

# AMAJUBA DISTRICT MUNICIPALITY



## FINAL BUDGET 2017/18 TO 2019/20 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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**Abbreviations and Acronyms**

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

## **Part 1 – Annual Budget**

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

#### **Introduction**

Firstly, I wish to thank the Accounting Officer and his exceptional officials worked tirelessly to ensure that the Budget is prepared for Council to consider. With this being my maiden Budget presentation, I am honored to have such a capable team who ensured that, in spite of the fact that the majority of our Councilors are fairly new in local government, a credible budget is put together as required by legislation.

#### **Political Guidance and Support (MFMA)**

As Mayor, the MFMA (2003) requires that I provide general political guidance and support in the development of the budget. It is therefore important that, in keeping with the legislation, I present the context within which this Annual Budget is presented. This is against the background that the budget is one of the policy instruments and mechanisms by which the municipality could achieve its intended strategic objectives as enshrined in the Integrated Development Plan.

#### **Economic Conditions**

I wish to reflect on the conditions and context wherein the 2017/2018 Annual Budget is presented; i.e.:

- The global and national economic financial climate which continues to have a negative and devastating effect on the financial status of our municipality and the country in general;
- The effects of the historical factors emanating from the way the municipality dealt with and regarded the budgetary and financial management;
- The effect of the digression from the core business of the municipality thereby expending the limited budget allocations on non-essential services;
- The discrepancy in the allocations for service delivery from staff related costs; and
- The causal effect of the above situation being the inability to settle invoices for services thereby exposing the municipality to litigations.

These and other salient features affecting our budget and service delivery in general should be dealt with and resolved in a very short space of time. We need to improve on the implementation of the Financial Recovery Plan and the Cost Curtailment measures as approved by Council. We need to drastically improve our revenue through measures such as the collection on water provision. Councilors and officials have come up with means to collect the money we spend on water provision.

**Core mandate and revenue enhancement**

The municipality will continue to provide safe and clean basic service to the community. Equally, the community should pull their weight and pay for the services they receive from the municipality. Payment for services is one guarantee that the service provided will be sustainable. The municipality will ensure a minimal increase in the water related tariff; and that this will not be above the 6.4% CPI for the 2017/2018 Financial Year.

**Strategic direction**

It is also important that, on behalf of the leadership collective of Amajuba District Municipality, I articulate and reflect on the critical goals that this budget should seek to achieve in the 2017/2018 Financial Year. This will shed light to both our internal and stakeholders on the developmental trajectory that we are pursuing with and on their behalf.

It be noted that the budget belongs to the people of Amajuba District Municipality. Therefore, it is important for those of us who are charged with the responsibility to lead and champion the cause of development to always share with the community the manner in which their resources are managed.

**Radical socio-economic change**

Through the 2017/2018 Integrated Development Plan, the municipality has adopted a radically and aggressive approach to the socio-economic development of its people. Key to our approach is to focus our energy, resources and strength to the core business of the municipality; i.e. the provision of water and sanitation. This will not lead to the neglect of our important services which are part of the legislated functions of a district municipality. In conjunction with the national and provincial sector departments, the municipality has prioritized the development of young people, women and the disabled people.

**Financial Recovery**

Council establishment of a Budget Steering Committee (BSC) will go a long way in ensuring that the object and intentions of the Financial Recovery Plan are achieved and reported on. The pre-requisites for the realization of our plan to deal with the financial challenges facing the municipality is a commitment and dedication of both the political leadership and the administration to the course of change.

**IDP/Budget alignment**

We have ensured that each IDP Strategic Objective, Strategies and Indicators are directly linked with the Budget. This will ensure a seamless implementation of the developmental service delivery priorities as enshrined in the Council IDP. We have also moved and are continuing to move towards the compliance of the municipality IDP and Budget with the Municipal Standard Charts of Accounts (MSCOA); even though the municipality started very late with the process. The hands-on support of the KZN Provincial Treasury is much appreciated.

## Budget in brief

We therefore wish to reflect briefly on the 2017/2018 Budget:

- Total Budget : R301 071 585
- Projected Operating Revenue : R181 004 585
- Projected Operating Expenditure : R209 643 081
- Capital Allocation : R120 067 000
- Operations Allocation : R329 710 081
- Surplus/(Deficit) : R(28 638 496)

## Integrated Development Plan

*The Integrated Development Planning is a process through which a Municipality, its constituencies, various service providers, interested and affected parties come together to identify development needs, outline clear objectives and strategies which serve to guide the allocation and management of resources within the Municipal's jurisdictional area. From this planning process emanates the Municipal Integrated Development Plan (IDP), whose main objective is the improvement of coordination and integration of planning, budgeting and development within a Municipal area. As a five (5) Year budgeting, decision-making, strategic planning and development tool, the IDP is used by the Municipality to fulfil its role of 'developmental local governance'. Central to this are the overarching objectives and strategies encapsulated in the plan, which guides the Municipality in the realm of:*

- *Municipal Budgeting;*
- *Institutional restructuring in order to realize the strategic intent of the plan;*
- *Integrating various Sectors in the form of Infrastructure, Land Use, Agriculture with Socio-economic and Ecological dimensions; and*
- *Performance Management System*

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act, Act 32 of 2000 (MSA) also requires that:

- the IDP be implemented;
- the Municipality monitors the implementation of the IDP;
- the Municipality evaluates its performance with regard to the IDP's implementation; and
- the IDP be reviewed annually to effect improvements where necessary.

A common perception of IDP's are that they are "wish-lists" that are not linked to budgets, dependant on sector departments and are unrealistic due to them not being linked to the powers and functions allocated to the respective municipalities. These negative perceptions have resulted in the credibility of IDP's is questioned. In understanding what is a "credible" IDP one needs to look at what credible actually means with the word "credible" being derived from the Greek word for "credulous" which means "realistic". In other words, a "credible" IDP should be one that is "do-able" and implementable.

The IDP seeks to have the following impacts namely:

- Integrated and sustainable human settlement;
- Stimulating the growth of a robust local economy;
- Social cohesion and inclusion leading to nation building;
- Environmental sustainability; and

- Strengthening inter-governmental relations.

## Operating and Capital Budget

The draft budget is prepared and presented to Council in line with the MFMA requirements. The MFMA requires that the Mayor must table the draft budget 90 days before the start of the financial year. After the draft budget has been tabled in Council, the Mayor must conduct a public participation process where by the public is afforded the opportunity to comment on the budget and make any recommendations to be considered during the budget process.

The draft budget as tabled, confirms the heavy dependence of Amajuba DM on grant funding to fund service delivery.

### *What is a budget?*

A budget is a spending plan that indicates how available funds will be used to cater for community needs. It is also a financial planning tool used to project future income and expenditure which the municipality is expected to engage in.

### *Why do we need a Budget?*

- To provide a forecast of revenues and expenditure;
- To enable the actual financial operations of the municipality to be measured against the forecast; and
- To promote access to information by informing the residents how the municipality will utilize the resources available;

## Budget Highlights

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

**Table 1 and Table 2 provides executive summary on both revenue budget and expenditure budget.**

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget	Adjustment Budget (1)	Budget Year +1	Budget Year +2	Budget Year +3
<b>REVENUE PER SOURCE</b>					
OPERATING REVENUE BUDGET	161 781 445	167 281 483	181 004 585	188 862 016	202 822 953
CAPITAL REVENUE BUDGET-GRANTS AND SUBSIDIES	91 041 000	91 041 000	119 917 000	129 309 000	141 843 000
CAPITAL REVENUE BUDGET-OWNU REVENUE	-	109 416	150 000	25 416	26 890
<b>TOTAL REVENUE BUDGET</b>	<b>252 822 445</b>	<b>258 431 899</b>	<b>301 071 585</b>	<b>318 196 432</b>	<b>344 692 843</b>



The total revenue budget including operating and capital transfers amount to R301.071.585. for 2017/18, R318 196 432 for 2018/19 and R344 692,843 for 2019/20. The total revenue budget has increased by R48 249 140 from the 2016/17 Approved budget and increased by R 42 639 860 from the 2016/17 Adjustment budget.

**Table 2**

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget	Adjustment Budget (1)	Budget Year +1	Budget Year +2	Budget Year +3
OPERATING EXPENDITURE BUDGET	172 169 278	181 651 343	209 643 081	216 266 497	230 031 192
CAPITAL EXPENDITURE BUDGET	91 041 000	91 150 416	120 067 000	129 334 416	141 869 890
<b>TOTAL EXPENDITURE BUDGET</b>	<b>263 210 278</b>	<b>272 801 759</b>	<b>329 710 081</b>	<b>345 600 913</b>	<b>371 901 082</b>

The total Expenditure budget amounts to R 329 710 081 for the 2017/18 budget year and R345 600 913 for the 2018/19 and R371 901 082 for the 2019/20 budget years. The total expenditure budget has increased by R66 499 803 from the 2016/17 approved budget and R 56 908 322 from adjustment budget of 2016/2017.

### Operational Budget

The operational revenue budget has been estimated at R181 004 585 with the expenditure budget at R209 643 081.

For the Amajuba District 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 must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

**Table 3: Consolidated Overview of the 2017/18 MTREF-Operating Revenue**

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget	Adjustment Budget (1)	Budget Year +1	Budget Year +2	Budget Year +3
<b>REVENUE PER SOURCE</b>					
Water Sales	19 283 844	19 500 000	23 400 000	24 733 800	26 118 893
Sanitation Sales	3 382 207	3 500 000	4 100 000	4 333 700	4 576 387
Interest on Overdue Account	2 422 842	2 900 000	2 794 780	2 959 672	3 131 333
Sundry Income-Debtors;	15 281	15 281	15 000	15 885	16 806
CONNECTION FEE;	30 000	30 000	30 000	31 770	33 613
Interest Earned-Ext Invest	800 000	3 624 007	1 000 000	1 059 000	1 120 422
Equitable Share and Levy Replacement	14 020 960	14 020 960	137 965 000	148 751 000	159 832 000
Levies Replacement Grant;	65 938 000	65 938 000	-	-	-
Finance Management Grant;	1 500 000	1 500 000	1 500 000	1 755 000	2 015 000
MSIG Grant;	1 041 000	1 041 000	1 636 000	-	-
Equitable Share-Community Services Component	6 431 684	6 431 684	-	-	-
MIG-Admin Recovery	1 950 000	-	-	-	-
Equitable Share-FBS Portion-WSA	42 769 356	42 769 356	-	-	-
EPWP -Publicworks Grant;	1 497 000	1 497 000	1 789 000	-	-
Tele/Cellphone Cost Recovered	8 500	8 500	8 500	9 002	9 524
Rental Income	-	-	-	-	-
Tender Deposits	12 500	26 800	26 800	28 381	30 027
Sundry Income	3 270	5 785	5 785	6 126	6 482
Rental facilities-Hall Hire	200 000	240 000	240 000	200 000	200 000
Skills Development Grant ;	75 000	150 000	150 000	158 850	168 063
Shared Services Grant -DPSS	400 000	400 000	1 300 000	500 000	1 000 000
CAPACITATING NEW COUNCILLORS	-	350 000			
Environmental Grant	-	1 000 000	1 000 000		
Atmospheric Emission Fees	-	120 500	120 500	127 610	135 011
DONATIONS	-	2 000	-	-	-
Gain/Loss on Disposal o Asse	-	2 209 610			
<b>TOTAL DIRECT OPERATING INCOME</b>	<b>161 781 445</b>	<b>167 280 483</b>	<b>181 004 585</b>	<b>188 862 016</b>	<b>202 822 953</b>

### Sale of Water and Impact of Tariff Increases

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

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent households); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

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

Service / Category	2016 Excl vat	Approved 2017 Excl vat	Proposed 2017/2018 increase (Excl. vat)	Proposed 2017/2018 Tariff (Excl. vat)	% increase 2017/2018
<b><u>Water supply</u></b>					
<b><u>Residential/Charitable/Religious</u></b>					
0kl-6kl	-	6.73	0.43	7.16	6.40
7kl-20kl	7.8	7.8	0.50	8.30	6.40
21kl-40kl	9.36	9.36	0.60	9.96	6.40
41kl-60kl	11.55	11.55	0.74	12.29	6.40
60kl+	13.97	13.97	0.89	14.86	6.40
<b><u>Business &amp; Industry per KL</u></b>					
0kl-6kl	8.32	8.32	0.53	8.85	6.40
7kl-20kl	9.85	9.85	0.63	10.48	6.40
21kl-40kl	10.91	10.91	0.70	11.61	6.40
41kl-60kl	11.98	11.98	0.77	12.75	6.40
60kl+	13.04	13.04	0.83	13.87	6.40
<b><u>Other</u></b>					
0kl-6kl	11.05	11.05	0.71	11.76	6.40
7kl-20kl	8.55	8.55	0.55	9.10	6.40
21kl-40kl	9.55	9.55	0.61	10.16	6.40
41kl-60kl	11.1	11.1	0.71	11.81	6.40
60kl+	12.7	12.7	0.81	13.51	6.40
<b>Raw water per kl</b>	<b>5.46</b>	<b>5.8</b>	0.37	6.17	6.40
<b><u>Sanitation</u></b>					
All customers per KL	4.72	4.72	0.30	5.02	6.40
Emptying septic tanks per load	565	600	38.40	638.40	6.40
<b><u>Availability charge</u></b>					

