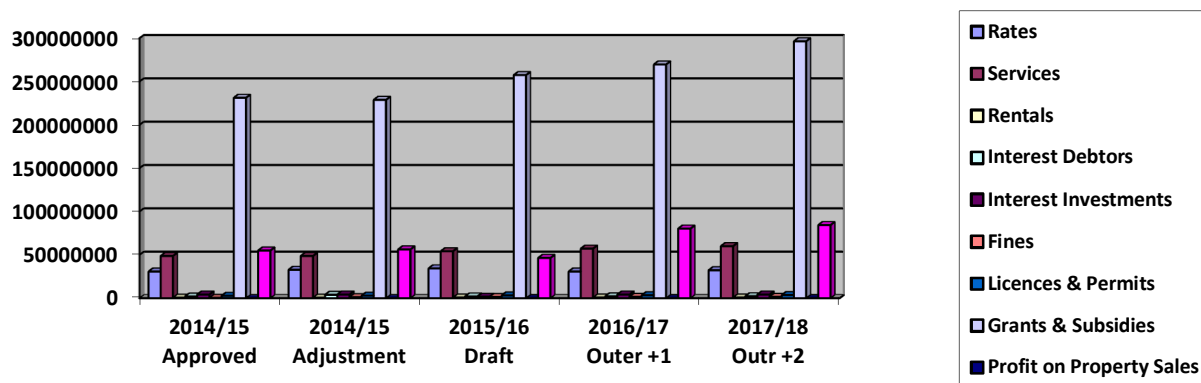
As per the Bar Chart above, the budget on operating and capital revenue grows from the 2014/15 to the proposed and projections of two outer years by a margin of R22 million for 2015/16 (6%), and R70 million (18, 5%) to R106 million (28%) for projections of two outer years of 2017 and 2018 respectively.

On operating expenditure, the budget growth from 2014/15 to proposed and projected is estimated to be R18 million for 2015/16 (7%), and R50 million (19%) to R80 million (30%) for two outer year 2017 and 2018 respectively.

On capital, the growth from 2014/2015 is projected to be R11 million (9%) for 2015/2016, and reduces by R57 million (41%) this is as result of projects that will be completed in 2015/16 and will not be carried over to the two outer years .

TABLE 2 - Total Revenue by Source

REVENUE SOURCE	Approved Budget 2014/15	Adjustment Budget 2014/15	Proposed Budget 2015/16	Budget + 2016/17	Budget + 2017/18	% Allocation	Net Change	% Change
Property Rates	-30 729 031	-32 729 031	-34 365 483	-30 729 031	-32 265 483	9%	-1 636 452	17.58
Service Charges	-48 690 405	-48 690 405	-54 444 926	-57 167 172	-60 025 530	14%	-5 754 521	17.58
Rental Of Facilities	-599 165	-599 165	-769 126	-773 419	-805 353	0%	-169 961	0.35
Interest O/D	-1 943 340	-3 943 340	-1 973 735	-2 072 422	-2 176 043	0%	1 969 605	-49.95
Interest E/I	-4 200 000	-4 200 000	-1 609 669	-4 200 000	-4 200 000	0%	2 590 331	-61.67
Fines	-450 000	-1 201 050	-1 400 500	-1 481 200	-1 562 666	0%	-199 450	16.61
Licences & Permits	-2 704 000	-2 872 000	-3 150 000	-3 332 700	-3 515 999	1%	-278 000	9.68
Grants & Subsidies	-231 194 297	-228 854 935	-257 435 000	-269 647 000	-296 421 600	64%	-28 580 065	12.49
Profit on Sale of Property	-	-	-38 500	-41 516	-42 447	0%	-38 500	-
Other Income	-54 950 520	-56 262 959	-46 446 158	-80 275 488	-84 359 699	12%	9 816 801	-17.45
TOTAL REVENUE	-375 460 759	-379 352 885	-401 633 097	-449 719 948	-485 374 819	100%	-22 280 212	

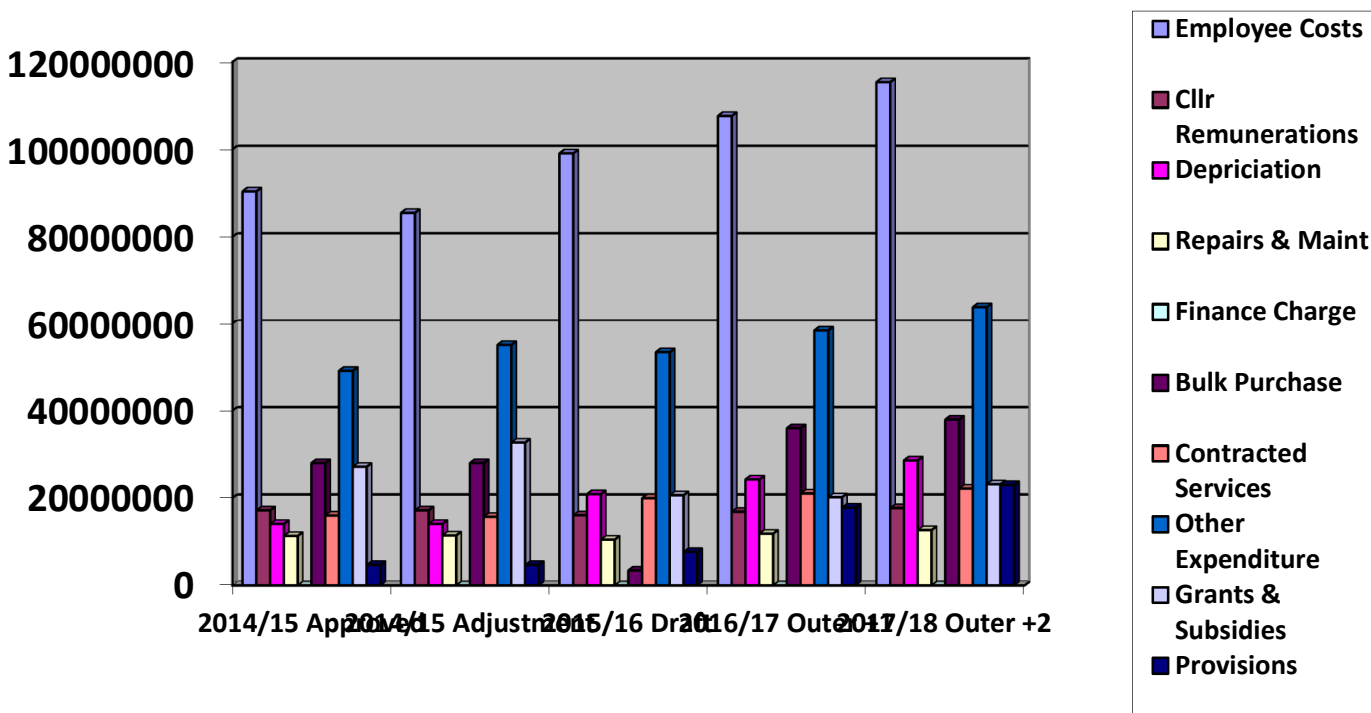


- Total revenue (Capital grants inclusive) is R401,6 million in 2015/16 and increases to R449,7 million by 2017/18 due to increase in grants that will be received in the outer years.
- Revenue to be generated from property rates is R34.3million in the 2015/16 financial year and decreases to R30.7 million by 2016/17 which represents 9 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 5 per cent, for the 2015/16 financial year.
- Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R54.4 million for the 2015/16 financial year and increasing to R57,1 million by 2016/17. For the 2015/16 financial year services charges amount to 14 per cent of the total revenue base .This growth can mainly be attributed to the increase in the bulk prices of electricity.
- Grants & Subsidies ó operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share

of this revenue source increases each year and represents 64% of the 2015/16 revenue budget.

TABLE 3 - TOTAL OPERATING EXPENDITURE BY TYPE

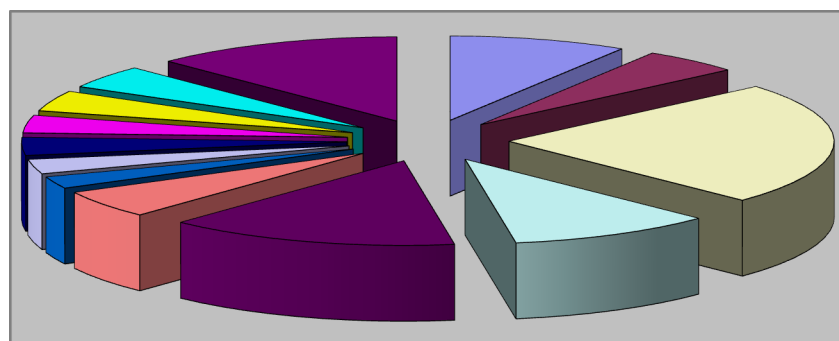
DETAILS	APPROVED BUDGET 2014/15	ADJUSTMENTS BUDGET 2014/15	PROPOSED BUDGET 2015/16	Budget +2016/17	Budget +2017/18	% ALLOCATION	NET CHANGE	% CHANGE
Employee Cost	90 399 994	85 477 967	99 084 753	107 648 280	115 374 688	35%	13 606 786	16%
Cllr Remunerations	17 177 312	17 177 312	16 045 382	16 847 652	17 690 034	6%	(1 131 929)	-7%
Depreciation	14 065 850	14 065 850	20 879 000	24 238 734	28 600 264	7%	6 813 150	48%
Repairs & Maint	11 315 000	11 424 000	10 465 500	11 816 639	12 652 539	4%	(958 500)	-8%
Finance Charges	-	-	-	-	-	0%	-	0%
Bulk Purchases	28 000 000	28 000 000	34 000 000	35 972 000	37 950 460	12%	6 000 000	21%
Contracted Services	15 986 545	15 686 545	19 956 369	21 036 738	22 143 509	7%	4 269 824	27%
Other Expenditure	49 113 976	55 046 626	53 391 571	58 379 105	63 906 015	19%	(1 655 055)	-3%
Grants & Subsidies	27 144 247	32 694 051	20 632 850	20 169 950	23 135 348	7%	(12 061 201)	-37%
Provisions	4 677 597	4 677 597	7 660 000	17 814 280	22 969 065	3%	2 982 403	64%
TOTAL OPERATING EXPENDITURE	257 880 520	264 249 947	282 115 425	313 923 378	344 421 922	100%	17 865 478	7%



The budgeted allocation for employee related costs for the 2015/16 financial year totals R99 million, which equals 35 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 8 per cent for the 2015/16 financial year. The 8 per cent has been maintained in the two outer years of the MTREF

DETAIL ANALYSIS OF OTHER EXPENDITURE BUDGET 2015/16

DESCRIPTION	DRAFT BUDGET 2015/16	DESCRIPTION	DRAFT BUDGET 2015/16	DESCRIPTION	DRAFT BUDGET 2015/16
ADVERTISING	450 000	ELECTRICITY & WATER	620 000	PRINTING AND STATIONARY	1 037 000
AUDIT FEES	4 000 000	FUEL & OIL	2 400 000	PUBLIC PARTICIPATION	640 000
BANK CHARGES	250 000	INCOME FOREGONE	6 545 071	PUBLICATION	947 500
BRANDING & MARKETING	80 000	INSURANCE	900 000	PUBLICITY	380 000
CARTAGE & RAILAGE	10 000	LEGAL COSTS	1 850 000	RESEALING	1 250 000
CHEMICALS	110 000	MAYORAL PROJECTS	5 610 000	SERVICE CONNECTION	200 000
CONFERENCES	2 205 000	MOTOR VEHICLE REG FEES	150 000	SKILLS DEVELOPMENT	1 550 000
CONSULTING FEES	10 620 000	PHOTO COPIES	300 000	STORES MATERIAL	1 515 000
CONTINGENCIES	370 000	PLANT HIRE	185 000	SUBSCRIPTIONS	1 777 000
DELEGATE EXPENSES	4 610 000	POSTAGE	200 000	TELEPHONE	2 000 000
UNIFORMS	630 000				
TOTAL OTHER EXPENDITURE					53 391 571



The budget allocated for other expenditure for 2015/16 financial year amounts to R53, 3 million which equals to 19 per cent of the total operating expenditure. As reflected on the above chart, an amount of R46, million (86%) has been allocated for Strategic, special and good governance programmes.

DETAIL ANALYSIS OF GRANTS AND SUBSIDIES BUDGET 2015/16

DESCRIPTION	DRAFT BUDGET 2015/16
MIG SALARIES	2 022 850
FINANCE MANAGEMENT GRANT (FMG)	1 600 000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	930 000
FREE BASIC REFUSE (ES)	4 000 000
FREE BASIC ELECTRICITY (ES)	10 000 000
EPWP INCENTIVE	1 780 000
SEETA	300 000
	20 632 850

The budget allocated for grants and subsidies to be paid in the 2015/16 financial year amounts to R 20, 6 million this is 7 per cent of the total operating expenditure. Included in the grants and subsidies is an amount of R 14 million for provision of free basic services to the indigent community, R 1,7 million for expanded public works programmes for creation of job opportunities to the unemployed community.

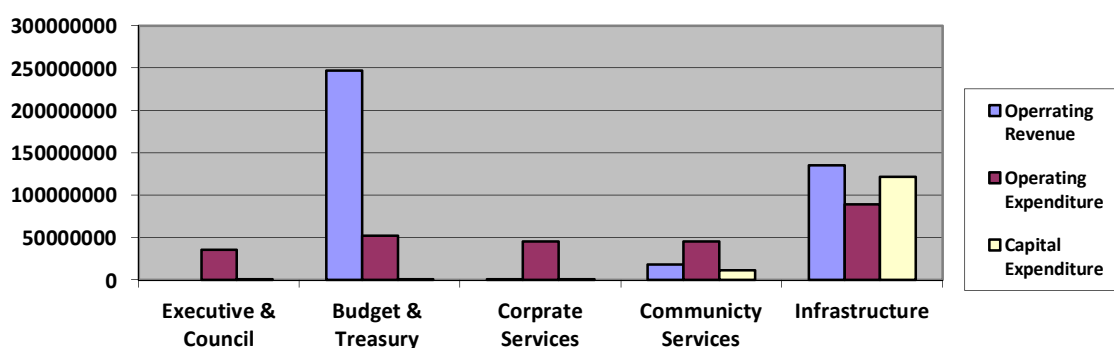
DETAIL ANALYSIS OF PROVISIONS

DESCRIPTION	DRAFT BUDGET 2015/16
LONG SERVICE PROVISION	900 000
LEAVE PROVISION	1 200 000
POST RETIREMENT PROVISION	560 000
BAD DEBT PROVISION	5 000 000
	7 660 000

The budget allocated for provisions amounts to R 7, 6 million this includes bad debt provision of R 5 million

BUDGET PER MUNICIPAL VOTE

MUNICIPAL VOTE	OPERATING EXPENDITURE	OPERATING INCOME	CAPITAL BUDGET
EXECUTIVE & COUNCIL	35 975 016	-	685 000
BUDGET & TREASURY	52 571 891	-247 204 017	600 000
CORPORATE SERVICES	45 420 482	-300 000	1 098 101
COMMUNITY SERVICES	45 684 874	-18 819 862	11 558 900
ECONOMIC DEVELOPMENT & PLANNING	12 636 805	-100 279	1 430 000
INFRASTRUCTURE	89 826 356	-135 208 939	122 299 400
TOTAL BUDGET	282 115 425	-401 633 097	137 671 401



Of the total revenue budget of R 402, 6 million the budget and treasury department receives 68 per cent, this includes equitable share grant allocation of R176, million which equals to 44 per cent of the total operating revenue budget. The infrastructure department's revenue budget equals to 42 per cent of the total revenue budget, this includes a municipal infrastructure grant allocation of R47, million which equals to 12 per cent of the total revenue budget.

Of the total capital budget of R137, million, 89 per cent is allocated for infrastructure projects, this includes construction and maintenance of access roads, bridges and sports facilities for the community.

GRANTS & SUBSIDIES AS PER DORA ALLOCATION

In terms of the Revenue Bill 2015 Matatiele Local Municipality will receive an Equitable Share of R175 181 000. This amount is always not enough to meet all the community needs on service delivery as is always utilised for the day to day operations of the municipality which some are strategic programs to deal with special programs in improving community welfare like gender, youth, indigent support, sport and recreation and many more as identified and approved by council through operational plans. The grants allocated to Matatiele for the 2015/2016 is indicated as follows. Kindly note that these amounts are included in the revenue per source table as indicated on page 2.

ALLOCATED GRANTS AND SUBSIDIES	DORA ALLOCATION 2014/15	DORA ALLOCATION 2015/16
Equitable Share	138 979 000	175 181 000
MIG	45 759 000	47 644 000
FMG	1 600 000	1 600 000
MSIG	934 000	930 000
DME Electrification	19 300 000	30 000 000
EPWP INCENTIVE	4 485 000	1 780 000
Seeta Grant	300 000	300 000
Total Operating Grants	211 357 000	257 435 000

DRAFT CAPITAL BUDGET 2015/16

Capital expenditure is the expenditure incurred on items used over a period of time longer than 12 months to generate future income.

Capital projects amounting to R137 671 401 have been included in this budget. Own sources available to fund these projects amount to R 45 152 601. MIG allocation for 2015/16 is R47 644 000, DOE will fund a sum of R30 million for electrification. A front loading loan from the Development Bank of South Africa of R18 157 000 will fund the electricity substation.

TOTAL BUDGET

TABLE 5

DESCRIPTION	APPROVED BUDGET 2014/15	ADJUSTED BUDGET 2014/15	PROPOSED BUDGET 2015/16	NET CHANGES	% CHANGES
OPERATING EXPENDITURE	257 880 520	264 249 944	282 115 425	17 865 481	6%
CAPITAL EXPENDITURE	147 577 392	126 565 812	137 671 401	11 105 589	8%
TOTAL BUDGET	405 457 912	390 815 756	419 786 826	28 971 070	7%

TARIFFS

All charges excluding electricity and property rates are calculated to increase by 5% for the 2015/16 financial year, proposed to start 1 July 2015.

PROPERTY RATES

Property rates tariff is proposed to increase by 5% for the 2015/16 financial year.

ELECTRICITY

Electricity tariff is proposed to increase between 5% and 12% in terms of the guideline from the National Electricity Regulator of South Africa.

REFUSE REMOVAL AND OTHER TARIFF OF CHARGES

Refuse tariffs are proposed to increase by 5% and all other tariffs are kept at the same level.

BUDGET RELATED POLICIES

As per MFMA requirements, every budget year the municipality is required to review all budget related policies and make amendments where necessary. Such amendments should be done in line with municipality's requirement and needs on implementation of service delivery. Policies should also be provided for public consultation and comments, suggestions should be sought from stakeholders before council approval.

The municipality has the following budget related policies with the proposed areas of amendments as tabulated below,

POLICY	BRIEF DESCRIPTION OF AMMENDMENTS
Credit Control and Debt Collection Policy.	Interest charges provisions on type of services and rates percentage to be raised. Arrangement on settlement of Debt
Banking and Investment management Policy	No Amendments
Fixed Asset Management Policy	Provision for calculation of depreciation on a daily basis Alignment of asset policy useful life with the accounting policies
Budget Policy	No Amendments
Property Rates Policy	No amendments
Supply Chain Management Policy	Made provision for promoting SMMEs, provision of disqualification of bidders on risk factors, provision for rates certificate requirements
Payment Policy	No Amendments
Virement Policy	No amendments
Cash Up Policy	No amendments

Cash Shortage Policy	No amendments
Electricity Token Policy	No amendments
Credit Card Policy	No amendments
Entertainment & Refreshment Policy	No amendments
Customer Incentive Scheme Policy	No amendments
Strategy to Improve debtor payment Policy	No amendments
Customer Care Policy	No amendments
Debt Capacity Policy	No amendments
Tariff Policy	No amendments
Fleet Management Policy	No amendments
Data backup Policy	No amendments
Unclaimed Deposits Policy	No amendments
Gifts Policy for Official	No amendments
Grant & Donation Policy	No amendments
Grap Framework Policy	No amendments
Petty Cash Policy	No amendments
Special Services Policy	No amendments
Consultants Policy	New Policy

CONCLUSION

Remarks

- **The draft operating budget has been increased by 6% from adjustments budget of R264, 249, 944 to proposed draft budget of R282 115 425 and this has been due to material increases on depreciation, electricity bulk purchases, provisions and general expenditure.**
- **The capital budget has been increased by 8% from adjustments budget R126, 565, 812 to proposed capital budget of R 137 671 401 and this is due to construction of new access roads ,sports fields and administrative office furniture and equipment**

1.2 Council Resolutions

On 30 March 2015 the Council of Matatiele Local Municipality met in the Town Hall to consider the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. That the draft IDP 2015/16 be approved;
2. That the Budget 2015/16 be approved as per section 24(1) of the MFMA.
3. That the Council approves the Annual Budget of the Municipality for the financial year 2015/16; and indicative for the two projected outer years 2016/2017 and 2017/2018 be approved as set out in the following;
 - Operating Revenue by Source
 - Operating Expenditure by Source
 - Capital Expenditure by vote
 - Capital Funding by source
4. That Council approves the property rates reflected in item number 2.5 and any other municipal taxes reflected in item number 2.5 are imposed for the budget year 2015/16.
5. Council approves that the Tariffs of Charges reflected in item number 2.5 are approved for the budget year 2015/16.
6. Council approves that the measurable performance objectives for each vote reflected in item number 2.3 are approved for the budget year 2015/16.
7. Council approves that the amended policies for the Credit, Debt Collection and Indigent as reflected in item number 2.4 are approved for the budget year 2015/16.
8. Council approves that the other amended budget related policies reflected in item number 2.4 are approved for the budget year 2015/16.
9. Council notes the SDBIP tabled with the budget for subsequent approval by the Mayor.
10. Council resolves that the Municipal Manager and Chief Financial Officer implement the budget and have authority to sign required documentation regarding obtaining funding as indicated as a Source of Funding of both Operating and Capital nature as reflected in the schedules listed per item no 1.4
11. That the Budget Outreach Report containing inputs from the community be noted.

1.3 Executive Summary

METHOD OF PREPARATION

The Budget was prepared according to the Zero Based Method. In terms of the method all votes and line items were reduced to zero and every amount allocated had to be motivated. General Managers were requested to hand their requests to the Chief Financial Officer for inclusion on the budget. The information was requested to reach the Chief Financial Officer by the 30 December 2015. All departments gave input.

In terms of Section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), hereafter called the MFMA, the Mayor must table the Annual Budget at least 90 days before the start of the budget year, that is 31 March. Council must therefore consider any views of the community on the tabled budget (Section 22 of the MFMA) and approve the budget before the start of the financial year which is 1 July (Section 16(1) of the MFMA).

Operating Budget

In terms of GRAP format Capital Grants receivable are included in the Operating Budget. Capital Expenditure are not included in Operating Budget.

Operating expenditure is the day to day management items of the Municipality, i.e.:

Salaries and Wages, Repairs and Maintenance, Debt Servicing, Depreciation on Assets, Insurance, Electricity, Telephone, Subsistence and Travelling Allowances, Fuel etc.

The total budget amounts to R419 786 826. Table 1 hereunder summarizes the budget per department. General Managers must manage their own budgets consulting with the Chairpersons of the Standing Committees and the Standing Committees where necessary.

Allocations per line item are done by the departments themselves, as long as they don't exceed the amounts allocated per Table 1. Table 2 which is Consolidated Overview of the 2015/16 Medium Term Revenue Expenditure Forecast.

Table 1

	Adjusted Budget 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Revenue (excluding capital transfers and contributions)	-379 729 031	-401 633 097	-449 719 948	-485 374 819
Operation Expenditure	264 249 943	282 115 425	313 923 378	344 421 922
Surplus/(Deficit) for the year	-115 479 088	-119 517 662	-135 796 570	-140 952 896
Total capital expenditure	126 565 812	137 671 401	80 570 934	102 194 005

Total Revenue by source

Revenue Source	Amount	Percentage
Property Rates	34 365 483	9%
Service Charges	54 444 926	14%
Rental of Facilities	769 126	0%
Interest earned - external	1 609 669	0%
Interest earned - internal	1 973 735	0%
Fines	1 400 500	0%
Licenses and Permits	3 150 000	1%
Government Grants	257 435 000	64%
Profit on Sale of Property	38 500	0%
Other Income	46 446 158	12%
Total	401 633 097	100%

Total Expenditure by type

Expenditure	Amount	Percentage
Employee Related Costs	99 084 753	35%
Remuneration of Councillors	16 045 382	6%
Provisions	7 660 000	3%
Depreciation	20 879 000	7%
Repairs and Maintenance	10 465 500	4%
Bulk purchases	34 000 000	12%
Contracted Services	19 956 369	7%
Grants and Subsidies paid	20 632 850	7%
General Expenses	53 391 571	19%
TOTAL	282 115 425	100%

Budget per Department

MUNICIPAL VOTE	OPERATING EXPENDITURE	OPERATING INCOME	CAPITAL BUDGET
EXECUTIVE & COUNCIL	35 975 016	-	685 000
BUDGET & TREASURY	52 571 891	-247 204 017	600 000
CORPORATE SERVICES	45 420 482	-300 000	1 098 101
COMMUNITY SERVICES	45 684 874	-18 819 862	11 558 900
ECONOMIC DEVELOPMENT & PLANNING	12 636 805	-100 279	1 430 000
INFRASTRUCTURE	89 826 356	-135 208 939	122 299 400
TOTAL BUDGET	282 115 425	-401 633 097	137 671 401

Capital Budget

Capital expenditure is the expenditure incurred on items used over a period of time longer than 12 months to generate future income.

Capital projects amounting to R137 671 91 has been included in this budget. Own sources available to fund these projects amount to R45 152 601. Our MIG allocation for 2015/2016 is R47 644 000, INEP will fund a sum of R30 million for electricity installation. An application of a front loading loan of R 18 157 000 is to be made.

