

APPROVED 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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 - **At www.matatiele.gov.za**

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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

SOMLOMO WEBHUNGA OBEKEKILEYO, CLLR JACKIE BOSMAN - MAGANGANA

CHIEF WHIP, CLLR POLELO MOHALE

MEMBERS OF THE EXECUTIVE COMMITTEE

AMALUNGU EBHUNGA EWONKE

INKOKHELI ZOMTHONYAMA NEZAKWALIZWI

MUNICIPAL MANAGER DR. TSEPANG NAKIN AND MANAGEMENT

AMAGOSA KARHULUMENTE EWONKE

MATATIELE STAKEHOLDERS

AB AHLALI BASE MATATIELE

OONONDABA BETHU (PRINT & ELECTRONIC)

ABAPHULAPHULI BE ALFRED NZO COMMUNITY RADIO

LADIES AND GENTLEMEN

Masibambe ngazo zozibini kuqala kwabo basiphulaphule kunomathotholo wesikhululo seAlfred Nzo, kwindawo ngendawo nakumakhaya eniphulaphule nikuwo. Lixesha eli Somlomo lokuba nathi singuloMasipala sizeke mzekweni silandela uMongameli kunye neNkulumbuso yePhondo bebesenza iintetho zobume. Lixesha eli lokuba sinike ingxelo yemisebenzi eyenziwe nguRhulumente kwindawo yaseMatatiele sijonge ukuba Sisonke siqhubeka njani ukuya phambili.

SOMLOMO OHLONIPHEKILEYO NE NKOKHELI ZOMTHONYANA

Kubalulekile okokuba phambi kwalentetho sikhumbule amazwi awathethwa ngowasakuba nguMongameli weli lizwe UThabo Mbeki kwintetho yokwamkela umgaqo siseko weli waye wathi

"I have seen our country torn asunder as these, all of whom are my people, engaged one another in a titanic battle, the one redress a wrong that had been caused by one to another and the other, to defend the indefensible. I know what it signifies when race and colour are used to

determine who is human and who, sub-human. I have experience of the situation in which race and colour is used to enrich some and impoverish the rest.

I am born of a people who would not tolerate oppression. I am of a nation that would not allow that fear of death, torture, imprisonment, exile or persecution should result in the perpetuation of injustice.

The great masses who are our mother and father will not permit that the behaviour of the few results in the description of our country and people as barbaric.

Whatever the circumstances they have lived through and because of that experience, they are determined to define for themselves who they are and who they should be. All this I know and know to be true because I am an African!+

Sidibana apha namhlanje emva kwezehlo ezihlasimlisa umzimba nezingamkelekanga zobundlobongela obujoliswe kubemi bamazwe angaphandle eThekwini, KwaZulu-Natal naseRhawutini kwezi veki zidlulileyo, urhulumente ubongoza ukuba makubekho uxolo, unyamezelwano nenzolo.

Abemi boMzantsi Afrika ngokwesiqhelo bangabantu abathanda uxolo nabanobuhlobo. Abemi boMzantsi Afrika kwiinkalo zonke . ukusuka kuMongameli ukuya kubemi . bakugxekile bekukhalimela ukuhlaselwa ngobundlobongela kwabemi bamazwe angaphandle kwilizwe lethu. Ezi zenzo zibi zobundlobongela zenziwe ligcuntswana labantu abalahlekisayo. Abemi belizwekazi liphela bawuxhasa idabi lethu lenkululeko. Benza konke okusemandleni abo ukuqinisekisa ukuba iinkokeli zethu ezifana nowasekuba nguMongameli uNelson Mandela zikhuselekile kwaye zinazo neendawo zokufihla intloko ngethuba ziselubhacweni. Abemi boMzantsi Afrika babehlala bonke nabemi bamazwe angaphandle iminyaka.

May 2015 marks Africa Month / Day (25 May) which seeks to strengthen socio, cultural, economic and political relations amongst African nations, under the theme ***"We are Africa" – Opening the doors of learning and culture from Cape to Cairo***+. Furthermore, South Africa will be hosting the World Economic Forum on Africa in June 2015. To this end, it is important to highlight the contributions that have been made to advance the African agenda by South Africa; as well as the contributions made by African countries for our own socio-economic development . within your respective sectors. The Freedom Charter states that South Africa belongs to all who live in it.

HONOURABLE COUNCILLORS

uMongameli uJacob Zuma uye wathiya unyaka ka 2015 njengonyaka weFreedom Charter kunye nomanyano ekusebenzeni ***Year of the Freedom Charter and Unity in Action***+. Uye wamemelela kuwo wonke amasebe asekuhlaleni ukuba alandele iFreedom Charter njengokuba kulonyaka igqiba iminyaka engamaShumi amaThandathu yasekwayo eKliptown, Soweto ngo 1955.

President Jacob Zuma says government has and will continue to go back to basics and use the prescripts of the Freedom Charter to improve the lives of all South Africans.

The President said to achieve radical social and economic transformation, it was important for the country to use the Freedom Charter as a guide to shaping policies and legislation that are aimed at serving all South Africans.

Nathi ke singuMasipala waseMatatiele siza kuzeka mzekweni siqinisekisa okokuba sithi %the people shall share in the country's wealth+.

Abantu abanintsi base Matatiele bahlala kwiimeko ezibhetele kakhulu naxa sithelekisa ngaphambili.

Abantu abanintsi banezindlu, bafumana inkonzo zikaRhulumente eziphucukileyo, izindlu ziyafakelwa umbane, kwicala lezeMpilo inkqubela iyabonakala kunye nakwicala lezeMfundo. Amathuba oshishino avulelwe kuluntu lonke.

However, the triple challenges of unemployment, poverty and inequality persist and the task of the African National Congress in the second phase of the democratic transition is that of RADICAL SOCIO-ECONOMIC TRANSFORMATION.

BAHLALI BASE MATATIELE

Ithi iFreedom Charter %The doors of learning and culture shall be opened+.

Education continues to be our number one priority. This government has made great strides in ensuring that education and training is available to all and in addressing the injustices of the past. Focusing on reversing the systemic impact of apartheid education, this government has put in place a comprehensive and integrated education system.

Luyaqhubeka ulwakhiwo lwesikolo esixabisa iR200 million eCedarville kwa-Ward 26 esijongene nabantwana abakhubazekileyo. Siyavuya singuRhulumente waseMakhaya ukuba nesakhiwo esikulomgangatho. Kwesi sikolo kuza kuxhamla abantwana bonke abaphuma kwiPhondo leMpuma Kapa hayi abaseMatatiele kuphela.

Utata wethu uNelson Mandela wakhe wathi *“Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that a son of a mineworker can become the head of the mine, that a child of farm worker can become the president.”*

The Department is also on progress in improving infrastructure at our schools. As we speak at Tholang SSS Construction of five (05) classrooms and borehole, Mariazell SSS Construction of five (05) classrooms, Mariazell SSS Renovation of science lab, Mvenyane SSS Hostel: laundry, recreation and ablution facilities, single quarters x4, reception with sickbay and 2 matron

bedrooms and Bokamoso SPS Construction of New 7 classrooms, Resource center, Admin Block, Soup kitchen, Fencing

Ukusabela ekuncediseni abantwana baseMatatiele kwimfundo zabo, sikhuphe ibursary eZine (4) kubantwana abasuka kumakhaya angathathi ntweni abenza izifundo ezihlukeneyo eziquka zobuNjiniyeli, uMavuso Shabalala wase ward 12, uRethabile Ntsoti wase ward 10 ofunda iAgricultural Science, kube ngabafundi ababini abafunda iBcom Accounting (uSandiso Dodo wase ward 26 kunye no Lesedi Letele wase ward 20) Ngelixa icandelo lethu lakwa Special Programmes Unit lithile lancedisa ukufunela abantwana abangathathi ntweni izikolo kwidyunivesithi zethu, baze babhatalela abantwana abangaphaya kwamaShumi amabini. iSebe lezeMpilo liyaqhubeka nephulo lokuthumela abafundi eCuba ukuyofunda ezobugqirha.

Kusenjalo amawaka abantwana bafumana ukutya ntsuku zonke kwizikolo zethu fele-fele behlawulelwa ntsuku zonke ngurhulumente wabantu.

FELLOW MEMBERS

The Premier of the Eastern Cape Mr Phumulo Masualle in his State of the Province Address 2015 said ~~we~~ we are making good progress in our march towards achieving an improved health profile of the Province. We are determined to ensure that in our lifetime, the objective of the Freedom Charter, of establishing a preventive health scheme that is run by the state, as well as of providing free medical care and hospitalization to all, with special care for mothers and young children, is realised.+

Ukuphuculwa kwesibhedlela saseKhotsong kuqhuba ngendlela encomekayo. Ukuphuculwa kwaso kukwisigaba sesiBini (phase two) ekulindeleke ukuba iqosheliswe ngenyanga kaJuly kulonyaka. Yimisebenzi engaphaya kwaMaShumi AmaHlanu anesiThandathu athe adaleka.

Kuye kwaxhamla osomashishini abangamaShumi amaBini aneSine (24), kwaqeqeshwa uluntu olufikelela ku 232.

INyaniso Clinic iza kulungiswa kulonyaka mali. Ezi iclinic ezilandelayo ziyalungiswa: Magadla, Queen's Mercy, Pabalong, Isilindini, Mzongwana kunye Umthumase.

We are also focusing on the provision of adequate and well trained health care professionals. The following appointments were made by the Department of Health to serve at Taylor Bequest Hospital: Medical Officer/Doctor :01 Permanent, 01 Seasonal Doctor, 2 Professional Nurses, 8 Post Comm serve PN's, 3 Comm Serve Prof. Nurses, 1 Comm Serve Radiographer, 1 Enrolled Nurse, 2 Enrolled Nursing Assistants, 2 Food Service AID. The Hospital received a new electric bed for bedridden patients.

It gives me a pleasure ukuba ndinazise ngeOfisi entsha kaRoad Accident Fund eyokhelwe esibhedlela saseTaylor ukuze incede abantu abanengxaki malunga nemiba yengozi zendlela. leOfisi iza kuvulwa ngokusesikweni ngomhla ka 24 June 2015.

Isebe LezeMpilo kwiphulo lalo lolwaluko lusebenzisana namakhosi kunye noMasipala namanye amaSebe lufumanise ngexesha lasehlotyeni lolwaluko izikolo eziyi 105 ezisemthethweni yandwendwela eziyi 66, kumakhwenkwe ayi 2431 olukileyo, kwaseleka amakhwenkwe amaThathu (3), kwafakwa esibhedlela amaNe (4) aze ayi 80 afumana uncendo ngeloxesha. Lamanani abonisa okokuba ikhona into esingayenzi kakuhle, ntoleyo enyanzelisa ukuba sisebenzisane ukuze kungabikho namnye uphulukana nomphefumlo wakhe.

In his 2015 State of the Province, the Premier of the Eastern Cape Mr Phumulo Masualle announced that 4000 solar connections will be installed in Matatiele. This is one of the ways we trying as government to address the shortage of energy in our communities.

Kodwa kubalulekile bahlali ukuba sikhumbule ukuba kwicala lombane eMatatiele sisemva ngomyinge ongange 55%. ZiWodi eziliThoba (9) ezingenawo kwaphela umbane. Into ethetha ukuba yimizi engaphaya ku Forty Nine Thousand Three Hundred and Seventeen (49 317).

BAHLALI

Kunyaka ka 2012/13 uRhulumente ulayite izindlu eziyi Two Thousand Five Hundred and Twenty (2520) kwiiWodi zase 6, 11, 12 kunye no 16. Kunyaka mali ka 2013/14 kulayitwe amakhaya ayi Four Thousand Two Hundred and Eighty Eight (4288) kwezi Wodi 8, 15, 16, 17, 18 kunye no 20.

Icandelo elinikezela ngombane uEskom kunyaka mali u2014/15 libekele bucala imali engange Thirty Three Million Four Hundred and Nine Thousand Six Hundred and Thirty One (R33 409 631.93) ukuze kuqalwe ngophando lokufaka umbane kwezi Wodi 8, 14, 16, 23 kunye no 24.

Masijonge kwiProjekthi zika Eskom zonyaka u2015/16:

- Bakoena 02: Mangolong kuzakuxhamla abantu abayi 350.
- Bakoena 09 : Mechachaneng kunye ne Lihasang kuxhamla abantu abayi 430.
- Bakoena 09 Link Line
- Khoapa Extension (Nobhaca) : imizi eyi 270
- Nkau Phase 1 : Nkau, Maqhobi, Sikhulumi, Mafayisa, Potlo, Mampoki, Mhlotlo, Rantso, Marhauleng, Dikotopong & Sekhutlong : imizi eyi 650.
- Nkau Link Line
- Semonkong: Pontseng kunye ne Qhoboshiyaneng: Imizi 600

- Semonkong Link Line

UMasipala naye esebenzisana neSebe lezaMandla bakwiphulo lokuphucula impilo yabahlali baseMatatiele. Ngomhla we 26 apha kuMay 2015 bekuqaliswa ufakelo mbane eMechachaneng Wodi 23 kunye naseThabaneng Wodi 13. Kuzakufakelwa izindlu eziyi 625.

Kuluvuyo kum ukwazisa okokuba izindlu eziyi 660 sele zigqityiwe ukufakelwa umbane eRamafole. uSekela Mphathiswa wesebe lezaMandla uAmbassador Thembisile Majola uzakulayita ngokusesikweni ezi zindlu ngomhla ka 15 June 2015 eRamafole Wodi 24.

Siyavuyisana nabo sicela ukuba umbane bawusebenzise ngendlela kuba sisazi uphantsi koxinzelelo olungamandla lokumana ucima. Asilali buhlayo ubuthongo singuRhulumente ukuqinisekisa okokuba zonke indawo zethu zifumana umbane.

MADAME SPEAKER

President Jacob Zuma further reiterated the commitment of this government during the 2015 January 8th statement and he said *“The ANC government has also established the Presidential Infrastructure Coordinating Commission to bolster job creation, accelerate economic transformation and improve service delivery. We shall do this by improving and maintaining water, hospital, education and transport infrastructure among other key projects. This is in line with the priorities of the NDP and its success calls for investment and participation of government, business, labour and civil society.”*

Sizivile izikhalo zabahlali kwindlela zethu ukuba azikho semgangathweni. UMasipala esebenzisana nesebe Lezendlela kwiPhondo leMpuma Kapa laze laphumeza ezindlela, ezinye zazo zigqityiwe: DR08015 Re-gravelling: R56 to Mt Frere, DR08017 Re-gravelling: Cedarville to Mvenyane, DR08013 Re-gravelling: Maluti to Ramatsiliso, DR080503 Repair of Ramafole, DR08069 Re-gravelling Queensmercy, DR08646 Re-gravelling R56 to Ongeluksnek.

Kwindlela ebezilungiswa emveni kokonakaliswa zimvula nezikhukhula zezi: DR08070 Queensmercy to Mpharane, D639 to Ward 22 & 18, D611 Maplasi Mvenyane, D620 Mvenyane Maplasi, D649 to Ward 22 & 18, DR08073 Hillside to Rolweni, DR08015 R56 to Rolweni, DR08017 Mvenyane, DR08071 Makomorong, DR08077 R56 to Semonkong and Paballong.

