

# EMAKHAZENI LOCAL MUNICIPALITY

The coat of arms of Emakhazeni Local Municipality is a shield-shaped emblem. At the top is a golden crown. Below the crown is a yellow band. The main body of the shield is divided into four quadrants by a grey and white checkered pattern. The top-left quadrant is green with three yellow chevron-like shapes. The top-right quadrant is yellow with three green chevron-like shapes. The bottom-left quadrant is blue with a white fish. The bottom-right quadrant is brown with a white fish. A blue ribbon banner curves around the bottom of the shield, containing the text 'TUMNYAMA KUBOMVU SIYANQOBA' in white capital letters.

## ANNUAL BUDGET

2016/2017  
TO  
2018/2019

*Vision:*

A secure environment and sustainable development to promote service excellence, unity and community participation resulting in a caring society.

## **TABLE OF CONTENTS**

### **PART 1 - ANNUAL BUDGET**

- 1.1 MAYOR'S REPORT**
- 1.2 COUNCIL RESOLUTION**
- 1.3 EXECUTIVE SUMMARY**
- 1.4 OPERATING REVENUE FRAMEWORK**
- 1.5 OPERATING EXPENDITURE FRAMEWORK**
- 1.6 CAPITAL EXPENDITURE**
- 1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY**

### **PART 2 - SUPPORTING DOCUMENTATION**

- 2.1 ELM TARIFF LIST**
- 2.2 BUDGET RELATED POLICIES**
- 2.3 ANNUAL BUDGET - PER GFS CLASSIFICATION AND VOTE**
- 2.4 MUNICIPAL MANAGER'S QUALITY CERTIFICATE**
- 2.5 BUDGET LOCKING CERTIFICATE**
- 2.6 OTHER SUPPORTING DOCUMENTS**

**1.1 MAYOR'S REPORT**

Pending the Municipal Budget State of address.

**1.2 COUNCIL RESOLUTION**

**EMAKHAZENI LOCAL MUNICIPALITY**

**EXTRACT FROM THE MINUTES OF THE GENERAL COUNCIL MEETING HELD ON THE 30<sup>TH</sup> JUNE 2016 IN THE COUNCIL CHAMBER, EMAKHAZENI AT 17:00**

**S29/06/2016 ANNUAL BUDGET: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2016/2017, 2017/2018 AND 2018/2019**

**Resolved that;**

1. The Medium Term Revenue and Expenditure Framework for 2016/17 – 2018/19 is approved with all budget tables; A1 to A10 Framework for 2016/17 – 2018/19
2. The capital projects/budget for MIG/Internal/INEP/NDM/INEP/Dept of Water & Sanitation is approved.
3. The following new and reviewed budget related policies and Service Level Standards are approved and effective as from 1 July 2016;

Cellphone Allowance Policy
Standby Allowance Policy
Subsistence and Travelling Allowance Policy
Overtime Management Policy
Leave management Policy
Human Resource Development (HRD) Policy
Staff/Skills Retention Policy
Recruitment & Selection Policy
Service Level Standards
Asset Management Policy
Petty Cash Policy
Supply Chain Management Policy - Goods and Services
Banking and Investment Policy
Receipt Policy
Free basic and Indigent Policy
Unclaimed money Policy
Budget Policy
Tariff Policy
Property Rates Policy
Credit control and Debt Management Policy
Debt Impairment Policy
Traffic Fines Policy
Inventory Management Policy
Supply Chain Management Policy- Infrastructure

4. The electricity tariffs approved by NERSA are accepted, approved and should be implemented with effect from 1 July 2016 for the year 2016/2017.
5. The tariffs as per the tariff list are approved and effective from 1 July 2016 for the year 2016/2017 as follows;

#### a) Assessment Rates:

CATEGORY	2016/2017	% Increase 2016/17
Residential ** / *** (For properties above R100,000 with exemption of first R15 000 of assessed market value)	0.0077	6.60%
Residential ** / *** (For properties less than R 100,000.00 market value a flat rate will be charged)	Flat rate per Year R654.50 Flat rate per Month R54.50	6.60%
Informal Settlement (Rebate of 100% as per Property Rates policy will granted)	0.0077	100.00%
Business, commercial and schools (public & private) ***	0.0246	6.79%
Industrial	0.0253	-86.60%
Public service infrastructure	0.0019	-98.99%
Agriculture ***	0.0019	6.60%
Agri Residential: (Farms including agricultural small holdings used for agricultural/residential purposes) (For properties above R100,000 with exemption of first R15 000)	0.0077	-2.85%
Agri Business: (Farms including agricultural small holdings used for business/commercial/ industrial purposes)	0.0091	-95.41%
Vacant property	0.0230	44.82%
Privately Open Space	0.0077	6.60%
Municipal property (Rebate of 100% as per Property Rates policy)	0.0019	0.00%
Public Open Space (Rebate of 100% as per Property Rates policy will be granted)	0.0019	0.00%
Mining	0.1965	0.00%
Public benefits organisations*	0.0019	
Place of worship (Rebate of 100% as per Property Rates policy will be granted)	0.0019	100.00%
Privately owned towns	0.0059	25.74%
State owned/Institutional	0.0246	6.79%

\* Rebate may be granted on application as per Property Rates policy

\*\* On registration as an Indigent or retired people a rebate will granted as per Property

\*\*\* Sectional Titles properties are categorised according to MPRA Section 8(1)(a)-(c): Residential, Business or Agri

#### b) Sewerage:

> Residential	8 %
> Commercial	69 %
> Institutional	154 %
> Industrial	214 %

#### c) Water:

##### Water (Consumption):

> Residential	8 %
> Commercial	30 %
> Institutional	78 %
> Industrial	87 %

##### Water (Basic Charge):

> Residential	8 %
> Commercial	60 %
> Institutional	140 %
> Industrial	6 %

d) Cleansing:		
➤ Residential	8 %	
➤ Commercial	8 %	
➤ Institutional	57 %	
➤ Industrial	68 %	
e) Other/Sundry:		
Other/Sundry income:	8 %	
Sewerage (Undeveloped property):		
➤ Residential		R 97.20
➤ Commercial		R 194.50
➤ Institutional		R 291.70
➤ Industrial		R 305.10
Water (Undeveloped property):		
➤ Residential		R 98.30
➤ Commercial (97 % increase)		R 208.30
➤ Institutional (154% increase)		R 268.80
➤ Industrial (154% increase)		R 268.80
Electricity		

## DOMESTIC TARIFFS

### Indigent Tariff

Tariff Block	c/kWh
Block 1 (0-50 kWh)	83.68
Block 2 (51 – 350 kWh)	107.37
Block 3 (351 – 600 kWh)	151.77
Block 4 (>600)kWh	178.68

### Prepaid

Tariff Block	c/kWh
Block 1 (0-50 kWh)	88.00
Block 2 (51 – 350 kWh)	107.00
Block 3 (351 – 600 kWh)	152.00
Block 4 (>600)kWh	179.00
Basic Charge (R/month)	83.33

### Conventional

Tariff Block	c/kWh
Block 1 (0-50 kWh)	88.00
Block 2 (51 – 350 kWh)	107.00
Block 3 (351 – 600 kWh)	152.00
Block 4 (>600)kWh	179.00
Basic Charge (R/month)	243.26

### Domestic Three Phase

Tariff Block	c/kWh
Block 1 (0-50 kWh)	96.00
Block 2 (51 – 350 kWh)	115.17
Block 3 (351 – 600 kWh)	163.61
Block 4 (>600)kWh	192.68

**COMMERCIAL TARIFFS:**

**Institutions / Commercial Prepaid (Single Phase: 1- 60A)**

- o Basic charge: R269.78/month
- o Energy charge: 167.92c/kWh

**Institutions / Commercial Prepaid (Single Phase: 61- 80A)**

- o Basic charge: R518.09/month
- o Energy charge: 167.92c/kWh

**Institutions / Commercial Prepaid (Single Phase: 80-100A)**

- o Basic charge: R925.41/month
- o Energy charge: 167.92c/kWh

**Institutions / Commercial Prepaid (Single Phase: 40A, 25kVA)**

- o Basic charge: R996.11/month
- o Energy charge: 167.92c/kWh

**Institutions / Commercial Prepaid (Single Phase: 80A, 50kVA)**

- o Basic charge: R1 506.94/month
- o Energy charge: 167.92c /kWh

**Institutions / Commercial Conventional (Single Phase: 1- 60A)**

- o Basic charge: R269.78/month
- o Energy charge: 156.00c/kWh

**Institutions / Commercial Conventional (Single Phase: 61- 80A)**

- o Basic charge: R518.09/month
- o Energy charge: 156.00c/kWh

**Institutions / Commercial Conventional (Single Phase: 80-100A)**

- o Basic charge: R925.41/month
- o Energy charge: 156.00c/kWh

**Institutions / Commercial Conventional (Single Phase: 40A, 25kVA)**

- o Basic charge: R996.11/month
- o Energy charge: 156.00c/kWh

**Institutions / Commercial Conventional (Single Phase: 80A, 50kVA)**

- o Basic charge: R1 506.94/month
- o Energy charge: 156.00c/kWh

**Institutions / Commercial Conventional (Three Phase: 1-60A)**

- o Basic charge: R290.39/month
- o Energy charge: 158.33c /kWh

**Institutions / Commercial Conventional (Three Phase: 61-80A)**

- o Basic charge: R557.68/month
- o Energy charge: 158.33c/kWh

**Institutions / Commercial Conventional (Three Phase: 81-100A)**

- o Basic charge: R996.11/month
- o Energy charge: 158.33c/kWh

**Institutions / Commercial Conventional (Three Phase: 40A, 25kVA)**

- o Basic charge: R1 072.22/month
- o Energy charge: 158.33c/kWh

**Institutions / Commercial Conventional (Three Phase: 80A, 50kVA)**

o Basic charge: R1 622.07/month

o Energy charge: 158.33c/kWh

**Institutions / Commercial Conventional (Three Phase: 150A- 100kVA)**

o Basic charge: R1 745.99/month

o Energy charge: 158.33c/kWh

**INDUSTRIAL TARIFFS**

o Basic charge: R5 615.19/month

o Energy Charges: 89.91c/kWh

o Demand Charge: R214.20/kVA

It is noted that the Energy Regulator further directs that:

- The municipality should submit to NERSA the progress report on the reduction of the energy losses by 30 September 2016.
- The municipality to gradually reduce the energy charges for commercial customers.
- 6. The 6.0% salary increase is approved.
- 7. The 6.0% council remuneration increase is approved.
- 8. The payment of Ward committee members stipends of R500.00 per member per month be paid once appointed and procedures to control attendance of the members be put in place.
- 9. Council approves Circular 82 on Cost Containing measures in order for the municipalities to implement this circular and monitor cost containment.
- 10. The funded budget as per schedule A8 is approved.
- 11. The Revenue Enhancement Strategy together with the Credit Control policy be implemented and monitored to ensure effective outcome which will allow the budget implementation to yield the intended objective.
- 12. It is noted that all issues raised during the budget consultative meetings have been considered in the Medium Term Revenue and Expenditure Framework for 2016/2017 – 2018/2019.
- 13. The Accounting Officer should submit to the Executive Mayor the SDBIP's for the 2016/2017 financial year which is linked to the budget 2016/2017 for consideration.
- 14. The Executive Mayor should ensure that the submitted performance agreements complies with the MFMA to ensure sound financial management, are linked to the operational plans and SDBIP's and concluded in accordance with section 57(2) of the Municipal Systems Act, as amended.
- 15. The approved budget in both printed and electronic formats be submitted to National and Provincial Treasury.
- 16. The approved budget should be placed on the municipal website within five (5) working days from approval.
- 17. The approved budget and supporting documentation with Council resolution be made public in terms of Section 21(A) of the Municipal Systems Act, 32 of 2000 within ten (10) working days after Council approval.

CERTIFIED CORRECT

SPEAKER



### **1.3 EXECUTIVE SUMMARY**

#### **ANNUAL BUDGET: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2016/2017, 2017/2018 AND 2018/2019**

##### **REPORT OF THE CHIEF FINANCIAL OFFICER**

##### **BACKGROUND**

Section 16 of the Municipal Finance Management Act (MFMA) requires that the municipality must for each financial year approve an annual budget before the start of the financial year.

The format and contents of the budget are prescribed by section 16 to 27 of the MFMA as well the new budget and reporting regulation issued by National Treasury.

The MFMA refers to funding of expenditure and states:

- a)** An annual budget may only be funded from:
  - realistically anticipated revenues to be collected
  - cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
  - borrowed funds; but only for the capital budget referred to in section 17(2).
- b)** Revenue projections in the budget must be realistic, taking into account:
  - projected revenue for the current year based on collection levels to date; and
  - actual revenue collected in previous financial years
- c)** Circular 78 and 79 issued by National Treasury provide further guidance for the preparation of 2016/2017 MTREF

##### **National Treasury – Key Focus Areas for budget process**

The 2016/2017 Budget review notes the unfavorable global and domestic circumstances which impact on all spheres of government and notes all the posing risks of such as growth etc. Inflation and a nominal spending ceiling will put real budgets under pressure over the medium term, requiring all spheres of government to work more efficiently. Municipalities will have to revise their spending plans and reprioritize funds to ensure key objectives are achieved and well-performing programmes are supported.

Consequently, municipal revenue and cash flows are expected to remain under pressure in 2016/2017 and municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts.

##### **a Revising rates, tariffs and other charges**

National Treasury guides that when municipalities revise their rates, tariffs and other charges for their 2016/17 budgets and MTREF, taking into account the overall economic pressures such as inflation and economic growth and conclude on a justifiable tariff in line with the CPI.

National Treasury also guides that municipalities should consider the following practicalities when setting tariffs:



- Costs of bulk purchases and the fluctuation in the seasonal cost thereof;
- Consumption patterns to enable better demand planning and management; and
- In the event that municipalities have been under recovering costs, embark on a process to correct their tariff structures over a reasonable time period so that cost reflective tariffs are achieved.

Hence the municipality is in a process of restructuring the tariffs to ensure that they are cost reflective and this will be finalised and included in the final budget after it is communicated to the community through public participation. It must also be noted that tariffs may only be implemented from the start of the financial year.

## **b Funding choices and management issues**

In the 2016 State of the Nation Address by the President, the cost containment measures announced by the Minister of Finance in 2013 were re-emphasised. It was highlighted that excessive and wasteful expenditure has been reduced, but there is still more to be done to cut wastage. In addition the President announced some new measures which include, amongst others:

- Curtailment of overseas trips and the submission of strong motivations by those requesting permission to travel i.e. the benefit to the country needs to be proved; and
- Institution of further restrictions on conferences, catering, entertainment and social functions.

In addition to the State of the Nation Address by the President, National Treasury has issued Circular 82 (Cost containing Measures) which recommendations are as follows:

- ❖ Municipalities to adopt this Circular together with their annual budgets;
- ❖ Municipalities are advised to review other finance related policies to ensure consistency with this Circular;
- ❖ Municipalities implement the circular by creating the appropriate oversight mechanisms to monitor cost containment measures;
- ❖ Implementation of such measures will assist in ensuring that the provisions of sections 62 and 167 of the MFMA are complied with to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the local community.

For the full Circular 82, please refer to **Annexure A**.

The Minister of Finance announced further measures in his budget speech on 24 February 2016. The Mayors of municipalities were urged to join in eliminating wasteful expenditure in government.

The municipality is also once again reminded that given on-going economic pressures, the revenue side of municipal budgets will continue to be constrained, so it will again need to make some very tough decisions on the expenditure side this year. Priority still needs to be given to:

- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- Protecting the poor;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;

- Securing the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance; and
- Expediting spending on capital projects that are funded by conditional grants

Municipalities should implement cost containing measures to eliminate waste and/or, reprioritise spending to ensure savings on these six focus areas namely;

- consultancy fees
- no credit cards
- travel and related costs
- advertising
- catering and event costs
- accommodation

**c Headline inflation forecasts.**

<b>Fiscal year</b>	<b>2014/15 Actual</b>	<b>2015/16 Estimate</b>	<b>2016/17 Forecast</b>	<b>2017/18 Forecast</b>	<b>2019/20 Forecast</b>
Real GDP growth	1.6%	0.9%	1.2%	1.9%	2.5%
CPI Inflation	5.6%	5.4%	6.6%	6.2%	5.9%

*Source: MFMA Circular 79*

**d Proposed Tariff increases 2016/17**

The recommended tariffs for approval and community participation:

**Assessment Rates:**

After an assessment by National Treasury it was assessed that the Assessment rate tariffs per categories should be adjusted. These adjustments resulted in some categories increasing and other decreasing.

Below are the tariffs on Assessment rates showing categories and increase:

## Annual Budget 2016/2017, 2017/2018, 2018/2019

CATEGORY	2015/2016 Promolated	2016/2017	Ratios per Rates Policy	Tariff Increase/ Decrease 2016/17	% Increase 2016/17	Explanation to increase/decreases for 2016/17
Residential ** / *** (For properties above R100,000 with exemption of first R15 000 of assessed market value)	<b>0.0072</b>	<b>0.0077</b>	1.00	0.0005	<b>6.60%</b>	Inflation increase
Residential ** / *** ( For properties less than R 100,000.00 market value a flat rate will be charged)	Flat rate per Year R612.00  Flat rate per Month R51.00	Flat rate per Year R654.50  Flat rate per Month R54.50	1.00	R 42.50	<b>6.60%</b>	Inflation increase
Informal Settlement (Rebate of 100% as per Property Rates policy will granted)	0.0000	0.0077	1.00	-0.0077	<b>100.00%</b>	Previously a zero tariff rate applied.
Business, commercial and schools (public & private) ***	0.0230	0.0246	3.20	0.0016	<b>6.79%</b>	Inflation increase
Industrial	0.1890	0.0253	3.30	-0.1637	<b>-86.60%</b>	Implementaention of Property rates policy ratio resulted in decreased tariff
Public service infrastructure	0.1900	0.0019	0.25	-0.1881	<b>-98.99%</b>	Implementation of property rates Act regualtion by reducing tariff to phase out this tariff over 5 years
Agriculture ***	0.0018	0.0019	0.25	0.0001	<b>6.60%</b>	Ration is fixed as per MPRA, therefore increase is as per inflation.
Agri Residential: (Farms including agricultural small holdings used for agricultural/residential purposes) (For properties above R100,000 with exemption of first R15 000 of assessed market value)	0.0079	0.0077	1.00	-0.0002	<b>-2.85%</b>	As category is residential, the ration per residential apply.
Agri Business: (Farms including agricultural small holdings used for business/commercial/ industrial purposes)	0.1972	0.0091	1.18	-0.1881	<b>-95.41%</b>	Implementaention of Property rates policy ratio resulted in decreased tariff
Vacant property	0.0159	0.0230	3.00	0.0071	<b>44.82%</b>	Implementaention of Property rates policy ratio resulted in increased tariff
Privately Open Space	0.0072	0.0077	1.00	0.0005	<b>6.60%</b>	Inflation increase
Municipal property (Rebate of 100% as per Property Rates policy)	0.0000	0.0019	0.25	0.0019	<b>0.00%</b>	Previously a zero tariff rate applied.
Public Open Space (Rebate of 100% as per Property Rates policy will be granted)	0.0000	0.0019	0.25	0.0019	<b>0.00%</b>	Previously a zero tariff rate applied.
Mining	0.1965	0.1965	0.00	0.0000	<b>0.00%</b>	Fixed rate
Public benefits organisations*	0.0000	0.0019	0.25	0.0019		implemaention of Property rates policy in terms of ratio
Place of worship (Rebate of 100% as per Property Rates policy will be granted)	0.0000	0.0019	0.25	0.0019	<b>100.00%</b>	-
Privately owned towns	0.0047	0.0059	0.77	0.0012	<b>25.74%</b>	implementation industrial property rates Act regualtion
State owned/Institutional	0.0230	0.0246	3.20	0.0016	<b>6.79%</b>	implemaention of Property rates policy in terms of ratio

\* Rebate may be granted on application as per Property Rates policy

\*\* On registration as an Indigent or retired people a rebate will granted as per Property Rates policy

\*\*\* Sectional Titles properties are categorised according to MPRA Section 8(1)(a)-(c): Residential, Business or Agricultural

### Electricity Consumption:

Furthermore the NERSA guideline consultation document indicated a 7.64% increase on electricity sales by municipalities, while bulk purchase from Eskom tariff is 7.84%.

The municipality applied to NERSA for more tariff structures to be approved to align with the meters on the ground. Therefore various percentage increases will be applicable to each structure and/or type of customer.

The revenue on electricity is therefore calculated on the NERSA approved tariffs and will be implemented as per NERSA approval.

Attached is the NERSA approved tariffs. **Annexure B**

### Sewerage services:

After a re-assessment of the tariff was done by the help of the National Treasury cost reflective tariff tool, it required the municipality to adjusted the tariff/property categories etc, as well as introducing new tariffs where required (example: undeveloped property charges for service charge). These adjustments resulted in some categories increasing and other decreasing.

Tariff category	Increase Tariff 2015/2016	Increase Tariff 2016/2017	Reason for increase 2016/2017
Residential	6%	8 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated the method into the tariff increase for 2016/2017 which resulted the increase 6% as per the Tariff Setting Tool.
Commercial	6%	69 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017. This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.
Industrial	6%	154%	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017. This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.
Institutional	6%	214%	As per Circular 79 required municipality to implementation the cost reflective tariff

			<p>determination method.</p> <p>Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017.</p> <p>This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.</p>
--	--	--	---

#### Water (Consumption):

After a re-assessment of the tariff were done by the help of the National Treasury cost reflective tariff tool, it required the municipality to adjusted the categories etc. These adjustments resulted in some categories increasing and other decreasing. It resulted in the average increase for Sewerage charges to be 6% at this point.

Tariff category	Average Tariff 2015/2016	Average Tariff 2016/2017	Reason for increase 2016/2017
Residential	6 %	8 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated the method into the tariff increase for 2016/2017 which resulted the increase 6% as per the Tariff Setting Tool.
Commercial	6 %	30 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017. This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.
Industrial	6 %	78 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017. This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.
Institutional	6 %	87 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017.

			This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.
--	--	--	---

#### Water (Basic Charge):

After a re-assessment of the tariff were done by the help of the National Treasury cost reflective tariff tool, it required the municipality to adjusted the categories etc. These adjustments resulted in some categories increasing and other decreasing. It resulted in the average increase for Sewerage charges to be 6% at this point.