Serviced vacant land	110.16	150	9.60	159.60	6.40
<b><u>Business water services fixed charge</u></b>	37.81	37.81	2.42	40.23	6.40
-					
<b><u>Industrial water services fixed charge</u></b>	37.81	37.81	2.42	40.23	6.40
<b><u>Business &amp; Industrial sanitation services fixed charge</u></b>	72.35	72.35	4.63	76.98	6.40
<b><u>Testing of meters</u></b>					
Exceeds 50mm	Cost + 10%	Cost + 10%		Cost + 10%	
<b><u>New connections</u></b>					
<b><u>Water</u></b>					
Connections 25mm and less	Cost + 10%	Cost + 10%		Cost + 10%	
Connections greater than 25mm	Cost + 10%	Cost + 10%		Cost + 10%	
<b><u>Sanitation</u></b>					
All connections	Cost + 10%	Cost + 10%		Cost + 10%	
<b><u>Deposits (New and Reconnections)</u></b>					
Domestic	700	750	48.00	798.00	6.40
Commercial	1 300.00	1 400.00	89.60	1 489.60	6.40
<b><u>Reconnection Fee</u></b>	100	100	6.40	106.40	6.40
<b><u>Disconnection Fee</u></b>					
Water restricted (non-paying customers)	-	-	6.40	106.40	100.00
<b><u>Water tank deliveries</u></b>					
Water tank delivery per load	-	-		Cost + 10%	

## OPERATING EXPENDITURE BY TYPE

The municipality's expenditure framework for the 2017/2018 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit; The Municipality could not achieve a balanced budget due to insufficient funding sources.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2017/2018 budget and MTREF (classified per main type of operating expenditure):

**Table 5:**

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget	Adjustment Budget (1)	Budget Year +1	Budget Year +2	Budget Year +3
<b>EXPENDITURE PER CATERGORY</b>					
Salaries , Wages & Allowances	78 897 444	80 419 316	84 846 564	89 682 818	94 705 056
Remuneration of Councillors	5 173 833	5 173 833	5 504 958	5 818 741	6 144 590
Depreciation	26 367 000	25 397 848	30 821 858	32 578 704	34 403 112
Repairs & Maintenance	5 220 000	4 137 801	9 631 675	10 180 680	10 750 798
Bulk Water Purchases	20 000 000	20 000 000	21 280 000	22 492 960	23 752 566
Contracted Services			13 445 400	14 211 788	16 125 265
Operating Grants Expenditure			6 225 000	2 255 000	3 015 000
General Costs-Other	28 148 000	38 047 694	22 973 625	23 458 390	24 717 227
<b>TOTAL DIRECT OPERATING EXPENDITURE</b>	<b>163 806 277</b>	<b>173 176 492</b>	<b>194 729 081</b>	<b>200 679 081</b>	<b>213 613 614</b>
Contributions to capital	-	109 416	150 000	25 416	26 890
Contributions to funds	7 601 435	7 601 435	14 000 000	14 798 000	15 626 688
Interest -External Loans	761 566	764 000	764 000	764 000	764 000
<b>TOTAL OPERATING EXPENDITURE</b>	<b>172 169 278</b>	<b>181 651 343</b>	<b>209 643 081</b>	<b>216 266 497</b>	<b>230 031 192</b>

**CAPITAL BUDGET**

The capital budget is estimated at **R 120 067 000** for the 2017/18 financial year and **R 129 334 416** and **R 141 869 890** respectively for the 2018/19 and 2019/20 financial years. The capital budget is funded from grants – mainly the Municipal Infrastructure Grant (MIG) Water Service Infrastructure Grant (WSIG) and Road Asset Management Grant. The municipality has made a minimum transfer of R150 000 to fund its own capital projects. Consequently, the municipality is not able to transfer any funding to the local municipalities to fund projects.

The following table provides a breakdown of budgeted single- and multi-year capital expenditure by vote and the following projects have been provided for:

**Table 6: CAPITAL PROJECTS AND CAPITAL PROGRAMMES**

CAPITAL PROJECTS AND CAPITAL PROGRAMMES	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2018/2019	2019/2020
	Budget Year +1	Budget-Year +2	Budget Year +3
<b>MUNICIPAL INFRASTRUCTURE PROJECTS</b>			
MIG PMU admin cost	1 000 000	2 199 650	2 319 750
Goedehoop bulk water and sanitation	11 000 000	-	
Danhauser Housing Development Bulk Water and Sanitation	2 000 000	18 000 000	4 000 000
Buffalo Flats Water Supply Scheme Phase 3B	20 617 000	23 793 350	40 075 250
Construction of Buffalo Flats Sanitation project	7 100 000		
<b>SUB TOTAL</b>	<b>41 717 000</b>	<b>43 993 000</b>	<b>46 395 000</b>
<b>MUNICIPAL WATER INFRASTRUCTURE PROJECTS</b>			
Emxhakeni reticulation water scheme is an extension of existing water reticulation scheme to serve 500 households	3 248 303		
Pipeline extension and infrastructure in Skobharen and Alcockspruit	14 500 000	21 043 002	39 898 245
Construction of vip toilets in Dannhauser	4 500 000	4 500 000	4 500 000
Refurbishment of DNC WWTP, Tweediedale and Utrecht WTP	5 580 287	9 583 770	6 713 214
Refurbishment and upgrade of Durnacol Water Treatment Works in Dannhauser	18 000 000	-	-
Construction of Brakfontein resevoir	22 171 410	2 641 305	
Refurbishment of old existiong dilapidated Asbestos pipes to prevent water losses	-	21 560 000	10 677 923
Refurbishment of old existing dilapidated Asbestos pipes to prevent water losses	-	10 671 923	21 653 000
Water Conservation and Demand Management in Amajuba District Municipality	-	8 000 000	4 557 618
Planning for the refurbishment of old existing dilapidated Asbestos pipes to prevent water losses in Utrecht, Dannhauser and Durnacol	2 000 000		
<b>SUB TOTAL</b>	<b>70 000 000</b>	<b>78 000 000</b>	<b>88 000 000</b>

<b>ROAD TRANSPORT AND ENERGY DEMAND MANAGEMENT GRANT PROJECTS</b>			
Road Asset Management Grant	2 200 000	2 316 000	2 448 000
Energy Efficiency and Demand Side Management Grant	6 000 000	5 000 000	5 000 000
<b>SUB TOTAL</b>	<b>8 200 000</b>	<b>7 316 000</b>	<b>7 448 000</b>
<b>CONTRIBUTIONS FROM OWN REVENUE CAPITAL INFRASTRUCTURE</b>			
Office Furniture & Equipment-Corporate Services	24 000	25 416	26 890
Office Furniture & Equipment-Financial services	126 000		
<b>SUB TOTAL</b>	<b>150 000</b>	<b>25 416</b>	<b>26 890</b>
<b>TOTAL CAPITAL BUDGET</b>	<b>120 067 000</b>	<b>129 334 416</b>	<b>141 869 890</b>

### Employee related costs

In terms of the MFMA Budget Circular No. 86 issued on 8 March 2017, salaries, and wages for 2017/2018 financial year have been increased by 7.36% (6.36 CPI plus 1%).

6. The following CPI figures, from STATS S.A, are used to calculate the salary and related increases:

Feb 2016	March 2016	April 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Annual total
7.00	6.30	6.20	6.10	6.30	6.00	5.90	6.10	6.40	6.60	6.80	6.60	76.30

Average CPI = 6.36% (76.30 divided by 12 months)

Salary increase = 6.36% + 1%  
= 7.36%

Employee related costs plus Councillor allowances as a percentage of total operating expenditure is 46%. The norm range is 25% to 40%.

Senior Managers' salaries have been provided for using the total remuneration package maximum payable to a Senior Managers for a category 2 municipality in terms of the COGTA Notice Number 380 of 2016, published in Government Gazette Number 40117 dated 1 July 2016.

Due to the current financial situation, performance bonuses have not been budgeted for.

### Remuneration of councillors

Due to the current financial situation of the municipality, Councillor allowances have been budgeted based on the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances, and Benefits of different

members of municipal councils published in 2014/2015 by the Department of Cooperative Governance.

A cost of living adjustment at 6.4% has been provided in the budget.

**Table 7: Summary of Councillors Remuneration and Municipal Officials Remuneration**

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget	Adjustment Budget (1)	Budget Year +1	Budget Year +2	Budget Year +3
Salaries, Wages & Allowances	78 897 444	80 419 316	84 846 564	89 682 818	94 705 056
Remuneration of Councillors	5 173 833	5 173 833	5 504 958	5 818 741	6 144 590
<b>TOTAL</b>	<b>84 071 277</b>	<b>85 593 149</b>	<b>90 351 522</b>	<b>95 501 559</b>	<b>100 849 646</b>

**Table 8 : Detail Salary Budget**

	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget	Adjustment Budget (1)	Budget Year +1	Budget Year +2	Budget Year +3
<b><u>REMUNERATION OF COUNCILLORS</u></b>					
Executive Mayor;	807 929	807 929	859 636	908 636	959 519
Deputy Mayor;	401 166	401 166	426 841	451 171	476 436
Speaker-EXCO;	650 515	650 515	692 148	731 600	772 570
Councillors;	2 232 615	2 232 615	2 375 502	2 510 906	2 651 517
Executive Committee;	1 081 608	1 081 608	1 150 831	1 216 428	1 284 548
<b>RENUMERATION POLITICAL OFFICE BEARERS</b>	<b>5 173 833</b>	<b>5 173 833</b>	<b>5 504 958</b>	<b>5 818 741</b>	<b>6 144 590</b>
<b><u>EMPLOYEE RELATED COSTS - WAGES &amp; SALARIES</u></b>					
Salaries & Allowances;	49 618 064	53 448 115	57,128,464	60,384,786	63,766,334
Standby Allowance	720 433	711 855	782,513	827,117	873,435
Shift Allowance	185 390	75 813	95,515	100,959	106,613
Overtime;	4 120 000	4 040 898	4,855,913	5,132,700	5,420,131
<b><u>SubTotal</u></b>	<b>54 643 887</b>	<b>58 276 680</b>	<b>62,862,405</b>	<b>66,445,562</b>	<b>70,166,514</b>
<b><u>EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS</u></b>					
Bonuses;	5 164 080	4 790 633	4 212 344	4 452 447	4 701 785
Travel Allowance;	5 987 694	4 992 595	5 109 595	5 400 842	5 703 289
Housing Allowance;	446 480	550 444	558 584	590 423	623 487



Telephone;	799 020	676 584	705 384	745 591	787 344
Medical Aid Contributions;	3 243 836	3 642 205	3 799 315	4 015 876	4 240 765
Pension Fund Contributions;	6 510 733	6 131 800	6 770 547	7 156 468	7 557 231
Group Life Contribution;	424 236	299 209	471 294	498 157	526 054
UIF Contributions;	348 123	317 810	327 494	346 161	365 546
Bargaining Council Contribut	19 025	16 957	17 603	18 606	19 648
Post-Retirement Medical Expe	600 000	-	-	-	-
Long Service Awards Expense;	700 000	700 000	-	-	-
Clothing Allowance	10 330	24 400	12 000	12 684	13 394
SubTotal	24 253 558	22 142 636	21 984 159	23 237 256	24 538 542
<b>RENUMERATION MUNICIPAL STAFF</b>	<b>84 071 277</b>	<b>85 593 149</b>	<b>84 846 564</b>	<b>89 682 818</b>	<b>94 705 056</b>

### THREE-YEAR OPERATIONAL PLAN

**Table 9 : Summary Of Operating Budget Per Department**

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget	Adjustment Budget (1)	Budget Year +1	Budget Year +2	Budget Year +3
<b>DEPARTMENTS</b>					
EXECUTIVE AND COUNCIL-MAYOR AND COUNCILLORS	5 283 833	5 307 149	5 910 408	6 247 301	6 597 150
EXECUTIVE AND COUNCIL-OFFICE OF THE MUNICIPAL MANAGER	9 174 348	12 338 746	11 801 336	12 474 012	13 172 557
ADMINISTRATION AND FINANCE:BUDGET AND TREASURY	14 807 062	15 097 841	15 834 705	15 044 349	16 048 553
ADMINISTRATION AND FINANCE:CORPORATE SERVICES	22 725 702	29 929 800	29 412 163	31 102 661	32 849 161
COMMUNITY AND SOCIAL SERVICES-COMMUNITY SERVICES	5 735 241	4 070 792	7 364 440	7 755 143	8 160 871
COMMUNITY AND SOCIAL SERVICES-HEALTH(ENVIRONMENTAL)	3 451 054	3 378 189	3 424 344	3 619 532	3 822 225
COMMUNITY AND SOCIAL SERVICES:DISASTER MANAGEMENT	4 859 760	4 193 275	5 602 090	5 921 409	6 253 008
COMMUNITY AND SOCIAL SERVICES:COMMUNITY HALLS AND FACILITIES	725 196	714 387	793 810	839 057	886 044
ECONOMIC DEVELOPMENT:PLANNING	11 273 539	13 278 611	16 048 245	15 279 276	16 575 942
TRADING SERVICES:WATER MANAGEMENT SERVICES	82 924 815	83 058 286	102 266 832	108 052 493	115 178 266
TRADING SERVICES:ENGINEERING SERVICES -PMU	11 208 729	10 284 265	11 184 708	9 931 264	10 487 415
<b>TOTAL DIRECT OPERATING EXPENDITURE</b>	<b>172 169 278</b>	<b>181 651 343</b>	<b>209 643 081</b>	<b>216 266 497</b>	<b>230 031 192</b>