Isebe likwaphumeze indlela engu DR08069 esuka eMaluti eya eRamatsiliso nge R14 million kunye nongenelelo kwindlela eya eQueensmercy. UMphathiswa uThandiswa Marawu kwintlanganiso ekhawulezileyo malunga nendlela eya eQachasnek uthembisile ukuba isebe lizakukhangela imali yokuyakha lendlela.

The Department of Roads and Public Works is also responsible for government buildings, in this light R44 Million has been set aside to construct Matatiele Social Development. This project is anticipated to start in June 2015 and it will take 24 months to complete it. As government we are very pleased with this kind of infrastructure development because more job opportunities are being created. The Ex Maluti College Foyer Upgrade has been completed and the value of the project was R9 Million.

HONOURABLE COUNCILLORS

The Freedom Charter outlines that ***‘There Shall be Houses, Security and Comfort!’*** Accordingly, one of the tasks in this fifth term of democracy, is the provision of integrated human settlements and building cohesive communities. Already in this year 1 329 houses have been completed, and a further 3 070 houses are nearing completion. Ezi zindlu zokhiwa kwezindawo zilandelayo: Masakala 500, Queensmercy 300, Thabachicha 500, Mvenyane 500, Maritseng 1500, Mehloloaneng 898 kunye nezilungiswayo eCedarville eziyi 201.

As part of facilitating better interface between the state and citizens, we are continuing with our programme of building Multi-Purpose Community Centres. To this end the Thabachicha Thusong Service Centre is 65% complete on brick work and it amounts to R25 Million. More than 20 job opportunities were created and the following local contractors were subcontracted: Transtruct Plumbing, Matat Fastfit Steel, Cedarberg Farm, Andres Electrical and Glass Co.

COMPATRIOTS, the Freedom Charter says ***“there shall be work and security”***

We have an abiding objective to transform the economy to create jobs and sustainable livelihoods.

The Department of Social Development has 13 Internship opportunities and 8 opportunities under the National Youth Service Programme. The Municipality has worked towards creating job opportunities for Matatiele community through Nkhoesa Mofokeng Programme and EPWP. These Programmes are aimed at maintaining municipal access roads and has benefited more than Six Thousand (6000) people around Matatiele. In addition to this number, the Municipality has created the following number of jobs:

Job Creation	Beneficiaries
Food for Waste: Matatiele LM	90
Food for Waste: Matatiele LM & Department of Public Works	100
Nkhoesa Mofokeng	520
Operation Re ya Hloekisa	156

Ukuzama ukulwa nentswela ngqesho kubantu abatsha, sathi satyikitya isivumelwano nenye ye arhente ebizwa ngokuba yi Local Government Sector Education Training Authority (LGSETA) kunye neSebe leMfundo ePhakemeyo apho ithe yabeka abantwana abasibhozo (8) kuloMasipala wethu ukuze bafumane ulwazi oludingekayo xa beyofuna imisebenzi esisigxina. The Municipality also have thirteen interns whom five of them are Artisan Interns for a three years period.

KUMBA WAMANZI

Amanzi kwiginqi yethu yaseMatatiele akasilalisi buhlayo. Kodwa uMasipala weAlfred Nzo uzama ngandlela zonke ukuphucula lemeko ukuze abantu bafumane ubomi obungcono. Masijonge iProjekthi eziqhubayo ukuphucula lemeko:

PROJECT NAME : MALUTI REGIONAL WATER SUPPLY

Currently project costs estimated at R28million.

Project covers wards 1,2 & 8.

The project has employed 67 people.

PROJECT NAME : MATATIELE RBIG WATER SUPPLY

The project covers ward 19 of Matatiele, mainly the town

It will serve a total household population of 4231.

The project covers Matatiele Ward 19.

Expenditure 2014/15 . R24.4million

The project has employed 40 people at the moment, the number might still increase.

PROJECT NAME : MATATIELE WARD 15 WATER SUPPLY

The project is aimed at providing bulk and reticulation water supply to Matatiele Ward 5.

Project approved by MIG for R88 million

PROJECT NAME : MATATIELE WARD 7 WATER SUPPLY

The project is aimed at providing bulk and reticulation water supply to Matatiele Ward 7.

Project approved by MIG for R71 million.

The project has to date provided jobs to 44 people.

PROJECT NAME : MATATIELE WARD 5 WATER SUPPLY

The project is aimed at providing bulk and reticulation water supply to Matatiele Ward 5.

Project approved by MIG for R83 million

The project has employed 45 people to date.

PROJECT NAME : FOBANE SUB-REGIONAL WATER SUPPLY

The project implementation started in 2010 with installation of water reticulation to 9 villages but source not completed yet.

The project was originally approved for R65million, and there is a need for additional budget i.e. budget maintenance

The project has to employed 39 so far.

PROJECT NAME :THOLAMELA WATER SUPPLY

The construction of a water supply scheme for 17 villages in wards 11, 12 and 13 of Matatiele LM.

Installation of 86 km of bulk gravity mains

The approved project cost is R67million.

The project has employed 216 people (3 contracts).

PROJECT NAME : UPGRADING OF MALUTI RAMOHLAKOANA SEWER

Project is meant to address the Sewer challenges in Maluti

Project cost is currently estimated at R32million.

The project covers wards 1 & 2.

The project has provided job opportunities to 42 people.

PROJECT NAME: MALUTI RAMOHLAKOANA WATER SUPPLY

Project aimed at augmenting the existing Maluti Regional WSS.

The overall approved project cost is R34million.

The project has employed over 40 people.

On sanitation the following projects are being implemented:

PROJECT NAME :CONSTRUCTION OF 500 VIP SANITATION TOILETS – WARD 13

Construction of 452 toilets has been completed,

A total of 53 people have been employed on the project.

PROJECT NAME :CONSTRUCTION OF VIP SANITATION TOILETS –WARD 5

Construction of 230 VIP Sanitation toilets at Mnqayi and Munderstone villages

Construction of 147 toilets have been completed.

A total of 78 people have been employed on the project.

ON RURAL DEVELOPMENT AND LAND REFORM

SinguRhulumente siqhubela phambili nephulo lokuphucula amakhaya, ulimo nemfuyo kwilali zethu, lento ke iqinisekisa ukuba uqoqosho lwethu luyaphucuka kwindawo esihlala kuzo nokulwa nendlala kunye nentlupheko. eliSebe lokhe iDip yenkomo exabisa iR600 000 kwindawo yakwaQili eWard 18.

We have planted 100 hectors with grain crops and 400 households assisted with food security.

Isebe likaMasipala lwakwaEconomic Development kuleminyaka idlulileyo lisebenzisa namanye amaSebe kaRhulumente liphucule ubomi babahlali baseMatatiele oluhlobo:

Programme	Number of jobs created	Ward	Budget
SMME Cropping Programme,	10 jobs	Wards 05,09,21,22	R 1 200 000

SOMLOMO

Kulonyaka mali sikuwo sithe sancedisa ngokuxhasa amakhaya angathathi ntweni ayi 12 613 ukuba afumane umbane wamahala, athuthelwe inkunkuma, anikezelwe iGel kunye neSolar.

Refuse removal was conducted in Businesses/ CBD in ward 19 & 26. Eight illegal dumps were eradicated and the process is ongoing.

We are on progress with Grass cutting, drain opening, tree pruning and cleaning in Ward 1, 19, 20 & 26 which is conducted on a continuous basis.

We are currently constructing two cemeteries in Ward 02, 03 06 & 12 is in progress

We have impounded 120 vehicles and impounded 125 stock

The campaign of issuing 5520 section 56 and 341 fines is ongoing and progressing well. We encourage motorists to obey the rules of the road.

Ezindlela neholo zilandelayo zigqityiwe: 5.2km of Manzi Access Road, 4.5 km Mnqayi Access Road kushota ibholorho, Bethel Community Facility, Khaue Community Facility, Lunda Community Facility, 2.7 km Nyanzela Access Road, 5.4 km Cross to St John's Access Road, 5.4 km Sekhutlong Access Road, Cedarville Internal Streets-Phase 2, Thotaneng A/R yenziwe yiPlant kaMasipala, 5.4 km Zingcuka-Madlangeni Access Road.

Silindele ukuba kugqitywe kwakamsinya ezi projekthi zilandelayo: 3 km Saba Saba Access Road, 4 km Paballong Access Road, Matatiele Internal Streets(CBD) . Phase 1, Matatiele Internal Streets (Area C) Phase 2, Nkau Sports field contractor appointed, Afsondering Sports field, Mahangwe Sports field kunye neMahasheng Bridge.

Kubalulekile ukuba sibulele bonke abathathi nxaxheba ekuqinisekiseni okokuba inkonzo ngenene ziyafikelela ebantwini. On the 18th of May I convened all stakeholders in

Matatiele to discuss ways of developing Matatiele to be a better place to live in. We have noted all the concerns that were raised especially the advices we are taking them into considerations. I have instructed all Departments in the Municipality to take note of them when they do their planning.

I would like to quote the United States President Barack Obama when he says *“If there's a child on the south side of Chicago who can't read, that matters to me, even if it's not my child. If there's a senior citizen somewhere who can't pay for their prescription, who has to choose between medicine and the rent, that makes my life poorer - even if it's not my grandparent. If there's an Arab-American or Mexican-American family being rounded up by John Ashcroft without benefit of an attorney or due process, I know that that threatens my civil liberties. And I don't have to be a woman to be concerned that the Supreme Court is trying to take away a woman's right, because I know that my rights are next. It is that fundamental belief - I am my brother's keeper, I am my sister's keeper - that makes this country work.”*

We will continue with the Mayoral Programme of adopting projects in the Wards across Matatiele. In the previous financial year we adopted Nyaniso MU Pre-School in Ward 18 and 5 soccer teams in Ward 7.

BAHLALI

ISebe loMzantsi Afrika elijongene nokhuseleko lezentlalakahle (SASSA) linikezele ngeenkonzo zokutya kumakhaya angathathi ntweni kuba singuRhulumente okhathalayo. Kunikezelwe ukutya okungaphaya kwe One Million Three Hundred and Ten Thousand Eight Hundred and Twelve rands Ninety Three (1 310 812. 93) kumakhaya angaphaya kweOne Thousand One Hundred and Four.

On Social Grants the Agency is spending more than Fifty Five Million a month to deserving families to fight poverty and this has benefitted more than Six Hundred and Sixty Thousand beneficiaries.

Isebe Lophuhliso Loluntu lithe laxhasa iEarly Childhood Development Centres eziyi 39, Siyakhula Project for People with Disabilities, 4 White Door Centres, Child Welfare Centre kunye nelsibindi eMaluti ngemali engaphaya kwe R5 Million.

Madam Speaker, fellow executive and honourable councillors, allow me to table the 2015/2016 to 2017 Medium Term Expenditure Framework Budget as follows:

OPERATING BUDGET

Our operating revenue and expenditure budget tabled today is as follows:

- Total revenue inclusive of Capital grants is R365,2 Million for 2015/16 and projected for outer years to increase to R408,9 Million by 2017/18 and this will be due to grant increases that are projected to be received for the two outer years.
- Revenue projected to be generated from property rates is R34.4million in the 2015/16 financial year and for two outer years the projection will be above R30 million by 2016/17 which represents 9 per cent of the operating revenue base of the Municipality and therefore Honourable Members, remains a significant funding source for the municipality.
- 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 projected to increasing to R57,1 million for two outer years. Madam Speaker, this growth can mainly be attributed to the increase in the bulk prices of electricity.
- Grants & Subsidies on operating revenue 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 50% of the 2015/16 revenue budget.

Honourable Councillors, the total operating expenditure for 2015/2016 will be R289,9 million and R316 million to R347 million for two outer years this will include the following,

- **The employee related costs**

The budgeted allocation for employee related costs for the 2015/16 financial year totals R96, 7 million, which equals 33 per cent of the total operating expenditure. The budget increases on employee related costs have been projected at a rate of 8% and this will be subject to final negotiations between unions and employer representatives. The actual increases to be implemented Madam Speaker will be those agreed on the negotiations and if it happens that those are higher than projected 8%, then we will have to review our budget during adjustment period to avoid any unauthorised expenditures.

These are projected to increase to R113, 8 million by 2017/18 which will be two outer years.

- **Councillors Remuneration**

An amount of councillors remuneration is budgeted at R15, 8 million for 2015/2016 and projected to increase to 17,6 million in the two outer years. The increases are based on 8% increase and these will be subject to Ministers determinations as per relevant legislations.

• **Total Operating Budget**

The operating budget inclusive of the above employee costs and councillors remunerations will be R289,9 million for 2015/16 and projected to increase to R347 million by 2017/18 which is two outer years.

This operating budget also includes an amount of R10,4 million for repairs and maintenance by 2015/16 and this is projected to increase to R12,2 million by 2017/18 which two outer years.

It is important Madam Speaker to also highlight that, on this R289,9 million of operating budget for 2015/2016, as a caring municipality we have budgeted an amount of R15 million to subsidise the indigent households on free electricity, alternative energy and refuse removal. This Madam Speaker will provide free services to the needy communities.

We will also madam speaker provide property rates exemptions and rebates to our rate payers, and this is budgeted to cost the municipality an amount R6,5 million and this budget as revenue for gone which is an expense.

Fellow Compatriots on tariff increase, the inflation rate of the country is projected at 4.5% and this has been used to base out tariff of charges increases. We have ensured that, we keep our charges to a single digit and slightly above to the inflation rate. This means that our increases will be 5% which is 0.5% above the inflation rate. Only electricity tariff will increase more than 5% as is determined by NERSA.

Therefore fellow councillors, the following will be tariff increases for the 2015/16 financial year:

- Property rates tariff increase by 5% ,
- Refuse removal tariff increase by 5%
- Electricity tariff increase between 5 and 12 % subject to NEARSA approval.
- Other tariffs not detailed above will also increase by 5%.

I wish to reiterate what President Zuma said in the State of the Nation Address, we are indeed a nation at work. There are huge opportunities that this government is making available for our people to partake in the rebuilding of our economy. Such interventions will and must result in the

empowerment of our people and a clear victory against the difficult challenges of unemployment, inequality and poverty. We are a government who listens to the matters that our communities raise and we do whatever it takes to address those matters.

As already stated Madam Speaker, we have budgeted to provide rate payers with the following rebates and exemptions,

- All residential properties with the values below R55 000 will be charged no rates which they will be not liable to pay property rates for 2015/2016.
- Further to the above, the residential properties with values above R55 000 will be granted rebates (discounts) of 35%.
- Commercial & Industrial properties will receive the rebates of 10%.
- Farm properties for agricultural purposes will be granted 65% rebates.
- Approved indigent beneficiaries will be granted 100% rebates.
- Municipal Properties will get 100% rebate.
- The approved pensioners will get the rebates based on the values of their properties, i.e. 40% on a value of above R250 000.

MEMBERS

The Capital funding from MIG is R45 261 800 which is 32% allocation to the total budget, the municipal reserve will fund 35% of the total budget, INEP will fund 21% of the total capital budget and the DBSA front loading loan will fund 12% of the total budget.