All projects presented in this report are the priorities as per the approved Integrated Development Plan which was reviewed in May 2014 during community review meetings in all 26 wards of the municipality.

Funding of Capital Budget

INEP	30 000 000
MIG	45 261 800
<i>Sub Total</i>	<i>75 261 800</i>
CRR	45 152 601
External Loan (Front Loading)	18 157 000
TOTAL	137 671 401

Grants and Subsidies allocations

In terms of the Revenue Bill 2015 Matatiele Local Municipality will receive an Equitable Share of R176 181 000. This amount is always not enough to meet all the community needs on service delivery as is always utilised for the day to day operations of the municipality which some are strategic programs to deal with special programs in improving community welfare like gender, youth, indigent support, sport and recreation and many more as identified and approved by council through operational plans. It is operational grants allocated to Matatiele for the

2015/2016 is indicated as follows. Kindly note that these amounts are included in the revenue table as indicated on page 3.

TARIFFS

All charges excluding electricity and property rates are calculated to increase by 5%, for the 2015/16 financial year, starting 1 July 2015 and this is based on the Consumer Price Index as at 4.09%.

Property Rates

The new Property Valuation Roll came into effect the 1 July 2013 and this will come to expire at the end of 2017/18 financial year ending 30 June 2018.

Electricity

Electricity tariffs will increase between 3% and 10% in terms of the directive from NT and National Electricity Regulator of South Africa.

Refuse Removal and Other Tariff of Charges

Refuse tariffs will be increased by 5% and all other tariffs are kept to increase at same level.

EXTERNAL SERVICE DELIVERY MECHANISMS

External service providers are used for the refuse removal and grass cutting in the towns of Matatiele, Cedarville and Maluti.

ACCUMULATED SURPLUS

This budget will result in a surplus of R3 270. This should be noted that is budget surplus to ensure that the budget is balanced.

Operating Revenue Framework

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

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

- É National Treasury's guidelines and macroeconomic policy;
- É Growth in the Municipality and continued economic development;
- É Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- É Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- É Achievement of full cost recovery of specific user charges especially in relation to trading services;
- É Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- É The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- É Increase ability to extend new services and recover costs;
- É The municipality's Indigent Policy and rendering of free basic services; and
- É Tariff policies of the Municipality.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 3 Summary of revenue classified by main revenue source

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source										
Property rates	13 235	15 501	22 600	30 729	32 729	32 729	32 729	34 365	30 729	32 265
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	32 489	33 912	35 753	41 500	41 500	41 500	41 500	46 895	49 240	51 702
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	5 773	6 411	6 609	7 190	7 190	7 190	7 190	7 550	7 927	8 324
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	483	534	566	561	561	561	561	729	734	764
Interest earned - external investments	5 257	5 572	5 414	4 200	4 200	4 200	4 200	1 610	4 200	4 200
Interest earned - outstanding debtors	1 669	2 289	2 464	1 943	3 943	3 943	3 943	1 974	2 072	2 176
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	1 651	1 509	3 672	1 283	2 201	2 201	2 201	2 601	2 752	2 903
Licences and permits	1 897	2 094	2 189	1 872	1 872	1 872	1 872	1 950	2 063	2 177
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	100 717	120 143	138 192	146 978	150 242	150 242	150 242	179 791	195 163	214 180
Other revenue	794	5 296	16 038	54 949	56 263	56 263	56 263	46 486	80 315	84 401
Gains on disposal of PPE	(2 214)	(5 064)	537	39	39	39	39	39	40	42
Total Revenue (excluding capital transfers and contributions)	161 750	188 196	234 035	291 244	300 740	300 740	300 740	323 989	375 236	403 134

Table 4 Percentage growth in revenue by main revenue source

Description	2014/15 Medium Term Revenue & Expenditure Framework								
	R thousand	Adjusted Budget 2014/15	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source									
Property rates		32 729 031	10.88	34 365 482	10.61	30 729 031	8.08	32 265 483	8.00
Property rates - penalties & collection charges		-	0.00	-	0.00	-	0.00	-	0.00
Service charges - electricity revenue		41 500 000	13.80	46 895 000	14.47	43 575 000	11.46	51 701 737	12.82
Service charges - water revenue		-	0.00	-	0.00	-	0.00	-	0.00
Service charges - sanitation revenue		-	0.00	-	0.00	-	0.00	-	0.00
Service charges - refuse revenue		7 190 405	2.39	7 549 925	2.33	7 549 926	1.99	8 323 792	2.06
Service charges - other		-	0.00	-	0.00	-	0.00	-	0.00
Rental of facilities and equipment		560 945	0.19	728 995	0.23	596 781	0.16	764 012	0.19
Interest earned - external investments		4 200 000	1.40	1 609 669	0.50	4 200 000	1.10	4 200 000	1.04
Interest earned - outstanding debtors		3 943 340	1.31	1 973 735	0.61	1 951 000	0.51	2 176 042	0.54
Dividends received		-	0.00	-	0.00	-	0.00	-	0.00
Fines		2 201 050	0.73	2 600 500	0.80	473 540	0.12	2 903 229	0.72
Licences and permits		1 871 999	0.62	1 950 000	0.60	2 839 200	0.75	2 176 570	0.54
Agency services		-	0.00	-	0.00	-	0.00	-	0.00
Transfers recognised - operational		150 241 663	49.96	179 791 000	55.49	252 782 590	66.47	214 179 600	53.13
Other revenue		56 262 647	18.71	46 486 286	14.35	35 609 000	9.36	84 401 030	20.94
Gains on disposal of PPE		38 500	0.01	38 500	0.01	-	0.00	42 446	0.01
Total Revenue (excluding capital transfers and contributions)		300 739 580	100	323 989 092	100	380 306 068	100	403 133 941	100

The budget will be funded as per table 1. Kindly note that of a total revenue budget (excluding capital grants) of R323 989 092 - Council generates R141 597 591 (45%), and Grants amount to R179 791 000 (55%). Therefore the Council is 70 % dependant on grants.

1.4.1 Property Rates

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

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 1:025. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

~ The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy i.e. the market value less R 55 000.00;

~ 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;

~ For pensioners, physically and mentally disabled persons, a minimum total rebate of 40 per cent will be granted to owners of rateable property if the total gross income of the applicant and/or his/her spouse, if any, is the following:

- Income not exceeding R3 000.00

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse.
- The applicant must submit proof of his/her age, identity and 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 the debt should be in place; and
- The property must be categorized as residential.

Additional:

-Residential properties a 35% rebate

-Properties categorized commercial 10% rebate on rates.

-Farms/ Smallholdings used for agricultural purposes 65% rebates.

~ The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain

Classes such as churches, registered welfare organizations, institutions or organizations performing charitable work,

Sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Table 5 Operating Transfers and Grant Receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating Transfers and Grants									
National Government:	95 429	115 019	125 055	145 998	145 998	145 998	179 491	194 863	213 879
Local Government Equitable Share	92 449	105 328	118 051	138 979	138 979	138 979	175 181	192 281	211 146
Finance Management	1 450	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement	592	998	890	934	934	934	930	957	1 033
Expanded Public Works Incentive	938	7 193	4 564	4 485	4 485	4 485	1 780	-	-
Provincial Government:	-	-	11 088						
Revenue Enhancement	-	-	3 500	7 000	7 000	7 000	-	-	-
Election Grant			7 588						
District Municipality:									
Other grant providers:	5 288	5 123	2 049	300	300	300	300	300	300
Seela Subsidy	298	424	313	300	300	300	300	300	300
Other	4 990	4 699	1 736						
Total Operating Transfers and Grants	100 717	120 143	138 192	146 298	146 298	146 298	179 791	195 163	214 179

The municipality operational grants budget amounts to R179 791 000 for 2015/2016, included in this amount is the equitable share allocation, the operational grants budget equates to 55% of the total revenue budget (excluding capital grants). For the two outer years 2016/17 & 2017/18 this is expected to increase as the municipality 9 per cent & 10 per cent respectively.

Table 6 Comparison of proposed rated levies for the 2015/16 financial year

Category	Current Tariff (1 July 2014)	Proposed tariff (from 1 July 2015)
Residential	0.00828	0.00869
Vacant Land	0.01805	0.01896
Commercial 10 % Rebate	0.00930	0.01043
Farms	0.00207	0.00217
Government	0.01805	0.01896
Industrial	0.00930	0.01043
Municipal	0.00930	0.01043

Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An increase of 14.24 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

Considering the Eskom increases, the consumer tariff had to be increased by between 3 and 10 per cent to offset the additional bulk purchase cost from 1 July 2015. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

The following table shows the impact of the proposed increases in electricity tariffs on the water 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	Difference (Increase) R	% Change
Basic Charge	316.57	326.07	9.5	3%
0-50	0.69	0.74	0.05	7%
51-350	0.88	0.95	0.07	7%
351-600	1.26	1.38	0.12	9%
601 and over	1.48	1.63	0.15	9%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2015. 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).

Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 5 per cent increase in the waste tariff is proposed from 1 July 2015. Any increase higher than 10 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2015:

Table 11 Comparison between current waste removal fees and increases

	CURRENT TARIFFS	PROPOSED TARIFFS	% INCREASE
	Jul-14	Jul-15	
	WASTE REMOVAL	WASTE REMOVAL	WASTE REMOVAL
Solid waste			
Domestic Removals			
Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	98.15	103.06	5%
Commercial Removals			
Each individual/separate business shall be charged a basic service charge per month.	147.21	154.47	5%
In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	147.21	154.57	5%

1.3.1 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 bills has been kept between 5 and 12 per cent.

Table 11EC441 MATATIELE LOCAL MUNICIPALITY Table SA14 – Household bills

Choose name from list - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		5 265.00	5 551.00	5 925.00	3 839.00		3 839.00	0.05	4 030.00	4 231.50	4 443.08
Electricity: Basic levy		261.28	290.02	310.89	333.86		333.86	0.12	373.92	392.62	412.25
Electricity: Consumption		1 195.77	1 134.00	1 051.24	1 176.00		1 176.00	0.12	1 317.00	1 501.38	1 576.45
Water: Basic levy					-						
Water: Consumption					-						
Sanitation					-						
Refuse removal		97.58	101.49	106.57	111.89		111.89	0.05	117.48	123.35	129.52
Other											
sub-total		6 819.63	7 076.51	7 393.70	5 460.75	-	5 460.75	0.07	5 838.40	6 248.85	6 561.29
VAT on Services											
Total large household bill:		6 819.63	7 076.51	7 393.70	5 460.75	-	5 460.75	0.07	5 838.40	6 248.85	6 561.29
% increase/-decrease			3.8%	4.5%	(26.1%)	(100.0%)	-	6.9%	7.0%	5.0%	
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		638.50	664.00	5 113.80	3 322.40		3 322.40	0.05	3 488.52	3 662.95	3 846.09
Electricity: Basic levy		261.28	290.02	310.89	333.86		333.86	0.12	373.92	392.62	412.25
Electricity: Consumption		509.23	865.50	224.77	215.32		215.32	0.12	241.16	274.92	288.67
Water: Basic levy					-						
Water: Consumption					-						
Sanitation					-						
Refuse removal		97.58	101.49	106.57	111.89		111.89	0.05	117.48	123.35	129.52
Other											
sub-total		1 506.59	1 921.01	5 756.03	3 983.47	-	3 983.47	0.06	4 221.08	4 453.84	4 676.53
VAT on Services											
Total small household bill:		1 506.59	1 921.01	5 756.03	3 983.47	-	3 983.47	0.06	4 221.08	4 453.84	4 676.53
% increase/-decrease			27.5%	199.6%	(30.8%)	(100.0%)	-	6.0%	5.5%	5.0%	
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		-	-	-	-		-	0.05	-	-	-
Electricity: Basic levy		-	-	-	-		-	0.12	-	-	-
Electricity: Consumption		305.71	294.69	320.34	339.72		339.72	0.12	380.49	433.76	455.45
Water: Basic levy		-	-	-	-		-		-	-	-
Water: Consumption		-	-	-	-		-		-	-	-
Sanitation		-	-	-	-		-		-	-	-
Refuse removal		97.58	101.49	106.57	111.89		111.89	0.05	117.48	123.35	129.52
Other											
sub-total		403.29	396.18	426.91	451.61	-	451.61	0.10	497.97	557.11	584.97
VAT on Services											
Total small household bill:		403.29	396.18	426.91	451.61	-	451.61	0.10	497.97	557.11	584.97
% increase/-decrease			(1.8%)	7.8%	5.8%	(100.0%)	-	10.3%	11.9%	5.0%	

Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- É Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- É Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- É Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 13 Summary of operating expenditure by standard classification item

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17
Expenditure By Type										
Employee related costs	46 429	57 395	69 115	89 429	84 507	84 507	84 507	99 085	110 678	118 514
Remuneration of councillors	13 276	13 900	14 807	17 177	17 177	17 177	17 177	16 045	16 685	17 520
Debt impairment	2 610	63 893	27 795	3 949	3 949	3 949	3 949	5 000	15 000	20 000
Depreciation & asset impairment	15 905	17 084	19 062	14 066	14 066	14 066	14 066	20 879	24 291	28 655
Finance charges	563	4 275	2	-	-	-	-	-	-	-
Bulk purchases	21 898	24 556	26 147	28 000	28 000	28 000	28 000	34 000	35 972	37 950
Other materials	9 450	10 293	10 751	11 315	11 336	11 424	11 424	10 466	11 711	12 597
Contracted services	9 363	12 329	13 389	15 987	15 687	15 687	15 687	19 956	21 037	22 144
Transfers and grants	6 734	23 663	32 778	27 144	31 470	31 470	31 470	20 633	19 870	22 835
Other expenditure	23 704	26 305	35 643	50 814	57 971	57 971	57 971	56 052	58 679	64 206
Total Expenditure	149 931	253 693	249 489	257 881	264 162	264 250	264 250	282 115	313 923	344 422

The budgeted allocation for employee related costs for the 2015/16 financial year totals R99 million, which equals 35 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 8 per cent for the 2015/16 financial year. An annual increase of 8 per cent has been included in the two outer years of the MTREF

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.

The provision of debt impairment was determined based on an annual collection rate of 85 per cent and the Debt Write-off Policy of the Municipality. For the 2015/16 financial year this amount equates to R5 million and escalates to R15 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R20, 8 million for the 2015/16 financial and equates to 7 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

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

Other material comprises of amongst others materials for maintenance. 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 2015/16 the appropriation against this group of expenditure is by 4 per cent and continues to grow at 4, 5 and 5 per cent for the two outer years.

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. The appropriation for this group of expenditures equates to 20 per cent for 2015/16 and is maintained at 18 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 64 MBRR SA1 (see page 100).

The following table gives a breakdown of repairs and maintenance on the main expenditure categories for the 2015/16 financial year.

Figure 1 Main operational expenditure categories for the 2015/16 financial year

1.3.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. 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.

The table below provides a breakdown of the repairs and maintenance in relation expenditure items:

Table 14 Repairs and maintenance by expenditure item

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and Maintenance by Expenditure Item										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Other materials	9 450	10 293	10 751	11 315	11 424	11 424	11 424	10 466	11 711	12 597
Contracted Services	-	-	-	-	-	-	-	-	-	-
Total repairs and Maintenance Expenditure	9 450	10 293	10 751	11 315	11 424	11 424	11 424	10 466	11 711	12 597

For the 2015/16 financial year repairs and maintenance is budgeted at R10,5 million this equates to 4 % of the total operating budget , this escalates to R12,5 million in the 2017/18 outer year .

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 15 500 or more indigent households during the 2015/2016 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 35.

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.

1.4 Capital expenditure

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

Table 7 2015/16 Medium-term capital budget per vote

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	1 595	1 995	1 995	1 995	576	150	165
Vote 4 - Development & Planning		-	-	-	400	400	400	400	650	400	440
Vote 5 - Community		-	-	-	800	800	800	800	1 500	1 000	1 100
Vote 6 - Infrastructure		1 194	40 874	-	37 796	38 938	38 938	38 938	93 395	70 357	59 770
Capital multi-year expenditure sub-total	7	1 194	40 874	-	40 591	42 133	42 133	42 133	96 122	71 907	61 475
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		6	23	5 538	221	221	221	221	685	95	105
Vote 2 - Budget & Finance		527	11 900	4 603	7 156	2 344	2 344	2 344	600	300	25 330
Vote 3 - Corporate		36	638	214	528	528	528	528	522	422	464
Vote 4 - Development & Planning		498	786	2 794	515	515	515	515	780	100	110
Vote 5 - Community		4 304	2 178	12 639	6 543	6 553	6 553	6 553	10 059	712	4 283
Vote 6 - Infrastructure		29 933	4 336	64 648	92 024	74 272	74 272	74 272	28 904	7 035	10 428
Capital single-year expenditure sub-total		35 304	19 861	90 436	106 986	84 433	84 433	84 433	41 550	8 664	40 719
Total Capital Expenditure - Vote		36 498	60 735	90 436	147 577	126 566	126 566	126 566	137 671	80 571	102 194
Capital Expenditure - Standard											
Governance and administration		569	12 561	10 347	9 472	5 070	5 070	5 070	2 353	937	26 031
Executive and council		6	23	5 529	193	203	203	203	655	65	72
Budget and treasury office		527	11 900	4 603	7 156	2 344	2 344	2 344	600	300	25 330
Corporate services		36	638	214	2 123	2 523	2 523	2 523	1 098	572	629
Community and public safety		4 304	2 178	12 610	7 343	7 353	7 353	7 353	40 001	16 832	10 515
Community and social services		4 304	2 178	610	2 533	2 533	2 533	2 533	3 195	600	660
Sport and recreation		-	-	9 717	2 330	1 930	1 930	1 930	4 176	12	13
Public safety		-	-	2 283	2 480	2 890	2 890	2 890	4 188	1 100	4 710
Housing		-	-	-	-	-	-	-	28 442	15 120	5 132
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		498	786	2 803	943	933	933	933	1 460	530	583
Planning and development		498	786	2 803	943	933	933	933	1 460	530	583
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		31 127	45 210	64 677	129 820	113 210	113 210	113 210	93 857	62 272	65 065
Electricity		31 127	45 210	64 648	129 820	113 210	113 210	113 210	93 857	62 272	65 065
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	29	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	36 498	60 735	90 436	147 577	126 566	126 566	126 566	137 671	80 571	102 194

For 2015/16 an amount of R122 million has been appropriated for the development of infrastructure. This represents 80% of the total capital budget. The total capital budget for 2015/16 is R137, 6 million.

The following graph reflects the capital budget per municipal vote,

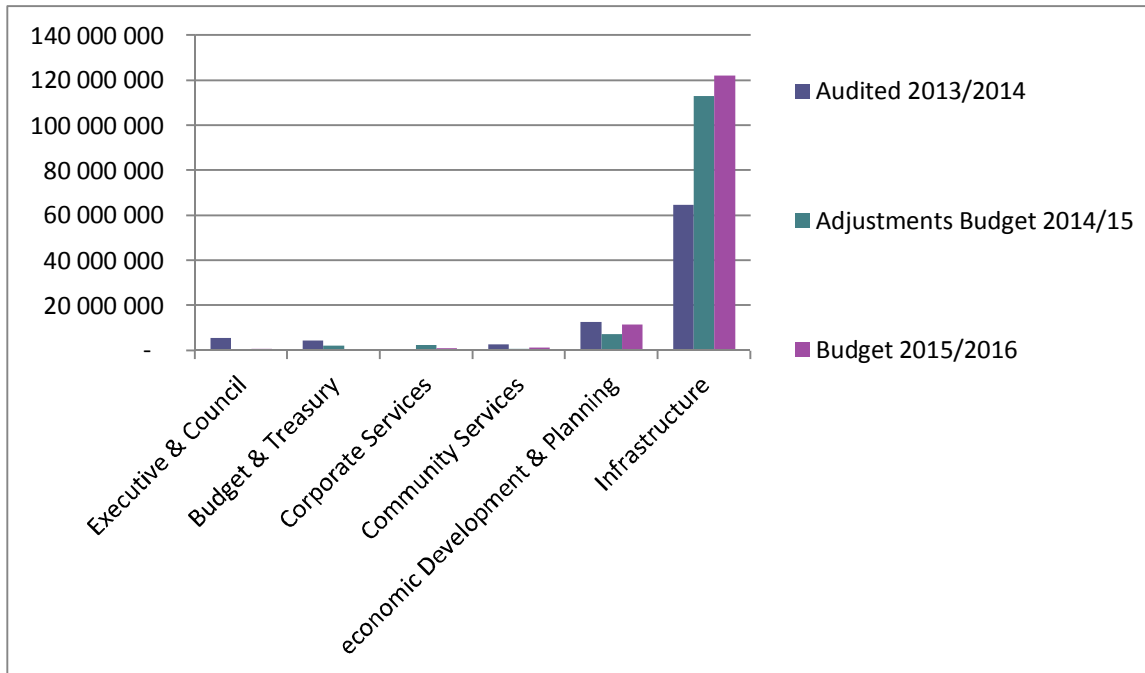


Figure 2 Capital Infrastructure Programme

1.4.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61MBRR SA35 on page 118. It needs to be noted that as part of the 2015/16 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.5 Annual Budget Tables

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

Table 17 MBRR Table A1 - Budget Summary

EC441 Matatiele - Table A1 Budget Summary										
Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	13 235	15 501	22 600	30 729	32 729	32 729	32 729	34 365	30 729	32 265
Service charges	38 262	40 323	42 362	48 690	48 690	48 690	48 690	54 445	57 167	60 026
Investment revenue	5 257	5 572	5 414	4 200	4 200	4 200	4 200	1 610	4 200	4 200
Transfers recognised - operational	100 717	120 143	139 932	154 135	157 385	157 385	157 385	179 791	195 163	214 180
Other own revenue	4 280	6 657	25 466	60 647	64 878	64 878	64 878	53 778	87 977	92 463
Total Revenue (excluding capital transfers and contributions)	161 750	188 196	235 775	298 402	307 883	307 883	307 883	323 989	375 236	403 134
Employee costs	46 429	57 395	69 115	89 429	84 507	84 507	84 507	99 085	107 701	115 375
Remuneration of councillors	13 276	13 900	14 807	17 177	17 177	17 177	17 177	16 045	16 842	17 678
Depreciation & asset impairment	15 905	17 084	19 062	14 066	14 066	14 066	14 066	20 879	24 291	28 655
Finance charges	563	4 275	2	-	-	-	-	-	-	-
Materials and bulk purchases	31 348	34 849	36 898	39 315	39 336	39 424	39 424	44 466	47 683	50 548
Transfers and grants	6 734	23 663	32 778	27 144	31 470	31 470	31 470	20 333	19 870	22 835
Other expenditure	35 677	102 527	76 827	70 749	77 694	77 606	77 606	81 308	97 530	109 319
Total Expenditure	149 931	253 693	249 489	257 881	264 250	264 250	264 250	282 115	313 917	344 409
Surplus/(Deficit)	11 819	(65 497)	(13 714)	40 521	43 633	43 633	43 633	41 874	61 319	58 725
Transfers recognised - capital	24 994	32 317	58 679	77 059	71 470	71 470	71 470	77 644	74 484	82 242
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967
Capital expenditure & funds sources										
Capital expenditure	36 498	60 735	90 436	147 577	126 566	126 566	126 566	137 671	80 571	102 194
Transfers recognised - capital	25 932	33 118	58 679	77 059	71 470	71 470	71 470	77 644	74 484	82 242
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	10 565	27 617	31 757	70 518	55 096	55 096	55 096	45 153	6 087	19 952
Total sources of capital funds	36 498	60 735	90 436	147 577	126 566	126 566	126 566	122 797	80 571	102 194
Financial position										
Total current assets	120 413	105 442	82 366	157 844	157 844	157 844	157 844	37 641	38 195	3 922
Total non current assets	398 622	438 643	543 089	569 874	569 874	569 874	569 874	834 099	881 504	939 588
Total current liabilities	41 182	30 874	29 262	22 752	22 752	22 752	22 752	27 538	29 686	31 877
Total non current liabilities	12 582	17 809	19 762	49 520	49 520	49 520	49 520	21 187	12 684	12 697
Community wealth/Equity	465 271	495 402	576 430	655 447	655 447	655 447	655 447	823 014	877 329	898 936
Cash flows										
Net cash from (used) operating	66 684	38 066	62 471	132 125	132 125	132 125	132 125	92 857	90 226	67 699
Net cash from (used) investing	(37 286)	(63 331)	(82 140)	(147 227)	(147 227)	(147 227)	(147 227)	(137 633)	(80 531)	(102 152)
Net cash from (used) financing	(34)	-	-	-	-	-	-	9 031	(10 038)	(814)
Cash/cash equivalents at the year end	102 500	77 235	57 566	42 464	42 464	42 464	42 464	21 822	21 479	(13 787)
Cash backing/surplus reconciliation										
Cash and investments available	108 585	84 224	57 566	136 183	136 183	136 183	136 183	21 822	21 479	(13 787)
Application of cash and investments	19 843	5 435	11 737	(40)	860	860	860	19 039	22 259	24 004
Balance - surplus (shortfall)	88 742	78 789	45 829	136 223	135 323	135 323	135 323	2 783	(781)	(37 791)
Asset management										
Asset register summary (WDV)	483 827	502 629	568 135	749 234	728 113	728 113	834 099	834 099	881 504	939 588
Depreciation & asset impairment	15 905	17 084	19 062	14 066	14 066	14 066	20 879	20 879	24 291	28 655
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	9 450	10 293	10 751	11 315	11 424	11 424	10 466	10 466	11 711	12 597
Free services										
Cost of Free Basic Services provided	566	1 551	3 456	4 154	4 154	4 154	4 569	4 569	5 026	5 529
Revenue cost of free services provided	566	1 551	9 045	9 966	10 198	4 154	11 218	11 218	12 340	13 574
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	4	4	5	5	5	5	5	5	5	5

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2015/16, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

EC441 Matatiele - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard	1									
<i>Governance and administration</i>		109 158	132 508	167 849	229 175	234 489	234 489	247 504	263 737	285 524
Executive and council		107	85	11 312	130	130	130	-	-	-
Budget and treasury office		108 733	131 762	166 224	228 745	234 059	234 059	247 204	263 437	285 224
Corporate services		318	661	313	300	300	300	300	300	300
<i>Community and public safety</i>		5 285	4 936	7 012	16 310	17 341	17 341	17 160	19 108	20 149
Community and social services		996	826	520	12 292	12 278	12 278	11 815	13 459	14 128
Sport and recreation		741	508	641	864	991	991	675	675	702
Public safety		3 547	3 602	5 851	3 154	4 072	4 072	4 550	4 814	5 079
Housing		-	-	-	-	-	-	120	160	240
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 814	1 950	5 450	4 812	7 949	7 949	1 880	105	111
Planning and development		1 814	1 950	5 450	4 812	7 949	7 949	1 880	105	111
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		70 488	81 118	114 143	125 163	119 574	119 574	135 089	166 770	179 592
Electricity		59 909	74 707	103 533	125 163	119 574	119 574	135 089	166 770	179 592
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10 579	6 411	10 609	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	186 745	220 513	294 454	375 461	379 353	379 353	401 633	449 720	485 376
Expenditure - Standard										
<i>Governance and administration</i>		59 886	130 630	124 480	119 018	121 771	121 771	128 169	146 530	162 045
Executive and council		21 932	23 610	37 425	29 084	28 934	28 934	30 176	31 940	33 781
Budget and treasury office		26 706	90 322	63 044	59 920	58 258	58 258	52 572	66 086	76 339
Corporate services		11 249	16 697	24 011	30 014	34 579	34 579	45 420	48 504	51 925
<i>Community and public safety</i>		13 360	12 460	16 479	36 105	36 473	36 473	42 766	46 996	49 240
Community and social services		5 653	3 769	3 469	18 098	17 714	17 714	20 445	25 505	26 490
Sport and recreation		2 351	1 888	5 027	6 976	7 853	7 853	7 510	7 910	8 335
Public safety		5 356	6 803	7 983	11 030	10 906	10 906	12 397	10 022	10 372
Housing		-	-	-	-	-	-	2 413	3 559	4 043
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10 215	15 717	19 855	25 456	33 313	33 313	23 768	25 495	29 677
Planning and development		10 215	15 717	19 855	25 456	33 313	33 313	23 768	25 495	29 677
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		68 204	94 886	88 674	77 301	72 693	72 693	87 413	94 902	103 460
Electricity		60 252	82 176	76 147	77 301	72 693	72 693	87 413	94 902	103 460
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 952	12 710	12 528	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	151 666	253 693	249 489	257 881	264 250	264 250	282 115	313 923	344 422
Surplus/(Deficit) for the year		35 079	(33 180)	44 965	117 580	115 103	115 103	119 518	135 797	140 954

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

- 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 the 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.
- 4.