Tariff category	Average Tariff 2015/2016	Average Tariff 2016/2017	Reason for increase 2016/2017
Residential	6 %	8 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated the method into the tariff increase for 2016/2017 which resulted the increase 6% as per the Tariff Setting Tool.
Commercial	6 %	60 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017. This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.
Industrial	6 %	140 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017. This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.
Institutional	6 %	6 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated the method into the tariff increase for 2016/2017 which resulted the increase 6% as per the Tariff Setting Tool.

#### Cleansing:

After a re-assessment of the tariff was done by the help of the National Treasury cost reflective tariff tool, it required the municipality to adjusted the categories etc.

These adjustments resulted in some categories increasing and other decreasing. It resulted in the average increase for Sewerage charges to be 6% at this point.

Tariff category	Average Tariff 2015/2016	Average Tariff 2016/2017	Reason for increase 2016/2017
Residential	6 %	8 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated the method into the tariff increase for 2016/2017 which resulted the increase 6% as per the Tariff Setting Tool.
Commercial	6 %	6 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated the method into the tariff increase for 2016/2017 which resulted the increase 6% as per the Tariff Setting Tool.
Industrial	6 %	57 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017. This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.
Institutional	6 %	68 %	As per Circular 79 required municipality to implementation the cost reflective tariff determination method. Emakhazeni has therefore incorporated as a phase-in to the method for the tariff increase for 2016/2017. This phase-in then resulted the increase to be <b>higher</b> than the norm of the 6% as guided by Circular 79, in order for the municipality to comply to the prescribed tariff determination method.

**Other/sundry income:**

After a re-assessment of the tariff were done by the help of the National Treasury cost reflective tariff tool, it required the municipality to adjusted tariff based on each sundry tariff. These adjustments resulted in some categories increasing and other decreasing. It resulted in the average increase for Sewerage charges to be 6% at this point.

For all tariff and detail of tariffs, please refer to the Tariff list for 2016/17 hereto attached.

**e Operating Revenue Framework**

Revenue by source

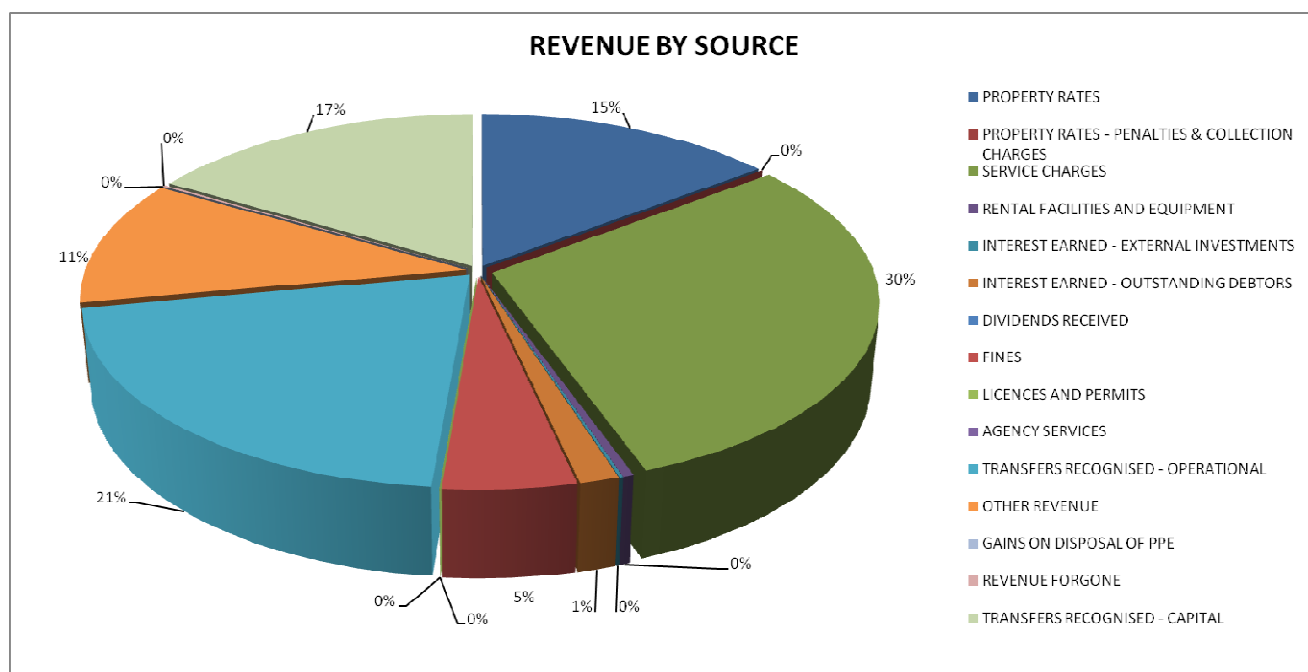
## Annual Budget 2016/2017, 2017/2018, 2018/2019

The following graph represents the percentage of the proposed budget of revenue as per source:

DE PT	ITEM CODE	DESCRIPTION	AUDIT OUTCOME 2012/2013	AUDIT OUTCOME 2013/2014	AUDIT OUTCOME 2014/2015	BUDGET 2015/2016	ADJUSTMENT BUDGET 2015/2016	ANNUAL BUDGET 2016/2017	BUDGET FORECAST 2017/2018	BUDGET FORECAST 2018/2019
		PROPERTY RATES	-31 358 480.12	-54 522 901.15	-17 797 978.82	-62 071 122.00	-40 071 122.00	-40 071 122.00	-42 475 389.00	-45 023 912.00
		PROPERTY RATES - PENALTIES & COLLECTION CHARGES	-	-	-	-	-	-	-	-
		SERVICE CHARGES	-64 057 587.51	-64 938 341.50	-63 276 917.92	-75 422 066.00	-71 422 066.00	-81 520 865.00	-86 573 994.00	-92 524 653.00
20	10050	REFUSE REMOVAL SERVICES	-7 331 639.77	-7 806 108.97	-8 662 391.79	-8 996 287.00	-8 996 287.00	-8 806 635.00	-9 335 033.00	-9 895 135.00
21	10100	SEWERAGE SERVICES	-7 254 609.35	-7 702 383.16	-8 136 023.53	-8 769 578.00	-8 769 578.00	-13 264 200.00	-14 060 052.00	-14 903 655.00
40	60093	PREPAID ELECTRICITY	-15 907 647.43	-18 280 603.45	-15 449 043.54	-23 408 064.00	-23 408 064.00	-25 196 440.00	-27 121 448.00	-29 193 527.00
40	60094	SALE OF ELECTRICITY	-15 923 927.75	-12 096 987.29	-12 823 321.94	-14 502 454.00	-8 502 454.00	-9 152 041.00	-9 851 257.00	-10 603 894.00
40	60095	BASIC ELECTRICITY	-5 088 361.52	-5 060 012.48	-4 901 029.31	-5 886 989.00	-7 886 989.00	-8 489 555.00	-9 138 157.00	-9 836 312.00
40	60096	FREE BASIC SERVICES 2	-6 712.28	-	-	-	-	-	-	-
45	60101	SALE OF WATER	-7 204 100.84	-8 367 039.38	-6 962 112.85	-6 375 786.00	-6 375 786.00	-6 885 849.00	-6 758 333.00	-7 163 833.00
45	60102	BASIC WATER	-5 340 588.57	-5 625 206.77	-6 342 994.96	-7 482 908.00	-7 482 908.00	-9 726 145.00	-10 309 714.00	-10 928 297.00
		RENTAL FACILITIES AND EQUIPMENT	-529 314.94	-435 339.68	-805 947.91	-437 011.00	-997 700.00	-1 077 516.00	-1 057 562.00	-1 121 016.00
		INTEREST EARNED - EXTERNAL INVESTMENTS	-463 559.12	-218 287.19	-380 058.20	-216 240.00	-325 000.00	-351 000.00	-372 060.00	-387 080.00
		INTEREST EARNED - OUTSTANDING DEBTORS	-	-	-	-	-	-3 907 058.00	-3 907 058.00	-3 907 058.00
		DIVIDENDS RECEIVED	-	-	-	-	-	-	-	-
		FINES	-5 483 025.88	-9 206 920.58	-8 873 780.53	-5 556 400.00	-12 100 500.00	-13 068 540.00	-12 112 921.00	-12 119 697.00
		LICENCES AND PERMITS	-32 019.63	-23 172.39	-6 095.93	-6 990.00	-7 400.00	-7 992.00	-8 314.00	-8 813.00
		AGENCY SERVICES	-2 567 591.52	-2 794 432.55	-3 171 904.15	-2 384 080.00	-2 384 080.00	-	-	-
		TRANSFERS RECOGNISED - OPERATIONAL	-38 880 695.02	-41 975 000.00	-44 855 063.00	-52 305 000.00	-52 305 000.00	-56 899 200.00	-60 641 850.00	-64 266 680.00
4	55091	GRANT: DCSR LIBRARIES	-	-	-	-	-	-	-	-
13	55095	EPWP INCENTIVE GRANT	-932 695.02	-	-	-	-	-	-	-
14	55095	EPWP INCENTIVE GRANT	-	-1 000 000.00	-1 108 582.55	-1 089 000.00	-1 089 000.00	-1 217 000.00	-	-
19	55051	EQUIT SHARE (COUNCIL SALARY)	-1 898 000.00	-2 384 000.00	-2 285 000.00	-2 417 000.00	-2 417 000.00	-2 567 000.00	-2 716 000.00	-2 878 960.00
19	55049	EQUITABLE SHARE (WARD COMMITTEE)	-	-	-480 000.00	-480 000.00	-480 000.00	-480 000.00	-480 000.00	-508 800.00
23	60201	LGSETA INTERNSHIP SUBSIDY	-	-	-69 000.00	-	-	-	-	-
24	55050	EQUITABLE SHARE	-33 750 000.00	-36 151 000.00	-39 515 000.00	-45 589 000.00	-45 589 000.00	-48 790 000.00	-53 830 000.00	-57 059 800.00
24	55060	GRANT: MSIG (INCOME)	-800 000.00	-890 000.00	-852 544.01	-930 000.00	-930 000.00	-750 000.00	-787 000.00	-834 220.00
24	55080	GRANT: FINANCIAL MANAGEMENT	-1 500 000.00	-1 550 000.00	-544 936.44	-1 800 000.00	-1 800 000.00	-1 825 000.00	-1 900 000.00	-2 014 000.00
40	55090	GRANT: INEP (MUNICIPAL)	-	-	-	-	-	-	-	-
19	55054	GRANT: MIG OPERATIONAL	-	-	-	-	-	-1 270 200.00	-928 850.00	-970 900.00
		OTHER REVENUE	-24 847 415.08	-14 978 913.26	-10 995 000.64	-22 767 287.00	-22 934 100.00	-30 475 438.00	-14 159 329.00	-10 118 618.00
		GAINS ON DISPOSAL OF PPE	-	-14 166.67	-	-54 000.00	-14 000.00	-	-	-
		TOTAL REVENUE (EXCLUDING CAPITAL SOURCE AND REVENUE FORGONE)	-168 219 688.82	-189 107 474.97	-150 162 747.10	-221 220 196.00	-202 560 968.00	-227 378 731.00	-221 308 477.00	-229 477 527.00
		REVENUE FORGONE	70 314.57	36 257.56	869 722.48	-	400 000.00	424 000.00	449 440.00	476 407.00
		TOTAL OPERATING REVENUE (EXCLUDING CAPITAL SOURCE)	-168 149 374.25	-189 071 217.41	-149 293 024.62	-221 220 196.00	-202 160 968.00	-226 954 731.00	-220 859 037.00	-229 001 120.00
		TRANSFERS RECOGNISED - CAPITAL	-15 336 141.05	-13 322 000.00	-17 232 000.00	-17 755 000.00	-17 755 000.00	-45 133 800.00	-24 637 150.00	-21 447 100.00
19	55052	GRANT: MIG	-15 018 358.02	-13 322 000.00	-17 232 000.00	-17 755 000.00	-17 755 000.00	-24 133 800.00	-17 648 150.00	-18 447 100.00
19	55054	GRANT: MIG PROSPECTIVELY	-317 783.03	-	-	-	-	-	-	-
22	60059	DONATION: IN KIND	-	-	-	-	-	-13 000 000.00	-	-
40	55090	GRANT INEP (MUNICIPAL)	-	-	-	-	-	-8 000 000.00	-6 989 000.00	-3 000 000.00
		TOTAL REVENUE	-183 485 515.30	-202 393 217.41	-166 525 024.62	-238 975 196.00	-219 915 968.00	-272 088 531.00	-245 496 187.00	-250 448 220.00



## Annual Budget 2016/2017, 2017/2018, 2018/2019

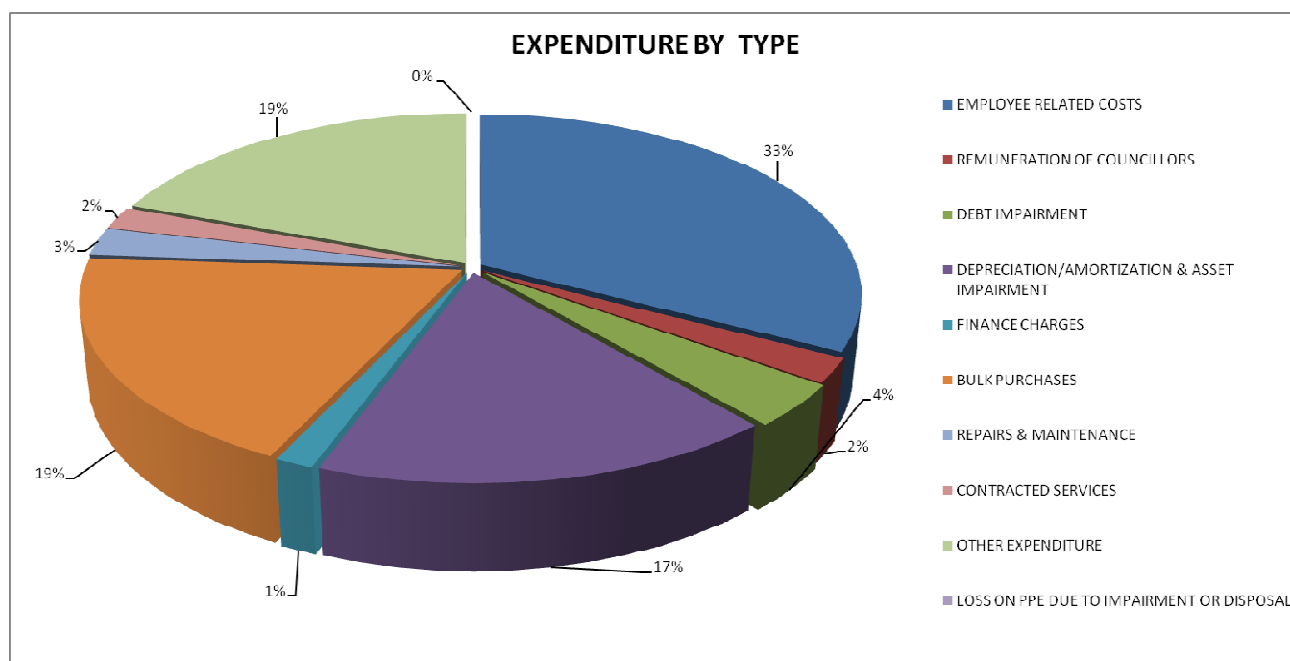


### f Expenditure Framework

#### Expenditure per category

The following graph represents the percentage of the proposed budget of expenditure as per category:

DESCRIPTION	AUDIT OUTCOME 2012/2013	AUDIT OUTCOME 2013/2014	AUDIT OUTCOME 2014/2015	BUDGET 2015/2016	ADJUSTMENT BUDGET 2015/2016	ANNUAL BUDGET 2016/2017	BUDGET FORECAST 2017/2018	BUDGET FORECAST 2018/2019
EMPLOYEE RELATED COSTS	58 421 024.21	59 445 374.96	61 517 257.13	82 500 352.00	80 465 426.00	85 181 539.00	89 916 927.00	95 442 189.00
REMUNERATION OF COUNCILLORS	4 484 763.94	4 787 535.96	5 069 866.70	5 441 566.00	5 441 566.00	5 743 220.00	6 114 145.00	6 480 994.00
DEBT IMPAIRMENT	-8 742 326.54	31 225 458.50	-32 363 924.23	17 709 169.00	10 000 000.00	10 000 000.00	10 000 000.00	10 000 000.00
DEPRECIATION/AMORTIZATION & ASSET IMPAIRMENT	45 060 185.88	49 319 511.19	41 288 586.44	51 486 796.00	42 460 000.00	44 243 000.00	45 104 625.00	45 897 258.00
FINANCE CHARGES	1 256 343.11	2 161 754.42	4 080 324.32	2 053 220.00	3 055 000.00	3 700 000.00	3 774 000.00	3 849 480.00
BULK PURCHASES	29 280 761.89	34 256 229.16	39 403 834.49	46 575 300.00	46 075 300.00	49 696 819.00	53 602 989.00	57 816 183.00
REPAIRS & MAINTENANCE	24 839 510.90	5 372 458.60	12 300 524.01	6 141 247.00	6 734 847.00	6 588 295.00	7 060 968.00	7 255 348.00
CONTRACTED SERVICES	2 701 958.55	3 548 460.09	3 272 475.65	5 325 000.00	4 986 000.00	5 285 160.00	5 431 500.00	5 540 130.00
OTHER EXPENDITURE	32 603 854.68	33 211 179.96	30 580 549.88	37 878 612.00	43 259 687.00	50 443 310.00	49 580 967.00	50 941 128.00
LOSS ON PPE DUE TO IMPAIRMENT OR DISPOSAL	-	20 756.23	-	-	-	-	-	-
<b>TOTAL EXPENDITURE (EXCLUDING CAPITAL)</b>	<b>189 906 076.62</b>	<b>223 348 719.07</b>	<b>165 149 494.39</b>	<b>255 111 262.00</b>	<b>242 477 826.00</b>	<b>260 881 343.00</b>	<b>270 586 121.00</b>	<b>283 222 710.00</b>
DEFICIT / (SURPLUS) OPERATING	6 420 561.32	20 955 501.66	-1 375 530.23	16 136 066.00	22 561 858.00	-11 207 188.00	25 089 934.00	32 774 490.00
CAPITAL EXPENDITURE	265 391.74	-	-	18 024 900.00	18 085 826.00	46 388 800.00	25 749 970.00	22 582 175.00
<b>TOTAL EXPENDITURE</b>	<b>190 171 468.36</b>	<b>223 348 719.07</b>	<b>165 149 494.39</b>	<b>273 136 162.00</b>	<b>260 563 652.00</b>	<b>307 270 143.00</b>	<b>296 336 091.00</b>	<b>305 804 885.00</b>
DEFICIT / (SURPLUS)	6 685 953.06	20 955 501.66	-1 375 530.23	34 160 966.00	40 647 684.00	35 181 612.00	50 839 904.00	55 356 665.00



For detail on the Revenue and Expenditure per department, please refer to the detailed Budget attached.

#### **g Debt Impairment**

A provision for debt impairment is made for 2016/17 to the amount of R 10 000 000. This forms one of the non-cash items and was informed by outstanding debtors amounting R 125,86 million as per the mid year performance for 2015/2016.

#### **h Finance Charges**

Finance charges consist primarily of the payment of interest on arrears creditors' accounts. Municipal revenue and cash flows are expected to remain under pressure in 2016/2017 which cause the finance charges for the 2016/2017 Budget to be R 3 700 000.00

#### **i Contracted Services**

Contracted services expenditure totals to R 5 285 160 for the 2016/2017 Budget. This expenditure is primarily for security services.

#### **j Repair and Maintenance**

Repair and Maintenance comprise of amongst other the purchase of materials for maintenance that totals to R 6 588 295 for the 2016/2017 budget.

#### **k Employee related costs**

The municipality is taking into account the multi-year salary and Wage Collective Agreement, for the period 1 July 2015 to 30 June 2018. The agreement provides for a wage increase based on the average CPI for the period 1 February 2015 until 31 January 2016, plus 1 per cent for 2016/2017. (with effect 1 July 2017)

Therefore the salary increase anticipation, in terms of the collective agreement shall be six percent (6.0%) with effect from the 1 July 2016.

The current vacant posts are not all budgeted for due to cash flow constraints and **NO new posts** (2016/17) have been provided for.

**l Remuneration of councillors**

Municipalities are advised to budget for 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 on 21 December 2015 by the Department of Cooperative Governance.

Therefore the salary increase budgeted for the 2016/17 shall be six percent (6.0%) with effect once the Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils are published for the year 2016/17.

**m Other expenditure**

Other expenditure comprises of various line items relating to the daily operations of the municipality and totals to R 50 443 310 for the 2016/2017 Budget.

- **Ward Committee Stipends**

Equitable Share Grant as per the Division of Revenue allocates a portion of the allocation for Councillors and Ward committee members remuneration.

Therefore in the draft budget a R500.00 stipend is provided to be paid to Ward committee members, per member per month to be funded from Equitable Share Grant.

Once the stipend is paid to a member the municipality shall then **not pay any expenses** for Ward committee members such as out of pocket, catering, transport and/or any other cost incurred from own funds or any other Grants received.

National Treasury emphasized that a strong control should be placed on the attendance and participation of these member. After reviewing various municipalities it was found that the attendance of members is very poor. Therefore strict control procedures for attendance should be put in place by the municipality and supporting documents should be kept for auditing purposed by the Auditor General.