CAPITAL FUNDING	FINAL BUDGET 2015/16
MUNICIPAL INFRASTRUCTURE GRANT	45 261 800
CAPITAL REPLACEMENT RESERVES	50 187 601
INTERDRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	30 000 000
DBSA (FRONT LOADING)	18 157 000
	143 606 401

This is then broken down as follows:

- The Executive & Council capital projects amount to a total 315 000, this will be funded from the municipal reserves, which is 1% allocation from the total Capital Budget.
- Budget and Treasury has a total capital budget of R2300 000 that will be funded from the municipal reserves, these include upgrade of the revenue system and the implementation of the standard charts of accounts, which is less than 2% of the total Capital Budget.
- Corporate services has a total capital budget of R 1 998 101, included in this amount is an amount of R1 476 101 for network connection for the New municipal Buildings and

an amount of R522 000 which totals to 1% of the total capital budget, which will be funded from municipal reserves.

- Community services has a capital budget of R10 894 500, inclusive of renovations of Thandanani Stadium, Old Rugby field, commonage fencing construction of landfill cells and Safety & security Vehicle and equipment. The allocated budget to the department is 8% of the total capital Budget. An amount of R 1 500 000 will be funded from MIG and the remainder of R 9 394 500 will be funded from municipal reserves.
- Economic development and planning has a capital budget of R 1 350 000 for grain storage, and Weigh bridge for Silos. The allocated budget to the department is 1% of the total capital budget, which will be funded from the municipal reserves
- Operations and Maintenance has a capital budget of R 2 270 000 for procurement of Tipper Truck and other equipment, this equates to 2 % of the total capital budget, which will be funded from municipal reserves.
- The electricity department has a capital budget of R 52, 8 million, included in this budget is an amount of R30 million for Rural electrification which will be funded from INEP, R18 million for the electricity substation which will be funded from DBSA front loading loan and the amount of R4 680 000 will be funded from municipal reserves which includes procurement of Crane Truck and electrical equipment. The allocated budget to the department is 37% of the total budget.
- Human settlements has a capital budget of R31,6 million, included on the capital projects is an amount of R21 million for construction of Council chambers that will be funded from municipal reserves, and R3, 8 million for Fresh produce that will be funded from MIG.
The allocated capital budget to the department is 22% of the total capital budget.
- The project management unit has a capital budget of R39 958 435, for the construction of access roads, bridges, sports fields and procurement of office furniture. Of this capital budget, projects to the amount of R 39 923 435 will be funded MIG and R35 000 of furniture & equipment will be funded from municipal reserves
- The allocated capital budget to the department is 26% of the total capital budget.

Therefore Madam Speaker the Capital Budget for 2015/2016 is R143,6 million and this is projected to be R102 million by 2017/18 which will be two outer years.

Madam Speaker, the following projects will be implemented in the next financial year.

PROJECT NAME	BUDGET 2015/16	WARD
Public Amenities		
Thandanani Stadium	500,000	20
Old Rugby Field	1,000,000	20

Electricity		
Substation Golf Club	18,157,000	19
Rural Electrification	30,000,000	
Crane Truck	1,400,000	N/A
Project Management		
Matatiele CBD Internal Streets-Phase 1	5,677,075	1
Maluti Internal Streets -Phase 3	4,050,000	01
Matatiele Internal Streets Phase 2 Area C - Harry Gwala	6,814,672	20
Mnqayi Access Road	1,765,109	05
Masopha Access Road	380,000	13
Mahangwe Sport Field	1,748,772	03
Afsondering Sport Field	2,801,404	09
Nkau Sport Field	2,801,404	12
Majoro Sport Field	1,740,000	14
Epiphany Field	1,740,000	22
Lagrange Pedestrian Bridge	200,000	08
Tlakanelo Bridge	200,000	13
Mangopeng AR	200,000	14
Khaue AR	200,000	25
Kamarathaba-Tseoisong AR	511,000	04
Soloane AR	1,200,000	24
Sandfontein AR	1,200,000	26
Mabheleni AR	200,000	21
Zazingeni -Mazizini AR	630,000	04
Manase	1,000,000	03

Mohloloaneng Access Road	200,000	16
Sijoka AR	2,000,000	10
Human Settlement		
Council Chambers	21,000,000	20
Community Hall- Mvenyane	2,800,000	21
Industrial Sites Services	3,785,000	19
Fresh Produce	3,838,366	19

FELLOW COUNCILLORS

Matatiele Local Municipality has been at the forefront of these tremendous achievements.

Every single councillor must know that his or her responsibility is to make Matatiele Local Municipality function better by getting the basics right . wherever they have been deployed.

Getting back to basics means working tirelessly to ensure that this Municipality provide water, electricity, parks, street lighting, refuse removal, repairing of potholes, dealing with the frustrating interruption of services and the problems with billing systems.

Getting back to basics means providing these services in a professional and caring manner that recognizes the human dignity of each resident. We are here to serve the people, the people are not here to serve us. We must build a caring Municipality.

Getting back to basics means actively communicating and interacting with the community in every ward.

COMPATRIOTS

Getting back to basics means fighting fraud and corruption and reviewing tendering systems.

Getting back to basics also means working harder to expand poverty alleviation programmes such as the Community Works Programme, which provide skills and work opportunities for our people.

This is our last State of the Municipal Address as the current Council which was mandated to lead this Municipality. I would therefore like to thank everyone who worked together with us to make sure that we implement the vision which was adopted in 2011 and will need to be reviewed next year. We have worked tirelessly to make sure that the lives of the people of Matatiele are today better than before. I am convinced that we shall continue doing so till the

ANC decides about our future. I would like to say gloom and despondency have never defeated adversity, trying times need courage and resilience.

The former President Nelson Mandela on his 100 Day Speech to Parliament he said *“At the end of the day, the yardstick that we shall all be judged by is one and one only: and that is, are we, through our endeavours here, creating the basis to better the lives of all South Africans! This is not because the people have some subjective expectations fanned during an election campaign. Neither is it because there is a magic wand that they see in the new government. Millions have suffered deprivation for decades and they have the right to seek redress. They fought and voted for change; and change the people of South Africa must have”*.

Honourable Members of Council, Management and staff and Communities let me extend a word of gratitude to you all for your efforts and cooperation on the preparation of this budget and hope that this will be delivered as planned to improve the lives of our people. Kwakhona masibulele kumagosa wonke kaRhulumente asebenza ngokuzinikela ukuze ubomi babantu baseMatatiele bube ngcono.

Fellow Councillors allow me therefore to table the 2015/2016 -2017/2018 Medium Term Revenue and Expenditure framework for your consideration, deliberation and approval as follows,

- Operating revenue of R365,2 million.
- Operating Expenditure of R289,9 million.
- Capital Expenditure of R143,6 million

Allow me then to table to you the total budget of R433, 5 million.

I commend the 2015/16 Budget of the Matatiele Local Municipality to this House.

I thank you!_____

MAYOR: CLLR. MOMELEZI MBEDLA

1.2 Council Resolutions

On 29 May 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 R433 585 513. 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 1 which is Consolidated Overview of the 2015/16 Medium Term Revenue Expenditure Forecast.

Table 1

DESCRIPTION	ADJUSTMENTS BUDGET 2014/15	FINAL BUDGET 2015/16	BUDGET YEAR +2016/17	BUDGET YEAR +2017/18
Total Revenue (Inclusive of Capital Grants)	-379 729 031	-365 248 563	-396 952 749	-418 493 479
Operating Expenditure	264 249 943	289 979 111	316 601 416	347 080 722
Operating Surplus/Deficit	-115 479 088	-75 269 452	-80 351 333	-71 412 757
Total Capital Expenditure	126 565 812	143 606 401	101 514 000	10 894 500

Total Revenue by source

REVENUE SOURCE	Approved Budget 2014/15	Adjustment Budget 2014/15	Final Budget 2015/16	Budget 2015/16 % Allocation
Property Rates	-30 729 031	-32 729 031	-34 365 483	9%
Service Charges	-48 690 405	-48 690 405	-54 444 926	15%
Rental Of Facilities	-599 165	-599 165	-769 126	0%
Interest Outstanding Debtors	-1 943 340	-3 943 340	-4 081 257	1%
Interest External Investments	-4 200 000	-4 200 000	-3 500 000	1%
Fines	-450 000	-1 201 050	-1 400 500	0%
Licences & Permits	-2 704 000	-2 872 000	-3 150 000	1%
Grants Operating	-166 684 297	-168 169 071	-183 173 200	50%
Grants Capital	-64 510 000	-60 685 864	-75 261 800	21%
Profit on Sale of Property	-	-	-3 823 500	1%
Other Income	-54 950 520	-56 262 959	-1 278 771	0%
TOTAL REVENUE	-375 460 759	-379 352 885	-365 248 563	100%

Total Expenditure by type

Budget per Department

MUNICIPAL VOTE	OPERATING EXPENDITURE	OPERATING INCOME	CAPITAL BUDGET
EXECUTIVE & COUNCIL	36 337 663	-	315 000
BUDGET & TREASURY	58 880 312	209 819 483	2 300 000
CORPORATE SERVICES	46 873 102	300 000	1 998 101
COMMUNITY SERVICES	47 535 055	19 819 862	10 834 500
ECONOMIC DEVELOPMENT & PLANNING	13 576 094	100 279	1 350 000
INFRASTRUCTURE	86 776 885	135 208 959	126 808 800
	289 979 111	365 248 583	143 606 401

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 R143 606 401 have been included in this budget. Own sources available to fund these projects amount to R50 187 601. Our MIG allocation for 2015/2016 is R45 261 800, 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 2015 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	50 187 601
External Loan (Front Loading)	18 157 000
TOTAL	143 606 401

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 12% 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 R7 561. 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 2 Summary of revenue classified by main revenue source

Description	2011/12	2012/13	2013/14	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	Budget Year +2 2017/18
Revenue By Source										
Property rates	5 773	6 411	6 609	7 190	7 190	7 190	7 190	7 550	7 927	8 324
Property rates - penalties & collection	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	68	66	62	127	127	127	127	70	74	77
Service charges - water revenue	3	2	2 838	22	22	22	22	2	2	3
Service charges - sanitation revenue	-	-	-	(0)	(0)	(0)	(0)	32	34	36
Service charges - refuse revenue	-	1	10	15	15	15	15	16	17	17
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	3 500	4 200	4 200
Interest earned - outstanding debtors	1 669	2 289	2 464	1 943	3 943	3 943	3 943	4 081	4 285	4 500
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	183 173	195 163	214 180
Other revenue	-	-	-	-	-	-	-	-	-	-
Gains on disposal of PPE	(2 214)	(5 064)	537	39	39	39	39	3 824	4 015	4 215
Total Revenue (excluding capital transfers and contributions)	115 304	133 556	164 293	171 388	177 555	177 555	177 555	207 527	221 265	241 395

Table 3 Percentage growth in revenue by main revenue source

Description			2014/15 Medium Term Revenue & Expenditure Framework					
			Budget Year	%	Budget Year	%	Budget Year +2	%
R thousand	Adjusted Budget 2014/15	%	2015/16		+1 2016/17		2017/18	
Revenue By Source								
Property rates	32 729 031	10.63	34 365 482	11.85	30 729 031	10.16	32 265 483	9.88
Property rates - penalties & collection charges	0	0.00	0	0.00	0	0.00	0	0.00
Service charges - electricity revenue	41 500 000	13.48	46 895 000	16.17	49 239 750	16.28	51 701 737	15.83
Service charges - water revenue	0	0.00	0	0.00	0	0.00	0	0.00
Service charges - sanitation revenue	0	0.00	0	0.00	0	0.00	0	0.00
Service charges - refuse revenue	7 190 405	2.34	7 549 925	2.60	7 927 421	2.62	8 323 792	2.55
Service charges - other	0	0.00	0	0.00	0	0.00	0	0.00
Rental of facilities and equipment	560 945	0.18	728 995	0.25	733 669	0.24	764 012	0.23
Interest earned - external investments	4 200 000	1.36	3 500 000	1.21	4 200 000	1.39	4 200 000	1.29
Interest earned - outstanding debtors	3 943 340	1.28	4 081 257	1.41	4 285 319	1.42	4 499 585	1.38
Dividends received	0	0.00	0	0.00	0	0.00	0	0.00
Fines	2 201 050	0.71	2 600 500	0.90	2 751 892	0.91	2 903 229	0.89
Licences and permits	1 871 999	0.61	1 950 000	0.67	2 063 100	0.68	2 176 570	0.67
Agency services	0	0.00	0	0.00	0	0.00	0	0.00
Transfers recognised - operational	157 385 100	51.12	183 173 000	63.17	195 163 000	64.52	214 179 600	65.56
Other revenue	56 262 647	18.28	1 318 900	0.45	1 360 976	0.45	1 472 063	0.45
Gains on disposal of PPE	0	0.00	3 823 500	1.32	4 014 675	1.33	4 215 408	1.29
Total Revenue (excluding capital transfers and contributions)	307 844 517	100	289 986 559	100	302 468 833	100	326 701 479	100

The budget will be funded as per table 1. Kindly note that of a total revenue budget (excluding capital grants) of R289 986 559 - Council generates R 106 813 559 (37%), and Operating Grants amount to R183 173 000 (63%). Therefore the Council is 63 % 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 R5 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 4 Operating 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	180 491	194 863	213 880
Equitable Share		92 449	105 328	118 051	138 979	138 979	138 979	176 181	192 281	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 Accommodation (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	180 791	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
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	3 991	9 904	19 300	22 300	22 300	30 000	30 000	25 000
DME		-	3 991	9 904	19 300	22 300	22 300	30 000	30 000	25 000
Total Capital Transfers and Grants	5	24 994	32 317	58 679	77 059	71 470	71 470	77 644	79 484	77 242
TOTAL RECEIPTS OF TRANSFERS & GRANTS		125 711	152 460	198 427	231 194	228 855	228 855	258 435	274 647	291 422

The municipality operational grants budget amounts to R180 791 000 for 2015/2016, included in this amount is the equitable share allocation, the operational grants budget equates to 50% of the total revenue budget (excluding capital grants) .

Table 5 Comparison of final rated levies for the 2015/16 financial year

CATEGORY	CURRENT TARIFF (1 July 2014)	Final Tariff (From 1 July 2015)
Residential	0.00828	0.00869
Vacant Land	0.01805	0.01896
Commercial 10 %	0.0093	0.01043
Farms	0.00207	0.00217
Government	0.01805	0.01896
Industrial	0.0093	0.1043
Municipal	0.0093	0.1043

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 7 and 14.24 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		292.86	328	35.14	12.00%
0-50		0.68	0.73	0.05	7.35%
51-350		0.88	0.95	0.07	7.95%
351-600		1.17	1.34	0.17	14.53%
601 and over		1.37	1.6	0.23	16.79%

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	FINAL 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 7 and 14.24 per cent.