Table 8 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - Executive & Council		474	477	11 586	280	444	444	-	-	-
Vote 2 - Budget & Finance		108 733	131 762	156 224	228 745	234 059	234 059	247 204	263 437	285 224
Vote 3 - Corporate		318	661	313	300	300	300	300	300	300
Vote 4 - Development & Planning		1 447	1 558	5 176	4 662	7 634	7 634	100	105	111
Vote 5 - Community		15 864	11 347	17 622	16 310	17 341	17 341	18 820	18 948	19 909
Vote 6 - Infrastructure		59 909	74 707	103 533	125 163	119 574	119 574	135 209	166 930	179 832
Total Revenue by Vote	2	186 745	220 513	294 454	375 461	379 353	379 353	401 633	449 720	485 376
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		26 366	29 224	43 909	35 472	36 127	36 127	35 975	40 113	44 610
Vote 2 - Budget & Finance		26 706	90 322	63 044	59 920	58 258	58 258	52 572	66 086	76 339
Vote 3 - Corporate		11 249	16 697	24 011	30 014	34 579	34 579	45 420	48 504	51 925
Vote 4 - Development & Planning		5 781	10 104	13 370	19 069	26 120	26 120	12 637	13 541	14 829
Vote 5 - Community		21 312	25 170	29 007	36 105	36 473	36 473	45 685	47 219	49 216
Vote 6 - Infrastructure		60 252	82 176	76 147	77 301	72 693	72 693	89 826	98 461	107 502
Total Expenditure by Vote	2	151 666	253 693	249 489	257 881	264 250	264 250	282 115	313 923	344 422
Surplus/(Deficit) for the year	2	35 079	(33 180)	44 965	117 580	115 103	115 103	119 518	135 797	140 954

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

1. 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.

Table 20 Surplus/Deficit calculations for the trading services

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Electricity	(343)	(7 469)	11 782	11 862	9 862	9 862	9 862	7 676	4 368	1 057
Refuse	2 627	(6 299)	(1 919)	(5 806)	(5 436)	(5 436)	(5 436)	(8 630)	(12 046)	(12 362)

- The table highlights that this is the case for Electricity and Waste removal functions. 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.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue.

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

EC441 Matatiele - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	13 235	15 501	22 600	30 729	32 729	32 729	32 729	34 365	30 729	32 265
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	32 489	33 912	35 753	41 500	41 500	41 500	41 500	46 895	49 240	51 702
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	5 773	6 411	6 609	7 190	7 190	7 190	7 190	7 550	7 927	8 324
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		483	534	566	561	561	561	561	729	734	764
Interest earned - external investments		5 257	5 572	5 414	4 200	4 200	4 200	4 200	1 610	4 200	4 200
Interest earned - outstanding debtors		1 669	2 289	2 464	1 943	3 943	3 943	3 943	1 974	2 072	2 176
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		1 651	1 509	3 672	1 283	2 201	2 201	2 201	2 601	2 752	2 903
Licences and permits		1 897	2 094	2 189	1 872	1 872	1 872	1 872	1 950	2 063	2 177
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		100 717	120 143	139 932	154 135	157 385	157 385	157 385	179 791	195 163	214 180
Other revenue	2	794	5 296	16 038	54 949	56 263	56 263	56 263	46 486	80 315	84 401
Gains on disposal of PPE		(2 214)	(5 064)	537	39	39	39	39	39	40	42
Total Revenue (excluding capital transfers and contributions)		161 750	188 196	235 775	298 402	307 883	307 883	307 883	323 989	375 236	403 134
Expenditure By Type											
Employee related costs	2	46 429	57 395	69 115	89 429	84 507	84 507	84 507	99 085	107 701	115 375
Remuneration of councillors		13 276	13 900	14 807	17 177	17 177	17 177	17 177	16 045	16 842	17 678
Debt impairment	3	2 610	63 893	27 795	3 949	3 949	3 949	3 949	5 000	15 000	20 000
Depreciation & asset impairment	2	15 905	17 084	19 062	14 066	14 066	14 066	14 066	20 879	24 291	28 655
Finance charges		563	4 275	2	-	-	-	-	-	-	-
Bulk purchases	2	21 898	24 556	26 147	28 000	28 000	28 000	28 000	34 000	35 972	37 950
Other materials	8	9 450	10 293	10 751	11 315	11 336	11 424	11 424	10 466	11 711	12 597
Contracted services		9 363	12 329	13 389	15 987	15 687	15 687	15 687	19 956	21 037	22 144
Transfers and grants		6 734	23 663	32 778	27 144	31 470	31 470	31 470	20 333	19 870	22 835
Other expenditure	4, 5	23 704	26 305	35 643	50 814	58 059	57 971	57 971	56 352	61 493	67 175
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		149 931	253 693	249 489	257 881	264 250	264 250	264 250	282 115	313 917	344 409
Surplus/(Deficit)		11 819	(65 497)	(13 714)	40 521	43 633	43 633	43 633	41 874	61 319	58 725
Transfers recognised - capital		24 994	32 317	58 679	77 059	71 470	71 470	71 470	77 644	74 484	82 242
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967

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

1. Total revenue is R401, 6 million (including capital and escalates to R485, 4million by 2017/18.
2. Revenue to be generated from property rates is R34 million in the 2015/16 financial year and decreases to R30 million by 2016/17 which represents 9 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R54,million for the 2015/16 financial year and increasing to R57million by 2016/17. For the 2015/16 financial year services charges amount to 14 per cent of the total revenue base .This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised . operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases each year as per the allocations on the DORA.
5. Bulk purchases have significantly increased over the 2011/12 to 2015/16 period escalating from R21 million to R34 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. 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 9 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC441 Matatiele - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	1 595	1 995	1 995	1 995	576	150	165
Vote 4 - Development & Planning		-	-	-	400	400	400	400	650	400	440
Vote 5 - Community		-	-	-	800	800	800	800	1 500	1 000	1 100
Vote 6 - Infrastructure		1 194	40 874	-	37 796	38 938	38 938	38 938	93 395	70 357	59 770
Capital multi-year expenditure sub-total	7	1 194	40 874	-	40 591	42 133	42 133	42 133	96 122	71 907	61 475
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		6	23	5 538	221	221	221	221	685	95	105
Vote 2 - Budget & Finance		527	11 900	4 603	7 156	2 344	2 344	2 344	600	300	25 330
Vote 3 - Corporate		36	638	214	528	528	528	528	522	422	464
Vote 4 - Development & Planning		498	786	2 794	515	515	515	515	780	100	110
Vote 5 - Community		4 304	2 178	12 639	6 543	6 553	6 553	6 553	10 059	712	4 283
Vote 6 - Infrastructure		29 933	4 336	64 648	92 024	74 272	74 272	74 272	28 904	7 035	10 428
Capital single-year expenditure sub-total		35 304	19 861	90 436	106 986	84 433	84 433	84 433	41 550	8 664	40 719
Total Capital Expenditure - Vote		36 498	60 735	90 436	147 577	126 566	126 566	126 566	137 671	80 571	102 194
Capital Expenditure - Standard											
Governance and administration		569	12 561	10 347	9 472	5 070	5 070	5 070	2 353	937	26 031
Executive and council		6	23	5 529	193	203	203	203	655	65	72
Budget and treasury office		527	11 900	4 603	7 156	2 344	2 344	2 344	600	300	25 330
Corporate services		36	638	214	2 123	2 523	2 523	2 523	1 098	572	629
Community and public safety		4 304	2 178	12 610	7 343	7 353	7 353	7 353	40 001	16 832	10 515
Community and social services		4 304	2 178	610	2 533	2 533	2 533	2 533	3 195	600	660
Sport and recreation		-	-	9 717	2 330	1 930	1 930	1 930	4 176	12	13
Public safety		-	-	2 283	2 480	2 890	2 890	2 890	4 188	1 100	4 710
Housing		-	-	-	-	-	-	-	28 442	15 120	5 132
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		498	786	2 803	943	933	933	933	1 460	530	583
Planning and development		498	786	2 803	943	933	933	933	1 460	530	583
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		31 127	45 210	64 677	129 820	113 210	113 210	113 210	93 857	62 272	65 065
Electricity		31 127	45 210	64 648	129 820	113 210	113 210	113 210	93 857	62 272	65 065
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	29	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	36 498	60 735	90 436	147 577	126 566	126 566	126 566	137 671	80 571	102 194
Funded by:											
National Government		25 932	33 118	58 679	77 059	71 470	71 470	71 470	75 262	74 484	82 242
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	25 932	33 118	58 679	77 059	71 470	71 470	71 470	75 262	74 484	82 242
Public contributions & donations	5										
Borrowing	6								18 157		
Internally generated funds	7	10 565	27 617	31 757	70 518	55 096	55 096	55 096	44 253	6 087	19 952
Total Capital Funding	7	36 498	60 735	90 436	147 577	126 566	126 566	126 566	137 671	80 571	102 194

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

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. 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.
4. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 -Budgeted Financial Position
Explanatory notes to Table A6 - Budgeted Financial Position

EC441 Matatiele - Table A6 Budgeted Financial Position											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Current assets											
Cash		1 981	4 623	3 256	42 464	42 464	42 464	42 464	(645)	20 099	(15 167)
Call investment deposits	1	100 519	72 612	54 310	93 719	93 719	93 719	93 719	22 467	1 380	1 380
Consumer debtors	1	2 879	4 877	2 699	10 971	10 971	10 971	10 971	4 702	4 938	5 185
Other debtors		14 435	22 784	21 554	10 145	10 145	10 145	10 145	10 536	11 129	11 826
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	599	545	547	545	545	545	545	580	650	699
Total current assets		120 413	105 442	82 366	157 844	157 844	157 844	157 844	37 641	38 195	3 922
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		6 085	6 989	-	-	-	-	-	-	-	-
Investment property		9 758	9 898	21 891	9 898	9 898	9 898	9 898	9 843	9 843	9 843
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	382 349	421 234	520 247	559 453	559 453	559 453	559 453	823 841	871 523	929 677
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		430	523	951	523	523	523	523	415	138	68
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		398 622	438 643	543 089	569 874	569 874	569 874	569 874	834 099	881 504	939 588
TOTAL ASSETS		519 035	544 085	625 455	727 718	727 718	727 718	727 718	871 739	919 699	943 510
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		242	240	238	240	240	240	240	331	347	364
Trade and other payables	4	39 852	30 097	28 187	21 082	21 082	21 082	21 082	26 673	28 757	30 889
Provisions		1 088	537	837	1 430	1 430	1 430	1 430	535	582	623
Total current liabilities		41 182	30 874	29 262	22 752	22 752	22 752	22 752	27 538	29 686	31 877
Non current liabilities											
Borrowing		-	-	-	30 000	30 000	30 000	30 000	10 282	831	-
Provisions		12 582	17 809	19 762	19 520	19 520	19 520	19 520	10 904	11 853	12 697
Total non current liabilities		12 582	17 809	19 762	49 520	49 520	49 520	49 520	21 187	12 684	12 697
TOTAL LIABILITIES		53 764	48 683	49 024	72 272	72 272	72 272	72 272	48 725	42 370	44 574
NET ASSETS	5	465 271	495 402	576 430	655 447	655 447	655 447	655 447	823 014	877 329	898 936
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	60 159	308 088	261 831	592 846	592 846	592 846	592 846	717 680	765 675	780 583
Reserves		405 111	187 314	314 600	62 601	62 601	62 601	62 601	105 334	111 654	118 353
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	465 271	495 402	576 430	655 447	655 447	655 447	655 447	823 014	877 329	898 936

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 66 is supported by an extensive table of notes (SA3 which can be found on page 104) providing a detailed analysis of the major components of a number of items, including:
 - É Call investments deposits;
 - É Consumer debtors;
 - É Property, plant and equipment;
 - É Trade and other payables;
 - É Provisions non-current;
 - É Changes in net assets; and
 - É Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24MBRRTable A7 - Budgeted Cash Flow Statement

EC441 Matatiele - Table A7 Budgeted Cash Flows											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		13 235	15 501	22 600	30 729	32 729	32 729	32 729	25 087	22 432	23 554
Service charges		38 262	32 601	28 468	48 690	48 690	48 690	48 690	39 745	41 732	43 819
Other revenue		15 521	12 120	9 904	60 648	58 648	58 648	58 648	6 583	6 954	7 389
Government - operating	1	125 711	120 143	139 932	166 683	166 683	166 683	166 683	179 791	195 163	181 105
Government - capital	1		24 765	50 965	64 511	64 511	64 511	64 511	77 644	74 484	82 242
Interest		6 927	7 861	7 878					3 583	6 272	6 376
Dividends									-	-	-
Payments											
Suppliers and employees		(132 407)	(151 255)	(164 496)	(211 993)	(207 667)	(207 667)	(207 667)	(233 243)	(251 942)	(269 950)
Finance charges		(564)	(7)	(2)	-	-	-	-	-	-	-
Transfers and Grants	1		(23 663)	(32 778)	(27 144)	(31 470)	(31 470)	(31 470)	(6 333)	(4 870)	(6 835)
NET CASH FROM/(USED) OPERATING ACTIVITIES		66 684	38 066	62 471	132 125	132 125	132 125	132 125	92 857	90 226	67 699
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			1 307	40	350	350	350	350	39	40	42
Decrease (Increase) in non-current debtors			25 798	(19 713)					-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(37 286)	(90 436)	(62 467)	(147 577)	(147 577)	(147 577)	(147 577)	(137 671)	(80 571)	(102 194)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(37 286)	(63 331)	(82 140)	(147 227)	(147 227)	(147 227)	(147 227)	(137 633)	(80 531)	(102 152)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		(34)							18 157	-	-
Increase (decrease) in consumer deposits									91	17	17
Payments											
Repayment of borrowing									(9 216)	(10 054)	(831)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(34)	-	-	-	-	-	-	9 031	(10 038)	(814)
NET INCREASE/ (DECREASE) IN CASH HELD		29 363	(25 265)	(19 669)	(15 103)	(15 103)	(15 103)	(15 103)	(35 745)	(343)	(35 266)
Cash/cash equivalents at the year begin:	2	73 137	102 500	77 235	57 566	57 566	57 566	57 566	57 566	21 822	21 479
Cash/cash equivalents at the year end:	2	102 500	77 235	57 566	42 464	42 464	42 464	42 464	21 822	21 479	(13 787)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality stayed consistent over the 2011/2012 to 2015/2016 period owing directly to a well-oiled finance department.
4. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R21, 8 million as at the end of the 2015/16.

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

EC441 Matatiele - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	102 500	77 235	57 566	42 464	42 464	42 464	42 464	21 822	21 479	(13 787)
Other current investments > 90 days		0	(0)	(0)	93 719	93 719	93 719	93 719	-	-	-
Non current assets - Investments	1	6 085	6 989	-	-	-	-	-	-	-	-
Cash and investments available:		108 585	84 224	57 566	136 183	136 183	136 183	136 183	21 822	21 479	(13 787)
Application of cash and investments											
Unspent conditional transfers		23 779	16 227	8 697	12 582	12 582	12 582	12 582	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(3 936)	(10 792)	3 040	(12 622)	(11 722)	(11 722)	(11 722)	19 039	22 259	24 004
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		19 843	5 435	11 737	(40)	860	860	860	19 039	22 259	24 004
Surplus(shortfall)		88 742	78 789	45 829	136 223	135 323	135 323	135 323	2 783	(781)	(37 791)

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 2011/12 the surplus increased from R88million to R135million in 2014/15. For the rest of the MTREF a surplus is indicated.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2015/16 MTREF was not funded owing to the significant deficit.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 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 move from a surplus of R88 million in 2011/12 to R135million by 2014/15.

Table 26 MBRR Table A9 - Asset Management

EC441 Matatiele - Table A9 Asset Management										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	36 498	60 735	90 436	147 577	126 566	126 566	137 671	80 571	102 194
Infrastructure - Road transport		30 535	35 295	48 604	35 684	34 876	34 876	36 515	51 667	41 808
Infrastructure - Electricity		-	4 216	12 517	53 929	36 291	36 291	50 737	10 180	10 320
Infrastructure - Water		-	-	-	-	186	186	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	313	6 058	4 305	4 305	2 962	300	330
Infrastructure		30 535	39 511	61 434	95 671	75 657	75 657	90 214	62 147	52 458
Community		2 859	7 561	10 109	17 450	16 178	16 178	9 964	200	2 460
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	122	-	-	-	-	-	-	-
Other assets	6	3 061	13 381	18 272	34 456	34 731	34 731	37 143	18 224	47 276
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		42	160	621	-	-	-	350	-	-
Total Capital Expenditure	4	30 535	35 295	48 604	35 684	34 876	34 876	36 515	51 667	41 808
Infrastructure - Road transport		30 535	35 295	48 604	35 684	34 876	34 876	36 515	51 667	41 808
Infrastructure - Electricity		-	4 216	12 517	53 929	36 291	36 291	50 737	10 180	10 320
Infrastructure - Water		-	-	-	-	186	186	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	313	6 058	4 305	4 305	2 962	300	330
Infrastructure		30 535	39 511	61 434	95 671	75 657	75 657	90 214	62 147	52 458
Community		2 859	7 561	10 109	17 450	16 178	16 178	9 964	200	2 460
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	122	-	-	-	-	-	-	-
Other assets	6	3 061	13 381	18 272	34 456	34 731	34 731	37 143	18 224	47 276
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		42	160	621	-	-	-	350	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	36 498	60 735	90 436	147 577	126 566	126 566	137 671	80 571	102 194
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		282 730	288 166	326 098	385 883	385 131	385 131	408 833	445 332	470 617
Infrastructure - Electricity		26 849	28 170	39 695	97 303	79 611	79 611	128 142	134 978	141 744
Infrastructure - Water		-	-	-	-	181	181	172	163	153
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		8 760	11 161	11 377	19 633	17 910	17 910	20 413	20 017	19 585
Infrastructure		318 339	327 498	377 170	502 820	482 834	482 834	557 560	600 490	632 099
Community		82 551	83 843	84 677	110 572	109 283	109 283	114 385	109 148	106 002
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		9 703	9 843	9 843	9 843	9 843	9 843	9 843	9 843	9 843
Other assets		73 107	81 241	95 811	125 639	125 792	125 792	151 895	161 885	191 575
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		127	204	635	361	361	361	415	138	68
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	483 827	502 629	568 135	749 234	728 113	728 113	834 099	881 504	939 588
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		15 905	17 084	19 062	14 066	14 066	14 066	20 879	24 291	28 655
Repairs and Maintenance by Asset Class	3	9 450	10 293	10 751	11 315	11 424	11 424	10 466	11 711	12 597
Infrastructure - Road transport		2 040	2 399	4 380	2 070	2 050	2 050	3 905	4 131	4 357
Infrastructure - Electricity		524	288	392	360	580	580	1 030	1 090	1 150
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		5 248	6 250	4 020	-	-	-	-	-	-
Infrastructure		7 811	8 937	8 792	2 430	2 630	2 630	4 935	5 220	5 507
Community		189	262	223	4 450	4 450	4 450	1 850	1 957	2 065
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1 450	1 094	1 736	4 435	4 344	4 344	3 681	4 534	5 026
TOTAL EXPENDITURE OTHER ITEMS		25 355	27 377	29 813	25 381	25 490	25 490	31 345	36 002	41 253

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 Municipality meets both these recommendations.
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.

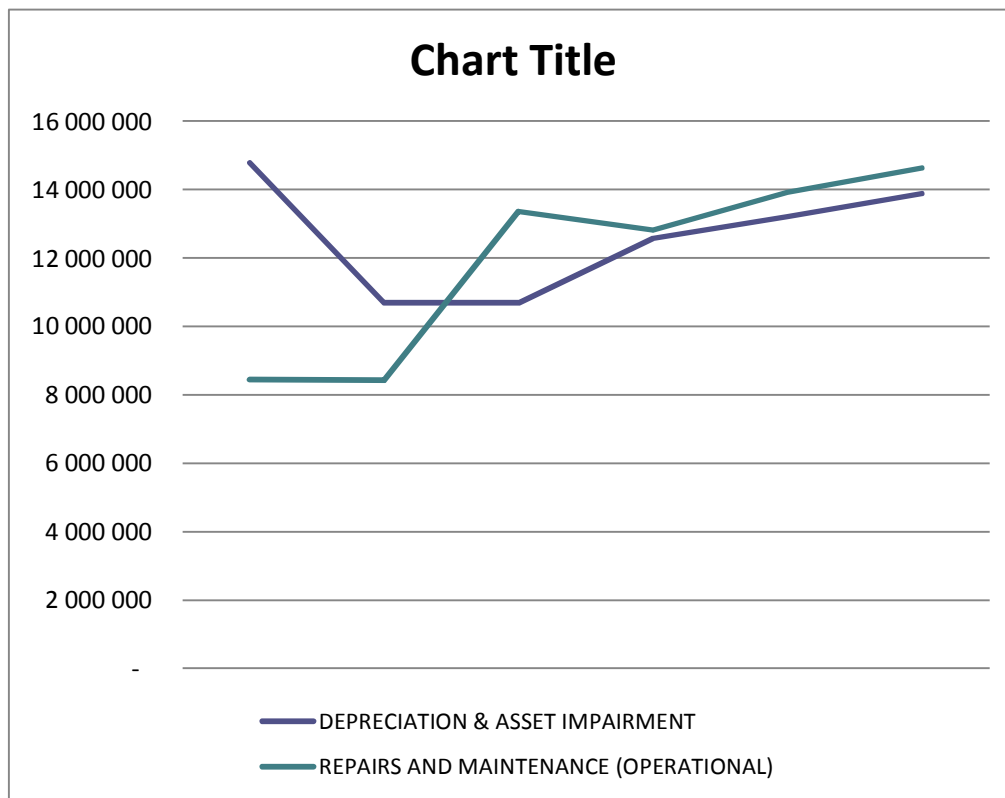


Table 10 MBRR Table A10 - Basic Service Delivery Measurement

EC441 Matatiele - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 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
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
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>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)	3	3	3	3	4	4	4	4	4	5
<i>Minimum Service Level and Above sub-total</i>		3 400	3 400	3 400	3 800	3 800	3 800	4 000	4 200	4 500
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	3 400	3 400	3 400	3 800	3 800	3 800	4 000	4 200	4 500
Refuse:										
Removed at least once a week	4	4	4	5	5	5	5	5	5	5
<i>Minimum Service Level and Above sub-total</i>		4 400	4 400	4 500	4 550	4 550	4 557	4 600	4 650	5 000
Removed less frequently than once a week	4	4	4	5	5	5	5	5	5	5
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		4 400	4 400	4 500	4 550	4 550	4 557	4 600	4 650	5 000
Total number of households	5	8 800	8 800	9 000	9 100	9 100	9 114	9 200	9 300	10 000
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	0	1	2	4	4	4	9	12	18	
Refuse (removed at least once a week)	0	1	2	4	4	4	9	12	18	
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	239	1 316	420	2 160	2 160	2 160	2 376	2 614	2 875	
Refuse (removed once a week)	327	235	3 036	1 994	1 994	1 994	2 193	2 413	2 654	
Total cost of FBS provided (minimum social package)		566	1 551	3 456	4 154	4 154	4 569	5 026	5 529	
Highest level of free service provided										
Property rates (R value threshold)		-	-	30 000	30 000	30 000	30 000	30 000	30 000	30 000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50	
Refuse (average litres per week)	37	40	44	89	89	89	95	102	109	
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	5 588	5 812	6 044	-	6 649	7 314	8 045
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy	239	1 316	420	2 160	2 160	2 160	2 376	2 614	2 875	
Refuse	327	235	3 036	1 994	1 994	1 994	2 193	2 413	2 654	
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)		566	1 551	9 045	9 966	10 198	4 154	11 218	12 340	13 574

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for 12000 households to be registered as indigent in 2015/16, and therefore entitled to receiving Free Basic Services. The number is set to increase to 175 00 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
3. It is anticipated that these Free Basic Services will cost the municipality R14 million in 2015/16, increasing to R15 million in 2016/17. This is covered by the municipality's equitable share allocation from national government.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

1. The process followed in compiling the 2015/16 Budget can be summarised as follows:
 - a) Council Adopted a Budget Timetable in August 2014.
 - b) The Budget & Finance Standing Committee Compiled Budget Assumptions and recommended same to Council for adoption. During this meeting the Budget, Tariff, Rates, Indigent and SCM Policies were reviewed. No amendments were recommended as the policies were approved less than 4 months prior to this meeting;
 - c) The CFO presented the Budget Assumptions and Guideline to the General Manager in September 2014;
 - d) IDP / Budget Outreaches were held in September 2014. Councillors, Managers and support staff were divided in six (6) teams and all wards were visited during one (1) week.
 - e) In February 2015 a Strategic Planning Workshop was held in Durban during which Standing Committees in their various commissions developed their respective KPA's and objectives for 2015/2016;
 - f) The Budget Office compiled a Draft Budget which was present to Management, the Budget & Finance Standing Committee and EXCO during March 2014;
 - g) The Draft Budget for 2015/2016 was table at Council by the Mayor on 30 March 2015;
 - h) The Draft Budget was submitted to Provincial Treasury and to National Treasury during March 2015;
 - i) On the 30 March 2015 Council will consider and adopt the IDP, Budget, Tariffs and all budget related schedules and policies.