**Table 10 : Capital Projects**

CAPITAL PROJECTS AND CAPITAL PROGRAMMES	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2017/2018	2018/2019	2019/2020
	Budget Year +1	Budget-Year +2	Budget Year +3
<b>MUNICIPAL INFRASTRUCTURE PROJECTS</b>			
MIG PMU admin cost	1 000 000	2 199 650	2 319 750
Goedehoop bulk water and sanitation	11 000 000	-	
Danhauser Housing Development Bulk Water and Sanitation	2 000 000	18 000 000	4 000 000
Buffalo Flats Water Supply Scheme Phase 3B	20 617 000	23 793 350	40 075 250
Construction of Buffalo Flats Sanitation project	7 100 000		
<b>SUB TOTAL</b>	<b>41 717 000</b>	<b>43 993 000</b>	<b>46 395 000</b>
<b>MUNICIPAL WATER INFRASTRUCTURE PROJECTS</b>			
Emxhakeni reticulation water scheme is an extension of existing water reticulation scheme to serve 500 households	3 248 303		
Pipeline extension and infrastructure in Skobharen and Alcockspruit	14 500 000	21 043 002	39 898 245
Construction of vip toilets in Dannhauser	4 500 000	4 500 000	4 500 000
Refurbishment of DNC WWTP, Tweediedale and Utrecht WTP	5 580 287	9 583 770	6 713 214
Refurbishment and upgrade of Durnacol Water Treatment Works in Dannhauser	18 000 000	-	-
Construction of Brakfontein resevoir	22 171 410	2 641 305	
Refurbishment of old existing dilapidated Asbestos pipes to prevent water losses	-	21 560 000	10 677 923
Refurbishment of old existing dilapidated Asbestos pipes to prevent water losses	-	10 671 923	21 653 000
Water Conservation and Demand Management in Amajuba District Municipality	-	8 000 000	4 557 618
Planning for the refurbishment of old existing dilapidated Asbestos pipes to prevent water losses in Utrecht, Dannhauser and Durnacol	2 000 000		
<b>SUB TOTAL</b>	<b>70 000 000</b>	<b>78 000 000</b>	<b>88 000 000</b>
<b>ROAD TRANSPORT AND ENERGY DEMAND MANAGEMENT GRANT PROJECTS</b>			
Road Asset Management Grant	2 200 000	2 316 000	2 448 000
Energy Efficiency and Demand Side Management Grant	6 000 000	5 000 000	5 000 000
<b>SUB TOTAL</b>	<b>8 200 000</b>	<b>7 316 000</b>	<b>7 448 000</b>
<b>CONTRIBUTIONS FROM OWN REVENUE CAPITAL INFRASTRUCTURE</b>			
Office Furniture & Equipment-Corporate Services	24 000	25 416	26 890
Office Furniture & Equipment-Financial services	126 000		
<b>SUB TOTAL</b>	<b>150 000</b>	<b>25 416</b>	<b>26 890</b>
<b>TOTAL CAPITAL BUDGET</b>	<b>120 067 000</b>	<b>129 334 416</b>	<b>141 869 890</b>

Lastly, I wish to urge all Councilors, officials, private business and civil society to join us in our quest to change our municipality for the best. Together we can do more to change our lives for the better. As Albert Einstein said; *“the definition of insanity is doing the same thing over and over again, but expecting different results”*.

God bless Amajuba District Municipality and its people!!!

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**Cllr MG Ngubane**  
**Mayor**  
**Amajuba District Municipality**

### **RECOMMENDATIONS**

It is recommended **THAT**:

1. The Operating Expenditure Budget for the 2017/18 financial year amounting to **R209 643 081** as well as the appropriations for the outer years of the MTREF period of **R 216 266 497** for the 2018/19 and **R 230 031 192** for the 2019/20 financial years be approve;
2. The Operating Revenue Budget for the 2017/18 financial year amounting to **R181 004 585** as well as the appropriations for the outer years of the MTREF period of **R188 862 016** for the 2018/19 and **R 202 822 953** for the 2019/20 financial years be approved
3. The Capital Budget allocation of **R120 067 000** to be funded mainly from Municipal Infrastructure Grant (MIG) allocation AND the Municipal Water Infrastructure Grant allocations;
4. The Operating Deficit of **R28,638,496** be noted
5. The Draft Budget Assessment Report from Provincial Treasury with the necessary adjustments made to the Final Draft Budget be noted.
6. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following amendments to the water tariff structure:

7. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following amendments to the sanitation tariff structure:
8. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts the following amendments to the general tariff structure:
9. All amendments to the tariff structure be effective from 01 July 2017 or the first billing cycle after the 01 July 2017;

<b>Service / Category</b>	<b>2016 Excl vat</b>	<b>Approved 2017 Excl vat</b>	<b>Proposed 2017/2018 increase (Excl. vat)</b>	<b>Proposed 2017/2018 Tariff (Excl. vat)</b>	<b>% increase 2017/2018</b>
<b><u>Water supply</u></b>					
<b><u>Residential/Charitable/Religious</u></b>					
0kl-6kl	-	6.73	0.43	7.16	6.40
7kl-20kl	7.8	7.8	0.50	8.30	6.40
21kl-40kl	9.36	9.36	0.60	9.96	6.40
41kl-60kl	11.55	11.55	0.74	12.29	6.40
60kl+	13.97	13.97	0.89	14.86	6.40
<b><u>Business &amp; Industry per KL</u></b>					
0kl-6kl	8.32	8.32	0.53	8.85	6.40
7kl-20kl	9.85	9.85	0.63	10.48	6.40
21kl-40kl	10.91	10.91	0.70	11.61	6.40
41kl-60kl	11.98	11.98	0.77	12.75	6.40
60kl+	13.04	13.04	0.83	13.87	6.40
<b><u>Other</u></b>					
0kl-6kl	11.05	11.05	0.71	11.76	6.40
7kl-20kl	8.55	8.55	0.55	9.10	6.40
21kl-40kl	9.55	9.55	0.61	10.16	6.40
41kl-60kl	11.1	11.1	0.71	11.81	6.40
60kl+	12.7	12.7	0.81	13.51	6.40
<b>Raw water per kl</b>	<b>5.46</b>	<b>5.8</b>	0.37	6.17	6.40
<b><u>Sanitation</u></b>					
All customers per KL	4.72	4.72	0.30	5.02	6.40
Emptying septic tanks per load	565	600	38.40	638.40	6.40

<b><u>Availability charge</u></b>					
Serviced vacant land	110.16	150	9.60	159.60	6.40
<b><u>Business water services fixed charge</u></b>	37.81	37.81	2.42	40.23	6.40
-					
<b><u>Industrial water services fixed charge</u></b>	37.81	37.81	2.42	40.23	6.40
<b><u>Business &amp; Industrial sanitation services fixed charge</u></b>	72.35	72.35	4.63	76.98	6.40
<b><u>Testing of meters</u></b>					
Exceeds 50mm	Cost + 10%	Cost + 10%		Cost + 10%	
<b><u>New connections</u></b>					
<b><u>Water</u></b>					
Connections 25mm and less	Cost + 10%	Cost + 10%		Cost + 10%	
Connections greater than 25mm	Cost + 10%	Cost + 10%		Cost + 10%	
<b><u>Sanitation</u></b>					
All connections	Cost + 10%	Cost + 10%		Cost + 10%	
<b><u>Deposits (New and Reconections)</u></b>					
Domestic	700	750	48.00	798.00	6.40
Commercial	1 300.00	1 400.00	89.60	1 489.60	6.40
<b><u>Reconnection Fee</u></b>	100	100	6.40	106.40	6.40
<b><u>Disconnection Fee</u></b>					
Water restricted (non-paying customers)	-	-	6.40	106.40	100.00
<b><u>Water tank deliveries</u></b>					
Water tank delivery per load	-	-		Cost + 10%	

10. The approved budget be submitted to National Treasury, the Provincial Treasury and the Provincial Department of Cooperative Governance and Traditional Affairs in the prescribed format as well as be publicized to the general public.

## Executive Summary

The draft budget is prepared and presented to Council in line with the MFMA requirements.

The MFMA requires that the Mayor must table the draft budget 90 days before the start of the financial year. After the draft budget, has been tabled in Council, the Mayor must conduct a public participation process where by the public is afforded the opportunity to comment on the budget and make any recommendations to be considered during the budget process.

The Final Draft MTREF 2017/2018-20 Budget as tabled today hereby conforms to the above budget processes which the municipality diligently followed and confirms the heavy dependence of Amajuba DM on grant funding to fund service delivery.

### Budget Parameters

#### Headline Inflation Forecasts

The Municipality has taken the following macro-economic forecasts into consideration when preparing the 2017/18 budget and MTREF –

#### Headline inflation forecasts

Fiscal year	2017	2018	2019	2020
	Estimate		Forecast	
CPI Inflation	6.4	6.4	5.7	5.6

Source: MFMA Circular No.86

### Budget Funding

Due the budgeted deficit, the budget is not funded as required by section 18 of the MFMA.

Our core mandate of water and sanitation has been prioritised with the rest of the budgeted provided for funded programmes. These are normally funded from grants

### Cost Curtailing Measures

The municipality continues to implement the cost curtailment measures as recommended by MFMA circular 82 and in drafting the budget, the municipality has considered MFMA circular 82 cost curtailment measures as updated in November 2016.

To manage cash flows further effectively, the municipality is among other things, performing the following:

- Prioritizing service delivery related requisitions and payments;
- Prioritizing requisitions and payments that are unavoidable and of emergency service delivery and operational nature, including ICT license fees and maintenance, water, and electricity bills, etc;

- Delaying third party payments until due dates; and
- Introduction of top-up and limitation of 3G monthly usage from February 2017.

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget	Adjustment Budget (1)	Budget Year +1	Budget Year +2	Budget Year +3
<b>REVENUE PER SOURCE</b>					
OPERATING REVENUE BUDGET	161 781 445	167 281 483	181 004 585	188 862 016	202 822 953
CAPITAL REVENUE BUDGET-GRANTS AND SUBSIDIES	91 041 000	91 041 000	119 917 000	129 309 000	141 843 000
CAPITAL REVENUE BUDGET-OWNU REVENUE	-	109 416	150 000	25 416	26 890
<b>TOTAL REVENUE BUDGET</b>	<b>252 822 445</b>	<b>258 431 899</b>	<b>301 071 585</b>	<b>318 196 432</b>	<b>344 692 843</b>

The following table indicates the grants allocations as indicated in the Division of Revenue Bill as well as Provincial allocations as indicated:

	Current Year		Medium Term Revenue and Expenditure Framework		
	Budget Year	Adjustment Budget	Budget Year +1	Budget Year +2	Budget Year +3
<b>GOVERNMENT GRANTS &amp; SUBSIDIES - ALLOCATIONS</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/2020</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b><u>National Grant Allocations</u><sup>1</sup></b>					
1. Municipal Infrastructure Grant	39 577 000	39 577 000	41 717 000	43 993 000	46 395 000
2. Municipal Systems Improvement Grant (Allocations in Kind)	1 041 000	1 041 000	1 636 000	-	-
3. Financial Management Grant	1 500 000	1 500 000	1 500 000	1 755 000	2 015 000
4. Equitable Share	63 222 000	63 222 000	66 837 000	71 116 000	75 351 000
5. RSC Levies Replacement	65 938 000	65 938 000	71 128 000	77 635 000	84 481 000
6.DWAF Water Operating Subsidy	-	-	-	-	-
7.Municipal Water Infrastructure Grant	49 400 000	49 400 000	70 000 000	78 000 000	88 000 000
8.Expanded Public Works Programme incentive Grant	1 497 000	1 497 000	1 789 000	-	-
9.Rural Transport and Infrastructure	2 064 000	2 064 000	2 200 000	2 316 000	2 448 000
10.Rural Households Infrastructure Grant	-	-	-	-	-

11.Energy Efficiency and Demand Side Management Grant	-	-	6 000 000	5 000 000	5 000 000
<b>Sub Total - National Grant Allocations</b>	<b>224 239 000</b>	<b>224 239 000</b>	<b>262 807 000</b>	<b>279 815 000</b>	<b>303 690 000</b>
<b>Provincial Grant Allocations<sup>2</sup></b>					
11.Development Planning Shared Services	250 000	400 000	1 300 000	500 000	1 000 000
11.1Councillor Support-Capacity Building		350 000			
12.'Small Town Rehabilitation Programme-PSC					
<b>Sub Total - Provincial Grant Allocations</b>	<b>250 000</b>	<b>750 000</b>	<b>1 300 000</b>	<b>500 000</b>	<b>1 000 000</b>
<b>TOTAL GRANT ALLOCATIONS</b>	<b>224 489 000</b>	<b>224 989 000</b>	<b>264 107 000</b>	<b>280 315 000</b>	<b>304 690 000</b>