Table 11EC441 MATATIELE LOCAL MUNICIPALITY Table SA14 – Household bills

Description	Re	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		190.39	226.56	269.61	307.35	307.35	307.35	(45.0%)	169.04	175.80	182.83
Electricity: Basic levy		136.10	157.88	183.14	208.78	208.78	208.78	7.4%	224.20	240.77	260.03
Electricity: Consumption		460.00	533.60	576.29	628.15	628.15	628.15	7.4%	674.64	724.56	
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		40.32	44.35	46.13	48.43	48.43	48.43	5.0%	50.85	53.40	56.07
Other											
sub-total		826.81	962.39	1 075.16	1 192.71	1 192.71	1 192.71	(6.2%)	1 118.74	1 194.53	498.93
VAT on Services											
Total large household bill:		826.81	962.39	1 075.16	1 192.71	1 192.71	1 192.71	(6.2%)	1 118.74	1 194.53	498.93
% increase/-decrease		-	16.4%	11.7%	10.9%	-	-	(6.2%)	(6.2%)	6.8%	(58.2%)
Monthly Account for Household - 'Indigent'	3										
Rates and services charges:											
Property rates		30 000.00	30 000.00	30 000.00	30 000.00	30 000.00	30 000.00	5 500 000.0%	55 000.00	55 000.00	55 000.00
Electricity: Basic levy											
Electricity: Consumption		50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		60 480.00	63 504.00	66 044.16	69 346.37	72 813.69	72 813.69	5 200.0%	91 800.00	98 050.00	106 400.00
Other											
sub-total		90 480.00	93 504.00	96 044.16	99 346.37	102 813.69	102 813.69	47.8%	146 800.00	153 050.00	161 400.00
VAT on Services											
Total small household bill:		90 480.00	93 504.00	96 044.16	99 346.37	102 813.69	102 813.69	47.8%	146 800.00	153 050.00	161 400.00
% increase/-decrease			3.3%	2.7%	3.4%	3.5%	-		42.8%	4.3%	5.5%

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 adherences 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	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										
Expenditure By Type											
Employee related costs	2	46 429	57 395	69 115	89 429	84 507	84 507	84 507	96 711	104 599	112 077
Remuneration of councillors		13 276	13 900	14 807	17 177	17 177	17 177	17 177	15 891	16 685	17 520
Debt impairment	3	2 610	63 893	27 795	3 949	3 949	3 949	3 949	12 610	19 650	24 952
Depreciation & asset impairment	2	15 905	17 084	19 062	14 066	14 066	14 066	14 066	20 879	24 490	28 865
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	11 424	11 424	11 424	10 466	11 286	11 989
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	57 971	57 971	57 971	59 134	63 017	68 749
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		149 931	253 693	249 489	257 881	264 250	264 250	264 250	289 979	316 607	347 081

The budgeted allocation for employee related costs for the 2015/16 financial year totals R96 million, which equals 33 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 80 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		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and Maintenance by Expenditure Item									
Employee related costs									
Other materials	9 450 047	10 293 019	10 751 099	11 315 000	11 424 000	11 424 000	10 465 500	11 286 164	11 988 972
Contracted Services									
Total repairs and Maintenance Expenditure	9 450 047	10 293 019	10 751 099	11 315 000	11 424 000	11 424 000	10 465 500	11 286 164	11 988 972

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 R11,9 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 6 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	1 476	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	90 793	68 858	61 218
Capital multi-year expenditure sub-total	7	1 194	40 874	-	40 591	42 133	42 133	42 133	94 419	70 408	62 923
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		6	23	5 538	221	221	221	221	315	275	303
Vote 2 - Budget & Finance		527	11 900	4 603	7 156	2 344	2 344	2 344	2 300	300	25 723
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	700	-	-
Vote 5 - Community		4 304	2 178	12 639	6 543	6 553	6 553	6 553	5 895	2 012	2 223
Vote 6 - Infrastructure		29 933	4 336	64 648	92 024	74 272	74 272	74 272	39 455	7 155	10 560
Capital single-year expenditure sub-total		35 304	19 861	90 436	106 986	84 433	84 433	84 433	49 187	10 164	39 272
Total Capital Expenditure - Vote		36 498	60 735	90 436	147 577	126 566	126 566	126 566	143 606	80 572	102 195

For 2015/16 an amount of R130, 2 million has been appropriated for the development of infrastructure. This represents 91% of the total capital budget. The total capital budget for 2015/16 is R143, 6 million.

The following graph reflects the capital budget per municipal vote,

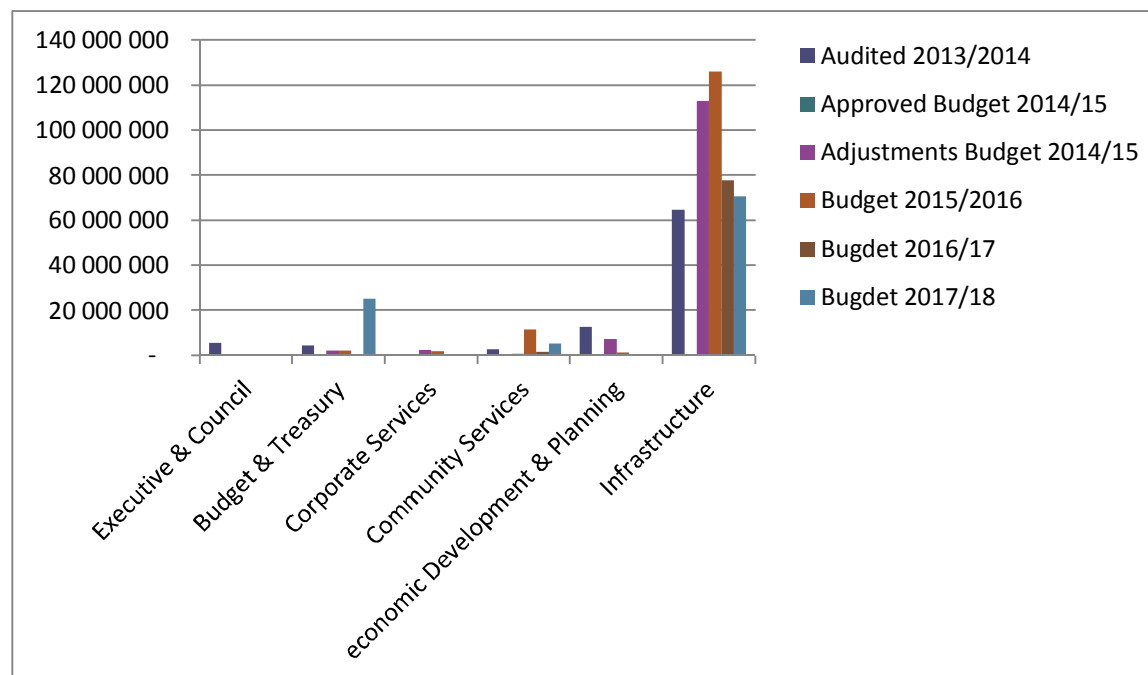


Figure 2 Capital Infrastructure Programme

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

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
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		109 158	132 508	167 849	229 175	234 489	234 489	210 119	222 499	242 224
Executive and council		107	85	11 312	130	130	130	-	-	-
Budget and treasury office		108 733	131 762	156 224	228 745	234 059	234 059	209 819	222 199	241 924
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	18 160	19 048	20 059
Community and social services		996	826	520	12 292	12 278	12 278	12 815	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	100	150
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	135 301	146 550
Electricity		59 909	74 707	103 533	125 163	119 574	119 574	135 089	135 301	146 550
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	365 249	376 953	408 943
Expenditure - Standard										
<i>Governance and administration</i>		59 886	130 630	124 480	119 018	121 771	121 771	136 183	150 171	165 842
Executive and council		21 932	23 610	37 425	29 084	28 934	28 934	30 430	31 760	33 653
Budget and treasury office		26 706	90 322	63 044	59 920	58 258	58 258	58 880	68 261	78 631
Corporate services		11 249	16 697	24 011	30 014	34 579	34 579	46 873	50 151	53 557
<i>Community and public safety</i>		13 360	12 460	16 479	36 105	36 473	36 473	44 621	48 196	50 438
Community and social services		5 653	3 769	3 469	18 098	17 714	17 714	20 082	25 124	26 078
Sport and recreation		2 351	1 888	5 027	6 976	7 853	7 853	8 892	9 403	9 948
Public safety		5 356	6 803	7 983	11 030	10 906	10 906	13 234	10 390	10 770
Housing		-	-	-	-	-	-	2 413	3 279	3 643
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10 215	15 717	19 855	25 456	33 313	33 313	24 811	26 608	30 874
Planning and development		10 215	15 717	19 855	25 456	33 313	33 313	24 811	26 608	30 874
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		68 204	94 886	88 674	77 301	72 693	72 693	84 364	91 631	99 927
Electricity		60 252	82 176	76 147	77 301	72 693	72 693	84 364	91 631	99 927
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	289 979	316 607	347 081
Surplus/(Deficit) for the year		35 079	(33 180)	44 965	117 580	115 103	115 103	75 270	60 346	61 862

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)

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
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		109 158	132 508	167 849	229 175	234 489	234 489	210 119	222 499	242 224
Executive and council		107	85	11 312	130	130	130	-	-	-
Budget and treasury office		108 733	131 762	156 224	228 745	234 059	234 059	209 819	222 199	241 924
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	18 160	19 048	20 059
Community and social services		996	826	520	12 292	12 278	12 278	12 815	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	100	150
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	135 301	146 550
Electricity		59 909	74 707	103 533	125 163	119 574	119 574	135 089	135 301	146 550
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	365 249	376 953	408 943
Expenditure - Standard										
<i>Governance and administration</i>		59 886	130 630	124 480	119 018	121 771	121 771	136 183	150 171	165 842
Executive and council		21 932	23 610	37 425	29 084	28 934	28 934	30 430	31 760	33 653
Budget and treasury office		26 706	90 322	63 044	59 920	58 258	58 258	58 880	68 261	78 631
Corporate services		11 249	16 697	24 011	30 014	34 579	34 579	46 873	50 151	53 557
<i>Community and public safety</i>		13 360	12 460	16 479	36 105	36 473	36 473	44 621	48 196	50 438
Community and social services		5 653	3 769	3 469	18 098	17 714	17 714	20 082	25 124	26 078
Sport and recreation		2 351	1 888	5 027	6 976	7 853	7 853	8 892	9 403	9 948
Public safety		5 356	6 803	7 983	11 030	10 906	10 906	13 234	10 390	10 770
Housing		-	-	-	-	-	-	2 413	3 279	3 643
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10 215	15 717	19 855	25 456	33 313	33 313	24 811	26 608	30 874
Planning and development		10 215	15 717	19 855	25 456	33 313	33 313	24 811	26 608	30 874
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		68 204	94 886	88 674	77 301	72 693	72 693	84 364	91 631	99 927
Electricity		60 252	82 176	76 147	77 301	72 693	72 693	84 364	91 631	99 927
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	289 979	316 607	347 081
Surplus/(Deficit) for the year		35 079	(33 180)	44 965	117 580	115 103	115 103	75 270	60 346	61 862

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 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 7 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
R thousand										
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	209 819	222 199	241 924
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	19 820	18 948	19 909
Vote 6 - Infrastructure		59 909	74 707	103 533	125 163	119 574	119 574	135 209	135 401	146 700
Total Revenue by Vote	2	186 745	220 513	294 454	375 461	379 353	379 353	365 249	376 953	408 943
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		26 366	29 224	43 909	35 472	36 127	36 127	36 338	40 050	44 609
Vote 2 - Budget & Finance		26 706	90 322	63 044	59 920	58 258	58 258	58 880	68 261	78 631
Vote 3 - Corporate		11 249	16 697	24 011	30 014	34 579	34 579	46 873	50 151	53 557
Vote 4 - Development & Planning		5 781	10 104	13 370	19 069	26 120	26 120	13 576	14 542	15 904
Vote 5 - Community		21 312	25 170	29 007	36 105	36 473	36 473	47 535	48 694	50 809
Vote 6 - Infrastructure		60 252	82 176	76 147	77 301	72 693	72 693	86 777	94 910	103 570
Total Expenditure by Vote	2	151 666	253 693	249 489	257 881	264 250	264 250	289 979	316 607	347 081
Surplus/(Deficit) for the year	2	35 079	(33 180)	44 965	117 580	115 103	115 103	75 270	60 346	61 862

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										
Total revenue	32 489	33 912	35 753	41 500	41 500	41 500	41 500	46 895	49 240	51 702
Operating expenditure	26 535	32 278	30 930	32 613	30 829	30 829	30 829	40 386	42 820	45 287
Surplus/(Deficit) for the year	5 954	1 634	4 822	8 887	10 671	10 671	10 671	6 509	6 420	6 415
Percentage Surplus	18.33%	4.82%	13.49%	21.42%	25.71%	25.71%	25.71%	13.88%	13.04%	12.41%

- 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 21MBRTable 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
R thousand	1										
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	3 500	4 200	4 200
Interest earned - outstanding debtors		1 669	2 289	2 464	1 943	3 943	3 943	3 943	4 081	4 285	4 500
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	183 173	197 637	216 792
Other revenue	2	794	5 296	16 038	54 949	56 263	56 263	56 263	1 319	1 361	1 472
Gains on disposal of PPE		(2 214)	(5 064)	537	39	39	39	39	3 824	4 015	4 215
Total Revenue (excluding capital transfers and contributions)		161 750	188 196	235 775	298 402	307 883	307 883	307 883	289 987	304 943	329 314
Expenditure By Type											
Employee related costs	2	46 429	57 395	69 115	89 429	84 507	84 507	84 507	96 711	104 599	112 077
Remuneration of councillors		13 276	13 900	14 807	17 177	17 177	17 177	17 177	15 891	16 685	17 520
Debt impairment	3	2 610	63 893	27 795	3 949	3 949	3 949	3 949	12 610	19 650	24 952
Depreciation & asset impairment	2	15 905	17 084	19 062	14 066	14 066	14 066	14 066	20 879	24 490	28 865
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	11 424	11 424	11 424	10 466	11 286	11 989
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	57 971	57 971	57 971	59 134	63 017	68 749
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		149 931	253 693	249 489	257 881	264 250	264 250	264 250	289 979	316 607	347 081
Surplus/(Deficit)		11 819	(65 497)	(13 714)	40 521	43 633	43 633	43 633	8	(11 664)	(17 767)
Transfers recognised - capital		24 994	32 317	58 679	77 059	71 470	71 470	71 470	75 262	92 010	89 290
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	75 270	80 346	71 522
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	75 270	80 346	71 522
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		36 813	(33 180)	44 965	117 580	115 103	115 103	115 103	75 270	80 346	71 522
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	75 270	80 346	71 522

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

1. Total revenue is R365, 2 million (including capital and escalates to R408, 9million 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 15 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 8 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