2. Input from Stakeholders

The following input was received:

a) National Treasury

- i. Grants must equal those as indicated by Dora, especially MIG.
- ii. Big variances between previous years' figures and current years' figures must be verified; and
- iii. The Budget Document must comply with the new format, e.g. Mayors Report, Municipal Manager Quality Certificate and support schedules must be attached.

b) General Input during Outreaches

- i. The Budget must be ward based; and
- ii. The Budget must indicate all programmes and activities that will be held in the wards.

2.2 Overview of alignment of annual budget with IDP

The development of the IDP of 2015-2018 and the 2015/2016 Budget Compilation were done simultaneously. During the Community Participation Process IDP priorities and the implications it will have on the current and future budgets were discussed. Community input in this regard was invited and included in both the IDP and the 2015/2016 Budget. Only capital items listed in the IDP was included in the Budget, funds permitting.

The Municipal Departments are aligned with the 5 Local Government Key Performance Areas. The Departments' strategies are therefore linked to the 5 KRA's. Details of the Budgets allocated to the various departments are reflected in schedules SA4-6.

The Departmental SDBIP contains projects and programmes listed in the IDP. The General Manager's performances plan is linked to the Departmental SDBIP.

The SDBIP marries the Performance Management System with the budget and the IDP. Thus the strategic Direction mapped out in the IDP is matched with financial resources and delivery of services as specified in the PMS.

The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative . Through link with the IDP.
- The Financial Imperative . Through links with the Budget
- The Performance Imperative . Through links to the PMS

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South Africa 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 other, 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 Nation 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 City, 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 City strategically complies with the key national and provincial priorities.

The aim of the revision cycle was 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 City's response to these requirements.

The national and provision priorities, policies

- Green Paper on National Strategic
- Government Programme of Action
- Development Facilitation Act of
- Provincial Growth and Development
- National and Provincial Spatial Development Perspectives;
- Relevant Sector plans such as transportation, Legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth
- National Spatial Development
- 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 2015/2016 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 28 IDP Strategic Objectives

2014/2015 Financial Year		2015/2016 MTREF	
1	The Provision of quality Basic Services and Infrastructure	1	Provision of quality Basic Services and Infrastructure
2	Acceleration of higher and shared economic growth and development	2	Economic growth and development that leads to sustainable job creation
3	Fighting of Poverty, building clean, healthy, safe and sustainable communities	3.1	Fighting of Poverty, building clean, healthy, safe and sustainable communities
		3.2	Integrated Social Services for empowered and sustainable communities
4	Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4	Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5	Good governance, Financial viability and institutional governance	5.1	Promote sound governance
		5.2	Ensure financial sustainability
		5.3	Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the city to align its budget with that of national and provincial government. All

spheres of government place a high priority on infrastructure development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic service and infrastructure which includes, amongst others:
 - Provide Electricity
 - Provide Water
 - Provide Sanitation
 - Provide Waste Removal
 - Provide Housing
 - Provide Roads and Storm Water
 - Provide Public Transport
 - Provide City Planning Service; and
 - Maintaining the Infrastructure of the City
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the city;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
3. Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the Provincial Department of Health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.1 Integrated Social Services for empowered and sustained communities
 - Work with Provincial Departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the Revenue Management Strategy.

- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personal;

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

In addition to the five-year IDP, the City undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the City so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the City's IDP, associated scrotal plans and strategies, and the allocation of resources of the City and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines . so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building Social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals

Lessons learned with Previous IDP revision planning cycles as well as changing environments were taken into consideration in the compilation for the fourth revised IDP, including;

- Strengthening the analysis and strategic planning processes of the City;
- Initiating zoned planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- 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.

Table 11MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
1. Reduction of Service Delivery Backlogs										
1.1 PMU		24 994	29 263	48 775	57 759	49 170	49 170	47 644	49 484	52 242
	Sports Fields	Ensure that sporting facilities are available in communities								
	Community Hall	Ensure accessibility to all communities of Matatiele Local Municipality								
	Upgrading Of Access Roads	Ensure that gravel roads in all 03 towns of Matatiele Local Municipality are upgraded to tarred roads								
	Bridges	Ensure that communities are accessible								
1.2 Electricity		33 963	38 242	51 916	67 383	70 383	70 383	87 422	117 262	127 325
	Rural Electrification Substation	To Provide households with access to basic electricity								
	Procurement Of Crane Truck	To provide additional capacity in Matatiele town								
	Additional Facilities	Procure equipment to replace ageing infrastructure in order to replace streetlights and distribution poles								
	Working Tools	Provide additional facilities at electrical depot								
	Vehicles	To improve working condition by Procuring tools and equipment (Prepaid meter tester, spiking gun)								
	High Mast Light	To provide additional transport for electrical staff								
		To install high mast light to provide area lighting								
1.3 Civil		11 531	7 203	2 843	22	22	22	23	24	25
	Storm Water And Drainage	To ensure that all communities are protected against flooding								
	Maintenance Of Tarred Roads	To ensure that existing surfaced roads are maintained								
	Kerbing And Channeling	To ensure that roads and assets are maintained								
	Acquisition Of Additional Plant									
1.4 Human Settlement		-	-	-	-	-	-	120	160	240
	Damaged Halls	Ensure that damaged community halls are rehabilitated								
	Fresh Produce Market	To create conducive environment to fresh produce market								
	Building Of Offices	To provide sufficient office space and improve working conditions								
	Procurement Of A/D Plotter	To introduce paperless system								
	Registration Of Housing Beneficiaries	Ensure registration of beneficiaries for the development of Human Settlements								
1.5 Public Amenities		1 736	7 739	11 769	13 156	13 269	13 269	12 490	14 134	14 830
	Maintenance Of Community Facilities	To ensure that existing community facilities are maintained								
2. Local Economic Development, Rural Development and Employment Creation through the EPWP and CWP										
2.1 LED		1 155	1 186	249	112	1 646	1 646	-	-	-
	Grain Storage	To provide agriculture infrastructure – grain storage facilities								
	Smmes Support	To support SMMEs in crop production								
	Arable Lands	To provide security for arable lands								
	Poverty Relief	To support poverty relief								
	Forestry	To support forestry enterprises with Environmental Impact assessments (EIAs) studies								
	Training For Cooperatives	To support Cooperatives with training								
	Informal Sector Support	Infrastructure support for Informal Sector								
	Destination Marketing	To market Matatiele as a destination of choice								
	Mountain Lake Chalets	To coordinate and monitor the functioning of the Mountain lake chalet								
	Research	To identify tourist attractions around Matatiele								
	Funding Support	To assist local SMMEs and Coops with funding support								
2.2 EPWP		-	-	4 564	4 485	4 485	4 485	1 780	-	-
	EPWP	130 Nkhesa' Mofkeng; 78 Rea Hoekisa, 52 Food for Waste								
3. Proper Spatial Development Planning through the SDF for the Nodal Areas of Maluti, Cedarville and Matatiele										
3.1 LED		292	372	363	65	1 504	1 504	100	105	111
	Middle Income Housing	To provide land for Commercial and industrial development								
	Commercial & Industrial Development	To process rezoning and special consent applications within days of receipt								
	Rezoning Process	To process subdivision and consent applications within 60 days' turnaround time								
	Applications	Enforce compliance with the Town Planning Scheme by 2017								
	Town Planning Scheme	To upgrade land tenure rights for Maluti Township								
	Land Tenure Rights	To formulate Policies in line with the relevant legislation								
	Policies	management of out-door advertising								
	Out-Door Advertising									
4. Good Governance and Public Participation										
4.1 Communitins, IGR, Protocol & Migration		3 656	3 694	17 035	3 284	4 202	4 202	4 550	4 814	5 079
	Communication Strategy	To have an approved and implemented Municipal Communication Strategy Action Plan								
	Inter-Governmental Relations	To promote Coordinated planning of service delivery projects within the Municipality								
	Inter-Governmental Relations	To strengthen relations between Municipalities								
	Mayoral Projects	To promote engagements between communities and the Municipality								
	Mayoral Projects	To assess progress on service delivery projects								
	Marketing And Branding	To ensure proper coordination marketing and branding of municipal events								
	Access To Information	To promote and market the Municipality as the destination of choice								
	Migration Services	To promote access to information								
4.2 IDP/M&E		266	392	274	150	314	314	-	-	-
	Idp Development	To have developed a credible IDP by 2017								
	Performance Management	To ensure the Municipality has a functional Organisational Performance Management System								
4.3 Internal Audit		-	-	-	-	-	-	-	-	-
	Govance Issues: Internal Audit	To strive for clean audit opinion								
	Govance Issues: Internal Audit	To submit credible Annual financial statements to AG								
	Govance Issues: Internal Audit	To ensure independent assurance and consulting activities designed to add value and improve the organisations operations								
	Govance Issues: Internal Audit	To strengthen internal controls								
	Govance Issues: Internal Audit	To improve efficiency and effectiveness								
4.4 SPU		100	-	-	-	-	-	-	-	-
	Youth Development And Protection Of Children'S Rights	To Lobby and advocate for Development issues affecting youth and children								
	Women Empowerment And Protection Of Elder Person'S	To facilitate and coordinate women and elderly empowerment initiatives								
	Hiv/Aids Management	To coordinate HIV/AIDS Management initiatives								
	People Living With Disabilities	To promote and protect the rights of disabled people								
4.5 Administrative Support		91	237	-	-	-	-	-	-	-
	Proper Record-Keeping	To create a well-structured records and information management system								
	Govance And Oversight Structures Meeting	To deliver efficient and effective support to the functioning of the council and its committees								
	Safe And Secure Environment For Municipal Property	To provide safety and security for the Municipal property and human resources								
	Rendering Of All Auxiliary Services	To coordinate provision of all auxiliary services within the Municipality								
	Efficient And Effective Implementation Of Govance System	To deliver an efficient and effective support to the functioning of the council and its committees								

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
5. Municipal Institutional Transformation and Development										
5.1 Human Resources Management										
		227	424	313	300	300	300	300	300	300
	Staff Establishment	To Plan, Design And Provide A Sustainable Human Capital Establishment As Well As Quality Human Resources For The Municipality								
	Human Capital: Capacity Building	To Capacitate, Develop, Manage And Maintain Municipal Human Capital								
	To Have A Conducive Working Environment	To Capacitate Staff On Hr Policies								
	Employee Health, Safety, Wellness And Assistance	To Provide A Healthy, Safe, Secure And A Productive Work Environment								
	Human Capital Development Plan	To Develop An Annual Workplace Skills Plan(Wsp)								
5.2 ICT										
	Efficient And Balanced Ict Governance Framework	To Provide Effective And Efficient Ict Governance								
	Efficient And Balanced Ict Governance Framework	To Ensure Effective And Efficient Ict Oversight								
	Effective And Reliable User Support Environment	To Provide Timely, Efficient And Effective User Support Services								
	Efficient And Balanced Ict Governance Framework	To Ensure Offsite Disaster Recovery Site								
	Efficient And Balanced Ict Governance Framework	To Provide Computer Network To All Users In All Offices								
	Efficient And Balanced Ict Governance Framework	To Provide Secure Information And Robust Ict Service								
	Efficient And Balanced Ict Governance Framework	To Provide Shared Service Through Virtual Private Network								
	Efficient And Balanced Ict Governance Framework	To Provide Infrastructure To Traffic Department Offices								
5.3 Legal Services										
	Proper Contractual Management And Consistent Legal Environment	To Provide Effective Legal Drafting And Contract Management Services For The Municipality								
	Compliance With Legal Requirements	To Foster Compliance With Legal Requirements Of The Law								
	Litigation Services	To Provide An Effective Litigation Services In Defending The Interests Of The Municipality								
	Risk Assessment And Management	To Render Effective Municipal Risk Management								
5.4 Council Support										
	Mechanisms For Public Participation	To Promote Community Participation In Decision Making Processes Within The Municipality								
	Community Engagements	To Provide Access For Community To Participate In Municipal Programmes And Affairs								
	Complaints Management	Improve Turnaround Time And Procedures For The Handling Of Complaints And Petitions								
	Workshop For Public Participation Drivers	To Enhance Knowledge And On Portfolios For Public Participation Drivers								
6. Municipal Financial Viability										
6.1 Budget Planning and Financial Reporting										
		88 523	104 030	125 459	191 678	192 992	192 992	208 963	226 129	246 260
	Submission Of Monthly Reports As Per Section 71 Of	Ensure All We Fully Comply With Mma – With Regards To Reports That Need To Be Submitted								
	Submission Of Quarterly Reports As Per Section 52 (D) Of	Ensure All We Fully Comply With Mma – With Regards To Reports That Need To Be Submitted								
	Submission Of Banking Details As Per Section 8 Of Mma	Fully Compliance With The Requirements Of The Mma								
	Submission Of Quarterly Reports As Per Section 52 (D) Of	Ensure All We Fully Comply With Mma – With Regards To Reports That Need To Be Submitted								
	Submission Of Annual Report In Terms Of Section 121 Of	Compliance With The Requirements Of The Mma Annual Report								
	Submission Of Monthly Reports	Ensure All We Fully Comply With Mma – With Regards To Reports That Need To Be Submitted								
	Submission Of Reviewed Policies	Fully Compliance With The Requirements Of The Mma On Monthly, Quarterly And Mid-Year Reports								
	Loan Register	Ensure That Loans That Were Taken Are Being Serviced								
	Submission Of Monthly Financial Statements As Per	Fully Compliance With The Requirements Of The Mma On Monthly, Quarterly And Mid-Year Reports								
	Training Of Unit Staff Within The Municipality	Capacity Building								
	Multi-Year Budget As Per Section 28 Of The Mma	Ensure That The Municipality Reports On The Reviewed Or Adjusted Budget As Per Expenditure Pertains As At 31st December 2014								
	Multi-Year Budget As Per Section 21 (B) Of The Mma	Ensure That The Municipality Reports On The Tabled Budget Process Plan For 2016/2017								
	Multi-Year Budget As Per Section 21 Of Mma	Ensure That The Municipality Reports On The Tabled Draft Budget								
	Multi-Year Budget As Per Section 23 Of The Mma	Ensure That The Municipality Reports On The Public Participation Held								
	Multi-Year Budget As Per Section 22 Of The Mma	Ensure That The Municipality Reports On The Set Tariff Of Charges								
	Multi-Year Budget	Ensure That The Municipality Reports On Date Of Submission Of The Aligned Budget With Idp								
	Standard Budget Return Form	Provide The Managers With Template Or Guidance On Budgeting For Each Year								
	Budget Control	Ensure That Departments Don't Spend More Than What They Have Budgeted For								
	Annual Financial Statements	Ensure That The Municipality Is Able To Fairly Produce Its Annual Financial Statements								
	Roll Over Application	Ensure That A An Application Is Done And Submitted To National Treasury On Amount Not Spent In The 2015/2016 Financial Year								
	Audit Report	Ensure That The Municipality Is Able To Fairly Produce Its Annual Financial Statements								
	Compliance With Scaa Regulations	Implementation Of And Adherence To Scaa Regulations								
6.2 Supply chain - Asset & Fleet Management										
	Municipal Annual Procurement Plan	Preparation Of Integrated Procurement Plan								
	Improved Compliance With Scom Regulations & Council Policies	Ensure That The Monthly Reports Are Prepared And Submitted To Management Team Meeting (Mtm) And Council								
	Asset Management	To Ensure That The Grap Compliant Updated Register Is Reconciled To General Ledger								
	Maintenance Of Service Providers Contracts	To Ensure There Are Scaa Contracts In Place For All The Awarded Bids								
6.3 Income and Expenditure										
		20 209	27 732	30 765	37 067	41 067	41 067	38 241	37 309	38 964
	Outstanding Debtors Reduction	Reduction Debt To Be Within Ageing Of 60 Days								
	Reconciliation Of Debtors	Align The Age Analysis With The General Ledger – Ensure That There Are No Variances								
	Indigent Support	Identify And Support Households That Are Indigent In A Municipal Jurisdiction								
	Indigent Support	Establish Free Basic Services Steering Committee								
	Collection Of Rental Income I.E. Transido, Isokolele Hostel, Stores, Commonages	Ensure All Municipal Properties That Are Leased Are Paid For								
	Interest On Outstanding Debt	Encourage Customers That Owe Municipal Services To Make Payment Before Their Debt Incurs Interest								
	Staff Training	Ensure That The Staff In The Department Are Trained For Relevant Courses								
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)										
		186 745	220 513	294 454	375 461	379 353	379 353	401 633	449 720	485 376

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

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
1. Reduction of Service Delivery Backlogs										
1.1 PMU										
	Sports Fields	906	2 181	7 975	4 425	2 911	2 911	6 323	7 756	9 522
	Community Hall									
	Upgrading Of Access Roads									
	Bridges	27 782	39 880	38 130	39 813	42 029	42 029	53 250	56 874	60 538
1.2 Electricity										
	Rural Electrification Substation									
	Procurement Of Crane Truck									
	Additional Facilities									
	Working Tools									
	Vehicles									
	High Mast Light									
	Civil	39 308	39 279	28 786	31 137	25 863	25 863	22 435	24 024	25 699
	Solid Waste	31 356	39 279	28 786	31 137	25 863	25 863	22 435	24 024	25 699
	Sloped Water And Drainage									
	Maintenance Of Tarred Roads									
	Maintenance Of Gravel Roads									
	Kerbing And Channeling									
	Acquisition Of Additional Plant									
1.4 Human Settlement										
	Damaged Halls									
	Fresh Produce Market									
	Building Of Offices									
	Procurement Of AD Plotter									
	Registration Of Housing Beneficiaries									
	Maintenance Of Community Facilities									
1.5 Public Amenities										
	Public Amenities	6 482	16 762	19 682	23 479	24 047	24 047	26 028	27 181	28 527
	Environmental Service	2 351	1 888	5 027	16 503	16 194	16 194	18 518	19 271	20 192
	Museum	177	202							
	Solid Waste		12 710	12 528	6 976	7 853	7 853			
	Public Amenities									
2. Local Economic Development, Rural Development and Employment Creation through the EPWP and CWP										
2.1 LED										
	Grain Storage	2 198	5 275	3 488	6 746	7 711	7 711	7 599	8 080	8 681
	Smmie Support									
	Arable Lands									
	Poverty Relief									
	Training For Cooperatives									
	Informal Sector Support									
	Destination Marketing									
	Mountain Lake Chalets									
	Research									
	Funding Support									
2.2 EPWP										
	EPWP			5 138	5 574	9 736	9 736	5 332	3 782	4 019
	EPWP			5 138	5 574	9 736	9 736	5 332	3 782	4 019
3. Proper Spatial Development Planning through the SDF for the Nodal Areas of Maluti, Cedarville and Matatiele										
3.1 LED										
	Planning	3 583	4 829	4 744	6 749	8 673	8 673	5 038	5 461	6 149
	Human Settlements	748	3 788	2 789	2 916	5 081	5 081	2 996	3 228	3 476
	Governance	284		404	1 782	1 828	1 828			
	Middle Income Housing	1 550	1 041	1 551	2 051	1 765	1 765	2 042	2 233	2 672
	Commercial & Industrial Development									
	Rezoning Process									
	Applications									
	Town Planning Scheme									
	Land Tenure Rights									
	Policies									
	Out-Door Advertising									
4. Good Governance and Public Participation										
4.1 Communications, IGR, Protocol & Migration										
	Communications	12 043	14 443	30 099	24 544	30 100	30 100	41 547	45 874	49 381
	Municipal Manager	1 079	1 824	2 047	2 886	2 815	2 815	3 869	4 146	4 441
	Council Support	3 877	3 379	15 024	4 271	3 773	3 773	4 959	5 247	5 535
	Library	498	387		2 835	9 196	9 196	12 990	13 978	15 034
	Governance	1 024	1 215	1 342	1 596	1 520	1 520	1 927	6 234	6 298
	Governance	209	835	1 255	1 926	1 890	1 890	5 404	6 248	7 700
	Public Safety	5 356	6 803	7 983	11 030	10 906	10 906	12 397	10 022	10 372
	Communication Strategy									
	Inter-Governmental Relations									
	Mayoral Projects									
	Marketing And Branding									
	Access To Information									
	Migration Services									
4.2 IDP/M&E										
	Idp Development	1 302	3 664	3 906	3 297	4 237	4 237	3 046	4 736	7 226
	Performance Management									
4.3 Internal Audit										
	Governance Issues: Internal Audit	1 249	1 572	1 987	2 780	3 109	3 109	2 903	3 084	3 282
	Governance Issues: Internal Audit									
	Governance Issues: Internal Audit									
	Governance Issues: Internal Audit									
	Governance Issues: Internal Audit									
4.4 SPU										
	Youth Development And Protection Of Children'S Rights	3 133	1 949	2 579	3 091	2 955	2 955	2 753	3 437	3 603
	Women Empowerment And Protection Of Elder Person'S									
	Hiv/Aids Management									
	People Living With Disabilities									
4.5 Administrative Support										
	Proper Record-Keeping									
	Governance And Oversight Structures Meeting									
	Safe And Secure Environment For Municipal Property									
	Rendering Of All Auxiliary Services									
	Efficient And Effective Implementation Of Governance System									