## Part 2- Supporting Documentation

### 2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources



### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

With the compilation of the 2017/2018 MTREF, each department / function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2016/17 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
JULY	<ul style="list-style-type: none"> <li>▪ Finalisation of IDP Review document and submission to the COGTA for approval by the MEC.</li> <li>▪ IDP Review Process Plan Drafted.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adoption of the PMS</li> <li>▪ Implementation of approved SDBIP for current financial year</li> <li>▪ Final assessment of previous financial year SDBIP</li> <li>▪ Signing of new performance contracts for Section 57 Managers and submission to EXCO (Section 69 of the MFMA and Section 57 of the MSA).</li> </ul>	<b>Mayor and Council / Entity Board</b>	<b>Administration - Municipality and Entity</b>	<b>Budget Review Activities</b>
			<ul style="list-style-type: none"> <li>▪ Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process</li> </ul> <b>MFMA s 53</b> <ul style="list-style-type: none"> <li>▪ Planning includes review of the previous year's budget process and completion of the Budget Evaluation Checklist</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting officers and senior officials of municipality and entities begin planning for next three-year budget</li> </ul> <b>MFMA s 68, 77</b> <ul style="list-style-type: none"> <li>▪ Accounting officers and senior officials of municipality and entities review options and contracts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Approve and announce new budget schedule and set up committees and forums.</li> <li>▪ Consultation on performance and changing needs.</li> </ul>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET	for service delivery <b>MSA s 76-81</b>	
<b>AUGUST</b>	<ul style="list-style-type: none"> <li>▪ IDP Review Process Plan tabled at EXCO and Council for approval.</li> <li>▪ <b>IDP preparation process initiated.</b></li> <li>▪ Review of comments received on the previous financial year IDP Review document.</li> <li>▪ Self-assessment to identify gaps in the IDP process.</li> <li>▪ Integration of information from adopted Sector Plans into the IDP Review document.</li> <li>▪ Initiation of new sector plans into the IDP.</li> <li>▪ Review and updating of the IDP Vision, Mission and</li> </ul>	<ul style="list-style-type: none"> <li>▪ Final S57 Managers' Performance Assessments</li> <li>▪ Quarterly Audit Committee meeting (for the last quarter of 05/06) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year.</li> </ul> <p><b>MFMA s 21,22, 23;</b> <b>MSA s 34, Ch 4 as amended</b></p> <ul style="list-style-type: none"> <li>▪ Mayor establishes committees and consultation forums for the budget process</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting Officer to submit AFS to Auditor-General [Due by 31 August, <b>MFMA Sec 126(1)(a)</b> ]</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consultation on performance and changing needs.</li> <li>▪ Review performance and financial position.</li> <li>▪ Review external mechanisms.</li> <li>▪ Start Planning for next three years.</li> </ul>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	<ul style="list-style-type: none"> <li>Objectives.</li> <li>▪ Updating and review of the strategic elements of the IDP in light of the new focus of Council.</li> <li>▪ Compilation of the SDF</li> <li>▪ Collection of the SDF data from sector plans and population data</li> </ul>				
SEPT	<ul style="list-style-type: none"> <li>▪ Integration of information from adopted Sector Plans into the IDP Review document.</li> <li>▪ Review of Spatial Development Framework.</li> <li>▪ Updating and review of the strategic elements of the IDP in light of the new focus of Council.</li> <li>▪ Collection of the SDF data from sector plans and</li> </ul>	<ul style="list-style-type: none"> <li>▪ Auditor General audit of performance measures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account</li> </ul>	<ul style="list-style-type: none"> <li>▪ Update policies, priorities and objectives.</li> <li>▪ Determine revenue projections and policies.</li> </ul>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	population data			strategic objectives Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)	
<b>OCTOBER</b>	<ul style="list-style-type: none"> <li>▪ Integration of information from adopted Sector Plans into the IDP Review document.</li> <li>▪ Review of Spatial Development Framework.</li> <li>▪ Updating and review of the strategic elements of the IDP in light of the new focus</li> </ul>	<ul style="list-style-type: none"> <li>▪ Appointment of Internal Auditors (MFMA Sect 55(2))</li> <li>▪ Appointment of the Audit Committee (MPPR Reg. 14)</li> <li>▪ Sect 57 Managers' quarterly assessments (for first quarter)</li> <li>▪ Assessment of the SDBIP (for first quarter)</li> <li>▪ First draft annual report to Auditor</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials</li> </ul> <p><b>MFMA s 35, 36, 42;</b></p>	<ul style="list-style-type: none"> <li>▪ Determine revenue projections and policies.</li> <li>▪ Engagement with sector departments, share and evaluate plans, national policies, MTBPS.</li> <li>▪ Draft initial allocations to functions.</li> <li>▪ Draft initial changes to IDP.</li> </ul>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	of Council.	General		MTBPS	
<b>NOVEMBER</b>	<ul style="list-style-type: none"> <li>▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ Identification of priority IDP projects.</li> <li>▪ Project alignment between the DM and LM's.</li> <li>▪ Municipal alignment sessions under auspices of COGTA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quarterly Audit Committee meeting (for the first quarter) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting officer reviews and drafts initial changes to IDP</li> </ul> <p><b>MSA s 34</b></p> <ul style="list-style-type: none"> <li>▪ Auditor-General to return audit report [Due by 30 November, <b>MFMA 126(4)</b>]</li> </ul>	<ul style="list-style-type: none"> <li>▪ Draft initial changes to IDP.</li> <li>▪ Consolidation of budgets and plans.</li> <li>▪ Executive determines strategic choices for next three years.</li> </ul>
<b>DECEMBER</b>	<ul style="list-style-type: none"> <li>▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ Project alignment between the DM and LM's.</li> <li>▪ Identification of priority IDP projects.</li> <li>▪ Development of Spatial strategies and mapping.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Compile annual report (MFMA Sect 121)</li> <li>▪ Quarterly Audit Committee (MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Council finalises tariff (rates and service charges) policies for next financial year</li> </ul> <p><b>MSA s 74, 75</b></p>	<ul style="list-style-type: none"> <li>▪ Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous years performance as per audited financial statements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Executive determines strategic choices for next three years.</li> <li>▪ Finalise tariff policies.</li> </ul>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
<b>JANUARY</b>	<ul style="list-style-type: none"> <li>▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ Identification of priority IDP projects.</li> <li>▪ Development of Spatial strategies and mapping.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mayor tables annual report (MFMA Sect 127(2))</li> <li>▪ Mid-year Sect 57 Managers' performance assessments</li> <li>▪ Mid-year assessment of the SDBIP MPPR Reg. 14</li> </ul>	<ul style="list-style-type: none"> <li>▪ Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year</li> </ul> <p><b>MFMA s 87(1)</b></p>	<ul style="list-style-type: none"> <li>▪ Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January)</li> </ul> <p><b>MFMA s 36</b></p>	<ul style="list-style-type: none"> <li>▪ Prepare detailed budgets and plans for the next three years.</li> </ul>
<b>FEBRUARY</b>	<ul style="list-style-type: none"> <li>▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ Identification of priority IDP projects.</li> <li>▪ Alignment of the draft budget and capital investment framework with the</li> </ul>	<ul style="list-style-type: none"> <li>▪ Make public annual report and invite community inputs into report (MFMA Sect 127 &amp; MSA Sect 21a)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity</li> </ul> <p><b>MFMA s 87(2)</b></p>	<ul style="list-style-type: none"> <li>▪ Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prepare detailed budgets and plans for the next three years.</li> <li>▪ Executive adopts budget and plans and changes to IDP.</li> </ul>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	SDF			recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report ▪ Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year <b>MFMA s 37(2)</b>	
<b>MARCH</b>	<ul style="list-style-type: none"> <li>▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets.</li> <li>▪ Initiate preparation of Capital Investment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Council to consider and adopt an oversight report [Due by 31 March <b>MFMA Sec 129(1)</b></li> <li>▪ Submit annual to AG,</li> </ul>	<ul style="list-style-type: none"> <li>▪ Entity board of directors considers recommendations of parent municipality and submit revised budget by</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting officer publishes tabled budget, plans, and proposed revisions to IDP,</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mayor tables budget, resolutions, plans and changes to IDP at least 90 days before the start of the</li> </ul>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	<ul style="list-style-type: none"> <li>Plan.</li> <li>▪ Initiate preparation of Financial Plan.</li> <li>▪ Conclusion of Sector Plans initiated for the previous financial year and integration into the IDP Review report.</li> <li>▪ Finalisation of the SDF</li> <li>▪ Submission of Draft 2014/15 Reviewed IDPs to COGTA</li> </ul>	<ul style="list-style-type: none"> <li>Provincial &amp; DTLGA (MFMA Sect 127)</li> <li>▪ Set performance objectives for revenue for each budget vote (MFMA Sect 17)</li> </ul>	<ul style="list-style-type: none"> <li>22nd of month</li> <li><b>MFMA s 87(2)</b></li> <li>▪ Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year</li> <li><b>MFMA s 16, 22, 23, 87; MSA s 34</b></li> </ul>	<ul style="list-style-type: none"> <li>invites local community comment and submits to NT, PT and others as prescribed</li> <li><b>MFMA s 22 &amp; 37; MSA Ch 4 as amended</b></li> <li>▪ Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March</li> <li><b>MFMA s 42</b></li> </ul>	<ul style="list-style-type: none"> <li>financial year.</li> </ul>
<b>APRIL</b>	<ul style="list-style-type: none"> <li>▪ Incorporation of DORA information into the IDP document.</li> <li>▪ Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets.</li> <li>▪ Identify departmental allocations from Municipality's Own</li> </ul>	<ul style="list-style-type: none"> <li>▪ Refinement of Municipal Strategies, Objectives, KPA's, KPI's and targets and inclusion into IDP Review report.</li> <li>▪ Submit Annual Report to Provincial Legislature/M EC Local Government [Due mid-April <b>MFMA Sec 132(2)</b>]</li> <li>▪ S57</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc</li> <li>▪ <b>MFMA s 21</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consultation with National and Provincial Treasuries and finalise sector plans, water and sanitation, electricity, etc.</li> <li>▪ Public hearings on the Budget, Council Debate on Budget and Plans.</li> </ul>



MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	<ul style="list-style-type: none"> <li>Funds.</li> <li>▪ Workshops with Portfolio Councillors to identify projects to which Own Funds will be allocated to.</li> <li>▪ Preparation of Capital Investment Plan.</li> <li>▪ Preparation of Financial Plan.</li> <li>▪ Conclusion of Sector Plans initiated for the previous financial year and integration into the IDP Review report.</li> <li>▪ Convening of decentralised IDP Assessment Forums</li> </ul>	<ul style="list-style-type: none"> <li>Managers' Quarterly Performance Assessments</li> <li>▪ Publicise Annual Report [Due mid- April <b>MFMA Sec 129(3)</b>]</li> <li>▪ Quarterly Annual Report [Due mid-April <b>MFMA Sec 129(3)</b>]</li> <li>▪ Budget for expenses of audit committee</li> </ul>		<ul style="list-style-type: none"> <li>third quarterly review of the current year</li> </ul>	
<b>MAY</b>	<ul style="list-style-type: none"> <li>▪ Public participation process launched through series of public hearings on the IDP and Budget.</li> <li>▪ Prepare department</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual review of organisational KPIs (MPPR Reg. 11)</li> <li>▪ Review annual organisational performance targets (MPPR Reg. 11)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting officer assists the Mayor in preparing the final budget documentation for consideration for</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public hearings on the Budget, Council Debate on Budget and Plans.</li> <li>▪ Council adopts budget, resolutions, capital</li> </ul>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	<p>al business plans linked to the IDP strategies, objectives, KPI's and targets.</p> <ul style="list-style-type: none"> <li>▪ IDP Assessment feedback</li> </ul>		<p>provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year.</p> <p><b>MFMA s 23, 24; MSA Ch 4 as amended</b></p> <ul style="list-style-type: none"> <li>▪ Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality</li> </ul>	<p>approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature</p>	<p>implementation plans, objectives and changes in IDP.</p>

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
			<b>MFMA s 87</b>		
<b>JUNE</b>	<ul style="list-style-type: none"> <li>▪ IDP RF meeting to consider the amendments to the IDP.</li> <li>▪ EXCO recommends adoption of the IDP to Council.</li> <li>▪ Council workshop on the IDP.</li> <li>▪ Adoption of the IDP by Council.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community input into organisation KPIs and targets</li> <li>▪ Quarterly Audit Committee meeting MFMA Sect 166 &amp; MPPR Reg. 14(3)(a)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year</li> </ul> <p><b>MFMA s 16, 24, 26, 53</b></p> <ul style="list-style-type: none"> <li>▪ Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA.</li> </ul> <p><b>MFMA s 69; MSA s 57</b></p> <ul style="list-style-type: none"> <li>▪ Accounting officers of municipality and entities publishes adopted budget and plans</li> </ul> <p><b>MFMA s 75, 87</b></p>	<ul style="list-style-type: none"> <li>▪ Publish budget and plans.</li> <li>▪ Finalise performance contracts and delegation.</li> </ul>

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
			<p>the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval.</p> <ul style="list-style-type: none"> <li>▪ <b>MFMA s 53; MSA s 38-45, 57(2)</b></li> <li>▪ Council must finalise a system of delegations.</li> <li>▪ <b>MFMA s 59, 79, 82; MSA s 59-65</b></li> </ul>

### 2.1.2 Financial Modelling and Key Planning Drivers

The following key factors and planning strategies have informed the compilation of the Final 2017/18 MTREF:

- Municipality's growth;
- Policy priorities and strategic objectives;

- Asset maintenance;
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns);
- Performance trends;
- The approved 2016/17 adjustments budget and performance against the SDBIP;
- Cash Flow Management Strategy;
- Debtor payment levels;
- Loan and investment possibilities;
- The need for tariff increases versus the ability of the community to pay for services;  
and
- Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70 - 75 has been taken into consideration in the planning and prioritisation process.