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	1 476	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	90 793	88 858	70 878
Capital multi-year expenditure sub-total	7	1 194	40 874	-	40 591	42 133	42 133	42 133	94 419	90 408	72 583
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		6	23	5 538	221	221	221	221	315	275	303
Vote 2 - Budget & Finance		527	11 900	4 603	7 156	2 344	2 344	2 344	2 300	300	25 723
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	700	-	-
Vote 5 - Community		4 304	2 178	12 639	6 543	6 553	6 553	6 553	5 895	2 012	2 223
Vote 6 - Infrastructure		29 933	4 336	64 648	92 024	74 272	74 272	74 272	39 455	7 155	10 560
Capital single-year expenditure sub-total		35 304	19 861	90 436	106 986	84 433	84 433	84 433	49 187	10 164	39 272
Total Capital Expenditure - Vote		36 498	60 735	90 436	147 577	126 566	126 566	126 566	143 606	100 572	111 855
Capital Expenditure - Standard											
Governance and administration		569	12 561	10 347	9 472	5 070	5 070	5 070	4 583	907	26 391
Executive and council		6	23	5 529	193	203	203	203	285	35	39
Budget and treasury office		527	11 900	4 603	7 156	2 344	2 344	2 344	2 300	300	25 723
Corporate services		36	638	214	2 123	2 523	2 523	2 523	1 998	572	629
Community and public safety		4 304	2 178	12 610	7 343	7 353	7 353	7 353	41 078	18 132	8 455
Community and social services		4 304	2 178	610	2 533	2 533	2 533	2 533	3 195	900	990
Sport and recreation		-	-	9 717	2 330	1 930	1 930	1 930	12	12	13
Public safety		-	-	2 283	2 480	2 890	2 890	2 890	4 188	2 100	2 320
Housing		-	-	-	-	-	-	-	33 683	15 120	5 132
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		498	786	2 803	943	933	933	933	1 380	640	704
Planning and development		498	786	2 803	943	933	933	933	1 380	640	704
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		31 127	45 210	64 677	129 820	113 210	113 210	113 210	96 565	80 893	76 305
Electricity		31 127	45 210	64 648	129 820	113 210	113 210	113 210	96 565	80 893	76 305
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	143 606	100 572	111 855
Funded by:											
National Government		25 932	33 118	58 679	77 059	71 470	71 470	71 470	75 262	92 010	89 290
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	92 010	89 290
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		10 565	27 617	31 757	70 518	55 096	55 096	55 096	18 157	8 562	22 565
Total Capital Funding	7	36 498	60 735	90 436	147 577	126 566	126 566	126 566	143 606	100 572	111 855

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations..
3. 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

Description	Ref	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	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		1 981	4 623	3 256	42 464	42 464	42 464	42 464	2 827	29 028	32 714
Call investment deposits	1	100 519	72 612	54 310	93 719	93 719	93 719	93 719	18 914	(2 174)	(2 174)
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	10 512	11 008	11 656
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inv entory	2	599	545	547	545	545	545	545	580	626	665
Total current assets		120 413	105 442	82 366	157 844	157 844	157 844	157 844	37 536	43 426	48 045
Non current assets											
Long-term receivables		—	—	—	—	—	—	—	—	—	—
Inv estments		6 085	6 989	—	—	—	—	—	—	—	—
Inv estment property		9 758	9 898	21 891	9 898	9 898	9 898	9 898	9 843	9 843	9 843
Inv estment in Associate		—	—	—	—	—	—	—	—	—	—
Property , plant and equipment	3	382 349	421 234	520 247	559 453	559 453	559 453	559 453	830 542	877 487	937 089
Agricultural		—	—	—	—	—	—	—	—	—	—
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		430	523	951	523	523	523	523	2 215	1 538	1 383
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		398 622	438 643	543 089	569 874	569 874	569 874	569 874	842 600	888 868	948 314
TOTAL ASSETS		519 035	544 085	625 455	727 718	727 718	727 718	727 718	880 136	932 294	996 359
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	—	—	—	—	—	—	—	—	—	—
Consumer deposits		242	240	238	240	240	240	240	331	347	364
Trade and other pay ables	4	39 852	30 097	28 187	21 082	21 082	21 082	21 082	27 287	29 000	31 103
Provisions		1 088	537	837	1 430	1 430	1 430	1 430	522	565	605
Total current liabilities		41 182	30 874	29 262	22 752	22 752	22 752	22 752	28 140	29 912	32 073
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	10 643	11 511	12 334
Total non current liabilities		12 582	17 809	19 762	49 520	49 520	49 520	49 520	20 926	12 342	12 334
TOTAL LIABILITIES		53 764	48 683	49 024	72 272	72 272	72 272	72 272	49 066	42 255	44 407
NET ASSETS	5	465 271	495 402	576 430	655 447	655 447	655 447	655 447	831 071	890 039	951 953
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		60 159	308 088	261 831	592 846	592 846	592 846	592 846	725 737	778 385	833 600
Reserves	4	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	831 071	890 039	951 953

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

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											
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	6 568	6 878	7 283
Government - operating	1	125 711	120 143	139 932	166 683	166 683	166 683	166 683	183 173	195 163	214 147
Government - capital	1		24 765	50 965	64 511	64 511	64 511	64 511	75 262	74 484	82 242
Interest		6 927	7 861	7 878					7 581	8 485	8 700
Dividends									-	-	-
Payments											
Suppliers and employees		(132 407)	(151 255)	(164 496)	(211 993)	(207 667)	(207 667)	(207 667)	(236 157)	(252 597)	(270 429)
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	94 926	91 708	102 479
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			1 307	40	350	350	350	350	3 824	4 015	4 215
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)	(143 606)	(80 572)	(102 195)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(37 286)	(63 331)	(82 140)	(147 227)	(147 227)	(147 227)	(147 227)	(139 783)	(76 557)	(97 980)
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)	(35 826)	5 113	3 686
Cash/cash equivalents at the year begin:	2	73 137	102 500	77 235	57 566	57 566	57 566	57 566	57 566	21 741	26 854
Cash/cash equivalents at the year end:	2	102 500	77 235	57 566	42 464	42 464	42 464	42 464	21 741	26 854	30 540

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, 7 million as at the end of the 2015/16.

Table 25MBRTable 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	21 741	26 854	30 540
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	21 741	26 854	30 540
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)	16 368	17 568	19 027
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	16 368	17 568	19 027
Surplus(shortfall)		88 742	78 789	45 829	136 223	135 323	135 323	135 323	5 373	9 286	11 513

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

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	143 606	80 572	102 195
Infrastructure - Road transport		30 535	35 295	48 604	35 684	34 876	34 876	35 177	50 288	38 388
Infrastructure - Electricity		-	4 216	12 517	53 929	36 291	36 291	50 737	10 180	15 320
Infrastructure - Water		-	-	-	-	186	186	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	313	6 058	4 305	4 305	6 718	-	-
Infrastructure		30 535	39 511	61 434	95 671	75 657	75 657	92 632	60 468	53 708
Community		2 859	7 561	10 109	17 450	16 178	16 178	14 632	1 200	2 570
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	122	-	-	-	-	-	-	-
Other assets	6	3 061	13 381	18 272	34 456	34 731	34 731	33 993	18 904	45 524
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		42	160	621	-	-	-	2 350	-	393
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		30 535	35 295	48 604	35 684	34 876	34 876	35 177	50 288	38 388
Infrastructure - Electricity		-	4 216	12 517	53 929	36 291	36 291	50 737	10 180	15 320
Infrastructure - Water		-	-	-	-	186	186	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	313	6 058	4 305	4 305	6 718	-	-
Infrastructure		30 535	39 511	61 434	95 671	75 657	75 657	92 632	60 468	53 708
Community		2 859	7 561	10 109	17 450	16 178	16 178	14 632	1 200	2 570
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	122	-	-	-	-	-	-	-
Other assets	6	3 061	13 381	18 272	34 456	34 731	34 731	33 993	18 904	45 524
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		42	160	621	-	-	-	2 350	-	393
TOTAL CAPITAL EXPENDITURE - Asset class	2	36 498	60 735	90 436	147 577	126 566	126 566	143 606	80 572	102 195
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	282 730	288 166	326 098	385 883	385 131	385 131	407 465	442 647	464 688
Infrastructure - Electricity		26 849	28 170	39 695	97 303	79 611	79 611	128 142	134 978	146 644
Infrastructure - Water		-	-	-	-	181	181	172	163	153
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		8 760	11 161	11 377	19 633	17 910	17 910	24 011	23 201	22 391
Infrastructure		318 339	327 498	377 170	502 820	482 834	482 834	559 790	600 988	633 876
Community		82 551	83 843	84 677	110 572	109 283	109 283	118 707	113 778	110 045
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	152 046	162 721	193 167
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		127	204	635	361	361	361	2 215	1 538	1 383
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	483 827	502 629	568 135	749 234	728 113	728 113	842 600	888 868	948 314
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	15 905	17 084	19 062	14 066	14 066	14 066	20 879	24 490	28 865
Repairs and Maintenance by Asset Class		9 450	10 293	10 751	11 315	11 424	11 424	10 466	11 286	11 989
Infrastructure - Road transport		2 040	2 399	4 380	2 070	2 050	2 050	3 845	4 068	4 292
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		7 817	8 937	8 792	2 430	2 630	2 630	4 875	5 158	5 441
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	3 741	4 171	4 483
TOTAL EXPENDITURE OTHER ITEMS		25 355	27 377	29 813	25 381	25 490	25 490	31 345	35 776	40 854
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		2.5%	2.4%	2.1%	2.0%	2.0%	2.0%	1.3%	1.3%	1.3%
Renewal and R&M as a % of PPE		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The 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.

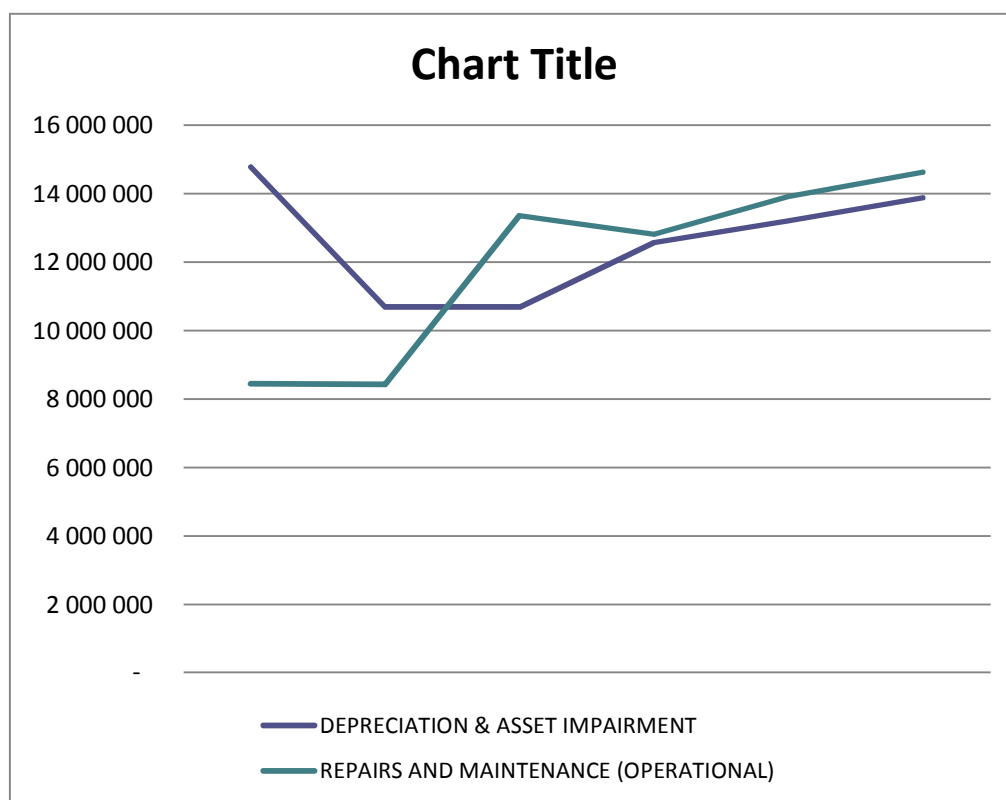


Table 9 MBRR Table A10 - Basic Service Delivery Measurement

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 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)	2									
Using public tap (at least min.service level)	4									
Other water supply (at least min.service level)										
<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									
<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									
<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									
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	4 154	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 KPAs 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) General Input during Outreaches

- i. The Budget must provide for the ward priorities as per the IDP

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 scrolal 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 10MBRR 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	85 793	94 283
	Rural Electrification	To Provide households with access to basic electricity								
	Substation	To provide additional capacity in Matatiele town								
	Procurement Of Crane Truck	Procure equipment to replace ageing infrastructure in order to replace streetlights and distribution poles								
	Additional Facilities	Provide additional facilities at electrical depot								
	Working Tools	To improve working condition by Procuring tools and equipment (Prepaid meter tester, spiking gun)								
	Vehicles	To provide additional transport for electrical staff								
	High Mast Light	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.								
	Maintenance Of Gravel Roads	To ensure that existing gravel roads are maintained.								
	Kerbing And Channeling	To ensure that roads and assets are maintained								
	Acquisition Of Additional Plant									
1.4 Human Settlement		-	-	-	-	-	-	120	100	150
	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								
	Prucurent Of A0 Plotter	To introduce paperless system								
	Rehistration 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	13 490	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 an destination of choice								
	Mountain Lake Chalets	To co ordinate 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 Nkhosha' Mofokeng; 78 Rea Hloekisa, 52 Food for Waste								

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										
3. Proper Spatial Development Planning through the SDF for the Nodal Areas of Matuti, Cedarville and Matatiele										
3.1 LED		292	372	363	65	1 504	1 504	100	105	111
	Middle Income Housing									
	Commercial & Industrial Development				To provide land for Commercial and industrial development					
	Rezoning Process				To process rezoning and special consent applications within days of receipt					
	Applications				To process subdivision and consent applications within 60 days turnaround time					
	Town Planning Scheme				Enforce compliance with the Town Planning Scheme by 2017					
	Land Tenure Rights				To upgrade land tenure rights for Matuti Township					
	Policies				To formulate Policies in line with the relevant legislation					
	Out-Door Advertising				management of out-door advertising					
4. Good Governance and Public Participation										
4.1 Communitions, 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 Coordinational 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					
	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		-	-	-	-	-	-	-	-	-
	Governance Issues: Internal Audit				To strive for clean audit opinion					
	Governance Issues: Internal Audit				To submit credible Annual financial statements to AG.					
	Governance Issues: Internal Audit				To ensure independent assurance and consulting activities designed to add value and improve the organisations operations.					
	Governance Issues: Internal Audit				To strengthen internal controls					
	Governance 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 outh 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					
	Governance And Oversight Structures Meeting				To deliver an 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 Governance System				To deliver an efficient and effective support to the functioning of the council and its committees					
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 H' Policies					
	Employee Health, Safety, Wellness And Assistance				To Provide A Healthy, 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		-	-	129	-	-	-	-	-	-
	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					

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										
6. Municipal Financial Viability										
6.1 Budget Planning and Financial Reporting		88 523	104 030	125 459	191 678	192 992	192 992	167 595	182 693	200 653
	Submission Of Monthly Reports As Per Section 71 Of	Ensure All We Fully Comply With Mfma – 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 Mfma – With Regards To Reports That Need To Be Submitted.								
	Submission Of Banking Details As Per Section 8 Of Mfma	Fully Compliance With The Requirements Of The Mfma								
	Submission Of Quarterly Reports As Per Section 52 (D) Of	Ensure All We Fully Comply With Mfma – 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 Mfma Annual Report								
	Submission Of Monthly Reports	Ensure All We Fully Comply With Mfma – With Regards To Reports That Need To Be Submitted								
	Submission Of Monthly Reports	Ensure All We Fully Comply With Mfma – With Regards To Reports That Need To Be Submitted.								
	Submission Of Reviewed Policies.	Fully Compliance With The Requirements Of The Mfma 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 Mfma 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 Mfma	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 Mfma	Ensure That The Municipality Reports On The Tabled Budget Process Plan For 2016/2017								
	Multi-Year Budget As Per Section 21 Of Mfma	Ensure That The Municipality Reports On The Tabled Draft Budget								
	Multi-Year Budget As Per Section 23 Of The Mfma	Ensure That The Municipality Reports On The Public Participation Held								
	Multi-Year Budget As Per Section 22 Of The Mfma	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 Scm 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 Slas/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	42 224	39 506	41 271
	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	365 249	376 953	408 943