5. Municipal Institutional Transformation and Development										
5.1 Human Resources Management										
HR		4 493	5 154	6 195	6 839	7 925	7 925	10 126	10 833	11 568
Governance		1 361	1 932	3 712	5 180	4 833	4 833	7 554	8 099	8 645
		3 132	3 222	2 483	1 658	3 092	3 092	2 572	2 735	2 923
	Staff Establishment	To Plan, Design And Provide A Sustainable Human Capital Establishment As Well As Quality Human Resources For The Municipality								
	Human Capital Capacity Building	To Capacitate, Develop, Manage And Maintain Municipal Human Capital								
	To Have A Conducive Working Environment	To Capacitate Staff On Hr Policies								
	Employee Health, Safety, Wellness And Assistance	To Provide A Healthy, Safe, Secure And A Productive Work Environment								
	Human Capital Development Plan	To Develop An Annual Workplace Skills Plan(Wsp)								
5.2 ICT										
		225	75	-	2 295	3 815	3 815	6 718	7 136	7 557
	Efficient And Balanced Ict Governance Framework	To Provide Effective And Efficient Ict Governance								
	Efficient And Balanced Ict Governance Framework	To Ensure Effective And Efficient Ict Oversight								
	Effective And Reliable User Support Environment	To Provide Timely, Efficient And Effective User Support Services								
	Efficient And Balanced Ict Governance Framework	To Ensure Offsite Disaster Recovery Site								
	Efficient And Balanced Ict Governance Framework	To Provide Computer Network To All Users In All Offices								
	Efficient And Balanced Ict Governance Framework	To Provide Secure Information And Robust Ict Service								
	Efficient And Balanced Ict Governance Framework	To Provide Shared Service Through Virtual Private Network								
	Efficient And Balanced Ict Governance Framework	To Provide Infrastructure To Traffic Department Offices								
5.3 Legal Services										
		-	-	-	1 533	2 067	2 067	3 057	3 268	3 488
	Proper Contractual Management And Consistent Legal Environment	To Provide Effective Legal Drafting And Contract Management Services For The Municipality								
	Compliance With Legal Requirements	To Foster Compliance With Legal Requirements Of The Law								
	Litigation Services	To Provide An Effective Litigation Services In Defending The Interests Of The Municipality								
	Risk Assessment And Management	To Render Effective Municipal Risk Management								
5.4 Council Support										
		15 726	16 836	18 367	19 148	19 238	19 238	18 445	19 458	20 510
	Mechanisms For Public Participation	To Promote Community Participation In Decision Making Processes Within The Municipality								
	Community Engagements	To Provide Access For Community To Participate In Municipal Programmes And Affairs								
	Complaints Management	Improve Turnaround Time And Procedures For The Handling Of Complaints And Petitions								
	Workshop For Public Participation Drivers	To Enhance Knowledge And On Portfolios For Public Participation Drivers								
6. Municipal Financial Viability										
6.1 Budget Planning and Financial Reporting										
		20 667	84 048	30 668	30 674	29 449	29 449	25 458	27 289	30 803
	Budget & Reporting	12 388	73 881	19 893	16 912	16 638	16 638	12 167	12 813	15 362
	Financial Reporting & Governance	661	1 176	257	2 389	1 726	1 726	1 840	2 180	2 371
		7 618	8 991	10 518	11 372	11 084	11 084	11 451	12 296	13 071
	Submission Of Monthly Reports As Per Section 71 Of Mmfa	Ensure All We Fully Comply With Mmfa – With Regards To Reports That Need To Be Submitted								
	Submission Of Quarterly Reports As Per Section 52 (D) Of Mmfa	Ensure All We Fully Comply With Mmfa – With Regards To Reports That Need To Be Submitted								
	Submission Of Banking Details As Per Section 8 Of Mmfa	Fully Compliance With The Requirements Of The Mmfa								
	Submission Of Quarterly Reports As Per Section 52 (D) Of Mmfa	Ensure All We Fully Comply With Mmfa – With Regards To Reports That Need To Be Submitted								
	Submission Of Annual Report In Terms Of Section 121 Of Mmfa	Compliance With The Requirements Of The Mmfa Annual Report								
	Submission Of Monthly Reports	Ensure All We Fully Comply With Mmfa – With Regards To Reports That Need To Be Submitted								
	Submission Of Reviewed Policies	Fully Compliance With The Requirements Of The Mmfa On Monthly, Quarterly And Mid-Year Reports								
	Loan Register	Ensure That Loans That Were Taken Are Being Serviced								
	Submission Of Monthly Financial Statements As Per Mmfa	Fully Compliance With The Requirements Of The Mmfa On Monthly, Quarterly And Mid-Year Reports								
	Training Of Unit Staff Within The Municipality	Capacity Building								
	Multi-Year Budget As Per Section 28 Of The Mmfa	Ensure That The Municipality Reports On The Reviewed Or Adjusted Budget As Per Expenditure Pertains As At 31st December 2014								
	Multi-Year Budget As Per Section 21 (B) Of The Mmfa	Ensure That The Municipality Reports On The Tabled Budget Process Plan For 2016/2017								
	Multi-Year Budget As Per Section 21 Of Mmfa	Ensure That The Municipality Reports On The Tabled Draft Budget								
	Multi-Year Budget As Per Section 23 Of The Mmfa	Ensure That The Municipality Reports On The Public Participation Held								
	Multi-Year Budget As Per Section 22 Of The Mmfa	Ensure That The Municipality Reports On The Set Tariff Of Charges								
	Multi-Year Budget	Ensure That The Municipality Reports On Date Of Submission Of The Aligned Budget With Iip								
	Standard Budget Return Form	Provide The Managers With Template Or Guidance On Budgeting For Each Year								
	Budget Control	Ensure That Departments Don't Spend More Than What They Have Budgeted For								
	Annual Financial Statements	Ensure That The Municipality Is Able To Fairly Produce Its Annual Financial Statements								
	Roll Over Application	Ensure That A An Application Is Done And Submitted To National Treasury On Amount Not Spent In The 2015/2016 Financial Year								
	Audit Report	Ensure That The Municipality Is Able To Fairly Produce Its Annual Financial Statements								
	Compliance With Scaa Regulations	Implementation Of And Adherence To Scaa Regulations								
6.2 Supply chain - Asset & Fleet Management										
		3 413	1 661	7 285	9 236	8 938	8 938	8 457	9 231	9 922
	Municipal Annual Procurement Plan	Preparation Of Integrated Procurement Plan								
	Improved Compliance With Scaa Regulations & Council Policies	Ensure That The Monthly Reports Are Prepared And Submitted To Management Team Meeting (Mtm) And Council								
	Asset Management	To Ensure That The Gap Compliant Updated Register Is Reconciled To General Ledger								
	Maintenance Of Service Providers Contracts	To Ensure There Are Sias/Contracts In Place For All The Awarded Bids								
6.3 Income and Expenditure										
		2 625	4 613	25 092	20 009	19 872	19 872	18 657	29 565	35 614
	Outstanding Debtors Reduction	Reduction Debt To Be Within Ageing Of 60 Days								
	Reconciliation Of Debtors	Align The Age Analysis With The General Ledger – Ensure That There Are No Variances								
	Indigent Support	Identify And Support Households That Are Indigent In A Municipal Jurisdiction								
	Indigent Support	Establish Free Basic Services Steering Committee								
	Collection Of Rental Income I.E. Transido, Isokolele Hostel, Stores, Commonages	Ensure All Municipal Properties That Are Leased Are Paid For								
	Interest On Outstanding Debt	Encourage Customers That Owe Municipal Services To Make Payment Before Their Debt Incurs Interest								
	Staff Training	Ensure That The Staff In The Department Are Trained For Relevant Courses								
Allocations to other priorities										
Total Expenditure										
		151 666	253 693	249 489	257 881	264 250	264 250	282 115	313 917	344 409

Table 12MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand											
1. Reduction of Service Delivery Backlogs											
1.1 PMU											
	Sports Fields	1 194	40 874	45 561	70 138	71 777	71 777	44 157	49 934	40 760	
	Community Hall										
	Upgrading Of Access Roads										
	Bridges										
1.2 Electricity											
	Rural Electrification				4 840	53 332	35 083	35 083	52 837	10 380	15 720
	Substation										
	Procurement Of Crane Truck										
	Additional Facilities										
	Working Tools										
	Vehicles										
	High Mast Light										
1.3 Civil											
	Civil	-	101	14 212	6 312	6 312	6 312	2 270	225	5 248	
	Solid Waste	-	101	14 212	6 312	6 312	6 312	2 270	225	5 248	
1.4 Human Settlement											
	Damaged Halls							23 000	15 000	5 000	
	Fresh Produce Market										
	Building Of Offices										
	Procurement Of Ad Ploter										
	Registration Of Housing Beneficiaries										
1.5 Public Amenities											
	Public Amenities	4 304	2 178	10 005	4 830	4 430	4 430	7 356	312	343	
	Environmental Service	2 806	788	9 717	-	-	-	4 176	12	13	
	Museum	97	1 390	259	2 500	2 500	2 500	3 180	300	330	
	Solid Waste	1 401	-	29	-	-	-	-	-	-	
	Public Amenities	-	-	-	2 330	1 930	1 930	-	-	-	
	Maintenance Of Community Facilities										
2. Local Economic Development, Rural Development and Employment Creation through the EPWP and CWP											
2.1 LED											
	Grain Storage	480	786	2 578	900	900	900	1 430	500	550	
	Smme Support										
	Arable Lands										
	Poverty Relief										
	Forestry										
	Training For Cooperatives										
	Informal Sector Support										
	Destination Marketing										
	Research										
	Funding Support										
2.2 EPWP											
	EPWP	-	-	-	-	-	-	-	-	-	
	EPWP	-	-	-	-	-	-	-	-	-	
	EPWP	-	-	-	-	-	-	-	-	-	
3. Proper Spatial Development Planning through the SDF for the Nodal Areas of Matuli, Cedarville and Mafokeng											
3.1 LED											
	Planning	18	-	216	15	15	15	-	-	-	
	Humans Settlements	18	-	205	-	-	-	-	-	-	
	Governance	-	-	12	15	15	15	-	-	-	
	Middle Income Housing										
	Commercial & Industrial Development										
	Reasoning Process										
	Applications										
	Town Planning Scheme										
	Land Tenure Rights										
	Policies										
	Out-Door Advertising										
4. Good Governance and Public Participation											
4.1 Communications, IGR, Protocol & Migration											
	Communications	29 933	9	2 974	2 756	3 176	3 176	4 611	3 376	8 645	
	Municipal Manager	-	-	14	42	52	52	20	20	22	
	Council Support	-	-	163	108	108	108	98	98	108	
	Library	-	-	-	-	-	-	-	-	-	
	Governance	-	-	351	33	33	33	15	300	330	
	Governance	29 933	-	35	38	38	38	35	1 853	3 470	
	Public Safety	-	-	2 283	2 480	2 890	2 890	4 188	1 100	4 710	
	Communication Strategy										
	Inter-Governmental Relations										
	Inter-Governmental Relations										
	Mayoral Projects										
	Marketing And Branding										
	Marketing And Branding										
	Access To Information										
	Migration Services										
4.2 IDP/M&E											
	Idp Development	-	10	3	10	-	-	30	30	33	
4.3 Internal Audit											
	Performance Management	-	4	-	16	16	16	30	30	33	
	Governance Issues: Internal Audit										
	Governance Issues: Internal Audit										
	Governance Issues: Internal Audit										
	Governance Issues: Internal Audit										
4.4 SPU											
	Youth Development And Protection Of Children'S Rights				6	18	18	-	-	-	
	Women Empowerment And Protection Of Elder Person'S										
	People Living With Disabilities										
4.5 Administrative Support											
	Proper Record-Keeping	36	237	-	80	80	80	150	50	55	
	Governance And Oversight Structures Meeting										
	Safe And Secure Environment For Municipal Property										
	Rendering Of All Auxiliary Services										
	Efficient And Effective Implementation Of Governance System										

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
1. Reduction of Service Delivery Backlogs										
1.1 PMU	Sports Fields Community Hall Upgrading Of Access Roads Bridges	1 194	40 874	45 561	70 138	71 777	71 777	44 157	49 934	40 760
1.2 Electricity	Rural Electrification Substation Procurement Of Crane Truck Additional Facilities Working Tools Vehicles High Mast Light	4 235	4 840	53 332	35 083	35 083	35 083	52 837	10 380	15 720
1.3 Civil		101	14 212	6 312	6 312	6 312	6 312	2 270	225	5 248
Civil		101	14 212	6 312	6 312	6 312	6 312	2 270	225	5 248
Solid Waste	Storm Water And Drainage Maintenance Of Treated Roads Maintenance Of Gravel Roads Kerbing And Channeling Acquisition Of Additional Plant									
1.4 Human Settlement	Damaged Halls							23 000	15 000	5 000
1.5 Public Amenities	Maintenance Of Community Facilities									
Public Amenities		4 304	2 178	10 005	4 830	4 430	4 430	7 356	312	343
Environmental Service		2 806	788	9 717				4 176	12	13
Museum		97	1 390	259	2 500	2 500	2 500	3 180	300	330
Solid Waste		1 401		29	2 330	1 930	1 930			
Public Amenities										
2. Local Economic Development, Rural Development and Employment Creation through the EPWP and CWP										
2.1 LED	Grain Storage Shrine Support Arable Lands Poverty Relief Forestry Training For Cooperatives Informal Sector Support Destination Marketing Mountain Lake Chalets Research Funding Support	480	786	2 578	900	900	900	1 430	500	550
2.2 EPWP										
3. Municipal Institutional Transformation and Development										
3.1 Human Resources Management										
HR			401	21	340	340	340	119	119	130
Governance	Staff Establishment Human Capital Capacity Building To Have A Conducive Working Environment Employee Health, Safety, Wellness And Assistance Human Capital Development Plan		401	21	90	90	90	30	30	33
5.2 ICT	Efficient And Balanced Ict Governance Framework Efficient And Balanced Ict Governance Framework Efficient And Balanced Ict Governance Framework Efficient And Balanced Ict Governance Framework Efficient And Balanced Ict Governance Framework				1 595	1 995	1 995	623	197	217
5.3 Legal Services	Proper Contractual Management And Consistent Legal Environment Compliance With Legal Requirements Litigation Services Risk Assessment And Management							109	109	119
5.4 Council Support	Mechanisms For Public Participation Community Engagements Complaints Management Workshop For Public Participation Drivers				80	80	80	350	10	11
6. Municipal Financial Viability										
6.1 Budget Planning and Financial Reporting										
Budget & Reporting		527	11 790	4 242	5 764	500	500	300	300	330
Financial Reporting & Governance	Submission Of Monthly Reports As Per Section 71 Of Mma Submission Of Quarterly Reports As Per Section 52 (D) Of Mma Submission Of Banking Details As Per Section 6 Of Mma Submission Of Quarterly Reports As Per Section 52 (D) Of Mma Submission Of Annual Report In Terms Of Section 121 Of Mma Submission Of Monthly Reports Submission Of Reviewed Policies Loan Register Submission Of Monthly Financial Statements As Per Section 28 Of Mma Training Of Unit Staff Within The Municipality Multi-Year Budget As Per Section 28 Of The Mma Multi-Year Budget As Per Section 21 (B) Of The Mma Multi-Year Budget As Per Section 21 (B) Of The Mma Multi-Year Budget As Per Section 23 Of The Mma Multi-Year Budget As Per Section 22 Of The Mma Multi-Year Budget Standard Budget Return Form Budget Control Annual Financial Statements Roll Over Application Audit Report Compliance With Scsa Regulations									
6.2 Supply chain - Asset & Fleet Management	Municipal Annual Procurement Plan Improved Compliance With Scm Regulations & Council Policies Asset Management				1 091	1 091	1 091			
6.3 Income and Expenditure	Maintenance Of Service Providers Contracts Outstanding Debtors Reduction Reconciliation Of Debtors Indigent Support Indigent Support Collection Of Rental Income I.E. Transido, Isokodite Hostel, Stores, Commonages Interest On Outstanding Debt Staff Training				103	326	752	300		25 000
Allocations to other priorities										
Total Capital Expenditure		36 498	60 735	90 436	147 577	126 566	126 566	137 671	80 571	102 194

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 employees performance.

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:

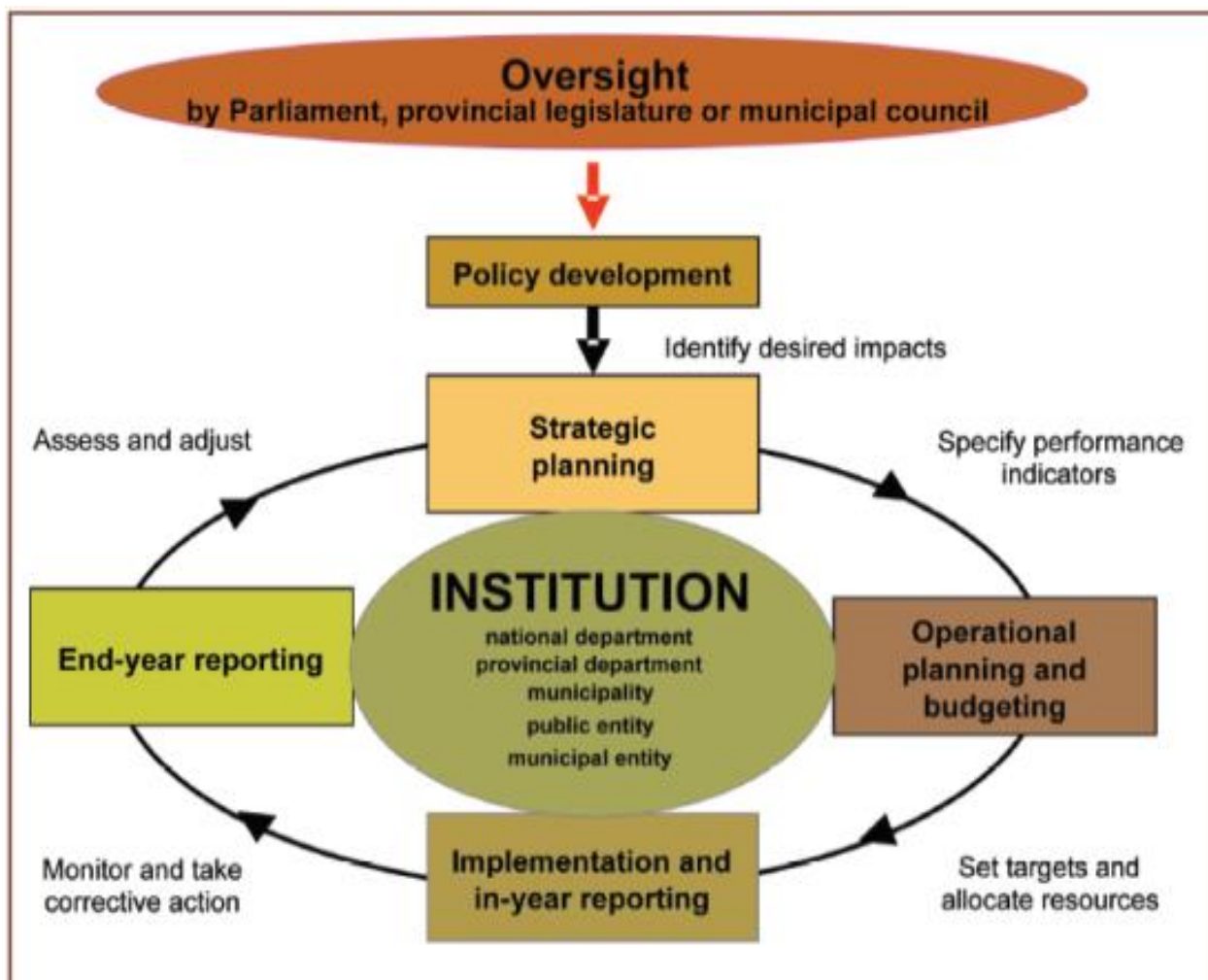


Figure 5 Planning, Budgeting and Reporting Cycle

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 which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitor 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 this financial year.

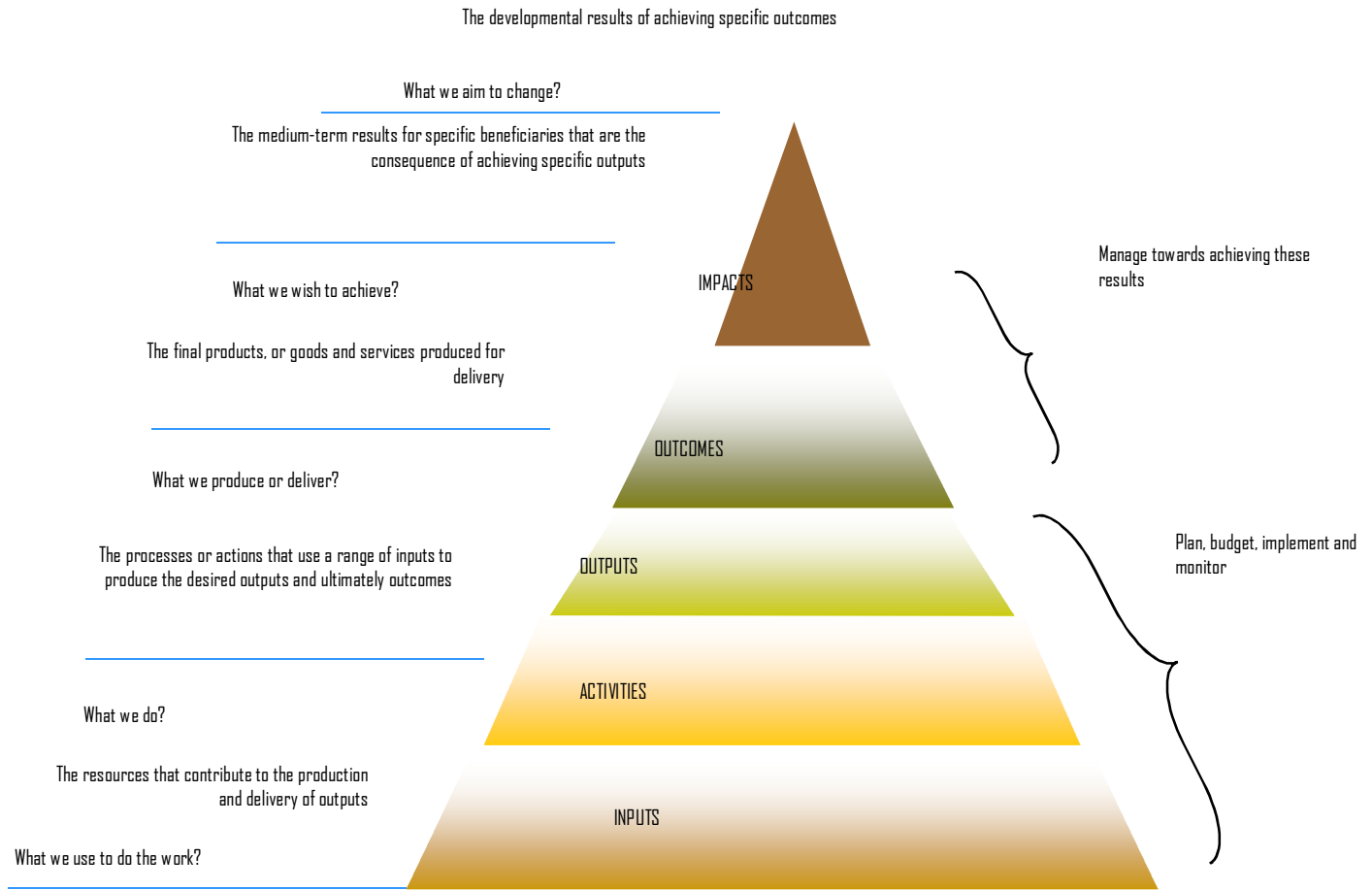


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year

Table 13MBRR Table SA8 - Performance indicators and benchmarks

EC441 Matatiele - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.4%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	3.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.9%	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%	6.4%	5.6%	0.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.1%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	47.9%	47.9%	47.9%	47.9%	9.8%	0.7%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	2.9	3.4	2.8	6.9	6.9	6.9	6.9	1.4	1.3	0.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.9	3.4	2.8	6.9	6.9	6.9	6.9	1.4	1.3	0.1
Liquidity Ratio	Monetary Assets/Current Liabilities	2.5	2.5	2.0	6.0	6.0	6.0	6.0	0.8	0.7	(0.4)
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	132.4%	48.3%	100.0%	100.0%	100.0%	100.0%	73.0%	73.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	86.2%	78.6%	100.0%	100.0%	100.0%	100.0%	73.0%	73.0%	73.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.7%	14.7%	10.3%	7.1%	6.9%	6.9%	6.9%	4.7%	4.3%	4.2%
Creditors Management											
Creditors to Cash and Investments		15.7%	18.0%	33.9%	20.0%	20.0%	20.0%	20.0%	122.2%	133.9%	-224.0%
Other Indicators											
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.7%	30.5%	29.3%	30.0%	27.4%	27.4%	27.4%	30.6%	28.7%	28.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.9%	37.9%	35.6%	35.7%	33.0%	33.0%	33.0%	36.4%	33.9%	33.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.8%	5.5%	4.6%	3.8%	3.7%	3.7%	3.7%	3.2%	3.1%	3.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.2%	11.3%	8.1%	4.7%	4.6%	4.6%	4.6%	6.4%	6.5%	7.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.8	8.6	-	-	-	-	11.8	8.8	25.0	26.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	33.3%	49.1%	37.0%	26.4%	25.8%	25.8%	25.8%	17.0%	18.1%	18.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	10.9	4.5	3.6	2.6	2.6	2.6	2.6	1.3	1.2	(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, Matatiele Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayment. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2015/2016 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to

The operating expenditure. It can be seen that the cost of borrowing has steadily increased from 0.4 per cent in 2011/12 to 3.3 per cent in 2015/16. This increase can be attributed to the raising of loans to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financial capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The Municipality's has raised main amortising loans over the past five years, hence effectively front-loading its debt service costs. This is reflected in the Municipality's debt service profile, which predicts large debt service costs between 2013 and 2018. Debt service costs are expected to peak in 2018 due to the redemption of the last few term loans held by the Municipality.

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 Safety of Capital

É *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets.

É *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.3.1.3 Liquidity

É *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 1.4 in the 2015/16 financial

year and 1.3 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

- É *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.

2.3.1.4 Revenue Management

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

2.3.1.5 Creditors Management

- É The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.6 Other Indicators

- É Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- É Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

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, only registered indigents qualify for the free basic services.

For the 2015/16 financial year 15 500 registered indigents have been provided for in the budget with this figured increasing to 21 000 by 2016/17. In terms of the Municipality's indigent policy registered households are entitled to 50 kWh of electricity and free waste removal as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 39.

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.