### 2.1.4 Community Consultation

The Draft 2017/18 MTREF was tabled before Council on the 30<sup>th</sup> March 2017;

### 2.1.5 IDP/Budget Roadshows

A vigorous communication and information dissemination campaign aimed at reaching out to all the communities of Amajuba District Municipality was undertaken and the following means of communication and mobilization were utilized:

- Notices pamphlets distribution at local schools, shops and crowded areas.
- Loud hailing and mobilization through Ward Public meetings, War rooms and Ward Committees.
- Advertising schedule of meetings on Local Newspapers

Notice was given in terms of Chapter 4 Section 16 (1)(a)(i) of the Local Government Municipal Systems Act, Act 32 2000, that Amajuba District Municipality Council will be conducting roadshows on the 13 May 2017 and 14 May 2017 as per the schedule below.

DRAFT IDP/BUDGET CONSULTATIVE COMMUNITY MEETINGS			
COMMUNITY MEETINGS			
AREA	DATE	TIME	VENUE
Emadlangeni Local Municipality	13 May 2017	10h00	Berouw Amantungwa TAC Sports Grounds
Dannhauser Local Municipality	14 May 2016	10h00	Skobhareni Community Hall

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant and necessary was considered as part of the finalisation of the 2017/18 MTREF

Themes that come from IDP and budget road shows/public participation from the following areas:

### Summary Inputs from road shows May 2017

Bursaries and learnerships	Infrastructure Maintenance	Sufficient pay points for grants
Need for water and sanitation	Need for electricity	Efficiency of water tanker
I.D. documents	Boreholes for areas with no potable water	Provision of basic services for farm dwellers
Housing		
Upgrading of roads	Walking bridges	Construction of schools
Provision of water for grazing in drought seasons	Improved Disaster Management	Land for agricultural uses including grazing
Youth skills and development	Satellite offices for Sector Departments and Protection services e.g. SAPS	Speed humps on fast mobility routes
Job opportunities		Improving health care service provision
Special schools for kids living with disability	Improving mobilising systems	Subsistence Farmer protection in rural areas
Youth Empowerment in terms of access to tertiary institutions	Woman empowerment (Woman Co-op –Agriculture fencing)	Youth employment opportunities in Municipal Projects

#### 2.1.6 Submitting budget documentation and schedules for 2017/18 MTREF

All documents in the appropriate format (electronic and printed) will be submitted to National Treasury, Provincial Treasury and other national and provincial departments in accordance with section 23 of the MFMA.

## 2.2 Overview of alignment of annual budget with IDP

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

The 2017/18 MTREF has been directly informed by the IDP revision process and tables SA4 – SA6 provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

## 2.3 Overview of budget related-policies

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

The following policies have been reviewed and once adopted by Council they will be placed on the municipality's website:

- Accounting Policy;
- Bad Debt (Impairment) Policy;
- Banking, Cash Management, and Investment Policy;
- Budget Policy;
- Customer Care, Credit Control, and Debt Collection Policy - Review;
- Cellular Phones Allowance and 3G's Allocation Policy;
- Contract Management Policy;
- SCM Policy for Infrastructure Procurement and Delivery Management – New;
- Funding and Reserves Policy;
- Indigent Support Policy;
- Irregular Expenditure Policy;
- Petty Cash Policy;
- Supply Chain Management Policy;
- Tariff Policy; and
- Virement Policy.

## 2.4 Overview of budget assumptions

The 2017 Budget Review emphasised that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however; this is still not high enough to markedly reduce unemployment, poverty and inequality.

The unemployment rate was 26.5 per cent in the fourth quarter of 2016. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

These economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue.

Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

### 2.4.1 Headline inflation forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2017/18 budgets and MTREF.

Fiscal year	2017	2018	2019	2020
		Estimate	Forecast	
CPI Inflation	6.4	6.4	5.7	5.6

### 2.4.2 Key focus areas for the 2017/18 budget process

#### Local government conditional grants and additional allocations

The purpose of the conditional grants is to deliver on national government priorities relating to service delivery. Additional funding is allocated in the form of unconditional allocations such as the equitable share and the sharing of the general fuel levy. The main purpose of the equitable share is to fund the provision of free basic services to the poor.

It is imperative that municipalities reflect the conditional grant allocations as per the 2017 Division of Revenue Bill, and plan effectively to utilise these allocations appropriately so as to avoid requesting roll-overs.

#### Reforms to local government fiscal framework

The second phase of the collaborative review of the local government infrastructure grant system led by the National Treasury has been concluded. Several changes we introduced over the 2016 MTREF period to streamline these grants and improve the value and sustainability of associated investments. Proposed reforms include:

- Enabling the use of funds for the renewal, refurbishment and rehabilitation of existing infrastructure, alongside asset management systems to plan and prioritise maintenance;
- Reforming the public transport network grant to support financially sustainable transit networks in large cities by using a formula to allocate the grant, thereby giving cities a clear financial envelope within which to plan;
- Consolidating urban grants over the MTREF to tackle challenges in the built environment;
- Rationalising grants to reduce complexity and administrative burdens. Several water and sanitation grants are being merged:
  - The *municipal water infrastructure grant*, the *water services operating subsidy grant* and the *rural households infrastructure grant* will be merged into a single grant that will be targeted at reticulation and on-site-solutions in low capacity municipalities.
- Introducing greater differentiation between urban and rural areas. Secondary cities will see changes to their planning requirements.



## **2.5 Salient features of the 2017/2018 budget**

### **2.5.1 Employee related costs**

In terms of the MFMA Budget Circular No. 86 issued on 8 March 2017, salaries, and wages for 2017/2018 financial year have been increased by 7.36% (6.36 CPI plus 1%).

### **2.5.2 Remuneration of councillors**

Due to the current financial situation of the municipality, Councillor allowances have been budgeted based on the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances, and Benefits of different members of municipal councils published in 2014/2015 by the Department of Cooperative Governance

### **2.5.3 Service level standards**

Water and Sanitation policy will be tabled to Council on 30 May 2017 together with the tabling of the budget and all the proposals therein are part of the budget proposal.

### **2.5.4 Blue, Green and No Drop**

Blue, Green and No drop compliance issues have been dealt with through the maintenance of plant operations and water analysis votes.

R5.6 million has been put aside from capital budget to deal with blue and green drop compliance issues in the plants and the audit action plan has been developed in this regard.

### **2.5.5 Funding of the budget**

Due the budgeted deficit, the budget is not funded as required by section 18 of the MFMA.

### **2.5.6 Equitable Share**

Whilst the main purpose of the equitable share is to fund the provision of free basic services to the poor, 65% of the equitable share is consumed by salary related costs and Councillor allowances.

### **2.5.7 Revenue Forgone**

Amajuba District Municipality does not offer exemptions, rebates, deductions, and discounts.

### **2.5.8 Tariff Review**

Amajuba District Municipality will in future consider starting increasing tariffs slightly above CPIX to progressively phase in cost effectiveness in its tariffs.

### **2.5.9 Interest on External investments**

Interest on external investments has been projected based on unspent conditional grants invested during the year before they are spent.

### **2.5.10 Finance Changes**

Finance charges have been based on the amortization schedule indicating periodic loan repayments until the end of the loan term in 2025. This is loan with the DBSA.

**2.5.11 Bulk Purchases**

The budget for bulk water purchases from uThukela Water (Pty) Ltd has been increased from the adjustments budget by 6.4 %.

**2.5.12 Repairs and Maintenance**

3% (R9,6 million) of Property, Plant and Equipment valued at R319 million as at 30 June 2016 has been budgeted for Repairs and Maintenance against a norm of 8%. This low M &R budget is due to the current financial situation of the municipality.

**2.5.13 Interest on outstanding debtors**

The municipality has provided for a non-payment ratio of 44%. This provision includes the non-receipt of interest on outstanding debtors.

**2.5.14 Debt Impairment**

An amount of R13 million for debt impairment has been has been budgeted for.

**2.5.15 Credit Control and Debt Collection**

To contribute to the resolution of the financial problems, the municipality has taken the following initiatives:

- Strengthening of the implementation of the Debt Control and Collection Policy; and
- Initiating the process of procuring a Debt Collector to be tasked to specifically concentrate on collecting long outstanding debts.

**2.6 ASSESSMENT OF DRAFT MTREF 2017/2018-20 BY PROVINCIAL TREASURY.**

The Assessment report is attached as Annexure A for noting.

**2.7 OTHER SUPPORTING BUDGET SCHEDULES OTHER SUPPORTING TABLES**

## DC25 Amajuba - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	17 424	17 863	24 422	22 666	23 000	23 000	23 000	27 500	29 068	30 695
Investment revenue	717	1 017	1 788	800	3 624	3 624	3 624	4 000	4 228	4 465
Transfers recognised - operational	172 390	178 506	190 395	133 598	134 948	134 948	134 948	144 190	151 006	162 847
Other own revenue	10 133	12 188	11 100	4 717	5 709	5 709	5 709	5 315	4 561	4 816
	200 664	209 574	227 706	161 781	167 281	167 281	167 281	181 005	188 862	202 823
<b>Total Revenue (excluding capital transfers and contributions)</b>										
Employee costs	68 994	72 507	81 375	78 897	80 982	80 982	82 283	84 847	89 683	94 705
Remuneration of councillors	4 205	4 320	4 346	5 174	5 174	5 174	5 174	5 505	5 819	6 145
Depreciation & asset impairment	27 598	27 006	28 791	26 367	25 398	25 398	25 398	30 822	32 579	34 403
Finance charges	966	1 758	936	762	764	764	764	764	764	764
Materials and bulk purchases	7 000	7 511	13 518	20 000	20 000	20 000	20 000	21 280	22 493	23 753
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	457 794	88 921	108 104	40 969	49 896	49 896	49 896	66 426	64 929	70 262
<b>Total Expenditure</b>	566 557	202 024	237 071	172 169	182 214	182 214	183 515	209 643	216 266	230 031
<b>Surplus/(Deficit)</b>	(365 894)	7 550	(9 365)	(10 388)	(14 933)	(14 933)	(16 234)	(28 639)	(27 404)	(27 208)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6 525	40 445	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	(6 525)	(40 445)	-	-	-	-	-	-	-	-
	(365 894)	7 550	(9 365)	(10 388)	(14 933)	(14 933)	(16 234)	(28 639)	(27 404)	(27 208)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>										
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	(365 894)	7 550	(9 365)	(10 388)	(14 933)	(14 933)	(16 234)	(28 639)	(27 404)	(27 208)
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	328 815	40 445	37 733	91 041	91 150	91 150	91 150	120 067	129 334	141 870
Transfers recognised - capital	-	40 445	37 733	91 041	91 041	91 041	91 041	119 917	129 309	141 843
Public contributions & donations	327 567	-	-	-	-	-	-	-	-	-

Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 248	-	-	-	109	109	109	150	25	27
<b>Total sources of capital funds</b>	<b>328 815</b>	<b>40 445</b>	<b>37 733</b>	<b>91 041</b>	<b>91 150</b>	<b>91 150</b>	<b>91 150</b>	<b>120 067</b>	<b>129 334</b>	<b>141 870</b>
<b><u>Financial position</u></b>										
Total current assets	12 156	34 503	43 403	37 298	39 208	39 208	39 208	41 850	41 750	42 950
Total non current assets	319 703	674 706	611 806	783 831	783 831	783 831	783 831	692 919	790 175	908 792
Total current liabilities	55 893	85 407	106 401	27 940	27 940	27 940	27 940	42 148	29 478	24 857
Total non current liabilities	9 687	8 871	8 162	10 530	10 530	10 530	10 530	12 300	11 900	11 800
Community wealth/Equity	266 279	614 931	540 645	782 659	784 568	784 568	784 568	680 321	790 547	915 086
<b><u>Cash flows</u></b>										
Net cash from (used) operating	(43 081)	39 752	55 419	80 072	76 070	76 070	76 070	121 372	124 714	148 226
Net cash from (used) investing	31 430	(40 445)	(37 644)	(91 041)	(91 150)	(91 150)	(91 150)	(120 067)	(129 334)	(141 870)
Net cash from (used) financing	9 687	509	66	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>330</b>	<b>148</b>	<b>17 990</b>	<b>(27 903)</b>	<b>2 909</b>	<b>2 909</b>	<b>2 909</b>	<b>4 215</b>	<b>(406)</b>	<b>5 950</b>
<b><u>Cash backing/surplus reconciliation</u></b>										
Cash and investments available	330	145	17 987	7 000	8 909	8 909	8 909	18 500	20 000	22 000
Application of cash and investments	43 727	56 379	78 029	4 692	1 968	1 968	1 968	31 864	19 568	15 219
<b>Balance - surplus (shortfall)</b>	<b>(43 396)</b>	<b>(56 234)</b>	<b>(60 042)</b>	<b>2 308</b>	<b>6 941</b>	<b>6 941</b>	<b>6 941</b>	<b>(13 364)</b>	<b>432</b>	<b>6 781</b>
<b><u>Asset management</u></b>										
Asset register summary (WDV)	319 703	319 070	321 957	428 195	428 195	428 195	403 071	403 071	500 327	618 944
Depreciation	27 598	27 006	28 791	26 367	25 398	25 398	30 822	30 822	32 579	34 403
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	4 230	7 303	9 558	5 220	4 138	4 138	9 632	9 632	10 181	10 751
<b><u>Free services</u></b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b><u>Households below minimum service level</u></b>										
Water:	13	12	14	14	14	14	14	14	14	14
Sanitation/sewerage:	41	23	41	41	41	41	41	41	41	41
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

DC25 Amajuba - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
					R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
<b>Revenue – Functional</b>											
<i>Governance and administration</i>		66 317	75 463	79 356	83 399	88 527	88 527	65 806	67 990	72 083	
Executive and council		11 790	13 901	13 346	14 021	14 023	14 023	17 369	18 394	19 461	
Finance and administration		54 527	61 562	66 010	69 378	74 504	74 504	48 436	49 596	52 622	
Internal audit		-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		6 504	5 804	6 607	6 632	6 672	6 672	15 658	16 606	17 550	
Community and social services		6 504	128	490	200	240	240	12 150	12 891	13 620	
Health		-	5 676	6 117	6 432	6 432	6 432	3 508	3 715	3 930	
<i>Economic and environmental services</i>		-	948	-	400	1 871	1 871	15 222	14 026	15 243	
Planning and development		-	948	-	400	1 871	1 871	15 222	14 026	15 243	
<i>Trading services</i>		127 842	127 359	141 948	71 351	70 213	70 213	84 318	90 241	97 947	
Water management		127 842	127 359	141 948	71 351	70 213	70 213	84 318	90 241	97 947	
<b>Total Revenue – Functional</b>	2	<b>200 664</b>	<b>209 574</b>	<b>227 911</b>	<b>161 781</b>	<b>167 281</b>	<b>167 281</b>	<b>181 005</b>	<b>188 862</b>	<b>202 823</b>	
<b>Expenditure – Functional</b>											
<i>Governance and administration</i>		382 105	58 309	68 885	51 991	62 674	62 674	62 959	64 868	68 667	
Executive and council		348 544	17 157	21 011	14 458	17 646	17 646	17 712	18 721	19 770	
Finance and administration		33 561	41 153	47 874	37 533	45 028	45 028	45 247	46 147	48 898	
<i>Community and public safety</i>		20 341	16 452	13 092	14 771	12 343	12 343	17 185	18 135	19 122	
Community and social services		20 341	13 429	10 091	11 320	8 978	8 978	13 760	14 516	15 300	
Health		-	3 023	3 001	3 451	3 364	3 364	3 424	3 620	3 822	
<i>Economic and environmental services</i>		18 671	15 756	16 469	11 274	13 870	13 870	16 048	15 279	16 576	
Planning and development		18 671	15 756	16 469	11 274	13 870	13 870	16 048	15 279	16 576	
<i>Trading services</i>		145 440	111 506	138 830	94 134	93 328	93 328	113 452	117 983	125 666	
Water management		145 440	111 506	138 830	94 134	93 328	93 328	113 452	117 983	125 666	
<b>Total Expenditure – Functional</b>	3	<b>566 557</b>	<b>202 024</b>	<b>237 276</b>	<b>172 169</b>	<b>182 214</b>	<b>182 214</b>	<b>209 643</b>	<b>216 266</b>	<b>230 031</b>	
<b>Surplus/(Deficit) for the year</b>		<b>(365 894)</b>	<b>7 550</b>	<b>(9 365)</b>	<b>(10 388)</b>	<b>(14 933)</b>	<b>(14 933)</b>	<b>(28 639)</b>	<b>(27 404)</b>	<b>(27 208)</b>	

DC25 Amajuba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand		Audited Outcome	Audited Outcome	Audited Outcome						
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		11 790	13 801	13 336	14 021	14 021	14 021	5 494	5 818	6 155
Vote 2 - Executive and Council_Municipal Manger		-	100	10	-	2	2	11 875	12 576	13 305
Vote 3 - Finance and Administration_Budget and Treasury Office		54 103	60 505	65 128	69 295	74 345	74 345	19 167	18 590	19 818
Vote 4 - Finance and Administration_Corporate Services		424	1 057	882	84	159	159	29 270	31 006	32 804
Vote 5 - Community and Public Safety Services		5 625	128	490	200	240	240	5 755	6 118	6 454
Vote 6 - Community and Public Safety Services		-	-	-	-	-	-	794	841	889
Vote 7 - Community and Public Safety Services		880	-	-	-	-	-	5 602	5 933	6 277
Vote 8 - Community and Public Safety Services		-	5 676	6 117	6 432	6 432	6 432	3 508	3 715	3 930
Vote 9 - Economic and Environment Services		-	948	-	400	1 871	1 871	15 222	14 026	15 243
Vote 10 - Trading Services_Services_Other		62 552	104	56 228	1 497	1 497	1 497	11 394	10 172	10 762
Vote 11 - Trading_Services_Water Managemet		65 290	127 255	85 720	69 854	68 716	68 716	72 924	80 069	87 185
<b>Total Revenue by Vote</b>	2	<b>200 664</b>	<b>209 574</b>	<b>227 911</b>	<b>161 781</b>	<b>167 281</b>	<b>167 281</b>	<b>181 005</b>	<b>188 862</b>	<b>202 823</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		337 123	7 806	11 699	5 284	5 307	5 307	5 910	6 247	6 597
Vote 2 - Executive and Council_Municipal Manger		11 420	9 351	9 313	9 174	12 339	12 339	11 801	12 474	13 173
Vote 3 - Finance and Administration_Budget and Treasury Office		12 131	16 390	13 225	15 157	15 448	15 448	15 835	15 044	16 049
Vote 4 - Finance and Administration_Corporate Services		21 430	24 763	34 649	22 376	29 580	29 580	29 412	31 103	32 849
Vote 5 - Community and Public Safety Services		14 733	7 823	5 380	5 735	4 071	4 071	7 364	7 755	8 161
Vote 6 - Community and Public Safety Services		524	552	591	725	714	714	794	839	886
Vote 7 - Community and Public Safety Services		5 084	5 054	4 120	4 860	4 193	4 193	5 602	5 921	6 253
Vote 8 - Community and Public Safety Services		-	3 023	3 001	3 451	3 364	3 364	3 424	3 620	3 822
Vote 9 - Economic and Environment Services		18 671	15 756	16 469	11 274	13 870	13 870	16 048	15 279	16 576
Vote 10 - Trading Services_Services_Other		69 686	7 597	14 903	11 209	10 284	10 284	11 185	9 931	10 487
Vote 11 - Trading_Services_Water Managemet		75 754	103 909	123 927	82 925	83 044	83 044	102 267	108 052	115 178
<b>Total Expenditure by Vote</b>	2	<b>566 557</b>	<b>202 024</b>	<b>237 276</b>	<b>172 169</b>	<b>182 214</b>	<b>182 214</b>	<b>209 643</b>	<b>216 266</b>	<b>230 031</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(365 894)</b>	<b>7 550</b>	<b>(9 365)</b>	<b>(10 388)</b>	<b>(14 933)</b>	<b>(14 933)</b>	<b>(28 639)</b>	<b>(27 404)</b>	<b>(27 208)</b>

DC25 Amajuba - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Service charges - water revenue	2	15 004	15 111	20 862	19 284	19 500	19 500	19 500	23 400	24 734	26 119
Service charges - sanitation revenue	2	2 420	2 752	3 560	3 382	3 500	3 500	3 500	4 100	4 334	4 576
Rental of facilities and equipment		288	287	272	200	240	240	240	258	273	288
Interest earned - external investments		717	1 017	1 788	800	3 624	3 624	3 624	4 000	4 228	4 465
Interest earned - outstanding debtors		2 622	1 359	2 336	2 423	2 900	2 900	2 900	3 700	3 911	4 130
Transfers and subsidies		172 390	178 506	190 395	133 598	134 948	134 948	134 948	144 190	151 006	162 847
Other revenue	2	7 222	9 115	8 492	2 095	360	360	360	1 357	377	398
Gains on disposal of PPE			1 426			2 210	2 210	2 210			
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>200 664</b>	<b>209 574</b>	<b>227 706</b>	<b>161 781</b>	<b>167 281</b>	<b>167 281</b>	<b>167 281</b>	<b>181 005</b>	<b>188 862</b>	<b>202 823</b>
<b>Expenditure By Type</b>											
Employee related costs	2	68 994	72 507	81 375	78 897	80 982	80 982	82 283	84 847	89 683	94 705
Remuneration of councillors		4 205	4 320	4 346	5 174	5 174	5 174	5 174	5 505	5 819	6 145
Debt impairment	3	7 366	-	15 851	5 820	5 820	5 820	5 820	13 000	13 741	14 510
Depreciation & asset impairment	2	27 598	27 006	28 791	26 367	25 398	25 398	25 398	30 822	32 579	34 403
Finance charges		966	1 758	936	762	764	764	764	764	764	764
Bulk purchases	2	7 000	7 511	13 518	20 000	20 000	20 000	20 000	21 280	22 493	23 753
Other materials	8										
Contracted services		11 610	15 208	19 655	10 350	13 363	13 363	13 363	13 445	14 212	16 125
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	102 175	73 714	72 168	24 799	30 713	30 713	30 713	39 981	36 976	39 626
Loss on disposal of PPE		336 643		430							
<b>Total Expenditure</b>		<b>566 557</b>	<b>202 024</b>	<b>237 071</b>	<b>172 169</b>	<b>182 214</b>	<b>182 214</b>	<b>183 515</b>	<b>209 643</b>	<b>216 266</b>	<b>230 031</b>
<b>Surplus/(Deficit)</b>		<b>(365 894)</b>	<b>7 550</b>	<b>(9 365)</b>	<b>(10 388)</b>	<b>(14 933)</b>	<b>(14 933)</b>	<b>(16 234)</b>	<b>(28 639)</b>	<b>(27 404)</b>	<b>(27 208)</b>

Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 525	40 445								
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	1 100	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		(7 626)	(40 445)								
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(365 894)</b>	<b>7 550</b>	<b>(9 365)</b>	<b>(10 388)</b>	<b>(14 933)</b>	<b>(14 933)</b>	<b>(16 234)</b>	<b>(28 639)</b>	<b>(27 404)</b>	<b>(27 208)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(365 894)</b>	<b>7 550</b>	<b>(9 365)</b>	<b>(10 388)</b>	<b>(14 933)</b>	<b>(14 933)</b>	<b>(16 234)</b>	<b>(28 639)</b>	<b>(27 404)</b>	<b>(27 208)</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(365 894)</b>	<b>7 550</b>	<b>(9 365)</b>	<b>(10 388)</b>	<b>(14 933)</b>	<b>(14 933)</b>	<b>(16 234)</b>	<b>(28 639)</b>	<b>(27 404)</b>	<b>(27 208)</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(365 894)</b>	<b>7 550</b>	<b>(9 365)</b>	<b>(10 388)</b>	<b>(14 933)</b>	<b>(14 933)</b>	<b>(16 234)</b>	<b>(28 639)</b>	<b>(27 404)</b>	<b>(27 208)</b>