**n Projects for 2016/2017:**

## Annual Budget 2016/2017, 2017/2018, 2018/2019

### **OPERATIONAL:**

#### ❖ Nkangala District Municipality:

Projects	ANNUAL BUDGET 2016/2017	BUDGET FORECAST 2017/2018	BUDGET FORECAST 2018/2019
Co-Funding For Scoa Software Emakhazeni	250,000.00	-	-
Disaster Mng Awareness Campaign - Emakhazeni	35,000.00	38,333.00	41,667.00
Emthonjeni subdivision of Land	-	100,000.00	-
MHS Education & Awareness - Emakhazeni	50,000.00	-	-
HIV/Aids campaign - Emakhazeni	50,000.00	50,000.00	50,000.00
Sakhelwe Geo - Technical and EIA	-	50,000.00	-
Sakhelwe Cemetery	300,000.00	100,000.00	-
Sakhelwe Grootsoekerbochkop Cemetery	-	100,000.00	-
Siyathuthuka Cemetery	-	100,000.00	-
Siyathuthuka Subdivision of Land	-	100,000.00	-
Subdivision of Parcels of Land	-	100,000.00	-
Water Conservation & demand Management	1,000,000.00	200,000.00	3,021,490.00
Water master plan - study waterscheme & capacity Emakhazeni	600,000.00	-	-
Support Small Holders Farmers	500,000.00	-	-
Township Establishment Dullstroom	333,247.00	-	-
Sakhelwe Geo - Technical and EIA	488,719.00	-	-
SCM/Debtors verification system : Emakhazeni LM	420,000.00	420,000.00	420,000.00
Emakhazeni Land Audit	-	10,000.00	-
<b>Grand Total</b>	<b>4,026,966.00</b>	<b>1,368,333.00</b>	<b>3,533,157.00</b>

### **CAPITAL:**

#### ❖ Nkangala District Municipality:

Projects	ANNUAL BUDGET 2016/2017	BUDGET FORECAST 2017/2018	BUDGET FORECAST 2018/2019
502919-Emakh Comm Park Construction Phase 2	1,180,000.00	-	-
Community Hall Sakhelwe	1,000,000.00	250,000.00	1,000,000.00
Construction of Tourism Site Machadodorp	300,000.00	-	-
Inkanini Water	1,500,000.00	200,000.00	500,000.00
Installation of basic services Shushumela	-	3,000,000.00	1,500,000.00
Installation of bulk infrastructure at Gugulethu	1,000,000.00	204,029.00	-
Installation of prepaid meters Dullstroom	1,000,000.00	-	-
Installation of wat distribution network Emgwenya	500,000.00	100,000.00	1,500,000.00
Machadodorp Ext Township Establishment	700,000.00	50,000.00	-
Refurb Belfast WTW Upgrade bulk suppl Elev tenk ext 2	5,000,000.00	250,000.00	1,000,000.00
Refurbishment of WTW and replace ac pipes Waterval Boven	2,100,000.00	-	-
Rehabilitation of Bhekumuzi Masango Road Phase 5	4,172,450.00	5,000,000.00	-
Sewer drainage truck Emakhazeni	2,000,000.00	-	-
Upgrade WWTP Dullstroom 2201	2,500,000.00	250,000.00	-
Upgrading Electrical Medium Voltage Network Phase 4	3,500,000.00	800,000.00	3,500,000.00
Upgrading od Water Treatment Works in Dullstroom	3,000,000.00	3,000,000.00	-
<b>Grand Total</b>	<b>29,452,450.00</b>	<b>13,104,029.00</b>	<b>9,000,000.00</b>

## Annual Budget 2016/2017, 2017/2018, 2018/2019

### ❖ Department of Water and Sanitation:

	Cost 2016/2017	Cost 2017/2018	Cost 2018/2019
Refurbishment of Waterval Boven waste water treatment plant	5 525 806.00	-	-
Refurbishment of Waterval Boven waste water treatment plant	7 474 194.00	-	-
	<b>13 000 000.00</b>		

### ❖ Municipal Infrastructure (MIG):

MIG Reference Nr	Project Description	EPWP Y/N	Status (Not Registered, Registered, Design & Tender, Construction,	MIG BUDGET FOR 2016/2017
W/MP/7127/07/10	Rural Areas: Water supply in rural areas Phase 8 multi year	N	Registered	3 292 419.00
MIG/MP 1254/S/13/16	Provision of water borne sanitation in Sakhelwe Extension 02 phase 2 (389 stands)	Y	Registered	2 967 200.00
MIG/MP1254/S/13/16	Madala Township: Provision of Waterborne Sanitation for 500 stands phase 2	Y	Registered	3 000 000.00
MIG/MP1305/W/14/17	Madala Township: Provision of Water for 500 stands phase 3	Y	Registered	3 929 800.00
	Upgrading of water infrastructure for Emgwenya Township	Y	Not registered	2 936 381.00
CS/MP/6004/09/11	Rehabilitation of waste site phase 1 in Belfast multi year	Y	Registered: New site licence application in progress	2 904 000.00
MIG/MP1253/S/13/16	Emthonjeni Ext. 4 & Enkanini 800: Provision of Waterborne sanitation	Y	Registered	3 000 000.00
	Emthonjeni Ext. 4 & Enkanini 800: Provision of Waterborne sanitation	Y	Registered	2 104 000.00
	<b>Total</b>			<b>24 133 800.00</b>

### ❖ Integrated National Electrification Programme (INEP):

	Cost 2016/2017	Cost 2017/2018	Cost 2018/2019
Electrification of Ext 6 & 8 Siyathuthuka	8,000,000.00	-	-
Other		6,989,000.00	3,000,000.00

### o Capital Budget Summary

A summary of the proposed capital budget is set as follows:

## Annual Budget 2016/2017, 2017/2018, 2018/2019

	Cost 2016/2017	Cost 2017/2018	Cost 2018/2019
Municipal Infrastructure Grant	24 133 800.00	17 648 150.00	18 447 100.00
Integrated National Electrification Programme	8 000 000.00	6 989 000.00	3 000 000.00
Department of Water & Sanitation:	13 000 000.00	-	-
Internal Capital	1 255 000.00	1 112 820.00	1 135 075.00
	<b>46 388 800.00</b>	<b>25 749 970.00</b>	<b>22 582 175.00</b>

Attached with the budget documentation is full detail of all capital projects. It must be noted that only capital projects which funding has been secured may be included in the capital budget.

### p Budget related Policies 2016/17

*For all the policies referred to above as budget related policies are hereto attached.*

a) The following budget related policies were reviewed:

Policy Name	Reviewed: No changes	Reviewed: With changes
Cellphone Allowance		Yes
Standby Allowance	Yes	
Subsistence and Travelling Allowance		Yes
Overtime	Yes	
Leave management		Yes
Human Resource Development (HRD)	Yes	
Staff retention policy	Yes	
Recruitment & Selection	Yes	
Asset Management		Yes
Petty Cash		Yes
Supply Chain Management - Goods and Services	Yes	
Unclaimed Money policy	Yes	
Banking and Investment	Yes	
Receipt		Yes
Free basic and Indigent		Yes
Budget	Yes	
Tariff		Yes
Property Rates		Yes
Credit control and Debt Management		Yes
Debt Impairment	Yes	
Traffic Fines		Yes
Inventory Management	Yes	

b) The following policies were reviewed but will no longer implemented as the MFMA and Accounting standards (GRAP) are now applicable:

Policy Name
Annual Financial Statements policy

Herewith at summary of the changes made to the policies mentioned above:

➤ Human Resource Policies

NAME OF POLICY	CLAUSE	OLD PROVISIONS	PROPOSED AMENDMENTS/INPUTS
<b>Cellphone Allowance Policy</b>	1. Introduction	Emakhazeni Municipality aims to improve communication within Emakhazeni. The Municipality will provide respective cellphone allowances for employees within its employment. This policy provides guidelines for cellphone allowances for employees employed within the Emakhazeni Municipality's jurisdiction.	Emakhazeni Local Municipality aims to improve its communication within Emakhazeni to enhance service delivery. It is on this premise that the Municipality should provide respective cellphone allowances for its employees and Political Office Bearers (Councilors) primarily for receiving and making of official calls when not in the office.  This policy provides guidelines for allocation of cellphone allowances for employees and Political Office Bearers (Councilors).
	Definitions	"Councilors": means Municipal Council members  "Municipal Manager": means any official appointed in terms of section 55 of the Municipal Systems Act (Act NO. 32 of 2000) and section 82 of the Municipal Structures Act (Act. No. 117 of 1998)	"Political Office Bearers/Councilors": means Municipal Council members  "Municipal Manager": means any official appointed in terms of section 56 of the Municipal Systems Act (Act NO. 32 of 2000) and section 82 of the Municipal Structures Act (Act. No. 117 of 1998)
	Objectives	The objective of this policy is to provide for compensatory payments in respect of officials who are required to be available and in contact with the municipal offices, officials, Councilors and the public at all times.	The purpose of this policy is; to develop a means or framework for the allocation, management and control of cellular phones allowance to officials and Political Officer Bearers
	Scope of application	This policy applies to all Councilors and employees/officials employed by Emakhazeni Local Municipality.	4.1 The following categories of employees shall automatically qualify to receive Cellphone and data card allowance: - All Political Office Bearers/Councilors - The Municipal Manager - Managers directly accountable to the Municipal Manager (section 56 & 57) - Deputy Managers 4.2 If there is any other official not mentioned in clause 4.1 who feels his/her job requires a cellular phone or data card, a motivation should be forwarded by his/her Head of Department to the

## Annual Budget 2016/2017, 2017/2018, 2018/2019

			<p>Municipal Manager for approval.</p> <p>4.3 It is important that a motivation relating to clause 4.2 is made shortly and timeously in order to ensure that Budget and Treasury department is able to provide for funds to cover the expenses.</p> <p>4.4 A cellphone/data card allowance shall not be granted to any official not covered under 4.1 without the approval of the Municipal Manager, whether the intention is to use it for official purposes.</p>
	8	<p>Monitoring, Evaluation and Reporting</p> <p>If and when this policy or provision thereof is amended, the amended policy or provision thereof will supersede the previous one.</p>	<p>Monitoring, Evaluation and Reporting</p> <p>The policy shall be reviewed at the end of every financial year to cater for legislative amendments, when this policy or provision thereof is amended, the amended policy or provision thereof will supersede the previous one.</p>
<p><b>Subsistence and Travelling Allowance Policy</b></p>			<p>"Accounting Officer" means a person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003), including any person acting in that position or to whom authority is delegated; "</p> <p>"Chief Financial Officer" means a person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated; "</p> <p>"Municipality" Emakhazeni Local Municipality, established in terms of sections 12 and 14 of the Structures Act.</p> <p>"Executive Mayor" The Executive Mayor of the Emakhazeni Local Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998).</p>
			<p>To ensure that Councillors/officials adhere to procedures for travelling, accommodation and subsistence expenses.</p> <p>To ensure that payments made are for the actual cost incurred for official municipal business.</p>



Annual Budget 2016/2017, 2017/2018, 2018/2019

			Determination of Total Remuneration Packages payable to Municipal Managers and Managers Directly Accountable to Municipal Managers
	6.3.1		An Employee/Official receiving a negotiated transport allowance will be reimbursed for journeys either inside or outside the Emakhazeni boundaries on the terms and conditions of the contract of employment of Senior Managers
	6.3.2		Any allowance or transport costs payable to Senior Managers will be subject to the regulations pertaining to the Total Remuneration packages payable to Municipal Managers and Managers directly reporting to the Municipal Managers from time to time, and will be paid according to the tariffs prescribed by the Department of Transport for use of privately owned vehicle
	6.3.3	An Employee/Official receiving a negotiated transport allowance will be reimbursed for journeys either inside or outside the Emakhazeni boundaries on the terms and conditions of the contract of employment (Kilometres in excess of 500km per month).	An Employee/Official receiving a negotiated transport allowance will be reimbursed for journeys either inside or outside the Emakhazeni boundaries on the terms and conditions of the contract of employment of Senior Managers
	6.6. Subsistence	<p><b>6.6 Subsistence</b></p> <p><b>6.6.1Accommodation Expenses</b></p> <p><b>6.6.1.3</b> If a delegate is required to stay overnight in a hotel/guest house, a maximum of <b>R800.00</b> plus <b>R150,00</b> on a basis of <b>R800,00</b> for bed and breakfast and <b>R150,00</b> for other meals, will paid directly to the hotel/guest house. (Arrangements with a hotel/guest house with regard to accommodation and meals must be made prior to the delegate's departure in order that an electronic transfer can made out to the specific hotel or guest house)</p> <p><b>6.6.2 Day allowance</b></p> <p><b>6.6.2.1</b> A day allowance of</p>	<p><b>6.6 Subsistence</b></p> <p><b>6.6.1 Accommodation Expenses</b></p> <p><b>6.6.1.3</b> If a delegate is required to stay overnight in a hotel/guest house, procurement of such expenses shall be done in accordance to the Supply Chain Management Policy.</p> <p><b>6.6.2 Day allowance</b></p>

		<p><b>R65.00</b> per day for official journeys <b>outside</b> the Emakhazeni boundaries will only be payable if a councilor or an employee is away from his or her workplace longer than 6 working hours, but less than 12 hours. Provided that the municipality did not pay for breakfast/dinner or lunch is not provided at the venue.</p> <p><b>6.6.2.2</b> A day allowance of <b>R100,00</b> per day for official journeys outside the Emakhazeni boundaries will be payable if a councilor or an employee is away from his or her workplace longer than 12 hours, but who does not overnight, provided that the municipality did not pay for breakfast/dinner or lunch is not provided at the venue .</p>	<p><b>6.6.2.1</b> A day allowance of <b>R115.00</b> per day for official journeys outside the Emakhazeni boundaries will only be payable if a councilor or an employee is away from his or her workplace longer than 6 working hours. Provided that the municipality did not pay for breakfast/dinner or lunch is not provided at the venue.</p> <p>Clause 6.6.2.2 to be removed.</p>
	<b>6.8 Allowance payable with respect to overseas visits</b>	<p>6.8.1 An allowance of <b>\$80 per day</b>, calculated from the first day of departure, will be paid to any official or councilor traveling overseas on official Council business. The amount must, however, be compared to provincial Government guidelines in this regard and can be revised by Council depending on the exchange rate and the country that is visited.</p>	<p>6.8.1 An allowance shall be paid based on <b>SARS latest gazetted tariffs for foreign subsistence allowance per day</b>, calculated from the first day of departure, will be paid to any official or councilor traveling overseas on official Council business. The amount must, however, be compared to provincial Government guidelines in this regard and can be revised by Council depending on the exchange rate and the country that is visited.</p>
	<b>6.9 General 6.9.13 Relocation Expenses</b>	<p>Relocation expenses may be paid subject to a maximum cost of <b>R2 000.00</b> or such higher amount approved by resolution of the Council's Mayoral Committee, the Emakhazeni Municipality will pay 50% of an employee's relocation expenses provided that, should the employee concerned leave the Council's service within two years from his/ her date of appointment, the amount paid by the Council will be recoverable in full except where decided otherwise by a resolution of the Mayoral Committee.</p>	<p>Relocation expenses may be paid subject to a maximum cost of <b>R2 000.00</b>, the Emakhazeni Municipality will pay 50% of an employee's relocation expenses provided that, should the employee concerned leave the Council's service within two years from his/ her date of appointment, the amount paid by the Council will be recoverable in full except where decided otherwise by a resolution of the Council.</p>

## Annual Budget 2016/2017, 2017/2018, 2018/2019

		For the purpose of this policy, relocation expenses shall mean the cost of transporting the employee's household contents to Emakhazeni together with any appropriate insurance costs.	For the purpose of this section, relocation expenses shall mean the cost of transporting the employee's household contents to Emakhazeni together with any appropriate insurance costs when relocating from outside the Emakhazeni Local Municipality's boundaries, limited to one relocation per employee.
	9 (Annexures)	Trip Authorization Form Log Sheet Traveling and Subsistence Claim Form	Trip Authorization Form Log Sheet Traveling and Subsistence Claim Form AA Tariffs
	10		<b>Implementation</b>
<b>Leave Management Policy</b>	6.1.1 Procedures for Application for Leave	New	6.1.1.5 The relevant Line Manager is responsible for recommending the approval of leave to the Head of Department.
		New	6.1.1.6 The Head of Department is responsible for final approval of leave.
	6.1.2.5	New	An employee must take annual leave not later than six (6) months after the end of the annual leave cycle
	6.1.2.8	At the end of a leave cycle, an employee may not have more than 48 days annual leave to his credit.	Within six (6) months of the end of a leave cycle, an employee may not have more than 48 days annual leave to his credit.
		New	When an employee chooses to encash leave in terms of long service bonus, the Municipal Manager or the delegated authority should decide, (with due consideration of the financial circumstances and after consultation with the Budget and Treasury office whether the leave maybe utilized as annual leave or en cashed. The availability of funds must at all times be taken into consideration.
	6.1.2.13	New	A Senior Manager is entitled to not more than two working days leave on full remuneration for every month which a Senior Manager worked in any annual leave cycle. Annual leave cycle of a Senior Manager is calculated from 1 January to 31 December
	6.1.2.14	New	A senior Manager who commences work after 1 January is entitled to paid annual leave on a pro-rata

## Annual Budget 2016/2017, 2017/2018, 2018/2019

			basis.
	6.1.2.15	New	A Senior Manager does not accrue leave during any period of unpaid leave or if the Senior Manager is absent from work without permission, the accrual of leave will be reduced on a pro-rata basis in accordance with the number of unpaid leave days or days on which the Senior Manager was absent without permission
	6.1.2.16	New	A Senior Manager must take at least 10 working days annual leave in each annual leave cycle provided that the remaining days must be taken before the end of the following annual leave cycle, failing which, they are forfeited.
	6.1.2.17	New	A Senior Manager whose annual leave application is not approved as a result of the operational requirements must be informed in writing of the refusal, reasons for the disapproval and the future arrangements for rescheduling the annual leave. A Senior Manager who is recalled from leave due to operational requirements must be credited with the number of leave days forsaken.
	6.2.1.2	New	A Senior Manager is entitled to 36 working days paid leave during each leave cycle. A Senior Manager whose sick leave is depleted within a sick leave cycle may take annual leave in lieu of sick leave for recovery. If the sick leave and annual leave are depleted, a Senior Manager may at the discretion of the municipality and to a maximum of 30 days , be granted unpaid leave.
	6.2.1.1	Employees are entitled to eighty (80) days sick leave over a three (3) year cycle, commencing from the date of employment	Employees are entitled to eighty (80) days sick leave over a three (3) year leave cycle, commencing from the date of employment provided that in respect of new appointments an employee may not take more than 30 days sick leave in the first year of employment.
	6.2.1.4	The Municipality will only recognize medical certificates issued by a Medical Practitioners registered with the Health Professions Council of South Africa (HPCSA).	The Municipality will only recognize medical certificates issued by registered Medical Practitioner or any other person who is certified to diagnose and treat patients and who is registered with the Health Professions Council of South Africa (HPCSA).

## Annual Budget 2016/2017, 2017/2018, 2018/2019

	6.3.1	The Municipality shall grant employees paid maternity leave for a period not exceeding three (3) months to an employee, who have been in the employ of the municipality for at least one (1) year with no limit to the number of confinements and adoption. This leave provision shall also apply to an employee whose child is still-born.	The Municipality shall grant employees paid maternity leave or adoption leave for a period not exceeding three (3) months to an employee, including an employee adopting a child under three (3) months who have been in the employ of the municipality for at least one (1) year with no limit to the number of confinements and adoption. This leave provision shall also apply to an employee whose child is still-born.
	6.3.4	New	Maternity leave may commence four (4) weeks before confinement
	6.4.3(e)	In the event of death of the employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling.	In the event of death of the employee's parent, adoptive parent, parents in law, grandparent, child, adopted child, grandchild or sibling.
	Roles and Responsibilities (Line Managers)	New	In respect of sick leave and other leave taken as a result of an emergency, Managers must ensure that relevant employees complete leave forms when they come back ensure that such is submitted to the Human Resources Unit.
	Annexures		Leave application Form for officials other than Senior Managers  Leave application form for Senior Managers  Leave application form for payment of leave accrued
<b>Standby Allowance Policy</b>	6.1.6	New	Standby Allowance will only be paid when submitted with the schedule approved by the Head of Department
	Roles and Responsibilities(Line Manager)		a) Based on valid reasons, analyze the need for an employee(s) to be on standby and make recommendations to the Head of Department. b) Responsible for drafting a standby schedule on a monthly basis and ensure that the schedule is approved by the Head of the Department before any employee is assigned on standby duty.
	Annexures		Standby Claim Form Schedule for Standby
<b>Overtime Management Policy</b>	Roles and Responsibilities(Line Manager)	New	Responsible for making recommendations to the Head of Department for approval of overtime claim by way of signature.
		New	Employees who by a working

## Annual Budget 2016/2017, 2017/2018, 2018/2019

			arrangement approved by Council fall within a "task based approach" shall be compensated for overtime worked in terms of the normal working hours as approved by Council, for an example, an employee working on a task based approach will be compensated for overtime for work performed after the normal knock off time(16:30)
<b>Recruitment and Selection Policy</b>	Clause 3 : Scope of application	This policy is applicable to all employees of Emakhazeni Municipality regardless of the nature of their work contracts.	This policy is applicable to all potential employees of Emakhazeni Municipality regardless of the nature of their work contracts.
	5.2.6	<b>ANY INDIVIDUAL APPLYING FOR EMPLOYMENT MAY BE SUBJECTED TO SECURITY SCREENING/VETTING, REFERENCE CHECKS, COMPETENCY OR SUITABILITY TESTING.</b>	<b>ANY INDIVIDUAL APPLYING FOR EMPLOYMENT MAY BE SUBJECTED TO REFERENCE CHECKS, COMPETENCY OR SUITABILITY TESTING.</b>
	5.2.3.c (Methods of publicity)	Visits to schools, universities and technikons with a view to establishing internship programs;	<b>CLAUSE TO BE REMOVED AND INSERTED IN THE EXPERIENTIAL LEARNING POLICY</b>
	5.3.a and b	<ul style="list-style-type: none"> <li>a) Full-time study by means of a bursary to an externally recruited candidate;</li> <li>b) Full-time study by means of a bursary to an official and retention of such an official's salary whilst he/she is studying; and</li> <li>c) Part-time study by means of financial assistance to an official.</li> </ul>	<b>REMOVE A AND B UNDER STUDY AID</b>
	5.3.f	The Emakhazeni Municipal Manager or the delegated authority may fill a vacant post without complying with the requirements, as set out above	The Emakhazeni Municipal Manager or the delegated authority may fill a vacant post without complying with the requirements, as set out above except the Municipal Manager and Senior Manager's positions,
	5.3.f	The Emakhazeni Municipality will also be guided by and adhere to the provincial circulars, SALGA's minutes on	The Emakhazeni Municipality will also be guided by and adhere to the provincial circulars, SALGBC' Main Collective Agreement,