2.4 OVERVIEW OF BUDGET RALATED POLICIES

As listed hereunder are all the policies that are current adopted by

Matatiele Local Municipality. All these policies can be viewed on the official municipal website www.matatiele.gov.za

Budget Related Policies

- 1 Credit Control & Debt Collection Policy
- 2, 3 Banking & Investment Policy & Implementation Guide
- 4, 5 Fixed Asset Management Policy & Implementation Guide
- 6, 7 Budget Policy & Implementation Guide
- 8 Property Rates Policy
- 9 Transport Policy
- 10 Tariff Policy
- 11, 12 Supply Chain Management Policy & Code of Conduct
- 13 Indigent Policy
- 14
- 15 GRAP Framework Policy
- 16 Data Backup Policy
- 17 Cash Management Policy
- 18 Special Service Tariff Policy
- 19 Grant & Donation Policy
- 20 Donor Finance Policy
- 21 Procurement Policy
- 22 Payment Policy
- 23 Virement Policy
- 24 Cash-Up Policy
- 25 Cash Shortage Policy
- 26 Electricity Policy
- 27 Credit Card Policy
- 28 Entertainment / Refreshment Policy
- 29 Customer Incentive Scheme Policy
- 30 Strategy to Improve Debtor Payment Policy
- 31 Customer Care Policy
- 32 Fraud Prevention & Response Plan Policy
- 33 Debt Capacity Policy
- 34 Borrowing Policy
- 35 Unknown Deposits Policy

- 36 Funding & Reserves Policy
- 37 Consultants Policy

2.5 Overview of Budget Assumptions

Arising from the above Overview of Economic Analysis, the following Budget Assumptions were made and are affected in the 2015/16 budget:

✚ Estimate Salary Increases

- 2014/15 . 8%
- 2015/16 . 8%
- 2016/17 . 8%

✚ Debt Impairment: the overall collection levels are estimate around 85% overall for the MLM.

Payment levels for the following revenue streams have been estimated as follows:

- Property Rates 85% (89% in 2015 / 2016)
- Electricity 90% (66% in 2015 / 2016)
- Refuse 90% (65% in 2015 / 2016)

✚ Indigent Support to increase from 1% to 30% of all registered indigents;

✚ Bulk Electricity purchases: MLM has assumed no tariff increase from Eskom and will increase its tariffs with 14% as determined by NERSA;

✚ Other expenditure: In order to accommodate the increases in salaries, bulk purchases, debt

Impairment and depreciation, it means that all other expenditure will increase at a reduced rate or maintained at the current levels;

✚ Matatiele Local Municipality will continue with its current powers and functions;

✚ The Budget is based on current service levels. However, provision is made for a pilot project to expand refuse removal services to 5 rural areas;

✚ Government grants for the years 2015/2016 to 2017/2018 are as per the Division of Revenue Act, assuming that all allocations will be received;

✚ Growth in staff related costs has been provided for in the budget at 8% per annum, growth in the remaining expense items range from 0% to 10%;

- ✚ Provision has been made for tariff increases relating to services at an average rate of 5% per annum; and
- ✚ Provision was made to contribute to the Provision for Leave Reserve. However, staff will be encouraged to redeem their leave.

Table 34 Credit Rating outlook

	Currency	Rating	Annual rating	Previous Rating
Security class			Oct-13	
Short term	Rand	Prime -1	20-Apr-14	Prime -1
Long-term	Rand	Aa3	20-Apr-14	Aa3
Outlook	Rand	Negative	20-Apr-14	Negative

	WITHOUT VAT	New Tariff Vat Excluded	Increase	New Tariff Vat Excluded	Increase	New Tariff Vat Excluded	Increase
1	REFUSE REMOVAL CHARGES	2013/2014		2014/2015		2015/16	
1.1	<i>Domestic Removals</i>						
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	R 93.48	5%	R 98.15	5%	R 103.06	5%
1.2	<i>Commercial Removals</i>						
(a)	Each individual/separate business shall be charged a basic service charge per month.	R 140.20	5%	R 147.21	5%	R 154.57	5%
1.3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	R 140.20	5%	R 147.21	5%	R 154.57	5%
1.4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.						
1.5	<i>Removal from Separate Consumers on same Premises</i>						
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.						
1.6	<i>Availability Charge</i>						
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 200.00	0%	R 200.00	0%	R 200.00	0%
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 100.00	0%	R 100.00	0%	R 100.00	0%
2	BUILDING PLAN FEES						

2.1	The fees payable for plans of any building submitted in terms of the building regulations shall be calculated at R6.00 per R1 000 or part thereof in respect of total estimated cost of the work, subject to a minimum charge of R1 000. Building Cost is calculated at R2 500 per m². This calculation is used to calculate the building plan fees for buildings in excess of 100m² and major alterations to existing buildings.						
2.1.1	Building less than 80m².	R 201.75	R 0.00	R 201.75	R 0.00	R 625.43	210%
2.1.2	Building less than 100m².	R 543.86	R 0.00	R 543.86	R 0.00	R 1 577.19	190%
2.1.3	Building more than 100m².						
	Tariff 2.1 is applicable						
2.1.4	Hoarding Permit						
	Commercial (for 3 months)					R 203.00	
	Residential (for 3 months)					R 180.00	
	Industrial (for 3 months)					R 350.00	
	CBD Buildings (for 3 months)					R 550.00	
2.1.5	Demolishing fee for all buildings					R 350.00	
2.1.6	Copy of Building Fee						
	A4					R 5.00	
	A3					R 10.00	
	A2					R 20.00	
	A1					R 30.00	
	A0					R 40.00	
2.1.7	Boundary Wall						
	Boundary Wall (Brick or Blocks) 1800mm high					R 603.48	
	Boundary Wall (Precast) 1800mm high					R 603.48	
	Boundary Wall (Palisade Fencing) 1800mm high.					R 603.48	
	Identification of site beacons must be done by professional land surveyor. The Municipality will provide technical advice only.						
2.1.8	Minor Works in terms of section 13 of the act (valid for 6 months only)						
	Residential					R 316.72	
	None Residential					R 550.00	
2.1.9	Temporal Structures						
	Tent					R 250.00	
	Carport					R 600.00	
	Container for site office or site storage during construction only					R 600.00	
2.1.10	Building Plan Fee						
	Pre- Scrutiny Plan					R 222.83	
	Swimming Pool					R 603.48	
	Occupational Certificate					R 150.00	

	Second call site Inspection for the same inspection stage					R 200.00	
2.1.11	Pavement/Verge Deposit						
	Residential					R 207.00	
	None Residential					R 2 500.00	
	Multi Development					R 3 500.00	
	Industrial					R 5 000.00	
2.2	Builders Deposits						
	The following deposits must be paid by building contractors/owners in a developed area, prior to the commencement of any work:						
(a)	Extensions less than 100m ² or part thereof as determined by the Building Inspector but not more than	R 207.02	R 0.00	R 207.02	R 0.00	R 207.02	R 0.00
(b)	Extensions more than 100m ² but less than 200m ² or part thereof	R 942.11	R 0.00	R 942.11	R 0.00	R 942.11	R 0.00
(c)	Extensions more than 200m ² but less than 500m ²	R 3 923.68	R 0.00	R 3 923.68	R 0.00	R 3 923.68	R 0.00
(d)	Extensions more than 500m ² or part thereof	R 5 492.11	R 0.00	R 5 492.11	R 0.00	R 5 492.11	R 0.00
2.3	Penalty						
	Deposits will be forfeited after 7 days from date of completion certificate, should the Developer/Contractor not have the sidewalk/pavement cleared within such period.						
2.4	Exemption Certificate						
	Fee payable for minor building work as contemplated in Section 13 of the National Building Regulations and Building Standards Act, 1977(Act 103 of 1977) as amended	R 100.00	0%	R 100.00	0%	R 100.00	0%
3	POUND FEES						
3.1	Schedule B: Rate of Compensation for all animals delivered to the pound, per head.	R 16.67	0%	R 16.67	0%	R 16.67	0%
3.2	Schedule C: Trespass on private land						

	Description of animal						
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	R 13.16	0%	R 13.16	0%	R 13.16	0%
	Sheep and goats per head per day	R 8.77	0%	R 8.77	0%	R 8.77	0%
3.3	Schedule E: Pound Fees						
	Description of animal						
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	R 13.16	0%	R 13.16	0%	R 13.16	0%
	Sheep and Goats, per head per day	R 8.77	0%	R 8.77	0%	R 8.77	0%
3.4	Schedule F: Sustenance fees						
	Description of animal						
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	R 21.93	0%	R 21.93	0%	R 21.93	0%
	Sheep and Goats, per head per day	R 13.16	0%	R 13.16	0%	R 13.16	0%
4	SWIMMING BATH						
4.1	<i>Single Tickets</i>						
	Entrance, per occasion						
(a)	Adults	R 10.53	20%	R 12.63	20%	R 10.00	-21%
(b)	Scholars and Children	R 5.26	20%	R 6.32	20%	R 5.00	-21%
4.2	<i>Season Tickets</i>						
	Bath only, not transferable						
(a)	Adult (Full Season)	R 157.89	20%	R 189.47	20%	R 189.47	0%
(b)	Adult (Part Season - valid for one month from day issue)	R 78.95	20%	R 94.74	20%	R 94.74	0%
(c)	Scholars and children (Full Season)	R 78.95	20%	R 94.74	20%	R 94.74	0%
(d)	Scholars and children (Part Season valid for one month from day of issue)	R 31.58	20%	R 37.89	20%	R 37.89	0%
	For the purposes of this Section "scholars" shall mean any scholars attending a primary or secondary school and "children" shall mean any children who have not reached the age of 17 years; provided that children have not reached the age of five years may be admitted free of charge if accompanied and under the care of a responsible adult.						
	School Swimming Classes						

	The Council may permit school swimming classes to use the bath free of charge at such times as the Council may determine from time to time provided that the pupils of such swimming classes are accompanied by and under the control of a responsible teacher.						
5	FIRE SERVICES						
	The charges payable for services rendered or materials supplied by the Council's Fire Department and for the use or the Department's Equipment, appliances and water, in connection with the preservation of life and property against fire, accident or other mishap, whether on private property or otherwise shall be as follows:						
5.1	For the services rendered involving the making available of any appliances, together with the attendance of personnel, the charges shall be as follows:						
(a)	Firefighting and life-saving, per hour or part thereof	R 359.65	0%	R 359.65	0%	R 359.65	0%
(b)	Travelling costs: Fire tenders per km or part thereof	R 13.16	0%	R 13.16	0%	R 13.16	0%
(c)	Subsidized vehicles and any other equipment, materials used during a fire by officials of the Council	Cost plus 10%		Cost plus 10%		Cost plus 10%	
6	ELECTRICITY CHARGES						
	The charges payable by consumers for the supply of electricity shall be as follows:						
	Subject to the approval by the National Electricity Regulator.						
6.1	Scale 1: <i>Domestic Consumers</i>						
(a)	Basic charge, single or three phase per household per month. Plus the following kWh charges per month.	R 307.35	14%	R 316.57	3%	R 326.07	3%
	0-50	0.64	5.40%	0.69	7.00%	0.74	7.00%
	51-350	0.87	14.00%	0.88	2.00%	0.95	7.00%
	351-600	1.26	14.00%	1.26	0.00%	1.38	9.00%
	600 over	1.48	14%	1.48	0%	1.63	10%
(b)	Scale 2: <i>Commercial & Other Consumers</i>						
	Basic charge of consumers with the following kVA installed per month						
	0 - 25 KVA	351.75	14%	362.31	3%	373.17	3%
	26 - 64 KVA	1287.63	14%	1326.26	3%	1366.05	3%
	65 KVA and more	7716.33	14%	7947.82	3%	8186.25	3%
	plus the following kWh charge per month:						
	0 - 2000 kWh	1.56	14%	1.56	0%	1.61	3%
	2000 - and more	1.59	14%	1.59	0%	1.61	2%

(c)	Scale 3: <i>Pre-Paid Metre Units</i>						
	Domestic:						
	0-50	0.64	5.40%	0.69	7.00%	0.74	7.00%
	51-350	0.87	14.00%	0.88	2.00%	0.95	7.00%
	351-600	1.26	14.00%	1.26	0.00%	1.38	9.00%
	600 over	1.48	14%	1.48	0%	1.63	10%
	Commercial:						
	0 - 2000 kWh	1.56	14%	1.56	0%	1.67	7%
	2000 - and more	1.59	14%	1.59	0%	1.67	7%
(d)	Scale 4: <i>Schools/School Hostels</i>						
	"Schools defined as the majority of its Teachers paid for by the Government or State Education Department."						
	Basic Charges per month, $\bar{o} \bar{o} \bar{o} \bar{o}$	248.05	14%	255.50	3%	263.16	3%
	0 - 2000 kWh	1.56	14%	1.59	2%	1.62	2%
	2000 - and more	1.59	14%	1.62	2%	1.65	2%
6.2	<i>Special Agreements</i>						
	The Council reserves the right in special circumstances to enter into special agreements subject to the approval of the Premier of the supply of electrical energy to consumers.						
6.3	<i>Change of Scale</i>						
	Where a consumer elects to change from any one scale to any other scale, he shall notify the Town Clerk in writing at least 30 days prior to the date on which the elected scale shall take effect, and shall remain on such elected scale for a period of not less than 12 months.						
6.4	<i>Supply to Separate Consumers on same Premises</i>						
	Where electricity is supplied to shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the supply of electricity shall be as prescribed in applicable scales.						
6.5	<i>Payment of Accounts</i>						

(a)	All accounts for the supply of electricity shall become due and payable on demand but not later than the last working day of the month following the month to which such accounts relate. Any account which remains unpaid after such date shall be subject to a penalty of 1,5%.						
(b)	The Council may disconnect the supply of electricity where any account remains unpaid at the end of the month following the month in respect of which such account was rendered and the supply of electricity shall only be resumed on payment of a charge of R46.64.00 in addition to all other outstanding charges.	R 63.85	17%	R 100.00	57%	R 100.00	57%
(c)	Consumers shall be responsible for obtaining statements of their accounts so as to enable them to effect payment thereof within the prescribed period.						
6.6	<i>Deposits</i>						
	Every consumer shall when making application for a supply of electricity deposit with the Council the applicable amount as tabled hereunder.						
(a)	Domestic consumers	R 3 068.84	10%	R 3 375.73	10%	R 3 713.30	10%
(b)	Small power consumers with installation not exceeding 25 KVA	R 7 673.57	10%	R 8 440.93	10%	R 9 285.02	10%
(c)	Medium power consumers with a demand exceeding 25kVA but not exceeding 64 Kva	R 13 426.49	10%	R 14 769.14	10%	R 16 246.05	10%
(d)	Large power consumers with a demand exceeding 65KVA to supply a bank guarantee equal to two months estimated average usage.						
(e)	Pre-paid metre consumers						
6.7	<i>Connection Fees and other Charges</i>						
(a)	Commercial and other consumers electricity connection fees and be charged at cost of materials, labour, supervision plus 10% payable in advance.						
(b)	Domestic consumers electricity connection fees payable in advance.						
	Cost plus 10% provided that the cost be taken from the boundary of the Erf per property of the applicant.						

(c)	For a connection after a disconnection at consumers request, or in case of a faulty installation R223.88exc vat payable in advance.	R 306.47	17%	R 358.57	17%	R 419.53	17%
(d)	For the testing of a metre cost plus 10%						
(e)	For a special reading of metre R50.00 payable in advance.						
(f)	For an investigation to establish the cause of a defect in consumers installation - R60.00 payable in advance.						
(g)	For each inspection and testing of an installation after failure to pass the first inspection and test - R100.00 payable in advance.						
(h)	<i>Conversion</i>						
	On application from a consumer to convert from the conventional electricity metre to a pre-paid metre the following fee is applicable:	R 3 830.90	17%	R 4 482.15	17%	R 5 244.12	17%
(i)	On application from a consumer to convert from the conventional electricity metre or any other meter to a pre-paid metre the following fee is applicable on condition that such application and payment is made before 30 September 2004. After 30 September 2004 - (h) apply.	N/A		N/A		N/A	
(j)	Where supply has been disconnected as a result of unauthorized reconnection, illegal bypassing of meter or for tempering; per disconnection and additional sum for units stolen.	R 4 897.76	17%	R 5 730.37	17%	R 6 704.54	17%
	NOTE: In addition to the amounts contained in item (i), reconnection shall only occur once any arrears consumption charges; estimated charges for unmetered consumption and/or additional deposits owed by the consumer have been paid.						
6.8	<i>Availability Charge</i>						
	A fee equal to that mentioned in 6.1 (a) and 6.1 (b) above, depending on the zoning of the applicable erf, is charged to any vacant erf located in the town areas of Cedarville, Matatiele and Maluti.						
7	CEMETERY CHARGES						
	The following fees shall be payable to the Council in respect of burials and other services in the public cemetery.						
7.1	<i>Burial Plots - Charge per Burial Plot</i>						
	A non-refundable charge of:	R 132.29	4%	R 137.58	4%	R 143.08	4%

7.2	<i>Burial Fees</i>						
(a)	Adult	R 218.95	4%	R 227.71	4%	R 236.81	4%
(b)	Child	R 218.95	4%	R 227.71	4%	R 236.81	4%
7.3	<i>Miscellaneous Charges</i>						
(a)	Exhumation of body	R 1 655.79	4%	R 1 722.02	4%	R 1 790.90	4%
(b)	Widening or deepening of grave	R 223.51	4%	R 232.45	4%	R 241.75	4%
(c)	Permit to erect a memorial	R 91.23	4%	R 94.88	4%	R 98.67	4%
7.4	Fees for non-residents of the municipal area shall be the prescribed fees in (7.1) and (7.2) above, plus 50%						
7.5	After hours burial request as in (7.1) plus 100%						
7.6	At least 16 working hours notice must be given of a burial						
7.7	Pauper burial fees	R 394.74	0%	R 394.74	0%	R 394.74	0%
7.8	Internment of ashes in excising graves	R 30.70	0%	R 30.70	0%	R 30.70	0%
8	PUBLIC HALLS TARIFF						
8.1	<i>Town Hall (Matatiele)</i>						
(a)	Main hall and kitchen per 12 hour period per day.	R 2 653.51	10%	R 2 918.86	10%	R 3 210.75	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 3 087.72	10%	R 3 396.49	10%	R 3 736.14	10%
8.2	<i>Town Hall (Maluti Civic Centre)</i>						
(a)	Main hall and kitchen per 12 hour period per day.	R 2 653.51	10%	R 2 918.86	10%	R 3 210.75	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 3 087.72	10%	R 3 396.49	10%	R 3 736.14	10%
	<i>Town Hall (Cedarville)</i>						
(a)	Main hall and kitchen per 12 hour period per day.	R 1 003.51	10%	R 1 103.86	10%	R 1 214.25	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 1 447.37	10%	R 1 592.11	10%	R 1 751.32	10%
(c)	Old Cedarville Boardroom	R 96.49	10%	R 106.14	10%	R 116.75	10%
8.3	<i>Harry Gwala Park Community Hall</i>						
(a)	Main hall and kitchen per 12 hour period per day.	R 434.21	10%	R 477.64	10%	R 525.40	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 434.21	10%	R 477.63	10%	R 525.39	10%
8.4	<i>Nokhwezi & Msingizi Community Hall</i>						

(a)	Hall per 12 hour period per day	R 434.21	10%	R 477.64	10%	R 525.40	10%
(b)	Hall per kitchen per function exceeding 12 hours	R 434.21	10%	R 477.63	10%	R 525.39	10%
8.5	<i>Library Hall (Matatiele)</i>						
(a)	Hall per 12 hour period per day	R 144.74	10%	R 159.21	10%	R 175.13	10%
8.6	<i>Library Hall (Cedarville)</i>						
(a)	Hall per 12 hour period per day	R 125.44	10%	R 137.99	10%	R 151.79	10%
8.7	Community Halls (Rural Area)						
(a)	Hall per 12 hour period per day	R 96.49	10%	R 106.14	10%	R 116.75	10%
8.8	<i>Equipment</i>						
	The public address system per day or part thereof	R 314.74	4%	R 327.33	4%	R 340.42	4%
8.9	In addition to 8.1 to 8.6 above the hirer shall purchase pre-paid electricity cards for the supply of electricity.						
8.10	Where the hall is hired there shall first be deposited with the Chief Financial Officer the following amounts which amounts shall be refunded when the premises is handed over in satisfactory condition.						
	Town Hall (Matatiele)	R 2 640.00	10%	R 2 904.00	10%	R 3 194.40	10%
	Town Hall (Cedarville)	R 1 045.00	10%	R 1 149.50	10%	R 1 264.45	10%
	Harry Gwala Park Community Hall	R 423.50	10%	R 465.85	10%	R 512.44	10%
	Nokhwezi & Msingizi Community Hall	R 423.50	10%	R 465.85	10%	R 512.44	10%
	Library Hall (Matatiele)	R 143.00	10%	R 157.30	10%	R 173.03	10%
	Library Hall (Cedarville)	R 110.00	10%	R 121.00	10%	R 133.10	10%
8.11	<i>Community Halls</i>						
	The Municipal Manager has delegated Authority to hire the Community Halls to Matatiele Local Registered Non-Profit Organisations/Institutions and to resident members of the community for memorial/personal social activities at a variable charge not less than the following amount per occasion	R 48.25	10%	R 53.07	10%	R 58.38	10%
CONDITIONS OF HIRE							
1	The Council reserves the right to refuse any booking or cancel any engagement if the function be not approved.						
2	No booking will be made and no date reserved unit the full charges for the hire accommodation required has been paid. In the event of the hirer canceling or postponing any booking 25% of the hire fees shall be forfeited to the Council, provided the Council is notified of such cancellation at least 5 days prior to the date booked.						

3	Advance bookings will not be accepted for any date more than thirteen months ahead, provided that prior bookings may be accepted in respect of a conference congress or festival celebrations at the discretion of the Town Clerk.						
4	Every hirer shall specify the times and hours for which has wishes to hire the accommodation concerned and he shall not be entitled to exceed the period of the hire period, the hirer shall be liable for the payment to the Council of any additional charges calculated as above but nothing herein shall prejudice the right of the Council to require him to vacate the accommodation upon the expiration of the hire period specified by him.						
5	No additional or special lighting may be installed in the City Hall without the written approval of the Municipal Manager, and any additional lights so authorized shall be carried out by the Electricity Department of the council on terms and conditions to be arranged.						
6	Hirers shall be responsible for making good any breakage or damage of any description to the hall, furniture, fittings or any other property of the Council. If any furniture, equipment or any other property of the Council be found defective by the hirer, the same must be pointed out to the Caretaker before being used, failing this, everything will be considered to be in proper order.						
7	The hirer shall ensure that all accommodation or equipment hired and the adjoining City Hall corridors are kept and left in a clean and tidy condition, failing which the the Council will have the premises cleaned at the hirers expense.						
8	From the deposit of the amount set out in the tariff of charges, the Council shall be entitled to deduct from such amount the cost of repairing, replacing or making good any damage, breakage, loss or disfigurement to the property of the Council sustained during hiring to hirer. Should the amount of the said deposit be insufficient to cover such cost, the hirer shall be liable for the payment of any additional amount involved. In the event of no damage, breakage, loss or disfigurement to the property of the Council being sustained as aforesaid, the deposit shall be refunded to the hirer.						
9	Cooking in the hall, other than in the kitchen and utensils provided for that purpose is prohibited.						
10	The Council shall not be responsible for any loss occasioned by the temporary failure of the electric light supply in the building.						
11	The Council shall not be responsible for any damage howsoever caused to, or for the loss of, articles or goods brought into, or left in the City Hall by the hirer or any						

	other person.						
12	The hirer shall be responsible for the control and behaviour of all children attending the functions, and shall prevent undue noise or nuisance being caused by children running about the Town Hall offices or otherwise.						
13	No furniture, fittings, musical instruments, produce or refreshments shall be brought into, or removed from the building except by the Councillors car park entrance.						
14	Standing on seats or chairs shall not be permitted.						
15	No portion of the City Hall may be used for business purposes involving the sale of goods. The condition shall not apply to bazaars and fetes for charitable or other public purposes not to the sale or programmes or refreshments incidental to the use of the hall premises for public performances or functions.						
9	MISCELLANEOUS SERVICES						
	<i>Sundry Charges</i>						
9.1	Search Fees						
(a)	Other than from the Minutes of proceedings of the Council, for any document or information required dated back:						
(b)	More than 12 months but not more than 24 months.	R 65.79	0%	R 65.79	0%	R 65.79	0%
(c)	24 Months or more but not more than 48 months.	R 122.81	0%	R 122.81	0%	R 122.81	0%
(d)	48 months or more	R 245.61	0%	R 245.61	0%	R 245.61	0%
9.2	Copy of valuation roll	R 614.04	0%	R 614.04	0%	R 614.04	0%
9.3	Copy of voters roll (per ward)	R 614.04	0%	R 614.04	0%	R 614.04	0%
9.4	Rates clearance certificates as laid down in Section 175(2) of Ordinance No. 25 of 1974	R 8.50	0%	R 8.50	0%	R 8.50	0%
9.5	Appeals to property valuations in terms of Section 160(3) of Ordinance No. 25 of 1974	R 57.02	0%	R 57.02	0%	R 57.02	0%
9.6	Services rendered by Council but not covered in tariffs of charges.	Cost plus 10%		Cost plus 10%		Cost plus 10%	
9.7	Valuation and/or housing loan certificate as laid down in Section 265(5) of Ordinance No. 25 of 1974	R 70.18	0%	R 70.18	0%	R 70.18	0%
9.8	Copy of estimates	R 263.16	0%	R 263.16	0%	R 263.16	0%
9.9	Special consent applications in terms of the Town Planning Scheme, which amount is not refundable.	R 2 315.79	10%	R 2 547.37	10%	R 2 802.11	10%
	Consent/Conditional use or temporary land use						
	House Shop	R 170.00	NEW	R 170.00	NEW	R 170.00	NEW
	Place of instruction/Worship	R 170.00	NEW	R 170.00	NEW	R 170.00	NEW
	Second Dwelling	R 400.00	NEW	R 400.00	NEW	R 400.00	NEW