DC25 Amajuba - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Capital expenditure – Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
Vote 1 - Executive and Council		264	-	-	-	-	-	-	-	-	-
Vote 3 - Finance and Administration _Budget and Treasury Office		-	-	-	-	-	-	-	126	-	-
Vote 4 - Finance and Administration_Corporate Services		512	-	-	-	-	-	-	24	25	27
Vote 5 - Community and Public Safety Services		48	-	-	-	-	-	-	-	-	-
Vote 6 - Community and Public Safety Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Community and Public Safety Services		15	-	-	-	-	-	-	-	-	-
Vote 8 - Community and Public Safety Services		-	-	-	-	-	-	-	-	-	-
Vote 9 - Economic and Environment Services		409	-	-	-	-	-	-	-	-	-
Vote 11 - Trading Services_Water Managemet		327 567	40 445	37 733	91 041	91 041	91 041	91 041	119 917	129 309	141 843
<b>Capital multi-year expenditure sub-total</b>	7	<b>328 815</b>	<b>40 445</b>	<b>37 733</b>	<b>91 041</b>	<b>91 041</b>	<b>91 041</b>	<b>91 041</b>	<b>120 067</b>	<b>129 334</b>	<b>141 870</b>
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure – Vote</b>		<b>328 815</b>	<b>40 445</b>	<b>37 733</b>	<b>91 041</b>	<b>91 041</b>	<b>91 041</b>	<b>91 041</b>	<b>120 067</b>	<b>129 334</b>	<b>141 870</b>
<b>Capital Expenditure – Functional</b>											
<b>Governance and administration</b>		<b>776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>109</b>	<b>109</b>	<b>150</b>	<b>25</b>	<b>27</b>
Executive and council		264									
Finance and administration		512				109	109	109	150	25	27
Internal audit											
<b>Community and public safety</b>		<b>63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		48									
Public safety		15									
<b>Economic and environmental services</b>		<b>409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Planning and development		409									
<b>Trading services</b>		<b>327 567</b>	<b>40 445</b>	<b>37 733</b>	<b>91 041</b>	<b>91 041</b>	<b>91 041</b>	<b>91 041</b>	<b>119 917</b>	<b>129 309</b>	<b>141 843</b>
Water management		327 567	40 445	37 733	91 041	91 041	91 041	91 041	119 917	129 309	141 843
<b>Total Capital Expenditure – Functional</b>	3	<b>328 815</b>	<b>40 445</b>	<b>37 733</b>	<b>91 041</b>	<b>91 150</b>	<b>91 150</b>	<b>91 150</b>	<b>120 067</b>	<b>129 334</b>	<b>141 870</b>

<b>Funded by:</b>											
National Government		-	40 445	37 733	91 041	91 041	91 041	91 041	119 917	129 309	141 843
Transfers recognised – capital	4	-	40 445	37 733	91 041	91 041	91 041	91 041	119 917	129 309	141 843
Public contributions & donations	5	327 567									
Borrowing	6	-									
Internally generated funds		1 248				109	109	109	150	25	27
<b>Total Capital Funding</b>	<b>7</b>	<b>328 815</b>	<b>40 445</b>	<b>37 733</b>	<b>91 041</b>	<b>91 150</b>	<b>91 150</b>	<b>91 150</b>	<b>120 067</b>	<b>129 334</b>	<b>141 870</b>

DC25 Amajuba - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		199	6	655	1 000	2 909	2 909	2 909	3 500	4 000	5 000
Call investment deposits	1	132	139	17 331	6 000	6 000	6 000	6 000	15 000	16 000	17 000
Consumer debtors	1	6 228	14 749	11 890	22 005	22 005	22 005	22 005	14 450	14 450	14 450
Other debtors		5 598	13 816	8 043	2 500	2 500	2 500	2 500	2 400	2 300	2 000
Current portion of long-term receivables						-	-	-			
Inventory	2		5 794	5 483	5 794	5 794	5 794	5 794	6 500	5 000	4 500
<b>Total current assets</b>		<b>12 156</b>	<b>34 503</b>	<b>43 403</b>	<b>37 298</b>	<b>39 208</b>	<b>39 208</b>	<b>39 208</b>	<b>41 850</b>	<b>41 750</b>	<b>42 950</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property		569	508	485							
Investment in Associate			355 636	289 848	355 636	355 636	355 636	355 636	289 848	289 848	289 848
Property, plant and equipment	3	315 994	311 320	319 879	420 954	420 954	420 954	420 954	400 571	497 327	615 444
Agricultural											
Biological											
Intangible		3 140	7 241	1 593	7 241	7 241	7 241	7 241	2 500	3 000	3 500
Other non-current assets											
<b>Total non current assets</b>		<b>319 703</b>	<b>674 706</b>	<b>611 806</b>	<b>783 831</b>	<b>783 831</b>	<b>783 831</b>	<b>783 831</b>	<b>692 919</b>	<b>790 175</b>	<b>908 792</b>
<b>TOTAL ASSETS</b>		<b>331 859</b>	<b>709 209</b>	<b>655 209</b>	<b>821 130</b>	<b>823 039</b>	<b>823 039</b>	<b>823 039</b>	<b>734 770</b>	<b>831 925</b>	<b>951 743</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	-	1 432	1 446	1 432	1 432	1 432	1 432	1 547	1 478	1 357
Consumer deposits											
Trade and other payables	4	49 013	73 139	88 785	26 508	26 508	26 508	26 508	40 601	28 000	23 500

Provisions		6 880	10 835	16 171							
<b>Total current liabilities</b>		<b>55 893</b>	<b>85 407</b>	<b>106 401</b>	<b>27 940</b>	<b>27 940</b>	<b>27 940</b>	<b>27 940</b>	<b>42 148</b>	<b>29 478</b>	<b>24 857</b>
<b>Non current liabilities</b>											
Borrowing		9 687	8 871	8 162	9 226	9 226	9 226	9 226	7 500	7 000	6 800
Provisions		-	-	-	1 305	1 305	1 305	1 305	4 800	4 900	5 000
<b>Total non current liabilities</b>		<b>9 687</b>	<b>8 871</b>	<b>8 162</b>	<b>10 530</b>	<b>10 530</b>	<b>10 530</b>	<b>10 530</b>	<b>12 300</b>	<b>11 900</b>	<b>11 800</b>
<b>TOTAL LIABILITIES</b>		<b>65 580</b>	<b>94 278</b>	<b>114 564</b>	<b>38 471</b>	<b>38 471</b>	<b>38 471</b>	<b>38 471</b>	<b>54 448</b>	<b>41 378</b>	<b>36 657</b>
<b>NET ASSETS</b>	5	<b>266 279</b>	<b>614 931</b>	<b>540 645</b>	<b>782 659</b>	<b>784 568</b>	<b>784 568</b>	<b>784 568</b>	<b>680 321</b>	<b>790 547</b>	<b>915 086</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		266 279	614 931	540 645	782 659	784 568	784 568	784 568	680 321	790 547	915 086
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>266 279</b>	<b>614 931</b>	<b>540 645</b>	<b>782 659</b>	<b>784 568</b>	<b>784 568</b>	<b>784 568</b>	<b>680 321</b>	<b>790 547</b>	<b>915 086</b>

DC25 Amajuba - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Service charges		-	9 929	18 948	15 413	15 079	15 079	15 079	15 400	16 278	17 190
Other revenue		12 319	6 865	220	8 966	11 458	11 458	11 458	1 615	650	686
Government - operating	1	159 797	-	210 421	133 598	134 948	134 948	134 948	144 190	151 006	162 847
Government - capital	1		183 869		91 041	91 041	91 041	91 041	119 917	120 309	141 843
Interest		717		1 788	3 223	6 524	6 524	6 524	6 072	6 418	6 778
<b>Payments</b>											
Suppliers and employees		(214 948)	(159 154)	(175 166)	(171 408)	(182 216)	(182 216)	(182 216)	(165 057)	(169 182)	(180 353)
Finance charges		(966)	(1 758)	(792)	(762)	(764)	(764)	(764)	(764)	(764)	(764)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(43 081)</b>	<b>39 752</b>	<b>55 419</b>	<b>80 072</b>	<b>76 070</b>	<b>76 070</b>	<b>76 070</b>	<b>121 372</b>	<b>124 714</b>	<b>148 226</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE				89					-	-	-
Decrease (increase) in non-current investments		313 226		-					-	-	-
<b>Payments</b>											
Capital assets		(281 796)	(40 445)	(37 733)	(91 041)	(91 150)	(91 150)	(91 150)	(120 067)	(129 334)	(141 870)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>31 430</b>	<b>(40 445)</b>	<b>(37 644)</b>	<b>(91 041)</b>	<b>(91 150)</b>	<b>(91 150)</b>	<b>(91 150)</b>	<b>(120 067)</b>	<b>(129 334)</b>	<b>(141 870)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		9 687	509	66					-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>9 687</b>	<b>509</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(1 964)</b>	<b>(184)</b>	<b>17 842</b>	<b>(10 969)</b>	<b>(15 080)</b>	<b>(15 080)</b>	<b>(15 080)</b>	<b>1 305</b>	<b>(4 620)</b>	<b>6 356</b>
Cash/cash equivalents at the year begin:	2	2 294	332	148	(16 934)	17 990	17 990	17 990	2 909	4 215	(406)
Cash/cash equivalents at the year end:	2	330	148	17 990	(27 903)	2 909	2 909	2 909	4 215	(406)	5 950

## DC25 Amajuba - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	330	148	17 990	(27 903)	2 909	2 909	2 909	4 215	(46 725)	(89 283)
Other current investments > 90 days		0	(3)	(3)	34 903	6 000	6 000	6 000	14 285	66 725	111 283
Non current assets – Investments	1	–	–	–	–	–	–	–	–	–	0
<b>Cash and investments available:</b>		<b>330</b>	<b>145</b>	<b>17 987</b>	<b>7 000</b>	<b>8 909</b>	<b>8 909</b>	<b>8 909</b>	<b>18 500</b>	<b>20 000</b>	<b>22 000</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		22 618	6 810	18 664	5 000	5 000	5 000	5 000	4 500	3 000	3 500
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	21 109	49 570	59 365	(308)	(3 032)	(3 032)	(3 032)	27 364	16 568	11 719
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	0
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>43 727</b>	<b>56 379</b>	<b>78 029</b>	<b>4 692</b>	<b>1 968</b>	<b>1 968</b>	<b>1 968</b>	<b>31 864</b>	<b>19 568</b>	<b>15 219</b>
<b>Surplus(shortfall)</b>		<b>(43 396)</b>	<b>(56 234)</b>	<b>(60 042)</b>	<b>2 308</b>	<b>6 941</b>	<b>6 941</b>	<b>6 941</b>	<b>(13 364)</b>	<b>432</b>	<b>678</b>

Other working capital requirements

Debtors	5 286	16 760	10 756	21 816	24 540	24 540	24 540	24 540	8 737	8 432	8 281
Creditors due	26 395	66 330	70 121	21 508	21 508	21 508	21 508	21 508	36 101	25 000	20 000
Total	(21 109)	(49 570)	(59 365)	308	3 032	3 032	3 032	3 032	(27 364)	(16 568)	(11 719)

Debtors collection assumptions

Balance outstanding – debtors	11 826	28 565	19 933	24 505	24 505	24 505	24 505	24 505	16 850	16 750	16 450
Estimate of debtors collection rate	44.7%	58.7%	54.0%	89.0%	100.1%	100.1%	100.1%	100.1%	51.9%	50.3%	50.3%

DC25 Amajuba - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	328 815	40 445	37 733	91 041	91 150	91 150	120 067	129 334	141 870
Roads Infrastructure		-	-	-	2 064	2 064	2 064	2 200	2 316	2 448
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	6 000	5 000	5 000
Water Supply Infrastructure		328 815	40 445	37 733	59 166	67 063	67 063	105 217	117 493	129 895
Sanitation Infrastructure		-	-	-	17 811	9 914	9 914	6 500	4 500	4 500
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		328815	40445	37732	79041	79041	79041	119917	129309	141843
Community Facilities		-	-	-	12 000	12 000	12 000	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		0	0	0	12000	12000	12000	0	0	0
<u>Total Capital Expenditure</u>	4									
Roads Infrastructure		-	-	-	2 064	2 064	2 064	2 200	2 316	2 448
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	6 000	5 000	5 000
Water Supply Infrastructure		328 815	40 445	37 733	59 166	67 063	67 063	105 217	117 493	129 895
Sanitation Infrastructure		-	-	-	17 811	9 914	9 914	6 500	4 500	4 500
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		328815	40445	37732	79041	79041	79041	119917	129309	141843
Community Facilities		-	-	-	12 000	12 000	12 000	-	-	-

Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	109	109	150	25	27
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>328 815</b>	<b>40 445</b>	<b>37 733</b>	<b>91 041</b>	<b>91 150</b>	<b>91 150</b>	<b>120 067</b>	<b>129 334</b>	<b>141 870</b>
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure		315 994	311 320	319 879	420 954	420 954	420 954	405 974	513 572	633 033
Information and Communication Infrastructure		315 994	311 320	319 879	420 954	420 954	420 954	405 974	513 572	633 033
Community Facilities										
Sport and Recreation Facilities										
Community Assets		0	0	0	0	0	0	0	0	0
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		0	0	0	0	0	0	0	0	0
Operational Buildings		569	508	485						
Housing										
Other Assets		569	508	485	0	0	0	0	0	0
Intangible Assets		0	0	0	0	0	0	0	0	0
Computer Equipment		3 140	7 241	1 593	7 241	7 241	7 241	2 500	3 000	3 500
Furniture and Office Equipment										
Libraries										
Zoo's, Marine and Non-biological Animals										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>319 703</b>	<b>319 070</b>	<b>321 957</b>	<b>428 195</b>	<b>428 195</b>	<b>428 195</b>	<b>408 474</b>	<b>516 572</b>	<b>636 533</b>
EXPENDITURE OTHER ITEMS										
<u>Depreciation</u>	7	27 598	27 006	28 791	26 367	25 398	25 398	30 822	32 579	34 403
<u>Repairs and Maintenance by Asset Class</u>	3	4 230	7 303	9 558	5 220	4 138	4 138	9 632	10 181	10 751
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-