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		906	2 181	7 975	4 425	2 911	2 911	6 323	7 779	9 546
	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		27 782	39 880	38 130	39 813	42 029	42 029	52 186	55 724	59 296
	Rural Electrification	To Provide households with access to basic electricity								
	Substation	To provide additional capacity in Matatiele town								
	Procurement Of Crane Truck	Procure equipment to replace ageing infrastructure in order to replace streetlights and distribution poles								
	Additional Facilities	Provide additional facilities at electrical depot								
	Working Tools	To improve working condition by Procuring tools and equipment(Prepaid meter tester, spiking gun)								
	Vehicles	To provide additional transport for electrical staff								
	High Mast Light	To install high mast light to provide area lighting								
1.3 Civil		39 308	39 279	28 786	31 137	25 863	25 863	20 450	21 881	23 384
Civil		31 356	39 279	28 786	31 137	25 863	25 863	20 450	21 881	23 384
Solid Waste		7 952	-	-	-	-	-	-	-	-
	Storm Water And Drainage	To ensure that all communities are protected against flooding								
	Maintanaince Of Tarred Roads	To ensure that existing surfaced roads are maintained.								
	Maintainance Of Gravel Roads	To ensure that existing gravel roads are maintained.								
	Kerbing And Channeling	To ensure that roads and assets are maintained								
	Acquisition Of Additional Plant									
1.4 Human Settlement		-	-	-	-	-	-	2 413	3 279	3 643
	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								
	Prucuremt Of A0 Plotter	To introduce paperless system								
	Rehistration Of Housing Beneficiaries	Ensure registration of beneficiaries for the development of Human Settlements								
1.5 Public Amenities		6 482	16 765	19 682	23 479	24 047	24 047	27 044	28 278	29 712
Public Amenities		2 351	1 888	5 027	-	-	-	8 892	9 403	9 948
Enviromental Service		3 954	1 964	2 127	16 503	16 194	16 194	18 152	18 875	19 765
Museum		177	202	-	-	-	-	-	-	-
Solid Waste		-	12 710	12 528	-	-	-	-	-	-
Public Amenities		-	-	-	6 976	7 853	7 853	-	-	-

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										
	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		2 198	5 275	3 488	6 746	7 711	7 711	7 599	8 080	8 681
	Grain Storage	To provide agriculture infrastructure – grain storage facilities								
	Smmie 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 an destination of choice								
	Mountain Lake Chalets	To co ordinate 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		–	–	5 138	5 574	9 736	9 736	5 327	3 777	4 014
EPWP		–	–	5 138	5 574	9 736	9 736	–	–	–
EPWP		–	–	–	–	–	–	5 327	3 777	4 014
	EPWP	130 Nkhosha' Mofokeng; 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		3 583	4 829	4 744	6 749	8 673	8 673	5 978	6 461	7 224
Planning		1 748	3 788	2 789	2 916	5 081	5 081	3 935	4 228	4 540
Humans Settlements		284	–	404	1 782	1 828	1 828	–	–	–
Governance		1 550	1 041	1 551	2 051	1 765	1 765	2 042	2 233	2 683
	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								
	Applications	To process subdivision and consent applications within 60 days turnaround time								
	Town Planning Scheme	Enforce compliance with the Town Planning Scheme by 2017								
	Land Tenure Rights	To upgrade land tenure rights for Maluti Township								
	Policies	To formulate Policies in line with the relevant legislation								
	Out-Door Advertising	management of out-door advertising								
4. Good Governance and Public Participation										
4.1 Communications, IGR, Protocol & Migration		12 043	14 443	30 099	24 544	30 100	30 100	42 361	45 774	49 339
Communications		1 079	1 824	2 047	2 886	2 815	2 815	4 138	4 034	4 331
Municipal Manager		3 877	3 379	15 024	4 271	3 773	3 773	4 944	5 178	5 518
Council Support		–	–	2 448	2 835	9 196	9 196	12 711	13 676	14 707
Library		498	387	–	–	–	–	–	–	–
Governance		1 024	1 215	1 342	1 596	1 520	1 520	1 930	6 249	6 314
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	13 234	10 390	10 770
	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								
	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		1 302	3 664	3 906	3 297	4 237	4 237	3 046	4 736	7 226
	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		1 249	1 572	1 987	2 780	3 109	3 109	2 903	3 084	3 282
	Governance Issues: Internal Audit	To strive for clean audit opinion								
	Governance Issues: Internal Audit	To submit credible Annual financial statements to AG								
	Governance Issues: Internal Audit	To ensure independent assurance and consulting activities designed to add value and improve the organisations operations								
	Governance Issues: Internal Audit	To strengthen internal controls								
	Governance Issues: Internal Audit	To improve efficiency and effectiveness								
4.4 SPU		3 133	1 949	2 579	3 091	2 955	2 955	2 862	3 554	3 730
	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		6 531	11 468	15 368	16 513	11 575	11 575	12 697	13 565	14 474
	Proper Record-Keeping	To create a well-structured records and information management system								
	Governance And Oversight Structures Meeting	To deliver an 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 Governance 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			4 493	5 154	6 195	6 839	7 925	7 925	11 690	12 506	13 332
HR			1 361	1 932	3 712	5 180	4 833	4 833	7 968	8 536	9 105
Governance			3 132	3 222	2 483	1 658	3 092	3 092	3 722	3 970	4 227
	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 Conductive 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	19 464	20 522
	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	27 921	29 427	33 055
Budget & Reporting			12 388	73 881	19 893	16 912	16 638	16 638	11 551	12 750	15 291
Financial Reporting & Governance			661	1 176	257	2 389	1 726	1 726	1 840	2 180	2 371
Governance			7 618	8 991	10 518	11 372	11 084	11 084	14 531	14 496	15 392
	Submission Of Monthly Reports As Per Section 71 Of	Ensure All We Fully Comply With Mfma – 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 Mfma – With Regards To Reports That Need To Be Submitted.									
	Submission Of Banking Details As Per Section 8 Of Mfma	Fully Compliance With The Requirements Of The Mfma									
	Submission Of Quarterly Reports As Per Section 52 (D) Of	Ensure All We Fully Comply With Mfma – 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 Mfma Annual Report									
	Submission Of Monthly Reports	Ensure All We Fully Comply With Mfma – With Regards To Reports That Need To Be Submitted									
	Submission Of Monthly Reports	Ensure All We Fully Comply With Mfma – With Regards To Reports That Need To Be Submitted.									
	Submission Of Reviewed Policies	Fully Compliance With The Requirements Of The Mfma 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 Mfma 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 Mfma	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 Mfma	Ensure That The Municipality Reports On The Tabled Budget Process Plan For 2016/2017									
	Multi-Year Budget As Per Section 21 Of Mfma	Ensure That The Municipality Reports On The Tabled Draft Budget									
	Multi-Year Budget As Per Section 23 Of The Mfma	Ensure That The Municipality Reports On The Public Participation Held.									
	Multi-Year Budget As Per Section 22 Of The Mfma	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 Scoa Regulations	Implementation Of And Adherence To Scoa 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 Scm 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 Slas/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	22 502	29 603	35 654
	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	Ensure All Municipal Properties That Are Leased Are Paid For.									
	Hostel, Stores, Commonages,										
	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	289 979	316 607	347 081

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:

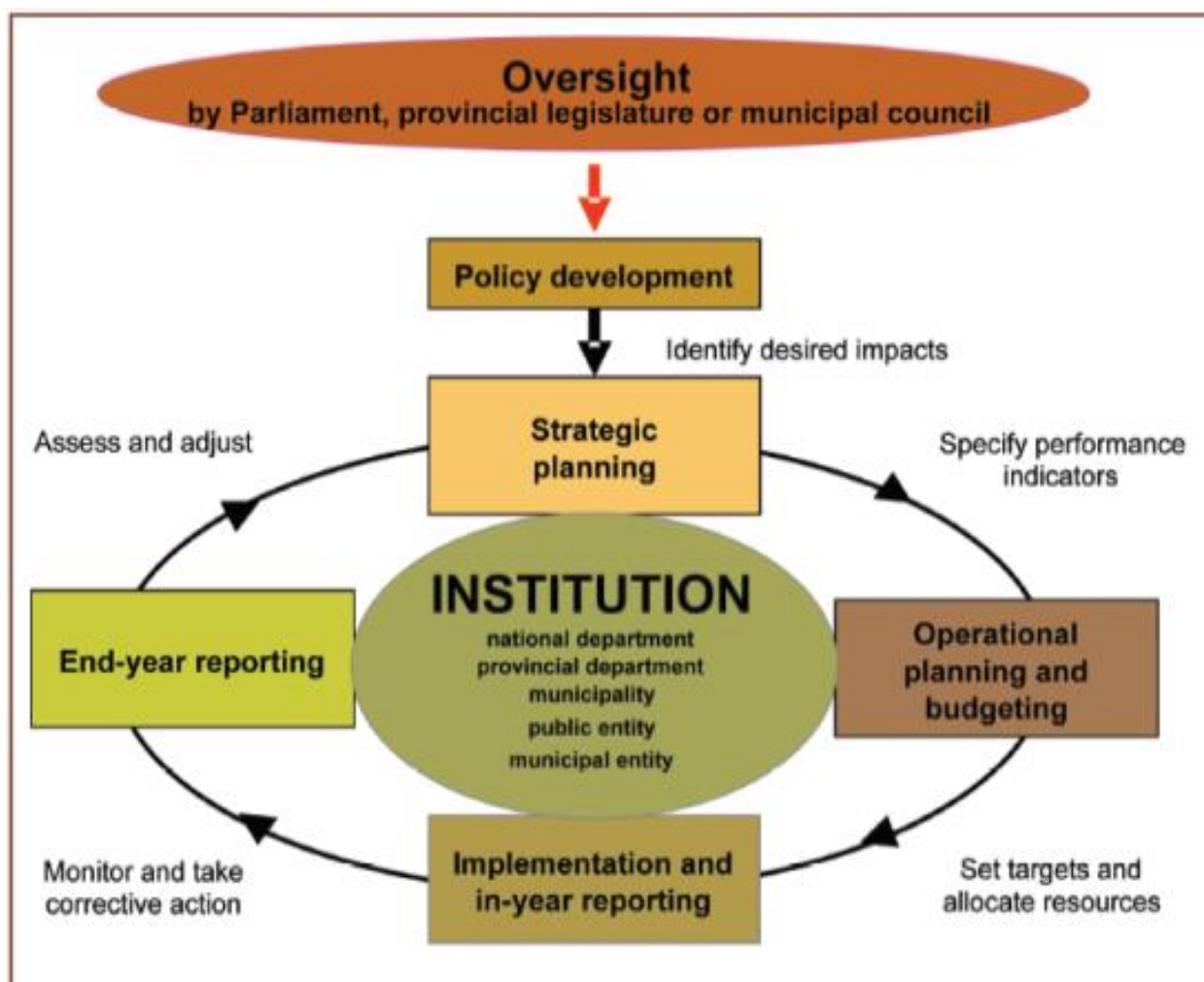


Figure 5 Planning, Budgeting and Reporting Cycle

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.

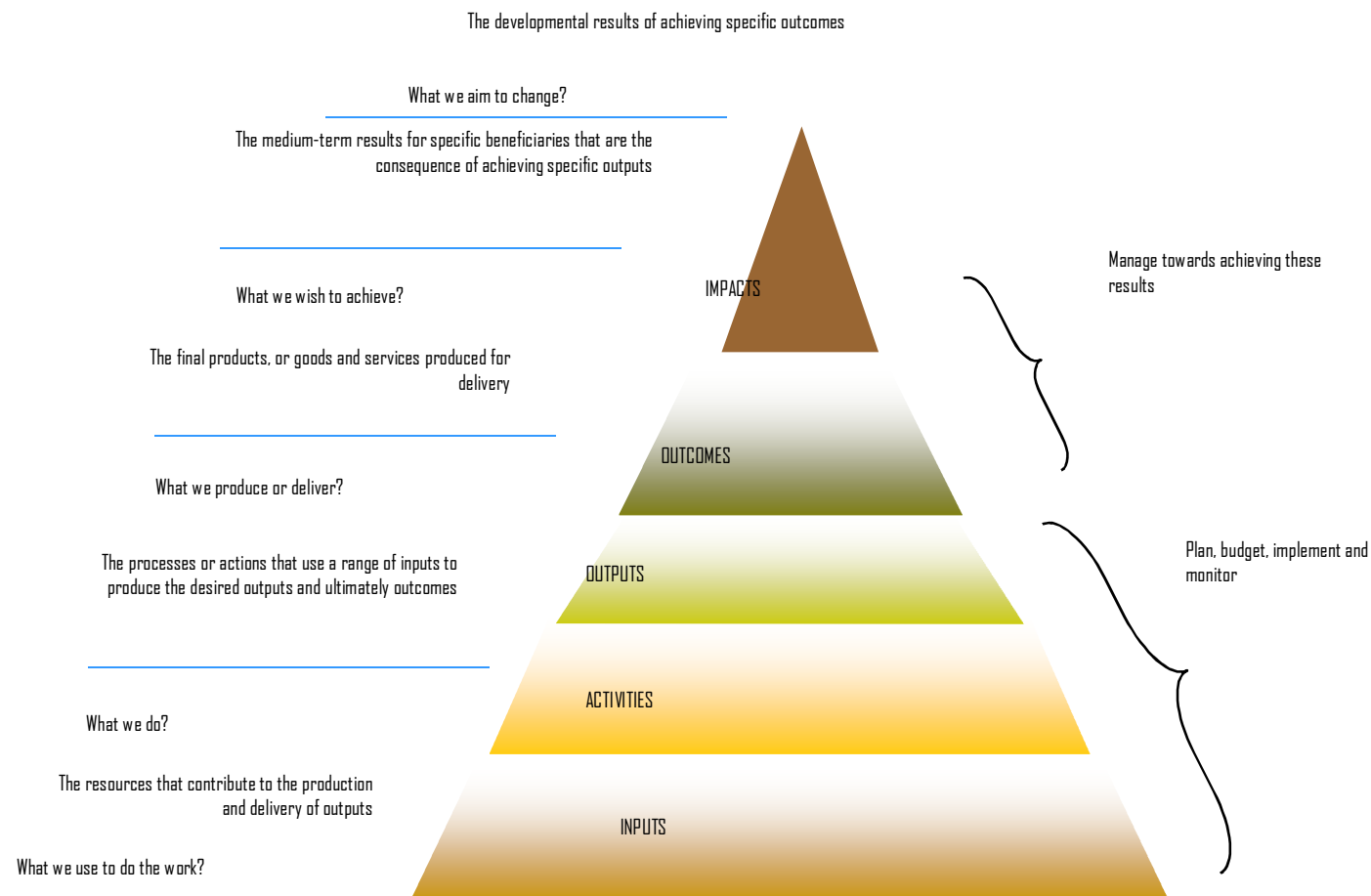


Figure 6 Definition of performance information concepts

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

Table 11MBRR 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
<u>Borrowing Management</u>											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.4%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	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%	8.6%	9.4%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.6%	0.0%	0.0%
<u>Safety of Capital</u>											
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%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2.9	3.4	2.8	6.9	6.9	6.9	6.9	1.3	1.5	1.5
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	1.3	1.5	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	2.5	2.5	2.0	6.0	6.0	6.0	6.0	0.8	0.9	1.0
<u>Revenue Management</u>											
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%	5.2%	5.3%	5.2%
<u>Creditors Management</u>											
Creditors to Cash and Investments		15.7%	18.0%	33.9%	20.0%	20.0%	20.0%	20.0%	125.5%	108.0%	101.8%
<u>Other Indicators</u>											
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.7%	30.5%	29.3%	30.0%	27.4%	27.4%	27.4%	33.4%	34.6%	34.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.9%	37.9%	35.6%	35.7%	33.0%	33.0%		41.5%	41.6%	41.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.8%	5.5%	4.6%	3.8%	3.7%	3.7%		3.6%	3.7%	3.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.2%	11.3%	8.1%	4.7%	4.6%	4.6%	4.6%	7.2%	8.1%	8.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.8	8.6	-	-	-	-	9.0	5.8	11.3	11.8
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%	18.0%	18.1%
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	1.4	1.4