9.10	Application for relaxation of building line and/or side space requirements.	R 495.61	0%	R 495.61	0%	R 495.61	0%
(a)	Other temporal land use departures	R 500.00	New	R 500.00	New	R 500.00	New
(b)	Other/conditional use	R 1 200.00	New	R 1 200.00	New	R 1 200.00	New
9.11	<i>Rezoning applications</i>						
	Fees payable shall not exceed the following maximum amounts:						
	Areas of land being rezoned						
(a)	Areas of land being rezoned less than 2000sq/m	R 700.00	NEW	R 700.00	NEW	R 700.00	NEW
(b)	Area of land to be rezoned less than 1ha	R 1 278.95	80%	R 2 302.11	80%	R 4 143.79	80%
(c)	1ha but less than 5ha	R 4 298.25	40%	R 6 017.54	40%	R 8 424.56	40%
(d)	5ha and over	R 5 649.12	40%	R 7 908.77	40%	R 11 072.28	40%
	R30.00 for every hectare or part thereof in excess of 5ha						
9.12	<i>Subdivision</i>						
(a)	Up to 3 erven created	R 740.00	New	R 740.00	New	R 740.00	New
(b)	4-10 erven	R 1 368.00	New	R 1 368.00	New	R 1 368.00	New
	Per erf above 10						
	(This fee must be added to the basic fee for subdivision of up to 10 erven.)						
(c)	Amendment / Cancellation of approved Subdivision	R 1 200.00	New	R 1 200.00	New	R 1 200.00	New
9.13	<i>Site Development Plan</i>						
(a)	erf with one dwelling House	R 285.00	New	R 285.00	New	R 285.00	New
(b)	Any other residential use or development	R 399.00	New	R 399.00	New	R 399.00	New
(c)	Any other business/ commercial/ Industrial use	R 1 300.00	New	R 1 300.00	New	R 1 300.00	New
(d)	Amendment of Approved site development plan and approval of HOA constitutions and design manual	R 239.00	New	R 239.00	New	R 239.00	New
9.14	Amendments of conditions of approval (per condition)	R 220.00	New	R 220.00	New	R 220.00	New
9.13	Vehicle pound fees on all impounded vehicles per vehicle per day plus tow-in costs	R 59.65	70%	R 101.40	70%	R 172.39	70%
	Impounded vehicles not released within 90 (ninety) days will be sold.						
9.14	Chemical toilet hire per toilet per day:						
	Fee	R 614.04	0%	R 614.04	0%	R 614.04	0%
	Deposit per toilet	R 307.02	0%	R 307.02	0%	R 307.02	0%
9.15	<i>Sports grounds rental</i>						
	Local clubs for practices per practice	R 43.86	25%	R 54.82	25%	R 68.53	25%
	Local clubs per game	R 219.30	25%	R 274.12	25%	R 342.65	25%
	Outside clubs per game	R 328.95	25%	R 411.18	25%	R 513.98	25%
	Stadium hire for non sporting events.	R 438.60	New	R 438.60	New	R 438.60	New

	Pre-paid Electricity Metering cards to be purchased for the use of lights at the stadium at the Domestic Rates.						
9.16	A penalty will be charged for any dishonoured cheque.	R 110.96	15%	R 127.61	15%	R 146.75	15%
9.17	Damage to any Council property	R 1 754.39	0%	R 1 754.39	0%	R 1 754.39	0%
9.18	Cleaning of over grown property after failing to respond to councils instruction to clean this said property.	R 2 631.58	20%	R 3 157.89	20%	R 3 789.47	20%
9.19	<i>Dog Licenses</i>						
	Dogs	R 17.54	0%	R 17.54	0%	R 17.54	0%
9.20	<i>Library Fines</i>						
	Lost books + cost of the book.	26.32	0%	26.32	0%	26.32	0%
	Book/s per day	R 2.63	0%	R 2.63	0%	R 2.63	0%
	Video/s per day	R 2.63	0%	R 2.63	0%	R 2.63	0%
	Photocopies per copy	R 2.63	0%	R 2.63	0%	R 2.63	0%
	Internet per 30 minutes	R 26.32	0%	R 26.32	0%	R 26.32	0%
	Internet E-Mail address per 6 months.	R 30.70	0%	R 30.70	0%	R 30.70	0%
9.21	<i>Transport & Plant Hire</i>						
	Bomag	R 43.86	0%	R 43.86	0%	R 43.86	0%
	NCX 2721 Bobcat	R 175.44	0%	R 175.44	0%	R 175.44	0%
	NCX 2661 JCB	R 307.02	0%	R 307.02	0%	R 307.02	0%
	Bush Cutter	R 263.16	0%	R 263.16	0%	R 263.16	0%
	Petrol Saw	R 394.74	0%	R 394.74	0%	R 394.74	0%
	Wacker	R 175.44	0%	R 175.44	0%	R 175.44	0%
	Lawn Mower	R 175.44	0%	R 175.44	0%	R 175.44	0%
	Generator (without petrol)	R 219.30	0%	R 219.30	0%	R 219.30	0%
	Water Pump	R 219.30	0%	R 219.30	0%	R 219.30	0%
	Angle Grinder (230mm)	R 87.72	0%	R 87.72	0%	R 87.72	0%
	Dril	R 131.58	0%	R 131.58	0%	R 131.58	0%
	Welding Machine (220 amp)	R 219.30	0%	R 219.30	0%	R 219.30	0%
	Welding Machine (250 amp)	R 219.30	0%	R 219.30	0%	R 219.30	0%
	Compressor (380 Volt)	R 219.30	0%	R 219.30	0%	R 219.30	0%
	High Pressure Washer	R 131.58	0%	R 131.58	0%	R 131.58	0%
	Extension Lead	R 13.16	0%	R 13.16	0%	R 13.16	0%
	Tar Spray	R 394.74	0%	R 394.74	0%	R 394.74	0%
9.22	<i>Tender Documents</i>						
	A fee of not less than R100 will be charged for a tender document.						
	The fee will increase according to the size of the tender document.						

10	RANKS/STANDS FOR PUBLIC BUSES						
	The following fees shall be payable to the Council in respect of ANNUAL RANK/STAND permits for Public buses making use of the MATATIELE BUS RANK.						
10.1	<i>Long Distance Bus Operators</i>						
	1 -5 Bus Permits per Bus per Permit per Annum						
	6 and more Bus permits per Bus per Permit per Annum						
10.2	<i>Local Bus Operators</i>						
	Bus Permit per Bus per Permit per Annum						
10.3	Local bus operators, "local", shall mean operators operating routes within a one (1) hundred kilometer radius of Matatiele. All other operators shall deemed to be "long distance" by operation.						
10.4	Applicants are to be made by no later than December of such year in order for permits to be issued.						
11	BUSINESS LICENSES						
11.1	Food Vendors in caravans & carts or similar vessel	R 150.00	New	R 150.00	New	R 150.00	New
11.2	General Dealers	R 500.00	New	R 500.00	New	R 500.00	New
11.3	Supermarkets, Wholesalers & Butcheries	R 500.00	New	R 500.00	New	R 500.00	New
11.4	Restaurants, B&B, Hotels, Guest Houses, Lodges	R 500.00	New	R 500.00	New	R 500.00	New
11.5	Spaza Shops	R 300.00	New	R 300.00	New	R 300.00	New
11.6	Funeral Parlours	R 500.00	New	R 500.00	New	R 500.00	New
11.7	Hawker License: Trucks & Bakkies	R 150.00	New	R 150.00	New	R 150.00	New
11.8	Hawker License: Street Vendors	R 150.00	New	R 150.00	New	R 150.00	New
11.9	Hawker License: (Special Application . Events)	R 300.00	New	R 300.00	New	R 300.00	New
11.10	Clothing Shops	R 500.00	New	R 500.00	New	R 500.00	New
11.11	Hardware	R 500.00	New	R 500.00	New	R 500.00	New
11.12	Garages	R 500.00	New	R 500.00	New	R 500.00	New
11.13	Livestock Sales	R 200.00	New	R 200.00	New	R 200.00	New
11.14	Car wash	R 200.00	New	R 200.00	New	R 200.00	New
11.15	Laundromat/Dry Cleaning	R 500.00	New	R 500.00	New	R 500.00	New
11.16	Financial Institution	R 500.00	New	R 500.00	New	R 500.00	New
11.17	Beauty Parlour: Hair Salons, Barber Shops etc	R 200.00	New	R 200.00	New	R 200.00	New
11.18	Furniture Shops	R 500.00	New	R 500.00	New	R 500.00	New
11.19	Legal Practice	R 500.00	New	R 500.00	New	R 500.00	New

11.20	Surgeries	R 500.00	New	R 500.00	New	R 500.00	New
11.21	Transport Industry	R 500.00	New	R 500.00	New	R 500.00	New
11.22	Liquor: Bottle Stores, Taverns	R 500.00	New	R 500.00	New	R 500.00	New
11.23	Book Shops	R 500.00	New	R 500.00	New	R 500.00	New
11.24	Brokers: Insurance, Estate agents etc	R 500.00	New	R 500.00	New	R 500.00	New
12	ASSESMENT RATES						
12.1	<u>Residential</u>	0.015045056	0%	0.008275	-45%	0.008689	5%
	First R55 000 discount						
	35% Rebate						
12.2	<u>Vacant Land</u>	0.018054067	0%	0.018054	0%	0.018957	5%
12.3	<u>Commercial</u>	0.018054067	0%	0.009930	-45%	0.010426	5%
	10% Rebate						
12.4	Government	0.018054067	0%	0.018054	0%	0.018957	5%
	0 Rebates						
12.5	<u>Farms</u>	0.003761264	0%	0.002069	-45%	0.002172	5%
	65% discount					0	
12.6	<u>Industrial</u>	0.018054067	0%	0.009930	-45%	0.010426	5%
	10% discount					0	
12.4	<u>Municipal</u>	0.018054067	0%	0.009930	-45%	0.010426	5%
	100% discount					0	
13	NATURE RESERVE						
13.1	<u>Accommodation</u>						
	4 bed chalet per day	R 241.23	0%	R 241.23	0%	R 253.29	5%
	6 bed chalet per day	R 337.72	0%	R 337.72	0%	R 354.61	5%
	Camping pppd	R 43.86	0%	R 43.86	0%	R 46.05	5%
13.2	<u>Fishing</u>						
	per annum per member	R 372.81	0%	R 372.81	0%	R 391.45	5%

	per day	R 87.72	0%	R 87.72	0%	R 92.11	5%
13.3	Wood Sales						
	Per one ton bakkie load	R 157.89	80%	R 284.21	80%	R 511.58	80%
14	TAXATION						
	The amounts referred to in these tariffs do not include any tax which may be payable in accordance with the provisions of any other Acts of Ordinances.						
15	ADVERTISING & SIGNAGE						
15.1	Billboards						
	non refundable application fee per board/sign (annually)	R 1 578.94	20%	R 1 894.72	20%	R 2 273.67	20%
	+ Approval fee per applicant	R 42.10	20%	R 50.52	20%	R 60.62	20%
15.2	Ground Signs						
	non refundable application fee per board/sign (annually)	R 219.29	0%	R 219.29	0%	R 219.29	0%
	+ Approval fee per applicant	R 35.08	0%	R 35.08	0%	R 35.08	0%
15.3	Wall Sign – Flat						
	non refundable application fee per board/sign (annually)	R 394.73	0%	R 394.73	0%	R 394.73	0%
	+ Approval fee per applicant	R 35.08	0%	R 35.08	0%	R 35.08	0%
15.4	Roof, Veranda, Balcony, Canopy and Under awning Sign						
	non refundable application fee per board/sign (annually)	R 394.73	0%	R 394.73	0%	R 394.73	0%
15.5	Estate Agent Boards						
	non refundable application fee (annually)	R 526.31	0%	R 526.31	0%	R 526.31	0%
	+ per board/sign (annually)	R 43.85	0%	R 43.85	0%	R 43.85	0%
15.6	Portable Boards / Collapsible Structures / Signs						
	non refundable application fee per board/sign (annually)	R 219.29	0%	R 219.29	0%	R 219.29	0%
15.7	Aerial Advertisement						
	non refundable application fee per board/sign (annually)	R 438.59	0%	R 438.59	0%	R 438.59	0%
15.8	Advertising Vehicles						
	non refundable application fee per board/sign (annually)	R 1 052.63	0%	R 1 052.63	0%	R 1 052.63	0%
15.9	Temporary Signs (Posters, Flags & Others)						
	non refundable application fee per board/sign	R 43.85	0%	R 43.85	0%	R 43.85	0%
	+ non commercial fee per signs, posters, flags & others	R 2.19	0%	R 2.19	0%	R 2.19	0%
	+ commercial fee per signs, posters, flags & others	R 4.38	0%	R 4.38	0%	R 4.38	0%
15.10	Banners						
	non refundable application fee per board/sign	R 131.57	0%	R 131.57	0%	R 131.57	0%

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 14 Breakdown of the operating revenue over the medium-term

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 electricity 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:

- É Growth in the municipality and economic development;
- É Revenue management and enhancement;
- É Achievement of a 95 per cent annual collection rate for consumer revenue;
- É National Treasury guidelines;
- É Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- É Achievement of full cost recovery of specific user charges;
- É Determining tariff escalation rate by establishing/calculating revenue requirements;
- É The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- É And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2015/16 MTREF on the different revenue categories are:

Table 15 Proposed tariff increases over the medium-term

Revenue Category	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 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
Property Rates	4	4	0	0	0	0	5	5	5
Solid Waste	4	4	5	0	0	0	5	5	5
Electricity	19	19	9	7.8	7.8	7.8	12	12	12

Table 16MBRR SA16 – Investment particulars by maturity

EC441 Matatiele - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months							
Parent municipality	1								
CALL ACC STD		DAILY	DAILY	DAILY					36 855
CALL ACC STD		DAILY	DAILY	DAILY	0				8 325
CALL ACC FNB		DAILY	DAILY	DAILY					6 410
NEDBANK		DAILY	DAILY	DAILY					13 689
NEDBANK MIG ACC		DAILY	DAILY	DAILY					1 597
FNB ESTABLISHMENT PLAN		DAILY	DAILY	DAILY					1 083
FNB HOUSING DEV FUND		DAILY	DAILY	DAILY					1 824
FNB DEDEA GREENEST TOWN		DAILY	DAILY	DAILY					147
FNB TOURISM		DAILY	DAILY	DAILY					654
									-
									-
									-
									-
									-
Municipality sub-total					-		-	-	70 584
Entities									-
									-
									-
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1				-		-	-	70 584

2.6.2 Medium-term outlook: capital revenue

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

Figure 8 Sources of capital revenue for the 2015/16 financial year

FUNDING OF CAPITAL BUDGET	R'000
DOE	30 000
Municipal Infrastructure Grant (MIG)	45 262
Capital Replacement Reserve (CRR)	44 252
External Loan (Front loading)	18 157
TOTAL	137 671

The above table is graphically represented as follows for the 2015/16 financial year.

The following table is of the Municipality's borrowing liability, which is not applicable as we have no long term debt

Table 17MBRR Table SA 17 - Detail of borrowings

EC441 Matatiele - Supporting Table SA17 Borrowing										
Borrowing - Categorized by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	10 282	831	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	10 282	831	-
Total Borrowing	1	-	-	-	-	-	-	10 282	831	-

Table 41 MBRR Table SA 18 - Capital transfers and grants receipts

EC441 Matatiele - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		95 429	115 020	125 055	145 998	145 998	145 998	179 491	194 863	213 880
Equitable Share		82 449	105 328	118 051	138 979	138 979	138 979	175 181	182 281	211 147
Finance Management		1 450	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement		592	998	890	934	934	934	930	957	1 033
EPWP Incentive		938	7 193	4 564	4 485	4 485	4 485	1 780	-	-
Provincial Government:		1 179	418	66	-	973	973	-	-	-
Conference & Lodge Centre		554	72	-	-	-	-	-	-	-
Greenest Town		295	214	66	-	-	-	-	-	-
Establishment Plan Grant		43	-	-	-	973	973	-	-	-
Nature Reserve Grant		286	132	-	-	-	-	-	-	-
District Municipality:		172	-	7 588	-	-	-	-	-	-
Election Grant		-	-	7 588	-	-	-	-	-	-
Other Grants		172	-	-	-	-	-	-	-	-
Other grant providers:		3 938	4 705	7 039	8 137	10 414	10 414	300	300	300
Far, Revenue & Payroll		-	-	1 635	7 000	7 000	7 000	-	-	-
Nature Reserve		-	-	105	157	143	143	-	-	-
Department Of Sport And Recreation		-	-	161	288	415	415	-	-	-
Seta		298	424	313	300	300	300	300	300	300
Vuna		-	85	-	130	130	130	-	-	-
Idp Support		266	392	274	150	314	314	-	-	-
Led Capacity		-	-	-	112	112	112	-	-	-
Archives Central (Pt)		20	237	-	-	-	-	-	-	-
Audit Assets (Pt)		6	25	196	-	-	-	-	-	-
Capacity Building 06/07		130	-	15	-	-	-	-	-	-
Cedarville Emerging Farm		-	180	19	-	34	34	-	-	-
Clean Audit Umzimvubu		-	-	3 500	-	-	-	-	-	-
Grain Storage Azo		-	-	-	-	1 000	1 000	-	-	-
Khuthalani Poultry Proj		744	1 005	184	-	-	-	-	-	-
Land Audit (Pt)		121	224	-	-	-	-	-	-	-
Lotto Sportfield Maint		-	25	-	-	-	-	-	-	-
Lums		-	-	121	-	-	-	-	-	-
Museum-Arts & Cult Grant		-	-	-	-	-	-	-	-	-
New It (Pt)		170	193	-	-	-	-	-	-	-
Office Accomadation (Pt)		414	430	480	-	-	-	-	-	-
Pmu Establishment		-	936	-	-	-	-	-	-	-
Small Town&Rural Village		-	-	37	-	-	-	-	-	-
Training Cpmd		-	206	-	-	-	-	-	-	-
Valuation Roll Gis (Pt)		84	342	-	-	-	-	-	-	-
Other Government		1 684	-	-	-	966	966	-	-	-
Total Operating Transfers and Grants	5	100 717	120 143	139 748	154 135	157 385	157 385	179 791	195 163	214 180
Capital Transfers and Grants										
National Government:		24 994	28 326	48 775	57 759	49 170	49 170	47 644	49 484	52 242
Municipal Infrastructure Grant (MIG)		24 994	28 326	48 775	57 759	49 170	49 170	47 644	49 484	52 242
Other grant providers:		-	3 991	9 904	19 300	22 300	22 300	30 000	25 000	30 000
DME		-	3 991	9 904	19 300	22 300	22 300	30 000	25 000	30 000
Total Capital Transfers and Grants	5	24 994	32 317	58 679	77 059	71 470	71 470	77 644	74 484	82 242
TOTAL RECEIPTS OF TRANSFERS & GRANTS		125 711	152 460	198 427	231 194	228 855	228 855	257 435	269 647	296 422

2.6.3 Cash Flow Management

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 understand ability for councillors and management. Some specific features include:

- É 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 ~~R~~Ratepayers and otherqto 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).

Table 42 MBRR Table A7 - Budget cash flow statement**2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation**

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- É How are those funds used?
- É What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be funded. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

EC441 Matatiele - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	102 500	77 235	57 566	42 464	42 464	42 464	42 464	21 822	21 479	(13 787)
Other current investments > 90 days		0	(0)	(0)	93 719	93 719	93 719	93 719	-	-	-
Non current assets - Investments	1	6 085	6 989	-	-	-	-	-	-	-	-
Cash and investments available:		108 585	84 224	57 566	136 183	136 183	136 183	136 183	21 822	21 479	(13 787)
Application of cash and investments											
Unspent conditional transfers		23 779	16 227	8 697	12 582	12 582	12 582	12 582	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(3 936)	(10 792)	3 040	(12 622)	(11 722)	(11 722)	(11 722)	19 039	22 259	24 004
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		19 843	5 435	11 737	(40)	860	860	860	19 039	22 259	24 004
Surplus(shortfall)		88 742	78 789	45 829	136 223	135 323	135 323	135 323	2 783	(781)	(37 791)

From the above table it can be seen that the cash and investments available total R136million in the 2014/15 financial year and decrease to R21million by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

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 2011/12 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.

There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.

Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the Municipality in 2011/12 resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.

Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be held to maturity and is not available for spending.

Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

2.6.5 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. Each of the measures is discussed below.

Table 44MBRR SA10 – Funding compliance measurement

EC441 Matatiele Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	102 500	77 235	57 566	42 464	42 464	42 464	42 464	21 822	21 479	(13 787)
Cash + investments at the yr end less applications - R'000	18(1)b	2	88 742	78 789	45 829	136 223	135 323	135 323	135 323	2 783	(781)	(37 791)
Cash year end/monthly employee/supplier payments	18(1)b	3	10.9	4.5	3.6	2.6	2.6	2.6	2.6	1.3	1.2	(0.7)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	2.4%	10.4%	16.3%	(3.5%)	(6.0%)	(6.0%)	3.1%	(7.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	115.6%	89.2%	67.8%	100.0%	95.8%	95.8%	95.8%	50.1%	40.4%	40.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	5.1%	114.5%	42.8%	5.0%	4.8%	4.8%	4.8%	5.6%	17.1%	21.7%
Capital payments % of capital expenditure	18(1)c;19	8	102.2%	148.9%	69.1%	100.0%	116.6%	116.6%	116.6%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(0.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.1%	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.	59.8%	(12.3%)	(12.9%)	0.0%	0.0%	0.0%	(27.8%)	5.4%	5.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.5%	2.4%	2.1%	2.0%	2.0%	2.0%	1.9%	1.3%	1.3%	1.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A positive cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 30. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. It is especially important to consider the position should the municipality be faced with an expected disaster that threatens revenue collection such as rate boycotts. As part of the 2015/2016 MTREF the municipalities improving cash position causes the ratio to move upwards to 7.3 and then increase slightly to 9 for outer years. As indicated above the Municipality aims to archive at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An adjusted surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in revenue which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 present). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 19, 2.2 and .080 per cent for the respective financial year of the 2015/16 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 9 per cent, with the increase in electricity at 11 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are collected. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 60.1, 66.4 and 63.1 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 65 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. Further details relating to the borrowing strategy of the Municipality can be found on 66.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (Dora) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors' accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability.

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
1	95 429	115 020	125 055	145 998	145 998	145 998	179 491	194 863	213 880
	92 449	105 328	118 051	138 979	138 979	138 979	175 181	192 281	211 147
	1 450	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
	592	998	890	934	934	934	930	957	1 033
	938	7 193	4 564	4 485	4 485	4 485	1 780	-	-
	1 179	418	66	-	973	973	-	-	-
	554	72	-	-	-	-	-	-	-
	295	214	66	-	-	-	-	-	-
	43	-	-	-	973	973	-	-	-
	286	132	-	-	-	-	-	-	-
	172	-	7 588	-	-	-	-	-	-
	-	-	7 588	-	-	-	-	-	-
	172	-	-	-	-	-	-	-	-
	3 938	4 705	7 039	8 137	10 414	10 414	300	300	300
	-	-	1 635	7 000	7 000	7 000	-	-	-
	-	-	105	157	143	143	-	-	-
	-	-	161	288	415	415	-	-	-
	298	424	313	300	300	300	300	300	300
	-	85	-	130	130	130	-	-	-
	266	392	274	150	314	314	-	-	-
	-	-	-	112	112	112	-	-	-
	20	237	-	-	-	-	-	-	-
	6	25	196	-	-	-	-	-	-
	130	-	15	-	-	-	-	-	-
	-	180	19	-	34	34	-	-	-
	-	-	3 500	-	-	-	-	-	-
	-	-	-	-	1 000	1 000	-	-	-
	744	1 005	184	-	-	-	-	-	-
	121	224	-	-	-	-	-	-	-
	-	25	-	-	-	-	-	-	-
	-	-	121	-	-	-	-	-	-
	170	193	-	-	-	-	-	-	-
	414	430	480	-	-	-	-	-	-
	-	936	-	-	-	-	-	-	-
	-	-	37	-	-	-	-	-	-
	-	206	-	-	-	-	-	-	-
	84	342	-	-	-	-	-	-	-
	1 684	-	-	-	966	966	-	-	-
Grants	100 717	120 143	139 748	154 135	157 385	157 385	179 791	195 163	214 180
	24 994	28 326	48 775	57 759	49 170	49 170	47 644	49 484	52 242
	24 994	28 326	48 775	57 759	49 170	49 170	47 644	49 484	52 242
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	3 991	9 904	19 300	22 300	22 300	30 000	25 000	30 000
	-	3 991	9 904	19 300	22 300	22 300	30 000	25 000	30 000
ts	24 994	32 317	58 679	77 059	71 470	71 470	77 644	74 484	82 242
RAN	125 711	152 460	198 427	231 194	228 855	228 855	257 435	269 647	296 422