## Annual Budget 2016/2017, 2017/2018, 2018/2019

		the filling of posts and both internal and external advertisements should follow the same criteria.	SALGA's guidelines/agreements and on the filling of posts and both internal and external advertisements should follow the same criteria.
	5.3.f	All requests for the advertising of posts must be done on the prescribed form. Only one level of vacant position should be placed in an advertisement. The language used in the advertisement must be clear and simple	All requests for the advertising of posts must be done on the prescribed form or letter of request to fill vacant posts as approved by the Municipal Manager. Only one level of vacant position should be placed in an advertisement. The language used in the advertisement must be clear and simple
	5.3.f	The closing date for application (four weeks immediately following the publication date of the advertisement);	The closing date for application (four weeks immediately or a shorter period of not less than seven 7 (days) following the publication date of the advertisement);
	5.4.1 c	In order to be able to demonstrate the openness and fairness of the selection process, written records (which should be easily accessible) must be kept relating to the criteria used in selecting interviewers, the selection criteria applied, the assessment rating of individual candidates and the basis for the decision or choice.	In order to be able to demonstrate the openness and fairness of the selection process, written records must be kept.
	5.4.2.5	An offer of employment shall be subject to reference checks. At least 2, but preferably 3, verbal or telephone references with a written record by the caller should be obtained before selection is confirmed.	An offer of employment on certain positions determined by the Accounting Officer shall be subject to reference checks. At least 2, verbal or telephone references with a written record by the caller should be obtained before selection is confirmed.
	Screening of applications	New	A panel for screening applications/short listing consisting of Human Resource Practitioners and other relevant officials as appointed by the Municipal Manager will undertake selection.
	The interviews	A panel consisting of Line Managers, Human Resources Practitioners and Managers from Emakhazeni Municipality, with transformation and union representatives sitting as	A panel for interviewing will consist of Human Resource Practitioners, other relevant officials from Emakhazeni Municipality as appointed by the Municipal Manager, with union representatives sitting observers in

**Annual Budget 2016/2017, 2017/2018, 2018/2019**

		observers in the meeting undertakes	the meeting.
	Roles and Responsibilities	Notify institutions of successful candidates	Remove this sentence
		The Line Manager identifies a vacancy and completes the staff requisition form	The Line Manager identifies a vacancy and completes the staff requisition form or submit a letter of request to the Municipal Manager for approval
	Annexures		Request Form  Application Form for employees other than Senior Managers  Application form for Senior Managers  Form for appointment of Selection and Interviewing Committee
<b>Skills Retention Policy</b>		New	The provisions of the Intern Retention Strategy be inserted and aligned to the Skills Retention Policy
			The provision of the Experiential Learning policy be inserted and aligned to the Skills Retention Policy
<b>Human Resources Development Strategy/policy</b>	Section 4.1	The South African Qualification Authority Act (1995)	4. Legal Framework
	Section 4.2	The Skills Development Act (1998) and the Skills Development Levies Act (1999) The Employment Equity Act (1998)	There are a number of key pieces of legislation, which will influence the Emakhazeni Municipality's Training and Development policy and skills development strategy. These include the following:
	Section 4.3		The Skills Development Act of 1998  The Local Government Municipal Systems Act of 2001  Local Government Municipal Finance Management Act of 2003  The Local Government Sector



			<p>Educa</p> <p>tion and Training Regulations of 2008</p> <p>Human Resources Training Committee</p> <p>With regard to capacity building, the HR Training Committee shall assist with coordinating and ensuring an integrated approach to effect goal oriented training and development interventions within the municipality. Equal access to training and development shall be fostered for all staff.</p> <p>A representative committee shall consist of all representatives of all departments. The Head of Corporate Services or his delegate shall facilitate the activities of the committee.</p> <p>Meetings shall be held once in three months or at any time which the committee may decide.</p> <p>Functions of the Committee shall be to:</p> <p>Monitor training needs of the employees and those of the committee members</p> <p>Review, monitor and make recommendations on training practices in order to achieve the municipality's objectives</p> <p>Give opinion and influence the Workplace Skills Plan (WSP)</p> <p>Give input on the formulation and review of the municipality's</p>
--	--	--	--

			<p>training and development policies</p> <p>Assist and support management in matters relating to skills development and employment activities</p> <p>Education, Training and Development</p> <p>Education, Training and Development of the municipality is focused on the enhancement of knowledge, skills and behavioral competencies of employees and councilors to the appropriate levels required to deliver on and exceed organizational requirements, as embedded in the IDP and the WSP.</p> <p>Through implementation of the learning programs as contained in the WSP, this is to ensure that municipal employees have the necessary competencies to meet performance and quality standards in their current jobs.</p> <p>It is the practice of the municipality to have training and development interventions focusing on individual employee's career and personal potential in order to meet their growth needs as well as the future human resource needs.</p> <p>Apart from the budget allocated by the municipality for training and development purposes, the Skills Development Facilitator (SDF) shall ensure that the full Mandatory Grant is received for each levy-year and shall maximize all appropriate opportunities for discretionary grants and other training opportunities offered by SETA and other government agencies.</p>
--	--	--	---

			<p>To ensure return on training investment it shall be the responsibility of the Skills Development Facilitator to monitor effectiveness of its skills development interventions through appropriate measurement and evaluation methods. The training implementation reports will be submitted as per LGSETA requirements.</p> <p>Induction</p> <p>Every new employee regardless of function or department or section shall receive systematic induction training which will enable the newly employed to become fully orientated in their respective jobs in the shortest possible time. Every new employee will receive induction about the municipality from the Corporate Services Departmental Head or his delegate and from his supervisor within three months starting from the day he or she assumes duties.</p> <p>In- Service Training</p> <p>The objective of in-service training is to impart skills, knowledge and to modify attitude of an employee in the work place in order to improve his or her competence.</p> <p>A staff member being trained at his or her workplace shall not be entitled to compensation in respect of travelling costs and this shall only apply to employees receiving monthly travelling allowances.</p> <p>A staff member who received training at a place other than his or her workplace will be entitled to travelling costs in accordance with the tariffs and conditions applicable, provided that should it be more advantageous to the</p>
--	--	--	---

			<p>municipality's for the staff member to travel between his or her place of residence and the training venue daily, arrangements will be made accordingly.</p> <p>The municipality may from time to time require that an employee be subjected to training of short duration in a particular field of study in order to acquire specific skills. If such training is conducted by an institution other than the municipality itself, the following conditions shall apply;</p> <p>The municipality must undertake to pay for all costs incurred for registration, books or modules, tuition fees and accommodation. This shall apply provided the following conditions are met</p> <p>It is a result of a skills audit or performance management system</p> <p>The Head of Department concurs that the course would be to the advantage or benefit to the municipality and the employee concerned</p> <p>The training is relevant to the employee's day to day functions and</p> <p>The employee is not registered for other formal studies of a similar nature or of extended duration</p> <p>Employee Self Development</p> <p>The municipality supports the continuous self development of employees by engaging in further studies. However the operational requirements of the municipality and relevance of the studies concerned shall always be the primary consideration.</p>
--	--	--	--

			<p>Employees who wish to undertake a study course towards obtaining a work related qualification, a degree or equivalent qualification must first obtain approval from the municipality through their Head of Department supported by the Corporate Services Departmental Head or his delegate.</p> <p>Study and Examination Leave</p> <p>Examination leave with full pay on the basis of one day examination leave for every day prior to and on the day which the employee has to sit for an examination may be granted, provided that in the opinion of the head of department;</p> <p>It has the object to better equip the employee concerned for a career in the municipality</p> <p>Is in a field of study which is in full or in part in the interest of the municipality</p> <p>In all the above cases the examination roster or time table must be submitted to the manager at least 2 weeks prior to writing of first paper or 1 month if the period of absence will be more than 2 weeks unless there are factors beyond the staff members control for example late issue of timetable by the institution</p> <p>An employee who studies part-time or by means of correspondence at a recognized educational institution and who as a result of his her studies is required to be absent from his her place of work may be released from duty and be granted examination leave on full pay on the basis of one day examination leave on full pay every day of</p>
--	--	--	---

			<p>vacation leave taken provided that does not exceed 6 months.</p> <p>An employee who serves in a capacity in which candidates are normally appointed with a view to train in specific fields and who study part-time at a recognized educational institutions, may be released from duty to the extent required by their studies, based on a contractual agreement entered into with the training institution.</p> <p>An employee who repeats a course or part thereof may with the approval of the Head of Department be released from duty on condition that one days vacation leave with full pay or if he she does not have leave to his or her credit one day's vacation leave without pay be granted in respect of every full eight hours he or she is released unless an explanation to the satisfaction of the Head of Department is submitted.</p> <p>Performance Management</p> <p>Efficient performance emphasizing the agreed objectives shall remain the prime responsibility of each manager. Necessary time shall be dedicated to the monitoring and the follow-up of the progressive achievement of objectives on a monthly basis.</p> <p>This feedback would be meant to stimulate performance and should take place through an open dialogue based on mutual trust and willingness to progress. It is advisable that written evidence of such meetings is provided. Focus should be essentially on continuous improvement, appropriate training interventions but also on shaping a stimulating working environment.</p>
--	--	--	--

			<p>In case of serious underperformance a termination of employment shall be a matter of last resort. No employee service shall be terminated for unsatisfactorily performance unless the municipality has given the employee appropriate evaluation, instruction, training, guidance or counseling and after a reasonable period of time for improvement the employee continues to perform unsatisfactorily</p> <p>The above provision is one of the requirements in terms of Schedule 8 of the Labor Relations Act of 1995.</p> <p>Labor Relations</p> <p>The municipality upholds freedom of association of its employees and the effective recognition of the right to collective bargaining.</p> <p>Through its relationship with the unions the municipality shall sustain its long-term development both to the benefit of the employees and municipality by maintaining a level of competitiveness adapted to its business environment.</p> <p>Labor relations are clear responsibility of management and will be handled at the appropriate level. The municipality shall ensure that direct and frequent communication is maintained with its employees, both union and non-union members.</p> <p>Relations with unions are established under strict observation of national law,</p>
--	--	--	--

			Collective Agreements and local practices. Contacts with union delegates should create a further opportunity to provide information allowing their members and other representative associations to acquire a full understanding of the municipal activities, objectives and long term vision.
	Monitoring and Evaluation Monitoring	Corporate Service will monitor and evaluate the implementation and the efficacy of the HRD Strategy and policy. The skills development facilitator will report on compliance and deviation to the Corporate Services Manager.	<p>Staff training and development shall be monitored on a continuous basis for purposes of assessing;</p> <ul style="list-style-type: none"> <li>• Progress on implementation of training plans</li> <li>• Utilization of training budget</li> <li>• Progress on implementation of personal development plans</li> <li>• Effective implementation of ABET programs</li> </ul> <p>Tools to be used for monitoring purposes include;</p> <ul style="list-style-type: none"> <li>• Annual training plans and budgets</li> <li>• Periodic progress reports on implementation of training plans</li> <li>• Effective implementation of ABET programs</li> </ul>
	Evaluation	New	Periodic evaluations shall be done to assess the impact and effectiveness of various training and development programs.

➤ Asset Management

Old Policy	Reviewed Policy
<p>7.5 Recognition of inventory items (non-capital items) (b) Policy – Paragraph 3 Inventories are measured at the lower of cost and current replacement cost determined on the First-in-First-out (FIFO) basis, where they are held for distribution at</p>	<p>7.5 Recognition of inventory items (non-capital items) (b) Policy – Paragraph 3 Inventories that qualify for recognition as assets shall initially be measured at cost determined by the First-in-First-out (FIFO) method. Where inventories are acquired at</p>



no charge or for nominal charge, or for consumption in the production process of goods to be distributed at no charge or for a nominal charge.	no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition
--	--

➤ Petty Cash

Old Policy	Reviewed Policy
<p>7.2 General</p> <p>(i) The petty cash float shall not be used for any of the following:</p> <ul style="list-style-type: none"> <li>i. Transport and subsistence claims and advances;</li> <li>ii. Expenditure related to the repair of labour saving devices; and</li> <li>iii. Parking fees unless proof of payment is submitted.</li> <li>iv. Loans to any person whatsoever;</li> <li>v. Payment of remuneration to any person whatsoever, whether for fees, salaries, wages or any allowance;</li> </ul>	<p>7.2 General</p> <p>i) The petty cash float shall not be used for any of the following:</p> <ul style="list-style-type: none"> <li>i. Transport and subsistence claims and advances;</li> <li>ii. Tollgate fees outside Emakhazeni municipal boundaries;</li> <li>iii. Expenditure related to the repair of labour saving devices; and</li> <li>iv. Parking fees unless proof of payment is submitted.</li> <li>v. Loans to any person whatsoever;</li> <li>vi. Payment of remuneration to any person whatsoever, whether for fees, salaries, wages or any allowance;</li> </ul>

➤ Receipt

Old Policy	Reviewed Policy
<p><b>Annexure</b></p>	<p><b>Annexure</b></p> <p><b>Cash Surplus Procedures</b></p> <p>(As per section 7.2 of the Receipt Policy)</p> <p>1. Any surplus identified by a cashier should be reported to the Snr Clerk immediately where upon the Snr Clerk should assist the cashier to determine the originations of the surplus.</p> <ul style="list-style-type: none"> <li>a. If the surplus amount origination from rounding difference or incorrect change which is immaterial (meaning less than R5.00) should be receipted to surplus revenue vote and banked accordingly.</li> <li>b. Should the surplus originate from any other means other than mentioned above (a), then the surplus should be receipted to sundry revenue and banked accordingly.             <ul style="list-style-type: none"> <li>i. After allocation of surplus receipt, the Snr Clerk must investigate the root cause of the surplus and establish and execute the corrective action with regard to the surplus receipt.</li> <li>ii. For any surplus receipt as mentioned in (b)(i) a written incident report should be submitted by the Snr Clerk and must be submitted to the Snr Accountant: Income and the</li> </ul> </li> </ul>

	departmental head concerned.
--	------------------------------

➤ Free basic and Indigent

Old Policy	Reviewed Policy
<b>7. EXTENT OF INDIGENT ASSISTANCE AND SUPPORT</b> <p>7.1 Council shall annually, determine the overall subsidy for indigent and other debtors during council's budget process and within its financial constraints.</p> <p>Indigent subsidies may be granted on:</p> <ol style="list-style-type: none"> <li>Rates;</li> <li>Water;</li> <li>Sewerage;</li> <li>Refuse Removal; and</li> <li>Electricity</li> <li>Arrears</li> </ol>	<b>7. EXTENT OF INDIGENT ASSISTANCE AND SUPPORT</b> <p>7.1 Council shall annually, determine the overall subsidy for indigent and other debtors during council's budget process and within its financial constraints.</p> <p>Indigent subsidies may be granted on:</p> <ol style="list-style-type: none"> <li>Rates;</li> <li>Water;</li> <li>Sewerage;</li> <li>Refuse Removal; and</li> <li>Electricity</li> </ol> <p>7.3 Once approved for subsidisation the indigent consumer will be expected to pay R100 per month to arrears amount accumulated before approval of indigent.</p>

➤ Tariff

Old Policy	Reviewed Policy
<b>7 Principles</b> <p>7.10 In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis.</p>	<b>7 Principles</b> <p>7.10 In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. Where readings are not available an average consumption will be utilised for a period not exceeding two(2) months. The flat rate will be used for water and electricity consumption. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.</p>

➤ Credit control and Debt Management

Old Policy	Reviewed Policy
<b>Section 6.4</b> <p>6.4 Debts and arrangements to repay debts must be treated holistically, but different repayment periods or methods may be determined for different types of service, debtors or arrears within the general rule that the repayment period should be in sympathy with the instalments that the</p>	<b>Section 6.4</b> <p>6.4 Debts and arrangements to repay debts must be treated holistically, but different repayment periods or methods may be determined on the account holders income while be in sympathy with the instalments that the debtor can afford based on the account holders(excluding indigent) gross</p>

debtor can afford.	<p>salary.</p> <p>6.4.1 Income R3601 – R4500 pm 15% of the existing debt to be paid immediately – balance is payable on a monthly basis plus the current account before the end of the financial year.</p> <p>6.4.2 Income R4501 – R5500 pm 25% of the existing debt to be paid immediately – – balance is payable on a monthly basis plus the current account before the end of the financial year.</p> <p>6.4.3 Income R5501 – R6500 pm 30% of the existing debt to be paid immediately — balance is payable on a monthly basis plus the current account before the end of the financial year.</p> <p>6.4.4 Income R6501 – R8 000 pm 40% of the existing debt to be paid immediately – – balance is payable on a monthly basis plus the current account before the end of the financial year.</p> <p>6.4.5 Income R8 001 – R10 000 pm 45% of the existing debt to be paid immediately – balance is payable on a monthly basis plus the current account before the end of the financial year.</p> <p>6.4.6 Income of above R10000 60% of the existing debt to be paid immediately –balance is payable on a monthly basis plus the current account before the end of the financial year.</p>
	<p><b>8.4 WHISTLE BLOWING</b> An amount of R 500,00 may be payable based on the following:</p> <ul style="list-style-type: none"> <li>• The whistle blower's name be kept confidential</li> <li>• The whistle blower's information leads to the removal of the meter tempered with</li> <li>• The amount is payable upon the removal of the meter and not upon payment by the illegal connector</li> <li>• Monies of R500.00 payable for whistle blowing; will be added to the fine to the consumer whom has illegally tampered.</li> </ul> <p>The payment of whistle blowing is to be approved the municipal manager.</p>
	<p><b>8.7 BACK CHARGES</b></p> <p>8.7.1 The municipality may, if it is found that the relevant consumer of services has been undercharged and or unmetered and or unbilled and for a period of time irrespective of the reason, the municipality will charge the consumer for the period as determined but not exceeding three (3) years, from the date that</p>

	<p>the consumer is made aware of the back charge in writing by the municipality.</p> <p>8.7.2 The municipality will calculate the back charges based on the four months consumer profile from the meter correction, billing correction, meter installation, data correction or any other reason that led to the discrepancy.</p> <p>8.7.2 The consumer may pay the back charges with one installment or settle the back charge fee in equal installments for a period that will be approved by the municipality.</p> <p>8.7.3 If it is found that the consumer is back charged due to meter tampering, then the municipality must recover all the consumption for the period of tampering, not exceeding three years from the date that the consumer is made aware of the back charge in writing by The municipality. The back charge must be settled in full and not repayment terms will be entertained by The municipality and the services will remain suspended until the back charge is settled in full.</p>
<p><b>8.10.1 Dishonoured payments</b></p> <p>a) Rates and general services If the drawer of the cheque, or the customer who received value from the depositing of the cheque, is an existing debtor of Council, the reversal and penalty fee may be debited to an account of the drawer or beneficiary and a letter of notification must be sent to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor.</p> <p>Council reserves the right to refuse to accept further cheques from the drawer or beneficiary, to place the matter on the National Adverse credit listing and also institute legal action which may include criminal charges against the offender.</p> <p>b) Miscellaneous services</p> <ul style="list-style-type: none"> <li>If the drawer of the cheque is not an existing debtor of Council, then a sundry debtor account is created and the debtor and penalty is raised. Once the account is submitted and the debtor fails to honour the cheque and</li> </ul>	<p><b>8.12.1 Dishonoured payments</b></p> <p>a) Rates and general services The municipality will only accept payment as per Receipts policy 7.1 "permissible methods of payment" from consumers that made prior arrangements with the municipality.</p> <p>If the drawer of the cheque, or the customer who received value from the depositing of the cheque, is an existing debtor of the municipality, the reversal and penalty fee may be debited to an account of the drawer or beneficiary and a letter of notification must be sent to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor.</p> <p>b) Property management leases The responsible person at the Technical Service Department shall pursue the debtor in accordance with the terms of the specific lease contract, until all avenues are exhausted.</p>

<p>pay the penalty within 14 days of receipt, a final demand is submitted. If there is still no response, the matter shall be handed over for placement on the National Adverse credit listing and/or institute legal action that may include criminal charges against the offender.</p> <ul style="list-style-type: none"> <li>If the drawer of the cheque, or the customer who received value from the depositing of the cheque, is an existing debtor of Council, the reversal and penalty fee may be debited to an account of the drawer or beneficiary and a letter of notification must be sent to the debtor. Such fee shall be deemed to be a tariff charge and shall be recovered from the debtor.</li> </ul>	
<p><b>Section 6.8</b> No interest will be charged on accounts.</p>	<p><b>Section 6.8</b> Interest charges on overdue accounts will be levied from the due date if not paid by the following due date and will be calculated for a full month(s) irrespective of when payment is made.</p>
<p><b>Section 6.9</b> -</p>	<p><b>Section 6.9</b> Interest shall be charged on all arrear accounts at the prevailing prime rate plus 1 (one) percentage points</p>
<p><b>Section 8.7.1 (a)</b> No interest will be charged on accounts.</p>	<p><b>Section 8.7.1 (a)</b> Interest will be charged on all overdue accounts at 1% above the prime rate</p>
<p><b>Section 8.7.2 (a)</b> No interest will be charged on accounts.</p>	<p><b>Section 8.7.2 (a)</b> Interest will be charged on all overdue accounts at 1% above the prime rate</p>
<p><b>Section 8.8</b> No interest will be charged on accounts.</p>	<p><b>Section 8.8</b> Interest will be charged on all overdue accounts at 1% above the prime rate</p>
<p><b>Section 8.11.1(f)</b> No interest will be charged on accounts.</p>	<p><b>Section 8.11.1(f)</b> Interest will be charged on all overdue accounts at 1% above the prime rate</p>
<p><b>Section 8.11.1(g)</b> -</p>	<p><b>Section 8.11.1(g)</b> Interest on arrears in respect of all services and rates may be frozen whilst the debtor adheres to the conditions of the arrangement.</p>
<p><b>Section 8.11.2(d)</b> If any non-residential debtor wishes to make an arrangement for a period of not longer than six months, and will pay the first instalment immediately.</p>	<p><b>Section 8.11.2(d)</b> If any non-residential debtor wishes to make an arrangement for a period of not longer than six months, and will pay the first instalment immediately, interest on the arrangement amount may be suspended as long as the terms of the arrangement are maintained.</p>
<p><b>Section 10</b> <b><u>Accounting Officer (g)</u></b> -</p>	<p><b>Section 10</b> <b><u>Accounting Officer (g)</u></b> that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies and within a prescribed framework: and</p>

➤ Traffic Fines

Old Policy	Reviewed Policy
<p>7 Guiding principles and recognition of revenue from traffic fines</p> <p>a) Initial recognition and probable &amp; measurable</p> <p>The municipality shall recognize revenue from traffic fines when it is probable that future economic benefits or service potential will flow to the municipality and benefits can be measured.</p> <p>b) Transaction date and initial recognition : Full recognition The municipality shall recognize the full amount of revenue at the transaction date.</p> <p>c) Subsequent date and measurement : Uncertainty on collection The municipality shall, subsequent to initial recognition and measurement, assess the collectability of the revenue and recognize an impairment loss where appropriate.</p> <p>d) Process of accounting for traffic fines is elaborated in the procedure manual: Annexure A.</p>	<p>7 Guiding principles and recognition of revenue from traffic fines</p> <p>a) Initial recognition and probable &amp; measurable</p> <p>The municipality shall recognize revenue from traffic fines when it is probable that future economic benefits or service potential will flow to the municipality and benefits can be measured.</p> <p>b) Transaction date and initial recognition : Full recognition The municipality shall recognize the full amount of revenue at the transaction date.</p> <p>c) Subsequent date and measurement : Uncertainty on collection The municipality shall, subsequent to initial recognition and measurement, assess the collectability of the revenue and recognize an impairment loss where appropriate.</p> <p>d) Cancelled Traffic Fines The municipality shall, raise a write off at year end on all traffic fines cancelled as per Criminal Procedure Act.</p> <p>e) Irrecoverable Traffic Fines Debt Irrecoverable Traffic Fines Debt will be treated as per the Municipality's Credit Control and Debt Management Policy</p> <p>f) Process of accounting for traffic fines is elaborated in the procedure manual: Annexure A.</p>

c) The following **new** budget related policies are introduced:

Policy Name
Supply Chain Management - Infrastructure

This policy establishes the Emakhazeni Local Municipality policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:

- the storage of goods and equipment following their delivery to Emakhazeni Local Municipality which are stored and issued to contractors or to employees;
- the disposal or letting of land;
- the conclusion of any form of land availability agreement;
- the leasing or rental of moveable assets; and

e) public private partnerships.