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, Banking & Investment Policy & Implementation Guide
- 3 Fixed Asset Management Policy & Implementation Guide
- 4 Budget Policy & Implementation Guide
- 5 Property Rates Policy
- 6 Transport Policy
- 7 Tariff Policy
- 8 Supply Chain Management Policy
- 9 Indigent Policy
- 10 GRAP Framework Policy
- 11 Data Backup Policy
- 12 Cash Management Policy
- 13 Special Service Tariff Policy
- 14 Grant & Donation Policy
- 15 Donor Finance Policy
- 16 Payment Policy
- 17 Virement Policy
- 18 Cash-Up Policy
- 19 Cash Shortage Policy
- 20 Electricity Policy
- 21 Credit Card Policy
- 22 Entertainment / Refreshment Policy
- 23 Customer Incentive Scheme Policy
- 24 Strategy to Improve Debtor Payment Policy
- 25 Customer Care Policy
- 26 Fraud Prevention & Response Plan Policy
- 27 Debt Capacity Policy
- 28 Unknown Deposits Policy
- 29 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	Current Tariff Vat Excluded	Increase	New Tariff Vat Excluded	Increase
1	REFUSE REMOVAL CHARGES	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 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 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 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%
	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%
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 625.43	210%
2.1.2	Building less than 100m².	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
(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
(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
(d)	Extensions more than 500m ² or part thereof	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%
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%
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%
	Sheep and goats per head per day	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%
	Sheep and Goats, per head per day	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%
	Sheep and Goats, per head per day	R 13.16	0%	R 13.16	0%
4	SWIMMING BATH				
4.1	<i>Single Tickets</i>				
	Entrance, per occasion				
(a)	Adults	R 12.63	20%	R 10.00	-21%
(b)	Scholars and Children	R 6.32	20%	R 5.00	-21%
4.2	<i>Season Tickets</i>				
	Bath only, not transferable				
(a)	Adult (Full Season)	R 189.47	20%	R 189.47	0%
(b)	Adult (Part Season - valid for one month from day issue)	R 94.74	20%	R 94.74	0%
(c)	Scholars and children (Full Season)	R 94.74	20%	R 94.74	0%
(d)	Scholars and children (Part Season valid for one month from day of issue)	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%
(b)	Travelling costs: Fire tenders per km or part thereof	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%	
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 292.86	7%	R 328.00	12%
	0-50	0.68	5.50%	0.73	7.00%
	51-350	0.88	6.50%	0.95	7.00%
	351-600	1.17	7.39%	1.34	14.24%
	600 over	1.37	7%	1.60	17%
(b)	Scale 2: <i>Commercial & Other Consumers</i>				
	Basic charge of consumers with the following kVA installed per month				
	0 - 25 KVA	330.72	7%	370.40	12.00%
	26 - 64 KVA	1210.63	7%	1355.90	12.00%
	65 KVA and more	7254.87	7%	8125.46	12.00%
	plus the following kWh charge per month:				
	0 - 2000 kWh	1.29	7%	1.446	12.20%
	2000 - and more	1.29	7%	1.446	12.20%

(c)	Scale 3: <i>Pre-Paid Metre Units</i>				
	Domestic:				
	0-50	0.68	5.50%	0.727	7.00%
	51-350	0.88	6.50%	0.991	12.20%
	351-600	1.17	7.39%	1.337	14.24%
	600 over	1.37	7%	1.542	12.20%
	Commercial:				
	0 - 2000 kWh	1.29	7%	1.446	12.20%
	2000 - and more	1.29	7%	1.446	12.20%
(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, ð ð ð ð ð	233.22	7%	261.67	12.20%
	0 - 2000 kWh	0.88	7%	0.9880	12.20%
	2000 - and more	0.88	7%	0.9880	12.20%
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 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 3 375.73	10%	R 3 713.30	10%
(b)	Small power consumers with installation not exceeding 25 KVA	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 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 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 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	
(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 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 137.58	4%	R 143.08	4%

7.2	<i>Burial Fees</i>				
(a)	Adult	R 227.71	4%	R 236.81	4%
(b)	Child	R 227.71	4%	R 236.81	4%
7.3	<i>Miscellaneous Charges</i>				
(a)	Exhumation of body	R 1 722.02	4%	R 1 790.90	4%
(b)	Widening or deepening of grave	R 232.45	4%	R 241.75	4%
(c)	Permit to erect a memorial	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%
7.8	Internment of ashes in excising graves	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 2 918.86	10%	R 3 210.75	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	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 2 918.86	10%	R 3 210.75	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	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 1 103.86	10%	R 1 214.25	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	R 1 592.11	10%	R 1 751.32	10%
(c)	Old Cedarville Boardroom	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 477.64	10%	R 525.40	10%
(b)	Main hall and kitchen per function exceeding 12 hour.	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 477.64	10%	R 525.40	10%
(b)	Hall per kitchen per function exceeding 12 hours	R 477.63	10%	R 525.39	10%
8.5	<i>Library Hall (Matatiele)</i>				
(a)	Hall per 12 hour period per day	R 159.21	10%	R 175.13	10%
8.6	<i>Library Hall (Cedarville)</i>				
(a)	Hall per 12 hour period per day	R 137.99	10%	R 151.79	10%
8.7	Community Halls (Rural Area)				
(a)	Hall per 12 hour period per day	R 106.14	10%	R 116.75	10%
8.8	<i>Equipment</i>				
	The public address system per day or part thereof	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 2 904.00	10%	R 3 194.40	10%
	Town Hall (Cedarville)	R 1 149.50	10%	R 1 264.45	10%
	Harry Gwala Park Community Hall	R 465.85	10%	R 512.44	10%
	Nokhwezi & Msingizi Community Hall	R 465.85	10%	R 512.44	10%
	Library Hall (Matatiele)	R 157.30	10%	R 173.03	10%
	Library Hall (Cedarville)	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 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%
(c)	24 Months or more but not more than 48 months.	R 122.81	0%	R 122.81	0%
(d)	48 months or more	R 245.61	0%	R 245.61	0%
9.2	Copy of valuation roll	R 614.04	0%	R 614.04	0%
9.3	Copy of voters roll (per ward)	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%
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%
9.6	Services rendered by Council but not covered in tariffs of charges.	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%
9.8	Copy of estimates	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 2 547.37	10%	R 2 802.11	10%
	Consent/Conditional use or temporary land use				
	House Shop	R 170.00	NEW	R 170.00	NEW
	Place of instruction/Worship	R 170.00	NEW	R 170.00	NEW
	Second Dwelling	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%
(a)	Other temporal land use departures	R 500.00	New	R 500.00	New
(b)	Other/conditional use	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
(b)	Area of land to be rezoned less than 1ha	R 2 302.11	80%	R 4 143.79	80%
(c)	1ha but less than 5ha	R 6 017.54	40%	R 8 424.56	40%
(d)	5ha and over	R 7 908.77	40%	R 11 072.28	40%
	R30.00 for every hectare or part thereof in excess of 5ha				
9.12	Subdivision				
(a)	Up to 3 erven created	R 740.00	New	R 740.00	New
(b)	4-10 erven	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 op tp 10 erven.)				
(c)	Amendment / Cancellation of approved Subdivision	R 1 200.00	New	R 1 200.00	New
9.13	Site Development Plan				
(a)	erf with one dwelling House	R 285.00	New	R 285.00	New
(b)	Any other residential use or development	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
(d)	Amendment of Approved site development plan and approval of HOA constitutions and design manual	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
9.13	Vehicle pound fees on all impounded vehicles per vehicle per day plus tow-in costs	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%
	Deposit per toilet	R 307.02	0%	R 307.02	0%
9.15	<i>Sports grounds rental</i>				
	Local clubs for practices per practice	R 54.82	25%	R 68.53	25%
	Local clubs per game	R 274.12	25%	R 342.65	25%
	Outside clubs per game	R 411.18	25%	R 513.98	25%
	Stadium hire for non sporting events.	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 127.61	15%	R 146.75	15%
9.17	Damage to any Council property	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 3 157.89	20%	R 3 789.47	20%
9.19	<i>Dog Licenses</i>				
	Dogs	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%
	Book/s per day	R 2.63	0%	R 2.63	0%
	Video/s per day	R 2.63	0%	R 2.63	0%
	Photocopies per copy	R 2.63	0%	R 2.63	0%
	Internet per 30 minutes	R 26.32	0%	R 26.32	0%
	Internet E-Mail address per 6 months.	R 30.70	0%	R 30.70	0%
9.21	<i>Transport & Plant Hire</i>				
	Bomag	R 43.86	0%	R 43.86	0%
	NCX 2721 Bobcat	R 175.44	0%	R 175.44	0%
	NCX 2661 JCB	R 307.02	0%	R 307.02	0%
	Bush Cutter	R 263.16	0%	R 263.16	0%
	Petrol Saw	R 394.74	0%	R 394.74	0%
	Wacker	R 175.44	0%	R 175.44	0%
	Lawn Mower	R 175.44	0%	R 175.44	0%
	Generator (without petrol)	R 219.30	0%	R 219.30	0%
	Water Pump	R 219.30	0%	R 219.30	0%
	Angle Grinder (230mm)	R 87.72	0%	R 87.72	0%
	Dril	R 131.58	0%	R 131.58	0%
	Welding Machine (220 amp)	R 219.30	0%	R 219.30	0%
	Welding Machine (250 amp)	R 219.30	0%	R 219.30	0%
	Compressor (380 Volt)	R 219.30	0%	R 219.30	0%
	High Pressure Washer	R 131.58	0%	R 131.58	0%
	Extension Lead	R 13.16	0%	R 13.16	0%
	Tar Spray	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
11.2	General Dealers	R 500.00	New	R 500.00	New
11.3	Supermarkets, Wholesalers & Butcheries	R 500.00	New	R 500.00	New
11.4	Restaurants, B&B's, Hotels, Guest Houses, Lodges	R 500.00	New	R 500.00	New
11.5	Spaza Shops	R 300.00	New	R 300.00	New
11.6	Funeral Parlours	R 500.00	New	R 500.00	New
11.7	Hawker License: Trucks & Bakkies	R 150.00	New	R 150.00	New
11.8	Hawker License: Street Vendors	R 150.00	New	R 150.00	New
11.9	Hawker License: (Special Application . Events)	R 300.00	New	R 300.00	New
11.10	Clothing Shops	R 500.00	New	R 500.00	New
11.11	Hardware	R 500.00	New	R 500.00	New
11.12	Garages	R 500.00	New	R 500.00	New
11.13	Livestock Sales	R 200.00	New	R 200.00	New
11.14	Car wash	R 200.00	New	R 200.00	New
11.15	Laundromat/Dry Cleaning	R 500.00	New	R 500.00	New
11.16	Financial Institution	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
11.18	Furniture Shops	R 500.00	New	R 500.00	New
11.19	Legal Practice	R 500.00	New	R 500.00	New

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

	per day	R 87.72	0%	R 92.11	5%
13.3	Wood Sales				
	Per one ton bakkie load	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 1 894.72	20%	R 2 273.67	20%
	+ Approval fee per applicant	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%
	+ Approval fee per applicant	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%
	+ Approval fee per applicant	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%
15.5	Estate Agent Boards				
	non refundable application fee (annually)	R 526.31	0%	R 526.31	0%
	+ per board/sign (annually)	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%
15.7	Aerial Advertisement				
	non refundable application fee per board/sign (annually)	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%
15.9	Temporary Signs (Posters, Flags & Others)				
	non refundable application fee per board/sign	R 43.85	0%	R 43.85	0%
	+ non commercial fee per signs, posters, flags & others	R 2.19	0%	R 2.19	0%
	+ commercial fee per signs, posters, flags & others	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%

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 12 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 13 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 14MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
CALL ACC STD		DAILY	DAILY	No		0.035	0	0	DAILY					25 905
CALL ACC STD		DAILY	DAILY	No		0.035	0	0	DAILY	0				31 854
CALL ACC FNB		DAILY	DAILY	No		0.039	0	0	DAILY					1 510
NEDCOR		21/05/2014	21/05/2014	No		0.1393	0	0	21/05/2014					7 580
NEDBANK		DAILY	DAILY	No		0.045	0	0	DAILY					19 280
NEDBANK MIG ACC		DAILY	DAILY	No		0.045	0	0	DAILY					2 538
FNB ESTABLISHMENT PLAN		DAILY	DAILY	No		0.034	0	0	DAILY					2 329
FNB HOUSING DEV FUND		DAILY	DAILY	No		0.034	0	0	DAILY					1 746
FNB DEDEA GREENEST TOWN		DAILY	DAILY	No		0.034	0	0	DAILY					169
FNB TOURISM		DAILY	DAILY	No		0.034	0	0	DAILY					808
Municipality sub-total										0		-	-	93 719
Entities														
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									0		-	-	93 719

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)	50 187
External Loan (Front loading)	18 157
TOTAL	143 606

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 15MBRR Table SA 17 - Detail of borrowings

EC441 Matatiele - Supporting Table SA17 Borrowing										
Borrowing - Categorised 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
R thousand										
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

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 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
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	3 991	9 904	19 300	22 300	22 300	30 000	30 000	25 000
DME		-	3 991	9 904	19 300	22 300	22 300	30 000	30 000	25 000
Total Capital Transfers and Grants	5	24 994	32 317	58 679	77 059	71 470	71 470	77 644	79 484	77 242

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 Ratepayers and other to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
 - Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

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

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											
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	21 741	26 854	30 540
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	21 741	26 854	30 540
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)	16 368	17 568	19 027
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	16 368	17 568	19 027
Surplus(shortfall)		88 742	78 789	45 829	136 223	135 323	135 323	135 323	5 373	9 286	11 513

From the above table it can be seen that the cash and investments available total R135 million in the 2014/15 financial year and decrease to R21million by 2015/16. The reason for variance, is in the financial year 2014/15 included in other income was an amount of R63 million for capital replacement reserve, and for the current budget 2015/16 the capital replacement reserve was not disclosed as income but as a source of funding for capital projects.