2.7 Councillor and employee benefits

Table 18MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		8 282	9 095	9 743	9 900	9 900	9 900	10 464	10 988	11 584
Pension and UIF Contributions		422	344	319	527	527	527	337	354	372
Medical Aid Contributions		297	329	301	462	462	462	277	284	292
Motor Vehicle Allowance		1 074	901	800	2 224	2 224	2 224	876	920	966
Cellphone Allowance		659	689	1 069	1 139	1 139	1 139	1 149	1 207	1 267
Housing Allowances		2 542	2 541	2 574	2 925	2 925	2 925	2 942	3 089	3 243
Other benefits and allowances										
Sub Total - Councillors		13 276	13 900	14 807	17 177	17 177	17 177	16 045	16 842	17 724
% increase	4	-	4.7%	6.5%	16.0%	-	-	(6.6%)	5.0%	5.2%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 153	2 708	4 826	5 308	5 308	5 308	5 513	5 788	6 078
Pension and UIF Contributions		88	8	35	38	38	38	42	62	93
Medical Aid Contributions		98	96							
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3	887	634	1 263	1 390	1 390	1 390	1 500	1 575	1 654
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		4 226	3 445	6 124	6 737	6 737	6 737	7 054	7 426	7 825
Sub Total - Councillors	0	-	(18.5%)	77.8%	10.0%	-	-	4.7%	5.3%	5.4%
Other Municipal Staff										
Basic Salaries and Wages		33 880	43 846	53 538	54 337	59 191	59 191	67 968	67 597	67 197
Pension and UIF Contributions		3 968	4 709	5 552	6 453	7 894	7 894	8 813	9 507	10 263
Medical Aid Contributions		840	1 035	1 504	1 355	5 825	5 825	4 378	4 725	5 099
Overtime		1 163	1 478	2 054	1 233	1 209	1 209	935	1 009	1 090
Performance Bonus										
Motor Vehicle Allowance	3	1 872	2 043	2 727	1 793	1 380	1 380	2 208	2 385	2 576
Cellphone Allowance	3	42	37		5			923	959	1 035
Housing Allowances	3	438	803	1 015	633	73	73	3 332	3 599	3 887
Other benefits and allowances	3			58		1 469	1 469	3 473	3 740	4 026
Payments in lieu of leave										
Long service awards				516		1 700				
Post-retirement benefit obligations	6			2 152						
Sub Total - Other Municipal Staff		42 203	53 950	69 115	65 808	78 741	77 041	92 030	93 521	95 173
Sub Total - Councillors	0	-	27.8%	28.1%	(4.8%)	19.7%	(2.2%)	19.5%	1.6%	1.8%
Total Parent Municipality		59 705	71 295	90 045	89 722	102 655	100 955	115 130	117 788	120 722
		-	19.4%	26.3%	(0.4%)	14.4%	(1.7%)	14.0%	2.3%	2.5%
TOTAL SALARY, ALLOWANCES & BENEFITS		59 705	71 295	90 045	89 722	102 655	100 955	115 130	117 788	120 722
Sub Total - Councillors	0	-	19.4%	26.3%	(0.4%)	14.4%	(1.7%)	14.0%	2.3%	2.5%
TOTAL MANAGERS AND STAFF	5,7	46 429	57 395	75 239	72 545	85 478	83 778	99 085	100 947	102 998

Table 19MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Table 49 MBRR SA24–Summary of personnel numbers

Summary of Personnel Numbers	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
		Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		85	-	85	85	-	85	85	-	85
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	-	6	6	-	6	6	-	6
Other Managers	7	19	-	19	20	-	19	20	-	19
Professionals		100	82	-	102	70	4	120	77	5
<i>Finance</i>		44	30	-	44	31	-	40	29	-
<i>Spatial/town planning</i>		13	9	-	13	2	-	23	9	-
<i>Information Technology</i>		1	1	-	2	-	2	7	2	-
<i>Roads</i>		27	27	-	27	26	1	31	26	1
<i>Electricity</i>		5	5	-	6	5	1	8	5	1
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>		10	10	-	10	6	-	11	6	3
<i>Other</i>										
Technicians		2	2	-	5	5	2	5	5	2
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>					2	2	1	2	2	1
<i>Electricity</i>		2	2	-	3	3	1	3	3	1
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>										
Clerks (Clerical and administrative)		3			4	3	3	4	3	3
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		-	-	-	9	-	9	9	-	9
Elementary Occupations		103	103	-	103	101	2			
TOTAL PERSONNEL NUMBERS	9	318	187	110	334	179	130	249	85	129
% increase					5.0%	(4.3%)	18.2%	(25.4%)	(52.5%)	(0.8%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10				41	36	-	40	29	
Human Resources personnel headcount	8, 10	12	8	3	12	8	4	12	8	4

2.9 Monthly targets for revenue, expenditure and cash flow

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates		2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	34 365	30 729	32 265
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	46 895	49 240	51 702	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		629	629	629	629	629	629	629	629	629	629	629	7 550	7 927	8 324	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		61	61	61	61	61	61	61	61	61	61	61	729	734	764	
Interest earned - external investments		134	134	134	134	134	134	134	134	134	134	134	1 610	4 200	4 200	
Interest earned - outstanding debtors		164	164	164	164	164	164	164	164	164	164	164	1 974	2 072	2 176	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		217	217	217	217	217	217	217	217	217	217	217	2 601	2 752	2 903	
Licences and permits		163	163	163	163	163	163	163	163	163	163	163	1 950	2 063	2 177	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	179 791	195 163	214 180	
Other revenue		3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	3 874	46 486	80 315	84 401	
Gains on disposal of PPE		3	3	3	3	3	3	3	3	3	3	3	39	40	42	
Total Revenue (excluding capital transfers and contributions)		26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	26 999	323 989	375 236	403 134	
Expenditure By Type																
Employee related costs		8 257	8 257	8 257	8 257	8 257	8 257	8 257	8 257	8 257	8 257	8 257	99 085	107 701	115 375	
Remuneration of councillors		1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	16 045	16 842	17 678	
Debt impairment		417	417	417	417	417	417	417	417	417	417	417	5 000	15 000	20 000	
Depreciation & asset impairment		1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	20 879	24 291	28 655	
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	34 000	35 972	37 950	
Other materials		-	-	-	-	-	-	-	-	-	-	-	10 466	11 711	12 597	
Contracted services		1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	19 956	21 037	22 144	
Transfers and grants		1 694	1 694	1 694	1 694	1 694	1 694	1 694	1 694	1 694	1 694	1 694	20 333	19 870	22 835	
Other expenditure		5 568	5 568	5 568	5 568	5 568	5 568	5 568	5 568	5 568	5 568	(4 897)	56 352	61 493	67 175	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		23 510	23 510	23 510	23 510	23 510	23 510	23 510	23 510	23 510	23 510	23 510	282 115	313 917	344 409	
Surplus/(Deficit)		3 489	3 489	3 489	3 489	3 489	3 489	3 489	3 489	3 489	3 489	3 489	41 874	61 319	58 725	
Transfers recognised - capital		6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	77 644	74 484	82 242	
Contributions recognised - capital		528	528	528	528	528	528	528	528	528	528	528	-	-	-	
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		10 488	10 488	10 488	10 488	10 488	10 488	10 488	10 488	10 488	10 488	10 488	4 155	119 518	140 967	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	10 488	10 488	10 488	10 488	10 488	10 488	10 488	10 488	10 488	10 488	10 488	4 155	119 518	135 803	140 967

Table 20MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Revenue by Vote																
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Finance		20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	247 204	263 437	285 224
Vote 3 - Corporate		25	25	25	25	25	25	25	25	25	25	25	25	300	300	300
Vote 4 - Development & Planning		8	8	8	8	8	8	8	8	8	8	8	8	100	105	111
Vote 5 - Community		1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	18 820	18 948	19 909
Vote 6 - Infrastructure		11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	135 209	166 930	179 832
Total Revenue by Vote		33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	401 633	449 720	485 376
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	35 975	35 975	40 113	44 610
Vote 2 - Budget & Finance		20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	20 600	(174 032)	52 572	66 086	76 339
Vote 3 - Corporate		25	25	25	25	25	25	25	25	25	25	25	45 145	45 420	48 504	51 925
Vote 4 - Development & Planning		8	8	8	8	8	8	8	8	8	8	8	12 545	12 637	13 541	14 829
Vote 5 - Community		1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	1 568	28 433	45 685	47 219	49 216
Vote 6 - Infrastructure		11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	11 267	(34 115)	89 826	98 461	107 502
Total Expenditure by Vote		33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	33 469	(86 048)	282 115	313 923	344 422
Surplus/(Deficit) before assoc.		-	-	-	-	-	-	-	-	-	-	-	119 518	119 518	135 797	140 954
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	-	-	-	-	-	-	-	-	-	-	-	119 518	119 518	135 797	140 954

Table 21MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

EC441 Matatiele - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																	
Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Multi-year expenditure to be appropriated	1																
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		48	48	48	48	48	48	48	48	48	48	48	48	48	576	150	165
Vote 4 - Development & Planning		54	54	54	54	54	54	54	54	54	54	54	54	54	650	400	440
Vote 5 - Community		125	125	125	125	125	125	125	125	125	125	125	125	125	1 500	1 000	1 100
Vote 6 - Infrastructure		7 783	7 783	7 783	7 783	7 783	7 783	7 783	7 783	7 783	7 783	7 783	7 783	7 783	93 395	70 357	59 770
Capital multi-year expenditure sub-total	2	8 010	8 010	8 010	8 010	8 010	8 010	8 010	8 010	8 010	8 010	8 010	8 010	8 010	96 122	71 907	61 475
Single-year expenditure to be appropriated																	
Vote 1 - Executive & Council		57	57	57	57	57	57	57	57	57	57	57	57	57	685	95	105
Vote 2 - Budget & Finance		50	50	50	50	50	50	50	50	50	50	50	50	50	600	300	25 330
Vote 3 - Corporate		44	44	44	44	44	44	44	44	44	44	44	44	44	522	422	464
Vote 4 - Development & Planning		65	65	65	65	65	65	65	65	65	65	65	65	65	780	100	110
Vote 5 - Community		838	838	838	838	838	838	838	838	838	838	838	838	838	10 059	712	4 283
Vote 6 - Infrastructure		2 409	2 409	2 409	2 409	2 409	2 409	2 409	2 409	2 409	2 409	2 409	2 409	2 409	28 904	7 035	10 428
Capital single-year expenditure sub-total	2	3 462	3 462	3 462	3 462	3 462	3 462	3 462	3 462	3 462	3 462	3 462	3 462	3 462	41 550	8 664	40 719
Total Capital Expenditure	2	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	137 671	80 571	102 194

Table 22MBRR SA30 - Budgeted monthly cash flow

EC441 Matatiele - Supporting Table SA30 Budgeted monthly cash flow																
MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source														0		
Property rates	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	25 087	22 432	23 554
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2 853	2 853	2 853	2 853	2 853	2 853	2 853	2 853	2 853	2 853	2 853	2 853	2 853	34 233	35 945	37 742
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	459	459	459	459	459	459	459	459	459	459	459	459	459	5 511	5 787	6 076
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	61	61	61	61	61	61	61	61	61	61	61	61	61	729	734	764
Interest earned - external investments	134	134	134	134	134	134	134	134	134	134	134	134	134	1 610	4 200	4 200
Interest earned - outstanding debtors	164	164	164	164	164	164	164	164	164	164	164	164	164	1 974	2 072	2 176
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	217	217	217	217	217	217	217	217	217	217	217	217	217	2 601	2 752	2 903
Licences and permits	163	163	163	163	163	163	163	163	163	163	163	163	163	1 950	2 063	2 177
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	14 983	179 791	195 163	181 105
Other revenue	109	109	109	109	109	109	109	109	109	109	109	109	109	1 304	1 405	1 545
Cash Receipts by Source	21 232	21 232	21 232	21 232	21 232	21 232	21 232	21 232	21 232	21 232	21 232	21 232	21 232	254 789	272 553	262 242
Other Cash Flows by Source																
Transfer receipts - capital	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	6 470	77 644	74 484	82 242
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	3	3	3	3	3	3	3	3	3	3	3	3	3	39	40	42
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	18 157	-	-
Increase (decrease) in consumer deposits	8	8	8	8	8	8	8	8	8	8	8	8	8	91	17	17
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	29 227	29 227	29 227	29 227	29 227	29 227	29 227	29 227	29 227	29 227	29 227	29 227	29 227	350 719	347 094	344 544
Cash Payments by Type																
Employee related costs	8 035	8 035	8 035	8 035	8 035	8 035	8 035	8 035	8 035	8 035	8 035	8 035	8 035	96 425	104 887	112 406
Remuneration of councillors	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	16 045	16 842	17 678
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	34 000	35 972	37 950
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	872	872	872	872	872	872	872	872	872	872	872	872	872	10 466	11 711	12 597
Contracted services	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	1 663	19 956	21 037	22 144
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	528	528	528	528	528	528	528	528	528	528	528	528	528	6 333	4 870	6 835
Other expenditure	4 696	4 696	4 696	4 696	4 696	4 696	4 696	4 696	4 696	4 696	4 696	4 696	4 696	56 352	61 493	67 175
Cash Payments by Type	19 965	19 965	19 965	19 965	19 965	19 965	19 965	19 965	19 965	19 965	19 965	19 965	19 965	239 576	256 812	276 785
Other Cash Flows/Payments by Type																
Capital assets	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	11 473	137 671	80 571	102 194
Repayment of borrowing	768	768	768	768	768	768	768	768	768	768	768	768	768	9 216	10 054	831
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	32 205	32 205	32 205	32 205	32 205	32 205	32 205	32 205	32 205	32 205	32 205	32 205	32 205	386 464	347 437	379 810
NET INCREASE/(DECREASE) IN CASH HELD	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(2 979)	(35 745)	(343)	(35 266)
Cash/cash equivalents at the monthly year begin:	57 566	54 588	51 609	48 630	45 651	42 673	39 694	36 715	33 736	30 758	27 779	24 800	21 822	57 566	21 822	21 479
Cash/cash equivalents at the monthly year end:	54 588	51 609	48 630	45 651	42 673	39 694	36 715	33 736	30 758	27 779	24 800	21 822	21 822	21 479	18 506	(13 787)

2.10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, there were contracts awarded beyond the medium-term revenue and expenditure framework (three years). List attached:-

Table 57

Description	Ref	Preceding	Current Year	2015/16			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Years	2014/15	Medium			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Contract
R thousand		Total	Original	Budget Year	Budget Year	Budget Year	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Value
			Budget	2015/16	+1 2016/17	+2 2017/18								Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.11 Capital expenditure details

The following two 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.

Table 58MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		30 535	39 511	61 434	95 671	75 657	75 657	90 214	62 147	52 458
Infrastructure - Road transport		30 535	35 295	48 604	35 684	34 876	34 876	36 515	51 667	41 808
Roads, Pavements & Bridges		23 442	34 885	48 021	34 934	34 536	34 536	36 515	51 667	41 808
Storm water		7 093	410	582	750	340	340	-	-	-
Infrastructure - Electricity		-	4 216	12 517	53 929	36 291	36 291	50 737	10 180	10 320
Generation		-	4 216	-	150	750	750	-	-	-
Transmission & Reticulation		-	-	12 517	52 469	34 169	34 169	48 157	10 000	10 000
Street Lighting		-	-	-	1 310	1 372	1 372	2 580	180	320
Infrastructure - Water		-	-	-	-	186	186	-	-	-
Dams & Reservoirs		-	-	-	-	186	186	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	313	6 058	4 305	4 305	2 962	300	330
Waste Management		-	-	-	2 500	2 500	2 500	580	300	330
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	313	3 558	1 805	1 805	2 382	-	-
Community		2 859	7 561	10 109	17 450	16 178	16 178	9 964	200	2 460
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	8 500	6 404	6 404	7 164	200	2 460
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		2 859	7 561	6 649	2 170	1 851	1 851	2 800	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	40	1 500	2 096	2 096	-	-	-
Fire, safety & emergency		-	-	-	300	300	300	-	-	-
Security and policing		-	-	375	1 100	1 500	1 500	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	1 000	870	870	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	3 045	2 881	3 158	3 158	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	122	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	122	-	-	-	-	-	-	-
Other assets		3 061	13 381	18 272	34 456	34 731	34 731	37 143	18 224	47 276
General vehicles		30	9 856	4 220	4 491	4 491	4 491	3 700	-	6 000
Specialised vehicles		-	-	-	-	-	-	4 500	-	7 500
Plant & equipment		78	-	5 252	990	1 410	1 410	2 065	1 250	1 555
Computers - hardware/equipment		190	376	457	1 595	1 995	1 995	626	150	165
Furniture and other office equipment		493	68	454	2 765	3 728	3 728	24 602	16 424	6 616
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		179	2 092	-	-	8 224	8 224	-	-	-
Other Buildings		-	-	7 890	24 514	14 652	14 652	1 375	400	25 440
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		2 090	988	-	100	230	230	275	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		42	160	621	-	-	-	350	-	-
Computers - software & programming		-	-	621	-	-	-	350	-	-
Other (list sub-class)		42	160	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	36 498	60 735	90 436	147 577	126 566	126 566	137 671	80 571	102 194
Specialised vehicles		-	-	-	-	-	-	4 500	-	7 500
Refuse		-	-	-	-	-	-	3 500	-	5 000
Fire		-	-	-	-	-	-	1 000	-	2 500
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

2.13 Legislation compliance status

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

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed three interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/2016 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.14 Other supporting documents

Table 23MBRR Table SA1 - Supporting detail to budgeted financial performance

EC441 Matatiele - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	13 235	15 501	22 600	30 729	32 729	32 729	32 729	34 365	30 729	32 265
Service charges	38 262	40 323	42 362	48 690	48 690	48 690	48 690	54 445	57 167	60 026
Investment revenue	5 257	5 572	5 414	4 200	4 200	4 200	4 200	1 610	4 200	4 200
Transfers recognised - operational	100 717	120 143	139 932	154 135	157 385	157 385	157 385	179 791	195 163	214 180
Other own revenue	4 280	6 657	25 466	60 647	64 878	64 878	64 878	53 778	87 977	92 463
Total Revenue (excluding capital transfers and contributions)	161 750	188 196	235 775	298 402	307 883	307 883	307 883	323 989	375 236	403 134
Employee costs	46 429	57 395	69 115	89 429	84 507	84 507	84 507	99 085	107 701	115 375
Remuneration of councillors	13 276	13 900	14 807	17 177	17 177	17 177	17 177	16 045	16 842	17 678
Depreciation & asset impairment	15 905	17 084	19 062	14 066	14 066	14 066	14 066	20 879	24 291	28 655
Finance charges	563	4 275	2	-	-	-	-	-	-	-
Materials and bulk purchases	31 348	34 849	36 898	39 315	39 336	39 424	39 424	44 466	47 683	50 548
Transfers and grants	6 734	23 663	32 778	27 144	31 470	31 470	31 470	20 333	19 870	22 835
Other expenditure	35 677	102 527	76 827	70 749	77 694	77 606	77 606	81 308	97 530	109 319
Total Expenditure	149 931	253 893	249 489	257 881	264 250	264 250	264 250	282 115	313 917	344 409
Surplus/(Deficit)	11 819	(65 497)	(13 714)	40 521	43 633	43 633	43 633	41 874	61 319	58 725
Transfers recognised - capital	24 994	32 317	58 679	77 059	71 470	71 470	71 470	77 644	74 484	82 242
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	119 518	135 803	140 967
Capital expenditure & funds sources										
Capital expenditure	36 498	60 735	90 436	147 577	126 566	126 566	126 566	137 671	80 571	102 194
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-	-
Financial position										
Total current assets	120 413	105 442	82 366	-	-	-	-	-	-	-
Total non current assets	398 622	438 643	543 089	-	-	-	-	-	-	-
Total current liabilities	41 182	30 874	29 262	-	-	-	-	-	-	-
Total non current liabilities	12 582	17 809	19 762	-	-	-	-	-	-	-
Community wealth/Equity	465 271	495 402	576 430	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	-	-	-	-	-	-	-	-	-	-
Net cash from (used) investing	-	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	-	-	-
Cash backing/surplus reconciliation										
Cash and investments available	108 585	84 224	57 566	-	-	-	-	-	-	-
Application of cash and investments	39 852	30 097	28 187	-	-	-	-	-	-	-
Balance - surplus (shortfall)	68 733	54 127	29 379	-	-	-	-	-	-	-
Asset management										
Asset register summary (WDV)	10 188	10 421	22 842	-	-	-	-	-	-	-
Depreciation & asset impairment	15 905	17 084	19 062	14 066	14 066	14 066	20 879	20 879	24 291	28 655
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	9 450	10 293	10 751	11 315	11 424	11 424	10 466	10 466	11 711	12 597
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Table 65 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Ref	Vote 1 - Executive & Council	Vote 2 - Budget & Finance	Vote 3 - Corporate	Vote 4 - Development & Planning	Vote 5 - Community	Vote 6 - Infrastructur e	Total
R thousand	1							
Revenue By Source								
Property rates		-	34 365	-	-	-	-	34 365
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	46 895	46 895
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	7 550	-	7 550
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	729	-	729
Interest earned - external investments		-	1 610	-	-	-	-	1 610
Interest earned - outstanding debtors		-	1 807	-	-	-	166	1 974
Dividends received		-	-	-	-	-	-	-
Fines		-	-	-	-	2 601	-	2 601
Licences and permits		-	-	-	-	1 950	-	1 950
Agency services		-	-	-	-	-	-	-
Other revenue		-	45 672	-	100	210	504	46 486
Transfers recognised - operational		-	163 711	300	-	5 780	10 000	179 791
Gains on disposal of PPE		-	39	-	-	-	-	39
Total Revenue (excluding capital transfers and contributions)		-	247 204	300	100	18 820	57 565	323 989
Expenditure By Type								
Employee related costs		9 403	18 368	25 417	6 857	18 592	23 261	101 899
Remuneration of councillors		15 891	-	-	-	-	-	15 891
Debt impairment		-	5 000	-	-	-	-	5 000
Depreciation & asset impairment		466	2 188	2 175	400	5 850	9 800	20 879
Finance charges		-	-	-	-	-	-	-
Bulk purchases		-	-	-	-	-	34 000	34 000
Other materials		-	-	-	-	-	-	-
Contracted services		-	3 094	6 913	-	9 800	150	19 956
Transfers and grants		-	2 530	-	-	5 780	12 023	20 333
Other expenditure		10 215	21 392	10 916	5 380	5 663	10 592	64 157
Loss on disposal of PPE		-	-	-	-	-	-	-
Total Expenditure		35 975	52 572	45 420	12 637	45 685	89 826	282 115
Surplus/(Deficit)		(35 975)	194 632	(45 120)	(12 537)	(26 865)	(32 261)	41 874
Transfers recognised - capital		-	-	-	-	-	77 644	77 644
Contributions recognised - capital		-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(35 975)	194 632	(45 120)	(12 537)	(26 865)	45 383	119 518

Table 24MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC441 Matatiele - 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
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		79 061	102 500	77 235	77 235	77 235	77 235	77 235	84 959	93 455	102 800
Other current investments > 90 days				6 989	6 989	6 989	6 989	6 989	-	-	-
Total Call investment deposits	2	79 061	102 500	84 224	84 224	84 224	84 224	84 224	84 959	93 455	102 800
Consumer debtors											
Consumer debtors		6 270	5 507	10 971	10 971	10 971	10 971	10 971	12 617	13 878	15 960
Less: Provision for debt impairment											
Total Consumer debtors	2	6 270	5 507	10 971	10 971	10 971	10 971	10 971	12 617	13 878	15 960
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)	3	364 737	382 349	421 234	421 234	421 234	421 234	421 234	461 008	547 008	611 917
Leases recognised as PPE											
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	364 737	382 349	421 234	421 234	421 234	421 234	421 234	461 008	547 008	611 917
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		15 205	14 028	11 961	11 961	11 961	11 961	11 961	8 500	9 350	10 285
Unspent conditional transfers		19 596	23 779	16 227	16 227	16 227	16 227	16 227	12 582	13 840	15 224
VAT											
Total Trade and other payables	2	34 801	37 807	28 188	28 188	28 188	28 188	28 188	21 082	23 190	25 509
Non current liabilities - Borrowing											
Borrowing	4	16									
Finance leases (including PPP asset element)		18									
Total Non current liabilities - Borrowing		34	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits		2 750	5 107	5 947							
List other major provision items											
Refuse landfill site rehabilitation		5 807	6 651	10 970	10 970	10 970	10 970	10 970	10 970	10 970	10 970
Other											
Total Provisions - non-current		8 557	11 758	16 916	10 970	10 970	10 970	10 970	10 970	10 970	10 970
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance									167 405	289 787	344 813
GRAP adjustments											
Restated balance									167 405	289 787	344 813
Surplus/(Deficit)		42 163	35 079	(33 180)	143 951	143 951	143 951	123 874	154 471	114 686	120 827
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets		(6 769)	148 782	200 557	23 454	23 454	23 454	43 531	12 943	14 238	15 662
Other adjustments											
Accumulated Surplus/(Deficit) Reserves	1	35 394	183 861	167 377	167 405	167 405	167 405	167 405	334 819	418 711	481 302
Housing Development Fund		1 563									
Capital replacement		28 275	281 410	328 024	328 024	328 024	328 024	328 024	380 024	380 024	380 024
Self-insurance											
Other reserves		72 904									
Revaluation		293 303									
Total Reserves	2	396 045	281 410	328 024	328 024	328 024	328 024	328 024	380 024	380 024	380 024
TOTAL COMMUNITY WEALTH/EQUITY	2	431 439	465 270	495 401	495 429	495 429	495 429	495 429	714 843	798 735	861 325

EC441 Matatiele - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	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
Demographics												
Population		Stats SA	16	267	204	267	267	267	307	353	353	353
Females aged 5 - 14		Stats SA		44		44	44	44	51	58	58	58
Males aged 5 - 14		Stats SA		36		36	36	36	42	48	48	48
Females aged 15 - 34		Stats SA		44		44	44	44	51	59	59	59
Males aged 15 - 34		Stats SA		36		36	36	36	42	48	48	48
Unemployment		Stats SA		12		12	12	12	12	12	12	12
Monthly household income (no. of households)												
No income	1, 12	Indigent Policy										
R1 - R1 600							19 053	19 053	21 911	25 198	25 198	25 198
R1 601 - R3 200							5 746	5 746	6 608	7 599	7 599	7 599
R3 201 - R6 400							12 272	12 272	14 133	16 230	16 230	16 230
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			16 226	440 166	203 843	440	440	440	505	578	578	578
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics												
Formal	3											
Informal												
Total number of households												
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings												
Economic												
Inflation/inflation outlook (CPIX)	6											
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7											
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

2.8 Municipal Manager’s quality certificate

I, Damian Nakin, Municipal Manager of Matatiele Local Municipality, hereby certify that the Draft budget 2015/16 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 _____

Municipal Manager of Matatiele Local Municipality (EC 441)

Signature _____

Date _____