**q Community Consultations**

WARD /TOWN	ISSUED RAISED	COMMENT
<b>Ward 1</b> Entokozweni Community Hall (Siyathuthuka) 14 April 2016	<ul style="list-style-type: none"> <li>➤ 8% increase be valued to 4%</li> <li>➤ Electricity disconnection and poor service delivery</li> <li>➤ Explanation of R150 payment in extension 6 &amp; 8 – what is it for</li> <li>➤ R150 be paid when a person is moving to the House Ext 6 &amp; 8</li> <li>➤ 8% increase be put on hold</li> <li>➤ Water consumption not charge –no arrear</li> <li>➤ EXXARO not assisting in employment</li> <li>➤ Electricity installation be done asap – budget available</li> </ul>	<ul style="list-style-type: none"> <li>➤ Short term project create temporally employment</li> <li>➤ Electricity in Dullstroom is provide by Eskom thus is affecting other areas on service delivery due to non payment for water</li> <li>➤ Poor planning in housing development in ext 6 &amp; 8 – no basic services</li> <li>➤ CPWP targets the school children neglecting elderly people</li> <li>➤ Unemployment a problem</li> <li>➤ Installation of electricity be done by ELM – no contractor should be appointed</li> <li>➤ Youth be empowered in education to increase their skills level</li> </ul>
<b>Ward 2</b> Roman Church Hall (Siyathuthuka) 14 April 2016	<ul style="list-style-type: none"> <li>➤ wants to know how are they going to treated people who stays in Mojantji residence however, with the services register under their names</li> <li>➤ Indicate that they are having challenges on the date of closure for the indigent registration which was not loud hailed</li> <li>➤ Asking about the church stand which they paid long time ago ,but still not allocated to them ( General Church)</li> <li>➤ Not accepting 8%</li> </ul>	
<b>Ward 3</b> Siyathuthuka Hall 13 April 2016	<ul style="list-style-type: none"> <li>➤ How is the municipality determine the water consumption as the charges are the same in all months, whether there are people or not in that house</li> <li>➤ When was the last time the municipality took readings</li> <li>➤ Requested that documents to be in Isizulu</li> <li>➤ The credit control policy to be reviewed especially the 50% payment when electricity has been blocked</li> <li>➤ Why the municipality is proposing to apply the 9.4% while Nersa has approved 7.64%</li> <li>➤ Why is this huge deficit</li> <li>➤ The blocking of electricity for non payment is against the policies of the country as the municipality is receiving grants from National Treasury to cover such</li> <li>➤ Nkangala District Municipality's project for the cemetery in Siyathuthuka does not have a budget , what does that mean</li> <li>➤ Are the small holders farmers being</li> </ul>	<ul style="list-style-type: none"> <li>➤ Was Nkangala District Municipality aware of the issue of electrifying Enkanini ,before their prioritizing projects for Emakhazeni ,as there is no budget allocation for such</li> <li>➤ Request for a new vehicle for the upcoming Executive Mayor</li> <li>➤ Billing system is effective</li> <li>➤ Annual Financial Statements to be made available for the community</li> </ul>

## Annual Budget 2016/2017, 2017/2018, 2018/2019

	<ul style="list-style-type: none"> <li>➤ identified yet (NDM Projects)</li> <li>➤ Where is the community park be allocated (NDM Projects)</li> <li>➤ Request for a feed back meeting after the finalization of the budget processes</li> <li>➤ What is expected to reduce the deficit</li> <li>➤ 6% increases is supported</li> </ul>	
<b>Ward 4</b> Beer Hall 12 April 2016	<ul style="list-style-type: none"> <li>➤ A problem with municipal account as customers billing for rates is more expensive than other houses, and response he received it that due to his house being bigger than other houses, he ended up paying R 300.00 while others are paying R180.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Page 12 needs to be clarified why? township establishment cost R300.00</li> <li>➤ Issue of graveyard is a concerned, the place cannot be changed to the place next to town graveyard</li> <li>➤ How correct are the figures in this document presented</li> <li>➤ They buy electricity at Eskom not ELM</li> <li>➤ Does Dullstroom have its own budget?</li> </ul>
<b>Ward 4</b> Dullstroom Office 14 April 2016	<ul style="list-style-type: none"> <li>➤ Submitted a formal written list on Budget 16/17</li> <li>➤ Budget 2016/17 Income for Assessment rates/Property rates is the same Budget 2015/16, with no increase. WHY?</li> <li>➤ A feedback meeting on the Budget 2016/17 is required once Budget is approved.</li> <li>➤ The valuation roll does not include all categories</li> <li>➤ The increase on the property rates (other than the 6.6%) is too high.</li> <li>➤ How can council consider a budget that is a deficit, and every year it is a deficit, this result in municipality not being sustainable and municipality being mismanaged.</li> <li>➤ A public notice dated 1 April 2016 is on the website ( Relating to policies which is open for public comment, but the Mr Brett claims the policies were not on website, and only appeared on website the 13th of April 2016, which does not allow 21 days for comments.</li> <li>➤ Explanation is request between wording "Cleansing" and "Refuse"</li> <li>➤ Vacant stands are charged for assessment rates and basic charges, while the municipality does not render any services towards such stands in terms of electricity, road, sewerage etc.</li> <li>➤ Increase in Assessment rate/Property rates is punching Dullstroom residents, which result in no new development.</li> <li>➤ Wakerson - Assessment rate/Property rates is a 64%, which is way too high, and result in unaffordability.</li> <li>➤ Vacant land is increasing and no new</li> </ul>	<ul style="list-style-type: none"> <li>➤ Billing system of the municipality is not accurate</li> <li>➤ The current valuation roll is not valid, due to the by-laws not being promulgated and no supplementary valuation roll</li> <li>➤ Where does the Public Benefit Organisation fit related to billing of services? Under NGO's or Institutional?</li> <li>➤ Strong objection is raised, towards management of the municipality with regard to the "sewerage that is running down the streets of Dullstroom as a result of the municipality not having a sewerage truck available.</li> </ul>



	<p>development can take place as council does not have a development strategy.</p> <ul style="list-style-type: none"> <li>➤ What is the intentions of council to increase such high tariffs?</li> <li>➤ Municipality is not billing all Farmers and when will they be billed?</li> <li>➤ Project is Sakhelwe should be re-allocated to Dullstroom</li> <li>➤ The honey sucker which is not collecting sewerage from home, result in sewerage to flow in the streets.</li> <li>➤ Why is basic charges to be paid for sewerage?</li> <li>➤ The honey sucker(sewerage truck) on Nkangala capital project list, can confirmation be given that this truck will be allocated to Dullstroom.</li> <li>➤ Expenditure categories is not correct, as repair &amp; maintenance is only 3% of the Budget while salaries are 34%. This is not in balance and salaries is to high.</li> <li>➤ Roads seem not to be in the capital budget, and the roads is in bad condition.</li> <li>➤ Accounts should be issued on time so that consumer can pay on time and then charging of interest will not necessary.</li> <li>➤ Dullstroom does not want to pay, as services are not rendered (sewerage, refuse, road maintenance, street lighting)</li> <li>➤ Refuse are not collected over weekends, while Dullstroom is tourist town, and then it result in community to get contractor in and pick up refuse.</li> <li>➤ Roads are not maintained and no budget is provided to attend to roads.</li> </ul>	
<b>Ward 5</b> Emthonjeni Municipal Offices 12 April 2016	<ul style="list-style-type: none"> <li>• Agreed with the proposed tariff</li> </ul>	
<b>Ward 6</b> Vusi Masanago Hall 14 April 2016	<ul style="list-style-type: none"> <li>➤ Basic charge of refuse to be increase with R2.50 because sometimes it happens that a month pass without refuse being collected.</li> <li>➤ Request that the increase of R61.00 must go to R51.00</li> <li>➤ Request that people of Madala be given stands especially those who can pay services.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Request that Electricity should go back to Eskom because ELM is expensive and just a kiosk.</li> <li>➤ Blocking of electricity should be reviewed because people are unemployed.</li> </ul>
<b>Ward 6</b> Entokozweni Municipal Offices 22 April 2016	<ul style="list-style-type: none"> <li>➤ Suggested that the percentage should be reduced to 7% because the economy is not well</li> <li>➤ Basic Charges should not be raised to 90%</li> <li>➤ It should go with allowable percentage CPI</li> <li>➤ The salary bill is too high what can the municipal do with the high salary</li> </ul>	<ul style="list-style-type: none"> <li>➤ Why the waste truck goes with only 2 people + a driver like all the countries does that</li> </ul>

## Annual Budget 2016/2017, 2017/2018, 2018/2019

	<ul style="list-style-type: none"> <li>➤ Check if the water and rate be dropped to 7% majority of people are not working</li> <li>➤ Municipal should focus on cutting cost e.g Salaries and other</li> </ul>	
<b>Ward 7</b> Paul Nkosi Hall 14 April 2016	<ul style="list-style-type: none"> <li>➤ The community will not afford to pay the increased amount of R328.30 therefore the municipality should revisit the tariffs.</li> <li>➤ The community proposes a total amount of approximately R250.00</li> </ul>	
<b>Ward 7</b> Nicholas Ndlovu Hall 13 April 2016	<ul style="list-style-type: none"> <li>➤ How did the municipality arrive at the high increases, especially the 69%, 30% &amp; 60% on Commercial?.</li> <li>➤ Why is the municipality increasing the pre-paid electricity basic charge by 90%?.</li> <li>➤ Mr. Lombard further explained that Eskom has already increased the electricity tariffs by 9.4% and the municipality is already paying the increase and not charging consumers</li> <li>➤ The municipality should note that the resistance or negative attitude by the community towards tariff increases is due to poor service delivery.</li> <li>➤ Community members should also note that tariff increases are necessary to improve service delivery.</li> <li>➤ The municipality should note that some of the consumers in Emgwenya town are billed R39.00 instead of R75.61 for water basic charge</li> <li>➤ How are conventional meters identified when taking meter readings and billing?</li> </ul>	<ul style="list-style-type: none"> <li>➤ Response: It was explained that the increases are based on guidelines by National Treasury on implementation of cost reflective tariffs, cost of bulk services and consumption patterns as well as increases and other charges implemented by Eskom.</li> <li>➤ Why is the Eskom account not paid?.</li> <li>➤ The municipality should put pressure on the Department of Roads &amp; Transport to grade and maintain Provincial Roads that are within the area of jurisdiction of the municipality.</li> <li>➤ Response: It was again explained that the municipality was not billing basic charge on pre-paid electricity and therefore the 90% increase on the Pre-paid Electricity Basic charge is due to the fact that the Municipality only started to implement the basic charge of R50.00 for pre-paid electricity in the 2015/2016 financial year and as a result the amount is not the same as the basic charge of R153.07 on conventional meters, of which should be the same.</li> <li>➤ Response: The challenges are caused by non-payment, tampering of meters, stealing of electricity and interest &amp; charges billed by Eskom (KVA Demand etc.) to municipality and not paid by consumers etc</li> </ul>
<b>Ward 8</b> Emakhazeni Council chamber 18 April 2016	<ul style="list-style-type: none"> <li>➤ MIG – Is it a conditional grant?</li> <li>➤ Increase proposed at 90% is high</li> <li>➤ Why is there a deficit budgeted?</li> <li>➤ Salaries budget is too high, and advert is going out for more vacant positions on municipal website. As a municipal in cash flow problems it should consider retrenchments.</li> <li>➤ 6 million is very small amount for Repair &amp; Maintenance</li> <li>➤ Will service delivery improve?</li> </ul>	<ul style="list-style-type: none"> <li>➤ Revenue collection of outstanding revenue is not done well</li> <li>➤ Meters are not read</li> <li>➤ Incorrect meter readings</li> <li>➤ Incorrect billing of accounts remain a problem</li> <li>➤ Incorrect billing of pre paid meter and conventional basic charge</li> <li>➤ Turnaround time of customer queries and resolving of account problems is way too long (if</li> </ul>

## Annual Budget 2016/2017, 2017/2018, 2018/2019

		query is ever attended to)
<b>Ward 8</b> Madala Old Location 18 April 2016	<ul style="list-style-type: none"> <li>➤ Agreed on 8% increase</li> <li>➤</li> </ul>	<ul style="list-style-type: none"> <li>➤ Water &amp; Electricity when are installing services</li> <li>➤ Developments in the community ,demarcated stands, temporally jobs in the developments</li> <li>➤ Appreciating ward committee for unemployment job creation</li> </ul>
<b>WARD /TOWN</b>	<b>ISSUED RAISED</b>	<b>COMMENT</b>
<b>Ward 1</b> Entokozweni Community Hall (Siyathuthuka) 14 April 2016	<ul style="list-style-type: none"> <li>➤ 8% increase be valued to 4%</li> <li>➤ Electricity disconnection and poor service delivery</li> <li>➤ Explanation of R150 payment in extension 6 &amp; 8 – what is it for</li> <li>➤ R150 be paid when a person is moving to the House Ext 6 &amp; 8</li> <li>➤ 8% increase be put on hold</li> <li>➤ Water consumption not charge –no arrear</li> <li>➤ EXXARO not assisting in employment</li> <li>➤ Electricity installation be done asap – budget available</li> </ul>	<ul style="list-style-type: none"> <li>➤ Short term project create temporally employment</li> <li>➤ Electricity in Dullstroom is provide by Eskom thus is affecting other areas on service delivery due to non payment for water</li> <li>➤ Poor planning in housing development in ext 6 &amp; 8 – no basic services</li> <li>➤ CPWP targets the school children neglecting elderly people</li> <li>➤ Unemployment a problem</li> <li>➤ Installation of electricity be done by ELM – no contractor should be appointed</li> <li>➤ Youth be empowered in education to increase their skills level</li> </ul>
<b>Ward 2</b> Roman Church Hall (Siyathuthuka) 14 April 2016	<ul style="list-style-type: none"> <li>➤ wants to know how are they going to treated people who stays in Mojantji residence however, with the services register under their names</li> <li>➤ Indicate that they are having challenges on the date of closure for the indigent registration which was not loud hailed</li> <li>➤ Asking about the church stand which they paid long time ago ,but still not allocated to them ( General Church)</li> <li>➤ Not accepting 8%</li> </ul>	
<b>Ward 3</b> Siyathuthuka Hall 13 April 2016	<ul style="list-style-type: none"> <li>➤ How is the municipality determine the water consumption as the charges are the same in all months, whether there are people or not in that house</li> <li>➤ When was the last time the municipality took readings</li> <li>➤ Was Nkangala District Municipality aware of the issue of electrifying Enkanini ,before their prioritizing projects for Emakhazeni ,as there is no budget allocation for such</li> <li>➤ Requested that documents to be in Isizulu</li> <li>➤ The credit control policy to be reviewed especially the 50% payment when electricity has been blocked</li> <li>➤ Why the municipality is proposing to apply the 9.4% while Nersa has approved 7.64%</li> <li>➤ Request for a new vehicle for the</li> </ul>	

	<ul style="list-style-type: none"> <li>➤ upcoming Executive Mayor</li> <li>➤ Why is this huge deficit</li> <li>➤ The blocking of electricity for non payment is against the policies of the country as the municipality is receiving grants from National Treasury to cover such</li> <li>➤ Billing system is effective</li> <li>➤ Nkangala District Municipality's project for the cemetery in Siyathuthuka does not have a budget , what does that mean</li> <li>➤ Are the small holders farmers being identified yet (NDM Projects)</li> <li>➤ Where is the community park be allocated (NDM Projects)</li> <li>➤ Request for a feed back meeting after the finalization of the budget processes</li> <li>➤ Annual Financial Statements to be made available for the community</li> <li>➤ The blocking of electricity and the 50% must be looked a</li> <li>➤ What is the that is expected to reduce the deficit</li> <li>➤ 6% increases is supported</li> <li>➤</li> </ul>	
<b>Ward 4</b> Beer Hall 12 April 2016	<ul style="list-style-type: none"> <li>➤ A problem with municipal account as customers billing for rates is more expensive than other houses, and response he received it that due to his house being bigger than other houses, he ended up paying R 300.00 while others are paying R180.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Page 12 needs to be clarified why? township establishment cost R300.00</li> <li>➤ Issue of graveyard is a concerned, the place cannot be changed to the place next to town graveyard</li> <li>➤ How correct are the figures in this document presented</li> <li>➤ They buy electricity at Eskom not ELM</li> <li>➤ Does Dullstroom have its own budget?</li> </ul>
<b>Ward 4</b> Dullstroom Office 14 April 2016	<ul style="list-style-type: none"> <li>➤ Submitted a formal written list on Budget 16/17</li> <li>➤ Budget 2016/17 Income for Assessment rates/Property rates is the same Budget 2015/16, with no increase. WHY?</li> <li>➤ A feedback meeting on the Budget 2016/17 is required once Budget is approved.</li> <li>➤ The current valuation roll is not valid, due to the by-laws not being promulgated and no supplementary valuation roll</li> <li>➤ The valuation roll does not include all categories</li> <li>➤ The increase on the property rates (other than the 6.6%) is too high.</li> <li>➤ How can council consider a budget that is a deficit, and every year it is a deficit, this result in municipality not being sustainable and municipality</li> </ul>	

	<p>being mismanaged.</p> <ul style="list-style-type: none"> <li>➤ Billing system of the municipality is not accurate</li> <li>➤ A public notice dated 1 April 2016 is on the website ( Relating to policies which is open for public comment, but the Mr Brett claims the policies were not on website, and only appeared on website the 13th of April 2016, which does not allow 21 days for comments.</li> <li>➤ Where does the Public Benefit Organisation fit related to billing of services? Under NGO's or Institutional?</li> <li>➤ Explanation is request between wording "Cleansing" and "Refuse"</li> <li>➤ Vacant stands are charged for assessment rates and basic charges, while the municipality does not render any services towards such stands in terms of electricity, road, sewerage etc.</li> <li>➤ Strong objection is raised, towards management of the municipality with regard to the "sewerage that is running down the streets of Dullstroom as a result of the municipality not having a sewerage truck available.</li> <li>➤ Increase in Assessment rate/Property rates is punching Dullstroom residents, which result in no new development.</li> <li>➤ Wakerson - Assessment rate/Property rates is a 64%, which is way too high, and result in unaffordability.</li> <li>➤ Vacant land is increasing and no new development can take place as council does not have a development strategy.</li> <li>➤ What is the intentions of council to increase such high tariffs?</li> <li>➤ Municipality is not billing all Farmers and when will they be billed?</li> <li>➤ Project is Sakhelwe should be re-allocated to Dullstroom</li> <li>➤ The honey sucker which is not collecting sewerage from home, result in sewerage to flow in the streets.</li> <li>➤ Why is basic charges to be paid for sewerage?</li> <li>➤ The honey sucker(sewerage truck) on Nkangala capital project list, can confirmation be given that this truck will be allocated to Dullstroom.</li> <li>➤ Expenditure categories is not correct, as repair &amp; maintenance is only 3% of the Budget while salaries are 34%. This is not in balance and salaries is to high.</li> <li>➤ Roads seem not to be in the capital budget, and the roads is in bad condition.</li> <li>➤ Accounts should be issued on time so</li> </ul>	
--	--	--

	<p>that consumer can pay on time and then charging of interest will not necessary.</p> <ul style="list-style-type: none"> <li>➤ Dullstroom does not want to pay, as services are not rendered (sewerage, refuse, road maintenance, street lighting)</li> <li>➤ Refuse are not collected over weekends, while Dullstroom is tourist town, and then it result in community to get contractor in and pick up refuse.</li> <li>➤ Roads are not maintained and no budget is provided to attend to roads.</li> </ul>	
<b>Ward 5</b> Emthonjeni Municipal Offices 12 April 2016	Agreed with the proposed tariff	
<b>Ward 6</b> Vusi Masanago Hall 14 April 2016	<ul style="list-style-type: none"> <li>➤ Basic charge of refuse to be increase with R2.50 because sometimes it happens that a month pass without refuse being collected.</li> <li>➤ Request that the increase of R61.00 must go to R51.00</li> <li>➤ Request that people of Madala be given stands especially those who can pay services.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Request that Electricity should go back to Eskom because ELM is expensive and just a kiosk.</li> <li>➤ Blocking of electricity should be reviewed because people are unemployed.</li> </ul>
<b>Ward 6</b> Entokozweni Municipal Offices 22 April 2016	<ul style="list-style-type: none"> <li>➤ Suggested that the percentage should be reduced to 7% because the economy is not well</li> <li>➤ Basic Charges should not be raised to 90%</li> <li>➤ It should go with allowable percentage CPI</li> <li>➤ The salary bill is too high what can the municipal do with the high salary</li> <li>➤ Why the waste truck goes with only 2 people + a driver like all the countries does that</li> <li>➤ Check if the water and rate be dropped to 7% majority of people are not working</li> <li>➤ Municipal should focus on cutting cost e.g Salaries and other</li> </ul>	
<b>Ward 7</b> Paul Nkosi Hall 14 April 2016	<ul style="list-style-type: none"> <li>➤ The community will not afford to pay the increased amount of R328.30 therefore the municipality should revisit the tariffs.</li> <li>➤ The community proposes a total amount of approximately R250.00</li> </ul>	
<b>Ward 7</b> Nicholas Ndlovu Hall 13 April 2016	<ul style="list-style-type: none"> <li>➤ How did the municipality arrive at the high increases, especially the 69%, 30% &amp; 60% on Commercial?.</li> <li>➤ Why is the municipality increasing the pre-paid electricity basic charge by 90%?.</li> <li>➤ Why is the Eskom account not paid?.</li> <li>➤ Mr. Lombard further explained that</li> </ul>	<ul style="list-style-type: none"> <li>➤ Response: It was explained that the increases are based on guidelines by National Treasury on implementation of cost reflective tariffs, cost of bulk services and consumption patterns as well as increases and other charges implemented by Eskom.</li> <li>➤ Response: It was again explained that the municipality was not</li> </ul>