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 y r 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 43, on page 84. 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 9% 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 5 per cent, with the increase in electricity at 12.8 per cent it is to be expected that the increase in revenue exceed the inflation target figures.

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 71.8, 71.7 and 71.7 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 100 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.

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.

2.6.5.10 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.

2.6.5.11 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.

2.6.5.12 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

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										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		95 429	115 020	125 055	145 998	145 998	145 998	180 491	194 863	213 880
Equitable Share		92 449	105 328	118 051	138 979	138 979	138 979	176 181	192 281	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 Accommodation (Pt)		414	430	480	—	—	—	—	—	—
Pmu Establishment		—	936	—	—	—	—	—	—	—
Small Town&Rural Village		—	—	37	—	—	—	—	—	—
Training Cpmid		—	206	—	—	—	—	—	—	—
Valuation Roll Gis (Pt)		84	342	—	—	—	—	—	—	—
Other Government		1 684	—	—	—	966	966	—	—	—
Total operating expenditure of Transfers and Grants:		100 717	120 143	139 748	154 135	157 385	157 385	180 791	195 163	214 180
Capital expenditure of 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
Provincial Government:		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
Other grant providers:		—	3 991	9 904	19 300	22 300	22 300	30 000	30 000	25 000
DME		—	3 991	9 904	19 300	22 300	22 300	30 000	30 000	25 000
Total capital expenditure of Transfers and Grants		24 994	32 317	58 679	77 059	71 470	71 470	77 644	79 484	77 242
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		125 711	152 460	198 427	231 194	228 855	228 855	258 435	274 647	291 422

2.8 Table 16MBRR SA24 - Summary of councillor and staff benefits

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		161 509	18 662	434 129			614 300
Chief Whip			411 780		165 551			577 331
Executive Mayor			549 039		216 157			765 196
Deputy Executive Mayor								–
Executive Committee			2 520 327	75 194	960 892			3 556 413
Total for all other councillors			6 821 712	365 646	3 344 785			10 532 143
Total Councillors	8	–	10 464 367	459 502	5 121 514			16 045 383
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			1 117 665	13 882	324 000			1 455 547
Chief Finance Officer			881 056	21 599	226 800			1 129 455
General Manager Corporate			931 128	20 600	176 727			1 128 455
General Manager Community			796 816	18 933	311 040			1 126 789
General Economic Development Planning			924 465	20 013	155 520	–		1 099 998
General Manager Infrastructure			861 616	6 154	246 240			1 114 010
Total Senior Managers of the Municipality	8,10	–	5 512 746	101 181	1 440 327	–		7 054 254
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	15 977 113	560 683	6 561 841	–		23 099 637

Table 49 MBRR SA24–Summary of personnel numbers

Summary of Personnel Numbers	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		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
R thousand																
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	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	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	61	729	734	764
Interest earned - external investments		292	292	292	292	292	292	292	292	292	292	292	292	3 500	4 200	4 200
Interest earned - outstanding debtors		340	340	340	340	340	340	340	340	340	340	340	340	4 081	4 285	4 500
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines		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	1 950	2 063	2 177
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers recognised - operational		15 066	15 066	15 066	15 066	15 066	15 066	15 066	15 066	15 066	15 066	15 066	17 448	183 173	195 163	214 180
Other revenue		110	110	110	110	110	110	110	110	110	110	110	110	1 319	1 361	1 472
Gains on disposal of PPE		319	319	319	319	319	319	319	319	319	319	319	319	3 824	4 015	4 215
Total Revenue (excluding capital transfers and com		23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	26 349	289 987	302 469	326 701

Table 17MBRR 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		17 485	17 485	17 485	17 485	17 485	17 485	17 485	17 485	17 485	17 485	17 485	17 485	209 819	222 199	241 924
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		1 652	1 652	1 652	1 652	1 652	1 652	1 652	1 652	1 652	1 652	1 652	1 652	19 820	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	135 401	146 700
Total Revenue by Vote		30 437	30 437	30 437	30 437	30 437	30 437	30 437	30 437	30 437	30 437	30 437	30 437	365 249	376 953	408 943
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		3 028	3 028	3 028	3 028	3 028	3 028	3 028	3 028	3 028	3 028	3 028	3 028	36 338	40 050	44 609
Vote 2 - Budget & Finance		4 907	4 907	4 907	4 907	4 907	4 907	4 907	4 907	4 907	4 907	4 907	4 907	58 880	68 261	78 631
Vote 3 - Corporate		3 906	3 906	3 906	3 906	3 906	3 906	3 906	3 906	3 906	3 906	3 906	3 906	46 873	50 151	53 557
Vote 4 - Development & Planning		1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	13 576	14 542	15 904
Vote 5 - Community		3 961	3 961	3 961	3 961	3 961	3 961	3 961	3 961	3 961	3 961	3 961	3 961	47 535	48 694	50 809
Vote 6 - Infrastructure		7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	7 231	86 777	94 910	103 570
Total Expenditure by Vote		24 165	24 165	24 165	24 165	24 165	24 165	24 165	24 165	24 165	24 165	24 165	24 165	289 979	316 607	347 081
Surplus/(Deficit) before assoc.		6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	75 270	60 346	61 862
Taxation														–	–	–
Attributable to minorities														–	–	–
Share of surplus/ (deficit) of associate														–	–	–
Surplus/(Deficit)	1	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	75 270	60 346	61 862

Table 18MBRR 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		123	123	123	123	123	123	123	123	123	123	123	123	1 476	150	165
Vote 4 - Development & Planning		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	1 500	1 000	1 100
Vote 6 - Infrastructure		7 566	7 566	7 566	7 566	7 566	7 566	7 566	7 566	7 566	7 566	7 566	7 566	90 793	68 858	61 218
Capital multi-year expenditure sub-total	2	7 868	7 868	7 868	7 868	7 868	7 868	7 868	7 868	7 868	7 868	7 868	7 868	94 419	70 408	62 923
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council		26	26	26	26	26	26	26	26	26	26	26	26	315	275	303
Vote 2 - Budget & Finance		192	192	192	192	192	192	192	192	192	192	192	192	2 300	300	25 723
Vote 3 - Corporate		44	44	44	44	44	44	44	44	44	44	44	44	522	422	464
Vote 4 - Development & Planning		58	58	58	58	58	58	58	58	58	58	58	58	700	-	-
Vote 5 - Community		491	491	491	491	491	491	491	491	491	491	491	491	5 895	2 012	2 223
Vote 6 - Infrastructure		3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	39 455	7 155	10 560
Capital single-year expenditure sub-total	2	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	4 099	49 187	10 164	39 272
Total Capital Expenditure	2	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	143 606	80 572	102 195

Table 19MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	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
Cash Receipts By Source													1		
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	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	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	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	729	734	764
Interest earned - external investments	292	292	292	292	292	292	292	292	292	292	292	292	3 500	4 200	4 200
Interest earned - outstanding debtors	340	340	340	340	340	340	340	340	340	340	340	340	4 081	4 285	4 500
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines	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	1 950	2 063	2 177
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer receipts - operational	15 264	15 264	15 264	15 264	15 264	15 264	15 264	15 264	15 264	15 264	15 264	15 264	183 173	195 163	214 147
Other revenue	107	107	107	107	107	107	107	107	107	107	107	107	1 289	1 329	1 439
Cash Receipts by Source	21 846	21 846	21 846	21 846	21 846	21 846	21 846	21 846	21 846	21 846	21 846	21 846	262 154	274 691	297 501
Other Cash Flows by Source															
Transfer receipts - capital	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	6 272	75 262	74 484	82 242
Contributions recognised - capital & Contributed a	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	319	319	319	319	319	319	319	319	319	319	319	319	3 824	4 015	4 215
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	18 157	—	—
Increase (decrease) in consumer deposits	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	29 957	29 957	29 957	29 957	29 957	29 957	29 957	29 957	29 957	29 957	29 957	29 957	359 487	353 206	383 976
Cash Payments by Type															
Employee related costs	8 059	8 059	8 059	8 059	8 059	8 059	8 059	8 059	8 059	8 059	8 059	8 059	96 711	104 599	112 077
Remuneration of councillors	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	1 324	15 891	16 685	17 520
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	34 000	35 972	37 950
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	872	872	872	872	872	872	872	872	872	872	872	872	10 466	11 286	11 989
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	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	6 333	4 870	6 835
Other expenditure	4 928	4 928	4 928	4 928	4 928	4 928	4 928	4 928	4 928	4 928	4 928	4 928	59 134	63 017	68 749
Cash Payments by Type	20 208	20 208	20 208	20 208	20 208	20 208	20 208	20 208	20 208	20 208	20 208	20 208	242 490	257 467	277 264
Other Cash Flows/Payments by Type															
Capital assets	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	11 967	143 606	80 572	102 195
Repayment of borrowing	768	768	768	768	768	768	768	768	768	768	768	768	9 216	10 054	831
Other Cash Flow s/Pay ments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Payments by Type	32 943	32 943	32 943	32 943	32 943	32 943	32 943	32 943	32 943	32 943	32 943	32 943	395 313	348 093	380 290
NET INCREASE/(DECREASE) IN CASH HELD	(2 985)	(2 985)	(2 985)	(2 985)	(2 985)	(2 985)	(2 985)	(2 985)	(2 985)	(2 985)	(2 985)	(2 985)	(35 826)	5 113	3 686
Cash/cash equivalents at the month/year begin:	57 566	54 581	51 595	48 610	45 625	42 639	39 654	36 668	33 683	30 697	27 712	24 726	57 566	21 741	26 854
Cash/cash equivalents at the month/year end:	54 581	51 595	48 610	45 625	42 639	39 654	36 668	33 683	30 697	27 712	24 726	21 741	21 741	26 854	30 540

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 Years	Current Year 2014/15	2015/16 Medium Term			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	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	92 632	60 468	53 708
Infrastructure - Road transport		30 535	35 295	48 604	35 684	34 876	34 876	35 177	50 288	38 388
Roads, Pavements & Bridges		23 442	34 885	48 021	34 934	34 536	34 536	35 177	50 288	38 388
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	15 320
Generation		-	4 216	-	150	750	750	-	-	-
Transmission & Reticulation		-	-	12 517	52 469	34 169	34 169	48 157	10 000	15 000
Street Lighting		-	-	-	1 310	1 372	1 372	2 580	180	320
Infrastructure - Water		-	-	-	-	186	186	-	-	-
Dams & Reservoirs		-	-	-	-	186	186	-	-	-
Infrastructure - Other		-	-	313	6 058	4 305	4 305	6 718	-	-
Waste Management		-	-	-	2 500	2 500	2 500	2 880	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	313	3 558	1 805	1 805	3 838	-	-
Community		2 859	7 561	10 109	17 450	16 178	16 178	14 632	1 200	2 570
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	8 500	6 404	6 404	10 832	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	1 000	1 000	110
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	33 993	18 904	45 524
General vehicles	10	30	9 856	4 220	4 491	4 491	4 491	3 700	-	6 000
Specialised vehicles		-	-	-	-	-	-	1 200	-	5 000
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	1 526	150	165
Furniture and other office equipment		493	68	454	2 765	3 728	3 728	23 852	16 204	6 374
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	1 300	26 430
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	-	-	-	2 350	-	393
Computers - software & programming		-	-	621	-	-	-	2 350	-	393
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	143 606	80 572	102 195

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 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		—	3 500	—	—	—	—	3 500
Interest earned - outstanding debtors		—	3 915	—	—	—	166	4 081
Dividends received		—	—	—	—	—	—	—
Fines		—	—	—	—	2 601	—	2 601
Licences and permits		—	—	—	—	1 950	—	1 950
Agency services		—	—	—	—	—	—	—
Other revenue		—	505	—	100	210	504	1 319
Transfers recognised - operational		—	163 711	300	—	6 780	10 000	180 791
Gains on disposal of PPE		—	3 824	—	—	—	—	3 824
Total Revenue (excluding capital transfers and contributions)		—	209 819	300	100	19 820	57 565	287 605
Expenditure By Type								
Employee related costs		9 766	21 506	25 234	7 162	20 440	20 212	104 321
Remuneration of councillors		15 891	—	—	—	—	—	15 891
Debt impairment		—	5 000	—	—	—	—	5 000
Depreciation & asset impairment		466	2 188	2 413	400	5 850	9 800	21 117
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	24 562	12 314	6 014	5 665	10 592	69 362
Loss on disposal of PPE		—	—	—	—	—	—	—
Total Expenditure		36 338	58 880	46 873	13 576	47 535	86 777	289 979
Surplus/(Deficit)		(36 338)	150 939	(46 573)	(13 476)	(27 715)	(29 212)	(2 374)
Transfers recognised - capital		—	—	—	—	—	77 644	77 644
Contributions recognised - capital		—	—	—	—	—	—	—
Contributed assets		—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(36 338)	150 939	(46 573)	(13 476)	(27 715)	48 432	75 270

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		—	3 500	—	—	—	—	3 500
Interest earned - outstanding debtors		—	3 915	—	—	—	166	4 081
Dividends received		—	—	—	—	—	—	—
Fines		—	—	—	—	2 601	—	2 601
Licences and permits		—	—	—	—	1 950	—	1 950
Agency services		—	—	—	—	—	—	—
Other revenue		—	505	—	100	210	504	1 319
Transfers recognised - operational		—	163 711	300	—	6 780	10 000	180 791
Gains on disposal of PPE		—	3 824	—	—	—	—	3 824
Total Revenue (excluding capital transfers and contributions)		—	209 819	300	100	19 820	57 565	287 605
Expenditure By Type								
Employee related costs		9 766	21 506	25 234	7 162	20 440	20 212	104 321
Remuneration of councillors		15 891	—	—	—	—	—	15 891
Debt impairment		—	5 000	—	—	—	—	5 000
Depreciation & asset impairment		466	2 188	2 413	400	5 850	9 800	21 117
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	24 562	12 314	6 014	5 665	10 592	69 362
Loss on disposal of PPE		—	—	—	—	—	—	—
Total Expenditure		36 338	58 880	46 873	13 576	47 535	86 777	289 979
Surplus/(Deficit)		(36 338)	150 939	(46 573)	(13 476)	(27 715)	(29 212)	(2 374)
Transfers recognised - capital		—	—	—	—	—	77 644	77 644
Contributions recognised - capital		—	—	—	—	—	—	—
Contributed assets		—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(36 338)	150 939	(46 573)	(13 476)	(27 715)	48 432	75 270

Table 20MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC441 Matatiele - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

EC4-1 Matatiele - Supporting Table S43 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)		364 737	382 349	421 234	421 234	421 234	421 234	421 234	461 008	547 008	611 917
Leases recognised as PPE	3										
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)	1	35 394	183 861	167 377	167 405	167 405	167 405	167 405	334 819	418 711	481 302
Reserves											
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

2.7 Municipal Manager's quality certificate

I, Damian Nakin, Municipal Manager of Matatiele Local Municipality, hereby certify that the Annual 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 _____