Water Supply Infrastructure	-	-	9 558	4 620	3 506	3 506	9 000	9 512	10 043
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	0	0	9 558	4 620	3 506	3 506	9 000	9 512	10 043
Furniture and Office Equipment	4 230	7 303	-	600	632	632	632	669	708
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>31 828</b>	<b>34 309</b>	<b>38 349</b>	<b>31 587</b>	<b>29 536</b>	<b>29 536</b>	<b>40 454</b>	<b>42 759</b>	<b>45 154</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>R&amp;M as a % of PPE</i>	<i>1.3%</i>	<i>2.3%</i>	<i>3.0%</i>	<i>1.2%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>2.4%</i>	<i>2.0%</i>	<i>1.7%</i>
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	<i>1.0%</i>	<i>2.0%</i>	<i>3.0%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>

DC25 Amajuba - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<u>Water:</u>										
Piped water inside dwelling		47 804	47 804	47804	47 804	47 804	47804	66 651	66 651	66651
Piped water inside yard (but not in dwelling)		36 415	36 415	36415	36 415	36 415	36415	36 415	36 415	36415
Using public tap (at least min.service level)	2	13 066	13 066	13066	13 066	13 066	13066	13 066	13 066	13066
Other water supply (at least min.service level)	4	-	-	0	-	-	0	-	-	0
<i>Minimum Service Level and Above sub-total</i>		97 285	97 285	97 285	97 285	97 285	97 285	116 132	116 132	116 132
Using public tap (< min.service level)	3	4 517	4 215	5135	5 135	5 135	5135	5 135	5 135	5135
Other water supply (< min.service level)	4	8 214	8 145	8541	8 541	8 541	8541	8 541	8 541	8541
No water supply		-	-	0	-	-	0	-	-	0
<i>Below Minimum Service Level sub-total</i>		12 731	12 360	13 676	13 676	13 676	13 676	13 676	13 676	13 676
<b>Total number of households</b>	5	<b>110 016</b>	<b>109 645</b>	<b>110 961</b>	<b>110 961</b>	<b>110 961</b>	<b>110 961</b>	<b>129 808</b>	<b>129 808</b>	<b>129 808</b>
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		52 145	53 154	51160	51 160	51 160	51160	70 005	70 005	70005
Flush toilet (with septic tank)		2 141	20 145	2272	2 272	2 272	2272	2 272	2 272	2272
Chemical toilet		6 547	6 457	6874	6 874	6 874	6874	6 874	6 874	6874
Pit toilet (ventilated)		9 410	9 214	9905	9 905	9 905	9905	9 905	9 905	9905
Other toilet provisions (> min.service level)		-	-	0	-	-	0	-	-	0
<i>Minimum Service Level and Above sub-total</i>		70 243	88 970	70 211	70 211	70 211	70 211	89 056	89 056	89 056
Bucket toilet		645	614	753	753	753	753	753	753	753
Other toilet provisions (< min.service level)		36 877	18 551	36125	36 125	36 125	36125	36 125	36 125	36125
No toilet provisions		3 745	3 654	3874	3 874	3 874	3874	3 874	3 874	3874
<i>Below Minimum Service Level sub-total</i>		41 267	22 819	40 752	40 752	40 752	40 752	40 752	40 752	40 752
<b>Total number of households</b>	5	<b>111 510</b>	<b>111 789</b>	<b>110 963</b>	<b>110 963</b>	<b>110 963</b>	<b>110 963</b>	<b>129 808</b>	<b>129 808</b>	<b>129 808</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)		40	40	43	43	43	43	43	43	43

Sanitation (kilolitres per household per month)		40	40	43	43	43	43	43	43	43
Sanitation (Rand per household per month)		97	103	115	115	115	115	115	115	115
Electricity (kwh per household per month)										
<b>Refuse (average litres per week)</b>										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-

## DC25 Amajuba - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
BASIC SERVICE DELIVERY	To ensure access to basic water and sanitation to community members within Amajuba district.			127 842	127 359	141 948	71 351	70 213	70 213	72 924	80 069	87 185
Municipal Institutional Development and Transformation	To Achieve sound governance, management, administration and equity within Amajuba district in line with organized local government guidelines			424	1 057	882	84	159	159	29 270	31 006	32 804
Municipal Financial Viability and Management	Manage the municipality within the budgetary and policy frameworks of the municipality			54 103	60 505	65 128	69 295	74 345	74 345	19 167	18 590	19 818
Good Governance and Public Participation	To promote public participation through stakeholder mobilization			11 790	13 901	13 346	14 021	14 023	14 023	17 369	18 394	19 461
Local Economic Development	To facilitate, encourage and support the development of an enabling environment for LED and job creation			-	948	-	400	1 871	1 871	15 222	14 026	15 243
Spatial Planning and Environmental Management	To promote the development of a safe and healthy environment in line with applicable legislation			-	5 676	6 117	6 432	6 432	6 432	15 658	16 606	17 550

Infrastructure Development and Service Delivery	To ensure provision of basic community infrastructure and services as per acceptable norms and standards			6 504	128	284	200	240	240	11 394	10 172	10 762
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	200 664	209 574	227 706	161 781	167 281	167 281	181 005	188 862	202 823

## DC25 Amajuba - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
BASIC SERVICE DELIVERY	To ensure access to basic water and sanitation to community members within Amajuba district.			145 440	111 506	138 830	94 134	93 328	93 328	102 267	108 052	115 178	
Municipal Institutional Development and Transformation	To Achieve sound governance, management, administration and equity within Amajuba district in line with organized local government guidelines			21 430	24 763	34 649	22 376	29 580	29 580	29 412	31 103	32 849	
Municipal Financial Viability and Management	Manage the municipality within the budgetary and policy frameworks of the municipality			12 131	16 390	13 225	15 157	15 448	15 448	15 835	15 044	16 049	
Good Governance and Public Participation	To promote public participation through stakeholder mobilization			348 544	17 157	21 011	14 458	17 646	17 646	17 712	18 721	19 770	
Local Economic Development	To facilitate, encourage and support the development of an enabling environment for LED and job creation			18 671	15 756	16 469	11 274	13 870	13 870	16 048	15 279	16 576	
Spatial Planning and Environmental Management	To promote the development of a safe and healthy environment in line with applicable legislation			-	3 023	3 001	3 451	3 364	3 364	17 185	18 135	19 122	
Infrastructure Development and Service Delivery	To ensure provision of basic community infrastructure and services as per acceptable norms and standards			20 341	13 429	9 886	11 320	8 978	8 978	11 185	9 931	10 487	
Allocations to other priorities													
<b>Total Expenditure</b>				1	566 557	202 024	237 071	172 169	182 214	182 214	209 643	216 266	230 031

## DC25 Amajuba - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		328 815	40 445	37 733	79 041	79 041	79 041	119 917	129 309	141 843
Roads Infrastructure		-	-	-	2 064	2 064	2 064	2 200	2 316	2 448
<i>Roads</i>					2 064	2 064	2 064	2 200	2 316	2 448
<i>Road Structures</i>										
<i>Road Furniture</i>										
<i>Capital Spares</i>										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
Electrical Infrastructure		-	-	-	-	-	-	6 000	5 000	5 000
<i>Power Plants</i>								6 000	5 000	5 000
Water Supply Infrastructure		328 815	40 445	37 733	59 166	67 063	67 063	105 217	117 493	129 895
<i>Dams and Weirs</i>		328 815	40 445	37 733	59 166	67 063	67 063	105 217	117 493	129 895
<i>Boreholes</i>										
Sanitation Infrastructure		-	-	-	17 811	9 914	9 914	6 500	4 500	4 500
<i>Pump Station</i>										
<i>Reticulation</i>										
<i>Waste Water Treatment Works</i>					17 811	9 914	9 914	6 500	4 500	4 500
<i>Outfall Sewers</i>										
<i>Toilet Facilities</i>										
<i>Capital Spares</i>										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-

<b>Community Assets</b>		-	-	-	12 000	12 000	12 000	-	-	-
Community Facilities		-	-	-	12 000	12 000	12 000	-	-	-
<i>Halls</i>										
<i>Centres</i>										
<i>Crèches</i>										
<i>Clinics/Care Centres</i>										
<i>Fire/Ambulance Stations</i>					12 000	12 000	12 000			
<b>Furniture and Office Equipment</b>		-	-	-	-	109	109	150	25	27
Furniture and Office Equipment						109	109	150	25	27
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets										
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on new assets</b>	1	328 815	40 445	37 733	91 041	91 150	91 150	120 067	129 334	141 870



## DC25 Amajuba - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description		Project number	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	2017/18 Medium Term Revenue & Expenditure Framework					
								R thousand	4	6	3	3	Current Year 2016/17 Full Year Forecast
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>													
MIG PMU admin cost	1	MIG PMU admin cost	ENG001	Yes	Information and Communication Infrastructure	Unspecified	3 008	1 000	2 200	2 320			
Goedehoop bulk water and sanitation	2	Goedehoop bulk water and sanitation	ENG002	Yes	Water Supply Infrastructure	Water Treatment Works	13 148	11 000	-				
Danhauser Housing Development Bulk Water and Sanitation	3	Danhauser Housing Development Bulk Water and Sanitation	ENG003	Yes	Housing	Improved Property	433	2 000	18 000	4 000			
Buffalo Flats Water Supply Scheme Phase 3B	4	Buffalo Flats Water Supply Scheme Phase 3B	ENG004	Yes	Water Supply Infrastructure	Dams and Weirs	6 746	20 617	23 793	40 075			
Construction of Buffalo Flats Sanitation project	5	Construction of Buffalo Flats Sanitation project	ENG005	Yes	Sanitation Infrastructure	Reticulation	14 803	7 100					
Emxhakeni reticulation water scheme is an extension of existing water reticulation scheme to serve 500 households	6	Emxhakeni reticulation water scheme is an extension of existing water reticulation scheme to serve 500 households	ENG006	Yes	Water Supply Infrastructure	Water Treatment Works	1 981	3 248					
Pipeline extension and infrastructure in Skobharen and Alcockspruit	7	Pipeline extension and infrastructure in Skobharen and Alcockspruit	ENG007	Yes	Water Supply Infrastructure	Dams and Weirs	3 000	14 500	21 043	39 898			
Construction of vip toilets in	8	Construction of vip toilets in	ENG008	Yes	Sanitation Infrastructure	Reticulation	7 000	4 500	4 500	4 500			

Dannhauser Refurbishment of DNC WWTP, Tweediedale and Utrecht WTP	9	Dannhauser Refurbishment of DNC WWTP, Tweediedale and Utrecht WTP	ENG009	Yes	Water Supply Infrastructure	Water Treatment Works	7 825	5 580	9 584	6 713
Refurbishment and upgrade of Durnacol Water Treatment Works in Dannhauser	10	Refurbishment and upgrade of Durnacol Water Treatment Works in Dannhauser	ENG010	Yes	Water Supply Infrastructure	Water Treatment Works	2 000	18 000	-	-
Construction of Brakfontein reservoir	11	Construction of Brakfontein reservoir	ENG011	Yes	Water Supply Infrastructure	Reservoirs	4 000	22 171	2 641	
Water Conservation and Demand Management in Amajuba District Municipality	12	Water Conservation and Demand Management in Amajuba District Municipality	ENG012	Yes	Water Supply Infrastructure	Reticulation	1 500	-	21 560	10 678
Planning for the refurbishment of old existing dilapidated Asbestos pipes to prevent water losses in Utrecht, Dannhauser and Durnacol	13	Planning for the refurbishment of old existing dilapidated Asbestos pipes to prevent water losses in Utrecht, Dannhauser and Durnacol	ENG013	Yes	Water Supply Infrastructure	Water Treatment Works	23 642	2 000	18 672	26 211
Energy Efficiency and Demand Side Management Grant	14	Energy Efficiency and Demand Side Management Grant	ENG014	Yes	Electrical Infrastructure	Power Plants		6 000	5 000	5 000
Road Asset Management	15	Planning for the refurbishment of old existing dilapidated Asbestos pipes to prevent water losses in Utrecht, Dannhauser and Durnacol	ENG015	Yes	Roads Infrastructure	Roads	2 064	2 200	2 316	2 448
Office Furniture & Equipment- Corporate Services	16	Office Furniture & Equipment- Corporate Services	DC2516	Yes	Furniture and Office Equipment	Unspecified		150	25	27
Parent Capital expenditure	1							120 067	129 334	141 870
Total Capital expenditure							91 150	120 067	129 334	141 870

**Municipal manager’s quality certificate**

I, SIPHO R MATHOBELA, Acting Municipal Manager of Amajuba District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name** : SIPHO R MATHOBELA  
**Municipal manager of** : Amajuba District Municipality (DC 25)

**Signature** \_\_\_\_\_

**Date** : \_\_\_\_\_

# **END OF REPORT**