	<p>Eskom has already increased the electricity tariffs by 9.4% and the municipality is already paying the increase and not charging consumers</p> <ul style="list-style-type: none"> <li>➤ The municipality should put pressure on the Department of Roads &amp; Transport to grade and maintain Provincial Roads that are within the area of jurisdiction of the municipality.</li> <li>➤ The municipality should note that the resistance or negative attitude by the community towards tariff increases is due to poor service delivery.</li> <li>➤ Community members should also note that tariff increases are necessary to improve service delivery.</li> <li>➤ The municipality should note that some of the consumers in Emgwenya town are billed R39.00 instead of R75.61 for water basic charge</li> <li>➤ How are conventional meters identified when taking meter readings and billing?</li> </ul>	<p>billing basic charge on pre-paid electricity and therefore the 90% increase on the Pre-paid Electricity Basic charge is due to the fact that the Municipality only started to implement the basic charge of R50.00 for pre-paid electricity in the 2015/2016 financial year and as a result the amount is not the same as the basic charge of R153.07 on conventional meters, of which should be the same.</p> <ul style="list-style-type: none"> <li>➤ Response: The challenges are caused by non-payment, tampering of meters, stealing of electricity and interest &amp; charges billed by Eskom (KVA Demand etc.) to municipality and not paid by consumers etc</li> </ul>
<p><b>Ward 8</b> Emakhazeni Council chamber 18 April 2016</p>	<ul style="list-style-type: none"> <li>➤ Revenue collection of outstanding revenue is not done well because:</li> <li>➤ Meters are not read</li> <li>➤ Incorrect meter readings</li> <li>➤ Incorrect billing of accounts remain a problem</li> <li>➤ Incorrect billing of pre paid meter and conventional basic charge</li> <li>➤ Turnaround time of customer queries and resolving of account problems is way too long (if query is ever attended to)</li> <li>➤ MIG – Is it a conditional grant?</li> <li>➤ Increase proposed at 90% is high</li> <li>➤ Why is there a deficit budgeted?</li> <li>➤ Salaries budget is too high, and advert is going out for more vacant positions on municipal website. As a municipal in cash flow problems it should consider retrenchments.</li> <li>➤ 6 million is very small amount for Repair &amp; Maintenance</li> <li>➤ Will service delivery improve?</li> </ul>	
<p><b>Ward 8</b> Madala Old Location 18 April 2016</p>	<ul style="list-style-type: none"> <li>➤ Water &amp; Electricity when are installing services</li> <li>➤ Agreed on 8% increase</li> <li>➤ Developments in the community ,demarcated stands, temporally jobs in the developments</li> <li>➤ Appreciating ward committee for unemployment job creation</li> </ul>	

## Annual Budget 2016/2017, 2017/2018, 2018/2019

### r Provincial Treasury Assessment on Draft Budget 2016/17

On 11 April 2016 Provincial Treasury presented the review outcome on the Draft Budget 2016/17. For the full report refer to **Annexure C**

### s Conclusion

It be noted that the detailed Budget is having operational(cash and non-cash items) as well as capital. With this being said the operational budget has a surplus amounting to R11 207 188 and if the capital expenditure is added then the full budget has a deficit amounting to R 35 181 612. Inclusive of this deficit there is non-cash items (depreciation, debt impairment and provisions) amounting to R 59 637 191.

With the above being said as per the A8 schedule which indicates whether the budget is funded or not, the MTREF budget for 2016/2017 – 2018/2019 is **FUNDED** as the A8 schedule includes cash and working capital.

## 1.4 OPERATING REVENUE FRAMEWORK

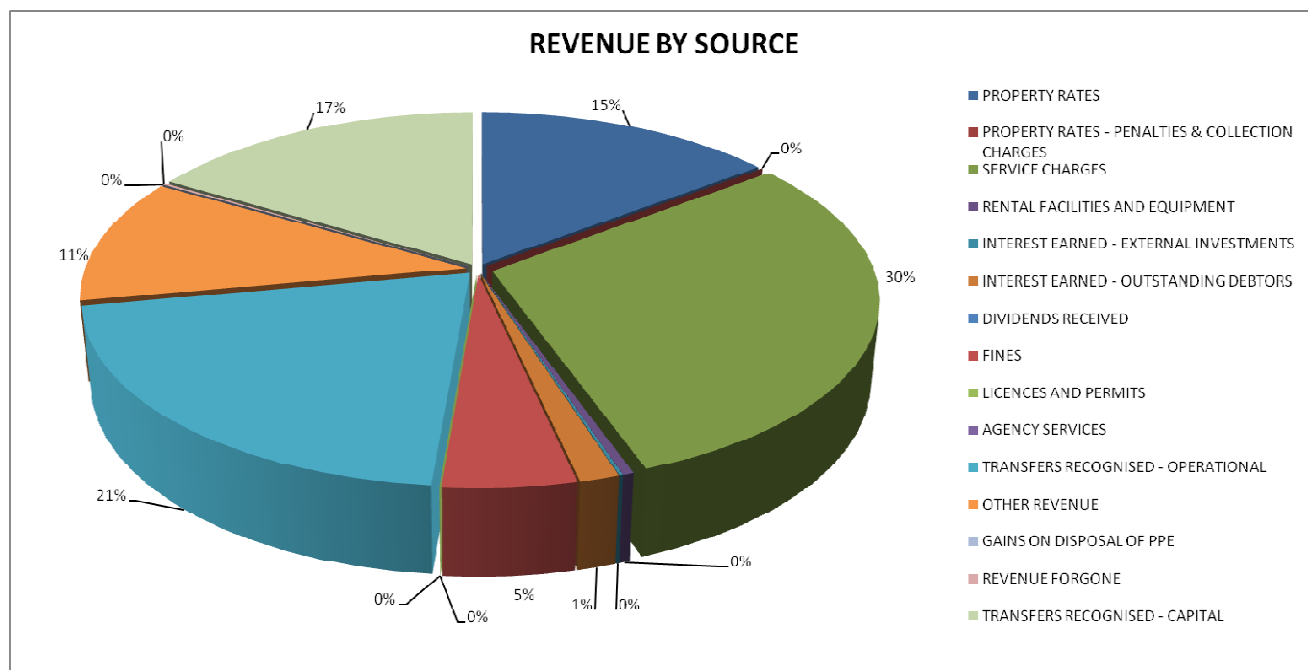
### Revenue by source

The following graph represents the percentage of the proposed budget of revenue as per source:

DE PT	ITEM CODE	DESCRIPTION	AUDIT OUTCOME 2012/2013	AUDIT OUTCOME 2013/2014	AUDIT OUTCOME 2014/2015	BUDGET 2015/2016	ADJUSTMENT BUDGET 2015/2016	ANNUAL BUDGET 2016/2017	BUDGET FORECAST 2017/2018	BUDGET FORECAST 2018/2019
		PROPERTY RATES	-31 358 480.12	-54 522 901.15	-17 797 978.82	-62 071 122.00	-40 071 122.00	-40 071 122.00	-42 475 389.00	-45 023 912.00
		PROPERTY RATES - PENALTIES & COLLECTION CHARGES	-	-	-	-	-	-	-	-
		SERVICE CHARGES	-64 057 587.51	-64 938 341.50	-63 276 917.92	-75 422 066.00	-71 422 066.00	-81 520 865.00	-86 573 994.00	-92 524 653.00
20	10050	REFUSE REMOVAL SERVICES	-7 331 639.77	-7 806 108.97	-8 662 391.79	-8 996 287.00	-8 996 287.00	-8 806 635.00	-9 335 033.00	-9 895 135.00
21	10100	SEWERAGE SERVICES	-7 254 609.35	-7 702 383.16	-8 136 023.53	-8 769 578.00	-8 769 578.00	-13 264 200.00	-14 060 052.00	-14 903 655.00
40	60093	PREPAID ELECTRICITY	-15 907 647.43	-18 280 603.45	-15 449 043.54	-23 408 064.00	-23 408 064.00	-25 196 440.00	-27 121 448.00	-29 193 527.00
40	60094	SALE OF ELECTRICITY	-15 923 927.75	-12 096 987.29	-12 823 321.94	-14 502 454.00	-8 502 454.00	-9 152 041.00	-9 851 257.00	-10 603 894.00
40	60095	BASIC ELECTRICITY	-5 088 361.52	-5 060 012.48	-4 901 029.31	-5 886 989.00	-7 886 989.00	-8 489 555.00	-9 138 157.00	-9 836 312.00
40	60096	FREE BASIC SERVICES 2	-6 712.28	-	-	-	-	-	-	-
45	60101	SALE OF WATER	-7 204 100.84	-8 367 039.38	-6 962 112.85	-6 375 786.00	-6 375 786.00	-6 885 849.00	-6 758 333.00	-7 163 833.00
45	60102	BASIC WATER	-5 340 588.57	-5 625 206.77	-6 342 994.96	-7 482 908.00	-7 482 908.00	-9 726 145.00	-10 309 714.00	-10 928 297.00
		RENTAL FACILITIES AND EQUIPMENT	-529 314.94	-435 339.68	-805 947.91	-437 011.00	-997 700.00	-1 077 516.00	-1 057 562.00	-1 121 016.00
		INTEREST EARNED - EXTERNAL INVESTMENTS	-463 559.12	-218 287.19	-380 058.20	-216 240.00	-325 000.00	-351 000.00	-372 060.00	-387 080.00
		INTEREST EARNED - OUTSTANDING DEBTORS	-	-	-	-	-	-3 907 058.00	-3 907 058.00	-3 907 058.00
		DIVIDENDS RECEIVED	-	-	-	-	-	-	-	-
		FINES	-5 483 025.88	-9 206 920.58	-8 873 780.53	-5 556 400.00	-12 100 500.00	-13 068 540.00	-12 112 921.00	-12 119 697.00
		LICENCES AND PERMITS	-32 019.63	-23 172.39	-6 095.93	-6 990.00	-7 400.00	-7 992.00	-8 314.00	-8 813.00
		AGENCY SERVICES	-2 567 591.52	-2 794 432.55	-3 171 904.15	-2 384 080.00	-2 384 080.00	-	-	-
		TRANSFERS RECOGNISED - OPERATIONAL	-38 880 695.02	-41 975 000.00	-44 855 063.00	-52 305 000.00	-52 305 000.00	-56 899 200.00	-60 641 850.00	-64 266 680.00
4	55091	GRANT: DCSR LIBRARIES	-	-	-	-	-	-	-	-
13	55095	EPWP INCENTIVE GRANT	-932 695.02	-	-	-	-	-	-	-
14	55095	EPWP INCENTIVE GRANT	-	-1 000 000.00	-1 108 582.55	-1 089 000.00	-1 089 000.00	-1 217 000.00	-	-
19	55051	EQUIT SHARE (COUNCIL SALARY)	-1 898 000.00	-2 384 000.00	-2 285 000.00	-2 417 000.00	-2 417 000.00	-2 567 000.00	-2 716 000.00	-2 878 960.00
19	55049	EQUITABLE SHARE (WARD COMMITTEE)	-	-	-480 000.00	-480 000.00	-480 000.00	-480 000.00	-	-508 800.00
23	60201	LGSETA INTERNSHIP SUBSIDY	-	-	-69 000.00	-	-	-	-	-
24	55050	EQUITABLE SHARE	-33 750 000.00	-36 151 000.00	-39 515 000.00	-45 589 000.00	-45 589 000.00	-48 790 000.00	-53 830 000.00	-57 059 800.00
24	55060	GRANT: MSG (INCOME)	-800 000.00	-890 000.00	-852 544.01	-930 000.00	-930 000.00	-750 000.00	-787 000.00	-834 220.00
24	55080	GRANT: FINANCIAL MANAGEMENT	-1 500 000.00	-1 550 000.00	-544 936.44	-1 800 000.00	-1 800 000.00	-1 825 000.00	-1 900 000.00	-2 014 000.00
40	55090	GRANT: INEP (MUNICIPAL)	-	-	-	-	-	-	-	-
19	55054	GRANT: MIG OPERATIONAL	-	-	-	-	-	-1 270 200.00	-928 850.00	-970 900.00
		OTHER REVENUE	-24 847 415.08	-14 978 913.26	-10 995 000.64	-22 767 287.00	-22 934 100.00	-30 475 438.00	-14 159 329.00	-10 118 618.00
		GAINS ON DISPOSAL OF PPE	-	-14 166.67	-	-54 000.00	-14 000.00	-	-	-
		TOTAL REVENUE (EXCLUDING CAPITAL SOURCE AND REVENUE FORGONE)	-168 219 688.82	-189 107 474.97	-150 162 747.10	-221 220 196.00	-202 560 968.00	-227 378 731.00	-221 308 477.00	-229 477 527.00
		REVENUE FORGONE	70 314.57	36 257.56	869 722.48	-	400 000.00	424 000.00	449 440.00	476 407.00
		TOTAL OPERATING REVENUE (EXCLUDING CAPITAL SOURCE)	-168 149 374.25	-189 071 217.41	-149 293 024.62	-221 220 196.00	-202 160 968.00	-226 954 731.00	-220 859 037.00	-229 001 120.00
		TRANSFERS RECOGNISED - CAPITAL	-15 336 141.05	-13 322 000.00	-17 232 000.00	-17 755 000.00	-17 755 000.00	-45 133 800.00	-24 637 150.00	-21 447 100.00
19	55052	GRANT: MIG	-15 018 358.02	-13 322 000.00	-17 232 000.00	-17 755 000.00	-17 755 000.00	-24 133 800.00	-17 648 150.00	-18 447 100.00
19	55054	GRANT: MIG PROSPECTIVELY	-317 783.03	-	-	-	-	-	-	-
22	60059	DONATION: IN KIND	-	-	-	-	-	-13 000 000.00	-	-
40	55090	GRANT INEP (MUNICIPAL)	-	-	-	-	-	-8 000 000.00	-6 989 000.00	-3 000 000.00
		TOTAL REVENUE	-183 485 515.30	-202 393 217.41	-166 525 024.62	-238 975 196.00	-219 915 968.00	-272 088 531.00	-245 496 187.00	-250 448 220.00



## Annual Budget 2016/2017, 2017/2018, 2018/2019

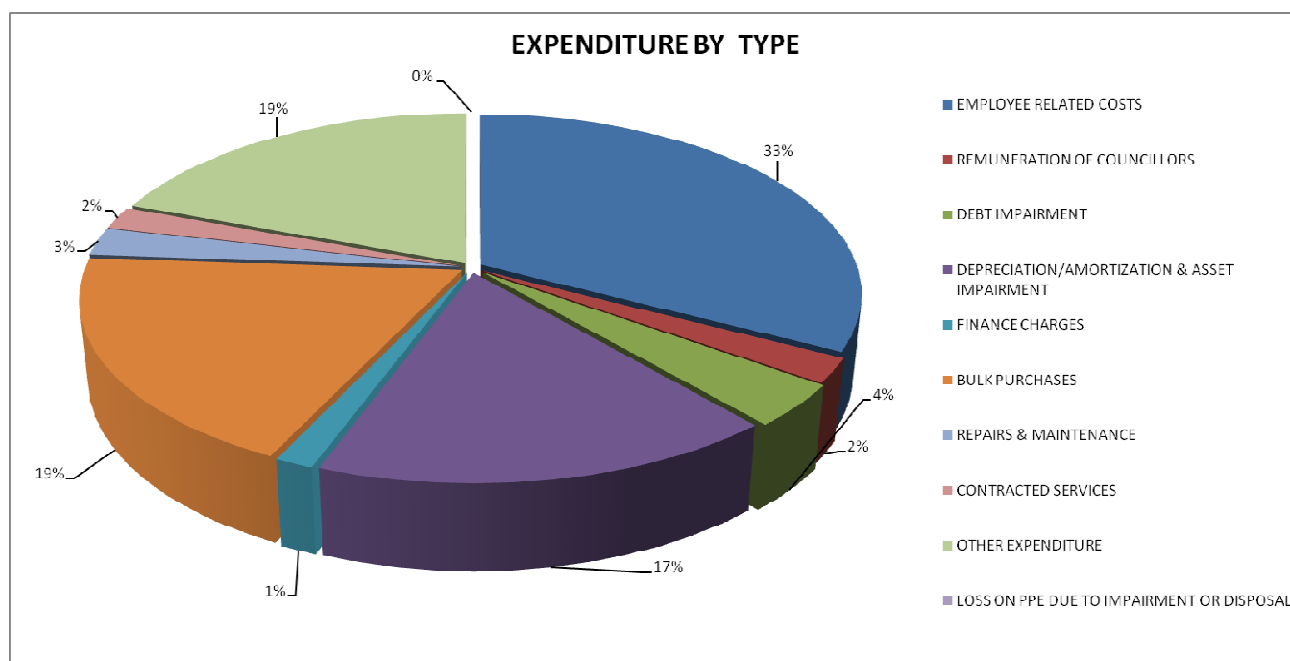


### 1.5 OPERATING EXPENDITURE FRAMEWORK

#### Expenditure per category

The following graph represents the percentage of the proposed budget of expenditure as per category:

DESCRIPTION	AUDIT OUTCOME 2012/2013	AUDIT OUTCOME 2013/2014	AUDIT OUTCOME 2014/2015	BUDGET 2015/2016	ADJUSTMENT BUDGET 2015/2016	ANNUAL BUDGET 2016/2017	BUDGET FORECAST 2017/2018	BUDGET FORECAST 2018/2019
EMPLOYEE RELATED COSTS	58 421 024.21	59 445 374.96	61 517 257.13	82 500 352.00	80 465 426.00	85 181 539.00	89 916 927.00	95 442 189.00
REMUNERATION OF COUNCILLORS	4 484 763.94	4 787 535.96	5 069 866.70	5 441 566.00	5 441 566.00	5 743 220.00	6 114 145.00	6 480 994.00
DEBT IMPAIRMENT	-8 742 326.54	31 225 458.50	-32 363 924.23	17 709 169.00	10 000 000.00	10 000 000.00	10 000 000.00	10 000 000.00
DEPRECIATION/AMORTIZATION & ASSET IMPAIRMENT	45 060 185.88	49 319 511.19	41 288 586.44	51 486 796.00	42 460 000.00	44 243 000.00	45 104 625.00	45 897 258.00
FINANCE CHARGES	1 256 343.11	2 161 754.42	4 080 324.32	2 053 220.00	3 055 000.00	3 700 000.00	3 774 000.00	3 849 480.00
BULK PURCHASES	29 280 761.89	34 256 229.16	39 403 834.49	46 575 300.00	46 075 300.00	49 696 819.00	53 602 989.00	57 816 183.00
REPAIRS & MAINTENANCE	24 839 510.90	5 372 458.60	12 300 524.01	6 141 247.00	6 734 847.00	6 588 295.00	7 060 968.00	7 255 348.00
CONTRACTED SERVICES	2 701 958.55	3 548 460.09	3 272 475.65	5 325 000.00	4 986 000.00	5 285 160.00	5 431 500.00	5 540 130.00
OTHER EXPENDITURE	32 603 854.68	33 211 179.96	30 580 549.88	37 878 612.00	43 259 687.00	50 443 310.00	49 580 967.00	50 941 128.00
LOSS ON PPE DUE TO IMPAIRMENT OR DISPOSAL	-	20 756.23	-	-	-	-	-	-
<b>TOTAL EXPENDITURE (EXCLUDING CAPITAL)</b>	<b>189 906 076.62</b>	<b>223 348 719.07</b>	<b>165 149 494.39</b>	<b>255 111 262.00</b>	<b>242 477 826.00</b>	<b>260 881 343.00</b>	<b>270 586 121.00</b>	<b>283 222 710.00</b>
DEFICIT / (SURPLUS) OPERATING	6 420 561.32	20 955 501.66	-1 375 530.23	16 136 066.00	22 561 858.00	-11 207 188.00	25 089 934.00	32 774 490.00
CAPITAL EXPENDITURE	265 391.74	-	-	18 024 900.00	18 085 826.00	46 388 800.00	25 749 970.00	22 582 175.00
<b>TOTAL EXPENDITURE</b>	<b>190 171 468.36</b>	<b>223 348 719.07</b>	<b>165 149 494.39</b>	<b>273 136 162.00</b>	<b>260 563 652.00</b>	<b>307 270 143.00</b>	<b>296 336 091.00</b>	<b>305 804 885.00</b>
DEFICIT / (SURPLUS)	6 685 953.06	20 955 501.66	-1 375 530.23	34 160 966.00	40 647 684.00	35 181 612.00	50 839 904.00	55 356 665.00



**a Debt Impairment**

A provision for debt impairment is made for 2016/17 to the amount of R 10 000 000. This forms one of the non-cash items and was informed by outstanding debtors amounting R 125,86 million as per the mid year performance for 2015/2016.

**b Finance Charges**

Finance charges consist primarily of the payment of interest on arrears creditors' accounts. Municipal revenue and cash flows are expected to remain under pressure in 2016/2017 which cause the finance charges for the 2016/2017 Budget to be R 3 700 000.00

**c Contracted Services**

Contracted services expenditure totals to R 5 285 160 for the 2016/2017 Budget. This expenditure is primarily for security services.

**d Repair and Maintenance**

Repair and Maintenance comprise of amongst other the purchase of materials for maintenance that totals to R 6 588 295 for the 2016/2017 budget.

**e Employee related costs**

The municipality is taking into account the multi-year salary and Wage Collective Agreement, for the period 1 July 2015 to 30 June 2018. The agreement provides for a wage increase based on the average CPI for the period 1 February 2015 until 31 January 2016, plus 1 per cent for 2016/2017. (with effect 1 July 2017)

Therefore the salary increase anticipation, in terms of the collective agreement shall be six percent (6.0%) with effect from the 1 July 2016.

The current vacant posts are not all budgeted for due to cash flow constraints and **NO new posts** (2016/17) have been provided for.

**f Remuneration of councillors**

Municipalities are advised to budget for 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 on 21 December 2015 by the Department of Cooperative Governance.

Therefore the salary increase budgeted for the 2016/17 shall be six percent (6.0%) with effect once the Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils are published for the year 2016/17.

**g Other expenditure**

Other expenditure comprises of various line items relating to the daily operations of the municipality and totals to R 50 443 310 for the 2016/2017 Budget.

- **Ward Committee Stipends**

Equitable Share Grant as per the Division of Revenue allocates a portion of the allocation for Councillors and Ward committee members remuneration.

Therefore in the draft budget a R500.00 stipend is provided to be paid to Ward committee members, per member per month to be funded from Equitable Share Grant.

Once the stipend is paid to a member the municipality shall then **not pay any expenses** for Ward committee members such as out of pocket, catering, transport and/or any other cost incurred from own funds or any other Grants received.

National Treasury emphasized that a strong control should be placed on the attendance and participation of these member. After reviewing various municipalities it was found that the attendance of members is very poor. Therefore strict control procedures for attendance should be put in place by the municipality and supporting documents should be kept for auditing purposed by the Auditor General.

**1.6 CAPITAL EXPENDITURE**

A summary of the capital budget is set as follows:

## Annual Budget 2016/2017, 2017/2018, 2018/2019

	Cost 2016/2017	Cost 2017/2018	Cost 2018/2019
Municipal Infrastructure Grant	24 133 800.00	17 648 150.00	18 447 100.00
Integrated National Electrification Programme	8 000 000.00	6 989 000.00	3 000 000.00
Department of Water & Sanitation:			
Internal Capital	13 000 000.00	-	-
	1 255 000.00	1 112 820.00	1 135 075.00
	<b>46 388 800.00</b>	<b>25 749 970.00</b>	<b>22 582 175.00</b>

Attached with the budget documentation is full detail of all capital projects. It must be noted that only capital projects which funding has been secured may be included in the capital budget.

### a Capital Projects for 2016/2017:

#### ❖ Nkangala District Municipality:

Projects	ANNUAL BUDGET 2016/2017	BUDGET FORECAST 2017/2018	BUDGET FORECAST 2018/2019
502919-Emakh Comm Park Construction Phase 2	1,180,000.00	-	-
Community Hall Sakhelwe	1,000,000.00	250,000.00	1,000,000.00
Construction of Tourism Site Machadodorp	300,000.00	-	-
Inkanini Water	1,500,000.00	200,000.00	500,000.00
Installation of basic services Shushumela	-	3,000,000.00	1,500,000.00
Installation of bulk infrastructure at Gugulethu	1,000,000.00	204,029.00	-
Installation of prepaid meters Dullstroom	1,000,000.00	-	-
Installation of wat distribution network Emgwenya	500,000.00	100,000.00	1,500,000.00
Machadodorp Ext Township Establishment	700,000.00	50,000.00	-
Refurb Belfast WTW Upgrade bulk suppl Elev tenk ext 2	5,000,000.00	250,000.00	1,000,000.00
Refurbishment of WTW and replace ac pipes Waterval Boven	2,100,000.00	-	-
Rehabilitation of Bhekumuzi Masango Road Phase 5	4,172,450.00	5,000,000.00	-
Sewer drainage truck Emakhazeni	2,000,000.00	-	-
Upgrade WWTP Dullstroom 2201	2,500,000.00	250,000.00	-
Upgrading Electrical Medium Voltage Network Phase 4	3,500,000.00	800,000.00	3,500,000.00
Upgrading od Water Treatment Works in Dullstroom	3,000,000.00	3,000,000.00	-
<b>Grand Total</b>	<b>29,452,450.00</b>	<b>13,104,029.00</b>	<b>9,000,000.00</b>

#### ❖ Department of Water and Sanitation:

	Cost 2016/2017	Cost 2017/2018	Cost 2018/2019
Refurbusiment of Waterval Boven waste water treatment plant	5 525 806.00	-	-
Refurbusiment of Waterval Boven waste water treatment plant	7 474 194.00	-	-
	<b>13 000 000.00</b>		

## Annual Budget 2016/2017, 2017/2018, 2018/2019

### ❖ Municipal Infrastructure (MIG):

MIG Reference Nr	Project Description	EPWP Y/N	Status (Not Registered, Registered, Design & Tender, Construction,	MIG BUDGET FOR 2016/2017
W/MP/7127/07/10	Rural Areas: Water supply in rural areas Phase 8 multi year	N	Registered	3 292 419.00
MIG/MP 1254/S/13/16	Provision of water borne sanitation in Sakhelwe Extension 02 phase 2 (389 stands)	Y	Registered	2 967 200.00
MIG/MP1254/S13/16	Madala Township: Provision of Waterborne Sanitation for 500 stands phase 2	Y	Registered	3 000 000.00
MIG/MP1305/W/14/17	Madala Township: Provision of Water for 500 stands phase 3	Y	Registered	3 929 800.00
	Upgrading of water infrastructure for Emgwenya Township	Y	Not registered	2 936 381.00
CS/MP/6004/09/11	Rehabilitation of waste site phase 1 in Belfast multi year	Y	Registered: New site licence application in progress	2 904 000.00
MIG/MP1253/S/13/16	Emthonjeni Ext. 4 & Enkanini 800: Provision of Waterborne sanitation	Y	Registered	3 000 000.00
	Emthonjeni Ext. 4 & Enkanini 800: Provision of Waterborne sanitation	Y	Registered	2 104 000.00
	<b>Total</b>			<b>24 133 800.00</b>

### ❖ Integrated National Electrification Programme (INEP):

	Cost 2016/2017	Cost 2017/2018	Cost 2018/2019
Electrification of Ext 6 & 8 Siyathuthuka	8,000,000.00	-	-
Other		6,989,000.00	3,000,000.00

## 1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

# Annual Budget 2016/2017, 2017/2018, 2018/2019

**MP314 Emakhazeni - Table A1 Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	31 288	54 239	16 928	60 321	39 671	39 671	39 671	39 647	42 026	44 548
Service charges	62 245	62 846	63 277	73 703	71 422	71 422	71 422	81 521	86 574	92 525
Investment revenue	464	218	380	216	325	325	325	351	372	387
Transfers recognised - operational	38 881	41 975	44 855	52 305	52 305	52 305	52 305	56 899	60 642	64 267
Other own revenue	10 558	29 710	23 852	13 306	38 438	38 438	38 438	48 537	31 245	27 275
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>143 435</b>	<b>188 988</b>	<b>149 293</b>	<b>199 851</b>	<b>202 161</b>	<b>202 161</b>	<b>202 161</b>	<b>226 955</b>	<b>220 859</b>	<b>229 001</b>
Employee costs	58 653	60 499	63 291	82 500	80 375	80 375	80 375	85 182	89 917	95 442
Remuneration of councillors	4 507	4 812	5 070	5 442	5 442	5 442	5 442	5 743	6 114	6 481
Depreciation & asset impairment	45 060	49 320	41 289	51 487	42 460	42 460	42 460	44 243	45 105	45 897
Finance charges	1 256	2 162	4 080	2 053	3 055	3 055	3 055	3 700	3 774	3 849
Materials and bulk purchases	35 735	38 385	41 875	52 717	52 798	52 798	52 798	56 285	60 664	65 072
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	43 097	68 087	9 544	57 444	58 264	58 264	58 264	65 728	65 012	66 481
<b>Total Expenditure</b>	<b>188 308</b>	<b>223 265</b>	<b>165 149</b>	<b>251 643</b>	<b>242 394</b>	<b>242 394</b>	<b>242 394</b>	<b>260 881</b>	<b>270 586</b>	<b>283 223</b>
<b>Surplus/(Deficit)</b>	<b>(44 873)</b>	<b>(34 278)</b>	<b>(15 856)</b>	<b>(51 791)</b>	<b>(40 233)</b>	<b>(40 233)</b>	<b>(40 233)</b>	<b>(33 927)</b>	<b>(49 727)</b>	<b>(54 222)</b>
Transfers recognised - capital	15 336	13 322	17 232	17 755	17 755	17 755	17 755	32 134	24 637	21 447
Contributions recognised - capital & contributed assets	22 852	-	-	17 900	-	-	-	13 000	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(6 685)</b>	<b>(20 956)</b>	<b>1 376</b>	<b>(16 136)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>11 207</b>	<b>(25 090)</b>	<b>(32 774)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(6 685)</b>	<b>(20 956)</b>	<b>1 376</b>	<b>(16 136)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>11 207</b>	<b>(25 090)</b>	<b>(32 774)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>34 951</b>	<b>21 741</b>	<b>22 946</b>	<b>35 925</b>	<b>35 986</b>	<b>35 986</b>	<b>35 986</b>	<b>75 841</b>	<b>38 854</b>	<b>31 582</b>
Transfers recognised - capital	34 547	21 329	22 913	34 767	34 767	34 767	34 767	61 586	37 741	30 447
Public contributions & donations	-	-	-	-	-	-	-	13 000	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	404	413	33	1 158	1 219	1 219	1 219	1 255	1 113	1 135
<b>Total sources of capital funds</b>	<b>34 951</b>	<b>21 741</b>	<b>22 946</b>	<b>35 925</b>	<b>35 986</b>	<b>35 986</b>	<b>35 986</b>	<b>75 841</b>	<b>38 854</b>	<b>31 582</b>
<b>Financial position</b>										
Total current assets	54 576	63 579	97 744	113 346	133 420	133 420	133 420	196 456	175 312	169 384
Total non current assets	532 431	504 923	688 542	493 924	682 068	682 068	682 068	671 419	669 830	669 566
Total current liabilities	88 600	95 219	115 728	83 225	80 741	80 741	80 741	71 053	71 809	67 319
Total non current liabilities	40 166	40 916	50 966	44 416	56 120	56 120	56 120	56 923	57 722	58 876
Community wealth/Equity	458 240	432 368	619 592	479 630	678 628	678 628	678 628	739 899	715 612	712 754
<b>Cash flows</b>										
Net cash from (used) operating	15 794	20 008	17 131	53 029	17 068	17 068	17 068	28 585	19 211	20 919
Net cash from (used) investing	(12 695)	(1 859)	(14 785)	(35 871)	(35 911)	(35 911)	(35 911)	(46 389)	(25 750)	(22 582)
Net cash from (used) financing	(101)	75	-	55	55	55	55	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(24 648)</b>	<b>61 694</b>	<b>6 636</b>	<b>17 713</b>	<b>(18 788)</b>	<b>(18 788)</b>	<b>(18 788)</b>	<b>(11 167)</b>	<b>(17 706)</b>	<b>(19 370)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	6 023	4 290	6 636	6 234	4 480	4 480	4 480	6 262	6 440	6 220
Application of cash and investments	(30 870)	80 024	77 501	8 359	27 756	27 756	27 756	(3 399)	(9 444)	(15 701)
<b>Balance - surplus (shortfall)</b>	<b>36 893</b>	<b>(75 734)</b>	<b>(70 864)</b>	<b>(2 125)</b>	<b>(23 277)</b>	<b>(23 277)</b>	<b>(23 277)</b>	<b>9 662</b>	<b>15 884</b>	<b>21 921</b>
<b>Asset management</b>										
Asset register summary (WDV)	532 431	504 847	688 542	493 848	682 068	682 068	671 419	671 419	669 830	669 566
Depreciation & asset impairment	45 060	49 320	41 289	51 487	42 460	42 460	44 243	44 243	45 105	45 897
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	1 883	2 376	870	3 469	-	-	-	-	424	449
<b>Households below minimum service level</b>										
Water:	0	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	2	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	3	4	-	4	-	-	-	-	-	-

# Annual Budget 2016/2017, 2017/2018, 2018/2019

**MP314 Emakhazeni - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		<b>108 863</b>	<b>120 648</b>	<b>89 399</b>	<b>152 068</b>	<b>132 114</b>	<b>132 114</b>	<b>154 426</b>	<b>138 942</b>	<b>141 873</b>
Executive and council		76 535	119 574	71 075	91 048	91 068	91 068	109 387	91 518	91 845
Budget and treasury office		32 328	1 074	18 325	61 020	41 046	41 046	45 039	47 424	50 028
Corporate services		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>463</b>	<b>3 093</b>	<b>111</b>	<b>122</b>	<b>112</b>	<b>112</b>	<b>121</b>	<b>114</b>	<b>121</b>
Community and social services		77	88	76	72	74	74	80	73	78
Sport and recreation		104	112	35	50	38	38	41	40	43
Public safety		283	2 892	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>9 143</b>	<b>13 171</b>	<b>13 400</b>	<b>9 258</b>	<b>15 773</b>	<b>15 773</b>	<b>14 486</b>	<b>12 322</b>	<b>12 341</b>
Planning and development		1 078	1 167	1 343	1 315	1 272	1 272	1 400	190	201
Road transport		8 065	12 004	12 057	7 943	14 501	14 501	13 086	12 132	12 139
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>63 154</b>	<b>65 399</b>	<b>63 615</b>	<b>74 058</b>	<b>71 917</b>	<b>71 917</b>	<b>103 055</b>	<b>94 119</b>	<b>96 114</b>
Electricity		37 797	35 865	33 488	44 112	40 252	40 252	51 329	53 610	53 175
Water		10 746	14 005	13 314	12 163	13 882	13 882	16 637	17 094	18 120
Waste water management		7 272	7 721	8 150	8 787	8 787	8 787	26 283	14 079	14 924
Waste management		7 337	7 807	8 662	8 996	8 996	8 996	8 807	9 335	9 895
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>2</b>	<b>181 623</b>	<b>202 310</b>	<b>166 525</b>	<b>235 506</b>	<b>219 916</b>	<b>219 916</b>	<b>272 089</b>	<b>245 496</b>	<b>250 448</b>
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		<b>85 492</b>	<b>128 401</b>	<b>60 019</b>	<b>130 787</b>	<b>114 483</b>	<b>114 483</b>	<b>124 613</b>	<b>127 035</b>	<b>130 754</b>
Executive and council		59 651	100 191	(8 192)	45 700	79 968	79 968	83 113	85 167	86 894
Budget and treasury office		17 796	17 488	57 858	73 549	23 393	23 393	29 679	29 734	31 073
Corporate services		8 045	10 721	10 353	11 538	11 122	11 122	11 820	12 134	12 787
<i><b>Community and public safety</b></i>		<b>11 853</b>	<b>7 532</b>	<b>7 295</b>	<b>9 093</b>	<b>9 676</b>	<b>9 676</b>	<b>10 493</b>	<b>11 125</b>	<b>11 756</b>
Community and social services		4 992	1 629	1 594	2 336	2 141	2 141	2 394	2 561	2 703
Sport and recreation		3 482	3 679	3 999	4 690	4 902	4 902	4 885	5 143	5 443
Public safety		1 557	1 499	1 421	1 957	2 334	2 334	2 291	2 443	2 574
Housing		-	-	-	-	-	-	-	-	-
Health		1 821	725	281	110	300	300	923	978	1 036
<i><b>Economic and environmental services</b></i>		<b>17 761</b>	<b>25 801</b>	<b>25 870</b>	<b>33 458</b>	<b>39 043</b>	<b>39 043</b>	<b>40 748</b>	<b>41 469</b>	<b>43 714</b>
Planning and development		8 583	9 940	10 218	15 738	15 894	15 894	16 588	16 165	17 103
Road transport		9 178	15 861	15 653	17 720	23 150	23 150	24 160	25 304	26 611
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>72 584</b>	<b>60 968</b>	<b>71 355</b>	<b>77 244</b>	<b>78 225</b>	<b>78 225</b>	<b>84 207</b>	<b>90 090</b>	<b>96 080</b>
Electricity		35 410	38 108	43 095	52 419	51 737	51 737	55 616	60 078	64 588
Water		6 788	8 574	6 582	7 313	8 667	8 667	9 080	9 560	9 994
Waste water management		5 247	5 521	5 351	6 771	7 125	7 125	7 645	8 045	8 464
Waste management		25 139	8 765	16 327	10 741	10 696	10 696	11 867	12 407	13 034
<i><b>Other</b></i>	<b>4</b>	<b>618</b>	<b>564</b>	<b>609</b>	<b>1 061</b>	<b>966</b>	<b>966</b>	<b>820</b>	<b>868</b>	<b>919</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>188 308</b>	<b>223 265</b>	<b>165 149</b>	<b>251 643</b>	<b>242 394</b>	<b>242 394</b>	<b>260 881</b>	<b>270 586</b>	<b>283 223</b>
<b>Surplus/(Deficit) for the year</b>		<b>(6 685)</b>	<b>(20 956)</b>	<b>1 376</b>	<b>(16 136)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>11 207</b>	<b>(25 090)</b>	<b>(32 774)</b>

# Annual Budget 2016/2017, 2017/2018, 2018/2019

MP314 Emakhazeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		76 535	119 574	71 075	91 048	91 068	91 068	109 387	91 518	91 845
Vote 2 - FINANCE & ADMIN		32 328	1 074	18 325	61 020	41 046	41 046	45 039	47 424	50 028
Vote 3 - PLANNING & DEVELOPMENT		1 078	1 167	1 343	1 315	1 272	1 272	1 400	190	201
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		77	88	76	72	74	74	80	73	78
Vote 6 - PUBLIC SAFETY		283	2 892	-	-	-	-	-	-	-
Vote 7 - SPORT & RECREATION		104	112	35	50	38	38	41	40	43
Vote 8 - WASTE MANAGEMENT		7 337	7 807	8 662	8 996	8 996	8 996	8 807	9 335	9 895
Vote 9 - WASTE WATER MANAGEMENT		7 272	7 721	8 150	8 787	8 787	8 787	26 283	14 079	14 924
Vote 10 - ROAD TRANSPORT		8 065	12 004	12 057	7 943	14 501	14 501	13 086	12 132	12 139
Vote 11 - WATER		10 746	14 005	13 314	12 163	13 882	13 882	16 637	17 094	18 120
Vote 12 - ELECTRICITY		37 797	35 865	33 488	44 112	40 252	40 252	51 329	53 610	53 175
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	181 623	202 310	166 525	235 506	219 916	219 916	272 089	245 496	250 448
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		59 651	100 191	(8 192)	45 700	79 968	79 968	83 113	85 167	86 894
Vote 2 - FINANCE & ADMIN		25 841	28 209	68 211	85 087	34 515	34 515	41 500	41 867	43 860
Vote 3 - PLANNING & DEVELOPMENT		8 583	9 940	10 218	15 738	15 894	15 894	16 588	16 165	17 103
Vote 4 - HEALTH		1 821	725	281	110	300	300	923	978	1 036
Vote 5 - COMMUNITY & SOCIAL SERVICES		4 992	1 629	1 594	2 336	2 141	2 141	2 394	2 561	2 703
Vote 6 - PUBLIC SAFETY		1 557	1 499	1 421	1 957	2 334	2 334	2 291	2 443	2 574
Vote 7 - SPORT & RECREATION		3 482	3 679	3 999	4 690	4 902	4 902	4 885	5 143	5 443
Vote 8 - WASTE MANAGEMENT		25 139	8 765	16 327	10 741	10 696	10 696	11 867	12 407	13 034
Vote 9 - WASTE WATER MANAGEMENT		5 247	5 521	5 351	6 771	7 125	7 125	7 645	8 045	8 464
Vote 10 - ROAD TRANSPORT		9 178	15 861	15 653	17 720	23 150	23 150	24 160	25 304	26 611
Vote 11 - WATER		6 788	8 574	6 582	7 313	8 667	8 667	9 080	9 560	9 994
Vote 12 - ELECTRICITY		35 410	38 108	43 095	52 419	51 737	51 737	55 616	60 078	64 588
Vote 13 - OTHER		618	564	609	1 061	966	966	820	868	919
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	188 308	223 265	165 149	251 643	242 394	242 394	260 881	270 586	283 223
Surplus/(Deficit) for the year	2	(6 685)	(20 956)	1 376	(16 136)	(22 478)	(22 478)	11 207	(25 090)	(32 774)



# Annual Budget 2016/2017, 2017/2018, 2018/2019

**MP314 Emakhazeni - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	31 288	54 239	16 928	60 321	39 671	39 671	39 671	39 647	42 026	44 548
Property rates - penalties & collection charges		—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	2	36 927	35 438	33 173	43 798	39 798	39 798	39 798	42 838	46 111	49 634
Service charges - water revenue	2	10 732	11 899	13 305	12 140	13 859	13 859	13 859	16 612	17 068	18 092
Service charges - sanitation revenue	2	7 255	7 702	8 136	8 770	8 770	8 770	8 770	13 264	14 060	14 904
Service charges - refuse revenue	2	7 332	7 806	8 662	8 996	8 996	8 996	8 996	8 807	9 335	9 895
Service charges - other		—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		529	435	806	437	998	998	998	1 078	1 058	1 121
Interest earned - external investments		464	218	380	216	325	325	325	351	372	387
Interest earned - outstanding debtors		—	—	—	—	—	—	—	3 907	3 907	3 907
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines		5 483	9 207	8 874	5 556	12 101	12 101	12 101	13 069	12 113	12 120
Licences and permits		32	23	6	7	7	7	7	8	8	9
Agency services		2 568	2 794	3 172	2 384	2 384	2 384	2 384			
Transfers recognised - operational		38 881	41 975	44 855	52 305	52 305	52 305	52 305	56 899	60 642	64 267
Other revenue	2	1 946	17 241	10 995	4 867	22 934	22 934	22 934	30 475	14 159	10 119
Gains on disposal of PPE		—	8	—	54	14	14	14			
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>143 435</b>	<b>188 988</b>	<b>149 293</b>	<b>199 851</b>	<b>202 161</b>	<b>202 161</b>	<b>202 161</b>	<b>226 955</b>	<b>220 859</b>	<b>229 001</b>
<b>Expenditure By Type</b>											
Employee related costs	2	58 653	60 499	63 291	82 500	80 375	80 375	80 375	85 182	89 917	95 442
Remuneration of councillors		4 507	4 812	5 070	5 442	5 442	5 442	5 442	5 743	6 114	6 481
Debt impairment	3	(8 742)	31 225	(32 364)	17 709	10 000	10 000	10 000	10 000	10 000	10 000
Depreciation & asset impairment	2	45 060	49 320	41 289	51 487	42 460	42 460	42 460	44 243	45 105	45 897
Finance charges		1 256	2 162	4 080	2 053	3 055	3 055	3 055	3 700	3 774	3 849
Bulk purchases	2	29 281	34 256	39 404	46 575	46 075	46 075	46 075	49 697	53 603	57 816
Other materials	8	6 454	4 129	2 472	6 141	6 723	6 723	6 723	6 588	7 061	7 255
Contracted services		2 702	3 548	3 272	5 325	5 271	5 271	5 271	5 285	5 432	5 540
Transfers and grants		—	—	—	—	—	—	—	—	—	—
Other expenditure	4, 5	49 137	33 313	38 636	34 410	42 993	42 993	42 993	50 443	49 581	50 941
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>188 308</b>	<b>223 265</b>	<b>165 149</b>	<b>251 643</b>	<b>242 394</b>	<b>242 394</b>	<b>242 394</b>	<b>260 881</b>	<b>270 586</b>	<b>283 223</b>
<b>Surplus/(Deficit)</b>		<b>(44 873)</b>	<b>(34 278)</b>	<b>(15 856)</b>	<b>(51 791)</b>	<b>(40 233)</b>	<b>(40 233)</b>	<b>(40 233)</b>	<b>(33 927)</b>	<b>(49 727)</b>	<b>(54 222)</b>
Transfers recognised - capital		15 336	13 322	17 232	17 755	17 755	17 755	17 755	32 134	24 637	21 447
Contributions recognised - capital	6	—	—	—	—	—	—	—	13 000	—	—
Contributed assets		22 852	—	—	17 900	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(6 685)</b>	<b>(20 956)</b>	<b>1 376</b>	<b>(16 136)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>11 207</b>	<b>(25 090)</b>	<b>(32 774)</b>
Taxation		—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after taxation</b>		<b>(6 685)</b>	<b>(20 956)</b>	<b>1 376</b>	<b>(16 136)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>11 207</b>	<b>(25 090)</b>	<b>(32 774)</b>
Attributable to minorities		—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(6 685)</b>	<b>(20 956)</b>	<b>1 376</b>	<b>(16 136)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>11 207</b>	<b>(25 090)</b>	<b>(32 774)</b>
Share of surplus/ (deficit) of associate	7	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>		<b>(6 685)</b>	<b>(20 956)</b>	<b>1 376</b>	<b>(16 136)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>(22 478)</b>	<b>11 207</b>	<b>(25 090)</b>	<b>(32 774)</b>

# Annual Budget 2016/2017, 2017/2018, 2018/2019

**MP314 Emakhazeni - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		-	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT & RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 8 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 10 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 11 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		15 928	18 798	22 374	34 767	34 770	34 770	34 770	24 134	17 648	18 447
Vote 2 - FINANCE & ADMIN		-	55	12	386	468	468	468	380	220	225
Vote 3 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH		-	-	6	-	-	-	-	-	-	-
Vote 5 - COMMUNITY & SOCIAL SERVICES		5 051	-	-	24	-	-	-	24	24	25
Vote 6 - PUBLIC SAFETY		550	2 682	543	35	35	35	35	-	-	-
Vote 7 - SPORT & RECREATION		-	-	-	30	30	30	30	-	-	-
Vote 8 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE WATER MANAGEMENT		5 688	-	-	200	150	150	150	13 325	332	338
Vote 10 - ROAD TRANSPORT		17	17	11	83	123	123	123	35	36	36
Vote 11 - WATER		5 893	119	-	200	100	100	100	251	256	261
Vote 12 - ELECTRICITY		1 824	70	-	200	310	310	310	8 180	7 173	3 187
Vote 13 - OTHER		-	-	-	-	-	-	-	60	61	62
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>34 951</b>	<b>21 741</b>	<b>22 946</b>	<b>35 925</b>	<b>35 986</b>	<b>35 986</b>	<b>35 986</b>	<b>46 389</b>	<b>25 750</b>	<b>22 582</b>
<b>Total Capital Expenditure - Vote</b>		<b>34 951</b>	<b>21 741</b>	<b>22 946</b>	<b>35 925</b>	<b>35 986</b>	<b>35 986</b>	<b>35 986</b>	<b>46 389</b>	<b>25 750</b>	<b>22 582</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>15 928</b>	<b>18 853</b>	<b>22 386</b>	<b>35 153</b>	<b>35 238</b>	<b>35 238</b>	<b>35 238</b>	<b>53 966</b>	<b>30 972</b>	<b>27 672</b>
Executive and council		15 928	18 798	22 374	34 767	34 770	34 770	34 770	53 586	30 752	27 447
Budget and treasury office		-	24	2	200	182	182	182	-	-	-
Corporate services		-	30	10	186	286	286	286	380	220	225
<b>Community and public safety</b>		<b>5 601</b>	<b>2 682</b>	<b>549</b>	<b>89</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>24</b>	<b>24</b>	<b>25</b>
Community and social services		5 051	-	-	24	-	-	-	24	24	25
Sport and recreation		-	-	-	30	30	30	30	-	-	-
Public safety		550	2 682	543	35	35	35	35	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	6	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>17</b>	<b>17</b>	<b>11</b>	<b>83</b>	<b>123</b>	<b>123</b>	<b>123</b>	<b>35</b>	<b>36</b>	<b>36</b>
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		17	17	11	83	123	123	123	35	36	36
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>13 405</b>	<b>189</b>	<b>-</b>	<b>600</b>	<b>560</b>	<b>560</b>	<b>560</b>	<b>21 756</b>	<b>7 760</b>	<b>3 787</b>
Electricity		1 824	70	-	200	310	310	310	8 180	7 173	3 187
Water		5 893	119	-	200	100	100	100	251	256	261
Waste water management		5 688	-	-	200	150	150	150	13 325	332	338
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>61</b>	<b>62</b>
<b>Total Capital Expenditure - Standard</b>	3	<b>34 951</b>	<b>21 741</b>	<b>22 946</b>	<b>35 925</b>	<b>35 986</b>	<b>35 986</b>	<b>35 986</b>	<b>75 841</b>	<b>38 854</b>	<b>31 582</b>
<b>Funded by:</b>											
National Government		12 779	11 080	14 752	16 867	16 867	16 867	16 867	32 134	24 637	21 447
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		21 768	10 249	8 161	17 900	17 900	17 900	17 900	29 452	13 104	9 000
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>34 547</b>	<b>21 329</b>	<b>22 913</b>	<b>34 767</b>	<b>34 767</b>	<b>34 767</b>	<b>34 767</b>	<b>61 586</b>	<b>37 741</b>	<b>30 447</b>
<b>Public contributions &amp; donations</b>	5								<b>13 000</b>		
<b>Borrowing</b>	6										
<b>Internally generated funds</b>		<b>404</b>	<b>413</b>	<b>33</b>	<b>1 158</b>	<b>1 219</b>	<b>1 219</b>	<b>1 219</b>	<b>1 255</b>	<b>1 113</b>	<b>1 135</b>
<b>Total Capital Funding</b>	7	<b>34 951</b>	<b>21 741</b>	<b>22 946</b>	<b>35 925</b>	<b>35 986</b>	<b>35 986</b>	<b>35 986</b>	<b>75 841</b>	<b>38 854</b>	<b>31 582</b>

# Annual Budget 2016/2017, 2017/2018, 2018/2019

**MP314 Emakhazeni - Table A6 Budgeted Financial Position**

MP3.14 Emaiknzeni - Table A6 Budgeted Financial Position											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash		484	277	917	290	214	214	214	290	190	220
Call investment deposits	1	5 540	4 013	5 720	5 944	4 266	4 266	4 266	5 973	6 250	6 000
Consumer debtors	1	44 714	54 588	78 795	103 707	117 560	117 560	117 560	179 743	158 599	152 084
Other debtors		2 079	2 551	2 989	1 213	1 857	1 857	1 857	1 213	1 013	1 557
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	1 760	2 150	9 324	2 193	9 524	9 524	9 524	9 238	9 261	9 524
Total current assets		54 576	63 579	97 744	113 346	133 420	133 420	133 420	196 456	175 312	169 384
Non current assets											
Long-term receivables											
Investments											
Investment property		34 756	34 710	76 281	32 350	76 281	76 281	76 281	76 281	76 281	76 281
Investment in Associate											
Property, plant and equipment	3	497 047	469 614	611 807	461 235	605 593	605 593	605 593	594 344	593 019	592 975
Agricultural											
Biological											
Intangible		627	523	454	263	194	194	194	794	531	310
Other non-current assets		—	76	—	76	—	—	—	—	—	—
Total non current assets		532 431	504 923	688 542	493 924	682 068	682 068	682 068	671 419	669 830	669 566
TOTAL ASSETS		587 006	568 502	786 286	607 270	815 488	815 488	815 488	867 875	845 143	838 950
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	—	—	—	—	—	—	—	—	—	—
Consumer deposits		1 535	1 609	1 647	1 609	1 683	1 683	1 683	1 683	1 700	1 615
Trade and other payables	4	87 066	93 610	113 003	81 615	79 058	79 058	79 058	69 370	70 109	65 704
Provisions				1 078							
Total current liabilities		88 600	95 219	115 728	83 225	80 741	80 741	80 741	71 053	71 809	67 319
Non current liabilities											
Borrowing		—	(0)	—	—	—	—	—	—	—	—
Provisions		40 166	40 916	50 966	44 416	56 120	56 120	56 120	56 923	57 722	58 876
Total non current liabilities		40 166	40 916	50 966	44 416	56 120	56 120	56 120	56 923	57 722	58 876
TOTAL LIABILITIES		128 766	136 134	166 694	127 640	136 860	136 860	136 860	127 976	129 531	126 196
NET ASSETS	5	458 240	432 368	619 592	479 630	678 628	678 628	678 628	739 899	715 612	712 754
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		458 240	432 368	619 592	479 630	678 628	678 628	678 628	739 899	715 612	712 754
Reserves	4	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	458 240	432 368	619 592	479 630	678 628	678 628	678 628	739 899	715 612	712 754

# Annual Budget 2016/2017, 2017/2018, 2018/2019

MP314 Emakhazeni - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		104 091	134 098	16 928	60 321	58 041	58 041	58 041	34 493	39 925	44 102
Service charges				62 405	73 703	71 422	71 422	71 422	72 120	83 370	91 599
Other revenue				30 684	31 152	5 034	5 034	5 034	15 015	14 181	14 357
Government - operating	1	38 881	41 975	44 855	52 305	52 305	52 305	52 305	56 899	60 642	64 267
Government - capital	1	15 336	13 322	17 232	17 755	17 755	17 755	17 755	45 134	24 637	21 447
Interest		464	218	380	216	325	325	325	4 258	4 279	4 294
Dividends					-				-	-	-
<b>Payments</b>											
Suppliers and employees		(141 720)	(167 444)	(151 273)	(180 370)	(184 760)	(184 760)	(184 760)	(195 635)	(204 049)	(215 298)
Finance charges		(1 256)	(2 162)	(4 080)	(2 053)	(3 055)	(3 055)	(3 055)	(3 700)	(3 774)	(3 849)
Transfers and Grants	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>15 794</b>	<b>20 008</b>	<b>17 131</b>	<b>53 029</b>	<b>17 068</b>	<b>17 068</b>	<b>17 068</b>	<b>28 585</b>	<b>19 211</b>	<b>20 919</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	8	-	54	14	14	14	-	-	-
Decrease (Increase) in non-current debtors		-	-	-					-	-	-
Decrease (increase) other non-current receivables		22 256	-	-					-	-	-
Decrease (increase) in non-current investments		-	-	-					-	-	-
<b>Payments</b>											
Capital assets		(34 951)	(1 867)	(14 785)	(35 925)	(35 925)	(35 925)	(35 925)	(46 389)	(25 750)	(22 582)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(12 695)</b>	<b>(1 859)</b>	<b>(14 785)</b>	<b>(35 871)</b>	<b>(35 911)</b>	<b>(35 911)</b>	<b>(35 911)</b>	<b>(46 389)</b>	<b>(25 750)</b>	<b>(22 582)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		(101)	75	-	55	55	55	55	-	-	-
<b>Payments</b>											
Repayment of borrowing									-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(101)</b>	<b>75</b>	<b>-</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>2 998</b>	<b>18 224</b>	<b>2 346</b>	<b>17 213</b>	<b>(18 788)</b>	<b>(18 788)</b>	<b>(18 788)</b>	<b>(17 804)</b>	<b>(6 539)</b>	<b>(1 663)</b>
Cash/cash equivalents at the year begin:	2	(27 647)	43 470	4 290	500	-	-	-	6 636	(11 167)	(17 706)
Cash/cash equivalents at the year end:	2	(24 648)	61 694	6 636	17 713	(18 788)	(18 788)	(18 788)	(11 167)	(17 706)	(19 370)

MP314 Emakhazeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(24 648)	61 694	6 636	17 713	(18 788)	(18 788)	(18 788)	(11 167)	(17 706)	(19 370)
Other current investments > 90 days		30 672	(57 404)	-	(11 479)	23 268	23 268	23 268	17 430	24 146	25 589
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>6 023</b>	<b>4 290</b>	<b>6 636</b>	<b>6 234</b>	<b>4 480</b>	<b>4 480</b>	<b>4 480</b>	<b>6 262</b>	<b>6 440</b>	<b>6 220</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		11 161	(0)	1 463	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	582	-	4 489	6 894	2 712	2 712	2 712	6 894	6 894	4 489
Other working capital requirements	3	23 332	80 024	20 583	(42 950)	(31 075)	(31 075)	(31 075)	(67 216)	(74 060)	(79 067)
Other provisions		(65 944)	-	50 966	44 416	56 120	56 120	56 120	56 923	57 722	58 876
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(30 870)</b>	<b>80 024</b>	<b>77 501</b>	<b>8 359</b>	<b>27 756</b>	<b>27 756</b>	<b>27 756</b>	<b>(3 399)</b>	<b>(9 444)</b>	<b>(15 701)</b>
<b>Surplus(shortfall)</b>		<b>36 893</b>	<b>(75 734)</b>	<b>(70 864)</b>	<b>(2 125)</b>	<b>(23 277)</b>	<b>(23 277)</b>	<b>(23 277)</b>	<b>9 662</b>	<b>15 884</b>	<b>21 921</b>

# Annual Budget 2016/2017, 2017/2018, 2018/2019

MP314 Emakhazeni - Table A9 Asset Management

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CAPITAL EXPENDITURE											
Total New Assets		1	34 951	21 741	22 946	35 925	35 986	35 986	33 389	25 750	22 582
Infrastructure - Road transport			2	—	4 613	6 000	6 000	6 000	—	—	—
Infrastructure - Electricity			1 981	—	3 367	200	310	310	8 000	6 989	3 000
Infrastructure - Water			5 893	7 566	6 314	12 585	12 485	12 485	10 159	8 405	8 800
Infrastructure - Sanitation			5 688	—	6 881	11 267	11 217	11 217	11 071	9 243	9 647
Infrastructure - Other			12 799	11 150	1 196	15	15	15	2 904	—	—
Infrastructure			26 364	18 717	22 370	30 067	30 027	30 027	32 134	24 637	21 447
Community			5 142	—	—	800	800	800	—	—	—
Heritage assets			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Other assets		6	3 444	3 025	576	5 058	5 159	5 159	1 255	1 113	1 135
Agricultural Assets			—	—	—	—	—	—	—	—	—
Biological assets			—	—	—	—	—	—	—	—	—
Intangibles			—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets		2	—	—	—	—	—	—	13 000	—	—
Infrastructure - Road transport			—	—	—	—	—	—	—	—	—
Infrastructure - Electricity			—	—	—	—	—	—	—	—	—
Infrastructure - Water			—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation			—	—	—	—	—	—	13 000	—	—
Infrastructure - Other			—	—	—	—	—	—	—	—	—
Infrastructure			—	—	—	—	—	—	13 000	—	—
Community			—	—	—	—	—	—	—	—	—
Heritage assets			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Other assets		6	—	—	—	—	—	—	—	—	—
Agricultural Assets			—	—	—	—	—	—	—	—	—
Biological assets			—	—	—	—	—	—	—	—	—
Intangibles			—	—	—	—	—	—	—	—	—
Total Capital Expenditure		4	—	—	—	—	—	—	—	—	—
Infrastructure - Road transport			2	—	4 613	6 000	6 000	6 000	—	—	—
Infrastructure - Electricity			1 981	—	3 367	200	310	310	8 000	6 989	3 000
Infrastructure - Water			5 893	7 566	6 314	12 585	12 485	12 485	10 159	8 405	8 800
Infrastructure - Sanitation			5 688	—	6 881	11 267	11 217	11 217	24 071	9 243	9 647
Infrastructure - Other			12 799	11 150	1 196	15	15	15	2 904	—	—
Infrastructure			26 364	18 717	22 370	30 067	30 027	30 027	45 134	24 637	21 447
Community			5 142	—	—	800	800	800	—	—	—
Heritage assets			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Other assets			3 444	3 025	576	5 058	5 159	5 159	1 255	1 113	1 135
Agricultural Assets			—	—	—	—	—	—	—	—	—
Biological assets			—	—	—	—	—	—	—	—	—
Intangibles			—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class		2	34 951	21 741	22 946	35 925	35 986	35 986	46 389	25 750	22 582
ASSET REGISTER SUMMARY - PPE (WDV)		5									
Infrastructure - Road transport			147 550	115 999	178 749	102 378	178 749	178 749	167 842	172 527	172 482
Infrastructure - Electricity			36 687	33 382	67 031	29 304	67 031	67 031	65 824	66 116	66 022
Infrastructure - Water			92 449	94 989	155 904	112 981	149 690	149 690	146 996	145 962	147 437
Infrastructure - Sanitation			68 483	64 632	163 120	75 230	163 120	163 120	160 184	158 530	160 664
Infrastructure - Other			93 234	103 267	—	92 663	—	—	2 904	2 904	2 904
Infrastructure			438 403	412 270	564 804	412 556	558 589	558 589	543 749	546 039	549 508
Community			40 760	39 473	15 311	34 448	15 311	15 311	13 331	12 213	11 151
Heritage assets			—	—	10 256	—	10 256	10 256	10 256	10 256	10 256
Investment properties			34 756	34 710	76 281	32 350	76 281	76 281	76 281	76 281	76 281
Other assets			17 884	17 871	21 437	14 231	21 437	21 437	27 008	24 512	22 061
Agricultural Assets			—	—	—	—	—	—	—	—	—
Biological assets			—	—	—	—	—	—	—	—	—
Intangibles			627	523	454	263	194	194	794	531	310
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	532 431	504 847	688 542	493 848	682 068	682 068	671 419	669 830	669 566
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment			45 060	49 320	41 289	51 487	42 460	42 460	44 243	45 105	45 897
Repairs and Maintenance by Asset Class			—	—	—	—	—	—	—	—	—
Infrastructure - Road transport			—	—	—	—	—	—	—	—	—
Infrastructure - Electricity			—	—	—	—	—	—	—	—	—
Infrastructure - Water			—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation			—	—	—	—	—	—	—	—	—
Infrastructure - Other			—	—	—	—	—	—	—	—	—
Infrastructure			—	—	—	—	—	—	—	—	—
Community			—	—	—	—	—	—	—	—	—
Heritage assets			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Other assets		6, 7	—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS			45 060	49 320	41 289	51 487	42 460	42 460	44 243	45 105	45 897
Renewal of Existing Assets as % of total capex			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	28.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.4%	0.0%	0.0%
R&M as a % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%

# Annual Budget 2016/2017, 2017/2018, 2018/2019

**MP314 Emakhazeni - Table A10 Basic service delivery measurement**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		421	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	2 000 000	-	-	300	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	56	-	-	2 026 400	-	-	52	11	-
<i>Minimum Service Level and Above sub-total</i>		477	-	-	4 026 400	-	-	352	11	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	452	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		452	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>929</b>	-	-	<b>4 026 400</b>	-	-	<b>352</b>	<b>11</b>	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		481	-	-	2 367 507	-	-	203	172	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		65	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		546	-	-	2 367 507	-	-	203	172	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		2 278	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2 278	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>2 824</b>	-	-	<b>2 367 507</b>	-	-	<b>203</b>	<b>172</b>	-
<b>Energy:</b>										
Electricity (at least min.service level)		86	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	666	-	-
<i>Minimum Service Level and Above sub-total</i>		86	-	-	-	-	-	666	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>86</b>	-	-	-	-	-	<b>666</b>	-	-
<b>Refuse:</b>										
Removed at least once a week		11 960	10	-	10 292	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		11 960	10	-	10 292	-	-	-	-	-
Removed less frequently than once a week		-	630	-	630	-	-	-	-	-
Using communal refuse dump		-	-	-	535	-	-	-	-	-
Using own refuse dump		2 618	2 659	-	2 659	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	589	-	589	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2 618	3 878	-	4 413	-	-	-	-	-
<b>Total number of households</b>	5	<b>14 578</b>	<b>3 888</b>	-	<b>14 705</b>	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		70	284	870	1 750	-	-	-	424	449
Water (in excess of 6 kilolitres per indigent household per month)		1 813	2 093	-	1 719	-	-	-	-	-
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										
Other										
<b>Total revenue cost of subsidised services provided</b>	6	<b>1 883</b>	<b>2 376</b>	<b>870</b>	<b>3 469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>424</b>	<b>449</b>

**2.1 ELM TARIFF LIST**

Please refer to attachment named "Tariffs 2016/17".

**2.2 BUDGET RELATED POLICIES**

Please refer to attachment named "Approved Budget Related Policies 2016/17".

**2.3 ANNUAL BUDGET - PER GFS CLASSIFICATION AND VOTE**

Please refer to attachment named "Approved Budget Detailed Excel 2016/17".

**2.4 MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

Please refer to attachment named "Quality Certificate Annual Budget 2016/17".

**2.5 BUDGET LOCKING CERTIFICATE**

Please refer to attachment named "Locking Certificate Annual Budget 2016/17".

**2.6 OTHER SUPPORTING DOCUMENTS**

Please refer to attachment named "A-schedule Annual Budget 2016/17".